2018 Transportation Funding Initiatives

ERIC M. RICHARDSON – COLORADO DEPARTMENT OF TRANSPORTATION
General Assembly Session

- Ended May 9
- Senate Bill (SB) 18-001
- Potential Ballot Initiatives
  - Sales Tax Increases
  - Fix Our Damn Roads!
FY 2018 – 19 CDOT Budget Request ($1.76B)

Sources of Funds

- Federal Gas Tax: $536.4 (30.5%)
- State Gas Tax: $344.2 (19.6%)
- SB-267/General Funds: $380.5 (21.7%)
- State Vehicle Registration: $114.7 (6.5%)
- State FASTER: $117.3 (6.7%)
- Bridge Enterprise: $116.2 (6.6%)
- State Aviation Fuel Tax: $25.5 (1.5%)
- Other: $67.4 (3.8%)
- Local Agency, City & County Funds: $36.1 (2.1%)
- Other: $67.4 (3.8%)

Uses of Funds

- Delivers - Program Delivery/Administration: $88.4 (5.0%)
- Expand: $362.8 (20.6%)
- Maintain What We Have: $742.9 (42.3%)
- Maximize: $118.4 (6.7%)
- HPTE: $19.1 (1.1%)
- Bridge Enterprise: $116.2 (6.6%)
- Pass Through Funds/Multi-modal Grants: $258.1 (14.7%)
- Debt Service: $41.3 (2.3%)
- TC Contingency: $10.2 (0.6%)
$500.0 million transfer in FY 2018-19 to CDOT for any use
- Removed $1.5 billion in transfers to CDOT
- 2019 ballot initiative
  - $3.5 billion in bonds
    - 25% to rural areas, 10% to transit
  - $5.0 billion repayment
- General Fund transfer: $250.0 million for 20 years
SB 18-001 Summary after HOUSE Passage

- $495.0 million transfer in FY 2018-19
  - $346.5M to CDOT (70%)
  - $74.25M to Counties/Cities (15%)
    - **Denver gets approximately $7.7 million - JULY 1, 2018**
  - $74.25M to a new Multimodal Fund (15%)
- $150.0 million transfer in FY 2019-20: **Denver $2.3 million - JULY 1, 2019**
- Removed $1.5 billion in transfers to CDOT
- 2019 ballot initiative
  - $2.35 billion in bonds (85% to CDOT; 15% to Multimodal Fund)
- General Fund transfers pay $122.6 million (75.4%) of debt service
Final Result of SB 18-001

- HOUSE VERSION PASSED GENERAL ASSEMBLY
- Overall NEW revenue:
  - $950M to CDOT
  - $447M to Multimodal Fund
  - $97M to Counties/Cities
- Most of money contingent on 2019 ballot initiative
Sales Tax Ballot Initiatives

Brought by Denver Metro Chamber of Commerce

Increase current 2.9% statewide sales tax (Four Measures) for 20 years (Jan. 1, 2019 to Dec. 31, 2038)

- 0.35%, 0.50%, 0.62%, 1.00%
  - 1.00% increase = $1 extra in tax for every $100 spent

Would allow CDOT to bond $3.7-$9.5 billion

- **0.35%**: 40/40/20 Counties/Cities/Multimodal Fund
- **0.50%/0.62%/1.00%**: 45/20/20/15 CDOT/Counties/Cities/Multimodal Fund
CDOT Projects to Use with New Resources

- **SB 18-001/Sales Tax** - $2.3 billion or greater bonding capacity
  - Highways: CDOT 10-Year Development Program projects
    - Sales Tax = $6.8 billion over 20 years – out years?
- **Transit**
  - “Multimodal Capital Projects”
- Transportation Commission role
Local Uses with New Resources

- 0.5% sales tax increase = $220.4 million in Year 1 for Counties/Cities – new revenue stream
- Uses include roads, bike/pedestrian projects
- Removes 15% limit on transit expenditures with state money
- Denver: Projected $626.2 million in revenue over 20 years with 0.5% sales tax increase
Multimodal Uses with New Resources

- 0.5% Sales Tax = $82.7 million in Year 1 for “Fund”
- 15% to state priorities: Bustang, park and rides, “multi-modal mobility projects enabled by new technology”, “other inter-regional public transit”, and bike/pedestrian projects
- 85% to MPO’s or agencies/local governments
  - 50% match, however under-funded agencies/governments can have exceptions
  - Capital/operating costs for transit, bike/ped projects, transportation demand management projects, new technology projects, studies
- If CDOT uses bond proceeds for a multi-modal project, up to $30.0 million in “Fund” revenue can be used for repayment if matching funds provided by locals
Fix Our Damn Roads!

▶ Brought by Independence Institute
▶ Allows CDOT to bond $3.5 billion
▶ Existing General Fund revenue for debt service; no tax increases
▶ Strict project list
'SB 18-001 – Passed

Sales tax ballot initiatives from Denver Metro Chamber of Commerce - decision soon for 2018

Fix Our Damn Roads! potential 2018 ballot initiative from Independence Institute

If any 2018 ballot initiative passes, SB 18-001 ballot initiative goes away
Questions?

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