

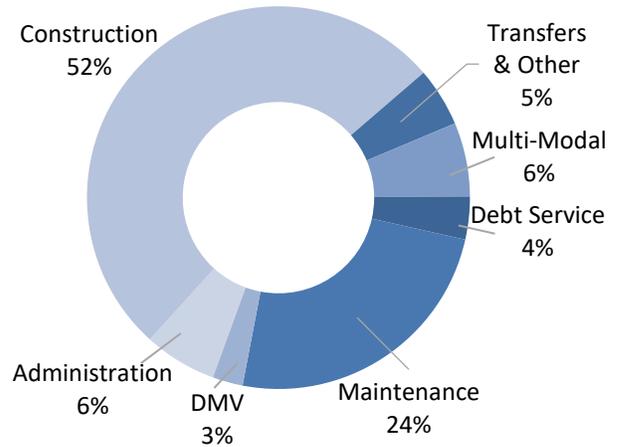
Mission

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

Goals

1. Make transportation safer / Vision Zero.
2. Improve reliability and connectivity of the transportation system.
3. Deliver and maintain our infrastructure efficiently and effectively.
4. Provide GREAT customer service.
5. Be a great place to work.
6. Be a transparent and accountable organization.
7. Enhance the diversity of our workforce and partnerships.
8. Embrace modernization and new ideas.

FY 2022-23 Actual Expenditures

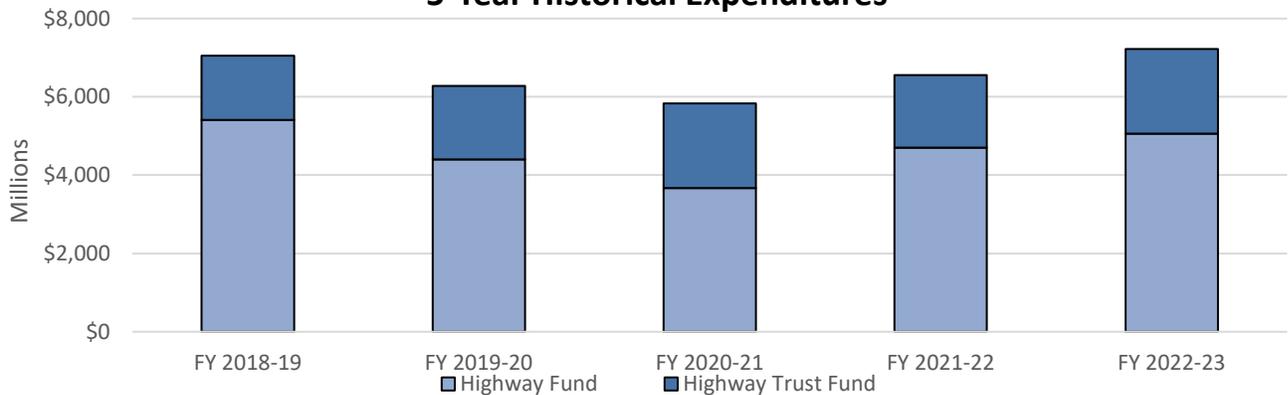


Excludes project spend funded by debt issues, including GARVEE bonds.

Agency Profile

- Responsible for highways and other modes of transportation in North Carolina, including programs to support rail, aviation, ferries, public transit, and bicycle and pedestrian transportation.
- Maintains one of the largest state-maintained highway systems in the nation with over 80,000 miles of roadway and more than 18,000 bridges and culverts.
- Every year, more than 56 million passengers and 1.3 million tons of cargo pass through state airports.
- Serves approximately 2 million passengers on the 2nd largest state-operated ferry system in the country.
- Provides more than 41 million passenger trips on 98 transit systems serving residents in all 100 NC counties.

5-Year Historical Expenditures



Transportation - Highway Fund (84210)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	-	5,233,346,833	5,149,376,460	18,477,278	245,748,000	264,225,278	5,413,601,738
Receipts	-	2,266,746,833	1,953,822,460	225,278	177,000,000	177,225,278	2,131,047,738
Net Appropriation	-	2,966,600,000	3,195,554,000	18,252,000	68,748,000	87,000,000	3,282,554,000
Positions (FTE)	-	11,147.000	11,147.000			26.000	11,173.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Guarantees at least a 5% across-the-board increase for all state-funded employees. In addition to the 3% provided in SL 2023-134, most state employees receive an additional 2%, while employees paid on an experience-based salary schedule or with a salary set in law receive an additional 3%. State agency teacher salaries are increased in accordance with the statewide salary schedules. Corresponding special provisions show additional details on compensation increases.

Req \$	9,828,000	\$	-	\$	9,828,000
Rec \$	-	\$	-	\$	-
App \$	9,828,000	\$	-	\$	9,828,000
FTE					0.000

2 Enhanced Labor Market Retention and Adjustment Reserve

Addresses retention and other labor market needs by providing a reserve equal to 2% of Highway Fund-supported and receipt-supported payroll. The inclusion of funds for receipt-supported positions provides flexibility to agencies to address labor market concerns across all positions regardless of funding source. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. Among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	15,480,000	\$	-	\$	15,480,000
Rec \$	-	\$	-	\$	-
App \$	15,480,000	\$	-	\$	15,480,000
FTE					0.000

3 Retention Bonus

Provides a \$1,000 bonus to Highway Fund-supported employees and an additional \$500 bonus to employees with an annual salary of less than \$75,000. To address retention, the retention bonus will be paid in two installments with half of the bonus paid in October 2024 and half in April 2025.

Req \$	-	\$	18,335,000	\$	18,335,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	18,335,000	\$	18,335,000
FTE					0.000

4 Retiree Cost-of-Living Adjustment

Provides a 3% one-time retiree supplement in FY 2024-25 for over 240,000 retired members and survivors of deceased members.

Req \$	-	\$	3,163,000	\$	3,163,000
Rec \$	-	\$	-	\$	-
App \$	-	\$	3,163,000	\$	3,163,000
FTE					0.000

Highway Maintenance

5 Randolph Megasite Road Project

Provides funding from the Economic Development Reserve to complete work on roads serving the Randolph County megasite, where Toyota is investing \$13.9 billion in a manufacturing facility for its first US automotive battery plant.

Req \$	-	\$	150,000,000	\$	150,000,000
Rec \$	-	\$	150,000,000	\$	150,000,000
App \$	-	\$	-	\$	-
FTE					0.000

6 Relocation of Jones County and Wake County Maintenance Yards

Funds the construction of facilities to replace the maintenance yards in Jones and Wake Counties. The Jones County maintenance yard is sited in a flood plain and is no longer usable, while the land where the Wake County facility is currently located has been transferred to the Department of Agriculture and Consumer Services for the State Fairground. Receipts from land sales (\$7 million), together with \$20 million from the State Capital and Infrastructure Fund (SCIF), partially cover the costs. The total cost for these projects is \$80 million. An additional \$20 million will be needed in FY 2025-26 to complete the work.

Req \$	-	\$	60,000,000	\$	60,000,000
Rec \$	-	\$	27,000,000	\$	27,000,000
App \$	-	\$	33,000,000	\$	33,000,000
FTE					0.000

		R Changes		NR Changes		Adjustments
7 General Maintenance Reserve						
Reduces the appropriation to the General Maintenance Reserve (GMR) to reflect Highway Fund availability. The total funding for the GMR in FY 2024-25 is \$1.05 billion, up from \$724 million in FY 2023-24.	Req \$	(9,442,280)	\$	-	\$	(9,442,280)
	Rec \$	-	\$	-	\$	-
	App \$	(9,442,280)	\$	-	\$	(9,442,280)
	FTE					0.000
Department-Wide						
8 Purchasing Division – Vendor Outreach						
Provides funding to support Purchasing Division’s work to increase contracts awarded to historically underutilized businesses (HUBs). Funds will be used for outreach facilities, conferences, promotional supplies, and memberships in HUB and transportation industry groups.	Req \$	115,000	\$	-	\$	115,000
	Rec \$	-	\$	-	\$	-
	App \$	115,000	\$	-	\$	115,000
	FTE					0.000
9 Governor’s Highway Safety Program						
Fulfills match requirements for the Governor’s Highway Safety Program to draw down \$28 million in federal receipts. The program has received no additional state funding over the past 10 years, while traffic fatalities have risen 27% in that time.	Req \$	289,280	\$	-	\$	289,280
	Rec \$	-	\$	-	\$	-
	App \$	289,280	\$	-	\$	289,280
	FTE					0.000
10 Advanced Technologies Office						
Creates an advanced technologies team to work within DOT, across state government, and with external stakeholders on issues related to the adoption of new transportation technologies, from adequate charging infrastructure for electric vehicles to the increased uses of drone technology.	Req \$	500,000	\$	-	\$	500,000
	Rec \$	-	\$	-	\$	-
	App \$	500,000	\$	-	\$	500,000
	FTE					4.000
Division of Motor Vehicles						
11 Driver’s License Examiners						
Funds 20 additional Driver’s License Examiners at the Division of Motor Vehicles to continue improving customer service by reducing wait times and creating service capacity to match the state's rapid population growth.	Req \$	1,282,000	\$	-	\$	1,282,000
	Rec \$	-	\$	-	\$	-
	App \$	1,282,000	\$	-	\$	1,282,000
	FTE					20.000
Integrated Mobility						
12 Bicycle and Pedestrian Projects						
Establishes a local government grant program to match federal funds for bicycle and pedestrian projects, such as shared use paths, bicycle lanes, and bicycle and pedestrian bridges.	Req \$	-	\$	10,000,000	\$	10,000,000
	Rec \$	-	\$	-	\$	-
	App \$	-	\$	10,000,000	\$	10,000,000
	FTE					0.000
13 Federal Matching Funds						
Provides funds to match federal grants for multimodal transportation. Opportunities for both formula funding and competitive grants have increased significantly due to the Infrastructure Investment and Jobs Act (P.L. 117-53).	Req \$	2,000,000	\$	-	\$	2,000,000
	Rec \$	-	\$	-	\$	-
	App \$	2,000,000	\$	-	\$	2,000,000
	FTE					0.000
14 Great Trails State Plan						
Funds grants for feasibility studies and implementation of the Great Trails State Plan. The goal of the plan is to connect all counties and key destinations in the state through a network of greenways and create lasting investments in both rural and urban areas.	Req \$	1,000,000	\$	-	\$	1,000,000
	Rec \$	-	\$	-	\$	-
	App \$	1,000,000	\$	-	\$	1,000,000
	FTE					0.000
15 Multimodal Planning Grants						
Provides funding for multimodal plans as well as other special studies and programs. This will ensure that different modes of travel and the connections between them are appropriately reflected in new transportation projects.	Req \$	200,000	\$	-	\$	200,000
	Rec \$	-	\$	-	\$	-
	App \$	200,000	\$	-	\$	200,000
	FTE					0.000
Office of Civil Rights						
16 Title VI Program Analyst Position						
Budgets receipts from the Highway Trust Fund for an additional FTE to ensure federal anti-discrimination requirements are met when reviewing applications for grant funding.	Req \$	112,639	\$	-	\$	112,639
	Rec \$	112,639	\$	-	\$	112,639
	App \$	-	\$	-	\$	-
	FTE					1.000

	R Changes	NR Changes	Adjustments
17 Workforce Programs Coordinator			
Budgets receipts from the Highway Trust Fund for an additional FTE to work with other agencies, including the NC Community College System and the Departments of Adult Correction and Commerce, to implement multimodal workforce development projects. These projects help the department address skilled worker shortages and provide on-the-job training to workers who otherwise might not be able to access transportation jobs.	Req \$ 112,639	\$ -	\$ 112,639
	Rec \$ 112,639	\$ -	\$ 112,639
	App \$ -	\$ -	\$ -
			FTE 1.000
Aviation Division			
18 Technical Correction			
Reduces funding to the Aviation Division that duplicated a federal grant.	Req \$ (21,000,000)	\$ -	\$ (21,000,000)
	Rec \$ -	\$ -	\$ -
	App \$ (21,000,000)	\$ -	\$ (21,000,000)
			FTE 0.000
Rail Division			
19 Federal Matching Funds			
Increases matching funds for Federal Railroad Administration (FRA) grants. The FRA has selected multiple North Carolina rail corridors for investment in rail services to both rural and urban communities. Additional match funds will ensure the department remains competitive for these grant programs.	Req \$ 10,000,000	\$ -	\$ 10,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 10,000,000	\$ -	\$ 10,000,000
			FTE 0.000
Ferry Division			
20 Additional Funds for External Credit Dry Docks			
Provides funds for vessel drydocks and to purchase equipment needed for maintenance and repairs to meet US Coast Guard requirements. These funds will help the Ferry Division manage maintenance needs resulting from the increasing age of its fleet - nine of its 22 vessels are past their 30-year expected life.	Req \$ 8,000,000	\$ -	\$ 8,000,000
	Rec \$ -	\$ -	\$ -
	App \$ 8,000,000	\$ -	\$ 8,000,000
			FTE 0.000
21 M/V Hunt Emergency Switch Board Replacement			
Funds the replacement of the M/V Hunt's emergency generator switchboard, for which replacement parts are no longer available.	Req \$ -	\$ 750,000	\$ 750,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 750,000	\$ 750,000
			FTE 0.000
22 Propulsion Control System Updates – Additional Vessel			
Provides funds to upgrade the propulsion control system on a river class ferry vessel built prior to 2002. This upgrade will replace a system which is no longer supported by the manufacturer, reducing vessel downtime and increasing service reliability.	Req \$ -	\$ 2,000,000	\$ 2,000,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 2,000,000	\$ 2,000,000
			FTE 0.000
23 Fort Fisher Disposal Area Clean Out			
Provides funding to contract out the clearing of the Fort Fisher disposal area to ensure there is room for future dredging projects, which are vital to keeping the Fort Fisher channel and basin open. The disposal area is reaching maximum capacity for dredge materials; clearing it out will create sufficient capacity for the next five-to-eight years.	Req \$ -	\$ 1,500,000	\$ 1,500,000
	Rec \$ -	\$ -	\$ -
	App \$ -	\$ 1,500,000	\$ 1,500,000
			FTE 0.000
Total Change to Requirements	\$ 18,477,278	\$ 245,748,000	\$ 264,225,278
Total Change to Receipts	\$ 225,278	\$ 177,000,000	\$ 177,225,278
Total Change to Net Appropriation	\$ 18,252,000	\$ 68,748,000	\$ 87,000,000
Total Change to Full-Time Equivalent (FTE)			26.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 87,000,000		
Recommended Total FTE Changes	26.000		

Transportation - Highway Trust Fund (84290)

	2023 Session Law-Enacted			2024 Legislative Session Recommended - FY 2024-25			
	2022-23 Actual	2023-24 Certified	2024-25 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2024-25 Revised
Requirements	-	2,309,034,972	2,445,746,000	(126,600,000)	-	(126,600,000)	2,319,146,000
Receipts	-	-	-	-	-	-	-
Net Appropriation	-	2,309,034,972	2,445,746,000	(126,600,000)	-	(126,600,000)	2,319,146,000
Positions (FTE)	-	0.000	0.000			0.000	0.000

	FY 2024-25 Recommended		
	R Changes	NR Changes	Adjustments
1 Strategic Transportation Investments Prioritization			
Adjusts the budget for the Strategic Transportation Investments Prioritization (STIP) program to match the revenues available to the Highway Trust Fund. The revised annual net appropriation for Strategic Transportation Investments in FY 2024-25 is \$2.06 billion.	Req \$ (126,825,278)	\$ -	\$ (126,825,278)
	Rec \$ -	\$ -	\$ -
	App \$ (126,825,278)	\$ -	\$ (126,825,278)
	FTE		0.000
2 Office of Civil Rights Positions			
Transfers funds to the Highway Fund for two positions in the Office of Civil Rights (OCR). Further details are set out in items 12 and 13 in the Highway Fund section.	Req \$ 225,278	\$ -	\$ 225,278
	Rec \$ -	\$ -	\$ -
	App \$ 225,278	\$ -	\$ 225,278
	FTE		0.000
Total Change to Requirements	\$ (126,500,000)	\$ -	\$ (126,500,000)
Total Change to Receipts	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ (126,500,000)	\$ -	\$ (126,500,000)
Total Change to Full-Time Equivalent (FTE)			0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ (126,500,000)		
Recommended Total FTE Changes	0.000		