

NCDOT announces layoffs and construction delays as coronavirus outbreak saps revenue

Herald-Sun By Richard Stradling April 21, 2020

RALEIGH – The N.C. Department of Transportation will lay off about 300 temporary workers and consultants and delay the start of about 88 major construction projects because of a sharp drop in tax revenue caused by the COVID-19 pandemic.

NCDOT estimates it will receive \$300 million less in tax revenue than expected in April, May and June, as businesses remain closed and people travel less for work and recreation.

About 54% of NCDOT's state revenue comes from gas taxes, which have dropped sharply since the coronavirus outbreak began last month. Traffic on major highways is down 40% to 50% percent across the state, Transportation Secretary Eric Boyette said in an interview.

"It's very dire," Boyette said. "We don't see an uptick."

Also hurt by COVID-19 and the resulting downturn in the economy is the highway use tax, a tax on car sales that makes up another 21% of NCDOT's state revenue. The third big source is fees, mostly collected by the Division of Motor Vehicles, which are also down, Boyette said.

The workers losing their jobs work in NCDOT's Highway Division and have been told Friday is their last day. More temporary and contract workers in other parts of NCDOT will likely lose their jobs as well in the coming weeks, the department said in a press release Tuesday.

So far, no permanent NCDOT workers have lost their jobs, but the department said it is developing plans for potential layoffs or furloughs.

In a memo to employees Tuesday, Boyette said he expects the revenue shortfall to continue into the coming fiscal year, which begins July 1.

"Because we do not know what form any potential assistance from our General Assembly or Congress will take, I have asked management to plan for the worst while we work for the best," Boyette wrote. "Each business unit should plan for staffing to maintain only mission critical efforts — primarily health and safety."

NCDOT is postponing the start of 88 of the 138 major road construction projects it had expected to start statewide in the coming year. The remaining 50 or so that will go on as planned are financed by bonds or federal money and aren't as dependent on state tax dollars in the near term.

Construction projects that are already underway or have been awarded to contractors are not affected. Boyette said suspending or canceling a project that's already underway can result in penalties or extra payments to contractors.

"That's just another debt we're incurring," he said. "And we just want to finish the projects if we can."

The projects that will be delayed include:

- The widening of Interstate 95 to eight lanes between I-40 in Johnston County and Exit 78 in Harnett County and between Exit 40 in Cumberland County and Exit 22 near Lumberton.
- The conversion of Glenwood Avenue into a limited-access freeway, with new interchanges, between I-540 and T.W. Alexander Drive in northwest Raleigh.
- The redesign and reconstruction of the Wake Forest Road interchange with the Raleigh Beltline.
- Repairing bridges and repaving along I-40 from U.S. 15-501 in Durham to Airport Boulevard in Morrisville.

More than half of the delayed projects statewide involve bridges, including the replacement of the Benson Road bridge over U.S. 70 in Garner.

As coronavirus keeps people home, North Carolina gas and sales tax revenues plummet

Herald-Sun By Richard Stradling April 2, 2020

RALEIGH –With businesses closed and people staying home, North Carolinians are driving less, depriving the state of tens of millions of dollars in fuel taxes used to build and maintain roads.

The N.C. Department of Transportation will lose more than a third of its expected revenue over the next three months because of the coronavirus outbreak, according to Bobby Lewis, the department's chief operating officer. Lewis told the Board of Transportation on Thursday that NCDOT will receive up to \$200 million less in revenue than it had counted on by July 1.

Most of that money will come in the form of lost gas taxes, which account for about 54% of NCDOT's state revenue. Also hurt by COVID-19 and the resulting downturn in the economy is the highway use tax, a tax on car sales that makes up another 21% of NCDOT's state revenue. (The third big source is fees, mostly collected by the Division of Motor Vehicles.)

The drop in tax revenue comes as NCDOT is still digging out of a financial crisis that mostly resulted from storm repair and cleanup costs and legal settlements related to the Map Act, a law that was declared unconstitutional. Lewis told legislators last month that NCDOT was still operating on "razor thin" margins and didn't have room for any big unexpected expenses.

Now the unforeseen blow is coming from lower revenue.

"We're in uncharted territory and waters now," Lewis told board members Thursday. "We anticipate major impacts to our revenue sources, especially in the gas tax and the highway use tax, which is going to make our cash situation even more challenging."

Falling tax revenue is going to be a problem for all local governments and state agencies in North Carolina, as residents hunker down and stop spending money. Sales taxes on retail, restaurants and hotel rooms are all taking a hit, as is the state's income tax as businesses lay off hundreds of thousands of workers.

"From a public finance perspective we are looking at very dreary times," said Whitney Afonso, a professor in the School of Government at UNC Chapel Hill.

Afonso says government budget officers have been asking her how they should prepare for the coming fiscal year.

"I tell them, 'Like we're going to be in a recession,'" she said. "Because we're going to be in a recession, and it's not just sales taxes."

Lewis said it's too soon to say where NCDOT will cut expenses. He said the department doesn't want to stop work on construction projects that are already underway but that it is evaluating all future projects to determine which ones can and should be delayed. The department also receives money from the federal government and bond sales, which will help keep current projects going.

'MAJOR ECONOMIC CONTRACTION' AHEAD

The reduction in traffic is clear to anyone who has ventured out recently or visited a gas station. Gas prices in North Carolina averaged \$1.80 on Thursday, about 76 cents less than a year ago, according to AAA Carolinas. Overproduction by Russia and Saudi Arabia partly explains the decline, but the big factor is a sharp drop in demand, AAA says.

"Because of social distancing and the stay-at-home order, we are continuing to see even less traffic on the roadways," spokeswoman Tiffany Wright said in a written statement. "These factors will ultimately drive down demand, increase gasoline supply and continue to lower pump prices for the foreseeable future."

With the coronavirus outbreak still growing in North Carolina and country, the length and depth of the economic fallout is still unknown. Lewis said NCDOT currently expects its tax revenues will be down through the summer and into next fall and will be 7% to 11% lower in the coming fiscal year, which begins July 1.

But that forecast is likely to change, Lewis said.

"The only thing we really know right now is that there is agreement with all economists that this is going to be a major economic contraction," he said.

NCDMV asks lawmakers to extend license, inspection deadlines during COVID-19 outbreak

Herald-Sun By Richard Stradling April 7, 2020

The coronavirus outbreak has changed almost every aspect of life in North Carolina, but the deadlines for renewing driver's licenses and vehicle registrations and getting car and truck inspections are not among them.

Now the state Division of Motor Vehicles has asked legislators to let it extend those deadlines during emergencies such as the COVID-19 pandemic. The DMV has been swamped with complaints from people who can't understand why, when the governor has ordered everyone to stay home, they must still get their car inspected or registration renewed.

"We've seen these requests before during natural disasters, but that was a short-term need," Transportation Secretary Eric Boyette told a legislative committee on a conference call Tuesday. "The challenges we're facing now is these renewals of various privileges and requirements are no longer lasting that short time frame.

Boyette asked lawmakers to give the DMV commissioner power to "extend those expiration dates and waive our fees and fines for a variety of licenses and requirements during any declared natural disaster."

President Donald Trump issued a disaster declaration for North Carolina due to the coronavirus pandemic on March 25.

The DMV has cut back operations at its driver's license offices to prevent crowding that could help spread the coronavirus. The agency closed 61 of its smaller offices and is taking customers at the remaining 57 offices by appointment only. It has also suspended all road tests, except for commercial driver's licenses.

But the deadlines for renewing licenses and registrations and getting safety and emissions inspections are set by law, and Boyette said they can't be waived without legislative approval. The General Assembly is not scheduled to go into session until April 28.

Boyette said the DMV is facing other challenges, including a 40% rate of absenteeism because of the pandemic. Spokesman Steve Abbott said workers are staying home because of health concerns or because they have kids or other family members to care for. He said NCDOT has sent other workers to help the agency process paperwork arriving by mail.

Boyette said the absenteeism has slowed DMV's back-office operations.

"We ask that residents and our industry partners be as patient as they can while we are experiencing longer-than-normal turnaround times," he said.

DMV fears that when the COVID-19 outbreak subsides and stay-at-home orders are lifted it will be overrun with pent-up demand for licenses, registrations and road tests.

To help, Boyette asked legislators to delay the required move of DMV headquarters from Raleigh to Rocky Mount. A bill passed in 2018 set a deadline of Oct. 1, 2020, for DMV to vacate its complex on New Bern Avenue, and the agency had planned to move to rented offices in Rocky Mount starting this summer. Boyette asked the legislators to let DMV begin the move on Oct. 1 instead.

He also told lawmakers the agency would want to hire more staff so it can let its busiest offices open weekdays from 7 a.m. to 7 p.m., instead of the usual 5 p.m.

Boyette also told legislators about the sudden drop in revenue to NCDOT, primarily from lower income from gas taxes, car sales taxes and DMV fees. He said the department expects to receive at least \$200 million less in revenue by July 1 and is still considering its options for where to cut spending.

They include cutting spending on consultants and materials and suspending the start of new construction projects that aren't financed by bonds.

"I can tell you the North Carolina Department of Transportation has never faced such financial circumstances," he said. "And these measure are going to be painful."

As coronavirus keeps people home, North Carolina gas and sales tax revenues plummet

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These Triangle counties are the best and - worst - in NC at staying home amid coronavirus

Herald-Sun By Johnathan M. Alexander March 31, 2020

For the past several weeks, county and state leaders have recommended and ordered people to stay home, limit traveling and practice social distancing to help slow the spread of COVID-19.

But are people listening?

Well, it's a mixed bag, according to Unacast, a company that uses social mobility data from smart phones to look at how much people are traveling in counties across the nation. It grades counties and states based on how much their residents have traveled since state and federal officials first began to encourage social distancing and isolation.

In the Triangle, Wake County and Durham County were both given "A's," as distance traveled in both counties has decreased by more than 40 percent. Chatham County was given a "B," after distance traveled decreased between 30 and 40 percent.

And Orange County was given a "C." Travel distance there decreased between 20 and 30 percent.

Johnston County, was among the most poorly graded counties in the state. It currently has a "D," after travel distance decreased by only 15 percent. North Carolina as a whole is a "C."

The most recent data points are from March 26. Bigger cities in North Carolina tend to have the biggest decrease in travel. For instance, Mecklenburg also has an A. At least one rural county, Northampton, has seen a 3 percent increase in travel, although travel statewide has gone down since various counties and then the state announced stay-at-home orders.

According to the company's website, it does not identify any individual person, device or household.

"However, to calculate the actual underlying social indexing score we combine tens of millions of anonymous mobile phones and their interactions with each other each day — and then extrapolate the results to the population level," it states.

There are currently about 1,500 positive cases of coronavirus across the state and nine North Carolina residents have died.

Trump rollback of mileage standards guts climate change push

By ELLEN KNICKMEYER and TOM KRISHER, Associated Press

MARCH 31, 2020 02:29 PM

WASHINGTON — The Trump administration's rollback of mileage standards Tuesday marks a win for Americans who like their SUVs and pickup trucks, but the government's own estimates show big costs, too — more Americans dying from air pollution, more climate-damaging tailpipe exhaust and more expense for drivers at the gas pumps.

The administration's final rule relaxes future mileage standards for years to come, gutting tougher Obama-era standards that were the U.S. government's single most forceful initiative against climate-changing fossil fuel emissions.

"Great news! American families will now be able to buy safer, more affordable, and environmentally friendly cars with our new SAFE VEHICLES RULE," President Donald Trump declared in a tweet. "Get rid of those old, unsafe clunkers. Build better and safer American cars and create American jobs. Buy American!" **(Continued...)**

But Democratic lawmakers and environmental groups condemn the rollback, and years of legal battles are expected, including from California and other states opposed to the rollback.

The rollback drew rare public criticism from former President Barack Obama, who largely has remained silent as his successor targets public health, environment and climate regulations from Obama's time as part of the current administration's regulation-cutting drive.

"We've seen all too terribly the consequences of those who denied warnings of a pandemic. We can't afford any more consequences of climate denial," Obama tweeted after Trump's transportation and Environmental Protection Agency heads made the final rule public.

Obama also ventured into this year's presidential campaign with the mileage rollback, telling Americans to "'vote this fall.'" His vice president, Joe Biden, is the front-runner for the Democratic presidential nomination.

Trump's new mileage standards will require automakers to achieve 1.5% annual increases in fuel efficiency. That's less than the more than 2% increases the U.S. auto industry is already averaging.

John Bozzella, CEO of the Alliance for Automotive Innovation, a trade group representing automakers, said the industry still wants middle ground between the two standards, and it supports year-over-year mileage increases. But he says the Obama-era standards are outdated because of the drastic shift to trucks and SUVs.

Trump initially proposed simply dropping mandates for more fuel efficiency entirely, but he compromised after California and a dozen other states and a faction of automakers revolted, and after Trump federal officials had difficulty coming up with justifying arguments.

The compromise "strikes the right regulatory balance that protects our environment, and sets reasonable targets for the auto industry," EPA chief Andrew Wheeler said. "This rule supports our economy, and the safety of American families."

James Owens, acting administrator of the National Highway Traffic Safety Administration, said automakers still can sell electric powered and other more efficient vehicles. But he said the rule will ensure that more people can buy new vehicles.

Almost the entire premise of the rollback is that car prices would drop an average of \$1,000 because automakers would spend less on fuel-efficiency technology. "These are dollars that are coming out of consumers' pockets, out of families' pockets," Owens said.

Industry analysts, however, say \$1,000 won't mean much to the buyer of an average new vehicle, which cost just under \$38,000 in March.

Akmal Mujeeb, owner of Longhorn Sport Imports, a used-vehicle dealer near Austin, Texas, agreed Tuesday.

"My honest answer is it's going to be marginal if anything," said Mujeeb, who sold new vehicles before starting his own business. "It's not going to make any difference in sales."

The administration also argues that cheaper cars would prompt Americans to buy new vehicles with new safety technology, saving 3,300 lives on U.S. roadways through 2029.

But experts dispute that claim, saying many of the vehicles traded in over the next eight years will be 4 and 5 years old, and there isn't much safety difference between those and new vehicles.

David Friedman, vice president of advocacy for Consumer Reports, said the government also is assuming that because the vehicles' mileage won't be as good, people will drive less and be exposed to less risk on the road. He says that assumption is flawed.

And opponents say dirtier air from the rollback will kill and injure more people than the rollback claims to save in roadway accidents.

Drawing on the government's projections, the Environmental Defense Fund advocacy group projects 18,500 additional deaths from respiratory problems and other illnesses by mid-century, along with more illnesses and lost work days.

In Ann Arbor, Michigan, resident Elizabeth Hauptman — a member of Moms Clean Air Force, a public health advocacy group — said the rollbacks would mean more soccer games cut short and fewer summer barbecues for her son, a 9-year-old with asthma. **(Continued...)**

"He's going to miss more events," said Hauptman, who keeps the boy inside whenever air pollution readings are high, rather than risk another asthma attack away from home. "They look to you for help, and you just pray you get home in time to use your nebulizer."

Opponents also project millions of tons more carbon dioxide and other climate damaging emissions, compared to the Obama mileage standards.

The transportation sector, including autos, is the country's biggest source of fossil fuel emissions. Scientists in and out of the U.S. government during Trump's term have urged rapid cuts in fossil fuel emissions to stave off the worst of climate change. Trump frequently mocks the science behind climate change warnings, and he has ignored the warnings.

"The only winner from this action is the oil industry, which wants us stuck driving dirty gas guzzlers as long as possible," said Gina McCarthy, Obama's former EPA chief, now head of the Natural Resources Defense Council advocacy group.

Study to put Durham-Wake commuter rail closer to 'go or no go.' But not all on board.

Herald-Sun By Matt Goad March 10, 2020

Wake commissioners votes to adopt transit plan

DURHAM – The Durham County commissioners voted unanimously Monday night to spend more than \$2 million to study a commuter rail line that could potentially run between Durham and Johnston counties.

GoTriangle, the sponsor for the Greater Triangle Commuter Rail project, also will be asking Wake County for \$6 million for the study and Johnston County and the N.C. Railroad Company for \$250,000 each. The \$2.2 million Durham voted to contribute will come from the Durham Transit Tax Fund, fed mostly by a local half-cent sales tax.

The project would use an existing rail corridor owned by NCR and would run trains between northwest Durham and Clayton, with stops in the Wake municipalities of Raleigh, Morrisville, Cary and Garner. A stop is also planned at Research Triangle Park.

Backers plan to apply for federal grants to fund as much as half of the project.

GoTriangle says at least 34 miles of new tracks would be needed in the corridor for commuter trains, because the existing tracks are heavily used by Amtrak and freight trains, The News & Observer has reported. About 27 trains pass through the busiest stretch of the corridor, between Raleigh and Cary, each day.

'A GO OR NO GO DECISION' COMING

The feasibility study is expected to look more closely at both the Durham-Clayton route and a Durham-Garner route, each with 20 roundtrips, GoTriangle spokeswoman Burgetta Wheeler said by email Tuesday.

The Durham-Clayton route, however, will require that Johnston County vote to participate, and that vote won't happen until April, Wheeler said.

Durham County Commissioner Ellen Reckhow described the commissioners' decision Monday to move ahead with planning as the second step on a ladder that will determine whether to continue with the process.

"It will be after this study that we really will have enough information to make a go or no go decision," said Reckhow, who is also a member of the GoTriangle board of trustees.

Commissioners also voted unanimously to enter into a memorandum of understanding with the other project management partners: Wake and Johnston counties, NCR, GoTriangle, the N.C. Capital Area Metropolitan Planning Organization and the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization to express the roles, responsibilities and cost share of the next phase of the project.

Commissioner Heidi Carter expressed concern that the city of Durham was not included in the process. **(Continued...)**

Board Chairwoman Wendy Jacobs said she has told Durham Mayor Steve Schewel that municipalities where trains would stop would become more involved in the next phase of development.

GoTriangle abandoned plans to develop an 18-mile light-rail project between Chapel Hill and Durham last March, in part because Duke University and the NCRR balked at providing needed right-of-way.

"That's why you have this extensive (memorandum of understanding)," Reckhow said. "We didn't have this at the start of the light-rail project. We're being much more deliberate."

PROJECT OPPONENTS SPEAK

Several members of the public spoke against the project Monday.

"You're going to try to provide a mode of transportation at the expense of the taxpayers of Durham that benefits non-taxpayers that work in Durham but live other places," said Jackie Wagstaff, a former Durham City Council member.

Antonio Jones, a former candidate for the Durham school board, wondered why the project didn't include an airport stop.

Victoria Peterson, a former candidate for City Council, said the project would hurt the black community as it travels noisily through predominantly African-American neighborhoods. She also urged backers to schedule community meetings before continuing.

"I heard the questions," Commissioner Brenda Howerton said. "I understand the uneasiness around this because of the lack of information."

Reckhow also said she was glad to hear from the community.

"What we're still doing is determining if this project will benefit Durham," she said. "I appreciate the concerns. I have concerns. But I think this next step will answer that."

Staff writer Richard Stradling contributed to this story.