

MEMORANDUM

DEPARTMENT OF TRANSPORTATION
Division of Transportation Development
4201 East Arkansas Avenue
Denver, Colorado 80222
(303) 757-9011



DATE: February 4, 2014

TO: Transportation Commission

FROM: Debra Perkins-Smith, Director, Division of Transportation Development
Scott Richrath, Chief Financial Officer, Division of Accounting and Finance

SUBJECT: Program Distribution for the Statewide Plan (SWP) and the Statewide Transportation Improvement Program (STIP)

Purpose: Based on input from the January Commission discussion on Program Distribution, review final Program Distribution for adoption and use in SWP and STIP development.

Action Requested: Adoption of Program Distribution for 2016-2040

Executive Summary: Based on Commission workshop discussions in November, December, and January, staff has assigned funds in Program Distribution to various programs in support of Policy Directive 14 asset management performance objectives and based on specific policy direction provided and summarized below:

Policy Direction:

1. Direct funds made available from Transbond debt service retirement to Asset Management.
2. Fund to estimated levels needed to meet PD 14 asset management objectives for Maintenance, Surface Treatment, and Bridge while maintaining other programs at their FY 15 baseline level.
3. In years where there is a positive variance, assign it to TC Contingency in order to provide for flexibility to meet future needs (TC contingency target level has been approximately five percent –this has been achieved by combining the programmed amount plus roll forward from previous years).
4. Focus on the first 10 years of the forecast because beyond that time there is a higher degree of uncertainty about revenues.

Attachment A is a spreadsheet illustrating the 2016-2040 Program Distribution assignments based on the adopted revenue projection. The years 2016-2025 are displayed year by year and the years 2026-2040 are displayed as a total.

Attachment B is a resolution for the adoption of the 2016-2040 Program Distribution.

Background:

Information on state and federal requirements for the Statewide Transportation Plan was included in the December packet to Commission along with the explanation of the assumptions in the FY 15 baseline revenue scenario (SWP committee pages 1-31).

Program Distribution is a part of the Statewide Transportation Plan and outlines the assignment of projected revenues to various program areas for the time period of the Plan (FY 2016-FY 2040). Program Distribution also provides a baseline for the MPOs and Regions to use for development of the next Statewide Transportation Improvement Program (STIP), which begins with FY 2016.

Program Distribution assignments illustrate for planning partners and the public the intended emphasis areas given projected revenue expectations. Program Distribution is for planning purposes only and does not represent a budget commitment by the Commission. Final numbers for each year will be a result of updated revenue estimates and annual budget adoption.

Revenues for Program Distribution are based on the Baseline Revenue Projection for the 2040 Statewide Transportation Plan adopted by the Commission on April 18, 2013. In the Baseline, federal revenues are projected to peak in 2025 and decline each year following. SB 228 revenue is projected in years 2016-2020. Since the April 2013 adoption, gas tax revenues have trended slightly downward and motor vehicle registrations have trended slightly upward.

The Program Distribution spreadsheet reflects the year by year allocations for 2016-2025 and a total allocation for 2026-2040.

Observations for the first ten years include:

1. Funds are sufficient to fund estimated levels needed for the asset management performance objectives for Maintenance, Surface Treatment and Structures. Other asset management programs, as well as “Other TC Directed” programs, are held at FY 15 budget levels with no increases.
2. Any positive revenue variance is assigned to TC contingency. In years 2018-2024 some contingency funds would be available for assignment to program needs based on the assumption that the forecast amount plus contingency roll forward from previous years is more than sufficient to meet the five percent contingency target.
3. Allocations to “restricted programs” are based on the adopted revenue projection and the anticipated revenue level for each program.
4. RAMP asset management funds supplement Surface Treatment and Structures in FY 2016 and 2017 thereby allowing for lower Program Distribution allocations in those years.

Observations for the years 2026-2040 include:

1. Funds are no longer sufficient to meet estimated levels needed to support the asset management objectives for Maintenance, Surface Treatment and Structures.
2. Other asset management programs and ‘other TC restricted’ programs remain at FY 15 budget levels with no increases.
3. Revenues are forecast to be fairly flat in the latter years. This along with the decline in purchasing power will result in a noticeable effect on programs.

Next Steps: Adopt Program Distribution for use in the Statewide Transportation Plan. DTD and OFMB will prepare a summary of the distribution formulas for applicable programs for review in March. DTD and OFMB will develop MPO distribution tables for planning purposes per federal requirements and region distributions for formula programs to aid in TPR plan development.

Attachment B

**Resolution Number TC-XXX
FY 2016 – 2040 Program Distribution
Transportation Commission of Colorado, February 14, 2014**

WHEREAS, the Colorado Transportation Commission (the Commission) has statutory authority pursuant to §43-1-106 C.R.S. to approve, accept, and amend various planning documents resulting from Section 135 Title 23 of the U.S.C. and §43-1-1101 through 1105 C.R.S.; and

WHEREAS, the Commission adopts Program Distribution assignment of anticipated state and federal transportation revenues for use in development of the long range Statewide Transportation Plan and the Regional Transportation Plans; and

WHEREAS, the Commission adopts Program Distribution to reflect planned levels of funding to various programs based on the limited revenue expected for the period 2016-2040; and

WHEREAS, a forecast of revenues upon which Program Distribution is based was adopted by the Commission in April 2013 (TC Resolution 3070); and

WHEREAS, the Commission recognizes that future fund receipts may vary from these estimates, and that the assignment of funds reflected in Program Distribution is for planning purposes and does not represent a future funding commitment, and that the annual CDOT budget may vary from Program Distribution; and

WHEREAS, the FY 2016 – 2040 Program Distribution (Attachment A) reflects the intent to support Policy Directive (PD) 14 asset management performance objectives by funding to estimated levels needed to achieve those objectives, while recognizing that data relating to the outcomes and future needs in various categories will be updated periodically and future funding amounts may be adjusted accordingly; and

WHEREAS, the Commission recognizes that in the latter years of the Statewide Transportation Plan horizon (2026-2040) there are insufficient funds to support the PD 14 asset management performance objectives as well as the FY 15 baseline program amounts due to declining revenues and reduced purchasing power.

NOW THEREFORE BE IT RESOLVED, that the Commission approves the FY 2016 – 2040 Program Distribution (Attachment A) for use in developing the 2016-2040 Statewide Transportation Plan, Regional Transportation Plans, and to guide the development of the 2016 STIP.

Line	Directed By	DRAFT FY 15 Budget	FY 2016-2025											FY 2026-2040	TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025			
1	Asset Management	\$ 476,396,343	\$ 476,760,247	\$ 518,792,840	\$ 614,789,303	\$ 622,886,092	\$ 631,225,784	\$ 639,815,668	\$ 648,663,247	\$ 657,776,254	\$ 667,162,652	\$ 676,830,641	\$ 9,777,723,187	\$ 15,932,425,915	
2	Maintenance	\$ 251,300,000	\$ 254,400,000	\$ 262,032,000	\$ 269,892,960	\$ 277,989,749	\$ 286,329,441	\$ 294,919,325	\$ 303,766,904	\$ 312,879,911	\$ 322,266,309	\$ 331,934,298	\$ 4,979,014,469	\$ 7,895,425,366	
3	Surface Treatment	\$ 149,500,000	\$ 149,500,000	\$ 155,900,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 3,545,838,555	\$ 5,771,238,555	
4	Structures On-System	\$ 30,700,000	\$ 39,500,000	\$ 55,964,497	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 579,425,018	\$ 1,154,889,515	
5	Rockfall Mitigation	\$ 5,100,000	\$ 3,000,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 76,500,000	\$ 125,400,000	
6	Cap.Expenditure (Road Eq./Prop./Cap. Op. Eq.)	\$ 24,996,343	\$ 15,960,247	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 374,945,145	\$ 615,872,479	
7	TSM&O: ITS Maintenance	\$ 14,800,000	\$ 14,400,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 222,000,000	\$ 369,600,000	
8	Asset Management- To Be Assigned by TC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9	Other TC Directed Programs (Flexible)	\$ 105,685,257	\$ 94,886,666	\$ 99,056,081	\$ 137,759,896	\$ 135,149,745	\$ 132,147,825	\$ 124,930,323	\$ 118,791,802	\$ 113,632,468	\$ 107,571,096	\$ 100,826,231	\$ 1,485,841,215	\$ 2,650,593,348	
10	Hot Spots	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 32,507,310	\$ 54,178,850	
11	Traffic Signals	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 22,092,345	\$ 36,820,575	
12	TSM&O: Performance Programs and Services	\$ 7,236,795	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 9,114,285	\$ 15,190,475	
13	TSM&O: Congestion Relief	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 60,000,000	\$ 100,000,000	
14	Regional Priority Program	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 750,000,000	\$ 1,250,000,000	
15	Capital Expenditure (ITS Investments)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 150,000,000	\$ 250,000,000	
16	Contingency	\$ 30,808,485	\$ 26,639,070	\$ 30,808,485	\$ 69,512,300	\$ 66,902,149	\$ 63,900,229	\$ 56,682,727	\$ 50,544,206	\$ 45,384,872	\$ 39,323,500	\$ 32,578,635	\$ 462,127,275	\$ 944,403,448	
17	Restricted Programs	\$ 534,178,348	\$ 710,888,063	\$ 679,060,070	\$ 556,837,153	\$ 564,283,626	\$ 568,935,838	\$ 414,870,928	\$ 417,679,404	\$ 419,167,919	\$ 424,026,541	\$ 428,803,857	\$ 6,628,695,037	\$ 11,813,248,435	
18	Highway Safety Investment Program	\$ 29,812,448	\$ 30,110,121	\$ 30,411,222	\$ 30,715,336	\$ 31,022,489	\$ 31,332,713	\$ 31,318,749	\$ 31,348,813	\$ 31,377,196	\$ 31,568,007	\$ 31,759,426	\$ 430,760,712	\$ 741,724,784	
19	Railway-Highway Crossings Program	\$ 3,194,739	\$ 3,226,640	\$ 3,258,905	\$ 3,291,494	\$ 3,324,409	\$ 3,357,653	\$ 3,356,158	\$ 3,359,380	\$ 3,362,421	\$ 3,382,869	\$ 3,403,381	\$ 46,160,868	\$ 79,484,178	
20	FASTER - Safety Projects	\$ 47,900,000	\$ 58,551,555	\$ 60,863,071	\$ 63,197,347	\$ 65,541,041	\$ 67,977,777	\$ 70,455,483	\$ 73,061,072	\$ 75,694,726	\$ 78,342,565	\$ 80,902,710	\$ 1,537,439,930	\$ 2,232,027,277	
21	Safety Education	\$ 9,829,982	\$ 10,037,662	\$ 10,024,516	\$ 10,009,340	\$ 9,992,942	\$ 9,976,760	\$ 9,961,454	\$ 9,945,229	\$ 9,929,813	\$ 9,914,096	\$ 9,898,469	\$ 147,181,492	\$ 246,871,773	
22	Strategic Projects	\$ -	\$ 137,559,751	\$ 139,251,793	\$ 140,491,126	\$ 142,456,598	\$ 141,777,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,537,090	
23	Deliver - Program Delivery/Administration	\$ 66,054,659	\$ 73,421,091	\$ 73,552,219	\$ 73,684,656	\$ 73,818,419	\$ 73,953,519	\$ 73,947,436	\$ 73,960,529	\$ 73,972,889	\$ 74,055,987	\$ 74,139,347	\$ 1,092,218,524	\$ 1,830,724,616	
24	Aeronautics	\$ 43,100,000	\$ 46,941,462	\$ 48,168,138	\$ 49,241,136	\$ 50,287,223	\$ 51,361,260	\$ 52,456,192	\$ 53,552,298	\$ 54,640,701	\$ 55,717,011	\$ 56,797,377	\$ 1,010,122,459	\$ 1,529,285,257	
25	Transportation Alternatives	\$ 13,446,709	\$ 13,585,154	\$ 13,724,987	\$ 13,866,214	\$ 14,008,855	\$ 14,152,922	\$ 14,146,442	\$ 14,160,397	\$ 14,173,570	\$ 14,262,179	\$ 14,351,076	\$ 194,075,323	\$ 334,507,119	
26	STP-Metro	\$ 48,106,560	\$ 48,586,899	\$ 49,072,767	\$ 49,563,494	\$ 50,059,130	\$ 50,559,721	\$ 50,537,188	\$ 50,585,700	\$ 50,631,498	\$ 50,939,403	\$ 51,248,282	\$ 695,092,747	\$ 1,196,876,829	
27	Congestion Mitigation/Air Quality	\$ 45,539,598	\$ 45,994,306	\$ 46,454,250	\$ 46,918,792	\$ 47,387,978	\$ 47,861,859	\$ 47,840,530	\$ 47,886,452	\$ 47,929,806	\$ 48,221,281	\$ 48,513,680	\$ 658,002,662	\$ 1,133,011,596	
28	Metropolitan Planning	\$ 7,736,826	\$ 7,834,723	\$ 7,913,070	\$ 7,992,201	\$ 8,072,123	\$ 8,152,844	\$ 8,149,210	\$ 8,157,033	\$ 8,164,417	\$ 8,214,068	\$ 8,263,876	\$ 112,084,928	\$ 192,998,493	
29	Bridge Off-System	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 141,740,505	\$ 236,234,175	
30	Federal Transit	\$ 23,050,856	\$ 23,521,128	\$ 23,756,340	\$ 23,993,903	\$ 24,233,842	\$ 24,476,180	\$ 24,465,274	\$ 24,488,758	\$ 24,510,929	\$ 24,659,986	\$ 24,809,517	\$ 336,497,410	\$ 579,413,267	
31	Strategic Projects -Transit	\$ -	\$ 15,284,417	\$ 15,472,421	\$ 15,610,125	\$ 15,828,511	\$ 15,753,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,948,565	
32	Transit and Rail Local Grants	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 75,000,000	\$ 125,000,000	
33	Transit and Rail Statewide Grants	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 150,000,000	\$ 250,000,000	
34	Infrastructure Bank	\$ 700,000	\$ 528,812	\$ 503,215	\$ 476,430	\$ 448,915	\$ 420,805	\$ 392,077	\$ 361,224	\$ 330,586	\$ 299,722	\$ 267,349	\$ 2,317,477	\$ 6,346,612	
35	Debt Service	\$ 171,256,604	\$ 171,254,975	\$ 132,183,789	\$ 3,336,192	\$ 3,351,784	\$ 3,371,544	\$ 3,395,368	\$ 2,363,152	\$ -	\$ -	\$ -	\$ -	\$ 319,256,804	
36	TOTAL	\$ 1,116,259,948	\$ 1,282,534,976	\$ 1,296,908,991	\$ 1,309,386,352	\$ 1,322,319,462	\$ 1,332,309,447	\$ 1,179,616,919	\$ 1,185,134,453	\$ 1,190,576,641	\$ 1,198,760,289	\$ 1,206,460,729	\$ 17,892,259,439	\$ 30,396,267,699	
37	Revenue	\$ 1,116,259,948	\$ 1,282,534,976	\$ 1,296,908,991	\$ 1,309,386,352	\$ 1,322,319,462	\$ 1,332,309,447	\$ 1,179,616,919	\$ 1,185,134,453	\$ 1,190,576,641	\$ 1,198,760,288	\$ 1,206,460,729	\$ 17,892,259,441	\$ 30,396,267,699	
38	Variance	\$ -	\$ (0)	\$ -	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 1	\$ 0	
39															
40	BRIDGE ENTERPRISE TOTAL	\$ 114,881,900	\$ 130,170,843	\$ 132,301,946	\$ 134,584,860	\$ 136,910,929	\$ 139,349,575	\$ 141,825,144	\$ 144,487,627	\$ 147,188,183	\$ 149,920,435	\$ 152,523,307	\$ 2,574,321,735	\$ 3,983,584,584	
41	Revenue	\$ 114,881,900	\$ 130,170,843	\$ 132,301,946	\$ 134,584,860	\$ 136,910,929	\$ 139,349,575	\$ 141,825,144	\$ 144,487,627	\$ 147,188,183	\$ 149,920,435	\$ 152,523,307	\$ 2,574,321,735	\$ 3,983,584,584	
42	Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
43	HPTE TOTAL	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 20,625,000	\$ 34,375,000	
44	Revenue	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 20,625,000	\$ 34,375,000	
45	Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Assumptions/Notes

- 1) Allocations to Revenue based programs are based on projected revenues from the 2040 Revenue Projection adopted by the TC in April 2013.
- 2) Maintenance is increased 3% annually over the FY 16 base for years 2017-2025, and then remains flat until 2040.
- 3) RAMP funds supplement Asset Management in FY 16 and FY 17.
- 4) Surface Treatment at \$240 M for as long as possible (through 2035). Program Distribution allocations in FY 16 and FY 17 are less than \$240 M due to supplemental funding from RAMP.
- 5) Structures at \$60 M for as long as possible (through 2025). Program Distribution allocations in FY 16 and FY 17 are less than \$60 M due to supplemental funding from RAMP.
- 6) TC Contingency decreased in FY 16 by variance remaining after funding 2), 3), and 4) and increased in FY 2018 - 2025.