

## Highlights of the Transportation Budget

### Highway Fund

The Conference Budget for Department of Transportation's operations and maintenance activities in FY 2021-22 includes net appropriations of \$2.63 billion, which is \$265.6 million above the base budget. This is an 11.3% increase. FY 2022-23 includes net appropriations of \$2.6 billion, which is \$23.0 million less than the amount of the Conference Budget for FY 2021-22 and a less than 1% decrease.

### Highway Trust Fund

The Highway Trust Fund net appropriations for FY 2021-22 total \$1.6 billion, which is \$104.8 million less than the base budget. This is a 6.3% decrease. FY 2022-23 includes net appropriations of \$1.7 billion, which is \$176.3 million higher than the amount in the Conference Budget for FY 2021-22. This is a 11.4% increase.

### Revenue Forecast

- Combined Highway Fund and Highway Trust Fund **revenues are projected to increase** by approximately **17.2% in FY 2021-22** from Certified Budget for FY 2020-21 and by another **3.7% in FY 2022-23**. Total of Highway Fund and Highway Trust Fund is approximately \$4.2 billion in FY 2021-22 and \$4.3 billion in FY 2022-23.
- The increased revenue is due to:
  - Increase in collections of motor fuel taxes, highway use taxes and DMV fees.
  - Additionally, approximately \$70 million is being transferred from the General Fund to the Highway Fund in each year of the biennium for **short-term car rental tax collections**, per direction in this act.

### Committee Report Items

- (Page J25, Items 7-13) Provides additional funds for **highway maintenance** and **highway preservation** activities. Total of funds available is \$1.7 billion in each year of the biennium. The total increase of funds over the biennium is \$346 million over the base budget.
  - Bridge Programs, \$344 million annually
  - Pavement Preservation and General Maintenance, over \$627 million annually
  - Contract Resurfacing, \$570.6 million annually
  - Roadside Environmental, \$120 million annually
- (Page J26, Item 14) Provides an additional \$50 million for small construction projects within the **Contingency Fund** account; the total amount available for FY 2021-22 is \$62 million and \$12 million for FY 2022-23.
- (Page J26, Item 19) Provides additional funds of \$11.8 million for the **Powell Bill**, money to municipalities for construction and maintenance of municipal roads and bridges. The total amount available is \$154.9 million in each year of the biennium for municipalities.
- (Page J27, Item 21) Provides \$7.5 million in FY 2021-22 and \$10.4 million in FY 2022-23 to **renovate and replace** DOT buildings, maintenance shops, and improve or replace facilities. Of these funds, the General Fund's State Capital and Infrastructure Fund (SCIF) will pay for \$10.5 million of these projects over the biennium.

- (Page J28, Item 27) Provides \$3 million in FY 2021-22 in State Fiscal Recovery Funds from the American Rescue Plan Act for **extended service at DMV Driver License offices** across North Carolina.
- (Page J29, Items 34-37) Provides \$19 million in FY 2021-22 in **American Rescue Plan Act funds for Federal Transit Administration (FTA) grants** to assist with rural operating, training and technical assistance, intercity transit, and trips for the elderly and persons with disabilities.
- (Page J30, Item 40) Provides \$16 million over the biennium for **capital projects at the Global TransPark**, including a fuel storage facility and terminal renovation.
- (Page J30-J31, Items 42-43) Provides \$2 million in each year of the biennium to **general aviation airports** by eliminating vacant positions and funding 14 permanent positions previously funded through the grant program.
- (Page J32-J33, Items 49-64) Provides \$56.3 million in FY 2021-22 and \$57.2 million in FY 2022-23 to create an organized operating budget for the entire **Ferry Division**. This is a \$14.5 million net increase over the biennium that fully funds ferry operations.

### Special Provisions

- (Sec. 41.3) Revises the statutory requirement so that DOT must have no more than an average of \$2 billion cash balance during first three months of the calendar year, in order to issue **Build NC Bonds** during the biennium.
- (Sec. 41.10) Limits the use of the **Salary Adjustment Fund** to DMV employees who did not receive an increase from DOT's Salary Pilot Program and who do not have any active disciplinary actions.
- (Sec. 41.15) Modifies the **Ferry Division's budget** to separate capital from operations spending and removes the Division's authority to overdraft their budget.
- (Sec. 41.29) Provides a general authorization to DMV for the **online renewal of DMV-issued credentials**, including permits, licenses, and registrations.
- (Sec. 41.49) Eliminates **vacant positions** that have been unfilled for greater than four years across DOT.