



**NORTH CAROLINA**  
Department of Transportation

# Program Outlook

Chris Peoples, PE  
Deputy Chief Engineer  
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## IIJA Overview

### Transportation

- ❖ **\$1.2 trillion Infrastructure Investment and Jobs Act**

### Energy & Environment

- ❖ Five-year surface reauthorization is fully funded

### Water and Wastewater

- ❖ Historic investments in the nation's core infrastructure priorities – including roads and bridges, rail, transit, ports, airports, the electric grid, and broadband

### Broadband

- ❖ Increases NCDOT formula funds by 32% (21% highways)

### Resiliency

- ❖ Enacts changes to expedite permitting, reduce emissions, increase safety, upgrade security, and improve resiliency
- ❖ Invests in rural infrastructure development

## IIJA Overview

- ❖ IIJA funds will help NCDOT delay fewer projects impacted by increasing material, right-of-way and labor costs.
- ❖ This federal investment will help offset some of these cost increases and support NCDOT's efforts to build resilient infrastructure and enhance all modes of transportation.
- ❖ It's too early to tell how the funding will impact specific projects.
- ❖ As required by law, NCDOT uses a transparent, systematic and data-driven process for prioritizing transportation projects.
- ❖ NCDOT is committed to partnering with local communities and planning organizations to find and deliver solutions that reflect the needs of each community.

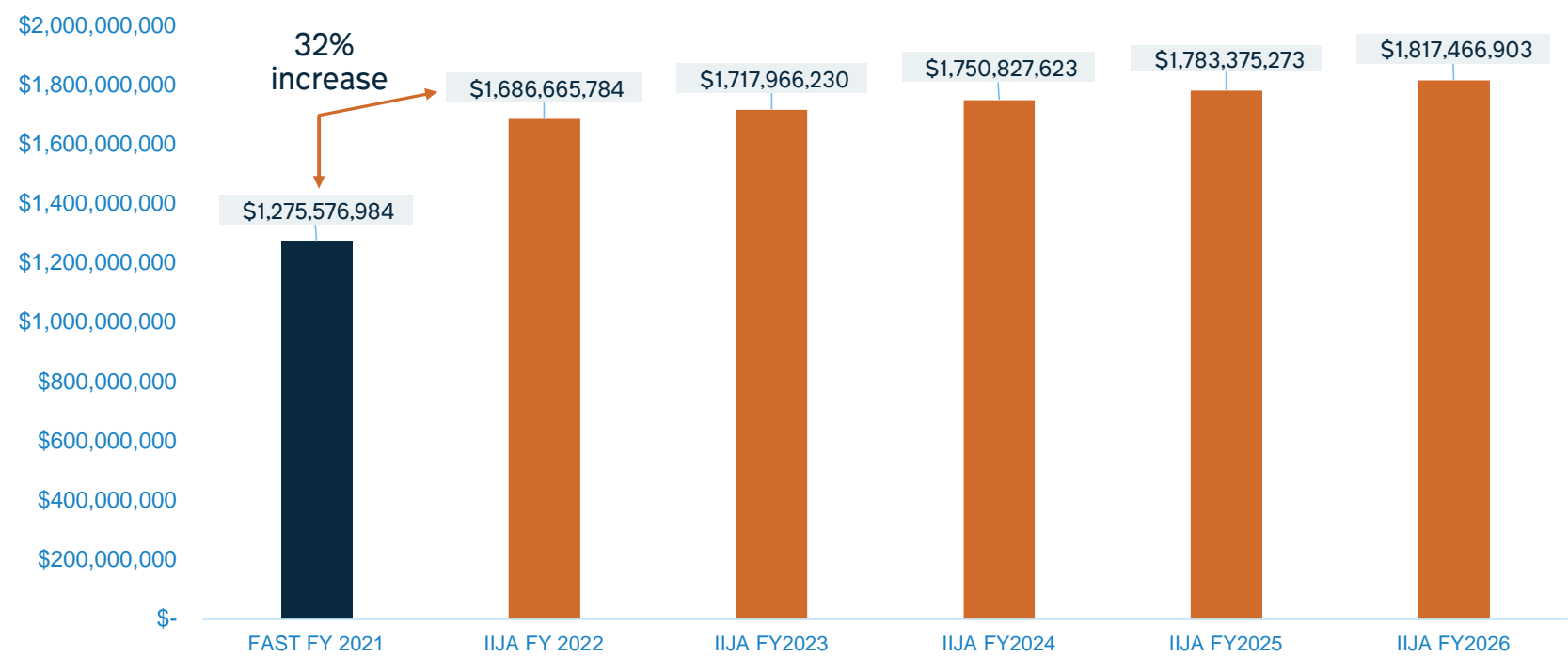
## IIJA Overview

- ❖ At least \$410 million in new funding each year for next five years for highways, bridges, and transit. Increases highway funding by 21% and transit funding by 30%.
- ❖ Highways: \$1.5 billion increase for highways over five years. Projects will improve safety and mobility. Includes new carbon reduction and protect program (resiliency).
- ❖ Bridges: \$457 million over five years (~\$90 million a year) for bridge replacement and repairs. Seeks to repair and replace bridges in poor condition.
- ❖ Electric Vehicle Charging: \$109 million over five years
- ❖ Appalachian Development Hwy System: \$83 million over five years

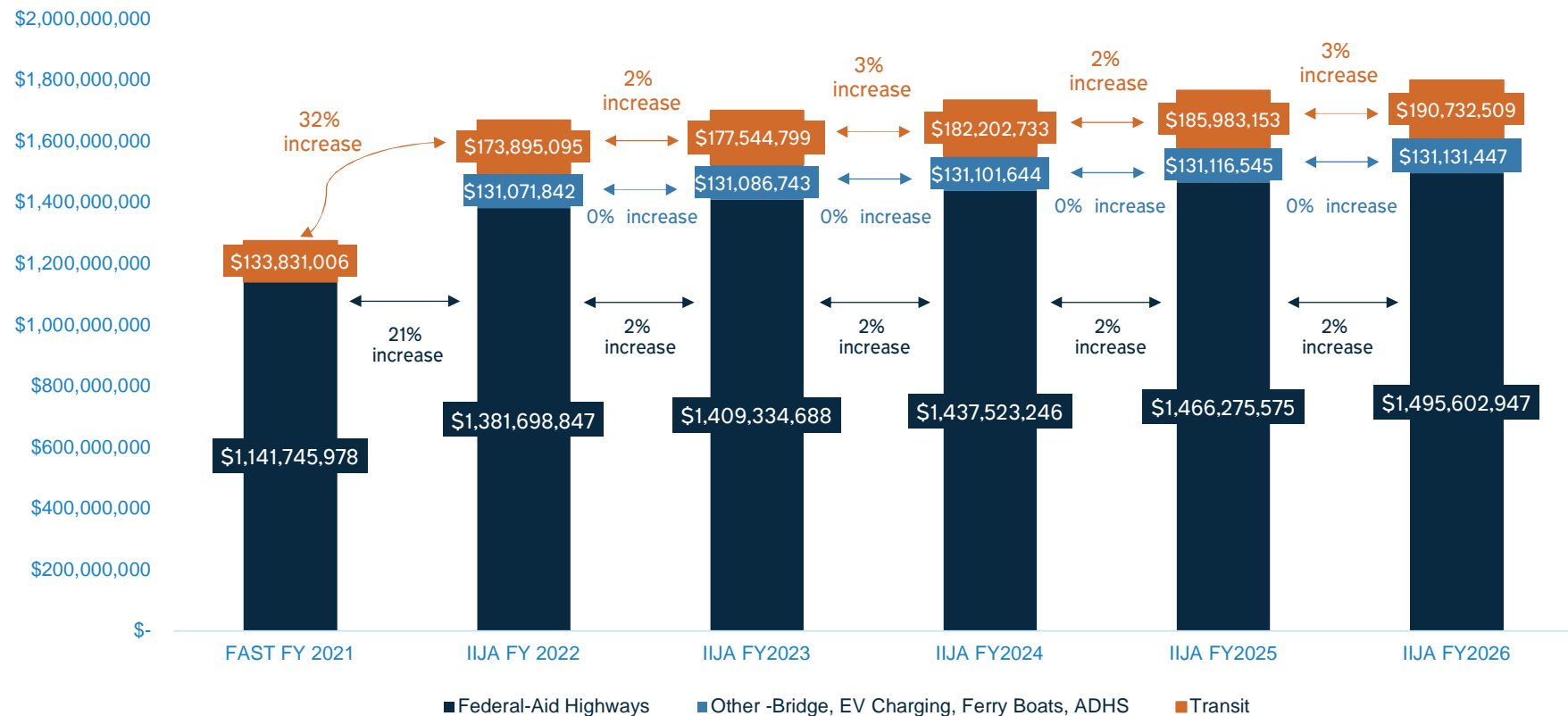
## IIJA Overview

- ❖ Public transportation: \$174 million in first year, an increase of 30%. Expected to help public transit agencies better connect rural/urban areas. Will result in safety improvements for bicyclists and pedestrians and more dedicated multimodal facilities to give access to opportunities and services to the ~1 million people without a vehicle.
- ❖ Airports: \$460 million over five years for infrastructure development at NC airports.
- ❖ Rail: Competitive funding for passenger & freight rail, and rail safety. We anticipate being able to compete for funds to expand service, including to historically under-served communities.
- ❖ Ferry: \$6.8 million over five years for boats and terminals.

# Total NC IIJA Formula-Aid

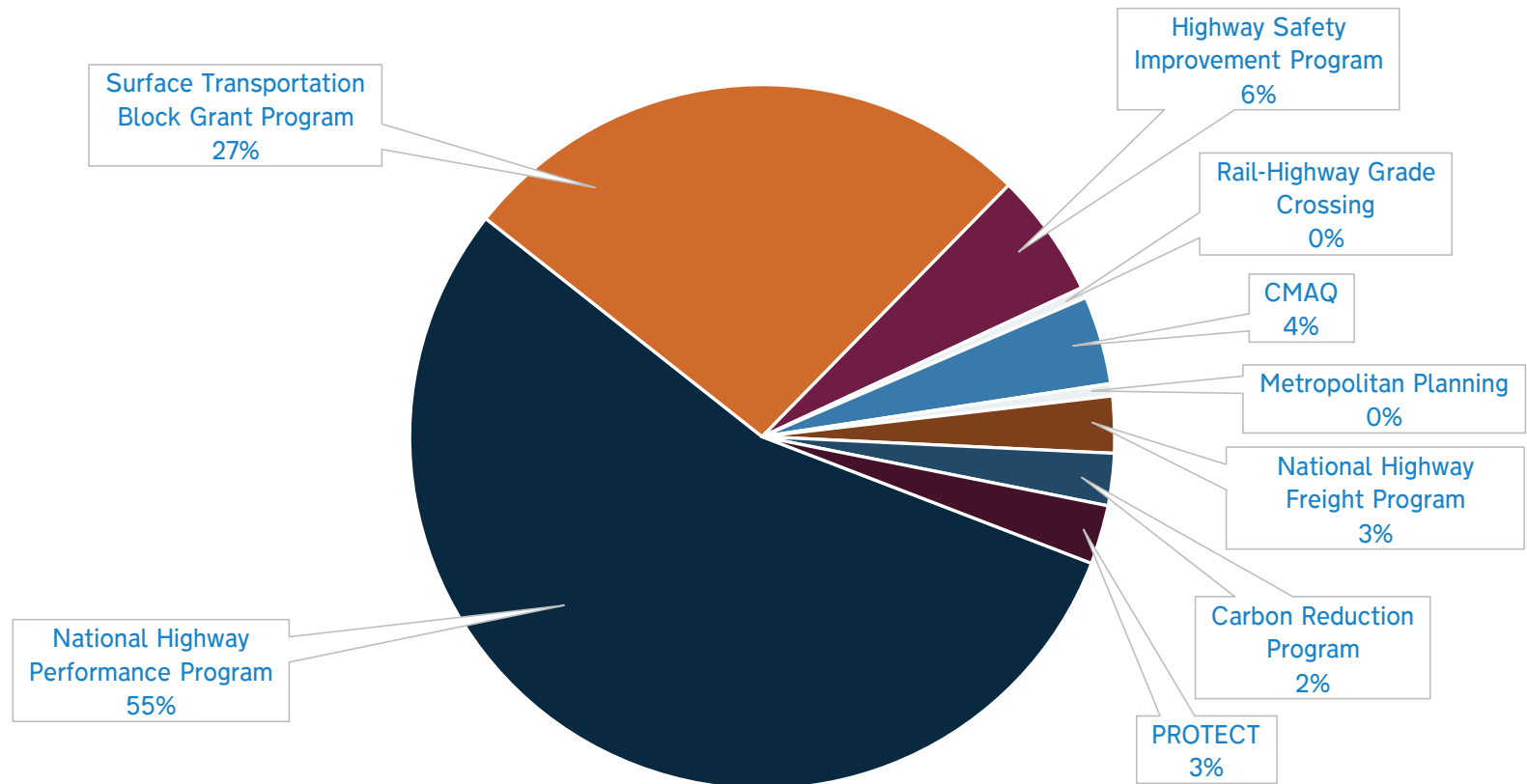


## IIJA FFY 2022-26 Increased Allocations



- Competitive grants in IIJA – there will be lots of opportunities, however, we are unsure of the criteria for most of the grants at this time but hope to learn more in coming months about the new programs

# Total NC Highway Formula-Aid





## State Budget Overview

- ❖ N.C. General Assembly ended 2021 session Nov. 29
- ❖ Official adjournment Dec. 10
- ❖ SL 2021-180 Appropriations Act passed Senate on Nov. 17 and House on Nov. 18
- ❖ Governor Cooper signed Nov. 18

# State Budget Overview

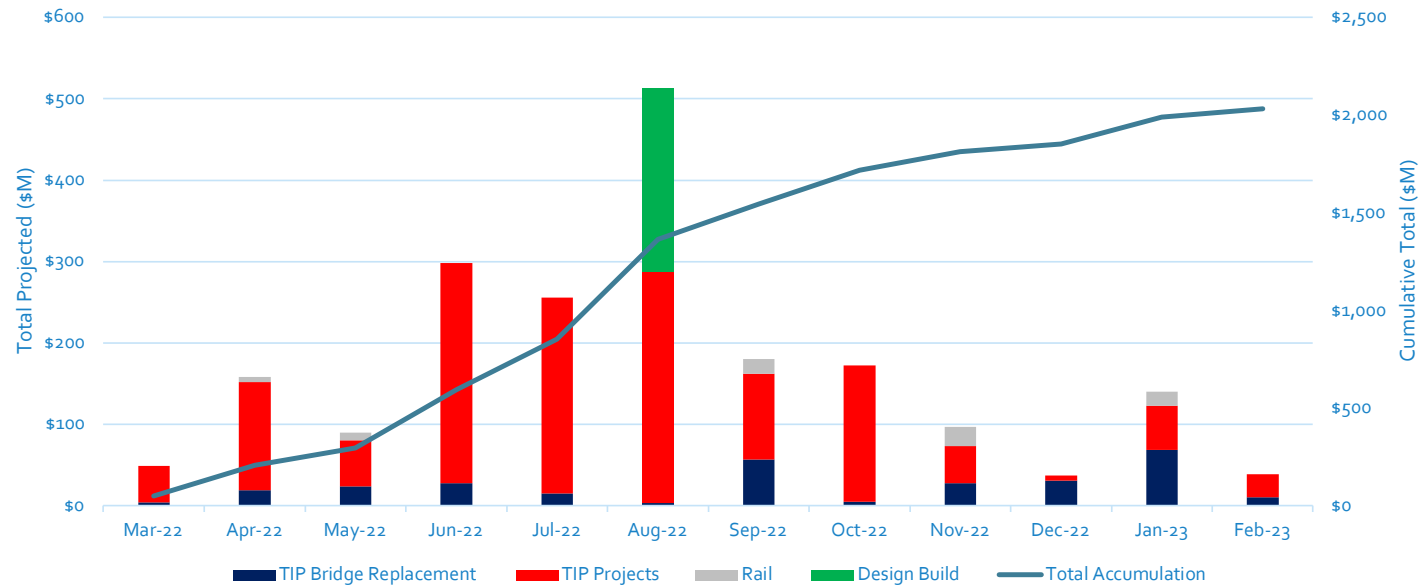
- ❖ Division of Highways annual increases:
  - ❖ General Maintenance Reserve \$70 million in FY22 and \$111 million in FY23
  - ❖ Contract resurfacing \$50 million
  - ❖ Roadside environmental \$18 million in FY 22 and \$19 million in FY23
  - ❖ Bridge program \$9.8 million (partially offset by statutory decrease)
  - ❖ Bridge preservation \$2.2 million
  - ❖ Pavement preservation \$2.6 million
  - ❖ Powell Bill \$12 million
  - ❖ Additional \$50 million contingency funds FY22

## CY 2022 Letting Highlights in STIP



- 500 projects to be let
  - \$361 million R/W
  - \$46 million Utilities
  - \$2.9 billion Construction
- Total: \$3.3 billion

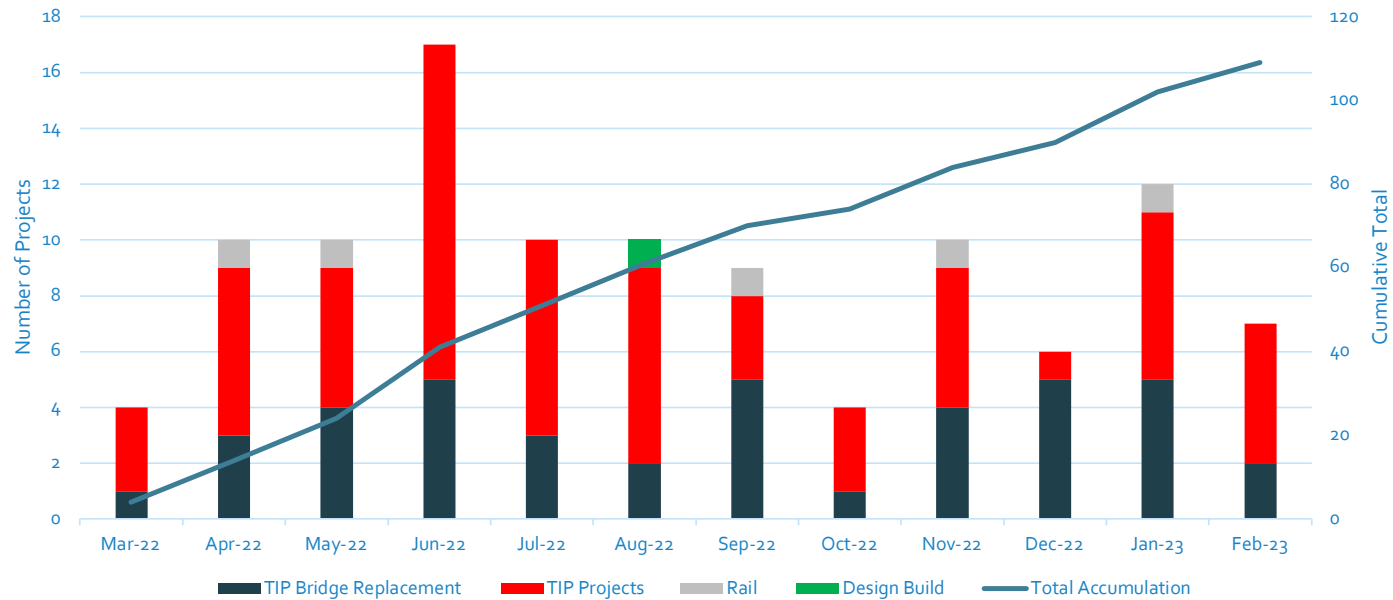
## Twelve Month Let List (Projected Dollars)



	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
TIP Bridge Replacement	\$4	\$19	\$24	\$28	\$15	\$3	\$57	\$5	\$28	\$31	\$69	\$11
TIP Projects	\$45	\$133	\$56	\$270	\$241	\$285	\$105	\$167	\$45	\$6	\$54	\$28
Rail		\$6	\$10				\$18		\$24		\$18	
Design Build						\$226						
Total Accumulation	\$49	\$207	\$297	\$595	\$851	\$1,365	\$1,545	\$1,717	\$1,814	\$1,851	\$1,992	\$2,030

Projects not reflected include Bridge Preservation/Bridge Replacement – 18 projects totaling \$56.4M and resurfacing projects

## Twelve Month Let List (Number of Projects)



	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
TIP Bridge Replacement	1	3	4	5	3	2	5	1	4	5	5	2
TIP Projects	3	6	5	12	7	7	3	3	5	1	6	5
Rail		1	1				1		1		1	
Design Build						1						
Total Accumulation	4	14	24	41	51	61	70	74	84	90	102	109

Projects not reflected include Bridge Preservation/Bridge Replacement – 18 projects totaling \$56.4M and resurfacing projects

# P6.0 Funding Availability – Committed Projects Only (With Estimated IIJA)

## Statewide Mobility

Available Funding	Programming Status
\$10.6B	\$3.36B Over

## Regional Impact

Region	Available Funding	Programming Status
A (D1 & D4)	\$647.5M	\$383.2M Over
B (D2 & D3)	\$919.2M	\$428.6M Over
C (D5 & D6)	\$1.78B	\$297.1M Over
D (D7 & D9)	\$1.33B	\$596.7M Over
E (D8 & D10)	\$1.67B	\$756.5M Over
F (D11 & D12)	\$881.0M	\$455.7M Over
G (D13 & D14)	\$676.1M	\$982.2M Over

REG Total: \$3.9B  
Over

## Division Needs

Division	Available Funding	Programming Status
1	\$569.7M	\$129.5M Over
2	\$569.7M	\$190.3M Over
3	\$569.7M	\$18.7M Under
4	\$569.7M	\$223.2M Under
5	\$569.7M	\$172.4M Over
6	\$569.7M	\$87.4M Under
7	\$569.7M	\$65.4M Under
8	\$569.7M	\$85.3M Over
9	\$569.7M	\$31.6M Under
10	\$569.7M	\$68.8M Over
11	\$569.7M	\$102.4M Under
12	\$569.7M	\$234.0M Over
13	\$569.7M	\$325.7M Over
14	\$569.7M	\$88.2M Over

DIV Total: \$765.5M

Available funding based on 2024-2033 timeframe

As of January 25, 2022. Available Funding reflects accounting for 3% inflation. Programming Status Amounts are compared to 100% of budget.

# STIP Process Improvements

## Cost Estimation Improvements

- Cost estimates for highway projects in the STIP will be based on express designs or better (engineering analysis performed)
- Cost estimates updated minimum of every 2 years
- Ensure appropriate contingencies are accounted for at all stages as projects go through the project development process to account for unknowns

# STIP Process Improvements

## Value Engineering / Value Assessments

- Implementing cost containment strategies and integrating into the project development process to better maintain program budget
- To date, these efforts have saved over \$180 million on projects across the state
- Encourage Contractors to continue to submit VE proposals on active projects

## Project Budgets

- Divisions will be given budgets for their respective projects by tier
- Cost changes will be updated and reflected in the STIP
- Impacts from those cost changes will stay within each division
- This brings news transparency to the STIP process and ensures project overruns do not impact other divisions



# Constructability Review Program



## Benefits

- NCDOT to expand use of constructability reviews during design
- Address potential field issues while the project is still being designed
- Provide collaboration between design and construction
- Provide contractor input on design issues (coordinate with contractors)
- Identify potential cost savings and mitigation strategies to help reduce risk

# Workforce Challenges

- Recruiting and retaining qualified personnel
  - Aging work force
  - Competition with other industries
- Prime and subcontractor resources needed for program delivery
- Through DBE/MB/SBE outreach and networking events, NCDOT hopes to attract additional resources



