

# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



### **FY 2008-09 STAFF BUDGET BRIEFING DEPARTMENT OF TRANSPORTATION**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

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**November 29, 2007**

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**FY 2008-09 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

**DEPARTMENT OF TRANSPORTATION**

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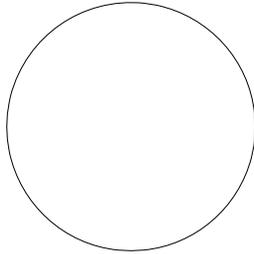
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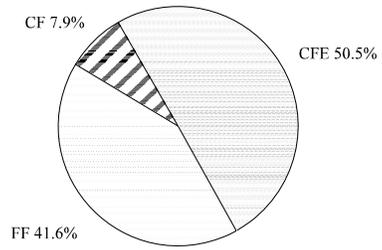
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# DEPARTMENT OF TRANSPORTATION GRAPHIC OVERVIEW

**Share of State General Fund  
FY 2007-2008**

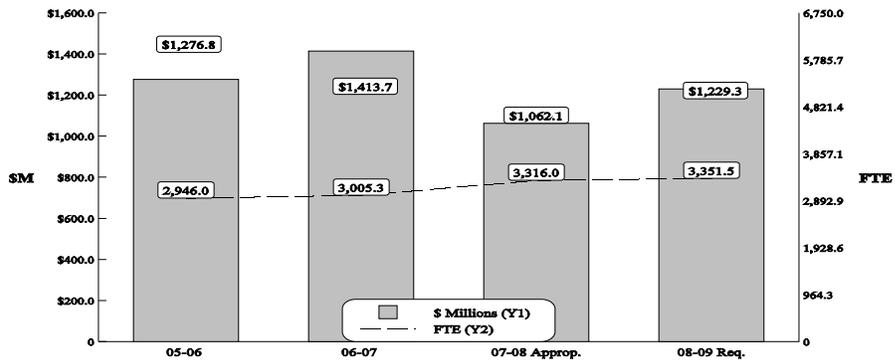


**Funding Source Split  
FY 2007-2008**



No General Fund

## Budget History



**DEPARTMENT OF TRANSPORTATION  
OVERVIEW**

**Key Responsibilities**

- Operates the 9,156 mile state highway system, which includes 3,775 bridges and handles over 28 billion miles of vehicle travel.
- Manages over 150 highway construction projects statewide.
- Maintains the state highway system, including repairing road damage, filling potholes, plowing snow, and applying sand to icy roads.
- Assists in development of a statewide, multi-modal transportation system by providing assistance to local transit systems in the state.
- Develops and implements the State's Highway Safety Plan, including efforts to combat drunk driving, encourage seatbelt use, enforce speed limits, and reduce traffic fatalities.
- Maintains the statewide aviation system plan, provides technical support to local airports regarding aviation safety, and administers both entitlement reimbursement of aviation fuel tax revenues as well as discretionary grants to local airports.

**Factors Driving the Budget**

**General Fund Expenditures for Highway Construction Projects**

In 1995, the Transportation Commission approved a 20-Year Transportation Plan which estimated that projected revenues over the next 20 years would be \$8 billion short of the amount required to complete priority state transportation projects. In 1996, the Strategic Corridor Projects plan identified 28 high priority projects of statewide significance needing to be expedited, called the "7th Pot" projects. In response to those transportation plans, the General Assembly started providing General Fund moneys to the Department of Transportation from Capital Construction Fund appropriations, S.B. 97-1 sales and use tax revenues diversions (specifically for the "7th Pot" projects), and Limited Gaming Fund moneys to assist in completion of priority transportation projects. Again in 2000, a new 20-Year Transportation Plan indicated a \$1.9 billion shortfall in funding for state transportation needs. The General Assembly later passed H.B 02-1310/S.B. 02-179 which directs two-thirds of any General Fund excess reserve to the Department of Transportation.

The most recent Department long-term planning document, the draft 2035 Statewide Transportation Plan released in October 2007, projects that revenues available for state highways (\$28 billion) and other modes and local roads (\$48 billion) will total \$76 billion through 2035. The Department estimates that it will take a minimum of \$139 billion in revenues (state highway \$64 billion and other modes and local roads \$75 billion) through 2035 just to sustain existing levels of service.

During the recent economic downturn General Fund sources had mostly disappeared, with the exception of some annual appropriations from the Limited Gaming Fund and current and projected General Fund excess reserve transfers. After the passage of Referendum C, General Fund revenues have become available to the Department once again. However, as the tables below show, this additional revenue will not be sufficient to cover the revenue gap projections in the draft 2035 Statewide Transportation Plan.

**Transportation Funding (GF Diversions)  
Historical Data  
(in millions)**

	00	01	02	03	04	05	06	07	Totals
<b>Capital</b>	\$1.5	\$51.1	\$0.0	\$0.0	\$0.0	\$0.0	\$10.0	\$15.0	\$77.6
<b>S.B. 97-1</b>	186.8	197.2	35.2	0.0	0.0	0.0	220.4	230.6	870.2
<b>Gaming</b>	2.3	5.1	5.0	1.0	0.0	0.0	0.0	5.3	18.7
<b>H.B. 02-1310</b>	n/a	n/a	n/a	0.0	5.6	81.2	65.3	291.2	443.3
<b>Totals</b>	\$190.6	\$253.4	\$40.2	\$1.0	\$5.6	\$81.2	\$295.7	\$540.5	\$1,409.8

**Transportation Funding (GF Diversions)  
Four Year Projection\*  
(in millions)**

	08	09	10	11	Totals
<b>Capital**</b>	\$20.0	\$20.0	\$20.0	\$20.0	\$80.0
<b>S.B. 97-1</b>	240.8	251.9	264.3	278.3	1,035.3
<b>Gaming***</b>	14.3	10.1	0.0	0.0	24.4
<b>H.B. 02-1310</b>	179.5	41.9	17.0	31.3	269.7
<b>Totals</b>	\$454.6	\$323.9	\$301.3	\$329.6	\$1,409.4

\* Taken from JBC staff November 6, 2007 document "Overview of FY 2008-09 Budget Request," General Fund Overview section. Based on Legislative Council September 2007 Revenue Estimate. The estimate includes bills passed during the 2007 Session.

\*\* S.B. 07-240 transferred \$20 million from the General Fund Exempt Account to the Capital Construction Fund in FY 2007-08. The numbers for FY 2008-09, 2009-10, and 2010-11 are only estimates and may change.

\*\*\* Pursuant to Section 12-47.1-701 (c) (I), C.R.S., the General Assembly shall determine and appropriate an amount as a separate line item to be transferred to the State Highway Fund for Gaming Impacts. Staff has included the amount appropriated for FY 07-08 and the Department's request for FY 08-09 but has not included an amount for each year after FY 2008-09 because the General Assembly makes a determination on a year-by-year basis.

**Transportation Revenue Anticipation Notes (TRANS)**

In 1999, the General Assembly enacted H.B. 99-1325, which was submitted to and approved by the voters (as Referendum A) that year. The referendum authorized the Department to borrow up to \$1.7 billion by selling TRANS bonds in order to accelerate construction on the "7<sup>th</sup> Pot" projects. The bill and referendum (Section 43-4-700, C.R.S.) effectively allowed the state to borrow against future federal and state funding as a "multiple-fiscal year obligation" approved by the voters under TABOR. As a result, the proceeds from TRANS are exempt from TABOR limitations, and the TRANS debt service payments are exempt from TABOR spending limits.

H.B. 99-1325 set other limits on the TRANS program beyond the \$1.7 billion maximum principal issuance amount and the requirement to use the proceeds on the "7th Pot" projects:

- the maximum repayment amount was set at \$2.3 billion (Federal legislation permits the use of federal funds to pay debt service on bonds used for transportation projects eligible for federal funding. Colorado and the Federal Highway Administration have agreed to a minimum 50 percent state match on the TRANS debt service payments);
- the highest debt service payment for a given year cannot exceed 50 percent of the previous year's federal funding received by the state; and
- the repayment of the bonds may be from federal funds, state-matching funds, bond proceeds, or interest earnings.

As of June 2005, CDOT had reached the \$2.3 billion total current repayment limit (per H.B. 99-1325), making approximately \$1.5 billion available for projects. All TRANS funds have been budgeted and are under contract.

Section 43-4-713, C.R.S., requires the Department to submit a TRANS report to the Joint Budget Committee each year by January 15. Below are two tables summarizing the 2007 report. The first summarizes the total debt service by fiscal year and the second lists the TRANS projects' funding and status.

<b>Fiscal Year</b>	<b>TRANS Debt Service</b>
2000-01	33,791,818
2001-02	66,812,891
2002-03	71,140,530
2003-04	65,207,424
2004-05	84,787,100
2005-06	167,990,652
2006-07	167,981,531
2007-08 through 2016-17	1,642,285,748
<b>Total</b>	<b>2,299,997,694</b>

<b>Corridor</b>	<b>Description</b>	<b>TRANS Proceeds</b>	<b>Status</b>
01	I-25, US50 to SH47 Interchange	\$ 15,349,890	Complete
02	I-25 S Academy to Briargate	99,589,926	Complete
03	I-25/US36/SH270	62,354,795	Ongoing
04	I-225 & Parker	51,468,482	Complete
05	I-76 / 120th Ave	20,494,593	Complete
06	I-70 /I-25 Mousetrap Renovation	33,344,451	Complete
07	I-25 Owl Canyon Rd to Wyoming	0	Complete
08	I-70 East Tower Road to Kansas	52,102,632	Complete
09	North I-25 / SH7 - SH66	43,321,536	Complete
10	US50 Grand Jct to Delta	40,219,997	Complete
11	US285 Goddard Ranch Court to Foxton Rd	26,397,379	Complete
12	South US287 Campo to Hugo	41,310,748	Ongoing
13	US160 Wolf Creek Pass	47,436,186	Complete
14	US40 Winter Park to Berthoud Pass	26,659,652	Complete
15	US550 New Mexico State Line to Durango	18,780,177	Ongoing
16	US160 Jct SH3 to Florida River	25,762,559	Ongoing
17	C-470 Extension	181,482	Complete
18	US34 & I-25 to US85	0	Complete
19	US287 Broomfield to Loveland	38,060,099	Complete
20	Powers Blvd, Colorado Springs	51,346,759	Ongoing
21	SH82 Basalt to Aspen	123,369,998	Complete
22	Sante Fe Corridor	0	Complete
23	Southeast Corridor I-25, Broadway to Lincoln TREX	476,929,423	Complete
24	East Corridor MIS	0	Ongoing
25	West Corridor MIS	4,418,921	Ongoing
26	I-70 West EIS	52,112,438	Ongoing
27	I-25 South Corridor Denver to Colorado Springs	91,206,596	Ongoing
28	I-25 North Corridor Denver to Fort Collins	45,346,282	Ongoing
<b>Total Issuance</b>		<b>\$ 1,487,565,001</b>	

## Summary of Major Legislation

- ✓ **S.B. 07-6 (Takis/Kerr J.): Concerning Authorization for the Abolition of a Redundant, Nonsignalized, and Unattended At-grade Railroad Crossing Without a Hearing Before the Public Utilities Commission.** Allows affected railroads, the Public Utilities Commission (PUC), the Colorado Department of Transportation, or local governments supervising or maintaining roads at any at-grade railroad crossing to eliminate the crossing without the required hearing before the PUC if the following conditions are met:
  - the crossing is not the only crossing providing access to property;
  - the crossing is without gates, signals, alarms, warning personnel, or a separated grade crossing is located within one-quarter mile of a crossing that has these features;
  - conspicuous notice is posted at the crossing and is provided to interested parties no less than 60 days prior to eliminating the crossing; and
  - no notice nor objection is filed regarding the crossing's elimination.
  
- ✓ **S.B. 07-42 (Kopp/Hodge): Concerning the Enrollment of a Member of the Armed Forces in the Motorcycle Operators Safety Training Program.** Allows members of the armed forces who are permanently stationed in Colorado, and who hold a valid driver's license from another state, to enroll in a Motorcycle Operators Safety Training (MOST) course for the same charge as a Colorado resident.
  
- ✓ **S.B. 07-77 (Takis, Marostica): Concerning a Requirement of Behind-the-Wheel Training for Driver Licensing.** Requires minors to pass driver education approved by the Department of Revenue before applying for an instruction permit.
  
- ✓ **S.B. 07-88 (Veiga/Rice): Concerning the Management of Parking at a Regional Transportation District Parking Facility.** Expands the authority of the Regional Transportation District (RTD) to manage parking at an RTD parking facility. Specifically, it expands RTD's authority to charge a parking fee that is payable in advance at a district parking facility, reduces the time RTD has to post signs that warn of future parking fees, and expands the information to be included on these signs.
  
- ✓ **S.B. 07-95 (May/Borodkin): Concerning the Limitation on the Number of Full-Time Equivalent Employees that the Department of Transportation May Employ, and, in Connection Therewith, Repealing that Limitation.** Repeals the Colorado Department of Transportation's statutory FTE cap of 3,316. The bill took effect August 8, 2007.
  
- ✓ **S.B. 07-251 (Hagedorn/Pommer): Concerning the Provision of Vehicular Service of the Regional Transportation District by Private Businesses.** Repeals current law requiring the RTD to contract with private companies for a minimum of 50 percent of its vehicle service. Allows the RTD to contract up to 58 percent of its service without setting a minimum level of contracted services. The bill also repeals current law

limiting the term of any collective bargaining agreement related to privatizing the RTD service and prohibits an arbitrator from having the power to establish a level of vehicle service to be provided by private companies.

- ✓ **H.B. 07-1117 (Primavera/Gordon): Concerning the Requirement that a Protective Helmet be Worn by a Person Under Eighteen Years of Age During the Operation of Certain Vehicles.** Prohibits a person under 18 years of age from operating or being a passenger on a motorcycle or motorized bicycle unless he or she wears an approved helmet that is properly secured with a chin strap. Creates a new class A traffic violation punishable by a \$100 fine, a \$15 surcharge, and 3 points against one's driver's license if convicted.
- ✓ **H.B. 07-1205 (Casso/Renfroe): Concerning the Laden Status of a Truck Trailer that is Not Carrying Cargo.** Clarifies the statutory definition of "truck tractor-laden" and "laden truck tractor." Under current law, the terms are defined as any motor vehicle carrying cargo or designed to carry cargo over the public highways. Adds a qualification that the vehicle has to be drawing a semitrailer or trailer and its cargo load over the public highways in order to be considered laden.
- ✓ **H.B. 07-1229 (Gibbs/Fitz-Gerald): Concerning an enhancement of the Penalties for the Operators of Commercial Vehicles Who Fail to Comply with Inclement Weather Restrictions.** Makes violating a snow and mud restriction when operating a commercial vehicle and causing a lane closure a class B traffic infraction. Enhances the penalties for failing to comply with snow and mud restrictions. Exempts a two operator who is towing a vehicle or traveling to a site to tow a vehicle. Requires the Colorado Department of Transportation (CDOT) to identify an appropriate location for commercial vehicles to apply chains. Requires CDOT to authorize vendor vehicles that sell or apply tire chains along the roadway as vehicles rendering essential public service. Allows CDOT to contract with businesses providing roadside assistance to comply with snow and mud restrictions.
- ✓ **H.B. 07-1295 (Weissman/Takis): Concerning the Identification of All Land Area Within the Regional Transportation District, and, in Connection Therewith, Requiring the Regional Transportation District to Map the District and Further Identify the District by Written Description.** Specifies the geographic area that is to comprise the Regional Transportation District (RTD). Requires the district to consist of all land within the district on July 1, 2007. Also, requires RTD to create a map and a district description to be maintained in RTD's office for public inspection. The map and description are to be filed with the Colorado Secretary of State, Department of Local Affairs, Department of Revenue, House and Senate Transportation Committees, and the county clerk and recorder of the counties in which the district exists.
- ✓ **H.B. 06-1003 (Pommer/Williams): Concerning Private Toll Roads and Toll Highways and Specifying Requirements That Must Be Met Before a Corporation**

**Can Construct a Private Toll Road or Toll Highway.** Sets out various restrictions, requirements, and authorizations for a corporation forming a toll road company. It states that a corporation constructing a private toll road does not have the power to use eminent domain to acquire right-of-way for the toll road or highway. The bill allows a corporation to enter into a public-private initiative with the Colorado Department of Transportation (CDOT) to enable the construction of a toll road.

- ✓ **H.B. 06-1033 (Coleman/Takis): Concerning Modification to the Timing of Surplus General Fund Allocations to the HUTF and the Capital Construction Fund.** Changes the timing of the distribution of the General Fund surplus. Under current law, any revenue that is above the state's 4 percent reserve requirement, also known as the General Fund surplus, is allocated to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund (CCF) at the end of the state's fiscal year. Under this bill, on September 20, the State Controller will allocate 90 percent of the General Fund surplus estimated at that time to the HUTF and the CCF. When the Comprehensive Annual Financial Report is complete, the State Controller will allocate the remainder.
- ✓ **H.B. 06-1244 (Hall/Owen): Concerning a Grant of Authority to the Transportation Commission to Allocate Moneys from the Aviation Fund for the Administrative Costs of the Aeronautics Division in the Department of Transportation.** Eliminates the requirement that the General Assembly appropriate revenue from the Aviation Fund for administrative costs of the Division of Aeronautics in the Colorado Department of Transportation. Instead, requires the Colorado Transportation Commission to budget and allocate fund revenues for the Division's administrative costs. The bill also requires the Colorado Aeronautical Board to recommend to the Commission the amount to be allocated.
- ✓ **H.B. 06-1257 (Green/Keller): Concerning Noise Mitigation Measures Along State Highways.** Allows citizens living next to state highways to apply to the Colorado Department of Transportation for the construction of specified noise mitigation barriers along the highway if a local government in the area has adopted an ordinance to mitigate noise in future residential or other noise-sensitive developments along a highway and 75 percent of the households in the area closest to a highway sign a petition supporting noise mitigation. If a local government in an eligible area has not agreed to provide at least 50 percent of the noise mitigation funding, a homeowner may apply *only* if the area was residential before the highway was constructed or widened.
- ✓ **H.B. 06-1398 (Plant/Owen): Concerning Clarification of the Manner in Which the Transfer of Net Revenue of the State Sales and Use Tax to Specified Funds as Currently Authorized by Law is to be Administered.** Clarifies procedures used to divert General Fund revenues to the Highway Users Tax Fund (HUTF), often referred to as the "Senate Bill 97-1 transfer". Creates the Sales and Use Tax Holding Fund ("Holding Fund") and requires 10.355 percent of net sales and use tax revenues that are currently credited directly to the HUTF to be credited to the Holding Fund. Beginning

in FY 2006-07, requires the State Treasurer to make the following periodic transfers of funds from the Holding Fund to the HUTF:

- *October 15* (this transfer is to occur in FY 2006-07 only): if the September Legislative Council Staff (LCS) revenue estimate indicates that General Fund revenues for that fiscal year will be sufficient to maintain the four percent statutory reserve, transfer 25 percent of the estimated HUTF diversion for that entire fiscal year;
  - *February 1*: if the December LCS revenue estimate indicates that General Fund revenues for that fiscal year will be sufficient to maintain the four percent statutory reserve, transfer an additional amount so that the cumulative amount transferred equals 50 percent of the estimated HUTF diversion for that entire fiscal year;
  - *April 15*: if the March LCS revenue estimate indicates that General Fund revenues for that fiscal year will be sufficient to maintain the four percent statutory reserve, transfer an additional amount so that the cumulative amount transferred equals 75 percent of the estimated HUTF diversion for that entire fiscal year;
  - *September 20*: transfer an additional amount so that the cumulative amount transferred for the previous fiscal year equals 90 percent of the amounts accrued by the State Controller to the HUTF on June 30; and
  - *Close of the fiscal year* (the date on which the State Controller distributes the Comprehensive Annual Financial Report of the State for the previous fiscal year): transfer an additional amount so that the cumulative amount transferred for the previous fiscal year equals 100 percent of the amounts accrued by the State Controller on June 30 of the previous fiscal year.
- ✓ **H.B. 05-1122 (Coleman/Groff): Concerning Alcoholic Beverages in Motor Vehicles.** Makes it a class A traffic infraction for a person knowingly to drink an alcoholic beverage or possess an open alcoholic beverage container in the passenger area of a motor vehicle while the vehicle is on a public highway or the right-of-way of a public highway. The bill conforms the state to the provisions of the Federal Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), which requires that states adopt an open container law or risk having federal highway construction funds redirected to safety education programs. This allows federal highway construction funds, which had been redirected by the federal government to safety programs, to be distributed for highway construction once again.
- ✓ **H.B. 05-1148 (Madden/Mitchell): Concerning the Statewide Tolling Enterprise.** Establishes a separate account within the Statewide Tolling Enterprise special revenue fund for toll revenues from each toll highway corridor. Requires toll revenues to be used within the toll highway corridor in which they were collected except that some of the revenues may be used for the enterprise's general operating costs and expenses. Specifies the board of the enterprise must develop a plan for the construction of a toll highway, and each toll highway plan in a system must be separately approved by each metropolitan planning organization or regional planning commission that is located in whole or in part within the toll highway system.

- ✓ **H.B. 04-1021 (Briggs/McElhany): Concerning the Consumption of Alcohol - DUI - Reduced BAC.** Lowers the blood alcohol content (BAC) level for driving under the influence (DUI) to the federally mandated .08 grams per 100 ml from the .10 BAC level. This allows the Department to receive withheld federal funds for FY 2003-04 and future federal funds through FY 2006-07 that would have been withheld.
- ✓ **H.B. 04-1456 (Berry/McElhany): Sale and Lease Back of Non-right-of-way Property - Renovation Fund.** Authorizes and establishes requirements for the Department of Transportation to sell and lease back non-rights-of-way property. Creates the Department of Transportation Renovation Fund in which proceeds of the sales (expected to be \$9.0 million) will be deposited, and continually appropriates moneys from the fund for renovations to the Department headquarter complex.
- ✓ **S.B. 03-049 (Sandoval/Hall): Modification of Method for Appropriation of Aviation Fund Moneys by the General Assembly.** Changes the Aviation Fund moneys appropriation requirement of being annually appropriated to now being continuously appropriated to the division for the purposes authorized by law. This allows the required formula refunds to local airports occurring near the end of the fiscal year to be disbursed without the delay of needing annual appropriation authority from the General Assembly.
- ✓ **H.B. 02-1310 (King/Fitz-Gerald)/S.B. 02-179 (Matsunaka/Viega): Modifications to State Transportation Funding.** Each bill contains identical language on a number of provisions concerning transportation funding, including: (1) allocating certain General Fund surplus revenues to the Highway Users Tax Fund; (2) allowing the Regional Transportation District to submit a ballot question to registered voters increasing the sales and use tax devoted for transit purposes by four-tenths of one percent; (3) authorizing the Transportation Commission to create and supervise a statewide tolling enterprise; and (4) directs that at least ten percent of any S.B. 97-1 diversion amount must be used for transit projects. Each bill appropriates \$5,843 cash funds exempt to the Department of Law to provide legal support to the tolling enterprise.
- ✓ **H.B. 00-1164 (Berry/Tanner): Transportation Safety Program Funding.** Transfers funding for certain programs from the authority of the General Assembly to the Transportation Commission. This includes most of the programs from the Office of Transportation Safety and the Transportation Services for the Handicapped and Elderly Program. As a result, these programs moved from the appropriated to the non-appropriated section of the Department of Transportation's budget.
- ✓ **S.B. 00-156 (Smith/Dennis): Aviation Fund Distribution.** Changes the formula for distributing sales and use taxes collected on aviation fuel. Sales and use taxes collected on aviation fuel are earmarked for either distribution to the airport where the tax was collected or credited to the aviation fund to be distributed by the Colorado Aeronautical Board as discretionary grants to public-accessible airports in the state.

Reduces the amount to be retained by airports and increases the amount to be used for discretionary grants. The amount retained by the airport of origin is reduced from 75 to 65 percent. The amount credited to the Aviation Fund for discretionary grants increases from 25 to 35 percent.

- ✓ **H.B. 99-1325 (George/Powers): Transportation Revenue Anticipation Notes.** Provides for the submission of a ballot question regarding the issuance of transportation revenue anticipation notes. The State would incur \$1.7 billion in debt, with a maximum repayment of \$2.3 billion for the purposes of funding priority transportation projects.
- ✓ **H.B. 98-1395 (Taylor/Rizzuto): Acquisition of Towner Railroad Line.** Appropriated \$10.4 million from the State Rail Bank Fund to the Department of Transportation to immediately acquire the Towner Railroad Line.
- ✓ **H.B. 98-1202 (May/Powers): Transportation Funding.** Appropriated \$100 million from the Capital Construction Fund to the Department of Transportation for use on priority highway construction projects. Extended the 10 percent General Fund revenue diversion enacted under S.B. 97-1 for an additional 6 years, through the end of FY 2007-08.
- ✓ **S.B. 97-37 (Mutzebaugh/Taylor): State Rail Bank Fund.** Provided \$1.0 million cash funds exempt to the Department of Transportation, from the Department of State Cash Fund, to assist in purchasing, maintaining, and disposing of abandoned railroad rights-of-way.
- ✓ **S.B. 97-1 (Powers/Tucker): Transportation Funding.** Diverts 10 percent of sales and use taxes from the General Fund to the State Highway Fund beginning in FY 1997-98 and ending in FY 2001-02. Directs that all funding provided under the bill be spent on specific priority projects and corridors. Provisions subsequently modified to adjust amount of diversion and eliminate sunset of the diversion. Currently, the diversion is 10.355 percent but is conditional annually on revenue thresholds enumerated in Section 39-26-123, C.R.S.

### Major Funding Changes FY 2006-07 to FY 2007-08\*

	Total	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>Administration (Appropriated)</b>	19,944	0	19,944	0	0.0
<b>Construction, Maintenance and Operations (Non Appropriated)</b>	34,825,664	9,681,948	(1,276,558)	26,420,274	0.0
<b>Statewide Tolling Enterprise (Non Appropriated)</b>	920,000	1,720,000	(800,000)	0	0.0
<b>Gaming Impacts (Appropriated)</b>	9,033,346	9,033,346	0	0	0.0
<b>Total</b>	<b>\$44,798,954</b>	<b>\$20,435,294</b>	<b>(\$2,056,614)</b>	<b>\$26,420,274</b>	<b>0.0</b>

\* This table displays funding changes as reflected in the FY 2007-08 Joint Budget Committee Appropriations Report.

#### Major Funding Changes FY2006-07 to FY 2007-08 Narrative:

- Reflects a \$26.4 million increase in the Department's estimated apportionment of federal funds from the Federal Highway Administration transportation program.
- Reflects a \$9.0 million increase in Gaming Impact funds for highway construction and maintenance on gaming related roads.
- Reflects a \$1.7 million increase in estimated tolling revenue.
- Reflects a \$13.1 million total reduction including: local government match funds, miscellaneous revenue, Law Enforcement Assistance Fund (LEAF) and Motorcycle Operator Safety Training (MOST) program fund.

**FY 2008-09 Joint Budget Committee Staff Budget Briefin  
Department of Transportation  
Decision Items**

Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF <i>Source</i>	CFE <i>Source</i>	FF	Total	FTE
1	<p><b>Gaming Impacts</b> Gaming Impacts: Provide additional funding for construction, rock fall mitigation and highway maintenance on State highways in vicinity of gaming communities. <i>[Sections 12-47.1-701(1) and (4)(c), and 43-1-220(1)(c)(I), C.R.S.]</i></p>	0		10,124,274  <i>State's 50% General Fund share of Limited Gaming Fund, Fund #401</i>	0	10,124,274	0.0
2	<p><b>Utilities</b> Provide additional funding to the Division of Human Resources and Administration Facilities Management group to cover increased utility costs at the Department's headquarters complex. <i>[Sections 43-1-113(2)(c)(III) and (6)(a), C.R.S.]</i></p>			225,000  <i>State Highway Fund, Transfer from Construction, Maintenance, and Operations</i>		225,000	0.0
3	<p><b>Print Shop Spending Authority</b> Provide additional internal cash fund spending authority for the Department's Center for Printing and Visual Communications (Print Shop). Amount requested reflects a 14.2% increase above the FY 2007-08 level for the Print Shop's operating budget spending authority. <i>[Sections 43-1-113(2)(c)(III) and (6)(a), C.R.S.]</i></p>			100,000  <i>Internal Cash Funds</i>		100,000	0.0

4	<p><b>Human Resources Personnel</b>  Provide funding for 2.0 human resources FTE to reduce the Department's backlog of unfilled vacancies and expedite the process of advertising and filling vacancies.  <i>[Sections 43-1-113(6)(a), C.R.S.]</i></p>			143,807		143,807	2.0
				<i>State Highway Fund, Transfer from Construction, Maintenance, and Operations</i>			
5	<p><b>Learning and Development Support</b>  Provide funding for 2.5 FTE in the CDOT Learning and Development Support group to improve the Department's training programs by standardizing programs across the department.  <i>[Sections 43-1-113(2)(c)(III) and (6)(a), C.R.S.]</i></p>			315,965		315,965	2.5
				<i>State Highway Fund, Transfer from Construction, Maintenance, and Operations</i>			
<b>Total Request</b>		<b>0</b>	<b>0</b>	<b>10,909,046</b>	<b>0</b>	<b>10,909,046</b>	<b>4.5</b>

**FY 2008-09 Budget Briefing  
Department of Transportation  
Overview of Numbers Pages**

**Requested Funding Changes FY 2007-08 to FY 2008-09\***

	Total	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>Administration (Appropriated)</b>	\$3,217,005	\$0	\$3,217,005	\$0	4.5
<b>Construction, Maintenance and Operations (Non Appropriated)</b>	240,716,883	6,375,052	230,225,812	4,116,019	31.0
<b>Statewide Tolling Enterprise (Non Appropriated)</b>	(2,560,000)	(1,720,000)	(840,000)	0	0.0
<b>Gaming Impacts (Appropriated)</b>	(4,165,483)	(14,292,757)	10,127,274	0	0.0
<b>Total</b>	<b>\$237,208,405</b>	<b>(\$9,637,705)</b>	<b>\$242,730,091</b>	<b>\$4,116,019</b>	<b>35.5</b>

\* This table compares funding changes between the FY 2007-08 Department of Transportation appropriated funds, as reflected in S.B. 07-239, and the Department's FY 2008-09 November 1, 2007, Proposed Budget Document submitted to the Joint Budget Committee. This table does not include the full impacts of S.B. 97-1 and H.B. 02-1310 for FY 2007-08 but does include anticipated revenues for FY 2008-09 as forecast by the Office of State Planning and Budgeting September 2007 revenue forecast and included in the Department Budget Document.

**FTE.** The Department is reflecting an increase of 35.5 FTE, 4.5 of which would be in the legislatively appropriated Administration portion of the budget. The remaining 31.0 FTE are within the Transportation Commission appropriated Construction, Maintenance, and Operations line item.

**Cash Funds.** The decrease is primarily due to the Department requesting Limited Gaming Funds as cash funds exempt rather than cash funds to better align with other agencies' treatment of Limited Gaming Funds. The decrease is partially offset by an anticipated increase in miscellaneous revenue, within the Transportation Commission appropriated funds.

**Cash Funds Exempt.** The increase is primarily due to an increase in anticipated S.B. 97-1 and H.B. 02-1310 revenues for the Construction, Maintenance, and Operations line as forecast by the Office of State Planning and Budgeting (relative to the totals shown in the FY 2007-08 Long Bill), with additional increases for Administration decision items and as a result of the Department requesting Limited Gaming funds as cash funds exempt rather than cash funds.

**Federal Funds.** The increase is due to the Department readjusting its estimate of anticipated Federal Highway Fund apportionments for FY 2008-09.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>DEPARTMENT OF TRANSPORTATION</b> <b>Russell George, Executive Director</b>					

**(1) DIVISION OF AERONAUTICS**

This Division works with local airports to improve state air transportation planning, operations and safety. H.B. 06-1244 transferred appropriation authority for the Division of Aeronautics administrative budget from the General Assembly to the Transportation Commission. Beginning with FY 2006-07, the Division's budget is included in the Construction, Maintenance and Operations Line Item Total.

					Request vs. Appropriation
<b>TOTAL</b>	<b>19,216,589</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>
<b>FTE</b>	<b><u>7.9</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>n/a</u></b>
Cash Funds	15,266,389	0	0	0	n/a
FTE	5.0	0.0	0.0	0.0	n/a
Cash Funds Exempt	3,681,549	0	0	0	n/a
FTE	0.0	0.0	0.0	0.0	n/a
Federal Funds	268,651	0	0	0	n/a
FTE	2.9	0.0	0.0	0.0	n/a

**(2) ADMINISTRATION**

This line item was created to include the personal services and operating expenses for offices and programs that are the administrative piece of the Transportation Commission's non-appropriated functions. The lines below are included for figure setting purposes. Because the Administration line is a program line, the Department has discretionary flexibility over all amounts within Administration. The Transportation Commission has appropriations authority over both the Administration line and the Construction, Maintenance, and Operations line, and the combined annual request for these lines reflects anticipated revenues to the State Highway Fund, Federal Highways Administration funds, and funds from local governments. The General Assembly sets an appropriated level for the Administration line as a total, and the balance of anticipated highway funds become the appropriation to the Construction, Maintenance, and Operations line.

<b>Transportation Commission</b>				
Personal Services	82,328	94,218	96,620	90,589
FTE	1.0	1.0	1.0	1.0
Operating Expenses	<u>99,602</u>	<u>84,281</u>	<u>117,602</u>	<u>117,602</u>
<b>Subtotal - Transportation Commission</b>	<b>181,930</b>	<b>178,499</b>	<b>214,222</b>	<b>208,191</b>
FTE	1.0	1.0	1.0	1.0

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>Office of the Executive Director</b>					
Personal Services	339,402	361,161	354,689	379,025	
FTE	3.2	3.0	3.0	3.0	
Operating Expenses	<u>50,940</u>	<u>51,201</u>	<u>66,452</u>	<u>68,452</u>	
<b>Subtotal - Executive Director</b>	390,342	412,362	421,141	447,477	
FTE	3.2	3.0	3.0	3.0	
<b>Office of Government Relations (previously Policy)</b>					
Personal Services	388,629	471,067	522,066	557,496	
FTE	5.1	6.6	7.0	7.0	
Operating Expenses	<u>59,360</u>	<u>60,913</u>	<u>41,446</u>	<u>61,514</u>	
<b>Subtotal - Office of Government Relations</b>	447,989	531,980	563,512	619,010	
FTE	5.1	6.6	7.0	7.0	
<b>Office of Public Relations (previously Public Information)</b>					
Personal Services	484,432	492,433	496,884	592,135	
FTE	7.0	6.8	7.0	7.0	
Operating Expenses	<u>107,726</u>	<u>106,897</u>	<u>138,013</u>	<u>133,013</u>	
<b>Subtotal - Office of Public Relations</b>	592,158	599,330	634,897	725,148	
FTE	7.0	6.8	7.0	7.0	
<b>Office of Information Technology</b>					
Personal Services	2,599,381	2,836,631	2,954,224	3,134,644	
FTE	31.7	33.0	33.7	33.7	
Operating Expenses	<u>303,007</u>	<u>318,353</u>	<u>315,008</u>	<u>328,008</u>	
<b>Subtotal - Office of Information Technology</b>	2,902,388	3,154,984	3,269,232	3,462,652	
FTE	31.7	33.0	33.7	33.7	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>Office of Financial Management &amp; Budget</b>					
Personal Services	522,316	491,458	593,701	1,139,660	
FTE	6.1	6.0	6.0	12.0	
Operating Expenses	<u>21,950</u>	<u>18,499</u>	<u>45,363</u>	<u>62,679</u>	
<b>Subtotal - Office of Financial Mgmt. &amp; Budget</b>	544,266	509,957	639,064	1,202,339	
FTE	6.1	6.0	6.0	12.0	
<b>Office of Accounting</b>					
Personal Services	1,872,465	1,894,075	1,899,924	1,560,246	
FTE	32.9	33.0	33.0	27.0	
Operating Expenses	<u>94,364</u>	<u>90,501</u>	<u>107,869</u>	<u>95,869</u>	
<b>Subtotal - Office of Accounting</b>	1,966,829	1,984,576	2,007,793	1,656,115	
FTE	32.9	33.0	33.0	27.0	
<b>Chief Engineer and Region Directors</b>					
Personal Services	1,407,864	1,534,551	1,443,146	1,559,110	
FTE	16.5	15.0	15.0	15.0	
Operating Expenses	<u>225,945</u>	<u>240,017</u>	<u>272,161</u>	<u>272,636</u>	
<b>Subtotal - Chief Engineer and Region Directors</b>	1,633,809	1,774,568	1,715,307	1,831,746	
FTE	16.5	15.0	15.0	15.0	
<b>Human Resources and Administration</b>					
Personal Services	5,308,398	5,628,586	5,763,074	6,661,417	DI #4 and 5
FTE	104.1	96.3	106.5	111.0	
Operating Expenses	<u>1,515,314</u>	<u>1,584,857</u>	<u>1,603,034</u>	<u>2,057,085</u>	DI #2, 3, 4, and 5
<b>Subtotal - Human Resources &amp; Administration</b>	6,823,712	7,213,443	7,366,108	8,718,502	
FTE	104.1	96.3	106.5	111.0	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>Division of Audit</b>					
Personal Services	658,688	677,091	737,118	650,055	
FTE	7.5	7.5	7.5	7.5	
Operating Expenses	<u>26,421</u>	<u>20,425</u>	<u>33,290</u>	<u>33,290</u>	
<b>Subtotal - Division of Audit</b>	685,109	697,516	770,408	683,345	
FTE	7.5	7.5	7.5	7.5	
<b>Personal Services Base Reduction (0.2%)</b>				(32,081)	
					Request vs. Appropriation
<b>SUBTOTAL - Administration</b>	<u>16,168,532</u>	<u>17,057,215</u>	<u>17,601,684</u>	<u>19,522,444</u>	<b>10.9%</b>
Personal Services	13,663,903	14,481,271	14,861,446	16,292,296	<b>9.6%</b>
FTE	215.1	208.2	219.7	224.2	4.5
Operating Expenses	2,504,629	2,575,944	2,740,238	3,230,148	<b>17.9%</b>
<b>Miscellaneous Administration Accounts</b>					
Statewide Indirect Costs					
State Highway Funds	966,913	1,590,899	812,653	567,120	
Legal Services	218,935	192,754	473,958	473,958	
Risk Management - General Insurance	983,812	3,418,635	2,972,394	4,300,912	
Workers' Compensation	<u>360,509</u>	<u>316,968</u>	<u>381,217</u>	<u>393,813</u>	
					Request vs. Appropriation
<b>Subtotal - Miscellaneous</b>	2,530,169	5,519,256	4,640,222	5,735,803	<b>23.6%</b>

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>Centrally Appropriated Personal Services</b>					
Salary Survey Increases	408,864	348,732	439,858	456,201	
Performance-based Pay Awards	0	0	174,685	176,404	
Shift Differential	31,394	33,248	27,665	29,684	
Health/Life/Dental	509,384	771,223	840,530	913,275	
Short Term Disability	17,364	13,042	16,820	17,949	
S.B. 04-257 Amortization Equalization Disbursement	N/A	0	155,265	224,064	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>32,346</u>	<u>70,256</u>	
					Request vs. Appropriation
<b>Subtotal - Central Pots</b>	967,006	1,166,245	1,687,169	1,887,833	<b>11.9%</b>
Administration - Subtotal	<u>19,665,707</u>	<u>23,742,716</u>	<u>23,929,075</u>	<u>27,146,080</u>	
Personal Services	13,663,903	14,481,271	14,861,446	16,292,296	
Operating & Travel	2,504,629	2,575,944	2,740,238	3,230,148	
Miscellaneous	2,530,169	5,519,256	4,640,222	5,735,803	
Central Pots	967,006	1,166,245	1,687,169	1,887,833	
					Request vs. Appropriation
<b>TOTAL - Administration</b>	19,665,707	23,742,716	23,929,075	27,146,080	<b>13.4%</b>
FTE	215.1	208.2	219.7	224.2	4.5
Internal Cash Funding ICF (Print Shop) (CFE)	1,313,143	1,388,791	1,476,786	1,621,224	DI #3
FTE	12.3	12.6	13.0	13.0	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
					Request vs. Appropriation
<b>APPROPRIATED LEVEL - ADMINISTRATION</b>	<b>19,665,787</b>	<b>23,742,716</b>	<b>23,929,075</b>	<b>27,146,080</b>	<b>13.4%</b>
FTE	<u>215.1</u>	<u>208.2</u>	<u>219.7</u>	<u>224.2</u>	4.5
State Highway Funds (CFE)	18,352,644	22,353,925	22,452,289	25,524,856	<b>13.7%</b>
FTE	202.8	195.6	206.7	211.2	4.5
Internal Cash Funds (CFE)	1,313,143	1,388,791	1,476,786	1,621,224	<b>9.8%</b>
FTE	12.3	12.6	13.0	13.0	0.0

### (3) CONSTRUCTION, MAINTENANCE, AND OPERATIONS

Includes non-appropriated revenues to the Transportation Commission, which consists of eleven members responsible for formulating state policy with respect to the management, construction, and maintenance of state highways and transportation systems; advising and making recommendations relative to transportation policy; and adopting budget and programs. These totals represent non-appropriated funds. State, federal, and local funds for highway construction are split between this line and the Administration line.

Construction and Maintenance & Operations	1,235,949,603	1,388,739,335	1,018,793,615	1,259,510,498	
FTE	<u>3,073.5</u>	<u>2,797.1</u>	<u>3,096.3</u>	<u>3,127.3</u>	
CF - Local Funds	5,940,076	3,438,193	67,994,902	74,369,954	
Cash Funds Exempt - SHF	767,861,448	960,601,939	509,381,574	739,607,386	
Federal Funds	462,148,079	424,699,203	441,417,139	445,533,158	

### (4) GAMING IMPACTS - CF

This program provides for construction and maintenance of roads related to increased traffic in communities with limited gaming activities.

Gaming Impacts Total	<u>0</u>	<u>104,179</u>	<u>14,292,757</u>	<u>10,127,274</u>	DI # 1
Cash Funds	0	0	14,292,757		
Cash Funds Exempt	0	104,179	0	10,127,274	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>(5) STATEWIDE TOLLING ENTERPRISE</b>					
This program was created pursuant to S.B. 02-179 and H.B. 02-1310 and is reflected for informational purposes only.					
Tolling Enterprise Total	<u>1,936,386</u>	<u>1,075,900</u>	<u>5,120,000</u>	<u>2,560,000</u>	
Cash Funds - Tolling Cash Funds	0	0	1,720,000	0	
Cash Funds Exempt	1,936,386	1,075,900	3,400,000	2,560,000	
<b>TOTAL - DEPARTMENT OF TRANSPORTATION APPROPRIATED AND NON-APPROPRIATED</b>					
					Request vs. Appropriation
<b>DEPARTMENT TOTALS</b>	<b>1,276,768,365</b>	<b>1,413,662,130</b>	<b>1,062,135,447</b>	<b>1,299,343,852</b>	<b>22.3%</b>
<b>FTE</b>	<u><b>3,296.5</b></u>	<u><b>3,005.3</b></u>	<u><b>3,316.0</b></u>	<u><b>3,351.5</b></u>	<b>35.5</b>
<b>Cash Funds</b>	<b>21,206,465</b>	<b>3,438,193</b>	<b>84,007,659</b>	<b>74,369,954</b>	<b>-11.5%</b>
<b>Cash Funds Exempt</b>	<b>793,145,170</b>	<b>985,524,734</b>	<b>536,710,649</b>	<b>779,440,740</b>	<b>45.2%</b>
<b>Federal Funds</b>	<b>462,416,730</b>	<b>424,699,203</b>	<b>441,417,139</b>	<b>445,533,158</b>	<b>0.9%</b>

**DEPARTMENT OF TRANSPORTATION**  
**FY 2007-08 Long Bill Footnote Update**

- 4 All Departments, Totals --** The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly.

Comment: The Department has complied with this footnote.

- 5 All Departments, Totals --** Every Department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2007-08. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: The Governor vetoed this footnote on May 2, 2007 on the basis that: 1) it violates the separation of powers in that it is attached to federal funds and private donations, which are not subject to legislative appropriation; and (2) placing information requirements on such funds could constitute substantive legislation in the Long Bill. In his letter to the General Assembly concerning the Long Bill, the Governor also indicated that this footnote is an unfunded mandate and that it would require a significant devotion of resources. After the General Assembly overrode all Long Bill vetoes, the Governor directed departments to comply to the extent that the footnote could be adhered to without adversely impacting the operation of the executive branch or the delivery of government services.

The Department of Transportation does not have federal grants or private donations in its budget.

- 122 Department of Transportation, Administration --** The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow calculation of personal services. PERA and Medicare is requested to be provided by the individual section or office. Additionally, the Department is also requested to include subtotals for salary and FTE for each of the offices within the Administration line item information currently supplied.

Comment: The Governor vetoed this footnote on May 2, 2007 on the basis that: 1) it violates the separation of powers in Article III of the Colorado Constitution by attempting to administer the Appropriation; 2) it violates Article V, section 32 of the Colorado Constitution because it contains substantive legislation that cannot be included in the Long Bill; and 3) it violates the separation of powers in Article III of the Colorado Constitution

by dictating the format of the executive budget submission. However, in his letter to the General Assembly, the Governor instructed the department to comply with the footnote to the extent feasible. After the General Assembly overrode all Long Bill vetoes, the Governor directed departments to comply to the extent that the footnote could be adhered to without adversely impacting the operation of the executive branch or the delivery of government services.

The Department has complied with this footnote. The budget request does provide the personal services and operating expenses information detail requested for each office in the Administration Division.

**117a Department of Transportation, Statewide Tolling Enterprise --** Within 120 days the Department shall develop rules to allow hybrid vehicles to drive in High Occupancy Vehicle lanes.

Comment: The Governor vetoed this footnote on May 2, 2007 on the grounds that it violates the separation of powers by attempting to administer the appropriation and constitutes substantive legislation. After the General Assembly overrode all Long Bill vetoes, the Department was directed not to comply pursuant to the August 16, 2007 letter from the Director of the Office of State Planning and Budgeting to the leadership of the General Assembly. According to the letter, the footnote is substantive legislation that cannot constitutionally be included in the Long Bill. The letter notes that the Governor supports the increased use of hybrid vehicles and is further directing the Department to attempt to promulgate proposed rules by March 1, 2008, pursuant to the statutory authority granted in Section 42-4-1012 (2.5), C.R.S.

**118 Department of Transportation, Gaming Impacts --** It is the intent of the General Assembly that these funds shall remain available until completion of the project or the close of FY 2009-10, whichever comes first. At project completion or the end of the three-year period, unexpended and unencumbered balances shall revert to the Limited Gaming Fund from which they were appropriated.

Comment: The Department is complying with this footnote.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing  
DEPARTMENT OF TRANSPORTATION  
Blue Ribbon Transportation Finance Panel Recommendations**

**ISSUE:**

In response to forecasted shortfalls in statewide transportation funding, the Governor's Blue Ribbon Transportation Finance and Implementation Panel is recommending that the State raise and spend an additional \$1.5 billion per year (in 2008 dollars) on transportation.

**SUMMARY:**

- ❑ The Governor's blue ribbon "Transportation Finance and Implementation Panel" is recommending that the State spend an additional \$1.5 billion per year (in 2008 dollars) on transportation to better maintain the existing infrastructure and make some improvements to the transportation system.
- ❑ The recommended revenue sources would include potential legislative action to raise car registration fees and levy road maintenance fees on tourist services such as car rentals and hotel stays, among other sources of funds. The panel is also recommending that major revenue sources such as the state motor fuel tax be indexed to allow revenues to keep pace with inflation.
- ❑ In addition to adding highway capacity and other potential congestion mitigation measures, the panel is recommending an expanded state role in funding and developing Colorado's transit network, including investments in rural and inter-regional transit as well as additional investment in urban transit systems.
- ❑ Over the long term, the panel is recommending that the State consider implementing a vehicle miles traveled (VMT) fee to fund transportation.

**RECOMMENDATION:**

Staff recommends that the Committee use the Department's upcoming hearing to discuss CDOT's response to the Blue Ribbon Panel's recommendations regarding revenue sources and spending priorities. Specifically, staff recommends that the Committee ask the Department the following questions:

1. Please discuss the status of the Governor's blue ribbon panel's recommendations for closing the revenue gap for transportation. Does CDOT intend to request legislation for new funding sources recommended by the panel? Should the General Assembly expect legislative proposals for the 2008 session? Does CDOT expect to go to the voters with referenda?
2. Please discuss CDOT's position regarding the panel's recommendation to index the State's major sources of transportation funding, including the motor fuel tax, to increase with inflation. Would CDOT support such a change for the motor fuel tax or other sources?
3. If CDOT agrees that new funding sources are necessary, how does CDOT intend to build the necessary public support?

4. Please discuss CDOT's position on the use of a vehicle miles traveled (VMT) fee as a revenue source.

## **DISCUSSION**

The Governor's blue ribbon panel on transportation finance began meeting in April to discuss the state's transportation finance needs and develop policy recommendations to close the revenue gap. While the panel's final report is not yet available, the group did settle on a set of recommendations at the final meeting on November 15.

The panel considered a variety of potential funding sources, including increasing motor fuel taxes and car registration fees, using severance tax revenues for transportation, creating development impact fees, raising taxes on services for tourists such as hotel stays and car rentals, and developing entirely new fees (e.g., based on vehicle miles traveled). The panel held public meetings throughout the state in an effort to better understand the state's transportation challenges and seek public input.

At the Governor's request, the panel analyzed current sources of transportation funding and recommended additional sources to provide a variety of levels of revenue for statewide transportation needs. At the November 15 meeting, the panel:

- recommended that the State invest *an additional \$1.5 billion per year* (in 2008 dollars) in transportation - for scale, CDOT's total request for FY 2008-09 is \$1.3 billion, though some of the increase would go to local governments;
- reached agreement on a set of funding proposals to provide from \$500 million to \$2.0 billion in additional revenue, including specific sources of revenue and suggested priorities for use; and
- recommended a significantly larger role for the State in funding Colorado's transit network, requiring flexible revenue sources that can be spent outside of the state highway system.

### ***Revenue Proposals***

The panel developed revenue proposals at multiple levels, from \$500 million per year to \$2.0 billion per year, to provide illustrative options for policy makers. For the purposes of this document, staff will focus on two levels: 1) the \$500 million (fix it first) threshold; and 2) the panel-recommended \$1.5 billion threshold (see Appendix B for a CDOT "Blue Ribbon Panel Update" that includes all of the funding thresholds).

Broadly, the panel recommended that the State continue to draw much of the funding for the highway system from user fees (currently most funding comes from the motor fuel tax and registration fees). However, the panel also recommended increased utilization of revenue sources that are flexible enough to be spent on transit and other modes of transportation.

The panel started with a list of more than 40 potential revenue sources but eventually settled on 6 that members felt were realistic and politically feasible. The selected revenue sources included both fees that could be raised legislatively without referenda and tax increases that would require going to the voters. For the long-term, the panel has recommended that the State explore moving to a vehicle miles traveled (VMT) fee as a potential revenue source.

For each scenario, the panel recommended indexing major revenue sources such as the motor fuel tax to rise with inflation in order to avoid similar revenue shortfalls in the future. The General Assembly has not increased the motor fuel tax since 1991 and the tax has never been indexed to rise with inflation. As a result, available revenues from the motor fuel tax have not kept pace with recent increases in construction costs.

*\$500 million: Fix it First*

The panel did not feel that \$500 million would be adequate to meet the State’s needs but developed a proposal at that level in order to provide a "fix it first" alternative that would maintain the existing transportation infrastructure. According to CDOT analyses, the panel’s suggested allocation of the additional \$500 million per year would: 1) allow the State to maintain 75 percent of it's roads in good or fair condition; 2) address the backlog of bridges in need of repair or replacement; and 3) sustain an overall level of service above a C grade (see table below). However, the State would lack funds to build additional road and transit capacity, resulting in more congestion and reduced mobility for the State's increasing population.

The panel's proposal would fund the \$500 million threshold from two revenue sources: increasing the State's vehicle registration fee and increasing the severance tax. The panel chose to draw most (80 percent) of the additional revenue from the increased registration fee primarily because it could be done through legislation and would not necessarily require a referendum.

<b>Proposed Investment Allocation - \$500 Million per Year</b>		
<b>Investment Category</b>	<b>Funding Level</b>	<b>Service Level Outcome in 2035</b>
Surface Treatment	\$222 million	Raise from C to B
Bridge	\$156 million	Maintain at B
Maint. Level of Service	\$82 million	Raise from C to B
Local Roads and Streets	\$40 million	Varies by jurisdiction
<b>Proposed Revenue Sources</b>		
<b>Revenue Source</b>	<b>Incremental Fee or Tax</b>	<b>Revenue Generated<sup>a</sup></b>
Increased Vehicle Reg. Fee <sup>b</sup>	\$80 average fee increase	\$400 million
Increased Severance Tax <sup>c</sup>	1.7% effective increase	\$96 million

<sup>a</sup> CDOT estimated first-year revenues in 2008 dollars.

<sup>b</sup> As a fee for a specific service (road maintenance), the legislature could pass the vehicle registration fee without voter approval. The current average fee is \$30 per year per vehicle.

<sup>c</sup> Increasing the severance tax would require voter approval.

*\$1.5 billion: Panel Recommendation*

In order to allow for adequate maintenance of the State's existing infrastructure *and* construction of additional capacity (both roadway and transit), the panel recommended the State spend an additional \$1.5 billion per year on transportation. This option would sustain the existing transportation infrastructure at the same level as the \$500 million per year investment but would allow the State to invest \$1.0 billion per year in capacity improvements, new transit, and other uses (see table below).

Under this proposal, the State's investment in transit for both urban and rural systems would increase significantly. The proposal would also allow for more flexible funding that local planners could use for either roadway or transit capacity, as well as funding for environmental mitigation, bike/pedestrian uses, and

resources to accelerate the completion of the remaining "7th Pot" projects. According to CDOT models, congestion would still worsen relative to today but would improve relative to the forecast for 2035.

For the \$1.5 billion proposal (see table below), the panel recommended five revenue sources including increasing vehicle registration fees above the level in the \$500 million proposal, increasing the severance tax, increasing and indexing the motor fuel tax, creating a new daily visitor fee, and increasing the state sales and use tax. Three of the five sources would require referenda. The panel believes that the General Assembly could enact the increase in registration fees and the visitor fees without referenda.

<b>Proposed Investment Allocation - \$500 Million per Year</b>		
<b>Investment Category</b>	<b>Funding Level</b>	<b>Service Level Outcome in 2035</b>
Surface Treatment	\$222 million	Raise from C to B
Bridge	\$156 million	Maintain at B
Maint. Level of Service	\$82 million	Raise from C to B
Shoulders	\$78 million	Raise from F to D
<b>Mobility - \$562 million</b>		
• 7th Pot Projects	10% (\$56 million)	Accelerate funding obligation from 2025 to 2020
• Multi-Modal Mobility	60% (\$337 million)	Limit decline to D+ rather than F
• Strategic Transit	30% (\$167 million)	Raise from D to C-
Urban Transit	\$36 million	Raise from C to B
Rural Transit	\$36 million	Raise from C to B
Environmental Mitigation	\$25 million	Establish at B
Bicycle and Pedestrian	\$10 million	Establish at B
Local Roads and Streets	\$293 million	Varies by jurisdiction
<b>Proposed Revenue Sources</b>		
<b>Revenue Source</b>	<b>Incremental Fee or Tax</b>	<b>Revenue Generated <sup>a</sup></b>
Increased Vehicle Reg. Fee <sup>b</sup>	\$100 average fee increase	\$500 million
Increased Motor Fuel Tax <sup>c</sup>	\$0.13 per gallon	\$351 million
New Daily Visitor (Tourist) Fee <sup>d</sup>	\$6 daily fee	\$240 million
Increased Sales and Use Tax <sup>e</sup>	0.35% increase	\$312 million
Increased Severance Tax <sup>f</sup>	1.7 % effective increase	\$96 million

<sup>a</sup> CDOT estimated first-year revenues in 2008 dollars.

<sup>b</sup> As a fee for a specific service (road maintenance), the legislature could pass the vehicle registration fee without voter approval. The current average fee is \$30 per year per vehicle. Revenues could only be used for highways.

<sup>c</sup> Increase on a base of \$0.22 per gallon State motor fuel tax. Such an increase would require a referendum. Revenues could only be used for highways.

<sup>d</sup> New daily visitor fee would apply to either hotel stays (per day) or car rentals (per day) and may be possible legislatively.

<sup>e</sup> Increasing the state sales and use tax would require a referendum. As a general tax, the revenues would be "flexible" and could be used for transit.

<sup>f</sup> Increasing the severance tax would require voter approval. As a general tax, the revenues would be "flexible" and could be used for transit.

*Long Term Funding Source: Vehicle Miles Traveled (VMT ) Fee*

Facing declines in motor fuel tax revenues as a result of increases in fuel efficiency and the use of alternative fuels, as well as a decline in real dollar terms due to inflation, the panel is recommending that Colorado evaluate the benefits of implementing a VMT fee as a revenue source. The panel recommends forming a steering committee to study the prospects for implementing such a fee in Colorado. The fee would track the actual number of miles a vehicle travels and charge a set rate per mile. The fee may be indexed to inflation and to increase with vehicle weight to reflect the increased wear and tear that heavier vehicles inflict on roads.

As presented by the panel, such a VMT fee would offer several benefits in comparison to other revenue sources such as the motor fuel tax and vehicle registration fees:

- First, the VMT fee is directly related to the use of the road system. Unlike increased car registration fees which have no relation to how much the car is actually used, a driver's cost would reflect the use of the road system.
- Second, in comparison to the motor fuel tax, revenue collection would not inherently decrease with increases in fuel efficiency and the use of alternative fuels. While increased efficiency certainly has other public policy benefits, under the existing motor fuel tax, revenues may actually decline while vehicle miles traveled (and wear and tear on the system) increase.

The use of a VMT fee also presents a variety of challenges, ranging from technological hurdles to privacy and civil liberties concerns:

- According to CDOT, the technological challenges would not be a significant barrier to implementation. The State could elect to use the same transponder system currently used for toll collection or a variety of other systems to collect the fee.
- Depending on the technology used, privacy concerns could present a significant challenge to VMT fee implementation, as some system designs could effectively track the location of a given vehicle at all times.
- Finally, the fee would present the same challenges as any revenue source for transportation, including distributions between urban and rural jurisdictions, local shareback, etc.

Given the scale of the recommended increase in revenue for State's transportation system and the potentially significant changes in CDOT's role with respect to transit, staff recommends that the Committee use the hearing to discuss the Department's response to the panel's recommendations.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing  
DEPARTMENT OF TRANSPORTATION  
Limited Gaming Funds Used for State Highway Maintenance**

**ISSUE:**

Pursuant to Section 12-47.1-701, C.R.S., the Department of Transportation may annually request funds from the Limited Gaming Fund to pay for highway construction and maintenance on public roads and highways leading to and within a fifty-mile radius of any limited gaming community.

**SUMMARY:**

- For FY2008-09 the Department of Transportation is requesting Limited Gaming funds totaling \$10,127,274, a decrease of \$4,165,483 below the FY 2007-08 appropriation.
- In recent years, the Legislature has expanded the use of Gaming Funds to include additional programs, increasing competition for the funds. For example, S.B. 07-246, enacted in 2007, annually transfers unallocated Gaming Funds to the Clean Energy Fund rather than to the General Fund as under prior law.
- In a change from previous years, the Gaming Commission has decided not to use Limited Gaming funds for projects related to Indian gaming facilities in southwestern Colorado.
- In another change, the Department is not programming non-gaming funds to pay for portions of each project. As a result of funding constraints and higher priorities on non-gaming roads, Limited Gaming funds are the only funds CDOT has allocated to gaming road projects in FY 2008-09 and for the foreseeable future.

**RECOMMENDATION:**

Staff recommends that the Committee use this year's hearing with the Department to discuss the aforementioned changes from last year. Specifically, staff recommends that the Committee ask the Department the following questions:

- If the Legislature does not allocate any funds for Gaming related road maintenance from the Gaming Fund this year, what level of service will the Department provide? What will it cost the Department to provide this level of service?
- Please discuss the Gaming Commission's decision not to provide gaming funds for Region 5. What has changed from prior years? How will this decision impact safety on Southwest Colorado's gaming highways?
- Please discuss the decision not to program any non-gaming funds for the requested projects,

given that non-gaming resources paid for roughly half of the previous years' projects. What drove this decision?

- Please discuss the impact of recent legislative changes to permissible uses of gaming funds. For example, how has the addition of the Clean Energy Fund affected the Administration's planning for gaming highway spending? Given the recent changes, what steps is the Department taking in order to ensure sufficient funding for highways near the gaming communities?
- Please discuss the Department's progress in leveraging local and private funding for gaming road projects.

**DISCUSSION:**

***Background Information***

Limited gaming began in Colorado in 1991. Gaming significantly increased traffic on highways providing access to the gaming communities, with large increases from pre-gaming levels and generally consistent growth since 2000 (see table below).

**Traffic Increases on State Highways Near Gaming Communities**

Annual Average Daily Traffic								
Highway	Pre-Gaming 1991	2000	2002	2003	2004	2005	2006	Percent Change 1991-06
S.H. 119/U.S. 6*	3,050	16,078	18,070	17,393	17,400	14,500	14,300	
Percent Change			12.4%	(3.7)%	0.0%	(16.7)%	(1.4)%	368.9%
S.H. 67	2,587	5,764	5,633	5,662	5,600	5,700	5,500	
Percent Change			(2.3)%	0.5%	(1.1)%	1.8%	(3.5)%	112.6%
S.H. 24**	7,050	16,524	18,120	16,689	16,700	16,700	17,400	
Percent Change			9.7%	(7.9)%	0.1%	0.0%	4.2%	146.8%
S.H. 160**	4,556	6,521	6,456	6,520	6,600	6,700	6,800	
Percent Change			(1.0)%	1.0%	1.2%	1.5%	1.5%	49.3%

\* Decline in traffic in 2005 is the result of a rockslide that closed S.H. 119.

\*\*Traffic volumes for S.H. 24 and S.H. 160 are shown for illustrative purposes - the FY 2008-09 request does not include funds for those highways.

Responding to this increased traffic, in 1994 the General Assembly enacted S.B. 94-60 (later amended by S.B. 97-27) to provide additional funding for highway maintenance and construction on highways near the gaming communities. By statute (Section 43-1-220(1), C.R.S.), the Department may annually request Limited Gaming funds, drawn from taxes paid by the casinos, for

transportation needs on highways leading to and within fifty miles of gaming communities.

***Additional Uses of Limited Gaming Funds***

By statute (Section 12-47.1-701(1), C.R.S.), the original distribution of Limited Gaming funds was as follows:

- 50 percent to the General Fund, which could be appropriated to the State Highway Fund;
- 28 percent to the State Historical Society;
- 12 percent divided between Gilpin and Teller counties in proportion to the gaming revenues generated in each county; and
- 10 percent divided between Central City, Blackhawk, and Cripple Creek.

From FY 1994-95 through FY 2002-03, the General Assembly appropriated \$26.9 million from the Limited Gaming Fund to address transportation needs on gaming related roads. In FY 2002-03, the General Assembly appropriated gaming funds for highway maintenance and rock fall mitigation. The Legislature did not appropriate gaming funds to the Department during FY 2003-04, 2004-05 and 2005-06 but did appropriate \$5.3 million for FY 2006-07 and \$14.3 million for FY 2007-08.

In recent years the Legislature has amended the statute to allow additional uses of the Limited Gaming Fund including, for example, the Colorado Tourism Fund and the Clean Energy Fund. The table on the following page shows a breakdown of Limited Gaming Fund distributions for FY 2003-04 through the projections for FY 2008-09, including the Department of Transportation's appropriation for FY 2007-08 and request for FY 2008-09.

In FY 2005-06, 52 percent of the General Fund's fifty percent share was diverted to other uses, with the bulk going to the Colorado Tourism Fund. That trend continued and increased in FY 2006-07, as 88 percent of the State share was diverted to other uses, including \$5.3 million for Transportation. Furthermore, with the enactment of S.B. 07-246, starting in FY 2007-08, any funds not specifically allocated to other programs will go into the Clean Energy Fund rather than the General Fund, resulting in \$0 in Limited Gaming funds being credited to the General Fund in FY 2007-08 and beyond.

Thus, while the Committee's previous Limited Gaming Fund decisions have focused on the impact on General Fund, starting with FY 2007-08, any funds appropriated to the Department of Transportation will now come directly at the expense of the Clean Energy Fund.

Limited Gaming Fund Distribution	Percent of Total	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Projected	FY 08-09 Projected
State Historical Society	28%	\$26,020,457	\$28,041,290	\$29,779,880	\$30,673,276	\$31,562,801
Gilpin and Teller Counties	12%	11,151,624	12,017,696	12,762,806	13,145,690	13,526,915
Cripple Creek, Central City, Black Hawk	10%	9,293,020	10,014,747	10,635,671	10,954,742	11,272,429
<u>General Fund Maximum Share</u>	<u>50%</u>	<u>46,465,103</u>	<u>50,073,732</u>	<u>53,178,357</u>	<u>54,773,708</u>	<u>56,362,145</u>
Municipal Impact Fund	1.0%	0	0	0	0	0
Local Government Impact Fund <sup>a</sup>	13.0%	6,040,463	6,509,585	6,913,186	7,120,582	7,327,079
Colorado Tourism Fund <sup>b</sup>		185,861	19,000,000	19,676,799	20,267,103	20,854,849
New Jobs Incentive Fund <sup>c</sup>		N/A	3,000,000	3,106,863	3,200,069	3,292,871
State Council on the Arts Fund <sup>d</sup>		N/A	1,500,000	1,553,432	1,600,034	1,646,435
Film Incentives Fund <sup>e</sup>		N/A	500,000	621,372	640,014	658,574
Bioscience Grant <sup>f</sup>		N/A	2,000,000	2,500,000	0	0
Clean Energy Fund <sup>g</sup>		N/A	N/A	7,000,000	7,653,149	12,455,063
<b>Department of Transportation</b>		<b>0</b>	<b>0</b>	<b>5,259,411</b>	<b>14,292,757</b>	<b>10,127,274</b>
<b>Credited to General Fund</b>		<b>40,238,779</b>	<b>17,564,147</b>	<b>6,547,294</b>	<b>0</b>	<b>0</b>
Total:	100%	\$92,930,204	\$100,147,465	\$106,356,714	\$109,547,416	\$112,724,290
Transportation Percent of Fund		0.0%	0.0%	4.9%	13.0%	9.0%
General Fund Percent of Fund		43.3%	17.5%	6.2%	0.0%	0.0%

<sup>a</sup> Per HB 06-1201 Section 5 (2) Local Government Impact Fund distribution percentage was changed to an aggregate total of thirteen percent. Prior to FY 2006, the distribution to this fund was 6.5 percent of the total General Fund Transfer.

<sup>b</sup> Per HB 06-1201 Section 4 (III) (A) Tourism Promotion Fund distribution became a set amount in FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the distribution to this fund was 0.2 percent of the total General Fund Transfer.

<sup>c</sup> Per HB 06-1201 Section 4 (III) (A) and Section 9 New Jobs Incentives Fund distribution became an established portion of the Limited Gaming Fund distribution to the General Fund with a set amount for FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the Limited Gaming Fund distribution did not include this fund.

<sup>d</sup> Per HB 06-1201 Section 4 (III) (A) and Section 7 State Council on the Arts Fund distribution became an established portion of the Limited Gaming Fund distribution to the General Fund with a set amount for FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the Limited Gaming Fund distribution did not include this fund.

<sup>e</sup> Per HB 06-1201 Section 4 (III) (A) and Section 8 Film Incentives Fund distribution became an established portion of the Limited Gaming Fund distribution to the General Fund with a set amount for FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the Limited Gaming Fund distribution did not include this fund.

<sup>f</sup> Per HB 06-1360 Section 2 and Section 5 (a) Bioscience Grant distribution became an established portion of the Limited Gaming Fund distribution to the General Fund for FY 2006 only. According to this bill, no distribution shall be made in future years.

<sup>g</sup> Per SB 07-246 Section 3 (5), the Clean Energy Fund received 7 million for FY07 and for FY08 and future years, will receive the remainder of any moneys that would otherwise be transferred to the State General Fund.

### ***Changes from Prior Years***

The FY 2008-09 request includes two significant policy changes from prior year Limited Gaming Fund requests: 1) the omission of projects in CDOT Region 5 (Southwest Colorado) and 2) the omission of non-gaming funds to pay a portion of each requested project.

CDOT's previous Limited Gaming Fund requests have included gaming highway projects in Region 5 related to Ute Mountain Ute tribal gaming facilities. Under federal law, the tribal casinos do not pay taxes into the Limited Gaming Fund. However, prior to the FY 2008-09 request, CDOT and the state Gaming Commission had always provided a portion of each gaming fund appropriation for Region 5. For example, Region 5 received \$196,796 in gaming funds in FY 2006-07 (3.7 percent of the total appropriation) and \$2.4 million in FY 2007-08 (16.5 percent of the total appropriation).

Region 5 had requested \$4.2 million in Limited Gaming Funds for FY 2008-09. However, the Gaming Commission has decided not to provide Limited Gaming funds for Region 5 in FY 2008-09. Instead, the Gaming Commission resolution (see Appendix A) asks the State and the tribe to negotiate a cost sharing arrangement to pay for the region's gaming road projects.

In another significant change from prior years, CDOT is not planning to fund any portion of the gaming road projects from non-gaming funds. For FY 2006-07 and FY 2007-08, Construction, Maintenance, and Operations funds had paid for nearly half of gaming highway projects, with the gaming funds paying the other half. CDOT calculated the split based on the share of additional traffic directly attributable to gaming. Starting with FY 2008-09, because of fiscal constraints and higher priorities on non-gaming highways, CDOT is no longer programming non-gaming funds for gaming highway improvement projects. CDOT has indicated that only routine maintenance at pre-gaming levels will proceed without gaming funds. As a result, the projects proposed in the FY 2008-09 Limited Gaming Fund request are entirely dependent on gaming funds.

### ***Details of the FY 2008-09 Request***

As in prior years, the Department has outlined four alternatives to maintain the roads in the vicinity of the gaming communities:

1. Maintain highways at pre-gaming levels despite increased traffic (resulting in increased rate of deterioration).
2. Provide gaming funds only for maintenance and rock fall mitigation but not capacity improvements (increasing congestion).
3. Provide gaming funds only for mobility/congestion improvements but not for maintenance (increasing surface deterioration).
4. Provide gaming funds for increased maintenance, rock fall mitigation, and mobility improvements.

The FY 2006-07 and 2007-08 requests, which the Legislature did fund, were based on "Option 4," as is the Department FY 2008-09 Gaming Funds request. The following table shows how the Department

plans to use the requested gaming funds, based on an effort to improve service and safety and reduce congestion.

**FY2008-09 Proposed Gaming/State Highway Fund Expenditures**

<b>Proposed Expenditures by Region</b>	<b>FY 2008-09 Gaming Fund Request</b>
<b>Region 1 (Black Hawk/Central City)</b>	
S.H. 6 and S.H. 119 rock fall mitigation	\$222,750
S.H. 6 and S.H. 119 corridor and safety infrastructure	\$8,456,247
Area Highway Maintenance	\$290,993
<b>Sub-total</b>	<b>\$8,969,990</b>
<b>Region 2 (Cripple Creek)</b>	
S.H. 67at County Road 61, Rainbow Valley Road intersection construction.	\$500,000
Area Highway Maintenance	\$657,284
<b>Sub-total</b>	<b>\$1,157,284</b>
<b>Region 5 (Southwest Colorado)</b>	
No funding requested for FY 2008-09	\$0
<b>Grand Total</b>	<b>\$10,127,274</b>

Given the relatively new competing uses of the Limited Gaming Fund and that CDOT has elected not to program future State Highway Fund resources for gaming road improvement, staff recommends that the Committee discuss the aforementioned trends with the Department. Staff also recommends that the Committee use the Department's hearing to discuss the decision not to include Region 5 in the gaming fund request.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing  
DEPARTMENT OF TRANSPORTATION  
Long-Term Funding Gap for Transportation**

**ISSUE:**

The Colorado Department of Transportation's 2035 Statewide Transportation Plan says that without additional investment the State's transportation system will deteriorate in coming years.

**SUMMARY:**

- ❑ Recent Colorado Department of Transportation (CDOT) cost and revenue projections indicate that a combination of increased use of the system and flat or declining revenues will result in significant deterioration of the state's transportation network by 2035.
- ❑ According to the latest forecasts, CDOT would need an average of \$1.3 billion per year (in 2008 dollars) above forecasted revenue levels to sustain current levels of service on the state highways through 2035. Statewide, including local government, transit, and aviation funding, Colorado would need a total of \$2.3 billion per year above forecasted levels to sustain current transportation services.
- ❑ CDOT would need \$95 billion (in 2008 dollars), or \$3.4 billion per year, above forecasted levels to achieve the Department's vision for 2035. Achieving the vision for 2035 would require \$151 billion (\$5.4 billion per year) above forecasted levels for total statewide revenue including local government spending.

**RECOMMENDATION:**

Staff recommends that the Committee use the upcoming hearing to discuss CDOT's latest revenue and cost estimates and the key drivers for those estimates. Specifically, staff recommends that the Committee ask the Department the following questions.

1. Please discuss the revenue and cost forecasts in the Department's draft 2035 Statewide Transportation Plan. What are the key assumptions informing those forecasts? What factors are driving the Department's flat revenue projections and the decline in buying power?
2. CDOT projections show significant degradation in the State's bridges between now and 2035 under forecasted revenue levels. Given the tragedy this year in Minneapolis, please discuss the current and projected status of Colorado's bridges, and specifically the safety of the current infrastructure.

3. Please discuss the public input process informing the Department's "vision" for 2035. Given the large amount of funding required to implement the vision, how are projects selected and/or eliminated from the vision?

**DISCUSSION**

CDOT released the draft 2008-2035 Statewide Transportation Plan for public comment in October. Once finalized, this long-range plan will set the course for transportation development in Colorado over the next 28 years. The plan also includes revenue and need projections for the planning period.

The State's transportation network faces increasing pressure from a growing population, increases in vehicle miles traveled (VMT), expanded energy development, and maintenance and construction costs that are rising faster than the general rate of inflation. However, the Department's projections (assuming no new sources of revenue) show revenues remaining relatively flat and actually declining in purchasing power because revenue growth is not keeping pace with increases in construction costs. In constant 2008 dollars, CDOT predicts declines in revenues from most current sources, including the Highway Users Tax Fund (HUTF), over the next five years (see table below). CDOT forecasts show HUTF revenues continuing to decline in constant dollars through 2035, as revenue increases fail to keep pace with inflation (see Appendix C for CDOT's forecasts through 2035).

**Near Term Revenue Projections for the Colorado Department of Transportation\***  
(in 2008 dollars)

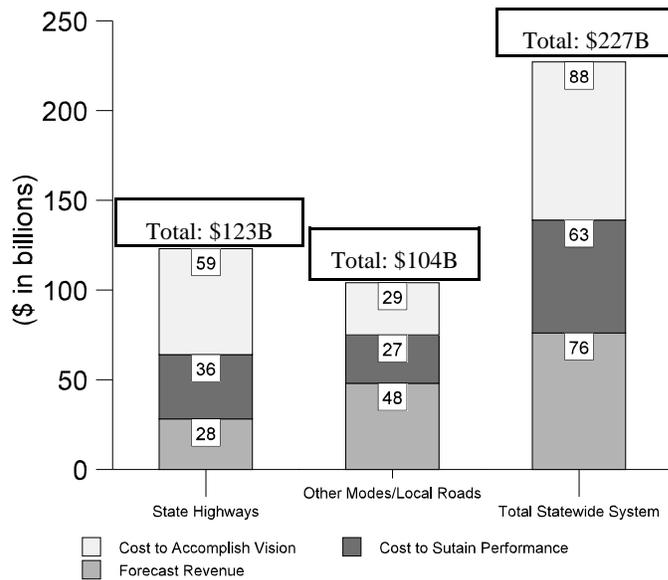
Source	FY 2007-08 Estimate	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate	FY 2011-12 Estimate
HUTF	\$414.9	\$402.0	\$393.4	\$391.8	\$374.6
FHWA	423.9	414.3	309.9	325.5	326.7
SB 97-001	105.7	97.2	98.0	10.3	\$273.0**
HB 02-1310	0.0	0.0	0.0	0.0	0.0
Other Sources	99.8	95.5	94.7	95.2	94.1
<b>Total</b>	<b>1,044.3</b>	<b>1,009.0</b>	<b>896.0</b>	<b>822.8</b>	<b>1,068.4</b>

\*Based on revenue projections in the 2035 Revenue Forecast and Resource Allocation. The total for FY 2008-09 does not match the Budget Document (\$1.299 billion) because the estimates shown here for SB 97-1 and HB 02-1310 do not include the latest OSPB forecasts.

\*\*CDOT assumes a full S.B. 97-1 transfer (10.355 percent of state sales and use tax) for each fiscal year starting in 2011-2012.

While many revenue sources are declining in real terms, pressure on the State's transportation infrastructure is increasing and is expected to continue to do so. The figure on the following page displays CDOT's current projections of revenues and costs for the State's transportation system through 2035, including the state highways system, other modes and local roads (including transit, aviation, and the local road systems), and the total statewide system.

According to CDOT estimates, without new sources of revenue, the state highway system will fall \$35.9 billion (\$1.3 billion per year) short of the funding necessary to sustain current levels of service (including road condition and levels of congestion) and \$95 billion (\$3.4 billion per year) short of the funding necessary to implement the Department's vision for the state highway system. For the entire statewide transportation system, including other modes and local roads, Colorado would need \$63 billion (\$2.25 billion per year) more than the forecasted level of revenue to maintain current services through 2035 and \$151 billion (\$5.4 billion per year) more than the forecasted level to achieve the Department's vision.



### Projected Revenues and Costs for Transportation through 2035

According to CDOT, the State's transportation system infrastructure and operations would deteriorate under the forecast level of revenue (see table on following page). Road surface condition would decline from an average of 60 percent of state highways in good or fair condition to 25 percent in 2035. Bridge condition would deteriorate from 94 percent of bridge deck in good or fair condition to 60 percent. And finally, congestion would increase significantly, with the average delay on congested highways more than tripling by 2035.

**Changes in Highway System Performance through 2035 Based on Forecast Levels of Revenue**

	<b>Current Service</b>	<b>Forecast 2035</b>	<b>Change from Current Service</b>
Roadway Surface (percent good/fair)	60 percent	25 percent	(35 percent)
Bridge Condition (percent good/fair)	94 percent	60 percent	(34 percent)
Congestion (average delay on congested highways)	22 minutes	70 minutes	48 minutes

Given the scale of the forecast revenue shortfall, staff recommends that the Committee use the Department's upcoming hearing to discuss the factors driving the shortfall and potential solutions.

## Appendix A

### Gaming Commission Resolution

#### COLORADO LIMITED GAMING CONTROL COMMISSION

Resolution Concerning the FY 2008-09 Budget Request  
From the Colorado Department of Transportation  
To the Colorado Limited Gaming Control Commission  
and the Colorado Division of Gaming

WHEREAS, gaming is recognized as a valuable economic resource for the State of Colorado, and for Region 1 – Black Hawk / Central City, Region 2 – Cripple Creek, and Region 3 – Southwest Colorado; and

WHEREAS, the Limited Gaming Fund has been established by the General Assembly in the Office of the State Treasurer under C.R.S. 12-47.1-701 to help offset financial impacts associated with increased highway traffic, greater need for law enforcement, and increased demands on other social services caused by gaming; and

WHEREAS, C.R.S. 12-47.1-701(1)(c)(I) mandates that the State Treasurer distribute fifty percent of the balance remaining in the Limited Gaming Fund to the state general fund or such other fund as the General Assembly shall provide, including the state highway fund, and that the General Assembly shall determine and appropriate an amount as a separate line item to be transferred to the state highway fund; and

WHEREAS, in accordance with the provisions of C.R.S. 12-47.1-701(1)(c)(I), section 43-1-220(1)(c)(I), C.R.S. stipulates that the receipts from the Limited Gaming Fund are to be used on public roads and highways leading to and within a fifty-mile radius of any limited gaming community; and

WHEREAS, the Colorado Department of Transportation provided the Colorado Gaming Commission its fiscal year 2008-09 request for limited gaming funds as part of the Commission's annual tax setting hearings on April 19, 2007, and, further, it requested support from the Colorado Gaming Commission for its request amounting to a grand total of \$15,887,995; and

WHEREAS, the Colorado Gaming Commission supports the amount of \$8,513,743 for Region 1 – Black Hawk / Central City to fund S.H. 6 and S.H. 119 rock fall mitigation, S.H. 119 final design phase 1 corridor improvements, S.H. 6 overlay, S.H. 6 and S.H. 119 corridor safety and infrastructure, and area highway maintenance; and

WHEREAS, the Colorado Gaming Commission supports the amount of \$3,157,284 for Region 2 – Cripple Creek to fund S.H. 67 at C.R. 61: Rainbow Valley Road intersection construction and area highway maintenance; and

WHEREAS, the Colorado Gaming Commission does not support the amount of \$4,216,968 for Region 5 – Southwest Colorado to fund U.S. 160/491 construction of passing lane and area highway maintenance; now, therefore,

## Appendix A Gaming Commission Resolution

BE IT RESOLVED that the Colorado Gaming Commission supports, in part, the request of the Colorado Department of Transportation for its fiscal year 2008-09 request for limited gaming funds in the amount of \$11,671,027 for expenses related to Regions 1 and 2, and finds that the funding of this amount is necessary for the protection and public safety of casino patrons and others traveling those highways; and

BE FURTHER RESOLVED that the Colorado Gaming Commission encourages the appropriate Colorado state agencies to consider and negotiate with the Ute Mountain Ute Tribe to share the highway maintenance expenses with the Colorado Department of Transportation for the roads in Region 5, leading to, but not on, the Reservation that are used by patrons visiting the Tribal casino.

Dated this 17 day of May 2007,

  
Jim Alderden, Chairman  
Colorado Limited Gaming Control Commission

# Blue Ribbon Panel Update

CDOT, Division of Transportation Development, Planning Branch

November 2007  
Volume 1, Issue 6

## Panel sees new era for transportation

After meeting with more than 400 citizens at eight meetings around Colorado, considering more than 40 revenue options and dozens of hours of debate, the Blue Ribbon Panel on Transportation Finance and Implementation is ready to send recommendations to Governor Ritter. The panel's recommendations, which are currently being compiled in a final report, take the form of a vision, policy statements, funding thresholds and revenue options. The final report will be shared with all CDOT employees when released.

Carla Perez, Governor Ritter's Senior Transportation Advisor, told the Panel, "You've completed a decade worth of work in just eight months." That work would not have been possible without the contributions of more than 60 CDOT staff that supported the Panel's efforts with data, analysis, and organizational efforts.

**"You've completed a decade worth of work in just eight months"**

*-Carla Perez,  
Sr. Transportation  
Advisor to  
Governor Ritter*

## 21st Century Vision and Policy

The panel has endorsed a vision and set of policy statements that affirm CDOT's work. Their vision for transportation in Colorado preserves existing investments and expands travel options.

Colorado's highway infrastructure is ageing, with more than 115 bridges on the state system built before 1932 and lengthy sections of interstate entering their fourth or fifth decade of service. The state must continue to ensure that these roads and bridges are safe and functional. The panel noted CDOT's efforts to maintain the system and the substantial challenges it faces in the near future. Positive feedback across the state led the panel to strongly endorse CDOT's current planning process as public, transparent, and collaborative.

Governor Ritter charged the panel with developing a vision for a 21<sup>st</sup> Century transportation system. In the panel's view, a 21<sup>st</sup> Century system must insure the mobility of people and goods, acknowledge the potential impacts of climate change and rising fuel prices, and recognize that Colorado is poised for considerable growth. Colorado's population is set to grow by more than a million citizens in the next 12 years. Rising fuel prices may be driven by policy or markets, but there is reason to believe that the era of inexpensive gasoline is coming to a close. The panel believes a modern system will include both highway expansions and expanded roles for transit, passenger rail, managed lanes, along with bicycle and pedestrian improvements.

### Inside the Update

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*The Update is prepared by the Division of Transportation Development's Planning Branch to keep CDOT employees and the public informed about the work of the Transportation Finance and Implementation Panel. The Update will be distributed periodically during the term of the panel.*

## Range of Funding Thresholds Set Out

To meet the panel's vision requires additional funding. In response to the governor's request for options, the panel proposes thresholds of additional funding between \$500 million per year and \$2 billion per year. The \$500 million funding threshold is provided only as a means of safely maintaining existing infrastructure. To uphold its vision for Colorado transportation, the panel does not support seeking less than \$1 billion of additional annual transportation funding. The panel's preferred alternative is to seek \$1.5 billion of additional annual funding. This level of funding would enable Colorado to safely maintain its existing infrastructure and begin to address needed mobility investments, shoulder improvements, transit enhancements, environmental stewardship, bike and pedestrian projects, and allocations for local governments.

To address the needs of specific corridors, mobility investments will have the flexibility to develop highway, transit, or combination solutions. These investments are envisioned to include passenger rail. Shoulder improvements will focus on adding shoulders in rural regions to improve safety and mobility. Transit funds would address human service needs and improve services in urban and rural areas of the state. Environmental stewardship investments will target mitigation of projects completed before modern environmental reviews, such as sand in Black Gore Creek. Additional environmental spending could advance proactive mitigation programs, such as wildlife crossings or a wetlands preservation initiative. Bicycle and pedestrian investments would build on the federally funded transportation enhancement program. Local government allocations would be used for roadway or possibly transit improvements.

Each threshold of funding is associated with a set of performance outcomes. The outcomes are graded A through F like a school report card. The grading system does not reflect engineering levels of service, but is intended to help the public and policy makers understand in relative terms the outcomes provided by different levels of investment. Each funding threshold is presented below in summary form. The final report of the panel will include detailed discussion of each threshold.

### \$500 million Funding Threshold

Investment Allocation		
Surface Treatment	\$222 million	Raise from C to B
Bridge	\$156 million	Maintain at B
Maintenance Levels of Service	\$82 million	Raise from C to B
Local Transportation	\$40 million	Varies by jurisdiction

(continued page 3)

### \$1.0 billion Funding Threshold

Investment Allocation		
Investment Category	Funding Level	Service Level Outcome
Surface Treatment	\$222 million	Raise from C to B
Bridge	\$156 million	Maintain at B
Maintenance Levels of Service	\$82 million	Raise from C to B
Shoulders	\$78 million	Raise from F to D
<b>Mobility - \$260 million total</b>		
• Strategic Projects	\$26 million	Accelerate funding obligation by two years
• Multi-Modal Mobility	\$156 million	Limit decline of Mobility to D- rather than to F
• Strategic Transit	\$78 million	Raise from D to D+
Transit – Urban	\$36 million	Raise from C to B
Transit – Rural	\$36 million	Raise from C to B
Environmental	\$25 million	Establish at B
Bicycle & Pedestrian	\$10 million	Establish at B
Local Transportation	\$95 million	Varies by jurisdiction

### \$1.5 billion Funding Threshold – Preferred Alternative

Investment Allocation		
Investment Category	Funding Level	Service Level Outcome
Surface Treatment	\$222 million	Raise from C to B
Bridge	\$156 million	Maintain at B
Maintenance Levels of Service	\$82 million	Raise from C to B
Shoulders	\$78 million	Raise from F to D
<b>Mobility - \$562 million total</b>		
• Strategic Projects	\$56 million	Accelerate funding obligation by five years
• Multi-Modal Mobility	\$337 million	Limit decline of Mobility to D+ rather than to F
• Strategic Transit	\$169 million	Raise from D to C-
Transit – Urban	\$36 million	Raise from C to B
Transit – Rural	\$36 million	Raise from C to B
Environmental	\$25 million	Establish at B
Bicycle & Pedestrian	\$10 million	Establish at B
Local Transportation	\$293 million	Varies by jurisdiction

(continued page 4)

**\$2.0 billion Funding Threshold**

<b>Investment Allocation</b>		
<b>Investment Category</b>	<b>Funding Level</b>	<b>Service Level Outcome</b>
Surface Treatment	\$222 million	Raise from C to B
Bridge	\$156 million	Maintain at B
Maintenance Levels of Service	\$82 million	Raise from C to B
Shoulders	\$78 million	Raise from F to D
<b>Mobility - \$1.055 billion total</b>		
• Strategic Projects	\$106 million	Accelerate funding obligation by six years
• Multi-Modal Mobility	\$632 million	Limit decline of Mobility to C+ rather than to F
• Strategic Transit	\$317 million	Raise from D to C+
Transit – Urban	\$36 million	Raise from C to B
Transit – Rural	\$36 million	Raise from C to B
Environmental	\$25 million	Establish at B
Bicycle & Pedestrian	\$10 million	Establish at B
Local Transportation	\$300 million	Varies by jurisdiction

## Revenue Options Proposed

During the panel's first meeting, Governor Ritter emphasized that "all revenue options are on the table." The panel took the governor's charge to heart and with the help of its technical advisory committee considered more than 40 revenue options. After months of review and deliberation the panel focused its attention on five revenue options based on revenue raising capacity, logical connection to transportation and political viability. Each option is summarized below. The panel's final report will include a discussion of all options considered.

### Increased vehicle registration fee

As a fee for a specific service, such as road maintenance, the legislature can pass an increase without voter approval. However, referral of the fee to the voters may be more acceptable to the public. The state vehicle registration fees currently average only \$30. This represents only 1/3 of the fees and taxes collected at the time of registration. Revenues from an increased fee would flow to the Colorado Highway Users Trust Fund and could be distributed under the current structure or under a newly legislated structure. Revenues will grow with new registrations and may offset increases in vehicle miles traveled. However, a fixed fee would not offset rising construction costs.

### Increased motor fuel tax

The current state tax on gasoline is 22 cents per gallon and 20 cents per gallon on diesel fuel. The tax was last raised in 1991. Any increase to a motor fuel tax must gain voter approval.

*(continued page 5)*

Other than tolls or fees on vehicle miles traveled (VMT), the fuel tax closest to a "pay-as-you-go" user fee. As alternative fuel sources and hybrid vehicles gain in popularity, a replacement revenue source (e.g. VMT fees) must be implemented. If the tax is not indexed to inflation it immediately loses purchasing power. Since it was last increased, the current motor fuel tax has lost 2/3 of its purchasing power.

### **New Daily Visitor Fee**

As a fee for a specific service, the legislature could pass this without voter approval. However, referral of the fee to the voters may be more acceptable to the public. A fee may be preferred over a tax, because use of the transportation system should not correlate directly with the cost of the hotel room or auto rental. However, a \$6 daily fee on an otherwise inexpensive long-term stay or rental may deter such consumption. An unknown, but potentially substantial portion of daily car rentals and nightly lodging is by Colorado residents.

### **Increased sales & use tax**

Any increase to the state sales and use tax must gain voter approval. At the state taxing level only, Colorado has the lowest sales and use tax burden of any state. When combining the state and local sales and use taxes, Colorado rises to the midpoint of the 50 states. As a general tax, revenues can be used for transit, unlike vehicle fees or fuel taxes, which are constitutionally restricted to highway spending. The history of sales tax collections by the state demonstrates the this tax is generally a strong and consistent generator of revenues for both the state and local governments, and one that can help offset population growth and rising construction costs. However, long-term projections indicate that the sales tax will become relatively less productive as the population of the state ages and spends less of its income on goods subject to sales tax.

### **Increased severance tax**

Public meetings, particularly in regions with heavy oil and gas exploration, demonstrate the significant impact this industry has on the state's roads. Colorado lags its neighboring states in severance tax collection, yet this tax is the state's sole compensation for the depletion of a non-renewable asset that is no longer available to future generations. Consequently, the proceeds of a severance tax are most appropriately used to create long-lived assets such as transportation systems for use by multiple generations. Any increase to the severance tax must gain voter approval.

## On the Web



Governor's Transportation Finance and Implementation Panel site:  
<http://www.colorado.gov/governor/> (following link for Transportation Panel)

The CDOT web site includes information provided to the Panel:  
<http://www.dot.state.co.us/StateWidePlanning/PlansStudies/blueribbon.asp>

*The Update* is prepared by the Division of Transportation Development's Planning Branch to keep CDOT employees and the public informed about the work of the Transportation Finance and Implementation Panel. *The Update* will be distributed periodically during the term of the panel.

Send comments, questions and ideas for *The Update* to Andrew Stober, [andrew.stober@dot.state.co.us](mailto:andrew.stober@dot.state.co.us).

**Revenue Projections (Deflated Dollars)**  
**FY2008 - FY2035**  
*Dollars in Millions*

<b>By Major Category:</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Total HUTF Revenue to CDOT	414.9	402.0	393.4	391.8	374.6	364.8	355.8	347.4
FHWA Apportionments	423.9	414.3	309.9	325.5	326.7	331.7	335.2	337.9
SB 97-001	105.7	97.2	98.0	10.3	273.0	278.9	284.0	288.7
HB 02-1310	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Funding Sources:								
FHWA Local Match	16.1	15.7	15.6	16.5	16.6	16.9	17.0	17.2
CDOT Miscellaneous Funds	20.4	21.0	20.9	19.7	19.1	18.7	18.2	17.5
Interest on Bond Proceeds	0.8	0.6	0.3	0.0	0.0	0.0	0.0	0.0
Rail Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Infrastructure Bank	0.4	0.4	0.3	0.3	0.2	0.2	0.1	0.1
Total Limited Gaming Fund	14.3	10.0	10.2	10.6	10.6	10.7	10.8	11.0
FTA Administered by CDOT	18.3	18.7	18.6	19.5	19.6	19.9	20.1	20.3
Aeronautics Funds	23.1	22.9	22.9	22.8	22.3	22.1	22.0	21.8
Safety Education	6.4	6.2	6.1	6.0	5.8	5.6	5.5	5.3
Total Other Funding Sources	99.8	95.5	94.7	95.2	94.1	94.1	93.7	93.2
<b>Total CDOT</b>	<b>1,044.3</b>	<b>1,009.1</b>	<b>896.1</b>	<b>822.9</b>	<b>1,068.4</b>	<b>1,069.4</b>	<b>1,068.6</b>	<b>1,067.2</b>

<b>By Major Category:</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Total HUTF Revenue to CDOT	343.5	338.1	328.8	326.2	323.2	321.2	317.8	314.4
FHWA Apportionments	334.1	329.1	320.0	317.1	314.3	312.1	309.1	306.2
SB 97-001	292.6	295.3	293.5	297.4	300.5	303.2	306.2	309.2
HB 02-1310	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Funding Sources:								
FHWA Local Match	17.0	16.7	16.3	16.1	16.0	15.9	15.7	15.6
CDOT Miscellaneous Funds	17.1	16.6	15.9	15.5	15.1	14.7	14.4	14.1
Interest on Bond Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rail Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Infrastructure Bank	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Limited Gaming Fund	11.1	11.2	11.1	11.2	11.3	11.4	11.5	11.6
FTA Administered by CDOT	20.1	19.8	19.2	19.0	18.9	18.7	18.6	18.4
Aeronautics Funds	21.6	21.3	20.7	20.6	20.4	20.3	20.1	20.0
Safety Education	5.2	5.1	4.9	4.8	4.7	4.6	4.5	4.4
Total Other Funding Sources	92.1	90.7	88.1	87.2	86.4	85.7	84.9	84.1
<b>Total CDOT</b>	<b>1,062.4</b>	<b>1,053.3</b>	<b>1,030.4</b>	<b>1,027.9</b>	<b>1,024.4</b>	<b>1,022.2</b>	<b>1,018.0</b>	<b>1,013.8</b>

Source: Colorado Department of Transportation, Office of Financial Management and Budget

**Revenue Projections (Deflated Dollars)**  
**FY2008 - FY2035**  
*Dollars in Millions*

<b>By Major Category:</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
Total HUTF Revenue to CDOT	311.3	308.7	306.9	305.5	303.8	302.4	300.7	298.2
FHWA Apportionments	303.5	301.1	299.2	297.6	295.8	294.1	292.4	290.0
SB 97-001	312.0	314.7	317.1	319.5	321.7	323.9	326.1	327.3
HB 02-1310	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.8
Other Funding Sources:								
FHWA Local Match	15.5	15.3	15.3	15.2	15.1	15.0	14.9	14.8
CDOT Miscellaneous Funds	13.8	13.5	13.2	12.9	12.6	12.4	12.1	11.9
Interest on Bond Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rail Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Infrastructure Bank	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Limited Gaming Fund	11.7	11.8	11.9	12.0	12.1	12.2	12.3	12.4
FTA Administered by CDOT	18.2	18.1	18.0	17.9	17.8	17.7	17.6	17.4
Aeronautics Funds	19.9	19.8	19.6	19.5	19.4	19.3	19.2	19.1
Safety Education	4.3	4.2	4.1	4.1	4.0	3.9	3.8	3.8
Total Other Funding Sources	83.4	82.7	82.1	81.6	81.1	80.6	80.1	79.4
<b>Total CDOT</b>	<b>1,010.2</b>	<b>1,007.3</b>	<b>1,005.3</b>	<b>1,004.2</b>	<b>1,002.4</b>	<b>1,001.0</b>	<b>999.3</b>	<b>1,024.8</b>

<b>By Major Category:</b>	<b>FY 2032</b>	<b>FY 2033</b>	<b>FY 2034</b>	<b>FY 2035</b>	<b>FY08-14</b>	<b>FY08-35</b>
Total HUTF Revenue to CDOT	294.9	293.7	292.1	291.1	2,697.3	9,267.2
FHWA Apportionments	287.2	286.2	284.9	284.0	2,467.1	8,863.2
SB 97-001	328.6	331.3	333.8	336.4	1,147.1	7,726.2
HB 02-1310	134.8	258.0	387.8	561.7	0.0	1,372.1
Other Funding Sources:						
FHWA Local Match	14.7	14.6	14.6	14.5	114.4	440.2
CDOT Miscellaneous Funds	11.6	11.4	11.2	11.1	137.9	426.5
Interest on Bond Proceeds	0.0	0.0	0.0	0.0	1.6	1.6
Rail Bank	0.0	0.0	0.0	0.0	0.0	0.0
State Infrastructure Bank	0.1	0.1	0.1	0.0	1.8	3.1
Total Limited Gaming Fund	12.5	12.6	12.8	12.9	77.1	325.8
FTA Administered by CDOT	17.3	17.2	17.1	17.1	134.8	519.0
Aeronautics Funds	19.0	18.9	18.9	18.8	158.0	576.3
Safety Education	3.7	3.6	3.6	3.6	41.7	131.7
Total Other Funding Sources	78.8	78.5	78.2	78.0	667.3	2,424.2
<b>Total CDOT</b>	<b>1,124.3</b>	<b>1,247.7</b>	<b>1,376.9</b>	<b>1,551.2</b>	<b>6,978.8</b>	<b>29,653.0</b>

Source: Colorado Department of Transportation, Office of Financial Management and Budget