



COLORADO

Department of Transportation

Transportation Funding 101

Statewide Transportation Advisory Committee
February 2022



Topics Covered

- Distribution of Highway User Tax Fund (HUTF) Dollars
- FY23 CDOT Forecasted Revenue
- Notable Federal Funding Sources
- Notable State Funding Sources
- State Enterprise Funding
- Regional Priority Program
- Helpful Resources



Revenue Overview

WHERE DO FUNDS COME FROM?



FY2023

Federal Programs

\$828.9M

18.4 cents per gallon paid at the pump

Aeronautics

\$35.1M

state aviation fuel tax

Other Enterprises

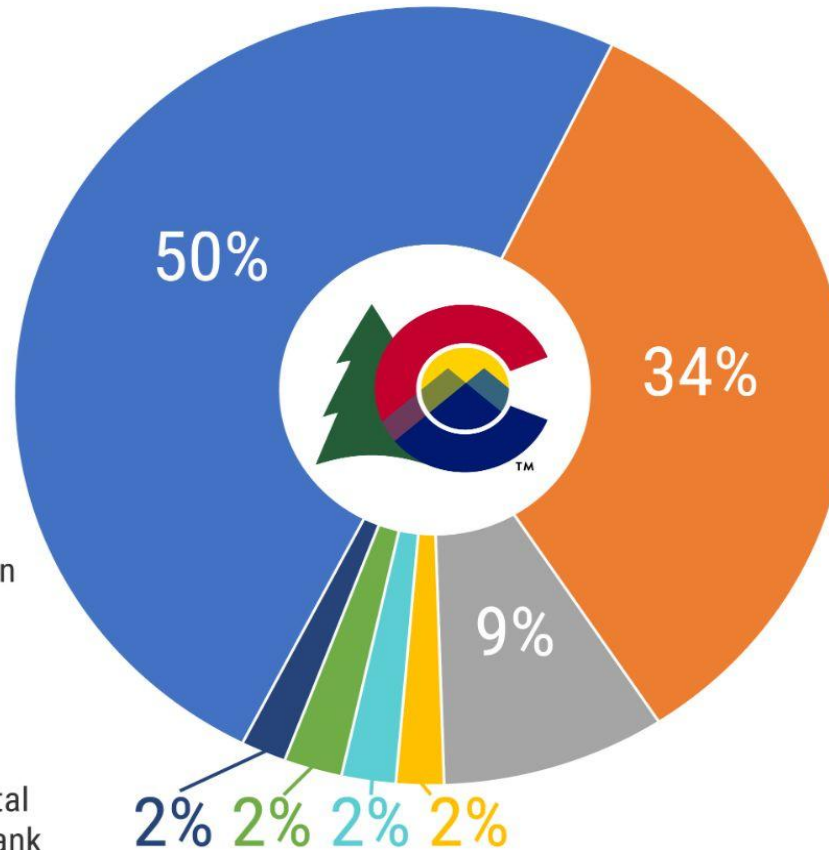
\$37.8M

high performance transportation, clean transit & non-attainment area air pollution mitigation enterprises

Other State Funds

\$29.3M

multimodal, state safety education, capital construction fund, state infrastructure bank



Highway User Tax Fund

\$560.7M

court fines, vehicle fees, FASTER, fuel tax

Bridge Enterprise

\$145.2M

faster bridge paid with registration fees

Miscellaneous State Highway Fund Revenue

\$30.9M

permits, fines, interest, etc

Source: Colorado Department of Transportation
Office of Financial Management and Budget
Updated: February 2022



Distribution of HUTF Funding

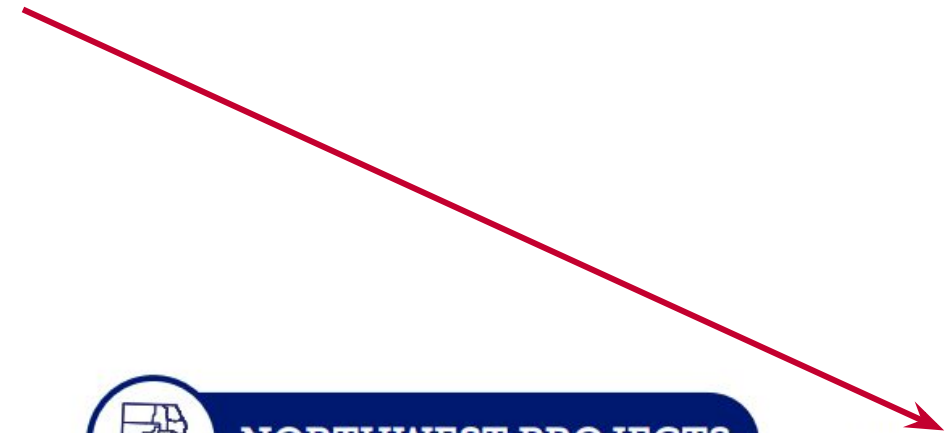
Funding at the state level is collected and distributed through the Highway Users Tax Fund (HUTF)

- HUTF is a shared pool of funds
- Collected from: Motor fuel taxes and fees, vehicle registration fees, penalty assessments, Retail Delivery Fee, FASTER fees, etc...
- HUTF is not only for CDOT, 35%-40% of dollars collected are distributed directly to counties and municipalities to fund projects:
 - First \$0.07 of gas tax/certain registration fees - 65% CDOT/35% locals
 - Gas Tax above \$0.07, vehicle registration fees, & FASTER fees - 60% CDOT/ 40% locals
 - Retail Delivery Fee - 40% CDOT / 60% locals
- New SB260 Fees:
 - Road Usage Charge - additional \$0.02 cent charge per gallon of gas / diesel in FY23
 - Electric Vehicle Registration Fees - Annual EV fees on personal/commercial vehicles
 - Retail Delivery Fee - Fee on retail deliveries, paid by purchaser



Notable Funding Programs: Federal

Funding Program	Strategic Funding Source for 10-Year Plan?*
Surface Transportation Block Grant (STBG)	✓
Transportation Alternatives Program (TA)	
Congestion Mitigation and Air Quality (CMAQ)	
Highway Safety Improvement Program (HSIP)	
National Highway Freight Program (NHFP)	
National Highway Performance Program (NHPP)	✓
Federal Transit Grant Programs	
NEW! Carbon Reduction Program	
NEW! Bridge Formula Program	✓
NEW! Risk/Resiliency Formula Program	✓



NORTHWEST PROJECTS

Highway & Transit– Region 3					
	Project Type	Total Project Cost	Total Strategic Funding	Other Funding	F Y
I-70 Auxiliary Lane Frisco East to Silverthorne	H	\$25 M	\$25 M		
I-70 West: Vail Pass Safety Improvements - Phase 1*	H	\$140 M	\$33.5 M	✓	\$
Summit County Transit Operations Center (Design & Engineering)*	T	\$0.531 M	\$0.425 M	✓	\$0
I-70B East of 1st Street to 15th Street*	H	\$16 M	\$16 M		
North Avenue Transit Infrastructure Improvements	T	\$1.5 M	\$1.5 M		\$
Grand Junction Mobility Hub	T	TBD	\$4.08 M	✓	
I-70 and CO 9 (Exit 203) Interchange Improvements	H	\$30 M	\$30 M		

*Check marks indicate a “strategic” source of funding for the 10-Year Plan. However, all types of funding programs may be leveraged to fully deliver projects in the 10-Year Plan.



Surface Transportation Block Grant (STBG)

- **Program Purpose:** STBG provides flexible funding to best address State and local transportation needs.
- **Program Funding:** ~\$158 M forecasted for FY23 (federal dollars)*
 - STBG increased under IIJA. Incremental revenue will be used to fund 10-Year Plan projects.
- **Program Overview:**
 - 10% of STBG funds are set aside for the Transportation Alternatives (TA) program. TA is described on next slide.
 - 55% of STBG (after the set-aside for TA) is obligated based on population.
 - The remaining 45% may be obligated in any area of the state.

*Draft FY23 Final Budget.



Transportation Alternatives (TA)

- **Program Purpose:** Implement non-motorized transportation projects and environmental mitigation.
- **Program Funding:** ~\$18.5 M forecasted for FY23 (federal dollars)*
- **Program Overview:**
 - 59% of funding allocated based on population (increase from 50% under the FAST Act)
 - This funding is split between the CDOT Regions by population, and the Transportation Management Areas (i.e. the large MPOs) by urbanized area population.
 - Remaining funding can be spent anywhere in the state and is allocated to the CDOT Regions based on 45% VMT, 40% lane miles, and 15% truck VMT.



Congestion Mitigation and Air Quality (CMAQ)

- **Program Purpose:** Support activities with air quality benefits.
- **Program Funding:** ~\$46M forecasted for FY23 (federal dollars)*
- **Program Overview:**
 - Required to go to air quality nonattainment or maintenance areas, with a few exceptions.
 - Most of this funding goes to the ozone nonattainment areas (DRCOG, NFRMPO, and UFR TPR) on the basis of 75% population and 25% VMT.

*Draft FY23 Final Budget.



Highway Safety Improvement Program (HSIP)

- **Program Purpose:** Reduce traffic fatalities and serious injuries on all public roads.
- **Program Funding:** \$39.6M forecasted for FY23 (federal dollars)*
- **Program Overview:**
 - HSIP requires a data-driven, strategic approach to improving highway safety on all public roads that focuses on performance.
 - HSIP is distributed by formula to the CDOT regions, according to the number of crashes historically occurring within each respective region.
 - Local agencies within each respective region are allocated half of what the CDOT region received for off-system (non state highway) safety improvement projects.

*Draft FY23 Final Budget.



National Highway Freight Program (NHFP)

- **Program Purpose:** To improve the efficient movement of freight on the National Highway Freight Network (NHFN).
- **Program Funding:** \$18.7M forecasted for FY23 (federal dollars)*
 - One of the only programs forecasted to have lower annual funding estimates from IIJA.
- **Program Overview:**
 - To receive funding through the NHFP, potential projects must be incorporated within a state Freight Investment Plan (FIP) and contribute to efficient goods movement on the NHFN. FHWA grants final approval for the FIP.
 - Funding is distributed to CDOT regions with consultation from the Freight Advisory Council

*Draft FY23 Final Budget.



National Highway Performance Program (NHPP)

- **Program Purpose:** To provide support for the condition and performance of the National Highway System (NHS); to provide support for the construction of new facilities on the NHS; to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS; and [NEW] to provide support for activities to increase the resiliency of the NHS to mitigate the cost of damages from sea level rise, extreme weather events, flooding, wildfires, or other natural disasters.
- **Program Funding:** \$369M forecasted for FY23 (federal dollars)*
 - NHPP increased under IIJA. Incremental revenue will be used to fund 10-Year Plan projects.
- **Program Overview:**
 - Flexible federal funding.

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Carbon Reduction Program

- **Program Purpose:** To support the reduction of transportation emissions.
- **Program Funding:** \$16.8M forecasted for FY23 (federal dollars)*
- **Program Overview:**
 - New federal funding program from the IIJA.
 - Requires 65% of the funding to be obligated on the basis of population.
 - Population driven.

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Bridge Formula Program

- **Program Purpose:** To replace, rehabilitate, preserve, protect, and construct highway bridges.
- **Program Funding:** \$45M annually (federal dollars)*
- **Program Overview:**
 - New federal funding program from the IIJA. Incremental revenue will be used to fund 10-Year Plan projects.
 - Sets aside 15% (\$6.75M) for use on “off-system” bridges (highway bridges located on public roads, other than bridges located on Federal-aid highways).
 - The off-system funds are in addition to the existing off-system funding

*Draft FY23 Final Budget.



PROTECT Formula & Discretionary Program

- **Program Purpose:** Provide formula and grant funding for resilience improvements
- **Program Funding:** \$19M forecasted for FY23 (federal dollars)* (formula funding)
 - \$1.4 Billion available nationally via competitive, discretionary grant funding available (non formula funding)
- **Program Overview:**
 - The full name of the program is Promoting, Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) program.
 - Formula funding is available for highway, transit, and certain port projects, higher Federal share if the State develops a resilience improvement plan and incorporates it into its long-range transportation plan, of the amounts apportioned to a State for a fiscal year, the State may use: not more than 40% for construction of new capacity, or not more than 10% for development phase activities.
 - Competitive, discretionary grant funding covers highway, transit, intercity passenger rail, and port facilities, resilience planning activities, including resilience improvement plans, evacuation planning and preparation, and capacity-building, construction activities (oriented toward resilience), construction of (or improvement to) evacuation routes.



Notable Funding Programs: State

Funding Program	Strategic Funding Source for 10-Year Plan?*
SB 267	✓
SB 260 HUTF	✓
SB 260 State MMOF	✓
SB 260 Local MMOF	
FASTER	

*Check marks indicate a “strategic” source of funding for the 10-Year Plan. However, all types of funding programs may be leveraged to deliver projects in the 10-Year Plan.



- **Program Purpose:** Strategic funding from the state legislature.
- **Program Funding:** \$500M / yr on average for over four years (FY19-22)
- **Program Overview:**
 - 25% of the funding must be spent in rural areas
 - 10% minimum to transit projects



SB 260 HUTF

- **Program Purpose:** Strategic funding from the state legislature.
- **Program Funding:** \$40.5M for FY23
- **Program Overview:**
 - Implements several new transportation fees and General Fund transfers, creates or modifies four state enterprises, and adds new planning and environmental study requirements.



SB 260 MMOF

- **Program Purpose:** The Multimodal Transportation & Mitigation Options Fund (MMOF), created by Senate Bill 18-001, and seeks to promote a complete and integrated multimodal system
- **Program Funding:** \$17.4M forecasted for FY23*
 - \$2.6M allocated to CDOT, and \$14.9M to local entities
- **Program Overview:**
 - MMOF funds are split 15% to CDOT and 85% to local entities
 - All MMOF funding awards and projects will be administered and overseen by CDOT

*Draft FY23 Final Budget.



FASTER

- **Program Purpose:** FASTER allows the state of Colorado to improve roadway safety, repair deteriorating bridges, and support and expand transit.
- **Program Funding:** \$85M forecasted for FY23, for state transportation projects*
 - \$23M forecasted for FY23, for cities*
 - \$28M forecasted for FY23, for counties*
- **Program Overview:**
 - Senate Bill 09-108, also known as the Funding Advancements for Surface Transportation and Economic Recovery Act of 2009 (FASTER), was signed into law on March 2, 2009.
 - FASTER legislation created the Colorado Bridge Enterprise (CBE) and the High Performance Transportation Enterprise (HPTE)
 - FASTER revenue is generated through several vehicle registration fees and fines

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Enterprise Funding

Funding Program	Strategic Funding Source for 10-Year Plan?*
Bridge and Tunnel Enterprise	
High Performance Transportation Enterprise	
SB 260 Clean Transit Enterprise	
SB 260 Non-Attainment Enterprise	✓

*Check marks indicate a “strategic” source of funding for the 10-Year Plan. However, all types of funding programs may be leveraged to deliver projects in the 10-Year Plan.



Bridge and Tunnel Enterprise

- **Program Purpose:** To finance, repair, reconstruct and replace designated bridges (as defined by SB 09-108) and repair, maintain, and more safely operate tunnels
- **Program Funding:** \$145.2M forecasted for FY23*
- **Program Overview:**
 - Eligibility criteria is established by the Bridge and Tunnel Enterprise Board of Directors.

*Draft FY23 Final Budget.



High Performance Transportation Enterprise

- **Program Purpose:** HPTE has the statutory power to impose tolls and other user fees, to issue bonds, and to enter into contracts with public and private entities to facilitate Public-Private Partnerships.
- **Program Funding:** \$22.4M forecasted for FY23*
- **Program Overview:**
 - Since the creation of the Enterprise, nine out of ten HPTE projects have used some form of innovative financing.
 - Innovative financing enabled by HPTE, through Express Lanes, helped deliver more than \$3 billion in projects in the last five years.

*Draft FY23 Final Budget.



SB260 Clean Transit Enterprise

- **Program Purpose:** The Clean Transit Enterprise supports public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, as well as construction and development of electric motor vehicle charging and fueling infrastructure.
- **Program Funding:** \$8.3M forecasted for FY23*
- **Program Overview:**
 - The bill allows the enterprise to impose a Clean Transit Retail Delivery Fee to fund its operations, issue grants, loans or rebates to support electrification of public transit
 - The Clean Transit Enterprise Board includes six members appointed by the governor, and executive directors or their designees from CDOT, Colorado Department of Public Health and Environment (CDPHE) and the Colorado Energy Office (CEO).
 - Appointed board members will serve terms of three or four year.

*Draft FY23 Final Budget.



SB 260 Non-Attainment Enterprise

- **Program Purpose:** Created within CDOT to mitigate transportation-related emissions in ozone nonattainment areas.
- **Program Funding:**
 - Total fee revenue is \$7.1M forecasted for FY23*
 - Revenue ramps up over time with lower revenues in earlier years.
 - Enterprise can impose an air pollution mitigation fee on retail deliveries and rides provided by TNCs to fund its operations.
- **Program Overview:**
 - Enterprise funding is for eligible projects that reduce traffic, including demand management projects that encourage alternatives to driving alone or that directly reduce air pollution, such as retrofitting of construction equipment, construction of roadside vegetation barriers, etc.
 - Full name is the Nonattainment Area Air Pollution Mitigation Enterprise.



Other TC Directed Funding: Regional Priority Program

- **Program Purpose:** RPP is a flexible funding program for regional priority projects.
- **Program Funding:** This program receives approximately \$50 million annually.
- **Program Overview:**
 - The current RPP formula, adopted by TC in October 2020, distributes the ~\$50 M annual funding to the CDOT regions based on 50% population / 35% lane miles / 15% truck VMT.
 - This funding is separate from the 10-Year Plan funding and remains a flexible funding program for regional priority projects.
 - Prior to this formula, the RPP formula distributed funding to the CDOT regions based on 45% VMT / 40% lane miles / 15% truck VMT.
 - The "RPP midpoint" formula that is used to determine equity for the 10-Year Plan splits the difference between the current and previous RPP formula (listed above) distributions to each CDOT Region.



Helpful Resources

- CDOT (draft) Final Budget Allocation Plan FY 2022-23
 - <https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy2022-2023-final-budget-allocation-plan>
- 2045 Program Distribution
 - <https://www.codot.gov/programs/planning/assets/financial/2045-program-distribution>
- 10-Year Plan Pipeline of Projects
 - https://www.codot.gov/programs/your-transportation-priorities/your-transportation-plan/assets/011722_cdot_ytp_10yearvision.pdf



GHG Pollution Standard for Transportation Planning

Transportation Commission - February 2022



- 1. Current Schedule and Milestones**
- 2. Progress Since Rule Adoption**
 - Modeling Work
 - Interagency Coordination Team (IACT) formation
 - States reaching out to us (CA, WA, OR, NM)
 - Preparing Mitigation Policy Documents
- 3. Mitigation Development**
 - Structure
 - Stakeholder Outreach
 - MPO Input and Key Issues



Progress Since Rule Adoption

GHG Modeling Timeline

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Review Baseline Projects	█	█										
Coding Baseline Network	█	█										
First round of baseline model runs		█	█									
Baseline GHG Analysis- Moves Runs			█									
TC adopts the GHG Mitigation Policy				█								
TPRs/MPOs submit updated 10 Yrs Plans		█	█	█								
1st round of GHG Compliance model runs				█	█							
1st round of GHG Analysis- Moves Runs				█	█							
Second round of GHG Compliance model runs					█							
2nd round of GHG Analysis- Moves Runs					█							
Submit GHG results to APCD for verification (May 31)					█							
Submit GHG Transportation Report and Mitigation Action Plan (if applicable) to TC						█						
Draft Review 10-Year Plan						█						
STAC Review and TC Approval of 10-Year Plan							█					



Mitigation Development

DRAFT	January 2022	February 2022	March 2022	April 2022	May 2022
Strategy Steps for GHG Mitigation Policy					Policy in place
Ad Hoc Update					
Bi-Monthly meeting with Working group					
Environmental Groups					
Additional Stakeholder Involvement					
STAC					
TC		Workshop	Workshop	Final Policy Directive	



Modeling Approach

- Model current 10-year plan (“baseline” or “no action”)
- Regions/TPRs/planners develop an updated plan (“compliance” or “action” run)
- CDOT model covers the entire state
- CDOT responsibility under the GHG rule covers only non-MPO areas
- Modelers “subtract out” MPO areas to calculate GHG totals in the rest of the state



Progress Since Rule Adoption

Interagency Consultation Team (IACT) Formation

- “Works collaboratively and consults appropriately to approve modifications to Regionally Significant definitions, and address classification of projects as Regionally Significant, modeling assumptions, and projects that reduce GHG emissions”
- First meeting Feb. 10
- **Members**
 - John Adams, PACOG
 - Suzette Mallette/Medora/Becky, NFRMPO
 - John Liosatos, PPACG
 - Dana Brosig, GVMPO
 - Ron Papsdorf, DRCOG
 - Clay Clarke (CDPHE)
 - Kelly Blynn (CEO)
 - Rebecca White (CDOT)



Rule outlines GHG Mitigation Measures

- 1.18 Greenhouse Gas (GHG) Mitigation Measures - **non-Regionally Significant Project** strategies that reduce transportation GHG pollution and help meet the GHG Reduction Levels.
- 8.02.4 **By May 1, 2022**, CDOT in consultation with the MPOs shall establish an ongoing administrative process and guidelines, through a public process, for selecting, measuring, confirming, verifying, and reporting GHG Mitigation Measures. CDOT and MPOs may incorporate one or more GHG Mitigation Measures into their plans in order to assist in meeting the Regional GHG Planning Reduction Levels in Table 1. Such a process and guidelines shall include, but not be limited to, how CDOT and MPOs should determine the relative benefits and impacts of GHG Mitigation Measures, and measure and prioritize localized benefits to communities and Disproportionately Impacted Communities in particular. The mitigation credit awarded to a specific solution shall consider both regional and community benefits.
- 8.02.6.3 If GHG Mitigation Measures are needed to count toward the GHG Reduction Levels in Table 1, the MPO or CDOT may submit a **Mitigation Action Plan** that identifies GHG Mitigation Measures, if any, needed to meet the GHG Reduction Levels within Table 1. The Mitigation Action Plan shall include ...Sections



GHG Mitigation Policy/Procedural Development

- Policy Directive
 - Overarching framework
 - Explains intent of mitigations
 - Scoring criteria
 - Define regionally significant for CDOT
- Procedural Directive
 - Lists actual GHG Mitigation Measures
 - How to calculate GHG impact of mitigation measure
 - Actual scoring matrix



Core Sections of the GHG Mitigations Policy Directive

Policy Directive Draft Conceptual Approach

- **Selecting GHG Mitigation Measures**
 - Understanding what parameters are important in order to quantify GHG emissions
- **Scoring framework for the GHG Mitigation Measure**
 - Allows for ranges of emissions for each mitigation
 - Could create incentives (higher score) for applying reductions to DI communities, earlier action, other elements
- **Developing a Mitigation Action Plan**
 - What needs to be included to show progress
- **Submitting a GHG Status Report**
- **Process for approving New GHG Mitigation Measures**
 - Over time new measures may come to the forefront
- **Process for analyzing the efficacy of Existing Mitigation Measures**
 - Identifying some on the ground metrics that would help show that the measures are making an impact over time.



MPO Input and Key Issues

- Autonomy vs centralized evaluation
- Phased approach to approving mitigations
- Scoring
- Equity multiplier



Calculating GHG impact of Mitigation Measures

- Compiled GHG emission formulas for over 40 mitigation measures in 8 categories:
 - Transit
 - Land Use
 - Ped/Bike
 - Parking Management
 - Med/Heavy ZEV
 - Clean Construction
 - TDM
 - Operational
- CDOT modeling team: Are these mitigation measures best suited for off model calculations? Or can they be incorporated into transportation models?
- Spreadsheet being contributed to by two consulting firms: WSP and Cambridge Systematics, and other stakeholders