



**CAROLINAS AGC / SCOOT
JOINT COOPERATIVE COMMITTEE**

September 8, 2021

10:00 a.m. - Contractors

11:00 a.m. - Joint (Call In # 1-800-753-1965, Access # 7236711)

5th Floor Conference Room,
SCOOT AGENDA

I. CALL TO ORDER

- A. **Introductions**
See the attached list

II. Old Business

- A. **COVID impact on Materials (delays and costs)**
Each district is handling it differently. SCDOT cannot do anything as far as price escalation with existing contracts. Delays in time will be considered on a project by project basis. Contractors ask for awarding of projects to be expedited. SCDOT has been working on the awards and is averaging about three weeks between letting and award.

III. New Business

- A. **Safety Topic**
Kenny Eagle discussed motor grader safety. Make sure to pre-trip the equipment before you use it. Before moving the motor grader, check the park and service brakes. If they are not working, shut down the equipment and put it in the shop for repair. Be aware of employees and others in the work zone. Remain alert of the equipment around you and make sure that the operator can see you. Also, be sure to wear your high visibility personal protection equipment.
- B. **COVID impacts on Subcontractors and possible project delays**
This was handled in the Old Business items. No further discussion needed.
- C. **Certifications - Seeing inconsistency in requests**
Recently there has been some inconsistency in paperwork requested with concrete mix design. Not only is the lab approved design needed but also all the backup paperwork that goes along with it (approximately 40 pages). Nothing has changed in the specifications.

D. CMRB Discussion

Contractors have asked for discussion on this topic. Some projects have one road with CMRB and the rest are resurfacing. Since a contractor may not be able to do both, they are dependent on subcontractor's schedule. Because of the specifications on CMRB, it is sometimes hard to get scheduling to workout. The contractors are requesting that it be considered that the CMRB be put on a separate contract.

E. E-ticketing Discussion-workforce concerns if implemented

SCDOT has met with SCAPA QIC several time. There is a draft specification out for asphalt only that we are targeting for implementation in January 2022. Then aggregate in June 2022 and concrete in January 2023. Clay Richter and Cliff Selkinghaus have met with several contractors and review what the contractor is currently using. The plan is to work through any issues that arise during implementation but projects will not be shut down. All SCDOT is interested in is the pickup and unload at the job site times. SCDOT is looking at upgrading the inspectors to smart phones to work with the new e-ticketing program. No specific test project has been done.

F. Update/Discussion on ARPA funding for 1-26 & Federal Reauthorization

Justin Powell discussed the infrastructure bill before the US legislature. The ARPA plan was passed back in March and included approximately, \$2.5 billion coming to South Carolina. The funds are used in four different ways. The most important one for SCDOT is offsetting revenue losses. This money can be used to build roads and do construction. It is estimated that the department lost about \$453 million due to the pandemic. Within the guidance that is allowed for pay as you go construction, approximately \$360 million was proposed by Secretary Hall and Governor McMaster towards accelerating the widening on I-26 with emphasis on mile marker 125 to 145 and mile marker 165 to 187 which would tie into an existing Charleston project from mile marker 197 to mile marker 194.

SCDOT's funding is about 1/3 Federal and 2/3 State. Federal money comes in about every five years through the Federal Aid Reauthorization bill. Right now SCDOT has access to approximately \$733 million each year. The current reauthorization bill expires on September 30, 2021. The House and the Senate each have their own versions of the bill. SCDOT is more interested in the Senate version passing. The Infrastructure bill has approximately \$1 trillion for funding surface transportation, rail, transit, water/sewer, and broadband. This is up by almost \$550 billion from the current amount. It is estimated that SCDOT's highway funding would increase from \$733 million today to \$1 billion by 2026. Transit fund increases by about 30%. The extra money would allow a \$100 million boost in MPO/COG Program, a \$60 million boost in routine maintenance, and a \$40 million boost in bridge program.

Secretary Hall discussed the rules for the ARPA money. ARPA money cannot be used on road and bridges except what is calculated as revenue loss. She also discussed the widening of I-26. Widening for mile markers 187 to 194 is in the pipeline already and is scheduled currently to be let in June 2022. If the ARPA funds are approved, some would go to that project first. Funds have to be committed by 2024 and a little ambiguity as to whether the money has to be paid out by 2026. The second phase would 10 miles within mile markers 125-145 put out to contract in 2023. The third phase would be 10 miles within mile markers 165-187 put out to contract in 2023. The plan is to alternate from one end of the project to the other until everything is completed. The goal is to have most of it complete within 10 years or by 2030. Anything less than \$360 million would put this plan in jeopardy.

IV. Adjourn

ARPA and Reauthorization Impact to SCDOT

September 8, 2021

American Rescue Plan Act

- Passed in March and is an expansive program to support the response and recovery to the COVID-19 pandemic.
- Includes \$2.5B in funds allocated to the State of South Carolina directly to help the state recover from COVID-19.
- Funds may generally be used in four categories:
 - Addressing pandemic's economic and public health impacts
 - Premium pay for essential public workers
 - Offsetting revenue losses
 - Water, sewer, and broadband infrastructure

Putting ARPA Funds to Work on SC Highways

- Permitted to use “revenue loss” funds on roads. Estimated statewide loss is ~\$450M.
- Governor McMaster and Secretary Hall have proposed applying \$360M to accelerate two key segments of I-26 widening:
 - MM125-MM145
 - MM165-MM187 (including I-95/I-26 interchange)

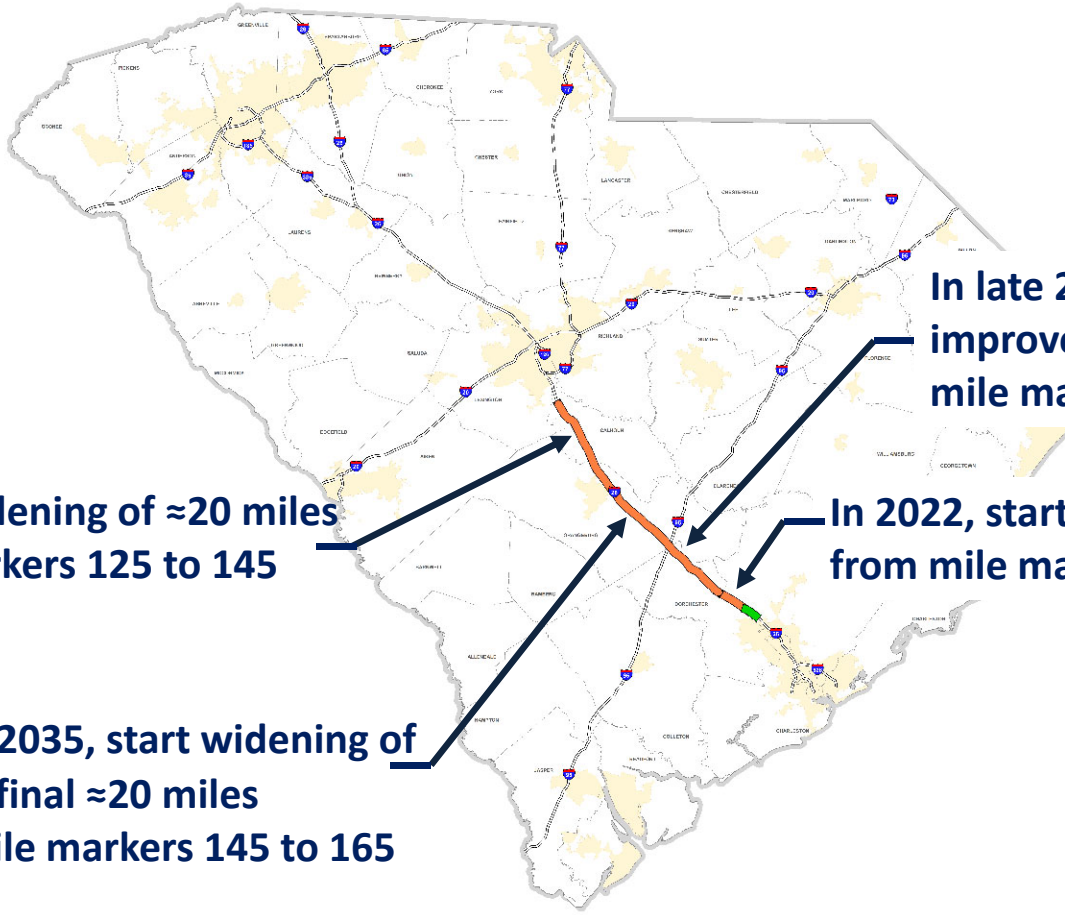


Next Steps

- House and Senate in committee work now with special session at the end of the month.
- If included in final package, work would begin quickly to get first phases of both segments to letting in 2023.



Current Plan for the Widening of I-26



In late 2029, start I 95 / I 26 Interchange improvement and widening \approx 22 miles from mile markers 165 to 187

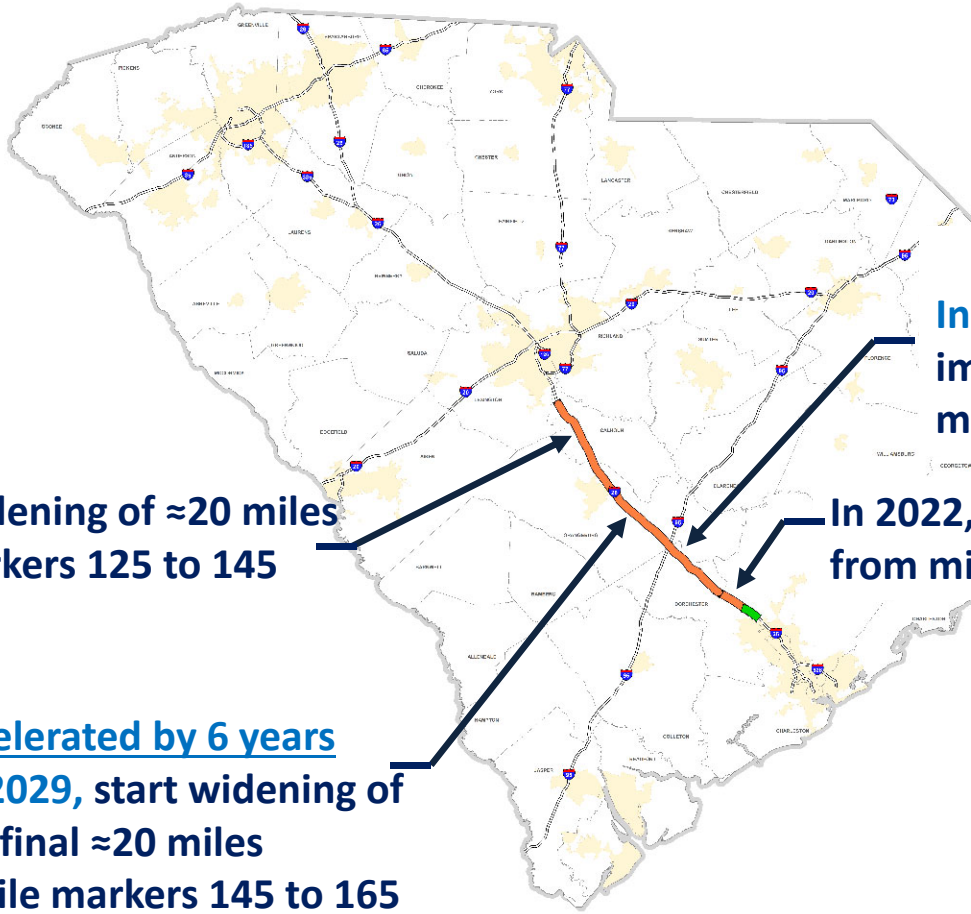
In 2022, start widening 7 miles from mile markers 187 to 194

In 2024, start widening of \approx 20 miles from mile markers 125 to 145

In early 2035, start widening of final \approx 20 miles from mile markers 145 to 165



A Bold Plan to Accelerate the Widening of I-26 by 6 years with \$360M in ARPA Funds



Accelerated by 6 years

In 2023, start I 95 / I 26 Interchange improvement and widening ≈22 miles from mile markers 165 to 187

In 2022, start widening 7 miles from mile markers 187 to 194

In 2023, start widening of ≈20 miles from mile markers 125 to 145

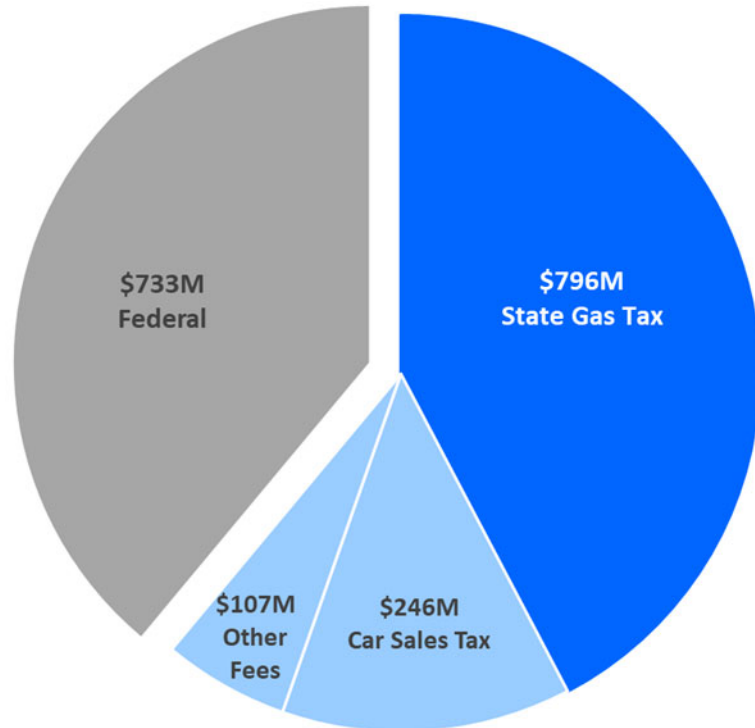
Accelerated by 6 years

In late 2029, start widening of final ≈20 miles from mile markers 145 to 165



The Infrastructure Investment and Jobs Act

Diversified Revenues Help Advance SCDOT's Mission



2021 planned values

- ✓ SCDOT is no longer over-reliant on federal funds.
- ✓ Federal strings have been cut and projects streamlined.
- ✓ State funds are a good mixture of road user fees.

Federal Aid Reauthorization

- SCDOT receives ~\$733 M+ in federal aid annually distributed by formula and program.
- Current transportation authorization (FAST Act) expires on September 30, 2021.
- Both House and Senate have passed their own versions of reauthorization. The Senate version has become the vehicle for the Biden Administration's infrastructure package.
- House currently has the Senate version for consideration and we anticipate final action this fall.



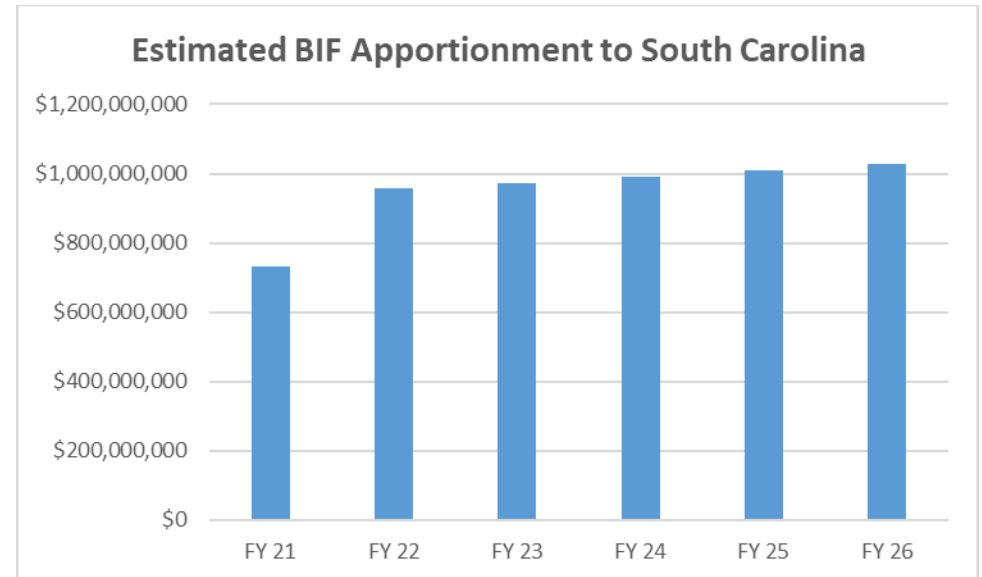
What's in the Infrastructure Investment and Jobs Act?

- Authorizes approximately \$1T in funding surface transportation, rail, transit, water/sewer, and broadband, including \$550B in new funding.
- Reauthorizes surface transportation authority until 2026 with similar strings to current programs, but additional funds provided. Creates new programs for carbon reduction and resiliency
- Adds new formula programs outside of reauthorization funded through the General Fund for bridges and electric vehicle charging.
- Numerous discretionary grant programs have also been established.



What Does IJA Mean to South Carolina?

- Estimated formula highway funds anticipated to increase from \$733M in FY 21 to \$1B in FY 26.
- Increase in federal transit funds by ~30%
- Codifies “One Federal Decision”, being used on the I-526 project.

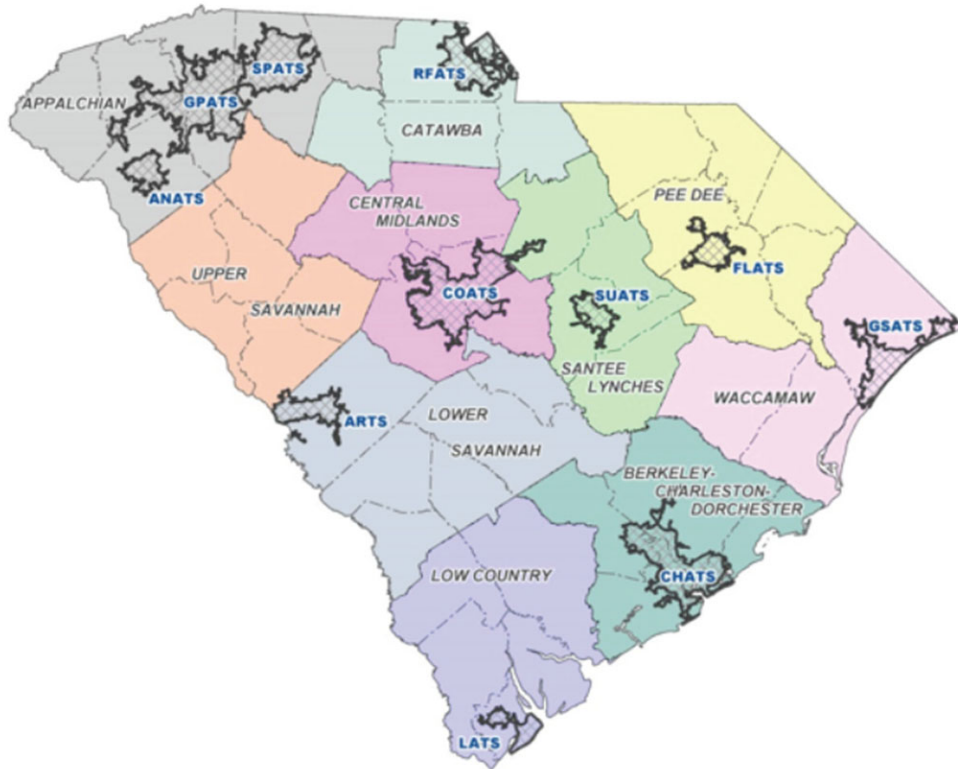


IIJA Opportunities and Challenges

- Presents new funding to address some of SCDOT's long-standing gaps in the program like Guideshare.
- Requires an additional ~\$70-80M in state funds to match new formula funds.
- Significant dollars will be allocated in discretionary grants where SCDOT has historically fared poorly compared to other states.



Remaining Gaps in Our Program



Funding for Regional Projects selected by the MPO and COGs across the State has remained stagnant @ \$138M per year.

The MPO/COG Program needs a \$100M boost in order to keep pace and support a more multimodal system.

Remaining Gaps in Our Program

Routine Maintenance needs a \$60M boost



**SC's Bridge Program
needs a \$40M boost**

Recommended Budget Priorities

- New federal funds will not necessarily have flexibility to do all SCDOT needs to do (i.e. resiliency and carbon reduction). Anticipated areas of emphasis include:
 - Guideshare: Increase address identified gaps.
 - Bridges: Increase in accordance with the new formula funds.
 - Interstates: Keep the aggressive urban and rural interstate improvement program moving forward.
- Issues still outstanding to SCDOT that will not be resolved by new federal funds include increasing routine maintenance and spot improvements to deal with growth, as well as identifying the match for the new federal funds.

Next Steps

- Monitor ongoing passage of the IIJA on potential impacts.
- Continue to evaluate legislation and identify opportunities to use funds to advance SCDOT's existing priorities.
- Develop proposed 10-year plan revision and budget to the General Assembly based on anticipated federal funding and SCDOT priorities.
- Industry should be prepared for growth in the program if it passes.

ARPA and Reauthorization Impact to SCDOT

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SCDOT/CAGC Joint Committee Attendees

September 8, 2021

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SCDOT/CAGC Joint Committee Attendees

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