



COLORADO

Department of Transportation

Office of Policy and Government Relations

DATE: May 4, 2018
TO: Transportation Commissioners, Executive Director, Executive Management Team, Branch Managers, and Office Directors
FROM: Andy Karsian, Office of Policy & Government Relations
RE: Legislative Update

Overview

The House and Senate are working long hours to get through the 200 bills still on their calendars. There are four days remaining in the legislative session and some major policy issues such as PERA, gun rights and transportation funding remain and are likely to be debated right down to the final day. Beginning Monday the normal procedural rules are suspended and the pace quickens even more. This will be the last weekly legislative memo, but a final summary will be forthcoming after next Wednesday.

Legislation

As of today, CDOT is tracking 35 bills for possible direct or indirect impacts on CDOT, its employees, and the state's transportation network. Below are summaries of a few bills introduced or heard this week.

Senate Bill 18-001 (Transportation Infrastructure Funding): After more than a month of sitting alone in the corner, SB 1 was in the spotlight this week. The Senate sent the bill to the House with a bonding proposal paid for by general funds over twenty years. It also had a \$500M one time transfer, protected one 267 transfer and prohibited managed lanes. At the beginning of the week House Democrats floated an amendment with a funding formula allocating a percentage of general funds to CDOT on a quarterly basis. This amendment morphed into a complete rewrite of the bill which turned into a House version of a \$2.5B bonding package with a \$645M direct transfer for state transportation needs.

The initial version of the bill coming out of the House Transportation committee increased funding for local governments and transit significantly while requiring the state to pay more for debt payments, realize less revenue for highways and receive little in overall value from the bill. Granted, \$2.5B builds many projects around the state, however, when coupled with a deduction of bond proceeds for a reserve account, a distribution formula favoring locals and transit, and \$300M in debt payments over 20 years, the weight of the negative points weigh down the positive parts of the legislation.

After the bill went through three committees in three days, the number of amendments and 'fixes' are numerous. As of the writing of this memo negotiations continue with the sponsors and Senate and House leadership. The ongoing conversations will continue over the weekend and the House will hear the bill on second readings on Monday. If it passes, then it goes to the Senate where they can agree with the changes or ask for a committee to find a compromise. If the bill does not pass, HB1340 continues to wait in the wings with a \$495M transfer to the state highway fund.

Senate Bill 18-268 (Continuing CDOT Award by Review Program): CDOT is prohibited from awarding contracts if the department receives fewer than three bids. There is, however, a process where the department can award a contract with fewer than three bids, through the award by review program. If a project only receives one or two bids above the engineer's estimate, CDOT may discuss the bid with the contractor and, if justified, award the contract. CDOT used the process 19 times out of the more than 600 projects during the last three years. This bill strikes a repeal date set in the bill to allow the department to continue using this program into the future.

