

Perspectives

MAJOR HIGHWAY INVESTMENTS TOP PRIORITY

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Perspectives examine critical issues in transportation finance. Editor David Pampu can be reached through the Website.

MoveColorado also publishes in-depth white papers that examine these issues in greater detail.

MoveColorado is a private industry organization that provides information, sponsors education programs, and supports the efforts of Colorado community, business and political leaders to solve transportation funding issues.

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Colorado’s transportation system is the backbone of the state’s economy. The state’s transportation system moves goods and services, supports tourism and recreation, moves commuters to jobs and provides the means for transporting our agricultural products to market.

In recent years voters in various regions of Colorado have committed to visionary investments in air transportation, rapid transit and local roads. While these investments significantly contribute to enhancing our transportation infrastructure and, consequently, the economy, investment in our state highway system has not kept pace. In fact there has been a 38% *decline* in funding for highways in recent years. This despite the fact that 87% of the \$77 billion worth of commodities delivered annually to and from sites in Colorado is transported on the state’s highways and that commercial trucking is projected to increase 52% in Colorado by 2020. Regarding the impact of investment on the economy, the Federal Highway Administration has estimated that every \$1.00 spent on street and highway improvements results in \$5.40 in economic benefits.

Colorado’s highway system exists, but continued investment in the maintenance and upgrade of the system to meet the needs of the 21st century is critical. In 2004 The Road Information Program (TRIP), a national research organization on highway transportation issues, graded various aspects of Colorado’s highway system:

Report Card Colorado Highway System (Road Information Program, Washington, DC 2004)	
Road Condition	C-
Bridges	B
Congestion	D+
Safety	C-
Economic Development and Transportation Funding	C-

The passage of Referendum C & D would have helped the state address some of these deficiencies. If approved by the voters of Colorado, these proposals would have provided \$1.2 billion in guaranteed funding to improve the state highway system accelerating the construction of the projects through bonding. Even though the bonding provisions did not pass, Referendum C will still help transportation funding by reducing the budget crisis. Approximately \$1 billion in transportation funding through SB 1 and HB 02-1310 will be generated through 2010-11.

While the overall impact on transportation will be to return Colorado to 2001 funding levels, that wouldn’t happen until 2010-11 and it will depend on economic recovery. We now face higher construction costs. The amount of money generated, \$1 billion, is approximately 1% of total needs of \$100 billion through year 2030. Currently, thirty percent of Colorado’s urban highways are congested. CDOT currently invests \$162 million annually for capacity improvements. By 2030, with population projected to double and congestion increasing by 161%, it will require \$1 billion annually to maintain the 30% congestion level.

Perspective: While the underlying foundation of highway revenue is the user fee assessed on motor fuel sales, in recent years Colorado has increasingly relied on state General Fund revenues to supplement user dollars to meet state highway needs. One significant effect of the TABOR amendment has been to eliminate the ability of CDOT to avail itself of these state General Fund dollars. That will change because of the passage of Referendum C. The problem is that without a major investment of new dollars, Colorado will fall further behind, unable to make progress on the widening gap in transportation funding critical to our highway system. As we consider future transportation revenues, we need to think of our highway system as a top priority.