



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

JAMES H. TROGDON, III
SECRETARY

October 19, 2018

TO: Chairs of the Joint Legislative Transportation Oversight Committee

FROM: Michael S. Fox
Chairman, Board of Transportation

Robert W. Lewis
Chief Operating Officer

RE: Cash Balance Report Pursuant to Session Law 2014-100 §34.23(c)

This letter is to advise you that the closing cash balance of the Highway Fund and the Highway Trust Fund for September, 2018 was \$955 million. This amount is below the \$1.0 billion threshold established in S.L. 2014-100 §34.23(c). NCDOT achieved this legislative goal one month sooner than originally projected at the beginning of FY 2017-18.

For perspective, one year ago, at the end of September, 2017, the cash balance was over \$2.0 billion. Since that time, cash has decreased by more than half. The Department's success was due to a focus on accelerating the delivery of projects and improving delivery processes. For example, in FY 2017-18 the Department increased construction lettings 39% from \$1.46 billion in FY 2016-17 to \$2.04 billion in FY 2017-18. Over the same period of time, new contracts for preliminary engineering projects almost doubled from \$348 million to \$690 million.

Current projections show the cash balance will continue to fall. As we remain committed to improving future project delivery and innovative financing, forecasts for the cash balance will not exceed the \$1.0 billion threshold in the foreseeable future. We anticipate that at the end of October 2018 the cash balance will be approximately \$760M.

If you need additional information, please contact Evan Rodewald at 919-707-4320 or erodewald@ncdot.gov.

cc: Members, Board of Transportation
Fiscal Research Division

Thanks for your support — Passing Build NC — and look forward to continued progress in transportation
J. Trogdon

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