



HIGHWAY DETOURS: THE ONGOING SHIFT OF TRANSPORTATION DOLLARS

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Transportation Troubles Result from Shift in Focus from Highways to Environmental Mitigation


Coloradans expect safe roads, bridges, tunnels, and traffic control measures. Meeting those expectations has become much more difficult over the last several years as state policymakers have shifted transportation related dollars away from roads and toward environmental mitigation. This shift has largely taken place quietly, and is leading to more congestion, time delays, and safety problems.


This study presents the challenges facing the state as the legislature redirects General Fund dollars and transportation related fees away from transportation. Further complicating matters, relying on irregular and inconsistent General Fund transfers that are dependent upon the state's annual budget outlook makes long-term planning very difficult. Since 2017 many of the General Fund transfers have not gone to fixing roads.

Accordingly, this report makes several recommendations, including when General Fund dollars are available, to make sure they are directed towards improvements in highway infrastructure and not shifted to non-highway transportation uses.

Key Findings:

 **Transportation fees are not going to roads.** Since 2017 the state has created or increased a number of transportation related fees. The statutes authorizing them have directed the bulk of the dollars collected toward environmental mitigation, mass transit, and demand management efforts rather than roads, further exacerbating the state's infrastructure problems.

 **CDOT resources do not meet demand.** Over the long term, the resources available simply are insufficient to operate, maintain, and expand the state's highway system to maintain appropriate service levels

 **General Fund Transfers are inconsistent and often not directed to roadway improvements.** Supplementing the constitutionally dedicated transportation funds with General Fund dollars, while helpful, is not a panacea. Recently the legislature has transferred significant sums of money for transportation. These transfers have made a difference but are tapering off and may disappear completely as budgetary conditions tighten.





Four Ongoing Challenges:



Geography and Demography: Colorado's physical location lends itself to extreme weather conditions. These cycles mean that, over time, the wear on roadways, tunnels, and bridges is substantial.



Environmental Impacts: Although emissions have decreased over time, the level remains material. Legislatively created enterprises now impose significant fees on Coloradans with most of the resulting revenues going toward environmental concerns rather than roads.



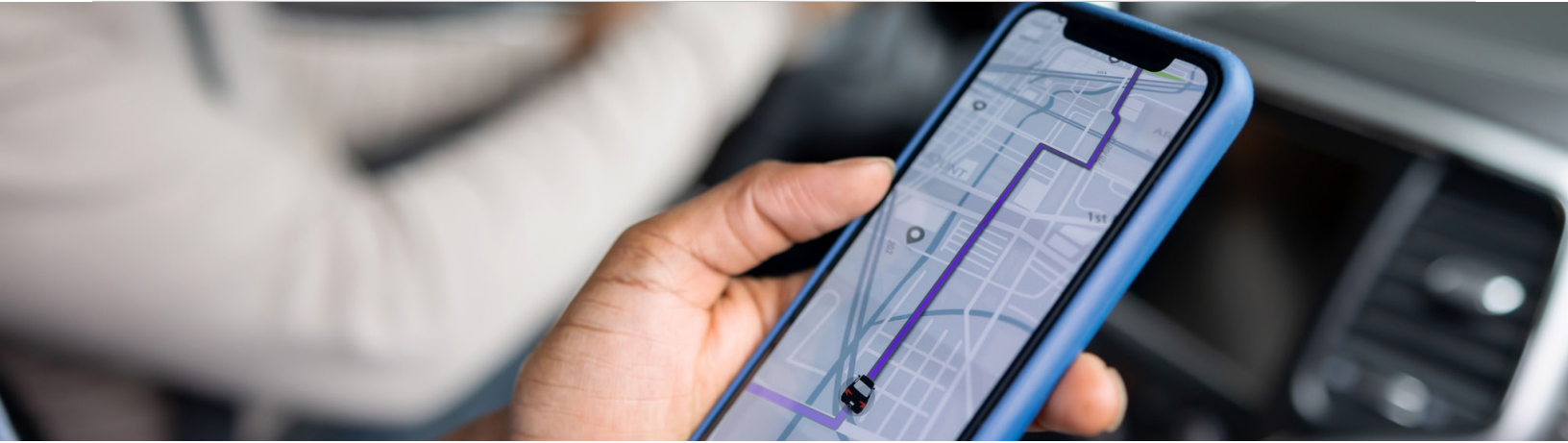
Inflation: Rising prices have increased the cost of maintaining and improving transportation infrastructure at a significantly higher rate than the CPI.



Revenues/Funding: Because most revenues available for surface transportation do not adjust with inflation they are insufficient to meet the demands placed on the system.

The Reason Foundation in March 2025 reported that the quality of our state's highways continues to deteriorate. Specifically, Colorado ranked 47th on the condition of rural highway pavement, 45th for urban highway pavement and the state's overall rating dropped from 36th in 2019 to 43rd today.

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What's Next? Colorado Policymakers Face a Choice



Reallocate Existing Dollars - Redirect the enterprises created by the legislature to collect these transportation related fees to prioritize improvements in highway infrastructure. This option is especially salient since, over time, emissions generated per vehicle will continue to decline and technology may well make electric vehicles far more practical than they are today.



Maintain status quo of prioritizing environmental mitigation vs. road repair and construction - If, based upon full consideration and a statewide conversation, it is determined the state should continue prioritizing environmental mitigation, transit-oriented development, and electrification, the General Assembly could maintain a status quo where transportation related fees continue to be used to achieve environmental goals.



Pursue a vote of the people - Regardless of the outcome between options #1 and #2, the fact remains that the resources available over the long term to maintain the state's highway system will prove insufficient. This means it will almost certainly become necessary to refer a ballot measure to the voters.

- Put forward a ballot measure that 1) asks voters whether to reprioritize how current fees allocated to the five enterprises are spent, and 2) to consider a new or expanded transportation related revenue source. While ballot measures have failed in the past, those failures may not be due to lack of support for their transportation-related policies. In 2019, for example, a measure sought funds for three purposes — transportation was just one of them — and the shift in focus to environmental mitigation from infrastructure was not mentioned.
- If policymakers pursue a ballot initiative, it should be as straight forward as possible to avoid questions about voters' intent. A ballot question could also simplify transportation funding by addressing the TABOR related constraints that have led to the creation of the state's current confusing array of enterprises.

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