

2019

**JOINT
APPROPRIATIONS –
TRANSPORTATION**

MINUTES



North Carolina General Assembly

Joint Transportation Appropriations

2019-20 Session

Senator Jim Davis, Chair

Senator Tom McInnis, Chair

Representative Frank Iler, Chair

Representative Michele Presnell, Chair

Representative Phil Shepard, Chair

Representative John Torbett, Chair

James H. Blohm, Johnny Bravo, Committee Assistant

**Pam Pate, Candace Slate, Viddia Torbett, Committee
Assistant**

APPROPRIATIONS, TRANSPORTATION

House Standing Committee

Chairs



Rep. Iler



Rep. Presnell



Rep. Shepard



Rep. Torbett

Vice Chair



Rep. McGrady

Members



Rep. Beasley



Rep. Martin



Rep. Russell



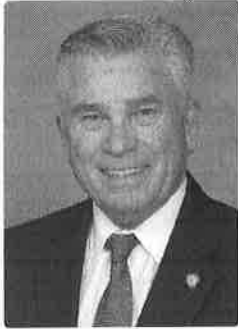
Rep. Willingham

Pursuant to House Rules 26(e) and 26(f), the Chair of the Committee on Rules, Calendar and Operations of the House, the Speaker Pro Tempore, the Majority Leader, and the Deputy Majority Leader are ex officio members of each standing committee and permanent subcommittee with the right to vote. The previous sentence does not apply to the Standing Committee on Ethics. For the purposes of determining a quorum, when serving only as ex officio members, these members shall be counted among the membership of the committee or subcommittee only when present.

APPROPRIATIONS ON DEPARTMENT OF TRANSPORTATION

Senate Standing Committee

Chairs

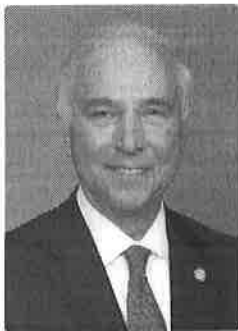


Sen. J. Davis



Sen. McInnis

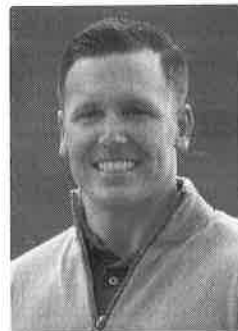
Members



Sen. J. Alexander



Sen. deViere



Sen. Garrett



Sen. Rabon



Sen. Woodard

COMMITTEE ON JOINT APPROPRIATIONS TRANSPORTATION
2019-2020

<u>CHAIRS</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Sen. Jim Davis	Johnny Bravo	919-733-5875	621	8
Rep. Frank Iler	Carla Langdon	919-301-1450	639	14
Sen. Tom McInnis	James H. Blohm	919-733-5953	620	15
Rep. Michelle Presnell	Candace Slate	919-733-5732	306 B 2	51
Rep. Phil Shepard	Pamela Pate	919-715-9644	534	29
Rep. John Torbett	Viddia Torbett	919-733-5868	538	25

<u>MEMBERS</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Sen. John Alexander	Jessica Daigler-Walls	919-733-5850	625	14
Rep. Chaz Beasley	Michael Wilson	919-733-5654	403	72
Sen. Kirk deViere	Lorenzo Pedro	919-733-5776	515	49
Sen. Michael Garrett	Tim Moreland	919-733-5856	206-C	41
Rep. Grier Martin	Chris Hailey	919-733-5773	1023	84
Rep. Chuck McGrady	Kimbely Neptune	919-733-5956	304	15
Sen. Bill Rabon	Paula Fields	919-733-5963	2010	3
Rep. C. Ray Russell	Anna Meadows	919-733-7727	602	104
Rep. Shelly Willingham	Johnna Smith	919-715-3024	513	46
Sen. Mike Woodard	Carol Resar	919-733-4809	406	46

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**Joint Committee on Appropriations, Transportation
Thursday, February 14, 2019 at 8:30 AM
Room 1228/1327 of the Legislative Office Building**

MINUTES

The Joint Committee on Appropriations, Transportation met at 8:30 AM on February 14, 2019 in Room 1228/1327 in the Legislative Office Building. Representatives Iler, Presnell, Shepard, Torbett, Beasley, Martin, and Willingham attended. Senators J Davis, McInnis, J. Alexander, Garrett, Rabon, and Woodard attended.

Representative Michele Presnell, Chair, presided.

The Chair called the meeting to order and introduced the Pages along with the Sergeants-at-Arms who assisted in the meeting.

State Transportation Improvement Program, Status of Projects

Presentations by the Department of Transportation (see attached presentation- Draft 2020-2029 STIP Update) also available on committee website.

Presenters: Bobby Lewis, PE Chief Operating Officer, NCDOT
David Wasserman, PE – STIP Western Region Manager, NCDOT
Van Arabright, PE Director of Planning and Programming, NCDOT
Derrick Lewis, PE Feasibility Studies Unit Manager, NCDOT

The Chair recognized Members for questions and responses.

The meeting adjourned at 9:40am.


Representative Michele Presnell, Chair
Presiding


Candace Slate, Committee Clerk

Attachments:

Notice
Agenda
Presentation
Visitor Registration

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, February 14, 2019
TIME: 8:30 AM
LOCATION: 1228/1327 LB
COMMENTS: DRAFT 2020-2029 STIP Review

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:58 PM on Tuesday, February 12, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)

Joint Committee on Appropriations, Transportation

February 14, 2019, 8:30 AM

Legislative Building, Room 1228

AGENDA

Chairs:

Representative Michele Presnell, Presiding
Representative Frank Iler
Representative Phil Shepard
Representative John Torbett

Senator Jim Davis
Senator Tom McInnis

1. Call to Order
2. State Transportation Improvement Program, Status of Projects

Bobby Lewis, PE – Chief Operating Officer, NCDOT
David Wasserman, PE – STIP Western Region Manager, NCDOT
Van Argabright, PE – Director of Planning and Programming, NCDOT
Derrick Lewis, PE – Feasibility Studies Unit Manager, NCDOT

3. Committee Discussion, led by Chairwoman Presnell

Next meeting: February 26, 2019



NORTH CAROLINA

Department of Transportation



Draft 2020-2029 STIP Update

David Wasserman, PE

Van Argabright, PE

Derrick Lewis, PE

Division of Planning and Programming

February 2019

Agenda

- Draft 2020 – 2029 STIP Update:
 - David Wasserman, PE, Western STIP Manager
- Project Delays in the Draft 2020 – 2029 STIP:
 - Van Argabright, PE, Director of Planning and Programming
- Costs and Scope Improvements:
 - Derrick Lewis, PE, Feasibility Studies Unit Head



NORTH CAROLINA

Department of Transportation



Draft 2020-2029 STIP

David Wasserman, PE
Western STIP Manager
Division of Planning and Programming

February 2019



"Article 14B.

Strategic Prioritization Funding Plan for Transportation Investments.

§ 136-189.10. Definitions.

The following definitions apply in this Article:





STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)



2020-2029

2019

June 2019

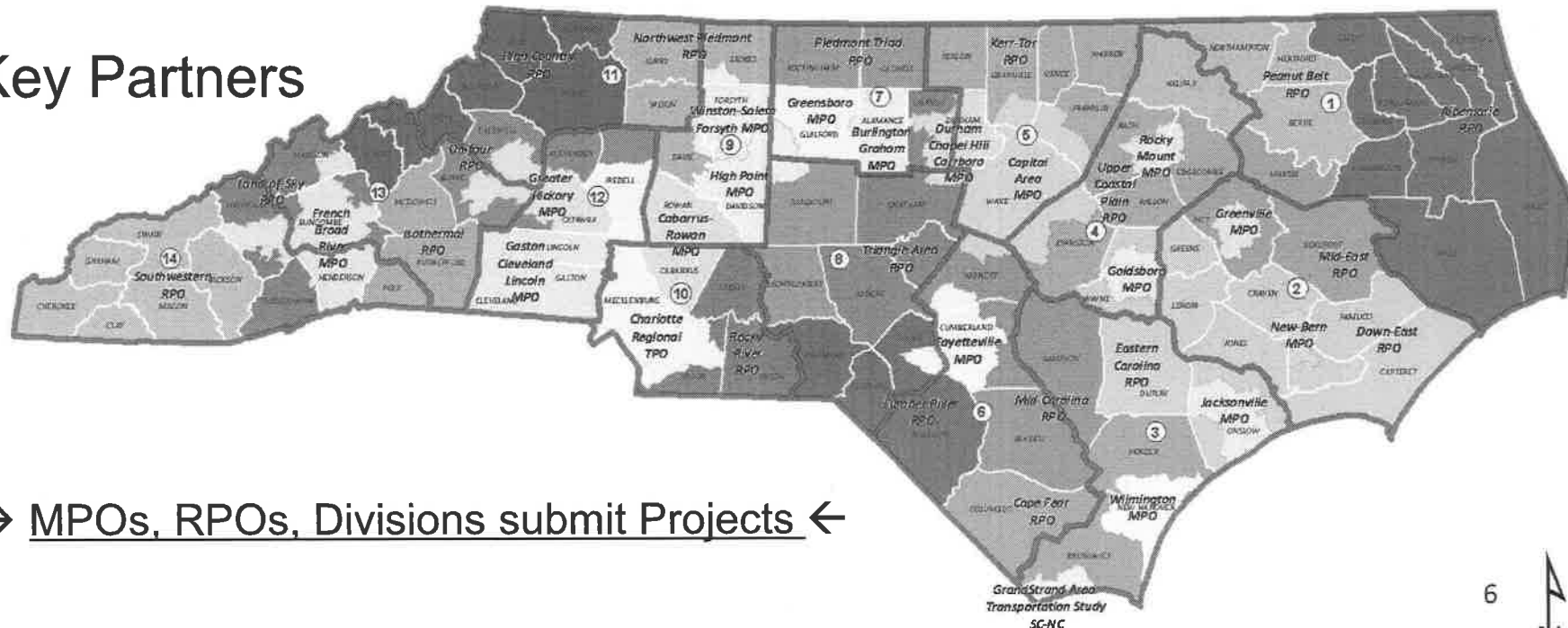
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Background

NCDOT funds six modes of transportation

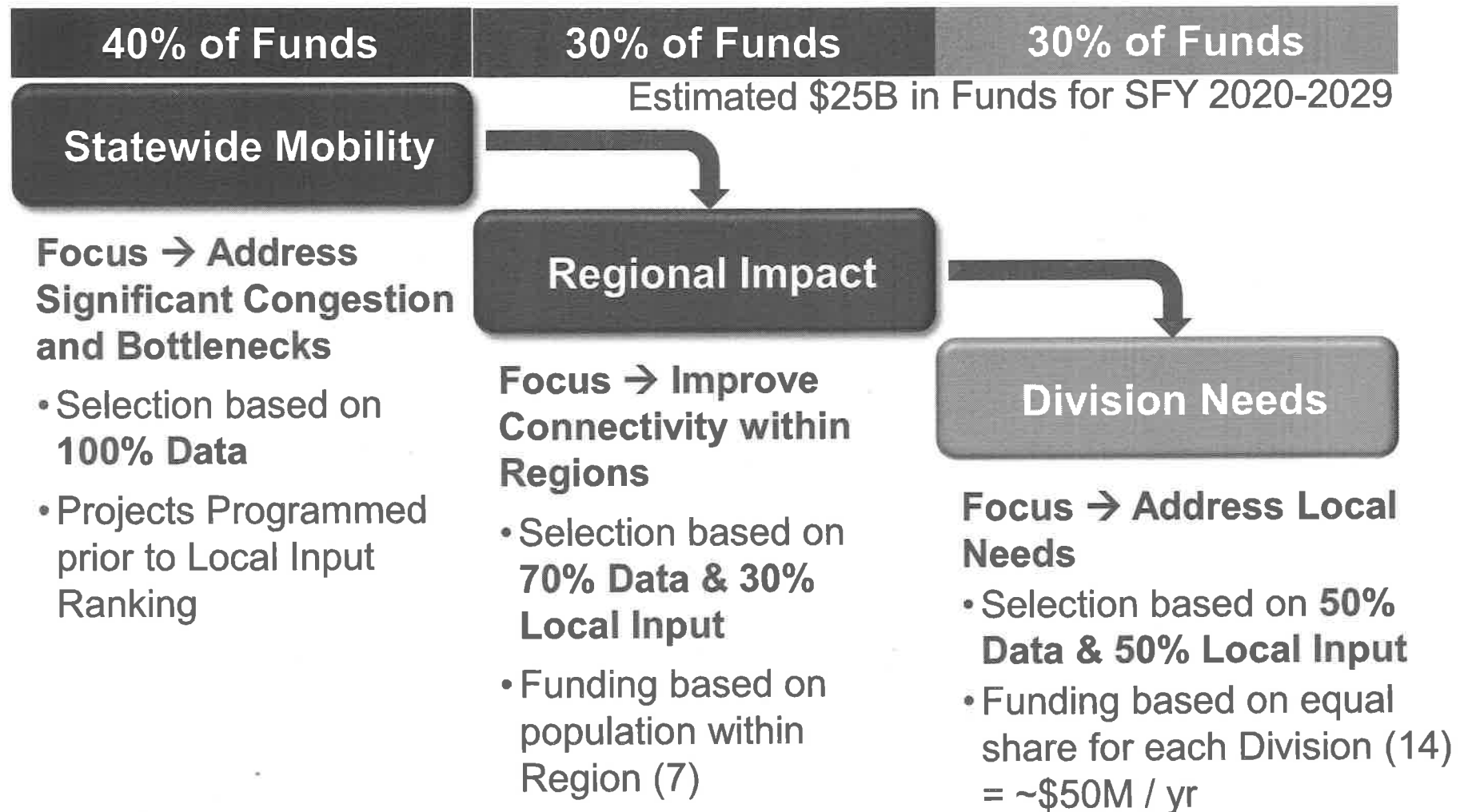
Annual Budget of approx. \$5B (\$2.5B for STI)

Key Partners



→ MPOs, RPOs, Divisions submit Projects ←

How STI Works



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Workgroup Purpose

Purpose

Provide recommendations to NCDOT on prioritization criteria, weights, and scoring process for all modes

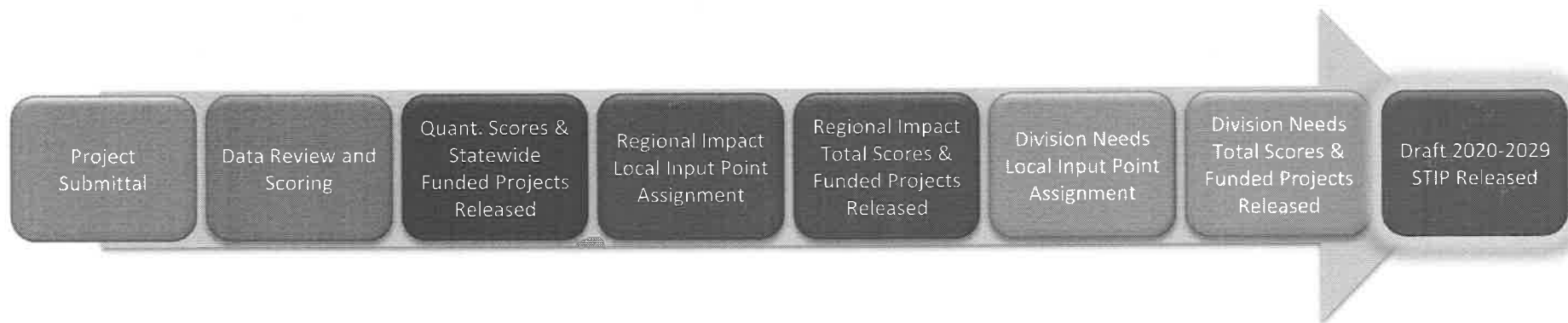
Members

Professional staff from MPOs, RPOs, local govt advocacy groups, and NCDOT

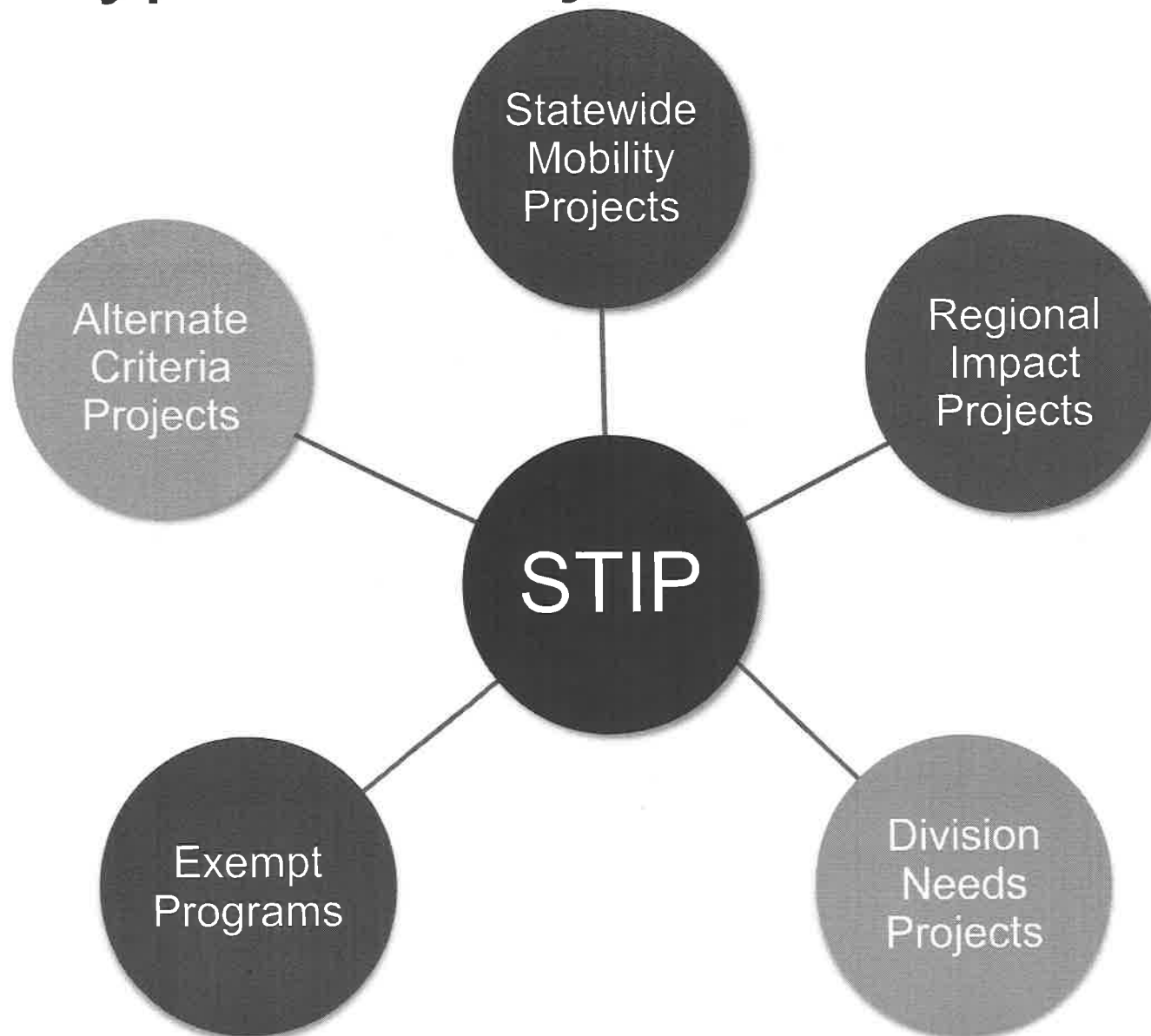
Member Responsibilities:

- Provide input to improve the scoring methodologies
- Serve as a liaison between Workgroup and their organization
- Work in a collaborative, consensus-driven manner

Project Scoring and Funding Process



Types of Projects in the STIP



Draft 2020-2029 STIP

Project Totals

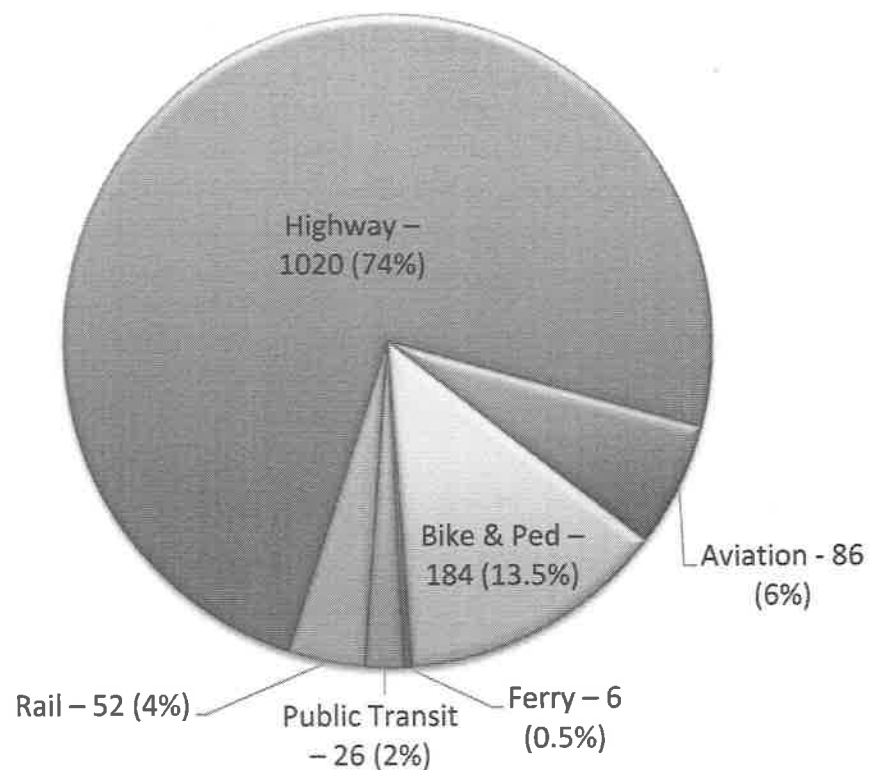
1833 Projects (\$27.8B)

- **1417 Highway (\$26.3B)**
 - 1020 STI (Mobility/Modernization)
 - 322 Bridge, Interstate Maintenance, Safety
 - 75 Direct Attributable, CMAQ, Bonus Allocation

- **416 Non-Highway (\$1.5B)**
 - 354 STI
 - 62 Direct Attributable, CMAQ

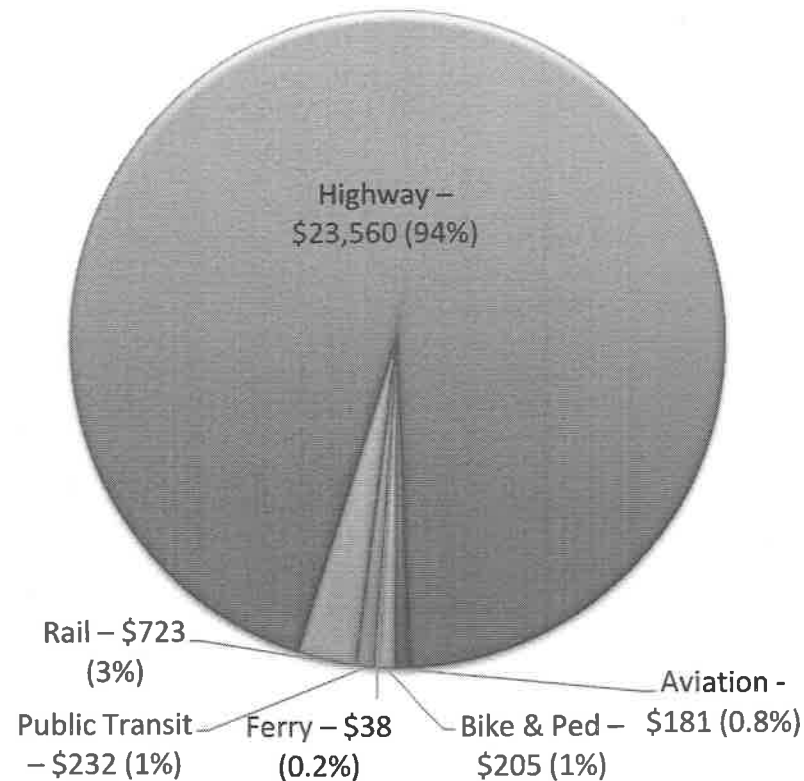
Projects in Draft 2020-2029 STIP Selected through STI

By Number of Projects
(1374 Total)



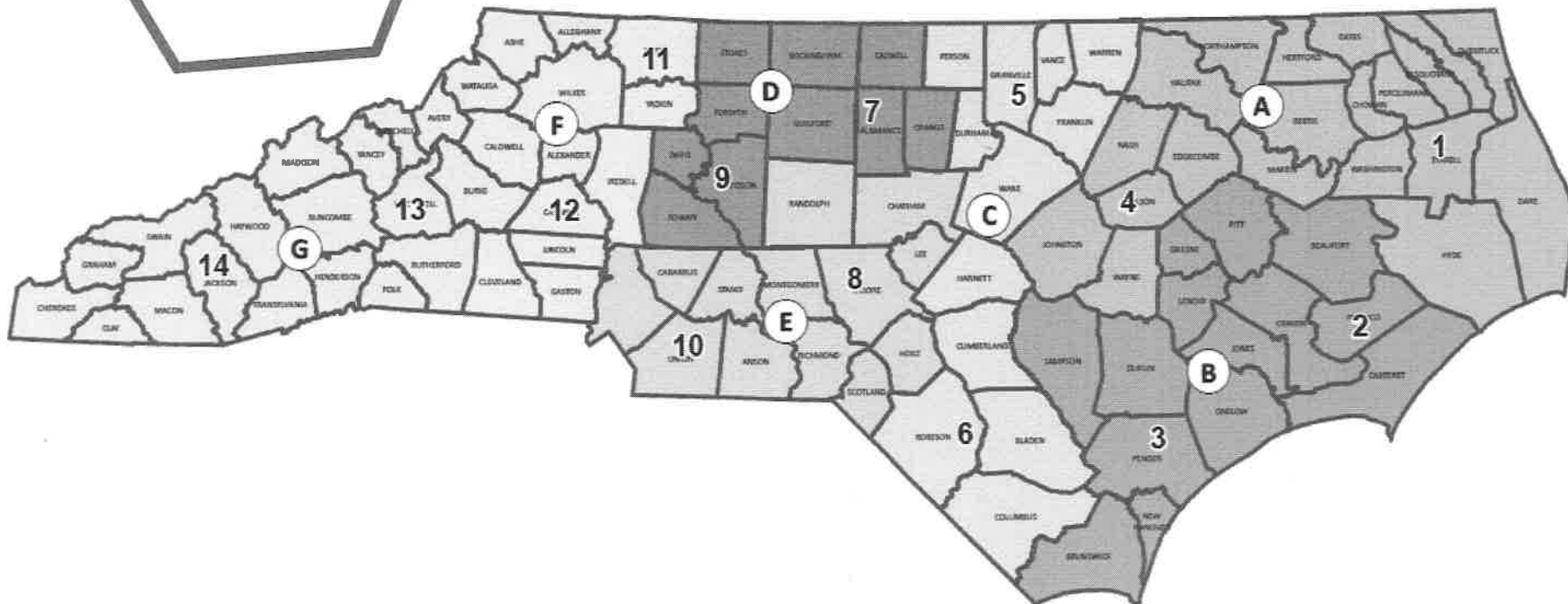
Hwy – 74%, Non-Hwy – 26%

By Programmed Amount (\$M)
(\$24,939 Total)

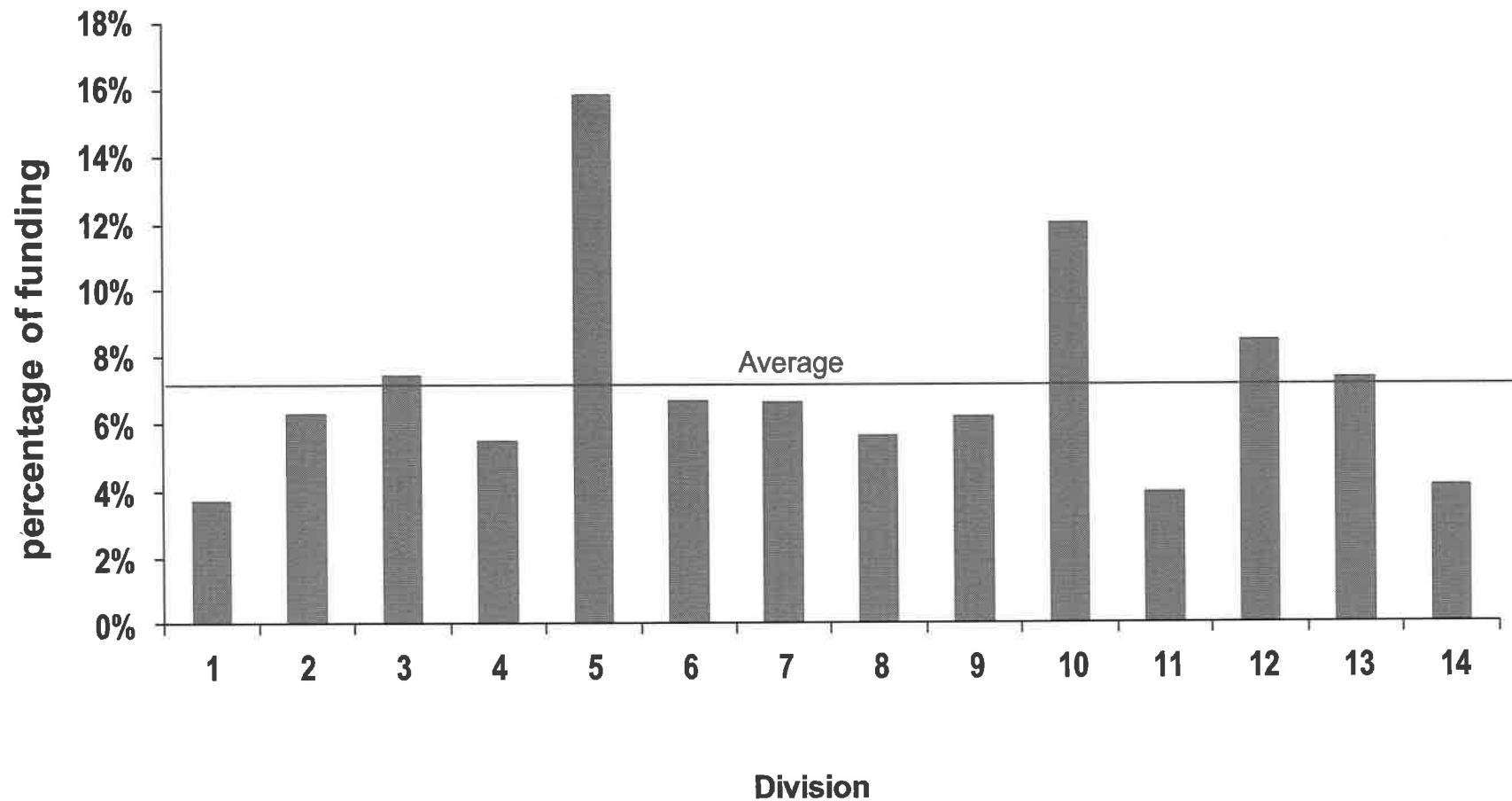


Hwy – 94%, Non-Hwy – 6%

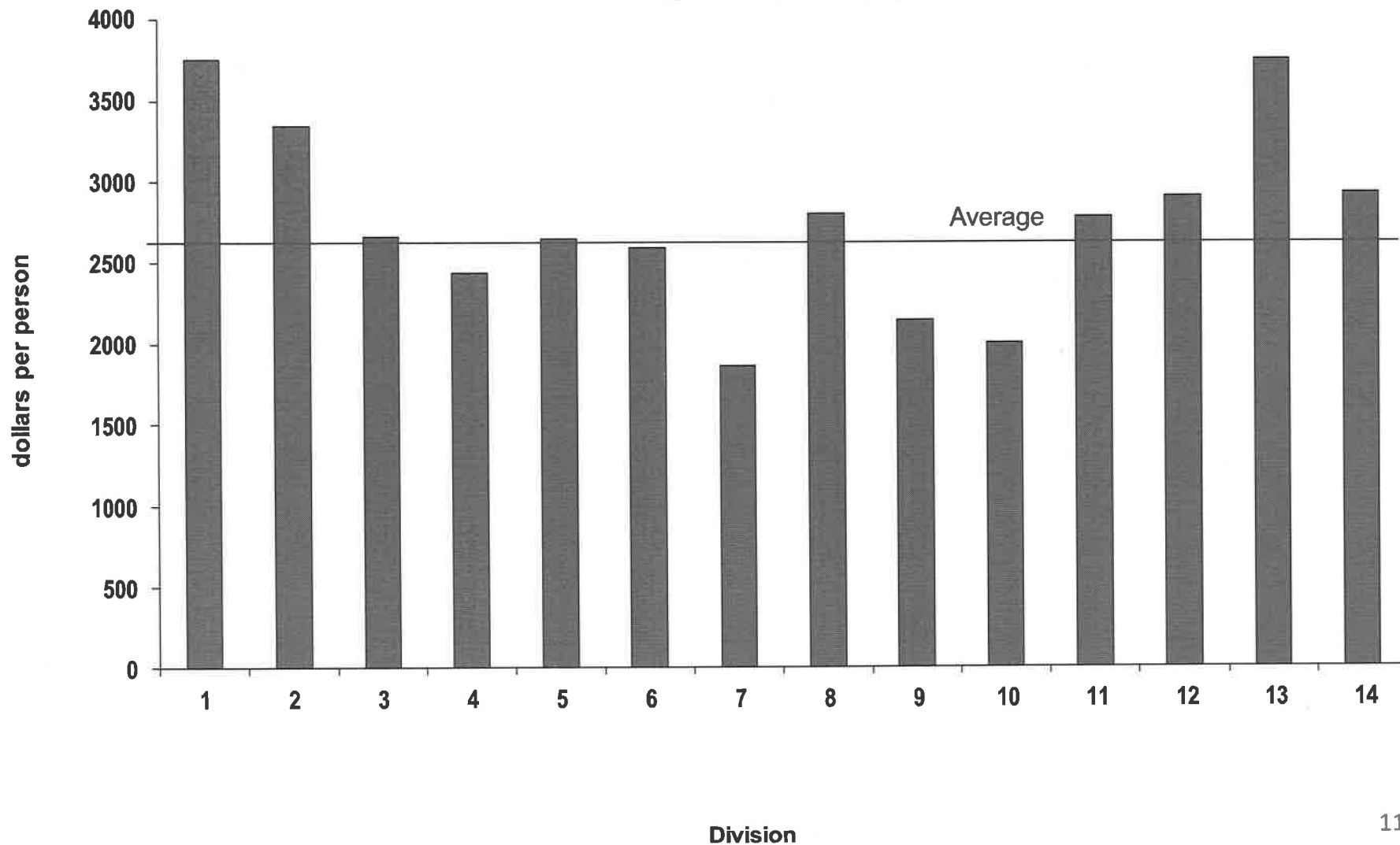
regions & divisions



FUNDING DISTRIBUTION BY DIVISION IN THE 2020-2029 DRAFT STIP



PER CAPITA FUNDING BY DIVISION IN THE 2020-2029 DRAFT STIP





NORTH CAROLINA

Department of Transportation



Project Delays in the Draft 2020-2029 STIP

Van Argabright, PE

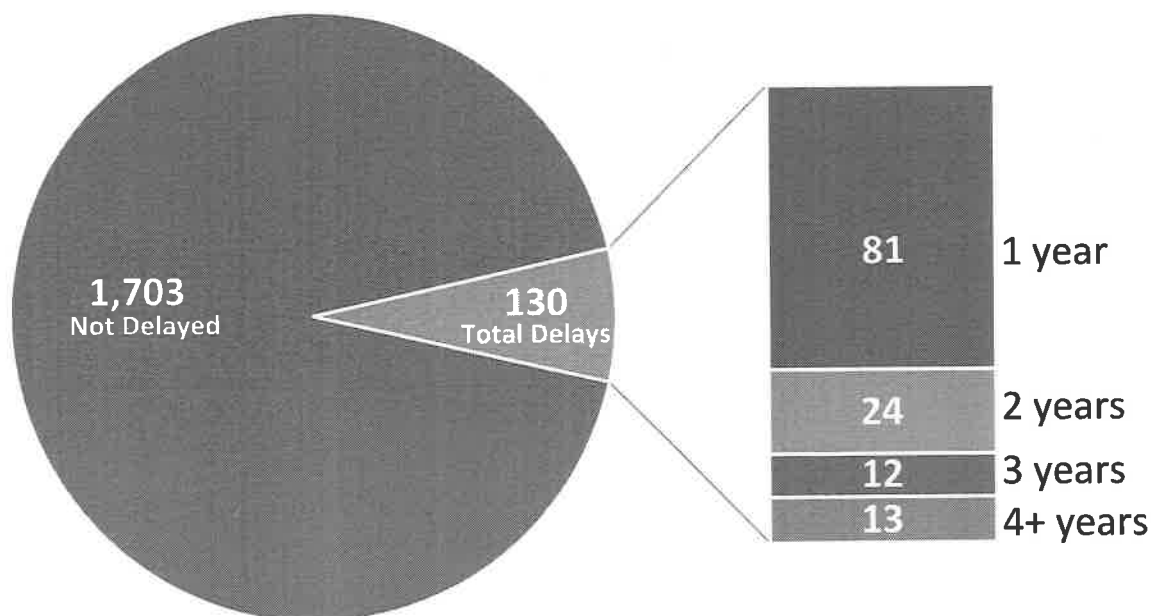
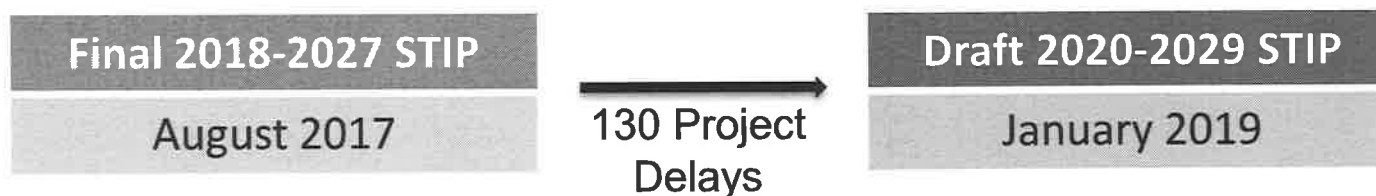
Director

Division of Planning and Programming

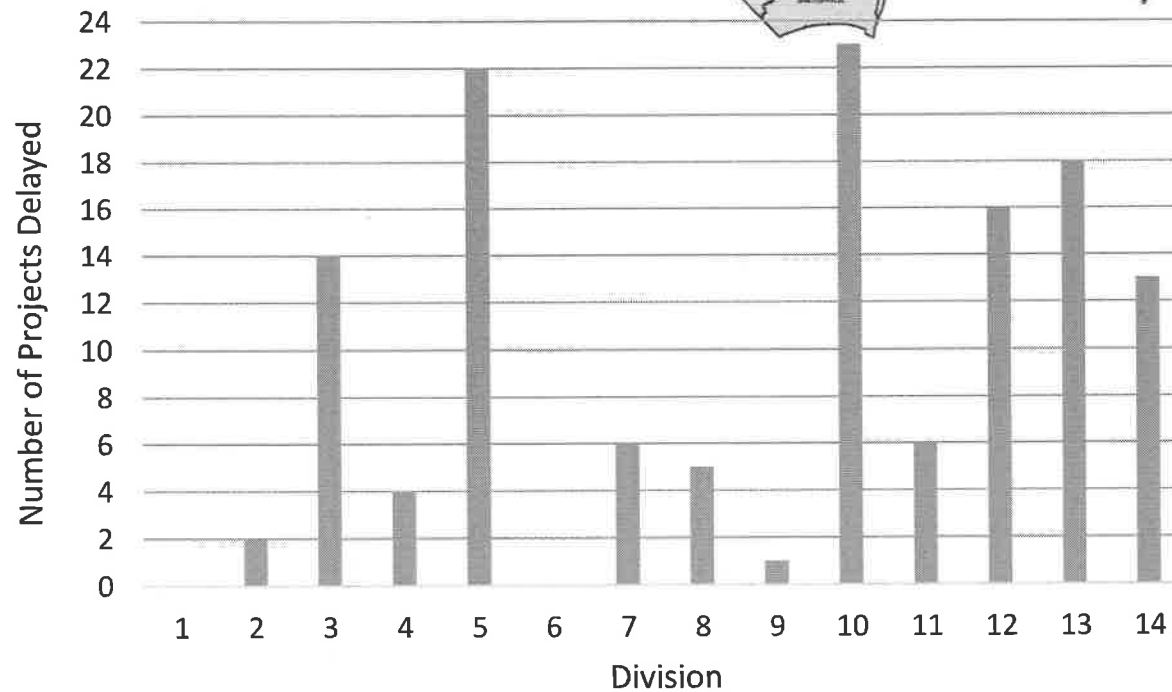
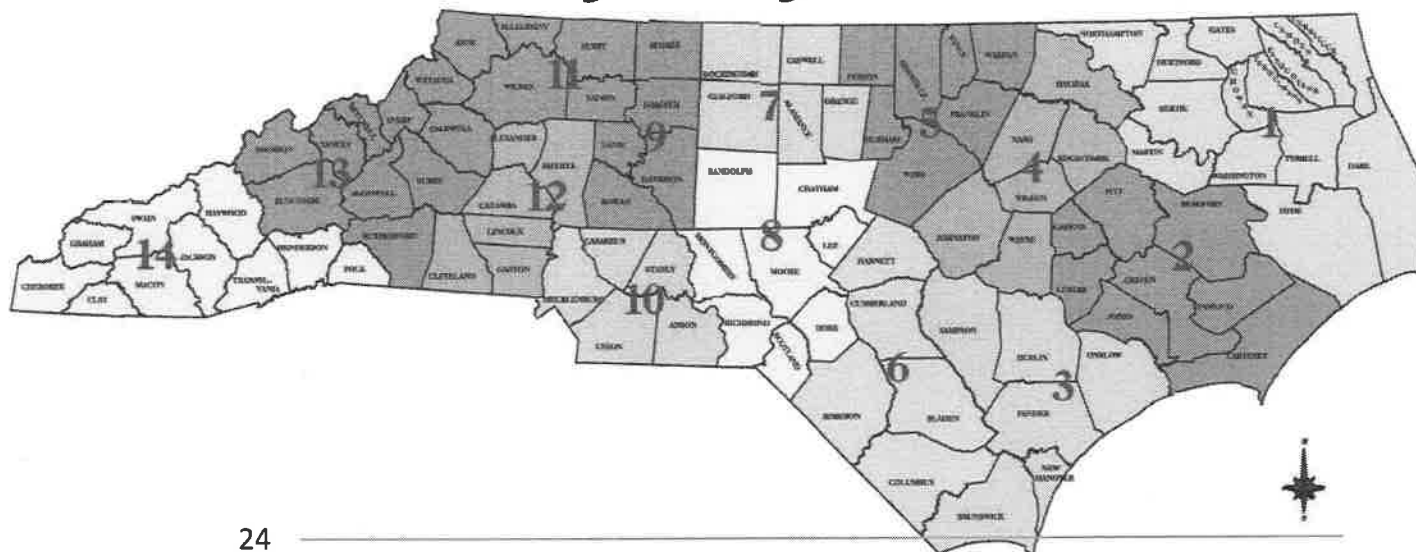
February 2019

Draft 2020-2029 STIP

1,833 Total Projects
1,417 Highway projects
416 Non-Highway projects



Delays by Division



Cost Increases by Category

Statewide Mobility

- \$10.3B available for programming
- \$910M in cost increases

Regional Impact

- \$7.7B available for programming
- \$836M in cost increases

Division Needs

- \$7.7B available for programming
- \$816M in cost increases

Cost increases as compared between Final 2018-2027 STIP and Draft 2020-2029 STIP

Causes of Cost Increases

Refined Project Scope

Cost Estimator

Inflation

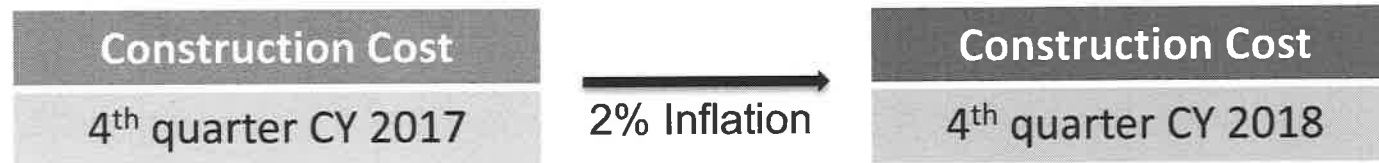
Cost Increases Due to Refined Scope & Cost Estimator

- Pre STI:
 - Most projects had a feasibility study completed, providing project scope and cost estimate, before being programmed in the STIP
- Post STI:
 - STI scoring process caused new projects to move ahead of existing projects
 - New projects evaluated through the prioritization process had less details relative to project scope and estimate available
 - Frequently costs were determined using a high-level cost estimation tool developed by NCDOT
 - As these projects work their way through planning and design, more accurate scope and cost estimates are developed frequently resulting in increased costs

Cost Increases Due to Inflation

- Construction

- Composite Construction Cost Index
- Computed by NCDOT's Bid Monitoring and Data Analysis Office
- Compare 4th quarter of CY 2017 to 4th quarter of CY 2018
- Inflation approximately 2%



- Right-of-Way:

- Difficult to determine inflation rate across the state
- Location dependent
- Growing areas will have greater right-of-way cost increases

Project Delay Considerations

- Status of Right-of-Way acquisition
- Amount over-programmed in each
 - Fiscal Year
 - Region
 - Division
- Corridor Caps

Funding Balance Scenario

	<div>\$20M Overprogrammed ↓</div>	<div>At Capacity ↓</div>	<div>At Capacity ↓</div>	<div>Capacity Available ↓</div>
	FY 20	FY 21	FY 22	FY 23
Project A	\$20M			
Project B		\$20M		
Project C			\$20M	

2 Solutions to Balance Funds

Funding Balance Scenario




Solution 1:
Project A is delayed 3 years

	FY 20	FY 21	FY 22	FY 23
Project A				\$20M
Project B		\$20M		
Project C			\$20M	

Funding Balance Scenario

Solution 2:

Projects A, B & C are each delayed 1 year

	FY 20	FY 21	FY 22	FY 23
Project A		\$20M		
Project B			\$20M	
Project C				\$20M

Minimizing Future Cost Increases to Prevent Project Delays

- Cost Containment Policy
 - Projects committed in the Draft 2020-2029 STIP selected through P5.0 exceeding certain scope and cost thresholds may result in being re-scored
- Improved cost estimates
 - Continually refine cost estimation tool
 - Express Designs prior to submittal
 - Project Scoping Reports



NORTH CAROLINA

Department of Transportation



Costs and Scope Improvements

Derrick Lewis, PE

Feasibility Studies Unit Head

Division of Planning and Programming

February 2019

STIP Project Cost Estimation Progression

	2016-2025 STIP (P3.0)	2018-2027 STIP (P4.0)	2020-2029 STIP (P5.0)	2022-2031 STIP (P6.0)
Prioritization Estimation Tool	No Urban vs. Rural Differentiation	Urban vs. Rural Differentiation	Tool Used only when more detailed estimate not available	Further Estimation Tool Refinement
Express Designs	None	Pilot Express Designs on 10 Projects	Express Designs on 200 Projects	Express Designs on all Newly Programmed Projects
Corridor Development Engineers (CDE)	Positions Did not Exist		Positions Being Filled	CDE's Review Cost Estimates

Current Initiatives

Express Design Evaluations

Project Scoping Reports

Express Design Evaluation

- Project Initiation
- Conceptual Designs
- Quantities & Cost Estimates
- Environmental Features Map

Express Design Submittal

If Funded
in STIP

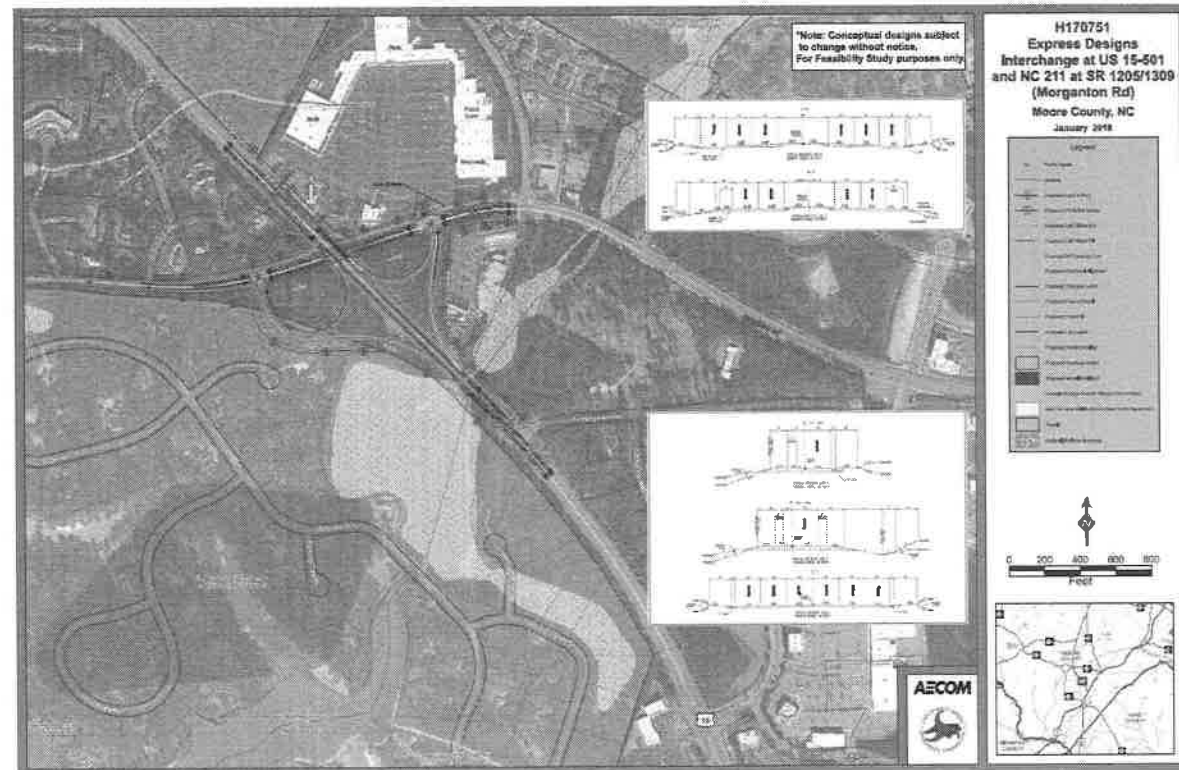
Project Scoping Reports

- Project Review
- Environmental Screening & Checklist
- Documentation
- Traffic Forecast
- Jump Start NEPA/SEPA


Project Scoping Report

Conceptual Design & Costs

- Conceptual Design Maps
 - Overlay conceptual design option(s)
 - Calculate quantities and Costs



EXPRESS DESIGN EVALUATION SUMMARY

SPOT ID: H171936 WILLIAMS ROAD (SR 1167) RE-ALIGNMENT		FACILITY: 2 - 12 FOOT LANES AND SINGLE LANE ROUNDABOUT	DIVISION: 2	FIRM: PARSONS						
	EXISTING FACILITY CHARACTERISTICS: Existing No. of Lanes: 2 Existing Median: No Existing control of access: <input checked="" type="checkbox"/> No Control <input type="checkbox"/> Partial Control <input type="checkbox"/> Limited Control <input type="checkbox"/> Full Control ADT: 8,780 Structures: <input type="checkbox"/> Culvert(s) <input type="checkbox"/> Bridge(s)		PROPOSED FACILITY CHARACTERISTICS: Proposed No. of Lanes: 2 Addition of Median(s): No Proposed control of access: <input checked="" type="checkbox"/> No Control <input type="checkbox"/> Partial Control <input type="checkbox"/> Limited Control <input type="checkbox"/> Full Control ADT: 10,900 Structures: <input type="checkbox"/> Culvert(s) <input checked="" type="checkbox"/> Bridge(s) - 103 ft x 39 ft Box beam							
	PROJECT DESCRIPTION: <i>(Include project scope and location, including Municipality and County. Refer to the attached project location map and photos.)</i> H171936 - Williams Road (SR 1167) is located in Craven County, NC. The design includes a 2-lane typical section with a single lane roundabout to replace the existing intersection of Airline Drive and Williams Road. Scott Street (SR 1995) will be relocated to allow for a 90-degree intersection with Williams Street away from the proposed roundabout. See conceptual design for more details.									
PRELIMINARY PURPOSE AND NEED: <i>Is there preliminary information on the purpose and need for the project included in a CTP, LRTP, or other study? If yes, summarize.</i> Purpose & Need: The Coastal Carolina Regional Airport would like to extend its runway to accept larger planes. Williams Road will need to be relocated before the runway can be extended.										
COST ESTIMATES: <table border="0"> <tr> <td>Construction: \$3,500,000</td> <td>Right of Way: \$400,000</td> </tr> <tr> <td>Utilities: \$700,000</td> <td>ITS: \$0</td> </tr> <tr> <td colspan="2">Total Cost: \$4,600,000</td> </tr> </table>					Construction: \$3,500,000	Right of Way: \$400,000	Utilities: \$700,000	ITS: \$0	Total Cost: \$4,600,000	
Construction: \$3,500,000	Right of Way: \$400,000									
Utilities: \$700,000	ITS: \$0									
Total Cost: \$4,600,000										
FINDINGS AND RECOMMENDATIONS: <i>Note recommended document type and summarize findings from Screening Checklist.</i> Traffic Control - Most of this project can be built while maintaining traffic in its existing location. Some temporary pavement and temporary lane closures (with flaggers) will be necessary to tie things to the existing roads and to construct the roundabout. After a preliminary environmental and GIS screening this project may have a slight impact during construction on local streams, specifically Scott Creek, and wetlands, but may qualify for a Type III CE project. The proposed project will pass through several vacant lots and will require the relocation of some utilities.										

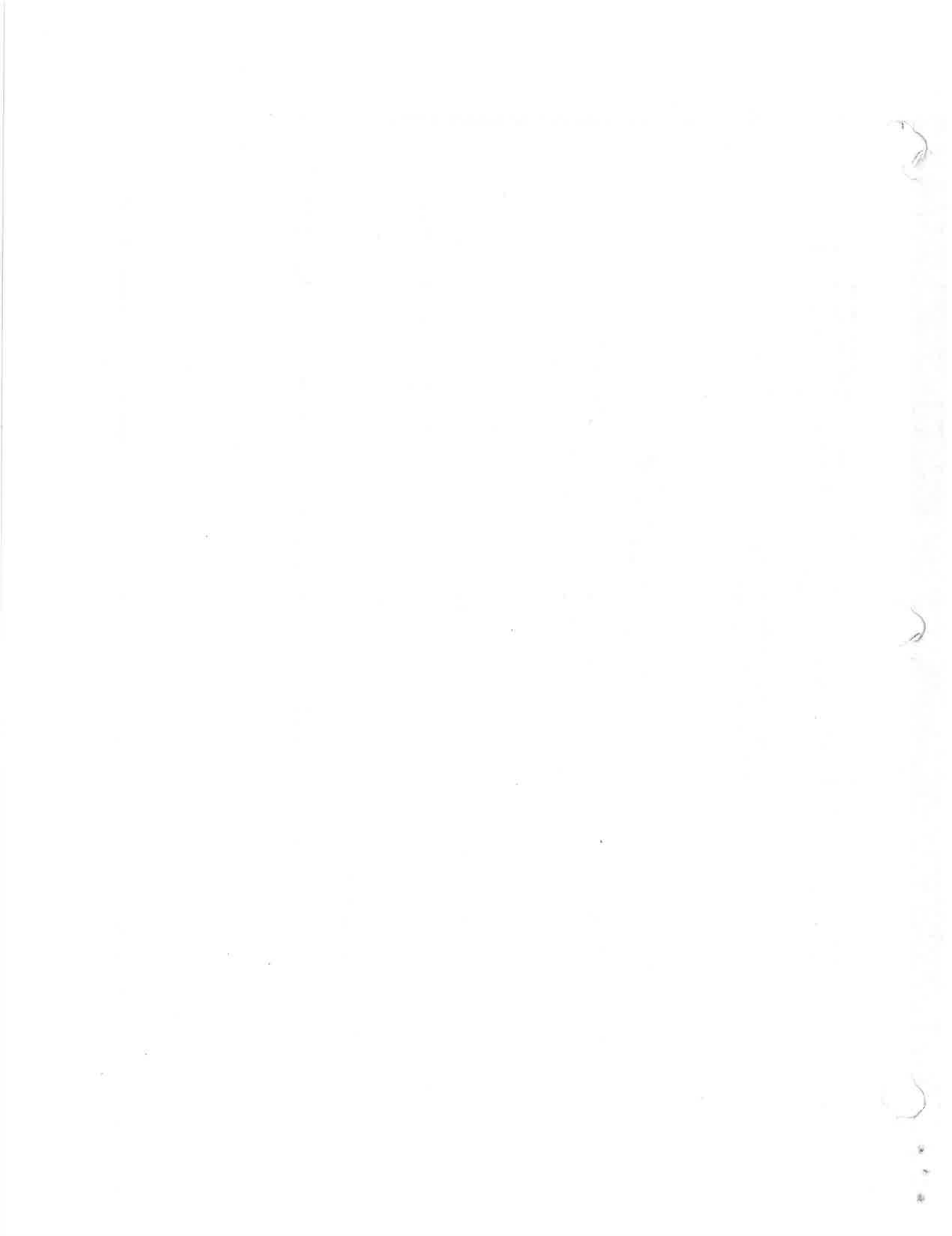
Additional Features to Improve Project Delivery

- Initial mapping limits for Photogrammetry and Location & Surveys
- Constructability/Maintenance of traffic discussion
- Initial hydraulic review
- Environmental screening
- Initiate traffic forecast and crash analysis data



Private Engineering Firm (PEF) Utilization

- 2016 – Express Design Evaluation Pilot
 - Performed Internal Express Design Evaluation on 10 test projects
 - Developed Express Design Evaluation Process for PEFs
- 2017 – 35 PEFs under Contract
 - Executed Express Design Evaluation/Project Scoping Task orders with all PEFs
- 2019 – 49 PEFs under Contract
 - Execute Express Design Evaluation/Project Scoping Report with an additional 14 PEFs



Benefits

- Better define project scope and costs prior to prioritization
- Develop project schedule
- Jump start environmental planning process
- More documented project detail for future prioritization rounds

Questions?



VISITOR REGISTRATION SHEET


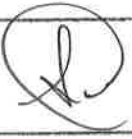
Joint Committee on Appropriation, Transportation

2/14/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	
Phil Zearon	RANC
John M. Hult	Policy Group
Ken Melton	K.M.A.
Sarah Patterson	Williams Miller
Tyler Ross	Intern
Ellis Powell	CAPA

VISITOR REGISTRATION SHEET

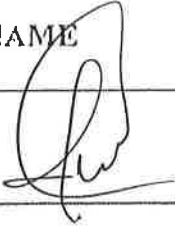
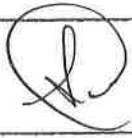
Joint Committee on Appropriation, Transportation

2/14/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	
Matt Geary	PANE
John M. Clark	Policy Group
Ken Melton	K.M.A
Sarah Patterson	Williams Miller
Tyler Ross	Intern
Ellis Powell	CAPA

VISITOR REGISTRATION SHEET

Joint Committee on Appropriation, Transportation

2/14/2019

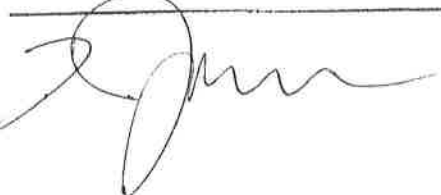
Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

David Wasserman	NC DOT
Cassidy Robertson	AMGA
Anna Cameron	NC DOT
Deans Estman	NC DOT
John Rouse	NC DOT
Ford Esley	MWC
Ray McIntyre	NC DOT
Leigh Wing	NC DOT
JASON SCHRONCE	NC DOT
Amanda Donovan	KTS
Matthew Balch	PPAB
	MISC - RANC - MMTA & LPA's

VISITOR REGISTRATION SHEET

Joint Committee on Appropriation, Transportation

2/14/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Justin Delaney	NCDOT
Bobby Lewis	NCDOT
VAN ARGABRIGHT	NCDOT
Derrick Lewis	NCDOT
Ed Iulyn	HP
Resha Fortson	SEANC
Flint Benson	SEANC
Tiffany Gborey	NY Rural Center
Erin Wyner	NCLM
Claudia Onemaker	Governors office
Ang Eln	NCDOT
Elizabeth Robac	NCDOT

Joint Committee on Appropriations, Transportation
Tuesday, February 26, 2018 at 8:30 AM
Room 1228 of the Legislative Building

MINUTES

The Joint Committee on Appropriations, Transportation, met at 8:30 a.m. on Tuesday, February 26, in Room 1228 of the Legislative Building. 5 Senators were present and 10 House Members were present.

Senator Jim Davis, Chair, presided.


Senator Davis opened the meeting @ 9:01 a.m. Chairman Davis introduced the Co-Chairs and the Sergeant of Arms. Goals for the committee were suggested and staff introduced themselves. The chairs and staff introduced themselves.

Lisa Howell, Principal Fiscal Analyst, Fiscal Research Division discussed committee guidance, roles of staff, recent legislative actions, and the upcoming schedule.


Questions asked by members:

1. (Senator Davis) When should set the next meeting?

The meeting adjourned at 9:01 a.m.



Senator Jim Davis, Chair
Presiding



Johnny Bravo, Committee Clerk

Joint Committee on Appropriations, Transportation

February 26, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Senator Jim Davis, Presiding
Senator Tom McGinnis

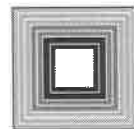
Representative Frank Iler
Representative Michele Presnell
Representative Phil Shepard
Representative John Torbett

1. Call to Order
2. Committee Member Introductions and Discussion of Interest Areas
3. Budget Process, Committee Guidance, Roles of Staff, Recent Legislative Actions & Schedule
 - Lisa Hollowell, Principal Fiscal Analyst, Fiscal Research Division
North Carolina General Assembly
4. Committee Discussion, led by Chairman Davis

Next meeting: Wednesday, February 27th

Budgeting & Transportation **Overview**

Joint Appropriations Committee, Transportation



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Outline

- Fiscal Research Division and Central Staff
- Fiscal Notes/Fiscal Memos
- Confidentiality
- Budget Terms
- End Product – Budget Documents
- Recent Legislation
- Full Chairs' Guidance
- Consensus Forecast
- Tentative Schedule



Fiscal Research Division

- Nonpartisan, professional staff serving all 170 members
- 32 analysts divided into 9 teams
- Primary responsibilities during Session:
 - **Staff Appropriations Committees**
 - **Respond to member requests**
 - **Write fiscal notes, fiscal memos, and incarceration notes**

Transportation

**Health &
Human Services**

Finance



House &
Senate
Budget
Development

Statewide Issues

Education

**General
Government**

**Natural &
Econ
Resources**



Fiscal Research Division

Fiscal Notes

- Five-year analysis of all estimated fiscal effects of a bill
 - Prepare upon request of bill sponsor or other member
 - The request and information about the note will remain confidential until note becomes a public document

Fiscal Memo

- Same analysis as a Fiscal Note
- Usually prepared for draft bills or Proposed Committee Substitute (PCS)
- Remains confidential after completion

Incarceration Note

- *Required for proposed changes that may impact incarceration rates in State facilities.*



Fiscal Research Division

Fiscal note requests should be e-mailed to:

@Fiscal Note Requests

Include:

- **Requestor's name**
- **Bill number (or draft number for a memo or PCS)**
- **Short title**



Transportation Team

Lisa Hollowell:

Motor Fuel & Highway Use Tax Revenues
State Transportation Improvement Program
Highway Construction & Maintenance
Turnpike Authority
Central Administration
Powell Bill/State Aid to Municipalities

Mary Greeson:

Division of Motor Vehicles
Modal Divisions
Public Transportation, Ferry,
Bicycle/Pedestrian

Lisa & Mary: Rail, Aviation, Global Transpark, Ports
Authority, Visitor Centers, IT, Office of Civil Rights

Fiscal Research Division



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

Mark Trogdon, Director



FRD website:

<http://www.ncleg.net/FiscalResearch/>

- Annotated Committee Reports
- Fiscal Briefs
- Revenue Forecasts
- Staff listing



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Bill Drafting Division

Joshua Freeman – Transportation Appropriations Committee

- Joshua.Freeman@ncleg.net
- (919)733-6660
- Special Provisions of the Budget
- Members' Bills related to:
 - Appropriations – Transportation Team Leader
 - Admiralty
 - Aeronautics
 - Alternative Energy
 - Commercial Transactions
 - Energy Conservation
 - Global TransPark
 - Motor Vehicles (Chapter 20)
 - Motor Vehicles Tax Navigation
 - Transportation and Highways (Chapter 136)

Legislative Analysis Division

Legal and other research, bill drafting, policy analysis and library services: <https://www.ncleg.net/RD/>

Program Evaluation Division

Program Evaluation Division:

- Conducts formal, longer-term studies of programs
- Evaluation components:
 - ✓ Performance audits
 - ✓ Activity-based costing
 - ✓ Strategic planning

John Turcotte, Director

- (919) 301-1404
- <https://www.ncleg.net/PED/>

Confidentiality

- **ALL requests made to fiscal staff and Bill Drafting are confidential**
- **Requests to agencies by fiscal staff are NOT confidential unless directly related to a fiscal note**



Budget Process

Preparation by Agencies

Preparation of Governor's budget

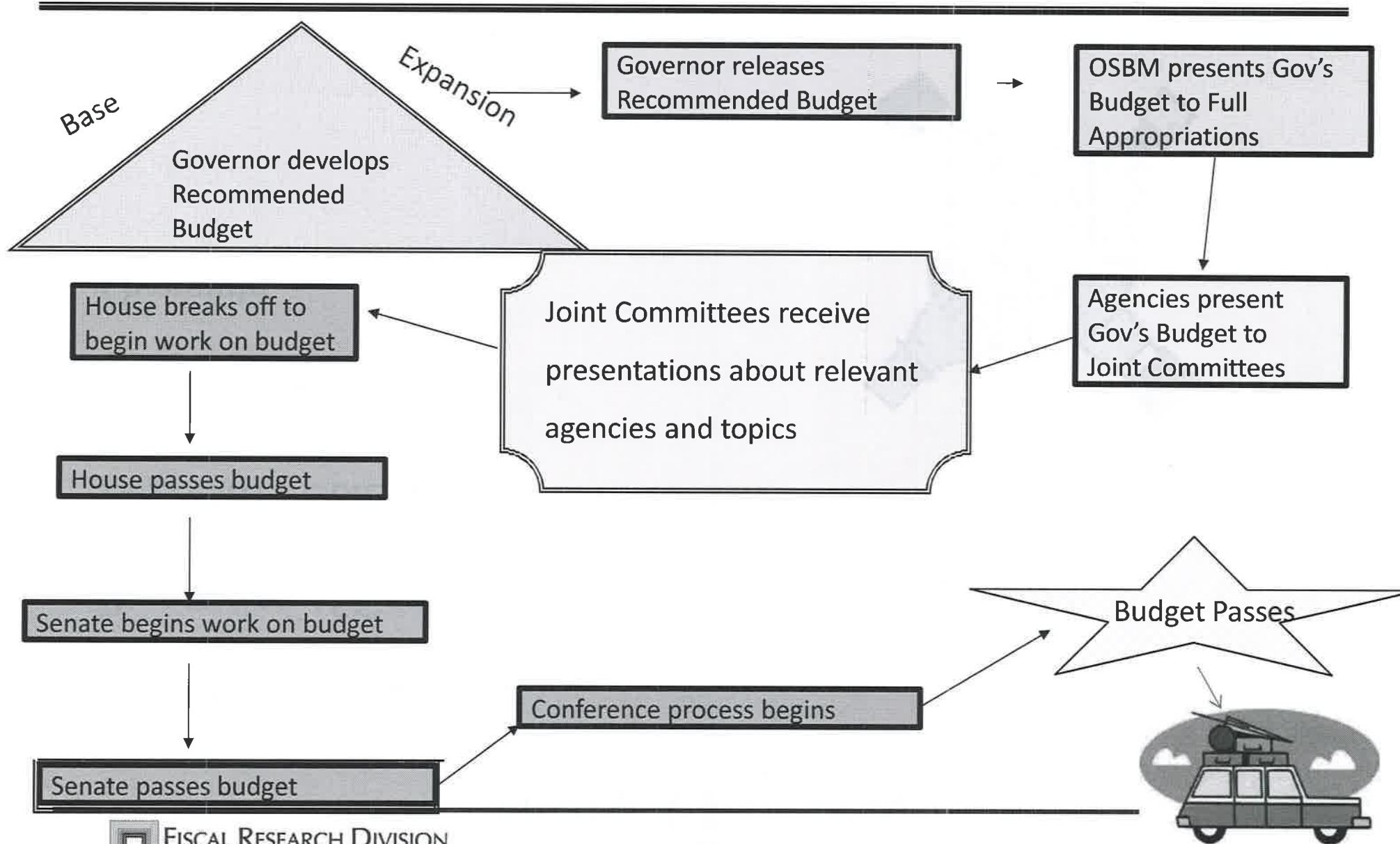
Legislative Consideration & Enactment

Budget Execution

Oversight



The Budget Process



Budgeting Terms – Appropriation, Requirements, and Receipts

An enactment by the General Assembly authorizing the withdrawal of money from the State treasury.

State Budget Act – Chapter 143C-1-1(d)(1)

“No money shall be drawn from the State treasury but in consequence of appropriations made by law.”

NC Constitution, Art. V, Section 7

Total Requirements – The entire agency’s budget for a fiscal year (July – June).

Total Receipts – Total of sources of funds available for operations of the agency.

Budget Terms: Base Budget

The part of the Governor's Recommended Budget that provides the baseline for the next biennium. Starting point is authorized budget plus allowable adjustments.

What's allowed:

- Annualization of partial funded programs, personnel, etc.
- Adjustments to non-recurring items
- Adjustments to federal payroll taxes
- Increases in lease agreements
- Adjustments for receipts projections
- Reconciliation of transfers



Preparation

Office of State Budget and Management (OSBM) is responsible for preparing the Governor's Budget that is recommended to the General Assembly.

For FY 2019-21 long session, budget work began last year:

August – OSBM issued instructions to agencies

October – Agencies prepared required worksheets, supporting documentation & determine departmental priorities

November – January – OSBM negotiates with agencies, finalize recommendations and meet with Governor

Feb/March – Governor's Budget will be final and prepared for printing

Feb/March – Appropriations subcommittees meet for briefings, deliberations, and make recommendations

June – GA will enact a biennial budget

**Approx.
11
Month
Process**



Budgeting Terms: Budget Types

Certified Budget: The budget as enacted by the General Assembly, plus any funds appropriated to reserves to be allocated to agencies.

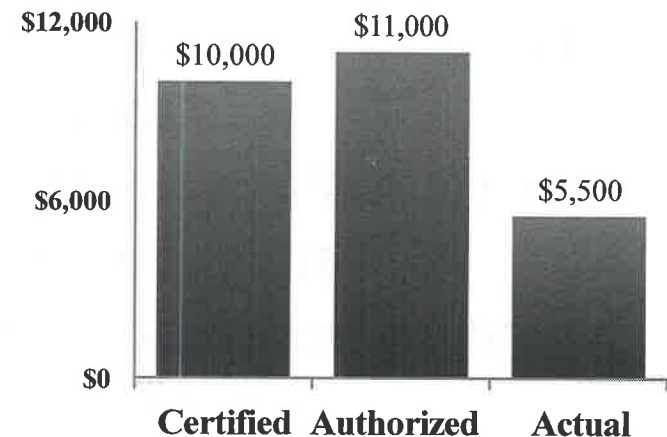
Ex.: The 2017 Budget appropriates \$10,000 for Agency Y to buy 10 computers.

Certified budget = \$10,000.

Authorized Budget: The certified budget updated to reflect line-item reallocations approved by the Office of State Budget and Management (OSBM).

Ex.: Agency Y needs 11 computers. They want to take some money from the furniture budget to pay for it.

Authorized budget = \$11,000.



Actual Budget: The budget as it was implemented.

Ex.: The Division of State Purchase and Contract got the State a great deal on computers. The final cost for Agency Y's 11 computers is \$5,500.

Actual budget = \$5,500.

Budgeting Terms: Funds

General Fund – Main source of operating funds for most State agencies. Comprised of State tax revenue and State non-tax revenue.

Highway Fund and Highway Trust Fund – Sources of funding for NCDOT

Special Fund – Fund to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose.

Enterprise Fund – Fund for any activity for which a fee is charged to external users for goods or services.

Example: Department of Information Technology
Certain Department of Administration services



Budgeting Terms: Accounts



Personal Services: Services rendered by permanent and temporary employees and related fringe benefits.

Purchased Services: Services provided by external firms, agencies, or divisions within the same organization. Includes contracts, IT and travel costs.

I don't
work here,
I'm a
consultant



Supplies: Supplies or materials expected to be consumed within the normal course of operating and which are generally recurring in nature.



Budgeting Terms: Accounts



Property, Plant and Equipment: Payments for acquiring property, constructing additions to buildings, and purchasing equipment, furniture, and machinery that is not consumable or expendable and has an expected life of longer than one year.



Other Expenses and Adjustments: Miscellaneous operational costs such as legal or permit costs, pension payments, or subscriptions.



Aid and Public Assistance: Funds to direct recipients, providers or other agencies for designated programs, assistance or special projects

Example: Powell Bill

Budgeting Terms: Lapsed Salaries

Surplus funds resulting from the salary and associated benefits not expended for temporarily vacant positions. For example:

Accounting Tech position = \$40,000/year

Position vacant for 6 months = \$20,000 (lapsed salary for that position)



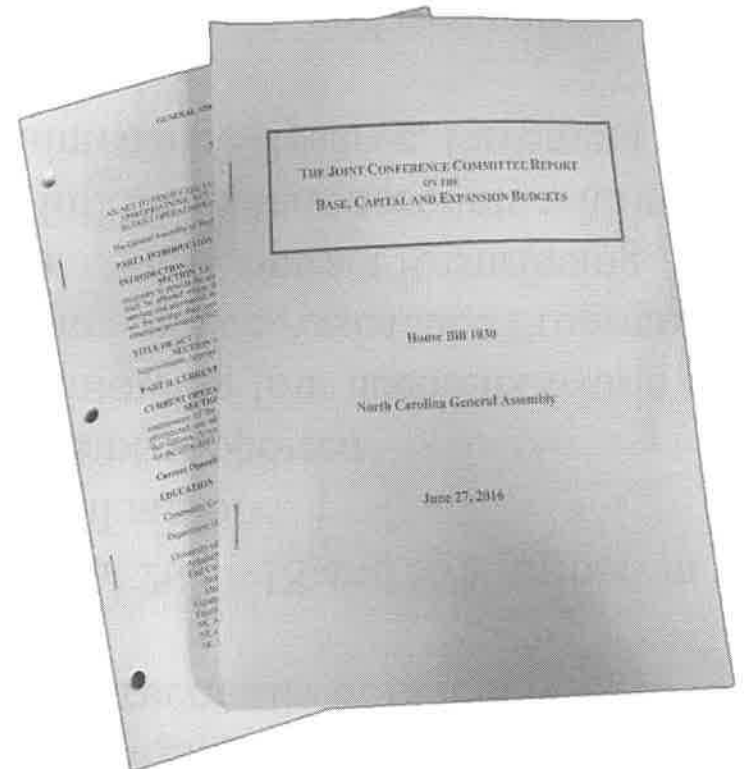
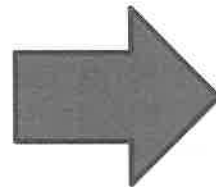
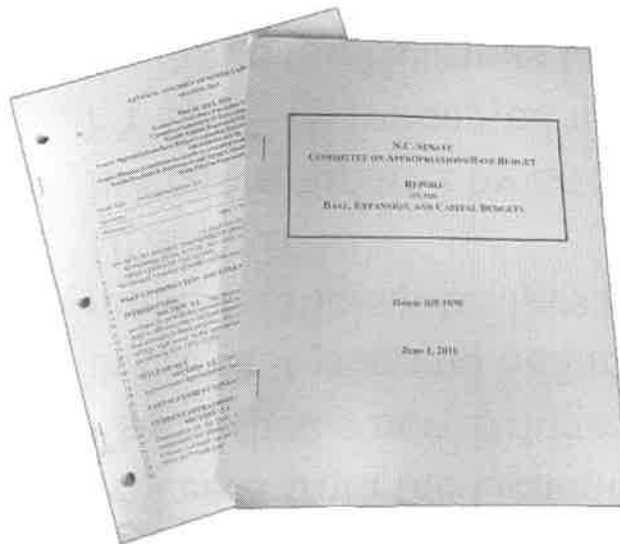
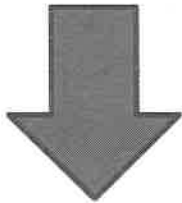
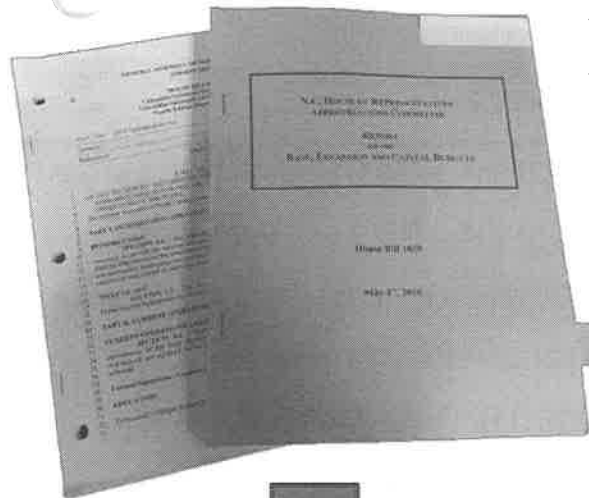
G.S. 143C-6-9: Use of lapsed salary savings.

Lapsed salary savings may be expended only for nonrecurring purposes or line items.



End Product – Budget Documents

Committee
Reports
Budget Bills



Recent Legislative Actions

- Build NC of 2018 – Special Indebtedness
- Transferred recurring funds of \$10 million from short-term vehicle rental tax proceeds from the General Fund to the Highway Fund.
- Established a new Bridge Preservation Fund to maximize bridge life (\$80 million in the first year and \$85 million in the second, recurring); provided \$38 million to replace deficient bridges and reduce the number of structurally deficient bridges to 10% by 2030.
- Increased funding by an additional \$40 million in FY 2017-18 and \$75 million in FY 2018-19 for capital improvements at commercial airports.
- Required the Hearings Unit to become entirely receipt-supported.
- \$8.6 million reduction in funding for each of the following four accounts within the Highway Fund: Mobility Modernization, State Maintenance Assistance Program in the Public Transportation Division, Bridge Program, and Contract Resurfacing.
- \$2.7 million reduction in funding for each of the following four accounts within the Highway Fund: Bridge Preservation, General Maintenance Reserve, Pavement Preservation, and Roadside Environmental.
- \$1.9 million appropriation to the Global TransPark for repairs and renovations.
- Increased funding by \$1 million recurring for devices used to improve highway safety.
- \$10M additional funding for Ports Authority.

Recent Legislative Actions

Significant Budget Actions – Special Provisions S.L. 2018-5

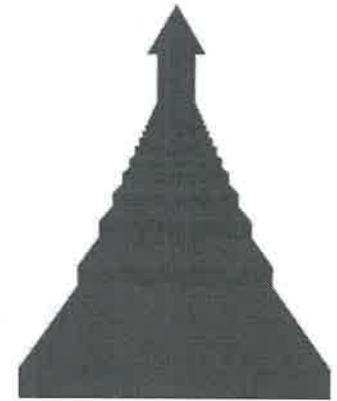
- **34.24:** Required DMV employees and contractors to vacate the New Bern Avenue property by October 1, 2020.
- **34.5:** Clarified that revenues from toll roads may only be used on the project that generated the tolls or on a contiguous toll facility.
- **34.19:** Authorized a two-year pilot program to allow DOT flexibility in setting salaries for employees who voluntarily relinquish longevity and career status.

Others: S.L. 2015-2 Modified the Motor Fuel Tax to formula-based which auto-adjusts annually.

S.L. 2015-241, Appropriations Act, requires many DMV fees to auto-adjust every 4 years based upon the Consumer Price Index. First adjustment will be in FY 2020-21.

Next Steps

- Committee Meetings – Tuesdays, Wednesdays, & Thursdays @ 8:30a
- Staff and Agency Presentations
 - Staff Overviews (including review of base budget)
 - Other Presentations to include:
 - Highways
 - Division of Motor Vehicles
 - Modal Divisions
 - Ports Authority
 - Global Transpark
 - Turnpike Authority
 - Department of State Treasurer
 - Required/mandated reports



Committee Website

Joint Appropriations Committees on Transportation website is linked off either the House or Senate committee websites.

Agendas

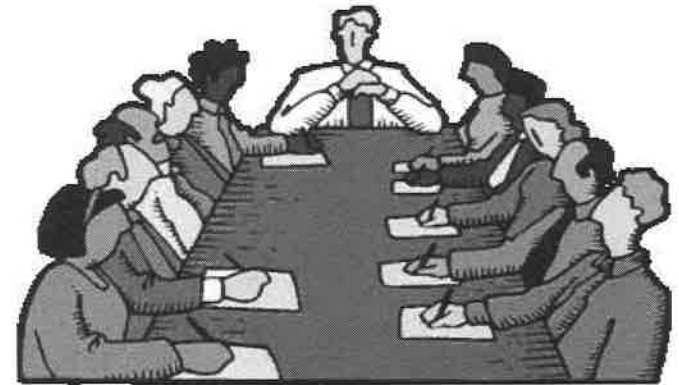
Paperless

All committee handouts

Follow-up information

Meeting audio

Mandated Agency Reports



<http://www.ncleg.net/gascripts/DocumentSites/browseDocSite.asp?nID=91>

House and Senate Appropriations Chairs' Guidance for Area Committee Chairs

February 7, 2019

Chairs' Expectations

Area Committees are expected to work jointly in reviewing agency budgets and operations by focusing on core functions of government and whether they are adequately funded. Committees should also look for efficiencies across State government, including looking at duplicative programs and evaluating if fund levels are appropriate for non-core services, including non-profits and other non-essential services.

Committee Work

- Begin planning with staff week of February 11; educational briefings should begin the week of February 25
- Rotate presiding over meetings
- Maintain transparency by having open meetings and posting documents to committee websites
- Consult other area committees for items that cross multiple agencies
- Refer certain items to the Full Chairs
 - Salary-related items, debt service, capital or other Statewide issues
- Plan to check in with the Full Chairs on your progress reviewing agencies and programs

Joint Educational Meetings (items for potential review)

- Fiscal Research staff will provide relevant budget background
- Review past legislative budget and policy actions
- Review interim committee reports
- Review federal changes impacting states
- Hear Governor's Budget (when appropriate)
- Evaluate agencies by looking at the programs and services they provide. For each program/service, look at:
 - Does this program fulfill a Constitutional requirement?
 - Is this program required by federal mandate? State mandate?
 - Is this program appropriately funded to complete its mission?
 - Do program outcomes justify expenditures?
 - For mandatory programs, are there ways to manage growth and reduce expenditures?
 - Is the set of services or programs the State offers an effective way to address the issue?
 - Can some programs be eliminated?
 - Can the savings from those programs be used more effectively to run other programs?

Guidance Forthcoming

- Spending targets
- Subcommittee deliberations and voting
- Special provisions

Contact Information

Fiscal Research Division
(919) 733-4910



House and Senate Appropriations Chairs' Guidance for Area Committee Chairs

February 7, 2019

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Guidance Forthcoming

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CONSENSUS FORECAST 02/13/2019

	FY 2017-18	FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Budget	Forecast	Forecast	Forecast
Highway Fund					
Motor Fuels Tax					
Motor Fuels	1,390.0	1,417.6	1,442.4	1,496.6	1,539.9
Gasoline Inspection	16.5	15.0	15.3	15.4	15.5
Highway Usage Registration	0.3	0.4	0.4	0.4	0.4
Jet Fuel Sales	6.9	7.0	7.4	7.7	13.8
Highway Use Tax Lease		10.0	10.0	10.0	10.0
Total Motor Fuels Taxes	1,413.7	1,450.0	1,475.4	1,530.1	1,579.5
Licenses and Fees					
Staggered Registration	281.9	288.8	284.5	289.4	316.6
Driver Licenses	120.5	117.1	120.0	108.9	115.4
Truck Licenses	202.2	202.3	205.2	205.1	223.2
International Registration Plan	102.9	104.0	115.4	115.8	115.6
Other Licenses and Fees	59.5	53.4	53.5	53.0	57.2
Total Licenses and Fees	767.0	765.5	778.6	772.2	828.0
Investment Income	3.9	5.0	1.0	1.0	1.0
NC Railroad Co. Dividend Payment	3.9	4.0	4.0	4.1	4.2
Total Highway Fund	2,188.4	2,224.5	2,259.0	2,307.4	2,412.7
Highway Trust Fund					
Taxes					
Motor Fuels	571.4	585.9	596.1	618.5	636.4
Highway Use	797.1	803.0	831.0	833.9	855.5
Total Tax	1,368.5	1,388.9	1,427.1	1,452.4	1,491.9
Fees					
Certificate of Title Fees	121.9	127.3	127.8	127.7	142.8
Miscellaneous Title Fees	16.1	16.2	14.2	14.3	16.4
Lien Recording	3.7	4.2	3.3	3.3	3.7
Total	141.8	147.6	145.3	145.3	162.9
Investment Income	22.3	4.0	2.0	2.0	2.0
Total Highway Trust Fund	1,532.5	1,540.5	1,574.4	1,599.7	1,656.8
Total Motor Fuel Tax	1,978.1	2,018.8	2,054.1	2,130.9	2,192.1
Aviation Fuel Tax	6.9	7.0	7.4	7.7	13.8
Highway Use Tax Lease		10.0	10.0	10.0	10.0
Highway Use Tax	797.1	803.0	831.0	833.9	855.5
DMV Fees	938.8	926.1	930.9	924.6	998.2
TOTAL REVENUE	3,720.9	3,765.0	3,833.5	3,907.1	4,069.5

Note: Figures may not sum due to rounding

OTHER FEES - OSBM FORECAST 02/13/2019

	FY 2017-18	FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21
HF - Other Licenses & Fees	Actual	Budget	Forecast	Forecast	Forecast
Title	0.7	0.7	0.8	0.8	0.8
Mail	-	-	-	-	-
Registration Fees	6.0	6.0	6.1	6.0	6.4
Auto Safety Inspection	2.0	2.2	2.1	2.1	2.2
Financial Security	2.1	0.5	2.2	2.1	2.3
Lien Recording	0.4	0.3	0.4	0.4	0.4
Exhaust Emission	26.4	26.0	26.9	26.7	28.6
Dealers' Manufacturers' License Fees	1.7	1.7	1.8	1.7	1.9
Overweight/Size	7.1	7.3	7.2	7.2	7.7
Process Service	4.4	4.5	4.5	4.5	4.8
Motor Carrier Safety	0.1	0.1	0.1	0.1	0.1
Penalties	-	-	-	-	-
DMV Other Fees	6.7	5.9	6.8	6.8	7.2
DMV Hearing fees	0.9	3.7	-	-	-
Misc Income	1.0	0.7	1.0	1.0	1.0
Emisison Adj. (SL 2017-10)		(6.2)	(6.2)	(6.2)	(6.2)
Total Other Licenses & Fees	59.5	53.4	53.5	53.0	57.2

Note: Figures may not sum due to rounding



Joint Committee on Appropriations/Dept. of Transportation

February 26, 2019 – Room 1228/1327 – 8:30: AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Ed Tully	BP
David Howser	NC DOT
Tiffany Gladney	NC Rural Center
Claudia Sheppard	Gov. Office
Crystal Collins	NC Trucking Assn.
John	RAVCA, NCMA LPAJ
Justin D'Arcy	NC DOT
Deans Eatman	NC DOT
Flint Benson	SEANC
Mark	RWC
Robin Robin	NCMA
Ambur Harris	NACC
Beau Mills	NC Metro Mayors
TS Bump	NLOPA

**House Committee on Appropriations, Transportation
Wednesday, February 27, 2019 at 8:30 AM
Room 1228/1327 of the Legislative Building**

MINUTES

The House Committee on Appropriations, Transportation met at 8:30 AM on February 27, 2019 in Room 1228/1327 of the Legislative Building. Representatives Beasley, Iler, Martin, Presnell, Shepard, Torbett, and Willingham, Senators Davis, McInnis, Alexander, deViere, Woodard attended.

Representative Shepard chaired the meeting.

Representative Shepard called the meeting to order and recognized the Sgt. At Arms: Doug Harris, Kenneth Gilbert, Malachi McCullough, David Leighton, Sheree Hedrick, Billy Fritsher
Pages: Jorge Zuniga, Maverick Wilson, Michael Williams, Sebastian Turner who assisted in the meeting.

Representative Shepard introduced Dr. Rebecca Tippet to give the presentation (attachment 1)

North Carolina Demographics and Trends

Dr. Rebecca Tippet, Director, Carolina Demography

The Committee had a discussion on Broadband in rural areas. Attached are the materials Rebecca Tippet explaining Broadband in North Carolina (attachment 2)

The meeting adjourned at 9:33


Representative Phil Shepard, Chair


Pamela Pate, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, February 27, 2019
TIME: 8:30 AM
LOCATION: 1228/1327 LB
COMMENTS: Chair: Representative Phil Shepard

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:55 PM on Thursday, February 21, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Pamela Pate (Committee Assistant)

Joint Committee on Appropriations, Transportation

Wednesday, February 27th, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Representative Phil Shepard, Presiding

Representative Frank Iler

Representative Michele Presnell

Representative John Torbett

Senator Jim Davis

Senator Tom McInnis

1. Call to Order
2. North Carolina Demographics and Trends
Dr. Rebecca Tippet, Director, Carolina Demography
3. Committee Discussion

Next meeting: Thursday, February 28th

NC's Shifting Population: Past, Present, and Future

Joint Committee on Appropriations, Transportation
February 27, 2019

Rebecca Tippett, PhD
Director, Carolina Demography

CAROLINA
DEMOGRAPHY

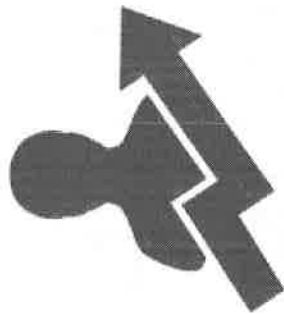
ATTACHMENT # 1

Overview

1. What are the big demographic stories?
2. Spotlight on urbanization
3. Growth trends, 2010-2017
4. Why?
5. Emerging Trends
6. On the horizon?

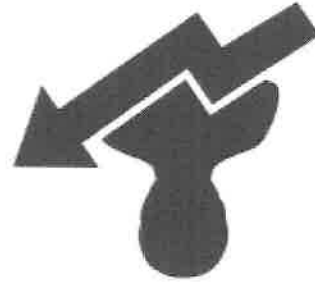
What are the big demographic stories?

...and what's going on in North Carolina?

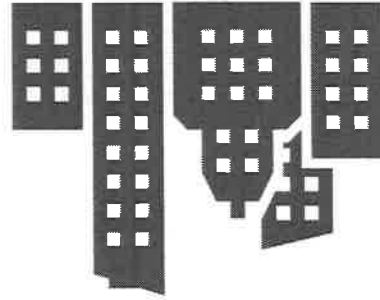


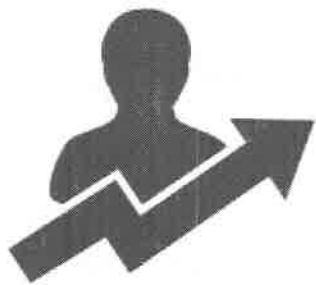
Growth

Growth



Urbanization





Growth



Urbanization



Aging



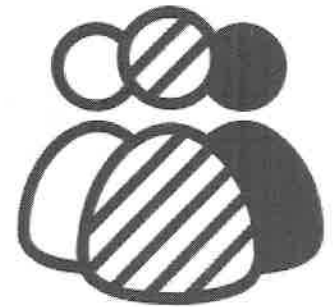
Growth



Urbanization



Aging



Diversity

Spotlight on Urbanization

North Carolina Housing Units, 1940-2050

Image Source: Google, Digital Globe

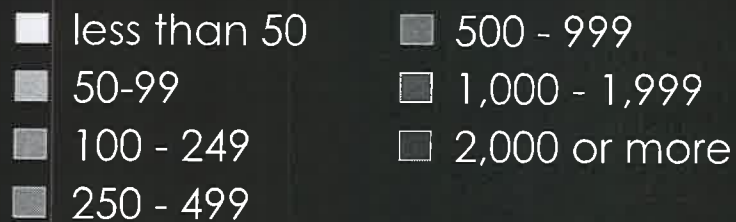
Images 2010-11, 2010/04/04

Google earth

1940



Housing Units per Square Mile



Source: Carolina Demography

1940

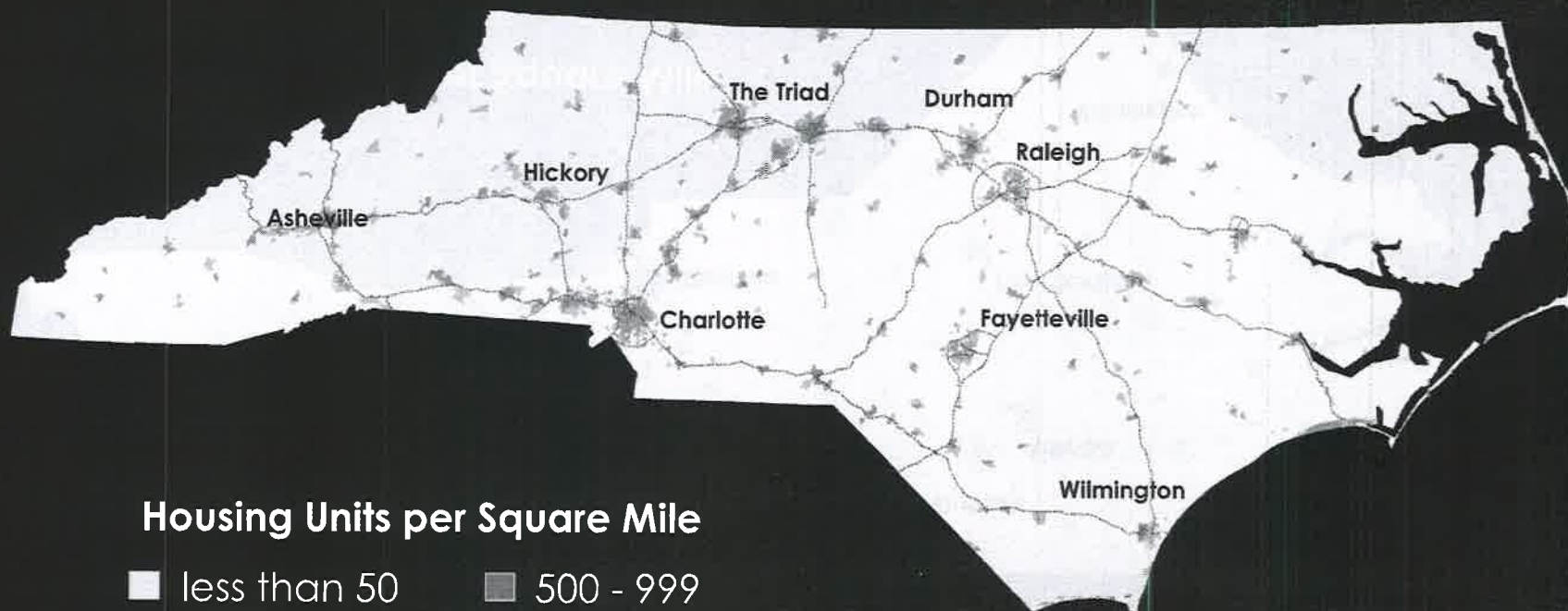


Housing Units per Square Mile

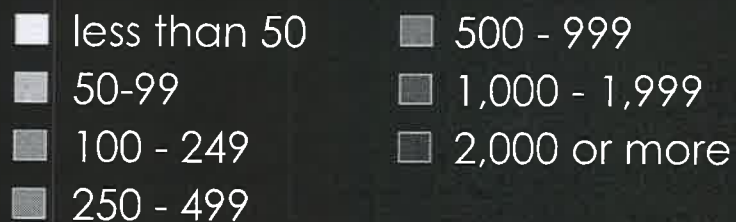
■ less than 50	■ 500 - 999
■ 50-99	■ 1,000 - 1,999
■ 100 - 249	■ 2,000 or more
■ 250 - 499	

Source: Carolina Demography

1940

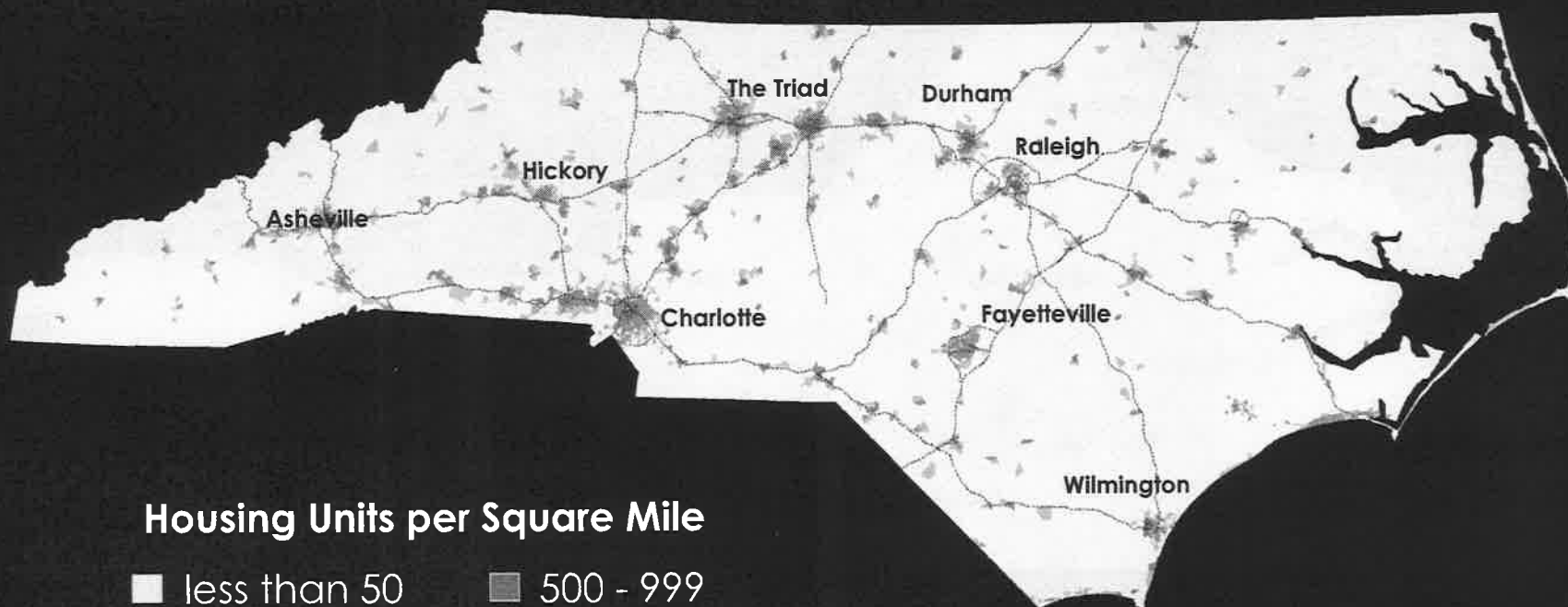


Housing Units per Square Mile



Source: Carolina Demography

1950

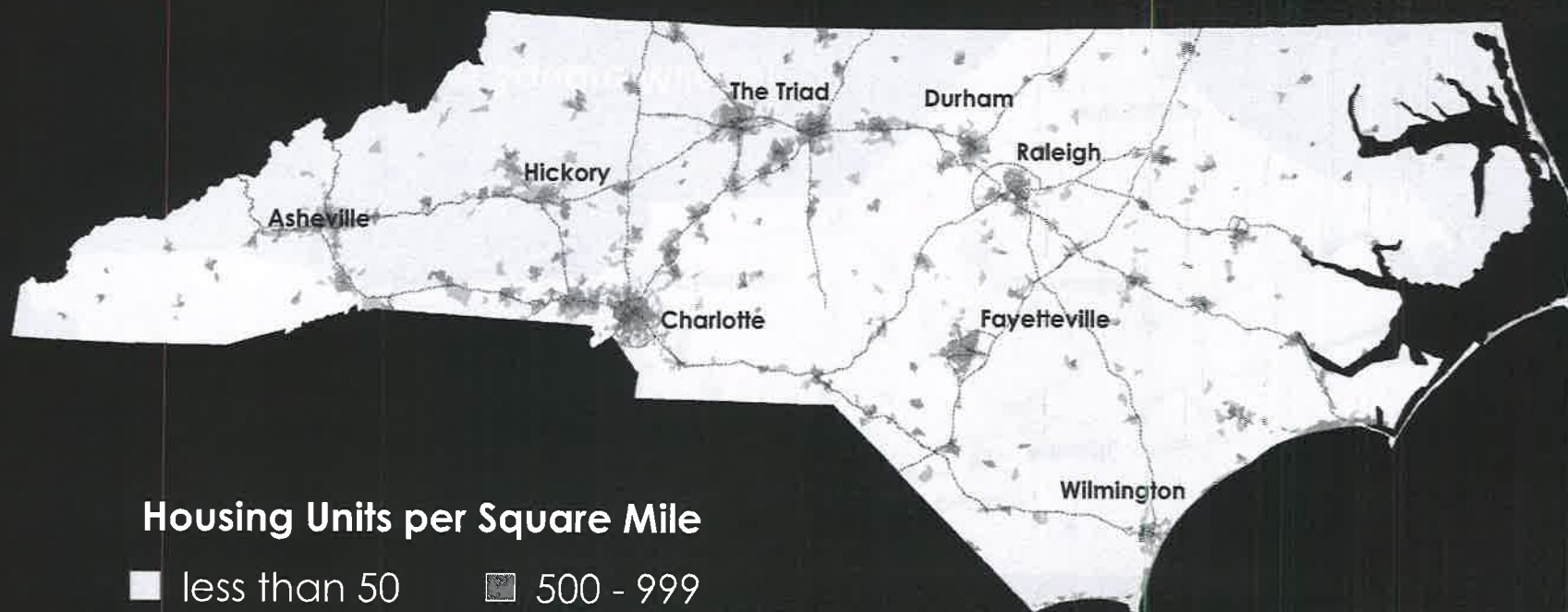


Housing Units per Square Mile

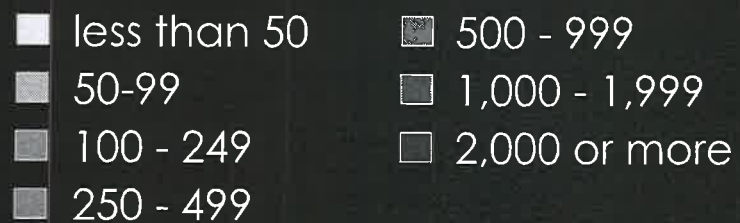


Source: Carolina Demography

1960

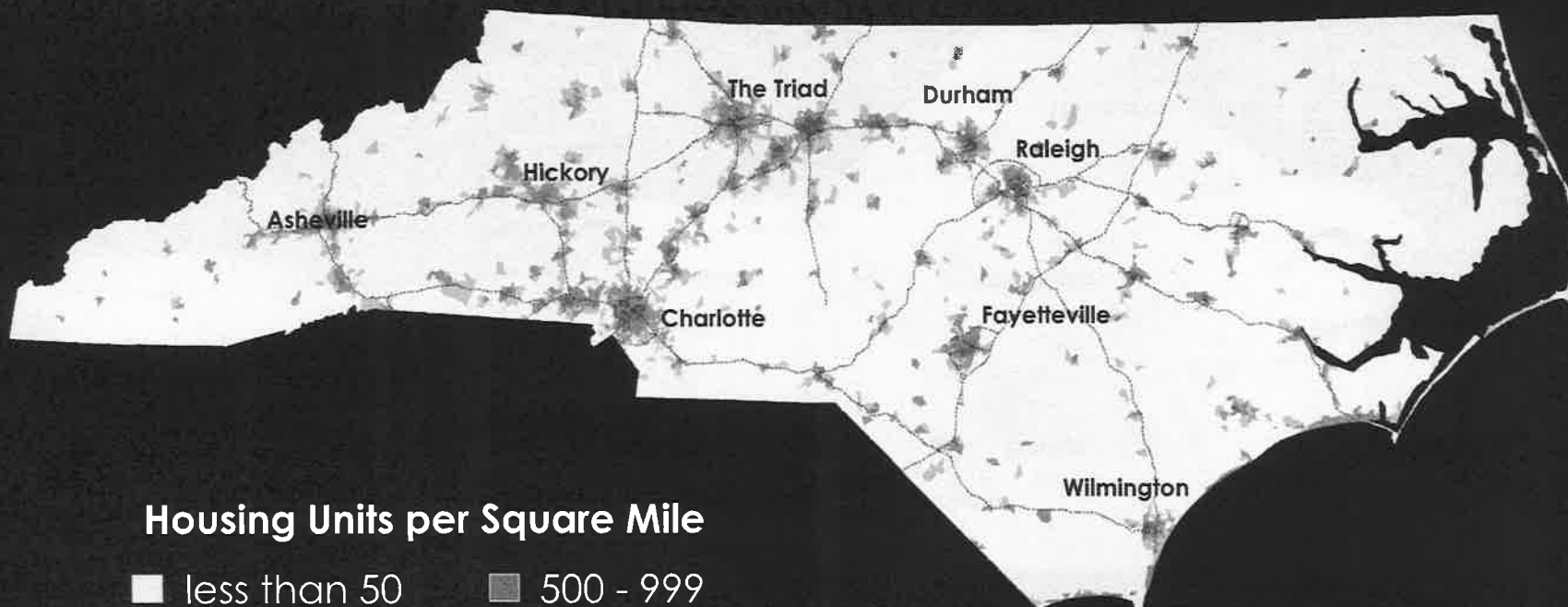


Housing Units per Square Mile

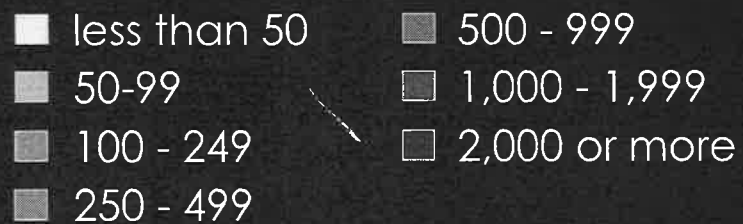


Source: Carolina Demography

1970

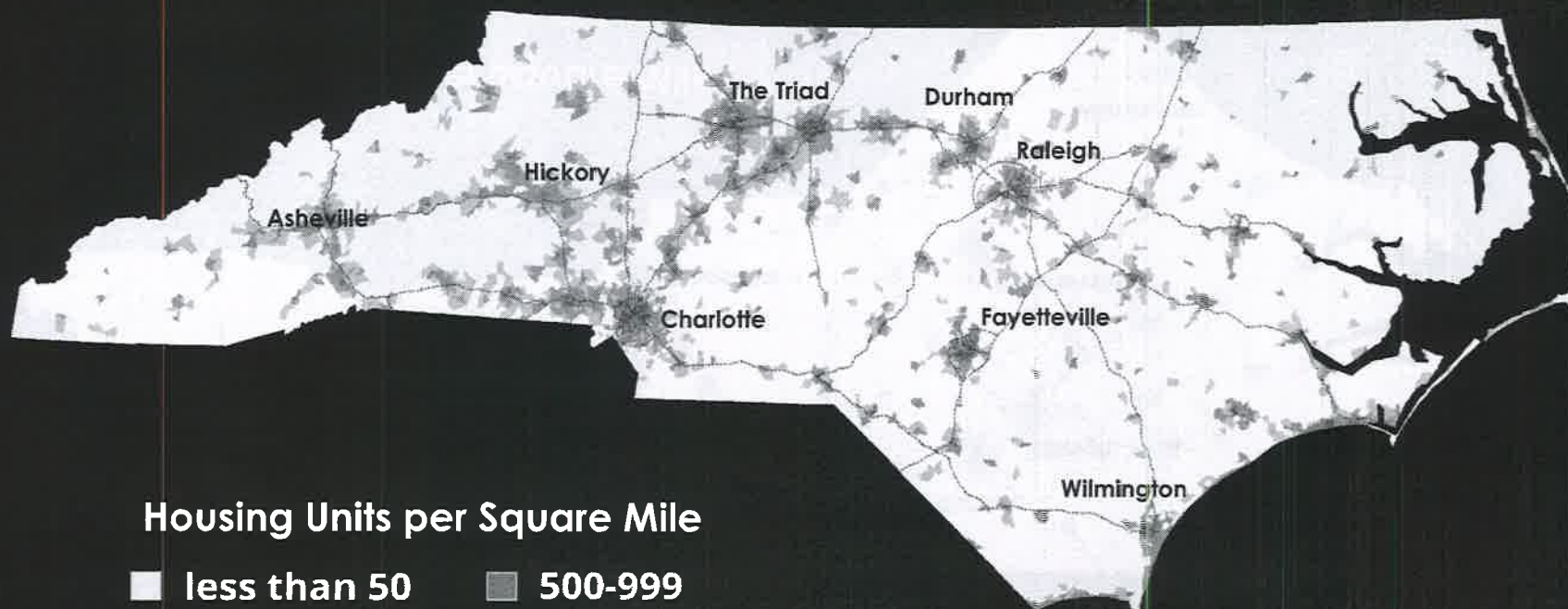


Housing Units per Square Mile

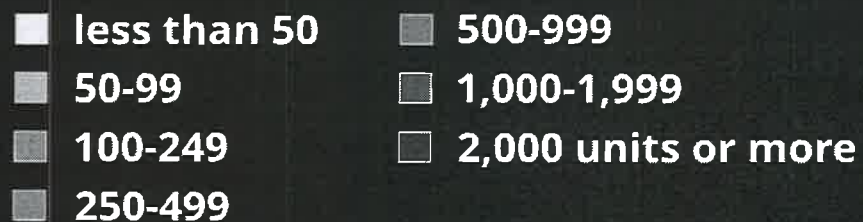


Source: Carolina Demography

1980

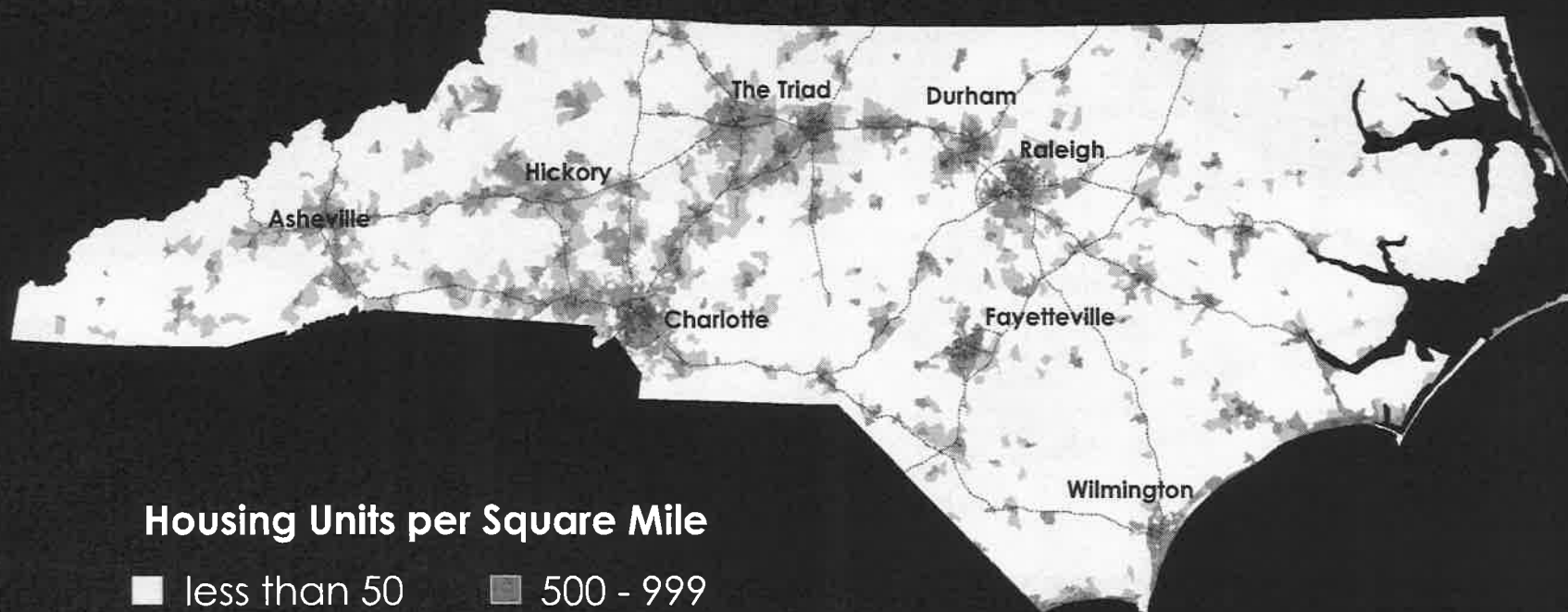


Housing Units per Square Mile

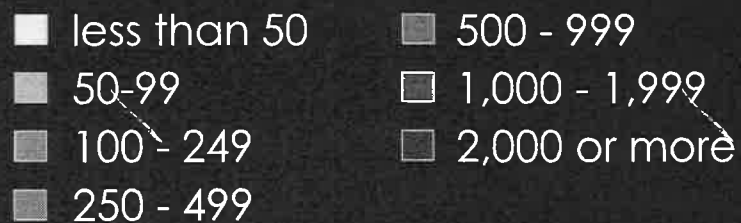


Source: Carolina Demography

1990



Housing Units per Square Mile

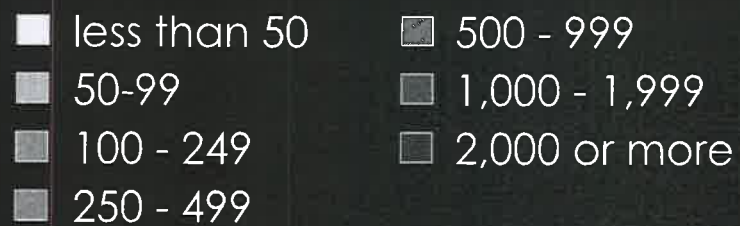


Source: Carolina Demography

2000



Housing Units per Square Mile



Source: Carolina Demography

2010

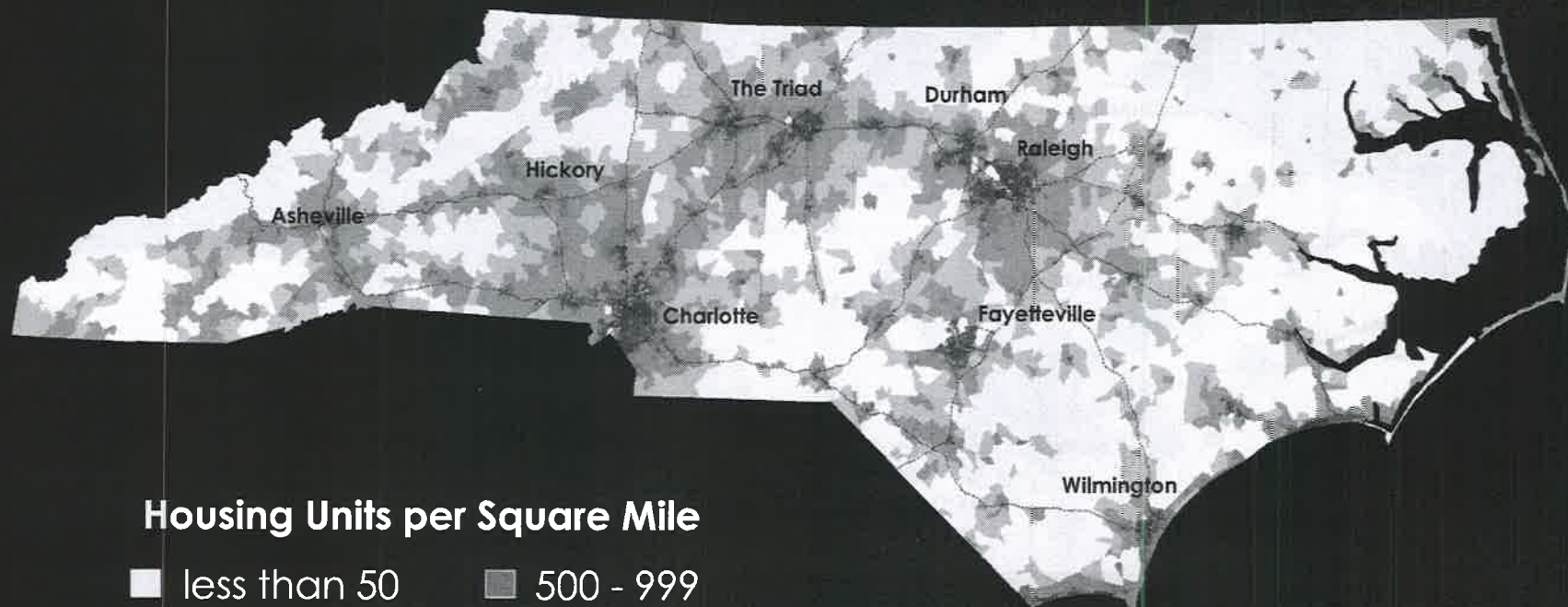


Housing Units per Square Mile

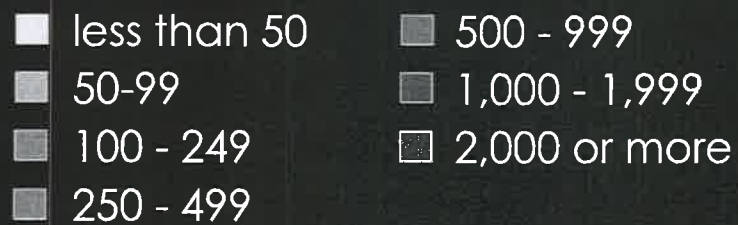


Source: Carolina Demography

2050



Housing Units per Square Mile



Source: Carolina Demography

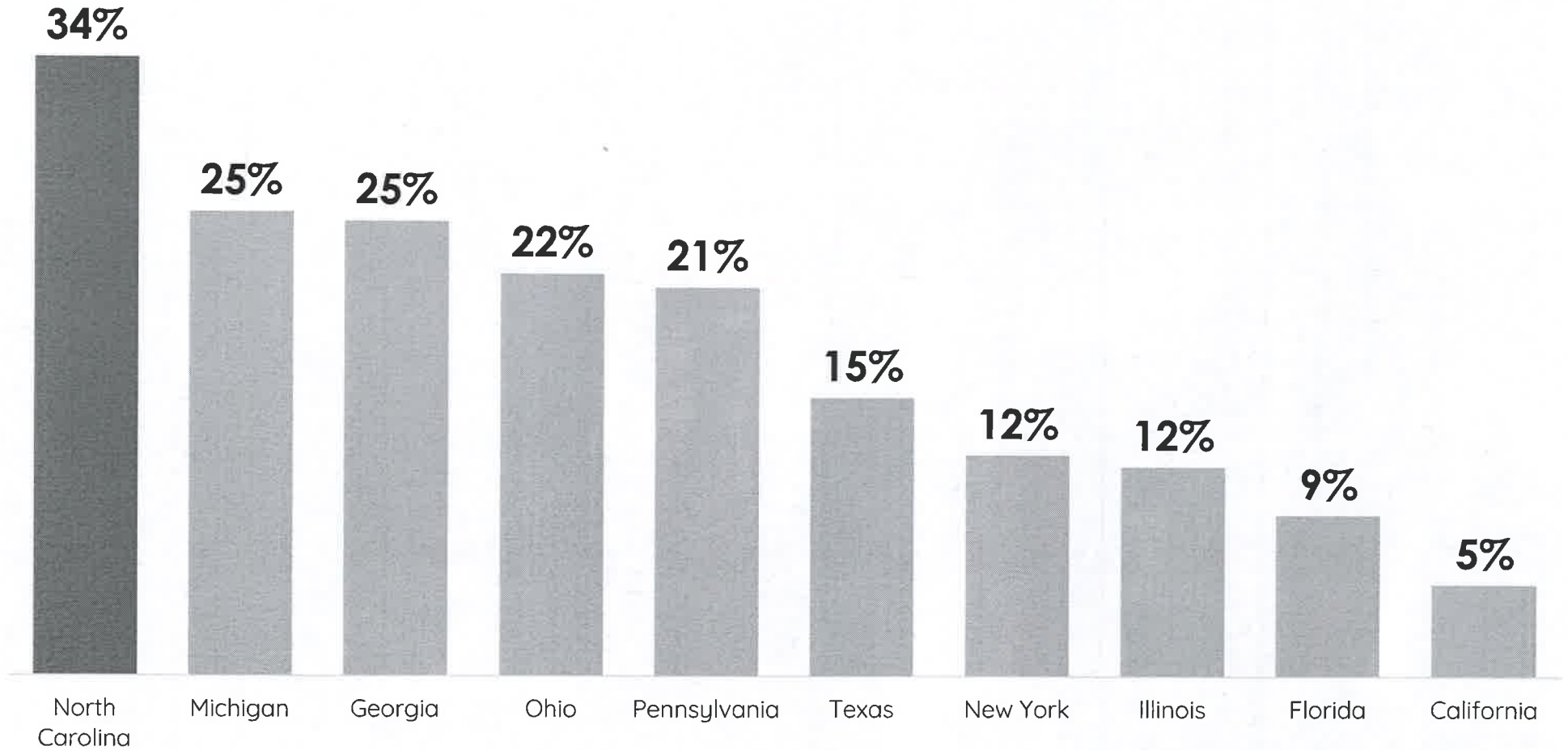


66% of NC residents lived in an urban area in 2010

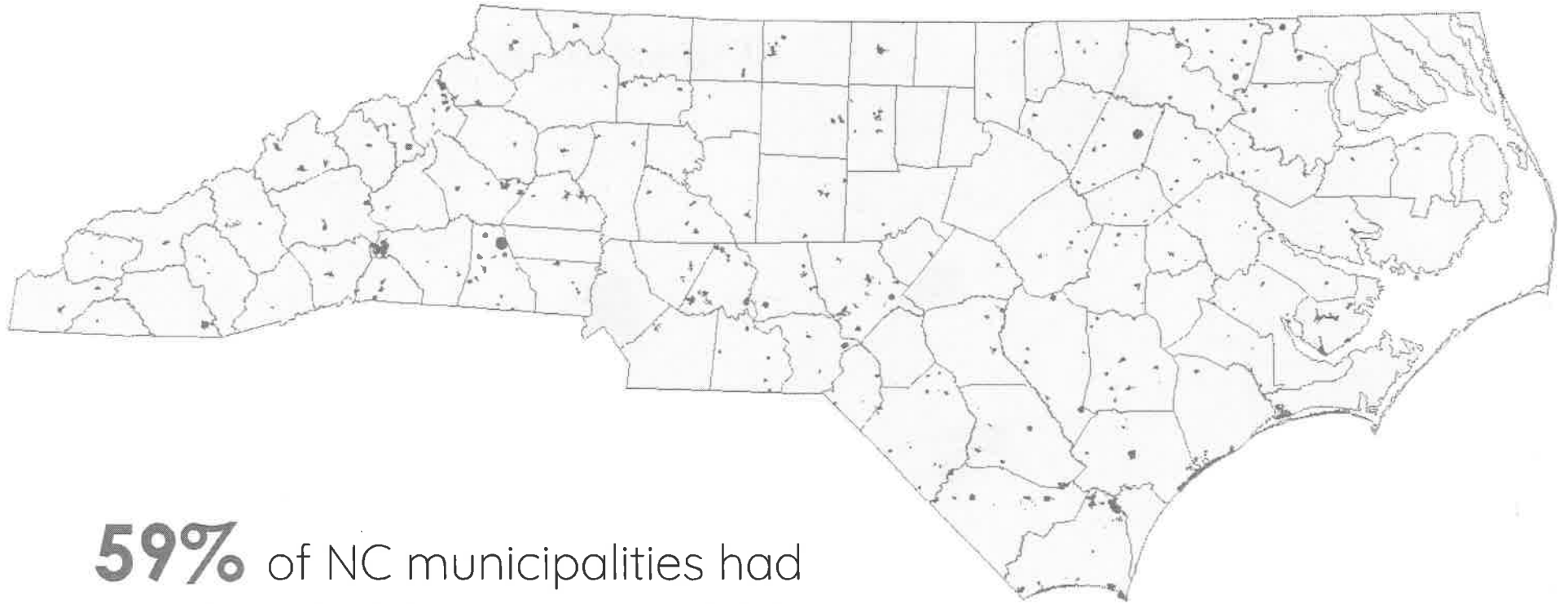
Source: U.S. Census Bureau

Among 10 most populous states, NC most rural

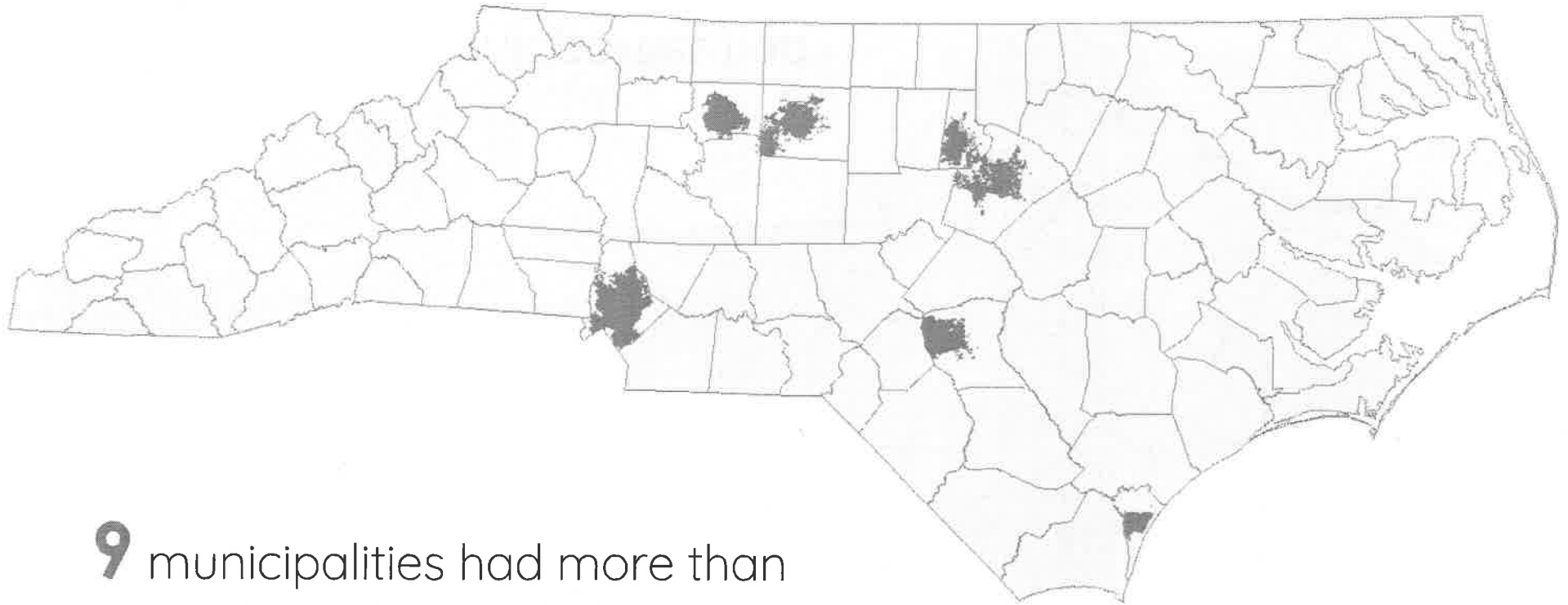
Population share living in rural areas, 2010



Data Source: US Census Bureau



59% of NC municipalities had
less than 2,500 residents in 2017



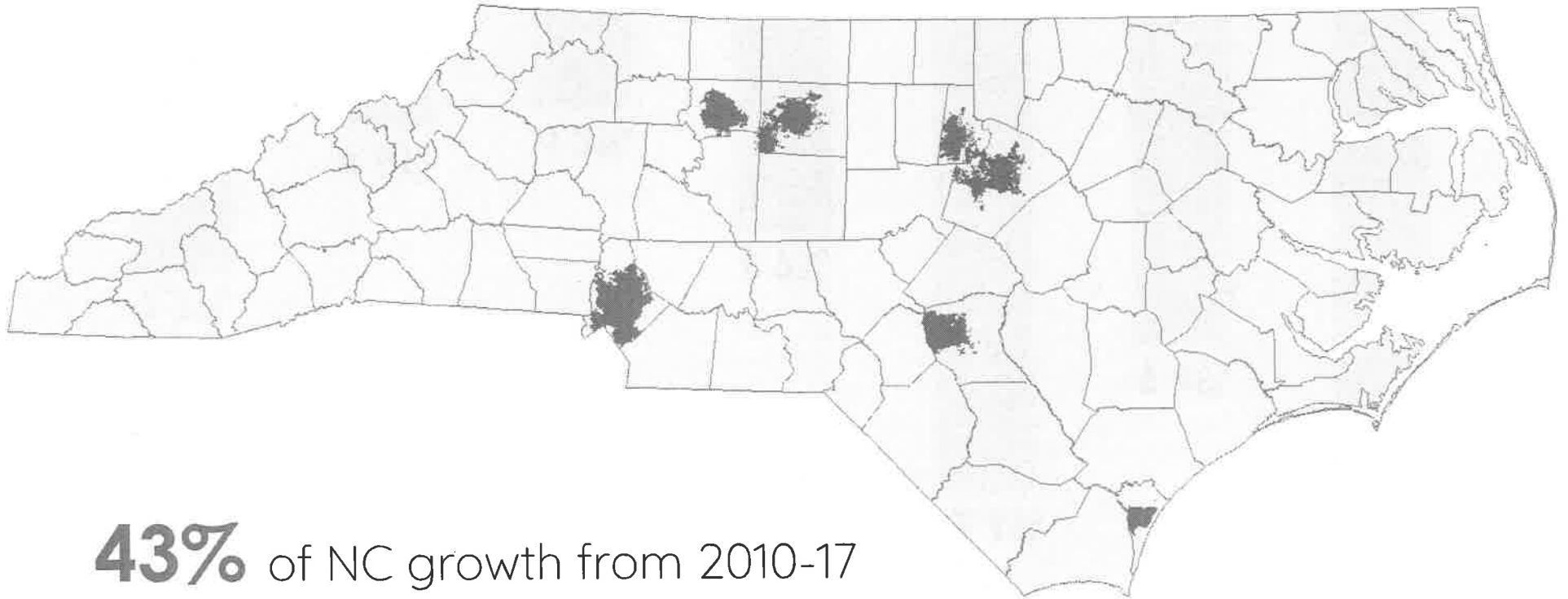
9 municipalities had more than
100,000 residents in 2017

Growth Trends, 2010-2017

+738K

new residents since 2010

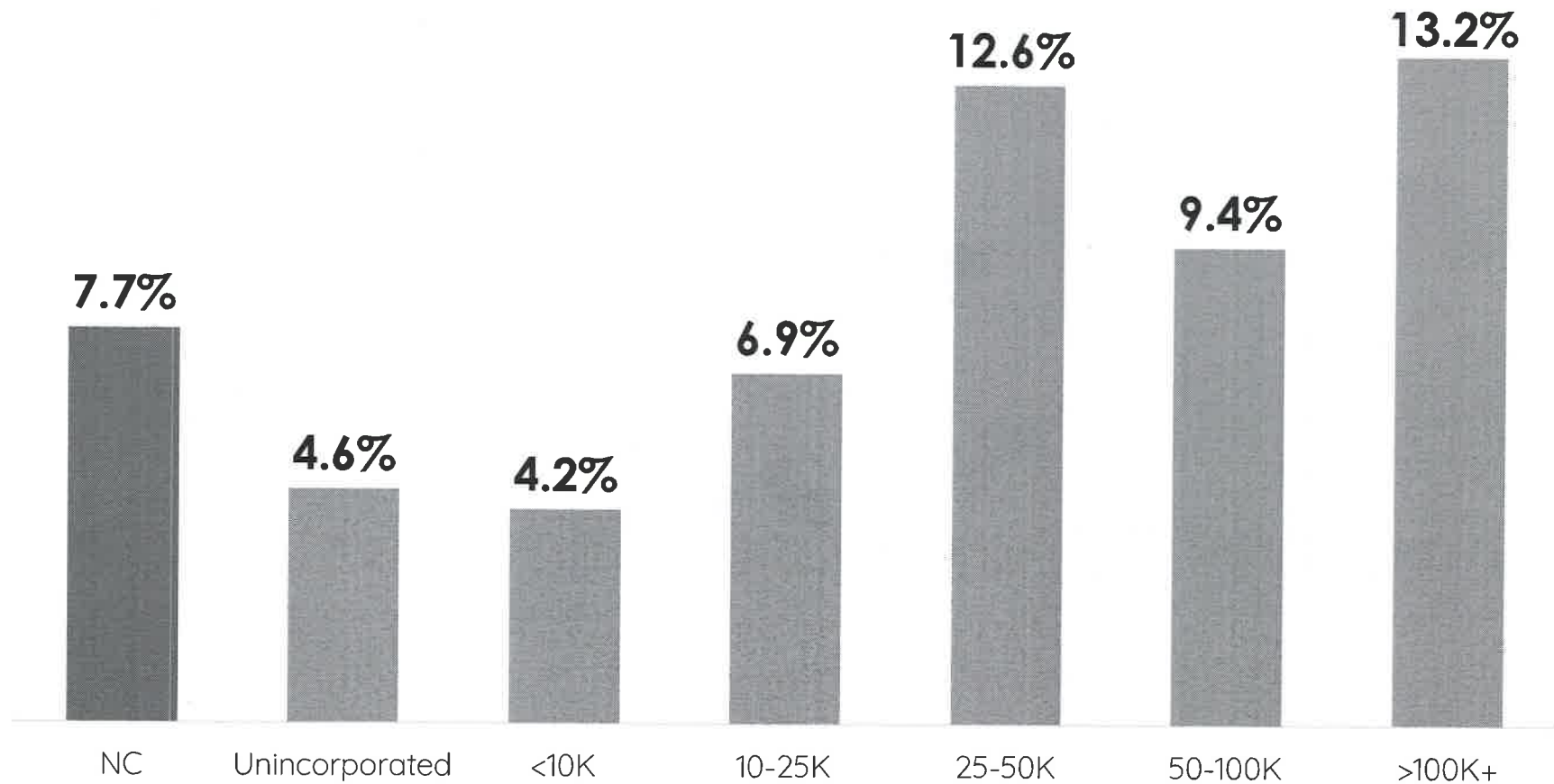
Data Source: U.S. Census Bureau



43% of NC growth from 2010-17
occurred in these 9 places

Growth in urban areas outpacing state

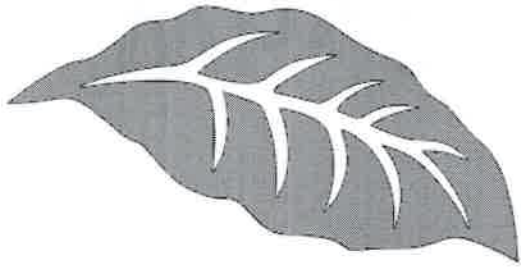
2010-17 growth rate by population size in 2017



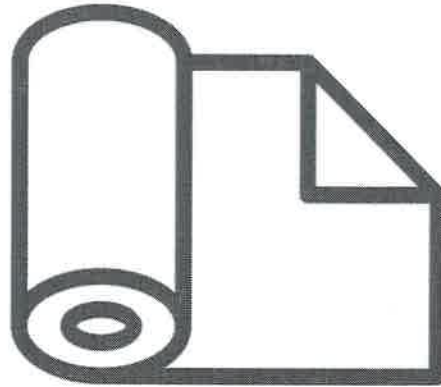
Data Source: U.S. Census Bureau

why?

Decline of the “Big Three” industries



Tobacco



Textiles



Furniture
manufacturing

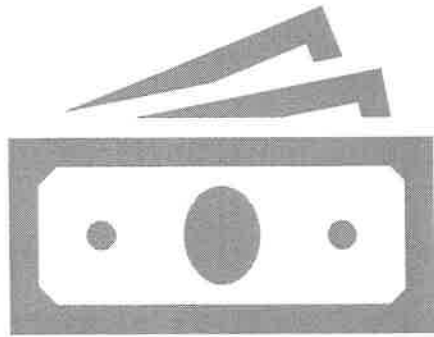
Rise of North Carolina's new industries



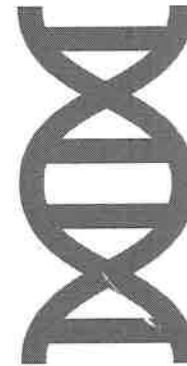
Information Technology



Food Production



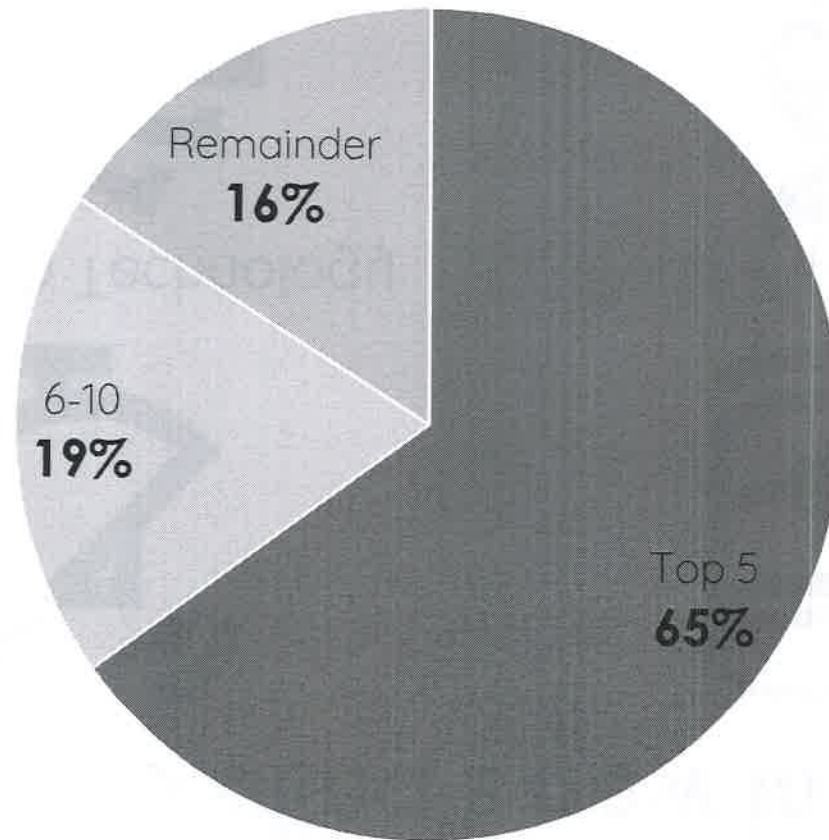
Banks and Finance



Biotechnology

65% of new establishments in 5 counties

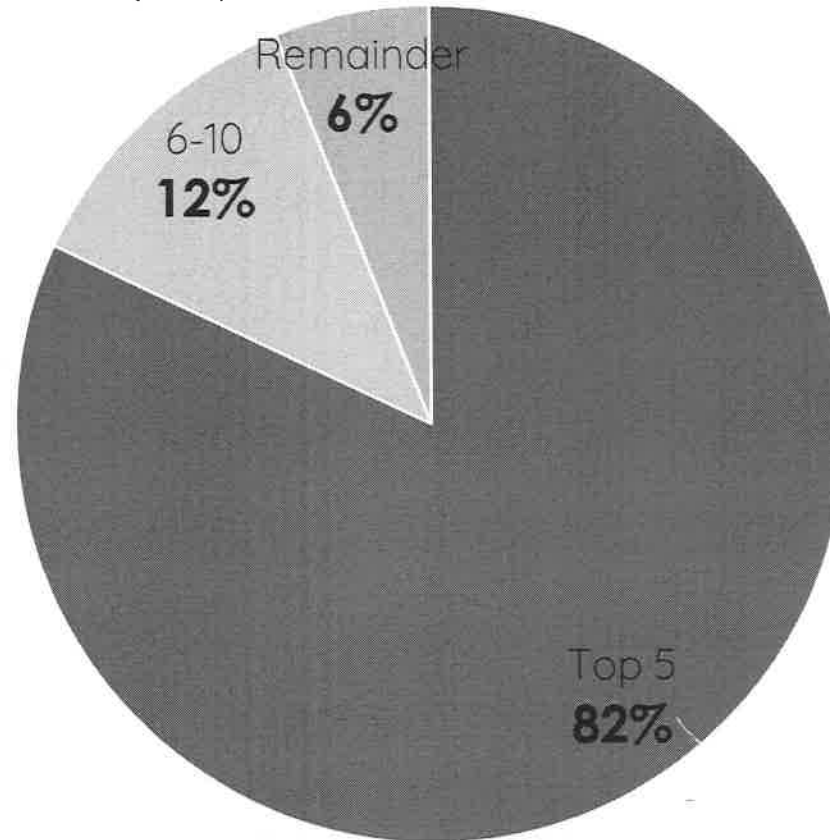
NC firm growth (Q4), 2007-2017



Data Source: Quarterly Census of Employment and Wages (QCEW)

82% of new jobs in 5 counties

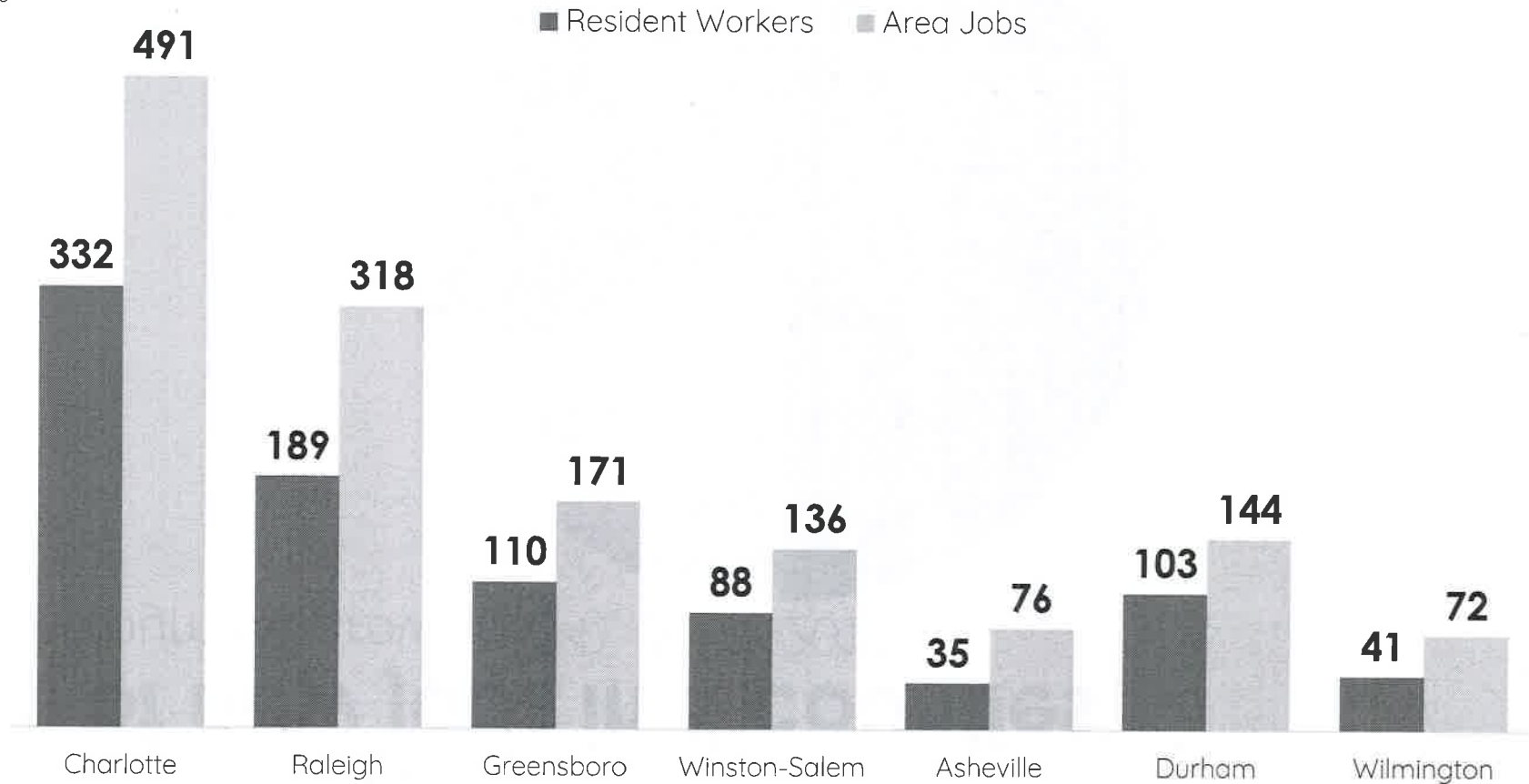
NC employment growth (Q4), 2007-2017



7 cities with >25,000 net in-commuters

Area workers vs. area jobs, 2015

In thousands



Data Source: LEHD Origin-Destination Statistics (LODES)

Cities are hubs for medical care

Urban counties where health care largest employer (2017 Q4), QCEW

Buncombe

Memorial Mission Hospital

Forsyth

Wake Forest University Baptist Medical

Gaston

Caromont Health

Mecklenburg

Carolinas Health Care System

New Hanover

New Hanover Regional Medical Center

Pitt

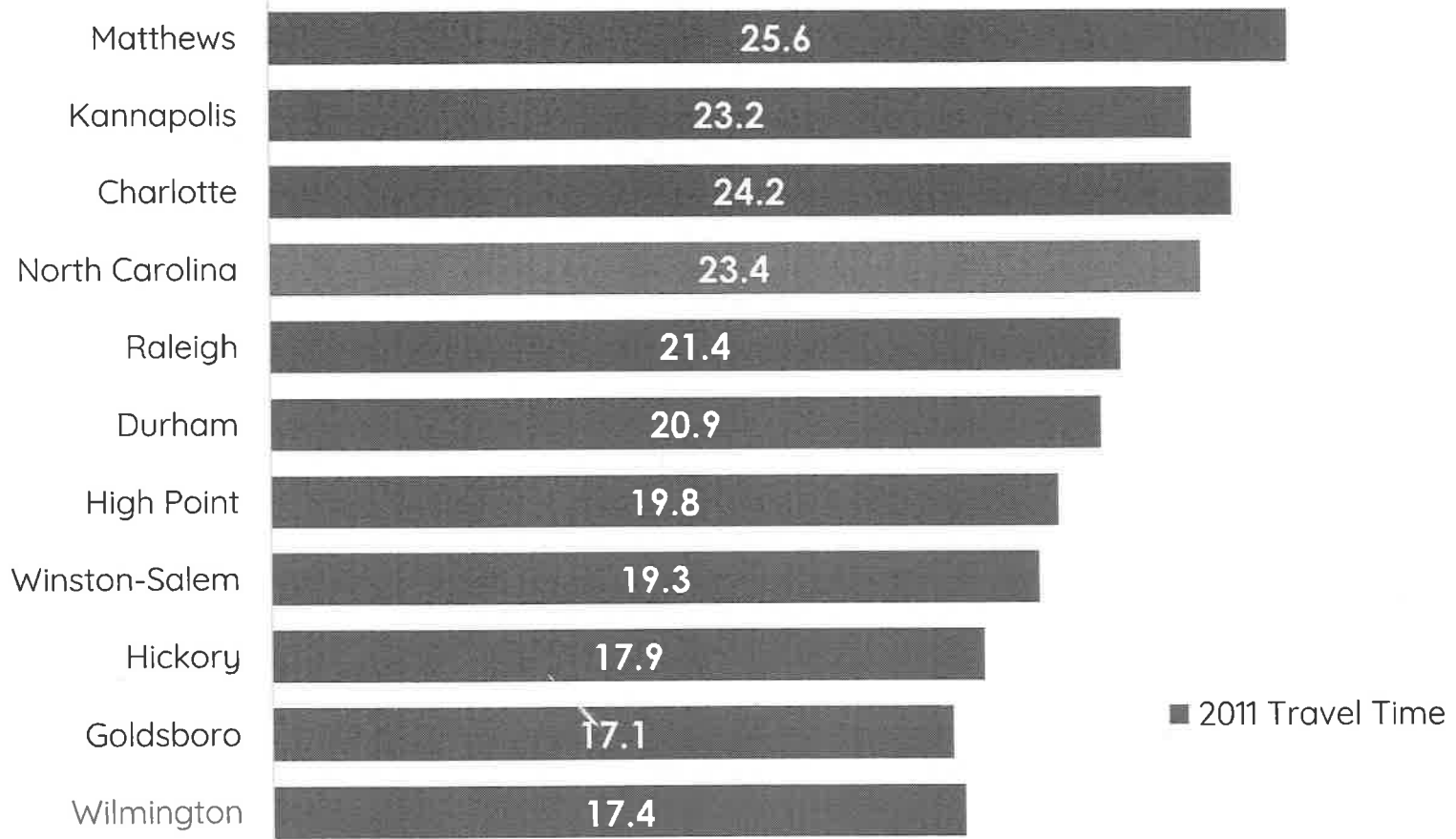
Vidant Medical Center

Emerging Trends

Near Future

Average commute times increasing

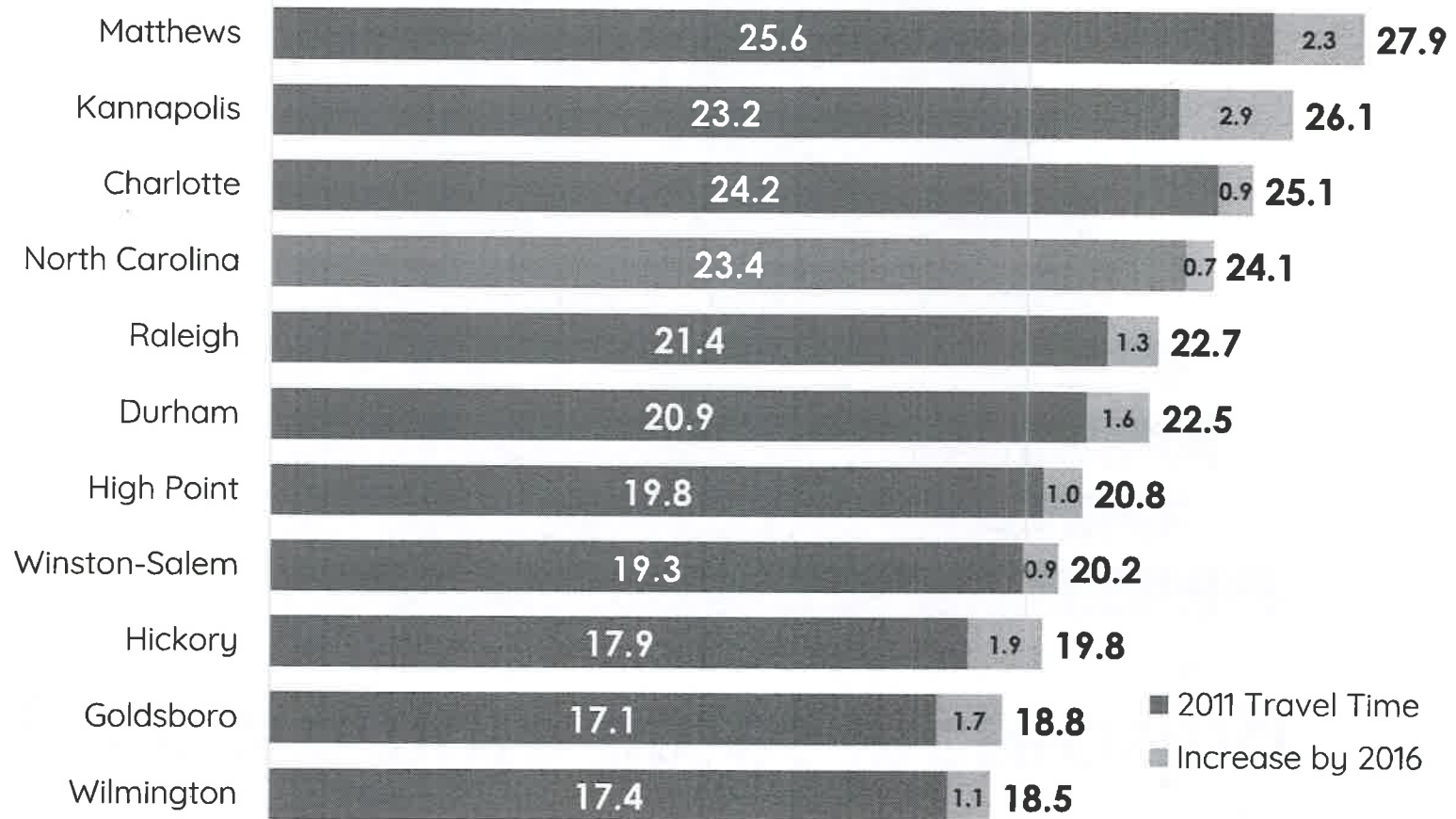
One-way commute (in minutes), 2016 vs. 2011 5-Year ACS



Only statistically significant increases are shown.

Average commute times increasing

One-way commute (in minutes), 2016 vs. 2011 5-Year ACS



Only statistically significant increases are shown.

Median rent up \$23 statewide

Increase of \$100 or more

\$187 Fuquay-Varina

\$166 Apex

\$160 Huntersville

\$130 Morrisville

\$127 Chapel Hill

\$110 Cary

\$50-99 increase

\$99 Carrboro

\$85 Matthews

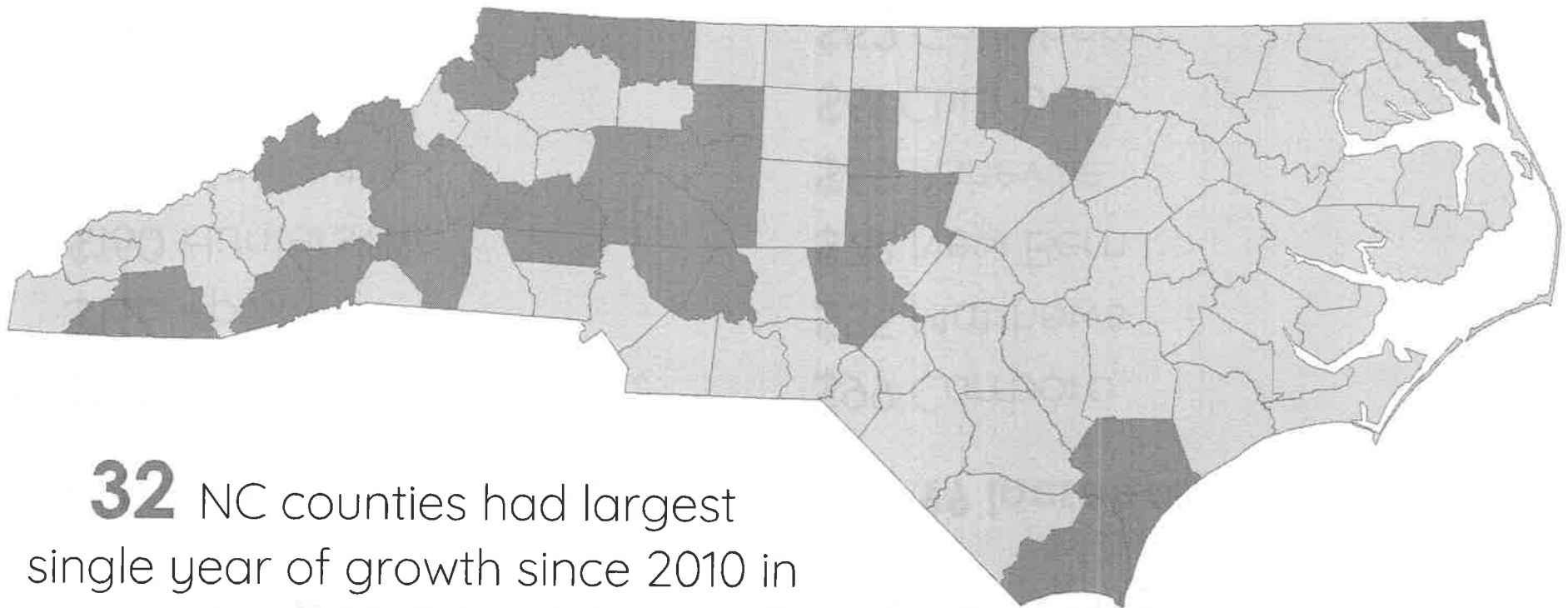
\$72 New Bern

\$68 Asheville

\$61 Charlotte

\$52 Goldsboro

Data Source: U.S. Census Bureau, 2011 vs. 2016 5-Year ACS; only statistically significant increases in median rent are reported. All values are in \$2016.



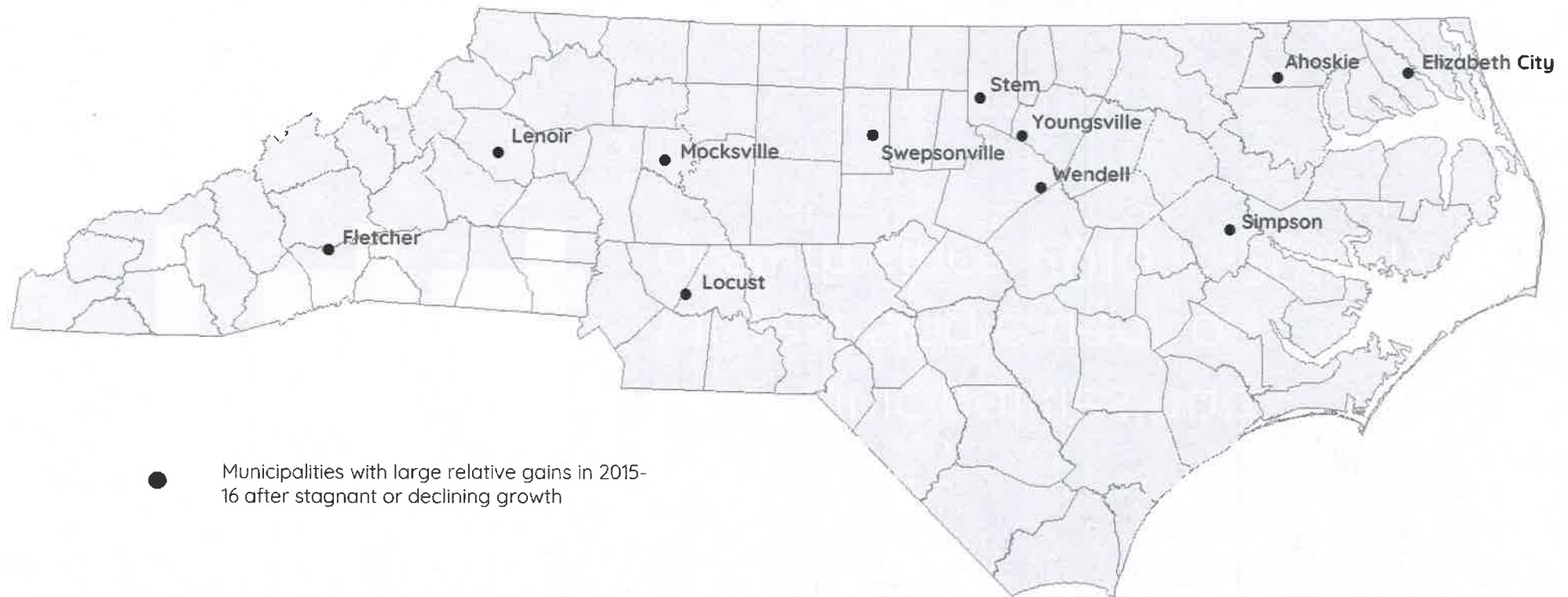
32 NC counties had largest
single year of growth since 2010 in
2016-17

144

NC municipalities had
largest single year of
growth since 2010 in 2016-17

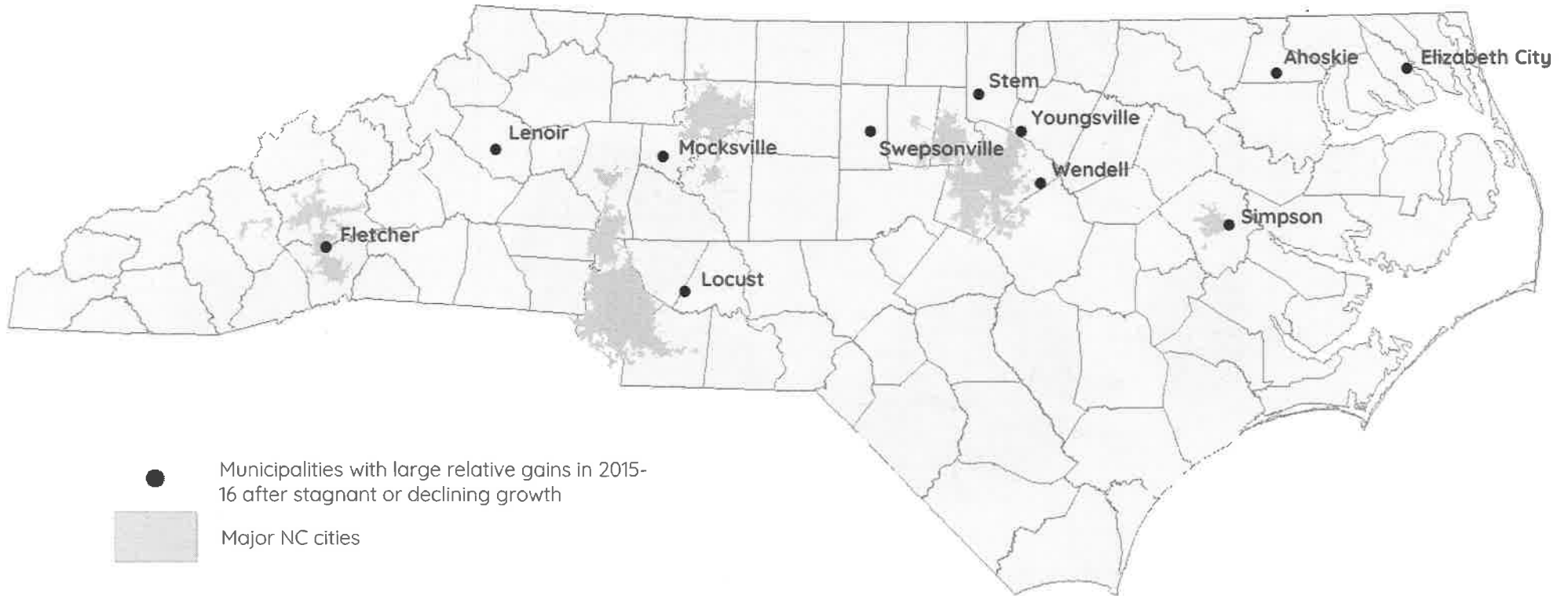
Rebounding municipalities in many areas across NC

11 municipalities with large increase in 2016 after stagnant or declining growth from 2010-15



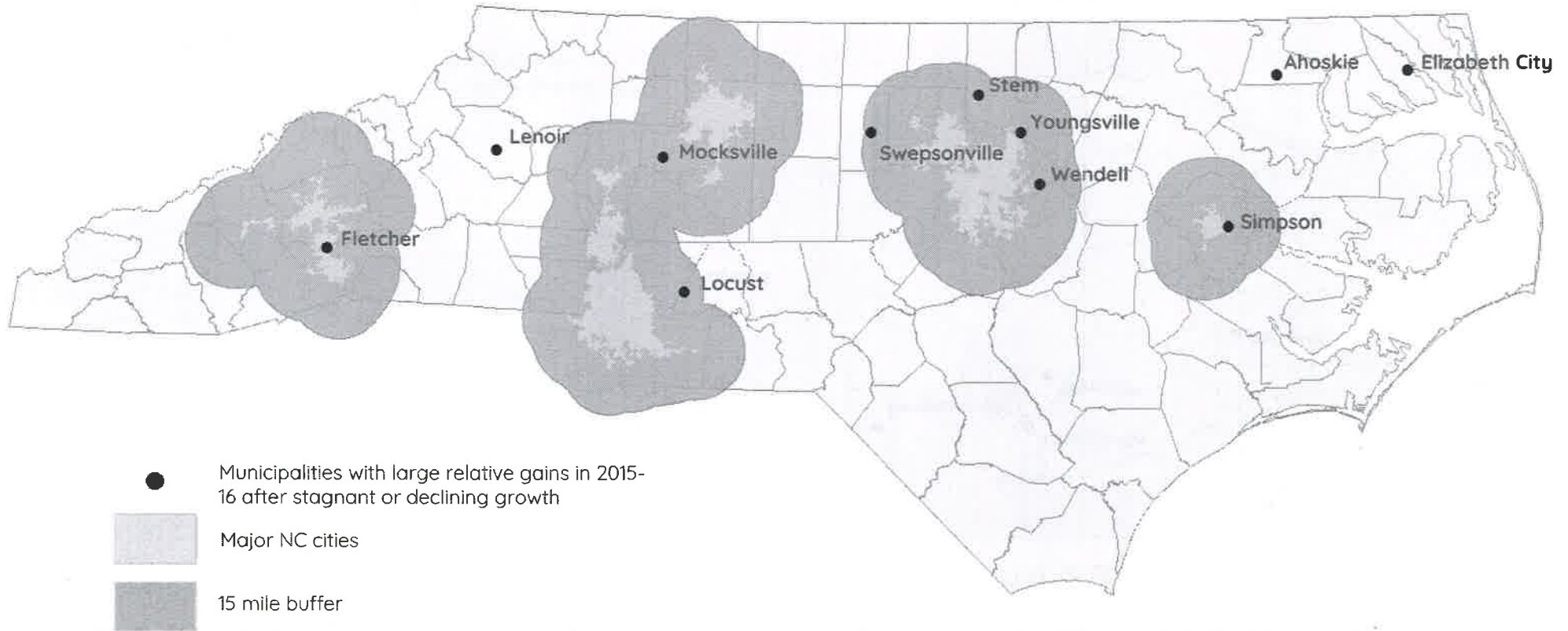
Rebounding municipalities in many areas across NC

11 municipalities with large increase in 2016 after stagnant or declining growth from 2010-15



Rebounding places offer easy commute to major cities

11 municipalities with large increase in 2016 after stagnant or declining growth from 2010-15



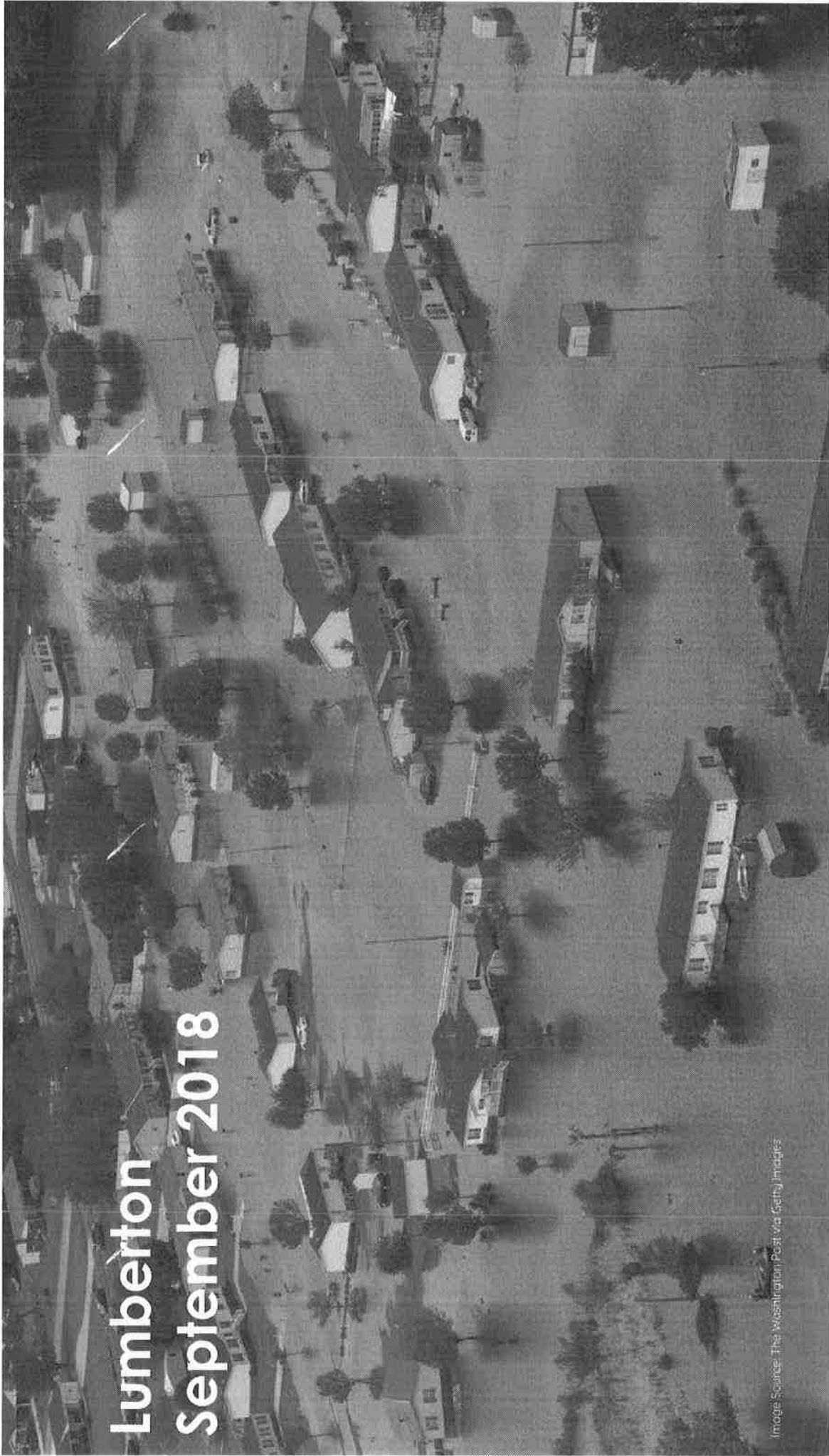
Lumberton October 2016



Image Source: Chuck Burton/AP via NY Times

Lumberton September 2018

Image Source: The Washington Post via Getty Images





34 NC counties lost population
between 2016 and 2017

On the horizon?

Potential longer-term impacts on growth patterns



+98%

growth in NC workers who
telework since 2006



Driverless Future?



60 NC counties had **more**
deaths than births between
2016 and 2017

**What does this
mean for you?**

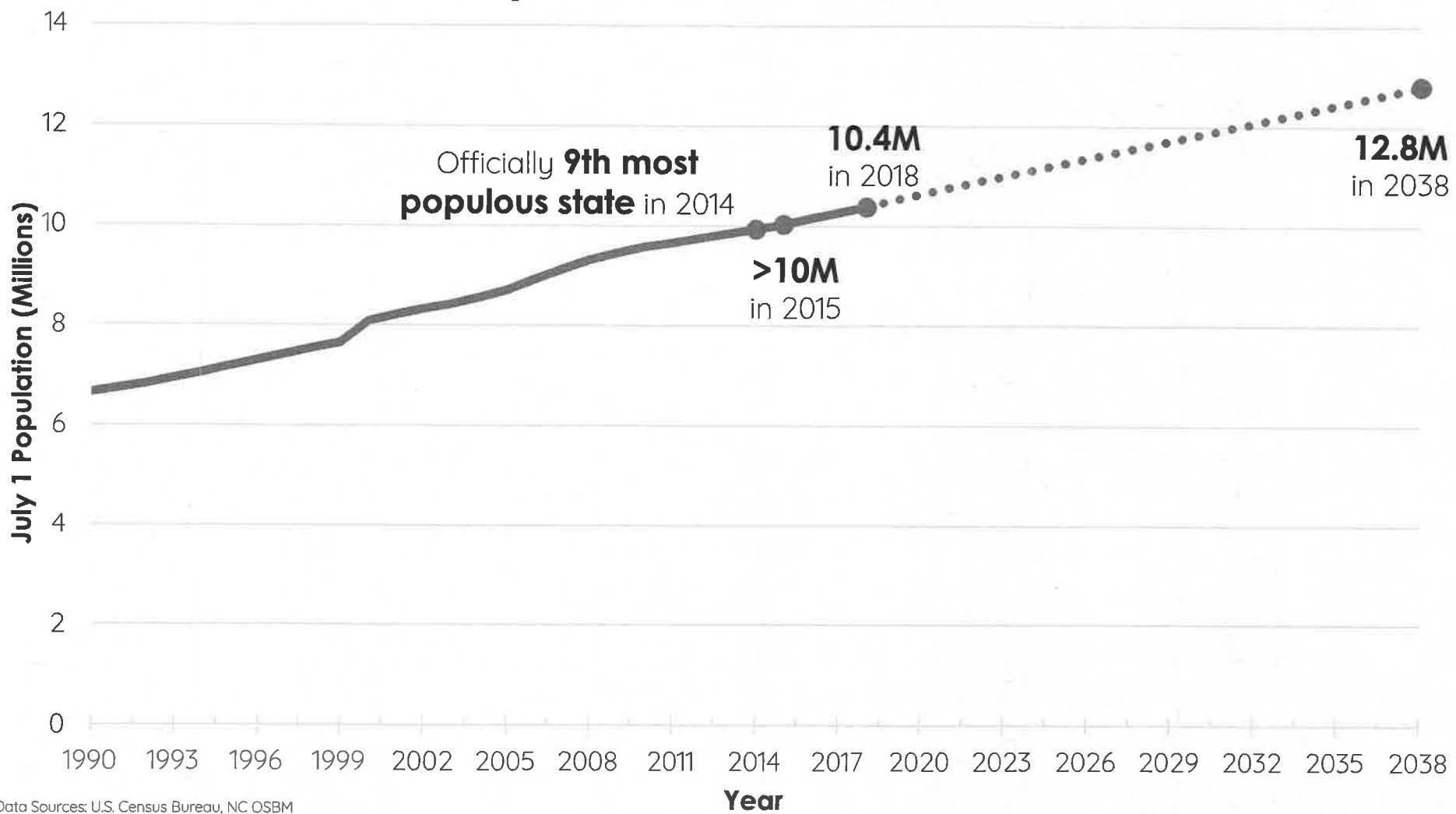
Contact

Rebecca Tippet | **demography@unc.edu**

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DEMOGRAPHY

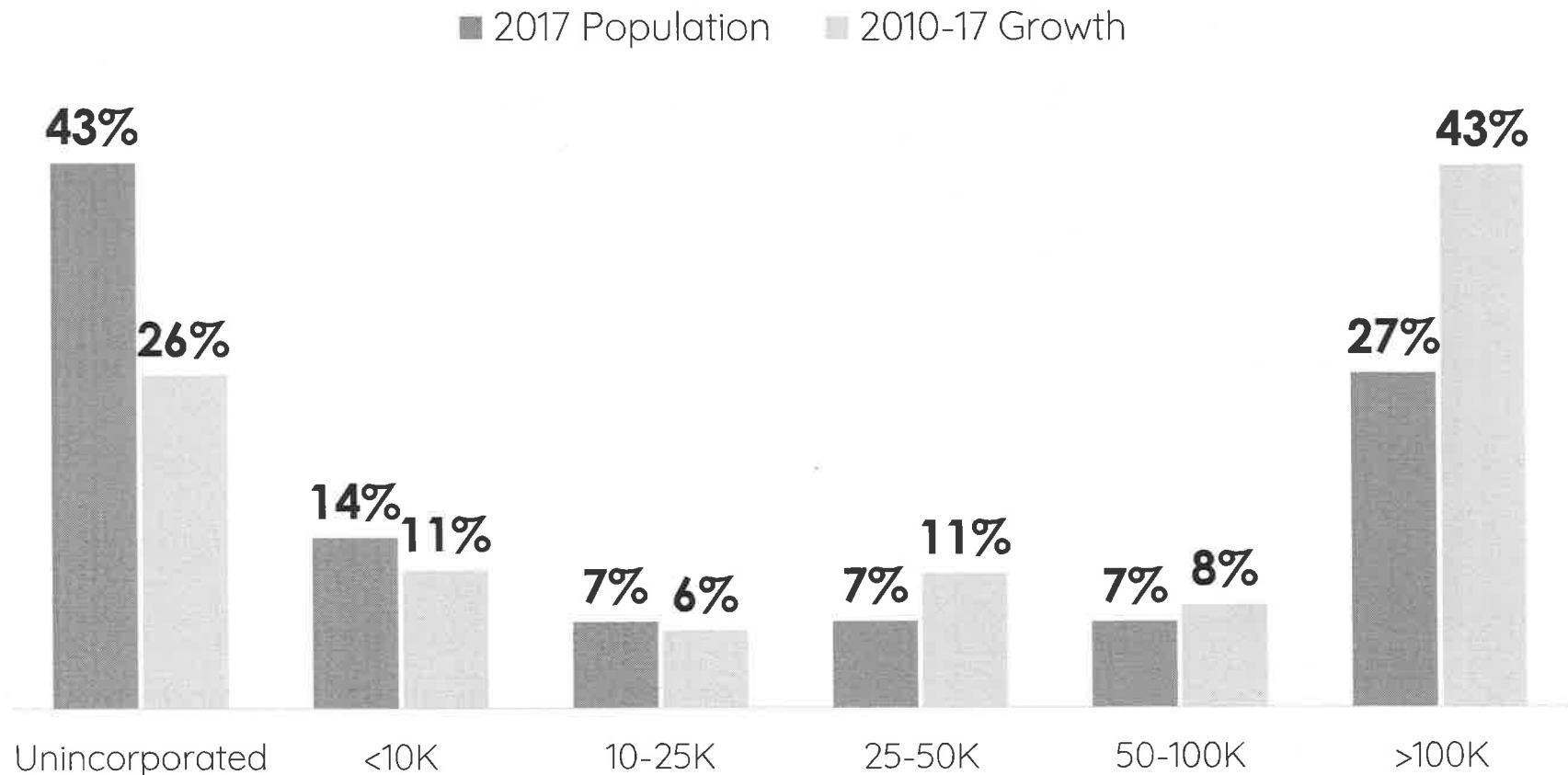
Additional Materials

North Carolina's Total Population, 1990-2038



Largest cities driving state growth

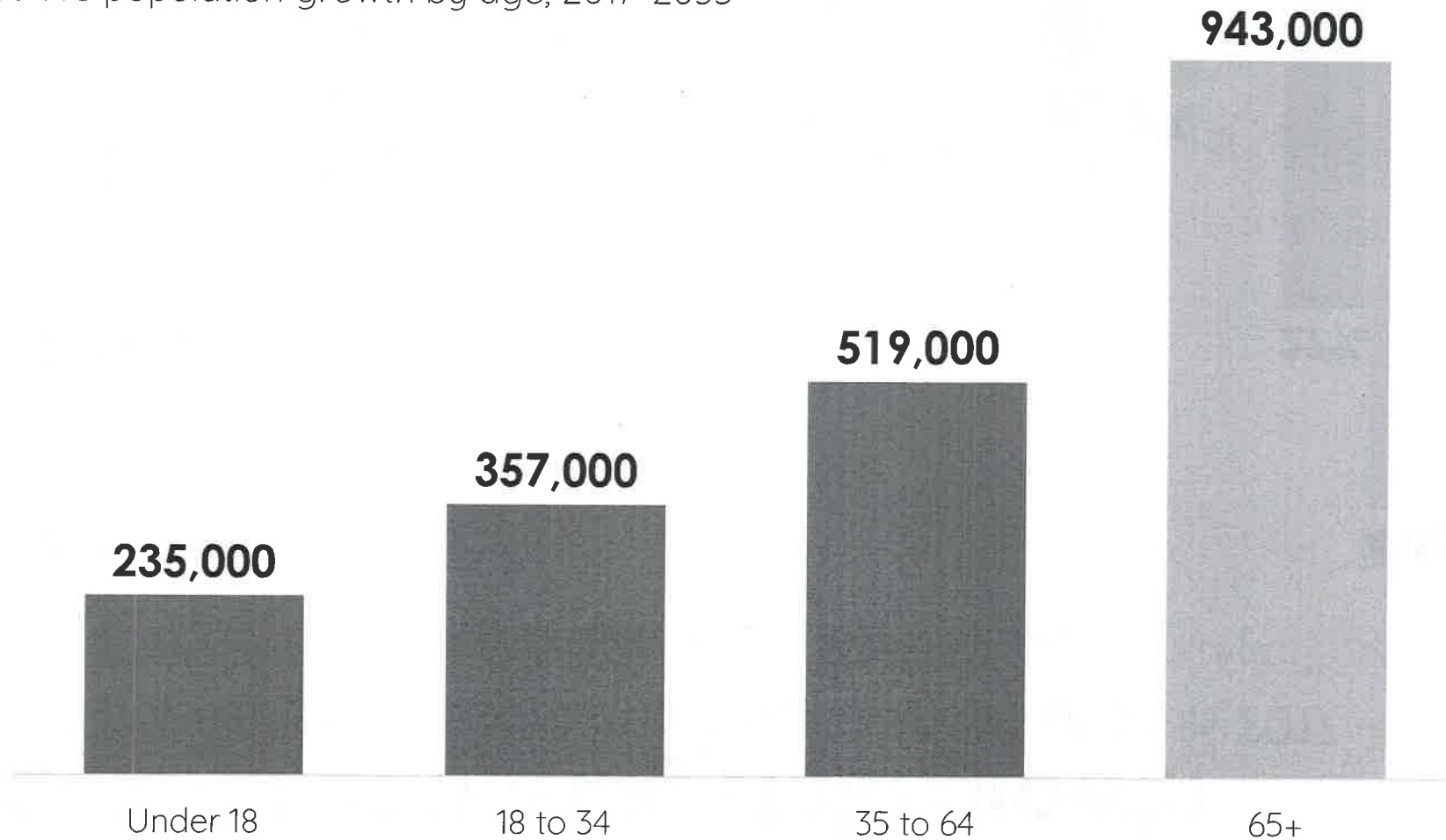
Share of population vs. share of growth by population in 2017



Data Source: U.S. Census Bureau

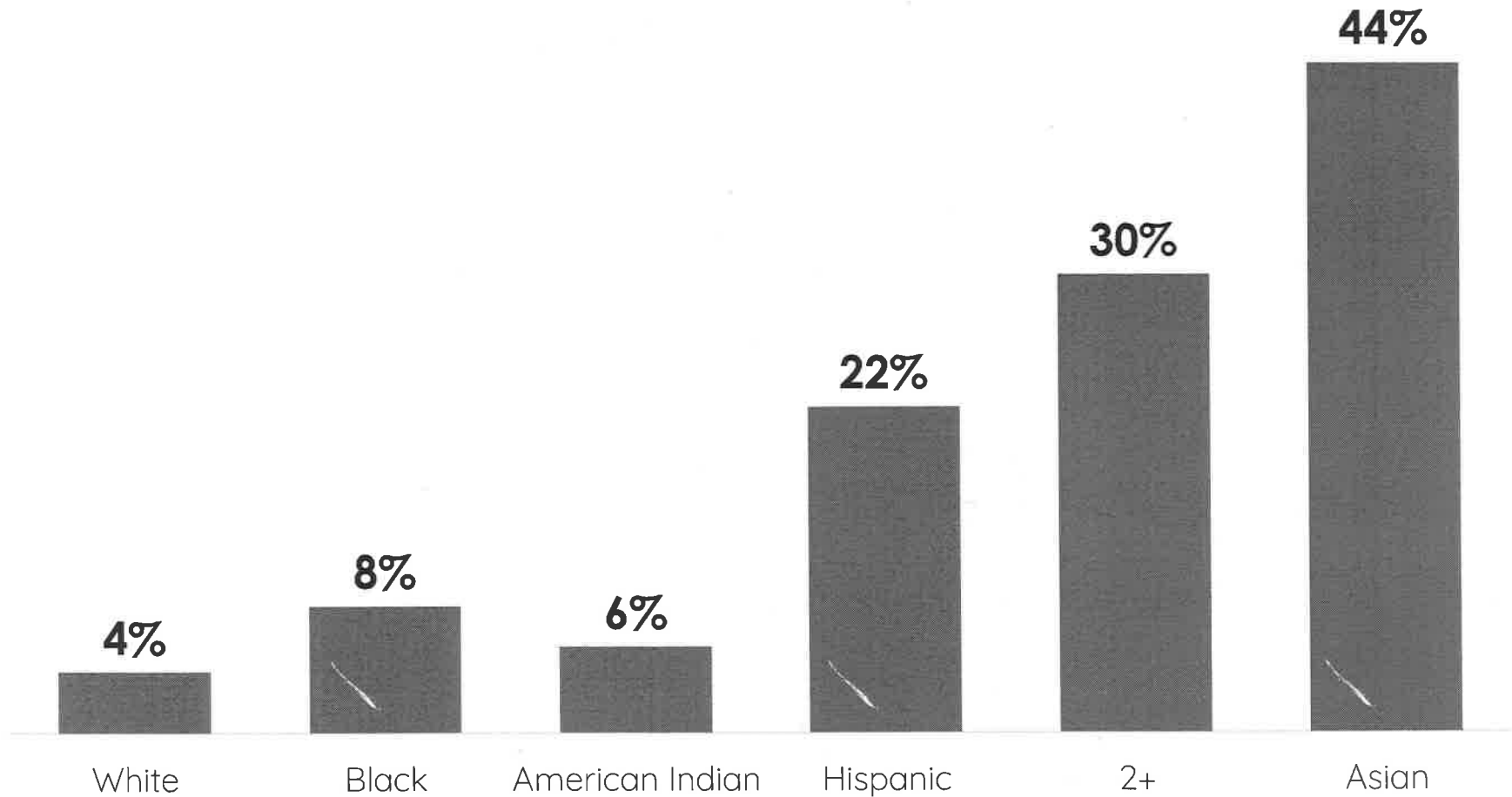
Nearly half of state's 2.1M new residents by 2035 will be 65+

Projected NC population growth by age, 2017-2035



Faster growth among minority groups will increase diversity

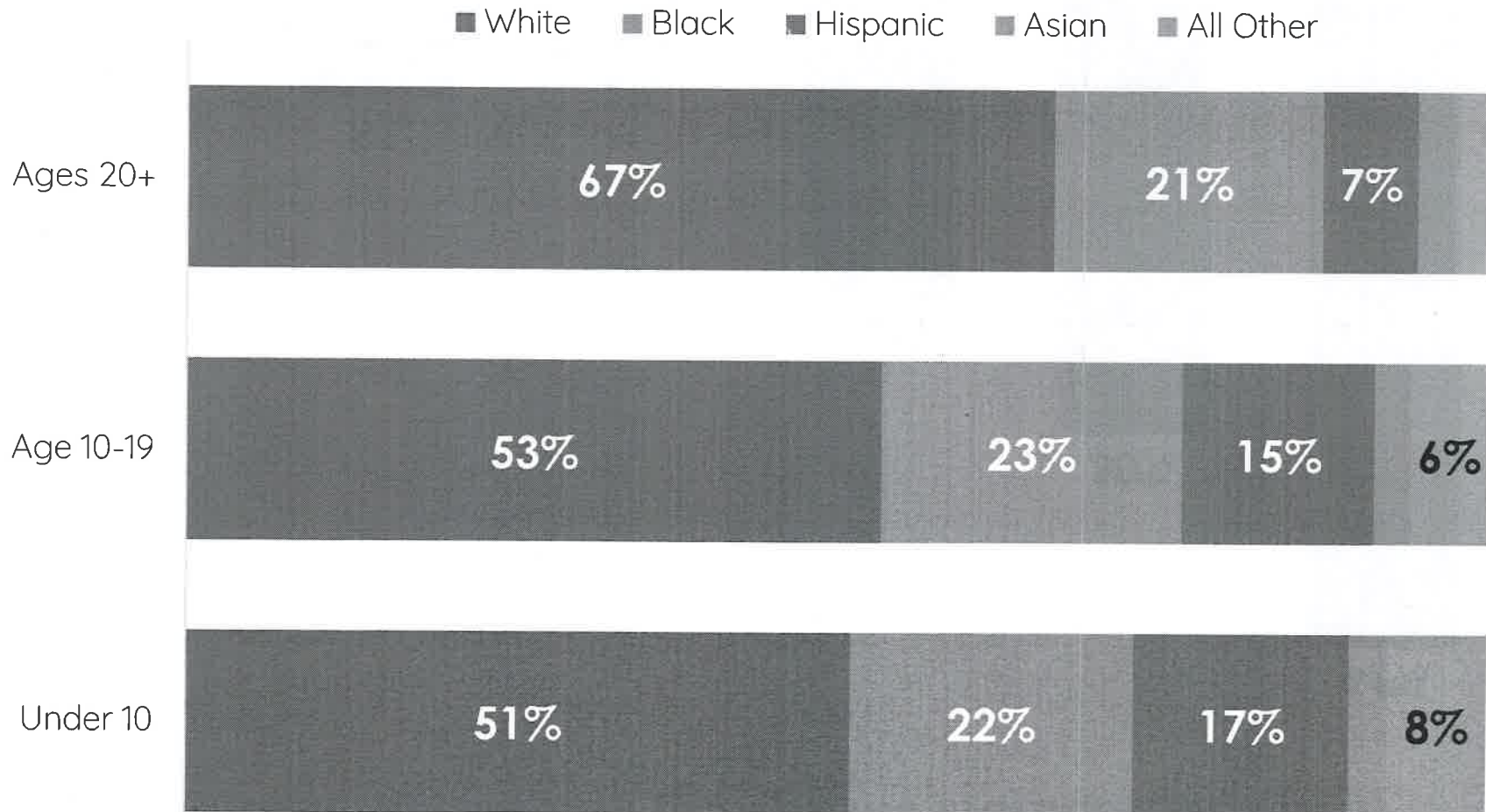
Population growth by race/ethnicity for North Carolina, 2010-2017



Data Source: U.S. Census Bureau

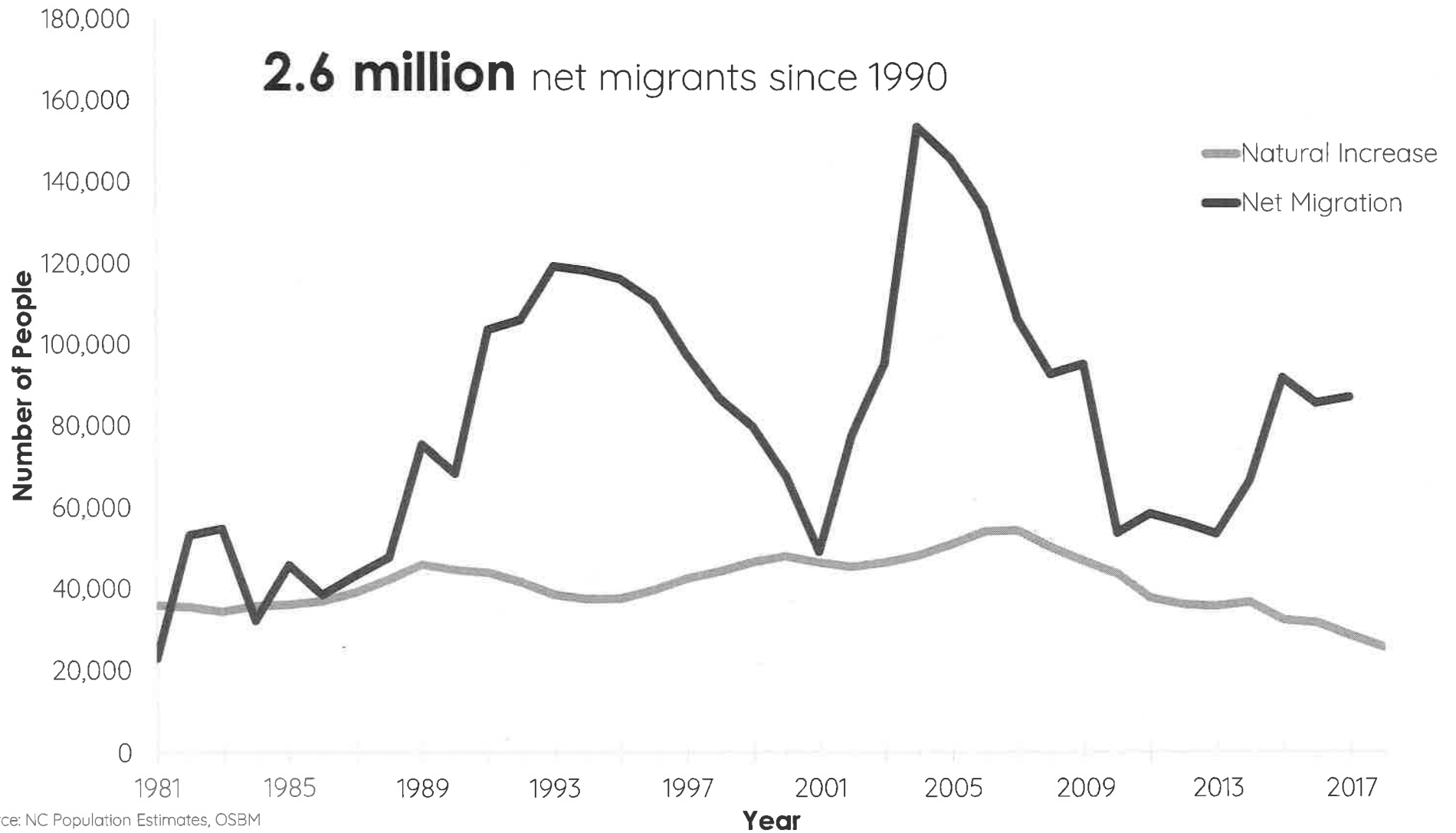
Future workforce more diverse than current workers

Racial/ethnic distribution, NC adults (20+) and future workforce (0-19), 2017



Data Source: 2017 American Community Survey (IPUMS); values of 3% or less not shown

Components of Population Change, NC, 1981-2018



NC in Focus: Internet Access

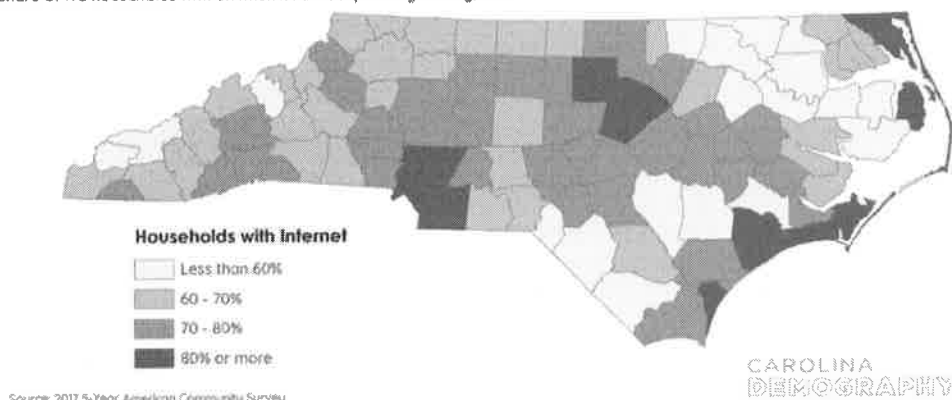
Posted on [December 13, 2018](#) by [Rebecca Tippet](#)

Nationally, 78% of all households subscribe to the internet. This rate is two percentage points lower in North Carolina—76%—reflecting generally lower internet access rates among households in rural and lower-income counties. These data come from the [2017 5-Year American Community Survey \(ACS\) estimates](#) recently released by the U.S. Census Bureau, the first data to provide estimates of computer and internet use for all communities.

Across North Carolina's 100 counties, internet access varies widely. In twelve counties, 80% or more of county households subscribe to the internet. These counties include the core counties of the Triangle and Charlotte metropolitan areas, as well as six coastal counties. Eighty-eight percent of Wake County households have internet access, the highest rate statewide, followed by Union and Orange counties (both at 87%).

76% of North Carolina households subscribe to the internet

Share of NC households with an internet subscription by county, 2017

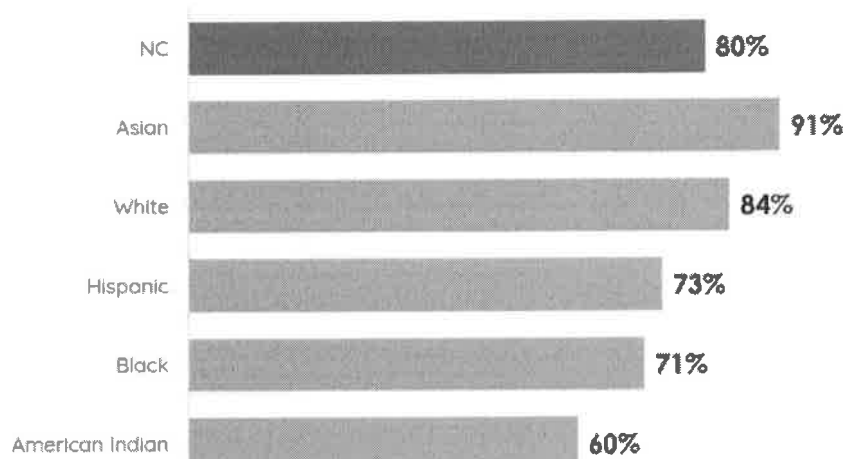


In contrast, the internet subscription rate among households in Swain, the county with the lowest rate, is just over half that of Wake: 46% of Swain County households subscribe to the internet. Graham (50%) and Robeson (51%) counties have the next lowest rates of household internet access.

While 76% of NC households have internet access, 80% of North Carolina residents live in a household with internet. Asian residents are the most likely to live in a household with a broadband internet subscription (91%), followed by White (84%), Hispanic (73%), Black (71%), and American Indian (60%) residents.

American Indian residents least likely to have internet at home

Share of NC residents with broadband internet at home by race/ethnicity, 2017



About Rebecca Tippet

Rebecca Tippet is Director of Carolina Demography at UNC-Chapel Hill's Carolina Population Center.
[View all posts by Rebecca Tippet →](#)

This entry was posted in [Carolina Demographics](#) and tagged [American Community Survey](#), [digital divide](#), [internet](#). Bookmark the [permalink](#).

Median household income key predictor of internet access

Posted on [December 14, 2018](#) by [Rebecca Tippet](#)

Yesterday's [post](#) provided topline statistics about internet access in North Carolina. For many readers, this post raised more questions than it answered. Specifically, one reader wanted to know how many individuals had internet access only through their cell phones. Others had more specific questions about the relationship between income, geography, and access. These questions are addressable with the data and are the focus of this post.

How many of the people with internet access are using cell phones only?

Accessing the internet on a cell phone only is a fundamentally more limited form of engagement with the internet than individuals who are accessing the internet on a desktop or laptop computer. According to the 2017 5-Year American Community Survey (ACS), 85.5% of households had one or more types of computing devices:

- 4% had a smartphone only
- 7% had a tablet only

These estimates are likely to increase in coming years due to survey [changes](#) that better capture the use of these devices.*

Statewide, 76.4% of households had an internet subscription according to the (75.8% with broadband and 0.6% with dial-up). However, one in ten broadband users—7.5% of all households—reported having a "[cellular data plan only with no other type of internet subscription](#)." The counties with the highest rates of cell-only internet access were:

- Greene (22.3%)
- Lenoir (18.4%)
- Caswell (13.7%)
- Jones (12.6%)
- Perquimans (12.2%)

The counties with the largest numbers of cell-only households were:

- Mecklenburg (29,900)
- Wake (17,700)
- Guilford (13,300)
- Forsyth (12,000)
- Durham (10,600)

What is the relationship between income and internet access?

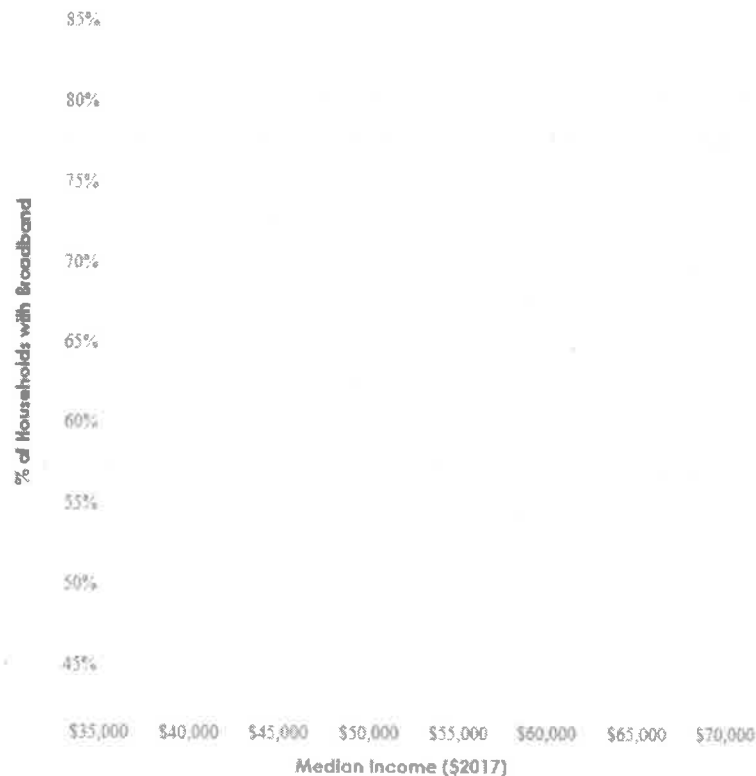
[Nationwide analysis](#) by the U.S. Census Bureau found that, across rural and urban categories, counties with lower median household incomes (<\$50,000) had household internet subscription rates ten percentage points lower than counties with median household incomes of \$50,000 or more. Yesterday's post highlighted differential rates of internet access across North Carolina's 100 counties and by race and ethnicity but did not discuss the key factor of income.

The interactive graphic below highlights the relationship between county median household income and the share of county households with any broadband subscription. Median income ranges from just under \$31,300 in Bertie to more than \$73,500 in Wake. Broadband subscription rates range

from 44.9% in Swain to 88.3% in Wake. The shading of each dot reflects the share of county population identifying as American Indian, Black, or Hispanic. This proportion ranges from 3.3% in Madison to 71.9% in Robeson.

Broadband, Income, and Race in NC Counties, 2017

CAROLINA DEMOGRAPHY



There is a strong relationship between median income and internet adoption. For every additional \$1,000 in median income, the county's broadband subscription rate increases by 0.9 percentage points.** With this new data and future releases, researchers will be better able to explore whether this is due primarily to a lack of sufficient infrastructure or more driven by individual characteristics such as age and income.

*The 2017 5-Year ACS data span 2013-2017 and include years of data collected prior to the survey changes. They are used here because they are the only source that provides estimates for all 100 counties in the state. The [2017 1-Year ACS data](#) available at the state level found higher rates of smartphone only (8.7%) and tablet only households (1.0%), due to higher overall rates of device reporting (89.4% of households reported any computing device). In addition, nearly one in nine households (10.8%) reported having a cellular data plan only with no other type of internet subscription.

**Based on linear regression.

About Rebecca Tippet

Rebecca Tippet is Director of Carolina Demography at UNC-Chapel Hill's Carolina Population Center.

[View all posts by Rebecca Tippet →](#)

Committee Sergeants at Arms

NAME OF COMMITTEE Joint Appropriations, Transportation

DATE: 2/27/2019

Room: 1228/13327

House Sgt-At Arms:

1. Name: Doug Harris

2. Name: Kenneth Gilbert

3. Name: Malachi McCullough

4. Name: David Leighton

5. Name: _____

Senate Sgt-At Arms:

1. Name: Sheree Hedrick

2. Name: Billy Fritsher

3. Name: _____

4. Name: _____

5. Name: _____



Senate Pages Attending

COMMITTEE: Joint App. DOT ROOM: 1208
DATE: 2-27 TIME: 8:30am

PLEASE PRINT LEGIBLY....or else!!!!

	Page Name	Hometown	Sponsoring Senator
1.	Jorge Zuniga	Salemberg	B. Jackson
2.	Maverick Wilson	Salemberg	"
3.	Michael Williams	New London	Ford
4.	Sebastian Turner	New London	"
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

2/27/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Mg Macle Arhiv

SELC

Tiffany Gladney

Rural Center

Deans Eatman

NCDOT

Demetrius DeLoatch

NCLM

Justin Delaney

NCDOT

T. J. Miller

RANC, LPA, NCMA, WPBA

Flint Benson

SEANC

Lee Bar

BAA

Joe Bost

Charlotte Regional Business Alliance

Amber Harris

NCATC

M. W. Geron

Pave

Joint Committee on Appropriations, Transportation
Tuesday, February 28, 2018 at 8:30 AM
Room 1228 of the Legislative Building

MINUTES

The Joint Committee on Appropriations, Transportation, met at 8:30 a.m. on Tuesday, February 28, in Room 1228 of the Legislative Building. 7 Senators were present and 10 House Members were present.

Senator Tom McInnis, Chair, presided.

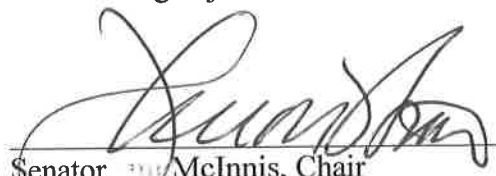
Senator McInnis opened the meeting @ 8:31 a.m. Chairman DMcInnis introduced the Co-Chairs and the Sergeant of Arms. Goals for the committee were suggested and staff introduced themselves. The chairs and staff introduced themselves.

Lisa Howell, Principal Fiscal Analyst, and Mary Greeson, Fiscal Analyst, of the Fiscal Research Division discussed the Base Budget overview.

Questions asked by members:

1. (Representative Shepard) Is there a way to pull out certain figures when analyzing data?
2. (Representative Iler) South Carolina has a 1% penny tax to build up projects, do we have something like that?
3. (Representative Presnall) Are the private dollars included on the state charts?
4. (Representative Iler) What is the federal government thinking about how hybrid or electric cars contribute to the 18.4 tax rate?

The meeting adjourned at 9:34 a.m.



Senator Tom McInnis, Chair
Presiding



Johnny Bravo, Committee Clerk

Joint Committee on Appropriations, Transportation

Thursday, February 28th, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Senator Tom McInnis, Presiding
Senator Jim Davis

Representative Frank Iler
Representative Michele Presnell
Representative Phil Shepard
Representative John Torbett

1. Call to Order
2. Base Budget Overview

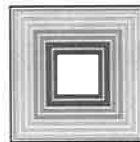
Lisa Hollowell, Staff
Mary Greeson, Staff

3. Committee Discussion

Next meeting: Tuesday, March 5th

Department of Transportation Overview

February 28, 2019



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Presentation Outline

- NCDOT - Responsibilities
- Overall Revenues and Budget
- Comparisons with other States
- State Transportation Improvement Program
- Division of Motor Vehicles
- Other Modes and Agencies
- Recent Legislative Actions

Background

North Carolina's State-Owned Highway System is:

- Large – Over 79,000 miles, second largest in the country
 - Texas is number one, by a few hundred miles
 - North Carolina secondary roads are state-owned
- Centralized – All dollars flow to Raleigh
 - Highway Fund transportation project decisions made by Board of Transportation (G.S. 143B-350) and Secretary (S.L. 2012-84)
 - Highway Trust Fund project decisions made through Strategic Transportation Investment (STI) prioritization process

Highway Construction Funding

2013

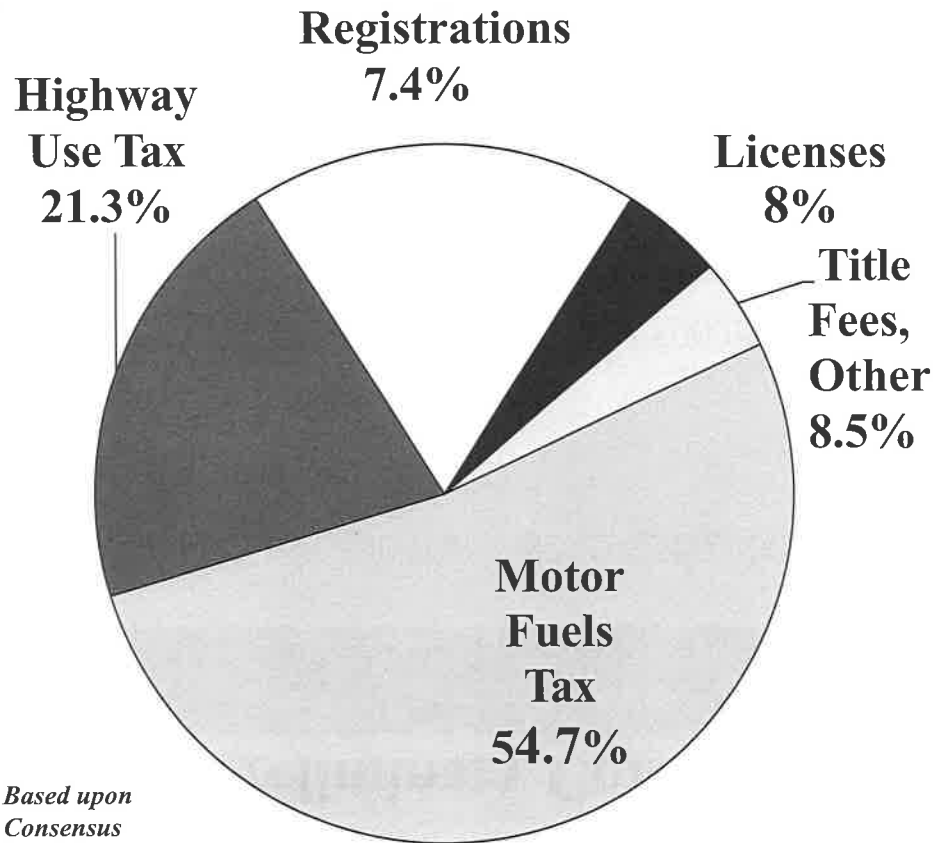
Strategic Transportation Investments Act

- S.L. 2013-183 (HB 817) eliminated the Equity Formula put in place in original 1989 Highway Trust Fund law.
- Funds are distributed:
 - 40% Statewide (100% data driven)
 - 30% Regional – Distributed by population (70% data driven/30% local input)
 - 30% Division – Distributed equally across 14 Highway Divisions (50% data driven/50% local input)



Transportation FY 2019-20

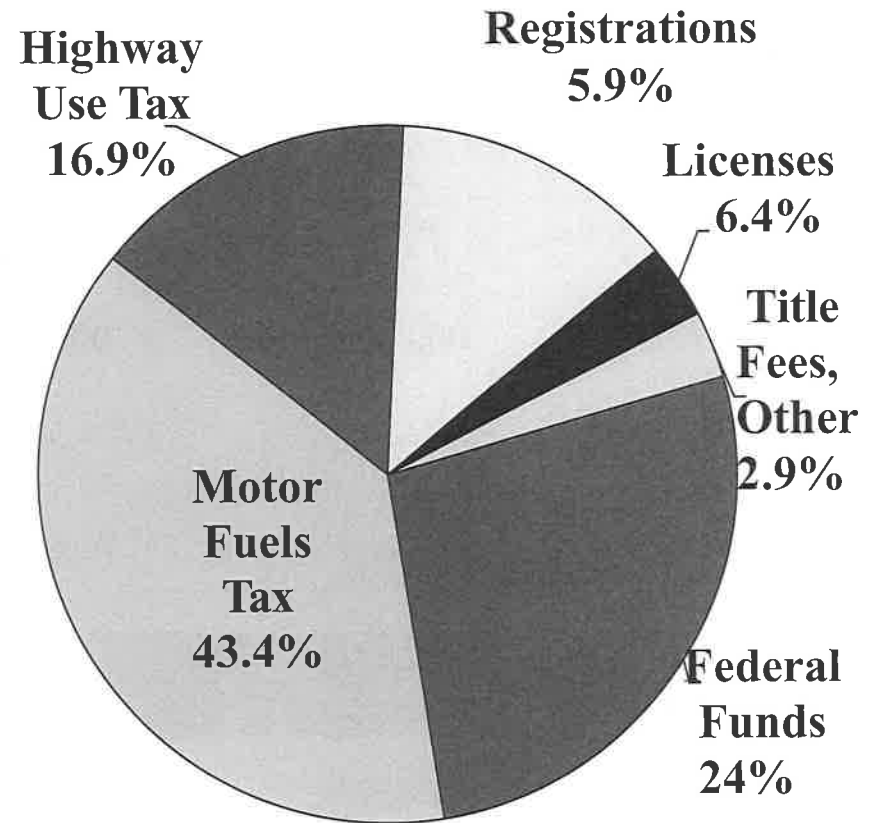
State Revenues



*Based upon
Consensus
Forecast and
Base Budget.*

\$3.9 billion

Total Revenues



\$4.93 billion



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Transportation Revenues: Current vs. Forecasted

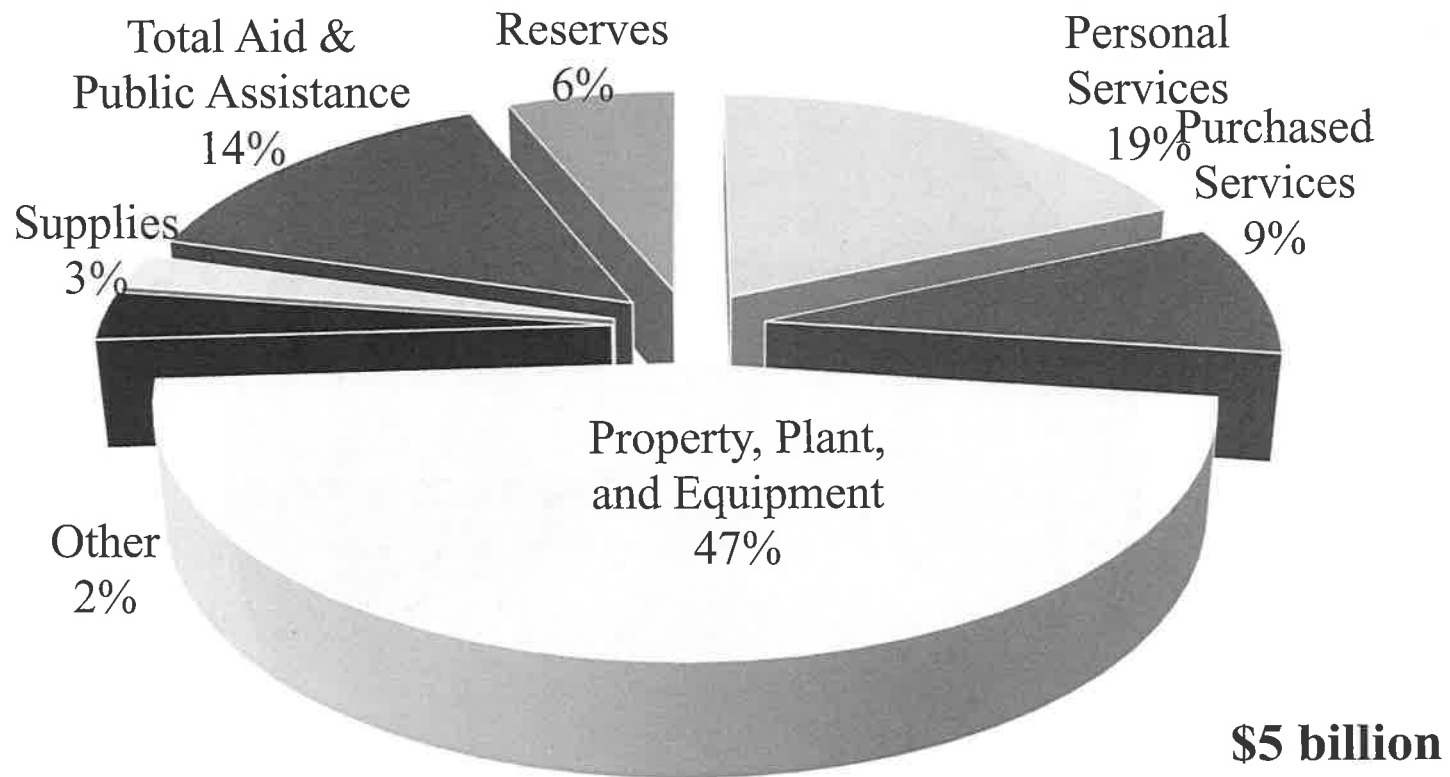
- Preliminary Consensus Forecast**

	Actual FY 2017-18	Certified FY 2018-19	Revised *Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
Highway Fund	\$2,188,400,000	\$2,224,500,000	\$2,259,000,000 2% \$34.5M	\$2,307,400,000 4% \$82.9M	\$2,412,700,000 8% \$188.2M
Highway Trust Fund	\$1,532,500,000	\$1,540,500,000	\$1,574,400,000 2% \$33.9M	\$1,599,700,000 4% \$55.2M	\$1,656,800,000 8% \$116.3%
Average Motor Fuels Tax Rate	34.3 and 35.1 cpg (adjusted in January)	35.1cpg	35.1 and 36.2 cpg (adjusted in January)	Approx. 36.2 +	Approx. 36.2 +

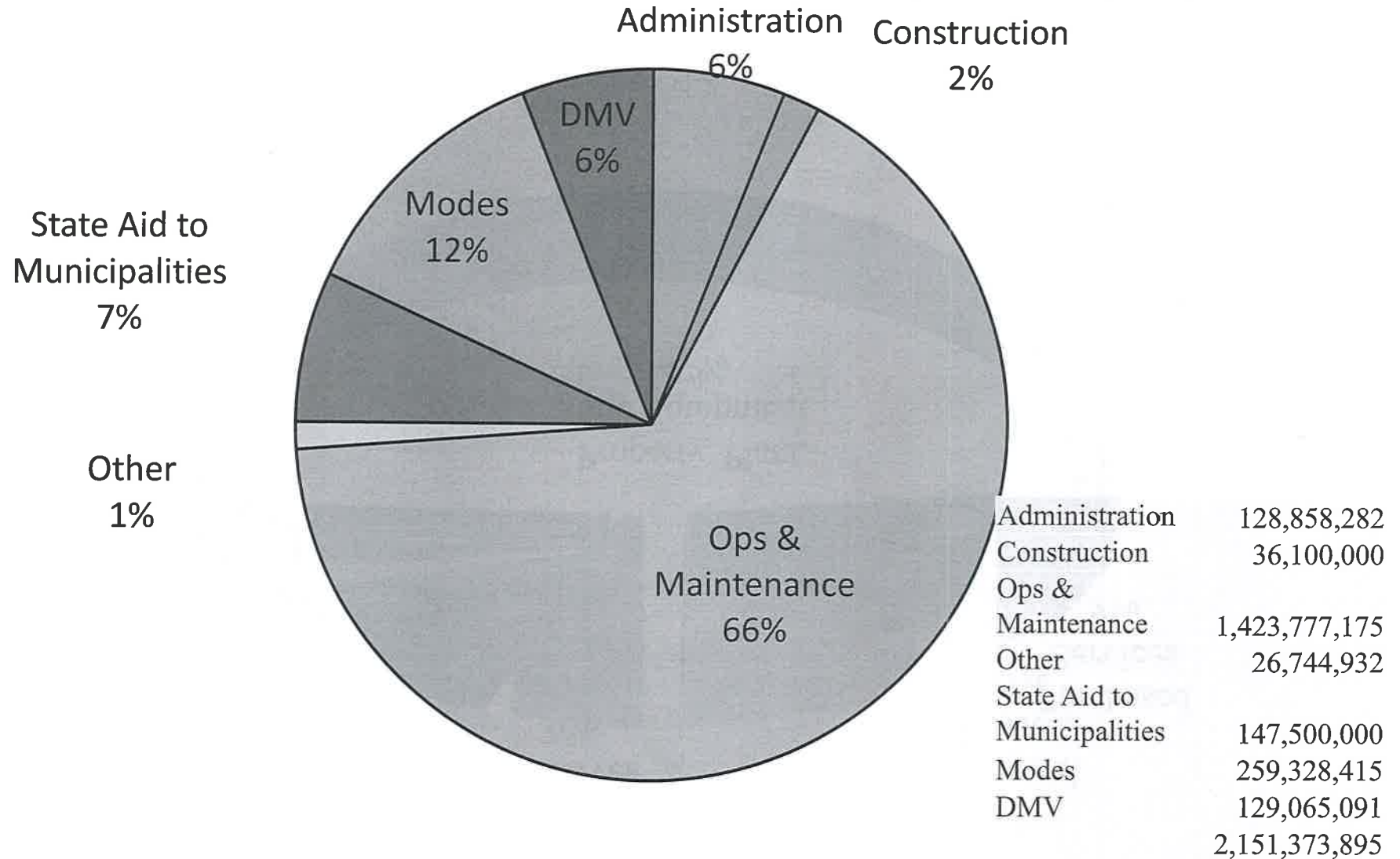
****Growth over Certified FY 2018-19**

Department of Transportation

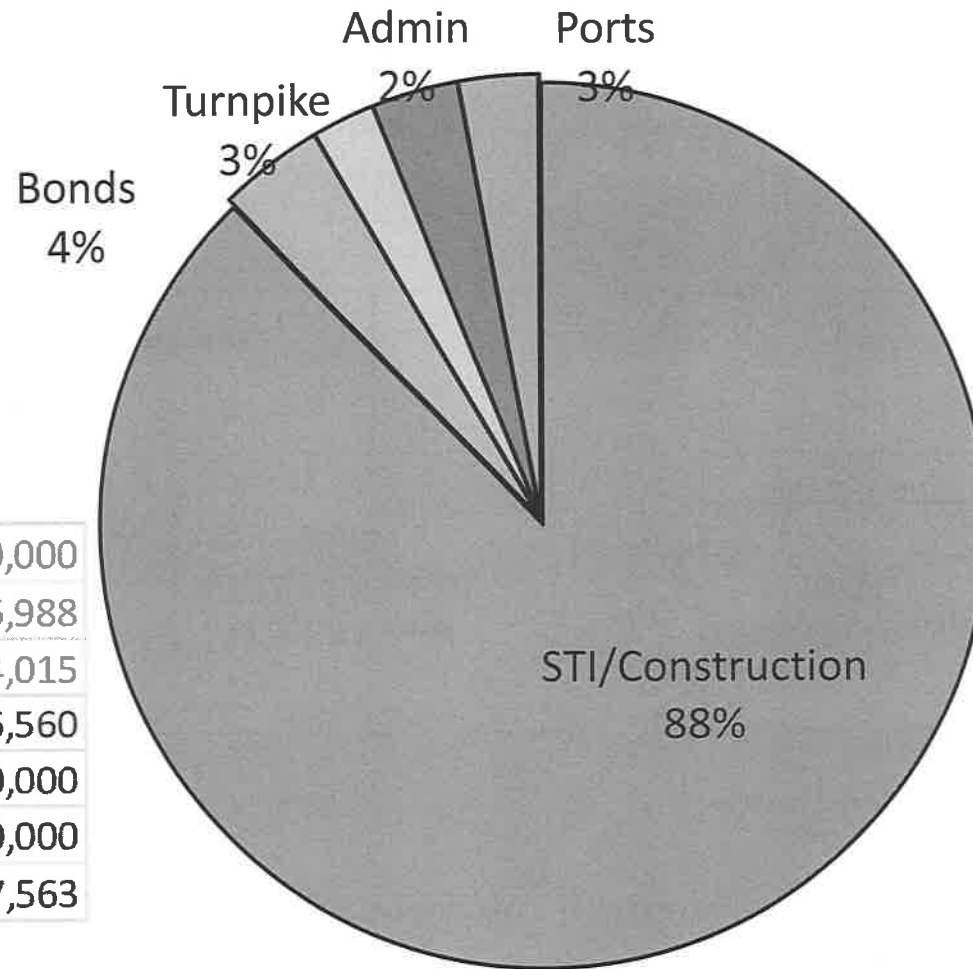
Summary by Account Base Budget FY 2019-20



Highway Fund Spending 2019-20

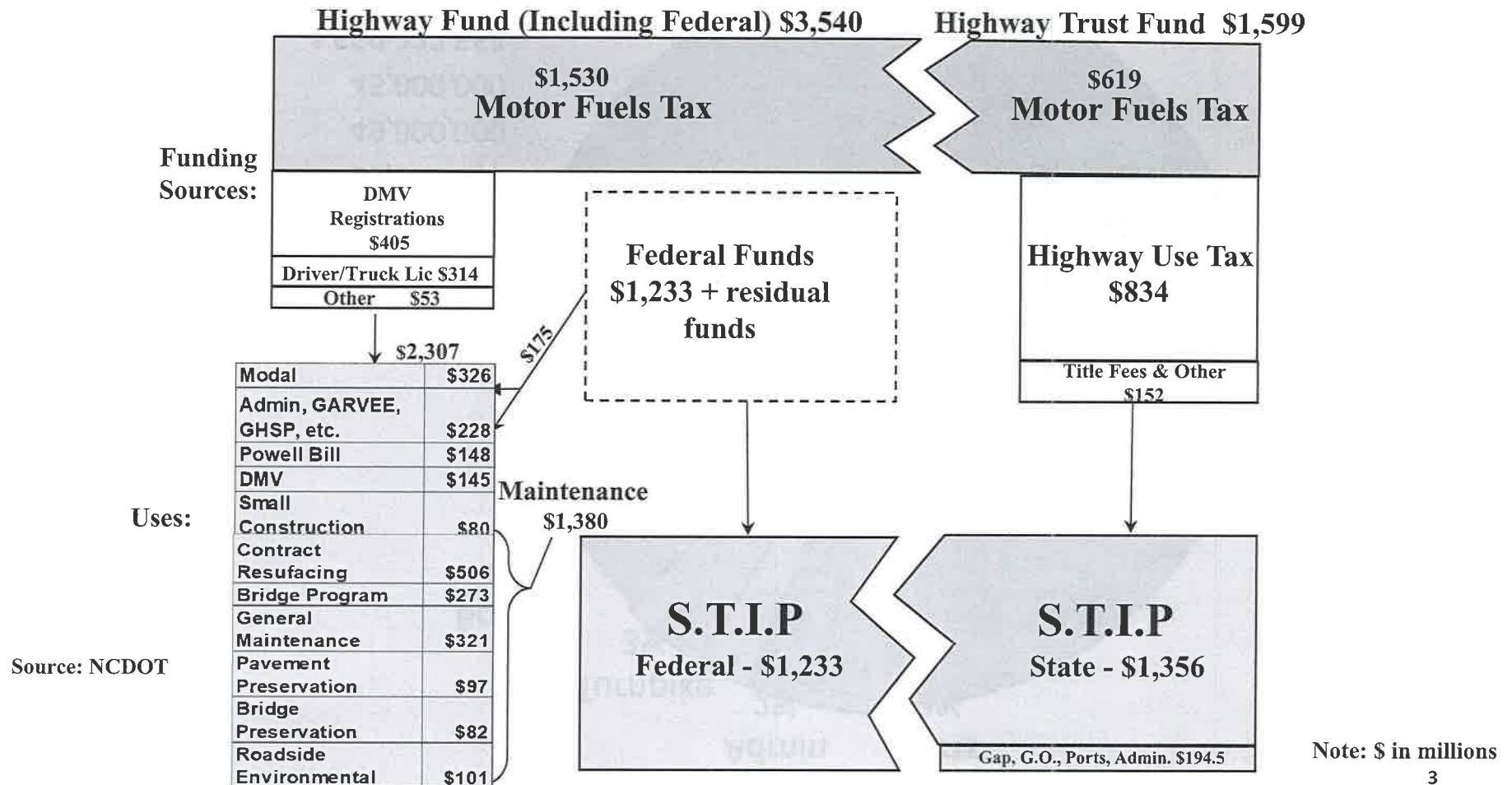


Highway Trust Fund Spending 2019-20



Visitor Centers	400,000
STI/Construction	1,360,436,988
Bonds	59,774,015
Admin	35,626,560
Turnpike	49,000,000
Ports	45,000,000
Total	1,550,237,563

Highway Fund and Highway Trust Fund Budget, SFY 2019-20

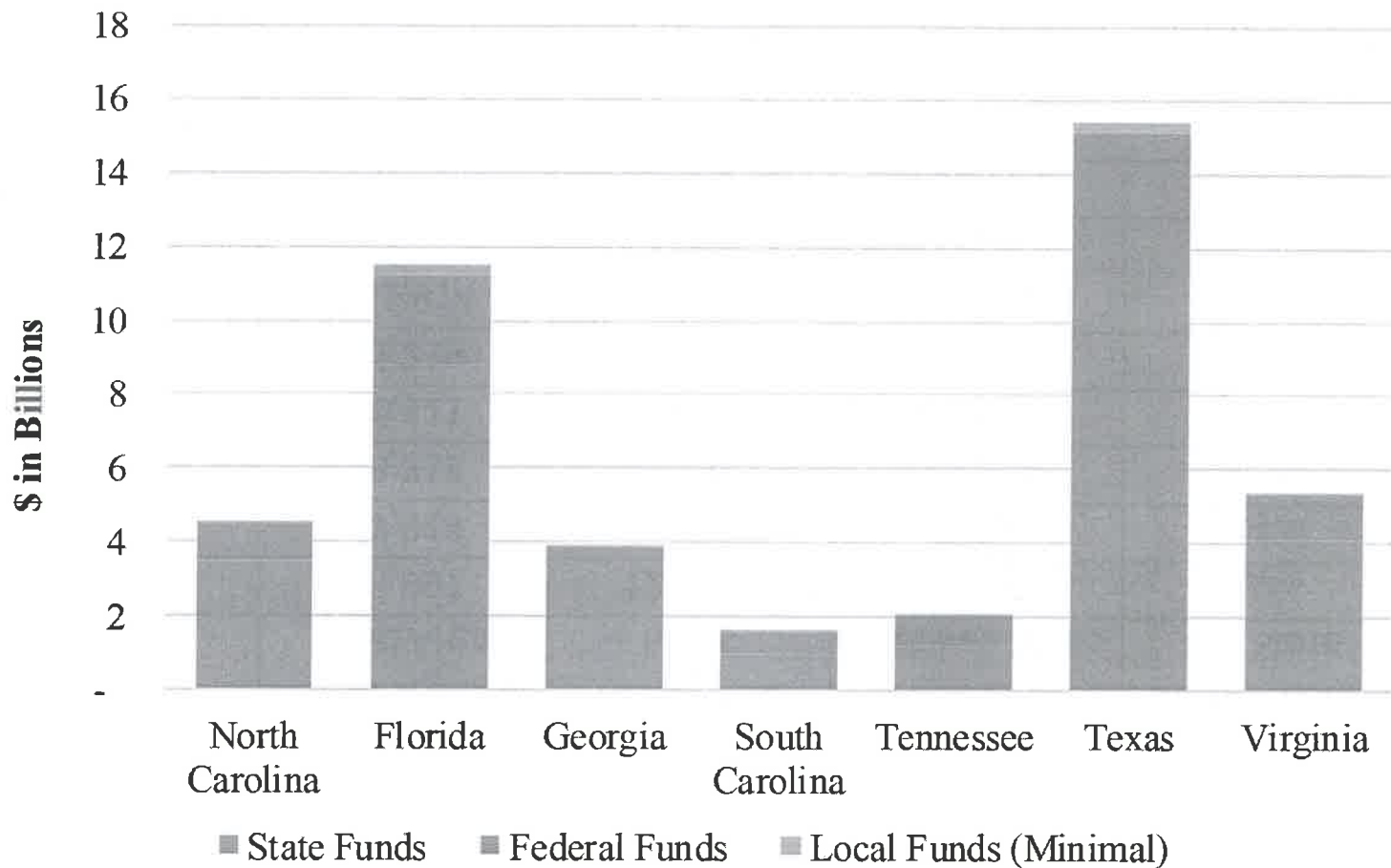


Comparing NC to Other States

State	Square Miles of Land Area	Total Road Miles	State-controlled Highway Miles	% of Total Miles Controlled by the State
Florida	53,997	122,948	12,107	10%
Georgia	57,919	128,355	17,959	14%
North Carolina	48,718	106,975	79,924	75%
South Carolina	30,111	77,364	41,311	53%
Tennessee	41,219	95,886	13,886	14%
Texas	261,914	314,319	80,444	26%
Virginia	39,598	75,235	58,940	78%
*US total	3,537,441	4,165,348	781,613	19%

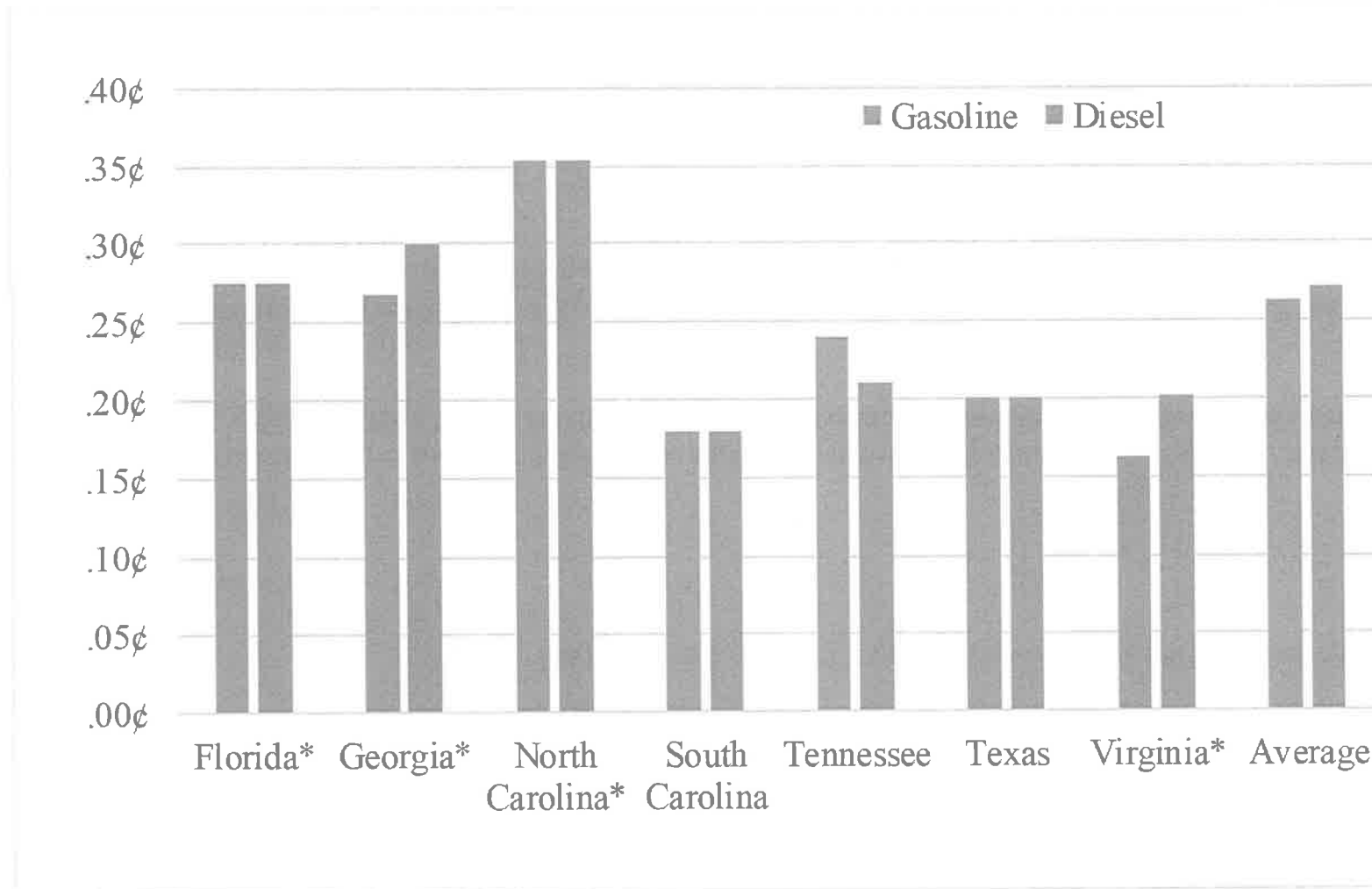
- 2 US FHWA, Highway Statistics, 2017, Tables HM-10, <https://www.fhwa.dot.gov/policyinformation/statistics/2017/hm10.cfm>
- *Does not include Puerto Rico.

Highway Funding, 2016



Data Source – US FHWA, Highway Statistics 2016; June 2018 Publication

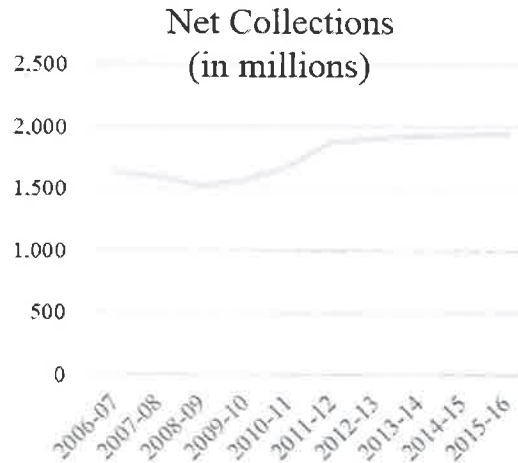
State Fuel Taxes Per Gallon



* States with a variable rate which doesn't require action by the legislature.

US DOT/FHA/Office of Highway Policy Information September 2018 Monthly Motor Fuel Reported By States Feb 2018

North Carolina Motor Fuel Taxes



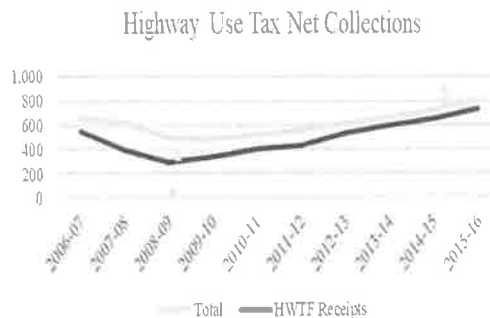
- S.L. 2015-2 Modified the Motor Fuel Tax to a formula-based rate beginning January 2018. The formula is based upon the 2017 tax rate times 75% of population percentage change for the upcoming calendar year and 25% of the Consumer Price Index change, as determined in October for the upcoming calendar year tax rate change. For 2019, the rate is 36.2 cpg
- Each cent of motor fuels tax yields about \$56.7 million in revenues (all fuels).

- North Carolina taxes gasoline and diesel fuel at the same rate as well as Florida, South Carolina, and Texas. Georgia and Virginia tax diesel higher (as does the federal government) and Tennessee taxes diesel lower than gas taxes.
- North Carolina state total gasoline taxes (cpg) are higher than other States compared with most of the Southeast region. *(Federal Highway Administration 9/11/2018)*

<i>Florida</i>	<i>27.5 (33.2 in 2008)</i>
<i>Georgia</i>	<i>26.8 (28 in 2008)</i>
<i>North Carolina</i>	<i>36.2 (30.2 in 2008)</i>
<i>South Carolina</i>	<i>18.0 (16.8 in 2008)</i>
<i>Tennessee</i>	<i>24 (21.4 in 2008)</i>
<i>Texas</i>	<i>20.0 (20.0 in 2008)</i>
<i>Virginia</i>	<i>16.2 (19.6 in 2008)</i>
<i>U.S. average</i>	<i>26.3 (31.0 in 2008)</i>

Highway Use Taxes

- NC Highway Use Tax is collected when the vehicle is titled. It is 3% of the vehicle's price or value (net of trade) and long term leases total about \$820 million per year. One percent tax rate yields about \$274 million. Though this tax rate has not increased; the tax collection has increased over 10 years and there was an increase of \$1.3 M in 2018 over 2017 collections.
- NC Highway Use Tax is lower than other states in the region, except South Carolina for vehicles over \$17,000 (net of trade) since SC has a maximum of \$500.

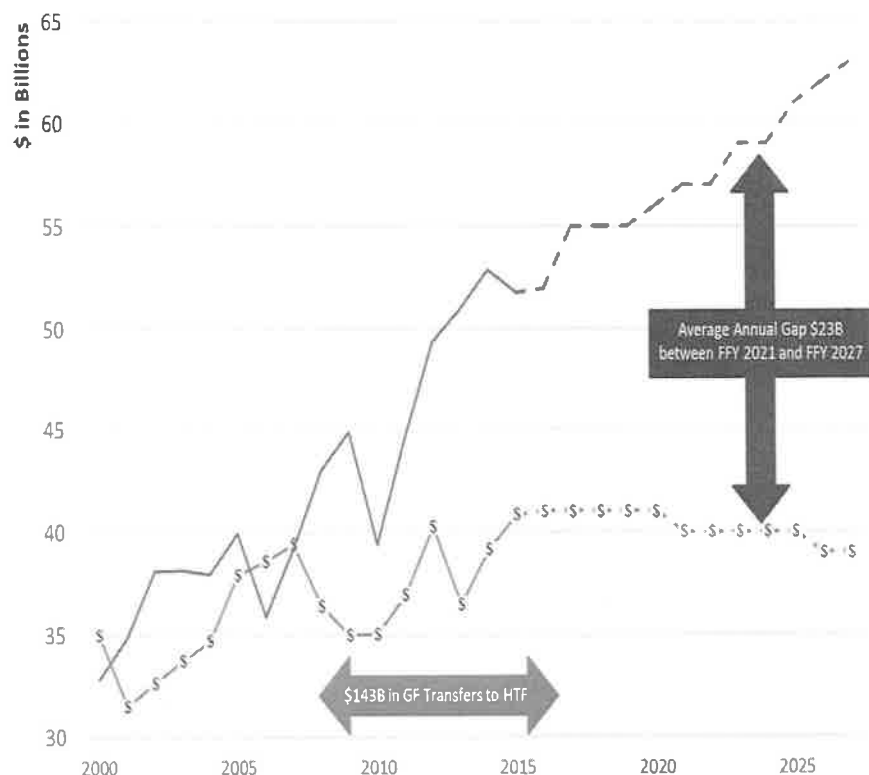


State	Tax
Florida	6% Local Option .5-1.5%
Georgia	6.5%-7.0% net of trade Local Option, Special County Tax, Educational Tax & MARTA tax
South Carolina	5% net of trade max \$500
Tennessee	7% net of trade Local Tax of 1.5%-2.75%
Texas	6.25% net of trade
Virginia	4.15%

North Carolina DMV Fees

- **\$800 million/year:** Amount Division of Motor Vehicles collects in fees for licenses, registrations, titles, etc.
- Fees last were increased in 2015; beginning July 2020, will be auto-adjusted every 4 years based upon the CPI (S.L. 2015-241, Sec. 29.30(s).)
 - Before 2015, fees were last raised in 2005 to catch up with inflation; many of those fees had been the level originally set in the 1980's.
- Passenger vehicle annual registration fee raised in 2015 to \$36 and previously in 2005 from \$20 to \$28.
 - Comparison states' annual rates for private passenger vehicles:
 - FL: \$14.50-\$32.50 plus other taxes and fees
 - GA: \$20 (hasn't changed in over 10 years)
 - SC: \$40
 - TN: \$21.50 (hasn't changed in over 10 years)
 - TX: \$50.75 plus local county taxes
 - VA: \$40.75 - \$45.75, based on weight

Federal Aid

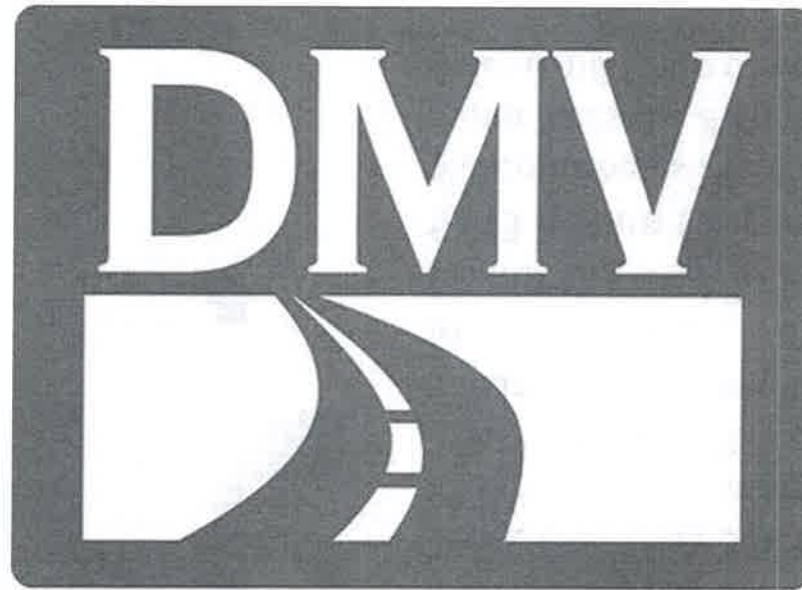


- Motor Fuel Tax Gas - 18.4 cpg Diesel 24.4 cpg
- Truck Sales 12% of retail price >33k lbs & trailers over 26k lbs
- Truck Use Over 55k lbs \$100 +22/1,000 over 55,000 lbs (\$550 max)
- Tires 9.45 cents/10 lbs over 3,500 lbs. maximum rated load capacity and 4.725 cents for other tires
- **General Fund Transfers have exceeded \$143 billion (began in 2008)**
- NC contributes more revenues from federal motor fuels tax than it receives in terms of federal aid (ratio of apportionment = 99%)

Federal financial commitment to States exceed revenues and Highway Trust Account has received federal General Funds to compensate for the difference.

Source - NCDOT

NCDOT – Division of Motor Vehicles



North Carolina Division of Motor Vehicles

DMV – Authorizing Statute, Mission, and Vision

- **G.S. 20** creates and defines the powers and duties of DMV.

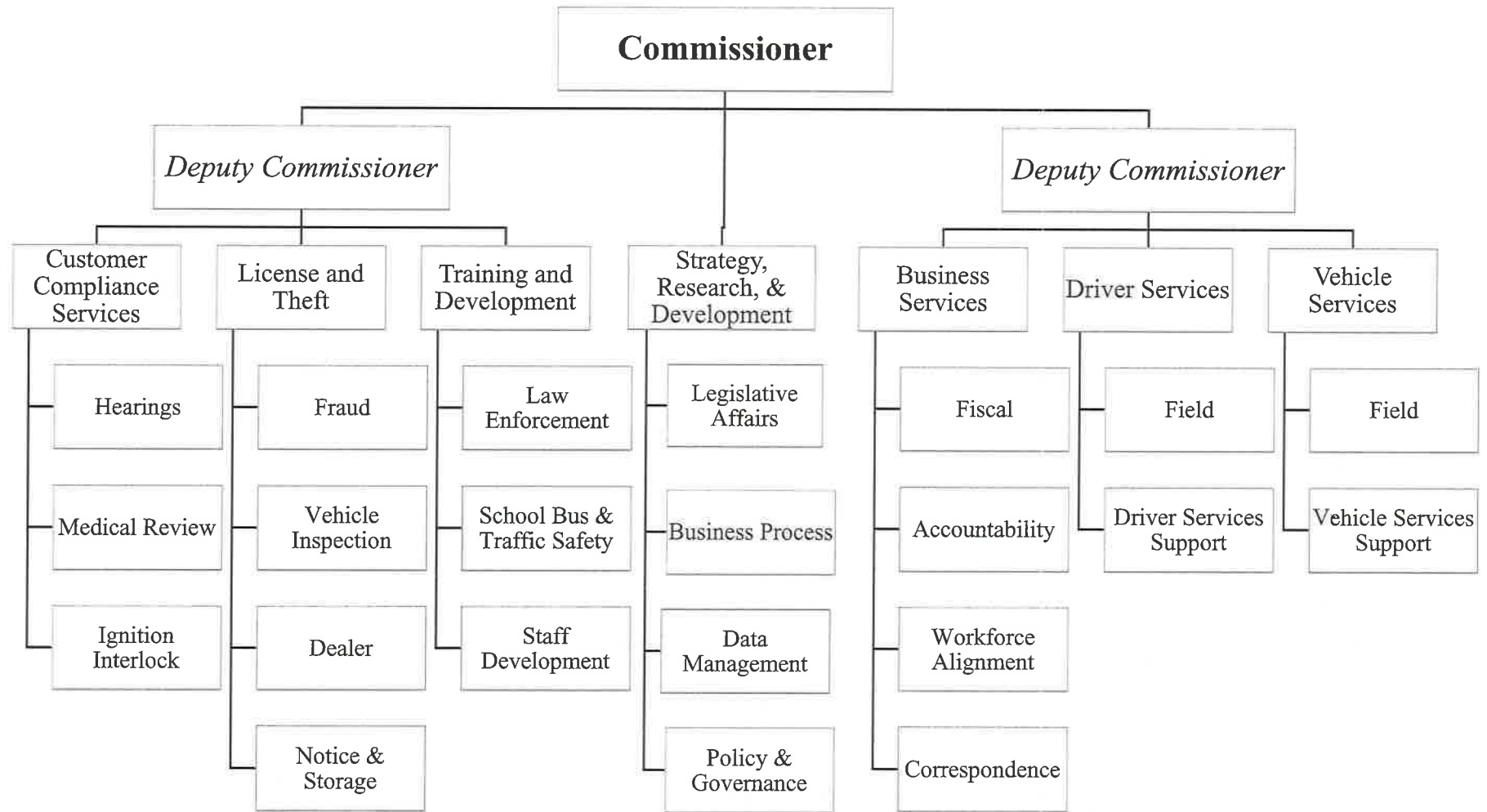
Mission:

- Provide Excellent Customer Service
- Enforce Motor Vehicle Laws
- Maintain the Integrity of Official DMV Records

Vision:

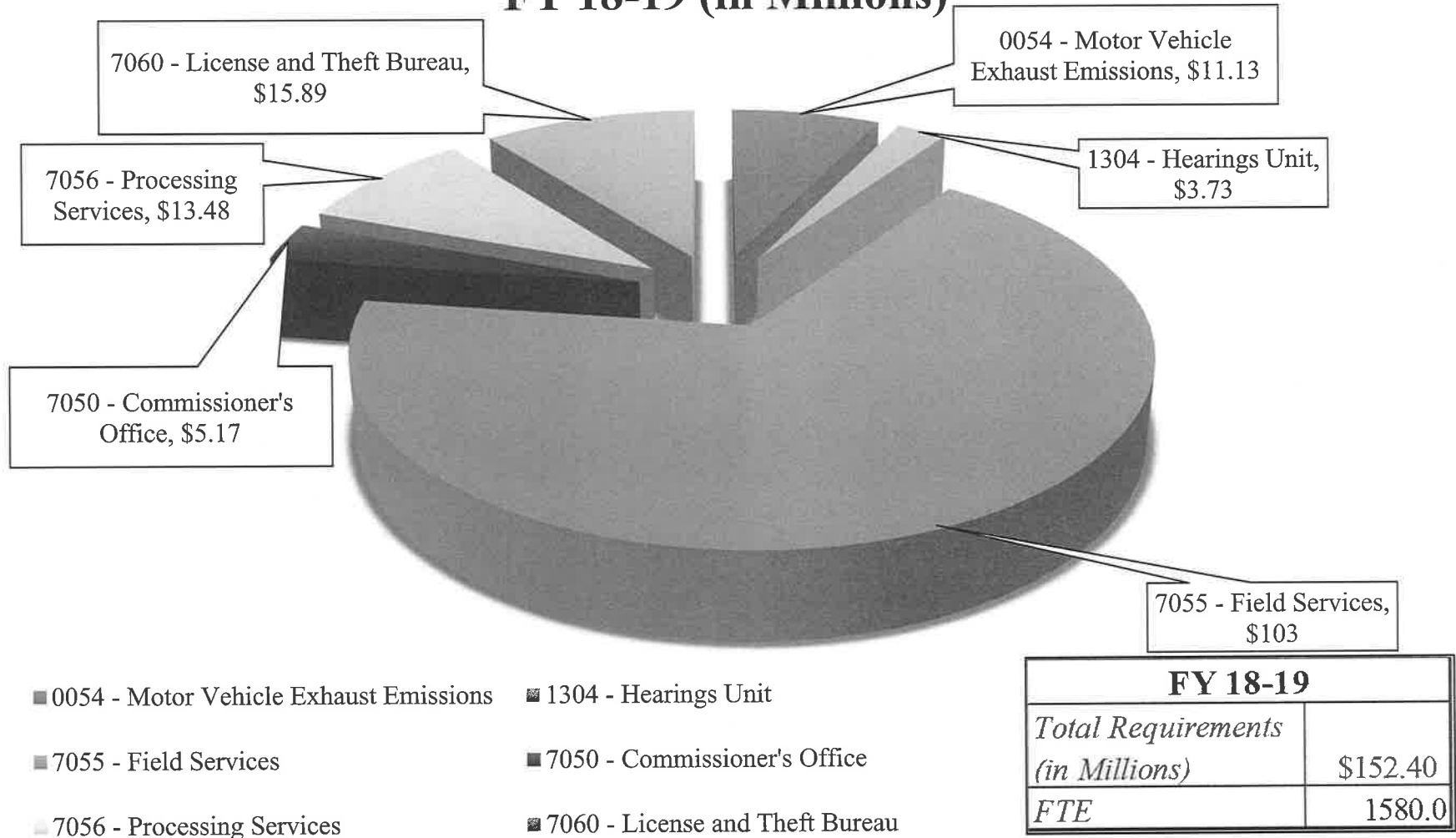
Bring NCDMV into the 21st Century as a leader among its peers.

DMV – Organizational Structure



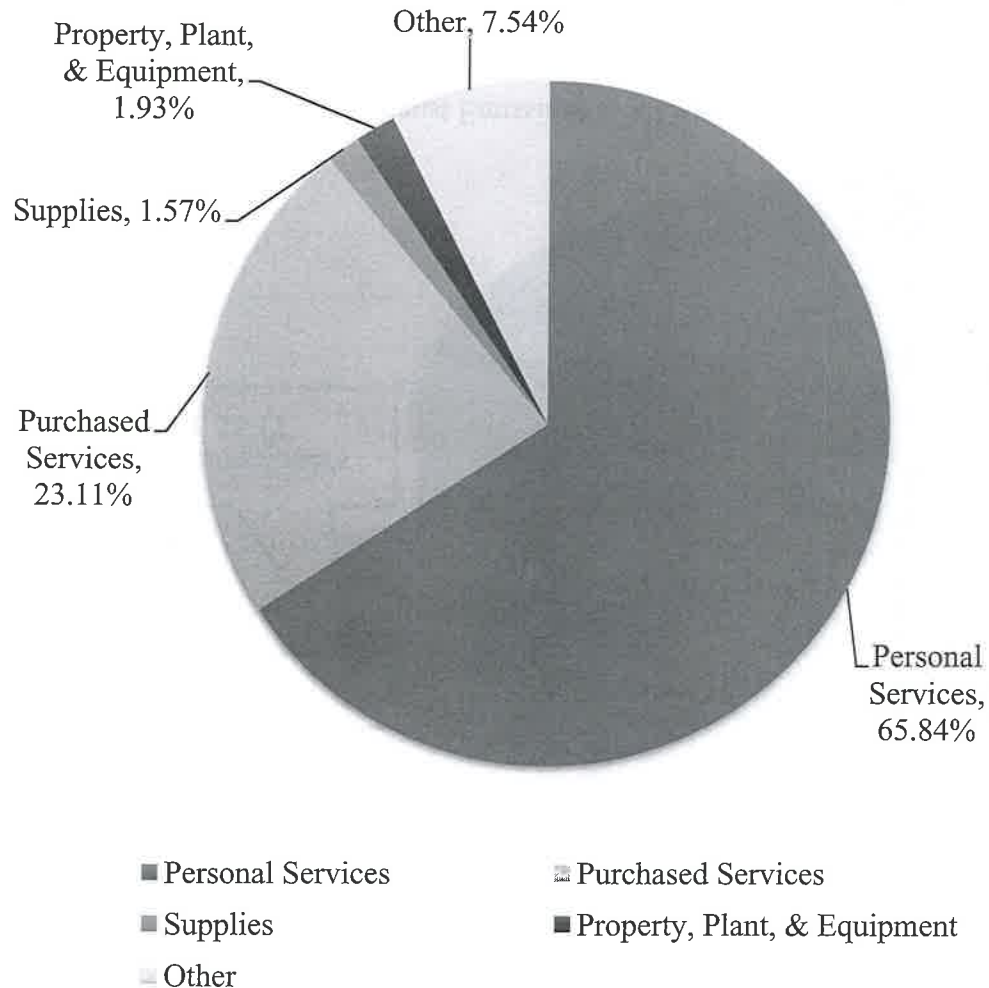
DMV – Budget Overview

FY 18-19 (in Millions)



0054 – Motor Vehicle Exhaust Emissions

FY 18-19 Requirements, by type



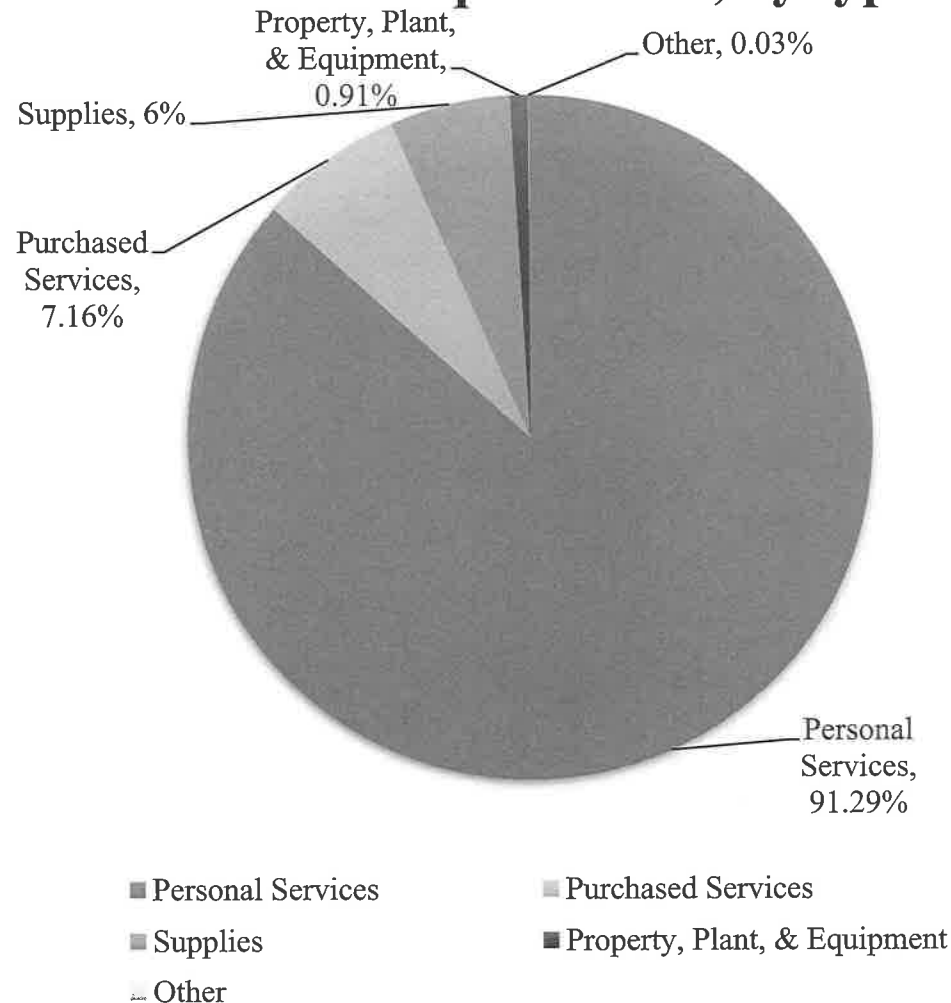
Expenditures Include:

- Inspection Agents
- Office supplies
- Travel

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 11.13
<i>Receipts</i>	\$ -
<i>Net Appropriation</i>	\$ 11.13
<i>FTE</i>	109.0

1304 – Hearings Unit

FY 18-19 Requirements, by type



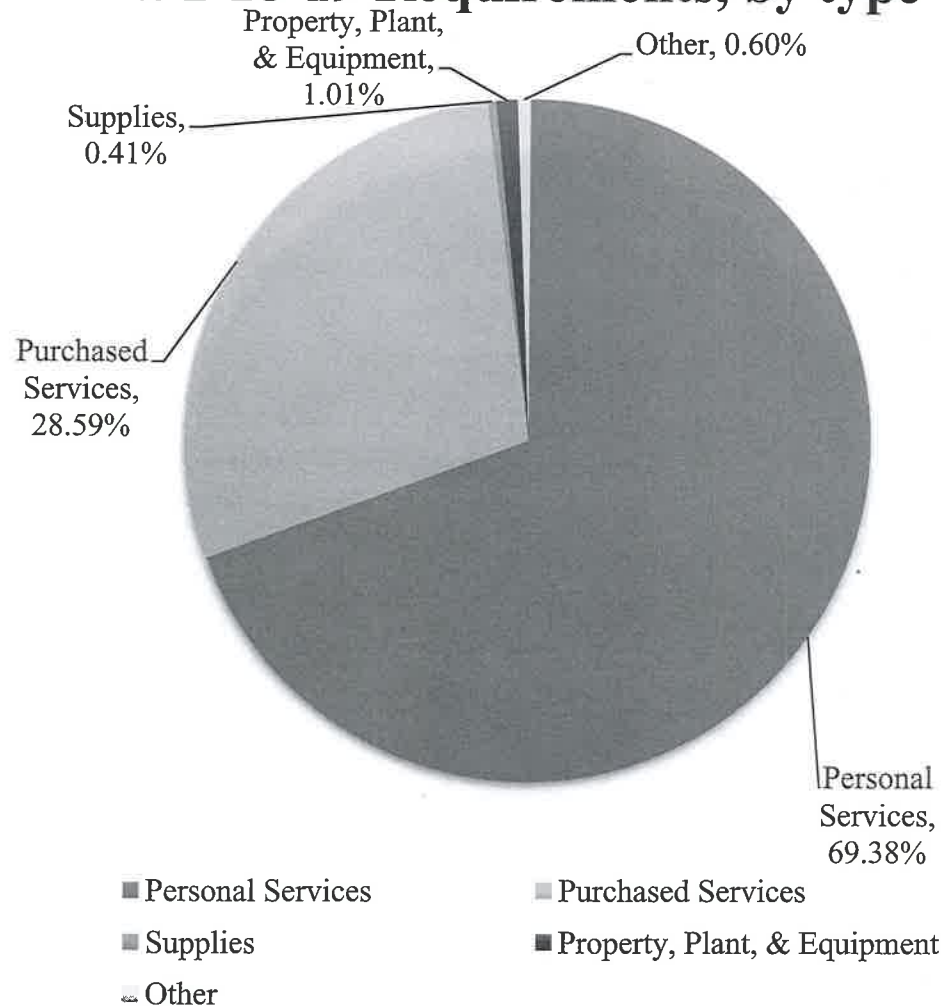
Expenditures Include:

- Hearings Officers
- Office supplies
- Travel

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 3.73
<i>Receipts</i>	\$ 3.73
<i>Net Appropriation</i>	\$ -
<i>FTE</i>	55.0

7050 – Commissioner's Office

FY 18-19 Requirements, by type



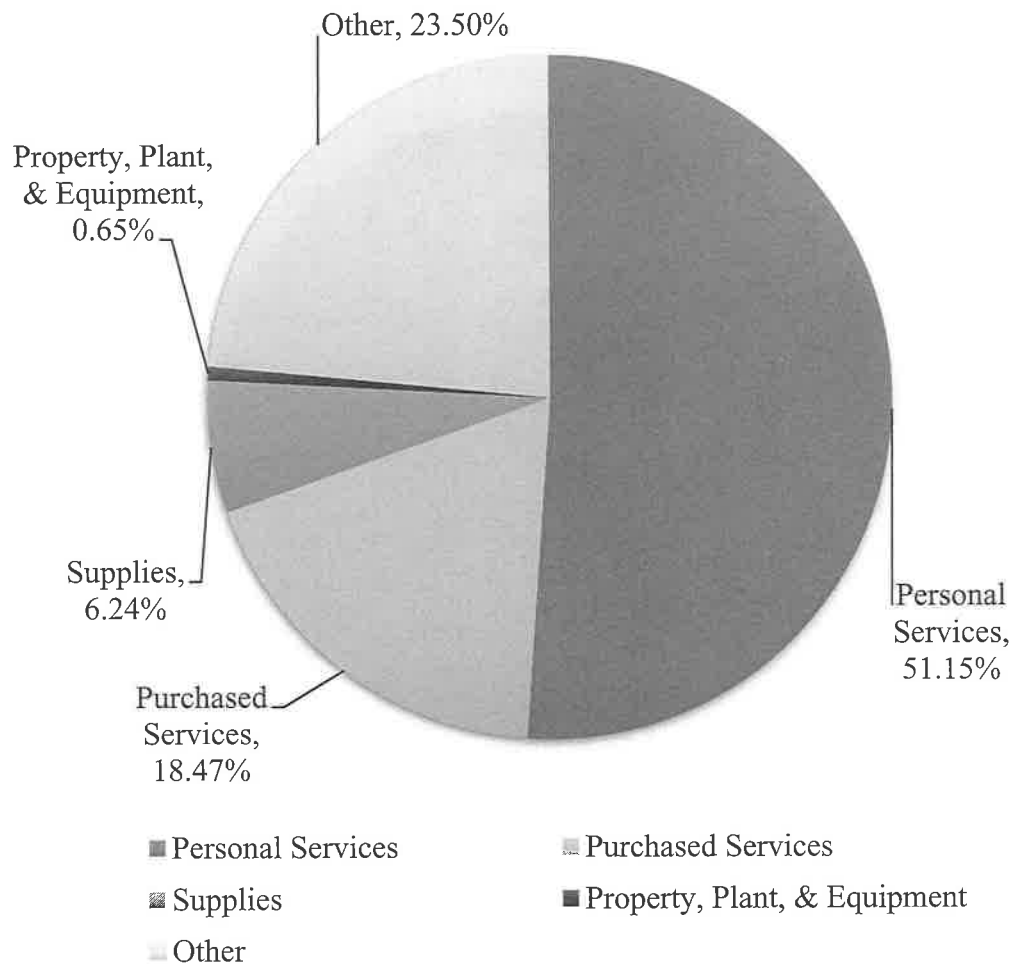
Expenditures Include:

- Commissioner's staff
- Office supplies
- Travel

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 5.17
<i>Receipts</i>	\$ 0.01
<i>Net Appropriation</i>	\$ 5.16
<i>FTE</i>	49.0

7055 – Field Services

FY 18-19 Requirements, by type



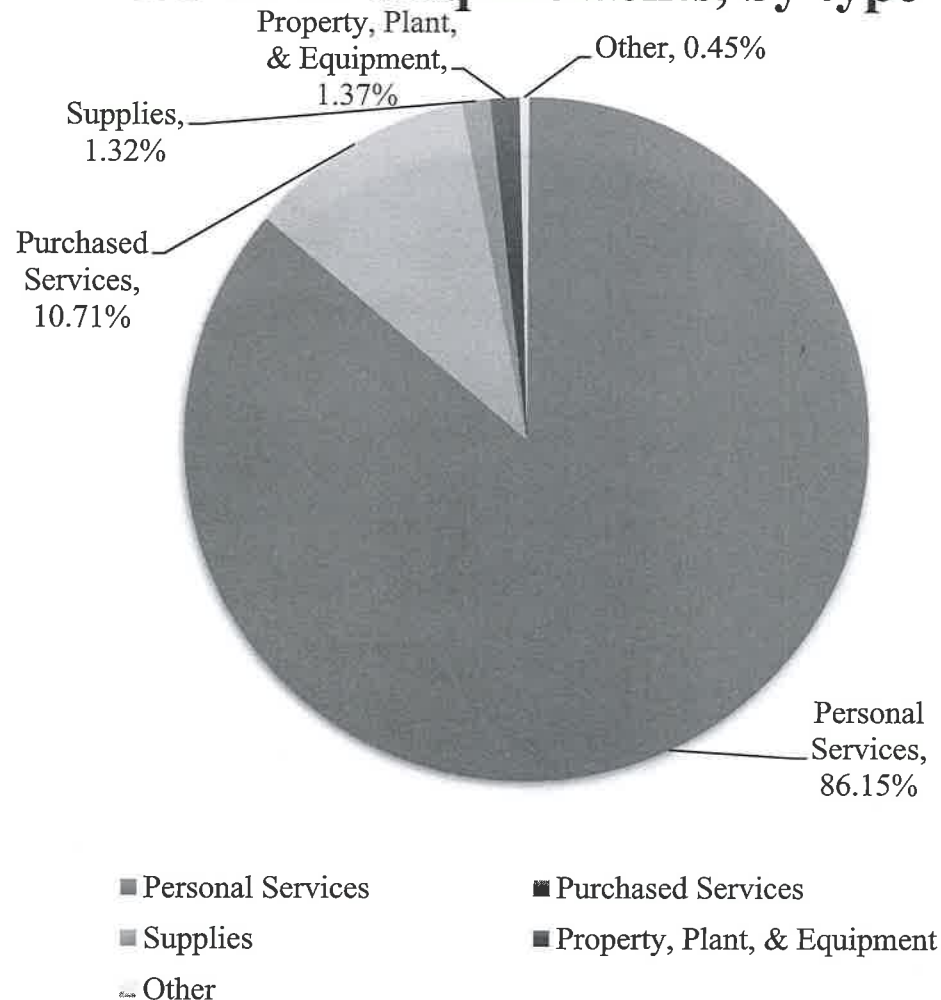
Expenditures Include:

- Driver's License Examiners
- Office supplies
- Travel

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 103.00
<i>Receipts</i>	\$ 18.22
<i>Net Appropriation</i>	\$ 84.77
<i>FTE</i>	967.0

7056 – Processing Services

FY 18-19 Requirements, by type



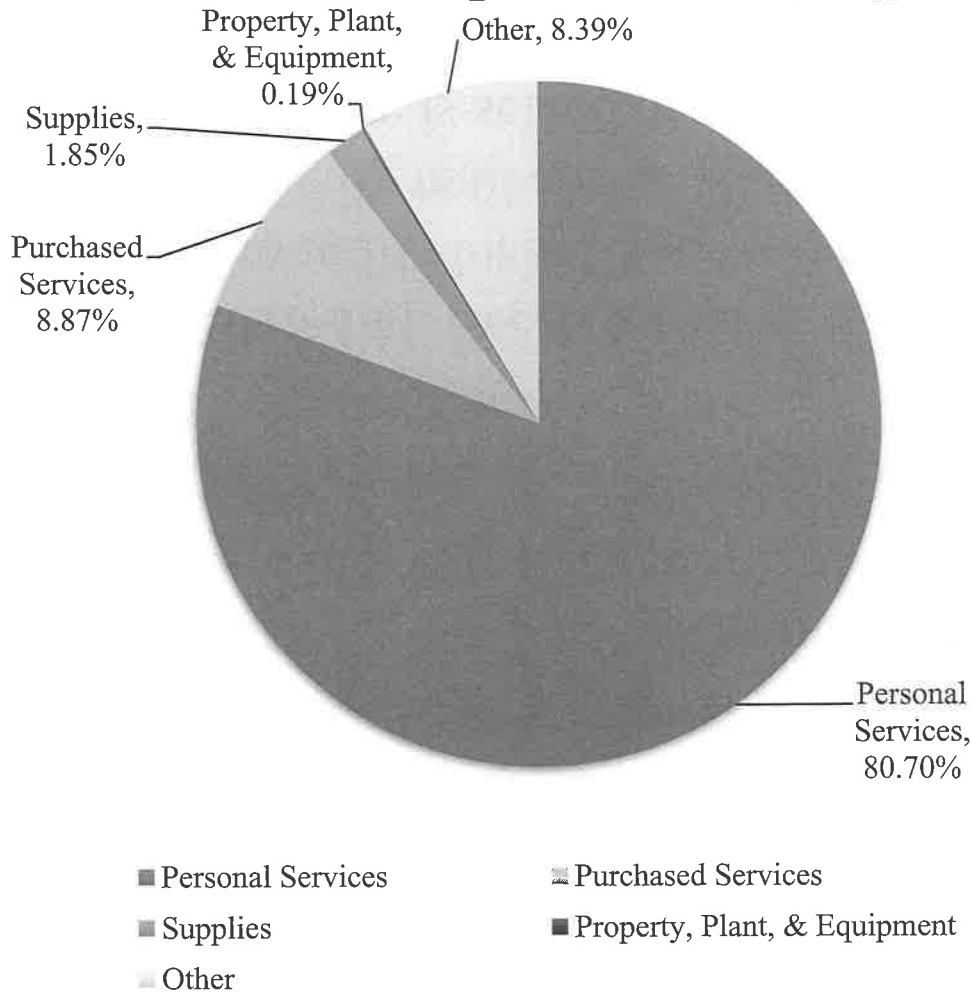
Expenditures Include:

- DMV Staff
- Office supplies
- Travel

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 13.48
<i>Receipts</i>	\$ 1.64
<i>Net Appropriation</i>	\$ 11.84
<i>FTE</i>	225.0

7060 – License & Theft Bureau

FY 18-19 Requirements, by type



Expenditures Include:

- Sworn Law Enforcement Officers
- Office supplies
- Travel

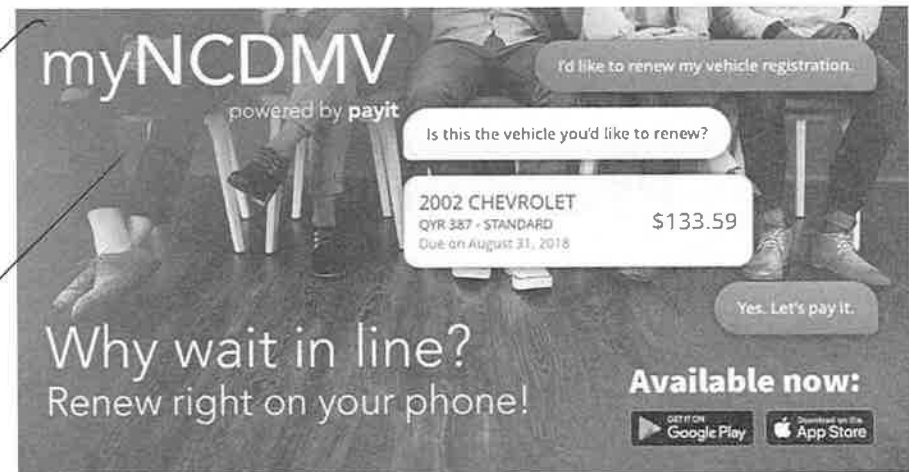
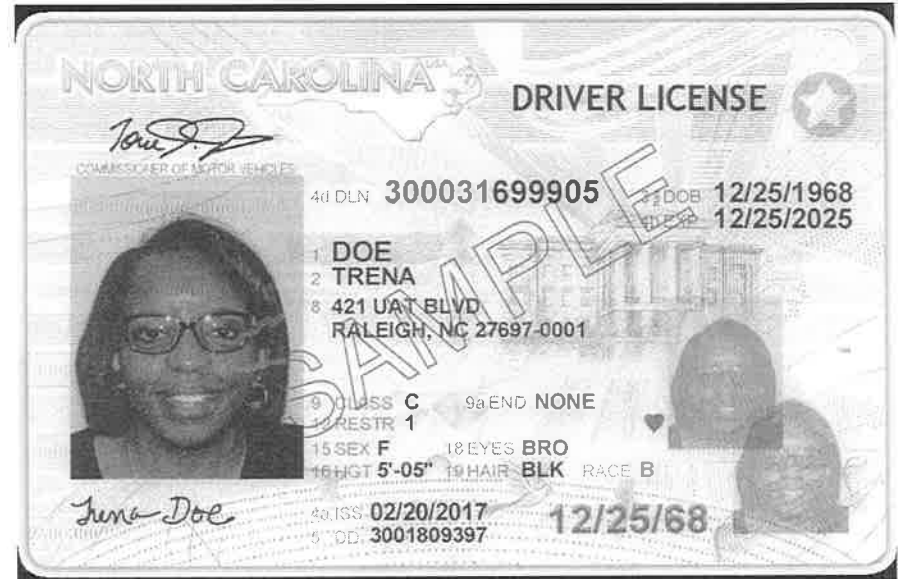
FY 18-19 (in Millions)	
Total Requirements	\$ 15.89
Receipts	\$ 0.76
Net Appropriation	\$ 15.13
FTE	175.0

DMV – Recent Legislative Developments

- **S.L. 2017-57:** Provided funding for a new driver’s license office in Charlotte.
- **S.L. 2018-5, Sec. 34.23:** Directed that the DMV Hearings Unit budget be entirely receipt-supported.
- **S.L. 2018-5, Sec. 34.24:** Requires DMV employees and contractors to vacate the New Bern property by October 1, 2020.
- **S.L. 2018-5, Sec. 34.27:** Authorizes the issuance of an “In God We Trust” standard license plate.
- **S.L. 2018-144, Sec.1.3:** Makes free all special identification cards issued to individuals 17 and older and requires DMV to automatically mail a special identification card to an individual whose license is seized or surrendered.

DMV – Programs and Initiatives

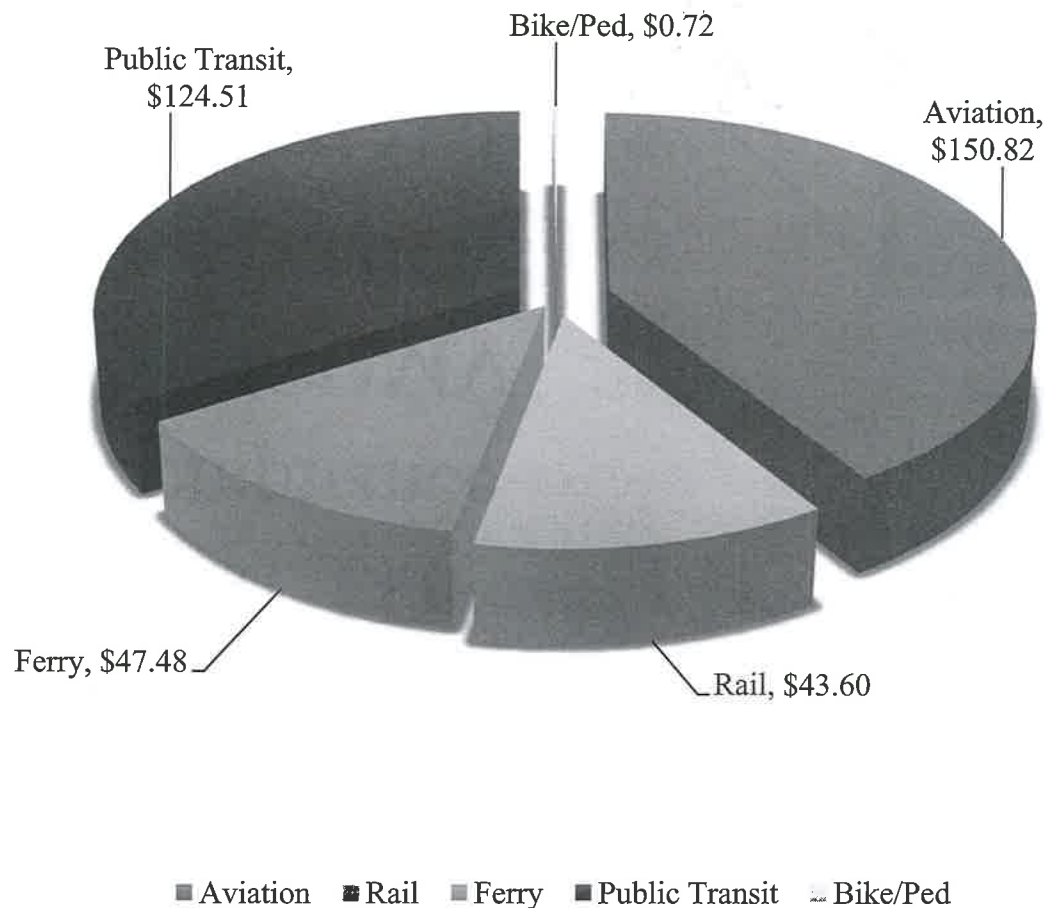
- Reorganization
- SADLS Replacement
- REAL I.D. Compliance
- myNCDMV Application
- State to State



How is this promoted

NCDOT – Intermodal Transportation

FY 18-19 (in Millions)



- Aviation
- Bike/Ped
- Ferry
- Public Transit
- Rail

FY 18-19 (in Millions)	
Total Requirements	\$ 367.08
Receipts	\$ 61.49
Net Appropriation	\$ 305.59
FTE	43.0

NCDOT – Division of Aviation

The Division of Aviation manages the planning and development of the state's aviation system, the administration of loans and grants, and the oversight of the regulation of unmanned aircraft systems.

Programs and Initiatives:

- Air transportation for all state agencies
- Unmanned Aircraft Systems (UAS) – drone program
- Airport Safety Preservation



Recent Legislative Action:

- S.L. 2017-57, Sec. 34.20, directs the Division to contract with an outside vendor to sell the Sikorsky S-76C helicopter.
- S.L. 2017-57, Sec. 34.19, allocates State funds to specific airports, requiring DOT to report on the use of funds by March 2019.

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 150.82
<i>Receipts</i>	\$ 20.20
<i>Net Appropriation</i>	\$ 130.61
<i>FTE</i>	16.00

NCDOT – Division of Bicycle and Pedestrian Transportation

The Division of Bicycle and Pedestrian Transportation manages comprehensive planning and programming for bicycle and pedestrian transportation, including: grant administration, public education, and multi-modal integration.

Programs and Initiatives:

- Statewide Pedestrian and Bicycle Plan
- Planning Grants
- Safe Routes to School
- Bicycle Helmet Initiative

Recent Legislative Action:

- S.L. 2017-57, Sec. 34.22, requires the Division to submit an annual report on the progress of projects identified in Planning Grants Program.



FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 0.72
<i>Receipts</i>	\$ -
<i>Net Appropriation</i>	\$ 0.72
<i>FTE</i>	3.0

NCDOT – Ferry Division

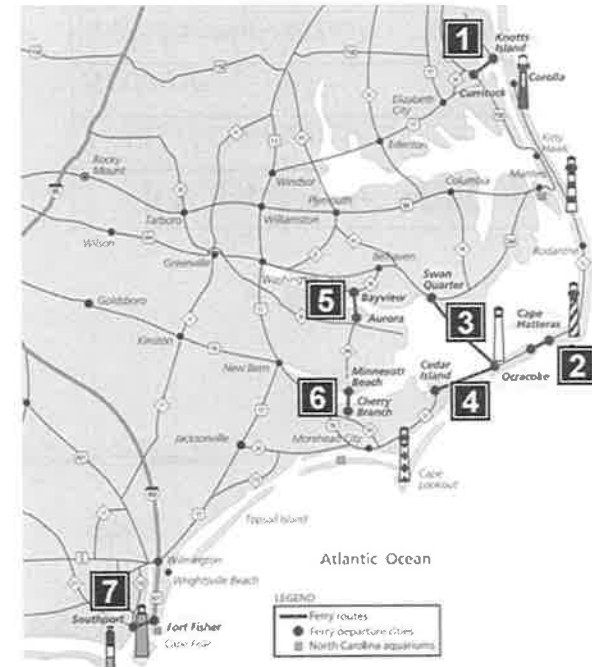
The Ferry Division supports seven permanent car ferry routes and a fleet of 22 vessels across rivers and sounds throughout Eastern North Carolina.

Programs and Initiatives:

- Passenger Ferry – launch Summer 2019
- Asset Management Plan
- Dredge Manteo

Recent Legislative Action:

- S.L. 2017-57, Sec. 34.28C required DOT to develop and report a life-cycle plan for terminal structures.



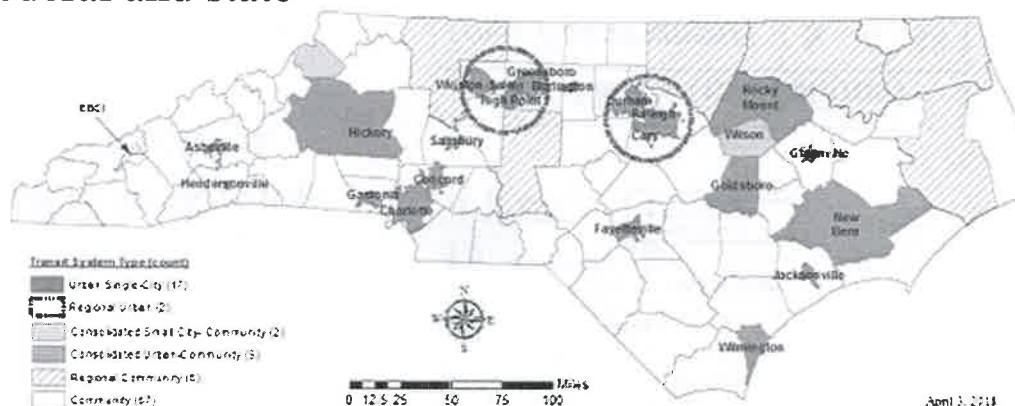
FY 18-19 (in Millions)	
Total Requirements	\$ 47.48
Receipts	\$ 2.50
Net Appropriation	\$ 44.98
FTE	510.0

NCDOT – Public Transportation Division

The Public Transportation Division provides planning and technical assistance to help public transportation systems improve transit services and manages federal and state transportation grant programs.

Programs and Initiatives:

- Strategic Plan
- PTD Training Conference



Recent Legislative Action:

- S.L. 2018-5: \$8.5M SMAP recurring reduction.
- S.L. 2018-97, Sec. 7.5: Stipulates that DOT may not expend State funds on light rail projects until DOT receives written confirmation that all non-State funding has been committed.

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 124.51
<i>Receipts</i>	\$ 38.79
<i>Net Appropriation</i>	\$ 85.72
<i>FTE</i>	4.0

NCDOT – Rail Division

The Rail Division focuses on the safe and efficient movement of people and goods on North Carolina's railroads through passenger and freight service as well as safety programs while supporting job creation and economic growth.

Programs and Initiatives:

- N.C. Comprehensive State Rail Plan
- Piedmont Improvement Program
- BeRailSafe – railroad crossing safety



Recent Legislative Action:

- S.L. 2018-5, Sec. 34.30 requires DOT to study the maintenance needs of passenger rail station supported by NC.

FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 43.60
<i>Receipts</i>	\$ -
<i>Net Appropriation</i>	\$ 43.60
<i>FTE</i>	7.0

NCDOT – Global TransPark

The Global TransPark (GTP) is a 2,500 acre multi-modal industrial site in Kinston, North Carolina. The park features more than 2,400 acres of shovel-ready sites and hosts tenants including: Spirit Aerosystems, NC Forestry Service, Mountain Air Cargo, and Emergency Management.

Programs and Initiatives:

- Strategic Plan & Action Plan
- Training and Innovation
- Facility Improvements

Recent Legislative Action:

- S.L. 2017-57, Sec. 34.26, required GTP to develop a strategic plan.



FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 8.63
<i>Receipts</i>	\$ 2.34
<i>Net Appropriation</i>	\$ 6.29
<i>FTE</i>	15.8

NCDOT – Ports Authority

The Ports Authority is responsible for the Port of Morehead City and the Port of Wilmington.

Programs and Initiatives:

- Port of Morehead City
- Port of Wilmington

Recent Legislative Action:

- S.L. 2017-57, Sec. 34.27, added the Ports Authority to the Highway Trust Fund.
- S.L. 2017-57, Sec. 34.28, authorized the Ports Authority to spend \$15M non-recurring for dredging.



FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 45.08
<i>Receipts</i>	\$ -
<i>Net Appropriation</i>	\$ 45.08
<i>FTE</i>	229.0



VISITOR SIGN-IN SHEET

JOINT APPROPRIATIONS, TRANSPORTATION

02/28/2019

Deans Eatman NCDOT

Justin Delancey NCDOT

Jack Eubank

Jay Stein NCAA

VISITOR SIGN-IN SHEET

JOINT APPROPRIATIONS, TRANSPORTATION

02/28/2019

John Hatcher	NCFA
Myers	RANC
James M. M.	RANC. LPAi, MMA + MPBA
Ken Metton	KMA.
Paul Ben	BNA

VISITOR SIGN-IN SHEET

JOINT APPROPRIATIONS, TRANSPORTATION

02/28/2019

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

House Committee on Appropriations, Transportation
Tuesday, March 5, 2019 at 8:00 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Appropriations, Transportation met at 8:00 AM on March 5, 2019 in Room 1228/1327 of the Legislative Building. Representatives Beasley, Iler, Martin, McGrady, Presnell, Russell, Shepard, Torbett, and Willingham attended.

Representative John A. Torbett, Chair, presided.


NCDOT Secretary Jim Trogdon presented to the committee on staff introductions, organizational changes, new initiatives/other updates, and compensation pilot program.(see attached and on committee website)

Maintenance and Operations Performance Analysis Report (MOPAR) presentations was given by Tim Little, NCDOT Chief Engineer (see attached and on committee website)

Bridge Preservation presentation was given by Brian Hanks, NCDOT State Structures Engineer .(see attached and on committee website)

Map Act presentation was given by Daniel Johnson, NCDOT Deputy General Counsel .(see attached and on committee website)

The meeting adjourned at 10:00am.



Representative John A. Torbett, Chair
Presiding



Viddia Torbett, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Tuesday, March 5, 2019
TIME: 8:00 AM
LOCATION: 1228/1327 LB
COMMENTS: PLEASE NOTE START TIME IS 8:00AM
CHAIRMAN: REPRESENTATIVE TORBETT

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:58 AM on Thursday, February 28, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Viddia Torbett (Committee Assistant)

Joint Committee on Appropriations, Transportation

Tuesday, March 5, 2019, 8:00 AM

Legislative Building, Room 1228

Agenda

Chairs:

Representative John Torbett, Presiding
Representative Frank Iler
Representative Michele Presnell
Representative Phil Shepard

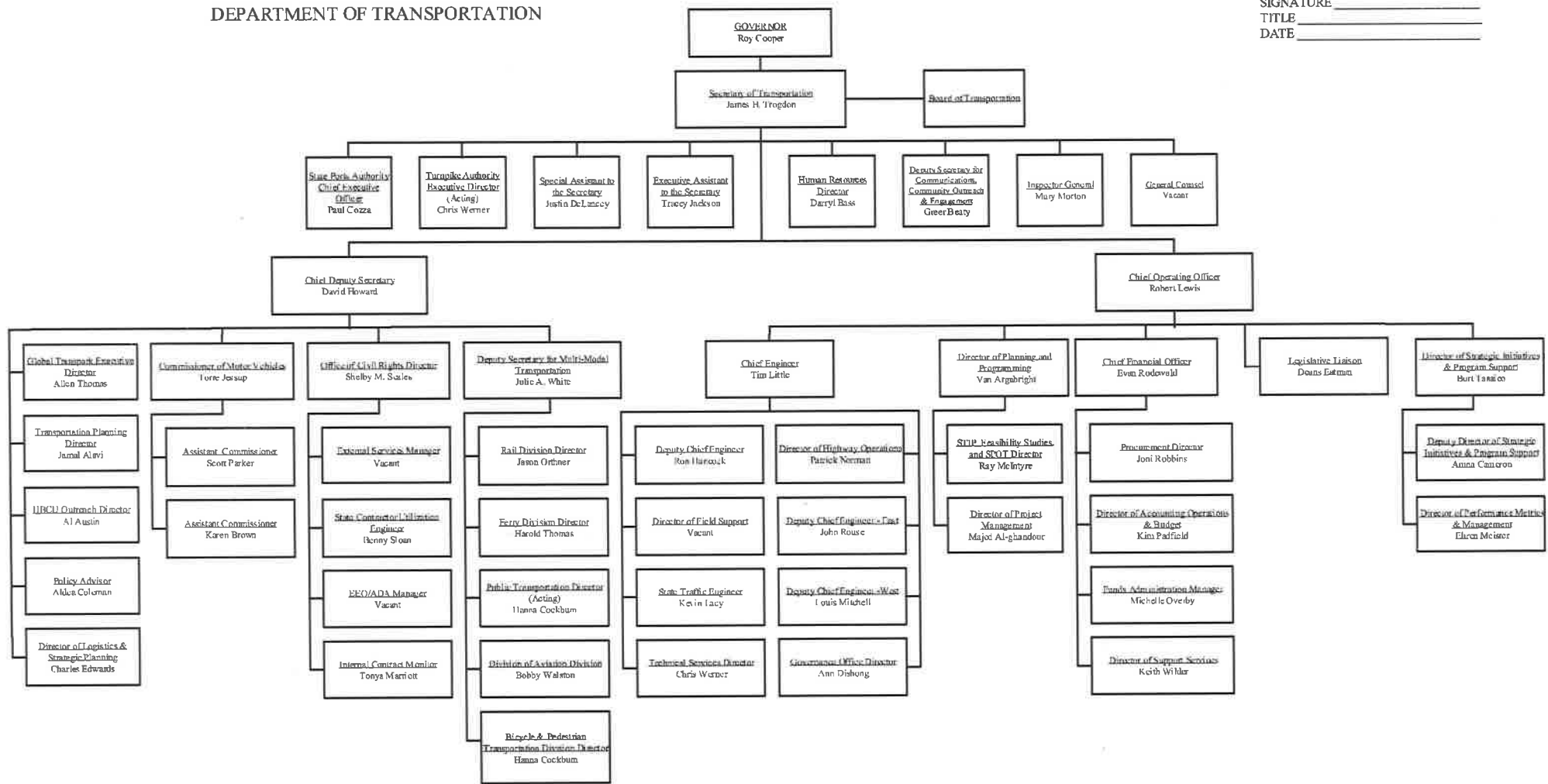
Senator Jim Davis
Senator Tom McInnis

1. Call to Order
2. NCDOT – Secretary Jim Trogon
 - a. Staff Introductions
 - b. Organizational Changes
 - c. New Initiatives/Other Updates
 - d. Compensation Pilot Program
3. Outline of Information Requested – FRD
4. MOPAR
Tim Little, NCDOT Chief Engineer
5. Bridge Preservation
Brian Hanks, NCDOT State Structures Engineer
6. Map Act
Daniel Johnson, NCDOT Deputy General Counsel
7. Triangle Tyre
Ronnie Keeter, NCDOT Division 4 Engineer
8. Powell Bill
Dr. Majed Al-Ghandour, NCDOT Director of Project Management
9. Road Improvements Adjacent to Schools
Kevin Lacy, NCDOT State Traffic Engineer
10. Committee Discussion

Next meeting: Wednesday, March 6th

DEPARTMENT OF TRANSPORTATION

SIGNATURE _____
 TITLE _____
 DATE _____





NORTH CAROLINA

Department of Transportation



Maintenance Operations and Performance Analysis Report (MOPAR)

Tim Little, PE – Chief Engineer

March 5, 2019

- Strategy
- Effectiveness
- Accountability



Pavements

Contract Resurfacing

System Details	Planned	Completed + Under Contract
Primary (lane miles)	1,903	2,172
Percent Statewide System	5%	6%
Cycle Time (years)	18	16
Secondary (lane miles)	3,189	3,945
Percent Statewide System	3%	3%
Cycle Time (years)	38	31



Expected Average
Cycle Time

12-15 Years
Contract Resurfacing

4-7 Year
Pavement Preservation



- Cycle time for the contract resurfacing on the primary system is **16** years and is nearly consistent with industry recommendations
- Cycle time for contract resurfacing on the secondary system is **31** years and exceeds industry recommendations.
- Reaching the recommended cycle time is essential to meeting an expected level of service for our pavement conditions.



Pavements



Expected Average
Cycle Time

12-15 Years
Contract Resurfacing

4-7 Year
Pavement Preservation

Pavement Preservation

Pavement Preservation	Planned	Completed + Under Contract
Secondary (lane miles)	4,617	6,348
Percent Statewide System	4%	5%
Cycle Time (years)	27	19

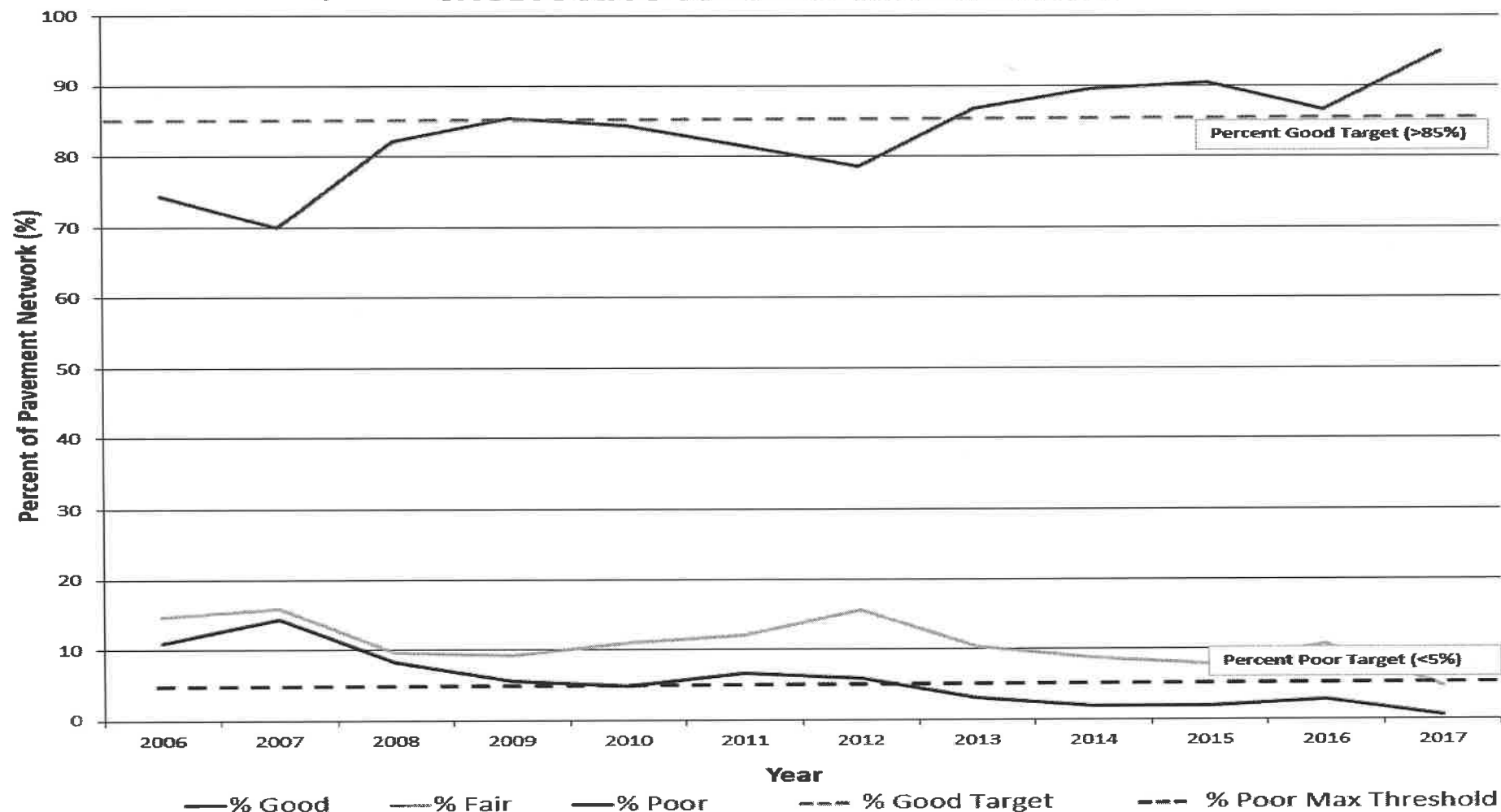


- The current accomplished cycle time for pavement preservation is 19 years, which exceeds industry recommendations



Pavements

Interstate Network Condition

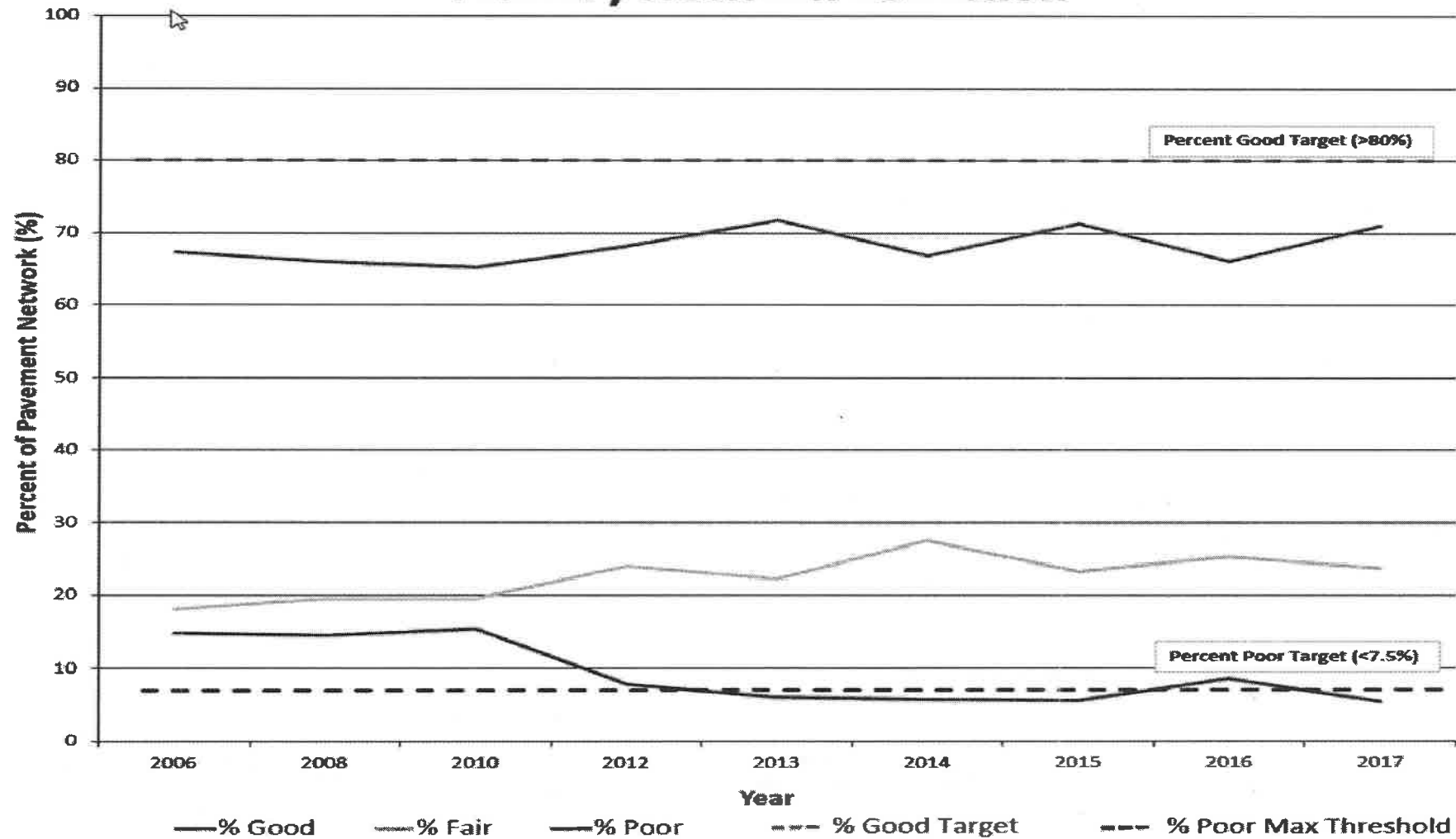


- Interstate System conditions steadily improving



Pavements

Primary Network Condition

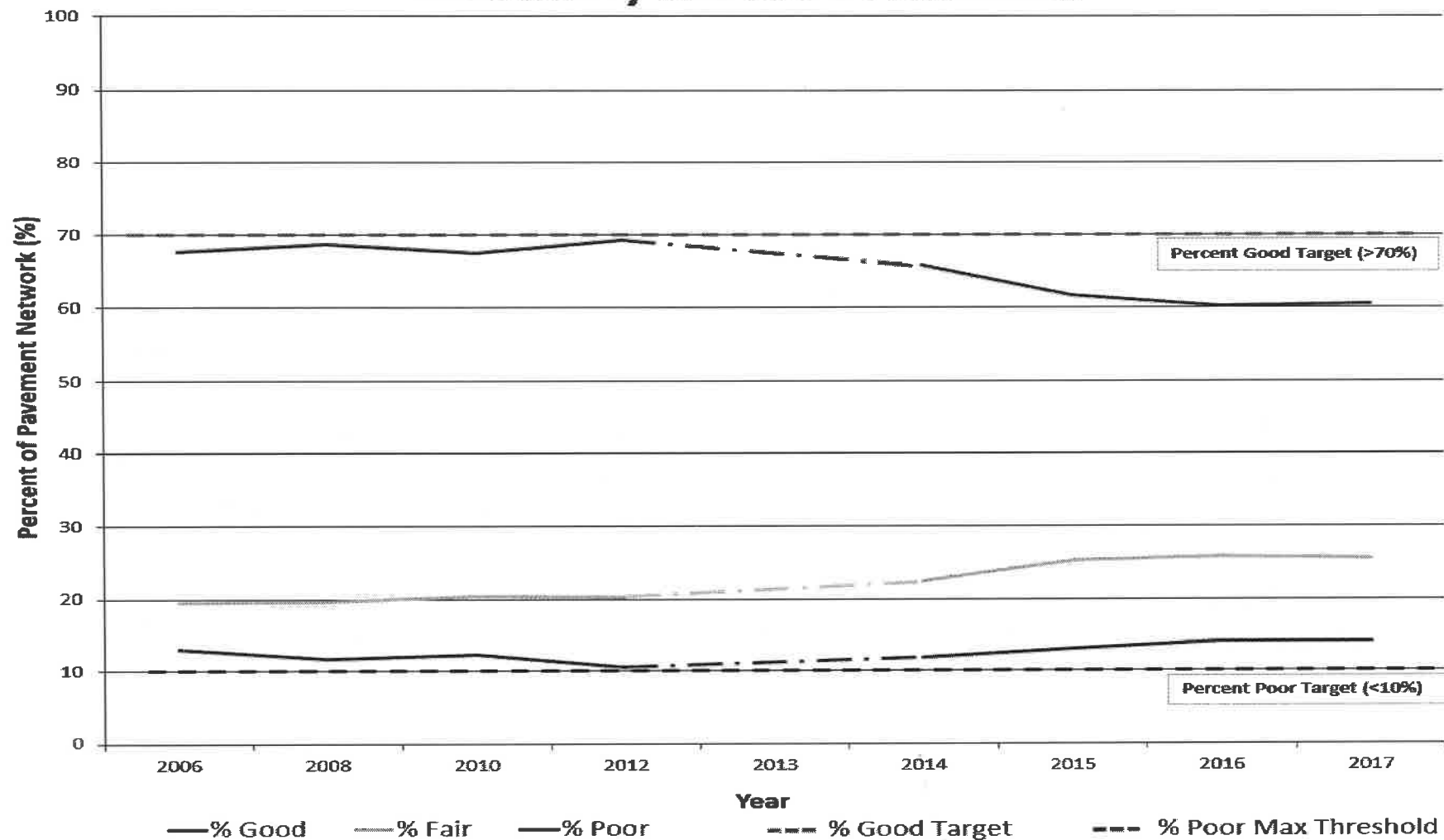


- Primary System condition slightly improved



Pavements

Secondary Network Condition



- Secondary System condition not improving



Bridges

% SD Bridges (2015 – Current)

System / Year	SFY 2015	Current	Impact / Change	2030 Goal
Interstate	4%	3%	-1%	2%
Primary	9%	8%	-1%	6%
Secondary	21%	15%	-6%	15%
Statewide (weighted average)	16%	12%	-4%	10%

SD Bridge

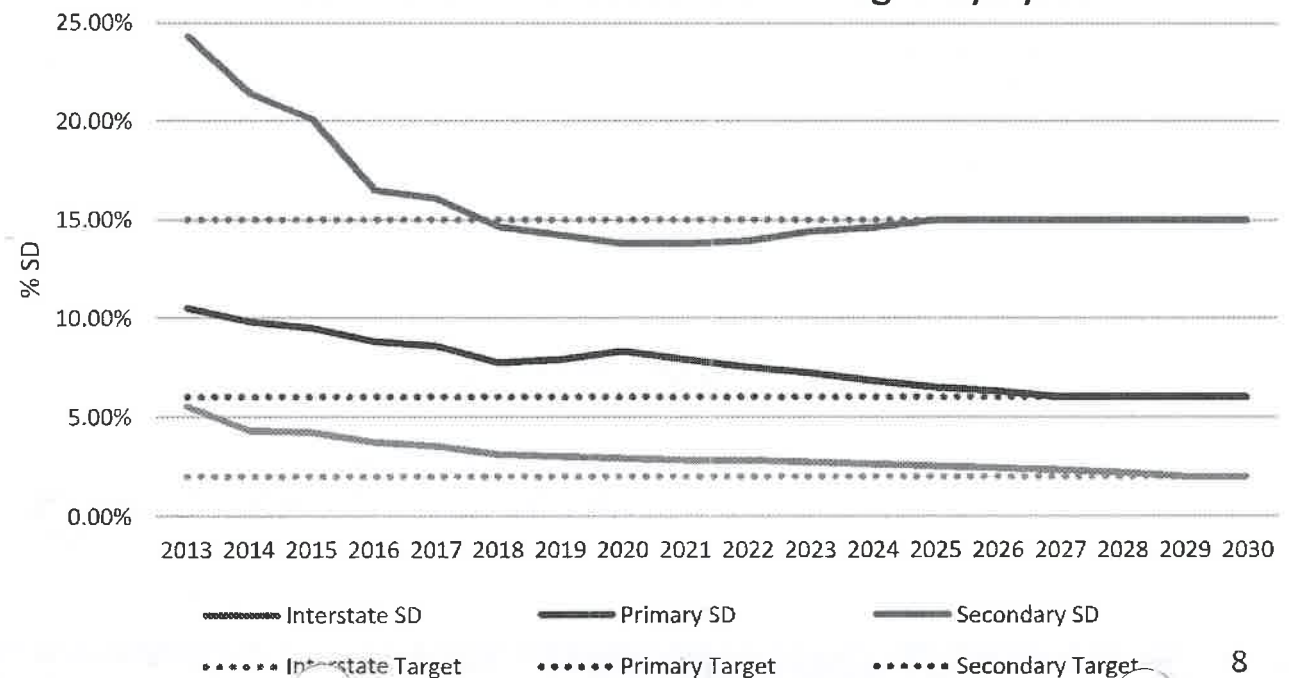
A bridge that is in relatively "poor condition" (e.g. advanced section loss, deterioration or spalling), or has insufficient load carrying capacity.

FO Bridge

A bridge that does not meet current and future traffic needs. This can include geometric or load-carrying capacity inadequacies.



Historical and Forecasted SD Bridges by System

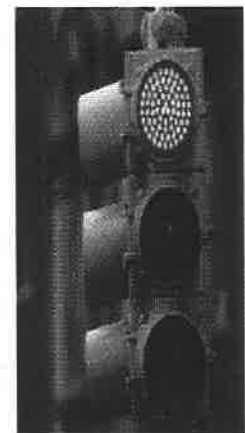


Highway Assets



Highway Assets – FY 2018 Work Accomplished

RMIP Activities / Quantities	Planned Work	Accomplished Work	Percent Accomplished	Cycle Time	Actual Cycle Time (years)
Bridge Joints (LF)	136,206	56,629	42%	7	17
Bridge Pipe (LF)	40,658	39,202	96%	50	52
Brush and Tree (SHM)	95,363	104,656	110%	5	5
Ground Signs (SF)	1,287,250	872,184	68%	20	15
IMAP (HRS)	79,948	132,204	165%	N/A	N/A
Litter (SHM)	151,828	187,331	123%	N/A	N/A
Maintenance Pipe (LF)	277,977	227,894	82%	50	61
Mowing (SHM)	829,330	2,227,699	269%	N/A	N/A
Pavement Markings - Long Life (LF)	22,834,863	28,011,901	123%	10	8
Pavement Markings - Paint (LF)	271,022,729	208,734,859	77%	4	5
Rest Area Maintenance (\$)	17,224,098	16,720,571	97%	N/A	N/A
Shoulder and Ditch (SHM)	21,488	19,298	90%	8	9
Traffic Signal Maintenance (EA)	13,406	23,779	177%	N/A	N/A



Highway Assets



Highway Assets – Roadside Environmental Performance

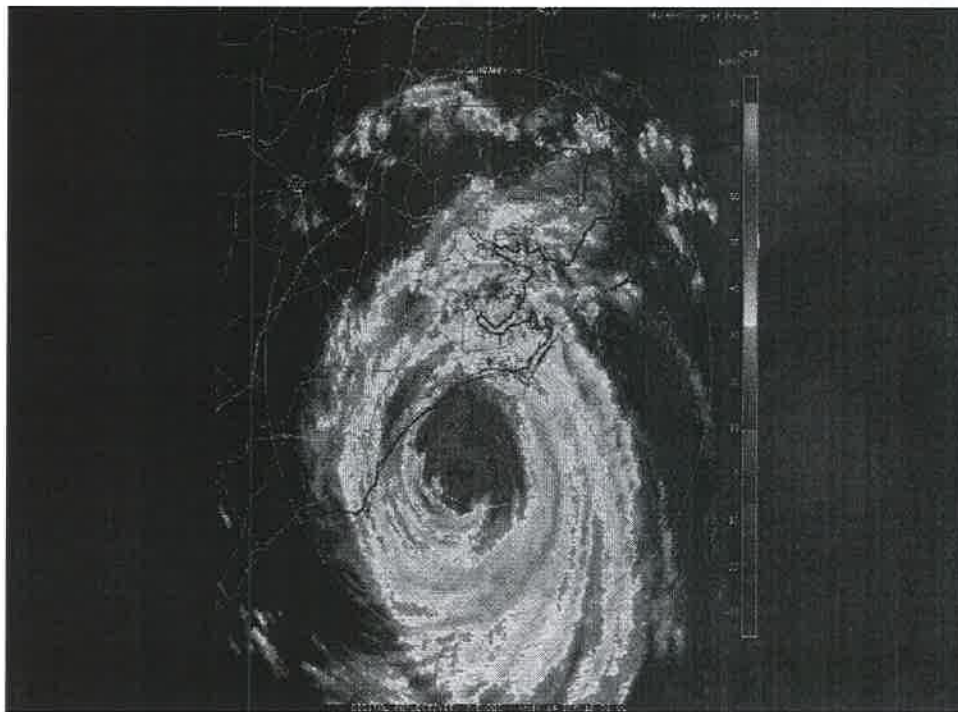
Major Holiday	Memorial Day	July 4th	Labor Day	Veterans Day/Thanksgiving
Mowing Operations	81%	88%	89%	99%
Litter Management	96%	94%	95%	95%
Guardrails/Signs/Bridges	79%	83%	85%	96%
Statewide Average	85%	88%	89%	97%



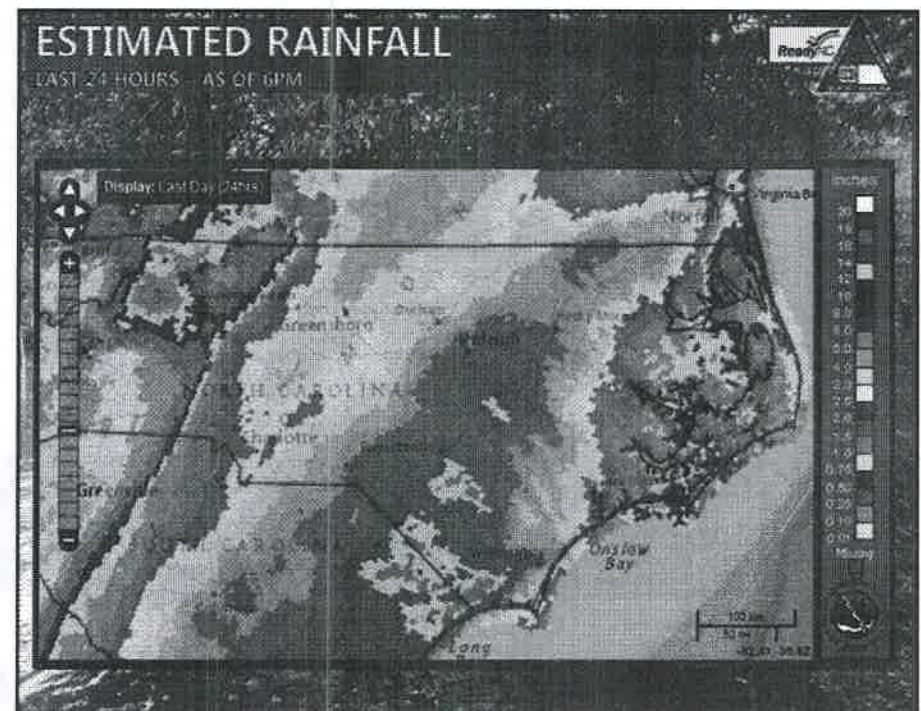
Appropriations and Investment Recommendations

Major Programs	FY19 State Appropriation (\$ million)	Investment Recommendation (\$ million)
Contract Resurfacing	\$504	\$519
Pavement Preservation	\$98	\$110
Bridge Program	\$272	\$272
Bridge Preservation	\$82	\$82
Roadside Environmental	\$101	\$122
General Maintenance Reserve		
Highway Maintenance	\$159	\$455
Statewide Programs	\$150	\$150
Subtotal, General Maintenance Reserve	\$309	\$605
Total	\$1,366	\$1,710

Emergency Response/Disasters



Hurricane Florence – September 2018



Hurricane Matthew – October 2016

Financial Recovery



- Provides reimbursement for damages to Federal Aid routes, typically US, NC, and Interstate routes.
- ~\$700,000 DOT Statewide Declaration Threshold for Emergency Reimbursement Eligibility
- \$5,000 Minimum project threshold
- Eligible Work:
 - Emergency Repairs (First 180 Days)
 - (100% reimbursement)
 - Permanent Repairs
 - (90% reimbursement on Interstates)
 - (80% reimbursement on other Federal Aid routes)



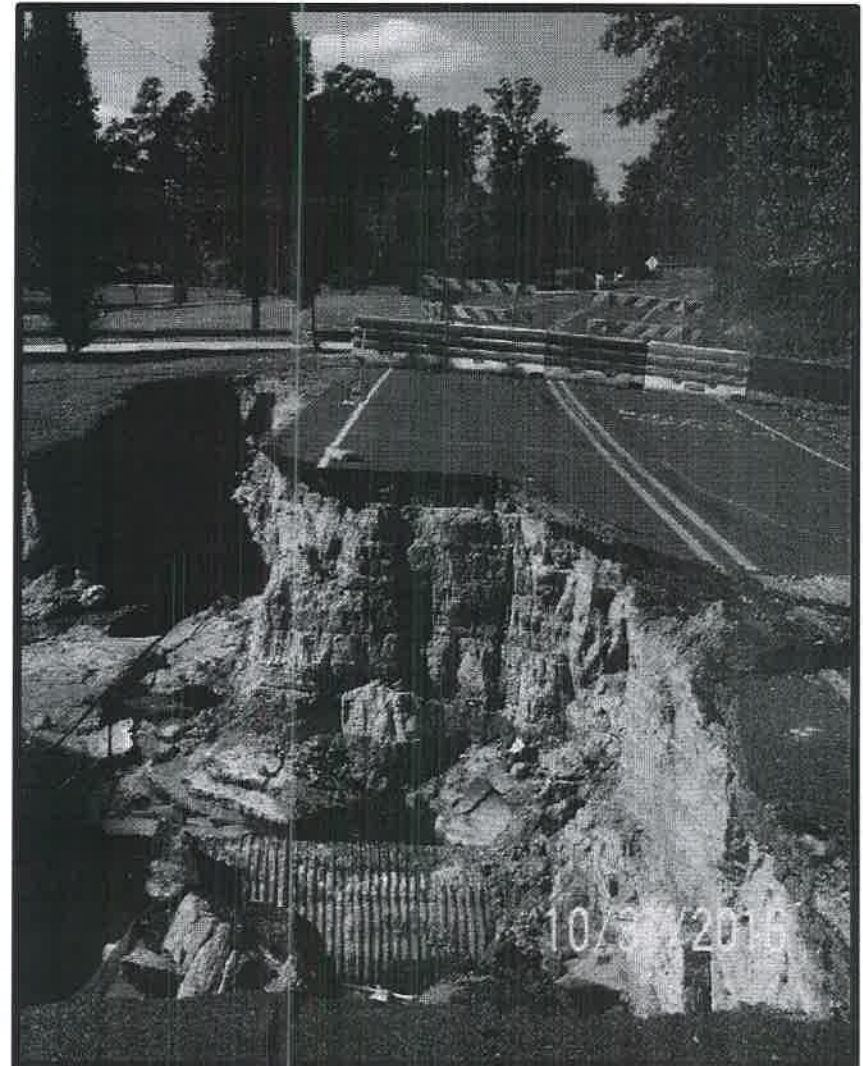
Hurricane Matthew – NC 904 in Robeson County

Financial Recovery



FEMA

- Provides reimbursement for damages to state maintained secondary routes.
- ~ \$14M Statewide Declaration Threshold for Reimbursement Eligibility
- \$3,140 Minimum project threshold
- Eligible Work:
 - Cat A – Debris Removal
 - (~80% reimbursement)
 - Cat B – Emergency Protective Measures
 - (75% reimbursement)
 - Cat C – Roads/Bridges
 - (75% reimbursement)
 - Cat E – Buildings/Equipment
 - (75% reimbursement)



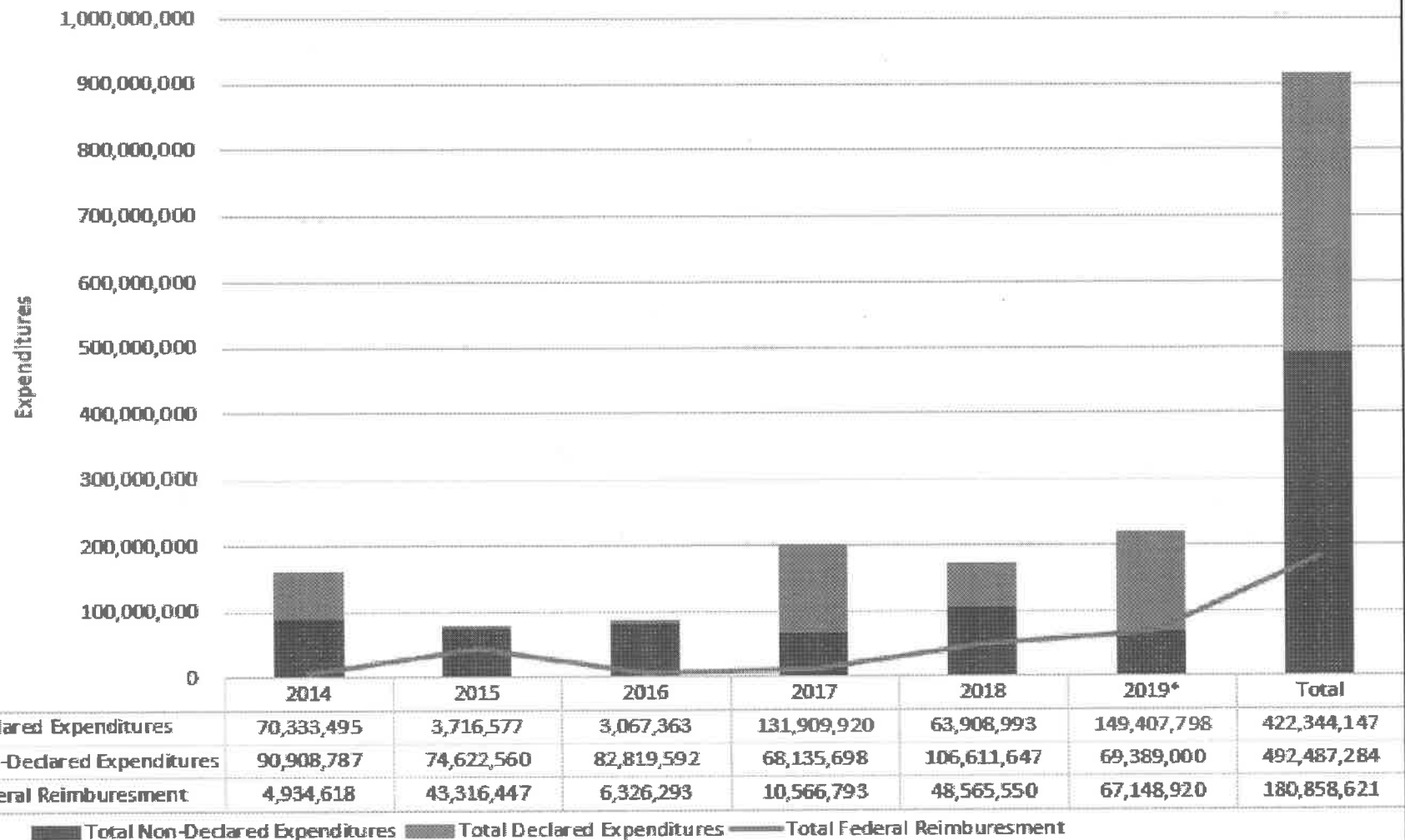
Hurricane Matthew – Benson Road in Harnett County

Emergency Response/Disasters

Emergency Expenditure Summary Vs Federal Reimbursement

FY 2014 through March 1, 2019

* Non-Declared Expenditures Include Snow & Ice and Non-Declared Events



Emergency Response/Disasters

Events Declared since FY 2014

Declared Events	FEMA Exp	FHWA Exp	Total Exp
Avery/Wilkes Mudslides		4.4	4.4
July 3 - 13 Mudslides	8.9	2.7	11.6
July 27 Mudslides	4.7	0.8	5.5
Hurricane Joaquin		1.5	1.5
March 2014 Winter Storm	31		31
Hurricane Matthew	142.9	57.1	200
Alberto/Western Slides		5.9	5.9
NC Party Rock Fire	0.1		0.1
Hurricane Florence	97.8	28.2	126
Hurricane Michael	11.2	1.1	12.3
Totals	296.6	101.7	398.3

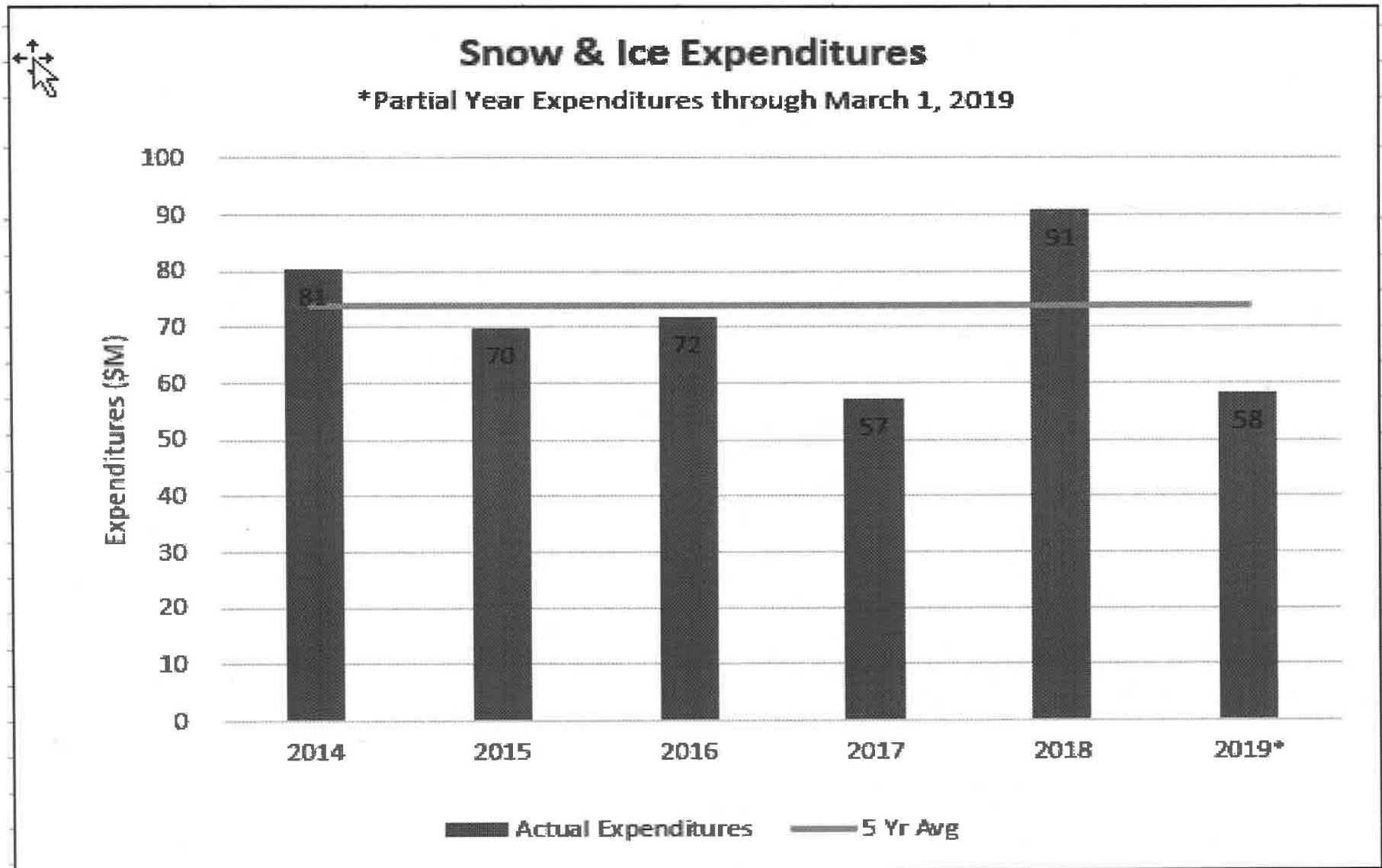
Non-Declared Events since FY 2014

Non-Declared Events	Sec Sys Exp	Pri Sys Exp	Total Exp
Hurricane Aurthur	0.8	0.7	1.5
Hurricane Joaquin	4.2		4.2
Hurricane Irma	2.1		2.1
Alberto/Western Slides	14.8		14.8
Feb 2019 Rain Event/Slides			0
Subtotals	21.9	0.7	22.6

Division Events	Sec Sys Exp	Pri Sys Exp	Total Exp
Slope failure, Slides, Sinkholes, etc	4.6	12.4	17
Snow & Ice	116.9	311.5	428.4
Subtotals	121.5	323.9	445.4
Non-Declared Total	143.4	324.6	468

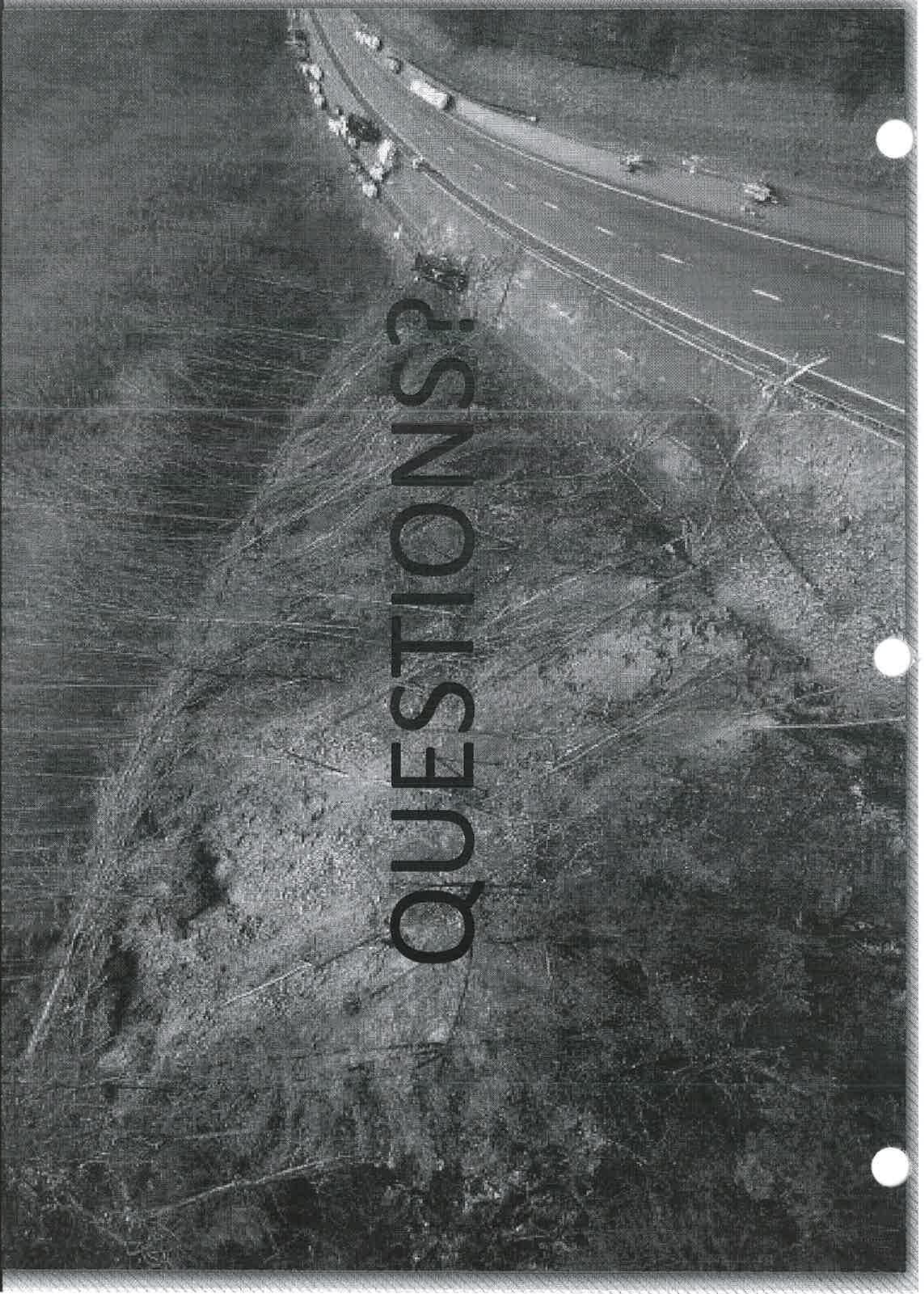
* Expenditures shown are in millions (\$M)

Emergency Response/Disasters



* ~\$430M in Snow & Ice Expenditures since 2014 (5 Year Avg = ~\$75M Annually)

QUESTIONS?





NORTH CAROLINA
Department of Transportation



Bridge Preservation Update

Brian Hanks, PE

March 5, 2019

Overview

State Bridge Funding

Bridge System Condition Update

Preservation of High Value Bridges

Common Bridge Preservation Activities

Project Examples

State Bridge Funding Overview

BRIDGE PROGRAM	BRIDGE PRESERVATION
\$280M FY17/18 \$272M FY18/19	\$80M FY17/18 \$82M FY18/19
IMPROVE DEFICIENT BRIDGES	PRESERVE OR REHABILITATE TO GOOD CONDITION

Bridge Condition Update

GOALS			2014			CURRENT		
10%			16.4%			11.1%		
Deficient			Deficient			Deficient		
2%	6%	15%	4%	9%	21%	3%	8%	14%
Interstate	Primary	Secondary	Interstate	Primary	Secondary	Interstate	Primary	Secondary

Focus: Preservation of High Value Bridges

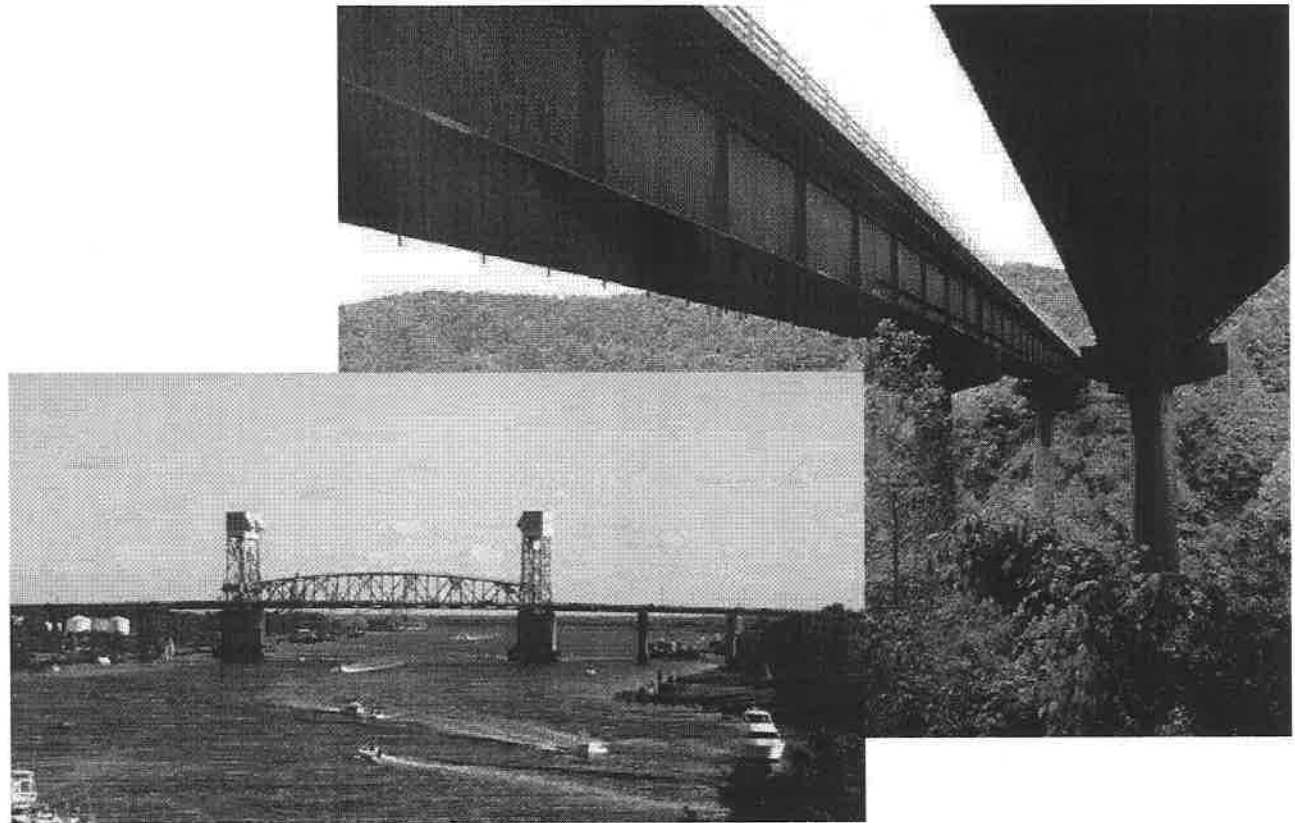
REPLACEMENT COSTS
BETWEEN **\$20M & \$400M**

204 BRIDGES

TOTAL REPLACEMENT COST:
\$9B

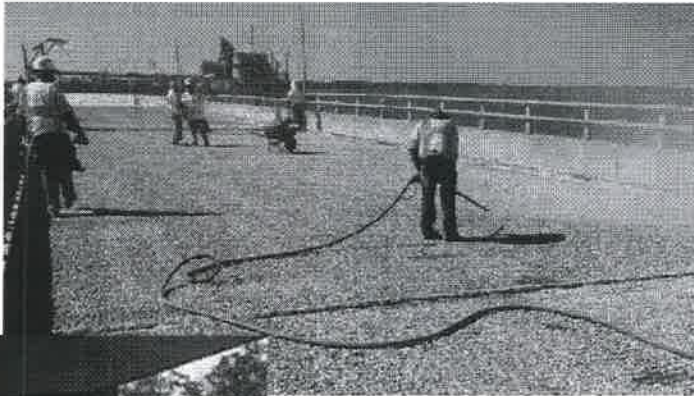
TOTAL PRESERVATION
NEEDS:

\$400M TO MAINTAIN GOOD
CONDITION (PREVENT SD)

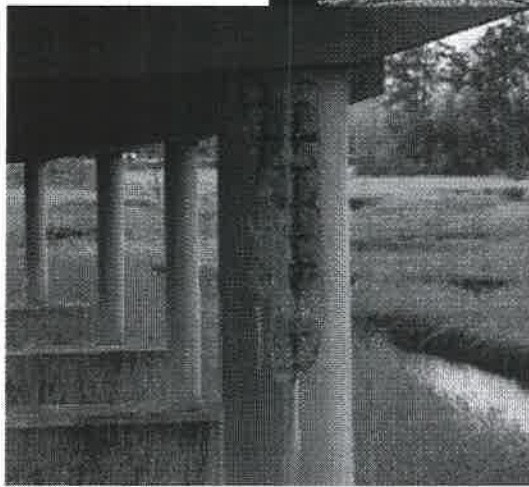
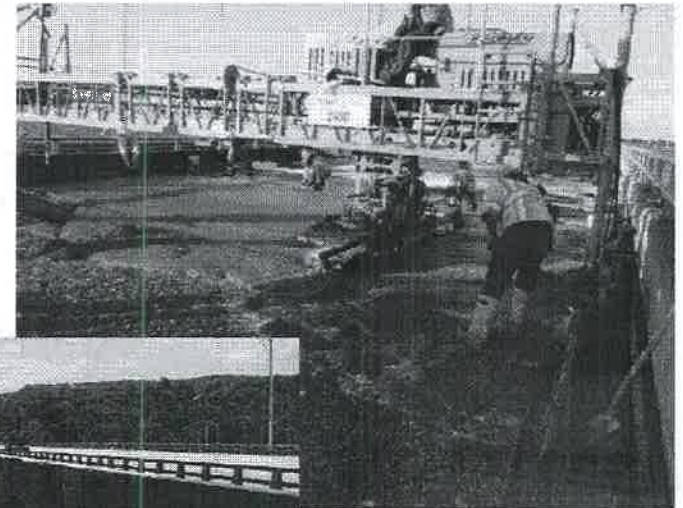


Common Bridge Preservation Activities

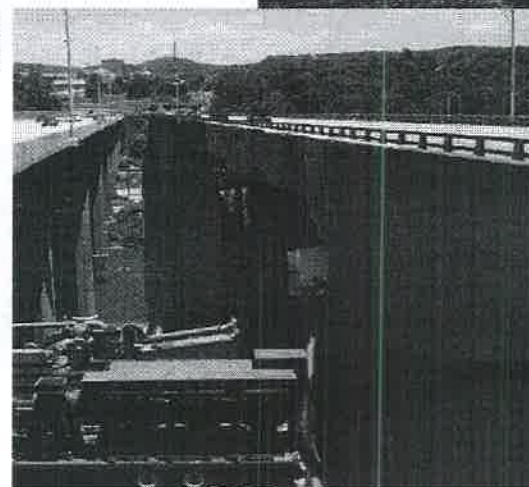
CONCRETE OVERLAY PREPARATION



CONCRETE OVERLAY PLACEMENT

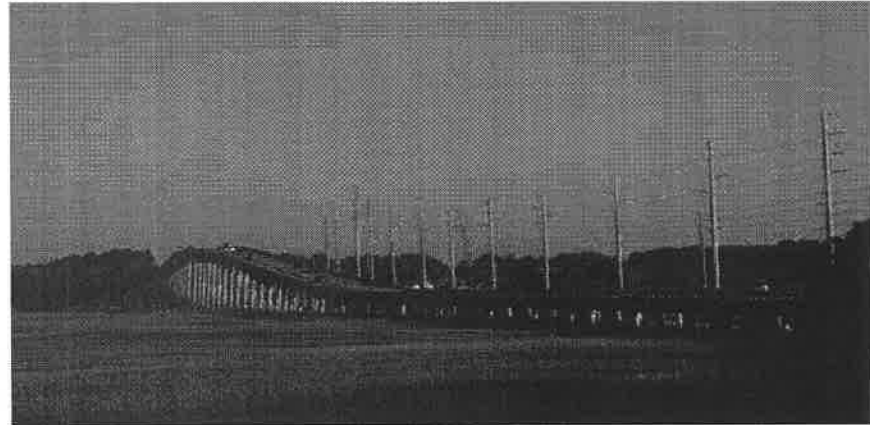
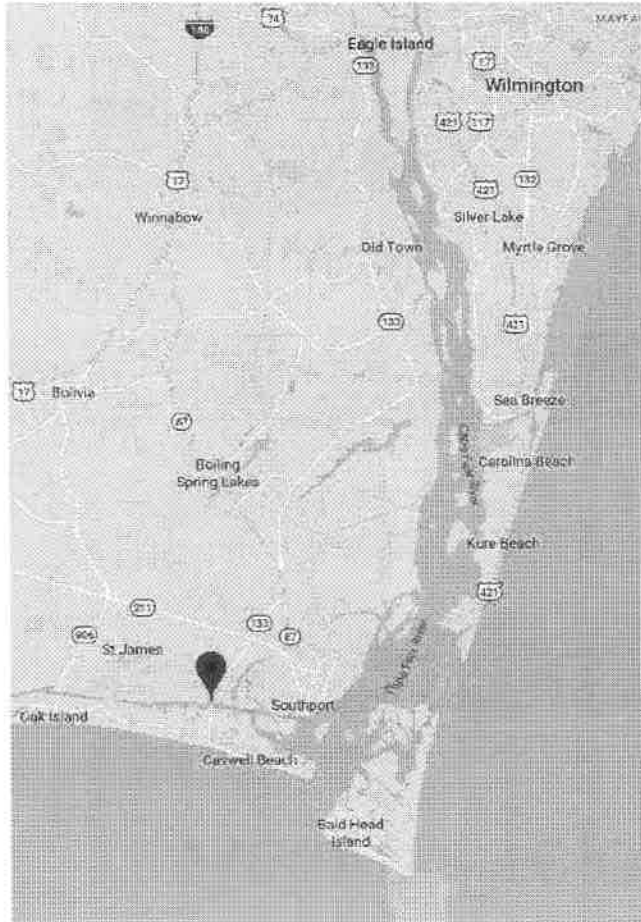


CONCRETE SUBSTRUCTURE REPAIR



PAINTING STEEL GIRDERS

Active Project – Barbee Bridge, Oak Island



NC 133 OVER INTRACOASTAL WATERWAY - BUILT IN 1972

CURRENT CONDITION: **FAIR**

ESTIMATED REPLACEMENT COST: \$93.2M

REHABILITATION NEEDS:

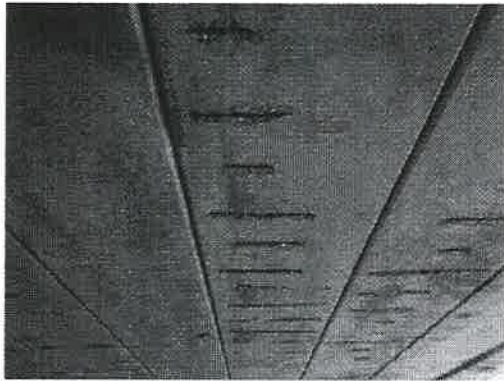
REPLACE LOW WATER CONCRETE BEAMS, OVERLAY DECK, NEW BICYCLE SAFE BARRIER RAIL, MISCELLANEOUS CONCRETE REPAIRS

COST TO REHABILITATE: \$15.8 M

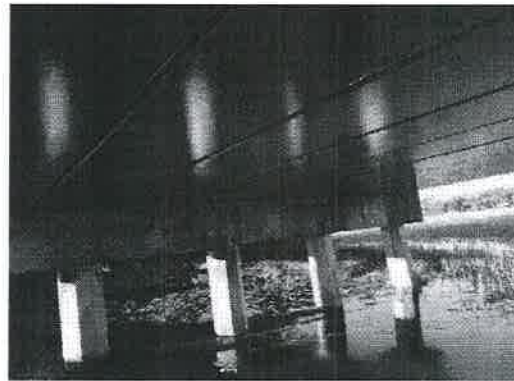
ESTIMATED LIFE EXTENSION: 50 YEARS

Active Project - Oak Island Bridge

SUPERSTRUCTURE IMPROVEMENTS



Existing Low Water Beams

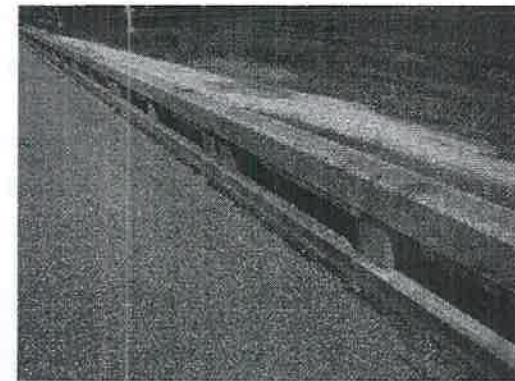


New Low Water Beams

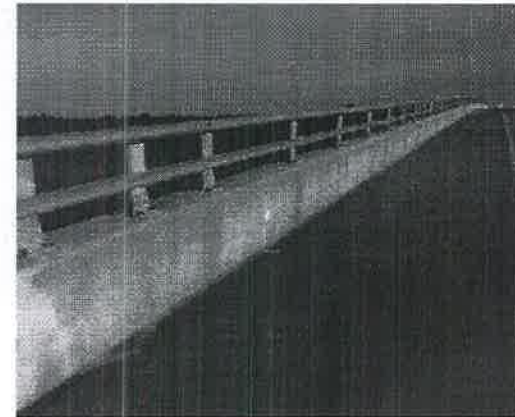


Bridge
Deck
Overlay

RAIL IMPROVEMENTS



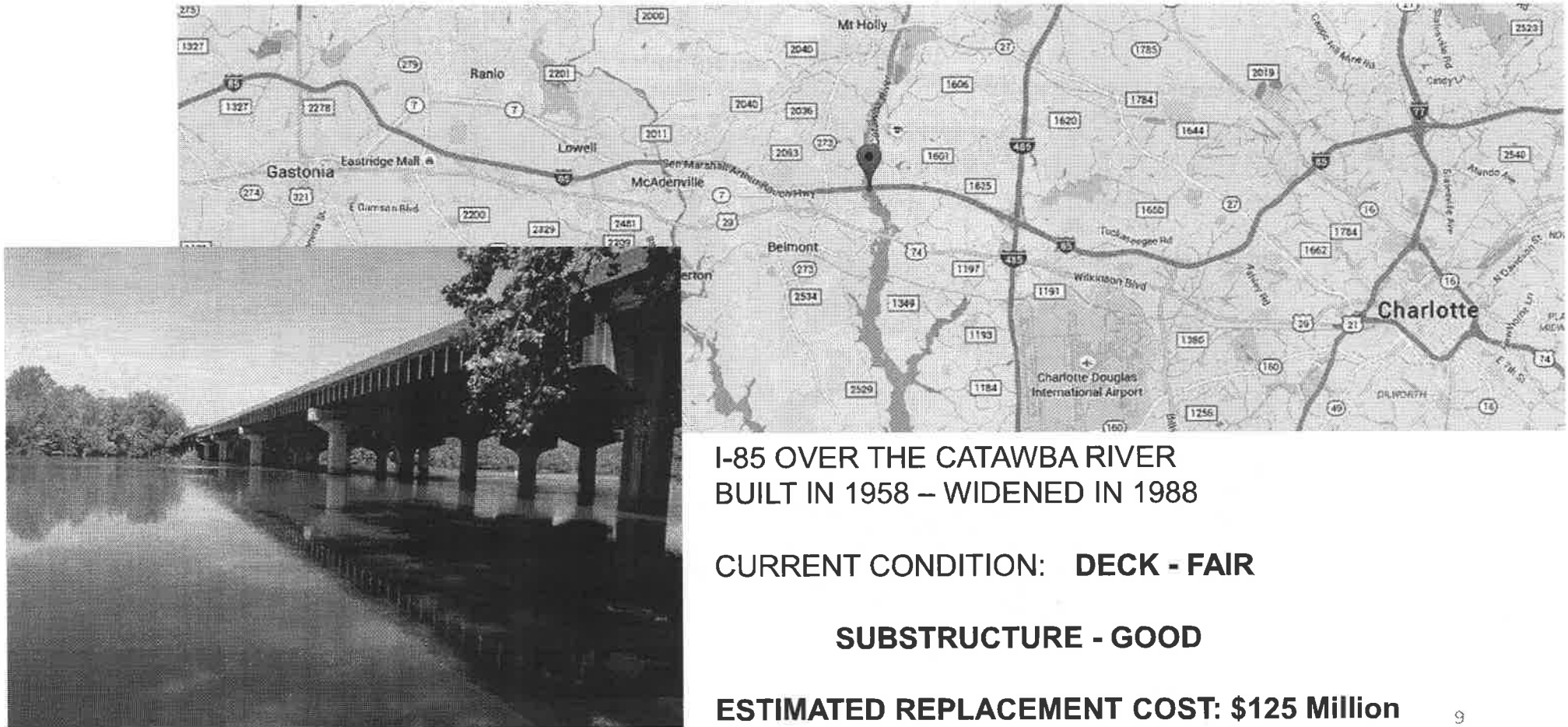
Existing
27" Rail



New
54" Rail

Transportation

Future Project – Gaston County #159



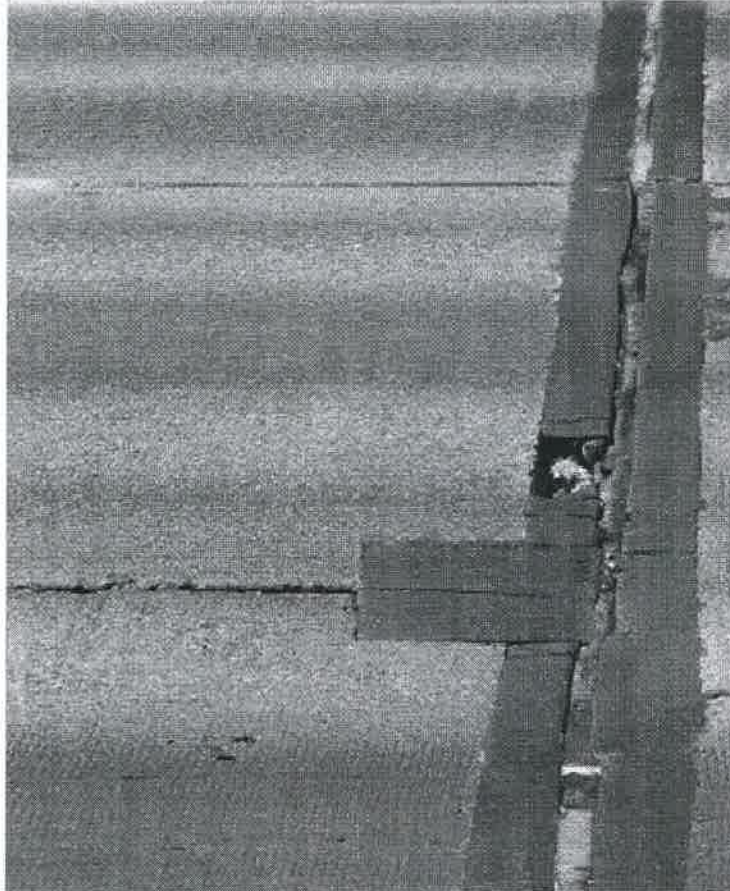
I-85 OVER THE CATAWBA RIVER
BUILT IN 1958 – WIDENED IN 1988

CURRENT CONDITION: **DECK - FAIR**

SUBSTRUCTURE - GOOD

ESTIMATED REPLACEMENT COST: \$125 Million

Future Project – Gaston County #159



PRESERVATION NEEDS:

OVERLAY DECK, REPLACE EXPANSION JOINTS, CLEAN AND PAINT STEEL GIRDERS AND BEARINGS, MISCELLANEOUS CONCRETE REPAIRS

ESTIMATED COST TO REHABILITATE: \$5M

ESTIMATED LIFE EXTENSION: 25 YEARS

High Value Bridge Preservation Projects

TOTAL COST (# BRIDGES)	
FY17/18	\$77M (17)
FY18/19	\$70M (20)
FUTURE	\$ 250M (167)

Summary

Bridge Preservation Funding

- Maintain good condition
- Extends service life
- Lowest life cycle cost
- Assists in achieving statewide and system goals



NORTH CAROLINA

Department of Transportation



Map Act Update

Daniel Johnson

Deputy General Counsel

March 5, 2019

History

Transportation Corridor Official Map Act

- Enacted under S.L. 1987-747
- 26 Maps in 20 counties

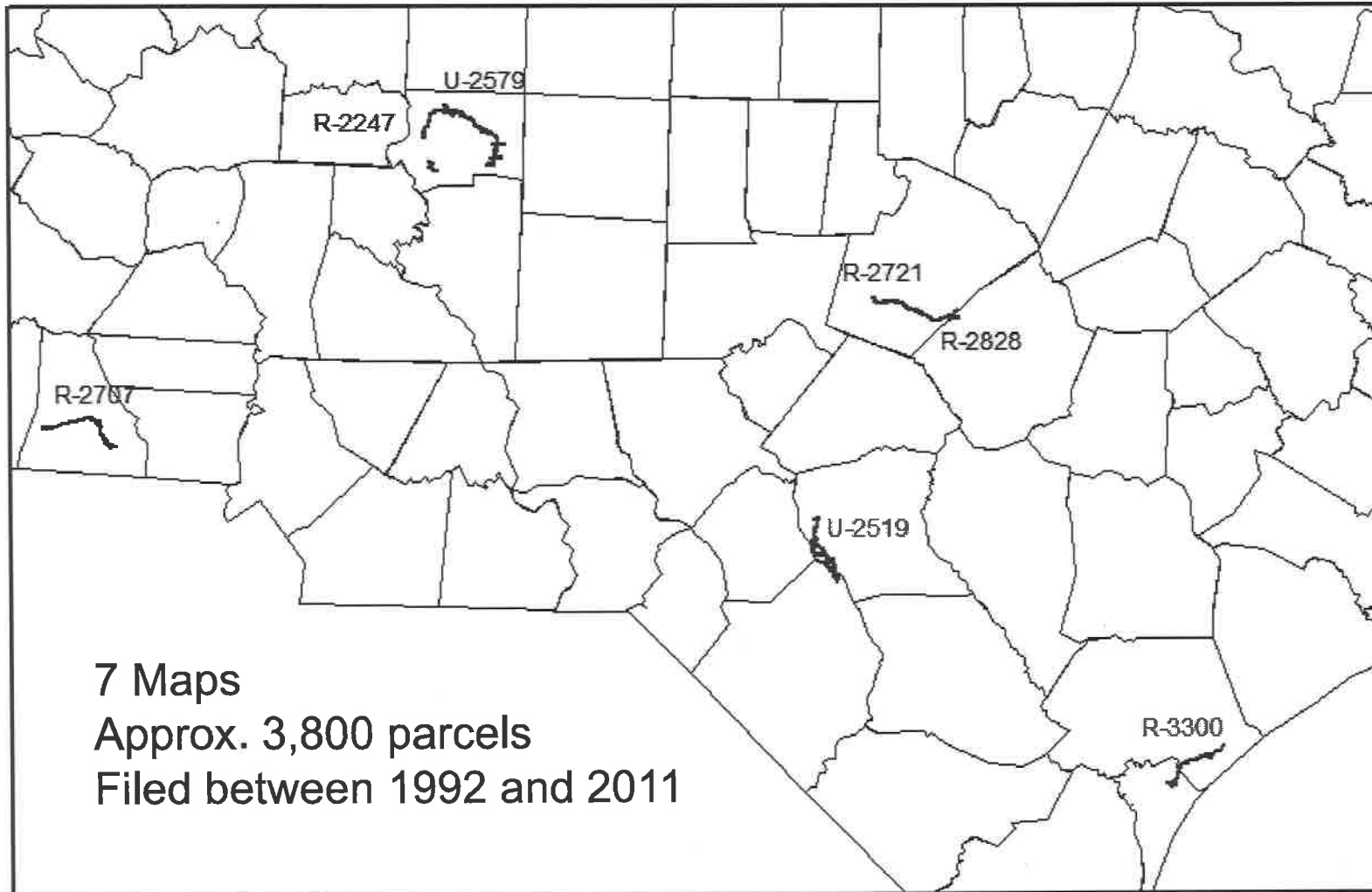
Kirby v. NCDOT

- 9 Inverse Condemnation actions against DOT, 2011-2012
- Supreme Court- held that the Map Act restricted rights to improve, develop, and subdivide

Maps Rescinded

- By S.L. 2016-90
- Statutory moratorium on filing new maps extended to July 1, 2019 by S.L. 2018-5

Current Maps of Interest



Claims Against Department

- 586 inverse condemnation cases filed
- 196 claims settled
- 1,455 parcels acquired
- \$220,418,849 total acquisition costs

Moving Forward

- Maintain construction progress
- Actively negotiate inverse claims
- Global settlements (or long-term Temporary Construction Easements)
- Prioritize parcel acquisition by location

Questions?



Daniel Johnson
Deputy General Counsel

dhjohnson4@ncdot.gov

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation3/5/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Anne Lasley	Cardinal Consulting Services
Flint Benson	SEAWC
Crystal Collins	NC Trucking Assn
John Hatcher	Nc Forestry Assn
John Rouse	NCDOT
Daniel Johnson	NCDOT
Ron Hancock	NCDOT

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

Name of Committee

3/5/2019

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Justin Delancey

NeDOT

Kevin Lacy

NCDD07

Dean: Eatman

NDOT

VAN ARGABRIGHT

NCDOT

Majed AlGhadim

NC DO

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

Name of Committee

3/5/2019

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

M. J. B. B.

Jay Stem	NCAA
----------	------

Paul Bon	Bon: Asso.
----------	------------

C. Harley, Jr.	NCGA
----------------	------

JACKSON SHARK II	JSC
------------------	-----

Harbin Robinson	NCRNA
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**House Committee on Appropriations, Transportation
Tuesday, March 12, 2019 at 8:30 AM
Room 1228/1327 of the Legislative Building**

MINUTES

The House Committee on Appropriations, Transportation met at 8:30 AM on March 12, 2019 in Room 1228/1327 of the Legislative Building. Representatives Beasley, Iler, Martin, Presnell, Russell, Shepard, Torbett, and Willingham, Senators McInnis & Davis attended.

Representative Frank Iler, Chair, presided.

Chairman Iler called the meeting to order and recognized the Pages Savannah Sinor from Raleigh and the Sergeant at Arms Gilbert, Terry Leighton, Enloe and Matthews.

Chairman Iler recognized the following presenters:

NCDMV Reorganization

Torre Jessup, NCDMV Commissioner, (attachment 1)

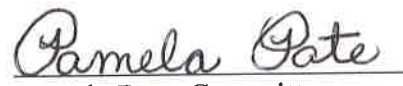
Hearing Unit

Mary Gresson, Fiscal Research Division. (attachment 2)

Committee members discussed both topics.

The meeting adjourned at 9:24 a.m.


Representative Frank Iler, Chair


Pamela Pate, Committee

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Tuesday, March 12, 2019
TIME: 8:30 AM
LOCATION: 1228/1327 LB
COMMENTS: Chair: Representative Iler

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:34 AM on Thursday, March 07, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Pamela Pate (Committee Assistant)

Joint Committee on Appropriations, Transportation

Tuesday, March 12, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Representative Frank Iler, presiding
Representative Michele Presnell
Representative Phil Shepard
Representative John Torbett

Senator Jim Davis
Senator Tom McInnis

1. Call to Order
2. NCDMV Reorganization
Torre Jessup, NCDMV Commissioner
3. Hearings Unit
Mary Greeson, Fiscal Research Division
4. Committee Discussion

Next meeting: Wednesday, March 13th



NORTH CAROLINA
Department of Transportation



DMV Overview

Torre Jessup, Commissioner

March 12, 2019

ATTACHMENT # 1

- 1,561 FTEs
- 7.2 million licensed drivers
- 9.7 million registered vehicles
- 1 state operated license plate office
- \$133 million budget





- 7.2 million licensed drivers
- 800,000 ID card holders
- 114 driver license offices
 - University City driver license office - March 6 in Charlotte
- 9 mobile offices
 - 25 mobile locations
 - 15 prison sites
- 2 DMV Mobile RVs
 - Community outreach

1 state operated
license plate
office

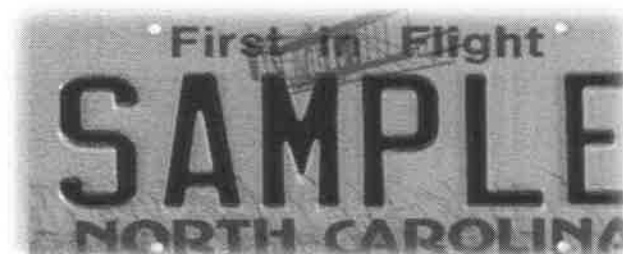
9.7 million
registered
vehicles

124 license plate
agencies

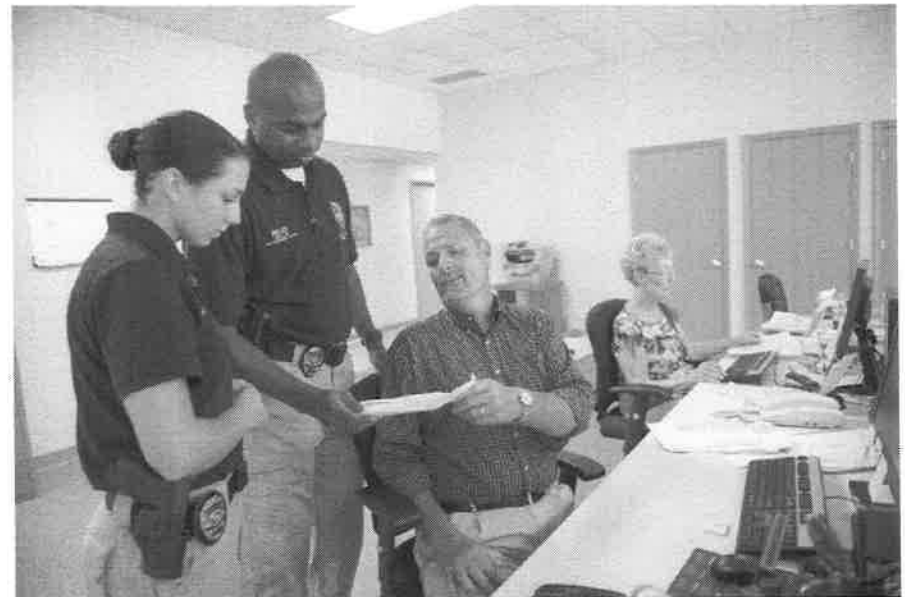
3 general plate
designs

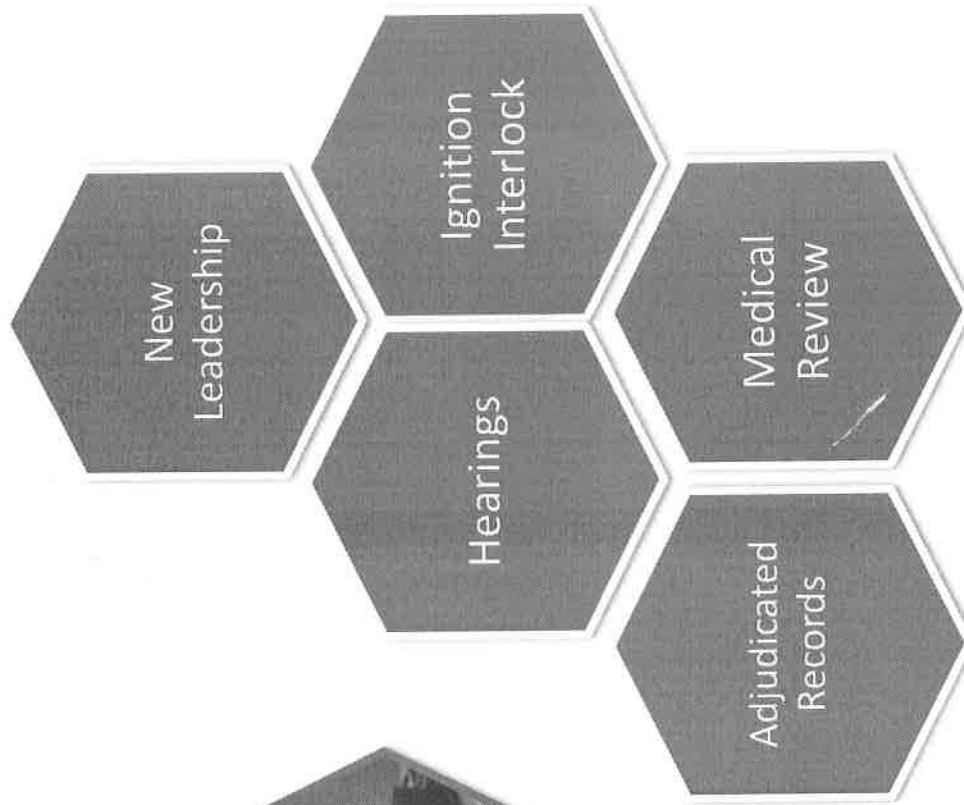
203 specialty
plates

2.1 million
calls answered by
DMV Call Center
annually



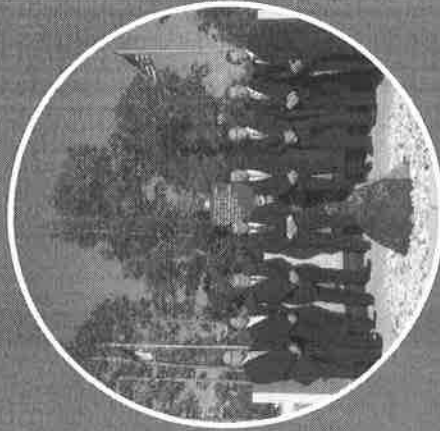
- Staff
 - 185 sworn FTEs
 - 63 License & Theft offices
- 6,210 inspection stations
- 7,903 licensed auto dealers
- 42,740 vehicle sales representatives
- 2018
 - 1,467 stolen vehicles recovered (\$13.8 million)
 - 2,071 cases closed of fraudulent IDs/DLs







99 DLEs
Graduated Basic
School in 2018



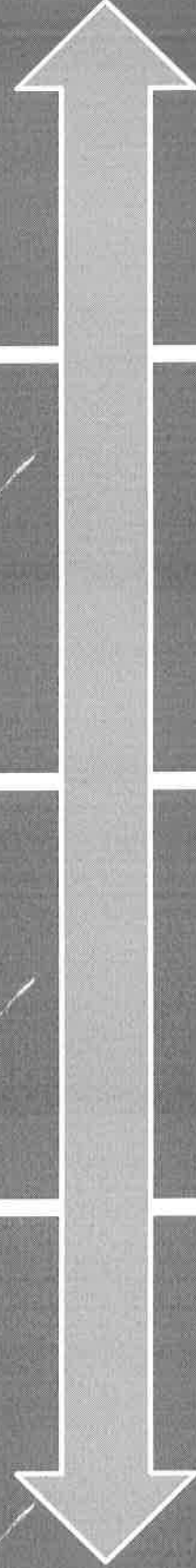
Law
Enforcement
Basic School
10-15 New
Inspectors
Trained Annually

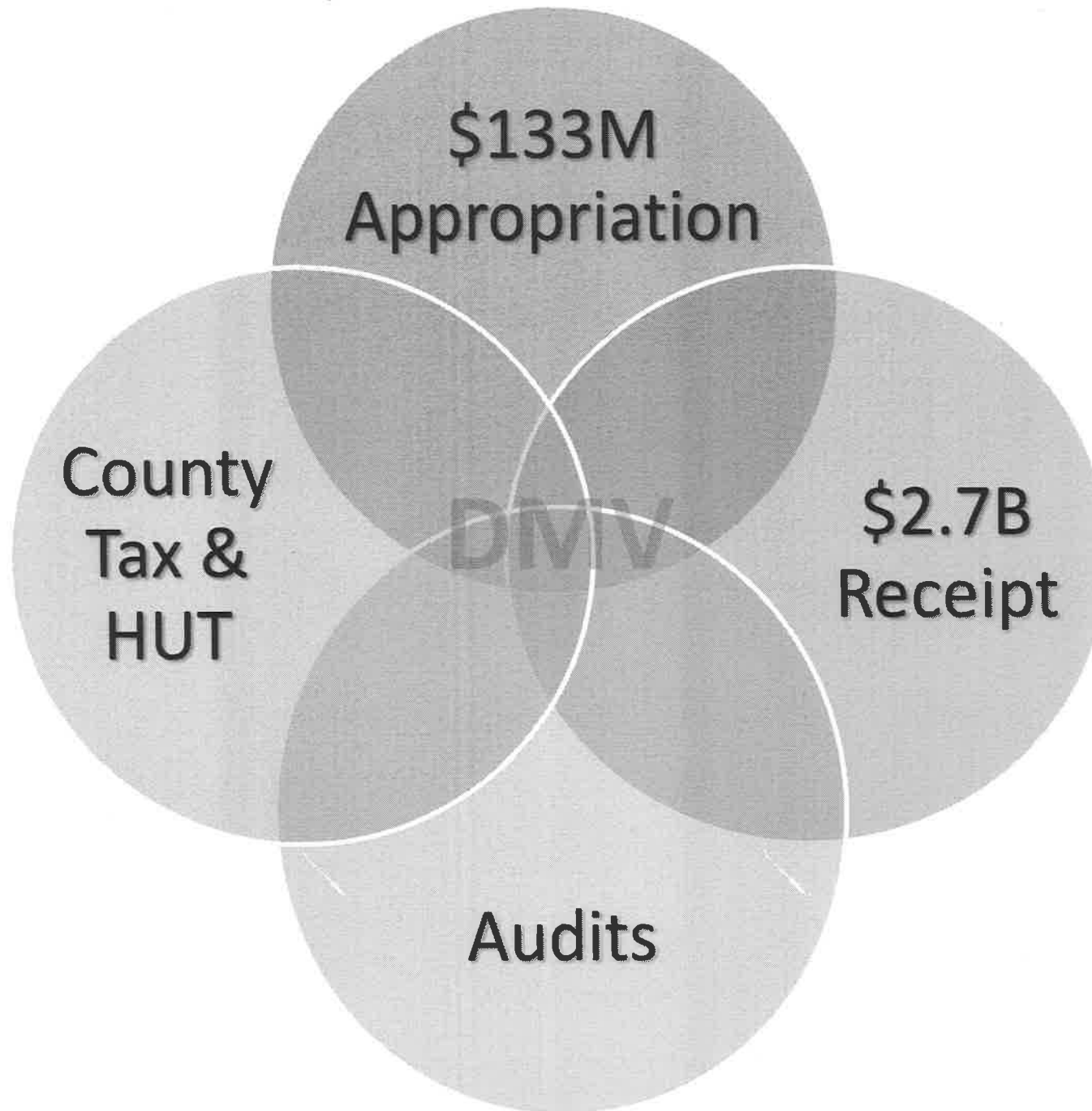


37,604 Certified
School Bus
Drivers



1,299 Certified
Driver's Ed
Instructors



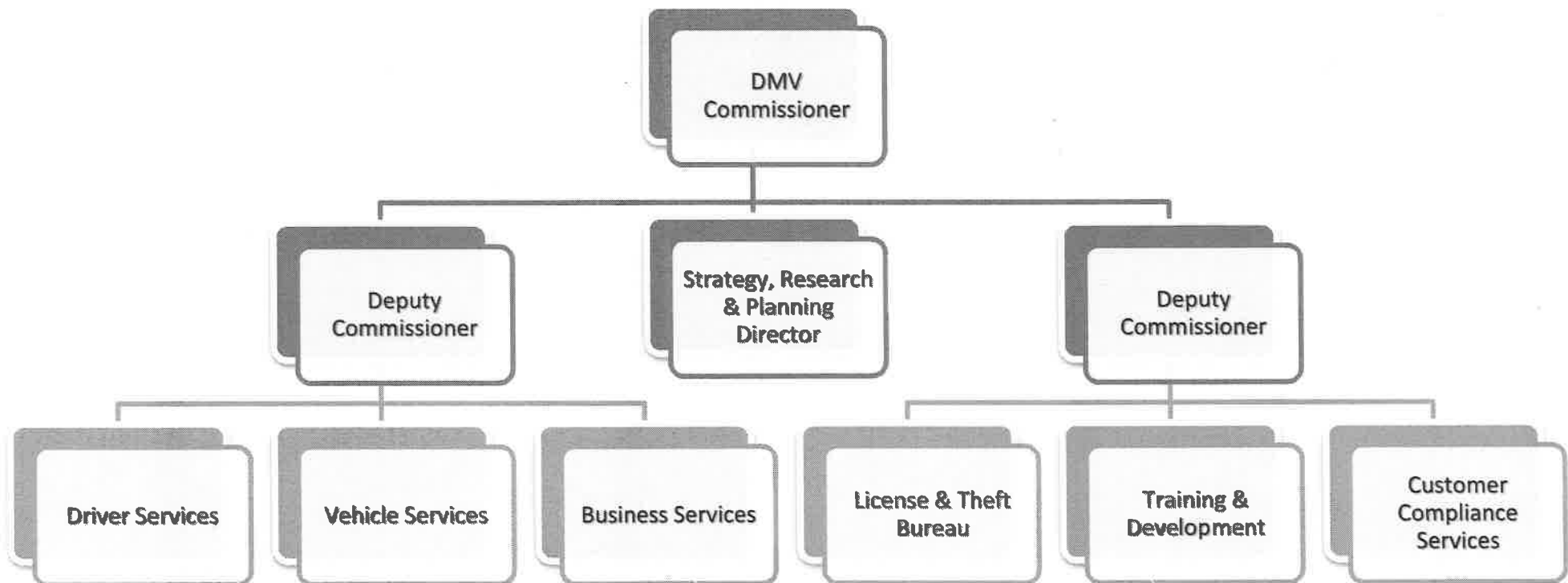


**Strategic
Planning**

**Policy &
Governance**

**PII
Security**

**Electronic
Records**



Benefits of Reorganization

- Improve customer service
- Improve strategy development and implementation
- Improve data/information management
- Enhance ongoing training

Training & Development

- Prepares workforce for new technology
- Prepares a pipeline of new leaders to replace retiring baby boomers
- Improves retention through professional development



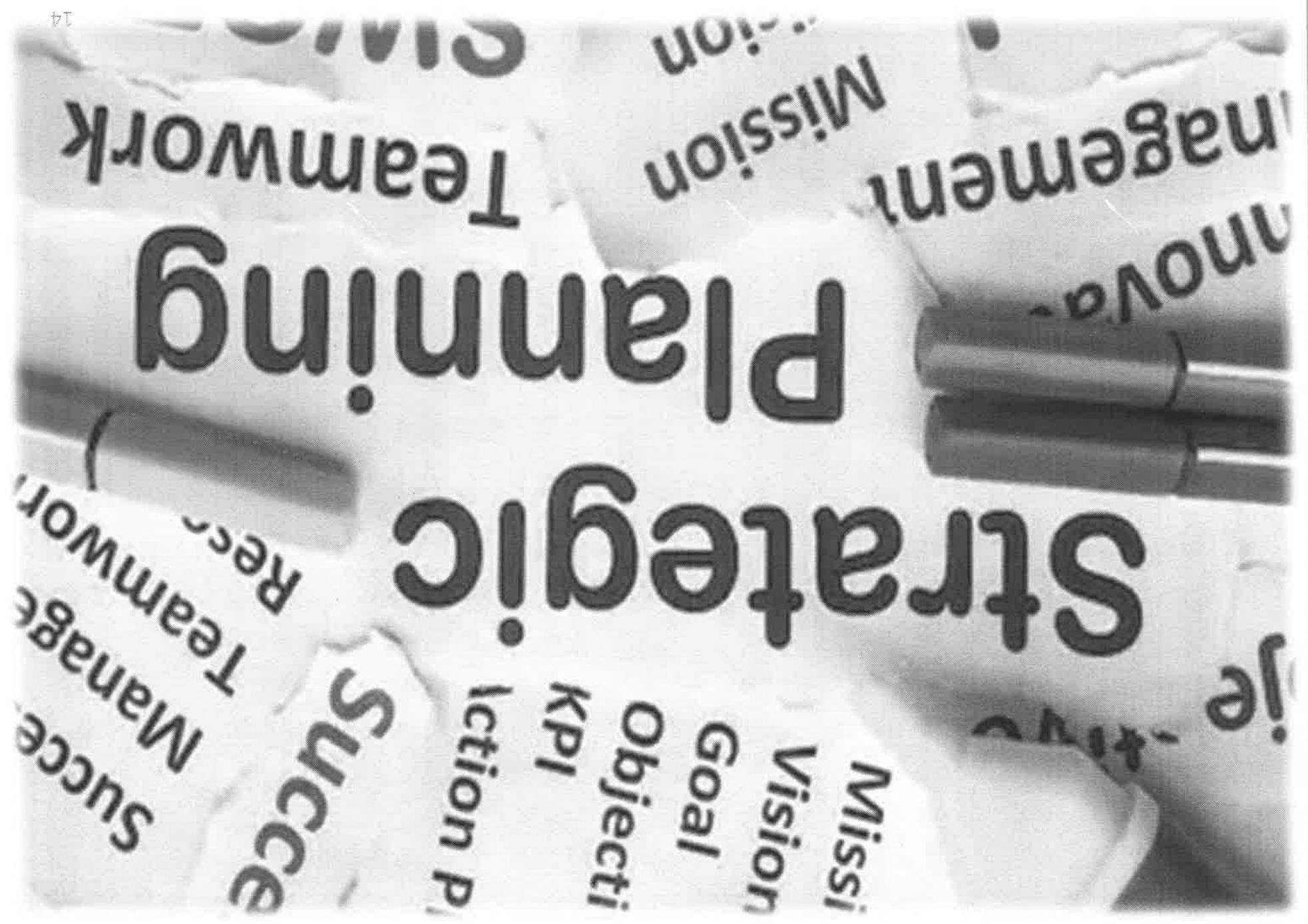
Implement Strategic Plan

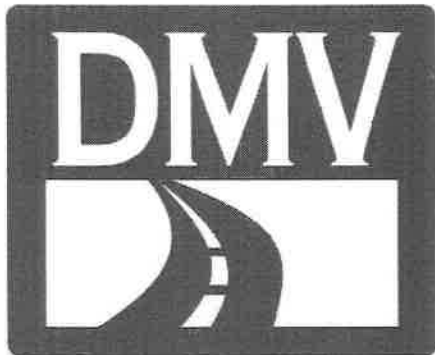
HQ Move

DLO Operational Efficiencies

Customer Compliance Efficiencies

IT Modernization





North Carolina Division of Motor Vehicles

Mission

North Carolina Division of Motor Vehicles facilitates safe mobility and access to opportunities that enhance the lives of the people who live, visit and conduct business in North Carolina.

Vision

To inspire employees to transform the NCDMV into a national leader in service delivery and innovation.

We Value

- | | | |
|--------------------|------------------|-------------|
| ✓ Safety | ✓ Integrity | ✓ Teamwork |
| ✓ Customer Service | ✓ Innovation | ✓ Diversity |
| ✓ Quality | ✓ Accountability | |

Goals

Employee Investment – Invest in employee growth and success

Customer Experience – Provide a positive customer experience

Organizational Excellence – Embrace data-driven decision-making and modern management practices

Stakeholder Relationships – Build strong, cooperative relationships

Questions?

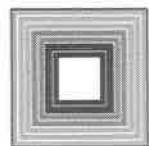


Torre J. Jessup
Commissioner of Motor Vehicles

tjessup1@ncdot.gov

NCDMV Hearings Unit

March 12, 2019



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

ATTACHMENT # 2

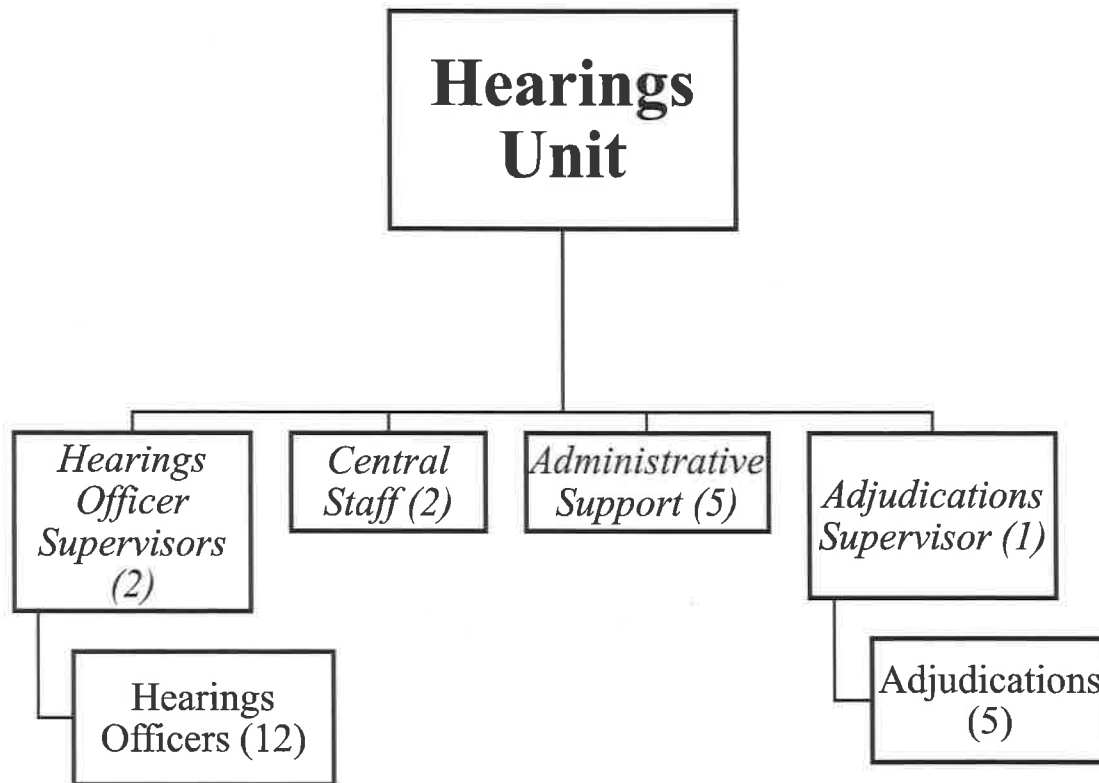
Presentation Outline

- Organizational Structure
- Budget
- Legislative History
- Quarterly Hearings Unit Report
- Decision Points
- Comparison to other North Carolina State Agencies
- Comparison to other State DMVs
- Summary



Hearings Unit

Organizational Structure



Position	FTE Funded by 1304
Hearings Officers	14.0
Central Staff	2.0
Administrative Support	5.0
Adjudications	6.0
Total	27.0

Source: BEACON as of January 2019

Hearings Unit

Organizational Functions

Hearings –
Processing,
scheduling, and
conducting hearings

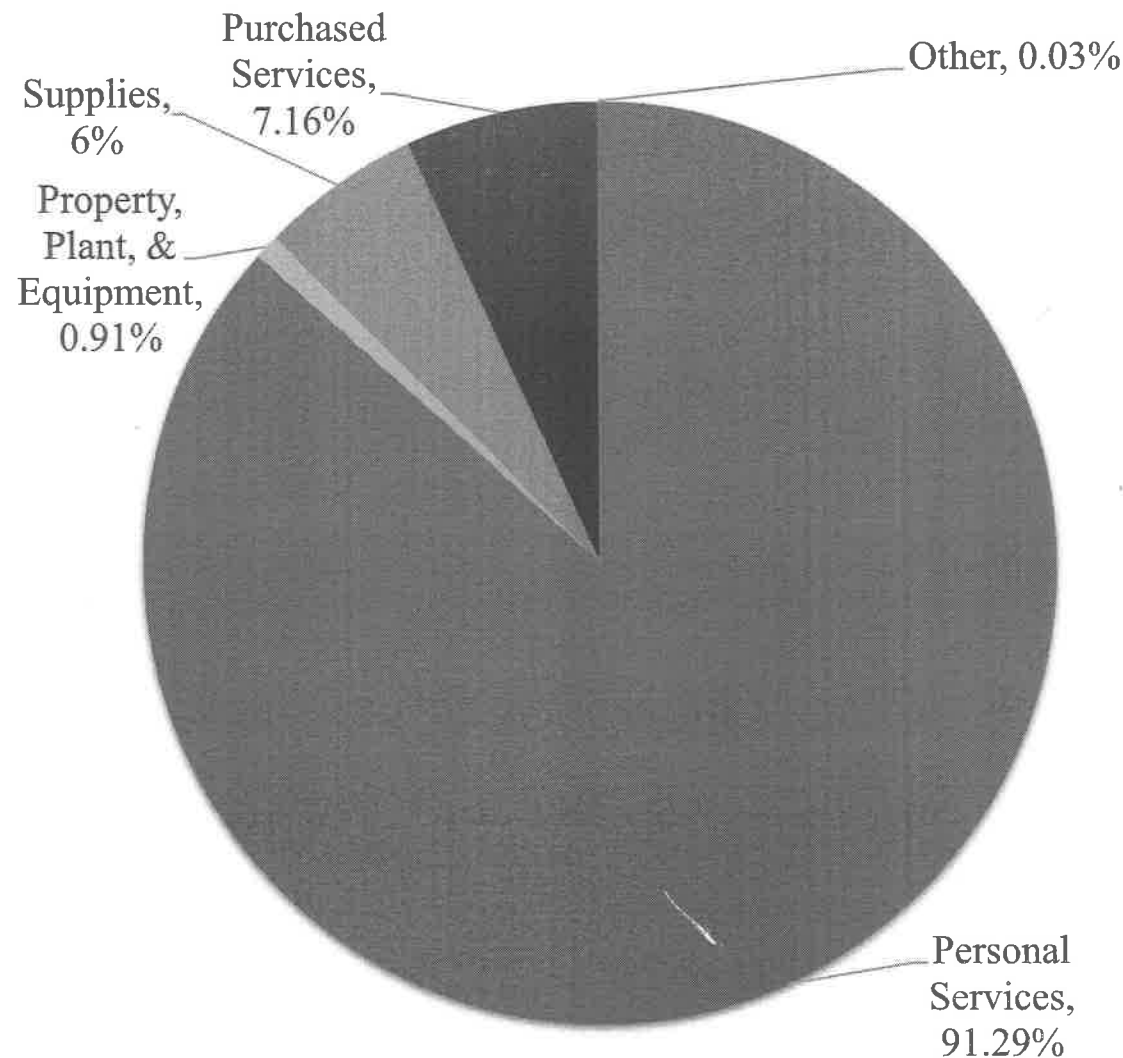
<i>Position</i>	<i>FTE</i>
Hearings Officers	14.0
Central Staff	1.0
Administrative Support	5.0

Adjudications–
Reviewing and
processing
records

<i>Position</i>	<i>FTE</i>
Central Staff	1.0
Adjudications	6.0

Hearings Unit Budget

Before Receipt Supporting Took Effect



Expenditures Include:

- Hearings Officers
- Administrative Support Staff
- Adjudications Staff
- Office supplies
- Travel

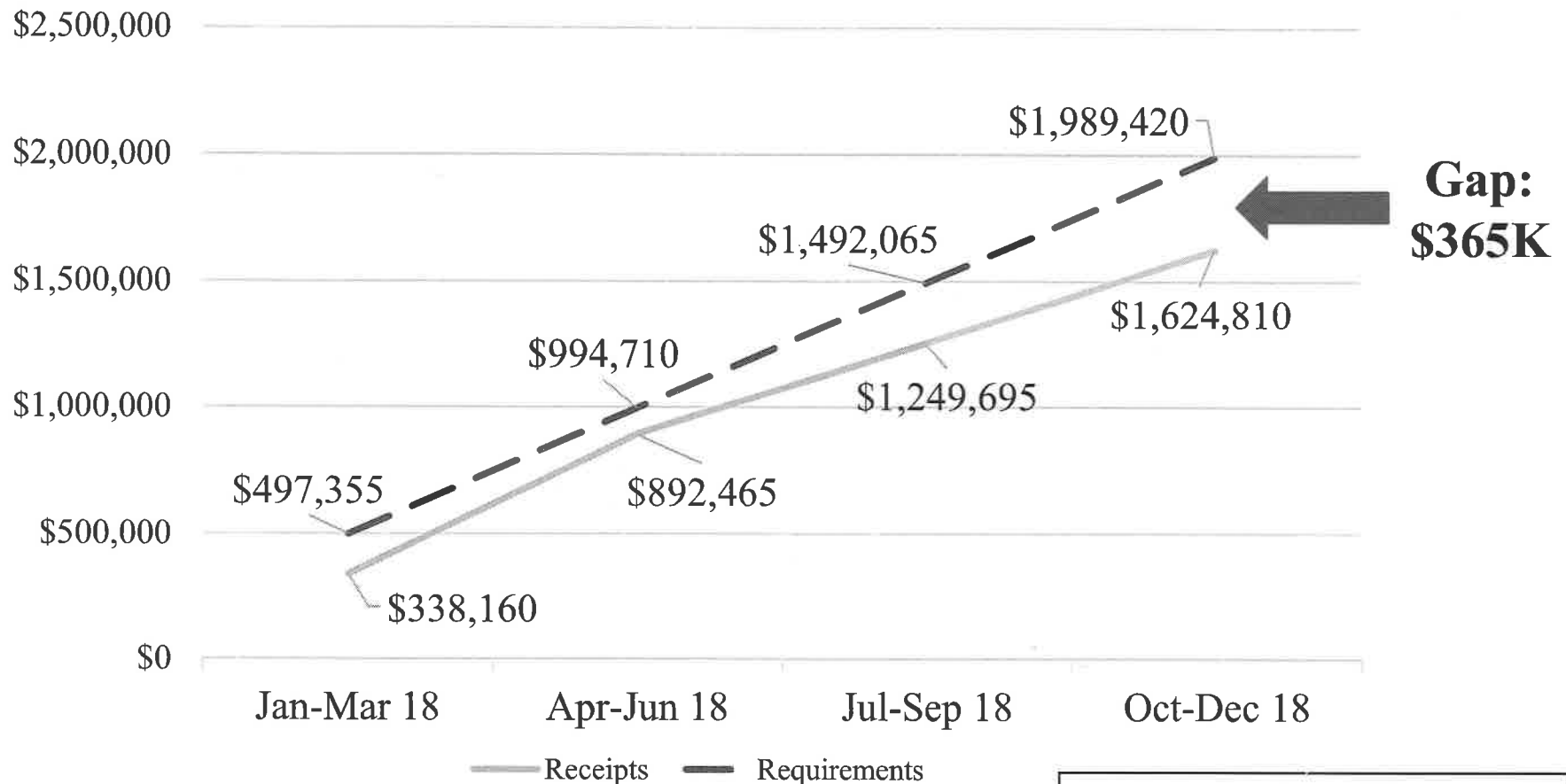
FY 18-19 (in Millions)	
<i>Total Requirements</i>	\$ 3.73
<i>Receipts</i>	\$ 3.73
<i>Net Appropriation</i>	\$ -
<i>FTE</i>	55.0

Legislative History

- S.L. 2014-100, Sec. 34.9: Required DMV to develop of schedule of fees for administrative hearings to recover direct and indirect costs. DMV was required to report on its recommended fee schedule by December 2014, and implement fees by January 1, 2016.
- S.L. 2015-241, Sec. 29.30A: DMV required to implement hearings fees by ~~January 1, 2016~~ July 1, 2017.
- S.L. 2017-57, Sec. 34.32: DMV required to implement hearings fees by ~~July 1, 2017~~ January 1, 2018.
- S.L. 2018-5, Sec. 34.23: Directed that the DMV Hearings Unit budget be entirely receipt supported. Permitted DMV to eliminate positions to re-align Hearings Unit budget with projected receipts. Requires DMV to report quarterly on the Hearings Unit performance, including fee collections.



Hearings Unit Quarterly Reports



Hearings Unit	
Requirements	\$ 1,989,420
Receipts	\$ 1,624,810
Gap	\$ (364,610)
FTE	27.0

Source: NCDMV Quarterly Hearings Reports, Q1 and Q2
(submitted October 15, 2018 and January 15, 2019)

Decision: Adjudications Staff

Hearings Unit Staffing		
	<i>Before</i>	<i>Now</i>
<i>Deputy Director</i>	1.0	0.0
<i>Hearings Officers</i>	30.0	14.0
<i>Administrative Support</i>	7.0	5.0
<i>Central Staff</i>	2.0	2.0
<i>Adjudications</i>	15.0	6.0
Total FTE	55.0	27.0

There are 4.0 additional Adjudications FTE funded in the Processing Services fund code.

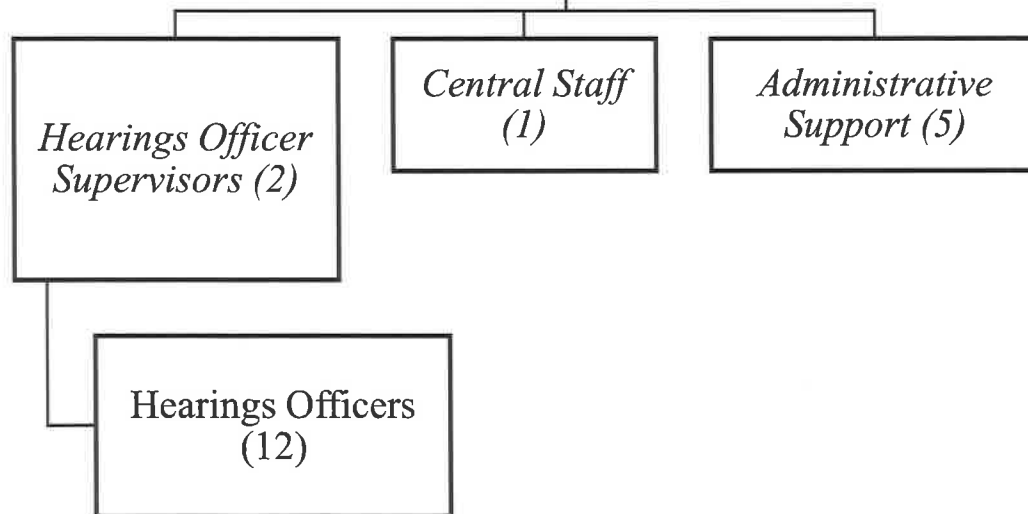


Decision: Adjudications Staff



Adjudications and Central FTE funded by Hearings Unit	FY18-19 Budgeted Salary and Benefits
7.0	\$456,293

Source: BEACON as of January 2019



Hearings Unit - Without Adjudications and Central	
<i>Requirements</i>	\$ 1,533,127
<i>Receipts</i>	\$ 1,624,810
<i>Appropriation</i>	\$ -
<i>Surplus</i>	\$ 91,683
<i>FTE</i>	20.0

Decision: Adjudications Staff

Hearings Unit
- Processing,
scheduling, and
conducting
hearings

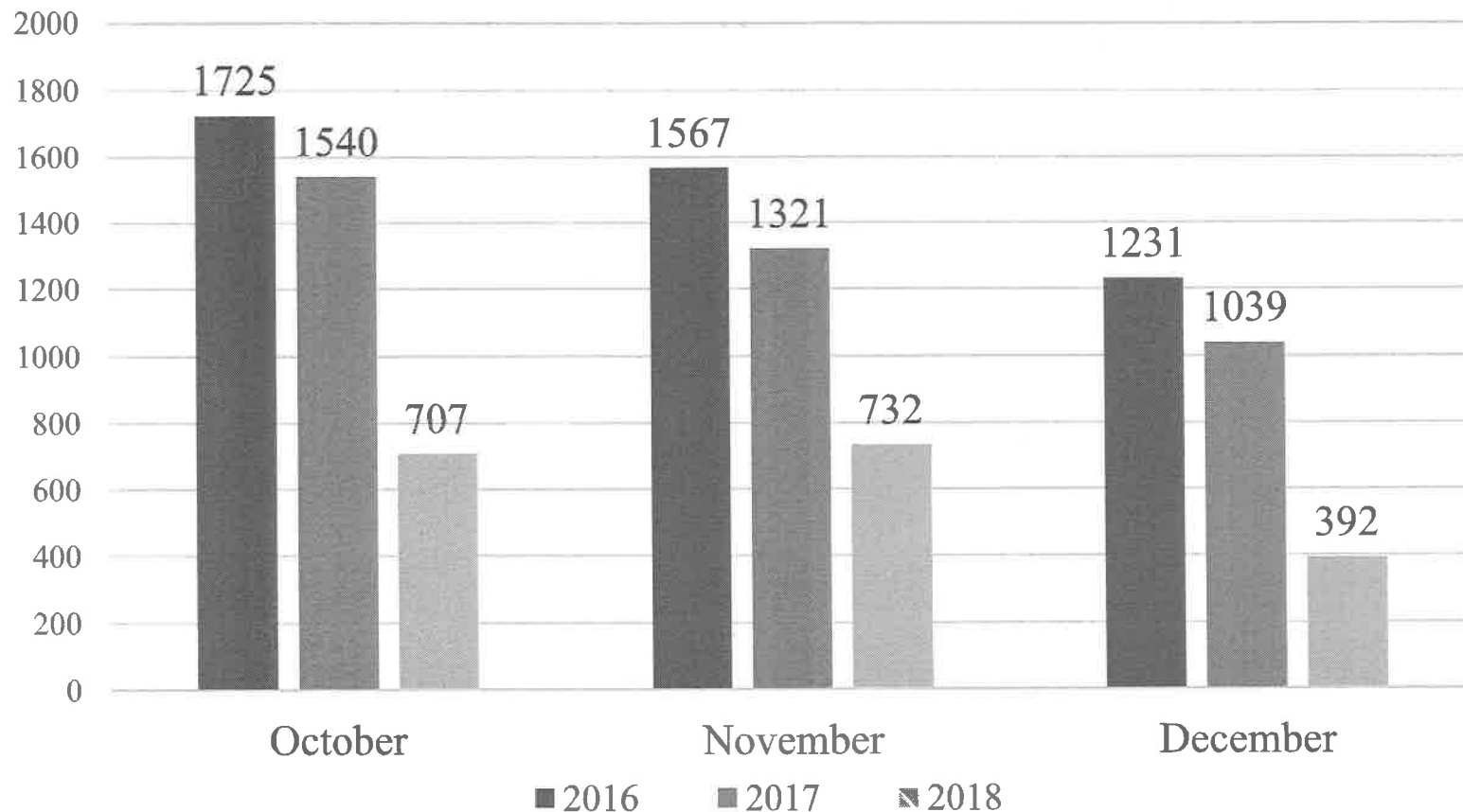
Processing Services –
Reviewing and
processing records

Hearings Unit Adjudications and Central FTE	
<i>Requirements</i>	\$ 456,293
<i>Receipts</i>	\$ -
<i>Appropriation</i>	\$ (456,293)
<i>FTE</i>	7.0

FY 18-19 (in millions)	
<i>Total Requirements</i>	\$13.48
<i>Receipts</i>	\$1.64
<i>Net Appropriation</i>	\$11.84
<i>FTE</i>	225.0

Hearings: Before and After Fees

Number of Hearings Conducted,
by Month and Calendar Year



The Hearings Unit is conducting **less than half** the number of hearings since fees were implemented.

Administrative Hearings in Other North Carolina Agencies

Agency/Division	Type of Hearing	Fees Associated with Hearings
<i>Department of Agriculture</i>	Commodity Supplemental Food Program Participation Appeal	No fees
<i>Community Colleges</i>	Grievances	No fees
<i>Department of Health and Human Services/Vocational Rehabilitation Services Division</i>	Grievances for denial or provision of services	No fees
<i>DHHS/Aging and Adult Services Division</i>	Emergency Solutions Grant funding appeals	No fees

DMV Administrative Hearings in Other States

State	Agency Conducting DMV Hearings	Fees Associated with DMV Administrative Hearings
<i>Virginia</i>	Department of Motor Vehicles*	No fees (source)
<i>Tennessee</i>	Department of Safety and Homeland Security*	No fees
<i>South Carolina</i>	Administrative Law Court (beginning 2006)	\$200 court filing fee (source)
<i>Georgia</i>	Department of Driver Services*	\$150 or \$250 filing fee (source)
<i>Florida</i>	Florida Highway Safety and Motor Vehicles*	Fees ranging from \$12-25
<i>Texas</i>	State Office of Administrative Hearings	No fees

* = Agency provides Driver Services like NCDMV

Hearings Unit Summary

- The General Assembly directed the NCDMV Hearings Unit to be **receipt supported** and gave the agency **flexibility** in achieving this direction.
- Record adjudications are not necessarily related to hearings and do not generate receipts.
- The Hearings Unit budget includes adjudications-related staff and a **gap** is projected between requirements and receipts.
- Current fee collections indicate that without adjudications-related staff, the budget **could** be receipt supported as directed.
- Currently, there is **no appropriation** for 7.0 adjudications and central FTE to move to another fund code.
- NCDMV is unique among North Carolina agencies for hearings fees but not unique among comparison state DMVs.



Questions?

Fiscal Research Division
(919) 733-4910



Committee Sergeants at Arms

NAME OF COMMITTEE Joint Appropriations, Transportation

DATE: 3/12/2019

Room: 1228/1327

House Sgt-At Arms:

1. Name: Kenneth Gilbert

2. Name: Thomas Terry

3. Name: David Leighton

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: John Enloe


2. Name: Linda Matthews

3. Name: _____

4. Name: _____

5. Name: _____

**House Pages
Assignments
Monday, March 11, 2019
Session: 4:45 PM**

Committee	Room	Time	Staff	Comments	Member
Appropriations, Transportation	1228/1327	8:30 AM	Jevan Lyle 		Speaker Tim Moore



Senate Pages Attending

COMMITTEE: Apps. on D.O.T. ROOM: 1228/18
DATE: 3-12 TIME: 8:30

PLEASE PRINT LEGIBLY....or else!!!!

Page Name	Hometown	Sponsoring Senator
1. Savannah Sino	Raleigh	Chaudhuri
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

3/12/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Justin Delaney	NC DOT
Deans Eatman	NC DOT
Gregory Scott	NC DOT
John Pate	NCHMA
Dr. J. L. L. L.	RAND. LAA's NCHMA
Terry Butler	NC DMV
Portia Manley	NC DMV
David Howard	NC DOT
Scott Parker	NC DMV
Mark Ezell	GHSA

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

3/12/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jamie Kritzer	NCDOT, Transportation Bldg
Patrice Bethca	NCDOT Transportation Bldg
Daniel Palmeto	OSBM
W. W. Brown	None
Jamie Keith	DMV
Chuck Church	DMV
Flint Benson	SEANC
Reggie Skinner	NCDMV
Justin Clayton	Governor

Joint Committee on Appropriations, Transportation
Wednesday, March 13, 2018 at 8:30 AM
Room 1228 of the Legislative Building

MINUTES

The Joint Committee on Appropriations, Transportation, met at 8:30 a.m. on Wednesday, March 13, in Room 1228 of the Legislative Building. 8 Senators were present and 11 House Members were present.

Senator Tom McInnis, Chair, presided.

Senator McInnis opened the meeting @ 8:31 a.m. Chairman McInnis introduced the Co-Chairs and the Sergeant of Arms. Goals for the committee were suggested and staff introduced themselves. The chairs and staff introduced themselves.

Karen Brown, NCDMV Deputy Commissioner, and Portia Manley, NCDMV Director of Field Services, spoke on REAL I.D., State to State, and PRISM initiatives.

Questions asked by members:

1. (Representative Presnall) Tell us more about the State-to-State process?
2. (Representative Torbett) Have you thought about putting up booths in Walmart to help with the REAL I.D. process?
3. (Representative Russell) I'm getting so many complaints about the wait lines. I'm open to ideas on how to get those wait times down?
4. (Representative Iler) How many drivers are left without REAL I.D.?
5. (Representative Willingham) What rules does PRISM not enforce?
6. (Senator Davis) What services to mobile units provide?
7. (Senator McInnis) I would like you to come to my district-are you open to that?
8. (Representative Iler) Out of the 30 million dollars allocated to the SADL project, do you need anymore? Is it enough?
9. (Representative Russell) Is this the last cobalt software in the DMV?

The meeting adjourned at 9:45 a.m.



Senator Tom McInnis, Chair
Presiding



Johnny Bravo, Committee Clerk

Joint Committee on Appropriations, Transportation

Wednesday, March 13, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Senator Tom McInnis, presiding
Senator Jim Davis

Representative Frank Iler
Representative Michele Presnell
Representative Phil Shepard
Representative John Torbett

1. Call to Order
2. NCDMV: REAL I.D., State-to-State, and PRISM
Karen Brown, NCDMV Deputy Commissioner
Portia Manley, NCDMV Director of Field Services
3. SADLS Replacement and IT Projects
Frank Winn, NCDIT Chief Information Officer
4. Committee Discussion

Next meeting: Thursday, March 14th



NORTH CAROLINA

Department of Transportation

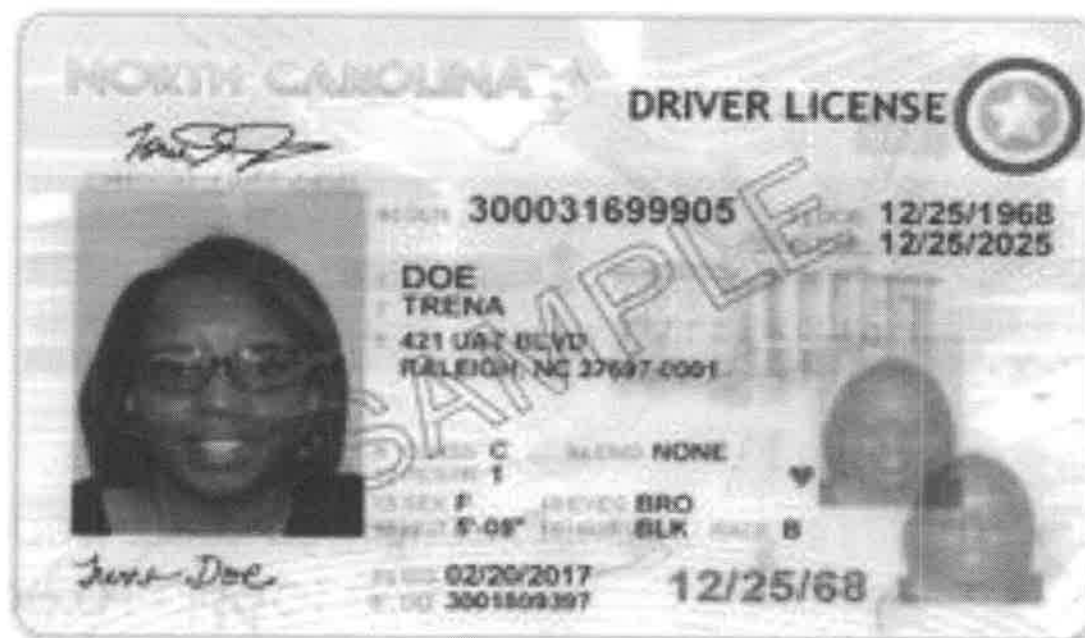


DMV Operational Initiatives

Karen A. Brown, Deputy Commissioner

March 13, 2019

THE REAL DEAL ABOUT
REAL ID ★

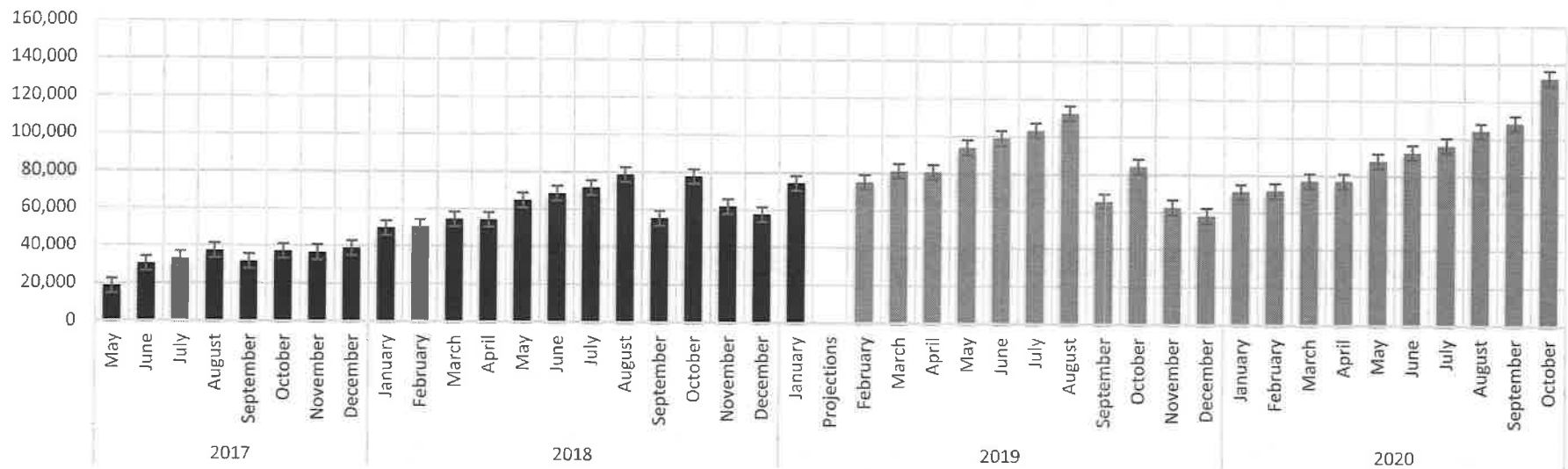




- Requires states to issue identification that meets higher security standards.
- Starting October 2020 Federal Agencies will enforce tougher security standards at airports, federal buildings, military installations and nuclear site.
- REAL ID is not a different form of identification.
- Same cost as a driver license or identification card
- First REAL ID must be obtained in a driver license office



REAL ID Issuances through October 2020



1,150,788 REAL IDs issued through February 2019

State-to-State

- Part of REAL ID compliance
- Verification of new issuance for out-of-state customers
- Implemented February 2019
- N.C. was the 21st state to implement
- Immediately resulted in 220,000 records that require back office validation



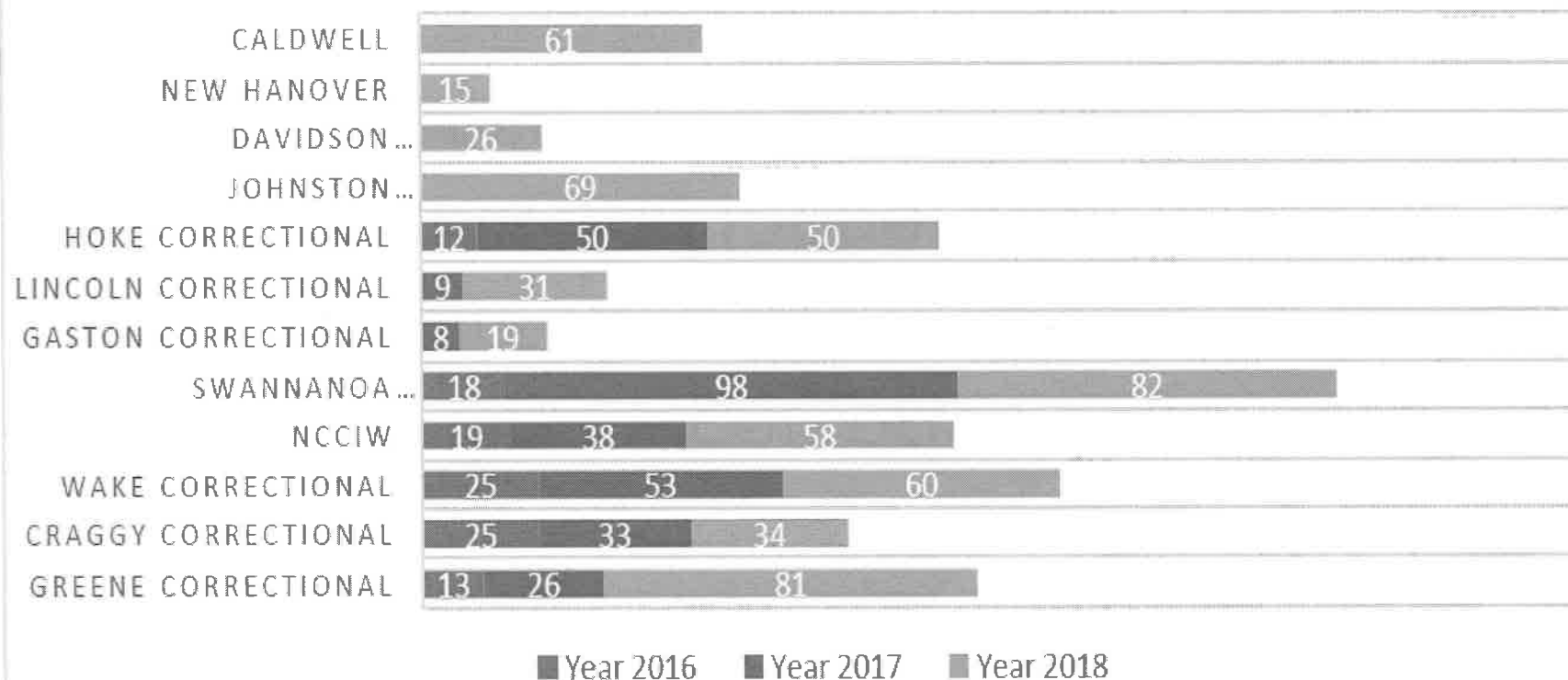
DMV Mobile Unit

- Deployed in all 7 DMV districts
 - 25 mobile stop locations
 - 15 prison stops including federal prison
- 3 DMV RVs
 - Special Events and Community Outreach
 - Azalea Festival
 - Got to Be NC Festival
 - N.C. State Fair
 - U.S. Marine Base Camp Lejeune



DMV Re-Entry Program Efforts

DMV CORRECTIONS SITE VISITS DRVR SVCS ISSUANCES SEP 2016 TO DEC 2018



PEAK SEASON

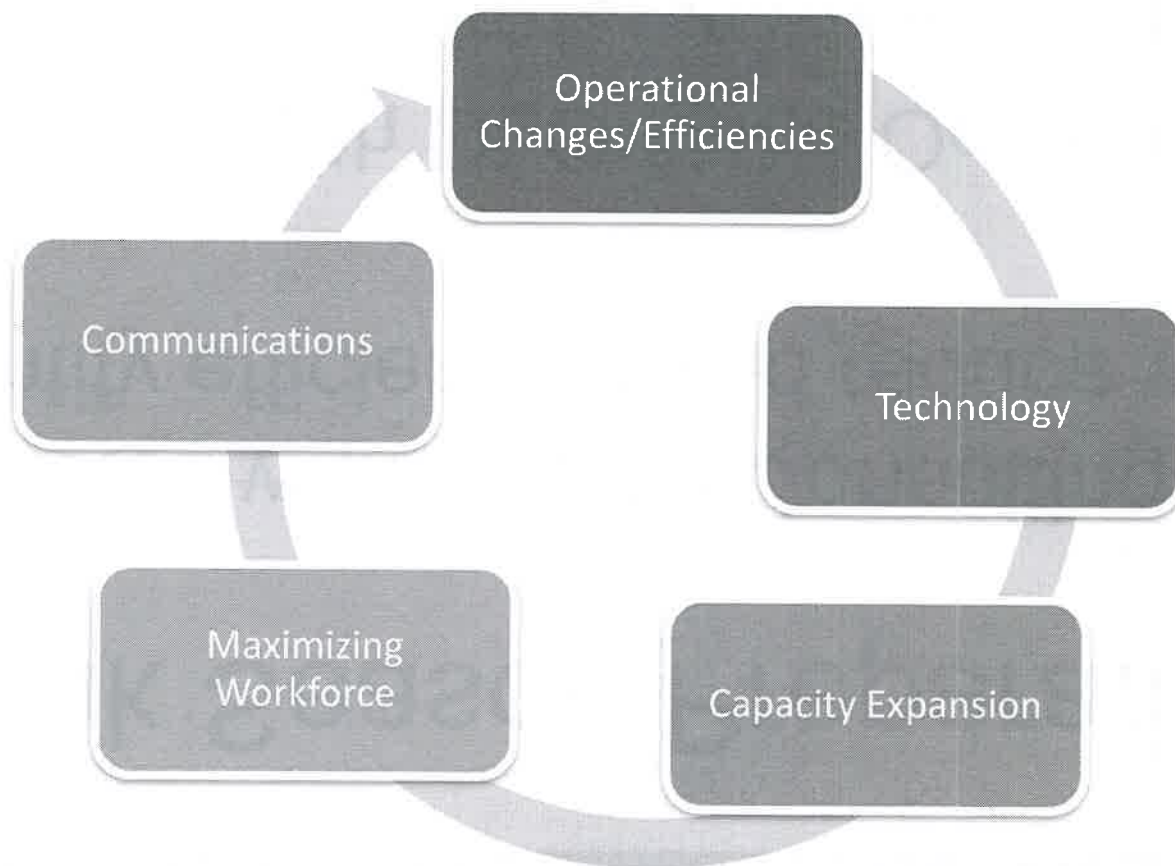
- Period of time when driver license offices have an increase in transactions, longer transactions and longer wait times at driver license offices.
- May 15 - August 31

Peak Season Preparation

- Contracted with Boston Consulting Group to identify efficiencies and reduce wait times
- Embedded with DLO since October
- Reviewed capacity, staffing and office placement
- Created SWAT Teams that are running pilots in multiple offices to determine what works

Peak Season Plan

Goal: < 30 minute wait time



Operational Efficiencies

Express transactions

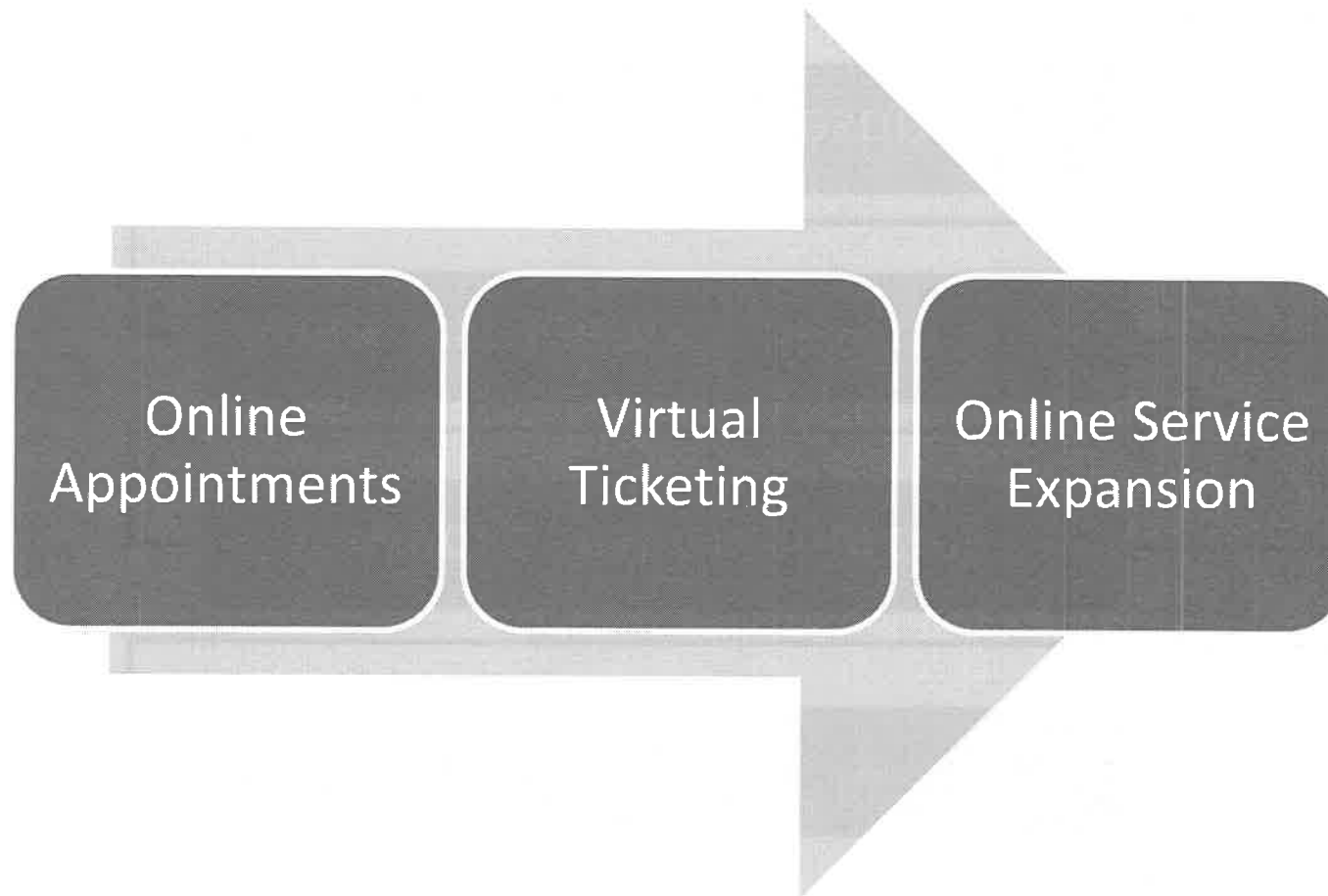
Knowledge test outsourcing

Road Test Teams

7-day knowledge retesting

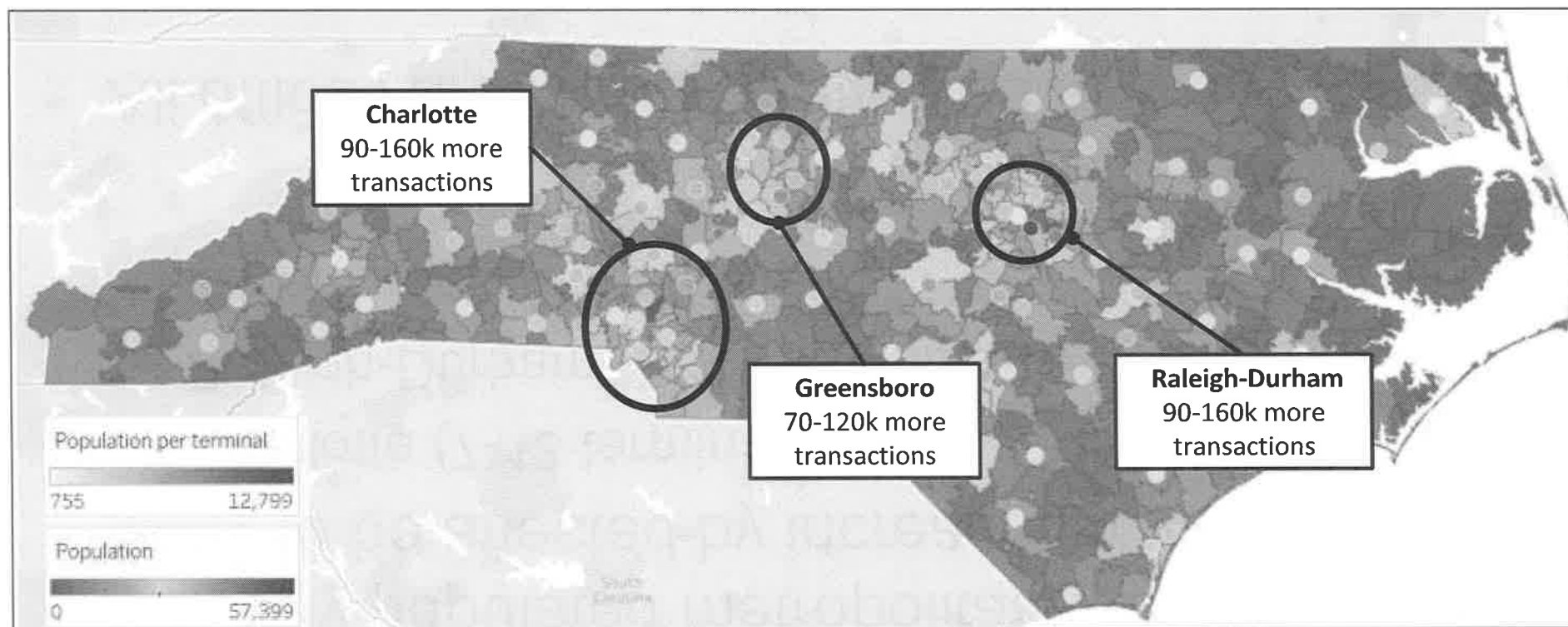
No training during peak season

Technology



IMPROVEMENTS

Population by Urban Zip Code



1. Terminal count based on assumption that new offices would only perform REAL ID services
2. Population of resident ages 16-64

Source: NCDMV Q-flow data, Feb-Oct 2018

Capacity Expansion

- Densely populated metropolitan areas are most likely to be affected by increased volume
 - Charlotte (7-13 terminals)
 - Raleigh-Durham (7-12 terminals)
 - Greensboro (5-9 terminals)
- All offices are currently affected by wait times
- Expected terminal needs based on projections of 25-45% increase in volume by October 2020

Capacity Plan

- Charlotte
 - March 6: opened 15-station full-service driver license office
- Greensboro
 - April: opening Express Office in train station
- Raleigh
 - Exploring locations in southern Wake County

Workforce Development



Communications

- Focused on education
 - “Who really needs a REAL ID?”
- Community outreach & events
 - REAL ID Express Days
 - Festivals
 - Presentations upon request
- Website Updates
 - REAL ID is optional
 - Help citizens determine who REAL ID is for
- Heavier promotion of online services

PRISM

(Performance and Registration Information Systems Management)

- What is PRISM?
 - A Law Enforcement roadside tool to enforce Federal Motor Carrier Safety Standards
 - Motor Carriers are registered in International Registration Plan (IRP)
 - Motor Carriers nationwide must comply with FMCSA (Federal Motor Carrier Safety Admin) Safety Rules
- Why do we need it?
 - Committed to keeping highways safe

Questions?



Karen A. Brown
NCDMV Deputy Commissioner

kabrown@ncdot.gov

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Joint Committee on Appropriations, Transportation
Thursday, March 14, 2019 at 8:30 AM
Room 1228/1327 of the Legislative Office Building

MINUTES

The Joint Committee on Appropriations, Transportation met at 8:30 AM on March 14, 2019 in Room 1228/1327 in the Legislative Office Building. Representatives Torbett, Presnell, Iler, C. Russell, and Willingham attended. Senators J Davis, McInnis, de Viere, J. Alexander, attended.

Representative Michele Presnell, Chair, presided.

The Chair called the meeting to order and introduced the Pages along with the Sergeants-at-Arms who assisted in the meeting.

Lisa Hollowell, Principal Fiscal Analyst, Fiscal Research Division explained the information she requested from PED, Program Evaluation Division, NCDOT, and NCRR to present at the meeting.

Jeff Grimes, Principal Program Evaluator Program Evaluation Division gave an update on the PED Reports for the North Carolina Railroad (2012 and 2015)

Jason Orthner, NCDOT Rail Division Director gave a review of the NCRR Dividend Payment and Corridor Improvements


Scott Saylor, President of the NC Railroad gave a thorough review of the NC Railroads along with a video presentation.

The Chair recognized Members for questions and responses.

The meeting adjourned at 9:45am.



Representative Michele Presnell, Chair
Presiding



Candace Slate, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, March 14, 2019
TIME: 8:30 AM
LOCATION: 1228/1327 LB
COMMENTS: Representative Presnell will preside.

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:30 PM on Monday, March 11, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)

Joint Committee on Appropriations, Transportation

Thursday, March 14, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Representative Michele Presnell, presiding	Senator Jim Davis
Representative Frank Iler	Senator Tom McInnis
Representative Phil Shepard	
Representative John Torbett	

1. Call to Order
2. Overview of Information Requested
Lisa Hollowell, Principal Fiscal Analyst, Fiscal Research Division
3. Review of North Carolina Railroad Company PED Reports (2012 and 2015)
Jeff Grimes, Principal Program Evaluator, Program Evaluation Division
4. Review of NCRR Dividend Payment and Corridor Improvements
Jason Orthner, NCDOT Rail Division Director
5. North Carolina Railroad Company
Scott Saylor, President, North Carolina Railroad Company
6. Committee Discussion

Next meeting: Tuesday, March 19th

North Carolina Railroad (NCRR) Presentation Outline

Program Evaluation Division

Review of the 2012 and 2015 Reports

NCDOT

Report on use of dividend payments

Report on all resources expended and improvements made on the NCRR corridor

NCRR

1. NCRR Video – Collaborating with Communities
2. Mission
3. Organizational Structure
4. Listing of Assets – Railroad and Off-railroad assets (provide a listing and estimated value and plan for those)
5. Please provide the 2017 Annual Report - Management Comments highlighting changes from the previous year and Management Letter if applicable
6. Financials: Budget/Receipts (5 years), Fund Balance (5 years)
 - a. Specifically what accounts for the the change from \$160M - \$400M in financial statements (why has it increased drastically in one year?) for tracks, signals, and bridges
 - b. Investment Reserves of \$99M (What are the future investment projects, specifically how solid is the commitment of these funds?)
 - i. Provide a complete breakdown of the funds/contracts, and future commitments
 - c. Highlight Norfolk Southern Lease Agreement; Provide terms of agreement
7. Performance Measurement – How do you measure performance?
8. What are the collaborative projects with communities
9. Upcoming projects planned

The North Carolina Railroad: Summary of Program Evaluation Division Report and State Law

A presentation to the Joint Committee on Appropriations,
Transportation

March 14, 2019

Jeff Grimes, Principal Program Evaluator

Program Evaluation Division



North Carolina General Assembly

Background



North Carolina Railroad at Charlotte

Program Evaluation Division



North Carolina General Assembly

Background

- NCRR was incorporated in 1849
- State became sole shareholder in 1998
- NCRR owns railroad, but Norfolk Southern is exclusive freight operator
- Railroad corridor also supports passenger rail operations

PED Report p. 3



Program Evaluation Division Charge

- Session Law 2011-145 as amended
- Review corporation's mission, economic development benefits, tangible and intangible value, governance
- Whether NCRR should be sold, transferred under the Department of Transportation or another state agency, or maintain its corporate structure



Highlights of Findings

1. NCRR's unique relationship with the State contributes to NCRR's financial health
2. State has limited mechanisms for oversight of NCRR
3. Selling NCRR may not be in best interest of North Carolina, **but some non-corridor properties could be sold**

Report p. 9



Overview: Four Recommendations

1. Amend General Statutes to strengthen NCRR's reporting requirements
2. Direct NCRR to pay a one-time dividend of \$15.5 million to the General Fund
3. Direct NCRR to pay an annual dividend of 25% of trackage rights agreement fee to the General Fund
4. Direct NCRR to convey 14 non-corridor properties to the State as a dividend



Legislative Action

Session Law 2013-360, Section 34.14



Salisbury Station



Dividends to State

- Required a one-time cash dividend of \$15.5 million
- NCRRT dividends are deposited into the Freight Rail & Rail Crossing Safety Improvement Fund
- Required annual dividend payment of 25% of the company's income from the prior year's trackage rights agreement
- Annual dividend payment was roughly \$3.9 million in 2017



Property Dividend

- Required NCRR to transfer 4 parcels to the Department of Administration for disposition
 - Three of the parcels were in Morehead City and were acquired by the Town of Morehead City
 - Fourth parcel was in New Bern



Enhanced Reporting Requirements

Required annual report to Governmental Operations and the Joint Legislative Transportation Oversight Committee:

1. A copy of the strategic plan and the capital investment plan.
2. Any failures to meet strategic objectives and what corrective actions were undertaken.
3. Anticipated dividends for the next three fiscal years.



Enhanced Reporting Requirements (Cont.)

4. A description of the State-owned railroad company's business, subsidiaries, and markets in which it operates.
5. A list of the properties owned by the State-owned railroad company.
6. A list of the directors and executive officers of the State-owned railroad company and a description of the background and experience of each.

Enhanced Reporting Requirements (Cont.)

7. A description of the State-owned railroad company's code of ethics and conflicts of interest policy.
8. A summary of the fees paid to an accounting firm during the year.
9. A list of the compensation paid to directors and officers of the State-owned railroad company.

Enhanced Reporting Requirements (Cont.)

10. A description of the State-owned railroad company's disagreements with its accountants if there has been a change in accountants.
11. A description of any transactions between the State-owned railroad company and its directors, officers, and their family members.



Considerations Going Forward

1. Is the annual dividend amount appropriately set?
2. What is the current value of funds held by NCRR and for what specific purposes?
3. Are enhanced annual reports providing needed information for proper legislative oversight?





NORTH CAROLINA

Department of Transportation



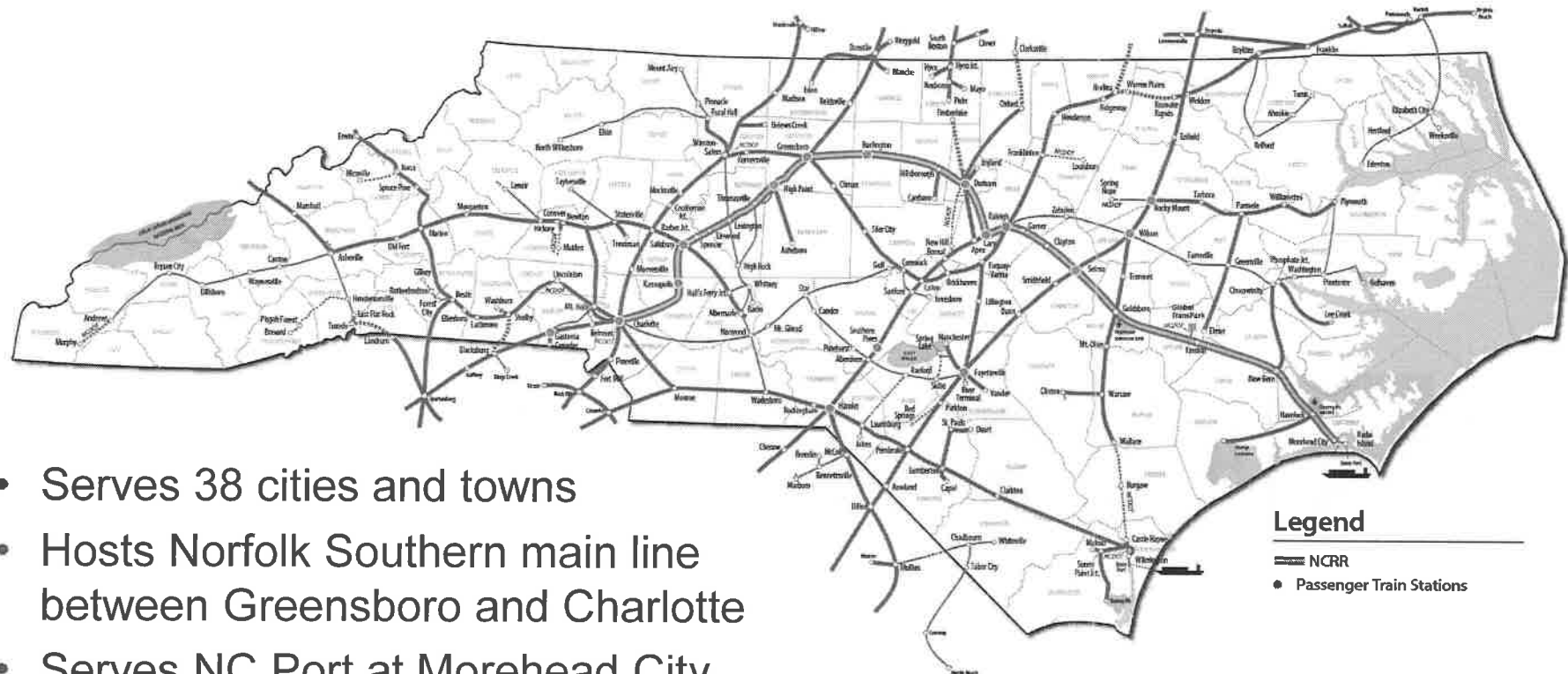
NCDOT Partnership with the NCRR

Jason Orthner, Rail Division Director

Joint Appropriations Committee

March 14, 2019

The NCRR is one of the most Strategic Transportation Corridors in North Carolina



- Serves 38 cities and towns
- Hosts Norfolk Southern main line between Greensboro and Charlotte
- Serves NC Port at Morehead City
- Connects with the NC Global TransPark
- Serves NC agriculture and military installations in Eastern NC
- Important intermodal truck-rail facility at Greensboro
- 10 intercity rail stations and critical component of the Southeast Corridor

NCDOT Investments in the Corridor

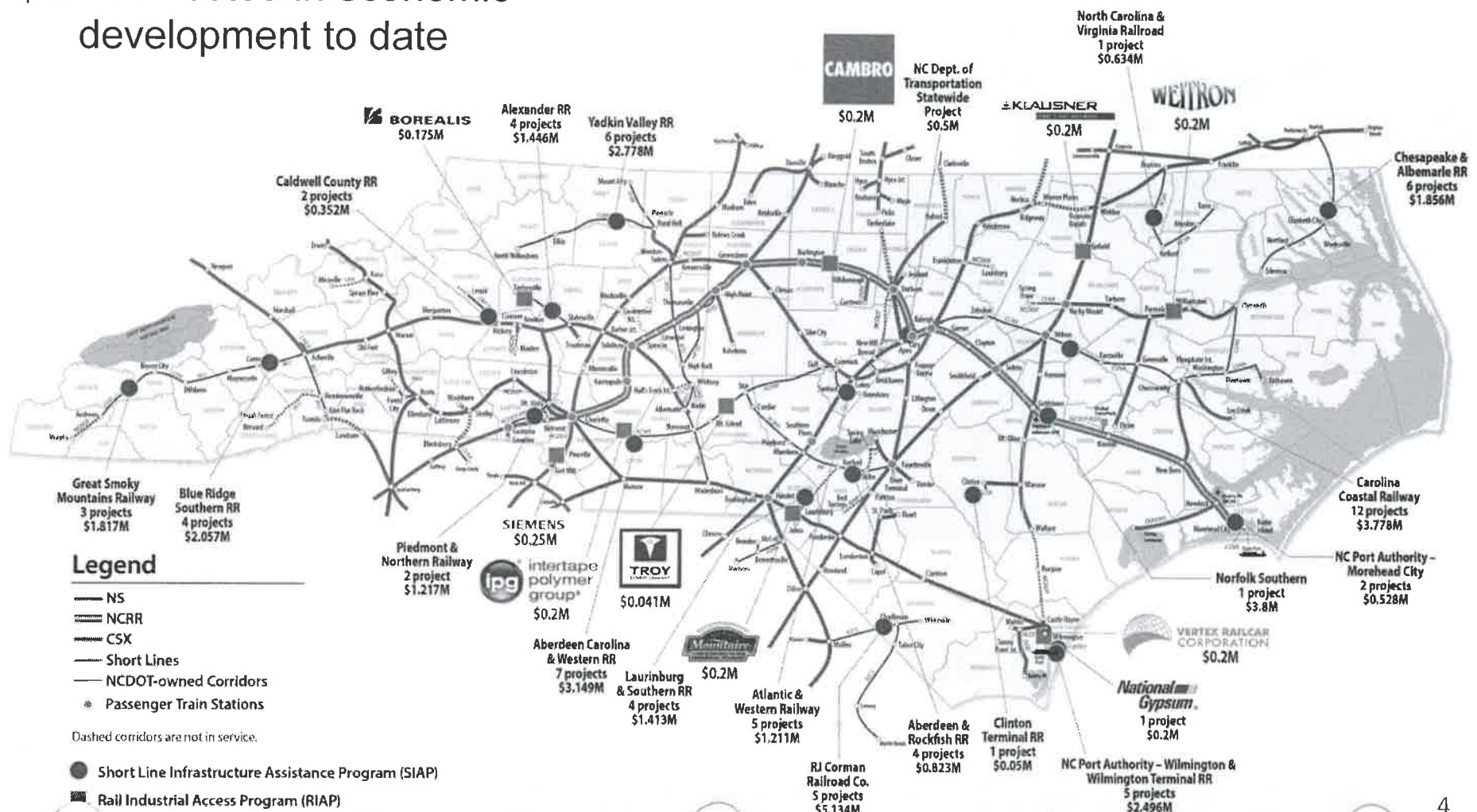
- NCDOT has invested in the corridor for over 25 years
 - Sealed Corridor Program 1994-2002 – \$13M
 - NCRR Improvement Program from 2000-2009 – \$94M
 - Piedmont Improvement Program 2010-2017 – \$393M
 - Sugar Creek Road – \$24M
 - STI investments (development or underway) – \$330M
 - FRRCSI – \$15M in safety improvements
- Above program improvements include: new bridges and highway grade separations, crossing removals and upgrades, additional tracks, alignment improvements, signal improvements, new switches





NCRR Dividends Contribute to FRRCSI Investments

\$38M invested in economic development to date





Contributions to Rail Safety Projects

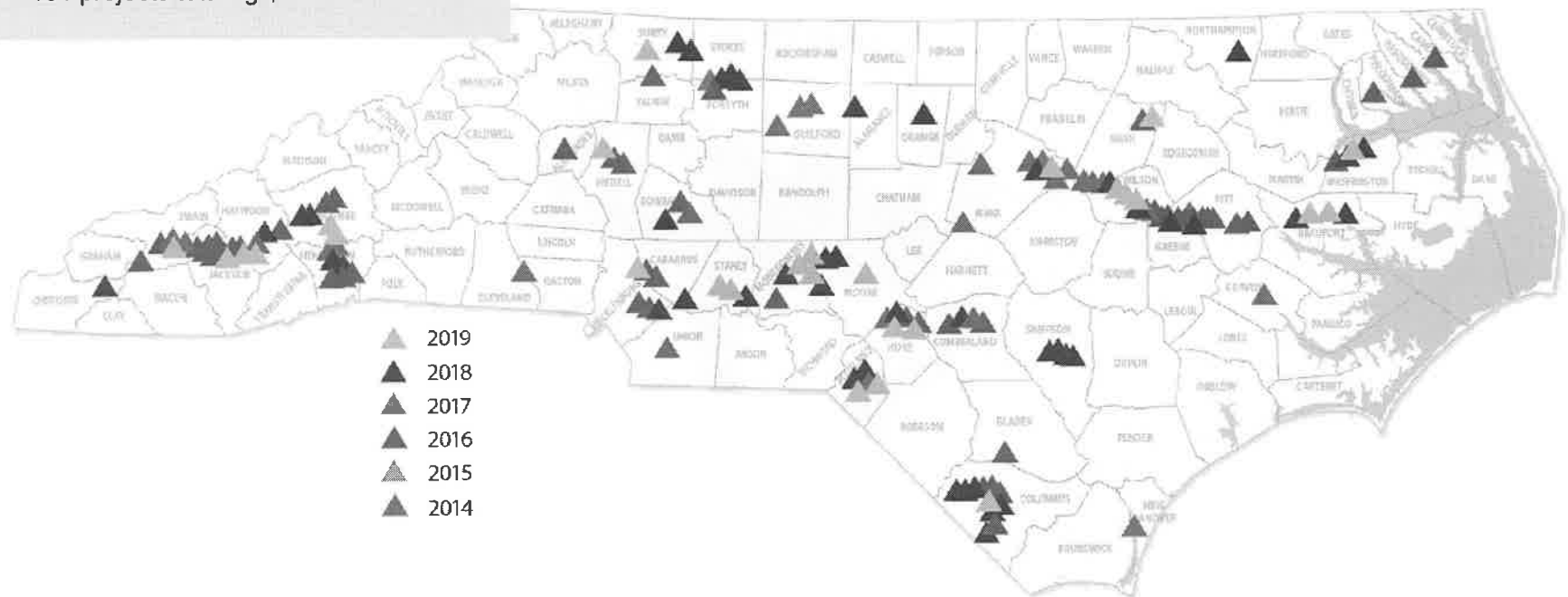
Crossing Consolidation & Improvements

- 32 projects totaling \$23.72M

Crossing Surfaces

- 181 projects totaling \$7.39M

\$31M invested in safety improvements to date



Questions?



Jason Orthner, P.E.

Rail Division Director

JOrthner@ncdot.gov

**THE ROAD TO
LONG-TERM
JOB CREATION
IS MORE THAN
JUST A ROAD.**

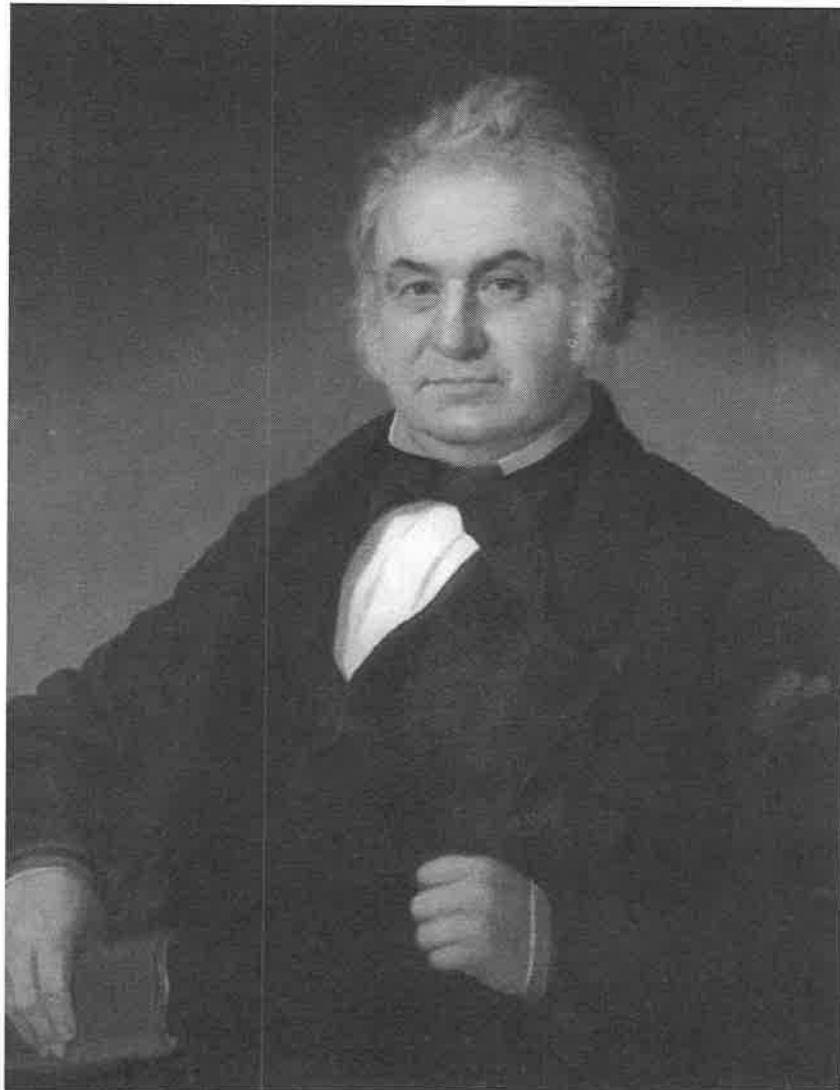
**JOINT APPROPRIATIONS
TRANSPORTATION
COMMITTEE**

MARCH 14, 2019



**NORTH CAROLINA
RAILROAD
COMPANY**

HISTORY



CHARTER OF THE NORTH CAROLINA RAIL ROAD COMPANY.

INDEX TO SECTIONS.

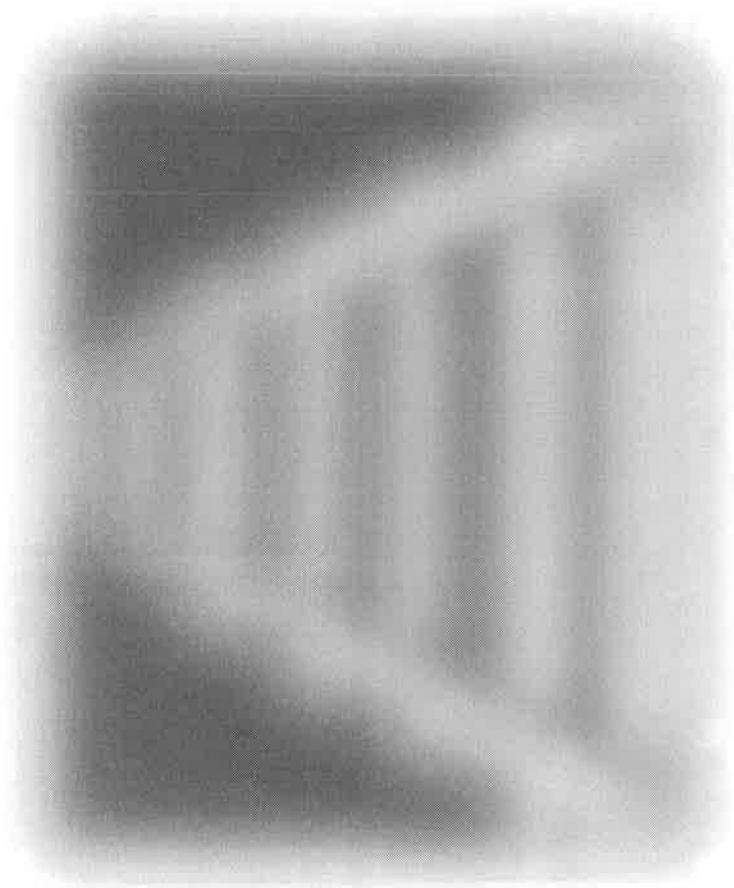
SECTION

- 1 Incorporates Company with capital of \$3,000,000.
- 2 Route of Road, from Wilmington Road to Charlotte.
- 3 Appoints Commissioners for creating Stock and opening Books of Subscription.
- 4 Books, when and how long to be kept open; amount of shares, five dollars of which to be paid down; to be paid over to General Commissioners.
- 5 Duty of General Commissioners in keeping open Books, and when \$1,000,000 shall be subscribed.
- 6 7 Corporate rights and powers.—Notice of process.
- 8 Provision for first and subsequent General Meetings, election of Directors, &c.
- 9 10, 11, 12, 13 Number of, and manner of voting for Directors, election of President, and quorum at General Meetings; Votes and Proxies.
- 14 Return to be made by General Commissioners, and penalty.
- 15 Vacancies in Board, to be filled by Directors.
- 16 Authentication of Contracts.
- 17 Construction and use of Road; when any section is completed.
- 18 Right and charges for transportation of goods or passengers.
- 19 Company may farm out right, and made common carrier.
- 20 Manner of Calling for and enforcing payments of Stock.
- 21 Debt of deceased Stockholders, equal dignity with judgments.
- 22 Certificates of Stock shall be issued, and how transferred.
- 23 Capital may be increased, and how.
- 24 Directors to make Annual Report, and may call Meetings.



HISTORY





Our Mission

Putting the North Carolina Railroad Company to work for the good of the people of North Carolina.

Our Vision

To improve our state by:

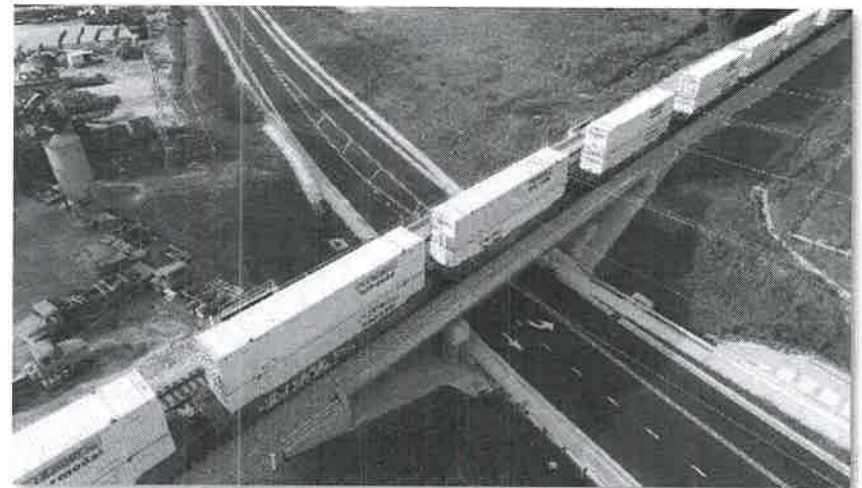
Expanding freight rail opportunities to grow business.

Enabling rail to move people.

Investing in North Carolina.

Revised 2017

- **Private business corporation with stock owned by the people of North Carolina**
- **Operates with private, non-taxpayer revenue**
- **Part of NC tax base**
- **History of collaboration with business/industry, municipal and state leadership, and economic development and transportation partners**
- **Trackage-rights agreement generates revenue for economic development investments across the state**
- **Pays dividends to NC, through the Freight Rail and Rail Crossing Safety Improvement Fund at NCDOT**



Above: Southern Railway engine 1740 crosses Cabarrus Street on NCRR in Raleigh carrying freight in 1930s.

Below: Norfolk Southern freight train with double stack containers crosses Klumac Rd. on NCRR in Salisbury, 2017

NORFOLK SOUTHERN: TRACKAGE RIGHTS, OPERATION AND MAINTENANCE



- Class I freight rail provider
- 45-year agreement with 2014 and 2029 ext.
- Revenue on net basis; annual adjustment for inflation
- Norfolk Southern pays taxes on operating assets
- Norfolk Southern responsible for maintenance with NCRR capital for upgrades
- 1970s Amtrak agreements are grandfathered, not a revenue generator

FINANCIAL UPDATE

SELECTED FINANCIAL DATA*

	September 30, 2018	December 31, 2017	September 30, 2017
Land	\$34,756,850	\$25,037,187	\$19,791,910
Total Assets	\$409,866,019	\$427,219,223	\$203,218,072
	Nine Months Ended September 30, 2018	Year Ended December 31, 2017	Nine Months Ended September 30, 2017
Net Operating Income	\$8,288,589	\$9,799,910	\$8,053,115
Total Expenses (excluding depreciation)	\$5,787,113	\$8,470,933	\$5,579,265
Net Income Before Depreciation	\$10,494,169	\$15,923,712	\$11,435,601
Annual Dividends Paid	\$3,894,917	\$3,848,466	\$3,848,466

*Nine-month data is unaudited. 2017 audited annual financial reports are at www.ncrr.com

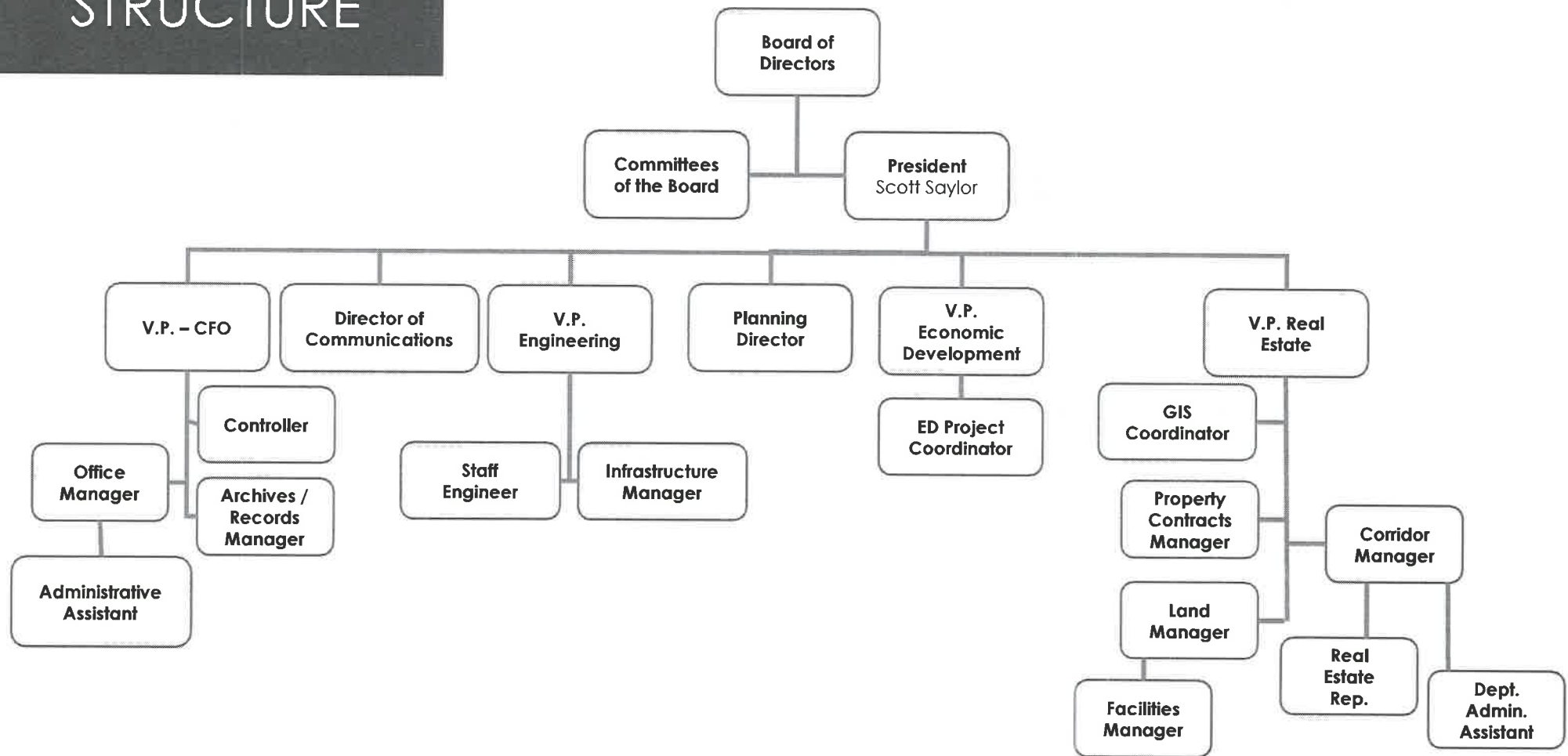
FINANCIAL UPDATE

SELECTED FINANCIAL DATA*

	December 31, 2016	December 31, 2015	December 31, 2014
Land	\$19,434,303	\$4,402,236	\$4,654,561
Total Assets	\$204,903,107	\$166,455,791	\$165,955,975
	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Net Operating Income	\$10,717,031	\$10,874,513	\$12,243,938
Total Expenses (excluding depreciation)	\$7,204,082	\$6,773,712	\$5,633,148
Net Income Before Depreciation	\$27,948,023	\$7,681,088	\$16,354,562
Annual Dividends Paid	\$3,779,305	\$3,717,995	\$3,654,157

*All figures are audited.

COMPANY STRUCTURE



(Rev. 8/15/2018)



@NCRoad

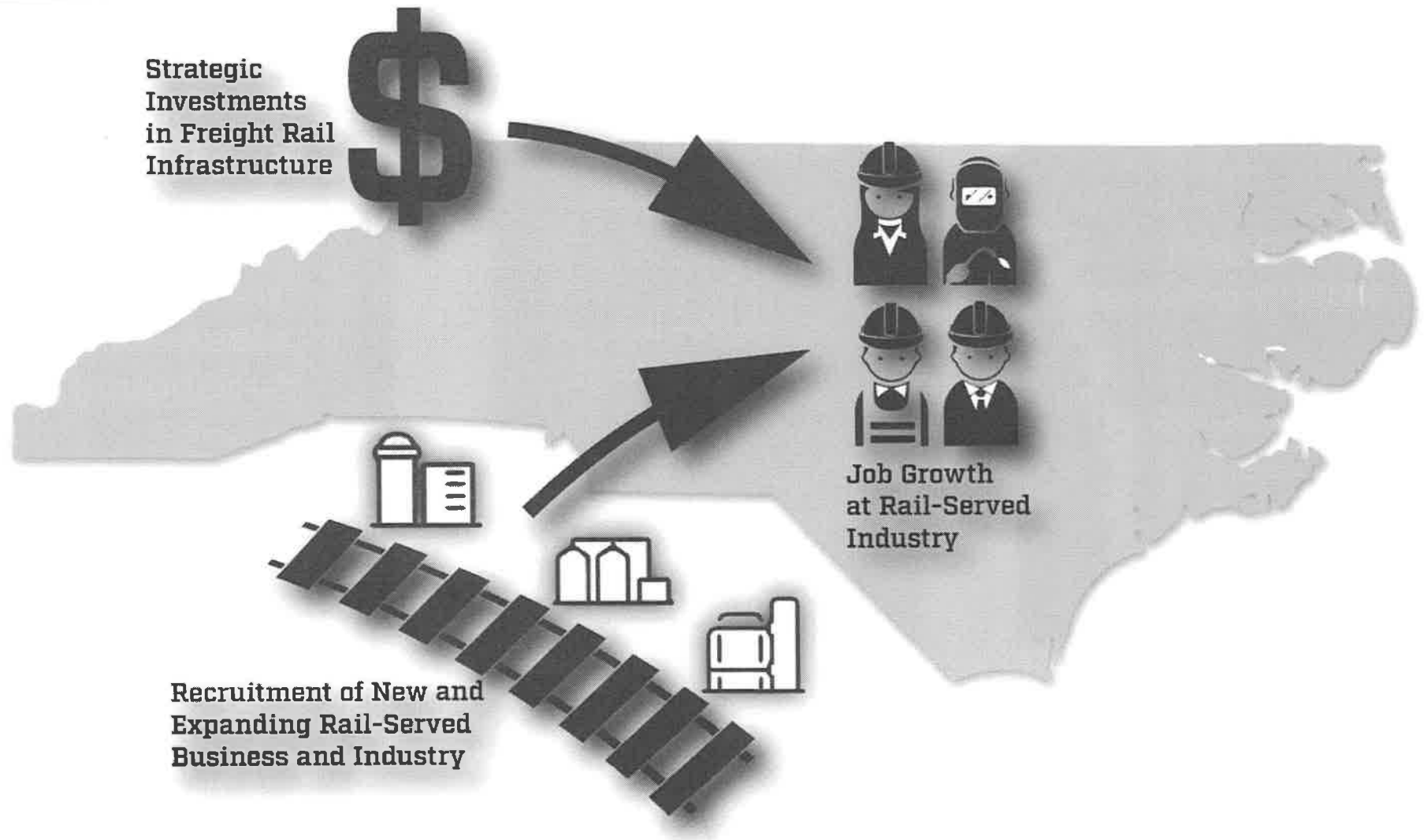
www.ncrr.com

10

NORTH CAROLINA
RAILROAD
CORPORATION

STRATEGIC PLANNING

PERFORMANCE AND METRICS



STRATEGIC PLANNING

PERFORMANCE AND METRICS

Announced Jobs

Announced
Investment

Projects Worked
Projects Won

Partnering
Investments

Cost Savings/
Efficiency

Increases in
Use/Ridership

Partner
Effectiveness

Invested Dollars
In/Out



ECONOMIC DEVELOPMENT

NCRR INVESTS

North Carolina's competitive advantage in the recruitment of rail-served business and industry.

E EGGER

- 770 JOBS
- \$6.4M NCRR INVESTMENT
- \$700M EGGER INVESTMENT

INVESTMENT EXAMPLES

- Lead, Siding, other Tracks
- Engineering/Design

INVESTMENT FACTORS

- Job Creation
- Capital Investment
- Rail Use
- Wages

I-85 Business Park, Davidson County

NCRR Invests Economic Development Map

Freight Routes

- North Carolina Railroad Company
*Norfolk Southern Class I Freight Service
- Norfolk Southern
- CSX Transportation
- Various Shortlines

TENNESSEE

SOUTH CAROLINA

GEORGIA

● announced projects



47 jobs
\$225,000 investment by NCRR
\$15 MILLION investment by Borealis Compounds
MAY 2017
Alexander County

VIRGINIA



145 jobs
\$420,000 investment by NCRR
\$115 MILLION investment by Fibertex
AUGUST 2017
Randolph County



50 jobs
\$400,000 investment by NCRR
\$11.9 MILLION investment by J&B Packaging
NOVEMBER 2018
Halifax County



800 jobs
\$2.5 MILLION investment by NCRR
\$580,000 investment by Triangle Tyre
DECEMBER 2017
Edgecombe County



51 jobs
\$400,000 investment by NCRR
\$25 MILLION investment by National Gypsum
MAY 2017
New Hanover County

31 jobs

\$527,000 investment by NCRR
\$12.8 MILLION investment by Weirton
APRIL 2017
Martin County



770 jobs
\$6.4 MILLION investment by NCRR
\$700 MILLION investment by EGGER
JULY 2017
Davidson County

91 jobs

\$450,000 investment by NCRR
\$50 MILLION investment by Edwards Wood Products
JULY 2017
Scotland County



65 jobs

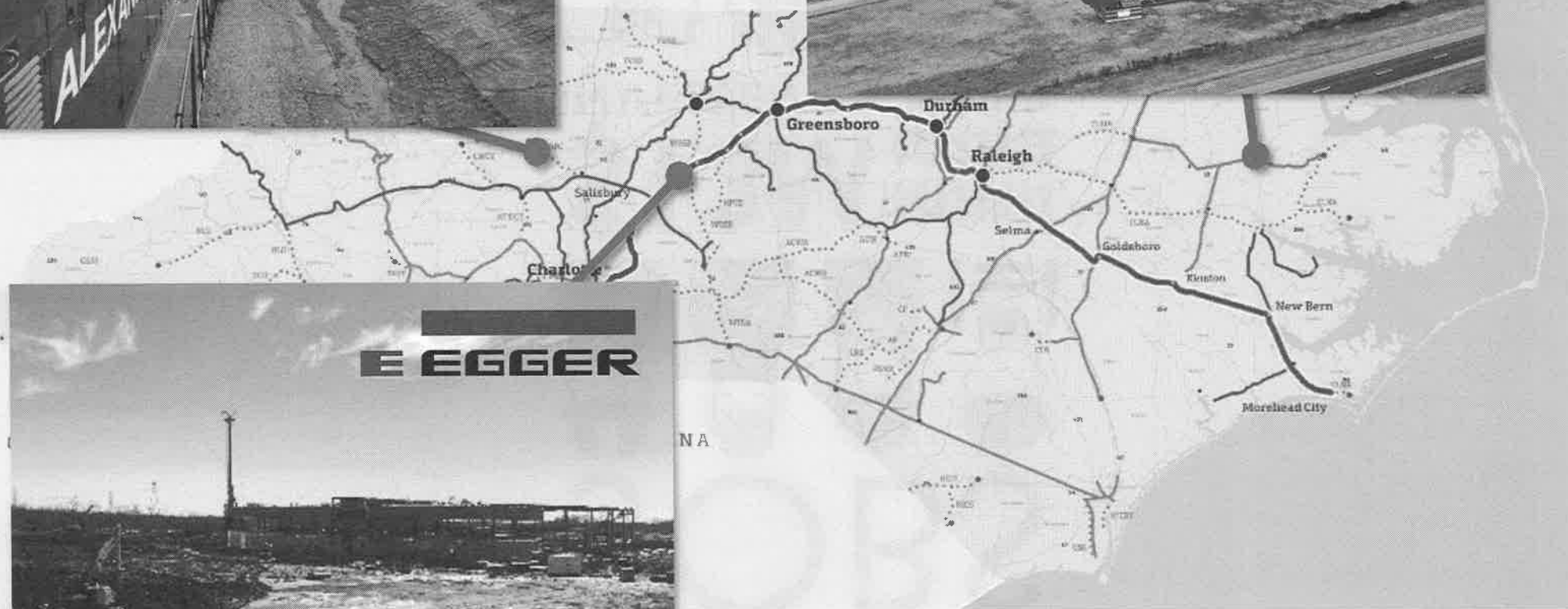
\$650,000 investment by NCRR
\$44 MILLION investment by Mountaire Farms
JANUARY 2017
Scotland County



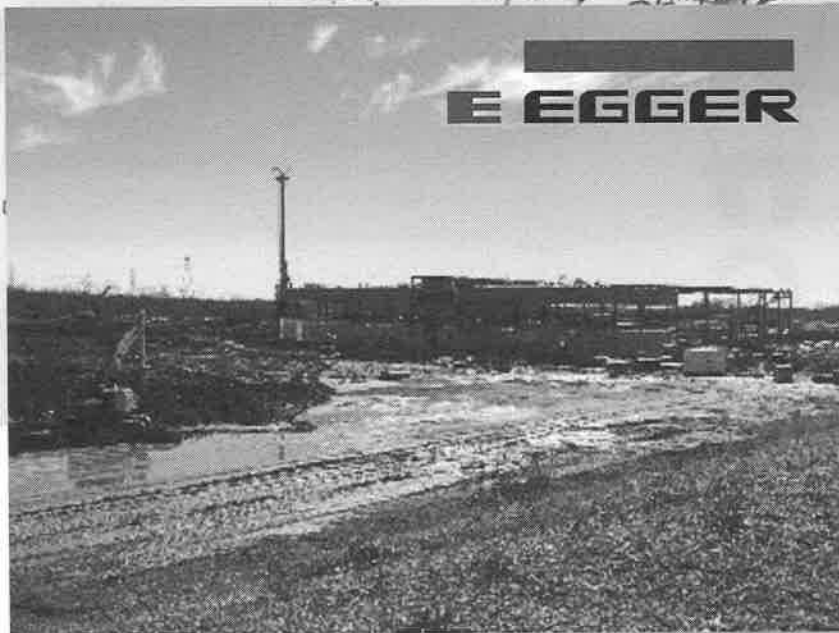
BOREALIS



WEITRON

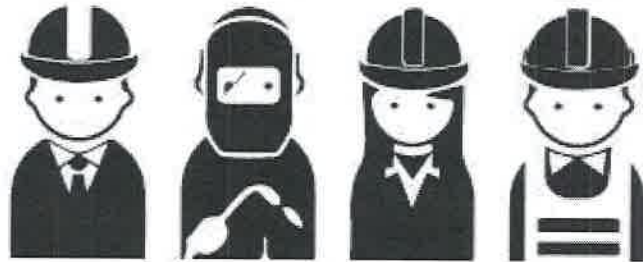


E EGGER

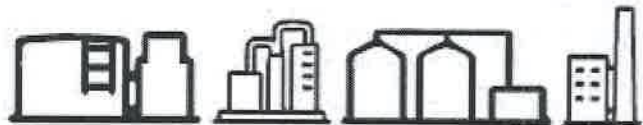


ECONOMIC
DEVELOPMENT

2,000
JOBS

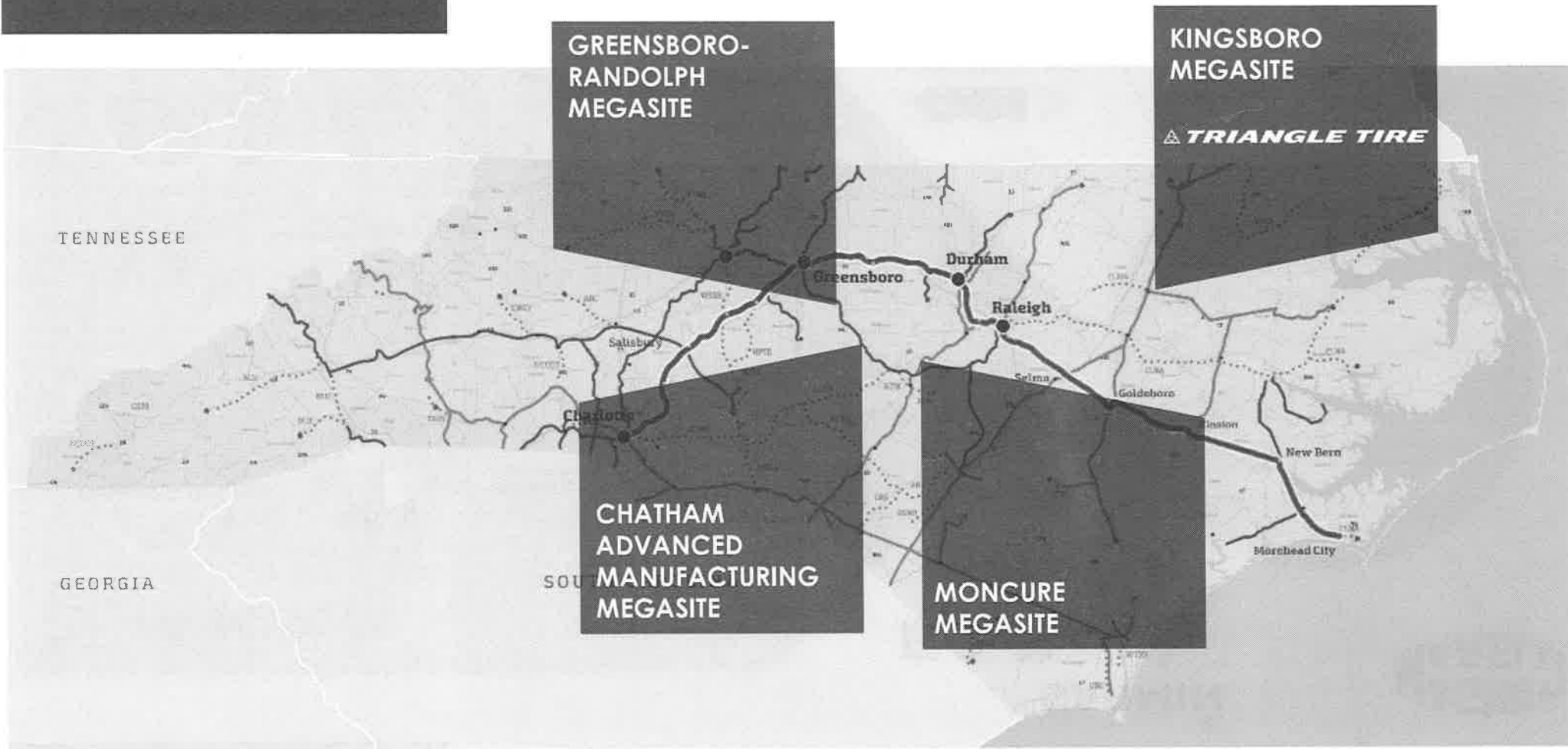


\$13M 
INVESTED BY NCRR



\$1.5 BILLION
INVESTED BY
COMPANIES

ECONOMIC DEVELOPMENT



NORTH CAROLINA'S RAIL-SERVED INDUSTRIAL SITES TOTALING 1000+ ACRES

ECONOMIC DEVELOPMENT

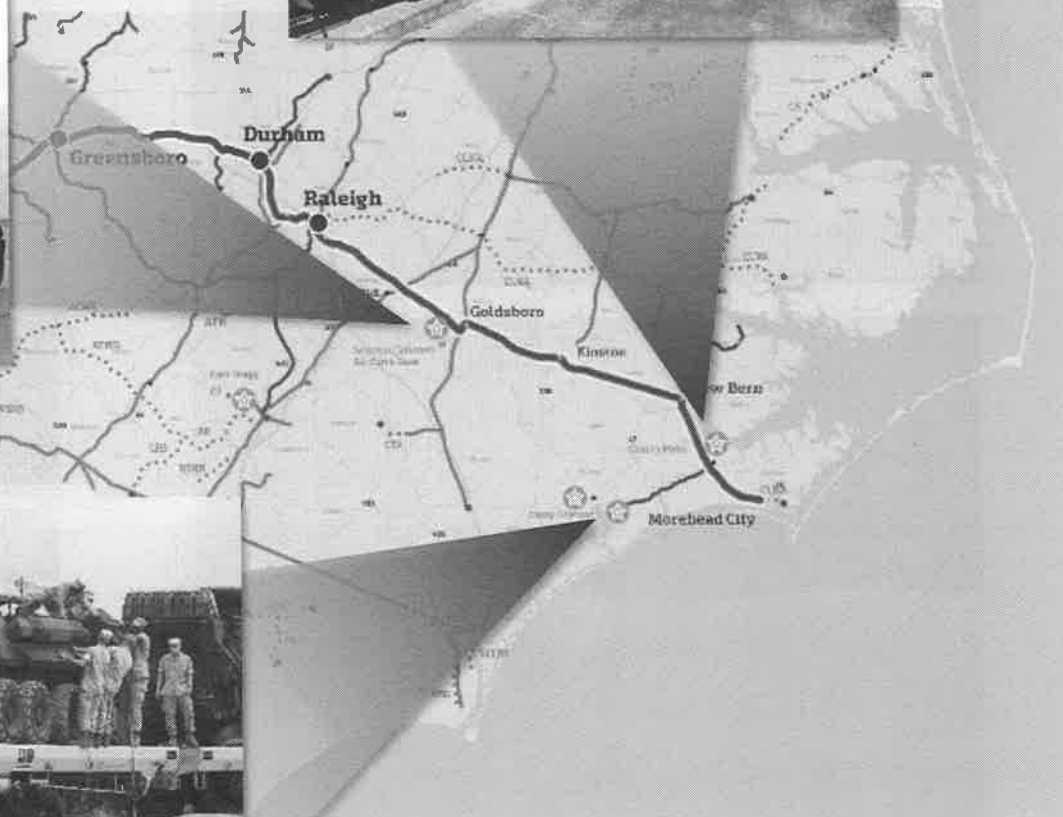


MILITARY BASES

TENNE



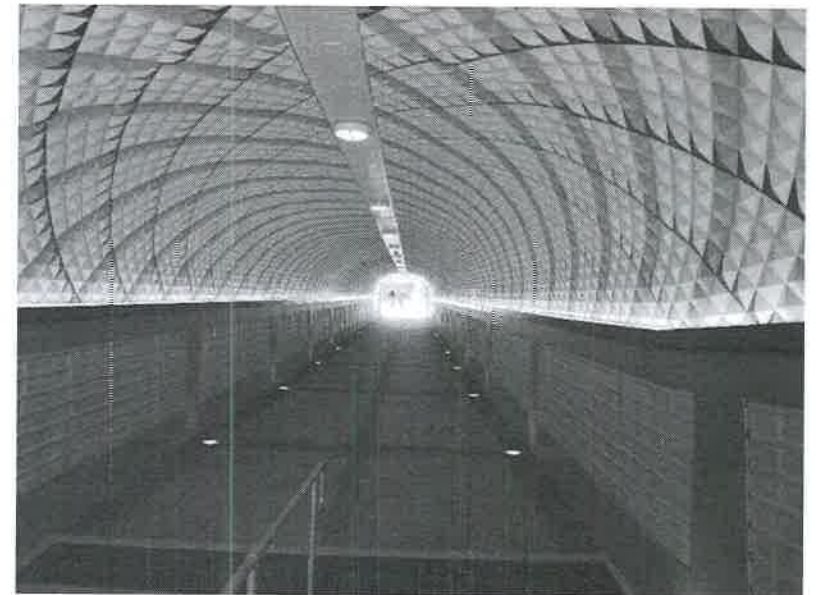
GEORGIA



ASSET MANAGEMENT



Underpass at Elon University, 2010



Underpass at UNC Greensboro, 2014

ASSET MANAGEMENT



Private crossing at Grifols on NCRR Corridor, 2017



Curve construction in Kinston, 2010

ASSET MANAGEMENT



Total Corridor Property
Total Non-Corridor Property

7,898.34 acres
1,420.90 acres

Total NCRR Property
(as of 2018)

9,319.24 acres

2018 HURRICANE RESPONSE: FLORENCE AND MICHAEL



NCRR, south of Lexington



NCRR, west of Goldsboro

2018 HURRICANE RESPONSE: FLORENCE AND MICHAEL



NCRR, New Bern, Trent River Bridge



NCRR, Kinston

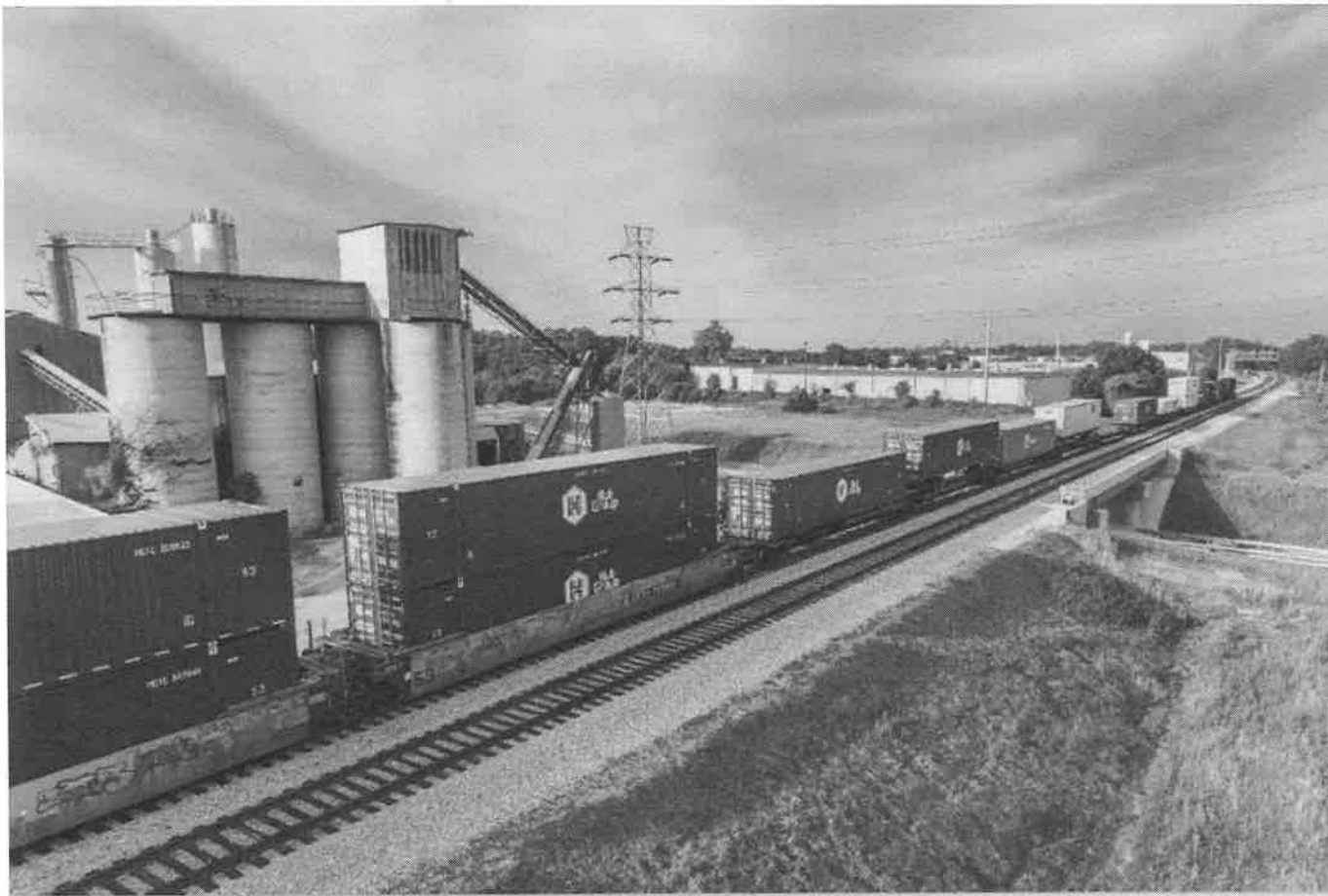


NCRR, Morehead City

INFRASTRUCTURE INVESTMENTS

NCDOT PIEDMONT IMPROVEMENT PROGRAM

- DOUBLE TRACK AND GRADE SEPARATION PROJECTS FROM RALEIGH TO CHARLOTTE
- \$21 M INVESTMENT BY NCRR
- \$290.8 M ARRA FUNDS



KLUMAC ROAD GRADE
SEPARATION, SALISBURY

27 MILES OF DOUBLE
TRACK BETWEEN
GREENSBORO AND
CHARLOTTE

INFRASTRUCTURE INVESTMENTS

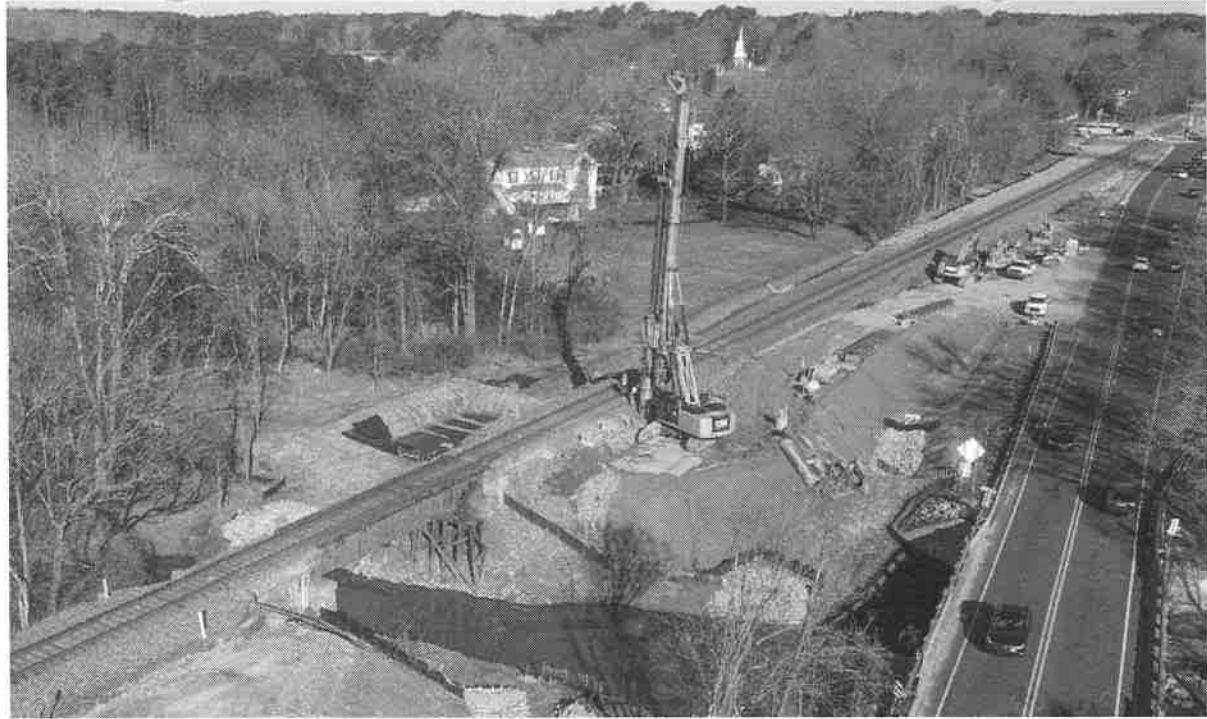


Before and after High Point Slope and Drainage Project, completed 2018



INFRASTRUCTURE INVESTMENTS

MORE THAN \$50M IN FUTURE INFRASTRUCTURE INVESTMENTS



Construction of new Crabtree Creek Bridge, Morrisville

- Morrisville, Crabtree Creek Bridge
- Craven County, Passing Track
- Durham, Bridge Improvements
- High Point, Phase 2 Slope/Drainage Improvements
- Carteret, Craven County, Rail Replacement
- Rehabilitation of industrial lead tracks at Phillip Morris/Dow Chemical sites
- Partnering with NCDOT on current/future passenger stations

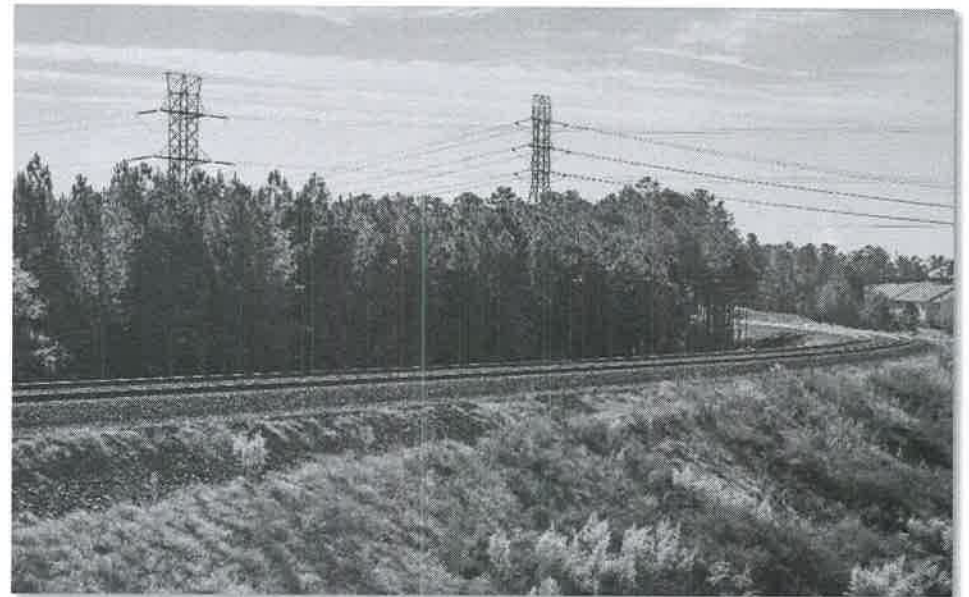
PLANNING FUTURE CAPACITY

NCRR FUTURE TRACK INFRASTRUCTURE STUDY

- Identify and evaluate long-term infrastructure needs on the NCRR Corridor
- Determine location of future tracks



Single Track, Hopson Rd., Wake County, 2013



Double Track, Hopson Rd., Wake County, 2017



BUILDING FUTURE CAPACITY



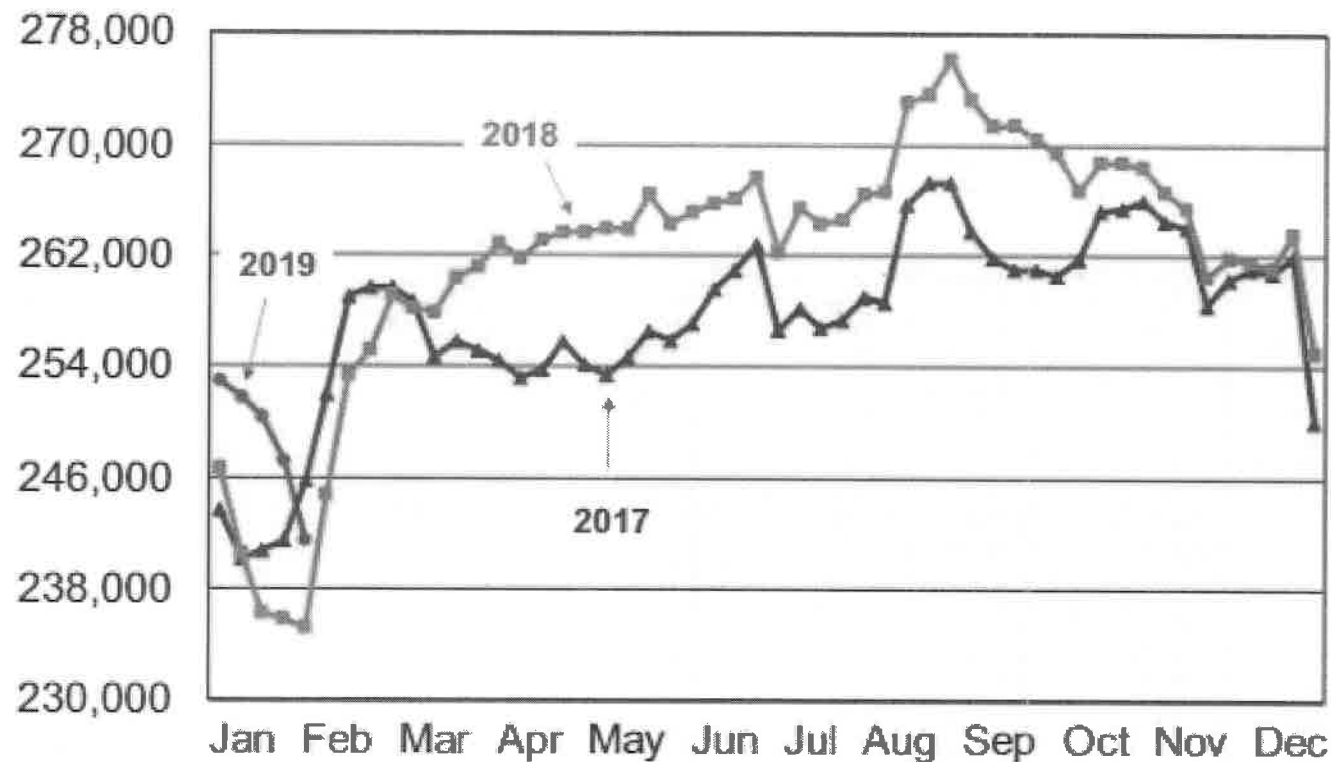
Wake County, Morrisville, 2020
Crabtree Creek Bridge replacement
Total: \$9.8M, \$8.7M capital NCRR



Wake and Johnston Counties, 2008
Three new passing sidings & CTC signals, etc.
Total: \$20.8M capital NCRR

INDUSTRY OUTLOOK

AVERAGE WEEKLY U.S. RAIL CARLOADS: ALL COMMODITIES (NOT SEASONALLY ADJUSTED)



Data are average weekly originations for each month, are not seasonally adjusted, do not include intermodal, and do not include the U.S. operations of CN and CP. Source: AAR



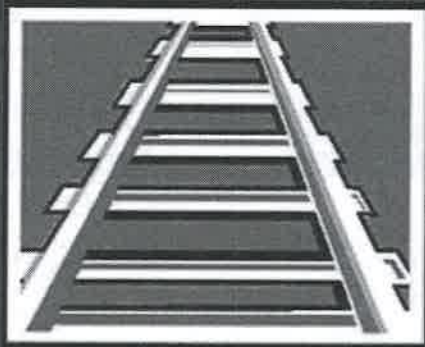
INDUSTRY OUTLOOK

INTERMODAL

FIVE WEEKS ENDING FEB. 2, 2019

MAJOR U.S. RAILROADS			
BY COMMODITY	JAN '19	JAN '18	% CHANGE
Trailers	117,289	117,017	0.2%
Containers	1,198,879	1,193,143	0.5%
TOTAL UNITS	1,316,168	1,310,160	0.5%
CANADIAN RAILROADS			
Trailers	0	4,506	-100.0%
Containers	326,251	314,508	3.7%
TOTAL UNITS	326,251	319,014	2.3%
COMBINED U.S./CANADA RR			
Trailers	117,289	121,523	-3.5%
Containers	1,525,130	1,507,651	1.2%
TOTAL COMBINED UNITS	1,642,419	1,629,174	0.8%

Source: Rail Time Indicators, Association of American Railroads



NORTH CAROLINA
RAILROAD
C O M P A N Y

www.ncrr.com

 @NCRailroad

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

3/14/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Deans Eatman	NC DOT
Julie White	NC DOT
Dan Howard	MFS
Sherry Willey	TRAC, LPA, NCMA XCPBA
Mark Benson	None
Andrew Tate	McK
Justin Delaney	NC DOT
Jeff Mann	GoTriangle
David Howard	NC DOT
Shelley Blake	GoTriangle
Ken Melton	K. M. A.

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

Name of Committee

3/14/2019

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Joe McClus

McClees Consulting

John M. Morse

Policy Group

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

Name of Committee

3/14/2019

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Megen Hoenk

ncrr

Mary Dillon

NCR

Wilt Morgan

MF S

hw



Flint BENSOW

• SEANC

Dana Simpson

SVA

Committee Sergeants at Arms

NAME OF COMMITTEE Joint Appropriations, Transportation

DATE: 3/14/2019 Room: 1228/1327

House Sgt-At Arms:

1. Name: Ken Gilbert

2. Name: Thomas Terry

3. Name: David Leighton

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: Frances Patterson

2. Name: Michael Caviness

3. Name: _____

4. Name: _____

5. Name: _____

**House Pages
Assignments**
Wednesday, March 13, 2019
Session: 10:00 AM

Committee	Room	Time	Staff	Comments	Member
Appropriations, Education	422	8:30 AM	Katie Savell		Speaker. Tim Moore
Appropriations, General Government	425	8:30 AM	Maira Kelly		Speaker. Tim Moore
Appropriations, Health and Human Services	643	8:30 AM	Jevan Lyle		Speaker. Tim Moore
* Appropriations, Transportation	1228/1327	8:30 AM	Gabria Savage		Speaker. Tim Moore



Senate Pages Attending

COMMITTEE: Jt. Ap. on D.O.T. ROOM: 1228

DATE: 3-14 TIME: 8:30am

PLEASE PRINT LEGIBLY....or else!!!!

Page Name	Hometown	Sponsoring Senator
1. <u>Wayne Hunter</u>	<u>Knightdale</u>	<u>Blue</u>
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.

Joint Committee on Appropriations, Transportation
Wednesday, Tuesday 19, 2018 at 8:30 AM
Room 1228 of the Legislative Building

MINUTES

The Joint Committee on Appropriations, Transportation, met at 8:30 a.m. on Tuesday, March 19, in Room 1228 of the Legislative Building. 7 Senators were present and 10 House Members were present.

Senator Jim Davis, Chair, presided.


Senator Davis opened the meeting @ 8:31 a.m. Chairman Davis introduced the Co-Chairs and the Sergeant of Arms. Goals for the committee were suggested and staff introduced themselves. The chairs and staff introduced themselves.

Julie White, NCDOT Deputy Secretary, and Hanna Cockburn, NCDOT Division of Bicycle and Pedestrian Transportation Director, talked about Multi-Modal Transport and gave an overview of bicycle/pedestrian and public transportation.

Questions asked by members:

1. (Representative Presnall) How many of you are there in the DMV?
2. (Representative Torbett) Thanks for speaking in plain language.
3. (Senator McInnis) Is your population statistics correct?
4. (Representative Torbett) It is incumbent as legislators that we address the population issue.
5. (Senator McInnis) Why is Montgomery County clustered in with Randolph County?

The meeting adjourned at 9:39 a.m.



Senator Jim Davis, Chair
Presiding



Johnny Bravo, Committee Clerk

Joint Committee on Appropriations, Transportation

Tuesday, March 19, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Senator Jim Davis, presiding
Senator Tom McInnis

Representative Frank Iler
Representative Michele Presnell
Representative Phil Shepard
Representative John Torbett

1. Call to Order
2. Combined Bicycle/Pedestrian Transportation and Public Transportation Division Vision
Julie White, NCDOT Deputy Secretary of Multi-Modal Transportation
3. Bicycle/Pedestrian Transportation and Public Transportation Division Overview
Hanna Cockburn, NCDOT Division of Bicycle and Pedestrian Transportation Director;
Public Transportation Division Interim Director
4. Committee Discussion

Next meeting: Wednesday, March 20th



NORTH CAROLINA
Department of Transportation

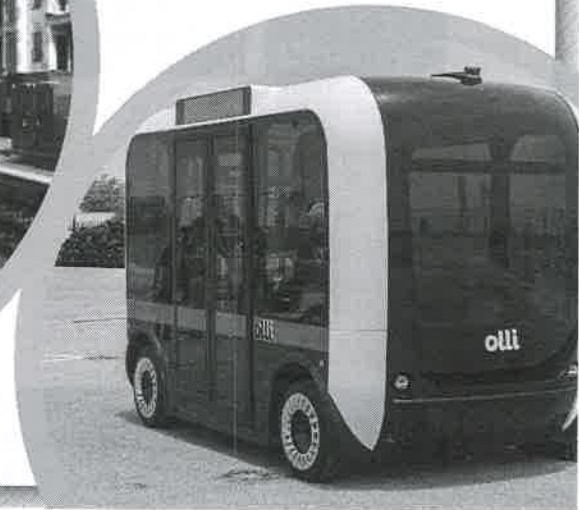


Bicycle and Pedestrian | Public Transportation Merger Overview

Julie White
Deputy Secretary for Multimodal Transportation

March 19, 2019

The Landscape of Mobility is Changing



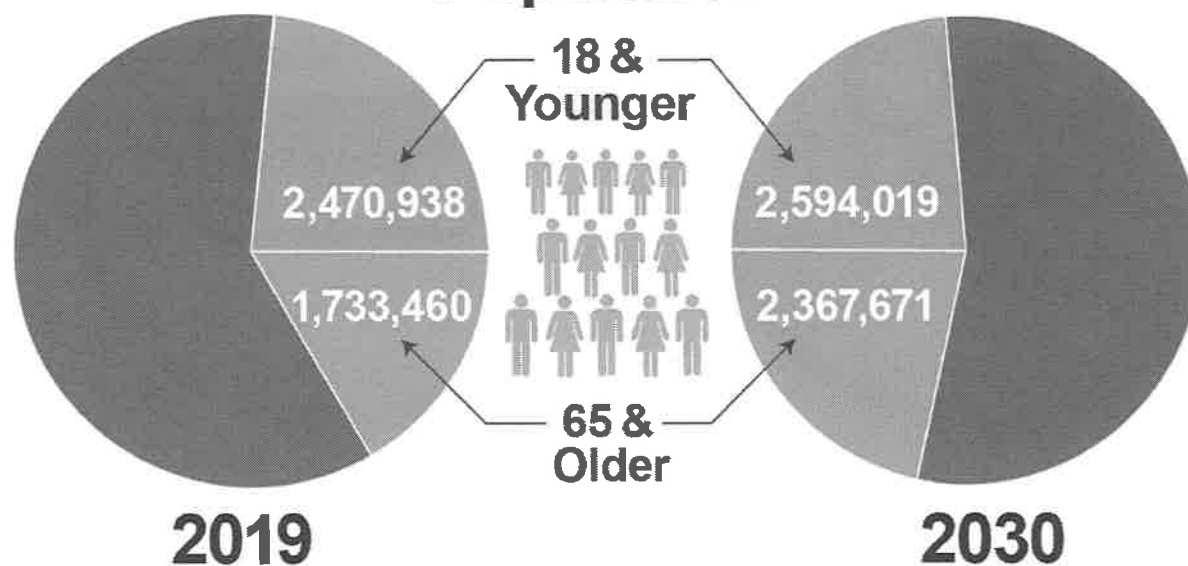
Our Population is Changing

NC's current population of 10,524,548 is expected to top 11M by 2030

Active Drivers



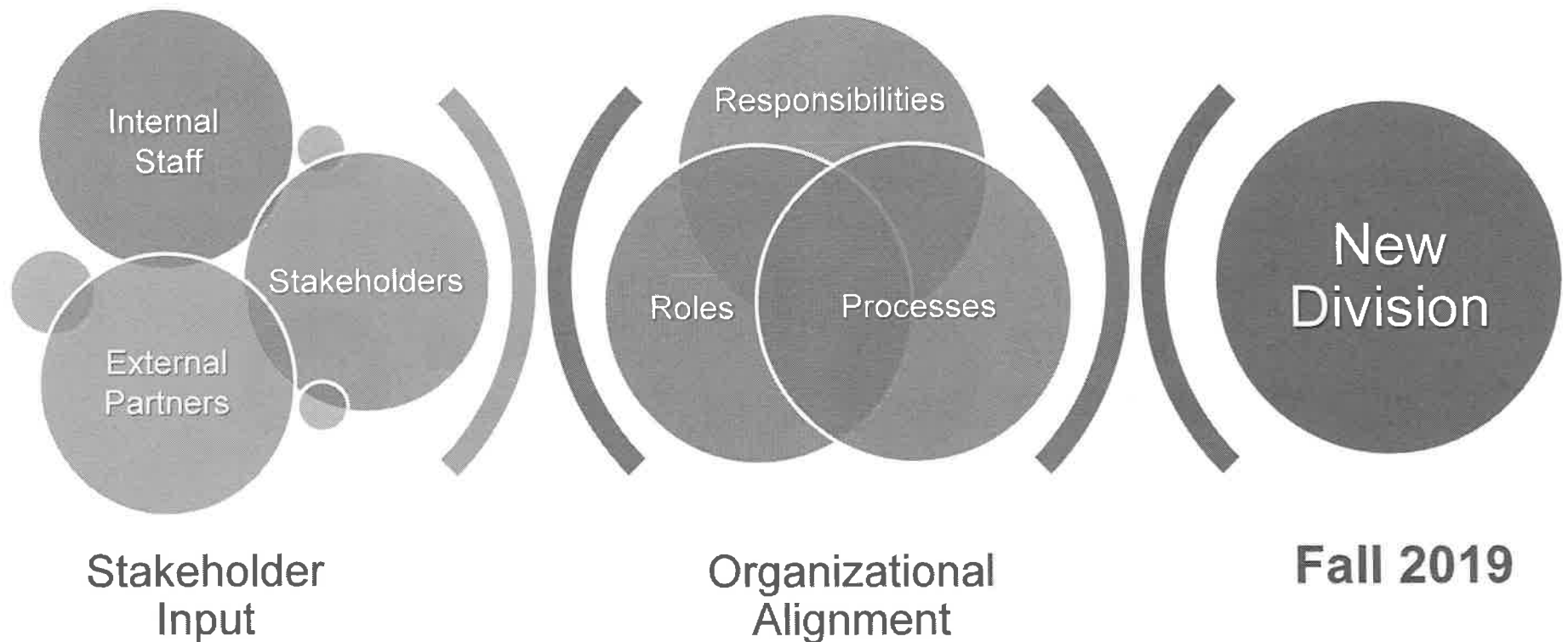
Population





Three Modes...One Division

Merger Process



New Division Vision and Focus



**Personal
Mobility**



**Community
Vibrancy**



**Land Use
Connection**



**Economic
Development**



**Innovation/
Pilots**



**Rural and
Urban Needs**

Operational Benefits of New Organizational Structure

Efficiencies:

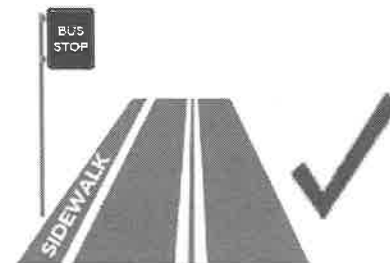
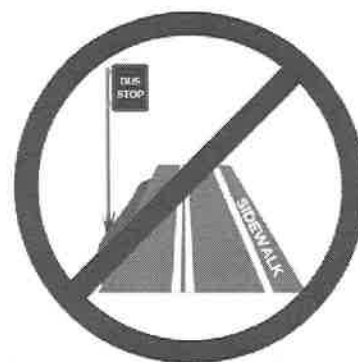
- 1 Director rather than 2
- 1 HR Tech rather than 2
- 1 Business Officer rather than 2

Gains:

- More staff resources supporting communities

Better planning and projects:

Plan both the sidewalks and transit stops together



Supporting Economic Development and Mobility

- Joint planning and investments with economic development partners
- Reducing administrative burden
- Eyes and ears for unique moments in communities to plan the transportation network with growth opportunities
- Bring innovations and pilots to communities to experiment with new technology and mobility options

Golden LEAF
Foundation
NC Commerce:
Prosperity Zones
NCEDA, USDA





NORTH CAROLINA
Department of Transportation



**Bicycle and Pedestrian | Public Transportation
Merger Overview**

Julie White

Deputy Secretary for Multimodal Transportation

juliewhite@ncdot.gov

919-707-2816



NORTH CAROLINA

Department of Transportation



Bicycle and Pedestrian | Public Transportation NCDOT Division Overview

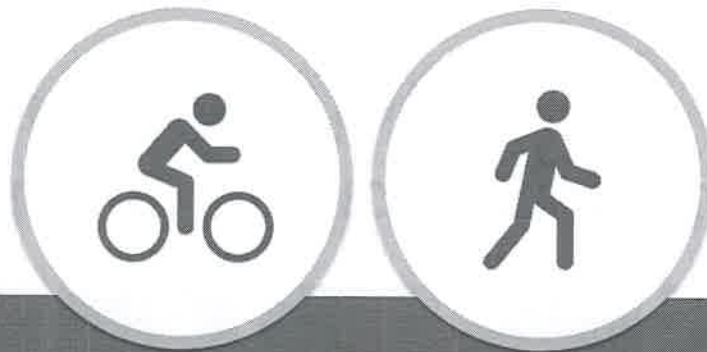
Hanna Cockburn, AICP

Bicycle & Pedestrian Transportation Director

Interim Public Transportation Director

March 19, 2019

Bicycle and Pedestrian Division Mission



Make biking and walking a safe, desirable trip choice throughout North Carolina by investing in place-making and vibrant communities

Bicycle and Pedestrian Division Programs & Services



Planning

- Local Planning Grants
- Regional Planning
- Statewide Plan
- State Bike Routes



Safety & Education

- SRTS
- Watch for Me NC
- Helmet Initiative
- Crash Analysis



Project Development

- Project Scoping
- Infrastructure Data
- Travel Counts
- Reporting Metrics



Project Delivery

- Locally Administered Project Delivery
- Partner Outreach
- Prioritization

Statewide Plan (2013)



Five Pillars



Safety



Health



Economy



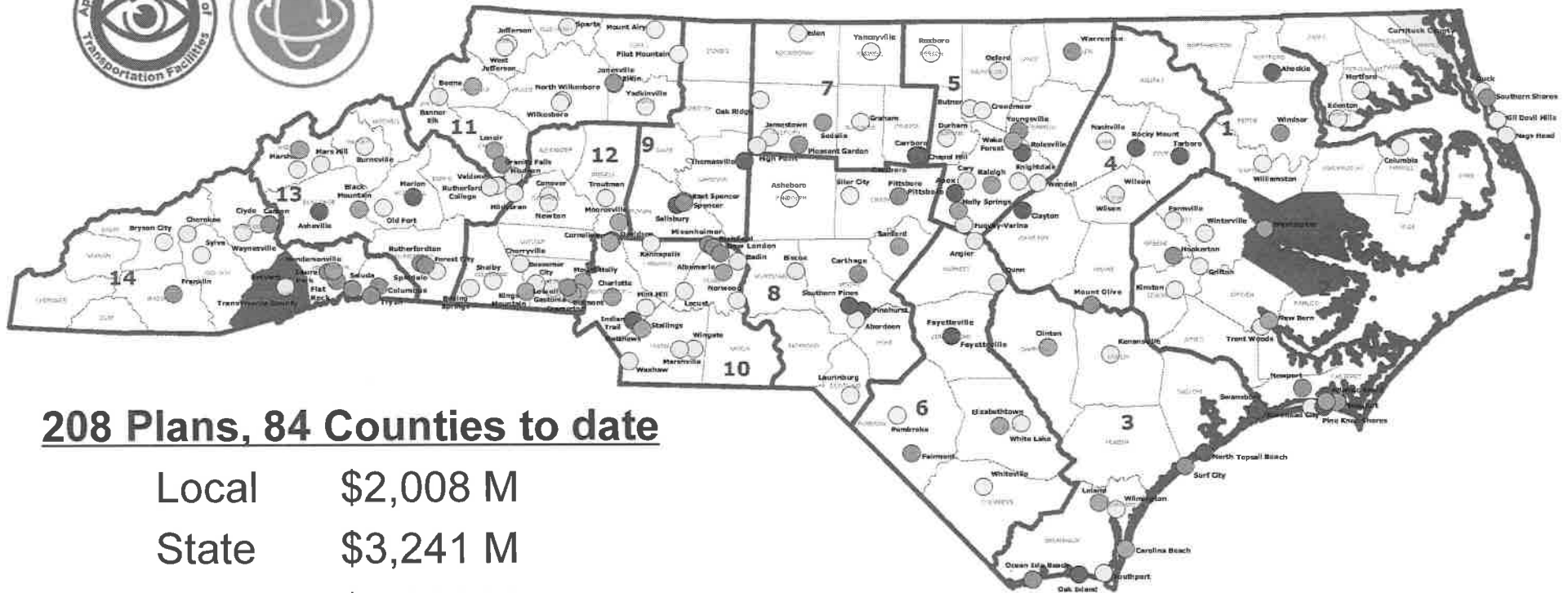
Mobility



Environment



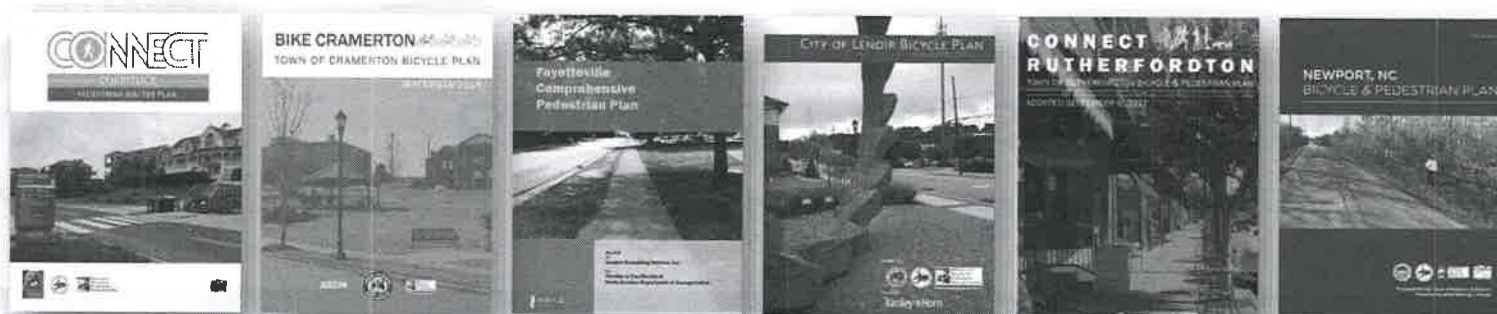
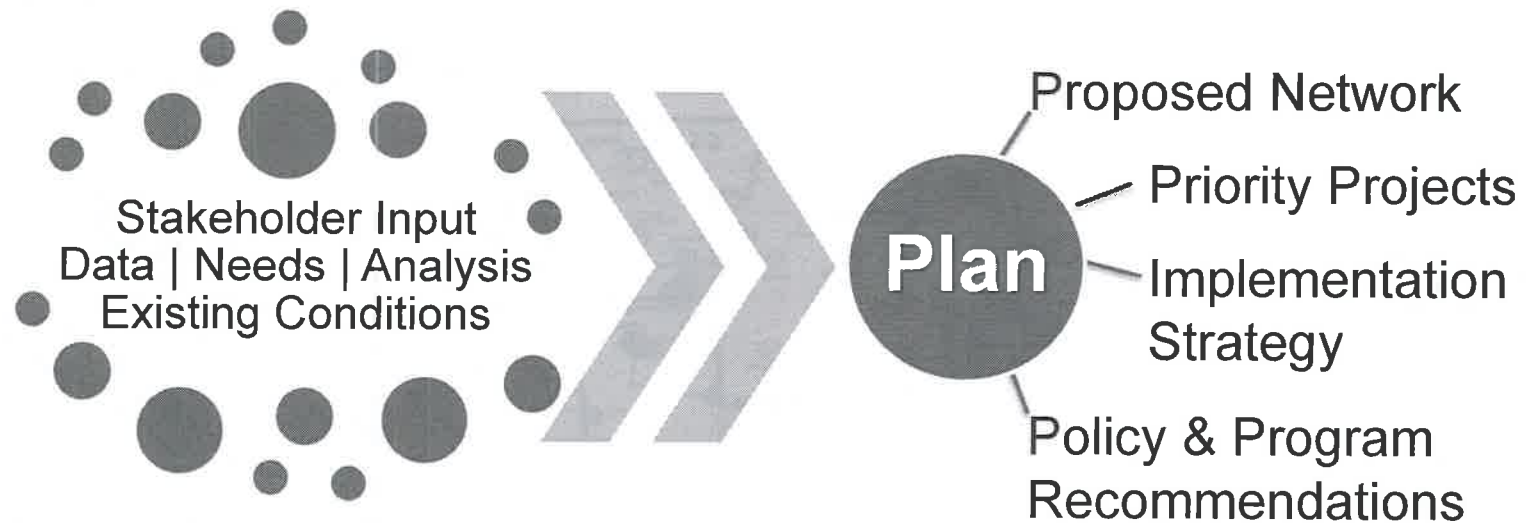
State Investments in Bicycle & Pedestrian Planning



208 Plans, 84 Counties to date

Local	\$2,008 M
State	\$3,241 M
Federal	\$2,228 M

Planning Process





Planning Outcomes

524

Projects Submitted

**5.0
STI**



70

Projects Funded

Average Return
On Investment

\$1

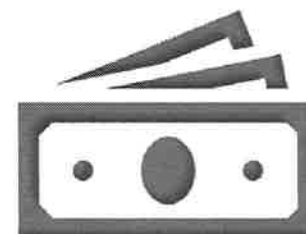
=

\$90

Planning



Infrastructure

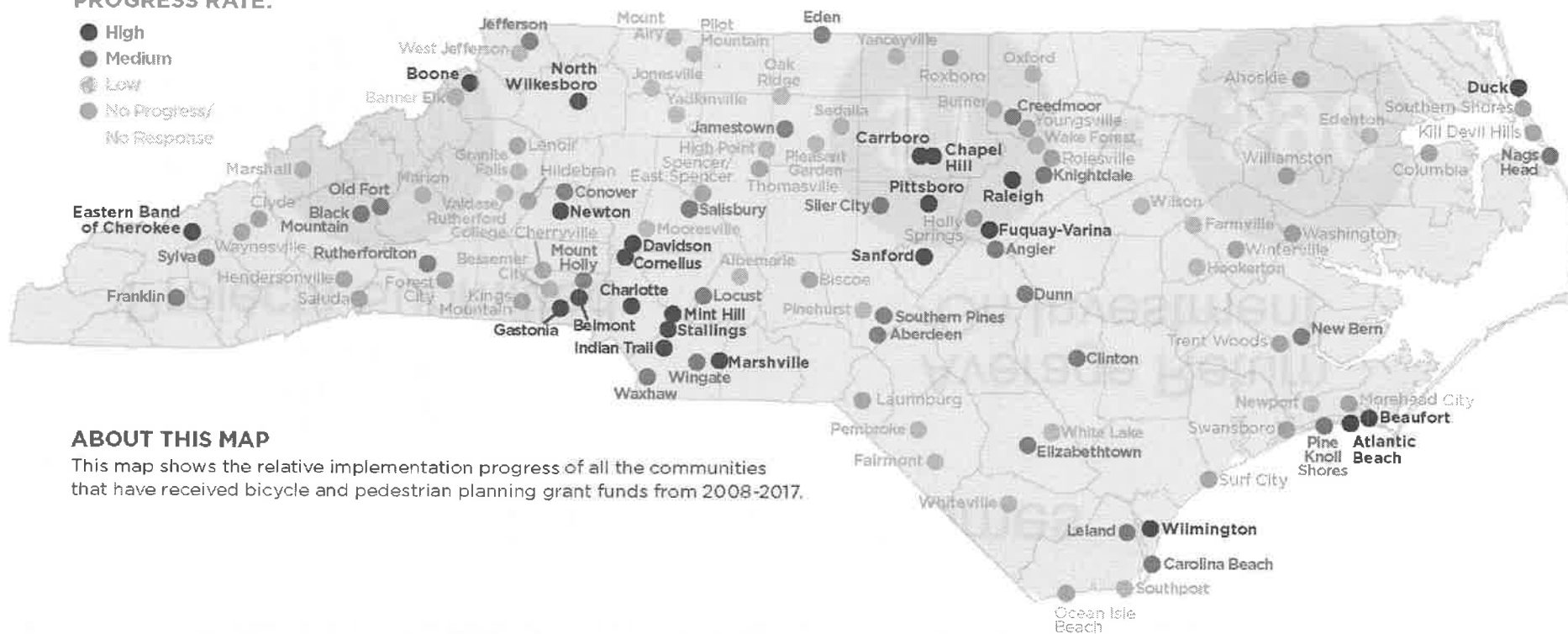




Bicycle & Pedestrian Plan Implementation

IMPLEMENTATION PROGRESS RATE:

- High
- Medium
- Low
- No Progress/
No Response



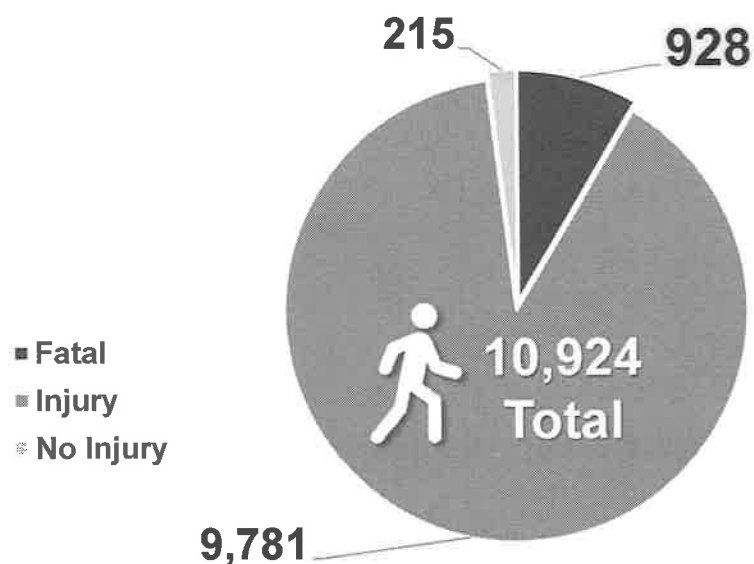
ABOUT THIS MAP

This map shows the relative implementation progress of all the communities that have received bicycle and pedestrian planning grant funds from 2008-2017.



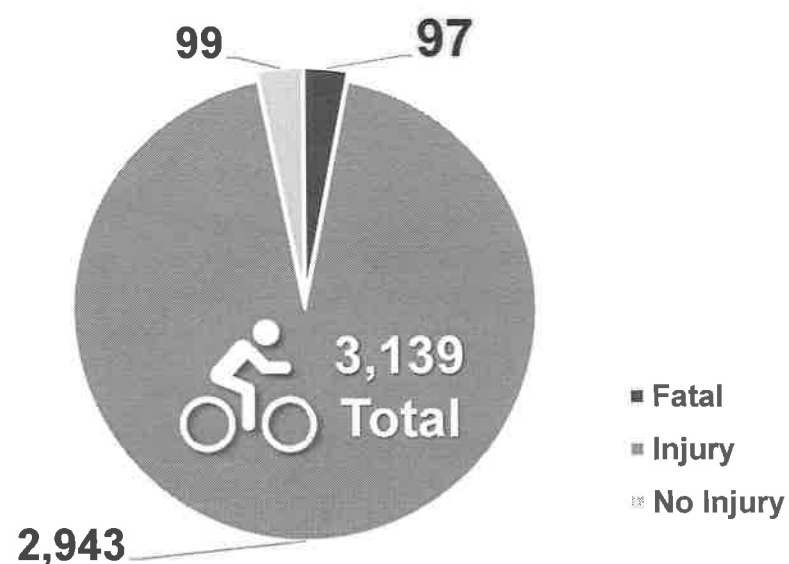
Bicycle & Pedestrian Safety

Pedestrian Crashes, 2013-2017



NC 7th highest total pedestrian fatalities by state

Bicycle Crashes, 2013-2017

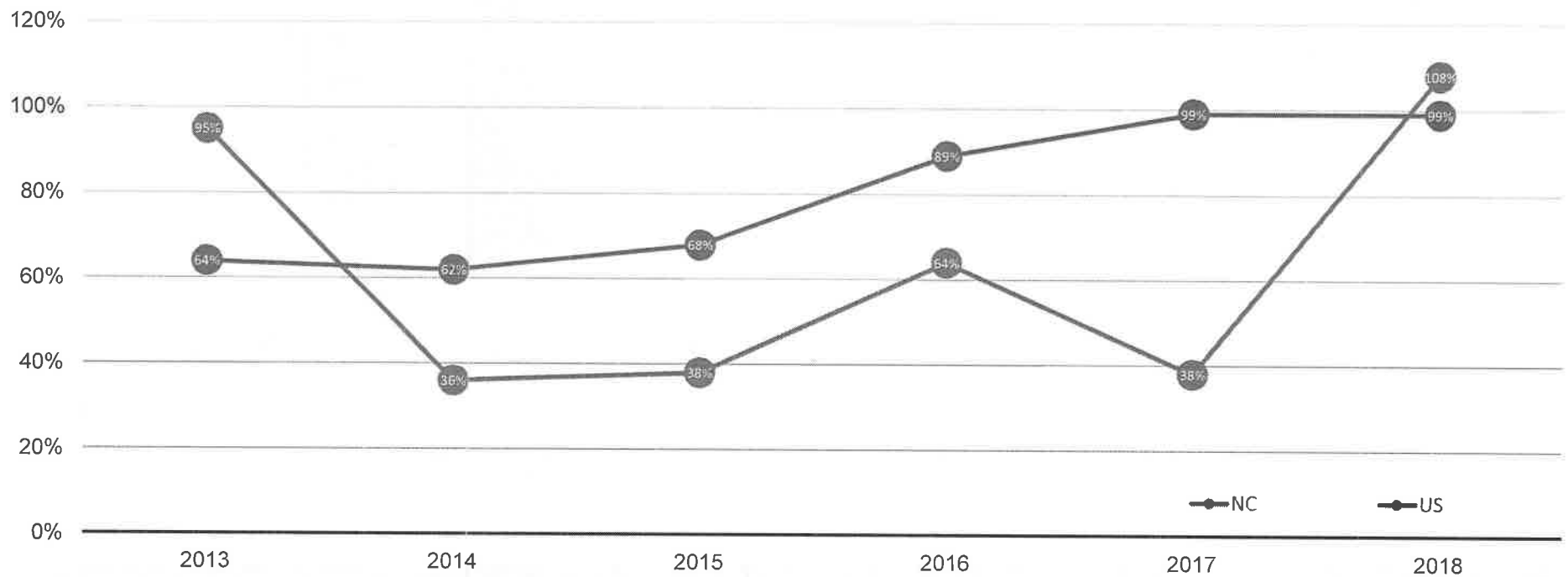


NC 8th highest rate of bicycle fatalities per capita



Federal Investments in Bicycle & Pedestrian Facilities

Transportation Alternatives Program (TAP) Fund Obligation Rate (%)



Public Transportation Division Mission



Improve Quality of Life for North Carolinians by:

- *Building healthy communities*
- *Supporting job creation and economic development*
- *Providing equal opportunities so all people can thrive*

Public Transportation Division Programs & Services



Planning & Programming

- System Level Plans
- Regional Planning
- Statewide Plan
- System Oversight



Safety & Compliance

- Driver Training
- System Inspections
- Safety Policy Oversight
- Procurement

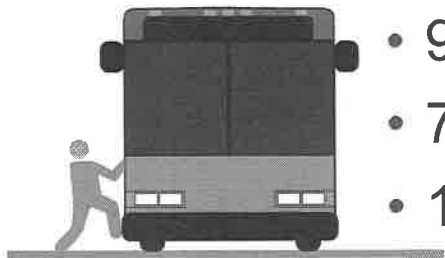
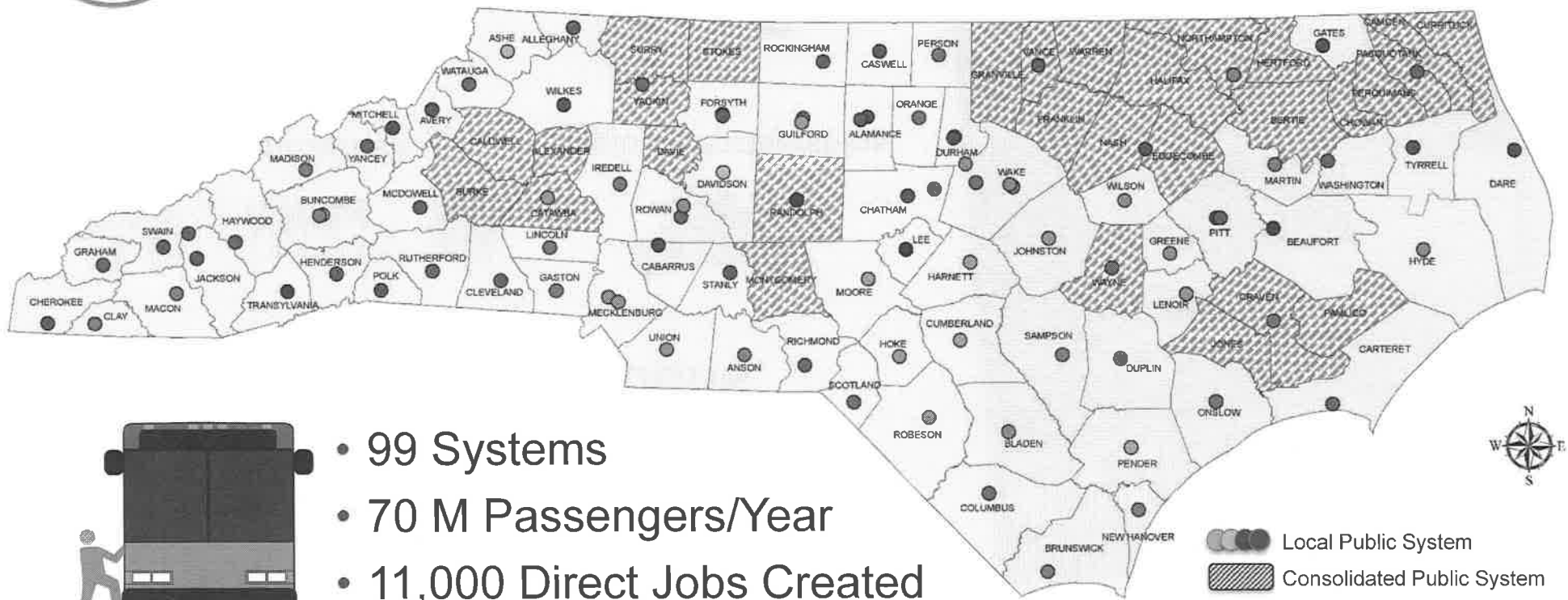


Grant Administration

- Grant Authorization
- Pass-Through Funding
- Accounting
- FTA Reporting



Public Transportation Systems



- 99 Systems
- 70 M Passengers/Year
- 11,000 Direct Jobs Created

Public Transportation Strategic Plan (2018)

Recommendations



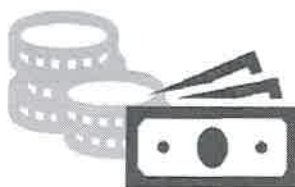
Build Connections



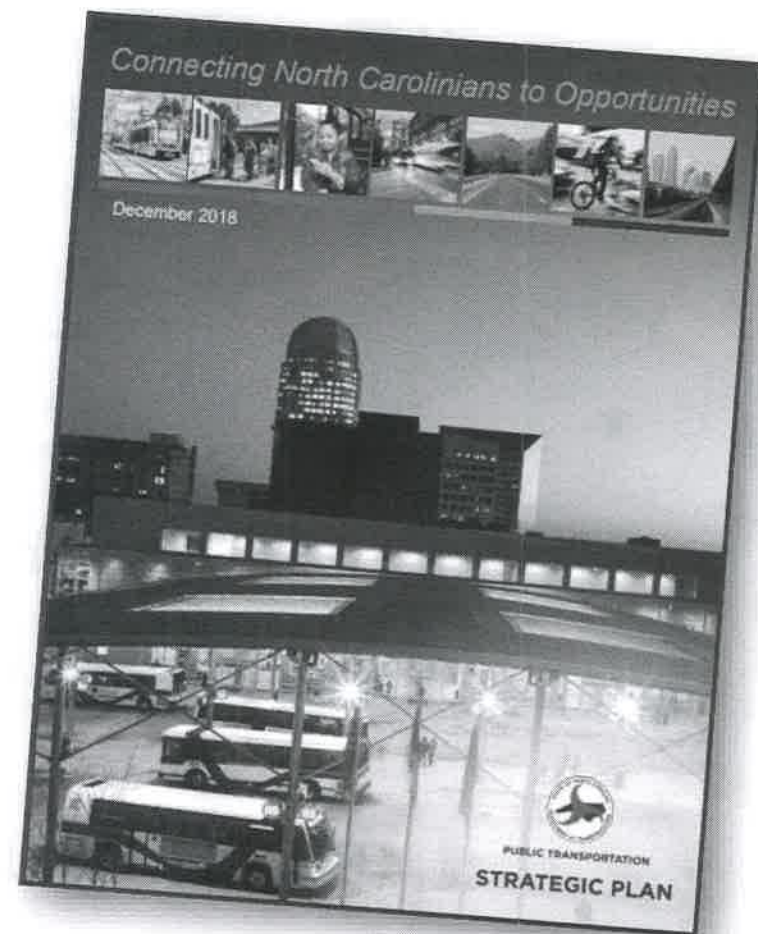
Regional Partnerships



Regional Planning



Prioritize Transit





State Investments in Public Transportation

State Operating Assistance

- SMAP – 26 systems
- ROAP – all 100 counties, EBCI
- International Trade Show Transportation

Federal Match Assistance

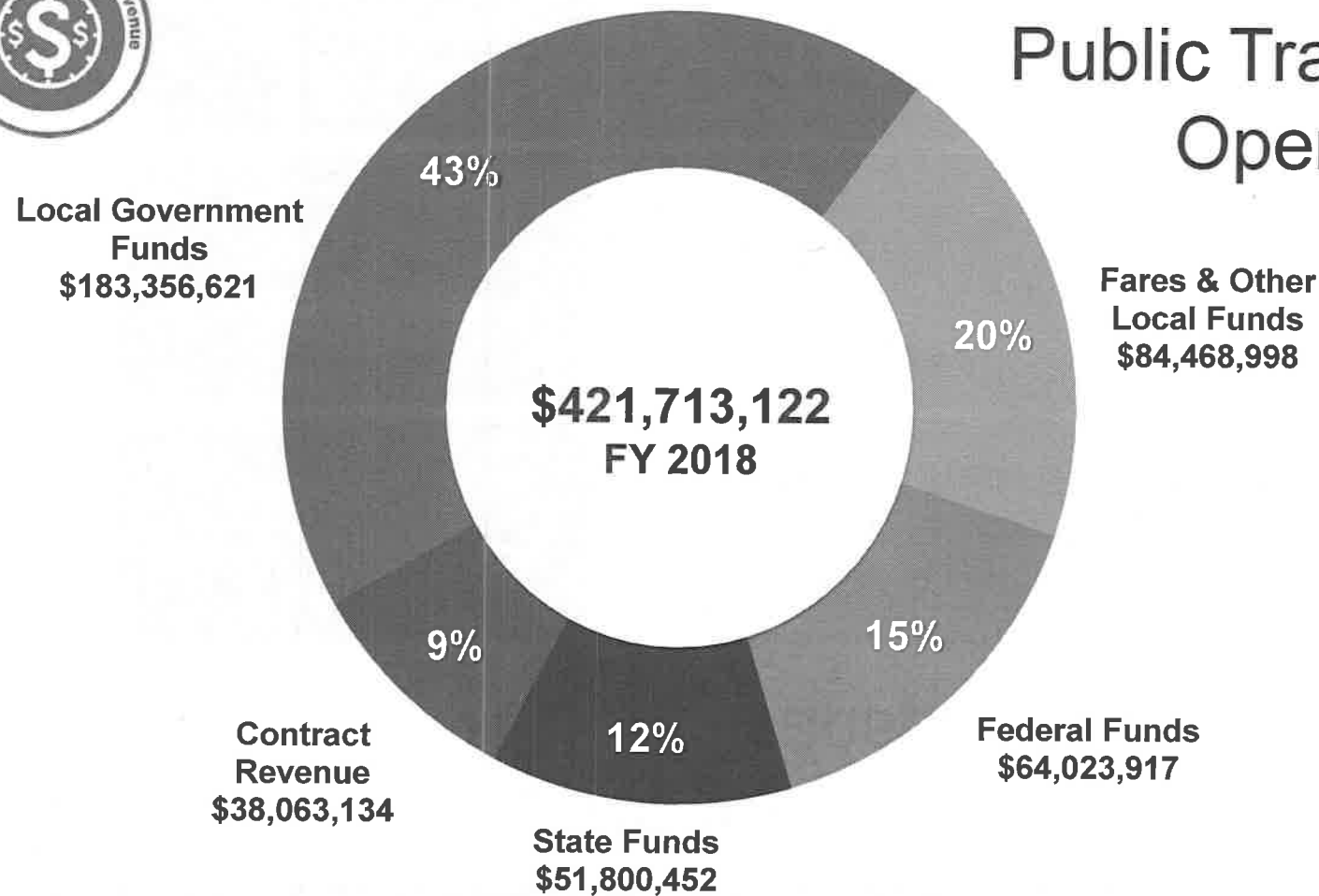
- Administration
- Capital
- Operating
- Planning

State Programs

- Intern and Apprentice
- Technology
- Transportation Demand Management



Total Investment in Public Transportation Operations





Proposed Expansion Budget: Statewide Grant Match

Collaboration with local and regional transit systems
to establish a Connected Statewide Network (\$5 M)



Region to Region
Long Distance
Commuter
Service



Statewide Branding
and Ticketing
Platform



Rural Vanpool
and Employment
Access



Commuter
Service
Planning



Park and Ride
Lot Planning
and Design



State Maintenance Assistance Program (SMAP)

Supports 26 municipal and regional systems
operating costs for fixed route and demand response services

FY 19

Response

- 26% reduction from FY18 allocation
- System cuts from \$ 29 K - \$3.1 M
- \$10 M CMAQ investment to off-set
 - Not a long-term solution

FY 20

Likely Impacts

- Eliminate routes
- Cut service hours
- Delay capital investments
- Eliminate/delay service expansion



NORTH CAROLINA
Department of Transportation



Bicycle and Pedestrian | Public Transportation
NCDOT Division Overview

Hanna Cockburn, AICP

Bicycle & Pedestrian Transportation Director

Interim Public Transportation Director

jcockburn@ncdot.gov

919-707-2601



NORTH CAROLINA

Department of Transportation



Bicycle and Pedestrian | Public Transportation Merger Overview

Julie White

Deputy Secretary for Multimodal Transportation

March 19, 2019

The Landscape of Mobility is Changing



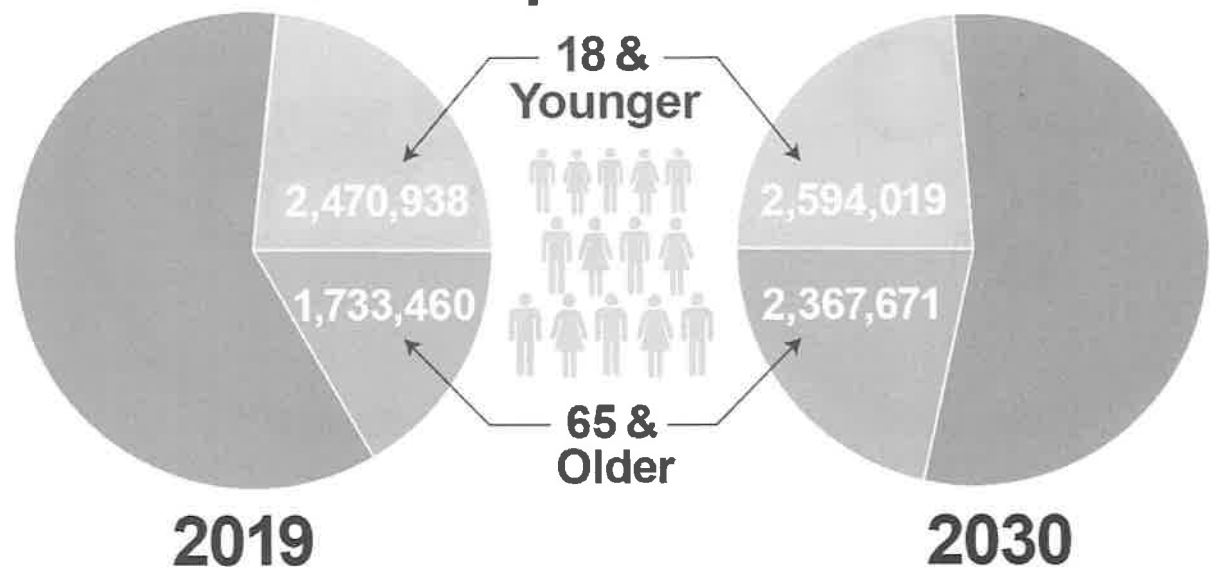
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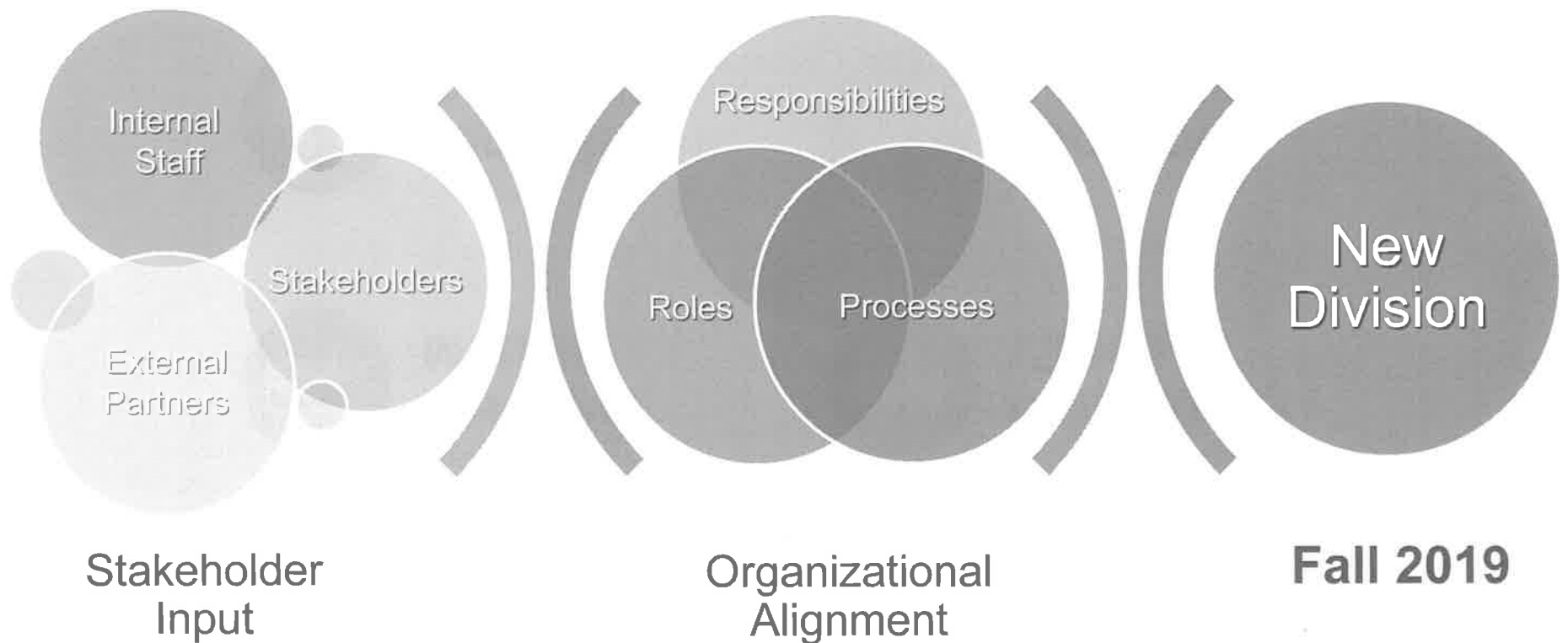
Population





Three Modes...One Division

Merger Process



New Division Vision and Focus



**Personal
Mobility**



**Community
Vibrancy**



**Land Use
Connection**



**Economic
Development**



**Innovation/
Pilots**



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Operational Benefits of New Organizational Structure

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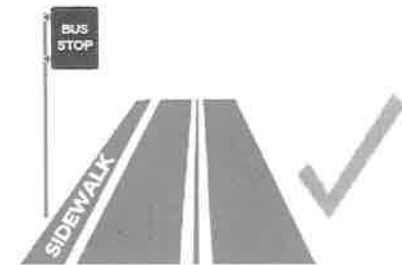
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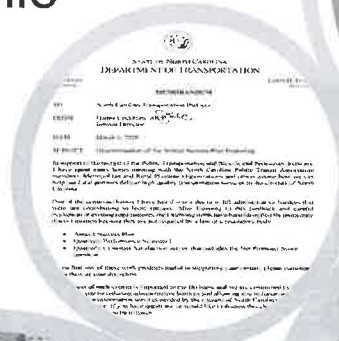
Plan both the sidewalks and transit stops together



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- Bring innovations and pilots to communities to experiment with new technology and mobility options

Golden LEAF
Foundation
NC Commerce:
Prosperity Zones
NCEDA, USDA





NORTH CAROLINA

Department of Transportation



Bicycle and Pedestrian | Public Transportation Merger Overview

Julie White

Deputy Secretary for Multimodal Transportation

juliewhite@ncdot.gov

919-707-2816



Visitor Sign-in

JOINT APPROPRIATIONS on TRANSPORTATION

March 19, 2019 8:30 PM Room 1228/1327 LB

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY / BILL No.</u>
Darren Hartfield	Wilmington Terminal Railroad
Michael Gaynor	GoRail
Deans Eatman	NC DOT
Justin Delancey	NC DOT
Carl Hollowell	Aberdeen & Rockfish RR
CS Hollis	CSX
Joe McClees	McClees Consulting
Henri McClees	McClees Consulting



Visitor Sign-in

JOINT APPROPRIATIONS on TRANSPORTATION

March 19, 2019 8:30 PM Room 1228/1327 LB

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY / BILL No.</u>
<i>Mark Pearson</i>	<i>RRAUC</i>
<i>John</i>	<i>TRAC</i>
<i>Resha Fortson</i>	<i>SEANL</i>
<i>CINDY EDWARDS</i>	<i>NIA</i>
<i>Bessie Gilreath</i>	<i>NCDOT</i>
<i>Michael KUTAN</i>	<i>PROGRESS RAIL</i>
<i>JASON HOLMES</i>	<i>NUCOR STEEL</i>
<i>Joe Arbore</i>	<i>NCVA, CA, WTRY</i>
<i>TIM DRIVER</i>	<i>Yagkin Valley RR</i>
<i>William Downey</i>	<i>12T Comm 12TR</i>
<i>Jennifer Harrell</i>	<i>Aberdeen Carolina + Western Railway</i>

House Committee on Appropriations, Transportation
Wednesday, March 20, 2019 at 8:30 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Appropriations, Transportation met at 8:30 AM on March 20, 2019 in Room 1228/1327 of the Legislative Building. Representatives Beasley, Iler, Martin, Presnell, Russell, Torbett, and Willingham attended. Senators Davis, deViere, Garrett, McGinnis, Rabon, and Woodard attended.

Representative John A. Torbett, Chair, presided.

Presentation of Governor's Budget Proposal was given by Bobby Lewis, NCDOT Chief Operating Officer (see attached and on committee website). Triangle Tyre presentation was given by Ronnie Keeter, NCDOT Division 4 Engineer. (see attached and on committee website) Powell Bill presentation was given by Dr. Majed Al-Ghandour, NCDOT Director of Project Management. (see attached and on committee website) Road Improvements Adjacent to Schools was presented by Joe Hummer, NCDOT State Traffic Management Engineer. (see attached and on committee website).

The meeting adjourned at 9:20a.m.



Representative John A. Torbett, Chair
Presiding



Viddia Torbett, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, March 20, 2019
TIME: 8:30 AM
LOCATION: 1228/1327 LB
COMMENTS: Chairing: Representative Shepard

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:29 AM on Thursday, March 14, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Pamela Pate (Committee Assistant)

Joint Committee on Appropriations, Transportation

Wednesday, March 20, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Representative John Torbett, presiding
Representative Frank Iler
Representative Michele Presnell
Representative Phil Shepard

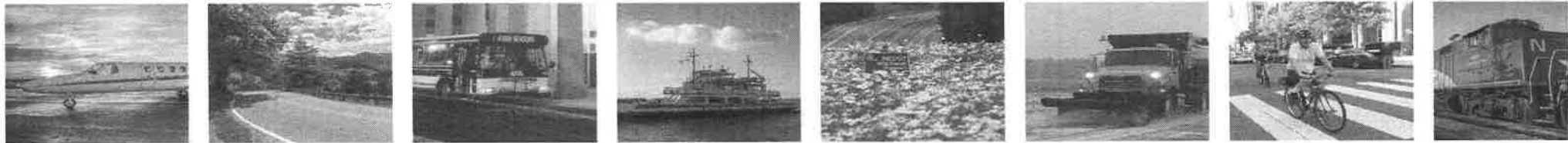
Senator Jim Davis
Senator Tom McInnis

1. Call to Order
2. Presentation of Governor's Budget Proposal
Bobby Lewis, NCDOT Chief Operating Officer
3. Triangle Tyre
Ronnie Keeter, NCDOT Division 4 Engineer
4. Powell Bill
Dr. Majed Al-Ghandour, NCDOT Director of Project Management
5. Road Improvements Adjacent to Schools
Joe Hummer, NCDOT State Traffic Management Engineer
6. Division of Aviation Overview
Bobby Walston, NCDOT Division of Aviation Director
7. Committee Discussion

Next meeting: Thursday, March 21st



NORTH CAROLINA Department of Transportation



2019 Governor's Proposed Budget

Transportation

Bobby Lewis, Chief Operating Officer

3/20/2019

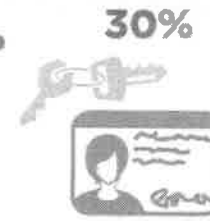
NC Transportation Revenues

(2019 -2029)

75%
Overall



Forecasted Annual Increase 2.0%¹



3.2%²



2.2%

¹ Annual Motor Fuel Tax rate accounts for 60% of increase and the remainder is from the increase in diesel consumption

² Most of the increase is due to the quadrennial CPI (SFY 2021, 2025 and 2029)

25%
Overall



Forecasted Annual Increase – none (a lot of uncertainty after 9/2020)



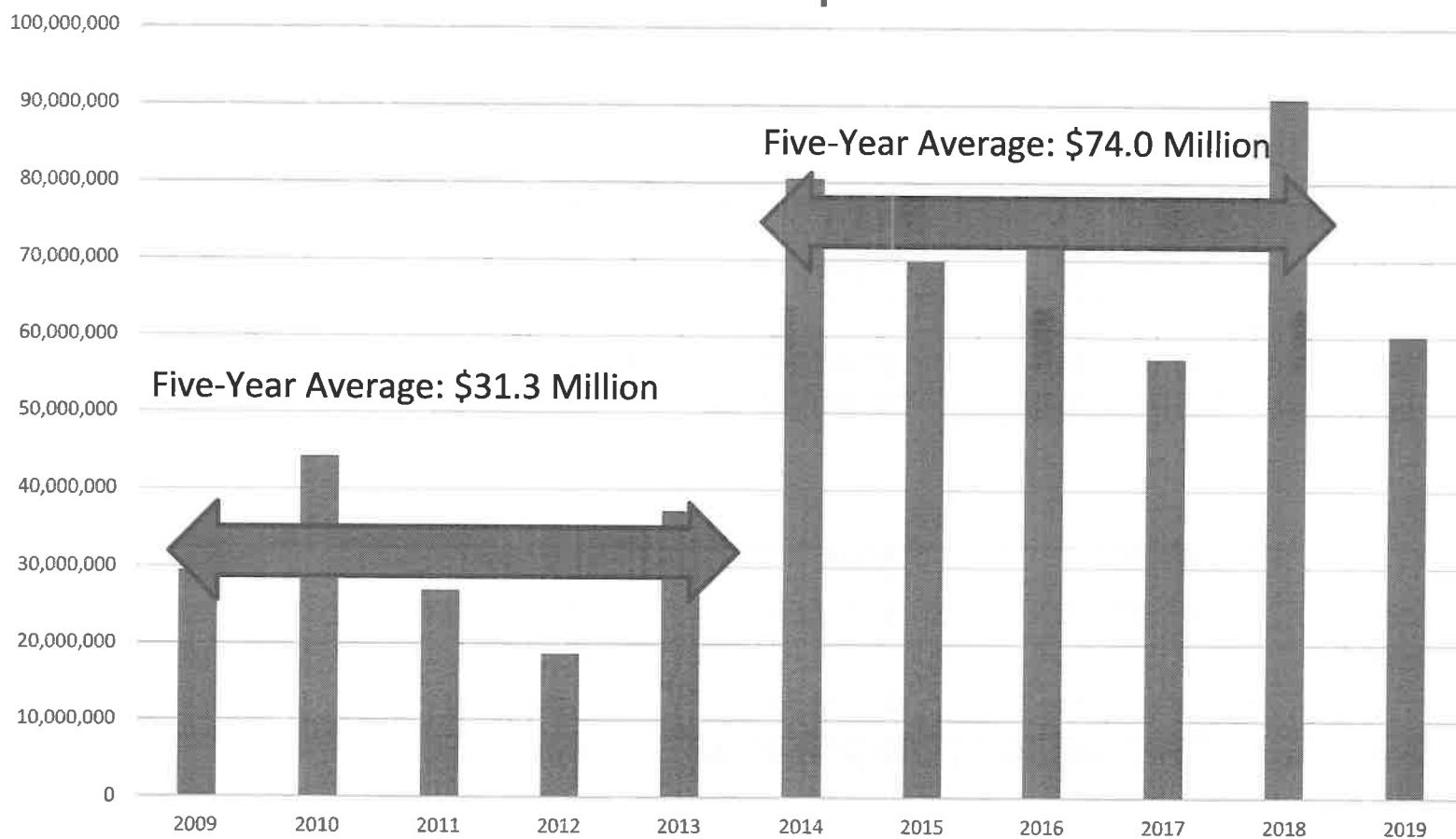
Highway Fund

Year 1	Recommended									
FY 2019-20	Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Buc			
Requirements	\$	3,665,883,943	\$	129,244,926	\$	26,781,179	\$	156,026,105	\$	3,821,910,0
Receipts	\$	1,514,510,048	\$	-	\$	-	\$	-	\$	1,514,510,0
Net Appropriation	\$	2,151,373,895	\$	129,244,926	\$	26,781,179	\$	156,026,105	\$	2,307,400,0
Positions (FTE)		11389.000		25.000		0.000		25.000		11414.0

Year 2	Recommended									
FY 2020-21	Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Buc			
Requirements	\$	3,658,455,609	\$	240,370,795	\$	20,939,960	\$	261,310,755	\$	3,919,766,3
Receipts	\$	1,507,066,364	\$	-	\$	-	\$	-	\$	1,507,066,3
Net Appropriation	\$	2,151,389,245	\$	240,370,795	\$	20,939,960	\$	261,310,755	\$	2,412,700,0
Positions (FTE)		11389.000		25.000		0.000		25.000		11414.0

General Maintenance Reserves

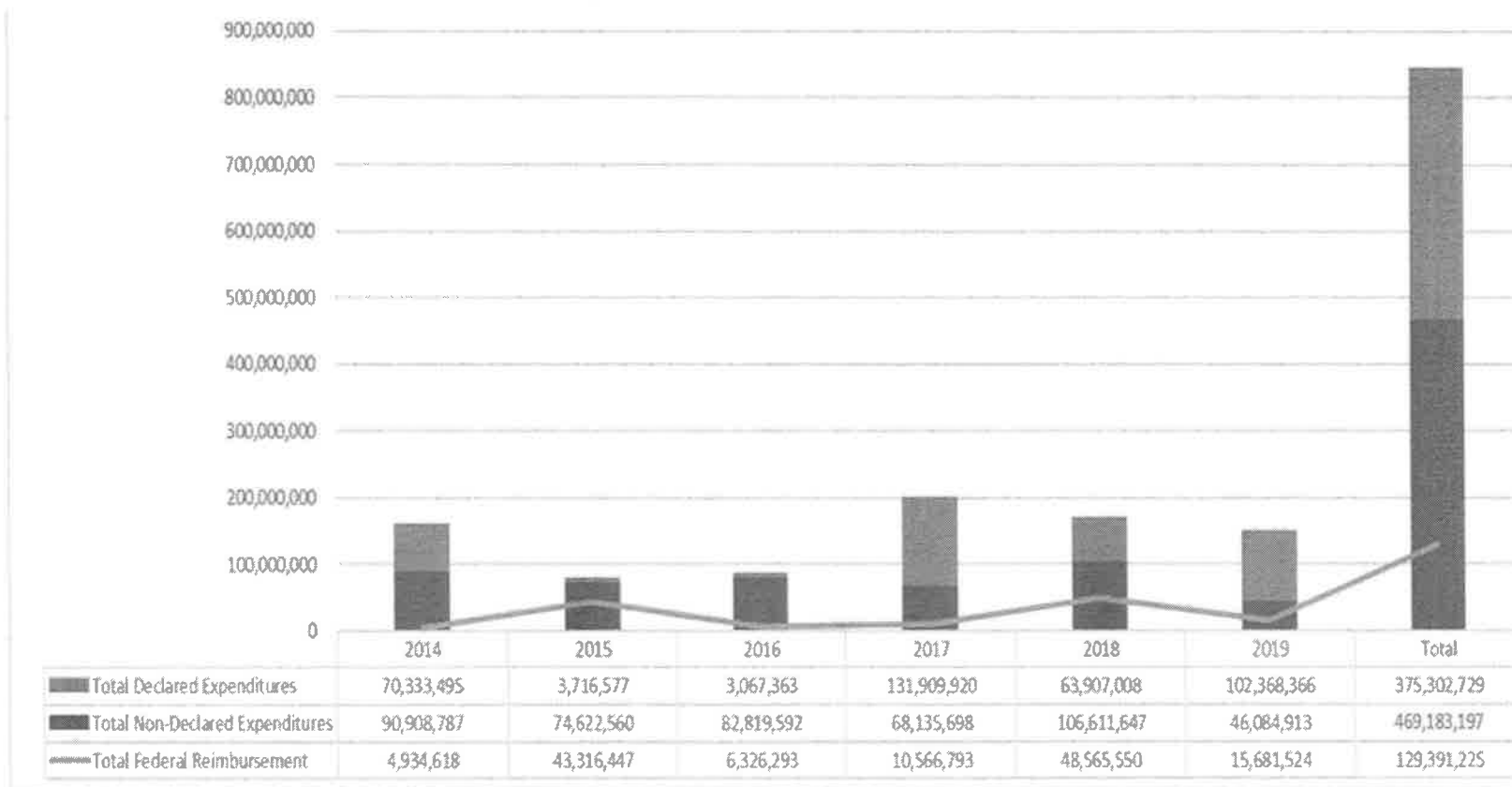
Snow and Ice Expenditures



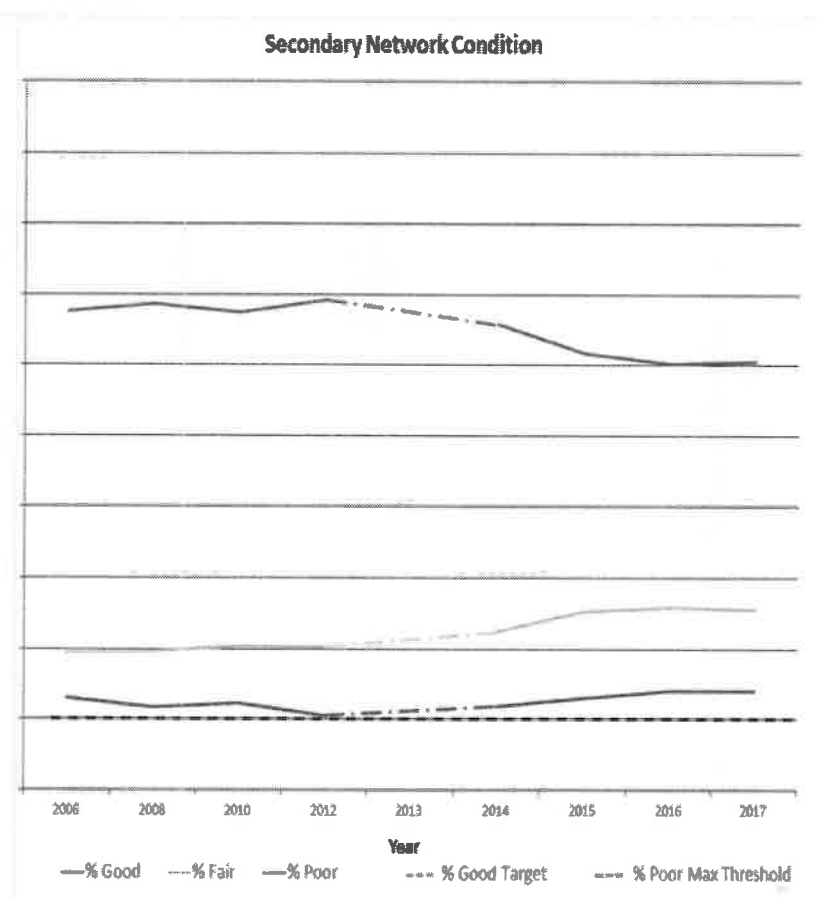
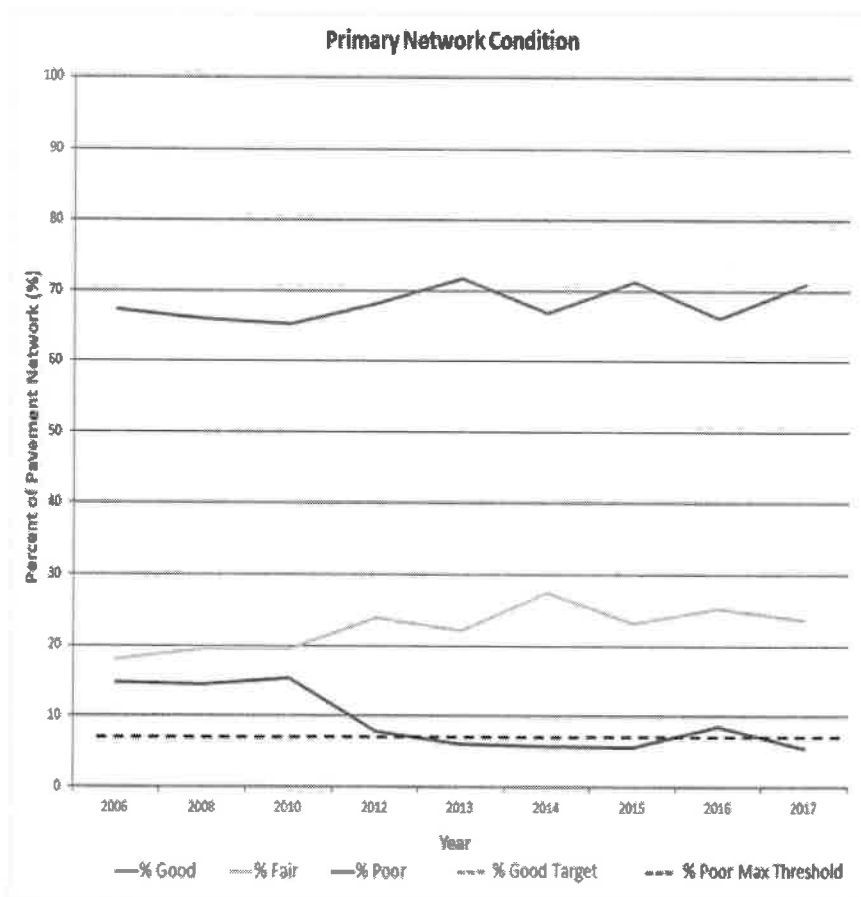
3/11/19

General Maintenance Reserves

Emergency Expenditures



Contract Resurfacing



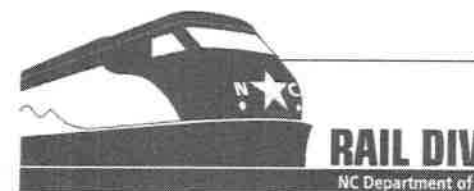
Maintenance

	2020	2021
GMR	\$92,369,417 R	\$182,73
Contract Resurfacing	\$15,000,000 R	\$15,000
Powell Bill	\$2,500,000 R	\$2,500,0



Multimodal

	2020	20
Statewide Grant Program	\$5,000,000 NR	\$5,000,0
Rail – Rolling Stock	\$0	\$1,725,0
UAS Program	\$2,000,000 NR	\$2,000,0
Ferry Division	\$5,000,000 R	\$5,000,0



DMV HQ Relocation

2020**20**

DMV HQ Relocation

\$1,200,000 R

\$2,500,

\$4,713,435 NR

LPA Compensation

\$5,100,000 R

\$5,100,

Customer Compliance(24FTE)

\$1,597,390 R

\$1,597,

\$115,616 NR



Department Wide

	2020	2019
Logistics and Freight	\$250,000 NR	\$250,000 NR
OCR-EEO (1 FTE)	\$187,477 R	\$187,477 R



GTP, Capital Plan, Repairs & Renovat

	2020	2021
GTP	\$658,000 NR	
Capital Plan	\$5,166,031 NR	\$5,239,960
Repair & Renovations	\$6,550,000 NR	\$6,725,000

NORTH CAROLINA
GLOBALTRANSPARK



Highway Trust Fund

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Bu
Requirements	\$	1,550,237,563	\$	49,462,437	\$ -	\$ 49,462,437	\$ 1,599,700,0
Receipts	\$	-	\$	-	\$ -	\$ -	\$ -
Net Appropriation	\$	1,550,237,563	\$	49,462,437	\$ -	\$ 49,462,437	\$ 1,599,700,0
Positions (FTE)		0.000		0.000	0.000	0.000	0.0

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Bu
Requirements	\$	1,490,463,548	\$	166,336,452	\$ -	\$ 166,336,452	\$ 1,656,800,0
Receipts	\$	-	\$	-	\$ -	\$ -	\$ -
Net Appropriation	\$	1,490,463,548	\$	166,336,452	\$ -	\$ 166,336,452	\$ 1,656,800,0
Positions (FTE)		0.000		0.000	0.000	0.000	0.0

Questions



NORTH CAROLINA

Department of Transportation



Joint Legislative Transportation Appropriations Committee

March 5, 2019

Triangle Tyre Update

Ronnie Keeter, PE • Division 4 Engineer



Outline

Introduction

Project Overview

Project Timeline

Summary

Kingsboro Megasite – Vicinity Map

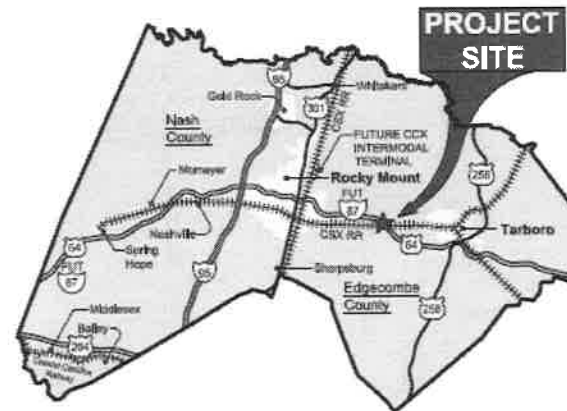
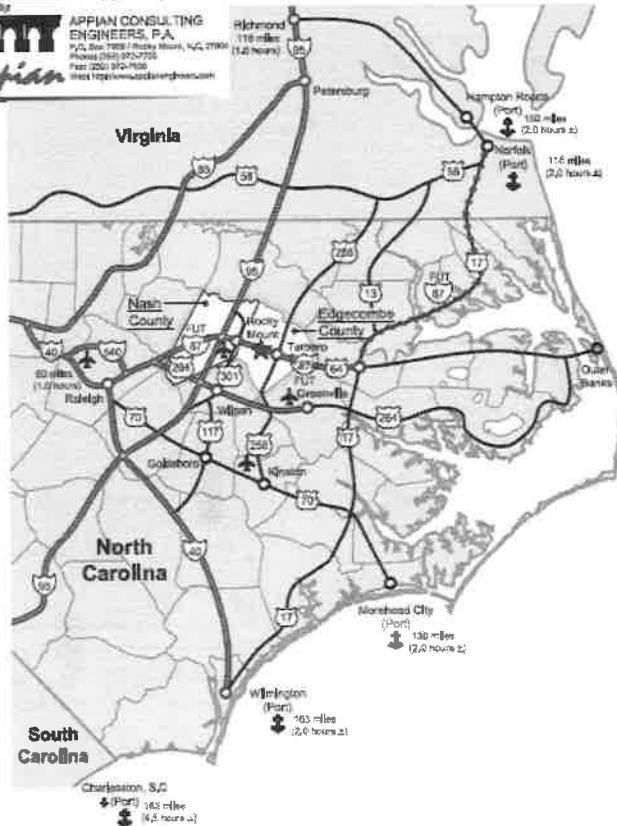
KINGSBORO CSX SELECT SITE

Edgecombe County, N.C., FEBRUARY, 2019

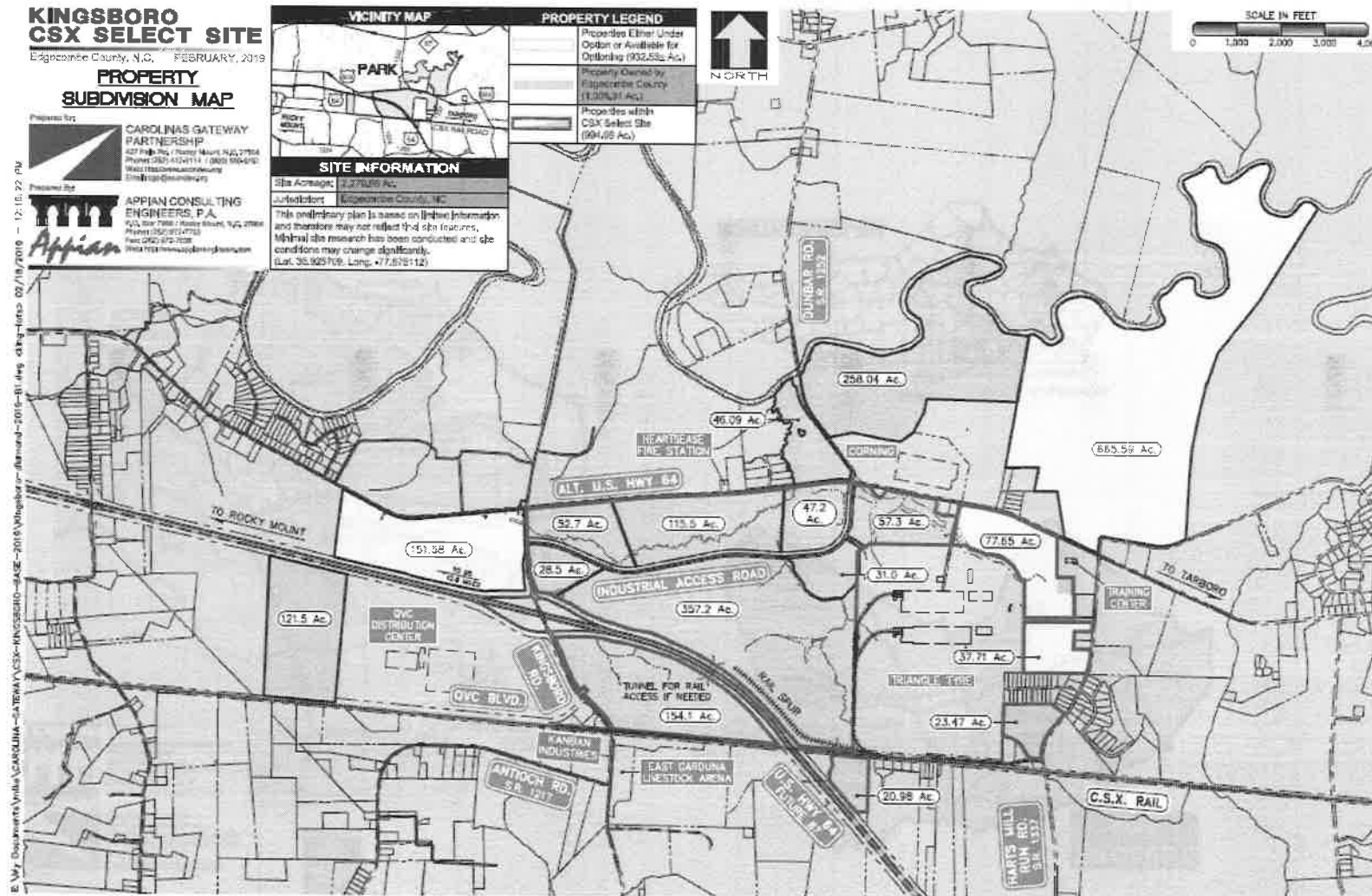
VICINITY / REGIONAL MAP

Prepared for:
**CAROLINAS GATEWAY
PARTNERSHIP**
407 Park Road, 7th Floor, Raleigh, NC 27601
Phone: (919) 424-1111 / (800) 584-0191
Email: info@carolinaspdp.com

Prepared by:
**APPIAN CONSULTING
ENGINEERS, P.A.**
P.O. Box 1889 / Rocky Mount, NC 27854
Phone: (919) 572-7755
Fax: (919) 572-7755
Web: http://www.applan.com



Kingsboro Megasite – Overall Plan

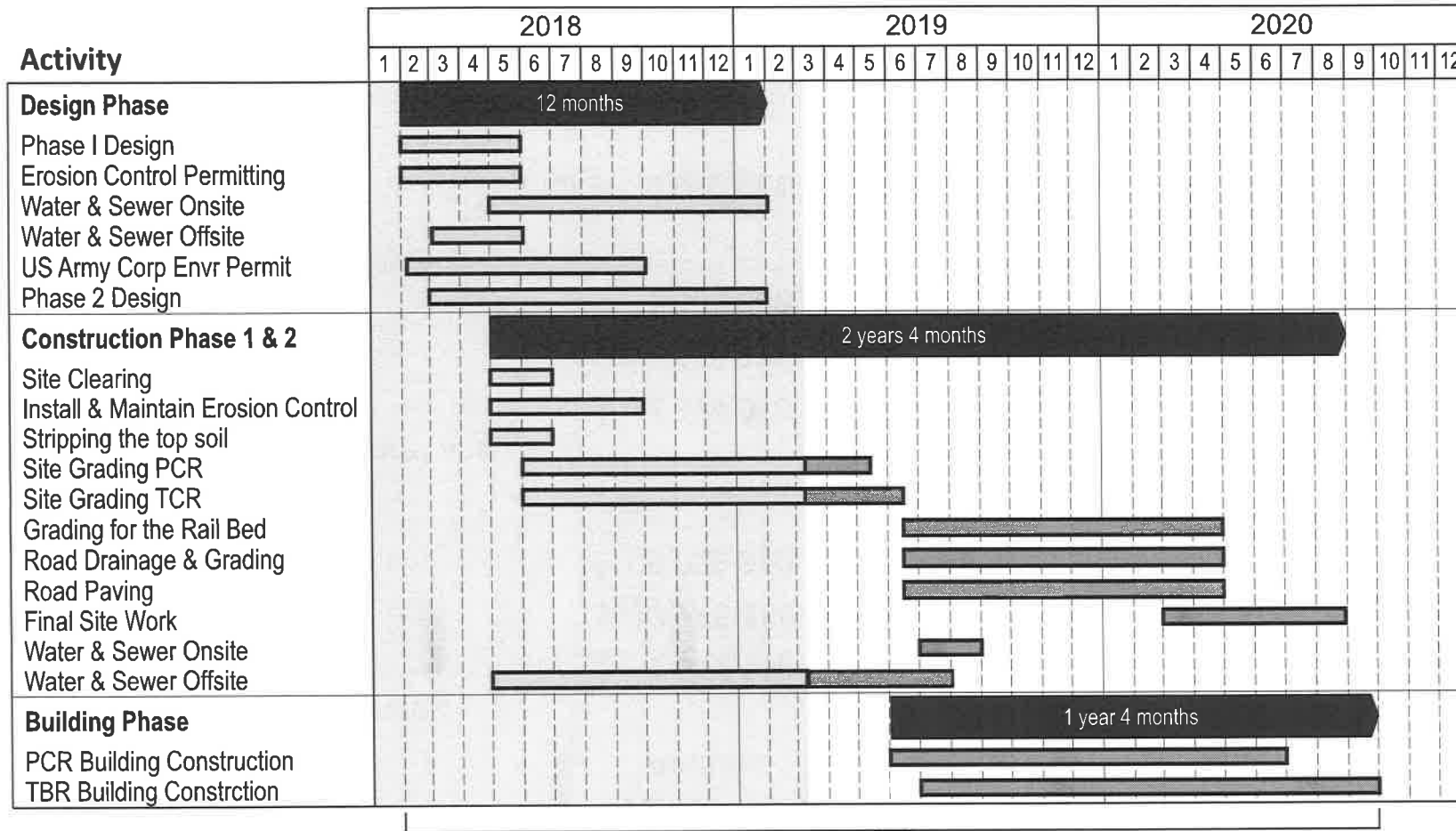


Introduction

- In December 2017, it was announced that Triangle Tyre, a Chinese tire maker, would receive \$152 million in incentives to build two plants employing 800 people at the Kingsboro megasite, which is almost 1,500 acres. The company plans to invest \$580 million, with construction by the company of the first facility expected to start in 2019. This construction will be a major economic impact for Edgecombe County. NCDOT and the contractor have accelerated the timeframe to deliver the site on the schedule Triangle Tyre is requesting. The department and contractor have broken up the project into two phases, which are detailed below:
- Phase 1
- The Department of Transportation awarded a progressive-design-build contract to Barnhill Contracting Co. of Rocky Mount. The first phase of the contract includes \$12.9 million to do grading and site development on about 200 acres.
- The work in phase 1 is about 90 percent complete.
- Phase 2
- For the second phase, the department and the contractor will negotiate the price. The negotiations recently have begun, with the goal of finalizing the cost by February, when work for the second phase can begin.
- The following roads will be improved under this phase of the contract:
- Construct a new, two-lane access road to the site extending from Kingsboro Road to U.S. 64 Alternate
- Widen Kingsboro Road to three lanes to accommodate a left-turn lane onto the new access road
- Construct turn lanes on U.S. 64 Alternate to allow westbound traffic to turn left onto Kingsboro and to turn left onto Harts Chapel Road
- Construct a freight access road for trucks leaving the site via Harts Mill Run Road
- Construct the subgrade and sub-ballast, or rock foundation, where the railroad will be built to access the Kingsboro site.
- After Triangle Tyre constructs its buildings, the NCDOT contractor, as part of this second phase will pave the main site road, parking lots, and complete other final construction items.

Project Overview – Contract Phase

- December 17, 2017 Announcement was made for Triangle Tyre to locate in Edgecombe County, NC.
- January 18, 2018 Request for Letters of Interests were sent to Contractors for a Progressive Design Build Contract.
- January 23, 2018 8 Contractors were shortlisted to 3 Contractors (Barnhill, Granite, and Carolina Mega Site Contractors)
- February 21, 2018 Barnhill Contracting Company was selection based on Quality Selection and Price Proposal
- May 21, 2018 Construction Began in non-jurisdictional areas



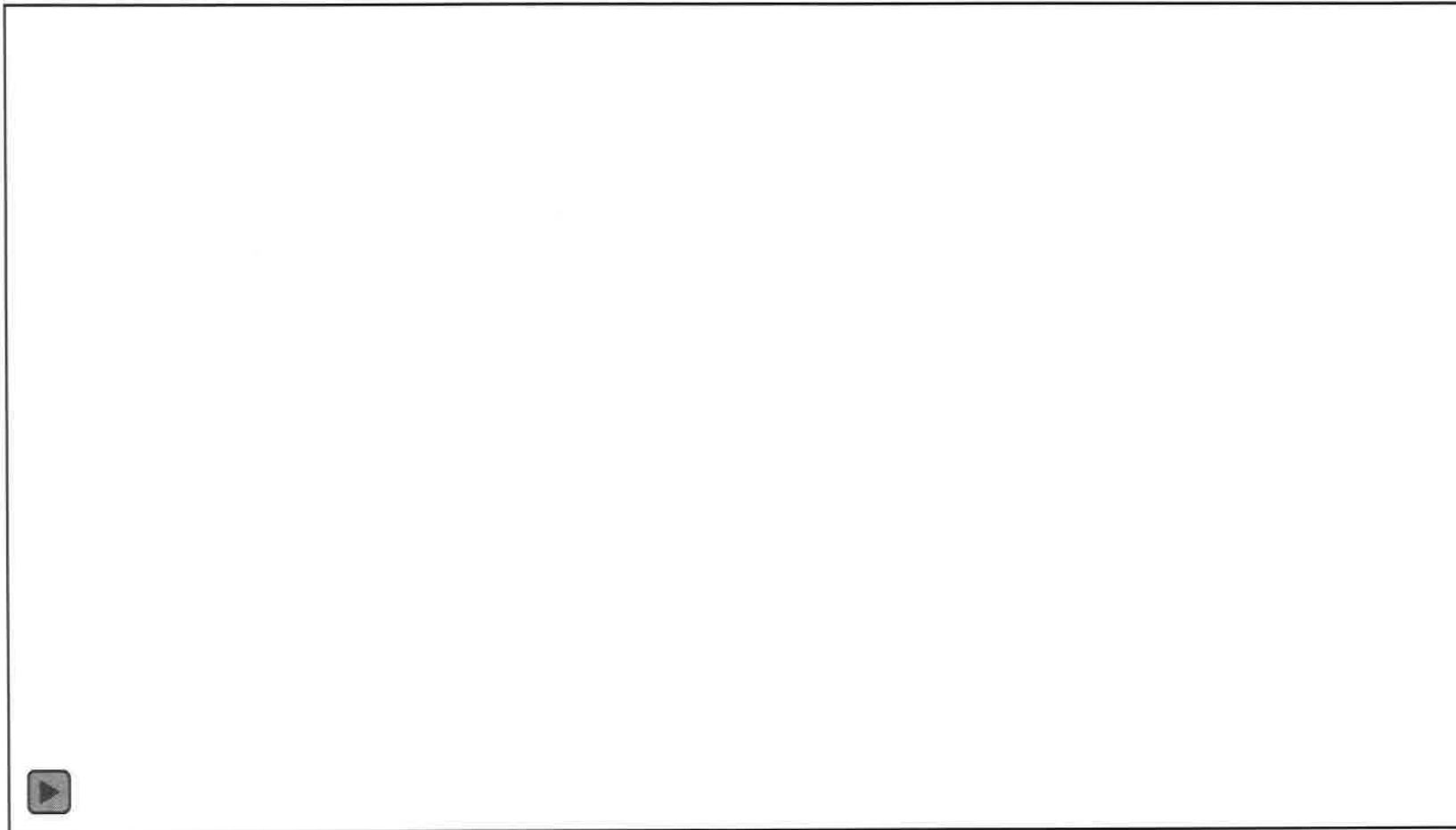
Development timeframe 2 years 8 months

Kingsboro Project Report

Senate Bill 99 - Section 34.3 (C)

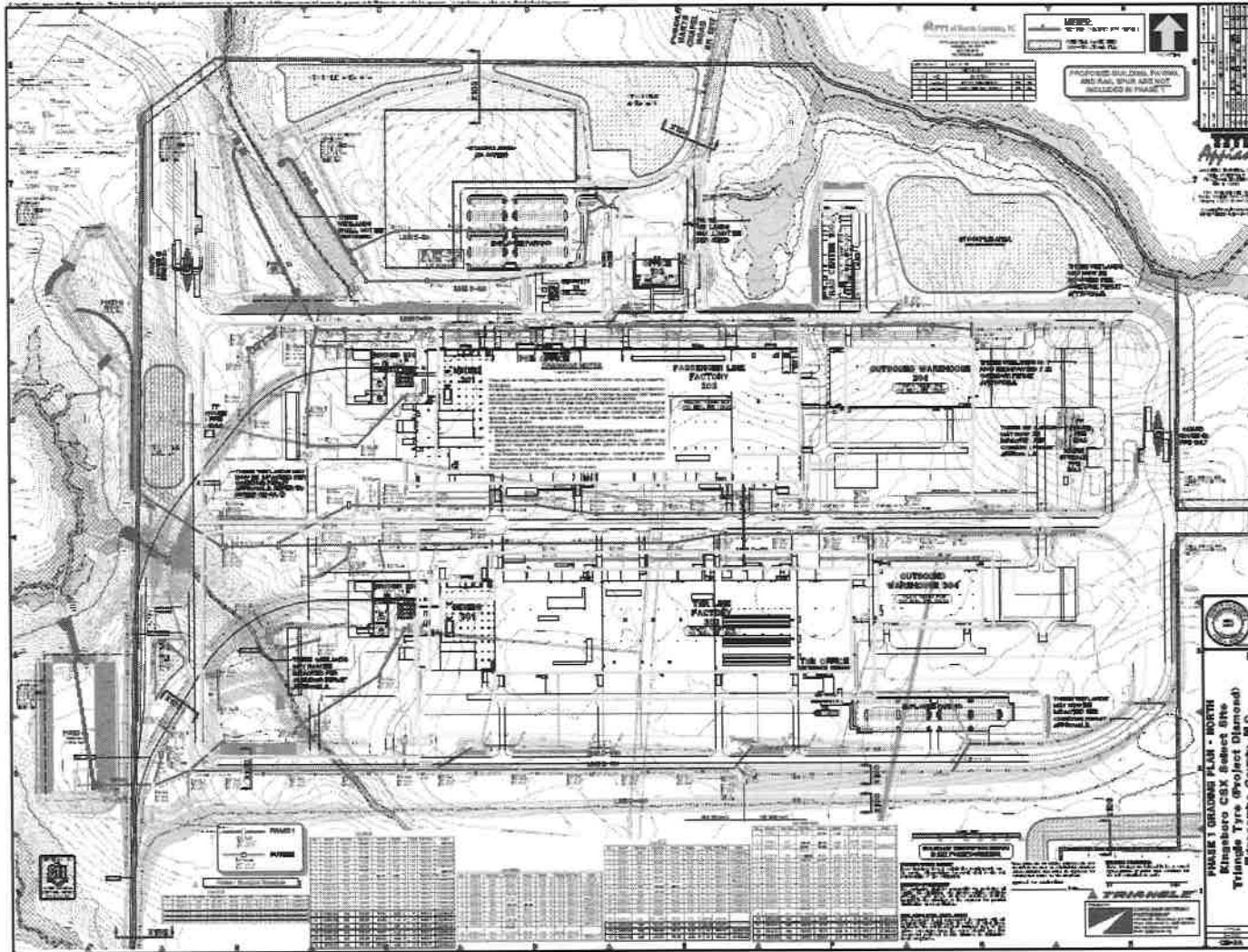
Item of Work	Total Estimate Amount	Total Paid to Date	Estimated % Complete	Estimated Completion Date
Engineering(Staking, Survey, Engineering, Testing)	\$ 1,342,500	\$ 1,562,580	116%	May-20
Site Work (Building)	\$ 17,275,450	\$ 14,233,677	82%	May-20
Access Road	\$ 5,028,360			May-20
Utility Relocation				May-20
Utility Construction (Water and Sewer)	\$ 2,374,950	\$ -		May-20
Wetland (7ac)	\$ 2,478,740	\$ -		
Contingency	\$ 1,500,000	\$ -		
Total	\$ 30,000,000	\$ 15,815,048		

Triangle Tyre Construction Video

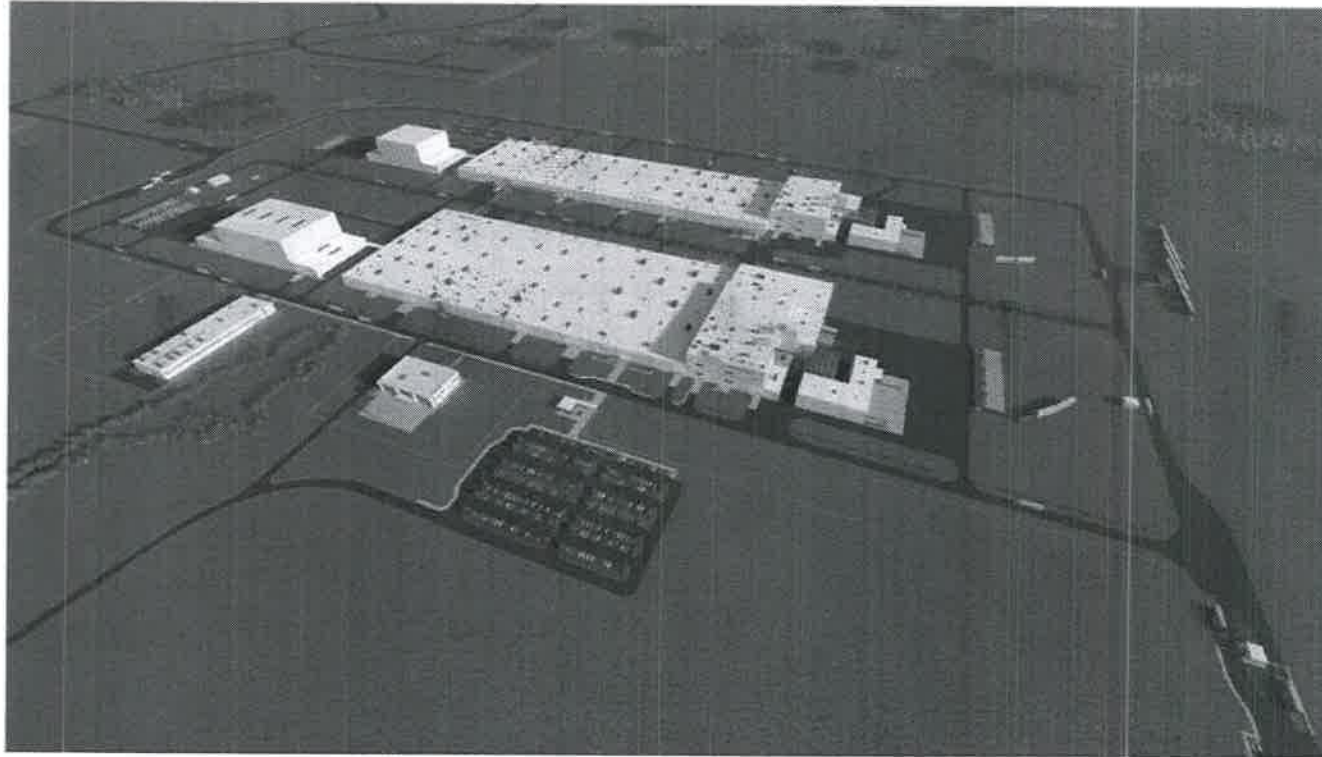


PHASE 1 AERIAL - NORTH
Kingsboro CSX Select Site
Triangle Tyre (Project Diamond)

Triangle Tyre – Remaining work in Phase One



Triangle Tyre – Rendering



KA / AEPC

 **TRIANGLE**

TRIANGLE TYRE (USA) TECHNOLOGIES, LLC
NEW U.S. MANUFACTURING FACILITY PROJECT

Summary –

- Since the May 21, 2018 construction start date its has rained 53 inches, making it unable to perform work for 70 days.
- Despite weather delays, Barnhill has moved over 1,000,000 Cubic Yards of Material and laid over 2 miles of pipe.
- When the weather breaks, we will deliver the Passenger Tire Building Pads by May 13, 2019 for foundation construction and we will deliver the Truck Tire Building Pads by June 23, 2019 for foundation construction within Triangle Tyre's construction schedule.
- This project would not be possible without a strong team, including the strong leadership of the general assembly that made this project possible.

Questions?



NORTH CAROLINA
Department of Transportation



Powell Bill Overview

Dr. Majed Al-Ghandour, NCDOT

To: Joint Appropriations Committee on Transportation
March 20th, 2019

Street Aid to Municipalities - Powell Bill Funds

- Funds allocated from the Highway Fund to provide financial assistance for streets maintained by municipalities
- **S.L. 2013-183:** Eliminated One and three-fourths cents (1 3/4c) tax on each gallon of motor fuel taxed and eliminated revenue allocated and appropriated from the Highway Trust Fund. Established ten and four-tenths percent (10.4%) annual appropriation of the State Highway Fund using the statutory formula:
 - FY 2013-2014 - \$147.5M
 - FY 2014-2015 - \$147.5M
- S.L. 2013-183 also directed funds could be used “for planning, construction and maintenance of bikeways, greenways, or sidewalks.”
- **S.L. 2015-241:** Eliminated statutory formula and established **fixed appropriation** from the State Highway Fund:
 - FY 2015-2016 - \$147.5M
 - FY 2016-2017 - \$147.5M
- S.L. 2015-241 also directed funds be used “primarily for the resurfacing”
- **S.L. 2017-257:** Continued fixed appropriation from the **State Highway Fund**:
 - FY 2017-2018 - \$147.5M
 - **FY 2018-2019 - \$147.5M**
- S.L. 2017-257 also directed a report looking at Population Seasonal Shift Impact on the formula

Total Appropriation : FY 2015 – FY 2019

Fixed appropriation from the State Highway Fund:

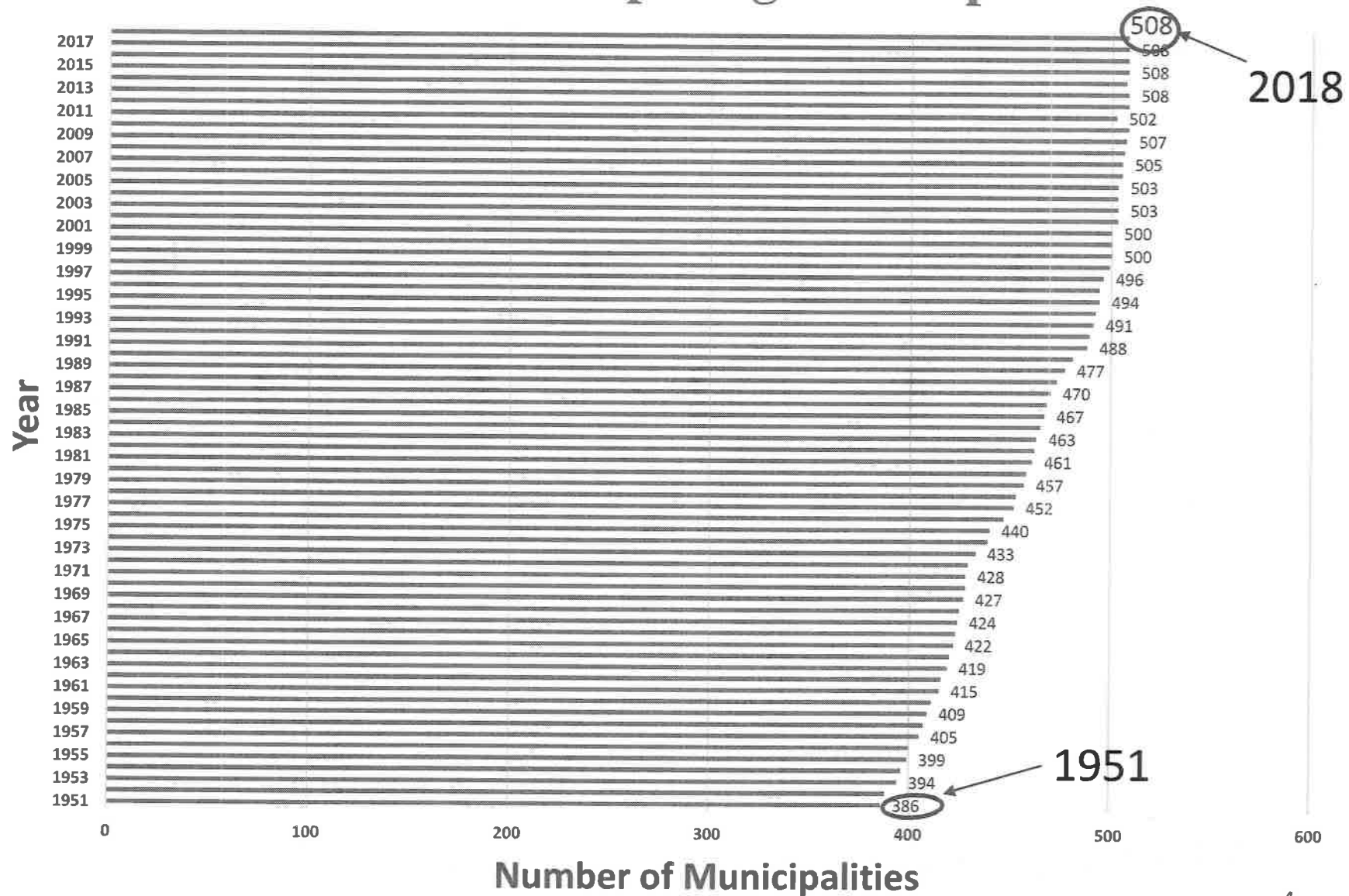
FY 2015-2016 - \$147.5M

FY 2016-2017 - \$147.5M

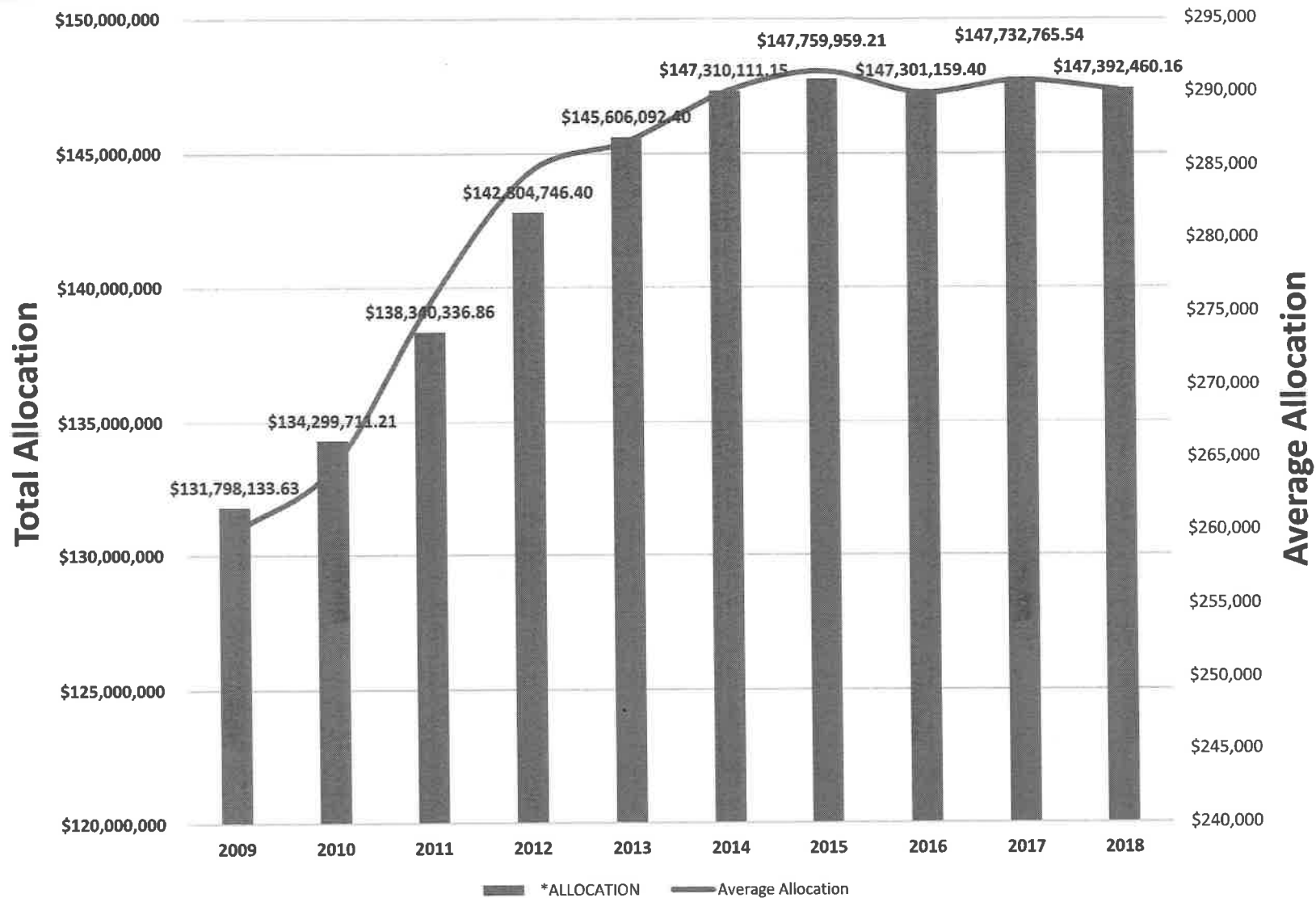
FY 2017-2018 - \$147.5M

FY 2018-2019 - \$147.5M

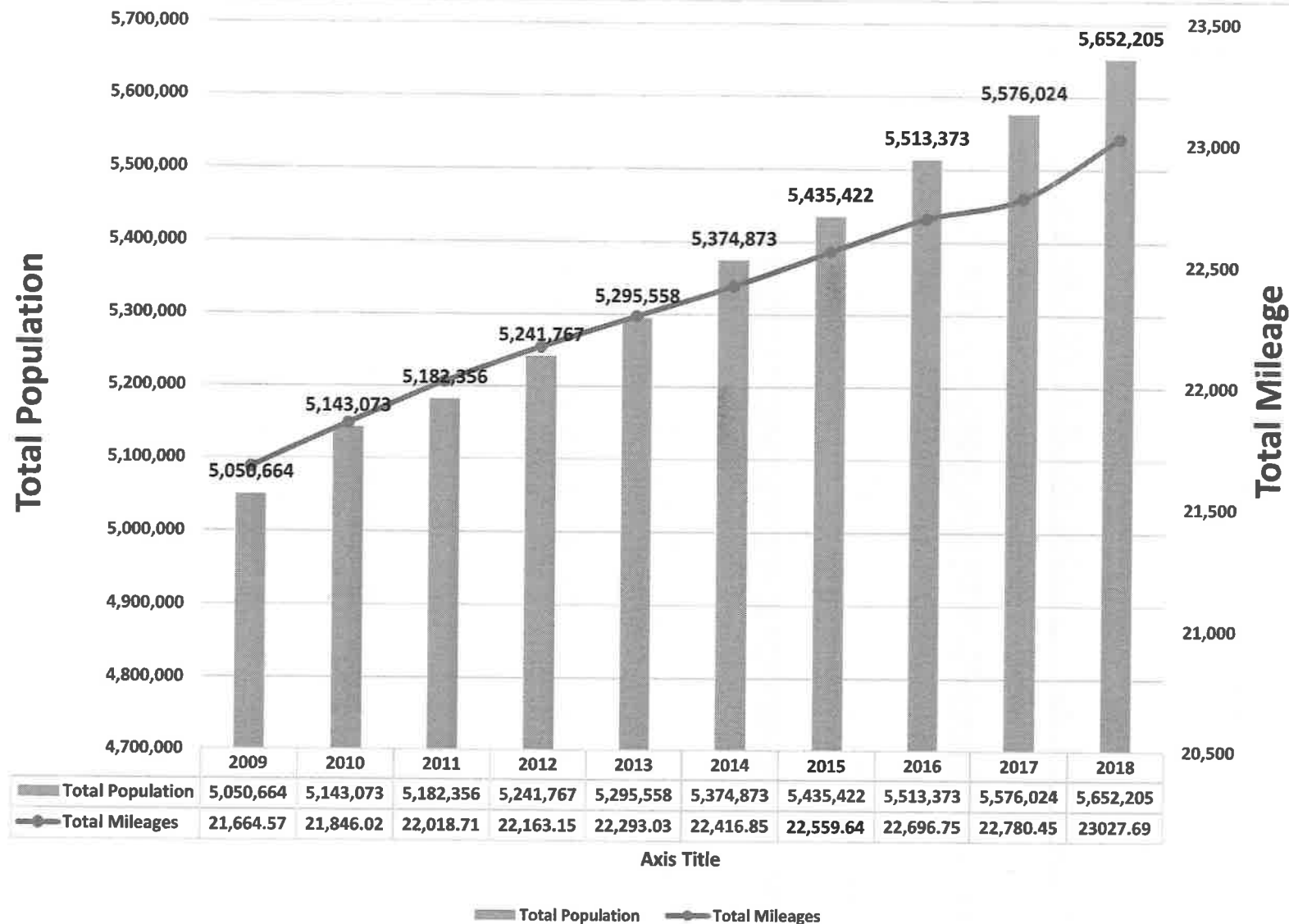
Number of Participating Municipalities



Powell Bill Total /Average Allocations: 2009-2018



Total Population and Mileage Trends: 2009-2018



Allocation Formula

NCGS 136-41.1(a)



75%

25%



2018 Allocation
\$147,392,460.16

5,652,205 population = \$19.56 per capita
23,027.69 miles = \$1,600.17 per mile

* Mileage of the public streets which are not part of the state or federal highway system.

Status of 2018 Distribution

- Distribution of \$147.4 million to 508 municipalities for 2018 has been completed.
- About 90 percent of the municipalities have a population less than 20,000. Those municipalities receive 28 percent of the funding.

Largest and Smallest Recipients

	Municipality	County	Population	Miles	Allocation
Three Largest	Charlotte	Mecklenburg	845,235	2,504	\$20,537,251
	Raleigh	Wake	460,285	1,099	\$10,760,267
	Greensboro	Guilford	288,190	1,035	\$7,293,172
Three Smallest	Falkland	Pitt	97	0.05	\$1,977
	Bear Grass	Martin	73	0.69	\$2532
	Raynham	Robeson	94	0.57	\$2751

Eligible Activities

- ☐ ***SL2015-241, Section 29.17D.(b) requires Powell Bill funds to be used primarily for contract resurfacing.**
- ☐ **Maintaining, repairing, constructing, reconstructing or widening of any streets or bridges**
- ☐ **Planning, construction, and maintenance on streets, sidewalks, bikeways, and greenways such as:**
 - Curb and gutter
 - Storm drainage
 - Patching
 - Resurfacing*
 - Widening
 - Snow removal
 - Sand and debris removal resulting from natural causes
 - Street sweeping
 - Purchase or rental of equipment
- ☐ **Traffic Control such as:**
 - Purchase and maintenance of traffic control devices
 - Traffic signs for proper traffic control
 - Speed bumps
 - Traffic paint for on-street parking or crosswalks
 - Traffic cones
- ☐ **Municipal Street Bond Debt Service such as:**
 - Current payment of principal or interest due on bonds outstanding issued exclusively for streets and sidewalks.

Powell Bill Expenditures for FY 2018

Expense Type	Sum of Amount	Sum of Percentage
Paving & Resurfacing	\$ 80,621,858.23	52.23%
Maintenance	\$ 33,206,302.87	21.51%
Debt Service Payment	\$ 9,514,058.52	6.16%
Sidewalks	\$ 4,791,942.52	3.10%
New Equipment	\$ 4,025,433.50	2.61%
Maintenance as part of Paving Project	\$ 3,997,252.06	2.59%
Drainage & Storm Sewer	\$ 3,405,380.02	2.21%
Snow & Ice Removal	\$ 3,246,331.78	2.10%
Traffic Control	\$ 3,148,004.86	2.04%
New Construction	\$ 2,406,434.43	1.56%
Engineering	\$ 2,328,988.14	1.51%
Curb & Gutter	\$ 1,816,788.69	1.18%
Right of Way	\$ 692,685.21	0.45%
Bridge Construction and Repair	\$ 572,920.14	0.37%
TIP (Transportation Improvement Project)	\$ 434,786.95	0.28%
Greenways	\$ 101,791.26	0.07%
Bikeways	\$ 44,928.89	0.03%
Grand Total	\$ 154,355,888.07	100.00%

S.L. 2017- 57

**STATE AID TO MUNICIPALITIES/NO FUNDS IF MUNICIPALITY FAILS TO FILE
STATEMENT AND STUDY HOW TO ACCOUNT FOR SEASONAL
POPULATION SHIFTS**

SECTION 34.17.(a) G.S. 136-41.3 reads as rewritten:

**"§ 136-41.3. Use of funds; records and annual statement; excess accumulation of funds;
contracts for maintenance, etc., of streets.**

(a) Uses of Funds. – Except as otherwise provided in this subsection, the funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall be expended by said cities and towns primarily for the resurfacing of streets within the corporate limits of the municipality but may also be used for the purposes of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality or for meeting the municipality's proportionate share of assessments levied for such purposes, or for the planning, construction and maintenance of bikeways, greenways, or sidewalks. The funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall not be expended for the construction of a sidewalk into which is built a mailbox, utility pole,

...
(b1) **Failure to File.** – A municipality that fails to file the statement required under subsection (b) of this section by October 1 is ineligible to receive funds allocated on October 1 under G.S. 136-41.1 or G.S. 136-41.2 for the fiscal year in which the municipality failed to file the statement. A municipality that fails to file the statement required under subsection (b) of this section by January 1 is ineligible to receive funds allocated under G.S. 136-41.1 or G.S. 136-41.2 for the fiscal year in which the municipality failed to file the statement.
...."

SECTION 34.17.(b) Study. – The Department of Transportation shall study how to adjust the formula in G.S. 136-41.1(a) to account for seasonal shifts in municipal populations. The Department of Transportation shall report its findings, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

SECTION 34.17.(c) Effective Date. – G.S. 136-41.3(b1), as enacted by subsection (a) of this section, is effective when it becomes law and applies to allocations on or after that date. The remainder of this section is effective when it becomes law.

SL 2017- 57

- Population Seasonal Shift Changes



Finding 1. Other DOTs Current Practice in Allocating Funding for Local Roads Maintenance

Preliminary

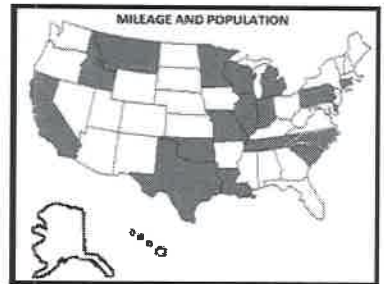
6 States
Distribute Based
on Mileage
Only



11 States
Distribute Based
on Population
Only



18 States
Distribute Based
on Mileage and
Population



*15 States used other factors for funding distribution

#	State	Distribution Based on		
		Population	Mileage	Others
1	California	75%	25%	
2	Connecticut	Pro rata	\$1,500/mile for first 32 mile	
3	Delaware	40%	60%	
4	Idaho	30%	31.5%	38.5%
5	Illinois	33.3%	33.3%	33.3%
		35%	16%	49%
6	Indiana	66.4%	21%	1.6%
		60.0%	40%	
		20%	80%	
7	Louisiana	Various rate for 6 classifications	Allocation base on mileage for municipalities with population grater than 475,000	
8	Michigan	20%	80%	
9	Minnesota	10%	30%	60%
10	Mississippi	33.3%	33.3%	33.3%
11	Montana	45.8%	45.8%	8.4%
12	North Carolina	75%	25%	
13	Oklahoma	21%	31%	48%
14	Pennsylvania	50%	50%	
15	South Carolina	33.3%	33.3%	33.3%
16	Tennessee	33.3%	33.3%	33.3%
17	Texas	49.2%		50.2%
18	Wisconsin	40%	60%	

Finding 2. Reliable Data Sources for Seasonal Population Estimation

Seasonal Population: Number of visitors to a city who stay between one day to six months.

1. Census 2010 data is the most comprehensive and reliable data.
2. Other reliable and cost-efficient sources for seasonal population estimations are:
 - NC State Demographer's Office
 - 5-Year American Community Survey (ACS)
 - Seasonal Tourism Volume

Preliminary

Population	Components	Data Source	Where to add it to the proposed formula?	Will be feasible to account?	Is it relevant?
Permanent Population	Household population	NC State Demographer's Office	Population	Yes	Yes
	Military population	NC State Demographer's Office	Population	Yes	Yes
	Students (College students living in dorms)	NC State Demographer's Office	Population	Yes	Yes
	Prisoners	NC State Demographer's Office	Population	Yes	Yes
Seasonal Population	Seasonal residents	2010 US Census 5-year American Community Survey Seasonal Tourism Volume NC State Demographer's Office	Population	Yes	Yes
	Agricultural/Seasonal workers	US Census Bureau	Population	No	No
Others	Commuters	Employment patterns (US Census Bureau)	Mileage	Yes	Yes
	Daytripper	Cellphone data	Mileage	No	Yes

Finding 3. Estimating Seasonal Population

$$SPop = \frac{\left[\left(\frac{Seas_{HU_{2010}}}{HU_{2010}} * HU_{2017} \right) * ATPS_{2017} \right] * \sum_{i=1}^4 (p_{seas_i})}{4}$$

$$\text{Seasonal Population Ratio} = \frac{SPop}{Pop_{2017}}$$

SPop: Seasonal population estimate

Seas_HU₂₀₁₀: Housing units vacant for seasonal and recreational use (2010 US Census)

HU₂₀₁₀: Housing Units in 2010 (2010 US Census)

HU₂₀₁₇: Housing Units in 2017 (2017 5-Year ACS)

ATPS₂₀₁₇: Average travel party size (Seasonal Tourism Volume, 2013-2017)

p_{seas_i}: In each season, a percent of visitors to the peak season visitors (Seasonal Tourism Volume, 2013-2017)

Pop₂₀₁₇: Permenat population estimate (2017 NC State Demographer's Office)

Impact

The suggested formula yielded an estimated 113,573 seasonal residents or a 1.97% population increase statewide.

Seasonal Population to Permanent Population
Ratio in 2017

Seasonal Population Ratio	# of Municipalities
>100%	24
50-99%	8
25-49%	8
10-24%	20
6-9%	9
3-6%	31
1-2%	96
<1%	356
Total	552



NORTH CAROLINA

Department of Transportation



School Transportation Improvements – Legislative Update

Dr. Joe Hummer, P.E.

March 2019

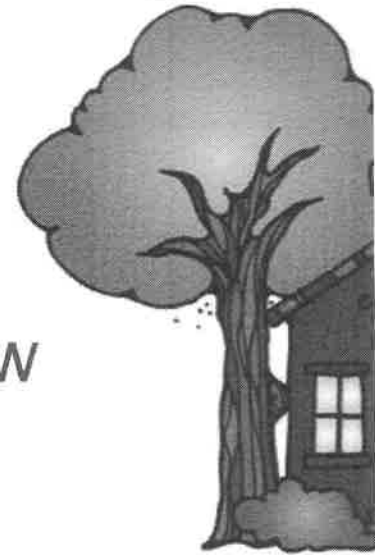
Re-Cap

All transportation improvements required for a new school, an expanding or relocating school shall be reimbursed by NCDOT on state maintained roadways, and by the respective municipality on municipal maintained roadways.

School may hire a prequalified engineer instead of a NCDOT and/or municipal review.

Definition of a School

- Covers ALL schools grades K-12th
 - Satisfy the Compulsory Attendance law
 - School types include:
 - Public
 - Private
 - Charter
- Pre-school and Post twelve grade educational facilities are not eligible for reimbursement.



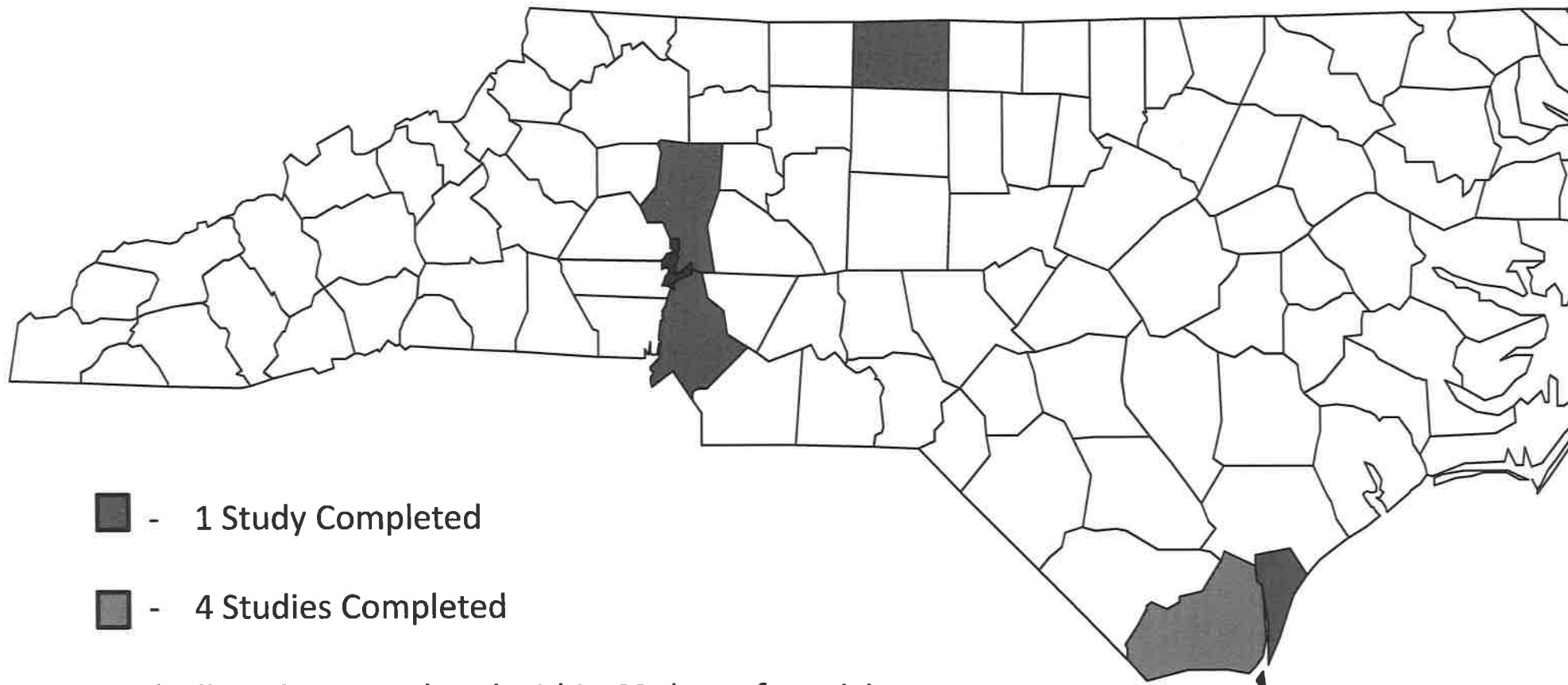
Received Requests

Year	TIA Tracker	MSTA Tracker/Requests
2016	0	N/A
2017	15	N/A
2018	135	23
2019	9	20

TIA – Traffic Impact Analysis (study)

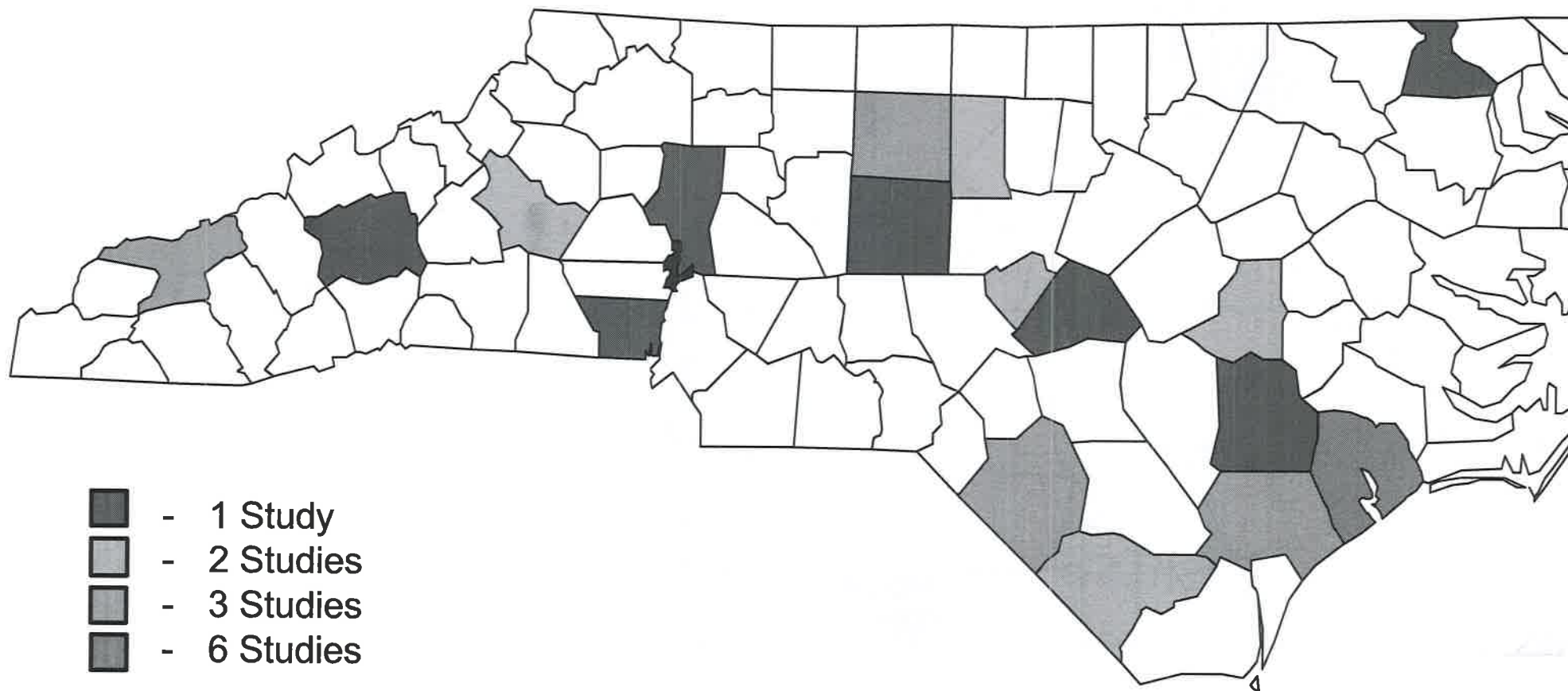
MSTA – Municipal and School Transportation Assistance

In-House Studies (completed)

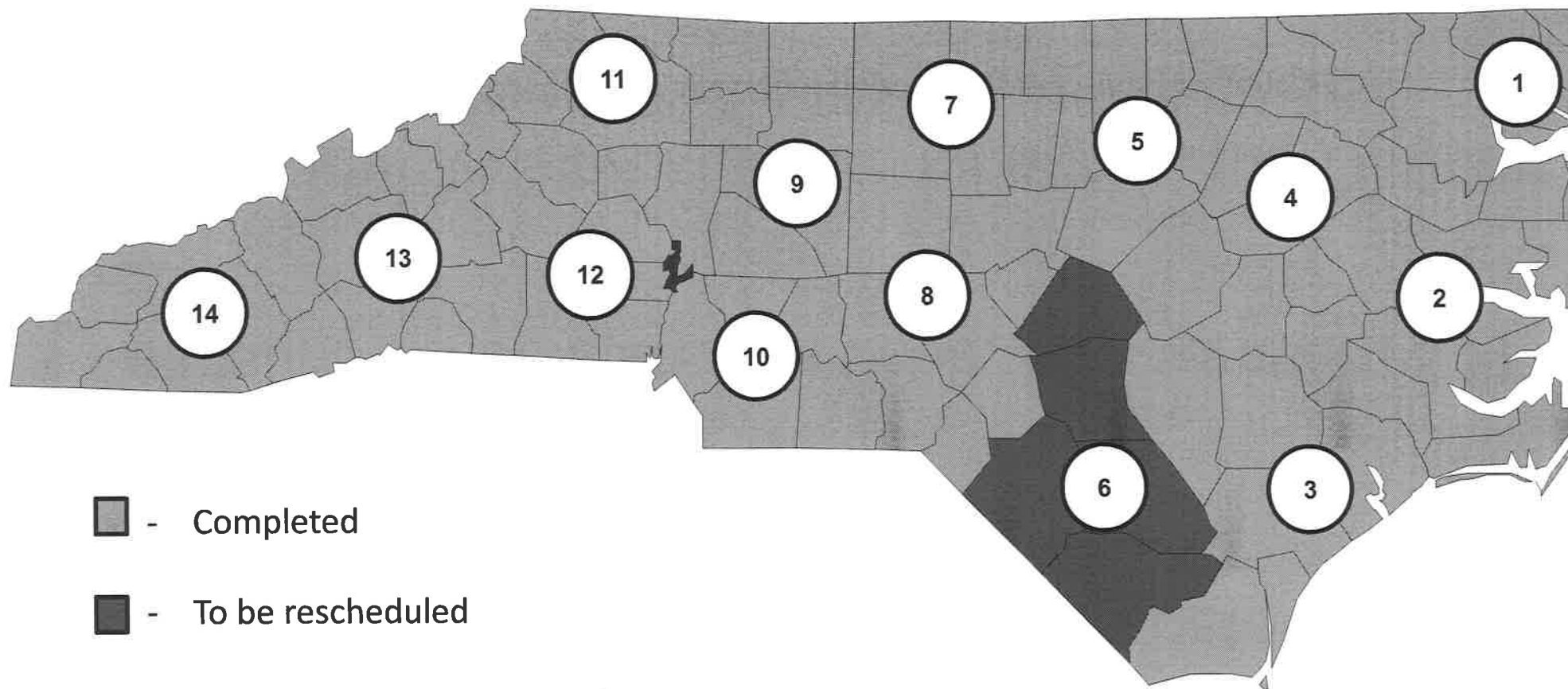


* All studies completed within 60 days of receiving all required information

In-House Studies (ongoing)



Division Educational Tour (“Road Show”)



Transportation Improvement Requirements

State Traffic Engineers Office (STEO) determines what are required reimbursable improvements.

- For cost control
- To insure schools are not used to circumvent STI

If STEO and Division staff do not agree, the Division Engineer and State Traffic Engineer will decide.

Challenges

- Many sites already have traffic needs
 - Mixed developments
 - Incomplete information and many changes
 - New process – people are still learning
 - Charter School time lines
 - Turnover of persons involved (schools, DOT, PEF, etc.)
-

Concerns

Some concerns about how private and charter schools select contractors. They do not have the same requirements for public agencies.

- NCDOT has implemented an independent internal estimate for same to help manage cost.
 - If reimbursement request is 10% over the NCDOT estimate justification must be provided by the school.
 - If PE cost is over 15% of the construction estimate justification must be provided by the school.
 - So far, with a handful of reimbursements, this has not been an issue are also considering other items to facilitate.
-

What is Working Well

- Reduces school fear of massive changes and improvements
- Education of those involved (people understand better)
- Resource availability

The screenshot shows the 'Connect NCDOT BUSINESS PARTNER RESOURCES' website. The navigation bar includes links for 'Doing Business', 'Bidding & Letting', 'Projects', 'Resources', 'Local Governments', and a search bar. Below this, a secondary navigation bar lists 'Bridge Reuse', 'Interagency Leadership', 'Local Projects', 'Planning', 'School Transportation' (which is highlighted), 'State Airport Aid', and 'State Street'. The main content area is titled 'Municipal School Transportation Assistance (MSTA)' and describes the program's purpose: 'MSTA performs studies that address the safety concerns with the overall pedestrian safety and traffic operations on a school campus, and how traffic affects adjacent state roadways'. A breadcrumb trail reads 'Home > Connect NCDOT > Local Governments > School Transportation'. The 'Schools' section explains that MSTA performs studies to address safety concerns and has developed a database of specific data compared to similar schools across North Carolina. It also notes that AM traffic operations usually operate safely and efficiently, while PM traffic operations are more challenging due to parent traffic arriving well before dismissal, leading to queues and potential accidents. The 'Resources' section lists several documents: 'Municipal & School Transportation Assistance Presentation', 'Transportation Considerations for School Site Selection', 'School Transportation Issues', and 'Helping a School SOAR 10_09_2013'. On the right side, there is a sidebar with a 'ZIP' search box, a section titled 'MSTA Sch' with a 'Sc' icon, and a list of 'The MSTA S' provided by various entities including 'M', 'Trai', 'Transp', 'E', 'North Carolin', and 'Excel Re'.

Connect NCDOT
BUSINESS PARTNER RESOURCES

Doing Business Bidding & Letting Projects Resources Local Governments Search...

Bridge Reuse Interagency Leadership Local Projects Planning School Transportation State Airport Aid State Street

Municipal School Transportation Assistance (MSTA)

MSTA performs studies that address the safety concerns with the overall pedestrian safety and traffic operations on a school campus, and how traffic affects adjacent state roadways.

Home > Connect NCDOT > Local Governments > School Transportation

Schools

MSTA performs studies that address the safety concerns with the overall pedestrian safety and traffic operations on a school campus, and how traffic affects adjacent state roadways. To calculate the school operations, MSTA has developed a database of specific data that is compared to similar schools across North Carolina.

Data indicates that AM traffic operations on a school campus usually operate safely and efficiently due to parent traffic arriving at a broader range of times. PM traffic operations are quite different, most often parents arrive well before the school dismissal and park or queue (back up) along the campus driveway. The PM queue often results with vehicles stopped in the roadway or along the shoulder of a major through route, which increase the chances of accidents and similar traffic related safety concerns.

Resources

- Municipal & School Transportation Assistance Presentation
- Transportation Considerations for School Site Selection
- School Transportation Issues
- Helping a School SOAR 10_09_2013

MSTA Sch
ZIP
Sc
The MSTA S
Provided by:
M
Trai
Transp
E
North Carolin
Excel Re

What is Working Well

Board of Transportation has approved policy to allow on campus transportation improvements with certain state funds. This allows more effective treatment and cost effective solutions.

More focus on transportation issues around schools

Solved the one and done issue with school developments

To Be Determined

We have not received as many reimbursement requests

- To date less than \$5 million
- We expect that there is more than \$35 million yet to be received and growing each year.

Impact on small communities

- Cost reimbursement for small municipalities may overwhelm
 - Have not seen this yet, but have made staff aware of the issue when reviewing schools.
-

To Be Determined

Working with mixed development

- Mixed projects (developer and school) outside municipalities
- Mixed large scale development in highly urban centers

Need to encourage more school bus use by students

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

03/20/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

JACKSON THANE	J5C
[Signature]	RANK NCMA LPA, NCPBA
[Signature]	[Signature]
GREGG BEADY	NC DOT
Tim Little	NC DOT
Justin DeBarcey	NC DOT
Ronnie Keeter	NC DOT
Joseph Hummer	NC DOT
Julie White	NC DOT
DAN HOWARD	NC DOT
C S HOLLIS	CSA

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

Name of Committee

03/20/2019

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tracy Montross	American Airlines
Dan Palmer	OSBM
VAN ARGABRIGHT	NCDOT
Majed Al Chandon	NCDOT
BOBBY WALSTON	NCDOT - AVIATION
Deans Eatman	NCDOT
ANNE LAsley	Cardinal Consulting
Massiel Perez	NCDOT

**House Committee on Appropriations, Transportation
Tuesday, March 26, 2019 at 8:30 AM
Room 1228/1327 of the Legislative Building**

MINUTES

The House Committee on Appropriations, Transportation met at 8:30 AM on March 26, 2019 in Room 1228/1327 of the Legislative Building. Representatives Beasley, Iler, Martin, Presnell, Russell, Shepard, Torbett, and Willingham attended.

Representative Phil Shepard, Chair, presided.

Representative Shepard welcomed the Page and Sgts-at Arms: Gilbert, Foster, Salisbury, Leighton and Green. Senate Page John Hollowell

The following presentation was delivered to the committee:

Rail Division Overview

By: Jason Orthner, NCDOT Rail Division Director (attachment 1)

Committee had many questions answered by staff.

The meeting adjourned at 9:44 a.m.



Representative Phil Shepard, Chair
Presiding



Pamela Pate, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Tuesday, March 26, 2019
TIME: 8:30 AM
LOCATION: 1228/1327 LB
COMMENTS: Chair: Representative Shepard

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:10 PM on Monday, March 25, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Viddia Torbett (Committee Assistant)

Joint Committee on Appropriations, Transportation

Tuesday, March 26, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Representative Phil Shepard, presiding
Representative Frank Iler
Representative Michele Presnell
Representative John Torbett

Senator Jim Davis
Senator Tom McInnis

1. Call to Order
2. Rail Division Overview
Jason Orthner, NCDOT Rail Division Director
3. Committee Discussion

Next meeting: Wednesday, March 27th



NORTH CAROLINA
Department of Transportation

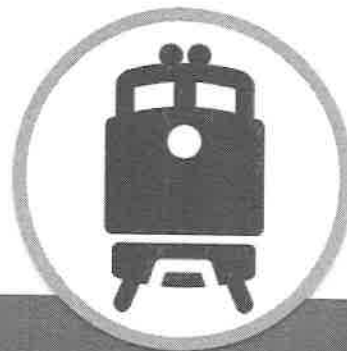


Rail Division Overview

Jason Orthner, P.E.
Rail Division Director

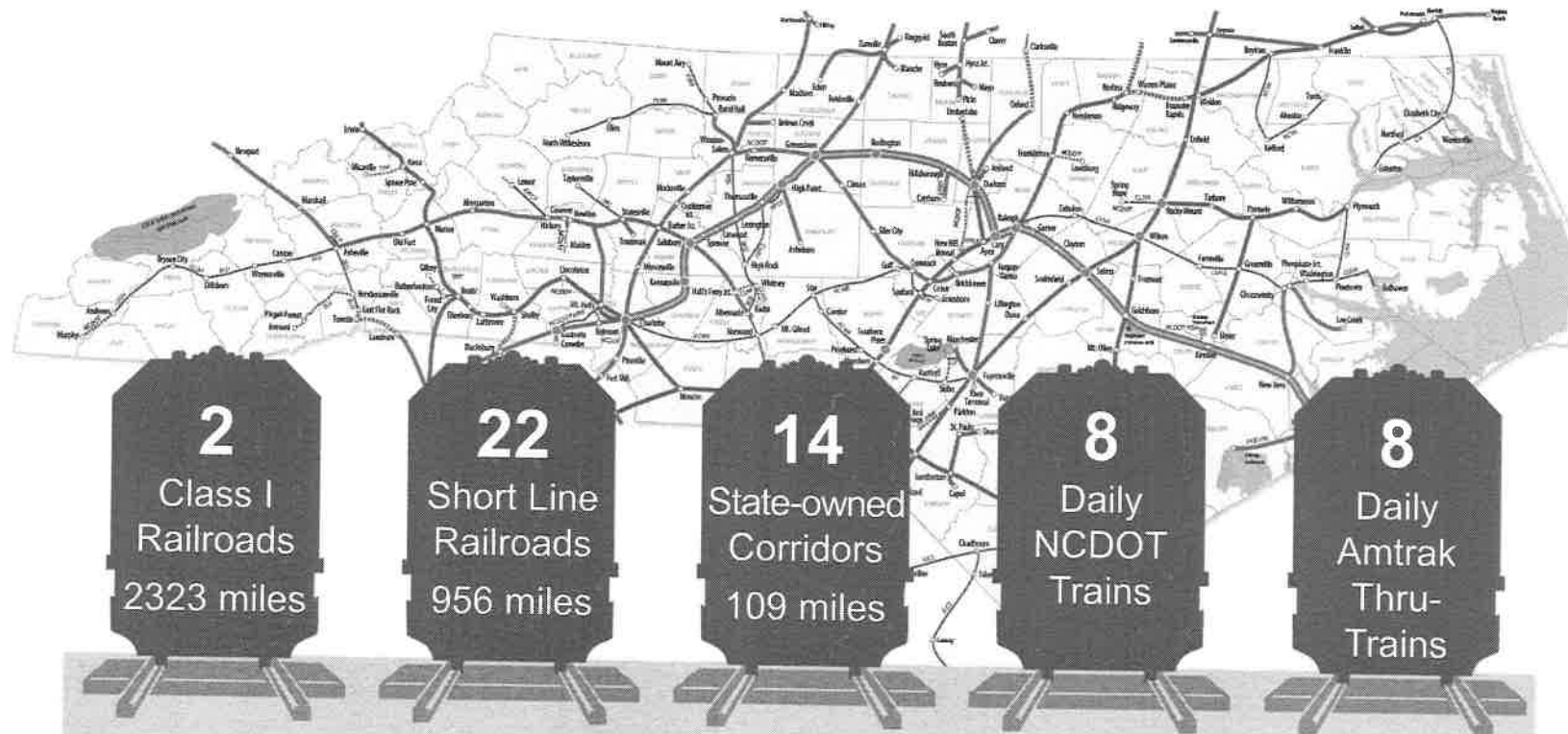
March 26, 2019

Rail Division Mission



The safe and efficient movement of people and goods on North Carolina's railroads through freight, passenger and safety programs, supporting job creation and economic growth.

Railroads Operate in 86 NC Counties



Direct Economic Impacts for Freight and Passenger Rail in North Carolina – \$1,875M

Freight – \$1,754M, Passenger – \$121M

Source: North Carolina Comprehensive State Rail Plan, 2015

Rail Programs & Services



Planning & Development

- Intermodal & Freight Planning
- STI & Project Development
- Freight Improvement Program Management
- Passenger Rail Planning
- Environmental Documentation



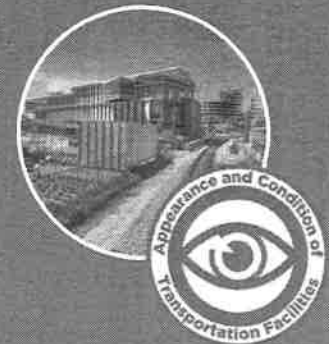
Engineering Coordination & Safety

- Crossing Safety Studies
- Crossing Surfaces & Rail Encroachments
- Grade Separation Design
- Inventory & Data
- RR/Transit Safety Oversight
- Safety Outreach & Training



Engineering Design & Construction

- Rail Project Engineering & Design
- Construction Management
- Highway Project Delivery Support
- Signals & Devices

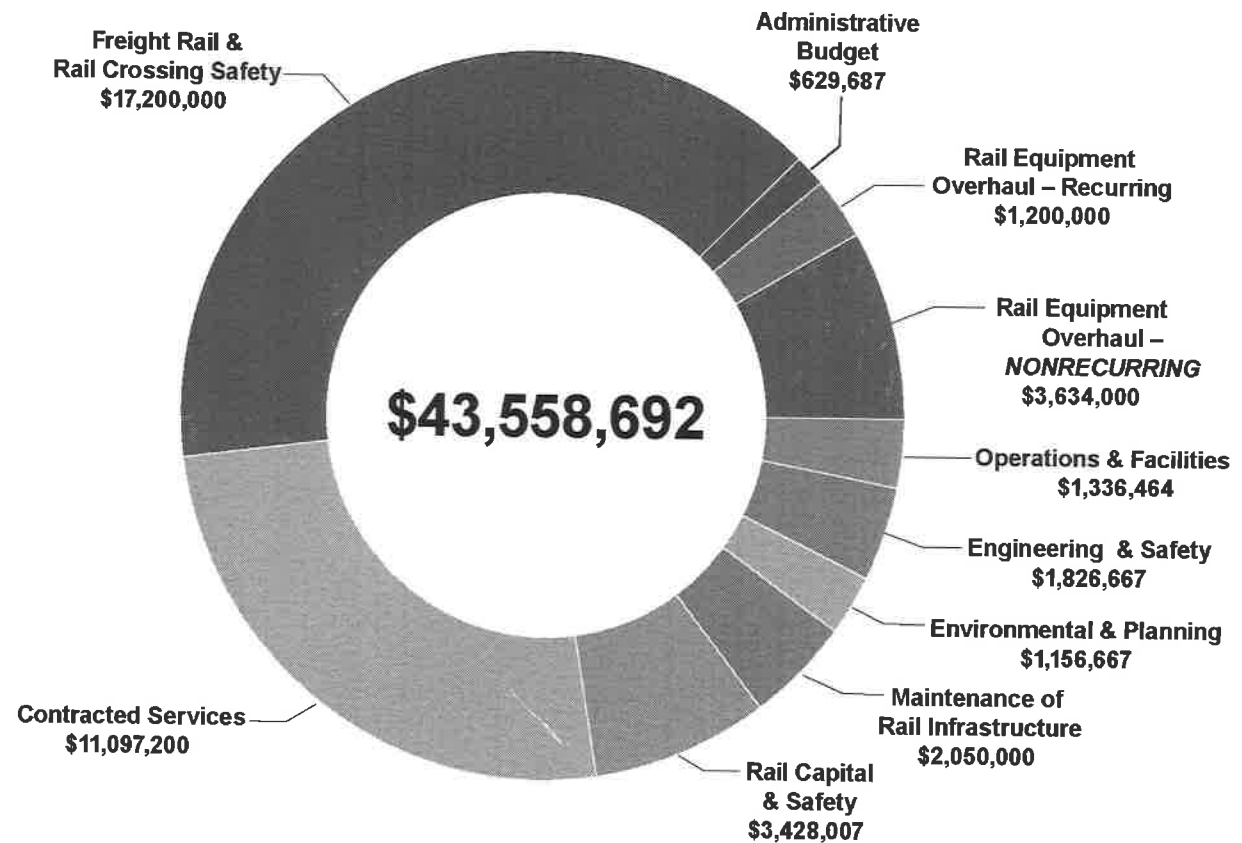


Operations & Facilities

- Passenger Operations
- Equipment, Facilities & Stations
- Customer Service
- Rail Corridor Preservation



Rail Division Budget – SFY 2019





Rail Division Receipts – SFY 2019

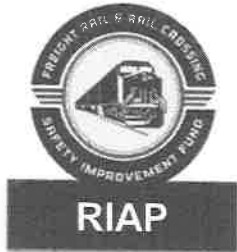
Type	Source	Amount
Ticket Revenues	Riders	\$ 24,832,880
23 USC 130 Federal/State program	FHWA	\$6,500,000
Congestion Mitigation and Air Quality	FHWA	\$5,157,843
State Planning & Research	FHWA	\$1,000,000
Rail Corridor and Facility Leases and Licenses	Lessees	\$250,000
Total Receipts & Leveraged Funds		\$37,740,723

Expansion Budget Item Included in Governor's Budget

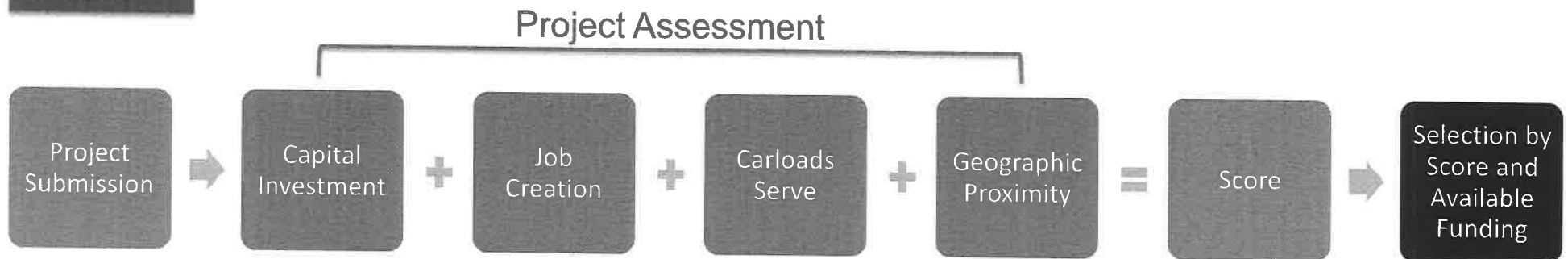


\$1.72M
FY 2021

- Assist with *Piedmont* fuel costs
- Leverage opportunity for federal (CMAQ) funding for train operations and heavy maintenance
- Average cost of diesel for Jan.-Feb. rose from \$1.18 in 2016 to \$1.92 in 2019.



FRRCSI Project Evaluation and Selection Rail Industrial Access Program

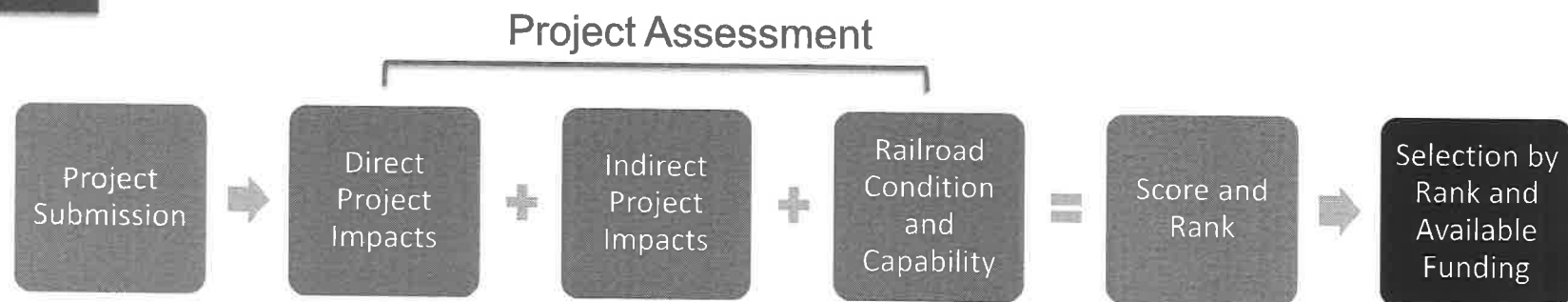


- **Projects funded since 2014: 21**
- **Maximum state investment/project: \$400,000**
- **Performance Measures and Targeted Results:**
 - **Jobs: 1,100**
 - **Additional annual carloads: Approximately 14,000**
 - **Private Capital Investment: \$637.3M**
 - **Investments in Tier 1/2 Counties: \$514.3M**



SIAP

FRRCSI Project Evaluation and Selection Short Line Infrastructure Assistance Program



- **Requires 50% match per GS 136-44.39**
- **Largest project match to date: \$3.6M**
- **Performance Measures and Targeted Results:**
 - Additional annual carloads: **Approximately 12,000**
 - Additional miles 286K track and bridges: **107**

Year	Applications	Funded
2014	13	11
2015	11	11
2016	15	6
2017	13	13
2018	13	13
2019	14	14



FRCCSI Funding and Expenditures to Date

Year	2014	2015	2016	2017	2018	2019	TOTAL
Appropriations	\$19.20M	\$3.75M	\$3.75M	\$17.50M	\$17.50M	\$17.20M	\$78.90M
Receipts		\$0.14	\$0.06	\$0.67	\$0.16		\$1.04M
Expenditures To Date		\$1.16M	\$6.45M	\$7.97M	\$8.18M	\$7.26M	\$31.02M

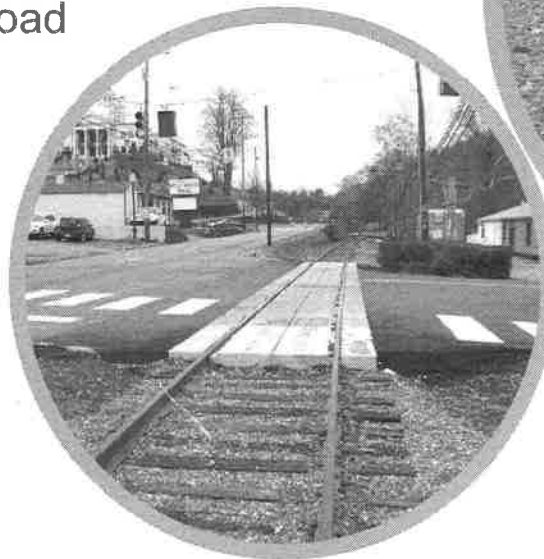
Type	Total Funding Committed*	Expenditures To Date	Private Match
Short Line Infrastructure Assistance Program	\$30.42M	\$13.80M	\$31.65M
Crossing Safety & Signal Improvements	\$31.10M	\$13.30M	\$0.07M
Rail Industrial Access Improvements	\$8.75M	\$4.45M	\$20.10M
Grand Total	\$70.23M	\$31.55M	\$51.82M

**Total funding includes completed projects and projects underway.*



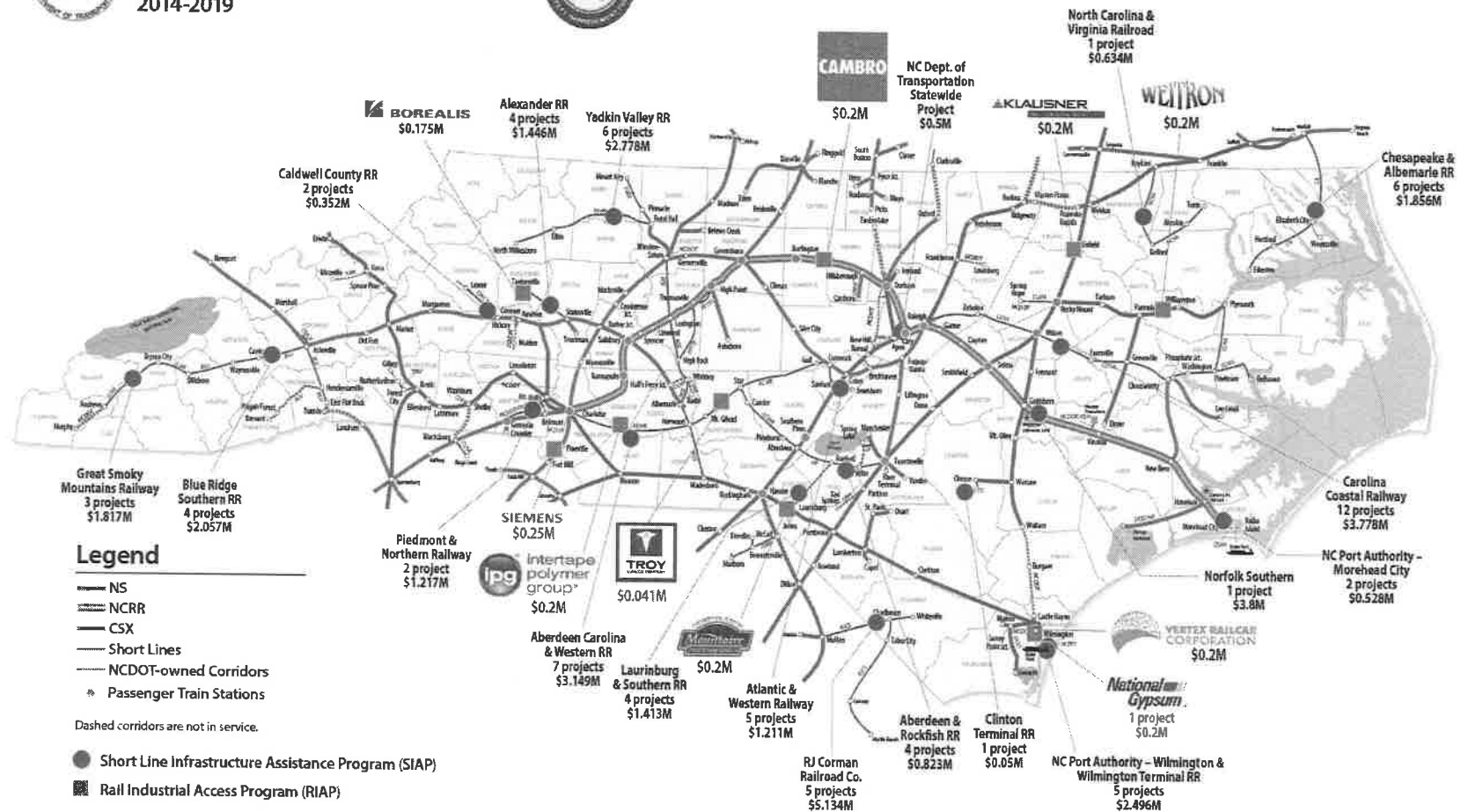
Freight Rail & Rail Crossing Safety Fund Accomplishments to Date

- Private Capital Investment – \$637.3M
- Supported 21 new industry expansion projects
- Created over 1,000 jobs
- Added over 12,500 annual carloads to the network
- Upgraded 107 miles of short line railroad
- Modernized 72 bridges
- Improved 1,010 railroad crossings
- Removed 13 railroad crossings
- Invested \$3M in NC Ports





State of NC Investment in Freight Rail Economic Development 2014-2019



Dashed corridors are not in service.

2018.08.29



FRRCSI Project Evaluation and Selection

Crossing Safety and Signals Improvements Program

Project Submission



Selection by Rank Based on
Safety Risk Assessment
and Available Funding

- Maximum state investment per project to date - **\$3.5M**
- No more than 50% of the annual budget, with no more than 20% allocated to one project.
- **Performance Measures and Targeted Results:**
 - Poor crossing surfaces upgraded: **181 projects**
 - Separate highway and rail traffic: **17 crossings removed**
 - Improve safety at existing crossings: **1,010 crossings improved**

▲ 2019
 ▲ 2018
 ▲ 2017
 ▲ 2016
 ▲ 2015
 ▲ 2014



5-Year Spending Plan

FRRCSI Capital Plan, SFY 2018-2022

Category	SFY 2018 Actual Submittals	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Short Line Infrastructure Assistance Program	\$14.6M	\$45.8M	\$30.5M	\$31.1M	\$27.5M
Crossing Consolidation and Safety	\$8.6M	\$6.6M	\$6.5M	\$3.5M	\$0.5M
Corridor Preservation	\$0.3M	\$4.3M	\$0.3M	\$0.3M	\$0.3M
Freight Diversion	\$1.2M	\$46M	\$44M	\$41M	\$26M
Rail Industrial Access Program		\$2M	\$2M	\$2M	\$2M
GRAND TOTAL	\$24.7M	\$104.6M	\$83.2M	\$77.8M	\$56.2M



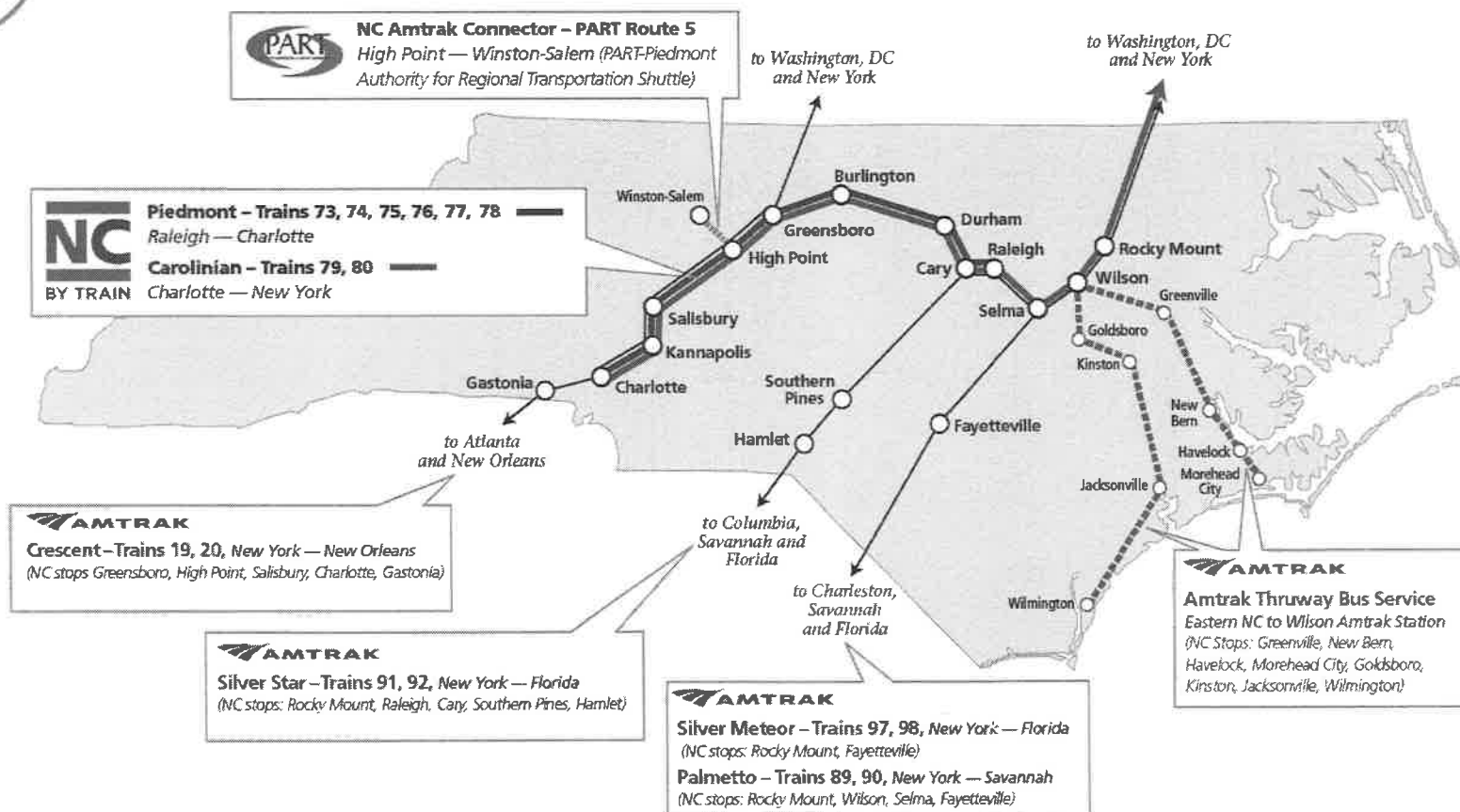
Program Opportunities / Possible Changes

- Continue ongoing consistent additional appropriations beyond dividends to assist longer-term planning
- Appropriations for corridor acquisitions for network preservation
- Possible modification of required 50% match from short lines as incentive for larger projects
- Consider appropriation for emergency repair due to natural disasters





North Carolina Passenger Rail Service

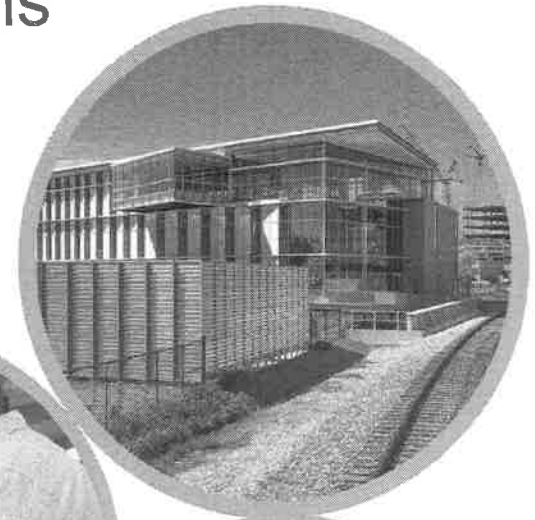




Rail Passenger Operations

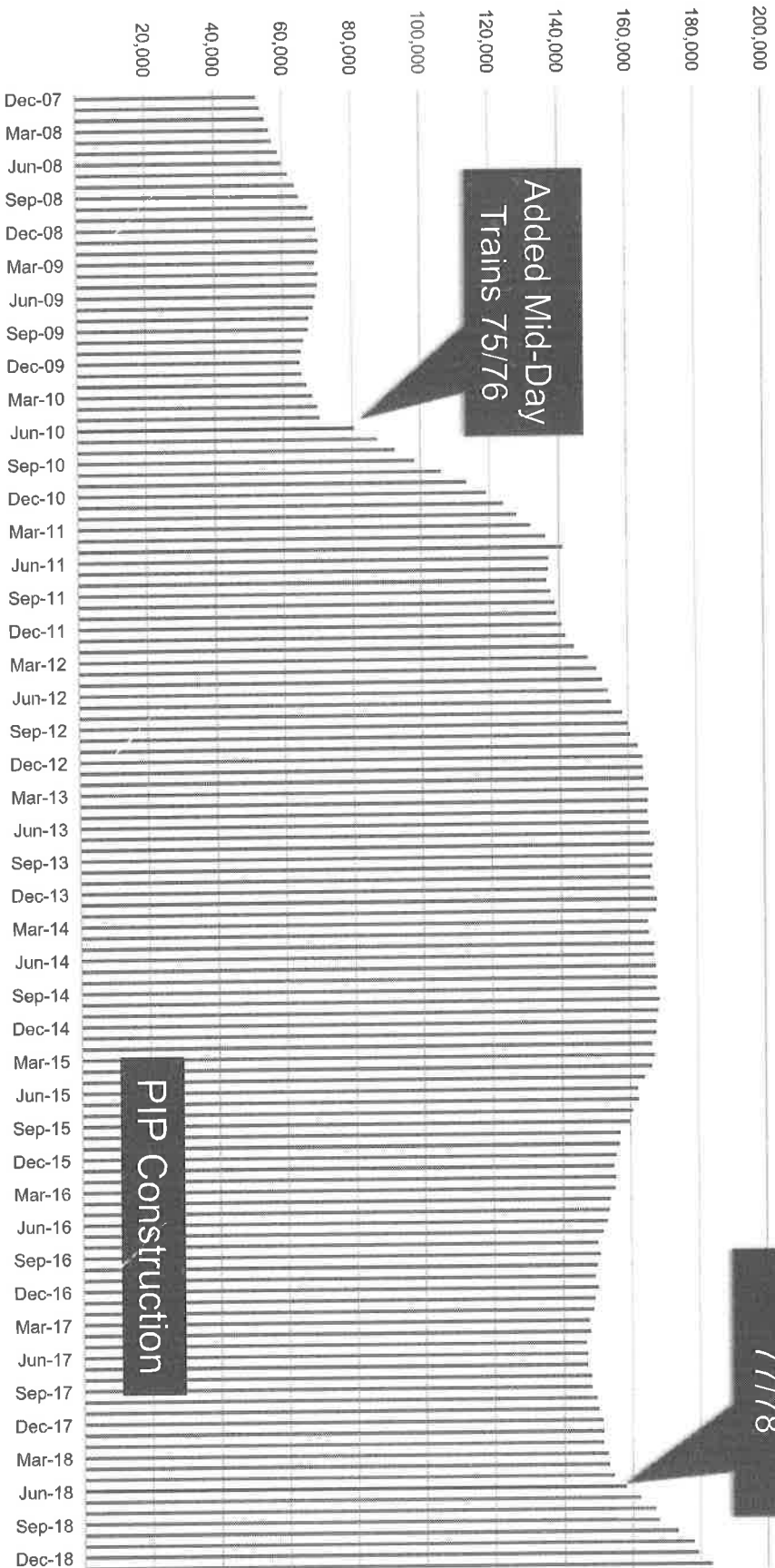
Recent Successes

- Added 3rd *Piedmont* round trip in June 2018
- Opened Raleigh Union Station July 2018
- *Piedmont* – Highest Customer Satisfaction in nation – November-December 2018



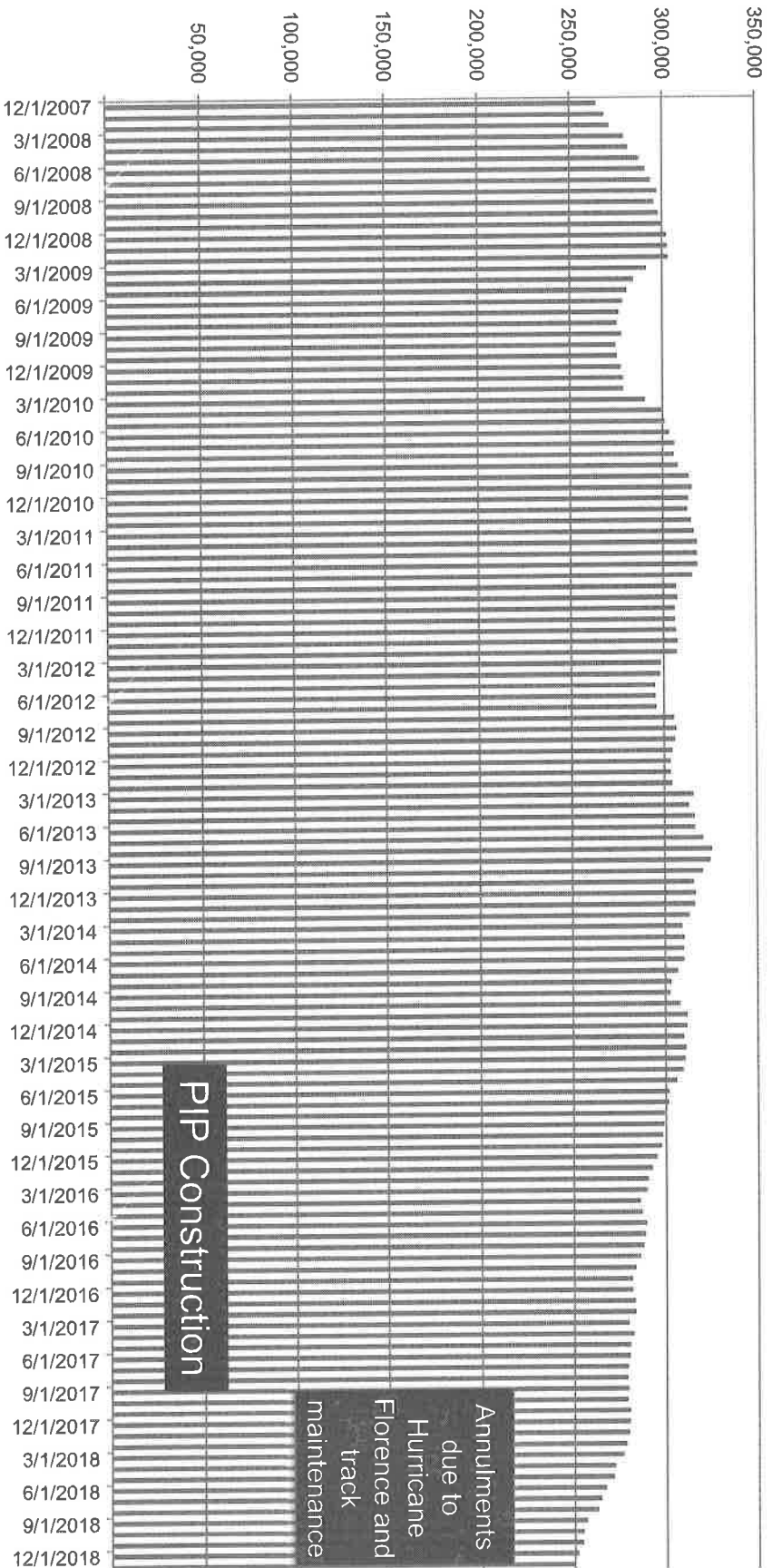
Piedmont Service and Ridership

Rolling 12 Months Total



Carolinian Ridership and Service

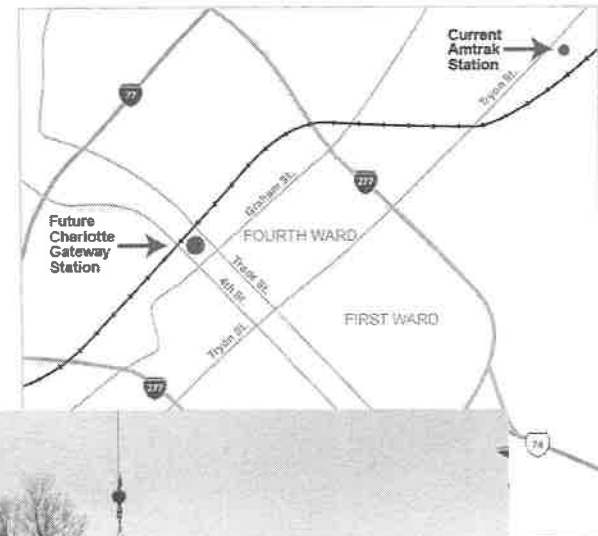
Rolling 12 Months Total





Charlotte Gateway Station

- Moving station to Uptown
- Anticipated to significantly increase ridership
- Current station not easily accessible – small and outdated, and subject to flooding
- Phase 1 under construction; targeted for completion in 2022
- Working with City of Charlotte to develop station area



Passenger Service Development

- Evaluating start date of fourth *Piedmont* round trip allowed under DSOA
- Analyzing schedules to meet travel demand
 - Intercity trains free up highway capacity
 - Maximize ridership opportunities
- Evaluating rail equipment options to replace aging fleet
 - Phased replacement of *Piedmont* fleet; original cars from 1950s
 - Considering replacement of *Carolinian* fleet with NC-branded equipment
- Working with communities on new stations, Amtrak Thruway service, interest in commuter rail



Ongoing Maintenance Improvements

Since 2017 completion of Piedmont Improvement Program

- **Track and Signal Maintenance Contribution**
 - Currently approximately \$2M per year from base budget
 - Annual costs are indexed to AAR Rail Pricing Index
- **Equipment, Overhaul and Maintenance**
 - 2018: \$1.4M, 2019 FYTD: \$3.2M
 - Additional funds will be expended for component replacement/repair and as leverage to match future Federal grant opportunities



Passenger Rail Station Maintenance Needs Study

Covered 8 municipally-owned Stations on *Piedmont/Carolina* routes with identified maintenance needs

Studied three categories of needs:

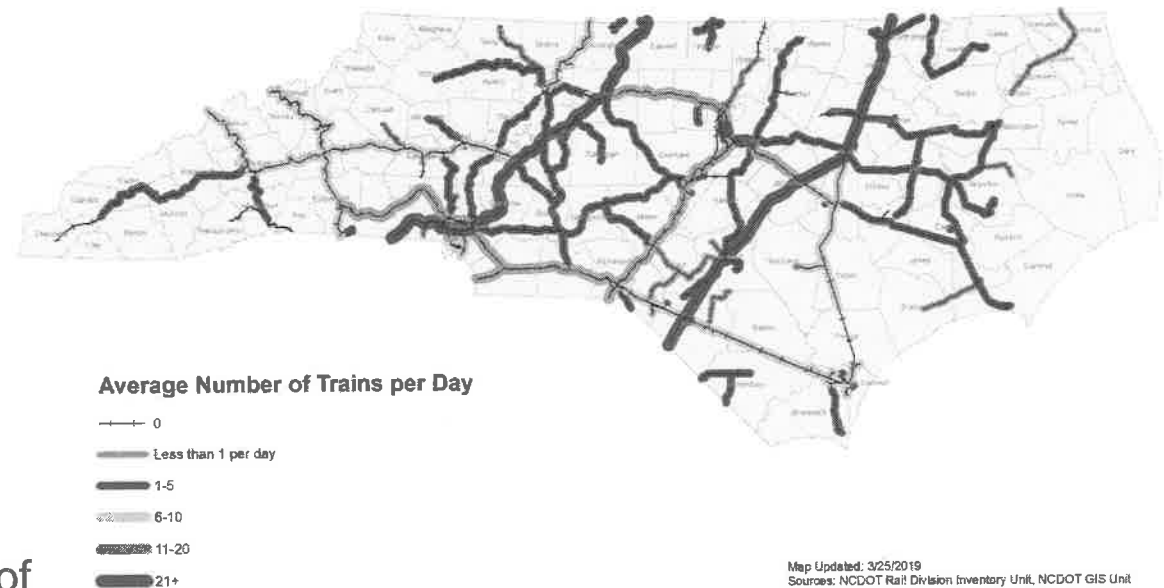
- **Major Repairs—\$6.7M**
 - HVAC systems, roofs, platform canopies, painting
- **Annual Recurring Maintenance—\$64-80K**
 - Restriping platform, power washing exterior, touch-up painting
- **One-time maintenance—\$89K**
 - ADA compliant platform signage, LED lighting conversion, general restroom repair (vital to customer experience)

Station Location	# Projects	Est. Cost
Rocky Mount	18	\$293K
Wilson	16	\$420K
Selma	22	\$455K
Durham	13	\$25K
Greensboro	17	\$3,062K
High Point	5	\$820K
Salisbury	24	\$1,580K
Kannapolis	7	\$50K
TOTAL	122	\$6,705K

Anticipated Changes to Class I Rail Networks

Class I railroads are in the process of shedding lower-volume corridors and focusing on core routes

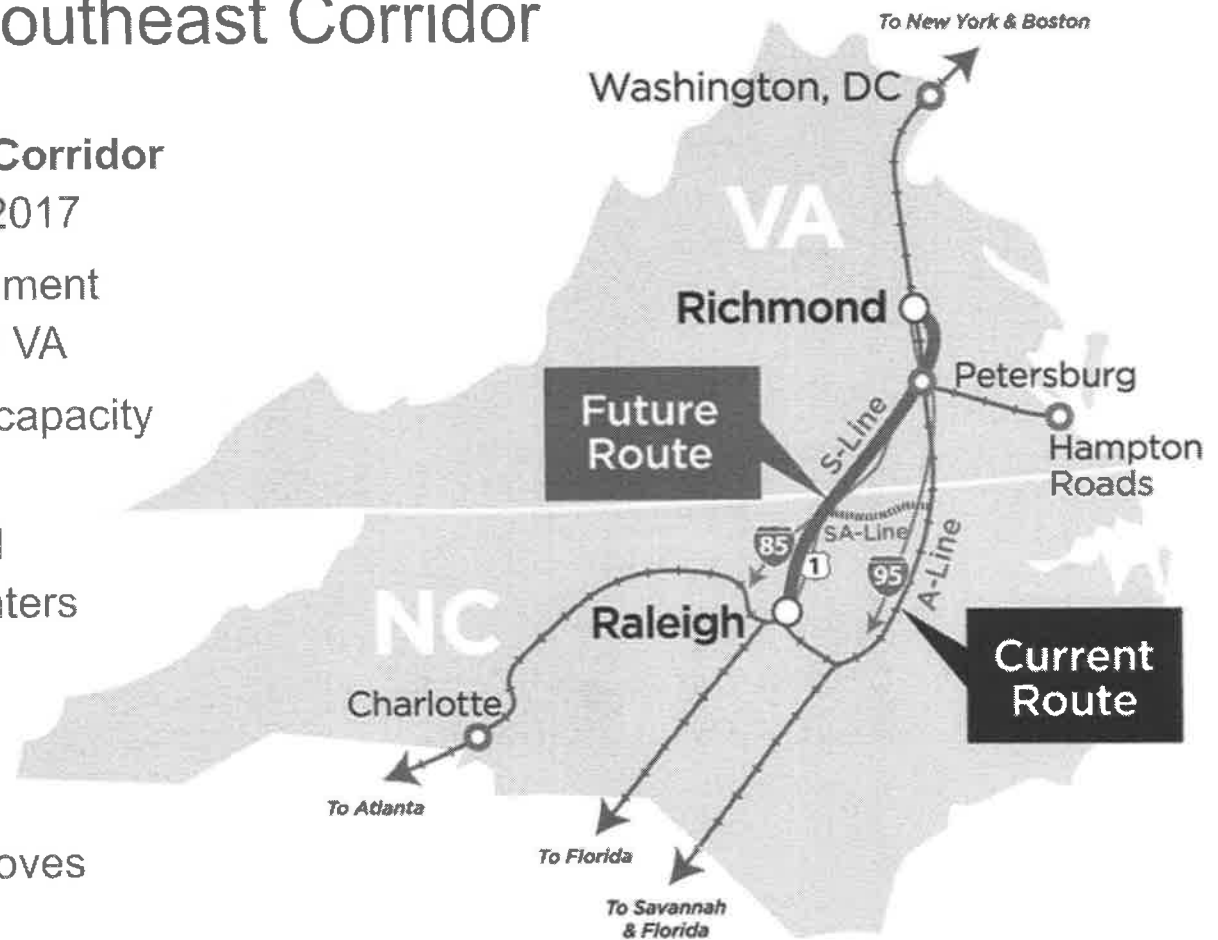
- Core routes carry large volumes of through freight trains
- Lower-volume lines need to be preserved to serve existing and prospective industries and provide passenger rail expansion opportunities
- Some corridors may be strategic for state acquisition
- The S-Line, vital to development of Southeast Corridor, is in this category



Southeast Corridor

Value of developing the S-Line Corridor

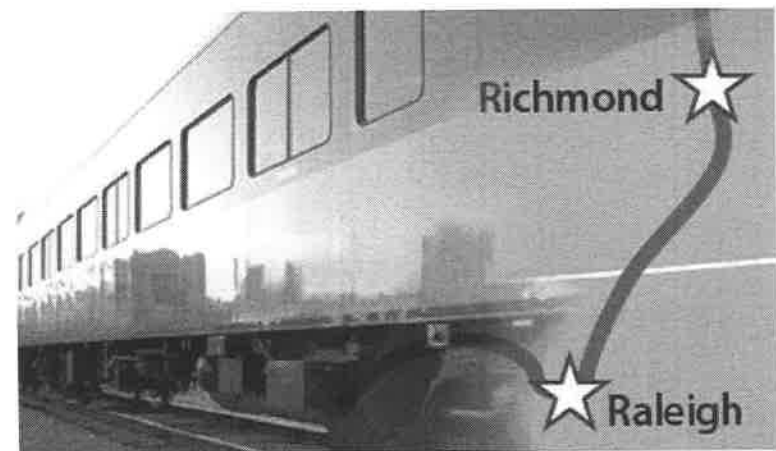
- Federal Record of Decision 2017
- Enhances economic development opportunities in rural NC and VA
- Provides north-south freight capacity and network resiliency
- Connects manufacturing and job centers to population centers
- Provides expansion opportunities for freight and passenger rail
- Reduces trip times and improves on time performance





Raleigh to Richmond portion of Southeast Corridor

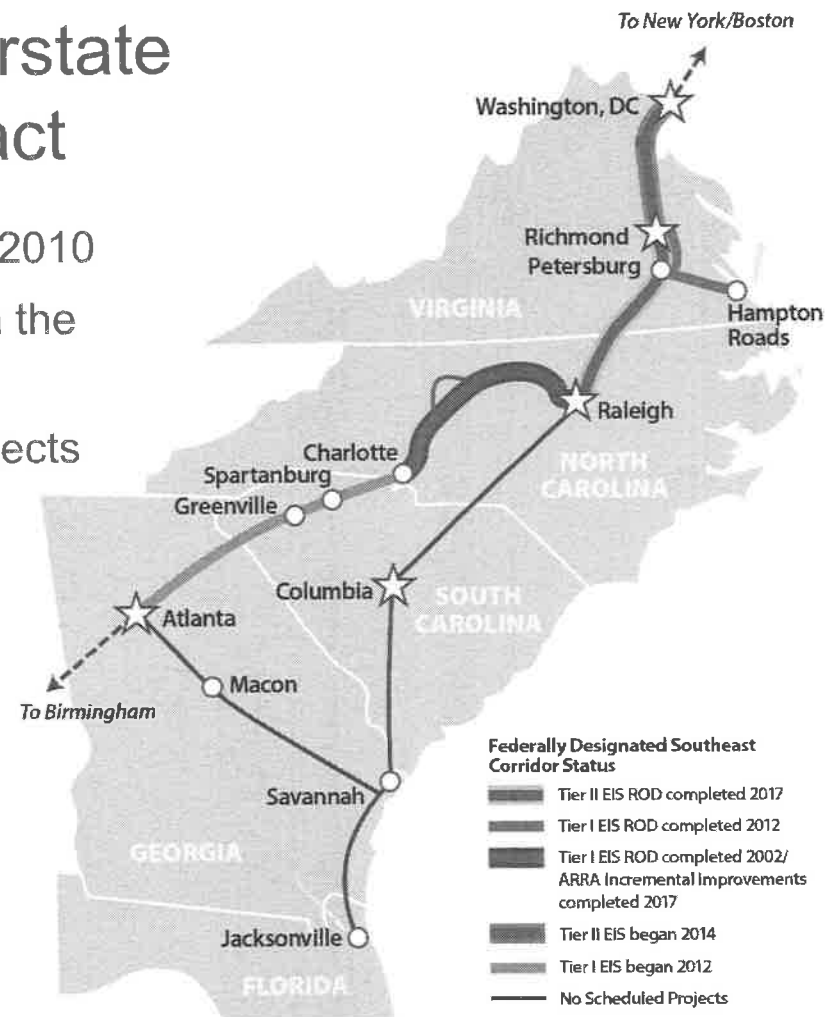
- Work is underway on ISDP:
 - Opportunities to phase infrastructure
 - Possible extension of Raleigh to Charlotte intercity service to Wake Forest and Henderson
 - Analyzes new service schedules to Washington, DC and connections to Virginia services
- Corridor acquisition strategy
- Leveraging projects for Federal funding opportunities



Federal Record of Decision complete for
Raleigh to Richmond portion of the
Southeast Corridor

Virginia-North Carolina Interstate High Speed Rail Compact

- Created 2004 (49 USC 24101); Inaugural meeting 2010
- One of two Congressionally approved Compacts in the nation (*other is Midwest*)
- Necessary to successfully advance multi-state projects
- The Compact's charter: support the development of a plan for the design, construction, financing, oversight and operation of the Southeast Corridor
- Typically meets two times per year; recently has met once per year



Compact Membership

Virginia (5 Senators)	North Carolina (5 Senators, 2 House Representatives, 1 Governor's appointee)
Senator John Cosgrove	Representative John Torbett
Senator Scott Surovell	Representative John Fraley
Delegate Jeion Ward	Senator Jim Davis
Delegate Bob Thomas	Senator Tom McInnis
Delegate David Yancey	Michael Fox, Chairman, Board of Transportation



Recent NC-VA Compact Activity

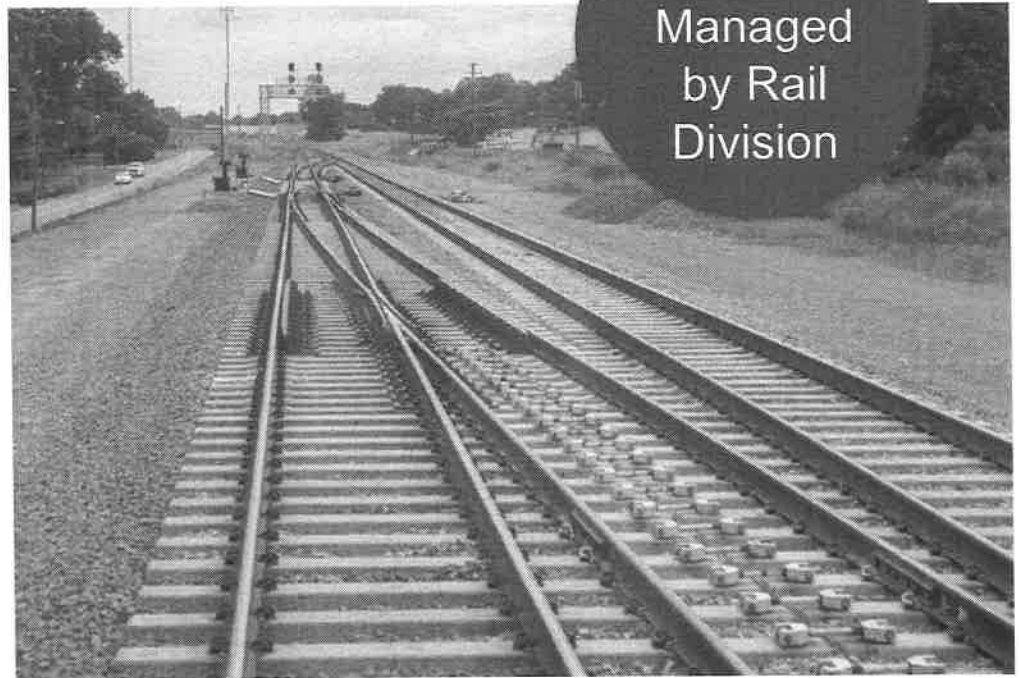
- **Compact Meeting, March 2016:**
 - Voted to start the process of inviting other states in the Southeast
 - Asked NCDOT and VA DRPT staff to develop a list of joint grant applications
- **In the FY17 Omnibus Bill, Congress provided \$1M Federal funding for the Southeast Corridor Rail Commission**
- **Compact Meeting, November 2017:**
 - Noted that political strategy will need to be executed to add other states
 - Voted to request FRA to provide \$1M grant to stand up a Southeast Rail Commission, NCDOT to administer





STI Rail Project Delivery

- Funded projects include:
 - Grade separations: **27 projects**
 - Terminals: **3 projects**
 - Track Improvements: **15 projects**
 - Station-related: **3 projects**
- Projects developed and administered by experts in Rail Division



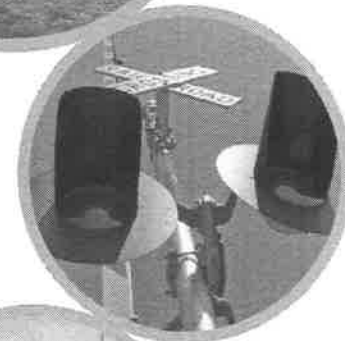
\$700M

Managed
by Rail
Division



Rail Division Safety Programs

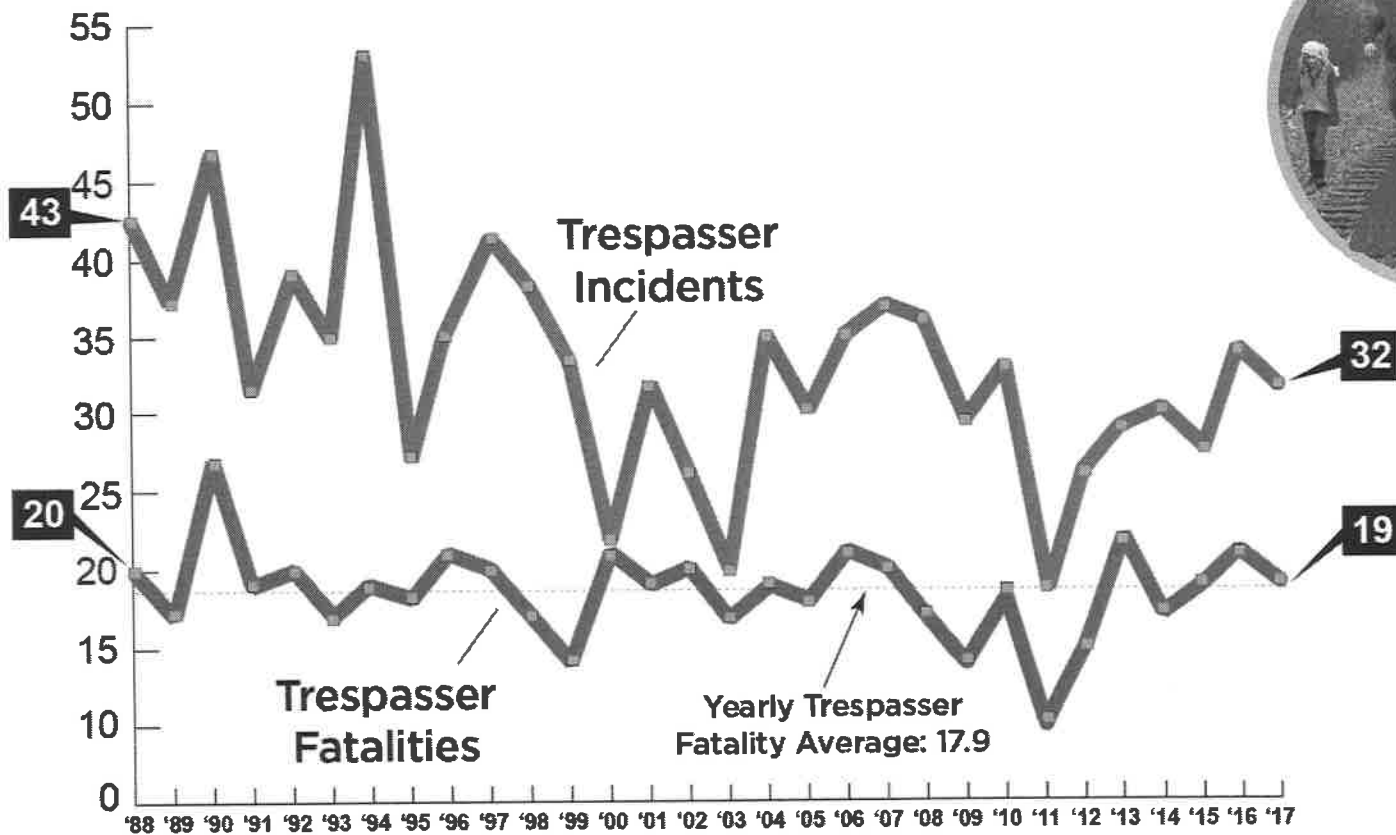
- **At-grade Crossings:**
 - Sealed Corridor Program: *High volume, higher speed routes*
 - Crossing Warning Devices: Statewide improvements and new technology
 - Traffic Separation Studies: Working with communities to separate highway and rail conflicts
 - Crossing Consolidations: Removed over 300 crossings to date
- **BeRailSafe**
 - Education, Enforcement, Engineering
 - Focus on pedestrian trespassing on rail corridors





NC Trespasser Incidents and Fatalities 1988-2017

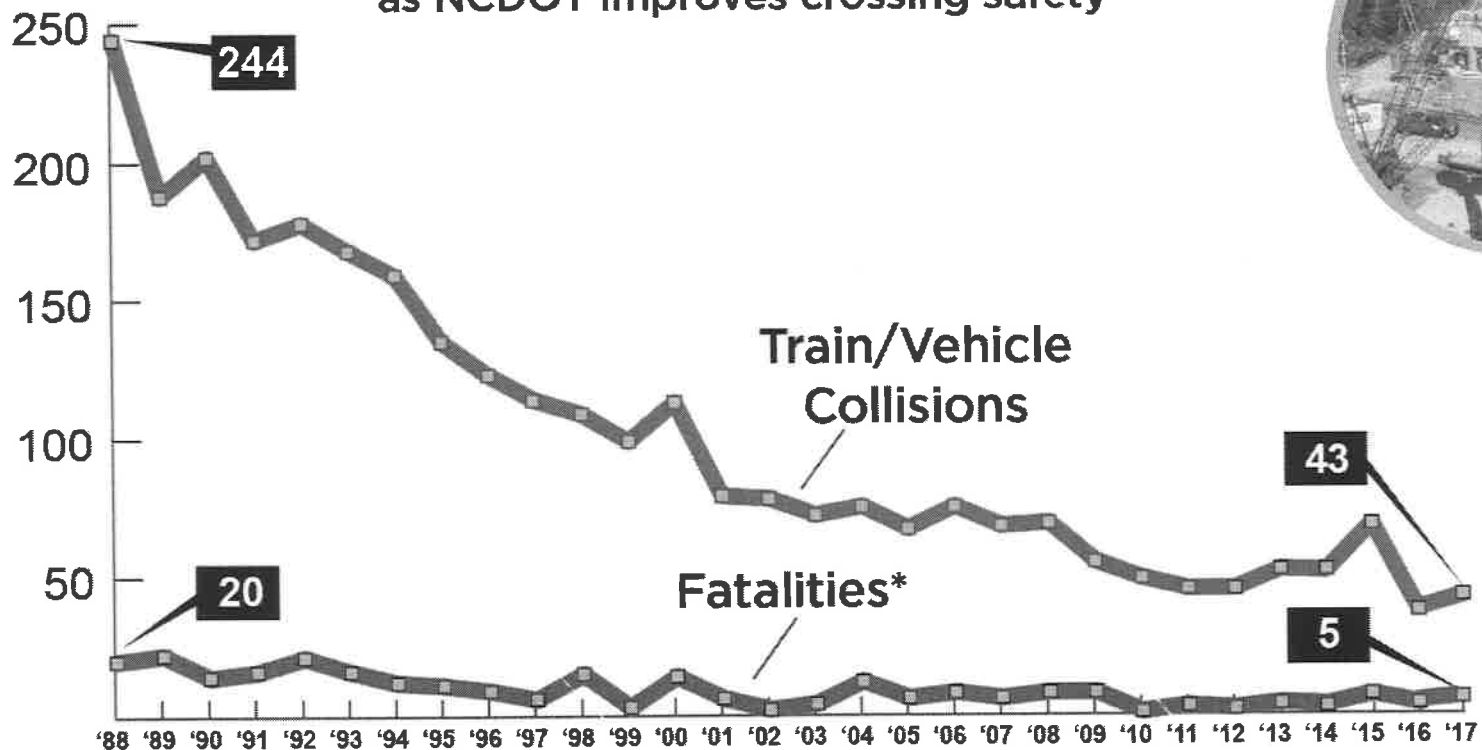
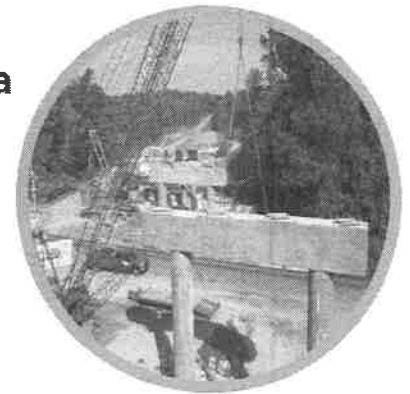
(FRA & NCDOT Rail Division data)





Train-Motor Vehicle Collisions

Grade crossing incidents have declined in North Carolina
as NCDOT improves crossing safety



* Does not include trespasser fatalities.



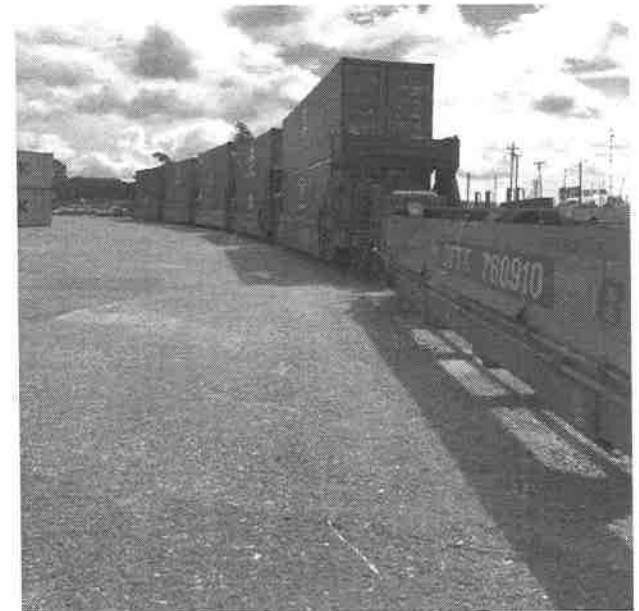
Working with the NC Ports

Queen City Express

- Rail container service between Wilmington and Charlotte
- Rail route improvements underway
 - Passing siding improvements, power switches, grade separations

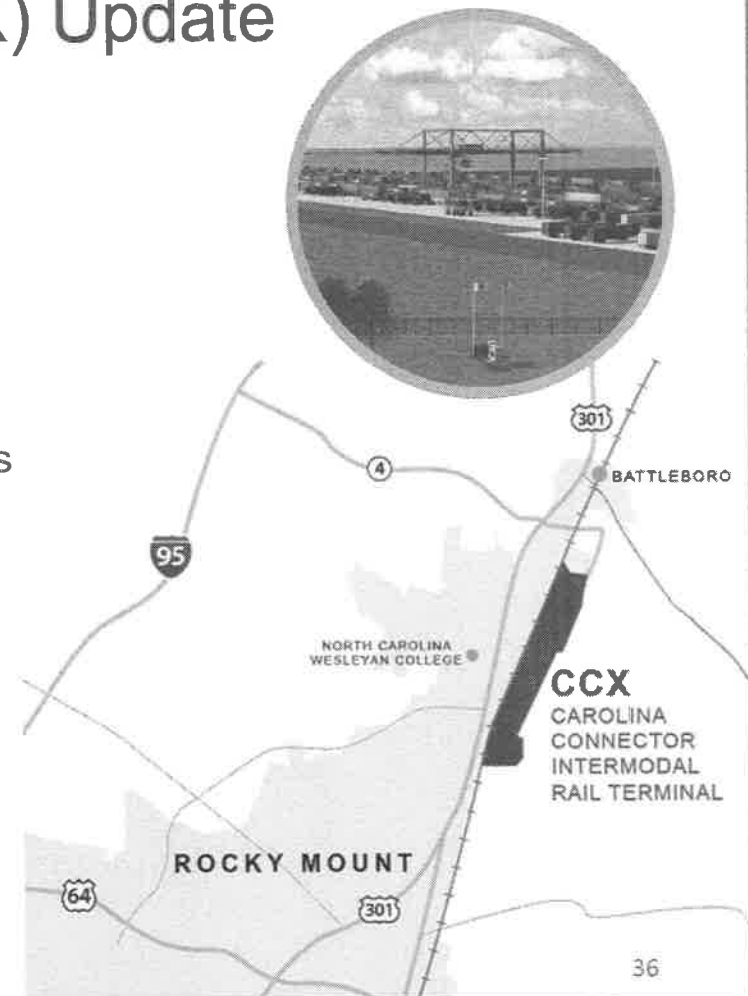
Wilmington Port access improvements

- Developing near-term improvements to existing route to improve safety and speeds
- Coordination with long-range rail realignment



Carolina Connector (CCX) Update

- **Terminal Funding**
 - \$118.1M (NCDOT)
 - includes engineering, terminal and railroad construction
 - \$40M (CSX)
 - includes land acquisition, a portion of terminal equipment, environmental work, administrative and development costs
- **NCDOT expenditures to date: \$25M**
- **Construction begins: Spring 2019**
- **Construction timeline: 18-20 months**
- **Groundbreaking: April 2019**
- **Marketing coordination underway**
 - Includes NCDOT, CSX, Carolinas Gateway Partnership and other regional economic development partners





NORTH CAROLINA
Department of Transportation



Rail Division Overview

Jason Orthner, P.E.

Rail Division Director

jorthner@ncdot.gov

919-707-4700

Committee Sergeants at Arms

NAME OF COMMITTEE Joint Appropriations, Transportation

DATE: 3/26/2019

Room: 1228/1327

House Sgt-At Arms:

1. Name: Ken Gilbert

2. Name: Rex Foster

3. Name: Russell Salisbury

4. Name: David Leighton

5. Name: _____

Senate Sgt-At Arms:

1. Name: Dwight Green

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



Senate Pages Attending

COMMITTEE: Joint App. on D.O.T. ROOM: 1228 LB
DATE: 3-26 TIME: 8:30

PLEASE PRINT LEGIBLY....or else!!!!

	Page Name	Hometown	Sponsoring Senator
1.	John Hollowell	Raleigh	J. Davis
2.			
3.			
4.			
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

3/26/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jackson Francis	JSC
Anne Lasley	CCS
CSTA/Is	CSH
Zimmerman	RANC.
Justin Delaney	NC DOT
Deans Eatman	NC DOT
Julio White	NC DOT
Paul Bone	Bone Assoc.
W. W. ...	Patco
Sarah Patterson	WM
Joe Mech	Mech C

VISITOR REGISTRATION SHEET

Joint Appropriations, Transportation

3/26/2019

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Lorenzo Pedro

NCMTA

Staff / LA

**House Committee on Appropriations, Transportation
Thursday, March 28, 2019 at 8:30 AM
Room 1228/1327 of the Legislative Building**

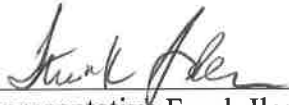
MINUTES

The House Committee on Appropriations, Transportation met at 8:30 AM on March 28, 2019 in Room 1228/1327 of the Legislative Building. Representatives Beasley, Iler, Martin, Presnell, Russell, Torbett, and Willingham attended. Senators Davis, de Viere, and Garrett attended.

Representative Frank Iler, Chair, presided.

Jed Dixon, DCDOT Ferry division Deputy Director of Operations presented an overview of the Ferry Division. (see attached and on committee website)

The meeting adjourned at 9:20a.m.



Representative Frank Iler, Chair
Presiding



Viddia Torbett, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Appropriations, Transportation** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, March 28, 2019
TIME: 8:30 AM
LOCATION: 1228/1327 LB
COMMENTS: CHAIR: REPRESENTATIVE ILER

Respectfully,

Representative Frank Iler, Co-Chair
Representative Michele D. Presnell, Co-Chair
Representative Phil Shepard, Co-Chair
Representative John A. Torbett, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:45 PM on Thursday, March 21, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Viddia Torbett (Committee Assistant)

Joint Committee on Appropriations, Transportation

Thursday, March 28, 2019, 8:30 AM

Legislative Building, Room 1228

Agenda

Chairs:

Representative Frank Iler, presiding
Representative Michele Presnell
Representative Phil Shepard
Representative John Torbett

Senator Jim Davis
Senator Tom McInnis

1. Call to Order
2. Ferry Division Overview
Jed Dixon, NCDOT Ferry Division Deputy Director of Operations
3. Committee Discussion



NORTH CAROLINA Department of Transportation



Ferry Division NCDOT Division Overview

Jed Dixon
Assistant Director, Ferry Division

March 28, 2019

Ferry Division Mission



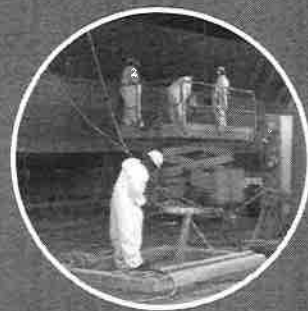
Connecting people, products and places safely and efficiently with customer focus, accountability and environmental sensitivity to enhance the economy and vitality of North Carolina.

Ferry Division Overview



Operations

- Connects NC Coastal Highways
- Seven Routes
- Emergency/Disaster Response/Preparedness
- US Coast Guard Compliance



Asset Management

- \$104M Assets
- 21-Vessel Fleet
- Marine Maintenance and Facilities
- Field Maintenance
- Shipyard



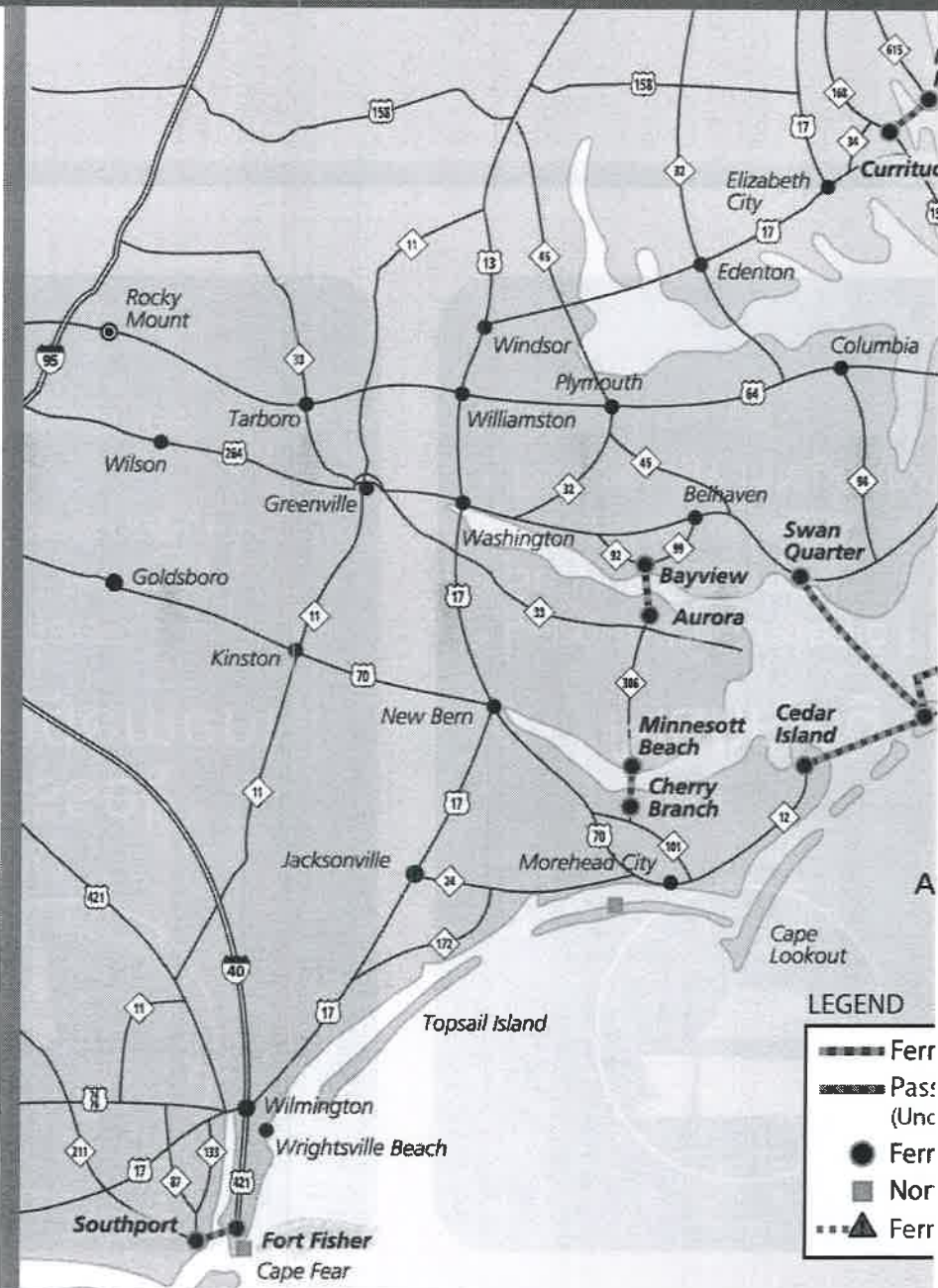
Planning

- Long-term Strategic Plan
- Service Expansion
- Fleet Lifecycles
- Technology Integration



NORTH CAROLINA FERRY SYSTEM

- 2nd Largest State-operated Ferry System in the Nation
- 7 Scheduled Routes
- 1 Emergency Route
- 21 Ferries
- Support Fleet
(4 tugs, 3 barges,
1 crane barge, & 1 dredge)
- 12 terminals
- State-owned Shipyard
- 3 Field Maintenance Shops





NORTH CAROLINA FERRY SYSTEM

Ferry Division Budget

Terminal
Activities
\$22,687,259

Vessel
Maintenance
\$14,394,298

\$45,187,432

Facilities Maintenance
\$696,258

Marine Maintenance
\$1,381,309

Compliance
\$1,964,305

Special Projects
\$64,000

Vessel Reserve Fund
\$4,000,000

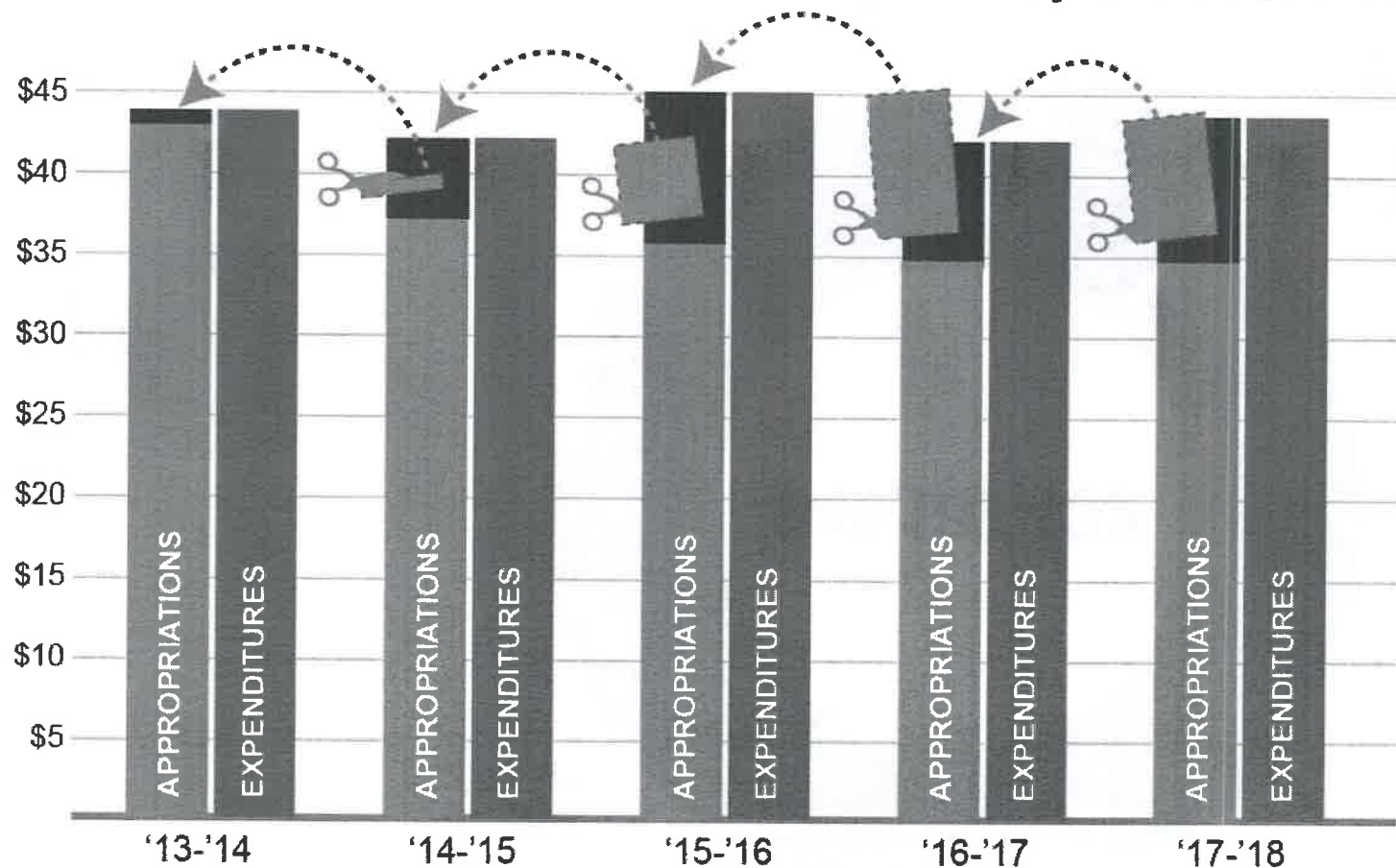


**417
FTEs**

Approx. 150
Seasonal Employees

Historical Appropriations vs. Actual Expenses

Each overdraft must be addressed by the following year's appropriation



Governor's Extra Budget Item:

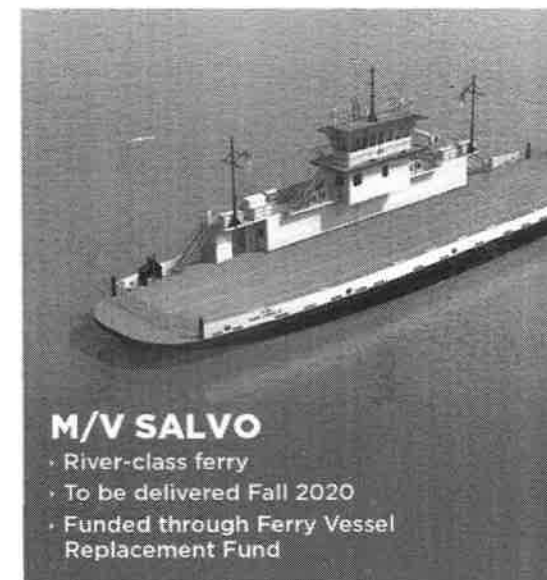
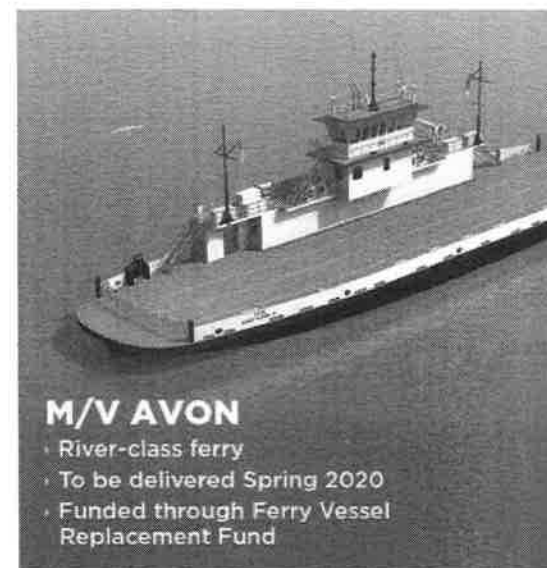
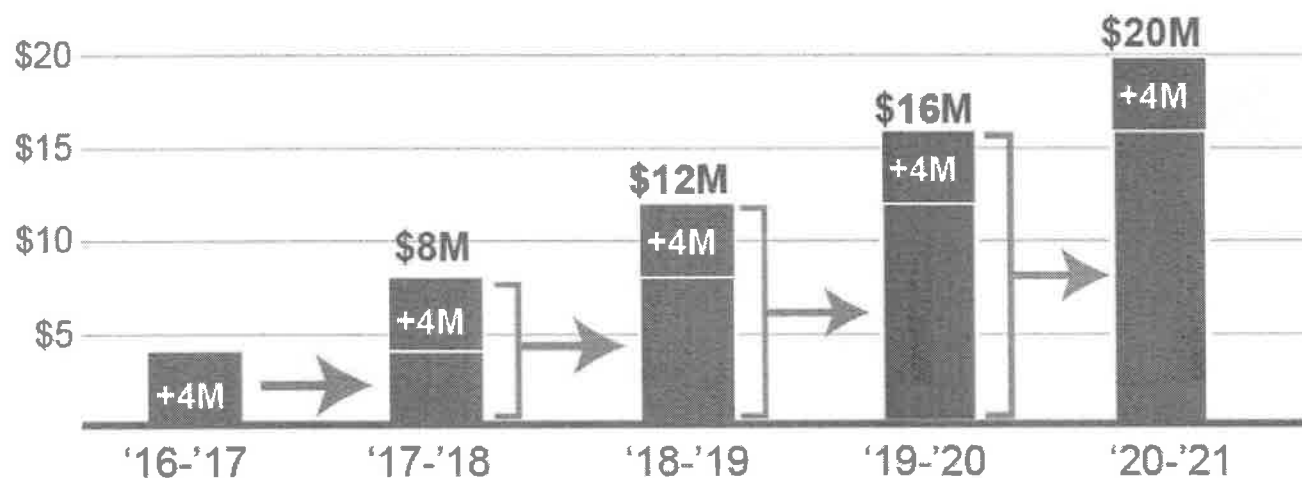
- \$5M annually to cover year-over-year overdraft shortfalls – beginning

Not included in illustration:

- \$4M Ferry Vessel Replacement Fund annually, began FY
- \$3.65M Passenger Service Implementation Appropriation – FY

Ferry Vessel Replacement Fund

- Established 2016 for construction of new ferries
- Appropriated YTD: \$12M
 - Construction underway on two vessels



Cumulative Toll Collections by Route 2014 – 2018

Ticket Prices

Type	Southport- Fort Fisher	Swan Quarter, Cedar Island, Ocracoke
Pedestrian	\$1	\$1
Bicycle	\$2	\$3
Motorcycle	\$3	\$10
Scooter	\$3	\$10
Golf Cart	\$3	\$10
Motorcycle w with Trailer or Side Car	\$7	\$15
Vehicle and/or Combination < 20 Feet	\$7	\$15
Vehicle and/or Combination 20 to 40 Feet	\$14	\$30
Vehicle and/or Combination 40 to 65 Feet	\$28	\$45

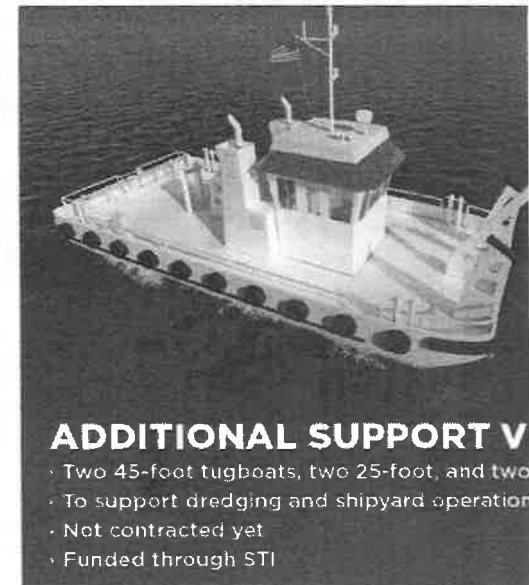
Swan Quarter – Ocracoke	
2014	\$367,409
2015	\$406,270
2016	\$427,095
2017	\$414,580
2018	\$427,374
Total	\$2,042,728

Ocracoke – Cedar Island	
2014	\$786,000
2015	\$746,000
2016	\$692,000
2017	\$674,000
2018	\$626,000
Total	\$3,524,000

Southport – Fort Fisher	
2014	\$765,008
2015	\$786,999
2016	\$832,123
2017	\$868,073
2018	\$835,734
Total	\$4,087,937

Commuter Pass Sales	
2014	\$94,000
2015	\$94,000
2016	\$107,000
2017	\$107,000
2018	\$111,000
Total	\$512,000

STI-funded Vessels under Construction



Planning for the Future



LONG RANGE PLAN

NC Ferry System

- Long-range plan under development
- Sustainability emphasized – with a look 30 years into the future
- Findings of 9 other studies integrated
- Recommendations for vessel modernization, additions to the fleet and maintenance scheduling included
- New technology and processes to improve customer service considered



Overtime Reduction Initiative

Our goal: Reduce scheduled overtime hours to offset O&M spending without impacting service

- Strategies developed resulted in 19.6% reduction in overtime hours (*approx. 8,000 hours*)
 - Eliminating overtime status for some positions
 - Reducing overtime for shipyard, field maintenance and non-vessel temporary employees
 - Reducing night operations overtime scheduling
 - Adjusting crew schedules

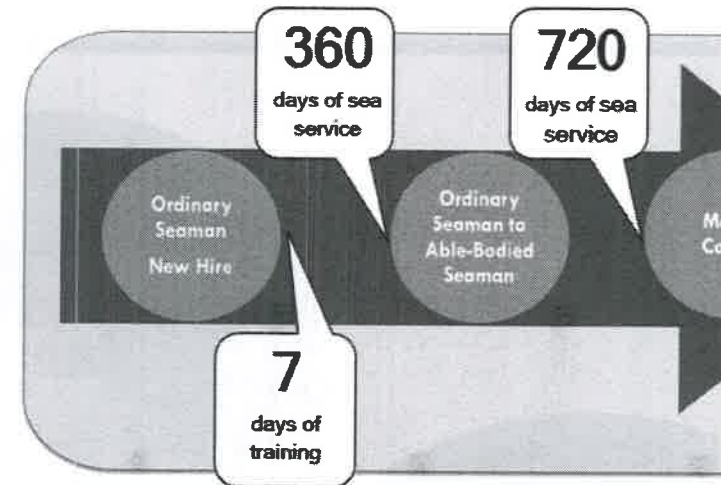


Workforce Initiatives

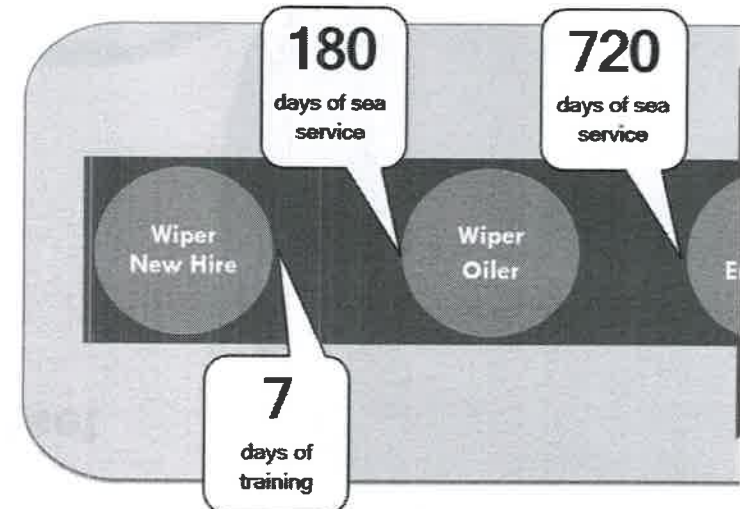
- Creating ladders of opportunity
- Training and mentoring for employees
- Expanding the talent pool
- New uniforms
 - UV Protection
 - Professional appearance



NCDOT Career Path for Deck Personnel US Coast Guard Mandated



NCDOT Career Path for Engine Room Personnel US Coast Guard Mandated



Career Fair – March 1, 2011 *Hatteras Village Civic Center*

- Representatives available for each job type
- **101 attendees**
- **44 filled out job applications**
- Also attended job fairs at Carteret Community College and Mattamuskeet Early College High School



2019 North Carolina Ferry Career Fair

WE'RE HIRING

FRIDAY, MARCH 1, 2019

HATTERAS CIVIC CENTER
56658 NC HIGHWAY 12, HATTERAS, NC 27948

HIRING FOR

Engineers	Captains
Marine Welders	Parking Lot Attendants
Marine Mechanics	Pipefitters
Marine Machinists	Crew Members
Ferry Oilers	Ferry Mates

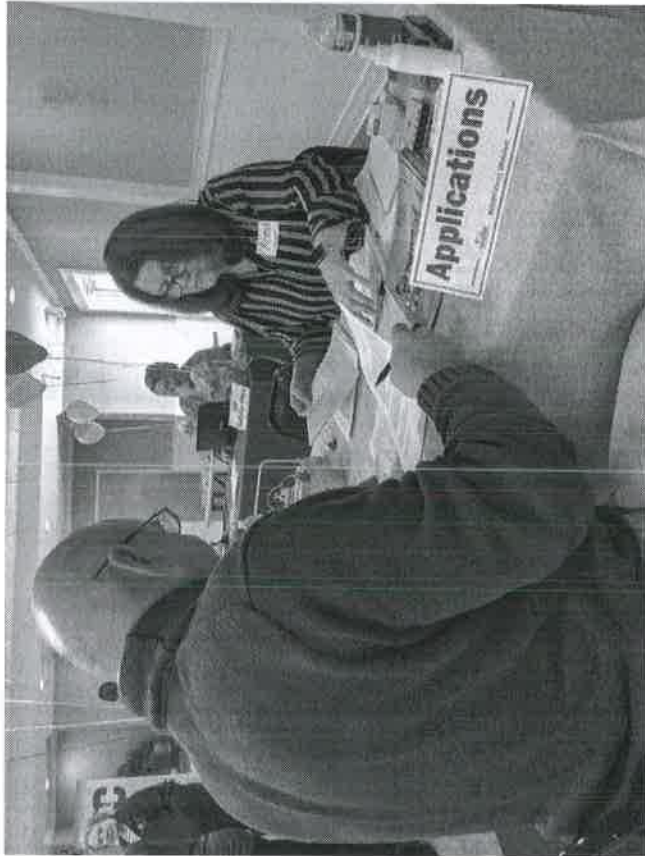
Interview 10AM TO 6PM

REGISTER NOW: bit.ly/ferrycareers2019

For more information:
Alma Fountain
(252) 423-5125
afountain@ncdot.gov
Visit www.NCdot.gov

REMEMBER TO BRING:

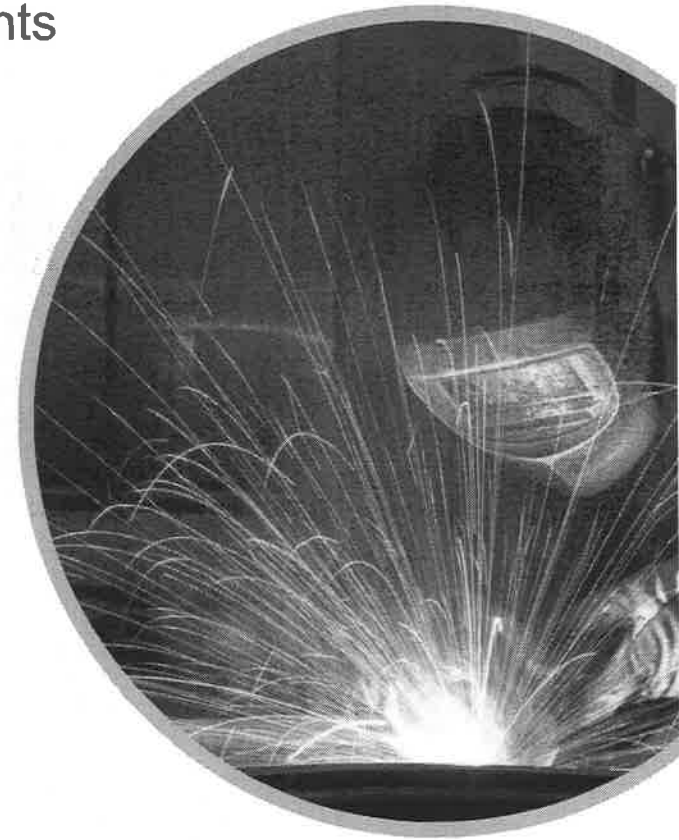
- Resumes
- Supporting documents



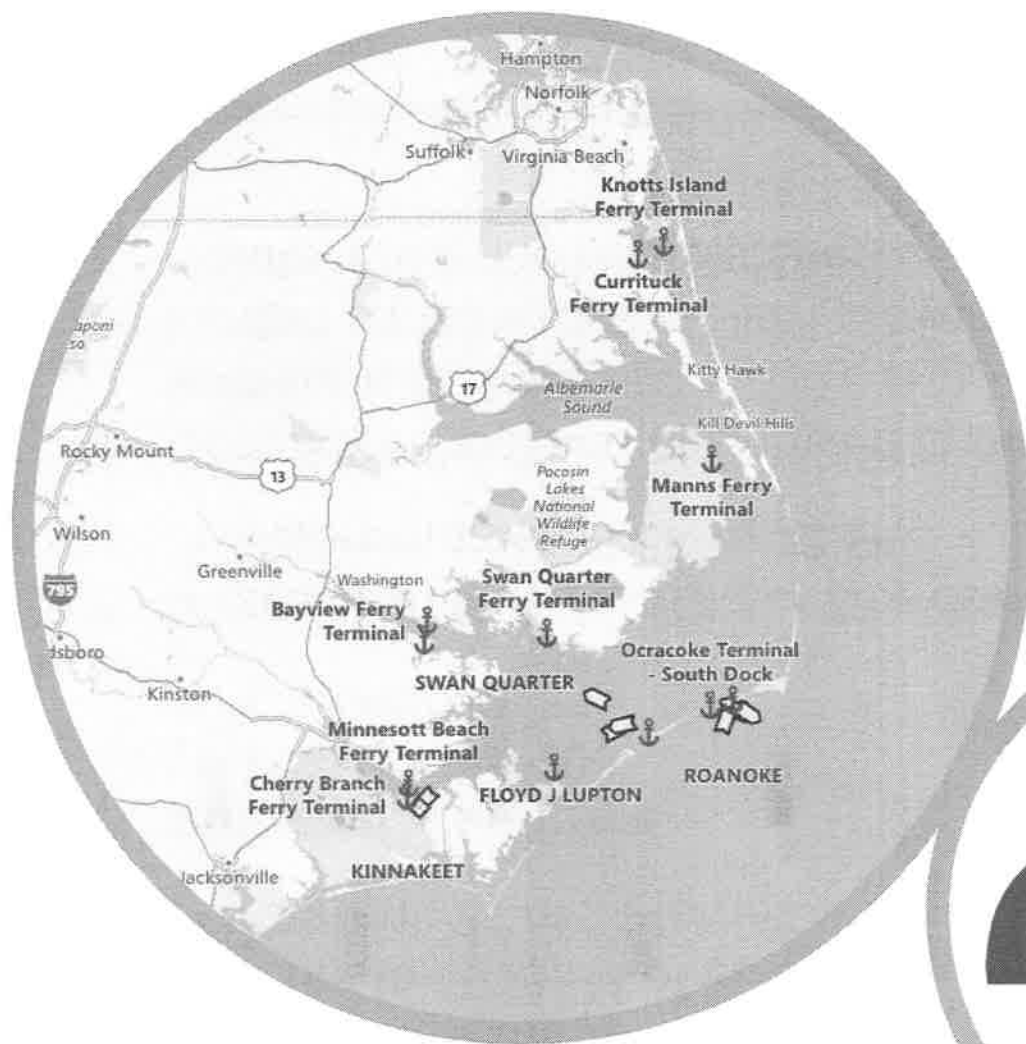
Community College Apprentice Program

Ferry Division has partnered with the College of The Albemarle to offer apprenticeships for students enrolled in the Welding Technology Program

- The first internships were offered to nine COA students of the welding technology program over the summer of 2018
- Staff exploring other internship and apprenticeship programs
 - N.C. Community College System
 - Dare County Schools







New Technology

Operational and customer service benefit

Vessel tracking technology

- Real time location of vessels
- Valuable to staff for monitoring fleet
- Convenient for passengers



NC Quick Pass

- Uses technology already available to NCDOT
- Customer service benefit
- Would incorporate C and Priority passes
- Streamlines reporting

Operational Challenges - Shipyard Schedule

US Coast Guard requires ferries to be dry-docked twice every 5 years

- **Dry-dock Requirements**
 - Prior to 1998: 11 of 22 ferries
 - Current: 21 of 21 ferries
- **Shipyard Workforce**
 - Prior 1998: 100
 - Current: 62
- **Increase in Man-hours per Dry-dock**
 - Approximately 8.5K to 12.5K
- Complex scheduling at shipyard to manage vessels in and out
- Limited space and labor limit preventative maintenance and refurbishments



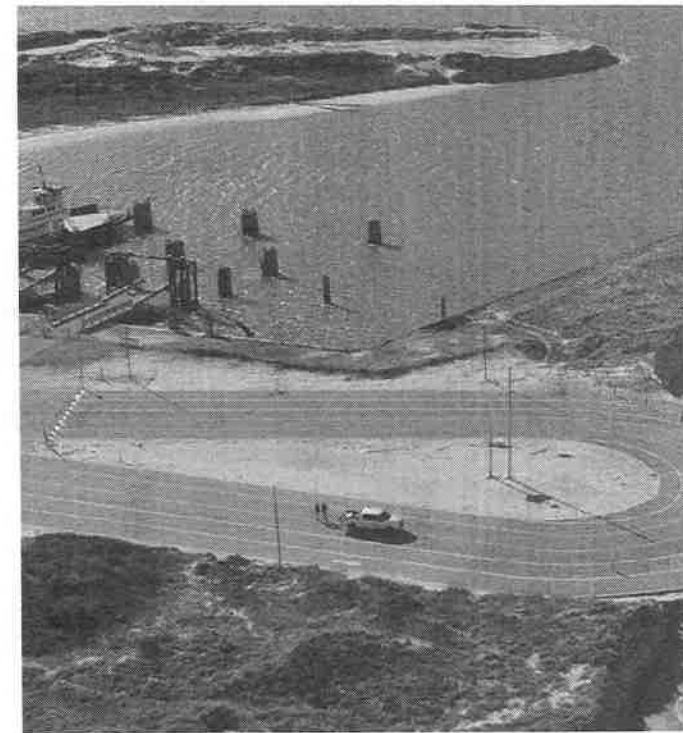
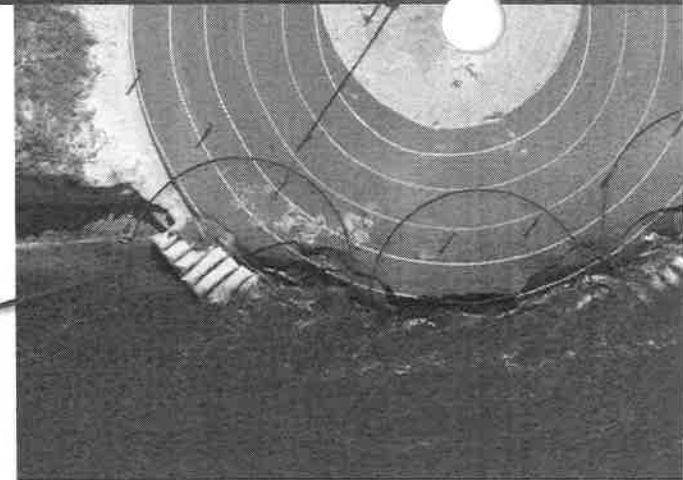
Sustainability of Hatteras Inlet South Terminal

- **Short-term plans**

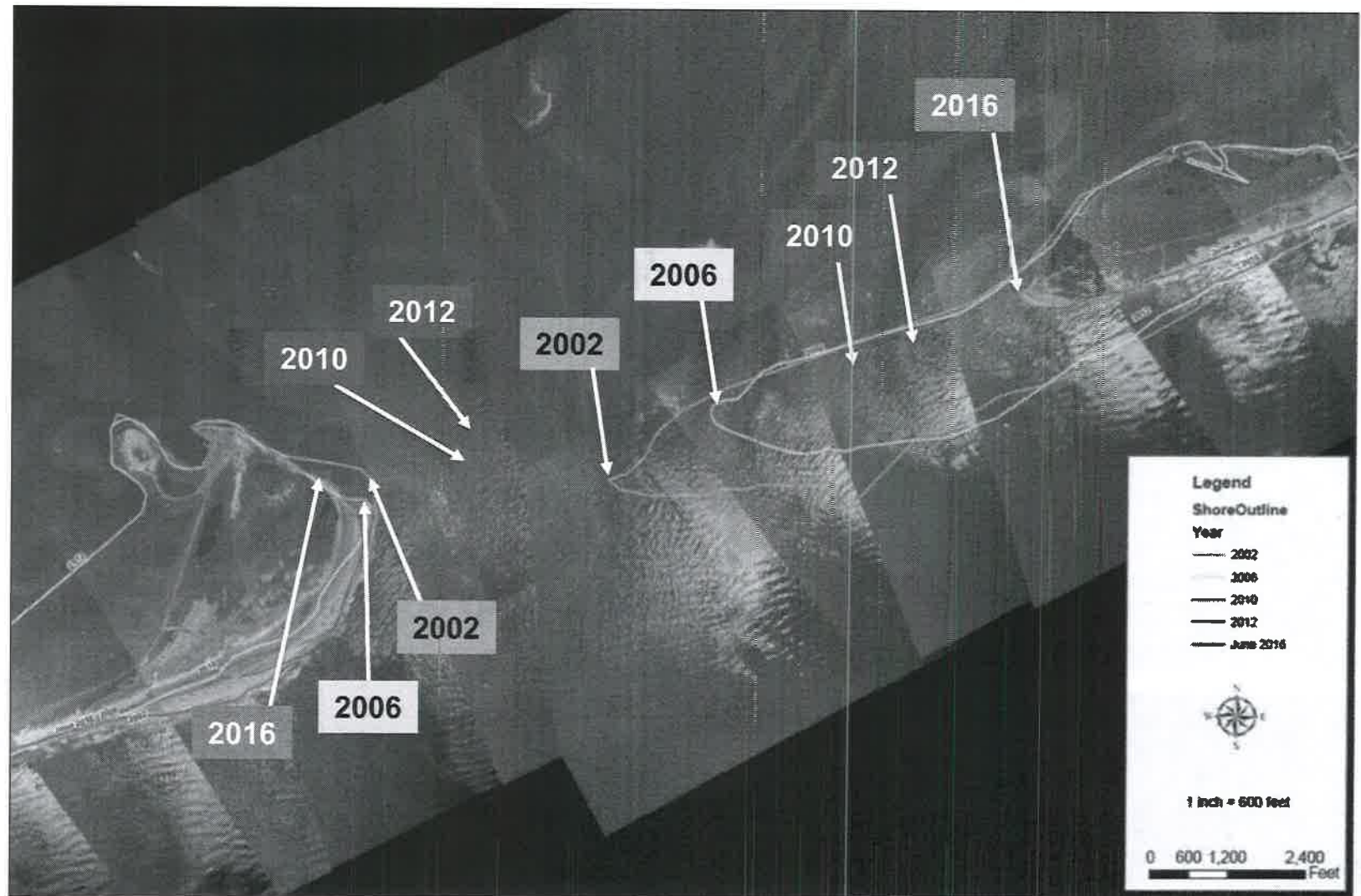
- Short term measures did not work

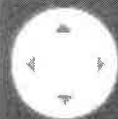
- **Long-term plans**

- Engineering firm studying the dynamics of the area – tide, material movement, storms, etc. to develop solutions to slow erosion rate
 - Collaborating with DOT and permitting agencies
 - Future meetings and discussion will take place once the engineering firm finalizes study



Hatteras Inlet Shoreline Erosion 2002-2016





EXPLORE YOUR WORLD

SEARCH FOR A LOCATION BELOW

HATTERAS INLET



SHARE THIS VIEW



1 km

2500 ft



1984

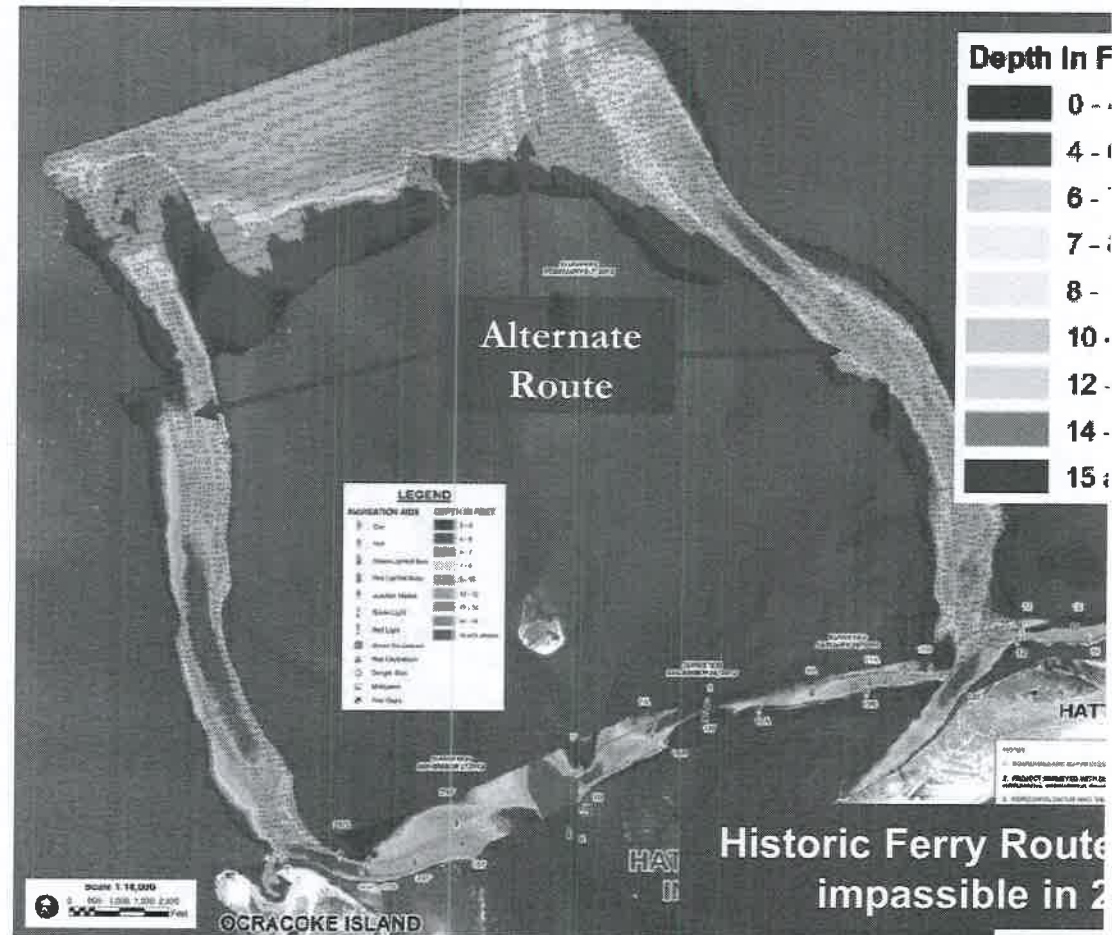
Fast

1984



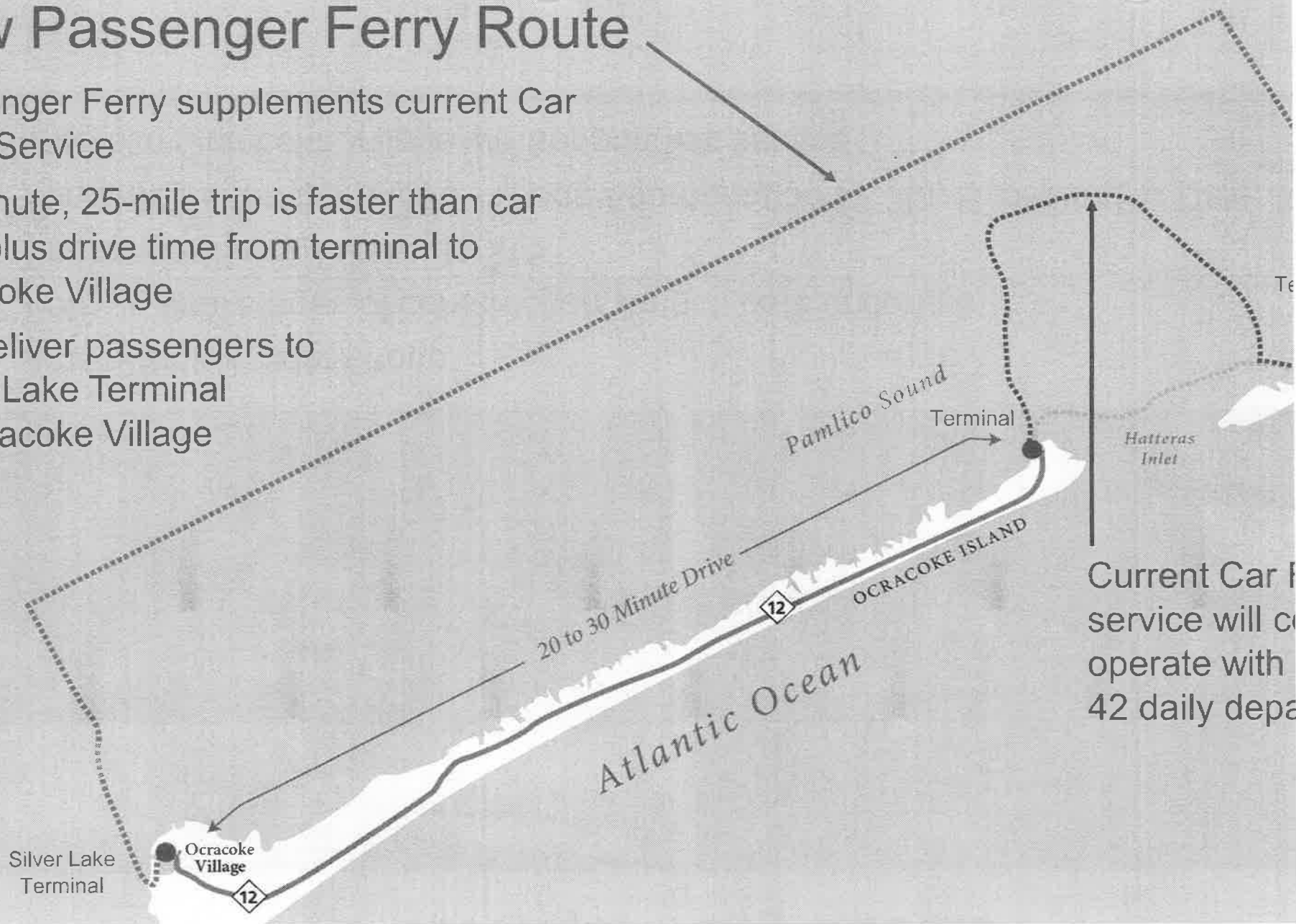
Hatteras-Ocracoke Shoaling Issue

- **Historic Hatteras Ferry Channel Route – 4.3 miles**
 - Emergency area Federally maintained
 - Constant dredging
 - Up to 52 departures/day
- **Alternate Route – 9.5 miles**
 - Natural deep water channel
 - Longer route cost additional \$1.34M in labor/fuel in 2018
 - Up to 42 departures/day



New Passenger Ferry Route

- Passenger Ferry supplements current Car Ferry Service
- 70-minute, 25-mile trip is faster than car ferry plus drive time from terminal to Ocracoke Village
- Will deliver passengers to Silver Lake Terminal in Ocracoke Village



Current Car Ferry service will continue to operate with 42 daily departures

Passenger Ferry Update



- Active Stakeholder Group
- Ferry in final stages of construction, launch date uncertain
- Passenger Ferry Toll: Up to \$15
- Funding: Federal Grant \$6.7M and Appropriation \$2.3M, Expended to Date: \$
- Trams in Ocracoke Village will support this service



NORTH CAROLINA

Department of Transportation



Ferry Division Overview

Jed Dixon

Assistant Director
jedixon@ncdot.gov
252-423-5100



VISITOR REGISTRATION SHEET

Joint Appropriations Transportation

3/28/2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Harold Thomas	NC DOT Ferry Div
Stephani Sidans	NC DOT PTD
Lilee White	NC DOT
John Rouse	NC DOT
Catherine Peele	NC DOT
Tammy Dail	NC DOT - Hatteras Ferry Div.
Chance Piner	NC DOT - Hatteras Ferry
CSA/HHS	CSA
John Pollock	NCAAD
Beau Mills	Metro Mayors

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation

Name of Committee

3/28/2019

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

W. H. Gentry

DATE

Instant Delay

WLDOT

James W. ...

RANK. NCMA LPA's

Green Bay

NCWOT

Janice Kritzer

NCDOT

Ed Goodwin

Representative District 7

