

## NCDOT CASH BALANCE TIMELINE

Efforts to accelerate project delivery began in earnest in January of 2017. The plan was communicated multiple times. The need for a transportation investment tool that could help maintain construction levels if necessary was presented to the public as well.

There are actually three timelines that converge in the last months of 2018.

- 1) NCDOT is successful in accelerating project delivery as defined in its plan. This level of delivery has never happened at NCDOT.
- 2) A negative ruling in Map Act cases force NCDOT to settle cases if projects are to be built.
- 3) A series of unforeseen natural disasters take place.

August 2014                      NCGA passed Session Law 20140100

Requires NCDOT to report every month if the cash balance is more than \$1B.  
"Report shall include an explanation from the Department of the reasons the cash balance has exceeded the amount specified in this subsection, and the actions 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..."  
<https://www.ncleg.gov/EnactedLegislation/SessionLaws/PDF/2013-2014/SL2014-100.pdf>

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### January 2017

January 1, 2017                      Governor Sworn in

March 2017                              Secretary Trogdon Senate Confirmation hearing  
Secretary answers questions from members, reaffirms his commitment to increasing project delivery which will decrease cash balance

October 2, 2017                      Secretary Trogdon presents to NCGA on plan to decrease cash balance and need to develop a new investment tool to prepare for impact of possible reduction in gas tax revenues  
([https://www.ncleg.gov/documentsites/committees/house2017-18/2017-2019%20Biennium/2017/2017-10-02 Meeting/Trogdon Future %20FINAL.pdf](https://www.ncleg.gov/documentsites/committees/house2017-18/2017-2019%20Biennium/2017/2017-10-02%20Meeting/Trogdon%20Future%20FINAL.pdf))

November 9, 2017                      COO Bobby Lewis presents to NCGA on Program Delivery and impact to cash balance. ([https://www.ncleg.gov/documentsites/committees/JLTOC/2017-18 Biennium/2017/11-09-17 Meeting/6.Program Delivery Presentation.pdf](https://www.ncleg.gov/documentsites/committees/JLTOC/2017-18%20Biennium/2017/11-09-17%20Meeting/6.Program%20Delivery%20Presentation.pdf))

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## 2018

<i>February 5 2018</i>	<i>Secretary Trogon presents to NCGA about the need to create a new investment tool (BUILD NC) to maintain construction levels during changing times</i> <a href="https://www.ncleg.gov/documentsites/committees/house2017-187/2017-2019%20Biennium/2018-2-5_Meeting/6.BUILD_NC_presentation.pdf">https://www.ncleg.gov/documentsites/committees/house2017-187/2017-2019%20Biennium/2018-2-5_Meeting/6.BUILD_NC_presentation.pdf</a>
February 2018	Accelerated projects advertised (to be awarded second half of 2018)
2017-2018	Increased focus on project delivery <ul style="list-style-type: none"><li>- Increased preliminary engineering</li><li>- Improved internal processes</li></ul>
<i>May 29, 2018</i>	<i>BUILD NC introduced SB 758</i>
<i>June 20, 2018</i>	<i>BUILD NC passes</i>
July 2018	NCDOT obtains an unfavorable Map Act ruling – NCDOT unable to move projects forward utilizing a “quick take” and must settle cases to prevent years in court which would delay critical cases. In addition, due to the court’s interpretation of the impact to property owners, each parcel became more expensive. No possible way to know the financial impact.
September 14, 2018	Hurricane Florence hits – full impact/cost is not realized for months. (Total anticipated cost \$225M)
September 30, 2018	First time NCDOT cash balance fell below \$1B for the first time since 2012 (\$955M)
October 3, 2018	Secretary Trogon presents to NCGA regarding Hurricane Florence – response and estimates of Hurricane Florence impact
<i>November 2018</i>	<i>Notified State Treasurer of intent to sale BUILD NC Bonds in 2019</i>
October 18, 2018	Hurricane Michael (\$20M)
November 8, 2018	NCDOT CFO, Evan Rodewald presents to NCGA regarding cash balances <a href="https://www.ncleg.gov/documentsites/committees/JLTOC/2017-18_Biennium/11-8-18_Meeting/5.NCDOT_Cash_Management.pdf">https://www.ncleg.gov/documentsites/committees/JLTOC/2017-18_Biennium/11-8-18_Meeting/5.NCDOT_Cash_Management.pdf</a>
December 8, 2018	Snowstorm (over 10 inches in many locations) (\$45M)

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## 2019

January 1, 2019	BUILD NC becomes effective
January 2019	Snow/Ice event (\$20M)
February 2019	Rains in western NC (including Rock Slides closed I-40) (\$16M)
March 6, 2019	NCDOT CFO, Evan Rodewald presents to NCGA ( <a href="https://www.ncleg.gov/documentsites/committees/JointAppropriationsTransportation/2019%20Session/2019-03-06/3.%20NCDOT%20Cash%20and%20Debt%202019.pdf">https://www.ncleg.gov/documentsites/committees/JointAppropriationsTransportation/2019%20Session/2019-03-06/3.%20NCDOT%20Cash%20and%20Debt%202019.pdf</a> )
First Quarter 2019	NCDOT begins to slow spending on some expenditures: travel, purchasing Extends contracts for some projects due to weather impacts in 2018.
April 12, 2019	Letter from Governor to NCGA leadership
May 10, 2019	Letter sent to NC State Treasurer regarding transfers of funds between HTF/HF
May 2019	NCGA passes SB 605
May 16, 2019	In response to questions from the NC Treasurer, a contract awarded to McKinsey & Company to conduct a review of NCDOT cash management system
June 2019	Issued GARVEE bonds
June 2019	First issuance of BUILD NC bonds
June 2019	Rains flood 60 roads (Includes US 401 damage (\$15M)
June – Sept. 2019	McKinsey & Company review NCDOT procedures, review data
August 2019	Secretary Trogon sends letter to NCGA leadership regarding cost-saving measures NCDOT has enacted
August 1, 2019	MOU signed with NC Treasurer regarding his requested changes for additional approval for fund transfers.
September 2019	McKinsey report released  Quote from first page of report: “NCDOT has historically operated as a top quartile DOT ■ NCDOT is among the most efficient managers of its network (the second largest in the country), achieving top IRI ratings (4th best among peer states <sup>3</sup> ), at a competitive spend per mile (5th best among peer states) ■ NCDOT has managed a surge level in disaster response, reopening 98% of the roads closed by Hurricane Michael within 20 days, and 97% of the roads closed by Hurricane Florence within 45 days <sup>4</sup> ■ NCDOT is proactively thinking about the future of mobility, assembling a team of business leaders and economists to think about future funding”
September 2019	Hurricane Dorian (assessments not yet complete – estimate \$20-\$30M)