"Byrne, Patrick" <Patrick.Byrne@dot.state.co.us>

01/26/2009 10:17 AM

To Chris Ward <chris.ward@state.co.us>

cc "Stein, Ben" <Ben.Stein@dot.state.co.us>, "Baskin, Pat" <Pat.Baskin@dot.state.co.us>, "Vincent, William" <William.Vincent@dot.state.co.us>, "Nelson, Melissa"

bcc

Subject HB09-1114 - Relinquishment of Highways - Information Requested for Fiscal Note

History: This message has been forwarded.

Chris,

Here is CDOT's estimate of the fiscal impact of HB09-1114:

Background

CDOT currently maintains 5,541 lane miles of interstate, state, and national highways within the boundaries of the five metropolitan planning organizations (MPOs): the Denver Regional Council of Governments (DRCOG), the Pike's Peak Area Council of Governments (PPACOG), the Pueblo Area Council of Governments (PACOG), the North Front Range Metropolitan Planning Organization (NFRMPO) and the Grand Valley Metropolitan Planning Organization (GVMPO). In calendar year 2007, a combined total of 18.2 billion vehicle miles were traveled (VMT) on these highways.

Yearly VMT info (CY 2007)						
		DRCOG	PPACOG	PACOG	NFRMPO	GVMPO
Interstate	Lane miles	996	194	45	110	110
Interstate	Passenger Vehicle VMT	5,564,431,935	957,862,565	154,538,810	516,696,920	161,732,230
Interstate	Commercial Vehicle VMT	580,080,995	105,625,890	11,857,755	74,483,960	31,309,335
Interstate	Total VMT	6,144,512,930	1,063,488,090	166,396,565	591,180,645	193,041,565
State	Lane miles	1,883	192	92	191	96
State	Passenger Vehicle VMT	4,401,984,315	363,525,035	145,613,465	271,734,470	179,310,265
State	Commercial Vehicle VMT	225,543,720	25,670,815	6,218,870	20,237,790	10,660,920
State	Total VMT	4,627,528,035	389,195,850	151,831,970	291,972,260	189,971,185
US	Lane miles	893	217	73	372	77
US	Passenger Vehicle VMT	2,776,568,505	441,509,475	127,714,230	712,573,440	123,047,705
US	Commercial Vehicle VMT	145,007,200	23,940,350	8,917,680	39,657,615	5,466,605
US	Total VMT	2,921,575,705	465,449,825	136,631,545	752,231,055	128,514,310

Determination of "Commuter Highways"

The provisions HB09-1114 would become effective on August 4th, 2009, giving the Department at most ten months in which to collect, analyze, and interpret traffic data for the purposes of determining which roads were "commuter highways" by April 1, 2010. Traffic patterns are seasonal, and therefore the Department would require at least twelve months to conduct a statistically valid survey involving direct observation of travel patterns.

The Department is not aware of any existing or easily obtainable data that could be used to make statistically valid inferences about the origin and destination of all traffic on state-maintained highways within the MPOs. In addition, the costs and logistical challenges associated with determining which roads or portions thereof are "commuter highways" by directly observing traffic would be enormous. An alternative would be to use the various traffic models employed by the MPOs for planning purposes to determine which roads are "commuter highways". These models are built from cordon surveys of traffic originating outside the MPO boundaries and from household travel surveys.

Having discussed the feasibility and probable cost of this option with MPOs and consultants familiar with their traffic models, the Department could engage a consultant to do roughly 560 hours of work with the models at $100 per hour in order to identify commuter highways in each of the five MPOs. The Department also assumes there would be roughly 10% additional costs borne by the Department to coordinate and administer this project. Total cost: $61,600. This analysis assumes that all of the MPOs would grant the Department and its consultants access to the traffic models.

Federal Issues

Under the current federal authorization known as the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU, Public Law 109-59), allocation formulas for state apportionment of federal motor fuel taxes from the Highway Trust Fund for interstate maintenance, national highway, surface treatment, and highway bridge maintenance programs are functions of lane miles and VMT on interstates, state highways, and national highways.

Under the current formulas, by unilaterally relinquishing portions of the federal-aid highway system Colorado would experience a proportionate decrease in federal assistance; this funding would instead flow to other states. However, the apportionment formulas also include a "bonus equity distribution" that ensures that states' apportionments are no less than 92 percent of their respective contributions to the Highway Tax Fund, irrespective of lane miles or VMT. Equity bonus apportionments are also made based on demographic factors in each state. In Federal FY 2008, $6.5 billion in bonus apportionments were authorized, of which Colorado's share was $65.1 million. Bonus apportionments do not reduce any other state's apportionment, but simply increase how much is spent from the Highway Trust Fund. Indeed, in federal FY 2008 the only entities not authorized to receive bonus equity distributions were Maine, Rhode Island, and the District of Columbia.

SAFETEA-LU expires on September 30, 2009. It is unlikely that a new authorization bill will be adopted by the start of federal FY 2010, so it is expected that the federal government will continue to distribute funding based on a continuing resolution which will maintain some or all of the existing funding formulas. It should be noted that the Highway Trust Fund has a structural imbalance between revenues and expenditures and could become insolvent before the end of federal FY09 without rescissions or other affirmative action by the Federal Highway Administration (FHWA) or Congress. In such an environment, it is unclear whether bonus equity distributions would be part of any continuing resolution.

Without yet having the data or model results, the Department believes that most or all federal-aid roads within MPO boundaries would be determined to be "commuter highways" per HB09-1114. Based on actual data from federal FY 2008 and assuming there would not be bonus equity distributions under a continuing resolution, Colorado would lose $27.2 million annually in interstate maintenance funding, $37.0 million annually in national highway system funding, and $20.9 million annually in surface treatment program funding. Colorado would also lose a significant, comparable amount of bridge maintenance funding; however, the Department currently does not have enough data to make a detailed projection.

These losses would be partially offset by savings from not paying to maintain roads that would no longer be owned by CDOT. At roughly $12,900 per lane mile per year, removing 5,541 lane miles from the system would save $71.5 million per year. However, these costs would be shifted to local governments without any aggregate increase in the proportion of state Highway Users Trust Fund (HUTF) revenues distributed to local governments.

The Department also notes that FHWA approval is required for any unilateral devolution of roads from the state-maintained system to local governments. 23 CFR 620.203(c) (see http://edocket.access.gpo.gov/cfr_2008/aprqtr/pdf/23cfr620.203.pdf) requires FHWA approval for relinquishment of highway facilities such as ramps and frontage roads, and subsection (f)(4) explicitly requires the approval of the FHWA for relinquishment of certain portions of the right-of-way.

Differences Between HB09-1114 and HB08-1012

Although the HB09-1114 and HB08-1012 both concern the devolving of state-owned highways to local governments, the bills are different enough in their details to warrant different estimates of the fiscal impact to the Department. Had HB08-1012 become law, it principally would have increased the scope of the Maintenance Incentive Pilot Program authorized in Section 43-2-106, C.R.S. (2008). Whereas the Department currently considers proposals to transfer ownership of state-owned highways to local governments on a case-by-case basis, HB08-1012 would have required a comprehensive study of the entire state highway system and required the Transportation Commission to remove any roads or segments thereof from the system if the Commission thought it feasible and appropriate to do so. HB08-1012 was considerably less prescriptive in its requirements than HB09-1114 and would have required only additional staff to do research and prepare findings for the Transportation Commission to consider. HB08-1012 did not contemplate the large, mandatory, and immediate relinquishment of state-owned highways that would be required by HB 09-1114.

Let me know if you have any questions or concerns. I apologize for the delay in getting this to you.

Thx,

Patrick Byrne

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-----Original Message-----
From: Chris Ward [mailto:chris.ward@state.co.us]
Sent: Monday, January 12, 2009 9:17 PM
To: gpingenot@ccionline.org; smamet@cml.org; bruce.eisenhauer@state.co.us; Vincent, William; Byrne, Patrick; Stein, Ben; Baskin, Pat; Nelson, Melissa
Subject: HB 1114 - Relinquishment of Highways - Information Requested for Fiscal Note

Attached is bill similar to one seen in previous sessions (see HB 08-1012).
Please review for fiscal impact. I'd appreciate a response by Tuesday, January 20.

Thanks, Chris

Chris Ward
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(See attached file: 1114_01.pdf)