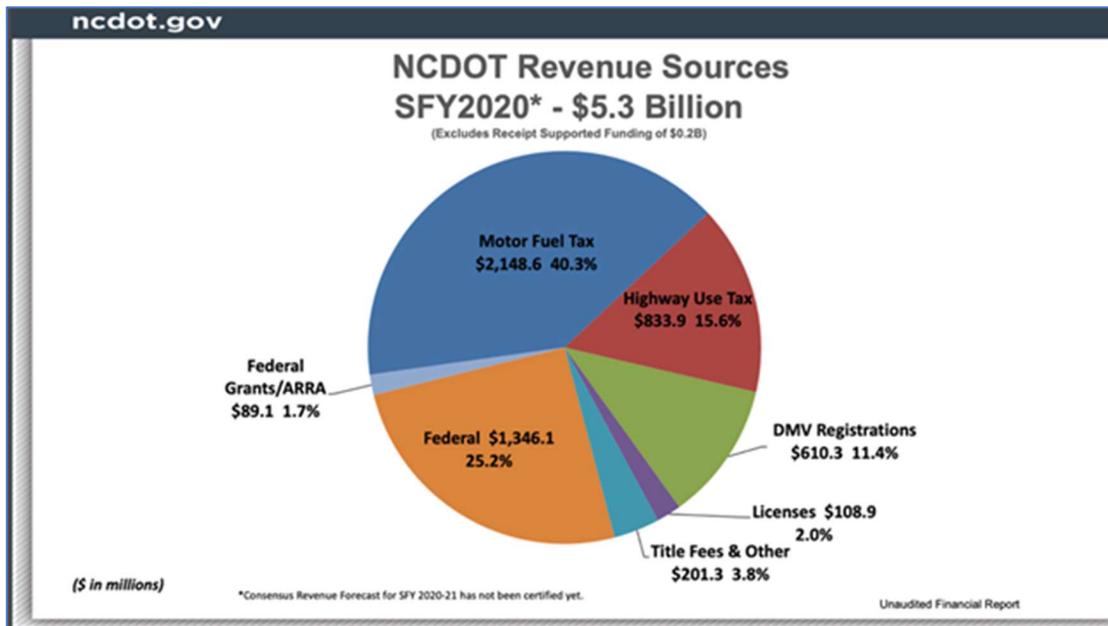


Concern: The current revenue system is not adequate in the long term to meet the state's needs for transportation

NCDOT currently manages an annual budget of about \$5.1 billion

- 77 percent NCDOT's budget comes from three state revenue sources: The Motor Fuels Tax, the Highway Use Tax, and Division of Motor Vehicles (DMV) fees
- 23 percent is federal funding, which is mostly derived from federal fuel taxes



	Highway Fund (HF)	Highway Trust Fund (HTF)
Uses	<ul style="list-style-type: none"> Operations Maintenance Modes <ul style="list-style-type: none"> • Integrated Mobility (Transit and Bicycle/Pedestrian) • Ferries • Rail • Aviation DMV Administration 	<ul style="list-style-type: none"> Capital Construction Debt Service “Gap” Funds for Turnpike Projects NC Ports Administration
Revenue Sources	<ul style="list-style-type: none"> Motor Fuels Tax <ul style="list-style-type: none"> • 71% of revenues in FY 2020, 81% in FY 2021, 80% in FY 2022, and 75% in FY 2023 and after DMV Fees <ul style="list-style-type: none"> • About 85% of total fee revenues • Driver license, vehicle registration, safety and emissions inspections, motor carrier, and other fees Investment Income 	<ul style="list-style-type: none"> Federal Funding Highway Use Tax Motor Fuels Tax <ul style="list-style-type: none"> • 29% of revenues in FY 2020, 19% in FY 2021, 20% in FY 2022, and 25% in FY 2023 and after DMV Fees <ul style="list-style-type: none"> • About 15% of total fee revenues • Vehicle title, miscellaneous registration, and lien recording fees Investment Income

NC First Commission recommendations: Increase North Carolina's transportation investment level from \$50B to \$70B in next decade & Find new and more diverse funding to offset declining gas tax revenue

- “Currently, NC’s annual transportation investment level is \$50 billion over the next decade. The Commission’s consensus recommendation is to increase the total investment level [over that period] by an additional \$20 billion.”
- Goals would include: modernize and increase transportation investment, create a safer and more resilient transportation network, better connect rural areas, and support technological advancement.
- Concerns include: current infrastructure is aging and needs repair and modernization; increased freight costs, shipment delays and limited interstate access in rural areas are constraining economic growth.
- New investment strategies are needed to offset declining gas tax revenue; the state relies on just a few revenue sources to pay for transportation investments.
- In addition to roads, report highlights importance of Port Authority, airports, and freight rail networks.

Typical revenue sources are not generating as much money as they have in the past

- State revenues are overall lower than forecasted although it is improving:
 - -7.9% in July to -5.3% in August
 - Highway Use Tax revenue is 4% lower than forecasted and Motor fuel Taxes are 1.3% lower than expected
- Strong federal revenue has offset some state revenue challenges
- Expenditures are delayed compared to state’s forecast due to labor and material shortages

Concern: The current revenue system is not adequate in the long term to meet the state's needs for transportation

State System Comparisons							
STATE	Total State Owned Mileage, 2018	% of DOT Ownership, 2018	State Owned Bridges Structures, 2019	VTM per capita (in millions), 2018	Transit Ridership, 2018	Airport Passengers, 2018	Inbound and Outbound Freight Ton Miles (in millions), 2017
Florida	12,104	9.8%	12,518	11,798	227,424,998	81,636,694	18,392
Georgia	17,946	14.0%	14,940	13,569	144,907,302	52,555,543	15,458
Illinois	15,900	10.9%	26,825	8,414	603,890,436	46,282,833	7,540
North Carolina	80,011	74.5%	18,407	12,703	68,765,597	30,308,135	2,800
Ohio	19,249	15.6%	27,167	9,923	96,600,569	9,825,644	5,278
South Carolina	41,296	52.9%	9,419	12,280	11,020,045	4,903,394	2,443
Tennessee	13,920	14.5%	20,226	12,814	30,660,379	11,423,375	6,205
Texas	80,455	25.6%	54,432	11,216	274,565,632	83,399,001	10,790
Virginia	59,020	78.3%	13,933	10,666	66,656,676	23,495,388	1,186

State DOT Spending Comparisons					
STATE	Transportation Fund Revenue Sources (in millions), FY2019	Transportation Expenditures as % of Total State Expenditures, FY 2019	Highway Spending Per Capita, FY2017	Transportation Spending per VMT, FY2019	Transportation Spending per State Owned Mile, FY2019
Florida	\$8,889	12.1	\$537	\$0.04	\$734,404
Georgia	\$2,086	7.1	\$418	\$0.07	\$116,238
Illinois	\$4,142	6.5	\$731	\$0.08	\$260,510
North Carolina	\$3,942	13.3	\$474	\$0.07	\$49,268
Ohio	\$3,231	4.8	\$520	\$0.08	\$167,851
South Carolina	\$1,996	8.6	\$457	\$0.16	\$48,334
Tennessee	\$963	6.1	\$334	\$0.11	\$69,182
Texas	\$10,515	11.1	\$554	\$0.03	\$130,693
Virginia	\$3,555	12.6	\$582	\$0.10	\$60,234

Economic Comparisons						
	GDP (in millions), 2019	Transportation Expenditures as % of State GDP, 2018	Transportation Workforce, 2019	Annual Transportation Payroll (in thousands), 2019	% of Employed Workforce in Transportation, 2019	Number of Transportation Employees, 2019, per Lane Mile, 2018
Florida	\$1,093,351	3.4%	315,102	\$16,760,896	3.5%	1.15
Georgia	\$616,333	4.3%	205,646	\$11,574,856	4.6%	0.76
Illinois	\$897,124	4.1%	281,336	\$15,641,025	4.7%	0.92
North Carolina	\$587,711	2.4%	142,676	\$7,060,808	3.2%	0.62
Ohio	\$698,458	3.4%	210,923	\$10,775,214	3.9%	0.80
South Carolina	\$246,309	2.4%	70,005	\$3,118,392	3.3%	0.43
Tennessee	\$380,138	4.6%	175,419	\$9,805,125	5.8%	0.86
Texas	\$1,886,956	3.7%	512,675	\$31,931,352	4.1%	0.75
Virginia	\$554,211	2.7%	124,875	\$6,452,176	3.2%	0.76

Concern: The current revenue system is not adequate in the long term to meet the state's needs for transportation

Sources:

[North Carolina Future Investment Resources for Sustainable Transportation \(NC FIRST\) Commission](#)

[NC DOT](#)

[NC DOT Financial and Spend Plan Update](#)