



**MEMORANDUM**

**TO:** THE TRANSPORTATION COMMISSION  
**FROM:** JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER  
**DATE:** MARCH 19, 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.

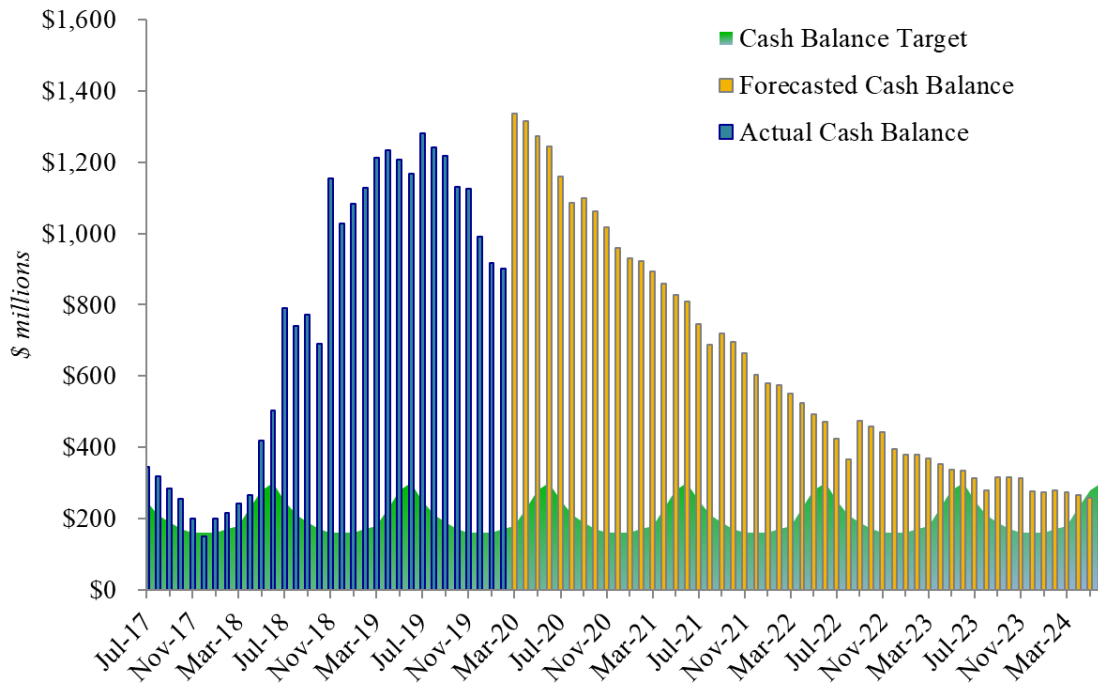
**Action**

No action requested or required.

**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**





The projected closing cash balance in February 2020 (some final figures were unavailable at the time of writing on March 9th) was \$902 million; \$732 million above that month's cash balance target of \$170 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 March 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, likely after the conclusion of the legislative session. 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.

February's closing cash balance is \$45 million lower than January's forecast of that balance, largely due to a \$50 million milestone payment related to the progress of construction on the Central 70 project.

**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**

<i>\$ millions</i>	<i>CY 2017 (actual)</i>	<i>CY 2018 (actual)</i>	<i>CY 2019 (actual)</i>	<i>CY 2020 (forecast)</i>	<i>CY 2021 (forecast)</i>	<i>CY 2022 (forecast)</i>	<i>CY 2023 (forecast)</i>	<i>CY 2024 (forecast)</i>
Expenditures	\$642	\$578	\$669	\$839	\$767	\$623	\$416	\$355

See the Dashboard of Major Projects memo for additional information on CY 2020 construction expenditures.

Note the higher Construction Payout forecast in the Dashboard of Major Projects includes Bridge Enterprise projects.



MEMORANDUM

TO: THE TRANSPORTATION COMMISSION  
FROM: JEFF SUDMEIER, CHIEF FINANCIAL OFFICER  
DATE: MARCH 19, 2020  
SUBJECT: FISCAL YEAR 2019 REPORTING REQUIREMENT - C.R.S. 43-1-123(3)(A) AND (B)

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**Purpose**

The purpose of this memorandum is to meet the requirements of Colorado Revised Statute 43-1-123(3) that requires the Department report to the Transportation Commission the money expended for total transportation project costs during the preceding fiscal year.

**Action**

The Transportation Commission is not being asked for any action on this memorandum, it is being furnished as informational only.

**Background**

Colorado Revised Statute 43-1-123(3) (a) and (b) specifically requires that the Department report the following:

- (a) Payments to private sector contractors for work on transportation projects; and
- (b) Total transportation project costs for projects completed by department employees, including indirect cost recoveries and employee salaries.

**Report Details**

For Fiscal Year 2019, the Colorado Department of Transportation spent \$860.0M related to transportation projects.

*Colorado Revised Statute 43-1-123(3)(a)*

For Fiscal Year 2019, the Colorado Department of Transportation made total payments of \$712.2M (82.8%) to private sector entities for work on transportation projects - \$544.0M (63.3%) to private sector construction contractors and \$168.2M (19.6%) to private sector consultants.

*Colorado Revised Statute 43-1-123(3)(b)*

For Fiscal Year 2019, the Colorado Department of Transportation made payments of \$94.5M (11.0%) to CDOT staff for salary and benefits for work on transportation projects.

The table below breaks down CDOT's costs into major groupings of transportation project expenditures.



## CDOT Transportation Project Costs – Fiscal Year 2019

	Amount	Percentage of Total
<b><i>Right of Way (2%)</i></b>		
Acquisitions	\$24.7M	2.9%
<b><i>Preconstruction (10%)</i></b>		
CDOT Staff	\$13.5M	1.6%
Consultants	\$85.8M	10.0%
Other	\$2.8M	0.3%
<b><i>Indirect Costs (10%)</i></b>		
CDOT Staff	\$63.2M	7.3%
Consultants	\$20.9M	2.4%
Other	\$18.8M	2.2%
<b><i>Const. Management &amp; Oversight (10%)</i></b>		
CDOT Staff	\$15.7M	1.8%
Consultants	\$52.0M	6.0%
Other	\$5.5M	0.6%
<b><i>Construction (68%)</i></b>		
Contractor Payments	\$544.0M	63.3%
CDOT Staff	\$2.1M	0.2%
Consultants	\$9.5M	1.1%
Other	\$1.5M	0.3%
<b>Total</b>	<b>\$860.0M</b>	<b>100%</b>

