COLORADO DEPARTMENT
OF
TRANSPORTATION


1960 **2006**

I-25 near Uintah St. in Colorado Springs
Looking North

PROPOSED
BUDGET

FOR

FISCAL YEAR 2007-08

Governor Bill Owens
November 15, 2006

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COLORADO DEPARTMENT OF TRANSPORTATION

PROPOSED BUDGET
FOR FISCAL YEAR 2007-2008

GOVERNOR BILL OWENS

THOMAS E. NORTON, Executive Director

TRANSPORTATION COMMISSION

DOUG ADEN, Chairman, Grand Junction, District 7

BILL SWENSON, Vice-Chairman Longmont, District 4

HENRY SOBANET, Denver, District 1

JOSEPH JEHN, Arvada, District 2

GREGORY B. MCKNIGHT, Greenwood Village, District 3

BILL KAUFMAN, Loveland, District 5

TOM WALSH, Craig, District 6

STEVE PARKER, Durango, District 8

TERRY SCHOOLER, Colorado Springs, District 9

GEORGE H. TEMPEL, Wiley, District 10

KIMBRA L. KILLIN, Holyoke, District 11

JENNIFER WEBSTER, Secretary

Per the attached Resolution TC-1466 the Transportation Commission presents the Budget for the period July 1, 2007 through June 30, 2008 for approval by the Governor.

Approved: *Only the final version of the Budget is signed by the Governor*

Date: ____

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

RESOLUTION FOR THE PROPOSED FY 2007-2008 BUDGET

RES. NO. TC- 1466

WHEREAS, in accordance with C.R.S. 43-1-113 (2), the Transportation Commission is required to submit by December 15, 2006, a draft budget allocation plan for monies subject to its jurisdiction for the fiscal year beginning on July 1, 2007, to the Joint Budget Committee, the House Transportation and Energy Committee, the Senate Transportation Committee and the Governor for their review and comment; and

WHEREAS, there will be additional opportunities between now and next Spring when the Transportation Commission must adopt a final budget allocation plan to monitor the revenue projections and make adjustments;

NOW THEREFORE BE IT RESOLVED, that the Proposed Budget for the Colorado Department of Transportation for the period July 1, 2007 through June 30, 2008 be approved for transmittal to the various legislative committees and the Governor for review and comment.

COLORADO DEPARTMENT OF TRANSPORTATION
FISCAL YEAR 2007-08 BUDGET

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COLORADO TOLLING ENTERPRISE BOARD

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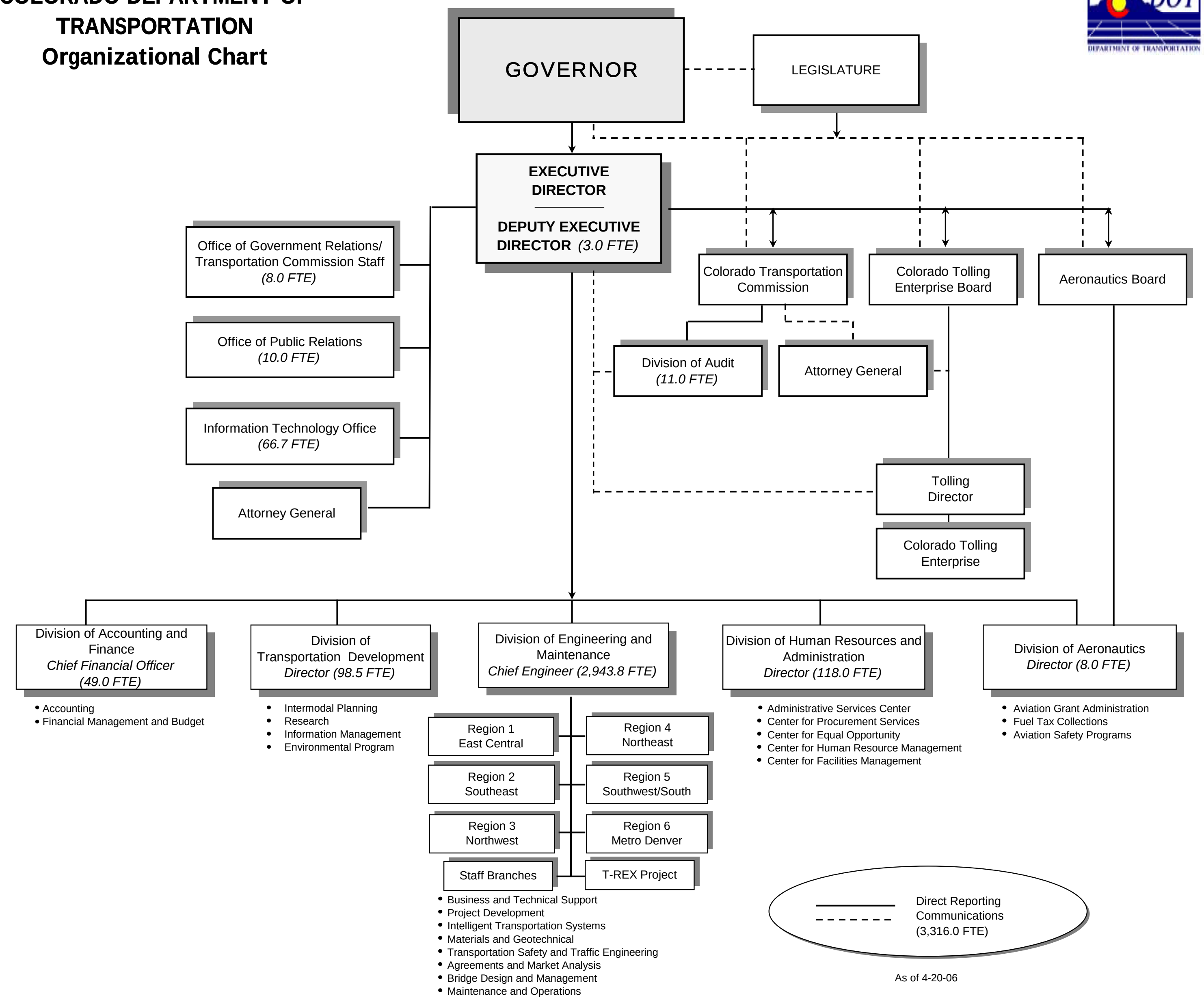
LARRY ROMRELL, Aviation Interests at Large

DALE HANDCOCK, Western Slope Governments Representative

DENNIS HEAP, Airport Management Representative

COLORADO DEPARTMENT OF TRANSPORTATION
Organizational Chart



COLORADO DEPARTMENT OF TRANSPORTATION

MISSION

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

VISION STATEMENT

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

VALUES

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

INTEGRITY - We earn Colorado's trust!

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

PEOPLE – We value our employees!

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

CUSTOMER SERVICE – We satisfy our customers!

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

EXCELLENCE – We are committed to quality!

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

RESPECT – We respect each other!

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

OVERVIEW

The proposed FY 2008 appropriated budget request to the General Assembly of $38.4 million relates to two Long Bill groups or divisions; Administration and the Limited Gaming Funds. Of the total appropriation, none is from the State General Fund and 62.8 percent is from cash funds exempt.

The Department has two non-appropriated line items in the annual Long Appropriations Bill that are the responsibility of the Transportation Commission. These are provided for informational purposes only, with a proposed allocation totaling $1.014 billion consisting of federal, cash, and cash funds exempt. One line is Construction, Maintenance and Operations for $1.009 billion. The next is for the Statewide Tolling Enterprise at $4.2 million of cash or cash funds exempt. The previous year's lines indicated for the Division of Aeronautics are now included in the Commission's allocation in the Construction, Maintenance and Operations line per HB06-1244.

Funding for both the appropriated and the non-appropriated portions of the Department's budget consists of no General Fund, 7.9 percent cash funds, 50.1 percent cash funds exempt, and 42.0 percent federal funds. The major funding source of cash funds exempt is the Department's share of the Highway Users Tax Fund (HUTF). The HUTF is credited to the State Highway Fund (SHF) and is projected to total $415.2 million in FY 2008, which is mandated to be used for highways by the State Constitution.

FY 2007-2008 PROPOSED BUDGET

The Department of Transportation's total budget for FY 2006-2007 totals $1,045,115,615, with a staffing level of 3,316.0 full time equivalent (FTE) positions. The funds come from various State, federal, and local revenue sources. These sources are detailed in sections to follow.

Federal law, State statute, and the State Constitution restrict how the Department can use the various funding sources. The large majority of the Department's budget appropriation is allocated and directed primarily by the eleven-member Transportation Commission. The Department of Transportation Administration and Gaming Funds are appropriated by the State legislature. These items generate a FY 2008 appropriated budget of $38.4 million, including Gaming Funds that were requested in a Decision Item and are pending approval by the General Assembly.

The Commission utilizes a resource allocation system of program budget development linked to the five major investment categories listed here and as described in detail in Appendix C.

Investment Categories:

- Safety
- System Quality
- Mobility
- Strategic Projects
- Program Delivery

The investment category budget and program implementation are detailed in the following pages. The priorities and available funds are allocated according to priorities and performance targets and are reported as to outcome/results utilizing the department's Performance Measurement and Reporting system. The Maintenance Program budget further allocates resources to the nine maintenance sections and six traffic sections using a "levels of service" (LOS) plan and allocation system with targeted levels of service delivery as determined by the Transportation Commission. This is reported using an annual performance grading and reporting system.

RESOURCE ALLOCATION

Resource Allocation is the process by which revenue estimates are used to distribute expected funding by CDOT investment category and program. This resource allocation aligns dollars with the CDOT investment categories of Safety, System Quality, Mobility, Strategic Projects, and Program Delivery.

Resource allocation is then geographically distributed to the six CDOT Engineering Regions. These geographical distributions are called "control totals." CDOT program control total distributions are based on performance systems. Examples of these are Surface Treatment, Bridge, Maintenance Levels of Service, and Hazard Elimination. Others are formula based. Examples of these are Regional Priorities Program, STP-Metro and Congestion Mitigation Air Quality (CMAQ).

In October 2006, the Transportation Commission (TC), after considering input from public entities, local governments and CDOT staff, made its initial decisions concerning Resource Allocation for the 2008-2035 Statewide Transportation Plan. The TC reemphasized its fiduciary responsibility to maintain the infrastructure of the State Highway System and its commitment to pay debt service on the TRANS bonds as top priorities.

The TC also reaffirmed its commitment to move toward performance measures in all applicable programs, enhancing Surface Treatment, Bridge On-System, and Hazard Elimination formulas to more definitive outcomes.

Acknowledging that congestion is an issue that needs future emphasis, the TC created a performance-based Congestion Relief program. The funds dedicated to this program will be used to relieve traffic on the State's most highly congested roads.

The TC decided to maintain current allocation methodologies and formulas in all other programs. It felt that the current economic climate was not conducive to a major realignment of resources. The Commission determined that all programs would be funded at the designated levels, and then the Regional Priorities Program would be a balancing factor to the available revenues. The formulas that changed and the new Congestion Relief program would be effective in FY 2007, with all current methodologies in place in FY 2007 of the Statewide Transportation Plan and The Statewide Transportation Improvement Program (STIP). In October 2003, the TC adopted Resolution TC-1213, which addressed how revenues that were received in excess of the "2030 Baseline" would be distributed.

CDOT is currently updating resource allocation for inclusion in the 2035 Long Range Transportation Plan. The Transportation Commission will be asked to adopt new Resource Allocation figures for FY 2008 through FY 2035 in December 2006.

SALARY AND BENEFITS

The FY 2008 salary survey request was made according to the specified rates for each primary classification category. The performance based pay request was made based upon the Office of State Planning & Budgeting's (OSPB) approved formula and would be distributed based on performance ratings. The State contribution for employee health insurance was also increased per the State Personnel Director's recommended rate adjustments. The PERA rate of 10.15% was unchanged and used for FY 2008. There is an additional contribution of 1.2% to PERA for the Amortization Equalization Distribution (AED). All adjustments for FY2008 are pending action by the legislature.

INFLATION - Operations

For FY 2008 the OSPB inflation factor for operating is 0.0% for the legislatively appropriated programs.

The Department also utilizes inflation rates provided by the OSPB in the development of the budget request for areas other than construction and maintenance, and may make other adjustments as the funding and related workflow indicate. The Transportation Commission has added 3.0% for the Maintenance program, Equipment and the statewide Property program to prevent further decline in these essential program areas. Furthermore, the Construction Program allocations relate to the Construction Cost Index, rather than a set factor, as each project is variable and subject to a bid process.

FTE LIMITATION

By statute (CRS 43-1-113 (4)), the Department of Transportation is limited to a maximum of 3,316.0 full-time equivalents (FTEs). This includes all permanent and temporary positions (including those funded by legislative appropriation). The Transportation Commission has approved 3,316.0 FTEs (219.7 legislatively appropriated and 3,096.3 Commission appropriated).

STATEWIDE INDIRECT COSTS

Annually, the Department is assessed a non-discretionary charge for statewide indirect costs. These costs reflect the overhead costs associated with certain services provided by various other State agencies to CDOT. These include the Department of Personnel, the Division of Accounts and Control, the Division of Telecommunications, and others. The Statewide Indirect payment is allocated between the Administration and Construction & Maintenance programs.

It should also be noted that numerous additional non-discretionary charges are for services provided by other agencies for CDOT and are billed directly to the Construction and Maintenance Programs allocated by the Transportation Commission. These include, but are not limited to: Multi Use Network (MNT) charges for communication services, Workers' Compensation Insurance, and Digital Trunk Radio (DTR) charges.

DECISION ITEMS – *Legislatively Appropriated*

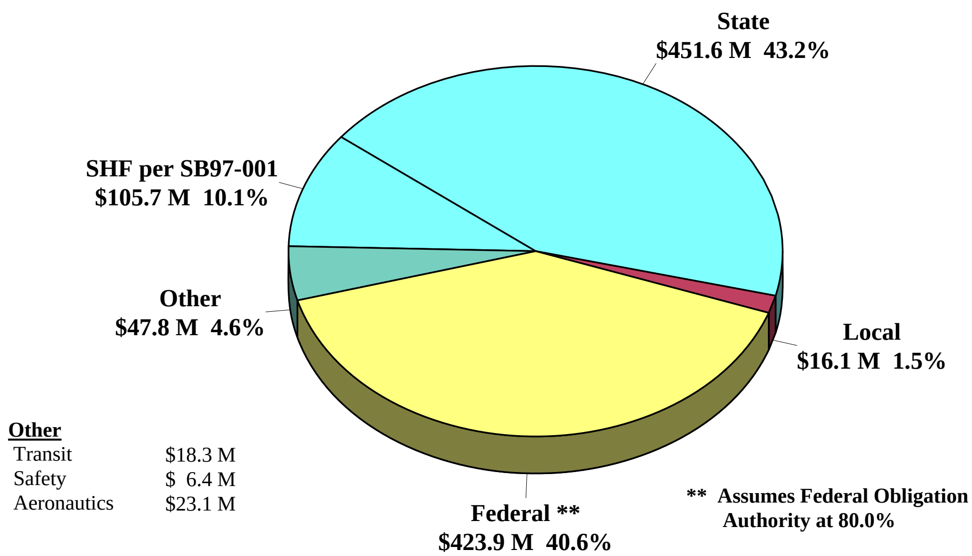
Only items affecting the legislatively appropriated organizations and programs are itemized here. The adjustments for items appropriated by the TC are built into the appropriate investment categories and sub-programs.

GAMING FUNDS – Cash Funds
A request was made for $14,292,757, with $13,183,000 for various Construction projects and $1,109,757 from the Limited Gaming Fund for maintenance to offset major growth in traffic on State highways in the vicinity of the gaming communities of Black Hawk, Central City, Cripple Creek and the Southwest Colorado Indian reservations. This request was made in accordance with C.R.S. 12-47.1-701(1)(c)(I), and **is pending approval by the General Assembly.**

Colorado Department of Transportation

FY 2008 Revenues

$1.045 Billion *



* Total Revenue does not include TRANs proceeds, which are used over multiple years. This also does not include Internal Cash Fund (ICF) "spending authority" of $3.3 million which is derived from payments by internal or other government organizations, or $3.4 million of spending authority for the StatewideTolling Enterprise.

FY2008 ESTIMATED REVENUES BY SOURCE

In FY 2008, the Colorado Department of Transportation anticipates receiving approximately $1,045,115,615. This estimate includes funds from the State sales and use taxes transfer from the State General Fund to the State Highway Fund, pursuant to S.B.97-001, but none anticipated from the General Fund surplus funds pursuant to H.B. 02-1310, or Capital Construction Funds, pursuant to H.B. 95-1174.

STATE FUNDS		**FY 2008**
Highway Fund - (State Share - SHF)[1]		**$414,877,605**
(Does not include $300,000 that transfers directly to DNR Parks Roads)		
Additional Elements of the SHF		
Miscellaneous CDOT Revenues (Interest, Permits, etc.)	20,441,314	
Interest on Bond Proceeds	811,407	
Toll Collections	800,000	
Rail Bank	0	
State Infrastructure Bank	398,635	
Limited Gaming Fund - Decision Item	14,292,757	
Sub-Total	**36,744,113**	
GF to HUTF transfer for Construction *(pursuant to S.B.97-001)*		**95,159,892**
GF to HUTF transfer for Transit *(S.B.97-001)*		**10,573,321**
GF to HUTF transfer for Construction *(pursuant to H.B.02-1310)*		**0**
Capital Construction Funds (CCF)		**0**
Total State Funds		**$557,354,931**
LOCAL FUNDS (Match for Federal funds targeted to local entities)		**$16,085,261**
FEDERAL HIGHWAY FUNDS (FHWA)[2]		**$423,872,643**
OTHER FUNDS		
Transit & FTA[3]		18,303,786
Aeronautics Fund & FAA[4]		23,054,552
Highway Safety Funds including MOST [5]& LEAF[6]		6,444,443
Total Other		**$47,802,781**
ESTIMATED TOTAL CDOT REVENUE *		**$1,045,115,615**

***NOTE:** Total Revenue does not include TRANS proceeds, which are spent over multiple years. This also does not include Internal Cash Fund (ICF) "Spending Authority" of $3,338,585, which is derived from payments, by internal or other government organizations, and $3,400,000 of CFE "Spending Authority" for the Statewide Tolling Enterprise for a total budget spending authority of **$1,051,854,200.**

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[1] SHF – State share of Highway Users Tax Fund

[2] FHWA – Federal Highway Administration – amount after Obligation Restrictions

[3] FTA – Federal Transit Authority

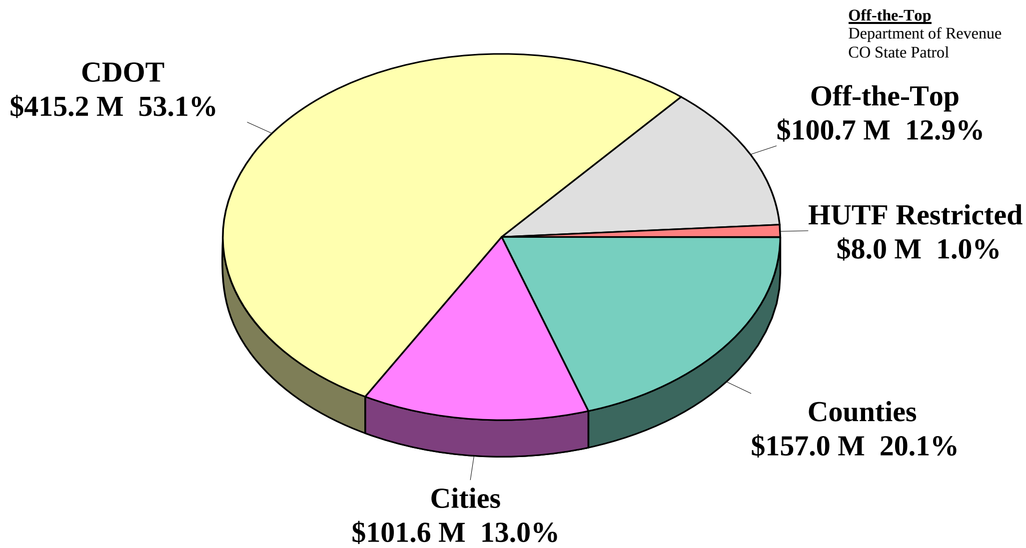
[4] FAA – Federal Aviation Administration

[5] MOST – Motorcycle Operator Safety Training Fund

[6] LEAF – Law Enforcement Assistance Fund

Colorado Highway Users Tax Fund
FY 2008 Distribution

$782.4 Million



STATE REVENUES

HIGHWAY USERS TAX FUND (HUTF)

The major source of revenue for CDOT is the Highway Users Tax Fund (HUTF), which is projected to total $782.4 million in FY 2008. The major source of revenue for the HUTF is the State's motor fuel tax. This tax is estimated to generate $532.9 million, 68.1%, of the total HUTF in FY 2008. The remaining 31.9%, or $249.6 million, is comprised of motor vehicle registrations and other fees.

Prior to distribution to CDOT, the counties, and the municipalities, the General Assembly makes appropriations from the HUTF to the Department of Revenue and the Colorado State Patrol (Department of Public Safety) for various highway-related activities. The Department of Revenue's appropriations are for the ports-of-entry in the Division of Motor Carrier Services, and for the administration of the Motor Vehicle Division's expenses of the Motor Vehicle Business Group.

The appropriations above are referred to as "off-the-top" appropriations and cannot, by statute, increase more than 6% annually. For FY 2008, utilizing calculations from FY 2005 as the base year, the off-the-top appropriations are estimated to be $100.7 million or approximately 12.9% of the total fund. The actual off-the-top is determined annually by the legislature and the

Department adjusts to actual at that time. Additionally, there are a number of **HUTF Restricted Accounts** (primarily in the Department of Revenue), for special purposes unrelated to highway construction and maintenance that are deducted from the initial HUTF revenues prior to distribution. After these appropriations are deducted from the "Basic Fund" (i.e., the original seven-cent per gallon fuel tax enacted in 1969 and all fees), the remaining dollars are distributed by statutory formula: 65% to CDOT, 26% to the counties, and 9% to the municipalities.

HIGHWAY USERS TAX FUND (HUTF)*
OFF-THE-TOP APPROPRATIONS

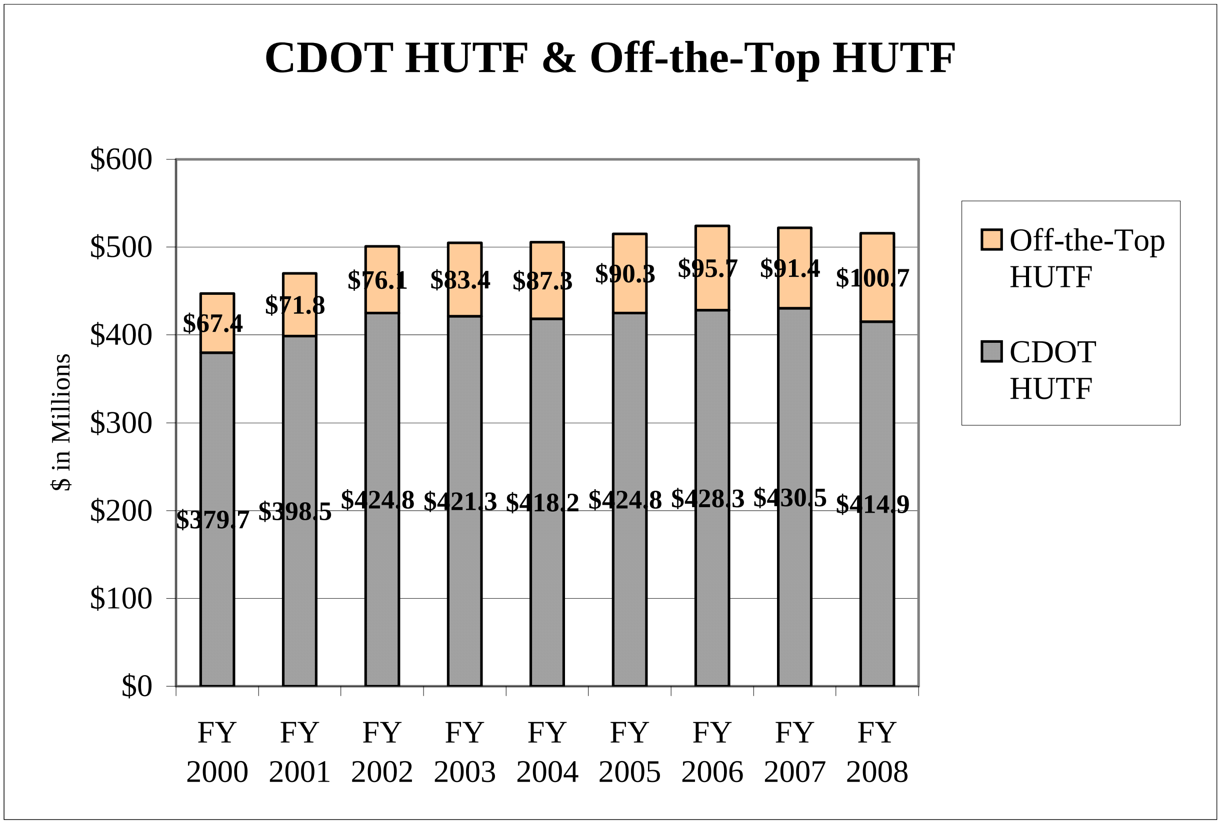
	Fiscal Year	Within 6%	% Increase	Outside 6%		Total	% Increase
	FY 1999-00	$66,877,939		$566,699	**	$67,444,638	
	FY 2000-01	$71,216,208	6.49%	$570,294	**	$71,786,502	6.44%
	FY 2001-02	$75,489,180	6.00%	$566,107	**	$76,055,287	5.95%
	FY 2002-03	$80,018,531	6.00%	$3,336,331	***	$83,354,862	9.60%
	FY 2003-04	$84,819,643	6.00%	$2,503,531	***	$87,323,174	4.76%
	FY 2004-05	$89,837,909	5.92%	$485,729	**	$90,323,638	3.44%
	FY 2005-06	$95,228,184	6.00%	$491,146	**	$95,719,330	5.97%
	FY 2006-07	$91,429,990	-3.99%	$0		$91,429,990	-4.48%
****	FY 2007-08	$96,915,789	6.00%	$0		$96,915,789	6.00%

* Figures from annual Long Bill appropriations as adjusted by supplemental appropriations.

** For Fuel Tracking System.

*** For License Plate Ordering program and Fuel Tracking System.

**** This FY2008 estimate is formula based on the most recent legislative allocation, whereas the CDOT estimate of $100.7 million is based on an earlier period according to Resource Allocation.



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

The portion of the **HUTF** (considered Cash Funds in the Long Bill for TABOR purposes), that is **distributed to CDOT** plus interest and miscellaneous fees and federal reimbursements **constitutes the State Highway Fund (SHF)** (considered Cash Funds Exempt). In FY 2008, this is estimated to be $414.9 million, or 53.0% of the HUTF.

GAMING FUNDS

Limited gaming began in Colorado on October 1, 1991. The most immediate and visible impact from gaming was to the roads surrounding the gaming communities of Black Hawk, Central City, and Cripple Creek and near the Indian-owned casinos in Southwest Colorado. Traffic volume increases in on some stretches of State highways in the vicinity of the gaming communities as compared to before Gaming in 1991. In this time frame traffic grew by as much as 375% in the Blackhawk/Central city area, 120% in the Cripple Creek area and 47% in SW Colorado. These highways were not constructed to handle the large amount of traffic which gaming has caused.

Pursuant to C.R.S. 12-47.1-701(1)(c)(I), the Department of Transportation may request an appropriation from the State's Limited Gaming Fund to address the construction and maintenance needs associated with the increased traffic on State highways in the vicinity of the gaming communities. The amount appropriated to the Department of Transportation comes from the 50% portion of the Limited Gaming Fund that defaults to the General Fund pursuant to State law.

Since FY 1994-95, the Department of Transportation has received approximately $32.2 million dollars in appropriations from the Gaming Funds for both highway construction and maintenance. The Department utilizes the Gaming Funds to match State Highway Funds for road improvements in proportion to the gaming-related traffic on the specific highway (e.g., if 50% of the traffic is attributed to gaming based upon pre-gaming and post-gaming traffic count comparisons, then 50% of the costs are requested from the Gaming Fund). Gaming Funds for maintenance are based upon a 5% inflationary increase each year over the amount of maintenance costs attributed to gaming in the base year of FY 1994-95.

SALES AND USE TAXES (S.B. 97-001):

In 1997, the Colorado General Assembly enacted S.B. 97-001. This bill provided that under certain conditions, 10% of the State sales and use tax attributable to the sales and use of vehicles and related items would be transferred to the Highway Users Tax Fund (HUTF) and subsequently credited to the State Highway Fund to be expended for the Strategic Transportation Project Investment Program. In FY 2000-01, the Department utilized a part of the sales and use tax funds to pay a portion of the debt service on the TRANS bonds the Department has issued.

Pursuant to law, the transfers of the sales and use tax to the HUTF would only occur if (1) adequate General Fund revenue exists to fund a maximum 6% increase in appropriations, (2) $140 million of General Fund revenue is available for Capital Construction purposes, and (3) adequate General Funds are available for the statutorily required reserve. S.B. 97-001 was effective for five fiscal years beginning with FY 1997-98. H.B. 98-1202 amended this to make the sales and use tax transfers available for ten fiscal years. H.B. 99-1206 eliminated all of the conditions except for the maximum 6% increase in General Fund appropriations and made the sales and use tax transfers permanent, and directed that at least 10 percent of S.B.97-001 funds be used for transit purposes or for transit related capital improvements in the implementation of the strategic transportation program. In FY 2006, H.B.06-1398 amended S.B. 97-001 to change the timing for the transfer of S.B. 97-001 from monthly to quarterly based on revenue forecasts generated by Legislative Council each quarter.

In FY 2001-02 as the State's fiscal condition rapidly deteriorated, the General Assembly enacted legislation (S.B. 01S2-023) in the special session that suspended sales and use tax transfers to the HUTF.

CAPITAL CONSTRUCTION FUNDS:

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

Under the legislation, the Capital Development Committee reviews the Transportation Commission approved list of projects and either approves or rejects the list in its entirety. The CDC-approved list of projects is forwarded to the Joint Budget Committee for possible funding up to the available amount of Capital Construction Funds. Capital Construction Funds appropriated to the Department may be included in the annual Long Appropriations Bill or in a separate bill. Pursuant to H.B. 1174, Capital Construction Funds are appropriated to the Department in a lump sum, not by individual project, and are available for three fiscal years if included in the Long Bill. At the end of the three-year period, any unspent Capital Construction Funds revert to the Capital Construction Fund. CDOT has requested $86 million from the fund for FY 2008.

From FY 1996 through FY 2001, the Department of Transportation received Capital Construction Fund appropriations totaling $386.5 million. However, because of the fiscal problems confronting the State, the Department did not receive any Capital Construction Funds in recent years, until an FY 2006 supplemental addition of $10.0 million and a FY 2007 appropriation of $15 million.

REVENUE ISSUES

CDOT receives State General Fund (GF) appropriations, under very strict statutory formula methods, with a potential transfer of a portion of sales and use taxes pursuant to S.B. 97-001. Due to a decline in the State revenues this transfer was halted from FY 2003 through FY 2005.

In addition, H.B. 02-1310 and S.B. 02-179 (identical bills) enacted by the General Assembly in 2002 provide that beginning on July 1, 2003, and each July 1 thereafter, the General Fund surplus less the 4% reserve and less any revenues in excess of the constitutional limitation are to be allocated two-thirds to the Highway Users Tax Fund and one-third to the State's Capital Construction Fund. The HUTF allocation from the General Fund surplus is to be paid to the State Highway Fund (SHF) for allocation to CDOT for State highway planning, design, reconstruction, repair, maintenance, and capital expansion projects. Any surplus General Fund revenue is paid in the following fiscal year. In FY 2004, the Department of Transportation received $5.6 million from the General Fund surplus of FY 2003, and received $82.2 million from the FY 2004 General Fund surplus, $62.7 from the FY 2005 General Fund surplus, and $291.8 from the FY 2006 General Fund surplus. At this time, it is estimated by OSPB that the Department of Transportation will not receive any funds from the FY 2007 General Fund surplus in FY 2008.

FEDERAL REVENUES

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

Specifically, SAFETEA-LU provides $2.45 billion in guaranteed funding for Colorado over the six year life of the bill - including over $332 million in earmarks for special projects around the state. For a detailed list of those earmarks, see **Appendix B**. The bill also acknowledges priorities for Colorado including an increased emphasis on freight and transit programs as well as recognition of the need for innovative financing programs, given the funding shortfalls currently experienced at the state level.

Next steps for implementation of SAFETEA-LU include guidance from the U.S. Department of Transportation in the form of rulemaking. This process is expected to take several years to finalize.

While Colorado did receive one of the highest percentage increases in funding of all the states, approximately a 47% increase over SAFETEA-LU’s predecessor, TEA-21, the bill is not a solution to Colorado’s transportation problems. Three major factors influence the federal funding. First, construction inflation over the life of TEA-21 accounts for about 5% per year, or 30% over the life of the bill. Therefore, much of Colorado’s “increase” in funding is taken away due to decreased buying power. In addition, many of the federal earmarks are within CDOT’s formula funds, but were not part of CDOT’s 6-year, or even 20-year plans. Those projects have displaced other planned projects. Lastly, current projections for the federal gas tax trust fund have the account exhausting all revenues in 2009. Given this, it is expected that while Congress has “authorized” $2.45 billion for Colorado over the life of SAFETEA-LU, they will likely impose an “obligation limitation” of 80%, meaning we will be allowed to spend only 80% of the funding provided to us. Typically, Congress imposes an 80-90% obligation limitation. This further reduces the real value of our federal transportation dollars.

For more information on SAFETEA-LU, visit http://www.fta.dot.gov/17003_ENG_HTML.htm see Appendix B, or contact CDOT Policy and Government Relations Director, Jennifer Webster at (303) 757-9703 or Jennifer.Webster@dot.state.co.us.

Federal funding is derived primarily from the federal fuel tax that is currently 18.4 cents per gallon on gasoline and 24.4 cents per gallon for diesel. Federal Highway Trust Fund excise taxes have been extended through September 2006.

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

FEDERAL OBLIGATION

The federal fund figures assume an estimated 80% federal obligation limit for total federal funds in FY 2008. The obligation authority limit and other federal restrictions reduces estimated FY 2008 federal funds for Colorado by $100.8 million, including a mandated reduction of $1.4 million for the Recreational Trails program, resulting in a net $423.9 million of federal funds for FY 2008, rather than the original apportionment of $524.7 million

FEDERAL TRANSIT REVENUES

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

Operating and capital assistance for urbanized areas (Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Longmont, Pueblo and Lafayette/Louisville) is awarded by the FTA directly to designated recipients in those areas. Federal assistance for transit services in non-urbanized areas, transit planning and transportation for the elderly and disabled, is administered by CDOT. Federal funds for transit programs are partially derived from 1.5 cents per gallon tax set aside in the federal Highway Trust Fund and are awarded to states based primarily on population.

For FY 2008, Colorado is expected to receive approximately $172.2 million in FTA funds and $2.3 million of Safe Routes to School Program from FHWA funds, of which $14.8 million is administered by CDOT. The significant programs consist of Section 5307 at $56.0 million; Section 5309 New Starts at $130.0 million; Section 5309 Bus & Bus Facilities at $12.0 million; and Section 5309 Fixed Guideway Modernization at $4.9 million. Five small additional FTA grant programs total $6.3 million.

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

The Transit and Intermodal descriptions and fund/matching details are more thoroughly explained in the program section on pages 40-41.

AVIATION REVENUES

STATE

Like other programs within the Department of Transportation, this program receives no General Fund revenue to support its aviation activities. Financial support for aeronautical activities is provided through the State Aviation Fund, which generates revenues through an excise tax on general and non-commercial aviation fuels. Four cents per gallon is collected at the wholesale level on non-commercial jet fuel and six cents per gallon is assessed on aviation gasoline (AvGas) for light single-engine and twin-engine aircraft. All but 2 cents of this revenue is returned to the airport of origin earmarked for airport development. The remaining 2 cents is placed into the Aviation Fund to be disbursed as "grants-in-aid" to the aviation community and as administrative expenses for the CDOT Division of Aeronautics (DOA) (capped at five percent of the annual deposits into the Aviation Fund). The 2.9% jet fuel sales tax collected on sales of jet fuels to all non-commercial users is similarly disbursed.

Using State revenue from the sale of aviation fuel and jet fuel, the Division of Aeronautics plans to distribute about $7.7 million in discretionary grants to airports throughout Colorado in FY 2008. These grants are made to help fund a variety of projects such as runway repair, emergency equipment upgrades, airport terminal rehabilitation and runway lighting. The Colorado Aeronautics Board (CAB) generally requires that local matching funds are included in proposals to the CAB, to demonstrate local support for project requests.

FEDERAL

Federal support for Colorado’s aeronautics program is minimal, with the exception of the funds for Denver International Airport, which is not part of the CDOT Division of Aeronautics. CDOT is estimated to receive $282,516 in federal funds for FY 2008. In FY 2008, there are 3.0 FTEs funded from these federal funds.

Federal support of the Aeronautics Program is designed to accomplish specific aeronautical projects of federal interest. These projects currently require a 5% match from the State Aviation Fund, which is provided by the CAB from the Discretionary Airport Grant Program. Due to potential changes in the federal funding program in FY 2008, it may be necessary to increase match from the State Aviation Fund from 5% to 10%.

In addition to the FAA funds managed by CDOT, there is an additional $65 million in Federal Airport Improvement Program (AIP) grant funds estimated to be available to Colorado airports in FY 2008. The AIP grant recipient airports numbers 30-35 per year, and **includes** both Denver International Airport (DIA) and the Colorado Springs Airport (COS).

The AIP grant funds to Colorado airports from 2002-2005 (DIA and COS included):

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

The Aeronautics Division program descriptions and fund details are more thoroughly explained in the program section on pages 37-39.

SAFETY EDUCATION PROGRAM - REVENUES

STATE

There are two major safety programs, which are entirely State funded: the Law Enforcement Assistance Fund (**LEAF**) and the Motorcycle Operator Safety Training (**MOST**) Program. LEAF was created by the legislature in 1982 to help cities and counties enforce drunk driving laws. The Office of Transportation Safety (OTS), within the Safety and Traffic Branch of CDOT, is assigned the responsibility of allocating LEAF money to law enforcement agencies statewide. Today, there are approximately 40 law enforcement agencies in the state receiving LEAF money, with $1.0 million in LEAF funds to be allocated in FY 2008.

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

In 1990, the General Assembly created the Motorcycle Operators Safety Training (MOST) Program to promote safe motorcycle riding and established a five-member MOST Program Advisory Committee. Effective July 1, 1997, surcharges of $1.00 on each motorcycle-endorsed driver's license and $4.00 on each motorcycle registration are credited to the MOST Fund. For FY 2008, MOST funds are estimated at $0.6 million. Of this amount, a portion is set aside for motorcycle training organizations to be used as 50% tuition reimbursement. The remaining funds are for administrative costs.

FEDERAL

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

- **Transportation Safety Administration**
  This program is funded with federal Section 402 funds and is matched dollar for dollar with State Highway Funds. This program funds the general administration of the Office of Transportation Safety within CDOT as well as the overall management of the various projects within the office. For FY 2008, this program will total $0.7 million matched at a 50% federal and 50% State ratio.

- **Highway Safety Plan**
  Federal funds for the first seven safety areas come from the National Highway and Traffic Safety Administration (NHTSA) 402 funds. Funds for the Roadway Safety area come from the FHWA 402 program and deal with non-construction safety areas, such as proper traffic signs and signals, traffic engineering and maintenance training. For FY 2007, $2.0 million in federal funds are allocated to this program and are matched on a 75% federal and 25% State or local ratio.

- **Alcohol Incentive Grant Program**
  The program aims to reduce alcohol-related driving and crashes. For FY 2008 this program is funded entirely with federal funds from the 410 Program at $0.7 million.

- **Fatal Accident Reporting System (FARS)**
  The FARS program is 100% federally funded from section 403 funds, and is currently under a three-year cooperative agreement with NHTSA with an option to renew for an additional two years. Funds for this program become available annually on a calendar year basis. For FY 2008, funding is expected to total $.1 million.

TRANSPORTATION REVENUE ANTICIPATION NOTES (TRANS)

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

The State Legislature passed H.B. 99-1325, in the 1999 session. In November of that same year, the voters approved Referendum A. Referendum A granted the Department the authority to utilize this financing mechanism.

The legislation had several restrictions. These restrictions are as follows:

- Bond proceeds must be used on the **Strategic Transportation Projects Investment Category Programs**, commonly known as the 7th Pot projects.

- The maximum principal amount of bonds that can be issued cannot exceed $1.7 billion and the total repayment of principal and interest cannot exceed $2.3 billion.

- The highest level of debt service in any given year cannot exceed 50% of the previous year's federal aid funds collected, e.g., if CDOT collects $350 million in federal funds during the state fiscal year, the total annual repayment of all bonds issued to date cannot exceed $175 million.

- To repay the bonds, the department may use the following sources:
    - Federal transportation funds
    - State-matching funds
    - Note proceeds
    - Interest earnings

There is no specification of the portion of fund types that can be used in repayment of the bonds in the legislation.

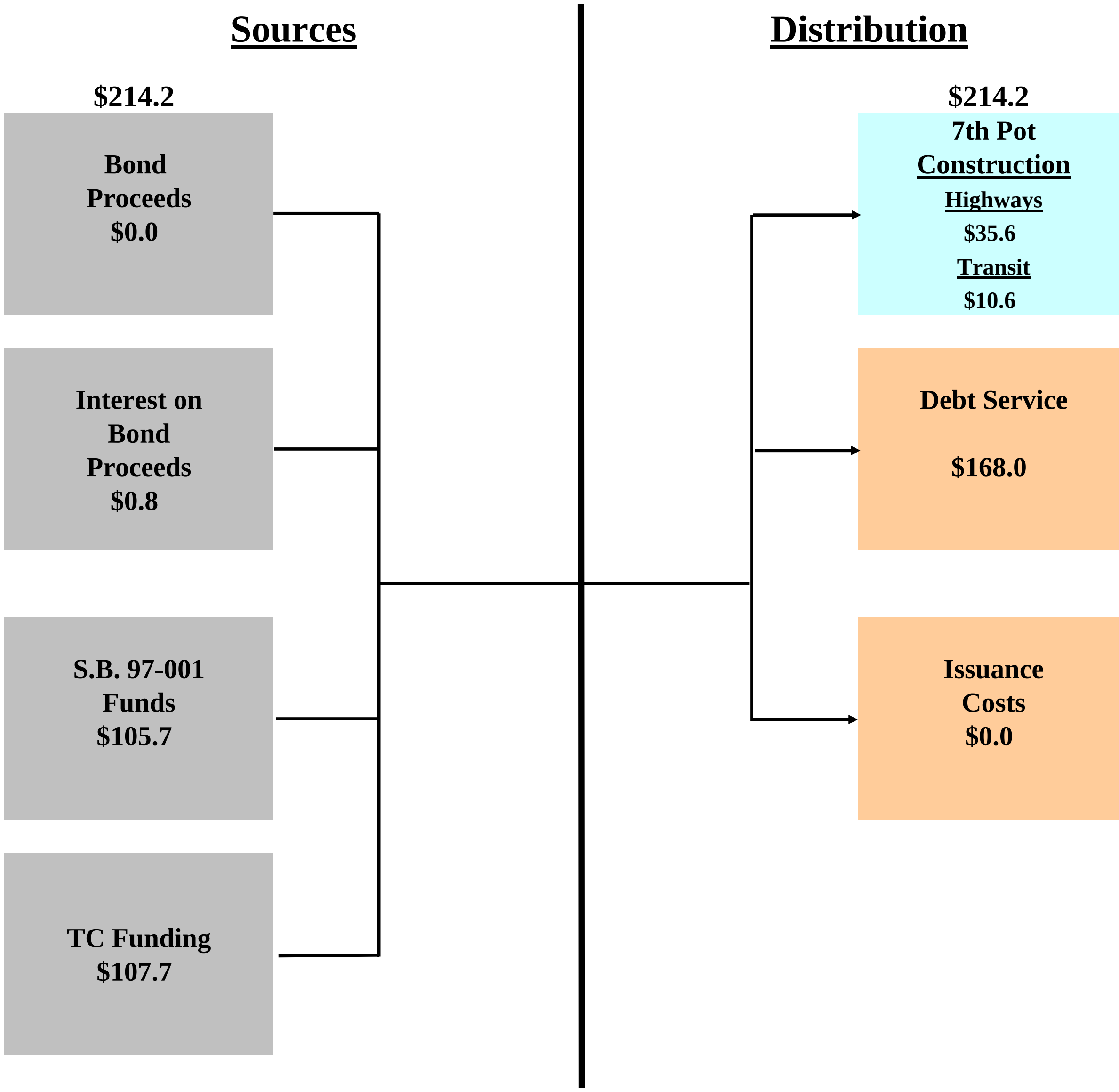
To date, the total bonding capacity has been issued under the limit that repayment of principal and interest cannot exceed $2.3 billion. All TRANS funds have been budgeted and are under contract. The total debt service is now at $2.3 billion, which has been the controlling factor, and has allowed us to make approximately $1.5 billion available for projects.

Debt Service payments for FY2008 total $167.9 million and will remain at this level until the end of the term, based on:

- $51.1 million for Series 2000
- $56.5 million for Series 2001A
- $22.5 million for Series 2002
- $21.8 million for Series 2002B Refunding
- $ 6.7 million for Series 2004A
- $14.2 million for Series 2004B

FY2008 TRANS *
Strategic Projects Investment Category

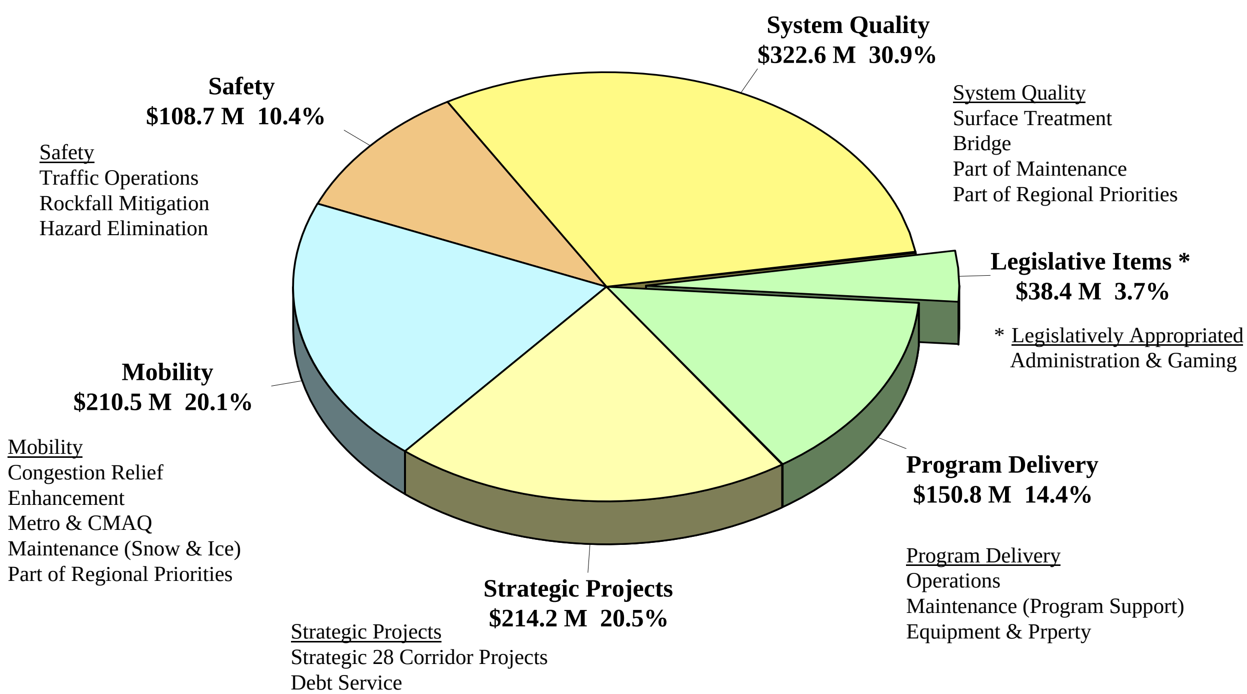
(In Millions)



As of November 7, 2006

* TRANS proceeds, are utilized in projects over multiple fiscal years. Any additional issuance decisions will be based upon economic and project related issues.

CDOT INVESTMENT CATEGORIES
FY 2008 Estimated Distribution
$1,045.1 Million



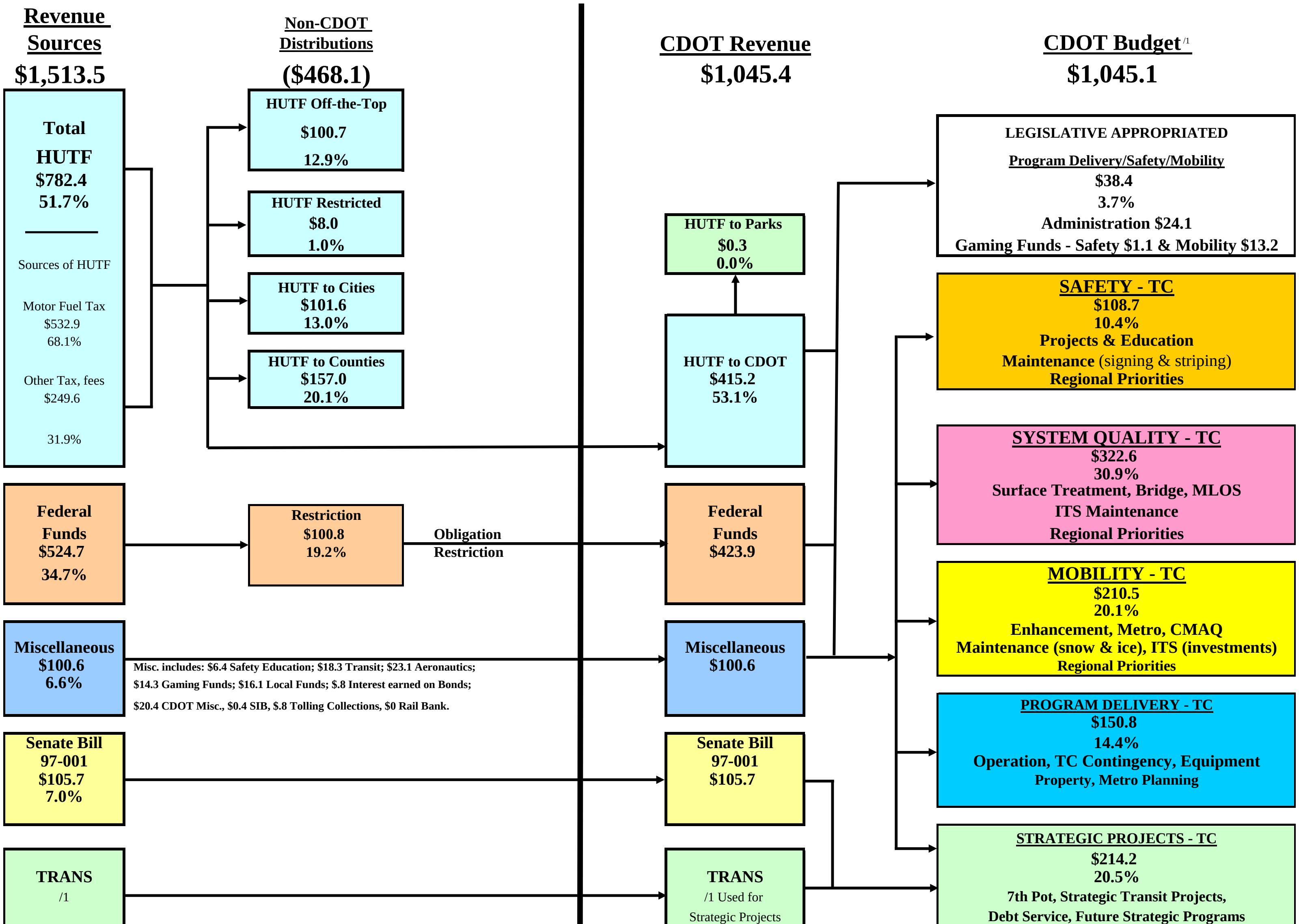
This distribution does not include TRANS Bond proceeds and is an estimate based upon general Program Budget alignments with Investment Categories, and thus not project specific.

Totals may differ due to rounding

Colorado Department of Transportation

Estimated FY 2007 - 2008 Financing System - Distribution by Investment Categories

(In Millions)



/1 This Revenue & Allocation chart does not include Bond proceeds. See TRANS Bond Chart if applicable.

Totals may vary due to rounding

As of November 28, 2006

TC = Transportation Commission Appropriated

COLORADO DEPARTMENT OF TRANSPORTATION
FY2008 ALLOCATION BY INVESTMENT CATEGORY
As of November 28, 2006

INVESTMENT CATEGORY / PROGRAM AREAS (All or part)	ALLOCATION
SAFETY	
Safety Education	6,444,443
Safe Routes to Schools	1,477,144
Railroad Crossings	2,328,249
Rockfall Mitigation	3,273,112
Rockfall Mitigation - Gaming Funds	0
Gaming Funds - Construction	0
Maintenance - Gaming Funds	1,109,757
Hazard Elimination	16,298,552
Hot Spots	2,429,199
Traffic Signals	1,650,912
Safety Enhancements * - is transferred to Surface Treatment	5,566,957
Maintenance (Traffic Operations)	61,468,040
Safety - Earmarked Projects	7,758,001
Total SAFETY	**109,804,366**
SYSTEM QUALITY	
Surface Treatment * - plus Safety Enhancement fund transfer	153,047,380
CDOT Bridge & Special DI for Culvert Repair	39,068,161
Local Bridge	8,511,304
Maintenance	94,227,810
ITS Maintenance	8,671,901
Transit (Capital - Sec. 5310)	2,003,659
Tunnel Inspections	200,000
System Quality - RPP 60% & Earmarked Projects	16,834,041
Total System Quality	**322,564,256**
MOBILITY	
Congestion Relief	8,780,595
Enhancement	10,480,307
Metro	41,419,599
CMAQ	33,242,790
Maintenance (Avalanche, Snow & Ice)	43,587,497
ITS Investments	0
Gaming Funds - Construction	13,183,000
Division of Aeronautics	23,054,552
Transit (Service & Capital)	14,238,722
Mobility - RPP 40% & Earmarked Projects	35,667,265
Total MOBILITY	**223,654,327**
STRATEGIC 28 PROJECTS	
Strategic 28 Projects - Debt Service	167,989,077
Strategic 28 Projects - Highway	35,639,643
Strategic 28 Projects - Transit	10,573,321
Total STRATEGIC PROJECTS	**214,202,041**
PROGRAM DELIVERY	
Operations (incl Tolling CF)	72,367,085
Maintenance - Program Support - Region MLOS	16,951,896
TC Contingency - Includes Snow & Ice Reserve, Tolling Transfer	42,242,704
Maintenance Incentive Program - Roadway Transfer	10,000,000
Road Equipment	13,809,123
Capitalized Operating Equipment	4,042,367
Property & COPS	7,648,744
Transit Administration / Operations	411,596
Metro Planning - FTA & FHWA	7,417,110
Total PROGRAM DELIVERY	**174,890,625**
TOTAL CDOT INVESTMENT CATEGORIES	**$ 1,045,115,615**

SAFETY INVESTMENT CATEGORY

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

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

SAFETY PROGRAM AREAS - SAFETY EDUCATION & ROADWAY SAFETY

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

DRIVER BEHAVIOR PROGRAMS – Safety Education

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

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

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

The OTS administers two State-funded programs. These are the Law Enforcement Assistance Fund (LEAF) and the Motorcycle Operators Safety Training (MOST) Program. LEAF provides grants to assist local law enforcement agencies in the enforcement of drunken driving laws. Funding for this program comes from fines collected from every person who is convicted of, pleads guilty to, or receives a deferred sentence for a violation of alcohol/drug driving laws. The MOST Program provides safety training programs for motorcyclists, and is funded from a $1.00 surcharge on all drivers' licenses that have a motorcycle endorsement, and a $4.00 surcharge on all motorcycle registrations.

TRANSPORTATION SAFETY ADMINISTRATION

This program is funded with federal Section 402 funds and is matched dollar for dollar with State Highway Funds. This program funds the general administration of the Office of Transportation Safety within CDOT as well as the overall management of the various projects within the office. For FY 2008, this program will total $0.7 million when matched at a 50% federal and 50% state ratio.

HIGHWAY SAFETY PLAN

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

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

Federal funds for the first seven safety areas come from the National Highway and Traffic Safety Administration (NHTSA) 402 funds. Funds for the Roadway Safety area come from the FHWA 402 program and deal with non-construction safety areas, such as proper traffic signs and signals, traffic engineering and maintenance training. For FY 2008, $2.5 million in federal funds are allocated to this program and are matched on a 75% federal and 25% State or local ratio.

ALCOHOL INCENTIVE GRANT

The program aims to reduce alcohol-related driving and crashes. For FY 2008 this program is funded entirely with federal funds from the 410 Program at $0.7 million.

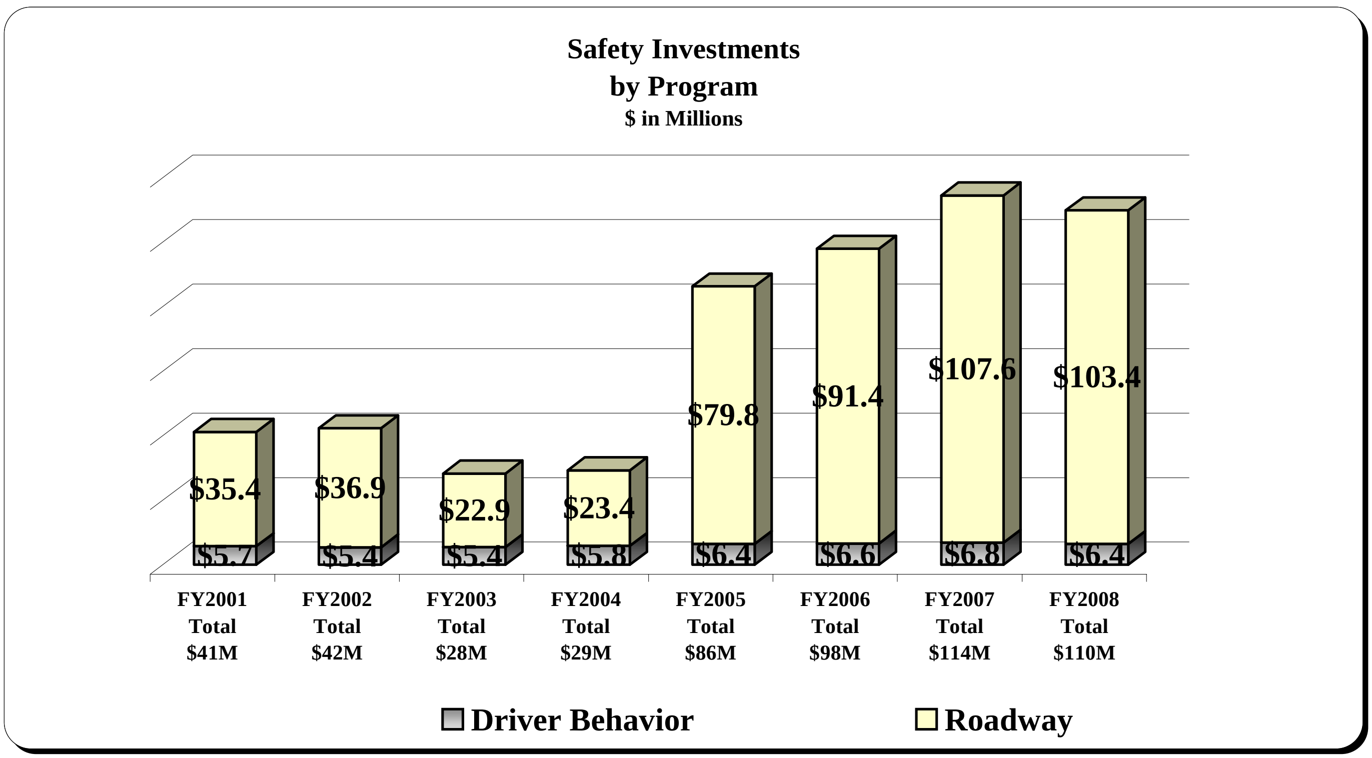
FATAL ACCIDENT REPORTING SYSTEM (FARS)

The FARS program is 100% federally funded from section 403 funds, and is currently under a three-year cooperative agreement with NHTSA with an option to renew for an additional two years. Funds for this program become available annually on a calendar year basis. For FY 2008, funding is expected to total $.09 million.

ROADWAY SAFETY PROGRAM AREA

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

H.B.05-1151 passed in 2005 doubles the fines for various types of violations in construction work zones beginning July 1, 2006. These funds are deposited into the Highway Construction Workers' Safety Account in the Highway Users Tax Fund (HUTF). The bill provides that the funds that are generated are continuously appropriated to the Department of Transportation for work zone safety equipment, signs, and law enforcement. It is estimated that in FY 2007-08, the amount to be generated from this new source will be approximately $72,000, which will be used to purchase Safety Attenuator Equipment (truck mounted crash impact barriers).



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

SYSTEM QUALITY INVESTMENT CATEGORY

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

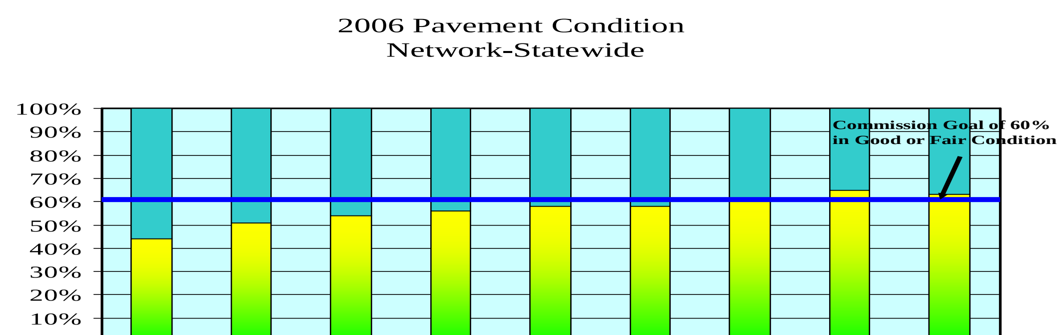
The significance of this investment category is that it is responsible for the quality of the transportation infrastructure. Investment decisions in this category impact the surface quality and remaining service life of roadways and structures. The investment Program Areas are: Pavement, Bridge, Roadside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

SURFACE TREATMENT

The Surface Treatment Program involves a combination of federal and State funds. Federal Surface Transportation Program funds may be utilized in this program for any roads that are not functionally classified as local or rural minor collectors.

To preserve and maintain the State highway system, the Transportation Commission will allocate $153.0 million in FY 2008 to the Surface Treatment Program (plus a minimum of $25.8 million transferred to the Maintenance program for surface work.) This is the Fifteenth fiscal year of an increased level of funding for surface treatment well beyond adjustments for inflation. In contrast, in FY 1993, only $46.4 million was budgeted for the program. The decision to increase the amount for resurfacing was based on 1993 data showing that 64% of the state highway system had pavement rated as "poor." The increased emphasis has had a positive effect. Using “Remaining Service Life” (RSL), the current pavement condition on the State system is rated 63% as "fair/good" and 37% as “poor.”

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

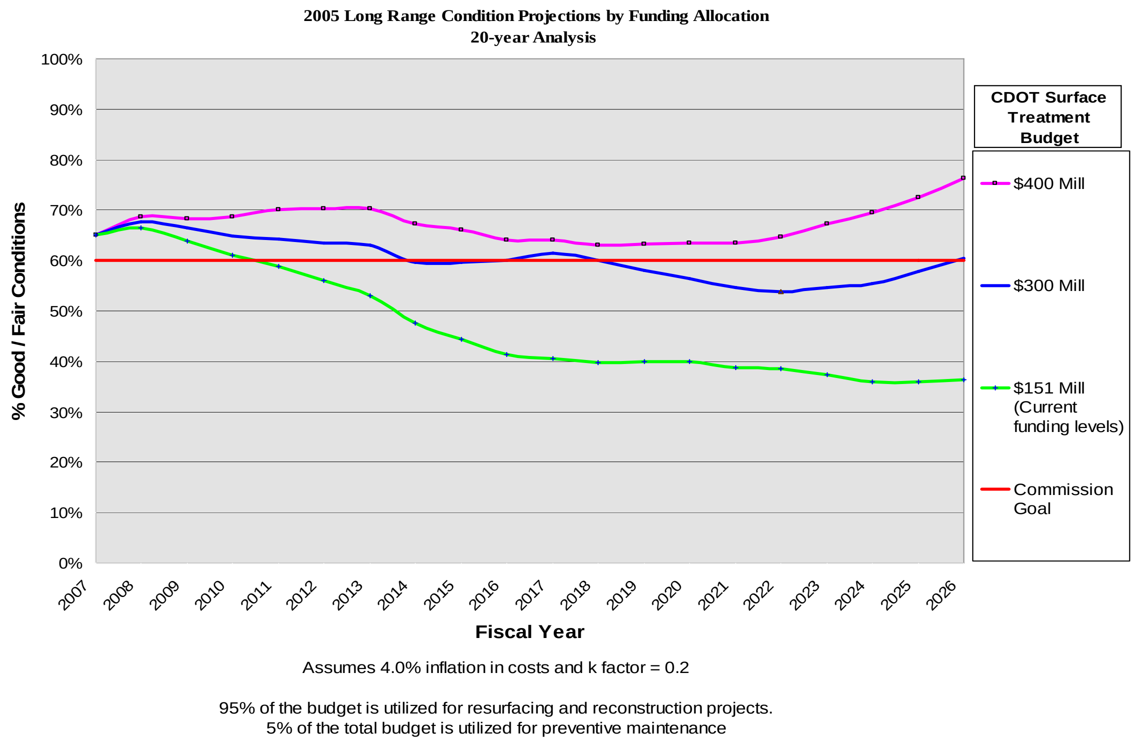


	'98	'99	'00	'01	'02	'03	'04	'05	'06
Poor	56%	49%	46%	44%	42%	42%	39%	35%	37%
Good/Fair	44%	51%	54%	56%	58%	58%	61%	65%	63%

Good/Fair - Equal to or greater than 6 years
Poor - Less than 6 years
Based upon # of Years Remaining Service Life

9/06/06

However, the current funding levels will not sustain the surface condition in future years, as the next chart indicates the resultant condition of Good/Fair by varying funding levels.



BRIDGE

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

The HBRRP, although it has changed somewhat throughout the years, has funded structurally deficient and functionally obsolete bridges that qualify for what is known as the "Federal Select List of Bridges" (the Select List). On a two-year cycle, CDOT and consulting engineers inspect all of the public bridges within the state in accordance with the National Bridge Inspection Standards (NBIS) and, each year, CDOT reports the conditions of the bridges to the Federal Highway Administration (FHWA). From that information, those bridges that are determined to be either Structurally Deficient (SD) or Functionally Obsolete (FO) AND have a Sufficiency Rating of eighty or less are placed on the Select List. The Sufficiency Rating is a value from zero to one-hundred (with zero being the worst) that bridges are rated by, based on structural safety, serviceability, and essentially for public use. To be classified SD or FO, bridges must meet specific criteria defined by FHWA.

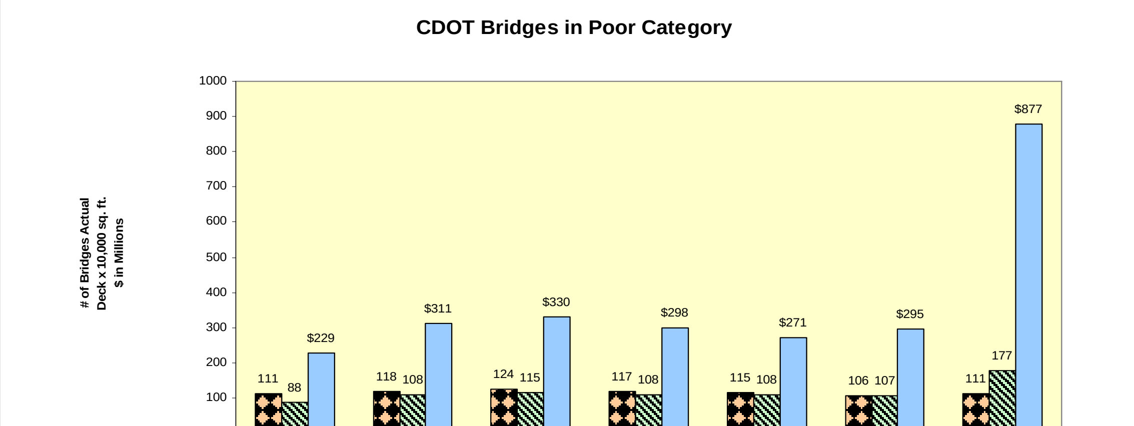
Bridges that have a Sufficiency Rating LESS THAN fifty (i.e., bridges in poor condition) qualify for HBRRP replacement funding while those with a Sufficiency Rating from fifty to eighty (i.e., bridges in fair condition) qualify for rehabilitation funding. The Bridge Design and Management Branch provides this information to the State's Regional Transportation Directors, the cities and counties through the Special Highway Committee, and to Transportation Planning organizations for their use in selecting and prioritizing bridge projects within their jurisdictions to be included in the Statewide Transportation Improvement Program (STIP).

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

The numbers of bridges qualifying for the Select List has been fairly constant. That is to say, that the numbers of bridges in the fair and poor categories has not changed dramatically from year to year because as bridges are being replaced, others are deteriorating and becoming eligible for the Select List. At current funding level this is expected to change in the future, with a growing number of poor bridges, as the average age of the State's bridge infrastructure increases.

Bridges in the poor category typically indicate a need for replacement instead of preservation activities. Under CDOT's current 2008-2035 plan, $27.0 million will be invested annually (on average, uninflated dollars) from the State's Bridge Program to replace bridges in poor condition. The total project cost to replace the current number of poor on-system bridges is estimated to be around $877 million dollars. The I-70 Viaduct (from Brighton Boulevard to Colorado Blvd, in Denver) accounts for about $500 million of this amount.

CDOT's current 2008-2035 plan provides $40.9 million annually (on average, uninflated dollars) for the State Bridge Program. $13.9 million of this amount is programmed for bridge and culvert critical repairs, bridge preventative maintenance, and the Department's structure inspection and inventory programs. In addition to bridges, the Department's structure inspection and inventory programs include bridges and culverts less than 20 feet long (along centerline of roadway), overhead signs and signals, and high mast lights.



	2000	2001	2002	2003	2004	2005	2006
Number of Poor Bridges	111	118	124	117	115	106	111
Deck Area (x 10,000)	88	108	115	108	108	107	177
Replacement Cost (in Millions)	$229	$311	$330	$298	$271	$295	$877

Number of Poor Bridges   Deck Area (x 10,000)   Replacement Cost (in Millions)

Total Project Cost for Replacement of Poor Bridges Listed in Fiscal Year 2006 = $877 Million.

(Last three year average per square foot of existing bridge x 2.2 swell factor x 1.75 related roadway work x 1.15 Engineering = $ per sq. foot)

MAINTENANCE

Our Maintenance Program protects the significant investment in our current infrastructure. The program is designed to keep the 9,200 centerline-mile (27,110 lane miles) State highway system open and safe for the traveling public. This involves all activities from the centerline of the highway to the right-of-way fence on both sides of the highway. Examples of highway maintenance activities include: patching by hand or machine, sealing of pavement cracks and joints, seal coating, blading unpaved surfaces and shoulders, cleaning drainage structures, cleaning and shaping ditches, repairing slopes because of washout or erosion, maintaining stream beds, sweeping the road surface, picking up litter and trash, controlling vegetation, maintaining roadway signs and lighting, guard rail repair, bridge repair, painting bridges, tunnel maintenance, rest area maintenance, snow plowing and ice control, removing of snow and sanding, and controlling avalanches. This preservation effort is not only vital to the integrity of the infrastructure; it is an imperative component of highway safety for the traveling public.

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

In an effort to provide statewide consistency in service, for FY2008, CDOT has continued a Performance Budgeting System for the Maintenance Program. The "Maintenance Levels of Service" (MLOS) system includes an annual physical rating and/or survey to observe results or conditions for approximately fifty activity or system items. The measured items are then categorized into nine "Maintenance Program Areas" (MPA's), which are: planning, scheduling, inspection, and training; roadway surface; roadside facilities; roadside appearance; traffic services; bridge; snow and ice; buildings, grounds, rest areas and equipment; and major tunnels. There are five service levels established for each MPA, with calculations translated to a scale of A through F, with A being the best or highest service level and F being the worst. In order for field staff to properly carry out the Commission's priorities there are definitions and pictures clearly delineating the various levels of effort.

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

Prior to MLOS results were reported in terms of quantity, as illustrated below, without the results being noted in terms of system quality, mobility or program delivery. During FY 2006 these transportation workers:

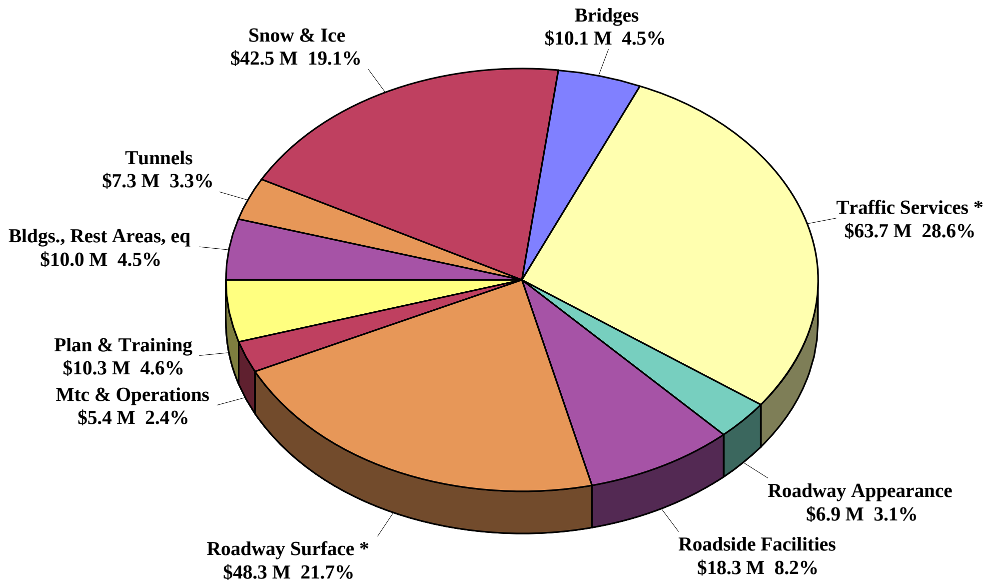
- Extended the life of highways utilizing 290,510 tons of asphalt and 2.18 million gallons of liquid asphalt in asphalt preservation activities.
- Striped over 32,466 miles of roadway. Placed 2.23 million sq ft of markings by hand.
- Snowplowed, sanded and/or de-iced Colorado highways traveling 5.3 million miles. 6 thousand hours of avalanche mitigation.

- Disposed of 267,543 cubic yards of trash with the help of 20,000 Adopt-A-Highway volunteers.
- Installed, replaced or repaired 107,430 signs and/or posts damaged by accident, vandalism or deterioration.
- Replaced, installed or repaired over 19.0 million linear feet of fencing along right of way.
- Provided over 53,031 hours of traffic surveillance through Colorado's two major vehicular tunnels along the I-70 corridor. This in turn provided quick response to emergencies that occurred, helping to ensure safe passage for the motoring public.

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

MPA	FY 2006 LOS	FY2008 Proposed LOS
Planning & Training	B	C
Road Surface	B+	B
Roadside Facilities	B+	C+
Roadside Appearance	B+	C
Traffic	C-	D+
Structures	C	C-
Snow & Ice Control	B+	B
Equipment, Bldgs., Grounds	C+	C-
Tunnels	C	C+
Total Maintenance Program - Statewide	**B**	**B-**

FY 2008 Maintenance - LOS
$222.8 Million *



* Plan based upon Target Level of Service allocation model, including $25.8M of Surface Treatment Funds, $24.5M of Safety Funds transferred to Traffic Services, and $1.1 million of Gaming Funds.

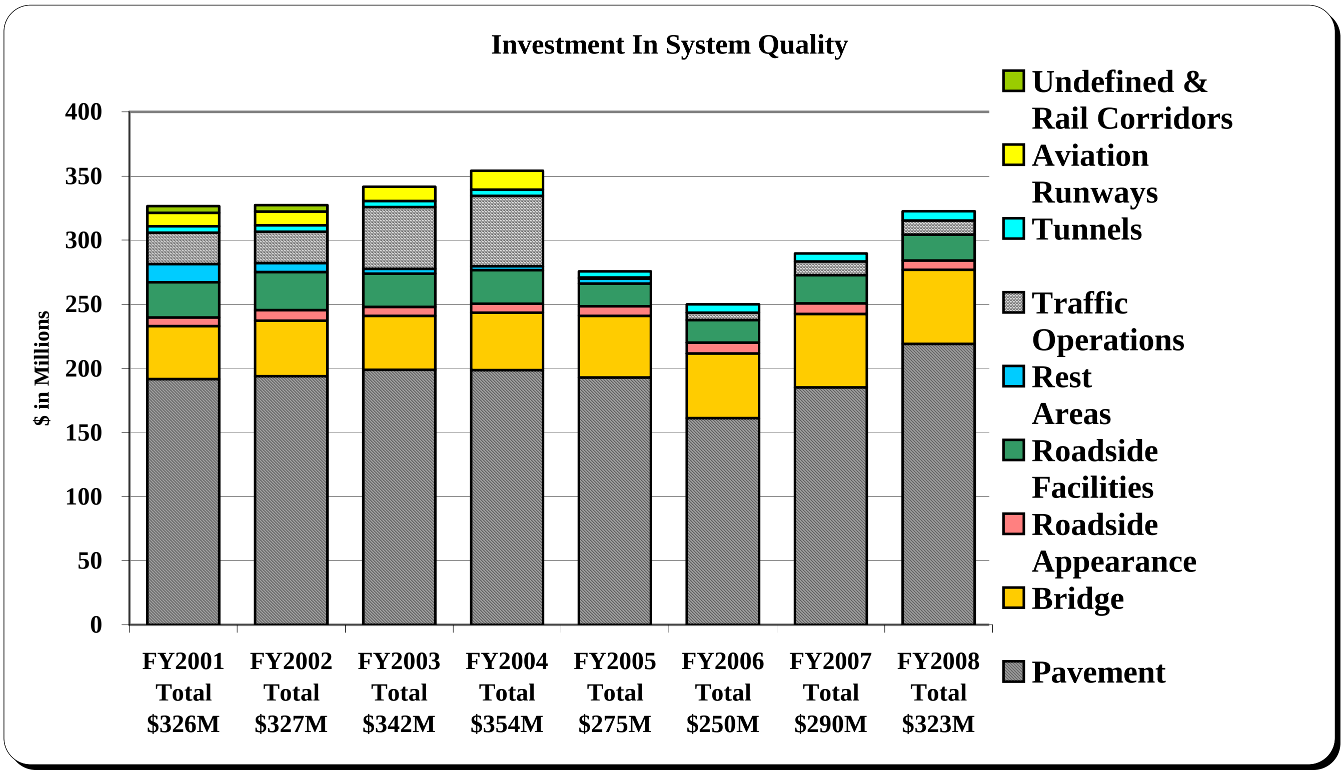
INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

$8.7 million is provided to continue to design, build, operate, and maintain the implementation of the ITS program. The program includes the delivery of traffic management through the Traffic Management Center (CTMC), ramp metering, video monitors, variable message signs and more. This program now includes replacement of early ITS devices, maintaining the existing ITS infrastructure throughout the state, and the management center. This is the ninth year of an ongoing program.

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

CDOT's Investment in System Quality

This Graph Compares Allocation of Funds for FY 2001–FY 2008 Utilizing the Original Budget for Each Fiscal-Year



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

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

MOBILITY INVESTMENT CATEGORY

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

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

CONSTRUCTION

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

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

The total FY2008 Budget available for the Construction Program area is $674.7 million, including $13.2 million of requested Gaming Funds. Of this amount $168.0 million is utilized for debt service for projects previously advanced using TRANS funds, and $103.7 million is utilized for internal design and construction management. This results in approximately $403.1 million for infrastructure construction. *In addition certain Maintenance Program activities are also performed utilizing contractors.*

CDOT REGIONAL PRIORITIES

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

FEDERAL/LOCAL REGIONAL PROGRAMS

METROPOLITAN PLANNING PROGRAM

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

ENHANCEMENT

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

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

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

METRO

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

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

State of Colorado Total Population **4,301,261**

LOCATION > 200,000	POPULATION	%
• Colorado Springs, CO	466,122	(17.539%)
• Denver-Aurora, CO	1,984,887	(74.686%)
• Fort Collins, CO	206,633	(7.775%)
TOTAL AREAS > 200,000	**2,657,642**	**(100.000%)**

Areas with Population Greater than 200,000	(61.788%)
Areas with Population Less than 200,000	(38.212%)

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

STP funds allocated based on population is distributed to areas with populations less than 200,000.

CONGESTION MITIGATION AND AIR QUALITY PROGRAM

SAFETEA-LU continued the Congestion Mitigation and Air Quality Improvement (CMAQ) Program. This program is designed to direct funds to transportation projects in Clean Air Act non-attainment areas that contribute toward achieving or maintaining air quality standards. Colorado has eight areas that are classified as non-attainment or maintenance; the Denver/Longmont, Colorado Springs, and Fort Collins/Greeley Metropolitan Planning Organization (MPO) areas, as well as Canon City, Pagosa Springs, Aspen, Telluride and Steamboat Springs. Projects under this program must contribute to meeting the attainment of national ambient area-air quality standards. If all attainment standards have been met, these funds may be used as if they were Surface Transportation Program (STP) funds.

The federal funds are apportioned to the states based on weighted non-attainment and maintenance area population. The Transportation Commission has decided to allocate the CMAQ funds to the three non-attainment MPO areas based on population and vehicle miles traveled after allocating $1.0 million to be divided among the rural PM10 non-attainment areas. The remainder of these funds is allocated to the three MPO areas: Denver Regional Council of Governments (DRCOG 76.31%), Pikes Peak Area Council of Government (PPACG 18.13%), and North Front Range (NFR 5.56%)**.**

AERONAUTICS

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

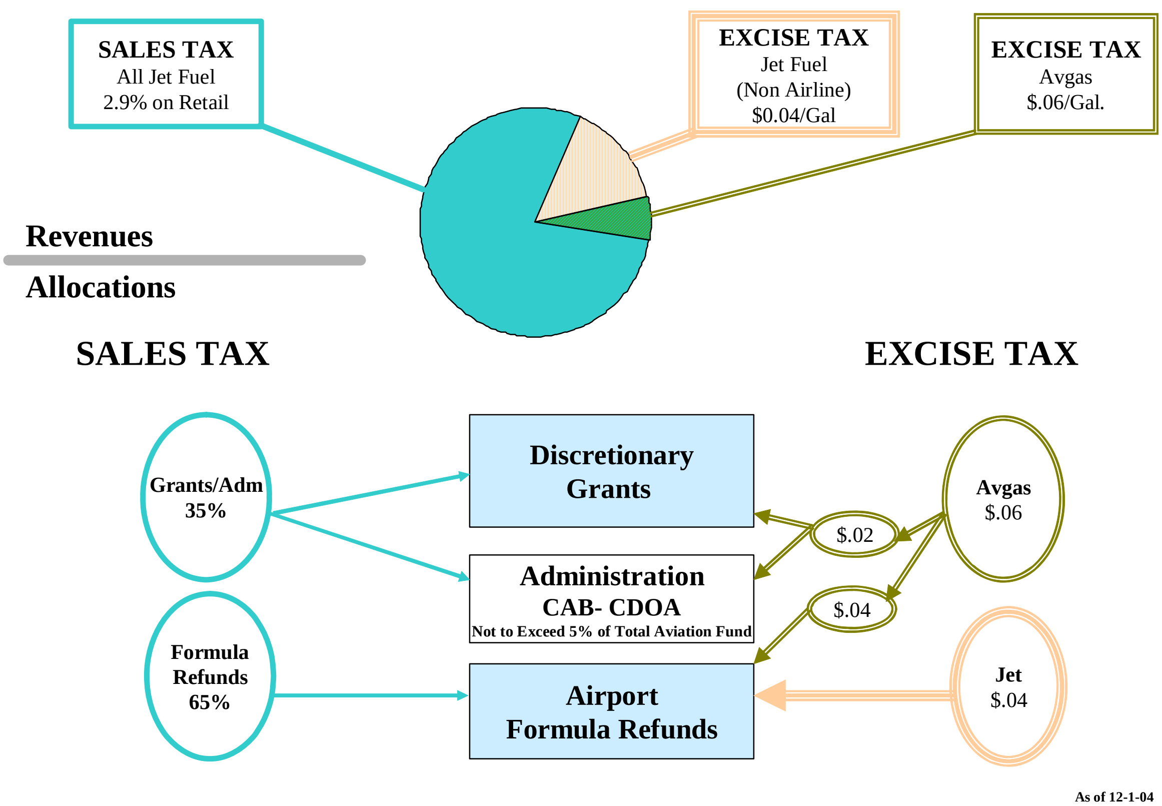
The DOA operates under the direction of the Colorado Aeronautical Board (CAB), a seven-member body appointed by the Governor and confirmed by the Senate. In addition to other duties, the CAB operates the Discretionary Grant Program, which provides grants to local communities for aviation purposes.

Financial support for the Division of Aeronautics and other aeronautical activities is provided through the State Aviation Fund, which generates revenue through an excise tax on general and non-commercial aviation fuels. Four cents per gallon is collected at the wholesale level on non-commercial jet fuel and six cents per gallon is assessed on aviation gasoline (AvGas) for light single-engine and twin-engine aircraft. All but two cents of this revenue is returned to the airport of origin for airport development. The remaining two cents is placed into the Aviation

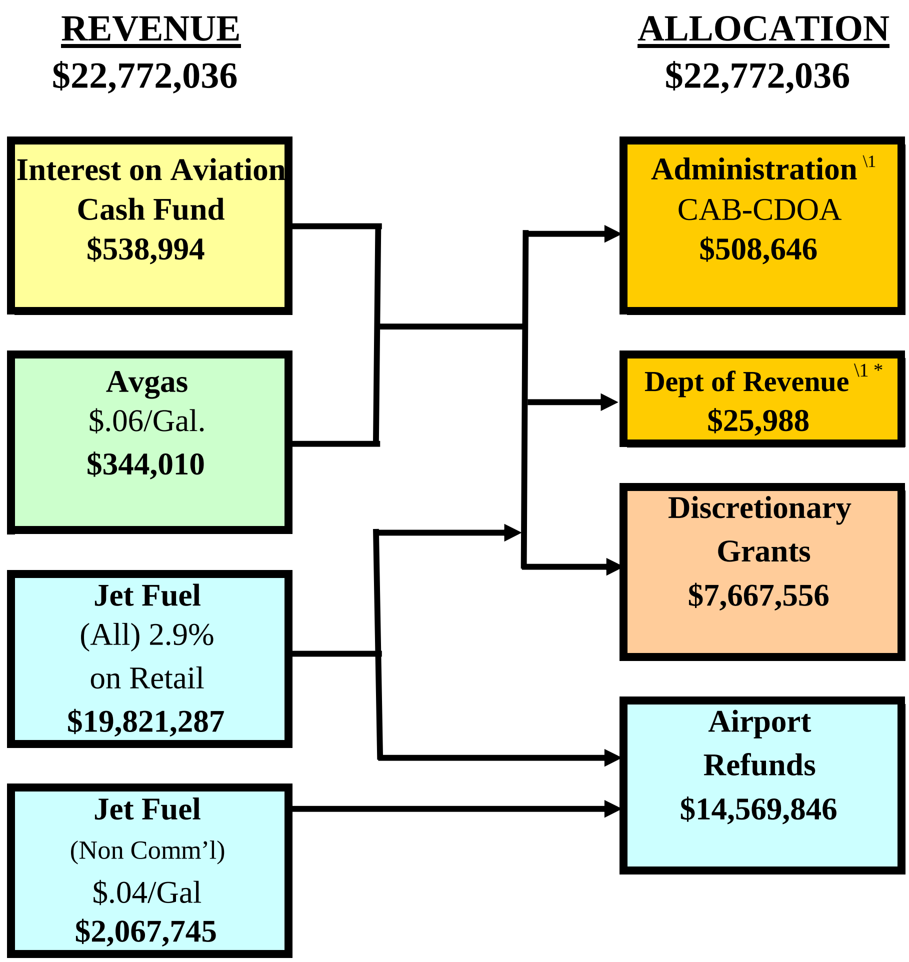
Fund for the administrative expenses of the Division of Aeronautics (statutorily capped at five percent of the annual deposits into the Aviation Fund) and for the continuously appropriated grants made by the Colorado Aeronautical Board to entities operating public-accessible airports. The three-percent jet fuel sales tax collected on sales of jet fuels to all non-commercial users is similarly disbursed. In addition, the DOA receives some funding from the FAA to perform special aviation projects throughout the state.

It should be noted that in 2003, with the passage of S.B. 03-049, the Formula Refund and Discretionary Grants portions of the Aviation Fund are now continuously appropriated, subject to the authority of the CAB. This was done to provide for the more timely distribution of these funds to the airports that are due the refunds or that have qualified for the grants. The Division's Administration activities were subsequently moved from appropriation by the legislature to the Transportation Commission in FY 2007 per H.B.06-1244.

Division of Aeronautics
Aviation Fund Revenue & Allocation Flow



Division of Aeronautics
FY 2008 Aviation Fund Revenues & Allocations



\1 Legislatively appropriated
* Revenue allocation is a reduction to Discretionary Grants and is subject to legislative adjustment.
Chart does not include $282,516 in federal grants requested for FY 2008.

As of 10-2-06

TRANSIT/INTERMODAL

This program includes a number of Federal grant programs involving transit and bicycle services. The transit programs disburse federal funds to various communities around Colorado for the provision of public transportation and the purchase of capital equipment such as buses and vans, while the Safe Routes to School program awards funds for educational and capital projects related to bicycle and pedestrian improvements. Some are identified as pass-through funds to other governmental units and administered by CDOT, while three of them are awarded directly, or a portion directly, to local entities. The estimated dollar amount for some of the larger programs is to be received by Colorado for Federal Fiscal Year 2008 is listed after the program. Of the $172.2 million total, CDOT will administer $12.5 million.

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

This Federal Transit Administration formula program is administered by CDOT and provides capital, operating and administrative assistance to organizations that provide public transportation in non-urbanized areas (under 50,000 population). The funds are awarded by CDOT to public and private non-profit transit operators on a competitive basis. $8.0 million

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

This FTA formula program, administered by CDOT, provides funds for capital equipment to organizations that transport elderly persons and persons with disabilities. The funds can be used in either urbanized or non-urbanized areas. Like the USC 49-5311 program, these funds are awarded by CDOT on a competitive basis. $1.6 million

USC 49-5303 - Transit Planning Assistance (Urbanized)

This formula program offers transit planning funds for urbanized areas. The Section 5303 funds are distributed by CDOT to the state's five MPOs based on a formula developed in cooperation with MPOs and approved by the FTA. $1.3 million

USC 49-5313 - Transit Planning Assistance (Statewide)

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

USC 49-5307 - Formula Funding for Urbanized Areas

This formula program offers funds to urbanized areas for capital expenses and, to a lesser extent, for operating expenses. Section 5307 funds are awarded directly to designated recipients in those urbanized areas and are administered by the FTA, not by the states--although states can choose to administer this program. $56 million

USC 49-5309 - Discretionary Capital Grant Program

The Section 5309 Capital Grant program is a discretionary program designed to offer assistance for capital equipment and facilities. These funds are made available primarily by means of Congressional earmarks. The program has three distinctive components: New Starts, Bus and Bus Facilities, and Fixed Guideway Modernization. $147 million

- The New Starts portion, which is available for qualified fixed guideway transit projects, has provided significant funding to the RTD for its light rail projects. $130 million
- The Bus and Bus Facilities portion of Section 5309 has been provided to Colorado transit systems through a cooperative arrangement by the Colorado Congressional delegation and the Colorado Transit Coalition, which is coordinated by the Colorado Association of Transit Agencies (CASTA). $12 million
- The Fixed Guideway Modernization portion is awarded to RTD for upkeep of its rail system, based on a formula. $4.9 million

USC 49-3018 - Job Access and Reverse Commute (JARC) Formula Grants

The JARC program, which provides competitive grants for job related transportation services for low income persons, was changed from a discretionary program to a formula program. 60% of the funding will be available <u>directly</u> to large urbanized areas. CDOT will administer the remaining 40%, with 20% set aside for small urbanized areas and 20% for non-urbanized areas. The funds will be awarded on a competitive grant basis. $1.9 million statewide

USC 49-3019 - New Freedom Program

This new formula program is intended to provide public transportation services and alternatives to individuals with disabilities, beyond those required by the Americans with Disabilities Act, particularly for transportation to jobs and employment support services. It will be distributed and awarded identically to the method described above for the Section 3018 (JARC) program. $1.2 million statewide

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

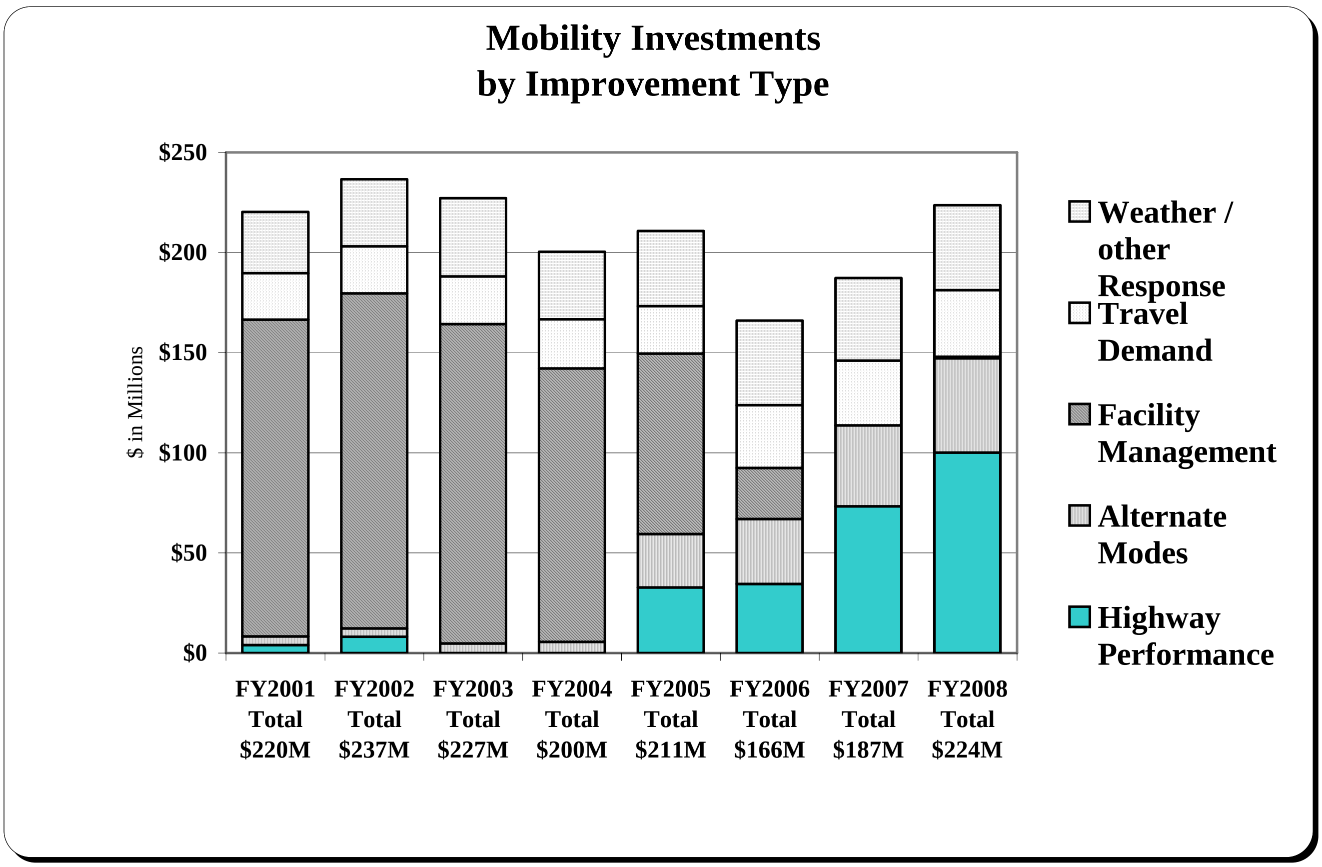
This new program awards transit funds <u>directly</u> to Tribal governments. It is in response to Tribal governments' concern that they should be able to contract directly with the Federal government rather than with states. No formula has yet been developed for how the funds will distributed among Tribal governments.

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

This new program, provided through the <u>Federal Highway Administration</u> (**FHWA - not part of Transit FTA funds**) and administered by CDOT, provides formula funding to the states for projects that increase walking and bicycling to K through 8 schools. Funds will be awarded on a statewide competitive basis. $2.3 million

CDOT's Investment in Mobility

This Graph Compares Allocation of Funds for FY 2001–FY 2008 Utilizing the Original Budget for Each Fiscal-Year



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

STRATEGIC PROJECTS INVESTMENT CATEGORY

Defined as: the 28 high-priority statewide projects that have been committed for accelerated funding

The Strategic Projects Investment Category was established to accelerate the funding and development of high priority transportation projects throughout the state. A base of 28 specific projects is maintained within this investment category. The elements that qualify a project for high priority status are based on the overall visibility, cost and return on investment of the project in addressing on-going needs of safety, mobility and reconstruction.

STRATEGIC 28 PROJECTS

On August 15, 1996, the Transportation Commission adopted the Strategic Transportation Project Investment Program, otherwise known as the "7th Pot." This program identified 28 high priority projects of statewide significance. The primary objective of the Strategic 28 Priority Projects was to expedite the completion of these transportation projects, to establish a minimum annual level of funding for these projects and provide a process for monitoring and reporting project progress. To date, 19 of the 28 projects have been fully funded or are complete.

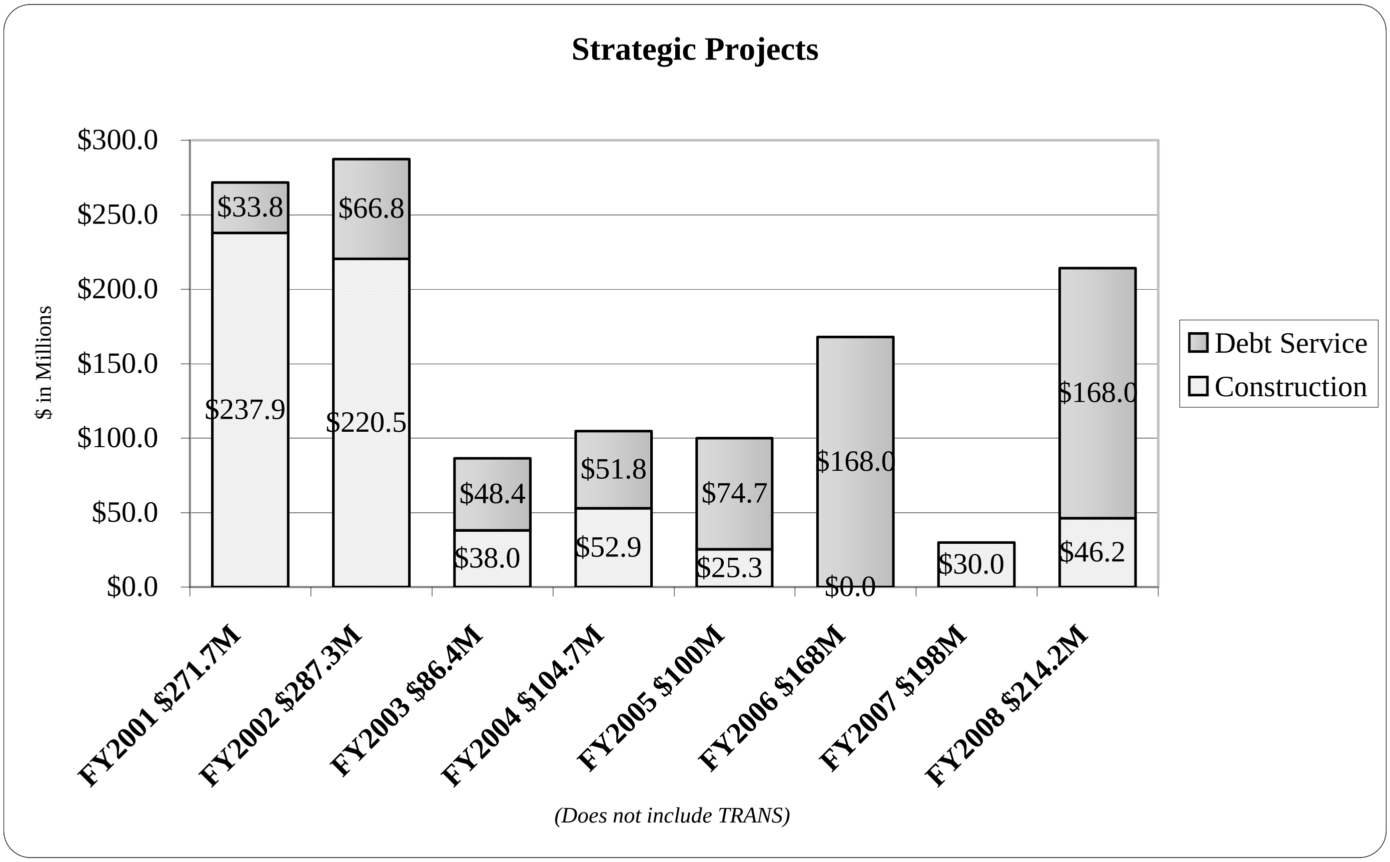
This program focuses transportation resources on a series of project corridors of State significance. These projects address high priority needs in mobility, reconstruction and/or safety; they have high statewide and/or regional priority; and, they are contained in the approved 20-Year Statewide Transportation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

Pursuant to H.B.99-1325, the proceeds from TRANS are dedicated toward this program. See page 21 for a more thorough description of this financing method.

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

CDOT's Strategic Projects Investment

This Graph Compares Allocation of Funds for FY 2001–FY 2008 Utilizing the Original Budget for Each Fiscal-Year



The $200.0 million decline in this Investment Category from FY 2002 to FY 2003 was due to the loss of S.B. 97-001 funds. The funds identified for construction in FY 2007 and FY 2008 are from federal earmarked funds.

PROGRAM DELIVERY INVESTMENT CATEGORY

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

ADMINISTRATION - *Legislatively Appropriated*

The administrative portion of CDOT as defined by State statute, includes salaries and expenses of the following offices and their staffs: Transportation Commission, executive director, chief engineer, regional directors, budget, internal audit, public information, equal employment (mandated by federal law), special activities, accounting, administrative services, building operations, management systems, personnel (which includes rules interpretation, training, risk management and benefits), procurement, insurance, legal, and central data processing (C.R.S. 43-1-113(2)(a)(III)). These organizations are funded from the State Highway Fund (SHF), which is the Department's allocated share of the Highway Users Tax Fund (HUTF), and is classified as Cash Funds Exempt (CFE), with no funds from the State General Fund.

The administrative function includes the oversight of over 1,600 projects, as well as a highway maintenance program of $222.8 million. These offices and divisions handle the administration functions such as accounting, budgeting, auditing, personnel, information systems, public relations, facilities management, and printing, among others.

By statute (C.R.S. 43-1-113(6)(a)), the amount budgeted for administration, as defined in statute, in no case shall exceed five percent of the total budget allocation plan. The percentage budgeted for administration in recent years has been FY 2004 – 2.8%, FY 2005 – 2.9%, FY 2006 – 2.8%, FY 2007 – 2.4% and FY08 – 2.3%. These percentages include a unit funded with Internal Cash Funds (ICF), which are not included in the State Highway Fund (SHF) budget figures, (the ICF is funded through payments from operating budgets in other organizations). The Printing and Visual Communications Center is the only Administration ICF at $1,482,326 and their 13.0 FTE are part of the 219.7 FTE total.

Miscellaneous administration expenses appropriated by the General Assembly include portions of: Workers' Compensation for the administrative units, part of Statewide Indirect Costs, and general insurance. The State Office of Risk Management in the Department of Personnel and General Support Services determines general insurance, which includes Property and Liability coverage and Workers' Compensation assessments, internally CDOT partners with the private entity side of TREX to provide loss control services. Statewide Indirect Costs are based upon the Statewide Indirect Cost Plan established by the State Controller's Office, with payments split between the Administration and Construction & Maintenance lines. These costs are largely outside of CDOT's control.

PROJECT SUPPORT – Administration – *Commission Appropriated*

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

ENGINEERING

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

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

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

PROGRAM SUPPORT - PLANNING & RESEARCH

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

The Planning Program includes the **Metropolitan Planning Program** for those areas with a population greater than 50,000 and the Statewide Planning Program. These two programs are primarily responsible for developing and implementing a statewide planning process, which will lead to a long-range multi-modal transportation plan and the transportation improvement programs (TIPs) for each urbanized area as well as a statewide transportation improvement program.

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

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

The following three items are mandated costs beyond the control of the Transportation Commission, but utilize funds that would otherwise be available for constructions.

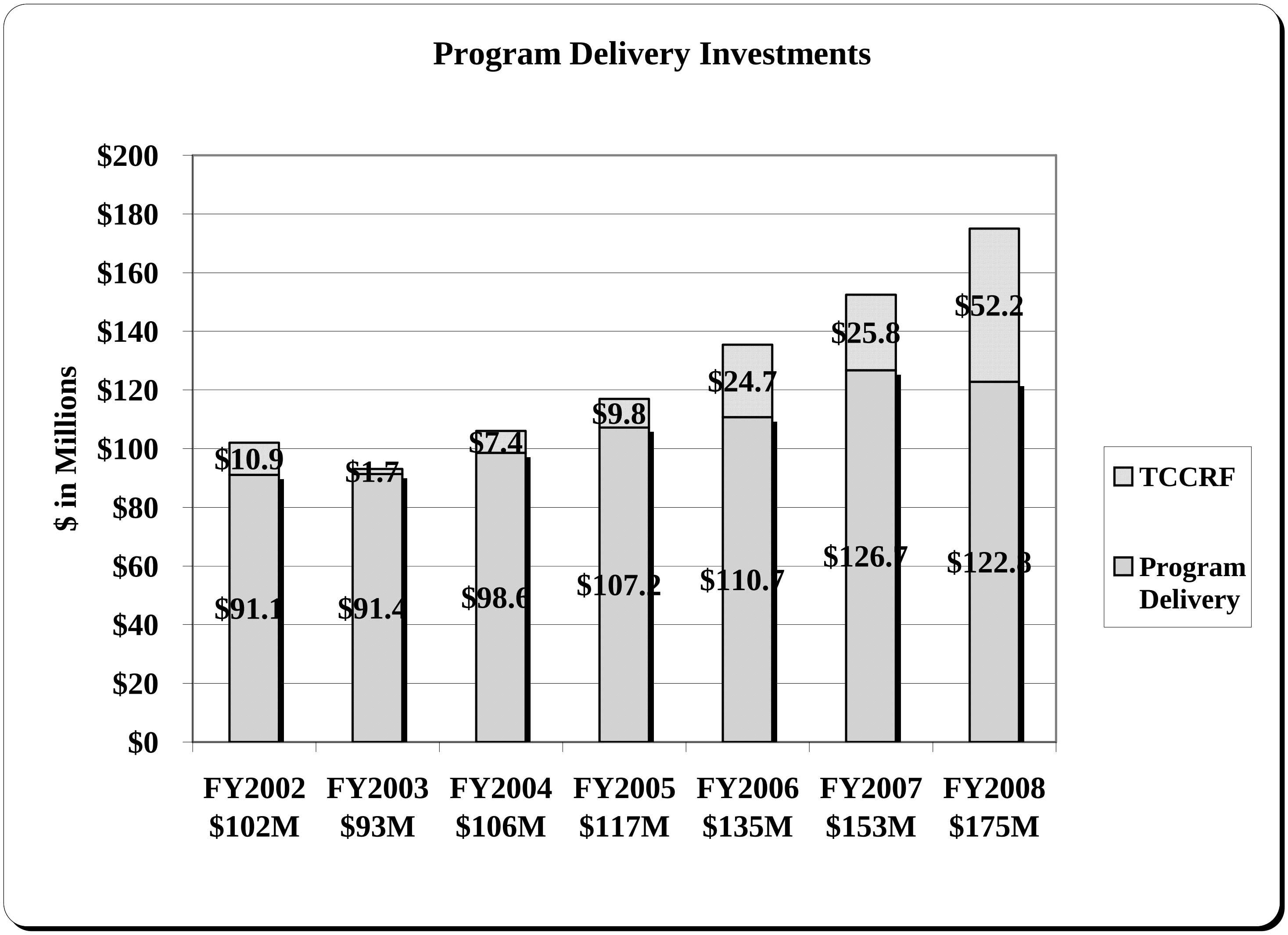
- **HAZARDOUS MATERIALS REMEDIATION**
  The Hazardous Materials Clean-up Program is an ongoing operation to test and remediate (remove and clean up) underground storage tanks and Materials Lab (MTL) contamination on CDOT property throughout the State. This is being done to comply with federal and State environmental laws. The underground fuel tank remediation is now mostly reimbursable from an external health agency fund. This program is necessary to comply with State and federal law. For FY 2008, the total program funding is **$3,305,000**.

- **WORKERS' COMPENSATION INSURANCE**
  The State Office of Risk Management in the Department of Personnel and General Support Services, annually assesses each department an amount for Workers' Compensation. The agency's loss record is pooled with all other State agencies to share the State's overall experience, spread the cost, and protect all agencies against catastrophic cost increases. FY 2008, CDOT is being assessed **$6,448,775**.

- **DIVISION OF PARKS – *COLORADO DEPT. OF NATURAL RESOURCES***
  By statute (CRS 33-10-111(4)), the Division of Parks and Outdoor Recreation (DPOR), in the Colorado Department of Natural Resources, is allowed to request funding from the State's (i.e., CDOT's) portion of the HUTF for road maintenance and construction in State Parks and Recreation Areas. DPOR has requested **$300,000** for this purpose in FY 2008, which will reduce CDOT's receipts from the HUTF.

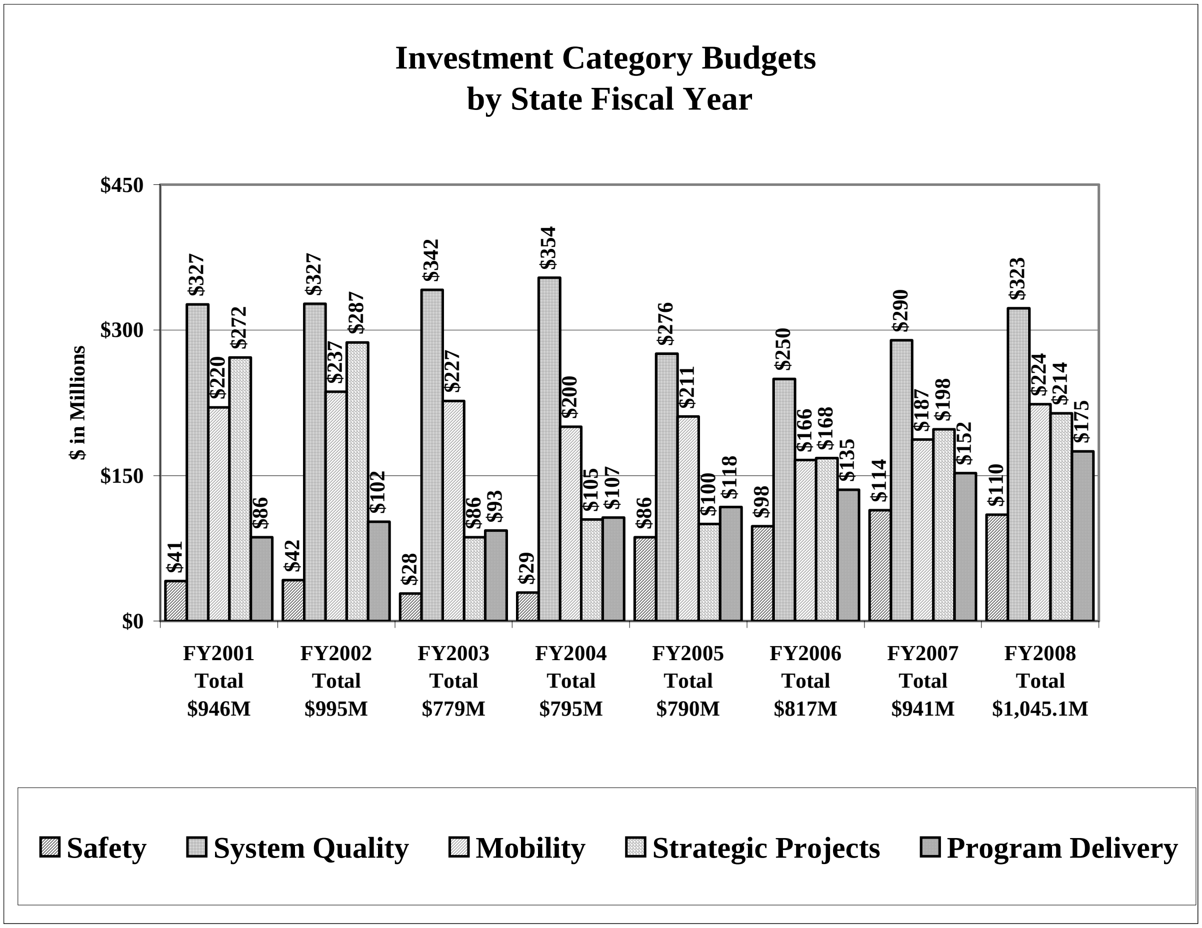
Program Delivery

This graph compares the budgeted funds for FY2001 – FY2008



It is important to note that a portion of Program Delivery is actually the Transportation Commission Contingency Reserve Fund (TCCRF). The Commission is now establishing a higher initial contingency reserve, which is subsequently distributed to the other Investment Categories for projects, maintenance or other unforeseen purposes that arise during the fiscal year. In the event there are few emergencies, the fund is available for funding projects. Of the FY 2008 TCCRF, $10.0 million is reserved for the Maintenance Incentive – Roadway Transfer Program.

CDOT BUDGET HISTORY
BY INVESTMENT CATEGORIES



STATEWIDE TOLLING ENTERPRISE

H.B. 02-1310 and S.B. 02-179 (identical bills) were signed by Governor Bill Owens on May 30, 2002, and became law on August 7, 2002. The bills authorized the creation of a Statewide Tolling Enterprise by the Transportation Commission that operates as a government-owned business within CDOT and as a division of CDOT. The purpose for the creation of the enterprise is to provide for the financing, construction, operation, regulation and maintenance of a statewide system of toll highways.

Under the provisions of the legislation, the Transportation Commission serves as the board of the authority, known as the "Tolling Enterprise Board." The Transportation Commission, by resolution, created the Statewide Tolling Enterprise on August 15, 2002. The authority is granted enterprise status as long as the enterprise retains the authority to issue revenue bonds and receives less than 10% of its total annual revenue from grants from the State and local governments combined.

The legislation created the Statewide Tolling Enterprise Special Revenue Fund for the deposit of tolls and other revenue. The revenue fund is continuously appropriated to the tolling enterprise and may only be used to pay for the administration, planning, financing, construction, operation, maintenance, or repair of toll highways or to pay for its operating costs and expenses. The Board has exclusive authority to budget and approve expenditures from the fund. The Transportation Commission may transfer funds from the State Highway Fund to the special revenue fund to defray the costs of the enterprise prior to the receipt of toll revenues. As determined by the Transportation Commission, any transferred funds shall be repaid to the State Highway Fund with interest.

The Board is required to adjust toll rates, upon payment of certain costs and debt, so that the amount of toll revenues to be generated is as close as possible to the amount required for the ongoing operation, maintenance, renewal, and replacement of the toll highway. The legislation specifies the powers and duties of the Board of the enterprise, including but not limited to, the power to determine and charge tolls, issue revenue bonds payable solely from the special fund, enter into public-private initiatives, and plan, construct, operate, and maintain a system of toll highways in the state.

To date, the Transportation Commission has authorized transfers to the Tolling Enterprise totaling $7 million. These funds are to be used for start-up costs of the enterprise.

The Tolling Enterprise opened its first project, the North I 25 HOV/ *Express Lanes*, to the public in June of 2006. The HOV/tolled *Express Lanes* maximize the efficiency of HOV lanes. HOV/*Express Lanes* allow those who drive alone (also known as "single occupant vehicles") to use the HOV/*Express Lanes* if they pay a toll. As the HOV lanes have excess space, there is still room for additional vehicles without any travel time impacts to carpoolers to use these lanes without paying a toll. However, those who drive alone will now have the option of paying a toll. The project includes seven miles of the I-25 HOV lanes, between Downtown Denver and US 36.

COLORADO DEPARTMENT OF TRANSPORTATION
FY 2007-2008 BUDGET

APPENDIX A

STRATEGIC 28 PROJECTS

MAP

STATUS REPORT

&

PROJECT INFORMATION

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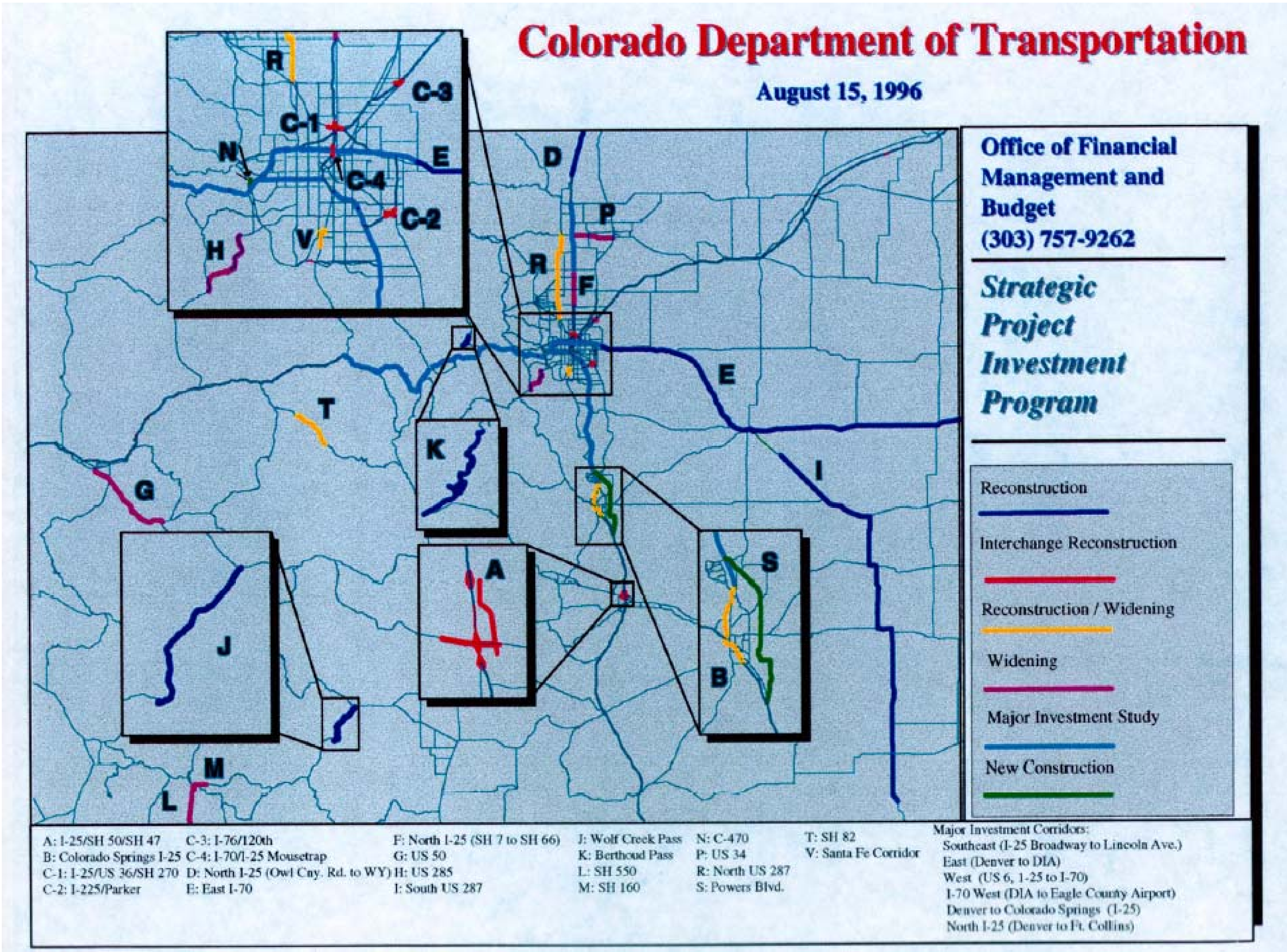
Colorado Department of Transportation
August 15, 1996
Office of Financial Management and Budget
(303) 757-9262
Strategic Project Investment Program
Reconstruction
Interchange Reconstruction
Reconstruction / Widening
Widening
Major Investment Study
New Construction
A: I-25/SH 50/SH 47
B: Colorado Springs I-25
C-1: I-25/US 36/SH 270
C-2: I-225/Parker
C-3: I-76/120th
C-4: I-70/I-25 Mousetrap
D: North I-25 (Owl Cny. Rd. to WY)
E: East I-70
F: North I-25 (SH 7 to SH 66)
G: US 50
H: US 285
I: South US 287
J: Wolf Creek Pass
K: Berthoud Pass
L: SH 550
M: SH 160
N: C-470
P: US 34
R: North US 287
S: Powers Blvd.
T: SH 82
V: Santa Fe Corridor
Major Investment Corridors:
Southeast (I-25 Broadway to Lincoln Ave.)
East (Denver to DIA)
West (US 6, 1-25 to I-70)
I-70 West (DIA to Eagle County Airport)
Denver to Colorado Springs (I-25)
North I-25 (Denver to Ft. Collins)

Updated Status of 28 Strategic Corridors
as of September 8, 2006
(Constant 2000$)
$ in thousands

Corridor	PROJECT LOCATION	Strategic Corridor Project Total TC Commitment	Budgeted To Date	Uninflated Remaining Cost to Complete
SP4001	I-25/US 50/SH 47 Interchange	$70,737	$70,737	Complete
SP4002	I-25, S. Academy to Briargate	$186,894	$179,657	Complete
SP4003	I-25/US 36/SH 270	$146,448	$130,301	$16,147
SP4004	I-225/Parker Rd.	$86,169	$86,136	Complete
SP4005	I-76/120th Ave.	$40,814	$40,393	Complete
SP4006	I-70/I-25 Mousetrap Reconstruction	$101,272	$100,980	Complete
SP4007	I-25, Owl Canyon Rd. to Wyoming	$28,846	$28,846	Complete
SP4008	East I-70, Tower Rd. to Kansas	$123,672	$123,521	Complete
SP4009	North I-25, SH 7 to SH 66	$77,883	$76,063	Complete
SP4010	US 50, Grand Junction to Delta	$67,117	$65,668	Complete
SP4011	US 285, Goddard Ranch Ct. to Foxton Rd.	$60,165	$60,165	Complete
SP4012	South US 287, Campo to Hugo - Region 1	$67,733	$88,656	($20,923)
SP4012	South US 287, Campo to Hugo - Region 2	$116,499	$37,111	$79,388
SP4013	US 160, Wolf Creek Pass	$67,276	$69,276	Complete
SP4014	US 40, N. City Limit of Winter Park to South of Berthoud Pass	$66,328	$66,328	Complete
SP4015	US 550, New Mexico State Line to Durango	$48,819	$24,960	$23,859
SP4016	US 160, Jct. SH 3 to Florida River	$60,068	$38,892	$21,176
SP4017	C-470 Extension	$18,498	$18,498	Complete
SP4018	US 34, I-25 to US 85	$15,725	$15,725	Complete
SP4019	US 287, Broomfield to Loveland	$86,305	$86,143	Complete
SP4020	Powers Blvd. in Colorado Springs	$217,906	$92,213	$125,693
SP4021	SH 82, Basalt to Aspen	$208,501	$208,501	Complete
SP4022	Santa Fe Corridor	$7,755	$7,755	Complete
SP4023	Southeast MIS: I-25, Broadway to Lincoln Ave.	$648,861	$648,860	Complete
SP4024 & SI	East & West Corridor MIS's	$148,000	$10,836	$137,165
SP4026	I-70 MIS: DIA to Eagle County Airport (Region 1)	$78,059	$74,606	$3,453
SP4026	I-70 MIS: DIA to Eagle County Airport (Region 3)	$48,895	$15,009	$33,886
SP4026	I-70 MIS: DIA to Eagle County Airport (TBD by PEIS)	$975,237	$0	$975,237
SP4027	I-25 South Corridor MIS: Denver to Colorado Springs (Region 1)	$154,097	$127,047	$27,050
SP4027	I-25 South Corridor MIS: Denver to Colorado Springs (Region 2)	$368,425	$131,677	$236,748
SP4028	I-25 North Corridor MIS: Denver to Fort Collins	$308,988	$114,819	$194,169
SP5497	Environmental Streamlining Fund	$1,683	$1,683	$0
	Totals	**$4,703,674**	**$2,841,062**	**$1,853,046**
	Inflated Remaining to Budget in FY 2007 dollars			**$3,094,587**

STRATEGIC 28 CORRIDORS
"7th POT" PROJECTS

<u>Projects Already/Nearly Complete, or Fully Funded</u>:

- **I-25/US 50/SH 47 Interchange**
- **I-25, S. Academy to Briargate**
- **I-25, Owl Canyon Rd. to Wyoming**
- **C-470 Extension**
- **US 34, I-25 to US 85**
- **Santa Fe Corridor Light Rail**
- **Interstate 76/120th Avenue**
- **I-70/I-25 Mousetrap Reconstruction**
- **US 285 – Goddard Ranch Court to Foxton Road**
- **State Highway 82 – Basalt to Aspen**
- **I-225 and Parker Road (State Highway 83)**
- **I-70 East Tower Road to Kansas**
- **I-25 North-State Highway 7 to State Highway 66**
- **TREX – Transportation Expansion Project I-25 and I-225**
- **US 287 – Broomfield to Loveland**
- **US 50 - Grand Junction to Delta**
- **US 40 – Berthoud Pass and in Winter Park**
- **US 160, Wolf Creek Pass**
- **I 25/ US 36/ SH 270**

REMAINING PROJECT DESCRIPTIONS: *

US 287 – Campo to Hugo - (68% funded)
This project consists of resurfacing 82.7 miles of US 287 with concrete. This stretch of highway has over 65% truck traffic, and asphalt overlays have not held up to traffic conditions, so concrete is being used.

US 550 – New Mexico State Line to Durango - (51% funded)
This project consists of reconstruction and widening of US 550 from the New Mexico State line to US 160 at Durango. Significant realignment, reconstruction, safety and capacity improvements will be made to this 16-mile stretch of roadway.

US 160 – State Highway 3 to the Florida River - (68% funded)
This project consists of reconstruction and widening of US 160 at the junction of State Highway 3 in La Plata County near Durango to the Florida River. Portions of the highway will be widened from 2 to 4 lanes; because of existing residences and businesses frontage systems will also be needed for the project. The project will address congestion and the high accident rate, twice the state average on the roadway.

Powers Boulevard – Colorado Springs - (42% funded)
This project consists of a new roadway and interchange construction and widening. Located in Colorado Springs and El Paso County a new roadway extension will be constructed between Woodman Road and State Highway 83. Interchanges will be constructed at Woodman Road and Platte Avenue and a new roadway extension and widening to connect Fountain to I-25. El Paso County is projected to become the largest county in Colorado, and these improvements to Powers Boulevard are important for congestion and safety. Additional funding in the future will be needed to complete Powers Boulevard as a limited-access freeway.

I-70 West – Denver to Eagle County MIS/EIS – (71% funded)
The I-70 to Eagle County corridor is 150 miles long, passes through several of the major Colorado ski areas and is the major access way for others. It is highly congested especially during peak periods. A Programmatic Environmental Impact Statement is currently underway which will be used to determine what improvements will be made to the I-70 West corridor and which projects will have the highest priority.

I-25 Denver to Colorado Springs MIS – (50% funded)
This project consists of capacity improvements, interchange reconstruction and overpass construction on I-25 South in Douglas County from the town of Castle Rock to Lincoln Avenue in the Southeast Business District. An additional highway lane will be added in each direction from Lincoln Avenue to Founder/Meadows Parkway a distance of approximately 8.7 miles. Congestion relief and safety will result from this project. This corridor also consists of various safety and capacity improvements in the 25.5-mile section between State Highway 105 at Monument to South Academy Boulevard in Colorado Springs.

* % Funded as of September 2006

I-25 North Denver to Fort Collins MIS – (37% funded)
This project is for capacity improvements in this 55-mile corridor between the cities of Denver and Fort Collins. 14 miles will be widened from 4 to 6 lanes between State Highway 7 and State Highway 66. Completion dates of the segments vary. Specific improvements will be outlined at the conclusion of the Major Investment Study of this corridor.

East & West Corridor MIS's – (7% funded)
These Major Investment Study projects will provide light rail alternatives for commuters and travelers in the Denver area. One segment will connect Downtown Denver to DIA, and the other will connect Downtown Denver to the Cold Spring Park-and-Ride in Jefferson County. These projects will relieve congestion and reduce pollution in the Denver area. Neither project is expected to begin before FY 2020.

* % Funded as of September 2006

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COLORADO DEPARTMENT OF TRANSPORTATION
FY 2007-2008 BUDGET

APPENDIX B

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)

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The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was enacted August 10, 2005, as Public Law 109-59. SAFETEA-LU authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 5-year period 2005-2009. With guaranteed funding for highways, highway safety, and public transportation totaling $244.1 billion, SAFETEA-LU represents the largest surface transportation investment in our Nation's history. The two landmark bills that brought surface transportation into the 21st century, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21), shaped the highway program to meet the Nation's changing transportation needs. SAFETEA-LU builds on this firm foundation, supplying the funds and refining the programmatic framework for investments needed to maintain and grow our vital transportation infrastructure. SAFETEA-LU addresses the many challenges facing our transportation system today, such as improving safety, reducing traffic congestion, improving efficiency in freight movement, increasing intermodal connectivity, and protecting the environment; as well as laying the groundwork for addressing future challenges. SAFETEA-LU promotes more efficient and effective Federal surface transportation programs by focusing on transportation issues of national significance, while giving State and local transportation decision makers more flexibility for solving transportation problems in their communities. SAFETEA-LU continues the TEA-21 concept of guaranteed funding, keyed to Highway Trust Fund (Highway Account) receipts. In essence, the guaranteed amount is a floor, defining the least amount of the authorizations that may be spent. Federal-aid Highway program (FAHP) authorizations in SAFETEA-LU total $193.1 billion (net of an $8.5 billion rescission scheduled for September 30, 2009). Adding in the $100 million per year authorized in title 23 for Emergency Relief, authorizations for the FAHP total $193.6 billion. Within total authorizations, the amount guaranteed for the FAHP is estimated to be $193.2 billion.

SAFETEA-LU establishes an annual obligation limitation, for the purpose of limiting highway spending each year. The highway obligation limitation applies to all programs within the overall Federal-aid highway program except Emergency Relief, $639 million per year of the Equity Bonus, and funds for certain projects in legislation before 1998. A portion of each year's limitation is reserved, or set aside, for administrative expenses and certain allocated programs, with the balance of the limitation being distributed to the States. Limitation set aside each year for certain programs: High Priority (demonstration) Projects, the Appalachian Development Highway System, Projects of National and Regional Significance, National Corridor Infrastructure Improvement program, Transportation Improvements, designated bridge projects, and $2 billion of the Equity Bonus, does not expire if not used by the end of the fiscal year, but instead is carried over into future years. The portion of the limitation set aside for research and technology programs may also be carried over, but only for three years.

Beginning in FY 2007, authorizations for Federal-aid highway and highway safety construction programs funded from the Highway Account of the Highway Trust Fund and the Motor Carrier Safety Assistance Program (MCSAP) will be adjusted whenever the highway firewall amount is adjusted to reflect changed estimates of Highway Account receipts. The additional authorizations are called RABA because they serve to align budget authority with the revised revenue. The adjustments to authorizations will be made in the same amounts and in the same years as the adjustments to the firewalls. If the adjustment is an increase, a portion of the increase in authorizations is reserved for the Federal-aid highway and highway safety construction programs allocated by the Secretary of Transportation, programs that are not apportioned by statutory formula, and for the Motor Carrier Safety Assistance Program. The remainder of the increased funding is distributed to the States proportional to their shares of Federal-aid highway and highway safety construction apportionments from the Highway Account. If the RABA is positive for 2007, the first call on the additional funds will be to increase States' return on contributions to the Highway Account of the Highway Trust Fund to 92%. A negative adjustment (reduction) is possible, but only if, as of October 1 of that year, the balance in the Highway Account is less than $6 billion.

Colorado High Priority Projects

Formula Funds

US 160, East of Wolf Creek Pass	* $ 21.0 million
Powers Boulevard & Woodman Road Interchange	* 16.0
North I-25, Denver to Fort Collins	* 16.7
56th Avenue & Quebec Street Improvements, Phase I	* 14.2
US 287 – Ports-to-Plains Corridor	* 13.1
Roadway widening/interchange rebuilding I-225 (I-70 to Parker Road)	* 12.0
US 50 East, State Line to Pueblo	* 11.0
I-70 & SH 58 Interchange	* 11.0
Improvements on US 36 corridor from I-25 to Boulder	* 10.1
I-25 Improvements – Arapahoe County Line to El Paso County Line	9.8
I-76, Colorado's Northeast Gateway	* 9.1
Construction/architectural improvements - Grandview Grade Separation	* 7.0
Construction of US 24, Tennessee Pass	* 6.8
US 160, SH 3 to East of Florida River	* 6.8
Construct arterial on W side of Montrose (N/S of city)	6.0
I-70 West Mountain Corridor, Denver to Garfield County	* 6.2
Glenwood Springs South Bridge	5.2
SH 83-SH 88 Interchange Reconstruction (Parker & Arapahoe)	* 5.2
Dillon Drive Overpass at I-25 in Pueblo	* 5.2
Reconstruct C-470 – US 85 Interchange	* 5.2
US 550, NM State Line to Durango	4.8
I-25 & Highway 16 (Fort Carson)	5.0
Heartland Expressway Improvements	5.0
I-70 Havana, Yosemite Street Interchange Reconstruction	* 4.2
Design & build a multimodal corridor on US 36	4.0
I-70 East Multimodal Corridor	* 4.0
Construct Wadsworth Interchange over US 36 in Broomfield	* 3.6
SH 121 – Bowles Ave Intersection & Roadway Improvements	* 3.6
Improve & widen SH 44 from Colorado Blvd to SH 2	3.2
Denver Union Station Renovations	3.0
E 104th & US 85 Intersection	* 1.7
Bromley Lane & US 85 Interchange feasibility study & construction	* 1.7
Construction of McCaslin Blvd & US 36 Interchange in Superior	0.8
	TOTAL $242.2 million

* Multiple earmarks in the bill. Figure stated is total.
The totals don't include the annual reduction for obligation authority.

Following are additional categories for earmarks in the bill. These categories are funded outside formula funding.

PROJECTS OF NATIONAL & REGIONAL SIGNIFICANCE

Denver Union Station	$50.0 million

NATIONAL CORRIDOR INFRASTRUCTURE IMPROVEMENT PROGRAM

US 287, Ports-to-Plains Corridor	$ 3.0 million

TRANSPORTATION IMPROVEMENTS

Improvements to Highway 50 from Las Animas to Lamar	$ 12.0 million
Improvements to C470 & US 85 Interchange	4.0
Improvements to Highway 16 & I-25 Interchange (Ft. Carson)	3.0
Improvements to I-70/Havana/Yosemite Interchange	3.0
Improvements to Pecos Street Overpass (Adams County)	3.0
Improvements to Wadsworth & US 36 Interchange in Broomfield	2.0
Improvements to Highway 34 & I-25 Interchange (Loveland/Greeley Exit)	2.0
Improvements to US 50 & Highway 115 (safety improvements)	2.0
Improvements to Highway 392 & I-25 (Windsor Exit)	2.0
Improvements to Bromley Lane & US 85 Interchange	1.0
Improvements to US 285 & Deer Creek Interchange	1.0
Improvements to 104th & US 85 Intersection	1.0
Improvements to Glenwood Springs Bridge	1.0
TOTAL	**$ 37.0** million

Total Project Earmarks **$ 332.0 million**

The totals don’t include the annual reduction for obligation authority.

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COLORADO DEPARTMENT OF TRANSPORTATION
FY 2007-2008 BUDGET

APPENDIX C

STRATEGIC PLAN

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STRATEGIC PLAN

FOR

FISCAL YEARS 2003-08

INVESTMENT CATEGORIES

I. SAFETY

II. SYSTEM QUALITY

III. MOBILITY

IV. STRATEGIC PROJECTS

V. PROGRAM DELIVERY

Mission and Investment Categories as adopted by the Transportation Commission August 18, 2000

CDOT - Transportation Investment Strategy
Investment and Program Area Summaries

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

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

Programs:
A. Driver Behavior (alcohol, young drivers, seatbelts, etc.)
B. Roadway Safety (hazardous locations, run-off-the-road, sign replacement, etc.)
C. Traffic Operations (structures w/in right-of-way, includes existing ITS/TOC)

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

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

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

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

Goals:
- Improve mobility
- Increase travel reliability

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

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

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

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

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

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

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

I. SAFETY

Programs, services and projects that reduce fatalities, injuries and property damage for all users of the system

The investment category includes two areas of focus. The first focus area includes those programs used to influence driver behavior. The second area focuses on highway improvements to improve the safety of the motoring public.

INVESTMENT LEVEL GOAL:

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

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

Reduce the rate and severity of transportation-related incidents
- Includes all accidents, injuries and deaths

Promote the education and awareness of safe driving behavior
- Focuses on seatbelt usage, drinking and driving awareness, etc.

Emphasize applicable safety features consistent with the population growth
- Ensures that CDOT focuses on areas of the transportation system for safety features such as high areas of accidents

INVESTMENT LEVEL PERFORMANCE MEASURES:

Statewide Safety Incident Rate including fatal and injury rate

Alcohol Related Incidents Compared to Statewide Incident Rate

Incidents Involving Seatbelt Usage Compared to Statewide Incident Rate

Return on investment for Designated Improvement Sites

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

Corridor Safety Assessment

SAFETY - PROGRAM SUMMARIES:

Driver Behavior Program

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

Roadway Safety Program

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

II. SYSTEM QUALITY

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

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

INVESTMENT LEVEL GOALS:

Preserve the transportation system

Keep the system available and safe for travel

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

Enhance and maintain the transportation system to ensure maximum useful life

- Investment decisions ensure maintaining highway lifecycles

Preserve and maintain the existing system at an acceptable level of service and condition

- Assure maintenance of the existing system in concert with development of "new" or additional system enhancements

Develop a "travel-friendly" transportation system that incorporates reasonable customer desires

- Such as roadside vegetation, roadway access, signage and striping, disability access, pedestrian access, etc.

Ensure that investments in the transportation system preserve quality of life through aesthetics and environmental concerns

- Ensure air quality, multi-modal projects, aesthetically pleasing sound walls vs. plain concrete barriers

INVESTMENT LEVEL PERFORMANCE MEASURES:

Surface Condition Rating of Fair or Better

Bridge Sufficiency Rating of Fair or Better

Maintenance Condition Survey

SYSTEM QUALITY - PROGRAM SUMMARIES:

Pavement Program

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

Bridge Program

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

Roadside Maintenance Program

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

Rest Area Program

This program is to complete the Rest Area Management and Maintenance Study recommendations for capital construction through 2006. The program addresses reconstruction, rehabilitation and maintenance of rest area facilities on the Interstate and State highway systems. It also sets forth a program to address rehabilitation and maintenance issues conducted by CDOT's maintenance crews.

Traffic Operations Program

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

Tunnel Program

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

III. MOBILITY

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

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

INVESTMENT LEVEL GOALS:

Improve mobility

Increase travel reliability

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

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

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

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

Ensure environmental stewardship of the transportation system
- Incorporate environmental processes as an element of project planning and development

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

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

INVESTMENT LEVEL PERFORMANCE MEASURES:

Rate of Growth in Volume to Capacity

Rate of Growth in Annual Vehicle Miles of Travel

Customer Perception Rating of Travel Time Variability, Travel Reliability and Ability to Travel

Percent of Travel Needs Met (methodology in development)

MOBILITY - PROGRAM SUMMARIES:

During the Department's Resource Allocation process, the Transportation Commission identifies regional allocations for the six Transportation Regions that cover the state. In FY2003 through FY2006, and every 3 years thereafter, the Statewide Transportation Plan is being developed using the process as identified in the CDOT Rules and Regulations that require transportation needs be obtained through a statewide regional planning process. The fifteen transportation-planning regions are currently developing a list of prioritized needs. The plans are reviewed and amended, as needed, each year through Transportation Commission held meetings.

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

The Transportation Commission will be reviewing this approach for subsequent years of reporting (2006 – 2030).

Highway Performance Program

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

Alternative Mode Performance Program

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

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

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

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

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

IV. STRATEGIC PROJECTS

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

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

INVESTMENT LEVEL GOALS:

Accelerate the completion of the projects

Increase investment in the program

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

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

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

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

INVESTMENT LEVEL PERFORMANCE MEASURES:

Actual Funds Encumbered versus Total Encumbrance Planned by Program

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

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

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

V. PROGRAM DELIVERY

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

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

INVESTMENT LEVEL GOALS:

Deliver high quality products and services in a timely fashion

Attract and retain an effective and qualified workforce

Foster an environment that respects workforce diversity

INVESTMENT LEVEL DEPARTMENT-WIDE OBJECTIVES:

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

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

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

Identify innovative human resource (HR) solutions that maximize existing resources to meet business needs
- With changing employee market conditions, consider alternative ways to provide service such as contractors, consultants, technology innovations, etc.

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

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

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

Design projects that foster alternative modes in partnership with local entities

- Ensure transportation system project designs consider all modes of travel including auto, foot, bicycle, etc.

Maintain a viable service industry to create a competitive environment

- Ensure that CDOT recruits and maintains a good contractor pool to work from

Create an environment that fosters high employee productivity

- Ensure that CDOT encourages high production per FTE to receive maximum benefits

INVESTMENT LEVEL PERFORMANCE MEASURES:

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

PROGRAM DELIVERY - PROGRAM SUMMARIES:

The programs have been grouped into three functional areas: Strategic Support, General Support and Program Support

Strategic Support Program

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

General Support Program

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

Program Support

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

Property/Equipment Program

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