



**COLORADO
CONTRACTORS
ASSOCIATION**

BRINGING **INFRASTRUCTURE** TO LIFE

Investing in Colorado's Transportation Future

*Presented by the Colorado Contractors Association
and the Colorado Construction Industry Coalition*



COLORADO
Department of
Transportation

THEN AND NOW PER CAPITA SPENDING

1991

VS.

2015

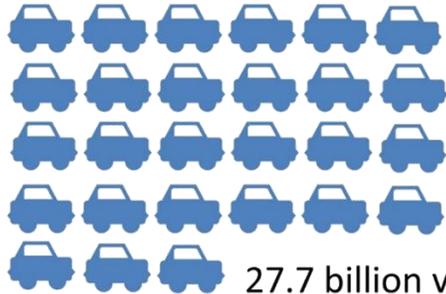


3.3 million

population

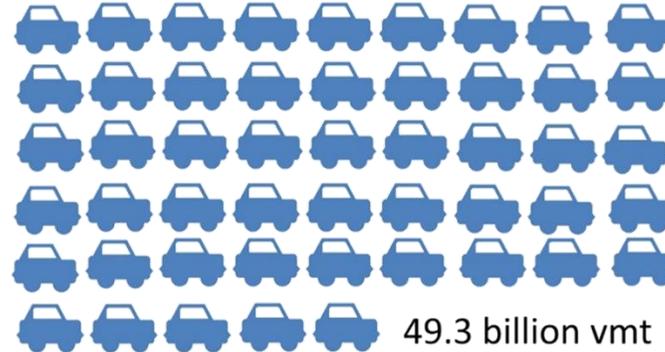


5.4 million



27.7 billion vmt

vehicle
miles
traveled



49.3 billion vmt

dollars
spent
per
person

\$
\$
\$
\$

\$125.70/person

\$
\$

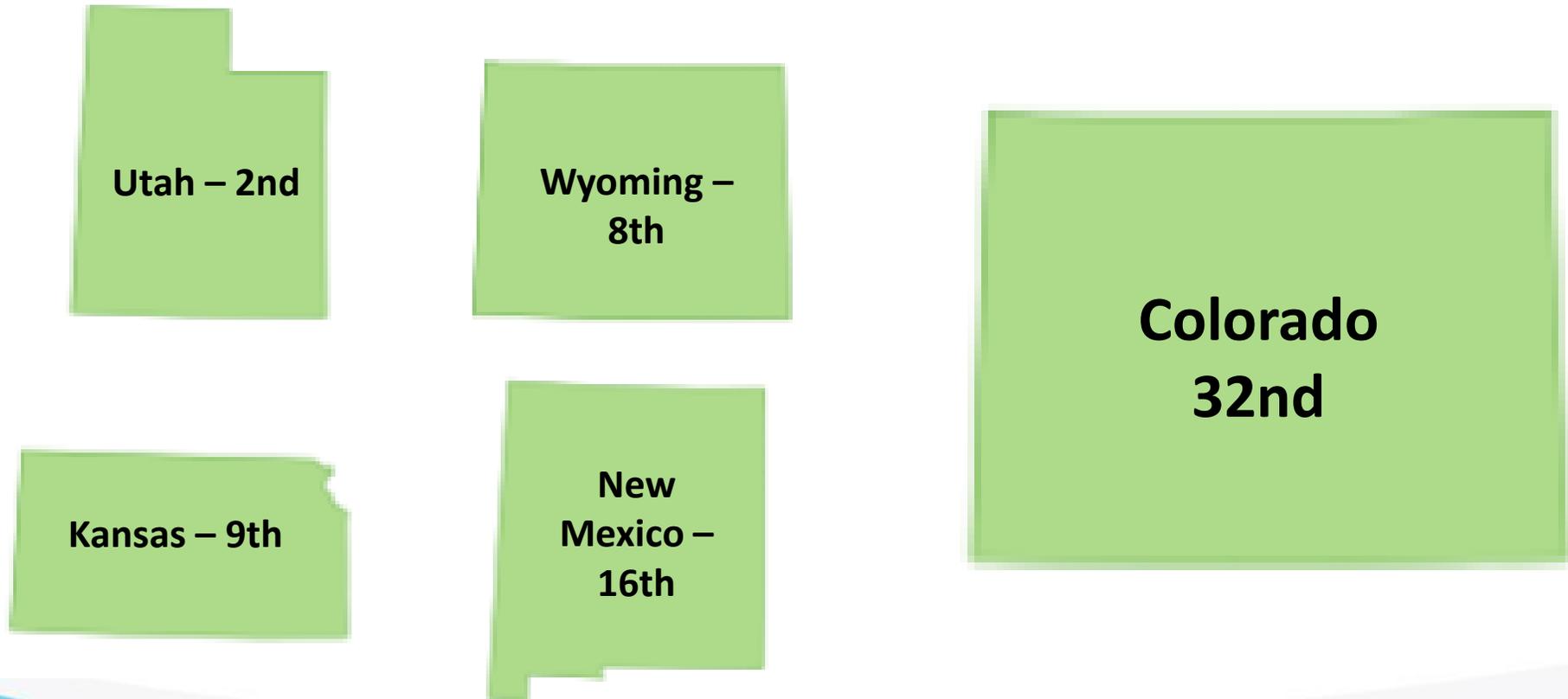
\$68.94/person

Colorado Road Conditions Continue to Decline

- **35 percent of Colorado's major urban roads are in poor condition:**
 - 41 percent in Colorado Springs area in poor condition
 - 43 percent in the Denver urban area
- **12 percent of Colorado's major mountain and outstate roads have pavements in poor condition:**
 - 44 percent are mediocre or fair

We Are Not Keeping Pace with Our Neighbors

2014 FHWA Pavement Condition:



Source: 2014 FHWA Highway Statistics

Road Conditions Impact All Coloradans

- Fatality rate on Colorado's rural roads and non-interstate highways is more than double the rate on all other roads in the state
- Driving on poor roads costs Colorado motorists a total of **\$2.2B annually in extra vehicle operating costs**
 - Costs include accelerated vehicle depreciation, additional repair costs and increased fuel consumption and tire wear

Gas Tax No Longer Sustainable Funding Source

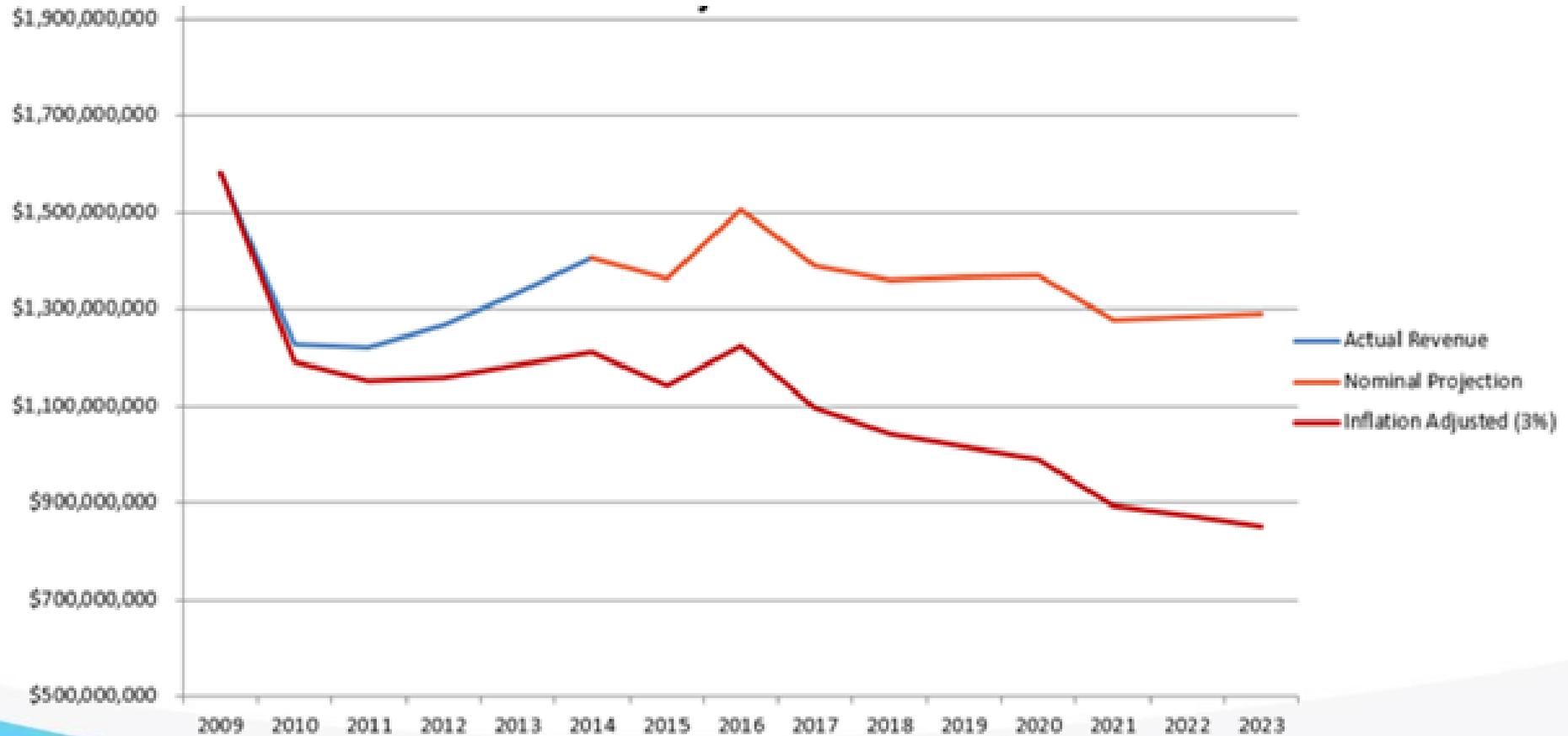


40.4 cents per gallon

- 22 cents to state
- 18.4 cents to feds

- Federal and state gas taxes have been fixed for more than two decades
- Revenue has steadily declined as Coloradans burn less gasoline in more fuel-efficient cars
- According to an Inside Energy analysis, after adjusting for inflation, **CDOT is taking in 30 percent less** money from gas taxes now than it did in 2000

CDOT Revenue Projection – 2009 to 2023



Senate Bill 228 Limited Funding Source

- **Senate Bill 228 remains critical to statewide transportation and capital construction investments.** Currently, there are no additional funding sources identified in the General Fund to address Colorado's statewide infrastructure needs.
 - However, SB228 is will now be \$79 million for FY2016-17 to balance the state budget.
- Colorado already has budgeted **three years** of the five-year SB228 commitment.

Making Transportation Funding a Top Issue

- Over past two years, CCA sponsored a statewide stakeholder engagement, voter research and policy project that led to the introduction of 10 ballot measures for the 2016 ballot.
- **Voter research through three statewide polls and multiple online focus groups showed that nearly 60 percent of Colorado voters—consistently through three surveys—support a dedicated sales tax increase to address our state’s road, bridge and mobility infrastructure needs.**
 - Rejected gas tax increase and several other funding sources

Initiated vs. Referred Measure

- Voter support on an **initiated measure** drops after being presented actual ballot language as set by Title Board
 - Due to the complications of the extensive language required to craft an initiated measure—especially pieces that build voter confidence.
 - Through polling, we saw support drop as the ballot title grew longer.
- **However, with a question referred by the General Assembly, much of the key pieces can be in the implementing language**—with the ballot question presented to voters generated by the legislature in a much simpler and shorter form.

Possible Referred Measure in 2017

In working with legislators, elected officials and transportation stakeholders, CCA has identified the following concepts for moving forward:

- An increase to the state sales and use tax (currently 2.9 percent) between 1/2 and 3/4 cents per \$1 spent.
 - According to a Legislative Council economic review, a 0.62 increase would raise about \$689 million in the first full year alone.
- CCA is open to an alternative funding source provided it is reliable and dedicated to transportation.

Possible Referred Measure in 2017

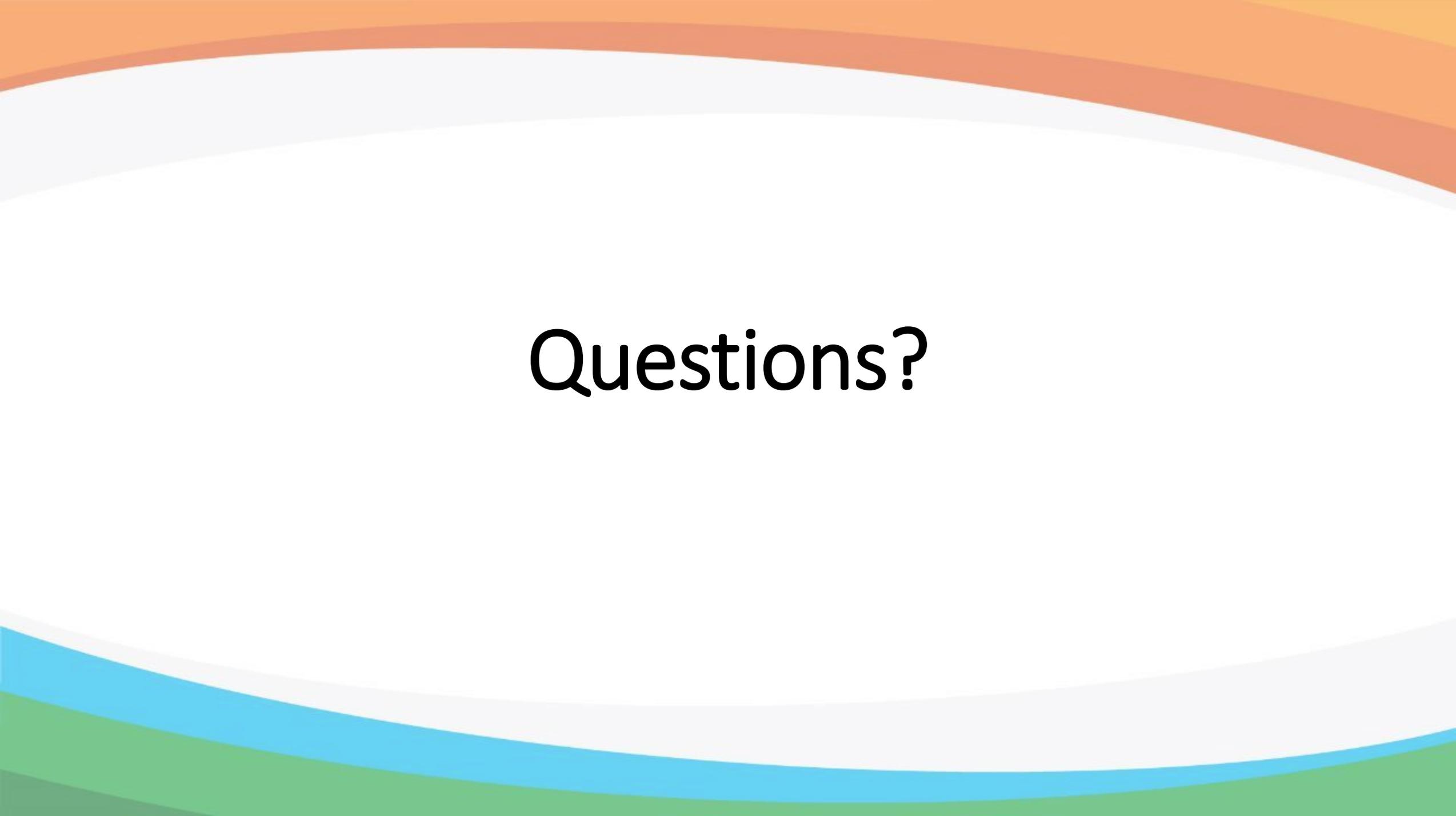
- Dedicate any form of tax increase to the Highway Users Tax Fund to ensure that the money is constitutionally protected and must go only to transportation projects.
- Invest in mobility projects—including highways, transit, pedestrian and bike improvements—through the local share of HUTF funds, as well as a dedicated percentage of the state share.
 - New policies need to be developed to identify and prioritize mobility needs in urban, suburban and rural areas using state mobility funds.

Possible Referred Measure in 2017

- Integrate bonding as an important finance tool to jump-start critical statewide projects. Any new funds should remain flexible to pay for bonding.
- Increase taxpayer confidence through accountability and transparency measures, including:
 - Guarantees that the money raised be dedicated to addressing a specific list of projects.
 - Requiring CDOT to produce an annual report on how the money was spent, and
 - Consideration of a sunset on the new tax, with voter re-authorization.

What's Ahead for Transportation Funding

1. Continue working with **bipartisan legislative leadership** on a referred measure for 2017.
2. Refresh voter research and polling, assessing 2017 election climate, voter support for sales tax, alternative funding sources and continued concerns about transportation.
3. Develop policy strategies for funding stream, projects/priorities, transparency/accountability and financing options such as bonding.
4. Keep spreading the word and building a diverse, statewide coalition.



Questions?