Information Only

Devolution to Town of Victor

HW 67

COLORADO
Transportation Commission

4201 East Arkansas Avenue, Room270
Denver, CO 80222-3406

DATE: May 21, 2015
TO: Transportation Commission
FROM: Joshua Laipply, Chief Engineer
SUBJECT: Information Only: Amended Resolution extending deadline 30 days for Project # C 067A-034 on SH 67 from 4th St. west to Victor City Limits in City of Victor

Purpose
To provide an update for information only of a thirty-day extension for Project # C 067A-034 on SH 67 from 4th St. west to Victor City Limits in City of Victor.

Action
None necessary

Background

- On October 16, 2014, the Transportation Commission approved the abandonment of 0.31 linear miles of Highway 67 (SH 67) in Victor, Colorado, by TC Resolution 3198. This resolution contained a 90 day deadline by which time the Department must execute the quitcliam deed. Due to the negotiations necessary to execute the Intergovernmental Agreement, the Town of Victor was unable to execute the quitclaim deed within the 90 day time frame.

- On March 19, 2015, the Commission approved an extension up to and Including April 15, 2015, to finalize the transaction. This time deadline, self-imposed by CDOT, was still insufficient to allow all parties to finalize the transaction.

- On April 21, 2014, as a result of discussions between the Chief Engineer and Commissioner Peterson, and based on the agreement with the Attorney General's Office, the Commission Secretary and the Procurement Office Resolution TC 15-3-5 was amended to extend the time frame an additional 30 days, up to and including May 15, 2015. This amended resolution would provide the Town of Victor with the ability to conclude the transaction. Waiting until the May 21st Transportation Commission meeting to do so was untenable.

- The Department has learned from this transaction that its self-Imposed deadlines are in fact unnecessary. The Department, with the assistance of legal counsel, determined that § 43-2-106(1)(a), C.R.S., requires the town to adopt an ordinance to accept the abandoned highway within ninety days of notification of the abandonment by the Commission. It is therefore unnecessary to include the ninety-day deadline in resolutions going forward regarding abandonments or devolutions. (The statute states: "An abandoned state highway or portion thereof shall become a county highway, upon the adoption

of a resolution to that effect by the board of county commissioners of an affected county, or a city street, upon the adoption of an ordinance to that effect by the governing body of any affected municipality, within ninety days after the official notification of abandonment by the transportation commission.") The Town of Victor has proceeded in good faith regarding this transaction; it executed a resolution on August 14, 2014, agreeing to take ownership in exchange for the payment. So the Town of Victor had already complied with the 90 day requirement.

- Both the Interagency Agreement and the Quit Claim Deed have been executed, and the extension permitting the Department and the Town of Victor to finalize this transaction.

Key Benefits

- Accomodating a devolution in a timely manner and adjusting procedures to avoid unnecessary submission of matters to the Commission based on self-imposed limiting deadlines.

Attachments

- TC Resolution # 3198 dated November 17, 2014
- TC Resolution # TC-15-3-5 dated April 1, 2015
- Amended Resolution # TC-15-3-5 dated April 21, 2015

AMENDED Resolution #TC-15-3-5

Approval of Additional 30-day Time Extension for Project #: C 067A-034 on SH 67 from 4th St. west to Victor City Limits in City of Victor

WHEREAS, the Transportation Commission is authorized pursuant to Colorado Revised Statute § 43-2-106 to make determinations regarding abandonment of State Highway(s) to the affected counties or municipalities;

WHEREAS, the Transportation Commission approved the abandonment of 0.31 linear miles of Highway 67 (SH 67) in Victor, Colorado Via TC Resolution 3198 at the October 16, 2014 meeting;

WHEREAS, TC Resolution 3198 required CDOT to execute a quitclaim deed to complete the abandonment within 90 days of the Resolution;

WHEREAS, CDOT was unable to execute a quitclaim deed within the 90 day deadline as result of delays related to negotiating an Intergovernmental Agreement with the Town of Victor;

WHEREAS, the Transportation Commission approved an extension of the 90-day deadline until April 15, 2015 by Resolution # TC-15-3-5 at the March 19, 2015 meeting;

WHEREAS, CDOT and the Town of Victor have successfully negotiated the Intergovernmental Agreement that outlines the abandonment, but require an additional 30 days to complete the transaction;

WHEREAS, CDOT and the Town of Victor request that the Transportation Commission extend the deadline to execute the required quitclaim deed to May 15, 2015;

NOW THEREFORE BE IT RESOLVED, pursuant to the provisions of the § 43-2-106, C.R.S, the Transportation Commission extends the deadline to May 15, 2015 by which time the quitclaim deed must be executed, regarding the herein referenced abandonment concerning SH 67 from mile marker 45.56 to 45.87, containing approximately 0.31 miles.

Herman F. Stockinger III

Herman Stockinger, Secretary
Transportation Commission of Colorado

4-20-15
Date

Resolution #TC-3198

Approval of the Devolution of SH 67 from 4th St. west to Victor City Limits to the City of Victor from Project #: C 067A-034

Approved by the Transportation Commission on October 16, 2014

WHEREAS, The Department of Transportation owns 0.31 linear miles of Highway in Victor, Colorado identified as State Highway 67 (SH 67); and

WHEREAS, that portion of SH 67 is located between, and connecting 4th Street west to the Victor, City Limits (Exhibit A); and

WHEREAS, Region 2 has determined that abandoning this portion of SH 67 would be in the best interest of Colorado taxpayers; and

WHEREAS, the Colorado Revised Statutes 43-2-106 (1) (a) provides that the Transportation Commission may determine that a state highway, or portion thereof, no longer functions as a state highway, and with the agreement of each affected county or municipality, the state highway, or portion thereof, can be abandoned to the affected county or municipality; and

WHEREAS, the City of Victor proposed to take ownership of SH 67 from mile marker (MM) 45.56 to MM 45.87, as described in Exhibit A which are attached hereto, in exchange for a payment of $307,702.00 from CDOT; and

WHEREAS, $307,702.00 is anticipated to be less than the amount CDOT reasonably expects to expend to maintain, preserve, or improve this section of SH 67 over the next 20 years; and

WHEREAS, the abandonment of the above referenced section of SH 67 will be funded with Region 2 RAMP funds; and

WHEREAS, Colorado Revised Statutes (CRS) 43-2-106 (1) (b) further provides that any county or municipality receiving a payment from CDOT as a result of CRS 43-2-106 (1) (a) shall credit the payment to a special fund to be used only for transportation-related expenditures; and

WHEREAS, the Parties desire to enter into an Intergovernmental Agreement (IGA) and agree upon the condition of the abandonment of said highway segment by the State and acceptance by the City of Victor pursuant to the terms and conditions of the IGA; and

WHEREAS, the governing body of the City of Victor has adopted Resolution No. 2014-08-14.01, agreeing to the state's abandonment of the portion of SH 67, agreeing that said highway segment no longer serves the ongoing purposes of the state highway system; committing the City of Victor to assume ownership of said highway segment in the "as is" condition; and

WHEREAS, within 90 days of the date of CDOT's Transportation Commission Resolution formalizing the abandonment of the above referenced portion of SH 67,

CDOT will execute a quitclaim deed that will include a reversion provision stating that if the property that is the subject of the quitclaim deed is not used for transportation purposes, title to such property will automatically revert to CDOT; and

WHEREAS, concurrent with the execution of the quitclaim deed, CDOT will provide payment of $307,702.00 to the City of Victor, and that shall constitute the total consideration from the State to the City of Victor related to the abandonment and transfer of the abandoned highway; and

WHEREAS, Transportation Commission is authorized pursuant to Colorado Revised Statutes (C.R.S) 43-2-106 to make determinations regarding abandonment of State Highways(s) to affected county(ies) or municipality(ies); and

WHEREAS, the Transportation Commission has determined SH 67 between mile marker 45.56 and 45.87 is no longer needed for the state highway purposes; and

NOW THEREFORE BE IT RESOLVED, pursuant to the provisions of the C.R.S, 43-2-106 the Department of Transportation be given authority to abandon that portion of SH 67 from mile marker 45.56 to 45.87 containing approximately 0.31 miles.

Herman F. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

11-17-14
Date

Resolution #TC-15-3-5

Approval of Time Extension for Project #: C 067A-034 on SH 67 from 4th St. west to Victor City Limits in City of Victor

Approved by the Transportation Commission on March 19, 2015

WHEREAS, The Transportation Commission approved the abandonment of 0.31 linear miles of Highway 67 (SH 67) in Victor, Colorado Via TC Resolution 3198;

WHEREAS, TC Resolution 3198 required CDOT to execute a quitclaim deed to complete the abandonment within 90 days of the Resolution;

WHEREAS, the 90 day deadline expired to execute the quitclaim deed expired February 18, 2015

WHEREAS, CDOT was unable to execute a quitclaim deed within the 90 day deadline as result of delays related to negotiating an IGA with the Town of Victor;

WHEREAS, CDOT and the Town of Victor have negotiated the IGA that outlines the abandonment;

WHEREAS, CDOT and the Town of Victor would like to extend the deadline to execute the required quitclaim deed to April 15, 2015;

WHEREAS, Transportation Commission is authorized pursuant to Colorado Revised Statutes (C.R.S) 43-2-106 to make determinations regarding abandonment of State Highway(s) to affected county(ies) or municipality(ies);

NOW THEREFORE BE IT RESOLVED, pursuant to the provisions of the C.R.S, 43-2-106 the Department of Transportation be given authority to extend the deadline to abandon that portion of SH 67 from mile marker 45.56 to 45.87 containing approximately 0.31 miles to April 15, 2015.

Herman F. Stockinger III

Herman Stockinger, Secretary
Transportation Commission of Colorado

4-1-15

Date

Information Only

Audit Review Committee Packet

COLORADO
Department of Transportation
Division of Audit
4201 E. Arkansas Ave, Shumate Bldg.
Denver, CO 80222-3400

DATE: May 21, 2015

TO: Transportation Commission

FROM: Barbara Gold, Director, Division of Audit

Purpose
This information is for informational purposes only.

Action
No action necessary.

Background
Enclosed is the Audit Review Committee packet for your review. In March this packet was presented to and released by the Audit Review Committee. Pursuant to our revised Audit Charter audit packets will now be included in the Transportation Commission packet the month following its release. We apologize for the delay in getting this particular information to you.

The Audit Review Committee's next quarterly meeting is planned for June 2015. You can expect released information in the July 2015 Transportation Commission packet.

P 303.757.9661 F 303.757-9671 www.coloradodot.info/

Colorado Transportation Commission
Audit Review Committee Agenda
Wednesday, March 18, 2015

Gary Reiff, Chair
District 3, Englewood

Bill Thiebaut
District 10, Pueblo

Sidny Zink
District 8, Durango

Doug Aden
District 7, Grand Junction

Les Gruen
District 9, Colorado Springs

All commissioners are invited to attend this Committee meeting.

1. **Call to Order**
2. **Approval of January 2015 Minutes.....p2**
3. **Release of Audit Report.....Audit Chair**
4. **Revised Audit Charter.....verbal**
5. **Status of OSA Audits.....p5**
6. **Fuel Report.....p6**
7. **ARC Questions, Requests, Discussion Items .....verbal**

<u>THE AGENDA MAY BE ALTERED AT THE CHAIR'S DISCRETION</u>

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Colorado Transportation Commission
Audit Review Committee
MEETING MINUTES

January 22, 2015
9:00 a.m. - 9:30 a.m.
CDOT Headquarters Room 225

***COMMISSIONERS PRESENT*:** Gary Reiff, ARC Chair, Les Gruen, Sidny Zink, Ed Peterson, Bill Thiebaut.

***ALSO PRESENT*:** Barbara Gold, Audit Director; Trent Josten, Audit Supervisor; Daniel Pia, IT Auditor; George Currie, Audit Supervisor; Melissa Canaday, Audit Supervisor; Lisa Gibson, Program Administrator

***AND*:** Commissioner Kathy Connell, other Senior Management Team members, staff members, organization representatives, and the public.

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1. **Call to Order**
   ARC Chairman Reiff called the meeting to order on January 22, 2015, at 9:01 A.M. The meeting was held in Room 225 at the Headquarters of the Colorado Department of Transportation. Roll was noted by the Secretary to the ARC. Commissioner Aden was not present.

2. **Approval of Minutes of the Last ARC Meeting**
   ARC Chairman Reiff asked for approval of the meeting minutes for October 16, 2014. Approval of the minutes was moved by Commissioner Thiebaut and seconded by Commissioner Peterson. The minutes were adopted as published in the agenda.

3. **Audit Packet Changes & Release**
   Barbara Gold went over the recent changes to the packet and how it will be presented for approval going forward. The packet will be submitted to the Audit Committee only for review. The next month it will be presented to the Transportation Commission for approval.

4. **Audit Charter**
   Ms. Gold explained that she, Herman Stockinger, MaryFrances Nevans, Kathy Young from the Attorney General's Office and Commissioners Zink and Thiebaut have been working diligently to update the Charter. Commissioner Thiebaut discussed the meetings and that changes will be presented for review at the next meeting. Commissioner Zink said until you're doing it, you never realize how complicated the process is. It is nice to have the varying perspectives. She feels Ms. Gold's job is beneficial to the organization and wants the Division and the Commission to operate as efficiently as possible. Chairman Reiff was glad to see the review making progress. He felt it was time that fresh eyes reviewed the document. Ms. Gold agreed and deferred to Commissioners Thiebaut and Zink for comment.

5. **Audit Plan 2015**
   Barbara Gold reviewed the changes and updates made to the plan. Commissioner Gruen asked how much time was being spent on Lean Collaboration and was it taking time away from anything else. Ms. Gold explained that it is a matter of communicating with Gary Vansuch, Director of Process Improvement and that no time is being taken away from other items.

Chairman Reiff commented on the WIMS Audit within the Aeronautics Division. He noted that because the Transportation Commission does not have legal authority over the Aeronautics Division, the Audit Review Committee cannot release audit reports related to this Division. Ms. Gold consulted with the Attorney General's Office who also concurred with Chairman Reiff.

Housing Allowance Review – Ms. Gold requested approval to begin review process. Chairman Reiff asked that the Audit Division ensure that money being paid is appropriate. There were no further questions regarding this item.

6. **Other Audits**

The Colorado Office of the State Auditor is working on several audits of CDOT. These audits include two Performance audits: FASTER Safety, which will continue through April and is slated to go before the LAC in August; the HPTE audit will be updated later this month and be presented to the Board in February, releasing to the LAC at the end of March. Josh Laipply, CDOT Chief Engineer pointed out that the FASTER Safety audit also includes the Bridge Enterprises.

7. **Consultant Financial Reviews**

George Currie gave an update on the Consultant Financial Review program. He explained that the purpose is to ensure that rates are fair and reasonable. The Audit Division has been working with the ACEC regarding recent changes to the program. There were three training sessions that resulted in over 90 attendees being trained on new CDOT processes. To date the Audit Division has completed 151 consultant reviews of 69 entities which uncovered unreasonable costs, unallowable claims, improper allocations, etc. resulting in an aggregate adjustment of $1,088.30 per hour for all reviews completed for the period April 2014 to December 2014.

Commissioner Zink did not understand the figure of $1,088.30/per hour figure. Mr. Currie explained that it was an attempt to quantify a savings to CDOT. Ms. Gold further explained the process of us determining fair and reasonable rates and that the figure was a cumulative total of savings that CDOT would have experienced had rates not been reviewed. Commissioner Zink asked that it be presented in a better fashion that is more understandable. Chairman Reiff agreed that it was somewhat misleading.

Chairman Reiff noted that there have been difficulties within the industry related to the recent changes to this process and wanted to know how things are now. Ms. Gold replied that relationships have greatly improved, outlook is much more favorable and that outreach and training have definitely helped.

Chairman Reiff asked when the Audit Division requires a financial audit to be performed on consultant's indirect cost rate schedules. Mr. Currie answered, any firm that receives more than $500,000 in business from CDOT is required to have an audit. The Audit Division will work with smaller firms in collaboration with the Contracts unit to determine required documentation for pre-qualification reviews.

8. **Other Items**

Ms. Gold introduced new staff members Alex Doucett, Andrew Weissman and Melissa Canaday all from the State Auditor's Office.

9. **Audit Work In Progress**

Chairman Reiff inquired about the progress of the Fuel Card Audit. Ms. Gold answered that the Division is working closely with Kyle Lester. Trent Josten is drafting the report that explains the phases of the audit. In the next couple of weeks the Committee should be getting a draft of the report for review and it

will be presented at the next meeting. Chairman Reiff pointed out that in the past there has been fraud with the Fuel Cards. Any level of fraud is unacceptable. The changes need to be implemented throughout the system.

10. Outstanding Recommendations

Ms. Gold pointed out that they have changed the format of the Outstanding Recommendations report to make it more useful. Chairman Reiff likes the new format. Commissioner Zink asked who has the authority to revise implementation dates. Ms. Gold said it depends on who the auditor is. For example, if it is the Office of the State Auditor then management needs to contact them as to the reasons for the change. If it is an internal audit then the Audit Division will work with management to document the reasons why.

Commissioner Zink explained that they look to the Audit Division and Ms. Gold in particular to keep them informed of implementation dates that are changing. Chairman Reiff agreed that they need timely notification.

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Colorado Transportation Commission
Audit Review Committee
STATUS OF OSA AUDITS

Currently, the Office of the State Auditor (OSA) is conducting two audits of CDOT:

1. **High Performance Transportation Enterprise (HPTE)**
   The purpose of this performance audit is to determine whether HPTE adequately evaluated the structure of the Public Private Partnership (P3) delivery model and contract terms in accordance with established standards, best practices, and statutory/regulatory requirements.

   Status: Legislative Audit Committee date is March 30, 2015.

2. **FASTER Safety**
   The purpose of this performance audit is to review each of the areas where FASTER money is used and managed by CDOT including the Bridge Enterprise, the FASTER Transit Grants program and the FASTER Safety program. It also includes CDOT's overall management of the FASTER funds and fee collections at the Executive Director and Transportation Commission level.

   Status: Fieldwork is expected to be completed by the end of March.
   State Auditors will meet with CDOT Management by the end of April.
   The exit meeting is currently planned for late June.
   The Legislative Audit Committee date is scheduled for August.

Colorado Department of Transportation

AUDIT DIVISION

Barb Gold, CPA, Director

Audit Team:
Naomi Smith
Daniel Pia
Trent Josten
Melissa Canaday

AREA OF REVIEW:

CDOT Fuel Card Exception Reporting

Report Date: January 23, 2015

Audit Report 14-020

EXECUTIVE SUMMARY

Background

CDOT fuel transactions are significant in terms of volume and dollar value. For the eight months of July 2013 through February 2014, CDOT employees made approximately 83,200 fuel transactions at a total cost of more than $8 million. On a monthly basis, this averages 10,400 transactions and approximately $1 million. The number and dollar value of fuel card purchases necessitate strong controls to ensure that fuel purchases are reasonable, appropriate, and legitimate. When fuel card purchases exceed certain established limits or parameters, CDOT's Maintenance and Operations Branch (M&O) identifies these exceptions through the Wright Express (WEX) system. WEX is an external credit card vendor that CDOT uses to process fuel payments. At the point of purchase, WEX captures the vehicle ID electronically and the driver manually enters the driver ID and odometer reading. Using the collected data from WEX, M&O set up the following fuel card purchase exceptions:

- **Out of State -** fuel purchased outside of Colorado
- **Vehicle Count -** a single vehicle is fueled three or more times in a single day
- **Driver Count -** a single driver fuels the same vehicle three or more times in a single day
- **Tank Capacity -** the number of gallons purchased exceeds the capacity of the vehicle fueled
- **Non-fuel -** purchase is for something other than fuel

Due to the size and complexity of CDOT's fuel card program, and in consultation with CDOT's Management, we are conducting our audit of Fuel Card Transactions in four phases.

- **Phase 1 - Exception Reporting**
- **Phase 2 - Fuel PINS**
- **Phase 3 - Fuel Cards**
- **Phase 4 - Reconciliations**

The purpose of Phase 1 was to determine whether M&O has adequate controls to effectively identify, review, and resolve fuel card exceptions. The lack of adequate controls lessens the effectiveness of the fuel card exception reports as a management tool for identifying high-risk transactions with a potential for fraud. Inadequate controls can and in fact did result in fraud at CDOT in 2010. Overall, we found control weaknesses and areas for improving controls over fuel card exception reports in the following areas:

- **Identifying fuel card exceptions**. Management has not formally defined fuel card exceptions by adopting standard criteria and has not disseminated this information to appropriate management personnel including CDOT's Deputy Director, Senior Management and RTDs. We also found problems with the accuracy, integrity and security of the data that serve as the basis for the fuel card exception system.

- **Reviewing and Analyzing fuel card exceptions.** M&O has assigned responsibility for the initial review of fuel card exceptions to one individual. In addition, there is inadequate documentation of the review process and no oversight of the reviews. This lack of segregation of duties is problematic because it does not provide verification that all exceptions were properly and timely monitored, reviewed, resolved and reported.

- **Documenting Criteria and Procedures.** In addition to the lack of segregation noted above M&O does not create and maintain adequate documentation to support the rationale for reviewing certain exceptions for not reviewing others, for establishing whether exceptions were resolved timely, and whether they provided any status or outcome reports to Management. Further, no tracking system exists that could be used to develop reports for Management to improve its oversight role.

- **Training and Communicating to Fuel Coordinators.** We found areas for improvement related to training and communication throughout the entire fuel exception report process.

Scope and Objectives

The scope of this phase of the Fuel Audit was a review of the controls over fuel card processes for identifying, reviewing, and addressing exceptions. The period audited was July 2013 through February 2014. The objective of this audit was to determine if CDOT's M&O has adequate controls and procedures in place to capture and address fuel exceptions consistently, effectively, and timely. The recommendations in this report were originally presented to Management in June 2014. Based on the nature of these recommendations, the high risk profile of fuel transactions resulting from a previous fraud case, and a request from Management, the Audit Division will perform additional testing as part of its follow up procedures on these recommendations.

Methodology

We interviewed staff responsible for the monitoring of fuel exception reporting and reviewed available supporting documentation for exception report reviews performed during the audit period. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

COLORADO
Department of Transportation
Division of Audit
4201 E. Arkansas Ave, Shumate Bldg.
Denver, CO 80222-3400

Release Date: March 18, 2015

MEMORANDUM FOR: CDOT Transportation Commission

SUBJECT: Released Audit Report – CDOT Fuel Card Exception Reporting

This report presents the results of our performance audit on the CDOT Fuel Card Exception Reporting reviewed and released by the CDOT Audit Review Committee.

This report adds value by identifying areas for management to improve controls over fuel card exception reports. Implementing our recommendations strengthens controls over an average of 10,400 monthly fuel transactions and improves procedures that safeguard approximately $1 million in related monthly purchases.

We conducted this audit pursuant to Section 43-1-106, C.R.S., which authorizes us to conduct internal audits on CDOT. This report resents our findings, conclusions, recommendations and the responses of CDOT Management.

We appreciate the cooperation and courtesies provided by the Director of Highway Maintenance and his team. If you have any questions or need additional information, please contact me at 303-757-9687.

Barbara Gold

Barbara Gold, CPA, CISA
Audit Division Director

P 303.757.9661 F 303.757-9671 www.coloradodot.info/

AUDIT RESULTS AND FINDINGS

Description of Fuel Card Exceptions

From December 2013 through February 2014, CDOT employees made approximately 33,500 fuel transactions. The CDOT Fuel Guide states that the CDOT Fuel Coordinator is responsible for "managing WEX Exceptions reporting statewide for CDOT and State Fleet vehicles/units." Based on our interviews, M&O determined that all transactions for which there are exceptions, need to be reviewed; however, M&O did not document the review criteria or the review process. We queried WEX for this period to determine the number and types of exceptions identified. We also requested documentation of M&O's corresponding review of the exceptions identified. As the table in Exhibit 1 shows, there were 1,997 exceptions (approximately 6 percent of 33,500 transactions) identified during this 3-month period. As the table also shows, M&O reviewed only 7 percent of the exceptions.

Exhibit 1

CDOT Fuel Card Audit Phase 1 Fuel Exceptions Reviewed December 2013 - February 2014			
Exception Type	Total Exceptions (1)	Exceptions Reviewed (2)	Percentage reviewed
Out of State	4	0	0%
Vehicle Count (3 or more in a day)	596	10	2%
Driver Count (3 or more in a day)	324	21	6%
Tank Capacity (purchased > capacity)	412	35	8%
Non Fuel	661	69	10%
Total exceptions for the period:	1997	135	7%

Source: (1) Audit query of WEX transactions
(2) Audit review of M&O data

Identifying Fuel Card Exceptions

We found several weaknesses related to M&O processes as described below.

- **Management has not formally adopted criteria for identifying exceptions or disseminated this information to appropriate personnel.** We conducted status meetings with Management to discuss fuel exceptions, resolutions and reporting. During these meetings Management told us that they were not aware of the various types of fuel exceptions and that they did not receive reports on the status or resolution of fuel exceptions or resolutions.

  We also discussed with M&O its process for developing the initial exception reports used to monitor fuel usage. M&O stated that several CDOT stakeholders were involved in a panel to determine the exception reports that would provide the most benefit in monitoring fuel transactions. The stakeholders were representatives from each affected job class including engineers, regional Fuel Coordinators and Regional Transportation Directors; however, there is no documentation via meeting minutes or notes to support who was involved. There was little documentation to support the risks identified and the reasons certain exception reports were

selected. Further, we did not find documentation of an ongoing process to evaluate current exception reports.

- **Existing exceptions could be refined to reduce the need for unnecessary review and increase the review of legitimate exceptions (fuel tank capacity, discounts and car washes).** For example, if Management corrected all tank capacities set at zero and determined a threshold of 10 percent, 480 (255 for Tank Capacity set at zero plus 225 set at 10 percent or less) or one third of the 720 transactions would have been eliminated from necessary further review (see Exhibit 2).

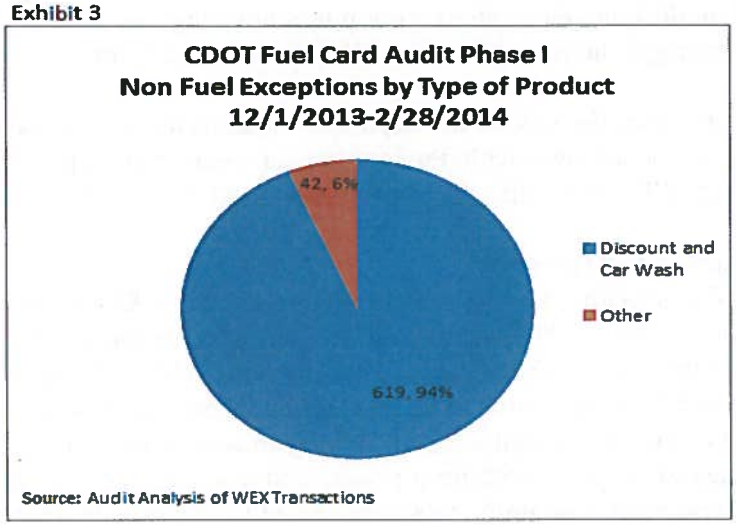
Exhibit 2

CDOT Fuel Card Audit Phase 1 Transactions Exceeding Tank Capacity March 2014 - June 2014	
Percentage filled above "tank capacity"	Number of Exceptions (1)
Tank Capacity set at zero	255
1% - 10%	225
10% - 40%	184
40% - 120%	35
120% - 200%	11
Greater than 200%	10
Total Exceptions:	720

Source: (1) Audit query of WEX transactions

Another example of refining exceptions needing further review could be applied to the 661 exceptions labeled "Non Fuel" in Exhibit 1. For instance, of these 661 "Non Fuel" exceptions, 193 account for fuel discounts that average less than 50 cents per transaction and 426 were from car washes. These total 619, almost 94 percent of the total reported exceptions. As shown in Exhibit 3 below, if these 619 exceptions had been removed, only 42 exceptions would have needed further review.

Exhibit 3



- **Improvements needed in data accuracy, completeness, and access.** Exception reports can be a valuable tool for identifying fraud, abuse and misuse. However, fuel transaction data needs to be accurate, complete, timely, and secure for the exception reports to provide reliable and useful information. We found the following problems and areas for improvement in the accuracy of data in the exception reporting system:

  1. **Data Errors:**
     One of the exception fields within the WEX system relates to fuel tank capacity or the quantity of fuel a vehicle can hold. If a single fuel purchase exceeds the tank capacity of a vehicle, an exception results. In testing exceptions for the period of March 2014 to June 2014 we found 53 vehicles with tank capacities set to zero. These 53 vehicles resulted in 255 exceptions as shown in Exhibit 2 above. In June we brought the issue of tank capacities set to zero to M&O's attention. M&O stated it had corrected these errors. As of September 30, 2014 we found that 22 of these 53 vehicles had not been corrected and still had tank capacities of zero.

     Errors such as zero tank capacity result in unnecessary exception reports, thus increasing report review workload while also diminishing the accuracy and usefulness of exception reports. We believe that Management needs to correct these zero tank capacity errors. In addition, we believe that Management should consider revising the limits at which tank capacity exceptions are generated system wide.

  2. **Incomplete Data:**
     During our audit we found that the date an employee makes a fuel card purchase is not necessarily the date the purchase is posted or recorded in WEX. This is problematic because multiple transactions in a single day will appear as single transactions on different days. Consequently, a "Driver Count" exception will not be generated. Out of the 21 daily fuel exception reports the Fuel Coordinator reviewed four were incomplete as a result of exception reports generated based on the posting date and not the transaction date. An example of one of the exceptions is an employee who made three transactions on December 3, 2013. However, WEX posted these transactions on December 5 and 6, 2013. Since the transactions

posted on different days, an exception was not triggered as multiple transactions in a single day, resulting in no review by the CDOT Fuel Coordinator.

M&O increases the risk of not accurately identifying all the exceptions by using the field "post-date" on all the calculations for the daily exception reports. Therefore, M&O needs to work with WEX to modify the existing data used in these calculations.

3. **Data Access and Integrity:**
The WEX system provides exception reports to M&O in the form of Microsoft Xcel workbooks. The workbooks contain detailed information about each exception such as the name of the employee making the transaction, vehicle ID number, location of purchase, gallons and fuel type purchased, gross amount spent, and odometer reading. We found that the CDOT Fuel Coordinator has the ability to access, edit, and potentially delete the data in the exception reports. Without a review and oversight process in place the integrity of the data is weakened. The ability to access and edit exception data should be limited and separate from the individual with authority and responsibility for review.

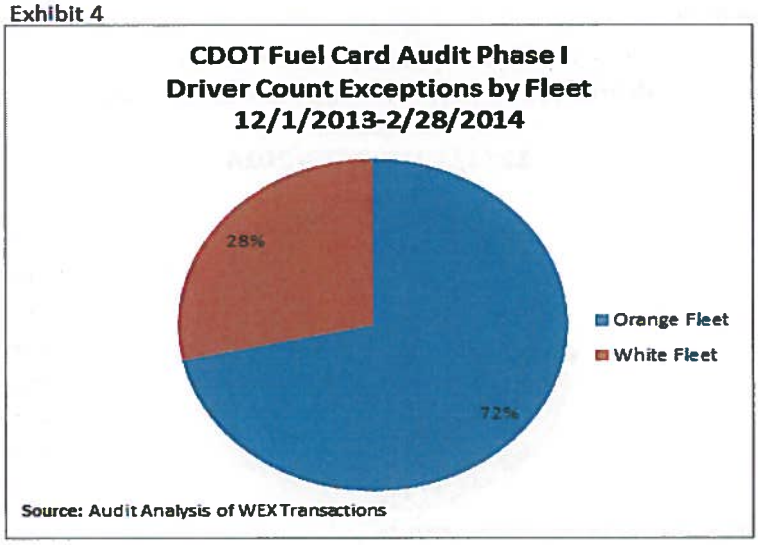
Reviewing and Analyzing Fuel Card Exceptions
Strong controls over the review processes and determining which exceptions to review are necessary for an effective and efficient review process. We found weaknesses in the areas listed below.

- **Lack of segregation of review duties.** We found a lack of segregation of duties within M&O's exception review process. We examined the current exception review process and found that there is no secondary or supervisory review of exception reports to ensure that all have been adequately investigated. We documented the current process at Appendix A of this report. In the absence of additional or supervisory oversight, there is no control procedure in place to ensure that all exceptions are being adequately monitored and addressed. In addition, we found no additional oversight or independent quality review. M&O's documentation of review, including the ways in which the reviewer determined whether violations did or did not exist, was inadequate, not maintained or not created. The results or status of these were not reported to Management.

- **Lack of analyzing exceptions.** As part of its responsibility for fuel monitoring, M&O has determined that all transactions for which there are exceptions, need to be reviewed; however, there was no review criteria documented on how M&O performs this review process. For example, Management does not receive exception reports or summarized data that would alert them to any concerns within their respective region or for a particular issue. The charts below illustrate how data from WEX can be analyzed to create a tool for Management.

  As shown in Exhibit 1 WEX generated 324 Driver Count-exceptions. These exceptions occur when WEX detects one driver fueling the same vehicle three or more times in one day. We analyzed this data further and found that 232 of these exceptions were part of CDOT's "Orange Fleet" or those vehicles used for road maintenance. Ninety-two exceptions were part of CDOT's "White Fleet" or those vehicles used to transport CDOT employees. The graph in Exhibit 4 shows this.

Exhibit 4



Further analysis of these 324 exceptions shows that the majority of Orange Fleet exceptions occurred in Region 2 (shown in Exhibit 5) while the majority of the White Fleet exceptions occurred in Region 4 (shown in Exhibit 6). Analyzing available data generated by WEX provides Management with better tools to discern where exceptions are, resolve them in a timely fashion, and increase the efficiency of this review process by focusing on the more significant or prevalent issues.

Exhibit 5

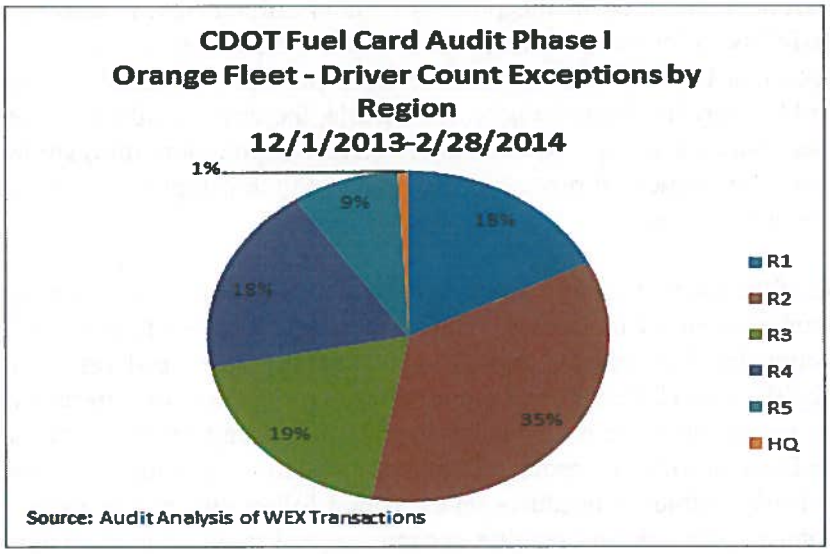
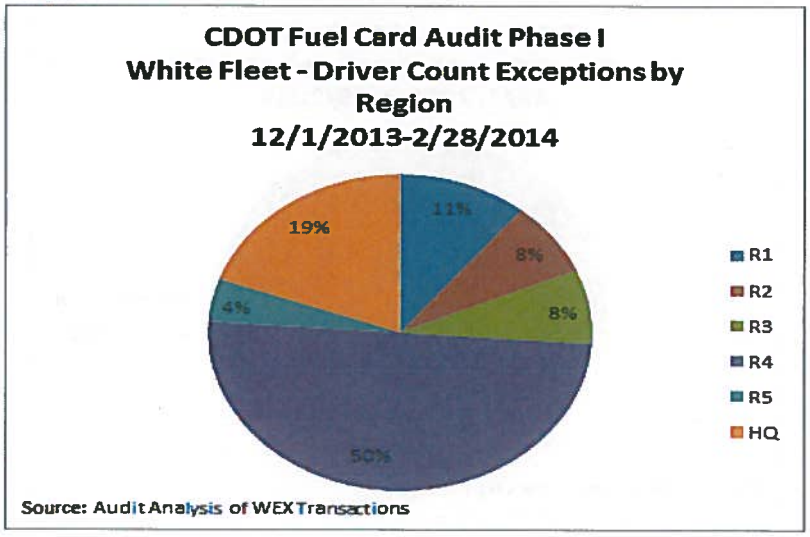


Exhibit 6



Although M&O may report individual exceptions to various levels of supervisors, Management does not receive summary reports or exception reports that would alert them of issues within their specific region or recurring issues. As a result, Management was not aware of the 1,997 exceptions noted in Exhibit 1 the frequency, severity, and timeliness of the resolutions.

Documentation of Criteria and Procedures

Keeping a record or documenting the process used in selecting exception criteria, selecting WEX reports, and identifying personnel involved in the process creates efficiencies. It also ensures that M&O is fulfilling its responsibility to "continue to research and utilize new methods" and to "determine whether the control measures can be modified". Documentation provides a record of those involved in the decision making and the way in which decision were made, thereby providing the necessary support for improving guidelines, policies, and procedures to effectively capture and mitigate fraud risk. We found that M&O has a lack of documented procedures related to the development of its criteria to determine exceptions and its review process.

We tested a sample of the exceptions that M&O reviewed for December 2013 through March 2014. We found minimal documentation of the review work performed. We also found that 79 percent of those transactions were considered acceptable and did not have any additional research beyond the initial review performed by the CDOT Fuel Coordinator. Written procedures or criteria were not documented to explain how the exceptions were reviewed or to support passing on these transactions. Not having these written procedures or criteria results in making subjective determinations on exceptions being reviewed. Having clearly defined procedures on exception follow-up creates efficiencies in the control process used to monitor, research and resolve exceptions, and track suspicious activity. Documenting processes helps to refine and revise them in the future.

Training and Communicating to Fuel Coordinators

During our audit we found that exception report training provided by the CDOT Fuel Coordinator to all Fuel Coordinators related to exception reporting is not adequate. The CDOT Fuel Coordinator stated that approximately 90 percent of the WEX Training is dedicated to fuel reconciliations. Only a portion of the balance of the training focuses on exception reporting; the remainder on fuel PIN use. In addition,

the training for exception reporting does not emphasize the importance of review in detecting and preventing fraudulent activity and does not provide clear examples of such activity. The training also did not explain the rationale for clearing exceptions, additional follow-up, and formal resolution.

We also found that the CDOT Fuel Coordinator does not maintain adequate training records to ensure that all fuel coordinators are current on training. We surveyed the current Fuel Coordinators. Of the 37 fuel coordinators who responded to the survey, the majority, 28 or approximately 76 percent, responded that CDOT had provided them with training. However, 9 fuel coordinators (24 percent) responded that they had not received this training. As previously mentioned, personnel changes result in changes in Fuel Coordinators throughout CDOT. M&O has a responsibility to ensure that all Fuel Coordinators receive adequate and timely training on how to detect and report suspicious activity.

The CDOT Fuel Coordinator needs to have current information about Fuel Coordinator transfers, terminations, and duty reassignments. This information is necessary for the CDOT Fuel Coordinator to disseminate comprehensive fuel card exceptions to appropriate personnel and in a timely fashion. We found that CDOT does not have a reliable and timely process for this communication. The lack of this communication prevents uniform monitoring of exception reviews and information-sharing related to patterns of exceptions that can identify suspicious transactions.

Our recommendations and Management's responses are as follows:

Recommendation 1:
We recommend that the CDOT Director of Highway Maintenance:

Develop reports that can be reviewed by the Director of Highway Maintenance and M&O. The reports should provide a monitoring tool for management to stay informed of identified exceptions and how they are being resolved. Further, the CDOT Fuel Coordinator should discuss with Management what information would be important to be included in the reports.

Examples of the type of information management could obtain include:

- A detailed report created for M&O to verify that exceptions are being followed up on timely by the CDOT Fuel Coordinator. The reports could:
  - Provide a list of exception transactions that have been detected by either the CDOT Fuel Coordinator or the Region/work unit Fuel Coordinators.
  - Identify the nature of the exception, how long the exception has been outstanding, and the final resolution and resolution date.
  - Include an "aging" column to show how long outstanding issues have been outstanding.
- Create quarterly and/or yearly reports, from the detailed report, with high-level information showing trends of the types of exceptions that are occurring and the locations of exceptions. This high level report would be reviewed by M&O and Management as part of their monitoring process. Reports should also be made available to other senior management team members to help them monitor their respective areas.

Management Response
Agree/Partially Agree/Disagree: **AGREE**

Implementation Date: **September 1, 2014**
Person Responsible for Implementation: **CDOT Fuel Coordinator**

a) **An adequate tracking system to capture all anomalies through exception reporting as well as reconciliations is in place currently. This will become electronic through Phase II. All of the reporting mentioned in the 'Recommendation' is included in the Phase II portion of fuel controls. This will include an Executive level summary with reports for review and a dashboard that will show trends.**

Update as of January 2015:

a) **A report is being developed to include recent requests for additional dashboards. Expected to be finished by state roll out on April 1, 2015.**

Recommendation 2:
We recommend that the CDOT Director of Highway Maintenance:

a) Document the reports considered to be the most effective in identifying potential fraudulent activities. As part of this documentation the reasoning and logic should also be noted i.e. why more than two transactions in a day is considered suspicious. M&O should also document who was involved in the decision making process. Once documented, the contents of the report should be communicated to appropriate Management.

b) Review and make revisions as necessary to the exception reporting processes on a regular basis. All new developments should be documented. This would include what input is provided by other stakeholders in CDOT and developing an understanding of their risk tolerance related to exception reports and how the reports being used meet that tolerance level.

   We contacted the Colorado Department of Personnel Administration State Fleet and found that it is in the process of writing procedures to identify suspicious activity and that they will be developing exception reports in the near future. M&O should collaborate with State Fleet as part of the requirement to continue to research and utilize new methods to guard against losses.

Management Response
Agree/Partially Agree/Disagree: **AGREE**
Implementation Date: **Continuous as new technologies develop**
Person Responsible for Implementation: **CDOT Fuel Coordinator**

a) **CDOT Fuel Coordinator will list formally which reports CDOT uses and the logic behind those reports in a Strategic Plan document to detail the methods CDOT currently use to identify potential fraud and what developments CDOT will deploy in the future.**
b) **New developments will be documented and may change as new technologies develop.**
c) **<u>Side note:</u> The Colorado Department of Personnel Administration State Fleet collaborated with CDOT to get where they currently are in their fuel tracking system. CDOT was the first department in the State to do such extensive tracking of their fuel. CDOT was also the first state department to issue individual fuel PINs. No other state department does this.**

Update As of January 2015:

a) **Strategic plan was implemented back in August, 2014.**
b) **New developments will still be documented and still may change as new technologies develop. This is a continuous item and we are continuously looking for more efficient and cost effective ways of fuel tracking and reporting.**

Recommendation 3:
We recommend that the CDOT Director of Highway Maintenance:

a) Revise the calculation of all the daily exception reports within the WEX system to use the field "transaction date" instead of the "post-date."
b) Contact WEX to determine if a change in the frequency of the control to be in sync with the timing of the process for a transaction to post to WEX, which is approximately 3-7 business days is possible. If a change in the frequency is possible, determine the frequency the reports should be run to accurately and completely capture exceptions.
c) Correct the tank capacities limits for the CDOT fleet in the WEX system.

Management Response
Agree/Partially Agree/Disagree: **AGREE**
Implementation Date: **a) July 1, 2014; b) continuous**
Person Responsible for Implementation: **CDOT Fuel Coordinator**

a) **Daily exception reports will be revised to pull by "transaction date" instead of "posted date."**
b) **We agree to better align our daily reporting as new technologies come about.**
c) **Tank capacity changes have already been made and continue to be made as they become known.**

<u>Update As of January 2015</u>:

a) **Exceptions reports are now being pulled weekly instead of daily due to the influx in items reported. They are pulled by "transaction date" now instead of "posted date."**
b) **Exceptions reports are pulled weekly for the previous week. Therefore, allowing for a 7-day time frame for processing of a transaction. So far this has been a good timeframe, but we will continue to monitor this and make changes if necessary.**
c) **Implemented – all have been corrected**

Recommendation 4:
We recommend that the CDOT Director of Highway Maintenance:
Develop written procedures to follow up on all exception transactions from receiving the initial exception to the final resolution. Written procedures should include, but not be limited to the following:

- How exception reports are obtained and maintained by M&O.
- How often exception reports should be reviewed by M&O.
- Clearly defined criteria on what exceptions can be passed on and what exceptions should be followed up on and resolved.

- What types of follow up reports should be ran to perform additional research. Who should be contacted based on the nature of the transactions and what the CDOT Fuel Coordinator found in preliminary research.
- How to document the resolution of transactions followed up on.

Management Response
Agree/Partially Agree/Disagree: **AGREE**
Implementation Date: **September 1, 2014**
Person Responsible for Implementation: **CDOT Fuel Coordinator**

a) **Written procedures for exception follow-up will be revised to better clarify procedures. Changes to current procedures will also be made including how anomalies are reported and to whom.**

Update As of January 2015:

a) **Implemented – Exceptions reporting has been added to the Fuel Card Usage and Reporting Standard Operating Guide (Fuel Guide) and is also a separate standing document. The Fuel Guide portion is awaiting approval.**

Recommendation 5:
We recommend that the CDOT Director of Highway Maintenance:

a) Develop a process to maintain consistent communication and assistance to all Fuel Coordinators. This could include monthly meetings with all Fuel Coordinators to discuss issues that they are experiencing. As part of the meetings, the CDOT Fuel Coordinator would be able to determine if Fuel Coordinators have left the department or are no longer responsible as a Fuel Coordinator.

b) The CDOT Fuel Coordinator should work with Human Resources to compare the Fuel Coordinator list against the list of employees who have left the department each month to verify that the current list of Fuel Coordinators is up to date.

Management Response
Agree/Partially Agree/Disagree: **PARTIALLY AGREE**
Implementation Date: **August 4, 2014**
Person Responsible for Implementation: **CDOT Fuel Coordinator**

a) **CDOT Fuel Coordinator will conduct monthly meetings for all Fuel Coordinators. These meetings will include discussion of old business, new business, updates, and current concerns. This will be added to the current procedures. First meeting will take place the first Monday in August, 2014.**
b) **WEX does not generate reports to determine how often a coordinator accesses the program. It only shows the last time they logged on. It does not say what they did. CDOT Fuel Coordinator already receives updates from Human Resources when employees leave and updates the coordinator list appropriately. We believe this issue is being addressed currently to the best of CDOT's abilities.**

Update As of January 2015:

a) **Started monthly meetings in September, but decided to go to bi-monthly due to busy schedules and lack of pertinent information on a monthly basis.**
b) **Implemented - Already completed above.**

Recommendation 6:
We recommend that the CDOT Director of Highway Maintenance:

a) Revise training materials related to exception reporting to include the following:

- Provide an explanation of fraud and clearly define "suspicious activities".
- Provide clear examples of criteria to be used when pulling exception reports and why the criteria are being used as well as what the reports are telling the Fuel Coordinators.
- Develop guidelines to determine what exceptions are reported on and considered high risk (this is discussed in Recommendations 1 and 4 of this report). Once guidelines are developed they should be included as part of the training.

b) After the training materials have been revised, the new materials should be presented to the Fuel Coordinators.

Management Response
Agree/Partially Agree/Disagree: **AGREE**
Implementation Date: **September 1, 2014 and ongoing**
Person Responsible for Implementation: **CDOT Fuel Coordinator**

a) **Training materials will be revised in regard to exceptions reporting to include the suggestions listed above.**
b) **Training will be set up for each level as such: RTD's/Division Directors, Superintendents, and Fuel Coordinators.**

Update As of January 2015:

a) **Implemented - Training materials have been updated, as well as the Fuel Guide to include the suggestions listed above.**
b) **Training on these new developments will commence with training of the Phase II SharePoint program in March and April of 2015. This training will include all levels of CDOT personnel.**

Recommendation 7:
We recommend that the CDOT Director of Highway Maintenance develop a process to adequately track and document Fuel Coordinators who have been trained.

Management Response
Agree/Partially Agree/Disagree: **AGREE**
Implementation Date: **January 1, 2015 and ongoing**
Person Responsible for Implementation: **CDOT Fuel Coordinator**

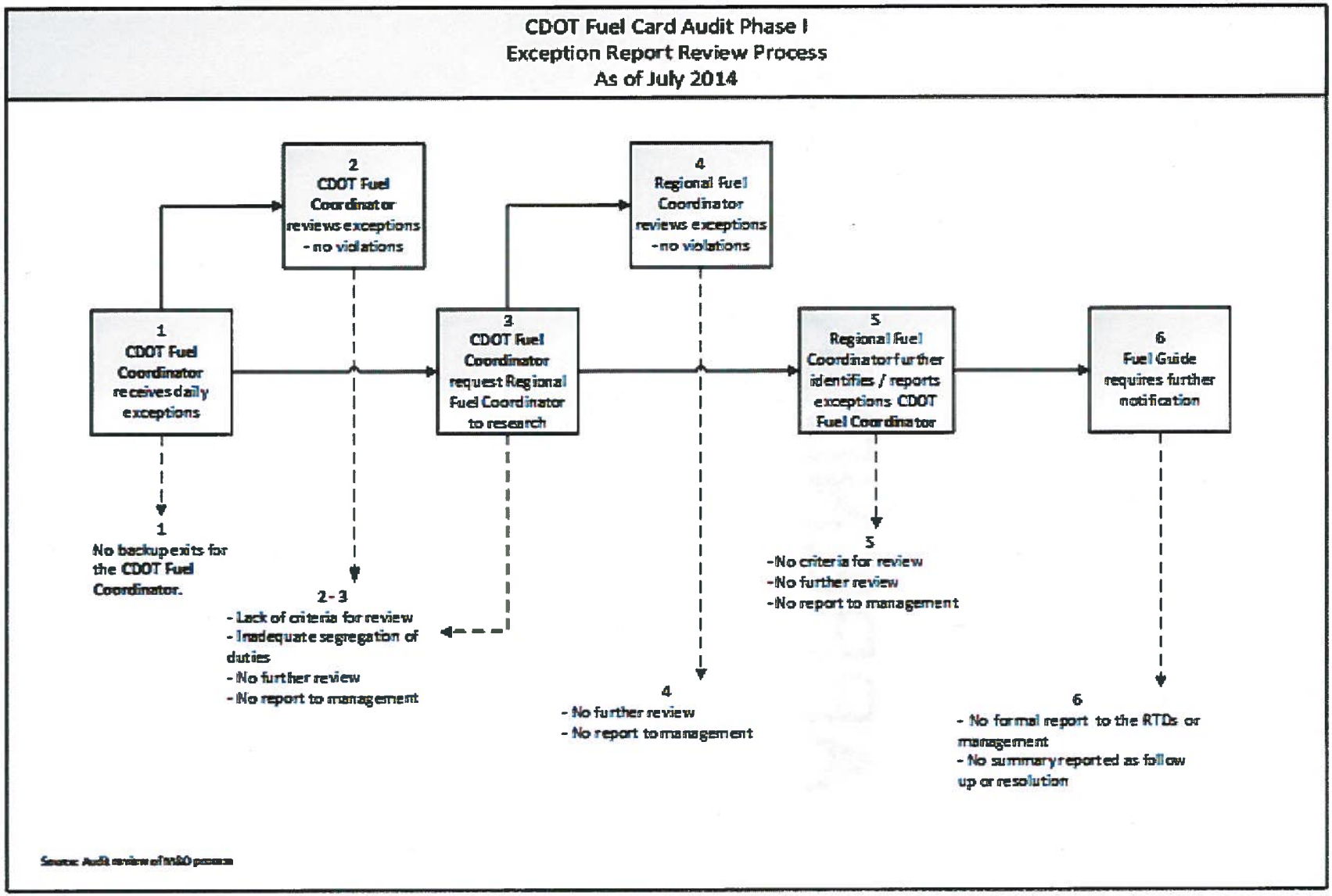
CDOT Fuel Coordinator will utilize tools to track Fuel Coordinator training. This will include tracking on the new SharePoint site for Phase II. Procedures will be updated to reflect this change.

<u>Update As of January 2015:</u>

CDOT Fuel Coordinator now utilizes a sign in sheet for the bi-monthly fuel coordinator meetings. Following those meetings, a document outlining items discussed is set out to all coordinators. This sign in process will also be utilized when going statewide for the Phase II training and any further training going forward.

APPENDIX

Appendix A


CDOT Fuel Card Audit Phase I
Exception Report Review Process
As of July 2014
1
CDOT Fuel Coordinator receives daily exceptions
2
CDOT Fuel Coordinator reviews exceptions - no violations
3
CDOT Fuel Coordinator request Regional Fuel Coordinator to research
4
Regional Fuel Coordinator reviews exceptions - no violations
5
Regional Fuel Coordinator further identifies / reports exceptions CDOT Fuel Coordinator
6
Fuel Guide requires further notification
1
No backup exits for the CDOT Fuel Coordinator.
2-3
- Lack of criteria for review
- Inadequate segregation of duties
- No further review
- No report to management
4
- No further review
- No report to management
5
-No criteria for review
-No further review
-No report to management
6
- No formal report to the RTDs or management
- No summary reported as follow up or resolution

Information Only

Aeronautics Treasury Loan

Update

COLORADO
Department of Transportation
Division of Accounting and Finance

4201 E. Arkansas Ave., Room 262
Denver, CO 80222

DATE: May 20, 2015
TO: Colorado Transportation Commission
FROM: Maria Sobota, Acting Chief Financial Officer, Colorado Department of Transportation
SUBJECT: Division of Aeronautics Treasury Loan Update

Purpose

This memorandum updates the Transportation Commission (TC) on: 1) The cash replenishment of the Division of Aeronautics' Aviation Fund, and 2) A Memorandum of Understanding (MOU) signed between CDOT and the Division of Aeronautics.

Action

This memorandum is for informational purposes only.

Background & Details

In November 2014, Division of Aeronautics staff advised the Colorado Aeronautical Board (CAB) that discretionary grants in fiscal year 2015 would total about $3.0 million. Such a reduction represents a significant decrease from the grant totals in the fiscal years 2012 through 2014, which averaged about $24.0 million per year over those three years. This reduction was made necessary by the combination of the Division of Aeronautics' effort to draw down cash balances and a decline in revenues from the sales and use tax collected on sales of jet fuel in Colorado. Subsequently, an effort was made by CDOT and the Division of Aeronautics to secure financing for the Aviation Fund.

State Treasury Cash Advance/Loan

On April 10, 2015, a cash advance/loan was approved by the Colorado State Controller as the primary option to replenish cash in the Division of Aeronautics' Aviation Fund. The State Controller will allow the Division of Aeronautics' Aviation Fund to operate in a negative balance position over a period not to exceed the next 60 months. The State Controller has requested that proper controls are put in place to assure the situation will not repeat itself in the future.

A cash advance/loan involves allowing the Aviation Fund to operate in a negative balance. A low rate of interest will be charged by Treasury, to be repaid by the Division of Aeronautics. This option provides up to $11.0 million in leeway for Aeronautics and will allow grant program cash levels to operate at a negative balance for a period of time. Dropping cash levels below zero on a temporary basis would allow existing grant payments to airports to continue, while allowing cash to replenish itself with future revenue. In order to receive a cash advance, future revenue forecasts that are submitted by staff must be positive. Aeronautics' dedicated source of funding through jet fuel tax revenue will allow a natural replenishment of the Aviation Fund, if budget expenditures are limited in the short and medium term.

Memorandum of Understanding

To foster greater collaboration between CDOT and the Division of Aeronautics, and at the direct request of the State Controller in conjunction with the Treasury loan, the CAB approved a Memorandum of Understanding (see Attachment A) that integrates the business functions and operations of the Business Office in the Division of Aeronautics with CDOT. The Memorandum of Understanding (MOU) also assimilates communications between Aeronautics and CDOT headquarters.

The MOU integrates the Division of Aeronautics' forecasting and management of discretionary grants with the practices that CDOT is applying to the other transportation-related funds in the state. The position of Division of Aeronautics Business Manager will be formally linked between Division of Aeronautics and CDOT's Division of Accounting and Finance (DAF). The budget of the Division of Aeronautics Business Office will continue to be funded from the Division of Aeronautics' administrative budget. As is required by Colorado statute, financial projections and reports would continue to be prepared for the CAB, which will continue to exercise its authority to act upon those projections and reports. The State Attorney General's Office, in an informal opinion (see Attachment B), concluded that the MOU is legal and valid.

Terms of the loan agreement with the State Controller necessitate formal collaboration between CDOT and the Division of Aeronautics (see Attachment C). As long as the loan to the Aviation Fund is outstanding, the MOU will necessarily remain fully effective.

Key Benefits

While the Aviation Fund budget will be necessarily reduced in the short and medium term, the loan allows the Fund to use existing resources to continue with discretionary grants. $3.5 million in grants per fiscal year can help secure $40.0 - $60.0 million in federal matching funds for Colorado's regional airports. All parties deem the continuation of Aviation Fund discretionary grants an important aspect of CDOT's mission to advance transportation infrastructure in Colorado. Meanwhile, the Division of Aeronautics' dedicated funding source will help replenish the balance of the Aviation Fund in the long-term.

The benefit of coordinating financial, communication, accounting, and business office activities between the Division of Aeronautics and CDOT will be a broader application of internal controls and oversight within existing statute.

Next Steps

As outlined in the signed MOU between CDOT and Aeronautics, the integration of the Aeronautics Business Office into DAF will begin immediately.

Attachments

- Attachment A: Memorandum of Understanding
- Attachment B: Attorney General's Office Informal Opinion
- Attachment C: State Controller Letter

MEMORANDUM OF UNDERSTANDING

For Intergovernmental Collaboration between the Colorado Department of Transportation and the Colorado Aeronautical Board regarding the Operations of the Division of Aeronautics

This Memorandum of Understanding (MOU) is hereby entered into by:

The Colorado Department of Transportation (CDOT)

The Division of Aeronautics (Division)

Colorado Aeronautical Board (CAB)

PURPOSE

It is the intent of this MOU to more clearly define collaboration and coordination between CDOT and its Division of Aeronautics in order to achieve the goals of the Division, CDOT and the Colorado Aeronautical Board.

This MOU is effective May 1, 2015 and will be reviewed on November 1, 2015.

GOALS

In meeting these purposes, four goals have been identified.

1. Ensure that the Director of Aeronautics and the CDOT Executive Director have the collaborative working relationship required to provide the strategic support necessary for the programs directed by the CAB.
2. Ensure that Aeronautics has all the tools and resources to meet the financial management needs of the programs directed by the CAB.
3. Enable the Division of Finance (DAF) to give direct assurances to the Executive Director and the CAB that the finances of the programs as directed by the CAB are being properly managed. It is not the intent of these procedures to alter the accountabilities of either division to the CAB or the Colorado Transportation Commission.
4. Enable Aeronautics to effectively coordinate and refine communications with stakeholders, the public and media about programs directed by the CAB.

The following outline the expectations between CDOT and Aeronautics to improve collaboration and coordination, better define CDOT's administrative oversight, and enhance communication to the CAB, stakeholders and the public:

OFFICE OF THE EXECUTIVE DIRECTOR WILL:

1. Provide administrative oversight of the Director of Aeronautics including review of annual strategic plan, development and review of divisional performance metrics and discussion of program issues or policy recommendations to the CAB.
2. Include the Director of Aeronautics in CDOT's senior management team structure including participation in regular meetings and policy discussions to facilitate integrated multi-modal transportation planning and program implementation.
3. Conduct regular performance reviews of the Director of Aeronautics and report to the Chair of the CAB, who will also conduct their own performance review of the Director of Aeronautics.
4. Coordinate with the CAB in the hiring of the permanent Director of Aeronautics as prescribed in statute.

DIVISION OF AERONAUTICS WILL:

1. Report regularly to the Office of the Executive Director including presentation of annual strategic plan, development and review of divisional performance metrics and discussion of program issues or policy recommendations to the CAB.
2. Participate in CDOT's senior management team structure to better enable integrated multi-modal transportation planning.

JOINTLY, OFFICE OF THE EXECUTIVE DIRECTOR AND DIVISION OF AERONAUTICS WILL:

1. Collaborate on programmatic strategic, performance metrics and major policy recommendations to the CAB.

DIVISION OF ACCOUNTING AND FINANCE WILL:

1. Continue to facilitate introduction of the Aeronautics Business Office staff to Colorado State Infrastructure Bank background information and application process.
2. Strengthen the collaboration in cash management, budgeting, and forecasting by transferring the FTE position and budget of the Aeronautics Business Office staff into DAF. The staff role and responsibility will be consistent with a matrix management model where the staff member will organizationally report to DAF for strategic and operational oversight, with day-to-day direction and management from the Division of Aeronautics Director, and policy direction from the CAB. DAF's Chief Financial Officer and Aeronautics Director will collaborate on performance reviews and any personnel actions, with DAF serving as the official Appointing Authority. Affected employees will continue to be compensated from Division of Aeronautics cost centers unless working on non-Aviation activities, which will instead be compensated from a separate CDOT cost center. As appropriate, the staff member will co-locate between DAF and Aeronautics. Terms of the matrix arrangement will be revisited at the end of the loan.
3. Document responsibilities of Aeronautics Business Office, once integrated into DAF processes.

Responsibilities include: setting up and monitoring the structure and funding practices of the Division Programs; reviewing Division Programs transactions and budget procedures; advising the Division Programs manager and Aeronautics Division Director on the Aviation Fund's cash levels; and overseeing day-to-day tasks associated with the Division Programs, including maintenance of funding for Dye Management Group's statement of work. Day-to-day tasks for the Division Programs also include reporting, creation of accounts, the close process, reconciliations, and the payment process to grantees.

4. Establish the cash management and revenue forecasting models from Dye Management Group into existing work processes and train new users to achieve fluency with the models.
5. Communicate normal business office services, as described above, (8 a.m. to 5 p.m.) to the Aeronautics Office through DAF Business Office.
6. Provide Aeronautics with monthly cash management analysis, quarterly revenue forecasting projections, and medium-term and long-term revenue trends supported by the revenue and expenditure forecasts produced by DAF, geopolitical forecasts, and available data.
7. Provide an annual budget recommendation, with a bi-annual update, to the Colorado Aeronautical Board of the amount of funds available for discretionary grants over the current year and the following five years.
8. Analyze the results of the Aeronautics Business Office performance audit tasked to an independent certified public accountant in order to improve grant processes, procedures, and financial management.
9. Present proposals to Aeronautics that enhance revenue capacity and liquidity in future fiscal years.
10. Provide to the CAB a recommended budget for the portion of the Aeronautics administration budget that should be allocated to business and financial functions in the following year.

DIVISION OF AERONAUTICS WILL:

1. Continue to administer the Division Programs under the auspices of the Colorado Aeronautical Board.
2. Confirm the amount of annual grant awards from the Aviation Fund to CDOT staff before presenting this information to the Board.
3. Communicate to and facilitate relationships with grantees in order to efficiently carry out Division Program goals.
4. Review potential grantees and provide recommendations for approval to CAB.
5. Continue to maintain proper invoicing procedures with grantees and maintain project/program manager activities (create work program, create scope of works, create shopping carts, monitor contract progress activities, sign acceptance of work performed, etc.).
6. Collaborate with DAF to improve Division Programs processes after results of the performance audit are presented.
7. Utilize monthly cash management analysis and quarterly revenue forecasts provided by DAF to plan accordingly for future Division Program needs.
8. Provide access to the Web-based Information Management System (WIMS) to CDOT staff as far as is necessary to manage the financial transactions related to Aeronautics' Programs.

9. Provide financial information to DAF to be utilized for cash management system created by Dye Management Group.
10. Research and document a business plan to be presented to and approved by the Colorado Aeronautical Board. The business plan will be **reviewed** by the CDOT Chief Financial Officer, and include specific recommendations for future Division Program growth over the course of two, five, and ten years.
11. Update the Colorado Aeronautical Board with Division Program process enhancements and forecasts.

12. Evaluate proposals presented by DAF to improve revenue and liquidity in future fiscal years. Advise on feasibility of potential approaches to revenue generation.

JOINTLY, DIVISION OF ACCOUNTING AND FINANCE AND THE DIVISION OF AERONAUTICS WILL:

1. Cooperate on the goals of cash management and revenue forecasting, and coordinate the potential uses of existing and future cash resources in the Aviation Fund that disburses grants.
2. Communicate Aviation Fund assessments and disclosures between divisions through written, verbal, and in-person contact.
3. Integrate Aeronautics revenue forecasting into quarterly DAF revenue forecasting in order to provide frequent evaluations of revenue projections and the Division Program budget to the Colorado Aeronautical Board.
4. Provide all necessary materials and disclosures necessary to successfully complete the performance audit of the Division of Aeronautics' grant making process.
5. Together, implement those performance audit recommendations determined to be beneficial to the grant making process or policies and procedures.
6. DAF and Aeronautics will work to create timelines of recurring information-sharing and collaboration.

JOINTLY, OFFICE OF COMMUNICATIONS AND DIVISION OF AERONAUTICS WILL:

1. Strengthen the collaboration on public communications to ensure consistency in message and outreach especially as related to key issues that might be impactful statewide or would be addressed in the media.
2. Establish a matrix management of the Aeronautics Communications staff whereby the Aeronautics Director will serve as the Appointing Authority responsible for day-to-day direction, management and performance reviews and the Director of Communications will provide strategic and operational guidance. The Aeronautics Communications staff will also participate in regular Communications meetings.

3. Work with Aeronautics to develop and implement an annual strategic communications plan to include media, stakeholder and other communications to guide overall communications approach.
4. Provide regular proactive and responsive media relations support and outreach as well as additional social media to include serving as the Division spokesperson for Aeronautics issues.
5. Provide regular public and stakeholder communications support in collaboration with Policy Office.

LIMITATIONS

Each of the signatories will conduct activities under this MOU within the scope of and to the extent authorized by their existing statutory authorities.

This MOU is an MOU among the signatories and does not create or confer any right or benefit on any other person or party, private or public. Nothing in this MOU is intended to restrict the authority of any signatory to act as provided by law or regulation, or to restrict any agency from enforcing any laws within its authority or jurisdiction.

All commitments arising from this MOU are subject to each signatory's budget priorities and the availability and limitations on the use of appropriated funds for such purposes. Nothing in this MOU obligates any of the signatories to expend appropriations or to enter into any contract or to incur other financial obligations.

Nothing in this MOU supersedes information sharing requirements in U.S. law or regulation.

Nothing in this MOU impairs or otherwise affects the authority of the heads of the signatory organizations over their organizations.

Nothing in this MOU is intended to create rights or obligations enforceable in a court of law.

Nothing in this MOU is intended to supersede the Division of Aeronautics Policies and Procedures Manual.

EXECUTION

- Affected parties must sign the MOU, which will be sent to relevant administration.
- Business Office staff to begin the process of integration to DAF, while continuing to perform the necessary functions of Division Programs at the Division of Aeronautics. Completion is scheduled for May 4, 2015.
- Specific roles and responsibilities for staff members will be identified and properly documented by DAF, Aeronautics, Communications and Human Resources.
- Exposure to Dye Management Group's previously created cash management and revenue forecasting models will commence for Business Office staff.

- Nothing in this MOU supersedes the Division of Aeronautics Policy and Procedures manual as it related to the Colorado Revised Statutes

This MOU may be modified or amended by mutual consent of the key officials listed below. It is mutually agreed and understood by all signatories that:

- A signatory organization is encouraged to provide a 60-day advance written notice to the other signatories of the intent to withdraw from the MOU in the event the loan is no longer necessary.
- The MOU and all elements contained within it, including the matrix management arrangement with staff, will be proactively revisited at the end of the loan.
- During the duration of the loan, no party to this agreement may unilaterally withdraw from the MOU.

CYNTHIA H. COFFMAN
Attorney General

DAVID C. BLAKE
Chief Deputy Attorney General

MELANIE J. SNYDER
Chief of Staff

FREDERICK R. YARGER
Solicitor General

STATE OF COLORADO
DEPARTMENT OF LAW

RALPH L. CARR
COLORADO JUDICIAL CENTER
1300 Broadway, 10th Floor
Denver, Colorado 80203
Phone (720) 508-6000

Office of the Attorney General

RE: INFORMAL OPINION OF OFFICE OF ATTORNEY GENERAL

FROM: Leo F. Milan, Jr., Senior Assistant Attorney General

To: Director Shailen Bhatt, Chairman Ray Beck, Interim Director Stanley Buck

DATE: MAY 5, 2014

The Colorado Aeronautic Board (CAB) has requested an Informal Opinion from the Office of Attorney General related to approval of a Memorandum of Understanding (MOU) for Intergovernmental Collaboration between the Colorado Department of Transportation and the CAB regarding the Operations of the Division of Aeronautics (Division). I incorporate Resolution 15-02, approved by the CAB which defines the need for receipt of funding from the State Controller in the form of an interest bearing loan when there is a negative balance in the State Aviation Fund.

Three specific questions are presented:

1) Does the status of the Division of Aeronautics change from a Type 1 Transfer because of the execution and contents of the MOU?
2) Do the contents of the MOU conflict with the statutory duties of the CAB?
3) Is there a provision in the MOU that will enable the Division of Aeronautics and the CAB to terminate the MOU with CDOT, and what is the timeframe?

Type 1 Transfer, Part 1

C.R.S. 24-1-101, the Administrative Act of 1968, was designed to effect the grouping of agencies into a limited number of principal departments to eliminate overlapping and duplication of effort. To delineate between the groups that came under this statute, C.R.S. 24-1-105 described the transfers as a type 1 transfer, a type 2 transfer or a type 3 transfer. C.R.S. 43-10-107 (2) specified that the Division, the office of director and the CAB "shall exercise their powers and perform their duties and functions specified in this article under the department of transportation as if the same were transferred to the department by a type1 transfer."

A type 1 transfer means the transferring intact of an existing agency (the Aeronautic Division existed in the Department of Veterans and Military Affairs prior to July 1, 1991) to a principal department. In a type 1 transfer, that entity shall be administered under the direction and supervision of the principal department (CDOT), but it shall exercise its prescribed statutory duties, and functions, including rule-making, regulation, licensing, and registration, the promulgation of rules, rates, regulations and standards, and the rendering of findings, orders and adjudications.

Type 1 Transfer, Part 2

Under a type 1 transfer, any powers, duties and functions not specifically vested by statute in the agency being transferred, including but not limited to, all budgeting, purchasing, planning, and related management functions of the transferred department, institution, or other agency, or part thereof, shall be performed under the direction and supervision of the head of the principal department.

This legislation enables the Division and CAB to enter into the MOU.

Statutory Duties

A listing of the applicable duties (the following provisions are not complete) of the Division and CAB related to the MOU are found in C.R.S. 43-10-103 (2): "The division shall provide support for the Colorado aeronautical board in fulfilling its duties. The duties of the division shall also include, but not be limited to, the following":

a) Providing administrative support to the board in the distribution of moneys credited to the aviation fund for aviation purposes;
b) Administering the state aviation system grant program established by the general assembly pursuant to C.R.S. 43-10-108.5;
c) Developing annual projections of revenue and expenses for review by the board.

The applicable duties of the board (the following provisions are not complete) are found in C.R.S. 43-10-105:

a) To establish procedures for administration and distribution of monies credited to the aviation fund created in section 43-10-109, for aviation purposes for public airports;
b) To seek recommendations of the director for distribution of money credited to the aviation fund created in 43-10-109;

c) To set and adopt on an annual basis, a budget for the division, including recommendations to the transportation commission for the amount to be allocated for administrative costs.

Language of the MOU

The MOU contains language that defines the CDOT Division of Accounting and Finance (DAF) collaboration with the division (the following provisions are not complete).

1) Provide Aeronautics with monthly cash management analysis, quarterly revenue forecasting projections, and medium-term and long-term revenue trends supported by the revenue and expenditure forecasts produced by DAF, geopolitical forecasts, and available data.
2) Provide an annual budget *recommendation*, with bi-annual update, to the Colorado Aeronautical Board of the amount of funds available for discretionary grants over the current year and the following five years.
3) Analyze the results of the Aeronautics Business Office performance audit tasked to an independent certified public accountant in order to improve grant processes, procedures, and financial management.
4) Present *proposals* to Aeronautics that enhance revenue capacity and liquidity in future fiscal years.
5) Provide to the CAB a *recommended* budget for the portion of the Aeronautics administration budget that should be allocated to business and financial functions in the following year.

[my emphasis].

Reconciliation

The language of the MOU enables the CAB to continue fulfillment of its duties based on the *recommendations and proposals* of the DAF, with the ability to terminate the MOU once the Division is fiscally solvent.

Termination of MOU

"A signatory organization is encouraged to provide a 60-day advance written notice to the other signatories of the intent to withdraw from the MOU *in the event the loan is no longer necessary*." At the point in time when any advanced funding from the State Controller is paid back and the Division becomes fiscally solvent, withdrawal can occur. This position is confirmed from two sources. First, the language of the MOU stating, "No party to the MOU may unilaterally withdraw from the MOU *during the loan period* due to commitments made to the State Controller regarding the negative cash position and negative fund balance." And

second, Director Bhatt has affirmed through an email to CAB member Thompson, "As I have stated earlier and laid out in the MOU, the direct oversight by DAF will cease once the division and CAB find themselves financially solvent."

[my emphasis].

Conclusion

Based on my review of the applicable Colorado Revised Statutes and the Colorado Constitution, and at the direction of the Colorado Aeronautic Board, it is my opinion that the Board can legally enter into the Memorandum of Understanding for Intergovernmental Collaboration between the Colorado Department of Transportation and the Colorado Aeronautic Board regarding the Operations of the Division of Aeronautics without jeopardizing its status as a type 1 transfer.

It is my opinion that the MOU does not conflict with the duties of the Board.

Finally, it is my opinion that the MOU enables the Division and the Board to terminate the MOU once State Controller funding is repaid and the Division again becomes financially solvent.

This Informal Opinion represents the views of the author and is not a Formal Opinion of the Colorado Attorney General.

COLORADO
Office of the State Controller
Department of Personnel
& Administration

1525 Sherman St.
Denver, CO 80203

April 10, 2015

Liliya Gershman
CDOT Controller

RE: Aviation Fund 1600 (CRS 43-10-109) Loan Request

Liliya,

In response to the loan request submitted on April 1, 2015 for the Aviation Fund 1600, I am approving the request for a loan of up to $11.0 million for up to 5 years to April 1, 2020, with the following conditions and understanding:

1. Based on the Scenario #1 and #2 cash flow projections, a negative cash position and negative fund balance is estimated through at least January 2018 and possibly through February 2019.
2. This will be considered a loan since the Aviation Fund earns interest. Therefore, CDOT will need to factor the interest cost into the future cash flow projections.
3. By January 2017, if fuel prices and the corresponding tax revenues have not recovered to levels in 2012 to 2014, CDOT management will take appropriate action to address the deficit, and meet the loan repayment schedule of 5 years, such as:
   a. Terminate the grants, and/or
   b. Seek a legislative solution to the negative cash flows and fund balance issue in the 2016 legislative session. This may include transfers from other funds to support the Aviation Fund deficits.
4. Transfers into the Aviation Fund are considered operating transfers, and therefore cannot be completed through capital financing arrangements or bonding.
5. CDOT should put controls in place to assure that CDOT and the Division of Aeronautics are adequately tracking and monitroing revenues and there is proper review of the program by different parties so that we can avoid this situation in the future.

Please let me know if you have any questions.

Sincerely,

Robert Jaros

Robert Jaros, CPA, MBA, JD
Colorado State Controller

cc: Shailen Bhatt, CDOT Executive Director

COLORADO
Department of Transportation
Division of Accounting and Finance

4201 East Arkansas Ave., Room 262
Denver, CO 80222

DATE: May 20, 2015
TO: Colorado Transportation Commission
FROM: Maria Sobota, Acting Chief Financial Officer, Colorado Department of Transportation
SUBJECT: Fiscal Year 2014 Reconciliation & Pool/Cost Center Adjustments

---

Purpose

This memorandum summarizes the adjustments to the Fiscal Year 2015 Budget Pools and Cost Centers as a result of further review of Fiscal Year 2014 actual revenues.

Action

This is an informational item only. No action necessary.

Background & Details

After further review of Fiscal Year 2014 actual revenues, the Office of Financial Management and Budget (OFMB) has completed its final annual reconciliation. Please note that there are slight differences from the reconciliation OFMB provided to the Transportation Commision (TC) in November of 2014. The attached tables outline additional/reduced FY 2014 allocations by formula to the CDOT Regional and Statewide program pools, cost centers, and/or to Metropolitan Planning Organizations (MPOs). All adjustments listed are increases to the overall program budgets. The adjustment to the TC Contingency pool is approximately $1.7 million less than previously discussed during the November TC Meeting, resulting from further recently performed analysis. This adjustment is included in the May Budget Supplement.

- Statewide administered programs:
  - Planning and Research
  - Highway Safety Improvement
  - Rail Road Crossing
  - FASTER Safety
  - Bridge Enterprise
  - High Performance Transportation Enterprise
  - Recreational Trails
  - Aeronautics
  - Safety Education Funds
  - State Infrastructure Bank
- Locally administered programs:
  - Transportation Alternatives Program (TAP)
  - Congestion Mitigation and Air Quality (CMAQ) Improvement Program
  - Surface Transportation- Metro (STP-M)
  - Metropolitan Planning (Metro-PL)
  - Bridge Off System
- Transportation Commission Contingency Reserve Fund (TCC)

Additional allocations are based on approved FY 2014 adopted formulas, where applicable. We have received actual revenues for FY 2014 from FHWA, HUTF, FTA, and various other revenue sources, which may be higher or lower than original estimates. Due to the timing of these adjustments, the adjustment will be applied to the currently opened FY 2015 pools and cost centers.

If you have questions or concerns, please feel free to contact Maria Sobota at (303)757-9171.

Key Benefits

By making the suggested adjustment to the affected budget pools and cost centers, CDOT will be able to make additional budget actions in the currect Fiscal Year, given the increase in budget authority.

Next Steps

OFMB will notify RTDs, Region Business Offices, Regional Planning Staff as well as MPOs and TPRs of the proporsed adjustments, and will execute said adjustments to the affected budget pools and cost centers.

Attachments

Attachment A: FY 14 Additional Revenue Allocations/Deductions

Local Programs

	Budget Estimate	Actuals	Fed/State Increase/(Decrease)	Local Change
STP-Metro	$ 39,420,570	$ 39,594,702	$ 174,132	$ 36,198
DRCOG	$ 29,265,223	$ 29,394,496	$ 129,273	$ 26,873
PPPACG	$ 6,895,463	$ 6,925,922	$ 30,459	$ 6,332
NFRMPO	$ 3,259,884	$ 3,274,284	$ 14,400	$ 2,993
Total	$ 39,420,570	$ 39,594,702	$ 174,132	$ 36,198

	Budget Estimate	Actuals	Fed/State Increase/(Decrease)	Local Change
CMAQ Improvement	$ 37,317,093	$ 38,315,830	$ 998,737	$ 207,613
DRCOG	$ 19,324,014	$ 22,760,655	$ 3,436,641	$ 714,393
PPPACG	$ 680,534	$ 780,932	$ 100,398	$ 20,870
NFRMPO	$ 2,131,843	$ 2,538,721	$ 406,878	$ 84,580
UFR	$ 463,624	$ 532,285	$ 68,661	$ 14,273
Region 1	$ 677,222	$ 875,338	$ 198,116	$ 41,183
Region 2	$ 165,580	$ 165,580	$ -	$ -
Region 3	$ 331,160	$ 331,160	$ -	$ -
Region 4	$ -		$ -	$ -
Region 5	$ 331,160	$ 331,160	$ -	$ -
CMAQ Natural Gas Vehicles	$ 13,211,957	$ 10,000,000	$ (3,211,957)	$ (667,687)
Transfer to other programs	$ -		$ -	$ -
Total	$ 37,317,094	$ 38,315,831	$ 998,737	$ 207,613

	Budget Estimate	Actuals	Fed/State Increase/(Decrease)	Local Change
TAP	$ 9,374,386	$ 9,599,124	$ 224,738	$ 56,185
Urban Areas > 200,000	$ 2,980,597	$ 3,052,052	$ 71,455	$ 17,864
Areas < 200,000	$ 1,005,662	$ 1,029,772	$ 24,110	$ 6,028
Areas < 5,000	$ 700,934	$ 717,738	$ 16,804	$ 4,201
Flexible	$ 4,687,193	$ 4,799,562	$ 112,369	$ 28,092
Total	$ 9,374,386	$ 9,599,124	$ 224,738	$ 56,185
DRCOG	$ 2,212,748	$ 2,265,796	$ 53,048	$ 13,262
PPPACG	$ 521,367	$ 533,866	$ 12,499	$ 3,125
NFRMPO	$ 246,481	$ 252,389	$ 5,908	$ 1,477
Total	$ 2,980,596	$ 3,052,052	$ 71,456	$ 17,864
Region 1	$ 1,214,760	$ 1,243,882	$ 29,122	$ 7,281
Region 2	$ 1,147,585	$ 1,175,096	$ 27,511	$ 6,878
Region 3	$ 1,500,856	$ 1,536,837	$ 35,981	$ 8,995
Region 4	$ 1,696,133	$ 1,736,795	$ 40,662	$ 10,165
Region 5	$ 834,456	$ 854,461	$ 20,005	$ 5,001
Transfer to other programs	$ -	$ -	$ -	$ -
Total	$ 6,393,790	$ 6,547,072	$ 153,282	$ 38,320

	Budget Estimate	Actuals	Fed/State Increase/(Decrease)	Local Change
Bridge Off System	$ 5,203,541	$ 5,310,182	$ 106,641	$ 26,660
Metro Planning	$ 4,715,740	$ 4,745,140	$ 29,400	$ 6,112

Statewide Programs

	Budget Estimate	Actuals	Fed/State Increase/(Decrease)	Local Change
TCC-State Funds	$ 435,800,000	$ 437,790,574	$ 1,990,574	$ -
TCC-Federal Funds	$ 334,028,797	$ 335,419,099	$ 1,390,302	$ -
FASTER Safety	$ 101,900,000	$ 106,186,683	$ 4,286,683	$ -
Planning and Research	$ 10,280,379	$ 10,280,379	$ -	$ -
Highway Safety Improvement	$ 26,557,116	$ 26,764,010	$ 206,894	$ -
Railroad Grade Separation	$ 1,476,863	$ 1,495,374	$ 18,511	$ -
Railroad At-Grade	$ 1,476,862	$ 1,495,373	$ 18,511	$ -
Recreational Trails	$ 1,591,652	$ 1,591,652	$ -	$ -
Aeronautics	$ 42,800,000	$ 36,882,264	$ (5,917,736)	
Safety Education Funds	$ 2,620,000	$ 3,234,868	$ 614,868	
State Infrastructure Bank	$ 500,000	$ 608,466	$ 108,466	
Total	$ 959,031,669	$ 961,748,742	$ 2,717,073	$ -
Bridge Enterprise	$ 115,481,900	$ 119,646,415	$ 4,164,515	$ -
High Performance Transportation Enterprise	$ 3,500,000	$ 6,570,854	$ 3,070,854	
Grand Total	$ 1,174,044,900	$ 1,185,530,990	$ 11,486,090	$ 332,767

Information Only

DTR Annual Report for 2014

COLORADO
Transportation Commission

4201 E. Arkansas, Room 270
Denver, CO 80222-3406

DATE: May 21, 2015
TO: Transportation Commission
FROM: Mark Imhoff, Director, Division of Transit & Rail
SUBJECT: 2014 Division of Transit & Rail Annual Report

Purpose
Inform the Transportation Commission that the 2014 DTR Annual Report is complete and available.

Action
This item is for Information only; no action required.

Background
The Division of Transit & Rail (DTR) has been in existence since September, 2010. In 2014, we prepared an Annual Report to document the DTR programs, breadth of activities, and status. A DTR Annual Report will be prepared at the end of each year and posted on our web site.

Details
The 2014 DTR Annual Report can be found at: https://www.codot.gov/library/AnnualReports/2014-division-of-transit-rail-annual-report.

Information Only

Safe Routes to School

COLORADO
Department of Transportation
Division of Transportation Development

DATE: May 21, 2015
TO: Transportation Commission
FROM: Debra Perkins-Smith, Director, Division of Transportation Development
SUBJECT: Safe Routes to School (SRTS) Program

Purpose
This memo provides background information about the Colorado Safe Routes to School (SRTS) program.

Action
None. Information only.

Background
In 2004, the Colorado State Legislature passed a SRTS law establishing a SRTS program in Colorado. The program was designed to enable and encourage children ages kindergarten through 8th grade to walk and bike to school. With the passage of SAFETEA-LU in 2005 (and its dedicated SRTS program), Colorado was the first state in the nation to begin implementing the program with federal dollars, and is still considered a SRTS leader throughout the country.

Under SAFETEA-LU, every state was guaranteed a minimum of $1,000,000 per year for the program. MAP-21 eliminated the dedicated federal funding for SRTS, but did not eliminate the program. MAP-21 allows states to create a SRTS program within the Transportation Alternatives Program (TAP). The Statewide Transportation Advisory Committee (STAC) did not recommend creating a SRTS program within TAP, not wanting to further reduce the funds available within the TAP which was already 30% reduced under MAP-21 from its predecessor Transportation Enhancement program. Bicycle and pedestrian infrastructure projects, however, can compete with other capital projects within the TAP.As a stop gap after the elimination of dedicated SRTS funding, CDOT's Transportation Commission allocated $1.5 million in FY13 TAP funds while other funding options were considered. The program continued in FY14 using fund savings from closed SAFETEA-LU projects.

For FY15, the Colorado State Legislature stepped in and passed a law providing $700,000 as a one-year allocation from state general funds for non-infrastructure projects. It also removed prior language requiring funds to be distributed based in proportion to the geographic distribution of K-8 student population. There was no allocation for infrastructure projects.

In total, CDOT's SRTS program has distributed $18.2 million ($17.5 million federal plus $700,000 state) through 204 grants to schools, school districts, cities, towns, and counties for both infrastructure (capital) and non-infrastructure (education and encouragement) projects. On average, 100 schools per year benefit from this program, which equates to nearly 400,000 total Colorado students to date. Additionally, parents, teachers, motorists, and other community members also benefit from SRTS programs.

Historically, infrastructure grant awards range from a minimum of $50,000 to a maximum of $300,000 per grant, and an average of about $164,000 per grant. Non-infrastructure grants support education, encouragement, and enforcement programs such as bicycle safety, crossing guard programs, and public awareness campaigns. Non-infrastructure grants have a minimum award of $3,500 per grant and no maximum award, and average about $40,000 per grant. Between 2005 and 2014, the program has awarded on average of $1.9 million annually, and in some years up to $2.5 million.

Since its inception, the SRTS program has awarded 88 infrastructure projects and 116 non-infrastructure projects. A nine-member Advisory Committee reviews and recommends projects through a statewide competitive process. The Colorado SRTS program requires that infrastructure projects also include an education component. This has been important in ensuring that students and parents make use of the new infrastructure.

Details
Despite the successes of SRTS, the long-term sustainability of the program has been in jeopardy since the passage of MAP-21.

4201 E. Arkansas Ave., Room 262, Denver, CO 80222-3400 P 303.757.9525 F 303.757.9656 www.coloradodot.info

The state legislature again this session introduced a bill (HB15-1003), originally recommending $3.0 million be allocated for SRTS projects. As written, the bill was unclear whether the funds would come from the general fund or HUTF dollars already directed to go to CDOT. The bill was amended and clarified to provide $750,000 from the general fund for non-infrastructure projects. There was no recommended allocation for infrastructure projects. The bill passed the House on April 27th. On May 4, the Senate State, Veterans, and Military Affairs committee voted to "postpone indefinitely" the bill which means it will not be considered further during this session.

Since no funds were identified in the FY 16 CDOT budget, and the state legislature was unsuccessful in passing a SRTS bill to continue the funding provided for FY 15, staff will investigate other short-term funding sources for FY16 to provide program continuity while discussions on long-term funding of the program are explored. Examples of potential FY16 funding sources are federal redistribution funds or rollover funds from other programs.

Key Benefits

Colorado is seeing a positive impact from SRTS, especially in three key areas:

- reduced traffic congestion around schools through reduced traffic and increased bike and pedestrian activity;
- improved bike and pedestrian safety for children through infrastructure improvements and education; and
- improved health through more active students, supporting Colorado's health initaitives.

In a student classroom survey conducted in 42 elementary and middle schools in Colorado who implemented an education and encouragement SRTS program, the number of students reporting that they walked or biked to school increased by 17%, with more than 25% of the children at these schools walking and biking. Additionally, the number of children arriving at school in a family vehicle or bus decreased at these schools.

In schools with SRTS programs, more students are walking and biking; more parents report that their child's school is encourging students to walk and bike; more school district wellness policies contain policies that encourage walking and biking to school; and more parents report that their students are asking permission to walk and bike to school.

Next Steps

- Identify potential funding source for FY16 to continue program while exploring longer-term funding of the program.
- Future discussions with Transportation Commission on SRTS

Information Only

2015 General Assembly Session

Final Report

COLORADO
Department of Transportation
Office of Policy and Government Relations

4201 E. Arkansas, Room 275
Denver, CO 80222

MEMORANDUM

TO:	**Transportation Commissioners, Executive Director, Senior Management Team, Branch Managers, and Office Directors**
FROM:	**Andy Karsian, Office of Policy & Government Relations**
DATE:	**May 8, 2015**
SUBJECT:	**2015 Regular Session of the General Assembly: Final Report**

Summary

On May 6, 2015, the General Assembly adjourned bringing the first part of the 70th legislative session to a close. Legislators introduced 592 bills and CDOT took positions on and monitored 49 measures impacting the department and transportation public policy. Table 1 summarizes all CDOT supported or opposed bills, as well as other key legislation affecting CDOT operations and personnel. This memorandum summarizes all bills with CDOT impacts that were debated during the session, with specific emphasis on the following policy areas:

- CDOT legislative agenda bills and budget (pages 2-3);
- transportation finance (page 3-4);
- state fuel tax (page 4);
- traffic and motor vehicle law (page 4);
- Off Highway Vehicles (page 5);
- public-private partnerships (page 5);
- bicycle/pedestrian (page 5);
- aviation (page 5);
- transit and rail (page 5);
- Administrative Procedure Act and rulemaking (page 6);
- state administration (page 6);
- PERA (page 6);
- storm water regulation (page 7);
- marijuana (page 7);
- special license plates (page 7);
- economic development (page 7);
- highway and bridge memorial naming resolutions (page 7).

If you have questions regarding this memorandum or legislation, please contact Andy Karsian at (303) 757-9703 or andy.karsian@state.co.us.

Table 1.
Key Legislation Impacting CDOT
2014 Regular Session

Bill Number	Short Title	Final Legislative Action	CDOT Position/Action
Supported Bills			
HB 15-1003	Safe Routes to School Funding	Postponed Indefinitely	Support
HB 15- 1043	Felony Offense For Repeat DUI Offenses	Enacted	Support
HB 15-1046	Highway Project Contract Amount Limit Waivers	Enacted	Support
HB 15-1109	Additional SB-228 Transfers	Postponed Indefinitely	Support
HB 15-1148	Transfer General Fund Surplus to State Highway Fund	Postponed Indefinitely	Support
HB 15-1173	Winter Driving I-70 Tread Depth and Tire Chains	Amended as TLRC study	Support
HB 15-1209*	CDOT Highway Maintenance Division	Enacted	Support
HB 15-1380	Hospital Provider Fee Enterprise	Postponed Indefinitely	Support
SB 15- 090*	Temporary Registration Document Standards	Enacted	Support
SB 15- 187*	HPTE Transportation Special Fund	Enacted	Support
Opposed Bills			
HB 15- 1014	Biennial Registration Seasonal Farm Motor Vehicles	Postponed Indefinitely	Oppose
HB 15- 1044	Periodic Legislative Review of Executive Branch Rules	Postponed Indefinitely	Oppose
HB 15- 1077	Modify Late Vehicle Registration Fee	Postponed Indefinitely	Oppose
SB 15 - 018	Repeal FASTER Fees	Postponed Indefinitely	Oppose
SB 15- 172	HPTE Accountability	Postponed Indefinitely	Oppose
SB 15- 272	Authorize New Transportation Bonds	Postponed Indefinitely	Oppose
SB 15- 275	Protections Information Provided General Assembly	Postponed Indefinitely	Oppose
Neutral with Concerns and Sought Amendments			
HB 15-1089	KEI Vehicle Registration	Postponed Indefinitely	Amended
SB 15- 1098	Red Light Camera Prohibition	Passed	Amended
HB 15-1115	Use of Unmanned Aerial Vehicles	Enacted	Amended
HB 15-1197	Indemnity in Public Contracts	Enacted	Amended

*CDOT legislative agenda bill.

CDOT Legislative Agenda Bills

This year, CDOT's legislative agenda included three bills, one budget decision item, and three capital requests. Five of those seven requests were approved by the General Assembly and became law. Two capital construction requests were not funded. Table 2 summarizes the full legislative agenda and outcomes from the session.

Table 2.
CDOT Legislative Agenda
2014 Session

Summary	Request Amount	Final Action
Bill Requests		
CDOT Highway Maintenance Division (HB1209)	n/a	Signed Into Law
Temporary Document Registration Standards (SB90)	n/a	Passed
HPTE Transportation Special Fund (SB187)	n/a	Signed Into Law
Budget Decision Item Requests		
Ensure Senate Bill 09-228 Transfers	$106M	Approved
Capital Development Committee Requests		
Referendum C Annual Transfer to CDOT	$500,000	$500,000
Avalanche Control	$2.8M	--
Genesse Bike Path	$2.05M	--

House Bill 15-1209 (CDOT Highway Maintenance Division). House Bill 1209 cleans up state law to reflect the actual organizational structure of CDOT by eliminating the highway operations and maintenance division and incorporating its duties and functions into the highway maintenance division, which the bill creates as a statutory division under CDOT. The bill also clarifies powers and duties of the CDOT's executive director and chief engineer, and establishes the powers and duties of the director of the division of highway maintenance.

Senate Bill 15-090 (Temporary Registration Document Standards). Senate Bill 90 changes the location of the temporary license plate tags on motor vehicles from the rear window to the rear bumper. The new temporary license plates will be more durable and have additional identifying information to assist law enforcement. The new location also helps tolling technology accurately track vehicles using managed lanes. Finally, the bill creates a more efficient process for distribution of temporary license plates to the consumer, implementing the recommendations from a two year stakeholder process.

Senate Bill 15-187 (HPTE Transportation Special Fund). The Joint Budget Committee ran this CDOT priority bill that allows money loaned from the State Highway Fund to the High Performance Transportation Enterprise to be deposited into the Transportation Special Fund. Statute previously only allowed funds to be deposited into the Statewide Transportation Enterprise Operating Fund, which defeated the purpose of the loans set up to defray HPTE expenses prior to receipt of bonds or revenues.

Transportation Finance

House Bill 15-1014 (Biennial Registration Seasonal Farm Motor Vehicles). This bill would have allowed certain seasonal farm vehicles the ability to register every other year reducing CDOT FASTER fees. The bill died in House committee.

House Bill 15-1077 (Modify Motor Vehicle Late Fee). This bill would have set the FASTER registration late fee to a maximum of $10.00. The current maximum late fee is $100. There would have been a $10.5M negative impact to CDOT. The bill died in House committee.

House Bill 15-1109 (Additional SB09-228 Transfers to HUTF and Capital Construction). This bill would have allowed for additional SB228 transfers to occur after the five year timeframe if during any future fiscal year the full amount of 228 funding was not transferred. The funding would continue until the entire amount of SB 228 funding was transferred. The bill died in House committee.

House Bill 15-1148 (Transfer General Fund Surplus to State Highway Fund). This bill sought to transfer all of the surplus funding above the TABOR limit to the State Highway Fund. The surplus funding, totaling around $150M, would have helped CDOT's budget, however, the fiscal impact to other state departments would have been significant. The bill died in House committee.

House Bill 15-1261 (Maximum Reserve Cash Funds with Fee Revenue). This bill allows the state to monitor cash funds that receive revenue through fees and use the funding for the purpose of the fund and not hoarding uncommitted funds at the end of the year. The Highway User Trust Fund was included, but CDOT amended it out upon introduction as the HUTF does not fit the description of the other funds listed in the bill.

House Bill 15-1389 (Create New Hospital Fee Enterprise). This bill sought to classify the hospital provider fee revenue in Colorado's general fund as an enterprise. This would have removed these funds from the TABOR spending limit freeing up space to allow for hundreds of millions of dollars to be spent on existing programs. CDOT would have received additional 228 transfers because the TABOR limit would have been reduced. The bill died in Senate committee.

Senate Bill 15-018 (Repeal Late Vehicle Registration Fees). This bill would have repealed the FASTER late fees in statute. The revenue loss for CDOT would have been more than $10M annually. The bill died in House committee.

Senate Bill 15-211 (Automatic Funding Through Capital Assets). This JBC bill implements an accounting method for State agencies to increase capital construction funds in the state. Each Department that receives an allocation of cash funds for a capital construction project will figure out an annual depreciation-lease equivalent payment through the operating budget equal to the depreciation of the capital asset acquired. The controller will then credit the depreciation-lease equivalent to the capital construction fund for future use for that agency.

Senate Bill 15-272 (Authorize New Transportation Bonds). SB 272 sought to ask voters to approve $3.5B in bonds for transportation projects around the state. CDOT would have pledged half of their federal gas tax revenues for the bonds; however, no new money was identified in the bill to cover the maintenance of existing infrastructure. The bill died in House committee.

State Fuel Tax

House Bill 15-1012 (Sales and Use Tax Exemption for Dyed Diesel). Currently dyed diesel is exempt from state sales and use tax. This bill allowed for all dyed diesel to be exempt resulting in a negligible fiscal impact on the state.

Traffic and Motor Vehicle Law

House Bill 15-1043 (Felony Offense for Repeat DUI Offenders). This bill establishes a comprehensive approach towards repeat DUI offenders. After one DUI, offenders receive mandatory classes and fines, the second DUI requires a two year interlock device on their car, the third could include community corrections with treatment and testing, and the fourth would be a class 4 felony with jail time. This bill was a Governor's priority for the session.

House Bill 15-1068 (Motor Vehicle Impeding Traffic). This bill would have created a legal presumption that a vehicle is impeding traffic if there were four vehicles behind it and the vehicle was travelling five miles or more under the speed limit. The bill died in House committee.

House Bill 15-1089 (Register and Title Kei Vehicles). This bill would have allowed Kei vehicles (small trucks from Japan) to be registered and titled for Colorado roadways. The bill died in committee largely because there was no agreement on how to sell the vehicles and license the two people in the state selling the vehicles.

House Bill 15-1098 (Red Light Cameras). One of two red light camera bills this session, this bill requires local governments currently not using red light cameras to ask for voter permission beforehand, and those that are using them ask voters for permission by the 2016 election. CDOT and E470 amended the bill to include language protecting cameras used for tolling vehicle identification.

House Bill 15-1173 (Requirement for Tire Treads and Traction Devices on I-70). Stakeholders brought this consensus bill that would have required tires to have a 1/8 inch tire tread or a CDOT approved traction control device when driving in winter weather along the I-70 corridor between Morrison and Dotsero. The bill was changed to an interim study in the Senate.

Senate Bill 15-276 (Eliminating Red Light Cameras). This bill bans governmental entities from using red light cameras for traffic safety enforcement. CDOT amended language into the bill that allows for tolling cameras to continue in the state. This bill contradicts HB 1098, which states governmental entity wishing to use these cameras will have to ask the voters for permission.

Senate Bill 15-286 (Repeal the Motorcycle Operator Training Program). This bill would have struck all the fees associated with the MOST program CDOT administers. In doing so the bill would have removed the CDOT program and allowed the training vendors to self-regulate.

Off Highway Vehicles

House Bill 15-1054 (Off-Highway Vehicle Roadway Registration). This bill would have allowed OHVs to be titled, registered and allowed on county roads throughout Colorado. State Patrol and CDOT held concerns about the safety of these vehicles and young drivers operating them. The bill died in House committee.

Senate Bill 15-023 (Off Highway Vehicle State Highway Crossings). This bill allows OHVs to cross state highways at graded crossings and signed intersections. They still are not allowed to cross highways with speed limits above 50 mph.

Public Project Contracting

House Bill 15-1046 (Highway Project Contract Amount Limit Waiver). Current state law requires CDOT to re-advertise bids where the Department received fewer than three bids. This bill allows the Department, under certain circumstances, to approve these low bid contracts.

House Bill 15-1197 (Indemnity in Public Construction Contracting). This bill began as a broad attempt at limiting specific contract indemnity clauses in public works contracts. CDOT worked with the sponsor and amended the bill to protect CDOT's contracting and dispute resolution process.

Public-Private Partnerships

Senate Bill 15-172 (High-performance Transportation Enterprise Accountability). This bill mirrored prior year attempts at placing additional requirements on HPTE projects for transparency. The bill would have required Senate confirmation for HPTE board members, additional town hall meetings, and even more reporting requirements for the HPTE. The bill died in Senate committee.

Bicycle/Pedestrian

House Bill 15-1003 (Safe Routes to School Program State Funding). CDOT now administers the Safe Routes to School program, which the federal government stopped funding in 2013. The state dedicated general funds for the program and this bill sought an additional $700K general fund money. The original bill required CDOT to use $3M of Department funding for the program, but the sponsor amended it to ask for the money from the general fund for non-infrastructure programs. The bill died in Senate committee.

Senate Bill 15-081 (Use Lottery Money for Recreational Bicycle Trails). This bill would have used lottery funds for bicycle paths. CDOT had concerns about the Department's maintenance responsibilities for paths in CDOT's right of ways, and whether legally lottery funds could be dedicated for this purpose. The bill died in Senate committee.

Aviation

House Bill 15-1115 (Use of Unmanned Aerial Vehicles). In recent years, more unmanned aerial vehicles (UAV) are being sold creating privacy concerns. This bill defined parameters on what would be allowed under law for public and private UAV use. The initial bill was broad and inadvertently captured law enforcement and other safety uses. Although the bill was amended significantly, it still did not cross the finish line and was postponed until after the end of session.

Transit and Rail

Senate Bill 15-176 (Southwest Chief Rail Commission Spending Authority). This bill would have removed the requirement for Kansas and New Mexico to agree on financial contributions prior to the Southwest Chief Rail Line Economic Development Commission spending money on development and maintenance. It also asked Amtrak to consider adding a rail stop in Pueblo and would require Amtrak and BNSF railroads to commit in writing to spending $16M in repairs on the line. The bill died in Senate Appropriations.

State Administrative Procedure Act

House Bill 15-1044 (Periodic Legislative Review of Executive Branch Rules). This bill would have required a wholescale policy and legal review of state rules. CDOT already complies with the requirements of the bill, however, the bill put an unreasonable four year timeframe for completing the rules review. The bill died in House committee.

House Bill 15-1110 (Review of Principle State Departments) This bill would have required the Office of State Planning and Budget to perform audits and reviews of the various state agencies and make a recommendation on whether the department should continue, terminate or reestablish itself. The bill died in House committee.

Senate Bill 15-180 (Regulatory Reform Act 2015). This bill established a process for small businesses to receive information about state department rules. If a small business violated a new rule, a state agency would be required to issue a written warning and engage the business in educational outreach. The bill died in House committee.

Senate Bill 15-275 (Protections on Information Provided to the General Assembly). SB 275 created protections for legislators who received information from outside sources, possibly whistleblowers. The bill provided the ability for legislators to receive confidential health information, as well as, any confidential information, trustworthy or not. State departments worked hard to amend this bill so as to protect the confidential information collected from a variety of programs providing services to citizens. The bill died in the Senate.

State Administration

House Bill 15-1392 (Payroll System to Pay State Employees Twice a Month). In July 2017, the Executive Branch would move to a statewide system that will modernize payroll. The bill will move all State employees to a semi-monthly "lag-pay" cycle beginning in 2017. All employees will be paid twice a month beginning in FY17.

Senate Bill 15-134 (Energy Cost-Savings Contracts for Fleet Vehicles). This bill would have allowed more flexibility for state agencies in calculating annual cost payments on a vehicle fleet operational and fuel cost-savings contract. This bill did apply to CDOT's fleet as the Department is not planning on entering in to new energy cost saving contracts with a third party. The bill died in Senate committee.

Public Employee Retirement Account (PERA)

House Bill 15-1055 (Participation in State Employee Participation Programs). The bill clarifies that the dependent of a state employee is not eligible to be the sole and direct recipient of services from an employee assistance program, but that the program may allow the participation of a state employee's dependent or any other person who is not a state employee in an employee assistance program if such participation is necessary to provide effective counseling and assistance to a state employee.

Senate Bill 15—080 (Participation in PERA's Defined Contribution Plan). Currently, only certain state employees may participate in PERA's defined contribution plan. This bill allows all employees of a PERA-eligible employer to have the option of the defined contribution plan. There could have been a significant impact to the other PERA plans in the future. The bill passed the Senate, but died in House State Affairs.

Senate Bill 15-097 (Supplemental Needs Trust for Certain PERA Benefits). The bill allows a PERA retiree to designate a supplemental needs trust as a co-beneficiary eligible to receive a continuing benefit upon the PERA retiree's death. The bill also states that a supplemental needs trust is an eligible survivor under PERA law and able to receive PERA survivor benefits as provided under the PERA law and rules.

Storm Water

Senate Bill 15-212 (Storm Water Facilities not Injure Water Rights). Under current administrative practice, facilities that are designed to detain storm water for environmental and public safety purposes may be required to release water to avoid injury to water rights. The bill specifies that storm water detention and infiltration facilities and post-wild land fire facilities do not injure water rights. With a CDOT amendment, the bill now does not apply to the 350 different types of storm water facilities the Department manages.

Marijuana

House Bill 15-1090 (County Retail Marijuana Retail Impacts). This bill took 30% off the top from the Marijuana Tax Cash Fund for grants to counties looking for help with the impacts of marijuana. CDOT monitored the bill to protect the funding that comes to the Department for public relations works on driving high. The bill died in House committee.

Senate Bill 15-014 (Medical Marijuana Regulations). This bill updated many of the regulations surrounding medical marijuana. CDOT monitored the bill to protect the funding that comes to the Department for public relations works on driving high.

Special License Plates

House Bill 15-1004 (Firefighter Motorcycle License Plates). This bill adds motorcycles to the list of vehicles in which firefighters may apply to receive special plates. CDOT tracks license plate bills to ensure the correct portion of the fee is credited to the HUTF. The bill passed both Houses.

House Bill 15-1026 (Reserved Parking Disabled Military License Plate). The bill allows any military license plate to have an identifying figure for handicapped parking if the applicant demonstrates a physical impairment affecting mobility.

Economic Development

Senate Bill 15-179 (US Highway 50 Economic Benefits Study). This bill asked CDOT to conduct a study of economic benefits provided by US-50 between the Kansas border and US-285, as well as opportunities to increase those benefits. The bill died in Senate Committee, however, CDOT committed publically to assisting with a study over the interim.

Highway and Bridge Naming Resolutions

Senate Joint Resolution 15-014 (Costilla County Veterans Memorial Highway). This resolution named Colorado State Highway 159 beginning at the intersection of the highway with U.S. Highway 160 and south to the New Mexico state line the "Costilla County Veterans Memorial Highway"

House Joint Resolution 1-1012 (The JCSO Sargent David M Baldwin Memorial Highway). House Joint Resolution 15-1012 designates Colorado State Highway 93 from Mile Marker 0 to Colorado State Highway 72 the "JCSO Sergeant David M. Baldwin Memorial Highway".

House Joint Resolution 15-1024 (US Army Ranger Christopher A. Horns Memorial Highway). The portion of Highway 96 from mile marker 7 to mile marker 8, in between Westcliffe, Colorado, and Wetmore, Colorado, is now renamed the "U.S. Army Ranger Christopher A. Horns Memorial Highway".