



COLORADO

Department of Transportation

Bustang Funding Joint TC/CTIO Workshop

April 15, 2026



Agenda

- Fiscal Year (FY) 27 Funding Proposal
- Alternative Revenue Options
- Next Steps and FY 28+ Funding Considerations





Bustang Revenues

Current Bustang and Outrider Revenues

Funding Source	FY 27	FY 28	FY 29	FY 30
MMOF	\$3.2	\$3.4	\$3.5	\$3.7
10YP Capital	\$6.0	\$6.0	\$6.0	\$6.0
FASTER	\$6.0	\$6.0	\$6.0	\$6.0
FTA 5311(f)	\$2.9	\$3.0	\$3.1	\$3.1
Farebox	\$4.4	\$4.5	\$4.6	\$4.7
Total	\$22.5	\$22.9	\$23.2	\$23.5



Bustang Expenses

Current Bustang and Outrider Expenses (Based on “NO ACTION” Scenario)

Corridor/Service	FY 27	FY 28	FY 29	FY 30
I-25 North (North Line)	\$5.6	\$5.9	\$6.6	\$6.7
I-25 South (South Line)	\$6.0	\$6.3	\$6.6	\$6.8
I-70 West (West Line)	\$22.9	\$23.9	\$25.0	\$25.8
I-70 West (Pegasus)	\$5.3	\$5.6	\$5.8	\$6.0
Seasonal Service	\$0.6	\$0.7	\$0.7	\$0.7
Outrider	\$7.3	\$9.4	\$9.7	\$12.1
Total	\$47.8	\$51.7	\$54.3	\$58.1
Surplus/Deficit	(\$25.3)	(\$28.8)	(\$31.1)	(\$34.6)



FY 27: Short-Term Funding Proposal

Updated Bustang and Outrider Revenues

Funding Source	FY 27
Existing Funding Sources	\$22.5
Reallocate OIM Rollforward	\$11.9
Reallocate CMAQ Statewide Rollforward	\$4.1
Reallocate FY 27 CMAQ Statewide	\$2.2
Total Revenue	\$40.7

- Reallocate \$11.9 M in roll forward balances from Innovative Mobility Program via April CDOT Budget Amendment
- Reallocate \$4.1 M in rollforward balances from the CMAQ statewide set-aside via April CDOT Budget Amendment
- Reallocate \$2.2 M in FY 27 CMAQ statewide set-aside via July CDOT Budget Amendment



FY 27: Short-Term Funding Reasoning

Updated Bustang and Outrider Expenses

Corridor/Service	FY 27
I-25 North (North Line)	\$5.6
I-25 South (South Line)	\$6.0
I-70 West (West Line)	\$22.9
I-70 West (Pegasus)	\$5.3
Seasonal Service	\$0.6
Outrider	\$7.3
Total	\$47.8
Surplus/Deficit	(\$7.1)

- Approval of short-term funding measures will significantly reduce funding gap in FY 27 and provides additional time to secure long-term funding measures.
- If necessary, remaining FY 27 funding gap can be closed through a combination of service optimization, deferral of some capital costs, and an additional allocation from the TC Program Reserve.
- **Note:** Expenses based on the NO ACTION scenario presented at March meeting.



Alternative Revenue Options - Advertising

RTD Advertising

- Previous 10-year agreement with Lamar ended in 2025
- RTD currently manages their own advertising program
- Equivalent coach buses (e.g. Flatiron Flyer) valued at \$700/side/quarter
- Actual market value to Bustang may differ due to fleet size, markets served, and broader economic outlook.





Advertising Considerations

- **Potential for Diminishing Bustang's Own Advertising:** Adding external advertisements may take attention away from Bustang's brand, which is a common way people find out about the service.
- **Operational Effects - Downtime and Fleet Size:** Buses will be out of service more often for advertising installation. May require re-design of existing wraps to accommodate advertising space.
- **Staffing or Partnerships:** The state would need to invest in the operational infrastructure, including staffing for selling ad space or a partnership with an advertising agency, reducing profit margin
- **Revenue Impact:** Amount of revenue raised from advertising nominal compared to long-term Bustang funding gap



Alternative Revenue Options - Demand Elasticities

Variable	Elasticity	Statistical Significance	Implication
Service Supply (Net Operating Expenses)	A 10% increase in expenses (expanded frequency/routes) increases ridership by 6.5%	Most statistically significant result in the study	Supply is a primary driver of demand, directly aligning operational growth with emission reduction targets.
Gasoline Cross-Elasticity	0.40	Statistically significant	A 10% increase in fuel prices results in a 4% organic growth in ridership.
Price Elasticity of Demand	-2.69 (Preliminary)	Not statistically significant	Suggests highly elastic demand; a 1% fare increase could theoretically reduce ridership by 2.6%.
Income Elasticity	0.39	Not statistically significant	Bustang behaves as a "Normal Good," with demand reinforcing its value as a quality transit option as real median income grows.



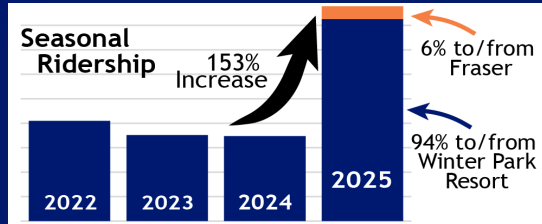
Fare Change Considerations

- **Transit Demand Elasticities:** Elasticity of transit ridership dependant on multiple factors in addition to cost of transit fares including: cost of fuel, income and employment rates, and transit frequency among others.
- **WIG Targets:** Fare increases will likely influence State's progress towards WIG targets across Advancing Transportation Safety, Clean Transportation, and Statewide Transit.
- **Revenue Impact:** Revenue raised from fare increases may result in net loss due to Bustang customer price sensitivity and diminished demand.



2024-2025 Winter Park Express Case Study

Ridership



-> Total Ridership: 43,919
(153% increase over 2023-2024)



Metric	2023 - 2024	2024 - 2025	Variance
Capacity	21,673	55,596	157%
Load Factor	80%	79%	(1%)
Average Ticket Price	\$56	\$28	(50%)

On-Time Performance

- > 0 canceled runs this season (vs. 1.5 in 2023-2024)
- > Outbound: Denver -> WPR: 89.9% on-time at WPR
- > Inbound: WPR -> Denver: 71% on-time at DEN





Alternative Revenue Options - Clean Transit Enterprise (CTE)

- **Route Transfer:** Concern over legal nexus to SB24-230 if an existing Bustang route were transferred locally (not expansion)
- **Route Expansion:** SB24-230 funds could be available to local transit agencies or governments if they began a new Outrider route or expanded upon existing services.
- **Transit Connections Study (TCS) Implementation Example:** Winter Park Lift will soon implement a TCS recommendation of Granby to Grand Lake, growing transit network





Long-Term Funding Strategies

Updated Bustang and Outrider Expenses

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Seasonal Service	\$0.6	\$0.7	\$0.7	\$0.7
Outrider	\$7.3	\$9.4	\$9.7	\$12.1
Total	\$47.8	\$51.7	\$54.3	\$58.1
Surplus/Deficit	(\$7.1)	(\$26.8)	(\$29.1)	(\$32.6)

- ~\$30 M annual deficit beginning in FY 28 which must be addressed through long-term funding strategies and/or service optimization



Next Steps: Long-Term Funding Strategies

- Any CDOT-CTIO funding partnership would be subject to Transportation Commission and CTIO Board approval.
- Staff will continue to work with the AG's Office, Transportation Commission and CTIO Board on the parameters of a potential partnership.
- Consideration of additional funding options, such as utilizing SB24-184 funds.



Overall Next Steps

- Consideration of approval for FY 27 Bustang funding proposal in April Workshop
- Follow up with TC and CTIO Boards on defined long-term funding strategies

Questions/Comments?

