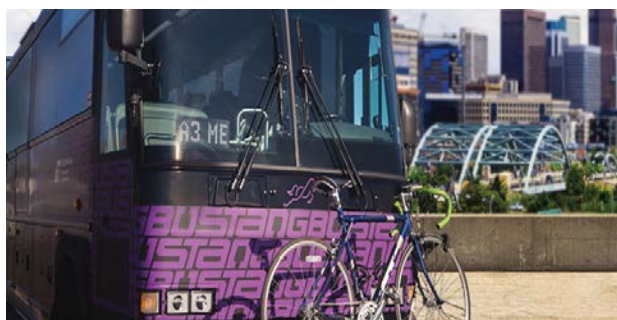
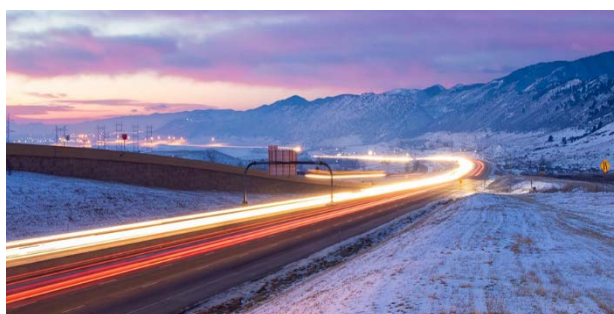




Final Budget Allocation Plan | FY 2020-21



Governor Jared Polis
April 15, 2020



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Budget Category / Program	FY 2020-21 Final Budget
COLORADO DEPARTMENT OF TRANSPORTATION	
Capital Construction	\$973.6 M
Asset Management	\$325.2 M
Safety	\$127.6 M
Mobility	\$520.8 M
Maintenance and Operations	\$368.9 M
Asset Management	\$332.9 M
Safety	\$11.4 M
Mobility	\$24.6 M
Multimodal Services	\$70.1 M
Mobility	\$70.1 M
Suballocated Programs	\$224.1 M
Aeronautics	\$31.8 M
Highway	\$125.7 M
Transit and Multimodal	\$66.6 M
Administration & Agency Operations	\$100.9 M
Debt Service	\$62.8 M
Contingency Reserve	\$15.0 M
Other Programs	\$25.1 M
TOTAL - CDOT	\$1,840.4 M

COLORADO BRIDGE ENTERPRISE	
Construction	\$100.2 M
Asset Management	\$100.2 M
Maintenance and Operations	\$0.5 M
Asset Management	\$0.5 M
Administration & Agency Operations	\$2.0 M
Debt Service	\$18.2 M
TOTAL - BRIDGE ENTERPRISE	\$120.9 M

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE	
Maintenance and Operations	\$17.0 M
Administration & Agency Operations	\$5.6 M
Debt Service	\$0.0 M
TOTAL - HIGH PERFORMANCE TRANSPORTATION ENTERPRISE	\$22.6 M
TOTAL - CDOT AND ENTERPRISES	\$1,983.9 M



Colorado Department of Transportation

Fiscal Year 2020-21

Final Budget Allocation Plan

Jared Polis | Governor

Shoshana M. Lew | Executive Director

Transportation Commission

Bill Thiebaut, Chair | Pueblo | District 10

Rocky Scott, Vice-Chair | Colorado Springs | District 9

Shannon Gifford | Denver | District 1

Don Stanton | Arvada | District 2

Eula Adams | Denver | District 3

Karen Stuart | Broomfield | District 4

Kathleen Bracke | Fort Collins | District 5

Barbara Vasquez | Cowdrey | District 6

Kathy Hall | Grand Junction | District 7

Sidny Zink | Durango | District 8

Gary Beedy | Genoa | District 11

Herman Stockinger | Secretary

Per the attached Resolution #TC the Transportation Commission presents the Budget for the period July 1, 2020 through June 30, 2021 for approval by the Governor

Approved: _____

Date: _____

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



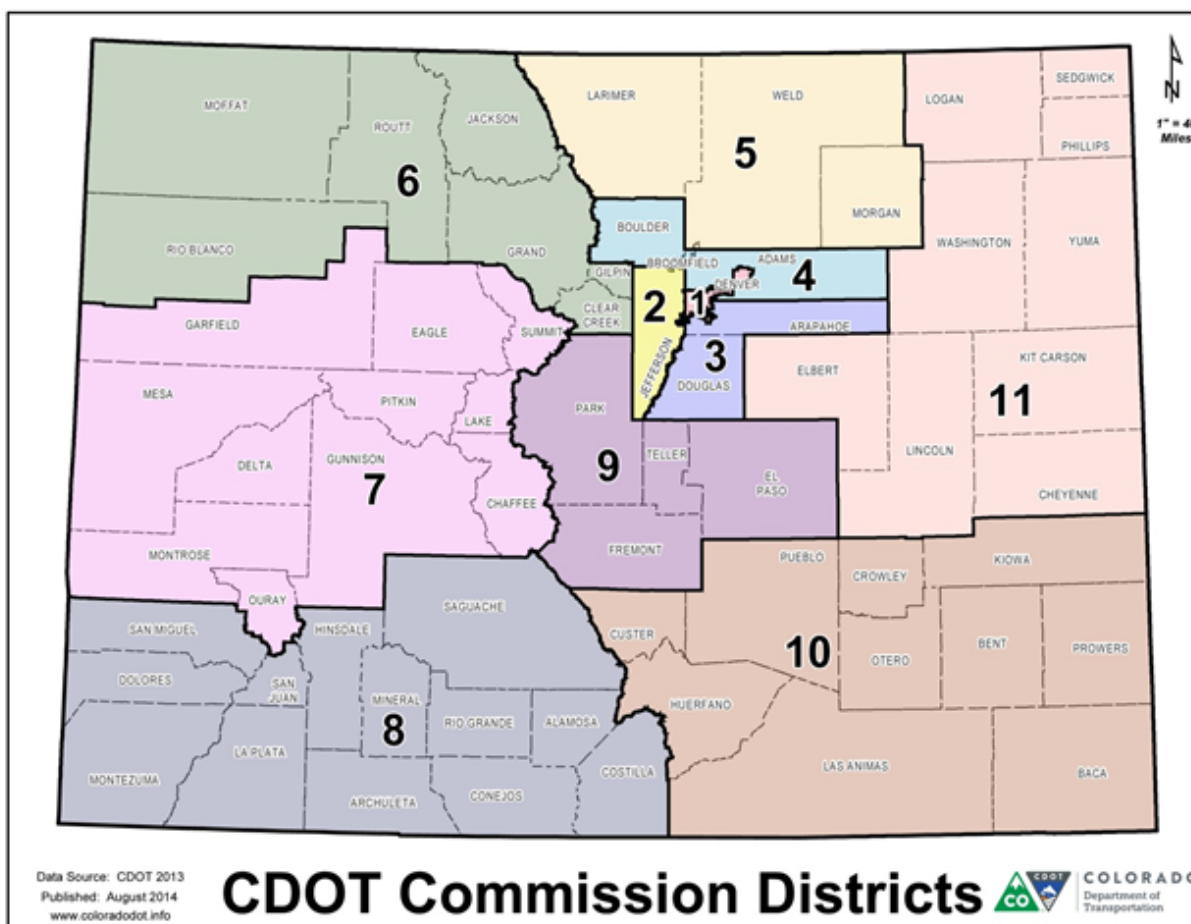
The Colorado Transportation Commission

The eleven-member Colorado Transportation Commission provides oversight, policy direction, and makes resource allocation decisions for the Colorado Department of Transportation. The powers and duties of the Commission are set forth in Section 43-1-106 C.R.S (2019). Transportation Commissioners are appointed to four-year terms on a staggered schedule by the Governor, and confirmed by the state Senate. Each Commissioner represents a specific geographic portion of the state, and a map of the state's Transportation Commissions Districts can be found in Figure 1 below.

The members of the Transportation Commission also serve as the board members of the Colorado Bridge Enterprise.

Figure 1 - Transportation Commission Districts

2019





Colorado Aeronautical Board

The Division of Aeronautics is advised by the seven-member Colorado Aeronautical Board, which provides oversight, policy direction, and makes resource allocation decisions for CDOT's Division of Aeronautics. The members of the board are appointed by the Governor, and confirmed by the Senate. Appointments are made to ensure a broad representation of the airports throughout the state.

Colorado Aeronautical Board Members

Jeffrey Forrest, *Chair* | Eastern Slope Governments

Robert Olislagers, *Vice-Chair* | Airport Management

Joe Rice, *Secretary* | Aviation Interests-at-Large

Kenny Maenpa | Western Slope Governments

Ray Beck | Western Slope Governments

Chic Myers | Eastern Slope Governments

Ann Beardall | Pilot Organizations



High Performance Transportation Enterprise Board

The High Performance Transportation Enterprise (HPTE) board supervises and advises the Enterprise's Director, and is authorized to enter into agreements with the Transportation Commission and private industry to finance, build, operate, and maintain transportation infrastructure using innovative financing and contracting methods. The board is also authorized to issue revenue bonds that are payable from user fees generated on corridors owned by the Enterprise.

HPTE Board Members

Cecil Gutierrez, Chair | North Front Range Metropolitan Planning Organization

Shannon Gifford, Vice-Chair | Transportation Commissioner

Margaret Bowes | I-70 Mountain Corridor

Travis Easton | Pikes Peak Area Council of Governments

Karen Stuart | Transportation Commissioner

Anastasia Khokhryakova | Denver Regional Council of Governments

Rocky Scott | Transportation Commissioner



Introduction

The Colorado Department of Transportation operates under the authority of the eleven-member Colorado Transportation Commission, which has been in continuous operation since 1909. CDOT is responsible for a highway system that encompasses 9,146 center-line miles (about 23,000 total lane miles) and includes 3,447 bridges. Each year, this system handles more than 30 billion vehicle miles of travel.

CDOT's **mission** is to provide the best multimodal transportation system for Colorado that most effectively and safely moves people, goods, and information.

CDOT has six core values which are integrated in all of the Department's projects and processes:

SAFETY

We work together to achieve a high-performing safety culture.

We promote and apply consistent and sustainable work behaviors in everything we do.

PEOPLE

We value our employees.

We acknowledge and recognize the skills and abilities of our coworkers and draw strength from our diversity and commitment to equal opportunity.

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.

CUSTOMER SERVICE

We strive to provide the highest level of customer satisfaction and experience.

With a can-do attitude, we work together with others to respond effectively to our customers' 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 treat everyone with respect.

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

Pursuant to Section 43-1-113, C.R.S., the Transportation Commission is required to submit a Budget Allocation Plan to the Joint Budget Committee, the Transportation Committees in the state House of Representatives and state Senate, and the Governor. The Proposed Budget Allocation Plan must be submitted by December 15 of each year, and the Final Budget Allocation Plan must be submitted by April 15 of each year.

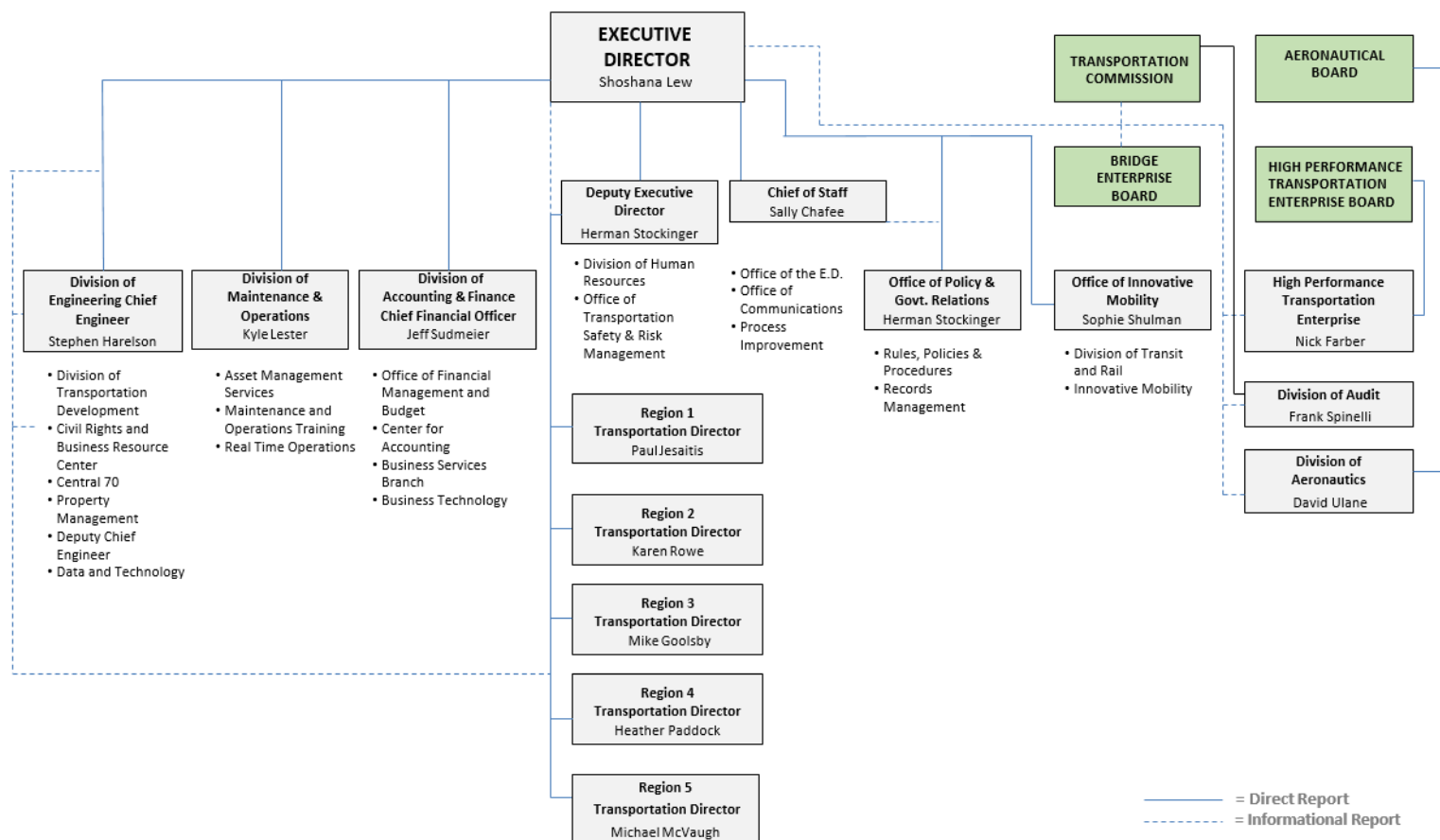


Organizational Chart

CDOT is organized according to state statutes, the Policy Directives of the Colorado Transportation Commission, and the directives of the Executive Director. The Department's organizational structure is show in Figure 2 below.

Figure 2 - CDOT Organizational Chart

2020

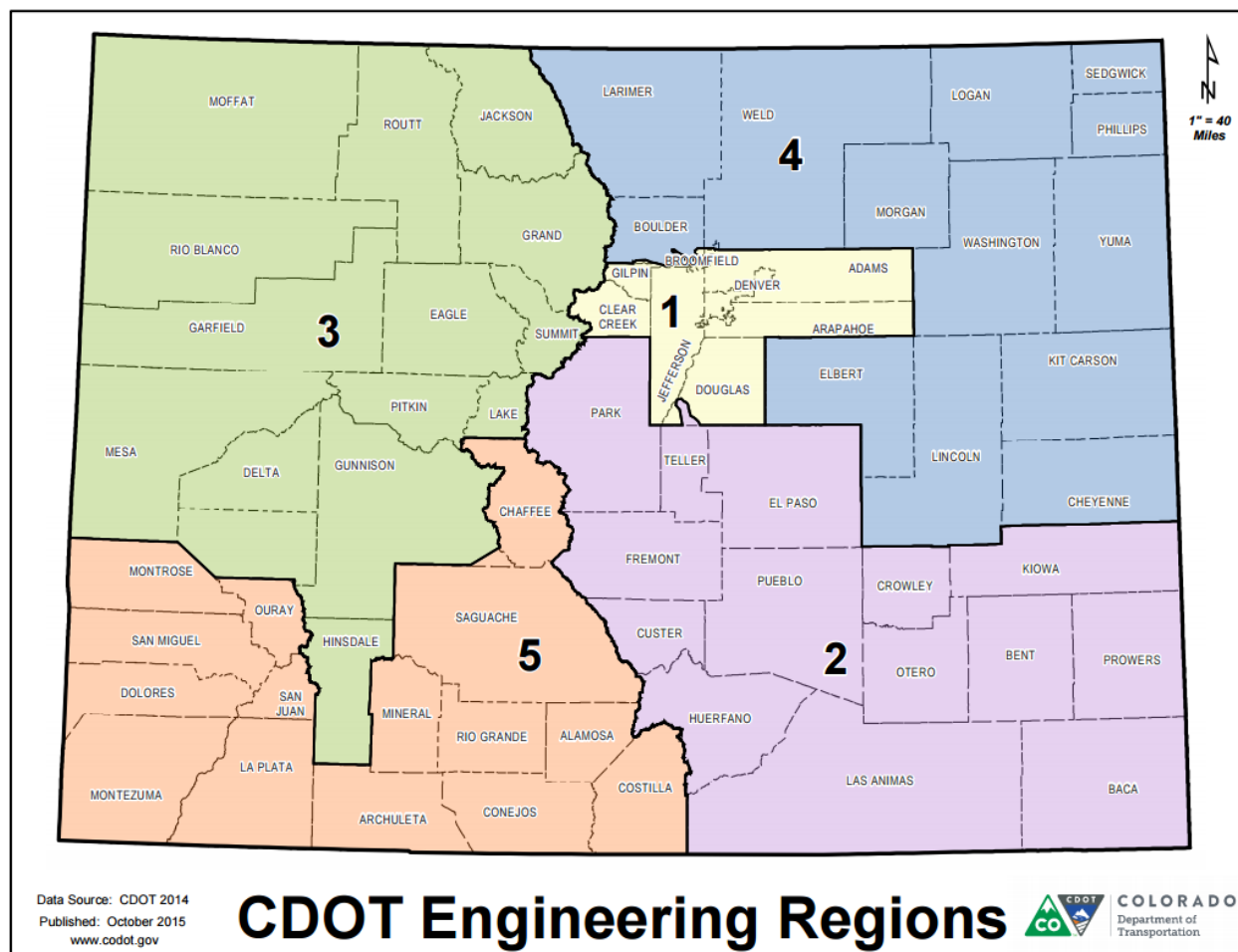




CDOT Engineering Regions

CDOT is divided into five engineering regions. Regional Transportation Directors (RTDs) report to the Department's Deputy Director, and each RTD is responsible for implementing and managing CDOT's activities within his or her geographic area. These activities include the design, construction, inspection, and management of all construction projects in a region. Figure 3 below is a map of the five engineering regions.

Figure 3 - CDOT Engineering Regions





Organizational Changes

In 2019, a number of changes were made to CDOT's organizational structure. This section provides a brief description of these changes.

Mobility Operations - The Division of Mobility Operations (formerly known as the Division of Transportation Systems Management & Operations) was responsible for the development of a statewide program designed to reduce congestion and improve the safety and reliability of CDOT's existing highway system. This Division was dissolved, and its functions were transferred to the newly created Division of Maintenance and Operations and the Office of Innovative Mobility.

Division of Maintenance and Operations – The Division of Highway Maintenance (DHM) was reorganized into the Division of Maintenance and Operations, and traffic operations and incident management functions were transferred from the former Division of Mobility Operations to DHM to achieve optimal coordination and efficiency.

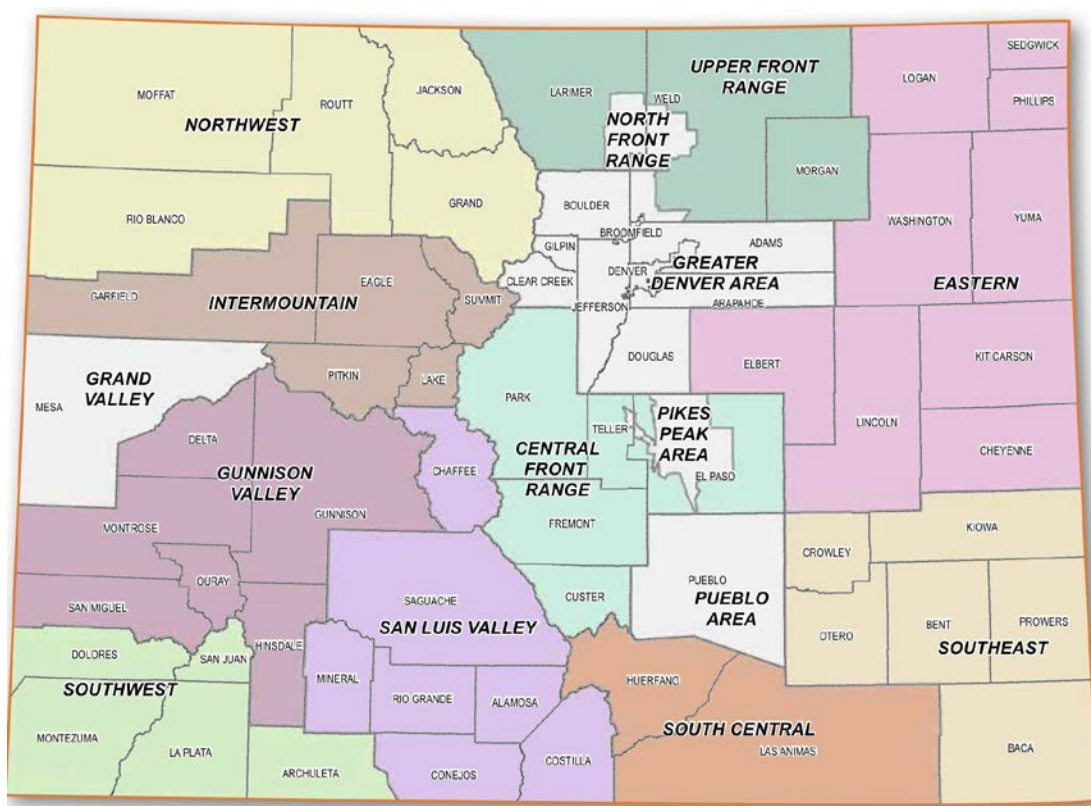
Office of Innovative Mobility - The Office of Innovative Mobility was created as a part of Governor Polis' focus on expanding multimodal transportation options for Colorado travelers. The Office integrates the Department's Division of Transit and Rail with other means of expanding mobility options, including through ridesharing, electrification, and emerging technologies.



State Transportation Planning Process

The state's planning process begins at the regional level, and the ten Transportation Planning Regions (TPRs) and five Metropolitan Planning Organizations (MPOs) in Colorado each develop a [Regional Transportation Plan](#). These plans establish the long-term priorities for each region, which are incorporated into the [Statewide Transportation Plan](#).

Figure 4 - Map of Transportation Planning Regions and Metropolitan Planning Organizations in Colorado



Statewide Transportation Plan - The Statewide Transportation Plan (SWP) was last updated in 2015. The SWP is a vision document that outlines what the Department's multimodal transportation options will look like over the next 10 and 25 years. It identifies future needs for the transportation system and provides strategic directions to achieve those goals. The current SWP can be found [here](#). The SWP will be updated in 2020.

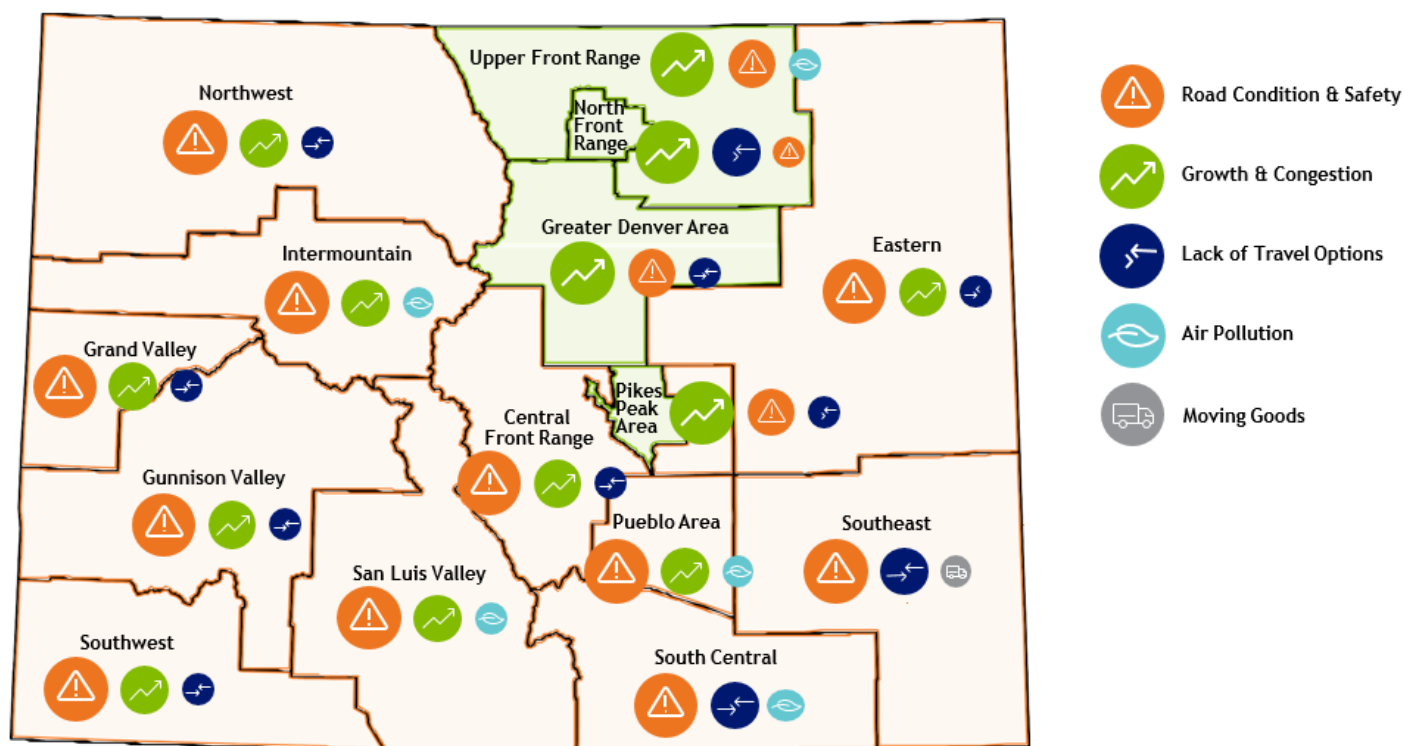


Your Transportation Plan - Over the course of five months in 2019, CDOT gathered public feedback through online surveys, community fairs and festivals, telephone town hall conversations, social media channels, and public meetings.

Throughout the state, the highest priority transportation issues were growth and congestion, road condition and safety, and lack of travel options. Figure 5 below provides a summary of online survey data by region.

Figure 5 – My Transportation Plan Survey Results

2019



Statewide Transportation Improvement Program - Under federal regulations, CDOT is required to develop the Statewide Transportation Improvement Program (STIP), which is a fiscally constrained, four-year statewide program of transportation projects. This plan is updated annually, and projects included in the STIP come from the goals and strategies outlined in the Statewide Transportation Plan. The current STIP can be found [here](#). Additionally, each MPO in the state creates its own transportation improvement program (TIP), which is integrated into CDOT's annual STIP without modification. CDOT is currently going through an updated planning process, with a strategic goal of moving to a 10-year STIP by FY 2020-21. This goal is discussed in the CDOT Strategic Goals section below.



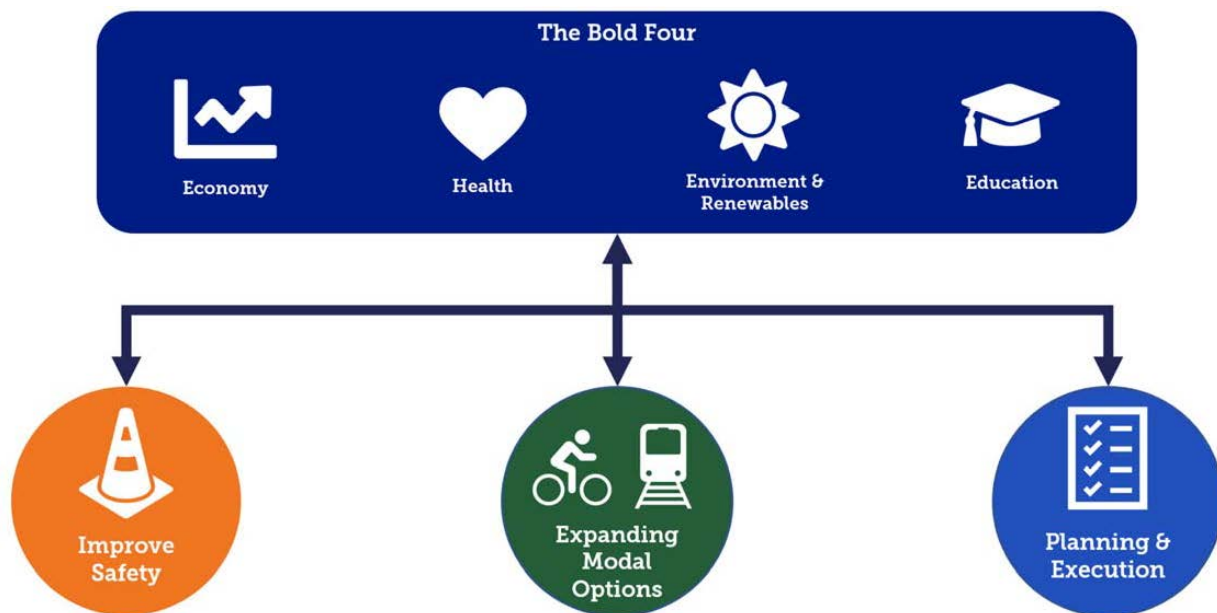
CDOT Strategic Goals

From the framework of the Governor's Priorities and the Department's own Mission, Vision, and Values, CDOT has established the following Strategic Policy Initiatives for fiscal year 2019-2020:

- Improving Safety;
- Expanding Multimodal Options; and
- Planning and Execution.

Figure 6 – CDOT Strategic Goals

2019



More information on the Department's strategies for each goal can be found in its FY 2019-20 Performance Plan, which can be found [here](#).

Improving Safety - This initiative seeks to improve the safety of Colorado's Transportation Network by reducing vehicles crashes by 2,500 by June 30, 2020, and by 7,500 by June 20, 2022.

The safety of the traveling public and Department's employees is at the forefront of everything CDOT does. Despite the Department's continued focus on safety, the number of traffic fatalities has increased in the past decade. Analysis of crash data has determined that most automotive crashes are caused by human factors, with distraction and use of mobile devices increasingly becoming the cause of many incidents.



Expanding Multimodal Options - This initiative seeks to reduce vehicle miles traveled (VMT), greenhouse gas emissions, and ozone causing emissions by 1 percent per capita through the use of multimodal options.

The transportation sector is one of the top contributors to greenhouse gas emissions, contributing more than a quarter of the total emissions from all sectors in Colorado. Reducing the use of single occupancy vehicles will reduce these emissions, while providing safety and health benefits for residents of the state.

Colorado will require innovative solutions to ensure equitable and efficient access to the transportation network for all residents of the state. Expensive capacity-building initiatives have become unsustainable, and the state's increasing population and stagnant revenue sources will require alternative transportation solutions.

Planning and Execution - The goal of this initiative is to have a 10-year STIP adopted by the Transportation Commission by June 30, 2020, with the first STIP update adopted by the Transportation Commission by June 30, 2022.

In the past, transportation planning on a statewide level was focused on a grassroots approach, but was often siloed by transportation mode. While a 25-year statewide plan was developed, many mode specific plans were developed concurrently (examples include: Freight Plan, Mobility Plan, Statewide Transit Plan), with multiple lists of unfunded projects developed at irregular intervals. Each of these plans required months of work to develop and required multiple connections to stakeholders across the state, often meeting with the same stakeholders for each different effort.

The Department's new planning approach will expand the current four-year Statewide Transportation Improvement Plan, into a 10-year strategic pipeline of projects. This strategic pipeline of projects will be informed by a data-driven needs assessment with public and stakeholder input, and will be inclusive of all transportation modes. Using the Department's recently completed Statewide Travel Demand Model and in-house geographic information system (GIS) capabilities, CDOT can visually represent the relationship of the existing transportation system with a range of different factors to assess transportation needs for the diverse set of communities around the state. Under this initiative, the Department will look to provide modal plan integration, bringing together both the Statewide Transit Plan and the overall 2045 Statewide Transportation Plan to effectively engage the public and stakeholders and accurately inform the 10-year strategic pipeline of projects of transportation needs across all modes.



CDOT Performance Audit

The Office of the State Auditor (OSA) conducted a performance audit of CDOT in 2018. OSA released the final report in May 2019 and identified a number of reporting and process improvements the Department can make in five areas: annual spending, budget transparency, fraud detection, construction debudgeting and closure, and master task order contracts. These recommendations align with a number of initiatives that were already underway at the Department, and this section briefly outlines the steps the Department is taking to align with OSA's recommendations.

In the category of **Annual Spending**, the Department is:

- implementing new monthly reporting on budget to actuals; and
- identifying improvements to business processes and system configuration to improve the budget to actuals reporting process.

In the category of **Budget Transparency**, the Department is:

- reorganizing the budget and updating its format to increase transparency and include all statutorily required elements;
- incorporating roll-forward budget information to provide a complete, consolidated, and transparent view of the CDOT budget; and
- implementing a new amendment process to more frequently amend the budget to reflect updated revenue or changes in allocations.

In the category of **Fraud Detection**, the Department is/has:

- updating exception processes related to vendor tax identification numbers;
- deploying a risk and control analytics software program for fraud detection; and
- completed a review of suspicious payment and vendor records – no instances of fraud were found.

In the category of **Construction Debudgeting and Closure**, the Department is:

- developing guidance and procedures documenting the project closure process and requirements to comply with SB 16-122 More Oversight of Department of Transportation;
- implementing new reporting to track project closure; and
- implementing a new project management platform (On-Track).

In the category of **Master Task Order Contracts**, the Department is:

- establishing a new procurement clearance process;
- implementing professional engineer review of contracts; and
- incorporating Master Price Agreements into contract templates.



Understanding the CDOT Budget

The Budget Allocation Plan includes several elements, including detailed information on revenue sources, program allocations, a detailed breakdown of the capital construction program, a summary of forecasted expenditures, and a listing of open projects. The primary component of the Budget Allocation Plan, which also serves as the basis for the Department's Legislatively Appropriated Budget, is the Revenue Allocation Plan. The Revenue Allocation Plan represents the amount revenue the Department anticipates it will receive through the course of the fiscal year, and how it intends to allocate those revenues to specific purposes (budget programs). The FY 2020-21 Budget Allocation Plan will also include a new Spending Plan that compliments the Revenue Allocation Plan and provides a more comprehensive view of multi-year capital budgets and expenditures.

Revenue Allocation Plan

The Revenue Allocation Plan is included as Appendix A. The Revenue Allocation Plan is developed by forecasting anticipated revenues for the upcoming fiscal year, and allocating those revenues to budget programs. This process is explained in further detail in the CDOT Budget Process section of this document. Budget programs are established to serve a specific departmental function, for example, geohazard mitigation, and are organized into categories representing four "core" functions, and four "support" functions. Core functions are further subdivided into categories for Asset Management, Safety, and Mobility (or highways, transit, multimodal, and aeronautics in the case of suballocated programs).

Each of the budget programs included in the Revenue Allocation Plan are composed of either cost centers or budget pools. In general, cost centers represent the operating portion of the Department's budget, while budget pools represent the capital portion. While the majority of operating expenditures occur during the fiscal year of the budget, the majority of capital expenditures span multiple fiscal years. Since the state fiscal year ends in the middle of the construction season, even small single season construction projects span multiple fiscal years. Major projects such as the I-25 South Gap can span five or six fiscal years.

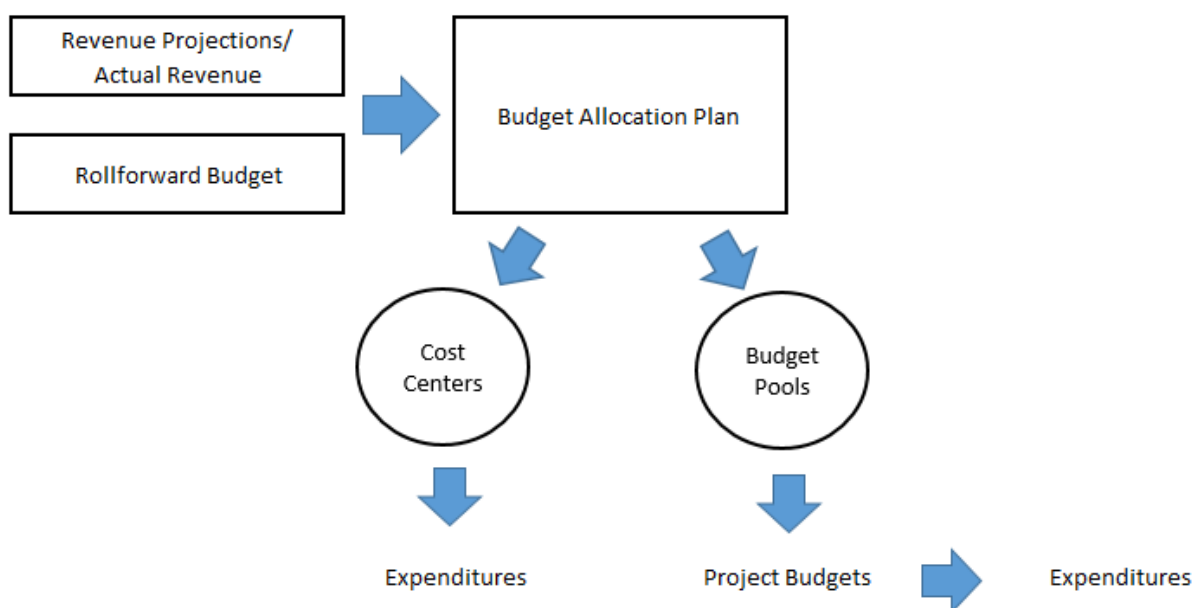
At the end of the fiscal year, budget has either been spent directly from a cost center or it has been budgeted to a project (Appendix C includes information on open projects and project balances). In general, open projects from a prior fiscal year are paid for out of previously received revenues. The Revenue Allocation Plan represents **new** anticipated revenue that is available for operating expenses during the fiscal year, and for new capital projects.



Any budget remaining at the end of the fiscal year in a cost center or budget pool (in the case of a budget pool, funding that that hasn't been budgeted to a specific project), rolls forward ("Roll Forward Budget") and is amended into the budget for the new fiscal year. Roll forward budget for the prior fiscal year will be amended into the FY 2020-21 Annual Budget after the close of FY 2019-20 in July, 2020. With respect to capital programs, the bulk of expenditures lag about one year behind the year the dollars were budgeted.

Figure 7 – CDOT Budget Allocation

2019

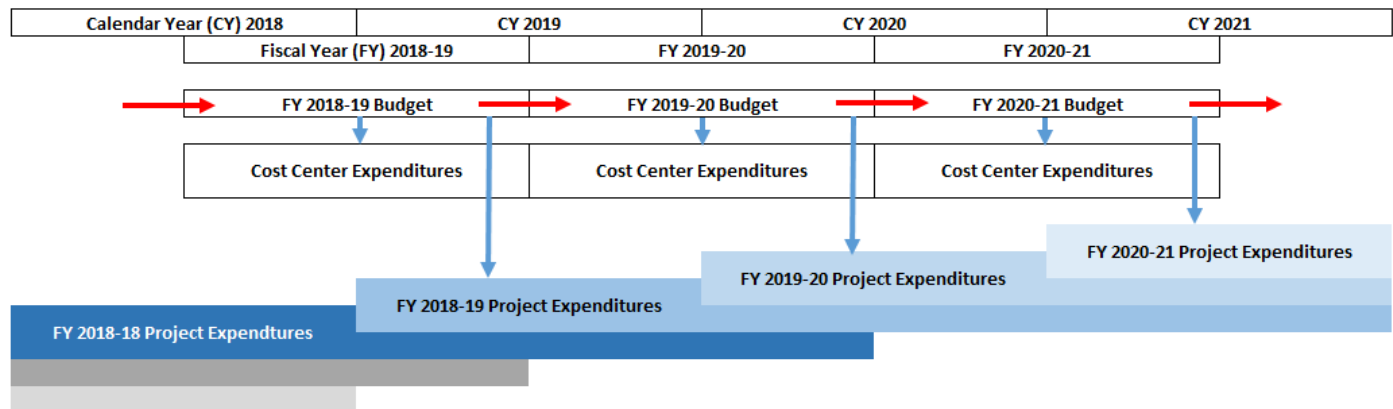


Spending Plan

The Department developed a new Spending Plan, included as Appendix B, to more clearly communicate the complex nature of multi-year capital budgeting. The Spending Plan is populated with the Department's anticipated expenditures for FY 2020-21 by budget category, using the same primary budget categories that are used in the Revenue Allocation Plan (eg. Capital Construction, Maintenance and Operations, etc.).



Figure 8 – Illustrative Flow of Budget and Expenditures
2019



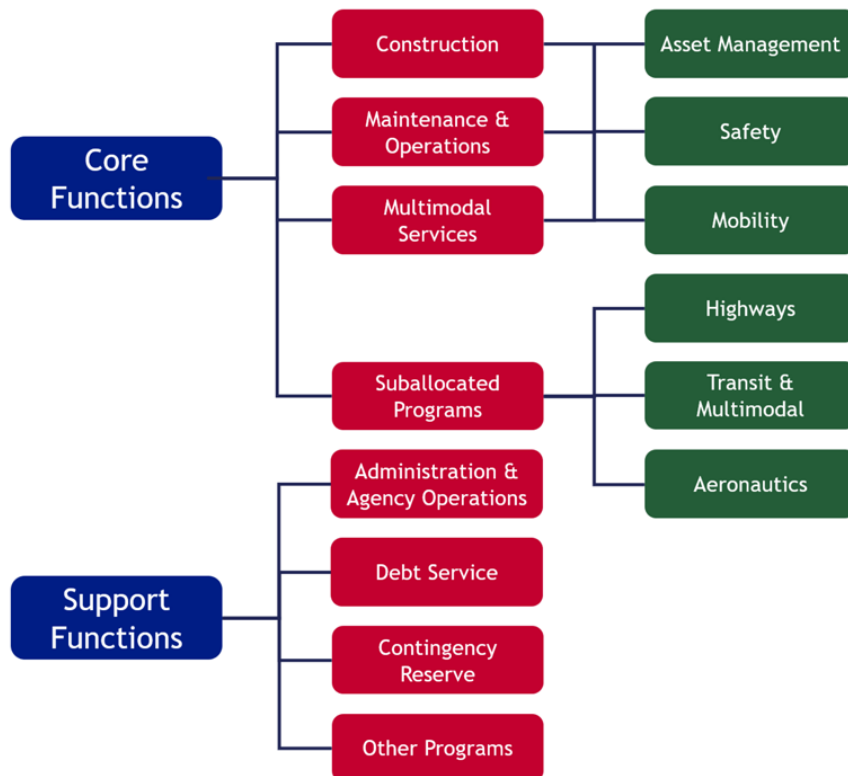
While the Revenue Allocation Plan is organized around budget programs, representing how the Department allocates resources, the Spending Plan is organized around types of expenditures, representing how those resources are actually delivered. For example, revenues are allocated to the Surface Treatment program based on the estimated level of funding required to achieve certain performance objectives for surface treatment activities (i.e. pavement resurfacing, reconstruction, etc.). These funds are allocated to capital projects that include eligible surface treatment elements. Expenditures are forecasted in the Spending Plan not as “Surface Treatment” but rather as how those expenditures are incurred (for example, as contractor payments, design, and right of way acquisition).

Description of Major Programs and Functions

CDOT administers construction, maintenance & operations, multimodal services, and suballocated programs pursuant to state statute, Federal regulations, and the policies of the Colorado Transportation Commission. The Department uses these four main categories for the Department’s major core functions, which incorporate safety, mobility, and asset management in each area, plus support functions for the Department’s four core functions, which are described below.

Figure 9 – Department Core Functions and Support Functions

2019



Core Functions

- I. **Construction:** Supported by construction contractors, CDOT delivers an annual construction program focused on maintaining the condition of existing assets, improving the safety of the system, and enhancing mobility through major upgrades and expansion of the system. CDOT's construction program includes 14 construction programs organized into three categories: Asset Management, Safety, and Mobility. Funding for construction includes not only the work performed on the road by contractors, but also design, right of way acquisition, and related support costs.
- II. **Maintenance & Operations:** CDOT maintenance and operations staff are responsible for the daily maintenance and operation of the state transportation system. This includes Maintenance Program Areas focused on activities such as snow and ice removal and pavement repair, and programs focused on ensuring the system operates efficiently, such as Courtesy Patrol and Heavy Tow services to remove inoperable vehicles from traffic, and real-time travel information provided to travelers via Variable Message Signs, or the COTRIP website.
- III. **Multimodal Services:** CDOT works to reduce congestion and air pollution by providing multimodal transportation options through the Office of Innovative Mobility and



Division of Transit and Rail. This includes Bustang and Bustang Outrider interregional bus service, strategic investment in multimodal infrastructure such as Mobility Hubs, support for transit and light duty vehicle electrification, and other innovative programs focused on providing more choices to Coloradans.

- IV. **Suballocated Programs:** CDOT administers several suballocated programs, passing funds through to local agencies to prioritize and deliver transportation improvements. This includes transit and aeronautics grant programs, as well as flexible programs, such as STP-Metro and CMAQ, used for a variety of highway and multimodal improvements. Suballocated programs are organized into three categories: Highways, Transit, and Aeronautics.

Support Functions

- V. **Administration & Agency Operations:** Administration and Agency Operations programs support the Department's core functions through support services such as contracting and procurement, development of specifications and standards, materials testing, finance and accounting, and human resources, among others. Salaries and benefits make up the largest portion of Administration and Agency Operations costs.
- VI. **Debt Service:** The state and the state's transportation Enterprises periodically issue debt, and are responsible for annual debt service payments. The majority of this debt is associated with Certificates of Participation (COPs) issued under Senate Bill 17-267 for "strategic transportation projects," bonds issued under the federal Build America Bonds program to advance the replacement of poor bridges under the FASTER Bridge program, and debt held by the High Performance Transportation Enterprise (HPTE) on major toll corridor projects.
- VII. **Contingency Reserve:** CDOT maintains a contingency fund to provide a source of funding for emergencies (such as major rockfall events or flooding), and for other unplanned or unanticipated needs such as the need to commit matching funds for grant opportunities. The majority of contingency funds are allocated to Construction or Maintenance and Operations programs.
- VIII. **Other Programs:** CDOT administers several other programs that support its core functions and the achievement of the Department's mission. This includes the Department's planning and research programs, and safety education programs focused on driver education and enforcement activities.



CDOT Budget Process

This section presents a brief outline of the Department's budget development process.

Construction and Maintenance Budget Development - Colorado's transportation program is funded through a variety of federal, state, and local revenue sources. Federal law, state statute, and the Colorado State Constitution restrict how the Department can use its various funding sources. Most of CDOT's budget is allocated and directed by the Transportation Commission. Distributions for some programs, such as Surface Treatment, are based on performance systems, allowing CDOT to allocate funding to the areas where they are needed most. Certain programs are funded with a mixture of "flexible" federal apportionments such as National Highway Performance Program and Surface Transportation Program, as well as state Highway User Tax Funds. Other federal programs, such as Transportation Alternatives (TAP), Surface Transportation Program (STP)-Metro, Congestion Mitigation and Air Quality (CMAQ), and Highway Safety Improvement (HSIP) are based on "inflexible" apportionments that must be used for designated purposes per federal authorization act requirements with required state or local match.

Distributions for Asset Management and Maintenance programs are based on performance systems and the funding required to achieve or make progress towards established performance objectives. Funding levels for these programs are established by the Transportation Commission based on performance objectives identified in the 2040 SWP and the Risk-Based Asset Management Plan. Performance objectives are approved by the Transportation Commission in Policy Directive 14. These programs include:

- Maintenance;
- Surface Treatment;
- Structures;
- Traffic Signals;
- ITS Maintenance;
- Geohazards Mitigation;
- Property; and
- Road Equipment.

Many programs are tied to a dedicated state or federal funding source. While the Transportation Commission could elect to supplement the funding in these programs with additional funds, or approve limited transfers, in general, the funding level is determined by the level of state or federal funding for that program. These programs include:

- Highway Safety Investment Program (HSIP);
- Railway-Highway Crossings Program;



- FASTER Safety;
- Strategic Projects;
- National Highway Freight Program;
- Strategic Transit;
- Rail Commission;
- Aviation System Programs;
- Transportation Alternatives Program (TAP);
- Surface Transportation (STP)- Metro;
- Congestion Mitigation and Air Quality (CMAQ) Improvement Program;
- Metropolitan Planning;
- Bridge Off-System;
- Recreational Trails;
- Bridge Enterprise;
- High Performance Transportation Enterprise (HPTE);
- Transit Grant Programs;
- Multimodal Options Programs;
- Safety Education; and
- Planning and Research.

Other programs are primarily Transportation Commission directed programs with funding levels established by the Transportation Commission. These programs include:

- Permanent Water Quality Program;
- Hot Spots;
- ADA Compliance;
- Real-time Traffic Operations;
- Regional Priority Program;
- ITS Investments;
- Transportation Commission Contingency;
- Program Reserve;
- Innovative Mobility Programs;
- Bustang;
- Safe Routes to School;
- Administration;
- Agency Operations;
- Debt Service;
- Infrastructure Bank; and
- Strategic Safety Program.



Administration and Operations Budget Development - The development of the Department's budget for the Administration and Agency Operations begins in late May. Each division and program within CDOT submits a work plan to the Office of Financial Management and Budget (OFMB) with a detailed budget proposal for the upcoming fiscal year. Between May and August, OFMB conducts workshops to assist each division with budget development. Any items that represent a significant change to a division's current program are presented as a Decision Item, as discussed in more detail in the FY 2020-21 Decision Items section below. Approved work plan budget amounts are incorporated into the Final Budget Allocation Plan.

The Administration line of CDOT's budget is appropriated annually by the General Assembly from the State Highway Fund in the state's annual budget bill (Long Bill). Per statute, the administrative portion of CDOT's budget cannot exceed 5 percent of the Department's total annual budget. While CDOT develops this budget through the work plan process, the total administrative budget must match the amount appropriated by the General Assembly.



Updated Budget Allocation Plan Structure

Revenue Allocation Plan

For FY 2020-21, a number of changes were made to the Department's Revenue Allocation Plan to increase transparency and better represent how transportation funding is spent. The Revenue Allocation Plan will be updated throughout the fiscal year to reflect the following changes.

Roll-Forward Budget - Due to the multi-year nature of many transportation projects, and the fact that the state fiscal year ends in the middle of the construction season, funding is not always fully spent or allocated to capital projects by the end of the fiscal year. In previous years, the Department's Revenue Allocation Plan only showed how revenue was being allocated for the upcoming year. To better communicate how much revenue is actually available for CDOT programs, the updated Revenue Allocation Plan now includes a column for Roll-forward Budget. Roll-forward budget amounts will be updated after the close of the prior fiscal year to reflect unspent cost center balances and unbudgeted pool balances.

Budget Amendments - Previously, budget lines on the Revenue Allocation Plan were not updated to show changes in allocations when the budget was amended by the Transportation Commission. The new report includes a column to reflect budget amendments approved by the Commission throughout the fiscal year.

Management and Staff-approved Changes - The Department's Policy Directive 703 outlines which budget actions require the approval of the Transportation Commission, and which actions can be approved at the staff level. The new report will be updated over the course of the fiscal year to show staff-approved changes to budget lines.

Budget Allocation Plan

In addition to the updates to the Budget Allocation described above, a number of changes were made to the Budget Allocation Plan narrative to increase transparency, improve understandability of the budget, and more completely address statutory requirements.



To address the recommendations of the recent OSA performance Audit and a review of best practices in state budgeting, the following categories have been added to the narrative budget:

- recent organizational and budget structure changes;
- information on the statewide planning process and economic drivers;
- the Department's strategic goals;
- major changes to the Department's budget and FY 2020-21 Decision Items;
- an enhanced Revenue Sources section, including more information on General Fund sources and graphics to enhance understandability; and
- an updated Budget Allocation section to align with the new one-sheet structure.



FY 2020-21 Decision Items

Decision Items represent major changes from the previous year's budget. Per Department policy, Decision Items more than \$1.0 million require Transportation Commission approval. Decision Items below \$1.0 million require approval by the Department's Executive Management Team. The approved Decision Items for the FY 2020-21 Budget are described below.

CDOT Efficiencies and Reprioritization - \$25.2 million - Over the summer, staff reviewed with the Transportation Commission a series of opportunities to find efficiencies and reprioritize funds, many of which were incorporated into the final Governor's Budget. For CDOT, the Governor's Budget includes more than \$25 million resulting from these efforts.

Source of Funds	Amount	Reallocated to (Category)	Reallocated to (Program)	Amount	Completed
Connected Vehicle Ecosystem Project	\$11,361,130	Maintenance and Operations	Strategic Safety	\$11,361,130	June 2019
TSM&O Performance Programs and Services	\$2,794,488	Maintenance and Operations	Real-Time Traffic Operations	\$2,028,488	June 2019
			Maintenance Operations	\$700,000	June 2019
			Innovative Mobility Program	\$66,000	June 2019
State Planning and Research	\$2,929,300	Program Reserve	Program Reserve	\$2,929,300	Nov 2019
Indirect Budget	\$5,000,000	Capital Construction*	Capital Construction Programs*	\$5,000,000	Feb 2020
Administration	\$1,124,675	Program Reserve	Capital Construction	\$1,124,675	Nov 2019
Agency Operations	\$2,000,000	Program Reserve	Capital Construction	\$2,000,000	Feb 2020
Total	\$25,209,593			\$25,209,593	

*Indirect budget is a subcomponent of each of the capital construction programs (i.e. Surface Treatment, Structures, RPP, etc.) A target has been set to make a minimum reduction of \$5 million to the FY 2020-21 Indirect Budget, as compared to FY 2019-20. These funds will stay within each of their respective programs (for example, Surface Treatment), but rather than paying for indirect costs, will instead be available for additional direct construction costs (i.e. ROW, Design, and Contractor Payments)

Road X Program - As part of the RoadX Program, the Department and the Transportation Commission initiated a significant multi-year program of investment in connected and automated vehicle technology. This included an annual commitment of approximately \$11.4 million of Highway Safety Improvement Program (HSIP) funds, which were reallocated from the HSIP program to the RoadX Program. As part of the reassessment and reprioritization of investments in advanced technology, the Department is reallocating these funds to core construction and maintenance programs through a newly created Strategic Safety Program.



Initiated in April 2019 in the FY 2019-20 budget, this reallocation of funds is being carried forward in FY 2020-21.

TSM&O Performance Programs and Services - In spring 2019, an internal reorganization resulted in the dissolution of the Division of Mobility Operations (formerly Division of TSM&O). The majority of functions were absorbed into the Division of Highway Maintenance, which was reconstituted as the Division of Maintenance and Operations, with some functions moved to the newly created Office of Innovative Mobility. The reorganization also entailed a reassessment and refocusing of the Department's efforts related to advanced technologies. As a result of the reorganization and reassessment, approximately \$2.8 million previously dedicated to a variety of initiatives related to advanced technology (TSMO Performance Programs and Services) was reallocated to core maintenance and operations programs.

State Planning and Research - State Planning and Research (SPR) funds support statewide planning and research activities, and these funds are used to establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions and support transportation research activities throughout the state. Expenditures in this program have typically lagged, resulting in remaining budget at the end of each fiscal year. The Department will utilize toll credits to eliminate the state matching requirement to this federal funding program. Toll credits are earned when the state, toll authority, or private entity funds a capital transportation investment with toll revenues. Federal regulations allow the state's share of a project's cost to be funded through a "soft match" of toll credits. This will reduce total funding for the program by 20% and make \$2.9 million in state matching funds available for reallocation to core construction and maintenance and operations programs. The Department will assess expenditures going forward to determine if/when to restore state matching funds in the future.

Indirect Budget - Indirect budgets support a variety of construction program related costs that support the delivery of the construction program, but are impractical to fund within individual project budgets. As a result of a thorough review of indirect costs, and updates to business processes, it is anticipated that the FY 2020-21 indirect cost budgets can be reduced from FY 2019-20 levels. A reduction in indirect costs results in savings internal to the capital construction program (i.e. more of the capital construction program is available for contractor payments for construction).

Administration and Agency Operations - Using an updated and accelerated budget development process, Department staff has conducted a detailed assessment of internal Region/Division and Office budgets. It is anticipated that through this process and a more thorough prioritization of funding requests, reductions can be made to the Administration and Agency Operations budgets from FY 2019-20 levels.



Maintenance Program Areas - \$4.5 million – This request increases ongoing operating funding for Maintenance Level of Service (MLOS) programs from \$260.7 million to \$265.2 million. The MLOS budget fluctuates year-to-year through the asset management budget setting process. Between FY 2016-17 and FY 2019-20, the MLOS budget has varied from a high of \$272.8 million to a low of \$263.5 million, and in FY 2020-21 is set to fall to \$260.7 million. Recent years have demonstrated operational challenges associated with large fluctuations year over year, and budget shortfalls when the MLOS budget falls to the lower level of its recent range. The Department is considering changes to the asset management budget setting process that could result in a recommendation to establish a “floor” for MLOS funding. In FY 2020-21, the Department is recommending the allocation of an additional \$4.5 million to increase the budget from \$260.7 million to \$265.2 million

General Purpose Lane Maintenance - \$2.3 million - As part of CDOT’s agreement with Plenary Roads Denver on US 36, CDOT makes monthly payments for maintenance performed by Plenary on the General Purpose lanes on the US 36 corridor. Over the last few years, this amount has been taken “off the top” of the MLOS programs and included in the budget under “Toll Corridor General Purpose Lanes.” The Division of Maintenance and Operations requests that rather than reduce the other MLOS programs, this amount be funded separately from MLOS. The approval of this Decision Item results in an increase of \$2.3 million to the Maintenance Program Areas budget.

Landscape Warranty - \$900,000 - The practice of including construction landscape warranty and erosion control in project budgets has resulted in limited success in addressing landscape establishment and erosion control after roadway construction work has achieved final acceptance. This has resulted in significant delays in closing construction projects. A new approach has been developed which includes closing projects shortly after roadway construction work has been accepted and having any needed landscape warranty work performed by others (CDOT maintenance staff or specialty landscape construction contractor) at an estimated annual cost of \$900,000. The approval of this Decision Item results in an increase of \$900,000 to the Agency Operations budget

Toll Corridor General Purpose - \$600,000 - Recent projections of payments due to Plenary in FY 2020-21 indicate a need to increase funding from the \$2.3 million originally planned to \$2.9 million. The approval of this Decision Item results in an increase of \$600,000 to the Toll Corridor General Purpose Lanes budget



Work Plan Decision Items - Additional Decision Items are requested directly from region and division staff, and these requests constitute a significant increase in funding for a new or expanded work activity. This may include new or expanded programs or investments. Requests are individually evaluated by the Office of Financial Management and Budget (OFMB). Decision item requests of less than \$1.0 million are reviewed and subject to approval by the Executive Management Team (EMT), while decision items of \$1.0 million or greater are reviewed by the EMT and then forwarded to the Transportation Commission for consideration. For FY 2020-21, there were no Administration or Agency Operations requests that required Transportation Commission Approval.



CDOT Revenue Sources

Under the State Constitution (Article X Section 18), the revenue collected from state motor vehicle fuel taxes and license and registration fees must be used for the construction, maintenance, and supervision of the state's public highways. Revenue from fuel taxes, registration fees, and various other sources are deposited in the Highway Users Tax Fund (HUTF), where they are distributed to CDOT, counties, and municipalities based on formulas in state statute.

In addition to HUTF revenue, CDOT also receives funding from the state's General Fund, federal funding, and revenue from other smaller sources. Almost all of the Department's funding is deposited in the State Highway Fund (SHF), which is CDOT's primary cash fund. The majority of funding in the SHF is spent at the discretion of the Transportation Commission.

This section outlines CDOT's revenue sources more detail, and provides the Department's revenue forecasts for the FY 2020-21 revenue allocation.



Transportation Finance in Colorado

CDOT relies primarily on state (\$0.22 per gallon) and federal (\$0.184 per gallon) fuel taxes for long term funding, which have not been increased since 1991 and 1993 respectively. Stagnant revenue sources, the declining purchasing power of the current excise tax rate, and increasing vehicle fuel efficiency has gradually diminished the Department's ability to fund the maintenance and improvement of the state transportation system.

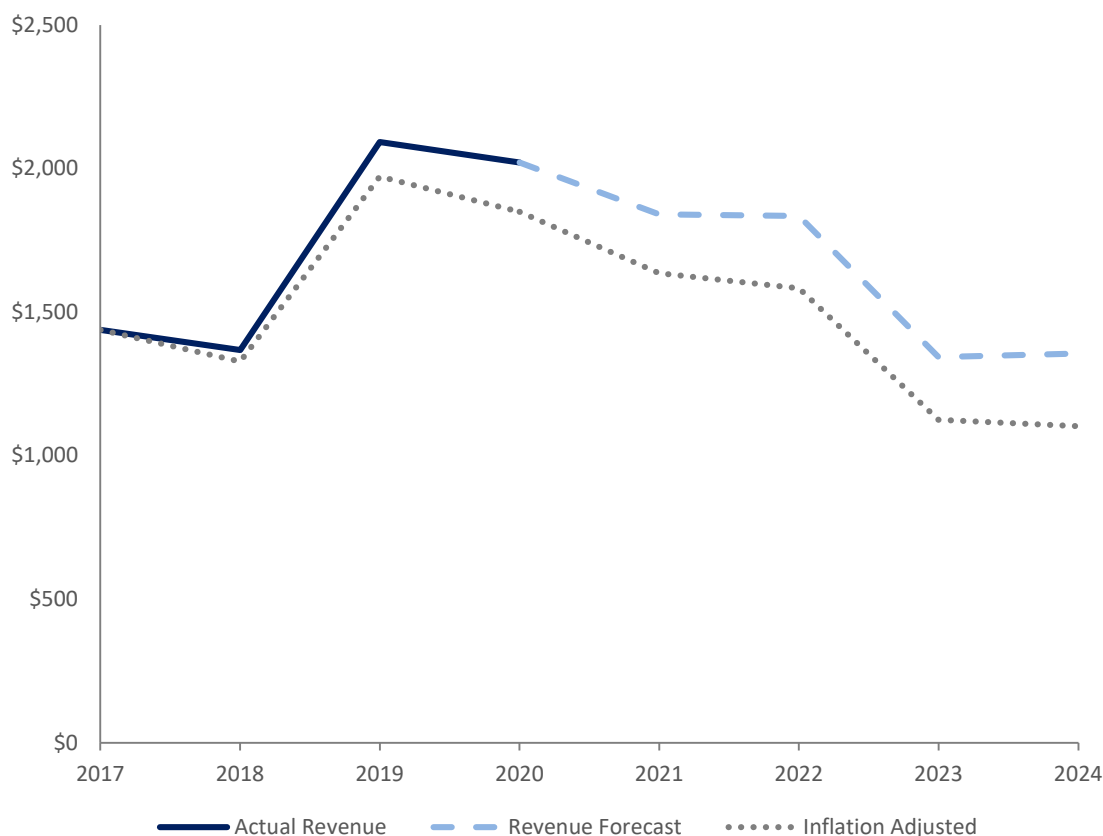
While recent transfers from the state's General Fund have helped the Department fund a number of important transportation projects, these sources have been one-time infusions of funding. The Department still faces long term challenges expanding and maintaining the state's transportation system.

Figure 10 below shows CDOT revenue since 2017, projected out to 2024. This revenue is adjusted to account for inflation.

Figure 10 - CDOT Revenue Forecast

Millions

2017 to 2024



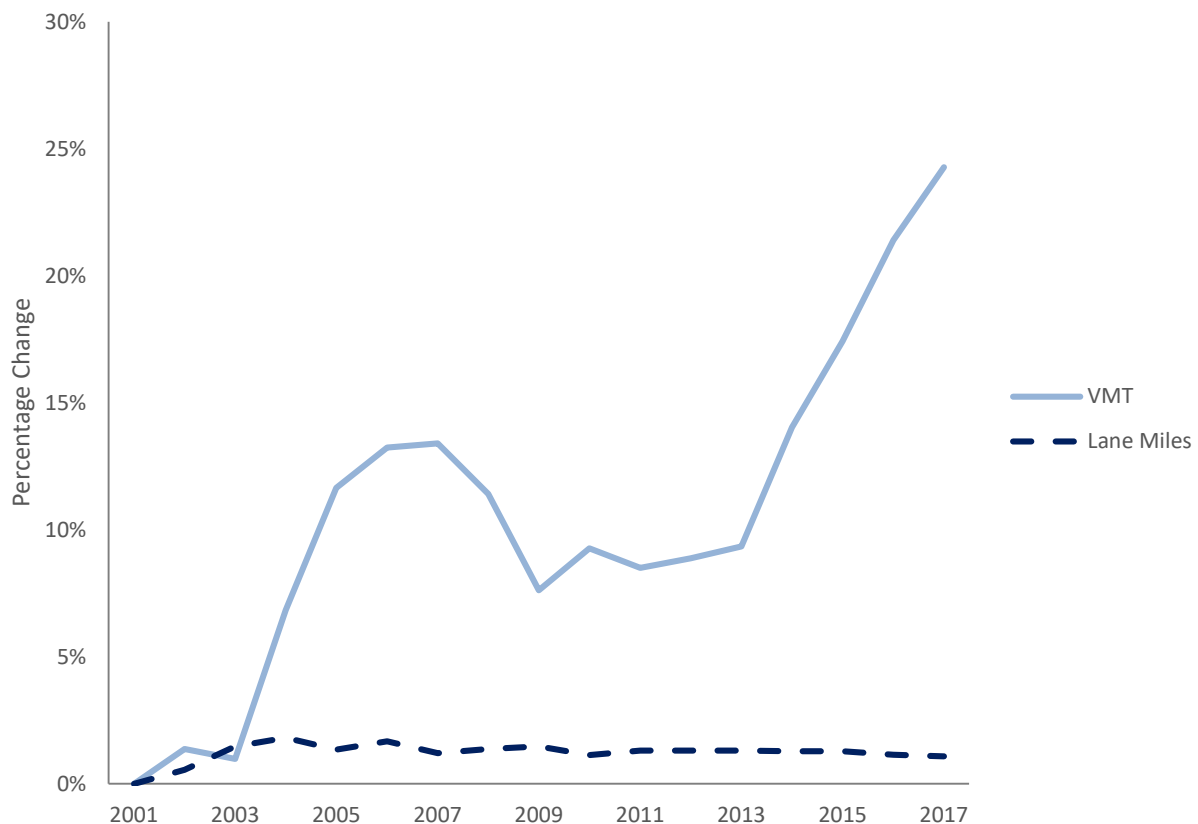


Colorado has one of the fastest growing economies in the country, and the total population of the state has increased by an estimated 13 percent since the last census. During this period of growth, the capacity of the state highway system has remained relatively constant. This has led to more congestion and increasing wear on the existing system.

The Department is pursuing a number of strategies to help mitigate congestion and provide mobility options for the state's growing population. This includes expanding multimodal options, identifying opportunities to improve the operations of the existing system, and increasing capacity where appropriate and when funding is available.

Figure 11 – Percentage Change in Vehicle Miles Traveled and Lane Miles Since 2001

2001 to 2017





State Revenue and Expenditure Limits

Colorado voters approved Amendment 1 to the State Constitution (Article X, Section 20) in 1992, commonly known as the Taxpayer’s Bill of Rights (TABOR). TABOR limits growth in fiscal year spending for state and local governments, and any revenue collected in excess of current spending limits must be refunded to taxpayers. More information on TABOR refund mechanisms can be found [here](#).

TABOR requires state and local governments to obtain approval from voters to establish new taxes, raise tax rates, or issue multiyear bonded debt. TABOR prohibits a state property tax, local income taxes, and the taxation of income at different tax rates.

The Governor’s Office of State Planning and Budgeting (OSPB) and Legislative Council Staff (LCS) quarterly forecast the state revenue that will be subject to the TABOR limit and voter-approved revenue changes. The revenue that is forecasted to be collected over the current TABOR limits is shown in Table 1 below.

Table 1 – Forecasted TABOR Revenue

Millions

	September Forecast	December Forecast	Difference
FY 2019-20			
LCS	\$264.3	\$304.3	\$40.0
OSPB	\$348.1	\$279.9	(\$68.2)
FY 2020-21			
LCS	\$142.9	\$367.3	\$224.4
OSPB	\$551.6	\$404.5	(\$147.1)
FY 2021-22			
LCS	\$134.5	\$453.4	\$318.9
OSPB	\$768.4	\$611.1	(\$157.3)

Referendum C. Referendum C was passed by voters in 2005, and it triggered a five-year “time-out period” from the limits imposed under TABOR. During this period, the state was authorized to retain and spend all of the revenue it collected. At the end of this time-out period, the year in which the state collected the highest amount of revenue (FY 2007-08) became state’s new revenue limit. This new revenue limit is adjusted for inflation and population every year.

Proposition CC. Proposition CC, which was referred to the voters in the November 2019 election, would have authorized the state to retain and spend all revenue collected in excess of the current



state spending limits. Any funding retained in excess of these limits would have been allocated in equal shares to public schools, higher education, and transportation. Under Proposition CC, transportation funding would have been transferred to the Highway Users Tax Fund (HUTF) and distributed 60 percent to CDOT, 22 percent to counties, and 18 percent to municipalities.

This measure was defeated by voters, and therefore will not go into effect. Under current law, revenue collected in excess of current revenue and spending limits will be refunded to taxpayers.

Transportation Revenue Forecasting

The Office of Financial Management and Budget (OFMB) maintains an annual revenue model that is used to guide CDOT's budget-setting process. OFMB's revenue team updates the model each quarter to monitor the course of a current year's fiscal performance, as well as inform the budget for future years. Some of the data used by the model includes, but is not limited to:

- national economic performance indicators (e.g. U.S. GDP and U.S. Federal Reserve interest rates);
- state population data such as net immigration, annual vehicle miles traveled (VMT) in Colorado, and the historical performance of the Highway User Tax Fund;
- Bureau of Labor Statistics & Bureau of Economic Analysis data, such as historical and forecasted year-over-year percent changes in personal income and the consumer price index;
- the forecasted, aggregated interest rates on new car loans annually, and retail gasoline prices from the Energy Information Administration; and
- estimated vehicle costs, including federal or state rebates for certain vehicles, as well vehicle fuel efficiency, and annual vehicle scrappage rates.

The model also includes federally or state-appropriated funding from grants or other sources, such as the Federal Highway and Federal Transit Administrations (FHWA & FTA), and the National Highway Traffic Safety Administration (NHTSA).

The outputs from this model are used to develop the Annual Budget Revenue Allocation Plan (i.e. the Budget One-sheet). During the annual budget development process, CDOT staff reconcile annual projected revenues with the expenditure requests from all of the Department's divisions and executive management, and update the Revenue Allocation Plan as decisions are made. Department expenditure requests. OFMB staff provides draft and final versions of the Revenue Allocation Plan for formal review and approval by the Transportation Commission, which then becomes CDOT's official budget for the next fiscal year.



Summary of CDOT Revenue Sources

Table 2 below provides a summary of the total revenue available to CDOT for FY 2020-21, and each revenue source is described in more detail below.

Table 2 - FY 2020-21 Revenue Forecast

Millions

Budget Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Budgeted	Forecast
Highway Users Tax Fund - CDOT	\$561.4	\$583.8	\$580.7	\$586.0	\$587.0
General Fund	\$79.5	\$79.5	\$771.2	\$715.5	\$550.5
Federal Programs	\$731.4	\$642.9	\$574.9	\$623.6	\$629.6
Aeronautics	\$25.3	\$29.2	\$33.9	\$34.5	\$33.0
Miscellaneous	\$29.9	\$21.4	\$47.4	\$28.1	\$29.0
State Multimodal Funding	\$6.8	\$7.0	\$82.0	\$29.3	\$8.0
State Safety Education Funding	\$3.8	\$3.3	\$2.0	\$3.8	\$2.9
State Infrastructure Bank	\$0.5	\$0.5	\$0.7	\$0.5	\$0.4
Total	\$1,438.6	\$1,367.6	\$2,092.8	\$2,021.3	\$1,840.4

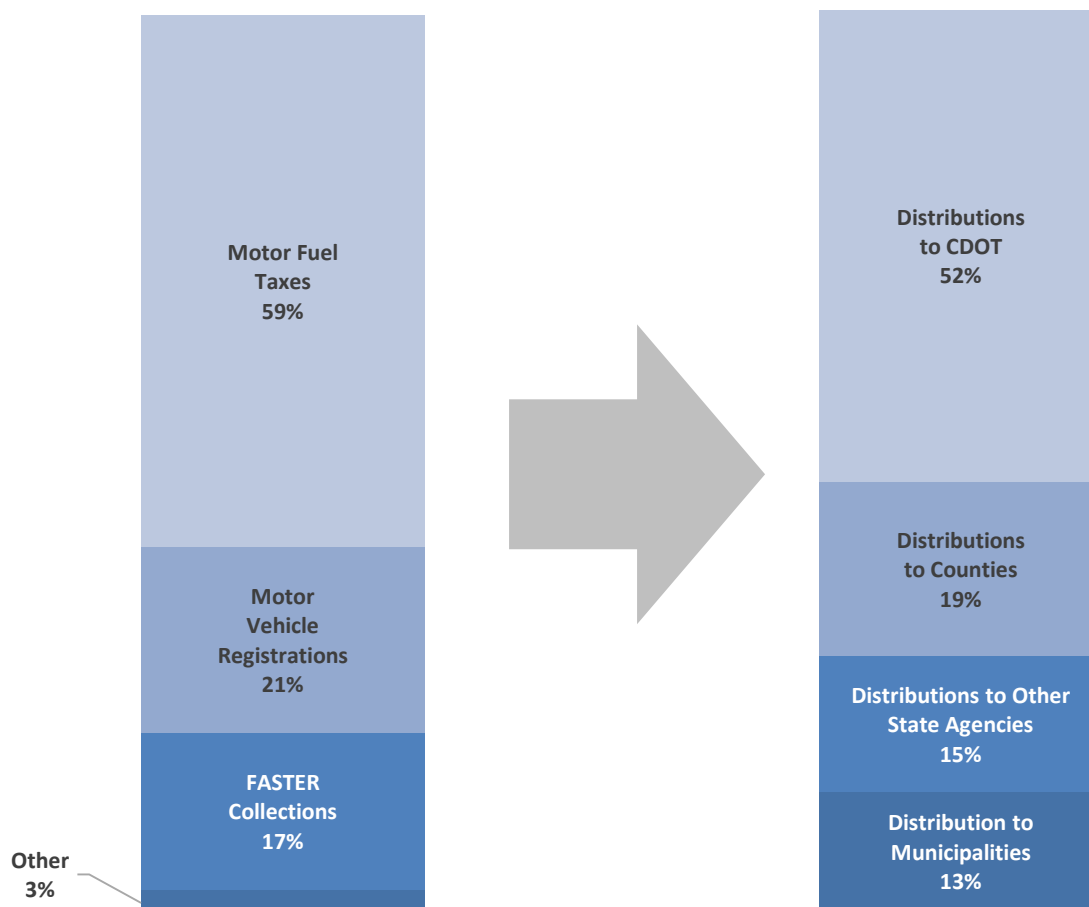


Highway Users Tax Fund

The Highway Users Tax Fund (HUTF) is comprised of state-levied fuel taxes and fees associated with the operation of motor vehicles in the state. The State Treasurer distributes the HUTF proceeds between CDOT, counties, and municipal governments according to statutory formulas. The distribution of HUTF Revenue is shown in Figure 12 below.

Figure 12 – HUTF Revenue Distribution

FY 2018-19





HUTF Revenue

Table 3 summarizes CDOT's portion of HUTF Revenue, and each source of revenue is described in more detail below.

Table 3 – HUTF Revenue to CDOT

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Forecast
HUTF Distribution – CDOT Allocation	\$561.4	\$583.8	\$580.7	\$586.0	\$587.0
Motor Fuel Taxes	\$315.0	\$328.5	\$325.4	\$327.3	\$326.6
Vehicle Registration Fees	\$112.5	\$117.3	\$116.2	\$116.9	\$116.6
Miscellaneous	\$22.5	\$23.5	\$23.2	\$23.4	\$23.3
FASTER Revenue – CDOT Allocation	\$111.3	\$114.5	\$115.8	\$118.5	\$120.5
Road Safety Surcharge	\$78.7	\$80.2	\$80.0	\$82.8	\$84.0
Late Registration Fees	\$12.1	\$12.5	\$13.1	\$12.9	\$13.1
Daily Vehicle Rental Fee	\$20.0	\$20.9	\$21.9	\$22.2	\$22.8
Oversize/Overweight Surcharge	\$0.6	\$0.8	\$0.8	\$0.6	\$0.6
Unregistered Vehicle Fine	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Motor Fuel Taxes - State excise taxes on motor fuel make up the largest share of funding to the HUTF. Excise taxes are levied at 22 cents per gallon for gasoline and 20.5 cents per gallon for diesel/special fuel.

Vehicle Registration Fees - Motor vehicle registration fees make up the second largest share of funding to the HUTF. Registration fees that go to the HUTF are based on the age and weight of the registered vehicle. Table 4 below outlines the vehicle registration fees that are credited to the HUTF.

Table 4 – Registration Fees Deposited in the HUTF

Fee	Amount
Weight-based Registration Fees	\$3.00 for motorcycles \$6.00 for passenger vehicles up to 2,000 pounds, plus \$0.20 extra per 100 pounds (up to 4,500 pounds) \$12.50 for passenger vehicles 4,500 pounds or more, plus \$0.60 for each additional 100 pounds
Age-based Registration Fees	\$12.00 for vehicles under 7 years' old \$10.00 for vehicles between 7 and 10 years' old \$7.00 for vehicles 11 years and older



Miscellaneous HUTF Revenue - This category includes revenue from traffic penalties and judicial collections, interest earnings, and various cash program revenues.

FASTER Revenue - In 2009, the General Assembly passed SB 09-108, also known as the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act. This bill created new motor vehicle fees, fines, and surcharges to fund road, bridge, and public transit projects. The fees and surcharges created by FASTER are outlined below.

Road Safety Surcharge - The Road Safety Surcharge applies to every registered vehicle, and it ranges between \$16 and \$39, depending on the vehicle. The amount of the Road Safety Surcharge is set in statute (§43-4-804(1) C.R.S.).

Late Registration Fees - In Colorado, motor vehicles must be registered annually. At the end of each registration period, motor vehicle owners have a one-month grace period to renew their registration. The FASTER late registration fee is charged when a motor vehicle is registered after the grace period. The fee is \$25 for each month the vehicle registration is late, and up to \$100 total. The county office that collects the late registration fee retains \$10 of the fee.

Daily Vehicle Rental Fee - All car rental companies in Colorado are required to collect a fee of \$2 for each day a vehicle is rented.

Oversize/Overweight Vehicle Surcharges - Special permits are required when a vehicle exceeds the size and weight restrictions for Colorado's roadways. CDOT is responsible for approving and issuing all special permits. This surcharge is due any time a vehicle requires a single-trip permit to travel, and ranges between \$15 and \$400 depending on the vehicle's size and weight and the duration of the permit.

Table 5 – Statewide FASTER Revenue

Millions

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Forecast	Forecast
Statewide HUTF Distribution	\$185.6	\$190.8	\$192.9	\$196.1	\$199.4
Road Safety Surcharge	\$131.18	\$133.72	\$133.29	\$135.00	\$137.00
Vehicle Registration Late Fee	\$20.10	\$20.90	\$21.81	\$22.10	\$22.40
Vehicle Rentals	\$33.28	\$34.83	\$36.49	\$38.00	\$39.00
Surcharge on Oversize Vehicle Permits	\$1.02	\$1.37	\$1.34	\$1.00	\$1.00
Unregistered Vehicle Fine	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



HUTF Distribution

HUTF revenue is distributed to CDOT, counties, and municipalities based on statutory formulas. The statewide distribution of HUTF funding is shown in Table 6 and described below.

Table 6 – Total Statewide HUTF Revenue

Millions

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Budgeted	Forecast
Statewide HUTF Distribution	\$1,067.5	\$1,113.3	\$1,115.2	\$1,090.1	\$1,092.8
"Off the top" Deductions	\$147.8	\$154.4	\$161.0	\$134.1	\$134.8
CDOT	\$561.4	\$583.8	\$580.7	\$586.0	\$587.0
Counties	\$208.1	\$216.5	\$215.3	\$217.7	\$218.0
Municipalities	\$142.6	\$148.1	\$147.7	\$147.0	\$147.7
Distributed for Other Purposes	\$7.7	\$10.5	\$10.5	\$5.3	\$5.3

HUTF revenue is allocated based on three separate funding streams, which are described below.

First Stream Revenue - First stream HUTF revenue consists of the following:

- proceeds from the first \$0.07 of fuel excise taxes;
- vehicle license plate, identification plate, and placard fees;
- driver license, motor vehicle title and registration, and motorist insurance identification fees;
- proceeds from the passenger-mile tax levied on commercial bus services; and
- interest earnings.

After “off-the-top” distributions to the Colorado State Patrol and the Department of Revenue, 65 percent of first stream revenue is distributed to CDOT, 26 percent is distributed to counties, and 9 percent is distributed to municipalities.

Second Stream Revenue - Second stream HUTF revenue consists of motor fuel taxes in excess of the first \$0.07 and age-based registration fees. Of this revenue, 60 percent is distributed to CDOT, 22 percent to counties, and 18 percent to municipalities.

Third Stream Revenue - Third stream revenues include the fees, surcharges, and fine revenues authorized by FASTER that are distributed to CDOT. Of this revenue, \$15.0 million is set aside for spending on transit projects, and the remaining funding is distributed using the same formula as second stream revenue.

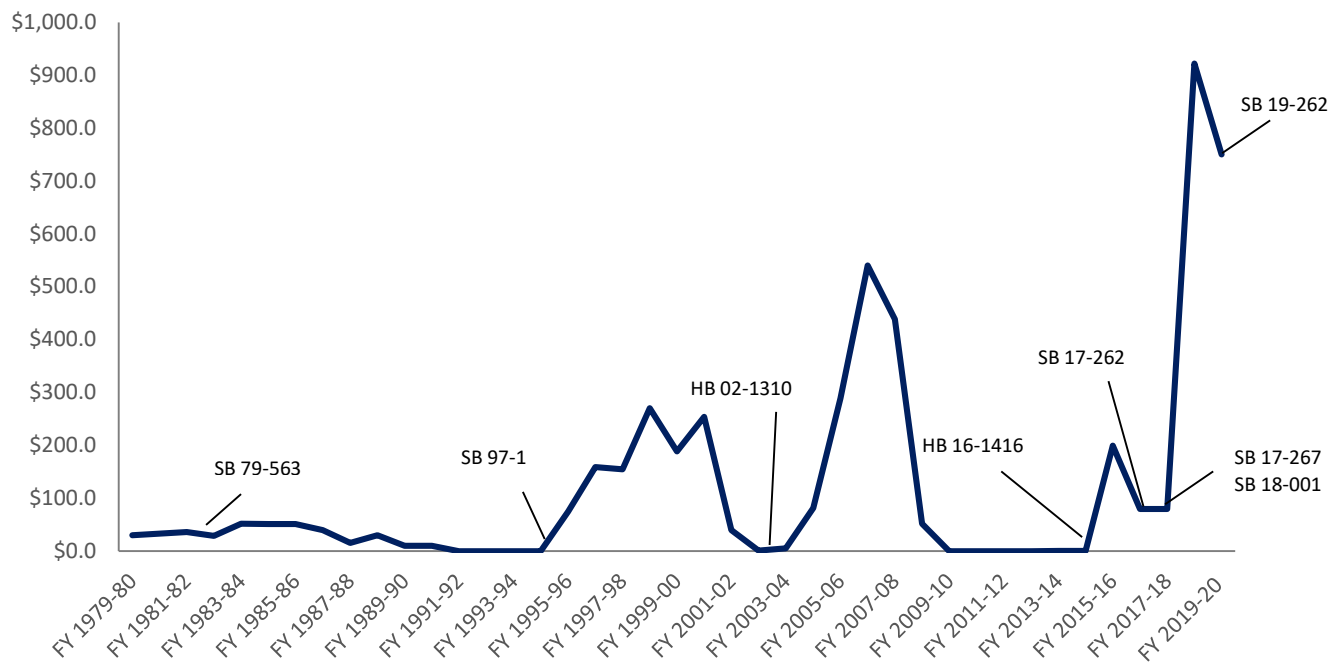


General Fund Transfers

Over the past 40 years, CDOT has received varying levels of funding from the state's General Fund. Figure 13 below provides an overview of General Fund spending on transportation since FY 1979-80.

Figure 13 – Historical General Fund Transfers to Transportation

FY 1978-80 to FY 2019-20



While CDOT does not currently have a dedicated stream of General Fund revenue, recent legislation has transferred one-time funding from the General Fund to CDOT, counties, and municipalities for transportation purposes. Table 5 summarizes the General Fund money diverted to CDOT in recent fiscal years, and each bill is described in more detail below.

The General Fund is not appropriated to the Department in the Long Bill, but rather transferred to the State Highway Fund, for which the Department has continuous spending authority. As such, General Fund transfers appear in the Long Bill as informational only cash funds.



Table 7 – General Fund Transfers to the State Highway Fund

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Forecast
General Fund	\$79.5	\$79.5	\$771.2	\$715.5	\$550.5
SB 17-262	\$79.0	\$79.0	\$0.0	\$0.0	\$0.0
SB 17-267	\$0.0	\$0.0	\$424.2	\$500.0	\$500.0
SB 18-001	\$0.0	\$0.0	\$346.5	\$105.0	\$0.0
SB 19-262	\$0.0	\$0.0	\$0.0	\$60.0	\$0.0
SB 19-263	\$0.0	\$0.0	\$0.0	\$50.0	\$50.0
HB 19-1258	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Development Transfers	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5

Senate Bill (SB) 09-228 - General Fund Transfers to Transportation

SB 09-228 required General Fund transfers to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund if certain conditions were met. The transfers were required in the five years following the calendar year that Colorado personal income grew by 5 percent. The first transfer was triggered in FY 2015-16, and \$199.2 million was transferred to the HUTF in the first year.

House Bill (HB) 16-1416 and SB 17-262 modified the SB 09-228 transfers, fixing the transfers at \$79.0 million in FY 2016-17 and FY 2017-18.

SB 17-267 repealed the last two years of SB 09-228 transfers.

SB 17-267 – Sustainability of Rural Colorado

This bill directed the State Treasurer to execute lease-purchase agreements on existing state facilities to generate revenue for priority transportation projects. These agreements function as sales of state property to private investors, and they require investors to immediately lease the buildings back to the state. Leases are renewed annually for up to 20 years, after which the state resumes ownership of the buildings. It is expected that the state will raise \$2.0 billion in total revenue from the selected buildings, or \$500 million in each of the four years they are executed (FY 2018-19 through FY 2021-22).

For FY 2018-19, the first \$120 million in proceeds went to controlled maintenance and capital construction projects, and the remaining proceeds were credited to the SHF for use by CDOT. All of the proceeds from the second, third, and fourth years are credited to the SHF. At least 25 percent of the proceeds credited to the SHF must be used for projects in rural counties, and 10 percent must be used for transit projects.



Under this bill, the state's total lease payments are limited to \$150 million annually over 20 years, or \$3.0 billion total. The General Fund is responsible for the first \$9.0 million in debt service, the SHF is responsible for the next \$50.0 million, and then the General Fund is responsible for anything remaining. Put another way, of the \$150 million in annual debt service for all four years, the General Fund is responsible for \$100 million and the SHF is responsible for \$50 million.

Current Status. While the first two years of lease-purchase agreements will be executed under current law, the execution of the third and fourth years of lease-purchase agreements will depend on the outcome of a bonding measure referred by SB 19-263, as discussed below.

Additionally, SB 19-263 annually transfers \$50 million from the General Fund to CDOT to cover the SHF portion SB 17-267 debt service. More information can be found in the section on SB 19-263 below.

SB 18-001 – Transportation Infrastructure Funding

This bill committed General Fund transfers to transportation for FY 2018-19 and FY 2019-20.

For **FY 2018-19**, SB 18-001 transferred \$495.0 million as follows:

- \$346.5 million to CDOT;
- \$74.25 million to counties and cities; and
- \$74.25 to the newly created Multimodal Transportation Options Fund (MTOF).

For **FY 2019-20**, SB 18-001 transferred \$150.0 million as follows:

- \$105.0 million to CDOT;
- \$22.5 million to counties and cities; and
- \$22.5 million to the MTOF.

Of the amount transferred to the MTOF in FY 2018-19, \$2.5 million was set aside for the Southwest Chief and Front Range Rail Commission. The remaining MTOF funding must be expended on multimodal transportation projects. More information on MTOF transfers can be found in the State Multimodal Transportation Funding Section.

In addition to the transfers outlined above, this bill included additional provisions based on the outcomes of two 2018 ballot initiatives, Propositions 109 and 110. With the defeat of both measures, SB 18-001 directed the General Assembly to refer a ballot measure in 2019 asking voters to approve a \$2.34 billion Transportation Revenue Anticipation Note (TRANs) issuance.



Current Status. Senate Bill 19-263 repealed the SB 18-001 ballot measure, and replaced it with a similar measure for the November 2020 election. A more detailed description of the new ballot measure can be found in the SB 19-263 section below.

SB 19-262 – General Fund Transfer to the Highway Users Tax Fund

For FY 2019-20, this bill transferred \$100 million from the General Fund to the Highway Users Tax Fund (HUTF), and allocated this funding as follows:

- 60 percent to CDOT;
- 22 percent to counties; and
- 18 percent to municipalities.

SB 19-263 – Delay Referral of TRANs Ballot Issue to 2020

This bill makes annual transfers of \$50 million from the General Fund to the SHF until FY 2039-40 to assist with CDOT's portion SB 17-267 debt service.

This bill also repealed the 2019 ballot measure that would have been referred to voters under SB 18-001, and creates a similar ballot measure for the November 2020 election.

If approved by the voters, this ballot measure will:

- require the sale of \$1.837 billion in TRANs, with a maximum repayment cost of \$2.560 billion over 20 years (or \$128 million per year);
- require an annual transfer of \$42.5 million from the General Fund to the SHF to assist with TRANs debt service (in addition to the \$50 million annual transfer, for a total of \$92.5 million annually); and
- repeal the last two years of SB 17-267 lease-purchase agreements (a total of \$1.0 billion).

Under this bill, the second year of SB 17-267 lease purchase agreements will still be issued. The third and fourth years of these agreements will only be issued if the ballot measure fails.

Tables 8 and 9 below summarize the revenue and debt service impacts based on the outcome of the 2020 ballot measure.



Table 8 – SB 19-263 Ballot Measure Outcomes - Revenue

Millions

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Ballot Measure Passes	\$612.3	\$612.3	\$612.3	\$0.0
2020 Ballot Measure Revenue	\$612.3	\$612.3	\$612.3	\$0.0
Ballot Measure Fails	\$500.0	\$500.0	\$0.0	\$0.0
SB 17-267 Revenue	\$500.0	\$500.0	\$0.0	\$0.0
2020 Ballot Measure Revenue	\$0.0	\$0.0	\$0.0	\$0.0

Table 9 – SB 19-263 Ballot Measure Outcomes – Debt Service

Millions

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Ballot Measure Passes				
Total State Highway Fund Obligation	\$57.2	\$99.8	\$142.5	\$142.5
SB 17-267 Obligation*	\$14.5	\$14.5	\$14.5	\$14.5
SB 19-263 TRANS Obligation	\$42.7	\$85.3	\$128.0	\$128.0
General Fund (GF) Transfer	(\$92.5)	(\$92.5)	(\$92.5)	(\$92.5)
Net SHF Debt Payment after GF Transfer	(\$35.3)	\$7.3	\$50.0	\$50.0
Ballot Measure Fails				
Total State Highway Fund Obligation	\$50.0	\$50.0	\$50.0	\$50.0
SB 17-267 Obligation	\$50.0	\$50.0	\$50.0	\$50.0
SB 19-263 TRANS Obligation	N/A	N/A	N/A	N/A
GF Transfer	(\$50.0)	(\$50.0)	(\$50.0)	(\$50.0)
Net SHF Debt Payment after GF Transfer	\$0.0	\$0.0	\$0.0	\$0.0

**Pursuant to SB 19-263, if the November 2020 ballot measure is approved by voters, the State Highway Fund will only be responsible for annual debt service payments \$14.5 million for the first two issuances of SB 17-267 lease-purchase agreement, with the remaining debt service paid out of the General Fund.*

Capital Development Transfers

Each year, the Department is required to submit a request for funding to the Capital Development Committee (CDC) of the General Assembly (43-1-113 (2.5) C.R.S.). In recent years, the CDC has allocated \$500,000 to CDOT for capital development projects.



Federal Sources of Revenue

In addition to state sources of funding, CDOT relies on revenue from the federal government. Federal funding for highway and transit projects primarily comes from the Federal Highway Trust fund, which is funded with federal fuel taxes. In recent years, fuel taxes have been insufficient to fully fund the Federal Highway Trust fund, and it has been supplemented by transfers from the federal General Fund.

This section outlines Colorado's federal funding in more detail, which is summarized in Table 10 below.

Table 10 – Federal Funding Summary

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Forecast
Federal Revenue	\$731.4	\$642.9	\$574.9	\$623.6	\$629.6
Federal Highway Revenue	\$664.8	\$523.5	\$512.9	\$550.7	\$553.5
Federal Highway Revenue - Local Match*	\$20.9	\$21.9	\$21.2	\$22.9	\$22.6
Federal Transit Revenue	\$24.5	\$56.1	\$20.0	\$26.8	\$29.6
Federal Transit Revenue - Local match*	\$12.6	\$23.5	\$12.1	\$14.6	\$14.2
Federal Safety Revenue	\$8.6	\$17.8	\$8.7	\$8.6	\$9.7

**Most federal funding requires a state or local government to provide a certain percentage of matching funding. This category represents matching funds from local governments.*

Federal Highway Revenue

On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act, or FAST Act. The FAST Act authorizes \$305 billion over federal fiscal years 2016 through 2020 for the US Department of Transportation's (USDOT) highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research programs. In addition to the multiyear Authorization Act mentioned above, federal revenues depend on the passage an annual Appropriations Act, or the extension of an act via "Continuing Resolution," in order to obligate federal resources and receive subsequent cash reimbursement. Colorado receives approximately 1.35 percent of the national total of "formula" funds distributed by the Federal Highway Administration (FHWA). Additionally, the State may receive discretionary grants from the USDOT, such as BUILD or FASTLANE, which are not projected as part of the revenue allocation model but could increase overall federal revenues.



The Federal Highway Trust Fund finances most federal government spending for highways and transit. The Highway Account in the Highway Trust fund is funded by various excise and sales taxes, which are summarized in Table 10 below. All Federal-aid projects must be in an approved STIP, and the FHWA must authorize projects in advance. State spending on authorized projects is reimbursed by the FHWA, and most federal-aid funding programs require a state or local match.

Table 11 – Federal Aid Highway Program Excise and Sales Taxes

Tax Type	Gross Tax Rate	Net to the Highway Account
Fuel Taxes (Proceeds go to the Highway and Mass Transit Accounts)		
Gasoline	18.4 cents per gallon	15.44 cents per gallon
Diesel	24.4 cents per gallon	21.44 cents per gallon
Gasohol (10% ethanol)	18.3 cents per gallon	10.14 cents per gallon
Special Fuels		
General rate	18.4 cents per gallon	15.44 cents per gallon
Liquefied petroleum gas	18.3 cents per gallon	16.2 cents per gallon
Liquefied natural gas	24.3 cents per gallon	22.44 cents per gallon
M85 (from natural gas)	9.25 cents per gallon	7.72 cents per gallon
Compressed natural gas	48.54 cents per thousand cubic feet	38.83 cents per thousand cubic feet
Non fuel taxes (all proceeds go to the Highway Account)		
Tires		
0-40 pounds	No Tax	
41-70 pounds	15¢ per pound in excess of 40 pounds	
71 to 90 pounds	\$4.50 plus 30¢ per pound in excess of 70 pounds	
More than 90 pounds	\$10.50 plus 50¢ per pound in excess of 90 pounds	
Truck and trailer sales	12.0 percent of retailer's sales price for tractors and trucks over 33,000 lbs. gross vehicle weight (GVW) and trailers over 26,000 lbs. GVW	
Heavy vehicle use	Annual tax: Trucks 55,000 lbs. and over GVW, \$100 plus \$22 for each 1,000 lbs. (or fraction thereof) in excess of 55,000 lbs. (maximum tax of \$550)	



Federal Transit Revenue

The Federal Transit Administration (FTA) provides financial and technical assistance to local public transit systems, and oversees safety measures and technology research. FTA funding for local transit projects comes from the Mass Transit Account of the Highway Trust Fund, which is currently supported by the motor fuel taxes shown in Table 12 below.

Local sources of revenue are used to match FTA apportionments, and the amount of local matching funding is shown in Table 10 above.

Table 12 – Federal Excise Taxes Supporting the Mass Transit Account

Tax Type	Tax Rate
Gasoline	2.86 cents per gallon
Diesel	2.86 cents per gallon
Gasohol (10% ethanol)	2.86 cents per gallon
Special Fuels	
General rate	2.86 cents per gallon
Liquefied petroleum gas	2.13 cents per gallon
Liquefied natural gas	1.86 cents per gallons
M85 (from natural gas)	1.43 cents per gallon
Compressed natural gas	9.71 cents per thousand cubic feet

Federal Safety Revenue

The National Highway Transportation Safety Administration (NHTSA) administers grant programs for state safety projects. This funding supports programs for state and community highway safety, traffic safety information systems, alcohol-impaired driving countermeasures, and motorcyclist safety.



Aeronautics Revenue

CDOT's Division of Aeronautics provides financial assistance to Colorado's 74 public use airports, promotes aviation safety and education, and promotes economic development through the development, operation, and maintenance of the state aviation system. Sources of aeronautics revenue are described in more detail below, and information on the distribution of this funding can be found in the Revenue Allocation section.

Table 13 – Aeronautics Revenue

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Forecast
Aeronautics Revenue	\$25.3	\$29.2	\$33.9	\$34.5	\$33.0
Aeronautics Revenue	\$25.3	\$29.2	\$33.9	\$34.5	\$33.0

Gasoline Excise Taxes - Colorado collects a tax of \$0.06 per gallon of gasoline used to propel non-turbo-propeller and non-jet aircraft, and a tax of \$0.04 per gallon of gasoline used to propel turbo-propeller and jet aircraft.

Aviation Fuel Sales Tax - The state assesses a sales tax of 2.9 percent of the value of all aviation fuel sold in Colorado.

Federal Aviation Administration Funding - From time to time, the Division of Aeronautics is the recipient of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants, generally for AIP-eligible statewide planning efforts.



Miscellaneous State Highway Fund Revenue

In addition to motor fuel taxes and registration fees, there are various smaller sources of revenue to the State Highway Fund. Examples of this revenue include proceeds from the sale of state property, interest earned on the money in the cash fund, and the issuance of oversize/overweight permits. The revenue from these sources is summarized in Table 14 below.

Table 14 – Miscellaneous State Highway Fund Revenue

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Forecast
Miscellaneous SHF Revenue	\$29.9	\$21.4	\$47.4	\$28.1	\$29.0
Permits	\$6.9	\$7.8	\$8.2	\$7.5	\$7.4
Service Charges	\$6.5	\$2.0	\$7.1	\$3.4	\$3.3
Sales	\$1.5	\$1.4	\$8.6	\$1.4	\$1.4
Damage Awards	\$6.2	\$2.6	\$4.2	\$6.5	\$6.5
Interest Earned	\$7.5	\$6.2	\$17.6	\$8.1	\$7.2
Property	\$1.3	\$1.3	\$1.6	\$1.2	\$1.2
Intergovernmental Services	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0



State Multimodal Transportation Funding

In addition to State highway funding, CDOT receives revenue for multimodal transportation projects, including transit, bike, and pedestrian projects. Most of this funding is transferred to local governments to assist with local multimodal projects, while the remainder is retained by CDOT for statewide multimodal initiatives.

Colorado's rapidly increasing population has led to an increase in congestion and greater wear on the state's roadways. Given the Department's current long-term revenue outlook, funding for multimodal projects will be critical to help keep the roads safe, reduce vehicle travel, and reduce the state's greenhouse gas emissions.

While funding for multimodal transportation has increased in recent years, most of this funding has been one-time funding from the state's General Fund. The long-term funding dedicated to multimodal projects is currently limited in future years.

This section outlines the revenue used for multimodal transportation projects.

Table 15 – State Multimodal Programs

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Forecast
State Multimodal Funding	\$6.8	\$7.0	\$82.0	\$29.3	\$8.0
Multimodal Transportation Options Fund	\$0.0	\$0.0	\$71.8	\$22.5	\$0.0
Southwest Chief Rail Commission	\$0.1	\$0.1	\$2.5	\$0.1	\$0.1
Rail and Transit - State Highways	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0
Bustang	\$1.7	\$1.9	\$2.7	\$1.7	\$2.9

Multimodal Transportation Options Fund - In 2018, SB 18-001 created the Multimodal Transportation Options Fund, which consists of \$94.25 million in one-time funding from the General Fund (after a \$2.5 million set-aside for the Southwest Chief and Front Range Rail Commission). Of this funding, 85 percent (\$80.12 million) must be granted to local governments, and 15 percent (\$14.13 million) is retained by CDOT for multimodal projects. More information on the allocation of this funding can be found in the CDOT Budget Allocation Section.

Senate Bill 19-125 - CDOT Supplemental Appropriations Bill. Senate Bill 18-001 was passed after the passage of the Long Bill, and there was no opportunity for CDOT to seek an appropriation from the legislature for \$71.75 million in funds transferred to the MTOF for FY 2018-19.



CDOT received a supplemental appropriation to use the MTOF funding in Senate Bill 19-125. This appropriation is available to the Department through the end of FY 2022-23.

The FY 2019-20 portion of MTOF funding was appropriated in the Long Bill for FY 2019-20, and this funding is available to the Department through the end of FY 2023-24.

Southwest Chief and Front Range Passenger Rail Commission (Passenger Rail Commission) - The Passenger Rail Commission was created by SB 17-153. It coordinates and oversees efforts by state and local governments, and cooperates with Kansas, New Mexico, Amtrak, and BNSF Railway, to ensure completion of track repairs and upgrades required to continue Southwest Chief Rail service in Colorado.

Front Range Passenger Rail. SB 18-001 provided \$2.5 million for studies, staffing, and Federal Grant match to formulate a proposal for Front Range passenger rail service. Updates on the Passenger Rail Commission and Front Range Passenger Rail can be found [here](#).

State Rail and Transit -Each year, \$15 million from the FASTER Road Safety Surcharge is annually set aside for transit projects. FASTER transit funds are split between local transit grants (\$5 million per year) and statewide projects (\$10 million per year).

The \$5 million in local transit grants are awarded competitively by CDOT, while the \$10 million in statewide funds are programmed by the CDOT Division of Transit and Rail to statewide, interregional, and regional projects. Local recipients are required to provide a minimum 20 percent local match. Among the types of projects that have been awarded are the purchase or replacement of transit vehicles, construction of multimodal stations, and acquisition of equipment for consolidated call centers.

Bustang - Bustang is an interregional bus service operated by the Department that connects commuters along the I-25 Front Range and I-70 Mountain Corridors. Bustang links local transit systems together and addresses demand for reliable transit alternatives along the highest traveled corridors of the state. Additional information on Bustang Routes can be found in Revenue Allocation section.

The primary source of revenue for Bustang is fare revenue, and total Bustang fare revenue is shown in Table 16 below.



Table 16 – Bustang Fare Revenue

FY 2015-16 to FY 2018-19

Fiscal Year	Ridership	Fare Revenue
FY 2015-16	102,503	\$1,014,589
FY 2016-17	155,864	\$1,551,435
FY 2017-18	194,064	\$1,844,669
FY 2018-19	238,135	\$2,637,877
Total	690,566	7,048,570



State Safety Education Programs

In addition to the Federal safety funding the state gets from NHTSA, the state funds a number of other safety programs, primarily focused on impaired driving programs. These programs are described below.

Table 17 – State Safety Programs

Millions

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Budgeted	Forecast
State Safety Education Programs	\$3.8	\$3.3	\$2.0	\$3.8	\$2.9
Motorcycle Operator Safety Training	\$1.0	\$0.5	\$0.0	\$0.0	\$0.0
Law Enforcement Assistance Fund	\$0.4	\$0.4	\$0.3	\$0.4	\$0.5
First Time Drunk Driver	\$1.5	\$1.5	\$0.8	\$2.5	\$1.5
Marijuana Impaired Driving Program	\$0.9	\$0.9	\$0.9	\$1.0	\$1.0

**The FY 2019-20 budget for the First Time Drunk Driver program includes a one-time appropriation of \$1.0 million from the Marijuana Tax Cash Fund.*

Motorcycle Operator Safety Training - The Motorcycle Operator Safety Training (MOST) program was created to promote motorcycle safety training, and increase its accessibility and affordability. It is funded by a \$2 surcharge for a motorcycle endorsement on driver licenses and \$4 surcharge for motorcycle registration. Administration of this program was transferred from CDOT to the Colorado Department of Public Safety on January 1, 2018 by SB 17-243.

Law Enforcement Assistance Fund - Every person who is convicted of, or pleads guilty to, driving under the influence (DUI) pays a fine of \$75, of which \$60 is credited to the Law Enforcement Assistance Fund (LEAF). After appropriations to the Colorado Department of Public Health and Environment (CDPHE) for evidential breath alcohol testing and the Colorado Bureau of Investigation (CBI) for toxicology lab services, the remainder of the funding is diverted to CDOT (80 percent) and the Department of Human Services (DHS) (20 percent). CDOT's portion of this funding is used to increase the law enforcement presence on public highways during periods of the year known to have a higher incidence of impaired driving.

First Time Drunk Driver - Under current state law, a driver must pay a \$95 reinstatement fee to reinstate a driver license that was cancelled or denied. Of this fee, \$22 is deposited in the First Time Drunk Driving (FTDD) Offender Account. After appropriations to the Colorado Department of Revenue (DOR) for costs related to ignition interlock devices, the remainder of this funding is appropriated to CDOT and used for the High Visibility Enforcement (HVE) periods required by statute.



Enforcement episodes include, but are not limited to, specific dates that have high incidences of impaired driving crashes, such as St. Patrick's Day, 4th of July, Labor Day, etc. CDOT implements the enforcement episodes based on problem identification analysis. Beginning in FY 2019-20, the Department increased the number of HVE campaigns from 12 to 15 to cover the Sturgis Rally, as well as winter and summer peak periods. This increased the number of enforcement days from 147 to 177.

Marijuana Tax Cash Fund - The Marijuana Tax Cash Fund is funded by state sales and excise taxes on medical and recreational marijuana. CDOT currently receives an annual appropriation of \$950,000 to fund outreach and education on marijuana impaired driving.

In 2018, CDOT and its partners embarked on a new effort to engage the public in a conversation about marijuana and driving in Colorado – The Colorado Cannabis Conversation.

The Colorado Cannabis Conversation – 2018: In 2018, the campaign engaged stakeholders through media relations, public meetings, intercept events, an online survey, and focus group research to gain a deeper and actionable understanding of the habits, attitudes and behaviors surrounding marijuana and driving. CDOT also launched a paid advertising campaign that documented the public involvement process. In total, CDOT gathered behavior and opinion data from more than 15,000 Coloradans.

The Colorado Cannabis Conversation – 2019: Using what we learned in 2018, CDOT will work with the public to develop a drugged driving marketing campaign for 2020, continuing the public engagement process to cooperatively address marijuana-impaired driving. This will include public surveys and digital focus groups to research and solicit feedback on four actual campaign concepts. Feedback will help guide message development for the 2020 campaign.



State Infrastructure Bank

The Colorado State Infrastructure Bank (SIB) is a revolving fund created by the General Assembly that is authorized to make loans to public and private entities to facilitate the financing of transportation projects in the state. The fund receives interest income from the fund's loan portfolio and the fund's cash balance. More information on how this revenue is distributed can be found in the CDOT Revenue sources section.

Table 18 – State Infrastructure Bank

Millions

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budgeted	FY 2020-21 Forecast
State Infrastructure Bank	\$0.5	\$0.5	\$0.7	\$0.5	\$0.4
State Infrastructure Bank	\$0.5	\$0.5	\$0.7	\$0.5	\$0.4



CDOT Revenue Allocation

Each year, the Transportation Commission allocates the estimated revenue that will be available for the upcoming budget year to CDOT's various programs. The Revenue Allocation Plan ("one-sheet") summarizes the estimated FY 2020-21 revenue that will be allocated to each line of CDOT's budget. This section describes the allocation of the Department's revenue in more detail, and the one-sheet can be found in Appendix A.



Capital Construction

Supported by construction contractors, CDOT delivers an annual construction program focused on maintaining the condition of existing assets, improving the safety of the system, and enhancing mobility through major upgrades and expansion of the system. CDOT's construction program includes 14 construction programs organized into three categories: Asset Management, Safety, and Mobility. Funding for construction includes not only the work performed on the road by contractors, but also design, right of way acquisition, and related support costs.

Recent increases in funding can be attributed to one-time General Fund transfers, as described in the Revenue Allocation section above.

Table 19 – Capital Construction Allocations

Millions

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Allocated	Allocated	Allocated	Budgeted	Final
Asset Management	\$240.3	\$354.5	\$426.9	\$318.9	\$325.2
Surface Treatment	\$145.1	\$226.5	\$313.7	\$222.0	\$223.2
Structures	\$44.1	\$70.1	\$57.0	\$56.6	\$51.8
System Operations	\$34.5	\$41.1	\$41.3	\$24.1	\$31.4
Geohazards Mitigation	\$10.0	\$10.3	\$8.4	\$9.7	\$12.3
Permanent Water Quality Mitigation	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5
Safety	\$109.4	\$121.1	\$121.0	\$140.5	\$127.6
Highway Safety Improvement Program	\$30.3	\$42.5	\$43.1	\$44.0	\$32.8
Railway-Highway Crossings Program	\$16.6	\$3.3	\$3.4	\$3.5	\$3.6
Hot Spots	\$2.2	\$2.2	\$2.2	\$2.2	\$2.2
FASTER Safety	\$56.8	\$62.5	\$67.4	\$68.5	\$67.6
ADA Compliance	\$3.5	\$10.5	\$5.0	\$22.4	\$21.4
Mobility	\$136.7	\$138.0	\$653.0	\$626.5	\$520.8
Regional Priority Program	\$48.6	\$48.4	\$48.7	\$48.4	\$48.4
Strategic Projects	\$71.1	\$71.1	\$583.5	\$555.0	\$450.0
National Highway Freight Program	\$16.9	\$18.5	\$20.8	\$23.1	\$22.4
Total	\$486.3	\$613.5	\$1,200.9	\$1,085.9	\$973.6



Asset Management

Surface Treatment - The Department's surface treatment program maintains the quality of the pavement on state highways at the highest possible level. Department staff utilizes pavement management software and annual data collection to make recommendations on the segments of the state highway system should be prioritized for rehabilitation.

The main sources of funding for the surface treatment program are State Highway Funds and federal reimbursement for eligible expenditures.

Structures - This program provides inspection and inventory of the statewide structures, manages all essential repairs and critical findings for statewide structural asset programs, and evaluates permits required for oversize and overweight vehicles.

The main sources of funding for the surface treatment program are State Highway Funds and federal reimbursement for eligible expenditures.

System Operations - This program is focused on implementing new and innovative technology, deploying and integrating statewide Intelligent Technology Systems (ITS), incorporating automated performance measures, and extending technical resources to CDOT regions in the areas of traffic signal and ramp metering. This program also leads and/or participates in the development and implementation of arterial and freeway management strategies throughout the state.

Geohazards Mitigation - Mountain and canyon corridors are affected by several geologic hazards such as debris flow, embankment distress, landslides, rockfall, rockslides, and sinkholes. The Geohazards Program designs mitigation plans, reviews consultant designs, performs site inspections during construction, responds to rock falls, and other geological hazards-related emergencies. Other work includes responding to requests from Maintenance, Engineering, and the public when slope issues are observed. The current inventory of recognized geological hazards throughout the state is just over 3,000.

The main source of revenue for the Geohazards Program is the State Highway Fund.

Permanent Water Quality Mitigation - The primary goal of the Permanent Water Quality (PWQ) Program is to treat pollution in stormwater from CDOT roadways before it flows into Colorado's rivers, lakes and streams. Pollutants from CDOT roadways includes oil and grease, copper, any fluids from vehicles, lead and chloride. The PWQ Control Measures (CMs) that clean these pollutants from stormwater include swales, basins or ponds, and porous surfaces. Each of these CMs capitalizes on natural mechanisms, such as sediment removal or infiltrating water through the ground, to eliminate roadway pollutants from entering surface and ground water.



The PWQ Program is a regulatory program that is evaluated by the Colorado Department of Public Health and Environment through CDOT's storm water (MS4) permit. CDOT Headquarters staff support Regions in assessing whether or not PWQ Control Measures (CMs) are required on transportation projects, in tracking CMs in a statewide inventory, and in ensuring CMs are inspected and maintained to promote healthy Colorado water. The scenic byways throughout Colorado are maintained and improved through CDOT's Permanent Water Quality Program.

The main source of revenue for this program is the State Highway Fund and federal reimbursement for eligible expenditures.

Safety

Highway Safety Improvement Program - The primary goal of the Highway Safety Improvement Program (HSIP) program is to achieve a significant reduction in fatalities and serious injuries on all publicly maintained roads. This includes public roads not owned by the state and roads on tribal lands. To comply with this program, CDOT is required to develop a strategic highway safety plan that identifies and analyzes highway safety programs and opportunities, create projects to reduce the identified safety problems, and evaluate and update the plan on a regular basis.

For FY 2018-19 and FY 2019-20, \$11.4 million of HSIP funding was diverted to the Department's new Strategic Safety Program, which is described in more detail below. The main sources of funding for the HSIP program are State Highway Funds and federal reimbursement for eligible expenditures.

Railway-Highway Crossings Program - The Railway-Highway Crossings program is a federally mandated program for the elimination of hazards at railway-highway crossings. The purpose of this program is to reduce the number of injuries and fatalities at public crossings throughout the state. Nationwide, since the program's inception in 1987 through 2014, for which the most recent data is available, fatalities at public crossings have decreased by 57 percent. The overall reductions in fatalities come despite an increase in vehicle miles traveled on roadways and an increase in passenger and freight traffic on railways.

The main sources of revenue to the Railway-Highway Crossings program are federal highway funds and local matching funds.

Hot Spots - This is a CDOT safety program that seeks to mitigate minor unforeseen issues that need immediate attention, as well as add funding to ongoing projects for unforeseen safety issues discovered during the project process.

The main sources of funding for the Hot Spots program are State Highway Funds and federal reimbursement for eligible expenditures.



FASTER Safety – FASTER safety funding is used for road safety projects, defined in statute as a construction, reconstruction, or maintenance project the Transportation Commission, a county, or municipality determines is needed to enhance roadway safety. Projects that have been funded with FASTER safety funding include pavement and other asset management projects, intersection and interchange improvements, shoulders and safety-related widening, and wildlife fencing.

FASTER Safety projects are funded through distributions of revenue generated by Senate Bill 09-108, which are credited to the Highway Users Tax Fund. This funding source is described in more detail in the State Revenue Section above.

ADA Compliance - The landmark Americans with Disabilities Act (ADA) mandates that qualified individuals with disabilities shall not be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity.

For CDOT and its sub-recipients, these services or activities are any that are transportation-related. These can include but are not limited to: roadways, contiguous walkways, intersections, rest areas, roadside emergency telephones, public conveyances such as buses and light rail, and literature related to any of these. CDOT is pursuing an aggressive strategy of upgrading curb ramps through regular program delivery, as well as committing dedicated funding toward curb ramp upgrading to achieve ADA compliance within five years.

The main sources of funding for the ADA Compliance program are State Highway Funds and federal reimbursement for eligible expenditures.

Mobility

Regional Priority Program - The objective of the Regional Priority Program (RPP) is to supplement the formula-driven funding allocations to the five CDOT engineering regions with flexible state funding. This funding is used at the discretion of each Regional Transportation Director, in consultation with local elected officials and other stakeholders in each region. RPP funds are distributed to the CDOT Regions according to a formula that is weighted on these factors: 50 percent population, 35 percent state highway system lane miles, and 15 percent state highway system truck Vehicle Miles Traveled (VMT).

The RPP is funded through annual Transportation Commission allocations of State Highway Funds with federal reimbursement for eligible expenditures.

Strategic Projects – Funding from General Fund transfers, as described in the General Fund Transfers section, primarily goes to strategic construction projects. This line currently includes funding from SB 17-267, SB 18-001, and SB 19-262.



National Highway Freight Program - The National Highway Freight Program (NHFP) is a formula-based program with the purpose of improving the efficient movement of freight on the National Highway Freight Network (NHFN). The NHFN includes the interstates, several small segments of other corridors important to freight movement, and approximately 240 miles of Critical Urban and Critical Rural Freight Corridors to be designated by the state.

The main sources of funding for the NHFP are State Highway Funds and federal reimbursement for eligible expenditures.



Maintenance and Operations

CDOT maintenance and operations staff are responsible for the daily maintenance and operation of the state transportation system. This includes Maintenance Program Areas focused on activities such as snow and ice removal and pavement repair, and programs focused on ensuring the system operates efficiently, such as Courtesy Patrol and Heavy Tow services to remove inoperable vehicles from traffic, and real-time travel information provided to travelers via Variable Message Signs, or the COTRIP website.

Table 20 – Maintenance and Operations Allocations

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Asset Management	\$282.6	\$314.0	\$329.8	\$315.4	\$332.9
Maintenance Program Areas	\$262.6	\$263.5	\$272.8	\$263.4	\$265.2
Toll Corridor General Purpose Lanes	\$0.0	\$0.0	\$0.0	\$2.3	\$2.9
Property	\$10.0	\$17.5	\$20.2	\$17.6	\$29.3
Road Equipment	\$0.0	\$23.0	\$26.8	\$22.1	\$23.5
Maintenance Reserve Fund	\$10.0	\$10.0	\$10.0	\$10.0	\$12.0
Safety	\$0.0	\$0.0	\$0.0	\$0.0	\$11.4
Strategic Safety Program	\$0.0	\$0.0	\$0.0	\$0.0	\$11.4
Mobility	\$16.7	\$16.7	\$20.6	\$20.6	\$24.6
Real-time Traffic Operations	\$6.7	\$6.7	\$10.6	\$10.6	\$14.6
ITS Investments	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
Total	\$299.3	\$330.7	\$350.4	\$336.0	\$368.9

Asset Management

Maintenance Program Areas - In an effort to provide statewide consistency in service, CDOT uses a performance-based budgeting system for its maintenance program. The Maintenance Levels of Service (MLOS) system includes an annual physical rating and/or survey to gauge conditions for approximately 64 activities or system categories. The measured items all fall under six Maintenance Program Areas (MPA):

- Roadway Surface;
- Roadside Facilities;
- Roadside Appearance;
- Structure Maintenance;
- Tunnel Activities; and
- Snow and Ice Control.



Additionally, there are operational MPA's that are funded through MLOS but are not measured and assigned a letter grade:

- Traffic services;
- Materials, Equipment, and Buildings; and
- Planning and Scheduling.

Table 21 – Funding in Maintenance Program Areas

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Maintenance Program Areas	\$262.6	\$263.5	\$272.8	\$263.4	\$265.2
Roadway Surface	\$39.2	\$36.5	\$37.5	\$36.5	\$36.8
Roadside Facilities	\$22.0	\$24.5	\$25.0	\$24.4	\$24.5
Roadside Appearance	\$8.6	\$10.7	\$11.0	\$10.7	\$10.8
Structure Maintenance	\$12.2	\$6.1	\$6.3	\$6.1	\$6.2
Tunnel Activities	\$7.2	\$6.0	\$6.1	\$6.0	\$6.0
Snow and Ice Control	\$76.1	\$79.1	\$82.6	\$79.2	\$79.8
Traffic Services	\$66.3	\$65.5	\$68.4	\$65.4	\$65.9
Materials, Equipment, and Buildings	\$15.5	\$17.7	\$18.2	\$17.7	\$17.4
Planning and Scheduling	\$15.6	\$17.3	\$17.8	\$17.3	\$17.9

There are 13 service levels established for each MPA, with calculations translated to a scale of A+ through F, with A+ being the highest service level and F being the lowest.

The main source of funding to the CDOT maintenance program is the State Highway Fund.

Property - This budget is used for CDOT's inventory of over 1,200 buildings, which include vehicle storage facilities, sand sheds, office buildings and lab facilities, as well as a limited number of employee housing facilities and storage sheds.

In addition to ongoing maintenance and repair, the structural conditions of each building are evaluated and graded annually. CDOT's goal is to maintain 85 percent or more of its buildings at a level C or better, on an A through F rating scale. Existing buildings are assessed for replacement or refurbishment in an effort to maintain desired condition levels.

The main source of revenue for this program is the State Highway Fund.



Road Equipment - CDOT relies on a wide variety of heavy road equipment for the maintenance of the state highway system. The fleet includes:

- trucks used to haul asphalt, rocks, and earth;
- trucks that plow snow and distribute snow and ice melting materials;
- large mobile sweepers;
- large landscaping mowers; and
- a hot plant for producing asphaltic concrete pavement.

CDOT has developed an expected useful life for all heavy equipment based on age and usage (mileage or hours), and the Department has a vigorous fleet management system to proactively address the condition of its fleet.

The main source of revenue for this program is the State Highway Fund.

Maintenance Reserve Fund - This funding is used to fund emergency maintenance activities, such as snow and ice removal and wildfire response. The Division of Maintenance and Operations uses this funding to reimburse any budget used for emergency response activities.

The main source of revenue for this program is the State Highway Fund.

Safety

Strategic Safety Program - For FY 2018-19 and FY 2019-20, the Transportation Commission approved the transfer of \$11.4 million in funding from the Highway Safety Improvement Program (HSIP) to the newly established Strategic Safety Program. The Strategic Safety Program is focused on decreasing the frequency and severity of accidents through systematic statewide safety improvement programs, which include: 6-inch striping, interstate cable rail, rumble strips, variable speed limit signage, and MASH compliant guardrail.

Mobility

Real-time Traffic Operations – Under this program, the Department removes incidents from Colorado’s highways and restores normal traffic operations as safely and quickly as possible. This program includes the State Farm Safety Patrol, which provides limited roadside assistance at no charge to drivers.

ITS Investments - The Colorado Department of Transportation uses advanced technology and information systems to manage and maintain safe and free-flowing state highways and to inform motorists in Colorado about traffic and roadway conditions. Travel information is provided to the public by a variety of methods including:



- the COTrip.org website displaying Closed Circuit Television (CCTV) images, speed maps and travel times, weather conditions, construction information, alerts (including Amber Alerts), and more;
- 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;
- Variable Message Signs (VMS) providing travel messages including: closures, alternative routes, road condition information, special events, and real-time trip travel time information

The main sources of funding for this program are State Highway Funds and federal reimbursement for eligible expenditures.



Multimodal Services

CDOT works to reduce air pollution and roadway congestion by providing multimodal transportation options through its Office of Innovative Mobility and Division of Transit and Rail. This includes Bustang and Bustang Outrider interregional bus service, strategic investment in multimodal infrastructure such as Mobility Hubs, and support for transit and light duty vehicle electrification.

Table 22 – State Multimodal Allocations

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Mobility	\$23.6	\$23.6	\$73.9	\$69.8	\$70.1
Innovative Mobility Programs	\$12.7	\$12.7	\$14.9	\$12.1	\$11.1
Strategic Transit	\$7.9	\$7.9	\$48.8	\$50.0	\$50.0
Rail Commission	\$0.0	\$0.0	\$2.5	\$0.0	\$0.1
Bustang	\$3.0	\$3.0	\$7.7	\$7.7	\$8.9

Innovative Mobility Programs – The Office of Innovative Mobility incorporates the Division of Transit and Rail, integrating its functions with other means of expanding multimodal transportation options, including ridesharing, electrification, and emerging technologies, providing additional choices to avoid single occupancy vehicle use. Through these initiatives, the Department hopes to reduce total vehicle miles traveled (VMT) per capita in the state, and looks to curb the growth of greenhouse gas and ozone causing emissions from transportation related activities.

Strategic Transit and Multimodal Projects – This program consists for statewide transit funding from Senate Bill 17-267 and Senate Bill 18-001.

Of the funding the Department receives from SB 17-267, 10 percent must be used for transit projects. This funding is funneled into strategic transit projects.

Additionally, Senate Bill 18-001 allocated a total of \$94.25 million to the Multimodal Transportation Options Fund. Of this funding, 15 percent must be used for statewide multimodal projects (\$10.8 million in FY 2018-19 and \$3.4 million in FY 2019-20).

Rail Commission - SB 18-001 provided \$2.5 million for studies, staffing, and Federal Grant match to formulate a proposal for Front Range passenger rail service. The Passenger Rail Commission recently issued an RFP for this study, which can be found [here](#).



Bustang - Since Bustang service began on July 13, 2015, its ridership has increased by more than 300 percent, and it has provided service to more than 690,000 passengers, with ridership averaging more than 19,000 passengers per month in FY 2018-19. Bustang initially started with three routes to Fort Collins, Colorado Springs, and Glenwood Springs from Denver. Since then, additional bus routes have been added, which are discussed below.

Bustang Outrider. In addition to the primary Bustang routes described above, CDOT began the Bustang Outrider program in 2018. Bustang Outrider expanded the program and added a number of routes:

- **Lamar – Colorado Springs** in service Monday through Friday except major holidays, operated by Senior Resource Development Agency of Pueblo, Inc. (SRDA)
- **Alamosa - Salida -Pueblo** is in service daily and is also operated by SRDA.
- **Gunnison - Salida- Denver** is operating in service daily and is operated by Alpine Express Shuttle.
- **Durango - Grand Junction** has transitioned to Outrider from Roadrunner operating in service daily by Southern Colorado Community Action Agency (SoCoCAA, formerly SUCAP)
- **Denver - Salt Lake City** – currently operated by Greyhound, and to be replaced in January 2021 as Outrider

Additionally, there are a number of new routes that are scheduled to begin in 2021, which include:

- **Trinidad – Pueblo** proposed for 5 days/week service, except major holidays.
- **Sterling – Greeley** proposed for 5 days/week service, except major holidays.
- **Telluride – Grand Junction** proposed for 5 days/week service, except major holidays.
- **Craig – Denver via U.S. 40** for 7 days/week service, except major holidays.

Snowstang. Starting December 14, 2019, Snowstang will provide 40 days of service to the Arapahoe Basin, Loveland, and Steamboat ski areas on Saturdays and Sundays.

Estes Park. Beginning on August 24, 2019 Bustang ran a 6-week promotional route to Estes Park on Saturdays, Sundays, and Holidays. This route may be continued in 2020 based depending on ridership demand and available funding.



Suballocated Programs

CDOT administers several suballocated programs, passing funds through to local agencies to prioritize and deliver transportation improvements. This includes transit and aeronautics grant programs and programs such as STP-Metro and CMAQ that are used for a variety of highway and multimodal improvements. Suballocated programs are organized into three categories: Highways, Transit and Multimodal, and Aeronautics.

Table 23 – Suballocated Programs

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Aeronautics	\$16.7	\$21.9	\$24.2	\$33.3	\$31.8
Aviation System Programs	\$16.7	\$21.9	\$24.2	\$33.3	\$31.8
Highway	\$117.0	\$119.2	\$122.2	\$123.6	\$125.7
STP - Metro	\$51.8	\$53.0	\$54.0	\$55.4	\$55.7
CMAQ	\$47.4	\$48.3	\$50.3	\$50.2	\$50.5
Metropolitan Planning	\$8.3	\$8.4	\$8.4	\$8.6	\$9.1
Off-System Bridge Program	\$9.5	\$9.5	\$9.4	\$9.4	\$10.5
Transit and Multimodal	\$74.8	\$54.9	\$124.3	\$86.8	\$66.6
Recreational Trails	\$13.6	\$1.6	\$1.6	\$1.6	\$1.6
Safe Routes to Schools	\$2.5	\$2.5	\$2.5	\$3.1	\$3.1
Transportation Alternatives Program	\$12.0	\$12.4	\$12.3	\$12.3	\$12.3
Transit Grant Programs	\$46.7	\$38.5	\$46.9	\$47.3	\$49.6
Multimodal Options Program	\$0.0	\$0.0	\$61.0	\$22.5	\$0.0
Total	\$208.5	\$196.0	\$270.7	\$243.6	\$224.1

Aeronautics

The Division of Aeronautics promotes the safe operation and accessibility of general aviation and intrastate commercial aviation in Colorado. The objectives of the Division are to:

- set priorities for improving the state's air transportation system;
- provide financial assistance to maintain and improve Colorado's 74 public use airports;
- promote aviation safety and education; and
- promote economic development through the development, operation, and maintenance of the state aviation system.

Distribution of Aviation Revenue. Revenue from aviation fuel taxes is distributed to the state airports by CDOT's Division of Aeronautics. Airports receive an amount equal to \$0.04 for each taxable gallon of gasoline sold at each airport, and 65 percent of the sales and use taxes generated at each airport by the aviation fuel sales tax.



Colorado Discretionary Aviation Grant (CDAG) Program. After distributing funding to airports, the remaining funding is used for the Colorado Discretionary Aviation Grant (CDAG) Program. The CDAG Program was developed to maintain and improve the statewide aviation system. This is achieved by providing grants that help meet individual airport and statewide aviation goals and needs.

Highway

Surface Transportation Program (STP) -Metro - The Surface Transportation Program (STP) is a federally mandated program that provides flexible funding to states and localities for projects to preserve and improve the conditions and performance on:

- any Federal-aid highway, bridge, and tunnel projects on any public road;
- pedestrian and bicycle infrastructure; and
- transit capital projects, including intercity bus terminals.

STP-Metro is a sub-program of STP for urbanized areas with populations greater than 200,000. Project selection for STP-Metro funds is conducted by federally designated regional Transportation Management Areas (TMAs) comprised of local governments. In Colorado, the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), and the North Front Range Metropolitan Planning Organization (NFRMPO) select projects and the member governments that receive funding contribute matching funds. Project finance is administered by CDOT.

The main sources of revenue to the STP-Metro program are:

- Federal highway funds equal to the estimated net revenue amount of the STP apportionment set-aside for urban areas with populations exceeding 200,000 (82.79 percent);
- Required local match (17.21 percent); and
- Additional local funds in excess of the required matching amounts.

The annual apportionment of federal spending authority for the STP-Metro is available for four fiscal years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

Congestions Mitigation and Air Quality - Congestion Mitigation and Air Quality (CMAQ) is a federally mandated program to improve air quality in nonattainment and maintenance areas for ozone, carbon monoxide, and particulate matter. These include the areas of the North Front Range Metropolitan Planning Organization (NFRMPO), the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), portions of the



Upper Front Range Transportation Planning Region (UFR TPR), Aspen, Cañon City, Pagosa Springs, Steamboat Springs, and Telluride.

Funds may be used for transportation projects designed to contribute to the attainment or maintenance of national ambient air quality standards (NAAQS), with a high level of effectiveness in reducing air pollution. More information on the CMAQ program can be found [here](#).

The main sources of revenue to the CMAQ program are:

- Federal highway funds (82.79 percent);
- Required local matching funds (17.21 percent); and
- Additional local funds above the matching requirement.

Federal funds are apportioned according to a formula based on population and severity of pollution in ozone and carbon monoxide areas. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

Metropolitan Planning - The Metropolitan Planning program is a federally mandated program to fund transportation planning processes at federally designated Metropolitan Planning Organizations (MPOs). This planning process establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas with populations exceeding 50,000. The MPOs in Colorado are the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), the North Front Range Metropolitan Planning Organization (NFRMPO), the Pueblo Area Council of Governments, and the Grand Valley MPO (GVMPO).

The main sources of revenue to the Metropolitan Planning program are:

- Federal funds (Federal Highways Administration and Federal Transit Authority) (82.79 percent); and
- Required local matching funds (17.21 percent)

These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.



Transit and Multimodal

Recreational Trails - The Recreational Trails Program provides funds from the FHWA to States to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses.

The Recreational Trails program is funded through federal reimbursement for eligible expenditures.

Safe Routes to Schools - Colorado established The Safe Routes to School (SRTS) program in 2004 to distribute federal and state funding to eligible projects that improve safety for pedestrians and bicyclists in school areas, and encourage children in K-8 to safely bicycle and walk to and from school.

Eligible activities include but are not limited to:

- planning, design, and construction of safe school routes for children to walk and bike to and from school;
- planning, design, and construction of facilities for pedestrians and bicyclists to travel to and from school; and
- educating children, parents, and communities about safe walking and bicycling practices and the health benefits that result from walking and bicycling to and from school.

Funds are awarded through a statewide competitive process for construction and education projects chosen by an advisory committee appointed by CDOT's executive director. Since its inception, the Safe Routes to School Program has distributed \$25.6 million in state and federal funds supporting 114 infrastructure and 141 non-infrastructure projects across all regions of the state.

For FY 2019-20, 14 projects were recommended for funding, totaling \$5.0 million.

Transportation Alternatives Program - The Transportation Alternatives Program (TAP) was a program established under Section 1122 of MAP-21 and continued as a set-aside under Section 1109 of the FAST Act. The TAP provides funding for bicycle, pedestrian, historic, scenic, and environmental mitigation transportation projects.

Eligible activities include but are not limited to:

- construction, planning, and design of facilities for pedestrians and bicyclists;
- construction of turnouts, overlooks and viewing areas, and preservation of historic transportation facilities;



- some environmental mitigation activities, including vegetation management, and archeological and stormwater mitigation related to highway projects; and
- the recreational trails program.

The main sources of revenue for the Transportation Alternatives program are:

- Federal highway funding (80 percent)
- Local matching funds (20 percent)

Transit Grant Programs - Each year CDOT grants funding out to local entities for transit projects. This funding comes from federal transit funding and state FASTER funding.

Federal Funding. A portion of fuel taxes collected at the federal level is distributed to states for the operation and maintenance of state public transportation systems. This source of funding is described in greater detail the CDOT Revenue sources section.

FASTER Transit grants. The FASTER legislation authorized \$15 million each year for transit funding. Of this funding, \$5 million in local transit grants are awarded competitively by CDOT regional offices. Local recipients are required to provide a minimum 20 percent local match. Among the types of projects that have been awarded are the purchase or replacement of transit vehicles, construction of multimodal stations, and acquisition of equipment for consolidated call centers. The remaining \$10 million in FASTER transit funding is used for statewide, interregional, and regional projects.

Multimodal Options Program - Senate Bill 18-001 allocated \$94.25 million to the Multimodal Transportation Options Fund. Of this funding, 85 percent (\$80.12 million) must be used for local multimodal projects, and 15 percent (\$14.13 million) must be used for statewide multimodal projects.

Senate Bill 18-001 directed the Transportation Commission to develop a distribution formula based on population and ridership for local government funding. The formula for the local distribution of funding was developed in consultation with the Transit and Rail Advisory Committee, the Statewide Transportation Advisory Committee, transit advocacy organizations, and bicycle and pedestrian organizations. Generally, each funding recipient must match an equal amount to the award they receive from CDOT. However, the Transportation Commission may reduce or exempt the matching requirement for certain local governments due to size or special circumstances.



Administration & Agency Operations

Administration and Agency Operations programs support the Department's core functions through support services such as contracting and procurement, development of specifications and standards, materials testing, finance and accounting, and human resources, among others. Salaries and benefits make up the largest portion of Administration and Agency Operations costs. Other examples include software and IT infrastructure, and legal expenses.

Table 24 – Administration and Agency Operations Allocations

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Administration and Agency Operations	\$72.4	\$76.5	\$81.1	\$111.6	\$100.9
Agency Operations	\$42.4	\$45.3	\$45.3	\$73.3	\$62.6
Administration	\$30.0	\$31.2	\$35.8	\$38.3	\$35.7
Project Initiatives	\$0.0	\$0.0	\$0.0	\$0.0	\$2.6

Agency Operations - This category is the operational budget for the Department, and includes funding for personnel, office supplies and operations, IT infrastructure, and certain Division level programs and initiatives.

Funding for the Agency Operations budget comes from the State Highway Fund.

Administration - The Department's Administration line is composed of expenditures that meet the criteria outlined in Section 43-1-113 (2)(c)(III), C.R.S. (2019). Unlike the majority of CDOT's budget, funding for Administration is appropriated annually by the Colorado General Assembly and may not exceed 5 percent of the Department's total budget. This appropriation comes from the State Highway Fund, and does not represent an increase in funding to CDOT. Rather, it is a ceiling set by the legislature on how much of the funding CDOT receives can be spent on administering the Department.

CDOT's Administration funding is a single line item in the annual Long Bill. Administration activities are not supported by General Funds or federal funds. Several statewide common policies are paid in whole or in part from the Administration line item, including legal services, property & liability insurance, workers' compensation, and information technology services.

Project Initiatives – This line is newly created for the FY 2020-21 Annual Budget to separate the costs from limited duration internal project initiatives from the ongoing costs to provide operational support to the Department's programs



Debt Service

CDOT and the state's transportation Enterprises periodically issue debt, and are responsible for annual debt service payments. The majority of this debt is associated with Certificates of Participation (COPs) issued under Senate Bill 17-267 for "strategic transportation projects," bonds issued under the federal Build America Bonds program to advance the replacement of poor bridges under the FASTER Bridge program, and debt held by the High Performance Transportation Enterprise (HPTE) on major toll corridor projects.

Table 25 – Debt Service Allocations

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Debt Service	\$132.2	\$3.4	\$41.3	\$62.8	\$62.8
Debt Service	\$132.2	\$3.4	\$41.3	\$62.8	\$62.8

SB 17-267 Debt Payments - As discussed in the Revenue Allocation Section, the state is currently executing lease-purchase agreements on existing state facilities to generate funding for transportation. The Department currently makes debt service payments (in the form of lease payments) on SB 17-267 Certificates of Participation (COPs). Senate Bill 17-267 set a \$150 million repayment limit on up to four issuances of Senate Bill 17-267 COPs; CDOT is responsible for up to \$50 million of debt service, and the General Assembly responsible for up to \$100 million. The first issuance of COPs occurred in FY 2018-19, with a total repayment of \$37.5 million. Of this total, CDOT paid \$28.9 million.

The Department will be responsible for \$50 million of Senate Bill 17-267 debt service in FY 2019-20. As noted in the CDOT Revenue Sources section, Senate Bill 19-263 transfers \$50 million annually from the General Fund to CDOT to assist with CDOT's portion of this debt service.

Ongoing Debt Obligations – The Department makes lease payments on a series of COPs issued to renovate or replace CDOT properties. In recent years, CDOT has completed a number of projects to consolidate buildings for region and Department headquarters. A summary of the current outstanding COP debt related to CDOT headquarters buildings can be found in Table 26 below.

CDOT Region 4 Building – This project was completed in CDOT Engineering Region 4. It was completed on time and on budget in November 2016, and it consolidated 13 buildings into 4.



CDOT Region 2 Building – This project was completed in CDOT Engineering Region 2. It was completed on time and on budget in April 2018, and it consolidated 13 buildings into 3.

CDOT Headquarters/Region 1- This project was completed in May 2018. It was completed under budget and consolidated 32 buildings into 12. It serves as the main headquarters for the Department and Engineering Region 1.

Bridge Enterprise - To accelerate the repair or replacement of Colorado’s poor bridges, FASTER created a new enterprise, the Bridge Enterprise (BE), and designated the Transportation Commission to serve as the Bridge Enterprise Board of Directors (Board). The business purpose of the Enterprise is to “finance, repair, reconstruct, and replace any designated bridge in the state” per C.R.S. 43-4-805 (2)(b). Because it was constituted as a government-owned business, the Enterprise may issue revenue bonds to accelerate construction of Colorado’s poor bridges. In 2010, the Bridge Enterprise issued \$300 million in revenue bonds under the Build America Bonds Program.

High Performance Transportation Enterprise - The High Performance Transportation Enterprise (HPTE) board supervises and advises the Enterprise’s Director, and is authorized to enter into agreements with the Transportation Commission and private industry to finance, build, operate, and maintain transportation infrastructure using innovative financing and contracting methods. The board is also authorized to issue revenue bonds that are payable from user fees generated on corridors owned by the Enterprise.



Table 26 – CDOT Debt Obligations

2019

Purpose	Issue	Original Principal	Outstanding Principal
<u>Certificates of Participation</u>			
Region Headquarters Buildings	Series 2017	\$ 58,665,000	\$ 58,665,000
Headquarters Building	Series 2016	70,000,000	70,000,000
Refunding COPS	Series 2012	21,075,000	8,980,000
Subtotal		\$ 149,740,000	\$ 137,645,000
<u>Rural Colorado Certificates of Participation</u>			
Series 2018A*	Series 2018A	\$ 500,000,000	\$ 500,000,000
Subtotal		\$ 500,000,000	\$ 500,000,000
<u>Bridge Enterprise Revenue Bonds</u>			
Build America Taxable	Series 2010A	\$ 300,000,000	\$ 300,000,000
Subtotal		\$ 300,000,000	\$ 300,000,000
<u>High Performance Transportation Enterprise Obligations</u>			
C-470 TIFIA Loan	Series 2017B	\$ 106,950,231	\$ 106,950,231
C-470 Toll Revenue Bonds	Series 2017A	161,795,000	161,795,000
I-25 North Express Lane Note	Series 2016	23,630,000	23,630,000
I-70 West MEXL Note	Series 2014	25,000,000	25,000,000
Subtotal		\$ 317,375,231	\$ 317,375,231
TOTAL		\$ 1,267,115,231	\$ 1,255,020,231
<u>Public Private Partnerships</u>			
Central 70	Series 2017	\$ 114,660,000	\$ 114,660,000
Subtotal		\$ 114,660,000	\$ 114,660,000

*Of the total amount for the 2018A Series, \$120 million was diverted to capital construction projects, and CDOT received the remaining \$380 million.



Contingency Reserve

CDOT maintains a contingency fund to provide a source of funding for emergencies (such as major rockfall events or flooding), and for other unplanned or unanticipated needs such as the need to commit matching funds for grant opportunities. Ultimately, the majority of contingency funds are allocated to Construction or Maintenance and Operations programs.

Table 27 – Contingency Reserve Allocations

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Contingency Reserve	\$16.9	\$26.2	\$0.8	\$23.8	\$15.0
Contingency Fund	\$16.9	\$16.5	\$0.0	\$15.0	\$15.0
Reserve Fund	\$0.0	\$9.7	\$0.8	\$8.8	\$0.0

Contingency Fund - Every year, the Transportation Commission sets aside contingency funding for unforeseen emergencies. There are various emergencies that occur throughout the year that require additional funding to address: large rock fall, landslides, floods, car crashes that do significant damage to the infrastructure, or other natural disasters. These funds are utilized for all of these events. It is difficult to predict the amount needed for responding to these events.

Program Reserve Fund - Program Reserve funds are set aside under the purview of the Transportation Commission throughout the fiscal year. This budget can be used for unanticipated funding needs identified during the course of the year, including project funding shortfalls, settlements and grant match. The appropriate amount of funding for this pool is difficult to determine as the needs vary from year to year.

The Contingency and Program Reserve funds are often supplemented during the course of the year through the receipt of unanticipated revenue, including any funds received as part of the FHWA annual redistribution process in which additional federal funds are made available to the state at the end of the fiscal year. The amounts identified above represent initial allocations, and do not include supplemental allocations made over the course of the year.



Special Programs

CDOT administers several other programs that support its core functions and the achievement of the Department's mission. This includes the Department's planning and research programs, and safety education programs focused on driver education and enforcement activities.

Table 28 – Special Program Allocations

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
Special Programs	\$153.5	\$164.9	\$25.8	\$27.9	\$25.1
Safety Education*	\$12.4	\$21.1	\$11.2	\$12.9	\$13.0
Planning and Research	\$13.3	\$13.9	\$14.2	\$14.6	\$11.7
State Infrastructure Bank	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4
Permanent Recovery	\$127.4	\$129.5	\$0.0	\$0.0	\$0.0

**The FY 2019-20 budget for the Safety Education program includes a one-time appropriation of \$1.0 million from the Marijuana Tax Cash Fund to the First Time Drunk Driver program.*

Safety Education - The Department runs three programs that target education and enforcement of impaired driving. Current safety education programs administered by the Department include the LEAF program, the FTDD program, and a public awareness campaign on impaired driving. The funding for these programs is described in more detail the Revenue Section.

Planning and Research - State Planning and Research (SPR) funds support statewide planning and research activities, and these funds are used to establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions and carry out transportation research activities throughout the state.

State Infrastructure Bank - The Colorado State Infrastructure Bank (SIB) is a revolving fund created by the General Assembly that is authorized to make loans to public and private entities to facilitate the financing of transportation projects in the state. Interest income in the amount of \$400,000 is recognized in the annual budget.



Table 29 – State Infrastructure Bank Projects

As of September 2019

	Original Loan	Balance Due	Debt Service
Aeronautics Account:			
Colorado Springs	\$ 2,336,000	\$ 1,470,165	\$ 266,908
Colorado Springs	\$ 3,431,183	\$ 2,489,232	\$ 392,043
Greeley-Weld County Airport Authority	\$ 1,000,000	\$ 192,521	\$ 215,247
Arapahoe County Airport Authority	\$ 8,000,000	\$ 7,285,930	\$ 914,070
Rocky Mountain Metropolitan Airport	\$ 2,015,000	\$ 2,015,000	\$ 236,219
Total:	\$ 16,782,183	\$ 13,452,849	\$ 2,024,488
Highway Account:			
Central City	\$ 1,521,693	\$ 957,680	\$ 173,867
Park County	\$ 566,500	\$ 410,981	\$ 64,728
Total:	\$ 2,088,193	\$ 1,368,661	\$ 238,595
Grand Total:	\$ 18,870,376	\$ 14,821,509	\$ 2,263,083

Table 30 – Overview of State Infrastructure Bank Assets

As of September 2019

Assets	Aeronautics	Highways	Total
Cash:			
SIB Fund	\$ 8,779,747	\$ 4,860,916	\$ 13,640,663
Authorized Federal Funds	\$ -	\$ -	\$ -
Amount Available to Loan	\$ 8,779,747	\$ 4,860,916	\$ 13,640,663
Accounts Receivable:			
Outstanding Loan Balances	\$ 13,452,849	\$ 1,368,661	\$ 14,821,509
Accrued Interest	\$ -	\$ -	\$ -
Total Accounts Receivable	\$ 13,452,849	\$ 1,368,661	\$ 14,821,509
Total Assets	\$ 22,232,596	\$ 6,229,577	\$ 28,462,173
Percent of Account/Fund Loaned	60.51%	21.97%	52.07%



High Performance Transportation Enterprise

The Funding Advancement for Surface Transportation and Economic Recovery Act (Part 8 of Article 4, Title 43, Colorado Revised Statutes), otherwise known as FASTER, created the Colorado High Performance Transportation Enterprise (HPTE) in 2009 as an independent, government-owned business within CDOT. HPTE has the legal responsibility to aggressively seek out opportunities for innovative and efficient means of financing and delivering important surface transportation infrastructure projects in the state. It has the statutory power, among others, to impose tolls and other user fees, to issue bonds, and to enter into contracts with public and private entities to facilitate Public-Private Partnerships (P3s).

HPTE is an enterprise for purposes of Article X Section 20 of the State Constitution as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues in grants from state and local governments. HPTE is overseen by a separate Board of Directors that includes external stakeholders from four geographic regions appointed by the Governor.



Innovative Financing

HPTE was formed to pursue innovative means of more efficiently financing important surface transportation infrastructure projects. Since the creation of the Enterprise, nine out of ten HPTE projects have used some form of innovative financing. Innovative financing enabled by HPTE, through Express Lanes, has helped deliver more than \$3 billion in projects in the last five years. HPTE has:

- helped secure \$130 million in federal grant dollars;
- directly attracted \$125 million in private investment; and
- leveraged more than \$1 billion of bond proceeds and other loans to contribute to projects in the state's most congested regions.

Express Lanes are tolled lanes that run adjacent to the free general purpose lanes. Express Lanes increase roadway capacity and help manage congestion on Colorado highways by adding lanes that provide a choice to drivers.

Since 2015, HPTE has been building its capacity for Express Lane operations and currently has 68 lane miles of Express Lanes in operation and 142 lane miles of Express Lanes under construction or in development. The figure to the right provides the lane miles of operational Express Lanes in Colorado, as well as those currently under construction or development.

HPTE operates and maintains the I-70 Mountain Express Lane (eastbound), as well as the Express Lanes on I-25 North. Plenary Roads Denver (PRD) operates and maintains US 36 and I-25 Central Express Lanes and HPTE provides oversight of those activities.

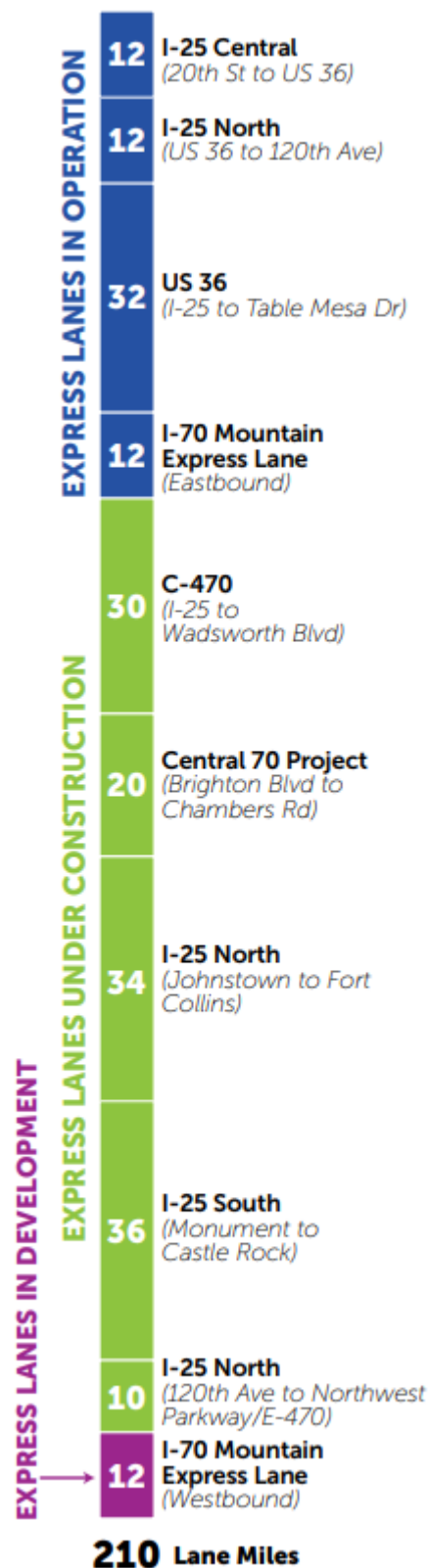
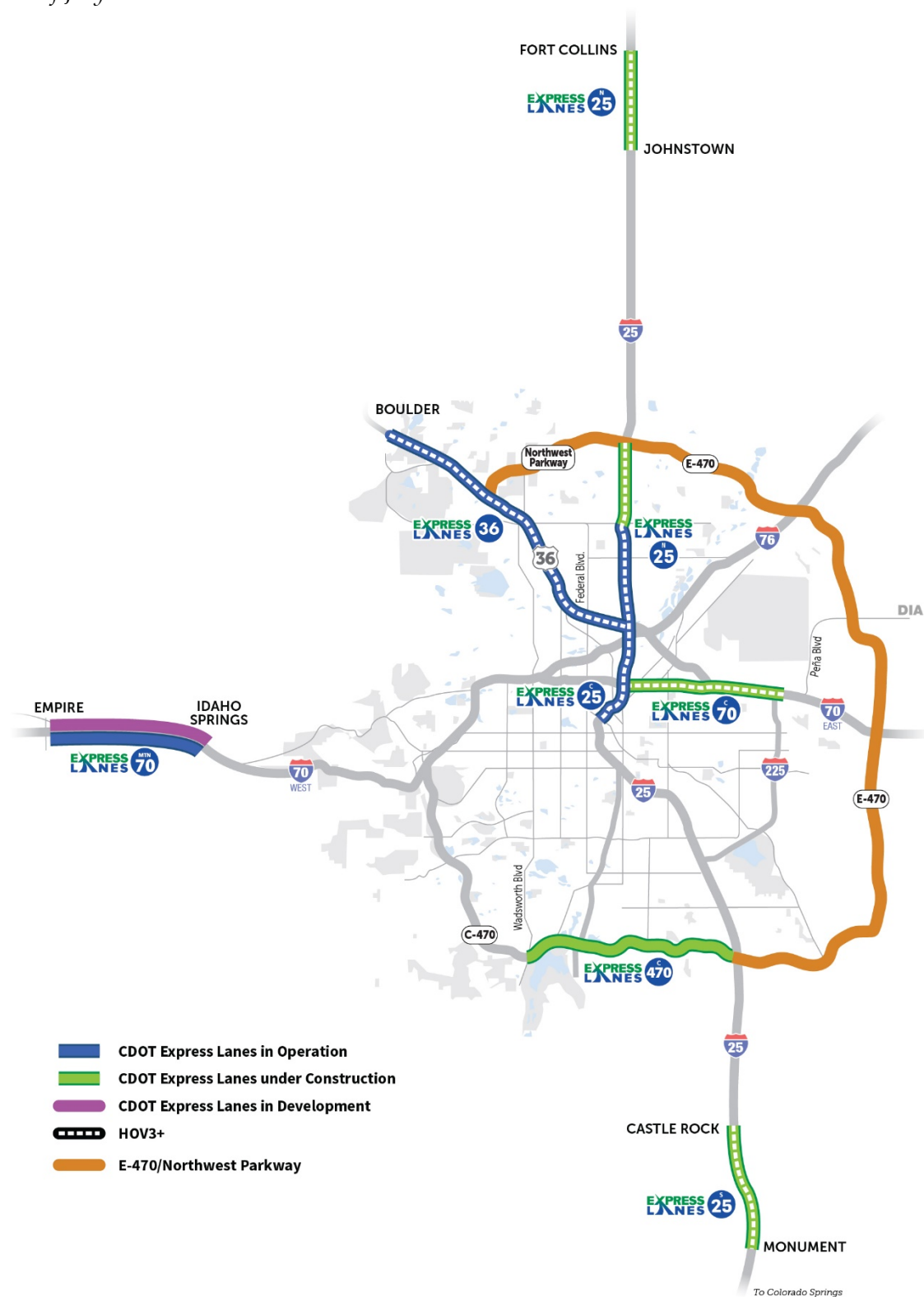




Figure 14 – Express Lanes Network Map

As of July 2019





Revenue and Budget Allocation

Table 31 – HPTE Revenue

Millions

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budgeted	FY 2020-21 Forecast
High Performance Transportation Enterprise	\$13.5	\$18.7	\$16.1	\$16.6	\$22.6
Tolling and Managed Lanes Revenue	\$10.8	\$13.8	\$10.7	\$10.8	\$16.8
Interest Income	\$0.4	\$0.2	\$0.2	\$0.2	\$0.2
Fee for Service	\$2.4	\$4.8	\$5.2	\$5.6	\$5.6

Table 32 – HPTE Budget Allocations

Millions

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Allocated	FY 2019-20 Budgeted	FY 2020-21 Final
High Performance Transportation Enterprise	\$5.7	\$18.7	\$16.1	\$16.6	\$22.6
Express Lanes Operations	\$3.6	\$14.0	\$10.9	\$11.0	\$17.0
Agency Operations	\$2.1	\$4.8	\$5.2	\$5.6	\$5.6
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0



Bridge Enterprise

On March 2, 2009, former Governor Bill Ritter signed into law Colorado Senate Bill 09-108, Funding Advancement for Surface Transportation and Economic Recovery, otherwise known as FASTER. A portion of the funding designated as the “bridge safety surcharge” is dedicated specifically for Colorado’s most deficient bridges — those bridges identified as structurally deficient or functionally obsolete, and rated “poor” (Bridge Sufficiency Rating less than 50, which was the federal standard at the time the statute was passed) by the Colorado Department of Transportation (CDOT). The surcharge is a nominal dollar amount and does not adjust for inflation overtime.

To assist with this historic focus on Colorado’s poor bridges, FASTER created a new enterprise, the Bridge Enterprise (BE), and designated the Transportation Commission to serve as the Bridge Enterprise Board of Directors (Board). The business purpose of the Enterprise is to “finance, repair, reconstruct, and replace any designated bridge in the state” per C.R.S. 43-4-805 (2) (b). Because it was constituted as a government-owned business, the Enterprise may issue revenue bonds to accelerate construction of Colorado’s poor bridges.

Bridge projects under the Enterprise may include the repair, replacement, or ongoing operation or maintenance, or any combination thereof, of a designated bridge. A current list of FASTER eligible bridges can be found [here](#).



FASTER Bridges

The condition of different parts of a structure is rated on a scale of 0 to 9 (with 9 being “excellent” and zero being “failed”). Bridge condition is determined based on deck (riding surface), the superstructure (supports immediately beneath the driving surface) or the substructure (foundation and supporting posts and piers), or culvert ratings obtained from periodic structure inspections. The structure is classified as “poor” if the lowest rating is less than or equal to 4 out of 9.

Since the inception of the Bridge Enterprise in July 2009, 334 FASTER-eligible bridges have been identified. As of July 2018, 132 of these bridges have been replaced or repaired, 22 are in construction, and 13 are in the design phase.

In December 2010, the Bridge Enterprise issues \$300 million in bonds to accelerate the replacement and/or reconstruction of poor bridges. As of June 2016, all bond funds have been expended and the Enterprise is in the repayment phase of the bond program.



Revenue and Budget Allocation

Table 33 – Colorado Bridge Enterprise Revenue

Millions

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Budgeted	Forecast
Bridge Enterprise	\$112.3	\$115.4	\$116.2	\$117.4	\$120.9
Bridge Safety Surcharge	\$104.0	\$106.0	\$108.0	\$109.0	\$112.0
Miscellaneous Enterprise Revenue	\$2.4	\$3.4	\$2.3	\$2.5	\$3.0
Build America Bonds Credit	\$5.9	\$6.0	\$5.9	\$5.9	\$5.9
FHWA Obligation Authority	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Table 34 – Colorado Bridge Enterprise Budget Allocations

Millions

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Allocated	Allocated	Allocated	Budgeted	Final
Colorado Bridge Enterprise	\$125.1	\$111.8	\$116.2	\$117.4	\$120.9
Bridge Enterprise Projects	\$104.5	\$91.1	\$95.6	\$96.9	\$100.2
Maintenance and Preservation	\$0.3	\$0.4	\$0.4	\$0.5	\$0.5
Agency Operations	\$2.2	\$2.1	\$2.0	\$1.8	\$2.0
Debt Service	\$18.2	\$18.2	\$18.2	\$18.2	\$18.2



Appendix A

Revenue Allocation Plan

This appendix includes the Department's Final Revenue Allocation Plan. The Revenue Allocation Plan represents how much the Department anticipates it will receive through a variety of revenue sources during the course of the fiscal year, and how it intends to allocate those revenues to specific purposes (budget programs).

In an effort to increase transparency in the budget, the Revenue Allocation Plan now includes projected roll-forwards for FY 2019-20 to provide the complete budget that is available for programming in FY 2020-21. The roll forward budget represents remaining balances in programs which have not been encumbered in construction projects or grants, or expended by the end of the fiscal year. The majority of roll-forward balances are already committed to planned projects.

The most current version of the revenue allocation plan can be found here: <https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2020-21-budget-allocation-plan>



Appendix B

Spending Plan

While the Revenue Allocation Plan shows how new revenue will be allocated across the Department's cost centers and pools each fiscal year, it does not show what the Department plans to spend each fiscal year or expenditure category (i.e. capital, operating or personal services). With this in mind, the Department developed new Spending Plan to complement the Revenue Allocation Plan, which provides a more comprehensive view of multi-year budgets and expenditures.

The Spending Plan is populated with the Department's anticipated expenditures for FY 2020-21 by budget category, using the same primary budget categories that are used in the Revenue Allocation Plan (eg. Capital Construction, Maintenance and Operations, etc.). Within each primary budget category, expenses are then broken down by General Ledger account code to provide greater visibility into planned expenditures.

For the Capital Construction program, estimated amounts are based on a combination of forecasted spending by the Project Management Office and an average of prior year expenditures. For other budget categories, estimated amounts are based on an average of prior year expenditures and budgeted amounts for FY 2020-21.

For FY 2020-21, the Department estimates that it will spend approximately \$2.5 billion across all program areas, including capital construction, maintenance, sub-allocated programs, administration, etc. The Department intends to update this report quarterly during FY 2020-21, and provide actual expenditures for comparison.

The Spending Plan is a companion document to the Revenue Allocation Plan that estimates both capital program and operating expenditures during the fiscal year. The Plan is based on new revenue and cash balances rolled forward from prior fiscal years, and capital construction expenditures are estimated using project delivery schedules.

The Spending Plan can be found here: <https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2020-21-budget-allocation-plan>



Appendix C

Open Projects and Unexpended Project Balances

As required by Section 43-1-113(6)(a), C.R.S. Appendix C serves as an addendum to the FY 2020-21 budget allocation plan and contains a complete list of all projects budgeted in prior years which have not been deleted or progressed to completion, including the balance of all funds carried over from previous years' budgets, whether resulting from construction or operation for less than the budgeted figure or from incomplete or deleted projects.

A table containing a summary of open projects by fiscal year can be found at the following link:
<https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2020-21-budget-allocation-plan>



Appendix D

Planned Projects

As required by Section 43-1-113(2)(c), C.R.S., Appendix D serves as an addendum to the FY 2020-21 budget allocation plan and contains a complete list of all individual planned projects from FY 2019-20 through FY 2023-24. For these purposes, planned projects are those projects planned for award in FY 2020-21, or previously awarded, with anticipated expenditures in FY 2019-20 or FY 2020-21. These figures will increase during the course of the year as additional projects are scheduled for advertisement.

An updated list of planned project expenditures can be found at the following link:
<https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2020-21-budget-allocation-plan>



Appendix E

Total Construction Budget

As required by Section 43-1-113(2)(c), C.R.S Appendix D serves as an addendum to the FY 2020-21 Budget Allocation Plan, and contains a summary of the total construction budget for the given fiscal year.

A summary of the construction budget by Budget Program line, project phase, as well as estimated construction engineering and indirect allocations can be found at the following link:

<https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2020-21-budget-allocation-plan>



Appendix F

Project Indirect Costs and Construction Engineering

As required by Section 43-1-106 (8)(h), C.R.S. (2019), Appendix E serves as an addendum to the FY 2020-21 Budget Allocation Plan and contains project indirect costs and construction engineering costs.

Each project participating in the federal program is charged a certain percentage for indirect costs. Indirect costs are cost that cannot be assigned to a particular project, but are necessary for the construction program. Examples of indirect costs include personal services charges for supervisory engineering positions, materials testing, and engineering information technology costs. A target has been set to make a minimum reduction of \$5 million to the FY 21 Indirect Budget, as compared to FY 20. These funds will stay within each of their respective programs (for example, Surface Treatment), but rather than paying for indirect costs, will instead be available for additional direct construction costs (i.e. ROW, Design, and Contractor Payments).

Construction engineering costs (CE) are those costs that have been incurred for the purpose of ensuring compliance with specific project construction specifications, generally accepted construction standards, associated testing, and materials validation activities. Examples of costs accumulated in the CE budget pools include construction oversight, materials testing, and design services under construction.

The main sources of funds for the Department's project indirect and construction engineering costs are the State Highway Fund and federal reimbursement for eligible expenditures.

Appendix F is an approximation of indirect and CE cost allocations to region and division cost centers in order to support construction programs. It can be found at the following link:

<https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2020-21-budget-allocation-plan>



Appendix G

CDOT Personnel Report

Appendix G is a newly created report that provides the number of positions and associated salary and benefits costs in the same format as the Revenue Allocation Plan to provide visibility into staffing levels, and budget and expenditures on Department personnel. For FY 2020-21, the Department estimates spending approximately \$299.4 million on staff salaries and benefits for approximately 3,324.0 positions across CDOT, including the enterprises.

It can be found at the following link:

<https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2020-21-budget-allocation-plan>