



# COLORADO

## Department of Transportation

Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262  
Denver, CO 80222

### MEMORANDUM

**TO:** TRANSPORTATION COMMISSION  
**FROM:** MARIA SOBOTA, CHIEF FINANCIAL OFFICER  
**DATE:** JUNE 16, 2016  
**SUBJECT:** FY 2016-17 ANNUAL BUDGET UPDATE

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#### Purpose

This memorandum presents to the Transportation Commission (TC) an updated Fiscal Year (FY) 2016-17 Annual Budget and summarizes line item changes that have occurred since March 2016 due to: 1) the Colorado General Assembly's House Bill (HB) 16-1416, which updates the FY 2016-17 Senate Bill (SB) 09-228 transfer, and 2) a Joint Budget Committee action that reduced CDOT's Administration allocation.

#### Action

This memorandum is informational only. The TC is being asked to review changes to the FY 2016-17 Annual Budget.

#### Background & Details

The FY 2016-17 Annual Budget was adopted in March 2016 by the TC and was signed by the Governor on May 3, 2016. However, the Division of Accounting and Finance (DAF) finds changes due to HB 16-1416, which updates the Senate Bill (SB) 09-228 transfer, to be substantial enough to provide the TC with an update to the FY 2016-17 Annual Budget. This update includes changes to the budget due to:

- **HB 16-1416:** This legislation was passed by the General Assembly and signed by the Governor on April 14, 2016. It codifies into law the FY 2016-17 SB 09-228 General Fund transfer, which is set at \$158.0 million, and will be transferred to the Highway Users Tax Fund (HUTF) on June 30, 2017.
- **Administration Line Item:** The Colorado Joint Budget Committee (JBC) reduced CDOT's Administration total to \$29.9 million by reducing the amount allocated toward the Marijuana Data Coordination program by the Office of Information Technology (OIT) by \$147,950.

#### FY 2016-17 Amended Annual Budget

As a result of legislative action, the following line items have been amended on the FY 2016-17 Annual Budget:

- **Strategic Projects (Line 55):** Due to C.R.S. 43-4-206 (2) (a) (I), this line item will receive 90% of the final SB 09-228 transfer amount for FY 2016-17 (\$158.0 million), which is now set at \$142.2 million because of HB 16-1416.

- **Administration (Appropriated) (Line 65):** CDOT originally submitted an Administration total of \$30.1 million to the JBC (which has statutory authority over the line item) for FY 2016-17, the amount that was adopted by the TC in March 2016. This total included a decision item for the Marijuana Data Coordination program for \$147,950, which was subsequently moved from a JBC Decision Item to legislation. SB 16-191 will fund the program through CSU-Pueblo and the Governor's Office. Subsequent to the legislation, the \$147,950 was removed from CDOT's Administration line item by the JBC, reducing it to \$29.9 million. The Marijuana Data Coordination program will be reinstated to a different line item in the event SB 16-191 is signed into law and CDOT receives funding for the program. As of June 3, 2016, the legislation has not yet been signed by the Governor.
- **Strategic Projects - Transit (Line 86):** Statutorily, this line item will receive 10% (\$15.8 million) of the final SB 09-228 transfer amount for FY 2016-17, which is now set at \$15.8 million due to HB 16-1416.

#### **Key Benefits**

An updated FY 2016-17 Annual Budget will allow the TC to make more informed funding decisions as the fiscal year progresses.

#### **Options and Recommendations**

N/A

#### **Next Steps**

If signed by the Governor, SB 16-191 will provide funding for the Marijuana Data Coordination program. CDOT will further update the TC on changes to the FY 2016-17 Annual Budget accordingly.

DAF will review updated state and federal revenue forecasts as the 2016-17 fiscal year progresses. If necessary, the FY 2016-17 Annual Budget will be updated to reflect new information provided by these forecasts. At the end of the next fiscal year, a revenue reconciliation will take place which will finalize FY 2016-17 revenue.

CDOT and the High Performance Transportation Enterprise (HPTE) are in the process of examining the impact of the postponed SB 16-123 legislation and will update the TC in the coming months regarding any budget implications

#### **Attachments**

Attachment A: Fiscal Year 2016-17 Annual Budget - June Updates

**Attachment A: Colorado Department of Transportation  
FY 2016-17 Final Annual Budget - June Updates**

	Budget Category	Program Area	Directed by	FY 2016-2017 Allocations	FY 2016-2017 Budget	Funding Source
1	<b>Maintain - Maintaining What We Have</b>					
2		<b>CDOT Performed Work</b>				
3		Roadway Surface	TC	39,207,301	39,207,301	SH
4		Roadside Facilities	TC	22,031,593	22,031,593	SH
5		Roadside Appearance	TC	8,582,670	8,582,670	SH
6		Structure Maintenance	TC	12,206,661	12,206,661	SH
7		Tunnel Activities	TC	7,181,237	7,181,237	SH
8		Snow and Ice Control	TC	76,064,129	76,064,129	SH
9		Traffic Services	TC	66,254,514	66,254,514	SH
10		Planning and Scheduling	TC	15,584,857	15,584,857	SH
11		Material, Equipment and Buildings	TC	15,487,037	15,487,037	SH
12				<b>262,600,000</b>	<b>262,600,000</b>	
13		<b>Contracted Out Work</b>				
14		Surface Treatment /2	TC	145,125,000	120,477,318	FHWA / SH/
15		Structures On-System Construction /1 /2	TC	35,068,000	29,112,135	FHWA / SH/ 09-108: \$13.1M
16		Structures Inspection and Management /2	TC	4,532,000	3,762,296	SH
17		Geohazards Mitigation /1	TC	10,000,000	8,301,624	09-108: \$10.0M
18		Highway Safety Improvement Program	FR	30,299,407	25,153,428	FHWA / SH
19		Railway-Highway Crossings Program	FR	3,275,850	2,719,487	FHWA / SH
20		Hot Spots	TC	2,167,154	1,799,090	FHWA / SH
21		Traffic Signals /1 /2	TC	16,900,000	14,029,745	FHWA / SH/ 09-108: \$16.9M
22		FASTER - Safety Projects	TC	57,853,157	48,027,516	09-108
23		Permanent Water Quality Mitigation	TC	6,500,000	5,396,056	FHWA / SH
24		Maintain-Related Indirects/Overhead /2			33,607,270	
25		Maintain-Related CDOT Construction Engineering /2			19,334,604	
26				<b>311,720,568</b>	<b>311,720,568</b>	
27		<b>Capital Expenditure</b>				
28		Road Equipment /2	TC			SH
29		Capitalized Operating Equipment	TC	3,760,247	3,760,247	SH
30		Property /2	TC	10,000,000	10,000,000	SH
31				<b>13,760,247</b>	<b>13,760,247</b>	
32			<b>Total:</b>	<b>588,080,815</b>	<b>588,080,815</b>	
33	<b>Maximize - Safely Making the Most of What We Have</b>					
34		<b>CDOT Performed Work</b>				
35		TSM&O: Performance Programs and Services	TC	607,619	607,619	SH
36		TSM&O Traffic Incident Management	TC	1,989,156	1,989,156	SH
37		TSM&O: ITS Maintenance	TC	17,600,000	17,600,000	SH
38				<b>20,196,775</b>	<b>20,196,775</b>	
39		<b>Contracted Out Work</b>				
40		Safety Education	Comb	12,973,628	11,496,250	NHTSA / SSE
41		TSM&O: Congestion Relief	TC	4,750,000	3,943,271	FHWA / SH
42		Regional Priority Program	TC	48,609,000	40,353,364	FHWA / SH
43		Road X	TC	12,096,525	10,042,080	FHWA / SH
44		Maximize-Related Indirect/Overhead /2			7,994,735	
45		Maximize-Related CDOT Construction Engineering /2			4,599,452	
46				<b>78,429,153</b>	<b>78,429,153</b>	
47		<b>Capital Expenditure</b>				
48		TSM&O: ITS Investments	TC	10,000,000	10,000,000	FHWA / SH
49				10,000,000	10,000,000	
50			<b>Total:</b>	<b>108,625,928</b>	<b>108,625,928</b>	
51	<b>Expand - Increasing Capacity</b>					
52		<b>CDOT Performed Work</b>				
53						
54		<b>Contracted Out Work</b>				
55		Strategic Projects	SL	142,200,000	118,049,093	09-228
56		National Freight Program	FR	16,941,535	14,064,225	FHWA / SH
57		Expand-Related Indirect /2			17,157,394	
58		Expand-Related CDOT Construction Engineering /2			9,870,823	
59				<b>159,141,535</b>	<b>159,141,535</b>	
60			<b>Total:</b>	<b>159,141,535</b>	<b>159,141,535</b>	
61	<b>Deliver - Program Delivery/Administration</b>					
62		Operations [including maintenance support]	TC	32,738,361	32,738,361	SH
63		Projects Initiatives	TC	1,855,000	1,855,000	FHWA / SH
64		DTD Planning and Research - SPR	FR	13,251,519	13,251,519	FHWA / SH
65		Administration (Appropriated)	SL	29,863,386	29,863,386	SH
66		HPTE Fee for Service	TC	2,080,000	2,080,000	SH
67		FY2016 Common Policy Anticipated Salary Increase				
68			<b>Total:</b>	<b>79,788,266</b>	<b>79,788,266</b>	
69	<b>Pass-Through Funds/Multi-modal Grants</b>					
70		<b>Aeronautics</b>				
71		Division of Aeronautics to Airports	AB	16,800,860	16,800,860	SA
72		Division of Aeronautics Administration	AB	972,237	972,237	SA
73				<b>17,773,097</b>	<b>17,773,097</b>	
74		<b>Highway</b>				
75		Recreational Trails	FR	1,591,652	1,591,652	FHWA
76		Safe Routes to School	TC	2,500,000	2,500,000	FHWA
77		Transportation Alternatives Program	FR	12,023,531	12,023,531	FHWA / LOC
78		STP-Metro	FR	51,830,022	51,830,022	FHWA / LOC
79		Congestion Mitigation/Air Quality	FR	47,411,168	47,411,168	FHWA / LOC
80		Metropolitan Planning	FR	8,263,775	8,263,775	FHWA / FTA / LOC
81		Bridge Off-System - TC Directed	TC	3,164,139	3,164,139	FHWA / SH / LOC
82		Bridge Off-System - Federal Program	FR	6,286,788	6,286,788	FHWA / SH / LOC
83				<b>133,071,075</b>	<b>133,071,075</b>	
84		<b>Transit</b>				
85		Federal Transit	FR	28,725,739	28,725,739	FTA / LOC
86		Strategic Projects -Transit	SL	15,800,000	15,800,000	09-228
87		Transit and Rail Local Grants	SL	5,000,000	5,000,000	09-108
88		Transit and Rail Statewide Grants	TC	6,000,000	6,000,000	09-108
89		Bustang	TC	3,000,000	3,000,000	09-108
90		Transit Administration and Operations	TC	1,000,000	1,000,000	FTA / 09-108
91				<b>59,525,739</b>	<b>59,525,739</b>	
92		<b>Infrastructure Bank</b>				
93		Infrastructure Bank	TC	420,804	420,804	SIB
94			<b>Total:</b>	<b>210,790,715</b>	<b>210,790,715</b>	
95	<b>Transportation Commission Contingency / Debt Service</b>					
96		<b>Permanent Recovery</b>				
97		Permanent Recovery		127,400,000	105,762,690	FHWA
98		Recovery-Related Indirect/Overhead /2			13,735,270	
99		Recovery-Related CDOT Construction Engineering /2			7,902,040	
100				<b>127,400,000</b>	<b>127,400,000</b>	
101						
102		<b>Contingency</b>				
103		TC Contingency	TC	16,858,570	16,858,570	FHWA / SH
104		Snow & Ice Reserve	TC	10,000,000	10,000,000	SH
105				<b>26,858,570</b>	<b>26,858,570</b>	
106		<b>Debt Service</b>				
107		Strategic Projects - Debt Service	DS	128,869,125	128,869,125	FHWA / SH
108		Certificates of Participation-Property	DS	2,364,664	2,364,664	SH
109		Certificates of Participation-Energy	DS	993,850	993,850	SH
110				<b>132,227,639</b>	<b>132,227,639</b>	
111			<b>Total:</b>	<b>286,486,209</b>	<b>286,486,209</b>	
				<b>1,432,913,468</b>	<b>1,432,913,468</b>	

Revenue **1,432,913,468** **1,432,913,468**

/1 FASTER Safety funds (\$40.0M) were substituted for flexible funds in appropriate Asset Management Programs. Resulting available flexible funds were then added to Regional Priority Program.  
/2 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.

**Flexible Funds**

**Key to acronyms:**

LOC=Loc DS= Debt Service Covenants  
SIB=St. AB=Aeronautics Board  
TC=Trans FR=Federal Requirements

SH=State Highway funding  
FHWA=Federal Highway  
FTA=Federal Transit  
SL=State Legislation  
Comb=Combination  
SSE=State Safety Education

09-228=Funds from HB 09-228  
09-108=Funds from HB 09-108 (FASTER)  
NHTSA=Nat. Hwy. Traffic Safety Administration

**State Bridge Enterprise  
FY 2016-17 Final Annual Budget - June Updates**

	Budget Category	Program Area	Directed by	FY 2016-2017 Allocations	FY 2016-2017 Budget	Funding Source
1	Maintain - Maintaining What We Have					
2		CDOT Performed Work				
3		Contracted Out Work				
4		Maintenance	BEB	250,000	250,000	09-108
5		Scoping Pools	BEB	300,000	300,000	09-108
6				550,000	550,000	
7		Contracted Out Work				
8		Bridge Enterprise Projects	BEB	105,904,096	87,917,598	09-108
9		Maintain-Related Indirects/Overhead /1			11,417,750	
10		Maintain-Related CDOT Construction Engineering /1			6,568,748	
11				105,904,096	105,904,096	
			Total	106,454,096	106,454,096	
12	Maximize - Safely Making the Most of What We Have					
13		CDOT Performed Work				
14		Contracted Out Work				
15			Total			
16	Expand - Increasing Capacity					
17		CDOT Performed Work				
18		Contracted Out Work				
19			Total			
20	Deliver - Program Delivery/Administration					
21		Administration and Legal Fees		1,911,904	1,911,904	09-108
22			Total:	1,911,904	1,911,904	
23	Pass-Through Funds/Multi-modal Grants					
24		Highway				
25			Total:			
26	Transportation Commission Contingency / Debt Service					
27		Contingency				
28		Bridge Enterprise - Contingency	BEB			09-108
29						
30		Debt Service				
31		Bridge Enterprise - Debt Service	DS	18,234,000	18,234,000	FHWA / SH
32				18,234,000	18,234,000	
33			Total:	18,234,000	18,234,000	
				126,600,000	126,600,000	

/1 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.

Revenue **126,600,000 126,600,000**

**Key to acronyms:**  
BEB= Bridge Enterprise Board  
DS= Debt Service Covenants

**High Performance Transportation Enterprise  
FY 2016-17 Final Annual Budget - June Updates**

	Budget Category	Program Area	Directed by	FY 2016-2017 Allocations	FY 2016-2017 Budget	Funding Source
1	Maintain - Maintaining What We Have					
2		CDOT Performed Work				
3		Contracted Out Work				
4			Total			
5	Maximize - Safely Making the Most of What We Have					
6		CDOT Performed Work				
7		Contracted Out Work				
8			Total			
9	Expand - Increasing Capacity					
10		CDOT Performed Work				
11		High Performance Transportation Enterprise--Maintenance	HPTEB	-	-	Tolls/Managed Lanes Revenue
12						Tolls/Managed Lanes Revenue
13		Contracted Out Work				
14		High Performance Transportation Enterprise--Projects	HPTEB	3,614,192	3,000,366	Tolls/Managed Lanes Revenue
15		Expand-Related Indirect /1			389,654	
16		Expand-Related CDOT Construction Engineering /1			224,172	
17				3,614,192	3,614,192	Tolls/Managed Lanes Revenue
18			Total	3,614,192	3,614,192	
19	Deliver - Program Delivery/Administration					
20		High Performance Transportation Enterprise--Administration and Legal Fees		2,088,800	2,088,800	Fee for Service
21			Total:	2,088,800	2,088,800	
22	Pass-Through Funds/Multi-modal Grants					
23		Highway				
24			Total:			
25	Transportation Commission Contingency / Debt Service					
26		Contingency				
27		Debt Service				Fee for Service
28			Total:			
				5,702,992	5,702,992	

/1 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.

Revenue **5,702,992 5,702,992**

**Key to acronyms:**  
HPTEB=High Performance Transportation Enterprise Board

HPTE Fee For Service Revenue & Allocation Adjustment	(2,080,000)	(2,080,000)
<b>Total Consolidated Allocations</b>	<b>1,563,136,460</b>	<b>1,563,136,460</b>
<b>Total Consolidated Revenue</b>	<b>1,563,136,460</b>	<b>1,563,136,460</b>