




STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

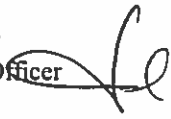
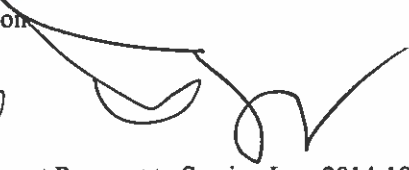
ROY COOPER  
GOVERNOR

JAMES H. TROGDON, III  
SECRETARY

February 1, 2017

TO: Chairs of the House of Representatives Appropriations Subcommittee on Transportation  
Chairs of the Senate Appropriations Committee on Department of Transportation

FROM: Edward L. Curran   
Chairman, Board of Transportation

David L. Tyeryar   
Chief Financial Officer 

RE: Department of Transportation Report Pursuant to Session Law 2014-100 Section 34.23(c)  
(Senate Bill 744 – Ratified)

Pursuant to Session Law, the North Carolina Department of Transportation (NCDOT) is required to report its cash balance at the end of each month. As of January 31, 2017, the balance is \$2.0 billion.

The balance exceeded \$1 billion due to:

- State revenues exceeded the forecast through December of SFY 2017
- Construction expenditures were less than predicted as of December 31, 2016

As of the start of this state fiscal year 2017, the cash balance was predicted to go below \$1 billion in October 2017. However, due to increases in federal revenue resulting from the FAST (Fixing America's Surface Transportation) Act and schedule changes for construction expenditures, primarily Bonner Bridge and Southern Wake Freeway, the balance will not go below \$1 billion until October 2018.

In an effort to expedite other projects, 65% of the projects in the ten (10) year STIP (State Transportation Improvement Plan) will be managed directly by the Divisions. Several Divisions already use or plan to use General Engineering Consultants to assist with schedule management, plan reviews, and other project delivery functions to accelerate schedules.

The Department continues to work with highway contractors and other private sector entities to evaluate and revise expenditure forecasts, accelerate project delivery, and compress the time from project planning to contract letting.

As of January 31, 2017, NCDOT had contractual obligations of \$4.6 billion: outstanding purchase orders of \$312 million and outstanding contracts of \$4.3 billion.

If you need additional information, please contact David Tyeryar at 919-707-4320 or [dtyeryar1@ncdot.gov](mailto:dtyeryar1@ncdot.gov).

Attachment: Cash Balance Update

cc: Members, Board of Transportation  
Fiscal Research Division

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February 1, 2017

*Cash Balance Update*

David Tyeryar, Chief Financial Officer



# *Session Law*

**SECTION 34.23.(c)** In any month in which the Department's total cash balance on hand from the Highway Fund and the Highway Trust Fund exceeds one billion dollars (\$1,000,000,000), the Department shall report its cash balance no later than the 15th day of the following month as follows:

(1) To the Board of Transportation.

(2) If the General Assembly is in session, to the Chairs of the House of Representatives Appropriations Subcommittee on Transportation, the Chairs of the Senate Appropriations Committee on Department of Transportation, and the Fiscal Research Division.

(3) If the General Assembly is not in session, to the Chairs of the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

The report shall include an explanation from the Department of the reasons the cash balance has exceeded the amount specified in this subsection, the actions to be taken by the Department to reduce the cash balance, and the estimated amount of time it will take to bring the cash balance to the target identified in G.S. 143C-6-11(k)(1), as amended by subsection (a) of this section.

**SECTION 34.23.(d)** Subsection (c) of this section becomes effective July 1, 2015.



# Cash Balance

**The Cash Balance As of January 31, 2017 is - \$2.0 Billion**

**Since January 2015, the last time the cash balance was \$1 Billion:**

- State revenues exceeded the forecast by \$447m
- Construction expenditures were less than predicted by \$448m

**Cash Balance Forecast to go Below \$1 Billion By October 2018, previously forecasted to be below \$1 Billion By October 2017:**

**Extended Due To:**

- Increases in Federal Revenues from FAST Act
- Schedule changes on Bonner Bridge and Southern Wake Freeway

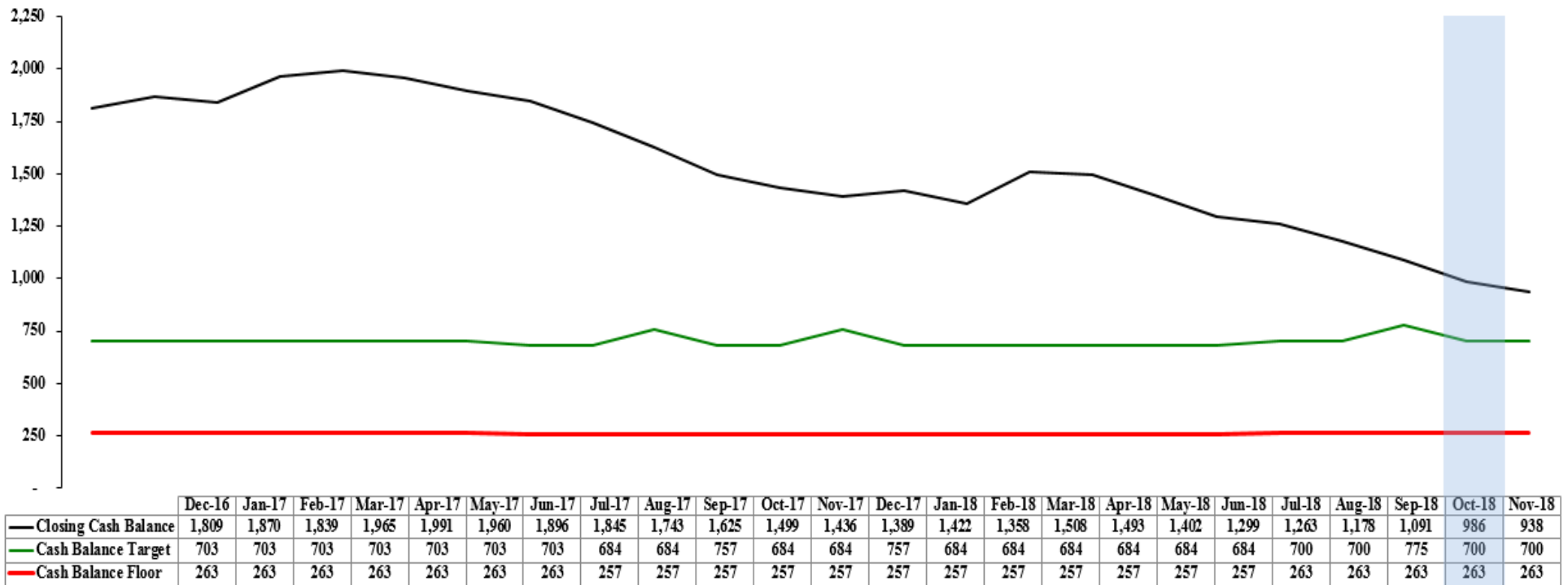


## *Actions Taken*

- Project Delivery – 65% of the 10 year STIP will be managed directly by the Divisions.
- Several Divisions plan to use General Engineering Consultants to assist with schedule management, plan reviews, & other project delivery functions to help accelerate schedules.
- Refine cash forecasting tools
  - SAS and NCDOT continue to develop and refine new forecast models for projecting revenue and paying out traditional design-bid-build highway construction projects. DOT is working with highway contractors on Design Build projects to continuously evaluate and revise expenditure forecasts.
- Other initiatives
  - Continue to work with the private sector to accelerate project delivery
  - Compress elapsed time from project programming to contract letting



# Estimated Time to Comply



# Cash Balance Information

## As of January 31, 2017 - The Cash Balance of \$2.0 Billion Represents:

- 132 Days of Working Capital
- NCDOT has contractual obligations of \$4.6 billion
  - Outstanding Purchase Orders of \$312 million
  - Outstanding Contracts of \$4.3 billion
- The following 10 contracts are 26% of contractual obligations:
  1. Asheboro Bypass Constructors, LLC(Asheboro Southern BYP) \$200 million
  2. PCL Civil Constructors, Inc.(Bonner Bridge) \$165 million
  3. Monroe Bypass Constructors, LLC(Monroe Bypass) \$138 million
  4. Barnhill Contracting Company(NC 11-903 Greenville BYP) \$128 million
  5. Dragados USA, Inc.(Winston-Salem Northern Beltway) \$106 million
  6. BBI/EVW JV(US 17 South of Belgrade to North of Maysville) \$100 million
  7. The Lane Construction Corporation(I-85 from Lane Street in Cabarrus Co.) \$92 million
  8. Barnhill Contracting Company(Fayetteville Outer Loop from South of 401) \$91 million
  9. Blythe Construction, INC.(I-85 NC73 to Lane Street) \$89 million
  10. Flatiron Constructors, INC.(US-421 Winston-Salem) \$88 million



# Monthly Disbursements by Fiscal Year

