COLORADO DEPARTMENT
OF
TRANSPORTATION

http://www.dot.state.co.us

BUDGET "*A*"

Without a FY2002 TRANS Bond Issuance

FISCAL YEAR 2002-03

Governor Bill Owens

April 15, 2002

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COLORADO DEPARTMENT OF TRANSPORTATION

BUDGET

FOR FISCAL YEAR 2002-2003

GOVERNOR BILL OWENS

TRANSPORTATION COMMISSION

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GEORGE H. TEMPEL, Wiley, District 10

THOMAS E. NORTON, Executive Director

Per the attached Resolution TC-1053 the Transportation Commission presents the Budget for the period July 1, 2002 through June 30, 2003 for approval by the Governor.

Approved: Bill Owens

Date: May 2, 2002

Made pursuant to the provisions of C.R.S. 43-1-106 and 43-1-113

RESOLUTION FOR THE ADOPTION OF THE FY 2002-2003 BUDGET

RES. NO. TC-1053

WHEREAS, in accordance with C.R.S. 43-1-113 (2), the Transportation Commission submitted a draft budget allocation plan, to the Joint Budget Committee, the House Transportation and Energy Committee, the Senate Government, Veterans and Military Relations and Transportation Committee and the Governor for their review and comment, for moneys subject to the Commission's jurisdiction for Fiscal Year 2003, which begins July 1, 2002; and

WHEREAS, C.R.S. 43-1-113(9)(c) requires the Transportation Commission to adopt a final budget allocation plan which shall, upon approval of the Governor, constitute the budget for the Department of Transportation for Fiscal Year 2003; and

WHEREAS, a substantial change in state revenue forecasts reduced the amount of Senate Bill 97-001 funds to be received by the Department of Transportation in Fiscal Year 2002 by $173 million, which subsequently required significant reductions to transportation programs for the current 2002 Fiscal Year; and

WHEREAS, this reduction in funds for Fiscal Year 2002 had a residual effect on the Fiscal Year 2003 draft budget submittal and required additional reductions to transportation programs in Fiscal Year 2003; and

WHEREAS, the revenue forecasts, both short-term and long-term, continue to fluctuate based on the uncertainty of the economy both nationally and locally; and

WHEREAS, the Transportation Commission feels it prudent and fiscally responsible at this time to anticipate no Senate Bill 97-001 transfer for Fiscal Year 2003.

WHEREAS, Budget A assumes no bonding in Fiscal Year 2002 for Fiscal Year 2003 and Budget B assumes bonding in Fiscal Year 2002 for Fiscal Year 2003.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission hereby adopts Budget A for Fiscal Year 2003. If, prior to May 23, 2002 the Colorado General Assembly takes action, that is subsequently approved by the Governor, which authorizes a continuing general fund appropriation of $69,874,000 or more for FY 2004, $95,305,000 or more for FY 2005, and $100,000,000 or more for Fiscal Years 2006 and beyond, Budget B will be adopted thereafter by supplement and be enacted on July 1, 2002.

FURTHER, the Colorado Department of Transportation's Budget for the period July 1, 2002 through June 30, 2003 is hereby approved by the Transportation Commission and shall be forwarded to the Governor for action.

COLORADO AERONAUTICAL BOARD

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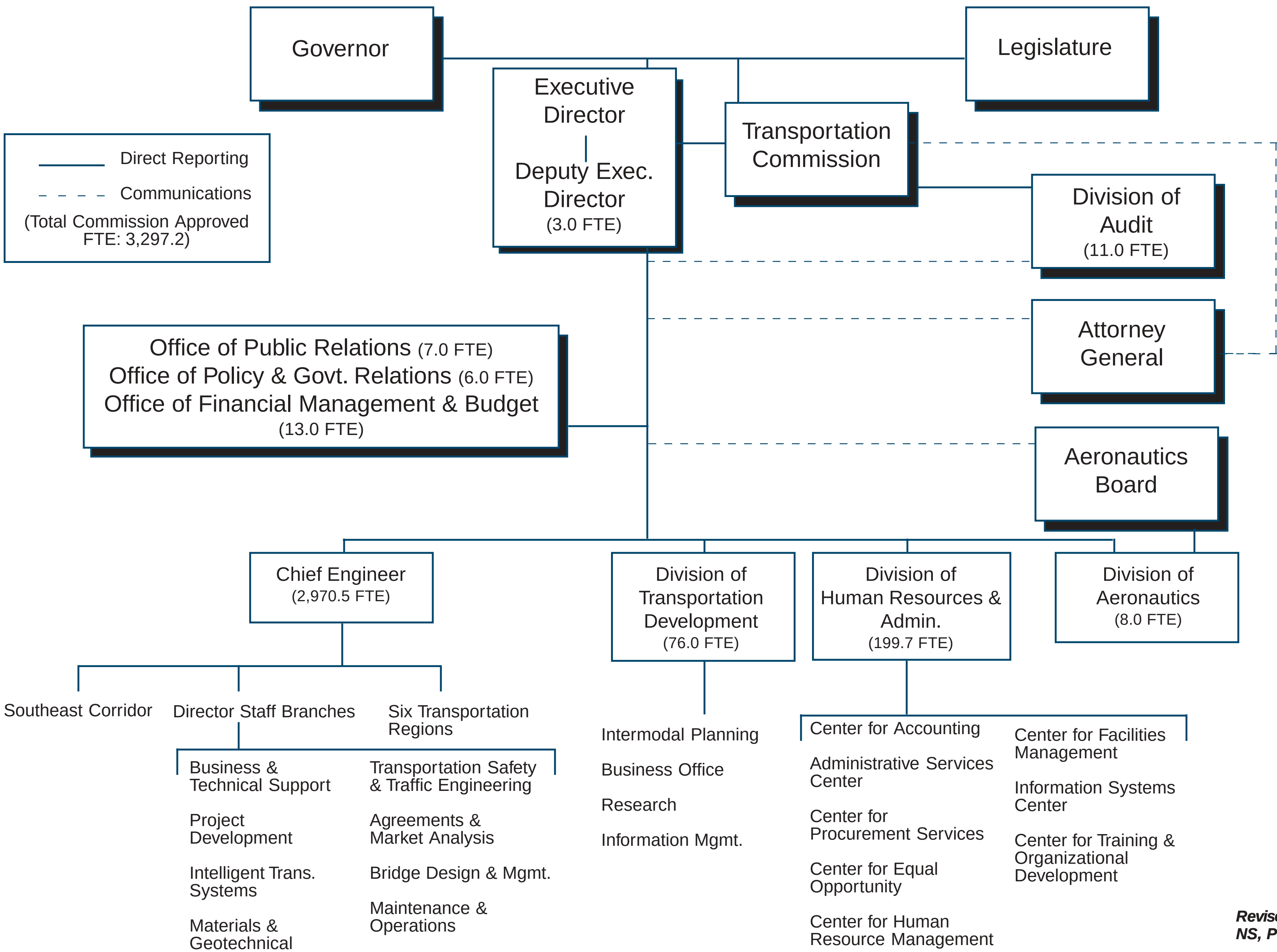
Organization of the Colorado Department of Transportation



Revised 4.4.02
NS, PR Office

COLORADO DEPARTMENT OF TRANSPORTATION
FISCAL YEAR 2002-2003

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CDOT - Transportation Investment Strategy

Investment and Program Area Summaries

Safety

Services and programs that reduce fatalities, injuries, and property damage for all users of the system

Goals:

- Reduce transportation-related crashes, injuries and fatalities and the associated loss to society

Programs:

A. Driver Behavior (alcohol, young drivers, seatbelts, etc.)
B. Roadway Safety (hazardous locations, run-off-the-road, sign replacement, etc.)

System Quality

Activities, programs & projects that maintain the function and aesthetics of the existing transportation infrastructure

Goals:

- Preserve the system
- Keep the transportation system available and safe for travel

Programs:

A. Road Surface (including travel way, pavement structure - includes reconstruction)
B. Structures - Bridge Program
C. Roadside Facilities (roadside, ditches, vegetation, fencing, tunnels, etc.)
D. Roadside Appearance (litter, mowing)
E. Rest Areas (maintenance of existing)
F. Traffic Operations (structures w/in right-of-way, includes existing ITS/TOC)
G. Eisenhower/Hanging Lakes Tunnels
H. Maintenance of Other Modes (Transit, Aviation, Rail)

Mobility

Programs and services that provide for the movement of people, goods, and information

Goals:

- Improve mobility
- Increase travel reliability

Programs:

A. Highway Performance
B. Alternative Mode Performance
C. Facility/Management (ramp metering, TOCs, etc.)
D. Travel Demand Management (rideshare, HOV, telecommuting, etc.)
E. Road Closures Program (snow and ice, rockfall, etc.)
F. Corridor Preservation

Strategic Projects

The 28 high priority statewide projects that have been committed for accelerated funding

Goals:

- Accelerate completion of the projects
- Increase investment in the program

Program Measures:

- Funds spent or encumbered
- Percent Ad dates met on-time, 30 days, etc.

Program Delivery

Support functions that enable the delivery of CDOT's programs and services

Goals:

- Deliver high quality products and services in a timely fashion
- Attract and retain an effective and qualified workforce
- Foster an environment that respects workplace diversity

Programs:

A. Strategic Support (long term focus - Policy, Planning, Public Relations, etc.)
B. General Support (short term focus - IS, Financing, HR, etc.)
C. Program Support (Project Development, Design and Construction, etc.)
D. Property/Equipment

COLORADO DEPARTMENT OF TRANSPORTATION

MISSION

The mission of the Colorado Department of Transportation is to provide the best multi-modal transportation system for Colorado that most effectively moves people, goods and information.

VISION STATEMENT

To enhance the quality of life and the environment of the citizens of Colorado by creating an integrated transportation system that focuses on moving people and goods by offering convenient linkages among modal choices.

STRATEGIC PLAN

FOR

FISCAL YEARS 2003-07

INVESTMENT CATEGORIES

I. SAFETY

II. SYSTEM QUALITY

III. MOBILITY

IV. STRATEGIC PROJECTS

V. PROGRAM DELIVERY

I. SAFETY

Programs, services and projects that reduce fatalities, injuries and property damage for all users of the system. The investment category includes two areas of focus. The first focus area includes those programs used to influence driver behavior. The second area focuses on highway improvements to improve the safety of the motoring public.

INVESTMENT LEVEL GOAL:

Reduce transportation-related crashes, injuries and fatalities and the associated loss to society

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

Reduce the rate and severity of transportation-related incidents

- Includes all accidents, injuries and deaths

Promote the education and awareness of safe driving behavior

- Focuses on seatbelt usage, drinking and driving awareness, etc.

Emphasize applicable safety features consistent with the population growth

- Ensures that CDOT focuses on areas of the transportation system for safety features such as high areas of accidents

INVESTMENT LEVEL PERFORMANCE MEASURES:

Statewide Safety Incident Rate including fatal and injury rate

Alcohol Related Incidents Compared to Statewide Incident Rate

Incidents Involving Seatbelt Usage Compared to Statewide Incident Rate

Return on investment for Designated Improvement Sites

Bi-annual Customer Perception Rating of System Safety and Driver Behavior Programs

Corridor Safety Assessment

SAFETY - PROGRAM SUMMARIES:

Driver Behavior Program

In combination with traditional roadway safety improvements, this program promotes safety through education and enforcement programs such as media campaigns (“TWIST”, “Heat is On”, “CHILL”), and education programs through media campaigns and school districts for groups, which are disproportionately represented in crashes.

Roadway Safety Program

This program identifies roadway improvements to improve decision-making and reaction times of the motoring public. Roadway improvements include such projects as replacement of signs and roadway markings, sight-distance improvements, acceleration/deceleration lanes, intersection improvements, etc.

II. SYSTEM QUALITY

System Quality includes all programs that maintain the functionality and aesthetics of the existing transportation infrastructure at Transportation Commission defined service levels. This investment category primarily includes the Department’s maintenance activities on the highway system, right-of-way, and bridge program. In addition to highway maintenance, the investment category includes maintenance activities for airports and the preservation of railroad rights-of-way for transportation uses.

INVESTMENT LEVEL GOALS:

Preserve the transportation system

Keep the system available and safe for travel

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

Enhance and maintain the transportation system to ensure maximum useful life
- Investment decisions ensure maintaining highway lifecycles

Preserve and maintain the existing system at an acceptable level of service and condition
- Assure maintenance of the existing system in concert with development of "new" or additional system enhancements

Develop a "travel-friendly" transportation system that incorporates reasonable customer desires
- Such as roadside vegetation, roadway access, signage and striping, disability access, pedestrian access, etc.

Ensure that investments in the transportation system preserve quality of life through aesthetics and environmental concerns
- Ensure air quality, multi-modal projects, aesthetically pleasing sound walls vs. plain concrete barriers

INVESTMENT LEVEL PERFORMANCE MEASURES:

Surface Condition Rating of Fair or Better

Bridge Sufficiency Rating of Fair or Better

Maintenance Condition Survey

Quality of Life: site, feature evaluation

SYSTEM QUALITY - PROGRAM SUMMARIES:

Pavement Program

The program develops, implements, and supports network and project level pavement analysis and provides technical expertise and support to the CDOT Regions in the quality assurance of pavement designs.

Bridge Program

The program develops, implements, and supports network and project level bridge analysis for the replacement, rehabilitation, and maintenance of bridges on and off the State highway system.

Roadside Maintenance Program

The program maintains roadside slopes and structures to ensure the proper operation of the transportation system and to maintain the safety of the traveling public. Maintenance of roadside activities includes: landscaping, litter and debris removal, drainage and slope maintenance, fences, and noise walls.

Rest Area Program

This program is to complete the Rest Area Management and Maintenance Study recommendations for capital construction through 2004. The program addresses reconstruction, rehabilitation and maintenance of rest area facilities on the Interstate and State highway systems. It also sets forth a program to address rehabilitation and maintenance issues conducted by CDOT’s maintenance crews.

Traffic Operations Program

The program maintains traffic control and related devices to ensure the proper operation of the transportation system and to maintain the safety of the traveling public. Devices that are maintained include signals, signs, pavement markings, lighting, guardrail, and attenuators.

Tunnel Program

The program maintains all tunnels along the State highway system and includes the operation of two tunnels, Hanging Lakes and Eisenhower. Maintenance activities include structural integrity, ventilation, appearance, and emergency response.

III. MOBILITY

The programs within this investment category address issues that impact movement whether it be level or quality of movement, accessibility to transportation, reliability of the system, connectivity of one system to another system, and environmental impacts. The programs used to address these issues include highway construction, alternate modes, intelligent transportation systems, travel demand programs and weather-related incident management teams.

INVESTMENT LEVEL GOALS:

Improve mobility

Increase travel reliability

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

Seek external customer feedback to improve functional and regional delivery of services
- Ensure CDOT talks with their customers to determine their needs and perspectives

Preserve transportation choices as a part of an integrated statewide transportation planning process
- Provide options for transportation such as public transit, bike paths, etc.

Maximize efficiency of the existing infrastructure prior to adding new capacity
- Ensure the existing system is functioning well before considering new options

Ensure environmental stewardship of the transportation system
- Incorporate environmental process as an element of project planning, not a barrier

Implement transportation improvements that enhance the quality of life and promote community values
- Community may want better public transportation and less traffic, such as light rail or other transit methods

Preserve options to anticipate Colorado's future transportation needs in major mobility corridors
- What CDOT is doing today to address future needs such as obtaining corridor right-of-ways

INVESTMENT LEVEL PERFORMANCE MEASURES:

Travel Rate Index

Congested Person Miles Traveled

Customer Perception Rating of Travel Reliability and Ability to Travel

Percent of Travel Needs Met (methodology in development)

Rate of Growth in Annual Vehicle Miles of Travel (methodology in development)

MOBILITY - PROGRAM SUMMARIES:

During the Department's Resource Allocation process, the Transportation Commission identifies regional allocations for the six Transportation Regions that cover the state. The intent is that in FY2002 to use the process identified in the current CDOT Rules and Regulations, which requires that transportation needs be obtained through a statewide regional planning process. Fifteen regional transportation plans are developed every five years to include a list of prioritized needs. The plans are reviewed and amended, as needed, each year through Transportation Commission held meetings.

To ensure the integrity of the grassroots planning process, objectives have not been established. However in its place, the Department will track the impact of regionally identified projects to the State's transportation system. The information will be provided to the planning regions to evaluate future project selection. In some cases, software models are currently being implemented to report this information.

The Transportation Commission will be reviewing this approach for subsequent years of reporting (2002 – 2020).

Highway Performance Program
This program includes capital-intensive roadway projects that add new capacity to the system such as lane additions or new road construction. Many of these projects are listed as part of the Strategic Projects Program that the Department is currently reporting separately. The remaining projects not included in the Strategic Program fall under this program.

Alternative Mode Performance Program
Alternative modes play an important role in providing mobility and reducing congestion. The program includes aviation, rail, transit, bicycles and walking. Investment in these alternate modes provides for capital construction of facilities, operation of mass transit services, purchase of transit or rail vehicles, and maintenance of facilities and modal equipment.

Facility Management Program

This program includes systems that maximize the utilization and capacity of the existing transportation infrastructure and services. Examples include ramp metering, incident management and signal coordination.

Travel Demand Management Program

This program includes strategies developed to influence the demand for existing transportation infrastructure. There are two types of strategies: (1) “Pull” strategies that attempt to attract travelers to higher density transportation modes. Examples include transit and carpool incentives, and, (2) “Push” strategies that discourage use of heavily used modes. Examples include parking charges and facility tolls.

Road Closures Program

The program includes activities such as avalanche and rockslide removal as well as regular winter snow maintenance. These are included in the Mobility investment category because their primary purpose is to keep facilities open to accommodate the flow of traffic versus those activities reported in System Quality, which are to maintain the integrity of the transportation system.

An annual survey is conducted to observe maintenance conditions for the transportation system. Five service levels are established for each maintenance activity, A through F, with A being the best or highest service level and F being the worst.

IV. STRATEGIC PROJECTS

This program is comprised of 28 high-cost, high priority projects that are receiving accelerated funding to expedite their completion. These projects have been selected to address corridors of State and regional significance, the inordinate amount of time required to complete major projects, and provide for a more aggressive response to the demands for mobility.

INVESTMENT LEVEL GOALS:

Accelerate the completion of the projects

Increase investment in the program

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

Promote partnerships with all governments to enhance working relationships
- Collaborate on local projects such as helping communities with their planning

Accelerate Strategic Project delivery while minimizing the impact to all other objectives
- Ensure strategic projects are supported, with minimum risk to other work

Maintain eligibility of CDOT's bonding program to ensure non-default and ability to bond in the future
- CDOT needs to maintain a certain bond rating as well as meet bond dates

INVESTMENT LEVEL PERFORMANCE MEASURES:

Actual Funds Encumbered versus Total Encumbrance Planned by Program

Actual Funds Expended versus Planned reported on a quarterly and yearly basis

Percent Ad Dates Met Prior, On-Time, within 30 days, 60 days, or beyond 60 days

Days to Complete Payment Processing and Billing Compared to Indenture and Continuing Disclosure

V. PROGRAM DELIVERY

Those support functions that enable the delivery of CDOT’s programs and services. Although the programs within this investment category do not directly result in tangible transportation projects, they do have a strong impact on the delivery of projects. The programs have been grouped into three functional areas: Strategic Support, General Support and Program Support.

INVESTMENT LEVEL GOALS:

Deliver high quality products and services in a timely fashion

Attract and retain an effective and qualified workforce

Foster an environment that respects workforce diversity

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

Maintain fiscal integrity of CDOT through timely encumbrance of funds and project delivery
- Demonstrate financial responsibility through effective management of fund expenditures and project delivery and quality

Create a funding environment that preserves the base while pursuing new sources
- Ensure CDOT maintains its eligibility to receive existing funds (bond rating) while pursuing new funds

Ensure timely product and service delivery
- Aggregation of critical service delivery within CDOT Program Delivery such as vendor payments, project delivery, etc.

Identify innovative human resource (HR) solutions that maximize existing resources to meet business needs
- With recent employee turnover rates, consider alternative ways to provide service such as contractors, technology, etc.

Create public confidence in Department accountability
- Communicate, educate and market to customers regarding CDOT's business and performance

Incorporate education in project development and implementation
- Foster partnerships with other governments and customers in projects to help create better understanding and support

Develop planning processes that enhance future project development
- Ensure that CDOT can plan and prepare for the future with processes in place today

Design projects that foster alternative modes in partnership with others
- Ensure transportation system project designs consider all modes of travel including auto, foot, public, etc.

Maintain a viable service industry to create a competitive environment
- Ensure that CDOT recruits and maintains a good contractor pool to work from

Create an environment that fosters high employee productivity
- Ensure that CDOT encourages high production per FTE to receive maximum benefits

INVESTMENT LEVEL PERFORMANCE MEASURES:

Performance measures for Program Delivery are not established at the “Investment Category Level” but rather at the Program Level, noted below, and are not included in the “Strategic Plan”.

PROGRAM DELIVERY - PROGRAM SUMMARIES:

Strategic Support Program

Strategic Support includes functions that set, advocate, and communicate strategic direction and policy for the Department including the Transportation Commission, Executive Management Team (EMT) and the Office of Policy and Governmental Relations.

General Support Program

General Support includes functions that are required by any business to support day to day operations, such as information systems, accounting, budgeting, auditing, procurement, human resource management, financial management, etc.

Program Support

Program Support includes functions that are unique to CDOT that would not normally be found in most governmental agencies. Since CDOT’s mission supports the movement of people, goods, and information, specific programs that are used include Right-of-Way Services, the Office of Environmental Review and Analysis, Aeronautics, Staff Construction and Materials, Staff Design, Division of Transportation Development, Staff Maintenance, etc.

Property/Equipment Program

Property/Equipment Program includes functions associated with the maintenance, operation, replacement and upgrade of the Department’s buildings, vehicles and non-computer equipment.

FY 2002-2003 BUDGET

The Department of Transportation's budget for FY 2002-2003 totals $784,980,714, with a staffing level of 3,297.2 full time equivalent (FTE) positions. The funds come from various State, federal, and local revenue sources. These sources are detailed in sections to follow.

Federal law, State statute, or the State Constitution restricts how the Department can use the various funding sources. The Department's budget appropriation is allocated and directed primarily by the eleven member Transportation Commission, with Department Administration, the Division of Aeronautics, County & Municipal Bridge Funds, Persistent Drunk Driver Funds, and Gaming Funds appropriated by the State legislature.

The Commission utilizes a resource allocation system of program budget development linked to the five major investment categories and their program areas. The priorities and available funds are allocated according to priorities and performance targets. The Maintenance Program budget further allocates resources to the nine maintenance sections and six traffic sections using a "levels of service" (LOS) plan and allocation system with targeted levels of service delivery as determined by the Transportation Commission and reported using an annual performance grading and reporting system.

BUDGET ADJUSTMENTS

REVENUE REDUCTION RESPONSE

CDOT does not receive State General Fund (GF), other than the transfers of a portion of sales and use taxes pursuant to S.B. 97-001, and due to recent modifications to the State revenue estimates this transfer has been stopped for FY2002 at the amount already received for July and August of 2001. Consequently, per the Commission's decision, we are not including any sales and use transfer funds in our projections for FY2003 or beyond, and are thus indicating a 100% reduction in GF. If the economy improves and the funds become available, the Transportation Commission will fund projects in priority order within the amount received.

In addition, in order to maintain as much of the currently scheduled projects and programs as possible, we have reviewed all CDOT operations for reprioritization of funding and/or timing. As a result we have reduced or eliminate certain budgeted items or deferred them for future funding.

The reductions or adjustments to allow for redirecting funds to projects include:

Operations Item	Savings to Redirect
Defer all but $1 million of the Road Equipment -	
- Budget to future years /1	$10,574,831
Operating reductions – State Highway Fund	1,099,442
Operating reductions – Indirect Project Charges	1,026,196
Disadvantaged Business Enterprise Certification	35,000
Commercial Drivers License Drug & Alcohol Testing	14,000
Workplace Violence Prevention	80,000
Employment candidate recruitment	88,000
Training Programs	21,200
Rent savings by consolidating offices at Empire	39,000
Maintenance Program - reduction from continuation level formula	7,297,624
Maintenance Program - held in Contingency	5,000,000
Deferred program enhancements (internal Decision Items)	1,060,864
TOTAL Budget Redirected to Projects	**$26,297,157**

We are also evaluating all projects for reprioritization to assure we are addressing the highest priorities with our limited resources.

These reductions account for 3.4% of the total anticipated program, with some of these changes as permanent reductions to programs, while others such as Road Equipment, are to be reduced now to meet the crisis, with the anticipation of reinstating the funds in future years as conditions permit.

/1 It is the Commission's intention that the full Road Equipment reduction be added to the FY2004 base allocation.

DECISION ITEMS

Two Decision Items submitted to the Office of State Planning and Budgeting (OSPB) were submitted to the Joint Budget Committee (JBC) for legislative consideration and appropriation. The Department of Transportation has requested an appropriation of $6.5 million from the General Fund retention of Gaming Funds (the 50% portion of the Limited Gaming Fund transferred to the General Fund) to handle the construction and maintenance needs associated with the increased traffic on State highways in the vicinity of the gaming communities. This request was made in accordance with S.B. 94-60, and was approved by the Gaming Commission and OSPB. However, the amount is reduced in the initial Long Bill to $1,010,000 and is pending further Legislative action.

The second Decision Item requested $100,000 from the Persistent Drunk Driver Fund for programs to develop methods to deter persons from repeat drinking and driving. The funds for this program are derived from a penalty surcharge of $25 to $500 imposed by judges upon persons with multiple drunk driving convictions. This item is pending Legislative action for authorization and availability of funds.

In addition, there is a request for $250,000 of Capital Construction Funds for the Division of Aeronautics to fund additional Automated Weather Observation System (AWOS) locations that will provide weather and safety-related information to pilots flying through Colorado's mountains. This item is pending Legislative action for authorization and availability of funds.

SALARY AND BENEFITS

The FY 2003 salary survey and merit/anniversary allocations are based upon the actual survey and anniversary adjustments, with a salary survey average of 4.8%. The PERA rate of 10.04% was used for FY 2003.

INFLATION - Operations

The Department utilizes inflation rates provided by the OSPB in the development of the budget request for areas other than construction and maintenance. For FY 2003 the OSPB inflation factor is 0.0% for all but utilities, which is 2.5% and medical, which is 4.9%. The Transportation Commission added 2.9% for Equipment and has provided initial funds to address the statewide Property program. However, the Road Equipment fund has been reduced to $1.0 million, from the projected $11.6 million for FY2003 in response to reduced revenue projections. The Road Equipment funds are expected to be reinstated as financial conditions allow. The Maintenance Program has also been funded at a level $7.3 million below the original continuation level with inflation formula.

STATEWIDE INDIRECT COSTS

Annually, the Department includes in its budget submission to the General Assembly a request for funding statewide indirect costs. These costs reflect the overhead costs associated with certain services provided by various other State agencies to CDOT. These include the Department of Personnel, the Division of Accounts and Control, the Division of Telecommunications, and others. For FY 2003 the Department's statewide indirect cost assessment, as recommended by the State Controller's Office, is $2.2 million, which is a $142,095 decrease from FY 2002.

FTE LIMITATION

By statute (CRS 43-1-113(4)), the Department of Transportation is limited to a maximum of 3,316.0 full-time equivalents (FTEs). This includes all permanent and temporary positions (including those funded by legislative appropriation). The Transportation Commission has in recent years limited the full-time equivalents to a level lower than the statutorily authorized level. The level approved for FY 2002 is 3,297.2 FTEs (227.7 Legislatively appropriated and 3,069.5 Commission appropriated). This is the same level as FY 2002.

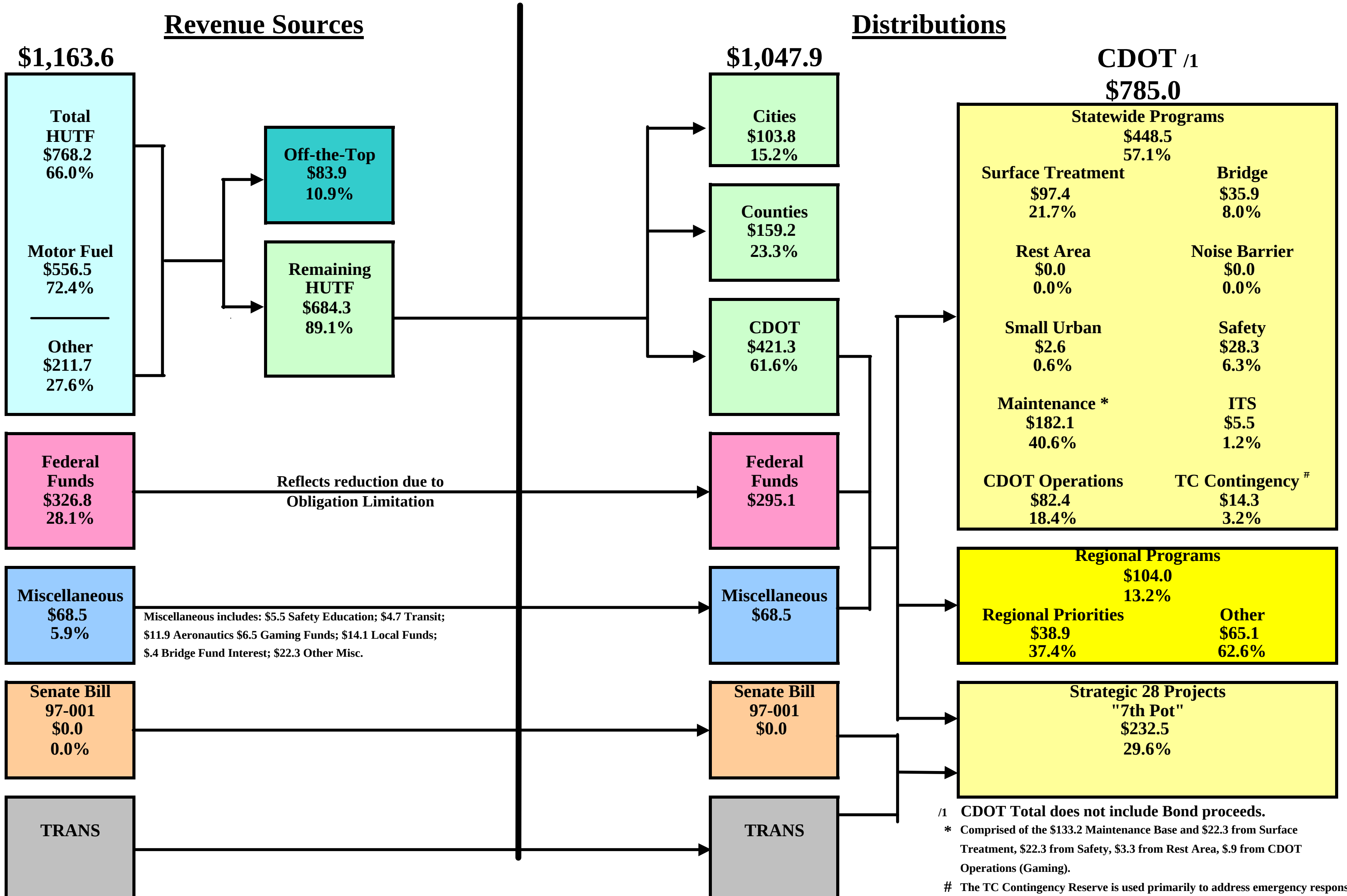
FY2003 ESTIMATED REVENUES BY SOURCE

In FY 2003, the Colorado Department of Transportation anticipates receiving approximately $784,980,714 million, (assuming 90% federal obligation authority, which reduces the federal highway dollar estimate by $30.2 million.) The total does not include any funds from the State sales and use taxes transferred from the State General Fund to the SHF, pursuant to S.B.97-001. Additional spending authority, not included here, is from TRANs as explained on page 24.

STATE FUNDS	**FY 2003**
Highway Users Tax Fund - (State Share - SHF)	**421,340,470**
Miscellaneous CDOT Revenues *(Interest, Permits, etc.)*	25,422,835
Limited Gaming Fund - Decision Item - *(amount pending final Long Bill)*	6,500,000
Sub-Total	**31,922,835**
GF to HUTF transfer for Construction *(pursuant to S.B.97-001)*	**0**
County & Municipal Bridge Fund	**436,308**
Total State Funds	**$453,699,613**
LOCAL FUNDS	
Local Match & Reimbursements	**$14,092,000**
FEDERAL HIGHWAY ADMINISTRATION FUNDS (FHWA)	
Apportionment	326,809,001
Less: Obligation Limitation	(30,854,549)
Less: Recreational Trails	(854,000)
Total FHWA Funds	**$295,100,452**
OTHER FUNDS	
Transit & FTA	4,728,056
Aeronautics Fund & FAA	11,879,593
Highway Safety Funds including MOST & LEAF	5,481,000
Total Other	**$22,088,649**
ESTIMATED TOTAL CDOT REVENUE *	**$784,980,714**

❖ Total Revenue does not include TRANs proceeds, which are used over multiple years, with an estimated **$222.1** million of the FY2001A issuance to be utilized for FY2003 contractual obligations. This also does not include Internal Cash Fund (ICF) "Spending Authority" of $3,071,697, which is derived from payments by internal or other government organizations.

Colorado Department of Transportation
Estimated FY 2002 - 2003 Financing System
(In Millions)



/1 CDOT Total does not include Bond proceeds.

* Comprised of the $133.2 Maintenance Base and $22.3 from Surface Treatment, $22.3 from Safety, $3.3 from Rest Area, $.9 from CDOT Operations (Gaming).

The TC Contingency Reserve is used primarily to address emergency response to flooding, rock & mud slides and to address other emergency maintenance or weather related issues.

TRANS proceeds from FY 2000 & FY 2001 will be used to supplement 7th Pot Projects

As of April 15, 2002 - Without Additional TRANS

TRANSPORTATION REVENUE ANTICIPATION NOTES (TRANs) REVENUE

"Transportation Revenue Anticipation Notes" (TRANs) is a financing mechanism that allows the Department to issue bonds to accelerate projects today and pay back bondholders over time.

Enabling legislation (H.B. 99-1325) was passed by the State Legislature in the 1999 session. In November 1999, the voters approved Referendum A, which gave the Department the authority to utilize this financing mechanism. The TRANs statute provides the following:

- Bond proceeds must be used on 7th Pot (Strategic 28) projects
- The maximum principal amount is $1.7 billion with a maximum total repayment of $2.3 billion.
- Annual principal and interest is limited to 50% of the previous year's federal aid reimbursement.
- Revenues that can be used to repay the notes are:
    - Federal transportation funds
    - S.B. 97-001 sales and use tax funds (state matching funds)
    - Note proceeds and/ or interest earnings
- Payment of debt service is subject to annual allocation by the Transportation Commission.

These funds are held with a trustee, which is Norwest/Wells Fargo.

Funding Sources for the 7th Pot includes:

- Bond proceeds
- Construction fund earnings
- Senate Bill – 97-001 (General Funds)
- $75 million from Transportation Commission funds
- Other Department funds as prioritized by the Transportation Commission

The Transportation Commission allocates:

- $61.2 million for FY 2003 debt service*
    - $26.8 million for Series 2001A
    - $34.4 million for Series 2000

- $222.1 million of the FY2001A issuance is to be used for FY2003 contractual obligations.

  * The Transportation Commission has established the federal/state-funding split at approximately 50%.

If additional bonds are issued, the Department Budget will be revised.

FEDERAL REVENUES

The Transportation Equity Act for the 21st Century (TEA 21), signed into law June 9, 1998, provides continued federal transportation funding for six years (FFY 1998 through FFY 2003). This act represents a major attempt by both Congress and the President to address the transportation problems facing the nation with federal funds.

TEA 21 authorizes $217 billion nationwide ($198 billion for Surface Transportation) over the life of the bill, which represents a 40 percent increase over the previous transportation act (ISTEA). Colorado's formula allocations under ISTEA averaged $200 million a year ($192.4 million after obligation limitations). Under TEA 21, Colorado expects to receive an average of $293 million per year in formula allocations. Actual obligation authority is expected to average 88 to 90 percent of authorizations or $258 to $290 million per year (obligation limitation is the mechanism for controlling the rate of highway spending each year).

TEA 21 provides a guaranteed level of federal funds keyed to receipts of the Highway Account of the federal Highway Trust Fund (HTF). The act also specifies that each State's share of apportionment for specified programs is at least 90.5 percent of its percentage share of contributions to the Highway Account, based on the latest data available at the time of apportionment.

Federal funding is derived primarily from the federal fuel tax that is currently 18.4 cents per gallon on gasoline and 24.4 cents per gallon for diesel. Federal Highway Trust Fund excise taxes have been extended through September 20, 2005.

FEDERAL OBLIGATION

The federal fund figures assume an estimated 90% federal obligation limit for total federal funds in FY 2003. The obligation authority limit reduces estimated FY 2003 federal funds for Colorado by $30.8 million, for a total of $296.0 million instead of $326.8 million. There is a further mandated reduction of $854,000 for the Recreational Trails program, thus resulting in a net $295.1 million of federal funds for FY 2003.

STATE REVENUE

HIGHWAY USERS TAX FUND (HUTF)

The major source of revenue for CDOT is the Highway Users Tax Fund (HUTF), which is projected to total $768.2 million in FY 2003. The major source of revenue for the HUTF is the State's motor fuel tax. This tax is estimated to generate $556.5 million 72.4%, of the total HUTF in FY 2003. The remaining 27.6%, or $211.7 million, is comprised of motor vehicle registrations and other fees.

During the budget process, the General Assembly appropriates funds from the HUTF to two State agencies, other than the Department of Transportation, whose functions are related to highways. These are, the Department of Revenue's Ports of Entry, Division of Motor Carrier Services, that enforces trucking load permits and taxation, and the Department of Public Safety, Colorado State Patrol, which enforces highway laws. These appropriations are referred to as "off-the-top" deductions and, by statute, cannot increase more than 6% annually (7% prior to S.B.95-47). With other changes made by S.B. 95-47, the off-the-top distributions were adjusted to remove, over a three-year period, all agencies other than the State Patrol and Ports of Entry, thus leaving a larger share for road uses. For FY 2003, "off-the-top" is estimated to be $83.9 million (plus $0.6 million not subject to the 6% limitation) or approximately 10.9% of the total fund. After these appropriations are deducted from the "Basic Fund" (i.e., the original seven-cent per gallon fuel tax enacted in 1969, and all fees), the remaining dollars are distributed 65% to CDOT, 26% to the counties, and 9% to the cities.

From 1979 to 1987, a percentage of Colorado's sales and use tax had been transferred by statute to help finance Colorado's highway system. In 1987, the Colorado General Assembly eliminated this transfer but continued limited General Fund highway support through FY 1991. In 1981, a 2-cent tax was added on each gallon of gasoline and diesel fuel and, in 1983, a 3-cent tax was added on each gallon of gasoline and 4 cents on each gallon of diesel. In 1986, a 6-cent tax was added on each gallon of gasoline and 7.5 cents on each gallon of diesel. In 1989, the General Assembly passed House Bill 1012 during the Special Session to increase the gasoline tax to 20 cents per gallon. The diesel tax of 20.5 cents was decreased to 18 cents on January 1, 1990. As part of the same legislation, on January 1, 1991, the **gasoline tax** was raised to **22 cents per gallon** and on January 1, 1992 the **diesel tax** returned to **20.5 cents per gallon**. The additional gas taxes are distributed 60% to CDOT, 22% to the counties, and 18% to the cities.

The portion of the HUTF that is distributed to CDOT plus interest and miscellaneous fees and federal reimbursements constitutes the State Highway Fund (SHF). In FY 2003, this is expected to be $421.3 million, or 61.6% of the entire HUTF.

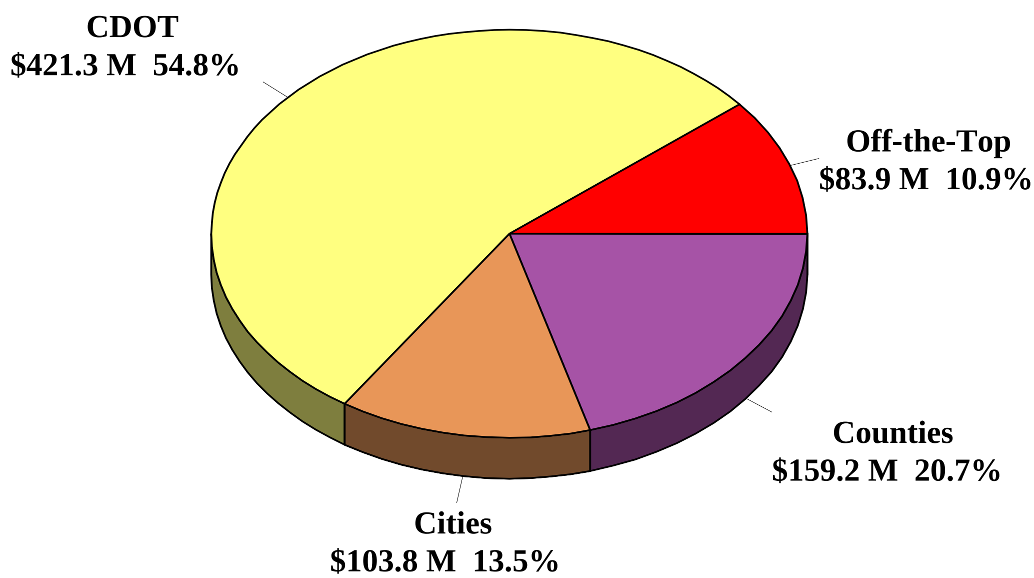
In addition to the assistance from S.B.95-47 in reducing "off-the-top" deductions, the General Assembly and Governor approved S.B.97-001. This Act provided assistance to CDOT with construction funds through the transfer, from the GF to the SHF, of a portion of sales and use tax revenues collected on the sales or use of motor vehicles and related items beginning July 1, 1997, and ending in FY 2001-02. H.B.98-1202 extended the sales and use tax transfer through

June 30, 2008, and H.B.99-1206 made the transfer permanent. Cities and counties do not receive additional Highway Users Tax Fund distributions from the transfers. All of the funds transferred are to be used for the Strategic 28 Priority Projects Program. However, due to competing GF needs and the uncertainty of the receipt of these funds, in FY 2003 the transfer is estimated at $0.0.

The State Highway Fund is used primarily for the maintenance of the State highway system, and for matching available federal construction funds.

Colorado Highway Users Tax Fund
FY 2003 Distribution

$768.2 Million



GAMING FUNDS

The Department of Transportation is requesting an appropriation of $6.5 million from the General Fund retention (the 50% portion of the Limited Gaming Fund transferred to the General Fund) to handle the construction and maintenance needs associated with the increased traffic on State highways in the vicinity of the gaming communities. This request was made in accordance with S.B. 94-60, and was approved by the Gaming Commission and OSPB. The funded amount is reduced in the initial Long Bill to $1,010,000, but is included at the request level in this budget, pending further Legislative action.

AERONAUTICS REVENUES

STATE

Like other programs within the Department of Transportation, this program receives no General Fund revenue to support its aviation activities. Financial support for aeronautical activities is provided through the State Aviation Fund, which generates revenues through an excise tax on general and non-commercial aviation fuels. Four cents per gallon is collected at the wholesale level on non-commercial jet fuel and six cents per gallon is assessed on aviation gasoline (AvGas) for light single-engine and twin-engine aircraft. All but 2 cents of this revenue is returned to the airport of origin earmarked for airport development. The remaining 2 cents is placed into the Aviation Fund to be disbursed as "grants-in-aid" to the aviation community and as administrative expenses for the CDOT Division of Aeronautics (DOA) (capped at five percent of the annual deposits into the Aviation Fund). The 3% jet fuel sales tax collected on sales of jet fuels to all non-commercial users is similarly disbursed.

Of the $11.7 million anticipated in the Aviation Fund for FY 2003, approximately 65% of the revenue is reimbursed by the DOA to the "airports-of-origin." The remaining 35% of revenues are disbursed from the Aviation Fund by the Colorado Aeronautical Board (CAB) as grants-in-aid, and for administrative funding for the DOA, which is limited to 5% of the annual deposits to the Aviation Fund.

Using State revenue from the sale of aviation fuel and jet fuel, the Division of Aeronautics distributes about $3.0 million each year in discretionary grants to airports throughout Colorado. These grants are made to help fund a variety of projects such as runway repair, emergency equipment upgrades, airport terminal rehabilitation and runway lighting. The CAB generally requires that local matching funds are included in proposals to the CAB, to demonstrate local support for project requests.

It should be noted that the Aviation Fund projections have been reduced from original estimates due to the impact of the September 11, 2001 events upon the aviation industry, and thus the fuel tax revenue flow. The projections may be revised further as more information regarding trends and duration are available.

FEDERAL

Federal support for Colorado’s aeronautics program is minimal, excepting the funds for Denver International Airport, which is not part of the CDOT Division of Aeronautics. CDOT is estimated to receive $0.225 million in federal funds for FY 2003. For FY 2003, there are 3.0 FTE funded from these federal funds.

Federal support of the Aeronautics Program is designed to accomplish aeronautical projects of federal interest. These projects require a 10% match from the State Aviation Fund, which is provided by the CAB from the Discretionary Grant Program.

SAFETY EDUCATION PROGRAM - REVENUES

STATE

In addition to highway safety education programs with federal funds that are now matched with SHF (which were matched with General Fund, prior to H.B.00-1164) there are two major safety programs, which are entirely State funded: the Law Enforcement Assistance Funds (**LEAF**) and the Motorcycle Operator Safety Training (**MOST**) Program.

LEAF was created by the Legislature in 1982 to help cities and counties enforce drunken driving laws. The Office of Transportation Safety (OTS), within the Safety and Traffic Branch of CDOT, is assigned the responsibility of allocating LEAF money to law enforcement agencies statewide. Today, there are approximately 40 law enforcement agencies in the State receiving LEAF money, with $1.7 million in LEAF funds to be allocated in FY 2003.

No tax dollars go into LEAF. A $90 fee is assessed upon conviction or a guilty plea for an alcohol-related traffic offense. The State receives $75 of the $90 fee and the county receives the remaining $15.

In 1990, the General Assembly created the Motorcycle Safety Training (MOST) Program to promote safe motorcycle riding and established a five-member MOST Program Advisory Committee. Effective July 1, 1997, surcharges of $1 on each motorcycle-endorsed driver’s license and $4 on each motorcycle registration are credited to the MOST fund. For FY 2003, MOST funds total $0.335 million of this amount, a portion of this is set aside for motorcycle training organizations to be used as 50% tuition reimbursement. The remaining funds are for administrative costs. The MOST revenue projections are decreased from FY2002 due to the sunset (elimination) of $2 of the current registration surcharge; however, S.B. 02-122 was passed in April 2002 to reinstate the surcharge, and an increase in spending authority is pending.

PERSISTENT DRUNK DRIVER PREVENTION PROGRAM *(STATE FUNDS)*

The Persistent Drunk Driver Program was established to develop methods to deter persons from repeat drinking and driving. The funds for this program are derived from a penalty surcharge imposed by judges upon persons with multiple drunk driving convictions. The fund proceeds are appropriated by the General Assembly to CDOT, the Department of Revenue and the Department of Human Services, for implementation of programs addressing the prevention of repetitive drunk driver offenses. A Decision Item for the CDOT portion of this program is requested to be $100,000 for FY 2003.

FEDERAL REVENUES

Four major programs in the Safety Education Program that receive federal funds:

- Transportation Safety Administration
- Highway Safety Plan
- Alcohol Incentive Grant Program
- Fatal Accident Reporting System (FARS)

INTERMODAL REVENUES

TRANSIT – FEDERAL REVENUES

Colorado's transit systems are primarily funded through the Federal Transit Administration (FTA), formerly the Urban Mass Transportation Administration (UMTA). Operating and capital assistance for urbanized areas (Colorado Springs, Boulder, Denver, Fort Collins, Grand Junction, Greeley, Longmont and Pueblo) is awarded by the FTA directly to those areas. Federal assistance for transit services in non-urbanized areas, transit planning and transportation for the elderly and disabled, is administered by CDOT. Federal funds for transit programs are partially derived from 1.5 cents per gallon tax set aside in the federal Highway Trust Fund and are awarded to states based on population. For FY 2003, Colorado will receive $42.2 million in federal transit funds, of which $4.7 million are administered by CDOT, and the remaining funds are allocated directly to the local entities by FTA.

Under ISTEA, the Federal Transit Program is allocated into six major programs:

- USC 49-5311- Assistance for Non-urbanized Public Transportation;

- USC 49-5310 - Assistance for Transportation of Elderly Persons and Persons with Disabilities;

- USC 49-5303 - Transit Planning Assistance for Urbanized Areas;

- USC 49-5313&14 - Statewide Transit Planning Assistance;

- USC 49-5307 - Formula Funding for Urbanized Areas; and

- USC 49-5309 - Discretionary Capital Grant Program.

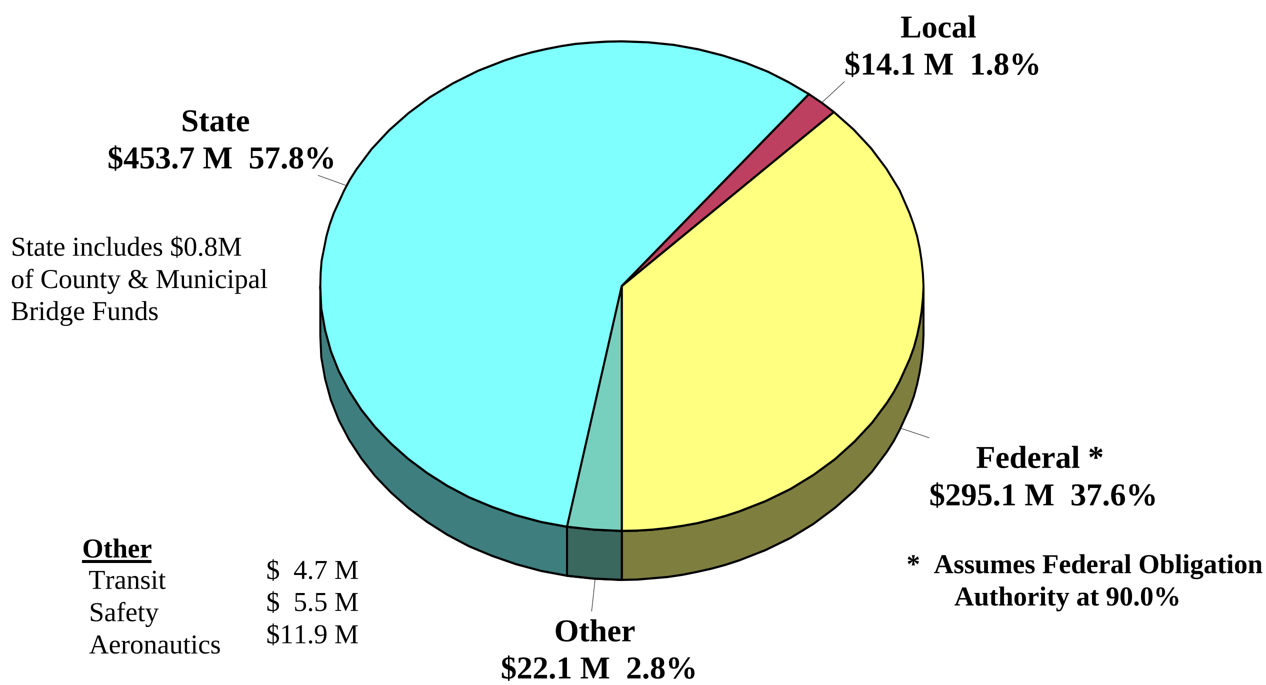
RAIL BANK FUNDS – STATE REVENUES

The Department of Transportation did not request additional funds for this program in FY2003. The program, when funded, is used to purchase abandoned railroad right-of-way and properties along transportation corridors pursuant to S.B.97-37. There is a balance of approximately $1.0 million available from this fund, but there are no properties currently identified for acquisition.

Colorado Department of Transportation

FY 2003 Revenues

$785.0 Million



* Total Revenue does not include TRANs proceeds, which are used over multiple years, with an estimated $222.1 million of the FY2001A issuance to be utilized for FY2003 contractual obligations. This also does not include Internal Cash Fund (ICF) "spending authority" of $3,071,697, which is derived from payments by internal or other government organizations.

FY 2003 Program Allocation Summary

REVENUES		FY 2003
State Funds	453,699,613	
Federal Funds	295,100,452	
Transit - Federal & Local	4,728,056	
Aeronautics (State & FF)	11,879,593	
Transportation Safety	5,481,000	
Local Funds	14,092,000	
Capital Construction Funds *(none in FY 2003)*	$0	
TOTAL AVAILABLE		**$ 784,980,714**

EXPENDITURES

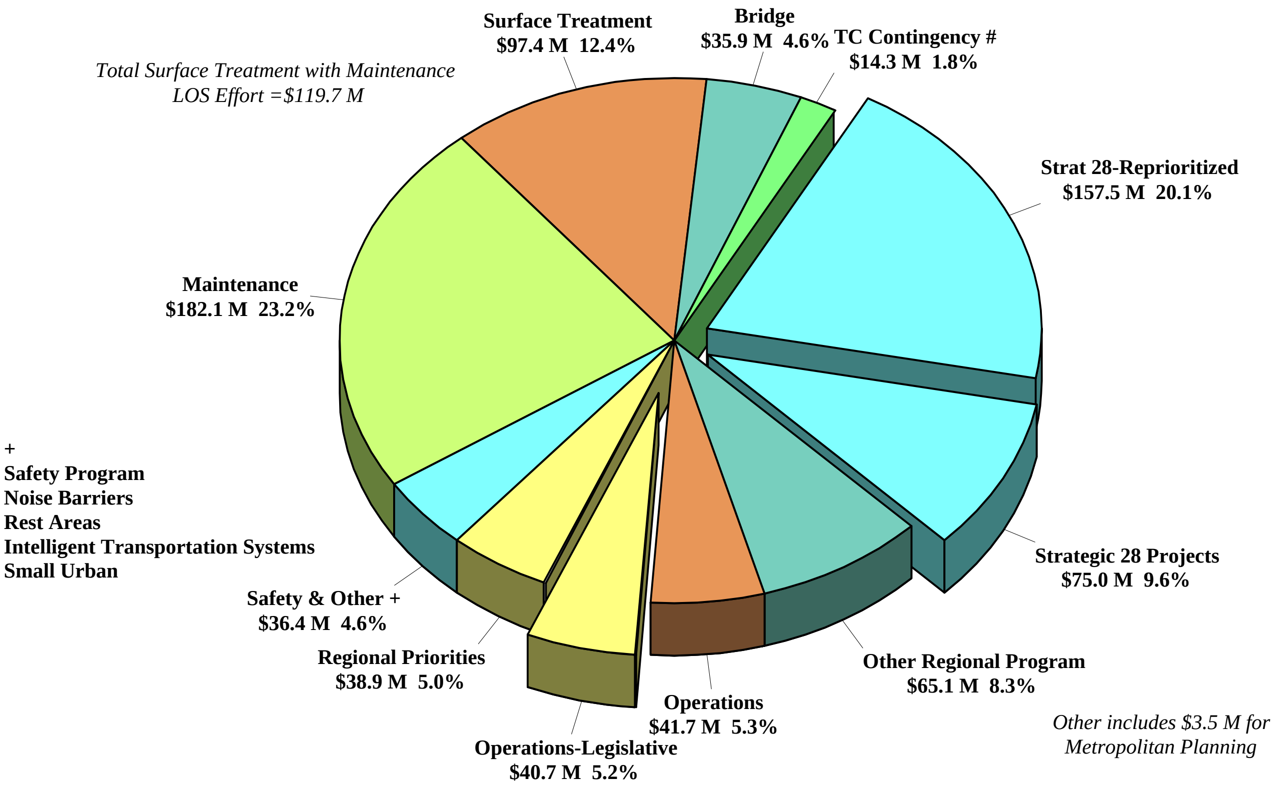
Strategic 28 Projects (7th POT) *		**$232,469,000**
Portion of Strategic 28 funded from reprioritization of resources $157,469,000		
Statewide Programs		
/1 Surface Treatment	97,413,000	
Bridge	35,877,000	
Rest Areas	0	
Noise Barriers	0	
Small Urban	2,620,000	
Safety	28,340,000	
/1 Maintenance - *includes $860K Gaming funds*	182,124,646	
Intelligent Transportation Systems (ITS)	5,458,000	
CDOT Operations - *includes $5.6M Gaming funds*	82,403,834	
TC Contingency	14,276,295	
		$448,512,775
Regional Programs		
Other Regional Priorities	38,899,000	
Metropolitan Planning	3,456,939	
Enhancements	9,630,000	
Metro	28,146,000	
Congestion Mitigation/Air Quality	23,867,000	
Capital Construction Funds *(Pending)*	0	
		$103,998,939
Total		**$784,980,714**

/1 *$22.3 million of the Maintenance Program is dedicated to Surface Treatment, thus bringing the Surface Treatment Program to a total of $ 119.7 million for FY 2003.*

* *Totals do not include TRANs proceeds, which are used over multiple years, with an estimated $222.1 million of the FY2001A issuance to be utilized for FY2003 contractual obligations.*

* *Total also does not include Internal Cash Fund (ICF) "Spending Authority" of $3,071,697 derived from payments by internal or other governmental organizations.*

Colorado Department of Transportation
FY 2003 Budget
$785.0 Million



TRANS proceeds of $222.1 million from FY2001A will be used to fund FY2003 contractual obligations. Maintenance includes $22.3 M from Surface Treatment and $22.3 M from Saftey Program. # The TC Contingency Reserve is used primarily to address emergency response to flooding, rock & mudslides and to address other emergency maintenance or weather related issues.

CONSTRUCTION CATEGORIES

Highway construction projects are selected in order to address a particular problem on the State highway system such as safety, surface deterioration, system enhancement, and bridge deterioration, air quality, etc. Projects are selected and prioritized by local officials through the statewide planning process. These projects are then included in the Statewide Transportation Improvement Program (STIP). All projects must be included in the STIP in order to receive funding. Funding approved by the Transportation Commission for the Construction Program is used to fund specific projects in the STIP.

Projects may be funded from a variety of sources including federal, State, local, reimbursable, and private funds or any combination thereof. Projects utilizing federal funds must meet specific federal requirements. Some of the funds are passed through to other governmental entities.

STRATEGIC 28 PROJECTS PROGRAM

On August 15, 1996, the Transportation Commission adopted the Strategic Transportation Project Investment Program, otherwise known as the "7th Pot." This program identified 28 high priority projects of statewide significance. The primary objective of the Strategic 28 Priority Projects was to expedite the completion of these transportation projects, to establish a minimum annual level of funding for these projects and provide a process for monitoring and reporting project progress. To date, nine of the 28 projects have been fully funded and are now fully or almost complete.

This program focuses transportation resources on a series of project corridors of State significance. These projects address high priority needs in mobility, reconstruction and/or safety; they have high statewide and/or regional priority; and, they are contained in the approved 20-Year Statewide Transportation Plan and the approved STIP.

Pursuant to H.B.99-1325, the proceeds from TRANS are dedicated toward this program. See page 24 for a more thorough description of this financing method.

(Map, status and list of projects in Appendix A.)

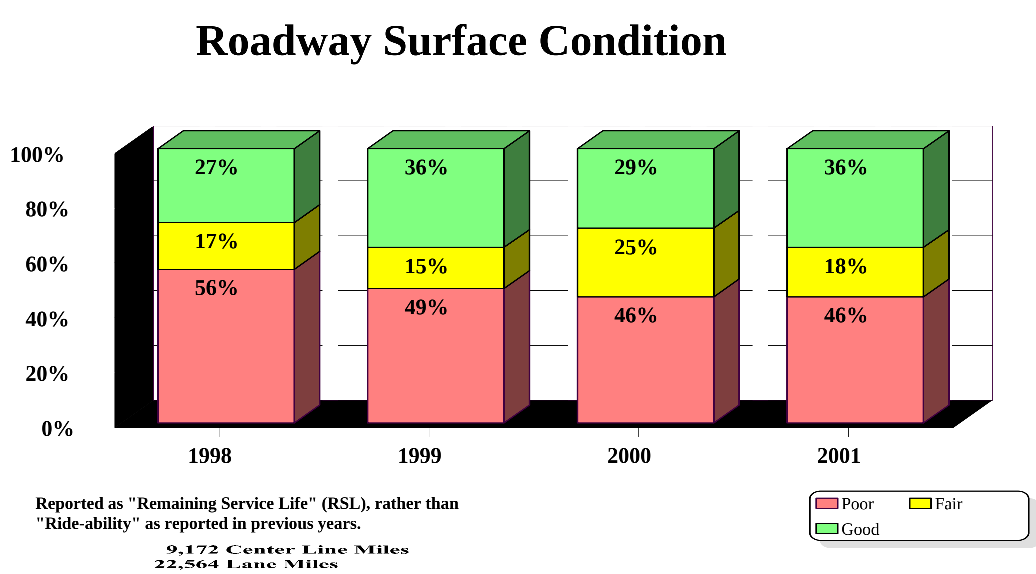
STATEWIDE PROGRAMS

SURFACE TREATMENT PROGRAM

The Surface Treatment Program involves a combination of federal and State funds. Federal Surface Transportation Program funds may be utilized in this program for any roads that are not functionally classified as local or rural minor collectors. The budgets indicated below include a combination of the base program and an additional $22.3 million of work planned by Maintenance, which is tracked as part of the maintenance program.

To preserve and maintain the State highway system, the Transportation Commission allocated $125 million in FY 2002 to the Surface Treatment Program (plus a minimum of $22.3 million transferred to the Maintenance program for surface work.) This is the ninth fiscal year of an increased level of funding for surface treatment. In contrast, in FY 1993, only $46.4 million was budgeted for the program. The decision to increase the amount for resurfacing was based on 1993 data showing that 64% of the state highway system had pavement rated as "poor." The increased emphasis has had a positive effect. Currently, the pavement on the State system is rated 54% as "fair/good" and 46% as “poor” now using “Remaining Service Life” (RSL) rather than “Ride-ability” as reported in previous years, which indicated a higher percentage of good/fair yet was not an indication of the how long the improved condition would last.

The Transportation Commission has determined that the overall objectives for surface condition are 60% good/fair and 40% poor. The Commission has set the following objectives for the pavement condition of the State highway system: Interstate 85% good/fair - 15% poor; National Highway System 70% good/fair - 30% poor; All Other Roadways 55% good/fair - 45% poor. The following graph depicts the changes in condition.



BRIDGE PROGRAM

Congress through the Highway Bridge Replacement and Rehabilitation Program (HBRRP) funds the State's Bridge Program. For HBRRP purposes, a bridge is defined as a structure including supports erected over a depression or an obstruction, such as water, highway, or railway, and having a track or passageway for carrying traffic or other moving loads, and having an opening measured along the center of the roadway of more than 20 feet (6.1 meters) between undercropings of abutments or spring lines of arches, or extreme ends of openings for multiple boxes; it may also include multiple pipes, where the clear distance between openings is less than half of the smaller contiguous opening.

The HBRRP, although it has changed somewhat throughout the years, has funded structurally deficient and functionally obsolete bridges that qualify for what is known as the "Federal Select List of Bridges" (the Select List). On a two-year cycle, CDOT and consulting engineers inspect all of the public bridges within the state in accordance with the National Bridge Inspection Standards (NBIS) and, each year, CDOT reports the conditions of the bridges to the Federal Highway Administration (FHWA). From that information, those bridges that are determined to be either Structurally Deficient (SD) <u>or</u> Functionally Obsolete (FO) <u>AND</u> have a Sufficiency Rating of eighty or less are placed on the Select List. The Sufficiency Rating is a value from zero to one-hundred (with zero being the worst) that rates bridges based on structural safety, serviceability, and essentially for public use. To be classified SD or FO, bridges must meet specific criteria defined by FHWA. Those structures that have a Sufficiency Rating LESS THAN fifty qualify for HBRRP replacement funding while those with a Sufficiency Rating from fifty to eighty qualify for rehabilitation funding. The Bridge Design and Management Branch provides this information to the State's Regional Transportation Directors, the cities and counties through the Special Highway Committee, and to Transportation Planning organizations for their use in selecting and prioritizing bridge projects within their jurisdictions to be included in the Statewide Transportation Improvement Program (STIP).

The Code of Federal Regulations (CFR) states that not less than 15 percent nor more than 35 percent of the apportioned funds shall be expended for projects located on public roads, other than those on a Federal-aid system (Off-System). No less than 65% is spent on Federal-aid bridges (On-System). Historically, the numbers of bridges qualifying for the Select List has been fairly constant. That is to say, that the numbers of bridges in the poor, fair, and replaced categories shown in the table do not change dramatically from year to year because as bridges are being replaced, others are deteriorating and becoming eligible for the Select List.

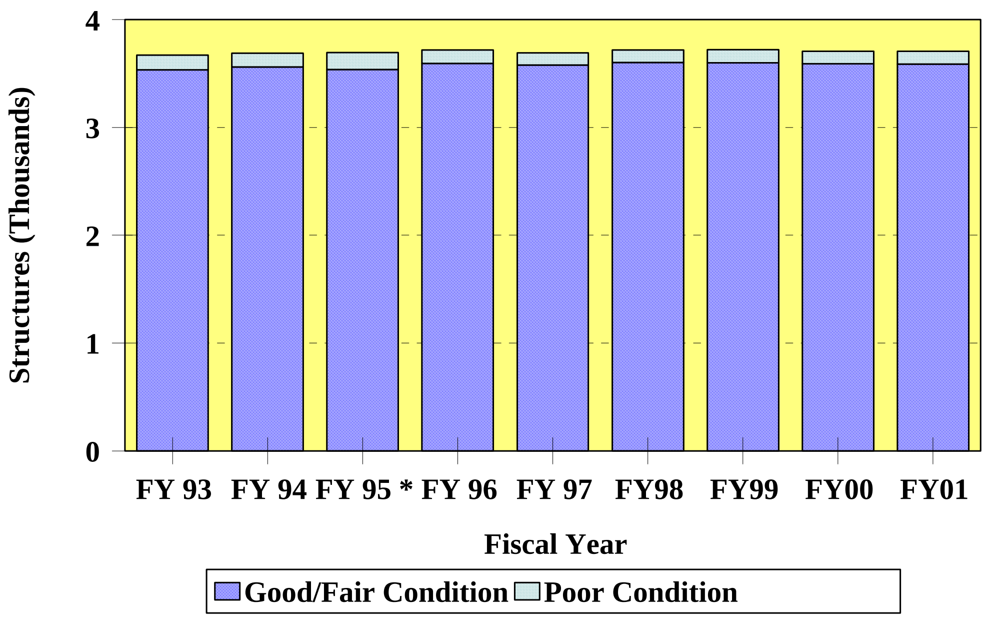
Based on the current Bridge Management Model (PONTIS) the currently estimated cost of replacing and rehabilitating structures on the State Highway system requires $638 million or approximately $31.9 million per year not including inflation.

(See Bridge Condition Chart on next page)

Bridge Program

Colorado State Highway System

Condition based upon: Structure Sufficiency Rating (SSR)



* The apparent increase in Poor & Fair in FY 95 is due to FHWA formula adjustments for Load Carrying Capacity.
The number of Replacements varies partly due to the difference in cost per structure as based on size and location.

	1993	1994	1995	1996	1997	1998	1999	2000	2001
Good/Fair	3,533	3,562	3,537	3,595	3,578	3,603	3,601	3,591	3,589
Poor	138	127	158	123	114	117	120	115	118
TOTAL	**3,671**	**3,689**	**3,695**	**3,718**	**3,692**	**3,720**	**3,721**	**3,706**	**3,707**

Good - Structure Sufficiency Rating > 80 and or N/O
Fair - Structure Sufficiency Rating > 50 but < 80 and SD or FO
Poor - Structure Sufficiency Rating < 50 and SD or FO

REST AREAS PROGRAM

The Transportation Commission has a multi-year program to complete rest areas on the Interstate system to the level identified in the Rest Area Study by the year 2004. The Commission's statewide prioritization had approved $3.8 million for this effort FY 2003, but it was eliminated due to the fund shortage. However, the program does include $3.35 million for rest area maintenance and rehabilitation each year, which is identified in the Maintenance Levels of Service direction of effort.

NOISE BARRIER PROGRAM

The Noise Barrier Program is a multi-year program approved by the Transportation Commission for the completion of Type II noise barriers. This is intended to reduce the noise problems for those properties along CDOT right-of-way. The Commission's statewide prioritization called for allocation of approximately $2.6 million each year through 2002, and thus will not receive an allocation for FY 2003.

SMALL URBAN AREAS

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) discontinued the Federal-aid Urban Program except for those areas with a population greater than 200,000. As a result, the remaining urbanized areas were unable to fund many local projects. The Metropolitan Planning Organizations (MPOs) approached the Transportation Commission requesting funding from the Surface Transportation Program to meet some of the MPO needs. The Transportation Commission elected to allocate $2.6 million per year distributed to the urban areas with a population of greater than 35,000 but less than 200,000. Due to the fund shortage this program is scheduled to be discontinued after FY 2003.

SAFETY PROGRAM - Safety Education Program & Roadway Safety

Under TEA-21, once the Surface Transportation Program (STP) funds are distributed to the states, each state must set aside 10% for safety construction activities, i.e., hazard elimination and rail-highway crossings.

The current statewide priorities for this include programs that reduce fatalities, injuries and property damage for all users of the system. The investment category includes two areas of focus. The first focus area includes those programs used to influence driver behavior. The second area focuses on highway improvements to improve the safety of the motoring public.

DRIVER BEHAVIOR PROGRAMS – Safety Education Program

In combination with traditional roadway safety improvements, this program promotes safety through education and enforcement programs such as media campaigns ("TWIST", "Heat is On", "CHILL"), and education programs through media campaigns and school districts for groups which are disproportionately represented in crashes.

This Office of Transportation Safety (OTS), within the Safety and Traffic Branch of CDOT, is assigned the responsibility for the promotion and coordination of transportation safety education throughout the State. The Highway Safety Plan developed by this office is a long-range plan mandated by the Federal Highway Safety Act of 1966, which is designed to reduce traffic accidents and deaths, injuries and property damage.

The OTS develops projects with State and local governmental agencies, non-profit organizations and universities for inclusion in the Highway Safety Plan. These projects are designed to address problems identified in major safety areas such as alcohol/drug countermeasures, police traffic services, roadway safety, occupant protection, traffic records, emergency medical services, and motorcycle safety. Federal funding is made available for these projects with local matching funds.

The OTS administers two State-funded programs. These are the Law Enforcement Assistance Fund (LEAF) and the Motorcycle Operators Safety Training (MOST) Program. LEAF provides grants to assist local law enforcement agencies in the enforcement of drunken driving laws. Funding for this program comes from fines collected from every person who is convicted of, pleads guilty to, or receives a deferred sentence for a violation of alcohol/drug driving laws.

Funding for the MOST Program is provided from a $1.00 surcharge on all drivers' licenses that have a motorcycle endorsement, and a $4.00 surcharge on all motorcycle registrations. The surcharge is currently projected to decrease to $2.00 as there is a Sunset provision on $2.00 of the fee.

SANCTIONS

Open Container Law: TEA-21 required states to enact a law prohibiting open alcohol containers in a vehicle by October 1, 2000. Because a law was not enacted in Colorado, a portion of the CDOT's IM, NHS and STP roadway funds budget have been transferred to transportation safety education programs. CDOT expects the penalty to continue after the current TEA-21 authorization with the following impact:

FY 2001	$3,619,000
FY 2002	$3,686,000
FY 2003	$7,510,000

MANDATE

.08 Blood Alcohol Content (BAC) Mandate: Under a new federal law enacted by Congress in 2000, states that do not adopt a .08 BAC standard for DUI will lose a portion of their highway funds each year, beginning in fiscal year 2004. If states enter into compliance by the end of 2007, funds withheld by sanction are restored in the state's apportionment.

The estimated loss of funding for Colorado if .08 BAC legislation is not enacted by 2007 would be:

FY 2004	$4,947,739	(2%)
FY 2005	$9,895,477	(4%)
FY 2006	$14,843,216	(6%)
FY 2007	$19,790,955	(8%)

TRANSPORTATION SAFETY ADMINISTRATION

This program is funded with federal Section 402 funds and is matched dollar for dollar with State Highway Funds. This program funds the general administration of the Office of Transportation Safety within CDOT as well as the overall management of the various projects within the office. For FY 2003, this program will total $0.5 million matched at a 50% federal and 50% state ratio.

HIGHWAY SAFETY PLAN

This program annually funds approximately 40 joint projects between local agencies and the Office of Transportation Safety, for eight highway safety areas, which include:

- Alcohol/Drugs and Driving
- Occupant Protection
- Police Traffic Services
- Emergency Medical Services
- Traffic Records
- Motorcycle Safety
- Pedestrian and Bicycle Safety
- Roadway Safety

Federal funds for the first seven safety areas come from the National Highway and Traffic Safety Administration (NHTSA) 402 funds. Funds for the Roadway Safety area come from the FHWA 402 program and deal with non-construction safety areas, such as proper traffic signs and signals, traffic engineering and maintenance training. For FY 2001, $2.8 million in federal funds are allocated to this program and are matched on a 75% federal and 25% State or local ratio.

ALCOHOL INCENTIVE GRANT PROGRAM

The program aims to reduce alcohol-related driving and crashes. For FY 2003 this program is funded entirely with federal funds from the 410 Program at $0.8 million.

FATAL ACCIDENT REPORTING SYSTEM (FARS)

The FARS program is 100% federally funded from section 403 funds, and is currently under a three-year cooperative agreement with NHTSA with an option to renew for an additional two years. Funds for this program become available annually on a calendar year basis. For FY 2003, funding is expected to total $.085 million.

PERSISTENT DRUNK DRIVER PREVENTION PROGRAM – Legislatively Appropriated

The Persistent Drunk Driver Program was established pursuant to H.B. 98-1334 to develop methods to deter persons from repeat drinking and driving. The funds for this program are derived from a penalty surcharge of between $25 and $250 imposed by judges upon persons with multiple drunk driving convictions. The fund proceeds are appropriated by the General Assembly to CDOT, the Department of Revenue and the Department of Human Services, for implementation of programs addressing the prevention of repetitive drunk driver offenses. There is a Decision Item requesting $100,000 for funding of this program.

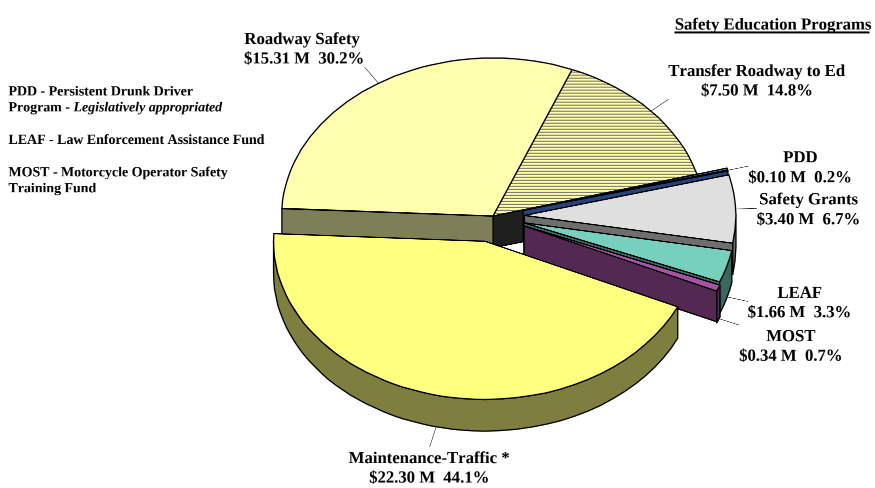
SAFETY - ROADWAY Safety Program

This program identifies roadway improvements to improve decision-making and reaction times of the motoring public. Roadway improvements include such projects as replacement of signs and roadway markings, sight-distance improvements, acceleration/deceleration lanes, intersection improvements, lighting, etc.

Colorado Department of Transportation

FY2003 Safety Program

$ 50.6 Million *



* $22.3M of Safety Program funds are indicated in the Maintenance Program total .

MAINTENANCE PROGRAM

Our Maintenance Program protects the significant investment in our current infrastructure. The program is designed to keep the 9,200-mile State highway system open and safe for the traveling public. This involves all activities from the centerline of the highway to the right-of-way fence on both sides of the highway. Examples of highway maintenance activities include: patching by hand or machine, sealing of pavement cracks and joints, seal coating, blading unpaved surfaces and shoulders, cleaning drainage structures, cleaning and shaping ditches, repairing slopes because of washout or erosion, maintaining stream beds, sweeping the road surface, picking up litter and trash, controlling vegetation, maintaining roadway signs and lighting, painting bridges, snow plowing and ice control, removing of snow and sanding, and controlling avalanches. This preservation effort is not only vital to the integrity of the infrastructure; it is an imperative component of highway safety for the traveling public.

While maintenance work by nature is somewhat reactive, CDOT's maintenance personnel strive to provide a consistent level of service to the traveling public that ensures a safe and efficient highway system. For example, when weather deals a challenge, such as in a snowstorm, flood, or avalanche, our Maintenance forces prioritize their objectives and utilize all available resources to address safety and access of the system as quickly as is possible.

In an effort to provide statewide consistency in service, for FY2003, CDOT has continued a Performance Budgeting System for the Maintenance Program. The "Maintenance Levels of Service" (MLOS) system includes an annual physical rating and/or survey to observe results or conditions for approximately fifty activity or system items. The measured items are then categorized into nine "Maintenance Program Areas" (MPAs), which are: planning, scheduling, inspection, and training, roadway surface, roadside facilities, roadside appearance, traffic services, bridge, snow and ice, buildings, grounds, rest areas and equipment, and major tunnels. There are five service levels established for each MPA, with calculations translated to a scale of A through F, with A being the best or highest service level and F being the worst. In order for field staff to properly carry out the Commission's priorities there are definitions and pictures clearly delineating the various levels of effort.

The ratings for each MPA are then applied as the base level to a modeling system that provides costs matrices to identify budget requirements to achieve changes to the target MLOS. This provides the Transportation Commission with the necessary cost/benefit analysis to allow prioritization of level of effort and related funding in all major MPAs. The MPAs are also identifiable in the Department's overall investment categories to allow a link with investment strategies and result oriented allocations.

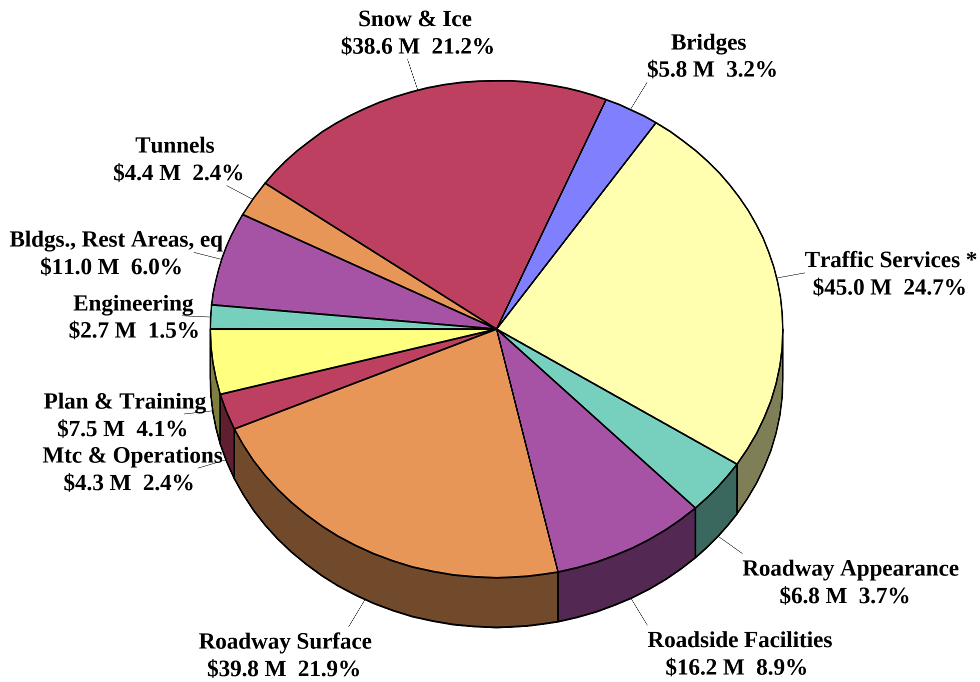
Prior to MLOS results were reported in terms of quantity, as illustrated below, without the results being noted in terms of system quality, mobility or program delivery. During FY 2000 these Transportation Workers:

- Extended the life of highways utilizing 389,000 tons of asphalt and 3.5 million gallons of liquid asphalt in asphalt preservation activities.
- Striped over 36,000 miles of roadway.
- Snowplowed, sanded and/or de-iced Colorado highways traveling 4.4 million miles.
- Picked up 126,000 cubic yards of trash with the help of 20,000 Adopt-A-Highway volunteers.
- Installed, replaced and repaired 87,000 signs and/or posts damaged by accident, vandalism or deterioration.
- Replaced, installed or repaired over 12.9 million linear feet of fencing along right of way.
- Provided over 45,000 hours of traffic surveillance through Colorado's two major vehicular tunnels along the I-70 corridor. This in turn provided quick response to the 420 emergencies that occurred, helping to ensure safe passage for the motoring public.

These activities support the level of service in the MPAs and drive the MLOS rating applied by the system survey. The following chart indicates the investment anticipated in each MPA, in order to achieve the target levels, ranging from A through C, as established by the Commission.

MPA	Current LOS	Projected LOS
Planning & Training	B	B-
Road Surface	B+	B
Roadside Facilities	B+	B
Roadside Appearance	B+	B
Traffic	B	C+
Structures	C-	C-
Snow & Ice Control	B+	B
Equipment, Bldgs., Grounds	C+	C
Tunnels	B-	C+
Total Maintenance Program - Statewide	**B**	**B**

FY 2003 Maintenance - LOS
$182.1 Million*



*** Plan based upon Target Level of Service allocation model, including $22.3 M of Surface Treatment Funds, $22.3M of Safety Funds transferred to Traffic Services, and $860,000 of Gaming Funds.**

INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

$5.5 million is provided to continue the Revised Model Deployment Initiative (RMDI) work into its second phase of a five-year plan which will design, build, operate, and maintain, and/or finance the implementation of an expanded ITS program. This program will include expansion of the existing ITS infrastructure throughout the state and a management center (CTMC). This is the fifth year of an ongoing item for five years, for a total allocation of $25 million.

Does not include $2.8 M for CDOT Staff and operating costs identified in CDOT Operations in the Engineering Program.

OPERATIONS PROGRAM - CATEGORIES

ADMINISTRATION PROGRAM - *Legislatively Appropriated*

The administrative portion of CDOT as defined by State statute, includes salaries and expenses of the following offices and their staffs: Transportation Commission, executive director, chief engineer, regional directors, budget, internal audit, public information, equal employment, special activities, accounting, administrative services, building operations, management systems, personnel, procurement, insurance, legal, and central data processing (C.R.S. 43-1-113(2)(a)(III)).

The administrative function includes the oversight of over 1,600 projects, as well as a maintenance program exceeding $182 million. These offices and divisions handle administration and functions such as accounting, budgeting, auditing, personnel, information systems, public relations, facilities management, and printing, among others.

By statute (C.R.S. 43-1-113(6)(a)), the amount budgeted for administration, as defined in statute, in no case shall exceed five percent of the total budget allocation plan. The percentage budgeted for administration in recent years has been FY 1995 - 3.4%; FY 1996 - 3.1%; FY 1997 - 2.8%; FY 1998 - 2.7%; FY 1999 - 2.6%; FY2000 - 2.2%; FY2001 - 2.1%; FY2002 – 2.1% and FY 2003 – 2.8% *(revenue decrease)*. These percentages include units funded with Internal Cash Funds (ICF), which are not included in the State Highway Fund (SHF) budget figures, (funded through payments from operating budgets in other organizations.) The Printing and Visual Communications Center, is the only Administration ICF at $1,416,703 and their 15.0 FTE are part of the 219.7 FTE total for Administration.

Miscellaneous administration expenses appropriated by the General Assembly include Workers' Compensation for the administrative units, Statewide Indirect Costs, and general insurance. The State Office of Risk Management in the Department of Personnel/General Support Services determines general insurance, which includes Property and Liability coverage and Workers' Compensation assessments. Statewide Indirect Costs are based upon the Statewide Indirect Cost Plan established by the State Controller's Office. These costs are largely outside of CDOT's control.

PROJECT SUPPORT – Administration – Commission Appropriated

Project Support organizations are assigned for reporting purposes to Department administration units. However, they incur project-related costs, which are eligible to be charged directly to specific projects or indirectly against all projects (based upon the activity or activities benefiting all projects). Project/program support units include the Office of Financial Management & Budget, Information Systems - Network Computing Systems, Equal Opportunity/Business Programs Office, Audit Division, and Legal Services with charges related to projects. In those cases where the specific project has federal funding, part of these direct or indirect project costs are federally funded.

AERONAUTICS PROGRAM - *Legislatively Appropriated*

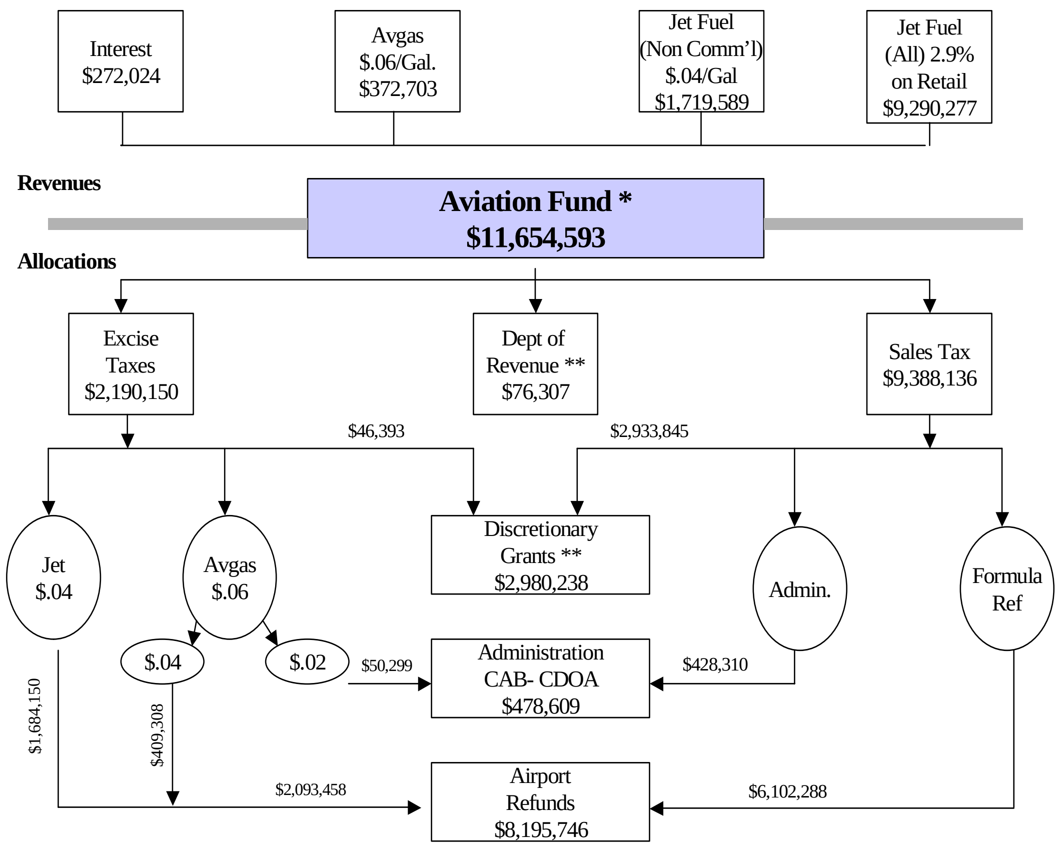
The Division of Aeronautics (DOA) was created by the General Assembly in 1988 and transferred from the Department of Military Affairs to CDOT in 1991, when the Department of Transportation was created. The objectives of the DOA are to set priorities for improving the State's air transportation system; to increase the level of financial assistance to aviation users and providers in the State; to provide technical assistance to airport operators and aviation users who are unable to meet their needs with local resources; to enhance aviation safety through education; and to promote economic development through the development, operation and maintenance of the State aviation system. *(See revenue information on the next page.)*

The DOA operates under the direction of the Colorado Aeronautical Board (CAB), a seven-member body appointed by the Governor and confirmed by the Senate. In addition to other duties, the CAB operates the Discretionary Grant Program, which provides grants to local communities for aviation purposes.

Financial support for the Division of Aeronautics and other aeronautical activities is provided through the State Aviation Fund, which generates revenue through an excise tax on general and non-commercial aviation fuels. Four cents per gallon is collected at the wholesale level on non-commercial jet fuel and six cents per gallon is assessed on aviation gasoline (AvGas) for light single-engine and twin-engine aircraft. All but two cents of this revenue is returned to the airport of origin for airport development. The remaining two cents is placed into the Aviation Fund that is appropriated by the General Assembly for distribution by the CAB mainly to airports for special aviation projects, for grants to, and for the administrative expenses of, the DOA (statutorily capped at five percent of the annual deposits into the Aviation Fund). The three-percent jet fuel sales tax collected on sales of jet fuels to all non-commercial users is similarly dispersed. In addition, the DOA receives some federal funding to perform special projects, and there is a Decision Item for $250,000 of Capital Construction Funds (to be matched by the CAB with $100,000 from Discretionary Grants) to construct additional Automated Weather Observation Stations (AWOS) in Colorado's mountainous terrain. The AWOS funds are pending, and not included in the department revenue totals. *(See Decision Items)*

The Division of Aeronautics Revenue and Expenditure Chart is on the next page.

FY 2003 Aeronautics Revenues & Allocations



* Does not include $225,000 in federal grants request for FY 2003.
** Revenue allocation is a deduction from Discretionary Grants and is subject to Legislative adjustment.

INTERMODAL PROGRAM

This program includes a number of small federal grant programs involving transit and rail planning. The transit programs also disburse federal funds to various communities around Colorado for the purchase of capital equipment such as buses and vans. These funds are identified for CDOT as pass through funds to other governmental units.

USC 49-5311 - Assistance for Non-urbanized Public Transportation

This program is administered by CDOT and provides capital, operating and administrative assistance to organizations that provide public transportation in small urban and rural areas (under 50,000 population). Funds are awarded by CDOT to public and private non-profit transit operators on a competitive, discretionary basis.

USC 49-5310 - Assistance for Transportation of Elderly Persons and Persons with disabilities

This CDOT-administered program provides funds for capital equipment to private non-profit organizations that transport elderly persons and persons with disabilities. Funds can be used in either urbanized or non-urbanized areas. Like the USC 49-5311 program, these funds are awarded by CDOT on a competitive, discretionary basis.

USC 49-5303 & 5313&14 - Transit Planning Assistance

The USC 49-5303 program is appropriated to the state based on a population formula. The state then distributes these funds to the local entities based on a formula that was developed in cooperation with MPOs and approved by the Federal Transit Administration (FTA). The USC 49-5313&14 funds can be used for a variety of non-operating purposes including transit planning, research, training, administration of the USC 49-5303 program, demonstration projects and special studies.

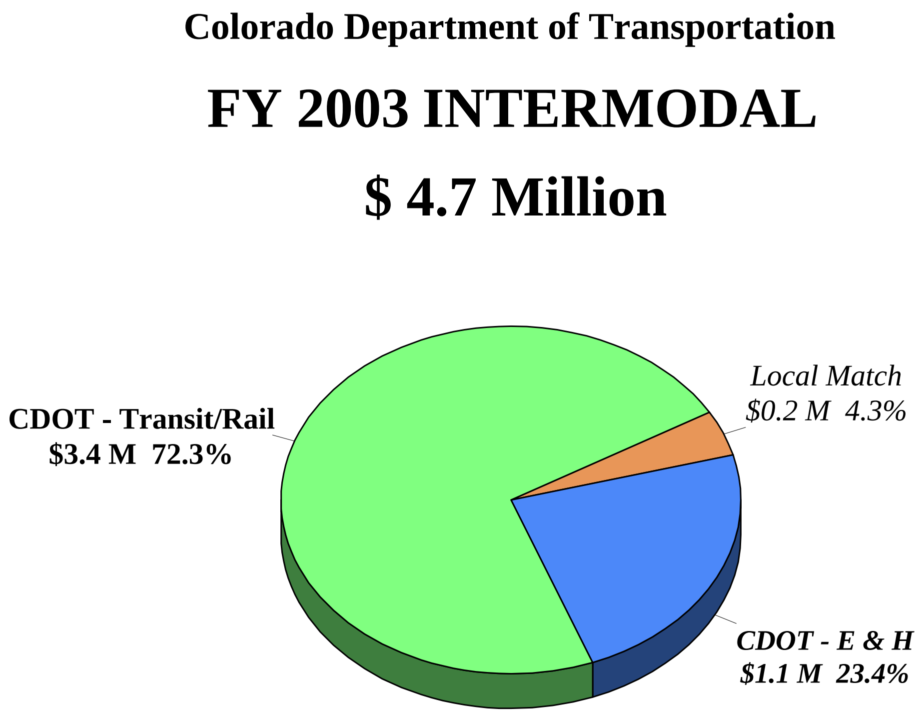
USC 49-5307 - Formula Funding for Urbanized Areas

The FTA USC 49-5307 program offers funds to urbanized areas over 50,000 for capital and operating expenses. Unlike other federal transit programs, USC 49-5307 programs are administered directly by FTA instead of CDOT although states can choose to administer this program.

Large urbanized areas, those with a population over 200,000 (Denver and Colorado Springs), receive funds based on population, population density and transit operating data. Funding for small-urbanized areas is awarded to the state based on population. These funds are available on an 80% federal and 20% local ratio for capital and 50% federal and 50% local ratio for operating expenses.

USC 49-5309 - Discretionary Capital Grant Program

The FTA USC 49-5309 Capital Grant program is designed to offer assistance on a discretionary basis for capital equipment and facilities.



ENGINEERING PROGRAM

In FY 1998 the Department implemented the first phase of "Re-engineering." This entailed the blending of previously separate organizations and tasks. The Department's Regional engineering and project related staff in the traditional "Preconstruction" and "Construction" organizations were combined into "Program Engineer Units" with "Project Teams," responsible for projects from inception to completion. This "complete" project management assures more inclusive and timely involvement by all required staff and task groups.

This Program involves a multitude of activities in preparation for, and construction of, highway projects. Activities include everything from preparing project plans (design work), obtaining rights-of-way, clearing utilities, and obtaining environmental clearances. The project teams now also include the construction phase, including those activities necessary to the actual construction of the highway project and are deemed necessary for federal and State regulatory control.

Some typical construction phase activities include: testing and monitoring the statewide usage of various materials used by construction forces; conducting chemical and physical properties tests and analyses on various materials used in construction; publishing and maintaining policies and procedures necessary to the administration of highway construction contracts; conducting training on policies and procedures; assuring that contracts are awarded to the lowest responsible bidder; supervising construction activities; inspecting construction-related mechanical aspects, etc. In addition the ITS operating unit is now reported as part of the Engineering Program, with the Traffic Operations Center (TOC) reported as a special allocation. This group is developing technological methods for addressing traffic congestion and safety problems throughout the State.

PROGRAM SUPPORT - PLANNING & RESEARCH PROGRAM

This program is responsible for numerous activities involving evaluation of the current condition of the State's highway system and planning and researching future transportation needs in Colorado. Some of these activities include providing an inventory of the system; providing current maps; maintaining records on all public roads; maintaining records on fuel consumption; analyzing traffic data; forecasting traffic demands; and analyzing roadway capacity, truck size and weight data, and hourly traffic distribution. This program includes performance of in-house research related to highway and transportation activities.

The Planning Program includes the **Metropolitan Planning Program** for those areas with a population greater than 50,000 and the Statewide Planning Program. These two programs are primarily responsible for developing and implementing a statewide planning process, which will lead to a long-range multi-modal transportation plan and the transportation improvement programs (TIPs) for each urbanized area as well as a statewide transportation improvement program. It should be noted that these federal funds, though subject to the federal obligation limitation, are distributed by CDOT at a 100% obligation authority, thus necessitating CDOT to utilize $286,200 of its own obligation authority to allow immediate usage by the local government organizations.

The Research Branch is responsible for investigating transportation problems affecting Colorado and researching possible solutions and then tracking these solutions to determine how effective they were in solving the problem. If a solution is found to be effective, it is shared with cities and counties. In addition, this program is responsible for collecting critical highway data (traffic volumes, vehicle classification, and vehicle size and weight), which is used in the design of highway projects as well as providing project level assistance to the CDOT regions.

The Intermodal area is primarily responsible for expanding the role of alternative modes of transportation. This involves several different areas: awarding Federal Transit Administration grants; assisting transit agencies in promoting their service; serving as a staff resource to the transportation planning regions as it relates to alternative modes; assisting communities in developing local bicycle off and on street facilities; developing mass transit and passenger rail demonstration projects; working with communities on developing tele-commuting facilities; and developing public-private partnerships. In addition, this area is managing several major corridor/major investment studies along the Front Range and SH 82. The last major emphasis area this branch deals with is in the pavement management system, which involves collecting annual pavement condition and forecasting of resource needs.

STATEWIDE SPECIAL ALLOCATIONS

Statewide special allocations are for programs or activities, which have been determined by management and the Transportation Commission to be critical to meeting the needs of the traveling public. These special allocations may reflect the carrying out of Federal or State law or a concern with the long-term needs of the Department. In most cases, these allocations impact the entire Department. These special allocations are described in detail in **Appendix B**.

MISCELLANEOUS PROGRAMS

RAIL BANK PROGRAM – Legislatively Appropriated

The Department of Transportation did not request additional funds for this program in FY2003. The program, when funded, is to purchase railroad right-of-way and properties along specific abandoned transportation corridors pursuant to S.B.97-37.

COUNTIES AND MUNICIPALITIES BRIDGE FUNDS – Legislatively Appropriated

For FY2003 a request was made to the Legislature to provide additional spending authority of **$436,308** in the Long Appropriations Bill for estimated interest on remaining funds in these accounts that sunset (terminated) in FY 1997.

REGIONAL PROGRAMS

OTHER REGIONAL PRIORITIES

The Department's Other Regional Priorities Program includes such things as reconstruction, restoration and rehabilitation, major widening, minor widening, new construction, roadway improvements, transportation safety management, and operational improvements. These projects, as well as all others, are identified by departmental region, planning region, program and location, in the STIP document.

METROPOLITAN PLANNING PROGRAM

The Planning Program includes the **Metropolitan Planning Program** for those areas with a population greater than 50,000. Administered by the Division of Transportation Development. See page 45 - Planning & Research Section.

ENHANCEMENT PROGRAM

The Enhancement Program is another element of the federal Surface Treatment Program (STP) under TEA-21. This program provides funding to the states according to a formula basis. Each state must set aside 10% of the funds for transportation enhancements. Enhancement funds may be used for only:

-facilities for pedestrians and bicycles;
-acquisition of scenic easements and scenic or historic sites;
-scenic or historic highway programs;
-landscaping and other scenic beautification;
-historic preservation;
-rehabilitation of operation of historic transportation buildings, structures, or facilities;
-preservation of abandoned railway corridors;
-control and removal of outdoor advertising;
-archaeological planning and research;
-mitigation of water pollution due to highway runoff.

The Transportation Commission has determined that distribution of Enhancement funds is to be made to each transportation region. The regional transportation director works with each local entity to determine specific project selection and funding levels.

METRO PROGRAM

Under TEA-21, once the Surface Transportation Program (STP) funds are distributed to the states, each state must divide 50% of the STP funds (after the 10% set-asides for Safety and Enhancements) by population between each of its areas over 200,000 population and the remaining areas of the state. In Colorado, only the Denver urbanized area and the Colorado Springs urbanized area exceed 200,000 population. Project selection for these funds is made by the MPO in consultation with CDOT.

CONGESTION MITIGATION AND AIR QUALITY PROGRAM

Under ISTEA, and expanded under TEA-21, a program was established called the Congestion Mitigation and Air Quality Improvement (CMAQ) Program. This program is designed to direct funds to transportation projects in Clean Air Act non-attainment areas for ozone and carbon monoxide. Colorado has five non-attainment areas, i.e., Denver, Boulder, Longmont, Colorado Springs, and Fort Collins. Projects under this program must contribute to meeting the attainment of national ambient area-air quality standards. If a State has none of these non-attainment areas or the non-attainment areas reach attainment, these funds may be used for PM10 non-attainment areas. If all attainment standards have been met, these funds may be used as if they were Surface Transportation Program (STP) funds.

The federal funds are apportioned to the states based on weighted non-attainment and maintenance area population. Of the $23.8 million of CMAQ Program for Colorado, $1.0 million has been allocated to rural PM10 non-attainment areas including Pagosa Springs, Telluride, Canon City, Aspen and Steamboat Springs. The remainders of these funds are allocated to the three Metropolitan Planning Organization (MPO) areas (DRCOG, PPACG and NFRT & AQPC) based on the MPO Air Quality Conformity Plans (i.e. DRCOG 76.31%, PPACG 18.13% and NFRT & AQPC 5.56%).

FY 2003 BUDGET ADJUSTMENTS
DECISION ITEMS

Gaming Impacts on State Highways

A request for **$6,500,000** from the Limited Gaming Fund to offset major growth in traffic on State highways in the vicinity of the gaming communities of Black Hawk, Central City, Cripple Creek and the Southwest Colorado Indian reservations. This request was made in accordance with S.B. 94-60. The funded amount is reduced in the initial Long Bill to $1,010,000, but is included at the request level in this budget, pending further Legislative action.

Persistent Drunk Driver Prevention Program *(State Cash Funds)*

The Persistent Drunk Driver Program was established to develop methods to deter persons from repeat drinking and driving. The funds for this program are derived from a penalty surcharge imposed by judges upon persons with multiple drunk driving convictions. The fund proceeds are appropriated by the General Assembly to CDOT, the Department of Revenue and the Department of Human Services, for implementation of programs addressing the prevention of repetitive drunk driver offenses. A Decision Item for the CDOT portion of this program is requested to be $100,000 for FY 2003. This item is pending Legislative action for authorization and availability of funds.

Regarding this Legislatively appropriated program, the Transportation Commission has indicated a desire to utilize more of the available funds for media support of a prevention program, or possibly for an alternate means of transportation for potential offenders.

CCF Request - Automated Weather Observation System (AWOS)

The request is for **$250,000** of **Capital Construction Funds** for the Division of Aeronautics to fund additional Automated Weather Observation System (AWOS) locations that will provide weather and safety-related information to pilots flying through Colorado's mountains. This request was made in accordance with H.B. 00-1069. This item is pending Legislative action for authorization and availability of funds.

COLORADO DEPARTMENT OF TRANSPORTATION
FY 2002-2003 BUDGET

APPENDIX A

STRATEGIC 28

MAP

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PROJECT INFORMATION

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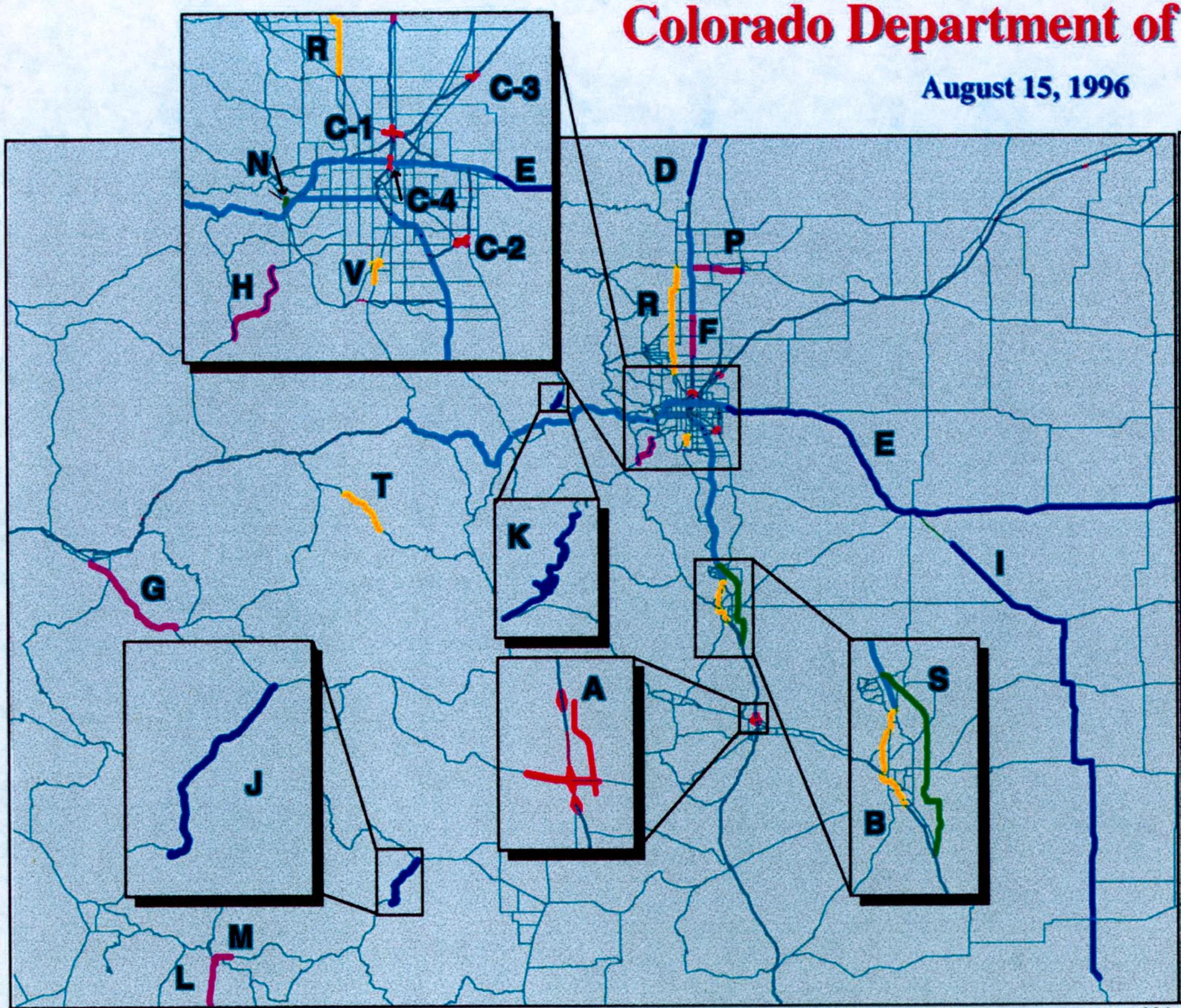
Colorado Department of Transportation

August 15, 1996



Office of Financial Management and Budget
(303) 757-9262

Strategic Project Investment Program

Reconstruction

Interchange Reconstruction

Reconstruction / Widening

Widening

Major Investment Study

New Construction

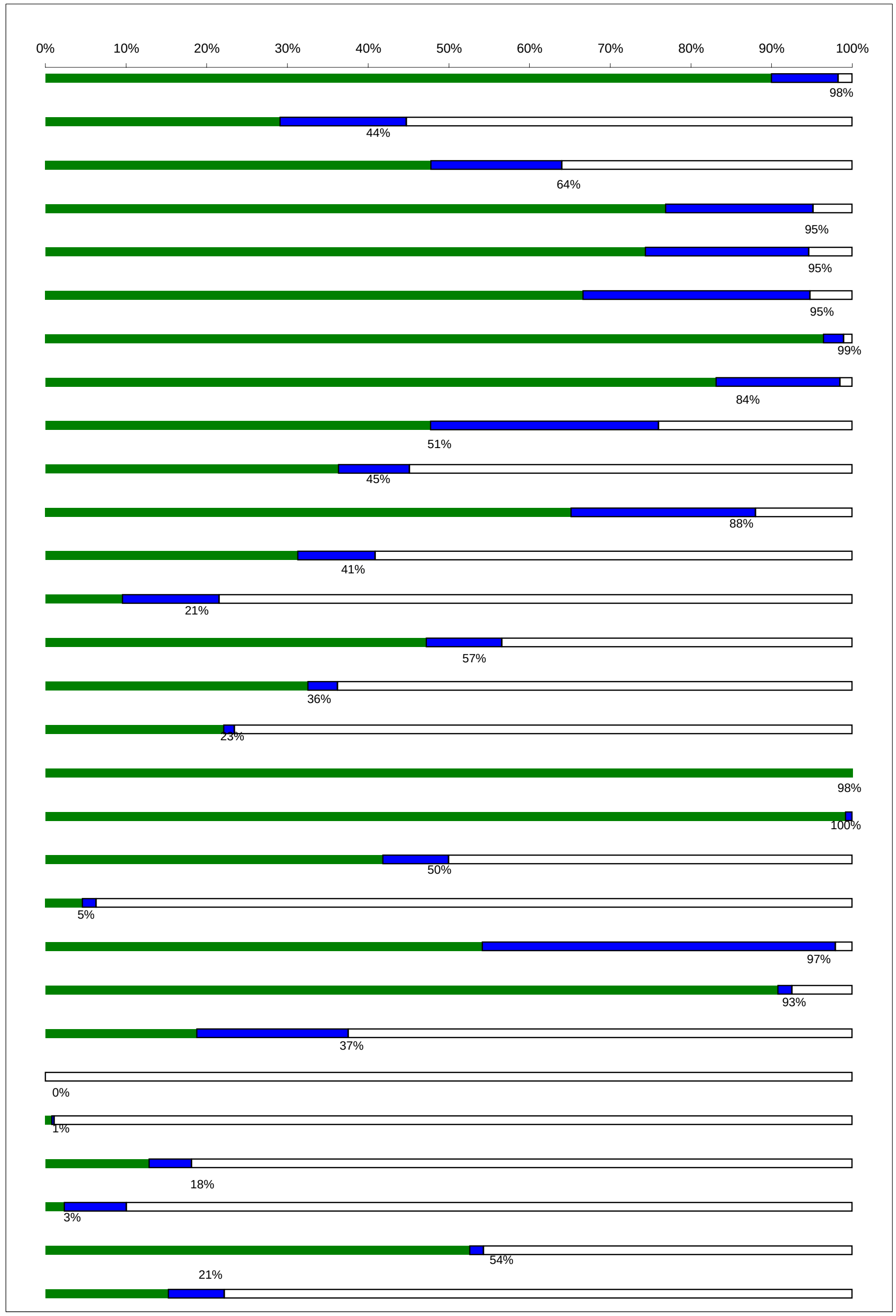
A: I-25/SH 50/SH 47
B: Colorado Springs I-25
C-1: I-25/US 36/SH 270
C-2: I-225/Parker
C-3: I-76/120th
C-4: I-70/I-25 Mousetrap
D: North I-25 (Owl Cny. Rd. to WY)
E: East I-70
F: North I-25 (SH 7 to SH 66)
G: US 50
H: US 285
I: South US 287
J: Wolf Creek Pass
K: Berthoud Pass
L: SH 550
M: SH 160
N: C-470
P: US 34
R: North US 287
S: Powers Blvd.
T: SH 82
V: Santa Fe Corridor

Major Investment Corridors:
- Southeast (I-25 Broadway to Lincoln Ave.)
- East (Denver to DIA)
- West (US 6, 1-25 to I-70)
- I-70 West (DIA to Eagle County Airport)
- Denver to Colorado Springs (I-25)
- North I-25 (Denver to Ft. Collins)

Status of 7th Pot Projects as of November 01, 2001

Expended		$1,352,796,263
Encumbered		$618,498,431
Corridor Total		$8,878,716,000

Project Location (SB01_FUNDS_BUDGETED) ($ in 000's)	Corridor Total Program (Transbond funds) ($ in 000's)
I-25 / US 50 / SH 47 * $28,857	$69,249 $0
I-25, S. Academy to Briargate* $97,815	$409,864 $49,649
I-25 / US 36 / SH 270* $26,869	$162,447 $28,845
I-225 / Parker* $73,840	$92,812 $0
I-76 / 120th Ave* $17,142	$44,685 $25,626
I-25 / I-70 (Mousetrap)* $45,735	$108,313 $0
I-25, Owl Canyon Rd to Wyoming* $19,662	$29,861 $0
I-70, Tower Rd to Kansas* $73,291	$132,631 $6,775
I-25, SH 7 to SH 66* $31,607	$91,326 $21,386
US 50 Grand Junction to Delta* $45,269	$85,185 $15,117
US 285, Goddard Ranch Ct to Foxton Rd* $3,542	$66,059 $25,786
US 287, Kiowa County to Oklahoma* $45,283	$237,018 $18,433
US 160, Wolf Creek Pass* $17,267	$85,497 $14,258
US 40, Berthoud Pass* $7,022	$86,665 $6,284
US 550, Durango to New Mexico State Line* $21,871	$58,170 $0
US 160, Jct SH 3 E. to Florida River* $21,316	$72,945 $0
C-470 Extension* $6,538	$18,810 $0
US 34, I-24 to US 85* $15,000	$15,761 $0
US 287, Broomfield to Loveland* $4,370	$105,201 $60,320
Powers Blvd in Colorado Springs* $4,045	$355,334 $38,526
SH 82, Basalt to Aspen* $58,606	$209,035 $107,108
Santa Fe Corridor in Denver* $0	$15,641 $0
Southeast Corridor (I-25, Broadway to Lincoln)* $57,601	$794,996 $352,268
East Corridor + West Corridor* $0	$562,705 $0
I-70 West Corridor (DIA to Eagle Cnty Airport))* $27,924	$3,658,777 $800
Denver to Colorado Springs (I-25)* $27,395	$603,811 $74,240
North I-25 Corridor (SH 66 to Ft Collins)* $22,991	$690,379 $31,944
Trans Bond Inv. Banker / Counsel / Dbt Serv $61,118	$15,539 $0
Statewide Total $861,976	**$8,878,716** $877,365



FY1998 SB-01 ALLOCATION = $153,082,927
FY1999 SB-01 ALLOCATION = $171,933,537
FY2000 SB-01 ALLOCATION = $186,845,744
FY2001 SB-01 ALLOCATION = $196,700,000
FY2002 SB-01 ALLOCATION = $35,000,000

TOTAL SB-01 ALLOCATION = $743,562,208

FY2000 Transbond Proceeds = $ 558,331,510
FY2001A Transbond Proceeds = $ 539,234,263
Total Transbond Proceeds =$1,097,565,773

*** These Corridors have had prior year Non-Strategic Program funding and accomplishments which are not reflected in these percentage calculations.**

7^{th} Pot Projects
Appendix A

Projects Already or Nearly Complete:

I-25/US 50/SH 47 Interchange

I-25, Owl Canyon Rd. to Wyoming

C-470 Extension

US 34, I-25 to US 85

Santa Fe Corridor Light Rail (Service Started Summer 2000)

Interstate 76/120th Avenue

I-70/I-25 Mousetrap Reconstruction

US 285 – Goddard Ranch Court to Foxton Road

State Highway 82 – Basalt to Aspen

Remaining Project Descriptions:

I–25 - Through Colorado Springs
This project consists of safety and capacity improvements from South Academy Boulevard to Briargate Parkway. Numerous interchanges require reconstruction and are important safety projects. Reconstruction of these congested interchanges will significantly help traffic operations on I-25.

I-25/US 36/-270
This project is located in Denver between Lowell Boulevard and I-270 and I-76 interchanges. It consists of capacity improvements, highway and interchange reconstruction, extends westbound I-270 from I-76 to US 36 and extends eastbound I-270 from I-25 to I-76. It also includes the construction of a Direct Connect HOV lanes to US 36 from northbound I-25 and opens the Bus/HOV lanes in US 36 west of Federal to Lowell.

I-225 and Parker Road (State Highway 83)

This project consists of safety and capacity improvements from approximately Peoria Street through Hampden Avenue on State Highway 83. It has both highway and interchange reconstruction for four major interchanges at Peoria Street, I-225, Vaughn Way and Hampden Avenue. The full funding for this work is in place and the construction is ongoing.

I-70 East Tower Road to Kansas

This project completes the reconstruction and surface condition improvements of the I-70 East corridor to Kansas from Tower Road in Aurora. The surface condition improvements consist of resurfacing the highway in concrete with a portion being resurfaced in asphalt.

I-25 North-State Highway 7 to State Highway 66

This project consists of reconstruction of three interchanges along I-25 north from State Highway 7 north of Brighton to State Highway 66 north of Longmont.

US 50- Grand Junction to Delta

This project consists of widening from 2 to 4 lanes, 34 miles of US 50 from Grand Junction in Mesa County to Delta in Delta County. The widening is needed for traffic and safety improvements.

US 287 – Hugo to the Cheyenne/Kiowa County Line

This project consists of resurfacing 82.7 miles of US 287 with concrete. This stretch of highway has over 65% truck traffic and asphalt overlays have not held up to traffic conditions, so concrete is being used.

US 287 –Campo to the North Kiowa County Line

This project consists of resurfacing 82.7 miles of US 287 with concrete. This stretch of highway has heavy truck traffic and asphalt overlays have not held up to traffic conditions, so concrete is being used.

US 160 – Wolf Creek Pass

This project consists of reconstruction and safety improvements of Wolf Creek Pass on US 160 located in Mineral County. A high mountain pass, the project construction including tunnel work will allow full, safe and effective use of the roadway.

US 40 – Berthoud Pass and in Winter Park

This project consists of safety improvements and erosion control from the town of Winter Park in Grand County to the junction of US 40 and I-70 past Empire. The west side of Berthoud Pass, a high mountain pass, has significant erosion problems which effect safety and water quality, which will be addressed by the project. Other safety improvements include widening and climbing lanes to help alleviate congestion.

US 550 – New Mexico State Line to Durango

This project consists of reconstruction and widening of US 550 from the New Mexico State line to US 160 at Durango. Significant realignment, reconstruction, safety and capacity improvements will be made to this 16-mile stretch of roadway.

US 160 – State Highway 3 to the Florida River

This project consists of reconstruction and widening of US 160 at the junction of State Highway 3 in La Plata County near Durango to the Florida River. Portions of the highway will be widened from 2 to 4 lanes; because of existing residences and businesses frontage systems will also be needed for the project. The project will address congestion and the high accident rate, twice the state average on the roadway.

US 287 – Broomfield to Loveland

This project consists of the reconstruction and widening of 17 miles of US 287 between the City of Loveland at State Highway 402 and 10^{th} Avenue in Broomfield. Capacity and safety are the major needs addressed by this project, which includes the construction of the Berthoud Bypass.

Powers Boulevard – Colorado Springs

This project consists of a new roadway and interchange construction and widening. Located in Colorado Springs and El Paso County a new roadway extension will be constructed between Woodman Road and State Highway 83. Interchanges will be constructed at Woodman Road and Platte Avenue and a new roadway extension and widening to connect Fountain to I-25. El Paso County is projected to be the largest county in Colorado by 2000 and these improvements to Powers Boulevard are important for congestion and safety. Additional funding in the future will be needed to complete Powers Boulevard as a limited-access freeway.

Southeast Corridor – I-25 and I-225

The Southeast Corridor project is a multi-modal project and it is a joint effort between the Colorado Department of Transportation and the Regional Transportation District. A significant economy of scale is achieved by the linking of the projects. The highway portion of the project includes reconstruction and widening of 14 miles of I-25 and 4 miles of I-225. This is one additional highway lane in each direction from Broadway to I-225 with two additional lanes running in each direction on I-25 from I-225 to C-470. The improvements are expected to relieve congestion and improve commuter time between the Denver Central Business District and the Southeast Business District the most highly traveled corridor in Colorado and in conjunction with light rail improve air quality.

I-70 West – Denver to Eagle County

The I-70 to Eagle County corridor is 150 miles long, passes through several of the major Colorado ski areas and is the major access way for others. It is highly congested especially during peak periods. A Programmatic Environmental Impact Statement is currently underway which will be used to determine what improvements will be made to the I-70 West corridor and which projects will have the highest priority.

I-25 South Castle Rock to Lincoln Avenue

This project consists of capacity improvements, interchange reconstruction and overpass construction on I-25 South in Douglas County from the town of Castle Rock to Lincoln Avenue in the Southeast Business District. An additional highway lane will be added in each direction from Lincoln Avenue to Founder/Meadows Parkway a distance of approximately 8.7 miles. Congestion relief and safety will result from this project.

I-25 South – Monument to South Academy Boulevard

This project consists of various safety and capacity improvements in this 25.5-mile section between State Highway 105 at Monument to South Academy Boulevard in Colorado Springs.

I-25 North Denver to Fort Collins

This project is for capacity improvements in this 55-mile corridor between the cities of Denver and Fort Collins. 14 miles will be widened from 4 to 6 lanes between State Highway 7 and State Highway 66. Completion dates of the segments vary. Specific improvements will be outlined at the conclusion of the Major Investment Study of this corridor.

East & West Corridor MIS's

These Major Investment Study projects will provide light rail alternatives for commuters and travelers in the Denver area. One segment will connect Downtown Denver to DIA, and the other will connect Downtown Denver to the Cold Spring Park-and-Ride in Jefferson County. These projects will relieve congestion and reduce pollution in the Denver area. Neither project is expected to begin before FY 2020.

COLORADO DEPARTMENT OF TRANSPORTATION
FY 2002-2003 BUDGET

APPENDIX B

STATEWIDE SPECIAL ALLOCATIONS

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STATEWIDE SPECIAL ALLOCATIONS

Statewide special allocations are for programs or activities, which have been determined by management and the Transportation Commission to be critical to meeting the needs of the traveling public. These special allocations may reflect the carrying out of Federal or State law or a concern with the long-term needs of the Department. In most cases, these allocations impact the entire Department. These special allocations are described in more detail below.

HAZARDOUS MATERIALS REMEDIATION

The Hazardous Materials Clean-up Program is an ongoing operation to test and remediate (remove and clean up) underground storage tanks and MTL contamination on CDOT property throughout the State. This is being done to comply with federal and State environmental laws. The underground fuel tank remediation is now mostly reimbursable from an external health agency fund.

This program is necessary to comply with State and federal law. For FY 2003, the total program funding is **$3,230,000**.

DISADVANTAGED BUSINESS ENTERPRISES (DBE) CERTIFICATION

Colorado businesses, which are owned by minorities or females, may be certified to do business with CDOT upon a successful review and investigation, by the Department of Regulatory Agencies (DORA). CDOT has budgeted **$215,000** of federal funds for a contract with DORA to do these investigations and certify that only legitimate DBE businesses are participating in the Department of Transportation's DBE Program.

STRATEGIC HIGHWAY RESEARCH PROGRAM

The Strategic Highway Research Program (SHRP) is a national program, which is designed to study long-term pavement performance and the factors that affect pavement life. Colorado participates in this program and has allocated **$50,000** of federal funds for the program in FY 2003.

WORKERS' COMPENSATION INSURANCE

The State Office of Risk Management in the Department of Personnel and General Support Services, annually assesses each department an amount for Workers' Compensation. This figure is based upon the agency's loss record. The agency's loss record is then pooled with all other State agencies to share the State's overall experience, spread the cost, and protects all agencies against catastrophic cost increases. FY 2003, CDOT is being assessed $3,397,268 of which $33,858 is paid from Administration and $665 is paid by Aeronautics, leaving **$3,362,745** funded here.

GAMING ALLOCATIONS

The Department of Transportation requested, an appropriation of **$6,500,000** from the General Fund retention (the 50% portion of the Limited Gaming Fund transferred to the General Fund per S.B.94-60) to handle the construction and maintenance needs associated with the increased traffic on State highways in the vicinity of the gaming communities. **$860,000** of the Gaming funds are to be allocated to the Maintenance program. The funded amount is reduced in the initial Long Bill to $1,010,000, but is included at the request level in this budget, pending further Legislative action.

DIVISION OF PARKS – *COLORADO DEPARTMENT OF NATURAL RESOURCES*

By statute (CRS 33-30-110(4)), the Division of Parks and Outdoor Recreation (DPOR), in the Colorado Department of Natural Resources, is permitted to request funding from the State's portion of the HUTF for road maintenance and construction in State Parks and Recreation Areas. DPOR has been appropriated **$300,000** for this purpose in FY 2003 in the initial Long Bill.

ADDITIONAL SPECIFIC ALLOCATIONS

Additional specific allocations include:

- Commercial Drivers License (CDL) Drug & Alcohol Testing at **$106,000**;
- Traffic Data Collection Enhancement at **$332,034**;
- National Pollutant Discharge Elimination System program (NPDES) at **$918,000**;
- Workplace Violence Program at **$50,000**;
- Employment Candidate Recruitment at **$72,000**;

TRANSPORTATION COMMISSION CONTINGENCY FUND

The Transportation Commission annually budgets an amount to handle emergencies or contingencies, which may impact the State highway system or the Department's operations. These funds are budgeted in a separate line so that funding will not have to be cut from other budgeted programs in the event of an emergency or contingency.

The contingency is dependent upon revenues received, but is currently budgeted for an estimated **$14,276,295** in FY 2003. Part of the fund is currently reserved, with **$5 million for Maintenance Levels of Service** support, **$5 million** for participation in **Public Private Partnership Initiatives (PPI)**, and the remainder of **$4.3 million** for other issues that may arise.

Examples of recent contingency fund utilization include emergency repairs for bridges and roadways in response to flooding, rockslides and mudslides. These funds are also used to provide adequate maintenance budget for other emergencies or weather related issues, which cannot be projected.

SPECIAL ALLOCATIONS - EQUIPMENT PROGRAM

Equipment funding is set by the Transportation Commission and is based upon available funds and recommendations from executive management. Each organizational unit within CDOT may submit requests for new or replacement equipment, including office and research equipment, but the Computer and Road equipment budgets are based on approved plans. The base amounts were increased 2.9% for inflation.

Computer equipment is funded at **$2,887,460** for FY2003 in support of the statewide, prioritized, multi-year, and computer equipment migration plan. The plan is currently in review to assure prioritization and actual need prior to final budget approval.

Road equipment is funded at **$1,000,000** for FY2003 in support of the statewide, prioritized, multi-year road equipment plan for vehicles over ¾ ton and various heavy road equipment. This reduced funding from the projected $11.6 million is requested to be only temporary and to be reinstated in the following year to prevent permanent impact to fleet condition. The plan is currently in review to assure prioritization and actual need prior to final budget approval.

Other non-computer/non-road equipment is funded at a continuation level of **$347,020**.

SPECIAL ALLOCATIONS – FACILITIES / PROPERTY PROGRAM

CDOT annually requests an appropriation from the Transportation Commission to purchase land, to construct buildings, and to do controlled maintenance on Department-owned land and buildings. The purchase of land and buildings is for Department operations such as office buildings, maintenance barns, sand storage sheds, and other department operations.

The Department has received the results of a complete property study including inventory, condition and needs analysis, and has determined that the needs greatly outweigh current financial resources. However, we are allowing for a small increase in this program. The FY 2003 allocation is **$7,147,882**.

Property funds requested are reviewed against the study/plan and prioritized by the Department's Property Committee against available funds. The Property Committee then submits a list of recommended projects to the Transportation Commission. The Transportation Commission may approve, reject, or modify the requested amount. The amount proposed for the FY 2003 budget is as follows:

- **Property** for controlled maintenance (minor improvements $2,048,000) and deferred maintenance (corrective and substantial $1,515,563) = **$3,563,563**
- **Capital Property Plan** proposed July 2001 (continuation portion only) = **$3,025,000**
- **Rental space at the Empire Park** office complex in Denver = **$559,319**

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