

2016

annual report
PERFORMANCE



Transportation

our **MISSION**

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

our **VISION**

NCDOT: A global leader in providing innovative transportation solutions

our **GOALS**

Make transportation safer.

Provide GREAT customer service.

Deliver and maintain our infrastructure effectively and efficiently.

Improve the reliability and connectivity of the transportation system.

Promote economic growth through better use of our infrastructure.

Make our organization a great place to work.

message from the **SECRETARY**

Dear North Carolinian:

This past fiscal year, we celebrated a number of transportation achievements in North Carolina and took meaningful steps toward fulfilling Governor Pat McCrory's 25-Year Vision for Transportation. These efforts have made a tremendous difference for our state by better connecting our citizens to vital destinations and providing new opportunities for communities across our state.

We began construction on long-anticipated projects, such as the Herbert C. Bonner Bridge replacement on the Outer Banks. We also completed lasting infrastructure improvements that will make travel safer and faster for our citizens as well as freight customers. Improvements at our state ports are allowing us to accommodate larger containerships, better meet the needs of our state's key industries and achieve North Carolina Ports' best-ever financial year. We also continued driving change through the implementation of new reforms that improve customer service and reduce wait times at DMV offices throughout the state.

The work of our agency is critical to the future of North Carolina. I am incredibly proud of all we have accomplished thanks to the expertise, skill and dedication of our team of employees.

Thank you for your support as we continue our work to not only move people and goods, but also to support jobs and economic development, attract and retain business and industry, and maintain overall quality of life for North Carolina.

Sincerely,

A handwritten signature in black ink, appearing to read 'N. Tennyson', with a large, stylized loop at the end.

Nicholas J. Tennyson
Secretary of Transportation

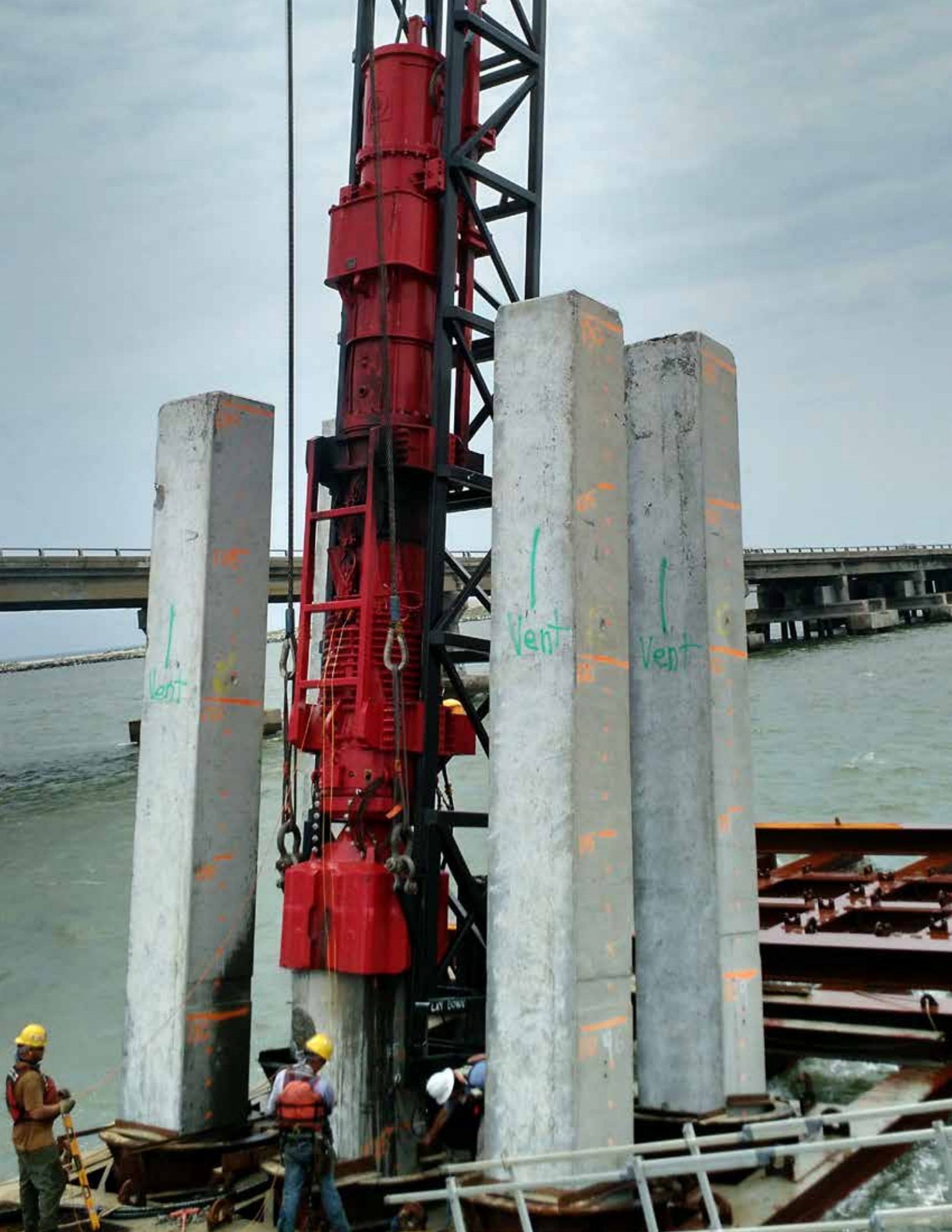


table of **CONTENTS**

About NCDOT	6
System Overview.....	7
Our Divisions.....	8
Organizational Highlights.....	10
Funding	14
Performance and Accountability	18
SFY 2016 Performance Scorecard	19
SFY 2017 Executive Performance Measures	20

Supporting material, including background information, definitions and rationale on the performance scorecard, is available at www.ncdot.gov/performance. Information in this report is based on State Fiscal Year (SFY) 2016, which covers the time period of July 1, 2015 to June 30, 2016, unless otherwise noted.

Opposite photo: Workers prepare to drive pilings for the Herbert C. Bonner Bridge replacement.

about **NCDOT**

The N.C. Department of Transportation (NCDOT) is responsible for all modes of transportation in North Carolina, including highways, rail, aviation, ferries, public transit and bicycle and pedestrian transportation. It also includes the state's Division of Motor Vehicles (DMV), which oversees driver license issuance and vehicle registration along with other operations pertaining to motor vehicles in our state, and the Governor's Highway Safety Program, which aims to promote safety awareness to reduce roadway crashes and fatalities. In addition, NCDOT helps expand economic growth opportunities through oversight of the N.C. Turnpike Authority, N.C. Ports and the N.C. Global TransPark.

NCDOT is a performance-based organization with a strategic, data-driven decision-making process that is transparent and accountable. This approach ensures that politics do not determine transportation project selection and aligns the Department's operations with its overall mission and goals.

The Department's operations are led by the Secretary of Transportation. A 19-member Board of Transportation is the Department's governing body and responsible for overseeing the transportation policy-making process and monitoring the agency's performance.



- NCDOT maintains nearly 80,000 miles of highway; the equivalent of circling the Earth three times. Of those miles, 15,000 are primary highways (interstate, US and NC routes) and nearly 65,000 are secondary roads.



- NCDOT maintains more than 13,500 bridges, plus an additional 4,500 culverts and pipes that are 20 feet or longer, fitting the federal definition of a bridge.



- NCDOT operates the nation's second largest state-owned ferry system, and the largest on the East Coast, with 21 ferries that serve seven routes. Each year, about 2 million passengers rely on this service.



- North Carolina has about 3,300 miles of mainline railroad track.



- NC By Train (formerly North Carolina's Amtrak) provides three daily roundtrips to Charlotte, Greensboro, Raleigh and nine other North Carolina cities via the *Piedmont* and *Carolinian*. Nearly 444,000 passengers relied on this service this year to get them to their destinations.



- North Carolina has 72 publicly owned airports and nearly 300 privately owned airports, heliports and other landing areas. Ten commercial airports provide regularly scheduled service.



- North Carolina's 99 public transportation systems serve all 100 counties, providing an important transportation option for the state's residents.



- NCDMV has 113 driver license offices, and 130 privately-operated license plate agencies and registration offices that serve the state's 7.6 million licensed drivers and owners of the 9.3 million vehicles registered in North Carolina.



- The NCDOT State Farm Safety Patrol (formerly Incident Management Assistance Patrol) made nearly 58,000 stops, expediting incident clearance, removing debris, assisting motorists and managing traffic.



- On highways across the state, 539 traffic cameras allow NCDOT to monitor traffic conditions in real time in order to quickly respond to incidents and alert other motorists. One way we alert motorists about traffic conditions is through our 292 Dynamic Message signs that are installed across the state.



- The NC 511 phone system handled nearly 575,000 calls for traveler information, as well as Amber and Silver Alert information. A partnership launched this year with the departments of Commerce and Corrections provides live operators to answer citizens' travel inquiries. This change has improved customer satisfaction by 20 percent, and will reduce costs by 40 percent.



- NCDMV issued nearly 2.6 million driver licenses, permits and identification cards, including nearly 800,000 online renewals and duplicate or replacement licenses (as of Nov. 15, 2016).



- NCDMV operates five mobile units that help take driver services to remote areas of the state.



- NCDMV processed more than 2.4 million vehicle titles and issued more than 8 million license plates and registration stickers, including 1.5 online transactions (as of Nov. 15, 2016).



- NCDMV's License & Theft Unit recovered 884 stolen vehicles valued at more than \$7 million.



- Through North Carolina's Adopt-A-Highway Program about 4,852 volunteer groups have adopted more than 9,677 miles of state-maintained roadsides they help clean, saving taxpayers approximately \$6.9 million a year in cleanup costs.

OUR DIVISIONS

Motor Vehicles

The mission of the Division of Motor Vehicles is to deliver quality customer support through professional driver and motor vehicle services while promoting highway safety and protecting accurate and secure information.

Public Transportation

The Public Transportation Division was created in 1974 by the N.C. General Assembly to foster the development of intercity, urban and community public transportation for all North Carolinians. PTD administers federal and state transportation grant programs, provides leadership and training opportunities to transit professionals, makes planning and technical assistance available to enrich transit services, and prepares projections to meet future public transportation needs. Public transportation systems provide transit options in all 100 counties, providing a safe, cost-effective and environmentally friendly alternative for residents who cannot or choose not to drive.

Ferry

The Ferry Division's mission is to provide safe, cost-effective and dependable service for the traveling public. The Division operates seven routes across five separate bodies of water—the Currituck Sound, Pamlico Sound, Cape Fear River, Neuse River and Pamlico River. The Division also can activate an emergency ferry route between the Dare County mainland and Hatteras Island at Rodanthe within two to three hours in the event of a long-term or emergency closure of N.C. 12. The ferry operations are supported by a full-service shipyard, dredge, crane barge, tugboats and other support vessels.

Rail

North Carolina has about 3,300 miles of railroad tracks throughout the state used by both freight and passenger trains, providing travel options as well as efficient and environmentally friendly transportation. The Rail Division works with communities throughout the state to make rail-highway crossings safer by installing traffic-control equipment, and closing and consolidating high-accident crossings on highways, streets and bridges.

The state-owned *Piedmont* passenger train provides service at stops between Raleigh and Charlotte three times a day. The state-supported *Carolinian* provides service between Charlotte and Raleigh, and up the East Coast to New York City.

Bicycle and Pedestrian

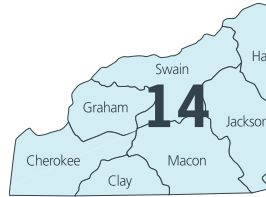
The Division of Bicycle and Pedestrian Transportation is a comprehensive operation touching all aspects of bicycling and walking by designing facilities, creating safety programs, mapping cross-state bicycle routes, training teachers, sponsoring workshops and conferences, fostering multi-modal planning, and integrating bicycling and walking into the ongoing activities of the Department.

Aviation

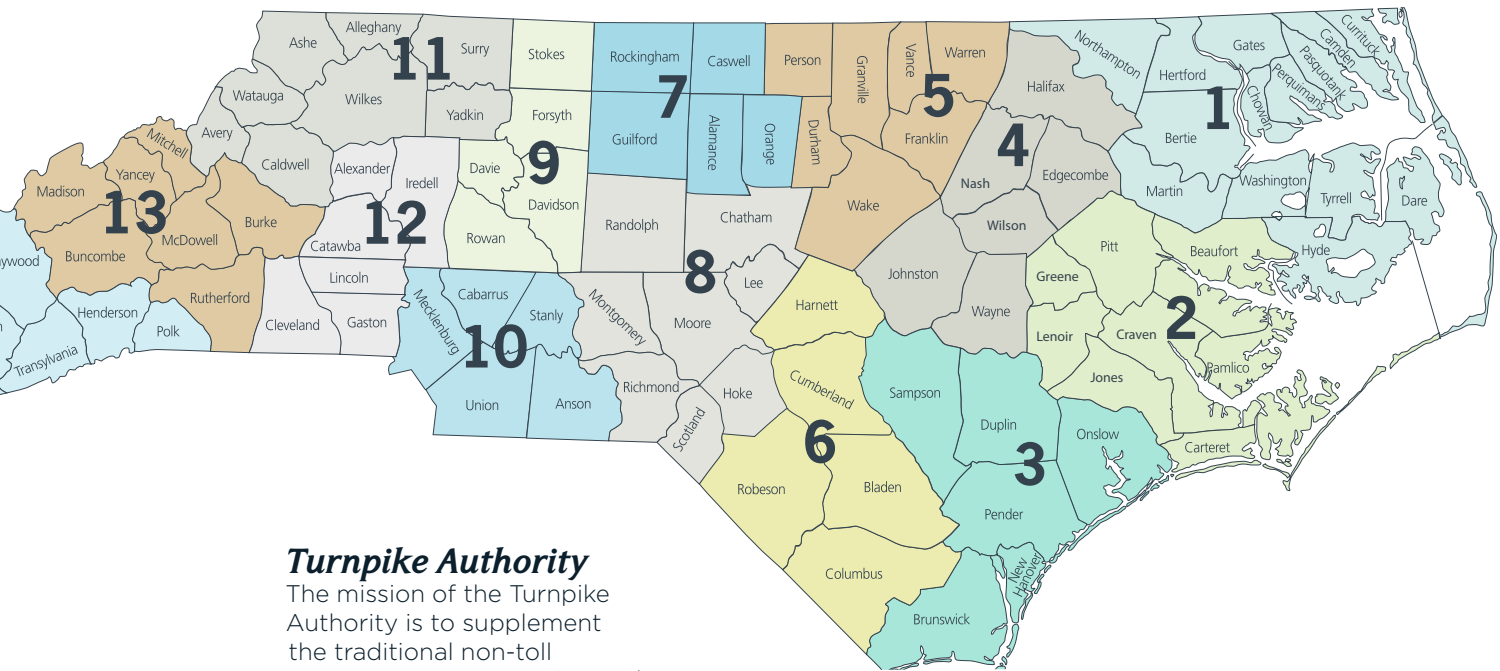
The Division of Aviation is responsible for all aviation functions regarding state system planning and development, and provides funding to communities for constructing and improving airports. Additionally, the Division operates an active aviation safety and education program.

Highways

The Division of Highways is responsible for all aspects of the state's nearly 80,000-mile highway system. This includes planning, design, construction and maintenance, as well as traffic mobility and safety.



14 TRANSPORTATION DIVISIONS



Turnpike Authority

The mission of the Turnpike Authority is to supplement the traditional non-toll transportation system in North Carolina by accelerating the delivery of roadway projects using alternative financing options and facilitating the development, delivery and operation of an integrated, creative system of toll roads. It was created in 2002 by the N.C. General Assembly in response to concerns about rapid growth, heavy congestion and diminishing resources.

State Ports

North Carolina's ports in Wilmington and Morehead City, plus inland terminals in Charlotte and at the Piedmont Triad International Airport in Greensboro, have the capability and capacity to serve as competitive alternatives to ports in neighboring states. Owned and operated by the Ports Authority, North Carolina's port system combines modern facilities and abundant capacity with the commitment to excel in service to our customers.

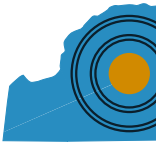
Global TransPark

The N.C. Global TransPark is a 2,500-acre industrial/airport site situated strategically in eastern North Carolina. Its on-site Composite Center is one of the most advanced workforce development training facilities in the state. The GTP's integrated infrastructure and close proximity to Interstates 40 and 95 and the state's two deep water ports make it an ideal location for a variety of business types, especially companies involved in the aerospace sector and logistics.

Governor's Highway Safety Program

The Governor's Highway Safety Program is dedicated to promoting highway safety awareness to reduce the number of traffic crashes and fatalities in the state of North Carolina through the planning and execution of safety campaigns.

organizational **HIGHLIGHTS**



In State Fiscal Year 2016, NCDOT continued its focus on customer service and making more strategic and efficient use of our transportation dollars. With the Strategic Transportation Investments law fully implemented, and Governor Pat McCrory's 25-Year Vision for transportation in North Carolina in place, we began seeing tangible examples of how we are better connecting the state and supporting job creation and economic growth.

In addition, we built on our efforts to enhance customer service at the Division of Motor Vehicles through Governor McCrory's "Driving Change" initiative.

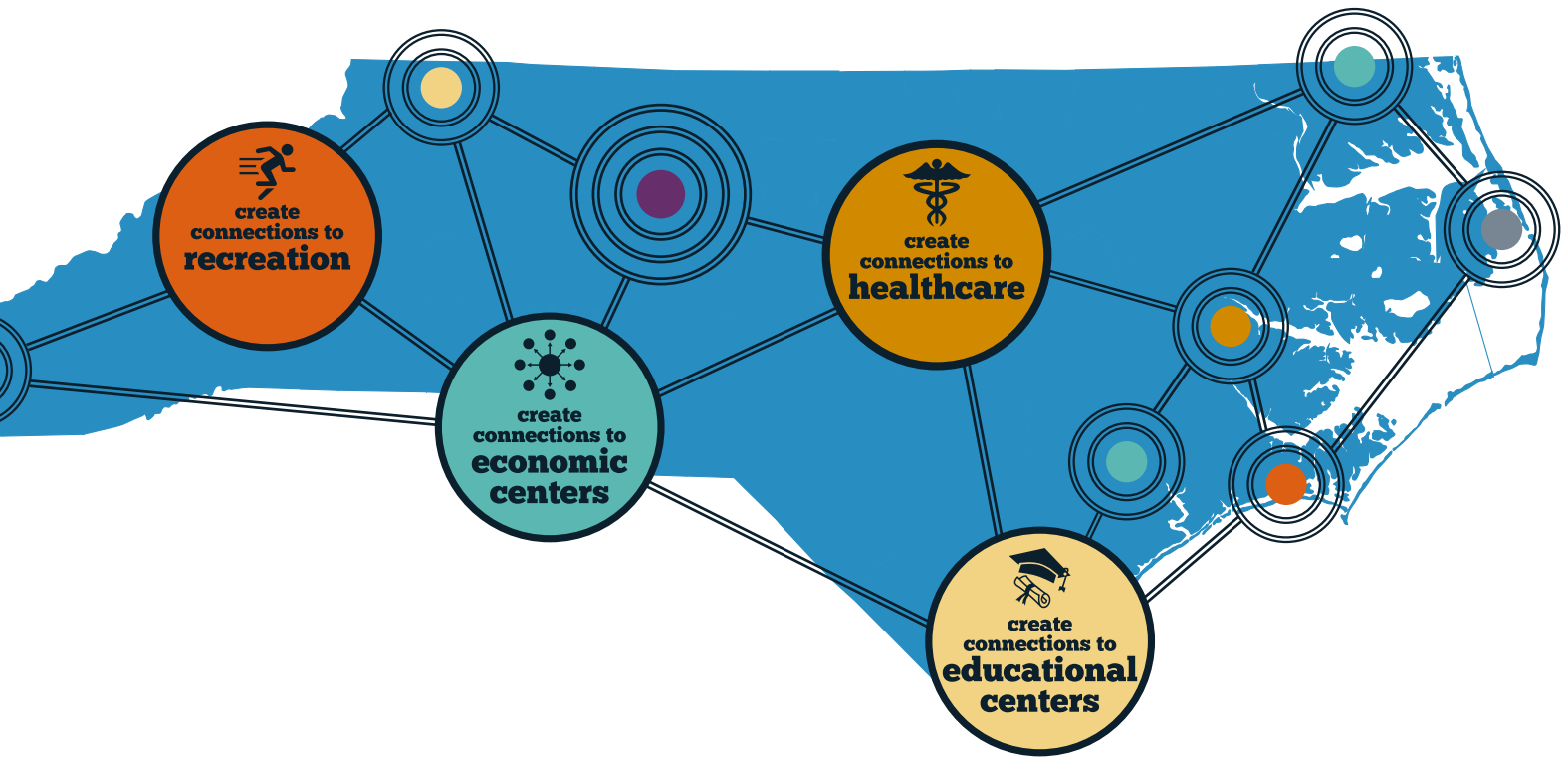
Strategic Transportation Investments

The Strategic Transportation Investments law proposed and signed by Governor McCrory in 2013 established a new way of funding transportation projects based on data-driven scoring and local input. The goal of the law was to allow the Department to use its available funding more effectively to better support economic growth, job creation and quality of life in North Carolina.

The 2016-2025 State Transportation Improvement Program, which is the Department's 10-year schedule for project funding and construction, was the first finalized under the new law. Approved by the N.C. Board of Transportation in summer 2015, the plan demonstrated that the new formula is working as intended, funding nearly three times as many highway projects throughout the state than under the old formula.

Despite this increase, the state was still only able to fund about 18 percent of the projects that were submitted for scoring by local planning organizations and the Department's 14 highway divisions, highlighting the need for additional transportation funding to keep pace with demands on North Carolina's infrastructure.

To help ensure that NCDOT can continue to meet growing transportation needs, the General Assembly and Governor McCrory took steps to stabilize and modernize the agency's major funding streams. As a result of these steps, the state anticipates an additional \$1.6 billion in revenue for construction projects over the next 10 years. Thanks to this additional money, nearly 90 new sections of highways and over 40 new non-highway projects were added to NCDOT's current 10-year plan in accordance with the criteria set forth by the Strategic Transportation Investments law. The department was also able to accelerate the schedules for nearly 180 highway projects and close to 20 non-highway projects that were already included in the plan.



25-Year Vision for Transportation in North Carolina

The Governor's 25-Year Vision for transportation in North Carolina provides a long-term roadmap for strategic investment in our transportation infrastructure. It includes solutions to address high-level challenges in each of the state's four major regions—coastal, eastern, central and western—as well as the state as a whole. These solutions range from improving highway connections and replacing aging bridges to expanding mass transit options and enhancing freight movement.

The ultimate goal of the vision is to make targeted investments in multi-modal solutions that will create a stronger, more reliable transportation network that connects people to places and products to markets, expands jobs and industry, and enhances the overall quality of life in North Carolina. The vision works in tandem with the Strategic Transportation Investments law.

A few key projects for SFY 2016 that are fulfilling the Governor's Vision for transportation are highlighted below.

- After reaching a settlement agreement on the legal challenges that had stalled the project for years, the state broke ground on the Bonner Bridge Replacement, which is critical to providing a safe, reliable transportation connection from Hatteras Island on North Carolina's Outer Banks to the mainland. The department had been working for more than 20 years to replace the aging bridge, which requires constant monitoring and maintenance.
- Increased funding in the state budget signed by Governor McCrory enabled the Port of Wilmington to modernize its facilities and begin receiving the next generation of container ships.



The Evergreen Ever Laden calls the Port of Wilmington on September 10, 2016. By capacity, approximately 8,500 TEUs, the Ever Laden is the largest ship to call the Port of Wilmington.

- In addition, the state and CSX announced that the Carolina Connector, or CCX, will be built in eastern North Carolina. It will create a transfer hub and shipping facility, linking the Port of Wilmington with businesses from the piedmont to the coast, and transporting shipping containers over the nationwide rail network. Over time, the CCX could bring 1,500 statewide jobs to North Carolina and provide an estimated \$329 million in public benefits to the state.
- NCDOT began construction on the U.S. 64 Asheboro Bypass, which will improve traffic flow, reduce congestion, improve safety and enhance high-speed regional travel on the U.S. 64 corridor. It will also provide better access to the N.C. Zoological Park, one of the state's most popular tourist destinations.
- In western North Carolina, the Department began construction on a project to widen U.S. 221 to four lanes from U.S. 421 to Jefferson/West Jefferson, which will improve safety and regional connectivity to job centers, as well as supporting tourism.
- In Charlotte, the Department began constructing a bridge to carry Sugar Creek Road over the existing and future railroad tracks, along with other associated rail and roadway improvements in the area. Once completed, this project will eliminate the risk of train/vehicle collisions at this crossing, and improve safety for both vehicle and rail passengers, as well as reduce traffic delays.
- To better connect eastern North Carolina to the Hampton Roads and Norfolk economic centers, Governor McCrory obtained a future interstate designation for the U.S. 64/17 corridor. Once complete to interstate standards, the highway will be added to the Interstate Highway System and signed as I-87.
- To enhance freight movement and improve travel times through eastern North Carolina, Governor McCrory also obtained a future interstate designation for the U.S. 70 corridor between Raleigh and Morehead City. Once complete to interstate standards, the highway will be signed as I-42 and will provide an interstate connection to the Port of Morehead City.

“Driving Change” at the Division of Motor Vehicles

In keeping with Governor McCrory's priority to improve customer service throughout state government, the Department also focused on reducing wait times and improving customer service at the N.C. Division of Motor Vehicles (NCDMV) offices throughout North Carolina.

In October 2015, NCDMV launched online driver license renewal statewide as part of its “Driving Change” initiative, which is focused on improving customer service at the NCDMV through new technology and increased efficiencies.

Online renewals decrease wait times at NCDMV offices, an important consideration given that the state projects that the number of driver license customers will increase by 1.9 million over the next 20 years. First-time drivers and drivers with a restriction other than corrective lenses must still visit an office.

NCDMV also began upgrading its 25 busiest driver license offices. After these are completed, improvements will begin at additional offices across the state. Upgrades include adding cameras, customer-facing screens, scanners and printers at each station to speed license issuance. A queue system will track and assist customers throughout their visit. In addition, the Division began accepting credit and debit payments in all its offices.

Self-service kiosks with touch screen access to online services are also being installed in busy NCDMV offices and other public locations. Customers will be able to use their credit card information and print out a receipt for their service at the kiosk.

Along with these efforts, NCDMV began deploying portable, state-of-the-art mobile units across the state to replace the aging RV-style mobile units that were expensive to operate. The new units are a cost-efficient solution mounted in SUVs, and offer the first service of its kind in the nation. Each SUV holds side-by-side driver license desks that can be deployed in almost any location and will increase mobile sites from 24 to more than 70 statewide. The new units enabled NCDMV to provide services to Fort Bragg for the first time since 2008, allowing military members and their families to take care of all of their motor vehicle business at one convenient location. The new mobile unit will visit the post on a recurring basis to offer services.

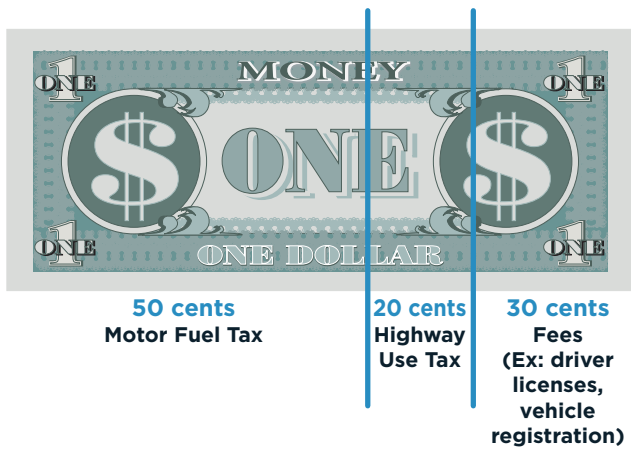
NCDMV also began issuing a more durable and secure driver license. The new license is coated in Teslin®, a protective, bendable and waterproof synthetic material that offers a durable card that will not crack or fade. New security features include high-resolution graphics and laser-etched verbiage, as well as overlapping “ghost images” in various colors. The new design helps prevent counterfeiting, reduces the risk of identity theft, decreases the potential for fraud and meets federally recommended security features.

Another customer service enhancement is the MyDMV portal, which provides residents a secure way to view their personal driver license and vehicle information, as well as perform online transactions. The portal consolidates a view of a customer's NCDMV accounts, showing items such as driver license expiration dates and registration information for their vehicles. It also offers links to other online NCDMV services, allowing customers to perform transactions from one online location. In the future, it will offer facial recognition; photo updates; renewals and credit card payments via phone; 24/7 customer care coverage, including appointment scheduling, email reminders, system call backs and online chat; and boat registration when renewing trailers.

funding OVERVIEW

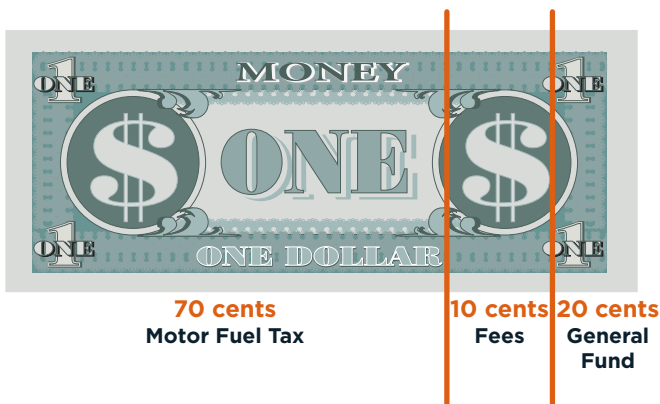
NCDOT has an annual budget of about \$4.7 billion to build, operate and maintain the state's diverse transportation network.

Breakdown of state funding sources



Approximately 50 percent of state transportation funding is based on revenues from the Motor Fuel Tax; 30 percent comes from driver and vehicles fees collected by the North Carolina Division of Motor Vehicles (NCDMV); and 20 percent is from the Highway Use Tax on vehicle title transfers.

Breakdown of federal funding sources for 2015–16



Appropriated by Congress, the majority of federal transportation funding comes from a federal motor fuel tax and vehicle fees (mostly on trucks).

A portion of the revenues from the State Motor Fuel Tax and NCDMV fees goes to the Highway Fund and the Highway Trust Fund (Strategic Transportation Investments).

NCDOT directs 100 percent of both the State Highway Use Tax and federal transportation appropriations to Strategic Transportation Investments.

Allocation of dollars by fund:

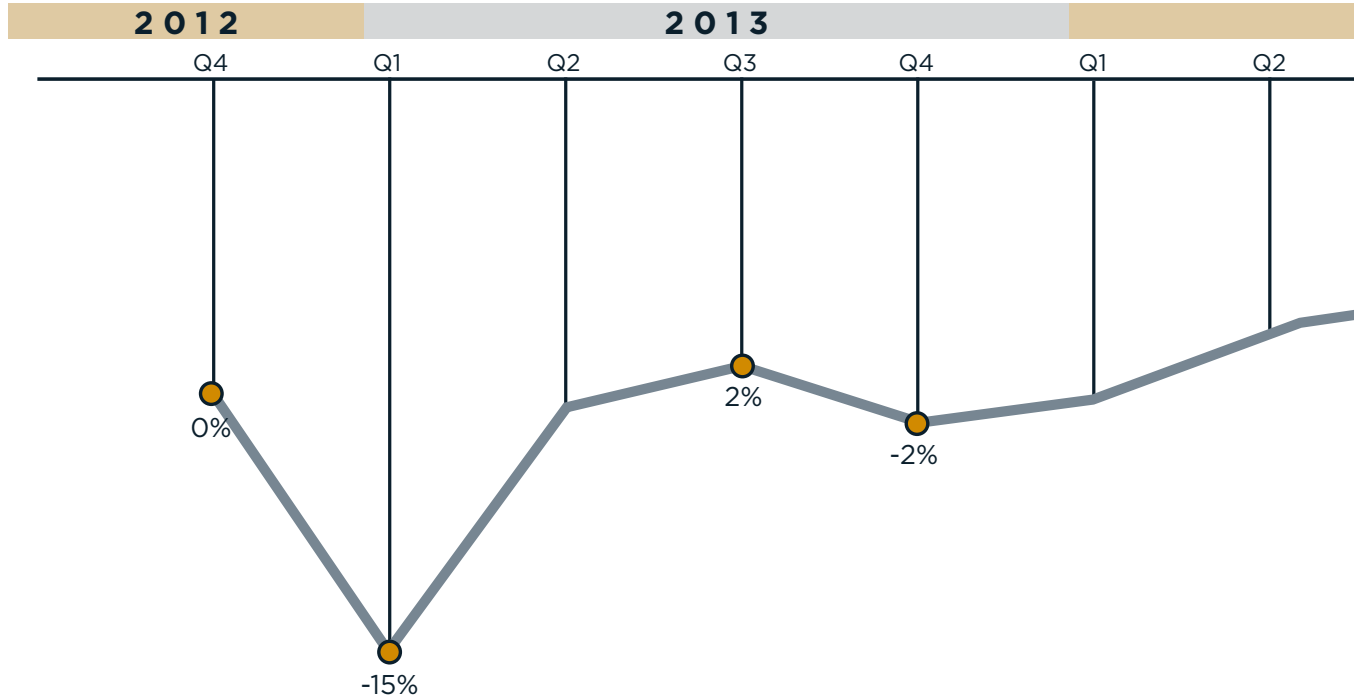
	Highway Fund	Strategic Transportation Investments (Highway Trust Fund)
Motor Fuel Tax	71%	29%
DMV Fees	~85%	~15%
Highway Use Tax	—	100%
Federal Appropriations	—	100%

Highway Fund: Primarily supports projects that help take care of the state's existing transportation system. This includes resurfacing highways, replacing bridges and paving unpaved secondary roads. Funds are distributed across North Carolina based on need. The Highway Fund also supports the Powell Bill Program, which provides state aid to municipalities for pedestrian, bicycle and road improvements.

Strategic Transportation Investments (Highway Trust Fund): Primarily funds new construction and expansion projects across all modes of transportation. Funding is allocated on local, regional and statewide levels based on data and input from local planning organizations and NCDOT divisions. Federal funding accounts for about 45 percent of NCDOT's available funding for these types of projects.

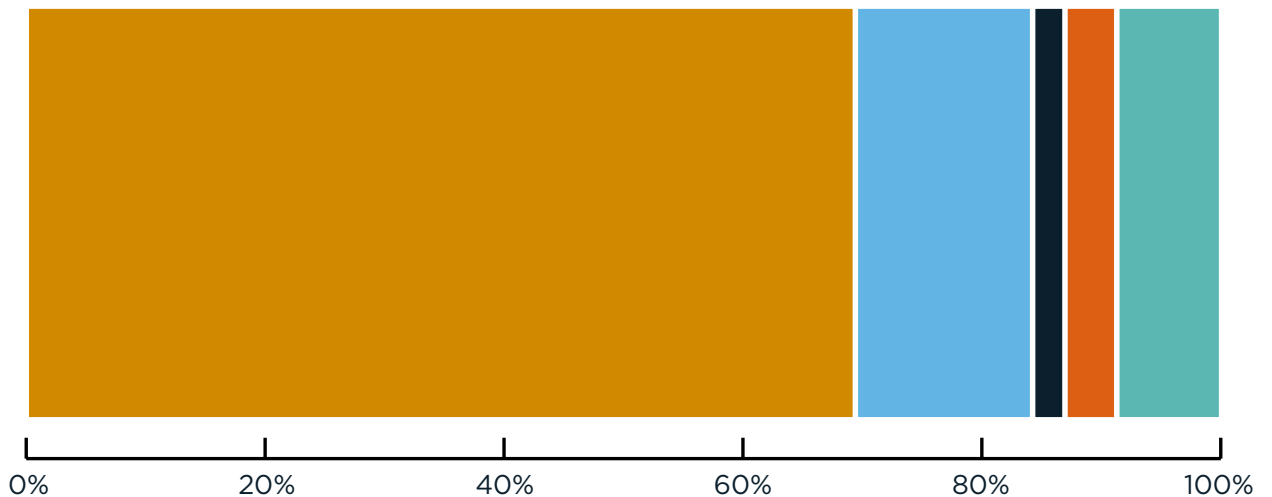
PURCHASING POWER OF NCDOT HIGHWAY CONSTRUCTION DOLLARS

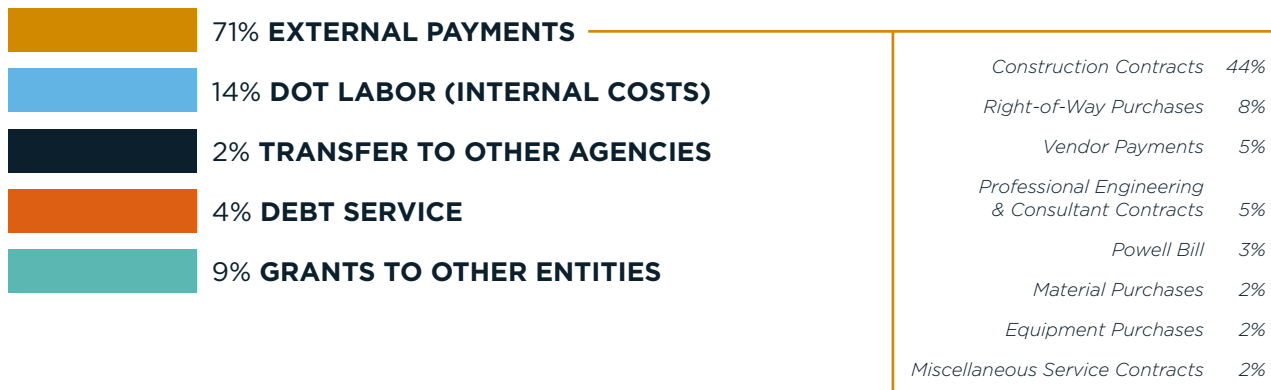
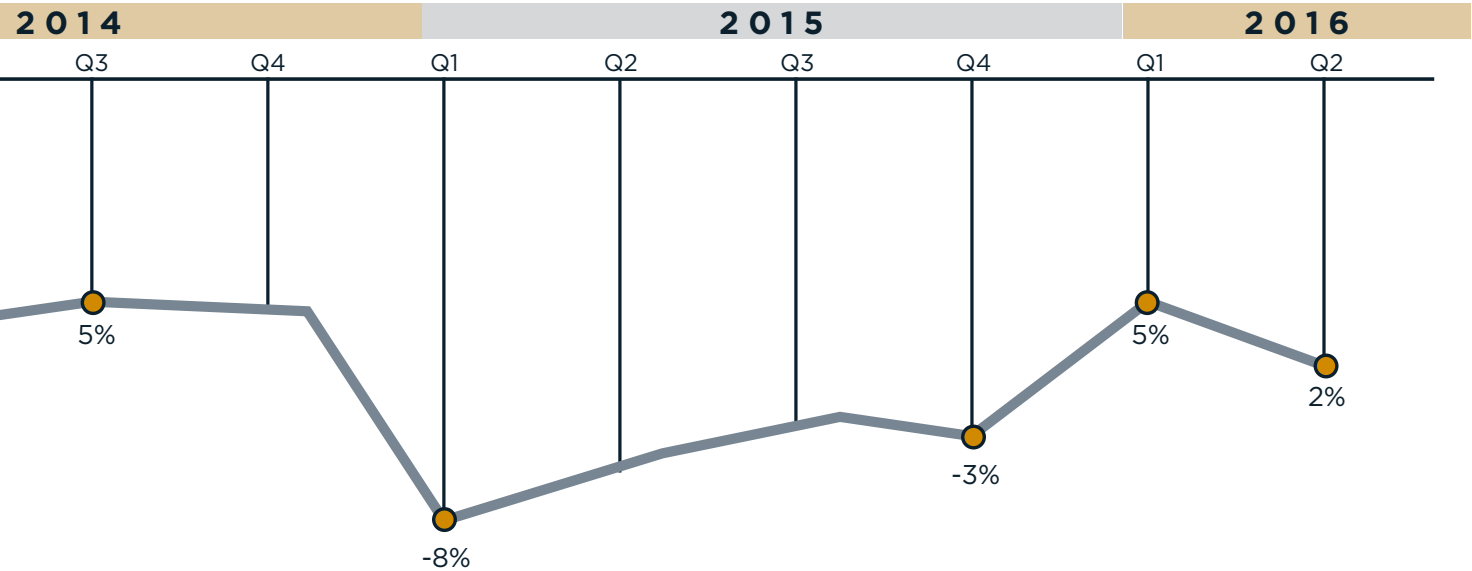
This chart shows our purchasing power, which is how much we can buy for our money.



NCDOT EXPENDITURES FOR SFY 2016

This chart shows the major categories that transportation money goes to and the percentage of the Department's budget that was spent in each category.





PERFORMANCE *and* ACCOUNTABILITY

To be transparent and accountable, the Department measures and reports on its performance. The agency has identified eight Executive Measures that align with the Department's six goals. Performance accountability starts at the top of our organization and cascades down to all employees. All functions within the agency must work together efficiently and effectively to ensure our programs, projects and services are delivered on schedule and within budget.

Our Performance Scorecard shows the results in each area as compared to numerical performance targets. This information is continually updated on our online Performance Dashboard, which can be found on our website at ncdot.gov/performance.

how we're doing AT A GLANCE



Goal has been met



Goal has not been met

Goal: PERFORMANCE MEASURE	Previous Result	Current Result	Target Met
Make transportation safer: FATALITY RATE			
Reduce fatalities by at least 2 percent or greater	1.24	1.26	X
Provide GREAT customer service: CUSTOMER SURVEY SCORE			
Achieve an overall customer satisfaction result of 85 percent or greater	N/A ¹	84%	X
Deliver and maintain our infrastructure effectively and efficiently: STIP PROJECT DELIVERY RATE			
Let to contract at least 85 percent of our planned projects on schedule	89%	91%	✓
Deliver and maintain our infrastructure effectively and efficiently: STIP PROJECT DELIVERY RATE			
Achieve an infrastructure health composite index of 75 percent or greater	75%	74%	X
Improve the reliability and connectivity of the transportation system: Highway Travel Time Index			
Increase the percentage of time when travel times are met based on highway speed limits to 80 percent or greater	0.97	0.98	✓
Improve the reliability and connectivity of the transportation system: PUBLISHED SCHEDULE SUCCESS RATE (ON-TIME PERFORMANCE OF FERRY AND PASSENGER RAIL SERVICE)			
Increase the percentage of time when trips with published schedules are met to 80 percent or greater	78%	75%	X
Promote economic growth through better use of our infrastructure: ECONOMIC INDICATORS			
Increase the economic vitality of North Carolina	N/A	N/A	✓
Make our organization a great place to work: EMPLOYEE SURVEY			
Achieve an employee engagement survey score of 5.25 or greater			

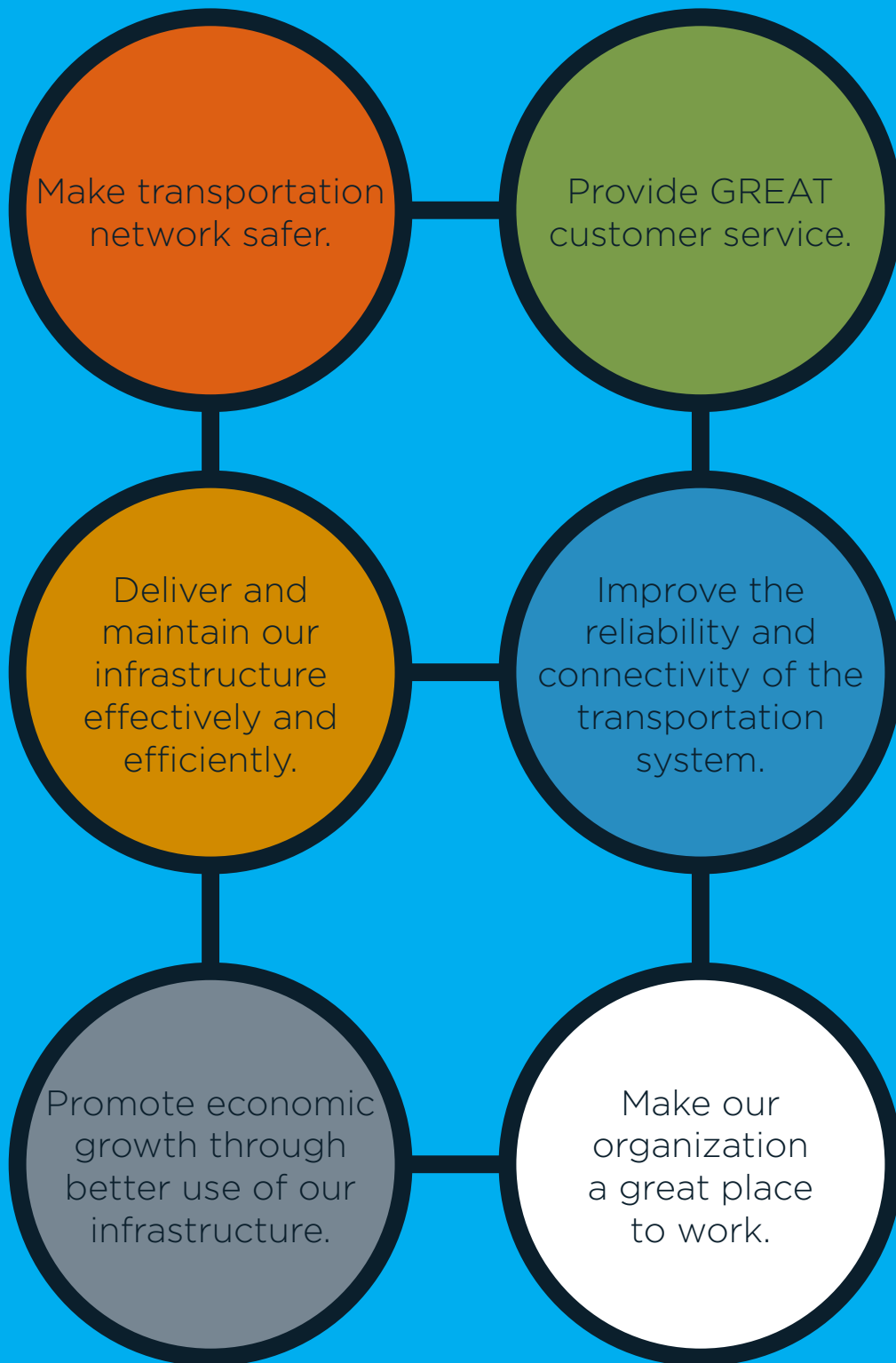
¹ The first customer survey was conducted in 2016 and not completed in previous years.

² Although no specific performance measure was targeted, the Department has made strides in promoting economic growth. The data-driven funding formula established by the Strategic Transportation Investments law was used for the first time to develop the 2016–2025 State Transportation Improvement Program, which was approved in June 2015 and resulted in 300 more projects being funded than under the old funding formula.

2016–17 executive performance

MEASURES

Goal	Objective	Performance Measure
Make transportation safer	Reduce fatalities by at least 2 percent or greater	Fatality Rate
Provide GREAT customer service	Achieve an overall customer satisfaction result of 85 percent or greater	Customer Survey Score
Deliver and maintain our infrastructure effectively and efficiently	Let to contract at least 85 percent of our planned projects on schedule	STIP Project Delivery Rate
	Achieve an infrastructure health composite index of 75 percent or greater	Combined Infrastructure Health Score
Improve the reliability and connectivity of the transportation system	Increase the percentage of time when travel times are met based on highway speed limits to 80 percent or greater	Highway Travel Time Index
	Increase the percentage of time when trips with published schedules are met to 80 percent or greater	Published Schedule Success Rate (On-time Performance of Ferry and Passenger Rail Service)
Promote economic growth through better use of our infrastructure	Increase the economic vitality of North Carolina	Economic Indicators
Make our organization a great place to work	Achieve an employee engagement survey score of 5.25 or greater	Employee Survey





**DRIVE
SMART.
DO
YOUR
PART.**

North Carolina Department of Transportation

WORK ZONE SAFETY





North Carolina Department of Transportation

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