



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 22-0712
Prime Sponsors: Sen. Scott

Date: June 28, 2022
Bill Status: Postponed Indefinitely
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Bill Topic: **TRANSPORTATION BUDGET REQUIREMENTS**

Summary of Fiscal Impact:

- | | |
|---|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill would have required the Department of Transportation to include additional information in its annual proposed budget allocation plan, and prohibited the department from using an indirect or construction engineering rate for expenses listed in the plan. The bill would have increased state expenditures on an ongoing basis beginning in FY 2022-23.

Appropriation Summary: No appropriation would have been required.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Under current law, the Transportation Commission is required to adopt a Proposed Budget Allocation Plan by December 15 each year. This bill requires the Department of Transportation (CDOT) to include additional information in the plan, including allocations for personnel costs, facilities costs, and any other expenses for CDOT's headquarters and engineering regions, as well as for all maintenance projects. Beginning July 1, 2023, the bill prohibits CDOT from using an indirect or construction engineering rate for the expenses listed in the Proposed Budget Allocation Plan.

Background

CDOT currently utilizes indirect and construction engineering rates, in accordance with federal regulations, for costs in the department's construction program that are not assignable to specific projects. CDOT's FY 2022-23 Proposed Budget Allocation Plan can be found here: <https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy2022-2023-proposed-allocation-plan>.

State Expenditures

Starting in FY 2022-23, the bill increases workload in CDOT on an ongoing basis, as described below.

Prohibiting use of certain rates. Removing CDOT's ability to use indirect and construction engineering rates will increase the department's administrative costs. CDOT staff will develop a new methodology for tracking and allocating those costs, and submit this methodology to the Federal Highway Administration for approval. Additional administrative resources may be required and will be addressed through the annual budget process, if necessary.

Additional budget allocation plan detail. Workload in CDOT will increase to include additional information in its annual Proposed Budget Allocation Plan. This fiscal note assumes that the additional workload can be accomplished within existing appropriations.

Effective Date

This bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on February 15, 2022.

State and Local Government Contacts

Governor
Legislative Council

Joint Budget Committee
Transportation