



**COLORADO**

**Department of Transportation**



Long Range Financial Plan  
FY 2019-20



Pursuant to HB18-1430 (§2-3-209, C.R.S.), each state agency is required to submit an annual long-range financial plan beginning November 1, 2019. The statutory elements required in the plan include:

- Statement of an agency's mission
- Description of an agency's major functions
- Description of an agency's performance goals
- Performance evaluation of an agency's major programs with recommendations to improve performance
- Description of anticipated trends, conditions, or events affecting the agency
- Description of any programs funded by federal funds or gifts, grants, and donations that may decrease in the future.

This long-range financial plan covers the five-year period beginning in the current fiscal year (from FY 2019-20 through FY 2023-24). The plan is not a policy document but rather a management tool to support effective planning and resource allocation. As such, it does not reflect the impact of policy proposals. In addition, given the November 1 statutory deadline for this report, it was developed prior to the finalization of the Governor's FY 2020-21 budget request, and thus may not reflect all technical changes prepared for the budget.

The Office of State Planning and Budgeting (OSPB) has developed a statewide overview of the long-range plan submissions, which can be viewed on OSPB's website at: <https://www.colorado.gov/ospb>



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## SECTION I: INTRODUCTION TO CDOT

### Vision, Mission & Strategic Framework

The Department's **vision** is to enhance the quality of life and the environment of the citizens of Colorado by creating an integrated transportation system that focuses on safely moving people, goods, and information by offering convenient linkages among modal choices. CDOT's **mission** is to provide the best multimodal transportation system for Colorado that most effectively and safely moves people, goods, and information.

CDOT has six core values which are integrated in all of the Department's projects and processes:

#### **SAFETY**

We work together to achieve a high-performing safety culture.

We promote and apply consistent and sustainable work behaviors in everything we do.

#### **PEOPLE**

We value our employees.

We acknowledge and recognize the skills and abilities of our coworkers and draw strength from our diversity and commitment to equal opportunity.

#### **INTEGRITY**

We earn Colorado's trust.

We are honest and responsible in all that we do and hold ourselves to the highest moral and ethical standards.

#### **CUSTOMER SERVICE**

We strive to provide the highest level of customer satisfaction and experience.

With a can-do attitude, we work together with others to respond effectively to our customers' needs.

#### **EXCELLENCE**

We are committed to quality.

We are leaders and problem solvers, continuously improving our products and services in support of our commitment to provide the best transportation systems for Colorado.

#### **RESPECT**

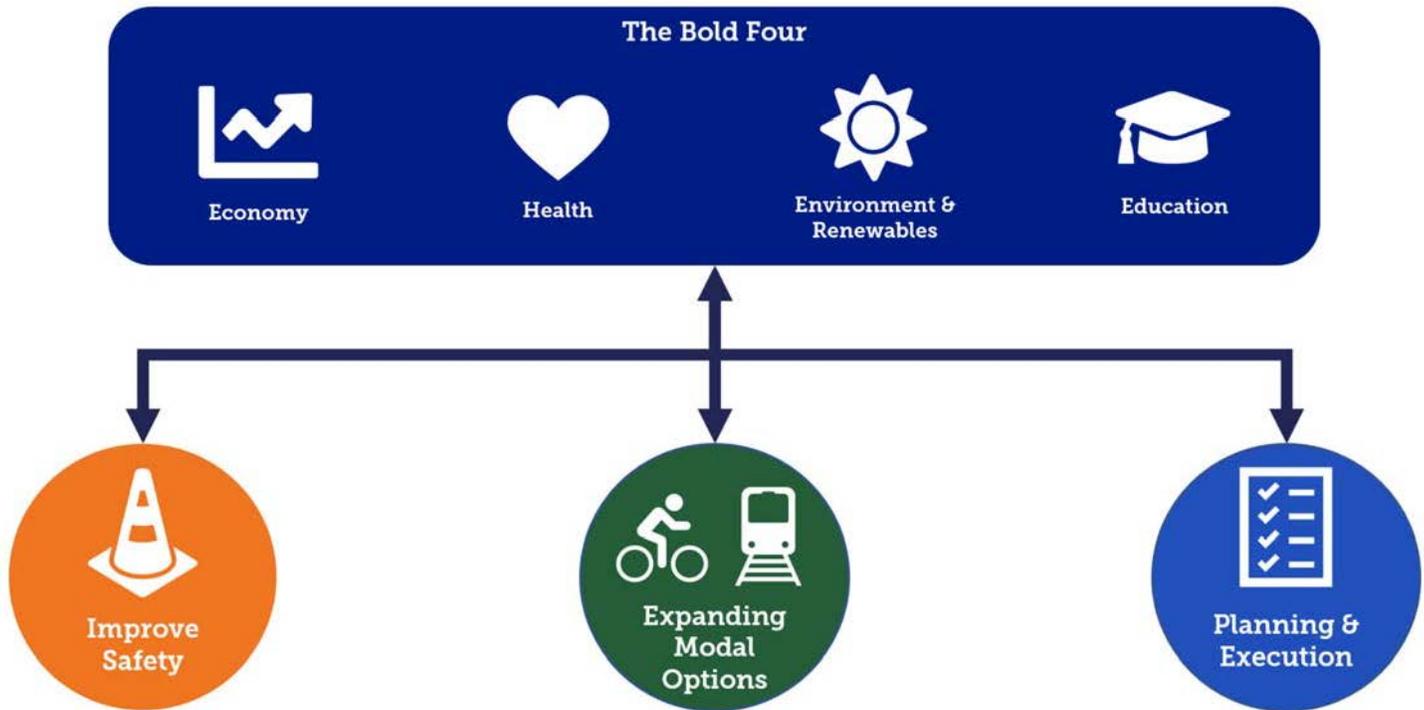
We treat everyone with respect.

We are kind and civil with everyone, and we act with courage and humility.



## FY 2019-20 Strategic Policy Initiatives

From the framework of the Governor’s Priorities and the Department’s own Mission, Vision, and Values, CDOT has established the following Strategic Policy Initiatives for fiscal year 2019-2020:



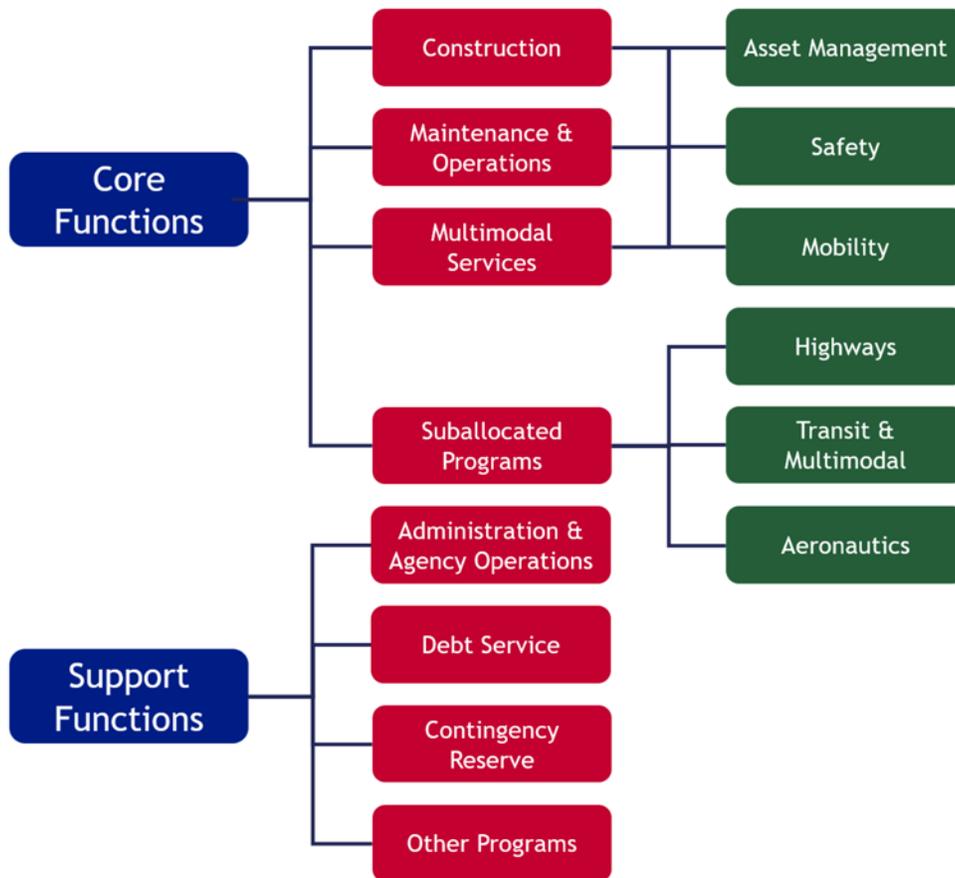
1. **Improve Safety:** Improve the safety of Colorado’s transportation network by reducing vehicle crashes by 2,500 by June 30, 2020, and by 7,500 by June 30, 2022.
2. **Expanding Modal Options:** Reduce pollution in our air and congestion on our roads by reducing vehicle miles traveled (VMT), greenhouse gas (GHG), and ozone causing emissions from the transportation sector, through multimodal options, by 1.0% per capita (from 9,500 VMT to 9,400 VMT per capita, GHG emissions from 4.75 tons to 4.70 tons per capita, NOx emissions from 15.29 pounds to 15.14 pounds per capita, and VOC emissions from 2.45 pounds per capita to 2.43 pounds per capita) on average, by June 30, 2020, and by 3.0% per capita (from 9,500 VMT to 9,200 VMT per capita, GHG emissions from 4.75 tons to 4.65 tons per capita, NOx emissions from 15.29 pounds to 14.83 pounds per capita, and VOC emissions from 2.45 pounds to 2.38 pounds per capita) on average, by June 30, 2022.
3. **Planning & Execution:** Develop a 10-year, achievable, strategic pipeline of projects that maximizes safety and mobility, based on a data-driven project selection process and public stakeholder involvement, with the 10-year STIP adopted by the Transportation Commission by June 30, 2020 and the first STIP update, informed by the Department’s public stakeholder involvement, 100% complete and adopted by the Transportation Commission by June 30, 2022.



## Description of Major Programs and Functions

CDOT administers construction, maintenance & operations, multimodal services, and suballocated programs pursuant to state and federal statute and the policies of the Colorado Transportation Commission. The Department uses these four main categories for the Department’s major core functions, which incorporate safety, mobility, and asset management in each area, plus support functions for the Department’s four core functions:

### Department Core Functions & Support Functions



### Core Functions.

- I. **Construction:** Supported by construction contractors, CDOT delivers an annual construction program focused on maintaining the condition of existing assets, improving the safety of the system, and enhancing mobility through major upgrades and expansion of the system. CDOT’s construction program includes 13 construction programs organized into three categories: Asset Management, Safety, and Mobility. Funding for construction includes not only the work performed on the road by contractors, but also design, right of way acquisition, and related support costs.



- II. **Maintenance & Operations:** CDOT maintenance and operations staff are responsible for the daily maintenance and operation of the state transportation system. This includes 13 Maintenance Program Areas focused on activities such as snow and ice removal and pavement repair, and programs focused on ensuring the system operates efficiently, such as Courtesy Patrol and Heavy Tow services to remove inoperable vehicles from traffic, and real-time travel information provided to travelers via Variable Message Signs, or the COTRIP website.
- III. **Multimodal Services:** CDOT works to reduce pollution in our air and congestion on our roads by providing multimodal transportation options through its Office of Innovative Mobility and Division of Transit and Rail. This includes Bustang and Bustang Outrider interregional bus service, strategic investment in multimodal infrastructure such as Mobility Hubs, support for transit and light duty vehicle electrification, and other innovative programs focused on providing more choices to Coloradans.
- IV. **Suballocated Programs:** CDOT administers several suballocated programs, passing funds through to local agencies to prioritize and deliver transportation improvements. This includes transit and aeronautics grant programs, as well as flexible programs, such as STP-Metro and CMAQ, used for a variety of highway and multimodal improvements. Suballocated programs are organized into three categories: Highways, Transit, and Aeronautics.

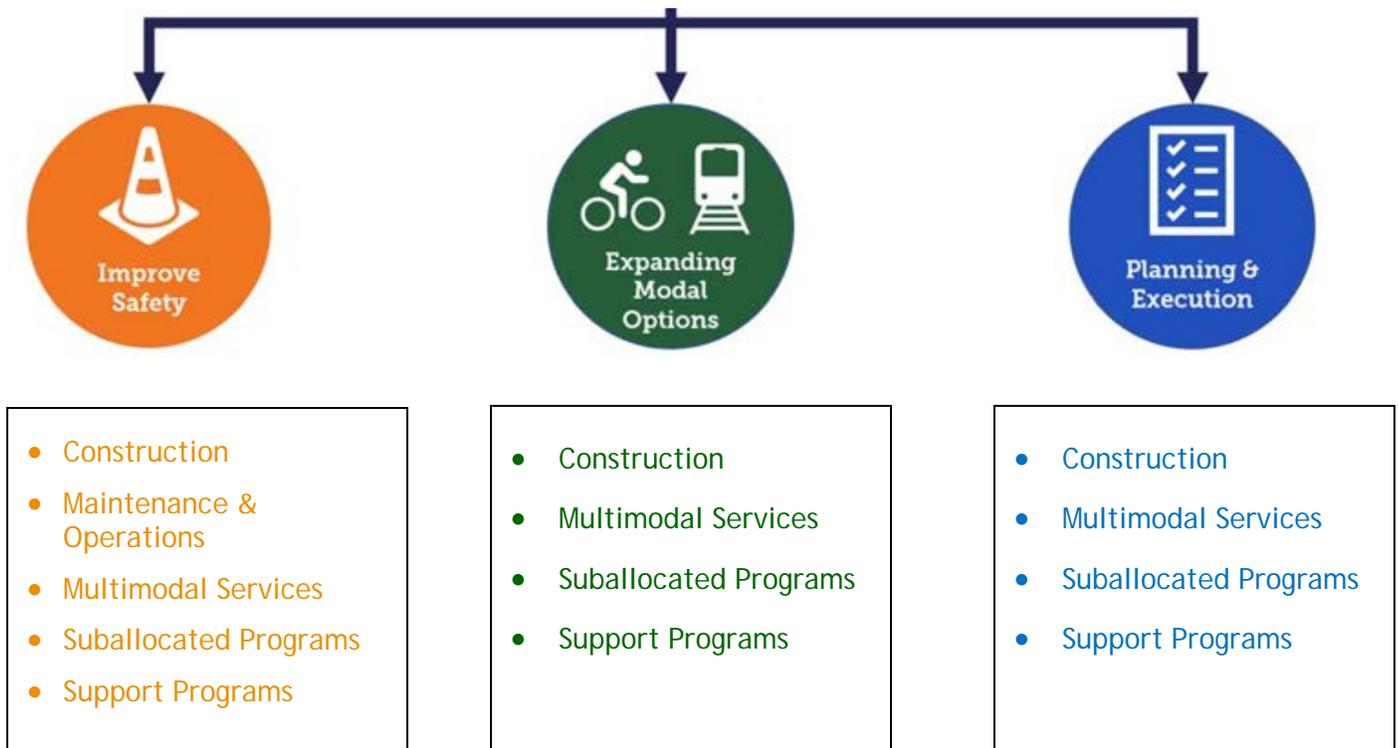
## Support Functions

- V. **Administration & Agency Operations:** Administration and Agency Operations programs support the Department's core functions through support services such as contracting and procurement, development of specifications and standards, materials testing, finance and accounting, and human resources, among others. Salaries and benefits make up the largest portion of Administration and Agency Operations costs. Other examples include software and IT infrastructure, and legal expenses.
- VI. **Debt Service:** CDOT and the state's transportation Enterprises periodically issue debt, and are responsible for annual debt service payments. The majority of this debt is associated with Certificates of Participation (COPs) issued under Senate Bill (SB) 17-267 for "strategic transportation projects," bonds issued under the federal Build America Bonds program to advance the replacement of poor bridges under the FASTER Bridge program, and debt held by the High Performance Transportation Enterprise (HPTE) on major toll corridor projects.
- VII. **Contingency Reserve:** CDOT maintains a contingency fund to provide a source of funding for emergencies (such as major rockfall events or flooding), and for other unplanned or unanticipated needs such as the need to commit matching funds for grant opportunities. Ultimately the majority of contingency funds are allocated to Construction or Maintenance and Operations programs.
- VIII. **Other Programs:** CDOT administers several other programs that support its core functions and the achievement of the Department's mission. This includes the Department's planning and research programs, and safety education programs focused on driver education and enforcement activities.



## SECTION 2: PROGRAM AND GOAL EVALUATION

### Major Functions Supporting Strategic Policy Initiative





## Improve Safety: Operational Metrics

	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
OUTCOME	Reduce the number of vehicle crashes on Colorado roadways by 2,500 by June 30, 2020 and 7,500 by June 30, 2022 from the current baseline of 122,774 as of 2018.	CY	2020: 120,274 2022: 115,274	122,774	119,373	121,149	120,723	115,453
	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
OPERATIONAL	In coordination with the Department of Public Safety and Colorado State Patrol, increase the number of lane miles covered by TIM Coalitions from 5,846 lane miles to 8,928 lane miles by June 30, 2020 and 10,000 miles by June 30, 2022.	FY	2020: 8,928 2022: 10,000	5,846	N/A	N/A	N/A	N/A
	Increase the use of 6" reflective striping on Colorado roadways from 114 striped miles in 2018 to 7,657 striped miles by June 30, 2020 and 9,000 lane miles by June 30, 2022.	FY	2020: 7,657 2022: 9,000	114	N/A	N/A	N/A	N/A
	Perform outreach with Colorado's future drivers on driver education, emerging technologies, and safe usage of the transportation system by performing 20 middle school visits by June 30, 2020 and 60 visits by 2022.	FY	2020: 20 2022: 60	N/A	N/A	N/A	N/A	N/A
	Increase the amount of funding delivered by the Strategic Safety Program for improvements for safety related roadway assets including cable guard rail, six-inch reflective striping, and rumble strips from \$0 in 2018 to \$11.3 million by December 31, 2019 and \$34 million by December 31, 2021.	CY	2020: \$11.3 M 2022: \$34.0 M	N/A	N/A	N/A	N/A	N/A
	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
INPUT	Annual Vehicle Miles Traveled on Colorado Roadways.	CY	N/A	N/A	53.38 Billion	52.15 billion	50.44 billion	48.99 billion
	Total number of licensed drivers in Colorado.	CY	N/A	N/A	4,156,138	4,066,580	3,974,521	3,883,362
	Total number of lane miles on Colorado's State Highway System.	CY	N/A	N/A	22,969.90	22,984.73	23,016.70	23,018.20



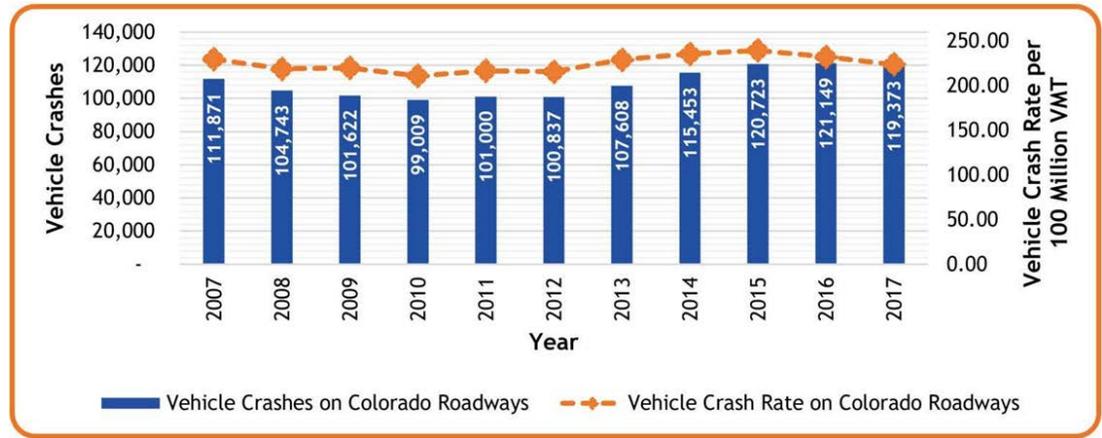
## Evaluation of Major Programs Supporting SPI: Improve Safety

**Major Program Area Relevant to SPI**

**Description and strategies to improve performance**

- Maintenance & Operations
- Support Programs
- Construction
- Multimodal Services
- Suballocated Programs

The safety of the traveling public and the Department’s employees is at the forefront of everything CDOT does. Despite the Department’s continued focus on safety, the number of traffic fatalities has increased in the past decade, from 450 in 2010 to 628 in 2018. For the traveling public, there is a 1 in 33 chance of being in an automotive crash, which makes driving the most dangerous activity most people do every day. Analysis of crash data has determined that most automotive crashes are caused by human factors, with distraction and use of mobile devices increasingly becoming the cause of many incidents, but often heavily under reported. Human factors can also contribute to unsafe conditions for highway construction and maintenance workers, with distraction and unsafe speeds creating unnecessary hazards for Department employees, the Department’s contracting partners, and first responders.



In response, the Department is providing a renewed emphasis on safety by introducing a new program: *Whole System, Whole Safety: Bringing everyone home safely*. This program capitalizes on current and planned safety efforts with new initiatives to help reduce traffic injuries and deaths. The Department aims to use this newly developed, systematic, statewide safety program that combines the benefits of CDOT programs to address human factors, physical assets, and organizational culture to fully integrate safety in everything that CDOT does and support real time operations. This program continues the initiative “Towards Zero Deaths,” launched in 2015 with the 2015-2019 Strategic Highway Safety Plan which aims for a bold and visionary goal of zero deaths for every individual, family, and community using Colorado’s transportation system.



## Expanding Multimodal Options: Operational Metrics

	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
O U T C O M E	Reduce annual vehicle miles traveled (VMT) per capita by 1% annually from a base of 9,500 VMT per capita in 2017.	CY	2020: 9,400 2022: 9,200	N/A	9,520.36	9,430.49	9,270.81	9,152.43
	Reduce GHG emissions from the transportation sector by 1% annually from a base of 4.75 tons per capita in 2016.	CY	2020: 4.70 tons 2022: 4.60 tons	N/A	N/A	4.75 tons	4.86 tons	N/A
	Reduce Volatile Organic Compounds (VOC) emitted from the transportation sector by 1% annually from a base of 2.45 pounds per capita in 2016.	CY	2020: 2.43 lbs. 2022: 2.38 lbs.	N/A	N/A	2.45 lbs.	2.84 lbs.	N/A
	Reduce nitrogen oxides (NOx) emitted from the transportation sector by 1% annually from a base of 15.29 pounds per capita in 2016.	CY	2020: 15.14 lbs. 2022: 14.83 lbs.	N/A	N/A	15.29 lbs.	18.06 lbs.	N/A
	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
O P E R A T I O N A L	To support Front Range mobility options, expand Bustang bus service with new routes and additional service, including pilot routes to key summer and winter tourist destinations, increasing overall ridership by 10% in fiscal year 2020 and 30% in fiscal year 2022, from an estimated baseline of 228,000 in fiscal year 2019.	FY	2020: 251,000 2022: 296,000	194,064	155,864	102,503	N/A	N/A
	To support Front Range mobility options, increase funding for comprehensive "Mobility Hubs" from \$0 in 2018 to \$50 million by June 30, 2020 and \$80 million by June 30, 2022, advancing to construction during 2020-2022.	FY	2020: \$50 M 2022: \$80 M	N/A	N/A	N/A	N/A	N/A
	Increase the number of Colorado citizens commuting to work using multimodal options from 24.8 percent to 25 percent in 2020 and 26 percent in 2022.	FY	2020: 25% 2022: 26%	N/A	24.8%	24.8%	24.7%	25.0%
	Increase funding from the Department for electrical vehicle adoption, for infrastructure, awareness, and education, supporting the Governor's Electrification Executive Order, increasing electric vehicles sold in the state from 7,051 in 2018 to 10,000 by June 30, 2020 and 21,000 by June 30, 2022.	FY	2020: 10,000 2022: 21,000	7,051	4,156	2,711	1,898	1,543



## Evaluation of Major Programs Supporting SPI: Expanding Multimodal Options

**Major Program Area Relevant to SPI**

**Description and strategies to improve performance**

- Multimodal Services
- Suballocated Programs
- Support Programs
- Construction

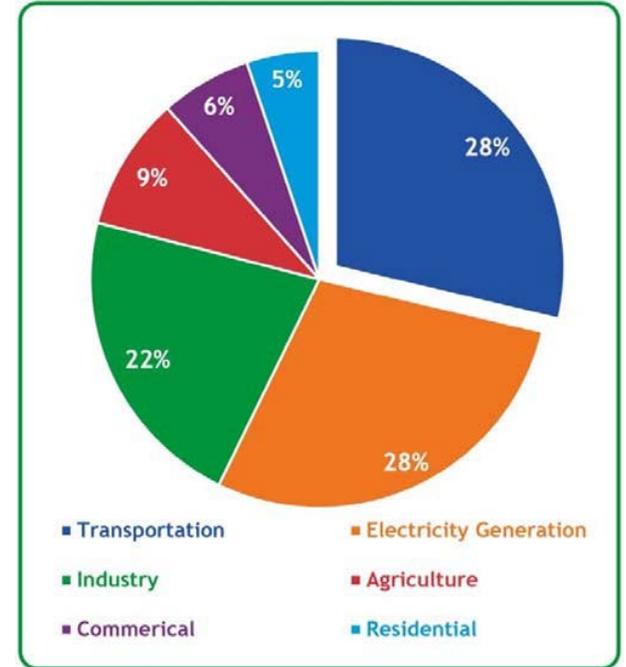
The transportation sector is one of the top contributors to greenhouse gases emitted into the environment, contributing more than one quarter of the total emissions from all sectors. Reducing the use of single occupancy vehicles will help reduce these emissions into the environment, while providing other safety and health benefits for residents of the state. CDOT plans to address this by expanding the current infrastructure to support interregional multimodal transport, and support mobility programs statewide.

Strategies to expand multimodal options:

1) Re-envision the traditional park-and-ride transit locations into “Mobility Hubs,” transportation centers which emphasize multimodal options. Examples: electric vehicle charging stations, parking spaces, bicycle and pedestrian connections, Bustang or other interregional transit services, local transit service connections, and Wi-Fi service for first mile/last mile services.

2) Expand current Bustang and Bustang Outrider service throughout the State, to provide additional transportation options to many of the State’s important tourism destinations, and provide transit connections for more of the State’s rural communities. The Department will be supporting other mobility services, providing additional options to commuters to avoid single occupancy vehicle use.

3) Implement the Governor’s Executive Order B2019-002, “Supporting a Transition to Zero Emission Vehicles,” including developing a CDOT Clean Transportation Plan, helping to electrify transit fleets, and support zero emission vehicle adoption throughout the State.





## Planning & Execution: Operational Metrics

	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
O U T C O M E	Develop a 10-year, achievable, strategic pipeline of projects that maximizes safety and mobility, based on a data-driven project selection process and public stakeholder involvement, with the 10-year STIP adopted by the Transportation Commission by June 30, 2020 and the first STIP update, informed by the Department's public stakeholder involvement, 100% complete and adopted by the Transportation Commission by June 30, 2022.	FY	2020: 100% 2022: 100%	N/A	N/A	N/A	N/A	N/A
	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
O P E R A T I O N A L	Through the continuous planning process, use a data driven approach to identify system needs, through the use of geospatial analysis, ensuring that every county in the state has the footprint overlaid with at least five key transportation drivers such as population distribution, employment centers, safety factors, tourism destinations, and environmental/climate factors by September 30, 2019 and ensure that this geospatial analysis is prominently displayed through the Department's website ensuring 10 million media impressions focused on "Your Transportation Plan" by June 30, 2022.	FY	2020: 64 2022: 10 million	N/A	N/A	N/A	N/A	N/A
	Engage Coloradans from across the state in the new transportation planning effort by reaching 64,000 people and 64 counties through county and stakeholder presentations, survey responses, telephone town halls, and other means by September 30, 2019, and continue further public engagement through social and traditional media channels to ensure 10 million media impressions focused on "Your Transportation Plan" by June 30, 2022.	FY	2020: 64,000 2022: 10 million	N/A	N/A	N/A	N/A	N/A
	Identify a data-driven project selection framework that is 100 percent completed and implemented by September 30, 2019.	FY	2020: 100%	N/A	N/A	N/A	N/A	N/A
	Metric Description	Year Type	Targets	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
I N P U T	Total number of presentations, meetings, telephone town halls, and other engagements with public stakeholders on the transportation planning process.	FY	N/A	N/A	N/A	N/A	N/A	N/A
	Colorado Department of Transportation's total fiscal year budget.	FY	N/A	\$2.18 billion	\$1.56 billion	\$1.43 billion	\$1.26 billion	\$1.25 billion



## Evaluation of Major Supporting SPI: Planning & Execution

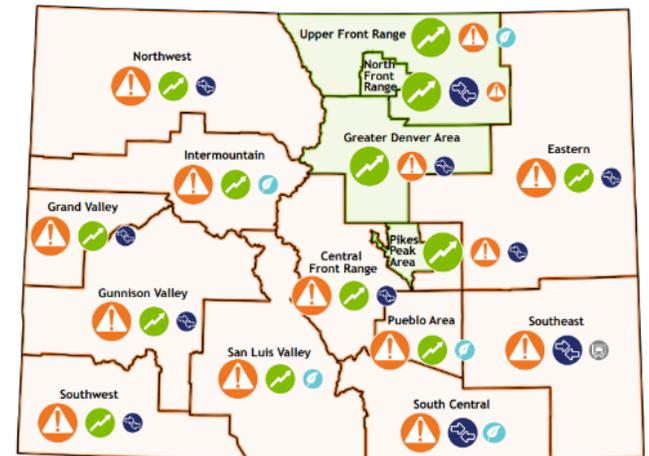
### Major Program Area Relevant to SPI

### Description and strategies to improve performance

- Support Programs
- Suballocated Programs
- Multimodal Services
- Construction

In the past, transportation planning on a statewide level was focused on a grassroots approach, but was often siloed by transportation mode. While a 25-year statewide plan was developed, many mode specific plans were developed concurrently (examples include: Freight Plan, Mobility Plan, Statewide Transit Plan), with multiple lists of unfunded projects developed at irregular intervals. Each of these plans required months of work to develop and required multiple connections to stakeholders across the state, often meeting with the same stakeholders for each different effort. This gave the appearance of a disconnected planning process.

The Department’s new planning approach will expand the current four-year Statewide Transportation Improvement Plan, a federally required, fiscally constrained list of projects, currently updated on a rolling basis where a fourth year of projects is added every year, into a 10-year strategic pipeline of projects. This strategic pipeline of projects will be informed by a data-driven needs assessment with public and stakeholder input, and will be inclusive of all transportation modes. Using the Department’s recently completed Statewide Travel Demand Model and in-house geographic information system (GIS) capabilities, CDOT can visually represent the relationship of the existing transportation system with a range of different factors to assess transportation needs for the diverse set of communities around the state. Under this initiative, the department will look to provide modal plan integration, marrying both the Statewide Transit Plan and the overall 2045 Statewide Long Range Plan to effectively engage the public and stakeholders and accurately inform the 10-year strategic pipeline of projects of transportation needs across all modes.



Source: 2019 Year Transportation Plan MetroQuest Online Survey



## SECTION 3: FINANCIAL STRUCTURE

### I) Historical Long Bill Appropriations by Long Bill Line Item

Total Long Bill Appropriations for CDOT						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$1,436,913,372	\$0	\$844,073,959	\$19,777,338	\$573,062,075	3326.8
FY16-17	\$1,404,724,871	\$0	\$747,975,934	\$5,866,138	\$650,882,799	3326.8
FY17-18	\$1,578,506,823	\$0	\$851,844,882	\$8,552,189	\$718,109,752	3326.8
FY18-19	\$1,827,788,544	\$0	\$1,209,197,195	\$6,672,645	\$611,918,704	3328.8
FY19-20	\$2,112,021,087	\$0	\$1,483,476,167	\$7,078,096	\$621,466,824	3328.8

(1) Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$30,872,211	\$0	\$29,011,065	\$1,861,146	\$0	183.5
FY16-17	\$31,748,583	\$0	\$29,863,386	\$1,885,197	\$0	183.5
FY17-18	\$33,057,657	\$0	\$31,194,630	\$1,863,027	\$0	183.5
FY18-19	\$35,908,390	\$0	\$35,845,118	\$63,272	\$0	183.5
FY19-20	\$38,281,507	\$0	\$38,218,284	\$63,223	\$0	183.5

(2) Construction, Maintenance, and Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$1,277,416,161	\$0	\$702,437,894	\$1,916,192	\$573,062,075	3137.3
FY16-17	\$1,236,114,586	\$0	\$598,339,646	\$1,892,141	\$635,882,799	3137.3
FY17-18	\$1,419,531,001	\$0	\$699,506,587	\$1,914,662	\$718,109,752	3136.3
FY18-19	\$1,579,691,304	\$0	\$966,357,727	\$1,414,873	\$611,918,704	3132.3
FY19-20	\$1,912,606,932	\$0	\$1,289,725,235	\$1,414,873	\$621,466,824	3132.3

Comment: This line supports both CORE and Support functions of the Department.

(3) High Performance Transportation Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$2,575,000	\$0	\$1,575,000	\$1,000,000	\$0	4.0
FY16-17	\$7,716,702	\$0	\$5,627,902	\$2,088,800	\$0	4.0
FY17-18	\$11,162,500	\$0	\$6,388,000	\$4,774,500	\$0	5.0
FY18-19	\$19,148,850	\$0	\$13,954,350	\$5,194,500	\$0	9.0
FY19-20	\$16,942,648	\$0	\$11,342,648	\$5,600,000	\$0	9.0



<b>(4) First Time Drunk Driving Offenders Account</b>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
FY16-17	\$2,000,000	\$0	\$2,000,000	\$0	\$0	0.0
FY17-18	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
FY18-19	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
FY19-20	\$2,500,000	\$0	\$2,500,000	\$0	\$0	0.0

<b>(5) Statewide Bridge Enterprise</b>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$124,100,000	\$0	\$109,100,000	\$15,000,000	\$0	2.0
FY16-17	\$126,600,000	\$0	\$111,600,000	\$0	\$15,000,000	2.0
FY17-18	\$112,241,665	\$0	\$112,241,665	\$0	\$0	2.0
FY18-19	\$116,240,000	\$0	\$116,240,000	\$0	\$0	2.0
FY19-20	\$118,140,000	\$0	\$118,140,000	\$0	\$0	2.0

<b>(6) Marijuana Impaired Driving Program</b>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$450,000	\$0	\$450,000	\$0	\$0	0.0
FY16-17	\$450,000	\$0	\$450,000	\$0	\$0	0.0
FY17-18	\$950,000	\$0	\$950,000	\$0	\$0	0.0
FY18-19	\$950,000	\$0	\$950,000	\$0	\$0	0.0
FY19-20	\$950,000	\$0	\$950,000	\$0	\$0	0.0

<b>(7) Southwest Chief and Front Range Passenger Rail Commission</b>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$0	\$0	\$0	\$0	\$0	0.0
FY16-17	\$95,000	\$0	\$95,000	\$0	\$0	0.0
FY17-18	\$64,000	\$0	\$64,000	\$0	\$0	0.0
FY18-19	\$2,600,000	\$0	\$2,600,000	\$0	\$0	2.0
FY19-20	\$100,000	\$0	\$100,000	\$0	\$0	2.0

<b>(8) Multimodal Transportation Projects</b>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY15-16	\$0	\$0	\$0	\$0	\$0	0.0
FY16-17	\$0	\$0	\$0	\$0	\$0	0.0
FY17-18	\$0	\$0	\$0	\$0	\$0	0.0
FY18-19	\$71,750,000	\$0	\$71,750,000	\$0	\$0	0.0
FY19-20	\$22,500,000	\$0	\$22,500,000	\$0	\$0	0.0



## 2) Capital Expenditure Information

Capital Construction Appropriations History				
	Controlled Maintenance	Capital Renewal & Recapitalization	Capital Expansion	Capital IT Projects
FY15-16	\$0	\$500,000	\$0	\$0
FY16-17	\$0	\$500,000	\$0	\$0
FY17-18	\$0	\$500,000	\$0	\$0
FY18-19	\$0	\$500,000	\$902,000	\$0
FY19-20	\$0	\$500,000	\$0	\$0

## 3) Ongoing Debt Obligations

The Department has ongoing debt service obligations resulting from the passage of SB 17-267 Sustainability of Rural Colorado, which was modified by SB 19-263 Delay Referral of Transportation Revenue Anticipation Notes (TRANS) Ballot Issue to 2020, and also from the building of its new Headquarters in Denver and renovations or replacements of other properties. The final debt service obligation is dependent upon the outcome of a ballot measure that will be referred to voters in November 2020, pursuant to SB 19-263. Each of these is discussed in more detail below.



Table 1 - CDOT Outstanding Debt

Purpose	Issue	Original Principal	Outstanding Principal
<b><u>Certificates of Participation</u></b>			
Region Headquarters Buildings	Series 2017	\$ 58,665,000	\$ 58,665,000
Headquarters Building	Series 2016	70,000,000	70,000,000
Refunding COPS	Series 2012	21,075,000	8,980,000
	<b>Subtotal</b>	<b>\$ 149,740,000</b>	<b>\$ 137,645,000</b>
<b><u>Rural Colorado Certificates of Participation</u></b>			
Series 2018A*	Series 2018A	\$ 500,000,000	\$ 500,000,000
	<b>Subtotal</b>	<b>\$ 500,000,000</b>	<b>\$ 500,000,000</b>
<b><u>Bridge Enterprise Revenue Bonds</u></b>			
Build America Taxable	Series 2010A	\$ 300,000,000	\$ 300,000,000
	<b>Subtotal</b>	<b>\$ 300,000,000</b>	<b>\$ 300,000,000</b>
<b><u>High Performance Transportation Enterprise Obligations</u></b>			
C-470 TIFIA Loan	Series 2017B	\$ 106,950,231	\$ 106,950,231
C-470 Toll Revenue Bonds	Series 2017A	161,795,000	161,795,000
I-25 North Express Lane Note	Series 2016	23,630,000	23,630,000
I-70 West MEXL Note	Series 2014	25,000,000	25,000,000
	<b>Subtotal</b>	<b>\$ 317,375,231</b>	<b>\$ 317,375,231</b>
	<b>TOTAL</b>	<b>\$ 1,267,115,231</b>	<b>\$ 1,255,020,231</b>
<b><u>Public Private Partnerships</u></b>			
Central 70	Series 2017	\$ 114,660,000	\$ 114,660,000
	<b>Subtotal</b>	<b>\$ 114,660,000</b>	<b>\$ 114,660,000</b>

\* In the first year, CDOT received \$380 million in COP proceeds after the first \$120 million was diverted to capital construction, pursuant to SB 17-267.

**SB 17-267 - Sustainability of Rural Colorado**

This bill directed the State Treasurer to execute lease-purchase agreements on existing state facilities to generate revenue for priority transportation projects. These agreements function as sales of state property to private investors, and they require investors to immediately lease the buildings back to the state. Leases are renewed annually for up to 20 years, after which the state resumes ownership of the buildings. It is expected that the state will raise \$1.9 billion in total transportation revenue from the selected buildings. In the first year of COP issuance, CDOT received \$380 million in proceeds after \$120 million was diverted to capital construction, with \$500 million anticipated in each of the next three years (FY 2019-20 through FY 2021-22).



Under this bill, lease payments are limited to \$150 million annually over 20 years, or \$3.0 billion total. The General Fund is responsible for the first \$9.0 million in debt service, the State Highway Fund is responsible for the next \$50.0 million, and then the General Fund is responsible for anything remaining after those two payments. Put another way, of the \$150 million in annual debt service, the General Fund is responsible for \$100 million and the SHF is responsible for \$50 million. The first issuance of COPs occurred in FY 2018-19, with a total repayment of \$37.5 million. Of this total, CDOT paid \$28.9 million.

### ***SB 19-263 - Delay Referral of TRANs Ballot Issue to 2020***

This bill makes annual transfers of \$50 million from the General Fund to the SHF until FY 2039-40 to assist with CDOT's portion SB 17-267 debt service.

This bill also repealed the 2019 ballot measure that would have been referred to voters under SB 18-001, and creates a similar ballot measure for the November 2020 election.

If approved by the voters, this ballot measure will:

- Require the sale of \$1.837 billion in TRANs, with a maximum repayment cost of \$2.560 billion over 20 years;
- Require an annual transfer \$42.5 million to the SHF to assist with TRANs debt service (in addition to the \$50 million annual transfer, for a total of \$92.5 million annually); and
- Repeal the last two years of SB 17-267 lease-purchase agreements (a total of \$1.0 billion).

Under this bill, the second year of SB 17-267 lease purchase agreements will still be issued. The third and fourth years of these agreements will only be issued if the ballot measure fails.

Table 1 below summarizes the revenue and debt service impacts based on the outcome of the 2020 ballot measure. If the ballot measure passes, the State Highway Fund will only be responsible for \$14.5 million of the debt service for the two tranches of SB 17-267 Lease-Purchase agreements, and the General Fund will be responsible for \$60.5 million (for a total of \$75 million in SB 17-267 debt service).



**Table 2 - SB 19-263 Ballot Measure Outcomes**  
(Millions)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Ballot Measure Passes</b>	<b>\$612.3</b>	<b>\$612.3</b>	<b>\$612.3</b>	<b>\$0.0</b>
2020 Ballot Measure Revenue	\$612.3	\$612.3	\$612.3	\$0.0
<b>Ballot Measure Fails</b>	<b>\$500.0</b>	<b>\$500.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
SB 17-267 Revenue	\$500.0	\$500.0	\$0.0	\$0.0
2020 Ballot Measure Revenue	\$0.0	\$0.0	\$0.0	\$0.0
<b>State Debt Service Obligation</b>				
<b>Ballot Measure Passes</b>	<b>\$117.7</b>	<b>\$160.3</b>	<b>\$203.0</b>	<b>\$203.0</b>
General Fund	\$153.0	\$153.0	\$153.0	\$153.0
General Fund Obligation	\$60.5	\$60.5	\$60.5	\$60.5
General Fund Transfer to SHF	\$92.5	\$92.5	\$92.5	\$92.5
State Highway Fund	(\$35.3)	\$7.3	\$50.0	\$50.0
State Highway Fund Obligation	\$57.2	\$99.8	\$142.5	\$142.5
Less General Fund Transfer to SHF	(\$92.5)	(\$92.5)	(\$492.5)	(\$92.5)
<b>Ballot Measure fails</b>	<b>\$112.5</b>	<b>\$150.0</b>	<b>\$150.0</b>	<b>\$150.0</b>
General Fund	\$112.5	\$150.0	\$150.0	\$150.0
General Fund Obligation	\$62.5	\$100.0	\$100.0	\$100.0
General Fund Transfer to SHF	\$50.0	\$50.0	\$50.0	\$50.0
State Highway Fund	\$0.0	\$0.0	\$0.0	\$0.0
State Highway Fund Obligation	\$50.0	\$50.0	\$50.0	\$50.0
Less General Fund Transfer to SHF	(\$50.0)	(\$50.0)	(\$50.0)	(\$50.0)



**Table 3 - Breakout of Debt Service Obligation - SB17-267 COPs and SB19-263 TRANS**  
(millions)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Ballot Measure Passes</b>				
Total State Highway Fund Obligation	\$57.2	\$99.8	\$142.5	\$142.5
COP Obligation	\$14.5	\$14.5	\$14.5	\$14.5
TRANS Obligation	\$42.7	\$85.3	\$128.0	\$128.0
General Fund (GF) Transfer	(\$92.5)	(\$92.5)	(\$92.5)	(\$92.5)
Net SHF Debt Payment after GF Transfer	(\$35.33)	\$7.33	\$50.00	\$50.00
<b>Ballot Measure Fails</b>				
Total State Highway Fund Obligation	\$50.0	\$50.0	\$50.0	\$50.0
COP Obligation	\$50.0	\$50.0	\$50.0	\$50.0
TRANS Obligation	N/A	N/A	N/A	N/A
GF Transfer	(\$50.0)	(\$50.0)	(\$50.0)	(\$50.0)
Net SHF Debt Payment after GF Transfer	\$0.0	\$0.0	\$0.0	\$0.0

**Other Outstanding Debt**

The Department makes lease payments on a series of COPs issued to renovate or replace CDOT properties. In recent years, CDOT has completed a number of projects to consolidate buildings for region and department headquarters. A summary of the current outstanding COP debt related to CDOT headquarters buildings can be found in Table 1 above.

**CDOT Region 4 Building** - This project was completed in CDOT Engineering Region 4. It was completed on time and on budget in November 2016, and it consolidated 13 buildings into 4.

**CDOT Region 2 Building** - This project was completed in CDOT Engineering Region 2. It was completed on time and on budget in April 2018, and it consolidated 13 buildings into 3.

**CDOT Headquarters/Region 1**- This project was completed in May 2018. It was completed under budget and consolidated 32 buildings into 12. It serves as the main headquarters for the department and Engineering Region 1.

**Bridge Enterprise** - To accelerate the repair or replacement of Colorado’s poor bridges, FASTER created a new enterprise, the Bridge Enterprise (BE), and designated the Transportation Commission to serve as the Bridge Enterprise Board of Directors (Board). The business purpose of the Enterprise is to “finance, repair, reconstruct, and replace any designated bridge in the state” per C.R.S. 43-4-805 (2)(b). Because it was constituted as a government-owned business, the Enterprise may issue revenue bonds to accelerate construction of Colorado’s poor bridges. In 2010, the Bridge Enterprise issued \$300 million in revenue bonds under the Build America Bonds Program.

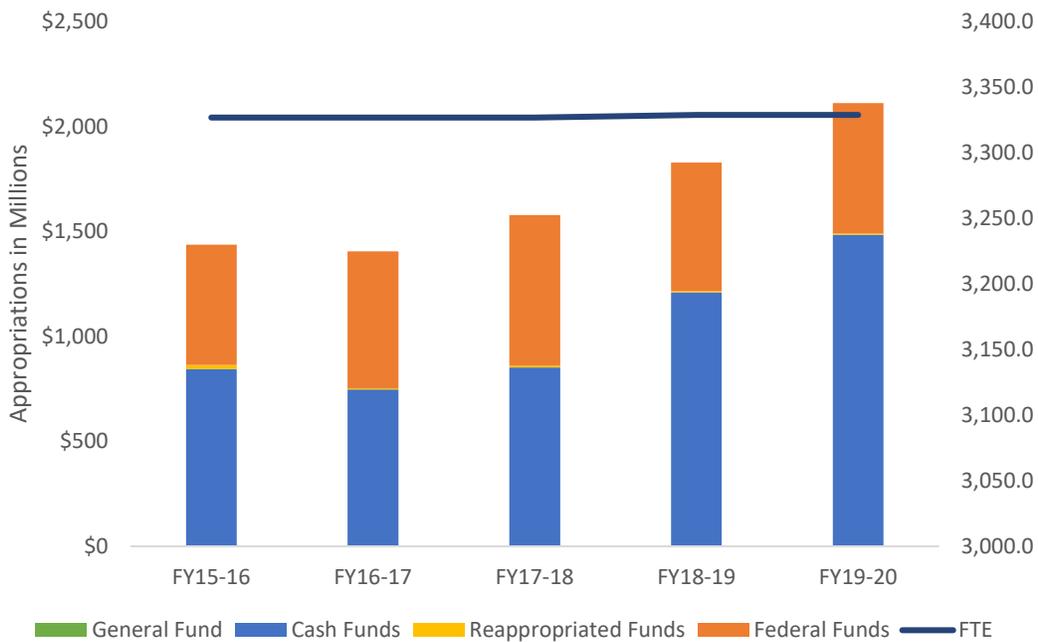


**High Performance Transportation Enterprise** - The High Performance Transportation Enterprise (HPTTE) board supervises and advises the Enterprise’s Director, and is authorized to enter into agreements with the Transportation Commission and private industry to finance, build, operate, and maintain transportation infrastructure using innovative financing and contracting methods. The board is also authorized to issue revenue bonds that are payable from user fees generated on corridors owned by the Enterprise.

### 4) Budget-Related Graphics

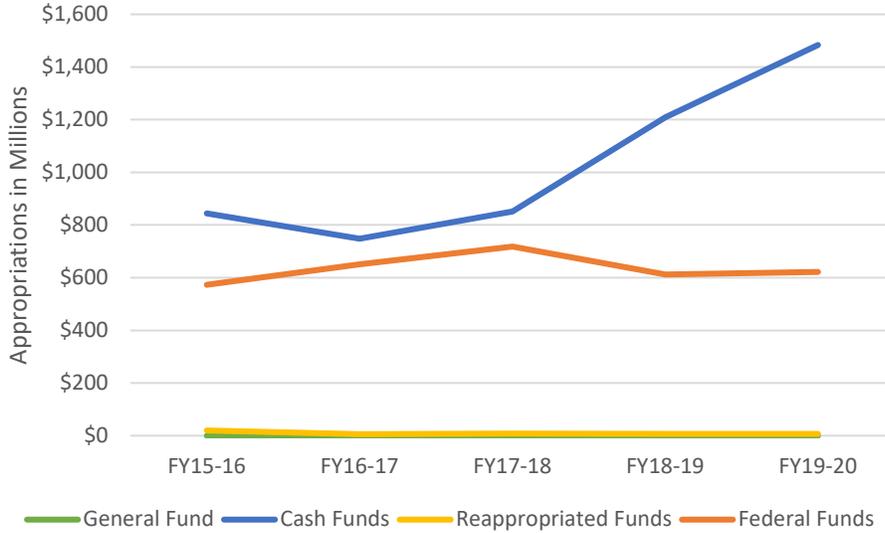
The following graphics show the history of the Department’s Long Bill appropriations by fund source.

**Figure 1 - CDOT Long Bill Appropriations History**  
(Millions)



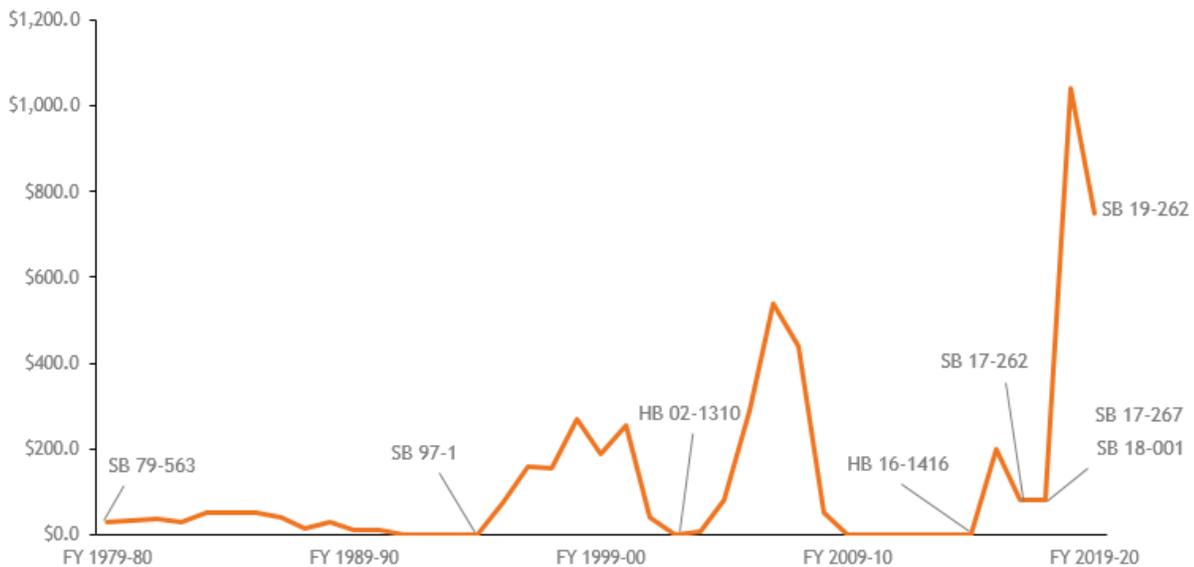


**Figure 2 CDOT Long Bill Fund Source History**  
(Millions)



Over the past 40 years, CDOT has received varying levels of funding from the state’s General Fund. The General Fund is not appropriated to the Department in the Long Bill, but rather transferred to the State Highway Fund, for which the Department has continuous spending authority; therefore, General Fund transfers appear in the Long Bill as informational only cash funds. The figure below provides an overview of General Fund spending on transportation since 1980.

**Figure 3 - Historical General Fund Transfers to Transportation**  
FY 1978-80 to FY 2019-20





While CDOT does not currently have a dedicated stream of General Fund revenue, recent legislation has transferred one-time funding from the General Fund to CDOT, counties, and municipalities for transportation purposes. Table 4 summarizes the General Fund money diverted to CDOT in recent fiscal years.

**Table 4 - CDOT General Fund Transfers**  
(Millions)

	FY 2016-17 Allocated	FY 2017-18 Allocated	FY 2018-19 Budgeted	FY 2019-20 Budgeted	FY 2020-21 Proposed
<b>General Fund</b>	<b>\$79.5</b>	<b>\$79.5</b>	<b>\$727.0</b>	<b>\$715.5</b>	<b>\$550.5</b>
SB 17-262	\$79.0	\$79.0	\$0.0	\$0.0	\$0.0
SB 17-267	\$0.0	\$0.0	\$380.0	\$500.0	\$500.0
SB 18-001	\$0.0	\$0.0	\$346.5	\$105.0	\$0.0
SB 19-262	\$0.0	\$0.0	\$0.0	\$60.0	\$0.0
SB 19-263	\$0.0	\$0.0	\$0.0	\$50.0	\$50.0
House Bill 19-1258	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capital Development Transfers	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5

The following graphics provide a snapshot of the Department’s FY 2019-20 revenue and planned expenditures. The total current budget for FY 2019-20 is \$2.2 billion. This does not include balances in open construction projects or unbudgeted prior year balances.

**Figure 4 - FY 2019-20 CDOT Sources of Funding**  
(Millions)

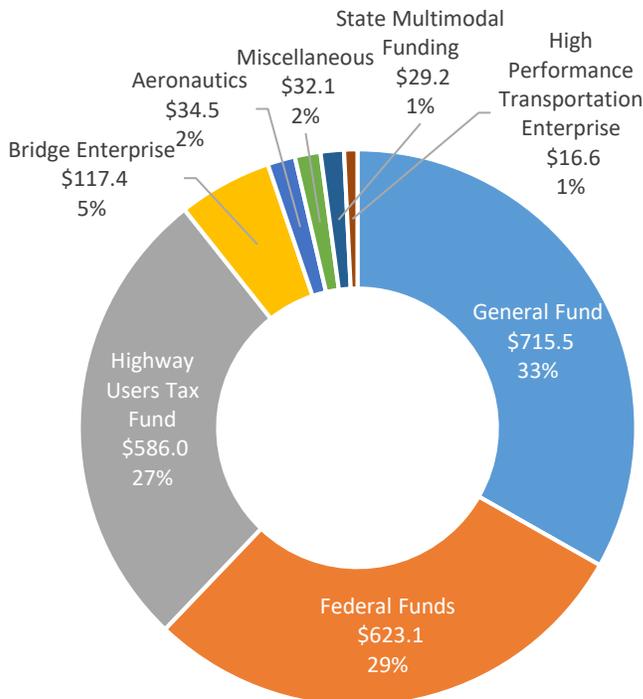
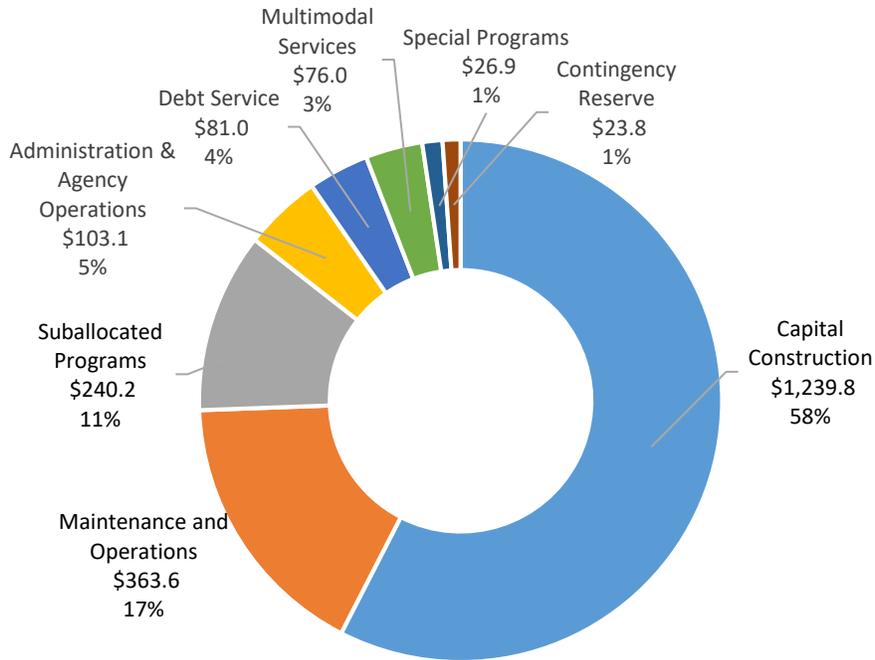




Figure 5 - FY 2019-20 CDOT Uses of Funding  
(Millions)





## SECTION 4: FINANCIAL FORECAST

### I) Baseline Forecast: Budget Drivers in the FY20 – FY24 Timeframe

#### Appropriations Forecast

The following tables forecast CDOT’s Long Bill appropriations from FY 2020-21 through FY 2023-24, by Long Bill line item and by Fund Type.

Table 5 - CDOT Long Bill Appropriations Forecast by Line Item  
FY 2020-21 to FY 2023-24

Long Bill Line Item	FY21	FY22	FY23	FY24
Administration	\$39,429,952	\$40,612,851	\$41,831,236	\$43,086,173
<i>Cash Fund</i>	\$39,366,729	\$40,549,628	\$41,768,013	\$43,022,950
<i>Reappropriated</i>	\$63,223	\$63,223	\$63,223	\$63,223
Construction, Maintenance, and Operations	\$1,785,881,791	\$1,793,846,377	\$1,296,350,851	\$1,302,875,975
<i>Cash Fund</i>	\$1,208,216,127	\$1,213,308,921	\$712,922,307	\$716,547,011
<i>Reappropriated</i>	\$1,414,873	\$1,414,873	\$1,414,873	\$1,414,873
<i>Federal Funds</i>	\$576,250,791	\$579,122,583	\$582,013,671	\$584,914,091
High Performance Transportation Enterprise	\$19,831,978	\$21,857,192	\$23,064,393	\$23,927,586
<i>Cash Fund</i>	\$14,147,978	\$16,087,932	\$17,208,594	\$17,983,950
<i>Reappropriated</i>	\$5,684,000	\$5,769,260	\$5,855,799	\$5,943,636
First Time Drunk Driver	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Statewide Bridge Enterprise	\$119,910,162	\$129,052,062	\$131,042,062	\$133,052,062
Marijuana Impaired Driving	\$950,000	\$950,000	\$950,000	\$950,000
Southwest Chief	\$100,000	\$100,000	\$100,000	\$100,000
Multimodal Transportation Projects	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$1,967,603,883</b>	<b>\$1,987,918,482</b>	<b>\$1,494,838,542</b>	<b>\$1,505,491,796</b>

Table 6 - CDOT Long Bill Appropriations Forecast by Fund Type  
FY 2020-21 to FY 2023-24

Fiscal Year Appropriation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2020-21*	\$1,967,603,883	\$0	\$1,384,190,996	\$7,162,096	\$576,250,791
FY 2021-22*	\$1,987,918,482	\$0	\$1,401,548,543	\$7,247,356	\$579,122,583
FY 2022-23*	\$1,494,838,542	\$0	\$905,490,976	\$7,333,895	\$582,013,671
FY 2023-24*	\$1,505,491,796	\$0	\$913,155,973	\$7,421,732	\$584,914,091

\*Estimated Appropriation



## Annual Revenue Model

The Office of Financial Management and Budget (OFMB) employs a structural model for forecasting annual revenue using variables on both state and national levels. Some of these variables include, but are not limited to:

- Colorado's population
- State and national GDP / economic growth indicators
- Fuel prices (gasoline and diesel)
- Personal income
- U.S. Treasury interest rates

Using a combination of these and a range of other variables, the model forecasts vehicle miles traveled (VMT) in Colorado, as well as the annual sales of new vehicles by fuel economy, the expected number of vehicles retired due to age or other factors, and the expected number of vehicles immigrating into the state on an annual basis. These forecasts are then used to project revenue from fuel taxes, registration fees, and a range of other miscellaneous sources.

Additional sources of revenue, such as Federal Transit Administration (FTA) and National Highway Safety Administration (NHTSA) grants, and Federal Highway Administration (FHWA) apportionments are also included, but forecasted on assumed average annual rates of growth based upon historical performance.

All of these funds, as well as others, such as revenue from CDOT's Division of Aeronautics and interest from State Infrastructure Bank loans and deposits, amount to the total forecasted revenue anticipated by the Department each year, and establish the basis for the development of the Annual Budget.

A condensed snapshot of the Department's revenue forecast for FY 2019-20 through FY 2023-24 is provided on the following page. Please contact OFMB with any questions or to request additional detail. [cdot\\_budget@state.co.us](mailto:cdot_budget@state.co.us)



Table 7 - CDOT Revenue Forecast  
FY 2019-20 to FY 2023-24

<b>CDOT REVENUE FORECAST: FY 2019-20 - FY 2023-24</b>					
	<b>FY 2019-20 Forecast</b>	<b>FY 2020-21 Forecast</b>	<b>FY 2021-22 Forecast</b>	<b>FY 2022-23 Forecast</b>	<b>FY 2023-24 Forecast</b>
<b>CDOT Revenue</b>					
<b>HUTF Revenue to CDOT</b>					
Regular HUTF	\$467.5	\$469.1	\$470.8	\$471.1	\$473.2
Faster Safety HUTF	\$118.5	\$120.5	\$123.1	\$125.1	\$127.1
<b>Total HUTF Revenue</b>	<b>\$586.0</b>	<b>\$589.6</b>	<b>\$593.8</b>	<b>\$596.2</b>	<b>\$600.4</b>
<b>Miscellaneous Revenue</b>	<b>\$28.1</b>	<b>\$27.0</b>	<b>\$25.5</b>	<b>\$24.2</b>	<b>\$24.2</b>
<b>State Local Match</b>	<b>\$0.6</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>State Infrastructure Bank</b>	<b>\$0.5</b>	<b>\$0.4</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0.3</b>
<b>General Fund Revenue</b>	<b>\$678.0</b>	<b>\$550.5</b>	<b>\$550.5</b>	<b>\$50.5</b>	<b>\$50.5</b>
<b>Federal Revenue</b>					
FHWA Apportionments	\$550.7	\$553.5	\$556.3	\$559.0	\$561.8
FHWA Local Match	\$22.3	\$22.8	\$22.9	\$23.0	\$23.1
<b>Total Federal Revenue</b>	<b>\$573.1</b>	<b>\$576.3</b>	<b>\$579.1</b>	<b>\$582.0</b>	<b>\$584.9</b>
<b>Transit and Rail Revenue</b>					
Federal Transit Administration Funding	\$26.8	\$24.4	\$24.5	\$24.7	\$24.8
Federal Transit Administration Local Match	\$14.6	\$14.1	\$14.2	\$14.3	\$14.3
Rail and Transit - State Highways	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0
Bustang	\$1.7	\$0.0	\$0.0	\$0.0	\$0.0
Rail Bank	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Transit and Rail Revenue</b>	<b>\$48.1</b>	<b>\$43.5</b>	<b>\$43.7</b>	<b>\$43.9</b>	<b>\$44.2</b>
<b>Total Aeronautics Funds</b>	<b>\$33.0</b>	<b>\$34.9</b>	<b>\$38.4</b>	<b>\$38.0</b>	<b>\$38.4</b>
<b>Safety Education Funds</b>					
NHTSA	\$8.6	\$8.9	\$9.0	\$9.0	\$9.1
State Safety Education Funds	\$2.8	\$2.4	\$2.5	\$2.5	\$2.5
<b>Total Safety Education Funds</b>	<b>\$11.4</b>	<b>\$11.4</b>	<b>\$11.5</b>	<b>\$11.5</b>	<b>\$11.6</b>
<b>Total CDOT Revenue</b>	<b>\$1,958.8</b>	<b>\$1,833.5</b>	<b>\$1,842.8</b>	<b>\$1,346.6</b>	<b>\$1,354.5</b>
<b>High Performance Transportation</b>					
Enterprise	\$16.6	\$19.8	\$21.9	\$23.1	\$23.9
State Bridge Enterprise	\$117.4	\$119.9	\$129.1	\$131.0	\$133.1
<b>Total All CDOT and Entities</b>	<b>\$2,092.8</b>	<b>\$1,973.3</b>	<b>\$1,993.7</b>	<b>\$1,500.7</b>	<b>\$1,511.4</b>
Fee For Service	\$5.6	\$5.7	\$5.8	\$5.9	\$5.9
<b>Total Consolidated Revenue</b>	<b>\$2,087.2</b>	<b>\$1,967.6</b>	<b>\$1,987.9</b>	<b>\$1,494.8</b>	<b>\$1,505.5</b>

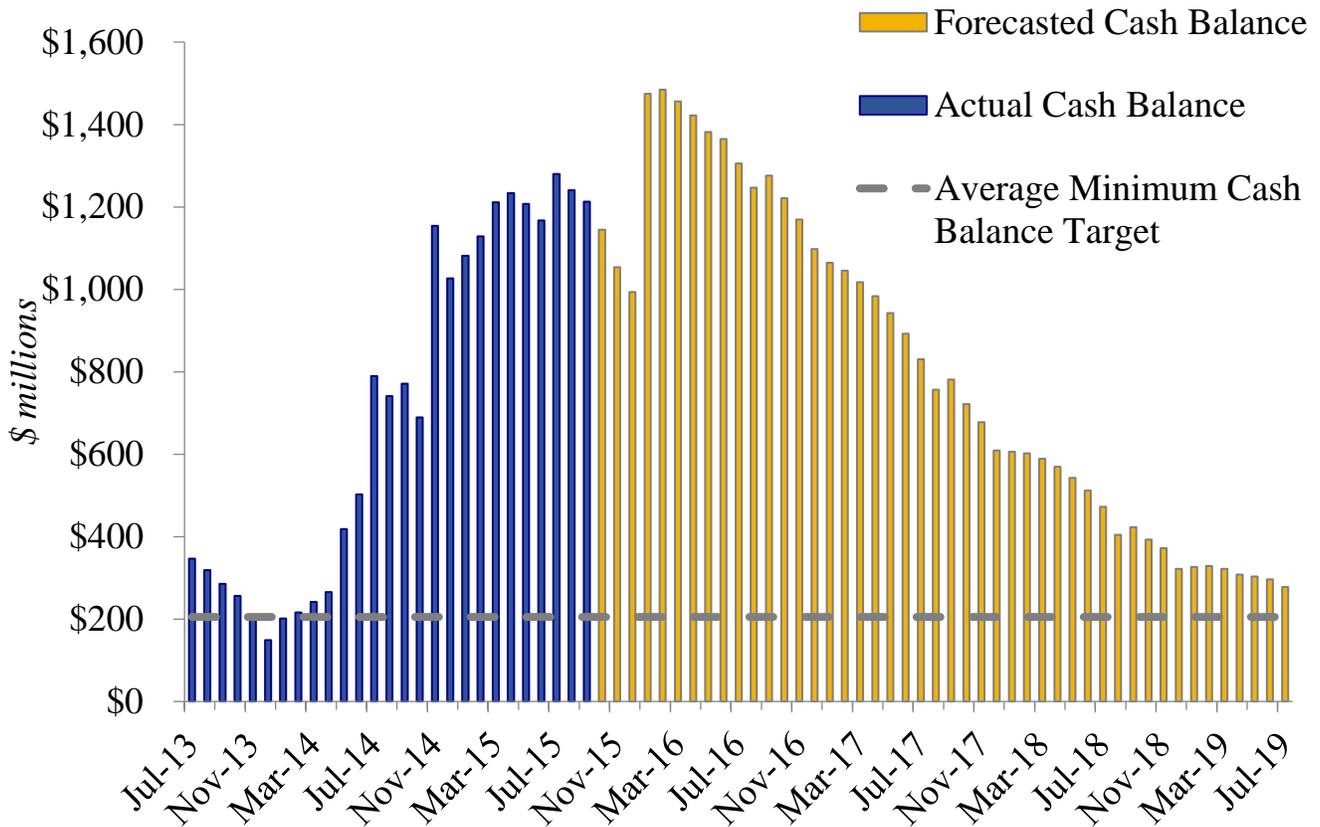


**Monthly Cash Model**

OFMB also produces a monthly cash report for the Transportation Commission (TC) using a short-range model that forecasts the Department’s projected cash balance over a 48-month timespan. The model incorporates the latest state revenues, FHWA reimbursements, General Fund transfers, and other sources of revenue that are received for a given month, alongside projected expenditures for costs such as staff, debt service, and payments to contractors. Working in concert with estimates from the Program Management Office (PMO) for anticipated project expenditures, OFMB forecasts CDOT’s future cash flow to ensure the efficient allocation of funds for current and future projects. The outputs of the cash model are then used to produce that month’s update to the TC on CDOT’s projected cash balance over the next four years.

The chart below depicts the forecast of the closing State Highway Fund cash balance in each month, as compared to the average targeted minimum cash balance for that month (grey dotted line) 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 6 State Highway Fund Cash Forecast, as of October 2019**  
(Millions)





The projected closing cash balance in September 2019 was \$1.2 billion; \$1.0 billion above that month's cash balance target of \$190 million. The large cash balance results from additional General Fund transfers in FY 2018-19 and FY 2019-20, and the issuances of SB 17-267 COPs in FY 2018-19 and FY 2019-20.

**Cash Revenues**

Revenues in the forecast include current and future year forecasted revenues, as well as current cash balances.

Additionally, the forecast of revenues and capital proceeds includes:

- Senate Bill 17-267: \$425 million in November 2018, \$500 million in January 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 FY 2020-21 and FY 2021-22 from SB 17-267 capital proceeds. 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 to the forecast once specific projects are identified. 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.

**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 the State Highway Fund is shown below.

Payments in the forecast include open projects from prior fiscal years, and projects anticipated to be funded through the current and future year annual budget.

**Table 8 Forecasted State Highway Fund Payments to Contractors**  
(Millions)

<i>\$ millions</i>	<i>CY 2017 (actual)</i>	<i>CY 2018 (actual)</i>	<i>CY 2019 (forecast)</i>	<i>CY 2020 (forecast)</i>	<i>CY 2021 (forecast)</i>	<i>CY 2022 (forecast)</i>	<i>CY 2023 (forecast)</i>
Expenditures	\$642	\$578	\$717	\$905	\$884	\$603	\$416



## 2) Narrative: Agency Budget Drivers/ Agency Environment

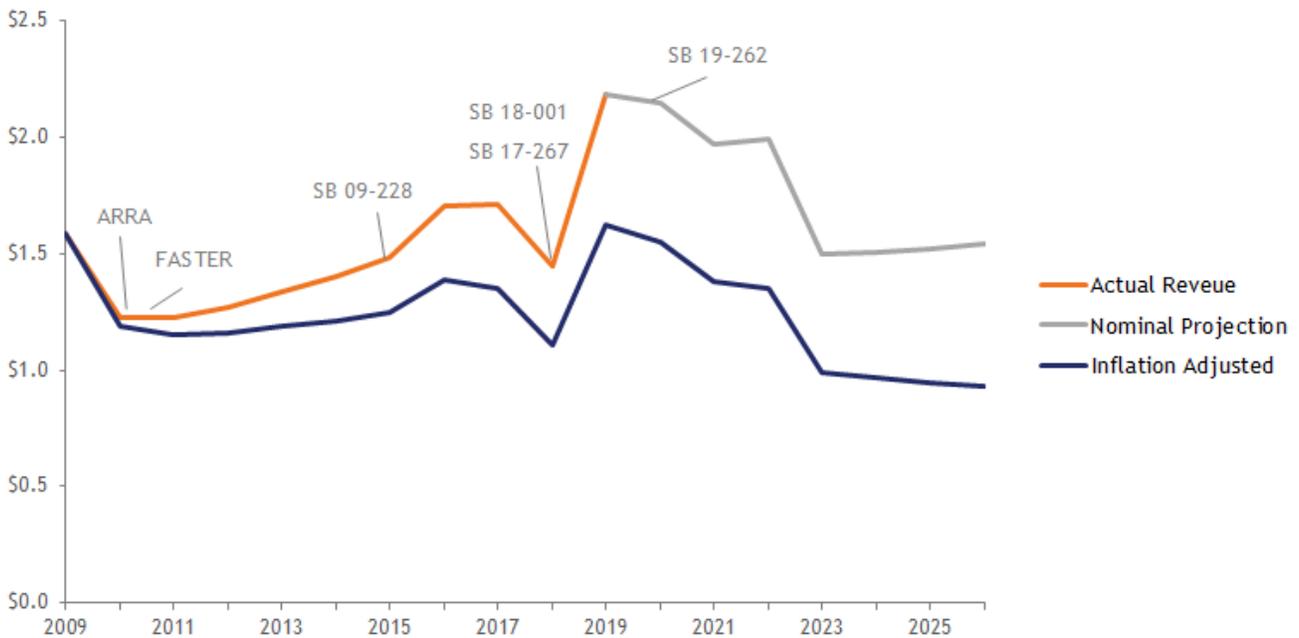
### Transportation in Colorado

CDOT relies primarily on state and federal fuel taxes for long term funding, which have not been increased since 1992 and 1993 respectively. With stagnant revenue sources and declining purchasing power of the current excise tax rate, combined with increasing vehicle fuel efficiency, the Department’s ability to fund the maintenance and improvement of the state transportation system has gradually diminished over time.

While recent transfers from the state’s General Fund have helped the Department fund a number of important transportation projects, these sources have been one time infusions of funding. The Department still faces long term challenges maintaining and improving the state transportation system.

Figure 1 below shows CDOT revenue since 2009, projected out to 2026. This revenue is adjusted to account for inflation.

**Figure 7 - CDOT Nominal vs. Real Revenue**  
*(Dollars in Billions)*  
2009 to 2026



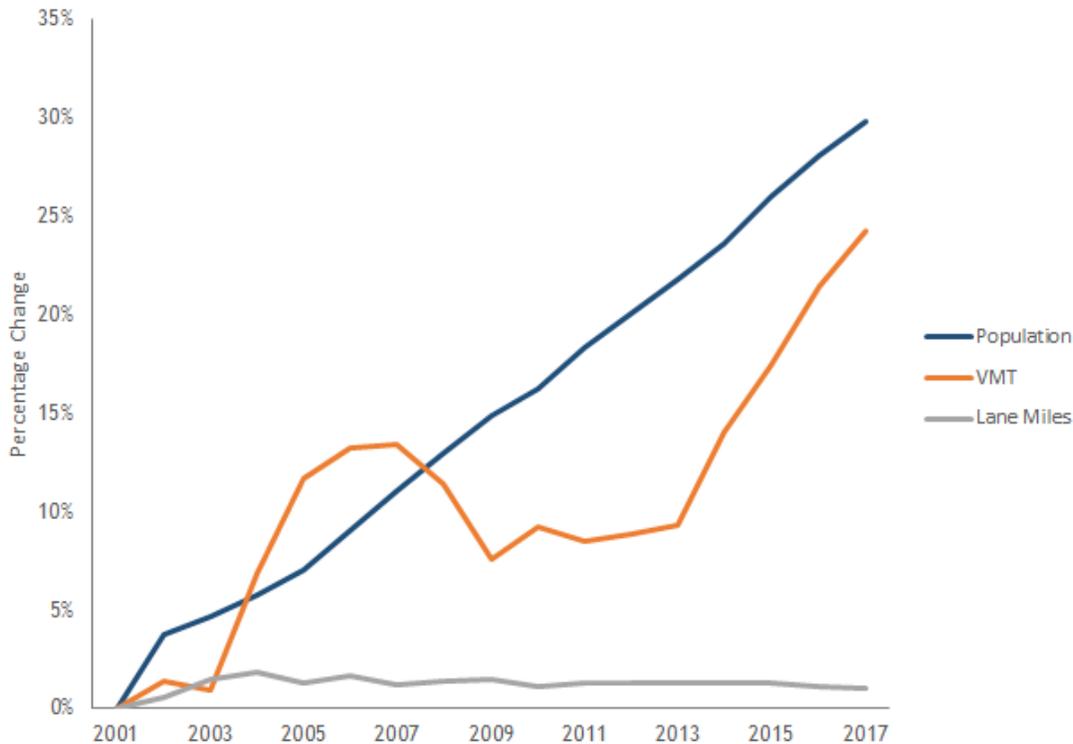
Colorado also has one of the fastest growing economies in the country, and the total population of the state has increased by an estimated 13% since the last census. During this period of growth, the capacity of the state highway system has remained relatively constant. This has led to more congestion and increasing wear and tear on the existing system.

The Department is pursuing a number of strategies to help mitigate congestion and provide mobility options for the state’s growing population. This includes expanding multimodal options, identifying



opportunities to improve the operations of the existing system, and increasing capacity where appropriate and when funding is available.

Figure 8 - Change in State Population, VMT and Lane Miles Since 2001  
2001 to 2017



### 3) Scenario Evaluation: Downturn

An economic recession would create a number of risks for our General Fund, HUTF, and federal revenues. This section describes those risk in more detail.

**Annual General Fund Transfers** In the event of an economic downturn, the Department believes its greatest area of risk relates to debt service payments. As the chart above in Section 3.3 Ongoing Debt Obligations shows, the Department is currently obligated to use funding from the State Highway Fund (SHF) for debt service resulting from SB 17-267 and SB 19-263. The total obligation on the SHF is dependent upon the outcome of a Ballot Measure that is referred to voters for the November 2020 election.

Regardless of the outcome of the Ballot Measure, the total liability on the SHF is offset by annual General Fund transfers to the SHF. In the event of an economic downturn, the legislature could potentially enact legislation that repeals the General Fund transfers to the SHF and the SHF would



then be responsible for the full debt service obligation. This action would reduce funding available for core construction, maintenance and operations programs and force delays to the planned program of projects.

**Table 9 - CDOT Debt Service Obligation**  
(Millions)

State Debt Service Obligation - Current Law				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Ballot Measure Passes</b>	<b>117.7</b>	<b>160.3</b>	<b>203.0</b>	<b>203.0</b>
General Fund	153.0	153.0	153.0	153.0
State Highway Fund	(35.3)	7.3	50.0	50.0
<b>Ballot Measure fails</b>	<b>112.5</b>	<b>150.0</b>	<b>150.0</b>	<b>150.0</b>
General Fund	112.5	150.0	150.0	150.0
State Highway Fund	0.0	0.0	0.0	0.0
State Debt Service Obligation - Potential Economic Downturn Scenario				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Ballot Measure Passes</b>	<b>117.7</b>	<b>160.3</b>	<b>203.0</b>	<b>203.0</b>
General Fund	60.5	60.5	60.5	60.5
State Highway Fund	57.2	99.8	142.5	142.5
<b>Ballot Measure fails</b>	<b>112.5</b>	<b>150.0</b>	<b>150.0</b>	<b>150.0</b>
General Fund	62.5	100.0	100.0	100.0
State Highway Fund	50.0	50.0	50.0	50.0

**State Revenues** An economic downturn may decrease the overall demand for travel in Colorado, which could decrease state transportation revenues. According to the Bureau of Labor Statistics<sup>1</sup>, travel for pleasure throughout the country declined sharply in response to the most recent recession (late-2007 to mid-2009). During this recession, state fuel tax revenue decreased by 7% between 2008 to 2009, and didn't grow substantially again until 2011.

To the extent that fuel tax revenue decreases in the next economic downturn, any decrease in state transportation revenue would depend on the mode of travel people choose. For example, if travelers choose to substitute driving for flights or other more expensive mode of transportation, this could disproportionately drive down aviation fuel taxes, which fund department's Division of Aeronautics.

Further, an economic downturn would likely decrease demand for consumer goods, which could decrease the demand for newer vehicles and depress overall revenue from motor vehicle registration fees.

<sup>1</sup> <https://www.bls.gov/opub/btn/volume-1/travel-expenditures-2005-2011-spending-slows-during-recent-recession.htm>



Ultimately, if the Department experienced a 5% reduction in motor fuel tax revenues in a given year, the impact to CDOT would be a reduction of approximately \$23.5 million, which would require cuts to core maintenance and operations programs.

**Federal Revenues** Federal funding to the Department is provided through multi-year transportation reauthorization bills. The current bill, the FAST Act, expires after federal fiscal year 2020. Over the last several years, Congress has elected to supplement the gas tax with General Fund revenue. There is uncertainty if this policy will continue and an economic downturn would make it more difficult to supplement the gas tax or to backfill reduced revenue to the Highway Trust Fund in the event that Congress were to appropriate less for this purpose. Also, the types of programs that are funded through a new transportation authorization act could change.

If the Department experienced a 5% reduction in federal revenue in a given year, the impact to CDOT would be a reduction of approximately \$32.0 million, which would require cuts to core maintenance and operations programs.

#### **4) Scenario Evaluation: Department-specific Contingency**

The Department identified several future contingencies that would impact the Department's long-range forecast. These scenarios are not accounted for in the revenue forecast but could have a substantial impact to revenue, depending on the outcome.

##### ***SB 19-239 - Address Impacts of Transportation Changes***

Pursuant to SB 19-239 Address Impacts of Transportation Changes, the Department convened a stakeholder group to examine the economic, environmental, and transportation system impact of new and emerging transportation technologies and business models. The stakeholder group is comprised of representatives of specified industries, workers, governmental entities, planning organizations, and other interest groups that will be affected by the transportation changes.

The legislation requires significant modeling tasks and identification of potential fees that could be collected to encourage shared and electric rides. Examples of modeling tasks include:

- Quantification of the amount of carbon emissions that can be eliminated through different means of incentivizing and supporting the use of zero emission vehicles;
- Examination of different means of incentivizing multiple occupant trips in motor vehicles used for commercial purposes; and
- Identification of the additional or improved transportation infrastructure, including multi-modal infrastructure and infrastructure needed to support the adoption of and use of zero emission vehicles, that is required to accommodate the impacts on transportation infrastructure resulting from utilization of motor vehicles used for commercial purposes.

No later than November 1, 2019 the working group will report on potential fees and recommendations for implementation. The Department will report the group's recommendations to the legislature during its SMART hearing in early January, 2020. The Department will also determine if rules are necessary to implement working group recommendations or if legislation is required during the 2020 legislative session. Annual forecasted revenue will depend on the outcome of any proposed legislation.



**SB 19-263 - Delay Referral of TRANs Ballot Issue to 2020**

As discussed in Section 3, SB 19-263 repealed the 2019 ballot measure that would have been referred to voters under SB 18-001, and creates a similar ballot measure for the November 2020 election.

If approved by the voters, this ballot measure will:

- Require the sale of \$1.837 billion in TRANs, with a maximum repayment cost of \$2.560 billion over 20 years;
- Require an annual transfer \$42.5 million to the SHF to assist with TRANs debt service (in addition to the \$50 million annual transfer, for a total of \$92.5 million annually); and
- Repeal the last two years of SB 17-267 lease-purchase agreements (a total of \$1.0 billion).

Under this bill, the second year of SB 17-267 lease purchase agreements will still be issued. The third and fourth years of these agreements will only be issued if the ballot measure fails.

If the ballot measure passes, the State Highway Fund will only be responsible for \$14.5 million of the debt service for the two tranches of SB 17-267 Lease-Purchase agreements, and the General Fund will be responsible for \$60.5 million (for a total of \$75 million in SB 17-267 debt service).

**Proposition CC**

HB 19-1257 submitted a referendum to the voters for the November 2019 election, Proposition CC, authorizing the state to retain and spend revenue collected in excess of the current Referendum C cap, which would otherwise be refunded to taxpayers. Any funding retained in excess of the Referendum C cap must be allocated in equal shares to public schools, higher education, and transportation.

HB 19-1258 allocates the funding that will be retained by the state if Proposition CC is approved by the voters. Any funding for transportation will be transferred to the Highway Users Tax Fund (HUTF) as follows: 60% will go to CDOT, 22% will go to counties, and 18% will go to municipalities.

The Governor’s Office of State Planning and Budgeting (OSPb) forecasts the state revenue that will be subject to the TABOR limit and voter-approved revenue changes. This TABOR forecast is outlined in the table below.

**Table 10 - Forecast of State Revenue over Current Revenue Limits**  
(millions)

	FY 2019-20	FY 2020-21	FY 2021-22
OSPb Forecast	\$348.1	\$551.6	\$768.4

Revenue transferred to the HUTF pursuant to this ballot measure would be split 60% to CDOT, 22% to counties, and 18% to municipalities. The following table shows the potential revenue increase to transportation if the ballot measure passes, based on the TABOR forecasts above. Any revenue retained over the limits imposed under TABOR would be distributed in the next fiscal year.



Table 11 - General Fund Transfers to the State Highway Fund  
(millions)

	FY 2019-20	FY 2020-21	FY 2021-22
OSPB - Revenue to Transportation	\$116.0	\$183.9	\$256.1
CDOT	\$69.6	\$110.3	\$153.7
Counties	\$25.5	\$40.5	\$56.3
Municipalities	\$20.9	\$33.1	\$46.1

## 5) Emerging Trends

This section provides an overview of the emerging trends and challenges in transportation in Colorado.

**Eroding Gas Tax Revenues** Colorado’s gas tax has been 22 cents per gallon (20.5 cents for diesel) for more than 20 years - since 1991. Gas taxes are not indexed to inflation and the result is a decline in the purchasing power of the gas tax, which now has only about one-third of the buying power it had in 1991. Federal gas taxes have also not increased in 20 years and have stood at 18 cents per gallon (24 cents for diesel) since 1993. More fuel-efficient vehicles are contributing to the erosion of the amount of funding received from the gas tax, as fuel tax is calculated based on gallons purchased and not on percentage of sale.

**An Aging Population** Across the United States, older adults (65+) are putting more emphasis on how and where they choose to age. While many older adults want to “age in place”, many are also now making purposeful decisions about where they want to spend their retirement years based on the availability of public transportation. When older adults are able to easily and safely access public transportation, they are able to continue to meet their basic needs such as medical appointments, shopping, and recreation without having to drive or rely on others. Based on demographic projections, the number of older adults (65+) in Colorado is expected to increase by 120% by 2040. Colorado needs to be ready for the impact the aging baby boomers will have on the larger transportation system and also be ready for the shift in how and where this population is choosing to live.

**Changing Preferences** Recent trends suggest a generational shift is occurring across the United States, with growing preferences for modes of transportation other than the private automobile, including transit, carpools, vanpools, ridesharing, biking, and walking. Associated with this is the growing popularity of walkable communities closer to jobs, recreation and amenities so that they can use transit and eliminate the expense of vehicle ownership. This is impacting the typical travel patterns that have been seen in the United States since the coming of age of the automobile in the 1950s. Transit agencies must consider not only the transit dependent users but also consider the impact that demand for transit services and improved first and last mile connections to transit will have on their transit system.

**New Modes of Transportation** New modes of transportation, or variations on old modes, are emerging. Recently, e-bikes and scooters have spread through cities across the U.S. as a new form of “micro-mobility.” Additionally, ridesharing continues to grow in popularity. Ridesharing matches passengers



with vehicles and may include carpools, vanpools and transportation network companies, such as Uber and Lyft, where individuals use personal motor vehicles to provide passenger transportation services. The economic, environmental and transportation system impacts of ridesharing is still being assessed but there are likely environmental benefits associated with multiple passenger rideshares (e.g. carpools and vanpools) and the increased use of public transit when a rideshare is used as a first and last mile solution.

**Vehicle Technology** Connected and autonomous vehicles will turn roads into information freeways that need to be planned, built, managed, and maintained much differently than asphalt or concrete. In a world where vehicle decisions and movements are communicated wirelessly to humans or automated vehicles (AV), CDOT will have new tools to systematically improve safety and efficiency, while providing robust and timely information to both humans and vehicles.

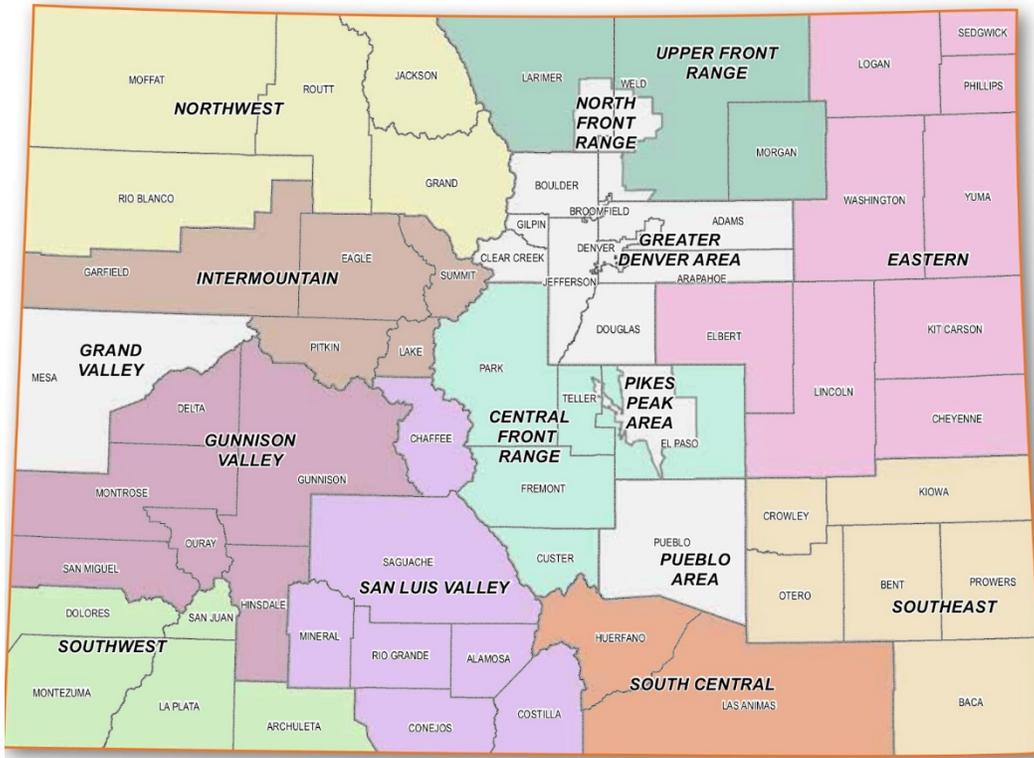
## 6) Major Expenses Anticipated

The majority of annual expenditures (90% of the FY 2019-20 Annual Budget) are associated with the delivery of the core Department functions of construction, maintenance and operations, multimodal services, and suballocated programs (i.e. funds passed-through to local agencies for transportation projects). The most significant anticipated expenses are those expenses associated with planned capital construction projects and maintenance and operations activities.

The Department engages in a robust statewide planning process to plan major construction and maintenance-related expenditures. The planning process begins at the regional level, and the ten Transportation Planning Regions (TPRs) and five Metropolitan Planning Organizations (MPOs) in Colorado each develop a Regional Transportation Plan. These plans establish the long-term priorities for each region, which are incorporated into the Statewide Transportation Plan.



Figure 9 - Map of Transportation Planning Regions and Metropolitan Planning Organizations in Colorado



The Statewide Transportation Plan (STP) was last updated in 2015, and it estimates state transportation revenue through 2040. The STP is a vision document that outlines what the Department’s multimodal transportation options will look like over the next 10 and 25 years. It identifies future needs for the transportation system and provides strategic directions to achieve those goals. The current Statewide Transportation Plan can be found [here](#). The Statewide Transportation Plan will be updated in 2020.

Under federal regulations, the Department is required to develop the Statewide Transportation Improvement Plan (STIP), which is a planning document that identifies the transportation projects CDOT intends to fund over a four-year period (although the Department’s goal is to move to a ten-year period, as discussed under Section 1 Strategic Policy Initiatives). It is prepared in cooperation with local government entities throughout the State, including Transportation Planning Regions (TPRs) & Metropolitan Planning Organizations (MPOs). Projects included in the STIP must be consistent with corridor visions and strategies outlined in the long-range Regional and Statewide Transportation Plans. More information on the STIP and the current STIP can be found [here](#).



## SECTION 5: ANTICIPATED FUNDING DECREASES

Table 12 - FY 2019-20 Budget Allocations  
(Millions)

<b>Sources of Funding</b>	<b>FY 2019-20</b>
General Fund	\$715.5*
Federal Funds	\$623.1
Highway Users Tax Fund	\$586.0
Bridge Enterprise	\$117.4
Aeronautics	\$34.5
Miscellaneous	\$32.1
State Multimodal Funding	\$29.2
High Performance Transportation Enterprise	\$16.6

\*Includes \$60 million in General Fund transfers from SB 19-262

The Department receives revenue from multiple sources, as shown in the table above, and does not currently anticipate any non-General Fund sources to decrease in the future to a point where state funding would be required as backfill. Please see the Scenario Evaluation section (Section 4.3) for discussion of potential impacts to Department funding in the event of an economic downturn.



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