

MEMORANDUM

DIVISION OF ACCOUNTING AND FINANCE

Office of Financial Management and Budget

4201 East Arkansas Avenue, Room 235
Denver, Colorado 80222
(303) 757-9262



DATE: March 19, 2014

TO: Transportation Commission

FROM: Scott Richrath, Chief Financial Officer

SUBJECT: Final FY2015 Budget

Purpose

This memo serves to provide the Transportation Commission with the final FY2015 Budget for adoption. The budget must be submitted to the Governor for approval on or before April 15, 2014.

Action Required

Adoption of the FY2015 Budget for the Department including Colorado Bridge Enterprise and High Performance Transportation Enterprise.

Background

In November 2013, you adopted the Draft FY2015 Budget for submission to the Office of State Planning and Budgeting and the Joint Budget Committee. The draft budget:

- Balanced the budget;
- Funded Asset Management to the recommended levels, including previously recommended increases to Tunnels and ITS;
- Approved Decision Items:
 - <\$1M – Steel Toe Boots and Office of Major Projects Programmatic Funding
 - \$1M – Digital Trunk Radio
 - \$6.6M – TSM&O Projects.

Statute 43-1-113(c)(I), C.R.S. requires the Transportation Commission to adopt the final budget no later than April 15. The accompanying resolution includes project lists for asset management programs that, as of November, were not included within Commission-approved prioritization models.

Details

The Final FY2015 budget titled "Fiscal Year 2015 Final Budget 3/20/14" includes the following changes:

- Moved \$40M of FASTER Safety Projects to Regional Priority Program per the Commission's direction; and
- Added line items identifying \$100M of additional funding, including indirect and construction costs, for FY2015 permanent recovery efforts related to the September, 2013 floods.

No additional Decision Items have been requested since the adoption of the Draft FY2015 budget. Staff recommends the Commission adopt the Final FY2015 Budget as outlined in the document included in the packet titled "Fiscal Year 2015 Final Budget 3/20/14".

CDOT is still receiving final required budget amounts from the Department of Personnel and Administration and the Governor's Office. Once these amounts are known and once staff has incorporated March projections for FY2015 Emergency Recovery revenue and expenditures, staff will request finalizing the FY2015 budget per the 1st 2015 Budget Supplement in June with the following actions:

- Update revenue forecasts to current levels, including forecasts for flood-related permanent restoration; and
- Use a small amount of FY2014 roll-forward funds to balance the increase in required common policy amounts (salary increases, payments to OIT, etc.).

Next Steps – FY15 Budget

Upon adoption, the FY2015 Budget will be forwarded to the Governor for approval on or before April 15, 2014.

Update on PD-70X

In December 2013, I asked the Transportation Commission to consider repealing Policy Directive 703 (PD703) and adopting a new, broader financial policy encompassing all TC budgetary decisions. In light of significant ongoing and anticipated modifications to the budgeting process brought about by Asset Management, RAMP, a pending audit of FASTER Safety, and Cash Management, I proposed and you concurred that staff revisit TC policy pertaining to not only supplemental budget actions but to the entire CDOT budgeting process. In April, in conjunction with the release of the To Be Report on Program/Cash Management, I will provide the Commission with a presentation and a draft of the new Policy Directive 703.0.

If you have any questions, please feel free to contact me at (303) 757-9793.