



COLORADO

Department of Transportation

Nonattainment Area Air Pollution
Mitigation Enterprise

Colorado Department of Transportation | 2829 W Howard Pl | Denver, CO 80204

GOVERNING BOARD MEETING - MAY 26, 2022



The Nonattainment Area Air Pollution Mitigation Enterprise mitigates the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas.

About The Nonattainment Area Air Pollution Mitigation Enterprise

This enterprise is created within the Colorado Department of Transportation (CDOT) to support mitigation of the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas that results from the rapid and continuing growth in retail deliveries made by motor vehicles and in prearranged rides provided by transportation network companies. Enterprise funding is for eligible projects that reduce traffic, including demand management projects that encourage alternatives to driving alone or that directly reduce air pollution, such as retrofitting of construction equipment, construction of roadside vegetation barriers, and planting trees along ([CRS 43-4-1303](#))

NAAPME Board Meeting Resources

[ZOOM MEETING REGISTRATION LINK](#) | [YOUTUBE LIVE STREAM](#)

[May 26, 2022 Meeting Agenda](#)

[NAAPME Board Meeting Minutes from May 05, 2022](#)

[NAAPME Board Meeting Registry of Actions from May 05, 2022](#)

[NAAPME Board Meeting - May 26, 2022 Presentation](#)

NAAPME Governing Board Resources

[CRS 43-4-1303 - Creation of NAAPME \(SB260\)](#)

[Board Appointments](#)

[Enterprise Fund & Fees](#)

[Board Powers & Duties](#)

[NAAPME Bylaws](#)

[NAAPME Articles of Incorporation](#)

[NAAPME Loan Document](#)

[2 CCR 608-1 Permanent Rule](#)

[NAAPME Permanent Rulemaking Hearing Exhibits](#)

[Policy Directive 703.0 “Annual Budget, Project Budgeting, and Cash Management Principles”](#)

Additional Resources

- [Basic Information on Nonattainment](#)
- [Map of Colorado’s Nonattainment Areas](#)
- [History of Ozone in Colorado](#)
- [Recent EPA Action on Colorado’s Ozone Nonattainment Boundaries](#)
 - https://www.epa.gov/system/files/documents/2021-11/summar1.doc_0.pdf

- <https://www.epa.gov/system/files/documents/2021-11/final-weld-county-co-tds-20210831.pdf>

➤ [Commonly Used Acronyms \(STIP\)](#) | [Acronyms Table \(CDOT\)](#)

About the Colorado Department of Transportation



The Colorado Department of Transportation (CDOT) works to provide the best multi-modal transportation system for Colorado that most effectively and safely moves people, goods and information. CDOT manages more than 23,000 lane miles of highway, more than 3,000 bridges and 35 mountain passes. CDOT also manages grant partnerships with a range of agencies and operates Bustang, the state-owned interregional express bus service. Gov. Jared Polis has charged CDOT to further build on the state's intermodal mobility options. Find more details at [codot.gov](https://www.codot.gov).



COLORADO

Department of Transportation

Nonattainment Area Air Pollution
Mitigation Enterprise

GOVERNING BOARD MEETING - MAY 26, 2022

SCHEDULE AND AGENDA

- I. Convene Meeting & Roll Call**

- II. Approval of Minutes from the 5 May 2022 Board of Directors Meeting**
Kristin Stephens, NAAPME Board of Directors, Chair

- III. Public Outreach Results Presentation**
Darius Pakbaz, NAAPME Program Administrator

- IV. 10-Year Plan Draft Review**
Darius Pakbaz, NAAPME Program Administrator

- V. State Fiscal Year 2023 Budget Review**
Darius Pakbaz, NAAPME Program Administrator

- VI. Policy Directive 703 Preview**
Darius Pakbaz, NAAPME Program Administrator

- VII. Discussion on Future Meeting Cadence and Topics**
Darius Pakbaz, NAAPME Program Administrator

- VIII. Future Meetings/Wrap-up**



COLORADO

Department of Transportation

Nonattainment Area Air Pollution
Mitigation Enterprise

The Nonattainment Area Air Pollution Mitigation Enterprise mitigates the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas.

Board Meeting Minutes - May, 05 2022, 3:00pm

Roll Call

Board Members:

Kristin Stephens, *Chair*

Lynn Baca, *Vice Chair*

Dena Wojtach, *Director*

Yessica Holguin, *Director*

Stacey Suniga, *Director*

Shoshana Lew, *Director*

Leanne Wheeler, *Director*

CDOT:

Rebecca White, *Director, Division of Transportation Development*

Kay Kelly, *Chief, Office of Innovative Mobility*

Amber Blake, *Director, Division of Transit and Rail*

Darius Pakbaz, *Deputy Director, Division of Transportation Development*

Kay Hruska, *Enterprise Controller, CDOT*

Herman Stockinger, *Deputy Director, CDOT; Director, Office of Policy and Government Relations*

Jeff Sudmeier, *Chief Financial Officer*

Lisa Streisfeld, *Assistant Director of Mobility Services,*

Sally Chaffee, *Chief Of Staff, Office of the Executive Director*

Sari Weichbrodt, *Policy Advisor, Office of Policy and Government Relations*

Other Affiliation:

Kathy Young, *Colorado State Attorney General Office*

Approval of April 14, 2022 NAAPME Board Meeting Minutes

Purpose: Approval of April 14, 2022 NAAPME Board Meeting Minutes

Action:

- Motion made by Vice Chair Baca
 - Motion seconded by Director Holguin
 - Motion passes with no further discussion
-

10 Year Plan Development - Update

Purpose: To brief NAAPME Board concerning the funding priorities for Enterprise and the format of the statutorily required 10-year Plan; CRS 43-4-1302(10)(a)(I) requires NAAPME to develop and publish a ten-year plan no later than June 1, 2022, create a public accountability dashboard, conduct public outreach, and present an annual report From SB21-260:

(10)(a) To ensure transparency and accountability, the enterprise shall: (I) No later than June 1, 2022, publish and post on its website a ten-year plan that details how the enterprise will execute its business purpose during state fiscal years 2022-23 through 2031-32 and estimates the amount of funding needed to implement the plan. No later than January 1, 2032, the enterprise shall publish and post on its website a new ten-year plan for state fiscal years 2032-33 through 2041-42.

Action:

- No action required on this agenda item

Discussion:

- **Description of *Nonattainment* and Overview of *Nonattainment* Areas of Colorado**
 - 9 county region, does not include all of Larimer County
- **Funding Programs/Focus Areas**
 - **Chair Stephens:** *Asks about reducing traffic congestion - does it have to be through multimodal options? There are other ways to reduce traffic congestion;*
 - **Rebecca White:** Language in the statute says simply to “reduce traffic congestion;” Often in CDOT when we think of traffic congestion, we think of *road widening*; However, there are other options;
 - **Chair Stephens:** Are projects like Van GO - is that considered *multimodal*? Are there other things we’d want to consider, like anti-idling?
 - **Rebecca White:** There are several programs that would fit under the board umbrella improving air quality; Thanks Chair Stephens for flagging this issue.
 - **Director Wojtach:** Wonders if rather than try to expand language to include a broad range of programs, perhaps reduce traffic congestion beyond simply *road widening*;
- **Public outreach on 10-year Plan Development**
 - **Director Suniga:** The term “Future Public Outreach” seems very broad; It is difficult to think so far ahead, requests more structure as to what the Board is doing now and then to conduct outreach surrounding current activities
 - **Darius Pakbaz:** There are avenues to engage the public not just on projects, but also to solicit feedback on development and amending the plan once published
 - **Director Suniga:** Which location is our focus?
 - **Darius Pakbaz:** According to statute, our only focus area is within the *Nonattainment* area - anywhere within the 9 county boundary
 - **Director Holguin:** How do we ensure we are building the tools for people to engage in a genuine way? Is there an opportunity to do short clips/ videos? Sending out a survey with reading materials will not reach vulnerable communities; Additionally, is there currently an organization that works in this space? Can we leverage a relationship to reach certain communities?
 - **Darius Pakbaz:** CDOT Staff are currently finalizing a video, both in English and Spanish, to be posted on the NAAPME webpage, that will explain the idea behind survey questions and explain the need to develop funding focus ideas
 - **Chair Stephens:** These are very complex issues that may not be easy to grasp by the general public; Proposal would be to create some kind of a Task Force - the mission for which would be to educate segments of the public so that they can give relevant feedback.
 - **Director Suniga:** Echoes Chair Stephens’ comments on the need to sufficiently educate the public.

- **Chair Stephens:** When conducting outreach, we ought to be soliciting other suggestions and feedback on these items, is that Correct?
 - Darius Pakbaz answers in the affirmative
- **Vice Chair Baca:** Do you see I-270 as a major corridor?
 - These definition apply more towards urban arterials, specifically traffic calming measures
- **Chair Stephens:** Neighborhood connectivity ought to be foremost amongst NAAPME outreach efforts; Communities know when they are not connecting; The question ought to be “*what will help your communities stay connected?*”
- **NAAPME Expenses Budget for FY23/Spending Plan**
 - **Chair Stephens:** Will defer to Program Admin concerning the figure of \$300,000 per year, unused funds get pushed to programming in future years
 - **Director Wojtach:** Is the \$300,000 for NAAPME expenses? For administrative purposes?
 - **Darius Pakbaz:** Potential staffing, Board travel, meeting expenses; We have to repay loan to CDOT and develop a public accountability dashboard; If done through a consultancy, will have to pay for those fees;
 - **Director Wojtach:** Do we prioritize paying off outstanding debts before looking to fund projects? A mix thereof?
 - **Darius Pakbaz:** It will be a mix; Largely dependent on a few line items on the expenses budget, namely development of a public accountability dashboard.
 - **Director Wojtach:** Are we communicating that this money is available? What is the plan to distribute the money?
 - **Darius Pakbaz:** Administratively, we have resources to draw upon - *forms, invoice templates, et al*
 - **Chair Stephens:** Best not to pigeonhole ourselves as to what is available for the Board to accomplish
 - **Director Holguin:** This budget doesn't tell the story as far as publishing outreach is concerned; Where else will that be represented?
 - **Darius Pakbaz:** We do need to take in actual budget in FY23, and can set up a budget and specific line items in future meetings to address these concerns
 - **Director Lew:** To the extent that CDOT's resources are limited, putting in a line item in the budget for these tasks will ensure that this work is getting done
 - **Director Wojtach:** When will this plan be finalized?
 - **Darius Pakbaz:** Yes, but we will treat it as a planning document, open to be amended
 - **Director Holguin:** A suggestion: It is unrealistic that expenses will remain flat, must take into account inflationary pressures
 - Chair Stephens echoes her agreement
- **Possible Project Requirements:**
 - **Chair Stephens:** How does this project reduce ozone emissions? NAAPME programs must have quantifiable metrics by which to judge the efficiency of the proposed project; How best to determine?
 - **Director Holguin:** How are the projects upholding DI and vulnerable communities? This needs to be explicit
 - **Director Wojtach:** We need to be able to measure what benefit was anticipated, and that the actual result is
 - **Director Suniga:** Echoes Dir. Wojtach's sentiment; Board must explicitly ask that the measurable successes of the projects are
 - **Director Wojtach:** Would be ok with reductions among identified corridors; doesn't expect modeling per se
 - **Chair Stephens:** Some sort of data that would identify how to prioritize projects would be very helpful

- **Project Selection and Prioritization**
 - **Director Holguin:** Part of the decision could be short term vs. long term projects; Would like to have a good mix of both; Need to incorporate this into the decision matrix
 - **Chair Stephens:** Leveraging partnerships with MPOs to identify projects is key; The GHG/Ozone reduction benefit is on the forefront of consideration
 - **Darius Pakbaz:** We can add eligible projects within the 10-year plan to address those concerns
 - **Chair Stephens:** Not every project is a GHG/Ozone reducing projects; Some of these projects will need to have mitigations attached to them; Geographic equity is also if primary concern in projects selection
- **Reporting Requirements**
 - Darius Pakbaz: Unclear on whether we need to complete an annual report for this year, not much to report on

Overview of Public Outreach

Purpose: CRS 43-4-1302 To fulfill the statutory requirement to:

Engage regularly regarding its projects and activities with the public, including but not limited to seeking input from disproportionately impacted communities and interest groups that are likely to be interested in the projects and activities

Action:

- No action required on this agenda item

Discussion:

- Webpage Updates
- Public Outreach Survey
- NAAPME Outreach Survey
- Public Outreach Listening Session
- Results and Next Steps
- **Decision Item:** Future Outreach Efforts?
- **Chair Stephens:** Likes the format of the survey, that is simple, easily accessible, and that it is made available in Spanish;

Future Meetings/Wrap-up

Purpose: Discussion concerning next steps for the NAAPME and Enterprise Board

Action:

- Chair Stephens adjourned the meeting

Discussion:

- Director Wojtach:
 - Appreciates the efforts on part of CDOT Staff for the presentation and keeping the Board on task;

- Additionally, the Regional Air Quality Council is holding a modeling forum on May 18, 2022 ; If one is looking for information on which monitors are problematic, and what we're seeing in terms of meeting ozone standards, it will be beneficial to attend; Perhaps ask someone from RAQC to present to the Board
- CDPHE is continuing with public listen sessions, will have one more public meeting scheduled on Saturday in the morning on May 14, 2022

Meeting adjourned at 4:06



COLORADO NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE

REGISTRY OF ACTIONS

DATE OF MEETING May 5, 2022

| Action Number | Action | Decision |
|---------------|--|----------|
| 2022-10 | Motion to approve minutes for April 14, 2022 meeting <ul style="list-style-type: none">• Motion made by Director Baca• Director Holguin seconded the motion; it passed with no further discussion | Approved |
| | | |

Jennifer Fogel, Secretary
Nonattainment Area Air Pollution Mitigation Enterprise

May 9, 2022

Date



COLORADO

Department of Transportation

Nonattainment Area Air Pollution Mitigation Enterprise

Governing Board Meeting
May 26, 2022



Meeting Agenda

I. Convene Meeting & Roll Call

**DECISION
ITEM**

II. Approval of Minutes from the 5 May 2022 Board of Directors Meeting *Kristin Stephens, NAAPME Board of Directors, Chair*

III. Public Outreach Results Presentation *Darius Pakbaz, NAAPME Program Administrator*

IV. 10-Year Plan Draft Review *Darius Pakbaz, NAAPME Program Administrator*

V. State Fiscal Year 2023 Budget Review *Darius Pakbaz, NAAPME Program Administrator*

VI. Policy Directive 703 Preview *Darius Pakbaz, NAAPME Program Administrator*

VII. Discussion on Future Meeting Cadence and Topics *Darius Pakbaz, NAAPME Program Administrator*

VIII. Conclude Meeting/Next Steps



DECISION ITEM

Approval of Minutes from the 5 May 2022 Board of Directors Meeting

Kristin Stephens, NAAPME Board of Directors, Chair



Public Outreach Results

Darius Pakbaz, NAAPME Program Administrator

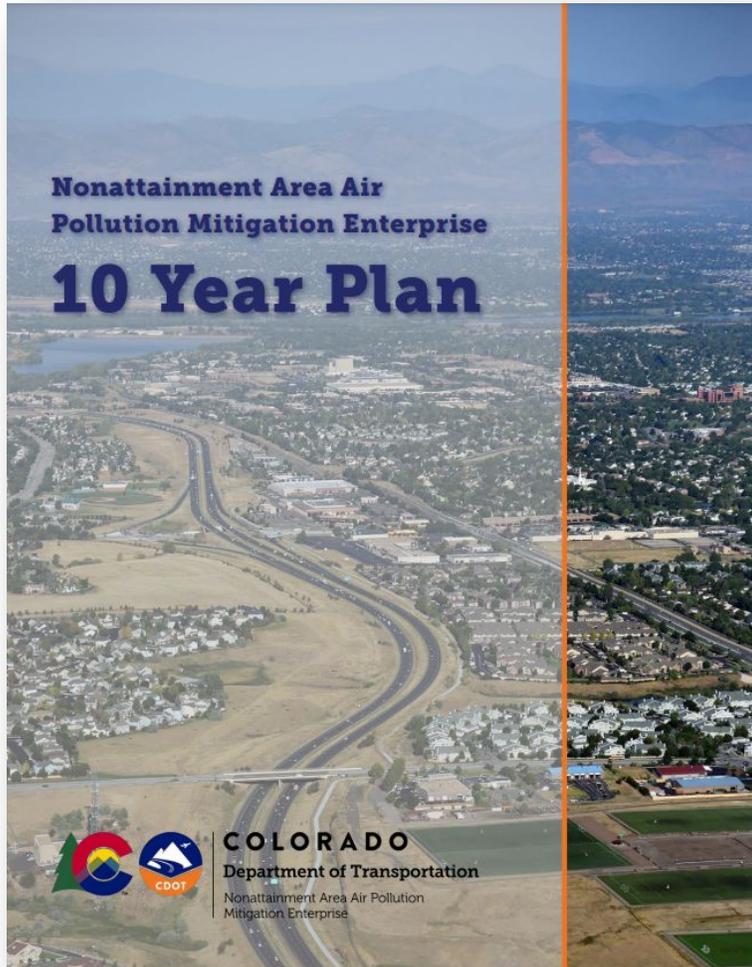


NAAPME 10-Year Plan Draft Review

Darius Pakbaz, NAAPME Program Administrator



NAAPME 10-Year Plan Overview



- I. Letter from the Board of Directors
- II. Introduction
- III. Business Purpose of the Enterprise
- IV. Board of Directors
- V. Nonattainment Areas of Colorado
- VI. 10 Year Anticipated Funding and Spending Forecast
- VII. Enterprise Funding Focus Areas and Project Selection
- VIII. Public Outreach Activities
- IX. Enterprise Reporting & Next Steps



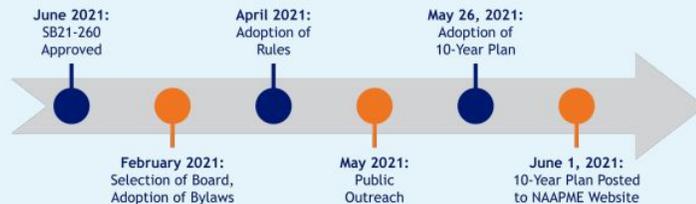
NAAPME 10-Year Plan Overview

Introduction Section

Introduction

The Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME), or Nonattainment Enterprise, is one of four new enterprises created by the Colorado General Assembly through Senate Bill 21-260. The funding mechanisms established by this piece of legislation provided the first dedicated funding for transportation since the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act of 2009. This, along with the three other enterprises established in 2021 provide a new opportunity to help fund Colorado's 10-Year Multimodal Transportation Plan in a sustainable manner.

The Enterprise, through its business purpose, will fund projects that help address traffic congestion issues and reduce the environmental and health impacts of transportation in areas of the state that are in nonattainment for ozone pollution. As required within statute, the Enterprise's 10-Year plan will outline the business purpose of the Enterprise and establish the overall direction for the use of these funds through state fiscal year 2031-32. This plan was designed to be flexible to changes in fee collection and market conditions, community needs, and other issues that could affect the business purpose of the Enterprise.



The plan was developed with input from key stakeholders within the Colorado Department of Transportation (CDOT), direction from the enterprise's Board of Directors, and input from local government and the public through outreach efforts conducted by enterprise staff throughout the spring 2022.

In addition to outlining the overall direction of the enterprise over the next ten years, this plan will explain the current state of ozone and air pollution within the state's nonattainment areas, development of a preliminary spending plan for the next ten years, and outlining potential requirements for projects funded by the enterprise. Further refinements of the enterprise's 10-year plan will continue throughout its life, at the discretion of the enterprise's Board of Directors.

- 10-Year Plan Timeline
- Rideshare and Retail Delivery Overview
- Senate Bill 21-260
- Board of Directors





NAAPME 10-Year Plan Overview

Enterprise Business Purpose



Business Purpose of the Enterprise

Under Colorado Revised Statutes 43-4-1303, as amended by Senate Bill 21-260, defines the business purpose of the Nonattainment Area Air Pollution Mitigation Enterprise in subsection three of this statute as:

// The business purpose of the enterprise is to mitigate the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas that results from the rapid and continuing growth in retail deliveries made by motor vehicles and in prearranged rides provided by transportation network companies by providing funding for eligible projects that reduce traffic, including demand management projects that encourage alternatives to driving alone or that directly reduce air pollution, such as retrofitting of construction equipment, construction of roadside vegetation barriers, and planting trees along medians. //

While not specified in statute, the Board of Directors has determined that projects funded by this enterprise, within the scope of its business purpose, will be conducted within nonattainment areas in Colorado. Among the three potential pollutants that can determine an area's nonattainment status, ozone is the only pollutant that currently has a nonattainment area within the state, along the northern and central Front Range. The Board of Directors may adjust this as future determinations are made by the United States Environmental Protection Agency (EPA).

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- Statutory Language
- Funding Focus Areas
- Provisions on Public Outreach in Statute



NAAPME 10-Year Plan Overview

Board of Directors

Nonattainment Enterprise Board of Directors

The enterprise's seven member board of directors is its primary governing body, charged with the following duties:

- Impose the air pollution mitigation per ride and the air pollution mitigation retail delivery fees;
- Issue grants, loans, rebates, and other funding mechanisms for eligible projects;
- Issue revenue bonds payable from enterprise revenue and other available fund sources to the enterprise
- Adopt bylaws for the regulation of its affairs and the conduct of its business;
- Acquire, hold title to, and dispose of real and personal property;
- Employ and supervise individuals, professional consultants, and contractors as necessary to carry out the enterprise's business purpose;
- Seek, accept, and except gifts, grants, donations from private or public sources to fulfill its business purpose, within the restrictions outlined with the Colorado Constitution and statutes;
- Promulgate rules specifically to set the amounts collected of both fees, at or below the maximum values authorized by statute; and
- Publish the process by which the enterprise accepts application, the criteria for evaluating applications, and a list of grantees or program participants.

Board Composition & Enterprise Staffing

By statute, the governing board will consist of up to seven members, appointed by the Governor of Colorado and confirmed by the Colorado Senate, using the following criteria:

- One member with expertise on environmental, environmental justice, or public health issues;
- One member who is an elected official of a disproportionately impacted community that is a member of the Denver Regional Council of Governments (DRCOG);
- One member who is an elected official of a local government that is a member of the North Front Range Metropolitan Planning Organization (NFRMPO);
- Up to two members who are representatives of disproportionately impacted communities;
- The Executive Director of the Colorado Department of Transportation or the Executive Director's Designee; and
- The Executive Director of the Colorado Department of Public Health and Environment or the Executive Director's Designee.

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- Duties of the Board
- Appointment Requirements
- Staff Outlined in Bylaws
- Current Composition



NAAPME 10-Year Plan Overview

Nonattainment Areas of Colorado

Nonattainment Areas of Colorado

The Clean Air Act, last amended in 1990, requires EPA to set National Ambient Air Quality Standards (NAAQS) for six principal pollutants ("criteria" air pollutants) which can be harmful to public health and the environment.

Within the act, there are two standards identified for national ambient air quality standards. Primary standards provide public health protection, including protecting the health of "sensitive" populations such as asthmatics, children, and the elderly. Secondary standards provide public welfare protection, including protection against decreased visibility and damage to animals, crops, vegetation, and buildings. Each standard may have a different maximum level for achievement of standards and different time standard for averaging measurements of the pollutant. These pollutants can come from a variety of sources and different industries, but transportation emissions are one major source in many cases.



The six principal criteria air pollutants, as outlined by the Clean Air Act, are as follows:

- Carbon Monoxide (CO)
- Lead (Pb)
- Nitrogen Dioxide (NO₂)
- Ozone (O₃)
- Particulate Pollution (PM)
- Sulfur Dioxide (SO₂)

If an area exceeds the maximum levels for NAAQS, it is considered to be in "nonattainment." This can vary in severity from marginal to extreme, depending on the amount of pollution reported in the area. An area can move out of nonattainment, but is in a maintenance period for an amount of time (often twenty years) before it can achieve attainment status.

While there have been nonattainment areas for particulate pollution and carbon monoxide, all of these areas within Colorado are currently in attainment or in maintenance. The only pollutant in which Colorado has a nonattainment area is ozone. Most of the areas in Colorado in nonattainment are classified in serious nonattainment, having recently been upgraded from moderate by the EPA.

Ozone pollution in the air people breathe can harm their health, especially on hot sunny days when ozone can reach unhealthy levels. People at the greatest risk of harm from breathing air containing ozone often include people with lung conditions, such as asthma. Elevated exposures to ozone can also affect sensitive vegetation and ecosystems, including forests, parks, wildlife refuges, and wilderness areas, especially during the growing seasons. Additional information on the effects of ozone pollution, determination of nonattainment and information on other pollutants in the Clean Air Act are available from the EPA at its [Nonattainment Areas for Criteria Pollutants \(Green Book\) webpage](#).

- Description of Nonattainment Areas
- Criteria Air Pollutants
- Nonattainment Areas Map



NAAPME 10-Year Plan Overview

10 Year Anticipated Funding and Spending Forecast

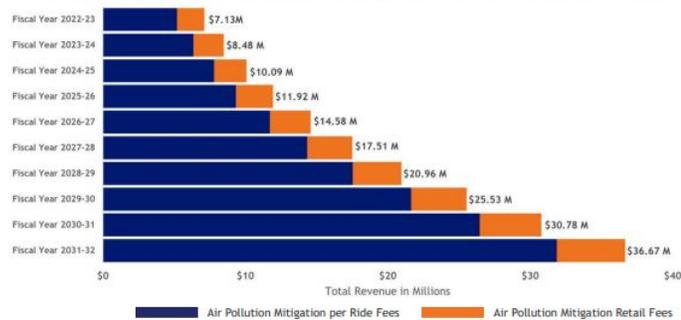
10 Year Anticipated Funding and Spending Forecast

As noted in previous sections of this plan, the enterprise is funded by two fees, authorized by the Colorado General Assembly: The Air Pollution Mitigation per Ride Fee and the Air Pollution Mitigation Retail Delivery Fee. On April 14, 2022, the NonAttainment Enterprise Board of Directors approved its rulemaking process, outlining the levels for each fee starting on July 1, 2022. The adopted fees levels for July 2022 through June 2023 are:

- Eleven and ¼ cents for each prearranged ride that is a carshare ride or for which the driver transports the rider in a zero emissions motor vehicle;
- Twenty-two and ½ cents for every other prearranged ride.
- Seven-tenths of one cent per retail delivery.

From these fees, anticipated revenues for the first year are expected to exceed \$7.1 million, including \$5.2 million from the prearranged ride fee and \$1.9 million from the retail delivery fee. Throughout the next ten years, as the fee levels adjust for anticipated inflation rates and taking into account factors such as population growth and increased usage of services, the total amount of fees anticipated to be collected by the enterprise will exceed \$183 million, including \$152 million from the prearranged ride fee and \$31 million from the retail delivery fee. Anticipated revenue levels per year over the next ten years are outlined in Figure 7.

FIGURE 7: ANTICIPATED 10 YEAR REVENUE FROM AIR POLLUTION MITIGATION FEES

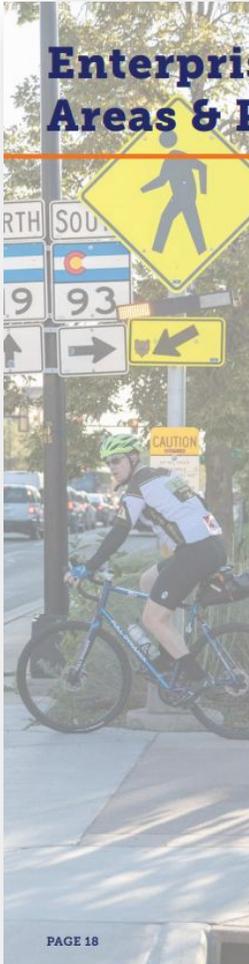


- Outlines Specific Fee Levels
- Anticipated Revenue
- Spending Forecast
- Budgeting Procedures



NAAPME 10-Year Plan Overview

Funding Focus Areas



Enterprise Funding Focus Areas & Project Selection

In order to fulfill its business purpose, the enterprise has established three funding focus areas to define the types of transportation project that it would fund over the first ten years.

It is envisioned that this will lay out the top level framework of how the enterprise will execute its business purpose, as noted in statute and in previous sections of the 10-year plan. More specific requirements will be developed by the enterprise Board of Directors as it develops the first year program, establishment of its budget, and conclusion of public outreach activities. This will allow the enterprise maximum flexibility to adapt to market adjustments, changing needs, population growth, and other factors.

The three funding focus areas are:

- Sustainably reduce traffic congestion
- Reduce the environmental and health impacts of transportation
- Improve neighborhood connectivity for communities adjacent to highways

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- Description of three funding focus areas.
- Example project categories.
- Minimum project requirements.



NAAPME 10-Year Plan Overview

Public Outreach Results

Public Outreach for the 10 Year Plan

Public Outreach by the enterprise started in February 2022 with the opening of the public comment on the initial rulemaking for the establishment of the fees levels for both the prearranged ride fee and the retail delivery fee. Rulemaking concluded on April 14, 2022 with the incorporation of adjustments to the rule based on public feedback and adoption of the rule by the Board of Directors.

During this time, the enterprise established its online presence, which included:

- Establishment of the Enterprise's website;
- Regular website updates on current initiatives;
- Establishment of an email address to contact enterprise staff directly;
- Establishment of an email subscription service to allow interested parties to receive updates when new information is available; and
- Release of a short video outlining the purpose of the enterprise, anticipated revenues, and directing viewers towards avenues to provide feedback at the start of May 2022.

Additionally, as the Board of Directors held its monthly meeting for initial establishment of the enterprise, the meetings were available to allow for public comment and were live streamed on the Youtube platform. Recordings of these meetings, in addition to meeting minutes were made available on the Enterprise's website within one week after its occurrence and as required under Colorado statute.



- Activities Conducted
- Results from Survey and Listening Session



NAAPME 10-Year Plan Overview

Reporting and Next Steps

Enterprise Reporting & Next Steps

The enterprise and its Board of Directors want to provide a transparent process for its operations and allow for accountability of its programs, providing all necessary information needed for stakeholders, local government officials and community members to keep abreast of the development of the program and allocation of revenue.

Public Accountability Dashboard

Starting in the next state fiscal year, the Enterprise will begin to develop its Public Accountability Dashboard, which will provide quarterly updates on the progress of its program, including total revenue collected, revenue allocated to projects and programs, expenditures and completion of funded projects, and anticipated air pollution mitigation benefits.

Annual Report

An annual report, mirroring the information that will populate the Public Accountability Dashboard, will be published in June at the end of each state fiscal year. This report will be presented to the Colorado Transportation Commission, the Colorado House of Representatives Transportation and Local Government Committee and the Colorado Senate Transportation and Energy Committee.

Public Outreach Activities

The Board of Directors will discuss and approve future public outreach activities throughout the next fiscal year, which will solicit public comment on project selection and prioritization requirements, community needs, and other topics of interest to fulfill the business purpose of the Enterprise and help inform updates to the 10-year plan.

Annual 10-Year Plan Updates

Finally, the 10-year plan will be updated annually as market information and program data is gathered. This plan was developed with a particular eye towards uncertainty associated with the new revenue source. The next update cycle will occur on or before May 2023, at the discretion of the enterprise board.

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- Public Accountability Dashboard
- Annual Report
- Future Public Outreach
- Annual 10-Year Plan Updates



NAAPME 10-Year Plan Next Steps

- Further updates and staff review of the plan.
- Posting of Plan on NAAPME Website by COB 1 June 2022.
- Adoption of Plan at the June Meeting.
 - Legal Interpretation of statute - allows for Board adoption after June 1st deadline, as long as substantial draft is posted on website.
 - Will allow for public comments on 10-year plan draft document. This has been requested at a local government meeting.
- Annual Updates with public comment period and official “re-adoption.”
- Special thanks to Annelise Van Vonno for help with Graphic Design of this Plan!!!



FY2023 NAAPME Budget

Darius Pakbaz, NAAPME Program Administrator



NAAPME FY 2023 Annual Budget

- Proposed Annual Budget for FY 2023
- Assumptions and Processes:
 - Based off CDOT Revenue Allocation Line-Item document; additional adjustments will be provided based on feedback from CDOT Division of Accounting and Finance before final adoption.
 - Four Budget Categories in green; Subcategories in yellow.
 - Column 'A' - Roll-forward of funds from FY2022.
 - Column 'B' - Allocation for FY 2022
 - Column 'C' - Allocation of revenues for FY 2023.
 - Column 'D' - Total available "budget" (A+C) for FY 2023.
 - Line 4: Admin & Ops Rolls forward to Programming and Projects next fiscal year.
 - Line 25: Debt Service - Not anticipated using in future fiscal year, but option is available.
 - Line 28: Contingency - Recommendation from CDOT DAF Staff to keep uncommitted reserve to \$200,000 or 16.5% of total expenses, unless there is a need.
- Review for current Board of Directors Meeting & adoption of budget at June 2022 Meeting.



NAAPME DRAFT FY 2023 Annual Budget

| # | LINE ITEM | A - Estimated Rollforward from FY 2021-22 | B - FY 2021-22 Final Allocation Plan | C - FY 2022-23 Final Allocation Plan | FY 2023-23 Final Total Available Budget (A+C) | Directed By | Funding Source |
|----|---|---|--------------------------------------|--------------------------------------|---|-------------|----------------|
| 1 | NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE | | | | | | |
| 2 | PROGRAMED FUNDS | \$ 55,000.00 | \$ - | \$ 6,622,144.02 | \$ 6,677,144.02 | | |
| 3 | Programed Funds | \$ 55,000.00 | \$ - | \$ 6,622,144.02 | \$ 6,677,144.02 | NAAPMEB | SB21-260 |
| 4 | ADMINISTRATION & AGENCY OPERATIONS | \$ - | \$ 73,870.00 | \$ 226,650.00 | \$ 226,650.00 | | |
| 5 | Staff Salaries | \$ - | \$ 64,800.00 | \$ 64,800.00 | \$ 64,800.00 | | |
| 6 | Program Administrator | \$ - | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 | NAAPMEB | SB21-260 |
| 7 | Board Secretary | \$ - | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 | NAAPMEB | SB21-260 |
| 8 | Enterprise Controller | \$ - | \$ 8,000.00 | \$ 8,000.00 | \$ 8,000.00 | NAAPMEB | SB21-260 |
| 9 | DTD Division Director | \$ - | \$ 12,000.00 | \$ 12,000.00 | \$ 12,000.00 | NAAPMEB | SB21-260 |
| 10 | DTD Planning Specialist 1 | \$ - | \$ 8,000.00 | \$ 8,000.00 | \$ 8,000.00 | NAAPMEB | SB21-260 |
| 11 | DTD Planning Specialist 2 | \$ - | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 | NAAPMEB | SB21-260 |
| 12 | DAF Accountant | \$ - | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 | NAAPMEB | SB21-260 |
| 13 | OPGR Rules Coordinator | \$ - | \$ 2,400.00 | \$ 2,400.00 | \$ 2,400.00 | NAAPMEB | SB21-260 |
| 14 | DAF Contract Administrator | \$ - | \$ 2,400.00 | \$ 2,400.00 | \$ 2,400.00 | NAAPMEB | SB21-260 |
| 15 | State Agency Support | \$ - | \$ 2,450.00 | \$ 6,000.00 | \$ 6,000.00 | | |
| 16 | Attorney General's Office Fees | \$ - | \$ 2,450.00 | \$ 4,000.00 | \$ 4,000.00 | NAAPMEB | SB21-260 |
| 17 | Office of State Audit - Annual Financial Audit | \$ - | \$ - | \$ 2,000.00 | \$ 2,000.00 | NAAPMEB | SB21-260 |
| 18 | Enterprise Support Initiatives | \$ - | \$ 4,420.00 | \$ 150,000.00 | \$ 150,000.00 | | |
| 19 | Language Translation Services | \$ - | \$ 4,420.00 | \$ 50,000.00 | \$ 50,000.00 | NAAPMEB | SB21-260 |
| 20 | Consultant Services | \$ - | \$ - | \$ 100,000.00 | \$ 100,000.00 | NAAPMEB | SB21-260 |
| 21 | Board Meeting Expenses | \$ - | \$ 2,200.00 | \$ 5,850.00 | \$ 5,850.00 | | |
| 22 | Board Travel | \$ - | \$ 2,000.00 | \$ 5,000.00 | \$ 5,000.00 | NAAPMEB | SB21-260 |
| 23 | Meeting Expenses | \$ - | \$ 200.00 | \$ 500.00 | \$ 500.00 | NAAPMEB | SB21-260 |
| 24 | Presentation and Polling Support | \$ - | \$ - | \$ 350.00 | \$ 350.00 | NAAPMEB | SB21-260 |
| 25 | DEBT SERVICE | \$ - | \$ - | \$ 76,431.98 | \$ 76,431.98 | | |
| 26 | Loan Payments | \$ - | \$ - | \$ 76,431.98 | \$ 76,431.98 | NAAPMEB | SB21-260 |
| 27 | CONTINGENCY RESERVE | \$ - | \$ - | \$ 200,000.00 | \$ 200,000.00 | | |
| 29 | Enterprise Reserve Fund (<\$200,000.01) | \$ - | \$ - | \$ 200,000.00 | \$ 200,000.00 | NAAPMEB | SB21-260 |
| 30 | TOTAL - NAAPME | \$ 55,000.00 | \$ 73,870.00 | \$ 7,125,226.00 | \$ 7,180,226.00 | | |



NAAPME Draft Spending Plan

| LINE ITEM | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 | FY2026-27 | FY2027-28 | FY2028-29 | FY2029-30 | FY2030-31 | FY2031-32 |
|--|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1 TOTAL REVENUES | \$ 7,125,226.00 | \$ 8,481,351.00 | \$ 10,094,332.00 | \$ 11,923,095.00 | \$ 14,584,946.00 | \$ 17,507,659.00 | \$ 20,961,754.00 | \$ 25,527,355.00 | \$ 30,776,587.00 | \$ 36,665,817.00 |
| 2 Air Pollution per Ride fee | \$ 5,193,149.00 | \$ 6,350,348.00 | \$ 7,799,651.00 | \$ 9,325,133.00 | \$ 11,713,055.00 | \$ 14,330,228.00 | \$ 17,528,868.00 | \$ 21,626,892.00 | \$ 26,448,435.00 | \$ 31,857,744.00 |
| 3 Air Pollution per Retail Delivery Fee | \$ 1,932,077.00 | \$ 2,131,003.00 | \$ 2,294,681.00 | \$ 2,597,962.00 | \$ 2,871,891.00 | \$ 3,177,431.00 | \$ 3,432,886.00 | \$ 3,900,463.00 | \$ 4,328,152.00 | \$ 4,808,073.00 |
| 4 NONATTAINMENT AREA AIR POLLUTION ENTERPRISE - REVENUE ALLOCATION | | | | | | | | | | |
| 5 PROGRAMED FUNDS | \$ 6,622,144.02 | \$ 8,255,433.00 | \$ 9,866,066.62 | \$ 11,692,400.08 | \$ 14,351,736.51 | \$ 17,271,846.93 | \$ 20,723,248.25 | \$ 25,286,061.30 | \$ 30,532,407.77 | \$ 36,418,651.25 |
| 6 Programed Funds | \$ 6,622,144.02 | \$ 8,255,433.00 | \$ 9,866,066.62 | \$ 11,692,400.08 | \$ 14,351,736.51 | \$ 17,271,846.93 | \$ 20,723,248.25 | \$ 25,286,061.30 | \$ 30,532,407.77 | \$ 36,418,651.25 |
| 7 ADMINISTRATION & AGENCY OPERATIONS | \$ 226,650.00 | \$ 225,918.00 | \$ 228,265.38 | \$ 230,694.92 | \$ 233,209.49 | \$ 235,812.07 | \$ 238,505.75 | \$ 241,293.70 | \$ 244,179.23 | \$ 247,165.75 |
| 8 Staff Salaries | \$ 64,800.00 | \$ 67,068.00 | \$ 69,415.38 | \$ 71,844.92 | \$ 74,359.49 | \$ 76,962.07 | \$ 79,655.75 | \$ 82,443.70 | \$ 85,329.23 | \$ 88,315.75 |
| 9 Program Administrator | \$ 20,000.00 | \$ 20,700.00 | \$ 21,424.50 | \$ 22,174.36 | \$ 22,950.46 | \$ 23,753.73 | \$ 24,585.11 | \$ 25,445.59 | \$ 26,336.18 | \$ 27,257.95 |
| 10 Board Secretary | \$ 4,000.00 | \$ 4,140.00 | \$ 4,284.90 | \$ 4,434.87 | \$ 4,590.09 | \$ 4,750.75 | \$ 4,917.02 | \$ 5,089.12 | \$ 5,267.24 | \$ 5,451.59 |
| 11 Enterprise Controllor | \$ 8,000.00 | \$ 8,280.00 | \$ 8,569.80 | \$ 8,869.74 | \$ 9,180.18 | \$ 9,501.49 | \$ 9,834.04 | \$ 10,178.23 | \$ 10,534.47 | \$ 10,903.18 |
| 12 DTD Division Director | \$ 12,000.00 | \$ 12,420.00 | \$ 12,854.70 | \$ 13,304.61 | \$ 13,770.28 | \$ 14,252.24 | \$ 14,751.06 | \$ 15,267.35 | \$ 15,801.71 | \$ 16,354.77 |
| 13 DTD Planning Specialist 1 | \$ 8,000.00 | \$ 8,280.00 | \$ 8,569.80 | \$ 8,869.74 | \$ 9,180.18 | \$ 9,501.49 | \$ 9,834.04 | \$ 10,178.23 | \$ 10,534.47 | \$ 10,903.18 |
| 14 DTD Planning Specialist 2 | \$ 4,000.00 | \$ 4,140.00 | \$ 4,284.90 | \$ 4,434.87 | \$ 4,590.09 | \$ 4,750.75 | \$ 4,917.02 | \$ 5,089.12 | \$ 5,267.24 | \$ 5,451.59 |
| 15 DAF Accountant | \$ 4,000.00 | \$ 4,140.00 | \$ 4,284.90 | \$ 4,434.87 | \$ 4,590.09 | \$ 4,750.75 | \$ 4,917.02 | \$ 5,089.12 | \$ 5,267.24 | \$ 5,451.59 |
| 16 OPRG Rules Coordinator | \$ 2,400.00 | \$ 2,484.00 | \$ 2,570.94 | \$ 2,660.92 | \$ 2,754.06 | \$ 2,850.45 | \$ 2,950.21 | \$ 3,053.47 | \$ 3,160.34 | \$ 3,270.95 |
| 17 DAF Contract Administrator | \$ 2,400.00 | \$ 2,484.00 | \$ 2,570.94 | \$ 2,660.92 | \$ 2,754.06 | \$ 2,850.45 | \$ 2,950.21 | \$ 3,053.47 | \$ 3,160.34 | \$ 3,270.95 |
| 18 State Agency Support | \$ 6,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 |
| 19 Attorney General's Office Fees | \$ 4,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| 20 Office of State Audit - Annual Financial Audit | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| 21 Enterprise Support Initiatives | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 |
| 22 Language Translation Services | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 |
| 23 Consultant Services | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| 24 Board Meeting Expenses | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 | \$ 5,850.00 |
| 25 Board Travel | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| 26 Meeting Expenses | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| 27 Presentation and Polling Support | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 | \$ 350.00 |
| 28 DEBT SERVICE | \$ 76,431.98 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 |
| 29 Loan Payments | \$ 76,431.98 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 |
| 30 CONTINGENCY RESERVE | \$ 200,000.00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 |
| 31 Board Reserve Fund (<\$200,000.01) | \$ 200,000.00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 | \$ - .00 |
| 33 TOTAL - NAAPME | \$ 7,125,226.00 | \$ 8,481,351.00 | \$ 10,094,332.00 | \$ 11,923,095.00 | \$ 14,584,946.00 | \$ 17,507,659.00 | \$ 20,961,754.00 | \$ 25,527,355.00 | \$ 30,776,587.00 | \$ 36,665,817.00 |



CDOT Policy Directive 703

Darius Pakbaz, NAAPME Program Administrator



CDOT Policy Directive 703

Policy Directive 703.0 “Annual Budget, Project Budgeting, and Cash Management Principles”

- Policy Directive 703.0 establishes clear guidance on how staff must handle all types of transactions, including budget and project transactions, and what levels of review are required
- During the annual review of Policy Directive 703.0, a new line for the NAAPME will be added to the matrix so staff can determine required levels of review.



CDOT Policy Directive 703

Appendix B - Project Related Transactions Example

| Pre-Award Adjustments and Contract Modification Orders | | | | |
|--|---|---|--|-----------------------------|
| Original Construction Budget | <i>Greater than or equal to 15% and greater than or equal to \$500,000; or 2) greater than or equal to \$5,000,000 above the original approved amount</i> | 1.) 10% or greater and between \$250,000-\$500,000 above the original approved amount; or 2) Less than 15% and between \$500,000 and \$4,999,999 above the original approved amount | 1.) Less than \$250,000 above the original approved amount; or 2) less than 10% and between \$250,000-\$499,999 above the original approved amount | Project Closure Adjustments |
| Board Approval Required | | Requires 2 out of 3 signatures from Executive Director or Designee, Chief Engineer, CFO as well as the Director | Allotment Advice: Staff will make decision | |



Future Board of Directors Meetings - FY2023

Darius Pakbaz, NAAPME Program Administrator



Meeting Cadence after June 2022

- Recommendation to move to quarterly meetings after June 23rd:
 - Four Meetings, scheduled midway through each fiscal quarter.
 - Board's discretion for additional meetings.
 - In person meetings?
 - **August 25, 2022 - 3:00PM to 4:30PM**
 - **November 17, 2022 - 3:00PM to 4:30PM (avoid Thanksgiving week)**
 - **February 23, 2023 - 3:00PM to 4:30PM**
 - **May 25, 2023 - 3:00PM to 4:30PM**
- Future Discussion Topics:
 - Adoption of 10-Year Plan, Budget, and PD703 Provisions - June 2022
 - Gap Analysis Reporting - Similar Programs and Funding Sources - June 2022
 - Revenue Forecast to Actual Analysis - August 2022
 - Project Prioritization and Program Requirements - August 2022
 - Project Accountability Dashboard - November 2022
 - Project Selection Discussion - November 2022
 - FY 2024 Budget Discussion - February 2023
 - Annual Report, FY 2024 Budget Adoption, 10-Year Plan Updates - May 2023



Conclude Meeting / Next Steps



Upcoming Dates:

- June 26, 2022, 3:00 PM - 4:30 PM - *Nonattainment Board Meeting*
- Wednesday, June 1st - Deadline to Publish 10-year Plan

Upcoming Meeting Topics:

- 10 Year Plan Adoption
- FY 2023 Budget Adoption
- PD703 Presentation and Provisions for Enterprise



COLORADO

Transportation Commission

RELEASE MEMORANDUM

TO: All CDOT Employees

FROM: Natalie Lutz, Rules, Policies, and Procedures Administrator
Herman Stockinger, Transportation Commission Secretary
Jeff Sudmeier, Chief Financial Officer

RE: **Updated Policy Directive 703.0 “Annual Budget, Project Budgeting, and Cash Management Principles”**

DATE: August 27, 2021

1. Name of Updated Policy Directive:
Policy Directive 703.0 “Annual Budget, Project Budgeting, and Cash Management Principles”
2. Date of Policy Directive this Directive Supersedes: August 20, 2020
3. Executive Summary:

Policy Directive 703.0 establishes clear guidance on how staff must handle all types of transactions, including budget and project transactions, and what levels of review are required. During the annual review of Policy Directive 703.0, it was determined a few updates were necessary to ensure the directive was current with recent legislation and programmatic changes. The narrative portion of Policy Directive 703.0 was unchanged and remains the same without revisions. However, the appendices of Policy Directive 703.0 were updated to include new enterprises created under Senate Bill 260 and removed nonexistent programs. The proposed changes to the appendices were minor clarifications or technical edits to reflect updated business processes. Finally, updating the appendices provide staff with the details needed to ensure the proper level of review is obtained for transactions.

Key changes were made within the “Project Transactions” Table in Appendix B and “Budget Transactions” Table in Appendix C, which include:

Project Transactions Table in Appendix B

- Capital Construction: Added “Pandemic Relief” to Strategic Projects and added “Vulnerable Populations” to Other Capital Construction Programs.
- Multimodal Services: Removed RoadX from the Project Type column as the program is obsolete and added the language “Innovative or” and “Revitalizing Safer Main Streets” to the Project Type column. These changes added detail to account for any newly created transit programs and compensating for the creation of the Safer Main Streets initiative approved by the State Legislature.
- Enterprises: Changed Bridge Enterprise to Bridge and Tunnel Enterprise. Also, added two new lines for Clean Transit Enterprise and Nonattainment Area Air Pollution Mitigation Enterprise. These are new enterprises created by Senate Bill 260 and needed to be added to the matrix so staff can determine required levels of review.



Budget Transactions Table in Appendix C

- Budget Amendments and Other Changes: Added the language “or transfers to and from Strategic Safety for approved program initiatives and projects.” In some instances, regional requests to or from Strategic Safety crossed budget lines requiring Transportation Commission or Executive Management Team review and approval. The projects or cost centers for these funds are being transferred to are all associated with the Strategic Safety Program but may be executed under different offices within CDOT. This language allows transferring of Strategic Safety funding to manage Strategic Safety Projects without requiring Transportation Commission or Executive Management Team review and Approval.
 - Other Budget Transfers: Added “Construction Engineering” to the Transaction Type column. Construction Engineering was missing from the previous version and should be reviewed under the same principles as increases to indirect costs.
4. Offices to Contact with Questions:
The Office of Policy and Government Relations at: 303.757.9441 or natalie.lutz@state.co.us.
The Office of Finance Management and Budget: 303.757.9730 or matt.buck@state.co.us.
 5. Effective Date of Updated Policy Directive: August 19, 2021



| | | |
|--|---|---|
| COLORADO DEPARTMENT OF TRANSPORTATION | | <input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE |
| Subject Annual Budget, Project Budgeting, and Cash Management Principles | | 703.0 |
| Effective 08/19/2021 | Supersedes 08/20/2020 06/16/2016 08/21/2014 | Originating Office Office of Finance Management and Budget (“OFMB”) |

I. PURPOSE

To establish the policy by which the Colorado Department of Transportation will determine and submit the annual budget and project budgets to the Colorado Transportation Commission. The Commission will focus on substantive budget matters, i.e. those budget matters that involve material change or significant risk, and will exercise oversight on routine budget matters.

II. AUTHORITY

Colorado Transportation Commission pursuant to § 43-1-106(8)(h), C.R.S.

III. APPLICABILITY

This Policy Directive applies to all divisions, regions and offices of the Colorado Department of Transportation.

IV. DEFINITIONS

See Appendix A “Definitions”

V. POLICY

A. Scope. This Policy Directive applies to all funds and accounts administered by the Department. The scope includes the formation and execution of the Department’s budget and the approval of the Department’s programs.

B. Objective. The objective of this Policy Directive is to document annual budget and project budgeting policies followed by the Department with the Commission’s approval to maximize the flow of funds to the Department’s construction and maintenance projects applying effective and efficient cash management strategies.

1. The Commission will evaluate the Department’s ability to apply effective and efficient cash management strategies using the following criteria:
 - a. Available revenues in the Statewide Transportation Improvement Program (STIP) are as high as can be justified within relevant state

and federal laws;

- b. Those revenues are fully allocated to programs or groups of projects within the STIP;
- c. Appropriations for construction and maintenance projects are as high as can be justified in conformance with state and federal laws;
- d. Taking into account the Department's mission to deliver projects in a timely manner, review and evaluate the monthly Fund 400 cash balance against the approved target cash balance. An exception exists in the case of the receipt of large General Fund transfers or receipt of other large proceeds, in which case, effort should be made to effectively and efficiently deliver projects and manage cash until cash balances return to target levels.

C. Principles.

1. Financial risk is a necessary element in maximizing the flow of funds to projects. The Department may take necessary financial risks in order to accelerate projects while implementing the necessary controls in order to stay in compliance within overall risk management measures.
2. Transportation Commission approval will be required only when a transaction represents a high or substantial risk. Moderate or low risk items may be approved by the Executive Management Team or Staff level authority respectively. High risk transactions are those transactions which by either amount or substance represent elevated (non-routine) risk from a compliance and internal controls perspective, represent a significant decision of policy, or represent a decision which public or stakeholder engagement is required, expected, or desired. Examples of actions for which risk is evaluated include:
 - a. Changes to the funds allocated to a budgetary program or region
 - b. Changes to the funds apportioned to a project or cost center
 - c. Deviations in program applicability or eligibility
3. Level of Department and Commission governance is aligned to level of risk.
Reference
 - a. Appendix B "Project Related Transactions"; In the cases of project level adjustments high risk is identified as an increase greater than or equal to 15% and greater than or equal to \$500,000, or greater than or equal to \$5,000,000. Moderate risk is identified an increase between

10% to 15% or \$250,000 to \$500,000.

- b. Appendix C “Budget Related Transactions”; Budget level adjustments identified as high risk are greater than or equal to \$1 Million. Moderate risk is identified as any adjustment less than \$1 Million.
- c. Appendix D “Other Transactions”; Transaction specific risk types are assigned within the appendix.

D. Annual Budget.

1. The Department shall produce a long-range revenue forecast (produced every five years), including annual revenues and extending over at least 20 years, and a short-range revenue forecast, by month extending over at least 48 months, for use in all of the Department’s programs and budgets.
2. Pursuant to § 43-1-113(2), C.R.S., annually, on or before December 15, the Commission shall adopt and the Department shall submit a proposed budget allocation plan for the fiscal year beginning on July 1 of the succeeding year. No later than April 15 of each year, the Commission shall adopt and submit a final budget allocation plan to the Office of State Planning and Budget.
3. The level of Department and Commission risk regarding the annual budget shall be defined as outlined in Appendix C.

E. Statewide Transportation Improvement Program (STIP).

1. Pursuant to 23 C.F.R. 450.216, the Department is required to develop a STIP.
2. The Department shall use the STIP as the principal expression of its programs and projects for the execution of all federal dollars assigned to transportation projects that have been adopted by the TC. For purposes of this PD, this will include highway construction and any federalized transit projects funded with specific state funding, such as FASTER transit.
3. Any project that requires federal authorization or obligation must be included in the STIP prior to any budget actions. Guidelines for developing the STIP may be found here: [STIP Development Guidelines \(4P\)](#). Guidance for amending or modifying the STIP may be found here: [STIP Amendment Guidelines](#).
4. The STIP will be amended at least once a year for major changes. Upon the conclusion of a fiscal year, a new fiscal year will be amended into the STIP as the fourth federally recognized year.

F. Project Budgets.

1. Projects typically will be managed and selected within a four-year program or programs of projects based on defined criteria, and in alignment with Transportation Commission performance objectives established in PD 14.
2. The Department shall approve the budget of each project through development and construction, and shall determine the level of approval for subsequent substantive changes to the cost of each project as outlined in Appendix B.

G. Cash Balance Policy

1. The Department shall prepare and maintain a Fund 400 Forecast model for the purpose of managing the Department's cash balance.
2. This model will incorporate SAP expenditures and analytical forecasts with vendor construction project drawdown schedules and budget revenues.
3. The resulting cash balance forecast will be charted against the Transportation Commission approved cash balance threshold to identify future cash balance risk points.
4. Risk will be identified and managed monthly through a Fund 400 Management process.
5. The cash balance threshold will be reviewed as necessary. Any recommended changes for levels of risk or annual average monthly balance will be approved by the Commission.
6. Level of Department risks approved by the Commission and the Fund 400 Management process principles are identified and maintained within the Appendix E - Cash Balance Management.

VI. DOCUMENTS REFERENCED IN THIS POLICY DIRECTIVE

1. Appendix A – “Definitions”
2. Appendix B – “Project Related Transactions”
3. Appendix C – “Budget Related Transactions”
4. Appendix D – “Other Transactions”

| | |
|---|------------------------|
| Subject Annual and Project Budgets and Cash Management Principles | Number 703.0 |
|---|------------------------|

5. Appendix E– “Cash Balance”

VII. IMPLEMENTATION PLAN

1. The OFMB shall establish procedures to implement this Policy Directive.
2. The OFMB shall train all CDOT employees who are impacted by or involved with this Policy Directive.
3. This Policy Directive shall be effective upon signature.

VIII. REVIEW DATE

This directive shall be reviewed on or before August 2022.

Herman F. Stockinger AAA
Secretary, Transportation Commission

8/19/2021
Date of Approval

Appendix A- Definitions

“Allotment Advice” shall mean project or program level budget actions, initiated by Department staff, that is approved by OFMB staff without EMT or Commission approval.

“Amendment” shall mean a change to the Budget allocation either through an increase, decrease or transfer between Budget lines.

“Approval” shall mean administrative permission to proceed with a project, program, or other anticipated expenditure that will require one or more officials to exercise their expenditure authorities in order to enter into one or more commitments to pay for goods or services that are needed to accomplish the project or program objectives. For purposes of this Policy Directive Approval authority will be determined based on risk outlined in each Appendix. There are 3 possible risk levels needing varying Approval: Staff, Executive Management Team and Transportation Commission.

“Budget” shall mean a financial plan that shows intended authorizations, appropriations, and allotments of funds into and out of an accounting entity. When all inflows and outflows of funds of the accounting entity are shown in the budget, the budget becomes a prospective statement of revenues and expenditures for that entity. CDOT maintains several budgets including those for Colorado Bridge Enterprise, High Performance Transportation Enterprise, the Aeronautics Division, and the core budget of CDOT, all of which are included in the State’s annual budget – the Long Bill.

“Cash Management” shall refer to the balancing of expected cash outflows with expected cash inflows.

“Confirmation Item” shall mean approval of an action undertaken prior to the scheduled TC meeting, but included on formal Budget Supplement document as an informational item.

“Department” shall mean the Colorado Department of Transportation pursuant to § 43-1-103, C.R.S.

“Decision Item” shall mean any requested change to the base budget for a pool or a cost center.

"Fund 400" shall mean the State Highway Fund (SHF) which is the primary operating fund administered by CDOT to manage state transportation projects. This fund receives the state's share of HUTF distributions and federal funds. The fund also generates its own revenue, primarily from interest earnings on the fund balance and local government matching funds to federal transportation funding programs.

“Programs” shall mean a logical grouping of similar projects in scope; or small and miscellaneous in nature, typically identified and funded via the Department Budget.

“Project” shall mean highway or other transportation related improvement activities contained under a single account number in CDOT’s SAP financial management information system.

“STIP” shall mean Statewide Transportation Improvement Program – A federally required, fiscally constrained, program that depicts transportation projects for a minimum of four (4) fiscal years.

“STIP Administrative Modification” shall mean minor changes to project costs, funding sources, or initiation dates. “Substantive” shall be used to mean exceeding the approved amount over a scope, schedule or budget threshold set by the Department’s Executive Director or designee.

“STIP Amendment” shall mean any major change to a project, including addition or deletion, major change to cost, initiation dates, or scope including amending a year into the STIP.

“Supplement” shall mean any change requiring Transportation Commission approval within a program or Budget line, including a decision to fund a project or increase the funding of a project per the Policy Directive guidance.

“TC Approval Required” shall mean project level budget actions, initiated by Department staff requiring Commission approval as part of a budget supplement packet.

"Transaction" shall mean any change or action conducted in the management of the budget, such as any increase, decrease, or movement of funds. Every transaction type is listed and described in each tab of the appendix.

“Transportation Commission” or “Commission” shall mean the Colorado Transportation Commission pursuant to § 43-1-406, C.R.S.

“EMT-Approved List” shall mean a list of projects approved by the EMT for an Annual Program per established processes.

Appendix B

Project Related Transactions

| Project Type | Original Construction Budget | Pre-Award Adjustment and Contract Modification Orders | | | Project Closure Adjustments |
|--|--|---|--|---|-----------------------------|
| | | 1) Greater than or equal to 15% and greater than or equal to \$500,000; or 2) greater than or equal to \$5,000,000 above the original approved amount | 1) 10% or greater and between \$250,000-\$500,000 above the original approved amount; or 2) Less than 15% and between \$500,000 and \$4,999,999 above the original approved amount | 1) Less than \$250,000 above the original approved amount; or 2) less than 10% and between \$250,000-\$499,999 above the original approved amount | |
| Capital Construction | | | | | |
| Asset Management: Surface Treatment, Structures (Bridge On-System, Culverts, Walls, Tunnels, High Mast Lighting), System Operations (ITS Maintenance, Traffic Signals), Geohazard Mitigation | TC Approval Required if not on Approved List or if not Based upon Program Metrics | TC Approval Required | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO | Allotment Advice | |
| | Allotment Advice if on EMT-Approved List or Based Upon Program Metrics | | | | |
| Emergency Relief | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO | | | Allotment Advice | |
| Highway Safety Improvement Program, FASTER Safety Program | TC Approval Required if not on Approved List or if not Based upon Program Metrics | TC Approval Required | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO | Allotment Advice | |
| | Allotment Advice if on EMT-Approved List or Based Upon Program Metrics | | | | |
| Strategic Projects (i.e. SB 17-267, SB 18-001, Pandemic Relief) | TC Approval Required | TC Approval Required | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO | Allotment Advice | |
| | Allotment Advice if on EMT-Approved List | | | | |
| National Highway Freight Program | TC Approval Required if not on Approved List or if not Based upon Program Metrics | TC Approval Required | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO | Allotment Advice | |
| | Allotment Advice if on EMT-Approved List or Based Upon Program Metrics | | | | |
| Other Capital Construction Programs - Permanent Water Quality Mitigation, Railway-Highway Crossings Program, Hot Spots, ADA Compliance, RPP, Vulnerable Populations | Allotment Advice | | | | |
| Maintenance and Operations | | | | | |
| Maintenance Program Areas | For all MLOS transactions, including Maintenance Projects, see "Other Transactions" | | | | |
| Maintenance Reserve | TC Approval Required (Pre-approval of Chair if confirmation item in advance of monthly Commission meeting) | | | | |
| ITS Investments | TC Approval Required | | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO | Allotment Advice | |
| Other Maintenance and Operations Programs - Property, Road Equipment, Rest Areas, Strategic Safety Program, Real-Time Traffic Operations | Allotment Advice | | | | |
| Multimodal Services | | | | | |
| Innovative Mobility Program (Strategic Transit, Multimodal Options) | TC Approval Required | TC Approval Required | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO | Allotment Advice | |

| | | | |
|---|---|----------------------|---|
| Other Innovative or Multimodal Services Programs - Rail Commission, Bustang, Revitalizing Safer Mainstreets | Allotment Advice | | |
| Suballocated Programs | | | |
| Safe Routes to School (Advisory Committee to make Recommendations to the Transportation Commission) | TC Approval Required | TC Approval Required | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO |
| Transit Grant Programs | TC Approval Required if not on Approved List or if not Based upon Program Metrics | TC Approval Required | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO |
| | Allotment Advice if on EMT-Approved List or Based Upon Program Metrics | | |
| Other Suballocated Programs: Aviation System Programs, STP-Metro, CMAQ, Metro Planning, Off-System Bridge, Recreational Trails, TAP | Allotment Advice | | |
| Other Programs | | | |
| Other Programs: Safety Education, SPR | Allotment Advice | | |
| Federal Discretionary Grants - State Match Required | Submittal of Grant does not require Commission Approval. Refer to respective line item of Appendix B for rules governing the state match. | | |
| Federal Discretionary Grants - No State Match Required | Allotment Advice | | |
| Local contributions to state projects | Allotment Advice | | |
| Enterprises | | | |
| Bridge and Tunnel Enterprise | Enterprise Board Approval Required | | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO |
| High Performance Transportation Enterprise | HPTE Board Approval Required | | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO as well as the Director of HPTE |
| Clean Transit Enterprise | Board Approval Required | | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO |
| Nonattainment Area Air Pollution Mitigation Enterprise | Board Approval Required | | Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO as well as the Director |

Appendix C

Budget Transactions

| Transaction Type | High Risk: TC Review and Approve | Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO as well as the Director of HPTE if applicable Report To and Inform TC or Enterprise Board | Low Risk: Staff Manage |
|--|--|--|---|
| Development of Annual Budget | | | |
| Annual Budget Allocation Plan | Annual Budget Adoption: November - adopt Proposed Budget March - adopt Final Budget | | Allocations based on TC approved Asset Management Planning Budget Allocations based on dedicated revenue sources Allocations based on predetermined schedule or previously approved plan (i.e. debt service, ADA Compliance) Allocations continuing a previously approved prior year level of funding (i.e. RPP, Hot Spots, PWQ, etc.) |
| Annual Budget Setting Common Policy Changes | Presented as informational | Reviewed annually | |
| Annual Budget Setting Decision Items | Greater than or equal \$1 million per annum | Less than \$1 million per annum; Notable new program costs over \$500k at staff discretion should be provided to the TC as an Information Item | |
| Year End Roll Forwards | | | |
| Year End Cost Center Roll Forwards | Greater than or equal \$1 million per annum | Less than \$1 million per annum | Pre Approved Automatic Rollforward Per Maintained List as Required by Statute, TC Resolution or EMT Approval |
| Project Debudgets and Year End Pool Balances | | Approval of Exemption Requests | Execution of Rollforwards or Retirements per Year End and Project Debudget Policy |
| Year End Budget Pool Roll Forwards | Reallocation of Funds Between Budget Lines | Review | Execution of Rollforwards or Retirements per Year End and Project Debudget Policy |
| Budget Amendments and Other Changes | | | |
| | Formal Budget Amendments | EMT or Staff Authorized Changes | |
| Transportation Commission Program Reserve | Individual transactions | | |
| Transportation Commission Contingency Reserve | Individual transactions greater than or equal to \$1 million (Commission Chairperson approval for emergency requests for Confirmation Items) or any transaction not related to emergency repairs or response caused by natural or manmade disasters. | Individual transactions less than \$1 million related to emergency repairs or response caused by natural or man made disasters. | |
| Maintenance Reserve | Individual transactions greater than or equal to \$1 million for items other than Snow and Ice and Wildfire Reimbursements | Snow and Ice and Wildfire Reimbursements require EMT approval. Report monthly to Transportation Commission | |
| New Revenue Sources, Previous Year Revenue Reconciliation, Change in Revenue Estimates Impacting Current Year Budget, and Federal Redistribution | N/A | New transfers of General Fund resulting from legislation that are allocated to the Strategic Projects line. | Dedicated/Inflexible Fund Types Allocated to Associated Programs Flexible Fund Types Allocated to TC Reserve for Future Distribution or Reduction |
| Allocation of Federal Discretionary Grants | N/A | N/A | Project Specific Allocations to Associated Regions |
| Additional Local Contributions | N/A | N/A | Allocated to Regional Local Overmatch Program |
| Transfers to/from Other States or Federal Agencies | N/A | N/A | Dedicated/Inflexible Fund Types Allocated to Associated Programs |
| Transfers between Budget Line Items | Individual Transfers >= \$1,000,000 | Individual Transfers >= \$250,000 | Individual Transfers < \$250,000 or any transfer to and from the Property Management Pool for controlled maintenance or approved building improvements, or transfers to and from Strategic Safety for approved program initiatives and projects. |

Other Budget Transfers

| | | | |
|---|--|---|--|
| <p align="center">MLOS Cost Centers Transfers</p> | <p align="center">Transfers of MLOS funds to cost centers outside of MLOS >= \$1,000,000</p> | <p align="center">Budget transfers across regions and requires additional DMO approval</p> <p align="center">Individual transfers of MLOS funds to cost centers outside of MLOS >=\$250,000 require additional DMO approval</p> | <p align="center">Individual transfers across sections within the same region <\$250,000 Staff Only</p> <p align="center">Individual transfers across sections within the same region >=\$250,000 require additional DMO approval</p> <p align="center">Individual transfers of MLOS funds to cost centers outside of MLOS <\$250,000 require additional DMO approval</p> |
| <p align="center">Increases to Indirect Costs or Construction Engineering (CE)</p> | <p align="center">Increases or new requests > \$1,000,000</p> | <p align="center">Increases or new requests >= \$250,000</p> | <p align="center">Increases or new requests < \$250,000</p> |

Appendix D

Other Transactions

| <u>Transaction Type</u> | <u>High Risk: TC Review and Approve</u> | <u>Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO as well as the Director of HPTE if applicable Report To and Inform TC or Enterprise Board</u> | <u>Low Risk: Staff Manage</u> |
|-------------------------------------|--|--|---|
| Capital Development Committee | | Any requests made to the CDC | |
| Cash Balances and Revenue Forecasts | Periodic Risk Assessment cash balance threshold | Monthly Cash Memo | Evaluate construction lettings each month |
| Commercial Loans | Change that will trigger a loan and require Legislative Authority | | Payment schedule included in quarterly and annual reports |
| Federal Funds Transfers | | Transfers between fund types per 23 U.S. Code § 126 | Transfers to/from other states for research projects or federal agencies such as FTA. |
| Full Time Employee Requests | Increasing the total # of CDOT FTE's | | Filling existing vacancies or Reclassifying to best meet business needs |
| Maintenance Projects (M Projects) | State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing in excess of \$50,000 up to \$150,000 | Emergency projects within Maintenance budget | State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing less than \$50,000 |
| Use of Toll Credits | | Review Annual Statement of Toll Credit Earnings and Use | Execution of actions per strategic/programmatic direction |
| | | Provide strategic/programmatic direction | |
| | | Individual Use >=\$250,000 beyond preapproved strategy | Individual Use < \$250,000 beyond preapproved strategy |
| STIP | STIP Amendments no less than annually | Quarterly analysis of fiscal constrained project schedule | Administrative Modifications |

Appendix E

Cash Management

| Cash Balance Thresholds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|----------------------|-------|-------------------------------|------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Confidence Level | 0.1% = 1/1,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Balance Values | Low = \$160M Nov-Dec-Jan | Average = \$205M Aug | High = \$300M Jun | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar Year Distribution | 2016-2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Cash balance threshold values to be incorporated into the Fund 400 Forecast Model to identify risk points.</p> | <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Cash Balance Thresholds Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Minimum (\$ Millions)</th> <th>Annual Average (\$ Millions)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>160</td><td>205</td></tr> <tr><td>Feb</td><td>170</td><td>205</td></tr> <tr><td>Mar</td><td>180</td><td>205</td></tr> <tr><td>Apr</td><td>230</td><td>205</td></tr> <tr><td>May</td><td>280</td><td>205</td></tr> <tr><td>Jun</td><td>300</td><td>205</td></tr> <tr><td>Jul</td><td>250</td><td>205</td></tr> <tr><td>Aug</td><td>210</td><td>205</td></tr> <tr><td>Sep</td><td>190</td><td>205</td></tr> <tr><td>Oct</td><td>170</td><td>205</td></tr> <tr><td>Nov</td><td>160</td><td>205</td></tr> <tr><td>Dec</td><td>160</td><td>205</td></tr> </tbody> </table> | | | Month | Monthly Minimum (\$ Millions) | Annual Average (\$ Millions) | Jan | 160 | 205 | Feb | 170 | 205 | Mar | 180 | 205 | Apr | 230 | 205 | May | 280 | 205 | Jun | 300 | 205 | Jul | 250 | 205 | Aug | 210 | 205 | Sep | 190 | 205 | Oct | 170 | 205 | Nov | 160 | 205 | Dec | 160 | 205 |
| Month | Monthly Minimum (\$ Millions) | Annual Average (\$ Millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 160 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 170 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 180 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr | 230 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 280 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 300 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul | 250 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 210 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep | 190 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct | 170 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov | 160 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec | 160 | 205 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management Process | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Deliverables | Reporting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Fund 400 Forecast Model data management. Input of current month expenditure, drawdown and revenue data.</p> <p>Identification of risk points in the 48 month forecast chart; and analysis and variance reconciliation.</p> | <p>Final and closed forecast model each month</p> <p>Completed variance analysis</p> <p>Risk identification</p> | <p>Monthly - 48 month forecast chart of cash balance projection to cash balance thresholds. Identification of risks, if any.</p> <p>Annually/As Needed - Report on the effectiveness of management process and practices, any recommendations for process changes, or changes to thresholds.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Resolution #TC-2021-08-05

Approval of Updated Policy Directive 703.0 “Annual Budget, Project Budgeting and Cash Management Principles”

Approved by the Transportation Commission on August 19, 2021.

WHEREAS, pursuant to § 43-1-106(8)(h), C.R.S., the Transportation Commission of Colorado (“Commission”) has the authority to promulgate and adopt all Colorado transportation programs and associated budgets, including prioritizing projects for the construction, reconstruction, repair, and maintenance of the state highway system; and

WHEREAS, Policy Directive 703.0 “Annual Budget, Project Budgeting and Cash Management Principles” was last updated on August 20, 2021; and

WHEREAS, Policy Directive 703.0 guidance maximizes the flow of funds to construction and maintenance projects and, in doing so, applying effective and efficient cash management strategies; and

WHEREAS, Policy Directive 703.0 optimizes the balance between risk and efficiency, strengthening controls and elevating approvals in some instances and delegating approval in some cases for lower risk transactions; and

WHEREAS, Policy Directive 703.0 was scheduled for review in July 2021; and

WHEREAS, updates to Policy Directive 703.0 are necessary to ensure the directive is current with recent legislation and programmatic changes; and

WHEREAS, the narrative portion of Policy Directive 703.0 will remain the same without any revision; and

WHEREAS, updates to the appendices within Policy Directive 703.0 are necessary to add new programs created under Senate Bill 21-260 and remove old programs; and to reflect updated business processes; and

WHEREAS, the Colorado Department will review Policy Directive 703.0 at least annually and review any proposed changes with the Commission; and

NOW THEREFORE BE IT RESOLVED, the Commission approves updated Policy Directive 703.0 “Annual Budget, Project Budgeting and Cash Management Principles”.

Herman F. Stockinger AAA

Herman Stockinger, Secretary
Transportation Commission of Colorado

8/19/2021

Date