



NORTH CAROLINA

Department of Transportation



Maintenance Program Budgeting

Patrick A. Norman, PE
Director of Highway Operations

Maintenance Programs

- General Maintenance Reserve (GMR)
- Roadside Environmental (RE)
- Contract Resurfacing (CR)
- Pavement Preservation (PP)
- Bridge Program (BP)
- Bridge Preservation (BPR)

Spend Target Development

- Appropriations = Programmatic Budget Authority provided by General Assembly
- Allocations = Distribution of Budget Authority to Divisions by Established Formula
- Spend Target = Total Annual Expenditure Amount Authorized (Cash Out the Door – Bills Paid)

Appropriation \neq Allocation \neq Spend Target

Operations & Maintenance Expenditure Projections

Standing Maintenance Programs	FY 2021 HB77 Budget	Snow & Ice Transfers (SL 2019-251)	FY 2021 Revised Budget	FY 2021 Spend Plan	Budget Savings
General Maintenance Reserve	\$517,382,234	\$43,731,212	\$561,113,446	\$485,000,000	\$76,113,446
Roadside Environmental	\$101,328,653	(\$3,020,761)	\$98,307,892	\$90,000,000	\$8,307,892
Contract Resurfacing	\$558,674,899	(\$15,082,953)	\$543,591,946	\$475,000,000	\$68,591,946
Pavement Preservation	\$85,358,348	(\$2,915,193)	\$82,443,155	\$75,000,000	\$7,443,155
Bridge Program	\$273,967,830	(\$8,152,492)	\$265,815,338	\$225,000,000	\$40,815,338
Bridge Preservation	\$69,899,551	(\$2,454,342)	\$67,445,209	\$60,000,000	\$7,445,209
TOTAL STANDING MAINTENANCE PROGRAMS:	\$1,606,611,515	\$12,105,471	\$1,618,716,986	\$1,410,000,000	\$208,716,986
Other Construction Programs					
Secondary Road Construction	\$3,500,000	\$0	\$3,500,000	\$3,500,000	\$0
Spot Safety Improvements	\$12,100,000	\$0	\$12,100,000	\$9,000,000	\$3,100,000
Contingency Funds	\$12,000,000	\$0	\$12,000,000	\$9,000,000	\$3,000,000
Mobility/Modernization Fund	\$1,500,000	\$0	\$1,500,000	\$12,500,000	(\$10,500,000)
TOTAL OTHER CONSTRUCTION PROGRAMS:	\$29,100,000	\$0	\$29,100,000	\$34,000,000	-\$4,400,000
TOTAL OPERATIONS & MAINTENANCE PROGRAM:	\$1,635,711,515	\$12,105,471	\$1,647,816,986	\$1,444,000,000	\$204,316,986

- FY 2021 Initial Spend Plan was set lower than budget to assist with continued efforts to build the cash balance
- This was a projected savings of just over \$200M over the course of the SFY

Spend Target Development

- Expenditure Forecasting – Contracted Programs
 - SAS Forecasting Models
 - Expenditures Controlled by Lettings/Contract Availability
 - Programs Include:
 - Contract Resurfacing
 - Pavement Preservation
 - Bridge Program
 - Bridge Preservation (Centrally Managed)

Spend Target Development

Example: Contract Resurfacing (FY 2021)

\$558,674,899.00	FY 21 Appropriation (HB 77)
- \$15,082,953.00	Snow/Ice Transfer (SB 356)
- \$8,323,495.00	<u>Negative Credit Reserve Transfer</u>
\$535,268,451.00	Budget Available to Distribute
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- \$489,890,475.00	Division Allocation
- \$8,850,000.00	Statewide Allocation
- \$35,000,000.00	<u>Cash Flow Pay Back (from FY 2018/2019)</u>
\$1,527,976.00	Total Remaining Undistributed
\$475,000,000.00	Total Spend Target

Spend Target Development

FY 2021 Contract Resurfacing Commitments: ~\$290M (FY Begin)

FY 2021 New Contract Letting Targets:

Contract Resurfacing		
Division	Fall 2020 Letting Amount	Spring 2021 Letting Amount
1	\$20,468,333	\$13,360,170
2	\$39,161,270	\$13,753,539
3	\$40,866,888	\$19,608,338
4	\$32,295,703	\$17,657,997
5	\$48,696,753	\$24,208,769
6	\$0	\$18,752,994
7	\$35,807,357	\$17,992,792
8	\$22,443,389	\$18,799,675
9	\$10,372,514	\$11,305,145
10	\$23,897,893	\$16,121,414
11	\$23,234,364	\$14,138,903
12	\$0	\$721,769
13	\$0	\$9,138,359
14	\$41,935,451	\$29,095,294
TOTAL	\$339,179,914	\$224,655,155

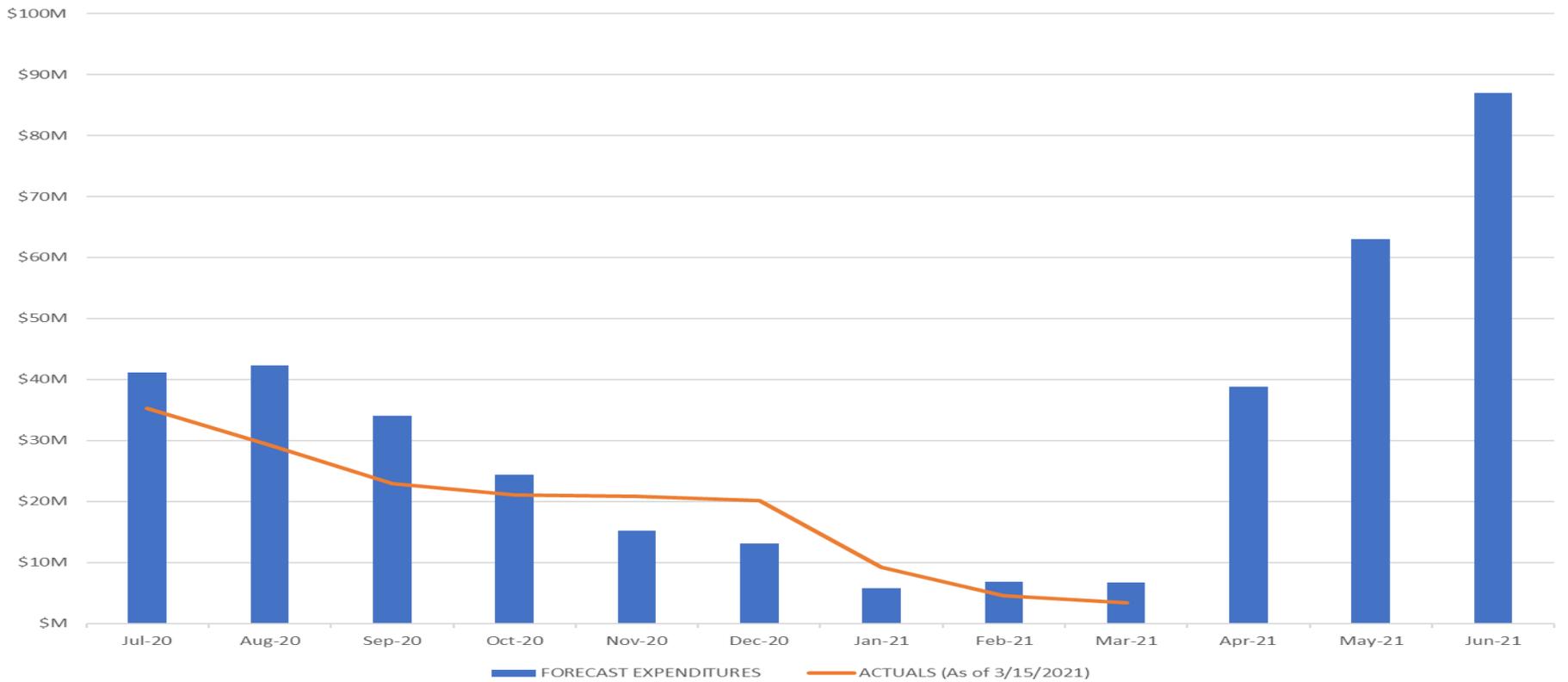
- Fall 2020 Availability:
March 1, 2021
- Spring 2021 Availability:
July 1, 2021

Contract Resurfacing Expenditure Projections FY 2021

- Letting Schedules/Amounts Adjusted based on Forecasts



Contract Resurfacing FY21: Forecast vs Actuals

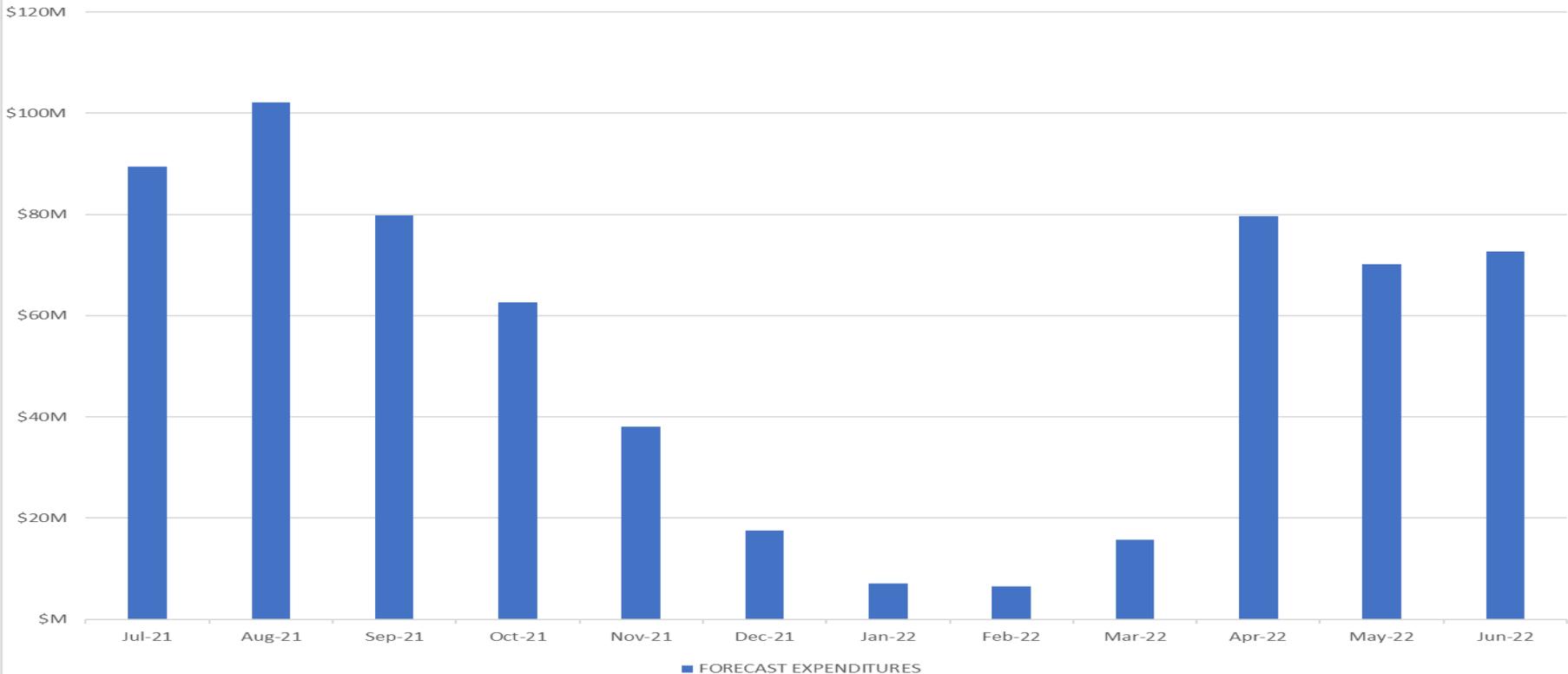


Contract Resurfacing Expenditure Projections FY 2022

- Letting Schedules/Amounts Adjusted based on Forecasts



Contract Resurfacing FY22: Expenditure Forecast



Bridge Program (BP) Letting Target Development

FY 2021 BP Commitments (existing contracts): ~\$125M (FY Begin)

FY 2021/2022 New Contract Letting Targets:

BRIDGE PROGRAM (BP)*		
Division	Spring 2021 Letting Amount	Fall 2021 Letting Amount
1	\$6,896,112	\$3,982,904
2	\$6,514,968	\$5,050,014
3	\$4,836,452	\$4,049,435
4	\$4,133,845	\$4,154,340
5	\$5,265,988	\$4,317,757
6	\$3,044,698	\$3,378,440
7	\$16,666,168	\$12,859,349
8	\$3,738,891	\$3,871,709
9	\$3,780,999	\$3,980,725
10	\$10,017,211	\$4,075,684
11	\$16,205,847	\$14,113,545
12	\$13,684,570	\$5,285,895
13	\$8,172,786	\$8,484,069
14	\$8,783,474	\$6,606,913
CENTRAL	\$139,662,826	\$109,539,221
TOTAL	\$251,404,836	\$193,750,000

*BP lettings did not begin until Feb 2021

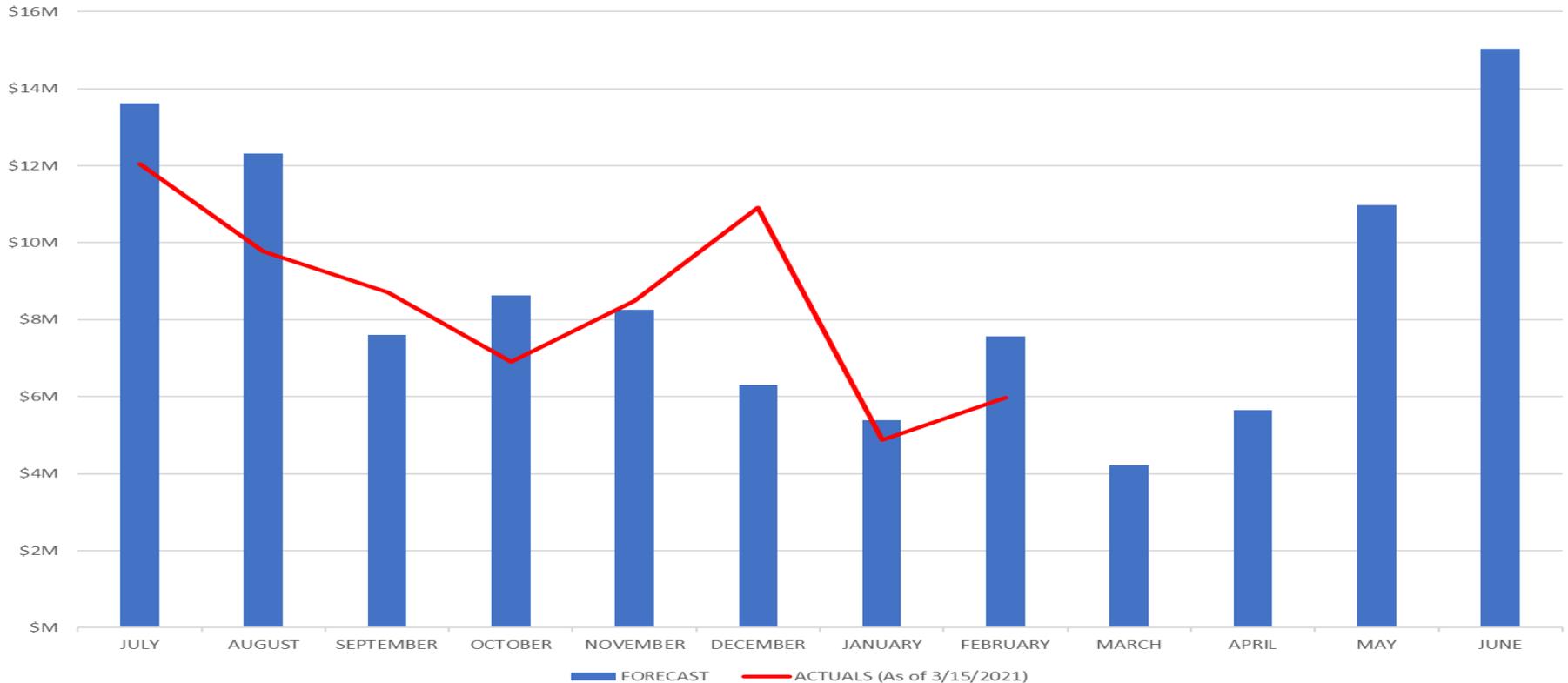
- BP Project contract availability dates are established to meet schedules for moratoriums or other environmental considerations
- Contract Development Timeframes impacting 2021 CY Letting Totals – Adjust in 2022

Bridge Program Expenditure Projections FY 2021

- Letting Schedules/Amounts Adjusted based on Forecasts



Bridge Program FY21: Forecast vs Actuals

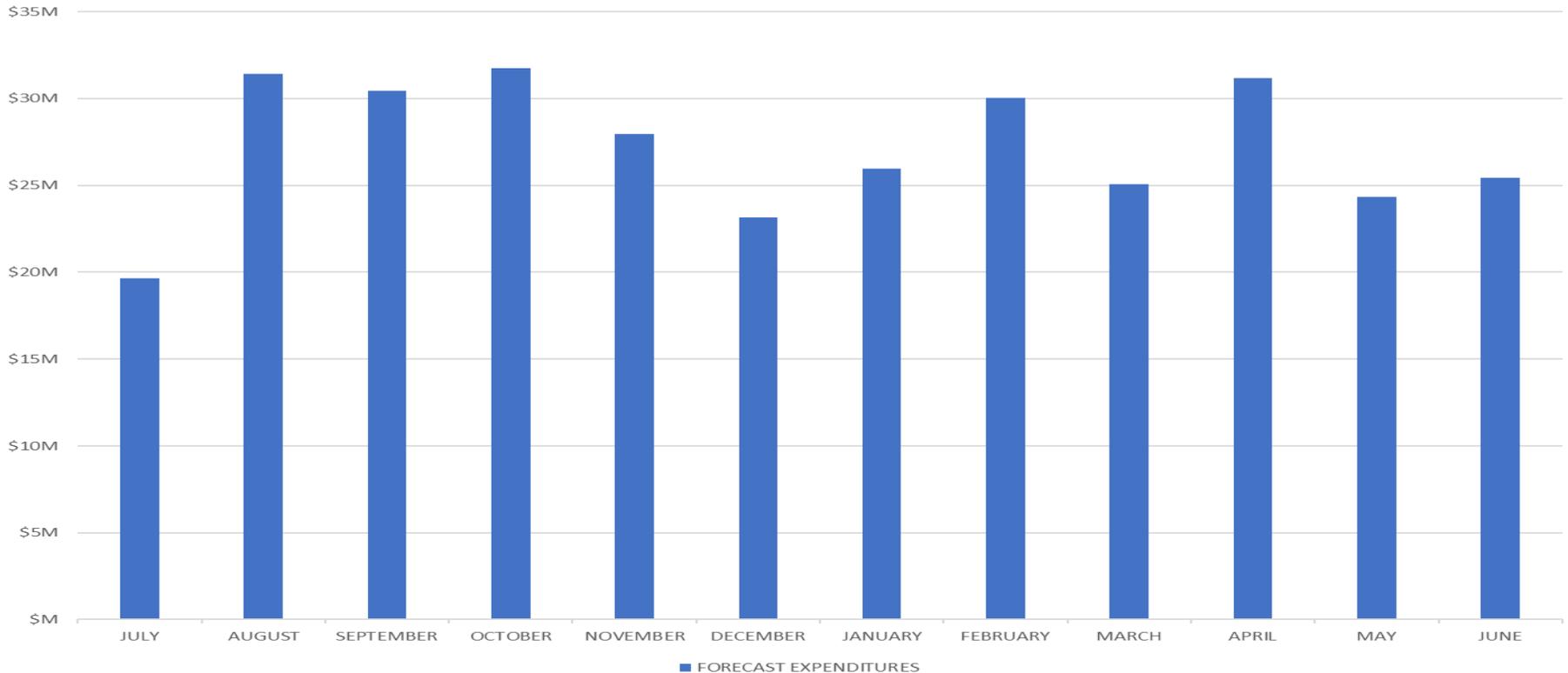


Bridge Program Expenditure Projections FY 2022

- Letting Schedules/Amounts Adjusted based on Forecasts



Bridge Program FY21: Forecast vs Actuals



Spend Target Adjustments



- Continued Monitoring and Adjustment of Spend Targets as Needed

OPERATIONS AND MAINTENANCE SPEND PLAN						
Standing Maintenance Programs	FY 2021 HB77 Budget	Snow & Ice Transfers (SL 2019-251)	FY 2021 Revised Budget	FY 2021 Spend Plan	Anticipated Variance	FY 2021 Spend Plan (Adjusted)
General Maintenance Reserve	\$517,382,234	\$43,731,212	\$561,113,446	\$485,000,000	\$10,000,000	\$495,000,000
Roadside Environmental	\$101,328,653	(\$3,020,761)	\$98,307,892	\$90,000,000	\$30,000,000	\$120,000,000
Contract Resurfacing	\$558,674,899	(\$15,082,953)	\$543,591,946	\$475,000,000	-\$149,000,000	\$326,000,000
Pavement Preservation	\$85,358,348	(\$2,915,193)	\$82,443,155	\$75,000,000	-\$15,000,000	\$60,000,000
Bridge Program	\$273,967,830	(\$8,152,492)	\$265,815,338	\$225,000,000	-\$107,000,000	\$117,000,000
Bridge Preservation	\$69,899,551	(\$2,454,342)	\$67,445,209	\$60,000,000	\$10,000,000	\$70,000,000
TOTAL STANDING MAINTENANCE PROGRAMS:	\$1,606,611,515	\$12,105,471	\$1,618,716,986	\$1,410,000,000	-\$221,000,000	\$1,188,000,000
Other Construction Programs						
Secondary Road Construction	\$3,500,000	\$0	\$3,500,000	\$3,500,000	\$6,500,000	\$10,000,000
Spot Safety Improvements	\$12,100,000	\$0	\$12,100,000	\$9,000,000	\$21,000,000	\$30,000,000
Contingency Funds	\$12,000,000	\$0	\$12,000,000	\$9,000,000	\$21,000,000	\$30,000,000
Mobility/Modernization Fund	\$1,500,000	\$0	\$1,500,000	\$6,500,000	\$23,500,000	\$30,000,000
TOTAL OTHER CONSTRUCTION PROGRAMS:	\$29,100,000	\$0	\$29,100,000	\$28,000,000	\$72,000,000	\$100,000,000
TOTAL OPERATIONS & MAINTENANCE PROGRAM:	\$1,635,711,515	\$12,105,471	\$1,647,816,986	\$1,438,000,000	-\$149,000,000	\$1,288,000,000
FEMA (Not Included Above):	\$0	\$0	\$0	\$0	\$50,000,000	\$50,000,000

Questions?

Patrick A. Norman, PE
Director of Highway Operations
pnorman@ncdot.gov
(919) 707-2509