



NORTH CAROLINA
Department of Transportation

Fiscal and Federal Update

Am n a Cam erson

July 30, 2026

Connecting people, products and places safely and efficiently with customer focus, accountability and environmental sensitivity to enhance the economy and vitality of North Carolina

Office of Strategic Advancement

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Office of Strategic Advancement’s Vision, Mission, and Objectives

WHERE WE'RE GOING

Vision

Position NCDOT as a national model for strategic excellence and innovation

What this means: *NCDOT becomes the DOT other states benchmark against - in the rigor of how it plans, the throughput of how it innovates, and the discipline of how it executes.*

HOW WE OPERATE

Mission

Equip NCDOT leaders and divisions to plan strategically, act on bold ideas, and adopt what works

How we work: *OSA does not do the work for divisions; we give them the planning architecture, evidence base, and innovation pipeline to do it themselves - at higher quality and faster speed.*

WHAT WE DELIVER

Objectives

- 01 RESEARCH & POLICY**
Coordinate and execute high-priority research and policy initiatives
- 02 STRATEGIC PLANNING**
Manage NCDOT's strategic planning process and drive accountability for results
- 03 INNOVATION**
Identify new approaches, pilot opportunities, and scale proven solutions

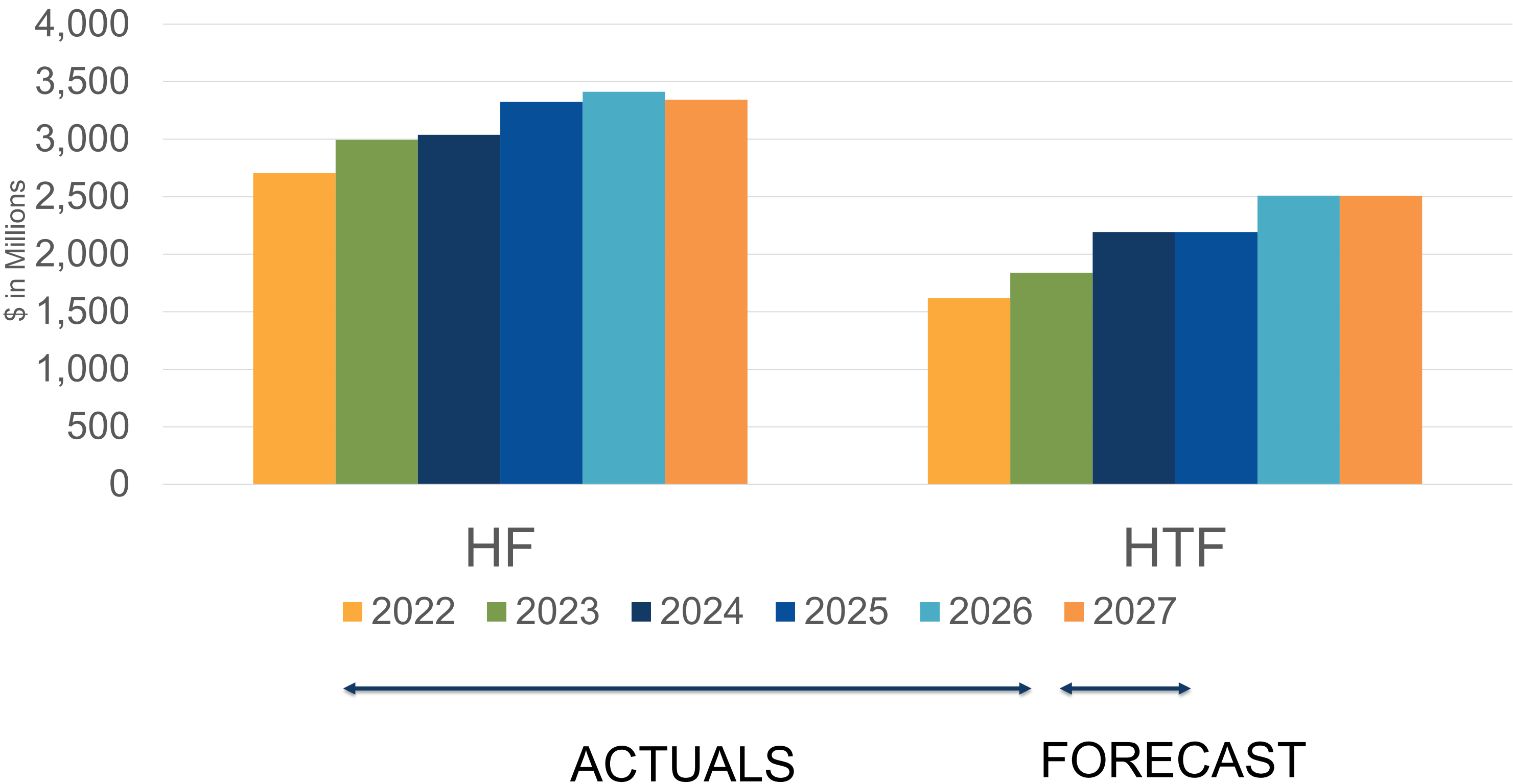
What OSA success looks like:

NCDOT delivers better, faster, and more innovatively for the people of North Carolina

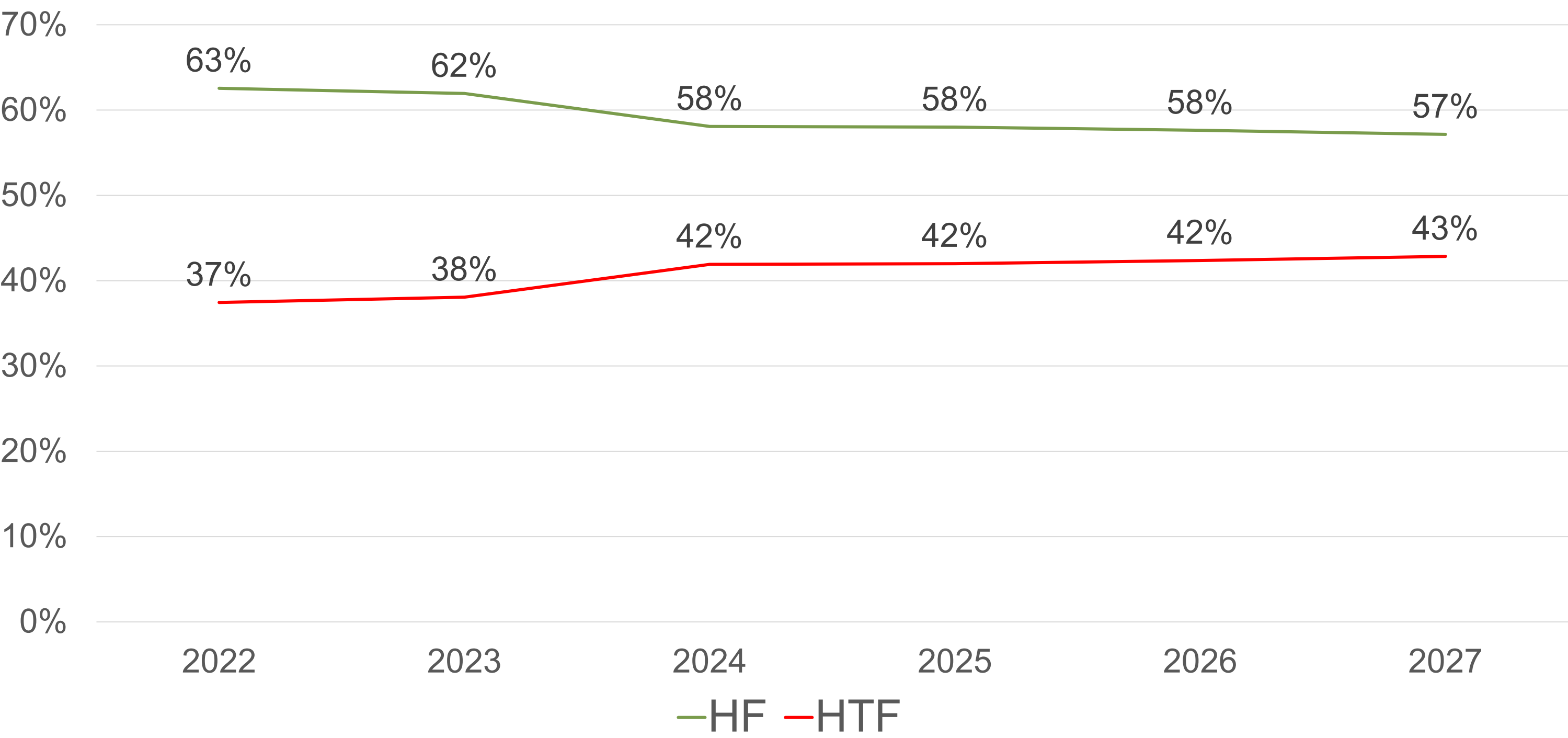
Open question: What are your thoughts/perspective on these vision, mission, and objectives?

Revenue and Forecast Update

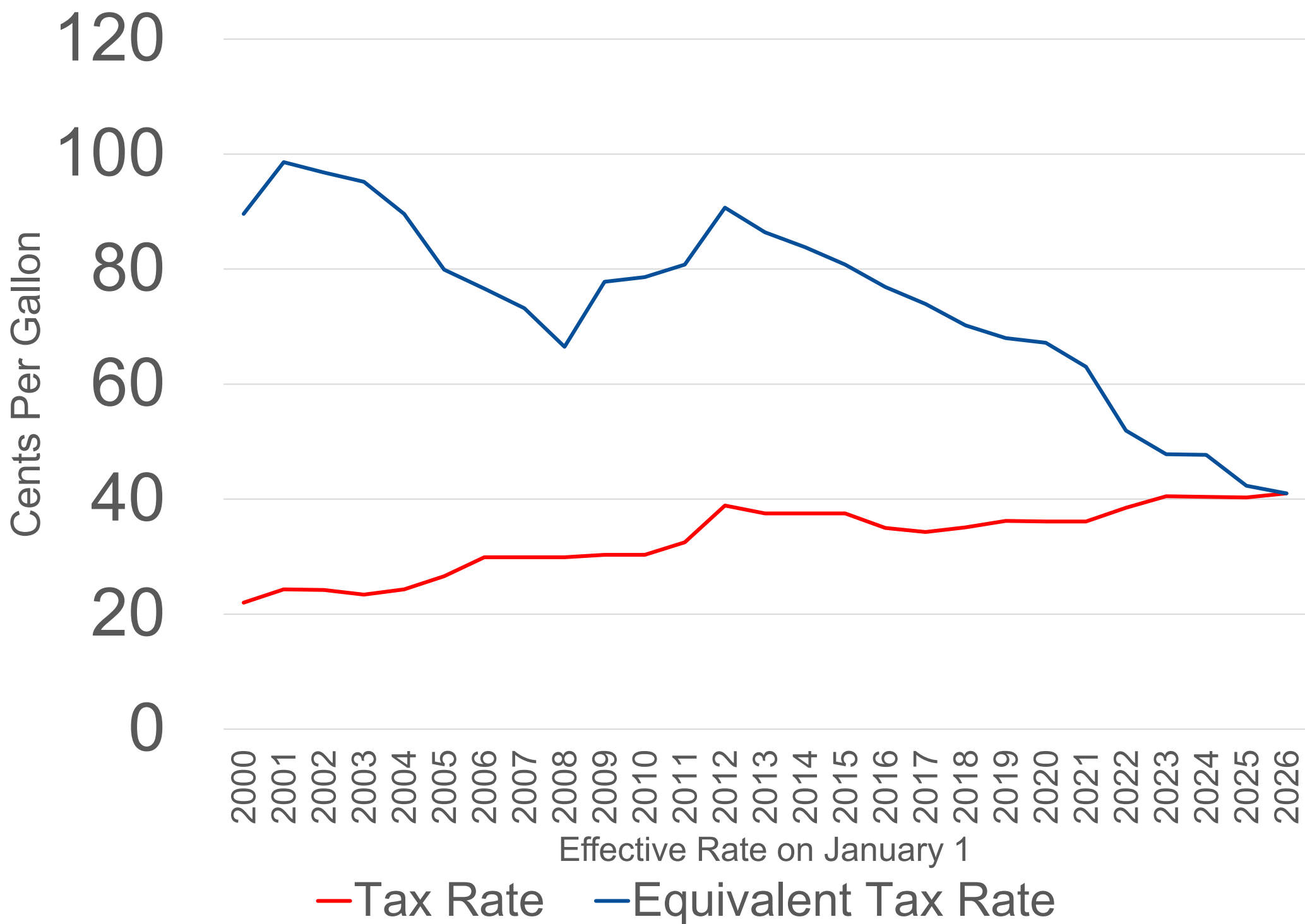
Budget Comparison, 2022-2026 Actuals to 2027 Forecast



FY 2022 – FY2026 HF/HTF Annual Revenue Shifts



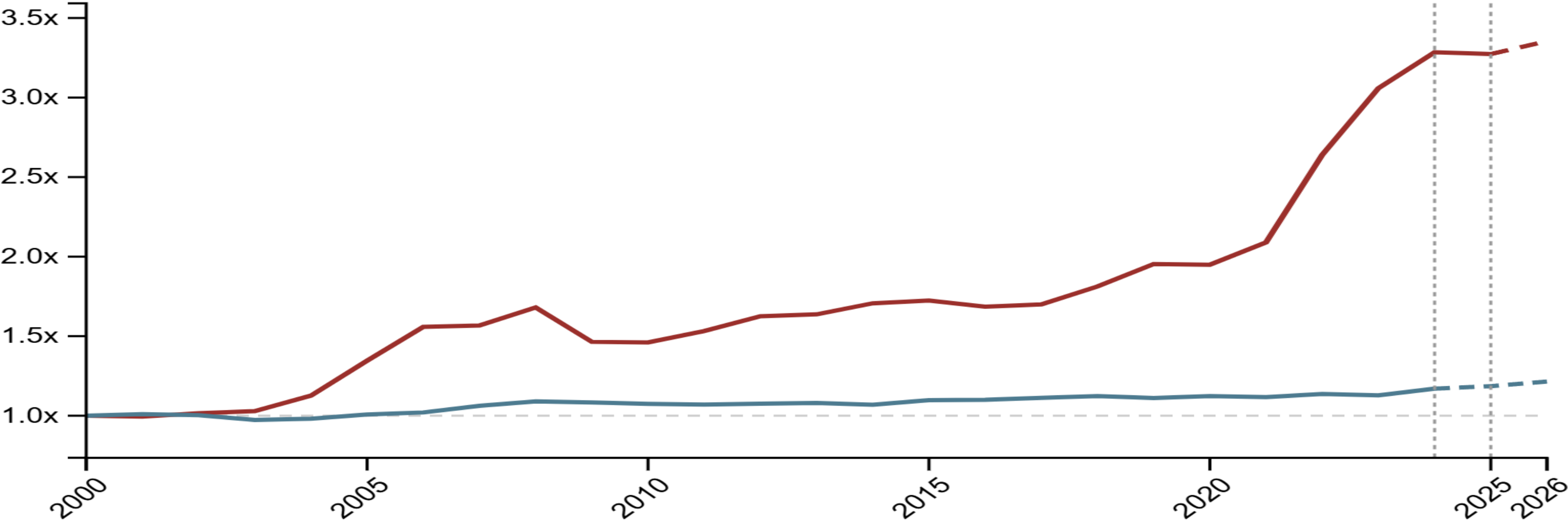
Gas Tax and Equivalent Gas Tax Needed to Maintain Purchasing Power in 2026



2000-2026
Comparison

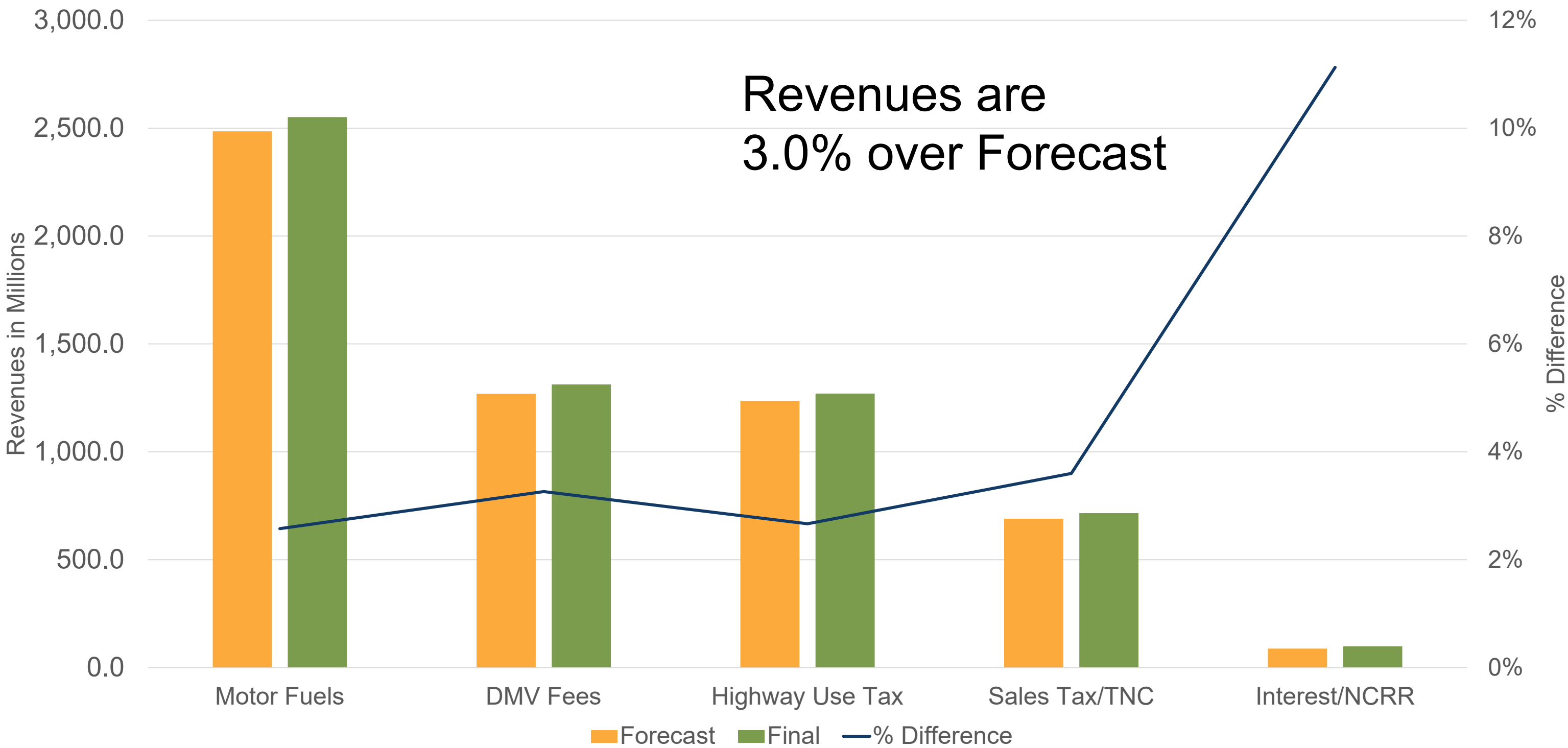
- -75.5%: Purchasing Power Change
- 235.4%: Highway construction cost growth

Factors Affecting Purchasing Power of the North Carolina Gasoline Tax, 2000–2026



Construction costs Vehicle fuel efficiency Actual Projected

FY 2026 Revenues to Actuals



FY 2026 – FY 2037 Forecast Update

- Economic Outlook:

The international economic outlook remains uncertain, with indicators pointing to a potential slowdown in overall economic activity and consumer spending, driven in part by rising costs associated with tariffs on both durable and nondurable goods.

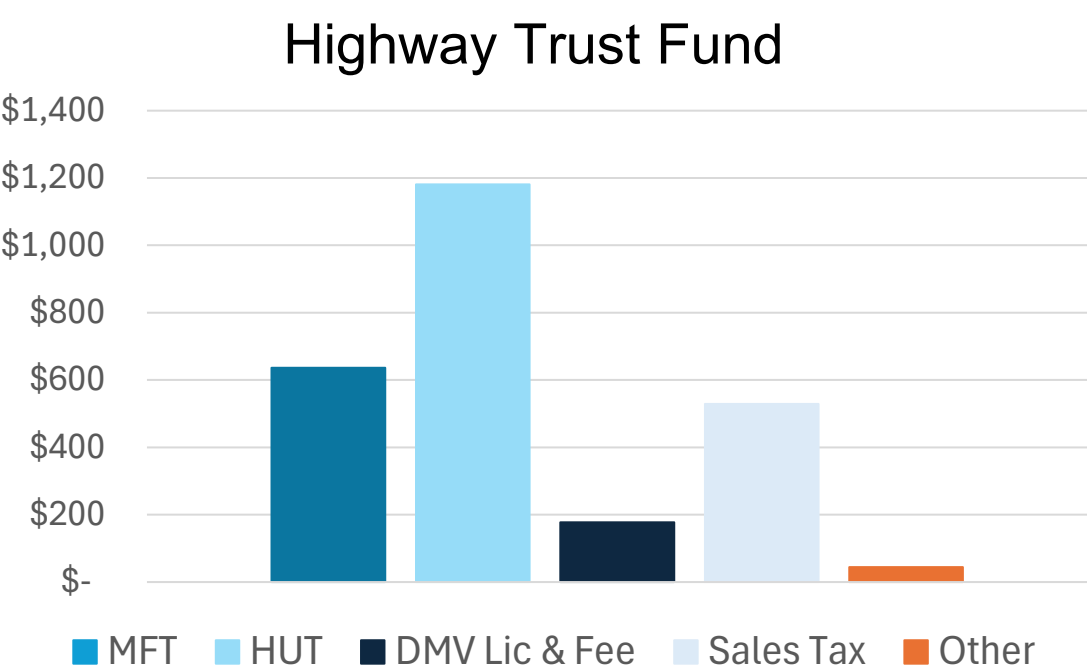
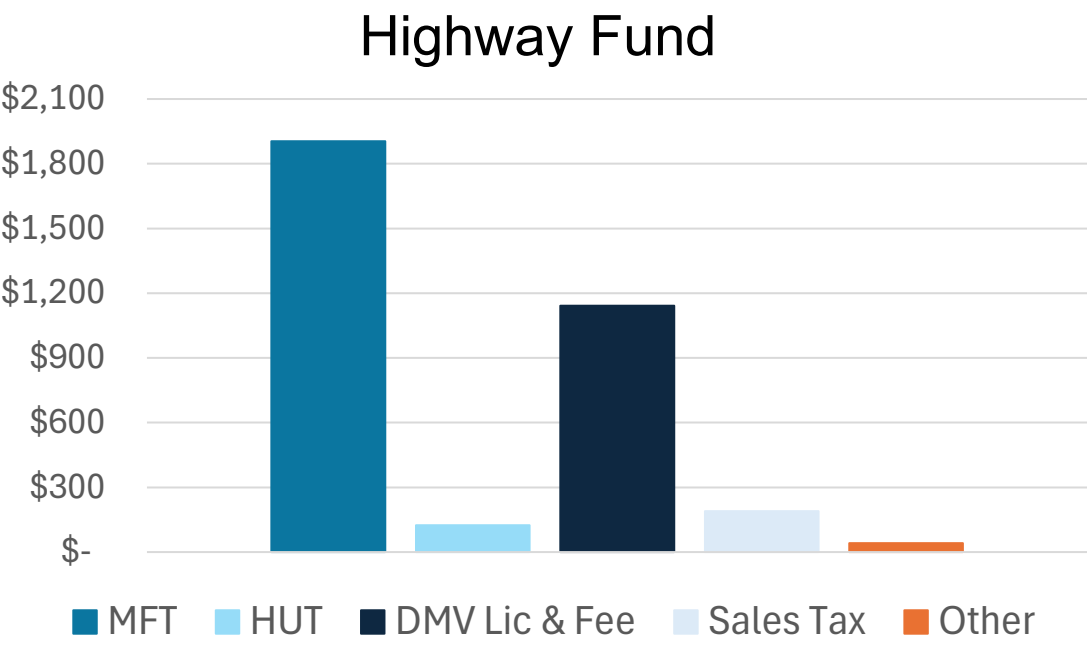
- Tariffs Policies:

Ongoing inconsistencies in tariff policies are contributing to pricing instability and uncertainty in purchasing behavior. As new foreign trade agreements are pursued, economic and consumer indicators continue to fluctuate, with transportation-related metrics including vehicle sales volumes, pricing, and goods consumption among the most affected.

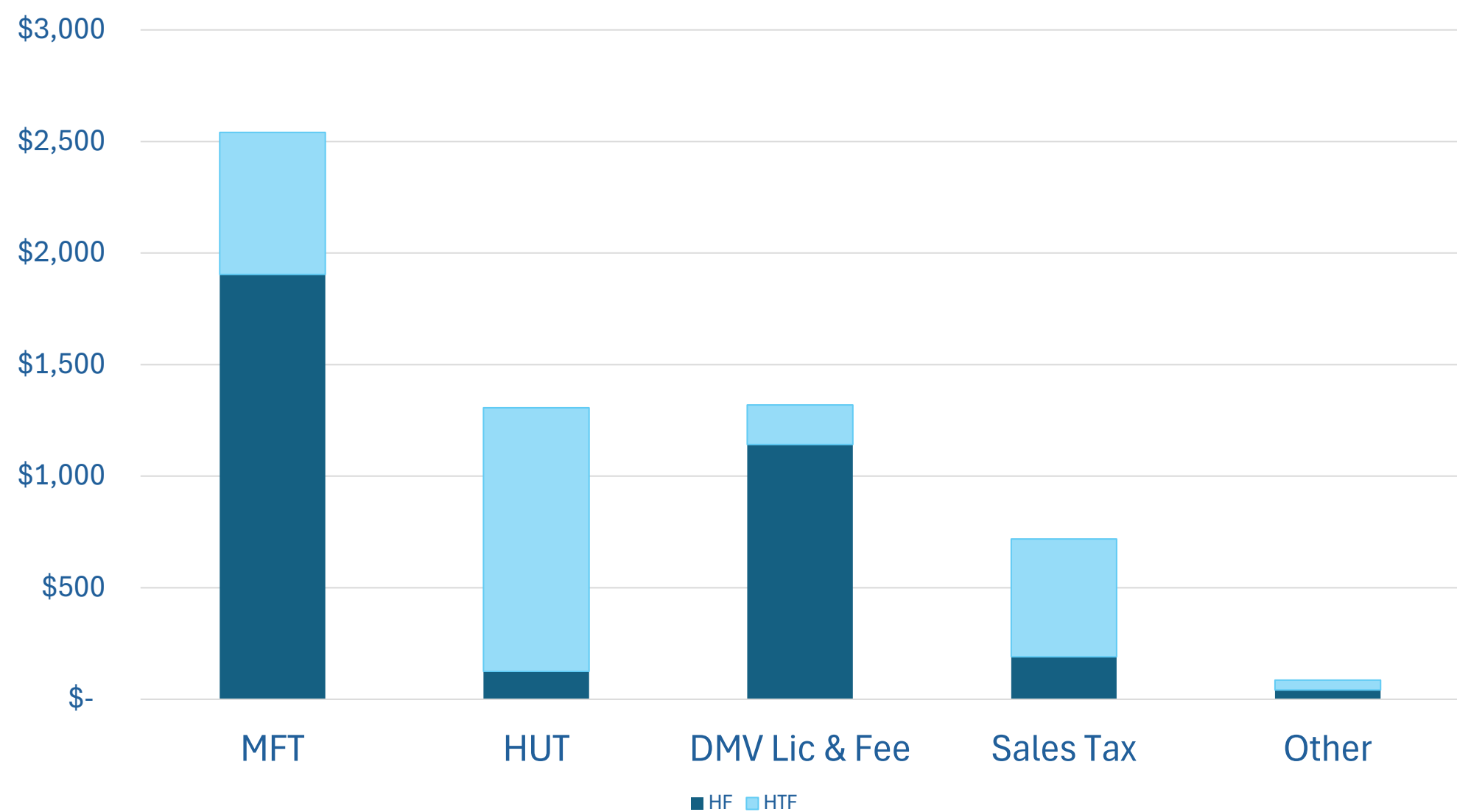
- Vehicle Manufacturing:

Implementation of several vehicle-related policy changes is expected to take time and may face delays due to potential legal challenges, including those associated with California's electric vehicle (EV) mandates.

2027 Revenue Breakdown



Highway Fund & Highway Trust Fund Combined Revenue



Actuals for FY 2026
HF: \$3.4 Billion; HTF: 2.5 Billion; Total: \$5.9

Forecast for FY 2027
HF: 3.3 Billion; HTF: 2.5 Billion; Total: \$5.85

Notes: Sales Tax includes TNC in the HF
Other Income includes Investment Income, Jet Fuel, and NCRR Dividends

Forecast Update

The reversal of fuel economy mandates, higher motor fuel tax rates, higher population estimates, and increased VMT contributed to increased Motor Fuel Tax revenues.

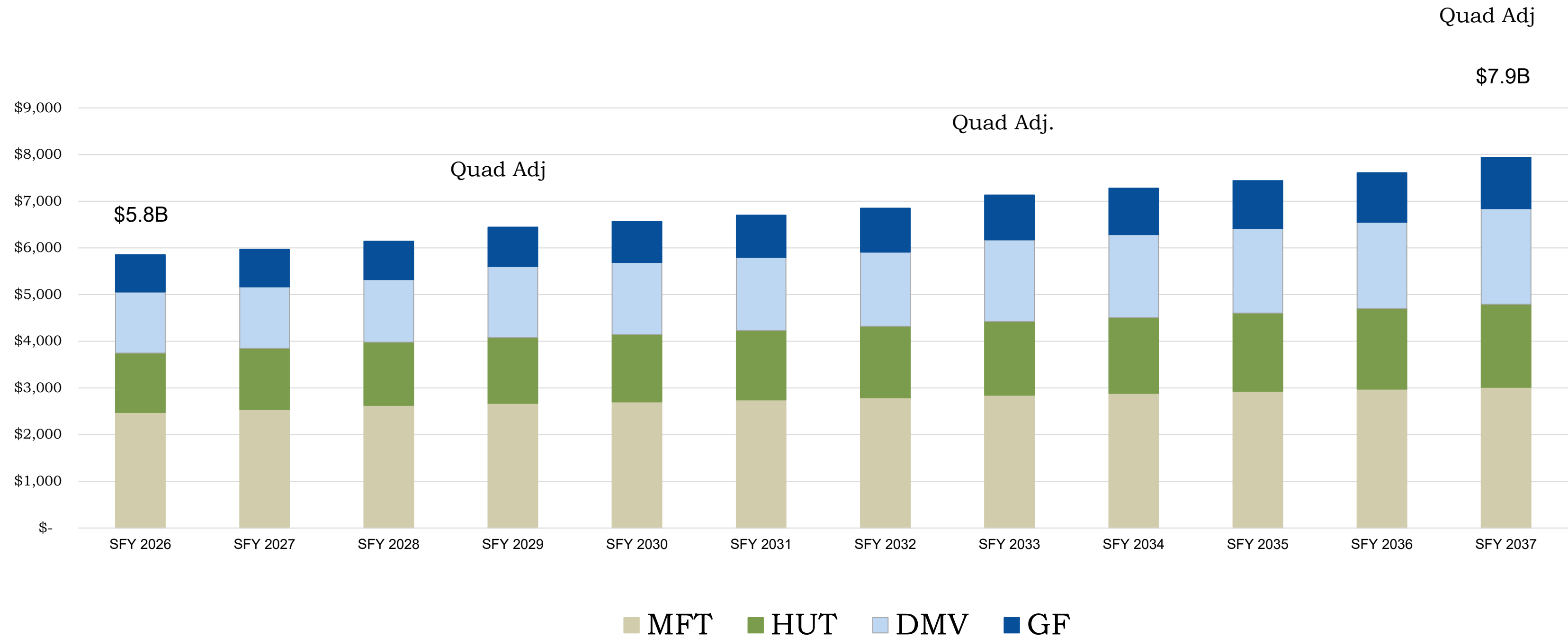
Gallonage

	SFY 2025	SFY 2026	SFY 2027	SFY 2028	SFY 2029	SFY 2030	SFY 2031	SFY 2032	SFY 2033	SFY 2034	SFY 2035	SFY 2036	SFY 2037
May 2025 Gallonage	6,449.0	6,475.3	6,476.9	6,498.8	6,505.9	6,509.2	6,510.2	6,497.4	6,507.5	6,510.9	6,495.5	6,502.2	
May 2026 Gallonage		6,534.1	6,583.1	6,621.7	6,672.6	6,669.7	6,665.4	6,664.0	6,670.9	6,671.0	6,690.8	6,721.2	6,744.3
Difference		58.8	106.2	122.9	166.7	160.5	155.2	166.6	163.4	160.1	195.3	219.0	

Motor Fuel Tax Rate

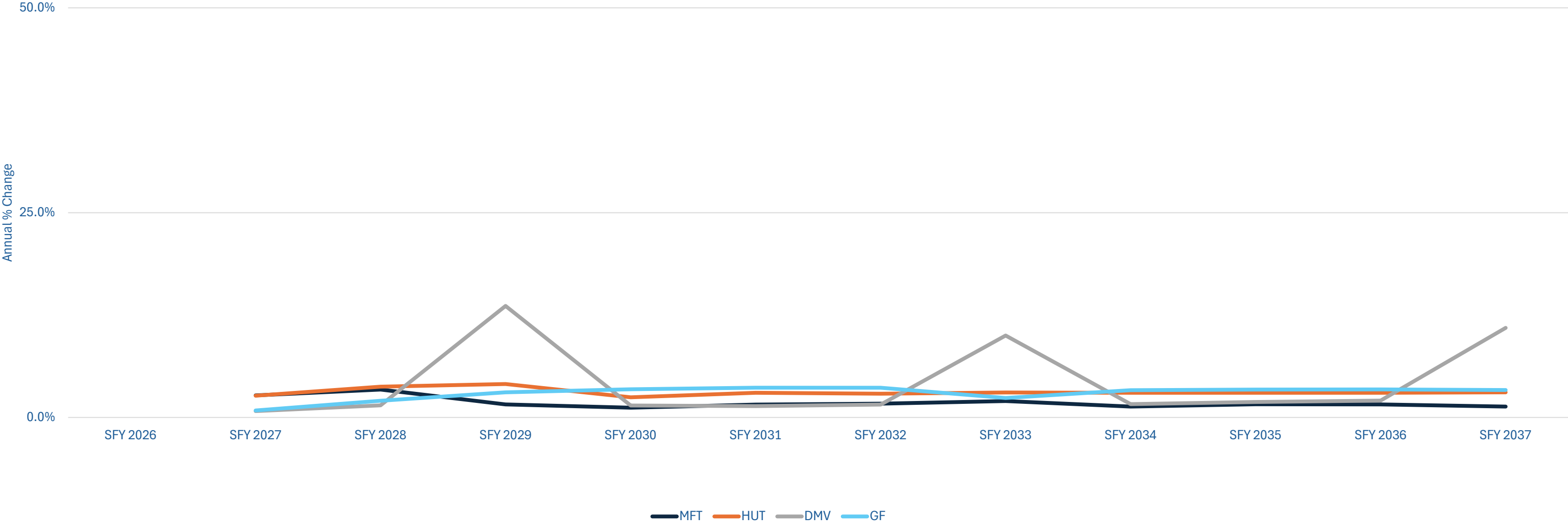
	SFY 2025	SFY 2026	SFY 2027	SFY 2028	SFY 2029	SFY 2030	SFY 2031	SFY 2032	SFY 2033	SFY 2034	SFY 2035	SFY 2036	SFY 2037
May 2025 CY (¢/gal)	40.4	40.5	41.2	41.9	42.3	42.9	43.6	44.4	44.9	45.6	46.2	46.8	
May 2026 CY (¢/gal)		40.6	41.5	42.3	42.7	43.2	43.9	44.6	45.4	46.0	46.6	47.1	47.6
Difference		0.1	0.3	0.4	0.4	0.3	0.3	0.2	0.5	0.4	0.4	0.3	

FY 2026-27 – FY 2036-37 Consensus Forecast (April 2026)



Note: The General Fund includes Sales Tax, TNC, Investment Income, Jet Fuel, and NCRR Dividends in SFY 26 and SFY 27

FY 2026-27 – FY 2036-37 Consensus Forecast (April 2026)



Note: The General Fund includes Sales Tax, TNC, Investment Income, Jet Fuel, and NCRR Dividends in SFY 26 and SFY 27

Legislative Update

FY2027 Appropriations Act: Items of Local Interest

S.L 2026-41: Current Operations Appropriations Act of 2026

- Sec. 12.13. Revise Motor Vehicle Emissions Inspection Requirements

The budget eliminates emissions inspections for all counties including Mecklenburg.

- Prior to this legislation, Mecklenburg was the only county in statute, pending EPA approval, required to maintain emissions inspections.
- The budget eliminated that statutory requirement, so after the EPA approves NC's new State Implementation Plan then no county will have mandatory emissions inspections.

- Sec. 43.3 Disaster Reimbursement Reports

The budget provides additional funding for Hurricane Helene recovery activities, including flood gauge installation and funding to address the gap between FHWA and HMGP reimbursement programs.

- This will be especially impactful for the WNC RPOs, where property owners may be impacted by ROW acquisition in the aftermath of Helene, making that portion of the property ineligible for HMGP reimbursement.
- Expanded Reporting on Hurricane-Damaged Highways and Delays
- In addition to pre-existing reporting requirements, NCDOT will now also report on interstate and U.S. highway projects delayed by Hurricane Helene.
- RPOs in WNC can use this information when discussing regional project priorities.

FY2027 Appropriations Act: Items of Local Interest (Continued)

- Sec. 43.4. Powell Bill Funds

The budget maintained the pre-existing Powell Bill distribution from FY 2020-2021 for communities with a population of over 400,000, while providing rural communities with a population of fewer than 400,000 people additional funds.

- Sec. 43.15. Ferry Tolls

The budget amends the ferry tolling statute to require the Board of Transportation to charge a fee for all ferry routes, excluding emergency operations.

- Local residents and active-duty military personnel may purchase a commuter pass.
- Fees are set by the Board of Transportation
- Fees support ferry passenger vehicle replacements
- Fees are deposited by affected Highway Division with the Ferry Capital Special Fund.
- Fees must be charged no later than January 1, 2027.

FY2027 Appropriations Act: Items of Local Interest (Continued)

- Sec. 43.17. Regional Aviation Grants (non-recurring)

New Hanover Airport Authority (\$5M)

Town of Wallace for Henderson Field Airport (\$5M)

Rocky Mount-Wilson Regional Airport (\$5M)

Pitt County Greenville Airport Authority (\$4.5M)

Albert J. Ellis Airport (\$4M)

Brunswick County Airport (\$3.5M)

Odell Williamson Municipal Airport (\$3M)

Hyde County Airport (\$1M)

Craven County for Coastal Carolina Regional Airport (\$1M)

Shifts \$1.5M in previously appropriated funds for the Duplin County Airport

FY2027 Appropriations Act: Items of Local Interest (Continued)

- Sec. 43.19. Extend Tabor City Participation in Railroad Revitalization Program

The budget authorizes Tabor City to contract with NCDOT to provide nonfederal matching funds for railroad revitalization projects.

- Sec. 43.21. Authorize Board of Transportation to Set Fees

The Board of Transportation now has the authority to establish cost-based fees for numerous DOT services.

- These include:

- Driveway permits, expedited permit review, traffic impact analyses
- Utility-related reviews and other development services
- Private bridges
- Electric vehicle charging stations at rest areas

- Any fee changes will require a public hearing before adoption.
- This could affect permitting costs for development and highway construction in their region.

FY2027 Appropriations Act: Items of Local Interest (Continued)

- **Sec. 43.22. Pavement Preservation Study**

The Budget directs the Department to evaluate pavement preservation treatments over a 15-year period. Results may shape future maintenance strategies and investment decisions, particularly on lower-volume rural roadways. The study is due before the start of the next session.

- **Sec. 43.24. Work Zone Dynamic Speed Display Signs**

The budget appropriates \$1M NR to purchase dynamic speed display signs for use in work zones.

- **Sec. 43.25. Synchronized Streets Study**

The budget requires a synchronized streets study to measure effectiveness and to develop criteria for implementation. Due on 7/1/27

FY2027 Agency Bill

S.L. 2026-46. Ferry Division Audit/DOT Omnibus

- Sec. 1. Ferry Division Performance Audit

The State Auditor will conduct a comprehensive performance audit of the Ferry Division, examining operations, finances, scheduling, and long-term strategies.

Coastal RPOs with ferry-dependent communities will likely have an interest in the audit's recommendations and potential operational improvements.

- Sec. 2. Division of Motor Vehicles Percentage-Based Funding Model Study

The bill requires DMV to study the feasibility of transitioning to a percentage-of-revenue model.

- Sec. 17. Speed Limit in Residential Areas

The bill establishes a statewide default speed limit of 25 mph on unpaved roads and roads without centerlines. This change primarily affects rural road networks and supports roadway safety on lower-standard facilities.

FY2027 Agency Bill (Continued)

- Sec. 18. Increase Project Limit for Project Delivery Method Pilot Program

The agency bill expands NCDOT's CMGC pilot from 10 projects to 15 projects.

- This is the same project delivery method being used to repair I-40.
- This provides additional opportunities to utilize collaborative project delivery on large or complex transportation projects identified by the RPO.

- Sec. 19. Clarify the Definition of Electric Assisted Bicycle and Authorize Local Government Regulation

The bill authorizes cities to regulate the use of electric assisted bicycles on municipal multiuse paths and sidewalks.

- Sec. 21. Authorize Counties to Levy Special Assessments for the Financing of Improvements to Commercial Streets

Counties gain additional authority to finance improvements to industrial access roads, commercial streets, and other eligible facilities through special assessments.

- This creates another tool for advancing transportation improvements in growing rural communities.

FY2027 Agency Bill (Continued)

- Sec. 24. Traffic Impact Analysis Criteria

The bill requires future Traffic Impact Analyses to incorporate projected population growth when determining study scope.

- This aligns NCDOT's transportation planning with expected development trends in growing communities.

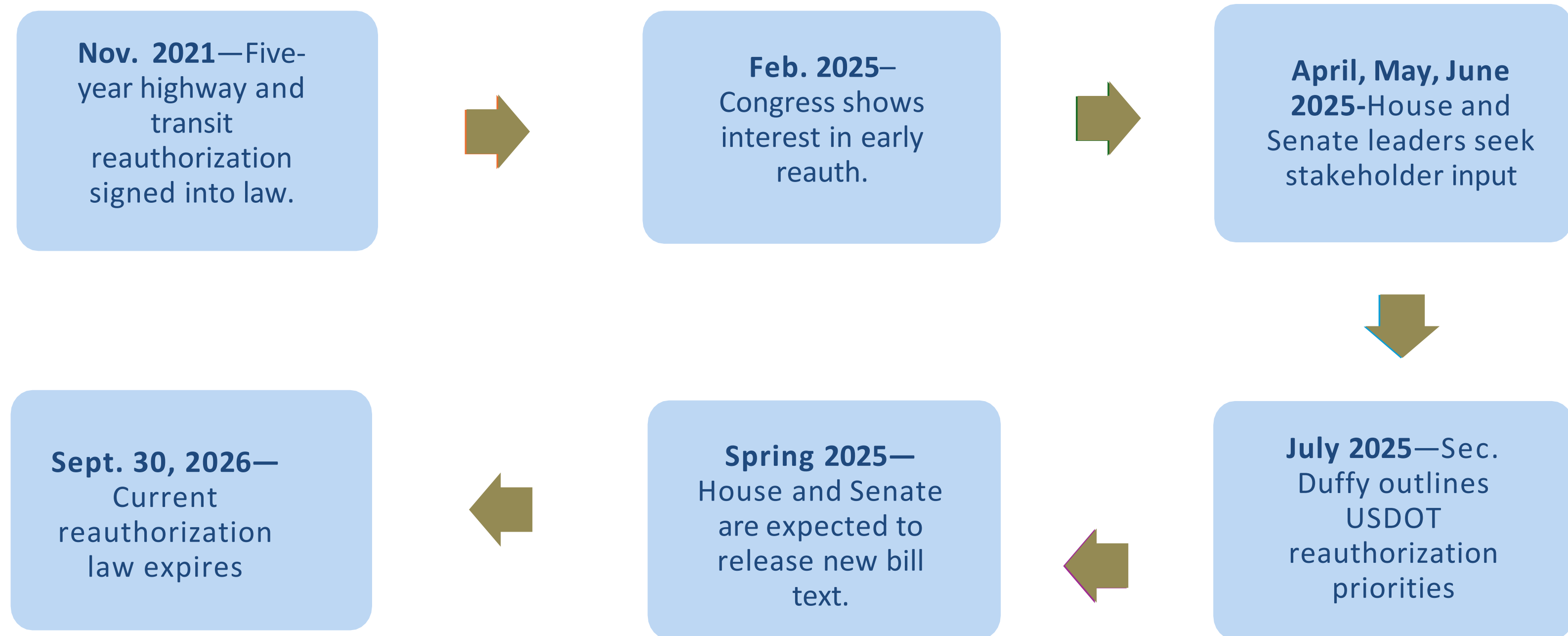
- Sec. 26. Developer Flexibility for Performance Guarantees

The statute now explicitly allows applicants for driveway and encroachment permits to use alternative forms of financial security instead of only surety bonds.

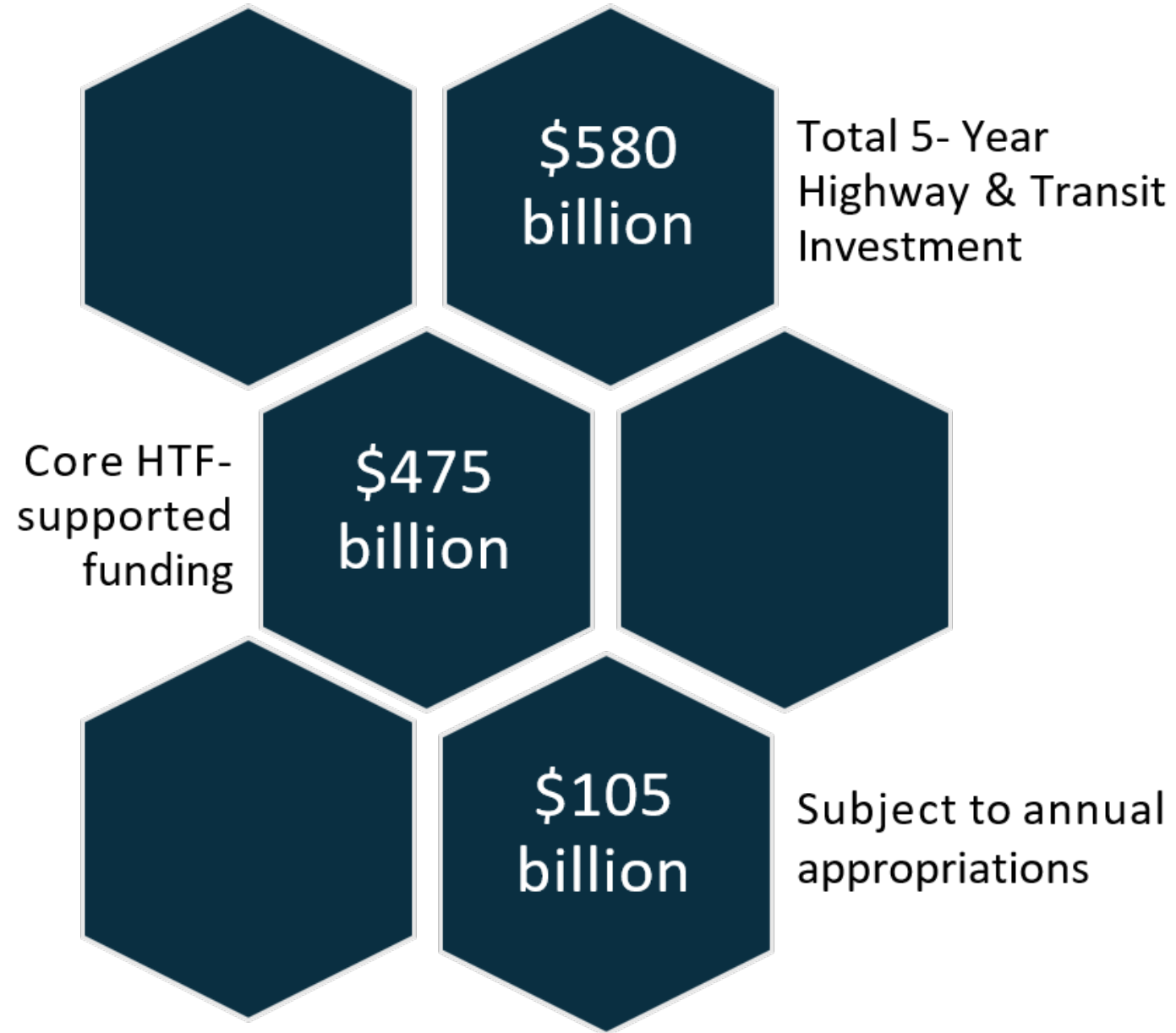
- This was already being done in practice, but statute now aligns with DOT policy;
- It provides additional certainty and flexibility regarding the types of performance guarantees that NCDOT will accept from local governments and private developers.

Federal Update

Surface Transportation Reauthorization



Build America 250 Act (House)



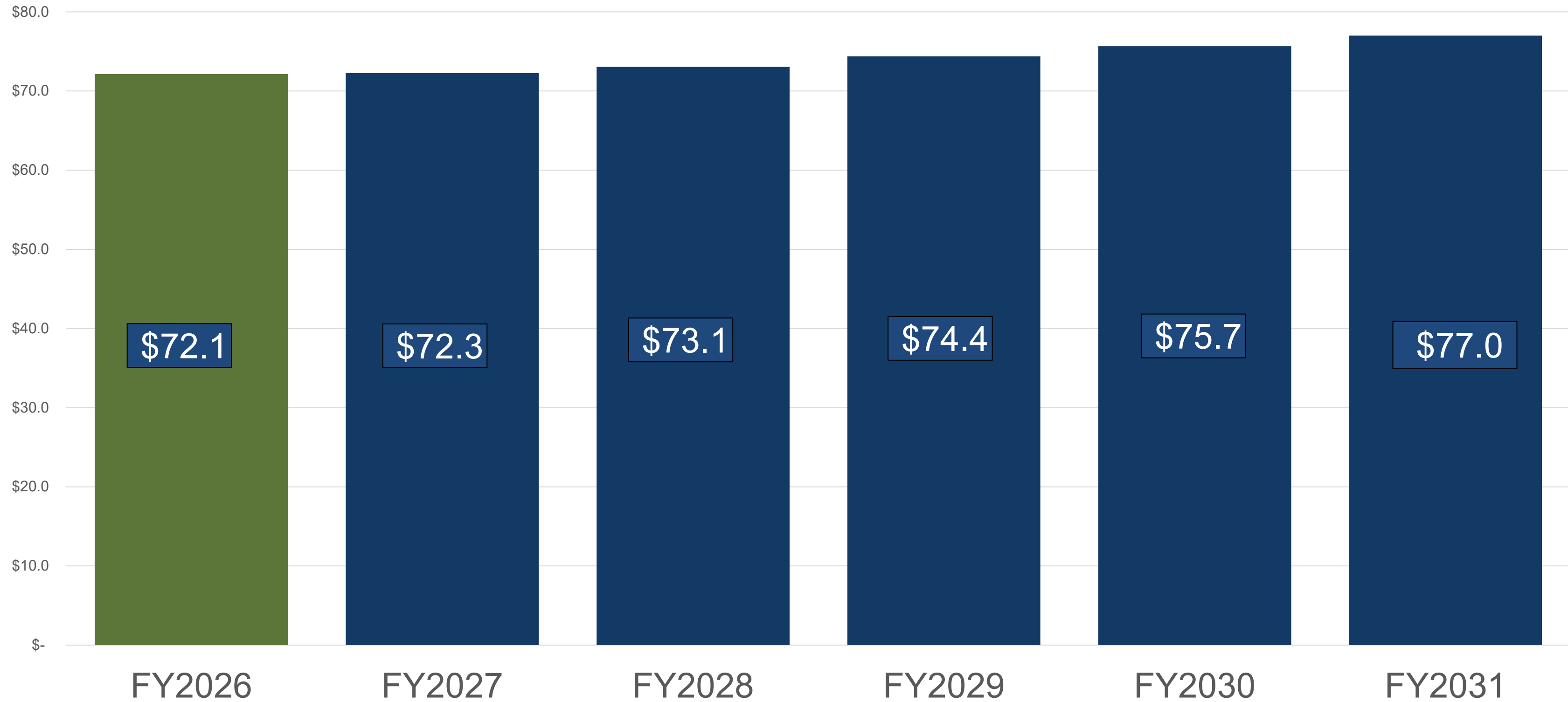
Build America 250 Act: House Highlights

Funding

- Bipartisan \$580 billion 5-year bill (FFY 2027- FFY 2031)
- Highway programs grow by 0.2% from FFY 2026 to FFY 2027
- \$474 billion from HTF; \$105 billion from Annual Appropriations
- No Advance Appropriations
- Includes \$30 billion in new revenues from EV/PHEV fee with inflationary adjustment



Build America 250 Act Investment (House) (in \$billions)



Build America 250 Act: House Highlights

Programs.

- Core Programs are reduced from 11 to 9 (Eliminating PROTECT and Carbon Reduction)
- Restores 90-10 split between formula and discretionary programs
- New \$9.2 Billion bridge formula program, \$200M culvert set-aside. Guarantees 2026 funding
- \$250M for TIFIA; includes aviation eligibility; increases rural threshold
- Eliminates NEVI but adds set-aside in CMAQ
- Maintains DBE program

Competitive Grants.

- Replaces BUILD with STAG – Surface Transportation Accelerator Grant Program
- Eliminates Rural Ferry grant, Low-Emission Ferry and Bus programs, Charging and Refueling grants, and Neighborhood Access and Equity Grants

North Carolina Provision.

- Adds 2 new high priority corridors – I-85 near Kings Mountain/US 421:Wilkesboro to Winston Salem

Build America 250 Act (House): NEPA/Project Delivery

One Federal Decision.

- Shortens aspects like timelines and page limits to ensure reviews are on track
- streamline across federal agencies
- Requires environmental assessments to be completed within 1 year
- 2-year timeline for Environmental Impact Statements would be reinforced.

Categorical Exclusions.

- Increases project thresholds for projects to qualify for streamlined environmental review
- Raises the total federal funding project threshold from \$6 million to \$12 million, and from \$35 million to \$70 million for projects with limited federal assistance.

Increasing Major Projects Threshold.

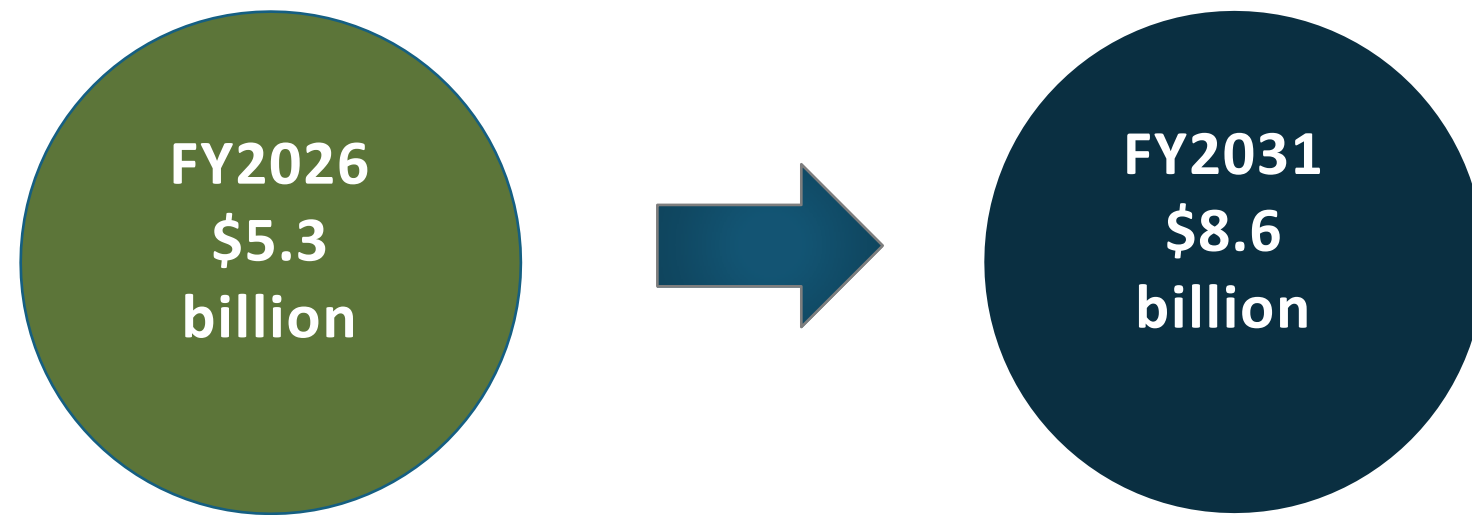
- Increases the major projects threshold rising to \$100 million, up from \$50 million

NEPA Assignment.

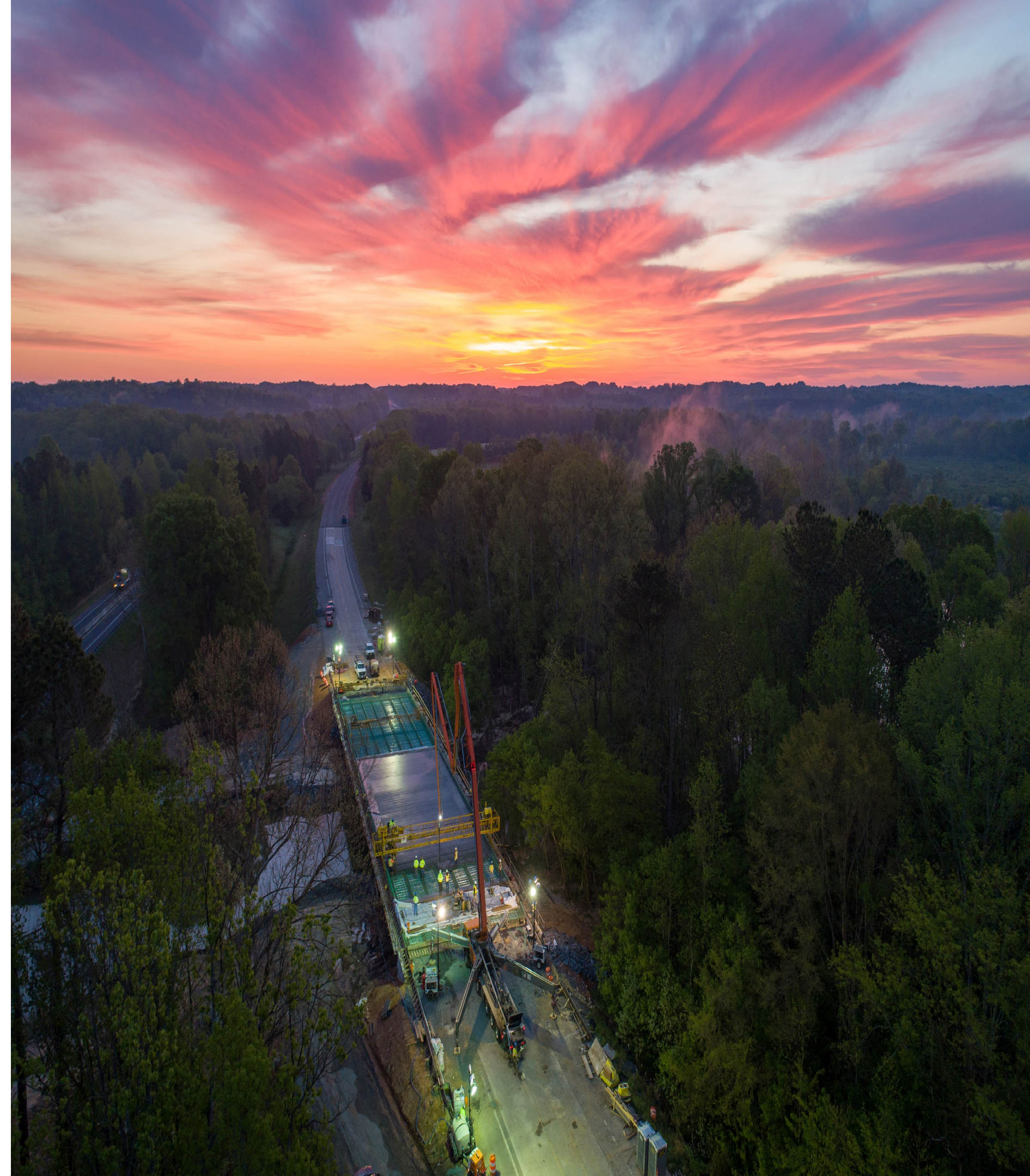
- Extends the timeframe for NEPA Assignment renewals from 5 years to 10 years.

Build America 250 Act (House): Bridge Program

- Bridge formula drives investment increases
- Total increase of **11%**



- \$200 million discretionary set-aside for culverts
- New Bridge Completion Grant Program
- 25% set-aside for local and off-system bridges
 - \$2 billion annual competitive grant program



Grant Program	Grant Program	FY2027	5 Year Total
STAG	HTF	\$2.4 Billion	\$12 Billion
Safe Streets and Roads for All	HTF	\$500 Million	\$3.75 Billion
PROTECT	HTF	\$500 Million	\$2.5 Billion
Bridge Completion	GF	\$2 Billion	\$10 Million
Truck Parking Pilot	HTF	\$150 Million	\$750 Million
INFRA	GF	\$1.2 Billion	\$6 Billion
Wildlife Crossings	HTF	\$80 Million	\$400 Million
Bridge Culverts Set-Aside	HTF	\$200 Million	\$1 Billion

Build America 250 Act (House): Transit Funding

- . 5 Year Total: \$87.5 Billion
- . 80% federal share for capital and operating
- . Increases funding to Bus/Bus Facilities program
- . Uses a consolidated state block grant program
- . Mass transit programs decline 10.5% between FY26-27 then grow 1.5% annually

Year	Mass Transit Funding
FY2026	\$18.9 billion
FY2027	\$16.9 billion
FY2028	\$17.2 billion
FY2029	\$17.5 billion
FY2030	\$17.8 billion
FY2031	\$18.1 billion

Build America 250 Act (House): MPO Changes

- Codification of Safe Streets for All Discretionary Grant Program
- 2-year obligation for PL funds
- Process for MPOs to qualify as direct recipients of PL funding
- Expanded use of PL funds
- Increased federal share

Build America 250 Act: Next Steps

Timeline

- . House T&I passed bill out of committee.
- . Expect further committee action after August recess
- . Items under discussion:
 - Cost
 - EV and Hybrid Plug-In fee
 - Rail safety inclusion
 - Truck weight limits
- . Senate EPW goal: Release text before August recess.
- . Expect a Continuing Resolution through December 31, 2026

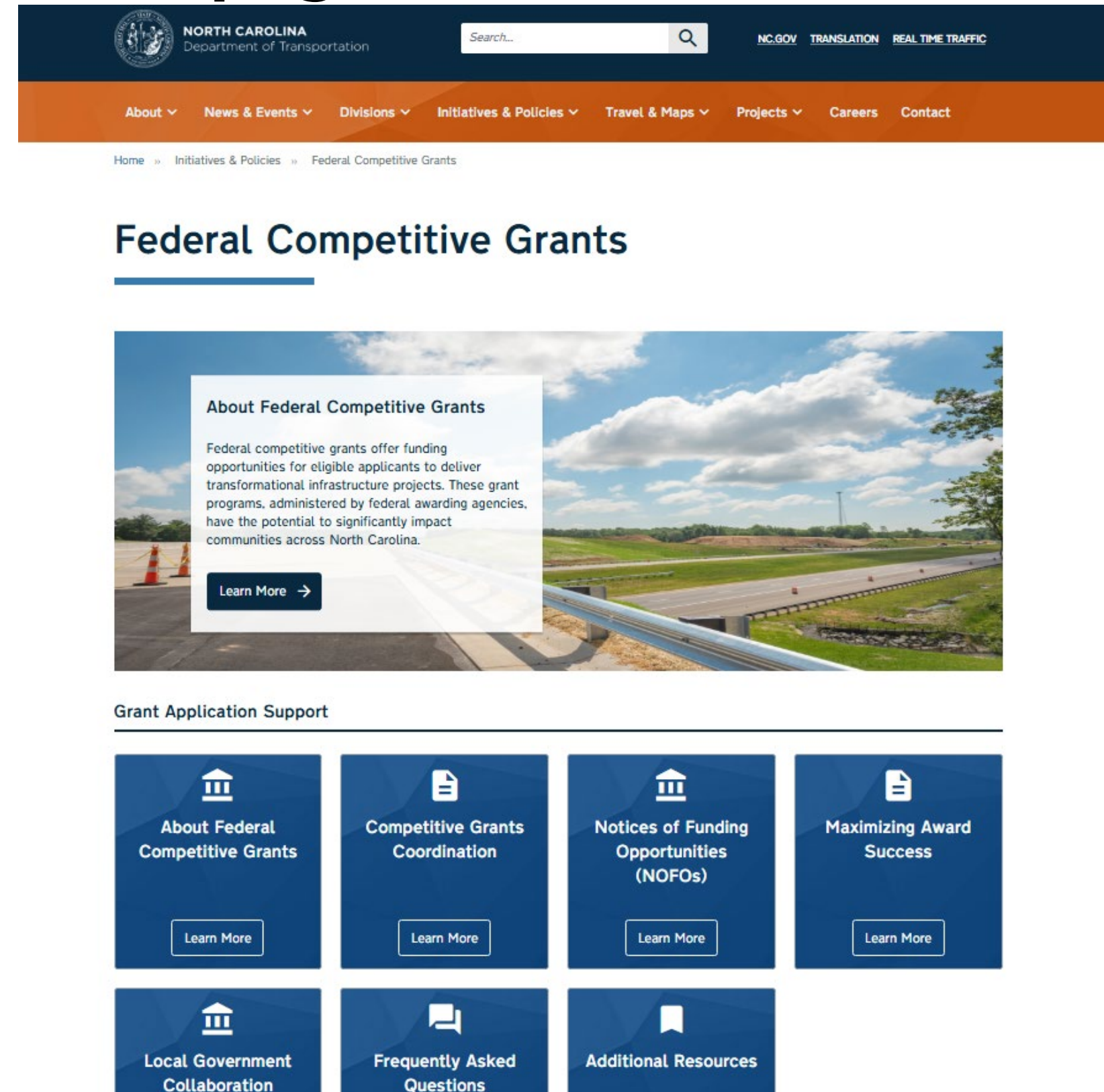
Competitive Grant Update

Federal Competitive Grants – NCDOT Webpage

- Up-to-date information
- Grant application resources
- Guidance on engaging with NCDOT

Website Features

- About Federal Competitive Grants
- Competitive Grant Coordination – STIP unit and LPMO
- Notice of Funding Opportunities (NOFOs)
- NCDOT Letter of Support Request Form
- Local Government Collaboration
- FAQs
- Links to Additional Resources



What are some typical grant programs available to local governments?

Grant Programs

- BUILD (Better Utilizing Investments to Leverage Development)¹
- WCPP (Wildlife Crossings Pilot Program)
- PROTECT (Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation Program)
- Bridge or BIP (Bridge Investment Program)
- NSFLTP (National Significant Federal Lands and Tribal Projects)
- SS4A (Safe Streets and Roads for All)

¹ formerly RAISE (Rebuilding American infrastructure with Sustainability and Equity) and TIGER (Transportation Investment Generating Economic Recovery)



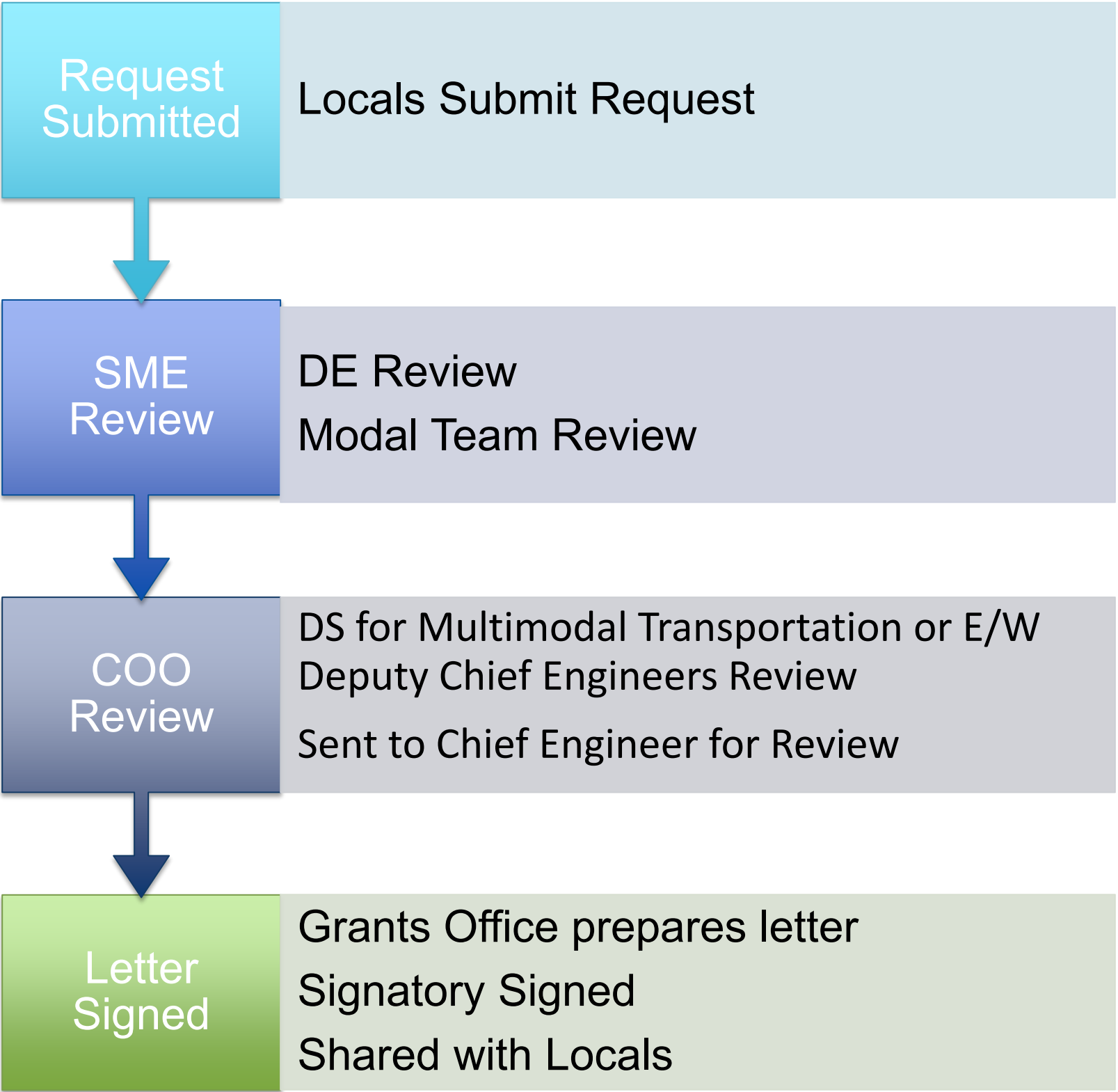
External Grants Letters of Support

- Increase in Grants- Increase in Requests for Support for local projects
- Important to Department’s Support
 - * Makes more competitive
- Ensures we are aware of projects on our facilities

Local Grants- DOT Implications:

- * Subrecipients
- * Match
- * May require state to sponsor or manage project
- * May impact NCDOT planned or funded projects

Process



Community Projects

Congressional Community Project Funding

- One-time funding
- Timeframe
 - ❖ Guidance released early February
 - ❖ Expect short turn-around!
- Be prepared
- Submit polished information
- Justify need
- Include project cost/sources
- Call/Email district staff
- Secure letters of support

CELEBRATE WINS!



Congressional Community Project Funding: Examples

Subcommittee/Agency/Account: Transportation, Housing, and Urban Development / DOT / FAA / Grants-in-Aid for Airports

Project Name: John Brantley Boulevard Extension

Recipient: Raleigh-Durham Airport Authority

Address: 1000 Trade Drive, P.O. Box 80001

Amount Awarded: \$1,200,000

Project Description: This project will widen and extend the terminal area roadway system to accommodate increased passenger traffic, reduce roadway congestion, and provide additional capacity necessary to support long term growth. This project will also relocate Transportation Network Companies, hotel shuttles, limousines, and other ground transportation vehicles from the arrivals curb of both terminals into a new Ground Transportation Center, allowing public transit quicker and more convenient access in and out of the airport.

Subcommittee/Agency/Account: Transportation, Housing, and Urban Development / HUD / Economic Development Initiatives

Project Name: Jones Sausage Road Safety and Capacity Improvements

Recipient: Town of Garner

Address: 900 Seventh Avenue, Garner, NC 27529

Amount Awarded: \$850,000

Project Description: The Town of Garner would use these funds to implement safety and capacity improvements to Jones Sausage Road. This project will include road widening of the north bound travel lane on Jones Sausage Road and intersection improvements at East Garner Road. The linear improvements for the North Bound travel lane include road widening, sidewalk, curb, and gutter. The multi-modal intersection improvements include signal modifications, addition of sidewalk, curb ramps, pedestrian push buttons, a bus stop boarding pad, and additional turn lanes. The project will also complete a key greenway connection to a 75-acre public park being developed on East Garner Road by the Town of Garner and to a recently approved mixed-use development that will include up to 350 single-family homes, 600 multi-family units (including some with income restrictions), and 35,000 square feet of commercial space.

Congressional Community Project Funding, FFY 2026

Agency	Project	Recipient	Award	Member
Aviation	RDU Taxiway "J" Reconstruction	RDU	850,000	Foushee
Aviation	RDU John Brantley Blvd Extension	RDU	2,500,000	Ross
Highway	Fordham Blvd Sidepath	NC	850,000	Foushee
Highway	Leland Basin St Extension	NC	3,900,000	Rouzer
Transit	Battery Electric Buses	Durham	250,000	Foushee
Aviation	Taxiway Expansion	Asheville Airport	2,500,000	Edwards
Aviation	Replacement Runway	RDU	5,000,000	Knott
Aviation	Charlotte Firefighting Burn Prop	Charlotte Douglas	1,000,000	Moore
Rail	Tabor City Rail Improvements	Tabor City	900,000	Rouzer
HUD	Pearl Underpass Infra Improvements	Char-Meck Hospital	250,000	Adams
HUD	Williamston Infra Road Repair	Williamston	250,000	Davis
HUD	Turn lane construction	Kannapolis	1,500,000	McDowell
HUD	Emerald Necklace Greenway	Cornelius	1,000,000	Moore
HUD	Jones Sausage Rd Safety/Capacity	Garner	850,000	Ross

Congressional Community Project Funding, FFY 2027

THUD Projects Included in FFY2027 H Appropriation Bill (has not passed House)				
Aviation	Henderson Airport Taxi Lane Rehab	AA Authority	1,800,000	Davis
Aviation	AVL Stormwater Improvements	AVL	2,140,000	Edwards
Aviation	Terminal 2 Landslide Expansion	RDU	2,250,000	Foushee
Aviation	SVH Runway Extension Land Acquisition'	Statesville	3,600,000	Harrigan
Aviation	RDU Lumley Rd Relocation	RDU	1,500,000	Knott
Aviation	Johnston Air Traffic Improvements	Johnston Co AA	4,000,000	Knott
Aviation	KEXX Relocation (Davidson airport)	Davidson Co AA	750,000	McDowell
Aviation	Clinton Enhancement projects	Clinton	750,000	Murphy
Aviation	RDU John Brantley Blvd Extension	RDU	850,000	Ross
Highway	Traffic Signals Upgrade		1,250,000	Foushee
Highway	Youngsville Bypass	Youngville	2,000,000	Knott
Rail	None			
Transit	Go Triangle Fleet Expansion	Go Triangle	500,000	Foushee
Transit	Fleet Modernization	Durham	850,000	Foushee
Transit	Bus Operations and Maintenance Facility	Go Triangle	500,000	Foushee
Transit	Bus Operations and Maintenance Facility	Go Triangle	500,000	Ross
Ports	None			
HUD Community	Downtown Fuquay Streetscape	Fuquay-Varina	500,000	Foushee
HUD Community	Kesler Mill Roadway and Infrastructure	Salisbury	500,000	McDowell
HUD Community	Old Knight Rd Pedestrian Improvements	Knightdale	500,000	Ross
HUD Community	Jones Sausage Rd Improvements	Garner	500,000	Ross
Note: (S) Tillis; (H) Adams, Harrigan, Moore, Murphy, Rouzer also participated in HUD Community Development				

Questions?



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Advancement

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Thank You!
