DEPARTMENT OF TRANSPORTATION
FY 2023-24 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, December 6, 2022
3:30 pm – 5:00 pm

3:30-3:45 Introductions and Opening Comments

Presenter: Shoshana Lew, Executive Director

3:45-4:00 10-Year Plan Project/Program Updates

Main Presenters:
- Shoshana Lew, Executive Director

Topics:
- 10-Year Plan Overview: Slides 6-7
- 10-Year Plan Progress: Slides 8-10

4:00-4:30 CDOT Budget

Main Presenters:
- Shoshana Lew, Executive Director
- Jeff Sudmeier, Chief Financial Officer

Topics:
- Overview of CDOT Proposed Budget Allocation Plan: Slides 12-13
- Recent Legislative Funding: Slide 14
- SB 21-260 Revenue and Allocation: Page 6, Question 5 in the packet, Slides 16-18
- Federal Funding Update: Page 6, Question 5 in the packet, Slides 20-23

4:30-5:00 Other Initiatives

Main Presenters:
- Shoshana Lew, Executive Director
- Sally Chafee, Chief of Staff
- Stephen Harelson, Division Director

Topics:
- Revitalizing Main Streets: Page 6, Questions 6 in the packet, Slide 25
- Bustang: Slide 26
- Burnham Yard: Page 8, Question 7 in the packet, Slides 27
- Broadband Activities: Page 8, Question 8 in the packet, Slides 28
- Construction Cost Escalation Fund: Page 9, Question 10 in the packet, Slide 29-31

DEPARTMENT OF TRANSPORTATION
FY 2023-24 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, December 6, 2022
3:30 pm – 5:00 pm

COMMON QUESTIONS

1. **Please describe the implementation plan for new programs added to the Department from one-time stimulus funds (such as the CARES Act, ARPA, and one-time General Fund), as well as any challenges or delays to program implementation.**

   CDOT received Federal Stimulus funding through three different pieces of legislation: (1) The CARES Act of 2020 (2) The Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA), and (3) The American Rescue Plan Act of 2021 (ARPA). The Department also received state stimulus funding from SB 21-110, SB 21-265, and SB 21-260. All of these funds and programs are in various stages of implementation. Currently, there are no major challenges or delays to program implementation.

   <u>CARES Act (March 2020)</u>

   The Coronavirus Aid, Relief, & Economic Security (CARES) Act was signed into law providing $2 trillion in support for a variety of industries affected by COVID-19, including the transit industry which was allocated $25 billion in funding. This transit funding was provided to support transit operations to prevent, prepare for, and respond to COVID-19.

   Of the $25 billion in transit funds for the nation, funds were allocated by formula as follows:
   - Urbanized Areas Formula Program (49 USC 5307): $22.7 billion
   - Formula Grants for Rural Areas (49 USC 5311): $2.2 billion
   - Tribal Transit Formula Program: $3 million
   - FTA administration and oversight: $75 Million

   Beginning January 20, 2020, all activities normally eligible under the Urbanized Area (49 USC 5307) and Rural Area (49 USC 5311) formula programs were eligible for CARES Act funding, including Operating (including Administrative cost), Capital (preventive maintenance, rolling stock), and Planning. Colorado received $325.3 million, of which CDOT received $39.8 million. The portion of funding allocated to CDOT is being distributed to local transit agencies through formula programs.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) (H.R. 133)

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) is a $900 billion bill that provides funding for transportation, education, and other Coronavirus relief. CRRSAA was included in the Consolidated Appropriations Act, 2021 (H.R. 133), a $2.3 trillion spending bill that combined the $900 billion in stimulus relief for the COVID-19 pandemic in the United States with a $1.4 trillion omnibus federal government spending bill for the 2021 federal fiscal year (the omnibus bill portion itself combining 12 separate annual appropriations bills). The funding was signed into law by the President on December 27, 2020.

Of the $900 Billion, CRRSAA included $14 billion to support the transit industry during the COVID-19 public health emergency. The bill also included $9.8 billion in flexible COVID-19 relief funding for highways with 100 percent federal share. CDOT has been working to move quickly and distribute dollars equitably.

Highway Funding - Of the $9.8 billion flexible relief funding, CDOT received $134,249,400. These funds may be used for preventive maintenance, routine maintenance, operations, personnel, including salaries of employees, and no state match is required. Funds were allocated based on the Surface Transportation Block Grant (STBG) Program formula, which allocates more than half of the funding on the basis of population.

For the $85.5 million in CDOT directed funds, CDOT selected 14 projects from the 10-year plan which were approved by the Transportation Commission in January 2021. Additional information on the allocation of this funding can be found in the Transportation Commission's January Special Meeting documents, which can be found here.

The $48.9 million that was suballocated to Metropolitan Planning Organizations is shown in the table below.

Metropolitan Planning Organization (MPO)	Allocation
DRCOG	$36,280,780
Pikes Peak	$8,548,463
North Front Range	$4,041,362
TOTAL	**$48,870,605**

Transit Funding - Of the $14 billion allocated to support the transit industry, Colorado will receive $284.1 million, of which $78.4 million will flow through CDOT. The remaining $205.7 million in funds coming to Colorado will flow directly from the Federal Transit Administration

(FTA) to urban transit agencies such as RTD, TransFort, Pueblo Transit, and Grand Valley Transit (Grand Junction). CRRSAA directs transit recipients to prioritize payroll and operational needs. The portion of funding allocated to CDOT is being distributed to local transit agencies through formula programs.

The FTA funds that CDOT is responsible for managing are sub-allocated by program: 1) $78.1 million in Section 5311 funds for rural transit agencies (transit outside urbanized areas), 2) $0.2 million in Section 5310 funds (seniors & persons with disabilities) to small urban areas, and 3) $0.1 million in Section 5310 funds for rural areas.

The FTA does not have a sub-allocation formula for 5311 rural transit agencies and relies on CDOT to make that allocation. The largest pool of funds ($78.1 million) was allocated proportionally based on the size of agency budgets.

American Rescue Plan Act of 2021 (ARPA) (H.R. 1319)

CDOT received $343.5 million from the American Rescue Plan (H.R. 1319) through SB 21-260 Sustainability of the Transportation System. These funds are an allocation of the State and Local Fiscal Recovery Funds (SLFRF) from the US Treasury and will fall into expenditure category 6: Revenue Replacement; 6.1 Provision of Government Services. The funds were available upon transfer on June 30, 2021 and costs can be incurred through December 31, 2024. The Treasury Interim Final Rule further clarified that as long as funds are obligated by December 31, 2024, the performance period extends through December 31, 2026.

Of the amount transferred to the Department, $159.5 million was programmed to shovel ready state highway projects from the CDOT 10-Year Plan, many of which are currently underway. $161.34 million was transferred to the Multimodal Transportation and Mitigation Options Fund for multimodal projects, $22.16 million to the Revitalizing Main Streets Program, and $500,000 was used to further development of Burnham Yard.

State Stimulus Funding

The Department received $170 million in one-time state stimulus funding from SB21-260 and $30 million from SB21-110. From SB 21-260, $10.5 million was programmed to shovel ready projects, $141.5 million was allocated to pay debt service for the SB17-267 Certificates of Participation, and $18.0 million was used to partially backfill lost revenue from the FASTER program due to a temporary fee reduction. This $18.0 million allocated to the FASTER program backfilled lost revenue for FY 2021-22 only. From SB 21-110, $30 million was allocated to the Revitalizing Main Streets Program.

2. **Please identify how many rules you have promulgated in the past year (FY 2021-22). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.**

In FY 2021-2022 (July 2021-June 2022), the Department completed rulemaking for the following:

● 2 CCR 604-1, Emerging Small Business Program, was revised by the Transportation Commission of Colorado to re-index the numbering of the rules to a more user-friendly format, streamline the certification requirements, align the program with CDOT"s federal Disadvantaged Business Enterprise program, and enhance program participation with Colorado's small business community. These rules were adopted on May 20, 2021 and were effective on July 14, 2021.

● 2 CCR 601-3, Rules Governing Outdoor Advertising in Colorado, was revised by the Transportation Commission of Colorado as required by SB 21-263 to align CDOT"s processes for permitting and enforcement of outdoor advertising devices with new legislative requirements using a compensation-based approach. Emergency rules were adopted on August 4, 2021. Permanent rules were adopted on October 8, 2021 and were effective on November 30, 2021.

● 2 CCR 601-22, Rules Governing Statewide Transportation Planning Process and Statewide Transportation Planning Regions, was revised in response to SB 21-260 to add Greenhouse Gas emissions as a priority concern in the statewide transportation planning process. These rules were adopted on December 16, 2021 and effective on January 30, 2022.

● 2 CCR 607-1, Rules Governing Clean Transit Enterprise Processes and Fees. These rules were adopted by the Clean Transit Enterprise to implement fees required by SB 21-260 and to specify the process by which the enterprise will manage grants, loans, and rebates. The rules were adopted on April 12, 2022 and became effective on June 14, 2022.

● 2 CCR 608-1, Rules Governing Nonattainment Area Air Pollution Mitigation Enterprise Fees. These rules were adopted by the Nonattainment Area Air Pollution Mitigation Enterprise to implement fees required by SB 21-260. The rules were adopted on April 14, 2022 and became effective on June 14, 2022.

The Department conducts extensive stakeholder engagement for each rulemaking proceeding by providing multiple opportunities for all affected and interested parties to ask questions and submit comments on any positive or negative effects resulting from any proposed rules. As part of the stakeholder engagement process, the Department establishes a Representative Group pursuant § 24-4-103(2), C.R.S., which includes representatives from the various stakeholder interests that may be affected by the proposed rules. The Representative Group is invited to participate in all workshops, communications, and the public rulemaking hearings. This process, depending on the specific set of rules, may take over a year of information gathering and collaboration with stakeholders. We have not conducted a cost-benefit analysis of all CDOT rules; however, we do consider whether a rule remains necessary and appropriate as part of our rule review process.

The Department received a request for a cost-benefit analysis and a regulatory analysis for the revisions of 2 CCR 601-22, Rules Governing Statewide Transportation Planning Process and

Statewide Transportation Planning Regions and conducted both analyses. The cost-benefit analysis and the regulatory analysis revealed that the benefits of the rule changes outweighed the costs. The regulatory analysis found that the rule does not place requirements on individuals, the traveling public, or businesses. It is expected to reduce Greenhouse Gas (GHG) emissions by using transportation funds programmed by government entities to expand multimodal transportation options such as transit and bicycle commuting for consumers to choose from, while still increasing road capacity for the most critical corridors where it makes the most sense. Finally, the rule complies with a direct requirement in SB 21-260 directing CDOT to implement GHG requirements for transportation planning.

3. ***[Rankin]* For how many temporary FTE has the department been appropriated funding in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23? For how many of the temporary FTE was the appropriation made in the Long Bill? In other legislation? Please indicate the amount of funding that was appropriated. What is the department's strategy related to ensuring the short term nature of these positions? Does the department intend to make the positions permanent in the future?**

   The Department is unable to provide temporary FTE counts. Temporary FTE are not included in the statutory definition of FTE pursuant to Section 24-75-112(1)(d)(II), C.R.S. which states that FTE does not include contractual, temporary, or permanent season positions. The department has provided as part of the November 1 request the Schedule 14A and 14B which provides actual expenditures. For the upcoming years, the department manages the dollar appropriation which has been affirmed by two Supreme Court cases (Colorado GA vs Owens and Anderson v Lamm).

4. *[Zenzinger]* **Please provide a description, calculation, and the assumptions for the fiscal impact of implementing the provisions of the Partnership Agreement, including but not limited to changes in annual leave accrual, holiday pay, and paid family and medical leave. If your department includes employees who are exempt from the Partnership Agreement, please indicate whether or not you intend to implement similar benefit changes as those required for covered employees. Please provide a breakdown of the fiscal impact of implementing the provisions of the Partnership Agreement for: a) employees who are subject to the Agreement, and b) employees who are exempt from the Agreement.**

   The cost to departments for employees using the paid family medical leave was requested and approved last year (DPA FY 2022-23 R-02). For FY 2023-24 the cost is part of the POTS appropriation called Temporary Employees Related to Authorized Leave. The adjustment to annual leave and the additional holiday, as noted in the fiscal note for the bill (S.B. 22-139) were expected to be minimal and if necessary will be addressed through the annual budget process. The Governor's November 1, 2022 budget included funding for the economic articles of the Partnership Agreement, including funding for paid family medical leave. The department is working with OSPB and DPA to submit a January budget amendment if necessary to seek additional adjustments related to the Partnership Agreement. In addition, OSPB will provide the JBC with a breakdown of the fiscal impact of implementing the Partnership Agreement by department.

PROJECT/PROGRAM UPDATES

5. ONE-TIME FUNDING

- **Discuss how funds from S.B. 21-260 have been allocated to projects**

SB 21-260 provided $170.0 million to the Department to fund shovel ready projects. This funding, in conjunction with additional funding received from the issuance of the third SB 17-267 tranche, was allocated to projects through the Transportation Commission resolution TC-2021-07-07. These projects included Eisenhower-Johnson Memorial Tunnels repairs and maintenance, funding for transit and multimodal improvements, and resurfacing projects.

Additionally, funding directed to the Multimodal Transportation and Mitigation Options Fund in SB 21-260 will be allocated to both state and local projects. Of this funding, 85 percent is distributed to Colorado's 15 Transportation Planning Regions and awarded to local recipients, and 15 percent is retained by the state for state multimodal projects, including Bustang expansion.

SB 21-260 established several new transportation-related fees that will generate revenue for CDOT programs, the Bridge and Tunnel Enterprise, and two newly created transportation enterprises. These fees include road usage fees on gasoline and special fuels, electric vehicle registration fees, retail delivery fees, and rideshare fees. Apart from the road usage fee, which was delayed by HB 22-1351, revenue from new fees is being directed to programs according to statute.

- **Provide an update on recent federal funding received**

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act, or the IIJA. The IIJA includes a reauthorization of surface transportation funding over five years and authorizes new federal infrastructure investment over federal fiscal years 2022 through 2026. This includes an increased level of funding to existing US Department of Transportation (USDOT) formula programs, funding for new formula programs, and several new grant funding opportunities. The IIJA is expected to provide an average of $101 million per year in additional incremental funding for existing CDOT and local agency programs.

In addition to funding existing formula programs, the IIJA created several new formula programs, including the Carbon Reduction Program, the PROTECT program, the National Electric Vehicle Formula Program, and a new FHWA Bridge program.

CDOT has also applied for several discretionary grants in 2022. Examples of funding awarded through this process includes a $100 million INFRA grant for the I-70 Floyd Hill project and a $24.24 million raise grant to advance multimodal use and access through western Colorado.

REVITALIZING MAIN STREETS PROGRAM

6. *[Sen. Bridges and Rep. Sirota]* **Provide update on Revitalizing Main Streets, including:**

- **Total funds received through recent legislation (including the $10.0 million transfer in S.B. 22-180) and expected future funding**

SB 21-110 - This bill transferred $30.0 million from the General Fund to the State Highway Fund to fund the Revitalizing Main Streets and Safer Main Streets programs.

SB 21 -260 - The Revitalizing Main Streets program received $22.16 million in one-time funding from the American Rescue Plan Act and $6.7 million in one-time funding from a General Fund transfer triggered by the amount of state revenue retained as a result of an increase in the Referendum C cap. The program is anticipated to receive $7.0 million per year ongoing beginning in FY 2024-25 through General Fund transfers to the State Highway Fund..

SB 22-180 - This bill transferred $10.0 million from the General Fund to the State Highway Fund for the Revitalizing Main Streets program.

- **Implementation update and program utilization; comment on ongoing need for the program in absence of COVID protocols**

  The Revitalizing Main Streets grant program encourages physical activity and enhances local economic vitality in towns and cities across Colorado through funding infrastructure improvements to make walking and biking easy, yielding long-term benefits that bolster community connections. The need for these improvements extends beyond the COVID pandemic.

  The goals of this grant opportunity include:

  - Encourage active transportation and healthy lifestyles through improvements to the vitality of downtowns, mixed-use centers, and community gathering spaces;
  - Support economic development and increase opportunities for businesses to thrive;
  - Imagine innovative, community connecting uses of public spaces;
  - Support community access to the right of way that safely accommodates all modes of travel; and
  - Provide safe access to opportunity and mobility for residents of all ages, incomes and abilities, including vulnerable users.

- **Explain the interaction between Revitalizing Main Streets and Safer Main Streets**

  The Colorado Department of Transportation, in collaboration with our planning partners at the Denver Regional Council of Governments (DRCOG), developed the Safer Main Streets Initiative in 2020. This program was developed to support infrastructure projects that improve safety and accessibility along urban arterials (non-freeway corridors in the Denver Metro area) especially for vulnerable users who depend on a reliable urban street network, such as pedestrians, bikers, motorcyclists, transit users, the elderly, and those with disabilities. The projects submitted for review must be within Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and SW Weld counties- consistent with both CDOT and DRCOG's Vision Zero efforts.

  The Revitalizing Main Streets Program builds on the success of the Safer Main Streets program by expanding it to towns and cities across the state.

BURNHAM YARD UPDATE

7. Please provide an update on this project.

The Colorado Transportation Investment Office (CTIO) has embarked on a pre-NEPA process that will address several key items needed to determine which parcels CTIO/CDOT need for transportation purposes and which can be deemed remnant thus available for community use and redevelopment.

The Pre-NEPA work, which is required by the Federal Railroad Administration before a full NEPA analysis can occur, will:

- Identify alternative conceptual designs of the rail line
- Produce a conceptual analysis of noise and vibration impacts to surrounding communities
- Initiate a stakeholder and public engagement plan-only around moving the Consolidated Main Line (adjacent to I-25)
- Allow for coordination with Front Range Passenger Rail

Following the pre-NEPA work, the state Public-Private Partnership Unit (P3) will work with CTIO/CDOT and other entities to help identify non-transportation development opportunities on the property.

SB 22-176 transferred $6.5 million to the Department to support a full NEPA analysis for the relocation of the consolidated main rail line along Central 25. That work is expected to begin upon the acceptance of the Pre-Nepa analysis by the FRA.

OTHER INITIATIVES

BROADBAND ACTIVITIES

8. *[Sen. Rankin]* Describe CDOT's activities related to fiber optic networks. Where are they putting fiber into the ground and how do they coordinate with local governments (e.g., Grand Junction to Montrose, and Lamar and La Junta)?

CDOT places fiber contiguous (from the backbone) on highways that have the largest transportation/traffic demands. The Department focused on Interstates first, then US/CO highways. Constitutionally, CDOT's funding must be used for transportation services, and our delivery of fiber is used to enable cameras, message boards, weather stations, tunnel controls, data collection, and communications for the State. We share information on where we plan to place fiber on our website and with the Colorado Broadband Office. If we have any spare fiber, we will lease it to private and public entities. We do make local agencies aware through CBO, but the current driver of where we place fiber is necessarily transportation related.

If unrestricted funding were available, then CDOT could collaborate closely with CBO and their ability to enable last mile connections to engage stakeholders and install fiber wherever the demand for fiber may reside.

LEGISLATIVE INITIATIVES

9. *[Sen. Zenzinger]* **Discuss legislative initiatives for the 2023 Session, including changes to the Bridge and Tunnel Enterprise.**

Title of Proposal: Increase flexibility of maintenance funding and/or ability to bundle non-Bridge and Tunnel Enterprise (BTE) bridges with BTE bridges.

Summary of Proposal: The use of maintenance dollars for bridges and tunnels is limited by the BTE rules and statutory language. This proposal seeks to maintain the internal BTE and CDOT processes for providing maintenance funds for bridges, while expanding the scope in which they can be used. The proposal could also include an exemption process for BTE to include non-BTE bridges into a project if it provides efficiencies and/or cost savings.

Title of Proposal: Increase CDOT capital contribution options for unsolicited fiber P3 contracts

Summary of Proposal: Currently, there is a statutory cap of $50,000 on how much CDOT may contribute to a P3 contract. This limit hinders CDOT in providing additional capital as an incentive for closing larger fiber contracts. Instead of a dollar cap, a cap on a percentage of the total construction costs would allow CDOT to increase incentives.

Title of Proposal: Increase penalties for Chain law violations on commercial motor vehicles.

Summary of Proposal: Current penalties range from $400 for not wearing chains to $1,000 for blocking traffic. This proposal would increase fines to punish bad actors and owners with multiple drivers cited.

Title of Proposal: Add transit agencies as voting members in TPRs.

Summary of Proposal: Currently, transit agencies are non-voting members on MPOs, but the transit system is part of the overall transportation system, and a transit agency should have a vote on MPO policies.

Title of Proposal: EV charging in CDOT right of ways

Summary of Proposal: Per federal law, electric vehicle charging stations are not allowed on rest areas or right of ways along interstates and highways. This legislation will create a permissible authority for the state to utilize this land if the federal law changes in the future. State and federal law differ on services the state may engage in commercial activity at rest stops. Federal law prohibits commercial activity except for vending machines at interstate rest areas, but off the interstate, state law prohibits all commercial activity.

CONSTRUCTION COST ESCALATION FUND

10. **Describe this new fund and why it was created.**

Background

As CDOT embarks on another record year of capital construction spending, the Transportation Commission (TC) has discussed the need to ensure that sufficient funds are available to address

potential cost increases in projects. Recent inflationary pressure provides further impetus to consider the establishment of a non-emergency contingency fund that could be utilized to address cost escalations when no other alternative sources are available.

In November, the TC approved the establishment of a new Capital Construction Cost Escalation Fund. The TC allocated $30,000,000 to the Cost Escalation Fund as a separate account within the TC Program Reserve line. This fund is not intended to supplant existing sources of funding to address shortfalls. Rather, it was designed to provide an alternative source of funding when funds are not available from existing sources, or where the use of other existing funds would result in delays or cancellation of other projects

Process

As proposed, any capital construction project, including 10-Year Plan Projects, asset management, or safety projects, would be eligible to request funds. Elements of the proposed process include:

- Requests can be made for cost escalation, not additional scope.
- Requests can be made at the time of an increased cost estimate or when the low bid is higher than budgeted.
- Existing funding sources should be utilized first, before making a request. Requests from the Capital Construction Cost Escalation Fund should result only if it is determined that funds cannot be made available from other sources without canceling/delaying other projects.
- Any unused Capital Construction Cost Escalation funds returned from projects would be returned to the fund.

DEPARTMENT OF TRANSPORTATION
FY 2023-24 JOINT BUDGET COMMITTEE HEARING
WRITTEN RESPONSES ONLY

COMMON QUESTIONS: PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING FOR COMMON QUESTIONS ACROSS DEPARTMENTS.

1 **What are the major cost drivers impacting the Department? Is there a difference between the price inflation the Department is experiencing compared to the general CPI? Please describe any specific cost escalations, including but not limited to impacts driven by employee compensation, workforce challenges, and construction costs.**

CDOT's Engineering Estimates and Market Analysis Group has compiled a Colorado Construction Cost Index (CCI) since 1987. The methodology was adjusted, and the index was rezeroed in 2012. Since 2012, CDOT has experienced an average inflation rate of approximately 5%-but it should be noted that the increase has been extremely variable over that decade. Emerging from the pandemic, the Department saw year over year price increases of nearly 30 percent, but this number reflects the severe deflation that occurred in 2020 in the depths of the pandemic. When measuring inflation in 2022 compared to 2019, we are seeing approximately 5.5% annualized inflation. Employee compensation and workforce availability is reflected in the CCI numbers, as our bid items include labor. Internal to CDOT, we have noticed a tightening in the market for hiring both engineering and maintenance employees.

2 **How is the Department's caseload changing and how does it impact the Department's budget? Are there specific population changes, demographic changes, or service needs (e.g. aging population) that are different from general population growth?**

CDOT is not a "caseload" department, however the annual increase in the state's population makes it difficult to keep pace with infrastructure needs as greater wear and tear on the highways and greater mobility needs continue to increase within the State.

Over the next several years, the Department will experience substantially elevated workload and expenditures. The remaining SB 17-267 funding, state and federal stimulus funding, elevated funding levels in the new federal infrastructure bill, and new fee revenue will result in record levels of contractor payments, likely exceeding $1 billion annually, before returning to a "new base" level of funding.

3 **Provide a list of any legislation with a fiscal impact that the Department has: (a) not implemented, (b) partially implemented, or (c) missed statutory deadlines. Please specifically describe the implementation of ongoing funding established through**

legislation in the last two legislative sessions. Explain why the Department has not implemented, has only partially implemented, or has missed deadlines for the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

N/A

4 **State revenues are projected to exceed the TABOR limit in each of the next two fiscal years. Thus, increases in cash fund revenues that are subject to TABOR will require an equivalent amount of General Fund for taxpayer refunds. Using the attached spreadsheet, please:**

a. **List each source of non-tax revenue (e.g., fees, fines, parking revenue, etc.) collected by your department that is subject to TABOR and that exceeds $100,000 annually. Describe the nature of the revenue, what drives the amount collected each year, and the associated fund where these revenues are deposited.**

Permits - This includes revenue from various department-issued permits, including oversize/overweight permits, Hazmat permits, and access permit fees.

Service Charges - This includes revenue from reimbursement of certain expenditures and miscellaneous sales revenue.

Sales - This includes revenue from the sales of road equipment, junk and real property.

Damage Awards - This includes revenue from damage claims, court ordered awards, and certain fines.

Interest Earned - This includes revenue from interest on deposits and oil and gas royalties.

Property - This includes revenue right of way and building rental, fiber optics leasing, and airspace rental.

State Infrastructure Bank - This includes revenue from interest on loans and deposits.

Bustang Fare Revenue - This primarily includes Bustang Fare sales.

b. **For each source, list actual revenues collected in FY 2020-21, and projected revenue collections for FY 2021-22 and FY 2022-23.**

This is included in the attached template spreadsheet.

c. **List each decision item that your department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2022-23.**

The Department did not submit any Decision Items that would increase revenues subject to TABOR.

NOTE: An example template for providing data for this question will be provided by the JBC Staff.

5 Recent trends in funded and actual full time equivalent employee positions.

a. Please use the attached spreadsheet to summarize the department's funded and actual FTE for the last three fiscal years.

b. Please use the attached spreadsheet to identify the origin of changes in funded FTE for FY 2021-22, including the number of new positions the Department has been able to fill.

c. If positions have not been filled, please respond to the following:

i. How have vacancy savings been utilized? N/A

ii. What challenges are preventing positions from being filled? N/A

NOTE: A template for providing data with sample responses for this question will be provided by the JBC Staff.

COLORADO
Department of Transportation

Joint Budget Committee
December 6, 2022

Overview

- 10-Year Plan Update
- CDOT FY 23-24 Annual Budget
- SB 21-260 Update
- Federal Legislation Update
- Other Initiatives

Presenters

Shoshana Lew: Executive Director

Don Stanton: Chair, Transportation Commission

Jeff Sudmeier: Chief Financial Officer

Stephen Harelson: Chief Engineer

Sally Chafee: Chief of Staff

CDOT Responsibilities

$1.8 Billion Budget

Responsible for the Colorado State Highway system, encompassing 9,074 centerline miles, with 23,017 total lane miles.

Maintenance crews plowed more than six million lane miles last winter season.

Colorado's aviation system includes 76 public-use airports and two seaplane bases.

There are 3,469 bridges and other major structures throughout the state highway system.

Helps maintain and monitor 278 avalanche paths.

Bustang, CDOT's interregional bus service, provided over one million revenue service miles in fiscal year 2022.

10-Year Plan

A pipeline of projects built with input from stakeholders across the state

YOUR TRANSPORTATION PRIORITIES

POWERED BY YOU

Solving Statewide Transportation Problems

Fixing Decaying Rural Roads

Colorado ranks 47th for rural road conditions (per Reason Foundation). The 10-year plan charts the largest rural road investment in modern CO history.

Project completed on US 50, Fremont county.

Relieving Traffic Congestion

Focusing expansion on key strategic corridors where population concentrates, like I-25 and I-70, as well as freight corridors (e.g. I-270).

Traffic chokepoint at I-70 Floyd Hill.

Maintaining Existing Infrastructure

10-year plan adopts a "fix it first" approach; more than half of dollars supporting fixing outdated assets (e.g. I-70 bridges in Denver, I-76 repairs in the Eastern Plains).

Poor pavement along a rural state highway.

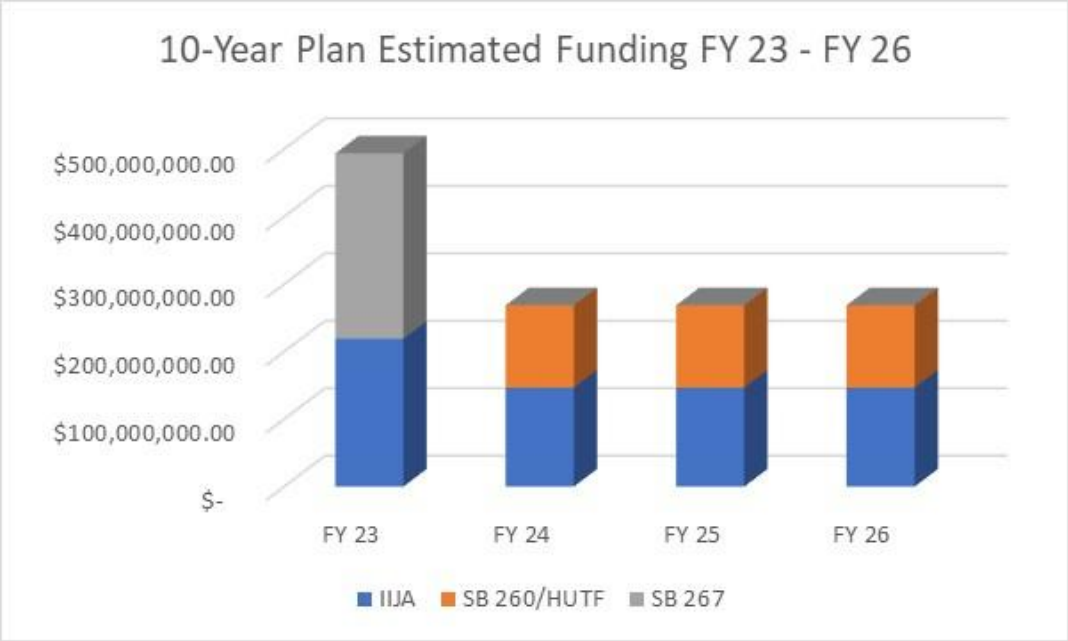
Ensuring the Safety and Vitality of Main Streets

Downtown improvements in multiple regions including competitive program in the Denver area focused improving safety and mobility along roads routes.

Outdoor space in Littleton.

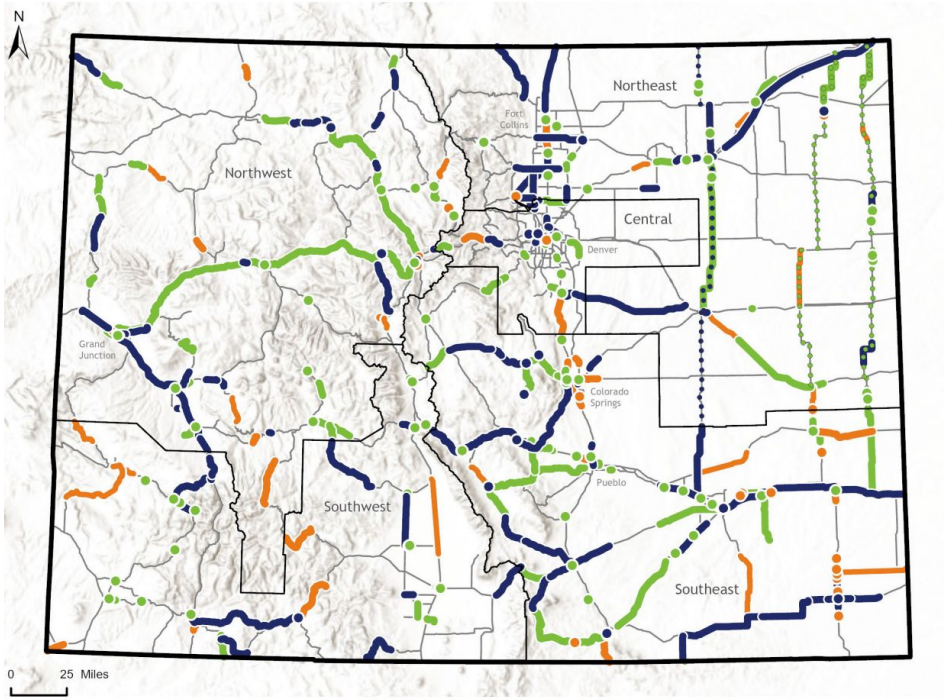
CDOT 10-Year Plan

- Flexible funding to CDOT from the IIJA and SB 260 are allocated first to:
  - SB 267 Debt Service
  - Maintaining existing levels of funding for base programs
  - Allowing nominal growth in base maintenance and operations programs
- Remaining flexible funds are allocated to the 10-Year Plan.
- Combined with remaining SB 267 funds and potential GARVEE financing, the Department anticipates approximately $1.3 B will be available to support the "next four years" of the 10-Year Plan (FY 23 – FY 26).



Delivering the 10-Year Plan

10-YEAR PLAN PROJECTS FUNDED TO DATE



Under Construction or Complete | Planned for 2022-2026 | Planned for 2027 and Beyond

Dotted line indicates rural paving improvements at targeted locations along the corridor.

- **25 projects completed to date** and **58 projects under construction** or soon to be under construction.
- Largest investment in **fixing Colorado's rural roads** in CDOT's recent history - 55 counties touched.
- A network of **Mobility hubs** under construction along Colorado's Front Range.

Key Projects and Accomplishments

- **On the I-70 mountain corridor**
  - West bound express lane from the Veterans Memorial Tunnel to Empire, Floyd Hill reconstruction, improving Vail Pass, adding an auxiliary lane and modernizing the interchange at exit 203 in Summit County from exit 203-205, as well as addressing a decades-long backlog of repairs to the Eisenhower Johnson Memorial Tunnels.
- **NE Colorado and continued expansion of I-25 North** –
  - Complete all I-25 North segments included in the 10 Year Plan, investment of tens of millions of dollars in pavement repairs along I-76 and I-70 in Northeastern Colorado; and further build out of new and expanded transit service across the state, including on I-70 and I-25.
- **Denver metropolitan area**,
  - Accelerating the replacement of poor bridges on I-70 and I-270, including I-70 and Harlan. 270 bridges will be addressed while the Department leads an unprecedented effort to consult with disproportionately impacted communities to expand capacity on I-270 in a manner sensitive to health and mobility needs.

New express lanes on I-70 mountain corridor.

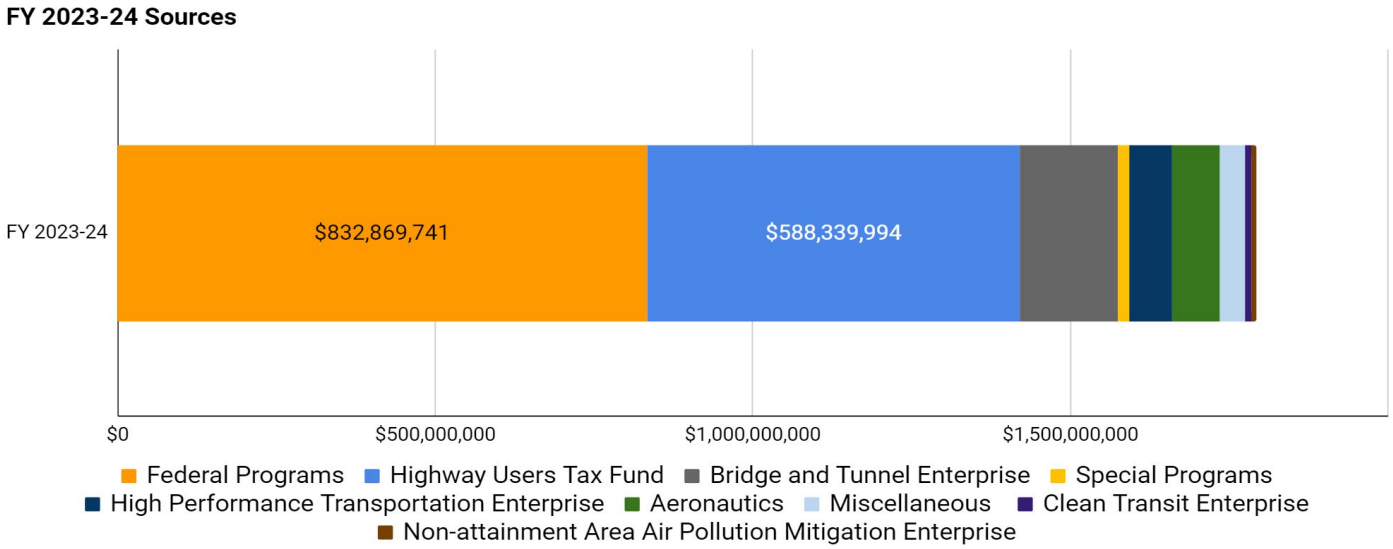
Key Projects and Accomplishments

- **In the Pikes Peak region**
  - The intersection of Research and Powers Boulevard (complete) and the intersection of Airport and Powers Boulevard. Rural road improvements ranging from projects on Highway 24 both east and west of Colorado Springs, to improving rural stretches on CO-115 stretching southwest to Penrose along Ft. Carson.
- **On the Western Slope**
  - Recently completed 10-Year Plan projects range from the intersection of I-70B at First and Grand in Grand Junction, and the reconstruction of a stretch of US-50 that was once so tumultuous to drive it was referred to as the "Delta Dips" or the "Roller Coaster." A major reconstruction of Colorado Highway 13 near Rifle — a vital connector to I- 80 in Wyoming that adds redundancy for motor carriers and others reliant on multiple interstate connections — is one of many projects under construction.
- **In the Southwest region**
  - Completing the interchange at Highways 550-160, improving rural roads in places like Lake City and Creede, making long-needed safety and resiliency repairs to regional arterials like the stretch of Highway 160 near Pagosa Springs and parts of U.S. 285 experiencing significant increases in traffic flow, and helping communities like Pagosa Springs and Alamosa grow and improve their downtowns.

US 550-US 160 Gulch A Bridge.

CDOT Budget

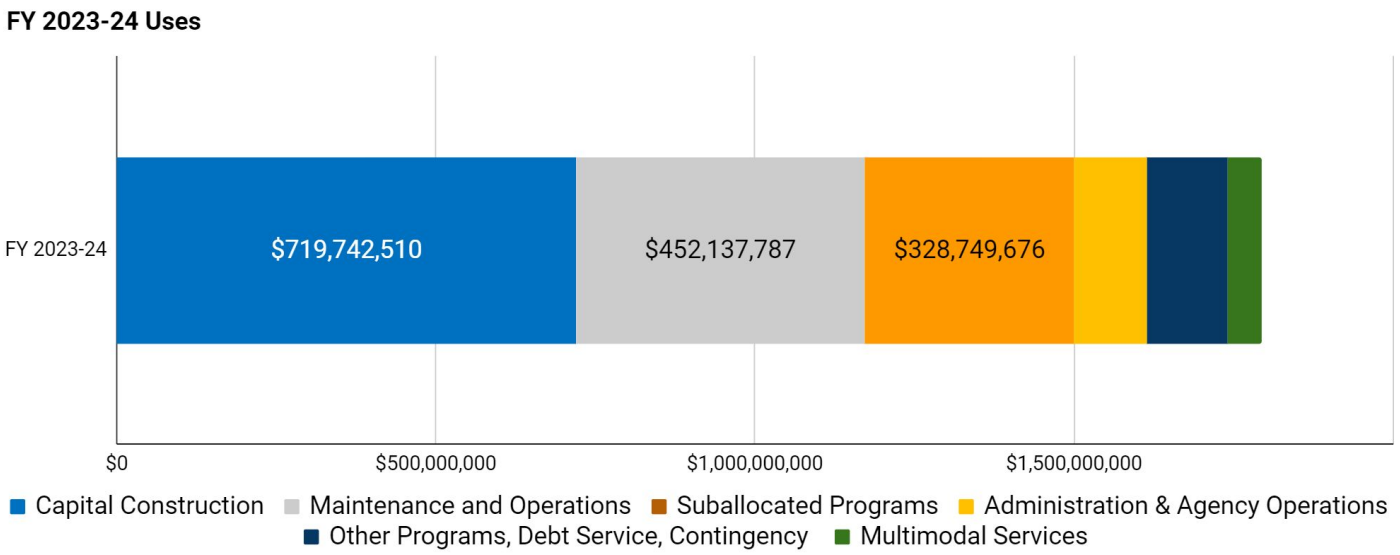
FY24 Budget Proposed Allocation Plan Sources



Total -

$1,793.4 million

FY24 Budget Proposed Allocation Plan Uses



Total -

$1,793.4 million

Recent Legislative Funding

Bill	Description
SB 22-176 - Early Stage Front Range Passenger Rail Funding	$1.9 million General Fund for front range passenger rail and $6.5 million for Burnham Yard
HB 22-1321- Study of Devices Assessing Motorist Impairment	$751,649 General Fund to study the viability of devices that are capable of assessing cognitive and physical impairment of motorists by detecting drugs other than alcohol.
SB 22-151 - Safe Crossings for Wildlife and Motorists	$5 million for the newly created Colorado wildlife safe passages cash fund for projects that provide road crossings for wildlife
SB 22-180 - Programs to Reduce Ozone Through Increased Transit	$30 million for Bustang expansion and $10 million for Revitalizing Main Streets
SB21-110 Fund Safe Revitalization of Main Streets	$30 million General Fund transfer for Revitalizing Main Streets and Safer Main Streets programs
SB21-260 Sustainability of the Transportation System	Provided one time and ongoing new funding for transportation

SB 21-260 Update

SB21-260

Bill Overview

- Comprehensive transportation legislation which aims to raise $5.4B over 10 years
- Increases spending for the state's transportation system through General Fund transfers and new fees
- Creates and modifies state enterprises
- Expands authority for transportation planning organizations
- Requires enhanced reporting and development requirements for regionally significant projects
- Builds upon and expands requirements for transparency and accountability

SB 21-260/HB 22-1351 Funding Received

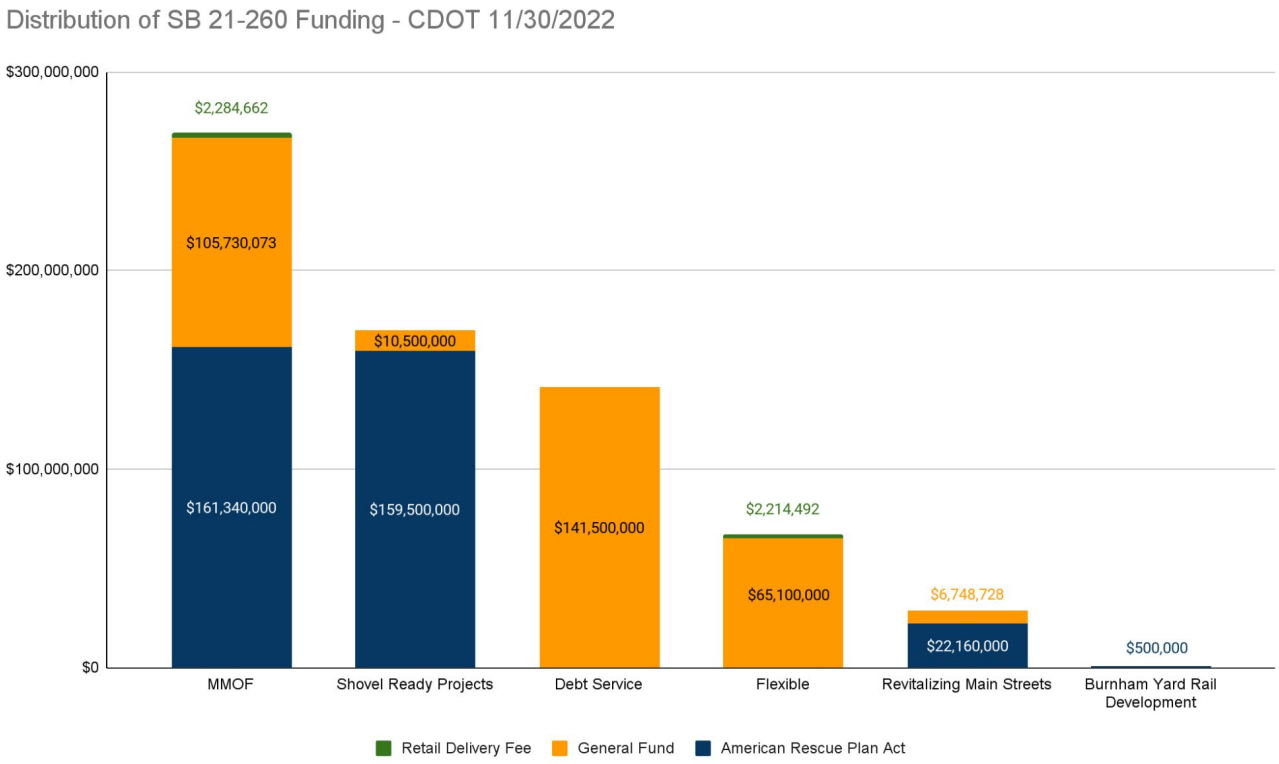
	FY 2020-21	FY 2021-22	FY 2022-23
CDOT	$343.5 million	$282.5 million	$51.6 million
American Rescue Plan Act	$343.5 million		
General Fund Transfer		$170.0 million	
General Fund Transfer - Excess Revenue Cap		$112.5 million	
HB 22-1351 General Fund Transfer**			$47.1 million
Retail Delivery Fee - HUTF (CDOT Portion)*			$2.2 million
Retail Delivery Fee - MMOF*			$2.3 million
Bridge and Tunnel Enterprise			$6.1 million
Bridge and Tunnel Impact Fee*			$3.6 million
Retail Delivery Fee*			$2.5 million
Nonattainment Area Air Pollution Mitigation Enterprise			$2.2 million
Retail Delivery Fee*			$0.6 million
Passenger Ride Fee*			$1.6 million
Clean Transit Enterprise			$2.8 million
Retail Delivery Fee*			$2.8 million

**As of November 30, 2022*

***HB 22-1351 Delayed the implementation of the Road Usage Fee and extended a decrease to the FASTER Road Safety Surcharge. This bill backfilled the decreased fee revenue with a General Fund transfer.*

Distribution of SB 260 Funding

This chart provides a summary of all SB 21-260 and HB 22-1351 revenue received as of November 30, 2022.



Federal Legislation Update

IIJA / BIL

- Among other things, the IIJA or BIL is the transportation authorization act succeeding the prior FAST Act.
- Provides federal-aid highway and transit funding for FY 22 – FY 26.
- Authorizes funding for existing federal-aid programs at higher levels, plus creates several new federal-aid programs.
- In general, funding for new federal-aid programs and incremental flexible federal-aid highway programs have been allocated to the CDOT 10-Year Plan.

FY 22 - 26

Average $740 M/year → Existing programs - CDOT (primarily asset management and safety) and local agency

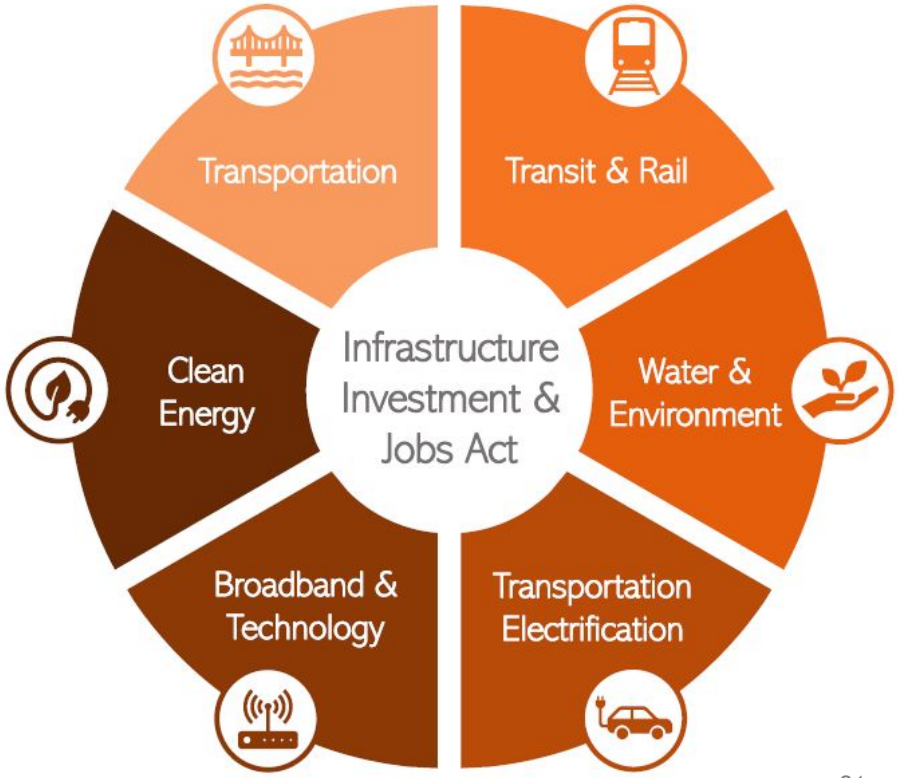
Average $101 M/year → Additional incremental funding for existing CDOT and local agency programs with a dedicated federal funding source

Average $143 M/year → CDOT 10-Year Plan

Grants
Types of Funding

Formula Funding
Formula grant programs allocate funding to recipients based on formulas set by Congress. USDOT distributes these funds to States, Federally-recognized tribal recipients, and transit agencies. The funds may be further allocated to localities at State, tribal, or agency discretion.

Competitive Grants
Also known as “discretionary” funding, this type of grant is awarded based on a competitive process, which includes proposal selection based on a single reviewer or a team of reviewers.



2022 Submitted Discretionary Applications

CDOT Lead Applicant or CDOT Co-Sponsored w/Locals

REBUILDING AMERICAN INFRASTRUCTURE with SUSTAINABILITY and EQUITY (RAISE)

- Multimodal Options for a Vibrant and Equitable Western Slope: The Westward Three (MOVE: W3)
  - $55.9M total; $24.2M request; $31.7M match
  - ***$24.2M AWARDED!***
- 6th & Wadsworth Interchange Reconstruction
  - $135.5M total; $45M request; $90.5M match
- US 119 Safety and Mobility Project
  - $124M total; $25M request; $99M match

MULTIMODAL PROJECTS DISCRETIONARY GRANT PROGRAM (MPDG)

- Floyd Hill to Veterans Memorial Tunnel Improvements
  - $700M total; $240M request; $460M match
  - ***$100M AWARDED!***
- US 40 Passing Lanes & Red Dirt Hill Improvements
  - $44M total; $25M request; $19M match
- US 50 Safety Highway Improvements for Freight and Travel (SHIFT)
  - $49M total; $25M request; $24M match
- I-76 Phase IV Reconstruction and Repavement
  - $64.6M total; $35M request; $29.6M match
- US 160 Safety and Mobility Improvements
  - $106.2M total; $53.8M request; $52.3 match

BRIDGE INVESTMENT PROGRAM (BIP)

- Planning
  - Region 1 Pre-Scoping Bridge Bundle
    - $2.5M total; $400k request; $2.1M match
  - Region 3 Timber Replacement
    - $150k total; $150k request; no match required
  - Region 3 Railroad Overpasses
    - $150k total; $150k request; no match required
- Large Bridge:
  - I-270 Critical Bridge Bundle
    - $153.3M total; $75.8M request; $77.5M match
- "Other" Bridge:
  - I-76 Phase V
    - $31.5M total; $23M request; $8.5M match
  - US 160 Florida River Bridge Replacement
    - $13.6M total; $9.5M request; $4.1M match
  - Region 5 Bridge Preventative Maintenance Bundle
    - $5.04M total; $4M request; $1.04M match
  - 6th & Wads Interchange Reconstruction
    - $80M total; $45M request; $35M match

**Note that each applicant is restricted in number of total applications per grant program, and in some cases CDOT is supporting local partner applications on priority projects.*

***All CDOT regions are represented in application solicitation and submission. Project selection is based on NOFO eligibility and competitiveness.*

2022 Submitted Discretionary Applications cont.

CDOT Lead Applicant or CDOT Co-Sponsored w/Locals

RAILROAD CROSSING ELIMINATION (RCE)

- US 34 Railroad Crossing Elimination Study
  - $900k total; $700k request; $200k match

RECONNECTING COMMUNITIES PROGRAM (RCP)

- Collaborated with the City and County of Denver on grant-enhanced community connectivity and safety
- Co-sponsored application with City of Trinidad to study the reconnection of East and West Trinidad on either side of I-25 viaduct

ENABLING MIDDLE MILE BROADBAND (MM)

- Connecting Colorado: Middle Mile Fiber from Border to Border (7 new corridors of middle mile fiber statewide)
  - $119.8M total; $83.9M request; $35.9M match

STRENGTHENING MOBILITY AND REVOLUTIONIZING TRANSPORTATION (SMART)

- Autonomous Truck Mounted Attenuator (ATMA) for Work Zone Safety
  - $2.1M total; $1.9M request; $200k match
  - WI DOT, OK DOT, and MN DOT co-applicant and grant subrecipients
- Coordinated Adaptive Ramp Metering (CARM) Expansion Project
  - $1.4M total; $1.4M request; no match required

CONSOLIDATED RAIL INFRASTRUCTURE SAFETY IMPROVEMENTS (CRISI)

- US 50 / 550 Preventative Crossing Reconfiguration
  - $4.75M total; $2.45M request; $2.3M match

PROMOTING RESILIENT OPERATIONS for TRANSFORMATIVE, EFFICIENT, and COST-SAVING TRANSPORTATION (PROTECT)

- CDOT intends to apply for improvements to Glenwood Canyon and Cottonwood Pass
  - The discretionary program NOFO has not yet been released

NATIONAL SCENIC BYWAY PROGRAM (NSBP)

- Alpine Loop and Silver Thread Facilities, Safety, and Observatory Upgrades
  - $847k total; $640k request; $207k match
- Scenic Highway of Legends Wayfinding and Interpretation Implementation
  - $513k total; $400k request; $113k match
- Mt. Evans Educational Renaming and Emphasis of Indigenous History
  - $930k total; $716k request; $214k match

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Other Initiatives

Revitalizing Main Streets

The Revitalizing Main Streets program helps communities across the state implement transportation-related projects that improve pedestrian and bicycle safety and provide long-term benefits to community main streets.

Between 2020 and November 2022, CDOT has awarded $63M in 201 grants to communities across the state.

SB 21-260 will provide funding for the RMS small grant program (up to $250k) through FY 2031-32.

New Funding
Senate Bills 22-180

- Senate Bill 22-180 provided **$30 million** in direct funding to CDOT for expansion of Bustang I-25 and I-70 service for a 3-year pilot
- CDOT is “going big” by expanding Bustang for a three year period in an attempt to attract additional travelers into a transit option on our busiest interstate corridors.
- The proposal includes new, enhanced service on I-70 and I-25 that will allow Bustang to serve more people and provide increased flexibility for existing riders.
- **A comprehensive media campaign** will be included to increase public awareness of Bustang as a travel option and to assist in building and sustaining ridership throughout the pilot.
- This three year time period provides a sufficient opportunity to test this concept and prove its viability and value to Colorado.

Burnham Yard

CTIO has embarked on a pre-NEPA process that will address several key items needed to determine which parcels CTIO/CDOT need for transportation purposes and which can be deemed remnant thus available for community use and redevelopment.

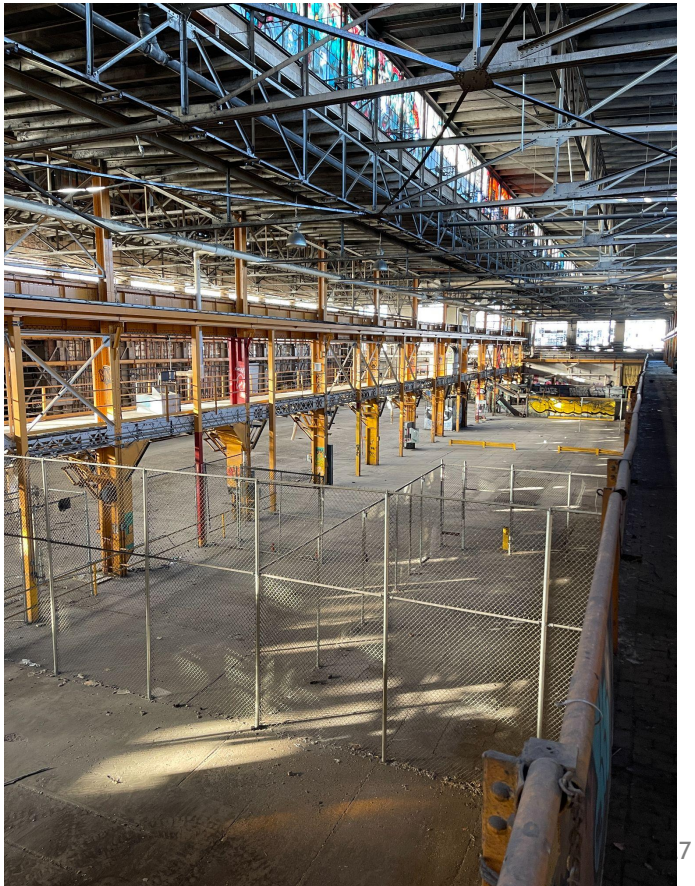
The Pre-NEPA work will identify the following:

- Alternatives conceptual design of rail line to determine fatal flaws and alternatives to move into NEPA
- Conceptual analysis of noise and vibration impacts to surrounding communities
- Initiation of a stakeholder and public engagement plan-only around moving the Consolidated Main Line (adjacent to I-25)
- Allows for coordination with Front Range Passenger Rail
- Required by FRA before a full NEPA analysis can occur

Pre-NEPA work (as proposed) allows immediate actions with available funding, accelerates the future NEPA and design processes.

Following the pre-NEPA work, the state Public-Private Partnership Unit (P3) will work with CTIO/CDOT and other entities to help identify non-transportation development opportunities on the property.

SB 22-176 transferred $6.5 million to the Department to support a full NEPA analysis for the relocation of the consolidated main rail line along Central 25. That work is expected to begin upon the acceptance of the Pre-Nepa analysis by the FRA.



Broadband

CDOT places fiber contiguous (from the backbone) on highways that have the largest transportation/traffic demands. Our delivery of fiber is used to enable cameras, message boards, weather stations, tunnel controls, data collection, and communications for the State.

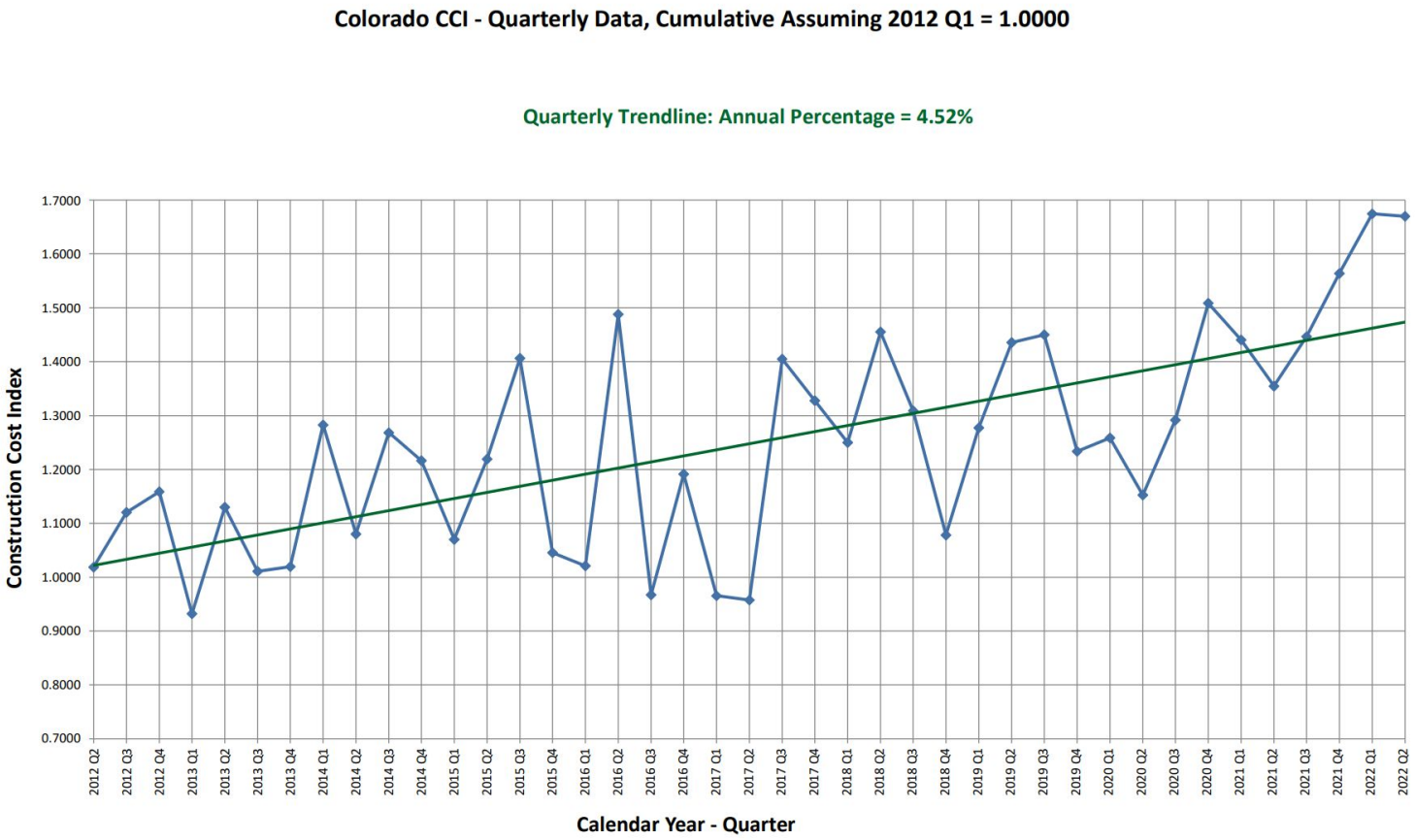
We share information on where we are planning to place fiber on our website and with the Colorado Broadband Office. If we have any spare fiber, we will lease it to private and public entities.

Construction Cost Escalation Fund

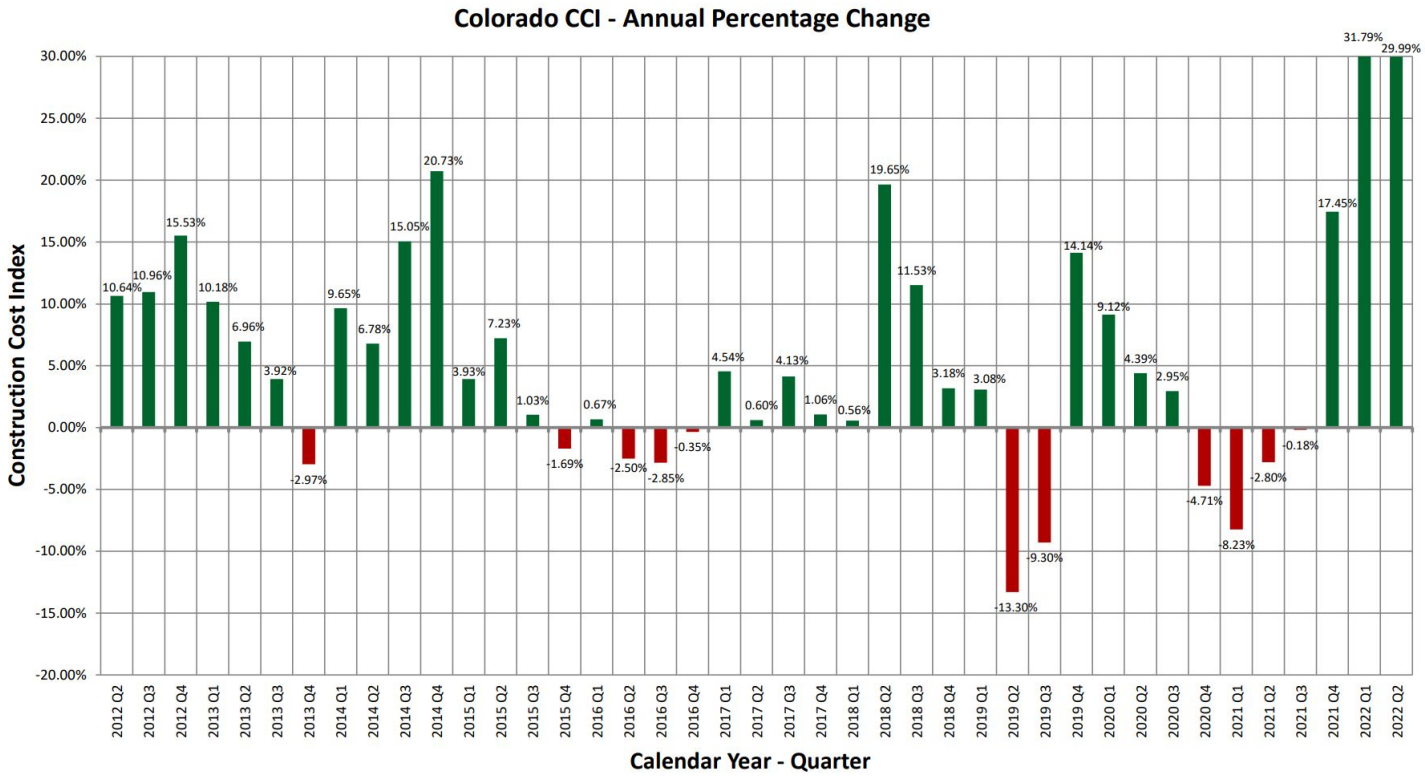
In November 2022, the TC approved a new Capital Construction Cost Escalation Fund, initially funded with $30.0 million in federal redistribution funds.

- Any capital construction project, including 10-Year Plan Projects, asset management, or safety projects, would be eligible to request funds
- Ensures sufficient funds are available to address recent cost escalation in capital construction projects without causing undue delay to projects
- Intent is not to supplant existing sources of funding to address shortfalls, but to provide an alternative source when funds are not available from existing sources or where the use of such funds would result in delays or cancellation of other projects
- Proposed fund would include an accelerated administrative approval process

Construction Cost Escalation Fund



Construction Cost Escalation Fund



Calculations derived from the most recent four consecutive quarters of data compared to the previous four consecutive quarters of data.

Questions?