



DATE: Nov. 18, 2015
TO: Transportation Commission
FROM: Joshua Laipply, P.E. Chief Engineer / Herman Stockinger,
Commission Secretary
SUBJECT: Department Status Regarding FASTER Audit Findings

Purpose

To provide an update to the Commission on the Department's progress regarding the August 2015 Performance Audit "Collection and Usage of the FASTER Motor Vehicle Fees"

Action

The Department will submit two Policy Directives to the Commission (Including the Bridge Enterprise Board of Directors) for review and approval at the Commission's January 2016 meeting, and will provide copies of Procedural Directives executed by the Executive Director. CDOT will thus meet the January deadline specified in its audit responses.

Background

In 2009, the legislature approved HB 09-108, known as "FASTER" (Funding Advancements for Surface Transportation and Economic Recovery). FASTER created or increased six motor vehicle fees generating about \$200 million per year to CDOT to repair and replace poor bridges, and provide funding for road safety and transit projects. Additionally, FASTER created the Bridge Enterprise, the High Performance Transportation Enterprise, and the Efficiency & Accountability Committee.

The audit was prompted by a legislative audit request which expressed concerns about whether FASTER fees have been used for their intended purpose. The Audit was performed from July 2014 through July 2015, and primarily reviewed data and policies through fiscal year 2014.

Details

Per the language of the audit, it was found that "CDOT should improve its oversight and management of the State's allocation of FASTER motor vehicle fee revenue to ensure effective and appropriate usage." Further, the audit "found deficiencies in some of the processes used for collecting three of the six FASTER fees at CDOT, the Department of Revenue, and the Judicial Department."

The findings resulted in eight specific recommendations to CDOT and the Transportation Commission that will improve how CDOT utilizes FASTER revenues. CDOT agrees with each of the recommendations and is in the process of analyzing the audit in depth as a means of improving its programs and transparent use of FASTER revenues.

Starting on Sept 3rd, the Department - including personnel from DTR, Transit, OFMB, Safety (Mitigation and Asset Mngmnt) met for a total of 36 meetings. These meetings focused on each program's processes



and sought to determine the potential improvements or gaps based on the audit findings. Additionally, management has held oversight meetings, periodically checking on the progress of the directives. The Department will complete the following directives and submit them for approval to the Commission and Executive Director in January:

- A Policy Directive pertaining to the criteria and funding allocation for DTR, Safety Mitigation and Asset Management, and includes OFMB's management of FASTER revenues;
 - A Policy Directive which pertains only to the Statewide Bridge Enterprise setting for the criteria for Designated Bridges, to be approved by the Bridge Enterprise Board of Directors;
 - A Procedural Directive pertaining to Transit Related FASTER Projects;
 - A Procedural Directive pertaining to Safety Mitigation FASTER Projects;
 - A Procedural Directive pertaining to Asset Management FASTER Projects;
 - A Procedural Directive pertaining to Bridge Enterprise FASTER Projects
- Total = 6 directives (two policy directives / 4 procedural directives)

Key Benefits

CDOT will address and resolve the Legislative Audit Findings on time and within the identified schedule.

Next Steps

CDOT will finalize the policy directives.

