

1. INTRODUCTION

Senate Bill 18-001 (SB-1), passed by the Colorado General Assembly in May 2018, included a variety of possible funding scenarios dependent upon different external factors, including ballot initiatives. For fiscal years 2018-19 and 2019-20, the bill requires transfers from the general fund to the State Highway Fund (SHF), the Highways Users Tax Fund (HUTF), and a newly created Multimodal Options Fund (MMOF).

The bill also requires general fund transfers to the SHF during any state fiscal year from 2020-21 through 2038-39 be for state highway purposes and to repay any transportation revenue anticipation notes that may be issued as a result of a successful ballot initiative, if an additional tax revenue source is not approved to repay the notes.

Senate Bill 1 provided \$495 million to state and local transportation projects through general fund transfers in fiscal year 2019-20. This was divided 70 percent (\$346.5 million) to the state, 15 percent (\$74.25 million) to local governments and 15 percent (\$74.25 million) to the MMOF. The local money is split evenly between cities and counties and is distributed via the local government HUTF distribution formula. The MMOF is administered through CDOT, which distributes 85 percent to local governments and the remaining 15 percent to CDOT. The MMOF may be used for transit projects, operating expenses, or studies. Senate Bill 1 also includes a provision that establishes the \$96.75 million Multimodal Options Fund.

On July 1, 2019, a SB-1 transfer of \$150 million occurred. Of this, CDOT received \$105 million, and local governments receive \$22.5 million, split evenly between counties and cities. The MMOF also received \$22.5 million, split 85 percent to local government transit projects and 15 percent to the state for CDOT transit programs.

2. REGULATORY CONSIDERATIONS

2.1 Regulations/Resolutions

The following list provides an overview of relevant regulations and requirements related to SB-1.

- [Colorado Senate Bill 18-001](#)
- [Colorado Senate Bill 17-267](#)
- [23 USC 134, Metropolitan Transportation Planning](#)
- [23 USC 135, Statewide and Nonmetropolitan Transportation Planning](#)
- [23 USC 150 National goals and performance management measures](#)
- [23 CFR 450, Planning Assistance and Standards](#)
- [25 CFR 179, Tribal Transportation Planning](#)
- [43-1-1101 et seq; Colorado Transportation Planning](#)
- [2 CCR 601-22, Rules governing Statewide Transportation Planning Process and Transportation Planning Regions](#)

2.2 Guidelines

- [PD 14](#)
- [TC 18-07-16 – Approved List of projects](#)
- [TC 19-06-05 Distribution to Multi-Modal Options Fund](#)

3. ASSET INVENTORY & CONDITION

Senate Bill 1 is a funding program and does contain assets.

4. PERFORMANCE

There are no formal performance metrics or targets specific to SB-1 and funds are not required to meet specific quantifiable performance objectives. Nevertheless, the use of SB-1 funds on transportation projects is responsible for improving transportation system performance (e.g., the performance targets set in PD-14) across Colorado.

5. FUNDING

5.1 Funding Mechanisms

Senate Bill 1 is funded from transfers from Colorado's general fund.

5.2 Funding Distributions

Unlike other funds, there is no formal regional distribution formula or criteria. SB-1 funded projects are selected based on statewide project priorities and considerations.

6. INVESTMENT STRATEGIES

Senate Bill 1 funds are invested in priority projects, as determined through the established statewide planning process and approved by the Transportation Commission (TC), including projects identified in SB-267. Funds may be used strategically for preconstruction activities to advance important projects. Senate Bill 1 may also be used to overcome gaps in Asset Management funding. The SB-1 funding source may be short-term and non-recurring in the long term.

The fund includes a provision that establishes the Multimodal Options Fund. The Multimodal Options Fund included \$96.75 million in dedicated revenue, of which, \$2.5 million was dedicated to the Rail Commission. The distribution formula for the local portion of the Multi-Modal Options Fund is:

- 5 percent for administration
- 81 percent to the Metropolitan Planning Organizations
- 19 percent to the Transportation Planning Regions

7. PROJECT SELECTION

7.1 Project Selection Process

Senate Bill 1 funds are used for eligible projects selected by the TC. The TC selects projects that have been prioritized through established CDOT statewide planning processes and in collaboration with stakeholders. Projects in the Ten-Year Development plan, Asset Management and emerging needs are considered in project selection. The Transportation Planning Regions, Metropolitan Planning Organizations, and State Transportation Advisory Committee (STAC) are key stakeholders in this process.

The first distribution of CDOT SB-1 funding (\$346.5 million) was received in July 2018. At that time, the TC decided to fund select projects that were waiting to receive SH-267 funding so the projects could move forward. Projects selection was based on needs, readiness, and urgency of preconstruction and construction activities that needed to be completed by the following year. For this first distribution, the TC also allocated part of the first distribution toward the State's significant asset management needs. Asset management funding had been reduced for 2018 and 2019, and the allocation of SB-1 funds restored funding levels and provided funding for projects that improve state highway system conditions.

The first SB-1 multi-modal fund distribution was \$96.7 million, where \$2.5 million was distributed to the Rail Commission and the remaining funds were divided between local governments (85 percent) and CDOT (15 percent). The TC established a formula for the local portion that is based on population and transit ridership. The formula was created by the TC in consultation with:

- Transit and Rail Advisory Committee (TRAC)
- Statewide Transportation Advisory Committee (STAC)
- Transit Advocacy Organizations
- Bicycle and Pedestrian Advocacy Organizations

The local portion of the multi-modal fund passes through CDOT, and the work is contracted by CDOT's Local Agency Program. Local projects typically require a 50 percent match, and project priorities include:

- Capital/operating costs for transit
- Bicycle and Pedestrian Projects
- Transportation Demand Management Projects
- New technology

Projects for the state portion of the multi-modal fund include:

- Bustang
- Park and Rides
- Multi-modal mobility projects enabled by new technology
- Other inter-regional public transit

8. REPORTING, MANAGEMENT, DOCUMENTATION

8.1 Reporting to Internal and External Stakeholders

There are no formal reporting requirements for SB-1. Primary SB-1 stakeholders include:

- Division of Accounting and Finance
- CDOT Engineering Regions
- Division of Maintenance and Operations
- Division of Transit & Rail

8.2 Management / Advisory Committees

Participation in, and influence of, the way SB-1 funds are allocated comes through the TC and statewide planning processes which identify needs and propose projects. External coordination in these processes includes [planning partners](#), other stakeholders, and the public. The Division of Transportation Planning coordinates planning activities, integrates planning products from different CDOT Regions and Divisions, incorporates input from planning partners, other stakeholders, and the public, and provides analysis and policy development based on a consolidated, statewide, multimodal perspective.