



NORTH CAROLINA
Department of Transportation

Strategic Transportation Investments (STI) Prioritization Process

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Connecting people, products and places safely and efficiently with customer focus, accountability and environmental sensitivity to enhance the economy and vitality of North Carolina

Topics

- History
- STI Overview
- Scoring
- Submittals
- Local Input
- Summary



Prioritization Overview



Bicycle &
Pedestrian



Rail



Public
Transportation



Aviation



Ferry



Highway

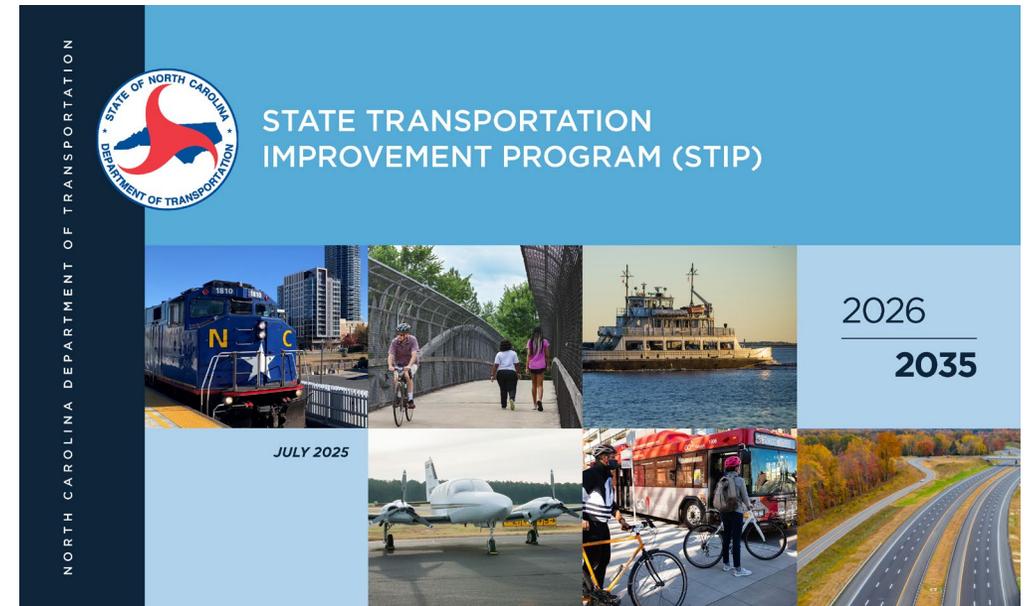
Prioritization Highlights

One of the first states with a legislative-defined Prioritization Process for selecting projects

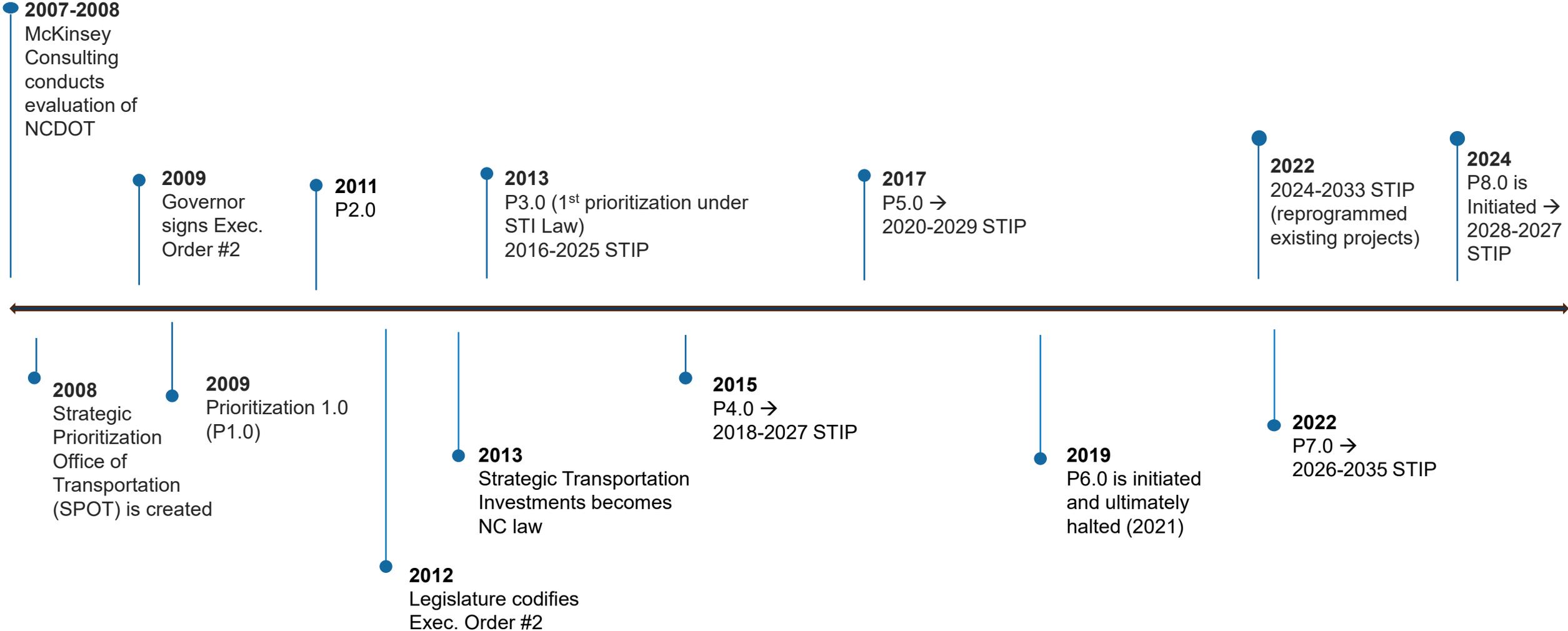
- Nationally recognized process
- Several states have modeled their processes after STI
- STI requires projects to be selected by total score in descending order
- Total score based on combination of data and local input

Large number of projects competing for funds:

- \$144B worth of projects competing for \$5B in available funding for P7 (selected projects were funded in 2026-2035 STIP)
- Total 2026-2035 STIP budget was \$31.4B



History of Prioritization



STI Law

STI Law (§ 136-189.11) defines:

- Funding Categories and Percentages
- Project Eligibility
- Highway Scoring Criteria Names
- Funding Constraints
- NCDOT to use a Workgroup of Professional Staff to continually improve the process

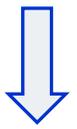
Recommendations developed by Workgroup and NCDOT BOT adopts:

- Scoring Process (timeframe, submittals, carryovers, etc.)
- Highway Measures and Weights
- Non-Highway Criteria, Measures, and Weights
- Normalization (funding allocation between modes)
- Local Input Process

STIP Funding Distribution

- 22 Total Funding Categories

Statewide Mobility



Programmed First

- Interstate Maintenance
- Bridge Replacement & Rehabilitation
- Highway Safety

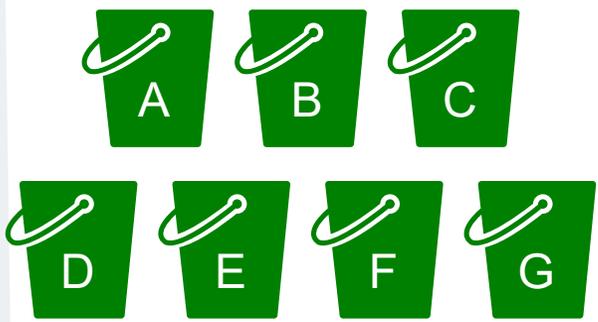
Projects Selected via Prioritization

Projects previously selected
Select projects in current cycle (P8)

Regional Impact



↓ % of State Population ↓



Programmed First

- Bridge Replacement & Rehabilitation
- Highway Safety

Projects previously selected
Select projects in current cycle (P8)

Division Needs



↓ Equal Share ↓



Programmed First

- Bridge Replacement & Rehabilitation
- Highway Safety
- MPO Selected (Direct Attributable)
- Transportation Alternatives
- Highway-Rail Crossing
- Economic Development

Projects previously selected
Select projects in current cycle (P8)

STI Funding Categories

Mode	Statewide Mobility	Regional Impact	Division Needs
Highway	<ul style="list-style-type: none"> Interstates (existing & future) National Highway System routes (as of 2013) STRAHNET¹ Designated Toll Facilities 	Other US and NC Routes	<ul style="list-style-type: none"> All Secondary Roads (SR) Federal-Aid Eligible Local Roads
Aviation	Large Commercial Service Airports <i>cap - \$500K / project / year</i>	Other Commercial Service Airports not in Statewide <i>cap - \$300K / project / year</i>	All Airports without Commercial Service (General Aviation) <i>cap - \$18.5M annual program</i>
Bicycle-Pedestrian	N/A	N/A	All projects (\$0 state highway trust funds)
Public Transportation	N/A	Service spanning two or more counties (10% cap)	All other service, including terminals and stations
Ferry	N/A	Vessel or infrastructure expansion	Replacement vessels
Rail	Freight Service on Class-I Railroad Corridors	Rail service spanning two or more counties not in Statewide	All other service, including terminals and stations (no short lines)

¹ STRAHNET – Strategic Highway Network, system of roads deemed necessary for emergency mobilization and peacetime movement of personnel and equipment to support U.S. military operations

STI Law Scoring

- Criteria:
 - Quantitative criteria (data-driven) – all categories
 - Qualitative criteria (Local Input) – Regional Impact and Division Needs categories
- Projects scored on a 0 to 100 scale
- Projects selected for funding by total score in descending order
- Legislation provides the names of Highway quantitative criteria:

Congestion	Benefit/Cost	Safety	Freight	Economic Competitiveness ¹
Accessibility/Connectivity ²	Multimodal	Lane Width	Shoulder Width	Pavement Score

¹ Statewide Mobility only; ² Regional Impact & Division Needs only

- Non-Highway Modes must have a minimum of 4 quantitative criteria

Legislation - Workgroup

§ 136-189.11. Transportation Investment Strategy Formula.

(h) Improvement of Prioritization Process. –

*The Department shall endeavor **to continually improve the methodology and criteria** used to score highway and non-highway projects pursuant to this Article, including the use of normalization techniques, and methods to strengthen the data collection process.*

*The Department is directed to continue the **use of a workgroup process** to develop improvements to the prioritization process.*

Workgroup Structure

Members (26 ¹)			
MPO Representatives	x4	RPO Representatives	x4
Metro Mayors Coalition	x1	League of Municipalities	x1
Regional Council of Governments	x1	Association of County Commissioners	x1
NC Rural Center ²	x1	NCDOT Division Engineers	x4
NCDOT Multi-Modal	x1	NCDOT Subject Matter Experts	x8

Advisory
Modal Directors
Legislative Staff
FHWA
Technical Experts
Support Staff

1 – Department participants in the workgroup shall not exceed half of the total group

2 – NC Rural Center added as a workgroup participant in P5.0

Workgroup Recommendations

- Prioritization Schedule
- Carryover Project Definition
- Number of Project Submittals
- Method of Local Input
- Criteria Names (Non-Highway)
- Measures and Weights (all modes)

Decisions typically made by consensus

Workgroup recommendations provided to the Board of Transportation for approval prior to project submittal for next cycle

Scoring Process

Projects Submitted by MPOs, RPOs, & Divisions

SPOT Review

1. Projects & data reviewed
2. Quantitative scores calculated

★ *We are here in P8*

Statewide Mobility
40% of Funds
(Spring 2026)

1. Projects selected for funding in descending score order
2. Projects not selected cascade to Regional Impact

Regional Impact
30% of Funds
(Summer/Fall 2026)

1. Local input points assigned
2. Total scores calculated
3. Projects selected for funding in descending score order
4. Projects not selected cascade to Division Needs

Division Needs
30% of Funds
(Fall 2026/Winter 2027)

1. Local input points assigned
2. Total scores calculated
3. Projects selected for funding in descending score order

Statewide Mobility Score =
100% Quantitative

Regional Impact Score =
70% Quantitative +
30% Local Input

Division Needs Score =
50% Quantitative +
50% Local Input

Project Candidate Pool

Carryover projects

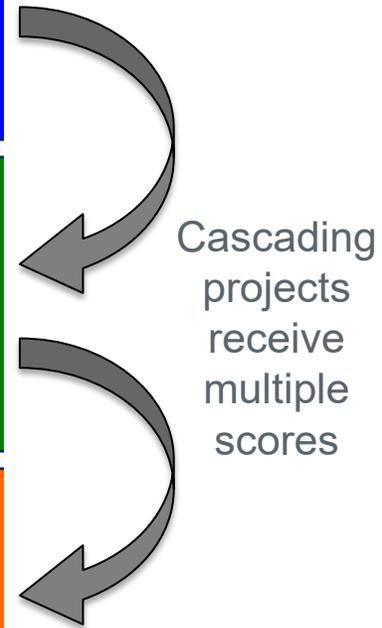
- Automatically evaluated (do not count toward an organization's submittals)
- For P8:
 - In the 2026-2035 STIP and scheduled for PE Only
 - Have completed or active environmental documents
 - Sibling of a project programmed in the 2026-2035 STIP
 - Any other projects scheduled for delivery in the 2024-2033 STIP as of Jan. 1, 2025

Submittals

- MPOs/RPOs start with 12 submittals per mode then receive additional submittals based on combination of population and centerline miles
- Divisions have 14 submittals
- For P8, Workgroup recommended and BOT approved reducing #submittals (calculated using the above methodology) for each MPO/RPO and Division by 30% (due to large number of previous submittals)

Quantitative Score vs. Local Input

Funding Category	<u>QUANTITATIVE</u>		<u>LOCAL INPUT</u>	
	Data		Division	MPO/RPO
Statewide Mobility	Criteria 1 = 30% Criteria 2 = 25% Criteria 3 = 20% Criteria 4 = 10% Criteria 5 = 15%	100%	--	--
Regional Impact	Criteria 1 = 20% Criteria 2 = 20% Criteria 3 = 10% Criteria 4 = 10% Criteria 5 = 10%	70%	15%	15%
Division Needs	Criteria 1 = 15% Criteria 2 = 15% Criteria 3 = 10% Criteria 4 = 5% Criteria 5 = 5%	50%	25%	25%





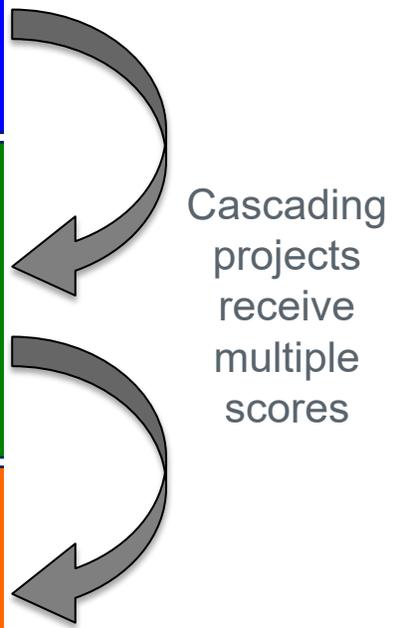
Highway – Mobility

Criteria	Measure Description	Statewide Mobility (100%)	Regional Impact (70%)	Division Needs (50%)
Congestion	[Volume] and [Volume/Capacity]	30%	20%	15%
Benefit/Cost	[10-year Travel Time Savings benefit] + [10-year Safety Benefit] / [Cost to NCDOT]	25%	20%	15%
Safety	Corridor: Crash Density, Crash Severity, Crash Rate, Safety Benefits Intersection: Crash Frequency, Crash Severity, Safety Benefits	10%	10%	10%
Freight	[Truck Volumes] and [Truck Percentage]	25%	10%	5%
Economic Competitiveness	TREDIS Model Output: [% Change in Long-Term Jobs] and [% Change in County Economy over 10 years]	10%	-	-
Accessibility / Connectivity	[Measurement of county economic distress indicators] and [degree the project upgrades mobility of the roadway]	-	10%	5%

Project Types: Widening, New Routes, Intersection/Interchange Improvements, Access Management, and other capacity improvements

P7 Example Highway Project Score

Funding Category	<u>QUANTITATIVE</u>		<u>LOCAL INPUT</u>		TOTAL SCORE
	Data		Division	MPO/RPO	
Statewide Mobility	Congestion	56.81 (30%)			66.49
	Benefit-Cost	36.45 (25%)			
	Safety	57.24 (10%)	--	--	
	Freight	100.0 (25%)			
	Economic Competitiveness	96.12 (10%)			
Regional Impact	Congestion	51.60 (20%)			67.97
	Benefit-Cost	36.45 (20%)			
	Safety	57.24 (10%)	100 (15%)	100 (15%)	
	Freight	100.0 (10%)			
	Accessibility / Connectivity	46.32 (10%)			
Division Needs	Congestion	46.38 (15%)			47.39
	Benefit-Cost	15.92 (15%)			
	Safety	57.24 (10%)	0* (25%)	100 (25%)	
	Freight	100.0 (5%)			
	Accessibility / Connectivity	46.32 (5%)			



*Division elected not to assign local input points in the Division Needs category on the project due to the large cost of the project

Highway – Benefit-Cost Criteria

Funding Category	Mobility Default Weights
Statewide Mobility	25%
Regional Impact	20%
Division Needs	15%

Purpose – measure the expected benefits of the project over a 10 year period against the estimated project cost to NCDOT

$$\left[\frac{\text{(Travel Time Savings over 10 years in \$ + Safety Benefits over 10 years in \$)}}{\text{Project Cost to NCDOT at time of submittal}} \right] + \left[\frac{\text{Other Funds}}{\text{Total Project Cost}} \right] \times 100$$

- Cost can be lowered and score increased if other funds (non-federal or non-state funds) are committed
- **Maximum 100 point score**

Bonus Allocation

GS 136-189.11(f) – Created with STI

Purpose: Incentivize outside funding to leverage existing STI funding towards construction of a highway project

Reward: Up to 1/2 of new funding is returned for use on other highway projects up to \$100M

Two Types:

- Toll Revenue
- Local Government Funding Participation

(f) Incentives for Local Funding and Highway Tolling. – The Department may revise highway project selection ratings based on local government funding initiatives and capital construction funding directly attributable to highway toll revenue. Projects authorized for construction after November 1, 2013, and contained in the 10-year Department of Transportation work program are eligible for a bonus allocation under this subsection:

- (1) Definitions. – The following definitions apply in this subsection:
 - a. Bonus allocation. – The allocation obtained as a result of local government funding participation or highway tolling.
 - b. Local funding participation. – Non-State or nonfederal funds committed by local officials to leverage the commitment of State or federal transportation funds towards construction.
- (2) Funds obtained from local government funding participation. – Upon authorization to construct a project with funds obtained by local government funding participation, the Department shall make available for allocation as set forth in subdivision (4) of this section an amount equal to one-half of the local funding commitment for other eligible highway projects that serve the local entity or entities that provided the local funding.
- (3) Funds obtained through highway tolling. – Upon authorization to construct a project with funding from toll revenue, the Department shall make available for allocation an amount equal to one-half of the project construction cost derived from toll revenue bonds. Upon authorization to construct a toll project in which no project construction cost is derived from toll revenue bonds, the Department shall make available for allocation an amount equal to one-half of the revenue expected from the project over the first 10 years of the project, less operations costs, as set forth in the Investment Grade Traffic and Revenue Study. The amount made available for allocation to other eligible highway projects shall not exceed two hundred million dollars (\$200,000,000) of the capital construction funding directly attributable to the highway toll revenues committed in the Investment Grade Traffic and Revenue Study, for a project for which funds have been committed on or before July 1, 2015. The amount made available for allocation to other eligible highway projects shall not exceed one hundred million dollars (\$100,000,000) of the capital construction funding directly attributable to the highway toll revenues committed in the Investment Grade Traffic and Revenue Study, for a project for which funds are committed after July 1, 2015. If the toll project is located in one or more Metropolitan Planning Organization or Rural Transportation Planning Organization boundaries, based on the boundaries in existence at the time of letting of the project construction contract, the bonus allocation shall be distributed proportionately to lane miles of new capacity within the Organization's boundaries. The Organization shall apply the bonus allocation only within those counties in which the toll project is located. Except for tolls removed pursuant to G.S. 136-89.196, if a toll is removed or a toll is not implemented, any funds made available for allocation or allocated under this subdivision shall be withheld by the Department or repaid to the Department, as applicable. Any funds withheld or repaid under this subdivision may be reallocated according to the requirements of this subdivision.

Local Input



Bicycle &
Pedestrian



Rail



Public
Transportation



Aviation



Ferry



Highway

Local Input Methodologies

Transparency:

The Department shall develop a process for standardizing or approving local methodology used in Metropolitan Planning Organization and Rural Transportation Planning Organization prioritization. – S.L. 2012-84

Minimum requirements:

- 2 Criteria – at least one qualitative and one quantitative criteria
- Understandable to public
- Public comment opportunity for preliminary point assignment
- Deviations with final point assignment clearly articulated
- Methodology, point assignment, and deviations (if any) posted on website

Local Input Methodology Review Committee approves MPO/RPO/Division methodologies

- Comprised of NCDOT, MPO, and RPO representatives

Local Input Points

30% of Total Score for Regional Impact projects

50% of Total Score for Division Needs projects

Allocation (P8):

- Each MPO, RPO, and Division receives 1,000 points + additional points based on population
 - Max 2,500 points per MPO/RPO/Division
- Same point allocation for Regional Impact and Division Needs categories

Use:

- Assign up to 100 points max per project in Regional and/or Division Needs categories
- Spread across all modes
- When projects cross boundaries, each organization can assign up to % of points in their area
- Can donate points to other organizations

of Local Input Points

Concern raised in P8 Workgroup that each MPO/RPO and Division has too many local input points (esp. with reduction in # of project submittals)

- Most often each MPO/RPO and Division assign 100 points to projects with highest quantitative scores, not necessarily to highest priorities
- When this occurs, those projects with the highest quantitative scores, have the highest total score in the STI category, minimizing the impact of local input points

Workgroup did not recommend changes to local input process for P8

Workgroup recommended hiring a consultant to perform in-depth analysis of current local input process and make recommendations for improvements for future Workgroups to consider

Independent review currently underway (anticipated completion late 2026)

Cascading

Intent is to allow Statewide Projects 3 opportunities to compete for funding and Regional Projects 2 opportunities to compete for funding

- When a project cascades, it is scored using the same criteria, weights, and measures as all other eligible projects in the category it is competing in

Local Input ultimately determines if cascading projects score high enough to receive funding

- If project is a priority, both MPO/RPO and Division likely must assign points for project to score high enough

Some MPOs/RPOs have policy to not assign points to cascading projects

- Statewide projects are often quite expensive and would utilize a significant amount of Regional Impact and/or Division Needs funds if they score high enough

Summary

STI Prioritization Process is working as the law intended

- Delivered many critical projects across the state
 - Statewide Mobility – Greatest needs rising to the top
 - Regional Impact and Division Needs – Incorporate both data and local input
- National recognized model for many other states (VDOT, KYTC, etc.)
- Workgroup meets regularly – continues to refine scoring over time
 - Always robust conversations
 - Decisions are typically based on consensus

Always opportunity for improvement

- Local Input process currently being studied

Biggest challenge continues to be available funding for capital projects

- Funding has not kept up with project costs in a growing state and as a result NCDOT cannot fund all transportation needs
- \$144B worth of projects competing for \$5B in available funding for P7

Questions?
