



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of North Carolina

COVID-19/NCDOT TAB Meeting Update 8-24-2020

ACEC/NC Leadership meets with NCDOT

On Tuesday, August 18, 2020, ACEC/NC met with NCDOT Leadership in our quarterly Transportation Advisory Board (TAB) meeting. The discussions were frank and productive and summarized during the virtual ACEC/NC Transportation Committee Meeting on Wednesday, August 19, 2020. The following is a printed summary of the discussion topics for those who could not attend the on-line meeting on the 19th.

1. Revenue Status – NCDOT revenue growth has been slow but steady since April though not yet back to pre-COVID levels. Hurricanes and other natural disasters could still impact any budget plans that were discussed and NCDOT will remain fiscally conservative until sustained cash balance is ~\$600M.
2. HB 77 Summary - GARVEE BOND Reserves are allowed to be part of the cash balance calculation. The capacity of Garvey Bonds have been increased from 15% to 20%. The BUILD NC Bond sale of \$700M will be used to cover bills on active construction projects. The regular revenue stream will be used to build up NCDOT's cash balance. The Department is hopeful that the September sale by the State Treasurer will occur as planned. All NCDOT projections are contingent on the sale of Build NC Bonds, so the culmination of this sale is imperative! The results of the legislative changes by HB 77 also lowered the minimum cash floor from \$285M+/- to \$267M+/- (7.5% of revenue. If revenues changes, so will the dollar value of the cash floor).
3. FHWA Update – NCDOT has been very fortunate in the past few years when it comes to August redistributions and has submitted their request and hopes for \$160M in funding. NCDOT will know the outcome near the end of August and we'll report what transpires.
4. STIP Update – Reprogramming of the STIP is required due to the current revenues changing and the need to be fiscally constrained. It will be submitted to the Board of Transportation (BOT) in September for informational purposes and hopefully receive final approval in October. The books are still being closed on FY 20 and Preliminary Engineering (PE) project expenditures not included in the FY 20 budget were: NCTA PE, MODES PE, Bridge Program and CEI.
5. Program Update – For the PE program going forward, NCDOT will be focusing on FY 21, 22, and 23 of the reprogrammed STIP. Projects will be restarted incrementally based on cash balance stability month over month. As the cash balance stabilizes, and if budgets allow, NCDOT will be looking at FY 24 opportunities. Projected PE spending in FY 21 is budgeted at \$250-\$260M, subject to the Build NC Bond sale. With the cash balance at a projected sustainable level, NCDOT hopes to begin reinitiating projects in October on a select basis. NCDOT is in the process of developing a list of project re-starts, similar to the lists developed in early 2020. A revised 12 month Letting schedule has been developed based on the cash model and will be modified if the Build NC Bond sale does not go through or if unexpected storms/hurricanes occur.
6. Locally Administered Projects (LAP) - These projects are slowly restarting with cash above the minimum cash balance floor. NCDOT has a LAP fund and is working to improve notifying local entities so they can get these projects moving. Firms should contact their local client and advise them of the NCDOT LAP fund.
7. Legislative Advocacy - An important part of ACEC's Mission is to support legislative advocacy. In general, NCDOT has asked us to continue our coordination with industry

partners (NC Chamber, AGC, CAPA, etc.) and recognizes ACEC has recently created a Long-Term Sustainable Transportation Funding Task Force. NCDOT requested the ACEC Task Force maintain direct communication with NCDOT's Leadership as strategies and suggested funding options are developed.

8. General Comments – NCDOT indicated a plan is being developed to conduct and utilize consultant evaluations every 6 months and these will be relied upon heavily during the selection process. NCDOT is not encouraging any of their groups to retract work to be done in-house. If there are instances of this occurring, please provide examples to ACEC for disseminating to NCDOT for follow-up action.
9. ACECNC /NCDOT Joint Transportation Conference – October 21/22, 2020 (VIRTUAL)
NCDOT stated they are committed to participating!
10. Next TAB Meeting Date: November 17, 2020, 3:00 pm

James A. Smith, Jr., PE, Executive Director
American Council of Engineering Companies of North Carolina

Wells Fargo Capitol Center
150 Fayetteville Street, Suite 1340
Raleigh, North Carolina 27601
919-781-7934 phone
919-830-9631 mobile
www.acecnc.org

Connect with us: | [Twitter](#) | [LinkedIn](#) | [Facebook](#)



ACEC/NC is premier organization in North Carolina that represents the business interests of the engineering industry in our state. ACEC/NC's mission is to promote the business interest of engineer companies by providing legislative advocacy and business services.