

# MEMORANDUM

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**DEPARTMENT OF TRANSPORTATION**

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**DATE:** August 8, 2011

**TO:** Transportation Commission

**FROM:** Laurie Freedle, Budget Director

**SUBJECT:** FY 13, 1<sup>st</sup> Budget Workshop

On August 17<sup>th</sup>, we will have the first budget workshop for FY 13. This workshop is designed to reacquaint everyone with the revenue picture past and present, the current status of the FY 12 approved budget and a couple of scenarios for FY 13.

As you all know, the revenue picture on both the federal is still unclear. Current federal transportation funding expires at the end of September. Although there are bills being circulated, it is very possible that we will have little more clarity regarding federal funding for the balance of the year prior to the November commission meeting at which the draft budget must be adopted.

We have weathered the FY11 rescission with no impact to the federal funding available to Colorado. This has been the case each year of which I am aware, including FY10, which had the potential to affect funding but was reversed. Therefore, it is not suggested that we have a contingency item for this, as was considered in past years.

On the state side, vehicle registration and fuel revenues are currently stable, though trending downward slightly. We are no longer predicting that SB 09-228 funding will be available in FY13, which is not likely a surprise. As was the case last year, given the current General Fund shortfall, we simply hope to avoid the possibility that the Legislature may seek to identify additional programs where it can shift costs from the General Fund to the HUTF.

I am sending a document that illustrates actual revenues for FY 11, the budgeted revenues for FY 12 and the Resource Allocation planning numbers from the 2035 amendment for FY 13. By the time of the workshop, we will have added the current revenue projections from our revenue model, tailored to match the more conservative transportation bill currently be circulated, which calls for SAFETEA-LU type allocations, but at a level which does not deplete the Highway Trust Fund. At the workshop, you will have the opportunity to discuss revenue assumptions, so that in September, I can show you how these affect the allocations among programs.

At the September meeting, Staff Branch managers will be reporting on performance measures and funding levels for Maintenance Levels of Service, Surface Treatment, and On-System Bridge. At that time, I will work with you on the direction you'd like to set for the CDOT programs in the FY13 Budget. Then, in October, I will present the draft budget, per your direction, for any final adjustments before the November approval of the draft budget. Then, in the spring, we will review the draft and upon your approval, send it to the Governor for his signature. I am sending a schedule of these activities as well.

We currently presume that the Transportation Commission will want to discuss the following programs and funding allocations through the budget process. These are in addition to the roll forwards and decision items:

- Maintenance, including Road Equipment
- Surface Treatment
- Bridge
- Regional Priority Programs
- Transportation Commission Contingency

If there are other programs you wish to discuss, such as rock fall mitigation, as part of this process please let me know and we will make arrangements to provide the data for an informed discussion.

In addition, there will be a presentation of FY13 Decision Items. These are items that have been reviewed by the Senior Management Team for your consideration for funding in the FY13 Budget. When considering these items a key element will be the discussion of where to find the funds to pay for them if the Commission considers them appropriate to fund.

In addition, we have some final issues to take care of from FY 11. A workshop will focus on the presentation of FY11 unspent, or "roll forward" funds as well as requests for special projects to utilize a portion thereof. These items, too, have been reviewed by the Senior Management Team and approved to be sent to you for your consideration.

If you have any questions regarding the information provided prior to the meeting next week, please feel free to call me at (303) 757-9171 or email at [laurie.freedle@dot.state.co.us](mailto:laurie.freedle@dot.state.co.us), or to contact Ben Stein at (303)757-9168 or [ben.stein@dot.stat.co.us](mailto:ben.stein@dot.stat.co.us) .

**Comparison of Resource Allocation to Budget**

**FY 2011**

	Region 1		Region 2		Region 3		Region 4		Region 5		Region 6		Statewide		Total	
	RA	Budget	RA	Budget	RA	Budget										
Bridge Off-system	-	-	-	-	-	-	-	-	-	-	-	-	8,629	8,629	8,629	8,629
Enhancement	1,502	1,502	1,686	1,686	1,441	1,441	1,563	1,563	909	909	3,117	3,117	-	-	10,218	10,218
STP Metro	-	-	5,555	5,555	-	-	2,463	2,463	-	-	23,656	23,656	-	-	31,674	31,674
CMAQ PM-10	-	-	200	200	400	400	-	-	400	400	-	-	-	-	1,000	1,000
CMAQ Urban	-	-	2,784	2,784	-	-	2,880	2,880	-	-	16,415	16,415	-	-	22,079	22,079
Safe Routes to Schools	-	-	-	-	-	-	-	-	-	-	-	-	1,699	1,699	1,699	1,699
Metro Planning (FHWA)	-	-	774	774	152	152	373	373	-	-	2,771	2,771	-	-	4,070	4,070
Totals	1,502	1,502	10,999	10,999	1,993	1,993	7,279	7,279	1,309	1,309	45,958	45,958	10,328	10,328	79,369	79,369

	DRCOG		PPACG		NFR		PACOG		GV	
	RA	Budget	RA	Budget	RA	Budget	RA	Budget	RA	Budget
Enhancement	4,392	4,392	759	759	619	619	-	-	-	-
STP Metro	23,656	23,656	5,555	5,555	2,463	2,463	-	-	-	-
CMAQ PM-10	-	-	-	-	-	-	-	-	-	-
CMAQ Urban	16,415	16,415	2,784	2,784	2,365	2,365	-	-	-	-
Metro Planning (FHWA)	2,771	2,771	579	579	373	373	195	195	152	152
Totals	47,234	47,234	9,677	9,677	5,820	5,820	195	195	152	152

**FY 2012**

	Region 1		Region 2		Region 3		Region 4		Region 5		Region 6		Statewide		Total	
	RA	Budget	RA	Budget	RA	Budget										
Bridge Off-system	0	0	0	0	0	0	0	0	0	0	0	0	9,081	8,508	9,081	8,508
Enhancement	1,704	1,587	1,913	1,782	1,635	1,523	1,774	1,652	1,032	961	3,536	3,294	0	0	11,594	10,800
STP Metro	0	0	7,714	6,735	0	0	3,419	2,985	0	0	32,847	28,677	0	0	43,980	38,396
CMAQ PM-10	0	0	200	200	400	400	0	0	400	400	765	555	0	0	1,765	1,555
CMAQ Urban	0	0	798	703	0	0	3,043	2,682	0	0	22,654	19,963	7,038	6,202	33,533	29,550
Safe Routes to Schools	0	0	0	0	0	0	0	0	0	0	0	0	1,724	1,816	1,724	1,816
Metro Planning (FHWA)	0	0	1,035	893	203	175	499	431	0	0	3,706	3,198	0	0	5,443	4,696
Totals	1,704	1,587	11,660	10,313	2,238	2,098	8,735	7,750	1,432	1,361	63,508	55,687	17,843	16,526	107,120	95,321

	DRCOG				Pikes Peak Area COG				North Front Range MPO			
	RA	Budget	Add'l FY11	Total for FY12	RA	Budget	Add'l FY11	Total for FY12	RA	Budget	Add'l FY11	Total for FY12
Enhancement	4,878	4,544	1,541	6,085	1,092	1,017	62	1,079	651	606	262	868
STP Metro	32,847	28,677	15,685	44,362	7,714	6,735	3,683	10,418	3,419	2,985	1,632	4,617
CMAQ PM-10	765	555	0	555	0	0	0	0	0	0	0	0
CMAQ Urban	22,654	19,963	19,467	39,430	798	703	3,301	4,004	2,499	2,202	2,656	4,858
Metro Planning (FHWA)	3,706	3,198	1,531	4,729	773	667	320	987	499	431	206	637
Totals	64,850	56,937	38,224	95,161	10,377	9,122	7,366	16,488	7,068	6,224	4,756	10,980

	Pueblo Area COG				Grand Valley MPO			
	RA	Budget	Add'l FY11	Total for FY12	RA	Budget	Add'l FY11	Total for FY12
Enhancement	0	0	0	0	0	0	0	0
STP Metro	0	0	0	0	0	0	0	0
CMAQ PM-10	0	0	0	0	0	0	0	0
CMAQ Urban	0	0	0	0	0	0	0	0
Metro Planning (FHWA)	262	226	264	490	203	175	205	380
Totals	262	226	264	490	203	175	205	380

## FY 2012 Budget and FY 2013 Resource Allocation Comparison

CDOT Revenue:	FY11 Revenue Actual	FY12 Revenue Estimate Budget	FY13 Revenue Estimate RA
HUTF Revenue to CDOT	\$ 403,227,187	\$ 421,247,291	\$ 467,171,278
HUTF pursuant to SB09-108	\$ 97,515,162	\$ 92,160,000	\$ 106,856,861
HUTF Transit and Rail funds pursuant to SB09-108 (Local)	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
State Bridge Enterprise Fund pursuant to SB09-108	\$ 70,466,527	\$ 91,800,000	\$ 117,197,098
Total CDOT Miscellaneous Funds	\$ 29,845,388	\$ 35,529,633	\$ 64,344,808
Toll Collections	\$ 2,619,305	\$ 2,500,000	\$ 2,500,000
State Infrastructure Bank:	\$ 676,543	\$ 954,307	\$ 1,715,638
S.B. 09-228 transportation transfer	\$ -	\$ -	\$ 83,950,937
Total Limited Gaming Fund	\$ -	\$ -	\$ -
Local FHWA Match	\$ 21,712,397	\$ 14,872,793	\$ 16,952,417
FHWA Apportionments Available to CDOT	\$ 526,284,461	\$ 390,686,837	\$ 461,222,961
Total FTA Administered by CDOT	\$ 21,247,241	\$ 16,462,044	\$ 23,403,275
Total Aeronautics Funds	\$ 35,917,270	\$ 27,768,851	\$ 39,179,724
Total Safety Education	\$ 4,064,039	\$ 5,606,407	\$ 3,985,609
<b>Total CDOT Revenue</b>	<b>\$ 1,218,575,520</b>	<b>\$ 1,104,588,163</b>	<b>\$ 1,393,480,606</b>

# FISCAL YEAR 2013 BUDGET TIMELINE

- August Kick-off for FY13 Budget
  - Revenue Projections
- September Budget Workshop
  - Surface Treatment Performance
  - Maintenance Levels of Service Performance
  - Bridge (On-System) Performance
  - Preliminary Budget Based on Revenue Projection
- October Budget Workshop
  - Present and Discuss Draft Budget Scenarios Based on Discussion from September
- November – Accept Draft Budget
- March Budget Workshop
  - Present and Discuss Major Revisions to Revenue Projections or Programs
- April Budget Workshop
  - Adopt Final Budget for Governor's Signature