

**DEPARTMENT OF TRANSPORTATION
FY 2008-09 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Wednesday, December 5, 2007
9:00 – 11:00 am**

INTRODUCTIONS AND OPENING COMMENTS

HEARING QUESTIONS COMMON TO ALL DEPARTMENTS

Departmental Goals and Objectives

1. What are your department's principal goals and objectives? What are the metrics by which you measure success or failure?

***CDOT response:** In 1997, the Legislature mandated the inclusion of Objectives and Measures in the Budget, which CDOT included in its FY 1998-99 budget document. By 2000, CDOT investment level goals and objectives were in place. Core Service workshops were held in the regions and at headquarters for all employees in 2000 and 2001. In 2002, CDOT was tracking data to determine baselines. The Investment Strategy Performance Measures were linked to the 2030 Statewide Long Range Plan. Since that time, CDOT performance measure strategies have been refined and expanded to include Core Services Action Plans. CDOT has long striven to be a leader in performance measurement activities.*

A key to successful strategic planning is having performance measures that provide accurate and timely information. The ultimate aim of implementing a measurement system is to improve the organizational performance of CDOT, resulting in an improvement in system performance. CDOT uses performance measures to continually evaluate progress towards accomplishing its goals and objectives determining where improvements can be made, and readjusting work activities and processes accordingly.

The Commission has identified the following four (4) major business functions, called investment categories:

- *Safety – Services, programs and projects that reduce fatalities, injuries and property damage for all users and providers of the system.*
- *System Quality – Activities, programs and projects that maintain the physical (integrity/condition) function and aesthetics of the existing transportation infrastructure.*
- *Mobility – Programs, services and projects that enhance the movement of people, goods and information.*
- *Program Delivery – Functions that enable the successful delivery of CDOT's programs, projects and services.*

(Originally a fifth investment category was defined as Strategic Projects. Since all strategic projects impact system performance in the areas of safety, system quality, or mobility, Strategic Projects is now a key program incorporated in all investment categories.)

In support of these four Investment Categories, the CDOT Executive Management Team identified five Core Service business processes:

- **Roadway Management** – All physical elements of roadway, tunnel, and bridge maintenance activities from curb-line to curb-line (i.e., roadway edge).
- **Roadside Management** – All roadside (from curb-line [roadway edge] to edge of ROW) maintenance activities including rest areas and other off-road facilities.
- **System Operations** – All traveler information and traffic-related activities including tunnel operations and emergency/incident.
- **Snow and Ice Management** – All services and maintenance activities to keep the road open for the winter season including post-event operations and the reopening of closed roads.
- **Project Delivery** – All activities for the delivery of a transportation project from planning to construction management to final.

Below are the goals and metrics for each of the investment categories. For performance results, please refer to the Strategic Plan within CDOT’s November 1 2007 budget proposal (<http://www.dot.state.co.us/Budget/>).

Safety

Goals	<ul style="list-style-type: none"> ○ To create, promote and maintain a safe and secure transportation system and work environment ○ Increase investment in safety and strategic projects 		
#	Objectives	Performance Measures	Reporting Frequency
1.1	Maintain federal goals for vehicle crash rates	Statewide motor vehicle crash rate	Annual, but delayed
1.2	Maintain federal goals for vehicle crash fatalities	Statewide motor vehicle fatality rate	Annual
1.3	Maintain or improve the 2003 customer rating of safety-related programs and services delivery	Customer perception rating of CDOT safety programs	Every 3 years

System Quality

Goals	<ul style="list-style-type: none"> ○ <i>Cost effectively maintain the quality and serviceability of the physical transportation infrastructure</i> ○ <i>Increase investment in system quality and in strategic projects</i> 		
#	Objectives	Performance Measures	Reporting Frequency
2.1	<i>Maintain or improve the CY 2003 projected good/fair condition of the state highways through CY 2010</i>	<i>Percent of surface condition in good, fair and poor condition</i>	<i>Annual</i>
2.2	<i>Maintain or improve the CY 2003 good/fair condition of the major structures through CY 2010</i>	<i>Percent of major structures in good, fair and poor condition</i>	<i>Annual</i>
2.3	<i>Maintain or improve the transportation system at the adopted annual maintenance level of service grade (In the System Quality program areas)</i>	<i>System Quality program areas annual maintenance level of service average grade</i>	<i>Annual</i>
2.4	<i>Maintain or improve the average external customer satisfaction survey grade for the state highways' drivability</i>	<i>Customers' average perception grade of the state highways drivability</i>	<i>Every 3 Years</i>
2.5	<i>Maintain or improve customer satisfaction grade of the state highway system's appearance</i>	<i>Customers' average perception grade of the state highways appearance (e.g., aesthetics, landscaping, mowing, environmental performance, etc.)</i>	<i>Every 3 Years</i>

Mobility

Goals	<ul style="list-style-type: none"> ○ Maintain the operational capacity of the highway system ○ Increase integration of the transportation system modal choices ○ Increase investment in mobility and strategic projects 		
#	Objectives	Performance Measures	Reporting Frequency
3.1	Maintain or improve the 2003 customer satisfaction rating of operational services delivery.	Customer perception rating of operational-related services	Every 3 years
3.2	Reduce the growth rate through CY 2010 below projected growth rate of person miles traveled in congestion.	Travel time delay in designated corridors (tolled and non-tolled)	Irregularly
3.3	Maintain the snow & ice maintenance level of service grade at the adopted annual grade	Snow & ice MLOS grade	Annual
3.4	Maintain or improve the 2003 customer satisfaction rating of transportation choices as a part of an integrated statewide transportation system	Customer perception rating of transportation choices	Every 3 Years

Program Delivery

Goals	<ul style="list-style-type: none"> ○ Deliver high quality programs, projects and services in an effective and efficient manner ○ Increase investment and accelerate completion of the 28 high priority statewide projects 		
#	Objectives	Performance Measures	Reporting Frequency
4.1	Deliver all programs and projects on-time and within budget.	Percent of CDOT-advertised projects delivered within 30 days of the Ad dates established on July 1 st of the fiscal year	Annual
4.2	Maintain or improve customer satisfaction rating of project quality.	Customer satisfaction rating of project quality	Every 3 years

2. Given the change in the Administration, have there been any changes to your department's principal goals and objectives since last year?

CDOT response: No.

3. What progress did you make during the last year in achieving your goals?

CDOT response: For the Department, determining progress toward its goals remains an important concern that is constantly monitored. In fact the Department has a small section devoted to performance measurement. Nonetheless performance measurement remains a challenging matter for a variety of reasons.

One of the challenges in assessing the yearly progress is that not every goal has a yearly reporting frequency. Further complicating matters, the data for some of the yearly reporting points becomes available one year or more in arrears. For instance, the Department knows that the Statewide motor vehicle fatality rate from 2006 to 2007 has improved but the overall motor vehicle crash data is not yet available for that same time frame.

Another key factor to consider in achieving departmental goals is present funding levels. To a degree the Department has adjusted its goals to align them with funding. An example of this is in the System Quality Investment Category where the Commission has set its goal as 60% pavement good/fair and 40% poor. Making “progress” in meeting a goal that results in relegating 40% to poor condition is not what one typically sees as desirable. If funding were not a critical factor the Commission would have set this goal at a higher level. Unfortunately, at present funding levels not only is the Commission unable to consider setting a higher goal, it is not even able to sustain surface pavement conditions at the 60% level within present funding constraints. Shortly, the Commission will either have to lower this “goal” or accept an ongoing inability to attain it. As difficult as it currently is to meet the goals set, without S.B. 97-1 and H.B. 02-1310 funding sources over the last several years, it would have been much more difficult since these funds make a critical contribution to addressing needs and helping meet goals.

One area that funding levels have not impacted as significantly is the Program Delivery investment category. The Department has made significant gains here in several key performance measures, such as “percent of projects delivered within 30 days of ad dates;” “percent of construction projects delivered within 15% of estimated costs;” and “percent Disadvantaged Business Enterprise Program participation.” In all these areas the Department has shown strong gains and strong progress toward reaching Department goals in 2007.

For more information on CDOT’s progress towards reaching its goals, please see CDOT’s “Strategic Plan” within the Department’s FY 2008-09 budget proposal (<http://www.dot.state.co.us/Budget/>).

4. How is the additional money provided to your department in FY 2007-08 being used to achieve your goals? What improvements is your department making in its outputs?

CDOT response: CDOT received \$179.8 million from H.B. 02-1310 and \$20 million from Capital Development Committee funds. A majority of these funds were used for surface treatment and bridge improvements.

H.B. 02-1310 Funds FY2007		
(millions)		
	Projects	H.B. 02-1310 (\$ in millions)
Region 1		
\$26.4	SH 9: Swan Mountain Road to Agape Church	\$2.75
	SH 9: Hoosier Pass North - Resurfacing	\$3.00
	I 70 @ Burlington - Bridge	\$5.25
	US 285: Deer Creek Interchange	\$1.00
	US 385: Cheyenne Wells Drainage	\$0.15
	US 85: Titan Road to Meadows - Bridge	\$8.00
	I 70: Empire East - Resurfacing	\$4.75
	US 285: Schaffers Crossing	\$1.50
		\$26.40
Region 2		
\$29.7	Chain Up Area on I 25 South of Monument Hill	\$0.50
	Trinidad Viaduct - Bridge	\$29.20
		\$29.70
Region 3		
\$25.4	I 70 Vail Wildlife Fence	\$0.47
	SH 13 Rio Blanco Slide	\$3.50
	SH 40 Berthoud Pass Slide Repair	\$0.40
	SH 131 Choke Cherry Lane	\$4.00
	I 70 Vail East and West - Resurfacing	\$10.50
	SH 13 Wyoming Line South - Resurfacing	\$6.50
		\$25.37
Region 4		
\$27.5	I 25: Berthoud - North, Resurfacing	\$17.80
	US 36: Cherryvale Road Bridge Replacement	\$5.00
	US 34: Lower Big Thompson Canyon Bridge Replacement	\$1.10
	SH 52: At Wildcat Creek Bridge Replacement, N. of Ft. Morgan	\$1.80
	SH 34: Bridge Deck Repair, E. of Greeley	\$1.58
	I 25 & I 76: Stateline VMS Installation	\$0.22
		\$27.50

Region 5 \$16.0		
	US 285: Resurfacing from the NM state line towards La Jara	\$8.00
	US 550: Resurfacing on the north side of Red Mountain	\$8.00
		\$16.00
Region 6 \$54.8		
	I 70: Viaduct Repair cost overrun - Bridge	\$4.00
	I 25: Santa Fe Bridge ROW	\$11.00
	I 25: Broadway to 6th Overlay W/Barrier Replacement and Bridge Rehab	\$4.83
	I 25: 104th Ave. Bridge	\$20.00
	I 70: SH 58 44th Ave.	\$15.00
		\$54.83
\$179.8		\$179.80

FY2008 CDC List (millions)				
Region	CDC Funds Available	STIP #	Description	Total Cost of Project
Region 1	\$2.94	R15215	I 70 Silverthorne to EJMT (EB)	\$6.10
Region 2	\$3.30	R26710	SH 109, La Junta - South	\$9.80
Region 3	\$2.82	R35217	I 70 Palisade East	\$6.10
Region 4	\$3.06	R45218	Resurfacing I 25, SH 66 to Ft. Collins	\$12.00
Region 5	\$1.78	R55219	US 160 from NM State Line to US 491	\$9.79
Region 6	\$6.10	DR6739	SH 58/ 44th Ave Bridge Replacement	\$8.50
Total	\$20.00			\$52.29

As noted in the response to question #3, the receipt of these additional funds is essential in assisting the Department meet its goals. Due to inflationary costs and our traditional reliance on gas tax funding at both the federal and State levels, it has been difficult to meet our performance objectives for surface treatment and bridge. This additional funding has allowed us to fund projects that would otherwise have been deferred and enhances our ability to meet our performance objectives. Deferral of maintenance/rehabilitation projects often results in more costly projects as roads and bridges continue to deteriorate and we fall further and further behind in providing needed maintenance of the system. By targeting these funds toward system quality (surface treatment and bridge) projects the Department has specifically aimed to meet its goals in maintaining the quality of the highway system.

5. Please identify your department's 3 most effective programs and your 3 least effective programs. Explain why you identified them as such. Explain how your most effective programs further the department's goals.

CDOT response: *The Department has many effective programs. It maintains 9,148 miles of roadway and 3,757 bridges on a daily basis. It specifically wishes to mention four programs: snow and ice, Intelligent Transportation Systems (ITS), Courtesy Patrol, and 511 Travel Info. These are smaller programs, but are very effective and probably not widely recognized.*

Snow and Ice Program: *Last year was one of the worst winters in 13 years. CDOT maintenance forces snowplowed, sanded and/ or de-iced 7.1 million miles of roadway compared to 5.3 million miles in FY 06 and spent 7,000 hours on avalanche mitigation.*

ITS Program: *The ITS program consists of variable message boards which information traveler's of road conditions, hazards on the roadway, traveler times, and critical roadway information. Another aspect of the program includes traffic surveillance along the highways and tunnels. This allows CDOT to provide a quick response to emergencies that occur and help ensure safe passage for the motoring public.*

Courtesy Patrol: *The Courtesy Patrol assists drivers, free of charge, with things such as fuel, flat tires, tow service, and clearing stranded drivers from the driving lanes. This program went into effect in the Denver Metro area in 1993. In the Metro area, the Courtesy Patrol assists more than 2,000 motorists each month. The Courtesy Patrol was expanded to include I 70 between the top of Floyd Hill and Silver Plume.*

511 Travel Info: *The 511 travel info line was launched in the fall of 2006. Between November of 2006 and June of 2007, 1,529,699 calls were received. 511 allows callers to quickly access current information about Colorado road and weather conditions, highway closures and detours, planned construction or maintenance activities, chain restrictions, and Amber Alerts.*

As is mentioned below, the Department reviews programs on an annual basis as a part of its budget process and determines the need, funding levels, and any new or pertinent information that would affect program continuance. CDOT believes that all of its programs are necessary and effective although some more effective than others primarily due to budget constraints. For example, the Mobility Investment Category has a congestion relief program. Currently CDOT has estimated a cost of nearly \$800 million per year to keep traffic delays in the congested corridors Statewide at the current levels of 22 minutes of delay per day per person. Because only \$ 9 million of annual funding is allocated for congestion relief, it is estimated by 2035 that the delay per day will rise to 70 minutes per person. Programs funded at the level needed to meet objectives allow for the most cost-effective use of dollars to optimize system performance.

6. Are there programs that your department is required to perform that do not further your department's goals or have outlived their usefulness? If so, what are they and by whom are they required? Why don't they further your department's goals?

CDOT response: *The Department is regularly recognized for its commitment to efficiency and accountability. The Department's performance is validated through the use of a performance measurement program that ensures taxpayer investments are aligned with the goals established by the Colorado Transportation Commission. On an annual basis through the budget process, programs are reviewed to ensure that they still are necessary and contribute to performance or are still necessary to address a federal or state requirement. During this process, programs are changed, deleted, or added to address the needs. An extensive review of all program areas occurs as part of the development of the Statewide Transportation Plan. Since needs far exceed revenue available, a trade-off analysis among program areas occurs to maximize the effectiveness of dollars available.*

CDOT's administrative and operating practices have been reviewed on two recent occasions. In 2003, Governor Owens created the Task Force on Transportation Finance which examined CDOT's operating practices. The Task Force found that, "CDOT has minimized administrative overhead, and has instituted measures to maximize innovative opportunities in order to leverage as much funding capacity as possible. Based on a review of other states' "best practices" it is apparent to the Task Force that Colorado is a leader among the states in innovative financing and efficient and effective management of its programs." The Task Force also noted that, "the Department of Transportation is doing an outstanding job in managing its resources and deriving efficiencies within its existing budget processes in an effort to provide the best system possible to the taxpayers of Colorado."

In 2007, Governor Ritter launched Government Efficiency and Management Performance Reviews of State agencies, including CDOT. While the final report is not yet released, a thorough review of CDOT practices led to just two recommendations. These recommendations actually call for CDOT to contract out less work and to have its own employees perform more. The recommendations suggest that the value already created by the Department's garage technicians and environmental staff surpass that provided by the private sector.

During regional meetings of the Governor's Transportation Implementation and Finance Plan, attendees heard about some of the efficiencies delivered every day by CDOT's maintenance crews and engineers to improve the performance of Colorado's Transportation System and to save tax payer dollars. One example is snow fencing installed in mountain valleys. These fences catch snow before it blows across highways. National studies have found that such fences save \$100 in snow removal costs for ever dollar invested over the fences' 20 year anticipated life. On the Eastern Plains, short bridges are replaced with concrete box culverts. The culverts are less expensive to maintain and reduce the likelihood of imposing weight restrictions that limit freight movement. CDOT also recycles asphalt during resurfacing projects which realizes an asphalt cost savings of nearly \$40 per ton whenever possible.

7. What are your department's anticipated costs, anticipated savings, and potential benefits from complying with Executive Order D 028 07, Authorizing Partnership agreements with State Employees?

CDOT response: *Administration of the partnership agreement will not require the expenditure of any additional state dollars. Departments will continue to spend time supporting state employees, and as has been the case in the past, this support will be absorbed into existing budgets.*

8. Provide an estimate of the costs your department will incur in FY 2007-08 in carrying out the provisions of H.B. 06S-1023. Provide an estimate of your department's savings in FY 2007-08 as a result of not providing services to individuals who are in the country illegally.

CDOT response: *Transportation offers none of the services outlined in HB 06S-1023 (emergency medical care, immunizations and treatment for communicable disease, etc.) and therefore estimates no cost and no benefit in FY 2007-08 resulting from this legislation.*

QUESTIONS SPECIFIC TO THE DEPARTMENT OF TRANSPORTATION

Long-Term Funding Gap for Transportation

9. Please discuss the revenue and cost forecasts in the Department's draft 2035 Statewide Transportation Plan. What are the key assumptions informing those forecasts? What factors are driving the Department's flat revenue projections and the decline in buying power?

CDOT response: *The revenue forecast in the Department's draft 2035 Statewide Transportation Plan assumes no new revenue sources. Only revenue CDOT expects to be generated under current law and economic conditions are considered. For example, an increase to the 22 cent per gallon motor fuel tax would require a change in law, and therefore such an increase is not included in the forecast. The revenue forecast uses constant 2008 dollars.*

Key assumptions in the revenue forecast include:

- *incorporating long and short term horizons for most of the major categories to reflect current economic conditions in the near term of the forecast;*
- *because of the uncertainty in federal trust fund, the long term federal forecasts is based on the previous federal authorization bill (TEA-21);*
- *for planning purposes, the Department did not presume any long-term down turns that would have a negative effect on the SB 97-001 forecast.*

The various methods and factors used to forecast the Department's major revenue sources are described below:

- *Revenue estimates for the motor fuel tax (MFT) component of the HUTF, and the long term, fiscal years 2015 to 2035, FHWA and FTA sources are determined by using 6 and 15 year regression models. The models assume non-farm employment, net migration in the State, "Denver, Boulder, Greeley" consumer price index (CPI), and average vehicle miles per gallon as the independent factors. CPI growth rates are generated from a 10-year trend analysis on the "Denver, Boulder, Greeley" consumer price index.*
- *Likewise, revenue estimates related to the motor vehicle registration fees (MVR) component of the HUTF are determined by using 5 and 15 year regression models and assumes non-farm employment, net migration in the State, and CPI as the independent factors. HUTF revenue estimates for sources that are not classified as MFT or MVR and aviation fund revenue are determined by using the CPI.*
- *SB97-001 in fiscal years 2008 through 2011 as well as HB02-1310 are based on the June, 2006 general fund forecasts from OSPB. In fiscal years after 2011, SB97-001 estimates are assumed to be equal to 10.355% of the State sales & use tax projected estimate based on an 8 year trend analysis.*

- *Federal Revenue for FHWA and FTA uses SAFTEA-LU funding levels in fiscal years 2008 and 2009. In fiscal years 2010 through 2015, the model assumes the short-term federal growth rates determined by trending the TEA-21 funding levels. The TEA-21 funding levels are significantly lower than those used in SAFTEA-LU but were used due to a determination that the levels incorporated in SAFTEA-LU are unsustainable.*
- *Revenue estimates for the CDOT miscellaneous category, interest on bond proceeds and interest on deposits from the SIB fund are determined by using a four-year rolling average of actual and estimated interest deposited into the State Highway fund. Also, safety education estimates are determined by using four-year rolling average of actual and estimated funding for each NHTSA grant source. State estimates are determined by using five year trend analysis on each State revenue source. Estimated interest on SIB loans is assumed to be equal to all unpaid scheduled payments.*

The total annual amounts for each of the 28 year forecast are deflated to fiscal year 2008 dollar amounts and added together for the total 2035 plan number. The factors used to deflate the amounts include a mix of CPI and construction cost index (CCI) as applied to the various CDOT programs. The CPI factor is applied to non-construction programs such as maintenance and operations, and the CCI is applied to construction programs such as bridge.

The CCI is composed of six indicator items based on bid prices relative to the unit prices of 1987 (unit index = 100). The indicator items are Earthwork (Excavation and Embankment), Hot Mix Asphalt, Concrete Pavement, Structural Steel, Structural Concrete, and Reinforcing Steel. The CCI growth-rates are generated from a trend analysis of the annual intersect points between 1999 and 2005 of this index.

Factors driving the flat revenue forecast relate primarily to lowered expectations of receipts based upon motor fuel taxes. Virtually all federal funds are derived from the motor fuel tax as is a large percentage of HUTF funds. For a variety of reasons motor fuel excise tax receipts are at best projected as flat over the forecast's horizon. Given that excise taxes are collected on a set cents per gallon rate and do not adjust with inflation flat collections from these sources have less and less purchasing power each year and when adjusted back into constant 2008 dollars are effectively less revenue. Without anticipated SB97-01 and HB02-1310 transfers, the forecast would project revenues lower than FY 2006-07 levels for at least the next ten years.

10. CDOT projections show significant degradation in the State's bridges between now and 2035 under forecasted revenue levels. Given the tragedy this year in Minneapolis, please discuss the current and projected status of Colorado's bridges, and specifically the safety of the current infrastructure.

CDOT response: *There are currently 3,775 bridges on the Colorado State Highway System. Of those, 379 (10%) bridges are in fair condition, and 116 (3%) bridges are in poor condition.*

Bridges in poor condition do not meet all safety and geometry standards and require reactive maintenance to ensure their continued safe service. The Department assigns a sufficiency rating to all bridges using a scale of 1 to 100. The sufficiency rating for bridges in poor condition is less than 50. The sufficiency rating for bridges in fair condition is 50 to 80. The Department uses this nationally accepted scale as a means of measuring or indicating remaining service life. However, the Department utilizes a federally approved bridge inspection program to ensure bridges continue to be safe for the traveling public.

For the purpose of determining bridge-funding needs it is assumed that bridges in poor condition have exceeded their economically viable service life and therefore require replacement. The current replacement cost for the backlog of poor bridges on the state highway system is estimated at \$1.292 billion. The I-70 Viaduct (from Brighton Blvd. to Colorado Blvd.) accounts for about \$800 million of this amount.

The bridge infrastructure currently is young, but near the end of the 2035 plan it will age very rapidly. As the State's bridge infrastructure ages, the Department's backlog of bridges requiring maintenance will increase. Under CDOT's current 2008-2035 plan, \$27 million will be invested annually (average un-inflated dollars) into the State's Bridge Program for replacement and major rehabilitation of bridges on the select list. At this funding level, approximately 34% of the State's bridges will need replacement or major rehabilitation in 2035. Approximately \$182 million (\$155 million more than allocated) would be needed annually from all funding sources for bridge replacement and rehabilitation to maintain the existing condition of bridges Statewide.

The Department inspects the majority of its bridges every two years to document their condition and ensure their safety. Some bridges that are in very good condition are inspected every four years. The Department has 68 bridges that are inspected every year or more frequently.

11. Please discuss the public input process informing the Department's "vision" for 2035. Given the large amount of funding required to implement the vision, how are projects selected and/or eliminated from the vision?

CDOT response: The 2035 Plan's vision contains all of the transportation needs of the State of Colorado, funded and unfunded. This includes the needs of the Department and CDOT planning partners comprising the 15 Transportation Planning Regions (TPRs) Statewide, five of which are Metropolitan Planning Organizations (MPOs). Specifically, the process to develop the 2035 Regional Plans' visions included a series of regional transportation forums hosted throughout the State with the intended purpose of identifying regional transportation needs and priorities. These regional forums employed public involvement techniques (electronic voting and interactive activities). At the regional forums, local elected officials, regional stakeholders, and citizens prioritized transportation corridors and funding categories, while considering regional trends and growth issues within their respective areas.

Long range transportation funding estimates (resource allocation) approved by the CDOT Transportation Commission guided CDOT's planning partners in determining the most important regional corridors. The TPRs assigned roadway, transit, and aviation funding to multi-modal corridors and refined the corridor visions, goals and strategies. The TPRs developed both a funded multi-modal transportation system and an unfunded transportation vision to address regional needs within a 27-year planning horizon.

Corridor visions were developed by identifying and assigning a State highway(s) or local roadway facility a primary investment category of mobility, safety, or system quality. Planning partners developed a vision for each corridor outlining the facilities' primary function and multi-modal characteristics. Long range goals and strategies were developed for the corridor, which directly tied to the types of improvements (projects) that would be constructed to support the corridor vision.

Along with a unique approach toward identifying a specific 2035 regional plan vision, on-going public involvement efforts helped to support and refine the State's transportation needs. Those efforts include:

- Statewide Customer Surveys*
- Transportation Commission monthly workshops;*
- Transportation Planning Region monthly meetings;*
- Statewide Transportation Advisory Committee monthly meetings*
- Combined regional/statewide plan public meetings.*

In addition to this public process, CDOT performance system models are used in determining most needed projects in the Surface Treatment, Bridge, Maintenance, and Congestion Relief programs. CDOT Regional Directors and staff work closely with planning partners to prioritize other projects. Regional priorities are incorporated first into each TPR's long range regional plan. These plans are an outcome of the public process listed above, and involve intensive interaction with CDOT as well as the public. As these plans are developed, CDOT and adjacent TPRs work closely together to ensure that visions are consistent across TPR borders. Once the TPRs' Regional Plans are completed and submitted to CDOT, they are incorporated into Colorado's Statewide Long Range Plan.

12. Does CDOT see any other option than higher taxes and higher fees to maintain what appears to be an unsustainable system?

CDOT response: In the short term, CDOT sees no other alternatives. In the long term, changes to legislation, driver behavior, and other factors such as mass transit ridership may present options for further consideration and research.

Blue Ribbon Transportation Finance and Implementation Panel

13. Please discuss the status of the recommendations of the Governor's Blue Ribbon Panel for closing the revenue gap for transportation. Does CDOT intend to request legislation for new funding sources recommended by the Panel? Should the General Assembly expect legislative proposals for the 2008 session? Does CDOT expect to go to the voters with referenda?

CDOT response: Concerning the status of its recommendations to the Governor, CDOT respectfully defers to the Blue Ribbon Panel. CDOT will await guidance from the Governor on whether to seek legislation or referenda in 2008 and beyond.

14. Please discuss CDOT's position regarding the Panel's recommendation to index the State's major sources of transportation funding, including the motor fuel tax, to increase with inflation. Would CDOT support such a change for the motor fuel tax and/or other sources?

CDOT response: CDOT has not taken a position regarding the Panel's recommendations and awaits guidance from the Governor.

15. If CDOT agrees that new funding sources are necessary, how does CDOT intend to build the necessary public support?

CDOT response: CDOT and the Transportation Commission are subject to Section 1-45-11 7, C.R.S. The statute specifically precludes the Department and the Commission from engaging in activities related to a measure under consideration by the State's voters.

16. Please discuss CDOT's position on the use of a vehicle miles traveled (VMT) fee as a revenue source.

CDOT response: CDOT has not taken a position regarding the VMT fee.

17. Is the Oregon model for VMT voluntary? Is the suggestion in Colorado that this be a mandatory fee? Why is the VMT fee thought to be a better option than the fuel tax if it is revenue neutral?

CDOT response: *The Oregon pilot program was voluntary and limited in scope. Its report to the Oregon legislature can be found at <http://www.oregon.gov/ODOT/HWY/OIPP/docs/2005LegislativeReport.pdf>.*

CDOT respectfully defers to the Panel questions concerning its recommendations.

18. Did the Panel base their recommended figures on anticipated federal match dollars? What is the status of federal transportation funds coming to Colorado? If nothing changes, will federal moneys go away in the next five years? When? Does the Department foresee any changes at the federal level that would avoid this scenario?

CDOT response: *The Panel utilized information on federal revenues forecasts generated by CDOT for use in the 2035 Statewide Planning process.*

The Colorado Department of Transportation receives approximately one-third of its budget, or about \$428 million projected in FY 2008-09, from the federal government. Federal transportation funding is provided for under a federal transportation authorization law known as the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). SAFETEA-LU provides federal transportation policy and funding levels for the years 2005-2009. Like Colorado at the state level, Congress has struggled with keeping up with transportation needs in the 21st Century. That is why Congress, under SAFETEA-LU, has created the National Surface Transportation Policy and Revenue Study Commission. This "National Blue Ribbon Panel" was created by Congress because "it is in the national interest to preserve and enhance the surface transportation system to meet the needs of the United States for the 21st Century." By statute, this commission is charged with completing a comprehensive study of the national surface transportation system and Highway Trust Fund, and developing a conceptual plan, with alternative approaches, to ensure that this system continues to serve the needs of the United States. The federal commission has traveled the country this year taking testimony and learning about the transportation needs of our nation. They are expected to provide a report on their findings, and options for funding, by the end of 2007. The commission is considering every financial and policy option, from de-evolving the transportation system and federal gas tax (giving all transportation financing responsibility back to the states) to increasing federal financing and federal regulations. Congress is actively following the activities of the commission and the report is expected to provide information that will be useful as Congress considers the reauthorization of SAFETEA-LU in 2009.

But while the National Commission struggles with looking at funding options over short, medium, and long-term horizons, a more immediate crisis faces the federal Highway Trust Fund today. Congressional Budget Office estimates indicate that balances in the Highway Trust Fund will be exhausted during fiscal year 2009, falling well short of the amounts needed to meet

estimated transportation obligations coming due in that year. If Congress does not act to increase revenues into the Highway Trust Fund, it must act to decrease outlays. Lawmakers would need to reduce the obligation limitation for fiscal year 2009 by about \$16 billion-roughly a 40% decrease. Outlays would need to be further reduced annually by approximately \$9 billion each year from fiscal years 2010-2017. The potential impact to CDOT could include reductions in the proposed FY 2008-09 budget of \$100 million or more if no solution is found.

While Colorado hopes for at least a short-term fix in 2009, the longer range discussion, through 2017, will be considered with the reauthorization of SAFETEA-LU, which expires on September 30, 2009. Reauthorization hearings are expected to take place beginning in 2008. In preparation for those hearings and the subsequent introduction of transportation reauthorization legislation in 2009, CDOT has facilitated the formation of the Colorado SAFETEA-LU Re-Authorization Panel, consisting of transportation stakeholders from a broad range of transportation interests and regions. The Panel's goal is to create a set of statewide reauthorization principles, developed utilizing a statewide perspective. These principles will be presented to the Colorado Congressional Delegation and others as reauthorization issues are being debated.

19. Why did the Panel not include indexing the motor fuels tax in the \$500 million threshold proposal? Why was the severance tax increase chosen over increasing and indexing the fuel tax? Was the decision based on political feasibility?

CDOT response: *CDOT respectfully defers to the Panel questions concerning its recommendations.*

20. Was there any "out-of-the-box" thinking, or is the Panel's primary goal just to put more money into fixing roads? Were there discussions of changing land use and reducing the demand for road transportation? Did the Panel look at increasing telecommuting?

CDOT response: *CDOT respectfully defers to the Panel questions concerning its process and recommendations.*

FTE Usage and Vacancy Savings

21. Given the response to Long Bill footnote 20 (the Governor's report on vacancy savings), why does CDOT need an additional 35.5 FTE for FY 2008-09 when the Department has more than 300 vacant positions? Will CDOT be able to hire the requested personnel?

CDOT response: *Of 35.5 additional FTE noted in the Staff Budget Briefing, 31 have actually been approved by the Transportation Commission using Commission-approved funding. Thus, only 4.5 FTE are sought from the legislature.*

The Department's separation rate has risen to 12% (change request page 3), which means approximately 400 positions must be filled annually. Delays in filling these vacancies are

attributed not only to shortages of human resources staff, but to difficulties in finding qualified candidates who possess the right skills, competition from the private sector, and other factors, particularly the geographic dispersion of the Department's employees. Of the 31 Commission-approved positions, most have been filled.

All of the 4.5 FTE sought in the change request would reside in the Division of Human Resources and Administration (DoHRA). This division accounts for more than half of the 219.7 FTE appropriated by the legislature. DoHRA presently has held vacant two positions to pay for utility expenses in excess of utilities budget and another due to the spending authority shortfalls in the Print Shop which the Department is addressing through its request for additional spending authority for the Print Shop.

The Department does not anticipate difficulties in filling the 4.5 legislatively appropriated positions it is requesting. Many of the more difficult-to-fill positions are for engineers and maintenance workers or are in more geographically remote locales. These 4.5 positions are all located in the Denver area and will be staffed with either training or human resources professionals. Currently the Department is able to staff to authorized levels with individuals possessing these skill sets so it currently has no reason to believe it will be unable to find additional professionals in those fields.

22. If CDOT were to fill the vacant positions reported in response to footnote 20, what can the General Assembly expect to get as a result? How does CDOT use vacancy savings? How does the Department pay for about retirement payouts? How many six-month contract employees are included in the footnote report's counts?

CDOT response: *Filling engineering and technical vacancies from the Construction, Maintenance, and Operations budget enables the Department to utilize cost-effective staff rather than more costly consultants for project design, engineering, and management. Filling maintenance worker positions prevents the Department from incurring overtime with existing maintenance staff, which in turn reduces safety and morale of those workers.*

CDOT has three different means of utilizing vacancy savings:

- 1. On the legislatively appropriated side of the Department's budget, vacancy savings not used to meet other expenses such as the added cost of utilities (in the form of cash fund exempt State highway fund) revert to the Transportation Commission's contingency fund. Depending upon the need for expenditures from the contingency fund the money saved is either re-distributed in the current fiscal year to the Commission's most critical programs (e.g. Snow & Ice Removal) or rolled forward to the next fiscal year lessening the amount of additional money the Commission needs to commit to funding the contingency for that year.*
- 2. On the Commission-approved side of the Department's budget, reversions follow one of two paths. Personal services funds budgeted to a specific project are not subject to expiration at the end of a fiscal year since most projects have a multi-year duration.*

Rather such funds remain available to the project until the project's completion. If the project is completed under budget, those funds become available for use on other projects within the same engineering region of the state.

3. *Personal services funds NOT budgeted to a specific project roll forward annually to general maintenance and construction programming such as surface treatment, general maintenance, striping, etc.*

With regard to retirement payouts, for appropriated FTE the Department does utilize vacancy savings to meet this obligation. On the Commission-approved side of the budget, the Commission has established a separate cost center (budget account) of State highway fund. The amount budgeted to this account each year is based on retirement projections as provided by DoHRA.

With regard to "six month contracts," on September 1, 2007 CDOT employed 104 temporary employees and 24 seasonal part-time employees. The 104 temporary employees, many of whom work part-time, would approximate the 62.5 FTE depicted in the referenced personnel report. More seasonal employees are retained in November to handle added demand of snow and ice removal.

23. With respect to vacancy savings and FTE usage, please reconcile the Governor's response to footnote 20 to SB 07-95. Why did the Department need to remove the cap on FTE when the Governor's report shows the Department is operating at 300 FTE below the appropriated level?

CDOT response: *The Department did not seek removal of the FTE cap because it had any immediate plans to significantly increase the total number of individuals employed. Rather the basis for the request to eliminate the cap was to provide the Commission with additional flexibility if and when it was needed. For example, initial indications from the Governor's GEM report indicate that it may recommend that a significant number of services presently contracted out be performed internally. If the Commission receives and implements such a recommendation, it will now have the flexibility to do so immediately.*

The simple fact is that at an agency the size of CDOT there will always be a number of vacancies. This fact, by itself, does not in any way indicate that a particular position is unnecessary. As the request for additional HR personnel to assist with the hiring process documents, the Department is experiencing increased turnover rates and longer times to fill vacant positions. Obtaining the authority to increase the HR staff and to deliver improved training to Departmental staff should over time help the Department lower its turnover rates and the time it takes to fill vacancies.

To some degree the Department can and does compensate for these vacancies through the use of consultants, contractors, and overtime. The authorized FTE are all assigned to specific duties and areas of specialization so what is authorized is what at that moment the Department considers the highest and best use of available personnel. But the fact that the Department can

effectively function without all its presently authorized positions filled does not negate the importance of eliminating the FTE cap. Doing so was useful because it gives the Commission the flexibility it needs to decide if a particular job should be performed by its employees or contracted out.

Decision Items

24. Decision Item #2: What has CDOT done to improve energy efficiency and reduce utility costs?

CDOT response: *Facilities Management seeks to consume the minimal amount of energy possible while still maintaining a comfortable work environment for the occupants. Over the past eight years CDOT has upgraded key building components to higher efficiency units. With regard to electricity, headquarters has almost no incandescent fixtures anywhere on the complex; all new fixtures are fluorescent. With regard to other key energy consuming systems, the air conditioning chiller is new within the past eight years and for this mild fall season the boiler system has been kept on minimum fire to conserve energy.*

The Shumate Building was completely renovated last year, including all updated lighting and mechanical systems. The roof top units are rated at 85% efficiency.

As some employees may attest, CDOT does keep the building slightly cooler in winter and slightly warmer in the summer. All of these efforts reflect a daily attempt to conserve what should aggregate to meaningful energy conservation. However, the per-unit cost of energy continues to increase, so utility expenses rise in spite of these proactive efficiency measures.

A significant source for the recent increase and current request is increased occupancy at headquarters. Last year the Shumate Building was under renovation and not occupied until mid-November 2006. Also, the Shumate Building that formerly held 35 material laboratory staff now holds 120 administrative and program staff.

On a Statewide level, CDOT has initiated an RFP which will in turn retain a firm to conduct an audit as the outcome of awarding an Energy Performance Contract. This initiative directly supports Governor's Executive Orders D-0011-07 and D-0012-07 which relate to energy efficiencies and endorse performance contracting as a viable vehicle to obtain real property improvements.

25. Decision Items 2, 4, and 5: Please explain the source of funds for decision items 2, 4, and 5.

CDOT response: *These are cash funds exempt – State highway funds.*

These funds were not previously programmed for projects. Resource Allocation for the 2035 Statewide Long Range Plan was approved by the Transportation Commission in December 2006. Decisions were made to allocate amounts to various CDOT programs. One of those is

Operations. The funded amount in Operations does not go to projects. This is the program from which the \$684,772 for these change requests is allotted.

This transfer will minimally affect CDOT operations. While the CDOT proposed budget increased 23% from 2008 to 2009, the requested increase for these decision items represents only a 3% increase of the appropriated FY 2007-08 Operations budget.

26. Decision Item #3: Please discuss the cost effectiveness of performing printing work in-house vs. contracting this work out.

CDOT response: *CDOT surveys and bidding groups, who represent the Print Shop's largest customers and are utilizing their own project funds for print jobs, have determined that the Print Shop delivers a comparable product at an average of 30% below market cost.*

Examples of discounted pricing to market include:

- *The Print Shop was selected to print CDOT Region 1's Interstate 70 Programmatic Environmental Impact Statements (PEIS). The Print Shop's price was \$12,200 versus \$16,200 low bid in the private sector (a difference of 33% of the Print Shop's price). The printing of the second version has been completed at a cost 24% below market.*
- *On Friday, January 2nd, 2005 at 2 p.m. region staff submitted a major rewrite (45% of the entire document was changed) of the I-70 PEIS. The Print Shop worked until 2 a.m. Saturday to complete the print job. At 7 a.m. Saturday, staff collated and bound the project. At 10:30 a.m. the project was delivered to the region. The document was presented at the planned meeting on Monday morning. This could not have been accomplished by Central Services. The private sector may have accomplished this, but with a substantial expedited surcharge.*
- *The second phase of the I-70 PEIS print job is underway. With project changes, the Print Shop will produce the project for \$14,200. Because of the tight (three day turnaround) time demands, outside proposals were solicited. The best proposal was offered by a large local firm for the same project at \$23,800, 67% above the Print Shop's charge.*
- *In January 2007, the Print Shop completed a safety video concerning crystal methamphetamine labs. Requests for the DVD have surged to 300. Market cost for duplicating DVDs is \$7.82 per copy (all costs inclusive). The Print Shop charges \$2.00 per copy. The Print Shop now has an order for 1,000 DVDs for another video project.*
- *In May 2007, CDOT's Office of Public Information solicited proposals for producing a video for the National Transportation Planning Applications convention. Outside quotes exceeded \$30,000. The Print Shop produced the video for \$12,000. The Office of Public Information won a national award for the video.*

27. Decision Item #3: Please describe the Print Shop's customer base. Are most of the internal cash funds coming from within CDOT? How much of the shop's business is from outside CDOT?

CDOT response: Supporting the Department's construction program – such as surveys and bidding outlined in the answer to question #26 – constitutes approximately 35-40% of its annual business. Other Colorado State government agencies consume 15-20% of its volume, usually high quality color print jobs for the Department of Public Health & Environment, State Patrol, the Division of Wildlife, etc. The remaining 40%-50% comprises all other print jobs for headquarters (Accounting & Finance, Transportation Development, etc.), the Transportation Commission, CDOT's engineering regions, and Aviation.

28. Decision Item #4 and general FTE questions: If the General Assembly required the Department to reduce two FTE and the associated funding in order to offset this request, what would be the impact of that action?

CDOT response: If General Assembly directs a reduction of two FTE as an offset to the request for additional funding to meet its utility expenses the immediate impact would be: First a reduction in the Department's capacity to properly clean and maintain the Schumate Building. The Schumate Building was the materials laboratory and was recently renovated and converted to office space that houses approximately 120 FTE in 60,000 square feet of space. At present it is cleaned by two temporary custodians. Second, the Headquarters complex has a stationary engineer on site 24 hours a day. Due to the need to short staff in order to meet its utility expenses at present on the midnight to 7:00 AM shift and on weekends the stationary engineer is alone. This is a safety issue. The stationary engineer on duty is restricted from performing any non-routine tasks that may place him or her at risk since there is no one there to act as a safety monitor or to assist in the execution of the duties the stationary engineer needs to perform.

Limited Gaming Funds Used for State Highway Maintenance

29. If the Legislature does not allocate any funds for gaming-related road maintenance from the Limited Gaming Fund this year, what level of service will the Department provide? What will it cost the Department to provide this level of service (LOS)?

CDOT response: With the advent of gaming, the Transportation Commission had to determine how to split maintenance dollars expended on roads impacted by gaming between their traditional allotment of State highway fund dollars and the supplements it now requests from the Limited Gaming Fund. The Transportation Commission concluded that the fairest manner in which to make this split was for the State highway fund to bear the cost of doing basic highway maintenance at the rates expended upon those roads prior to gaming with up to a 3% inflation increase each year. The requests submitted to the Legislature for maintenance are for the incremental amount above that level needed to maintain these roads at the same level of service as it provides on the rest of the State highway system. Since, due to gaming, these particular highways, now bear so much more traffic reverting to the pre-gaming level of funding (adjusted for inflation) would over time result in a significant deterioration in the surface condition of the roads.

30. Please discuss the Gaming Commission's decision not to provide gaming funds for Region 5. What has changed from prior years? How will this decision impact safety on Southwest Colorado's gaming highways?

CDOT response: *There are two Indian Tribe owned and operated casinos in Southwest Colorado, the Southern Ute casino in Ignacio and the Ute Mountain Ute casino on US 160/US 491, near Towaoc, 11 miles south of Cortez. While these casinos are not taxed by the State of Colorado, the impacts from gaming traffic on State highways is just as pronounced as they are in the other gaming areas. In prior years, the Gaming Commission has allocated funding for CDOT to address gaming traffic impacts in Southwest Colorado as well as in the Cripple Creek, Black Hawk, and Central City areas. CDOT has used this funding for safety improvements, crosswalks, signage and highway resurfacing. The current FY 08 allotment to the region for maintenance is \$206,636. CDOT typically alternates a project near Towaoc one year and Ignacio the next year, in order to have a project of sufficient size to be cost-effective.*

The Transportation Commission's statutory duty "to assure that the preservation and enhancement of Colorado's environment, safety, mobility, and economics be considered in the planning, selection, construction, and operation of all transportation projects in Colorado" (Section 43-1-106 (7)(b), C.R.S. 2007) effectively mandates that the Department include gaming area highway maintenance in its planning process. The \$216,968 for area maintenance submitted for consideration and denied by the Gaming Commission will therefore reduce the amount Region 5 has available for maintenance programming for FY 2008-09. Presuming Region 5 only expends the pre-gaming amount plus inflation for the maintenance of the gaming highways in its region, over time those roads will deteriorate.

However, the \$4,000,000 initially sought for construction of a passing lane on U.S. 160/491 will not be included in the FY 2008-09 planning process and, as a result, that passing lane will not be constructed.

31. Please discuss the decision not to program any non-gaming funds for the requested projects, given that non-gaming resources paid for roughly half of the previous years' projects. What drove this decision?

CDOT response: *The Department did not make a specific decision to not program non gaming funds for projects in the gaming regions. Rather, construction projects such as those included in the request for gaming funds in regions 1 and 2 would otherwise be included in the Regional Priority Program (RPP). Completion of these projects relies heavily on local sharing as outlined in the request. The Silver Dollar Metro District's agreement to provide more than half of the improvements planned for S.H. 119 represents a significant opportunity for the state to leverage local dollars for completion of projects necessitated by increased traffic volume in the gaming areas.*

In recent years, budget constraints have forced the Transportation Commission to make difficult decisions on program funding. The RPP, which must provide for State funding of federal

earmarks, has received drastic Statewide cuts to the non-earmarked portions of its budget. The Commission has resolved to attempt to maintain 60% of its roads in good/fair condition, largely at the expense of the RPP. Projects like that proposed for S.H. 119, whether inside or outside of gaming communities, are therefore difficult to complete without incremental State revenue sources and significant local sharing.

32. Please discuss the impact of recent legislative changes to permissible uses of gaming funds. For example, how has the addition of the Clean Energy Fund affected the Administration's planning for gaming highway spending? Given the recent changes, what steps is the Department taking in order to ensure sufficient funding for highways near the gaming communities?

CDOT response: *The recently enacted legislative alteration to the flow of limited gaming funds does not alter the manner in which the Department sizes its request for moneys from the Limited Gaming Fund to mitigate gaming impacts on the state highway system.*

In prior years moneys not appropriated for the mitigation of gaming impacts went to the General Fund and the Department has always been sensitive to that fact. Accordingly, the Department's policy was, and will continue to be first to seek maintenance related gaming money per the long standing formula contained in the decision item. This formula seeks to ensure that maintenance costs are allocated fairly between the State highway fund and the gaming fund. It does so by only requesting gaming funds to address the incremental cost of maintaining these roads due to gaming.

Second, the Department requests construction funds in phases not only to ensure that each element is ready before funds are requested but also to limit the amounts requested in any single year.

As an example the current plan for improvements for US-6 and S.H. 119 which provide access to Black Hawk and Central City work was split into five separate sections:

- 1. Milepost 3.0 to 6.5: build retaining walls and bridges*
- 2. Milepost 5.0-6.5: convert to 4 lanes from south of Gold Dust Lodge*
- 3. Milepost 3.0-5.0: convert to 4 lanes*
- 4. Improvements to US 6 above SH119, then lower SH119, and then US 6 below SH119*
- 5. US 6 in Clear Creek Canyon and SH 119 mileposts 0 to 2.33*

Although the amounts requested from year to year do still vary significantly approaching improvements in a methodical manner such as this allows the Department to make significant efforts to mitigate gaming's traffic impacts while still keeping its annual requests to a manageable level for the General Assembly.

Ensuring sufficient funding for highways in gaming corridors is no less challenging than is ensuring sufficient funding for other corridors throughout the State. The US 6/S.H. 119 corridor

exemplifies this. Ideally CDOT would rebuild the interchange at S.H. 119, widen S.H. 119 all the way to Black Hawk and complete safety improvements on S.H. 119 and S.H. 6. The approximate costs of these improvements is over \$150 million for the S.H. 119 interchange and widening of S.H. 119, and over \$50 million for other safety improvements on S.H. 119 and S.H. 6. Clearly neither the State highway fund nor the limited gaming fund can provide funds of that magnitude in any given year.

Finally, the Department seeks to garner sufficient funding by seeking local participation in addition to the gaming funds generated by the casinos. The program described in the decision item to possibly build a tunnel to replace much of the current route of S.H. 119 between I-70 and Black Hawk is just such an example. The Silver Mountain Metropolitan District may contribute as much as \$200 million to such a project. In addition, earlier this year the Regional Transportation Director for Region 5 sent correspondence to the tribal authorities enquiring as to their interest in assisting in improving the roads that provide access to their casinos and reservations.

33. Please discuss the Department's progress in leveraging local and private funding for gaming road projects.

CDOT response: *As noted in the answer to the prior question. The Department has made extensive efforts to leverage local and private funding to assist with projects in the gaming corridors.*

The April 2006 Memorandum of Understanding between CDOT, the City of Black Hawk, and the Silver Dollar Metropolitan District (SDMD) outlines responsibilities of each organization. CDOT agreed to widen S.H. 119 to four lanes from Black Hawk to the North Tunnel Portal, including an interchange at S.H. 119. Black Hawk and SDMD agreed to complete (1) the exit from the tunnel to merge on to eastbound I-70; (2) all bridges, retaining walls, and other highway construction to complete this scope in accordance with standard CDOT and FHWA interchange approval procedures; (3) ramps to connect the tunnel ramps to U.S. 6 at the I-70/U.S. 6 interchange; and (4) a westbound I-70 off ramp connection to the tunnel. CDOT has agreed to provide significant safety-related improvements, including the widening of S.H. 119 to four lanes from Black Hawk to the North Tunnel Portal, environmental mitigation as outlined in the Gaming Area Access Environmental Impact Statement, and one half of the geotechnical and highway engineering study of the slide on the west side of Floyd Hill. The total contributions the Silver Dollar Metropolitan District and the City of Black Hawk have made to this project are far greater than the total gaming funds CDOT envisions it will need to complete its share of the project.

In June 2007, for example, SDMD committed \$4.5 million toward its share of access improvement to Black Hawk. Estimated costs for all of these projects would be incurred 37.5% by CDOT and 62.5% by Black Hawk and SDMD under the agreement.

34. Why is the Limited Gaming Fund request \$4 million below the FY 2007-08 request and appropriation? Is there just less need in the gaming communities?

CDOT response: *No, the needs in the gaming regions have not declined. In fact, the Department's original request slightly exceeded last year's request. The Transportation Commission chose to increase its request only slightly for FY 2008-09, as the Transportation Commission is mindful of other State programs that utilize gaming funds. However, when Region 5's portion of the request was eliminated by the Gaming Commission, the resulting amount was less than last year's request.*

Regarding past Gaming Commission support for the use of gaming funds to mitigate the impact of gaming on the roads near the tribal casinos and the current Gaming Commission decision not to do so the following is provided:

The Limited Gaming Act of 1991 imposed a gaming tax on the proceeds of gaming created by the act (Section 12-47.1-601, C.R.S. 2007). That section charged the Colorado Gaming Commission with considering "the impact on the communities and any state agency including, but not limited to, infrastructure, law enforcement, environment, public health and safety, education requirements, human services, and other components due to limited gaming;...(and) the profitability of the other 'for profit' forms of gambling in this state..." The decisions by prior commissions to support the expenditure of gaming funds for highway maintenance in Region 5 were made with this portion of this citation and the apparently general reference to gaming impacts that it makes.

Although one can read the statute to charge the Gaming Commission with considering gaming impacts Statewide, the statute specifically only refers to gaming in the cities of Central, Black Hawk, and Cripple Creek. Sufficient ambiguity exists in the statute to support either position.

Regardless of the way one interprets the statute, limited stakes gaming in Colorado has caused a noticeable increase in traffic on State highways in the vicinity of the tribal-owned casinos. Even though the tribes do not pay taxes or fees to the State Gaming Fund, their impact on the roads is real and significant.

General Questions

35. What is the Department's strategy for protecting CDOT workers who are working on roads?
Given the recent accidents, what is the Department doing now to reduce the risk?

CDOT response: *During fiscal year 06/07, the Department experienced a fatality and several severe injuries, and the Executive Safety Committee re-evaluated CDOT's efforts to ensure employee safety. This effort continues. The following items have recently been enacted:*

- *The current work zone memo from the Chief Engineer on advanced practices is being reviewed to ensure that the Department is providing the best safety guidance and practice for our employees.*
- *The Safety Program is integrating the efforts of all the regions and is in the process of developing a Management Based Safety Program. This program will identify the responsibilities of all employees, and focuses on a leadership drive toward safety for all employees.*
- *CDOT is taking advantage of the "New Day Program" offered by DPA and integrating that tool into the Safety Program.*
- *The Executive Management Team has adopted "Safety" to be the highest priority in the Department's Values.*
- *The Executive Management Team has affirmatively stated that safety will be valued over production.*
- *The Executive Management Team, Executive Safety Committee, and Regional Safety staff is rolling out an employee Safety Oath in early January 2008, in small group meetings with all staff. This is the Department's primary New Year's Resolution.*
- *The Executive Safety Committee has commissioned a study through the University of Colorado to study other similar businesses in order to review and determine best practices for safety.*
- *The Department is developing a public relations strategy to reinforce and encourage our employee's priority of safety.*
- *The Safety Program, RSO's and Risk Management are working together to develop trends analysis with regard to employee injuries, so that the Department is better equipped to identify specific areas where our safety efforts are required.*
- *CDOT is introducing legislation to allow Photo-Radar Enforcement in Highway Construction Zones. Photo radar would be used selectively in the highest need construction zones, and only when workers are present. Motorists will be made aware of the work zone, the photo radar in place, their own speed, and would be given every opportunity to slow down before entering the active work zone.*

36. What is the status of the 7th Pot projects? Specifically, please discuss the status of the urban and rural projects. Is it accurate to say that the metro area projects have largely been completed while the rural area projects have not?

CDOT response: Please see page 32 and 33 of the Department's Hearing Report. Of the original 28 7th Pot Strategic Corridors, 19 have been funded and 9 remain. Those nine remaining corridors are: South US 287, Campo to Hugo; US 550, New Mexico State Line to Durango; US 160, Jct. SH 3 to Florida River; Powers Blvd. in Colorado Springs; East Corridor MIS in Denver Metro; West Corridor MIS in Denver Metro; I 70 MIS: DIA to Eagle County Airport; I 25 South Corridor MIS: Denver to Colorado Springs; and I 25 North Corridor MIS: Denver to Fort Collins

Corridor	FY 2009 \$ (millions) Remaining to be Budgeted	Status	Rural or Metro
South US 287, Campo to Hugo	\$84,773	On-going safety improvements, projects are budgeted as funding becomes available	Rural
US 550, New Mexico State Line to Durango	\$8,969	Will be funded if FY 08 S.B. 97-001 funds are received.	Rural
US 160, Jct. SH 3 to Florida River	\$10,241	Will be funded if FY 08 S.B. 97-001 funds are received.	Rural
Powers Blvd. in Colorado Springs	\$177,482	ROW and Construction projects are budgeted as funds become available	Metro
East Corridor	\$109,498	EIS is in process	Metro
West Corridor	\$129,190	EA in Process for Wadsworth Interchange	Metro
I 70 MIS: DIA to Eagle County Airport	\$1,837,951	PE EIS process on-going	Metro & Rural
I 25 South Corridor: Denver to Colorado Springs	\$459,271	Denver Metro and Colorado Springs: EIS completed and projects budgeted as funding becomes available	Metro
I 25 North Corridor; Denver to Fort Collins	\$281,904	EIS in process	Metro & Rural

If CDOT receives the S.B. 97-001 allocation for FY 08, we will be able to fund the US 550, New Mexico State Line to Durango and the US 160, Jct. SH 3 to Florida River projects. The largest corridor remaining to be funded is the I 70, DIA to Eagle County Airport.

37. Please describe the current cash flow of the Statewide Tolling Enterprise. How do the program's costs compare to the tolls collected?

CDOT response: *The North I 25 Express Lanes were opened in June of 2006. This project includes seven miles of the I 25 HOV lanes between Downtown Denver and US 36. The toll revenues have far exceeded the original projects. The revenues for FY 08 are currently estimated to be \$2.5 million. The toll revenues currently pay for all operation and maintenance costs for the facility. This includes roughly \$800,000 of costs that were previously borne by RTD and CDOT's Region 6. In addition to this, these funds are used to repay a CDOT loan and establish a sinking fund for future reconstruction or rehabilitation. In accordance with the IGA between the CTE (Colorado Tolling Enterprise) and RTD, none of these revenues can be used in another corridor or to offset the general costs of the CTE not pertaining to this corridor. General CTE costs are currently being funded with a loan from CDOT.*

38. Please discuss the impact of the Department of Personnel's rules concerning the number of names a department can put forward to fill a position on CDOT's efforts to hire new personnel and eliminate the backlog of vacancies.

CDOT response: *CDOT utilizes approximately 134 State job classifications to fulfill its mission. Human resources is actively working on filling 51 vacant positions and 42 vacant TM I positions at this time. The job responsibilities of the 51 positions are such that they each require a unique job announcement and selection process to hire an applicant with the skills and abilities that match the position. For instance there are currently 12 vacant General Professional III positions within the Denver Metro area. If these General Professionals all performed the same set of job responsibilities, having the ability to interview more than three applicants to fill these positions would decrease both the time to fill and the workload. However, the 12 positions all require a different knowledge set: civil rights, human resources, statewide planning, State procurement, GIS programmer, traffic data analysis, public relations, property management, budget and accounting, GIS mapping, regional and transit planning, and delivery of training. Therefore, there are 12 different selection processes underway to select the one person who best fits each position. Having more than three people to interview for each vacancy would shift from the centralized HR office to each individual supervisor the effort to rank order and select much of the effort. The amount of time and effort would not change. It would just be placed on different people.*

Further minimizing the impact of a change in the rule of three is the Department's diverse physical work locations. The Department has maintenance facilities located approximately every 30 miles along Colorado Interstates and Colorado State Highways. For the most part, the application process and the interviewing process for these positions is the same across the State. CDOT's current 42 vacant TM I positions are located in 34 different physical locations. An applicant who wishes to work in the Denver Metro area, however, is not likely to be a viable applicant for Grand Junction. Consequently the Department presently announces each TMI position by location. This allows for the referral of the top three applicants by the location which increases the likelihood of a job acceptance when offered. The greater problem that CDOT

encounters when seeking TM Is is that there frequently are not even three people to refer for a specific job location. At present there are approximately 12 of the 34 locations where there are not even three applicants on the eligibility list, so in these cases the limit on the number of referred applicants has little or no impact.

39. How much does the Department spend for water in rest areas compared to what it would cost to convert to waterless facilities? Has the Department considered converting to waterless facilities?

CDOT response: Water costs vary tremendously depending on the size and use of the facility. A small facility in El Maro uses Trinidad city water at an approximate annual cost of \$2,000. The interstate facilities in Cuerno Verde spend roughly \$30,000 annually on water for toilets, sinks, drinking fountains, irrigation, etc. The Eisenhower Johnson Tunnels even has their own waste water treatment plant.

Conversion to waterless urinals at a large facility like this approximates \$10,000 per facility. Conversion to vaulted systems (“pit toilets” such as that used at the Vail truck pullover) approximates \$100,000 per facility and incurs approximately \$2,000 in monthly pumping costs.

The Department did convert its Glenwood Springs facility to a Clivus Multrum system, which replaces a septic/leach system with a waterless system that biodegrades waste. The volume at the rest stop proved too great for the system and the Department converted the facility back to a flush system with septic and leach field.

Based on this failed conversion in Glenwood Springs, the increased sanitation, health, and customer service concerns with removal of sinks and drinking fountains, and the presently small savings on water costs versus pumping costs, CDOT has thus far decided not to remove water supplies from its facilities.

40. How does the money the Department receives from vehicle owners’ insurance companies to repair bridges and other state highway system infrastructure compare to what the Department pays for those repairs after an accident?

CDOT response: There are two units within CDOT that operate to recover the cost of damage claims. Neither of these units maintains statistics on percent damages billed vs. amount recovered, so the figures provided are estimates based on the best information available at this time. An estimate of the total amount actually recovered in the first half of FY 2007-08 is nearly \$600,000 with over \$300,000 pending.

The first unit manages the Accounting Damage Claims Billing Process. The Regions collect accident reports received on damaged property and send them along with their costs to repair that damage (Labor, Equipment and Materials) to Accounting. The Damage Claim Process in

Accounting then bills the vehicle owner directly. These claims are typically under \$1000 in cost and do not have an insurance carrier representing the owner. The owner can either pay the damage billing or dispute the billing due to circumstances they feel mitigate the accident or damage amount. Collection of funds from this process is estimated from 25% to 35% of damages according to Region 6 which covers the Denver Metro area.

The second unit manages the Risk Management Property Recovery Process. This process is essentially the same as the above, except Risk Management deals with the insurance carrier representing the vehicle owner. In this process, if there is a citation issued to the vehicle driver the carrier is essentially obligated to pay for the cost of repairs (Labor, Equipment and Materials). The Risk staff arranges to bill the carrier directly and any payments received are forwarded to Accounting. The collection of funds from this process is estimated at 75% to 80% according to the Unit collection information. This higher rate of collection can be directly attributed to the lack of any dispute process and the fact that most of these claims result in citations to the drivers, leaving virtually no ability for the carrier to argue liability for the damage costs.