COLORADO
Department of Transportation
Office of the Executive Director
4201 East Arkansas Ave, Suite 262
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December 1, 2014

Joint Budget Committee
Colorado General Assembly
Legislative Services Building, 3rd Floor
Denver, CO 80203

RE: FY2015-16 Joint Budget Committee Hearing for the Colorado Department of Transportation

Dear Members of the Joint Budget Committee:

I am pleased to provide to you this letter which responds to each of the questions you posed to the Colorado Department of Transportation (CDOT) during the Joint Budget Committee (JBC) Staff briefing on CDOT held on November 20, 2014. My staff, Transportation Commission Chairman Ed Peterson, and I will be prepared to discuss each of these points when we present to you on December 3, 2014, on the Department's current activities and projects.

QUESTIONS COMMON TO ALL DEPARTMENTS

Question 1. SMART Government Act:

a. *Please describe how the SMART Government Act is being integrated into the department's existing processes (both in terms of service delivery and evaluating performance).*
The SMART Act has increased the Department's efforts to become a more performance-driven organization. The act has helped CDOT distinguish its outcome metrics from measures of processes that influence those outcomes. CDOT is currently aligning its performance metrics with principles from the "Four Disciplines of Execution" (4DX), a management approach advocated by Franklin Covey. The Department expects progress in implementing 4DX this fiscal year will influence future Performance Plans and increase the Department's overall effectiveness. The 4DX approach requires CDOT to identify its most important goals and the processes that have the greatest influence on achieving them. For example, the Department has historically tracked highway fatalities as its outcome metric for safety, and has employed myriad strategies to reduce them. 4DX requires the Department to go beyond maintaining fatality metrics and goals to setting performance targets for the processes that (1) are under the Department's control, and (2) have the greatest effect on reducing fatalities. As an example, the Department may seek to improve its process for selecting the right safety projects by setting a target of increasing the average cost/benefit ratio of those projects. Under the SMART Act and the 4DX approach, the Department is also making more extensive use of performance metrics in programs that are new to performance reporting, such as transit, and setting more specific and more frequent goals for those programs.

b. *How is the data that is gathered for the performance management system used?*
The use of performance data for metrics included in the Performance Plan varies by metric. Performance on individual metrics can influence program funding levels, process-improvement efforts, project selection and strategies for managing assets including bridges and pavement on the state highway system. For example, a Transportation Commission policy directive sets target performance levels for certain metrics included in the plan, such as highway pavement condition. If pavement condition drops unexpectedly below the target level, the Department will more closely analyze project delivery to determine what may be adversely affecting overall pavement condition.

c. *Please describe the value of the act in the department.* The SMART Act has accelerated the Department's efforts to become an organization that increasingly leverages performance metrics to make management decisions. The Department's performance measure program, published annually since 1998, has historically focused on outcome measures such as total fatalities and bridge conditions. Under the SMART Act and by using the 4DX approach, CDOT is placing increased focus on measures of operational processes that can improve those outcomes. These efforts are outlined in the answer to question 1a above and will become more apparent in future Performance Plans.

Question 2. Do you have infrastructure needs (roads, real property, information technology) beyond the current infrastructure request? If so, how do these needs fit in with the department's overall infrastructure priorities that have been submitted to the Capital Construction Committee or Joint

Technology Committee? If infrastructure should be a higher priority for the department, how should the department's list of overall priorities be adjusted to account for it?
Maintaining Colorado's transportation infrastructure is by far the Department's highest priority. Only $92 million of CDOT's $1.4 billion fiscal year 2016 budget request is dedicated to expanding capacity of the highway system — the remainder is related to maintaining, preserving, and improving safety of existing lanes. This system includes more than 23,000 lanes miles and more than 3,000 bridges — not to mention tunnels, culverts, walls, buildings, intelligent transportation systems, traffic signals and fleet equipment. In addition to funds from the Department's annual budget request, $150 million in cash balances from CDOT's Responsible Acceleration of Maintenance & Partnerships (RAMP) program will contribute to the full $750 million in projects CDOT will spend on infrastructure preservation for fiscal year 2016.

Due to stagnant funding, many transportation infrastructure demands cannot be addressed. Senate Bill 09-228 funding transfers were projected to provide the Department with more than $1 billion for statewide strategic projects over fiscal years 2016-20. The Department, working with local stakeholders, identified more than $2 billion in projects that could not be delivered without these funds. However, the most recent forecast slashes projected proceeds to CDOT from Senate Bill 09-228 by 50 percent in the first year of transfers, to just over $100 million. Economic forecasts for future fiscal years indicate that Senate Bill 09-228 money may experience similar reductions or total eliminations in subsequent fiscal years. This leaves little for statewide strategic project investment.

The two requests before the Capital Development Committee are important requests for CDOT. They represent infrastructure needs that lack dedicated programmatic funding sources and topped a list of projects nominated by CDOT staff for consideration by the committee.

Question 3. Describe the department's experience with the implementation of the new CORE accounting system.

a. *Was the training adequate?*
   It is important to note that CDOT has used SAP as its financial system since 2006 and did not convert to CORE with other state agencies. Rather, it transitioned by building interfaces to and from CORE and SAP. For a majority of CDOT's users, therefore, CORE training was adequate.
b. *Has the transition gone smoothly?*
   CDOT did have an issue with the transition into CORE related to the user interfaces. The Department obtained some test interface files coming from CORE prior to implementation, which CDOT used to create interface programs into SAP. CDOT discovered these test files were incomplete which then required the Department to create emergency business cases in order to get the CORE files into SAP. This has required extra work from CDOT staff to change interface programs to comply with the data received from CORE. Also CDOT did not receive a Warrant Clearing file until late November 2014, creating an issue in CDOT's cash being overstated.
c. *How has the implementation of CORE affected staff workload during the transition?*
   The CORE implementation project did increase staff workload, specifically when processing internal transactions. Approximately two Division of Accounting & Finance staff was dedicated full-time to the transition, and many more contributed significantly.
d. *Do you anticipate that CORE will increase the staff workload on an ongoing basis? If so, describe the nature of the workload increase and indicate whether the department is requesting additional funding for FY 2015-16 to address it.*
   All known CORE issues have been addressed and interfaces are working properly. CDOT does not expect CORE to increase staff workload in the future.

PROJECT UPDATES

Question 4. Please discuss the status of bridge projects financed with revenue from FASTER.
The table below summarizes the status of all FASTER eligible bridges:

Table 1.
FASTER Eligible Bridges
Current Status

Status	Bridge Number
Completed	106
In Construction	18
Design Complete	2
In Design	17
Remaining	22
No Action Proposed	16
Total	**181**

Although Bridge Enterprise continuously tracks eligible bridges throughout the State, bridges that are addressed with FASTER funds are tracked separately due to the ability of various entities to address eligible bridges with non-FASTER funds. The FASTER eligible bridge count that have or are receiving FASTER funding currently totals 109 and is summarized as follows:

Table 2.
FASTER Funded Bridges
Current Status

Status	Bridge Number
Completed	72
In Construction	18
Design Complete	2
In Design	17
Total	**109**

*The 109 FASTER funded bridges are included in the 181 FASTER eligible bridge count.

In 2009, 30 bridges were identified as the most deficient in Colorado. To date, the CBE has completed 28 of the 30 bridges and expects to complete the design and reconstruction of one of the remaining bridges by the end of calendar year 2015. The I-70 Viaduct will be the final original '30 worst' bridge addressed:

Table 3.
FASTER Bridge Enterprise
Status of 30 Most Deficient Bridges
(Original List from 2009)

Status	Bridge Number
Completed	28
In Design	2*
Total	**30**

*Includes I-70 East Viaduct in Denver.

Projects in the preconstruction phase are primarily focused on the completion of the Plans, Specifications and Estimates (PS&E's). In conjunction with this, CDOT specialty groups are working on completing the requisite approvals and permits associated with environmental, railroad, and utility clearances or relocations; securing the necessary right-of-way (ROW); and finalizing intergovernmental agreements (as required). Per the current program schedule, construction work is projected to stay at a high level through calendar year 2014, and the work will taper-off during calendar year 2015 into calendar year 2016 in anticipation of providing the requisite funding for the I-70 Viaduct replacement project.

Question 5. Please provide an update on the Southwest Chief Rail Line project and funding.

The Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission (SWC Commission) has met three times since its formal establishment in August, with the fourth meeting scheduled for December 19. The Southwest Chief (SWC) Amtrak line infrastructure deficiencies span three states: Kansas; Colorado; and New Mexico. The Amtrak Service Agreement with the BNSF Railway covering this stretch of the SWC route expires at the end of 2015. In 2013 Amtrak estimated the infrastructure needs for the three states combined at $200 million; $100 million up-front capital, and $10 million per year for 10 years. Garden City, Kansas applied for and received a 2014 U.S. Department of Transportation (USDOT) Transportation Investments Generating Economic Recovery (TIGER) Grant of $12.5 million (total project is $25.3 million with local match) to make track repairs in Kansas and into Colorado east of Lamar. The BNSF committed to increased maintenance as part of their contribution. With the Garden City TIGER Grant it is now unknown what the remaining infrastructure deficiencies in Colorado and New Mexico amount to. The SWC Commission has focused on developing a set of clarifying questions that have been posed to Amtrak, and a joint response from Amtrak and the BNSF has been requested. The December 19, 2014, SWC Commission meeting will focus on the joint response status. The clarifying questions also requested information on the possibility of rerouting the SWC through Colorado to add a station in Pueblo. Once the remaining deficiencies are quantified, the SWC Commission will focus on funding strategies. The SWC Commission is also tracking the process in New Mexico. No funding other than the Garden City TIGER Grant has been identified. It has been suggested that a future federal grant program (possibly TIGER if the USDOT has funding for future grant rounds) should be pursued.

Question 6. Please provide an update on I-70 projects, including the I-70 east viaduct, mountain corridor, and tunnel construction.

I-70 East Viaduct

For the last several months, progress on the I-70 East Project has focused on two parallel efforts; completing the federally required environmental study (known as the Environmental Impact Statement) and evaluating funding options to construct high priority elements of the project.

- *Planning Process & Public Outreach* – The Supplemental Draft Environmental Impact Statement (SDEIS) for I-70 East includes a comprehensive evaluation of the Partial Cover Lowered Alternative, which was first presented to the public in May of 2012. The preferred alternative would provide new express toll lanes from Brighton Boulevard to Peña Boulevard/Tower Road. New capacity in this corridor and improved mobility to Denver International Airport is a critical state need. The official comment period on the SDEIS closed on October 31, 2014 and approximately 900 comments were received. All comments have been posted on the project website (i-70east.com). Responses to these comments will not be available until publication of the final study. CDOT expects to issue a Final Environmental Impact Statement in the fall of 2015 with a Record of Decision to follow in spring 2016.
- *Financing Process & Public Outreach* - In July of 2014, the Transportation Commission referred the procurement of I-70 East to the High Performance Transportation Enterprise (HPTE) to evaluate and further pursue public private partnership opportunities to finance the project. As part of this process, HPTE has conducted two separate rounds of public outreach on I-70 East financing options. A "visioning stage" outreach held in June and July of this year was followed by a recent series of meetings focused on explaining and seeking input on a possible Request for Qualifications (RFQ). These efforts have included telephone town halls, online surveys, and two public meetings. To date, three primary funding sources have been identified for I-70 East: Bridge Enterprise long-term funding commitment; Denver Regional Council of Governments (DRCOG); and Senate Bill 09-228 transfers from the General Fund. Given recent forecasts predicting a TABOR refund and a significant reduction in Senate Bill 09-228 funding, the Transportation Commission is currently evaluating options. Next steps on the project depend on the outcome of these discussions and whether funding will be available to complete a project that can benefit the entire corridor.

I-70 Mountain Corridor

Investments in the I-70 Mountain Corridor include multiple projects as described in the following subsections.

- *Twin Tunnels Widening Projects* - The Eastbound Twin Tunnel widening project was the first major investment in this area of I-70 in approximately 40 years. This $105 million project was completed in December 2013 and drivers experienced 15+ minutes of savings during peak time. The $55 million Westbound Twin Tunnel widening project is scheduled for completion on December 20, 2014. While this project will not immediately result in a third lane, moving forward with the widening now resulted in $6 million to $8 million in real dollar savings compared to completing the project later. Additionally, a widened bore will eliminate the "black hole" effect of the tunnel (which hampers vehicle speeds), provide rockfall protection, allow for improved emergency response and enable future capacity and operational improvements.

- *Eastbound Peak Period Shoulder Lane Project* - The Eastbound Peak Period Shoulder Lane project is currently under construction, adding two feet of pavement to eastbound I-70 and enabling the shoulder to convert into a widened shoulder/Express Toll Lane from US 40/Empire Junction to the Twin Tunnels. The lane will open only during high congestion and is expected to result in an average of 30 minute travel time savings from the Eisenhower/Johnson Memorial Tunnels (EJMT) to Floyd Hill during peak periods. This $72 million project is scheduled for completion by the end of October 2015, funded in part by a commercial loan that the HPTE plans to close in December 2014.
- *Eisenhower/Johnson Tunnels Fixed Fire Suppression System Project* - The I-70 Eisenhower-Johnson Memorial Tunnels fixed fire suppression system project began design this fall with construction beginning in early spring 2015. This $20 million project is funded through a federal Transportation Investments Generating Economic Recovery (TIGER) grant, state transportation funds, and funds appropriated by the General Assembly in 2013. The vast majority of the construction work will be unnoticed by the traveling public, occurring in the ventilation shafts above the tunnels; resulting in minimal traffic disruptions. The fixed fire suppression system is anticipated to be fully functional by December 2015.
- *I-70 Corridor Operations Plan* - This winter season, CDOT is dedicating approximately $8 million in operational improvements to improve safety and reliability along the corridor. Additionally, CDOT has hired a Corridor Operations Manager who is a dedicated employee to oversee all planning and execution of operational strategies in the corridor as well as a Highway Incident Commander for the corridor to patrol Friday through Monday and assist with incident quick clearance and management of major closures and storm events. Key winter operation strategies include: a winter preparedness education campaign, implementing snowplow escorts on the EJMT approach, metering traffic coming onto I-70 at key locations, re-deploying staff and resources onto corridor, and improving commercial vehicle management strategies such as more effective activation/deactivation of chain law.

Question 7. Please provide an update on I-25 projects near downtown Colorado Springs and Pueblo. Please address safety issues and statistics in these corridors, including the high incidence of jackknifed trailers.

I-25 through El Paso County

Various locations on the I-25 corridor through Colorado Springs experience vehicle accidents. The location experiencing the largest number and highest percentages of accidents, however, is in the vicinity of the I-25/US 24/Cimarron Street Interchange. This section is between the Nevada/Tejon Interchange (MP 139.5) and the Bijou Street Interchange (MP 142.0). The crash history for the period January 1, 2007, through December 31, 2011, (a total of five years, the most current available) was examined to locate crash patterns and identify crash causes. There were 543 crashes reported within the I-25/US 24/Cimarron Street Interchange area, of which 99 crashes were injuries and three were fatalities. In response to recent accidents, various interim safety measures have been implemented. These include installing flashing beacon warning signs, adding solid striping to prohibit lane changes through the curves, and posting 55 mph curve advisory speed limit signs.

CDOT is currently soliciting proposals for a design-build project to reconstruct the I-25/US 24/Cimarron Interchange and I-25 mainline. The original 1959 design includes a substandard I-25 mainline geometry, short ramp lengths, and weaving conflicts that result in unusually high crash patterns at this location. The I-25 off-ramps are deficient and cannot accommodate the existing and future peak hour ramp traffic volumes. During peak hours, northbound and southbound queues extend into the through traffic lanes of I-25. These backups are a safety concern due to the speed differential on I-25, which has led to high severity rear-end accidents along I-25. In addition, motorists encounter sharp S-curves driving along I-25, which has resulted in numerous truck rollover accidents. With an Average Daily Traffic (ADT) volume of

112,000 in this segment, accidents can result in significant travel delay.

The proposed improvement includes the realignment of the I-25 corridor between the Nevada/Tejon Interchange and the Bijou Street Interchange and the construction of a new interchange and associated bridges at I-25/US 24 Cimarron Street. The new interchange design complies with current geometric design standards and will increase mobility and enhance safety. The project will replace four existing bridges and one dual cell box culvert. Most of the bridges have sub-standard railings and lack pedestrian/bicycle facilities. The new bridge structures will meet current standards, providing facilities for non-motorists utilizing the interchange. In addition, smaller rainfall events cause flooding at the northbound I-25 ramp bridge. The elevations of the structures will be modified to improve the interchange drainage and alleviate current flooding and icing conditions. Construction is estimated to begin in late-spring 2015, once final funding challenges are resolved.

I-25 through Pueblo County

The Department is finishing up the Design-Build procurement process and will soon award the project to Flatirons Constructors. There are two funding sources for this project: Faster Safety (Bridge Enterprise) and RAMP (responsible acceleration of maintenance program). The Transportation Commission approved $8,953,270 of RAMP contingency funds and the Bridge Enterprise Board is processing the request of adding $4,349,561 of Faster Safety funds. With the additional funding, the project will be fully funded. The total final budgets are Bridge Enterprise: $51,391,080 and RAMP: $41,103,270.

Shoulders will be constructed to current design standards. The curve south of the Ilex Interchange will be improved with an increased radius and design speed. Interstate acceleration and deceleration lanes will be also constructed to current design standards. The project will replace the 1,800 feet of existing bridge with only 260 feet of new bridge, thus reducing initial capital costs and long term maintenance costs. A local roadway crossing under I-25 will be realigned. The northbound off ramp and southbound on ramp at 1st Street will be built to current standards. This project will also upgrade ITS devices along I-25. Six additional Bridge Enterprise bridges south of the Ilex interchange will be rehabilitated by the project. Construction is anticipated to commence in early spring of 2015 and is expected to be completed by fall of 2017.

Between 2000 and 2003, when the EIS data was compiled, there were 94 accidents in this 0.64 mile stretch. The average daily traffic (ADT) in 2000 was 47,500 and in 2014 it is 49,000. With no improvements made in those 14 years, the safety rating of this stretch of I-25 has either stayed the same or worsened. There are two geometric issues contributing to the accidents in this area. The first is the horizontal curve just south of the Ilex interchange that has a posted advisory speed of 50 mph. Tractor trailers constitute the majority of accidents at this curve and the project will increase the curve radius and design speed. The second of the geometric issues is the inadequate acceleration and deceleration lanes at Ilex and 1st St. The lanes were identified in the EIS as safety mitigation elements. The project will construct continuous acceleration/deceleration lanes between the Ilex and 1st Street interchanges.

Question 8. Please provide an update on the US-36 project.

The construction phase of the US 36 Managed Lanes Phase 1 (Federal Boulevard to 88th Street) project is roughly 80 percent complete. All eastbound traffic is now driving on the newly constructed concrete pavement. The majority of westbound traffic has been shifted onto the new pavement as well. The stretch between Sheridan and Federal Boulevards is the last portion that remains on temporary pavement and that switch should be happening in the next few weeks. The contractor continues to focus attention on getting the subgrade for new westbound lanes complete in preparation for concrete pavement. Structure crews are currently working on the final phases of the BNSF Bridge, Lowell Boulevard Bridge, and the promenade structure. The structures at East and West Flatiron Circle, Wadsworth Parkway, Uptown Avenue, and Sheridan Boulevard are all substantially complete. The bikeway continues to progress with significant stretches now paved with concrete. This $317 million project started in July 2012 and is anticipated to be open to traffic by May 31, 2015.

On February 19, 2014 the HPTE Board of Directors authorized a financial close for Plenary Roads Denver as the Concessionaire for Phase 2 of the US-36 Express Lanes Project. The project is CDOT's first public-private partnership (P3), an innovative partnership where the public and private sectors team together to provide transportation improvements and services to the traveling public. About two-thirds of the Phase 2 Project costs are funded through private sector equity and non-recourse debt. The project delivers needed capacity, while shifting operations and maintenance and replacement obligations to the private sector and the P3 arrangement enables the project to be completed 20 years sooner than originally planned.

Construction of the $179.5 million US-36 Managed Lanes Phase 2 (88th Street to Table Mesa) project is 40 percent complete. All traffic has been switched on to the eastbound lanes utilizing the existing and temporary pavement. Pavement subgrade preparation has been the large effort over the past few months. Long stretches of subgrade are now ready for paving and the concrete batch plant recently mobilized on site to pave the westbound lanes. Structures work continues to progress at the South Boulder Creek and at Coal Creek. The foundation is complete at South Boulder Creek and crews have started forming for the piers. The floor and walls of the Coal Creek structure have also been completed. The diverging diamond interchange at McCaslin Boulevard is starting to show major progress. The girders are set and the deck has been poured on the widened McCaslin Boulevard structure, which will allow for a phase switch in the coming weeks. The westbound on-ramp bridge is starting to take shape with the girders and deck complete and the retaining walls being finished out. Phase 2 project will open to traffic early 2016.

Revenue Issues

Question 9. Please provide the amount of funds the State has contributed to the federal government for taxes for roads for the past fifteen years? For each year indicate what percentage of these funds comes back to the State.

This question addresses a concept commonly referred to as the “donor/donee” issue. This is a term used to describe how all states pay into the federal Highway Trust Fund (HTF), chiefly through the federal gas tax of 18.4 cents per gallon, and the fact that states invariably receive more or less federal transportation dollars back than the total collected within their boundaries and deposited in the HTF. Donor states are those whose highway users pay more in federal gas taxes than the state receives back in total transportation apportionments. Donee states are those that receive more than they paid into the HTF. While in prior years, many states were donor states, this is no longer the case; now all 50 states are donee states. The reason for this unusual outcome is that in recent years, Congress has provided apportionments to state departments of transportation from the HTF that exceed the fund’s total revenue. To fill the gap, Congress has backfilled the HTF with federal general fund transfers. By augmenting existing transportation revenue with general fund transfers, each state receives more federal transportation dollars than it remits to the HTF. Hence, at this point all states are donee states.

Furthermore, Congress continues to set minimum apportionments guaranteeing threshold return rates for all states. In 2012, with the passage of the Moving Ahead for Progress in the 21st Century Act (MAP-21), Congress increased the minimum rate of return for federal transportation apportionments to 95 cents for each dollar remitted to the HTF. Therefore, under this new federal law, Colorado will not receive less than $0.95 in federal transportation apportionments per $1.00 remitted to the federal government.

The following tables summarizes total HTF payments made by Colorado, and total payments received according to the U.S. Federal Highway Administration:

Table 4.
HTF Payments and Apportionments
Actuals for Fifteen Years

	Payments Into Highway Trust Fund	Apportionments and Allocations From The Highway Trust Fund	% Received Per Dollar Remitted
FY 98	$ 343,503,000.00	$ 300,736,000.00	0.88
FY 99	$ 369,498,000.00	$ 365,751,000.00	0.99
FY 00	$ 423,763,000.00	$ 367,548,000.00	0.87

FY 01	$ 381,643,000.00	$ 415,884,000.00	1.09
FY 02	$ 412,631,000.00	$ 419,415,000.00	1.02
FY 03	$ 410,877,000.00	$ 382,607,000.00	0.93
FY 04	$ 426,670,000.00	$ 471,109,000.00	1.10
FY 05	$ 483,016,000.00	$ 480,020,000.00	0.99
FY 06	$ 503,649,000.00	$ 537,565,000.00	1.07
FY 07	$ 525,442,000.00	$ 554,826,000.00	1.06
FY 08	$ 476,782,000.00	$ 583,649,000.00	1.22
FY 09	$ 464,245,000.00	$ 567,233,000.00	1.22
FY 10	$ 461,516,000.00	$ 598,641,000.00	1.30
FY 11	$ 490,059,000.00	$ 582,122,000.00	1.19
FY 12	$ 539,628,000.00	$ 553,506,000.00	1.03

Source: U.S. Federal Highway Administration

Question 10. When gas prices are lower, does the Department see an increase in revenue in the HUTF due to increased travel? If so, why? If not, why not?

In the near term, CDOT estimates that a 20 percent decrease in gas price will increase vehicle miles travelled by about 4 percent. However, cyclical decreases in fuel prices will not reverse the long-run trend towards newer vehicles with higher fuel economy, which are forecast to decrease fuel consumption by 1.5 percent per year due to long term increase in fuel prices as experienced during the last decade. This will likely lead to less revenue collected into the HUTF in the long run. Furthermore, CDOT has identified the following determinants of fuel consumption which impact revenue collected into the Highway Users Tax Fund (HUTF):

- *Weather* – the factor of weather conditions is treated in budgeting as a random impact and is not forecasted.
- *Real personal income* - CDOT's model estimates that each one percent growth in Colorado real personal income increases vehicle-miles travelled by 0.8 percent. Moody's long-run forecast for Colorado real personal income is about 2 percent per year, implying an annual increase of about 1.6 percent per year due to economic and demographic growth.
- *Population demographics/aging and retiring populations* - People over the age of 70 years old tend to drive fewer miles and tend to switch from larger vehicles and pick-up trucks to smaller vehicles. This segment will increase from about 10 percent of Colorado's population in 2013 to about 19 percent in 2040, which the model estimates will decrease fuel consumption by about 0.2 percent per year.
- *Population demographics/younger populations* - "Millennials" (those born between the early 1980s and the late 1990s) increasingly settle in large urban centers and are less reliant on cars than their parents. CDOT's model estimates that this will reduce vehicle-miles travelled by about 0.1 percent per year.
- *Long-term responses to fuel prices* - People increase the fuel economy of their cars (MPG) when purchasing their next vehicle. CDOT's model estimates that this trend, which is largely immune from short-term cyclical changes in fuel prices, will decrease fuel consumption by about 1.5 percent per year.
- *Short-term responses to fuel prices* - People reduce vehicle-miles that they travel (VMT) when prices increase. CDOT's model estimates that each 1 percent change in retail fuel prices will change vehicle-miles travelled by about 0.2 percent.

Question 11. Please discuss the revenue projections for FASTER funding for the next five years, including what factors the Department uses to make those projections.

Since 2009, CDOT has maintained an econometric model to forecast all of its revenues by year for periods of up to 40 years. This model forecasts late registration fees, daily rental fees and oversize/overweight vehicle charges as functions Colorado's real gross domestic product (GDP). CDOT does not forecast GDP itself, but purchases the same forecasts of GDP as are purchased by the State Budget Office. The model predicts the number and the weight distribution of the Colorado vehicle fleet, estimating the number of new vehicles purchased, the number of vehicles immigrating into Colorado, the number of vehicles emigrating from Colorado and the number of vehicles scrapped each year. These estimates are based on the population projections of the Colorado State Demography Office, purchased projections of real GDP and interest rates, and U.S. Energy Information Administration forecasts of energy prices.

Starting from the FY 2015 budget, CDOT's long-term revenue model makes the following five-year projections for FASTER revenues:

Table 5.
FASTER Revenue Projections
Five Year Forecast

SB 09-108 revenues, $ millions, FY	2015	2016	2017	2018	2019
Bridge Safety Surcharges	91.1	93.6	95.6	97.6	99.7
percent change from prior year		2.8 percent	2.1 percent	2.2 percent	2.1 percent
Road Safety Surcharges	115.1	118.3	120.7	123.3	126.0
percent change from prior year		2.8 percent	2.1 percent	2.2 percent	2.1 percent
Late Registration Fees	22.1	22.6	23.1	23.4	23.7
percent change from prior year		2.5 percent	1.8 percent	1.4 percent	1.2 percent
Daily Vehicle Rental Fees	24.6	25.4	26.1	26.7	27.3
percent change from prior year		3.3 percent	2.8 percent	2.3 percent	2.1 percent
Oversize/Overweight Vehicle Surcharges	1.4	1.4	1.5	1.5	1.5
percent change from prior year		3.3 percent	2.7 percent	2.1 percent	1.9 percent
Total	**254.3**	**261.3**	**267**	**272.5**	**278.2**
Notes: Real GDP, Colorado, percent change from prior year		3.3 percent	2.7 percent	2.1 percent	1.9 percent
Vehicle Registrations, percent change from prior year		2.2 percent	1.6 percent	1.6 percent	1.5 percent

Question 12. Please discuss the following questions related to private toll roads: (a) What concerns about the economic viability of toll roads operated by public highway authorities in Colorado have been expressed and by whom? (b) Are any of the existing toll ways experiencing financial problems? If so, which ones and why?

Pursuant to state law, the Department does not oversee, own, or operate private or public toll roads owned and managed by three public highway authorities currently chartered. These authorities - E-470 Public Highway Authority, Northwest Parkway Public Highway Authority, and the Jefferson Parkway Public Highway Authority - are independent governmental entities authorized under the Public Highway Authority Act. Furthermore, each PHA is responsible to its own governing boards and members. The Department respectfully defers to each PHA for information and comments on their specific tollways, as well any concerns or financial problems that may exist.

"DRIVE HIGH, GET A DUI"

Question 13. Please discuss why the Department is directing the "Drive High" campaign only to males. Please include a discussion on why females are not included in the target audience.

In 2013, there were 478 motor vehicle fatalities in Colorado, with 188 being impaired driving-related (39 percent). Of those impaired driving fatalities, 76 percent were males and 37 percent were between the ages of 21 and 34. This data provides the basis for why CDOT target males between the ages of 21-34 with impaired driving messaging. Additionally, in September 2013, CDOT surveyed attitudes and behaviors related to marijuana impaired driving. A phone survey of 770 Coloradans who drive was conducted. The results demonstrated that:

- about one-third of marijuana users consumed marijuana less than once a month and two-thirds consumed marijuana at least once a month. Many marijuana users were partaking daily (28 percent) or at least once a week (28 percent);
- about 16 percent of 18 to 34 year olds reported using marijuana in the past year compared to 5 percent of 35 to 54 year olds and 5 percent of adults 55 years or older; and
- about 14 percent of men reported using marijuana in the past year, while only 4 percent of women reported using marijuana.

Women are not the primary target of the campaign because of the fatality data and the results of the marijuana usage phone survey point to young men as the primary cause of impaired fatalities as well as most likely to be impaired by marijuana (Note: to date, the fatality data for drivers impaired by just marijuana is insufficient for reliable data analysis given the inconsistent approaches to impairment testing following accidents). This is being addressed in further data collection efforts with the Colorado State Patrol and the Colorado Department of Public Health and Environment. Advertising principles hold that ads are most effective when it is targeted to a specific audience. This is particularly true when operating within tight fiscal constraints. The messaging, approach and style of advertising is developed according to that particular target. Additionally, the expense of advertising requires the most cost-effective reach as possible. Widening the target or creating blanket advertising was beyond the scope of the available funds.

Question 14. Please discuss the following questions related to the impacts of the campaign on the driving habits of the target audience.

a. *What are the outcomes of the campaign are, and how they will be tracked and measured;*
The goal of the 2014 Drive High, Get a DUI campaign was to generate awareness on the issue of marijuana impaired driving and create recognition of the campaign slogan. Measurements of success are earned media coverage and a post-campaign survey. The 2014 campaign outcomes include:
    - Social Media: Over 130 posts on Facebook and Twitter
    - YouTube: 883,243 views (960 likes, 340 dislikes)
    - Media Placements:
        - *Print:* 41 placements, over 2.5 million impressions and $48,241.41 publicity value
        - *Online:* 764 placements, over 871 million impressions and $405,567.60 publicity value
        - *TV:* 67 placements, over 13 million impressions and $949,838.69 publicity value
    - In a post campaign phone survey of nearly 800 Coloradans, nearly half (46 percent) of Front Range respondents and more than a third (35 percent) of Non Front Range respondents noticed the slogan, “Drive High, Get A DUI”.

b. *How the Department will quantify the impact of the campaign;*
CDOT will continue to review motor vehicle fatality data and implement surveys to understand attitudes and behaviors related to marijuana impaired driving. CDOT will continue to monitor awareness of the Drive High, Get a DUI slogan.

c. *How the Department will be integrating the campaign with the SMART Act tracking. If the Department is not planning on doing this, please discuss why.*
CDOT has initiated SMART-required performance tracking by focusing on its highest-level metrics. Ensuring safety on the state's highways is a key Department goal, and CDOT has included six metrics in its Performance Plan to judge its success in this area. The "Drive High, Get a DUI" campaign" is one of many safety-related initiatives in the Department, which range from constructing safety-focused highway improvement projects, to issuing grants for motorcycle training, to conducting campaigns to reduce distracted driving. The Department to date has not included measures on the “Drive High” campaign in its Performance Plan, but will continue working with the Governor's Office of State Planning and Budgeting to determine the appropriate level of metrics featured in the plan.

d. *When and if the marketing strategy be adjusted/refreshed based on results that are achieved (or are not achieved).*
Since it can take up to five years of social/behavioral marketing campaigns to see a change in target behavior, for the next few years CDOT will continue to implement the Drive High, Get a DUI campaign. Motor vehicle fatality data will continue to be reviewed to ensure that the target audience remains the same in terms of prevalence of impaired driving behavior.

Question 15. Please discuss the federal funding previously used to fund the campaign including:

a. *Was the grant one time or ongoing and why?*
CDOT receives funding from the National Highway Transportation and Safety Administration (NHSTA) to support visibility impaired driving enforcement, awareness and education. With NHSTA’s understanding, CDOT chose to dedicate a portion of those funds solely to marijuana impaired driving enforcement, awareness and education last year, with the expectation that the state would also prioritize marijuana impaired driving education with its funding. Moving forward, CDOT will continue to receive funding from

NHTSA for impaired driving education with a high priority focus on 12 DUI high visibility enforcement events and alcohol impaired driving. Due to the limited funds provided by NHTSA and the prioritization of state funds for marijuana-impaired driving, CDOT needs to continue prioritize the alcohol impaired driving with the federal funds.

b. *What, if any, federal requirements are there for outcome measures?*
The federal requirement for the grant funding is primarily for support Colorado's 12 high visibility DUI enforcement periods. CDOT is reporting on the impaired driving campaign conducted last year with the focus on generating awareness on the issue of marijuana impaired driving.

Additional Questions

Question 16. Following flood damage to a State Patrol station in Evans, the Colorado State Patrol is utilizing space in a CDOT facility.

a. *Please share your feedback about this arrangement.*
In most instances, CDOT's shared space agreements work well. However, those are mostly simple cases where CDOT owns property and leases space to the Colorado State Patrol (CSP). In most instances of new capital construction, CDOT is required to come up with all of the project funding and then lease the space to CSP because of the two year timeframe it takes for CSP to obtain capital funding. CDOT, CSP, and the United States Forest Service (USFS) tried to complete a shared building project in Glenwood Springs, but after several years of planning neither CSP nor USFS were able to come up with the funding to start the project. Shared space can also be difficult because each agency has their own unique building infrastructure requirements. CSP, for example, might need security for evidence rooms or other special facility space. In general, CDOT maintains an excellent working relationship with CSP, but major shared space projects tend to be challenging for the aforementioned reasons.

b. *Are there other projects or opportunities where similar arrangements could be beneficial?*
CDOT is not currently attempting to enter new shared space agreements. However, the Department is always looking for beneficial arrangements in sharing resources.

Question 17. Please provide an update on any excess or unused property (i.e. rest stops) owned by CDOT including:

a. *Future uses identified for these properties; and*
Currently, CDOT has two closed rest areas that are being considered for other uses in the future: Bennett and Larkspur.
   1. The Bennett rest stop is being considered as a possible relocation site for a truck stop that Region 1 is required to have as a result of the I-70 Environmental Impact Study. No sale action can take place on this site until the relocation of the truck stop is determined.
   2. Larkspur is currently being used as a truck chain-up location for the Monument Hill area. The chain up requirement is a part of the Transportation Commission resolution that initially allowed the rest stop to be closed. Additionally, this site is used for the storage of maintenance materials and emergency maintenance operations.

b. *Feasibility of liquidating these properties if they do not have a planned use.*
There are many factors to consider in the disposal of a site, including the future need of the state highway system and any recent improvements that the U.S. Federal Highway Administration may need funding credit for related to the improvement value of the site. Any proposal to liquidate these properties must be submitted to CDOT Property Management and reviewed in conjunction with FHWA to determine if they are eligible to be sold. If the FHWA approves the sale, any property would then need to be declared excess by the Transportation Commission, appraised, and sold in accordance with the applicable and extensive state laws governing property disposal.

Question 18. Please provide an update on credits and/or subsidies for people with hybrid or alternative vehicles. The Department does not administer any tax incentives, credits, or subsidies. As such, the Department respectfully defers to the Colorado Energy Office and the Department of Revenue which administer both federal and state tax incentives specific for alternative fuel vehicles.

a. *Are there any in effect now at the State or Federal level? If so, what impact do they have on CDOT funding?* The Department respectfully defers to the Colorado Energy Office and the Department of Revenue for information on this topic.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

Question 1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implemented or has partially implemented the legislation on this list.

There are three bills that the Department is in the process of implementing. A summary of each follows.

- **HB14-1301 Concerning the Safe Routes to School Program**. CDOT's Executive Director adopted temporary rules Concerning the Implementation of the Safe Routes to School Program, 2 CCR 601-19, on September 4, 2014 in order to have rules in place to conform the rules to HB14-1301. This bill changed the criteria the Department must apply for the award of grants related to this program. Also on September 4, 2014, the Department commenced rule-making regarding permanent rules. A hearing was held on October 24, 2014. The rules are in the last stages of implementation under the Administrative Procedure Act, and will become effective in January, 2015.
- **HB14-1160 Concerning Overweight Vehicle Permits for Divisible Loads**. This bill created a new annual fleet permit for specified combination vehicles. The Department's rules, 2 CCR 604-1, Rules Pertaining to Transport Permits for the Movement of Extra-Legal Vehicles or Loads, will be updated in the coming year to include this permit. In the meantime, the Department has conformed its practice to include the new permit.
- **HB14-1193 Concerning Requirements Governing the Imposition of a Fee for the Research and Retrieval of Public Records Under the Colorado Open Records Act**. This bill reduced the amount of costs that can be allocated for the retrieval and copying of documents pursuant to the Colorado Open Records Act (CORA). The Department has updated its Procedural Directive and website to reflect these changes.

Question 2. What is the turnover rate for staff in the Department? Please provide a breakdown by office and/or division, and program.

As reported by the Department of Personnel Administration, the tables below show the turnover rate for CDOT:

Department of Transportation: Job Class Turnover Rate by Number of Separations											
Class & Separations					Separation Type			Employees in Quartile of Class Salary Range			
Class	Class Title	Separations	Employees in Class	Turnover Rate	Voluntary	Involuntary	Retire	1st	2nd	3rd	4th
D7D1	TRANSPORTATION MTC I	85	854	10.0%	49	16	20	5	3	26	51
D7B3	EQUIPMENT OPERATOR III	14	124	11.3%	7	0	7	0	7	5	2
D7D2	TRANSPORTATION MTC II	11	269	4.1%	2	2	7	0	10	1	0
G3A4	ADMIN ASSISTANT III	11	84	13.1%	5	2	4	8	2	1	0
H6G4	GENERAL PROFESSIONAL IV	10	146	6.8%	7	0	3	1	7	0	2
I2C4	PROFESSIONAL ENGINEER I	10	186	5.4%	5	1	4	0	4	3	3
	Top Classes Total	**141**	**1,663**	**8.5%**	**75**	**21**	**45**	**14**	**33**	**36**	**58**
	Department Total	**255**	**3,216**	**7.9%**	**118**	**34**	**103**	**32**	**54**	**80**	**89**

Department of Transportation: Job Class Turnover Rate by Total Employees in Class											
Class & Separations					Separation Type			Employees in Quartile of Class Salary Range			
Class	Class Title	Separations	Employees in Class	Turnover Rate	Voluntary	Involuntary	Retire	1st	2nd	3rd	4th
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H6G4	GENERAL PROFESSIONAL IV	10	146	6.8%	7	0	3	1	7	0	2
D7B3	EQUIPMENT OPERATOR III	14	124	11.3%	7	0	7	0	7	5	2
	Top Classes Total	**130**	**1,579**	**8.2%**	**70**	**19**	**41**	**6**	**31**	**35**	**58**
	Department Total	**255**	**3,216**	**7.9%**	**118**	**34**	**103**	**32**	**54**	**80**	**89**

Department of Transportation: Job Class Turnover Rate Highest %											
Class & Separations					Separation Type			Employees in Quartile of Class Salary Range			
Class	Class Title	Separations	Employees in Class	Turnover Rate	Voluntary	Involuntary	Retire	1st	2nd	3rd	4th
H8E2	BUDGET ANALYST II	2	3	66.7%	1	0	1	1	0	1	0
D7C4	PRODUCTION IV	1	2	50.0%	0	1	0	1	0	0	0
D8B3	CUSTODIAN III	1	2	50.0%	1	0	0	1	0	0	0
I3B5	PHY SCI RES/SCIENTIST IV	1	2	50.0%	0	0	1	0	0	0	1
H8D4	AUDITOR III	2	5	40.0%	1	1	0	0	1	0	1
	Top Classes Total	**7**	**14**	**50.0%**	**3**	**2**	**2**	**3**	**1**	**1**	**2**
	Department Total	**255**	**3,216**	**7.9%**	**118**	**34**	**103**	**32**	**54**	**80**	**89**

Summary of Classified Staff Turnover for FY 2013-14 by Agency											
FY 2013-14 Separations By Agency					Separation Type			Employees in Quartile of Class Salary Range			
Code	Agency	Separations	Total Employees	Turnover Rate	Voluntary	Involuntary	Retire	1st	2nd	3rd	4th
HAA	COLO DEPT OF TRANSPORTATION	255	3,216	7.9%	118	34	103	32	54	80	89
	Department Total*	**255**	**3,216**	**7.9%**	**118**	**34**	**103**	**32**	**54**	**80**	**89**

*The "Total Employees" count may differ slightly between Department and Agency based reports. This is due to employees who are in multiple agencies

Question 3. Please identify the following: the Department's most effective program; the Department's least effective program (in the context of management and budget); and please provide recommendations on what will make this program more effective based on the Department's performance measures.

All CDOT programs are operating in an effective manner, and top line performance outcomes are being met. No "best" or "worst" stands out. On the other hand, all parts of CDOT will continue to benefit from improved business processes. This is a process of continuous improvement. Level to decreasing HUTF funding combined with construction inflation has left the agency with only one option—to find business efficiencies to maintain performance.

Question 4. How much capital outlay was expended using either operating funds or capital funds in FY 2013-14? Please break it down between the amount expended from operating and the amount expended from capital.

As detailed in the response to Question 2 Common to All Departments, CDOT spends the significant portion of its annual funding on the transportation infrastructure which is excluded from capital for purposes of this analysis.

CDOT budgets only capital funds for capital equipment expenditures. However, a certain amount of operating funds is sometimes converted to capital for certain purchases. This must be done in certain case where a particular program requires the purchase of a piece equipment that must be capitalized because its value is greater than $5,000, but the program budget does not have enough existing capital funds to complete the purchase. Transfers from operating to capital totaled $2,123,550 in FY2014, from an operating budget of $273,743,450.

More than $40 million was expended or encumbered on capital equipment in FY2014. The total amount of CDOT's capital expenditures was $18,442,189, of which $2,123,550 was transferred from operating funds. This is lower than usual for our capital expenditures because we had a fairly large amount of funds that were encumbered for capital purchase, but the purchases were not completed until FY 2015. The total amount of encumbered funds that had to be rolled forward before purchases were complete was $21,756,749, most of which was for the purchase of heavy equipment, but approximately $8.5 million was for the purchase of buses for the new commuter bus program.

Question 5. Does the Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the Department doing to resolve the outstanding high priority recommendations?

CDOT has six outstanding recommendations in the Annual Report of Audit Recommendations Not Fully Implemented:

- Two recommendations from the Outdoor Advertising Audit
  - This audit was originally released with four recommendations and CDOT has implemented two of them so far
- One recommendation from SAP System Security
  - This audit was initially released in June 2010 with a total of fifteen recommendations. CDOT has implemented all but one so far.

Overall, CDOT has only five percent of the recommendations outstanding and we are working to address those in a timely matter.

Should you have questions or require additional information, please feel free to contact me or Kurt Morrison at (303) 757-9703. Again, I am happy to discuss each of these topics with you, and respond to any other questions you may have, on December 3, 2014. As we begin another year, I look forward to continuing our work together to serve the citizens of Colorado. Thank you.

Sincerely,

Don Hunt
Executive Director

cc: Representative Max Tyler, Chair, House Committee on Transportation and Energy
Senator Nancy Todd, Chair, Senate Committee on Transportation
House Committee on Transportation and Energy members
Senate Committee on Transportation members
Ms. Christina Beisel, Joint Budget Committee Staff
Ms. Mistia Zuckerman, Legislative Council Staff
Mr. Spencer Imel, Office of State Planning and Budgeting

- **Introduction** (D.Hunt)
- **What Does CDOT Do/Transportation Commission** (E.Peterson)
- **Revenue (includes SB 228, Donor/Donee)** (D.Hunt)
- **Similar/Different Than Other States** (D.Hunt)
- **Only Option is To Do Better** (D.Hunt)
- **Project Updates**
    - Flood Recovery (J.Laipply)
    - Bridge Enterprise (J.Laipply)
    - Southwest Chief (J.Laipply)
    - I-70 Total Overview (J.Laipply)
    - I-70 East Overview (J.Laipply)
    - I-70 East Planning (J.Laipply)
    - I-70 Mountain Corridor Overview (J.Laipply)
    - I-70 Mountain Corridor Improved Operations (J.Laipply)
    - I-25 South (El Paso) (J.Laipply)
    - I-25 South (Pueblo) (J.Laipply)
    - U.S. 36 (J.Laipply)
- **Revenue Issues**
    - 2015 Budget/Revenue Projections (S.Richrath)
- **Additional Questions** (S.Richrath)

Colorado Department of Transportation

Presentation to the Joint Budget Committee

December 3, 2014

COLORADO
Department of Transportation

What Does CDOT Do

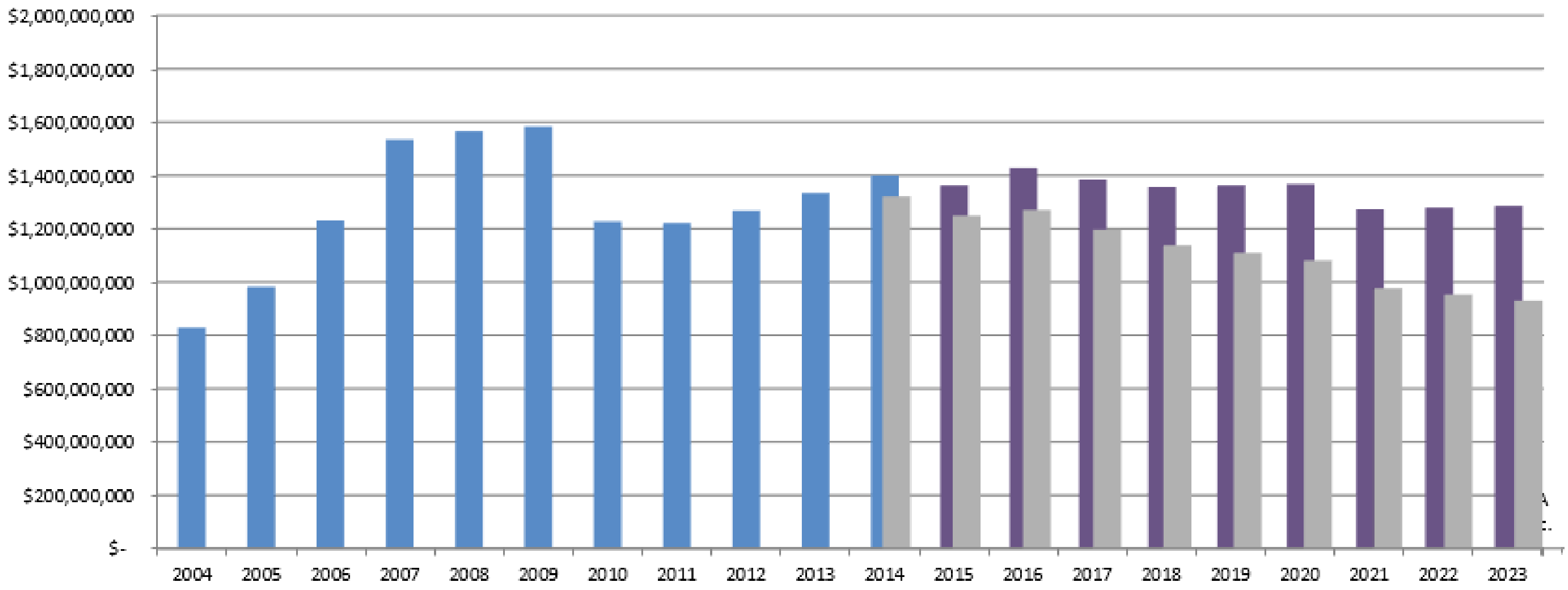
- Maintains, repairs, and plows over 23,000 total lane miles of highway
- Maintains 3,437 bridges
- 28 billion miles of vehicle travel annually
- Plows about 6 million lane miles each year
- Spends $69 million annually on snow removal
- Keeps over 35 mountains passes open year-round
- Monitors 278 of 522 avalanche paths
- Monitors and mitigates rockfall hazards
- Administers about $11 million in federal grants for transit operators and $41 million in federal aviation grants for airports
- Manages over $5 million in federal grants for safe driving programs

Colorado Transportation Commission

Revenue Issues

(Questions 9,10,11,12)

Historical Revenue Comparison to Projected & Inflation Adjusted Revenue

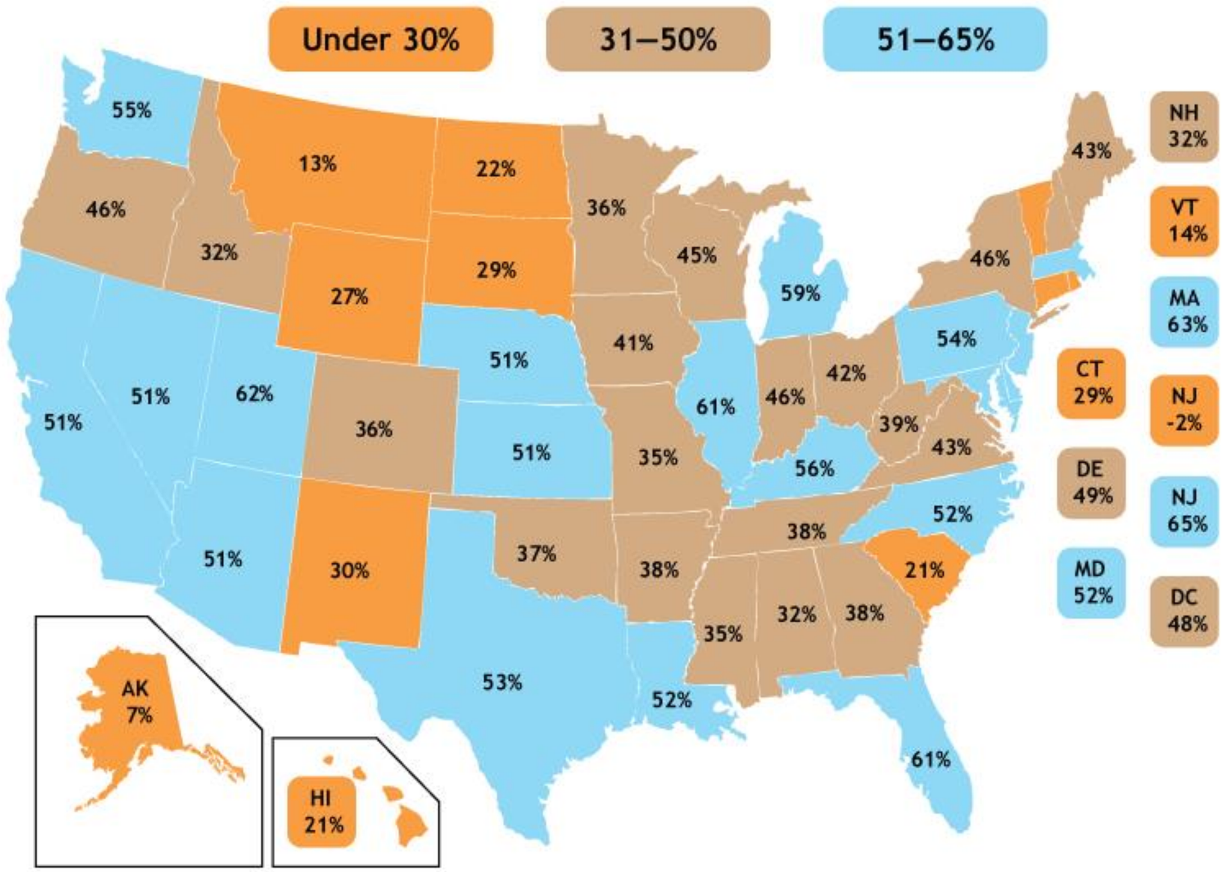


Other States vs. Colorado Transportation

Raising Our Own Transportation Funds

- Percentage of funds provided by the state versus feds to meet capital project needs

- Many states more self-reliant



Options Going Forward

The Only Option, Given Funding Constraints, is to Do Better with What Funds We Have

- **Business Process Improvement**
  - Contract Improvement Initiative
  - Process Improvement Office
- **More Funds to Construction**
  - Responsible Acceleration of Maintenance and Partnerships (RAMP) Program
  - Refinancing of Debt
- **Leverage More Out of the Existing System**
  - I-70 Peak-Period Shoulder Lanes Project
  - Asset Management
  - I-70 Winter Operations Plan
- **New Partnerships with the Private Sector**
  - High-performance Transportation Enterprise
  - U.S. 36 Managed Lanes Project

COLORADO
Department of Transportation

Project Updates

Flood Recovery Update

Permanent Restoration Project - Ad. Year
2014 2015 2016
County Lines

Final Completion of all Projects - 2017

COLORADO
Department of Transportation

Project Updates
(Questions 4,5,6,7,8)

Bridge Enterprise Update
(Question 4)

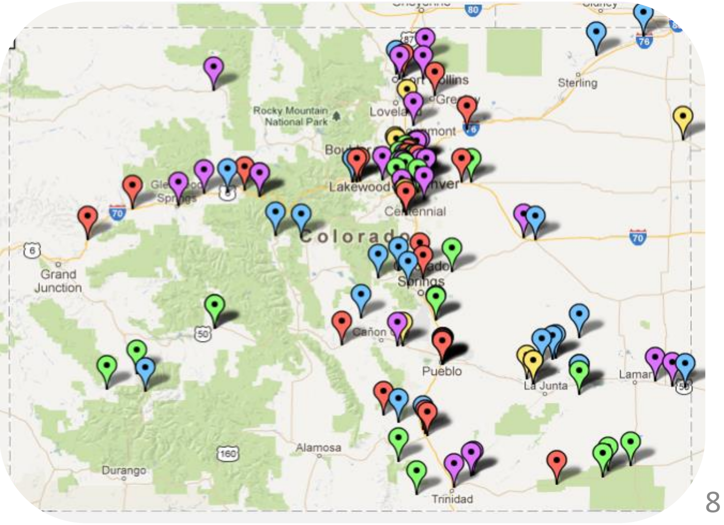
Since Passage of Senate Bill 09-108 (FASTER)…

- 181 eligible bridges
  - 106 bridges complete to date
  - Nearly all poor bridges at the time when FASTER was enacted are now reconstructed, repaired, or replaced

Completed	106
In Construction	18
Design Complete	2
In Design	17
Remaining	22
No Action Proposed	16

Public Information

- CDOT provides a regularly updated webpage providing a list of current Bridge Enterprise bridges and their status and a map showing the location of those bridges throughout the state.
- Available at www.coloradodot.info/programs/BridgeEnterprise



Project Updates
(Questions 4,5,6,7,8)

Amtrak – Southwest Chief Line
(Question 5)

Southwest Chief

- One of two Amtrak routes in Colorado
- Owned and operated by federally owned Amtrak
- 11,000 Colorado on-board and off-boards per year

House Bill 14-1161

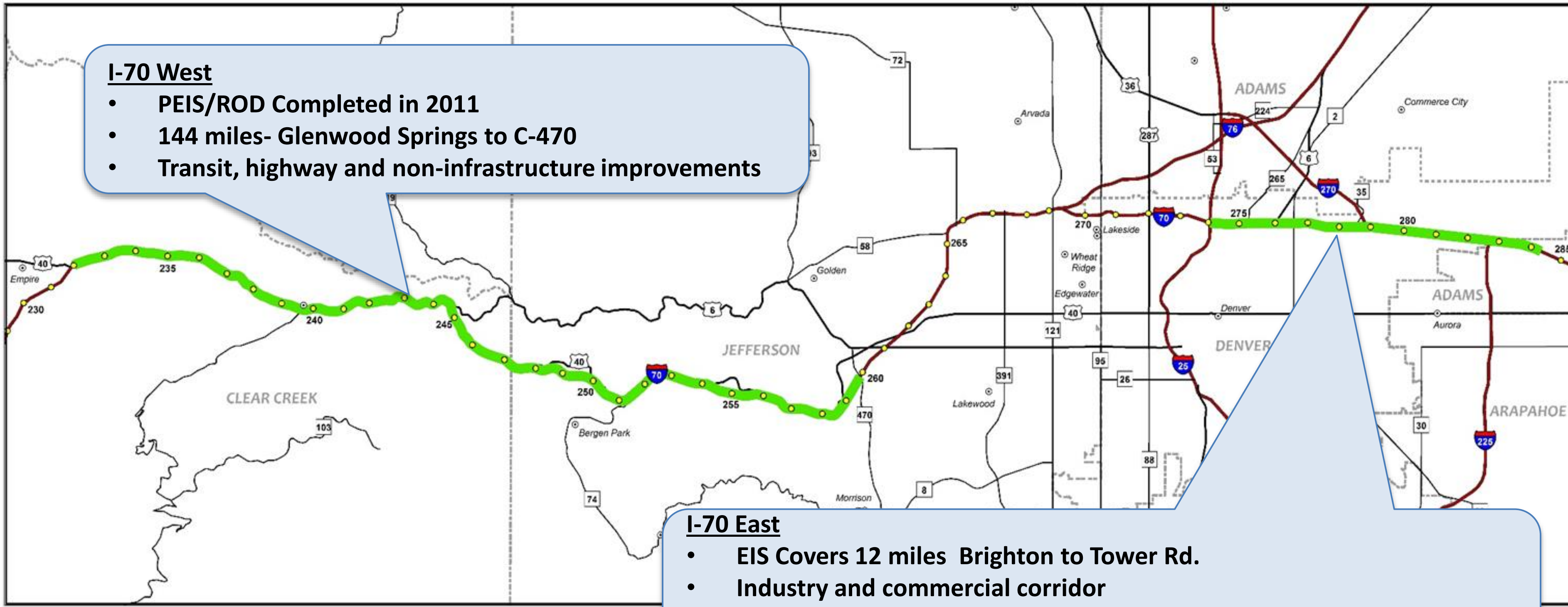
- Created Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund
- Designed to evaluate options to encourage Amtrak to no adopted proposed rerouted service out of Colorado

Update

- 5 members appointed
- TIGER 6 grant – $12.4M awarded/$9M local match
- Initial meeting and field hearings held

Project Updates
(Questions 4,5,6,7,8)

Interstate-70
(Question 6)

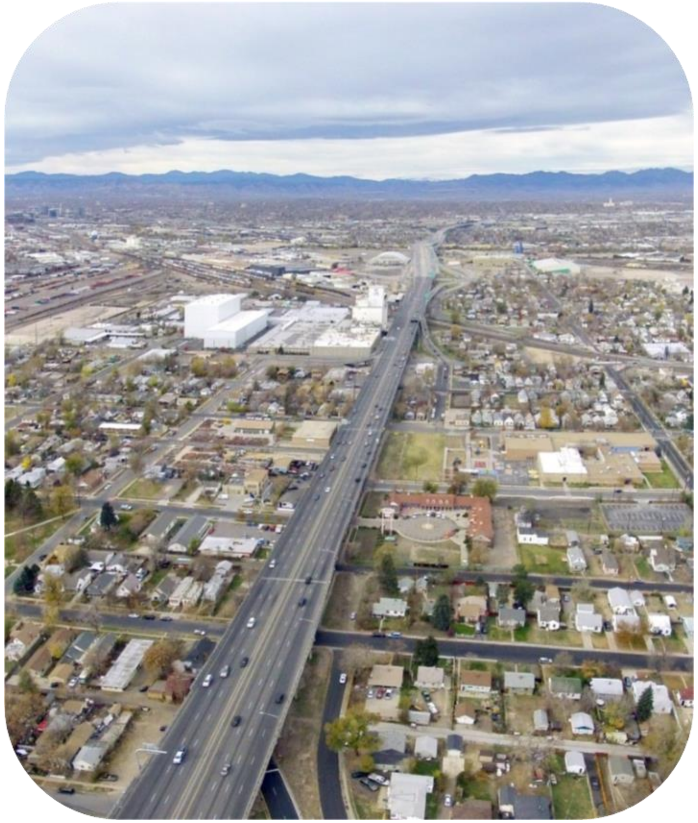


<u>I-70 West</u>
- PEIS/ROD Completed in 2011
- 144 miles- Glenwood Springs to C-470
- Transit, highway and non-infrastructure improvements

<u>I-70 East</u>
- EIS Covers 12 miles Brighton to Tower Rd.
- Industry and commercial corridor
  - 1,200 businesses and 22,000 employees located along corridor
- 14 neighborhoods within 1 mile of interstate study area

Project Updates
(Questions 4,5,6,7,8)

Interstate-70 East
(Question 6)



Corridor Needs: $1.8 billion (phased project)

Work: Reconstructs a 50-year old stretch of interstate; EIS proposes adding two tolled express lanes each direction from I-25 to Tower Road

Travel-time benefits in 2035 over "No Action" between I-25 & Tower Rd:

- ***Express Lanes:*** 17 minutes compared to 60 minutes
- ***General Purpose Lanes:*** 35 minutes compared to 60 minutes

Project Updates
(Questions 4,5,6,7,8)

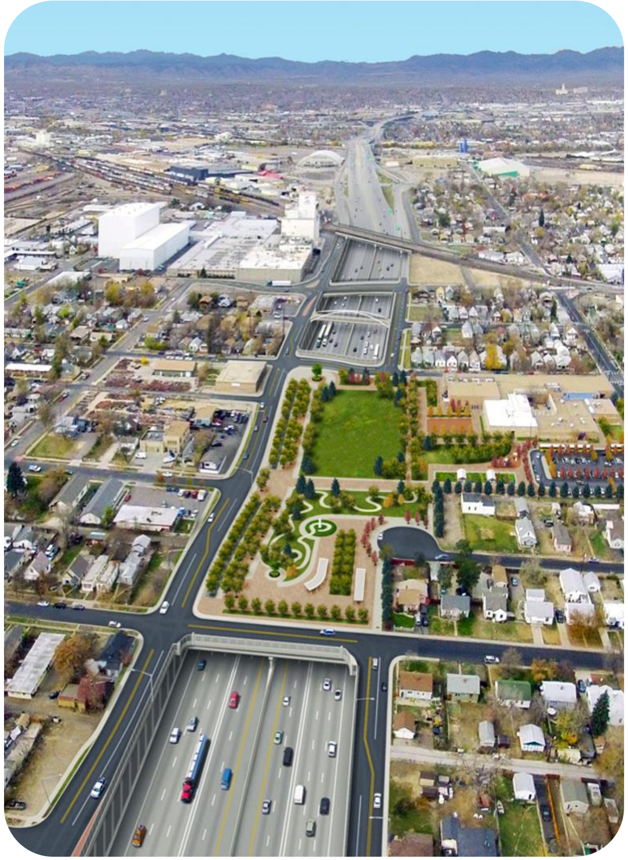
Interstate-70 East
(Question 6)

Project Planning

- Exhaustive 11-year study process
- Dozens of alternatives studied
  - Rerouting the interstate
  - Rebuilding the viaduct with north or south shifts
- Community outreach process exceeding any previous effort

Preferred Alternative

- Partial Cover Lowered Alternative with Managed Lanes
- Remove 50-year-old viaduct
- Rebuild I-70 below grade on the existing alignment
- Place a nearly four-acre landscaped cover over the highway next to Swansea Elementary School
- Add managed lanes in each direction of the highway from I-25 to Tower Road to improve mobility



Project Updates
(Questions 4,5,6,7,8)

Interstate-70 Mountain Corridor

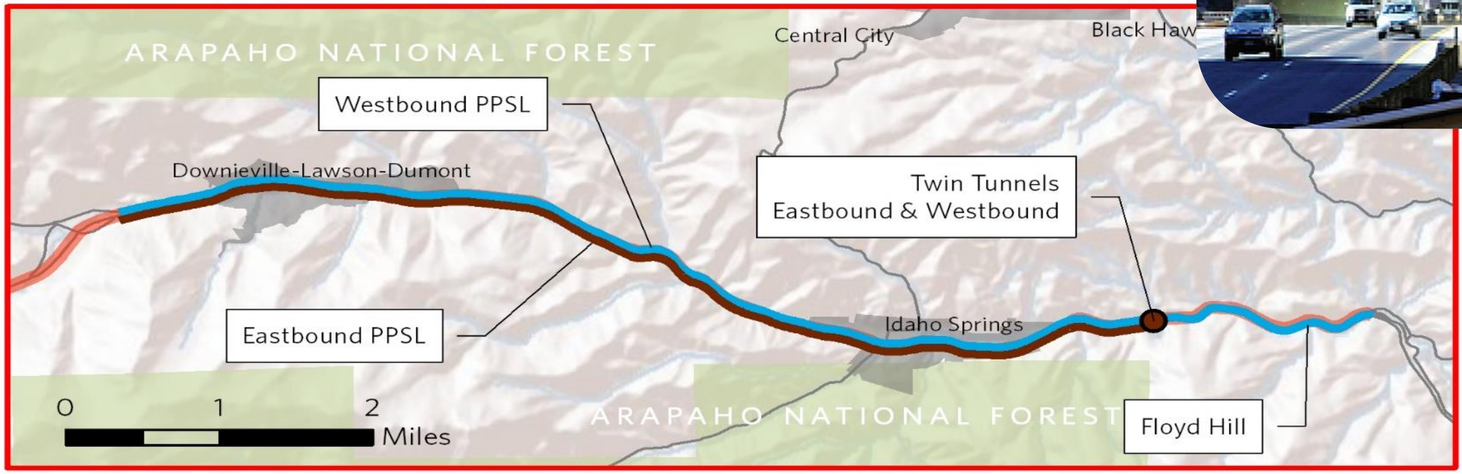
(Question 6)

Corridor Needs: $11 billion (Long Range Plan)

Construction Activities:

- Eastbound Peak Period Shoulder Lanes (PPSL)
- Westbound Veterans Memorial Tunnels expansion
- Eastbound Veterans Memorial Tunnels expansion (completed 2013)

RAMP: $20 million (eastbound PPSL), $55 million (westbound tunnel)



COLORADO
Department of Transportation

Project Updates
(Questions 4,5,6,7,8)

Interstate-70 Mountain Corridor
(Question 6)

Focus on Improved Operations

- Winter Preparedness Education Campaign
- Investing $8 Million to Deploy Strategies
- Implement Snowplow Escorts on Eisenhower approach
- Meter traffic coming onto I-70 at key locations
- Re-deploying Staff and Resources onto corridor
- Improved Commercial Vehicle Management Strategies

Project Updates
(Questions 4,5,6,7,8)

Interstate-25 South
(Question 7)

El Paso County: Cimarron Interchange

- Approximately $100 million
- Improved and extended acceleration/ deceleration lanes for increased vehicle storage and safety (NB/SB I-25 off-ramps), widened shoulders, and improved curbs
- New I-25 bridges
- Improved interstate and interchange operations and safety; enhanced trail connections; improved water quality; aesthetic enhancements

El Paso County: Fillmore Interchange

- Diverging diamond interchange project
- DDI design and engineering provides safer and more efficient traffic flow

Project Updates
(Questions 4,5,6,7,8)

Interstate-25 South
(Question 7)

Pueblo County

- Procurement process underway, project soon to be awarded to contractor
- Funding:
  - Bridge Enterprise - $51 million
  - RAMP - $41 million
- Funding:
  - Bridge Enterprise - $51 million
  - RAMP - $41 million
- Scope:
  - Construction of continuous acceleration and deceleration lanes between the Ilex and 1st Street Interchanges
  - Safety improvements

Project Updates
(Questions 4,5,6,7,8)

U.S. Highway 36
(Question 8)

Phase 1 (Federal Blvd. – 88th Street)

- 80 percent complete
- Eastbound traffic now driving on the new pavement
- Last remaining stretch of work remains between Sheridan and Federal Blvds.
- Cost - $317 million
- Completion – anticipated May 2015

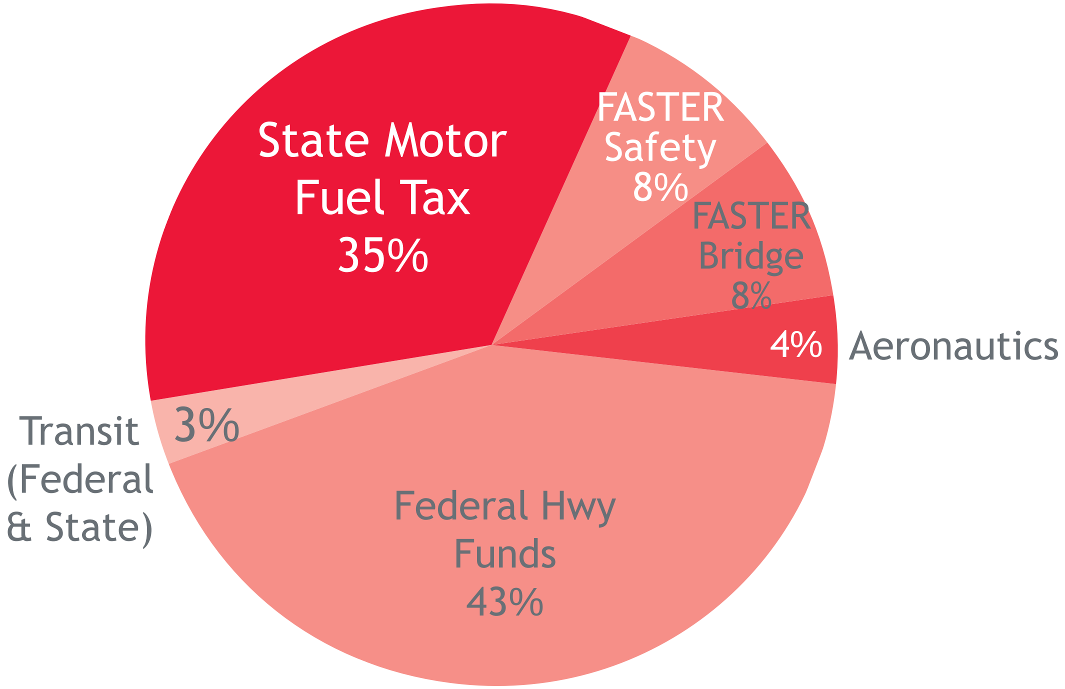
Phase 2 (88th Street - Table Mesa)

- 40 percent complete
- All traffic routed onto eastbound lanes' temporary pavement
- Subgrade is now ready for paving
- Structure work underway at S. Boulder Creek, Coal Creek
- Cost - $180 million
- Completion – anticipated early 2016

Revenue Issues
(Questions 9,10,11,12)

2015 Budget/Revenue Projections

(Questions 10, 11)



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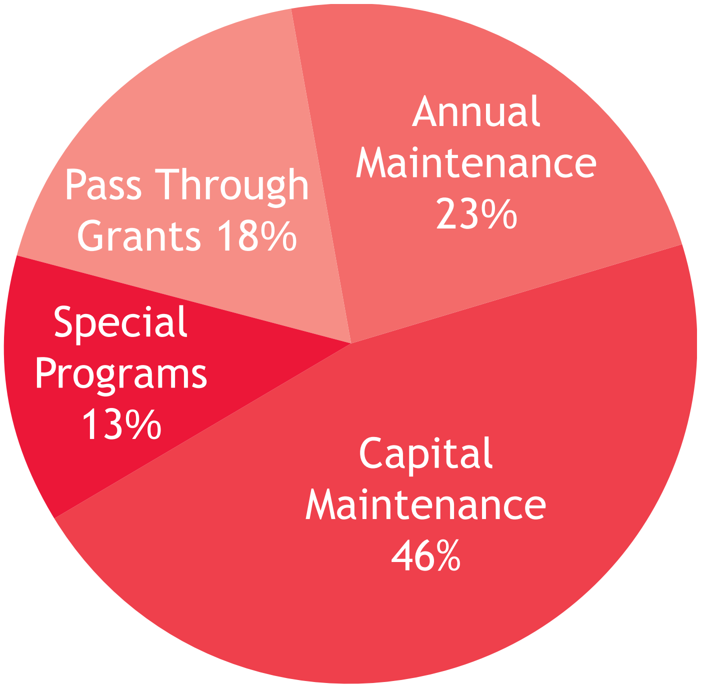


USES

State General Fund Contribution to CDOT peaked in 2007 at $468M, now $0

State Fuel Tax Collections also peaked in 2007

Additional Questions
(Questions 16,17,18)

"Drive High, Get a DUI" Questions
- ***Question 13.*** Target Audience
- ***Question 14.*** Funding

Common Questions
- ***Question 1.*** SMART Government Act
- ***Question 2.*** Infrastructure Needs Beyond the Current Request
- ***Question 3.*** Implementation of the New CORE accounting system

Additional Questions
- ***Question 16.*** Utilizing Facility Space Between CSP and CDOT
- ***Question 17.*** Excess Property/Disposal Process

Miscellaneous
- ***Question 12.*** Privately-owned Toll Roads/Concerns Regarding Public Highway Authority Toll Roads
- ***Question 18.*** Tax Credits for Alternative Fuel Vehicles

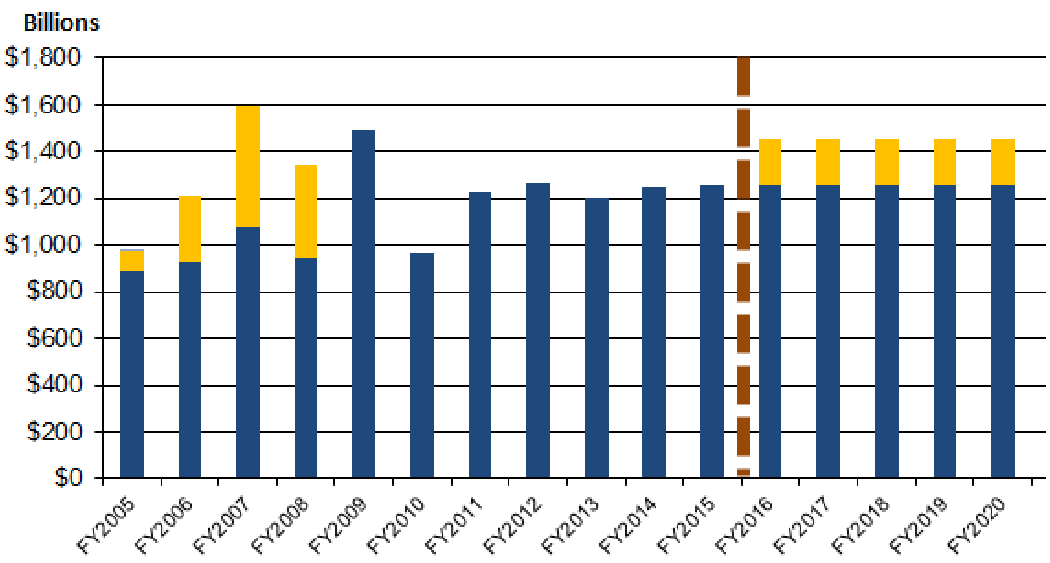
COLORADO
Department of Transportation

Questions

Revenue Issues
(Questions 9,10,11,12)

Senate Bill 228

- ***2009*** **-** General Assembly suspended General Fund transfers for transportation with transfers to re-commence when the economy returned
- ***Trigger*** **-** When personal income growth reaches or exceeds 5 percent, automatic transfers are made from the General Fund to transportation, capital construction, and reserves
- ***GF Transfers*** **-** Approximately $200 million will be transferred to CDOT in FY 2016 for high priority projects
  - 90% - highway/bridge projects
  - 10% for transit projects
  - Transfers will be halved or eliminated automatically if a TABOR refund occurs



In the ten fiscal years prior to passage of SB 228, CDOT received an average of $186 million/year from the General Fund for high priority transportation projects.

DEPARTMENT OF TRANSPORTATION
FY 2015-16 JOINT BUDGET COMMITTEE HEARING AGENDA

Wednesday, December 3, 2014
1:30 pm – 3:30 pm

1:30-1:50 INTRODUCTIONS AND OPENING COMMENTS

1:50-2:10 QUESTIONS COMMON TO ALL DEPARTMENTS

(The following questions require both a written and verbal response.)

1. SMART Government Act:
    a. Please describe how the SMART Government Act is being integrated into the department's existing processes (both in terms of service delivery and evaluating performance).
    b. How is the data that is gathered for the performance management system used?
    c. Please describe the value of the act in the department.

2. Do you have infrastructure needs (roads, real property, information technology) beyond the current infrastructure request? If so, how do these needs fit in with the department's overall infrastructure priorities that have been submitted to the Capital Construction Committee or Joint Technology Committee? If infrastructure should be a higher priority for the department, how should the department's list of overall priorities be adjusted to account for it?

3. Describe the department's experience with the implementation of the new CORE accounting system.
    a. Was the training adequate?
    b. Has the transition gone smoothly?
    c. How has the implementation of CORE affected staff workload during the transition?
    d. Do you anticipate that CORE will increase the staff workload on an ongoing basis? If so, describe the nature of the workload increase and indicate whether the department is requesting additional funding for FY 2015-16 to address it.

2:10-2:30 PROJECT UPDATES

4. Please discuss the status of bridge projects financed with revenue from FASTER.

5. Please provide an update on the Southwest Chief Rail Line project and funding.

6. Please provide an update on I-70 projects, including the I-70 east viaduct, mountain corridor, and tunnel construction.

7. Please provide an update on I-25 projects near downtown Colorado Springs and Pueblo. Please address safety issues and statistics in these corridors, including the high incidence of jackknifed trailers.

8. Please provide an update on the US-36 projects.

2:30-2:55 REVENUE ISSUES

9. Please provide the amount of funds the State has contributed to the federal government for taxes for roads for the past fifteen years? For each year indicate what percentage of these funds comes back to the State.

10. When gas prices are lower, does the Department see an increase in revenue in the HUTF due to increased travel? If so, why? If not, why not?

11. Please discuss the revenue projections for FASTER funding for the next five years, including what factors the Department uses to make those projections.

12. Please discuss the following questions related to private toll roads:
    a. What concerns about the economic viability of toll roads operated by public highway authorities in Colorado have been expressed and by whom?
    b. Are any of the existing toll ways experiencing financial problems? If so, which ones and why?

2:55-3:15 "DRIVE HIGH, GET A DUI"

13. Please discuss why the Department is directing the "Drive High" campaign only to males. Please include a discussion on why females are not included in the target audience.

14. Please discuss the following questions related to the impacts of the campaign on the driving habits of the target audience.
    a. What the outcomes of the campaign are, and how they will be tracked and measured;
    b. How the Department will quantify the impact of the campaign;

c. How the Department will be integrating the campaign with the SMART Act tracking. If the Department is not planning on doing this, please discuss why; and
d. When and if the marketing strategy be adjusted/refreshed based on results that are achieved (or are not achieved).

15. Please discuss the federal funding previously used to fund the campaign including:
    a. Was the grant one time or ongoing and why; and
    b. What, if any, federal requirements are there for outcome measures.

3:15-3:30 ADDITIONAL QUESTIONS

16. Following flood damage to a State Patrol station in Evans, the Colorado State Patrol is utilizing space in a CDOT facility.
    a. Please share your feedback about this arrangement.
    b. Are there other projects or opportunities where similar arrangements could be beneficial?

17. Please provide an update on any excess or unused property (i.e. rest stops) owned by CDOT including:
    a. Future uses identified for these properties; and
    b. Feasibility of liquidating these properties if they do not have a planned use.

18. Please provide an update on credits and/or subsidies for people with hybrid or alternative vehicles.
    a. Are there any in effect now at the State or Federal level? If so, what impact do they have on CDOT funding?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implemented or has partially implemented the legislation on this list.

2. What is the turnover rate for staff in the Department? Please provide a breakdown by office and/or division, and program.

3. Please identify the following:
    a. The Department's most effective program;

   b. The Department’s least effective program (in the context of management and budget);
   c. Please provide recommendations on what will make this program (2.b.) more effective based on the Department’s performance measures.

4. How much capital outlay was expended using either operating funds or capital funds in FY 2013-14? Please break it down between the amount expended from operating and the amount expended from capital.

5. Does the Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the Department doing to resolve the outstanding high priority recommendations?
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