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## FACT SHEET

# Strategic Mobility Formula

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The Strategic Mobility Formula is a new way to fund and prioritize transportation projects to ensure they provide the maximum benefit to our state. It allows NCDOT to fund more investments in a more efficient way to create jobs and help boost the economy.

### **Why do we need it?**

North Carolina is the fourth fastest-growing state in the country. However, at the same time that our state's population is increasing, NCDOT's revenue stream is decreasing. The state gas tax, the Highway Use Tax and DMV fees no longer provide enough funding to make all the transportation improvements North Carolina needs to attract new industry, connect people to greater opportunities and reduce congestion.

Given this, we need to use our revenue as efficiently as possible. The current funding distribution formula, known as the Equity Formula, does not offer the flexibility needed to most effectively meet our state's diverse needs. It was created decades ago when NCDOT revenues were on the rise and the state's economic landscape was much different. It is outdated and must be replaced.

The proposed Strategic Mobility Formula is a smart solution that will allow NCDOT to move forward more quickly with important projects that will enhance mobility and revitalize communities. It will benefit metro areas that need projects focused on easing congestion and enhancing safety, while providing more investments in small towns to help improve access to medical services, economic centers, education and recreation.

### **Benefits**

There are many benefits to implementing the proposed Strategic Mobility Formula.

NCDOT's current 10-year plan includes 175 projects and creates 174,000 jobs. Using the same amount of funding, the new formula would fund at least 260 projects and create more than 240,000 jobs over the next 10 years.

Overall, the Strategic Mobility Formula will create more jobs and allow us to complete more projects to better connect North Carolinians to greater opportunities.

### **How does it work?**

The Strategic Mobility Formula is driven by data and local input. All modes compete for funding.



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The proposed formula breaks down projects into three categories: statewide, regional and local.

### Statewide Level

- Projects that address traffic congestion and bottlenecks of statewide significance will receive 40% of the available revenue, totaling \$6.4 billion over 10 years.
- The project selection process will be 100% data-driven, meaning the department will base its decisions on hard facts such as crash statistics and traffic volumes.

### Regional Level

- Projects that will increase access and mobility for entire regions of the state will receive 40% of the available revenue, equaling \$6.4 billion over a decade based on regional population. Projects on this level compete within specific regions made up of two NCDOT Transportation Divisions. The map below shows these regions. For example, Divisions 1 and 4 are paired together to form a single region.
- NCDOT will select applicable projects for funding using two weighted factors. Data will comprise 70% of the decision-making process and local rankings by area planning organizations will round out the remaining 30% at this level.

### Local Level

- Projects that will reduce localized congestion, improve safety concerns and increase connectivity will receive 20% of the available revenue shared equally over NCDOT's 14 transportation divisions. That totals \$3.2 billion over 10 years.
- The department will choose projects based 50% on data and 50% on local rankings.

