

COLORADO DEPARTMENT OF TRANSPORTATION



Red Mountain Pass – US 550 near Silverton

BUDGET *for* **FISCAL YEAR 2011-12** **Governor John Hickenlooper** **April 21, 2011**



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COLORADO DEPARTMENT OF TRANSPORTATION

**BUDGET
FOR FISCAL YEAR 2011-2012**

GOVERNOR JOHN HICKENLOOPER

DONALD E. HUNT, Executive Director

TRANSPORTATION COMMISSION

LES GRUEN, Chairman, Colorado Springs, District 9

STEVE PARKER, Vice Chairman, Durango, District 8

TREY ROGERS, Denver, District 1

JEANNE ERICKSON, Evergreen, District 2

GARY REIFF, Greenwood Village, District 3

HEATHER BARRY, Westminster, District 4

BILL KAUFMAN, Loveland, District 5

VACANT, Steamboat Springs, District 6

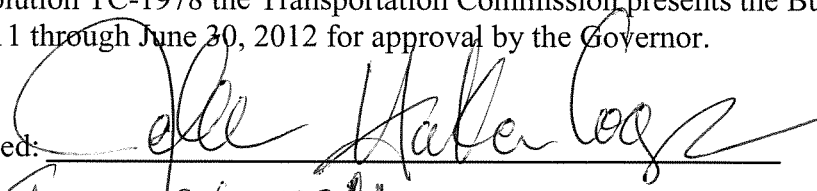
DOUG ADEN, Grand Junction, District 7

GILBERT ORTIZ, Pueblo, District 10

KIM KILLIN, Holyoke, District 11

HERMAN STOCKINGER, Secretary

Per the attached Resolution TC-1978 the Transportation Commission presents the Budget for the period July 1, 2011 through June 30, 2012 for approval by the Governor.

Approved: 

Date: June 26, 2011

Made pursuant to the provisions of Sections 43-1-106 and 43-1-113, C.R.S. (2010)

RESOLUTION FOR THE FY 2011-2012 BUDGET

RESOLUTION NUMBER: TC-1978

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, 2011 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 2011-12; and

WHEREAS, the annual Long Appropriations bill will not yet be approved by the General Assembly prior to the adoption of this budget by the Transportation Commission and therefore minor adjustments may need to be made by staff after adoption of the FY 2011-12 budget by the Transportation Commission; and

NOW THEREFORE BE IT RESOLVED, that the Colorado Department of Transportation's Budget for the period of July 1, 2011 through June 30, 2012 is approved by the Transportation Commission and forwarded to the Governor for action. Staff is authorized to make minor adjustments to the budget based on changes to the long bill. Those changes will be reported to the Transportation Commission at their next meeting following the date at which changes are made.

COLORADO DEPARTMENT OF TRANSPORTATION FISCAL YEAR 2011-12 BUDGET

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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

DAVID GORDON, Director

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD (HPTE)

Pursuant to Senate Bill 09-108 - Three members of the Transportation Commission are members of the HPTE Board. Four members are selected by the Governor.

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD (HPTE)

CHARLOTTE ROBINSON, Chair, Denver Metro Area Appointee

TREY ROGERS, Transportation Commissioner, Denver, District 1

HEATHER BARRY, Transportation Commissioner, Westminster, District 4

DOUG ADEN, Transportation Commissioner, Grand Junction, District 7

DAN CLEVELAND, Pikes Peak Area Appointee

STAN MATSUNAKA, North Front Range Area Appointee

TIMOTHY GAGEN of Breckenridge, I-70 Corridor Appointee

MICHAEL CHEROUTES, Director

STATEWIDE BRIDGE ENTERPRISE (SBE)

Pursuant to Senate Bill 09-108 - The supervisory board for this enterprise will consist of the same members as the Transportation Commission, but may be subject to differing officer assignments.

LES GRUEN, Chairman, Colorado Springs, District 9

STEVE PARKER, Vice Chairman, Durango, District 8

TREY ROGERS, Denver, District 1

JEANNE ERICKSON, Evergreen, District 2

GARY REIFF, Greenwood Village, District 3

HEATHER BARRY, Westminster, District 4

BILL KAUFMAN, Loveland, District 5

VACANT, Steamboat Springs, District 6

DOUG ADEN, Grand Junction, District 7

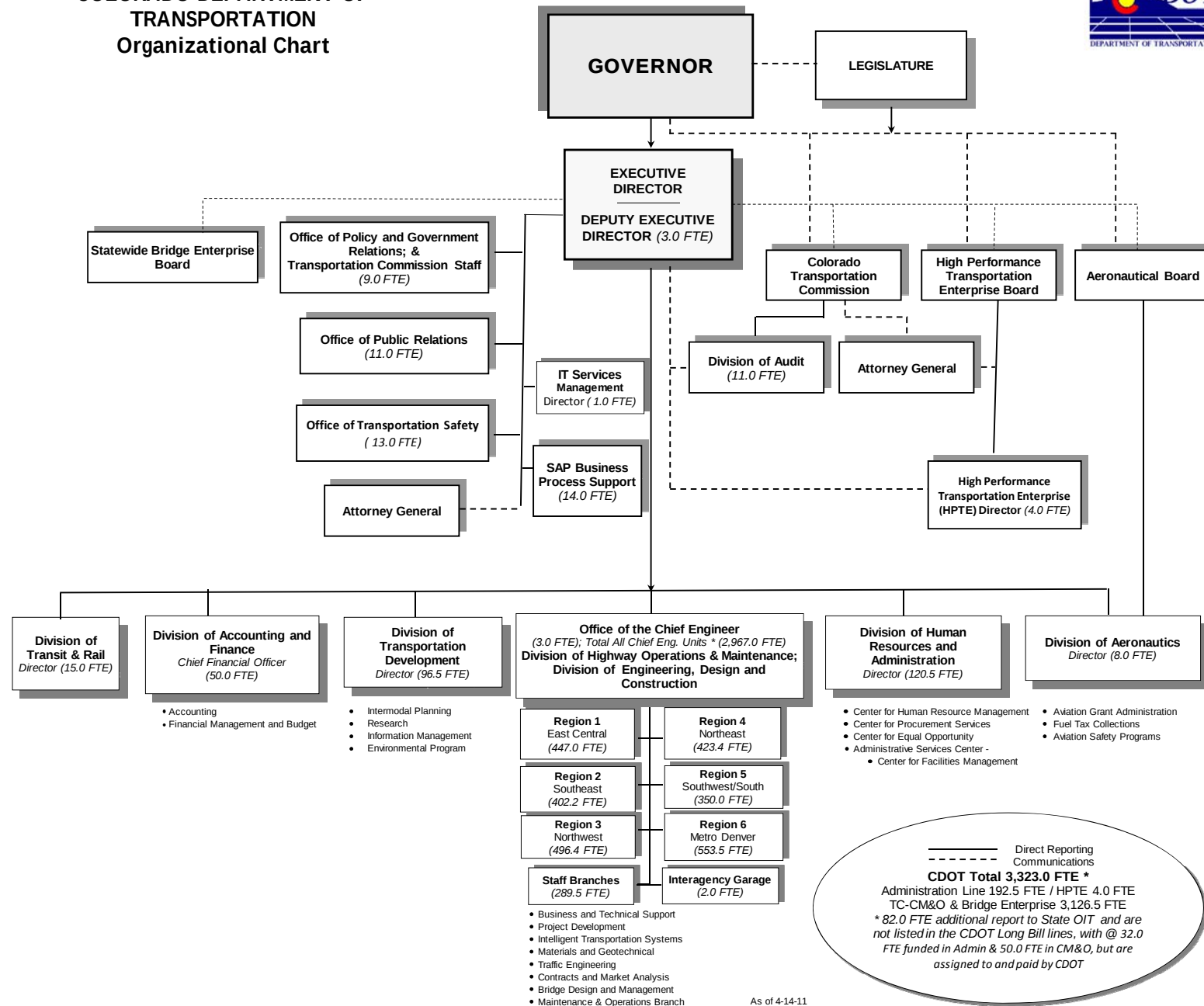
GILBERT ORTIZ, District 10

KIM KILLIN, Holyoke, District 11

DONALD E. HUNT, Director

HERMAN STOCKINGER, Secretary

COLORADO DEPARTMENT OF TRANSPORTATION Organizational Chart



As of 4-14-11

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 and safely 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 safely 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 \$1,104.6 million plus \$3.8 million of internally re-appropriated funds (RF) for a total of \$1,108.4 million of spending authority for FY 2011-12, comprised of two appropriated line items and three non-appropriated line items

The **FY 2011-12 Legislatively Appropriated Budget of \$25.8 million** relates to two Long Bill groups or divisions:

Administration (\$24.8 million) - \$22.9 million cash funds (CF) from the State Highway Fund (SHF) and \$1.9 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, and the Interagency State Vehicle Maintenance Garage.

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** totaling **\$1,082.6 million** in the annual Long Appropriations Bill that are the responsibility of the Transportation Commission, provided for informational purposes only, consisting of federal, cash, and re-appropriated funds:

Construction, Maintenance, and Operations (CM&O) (\$988.3 million) - \$581.2 million cash funds from the State Highway Fund and various cash funds, \$404.1 million from federal funds, plus \$3.0 million in re-appropriated funds (RF) as \$1.9 million of Internal Cash Funds (ICF) for the Sign Shop, and as a transfer of \$1.1 million from the Department of Public Safety for Enhanced Drunk Driving Enforcement (EDDE).

Statewide Bridge Enterprise (\$91.8 million) – Senate Bill 09-108 created a new enterprise funded by a bridge safety surcharge collected as part of the vehicle registration fee process. The enterprise will use the proceeds of the surcharge to finance the repair and replacement of bridges designated as “poor”.

High Performance Transportation Enterprise (HPTE) (\$2.5 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. The current revenues of this enterprise are derived from tolling revenues paid by single occupant vehicles using the I-25 HOT lanes in north Denver.

Funding for the total Department’s budget consists of approximately 63.4% CF or RF, and 36.6% 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 \$513.4 million in FY 2011-12. 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). Under certain conditions the department may receive GF transfers for five fiscal years, possibly starting in FY 2012-13. 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 available under current law until FY 2012-13 at the earliest.

FY 2011-12 BUDGET

The Department of Transportation’s total budget, as based on the latest revenue projections for FY 2011-12 totals \$1,104.6 plus \$3.8 million of internal cash funds for a total of \$1,108.4 million of spending authority for FY 2011-12. The department has an authorized/funded staffing level of 3,323.0 full time equivalent (FTE) positions, with 192.5 FTE within the Administration Line, 3,126.5 within the Construction Maintenance & Operations (CM&O) Line, plus 4.0 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 and the First Time Drunk Driving Offenders Account are appropriated by the General Assembly. These items generate a FY 2011-12 appropriated budget of \$25.8 million. No Limited Gaming funds are budgeted in FY 2011-12, and pursuant to S.B. 11- 159 these funds may no longer be requested by the department.

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 Areas (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. The current Resource Allocation Amendment was adopted by the Transportation Commission in March 2010. It was a modified version of a total long-range Resource Allocation process, and focused on the pending STIP update years of FY 2011-12 - FY 2016-17.

In order to facilitate a cooperative effort among planning partners, CDOT consulted with planning partners for recommendations to the CDOT Executive Management Team (EMT), Statewide Transportation Advisory Council (STAC) and Colorado Transportation Commission (TC).

Because of the shortfall in revenues available for transportation relative to system wide needs, CDOT's Office of Financial Management and Budget provided several funding scenarios for consideration.

Recognizing 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 2012 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.

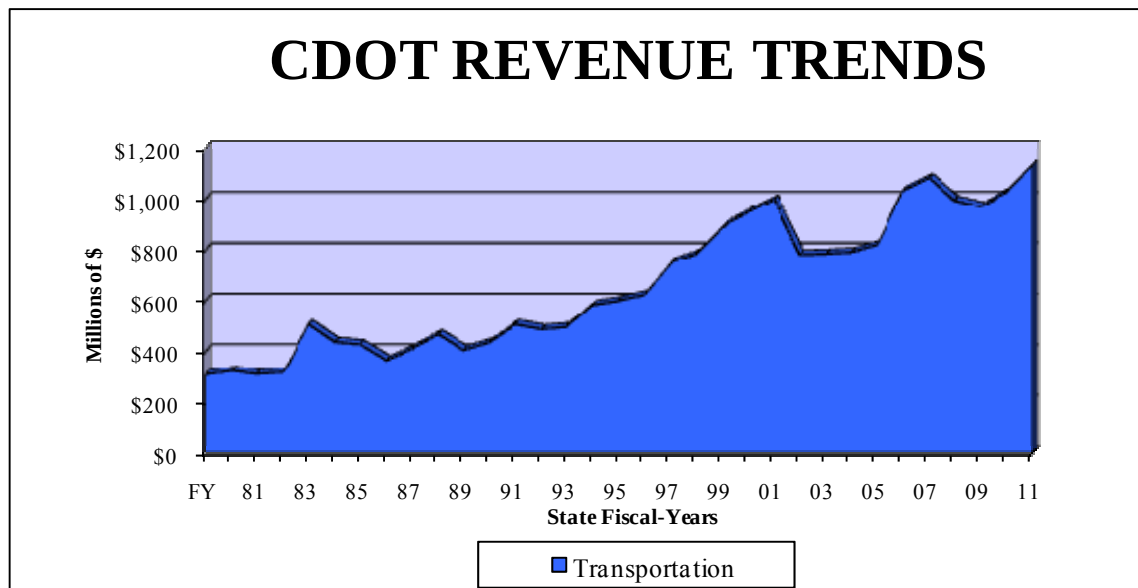
Total allocations over the 28-year planning period are projected to be \$29.7 billion in 2008 fixed dollars. The total estimate was allocated in the following manner: System Quality investment category, \$8.4 billion; Mobility investment category, \$4.9 billion; Safety investment category, \$2.9 billion; Program Delivery investment category, \$4.5 billion; other investment programs, \$9.0 billion.

Annual budgets will vary from the resource allocation plans due to changes in available actual revenue. The Department is only able to budget to the authorized revenue estimate for any given fiscal year. This limits execution of the plan, as since the last full resource allocation was completed, a number of significant changes to the Department's funding streams for transportation have occurred. These include the elimination of S.B.97-001 and H.B.02-1310 transfers, the expiration of the federal transportation funding legislation which currently has no long term replacement, and the passage of S.B.09-108, "FASTER." Once a new federal authorization is passed, the Department's intent is to complete a new resource allocation that factors in all these substantial alterations to its funding. In the interim, it conducted a limited update to resource allocation covering FY 2011-12 - FY 2016-17, as described above, which will impact allocations starting with this FY 2011-12 Budget.

CDOT REVENUE SECTION

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 as various fund sources have come and gone. Adjustments to the gas tax in the early years and the changes of S.B.97-001 and H.B.02-1310 (general fund transfers) receipts in the later times have made the revenue stream difficult to predict and depend upon to support the transportation system. Additional unpredictability has emerged in the past year from changes to the federal transportation program. In FY 2008-09, the department received about \$400 million in federal general fund monies under the American Recovery and Reinvestment Act. At the same time the Federal Authorization act under which the state receives an allocation of federal fuel tax revenues expired without enactment of a new program.

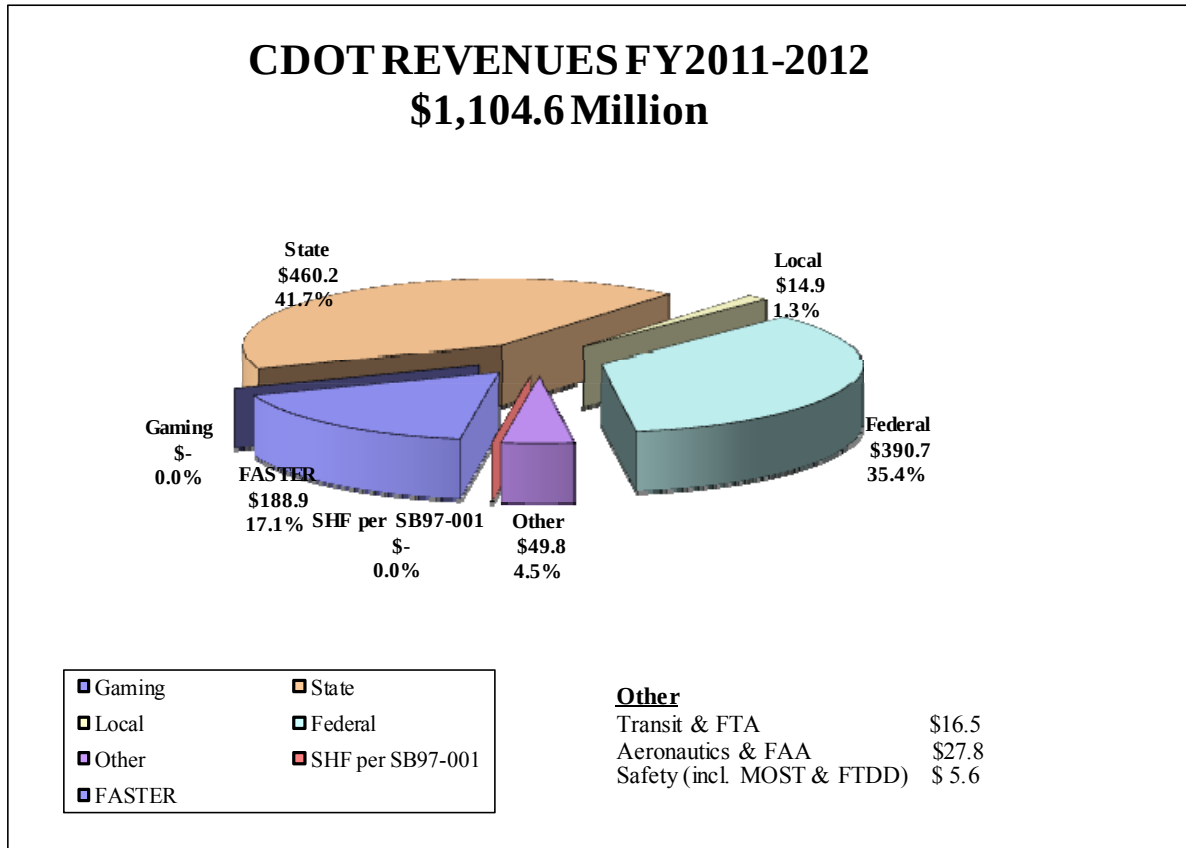


The state of Colorado and the Federal government rely primarily upon the motor fuel tax as their main source of transportation related revenue. This particular revenue source is essentially stagnant because the motor fuel tax is a fixed per-gallon excise tax, so the revenue collected depends on the number 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 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) or 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 2011-12 ESTIMATED REVENUES BY SOURCE



In FY 2011-12, the Colorado Department of Transportation anticipates receiving approximately \$1,104,588,163. This figure does not include any allocation from Capital Construction Funds, pursuant to H.B. 95-1174 or Limited Gaming Funds pursuant to Section 12-47.1-701(1)(c)(I), C.R.S. (2009), which was rescinded by S.B. 11-159, but does include the additional revenues the Department anticipates receiving pursuant to S.B.09-108 "FASTER" discussed on page 17.

**COLORADO DEPARTMENT OF TRANSPORTATION
FY 2012 REVENUE SOURCES**

As of April 13, 2011 - Budget

REVENUE SOURCES	ESTIMATED REVENUES
STATE FUNDS	
Highway Users Tax Fund - (CDOT Share)	\$ 421,247,291
HUTF pursuant to SB09-108 *	82,160,000
* HUTF for Transit & Rail Division (SB09-108)	10,000,000
HUTF Transit & Rail Funds pursuant to SB09-108 (LOCAL)	5,000,000
State Bridge Enterprise Fund pursuant to SB09-108	<u>91,800,000</u>
Sub-Total of SB09-108 (see footnote 4, page 16)	\$ 188,960,000
Miscellaneous CDOT Revenue	35,529,632
Interest on Bond Proceeds	0
Toll Collections	2,500,000
Rail Bank	0
State Infrastructure Bank	954,307
First Time Drunk Driver Fund - below in SAFETY	0
Limited Gaming Fund	<u>0</u>
Sub-Total Miscellaneous	\$ 38,983,939
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	\$ 649,191,230
LOCAL FUNDS	
Local Match & Reimbursements	\$ 14,872,793
FEDERAL HIGHWAY ADMINISTRATION FUNDS	
Apportionment	432,250,000
Less: Obligation Restriction	<u>(41,563,163)</u>
Total FHWA Funds Available	\$ 390,686,837
OTHER FUNDS	
Transit & FTA	16,462,045
Aeronautics Fund & FAA	27,768,851
Highway Safety Funds including MOST & FTDD	<u>5,606,407</u>
Total Other	\$ 49,837,303
TOTAL CDOT FUNDS	\$ 1,104,588,163

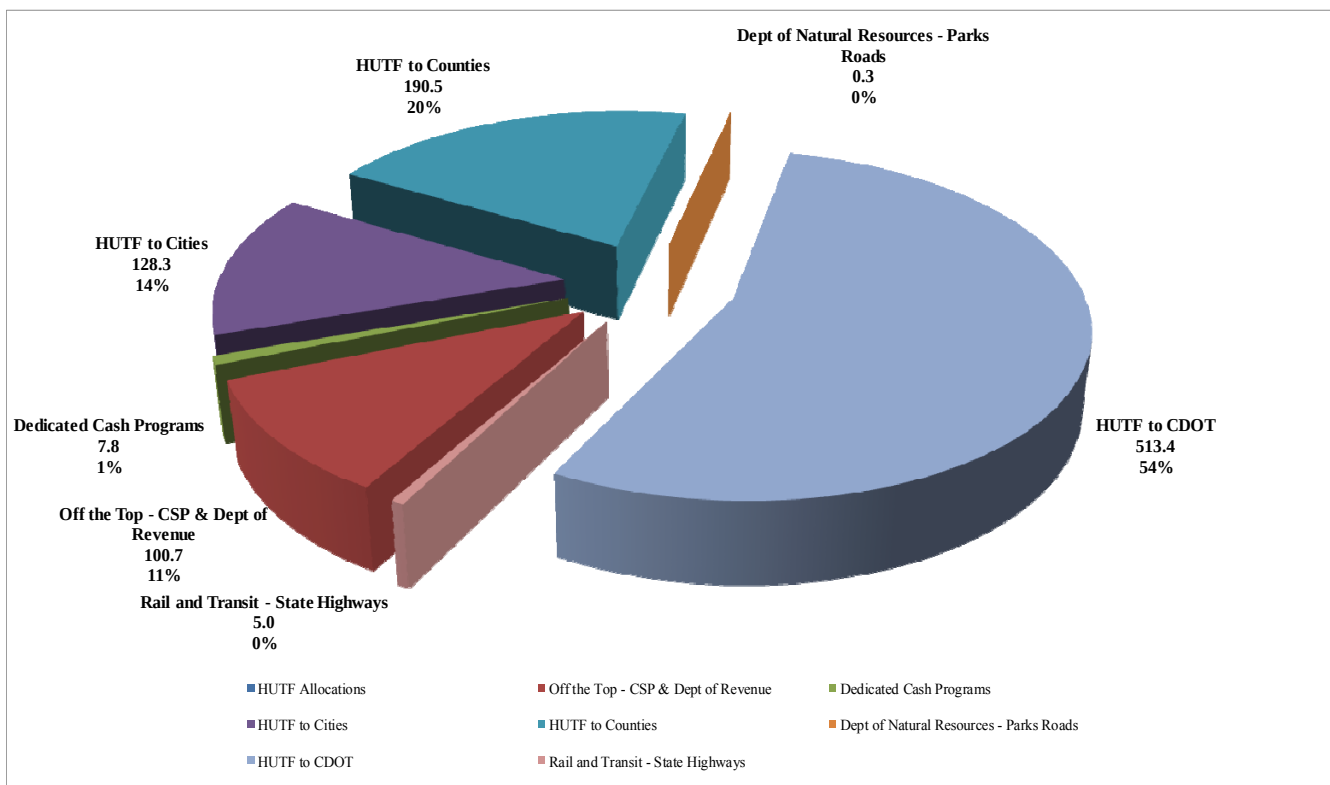
<u>REVENUE BY LONG BILL FUND CATEGORIES</u>	
CASH FUNDS - CF	\$ 699,393,230
REAPPROPRIATED FUNDS - TRANSFER from DPS	1,082,890
FEDERAL FUNDS - FF	<u>404,112,043</u>
TOTAL REVENUES	\$1,104,588,163
INTERNAL CASH FUNDS - RF Spending Authority	<u>3,815,353</u>
TOTAL TO BUDGET	\$1,108,403,516

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 \$951.8 million in FY 2011-12. The major source of revenue for the HUTF is the State's motor fuel tax. This tax is estimated to generate \$568.5 million, 59.7%, of the total HUTF in FY 2011-12. Revenues pursuant to S.B.09-108 "FASTER" account for \$153.6 million or 16.1%. The remaining 24.1%, or \$229.7 million, is comprised of motor vehicle registrations and other fees.

Colorado Highway User tax Fund FY 2011-12 Distribution

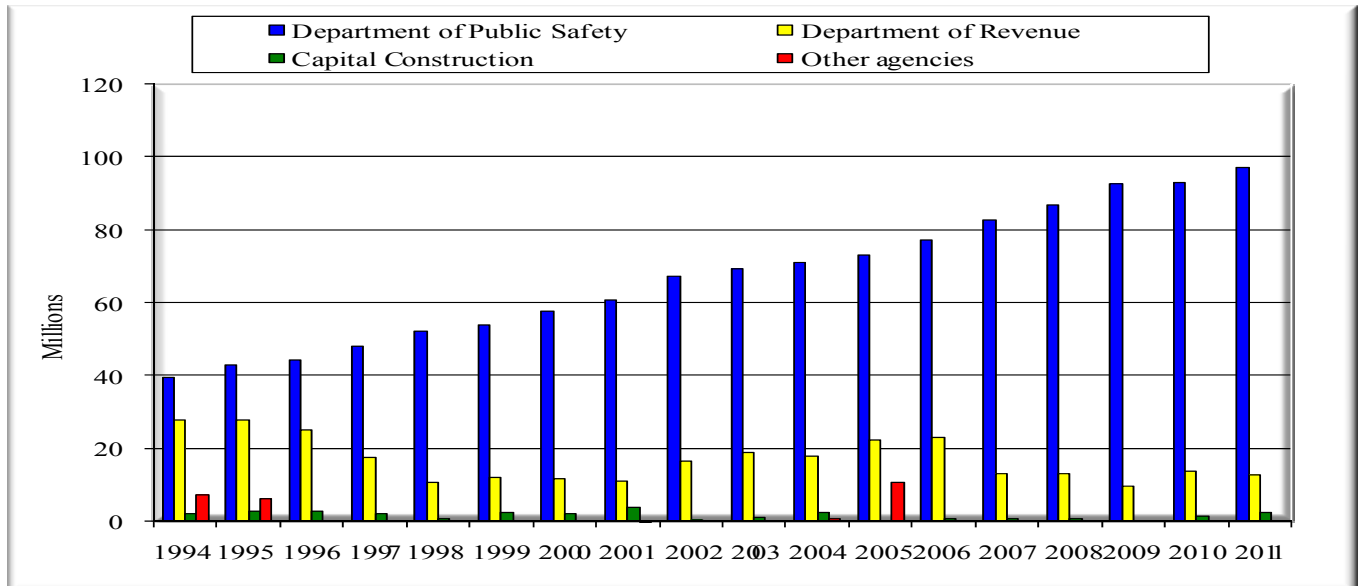


Before any funds are transferred from the HUTF to either the Department or to local governments, there are transfers made for specific state purposes. Currently, off-the-top spending is limited to the Colorado State Patrol (Department of Public Safety) and the Ports of Entry program (Department of Revenue), as well as a few other minor programs, including the Enhanced Drunk Driving Enforcement program.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

¹ Section 43-4-201(3)(a)(1), C.R.S. (2009)

² Section 43-4-201(3)(a)(I)(A) and (B), C.R.S. (2009)

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 2011-12, the off-the-top appropriations are estimated at \$108.1 million or approximately 11.4% 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. The statutes surrounding the "Off the Top" permit continued increases in annual appropriations regardless of whether or not total HUTF revenues actually increase. Consequently, the current trend is for the "off the top" to consume an ever increasing proportion of total HUTF revenues.



Of particular concern to the department are the current trends within the HUTF. Vehicle registration fees in Colorado decline with the age of the vehicle and the average age of vehicles within the state is increasing. Consequently while the total number of vehicles using the state's highway system is increasing registration fee income is actually declining. In FY 2007-08, total registration fee income totaled \$185.3 million and in FY 2008-09 it decreased to \$180.9 million. In FY 2009-10 vehicle registration fees were \$183.8. The changes in motor vehicle registration fees are somewhat offset by the passage in FY 2008-09 of S.B.09-108, the "FASTER" legislation which is discussed in more detail in the following section. This legislation created a highway safety fee and a bridge safety fee which are collected as part of the vehicle registration process.

Not only are vehicle registration fees declining, motor fuel tax receipts are stagnating as well. Since the tax is charged per gallon of fuel, the increasing fuel efficiency of the vehicles using the state's highways means that usage of the system can grow without a corresponding increase in revenues. Illustrating this is a comparison of the total motor fuel taxes collected in FY 2007-08 at \$577.4 million with those collected in FY2008-09 at \$539.9 million, and those collected in FY 2009-10 at \$543.0 with a "estimate" of only \$568.5 million for FY 2011-12.

³ 20010-11 Joint Budget Committee Appropriations Report, page 623

¹⁰ Section 42-4-1301.1, C.R.S. (2010)

Senate Bill 09-108 - FUNDING ADVANCEMENT FOR SURFACE TRANSPORTATION AND ECONOMIC RECOVERY (“FASTER”)

During the 2009 legislative session, the General Assembly enacted S.B.09-108 which made significant additions to funding for transportation. Provisions of the statute:

- 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,
- created the Statewide Bridge Enterprise to finance the repair and reconstruction of bridges designated as “poor”,
- allocated \$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 \$189.0 million in revenue from the new fees and surcharges in FY 2011-12. Of this, \$69.3 million will be from the road safety fee on vehicle registrations, \$91.8 million will be from the bridge safety fee on vehicle registrations, and \$22.9 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 as it is phased into effect. 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. \$5.0 million of the HUTF revenues the department will receive under this statute are dedicated to transit. This is discussed in more detail in a subsequent section.

The bridge safety fee is transferred in its entirety directly to the Bridge Enterprise. The Bridge Enterprise issued \$300 million of Build America Bonds to accelerate the repair or reconstruction of the poor bridges on the state system. While the issuance of the bonds will make cash available to address these bridges sooner, they will not alter the actual revenues of the enterprise.

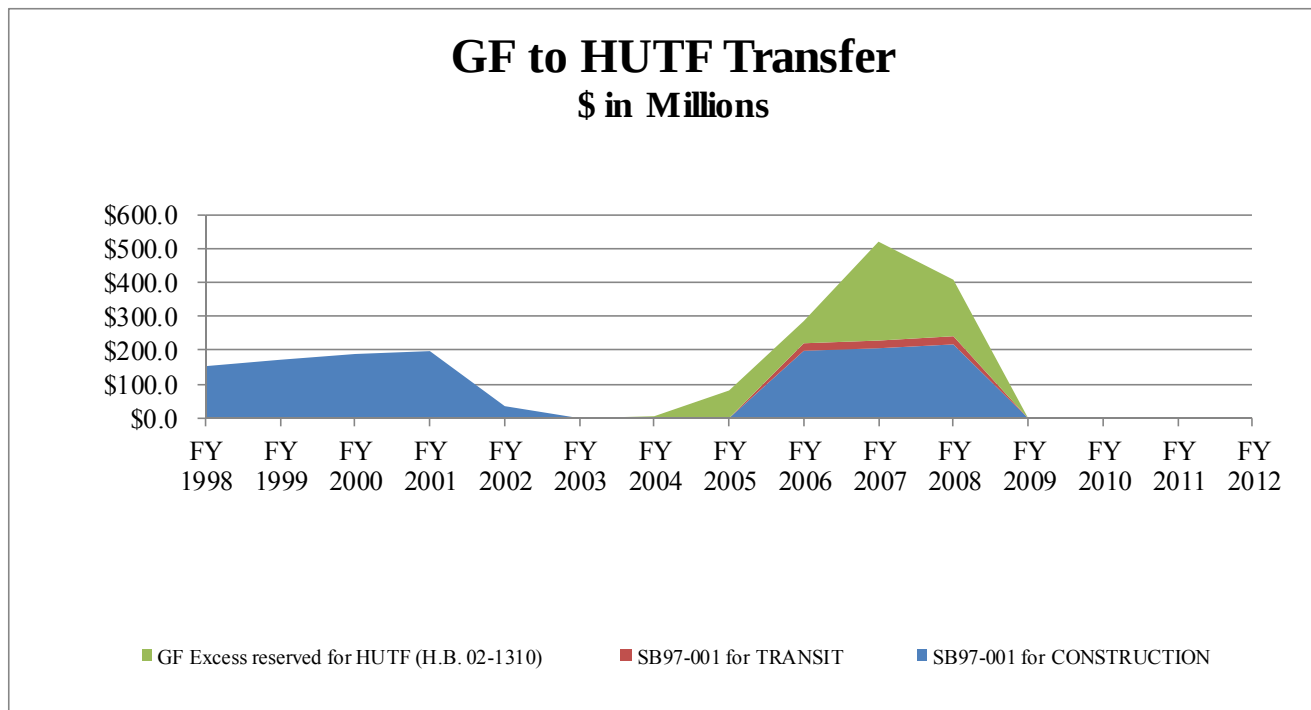
TRANSFERS OF GENERAL FUND (GF) – S.B. 97-001 and H.B.02-1310

In 1997, the Colorado General Assembly enacted S.B. 97-001. This bill directed 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 when certain financial conditions were met. These sales and use taxes make up a portion of the state’s General Fund revenues.

The statute limited the use of these funds to the Department's Strategic Transportation Project Investment Program and the Strategic Transit Program. In subsequent years the exact percentage of these General Fund revenues transferred to the Department were slightly altered and changes were made to the triggering financial conditions under which these transfers were made as well.

In 2002 the legislature enacted H.B. 02-1310 which made further changes in the uses of the S.B.97-001 monies (primarily directing that at least 10% of the S.B.97-001 money be allocated to strategic transit projects) and also directed the annual transfer of any General Fund surplus less the 4% reserve and less any revenues in excess of the constitutional limitation on aggregate state revenues to the Highway Users Tax Fund and the State's Capital Construction Fund.

As the below chart demonstrates the combination of these two statutes directed substantial, albeit erratic General Fund resources to the Department. Some of the strategic highway projects funded from these sources remain under construction at this time. Both programs, however, were eliminated by the passage of S.B.09-228 and replaced with a new GF transfer mechanism which will not take effect until FY 2012-13 at the earliest. Consequently, no General Fund monies are incorporated in this budget document for FY 2011-12.

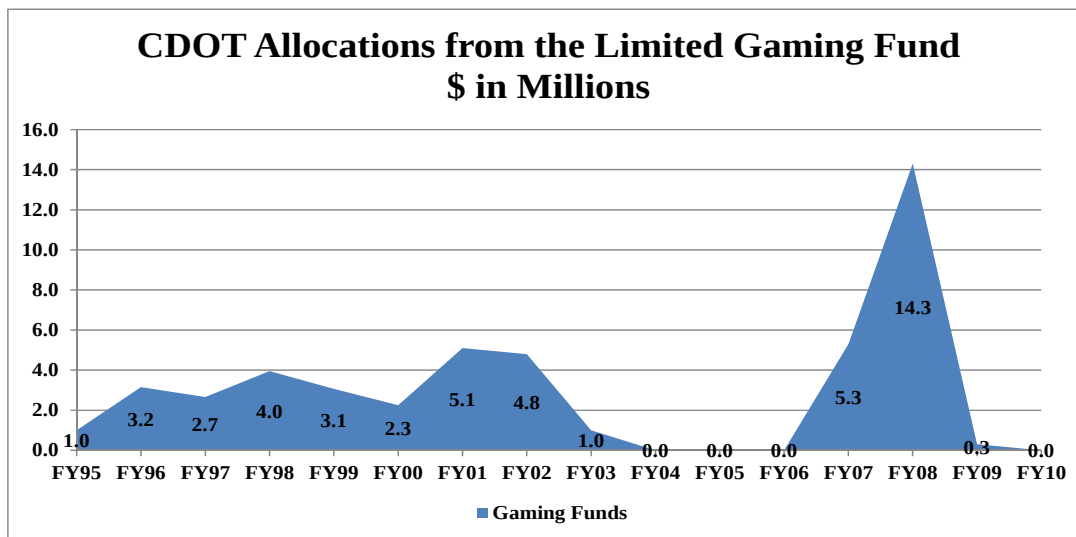


GAMING FUNDS

Pursuant to S.B. 11-159, the future access to limited Gaming funds by the Department of Transportation has been rescinded. The following section will provide a final review of the program and improvements previously aided by this source of funds to address a portion of the impacts to the transportation system created by the advent of Limited Gaming

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 requested 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 came from the 50% portion of the Limited Gaming Fund that otherwise would default to the Clean Energy Fund pursuant to S.B. 07-246, which has also been changed per S.B. 11-159.



From FY 1994-95 through FY 2008-09, the Department of Transportation received approximately \$46.9 million dollars in appropriations from the Gaming Funds for both highway construction, maintenance and rock-fall mitigation. The Department utilized 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. Due to the state's current economic situation, this budget does not include any limited gaming funds for either maintenance or highway improvements.

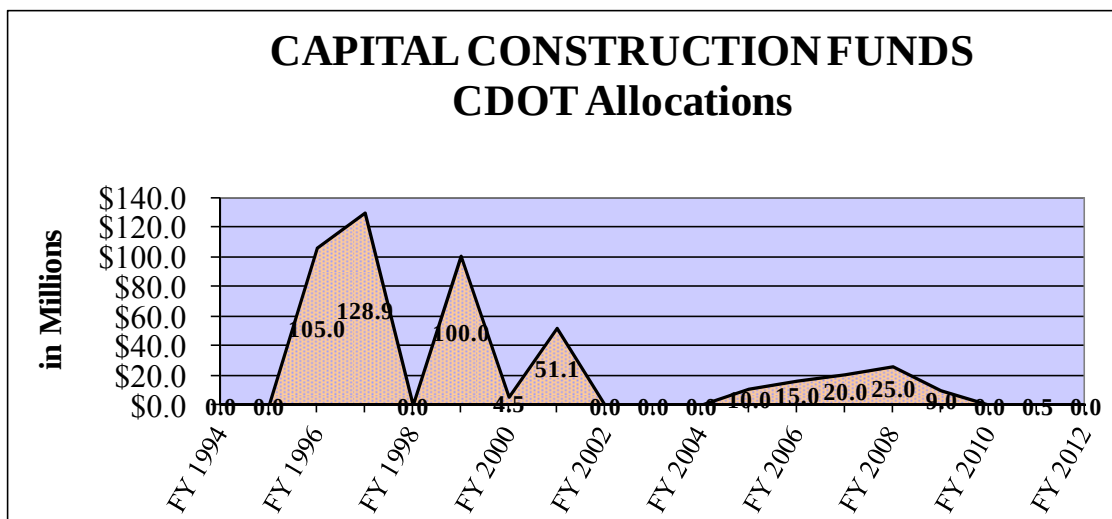
NOTE: As a response to the lack of additional Gaming Fund availability for maintenance and particularly safety measures in the areas around the Colorado gaming communities, the TC approved the allocation of an additional \$1.2 million from the State Highway Fund in the FY 2010-11 Maintenance budget for Maintenance Sections 3, 4 and 5, as these are the three maintenance sections which have gaming corridors within their boundaries. Due to the perceived intent of S.B. 11-159 and lack of surplus revenue, the TC will discontinue a separate budget tracking for these areas and allow for the normal MLOS allocation method to provide funding.

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.B. 95-1174, 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 H.B.95-1174, with an allocation of \$0.5 million in FY 2010-11, but due to the state's current economic condition the Department has budgeted \$0 for FY 2011-12.



FEDERAL REVENUES

On August 10, 2005, President Bush signed into law the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users, or “SAFETEA-LU.” This act expired on September 30, 2009.

At the time of preparing this FY 2011-12 Budget, the Department is working under an Authorization extension which allows for the authorization of federal expenditures until September 30, 2011 and an Appropriations extension which provided a payment based on the federal FY 2010 Appropriations enacted.

In the FY 2010 Authorization extension act (known as the HIRE Act) Congress transferred an additional 19.8 billion dollars of general fund revenues into the federal highway trust fund which according to the Congressional Budget Office (CBO) should allow for a full federal transportation program FY 2012 (assuming Congress does not enact a long term re-authorization bill prior to the beginning of federal FY 2012).

FEDERAL OBLIGATION

Based on this uncertainty, CDOT has taken a conservative approach to the forecast for Federal funds for FY 2011-12. The Department utilized a federal funding estimate of \$390.7 million in resource allocation that assumed lower levels of funding due to a lack of a new authorization bill. This is a 22% reduction in federal funds based on FY 2009 federal appropriations which was the last year of the previous authorization act. We believe this is an appropriate estimate assuming no tax increase or additional transfers from the federal general fund.

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 ridership) or discretionary funds (awarded by Congressional earmarks or by the FTA).

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.

Since there is not yet an approved reauthorization act or an apportionment Bill for federal FY 2011, Colorado does not know what it will receive, but the FY 2010 allocation provided

approximately \$198.2 million in FTA funds. Of this total, only \$15.1 million is administered by CDOT. For budgeting purposes this document presumes FTA funds in federal FY 2012 will continue at the following levels, with the large amounts passing to the Regional Transportation District (RTD) or other Transit providers:

- 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, smaller FTA grant programs total \$10.4 million, plus the State or Local match covers the \$15.1 million of grants or programs CDOT administers.

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 were set aside for transit purposes (see S.B.97-001 graph on page 15). The Transportation Commission (TC) 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 TC approved the list and provided funds for the projects, based on score and year of need, as the funds became available. Most of the projects approved on this list were awarded funding and most have been completed. 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 FY 2009-10. With the repeal of the S.B.97-001 transfers during the 2009 legislative session, no monies are available to fund the projects on this second list. Presuming the conditions to initiate GF transfers occurs per S.B.09-228 in FY 2012-13, the provision that requires the allocation of no less than 10% to strategic transit project will still apply, but the funds would not be available until FY 2014 if at all. At that time the TC will determine how it will allocate any funds it may receive. Until such time, no GF funds are available to support the strategic transit program.

A portion of the revenues generated pursuant to S.B.09-108 “FASTER” are dedicated to transit. The projected revenues combine for \$15.0 million of which \$5.0 million is a transfer of funds that would otherwise be allocated through the HUTF formula to local governments, and \$10.0 million is from the portion of the newly created Highway Safety Fee funding allocated through the HUTF to CDOT.

During its 2009 session the General Assembly enacted S.B.09-094 which created a Division of Transit and Rail within CDOT. This new division oversees the distribution of these transit funds, along with the administration of Federal Transit Administration monies received by the department. S.B.09-094 directed the Department to establish a Special Interim Transit and Rail Advisory Committee to recommend how to structure the division and methods to ensure sufficient input to the division from the transit and rail operators across the state. The Division has been created, a Division director has been hired, a list identifying use of the funds has been approved by the Commission and a restructured permanent committee established.

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 \$10 million in discretionary grants to airports throughout Colorado in FY 2011-12. 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. CDOT estimated it will receive \$0.22 million in federal funds for FY 2011-12 that will be used to help fund staff and operations supporting monitoring of the federal funds distributed to the airports.

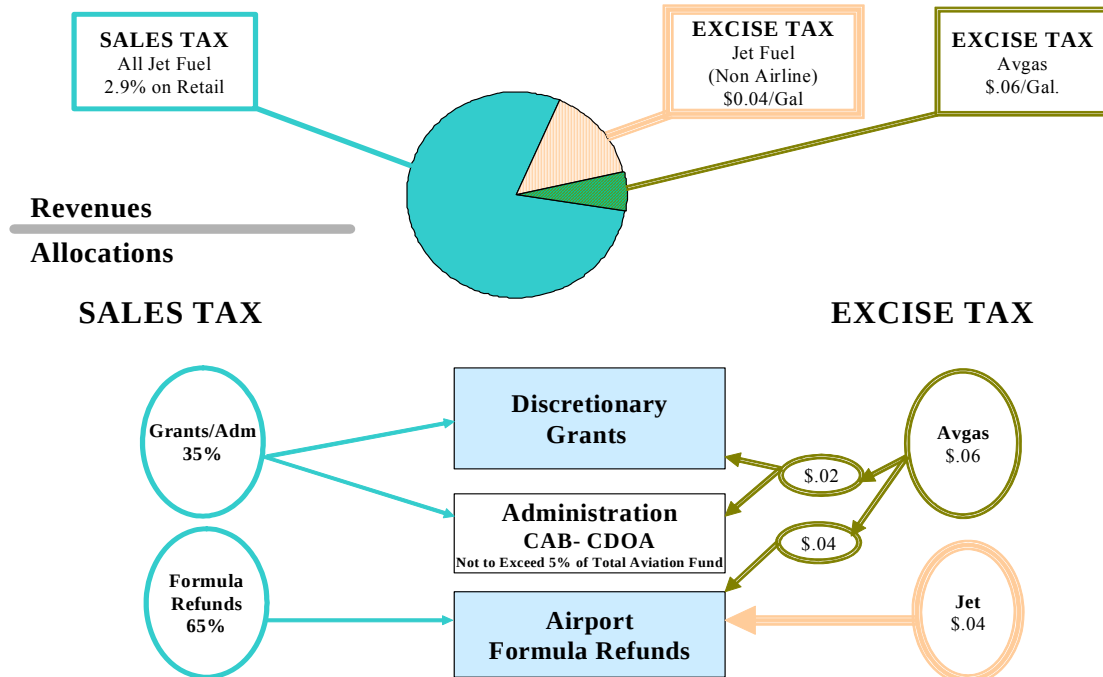
Federal support of the Aeronautics Program is designed to accomplish specific aeronautical projects of federal interest. These projects currently require a 5% match from the State Aviation Fund, which is provided by the CAB from the Discretionary Airport Grant Program. Due to potential changes in the 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 federal FY 2010 the Federal Airport Improvement Program (AIP) made available to Colorado airports \$98 million in grants to 35 airports.

The AIP grant funds to Colorado airports from 2002-2009:

2002 - 24 Airports/\$75.8 million	2003 - 43 Airports/\$75.0 million
2004 - 32 Airports/\$63.4 million	2005 - 32 Airports/\$88.5 million
2006 - 28 Airports/\$82.9 million	2007 - 32 Airports/\$72.2 million
2008 - 33 Airports/\$102.3 million	2009 - 36 Airports/\$101.3 million

Division of Aeronautics **Aviation Fund Revenue & Allocation Flow**



As of 12-1-04

SAFETY EDUCATION & ENFORCEMENT PROGRAM - REVENUES

STATE – SAFETY EDUCATION FUNDS

There are two major safety programs which are entirely State funded: Enhanced Drunk Driving Enforcement (**EDDE** - “**The Heat is On**”) and the Motorcycle Operator Safety Training (**MOST**) Program.

The Department’s Enhanced Drunk Driving Enforcement program was originally funded by the Law Enforcement Assistance Fund (**LEAF**), which was created by the legislature in 1982 to help cities and counties enforce impaired driving laws. The program was expanded by House Bill 08-1194, which increased fines for first-time DUI offenders and directed those revenues to a new subaccount of the Highway Users Tax Fund known as the First Time Drunk Driving Offenders Account (**FTDD**). The program will be funded with \$1.0 million from the FTDD and from a \$1.1 million appropriation from the Highway Users Tax Fund, as a transfer from the Department of Public Safety. This provides Enhanced Drunk Driving Enforcement program funding of \$2.1 million for FY 2011-12.

The Office of Traffic Safety under the supervision of the Executive Director is assigned the responsibility of administering “**The Heat is On**” campaign and allocating funding to law enforcement agencies statewide for increased patrols during holidays and other periods of anticipated increased incidences of impaired driving. Approximately 60 law enforcement agencies participate in the program.

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 2011-12, MOST funds are estimated at \$0.7 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.

FEDERAL SAFETY EDUCATION FUNDS

For FY 2010-11 there are ten program areas in the Office of Transportation Safety's Education and Enforcement Program that may receive federal funds, but they do not receive allocations every year:

- **Transportation Safety Planning, Administration and Operations**
This program is funded with federal Section 402 funds which are matched dollar for dollar with State Highway Funds. This program funds the general administration of Safety activities within the Office of Transportation Safety as well as the overall management of the various projects within the office, with this program’s budget matched at a 50% federal and 50% State ratio;

Highway Safety Plan - Federal funds from The National Highway and Traffic Safety Administration's (NHTSA) 402, 405, 408, & 410 program areas are requested as Grants, and when awarded, provide funds for the following safety educational and enforcement program areas:

- Occupant Protection,
- Motorcycle Safety,
- Public Information and Education,
- Safe Communities,
- Bicycle / Pedestrian Safety,
- Traffic Records,
- Impaired Driving,

State and Community Highway Safety Grant Program - This program aims to support State highway safety programs, designed to reduce traffic crashes and resulting deaths, injuries, and property damage. For FY 2011-12 the funding level in Section 402 funds are estimated for allocation to the above programs with a matching ratio for these funds of 75% federal and 25% state or local ratio.

Occupant Protection Incentive Grant Program – This program provides funds to encourage States to adopt and implement effective programs to reduce deaths and injuries from riding unrestrained or improperly restrained in motor vehicles.

Alcohol Incentive Grant Program - This program aims to reduce impaired driving and related crashes. Section 410 funds will be expended in the 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. Traffic Records also receives Section 408 funds.

Motorcyclist Safety Program - This program provides funds for motorcyclist safety training and motorcyclist awareness programs, in conjunction with the state funded MOST programs.



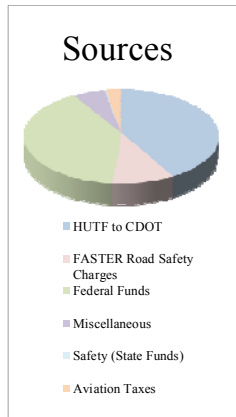
Summary of Revenue Sources and Uses

Fiscal Year 2011-12 Adopted Budget, as of 4/14/2011

FY 2011-12 CDOT Revenues
\$1104.6 million

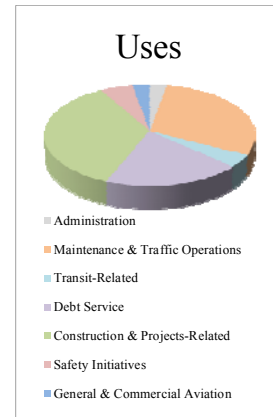
FY 2011-12 Budgeted CDOT Expenditures
\$1104.6 million

CDOT PROGRAMS



HUTF to CDOT \$421.2 million 38.1%
FASTER Road Safety Revenues \$97.2 million 8.8%
Federal Funds FHWA, NHTSA, FTA, FAA \$404.2 million 36.6%
Miscellaneous Local Match, Permit Sales, Interest Earnings \$57.4 million 5.2%
Statutory Safety-Related Funds LEAF, MOST, FTDDOA \$2.8 million 0.3%
Aviation Gasoline & Jet Fuel Taxes \$27.5 million 2.5%

Administration \$22.9 million CF & \$1.9 million RF 2.1%
Highway Maintenance & Traffic Operations \$257.9 million 23.3%
Transit - Related Projects and Grants \$31.5 million 2.9%
Debt Service \$168.0 million 15.2%
Highway Construction & Projects-Related \$446.9 million 40.5%
Safety Initiatives Traffic Signals, ITS, Click It or Ticket, Heat is On, etc. \$55.3 million 5.0%
General & Commercial Aviation \$27.8 million 2.5%



CDOT ENTERPRISES

FASTER Bridge Safety Surcharges \$91.8 million 8.3%
Tolling Revenue \$2.5 million 0.2%

Statewide Bridge Enterprise \$91.8 million 8.3%
High Performance Transportation Enterprise \$2.5 million 0.2%

STRATEGIC PROJECTS

TRANS Proceeds
General Fund Transfers Senate Bill 97-001 Senate Bill 09-228

Strategic Projects TRANS: \$1.7 billion (FY 99-00 to FY 04-05) SB 97-001: \$1.4 billion (FY 97-98 to FY 07-08) SB 09-228: ~\$170m annually beginning FY 12-13* *dependent on economic conditions

ACRONYMS	
CDOT	Colorado Department of Transportation
FAA	Federal Aviation Administration
FASTER	Senate Bill 09-108
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FTDDOA	First Time Drunk Driving Offenders Account
HUTF	Highway Users Tax Fund
ITS	Intelligent Traffic Systems
LEAF	Law Enforcement Assistance Fund
MOST	Motorcycle Operator Safety Training Fund
NHTSA	National Highway Traffic Safety Administration
TRANS	Transportation Revenue Anticipation Notes

COLORADO DEPARTMENT OF TRANSPORTATION
FY2012 ALLOCATION BY INVESTMENT CATEGORY
As of April 18, 2011 - Budget

<u>INVESTMENT CATEGORY</u>	<u>ALLOCATION</u>
PROGRAM AREAS (All or part)	
<u>SAFETY</u>	
Safety Education (with MOST, FTDD and State Match added)	5,890,385
Safe Routes to Schools	1,815,609
Railroad Crossings	2,332,452
Rockfall Mitigation	5,174,164
Rockfall Mitigation - Gaming Funds	0
Construction - Gaming Funds	0
Maintenance - Gaming Funds - SHF Offset	0
Hazard Elimination	16,826,056
Hot Spots	2,167,154
Traffic Signals	1,472,823
Safety Enhancements (Safety fund transfer to Surface Treatment projects for safety improvements)	4,966,432
Maintenance (Traffic Operations)	<u>58,000,000</u>
Total SAFETY	98,645,075
<u>SYSTEM QUALITY</u>	
Surface Treatment (Note: plus Safety Enhancement transfer = \$152.2M))	147,220,272
CDOT Bridge & Special DI for Bridge Scour	40,620,170
Local Bridge	8,508,084
Maintenance	93,499,332
ITS Maintenance	9,682,307
Transit (Capital - Sec. 5310)	1,647,869
Tunnel Inspections	<u>178,425</u>
Total System Quality	301,356,459
<u>MOBILITY</u>	
Congestion Relief	4,000,000
Enhancement	10,799,772
Metro	38,396,253
CMAQ	31,105,393
Maintenance (Avalanche, Snow & Ice)	64,300,000
ITS Investments	5,000,000
Gaming Funds - Construction	0
Division of Aeronautics	27,768,851
High Performance Transportation Enterprise (HPTE)	2,500,000
Transit (Service & Capital)	<u>13,375,806</u>
Total MOBILITY	197,246,075

(Continued)

FY2012 ALLOCATION BY INVESTMENT CATEGORY - (continued)

PROGRAM DELIVERY

Operations (incl: Admin \$26.2M, etc.)	42,713,249
DTD Planning & Research - SPR	9,568,800
Maintenance Support - HQ Operations	5,543,060
Maintenance - Program Support in Regions - MLOS	26,630,000
TC Contingency - (adjusted with any prior year balance)	10,000,000
TC Contingency - Snow & Ice Reserve	10,000,000
TC Contingency - Earmarks Match	0
Recreational Trails - FF	1,089,365
Road Equipment	14,191,591
Capitalized Operating Equipment	5,530,258
Property & COPS	8,035,705
Transit Administration / Operations	118,424
Metro Planning - FTA & FHWA	6,016,165
State Infrastructure Bank	<u>954,307</u>
Total PROGRAM DELIVERY	140,390,924

STRATEGIC 28 PROJECTS

Strategic 28 Projects - Debt Service	167,989,630
Strategic 28 Projects - Highway	0
Strategic 28 Projects - Earmarks	0
Strategic 28 Projects - Transit	<u>0</u>
Total STRATEGIC PROJECTS	167,989,630

REGIONAL PRIORITY PROGRAMS - RPP **10,000,000**

PROGRAMS with SB09-108 "FASTER" Bill Funds

HUTF pursuant to SB09-108	82,160,000
& HUTF for Transit & Rail Division SB09-108 (State)	10,000,000
HUTF Transit & Rail Funds pursuant to SB09-108 (Local Distributed)	5,000,000
State Bridge Enterprise Fund pursuant to SB09-108	<u>91,800,000</u>
Total SB09-108 PROJECTS	188,960,000

TOTAL CDOT INVESTMENT CATEGORIES **\$ 1,104,588,163**

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: Driving Behaviors and Roadway Characteristics. Driving Behaviors performance is measured by tracking: Alcohol Related Fatality Rates and Seatbelt Usage. Roadway Characteristics performance is measured by: Total Crash Rates, Injury Rates, and Fatality Rates.

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. In order to accomplish these goals there are two prime areas of focus, to influence driver behavior and improve highway safety features to the extent possible.

DRIVER BEHAVIOR PROGRAMS – Safety Education and Enforcement

In combination with traditional roadway safety improvements, this program promotes safety through enforcement campaigns such as "Heat is On", and "Click It or Ticket" and educational and awareness programs through local agencies, organizations, school districts and other safety partners to reach groups that 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 CDOT Office of Transportation Safety develops projects with state and local governmental agencies, non-profit organizations and schools for inclusion in the Highway Safety Plan. These projects address problems identified in major safety program areas such as impaired driving, 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 two State-funded programs: the Motorcycle Operators Safety Training (MOST) and the Enhanced Drunk Driving Enforcement (EDDE) program also known as “The Heat is On”. You may find additional program and funding information for these two programs on pages 24-25.

TRANSPORTATION SAFETY ADMINISTRATION, PLANNING AND OPERATIONS

This program is funded with federal Section 402 funds 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
 - Occupant Protection
 - Motorcycle Safety
 - Public Information and Education
 - Safe Communities
 - Bicycle / Pedestrian Safety
 - Traffic Records
 - Roadway Safety Engineering
- Federal funds for the first seven above safety areas come from the National Highway and Traffic Safety Administration (NHTSA) 402, 405, 408, 410 funds. The last program for Roadway Safety Roadway Engineering Safety funds will come from FHWA Flexible (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:

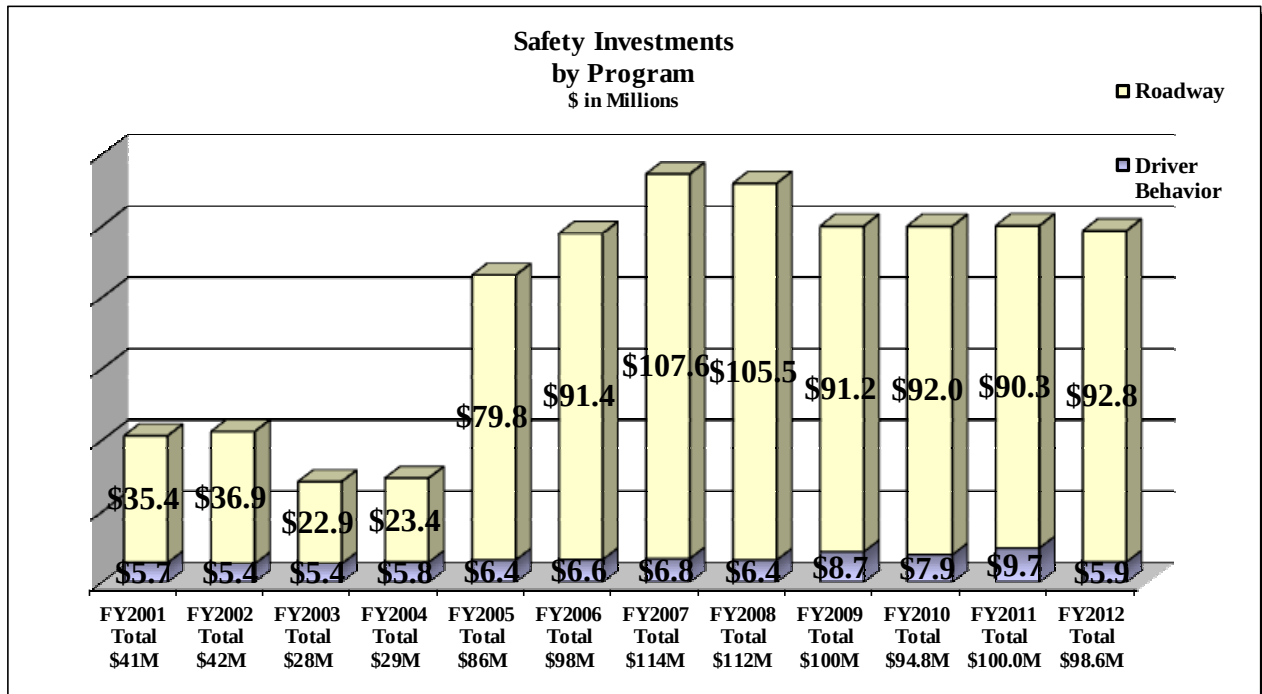
- Alcohol Incentive Grant
- Traffic Records - Fatality Analysis Reporting System (FARS)
- Traffic Records
- Motorcyclist Safety Program

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. In FY 2011-12 the estimate for this funding source is approximately \$30,000.

SAFETY CATEGORY SUMMARY



Note: The apparent increase in funding for FY 2004-05 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.

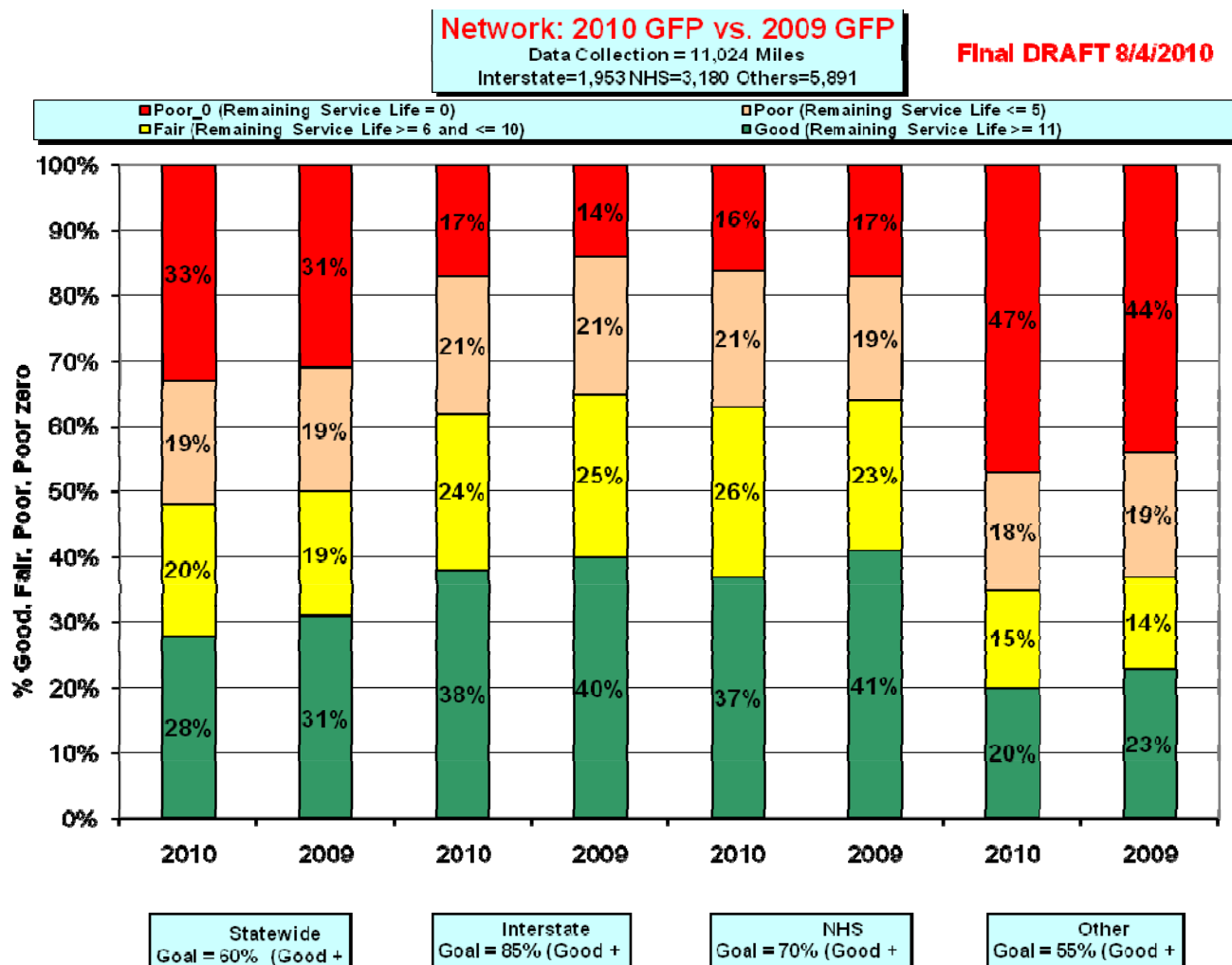
The Department documented the need for increased funding of the Surface Treatment Program based upon 1993 data showing that 64% of the state highway system had pavement rated as "poor." Based upon this information the Transportation Commission chose to allocate additional funds for surface treatment between FY 1992-93 and FY 2007-08 at a rate that exceeded the rate of general inflation. However, in recent years construction inflation and static revenues have 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 2010 current pavement condition on the State system is rated 48% as "fair/good" and 52% as "poor." Original condition projections performed in 2009 anticipated 46% "fair/good" roads. CDOT's ability to reduce the deterioration rate of its highways is attributed to additional funding made available through the American Recovery and Reinvestment Act of 2009, (ARRA).

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.

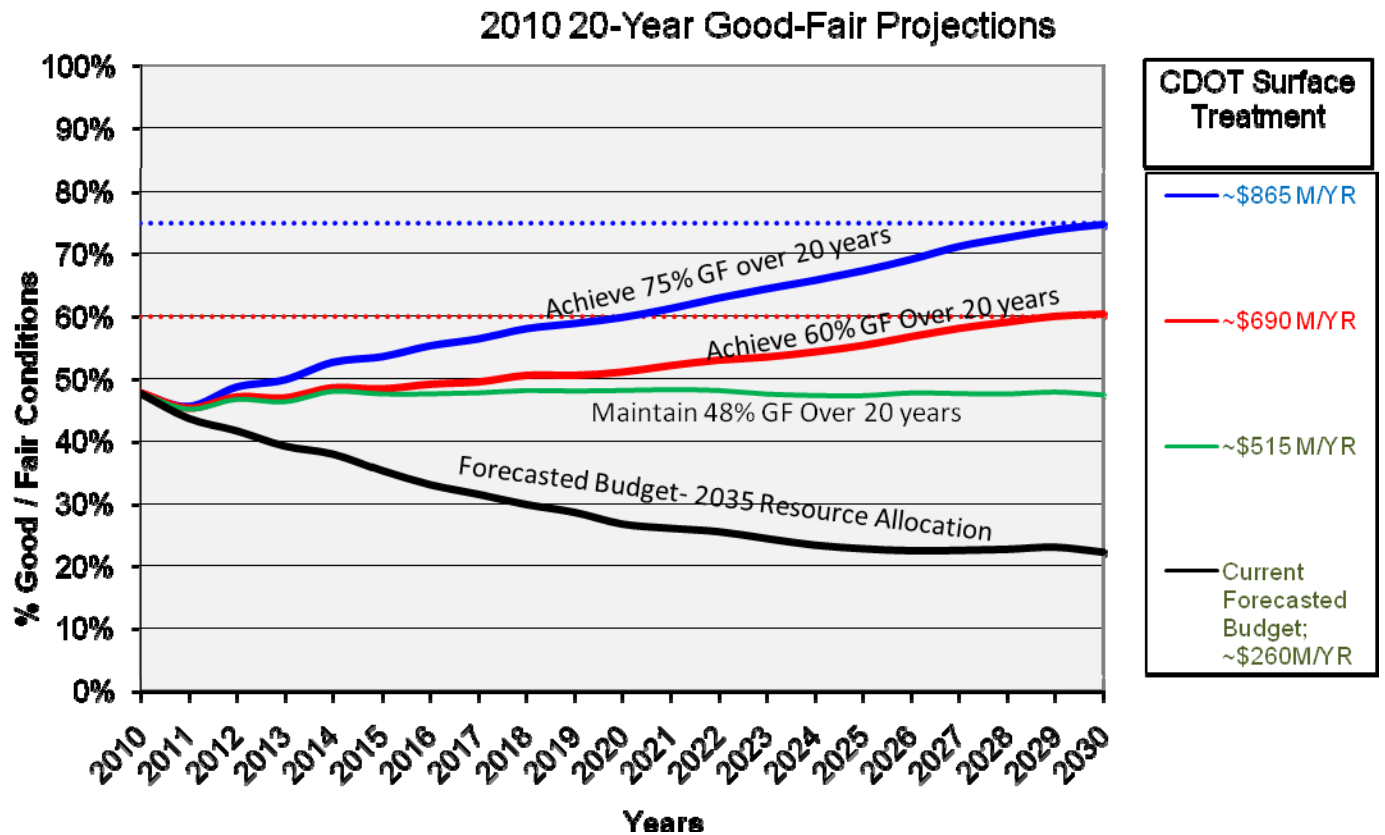
The Transportation Commission has set an overall objective for surface condition of 60% good/fair and 40% poor. Although the Commission would like to set the goal at a higher level, based upon available resources, the Commission recognizes that it cannot even attain its 60%

good/fair goal. 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 either. Although the Commission recognizes that it cannot attain these goals, it is not prepared to further lower its standards. Accordingly while the goal will remain at 60% good/fair, actual conditions are expected to deteriorate rapidly in the next several years. 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

Senate Bill 09-108 created the Bridge Enterprise, which is a new program separate from the program described below, and is covered in detail in the Bridge Enterprise narrative beginning on page 59. The Bridge Enterprise addresses the needs of bridges in poor condition and a portion of the Bridge Program's federal funds are transferred to the Bridge Enterprise for this purpose.

The Bridge Program budget (not inclusive of the separate Bridge Enterprise) consists of State and Federal Bridge Program funds that are used for CDOT owned structures and locally (city and county) owned bridges. The proposed FY 2011-12 budget for the Bridge Program is \$49.8 million.

	<u>State</u>	<u>Federal</u>	<u>Total</u>
CDOT Structures	\$19.8	\$20.8	\$40.6
Local Bridges	\$4.8	\$3.7	\$8.5
Total	\$24.9	\$24.5	\$48.9

The Bridge Program annual budget is allocated to the Statewide Bridge Enterprise and the following subprograms.

- Bridge replacement and major rehabilitation
- Bridge planned preventative maintenance
- Essential bridge repairs
- Essential culvert repairs
- Overhead sign, signal, and high-mast-light inspection and inventory
- Culvert and minor bridge inspection and inventory
- Bridge inspection, inventory, and asset management
- Local agency bridge replacement and major rehabilitation
- Local agency bridge inspection and inventory

Bridge Program funds for replacement and major rehabilitation are used for bridges that are on the "Federal Select List of Bridges". CDOT conducts inspections of all state, city, and county bridges within the state in accordance with the National Bridge Inspection Standards (NBIS) and reports the conditions of the bridges annually 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 an overall appraisal of the condition and adequacy of bridges. It is reported as a value from zero to one-hundred with one-hundred being the best rating. The SD and FO classifications as well as the sufficiency rating are established by the NBIS.

Bridges that have a Sufficiency Rating less than fifty and are either SD or FO are classified as in "poor" condition and qualify for replacement or major rehabilitation. Bridges with a Sufficiency Rating from fifty to eighty and either SD or FO are classified as in "fair" condition

and qualify for major rehabilitation. All remaining bridges are classified as in “good” condition and do not qualify for bridge program replacement and major rehabilitation funds. 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).

In addition to the subprograms for bridges (replacement & major rehabilitation, preventative maintenance, essential repairs, inspection and asset management) the Bridge Program provides funding for other structures – culverts, minor bridges, overhead sign structures, overhead signal structures, and high-mast-lights. These other structures are not eligible for Federal Bridge Program funds and are dependent on the state funded portion of the Bridge Program.

Bridges (often referred to as “major bridges”) are defined as structures carrying vehicular traffic where the length of crossing measured along the center of the roadway is more than 20 feet. Structures carrying vehicular traffic where this length is 20 feet or less are defined as culverts or minor bridges. For FY 2011-12 the Bridge Program proposed budget would provide approximately \$4.8 million for the inspection, inventory, and repair of culverts and minor bridges.

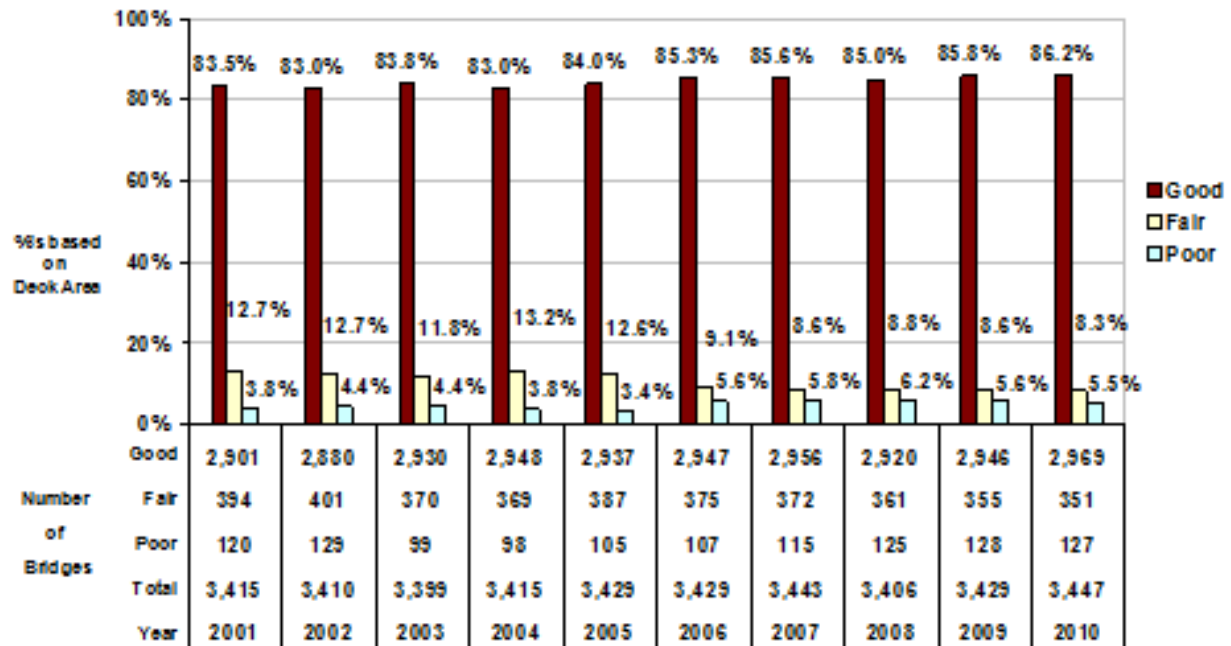
The Bridge Program provides for the inspection and inventory of overhead sign structures, signal structures, and high-mast-lights located within CDOT right-of-way. With the FY 2011-12 proposed budget, approximately \$0.5 million would be allocated for this purpose.

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 and major rehabilitation grants.

The Code of Federal Regulations (CFR) stipulates that at least 15 percent of the Federal Bridge Program funds the State receives shall be used for “off-system” bridges located on public roads, other than those on a Federal-aid system; i.e., city and county bridges. Under the FY 2011-12 Bridge Program budget, \$8.5 million is allocated to the local agency bridge program.

On-System Bridge Condition

(All CDOT Owned Major Vehicular Bridges)



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)

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 2011-12, 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 nine 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 MPAs. The MPAs are also identifiable in the Department's overall investment categories to allow a link with investment strategies and result oriented allocations.

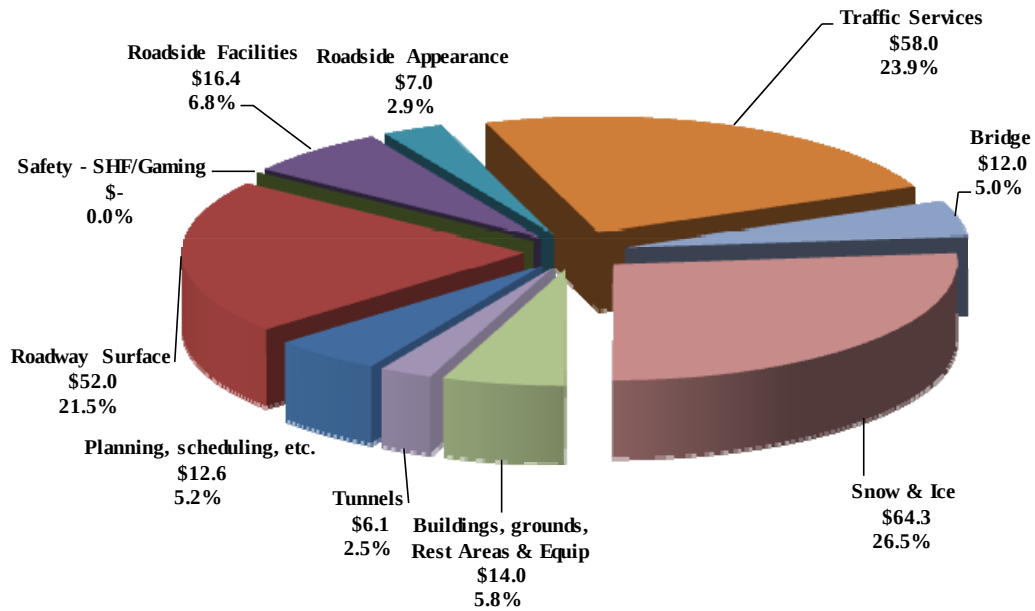
Prior to MLOS, results were reported in terms of quantity, as illustrated below, without the results being noted in terms of system quality, mobility or program delivery. Although the Department now uses the letter grades established in MLOS it remains useful to provide some information in terms of quantities or efforts performed by the maintenance crews.

For example, during FY 2009-10 these transportation workers:

- Extended the life of highways utilizing 220,571 tons of asphalt and 1,670,802 gallons of liquid asphalt in asphalt preservation activities.
- Striped over 31,583 miles of roadway. Placed 349,026 sq ft of markings by hand.
- Snowplowed, sanded and/or de-iced Colorado highways traveling 6.84 million miles. 5,788 hours of avalanche mitigation.
- Disposed of 92,273 cubic yards of trash with the help of 10,164 Adopt-A-Highway volunteers.
- Installed, replaced or repaired 82,593 signs and/or posts damaged by accident, vandalism or deterioration.
- Replaced, installed or repaired over 19.222 million linear feet of fencing along right of way.
- Provided 24 hour per day traffic surveillance of all vehicles utilizing 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.

MPA	FY 2009-10 LOS	FY 2011-12 Proposed LOS
Planning & Training	C	C
Road Surface	B+	B-
Roadside Facilities	B+	C
Roadside Appearance	B	C
Traffic	B-	C
Structures	B-	C+
Snow & Ice Control	C+	B
Equipment, Buildings, & Grounds	C+	C
Tunnels	<u>C+</u>	<u>C+</u>
Total Maintenance Program - Statewide	B-	B-

CDOT FY2012 MAINTENANCE LEVEL OF SERVICE REGIONS ONLY - \$242.4 Million



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

INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

For fiscal year 2012, which is the thirtieth year for this on-going program, the ITS Branch has a total allocated program budget of \$14.7 million. The majority of this funding will be used to administer, manage, operate and maintain (including capital replacement of existing devices based on life-cycle analysis and statewide prioritization) the Colorado Transportation Management Center (CTMC), statewide ITS communications and network systems and infrastructure, devices and equipment that are used to provide transportation services such as; traveler information and traffic and incident management applications to the motoring public.

A portion of the funding will also be used to deploy ITS infrastructure that is needed to both expand and enhance ITS services that are provided to the traveling public, and to improve operational functionality and efficiency. The CTMC, which is one of four major management centers in the state, has statewide responsibility for the collection, processing and dissemination of traveler, traffic and transportation information throughout the State. ITS systems also support other activities such as: Maintenance Decision Support System (MDSS), which provides weather and highway condition forecasting and recommends optimum winter maintenance treatment applications with respect to materials, rates and cycles, Weigh-In-Motion scales at Ports-of-Entry and automated bridge de-icer spraying systems. The following provides a brief illustration of how traveler, traffic and transportation information is disseminated, to whom and how it's collected.

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 travel messages including; closures, alternative routes, road condition information, special events and real-time trip travel time information.
- 511 Interactive Voice Response (IVR) system providing up-to-date road and weather conditions, construction, special events, travel times and transfers to bordering states and other transportation providers.
- The COTrip website displaying CCTV camera images, speed maps and travel times, weather conditions, construction information, alerts (including Amber Alerts) and more.
- Automated email and text messages using GovDelivery as third party provider.

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
- Hanging Lake Tunnels Management Center, Eisenhower Johnson Tunnels Management Center and Colorado Springs Traffic Management Center
- Colorado State Patrol and other law enforcement agencies
- Various statewide emergency responders (fire, police, military)
- Local media partners and numerous private providers

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

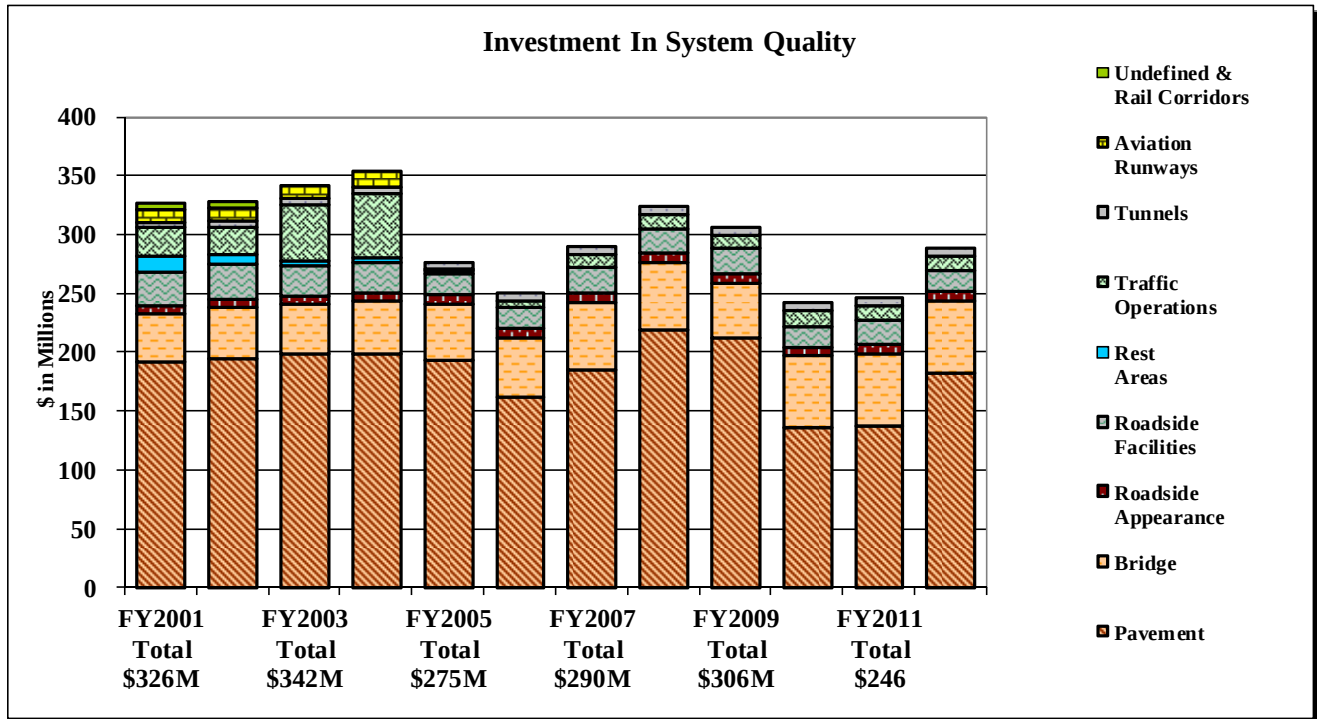
- CCTV
- Road Weather Information Systems (RWIS)
- Ramp Meters
- Travel Time Readers (using toll-tag transponders)
- Radar Devices
- Fog Detection Devices
- Wild Animal Detection Devices
- CDOT Maintenance Forces
- Colorado State Patrol
- Ports of Entry
- Media Sources
- Automated Traffic Recorders

For calendar year 2009, 8.3 million persons visited the COTrip web site requesting 140 million pages of information and the web site transmitted 7.2 terabytes of information. Additionally, the 511 IVR System took 2.5 million calls. These numbers represent significant increases over the past year, and attest to both the demand for information and the value that travelers place on it. The ITS Branch is committed to providing the most up-to-date, accurate and timely traveler information to improve and enhance traveler's ability to make informed decisions regarding their travel choices and to improve the overall mobility and safety of Colorado's transportation system.

SYSTEM QUALITY CATEGORY SUMMARY

CDOT's Investment in System Quality

This Graph Compares Allocation of Funds for FY 2000-01–FY 2011-12 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 2005-06 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 (see page 81). The calendar year 2008 objective was to hold average daily delays to 18 minutes or less. Actual delays averaged 18 minutes per traveler, a slight decrease compared to the average of 22 minutes in 2005 base year. The Department has identified two factors for this near term improvement in average delay times. The first is 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. The second is the current economic recession which has lowered employment levels and, hence, the number of vehicles on the road during peak traffic times. 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. 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

As noted in the previous paragraph, 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 nine areas that are classified as non-attainment or maintenance; the Denver/Longmont, Colorado Springs, Fort Collins/Greeley Metropolitan Planning Organization (MPO) areas, and portions of the Upper Front Range, 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 four CO and/or Ozone non-attainment/maintenance 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/maintenance areas. The remainder of these funds is allocated to the four CO and/or Ozone non-attainment/maintenance areas: Denver Regional Council of Governments (DRCOG 74.35%), Pikes Peak Area Council of Government (PPACG 12.61%), North Front Range (NFR 10.15%) and Upper Front Range (UFR 2.90%).

CONGESTION RELIEF PROGRAM - State Program

Base allocations are normally established by the TC. 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, however, the allocation for this is only \$4.0 million for FY 2011-12, which will be used primarily for the Courtesy Patrol, helping motorists in need of assistance on the road.

AERONAUTICS PROGRAM

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 2006-07 per H.B.06-1244.

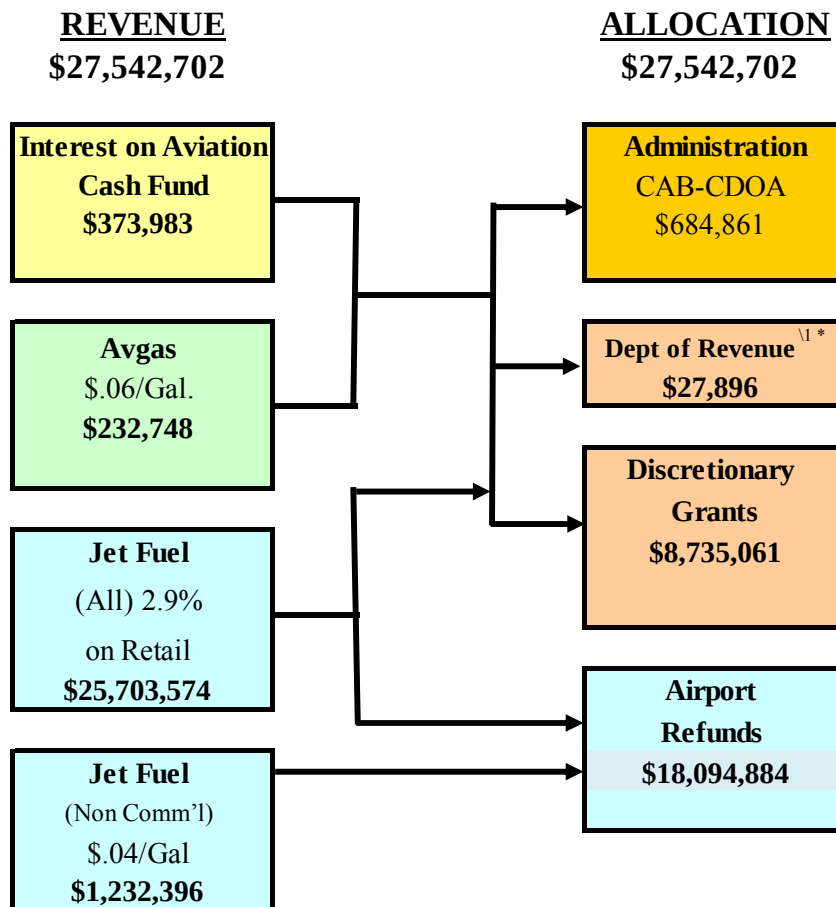
The Department also provides for the loan of funds to airports through the Colorado State Infrastructure Bank (SIB). These funds are often borrowed to match the funds from the FAA. The recipients of these loans use them to meet their capital project needs and repay the loans over time with interest. The money is then available to re-loan to other airports. The program currently has an approximate balance outstanding of \$15.8 million assisting with 15 loans to airports in 10 Colorado Communities, from loans provided over several fiscal years. These loans are generating approximately \$0.8 million of interest for the SIB.

For federal FY 2010 the Federal Airport Improvement Program (AIP) made available to Colorado airports \$98 million in grants to 35 airports.

The AIP grant funds to Colorado airports from 2002-2009:

2002 - 24 Airports/\$75.8 million	2003 - 43 Airports/\$75.0 million
2004 - 32 Airports/\$63.4 million	2005 - 32 Airports/\$88.5 million
2006 – 28 Airports/\$82.9 million	2007 - 32 Airports/\$72.2 million
2008 – 33 Airports/\$102.3 million	2009 - 36 Airports/101.3 million

Division of Aeronautics FY 2012 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 \$226,149 in federal grants requested for FY 2012.

TRANSIT/RAIL PROGRAM

FEDERAL TRANSIT AND RAIL FUNDS

This program includes a number of Federal grant programs involving transit and rail 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 rail program received funds for developing a state rail plan to enable CDOT to implement a more efficient and effective approach that will integrate the passenger and freight rail elements into the transportation framework. In addition, CDOT received a grant to study the potential interregional connections of a statewide high speed rail system with RTD's existing and proposed network called FasTracks

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.

For FY 2010-11, since there is not yet an approved reauthorization act, Colorado does not know what it will receive, but the federal FY 2009 apportionment provided approximately \$198.2 million in FTA funds. Of this total, only \$21.0 million is administered by CDOT. It is anticipated that the federal apportionment will be the same provided in FY 2010. The estimated dollar amounts for these programs for Federal FY 2011 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 \$13.2 million along with a local match of \$7.8 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. \$1.3 million federal

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. \$6.5 million federal

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. \$1.1 million federal

USC 49- 5304 - Transit Planning Assistance (Statewide)

The FTA Section 5304 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. \$0.09 million federal

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 in recent years. However, due to the lack of an authorization bill and a Congressional decision not to earmark these funds, the FTA made these funds available on a discretionary basis. CDOT applied on behalf of non-urbanized transit operators and thus far has been awarded approximately \$16 million for a variety of local projects. CDOT will administer and pass through these funds.
- 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. \$0.7 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. \$0.4 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

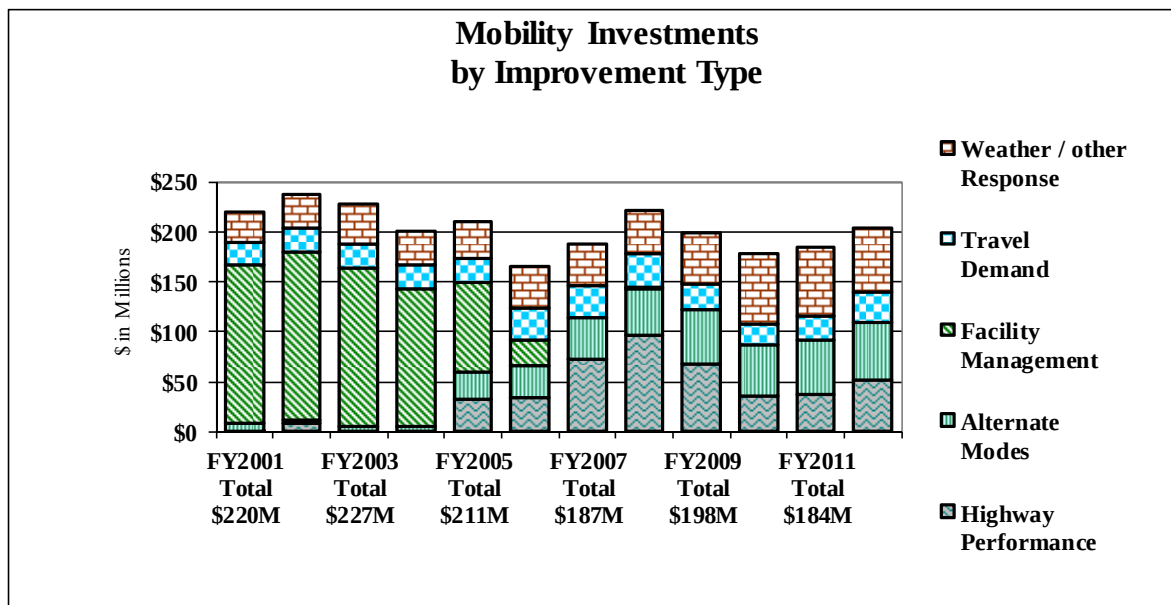
This new discretionary grant program provides capital and planning funds for alternative transportation systems in parks and public lands. Federal land management agencies and State, tribal and local governments acting with the consent of a Federal land management agency are eligible recipients. These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

STATE TRANSIT FUNDS

As noted earlier the 2009 legislative session generated a significant alteration in state funding for transit. S.B.09-228 eliminated the funding source for the Department's strategic transit program. During the same session S.B.09-108 was enacted a portion of which directs funding to transit programs. The projected revenues combine for \$15.0 million of which \$5 million is specifically designated for grants to local governments. This \$5 million is a transfer of funds that would otherwise be allocated through the HUTF formula to local governments, and must be used for transit grants for local agencies. The other \$10 million is allocated out of the newly created Highway Safety Fee funding allocated through the HUTF to CDOT. The specific allocation of these funds as recommended by the new Division of Transit and Rail has been approved by the Commission.

CDOT's Investment in Mobility

Compares Allocation of Funds for FY 2000-01–FY 2011-12 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 \$247.8 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 2008-09 – 2.7% and FY 2009-10 - 2.8%, FY 2010-11 at 2.3%, and estimate FY 2011-12 at 2.1%. 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 192.5 FTE total. Additionally, 32.0 FTE Information Technology staff are supported from the CDOT Administration line (and 50.0 FTE from the CM&O), but are a part of the State OIT.

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 (see page 42).

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. Much of this work is carried out by the department's Division of Transportation Development (DTD).

The Information Management Branch conducts many of the data collection and evaluation activities including 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.

The Planning and Performance Measures Branch oversees the Metropolitan Planning Program for those areas with a population greater than 50,000 and conducts statewide planning and programming. 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. Most of the funds budgeted for these activities are distributed to the state's five Metropolitan Planning Organizations (MPOs), and CDOT funds these programs at 100% obligation authority in order for the MPOs to adequately plan their budgets and execute their required tasks.

The Planning Branch is also supports the role of expanding the role of alternative modes of transportation in Colorado. This involves several different areas: awarding Safe Routes to School grants; 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; working with communities on developing telecommuting facilities; and developing public-private partnerships.

The primary purpose of the Research & Innovation Branch is to manage and conduct research that has a direct application to planning, design, construction, maintenance, or operations of multimodal transportation facilities. The program also facilitates the implementation of the research, both inside of CDOT and as outreach to local entities, through knowledge, sharing, specification changes, and changes in practice. Research generally occurs in the following general subject areas: pavements, structures, geotechnical engineering/geology, environmental, safety/ITS/maintenance, and other.

The Environmental Planning Branch assists CDOT's regions in obtaining necessary environmental clearances and permits prior to projects going to construction. The branch also performs the final document review before sending environmental documents on to FHWA for signature. In order to expedite both the clearance and approval processes, the branch develops programmatic agreements with resources agencies. These agreements define environmental methodologies and analyses to assist in meeting project delivery goals.

The Division of Transit and Rail's primary purpose is to award Federal Transit Administration grants; assist transit agencies in promoting their service; and develop mass transit and passenger rail demonstration projects.

PROJECT SUPPORT - SPENDING AUTHORITY

The funding of Project Support is a mix of State Highway Funds (SHF), 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.

PROGRAM DELIVERY - OPERATIONS

<u>OPERATIONS Details</u>	<u>FY2012</u>	<u>OPERATIONS Details (cont.)</u>	<u>FY2012</u>
Payroll & Oper - SHF & SPR	\$ 23,738,007	DTR - Digital Trunk Radios - OIT Communications	\$ 1,049,434
DTD Out of State Travel	36,566	Federal Liaison	80,000
Unallocated Operations	0	Video Conferencing	42,000
LTAP	130,000	Water Quality	600,000
DTD - Traffic Data	534,200	Hazard Materials	2,200,000
Safety - Boots	185,000	Park Roads - Taken by Treasurer from Revenue stream	0
Safety Cmtee	165,000	Non-Salary Awards	0
Safety ED Match - Match ADDED to Program	0	MNT-Multi Use Ntwk, GGCC & OIT Adm Support	1,812,594
Training	420,790	Commuter Checks	45,000
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	0
OJT Training	250,000	Critical Path Management - Scoping Pools	500,000
ESB Mentor	40,000	Bridge - Scour Bridges - See CDOT Bridges	0
DBE Support	200,000	Separation Pay - SHF	996,998
DBE Certification	215,000	Health Insurance	0
CDL Drug Test	75,000	Salary Survey Pool	0
Sediment Remediation (Incl \$56K DI for Wetland)	356,000	POTS - various	0
Workers Compensation Insurance	6,577,691	TOTAL "OPERATIONS"	42,713,249
Statewide Indirects	1,853,969		

TRANSPORTATION COMMISSION CONTINGENCY RESERVE FUND (TCCRF)

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 contingency is established at approximately 5% of the fiscal year's total revenues, but may be sustained from combining the remaining balance of one budget fiscal year to the next.

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.coloradodot.info/business/budget>

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 potential Federal and State revenue reductions in FY 2011-12, the Transportation Commission determined to prioritize Maintenance activities rather than to provide historical levels of funding to the Construction Program. This limits funding available for new construction projects in FY 2011-12.

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, 22 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 annually budgets about \$168 million from its available revenues to meet debt service obligations on the TRANS bonds. When available, S.B.97-01 funds were the primary state source for meeting the annual debt service payments. After the repeal of S.B.-97-01, SHF and federal 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.

REGIONAL PRIORITY PROGRAM (RPP) / EARMARKS

A goal of the Department in the budgetary process is to provide for a Regional Priority Program (RPP) base allocation equal to the estimated surplus (total estimated revenue above total allocations before the RPP allocation) in any given fiscal year. For FY 2011-12 the anticipated for RPP is \$10 million.

In Fiscal Years where funds are available, the Department anticipates the likelihood of federal earmark projects by setting aside a portion of estimated total annual federal funds plus the required match. The presumption is that ten percent of estimated total annual federal funding will be earmarked and that the state will need to allocate sufficient state funds to meet the matching requirement based upon an 80% federal and 20% state funds match.

For locally requested earmark projects identified in SAFETEA-LU where those local governments that request the earmark are expected to provide the 20% match.

As SAFETEA-LU Earmarks have expired, and there is no current Authorization Bill, no authorization Earmarks have been identified for FY 2011-12.

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 a combination of 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 referendum included a specific list of 24 projects on which the proceeds of the bonds were to be expended. These same projects constituted the Department's "strategic transportation investment program" which was the sole authorized use of the GF transfers the Department received under S.B.97-001. Consequently, the bulk of the state funds identified by the Department for the repayment of these notes were to come from the S.B.97-001 transfers, along with a portion of federal funds. With the repeal of the S.B.97-001 transfers, all state funds for the repayment of these notes are derived from the traditional HUTF revenue sources, the motor fuel tax and vehicle registration fees. The diversion of these funds to note repayment reduces dollar for dollar the Department's capacity to use those funds either for new projects or system maintenance.

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 and have been expended.

Debt Service payments for FY 2011-12 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 mission to aggressively explore opportunities to use Public Private Partnerships to finance enhanced transportation projects within the state. The HPTE functions with a new governance structure and expanded tolling powers. Although it remains a division of CDOT, its board consists of four members appointed by the Governor, and three designated members of the Transportation Commission. The board, with the approval of the CDOT Executive Director, has now appointed full-time director for the enterprise.

The Enterprise qualifies as a TABOR-exempt enterprise as long as it retains its 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 jurisdiction over the North I 25 HOV/ Express Lanes, which were opened to the public in June of 2006. Buses and carpoolers who use these lanes do so without paying a toll. Those who drive alone now have the option to use these lanes by paying a toll. The project includes seven miles of the I-25 HOV lanes, between Downtown Denver and US 36. Revenues from this first HPTE project now fully fund its operations and were used to repay funds advanced by the Transportation Commission to finance its construction.

The HPTE is currently seeking a Transportation Infrastructure Finance and Innovation Act (TIFIA) program loan from the USDOT that provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. The requested TIFIA loan is for the HPTE's first major project, an extension of the HOT Lanes on US 36.

STATEWIDE BRIDGE ENTERPRISE (SBE)

Senate Bill 09-108 created a new enterprise within the Department to finance the repair and reconstruction of State owned vehicle bridges using revenues from an annual bridge safety surcharge on vehicle registrations. To qualify for the Bridge Enterprise the bridges must be rated "poor" and selected by the Bridge Enterprise Board for funding. On selection for funding the bridges are transferred as assets to the Bridge Enterprise. As described in more detail in the Bridge Program narrative, poor bridges are those with a sufficiency rating of less than 50 and are also classified as either structurally deficient or functionally obsolete.

The Bridge Enterprise Board consists of the same members as the Transportation Commission. The Bridge Enterprise Board has appointed DOT's Executive Director as the Bridge Enterprise Director.

The Bridge Enterprise revenues were \$42.4 million in FY 2009-10, and are estimated at \$63.0 million in FY 2010-11, and \$91.8 million in FY 2011-12. These funds are supplemented with federal funds from the Bridge Program.

Since the inception of the Bridge Enterprise in July 2009, 77 bridges in poor condition have been transferred to the Bridge Enterprise for replacement or major rehabilitation. As of October 2010 2 of these bridges had been replaced, 35 were in design or construction, and 40 were being programmed for design. Working with its program management consultant the Department has developed a financial plan, issued bonds, and established a project schedule to accomplish the rebuilding of these 77 bridges within the most efficient timeframe.

**COLORADO DEPARTMENT OF TRANSPORTATION
FY 2011-2012 BUDGET**

APPENDIX A

STRATEGIC 28 PROJECTS

MAP

STATUS REPORT

&

PROJECT INFORMATION

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/I20th 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 4, 2011**

(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 FY11 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	\$177,148	\$7,084	96%	\$14,232
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**	\$48,819	\$48,205	Complete	99%	\$0
SP4016	US 160, Jct. SH 3 to Florida River**	\$60,068	\$61,518	Complete	102%	\$0
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	\$140,713	\$77,193	65%	\$155,081
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	\$33,631	\$40,369	45%	\$81,101
SP4025	West Corridor MIS †	\$74,000	\$15,204	\$58,796	21%	\$118,121
SP4026	I-70 MIS: DIA to Eagle County Airport	\$1,102,191	\$119,262	\$982,929	11%	\$1,974,704
SP4027	I-25 South Corridor MIS: Denver to Colorado Springs	\$522,522	\$284,806	\$237,716	55%	\$477,571
SP4028	I-25 North Corridor MIS: Denver to Fort Collins	\$308,988	\$171,392	\$137,596	55%	\$276,430
SP5497	Environmental Streamlining Fund	\$1,683	\$1,683	\$0	100%	\$0
	Totals	\$4,701,991	\$3,149,579	\$1,541,683	67%	\$3,097,241
	*Inflated Remaining to Budget in FY 2011 dollars					
	**Remaining Control Total from SSP4015 transferred to SSP4016 per TC Resolution TC-1703					
	† Per Transportation Commission Resolution TC-1761 \$2.8m (2008 Dollars) of the SSP4024 control total has been transferred to SSP4025					

REMAINING PROJECT DESCRIPTIONS: *

US 287 – Campo to Hugo - (96% funded)

Resurface 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.

Powers Boulevard – Colorado Springs - (65% 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 – (11% 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 – (55% 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.

I-25 North Denver to Fort Collins MIS – (55% 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 – (33% 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 2019-20.

* % of financial obligation funded as of April 2011

**COLORADO DEPARTMENT OF TRANSPORTATION
FY 2011-2012 BUDGET**

APPENDIX B

STRATEGIC PLAN

On March, 20, 2008 the Transportation Commission
adopted its Mission, Vision and Investment Categories and Objectives
and amended its Mission and Vision on October 21, 2010.
This plan has been accepted for inclusion with the FY 2011-12 budget submission.

STRATEGIC PLAN

FOR

FY 2011-12

VISION

To enhance the quality of life and environment of the citizens of Colorado by creating an integrated transportation system that focuses on safely 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 and safely moves people, goods and information.

Mission, Vision and Investment Categories and Objectives as adopted by the Transportation Commission October 21, 2010

Executive Director's Letter

The Colorado Department of Transportation (CDOT) presents its strategic plan for Fiscal Year 2012. This plan, based largely up on the Department's anticipated revenue streams for the next fiscal year and beyond, incorporates measures for evaluating performance-based goals that are integrated into CDOT's budgeting and planning processes. The plan is intended to best serve the people of Colorado through effective administration and delivery of transportation-related programs and services.

CDOT has long held that strategic planning is fundamental to good management. Since the mid-1990s the Department has measured and managed its performance to ensure the responsible stewardship of its public resources. Nevertheless, readers will note that the Department's performance in many areas – notably pavement quality and maintenance – is projected to decline. It has been 18 years since CDOT's primary source of revenue, the gas tax, was increased. Over that same timeframe, construction inflation has more than doubled the cost of building and repairing the State's transportation infrastructure.

The proposed FY 2012 budget projects \$1.13 billion of revenues for the Department, significantly less than the \$ 1.5 billion approached annually from fiscal years 2008 and 2009. Unless revenues to the Department increase it is anticipated that performance will continue to decline. At currently anticipated revenue levels, in just five years our staff estimates that there will be a(n):

- Decline from 50 percent good and fair condition of pavement to about 35 percent
- Decline from B- maintenance level of service to D
- Stabilization near 95 percent good and fair condition of bridges, with a decline beginning in about 2016
- Continued fatalities per million vehicle miles travelled of about 1.00
- Increase from 17 minutes of average travel delay on congested corridors during peak travel

Pending November ballot initiatives and federal authorization underscore the uncertainty over revenue projections within this strategic plan. The difficult reality is that without additional resources Coloradans should unfortunately expect the condition of many components of their transportation system to continue to deteriorate, even as CDOT strives to improve its administrative efficiency and effectiveness.

Strategic Planning at the Colorado Department of Transportation

The statutory authority for the Colorado Department of Transportation resides within Title 43, Part 1, Colorado Revised Statutes (2010). Article 1 vests the Colorado Transportation Commission with authority over planning, development, and adoption of the annual budget. To guide the strategic planning and budgeting processes, the Commission and Department have adopted mission and visions statements, core values, and operating principles. **Components of the strategic plan**, as required by Section 2-7-204(13)(a) (C.R.S. 2010) commencing with the State budget process for fiscal year 2012-13, **are highlighted in bold**.

The **vision** of the Department is to enhance the quality of life and the environment of the citizens of Colorado by creating an integrated transportation system that focuses on safely moving people and goods and by offering convenient linkages among modal choices. It accomplishes this by relying on its core values of safety, people, respect, integrity, customer service, and excellence.

CDOT's **mission** is to provide the best multi-modal transportation system for Colorado that most effectively and safely moves people, goods and information. This mission is manifested in part through operating principles within Transportation Commission Policy Directive 13: customer focus, leadership, partnership, integrated regional and Statewide priorities, financial responsibilities, balanced quality of life, environment, accessible connectivity and modal choices, and social responsibility.

From these organizational priorities, the Department establishes mid- to long-term performance goals and objectives. Policy Directive 14 aspires to achieve certain performance levels for the Statewide transportation system, such as maintaining 60 percent of the State highway system's pavement in good or fair condition. But Policy Directive 14 also recognizes that funding often limits CDOT's ability to reach the desired level of performance, and thus sets objectives that are at the time determined to be achievable (e.g. maintain or improve the system-wide pavement condition forecast of 40 percent for 2016). Those realistic objectives are often lower than the desired goals, but help guide annual budget and ongoing program funding decisions.

Policy Directives 13 and 14 were last updated several years ago in preparation of development of the 2035 Long Range Plan. The fiscally constrained objectives and unconstrained goals or visions of Policy Directive 14 parallel the outlook of the 2035 plan, which represents annual revenue projections and resource allocations through fiscal year 2035. The Long Range Plan, currently under revision by CDOT and its local planning partners and scheduled for spring 2011 adoption, is a federally mandated transportation plan with two significant variations – a fiscally constrained projection and an unconstrained vision. But volatility of revenues from year to year complicates the projection of performance over such an extended time horizon. A federally required mid-range plan, the Statewide Transportation Improvement Program (STIP), is revised every *four* years and incorporates projects that the State can reasonably expect to complete with available funding over the next *six*-year period. Through a planning process shared by CDOT and its local partners, projects move forward through the STIP, working toward objectives within the Long Range Plan.

Investment Categories, Goals, and Objectives

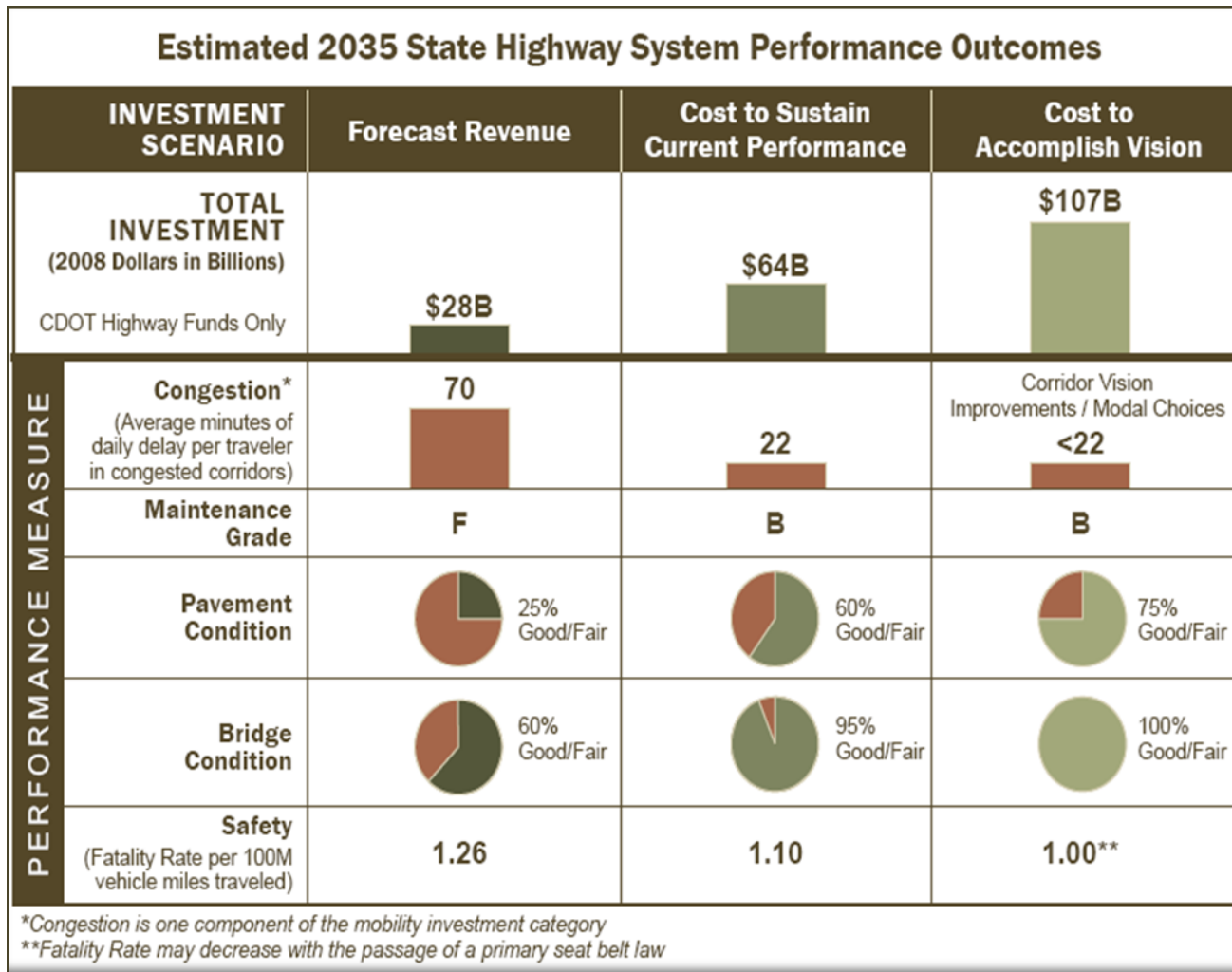
To help guide or influence program budgeting and project funding, the Transportation Commission budgets within investment categories. These four functional categories – safety, mobility, system quality, and program delivery – serve to provide the framework and direction for Colorado transportation and to broadly allocate the resources available to the Department:

- Safety – Services, programs and projects that reduce fatalities, injuries and property damage for system users and providers.
- 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.

Occasionally, certain programs merit distinction from the investment categories. In the fiscal year 2011 budget, FASTER-funded programs and debt service on Transportation Revenue Anticipation Notes were delineated from the four investment categories. Many CDOT projects, such as reconstruction of a bridge and the approaching State highway, may span several CDOT investment categories. Likewise, projects paid for with funds generated by the road safety surcharge enacted in Senate Bill 09-108 always provide significant safety enhancements to the State highway system, yet will almost invariably offer improvements to system quality, mobility, or program delivery. But in reviewing the strategic plan of the Department, one must understand that the performance within any investment category is most often correlated to the availability of total transportation resources.

Goals and objectives within Policy Directive 1-4 are grouped by these investment categories. 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 (at adoption), results-oriented, and time-bound. The objectives focus Department efforts and actions on performance that is achievable with available resources. The difference between the performance goals and objectives, depicted in Figure 1 below from the 2035 Long Range Plan, illustrates the gap between the desired level of performance and the reasonably achievable performance based upon anticipated resources as adopted by the Transportation Commission during 2008-2035 resource allocation.

Figure 1 – Select 2035 Long Range Plan Forecasted Revenues against Performance



Performance-Based Budgeting and Performance Measurement

The strategic plan shows the impact of management strategies and funding, and links funding in the Department's budget to the results of that funding. Successful strategic planning therefore requires **performance measures** that provide accurate and timely information. CDOT uses performance measures to recognize success and illuminate opportunities for improvement. This strategic plan includes a summary of goals, objectives, and performance measures for each investment level category. Annual **performance-based goals** or **benchmarks** are identified for each performance measure to link funding decisions made through the budgeting process and to evaluate CDOT's performance after the year has ended.

It is important to again note that the Department's long-term goals and objectives are established by the Transportation Commission through Policy Directive 14. This directive is revisited less than annually, usually in conjunction with long-range planning. Thus, long-term goals and objectives often vary from the annual performance-based goals or benchmarks established during budget development. Where benchmarks are not reset annually, Policy Directive 14 objectives are stated and/or interpolated in this report.

In addition to this strategic plan, CDOT annually publishes an Annual Performance Report that details the achievements of the State's transportation system over the prior fiscal year and notes whether annual targets were met. Pursuant to House Bill 10-1119 and beginning in 2012, the Office of State Planning and Budgeting shall publish each December 1 an annual performance report that will include the Department of Transportation. For current and past CDOT Annual Performance Reports, please refer to the CDOT library at <http://www.coloradodot.info/library/AnnualReports>.

For reference, Figure 2 below depicts the Department's allocation of full-time equivalent employees.

COLORADO DEPARTMENT OF TRANSPORTATION Organizational Chart

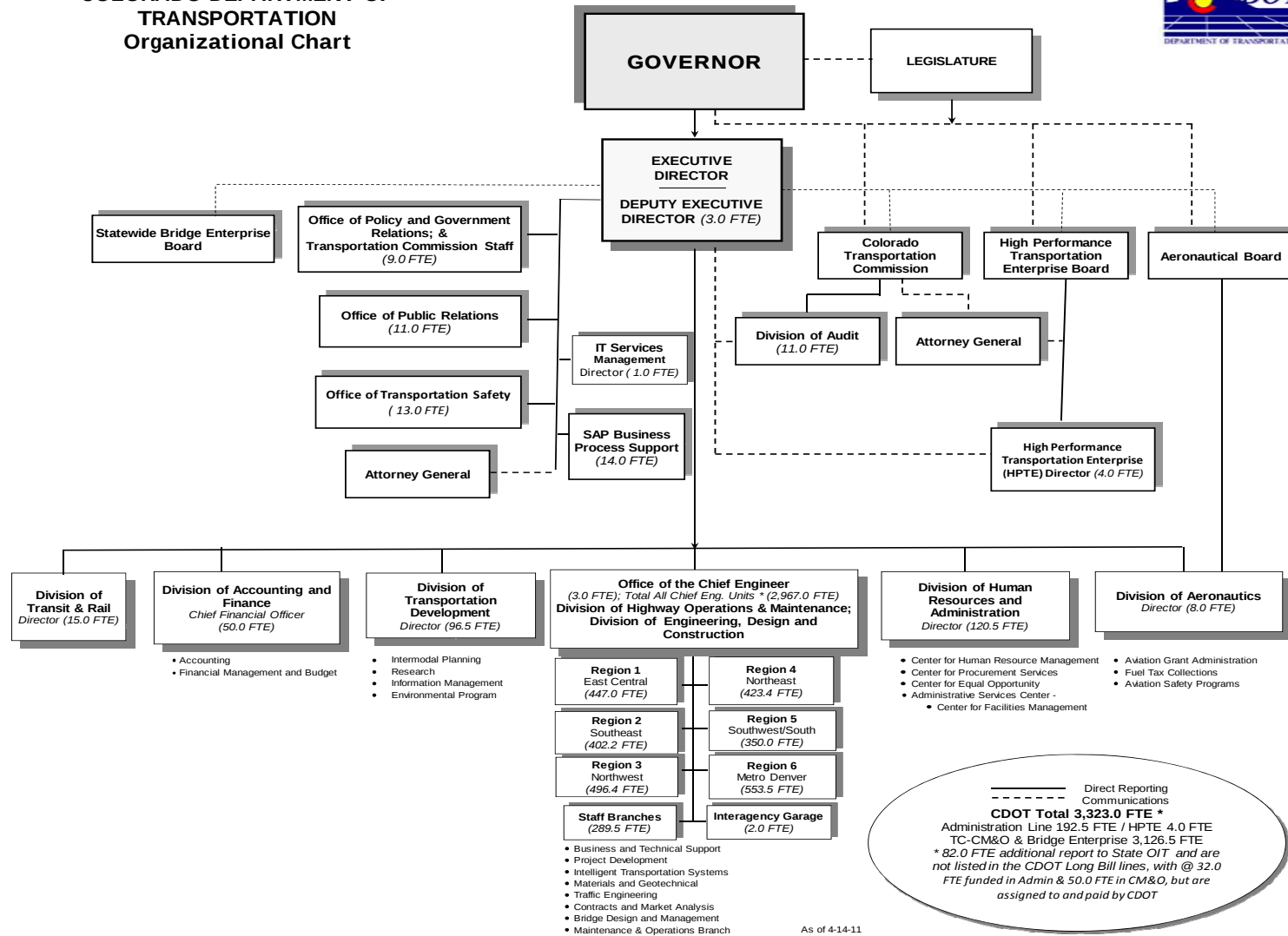


Figure 2

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.

Long-Range Goals (Long-range goals are aspirational, and derived from Transportation Commission Policy Directive 14.):

- o To create, promote and maintain a safe and secure transportation system and work environment
- o Increase absolute investment in safety and accelerate completion of strategic projects
- o Achieve a 1.00 fatality rate per 100 million vehicle miles traveled (CDOT actually emphasizes fatal crashes over fatalities)

Objective (Also derived from Policy Directive 14, objectives were deemed attainable based on revenues projected in development of the 2035 Long Range Plan.): Maintain federal goals for vehicle crash fatalities.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Statewide motor vehicle fatal crash rate per 100 million vehicle miles traveled	Benchmark / Performance Goal	1.00	1.00	1.00	1.00	1.00
	Actual	.94	<1.00	Avail. Oct. 2011	Avail. Oct 2012	Avail. Oct 2016

Strategy: 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.

Evaluation of Current Performance: In 2009, 464 people were killed in traffic crashes in Colorado, a 15 percent decline from 2008. 2009 marked the first time fatalities dropped below 500 since 1988 when 497 people were killed. Colorado has experienced a steady decline in motor vehicle fatalities since a recent peak of 743 deaths in 2002, despite an increase of nearly 4,200 million vehicle miles traveled in 2008 compared to 2002. Colorado's reduction in motor vehicle fatalities over the past decade has been among the best in the nation and stands as one of the Department's proudest accomplishments.

Education has been a huge factor in saving lives, but there have also been great advances in engineering that have made our roadways safer. Everything from the installation of rumble strips and cable medians to targeted safety improvements on roadways identified as high accident locations have prevented crashes or significantly increased the chances of surviving if one occurs.

The passage of traffic safety legislation has also played a role in reducing fatalities. For example, Colorado's Graduated Driver Licensing (GDL) laws, which set limits and requirements on new teen drivers, are credited with helping reduce by half the number of young people age 15 to 20 killed in crashes each year.

Safety experts are exploring ways that current laws can be strengthened to save additional lives, including increasing the required age for booster seats, expanding GDL laws, and passing a primary seat belt law in Colorado. Currently, adult drivers can be ticketed for violating the seat belt law only if they are stopped for another traffic violation first.

For FY 2012, CDOT has preliminarily budgeted \$92.2 million of FASTER Safety funds that will be invested in projects with significant safety elements. The Department remains hopeful it can optimize use of FASTER-Safety dollars and continue behavior campaigns that will work toward achieving its fatality benchmark. In September CDOT reported that 47 people were killed this summer in alcohol-related crashes, compared to 55 the prior summer. DUI arrests made during special summer enforcement periods were also down 12% from 3,531 in 2009 to 3,111 DUI arrests this summer. The “100 Days of Heat” campaign, law enforcement’s Statewide summer crackdown on drunk driving, has contributed to the decline in deaths by taking impaired drivers off the roadways and serving as a deterrent to others who are tempted to drink and drive.

In addition to fatalities, the Department tracks a number of other accident data and establishes objectives related to many types of accidents. For additional information related to accident prevention and reporting, please refer to the Department’s Annual Performance Report, available at <http://www.coloradodot.info/library/AnnualReports>.

Objective: Reduce the annual workplace accident rate by 10 percent per year.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Number of Workers’ Compensation Claims	Benchmark	408	333	-10% from FY 2009-10	-10% from FY 2010-11	-10% from FY 2014-15
	Actual	370	<370	Avail. Oct. 2011	Avail. Oct 2012	Avail. Oct 2016

Strategy: The Department values the safety of its employees as much as it values the safety of the traveling public. A number of education and training programs are mandated in an effort to reduce workers' compensation claims each year.

Evaluation of Current Performance: The Department reports in its Safety Action Plan for FY 2011 that annual workplace accidents fell from 2009's level of 370, but final counts have not yet been reported. Most CDOT injuries occur to maintenance workers, primarily to the lower back, shoulders, and legs. Fortunately, the severity of these injuries is trending down. CDOT's worker safety performance still has room for improvement. Approximately 11 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. Because 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.

Incident rates for on-the-job injuries continue to trend down as a result of many improvements to the Department's employee safety programs. Winter and summer employee safety campaigns such as the 100 Safe Days of Summer have shown impressive results in reducing workplace accidents.

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.

Long-Range Goals:

- 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 percent good/fair pavement condition system wide
- o Achieve 95 percent good/fair bridge deck area condition system-wide
- o Achieve a B maintenance level of service grade for system quality measures

Objective: Maintain or improve the system-wide pavement condition forecast for 2016 of 40 percent good/fair condition, based on initial 2008-2035 Resource Allocation.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Percent of pavement in good/fair condition	Benchmark	50.0%	46.0%	42.0%	42.0%	~35%
	Actual	50.0%	48.0%	Avail. Oct. 2011	Avail. Oct. 2012	Avail. Oct 2016

Strategy: Dedicate sufficient resources to prevent accelerated deterioration of the State highway system.

Evaluation of Current Performance: CDOT's surface treatment program is generally able to achieve the target established by the Transportation Commission at the beginning of each year. The annual target continues to be established each year at a level lower than the prior year's actual level, which is indicative of the continued system deterioration caused by insufficient investment in surface treatment. Pavement maintenance is generally provided from discretionary CDOT funds. Just less than one half of CDOT's funds are

restricted (e.g. FASTER-Bridge funds are dedicated for bridges by state legislation, federally earmarked funds are dedicated for certain significant improvement projects, etc.). This leaves the commission with about \$500 million of resources to allocate as it deems appropriate. Pavement has historically received about \$100 million of these discretionary funds, an amount which is insufficient to maintain current quality and drivability of the State highway system. Without increased discretionary funding, this performance can only continue to deteriorate as surface treatment costs continue to escalate.

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 11 or more years; a *fair* rating indicates a remaining service life of 6 through 10 years; and, a *poor* evaluation represents a remaining service life of less than 6 years. A 46 percent good or fair condition objective was established for FY 2010. CDOT was able to surpass the objective and achieve a good or fair condition on 48 percent of its highways. The ability to exceed last year's objective is primarily attributed to additional funding through the ARRA program.

Monitoring pavement conditions during the next several years is critical as conditions will continue to deteriorate, given projected funding levels. Based on revenue forecasts, the overall good/fair condition Statewide is projected to drop to 35 percent by 2016. Through the Pavement Management Program, CDOT ensures that it utilizes its limited surface treatment funds cost effectively and responsibly but the investment in the surface treatment program is insufficient to maintain the current condition of the State highway system's surface.

Objective: Maintain or improve the system-wide major vehicular bridge deck area condition forecast for 2016 of 83 percent good/fair condition, based on initial 2008-2035 Resource Allocation.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Percent of major vehicular bridge deck area in good/fair condition	Benchmark	92.5%	94.4%	94.8%	~95.0%	~95.0%
	Actual	94.4%	94.5%	Avail. Oct. 2011	Avail. Oct. 2012	Avail. Oct 2016

Strategy: As with Pavement, the Transportation Commission annually resets its target for each year's Bridge performance level based on allocated funding. Policy Directive 14 had established a long-range objective of maintaining 83 percent good/fair condition by

2016. Recent developments in funding for bridges, including passage of FASTER, have enabled the commission to establish annual objectives that demonstrate a slower deterioration than was forecasted with Policy Directive 14.

Evaluation of Current Performance: CDOT exceeded its objective for FY 2010 and has established an objective for FY 2011 higher than would have been possible without legislative action in the 2009 legislative session. The improved projection to 2016 can be partly attributed to advancements in and increased Transportation Commission commitment to bridge repair, but largely to passage of FASTER legislation.

CDOT reports major vehicular bridge condition by the percent of bridge deck area statewide in good or fair condition. The National Bridge Inventory standards established by the Federal Highway Administration are used to inventory and classify the condition of the major vehicular bridges. The classification is based on a sufficiency rating of 0-100 and a status of not deficient, functionally obsolete, or structurally deficient. Major vehicular bridges in poor condition have a sufficiency rating less than 50 and status of structurally deficient or functionally obsolete. Bridges in Poor condition do not meet all safety and geometry standards and require reactive maintenance to ensure their safe service. For the purpose of determining bridge-funding needs it is assumed that bridges in poor condition have exceeded their economically viable service life and require replacement or major rehabilitation. Major vehicular bridges in fair condition have a sufficiency rating from 50 to 80 and a status of structurally deficient or functionally obsolete. Bridges in Fair condition marginally satisfy safety and geometry standards and require either preventative maintenance or rehabilitation. Major vehicular bridges in good condition are all remaining major bridges that do not meet the criteria for Poor or Fair. Bridges in good condition generally meet all safety and geometry standards and typically only require preventative maintenance. A bridge is structurally deficient if it does not meet minimum standards for condition or capacity. A structurally deficient bridge often has one or more members in poor condition due to deterioration or other damage. Having only a small portion of a bridge in poor condition can result in the entire bridge being classified as structurally deficient. Structurally deficient bridges require monitoring, maintenance, or repair to ensure their safe use and continued service. A bridge is functionally obsolete if it does not meet current minimum geometric requirements. Bridges classified as functionally obsolete often have inadequate roadway shoulders, insufficient number of lanes to handle current traffic volumes, overhead clearances less than minimums, or inadequate widths for roadways or streams passing underneath. Functional obsolete bridges may need signage (e.g. vertical clearance signs), reduced speeds, or traffic control devices (e.g. additional guardrails) to ensure safety.

Currently, 94.5 percent of the bridge deck area Statewide is in good or fair condition, meeting the Department's annual target of 94.4 percent. At the close of FY 2010, 127 of 3,447 major vehicular bridges were in the poor category. Each year, deteriorating bridges fall into the poor category and each year repairs and replacements improve bridges from the poor category to the good or fair category. \$1.49 billion is needed to replace the bridges currently in poor condition which includes \$800 million for the I-70 viaduct.

Bridges in poor condition are a major concern in the long-term. A one percent Statewide increase in “poor” deck area results in a \$150 million liability for the Department to rehabilitate or reconstruct that bridge area. Senate Bill 09-108 (FASTER) established the Bridge Enterprise and is projected to generate more than \$100 million in bridge safety and other surcharges, with \$114.8 million preliminarily budgeted for FY 2012. This influx of revenue is projected to slow the deterioration of our bridges so that approximately 95 percent of total deck area will be in good or fair condition by 2016. The Colorado Bridge Enterprise, which was created in FASTER and now maintains ownership of Colorado’s poor bridges, is currently pursuing bonding which would further improve *short-term* bridge conditions.

Objective: Meet or exceed the adopted annual maintenance level of service grade.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Annual maintenance level of service average grade	Benchmark	C+	C+	C	B-	<B-
	Actual	B-	B-	Avail. Oct. 2011	Avail. Oct. 2012	Avail. Oct 2016

Strategy: CDOT uses an extensive Maintenance Levels of Service (MLOS) budgeting system to allocate funds and evaluate all maintenance activities performed throughout the state for a given fiscal year. The main objective of MLOS is to establish an overall target level of service while staying within allocated budget dollars. Levels of service communicate targets for accomplishment inside and outside the agency. When planned levels of service are compared to actual service levels accomplished, a basis of accountability is established. Relationships between levels of service and cost enable CDOT to evaluate the impacts of different funding levels, analyze tradeoffs in resource allocation, and monitor planned versus actual accomplishments against expenditures. The achieved LOS is determined through extensive surveys of approximately 700 randomly selected highway segments throughout the state. There are several surveys conducted throughout the fiscal year that evaluate CDOT's infrastructure and how well it was maintained.

Evaluation of Current Performance: The overall statewide Maintenance Levels of Service grade is presently a B-. The primary factor in exceeding the objective grade of C+ was favorable weather conditions in early winter for certain maintenance sections, allowing them to exceed target levels of service for *non-snow* related maintenance activities. The Statewide overall maintenance objective and actual grades over a seven year period range from a C to a B+. The steady grades reflect a carefully administered maintenance management system. The decrease to a C benchmark in FY 2011 is the result of (1) budgeted dollars not keeping up with the rising costs of fuel and materials, inflation and increasing needs for bridge maintenance activities and (2) the impact of prior heavy winters on the projected cost of maintaining the system.

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.

Long-Range Goals:

- o Maintain or improve the operational capacity of the transportation system
- o Increase integration of the transportation system modal choices
- o Increase absolute investment in mobility and accelerate completion of strategic projects
- o Maintain an average of 22 minutes of delay per traveler in congested corridors
- o Achieve an A maintenance level of service grade for Snow and Ice Control

Objective: Reduce the projected growth rate in minutes of delay per traveler in congested corridors below the forecast for 2016 of 44 minutes of delay based on a straight-line 2008-2035 Resource Allocation (from 22 minutes in 2005 to 70 minutes in 2035).

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Travel time delay in congested corridors (minutes of delay per person)	Benchmark	26.9	28.1	29.3	30.5	39
	Actual	17	Avail. May 2011	Avail. May 2012	Avail. May 2013	Avail. May 2017

Strategy: 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. Since the last increase in fuel tax, population growth and growth in vehicle miles traveled, particularly among the trucking industry, has accelerated much more rapidly than revenues. The Department has therefore endeavored not to reduce congestion, but slow the rate of its increase. Gradually over the past several decades the strategy for accomplishing this has shifted from adding highway lane capacity to changing traveling behavior.

Evaluation of Current Performance: In calendar year 2009, the average travel time delay was calculated at 17 minutes per person. While the TREX project in Denver and COSMIX project in Colorado Springs added slightly to lane capacity in Colorado, this decrease from 22 minutes calculated in 2005 is due primarily to (1) increased gas prices and (2) individual motorist economic conditions, both resulting in fewer vehicle miles traveled. The additional capacity eases congestion only in the short term without change in traveler behavior; the benefit of having new lanes erodes as traffic fills up the additional highway capacity. The increased fuel prices and slowing economy worked to CDOT's benefit in reducing travel time delays. Whether this is a short-term trend or a long-term shift remains to be determined.

When CDOT developed its 2035 Long Range Plan, delay had been 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. More recent forecasts anticipate an increase to 42 minutes in 2027, which would extrapolate to about 52 minutes in 2035.

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. Seventy-one corridors around the state have been identified as 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.

Adding capacity is only one method of managing congestion. Congestion can be reduced through many other measures, such as moving vehicle commuters to transit, encouraging different work schedule practices such as flex time or staggered start times, and providing travelers with real-time information on the status of the route ahead of them.

Objective: Maintain the snow & ice maintenance level of service grade at the adopted annual grade.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Snow & ice Maintenance Levels of Service (MLOS) grade	Benchmark	B-	B	B	B-	Avail. Oct. 2014
	Actual	C+	C+	Avail. Oct. 2011	Avail. Oct. 2012	Avail. Oct. 2016

Strategy: Each year an analysis is performed based on a five-year average of materials, plow miles, and total dollars spent in maintenance activity 402 (Snow Removal and Traction Application). The objectives of these analyses are as follows:

- To assess the variation in costs and accomplishments among the five years, as a way of gauging differences in weather that affect the demand for winter maintenance;
- To test the effect of average annual daily traffic (AADT) on winter maintenance policy, work accomplishment, and costs;
- To analyze historical trends in winter maintenance work accomplishments and costs with the purpose of determining a “standard winter” for budgeting.

Evaluation of Current Performance: CDOT did not meet the benchmark objective of B for fiscal year 2010. Trends in surveyed conditions, maintenance costs, and performance measures with respect to levels of service are meaningful if other factors that may affect road conditions are stable over time. But with winter maintenance, this stability cannot be guaranteed. Storms vary widely based upon timing, intensity, duration of the storm, temperature and wind conditions, nature of the precipitation, and other factors. This all can affect highway conditions, snow and ice materials required, and the cost to maintain the performance level. In 2008, CDOT revised the winter maintenance policy of plowing roads that have an AADT of less than 1,000 only between the hours of 5:00 am and 7:00 pm. Our survey procedure however, had not taken this into account, and this resulted in lower than anticipated survey scores on some roadways. The maintenance and operations branch is revising the survey form to take this policy into account which should result in improved performance in years to come, if funding levels and costs can remain stable.

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.

Long-Range Goals:

- o Deliver high quality programs, projects and services in an effective and efficient manner
- o Deliver all programs and projects on time and within budget
- o Accelerate completion of the remaining strategic projects
- o Increase investment in strategic projects

Objective: Improve year over year percent of projects advertised within 30 days of the target advertisement date established on July 1st of the fiscal year. (Note: For fiscal year 2011 and beyond, the Chief Engineer has revised the annual benchmark to 80 percent from a prior benchmark of achieving the previous year's actual level.)

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Percent of CDOT projects advertised within 30 days of the Ad dates established on 7/1 of fiscal year	Benchmark	>60.9 %	>65.9%	80%	80%	80%
	Actual	65.9%	68.0%	Avail Oct. 2011	Avail Oct. 2012	Avail. Oct. 2016

Strategy: 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 or ad 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") that were established at the beginning of the fiscal year.

CDOT strives to improve this measure each year, tracking each project's planned and actual ad date. In addition to tracking this measure of project delivery, CDOT is preparing to report, through its Annual Performance Report, On Time and On Budget measures for the construction program beginning in FY 2011.

Evaluation of Current Performance: On-time advertising regressed in FY 2008 but rebounded in FY 2009 and continued to improve in FY 2010. Many factors impact this measure, including large sudden influxes of funding and the resources of the Department's procurement unit. FY 2010 saw advertised a number of ARRA projects that required rapid timelines in order to meet federal regulations. Colorado jumped at this new stimulus funding and during the week of May 11th, just six weeks after receiving its apportionment, met the 50% goal by obligating \$141 million in 30 projects, placing itself in the top 25 states to do so. By June 30th, CDOT had obligated 59 projects worth \$211 million (49% more than required). While all states met the June 30 goal making no redistribution funds available, Colorado received accolades in meeting its goal so early by several organizations, including auditing agencies.

Objective: Meet or exceed the Department's annual Disadvantaged Business Enterprise (DBE) goals.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Percent Disadvantaged Business Enterprise participation	Benchmark	12.8%	12.8%	13.3%	Avail. Aug. 2011	Avail. Aug. 2015
	Actual	10.3%	Avail. Nov. 2010	Avail Nov. 2011	Avail Nov. 2011	Avail. Nov. 2016

Strategy: In setting the overall annual goal for the Department, the United States Department of Transportation (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.

Evaluation of Current Performance: In Federal Fiscal 2009 (the last year for which complete data is available), CDOT achieved 10.3 percent participation, missing a 12.8 percent objective but meeting the minimum federal requirement of 10 percent. CDOT provides technical assistance, training and project-specific outreach to the contracting community in support of achieving DBE objectives.

Objective: Have no environmental compliance violations.

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2015-16 Forecast
Number of environmental compliance violations	Benchmark	0	0	0	0	0
	Actual	1	0	Avail Oct. 2011	Avail Oct. 2012	Avail. Oct. 2016

Strategy: Achieving a perfect record on this measure is critical and entails mostly proactive mitigation of project area water discharge so that water quality is not impacted by a project.

Evaluation of Current Performance: CDOT received one notice of violation in FY 2009.

CDOT obtains permits from the Colorado Department of Public Health and Environment (CDPHE) to discharge stormwater from roadway projects. The permit states that only stormwater (and a few other allowable discharges, like landscape irrigation overflow) can be discharged from CDOT's ROW into State Waters. Pollutants, such as dirt, fertilizers, pesticides, oil and grease, and antifreeze must be prevented as much as practicable from entering State Waters by the diligent use of Best Management Practices.

CDOT also has a Municipal Separate Stormsewer System Permit (MS4). This is a permit that requires several different programs be in place to ensure the amount of pollutants entering the storm drain system is reduced. Those programs include::

- 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.

CDOT is increasing its control measures to include accountability at additional levels in order to proactively secure a site against significant storm events and to respond more quickly to findings with prompt action steps.

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.