CAPA/NCDOT Annual Meeting

Secretary Jim Trogdon
February 21, 2019
Expected Population Growth by 2035

- **2** Texas: 40.6 million
- **3** Florida: 28.2 million
- **6** Georgia: 12.8 million
- **8** North Carolina: 12.5 million
- **9** Ohio: 11.7 million
- **10** Virginia: 10.2 million

32% increase from NC’s 2010 population

8th Most Populous State
**NC Demographics**

**Two-thirds of NC growth projected to occur in Triangle or Charlotte**

Projected share of 2010-2035 state population growth for select North Carolina metropolitan areas

- **Triangle**: 34%
- **Charlotte**: 34%
- **Triad**: 10%
- **Wilmington**: 7%
- **Asheville**: 5%
- **All Other Metros**: 10%
- **No Metro Area**: 1%

Data Source: NC OSBM
Uncertain Federal Funding

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Federal Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>53%</td>
</tr>
<tr>
<td>2017</td>
<td>31%</td>
</tr>
<tr>
<td>2027</td>
<td>23%</td>
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*unemployment compensation, federal civilian and military retirement, some veterans’ benefits, the earned income tax credit, the Supplemental Nutrition Assistance Program and other mandatory programs

**transportation, education, veterans’ benefits, health, housing assistance, and other activities

**Mandatory**
- Social Security
- Medicare
- Medicaid
- Other*

**Discretionary**
- Defense
- Non-Defense**
Where We Were (Jan. 2017)

- Lack of project delivery had resulted in buildup of cash balance
  - Delivering 78% of TIP on schedule
  - Doing too many tasks sequential
  - Not adjusting to revenue/cost conditions

- Plan of action
  - Reassessed and established new TIP project schedules (Complete)
  - Delegated projects for Division Delivery (Complete)
  - Revising project development cycles (Complete)
  - Monthly monitoring of program delivery status/cash management (Ongoing)
Results

• Cash Balance is ~ $478 M
• Accelerated projects resulted in decreased cash balance
• Steady delivery maintains even level of cash balance
• Funding events/emergencies create a challenge
Construction Lettings

(In Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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<tbody>
<tr>
<td>2014</td>
<td>1.5</td>
</tr>
<tr>
<td>2015</td>
<td>2.0</td>
</tr>
<tr>
<td>2016</td>
<td>1.5</td>
</tr>
<tr>
<td>2017</td>
<td>1.5</td>
</tr>
<tr>
<td>2018</td>
<td>3.0</td>
</tr>
<tr>
<td>2019</td>
<td>4.0</td>
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• Modeled after GARVEE
• Will maintain integrity of STI
• Have appropriate oversight
• Be utilized at the Regional and Division project tiers (projects NOT eligible for GARVEE)
• Affordability will be determined by the State Treasurer
BUILD NC - Legislation

HB 1010 / S 758

• Signed by the Governor on 6/20/2018
• 57 Regional and Division Projects funded through BUILD NC over next 5 years
• Will ask State Treasurer to issue bonds May
Proposed Projects Funded with Build NC Bonds in Draft 2020-2029 STIP
Human Resources Pilot Program

- Department has approximately 20% vacancy rate, with 2,000 employees eligible to retire in the next 5 years
- At NCDOT, high vacancy rate can negatively affect public safety
- Granted pilot authority from NCGA in 2018
- Commissioned a market assessment study from Mercer to determine market rate for NCDOT job classifications
- Overall 89% of employees were below market rate
- Next Phase Focus on Joint Industry Recruiting
Additional Revenue/Funding

Discretionary Grants/Opportunities

• Blue Ridge Road Grade Separation (TIGER) $20M
• I-95/US 70 (INFRA) $147M
• Rural bridges (BUILD) $23M ($119M total)
• August Redistribution $295M (2017 & 2018)
Mark your calendars:
January 8-9, 2020
NC FIRST (Future Investment Resources for Sustainable Transportation) Commission

- **Scope:** To study and recommend methods for future transportation investment
- **Schedule:** Begin March 2019. Quarterly meetings until January 2021
- **Composition:** Economists, representatives of Financial, Government, and Business sectors
- **Outcome:** Report and Recommend methods to NCGA by January 2021
Summary

• NC is growing and changing
• Multiple tools are necessary to meet immediate as well as future needs
• Thank you for your strong partnership. Now and in the future!

2019 Goals

• Establish a Commission to evaluate future funding options
• Continue efforts to make NCDOT more efficient
• Execute BUILD NC