Meeting Minutes taken by Davis Diggs, PE – Kisinger Campo & Associates

* Welcome and Introductions
* Keith Skinner welcomed everyone and thanked ACEC-NC for setting up the online meeting. Keith also pointed out that this would be the final meeting of this committee for the ACEC physical year. New officers will be announced in June.
* David Ferrell, ACEC-NC Lobbyist and Jim Smith, ACEC-NC Executive Director served as the speakers giving updates on various legislative actions and NCDOT funding issues. Items covered included…
	+ Prior to the COVID shutdown, NCDOT had settled approximately $600M in MAP Act Right of Way claims with more to go. Storm events could still be $100M this year. But no funding has been approved to date.
	+ Prior to 2016, average annual spending by NCDOT on Planning and Environmental activities averaged $200M per year. That number jumped up to $514M in FY2018. The expectation is to return to numbers nearer the 2016 spending levels.
	+ In Fall 2019, SB 356 shifted funds, but there was no new money allocated. Then COVID hit and caused NCDOT to fall below the minimum cash floor. Now the estimated revenue shortfall for April – June is about $300M. The projected FY21 shortfall is an additional $300M. (Total Shortfall = $600M)
	+ NCDOT took actions to suspend most P&E work. The only projects moving forward are bond projects and those with high levels of federal funding.
	+ NCDOT released about 50% of all consultant CEI and embedded staff, and temporary employees.
	+ NCDOT State Employees were furloughed. This affected about 9,000 NCDOT staff for a net effect of 1%-2% savings.
	+ Effects on STIP going forward…
		- P&E=$375M for FY20,
		- $300M-$350M for FY21, and
		- $250M-$300M for FY22.
		- The emphasis for now is getting the let schedule back to normal levels.
	+ Most state DOT’s around the country are experiencing shortfalls.
	+ NC Legislature passed COVID relief of $300M for NCDOT. This money is allocated from the federal stimulus package, but it can’t be used for budget shortfalls without a change in the federal legislation. This legislation did not lower the minimum cash floor as was requested.
	+ The US House passed a $3T COVID Phase IV, but it was declared “dead on arrival” at the Senate. A compromise could result in $25B-$50B nationally for transportation. NCDOT could get their $300M out of that.
	+ NC State Auditor presented NCDOT report to legislature on May 19.

David Ferrell also gave a summary of the NC legislature’s 2020 session plans. These include the following:

* + The NC Senate is having mostly in-person committee meetings. The House is using Zoom more, but both are treating this short session year more like a re-budget (long session) year.
	+ Likely will not know anything definite about NCDOT’s budget until June 30. There is still $1.9B remaining in the original Cares Act to be allocated by NC Legislature.
	+ Yesterday the State Auditor presented a report on NCDOT spending to the Senate Transportation Oversight Committee. The Legislature is requesting a response/presentation from the NC Board of Transportation. Likely if money is allocated, then Legislature will require changes to NCDOT and the Board.
	+ There may be a request for bonds to fund NCDOT.
	+ ACEC is engaging other impacted industries to present a united effort.

Everyone was allowed to ask questions in the chat box. Jim Smith facilitated answers to the questions.

* + Are consultant CEI staff affected by the NCDOT furloughs? – No. CEI staff are not supposed to be required to take the same furlough time off that State Employees are required to take.
	+ The group would like the stats on P&E revenue for the last 5 years to be give to the industry. Jim will try to get this information – making request to NCDOT.
	+ The audit of NCDOT stated there was an issue with overspending of P&E. This was due to failure of NCDOT to properly estimate what those expenses would be.
	+ Federal distribution in August. Maybe not, but NC Treasurer may not be able to sell bonds.
	+ Notice to Proceed process with NCDOT is not working well in some cases. We need to address this with NCDOT TAB. Now might be a good time to do this while everything is paused.
	+ Some discrepancies were noted in the audit report. NCDOT highlights the storm and MAP Act costs but leaves out surplus money. The Audit report also differs from NCDOT on MAP ACT spending.
	+ Are the cost cutting measures made by NCDOT working? – We would need to see the cash curves to be certain.
	+ Are LAP projects affected by the cash balance issue? – Yes, in some cases they are. NCDOT is the pass through for the federal money. As such NCDOT “fronts the money” to the municipality before requesting the reimbursement from the feds.
	+ If the Build NC Bonds may not sell, we need to encourage our legislators to act on this.

Jim Smith encouraged everyone on the call to send any further questions to him after the call.

The various subcommittee reports were given.

Meeting was adjorned.