



COLORADO

Department of Transportation

Bustang Funding Joint TC/CTIO Workshop

February 18, 2026



Bustang History

- **2015** - Bustang “Main Lines” service launched as a commuter-focused service serving the Front Range
- **2018** - Rural-focused Bustang Outrider network launched in 2018 - Eight (8) Routes throughout Colorado
- **2019** - Seasonal services, Snowstang and Bustang to Estes Park, both launched
- **2022** - SB22-180 Passed
 - Pegasus launched offering frequent service between Denver and Vail using smaller, non-CDL vehicles able to utilize Mountain Express Lanes
 - Significantly increased service on I-70 & I-25
- **2025** - Bustang 10-year anniversary!





Service Characteristics of Bustang & Outrider

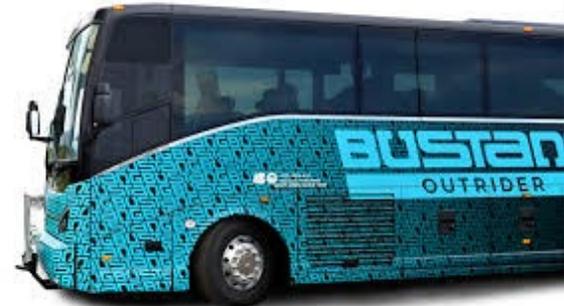
Bustang Mainline

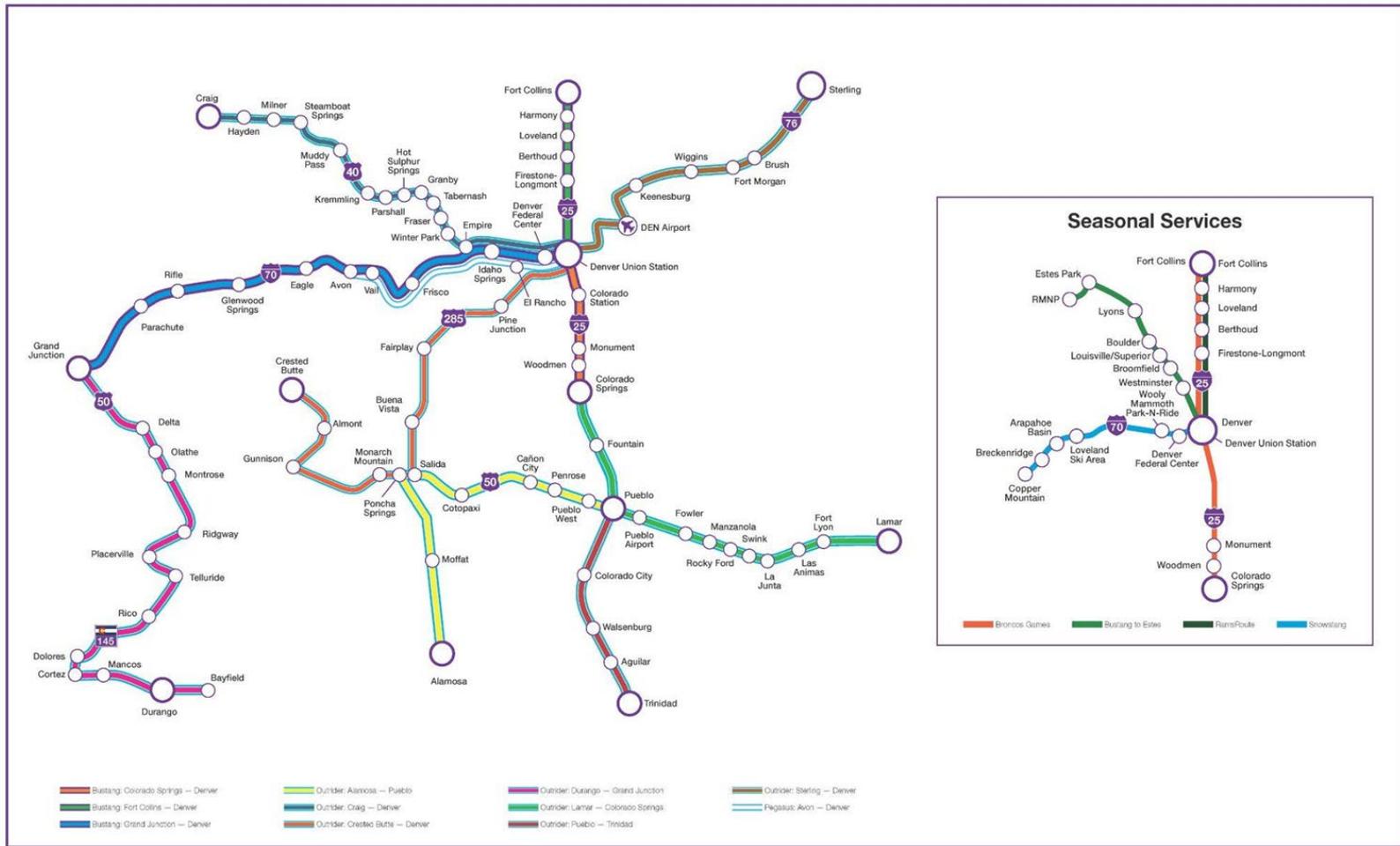
- High-frequency focus
 - 1hr or 45min headways
- Supports commuting, recreational trips, and travel for services
- Providing additional travel options on our busiest interstate corridors



Outrider

- Statewide coverage focus
 - Most Routes - 1 round trip/day
 - Crested Butte to DUS - 2 round trips/day
- Supports access to services
- All routes terminate in a small or large urban area, providing rural residents





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Bustang Service Expansion

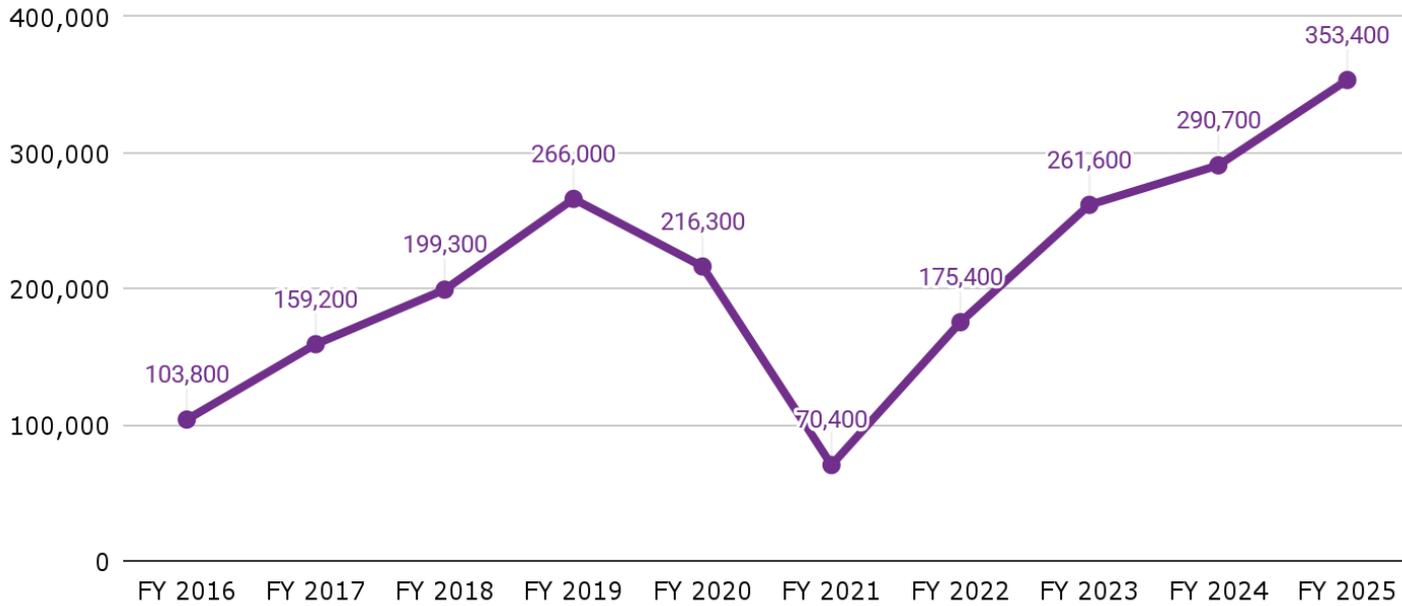
Colorado SB 22-180 (signed May 2022) provided \$30 million over three years to implement a pilot service expansion program

Corridor	Before SB 22-180	Phase I Expansion (Completed Fall 2024)	Full Expansion Service (Completed Winter 2024)
I-25 North Fort Collins to Denver	6 Daily Round Trips Mon-Fri 2 Daily Round Trips Sat-Sun	8 Daily Round Trips Mon-Fri 3 Daily Round Trips Sat-Sun	12 Daily Round Trips Mon-Fri 6 Daily Round Trips Sat-Sun
I-25 South Colorado Spgs. to Denver	6 Daily Round Trips Mon-Fri 2 Daily Round Trips Sat-Sun	8 Daily Round Trips Mon-Fri 3 Daily Round Trips Sat-Sun	12 Daily Round Trips Mon-Fri 6 Daily Round Trips Sat-Sun
I-70 West (Bustang) Grand Junction to Denver	4 Daily Round Trips <ul style="list-style-type: none"> ● 2 Denver-Grand Junction ● 1 Denver-Glenwood Spgs ● 1 Denver-Avon 	7 Daily Round Trips <ul style="list-style-type: none"> ● 3 Denver-Grand Junction ● 4 Denver-Glenwood Spgs 	15 Daily Round Trips <ul style="list-style-type: none"> ● 6 Denver-Grand Junction ● 9 Denver-Glenwood Springs
I-70 West (Pegasus) Denver to Avon	Did not exist	10 Daily Round Trips Fri-Sun 6 Daily Round Trips Mon-Thurs	Maintain Current Service



Ten Years of Bustang Ridership

Bustang System Ridership by Fiscal Year



*Includes Bustang, Pegasus, Outrider, and Seasonal Services



Recent Bustang Successes

Main Line (I-70 & I-25)

- Twenty five (25) new coaches into revenue service
- Doubled service on I-25 and tripled service on I-70 in late 2024
- Opening of multiple Mobility Hubs along I-25 and I-70

Outrider

- Began direct service to DEN via Sterling to Denver route
- Added second round trip on Crested Butte to Denver route

Seasonal Services

- **Snowstang** - Net positive operations cost, with partner resort cost share.

Success Metrics

- System ridership grew 21% YoY in FY 2025, setting another record high total; More than fivefold increase from 2021-present
- Farebox Recovery percentage above the national average



Next Steps and Key Takeaways

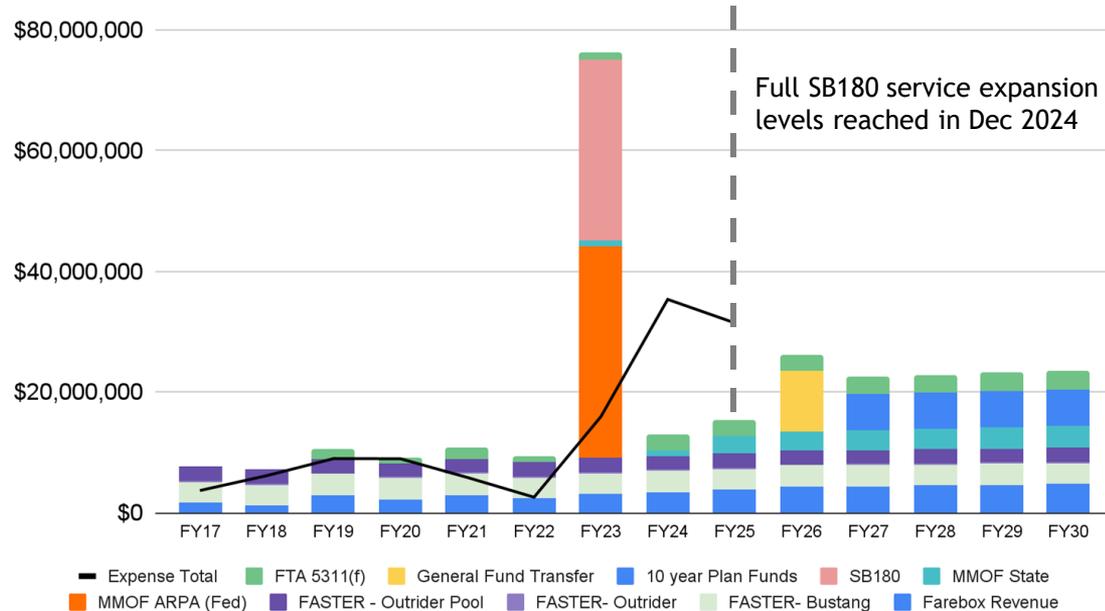


- Pilot program has been a notable success, with ridership levels increasing year over year
- Despite a strong farebox recovery ratio and diverse funding sources, when expansion pilot funding and ARPA funds have been expended, there will be a funding shortfall that will need to be addressed
- CDOT is exploring mechanisms to continue offering expanded service past the conclusion of the pilot program



Bustang Revenue & Expenses (2017-2025)

Bus Operations Revenue vs. Expense 2017- 2025



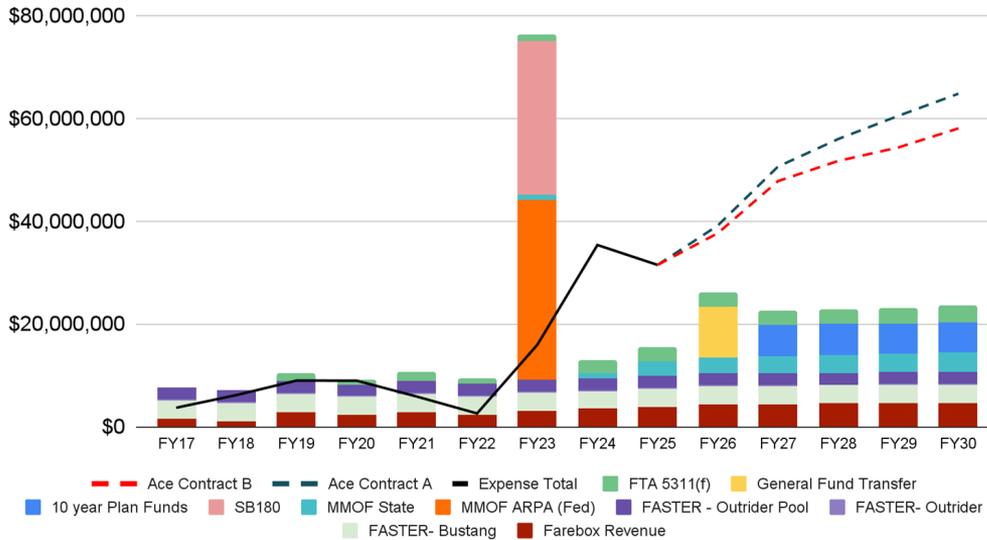
Pre-Expansion

- Limited weekday and weekend service
- Revenues were more closely aligned with expenses
- FY23 Revenue Increase of \$65M:
 - MMOF ARPA ~\$35.1M
 - SB22-180 \$30M (3-year service expansion)
- Expense Growth Tracks with Service Expansion
 - 2024 Expense \$35.3M
 - 2025 Expense \$31.4M



Bustang Revenue & Forecasted Expense (2026-2030)

Bus Operations Revenue vs. Projected Expenses 2026-2030



Post-Expansion

- Bustang has reached significantly higher levels of service along the state’s major interstate corridors including purchase, outfitting and on-going maintenance of 33 new vehicles
- Forecasted future expenses assume:
 - **Ace (Operator) Contract A**
 - 4% annual service cost increases
 - 5% annual growth escalator
 - Increased capital fleet replacement and maintenance costs
 - **Ace (Operator) Contract B**
 - 4% annual service cost increases
 - Maintain current SB180 service levels (no further expansion)
 - Increased capital fleet replacement and maintenance costs



Current Bustang and Outrider 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



Current Bustang Expenses

Current Bustang and Outrider Expenses (assuming 5% annual service growth)

Corridor/Service	FY 27	FY 28	FY 29	FY 30
I-25 North (North Line)	\$5.9	\$6.4	\$7.3	\$7.5
I-25 South (South Line)	\$6.5	\$6.9	\$7.5	\$7.8
I-70 West (West Line)	\$24.5	\$26.3	\$28.5	\$29.6
I-70 West (Pegasus)	\$5.8	\$6.2	\$6.8	\$7.0
Seasonal Service	\$0.6	\$0.7	\$0.8	\$0.8
Outrider	\$7.3	\$9.4	\$9.7	\$12.1
Total	\$50.6	\$55.9	\$60.6	\$64.8
Surplus (Deficit)	(\$28.1)	(\$33.0)	(\$37.4)	(\$41.3)



Proposed Additional CDOT Funding

Updated Baseline Funding (assuming 5% annual service growth)				
Funding Source	FY 27	FY 28	FY 29	FY 30
Existing Funding Sources	\$22.5	\$22.9	\$23.2	\$23.5
Reallocate CMAQ statewide allocation	\$2.0	\$2.0	\$2.0	\$2.0
Additional One-time CDOT Funding	\$19.1	\$0.0	\$0.0	\$0.0
Total Revenue	\$43.6	\$24.9	\$25.2	\$25.5
Total Expenses	\$50.6	\$55.9	\$60.6	\$64.8
Surplus (Deficit)	(\$7.0)	(\$31.0)	(\$35.4)	(\$39.3)

- Proposed one-time reallocation of roll-forward funding from Innovative Mobility and CMAQ programs
- Proposed ongoing commitment of CMAQ statewide funds



Funding Strategies

- Proposed additional CDOT funding reduces funding gap in FY 27 by ~75%, providing *some* breathing room in FY 27 to implement other funding strategies.
- \$7 M remaining funding gap in FY 27 (if proposed CDOT funding strategies are approved).
- Average annual funding gap in FY 28-FY 30 of ~\$35 M.
- Funding gap will increase over time with inflation, escalating operating costs.
- Existing CDOT revenue sources with transit eligibility are limited and inadequate to fully fund the remaining funding gap, without significant reductions in service.
- Strategies under consideration include partnering with the Colorado Transportation Investment Office (CTIO) on a joint funding strategy which would leverage toll revenue and potentially some SB 24-184 Congestion Impact Fee revenue dedicated to transit and rail purposes.



CTIO Specific Funding Consideration

- Historically, CTIO has used tolls to fund transit infrastructure (Ex: I-25 North Mobility Hubs) and prioritizes transit trip reliability through its operational policies.
- CTIO could fund additional capital construction projects for transit with a nexus to its tolling corridors.
- Current corridor restriction limits extent to which toll revenue can be leveraged outside the corridors.
- SB 24-184 explicitly mandated CTIO to prioritize multimodal projects across Colorado, including transit. Additional legal analysis needed to understand practical application of bill's direction as it relates to Bustang.
- If SB 24-184 Congestion Impact Fee revenue will be available for transit after funding priority rail projects is still unknown.



Next Steps

- Follow up with TC and CTIO Boards on funding strategies
- Consideration and potential action on proposal for additional FY27 CDOT funding by the Transportation Commission
- Engagement with Attorney General's Office on legal questions and paths forward