



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 23-0791
Prime Sponsors: Rep. Bockenfeld
Date: May 25, 2023
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 would have 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 2023-24.

Appropriation Summary: No appropriation was required.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was postponed indefinitely by the House Transportation, Housing, and Local Government committee on February 28, 2023; 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, 2024, the bill prohibits CDOT from using an indirect or construction engineering rate for these 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 2023-24 Proposed Budget Allocation Plan can be found here: [FY 2023-24 Proposed Budget Allocation Plan \(codot.gov\)](#).

State Expenditures

Starting in FY 2023-24, 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

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology
Transportation

Labor

Personnel