
FREQUENTLY ASKED QUESTIONS

Strategic Mobility Formula

Question: Why is this new initiative being proposed?

Answer: Over the next 10 years, North Carolina expects a population increase of more than 1.3 million, greatly increasing the infrastructure need. During that same period, the state faces a projected \$1.7 billion decrease in funding. The resulting infrastructure gap necessitates more efficient investment of available resources. The current formula for funding transportation improvements was developed in 1989 and needs to be updated to adapt to the changes that have occurred in the state since that time. The old system could lead to under-investing in some areas and investing in other areas that don't produce results. We lack alignment with commerce in economic development activity and the policy structures to prioritize our investments. This formula will better allow data-driven decisions about which project priorities advance.

Question: What will this initiative do for me?

Answer: This initiative connects and invests in people. It allows us to maximize the benefits derived from our transportation investments. It uses infrastructure to promote economic development. It focuses on connecting people to products, services and education and helps grow and create new economic centers. It will transform communities because this initiative focuses on improving drive times between places of residence and employment centers.

Question: How is this initiative different from today's funding formulas?

Answer: Today's formulas, for the most part, began in 1989 when economic conditions and needs of North Carolinians were different than today. The program was largely designed to develop a legislatively mandated set of projects. While many of those projects were excellent, the point has been reached where those goals need to be revisited in light of today's challenges, which include expanding population, high unemployment rates, increased traffic and worsening congestion. This initiative will redirect how we fund, distribute and prioritize our projects to meet these challenges.

Question: When will this become effective? What about projects already in the pipeline?

Answer: The initiative will be effective when it becomes law. We will assess projects on a case-by-case basis. Projects already scheduled for construction between now and when the new processes are fully functional will remain funded.

Question: Why is the equity formula being eliminated?

Answer: The 1989 Distribution Formula or equity formula will be repealed because this new initiative will distribute funds on a needs basis. Under the new formula, the best scoring projects will be funded rather than letting the funding drive the selection of projects as sometimes happened under the equity formula. Specific distributions to each region within the regional category will be based on population while distributions within the division category will be equal share.



Question: What happened to the Intrastate system projects?

Answer: The Intrastate system as defined in the 1989 Highway Trust fund law will be repealed. It will be replaced with a Statewide Mobility program of projects that include interstate highways, major U.S. and N.C. highways, Strategic Defense highways, airports with international passenger service or large numbers of passengers, and key freight service rail lines. Intrastate system projects that were identified in 1989 and have not been completed are eligible for funding under the new initiative.

Question: What happened to the Urban Loop Program?

Answer: The Urban Loop Program has already been repealed. However, Urban Loop Program projects scheduled for construction until July 1, 2015 will continue as committed projects, as will those urban loop projects already committed by the N.C. General Assembly. The rest of the urban loop projects will still be eligible for funding under this new initiative.

Question: What happened to the N.C. Mobility Fund projects and the prioritization formula?

Answer: The N.C. Mobility Fund projects scheduled for construction until July 1, 2015 will continue as committed projects. The rest of the N.C. Mobility Fund projects will still be eligible for funding under this new initiative.

Question: How does this initiative increase the number of projects and boost anticipated employment?

Answer: NCDOT's current 10-year plan includes 175 projects and creates 174,000 jobs. Using the same amount of funding, the new formula would fund at least 260 projects and create more than 240,000 jobs over the next 10 years.

Question: Will programs like the recent increased emphasis on Interstate Maintenance and the Bridge Program be affected?

Answer: No, there is a specific provision in the initiative to continue to fund those activities under the new program.

Question: Does this proposal favor urban areas over rural areas?

Answer: This proposal has sufficient flexibility that neither big cities nor small towns will be favored. The statewide category will address projects to reduce congestion and decrease interstate and intrastate travel times. The regional category will allow local officials to provide their input on intrastate and regional projects, and since regional needs vary from one area of the state to another, there is flexibility to allow urban areas to address urban needs and rural areas to address rural needs. The division category will allow local officials to provide at least 50 percent of the project score, which will allow them to greatly influence which projects get funded in their areas.

Question: I do not see local input in the statewide category. How can local officials influence whether those projects get constructed?

Answer: Projects in the statewide category are selected wholly on a data-driven process. However, local officials can have an influence by submitting good candidate projects for consideration or by agreeing to help fund those projects by supplementing the state funds that will be required to construct their priority projects.

Question: Is this new money or just a redistribution of the existing funds?

Answer: This initiative spells out that capital improvements will be funded from the Highway Trust Fund and operational and maintenance funds should be funded from the Highway Fund. This initiative does not create more money overall. However, operations and maintenance funds will now be allocated based on whether the department meets certain performance measures such as how many miles of road will be resurfaced and how many signs or pavement markings will be replaced. In other words, it does require the department to more effectively spend its limited operations and maintenance funds based on targeted performance measures.

Question: How will the funds be distributed under this new initiative?

Answer: The amount of funds to be allocated to each of the three categories will be set by the legislation. Projects in the statewide category compete across the state for funding. These projects will have the greatest impact on state or regional transportation and economic development. Projects in the regional category will compete within paired regions. These projects will have a great impact on regional travel and economic significance. Each paired region is actually made up of two of the 14 Transportation Divisions, which are currently paired together for equity formula purposes. Funds will be allocated to each region based on the population of that region compared to the other regions. Projects in the division category will compete within each of the current 14 Transportation Divisions, with each division getting an equal share of funds. These projects will address local travel and economic needs.

Question: Are there any tax increases or changes planned under this program?

Answer: At this time there is no discussion of any changes to the current tax and fee structure. The only changes proposed are how current revenues are distributed to the Highway Fund and the Highway Trust Fund.

Question: Will Powell Bill funds (funding to local municipalities) be affected?

Answer: While the Powell Bill supplement from the Highway Trust Fund will be discontinued, the appropriation to provide state-aid for municipal streets will continue as it currently exists. The amounts going to local municipalities will be held harmless under the new initiative compared to the existing funding.

Question: I have been waiting for my secondary road to be paved and it is still not paved. Will this initiative affect the paving program schedule?

Answer: The secondary roads paving program is still active. Projects will now be prioritized on a statewide basis instead of a county-wide basis. The new initiative sets aside some funds to continue this paving program.

Question: How can candidate projects be submitted for consideration?

Answer: Anyone can submit projects but they need to be submitted through the Metropolitan Planning Organization (MPO) or Rural Planning Organization (RPO) in their geographical area. Projects will need to be on the MPO- or RPO-adopted transportation plan, meet other eligibility requirements and then be ranked by the appropriate organization for submission to NCDOT.