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METROPOLITAN PLANNING ORGANIZATION**

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TO: DCHC MPO Board
FROM : Aaron Cain, DCHC MPO Staff
SUBJECT: FY2024-2033 STIP Development Update

Executive Summary

Due to funding constraints within the North Carolina Department of Transportation (NCDOT) budget, and the implausibility of delivering projects as they are currently scheduled in the State Transportation Improvement Program (STIP), NCDOT will work with Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs) to develop the next STIP, which will be for fiscal years 2024 through 2033. This memo and the accompanying slides provide some background information on the current situation and the steps and schedule on moving forward on the upcoming STIP.

Background

For the past several years, NCDOT has developed the STIP on a two-year cycle. The prioritization process, known as SPOT, has corresponded to that two-year cycle. For the upcoming STIP, which was originally supposed to be for fiscal years 2022 through 2031, that prioritization process was known as SPOT 6. In 2019, due to financial forecasts which made it apparent that projects were going to be overbudget and there was not going to be enough funding for new projects, the cycle was delayed by a year so the STIP would be for fiscal years 2023 through 2032.

Due to a variety of factors, including COVID (and the significant decrease in driving, and therefore gas purchases which fund a large portion of the NCDOT budget), larger than expected spending on disaster relief and repair, and increasing costs for judicial decisions regarding the Map Act, and greater than expected cost overruns on transportation projects, the imbalance of revenues and expenditures for NCDOT became so great that SPOT 6 was cancelled, and the window for the new STIP was extended to fiscal years 2024 through 2033. The STIP window can not be extended further because by federal law a new STIP must be adopted by the states every four years. The MPOs are required to adopt a Metropolitan Transportation Improvement Program (TIP) within three months of the STIP, and the first four years of the TIP must match the STIP.

Path Forward for FY2024-2033 STIP

The cancellation of SPOT 6 means that no new transportation projects will be included in the FY2024-2033 STIP. Instead, the new STIP, which is to be adopted by the North Carolina Board of Transportation by June 2023, will only include projects that are currently in the STIP. The new STIP will remove some projects that cannot be afforded, and will adjust schedules to address realistic service delivery and budget constraints.

In order to determine which projects will be in the new STIP, the SPOT Workgroup, which consists of representatives from NCDOT, MPOs, RPOs, and others, has recommended the following protocol:

- Projects that are not “committed” (right-of-way or construction scheduled in the first six years) in the current STIP will not be considered for the FY2024-2033 STIP
- Determine which of the committed projects are sufficiently advanced in the process/expected to be near-term projects based on the current STIP, and prioritize those for inclusion in the new STIP
- If budget is available after that step, projects will be ranked by score from SPOT 3, SPOT 4, and SPOT 5, and the oldest (based on when they became committed projects)/highest scoring projects will be prioritized to remain in the STIP

This process will result in a Preliminary FY2024-2033 STIP, which is anticipated to be provided in April 2022. MPOs and RPOs will then be consulted on adjustments to the Preliminary STIP, and will be allowed to swap out projects for ones that are not in the Preliminary STIP, provided they:

- Respect the normalization policy (90% highway, 4% non-highway, 6% flex)
- The projects are within the same region or division (if Regional Impact or Division Needs projects, respectfully)
- The projects are of similar cost
- The Division Engineer concurs with the swap

The goal is to complete these consultations over the summer and have a Draft STIP ready for public review by December 2022. The STIP would then be adopted by June 2023.

STIP Development Schedule

Below is the timeline for development of the FY2024-2033 STIP:

- North Carolina Board of Transportation approves STIP Development Process – February 2022 (will be complete by the time of the DCHC MPO Board meeting)
- Preliminary STIP released – April 2022
- MPO comment and discussion with NCDOT to make adjustments to STIP – Spring and Summer 2022
- Draft STIP released – December 2022
- Public comment on Draft STIP – Winter 2023
- FY2024-2033 STIP adopted by North Carolina Board of Transportation – June 2023
- FY2024-2033 TIP adopted by DCHC MPO Board – September 2023

NCDOT staff has indicated that they would like to go back to a two-year cycle, and hopefully include new projects in the following STIP. So, the STIP after this one would be the FY2026-2035 STIP, and development of projects for that STIP would be called SPOT 7, which would start soon after the FY2024-2033 STIP and TIP and adopted.