



**NORTH CAROLINA**  
Department of Transportation

# 2024-2033 STIP Development

How we got here and where we go

April 2022

# Strategic Transportation Investments Law

**Projects Submitted**

By MPOs, RPOs, and NCDOT Division Engineers

**Statewide Mobility  
40% of Funds**

**Address Significant  
Congestion and Bottlenecks**

- Selection based on 100% Data
- Projects selected prior to Local Input

**Regional Impact  
(30%) of Funds**

**Improve Connectivity within  
Regions**

- Selection based on 70% Data & 30% Local Input
- Funding based on population within each Region (7)

**Division Needs  
(30%) of Funds**

**Address Local Needs**

- Selection based on 50% Data & 50% Local Input
- Funding based on an equal share for each NCDOT Division (14)

# Strategic Transportation Investments Law



Divided based on % of State Population



Divided based on Equal Share



## Programmed first in Statewide

- Interstate Maintenance
- Bridge Replacement
- Highway Safety

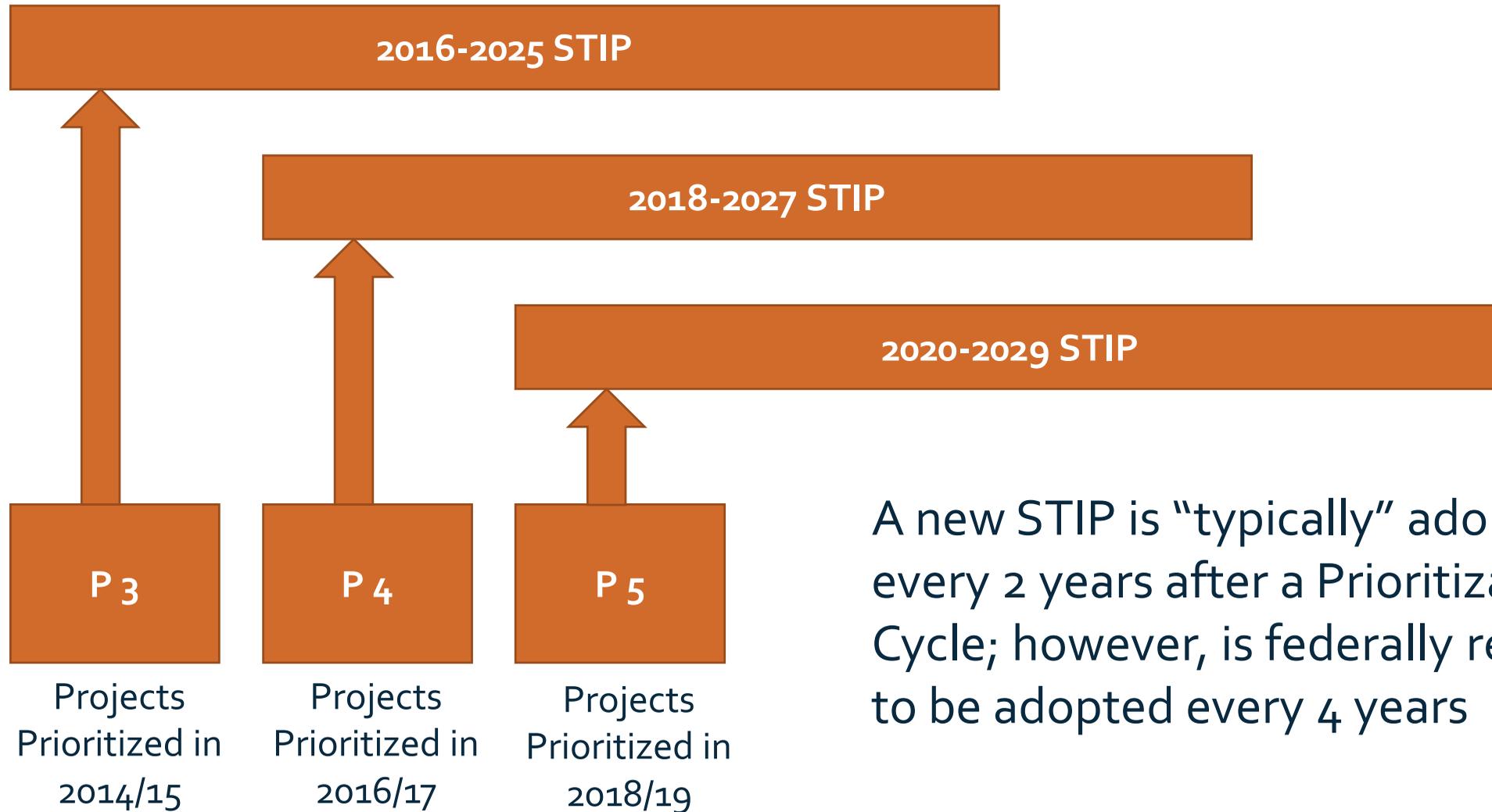
## Programmed first in each Region

- Bridge Replacement
- Highway Safety

## Programmed first in each Division

- Bridge Replacement
- Highway Safety
- Others...

# Previous STIPs Created Under STI Law



A new STIP is “typically” adopted every 2 years after a Prioritization Cycle; however, is federally required to be adopted every 4 years

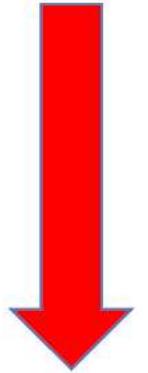
# How We Got Here

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# STIP Budget / Project Cost Increases

Pre-COVID – Storm response and legal settlements depleted cash

COVID – Revenues affected



~\$2B total estimated decrease in 2020-2029 STIP budget

>\$3B in cost increases between September 2019 and June 2020

-Emphasized the need to improve accuracy of NCDOT's cost estimation practices

# Cost Estimation Improvement Process (CEIP)

## Major Findings:

- GIS-based Cost Estimation Tool results often low
- Right of way, utilities, construction estimates not updated regularly or distributed consistently

## Key Recommendations:

- 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

# Key Items

- Refreshed 1,000+ estimates in the STIP
- Most of the 22 STI funding buckets substantially overprogrammed
- Utilized Workgroup to develop a process forward
- Passing of federal Infrastructure Investment and Jobs Act (IIJA)
  - Bi-Partisan Infrastructure Law (BIL)
- Passing of North Carolina state budget
- Inflation adjustments by NC Board of Transportation

# 2024-2033 STIP Funding Availability for Committed Projects

## 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	\$391.2M 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: \$3.86B Over

## Division Needs

Division	Available Funding	Programming Status
1	\$569.7M	\$129.5M Over
2	\$569.7M	\$190.3M Over
3	\$569.7M	\$77.3M 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: \$706.9M Over

Includes estimated funding from Infrastructure and Investment Jobs Act (IIJA)

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

# Visualizing Funding - How It's Supposed To Work

## TEN YEAR BUDGET DOCUMENT

STIP	1	2	3	4	5	6	7	8	9	10
Statewide Mobility	About \$10.5 Billion									
Regional Impact	About \$8 Billion									
Division Needs	About \$8 Billion									

# Visualizing Funding - How It's Supposed To Work

STIP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029				
Statewide Mobility	COMMITTED FUNDING TO TRANSPORTATION PROJECTS						NON-COMMITTED FUNDING: Subject to Re-Prioritization							
Regional Impact														
Division Needs														

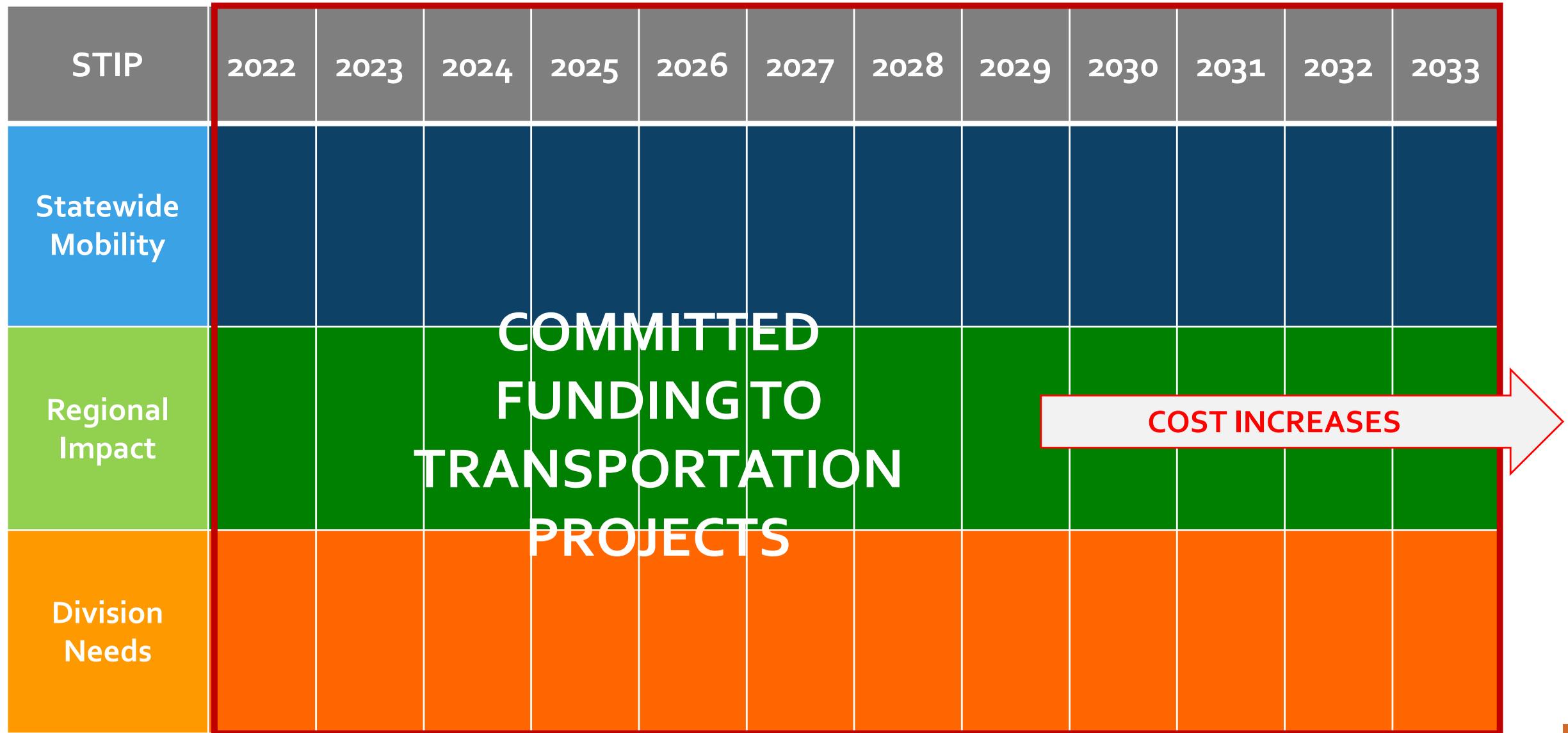
# Visualizing Funding – What Has Happened

STIP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Statewide Mobility										
Regional Impact										
Division Needs										

**COMMITTED FUNDING TO TRANSPORTATION PROJECTS**

**COST INCREASES**

# Visualizing Funding – What Continues to Happen



# Where We Go From Here

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# Fundamental Insights

- Programming (planning) issue, not a cash issue
  - Cash balance over \$2B
  - 2020-2023 federal STIP remains fiscally constrained
  - At this time, no impact to pre-2024 project lettings
- Coordination with local governments
  - MPOs/RPOs
- Initial Draft 2024-2033 STIP released in May 2022
  - Draft 2024-2033 STIP finalized by December 2022

# Goals / Task

## Overall goals with the revitalized P6 Workgroup

- Develop trustworthy and dependable STIP (fiscally constrained)
- Produce 2024-2033 STIP using existing STIP projects (w/transparency)
- Have an opportunity to fund new projects in P7 scoring (all 22 categories)
- Ensure process is grounded in state/federal requirements

# STIP DEVELOPMENT METHOD



## Process for 2024-2033 STIP Development

**Step 1** – Start from scratch – build next STIP from existing 2020-2029 STIP funded projects (no new P6 evaluated projects)

**Step 2** – Develop list of “Delivery projects” – first funded based on upcoming let dates, right-of-way purchases, and grants

**Step 3** – Determine which of the remaining 2020-2029 funded projects remain in STIP: Seniority Approach (P3-P4-P5)

### Notes:

- Projects will retain STIP funding as budget allows per category
- Projects with funding removed will be re-evaluated in P7
- Previously committed projects that maintain funding may also have to be re-evaluated in P7 scoring

# Project Evaluation Method

## Seniority Approach (P3-P4-P5)

- First in, last out concept
- Based on when project obtained “committed status” in a previous STIP
- Funds projects with highest scores from each cycle until budgets are expended
- Flexibility (swap/cascading) opportunities

Project	Prioritization Round	Score	Selection Order
A	P3	90	#1
B	P3	70	#2
C	P4	95	#3
D	P5	95	#4

# Flexibility Option

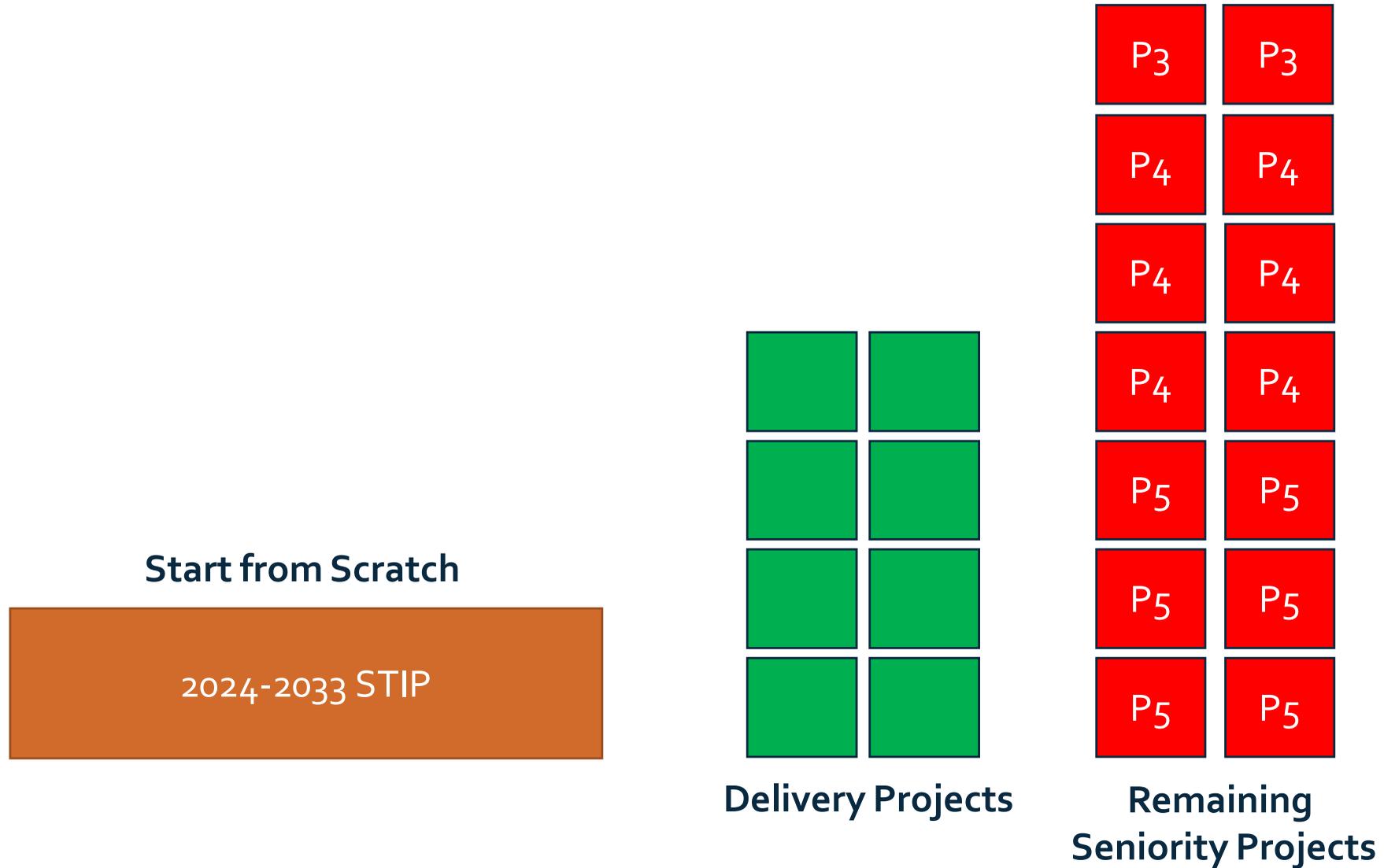
NCDOT will allow flexibility once initial Draft 2024-2033 STIP is programmed

- Project schedules can be swapped
- Projects that aren't selected for funding can be swapped with projects selected for funding
- Schedules of projects swapped in may be different than schedules of projects swapped out

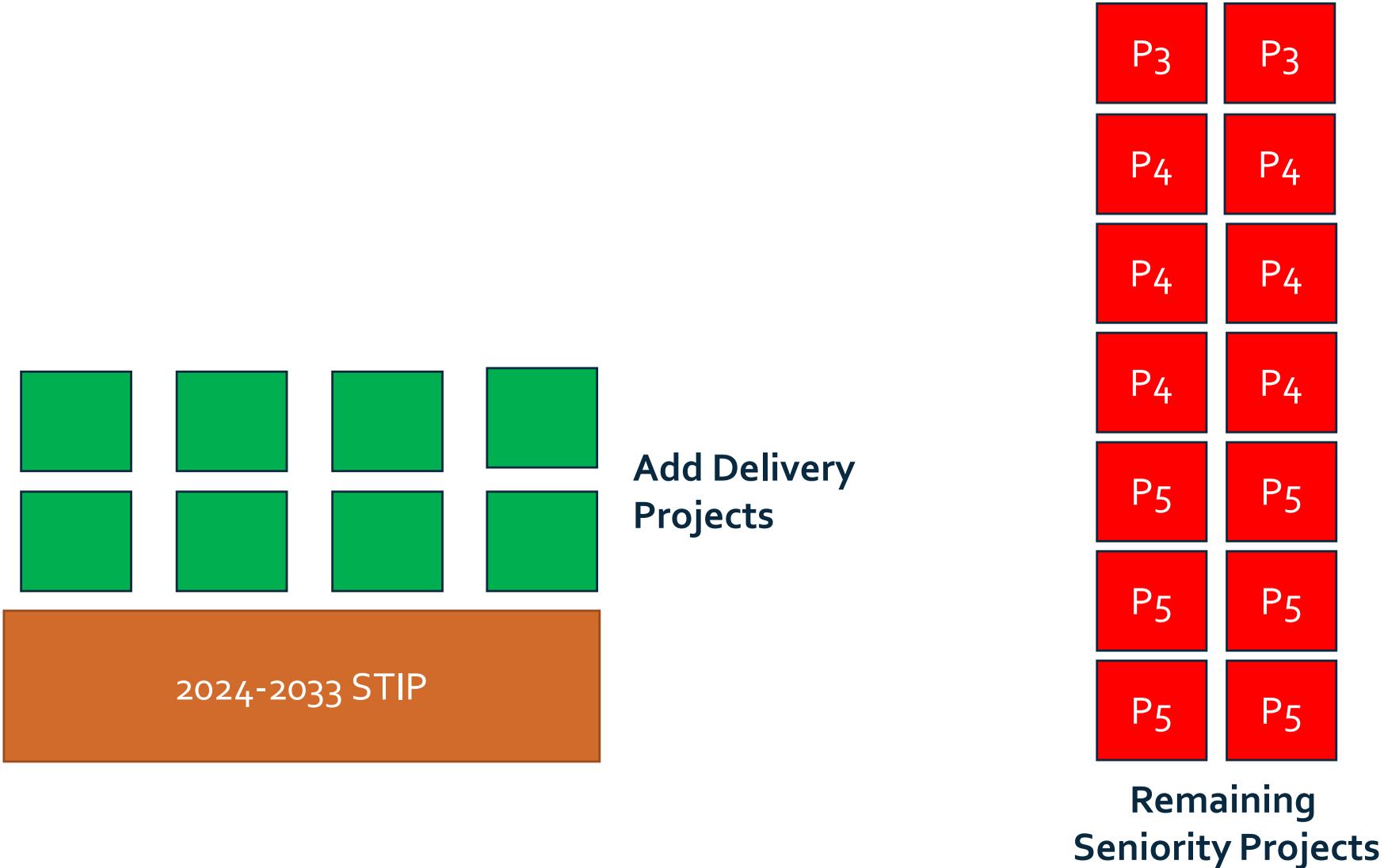
Parameters:

1. All swaps must be agreed to by NCDOT and all affected MPO/RPO(s) where project is located
2. Cost of project(s) swapped in must be less than 110% of cost of project(s) being swapped out
3. Swaps should generally occur within same STI funding category
4. Swaps between modes allowed if normalization requirements are still met
5. Justification for any swaps must be documented, which will be made public
6. Swaps of Alternate Criteria projects are not allowed

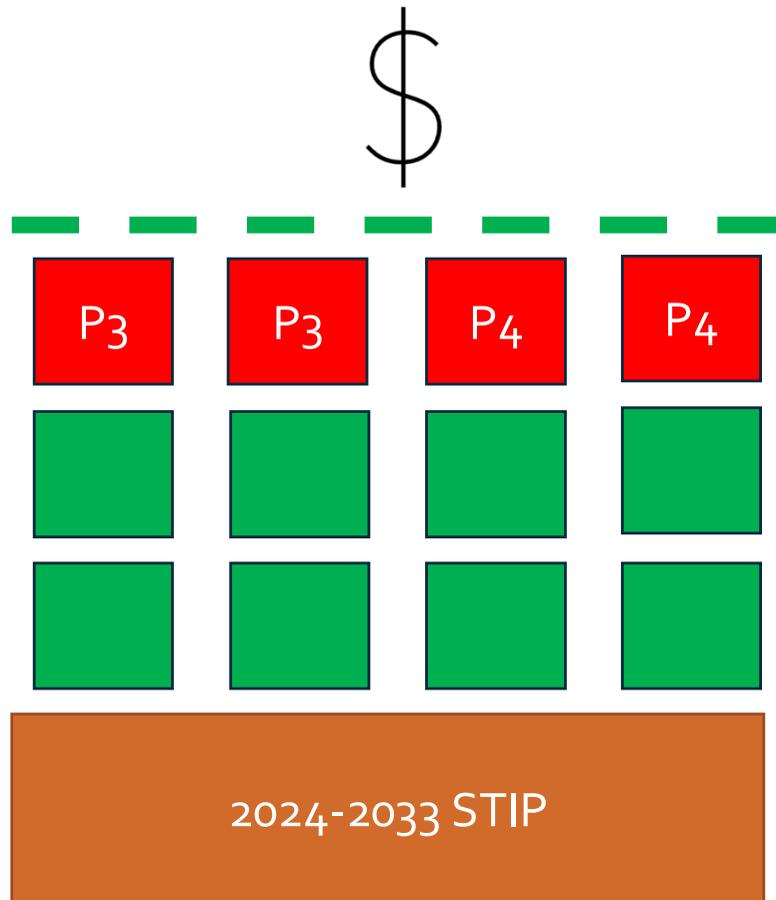
# 2024-2033 STIP Development – Visual



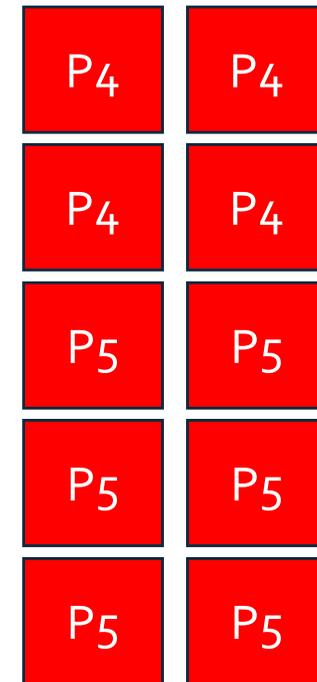
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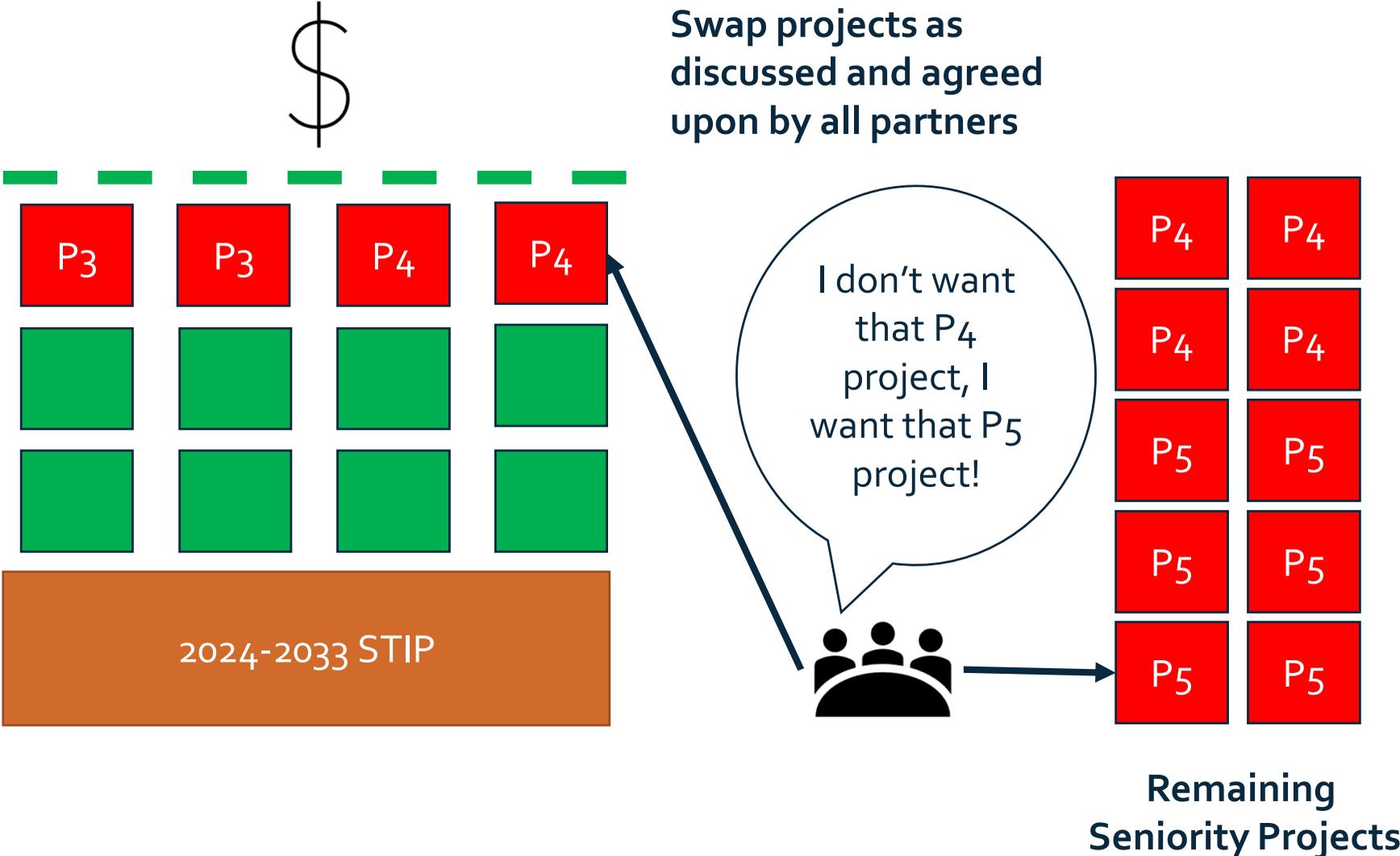


Add additional projects following seniority approach until budget is expended for each funding bucket



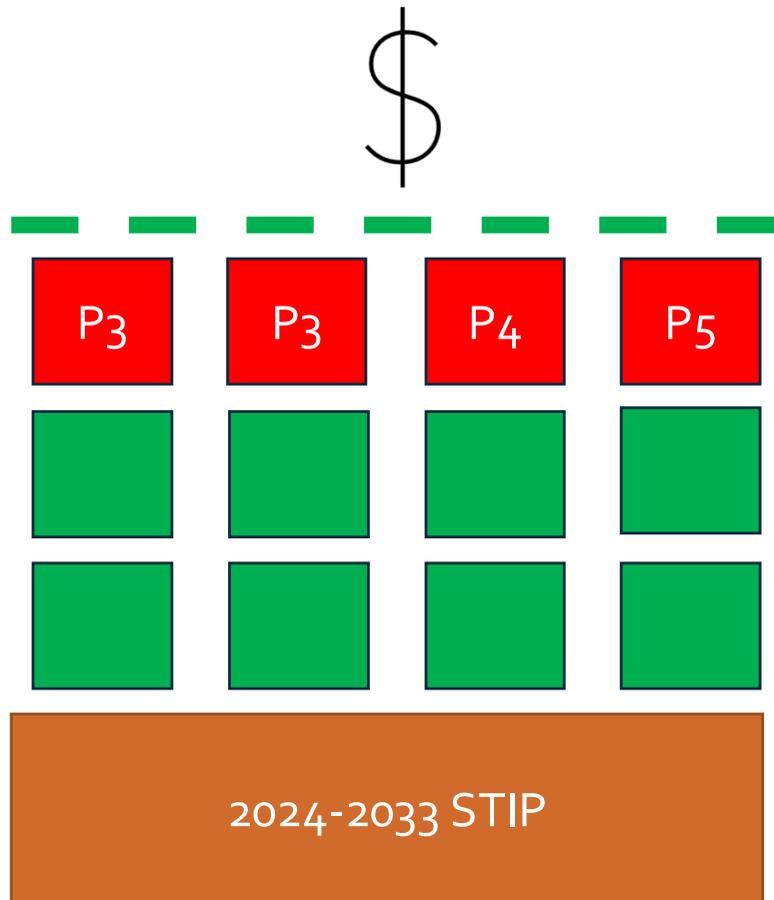
Remaining Seniority Projects

# 2024-2033 STIP Development – Visual

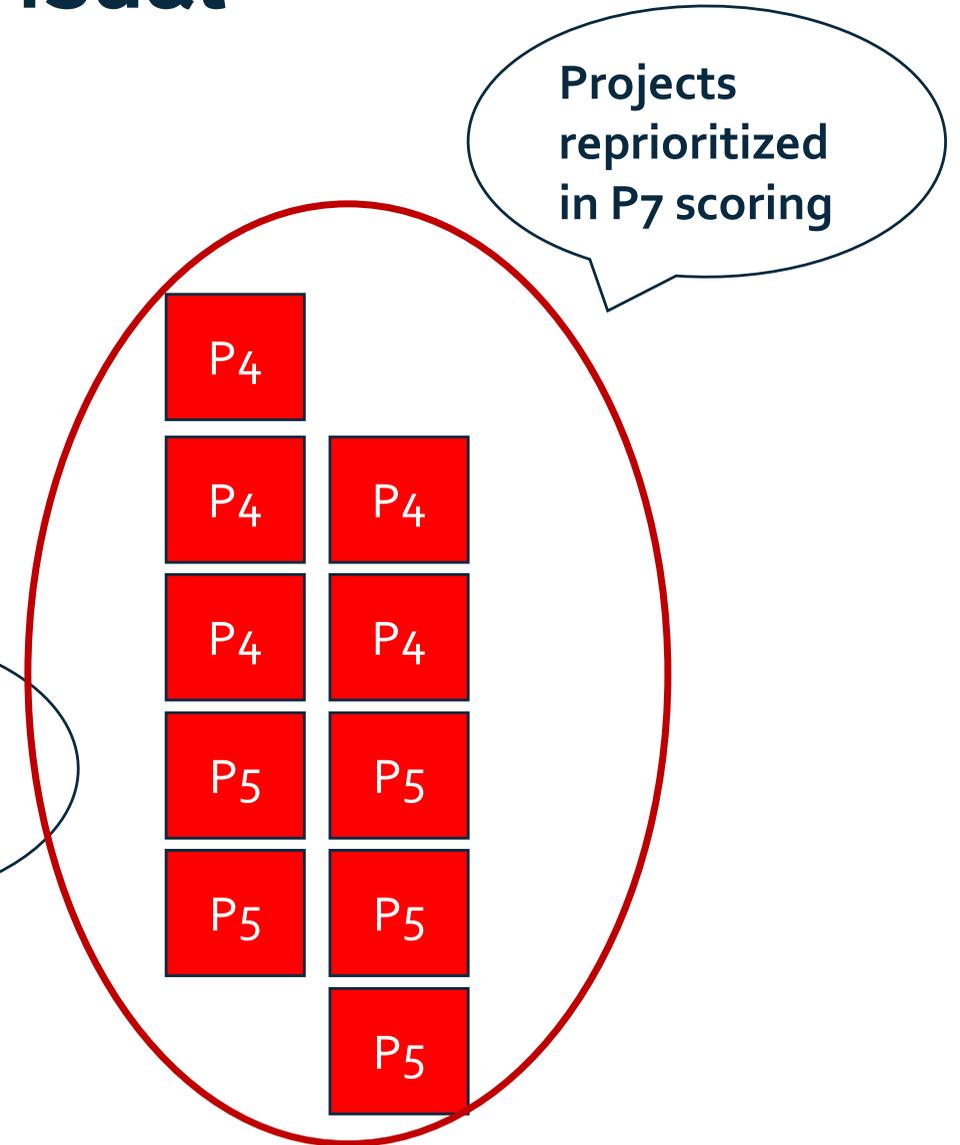


# 2024-2033 STIP Development – Visual

Release Revised Draft STIP



Much better!



Remaining Seniority Projects

# Future Project “Commitments”

- Workgroup recommends that projects beyond the first 5-years of the STIP, would require reprioritization
  - Projects Right-of-Way or Construction funding in the first 5-years does not have to recompetete
- NC Board of Transportation has yet to concur with this recommendation

# STIP Format Change

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# STIP Format Change

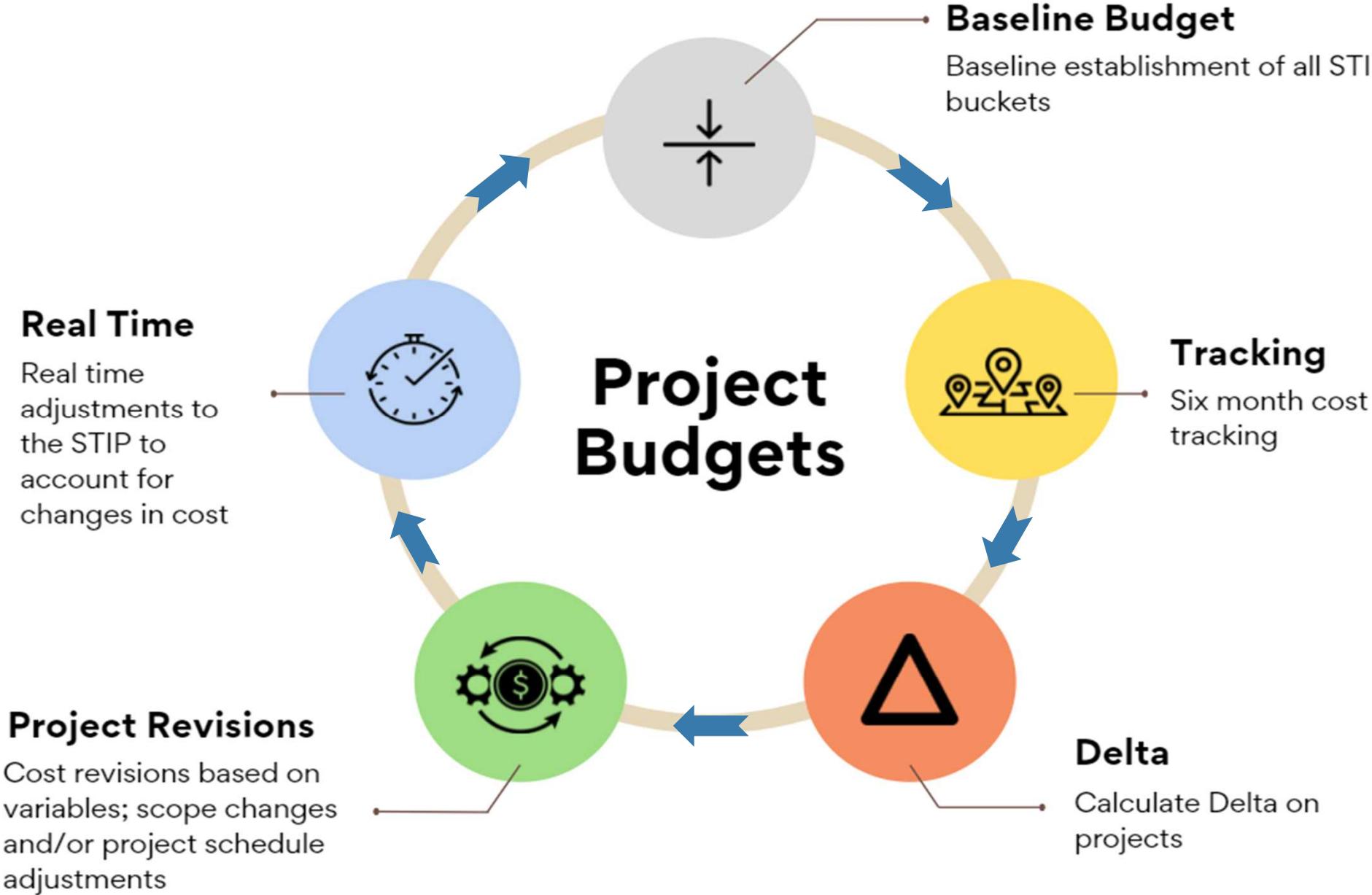
- Draft STIP released in spreadsheet form
  - Easier to sort
  - Easier to see funded projects and schedules in your area
- Non-committed projects shown as “WILL BE REPRIORITIZED”
  - Non-committed projects will not show a ROW or CON year
- Projects with funding removed will also be shown as “WILL BE REPRIORITIZED”
- Set up to print on 11x17 landscape



# Project Budgets

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# Project Budgets: Real Time Cycle



# Next Steps

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# 2024-2033 STIP Next Steps / Schedule

- Initial Draft STIP (developed following Delivery Projects & Seniority Approach) will be released in early May 2022
  - Spreadsheet of funded projects and schedules
- STIP coordination meetings with MPO/RPOs upon request
- Project swaps due to STIP managers Friday September 30<sup>th</sup> with agreement by MPO/RPO and NCDOT Division staff
- Finalized draft presented to Board of Transportation by December 2022
- Anticipated adoption of 2024-2033 STIP in Summer 2023

# Prioritization Next Steps and Schedule

- P7 Workgroup will likely begin Fall 2022
- P7 should generate the 2026-2035 STIP
  - Return to two-year Prioritization/STIP cycle
- Anticipated P7 submittal window: Summer 2023
- Anticipated P7 quantitative scores and 2026-2035 Statewide Mobility programming: Spring 2024

# Questions

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