

## DEPARTMENT OF TRANSPORTATION

### FY 2025-26 JOINT BUDGET COMMITTEE HEARING AGENDA

**Tuesday, December 10, 2024**

**3:45 pm – 5:00 PM**

#### **3:45-3:50 PM Introductions and Opening Comments**

Presenter: Shoshana Lew, CDOT Executive Director

Main Presenters:

- Shoshana Lew, Executive Director
- Jeff Sudmeier, CDOT Chief Financial Officer

Supporting Presenters:

- Darius Pakbaz, Director of Transportation Development
- Emily Haddaway, Legislative Liaison

#### **3:50-3:55PM Topic: General CDOT Funding Update and Federal Grant Update**

[Rep. Taggart] - How does the Department justify adding \$2 million in Administration and the corresponding amount being taken from CM&O? Please provide a breakdown of the underlying \$2.1 million increase costs in Administration.

Main Presenters:

- Jeff Sudmeier, CDOT Chief Financial Officer

#### **3:50-4:05PM Topic: Cash Funds Overview**

[Sen. Kirkmeyer] - Please provide the cash fund balances on all of the Department's cash funds.

[Sen. Kirkmeyer] - What is the State Infrastructure Bank (SIB) and how does it work?

[Sen. Kirkmeyer] - Within the State Highway Fund and the Highway Users Tax Fund, where does the interest generated go to? Elaborate in detail.

[Rep. Sirota] - CDOT receives \$950,000 from the MTCF for impaired driving education and outreach. Given the revenue challenges from the MTCF, does CDOT have another funding source that could be used to cover those costs?

Main Presenters:

- Jeff Sudmeier, CDOT Chief Financial Officer

**4:00-4:15PM Topic: Cash Fund Decision Items**

[Sen. Kirkmeyer] - Why would we continue to roll-forward funds from SB 21-260?

[Sen. Kirkmeyer] - Please provide detail on the funds, particularly on the portion of the roll-forward amount that originates as the refinanced ARPA funds.

[Sen. Kirkmeyer] - Specifically, how much is the Department asking to roll-forward amounts that originated as ARPA funds in S.B. 21-260? How much has the Department spent to date?

[Sen. Kirkmeyer] - How much of the refinanced ARPA funds have been encumbered in contracts?

Main Presenters:

- Jeff Sudmeier, CDOT Chief Financial Officer

**4:15-4:30PM Topic: Budget Balancing Measures**

[Sen. Kirkmeyer] - Please provide detailed information on the impacts as a result of the budget reduction that CDOT has proposed.

[Sen. Kirkmeyer] - If the Road Safety Surcharge is lowered to decrease FASTER revenue, what projects will not be funded? Will there be any projects that will be delayed or cancelled? Provide detailed examples.

Main Presenters:

- Jeff Sudmeier, CDOT Chief Financial Officer

**4:30-4:45PM Ten-year Plan Update**

Main Presenters:

- Darius Pakbaz, Director of Transportation Development

## **4:30-4:45PM Other CDOT 2024 Session Priorities, Ten-year Plan Update, and Closing Remarks**

### Main Presenters:

- Shoshana Lew, Executive Director
- Jeff Sudmeier, CDOT Chief Financial Officer
- Darius Pakbaz, Director of Transportation Development

### Topics:

- General CDOT Funding Update and Federal Grant Update: Page 4, Questions 1 in the packet, Slides 4-8
- Cash Funds Overview: Page 5, Questions 2-5 in the packet, Slides 9-13
- Cash Fund Decision Items: Page 7, Questions 6-9 in the packet, Slides 14-20
- Budget Balancing Measures Decision Items: Page 10, Questions 10-11 in the packet, Slides 21-25
- Ten-year Plan Update, CDOT 2024 Session Priorities, and Closing Remarks: Slides 35-37

# Colorado Department of Transportation JBC Hearing Discussion Questions

## CDOT Funding Overview Discussion Questions

1. [Rep. Taggart] - How does the Department justify adding \$2 million in Administration and the corresponding amount being taken from CM&O? Please provide a breakdown of the underlying \$2.1 million increase costs in Administration.

The FY 2025-26 request for the Administration line is a \$2.6 million increase over the final FY 2024-25 appropriation. All changes to the Administration budget are driven by statewide common policies, and these amounts are estimated by the agencies that deliver those services in conjunction with the Governor’s Office.

CDOT’s total budget request aligns with total forecasted revenue for FY 2025-26. Any increases to the Administration line are offset by reductions in the CM&O line to keep the overall budget balanced to forecasted revenue.

Budget Item	Amount
<b>FY 2024-25 Appropriation</b>	<b>\$49,906,487</b>
DPA Operating Common Policies	\$281,438
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DPA Non-Prioritized Decision Item	\$232
<b>FY 2025-26 Governor's Budget Request</b>	<b>\$52,465,244</b>
<b>Incremental Increase over FY 2024-25</b>	<b>\$2,558,757</b>

## Cash Funding Overview Discussion Questions

### 2. [Sen. Kirkmeyer] - Please provide the cash fund balances on all of the Department's cash funds.

The table below provides the updated cash balance for each of the Department's cash funds, as of October 2024.

Cash Fund	Cash Balance
Fund 1600 - State Aviation Fund	\$25,067,707
Fund 4000 - State Highway Fund	\$571,068,297
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Fund 4190 - Safe Crossings for Wildlife	\$4,198,714
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Fund MTOF - Multimodal Transportation Options Fund	\$167,719,437
Fund MTOC - ARPA Multimodal	\$12,135,739
Fund 400R - Refinanced ARPA SHF	\$75,330,000

### 3. [Sen. Kirkmeyer] - What is the State Infrastructure Bank (SIB) and how does it work?

[State Infrastructure Banks](#) (SIB) are revolving infrastructure investment funds for surface transportation. Colorado's State Infrastructure Bank (SIB) Loan Program was enacted by the Colorado Legislature in 1998 and adopted by the Colorado Department of Transportation in 1999. The SIB revolving fund is split into four accounts: highway, transit, aviation, and rail. Of the four SIB programs within CDOT, the Aeronautics program is the largest, and it continues to grow as loan interest payments are deposited back into the fund.

SIBs give states the capacity to increase and make more efficient use of their transportation funds and significantly leverage Federal resources by attracting non-Federal public and private investment. Alternatively, SIB capital can be used as collateral to borrow in the bond market or to establish a guaranteed reserve fund. SIBs can be capitalized with Federal-aid surface transportation funds and matching State funds. As loans or other credit assistance forms are repaid to the SIB, its initial capital is replenished and can be used to support a new cycle of projects.

The SIB currently has capitalized accounts for aeronautics projects and for highway projects. As of the end of the first quarter of this year the SIB had \$42.2 million in total assets divided into the two accounts detailed below.

**Overview of Colorado SIB Assets as of 9/30/2024**

<b>Assets</b>	<b>Aeronautics</b>	<b>Highways</b>	<b>Total</b>
<b>Cash:</b>			
Fund 715	\$8,573,440	\$4,848,801	\$13,422,241
Authorized Federal Funds	\$0	\$0	\$0
<b>Amount Available to Loan</b>	<b>\$8,573,440</b>	<b>\$4,848,801</b>	<b>\$13,422,241</b>
<b>Accounts Receivable:</b>			
Outstanding Loan Balances	\$26,679,047	\$2,095,644	\$28,774,691
Accrued Interest	\$0	\$0	\$0
<b>Total Accounts Receivable</b>	<b>\$26,679,047</b>	<b>\$2,095,644</b>	<b>\$28,774,691</b>
<b>Total Assets</b>	<b>\$35,252,487</b>	<b>\$6,944,445</b>	<b>\$42,196,933</b>
Percent of Account/Fund Loaned	75.68%	30.18%	68.19%

Loans awarded to Colorado public-use airports from the SIB have been used to support funding for projects such as capital airport improvements, air traffic control towers, snow removal equipment and airport pavement reconstruction. Additionally, these low-interest loans have been utilized for land acquisitions that have protected Colorado airports from incompatible land-use surrounding airports.

All payments of principal and interest credited to the revolving fund as repayment of loans along with interest on the balance in the revolving fund are credited to the fund and then used to provide new loans to future recipients.

**4. [Sen. Kirkmeyer] - Within the State Highway Fund and the Highway Users Tax Fund, where does the interest generated go to? Elaborate in detail.**

The interest earned in the State Highway Fund (SHF) stays within the fund and is fully allocated to maintenance programs. The SHF is one of the only sources of flexible funding the Department has available to fund basic maintenance, operations and administration costs, which are not eligible for federal funding.

The Department forecasts interest earnings along with various other sources of miscellaneous revenue and includes those funds as part of the SHF revenue forecast.

The interest within the FY 2024-25 annual forecast is fully allocated to Maintenance and Operations.

The Department currently struggles to adequately fund basic maintenance and operations activities at current funding levels, with the rate of growth in labor and operating costs significantly outpacing the Department's ability to increase this portion of the budget. Any interest funds used to fund the Digital Trunked Radio System would reduce the amount of funding available for roadway maintenance. This will directly impact the Department's MLOS (Maintenance Levels of Service) budget, requiring cuts to basic activities such as snow and ice removal and pothole repair.

- 5. [Rep. Sirota] - CDOT receives \$950,000 from the MTCF for impaired driving education and outreach. Given the revenue challenges from the MTCF, does CDOT have another funding source that could be used to cover those costs?**

The State Highway Fund (SHF) is currently the only other funding source that CDOT could use to fund the Marijuana Impaired Driving Program. Using the SHF to backfill statutorily required programs has been done previously with HB 23-1102 *Alcohol And Drug Impaired Driving Enforcement*, which the legislature passed to address decreasing revenues for the First Time Drunk Driver (FTDD) program. HB 23-1102 requires the Transportation Commission to allocate \$1.5M from the State Highway Fund to the Office of Transportation Safety to distribute funds to local governments that implement high visibility enforcement.

The SHF is one of the only sources of flexible funding the Department has available to fund basic maintenance, operations, and administration costs, which are not eligible for federal funding. Any funds used to replace MTCF funds would reduce the amount of funding available for roadway maintenance. This will directly impact the Department's MLOS (Maintenance Levels of Service) budget, requiring cuts to basic activities such as snow and ice removal and pothole repair.

## **Cash Fund Decision Items Discussion Questions**

- 6. [Sen. Kirkmeyer] - Why would we continue to roll-forward funds from SB 21-260?**

The Department is requesting roll forward authority for the funds in the Multimodal Transportation and Mitigation Options (MMOF) Fund to complete projects that have been awarded and are in progress. This includes both the remaining ARPA funds and the General Fund refinance dollars, since both were deposited into the MMOF. Pursuant to statute, the MMOF utilizes 15% of its funds for Statewide projects and suballocates the remaining 85% to Transportation Planning Regions and Metropolitan Planning Organizations, which then select projects. The majority of projects funded from the MMOF are multi-year capital projects. The projects funded by the ARPA and GF Refinance dollars are expected to continue into FY 2025-26 and complete prior to the December 2026 period of performance end date of the American Recovery Plan

Act.

While the majority of ARPA funding within the MMOF was refinanced in HB 24-1466, the original appropriations clause applies to FY 2021-22 year, with three years of roll forward authority approved by a prior decision item. Therefore, the remaining ARPA funds encumbered to projects and the refinanced funding will have their funding lapse at the end of FY 2024-25.

Federal regulations in Title 23 CFR § 450 require that CDOT develop and maintain a Statewide Transportation Improvement Program (STIP). The STIP is a public-facing, four-year plan that must reflect planned transportation projects for all the federal and state funding anticipated over the next four years. The funding in the STIP is constrained by CDOT's approved budget and its spending authority.

All of the MMOF Program's forecasted revenue is annually awarded to eligible projects to maximize the effective use of its anticipated revenues. Any anticipated MMOF revenues for which CDOT does not have spending authority, however, cannot be reflected in the STIP. If the Department loses access to unspent spending authority that rolled forward from prior year appropriations, the Department is required to reduce the budget in the Department's financial system, SAP. Because the STIP is constrained by the CDOT's spending authority for the current fiscal year, this requires the program to remove projects from the current year STIP so that total planned projects do not exceed the legal budget for the program. This is problematic for projects that were previously awarded because local partners rely on the STIP for planning and for providing public accountability and transparency of transportation investment.

**7. [Sen. Kirkmeyer] - Please provide detail on the funds, particularly on the portion of the roll- forward amount that originates as the refinanced ARPA funds.**

CDOT was allocated \$161,340,000 in ARPA funding to the Multimodal Transportation and Mitigation Options Fund. \$96,160,000 was refinanced using General Funds and \$65,180,000 of the ARPA funding remained within the MMOF. CDOT, in partnership with the Governor's Office, took a conservative approach to refinancing ARPA dollars that were unspent as of 6/30/24. With the changes to SLFRF guidance by the U.S. Treasury and the risk of losing critical funds to address state priorities, the decision was made to refinance any funds that were unspent or unobligated as of 6/30/24. 96.6% of the ARPA funds are currently obligated and significant progress has been made in awarding, contracting, and spending the remainder of refinanced funds.

Currently, local authorities are securing contractors, making financial commitments, and incurring expenses in anticipation of completing the projects. With no reauthorization, several local authorities will be in default on financial commitments because CDOT can no longer reimburse their expenses.



Fund Type	Appropriation	Expenditures	Roll-Forward
ARPA SLFRF	\$65,180,000	\$41,979,934	\$23,200,066
General Fund Refinance	\$96,160,000	\$1,298,065	\$94,861,935
Total	\$161,340,000	\$43,277,999	\$118,062,001

Attachment A provides a detailed view of the ARPA and refinanced General Fund portion of the MMOF Fund, including the initial allocation, the total encumbered, total spent, and total obligated by program.

**8. [Sen. Kirkmeyer] - Specifically, how much is the Department asking to roll-forward amounts that originated as ARPA funds in S.B. 21-260? How much has the Department spent to date?**

Of the \$161,340,000 that originated as ARPA funds in SB 21-260, \$118,062,001 is unspent and would therefore be part of the roll forward request, as of December 2024. Of the \$118M currently unspent, \$89M is contractually committed to local agency projects, \$17M is committed for Bustang operations, and \$11M is remaining to be spent by the Front Range Passenger Rail District. The Department anticipates spending ARPA funds on Bustang operations through October 2025, at which time the \$17M will be fully spent. The Department anticipates significant spending will occur in the next 6 months, so the actual amount remaining to roll forward on June 30, 2025 will be significantly less.

Program	Appropriation	Expenditures	Roll-Forward
State	\$36,121,000	\$18,778,301	\$17,342,699
Local	\$110,719,000	\$21,022,418	\$89,696,582
Front Range Passenger Rail	\$14,500,000	\$3,477,280	\$11,022,720
Total	\$161,340,000	\$43,277,999	\$118,062,001

**9. [Sen. Kirkmeyer] - How much of the refinanced ARPA funds have been encumbered in contracts?**

Based on the definition of “obligated” used by the US Treasury for purposes of spending ARPA funds, nearly all of the ARPA MMOF funding has been obligated. Currently 69.8% of the \$161.3 million allocated is currently committed in a grant agreement or an intergovernmental agreement. Combined with the 26.9% that has been spent, the funds are 96.6% obligated. The Department defines these funds as “obligated” for the purpose of reporting.

Please see Attachment A for a detailed view of the ARPA and refinanced General Fund

portion of the MMOF Fund, including the initial allocation, the total encumbered, total spent, and total obligated by program.

## **Budget Balancing Measures Discussion Questions**

- 10. [Sen. Kirkmeyer] - Please provide detailed information on the impacts as a result of the budget reduction that CDOT has proposed.**

The reductions to the General Fund transfer proposed in R-03 reduce the amount of total transfers from the General Fund from \$100.0 M to \$61.0M in FY 2025-26 and \$75.5 M in FY 2026-27, and increases the transfers by a like amount in FY 2029-30 through FY 2032-33. Additionally, \$10.0 M of the remaining transfer in FY 2025-26, and \$25.0M in FY 2026-27 is proposed to be utilized for Bustang while the Department works to identify a sustainable ongoing funding solution.

The Department's 10-Year Plan is funded in part with these General Fund transfers. Given current project schedules, the Department anticipates this proposal will not impact projects funded in the current four year window of projects through FY 2025-26. It may impact the extent of projects programmed in the next four year window (FY 2026-27 - FY 2029-30) which will be prioritized in 2025 as part of the statewide planning process, and the subsequent four year window (FY 2030-31 - FY 2033-34).

- 11. [Sen. Kirkmeyer] - If the Road Safety Surcharge is lowered to decrease FASTER revenue, what projects will not be funded? Will there be any projects that will be delayed or cancelled? Provide detailed examples.**

This proposal (R-04) will result in a \$65.1 million annual decrease in the CDOT capital construction program. Direct impacts would be to the FASTER Safety program and asset management programs. *It is anticipated that prior to finalizing the FY 2025-26 Annual Budget Allocation Plan in the Spring, impacts to the FASTER Safety program will be offset by reallocating funds from other programs.* This includes reallocating any residual flexible state or federal funds from the TC Program Reserve and/or reallocating funds from the 10-Year Plan. While this will not impact projects funded in the current four year window of projects through FY 2025-26, it may impact the extent of projects programmed in the next four year window (FY 2026-27 - FY 2029-30) which will be prioritized in 2025 as part of the statewide planning process, and the subsequent four year window (FY 2030-31 - FY 2033-34).

**Attachment A - ARPA and General Fund Refinance - Multimodal Options Fund Detail**

Source	Total Allocated	% Obligated	Total Obligated	Total Encumbered	Total Expended	% Encumbered	% Expended	Roll Forward
<b>ARPA</b>	<b>\$65.2 M</b>	<b>100.0%</b>	<b>\$65.2 M</b>	<b>\$23.2 M</b>	<b>\$42.0 M</b>	<b>35.6%</b>	<b>64.4%</b>	<b>\$23.2 M</b>
<i>Statewide</i>	\$18.8 M	100.0%	\$18.8 M	\$0.0 M	\$18.7 M	0.2%	99.8%	\$0.0 M
<i>Local</i>	\$31.9 M	100.0%	\$31.9 M	\$12.1 M	\$19.8 M	38.0%	62.0%	\$12.1 M
<i>Passenger Rail</i>	\$14.5 M	100.0%	\$14.5 M	\$11.0 M	\$3.5 M	76.0%	24.0%	\$11.0 M
<b>General Fund Refinance</b>	<b>\$96.2 M</b>	<b>94.3%</b>	<b>\$90.7 M</b>	<b>\$89.4 M</b>	<b>\$1.3 M</b>	<b>92.9%</b>	<b>1.4%</b>	<b>\$94.8 M</b>
<i>Statewide</i>	\$17.3 M	100.0%	\$17.3 M	\$17.3 M	\$0.0 M	99.8%	0.2%	\$17.3 M
<i>Local</i>	\$78.8 M	93.1%	\$73.3 M	\$72.1 M	\$1.3 M	91.4%	1.6%	\$77.5 M
<b>Total</b>	<b>\$161.3 M</b>	<b>96.6%</b>	<b>\$155.9 M</b>	<b>\$112.6 M</b>	<b>\$43.3 M</b>	<b>69.8%</b>	<b>26.9%</b>	<b>\$118.0 M</b>
<i>Statewide</i>	\$36.1 M	100.0%	\$36.1 M	\$17.3 M	\$18.8 M	48.0%	52.0%	\$17.3 M
<i>Local</i>	\$110.7 M	95.1%	\$105.3 M	\$84.2 M	\$21.1 M	76.0%	19.0%	\$89.7 M
<i>Passenger Rail</i>	\$14.5 M	100.0%	\$14.5 M	\$11.0 M	\$3.5 M	76.0%	24.0%	\$11.0 M





**COLORADO**

Department of Transportation

# 2024 CDOT Joint Budget Committee Hearing

December 10, 2024



# CDOT Presenters

- Shoshana Lew, Executive Director
- Jeff Sudmeier, Chief Financial Officer
- Darius Pakbaz, Director, Division of Transportation Development
- Emily Haddaway, Legislative Liaison





# Agenda

1. CDOT Funding Overview and Federal Grant Update
2. Cash Fund Overview
3. Cash Fund Decision Items
4. Budget Balancing Measures
5. Ten-Year Plan Update
6. Q&A



# CDOT Funding Overview





# CDOT Funding FY 2025-26

## Federal Programs

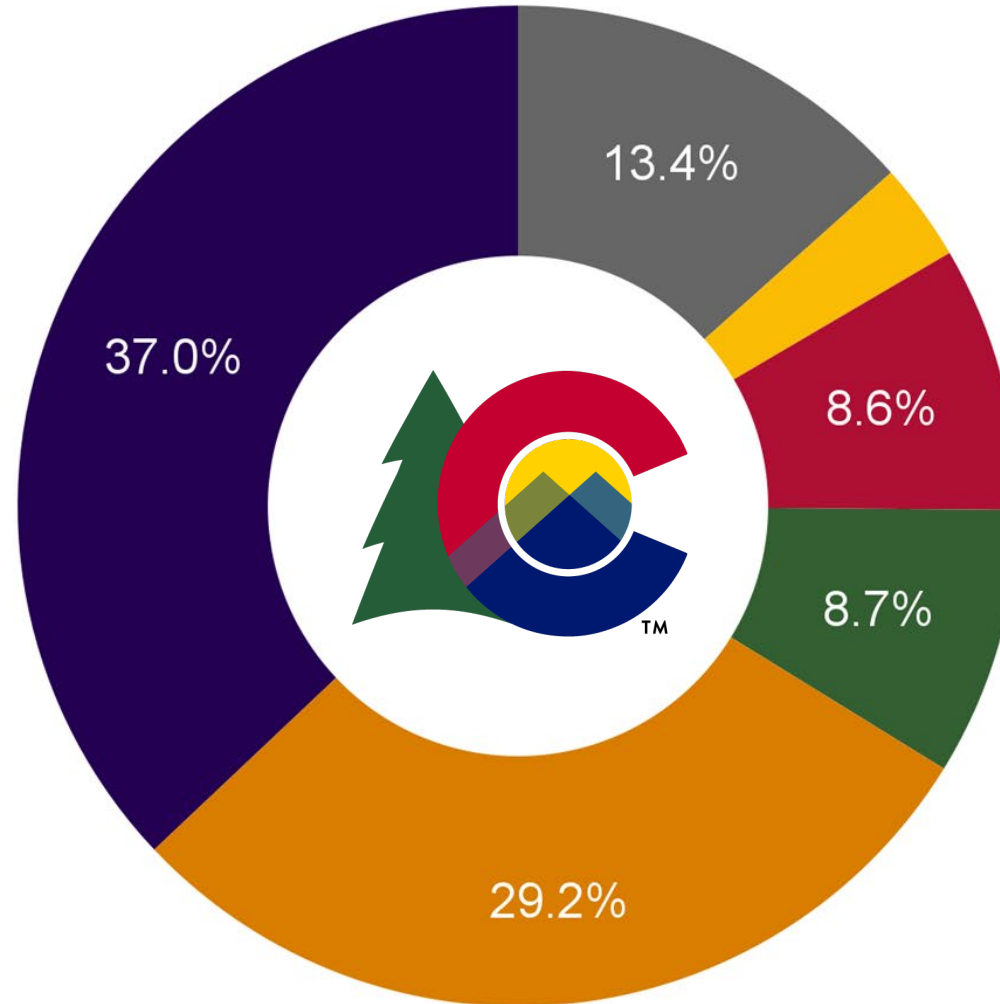
\$801.0 million - 37.0%  
18.4 cents per gallon paid at the pump, Federal General Fund

## Highway Users Tax Fund

\$630.4 million - 29.2%  
Fuel taxes and fees, vehicle registrations, FASTER, Retail Delivery Fee

## Bridge & Tunnel Enterprise

\$187.4 million - 8.7%  
FASTER fees, Bridge Impact Fee, Retail Delivery Fees



## Other State Funds

\$289.5 million - 13.4%  
Aviation fuel taxes, appropriated special programs, miscellaneous revenue, Clean Transit Enterprise, Nonattainment Enterprise, Fuels Impact Enterprise

## Legislative Initiatives

\$68.5 million - 3.2%  
General Fund Transfers to the State Highway Fund, Capital Development Committee funds

## Colorado Transportation Investment Office

\$185.2 million - 8.6%  
Tolling and managed lane revenue, Congestion Impact Fee





# Uses of CDOT Funding FY 2025-26

## Multimodal Services

\$72.8 million - 3.4%

Innovative Mobility, NEVI, 10-Year Plan Projects (Transit), Rail Commission, Bustang

## Administration and Agency Operations

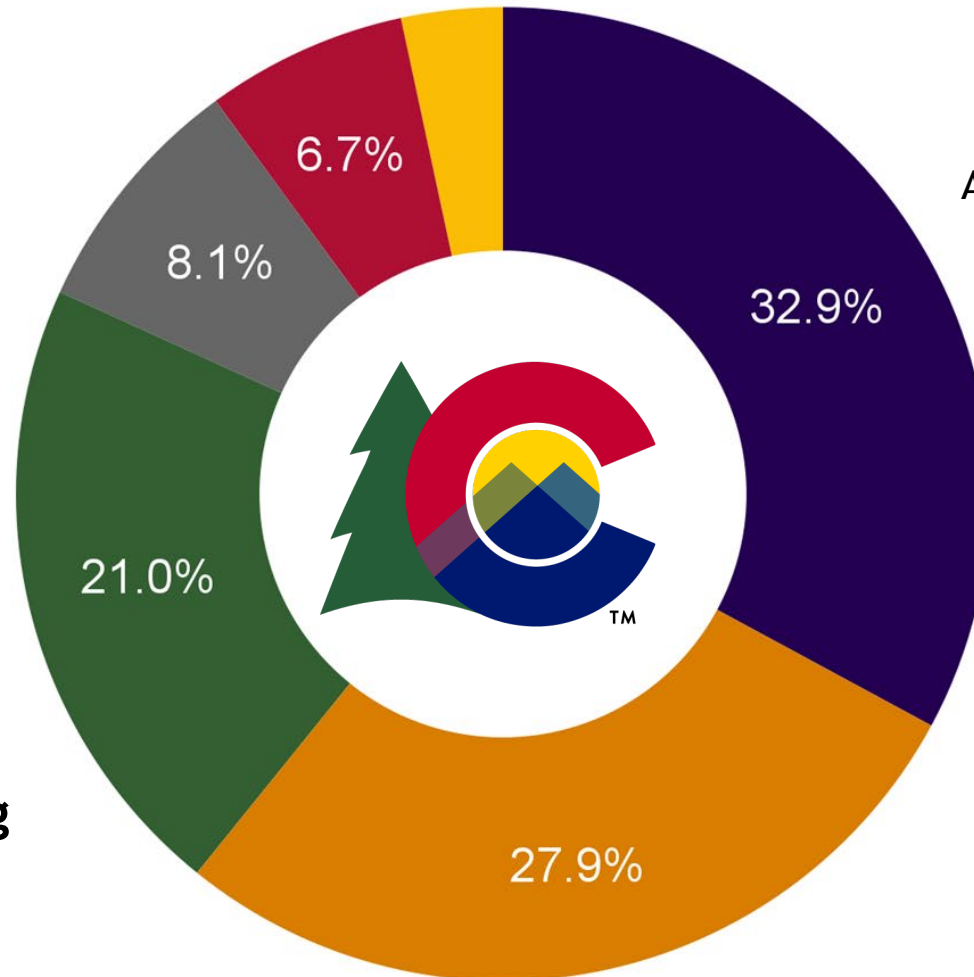
\$144.4 million - 6.7%

Appropriated Administration budget, agency operations and project initiatives

## Other Programs, Debt Service, Contingency Funding

\$176.2 million - 8.1%

State safety education, planning and research, State Infrastructure Bank, Debt Service, Contingency and Reserve funds



## Capital Construction

\$711.1 million - 32.9%

Asset Management, Safety Programs, 10-Year Plan projects, Regional Priority Program

## Maintenance and Operations

\$603.7 million - 27.9%

Maintenance Program Areas, Strategic Safety Program, Real-time Traffic Operations, ITS Investments

## Suballocated Programs

\$454.0 million - 21.0%

Aeronautics funding, sub allocated federal programs, Revitalizing Main Streets



# 2024 Federal Grant Awards

CDOT Region	Project	Grant Program	Award Size
Statewide	Electric Vehicle Charger Reliability and Accessibility Accelerator Program	Electric Vehicle Charging Reliability Grants	\$8.3M
R5	US 160 Corridor Safety and Mobility Improvements	Infrastructure for Rebuilding America (INFRA)	\$58.9M
R4	I76 Phase IV Regional Improvements for Safety and Efficiency (RISE)	Infrastructure for Rebuilding America (INFRA)	\$29.1M
R1	Federal & Colfax Cloverleaf Interchange Planning Grant	Reconnecting Communities	\$2M
R1	I-25 Coordinated Adaptive Ramp Metering (CARM) Expansion	Strengthening Mobility and Revolutionizing Transportation (SMART)	\$1.4M
R1	I-270 & Vasquez Interchange Planning & NEPA Clearance	Rebuilding American Infrastructure with Sustainability and Equity (RAISE)	\$4.8M
R2	CO 96 Feasibility Study	Bridge Investment Program: Planning	\$760k
R4	US 287 Highway Safety & Mobility Improvements	Infrastructure for Rebuilding America (INFRA)	\$47.2M
R1, R4	Modernizing Rail on the Front Range	Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$66.4M
Statewide	Advanced Statewide Surveying Efficiency with Transportation Technology	Advanced Transportation Technologies and Innovative Mobility Deployment (ATTAIN)	\$1.44M
Statewide	Low Carbon Transportation Materials	Low Carbon Transportation Materials (LCTM)	\$32M
		<b>Total wins in Calendar Year 2024</b>	<b>\$252.3M</b>



# JBC Information Request: Administrative Costs

**[Rep. Taggart] - How does the Department justify adding \$2 million in Administration and the corresponding amount being taken from CM&O? Please provide a breakdown of the underlying \$2.1 million increase costs in Administration.**

- The FY 2025-26 request for the Administration line is a \$2.6 million increase over the final FY 2024-25 appropriation. All changes to the Administration budget are driven by statewide common policies, and these amounts are estimated by the agencies that deliver those services in conjunction with the Governor’s Office.
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# Cash Fund Overview





# JBC Information Request: CDOT Cash Fund Balances

**[Sen. Kirkmeyer] - Please provide the cash fund balances on all of the Department's cash funds.**

- The table below provides the updated cash balance for each of the Department's cash funds, as of October 2024.

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\*does not include trustee accounts tied to debt issuance



# State Infrastructure Bank

## [Sen. Kirkmeyer] - What is the State Infrastructure Bank (SIB) and how does it work?

- State Infrastructure Banks (SIB) are revolving infrastructure investment funds for surface transportation. Colorado's State Infrastructure Bank (SIB) Loan Program was enacted by the Colorado Legislature in 1998 and adopted by the Colorado Department of Transportation in 1999. The SIB revolving fund is split into four accounts: highway, transit, aviation, and rail. Of the four SIB programs within CDOT, the Aeronautics program is the largest, and it continues to grow as loan interest payments are deposited back into the fund.
- The SIB currently has capitalized accounts for aeronautics projects and for highway projects. As of the end of the first quarter of this year the SIB had \$42.2 million in total assets divided into the two accounts detailed below:
  - The Aeronautics SIB account had total assets of \$35.3 million with \$26.7 million in outstanding loan balances and \$8.6 million available to loan.
  - The Highway SIB account had \$6.9 million in total assets with \$2.1 million in outstanding loans and \$4.8 million available to loan.
- Please see the written responses for more information.





# State Highway Fund Interest

**[Sen. Kirkmeyer] - Within the State Highway Fund and the Highway Users Tax Fund, where does the interest generated go to? Elaborate in detail.**

- The interest earned in the State Highway Fund (SHF) stays within the fund and is fully allocated to maintenance programs. The SHF is one of the only sources of flexible funding the Department has available to fund basic maintenance, operations and administration - costs which are not eligible for federal funding.
- The Department forecasts interest earnings along with various other sources of miscellaneous revenue and includes those funds as part of the SHF revenue forecast. The interest within the FY 2024-25 annual forecast is fully allocated to Maintenance and Operations.
- The Department currently struggles to adequately fund basic maintenance and operations activities at current HUTF funding levels, with the rate of growth in labor and operating costs significantly outpacing the Department's ability to increase this portion of the budget. Any interest funds used to fund the Digital Trunked Radio System would reduce the amount of funding available for roadway maintenance. This will directly impact the Department's MLOS (Maintenance Levels of Service) budget, requiring cuts to basic activities such as snow and ice removal and pothole repair.



# Marijuana Tax Cash Fund

**[Rep. Sirota] - CDOT receives \$950,000 from the MTCF for impaired driving education and outreach. Given the revenue challenges from the MTCF, does CDOT have another funding source that could be used to cover those costs?**

- The State Highway Fund (SHF) is currently the only other funding source that CDOT could use to fund the Marijuana Impaired Driving Program.
- Using the SHF to backfill statutorily required programs was done previously with HB 23-1102 *Alcohol And Drug Impaired Driving Enforcement*, which the legislature passed to address decreasing revenues for the First Time Drunk Driver (FTDD) program. HB 23-1102 requires the Transportation Commission to allocate \$1.5M from the State Highway Fund to the Office of Transportation Safety to distribute funds to local governments that implement high visibility enforcement.
- The SHF is one of the only sources of flexible funding the Department has available to fund basic maintenance, operations and administration - costs which are not eligible for federal funding. Any funds used to replace MTCF funds would reduce the amount of funding available for roadway maintenance. This will directly impact the Department's MLOS (Maintenance Levels of Service) budget, requiring cuts to basic activities such as snow and ice removal and pothole repair.





# Cash Fund Decision Items





## R-01 - Multimodal Options Fund Spending Authority

The Multimodal Transportation and Mitigation Options Fund (MMOF) original appropriations have recently lapsed and the program no longer has access to the full fund balance.

- The Department is requesting an increase in spending authority to align with the forecasted fund balance of the MMOF. The Department also requests one additional year of roll forward authority of SB 21-260 ARPA appropriations, which are set to lapse following FY 2024-25.
- Additionally, the Department requests legislation to continuously appropriate the MMOF to the Department. This would address current challenges with administering the budget and prevent spending authority gaps in the future. It would also allow the MMOF program to access its full fund balance, which will allow the Department to distribute more funding to local multimodal projects, which is needed to meet rising program demand.

Forecasted Fund Balance vs Forecasted Spending Authority

	Amount
FY 2025-26 Incremental Request	
Forecasted FY 2024-25 Year Ending Fund Balance	\$132,927,753
Forecasted Available FY 2025-26 Spending Authority	\$82,515,513
<b>FY 2025-26 Incremental Request</b>	<b>\$50,412,240</b>



# Decision Item R-01: JBC Information Request SB 21-260 Roll-Forward Funds

## [Sen. Kirkmeyer] - Why should the state continue to roll-forward funds from SB 21-260?

- The Department is requesting roll forward authority for the funds in the MMOF to complete projects that have been awarded and are in progress.
- Pursuant to statute, the MMOF utilizes 15% of its funds for Statewide projects and suballocates the remaining 85% to Transportation Planning Regions and Metropolitan Planning Organizations, which then select projects. The projects funded by the ARPA and GF Refinance dollars are expected to continue into FY 2025-26 and complete prior to the December 2026 period of performance end date of the American Recovery Plan Act.
- While the majority of ARPA funding within the MMOF was refinanced in HB 24-1466, the original appropriations clause applies to FY 2021-22, with three years of roll forward authority approved by a prior decision item. Therefore, the remaining ARPA funds encumbered to projects and the refinanced funding will have their funding lapse at the end of FY 2024-25.
- If the Department loses access to unspent spending authority that rolled forward from prior year appropriations, the Department is required to reduce the budget associated with previously awarded projects that are reflected in the STIP. This is problematic for projects that were previously awarded because local partners rely on the STIP for planning and for providing public accountability.





# Decision Item R-01: JBC Information Request Roll-Forward and ARPA Funds

**[Sen. Kirkmeyer] - Please provide detail on the funds, particularly on the portion of the roll-forward amount that originates as the refinanced ARPA funds.**

- CDOT was allocated \$161,340,000 in ARPA funding to the Multimodal Transportation and Mitigation Options Fund. \$96,160,000 was refinanced for General Fund and \$65,180,000 remained ARPA funding.

Source	Total Allocated	% Obligated	Total Obligated	Total Encumbered	Total Expended	% Encumbered	% Expended	Roll Forward
<b>ARPA</b>	<b>\$65.2 M</b>	<b>100.0%</b>	<b>\$65.2 M</b>	<b>\$23.2 M</b>	<b>\$42.0 M</b>	<b>35.6%</b>	<b>64.4%</b>	<b>\$23.2 M</b>
<i>Statewide</i>	\$18.8 M	100.0%	\$18.8 M	\$0.0 M	\$18.7 M	0.2%	99.8%	\$0.0 M
<i>Local</i>	\$31.9 M	100.0%	\$31.9 M	\$12.1 M	\$19.8 M	38.0%	62.0%	\$12.1 M
<i>Passenger Rail</i>	\$14.5 M	100.0%	\$14.5 M	\$11.0 M	\$3.5 M	76.0%	24.0%	\$11.0 M
<b>General Fund Refinance</b>	<b>\$96.2 M</b>	<b>94.3%</b>	<b>\$90.7 M</b>	<b>\$89.4 M</b>	<b>\$1.3 M</b>	<b>92.9%</b>	<b>1.4%</b>	<b>\$94.8 M</b>
<i>Statewide</i>	\$17.3 M	100.0%	\$17.3 M	\$17.3 M	\$0.0 M	99.8%	0.2%	\$17.3 M
<i>Local</i>	\$78.8 M	93.1%	\$73.3 M	\$72.1 M	\$1.3 M	91.4%	1.6%	\$77.5 M
<b>Total</b>	<b>\$161.3 M</b>	<b>96.6%</b>	<b>\$155.9 M</b>	<b>\$112.6 M</b>	<b>\$43.3 M</b>	<b>69.8%</b>	<b>26.9%</b>	<b>\$118.0 M</b>
<i>Statewide</i>	\$36.1 M	100.0%	\$36.1 M	\$17.3 M	\$18.8 M	48.0%	52.0%	\$17.3 M
<i>Local</i>	\$110.7 M	95.1%	\$105.3 M	\$84.2 M	\$21.1 M	76.0%	19.0%	\$89.7 M
<i>Passenger Rail</i>	\$14.5 M	100.0%	\$14.5 M	\$11.0 M	\$3.5 M	76.0%	24.0%	\$11.0 M



# Decision Item R-01: JBC Information Request ARPA Spending and Roll-Forward

**[Sen. Kirkmeyer] - Specifically, how much is the Department asking to roll-forward amounts that originated as ARPA funds in S.B. 21-260? How much has the Department spent to date?**

- Currently, of the \$161,340,000 that originated as ARPA funds in SB 21-260, \$118,062,001 has not yet been spent and would therefore be part of the roll forward request, as of December 2024.
- Of the \$118M currently unspent, \$89M is committed to local agency projects, \$17M is committed for Bustang operations, and \$11M is remaining to be spent by the Front Range Passenger Rail District. The Department anticipates significant spending will occur in the next 6 months, so the actual amount remaining to roll forward on June 30, 2025 will be significantly less.

Program	Appropriation	Expenditures	Roll-Forward
State*	\$36,121,000	\$18,778,301	\$17,342,699
Local	\$110,719,000	\$21,022,418	\$89,696,582
Front Range Passenger Rail	\$14,500,000	\$3,477,280	\$11,022,720
<b>Total</b>	<b>\$161,340,000</b>	<b>\$43,277,999</b>	<b>\$118,062,001</b>

\*The Department anticipates spending ARPA funds on Bustang operations through October 2025, at which time the \$17M will be fully spent. Of the remainder that is unspent, 90% is in local agency projects.



# Decision Item R-01: JBC Information Request ARPA Encumbrances

**[Sen. Kirkmeyer] - How much of the refinanced ARPA funds have been encumbered in contracts?**

- Currently 69.8% of the \$161.3 million allocated is currently committed in a grant agreement or an intergovernmental agreement. Combined with the 26.9% that has been spent, the funds are 96.6% obligated.

Source	Total Allocated	% Obligated	Total Obligated	Total Encumbered	Total Expended	% Encumbered	% Expended
ARPA	\$65.2 M	100.0%	\$65.2 M	\$23.2 M	\$42.0 M	35.6%	64.4%
General Fund Refinance	\$96.2 M	94.3%	\$90.7 M	\$89.4 M	\$1.3 M	92.9%	1.4%
<b>Total</b>	<b>\$161.3 M</b>	<b>96.6%</b>	<b>\$155.9 M</b>	<b>\$112.6 M</b>	<b>\$43.3 M</b>	<b>69.8%</b>	<b>26.9%</b>



## R-02 - Continuous Spending Authority for Clean Transit Enterprise Cash Fund

- This request is being submitted by CDOT on behalf of the Clean Transit Enterprise (CTE) Board. Similar to the MMOF request above, the CTE is requesting that the JBC sponsor legislation to continuously appropriate the Clean Transit Enterprise Cash Fund.
- The request aims to resolve ongoing problems with grant delivery due to the longer procurement timeline associated with the purchasing of transit vehicles.
- The request also standardizes the administration of CTE funding, as SB 24-230 added three new non-appropriated cash funds to the Clean Transit Enterprise.
- By approving the request, CTE will be able to be more responsive to transit agency funding needs that typically span multiple fiscal years and fund a greater number of grant awards to further support the electrification of transit in Colorado.
- CTE Cash Funds:
  - Clean Transit Enterprise Fund (Annually Appropriated)
  - Local Transit Operations Cash Fund (Continuously Appropriated)
  - Local Transit Grant Program Cash Fund (Continuously Appropriated)
  - Rail Funding Program Cash Fund (Continuously Appropriated)





# Budget Balancing Measures







## R-03 - Reduce S.B. 21-260 Transfers and Extend the Funding

As part of statewide efforts across agencies to balance the State’s budget, the Department requests a reduction in the General Fund transfer to the State Highway Fund by \$39.0 million in FY 2025-26 and by \$24.5 million in FY 2026-27. Additionally, the Department requests an increase in future year funding to ensure CDOT receives the total amount as enacted in SB 21-260 (see below).

- Under this proposal, \$10.0M of the FY 2025-26 General Fund transfer and \$25.0M of the FY 2026-27 General Fund transfer would be utilized for Bustang operations.
- The Department will attempt to maintain current project schedules despite the outward shift, however, this proposal could result in some projects being delayed.

### Current Transfers vs Proposed Transfers

Fiscal year	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Cumulative
Current Law	\$100.0	\$100.0	\$100.0	\$100.0	\$100.0	\$82.5	\$82.5	\$82.5	\$0.0	\$747.5
Proposal	\$100.0	\$61.0	\$75.5	\$100.0	\$100.0	\$100.0	\$100.0	\$100.0	\$11.0	\$747.5
Difference	\$0.0	-\$39.0	-\$24.5	\$0.0	\$0.0	\$17.5	\$17.5	\$17.5	\$11.0	\$0.0



# Decision Item R-03: JBC Information Request

**[Sen. Kirkmeyer] - Please provide detailed information on the impacts as a result of the budget reduction that CDOT has proposed.**

- The reductions to the General Fund transfer reduce the amount of total transfers from the General Fund from \$100.0 M to \$61.0M in FY 2025-26 and \$75.5 M in FY 2026-27, and increases the transfers by a like amount in FY 2029-30 through FY 2032-33. Additionally, \$10.0 M of the remaining transfer in FY 2025-26, and \$25.0M in FY 2026-27 is proposed to be utilized for Bustang while the Department works to identify a sustainable ongoing funding solution.
- The Department's 10-Year Plan is funded in part with these General Fund transfers. Given current project schedules, the Department anticipates this proposal will not impact projects funded in the current four year window of projects through FY 2025-26. It may impact the extent of projects programmed in the next four year window (FY 2026-27 - FY 2029-30) which will be prioritized in 2025 as part of the statewide planning process, and the subsequent four year window (FY 2030-31 - FY 2033-34).



## R-04 - Reduce Road Safety Surcharge and Distribution Update

As part of statewide efforts across agencies to help balance the State's budget, the Department proposes a reduction to the Road Safety Surcharge, resulting in a decrease in state revenue subject to TABOR.

- The surcharge would be reduced by \$11.10 to all weight based charges, resulting in a \$65.1 million reduction. This would decrease the state's total cash revenue subject to TABOR.
- Absent a backfill from other sources, this proposal would lead to a \$65.1 million reduction in capital construction programs, with direct impacts to FASTER safety programs and asset management.
- It is anticipated that prior to finalizing the FY 2025-26 Annual Budget Allocation Plan in the Spring, impacts to the FASTER Safety program will be offset by reallocating funds from other programs.
- To eliminate any impact to local governments from this request, this proposal would amend the current statutory formula distributions to ensure that revenue to counties and municipalities will not be impacted.

### Forecast Under Current Law vs Proposed Forecast

Forecast Calculation	FY 2025-26	FY 2026-27
Road Safety Surcharge Revenue Under Current Law	\$151.3 M	\$153.9 M
Road Safety Surcharge Revenue With Fee Reductions	\$86.2 M	\$87.8 M
<b>Change to Road Safety Surcharge</b>	<b>-\$65.1 M</b>	<b>-\$66.2 M</b>



# Decision Item R-04: JBC Information Request

**[Sen. Kirkmeyer] - If the Road Safety Surcharge is lowered to decrease FASTER revenue, what projects will not be funded? Will there be any projects that will be delayed or cancelled? Provide detailed examples.**

- This proposal will result in a \$65.1 million annual decrease in the CDOT capital construction program. Direct impacts would be to the FASTER Safety program and asset management programs. *It is anticipated that prior to finalizing the FY 2025-26 Annual Budget Allocation Plan in the Spring, impacts to the FASTER Safety program will be offset by reallocating funds from other programs.*
- This includes reallocating any residual flexible state or federal funds from the TC Program Reserve and/or reallocating funds from the 10-Year Plan. While this will not impact projects funded in the current four year window of projects through FY 2025-26, it may impact the extent of projects programmed in the next four year window (FY 2026-27 - FY 2029-30) which will be prioritized in 2025 as part of the statewide planning process, and the subsequent four year window (FY 2030-31 - FY 2033-34).





# Transportation 10-Year Plan Update







# Progress on the Current 10-Year Plan

Since the creation of the 10-Year plan, CDOT has been hard at work delivering and planning the projects that our neighbors helped identify and made possible by legislative funding initially provided in SB17-267.

Going into the fifth year of CDOT's current 10-year plan:

- **100%** of the projects in the first four years of the plan are complete or underway
- **Over 50%** of the full 10-year plan is now complete or in progress at the start of the 2024 Construction season
- The department completed **40** projects from its 10-Year Plan in 2024 and had **56** projects from the plan start this construction season.





# US 160-US 550 South Connection Project

Located in southwest Colorado near the City of Durango, connecting US 160 (east/west highway) with US 550 (north/south highway). The project enhances travel mobility and safety at the busy crossroads. Construction began in the fall of 2020, and is nearing completion at the end of November 2024 with a total project cost of \$100 million.



- Over one mile of new four-lane highway, realigned to the existing US 160 interchange
- Construction of two bridges, one 550-foot long, 150 feet-high and the other 250-foot-long, 50 feet-high
- Two-lane roundabout tying into the existing US 160 interchange bridge
- 3.5 miles of new US 550 four-lane highway
- Acceleration and deceleration lanes along the project corridor
- New accesses and frontage roads
- New access driveways—all with deer guards—into residences and businesses
- New 8-foot-tall wildlife fencing along the project corridor





# I-25 North Mobility Hub Network Build Out

As part of the 26-mile long operational and safety improvement projects on the I-25 corridor that were recently completed, three hubs were constructed at Firestone-Longmont (Colorado Highway 119), Berthoud (CO 56) and Loveland-Centerra (off new Kendall Parkway, north of US 34 interchange), completing the build out of the hub network in Region 4.

- CDOT has built three new community-based hubs that are conveniently located approximately every 10 miles along I-25 to support regional transit in Loveland, Berthoud, and Firestone-Longmont.
- Two hubs are built to their final configuration which includes a median-loaded layout, which is significantly safer and more operationally efficient.
- CDOT worked with adjacent developers that have contributed more than \$10M to the hubs and have planned to support and provide, in conjunction with local agencies, first and final miles connections.







# Commitment to Rural Roads - 2023

- **818 miles** of rural roads improved through CDOT contracted projects and maintenance activity
- **323 miles** repaved in Southeast CO
- **254 miles** repaved in Northwest CO
- **80 miles** repaved in Northeast CO
- **160 miles** repaved in Southwest CO

The Transportation Commission has indicated they are looking to extend the rural resurfacing program into future years.

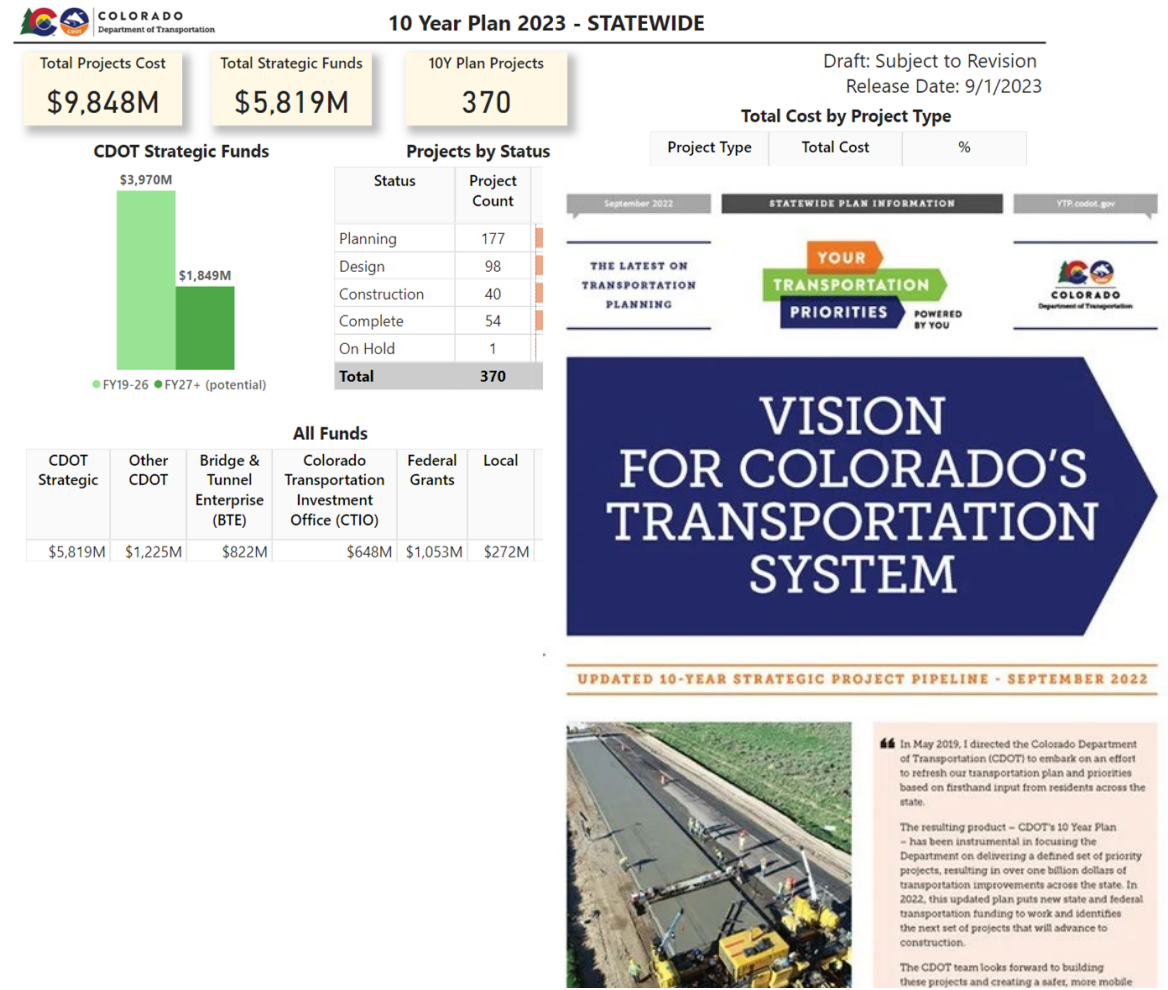




# Accountability & Transparency

CDOT continues to be transparent and accountable in the delivery of the 10-Year Plan. In addition to webpage on many major projects, the Department publishes:

- 10-Year Plan Accountability Dashboard - Updated Monthly
- Quarterly 10-Year Plan Report with project status updates
- Annual 10-Year Plan Report, included in the Department's Budget Submission
- Annual Department Accomplishments Report



10 Year Plan Information: <https://www.codot.gov/programs/yourtransportationpriorities/your-transportation-plan/10-year-vision>



# 10-Year Plan Development Timeline

- While summer and fall of 2024 will be focused on public outreach and engagement, 2025 will transition to plan development.
- Expected adoption of next 10-Year Plan in December 2025, to take effect starting in July 2026.

This is the transition from the public outreach process to plan development

Winter 2024-25	Spring 2025	Summer 2025	Fall 2025	Winter 2025-26
<p><b>2027+ Analysis</b></p> <p>Analysis of current 10-Year Plan projects</p> <p>GHG Baseline Determination</p> <p>Continued Public Outreach</p>	<p><b>Needs Determination</b></p> <p>Development of Regional TPR Plans</p> <p>Identification of new/revised needs based on statewide goals and priorities</p> <p>Scoping of identified needs into projects</p>	<p><b>Project Selection</b></p> <p>Analysis of projects to meet statewide goals.</p> <p>Selection of proposed projects to 10-Year Plan</p> <p>Cost Analysis of Projects</p>	<p><b>Prioritization and Funding</b></p> <p>Prioritizing selected 10-Year Projects for the four-year prioritized plan</p> <p>Determining funding sources</p> <p>Master Plan Document Development</p>	<p><b>Adoption</b></p> <p>Present Plan(s) to Transportation Commission</p> <p>Public Comment Period</p> <p>Finalize GHG Analysis and GHG Report for the Plan(s)</p> <p>**Adoption of 10-Year Plan/GHG Report/4 Year Prioritized Plan at December TC Meeting**</p>





# Planning Cycle Goals

## Guiding Principles for Plan Development & Implementation



### Advancing Transportation Safety

No matter your journey or travel method, Colorado is committed to providing you a safe and efficient transportation network so you arrive at your destination safely through a collaborative and shared vision for transportation safety in Colorado.



### Fix our Roads

Prioritize strategic investments in Colorado's highways to improve infrastructure conditions through the state.



### Sustainably Increase Transportation Choice

Provide alternatives to single occupancy vehicle travel that increase mode choice and reduce air pollution from transportation for all members of the traveling public.





# Public Engagement



**There are a number of avenues for the public to contribute ideas to the process:**

- Local governments
- Interest groups and advocates
- Statewide Transportation Advisory Committee
- Transportation Commission
- Comment forms on CDOT's website
- Virtual town halls and public meetings
- Public Survey regarding transportation needs
- CDOT social media, or direct to CDOT staff members.



# Transition Between Plans

## Current 10-Year Plan

FY 2019-2027

2019-2022

4-Year Prioritized Plan #1

2023-2026

4-Year Prioritized Plan #2

2027+

The “Out”  
Years

- Developed in 2019
- Revised in 2022 (GHG Planning Standard)
- Projects selected as part of 2045 Statewide Plan Process

- Development Slated for 2025
- Adoption in Dec. 2025
- Replaces “Out” Years with new four-year prioritized plan

Refresh Cycle to “New” Plan:  
Evaluate “out” years projects  
New Projects  
Revised funding scenarios  
Updated project pipeline

## “New” 10-Year Plan

FY 2027-2036

2027-2030

4-Year Prioritized Plan #1

2031-2034

4-Year Prioritized Plan #2

2035+

The “Out”  
Years

- SB24-184 requires CTIO to develop a new multimodal strategic capital plan that aligns with department’s 10-Year Plan, incorporating the new funding from rental car fees.



# Notable Transportation Legislative Items





# Creation of the CDOT R.O.A.D. Enterprise and Expansion of Bridge and Tunnel Enterprise

- **Continued and reliable road maintenance is essential to keeping Colorado safe, connected, and resilient.**
  - Increasing costs, aging assets, increased demands on the system, and expanding funding obligations of the Highway Users Tax Fund (HUTF), the primary state source of highway maintenance funding, pose continued challenges to the adequate maintenance of the state highway system.
- **The state must address these challenges and ensure critical maintenance and asset management functions are adequately funded through a dedicated revenue source.**
- **The Polis Administration is pursuing a 2025 legislative concept that draws upon proven methods for delivering transportation projects.**
  - A lesson learned in the past decades is that CDOT's narrowly dedicated enterprises have been extremely effective, both in targeting dollars to a specific and accountable purpose and in protecting those dollars against some of the swings of the budget cycle and special interests.
  - Establishing a dedicated enterprise that cannot be redirected to any other purpose, the state will solidify and strengthen our commitment to rural and urban road repair and maintenance as a foremost priority, complementing the highly effective bridge and tunnel enterprise that has dramatically reduced the state's inventory of poor bridges and improved national rankings





# Creation of the CDOT R.O.A.D. Enterprise and Expansion of Bridge and Tunnel Enterprise Continued

This proposal contains two key elements:

- **Expansion of the Bridge and Tunnel Enterprise (BTE)**
  - This enterprise has proven its efficacy and should be expanded as the state's primary delivery method for bridge and tunnel repair. This proposal would increase the Bridge Safety Surcharge, an existing Colorado fee levied at the point of registration. Utilize this revenue to fund additional critical bridge and tunnel repairs, replacement, and maintenance. An \$8 increase across weight categories would generate \$45m in yearly revenue.
- **Creation of ROAD (Road Operations, Asset Management, and Driveability) Enterprise**
  - Colorado's road conditions lag bridge conditions, in part because they lack the dedicated revenue source that exists for bridge and tunnel repair. In the past, limited dollars have often been prioritized toward new capacity expansion at the expense of basic maintenance.
  - This enterprise would be funded with a new Road Impact Fee, applicable to special fuels. The Road Impact Fee would be eligible to fund paving and surface treatment in urban and rural areas, guardrail and cable rail replacement, road safety striping and safety signage,, and other similar expenses. A \$.03 per gallon special fuels fee would generate \$20m a year in revenue. A commensurate registration fee on heavy duty zero emission vehicles would ensure that the fund remains solvent as use of special fuels transitions to clean energy, and that electric and hydrogen vehicles pay their fair share.



**COLORADO**

Department of Transportation

Q&A

Thank You! For follow-up questions or comments, please contact:

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