



MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
FROM: JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER
DATE: JUNE 18, 2020
SUBJECT: MONTHLY CASH BALANCE UPDATE

Purpose

To provide an update on cash management, including forecasts of monthly revenues, expenditures, and cash balances in Fund 400, the State Highway Fund.

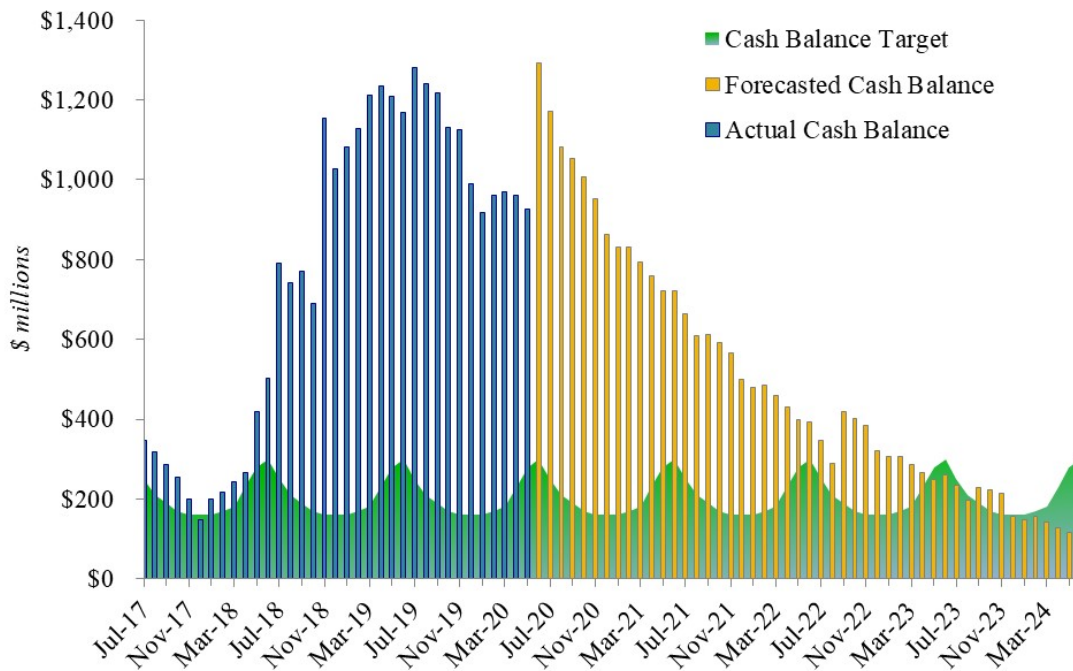
Action

No action is requested or required at this time.

Background

Figure 1 below depicts the forecast of the closing Fund 400 cash balance in each month, as compared to the targeted minimum cash balance for that month (green shaded area). The targeted minimum cash balances reflect the Transportation Commission’s directive (Policy Directive #703) to limit the risk of a cash overdraft at the end of a month to, at most, a probability of 1/1,000 (1 month of 1,000 months ending with a cash overdraft).

Figure 1 – Fund 400 Cash Forecast





Summary

Due to recent events in response to the global COVID-19 pandemic, including statewide stay-at-home orders, the Department is anticipating a significant immediate impact to revenue collections, followed by a longer downturn. Reduced motor fuel tax collections due to decreased travel along with corresponding reductions in other sources will negatively impact the short-term revenue and associated cash forecast. The preliminary forecast estimates revenue losses of approximately \$50 million between now and February 2021.

The forecast reflects the Department's anticipated cash balance based on the current budget allocation plan and associated planned project expenditures. As the COVID-19 pandemic continues to unfold and more data and information become available, staff will closely monitor the impact to the Department's revenue stream, update the cash forecast, and regularly inform the Transportation Commission.

The projected closing cash balance in May 2020 (some final figures were unavailable at the time of writing on June 9th) was \$927 million; \$647 million above that month's cash balance target of \$280 million. The large cash balance results from the additional revenues listed below.

Cash Revenues

The forecast of revenues and capital proceeds includes:

Senate Bill 17-267: \$425 million in November 2018, \$500 million in June 2020, and then \$0 thereafter.

Senate Bill 18-001: \$346.5 million in July 2018, and \$105 million in July 2019.

Senate Bill 19-262: \$60 million in July 2019.

The forecast does not include \$500 million of revenues in each of FY21 and FY22 from SB 17-267 capital proceeds. The transit grants and the portions of projects that are to be funded from these sources are also excluded from this forecast. Revenues and expenditures for these sources will be added when there is more certainty regarding the availability of these revenues. Cash balances will be drawn down closer to the target balances over the course of fiscal years 2020, 2021, 2022, and 2023 as projects funded with SB 18-001, SB 17-267, SB 19-262 progress through construction.

May's closing cash balance is \$52 million higher than April's forecast of that balance, largely due to the lower than forecasted construction expenditures.

Cash Payments to Construction Contractors

The current forecast of payments to construction contractors under state contracts (grants paid out under inter-government agreements for construction are accounted for elsewhere in the expenditure forecast) from Fund 400 is shown in Figure 2 below.

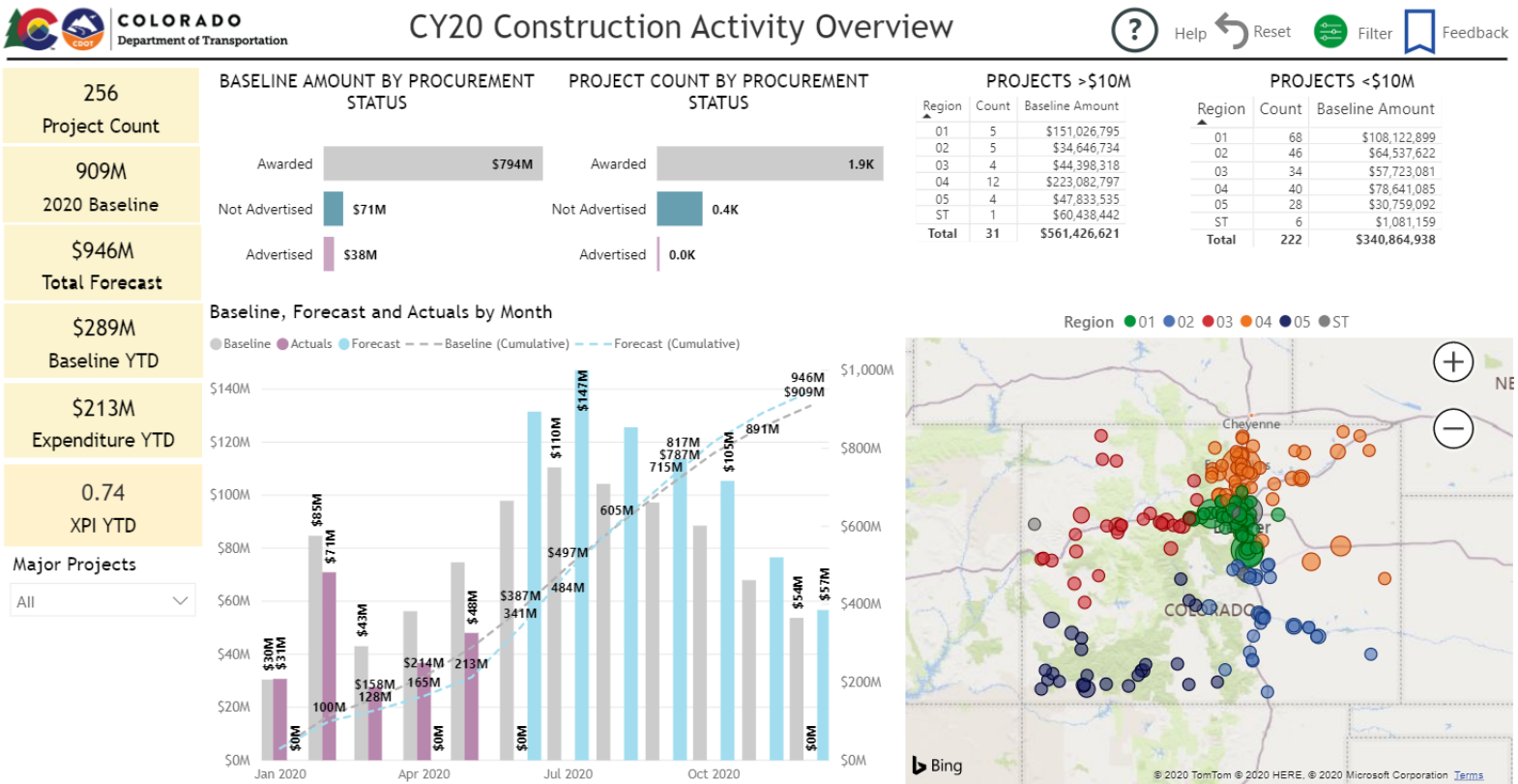




Figure 2 – Forecasted Payments - Existing and New Construction Contracts

\$ millions	CY 2017 (actual)	CY 2018 (actual)	CY 2019 (actual)	CY 2020 (forecast)	CY 2021 (forecast)	CY 2022 (forecast)	CY 2023 (forecast)	CY 2024 (forecast)
Expenditures	\$642	\$578	\$669	\$880	\$664	\$562	\$413	\$369

The graph below details CY20 baseline, forecast, and actual expenditures (based on May month end SAP data). Results to date correlate with an XPI of 0.74 (actual expenditures vs. baseline); listing of number of projects planned to incur construction expenditures in CY20; listing of CY20 baseline and project count by procurement status (awarded, not advertised and advertised); and count of projects by region that have CY20 baseline greater than \$10 million dollars and less than \$10 million dollars.





COLORADO

Transportation Commission

2829 W. Howard Place
Denver, CO 80204

DATE: June 5, 2020

FROM: Charles Meyer, Branch Manager, Traffic and Safety Engineering Branch
Darrell Lingk, Director, Office of Transportation Safety

SUBJECT: Colorado DOT Analysis & Justification for FHWA - NHTSA 2017-2021 Safety Performance Measure Target Setting Recommendations

Purpose

In accordance with the FAST Act, FHWA issued Final Rulemaking on April 14, 2016 requiring state DOTs and MPOs to annually establish targets in five areas of safety performance – fatalities, fatality rate, serious injuries, serious injury rates, and non-motorized user fatalities and serious injuries. This memo states the targets proposed for the 2017-2021 safety performance measures to be reported to NHTSA by July 1, FHWA by August 30, and for MPOs to FHWA by February 28, 2021.

Action

Information only

Background

Since 2017, CDOT has set performance measure targets for 2014-2018, 2015-2019 and 2016-2020, as required by MAP-21 and FAST. FHWA requires states to set targets annually for the Number of Fatalities, Fatality Rate per 100 Million VMT, Number of Serious Injuries, Serious Injury Rate per 100 Million VMT, and the Number of Non-motorized Fatalities and Serious Injuries. These targets to be set are five-year rolling averages and should reflect the vision of Colorado for crash reduction, influencing factors unique to our state, and trend analysis of data. Over the past few months, CDOT staff have taken into account the efforts and analysis of the STSP planning process and the 15% reduction target it has set for 2023, as well as trend analyses of the 2008 - 2019 existing data and is recommending the below targets for the five-year rolling average of 2017-2021. The targets established this year will be assessed for progress by FHWA in 2023.

The 2017-2021 targets incorporate trend analysis of past years, consideration of the transportation safety climate factors and causalities, and actions that CDOT and other safety stakeholder agencies are taking to reduce all crashes - but primarily the targets established are consistent with the assertive vision of the Colorado Strategic Transportation Safety Plan (STSP). While Colorado and CDOT are still endeavoring to move toward zero deaths and injuries and significantly reduced crashes, these targets established are for the purposes of national target setting and are done so with both the Moving Toward Zero Deaths vision in mind and also with the FHWA requirements for target setting.

While the world finds itself in the middle of the COVID-19 pandemic and from a transportation perspective the resulting impacts to traffic volumes and crashes, none of us know just what the transportation impact will be for this target-setting period. So far, the reduced volumes of traffic (at one point several locations had reductions up to 50% of historical volumes) have translated to reduced crashes, injuries, and fatalities, yet in less proportion.



Further, we don't know what the future of traffic volumes and crashes will look like as we return to a new normal of travelling - will it be less due to telecommuting, more due to transit impacts, more due to staying closer to home? Also bearing in mind that the impact to 2020 and likely 2021 are two of the five years to be considered in setting these performance targets. Given the above, staff is recommending that we remain with an STSP-based and data-based approach to setting targets as described in this memo.

The STSP process for reviewing Colorado's vision, mission, targets, and strategies considered the input of hundreds of stakeholders reviewing Colorado crash data, Colorado's current transportation safety climate, and actions steps possible to make progress in improving safety. Many of the influencing factors considered during the plan development process are highlighted below, but ultimately, the STSP identified that through a concerted effort by a collective group of stakeholders, led by an agency champion, many cultural and program effectiveness changes could be made to improve safety in Colorado.

Colorado has continued to experience increases in population growth and vehicle miles traveled. With the legalization of marijuana, more and more technology-causing distractions, steady or dropping gas prices, up until March a thriving local economy, and increasing population density in front range counties, there are many factors which play a part in past increases in fatal crashes. While none of these factors alone can explain the increase, these in addition to causal and contributing factors all contribute to the increases Colorado has seen. It is anticipated that all of these factors will continue to strongly influence crashes through this planning period, leading to potential continued increases in fatalities if transportation volumes were to return. While the long term impacts of COVID-19 are unknown, it is anticipated that Colorado's economy is strong and will recover, eventually returning to the previous crash rates and volumes. By using rolling five year averages, the impacts of COVID-19 are not as significant as they would be for short term or annual goals.

While the above factors have and are expected to influence increases in crashes and fatalities, our analysis also looked at influences that could curtail or reduce such crashes. Considering funding and legislation, while existing federal funding programs for at least FY2021 remain intact, future years could be in jeopardy and state funding sources for construction projects which could have a benefit on safety, are especially volatile. CDOT continues to commit an additional \$11M toward strategic safety projects statewide for the next three years for preventative safety treatments such as six inch striping, cable rail guardrail, and rumble strips. CDOT continues to administer its safety programs as effectively as possible, ensuring selection of the most effective infrastructure and behavioral projects and strategies. Should the Urban Arterials program continue to be funded, urban crashes, serious injuries, and fatalities could be reduced as these projects are delivered in the coming future. However, funding for CDOT administered enforcement programs is uncertain in 2020-2021, and if not funded this legislated season, would reduce an important strategy in transportation safety - enforcement. CDOT, through the Safety Circuit Rider program, continues to work directly with local agencies to develop county-specific safety action plans to address local road crashes, which account for about half of Colorado's fatalities. CDOT continues to work with the automotive and technology industries to use technology to improve transportation safety, and some of those efforts will be seen on the road this year and into the near future. Further, other partners such as DRCOG, Denver, Boulder, Ft. Collins and others are increasing their efforts to improve safety. With these leading endeavors, and with a concerted effort to implement the actions and strategies of the STSP, CDOT believes that crash reductions will occur over time as the STSP plan is implemented, resulting in an average 3.75% reduction in crashes annually, and 15% by 2023.

The Highway Safety Office and Traffic and Safety Engineering Branch, with contribution from CDPHE, coordinated an analysis of crash data through various statistical methods - including Loess regression and Excel exponential, linear, logarithmic, and power polynomial regression line best fit curves - as a comparative analysis to the STSP. The STSP set a target for 15% reduction by 2023 and 2% reduction for 2020, with an average goal of 3.75% per year.



The trend analysis has shown that the fatalities have continued to decrease from previous years, with a 5.7% reduction in 2019 and 2.5% reduction in 2018 in comparison with 6.6 % increase in 2017 and 11.2% increase in 2016. The serious injuries have stayed relatively unchanged since 2015. The various analyses were consistent with the direction of the STSP targets, which were then used to develop the 5 year safety targets for 2020 and 2021.

Based upon the above considerations and comparative analysis, staff recommends the following for targets to be reported to NHTSA in June and FHWA in August of 2020.

Colorado 2020 Safety Targets 5-year Averages 2017-2021

Fatalities - 603

Fatality Rate - 1.113

Serious Injuries - 3161

Serious Injury Rate - 5.828

Non-motorists fatalities and serious injuries (pedestrian and bicyclists) - 551

Challenges / Other Considerations in the data analysis:

2019 injury crash data is still being finalized and it is unclear if this number may still increase as more data is submitted. Due to vendor data issues with local agencies transmitting data to DOR, injury data is not available for agencies such as Colorado Springs and Grand Junction for several years. The predictions should take into account that 2016, 2017, and 2018 may under report serious injuries numbers over what is currently shown with suppressed injury numbers. Serious injury crash numbers starting in 2019 will represent the injury levels from these agencies possibly making it appear as if there are increases in serious injury level crashes. Further, 2020 and 2021 total crash numbers could be deflated due to law enforcement agencies being on "accident alert" in which case they do not respond to property damage only crashes and depend on the motorists to self-report to DOR.

Predicting VMT is challenging and creates another variable that could impact rates. CDOT has taken the best prediction of VMT and established rate targets above based upon that.

Key Benefits (if applicable)

Information Only

Options and Recommendations (if applicable)

Not Applicable

Next Steps (if applicable)

Not Applicable

Attachments

History of Safety Performance Measure Targets and Actuals





Colorado Targets History

Colorado FAST FHWA and NHTSA Safety Performance Targets					
		Time Period			
		2014 - 2018	2015 - 2019	2016 - 2020	2017 - 2021
Baseline:		2012-2016	2013-2017	2014-2018	2015-2019
Targets must be set by:		Jul-2017	Jul-2018	Jul-2019	Jul-2020
Data / Results will be official:		Jan-2020	Jan-2021	Jan-2022	Jan-2023
Fatalities	Target	610	644	618	603
	Baseline	520	555	584	606
	Actual / Preliminary	584	606		
	Better than Baseline	No	No		
	Target Met?	Yes	Likely		
Fatality Rate	Target	1.2	1.21	1.143	1.113
	Baseline	1.064	1.097	1.125	1.145
	Actual / Preliminary	1.125	1.145		
	Better than Baseline	No	No		
	Target Met?	Yes	Likely		
Serious Injuries	Target	3350	2909	3271	3161
	Baseline	3215	3161	3122	3116
	Actual / Preliminary	3122	3116		
	Better than Baseline	Yes	Likely		
	Target Met?	Yes	No		
Serious Injuries Rate	Target	6.79	5.575	6.075	5.828
	Baseline	6.71	6.463	6.035	5.892
	Actual / Preliminary	6.033	5.892		
	Better than Baseline	Yes	Likely		
	Target Met?	Yes	No		
Non-motorized Users Fatalities and SI	Target	586	514	670	551
	Baseline	524	542	576	558
	Actual / Preliminary	576	558		
	Better than Baseline	No	Not likely		
	Target Met?	Yes	Not likely		