

Transportation Reform for North Carolina

“NCDOT has not been keeping up with the best organizations in the public and private sector, which are increasing their focus on efficiency and strategy to achieve operational excellence.”

-McKinsey Consulting Report to NCDOT in October, 2007

North Carolina faces massive transportation needs, with estimates reaching a \$122 billion price tag over the next 25 years. The combination of population growth, necessary repairs and maintenance and rapid inflation in construction costs has created an unprecedented need. Simultaneously, a recent report from McKinsey Consulting confirmed what we already know: the Department of Transportation is overly political and bureaucratic, which leads to stagnation and inefficiency.

We have little hope of meeting our transportation needs until the Department of Transportation is functioning at the highest level of efficiency possible. But all-too-often, it seems that decisions about where to build new roads are based on politics, not need. To achieve the improvement in management and efficiency necessary to meet North Carolina’s long-term transportation needs, we must cut the bureaucracy and politics that govern the Department’s decision-making process.

Here is how we can reach that goal:

- ✓ **Better decision making:** The Department of Transportation should improve its decision making process to make it more transparent and to ensure that politics play less of a role. An important change will be to establish metrics that measure the need for and effectiveness of new projects. The results of this analysis should be publicly available and politicians must have a greatly reduced role in deciding the priority of projects.
- ✓ **No more legislative slush funds:** We should end the practice of giving the legislative leadership their own discretionary transportation funds. These legislative slush funds have been used to spend millions of taxpayer dollars on pet projects, political favors and to benefit insiders with little or no accountability to taxpayers. By removing these slush funds, we can better ensure that precious transportation dollars go to needed projects.
- ✓ **No more political fundraising:** The 19 members of the N.C. Board of Transportation, who oversee DOT operations and decision making, are among the most active campaign fundraisers in North Carolina politics. Since 2000, board members have contributed more than \$500,000 to state political campaigns. We should end this practice by enacting a campaign finance law, similar to the prohibition on fundraising activities by lobbyists, which would apply to Board of Transportation members. The DOT Board’s priority should be making the best transportation decisions for North Carolina, not campaign fundraising.

With these three steps, North Carolina can significantly reduce the politics and bureaucracy that plagues decision making within the Department of Transportation. Once these steps are taken, we will be closer to having the management in place that is required to meet North Carolina’s significant transportation needs.