



To: HPTE Board of Directors
Date: September 16, 2015
From: Piper Frode, Enterprises Budget Analyst
Subject: New HPTE Annual Budget Timeline

Purpose:

This memorandum presents an overview of the new Annual Budget process for the High Performance Transportation Enterprise (HPTE) starting with Fiscal Year (FY) 2016-17.

Action:

The purpose of this memo is informational only and no action is required.

Background:

Within the Department of Accounting of Finance (DAF), The Office of Financial Management and Budget (OFMB) is responsible for overseeing the Department budget development and approval process. In September and October OFMB holds annual budget workshops with the Transportation Commission (TC) to review projected revenue and draft budget allocations for the upcoming fiscal year. During the workshops in November, the Commission is presented with a Draft Budget Allocation Plan for review and adoption prior to its submission to the Office of State Planning and Budget (OSPB) and the Joint Budget Committee (JBC). Following a review by OSPB and the JBC, the Transportation Commission approves the final budget at its March meeting and the budget is then submitted to the Governor for final approval.

As HPTE operates as a government-owned business within CDOT, the total annual Department budget must also include identified revenues and allocations for the Enterprise. Those revenues and allocations for HPTE have been determined by OFMB as part of the overall resource allocation process for the entire Department to comply with statutory deadlines. Historically, this annual process has occurred with varying degrees of input from the HPTE staff and the Enterprise has also brought its own, more detailed fund level operating budgets for approval before its Board of Directors, generally in April and May.

Details:

Since the budgets for both Fund 536 and Fund 537 have generally not been developed until after the Department has already adopted an annual budget, there have often been differences between what the HPTE Board of Directors is approving and what has already been presented for HPTE in the annual budget allocation plan presented to the TC. This has created difficulties internally as, following the approval of the budget by the Governor, OFMB staff has a short window of time to load all of the budget information into the CDOT system of record (SAP), verify that it is correct, and ensure that the proper budget authority has been given to each cost center. The discrepancies in the budget approval timelines of CDOT and HPTE have resulted in the incorrect budget authority being distributed to cost centers in both Funds 536 and 537.

To ensure that the budget approved by the HPTE Board aligns with what is included in the annual Department budget allocation plan that is presented to the Governor for approval and establish correct annual budget authority in HPTE cost centers, HPTE will now be following a new annual budget

process. Beginning with Fiscal Year 2016-17, the Board will review annual budget materials on the following schedule:

Month	Budget Item
October	<ul style="list-style-type: none"> • Upcoming Fiscal Year Draft Budget for comment • HPTE Final Revenue Reconciliation Information for prior year • HPTE Final Roll Forward Information
November	<ul style="list-style-type: none"> • Draft budgets for Fund 536 and 537 for inclusion in the annual draft Department Budget Allocation Plan
February	<ul style="list-style-type: none"> • Final review of draft budget for comments and changes
March	<ul style="list-style-type: none"> • Adoption of Final Budgets for Funds 536 and 537 for inclusion of approved budget information in the final Department Budget Allocation Plan

Key Benefits

- Ensures that all budget information presented for HPTE is consistent and accurate across all mediums
- Allows time to verify that the budget authority distributed to HPTE cost centers is correct and accurate
- Improves overall consistency in budget processes and communication between the Enterprise and OFMB

Next Steps

Following the new annual budget timeline, staff will bring FY2017 draft budgets for Funds 536 and 537 for comment and revenue reconciliation information for FY2015 including final Roll Forward information in October.