

COLORADO DEPARTMENT OF TRANSPORTATION



Eisenhower / Johnson Memorial Tunnels – Interstate 70 – Continental Divide

Colorado Department of Transportation
4201 E. Arkansas Avenue
Denver, CO 80222

BUDGET

FOR

FISCAL YEAR 2009-10

Governor Bill Ritter, Jr.

April 16, 2009



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COLORADO DEPARTMENT OF TRANSPORTATION

**BUDGET
FOR FISCAL YEAR 2009-2010**

GOVERNOR BILL RITTER, Jr.

RUSSELL GEORGE, Executive Director

TRANSPORTATION COMMISSION

BILL KAUFMAN, Chairman, Loveland, District 5

KIM KILLIN, Vice-Chairwoman, Holyoke, District 11

HENRY SOBANET, Denver, District 1

JEANNE ERICKSON, Evergreen, District 2

GREGORY B. MCKNIGHT, Greenwood Village, District 3

HEATHER BARRY, Westminster, District 4

GEORGE KRAWZOFF, Steamboat Springs, District 6

DOUG ADEN, Grand Junction, District 7

STEVE PARKER, Durango, District 8

LES GRUEN, Colorado Springs, District 9

VACANT, District 10

STACEY STEGMAN, Secretary

Per the attached Resolution TC- 1716 the Transportation Commission presents the Budget for the period July 1, 2009 through June 30, 2010 for approval by the Governor.

Approved: Bill Ritter Jr.

Date: June 12, 2009

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

RESOLUTION FOR THE FY 2009-2010 BUDGET

RES. NO. TC- 1716

WHEREAS, in accordance with C.R.S. 43-1-113(2) the Transportation Commission submitted a draft budget allocation plan for moneys subject to its jurisdiction for the fiscal year beginning on July 1, 2009 to the Joint Budget Committee, the House Transportation and Energy Committee, the Senate Transportation Committee and the Governor for their review and comment; and

WHEREAS, C.R.S. 43-1-113(9)(c) requires that the Transportation Commission adopt a final budget allocation plan, which shall upon approval by the Governor, constitute the budget for the Department of Transportation for Fiscal Year 2010.

NOW THEREFORE BE IT RESOLVED, that the Colorado Department of Transportation's Budget for the period of July 1, 2009 through June 30, 2010 is approved by the Transportation Commission and forwarded to the Governor for action.

COLORADO DEPARTMENT OF TRANSPORTATION FISCAL YEAR 2009-10 BUDGET

TABLE OF CONTENTS

Transportation Commission & Approval Page	1
Tolling Enterprise Board and Aeronautics Board	4
Organization Chart	5
Mission, Vision & Values Statements	6
 Overview and Budget	 7
 Revenue Sources	 10
 Investment Categories - Program Budget Distribution	 26
 Investment Categories with Supporting Program Area Narratives & Budget Histories	
<u>Safety</u>	28
<u>System Quality</u>	
--- Surface Treatment	31
--- Bridge	33
--- Maintenance & MLOS	36
--- Intelligent Transportation Systems (ITS)	39
<u>Mobility</u>	
--- Federal/Local Regional Programs	41
--- Aeronautics Program	43
--- Transit & Intermodal	45
<u>Program Delivery</u>	
--- Administration - <i>Legislatively Appropriated</i>	49
--- Project Support	50
<u>Construction Projects</u>	52
--- Construction / Strategic Projects / & Regional Priorities Program (RPP)	
 High Performance Transportation Enterprise (<i>HPTE</i>)	 55
Statewide Bridge Enterprise (<i>SBE</i>)	55
 Appendices	
A - Strategic 28 Corridors	57
B - Strategic Plan & Performance	63
C - Calculation Assumptions & Decision Items	85

COLORADO AERONAUTICAL BOARD (*CAB*)

HAROLD PATTON, Chairman, Eastern Slope Governments Representative

DALE HANCOCK, Vice-Chairman, Western Slope Governments Representative

DENNIS HEAP, Secretary, Airport Management Representative

LOUIS SPERA, Eastern Slope Governments Representative

JOSEPH THIBODEAU, Pilot Organizations Representative

DAVE UBELL, Western Slope Governments Representative

DEBRA WILCOX, Aviation Interests at Large

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD (*HPTE*)

Pursuant to Senate Bill 09-108 - Not yet established:

Three members of the Transportation Commission will be members of the HPTE Board. These members have not yet been determined by the Transportation Commission, but will be no later than June 18, 2009.

Four members selected by the Governor are yet to be determined.

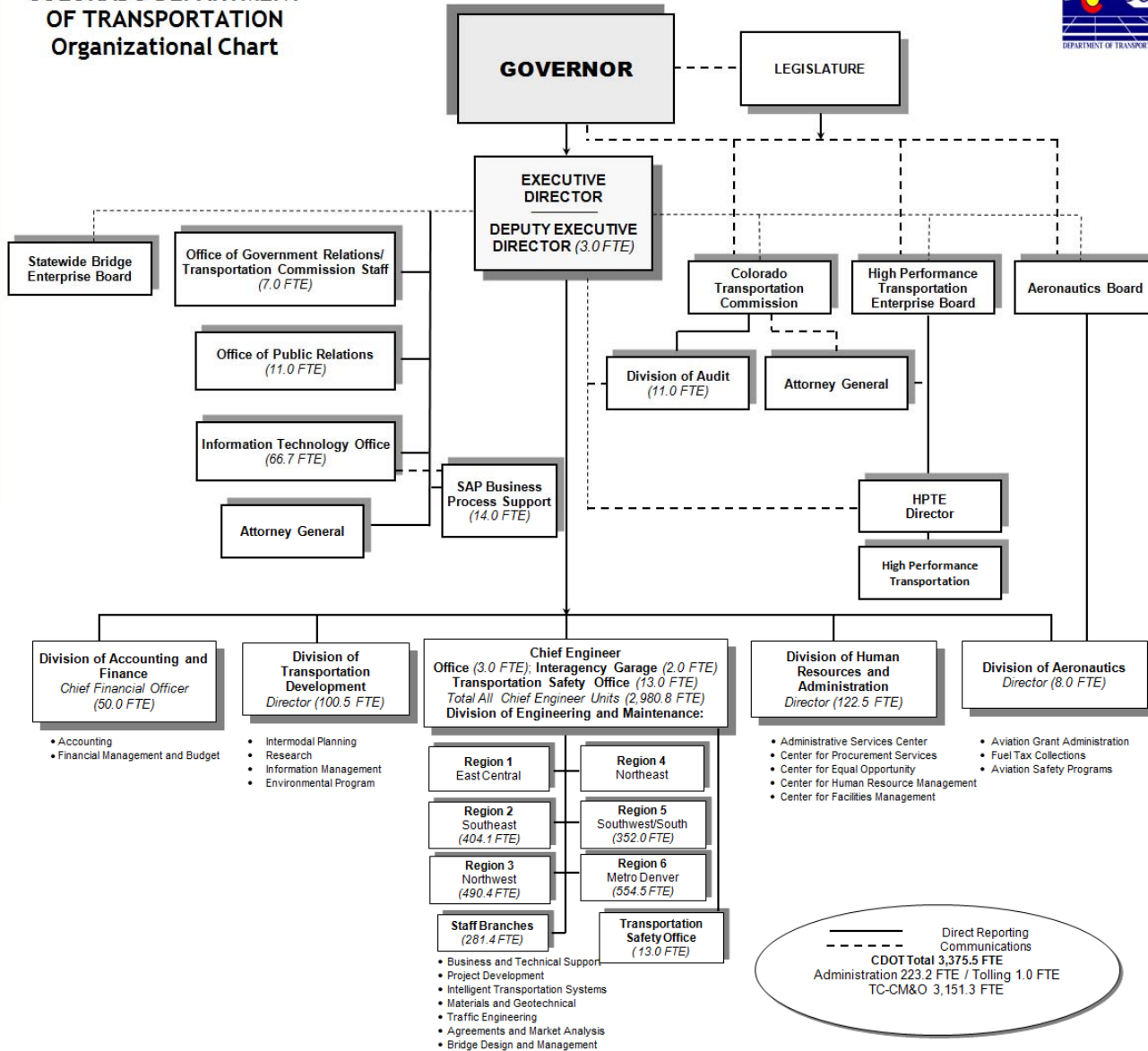
STATEWIDE BRIDGE ENTERPRISE (*SBE*)

Pursuant to Senate Bill 09-108 - Not yet established:

The supervisory board for this new enterprise will consist of the same members as the Transportation Commission, but are subject to differing officer assignments.

The Director of the enterprise is yet to be determined.

COLORADO DEPARTMENT OF TRANSPORTATION Organizational Chart



As of 4-6-09

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.

VALUES

The Values that will guide the Colorado Department of Transportation and its employees are:

SAFETY - We work and live safely!

We protect human life, preserve property, and put employee safety before production.

INTEGRITY - We earn Colorado's trust!

We are honest and responsible in all that we do and hold ourselves to the highest moral and ethical standards.

PEOPLE – We value our employees!

We acknowledge and recognize the skills and abilities of our coworkers, place a high priority on employee safety, and draw strength from our diversity and commitment to equal opportunity.

CUSTOMER SERVICE – We satisfy our customers!

With a can-do attitude we work together and with others to respond effectively to our customer's needs.

EXCELLENCE – We are committed to quality!

We are leaders and problem solvers, continuously improving our products and services in support of our commitment to provide the best transportation systems for Colorado.

RESPECT – We respect each other!

We are kind and civil with everyone, and we act with courage and humility.

OVERVIEW

The Transportation Commission (TC) has approved a total revenue allocation of \$969.6 million plus \$4.0 million of re-appropriated funds (RF) for a total of \$973.5 million of spending authority for FY 2010, comprised of two appropriated line items and three non-appropriated line items.

The FY 2010 appropriated budget of \$27.9 million relates to two Long Bill groups or divisions:

Administration (\$26.9 million) - \$24.8 million cash funds (CF) from the State Highway Fund (SHF) and \$2.1 million in re-appropriated funds (RF); specifically, internal cash funds from elsewhere in the Department as cost recovery for the operation of the CDOT Print Shop.

First Time Drunk Drivers Account (\$1.0 million) – \$1.0 million cash funds from a subaccount of the Highway Users Tax Fund (HUTF) containing revenues from fines paid by convicted DUI offenders.

The Department has three non-appropriated line items in the annual Long Appropriations Bill that are the responsibility of the Transportation Commission. These are provided for informational purposes only and consist of federal, cash, and re-appropriated funds:

Construction, Maintenance, and Operations (CM&O) (\$901.0 million) - \$550.0 million cash funds from the State Highway Fund and various cash funds, \$349.1 million from federal funds, plus \$1.9 million in re-appropriated funds.

Statewide Bridge Enterprise (\$42.4 million) – Senate Bill 09-108 created a new enterprise funded by increased vehicle registration fees, which will be used to finance the repair and replacement of bridges designated as “poor”.

High Performance Transportation Enterprise (HPTE) (\$2.2 million) – Senate Bill 09-108 reconstituted the Colorado Tolling Enterprise as the High Performance Tolling Enterprise, with the same business functions but a new governance structure and expanded scope for creating tolling facilities and public private partnerships to enhance the State transportation system. \$2.2 million cash funds from tolling revenues paid by single occupant vehicles using the I-25 HOT lanes in north Denver.

Funding for both the total Department’s budget consists of approximately 60.0% CF or RF, and 40.0% federal funds (FF). The major source of cash funds is the Department’s share of motor fuel taxes and vehicle registration fees credited to the Highway Users Tax Fund (HUTF). The portion of the HUTF credited to the State Highway Fund (SHF) from these sources is projected to total \$571.9 million in FY 2010. The State Constitution mandates the use of these funds solely for the “construction, maintenance, and supervision of the public highways of this state.”

None of the appropriation for Administration is from the state’s General Fund (GF). In some years (not FY 2010) there is a transfer of funds that are initially part of the State General Fund included in the budget. This portion of the budget derives from transfer formulae set in statute through two acts of the Legislature. These GF moneys are deposited in the HUTF for subsequent transfer to the SHF, and thus become cash funds to the Department. However, these funds are not subject to the constitutional

“highways” restrictions. A detailed explanation of the GF transfers is provided on page 16, even though no transfer is projected for FY 2010.

FY 2009-2010 BUDGET

The Department of Transportation’s total budget, as based on the latest revenue projections for FY 2010 totals \$969,558,621 plus \$4.0 million of re-appropriated funds (RF) for a total of \$973.5 million of spending authority for FY 2010, with a staffing level of 3,374.5 full time equivalent (FTE) positions, plus 1.0 FTE within the High Performance Transportation Enterprise (HPTE).

Federal law, State statute, and the State Constitution restrict how the Department can use revenues derived from various funding sources. The large majority of the Department’s budget appropriation is allocated and directed by the eleven-member Transportation Commission. The Department of Transportation’s Administration, Limited Gaming Funds and the First Time Drunk Driving Offenders Account are appropriated by the General Assembly. These items generate a FY 2010 appropriated budget of \$27.9 million. No Limited Gaming funds are budgeted in FY 2010.

To allocate revenues to planned expenditures the Commission utilizes a resource allocation system of program budget development (explained in more detail below) linked to the four major investment categories listed here and as described in detail in Appendix C.

Investment Categories:

- Safety
- System Quality
- Mobility
- Program Delivery

The investment category budget and program implementation are detailed in the following pages. The available funds are allocated according to priorities and performance targets; outcomes are reported utilizing the Department’s Performance Measurement and Reporting system. The Maintenance Program budget further allocates resources to work activity Maintenance Program Area (MPAs) in 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. This information is reported using an annual performance grading and reporting system.

RESOURCE ALLOCATION

Resource Allocation is a collaborative process by which reasonably expected resources are allocated to various CDOT programs and then specified distributions are made to the six CDOT Engineering Regions. This allocation process allows CDOT to comply with the federal and state requirements that the Statewide Transportation Improvement Program (STIP) and the Long-range Transportation Plan (LRP) be fiscally constrained.

In order to facilitate a cooperative effort among planning partners, CDOT consulted with the Resource Allocation staff and policy committees for recommendations to the Colorado Transportation Commission (TC). These committees included members of the TC, Statewide Transportation Advisory Committee (STAC) and CDOT Executive Management Team (EMT). The key discussions in the Resource Allocation committees were on the topics of revenue shortfall, fair share between the CDOT Regions, and federal earmarks.

Because of the shortfall in revenues available for transportation relative to system wide needs, the committees directed the CDOT Office of Financial Management and Budget to provide several funding scenarios for their consideration.

Unlike past resource allocations, the question of equitable distribution (“fair share”) was not a major issue. Initially, a significant discussion surrounding the “fair share” issue was held on whether regional distributions should be made using geographical driven formulas or performance based systems. Ultimately, the committees agreed that, given the current funding outlook, discussion on this issue is largely irrelevant.

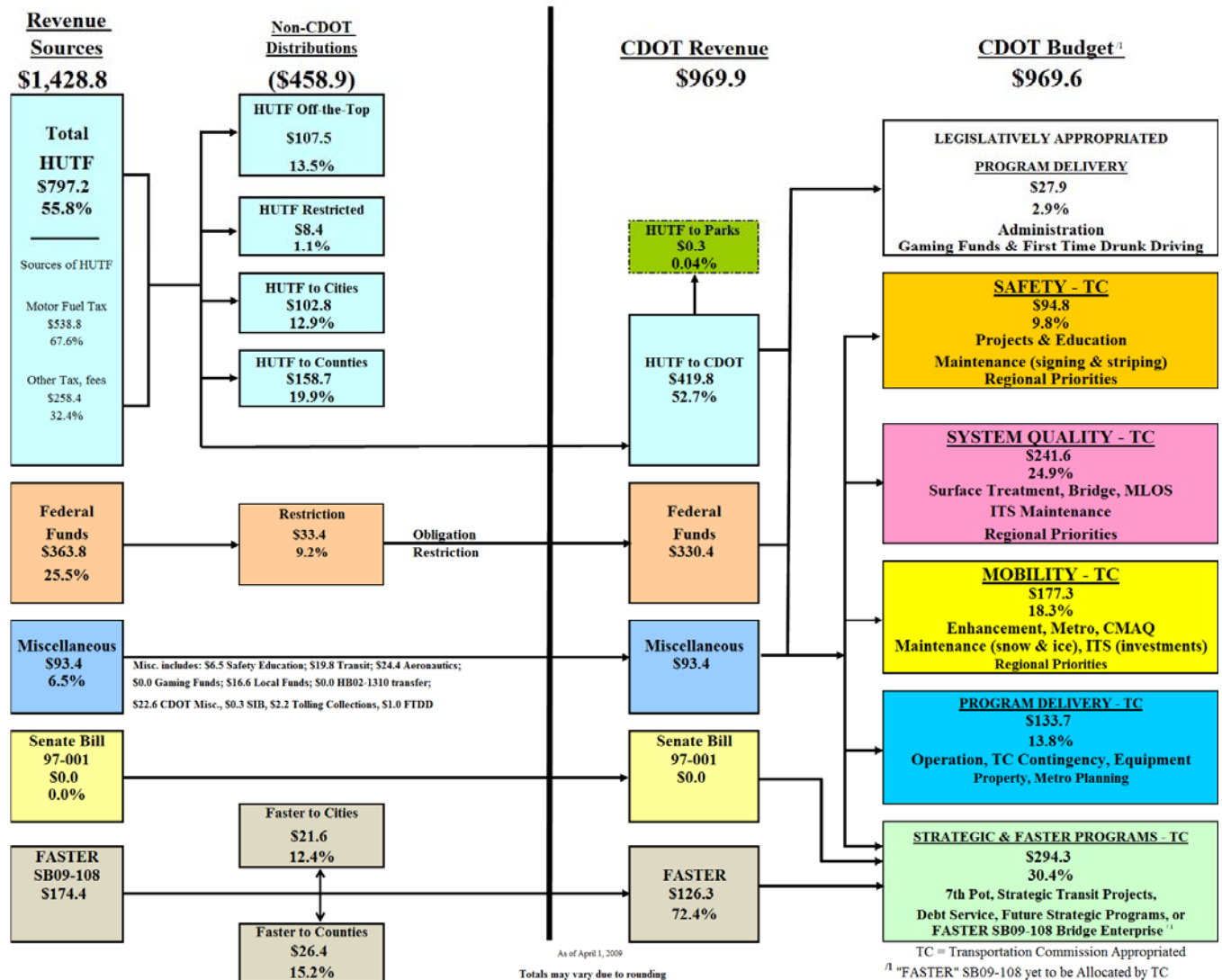
The committees recognize that earmarking of federal funds most probably will continue into the future. This Resource Allocation provides a ten percent set aside of federal funds each year between fiscal years 2008 and 2015 and a five percent set aside in each year thereafter. These set asides are included in the plan under the Regional Priority Program (RPP) and Earmark Contingency for planning purposes.

Total allocations over the 28-year planning period are projected to be \$29.7 billion in 2008 dollar amounts. The total estimate was allocated in the following manner: System Quality investment category, \$8.4 billion; Mobility investment category, \$4.7 billion; Safety investment category, \$2.9 billion; Program Delivery investment category, \$4.5 billion; other investment programs, \$3.7 billion.

Annual budgets will vary from the resource allocation plans due to changes in available revenue. The Department is only able to budget to the authorized revenue estimate for any given fiscal year.

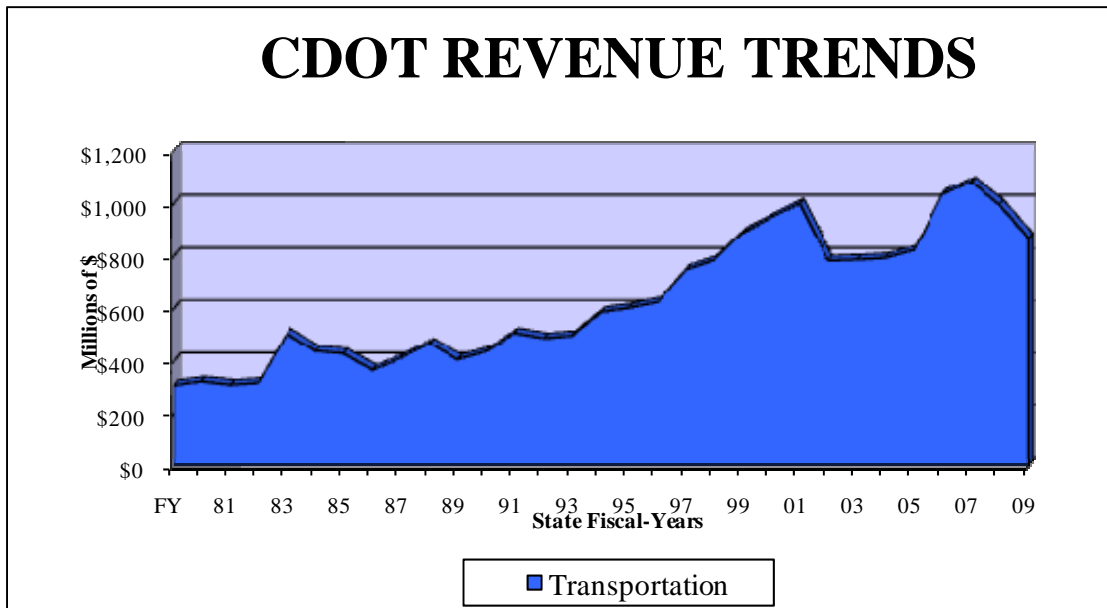
CDOT REVENUE SECTION

Colorado Department of Transportation Estimated FY 2009 - 2010 Financing System - Distribution by Investment Categories (In Millions)



CDOT REVENUE TRENDS

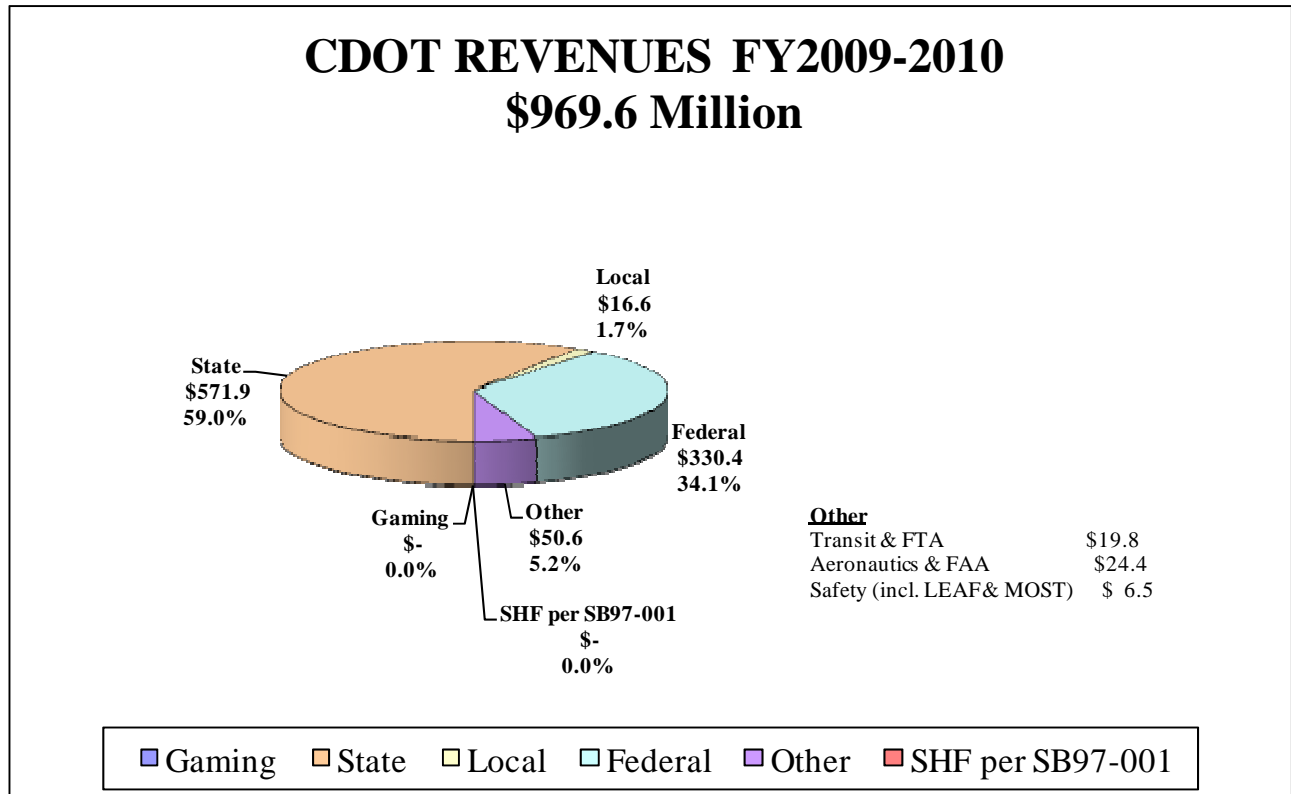
As the below chart demonstrates, revenues allotted to meet the needs of the state's transportation system since 1980, have moved erratically during the period as various fund sources have come and gone. Adjustments to the gas tax in the early years and the changes of SB97-001 and HB02-1310 receipts in the later times have made the revenue stream difficult to predict and depend upon to support the transportation system.



The state of Colorado and the Federal government rely primarily upon the motor fuel tax as their main source of transportation related revenue. This particular revenue source is essentially stagnant because the motor fuel tax is a fixed per-gallon excise tax, so the revenue collected depends on the number of gallons sold not on the sales price. As a result the current motor fuel tax does not include any factor which reflects inflation. Despite past increases in vehicle miles traveled, the increasing fuel efficiency of motor vehicles has led to a decline in the rate of growth of motor fuel tax collections. The recent spike in fuel prices has resulted in a national trend of decreased vehicle miles traveled and a trend for consumers to purchase even more fuel efficient vehicles. As a result, the motor fuel excise tax has become an even less reliable source for sustained transportation funding than it has been in the past.

In addition to the motor fuel tax, the Department receives revenues from a number of other sources. Transportation revenues have in the past decade demonstrated significant volatility due to fluctuations in receipts from these various revenue sources which are described in more detail in the following sections. Certainly in the years since either the state (1991) and the federal government (1993) last increased the motor fuel excise tax, revenues have not kept pace with inflationary increases experienced by the construction sector of the economy which have averaged about 6% per year over the past decade.

FY 2010 ESTIMATED REVENUES BY SOURCE



In FY 2010, the Colorado Department of Transportation anticipates receiving approximately \$969,558,621. This estimate does not include funds from the State sales and use taxes transfer from the State General Fund to the State Highway Fund, pursuant to S.B.97-001, or from the General Fund surplus funds pursuant to H.B. 02-1310. It also does not include any allocation from Capital Construction Funds, pursuant to H.B. 95-1174, but does include the additional revenues the Department anticipates receiving pursuant to SB09-108.

**COLORADO DEPARTMENT OF TRANSPORTATION
FY 2010 REVENUE SOURCES**

As of April 1, 2009

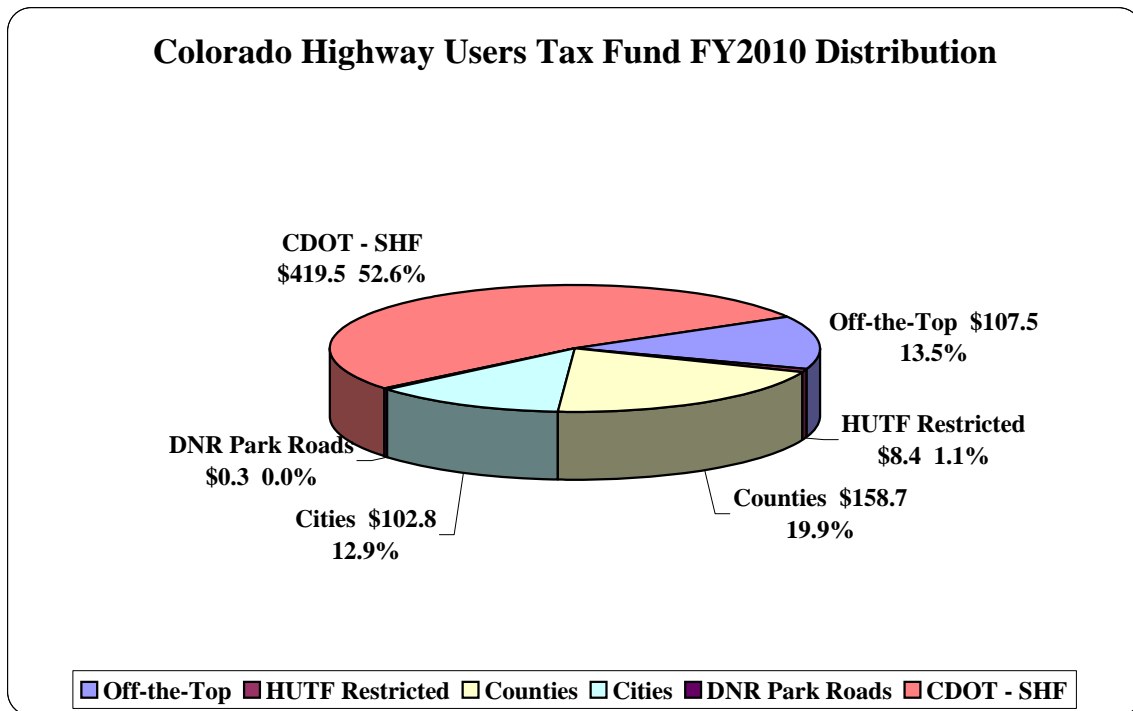
REVENUE SOURCES	ESTIMATED REVENUES
STATE FUNDS	
Highway Users Tax Fund - (CDOT Share)	\$ 419,452,753
HUTF pursuant to SB09-108	68,884,081
HUTF Transit & Rail Funds pursuant to SB09-108 (STATE)	10,000,000
HUTF Transit & Rail Funds pursuant to SB09-108 (LOCAL)	5,000,000
State Bridge Enterprise Fund pursuant to SB09-108	<u>42,448,543</u>
Sub-Total of SB09-108 (see footnote 4, page 16)	\$ 126,332,624
Miscellaneous CDOT Revenue	22,555,862
Interest on Bond Proceeds	0
Toll Collections	2,200,000
Rail Bank	0
State Infrastructure Bank	323,520
First Time Drunk Driver Fund	1,000,000
Limited Gaming Fund	<u>0</u>
Sub-Total Miscellaneous	\$ 26,079,382
GF to HUTF transfer for Construction (pursuant to S.B. 97-001 or Other)	0
GF to HUTF transfer for Transit (pursuant to H.B. 02-1310)	0
GF Excess reserved for HUTF (pursuant to H.B. 02-1310)	0
Capital Construction	0
Total State Funds	\$ 571,864,759
LOCAL FUNDS	
Local Match & Reimbursements	\$ 16,634,759
FEDERAL HIGHWAY ADMINISTRATION FUNDS	
Apportionment	363,842,071
Less: Obligation Restriction	<u>(33,426,700)</u>
Total FHWA Funds Available	\$ 330,415,371
OTHER FUNDS	
Transit & FTA	19,806,965
Aeronautics Fund & FAA	24,365,234
Highway Safety Funds including MOST & LEAF	<u>6,471,533</u>
Total Other	\$ 50,643,732
TOTAL CDOT FUNDS	\$ 969,558,621

<u>REVENUE BY LONG BILL FUND CATEGORIES</u>	
CASH FUNDS - CF	\$ 620,501,972
FEDERAL FUNDS - FF	<u>349,056,649</u>
TOTAL REVENUES	\$ 969,558,621
INTERNAL CASH FUNDS - RF Spending Authority	<u>3,976,108</u>
TOTAL TO BUDGET	\$ 973,534,729

STATE REVENUES

HIGHWAY USERS TAX FUND (HUTF)

The major source of revenue for CDOT is the Highway Users Tax Fund (HUTF). The HUTF is projected to collect a total of \$797.2 million in FY 2010. The major source of revenue for the HUTF is the State's motor fuel tax. This tax is estimated to generate \$538.8 million, 67.6%, of the total HUTF in FY 2010. The remaining 32.4%, or \$258.4 million, is comprised of motor vehicle registrations and other fees.



Before any funds are transferred from the HUTF to either the Department or to local governments, there are transfers made for specific state purposes. Currently, off-the-top spending is limited to the Colorado State Patrol (Department of Public Safety) and the Ports of Entry program (Department of Revenue), as well as a few other minor programs.¹ The statute limits the off-the-top expenditures for highway supervision to 23% of the “net revenue” to the HUTF and 6% annual growth, regardless of any increase or decrease in any highway-related revenues.² This growth limit is calculated based on the previous year's off-the-top supervision expenditures. It is not a proportion of revenues to, or distributions from, the HUTF.³ For FY 2010, utilizing the 2009 Long Bill Narrative, the off-the-top appropriations are

¹ 43-4-201(3)(a)(1), C.R.S.

² 43-4-201(3)(a)(I)(A) and (B), C.R.S.

³ 2004-05 Joint Budget Committee Appropriations Report, page 511

¹⁰ 42-4-1301.1, C.R.S.

estimated at \$108.9 million or approximately 13.7% of the total fund. The actual off-the-top is determined annually by the legislature and the Department adjusts its budget to reflect the appropriated off-the-top amount.

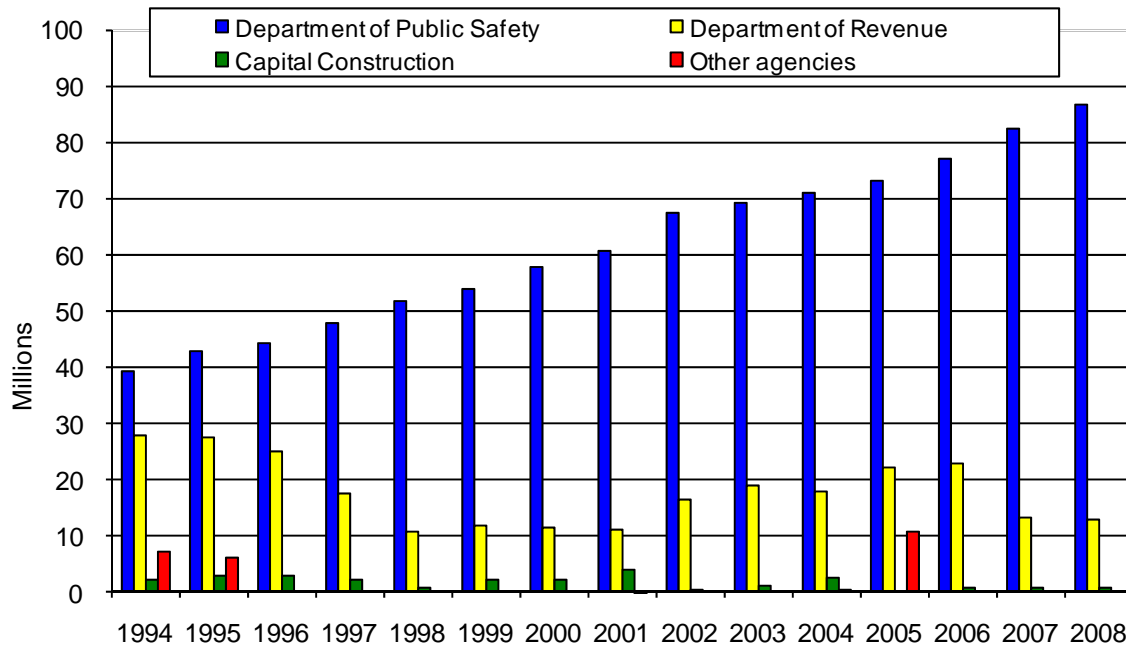


Figure 1 - "Off-the-top" Diversions 1994-2008

After the off-the-top amounts are deducted each year, the balance in the HUTF is divided into areas that are apportioned by different formulas. There are three different formulae. The so-called “first tier” (the first seven cents of the fuel tax and the fees) has the “off the top” diversion deducted and is then split 9% to the municipalities, 26% to the counties, and 65% to the Department. The second tier, comprised of the fuel taxes in excess of seven cents is split 18% to municipalities, 22% to counties, and 60% to the Department. The portion of the HUTF derived from the motor fuel excise tax and registration fees (considered cash funds in the Long Bill for compliance with section 20 Article X of the constitution), that is distributed to CDOT plus interest and miscellaneous fees and federal reimbursements provides the bulk of the money deposited in the State Highway Fund (SHF) (considered cash funds). In FY 2010, the portion of the HUTF the Department anticipates receiving as a transfer to its primary operating account: the State Highway Fund, is \$419.5 million, or 52.6% of the HUTF.

Summary of 2009 Legislation with Major Fiscal Impacts

Senate Bill 09-108 (“FASTER”)

- imposed a new highway safety surcharge
- imposed a new bridge safety fee,
- created a new daily fee on vehicle rentals,
- created a surcharge on certain oversize and overweight vehicle permit fees,

- increased fees and fines for late vehicle registrations,
- reconstituted the Colorado Tolling Enterprise as the High Performance Transportation Enterprise with a new governance structure and expanded scope for tolling facilities on state highways,
- and created the Statewide Bridge Enterprise to finance the repair and reconstruction of bridges designated as “poor”.
- Allocates \$10 million from CDOT’s share and \$5 million from the local government share of HUTF revenues generated from the new fees and surcharges for transit purposes.

CDOT is projected to receive \$126.2 million⁴ in additional revenue from the new fees and surcharges in FY 2009-10. Of this, \$64.4 million will be from the road safety fee on vehicle registrations, \$42.4 million will be from the bridge safety fee on vehicle registrations, and \$19.4 million will be from the daily vehicle rental fee, overweight and oversize vehicle permit fee surcharges, and fees and fines on late vehicle registrations. The bridge safety fee is phased in over a three year period and is expected to generate increased revenue in the subsequent two fiscal years. With the exception of the bridge safety fee all the moneys collected pursuant to this statute are deposited in the HUTF and subject to the “first tier” distribution methodology noted in the previous section. As this is the first year these fees are provided to the Department, they are separately broken out and detailed in this document.

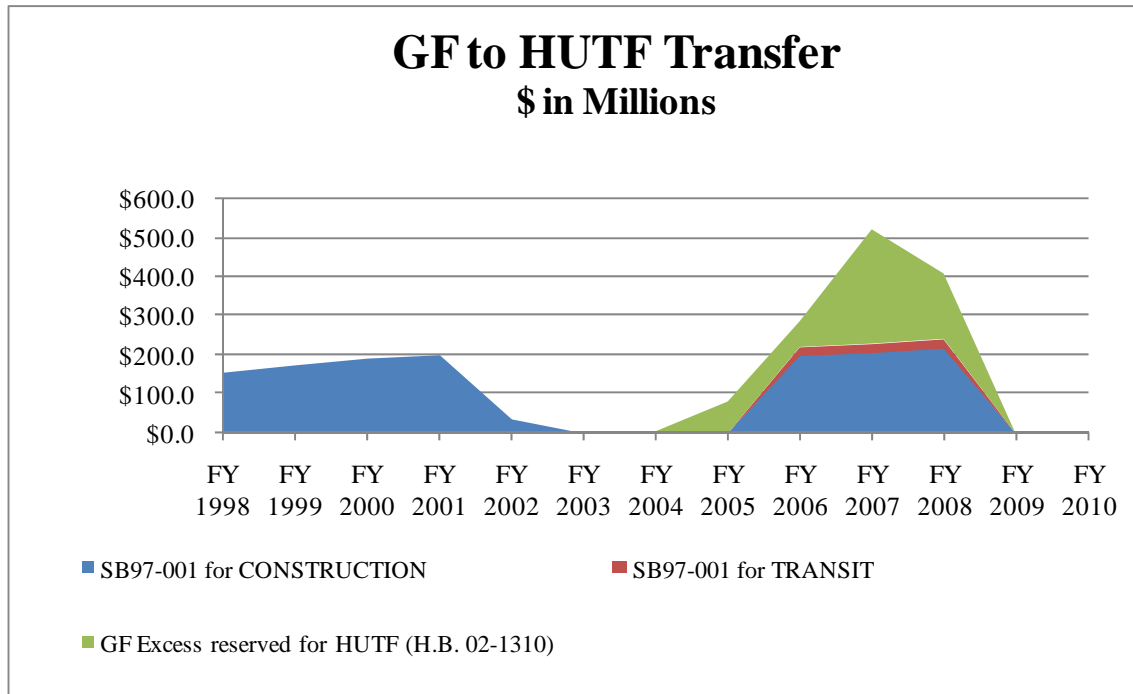
TRANSFERS OF GENERAL FUND (GF) – SALES AND USE TAXES (S.B. 97-001)

In 1997, the Colorado General Assembly enacted S.B. 97-001. This bill directs the transfer of 10% of the State’s annual sales and use tax receipts to the Highway Users Tax Fund (HUTF) and subsequently solely to the State Highway Fund if certain financial conditions are met. The statute limits the use of these funds to the Department’s Strategic Transportation Project Investment Program and the Strategic Transit Program. The basis for this transfer is the fact that more than 10% of the annual sales taxes collected are directly attributable to the sale of vehicles and vehicle repair parts.

Pursuant to SB97-001 transfer of the sales and use tax to the HUTF only occurs if (1) adequate General Fund revenue exists to fund a maximum 6% increase in appropriations, and (2) adequate General Funds are available for the statutorily required reserve. Although S.B. 97-001 as enacted was effective for five fiscal years subsequent legislation has indefinitely extended it. The Department has budgeted \$0.0 from SB97-001 calculations based upon the March 2009 OSPB economic forecast.

⁴ The Official Executive Branch projection of the aggregate gross revenues generated in FY 2009-10 by Senate Bill 09-108 (FASTER) is \$199.7 million. This excludes revenues generated by House Bill 09-1318, which was a technical correction to Senate Bill 09-108. Due to a timing lag, the Executive Branch projection of FASTER revenues recorded in the 2009-10 fiscal year is \$183.1 million, of which \$130.1 million will be generated for use by CDOT. This figure is slightly higher than the figure assumed during the Transportation Commission’s budget process and may be formally addressed by a future Transportation Commission budget action.

As noted in the next section, H.B. 02-1310 changed the distribution of S.B. 97-001 funds by directing that at least 10 percent of S.B.97-001 funds be used for transit purposes or for transit related capital improvements in the implementation of the strategic transportation program.



TRANSFERS OF GENERAL FUND (GF) – per HB02-1310

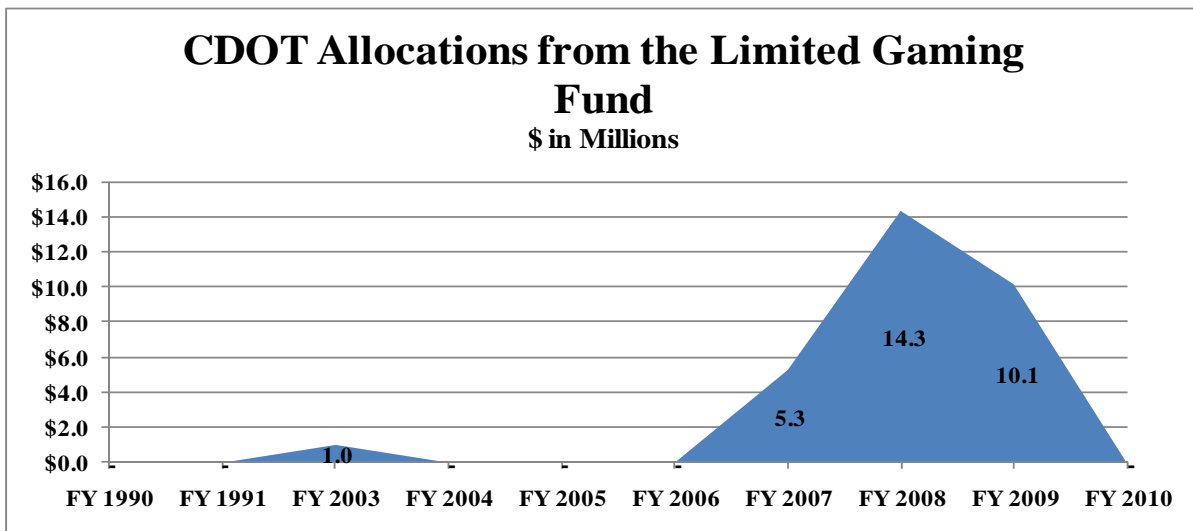
H.B. 02-1310 provided that beginning on July 1, 2003, and each July 1 thereafter, the General Fund surplus less the 4% reserve and less any revenues in excess of the constitutional limitation on aggregate state revenues are allocated two-thirds to the Highway Users Tax Fund and one-third to the State's Capital Construction Fund. The entire HUTF allocation from the General Fund surplus is then transferred to the State Highway Fund (SHF) for allocation to CDOT. These revenues are budgeted by the Department in the fiscal year following its transfer to the Department since they are only transferred if at the end of the fiscal year the controller can certify that the conditions noted above have been met. Based upon the March 2009 OSPB economic forecast, it appears the conditions required for a transfer to occur will not be met in FY2010 so the Department has budgeted \$0.0 from HB02-1310.

GAMING FUNDS

Limited Gaming began in Colorado on October 1, 1991. The most immediate and visible impact of permitting gaming occurred on the roads surrounding the gaming communities of Black Hawk, Central City, and Cripple Creek and near the Indian-owned casinos in Southwest Colorado. Traffic initially increased on those stretches of State highways in the vicinity of the gaming communities by 12% to

16% per year. Though the rate of increase in traffic has tapered off somewhat since then, these State highways now serve between 50% and 350% more traffic than they did before gaming commenced in 1991. None of the highways in these impacted communities were constructed to handle the current volume of traffic.

Pursuant to Section 12-47.1-701(1)(c)(I), C.R.S. (2008) the Department of Transportation annually requests an appropriation from the state's Limited Gaming Fund to address the construction and maintenance needs associated with the increased traffic on State highways in the vicinity of the gaming communities. Any moneys appropriated to the Department of Transportation come from the 50% portion of the Limited Gaming Fund that otherwise would default to the Clean Energy Fund pursuant to S.B. 07-246.



From FY 1995 through FY 2009, the Department of Transportation has received approximately \$56.6 million dollars in appropriations from the Gaming Funds for both highway construction and maintenance. The Department utilizes the Gaming Funds to supplement State Highway Funds for roadway maintenance and improvements in proportion to the gaming-related traffic on the specific highway (e.g., if 50% of the traffic is attributed to gaming based upon pre-gaming and post-gaming traffic count comparisons, then 50% of the costs are requested from the Gaming Fund). Baseline annual maintenance funding for these roads is equal to the FY 1994-95 allocation plus an annual 5% inflationary increase. For mobility improvements in these corridors, the Department now relies exclusively upon the appropriation of gaming funds. The amount requested for FY 2010 was withdrawn due to economic conditions.

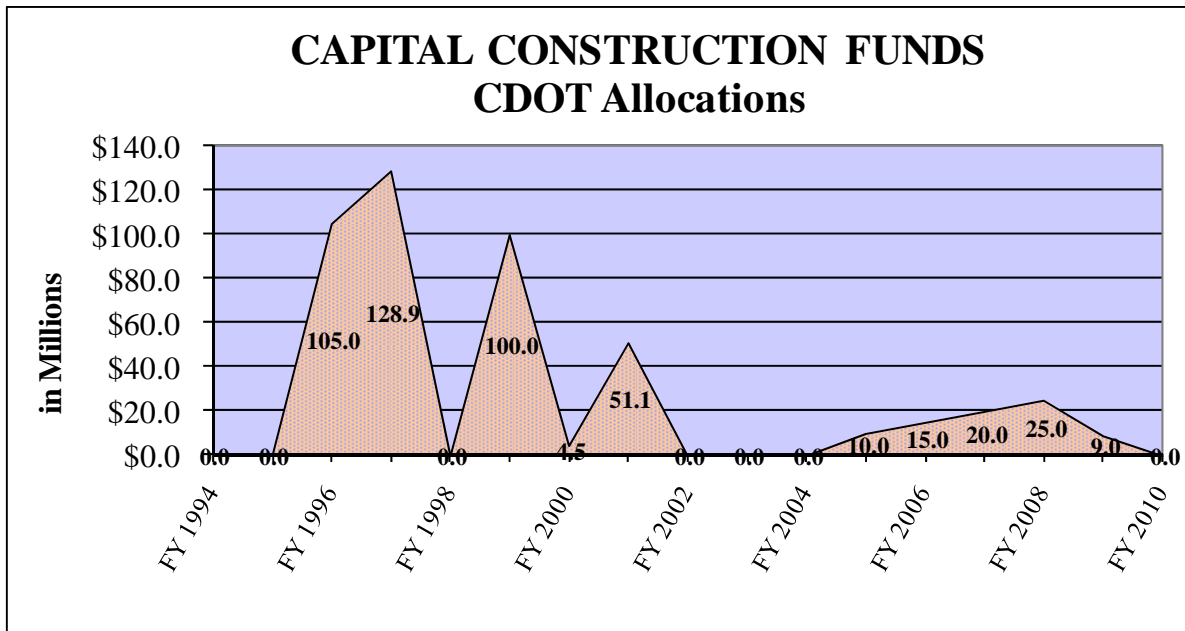
NOTE: As a response to the lack of additional Gaming Fund availability for maintenance and particularly safety measures in the areas around the Colorado gaming communities, the TC has also directed an additional \$1.2 million from the contingency reserve to be added to the initial FY 2010 Maintenance budget for Maintenance Sections 3, 4 and 5. *(These funds were not integrated or offset with the MLOS plan and charts at the time of publishing this document, so by decision of the TC will be added as part of the 1st Supplement to the FY 2010 Budget.)*

CAPITAL CONSTRUCTION FUNDS:

In 1995 the General Assembly enacted H.B. 95-1174. This bill provides that the Transportation Commission annually submit to the Capital Development Committee (CDC) a prioritized list of State highway reconstruction, repair and maintenance projects for possible funding with Capital Construction Funds. Prior to 1995, the Department of Transportation was not eligible to receive State Capital Construction Funds inasmuch as these funds were reserved for non-transportation related capital improvements such as State buildings.

Under the legislation, the Capital Development Committee reviews the Transportation Commission approved list of projects and either approves or rejects the list in its entirety. The CDC-approved list of projects is forwarded to the Joint Budget Committee for possible funding up to the available amount of Capital Construction Funds. Capital Construction Funds appropriated to the Department may be included in the annual Long Appropriations Bill or in a separate bill. Pursuant to H.B95-1174, Capital Construction Funds are appropriated to the Department in a lump sum, not by individual project, and are available for three fiscal years if included in the Long Bill. At the end of the three-year period, any unspent Capital Construction Funds revert to the Capital Construction Fund.

The graph shows the history of Capital Construction Funds allocated to CDOT pursuant to HB95-1174, and also that the Department has budgeted \$0 for FY2010.



FEDERAL REVENUES

On August 10, 2005, President Bush signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, or “SAFETEA-LU.”

Specifically, SAFETEA-LU identifies \$2.45 billion in planned funding for Colorado over the five year life of the bill (fiscal years 2005-2009) - including over \$332 million in earmarks for special projects around the state. The bill also acknowledges priorities for Colorado including an increased emphasis on freight and transit programs as well as recognition of the need for innovative financing programs, given the funding shortfalls currently experienced at the state level.

While Colorado did receive one of the highest percentage increases in funding of all the states, approximately a 47% increase over SAFETEA-LU’s predecessor TEA-21, the bill is not a solution to Colorado’s transportation problems. Three major factors influence the federal funding. First, construction cost inflation erodes much of the buying power of the additional federal funding. Second, many of the federal earmarks are paid for by a reduction in CDOT’s formula funds, but many of these projects were not part of CDOT’s 6-year, or even 20-year plans. Thus projects that are earmarked but not part of the Department’s plan displace the planned projects. Third, current projections for the federal gas tax trust fund show the account exhausting its surplus sometime in 2009.

Due to structural imbalances between revenues and expenditures in the federal Highway Trust Fund (HTF), , Congress in conjunction with the Federal Highway Administration (FHWA) has imposed “obligation limitation” (restrictions on the amount of money given to the state). Finally, SAFETEA-LU purposefully spent the HTF, which had a surplus of approximately \$10 billion in fiscal year 2004, down to a zero balance prior to the end of 2009. As a result, Congress has been forced to require rescissions (a provision of federal law that takes back funding from the States) not only in the 5 year SAFETEA-LU authorization bill, but also through the annual appropriation bill. As revenues have declined nationally over the past 5 years, the over spending (identified in SAFETEA-LU by an end of bill \$8.5 billion rescission) has grown to approximately \$8.8 billion. This figure would have been significantly higher, around \$16.8 billion, but for emergency legislation adopted by Congress in September 2008 which transferred \$8.5 billion from the federal general fund into the highway trust fund, thus avoiding an immediate insolvency for the highway trust fund in federal fiscal year 2008. Under current law, on September 30, 2009 Congress will require the State of Colorado to repay approximately \$120 million - \$140 million back to the federal government.

As noted earlier, Federal funding is derived primarily from the federal fuel tax which is currently 18.4 cents per gallon on gasoline and 24.4 cents per gallon for diesel. Federal Highway Trust Fund excise taxes are in effect through September 2011. A portion (2.86 cents per gallon) of this tax is also used to fund the Federal Transit Administration.

In addition, there are federal discretionary grant funds made available to Colorado for emergency relief or specific projects. CDOT has obtained some of these grant funds over time, but due to the uncertain nature of the application process associated with the award of these additional funds, CDOT has not included an estimate of these funds in the annual revenue forecast for budgeting purposes.

SAFETEA-LU will expire on September 30, 2009. Congress will begin the process of drafting a new federal authorization bill sometime in 2009 after the 111th Congress begins. If the federal authorization is not passed by September 30, 2009, federal funding will likely operate without a federal authorization bill for a period of time, meaning year to year (even month to month) funding for CDOT will be difficult to predict during this time period.

FEDERAL OBLIGATION

As noted above, the federal fund figures in this budget assume availability of federal funds continued at the currently estimated FY2009 rate less an estimated 9.2% federal obligation limit and other federal restrictions for total federal funds in FY 2010. The reductions of federal funds impact Colorado by \$33.4 million, including a mandated reduction of \$1.3 million for the Recreational Trails program, resulting in a net \$330.4 million of federal funds for FY 2010, rather than the original estimated apportionment of \$363.8 million.

FEDERAL TRANSIT REVENUES

Colorado's transit systems are primarily financed with local funds, but they also receive assistance through the Federal Transit Administration (FTA). These FTA funds are often categorized as intended for either urbanized (over 50,000 population) or non-urbanized areas (under 50,000). The urbanized funds are further divided between small urbanized (50,000 to 200,000) and large urbanized areas (over 200,000). These FTA funds are also categorized as either formula funds (derived by formula based on factors such as population or rider-ship) or discretionary funds (awarded by Congressional earmarks).

Operating and capital assistance for Colorado's urbanized areas (Boulder, Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Longmont, Pueblo and Lafayette/Louisville) is awarded by the FTA directly to designated recipients in 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 largely derived from 2.86 cents per gallon tax set aside in the federal Highway Trust Fund and are awarded to states based primarily on population.

For FY 2010, since there is not yet an approved reauthorization act, Colorado does not know what to expect to receive, but the FY 2009 allocation provided approximately \$195.6 million in FTA funds and \$2.6 million in FHWA funds for the Safe Routes to School program. Of this total, only \$14.2 million is administered by CDOT. For budgeting purposes this document presumes FTA funds in FY2010 will continue at the following levels:

- Section 5307 Formula Funding for Urbanized Areas at \$59.5 million;
- Section 5309 New Starts at \$103.7 million;
- Section 5309 Bus & Bus Facilities at \$12.0 million; and
- Section 5311 Non-urbanized Public Transportation at \$8.4 million.
- Five other, smaller FTA grant programs totaled \$12 million.

These funds are generally available at a match ratio of up to 80% federal and 20% local for capital and administrative expenses and 50% federal/50% local for operating expenses.

STATE TRANSIT REVENUES

Pursuant to H.B. 02-1310, 10% of S.B. 97-001 funds are set aside for transit purposes (see SB97-001 graph on page 15). The Transportation Commission appointed a Task Force in 2006 that developed a 5-year strategic investment program for transit. The Task Force established a project selection and prioritization process, accepted and scored applications, then recommended a five-year (2006-2010) list of projects to the Commission. The Commission approved the list and has been providing funds for the projects, based on score and year of need, as the funds become available. Most of the projects approved on this list are now complete. The Commission anticipating the close out of the initial list in 2008 issued a second call for additional projects and developed a list for the years starting in FY2010 to which it will allocate SB97-001 funds, if any prove available. Based upon the March 2009 OSPB forecast, however, in FY2010 the amount available to fund this program in FY 2010 is \$0.0 million so none of the projects approved on the new list are presently scheduled to actually receive funding from SB97-001 funds.

A portion of the anticipated revenues to be generated pursuant to SB09-108 are dedicated to Transit. The projected revenues combine for \$15.0 million of which \$5 million is a transfer of funds that would otherwise be allocated through the HUTF formula to local governments, and \$10 million is from the portion of the newly created Highway Safety Fee funding allocated through the HUTF to CDOT but the specific allocation of these funds is yet to be determined.

AVIATION REVENUES

STATE - AVIATION REVENUES

Like other programs within the Department of Transportation, the aviation program receives no General Fund revenue to support its 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 and earmarked for airport development. The remaining 2 cents is placed into the Aviation Fund for "grants-in-aid" to the aviation community and for administrative expenses of the CDOT Division of Aeronautics (DOA) (capped at five percent of the annual deposits into the Aviation Fund). A 2.9% jet fuel sales tax is collected on sales of all jet fuels and is distributed 65% back to the airport of origin with the remaining 35% placed into the Aviation Fund for "grants-in-aid" to the aviation community.

Using State revenue from the sale of aviation gasoline and jet fuel, the Division of Aeronautics plans to distribute about \$7.7 million in discretionary grants to airports throughout Colorado in FY 2010. These grants fund a variety of projects such as runway repair, emergency equipment upgrades, airport terminal rehabilitation and runway lighting. The Colorado Aeronautics Board (CAB) generally requires local matching funds in proposals to the CAB, to demonstrate local support for project requests.

FEDERAL - AVIATION REVENUES

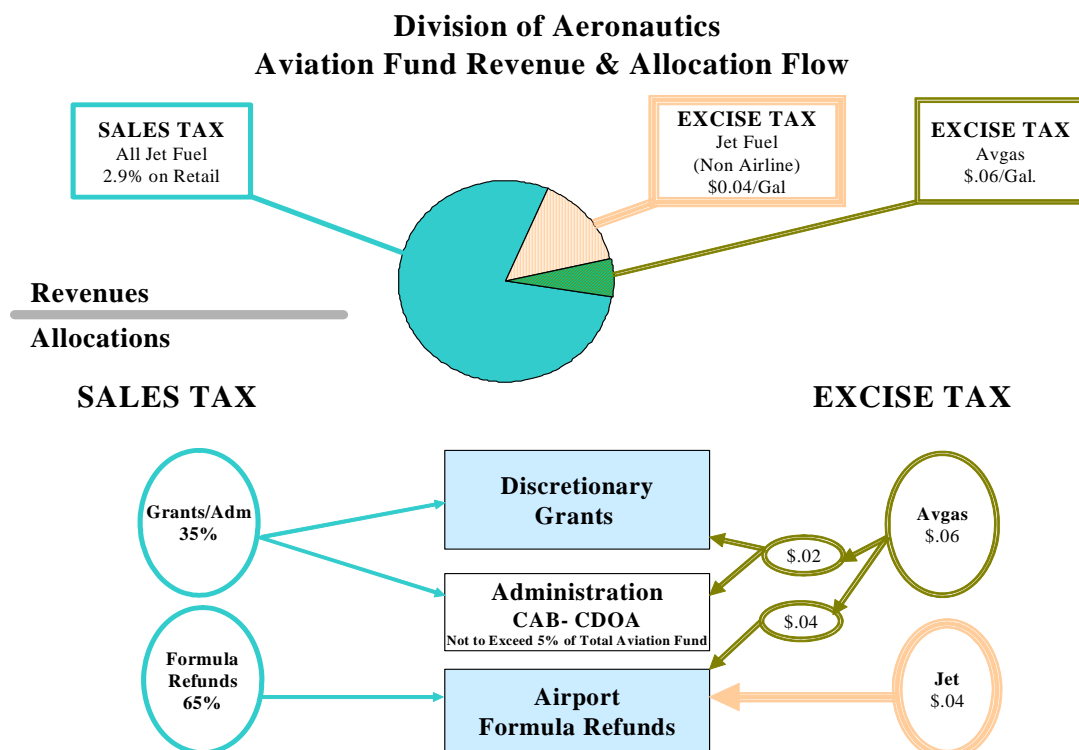
Federal support for Colorado's Aeronautics program is minimal, with the exception of the funds for eligible Colorado airports, which are not part of the CDOT Division of Aeronautics (Denver International and Colorado Springs). CDOT estimated it will receive \$298,578 in federal funds for FY 2010. In FY 2010, there are portions of 2.0 FTEs funded from these federal funds.

Federal support of the Aeronautics Program is designed to accomplish specific aeronautical projects of federal interest. These projects currently require a 5% match from the State Aviation Fund, which is provided by the CAB from the Discretionary Airport Grant Program. Due to potential changes in the FAA reauthorization, it may be necessary to increase match from the State Aviation Fund from 5% to 10%.

In addition to the FAA funds managed by CDOT, for FFY 2010 the Federal Airport Improvement Program (AIP) may make available to Colorado airports as much as \$65 million in grants. The AIP grant recipient airports number 30-35 per year, and include both Denver International Airport and the Colorado Springs Airport.

The AIP grant funds to Colorado airports from 2002-2008:

2002 - 25 Airports/\$81.8 million	2003 - 46 Airports/\$75.0 million
2004 - 35 Airports/\$66.2 million	2005 - 33 Airports/\$96.3 million
2006 - 29 Airports/\$85.1 million	2007 - 33 Airports/\$72.2 million
2008 - 33 Airports/\$65.2 million	



As of 12-1-04

SAFETY EDUCATION AND ENFORCEMENT PROGRAM - REVENUES

STATE – SAFETY EDUCATION FUNDS

There are two major safety programs, which are entirely State funded: the Law Enforcement Assistance Fund (**LEAF**) and the Motorcycle Operator Safety Training (**MOST**) Program. LEAF was created by the legislature in 1982 to help cities and counties enforce impaired driving laws. The Office of Traffic Safety under the supervision of the Chief Engineer is assigned the responsibility of allocating LEAF money to law enforcement agencies statewide. Today, there are approximately 60 law enforcement agencies in the state receiving LEAF money, with approximately \$1.0 million in LEAF funds allocated for FY 2010.

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

In 1990, the General Assembly created the Motorcycle Operators Safety Training (MOST) Program to promote motorcycle safety. A surcharge of \$2.00 on each motorcycle-endorsed driver's license and a surcharge \$4.00 on each motorcycle registration is credited to the MOST Fund. For FY 2009, MOST funds are estimated at \$0.6 million. Of this amount, a majority of funds are set aside for motorcycle training organizations as a \$50.00 tuition reimbursement for students. The remaining funds are for administrative costs, which cannot exceed 15% of the revenue.

FIRST TIME DRUNK DRIVING OFFENDERS ACCOUNT (FTDD)

- In 2008, the Governor signed into law House Bill 08-1194, which increased penalties for drunk driving offenders. Revenues generated from the incremental increase in penalties are credited to the First Time Drunk Driving Offenders Account, a newly created sub-account of the Highway Users Tax Fund.
- HB08-1194 appropriated \$2,000,000 to the Department from that account for the purpose of increasing the number of high-visibility DUI law enforcement actions in FY 2009. Although the bill specified that the spending authority be allocated to the Construction, Maintenance, and Operations (CMO) section of CDOT, the language of the statute requires the General Assembly to annually decide how much to appropriate for this program. The fiscal note to the bill presumes a further \$2 million appropriation in FY 2009-10 and in subsequent years, but due to the fiscal constraints only \$1.0 million has been appropriated for FY2009-10 by the General Assembly.

FEDERAL SAFETY EDUCATION FUNDS

For FY 2010 there are ten program areas and in the Safety Education and Enforcement Program that receive federal funds:

- **Transportation Safety Planning, Administration and Operations**

This program is funded with federal Section 402 and 410 funds which are matched dollar for dollar with State Highway Funds. This program funds the general administration of Safety activities within the Safety and Traffic Engineering Branch as well as the overall management of the various projects within the office. For FY 2010, this program's budget will total \$1.4 million matched at a 50% federal and 50% State ratio. \$ 0.6 million of the \$1.4 million is Section 402 funds.

- **Highway Safety Plan** - Federal funds from the National Highway and Traffic Safety Administration (NHTSA) 402, 408, 410, 1906, and 2010 funds for the first nine of following safety educational and enforcement program areas:

- Occupant Protection,
- Motorcycle Safety,
- Public Information and Education,
- Safe Communities,
- Bicycle / Pedestrian Safety,
- Traffic Records,
- Prohibit Racial Profiling,
- Impaired Driving,
- Young Drivers,
- Roadway Engineering Safety funds will come from FHWA Flex funds and deals with non-construction safety areas, such as proper traffic signs and signals, traffic engineering and maintenance training.
- For FY 2010 \$3.3 million in Section 402 funds are estimated for allocation to the first seven programs on the above list. The match ratio for these funds is 75% federal and 25% state or local ratio.

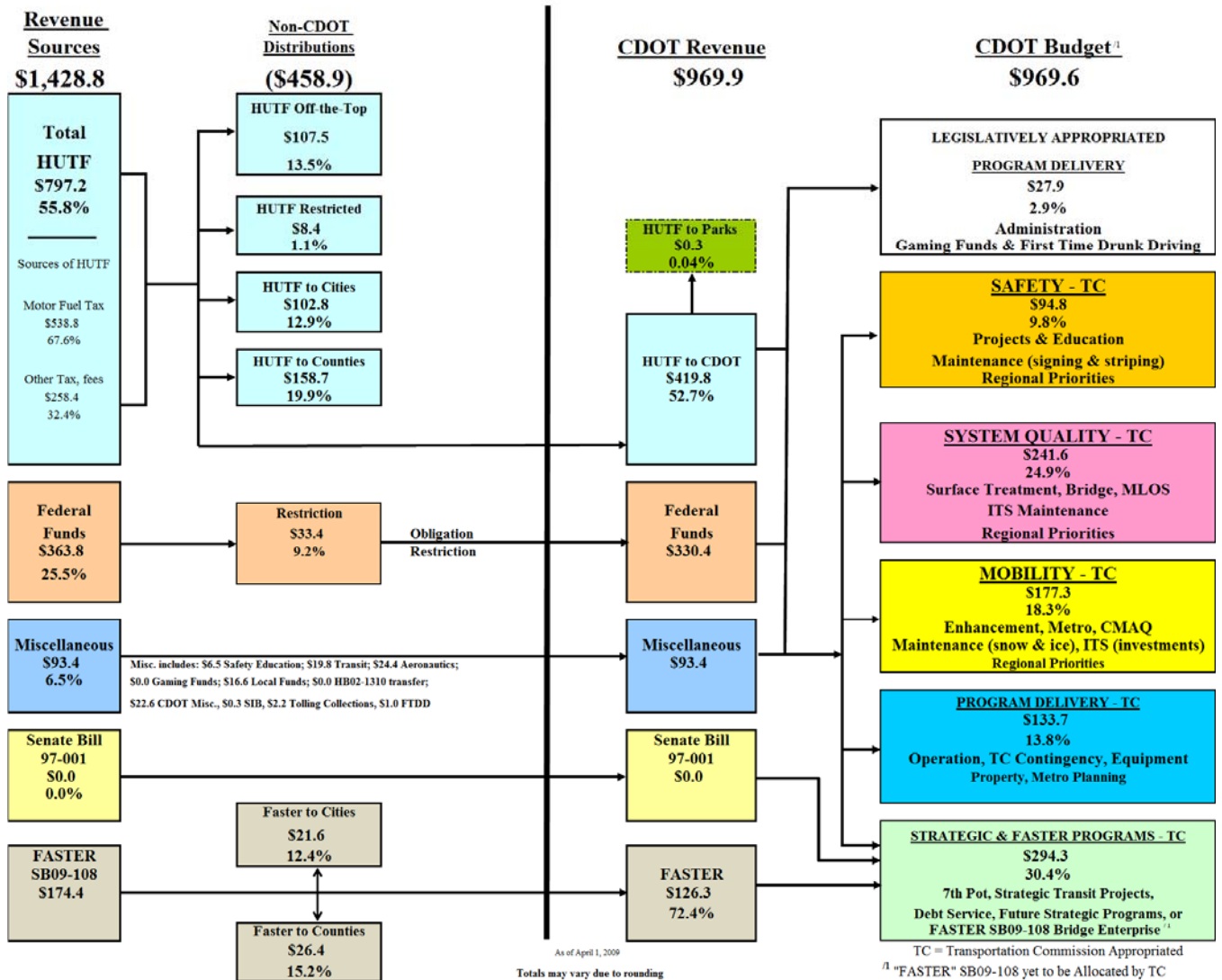
Alcohol Incentive Grant Program - The program aims to reduce impaired driving and related crashes. For FY 2010 it is estimated that \$ 0.6 million from Section 410 will be provided. These funds will be expended in the following program areas for tasks that meet the funding criteria: Planning, Administration and Operations; Impaired Driving, Young Drivers, and Motorcycle Safety.

Traffic Records - The Fatality Analysis Reporting System (FARS) program is 100% federally funded, and is currently under a five-year cooperative agreement which effectively started February of 2007 with NHTSA. Funds for this program become available annually on a calendar year basis, and for FY 2010, funding is expected to total \$0.1 million. Traffic Records also receives Section 408 funds.

Motorcyclist Safety Program - For FY 2010 CDOT plans on applying for \$ 0.1 million in Motorcyclist Safety funds for motorcyclist safety training and motorcyclist awareness programs, in conjunction with the state funded MOST programs.

CDOT PROGRAM ALLOCATIONS SECTION

Colorado Department of Transportation Estimated FY 2009 - 2010 Financing System - Distribution by Investment Categories (In Millions)



COLORADO DEPARTMENT OF TRANSPORTATION
FY2010 ALLOCATION BY INVESTMENT CATEGORY
As of April 1, 2009

<u>INVESTMENT CATEGORY</u>	<u>ALLOCATION</u>
<u>PROGRAM AREAS (All or part)</u>	
<u>SAFETY</u>	
Safety Education (with State Match added)	6,876,064
First Time Drunk Driver Fund	1,000,000
Safe Routes to Schools	1,656,700
Railroad Crossings	2,088,278
Rockfall Mitigation	4,174,164
Rockfall Mitigation - Gaming Funds	0
Construction - Gaming Funds	0
Maintenance - Gaming Funds	0
Hazard Elimination	13,606,076
Hot Spots	1,573,578
Traffic Signals	1,069,422
Safety Enhancements (Note: this is transferred to Surface Treatment)	4,942,322
Maintenance (Traffic Operations)	57,823,384
Safety - Earmarked Projects	0
Total SAFETY	94,809,988
<u>SYSTEM QUALITY</u>	
** Surface Treatment (Note: plus Safety Enhancement fund transfer)	93,195,357
CDOT Bridge & Special DI for Culvert Repair	39,703,540
Local Bridge	8,505,662
Maintenance	88,062,921
ITS Maintenance	9,839,006
Transit (Capital - Sec. 5310)	2,154,801
Tunnel Inspections	129,555
System Quality - RPP	0
System Quality - Earmarked Projects	0
Total System Quality	241,590,842
<u>MOBILITY</u>	
Congestion Relief	5,815,355
Enhancement	11,116,778
Metro	29,534,081
CMAQ	21,706,711
Maintenance (Avalanche, Snow & Ice)	69,311,431
ITS Investments	0
Gaming Funds - Construction	0
Division of Aeronautics	24,365,234
Transit (Service & Capital)	15,412,212
Mobility - RPP	0
Mobility - Earmarked Projects	0
Total MOBILITY	177,261,802
<u>PROGRAM DELIVERY</u>	
Operations (incl: Admin \$24.8M, DTD, etc.)	56,466,605
Maintenance Support - HQ Operations	5,616,712
Maintenance - Program Support in Regions - MLOS	22,650,044
** TC Contingency - (adjusted with any prior year balance)	30,505,139
TC Contingency - Snow & Ice Reserve	10,000,000
TC Contingency - Earmarks Match	0
Maintenance Incentive Program - Roadway Transfer (in TCCRF)	0
Road Equipment	17,051,591
Capitalized Operating Equipment	3,400,000
Property & COPS	7,831,445
Transit Administration / Operations	447,245
Metro Planning - FTA & FHWA	5,808,235
Tolling Enterprise	2,200,000
Total PROGRAM DELIVERY	161,977,016
<u>STRATEGIC 28 PROJECTS</u>	
Strategic 28 Projects - Debt Service	167,990,881
Strategic 28 Projects - Highway	0
Strategic 28 Projects - Earmarks	0
Strategic 28 Projects - Transit	0
Total STRATEGIC PROJECTS	167,990,881
<u>PROGRAMS with SB09-108 "FASTER" Bill Funds</u>	
HUTF pursuant to SB09-108 - To be Allocated (TBA)	68,884,081
HUTF Transit & Rail Funds pursuant to SB09-108 (State - TBA)	10,000,000
HUTF Transit & Rail Funds pursuant to SB09-108 (Local - TBA)	5,000,000
State Bridge Enterprise Fund pursuant to SB09-108 (TBA)	42,448,543
Total SB09-108 PROJECTS (see footnote 4, page 16)	126,332,624
TOTAL CDOT INVESTMENT CATEGORIES	\$ 969,963,152

SAFETY INVESTMENT CATEGORY

Defined as: services, programs and projects that reduce fatalities, injuries and property damage for all users of the system

The Safety Investment Category focuses on two key program areas: Roadway Characteristics and Driving Behaviors. Roadway Characteristics performance is measured by: Total Crash Rates, Injury Rates, and Fatality Rates. Driving Behaviors performance is measured by tracking: Alcohol Related Fatality Rates and Seatbelt Usage.

Providing a safe and secure transportation system to the traveling public is among CDOT's highest priorities. The mission of CDOT's Safety and Traffic Engineering programs is to reduce the incidence and severity of motor vehicle crashes and the associated human and economic loss. Colorado is a national leader in reducing traffic deaths and injuries. This success is attributable to the engineering of safer highways, education of the driving public, and enforcement of the state's driving laws. Despite improvement, traffic crashes remain the leading cause of death and injury in Colorado.

SAFETY PROGRAM AREAS - SAFETY EDUCATION & ROADWAY SAFETY

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

DRIVER BEHAVIOR PROGRAMS – Safety Education and Enforcement

In combination with traditional roadway safety improvements, this program promotes safety through education and enforcement campaigns-such as “Heat is On”, and "Click It or Ticket" and educational and direct service programs through school districts and with other safety partners to reach groups which are disproportionately represented in crashes.

The Office of Transportation Safety is assigned the responsibility for the promotion and coordination of transportation safety education and enforcement 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. The plan is designed to reduce traffic accidents and deaths, injuries and property damage.

The Office of Transportation Safety of CDOT develops projects with state and local governmental agencies, non-profit organizations and universities for inclusion in the Highway Safety Plan. These projects address problems identified in major safety program areas such as impaired driving, young drivers, occupant protection, motorcycle safety, public information, safe communities, bicycle/pedestrian safety and roadway engineering safety. Federal funding is made available for these projects with state and local matching funds.

The Office of Transportation Safety administers three State-funded programs. These are the Law Enforcement Assistance Fund (LEAF), the Motorcycle Operators Safety Training (MOST) Program, and the First Time Drunk Driver Fund (FTDD).

TRANSPORTATION SAFETY ADMINISTRATION, PLANNING AND OPERATIONS

This program is funded with federal Section 402 and 410 funds, FHWA Flex and state funds. This program provides for the general administration, planning and operations of the Safety Programs within the CDOT Office of Transportation Safety. The match ratio is 50% federal and 50% state.

HIGHWAY SAFETY PLAN

This program annually funds over 75 projects and approximately 40 joint projects between local agencies and the Safety Education and Enforcement Programs, which currently include:

- Impaired Driving
 - Young Drivers
 - Occupant Protection
 - Teen Seat Belt Demonstration Project
 - Motorcycle Safety
 - Public Information and Education
 - Safe Communities
 - Bicycle / Pedestrian Safety
 - Traffic Records
 - Prohibit Racial Profiling
 - Roadway Safety Engineering
- Federal funds for the first ten safety areas come from the National Highway and Traffic Safety Administration (NHTSA) 402, 403, 408, 410, 1906 and 2010 funds. The last program for Roadway Safety Roadway Engineering Safety funds will come from FHWA Flex funds (when available) and deals with non-construction safety areas, such as proper traffic signs and signals, traffic engineering and maintenance training.

As presented in the Safety related revenues identified on page 24 the following programs must be used to meet specific federal program guidelines:

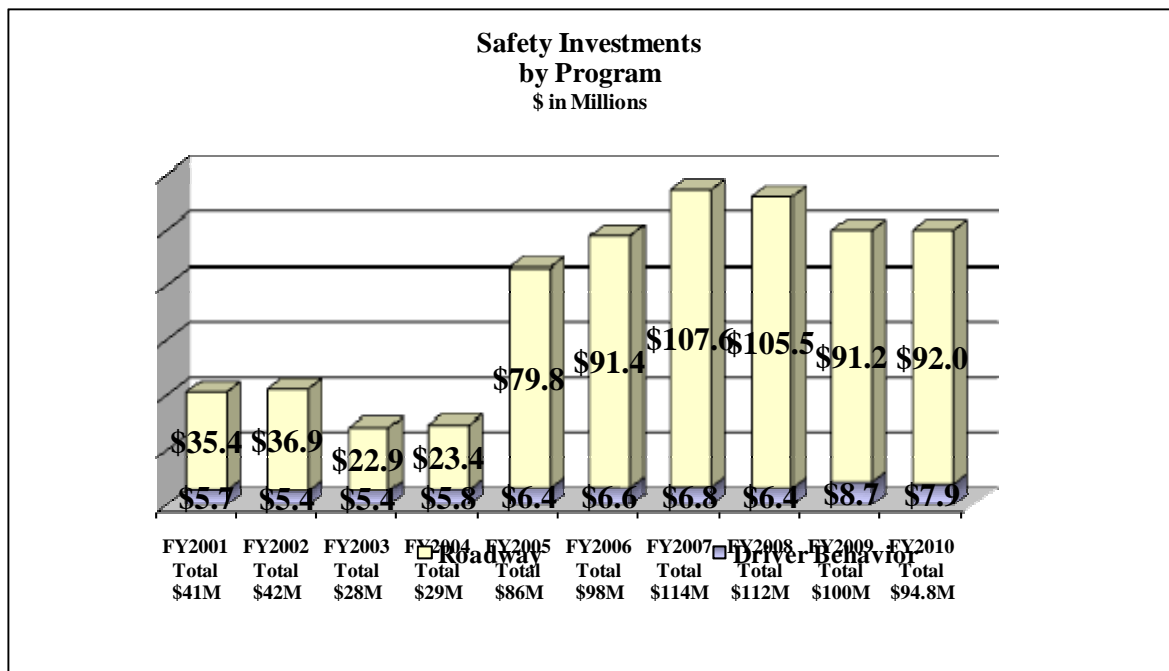
- Alcohol Incentive Grant
- Traffic Records - Fatality Analysis Reporting System (Fars)
- Traffic Records
- Motorcyclist Safety Program
- Program To Prohibit Racial Profiling

ROADWAY SAFETY PROGRAM AREA

This program identifies roadway improvements which can improve the 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, guardrails, intersection improvements, lighting, etc.

As an additional State source for safety activities, H.B.05-1151 doubled the fines for various types of violations in construction work zones beginning July 1, 2006. These funds are deposited into the Highway Construction Workers' Safety Account in the Highway Users Tax Fund (HUTF). The bill provides that the funds generated are continuously appropriated to the Department of Transportation for work zone safety equipment, signs, and law enforcement. The FY 2010, estimate for this funding source is approximately \$30,000 as the collections to-date are only about one third of the amount projected at the time the statute was enacted, due to either enforcement or judicial collection issues. The Department will use this money to purchase Safety Attenuator Equipment (truck mounted crash impact barriers).

SAFETY CATEGORY SUMMARY



Note: The apparent increase in funding for FY 2005 is primarily due to a re-categorization of funding with the maintenance program's traffic services, changing from System Quality to Safety.

SYSTEM QUALITY INVESTMENT CATEGORY

Defined as: Activities, programs and projects that maintain the function and aesthetics of the existing transportation infrastructure

This investment category addresses the quality of the transportation infrastructure. Investment decisions in this category impact the surface quality and remaining service life of roadways and structures. The investment Program Areas are: Pavement, Bridge, Roadside Facilities, Traffic Operations, Rest Areas, Roadside Appearance and Other Modes.

Over many decades Coloradoans made a multi-billion dollar investment in transportation infrastructure. These investments constitute Colorado's transportation assets. The Department serves as the steward of state owned bridges and pavement. Each year, the Department reports on the physical condition of these assets as well as the efforts made by our maintenance forces to perform on-going maintenance. Objectives are set relative to the funds available to support these activities. With additional funding the objectives would be higher.

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.

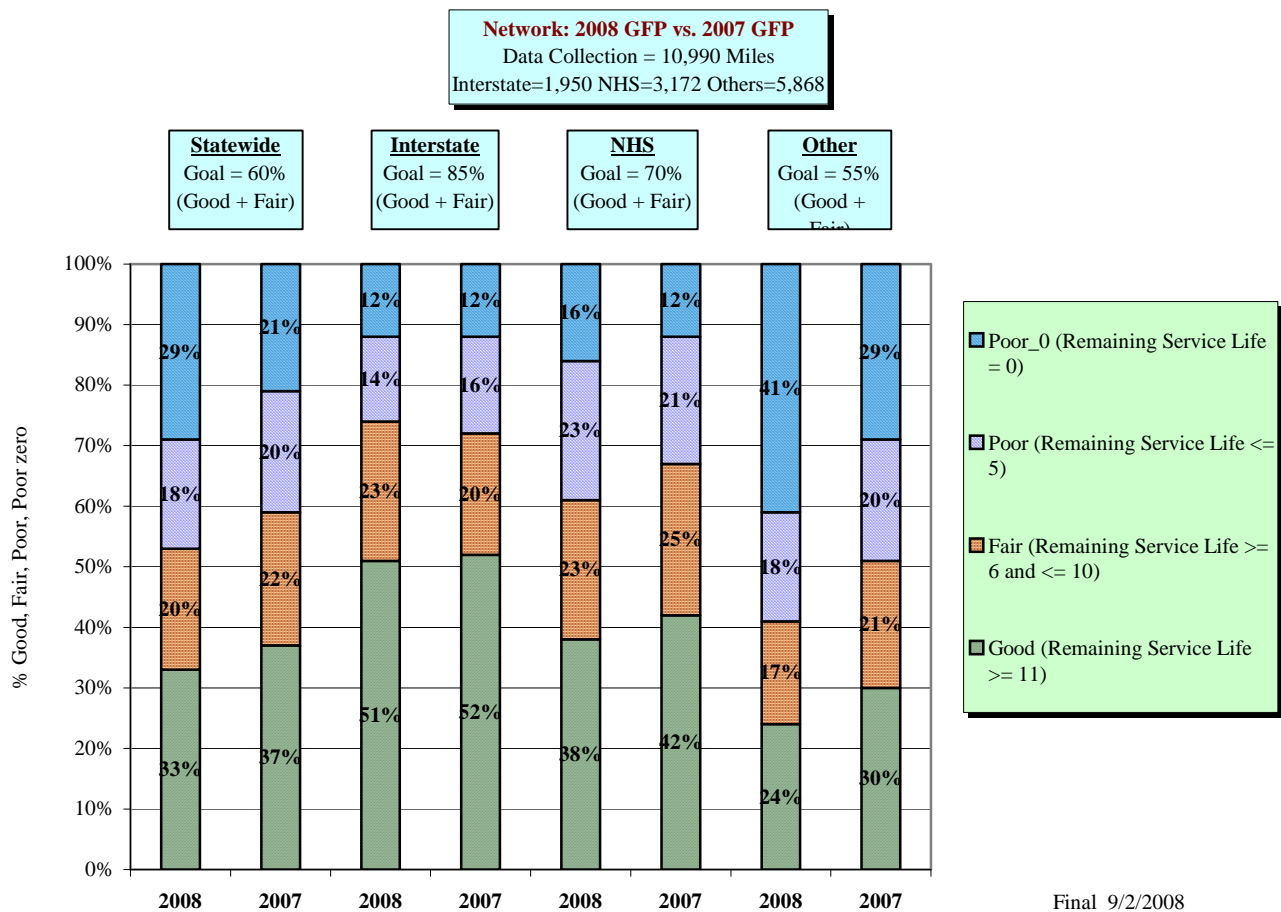
To preserve and maintain the State highway system, the Transportation Commission has allocated \$93.2 million in FY 2010 to the Surface Treatment Program (plus \$4.9 million transferred to the Maintenance program for surface work). The Transportation Commission has also allocated \$4.9 million in Safety Surface Treatment funds, to garner efficiencies by performing necessary Safety work in conjunction with Surface Treatment work.

The Department documented the need for increased funding of the Surface Treatment Program based upon 1993 data showing that 64% of the state highway system had pavement rated as "poor." Based upon this information the Transportation Commission chose to allocate additional funds for surface treatment between FY1993 and FY2008 at a rate that exceeded the rate of general inflation. However, in recent years construction inflation has eroded the value of all treatment dollars, and the gains recognized between 1993 and 2005 that allowed the system quality to peak in 2005 at 65% good-fair are now reversing course. Using "Remaining Service Life" (RSL), the reported 2008 current pavement condition on the State system is rated 53% as "fair/good" and 47% as "poor."

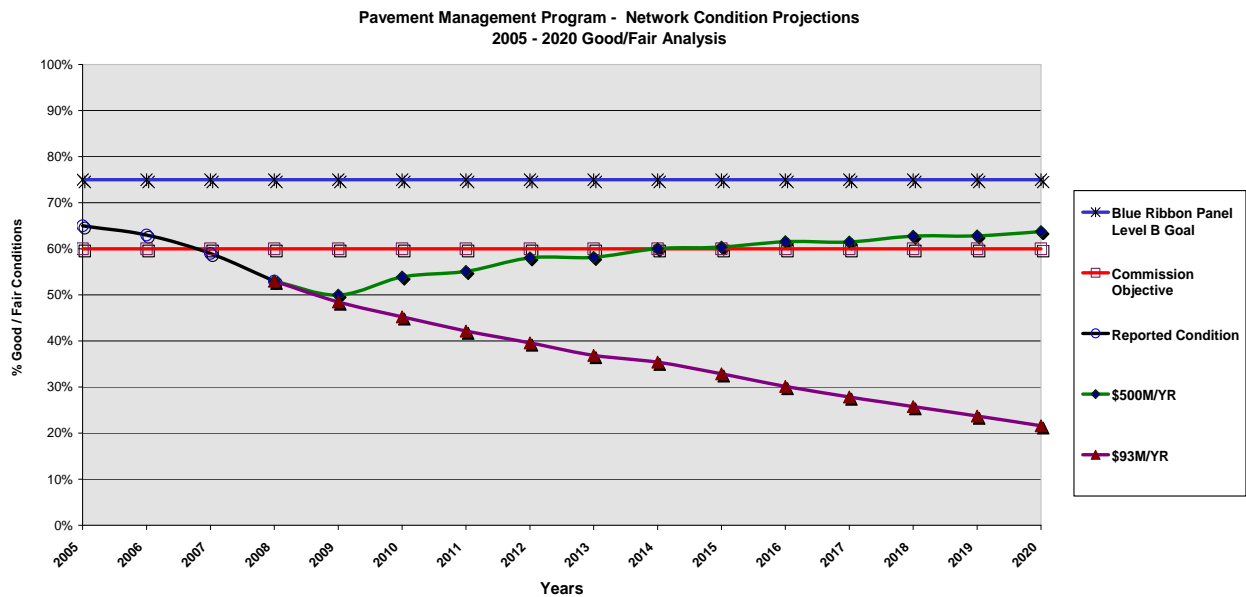
CDOT has made changes in its project delivery process to address the declining value of treatment dollars, and this has assisted in slowing the rate of deterioration, but the outlook for the system quality, with current projected funding levels, is for continued degradation of surface quality.

The Transportation Commission has set an overall objective for surface condition of 60% good/fair and 40% poor. Although the Commission would like to set the goal at a higher level, based upon available resources, 60% good/fair is the best result the Commission believes it can attain. The Commission has further broken down surface treatment conditions between 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. However, with available funding the Department cannot meet these objectives on a statewide basis. The following graph depicts the changes in condition for the systems and in aggregate (Statewide) for recent years.

CURRENT SURFACE CONDITION



PROJECTED SURFACE CONDITION DEPENDING ON FUNDING SCENARIOS



BRIDGE PROGRAM

FHWA funds a portion of the State's Bridge Program through the Highway Bridge Replacement and Rehabilitation Program (HBRRP). For HBRRP purposes, a bridge is defined as a structure including supports erected over a depression or an obstruction, such as water, a highway, or a railway, with 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 under-cropping 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.

Although it has changed somewhat throughout the years, the HBRRP funds are used for work on 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 either Structurally Deficient (SD) or Functionally Obsolete (FO) AND 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) on which bridges are rated.

Bridges that have a Sufficiency Rating less than fifty (i.e., bridges in poor condition) qualify for HBRRP replacement funding while those with a Sufficiency Rating from fifty to eighty (i.e., bridges in fair condition) 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 for inclusion in the Statewide Transportation Improvement Program (STIP).

The Code of Federal Regulations (CFR) states that not less than 15 percent of the federal apportioned funds shall be expended for "off-system" projects located on public roads, other than those on a Federal-aid system; i.e., local agency projects.

Over recent years the numbers of bridges qualifying for the Select List has been fairly constant. This will change in the future, with a growing number of poor bridges, as the average age of the State's bridge infrastructure increases.

Bridges in the poor category typically require replacement instead of preservation activities. Under CDOT's current 2008-2035 plan, \$27.0 million will be invested annually (on average, un-inflated dollars) from the State's Bridge Program for replacement and major rehabilitation of bridges on the select list. The total project cost to replace the current number of poor on-system bridges is estimated at approximately \$1.29 billion dollars. The I-70 Viaduct (from Brighton Boulevard to Colorado Blvd, in Denver) accounts for about \$800 million of this amount.

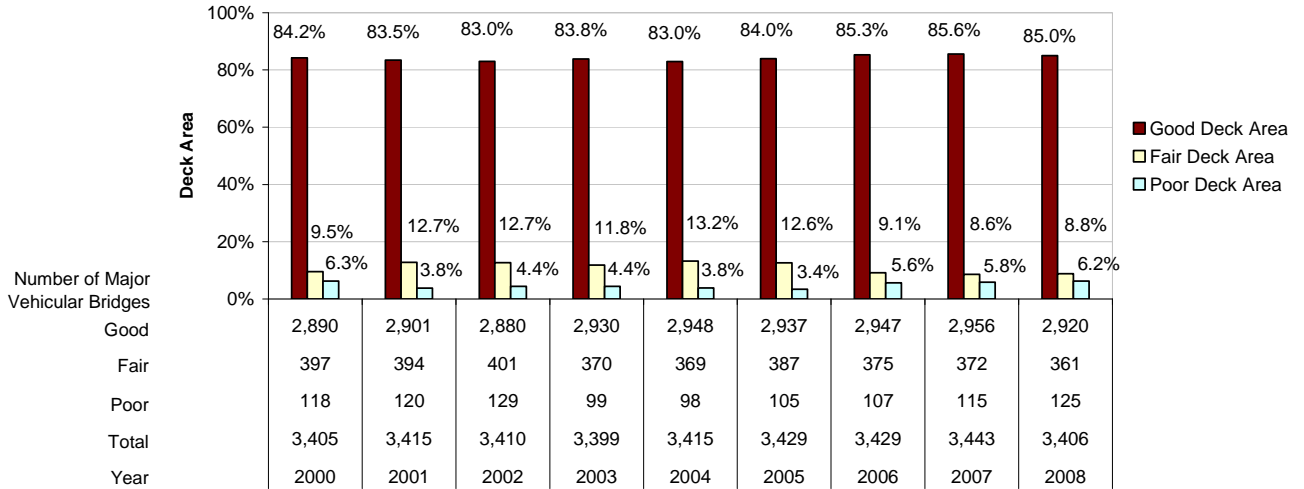
In addition to the HBRRP Federal dollars CDOT's current 2008-2035 plan provides additional state highway fund (SHF) dollars for bridge repair and rehabilitation. For FY2010 the SHF amounts to \$14.1 million of additional dollars for bridge and culvert critical repairs, bridge preventative maintenance, and the Department's structure inspection and inventory programs. The Department's structure inspection and inventory programs also include bridges and culverts less than 20 feet long (along centerline of roadway), overhead signs and signals, and high mast lights.

The Department also administers the local agency bridge program. This program provides bridge inspection and inventory services to the cities and counties as well as grants for bridge replacement projects. The Department maintains a select list, as described above, for local agency bridges to determine eligibility for bridge replacement grants. Under CDOT's current 2008-2035 plan, about \$8.5 million is allocated annually (on average, un-inflated dollars) from the State's Bridge Program for the local agency bridge program.

A portion of the anticipated revenues to be generated pursuant to SB09-108 are dedicated to financing the repair and replacement of bridges designated as "poor". The projected revenues total \$42.4 million, but the specific allocation of the funds is yet to be determined, and their impact on the overall condition of the state's bridges has not yet been quantified.

CURRENT BRIDGE CONDITION

ON-SYSTEM BRIDGE CONDITION (All CDOT Owned Major Vehicular Bridges on the State Highway System) November 2008



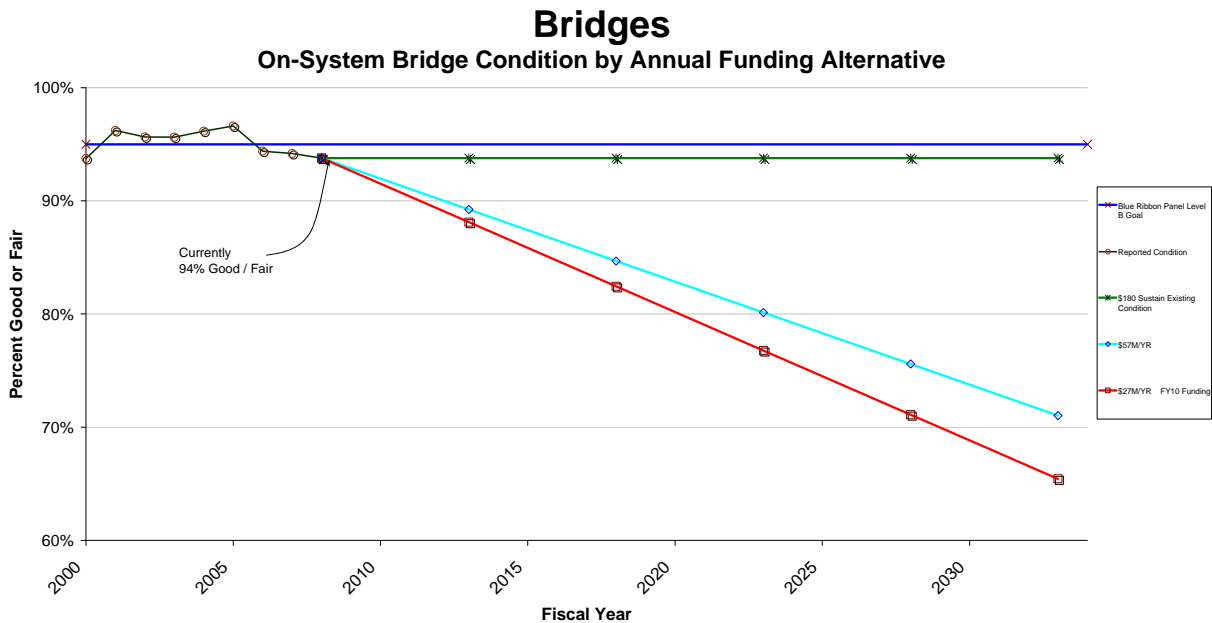
Poor = Sufficiency Rating of less than 50 AND Structurally Deficient (SD) OR Functionally Obsolete (FO)

Fair = Sufficiency Rating of 50 to 80 AND Structurally Deficient (SD) OR Functionally Obsolete (FO)

Good = Remaining Bridges NOT Rated Fair or Poor (NOT SD or FO and/or above 80)

Bridges in Poor condition have generally exceeded their remaining economically viable service life.

PROJECTED BRIDGE CONDITION - DEPENDING ON FUNDING SCENARIOS



MAINTENANCE PROGRAM

The Maintenance Program is designed to keep the 9,200 centerline-mile (27,110 lane miles) 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, guard rail repair, bridge repair, painting bridges, tunnel maintenance, rest area maintenance, 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. Additional efforts essential to roadway safety include maintenance of traffic control devices such as traffic signals, and roadway striping and markings.

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 severe weather, such as a snowstorm, flood, or avalanche occurs, maintenance forces reprioritize and utilize all available resources to address safety and access of the system as quickly as possible.

In an effort to provide statewide consistency in service, for FY 2010, CDOT uses 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 one hundred and one activity or system items. The measured items are then categorized into nine "Maintenance Program Areas" (MPA's), 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 cost 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. Although the Department now uses the letter grades established in MLOS it remains useful to provide some information in terms of quantities or efforts performed by the maintenance crews.

For example, during FY 2008 these transportation workers:

- Extended the life of highways utilizing 248,018 tons of asphalt and 178,841 thousand gallons of liquid asphalt in asphalt preservation activities.
- Striped over 22,540 miles of roadway. Placed 167,596 sq ft of markings by hand.
- Snowplowed, sanded and/or de-iced Colorado highways traveling 7.26 million miles. 8,406 hours of avalanche mitigation.
- Disposed of 82,222 cubic yards of trash with the help of 10,512 Adopt-A-Highway volunteers.
- Installed, replaced or repaired 67,830 signs and/or posts damaged by accident, vandalism or deterioration.
- Replaced, installed or repaired over 17.125 million linear feet of fencing along right of way.
- Provided over 44,377 hours of traffic surveillance through Colorado's two major vehicular tunnels along the I-70 corridor. This in turn provided quick response to emergencies that occurred, helping to ensure safe passage for the motoring public.

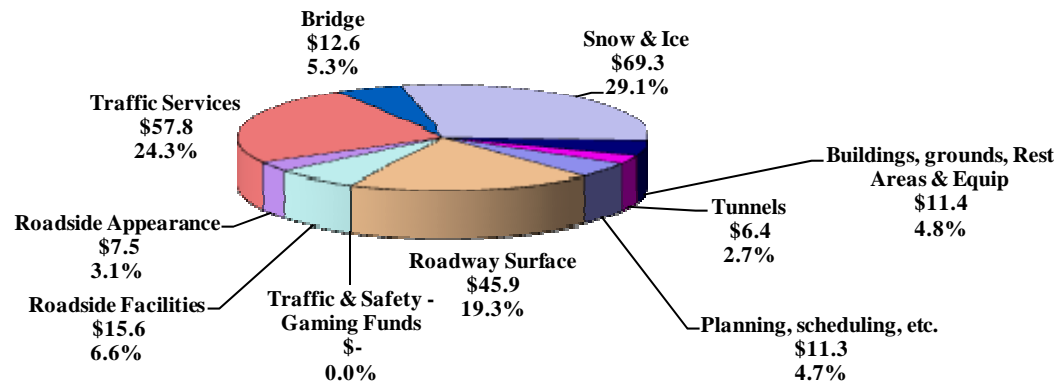
These activities support the level of service in the MPAs and drive the MLOS rating applied by the system survey. In order to maintain a "B" level of service for Snow & Ice control, the Commission reprioritized other MLOS areas and reduced the Surface Treatment Program by a total of \$10.0 million with those funds being directed for Snow & Ice control. The following chart indicates the investment anticipated in each MPA, in order to achieve the target levels, ranging from A through F, as established by the Commission.

MPA	FY 2008 LOS	FY 2010 Proposed LOS
Planning & Training	C	C
Road Surface	B	C
Roadside Facilities	A-	C
Roadside Appearance	B	C
Traffic	B-	C
Structures	C+	C
Snow & Ice Control	C+	B
Equipment, Bldgs., Grounds	B-	C
Tunnels	<u>B-</u>	<u>C</u>
Total Maintenance Program - Statewide	B-	C+

NOTE: As a response to the lack of additional Gaming Fund availability for maintenance and particularly safety measures in the areas around the Colorado gaming communities, the TC has also directed an additional \$1.2 million from the contingency reserve to be added to the initial FY 2010 Maintenance budget for Maintenance Sections 3, 4 and 5. *(These funds were not integrated or offset with the MLOS plan and charts at the time of publishing this document, so by decision of the TC will be added as part of the 1st Supplement to the FY 2010 Budget.)*

Region 1 Section 5 Aurora - Central City/Blackhawk area:	\$305,543
Region 2 Section 4 Pueblo - Cripple Creek area:	690,148
Region 5 Section 3 Durango - Indian Casino area:	<u>227,816</u>
Total	\$1,223,507

CDOT FY2010 MAINTENANCE LEVEL OF SERVICE REGIONS ONLY
\$237.9 Million



Planning, scheduling, etc.	Roadway Surface	Traffic & Safety - Gaming Funds
Roadside Facilities	Roadside Appearance	Traffic Services
Bridge	Snow & Ice	Buildings, grounds, Rest Areas & Equip
Tunnels		

INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

The ITS Program totals \$9.8 million, with \$6.8 million provided to design, build, operate, and maintain the ITS program, and an additional \$3.1 million for CDOT Staff and operating costs which were transferred from the Engineering Program. The ITS program includes the delivery of traffic management information through the Colorado Transportation Management Center (CTMC). The CTMC provides a hub for the collection, processing and dissemination of traffic and transportation information throughout the State.

Travel information is provided to the public by a variety of methods:

- Closed Circuit Televisions (CCTV), using statewide and local media outlets.
- Variable Message Signs (providing both travel messages and trip travel time information).
- Interactive Voice Response (IVR) systems over the 511 telephone exchange, providing up to date road and weather conditions.
- The COTrip website, which displays photos of current conditions, speed maps, weather conditions, alerts (including Amber Alerts) and more.
- Automated Faxes to around 200 sites around the State.

Information and video is shared with CDOT Regions and partners across the state, including:

- The City and County of Denver
- Various Metro Denver Cities and Counties
- Colorado Springs Traffic Operations Center
- Colorado State Patrol
- Various statewide emergency responders (fire, police, military)

Information is gathered using a variety of devices deployed across the state:

- CCTV
- Road Weather Information Systems (RWIS)
- Ramp Meters
- Travel Time Readers (using toll-tag transponders)
- Radar Devices
- Fog Detection Devices
- Wild Animal Detection Devices
- CDOT Maintenance Sections
- Colorado State Patrol
- Ports
- Media Sources
- Other

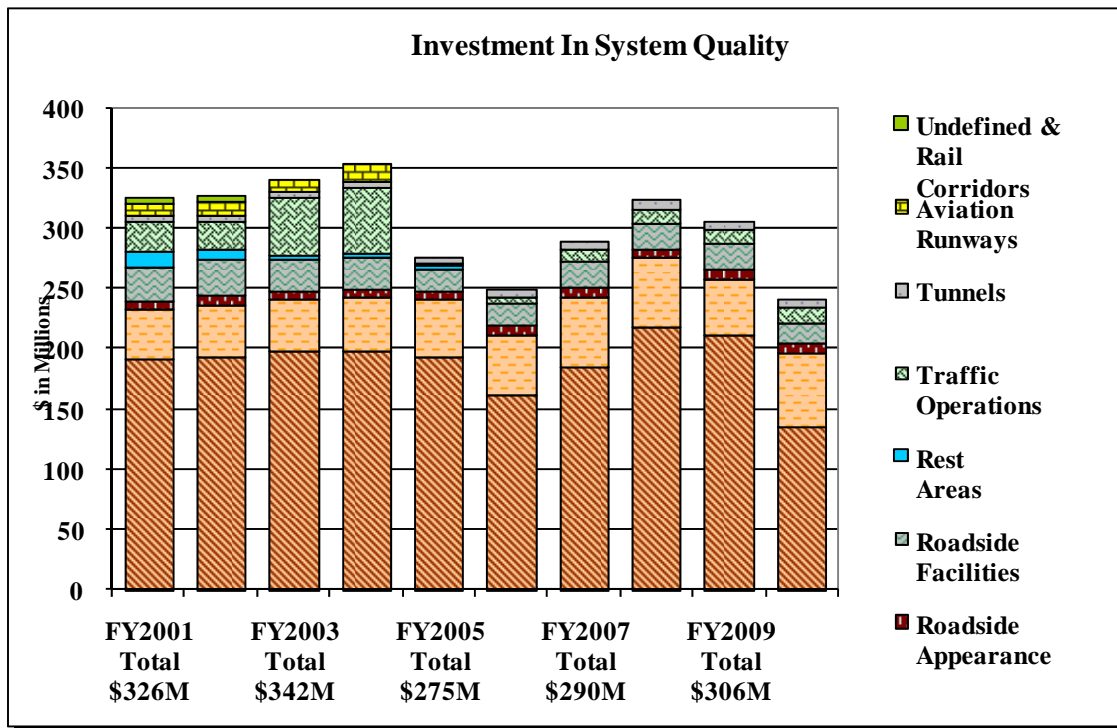
The system also supports other activities such as Highway condition forecasting, Weigh-In-Motion scales at Ports-of-Entry and automated bridge de-icer spraying.

This program now includes replacement of old ITS devices (valued over \$200 million), maintaining the existing ITS infrastructure throughout the state, and the CTMC. FY 2010 is the eleventh year for this ongoing program.

SYSTEM QUALITY CATEGORY SUMMARY

CDOT's Investment in System Quality

This Graph Compares Allocation of Funds for FY 2001–FY 2010 Utilizing the Original Budget for Each Fiscal-Year



Note 1: The sequence of the stacked bar sections are in the same order as the legend of subprograms listed on the right of the Graph.

Note 2: The apparent decrease in funding for FY 2006 is primarily due to a re-categorization of funding with the maintenance program's traffic services, from System Quality to Safety.

MOBILITY INVESTMENT CATEGORY

Defined as: Services, projects and programs that provide for the movement of people, goods and information

The Mobility Investment Category complements the other investment categories. The Mobility Investment Category encompasses investments made in accessibility to the transportation system, transportation options, environmental impacts, connectivity, travel time variability and overall infrastructure management. Mobility related areas include: Highway Performance, Alternate Modes, Facility, Travel Demand, and Weather/Other Response.

The primary performance measure related to Mobility is the average minutes of delay per traveler in congested segments of the state highway system. The FY 2007 objective was to hold average daily delays to 22 minutes or less. Actual delays averaged 18 minutes, a slight decrease compared to the average of 22 minutes in 2005. Additional lanes due to the completion of the T-REX and COSMIX projects as well as the Department's complimentary Courtesy Patrol towing program for broken down vehicles contributed to this incremental improvement in mobility. However, presuming the state's population continues to grow at historical rates and that driving patterns do not change significantly, the Department does not have the resources to increase the capacity of the system to prevent future increases in congestion delays anywhere within the state.

FEDERAL/LOCAL REGIONAL PROGRAMS

ENHANCEMENT

The Enhancement Program is another element of the federal Surface Treatment Program (STP) under SAFETEA-LU. 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 distributes Enhancement funds to each transportation region as part of the resource allocation process. The regional transportation director works with each local entity to determine specific project selection and funding levels.

METRO

Under SAFETEA-LU, 10% of the Surface Transportation Program (STP) funds are set aside for Transportation Enhancements. Of the remaining 90%, 62.5% is allocated based upon population and 37.5 % (flexible) can be used in any area of the state.

The STP funds that are sub-allocated to urbanized areas over 200,000 populations must be further distributed to the individual urbanized areas based on percentage of the total 200,000 and over population. In the case of Colorado the 2000 Census generated the following sub-allocation distributions of these STP funds:

State of Colorado Total Population	4,301,261	
<u>LOCATION > 200,000</u>	<u>POPULATION</u>	<u>%</u>
• Colorado Springs, CO	466,122	(17.5%)
• Denver-Aurora, CO	1,984,887	(74.7%)
• Fort Collins, CO	206,633	(7.8%)
TOTAL AREAS > 200,000	2,657,642	(100.000%)
Areas with Population Greater than 200,000		(61.7%)
Areas with Population Less than 200,000		(38.2%)

It is the 61.788% of STP funds, allocated based on population, which establishes the Metro Program and is distributed to Colorado Springs, Denver-Aurora and Fort Collins at the sub-distribution rates of 17.539%, 74.686%, and 7.775% respectively. The remaining 38.212% of STP funds allocated based on population is distributed to areas with populations < 200,000.

CONGESTION MITIGATION AND AIR QUALITY PROGRAM

SAFETEA-LU continued the Congestion Mitigation and Air Quality Improvement (CMAQ) Program first established under the previous Federal Act. This program directs funds to transportation projects in Clean Air Act non-attainment areas that contribute toward achieving or maintaining air quality standards. Colorado has eight areas that are classified as non-attainment or maintenance; the Denver/Longmont, Colorado Springs, and Fort Collins/Greeley Metropolitan Planning Organization (MPO) areas, as well as Canon City, Pagosa Springs, Aspen, Telluride and Steamboat Springs. Projects under this program must contribute to meeting the attainment of national ambient area-air quality standards. 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. The Transportation Commission has allocated the CMAQ funds to the three non-attainment MPO areas based on population and vehicle miles traveled after allocating \$1.0 million divided among the rural PM10 (10 micrometers in diameter particulate matter) non-attainment areas. The remainder of these funds is allocated to the three MPO areas: Denver Regional Council of Governments (DRCOG 76.31%), Pikes Peak Area Council of Government (PPACG 18.13%), and North Front Range (NFR 5.56%).

AERONAUTICS DIVISION

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 provide financial assistance to maintain and enhance the airports throughout the state; to deliver 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. The DOA also works closely with the Federal Aviation Administration (FAA) in determining the timing and location of the investment of federal funds. *(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 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 for the administrative expenses of the Division of Aeronautics (statutorily capped at five percent of the annual deposits into the Aviation Fund) and for the continuously appropriated grants made by the Colorado Aeronautical Board to entities operating public-accessible airports. A 2.9% jet fuel sales tax collected on all sales of jet fuels is distributed 65% back to the airport of origin and the remaining 35% is placed into the Aviation Fund for "grants-in-aid" to the aviation community. In addition, the DOA receives some funding from the FAA to perform special aviation projects throughout the state.

Pursuant to S.B. 03-049, the Formula Refund and Discretionary Grants portions of the Aviation Fund are now continuously appropriated, subject to the authority of the CAB. This was done to provide for the more timely distribution of these funds to the airports due the refunds or that have qualified for the grants. The Division's Administration activities were moved from appropriation by the legislature to the Transportation Commission in FY 2007 per H.B.06-1244.

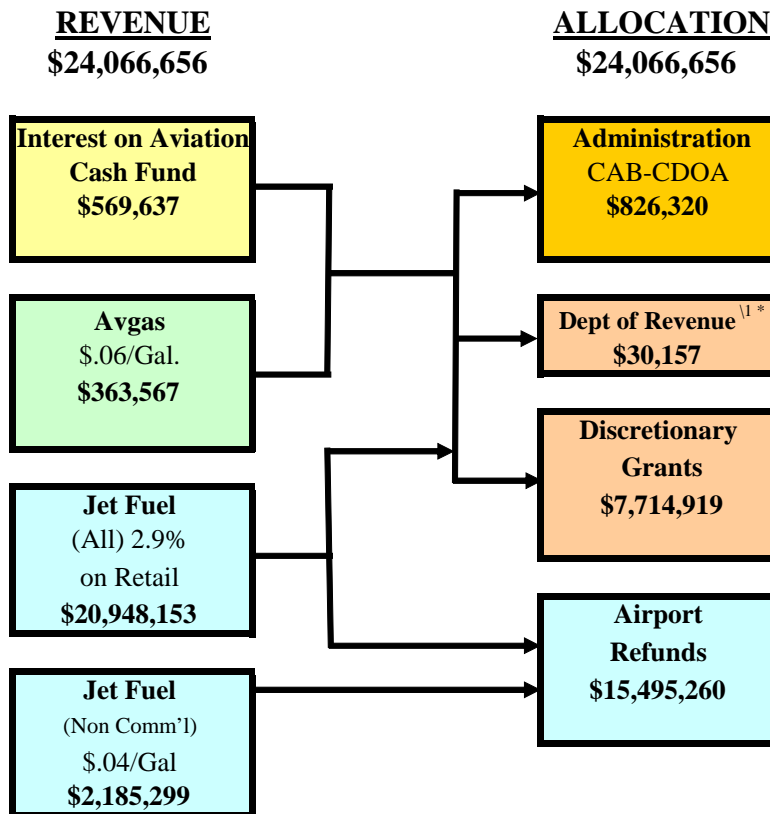
The Department also provides for the loan of funds to airports through the Aviation State Infrastructure Bank (SIB). These funds are often borrowed to match the funds from the FAA. The recipients of these loans use them to meet their capital project needs and repay the loans over time with interest. The money is then available to re-loan to other airports. The program currently has outstanding \$20.0 million in 16 loans to airports.

For FFY 2010 the Federal Airport Improvement Program (AIP) may make available to Colorado airports as much as \$65 million in grants. The AIP grant recipient airports number 30-35 per year, and include both Denver International Airport and the Colorado Springs Airport.

The AIP grant funds to Colorado airports from 2002-2008:

2002 - 25 Airports/\$81.8 million	2003 - 46 Airports/\$75.0 million
2004 - 35 Airports/\$66.2 million	2005 - 33 Airports/\$96.3 million
2006 – 29 Airports/\$85.1 million	2007 - 33 Airports/\$72.2 million
2008 – 33 Airports/\$65.2 million	

**Division of Aeronautics
FY 2010 Aviation Fund Revenues & Allocations**



\1 Legislatively appropriated

* Revenue allocation is a reduction to Discretionary Grants in the box just below, and is subject to legislative adjustment.

Chart does not include \$298,578 in federal grants requested for FY 2010.

As of 4-6-09

TRANSIT/INTERMODAL PROGRAM

FEDERAL - TRANSIT

This program includes a number of Federal grant programs involving transit and bicycle services. The transit programs disburse federal funds to various communities around Colorado for the provision of public transportation and the purchase of capital equipment such as buses and vans, while the Safe Routes to School program awards funds for educational and capital projects related to bicycle and pedestrian improvements. Some programs are identified as pass-through funds to other governmental units and administered by CDOT, while three of the FTA programs are awarded directly to local entities. The estimated dollar amounts for these programs for Federal Fiscal Year 2010 is indicated after each program description below. Of the \$198.2 million total (assuming the new federal Act will be comparable to the current Act), CDOT will administer \$13.5 million along with a local match of \$6.3 million.

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

The FTA Section 5310 formula program, administered by CDOT, provides funds for capital equipment to organizations that transport elderly persons and persons with disabilities in either urbanized or non-urbanized areas. The funds are awarded by CDOT on a statewide competitive grant application basis. \$1.7 million

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

The FTA Section 5311 formula program is administered by CDOT and provides capital, operating, administrative and training assistance to organizations that provide public transportation in non-urbanized areas. The funds are awarded by CDOT to public and private non-profit transit operators on a competitive application basis. \$8.5 million

USC 49-5303 - Transit Planning Assistance (Urbanized)

The FTA Section 5303 formula grant program offers transit planning funds for urbanized areas. The Section 5303 funds are distributed by CDOT to the state's five Metropolitan Planning Organizations (MPOs) based on a formula developed in cooperation with MPOs and approved by the FTA. \$1.4 million

USC 49-5313 - Transit Planning Assistance (Statewide)

The FTA Section 5313 formula grant program is administered by CDOT and can be used for a variety of non-operating transit purposes, including transit planning, training, and special studies, primarily for non-urbanized areas and for statewide projects. The funds are awarded by CDOT on a competitive basis. \$0.3 million

USC 49-5307 - Formula Funding for Urbanized Areas

The FTA Section 5307 formula grant program offers funds to large urbanized areas for capital expenses and to small urbanized areas for both capital and operating expenses. Section 5307 funds are awarded directly to designated recipients in those urbanized areas and are administered by the FTA, not by the State.

USC 49-5309 - Discretionary Capital Grant Program

The Section 5309 discretionary grant program is designed to offer assistance for capital equipment and facilities. These funds are made available primarily by means of Congressional earmarks, so the following amounts are estimates based on requests and past history. The program has three distinctive components: New Starts, Bus and Bus Facilities, and Fixed Guideway Modernization.

- The New Starts portion, which is available for qualified fixed guide-way transit projects, has provided significant funding to the RTD for its light rail projects. RTD has requested funding for the West Corridor projects.
- The Bus and Bus Facilities portion of Section 5309 has been provided to Colorado transit systems through a cooperative arrangement between the Colorado Congressional delegation and the Colorado Transit Coalition, which is coordinated by the Colorado Association of Transit Agencies (CASTA). A statewide earmark has been established for buses and bus facilities.
- The Fixed Guideway Modernization portion is awarded to RTD for upkeep of its rail system, based on a formula.

USC 49-5316 - Job Access and Reverse Commute (JARC) Formula Grants

The FTA Section 5316 JARC formula grant program provides competitive grants for job related transportation services for low income persons. This program was changed from a discretionary program to a formula program in the SAFETEA-LU reauthorization bill. About 57% of the funding is available directly to large urbanized areas. CDOT administers the remaining 43%, with 27% set aside for small urbanized areas and 16% for non-urbanized areas. The funds are awarded on a competitive basis. \$0.8 million

USC 49-5317 - New Freedom Program

The Section 5317 New Freedom formula grant program provides public transportation services and alternatives to individuals with disabilities, beyond those required by the Americans with Disabilities Act, particularly for transportation to jobs and employment support services. The funds are awarded in the same manner described above for the Section 5316 JARC program. \$0.5 million

USC 49-5311 (c)(1) - Tribal Program

This new program awards transit funds directly to Tribal governments. It responds to Tribal governments' concern that they should be able to contract directly with the Federal government rather than with states. These funds are awarded by the FTA directly to Tribal governments on a nationwide competitive basis.

USC 49-3021 Alternative Transportation in Parks and Public Lands

This new discretionary grant program provides capital and planning funds for alternative transportation systems in parks and public lands. Federal land management agencies and State, tribal and local governments acting with the consent of a Federal land management agency are eligible recipients. These funds are awarded directly by the FTA on a nationwide competitive basis.

USC 49-4014 - Safe Routes to School Program - FHWA

This is administered by CDOT using funds provided through the Federal Highway Administration, rather than FTA. The program provides formula funding to the states for projects that increase walking and bicycling to K through 8 schools. Funds are awarded on a statewide competitive grant application basis. \$1.8 million

STATE TRANSIT FUNDS

Pursuant to H.B. 02-1310, 10% of S.B. 97-001 funds are set aside for transit purposes. The Transportation Commission appointed a Task Force in 2006 charged with developing a 5-year strategic investment program for transit. The Task Force established a project selection and prioritization process, accepted and scored applications and then recommended a five-year (2006-2010) list of projects to the Commission. The Commission approved the list and has been providing funds for the projects, based on score and year of need, as the funds become available. Most of the projects approved on this list are now complete.

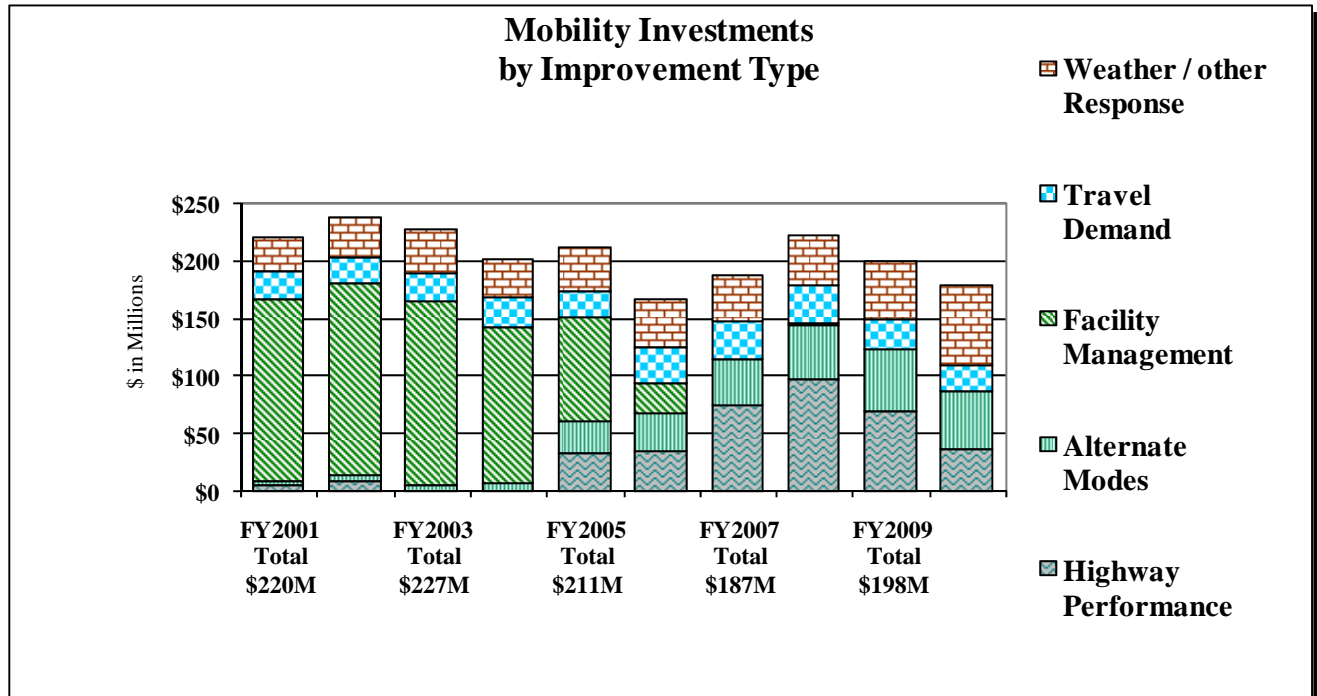
The Commission anticipating the close out of the initial list in 2008 issued a second call for additional projects and developed a list for the years starting in FY2010 to which it will allocate SB97-001 funds, if and when any prove available.

A portion of the anticipated revenues to be generated pursuant to SB09-108 are dedicated to Transit. The projected revenues combine for \$15.0 million of which \$5 million is a transfer of funds that would otherwise be allocated through the HUTF formula to local governments, and \$10 million is from the portion of the newly created Highway Safety Fee funding allocated through the HUTF to CDOT but the specific allocation of these funds is yet to be determined.

MOBILITY CATEGORY SUMMARY

CDOT's Investment in Mobility

This Graph Compares Allocation of Funds for FY 2001–FY 2010 Utilizing the Original Budget for Each Fiscal-Year



PROGRAM DELIVERY INVESTMENT CATEGORY

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

An excellent organization delivers its projects and services with quality and efficiency. To do this the organization must effectively manage its financial and human resources, act sensitively toward the environment and develop a network of suppliers that competitively meet the needs of the organization.

ADMINISTRATION - *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 (mandated by federal law), special activities, accounting, administrative services, building operations, management systems, personnel (which includes rules interpretation, training, risk management and benefits), procurement, insurance, legal, and central data processing (Section 43-1-113(2)(a)(II), C.R.S.). Although subject to the legislative appropriation process, this section is still funded from the State Highway Fund (SHF), which is the Department's allocated share of the Highway Users Tax Fund (HUTF), classified as Cash Funds (CF), with no appropriation from the State General Fund.

The administrative function includes the oversight of over 1,600 projects, and a highway maintenance program of \$230.9 million. These offices and divisions handle the administrative functions such as accounting, budgeting, auditing, personnel, information systems, public relations, facilities management, and printing.

By statute (Section 43-1-113(6)(a), C.R.S.), 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 2006 – 2.8%, FY 2007 – 2.4%, FY08 – 2.3% and FY09 – 2.7%. These percentages include two units funded with Internal Cash Funds (ICF), which are not included in the State Highway Fund (SHF) budget figures, (the ICF is funded through payments from operating budgets in other organizations). The Printing and Visual Communications Center with 13.0 FTE, and a portion of the Motor Pool dealing with vehicles from other state agencies with 2.0 FTE, are the only Administration ICF and their 15.0 FTE are part of the 223.2 FTE total.

Miscellaneous administration expenses appropriated by the General Assembly include portions of: Workers' Compensation for the administrative units, part of Statewide Indirect Costs, and general insurance. The State Office of Risk Management in the Department of Personnel and Administration determines general insurance premiums rates, 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, with payments split between the Administration and CM&O lines as a percentage of Department employees funded by each line. 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 normally charged directly to specific projects or indirectly against all projects (based upon the activity or activities benefiting all projects). Project/program support units include portions of 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. When the specific project has federal funding, part of these direct or indirect project costs are also federally funded.

PROJECT SUPPORT – ENGINEERING

Project Support also involves a multitude of activities in preparation for, and construction of, highway projects. Activities include everything from preparing project plans (design work), to obtaining right-of-ways, clearing utilities, and obtaining environmental clearances. The program also includes the construction phase, with typical activities including: testing and monitoring the statewide usage of various materials used for construction; 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.

The ITS operating unit which was part of the Engineering Program, has been combined with the Traffic Operations Center (TOC) and are part of special allocations. This group is developing technological methods for addressing traffic congestion and safety problems throughout the State.

PROJECT SUPPORT - PLANNING & RESEARCH

Finally Project Support 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 leads to a long-range multi-modal transportation plan and the transportation improvement program (TIP) for each urbanized area as well as a statewide transportation improvement program. CDOT funds these programs at 100% obligation authority. For FY2010, CDOT is using State funds to increase the amounts in Pueblo MPO and Grand Valley MPO to FY2009 levels to help facilitate their MPO planning activities.

The Research Branch is responsible for investigating transportation problems affecting Colorado and researching possible solutions. It then evaluates how effective the methods were in solving the problem. If a solution is effective, it is shared with the cities and counties. In addition, this branch 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 manages corridor/major investment studies such as along the Front Range and SH 82. The last major emphasis area this branch deals with is pavement management. The pavement management system collects annual pavement conditions and forecasts resource needs.

Included within the Program Delivery budget is the Transportation Commission Contingency Reserve Fund (TCCRF). The Commission establishes an initial contingency reserve, which is subsequently distributed to the other Investment Categories for projects, maintenance or other unforeseen purposes that arise during the fiscal year. In the event there are few emergencies, the fund is available for funding projects.

The funding of Project Support is a mix of State Highway Funds (SHF) and spending authority against active projects via Direct (DIR), Indirect (IND) and Construction Engineering (CE) cost allocation methods. The revenues for this spending authority are actually accounted for in the various construction program lines, and as such are not normally detailed in this document, as it could be confused as double counting the use of the construction dollars. The following table is a listing of what is considered Operations, for staff and operating, plus special use and statewide allocations that are paid with SHF or specific project funds.

<u>OPERATIONS Details</u>	<u>FY2010</u>	<u>OPERATIONS Details</u>	<u>FY2010</u>
Payroll & Oper - SHF & SPR	\$ 34,187,105	DTR-Digital Trunk Radios & OIT Comm.	\$ 1,008,828
Travel Survey	325,000	Federal Liaison	80,000
Grand Valley & PACOG Planning Assistance	<i>Moved to Metro Planning \$167,742</i>	Video Conferencing	42,000
LTAP	130,000	Water Quality	1,306,000
DTD - Traffic Data	534,200	Hazard Materials	2,200,000
Safety - Boots	185,000	Park Roads	0
Safety Cmtee	165,000	Non-Salary Awards	0
Safety ED Match - Match ADDED to Program	<i>Moved to Safety Education \$404,531</i>	MNT - Multi Use Network & GGCC	1,824,010
Training	420,790	Commuter Checks	44,500
Workplace Violence Prev.	50,000	Travel Map	35,000
Governor's Liaison	50,000	CDOT Eng Software - CEST	450,000
Recruiting	25,000	MPDEG & Pavement Software	611,500
OJT Training	250,000	Critical Path Management - Scoping Pools	500,000
ESB Mentor	40,000	Recreational Trails - FF	1,257,573
DBE Support	200,000	Separation Pay - SHF	871,239
DBE Certification	215,000	Health Insurance	0
CDL Drug Test	75,000	Salary Survey Pool	0
Sediment Remediation	300,000	POTS - various	0
Workers Compensation Insurance	7,125,797	TOTAL "OPERATIONS"	\$ 56,062,073
Statewide Indirects	1,553,530		

CONSTRUCTION

Affects All Investment Categories

Highway construction projects are selected to address a particular problem on the State highway system such as safety, surface deterioration, system enhancement, bridge deterioration, air quality, etc. Projects are selected and prioritized through a cooperative statewide planning process by State local officials. A current list of projects can be found in the Daily STIP Report at <http://www.dot.state.co.us/Budget/Daily%20STIP%20Report.pdf>

Projects are 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 funds are passed through to other governmental entities which then actually complete the construction project, but most are managed by the engineering staff within the Department. However, due to anticipated Federal and State revenue reductions in FY 2010, the Transportation Commission determined to prioritize Maintenance activities rather than to provide historical levels of funding to the Construction Program. This results in very limited funding available for construction projects in FY 2010.

STRATEGIC 28 PROJECTS - Affects All Investment Categories

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 based on the overall visibility, cost and return on investment of the project in addressing on-going needs of safety, mobility and reconstruction for the public. The primary objectives of the Strategic 28 Priority Projects were 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, 21 of the 28 projects have been either completed or the Commission has met the funding target initially established for the project.

This program focuses transportation resources on a series of project corridors of Statewide 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 Long Range Plan and the approved STIP.

Pursuant to H.B.99-1325, the proceeds from TRANS in addition to federal funds were dedicated toward this program, as well as any funds received pursuant to S.B. 97-001. The Commission has annually budgets about \$168 million from its available revenues to meet debt service obligations on the TRANS bonds. When available, SB97-01 funds are the primary state source for meeting the annual debt service payments. Due to a shortfall in FY 2010 SB-97-01 funds, SHF funds are budgeted to make these payments which results in a dollar for dollar decrease in state funds available to fund the regular maintenance and construction program of the Department. Federal funds are also used to pay a portion of the debt service.

(Map, status and list of Strategic Projects in Appendix A)

CDOT REGIONAL PRIORITIES - Affects All Investment Categories

The Department's Regional Priorities Program includes such items as reconstruction, restoration and rehabilitation, major widening, minor widening, new construction, roadway improvements, transportation safety management, and operational improvements. The projects, as well as all others, executed under this program are identified by Departmental Region, planning region, program and location, in the approved Statewide Transportation Improvement Plan document have high statewide and/or regional priority. They are also contained in the approved 20-Year Statewide Transportation Long Range Plan. There is no funding available for this program once the other designated funding programs have been addressed.

CONGESTION RELIEF PROGRAM

Base allocations are established by the TC and future allocations are associated with the Colorado Construction Cost Index (CCI) growth rates. Congestion relief includes traffic management activities on roadways that have $\geq .85$ congestion, or that a highway is congested when the traffic is at or over 85 percent of what the highway was designed to handle. Due to the fiscal situation, the allocation for this is only \$5.8 million for FY 2010, which will be used primarily for the Courtesy Patrol, helping motorists in need of assistance on the highway.

RPP/Earmarks

The Regional Priority Program (RPP) base allocation is equal to the estimated surplus (total estimated revenue above total allocations before the RPP allocation) in any given fiscal year. An estimated surplus is projected to occur occurred only twice in all 28 years of the 2035 plan, in FY2008 and 2009.

In fiscal years where funds are available, (none are available in FY 2010) CDOT's Office of Financial Management & Budget (OFMB) anticipates the likelihood of earmark projects by setting aside a portion of estimated total annual federal funds plus the required match. In years where earmarks are funded, we anticipate ten percent of estimated total annual federal funding plus required match is set aside for earmark allocations made in fiscal years 2011 through 2015. In fiscal years 2016 through 2035, five percent of estimated federal funds plus match are set aside for this purpose. Ninety percent of the earmarks set aside plus required match in fiscal years 2010 through 2035 are allocated to the Regional Priority Program (RPP) and distributed to the regions using the incremental formula. The required matching ratio is assumed to be 80/20 for these funds; 80% federal and 20% match.

STATEWIDE EARMARKS

Allocations made in fiscal years 2010 are not funded at this time as there are no earmark funds available, but would be funded up to the amounts of the earmark projects identified in SAFETEA-LU authorization plus the required state match. The match for locally requested earmark projects identified in SAFETEA-LU are not included for this purpose. Regional earmark distributions in these years are made based on project location.

As noted briefly in the State Revenue section of this document, Senate Bill 09-108 (“FASTER”) raised vehicle registration fees, created a new daily fee on vehicle rentals, created a surcharge on certain oversize and overweight vehicle permit fees, increased fees and fines for late vehicle registrations, reconstituted the Colorado Tolling Enterprise as the High Performance Transportation Enterprise with a new governance structure and expanded scope for tolling facilities on state highways, and created the Statewide Bridge Enterprise to finance the repair and reconstruction of bridges designated as “poor”.

CDOT is projected to receive \$126.2 million in additional revenue from the new fees and surcharges in FY 2009-10. Due to the passage of this legislation so late in the budget cycle, the allocation of these funds has not yet been determined by the Transportation Commission.

TRANSPORTATION REVENUE ANTICIPATION NOTES (TRANS)

Transportation Revenue Anticipation Notes (TRANS) were a financing mechanism that allowed the Department to issue bonds to accelerate projects today and use future federal and state revenues to pay back bondholders over time.

The State Legislature passed H.B. 99-1325, in the 1999 session. The statute also required statewide approval by a vote of the people. In November of that same year, the voters approved the statute as Referendum A. Referendum A granted the Department the authority to utilize this financing mechanism.

The Department has issued all bonds allowable under the limit that repayment of principal and interest cannot exceed \$2.3 billion. All TRANS funds have been budgeted and are under contract. The proceeds have allowed CDOT to spend approximately \$1.5 billion on projects. All of the proceeds were budgeted as of the end of calendar year 2007.

Debt Service payments for FY 2010 total \$168 million and will remain at this level annually through 2016, with an approximate \$130 million at the end of the term in 2017, based on:

- \$51.1 million for Series 2000
- \$52.9 million for Series 2001A
- \$16.6 million for Series 2002
- \$21.8 million for Series 2002B Refunding
- \$ 6.7 million for Series 2004A
- \$18.9 million for Series 2004B Refunding

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)

Senate Bill 09-108 reconstituted the Colorado Tolling Enterprise as the High Performance Tolling Enterprise, with the same business functions but a new governance structure and expanded scope for creating tolling facilities and to aggressively explore the opportunities to use Public Private Partnerships to develop enhanced transportation projects within the state. Due to the passage of this legislation so late in the budget cycle, the formation of the new board structure and allocation of funds has not yet been determined by the HPTE. The composition of the board overseeing the HPTE varies significantly from that of the Colorado Tolling Enterprise. The board will consist of four members appointed by the Governor, and three designated members of the TC. The board possesses the authority to appoint a director for the enterprise.

The authority is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10% of its total annual revenue from grants from the State and local governments combined.

The HPTE has inherited from the Colorado Tolling Enterprise the North I 25 HOV/ *Express Lanes*, which were opened to the public in June of 2006. The HOV/tolled *Express Lanes* maximize the efficiency of HOV lanes. HOV/*Express Lanes* allow those who drive alone (also known as "single occupant vehicles") to use the HOV/*Express Lanes* if they pay a toll. As the HOV lanes currently have excess space, there is room for additional vehicles without any travel time impacts to carpoolers who use these lanes without paying a toll. However, those who drive alone now have the option of paying a toll. The project includes seven miles of the I-25 HOV lanes, between Downtown Denver and US 36. Revenues from this first project now fully fund its operations and have begun to repay the transfer of funds authorized by the Transportation Commission to finance their construction.

STATEWIDE BRIDGE ENTERPRISE (SBE)

Senate Bill 09-108 created a new enterprise within the Department to finance the repair and reconstruction of bridges rated as "poor", using revenues from an annual bridge safety surcharge on vehicle registrations, estimated at \$42.4 million in FY 2009-10, \$76.4 million in FY 2010-11, and \$101.9 million annually thereafter. The supervisory board for this new enterprise will consist of the same members as the Transportation Commission.

To date, no director has been selected for the enterprise, and the SBE board has yet to determine how to allocate the funding expected from the bridge safety surcharge created in S.B. 09-108.

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**COLORADO DEPARTMENT OF TRANSPORTATION
FY 2009-2010 BUDGET**

APPENDIX A

STRATEGIC 28 PROJECTS

MAP

STATUS REPORT

&

PROJECT INFORMATION

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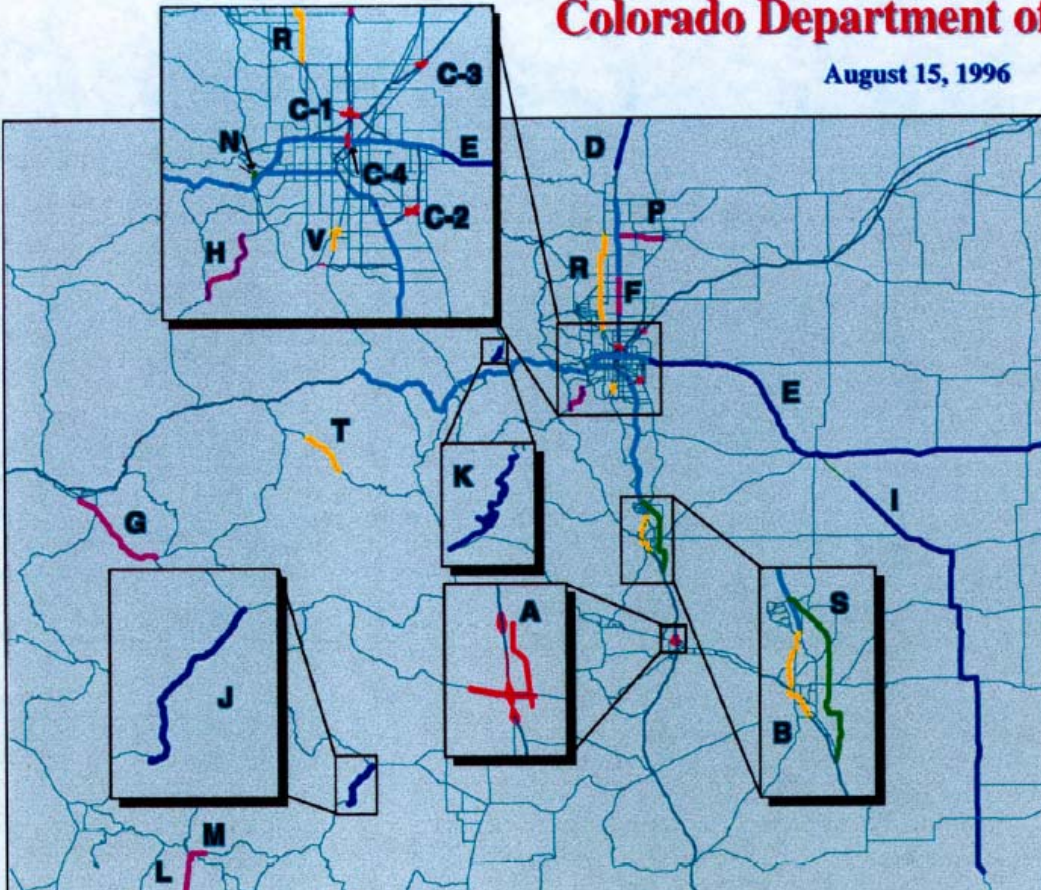
Colorado Department of Transportation

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

Major Investment Corridors:
Southeast (I-25 Broadway to Lincoln Ave.)
East (Denver to DIA)
West (US 6, I-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)

Updated Status of 28 Strategic Corridors
as of April 3, 2009
 (Constant 2000\$)
 \$ in thousands

Corridor	PROJECT LOCATION	Strategic Corridor Project Total TC Commitment	Budgeted To Date	Uninflated Remaining Cost to Complete	Percent Funded	Remaining Cost to Complete in FY09 Dollars
SP4001	I-25/US 50/SH 47 Interchange	\$70,737	\$70,737	Complete	100%	\$0
SP4002	I-25, S. Academy to Briargate	\$186,894	\$179,657	Complete	96%	\$0
SP4003	I-25/US 36/SH 270	\$146,448	\$146,448	Complete	100%	\$0
SP4004	I-225/Parker Rd.	\$86,169	\$86,136	Complete	100%	\$0
SP4005	I-76/120th Ave.	\$40,814	\$40,393	Complete	99%	\$0
SP4006	I-70/I-25 Mousetrap Reconstruction	\$101,272	\$100,980	Complete	100%	\$0
SP4007	I-25, Owl Canyon Rd. to Wyoming	\$28,846	\$28,846	Complete	100%	\$0
SP4008	East I-70, Tower Rd. to Kansas	\$123,672	\$123,521	Complete	100%	\$0
SP4009	North I-25, SH 7 to SH 66	\$77,883	\$76,063	Complete	98%	\$0
SP4010	US 50, Grand Junction to Delta	\$67,117	\$65,668	Complete	98%	\$0
SP4011	US 285, Goddard Ranch Ct. to Foxton Rd.	\$60,165	\$60,165	Complete	100%	\$0
SP4012	South US 287, Campo to Hugo	\$184,232	\$163,298	\$20,934	89%	\$38,372
SP4013	US 160, Wolf Creek Pass	\$67,276	\$67,276	Complete	100%	\$0
SP4014	US 40, N. City Limit of Winter Park to South of Berthoud Pass	\$66,328	\$66,328	Complete	100%	\$0
SP4015	US 550, New Mexico State Line to Durango*	\$47,609	\$47,609	Complete	100%	\$0
SP4016	US 160, Jct. SH 3 to Florida River*	\$61,278	\$61,637	(\$359)	101%	(\$658)
SP4017	C-470 Extension	\$18,498	\$18,498	Complete	100%	\$0
SP4018	US 34, I-25 to US 85	\$15,725	\$15,725	Complete	100%	\$0
SP4019	US 287, Broomfield to Loveland	\$86,305	\$86,143	Complete	100%	\$0
SP4020	Powers Blvd. in Colorado Springs	\$217,906	\$131,063	\$86,843	60%	\$159,183
SP4021	SH 82, Basalt to Aspen	\$208,501	\$208,501	Complete	100%	\$0
SP4022	Santa Fe Corridor	\$7,755	\$7,755	Complete	100%	\$0
SP4023	Southeast MIS: I-25, Broadway to Lincoln Ave.	\$648,861	\$648,860	Complete	100%	\$0
SP4024	East Corridor MIS	\$74,000	\$17,946	\$56,054	24%	\$102,747
SP4025	West Corridor MIS	\$74,000	\$5,243	\$68,757	7%	\$126,032
SP4026	I-70 MIS: DIA to Eagle County Airport	\$1,102,191	\$119,684	\$982,507	11%	\$1,800,935
SP4027	I-25 South Corridor MIS: Denver to Colorado Springs	\$522,522	\$282,246	\$240,276	54%	\$440,426
SP4028	I-25 North Corridor MIS: Denver to Fort Collins	\$308,988	\$161,247	\$147,741	52%	\$270,809
SP5497	Environmental Streamlining Fund	\$1,683	\$1,683	\$0	100%	\$0
Totals		\$4,703,675	\$3,089,356	\$1,602,753	66%	\$2,937,846
Inflated Remaining to Budget in FY 2009 dollars				\$2,937,846		
*Remaining Control Total from SSP4015 transferred to SSP4016 per TC Resolution TC-1703						

REMAINING PROJECT DESCRIPTIONS: *

US 287 – Campo to Hugo - (80% funded)

Resurfaces 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.

US 160 – State Highway 3 to the Florida River - (99% funded)

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 are also be needed for the project. The project will address congestion and an accident rate, twice the state average.

Powers Boulevard – Colorado Springs - (60% funded)

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 become the largest county in Colorado, 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.

I-70 West – Denver to Eagle County MIS/EIS – (10% funded)

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 Denver to Colorado Springs MIS – (54% funded)

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

* % of financial obligation funded as of March 2009

I-25 North Denver to Fort Collins MIS – (52% funded)

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 – (16% funded)

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.

* % of financial obligation funded as of March 2009

**COLORADO DEPARTMENT OF TRANSPORTATION
FY 2009-2010 BUDGET**

APPENDIX B

STRATEGIC PLAN

On March, 20, 2008 the Transportation Commission
adopted its Mission, Vision and Investment Categories and Objectives.
This plan has been accepted for inclusion with the FY 2010 budget submission.

STRATEGIC PLAN

FOR

FISCAL YEAR 2009-10

VISION

To enhance the quality of life and 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.

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.

Mission, Vision and Investment Categories and Objectives as adopted by the Transportation Commission
December 14, 2006

Executive Director's Letter

The Colorado Department of Transportation (CDOT) has long held that strategic planning is fundamental to good management. For more than a decade the Department has measured and managed its performance to ensure that it is known statewide as a good steward of public resources.

Each year the Department sets objectives and reports its performance in those areas where it invests taxpayer dollars – Safety, Mobility, System Quality and Program Delivery. As communicated in the CDOT Annual Performance Report for FY 2008, which is the most recent year for which CDOT has complete data, the Department accomplished 15 of 24 objectives, made progress on 3 objectives and missed achievement of 6 objectives. This strategic plan includes a subset of the measures found in the Annual Performance Report.

In FY 2009, Governor Ritter called for a Government Efficiency and Management Performance Review of every state agency. The efficiency review had just two findings for CDOT. The review found that using the Department's own garage technicians and engineering staff is more cost effective than contracting with the private sector. In 2006, Governor Owens' Transportation Finance Panel wrote, "CDOT has minimized administrative overhead" and "is a leader among the states in innovative financing and efficient and effective management of its programs." CDOT's staff is proud to be acknowledged for delivering its services with such efficiency.

You will notice that the Department's objectives in every area except for safety and organizational efficiency decline over the next few years. It has been 16 years since CDOT's main source of revenue, the gas tax, was increased. Over that time frame, construction inflation has averaged 6.4 percent per year. Unless revenues to the Department increase it is anticipated that these declines will continue. Today the state's transportation infrastructure may appear to be in reasonably good condition, over the next few years however continuing underinvestment will take a toll on Colorado's transportation system. Based upon currently anticipated revenues in just eight years our engineers estimate that there will be:

- triple the percent of bridges in poor condition,
- double the amount of delay in congested corridors,
- 20 percent more pavement in need of total reconstruction and an
- F grade for maintenance, down from a B-.

Incremental revenues made available by the Federal American Recovery and Reinvestment Act of 2009 (ARRA), and Colorado's S.B. 09-108 the FASTER legislation enacted by the Colorado Legislature will provide some of the much needed investment in Colorado's transportation infrastructure. ARRA will provide a one-time \$403 million infusion to help CDOT rebuild the bridge and highway infrastructure. In contrast to the one time infusion provided by ARRA, the FASTER legislation provides Colorado transportation an important dedicated funding source estimated at \$255 million per year (\$199 million to CDOT, \$56 million to cities and counties) that will be used to repair bridges and highways all across the state. While FASTER funding

will help greatly over the long term, CDOT will still not be back to the funding levels of the previous three or four years, and thus Coloradans should expect the condition of their transportation system to deteriorate, even as CDOT improves its organizational performance. The good news is that this report and assessments by others suggest that given sufficient resources, CDOT is capable of providing Colorado with the transportation system it needs to thrive in the 21st century.

Introduction to the Colorado Department of Transportation

The statutory authority for the Colorado Department of Transportation is found at Title 43, Part 1, Colorado Revised Statutes (2008).

INVESTMENT CATEGORIES

CDOT exists to provide for safe and convenient travel throughout the state, to preserve the public's investment in its transportation infrastructure, and to responsibly spend the resources made available by Colorado tax payers. These functions – safety, mobility, system quality and program delivery – serve as the Department's investment categories. Each category is described briefly below:

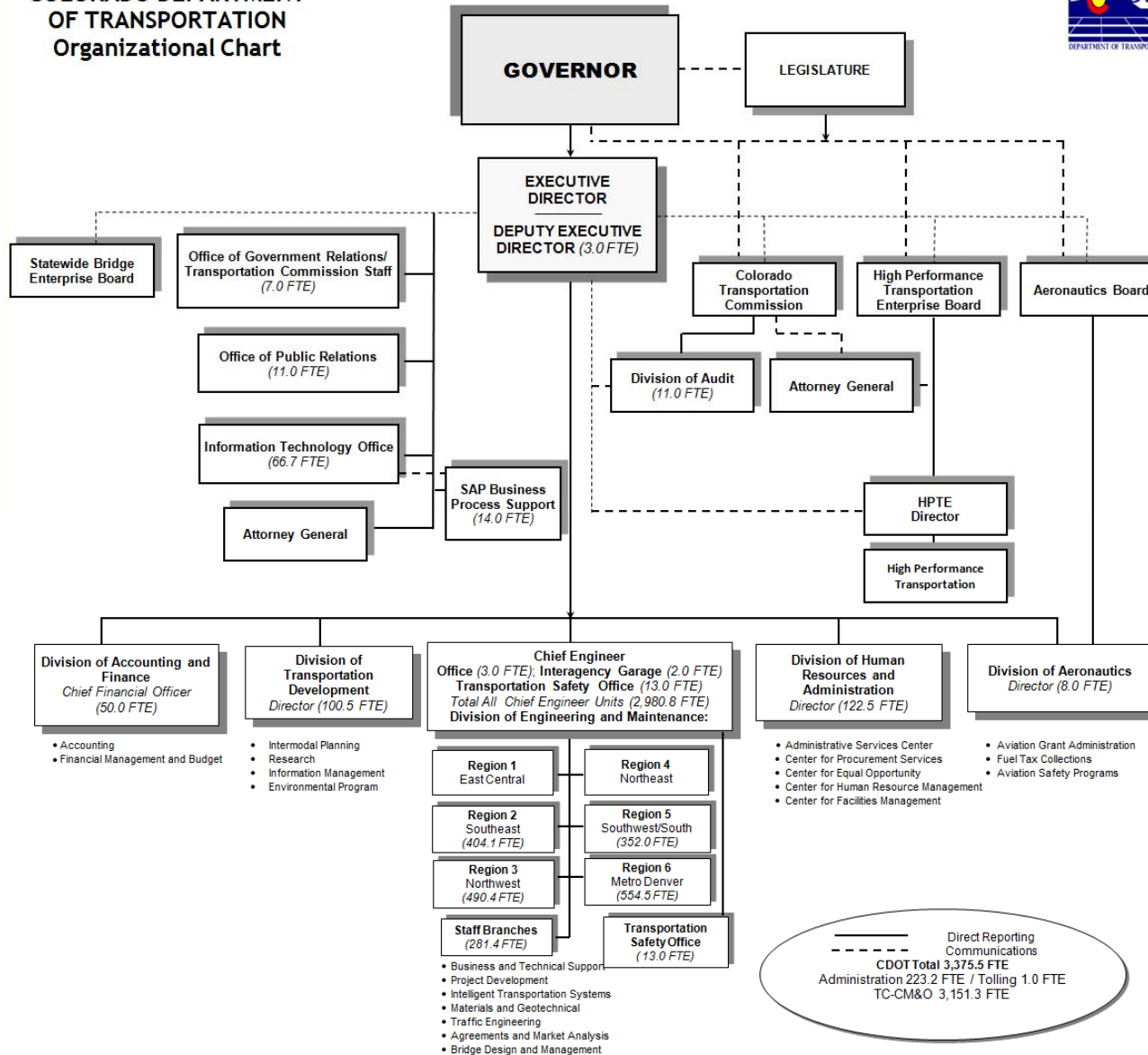
- **Safety** – Services, programs and projects that reduce fatalities, injuries and property damage for all users and providers of the system.
- **System Quality** – Activities, programs and projects that maintain the physical (integrity/condition) function and aesthetics of the existing transportation infrastructure.
- **Mobility** – Programs, services and projects that enhance the movement of people, goods and information.
- **Program Delivery** – Functions that enable the successful delivery of CDOT's programs, projects and services.

CORE SERVICES

From the drivers' seats of maintenance trucks, to offices across Colorado to project trailers at work sites, CDOT employees are on the job 24 hours a day 365 days a year. Their work is described by the CDOT Executive Management Team as the Department's five core services and supports the four investment categories. The core services are described briefly below.

- **Roadway Management** – All physical elements of roadway, tunnel, and bridge maintenance activities from curb-line to curb-line (i.e., roadway edge).
- **Roadside Management** – All roadside (from curb-line [roadway edge] to edge of ROW) maintenance activities including rest areas and other off-road facilities.
- **System Operations** – All traveler information and traffic-related activities including tunnel operations and emergency/incident.
- **Snow and Ice Management** – All services and maintenance activities to keep the road open for the winter season including post-event operations and the reopening of closed roads.
- **Project Delivery** – All activities for the delivery of a transportation project from planning to construction management to final.

COLORADO DEPARTMENT OF TRANSPORTATION Organizational Chart



Colorado Department of Transportation Vision and Mission

The Colorado Transportation Commission has developed an Investment Strategy Framework to apply the resources of the Colorado Department of Transportation (CDOT) effectively and efficiently. The framework assists in the establishment of priorities, validates that priorities are implemented, provides better service for the traveling public and improves accountability to the general public. The framework includes a vision, mission, and investment category goals and objectives.

- CDOT's vision orients the Department toward the future.
- CDOT's mission guides the Department's efforts and actions in the execution of its core services.
- CDOT's efforts and actions are measured in relation to investment category goals and objectives.

CDOT's vision is 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 and by offering convenient linkages among modal choices.

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.

The investment category goals are aspirational, Department wide and long term. Many of the goals identify specific desired performance levels that cannot be met with currently anticipated resources. The investment category objectives are specific, measurable, achievable, results-

“Goals identify specific desired performance levels that cannot be met with anticipated resources.”

oriented and time bound. The objectives focus Department efforts and actions on performance that is achievable within available resources. The difference between the performance goals and

objectives illustrates the gap between the desired level of performance and the reasonably achievable performance based upon anticipated resources as defined in Transportation Commission adopted 2008-2035 Resource Allocation.

Successful strategic planning requires performance measures that provide accurate and timely information. The ultimate aim of implementing a measurement system is to improve the organizational performance of CDOT. CDOT uses

performance measures to recognize success and illuminate opportunities for improvement. This strategic plan document includes a summary of goals, objectives, and performance measures for each investment level category. Annual benchmarks are identified for each performance measure to gauge CDOT's performance.

“Objectives focus Department efforts and actions on performance that is achievable with available resources.”

I. SAFETY

Services, programs and projects that reduce fatalities, injuries and property damage for all users and providers 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 increase the safety of transportation workers and the public.

Goals	<ul style="list-style-type: none"> ○ To create, promote and maintain a safe and secure transportation system and work environment ○ Increase absolute investment in safety and accelerate completion of strategic projects ○ Achieve a 1.00 fatality rate per 100M vehicle miles traveled 		
#	Objectives	Performance Measures	Reporting Frequency
1.1	Maintain federal goals for vehicle crash fatalities	Statewide motor vehicle fatality rate	Annual
1.2	Reduce the annual workplace accident rate by 10 percent per year.	Annual worker injury rate	Annual

Performance Measures	Outcome	Calendar 2007 Actual	Calendar 2008 Actual	Calendar 2009 Approp.	Calendar 2010 Request
Statewide motor vehicle fatality rate per 100M VMT	Benchmark	1.0	1.0	1.0	1.0
	Actual	1.14	Unknown	Unknown	Unknown
Performance Measures	Outcome	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Request
Annual percent reduction in workplace accident rate	Benchmark	-10% (415)	-10% (415)	-10% from FY08	-10% from FY09
	Actual	0% (461)	-2% (453)	Unknown	Unknown

Strategies and Evaluation of Current Performance

Statewide motor vehicle fatality rate

Providing a safe and secure transportation system to the traveling public is among CDOT's highest priorities. The mission of CDOT's Safety and Traffic Engineering programs is to reduce the incidence and severity of motor vehicle crashes and the associated human and economic loss. While the motor vehicle fatality rate increased slightly in 2007, it is down 25.4 percent since 2002. The 2007 increase is attributed by highway safety experts to random occurrence.

Colorado is a national leader in traffic safety. From 2000 to 2007 (the last years for which nationwide data is available), Colorado's motor vehicle fatalities declined by nearly 19 percent.

Only five other states saw greater declines in traffic fatalities over the same period. This success is attributable to the engineering of safer highways, education of the driving public, and enforcement of the state's driving laws. Despite improvement, traffic crashes remain the leading cause of death and injury in Colorado.

The Department promotes safety through traditional roadway safety improvements such as better signing and freshly painted road stripes, new acceleration and deceleration lanes, and identifying and correcting "Hot Spots." In addition to making physical improvements, CDOT also supports and coordinates driver behavior programs, such as the "Heat is On" and "Click it or Ticket," to raise driver awareness and discourage irresponsible behavior. These programs also have a positive affect on increasing the safety of all drivers on Colorado's roads.

Workforce Safety

The Department values the safety of its employees as much as it values the safety of the traveling public. Improvement in reported accident rates has been achieved at CDOT in recent years. CDOT's worker safety performance still has room for improvement. Approximately 14 percent of the Department's work force is injured every year. Sixty eight percent of all worker injuries occur in the maintenance worker positions. Sprains, strains and contusions are the most common maintenance workers injuries. A continued training emphasis on proper lifting techniques and body mechanics is making progress in reducing these kinds of injuries. Since only 10 percent of workplace injuries are caused by faulty equipment, it is important that employees realize safety is their responsibility. The safety group at CDOT manages education and training programs to help Department employees be safe and minimize the number of accidents occurring on the job. Programs like the 100 Safe Days of Summer reduce employee accidents on and off the job. In its first year as a pilot program, employee accidents declined 60 percent from the same 100 days in the prior year. Employees are encouraged to report "close calls" so that learning and changes in process can be made to help minimize accidents in the future.

II. SYSTEM QUALITY

Activities, programs and projects that maintain the (physical integrity/condition) function and aesthetics of the existing transportation system

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.

Goals	<ul style="list-style-type: none"> o Cost effectively maintain the quality and serviceability of the physical transportation infrastructure o Increase absolute investment in system quality and accelerate completion of strategic projects o Achieve 60% good/fair pavement condition system wide o Achieve 95% good/fair bridge deck area condition system-wide o Achieve a B maintenance level of service grade for system quality measures 		
#	Objectives	Performance Measures	Reporting Frequency
2.1	Maintain or improve the system-wide pavement condition forecast for 2016 of 40 percent good/fair condition based on 2008-2035 Resource Allocation	Percent of pavement in good, fair and poor condition	Annual
2.2	Maintain or improve the system-wide major structures condition forecast for 2016 of 83 percent good/fair condition based on 2008-2035 Resource Allocation	Percent of major structures in good, fair and poor condition	Annual
2.3	Meet or exceed the adopted annual maintenance level of service grade	Annual maintenance level of service average grade	Annual

Performance Measures	Outcome	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Request
Percent of pavement in good/fair condition	Benchmark	60%	53%	51%	49%
	Actual	59%	53%	Unknown	Unknown
Percent of major structures in good/fair condition	Benchmark	96.7%	93.8%	92.5%	91.1%
	Actual	94.7%	93.8%	Unknown	Unknown
Annual maintenance level of service average grade	Benchmark	B	B-	C+	C
	Actual	B-	B-	Unknown	Unknown

Strategies and Evaluation of Current Performance

Percent of pavement in good/fair condition

The primary measure of pavement quality is the percent of pavement statewide that is in good or fair condition. The Department evaluates the condition of highway pavement based on how many years remain before reconstruction is necessary. A *good* condition rating means there is a remaining service life of more than 11 years; a *fair* rating indicates a remaining service life of 6 to 10 years; and, a *poor* evaluation represents a remaining service life of less than 6 years.

In 2003 the Department paid \$38.23 per ton for asphalt pavement. By 2007, the average was \$66.58 per ton.

A goal of 60% pavement in good and fair condition has been established by the Transportation Commission. However, based on the revenue available for FY2008 the objective that could be reasonably attained was set at 53%. The objective was achieved even though it represented a 6% decline in good and fair condition from the previous year. Pavement quality on the state's road system has been deteriorating at an accelerated rate in recent years. This is due to a number of factors, including increasing truck traffic, and an especially harsh winter in 2007. Additionally, the existing network is aging, resulting in the need for more extensive rehabilitation work. The most significant causes of deterioration, however, include inadequate funding and rising costs. Construction costs have risen significantly in recent years. In 2003 the Department paid \$38.23 per ton for asphalt pavement. By 2007, the average was \$66.58 per ton and continues to increase. At the same time, funding available to maintain current conditions has actually decreased.

Monitoring pavement conditions during the next several years is critical as conditions will continue to deteriorate at current funding levels. Based on revenue forecasts, the overall good/fair condition statewide is projected to drop to 40 percent by 2016.

Percent of major structures in good/fair condition

National standards established by the Federal Highway Administration are used to inventory and classify the condition of the State's bridges. The majority of bridges are inspected every two years and assigned a sufficiency rating of 0-100. Bridges with a sufficiency rating of less than 50 are considered in poor condition, those with a rating of 50-80 are considered in fair condition and those over 80 are considered in good condition.

Bridges can also be classified as structurally deficient or functionally obsolete. Bridges are structurally deficient if they are restricted to light vehicles, require immediate rehabilitation to remain open or are closed. A deficient bridge may or may not be dangerous, but it does require significant maintenance, rehabilitation or replacement. Bridges are considered functionally obsolete if they have deck geometry, load carrying capacity, clearance, or approach roadway alignment that no longer meets national standards. For a bridge to be classified as in good condition it cannot be either structurally deficient or functionally obsolete. Bridges in the fair and poor categories must be either structurally deficient or functionally obsolete.

The Department reports the condition of bridges by the percent of bridge deck area in good or fair condition. For FY 2008, 93.8 percent of the bridge deck area statewide is in good or fair condition meeting the objective set for that year. Similar to pavement conditions, bridge conditions will continue to deteriorate in coming year unless additional resources are dedicated to this asset class. In 2008, 122 of 3,775 bridges were in the poor category. \$1.3 billion is needed to replace the bridges currently in poor condition including \$800 million for the I-70 viaduct.

Bridges in poor condition are a major concern in the long term. A one percent increase in “poor” deck area results in a \$150 million liability for the Department to rehabilitate or reconstruct that bridge area.

Annual maintenance level of service average grade

Patching pot holes in the summer, plowing snow in the winter and ensuring safe travel all year long, CDOT’s trucks and maintenance workers are a common sight on Colorado’s state highways. Nearly 70 percent of all maintenance funding goes toward maintaining the roadway, snow and ice control, painting stripes and hanging signs. The Department measures the performance of maintenance service with a school report card style grading system that estimates the achievable grade within the available budget.

The overall statewide Maintenance Levels of Service grade is presently a B-. The primary factor in not meeting the objective grade of B was exceptional weather. The statewide overall maintenance objective and actual grades over a seven year period range from a B- to a B+. The steady grades reflect a carefully administered maintenance management system. The decrease to an C+ benchmark is the result of budgeted dollars not keeping up with the rising costs of fuel and materials, inflation and increasing needs for bridge maintenance activities. The decrease to a C+ benchmark in FY 2009 and a C benchmark in 2010 is the result of budgeted dollars not keeping up with the rising costs of fuel and materials, inflation and increasing needs for bridge maintenance activities.

III. MOBILITY

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

The activities within this investment category address issues that impact movement. Quality of movement, accessibility to transportation, reliability of the system, connectivity of one system to another system, and environmental stewardship are all aspects of the mobility category. The programs used to address mobility include the highway performance program, alternate modes, facility management, travel demand management, and road closures program.

Goals	<ul style="list-style-type: none"> ○ Maintain or improve the operational capacity of the transportation system ○ Increase integration of the transportation system modal choices ○ Increase absolute investment in mobility and accelerate completion of strategic projects ○ Maintain an average of 22 minutes of delay per traveler in congested corridors ○ Achieve an A maintenance level of service grade for Snow and Ice Control 		
#	Objectives	Performance Measures	Reporting Frequency
3.1	Reduce the growth rate in minutes of delay per traveler in congested corridors by 1.5 percent below the forecast for 2016 of 39 minutes of delay based on 2035 Resource Allocation	Travel time delay in congested corridors	Annual
3.2	Maintain the snow & ice maintenance level of service grade at the adopted annual grade	Snow & ice MLOS grade	Annual

Performance Measures	Outcome	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Request
Travel time delay in congested corridors (minutes of delay per person)	Benchmark	22	26	27	29
	Actual	18	Available 4/09	Unknown	Unknown
Snow & ice MLOS grade	Benchmark	B	B	B	B
	Actual	B-	C+	Unknown	Unknown

Strategies and Evaluation of Current Performance

Travel time delay in congested corridors

The Department's primary measure of mobility is minutes of delay per traveler in congested state highway segments. Travel time delay is the difference between the travel time on highways at the free flow speed and the time it takes to travel with heavy traffic.

A highway is congested when the traffic is at or over 85 percent of what the highway was designed to handle. A highway with no vehicles is like an empty glass. When the glass is empty, you can pour water quickly into it. Once it gets about two-thirds full, you have to pour more slowly, tapering off until the glass is full. At that point, no additional water can be added until some of the liquid is poured out.

Over 90 percent of total congestion delay occurs on urban highways during the weekday commute, and the remainder occurs on highways in recreational travel corridors during peak weekend traffic. In 2007, approximately eight percent of Colorado's state highway lane miles were congested. As expected, most congestion occurs in and around the major metropolitan areas: Denver, Colorado Springs and Fort Collins. Congested recreational highways are located on part of I-70 West and near Estes Park, Winter Park, Breckenridge and Durango.

In 2007, the average travel time delay was calculated at 18 minutes per person. This decrease from 22 minutes calculated in 2005 is due mainly to additional lanes added as a result of expansion projects (TREX in Denver and COSMIX in Colorado Springs). The additional capacity eases congestion only in the short term; the benefit of having new lanes erodes as traffic fills up the additional highway capacity. Delay is projected to be 70 minutes per traveler in 2035 (from 22 minutes in 2005) with no additional highway capacity improvements. The TREX project was designed to accommodate future growth by incorporating light rail and bus transit as well as encouraging pedestrian and bicycle travel to the light rail stations.

Snow & Ice MLOS grade

Snow and icy roads are a danger to the traveling public and can also result in significant travel delays. Snow and ice control, as a means to keep Colorado moving, is reported as a supporting performance measure for the mobility investment category. Snow and ice control efforts are performed by maintenance staff and are managed by the Maintenance Levels of Service (MLOS) system. Steep increases in the costs of fuel and deicing material meant that the Department got significantly less snow and ice control for its dollar in 2008. In 2007 the cost per plow mile of clearing state highways in Colorado was \$5.89. In 2008 this cost increased over 55% to \$9.16 per plow mile. CDOT achieved a C+ grade in snow and ice control in 2008, missing the objective of B.

IV. PROGRAM DELIVERY

Functions that enable the delivery of CDOT's programs, projects and services

Although the programs and services within this investment category do not directly result in tangible transportation projects, they are the foundation for delivery of all of the other investment categories.

Goals	<ul style="list-style-type: none"> ○ Deliver high quality programs, projects and services in an effective and efficient manner ○ Deliver all programs and projects on time and within budget ○ Accelerate completion of the remaining strategic projects ○ Increase investment in strategic projects 		
#	Objectives	Performance Measures	Reporting Frequency
4.1	Improve year over year percent of advertised projects delivered within 30 days of the Ad date established on July 1 st of the fiscal year	Percent of CDOT-advertised projects delivered within 30 days of the Ad dates established on July 1 st of the fiscal year	Annual
4.3	Meet or exceed the Department's annual Disadvantaged Business Enterprise (DBE) goals	Percent Disadvantaged Business Enterprise participation	Annual
4.4	Have no environmental compliance violations	Number of environmental compliance violations	Annual

Performance Measures	Outcome	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Request
Percent of CDOT-advertised projects delivered within 30 days of the Ad dates established on 7/1 of fiscal year	Benchmark	>70.2%	>71.4%	>60.9%	>FY09 Actual
	Actual	71.4%	60.9%	Unknown	Unknown

Performance Measures	Outcome	Federal FY 06-07 Actual	Federal FY 07-08 Actual	Federal FY 08-09 Approp.	Federal FY 09-10 Request
Percent Disadvantaged Business Enterprise participation	Benchmark	13.8%	12.8%	12.8%	12.8%
	Actual	11.9%	11.0%	Unknown	Unknown

Strategies and Evaluation of Current Performance

Percent of CDOT-advertised projects delivered within 30 days of the Ad dates established on 7/1 of fiscal year

Delivering projects on-time is one measure of the Department's ability to effectively manage resources. Projects occur in two phases: design and construction. CDOT designs the majority of its projects in house and then solicits bids for the construction phase from contractors. At the beginning of the fiscal year the Department establishes projected completion dates for projects to be designed in the coming year. When all design work has been completed a project is ready to be advertised for construction bids. One measure of Department efficiency is the percent of projects that meet their planned advertisement dates (Ad Dates).

In FY 2008, 60.9 percent of projects were advertised for bid within 30 days of their planned ad date. This is a decline from FY 2007 where 71.4 percent of projects were delivered within 30 days of their planned ad dates. The decline from prior year is primarily attributable to a significant funding reduction for projects in 2008. A reduction of \$400 million to project funding was made during the course of the year. This unstable and unpredictable funding makes it difficult to plan accurately for the advertisement of projects, but a new scheduling software that enhances project management efforts has been deployed across the Department to improve in this area.

Number of environmental compliance violations.

CDOT has a permit from the Colorado Department of Public Health and Environment (CDPHE) to discharge storm-water from the roadway storm drain system. For the third year in row CDOT has not received a notice of violation. The permit states that only storm-water (and a few other allowable discharges, like landscape irrigation overflow) can be discharged from CDOT's storm drain system into Colorado waterways. Pollutants, such as dirt, fertilizers, pesticides, oil and grease, and antifreeze must be prevented as much as practicable from entering CDOT's storm drain system.

As part of the permit, CDOT has several different programs in place to ensure the amount of pollutants entering the storm drain system is reduced:

- Construction sites program;
- New development and redevelopment program;
- Illicit discharges program;
- Industrial facilities program;
- Public education and involvement program;
- Pollution prevention and good housekeeping program; and
- Wet weather monitoring program.

Percent Disadvantaged Business Enterprise (DBE) Participation

In 1983, Congress enacted the first disadvantaged business enterprise (DBE) statutory provision. This provision required that at least 10 percent of the federal funds authorized for the highway and transit financial assistance programs be expended with DBEs. The program fosters a competitive marketplace by creating a level playing field where DBEs can compete fairly for contracts. Ultimately, the program assists the development of DBEs to compete successfully in the marketplace outside the program.

In setting the overall annual goal for the Department, the USDOT requires that the goal setting process begin with a base figure for the relative availability of DBEs. The overall goal must be based on demonstrable evidence of the availability of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate on USDOT-assisted contracts. CDOT sets an annual objective percentage of DBE participation in construction projects. In Federal Fiscal 2007 (the last year for which complete data is available); CDOT achieved 11.9 percent participation missing a 13.8 percent objective. While the Department missed its objective, participation did increase 5.4 percent from the previous year. This increase was generated by participating firms winning prime contracts. Decreases in participation in 2003, 2004 and 2006 are attributable to a poor economy and contractors submitting “tight” bids. Participating firms most often serve as subcontractors, the tighter bids result in subcontractors receiving a lower percentage of the total contract. CDOT provides technical assistance, training and project-specific outreach to the contracting community in support of achieving DBE objectives.

Appendix to the Strategic Plan:

Levels of Service Definitions

Roadway Surface

A The structure, smoothness, and durability of the pavement surface are excellent. The surface is free of potholes and exhibits little or no cracking. Past repairs (e.g., patches, sealed cracks) are in excellent condition. There is little or no drop-off from the pavement or shoulder edge. Surface materials properties have not degraded.

B The pavement is in overall good structural condition, offers a satisfactory ride, and exhibits sound materials quality. Occurrences of distress such as cracking, potholes, rutting, and materials problems are infrequent and minor. Past repairs are in good condition, with limited need for rework. Edge drop-offs are infrequent.

C Pavement shows moderate problems with structural deterioration (e.g., cracking, potholes, past repairs), ride quality (excessive rutting, roughness, edge drop-off), or materials degradation (oxidation of asphalt surface, flushing / bleeding, or loss of material through raveling).

D Pavement deterioration is significant, with up to half of the pavement area exhibiting one or more types of serious distress: structural deterioration (e.g., large areas or numbers of cracks, potholes), ride quality (e.g., deep ruts, surface roughness, edge drop-off), and materials degradation. Surface condition may affect speed and vehicle handling.

F Pavement is deteriorated over more than half its area. The integrity of the surface and the ride quality it offers are degraded by extensive damage (cracking, potholes), deformation (rutting, roughness), degradation of the asphalt concrete (raveling, flushing / bleeding, or oxidation), or edge drop-off. Speed and vehicle handling likely affected.

Roadside Facilities

A Condition of drainage inlets, structures, and ditches, right-of-way fences, roadside slopes, and noise walls is excellent, with no damage or defacement. Drainage inlets and ditches are free of debris. Very few or no effects of slope failures or washouts have affected the road in the past year. There is no litter or debris on travel way or shoulder.

B Roadside facilities show only minor deterioration. Blockages of drainage inlets and ditches are infrequent. Maintenance of fencing or of sound walls is needed in only a few locations. There are scattered pieces of litter or occasional roadway / shoulder debris. A small number of slope failures / washouts affect the road annually.

C Roadside facilities show moderate deterioration. Several drainage structures are blocked with silt or debris. Fencing or sound walls require maintenance at a number of locations. Slope failures / washouts affect road availability. Limited patches of litter or sand or debris on the travel way or shoulder occur.

D A significant level of deterioration has occurred in roadside facilities, including blocked or silted drainage features, damaged right-of-way fencing, damaged or defaced sound walls,

and a high annual frequency of slope failures and washouts. There are several patches of unsightly litter or sand / debris on the travel way / shoulder.

F More than half of roadside facilities require maintenance. The condition and intended functions of these facilities are impeded by extensive blockages of drainage inlets and roadside ditches, damaged fencing, damaged or defaced sound walls, or frequent slope failures / washouts. A lot of sand, debris, and litter cover the road and roadside.

Roadside Appearance

A Road appearance is excellent, characterized by well tended landscaping and vegetation, grass mowing at intended locations and schedules, and absence of noxious weeds.

B Road appearance is superior, with only infrequent or minor instances of unkempt or infested landscaping and other vegetation, grass requiring mowing, or scattered occurrences of noxious weeds.

C Appearance overall is good, but with one or more of the following problems: grass requiring mowing; selected areas of landscaping or vegetation requiring trimming or treatment; and locations where noxious weeds are present.

D A significant number of items detract from road appearance, including high grass requiring mowing, a number of landscaped or vegetated areas requiring trimming or treatment, and noxious weeds affecting up to half of road length.

F Road appearance is extensively degraded by situations such as excessively high grass requiring mowing, landscaping and vegetation requiring trimming or treatment, and noxious weeds affecting most of the road length.

Structure Maintenance

A Maintenance items of bridges are in excellent condition. Decks, deck features, and weep holes are clean. Deck, curbs, expansion joints, and railings are in good condition with all defects repaired. Bearings are clean and serviced. Paint coating on bridge steel is intact. Bridge structure, approaches, and slopes do not require maintenance.

B Maintenance items of bridges are in superior condition. Decks, deck features, and weep holes are mostly clean, with little debris or need for washing. Minor or infrequent defects occur in deck surface, railings, expansion joints, structure, approaches, or slopes. A small percentage of bearings and of painted steel require maintenance.

C Maintenance items of bridges are in good condition, but some features require work: e.g., cleaning or washing of decks, curbs, and weep holes; patching of deck surface; and repair, servicing, or painting of expansion devices, railings, bearings, structural members, approaches, or slopes.

D A significant number of bridge features require maintenance. Decks, deck features, and weep holes must be cleaned or washed. Decks, curbs, expansion joints, or railings may impede use and require repair. Bearings must be cleaned and serviced. Bridge steel requires painting. Bridge structure, approaches, and slopes need repair.

F An extensive number of bridge features require maintenance of potentially major distress. Decks, curbs, expansion joints, or railings require repair and may pose a safety hazard. Bearings must be cleaned and serviced. Bridge steel requires painting to allay structural deterioration. Bridge structure, approaches, and slopes need repair.

Snow & Ice Control

A Plowing and chemicals or abrasives applications proactively maintain very high levels of mobility throughout storms (refer to accompanying tables). Snow drifts and localized ice patches are treated quickly to avoid closures and hazards. Proactive avalanche control minimizes traffic interruptions and avoids unanticipated road closures.

B Plowing and abrasives or chemicals applications maintain high levels of mobility as much as possible (refer to accompanying tables). Snow drifts and localized ice patches may be treated during storm with abrasives or chemicals. Proactive avalanche control minimizes traffic interruptions and avoids unanticipated road closures.

C Plowing and abrasives or chemicals applications maintain good levels of mobility on high-standard roads (refer to accompanying tables). Snow drifts and localized ice patches are treated as soon as possible at end of storm. Avalanche control focuses on high-priority locations and situations.

D Plowing and abrasives or chemicals applications are performed on limited basis and some traffic delays are anticipated on all roads (refer to accompanying tables). Snow drifts and localized ice patches are treated after mainline roads are cleared. Limited avalanche control is performed. Chain station operation may be scaled back.

F Plowing and abrasives or chemicals applications are performed on very limited basis, impairing mobility on all roads (refer to accompanying tables). Snow drifts and localized ice patches may not be treated for some time. No preventive avalanche control is performed. Chain station operations are scaled back or suspended.

Major Tunnels

A Condition of the tunnel structure is excellent. Operation of electrical, electronic, and mechanical systems is highly reliable. Inspections and repairs are performed on schedule. Response to incidents is immediate and effective, and frequent, attentive care of the facilities (e.g., washing, clearing of ice and debris) maintains safe and efficient passage.

B Condition of the tunnel structure is very good. Operation of electrical, electronic, and mechanical systems is reliable. Inspections and repairs are performed on schedule. Response to

incidents is virtually immediate, and care of the facilities (e.g., washing, clearing of ice and debris) maintains a high degree of safe, efficient passage.

C Condition of the tunnel structure is good. Operation of electrical, electronic, and mechanical systems is reliable overall, with few nonfunctioning items. Inspections and repairs are performed regularly. Response to incidents is immediate most of the time. Care of the facilities is good overall, although conditions may degrade temporarily.

D Condition of the tunnel structure is fair. Operation of electrical, electronic, and mechanical systems is somewhat degraded, and response time exceeds desirable limit. Inspections, calibrations, and repairs are behind schedule. Response to incidents is immediate much of the time, but delays may occur. Care of the facilities is overdue.

F Condition of the tunnel structure is poor. Operation of electrical, electronic, and mechanical systems is degraded, with response time exceeding desirable limit, and multiple concurrent failures in systems. Inspections, calibrations, and repairs are infrequent. Response to incidents is irregular. Care of the facilities is lacking.

**COLORADO DEPARTMENT OF TRANSPORTATION
FY 2009-2010 BUDGET**

**APPENDIX C
CALCULATION ASSUMPTIONS &
DECISION ITEMS**

CALCULATION ASSUMPTIONS

SALARY AND BENEFITS

The FY 2010 salary survey request used the specified rates for each primary classification category as determined by the annual survey performed by the Department of Personnel and Administration. The performance based pay request was disallowed for FY2010, but if funded is based upon the Office of State Planning & Budgeting's (OSPB) approved formula for distribution based on performance ratings. The State contribution for employee health insurance was also increased per the State Personnel Director's recommended rate adjustments. The PERA rate of 10.15% was unchanged for FY 2010. There is however, an additional contribution of 1.6% (blended rate) to PERA for the Amortization Equalization Distribution (AED). All adjustments for FY 2010 will be determined by the General Assembly, with only the increases for Insurance, AED and SAED approved at the time of preparation of this budget.

INFLATION - Operations

For FY 2010, the OSPB provided inflation factor for ongoing governmental operations is 0.0%, with some adjustments for interagency payments for leased space and common policy allocations for the legislatively appropriated programs.

The Department also utilizes inflation rates provided by the OSPB in the development of the budget request for areas other than construction and maintenance. It also may make other adjustments as funding and related workflow dictate. Through Resource Allocation the Transportation Commission has added approximately 1.1% for operating in the Maintenance program, and 2.5-3.0% for Equipment and the statewide Property program to prevent further deterioration in these essential program areas. Furthermore, the Construction Program allocations relate to the Construction Cost Index, rather than a set factor, as each project's cost is variable and subject to a bid process. The final budget is limited by the revenues anticipated for the Department.

FTE LIMITATION

The Transportation Commission has approved 3,375.5 FTEs; of which 223.2 are legislatively appropriated and 3,151.3 are Commission appropriated, and 1.0 FTE within the High Performance Tolling Enterprise (HPTE).

STATEWIDE INDIRECT COSTS

Annually, the Department is assessed a non-discretionary charge for 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 and Administration; Divisions of Accounts and Control, and Telecommunications, and others. The Statewide Indirect payment is allocated between the Administration and Construction & Maintenance programs.

Numerous additional non-discretionary charges are received for services provided to the Department by other agencies. Some are charge all or partially to Administration, but most of these charges are billed directly to the Construction and Maintenance Programs allocated by the Transportation Commission. These include, but are not limited to: Multi Use Network (MNT) charges for communication services, Workers' Compensation Insurance, and Digital Trunk Radio (DTR) charges.

APPROVED DECISION ITEMS – *Legislatively Appropriated*

ADMINISTRATION - Line Item

\$96,678 of SHF and specific realignment of Legislative allocations to match Departmental use of the Long Bill budget line. This was approved by the General Assembly.

FIRST TIME DRUNK DRIVING OFFENDER ACCOUNT – The Department requested a Separate Line Item in the Long Bill to clearly identify this dedicated use of a dedicated fund source. This was approved by the General Assembly and funded at \$1.0 million.

APPROVED DECISION ITEMS – *Transportation Commission Appropriated*

MLOS Adjustment for Diesel Fuel	\$2,500,000
Adjustment for Avalanche Program	\$52,093
Safety Road Equipment	\$2,860,000
Planning assistance for GVMPO & PACOG	\$167,742
Travel Survey	\$325,000
MLOS Adjustment for Snow & Ice at level B	\$10,000,000

NOTE: As a response to the lack of additional Gaming Fund availability for maintenance and particularly safety measures in the areas around the Colorado gaming communities, the TC has also directed an additional \$1.2 million from the contingency reserve to be added to the initial FY 2010 Maintenance budget for Maintenance Sections 3, 4 and 5. *(These funds were not integrated or offset with the MLOS plan and charts at the time of publishing this document, so by decision of the TC will be added as part of the 1st Supplement to the FY 2010 Budget.)*

Region 1 Section 5 Aurora - Central City/Blackhawk area:	\$305,543
Region 2 Section 4 Pueblo - Cripple Creek area:	690,148
Region 5 Section 3 Durango - Indian Casino area:	<u>227,816</u>
Total	\$1,223,507

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