



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: PD 703.0 AMENDMENT - INCORPORATING CAPITAL CONSTRUCTION (FUND 400) CASH BALANCE POLICY

Purpose

This memorandum introduces the PD 703.0 amendment to incorporate the Capital Construction (Fund 400) Cash Balance Policy into the policy directive. The Office of Cash Management, within the Division of Accounting and Finance (DAF), is leading the establishment of a collaborative forecasting model and process management team to ensure effective and proactive management of the CDOT cash balance and spending authority.

Action

Department Staff is requesting that the TC adopt the PD 703.0 amended policy content.

Background

Background and details on the policy revision have been provided in TC Workshops over the prior two months.

Options and Recommendations

1. The Office of Cash Management is recommending the June 2016 adoption of the proposed PD 703.0 amendments.
2. Reject the proposed amendment and request Department Staff provide further information as needed.

Next Steps

Per the TC recommendation in May, Department Staff will revisit the cash balance policy threshold parameters in the fall of 2016.

Attachments:

- PD 703.0 Amended Policy Directive titled "Annual Budget, Project, Budgeting and Cash Management Principles"
- PD 703.0 Amended Matrix
- PD 703.0 Amended Policy Directive Resolution dated June 16, 2016



COLORADO DEPARTMENT OF TRANSPORTATION		<input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE	
Subject Annual Budget, Project Budgeting and Cash Management Principles			703.0
Effective	Supersedes 08/21/2014	Originating Office Office of Finance Management and Budget (“OFMB”)	

I. PURPOSE

To establish the policy by which the Colorado Department of Transportation will determine and submit the annual budget and project budgets to the Colorado Transportation Commission. The Commission will focus on substantive budget matters, i.e. those budget matters that involve material change or significant risk, and will exercise oversight on routine budget matters.

II. AUTHORITY

Colorado Transportation Commission pursuant to § 43-1-106(8)(h), C.R.S.

III. APPLICABILITY

This Policy Directive applies to all divisions, regions and offices of the Colorado Department of Transportation.

IV. DEFINITIONS

See Appendix A “Definitions”

V. POLICY

A. Scope. This Policy Directive applies to all funds and accounts administered by the Department. The scope includes the formation and execution of the Department’s budget and the approval of the Department’s programs.

B. Objective. The objective of this Policy Directive is to document annual budget and project budgeting policies followed by the Department with the Commission’s approval to maximize the flow of funds to the Department’s construction and maintenance projects applying effective and efficient cash management strategies.

1. The Commission will evaluate the Department’s ability to apply effective and efficient cash management strategies using the following criteria:
 - a. Available revenues in the Statewide Transportation Improvement Program (STIP) are as high as can be justified within relevant state and federal laws;

- b. Those revenues are fully allocated to programs or groups of projects within the STIP;
- c. Appropriations for construction and maintenance projects are as high as can be justified in conformance with state and federal laws;
- d. Conjointly with meeting the Department's objectives around the timely delivery of projects, the minimum monthly cash balances of each fund are not significantly different than the target cash balances approved for that fund by the Commission.

C. Principles.

1. Financial risk is a necessary element in maximizing the flow of funds to projects. The Department may take necessary financial risks in order to accelerate projects while implementing the necessary controls in order to stay in compliance within overall risk management measures.
2. It is necessary to obtain Commission approval for project modifications only when the modification is of high risk as defined by:
 - a. increases in project costs Substantively change the total funds allocated to a program as determined by the Transportation Commission;
 - b. project location or scope changes deviate Substantively from the approved project prioritization process or list; and
 - c. any other modifications to the project Substantively increase the risk to a project already identified as holding significant risk.
3. Level of Department and Commission governance is aligned to level of risk. Reference Appendix B "Annual Budget, Revenue, and Financial Position"; Appendix C "Project Related Transactions"; and Appendix D "Other Transactions".

D. Annual Budget.

1. The Department shall produce a long-range revenue forecast, by year and extending over at least 20 years, and a short-range revenue forecast, by month extending over at least 48 months, for use in all of the Department's programs and budgets.
2. Pursuant to § 43-1-113(2), C.R.S., annually, on or before December 15, the Commission shall adopt and the Department shall submit a proposed draft budget allocation plan for the beginning of the fiscal year beginning on July 1 of the succeeding year. No later than April 15 of each year, the Commission shall adopt and submit a final budget allocation plan to the Office of State

Subject Annual and Project Budgets and Cash Management Principles	Number 703.0
---	------------------------

Planning and Budget.

3. The level of Department and Commission risk regarding the annual budget shall be defined as outlined in Appendix B.

E. Project Budgets.

1. Projects typically will be managed within a four-year program or programs of projects; for example, a four-year surface treatment program or a four-year FASTER Safety program.
2. The Department shall approve the scope, schedule and cost of each project through development and construction, and shall report to the Commission to obtain initial approval of the scope, schedule and cost of each project; and to approve subsequent substantive changes to the scope, schedule and cost of each project as outlined in Appendix B.

F. Statewide Transportation Improvement Program (STIP).

1. Pursuant to 23 C.F.R. 450.216, the Department is required to develop a STIP.
2. The Department shall use the STIP as the principal expression of its programs and projects for the execution of highway construction projects that have been selected by the Commission.
3. The Department shall develop a rolling four (4) year STIP.
4. The STIP must list regionally significant projects individually. Other projects will be grouped into programs.
5. The STIP will be amended at least once a year for major changes. Upon the conclusion of a fiscal year, a new fiscal year will be amended into the STIP as the fourth federally recognized year.
6. Minor changes will be made by Administrative Modification which will be approved by the Department Executive Director.

G. Cash Balance Policy

1. The Department shall prepare and maintain a Fund 400 Forecast model for the purpose of managing the Department's cash balance.
2. This model will incorporate SAP expenditures and analytical forecasts with vendor construction project drawdown schedules and revenues.

3. The resulting cash balance forecast will be charted against the Transportation Commission approved cash balance threshold to identify future cash balance risk points.
4. Risk will be identified and managed monthly through a Fund 400 Management process.
5. The cash balance threshold will be reviewed at least once a year. Any recommended changes for levels of risk or annual average monthly balance will be approved by the Commission.
6. Level of Department risks approved by the Commission and the Fund 400 Management process principles are identified and maintained within the Appendix E – Cash Balance Management.

VI. DOCUMENTS REFERENCED IN THIS POLICY DIRECTIVE

1. Appendix A – “Definitions”
2. Appendix B – “Annual Budget, Revenue, and Financial Position”
3. Appendix C – “Project Related Transactions”
4. Appendix D – “Other Transactions”
5. Appendix E – “Cash Balance Management”

VII. IMPLEMENTATION PLAN

1. The OFMB shall establish procedures to implement this Policy Directive.
2. The OFMB shall train all CDOT employees who are impacted by or involved with this Policy Directive.
3. This Policy Directive shall be effective upon signature.

VIII. REVIEW DATE

This directive shall be reviewed on or before June 2019.

 Secretary, Transportation Commission

 Date of Approval

Appendix A- Definitions

“Allotment Advice” shall mean project level budget actions, initiated by Department staff, that is approved by OFMB staff without Commission approval.

“Approval” shall mean administrative permission to proceed with a project, program, or other anticipated expenditure that will require one or more officials to exercise their expenditure authorities in order to enter into one or more commitments to pay for goods or services that are needed to accomplish the project or program objectives. For purposes of this Policy Directive, the Colorado Transportation Commission approves projects.

“Budget” shall mean a financial plan that shows intended authorizations, appropriations, and allotments of funds into and out of an accounting entity. When all inflows and outflows of funds of the accounting entity are shown in the budget, the budget becomes a prospective statement of revenues and expenditures for that entity. CDOT maintains several budgets including those for Colorado Bridge Enterprise, High Performance Transportation Enterprise, the Aeronautics Division, and the core budget of CDOT, all of which are included in the State’s annual budget – the Long Bill.

“Cash Management” shall refer to the balancing of expected cash outflows with expected cash inflows.

“Confirmation Item” shall mean approved action prior to TC meeting, but included on formal Budget Supplement document.

“Department” shall mean the Colorado Department of Transportation pursuant to § 43-1-103, C.R.S.

“Programs” shall mean a logical grouping of similar projects in scope; or small and miscellaneous in nature.

“Project” shall mean highway improvement activities contained under a single sub account number in CDOT’s SAP financial management information system.

“STIP” shall mean Statewide Transportation Improvement Program – A federally required, fiscally constrained, program that depicts transportation projects for a minimum of four fiscal years up to eight (8) fiscal years.

“STIP Administrative Modification” shall mean minor changes to project costs, funding sources, or initiation dates. “Substantive” shall be used to mean exceeding the approved amount over a scope, schedule or budget threshold set by the Department’s Executive Director or designee.

Subject Annual and Project Budgets and Cash Management Principles	Number 703.0
---	------------------------

“STIP Amendment” shall mean any major change to a project, including addition or deletion, major change to cost, initiation dates, or scope including amending a year into the STIP.

“TC Approval Required” shall mean project level budget actions, initiated by Department staff requiring Commission approval as part of a budget supplement packet.

“Transportation Commission” or “Commission” shall mean the Colorado Transportation Commission pursuant to § 43-1-406, C.R.S.

“Transportation Commission Approved List” shall mean a list of projects approved by the Transportation Commission for an Annual Program per established processes.

Appendix B: "Annual Budget, Revenue, and Financial Position"

Event Type	High Risk: TC Review and Approve	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO Report To and Inform TC	Low Risk: Staff Manage
STIP	STIP Amendments no less than annually	Quarterly analysis of fiscal constrained project schedule	Administrative Modifications
Capital Development Committee		Requests made to the CDC using quantitative metrics	
4-year Program of Projects and Corresponding Budget (see Project Related Transact.)	Acceptance of Asset Management Program, Integrated Safety Plan and Programs of Project lists or defined program metrics	Quarterly report of allotments to projects	Locally and Regionally administered programs; or as programmed in STIP or as shown in project schedule for STIP amendments and budget supplements
		Annual forecast of amounts required to complete projects	
Cash Balances and Revenue Forecasts	Annual Risk Assessment	Quarterly reports on construction lettings and revenue forecasts	OCM limit on construction lettings each month
		Annual reports	
Revenue-Based Budget	Annual Budget Adoption: November - review draft budget March - adopt final	August - Review final budget including legislative items	Local agency project contributions, Federal Discretionary allocations, State administered grants
Common Policies	Presented as informational	Reviewed annually	
Decision Items	Greater than or equal \$1 million per annum (Annual Process)	Less than \$1 million per annum (Annual Process); Notable new program costs over \$500k at staff discretion should be provided to the TC as an Information Item (requires dual signature)	
Cost Center Roll Forwards	Greater than or equal \$1 million (Annual Process)	Less than \$1 million (Annual Process) (requires dual signature)	E0249-010 (Equipment) , S0014-010 (Haz Mat), S0193-010 (Engineering Training) , S0247-010 (Road Equip) , OI440-010 (ITS), SM265-010 (Property Management), SM275-010 (Camp George West HVAC)
Budget Pool Roll Forwards		Reclassifications of previous FY funds to RAMP or other programs	RPP and Local Program Pools
Project Budgets (see Project Related Transactions)	Individual projects <u>Not</u> on Approved List	Individual projects on Approved List	Individual projects on Approved List
	Additions greater than or equal to 15% and greater than or equal to \$500,000	Additions between 10%-15% or between \$250,000- \$500,000	Additions less than 10% or less than \$250,000
Cash-Based Expenditures	Budget increases greater than or equal to 10% of program and greater than \$1 million	Budget increases less than 10% of program and less than \$1 million	Quarterly review of the project schedule; expenditure forecasts and 'plan' vs. 'actual' analyses

Appendix C: "Project Related Transactions"

Project Type	Initial Project Funding	Pre-Award Adjustment and Contract Modification Orders (to the currently approved project budget)			Project Closure
		Greater than or equal to 15% and greater than or equal to \$500,000 or greater than or equal to \$5,000,000 above the original approved amount	Between 10%-15% or between \$250,000-\$500,000 above the original approved amount	Less than 10% or less than \$250,000 above the original approved amount	
2013 Emergency Relief and Permanent Repairs	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice	
Emergency Requests (from the Transportation Commission Contingency Relief Fund or other programs)	Requires Commission Chairperson approval for Confirmation Item			Allotment Advice	
Non-emergency Transportation Commission Contingency Reserve Fund Requests	TC Approval Required				
Asset Management Programs: Geohazard, Tunnels, Walls, Bridge On-System, Culverts, Surface Treatment, Property Management, Road Equipment, ITS-Replacement, Signals Replacement (Including RAMP.)	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or Based Upon Program Metrics				
Maintenance Levels of Service	For all MLOS transactions, including Maintenance Projects, see "Other Transactions"				
Transportation Systems Management & Operations - New Capital	TC Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	

Appendix C: "Project Related Transactions"

Project Type	Initial Project Funding	Pre-Award Adjustment and Contract Modification Orders (to the currently approved project budget)			Project Closure
		Greater than or equal to 15% and greater than or equal to \$500,000 or greater than or equal to \$5,000,000 above the original approved amount	Between 10%-15% or between \$250,000-\$500,000 above the original approved amount	Less than 10% or less than \$250,000 above the original approved amount	
Highway Safety Improvement Program	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or Based Upon Program Metrics				
FASTER Safety Program	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or Based Upon Program Metrics				
Strategic Projects (e.g. 7th Pot)	TC Approval Required			Allotment Advice	
Federal Discretionary Grants - State Match Required	TC Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
Federal Discretionary Grants - No State Match Required	No Commission Approval Required for any action				
Regional Priority Program	No Commission Approval Required for any action with quarterly reporting to Transportation Commission				
Other State Administered Programs -Congestion Relief, Hot Spots and Railroad Crossings, Planning and Research	No Commission Approval Required for any action				

Appendix C: "Project Related Transactions"

Project Type	Initial Project Funding	Pre-Award Adjustment and Contract Modification Orders (to the currently approved project budget)			Project Closure
		Greater than or equal to 15% and greater than or equal to \$500,000 or greater than or equal to \$5,000,000 above the original approved amount	Between 10%-15% or between \$250,000-\$500,000 above the original approved amount	Less than 10% or less than \$250,000 above the original approved amount	
Safe Routes to School (Advisory Committee to make Recommendations to the Transportation Commission)	TC Approval Required	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List				
Local contributions to state project	No Commission Approval Required for any action				
Local Administered Programs: CMAQ, TAP, STP-Metro, Bridge Off-System, Metro Planning	No Commission Approval Required for any action				
Transit and Rail	TC Approval Required if not on Approved List or if not Based upon Program Metrics	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or Based Upon Program Metrics				
Bridge Enterprise (Note: CDOT and BE projects are treated jointly when determining thresholds)	TC Approval Required if not on Approved List or if not Based upon Program Metrics	Enterprise Board Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or Based Upon Program Metrics				
High Performance Transportation Enterprise	HPTE Board Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO as well as the Director of HPTE	Allotment Advice	

Appendix C: "Project Related Transactions"

<u>Project Type</u>	<u>Initial Project Funding</u>		<u>Pre-Award Adjustment and Contract Modification Orders (to the currently approved project budget)</u>		<u>Project Closure</u>
	Greater than or equal to 7.5% if more than \$100,000 or greater than or equal to \$1,000,000 above the original approved amount	Less than 7.5% or less than \$100,000 above the original approved amount	Greater than or equal to 7.5% if more than \$100,000 or greater than or equal to \$1,000,000 above the original approved amount	Less than 7.5% or less than \$100,000 above the original approved amount	
RAMP Operations and Partnership	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	

Appendix D: "Other Transactions"

Transaction Type	High Risk: TC Review and Approve	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO as well as the Director of HPTE if applicable Report To and Inform TC or Enterprise Board	Low Risk: Staff Manage
FTE Requests	Increasing the total # of CDOT FTE's	Salary cap relief	Filling existing vacancies or Reclassifying to best meet business needs
Commercial Loans	Change that will trigger a loan and require Legislative Authority		Payment schedule included in quarterly and annual reports
Transportation Commission Loans	TC Approval Required for any loan from the Commission		
Transfers between budget lines	TC Approval Required for current year funds	Reclassifications of previous FY funds to RAMP	
Budget Pool Level Transfers between Regions and/or HQ	Regional Priorities Program and 7th Pot	See Project 4 Year Budget for Quarterly report of allotments to projects to include Statewide administered programs (e.g. Asset Management programs, TSM&O, Safety)	Local administered programs (e.g. CMAQ, TAP, Metro)
Transfers between cost centers and program pools	Total Year to Date >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000
Transfers between Capital and Operating Budget or Personal Services	Total Year to Date >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000
Transfers between Personal Services and Operating Budget		Individual Transfers >= \$250,000	Individual Transfers < \$250,000
Increases to Indirect Costs		Increases >= \$250,000; Division of Accounting and Finance required to evaluate increase in costs impact to overall Indirect Cost Rate prior to approval	Increases < \$250,000
Aeronautics	Allocations for administrative costs		
MLOS	Annual Budget including Maintenance Program Areas	Budget transfers across regions	Budget transfers across sections or program areas within a region
Maintenance Projects (M Projects)	State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing in excess of \$50,000 up to \$150,000	Emergency projects within Maintenance budget; Year end roll-forwards	State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing less than \$50,000
Earmarks and Federal discretionary funds	Application requiring state match not available from current program	State match is available, though project requires additional funds for completion, reference guidelines for other funds	Application requiring no state match
Other Programs (Administration & Operations)	To be reviewed on a biennial basis beginning in FY16 (FY 2015 total budget allocation of \$276,507,411)		
Transportation Commission Transition Fund	>= \$1,000,000	< \$1,000,000	
Contingency Funds	Any use of Transportation Commission Contingency Reserve Fund and Snow and Ice Contingency Reserve	Project contingencies allotted in projects but managed collectively (eg: program contingency) (requires dual signature)	Project contingency as part of approved project budget

Appendix E - "Cash Balance Management"

Cash Balance Thresholds																																										
Confidence Level	0.1% = 1/1,000																																									
Cash Balance Values	Low = \$160M Nov-Dec-Jan	Average = \$205M Aug	High = \$300M Jun																																							
Calendar Year Distribution	2016-2019																																									
Cash balance threshold values to be incorporated into the Fund 400 Forecast model to identify risk points.	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Cash Balance Thresholds Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Minimum (\$ Millions)</th> <th>Annual Average (\$ Millions)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>160</td><td>205</td></tr> <tr><td>Feb</td><td>170</td><td>205</td></tr> <tr><td>Mar</td><td>180</td><td>205</td></tr> <tr><td>Apr</td><td>230</td><td>205</td></tr> <tr><td>May</td><td>280</td><td>205</td></tr> <tr><td>Jun</td><td>300</td><td>205</td></tr> <tr><td>Jul</td><td>250</td><td>205</td></tr> <tr><td>Aug</td><td>210</td><td>205</td></tr> <tr><td>Sep</td><td>190</td><td>205</td></tr> <tr><td>Oct</td><td>170</td><td>205</td></tr> <tr><td>Nov</td><td>160</td><td>205</td></tr> <tr><td>Dec</td><td>160</td><td>205</td></tr> </tbody> </table>			Month	Monthly Minimum (\$ Millions)	Annual Average (\$ Millions)	Jan	160	205	Feb	170	205	Mar	180	205	Apr	230	205	May	280	205	Jun	300	205	Jul	250	205	Aug	210	205	Sep	190	205	Oct	170	205	Nov	160	205	Dec	160	205
Month	Monthly Minimum (\$ Millions)	Annual Average (\$ Millions)																																								
Jan	160	205																																								
Feb	170	205																																								
Mar	180	205																																								
Apr	230	205																																								
May	280	205																																								
Jun	300	205																																								
Jul	250	205																																								
Aug	210	205																																								
Sep	190	205																																								
Oct	170	205																																								
Nov	160	205																																								
Dec	160	205																																								
Management Process																																										
	Deliverables	Reporting																																								
Model Team	Responsible for the Fund 400 Forecast Model data management. Input of current month expenditure, drawdown and revenue data.	Final and closed forecast model each month.	Monthly - For CDOT internal review - 36 month forecast chart of cash balance projection to cash balance thresholds. Annually - For TC review - Assessment report on any recommended Management process changes. Annually - For TC review - Assessment report on the effectiveness of management process and practices.																																							
Cash Balance Team		Responsible for identification of risk points in the 36 month forecast chart; and analysis and variance reconciliation.	Action recommendation to manage risk points and analysis.	Monthly - For CDOT internal review - Recommendation report that outlines risk and high level analysis findings. Annually - For TC review - Assessment report on any recommended Management process changes.																																						
Action Team		Responsible for evaluating the action recommendation. Identification of possible actions to projects, asset programs or regions that address the action recommendation.	Issuance of direction to execute appropriate actions from team evaluation.	Monthly - For CDOT internal review - Report of evaluation and actions taken to manage forecast model risk points.																																						

Transportation Commission of Colorado
June 16, 2016

Resolution # _____

Approval of Updated Policy Directive 703.0 “Annual Budget, Project Budgeting and Cash Management Principles”

WHEREAS, pursuant to § 43-1-106(8)(h), C.R.S., the Colorado Transportation Commission (“Commission”) has the authority to promulgate and adopt all Colorado transportation programs and associated budgets, including prioritizing projects for the construction, reconstruction, repair, and maintenance of the state highway system; and

WHEREAS, Policy Directive 703.0 “Annual Budget, Project Budgeting and Cash Management Principles” was approved by the Commission on August 21, 2014; and

WHEREAS, since that time, Policy Directive 703.0 has established one document that provides guidance to the Department as to what budgetary items require Transportation Commission approval; and

WHEREAS, Policy Directive 703.0 provides guidance to the Department in maximizing the flow of funds to construction and maintenance projects and, in doing so, applying effective and efficient cash management strategies; and

WHEREAS, an additional section addressing Cash Balance would further the Transportation Commission’s goals of charting the cash balance forecast against the approved cash balance threshold to identify future cash balance risk points; and

WHEREAS, the Commission, with Department recommendation, will review the cash balance threshold at least annually, and will recommend changes for levels of risk or annual average monthly balances; and

WHEREAS, the Commission will annually approve Appendices B, C, D, and E (collectively known as the “Matrix”) attached to Policy Directive 703.0, which align the level of Department and Commission governance to the level of risk; and

NOW THEREFORE BE IT RESOLVED, the Commission herein approves updated Policy Directive 703.0 “Annual Budget, Project Budgeting and Cash Management Principles.”

Herman Stockinger, Secretary
Transportation Secretary

Date