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A Decade of Colorado Road and Transportation Spending in Pictures

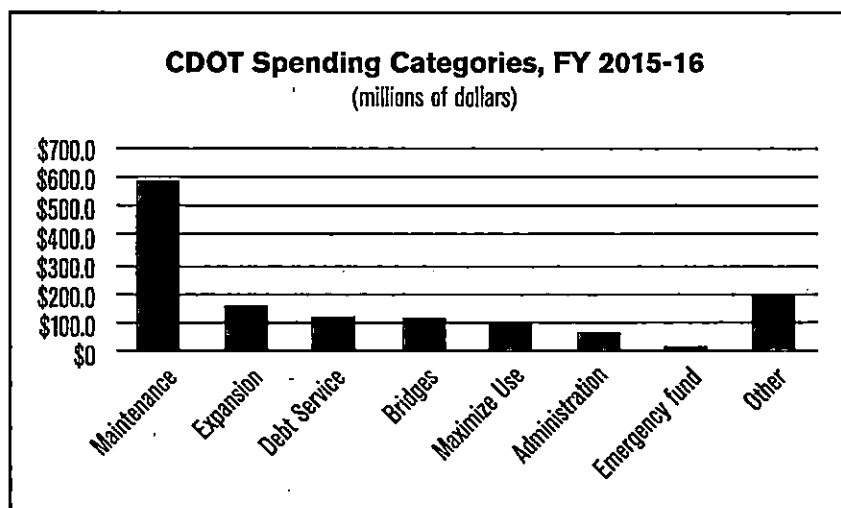
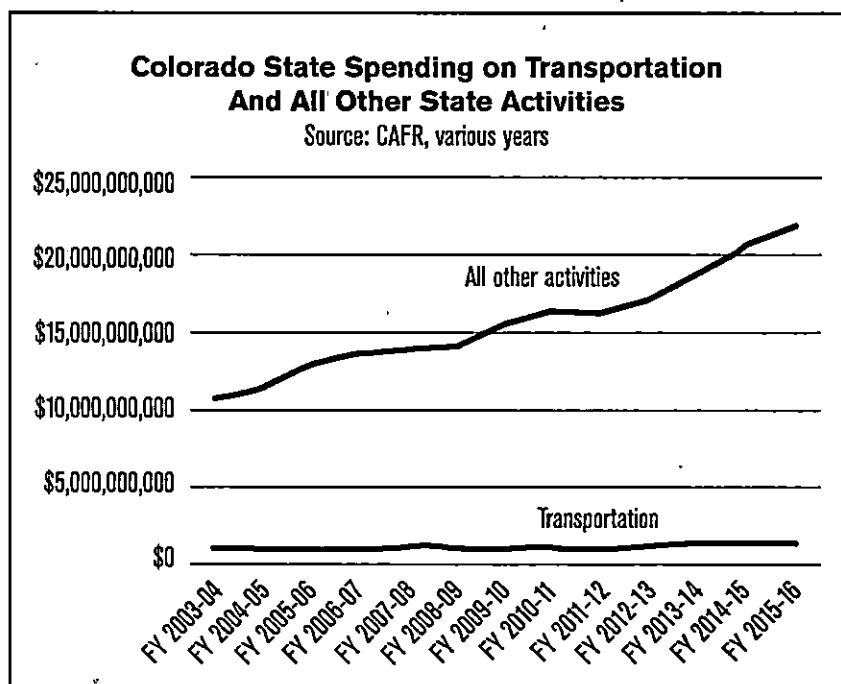
By Linda Gorman

The roughly \$300 million a year that the Colorado Department of Transportation (CDOT) says it needs to fill the state's road spending deficit is less than 2 pennies out of each dollar of total state spending.

In the last decade, Colorado transportation spending has been flat while spending on other activities has grown. Colorado transportation spending is a mix of spending on roads, airports, mass transit, bike paths, and pedestrian walkways. It also includes education and safety programs.

In FY 2015-16, CDOT spent \$1.44 billion in state and federal funds. It reported that about 85 percent of the budget was spent on road related activities.¹ The maintenance and bridges categories are self-explanatory. "Maximize Use" dollars fund things like travel information, electronic signs, turn lanes, and programs on seatbelt use. As the bar graph shows, state transportation spending on "expansion," adding new highway lanes or new roads, was less than state spending in the "other" category. "Other" includes spending on mass transit, alternative fuel vehicles, school parking lot upgrades, and intercity buses to compete against existing private bus lines.

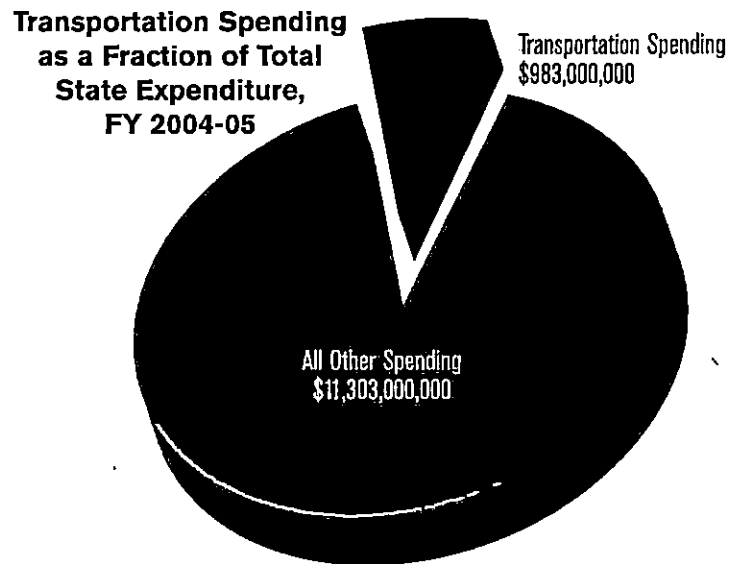
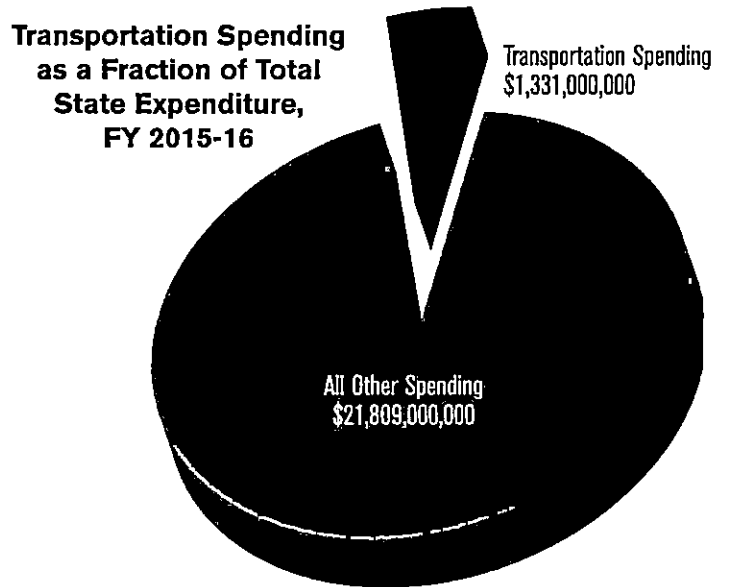
When federal grants are removed from state spending, a decade's worth of spending data show that the percentage of state funds spent on transportation as a percentage of all state spending has trended downwards.



In general, transportation accounts for less than 10 percent of total state expenditure. Between FY 2004-5 and FY 2015-16, it fell as a proportion of total state expenditures despite the increase in state spending shown by the different sized pie graphs.

Colorado officials have chosen to fund road improvements through borrowing rather than on a pay as you go basis, a decision that incurs significant debt service costs. In 1999, voters responded to the urging of state officials and authorized \$1.5 billion in Transportation Revenue Anticipating bonds (TRANS). The state sold \$1.5 billion in debt, all but \$105 million between 2000 and 2004. Some of the proceeds were used on mass transit rather than roads. The final payment on the debt was made in December, 2016. The repayment cost was \$2.3 billion for \$1.5 billion in borrowing.

State officials now want voters to authorize \$3.5 billion in new TRANS debt at a time when interest rates are likely to rise. They say that they need \$9 billion to improve roads and reduce traffic congestion and that this requires a tax hike. Reallocating other state funds for this purpose appears to be out of the question even though transportation spending has been relatively flat as total state spending has more than doubled.



¹ Colorado Department of Transportation. March 13, 2017. Annual Report, 2016. https://www.codot.gov/library/AnnualReports/2016-annual-report/at_download/file. Accessed March 23, 2017.

