



**MEMORANDUM**

**TO: TRANSPORTATION COMMISSION**  
**FROM: MARIA SOBOTA, ACTING CHIEF FINANCIAL OFFICER (CFO)**  
**DATE: MAY 20, 2015**  
**SUBJECT: RECOMMENDED CHANGES TO THE APPENDICES (MATRIX) OF POLICY DIRECTIVE 703.0 ANNUAL BUDGET, PROJECT BUDGETING AND CASH MANAGEMENT PRINCIPLES**

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**Purpose**

Inform the Transportation Commission (TC) and Enterprise Boards of recommended updates to the Appendices of Policy Directive 703.0 Annual Budget, Project Budgeting and Cash Management Principles.

**Action**

This month, Department staff seeks TC approval regarding the suggested revisions to the appendices (matrix) of Policy Directive (PD) 703.0.

**Background**

Policy Directive (PD) 703.0 and the supporting appendixes including the “matrix” were approved in August, 2014 under Resolution TC-3186. At the time of approval, Department staff recommended returning to the Commission following an implementation period in order to report on the use of the new PD and to identify changes needing to be made following user feedback. The recommended changes being brought to the TC this month are based on suggestions from across various regions and divisions of CDOT, including senior management.

**Details**

Based on this feedback, the following changes are recommended by Department staff for inclusion in the appendices of the approved PD703.0:

- 1.) PD 703.0 Appendix B and C: Asset Management - Clarify that the Transportation Commission acceptance of Asset Management programs are based upon approved “metrics”. Project lists are maintained by Department staff and under the authority of the Chief Engineer, Chief Financial Officer and CDOT Management. Consolidate all Asset types including, ITS-Replacement and Signal Asset Management into 1 line item. Action: Add “Based upon Program Metrics” to Initial Project Funding sections, list all Asset categories, and delete redundant ITS-Replacement line item.
- 2.) PD 703.0 Appendix B “Annual Budget, Revenue and Financial Position”: Decision Items - Clarify that the \$1,000,000 threshold for new decision items is a “per annum” threshold. Projects exceeding \$1,000,000 by virtue of being multiple fiscal year decision items do not require Transportation Commission approval. At Staff’s discretion, however, new program costs less than \$1.0 million per annum that are considered notable should be presented to the TC as an informational item. Action: Add “Per Annum” to matrix language.
- 3.) PD 703.0 Appendix C “Project Related Transactions”: Safe Routes to School - Clarify, as specified by law, an advisory committee, which is appointed by the CDOT Executive Director, recommends



projects for TC approval. Action: Extract Safe Routes to School from the “Other State Administered” line item and establish a High, Medium, Low Risk procedures for projects on or off Approved List.

- 4.) PD 703.0 Appendix C “Project Related Transactions”: Bridge Enterprise- Clarify that CDOT and Bridge Enterprise projects are treated jointly when determining thresholds for taking a combination project to the TC and BE Board of Directors for changes to currently approved project budgets.
- 5.) PD 703.0 Appendix D “Other Transactions”: Add line item to differentiate commercial loans from TC loans, including loans to the Enterprises.
- 6.) PD 703.0 Appendix D “Other Transactions”: Transfers between cost centers as well as Capital, Personal Services and Operating for the High Performance Transportation Enterprise (HPTE) over a certain dollar amount will also require the signature of the HPTE Director.
- 7.) PD 703.0 Appendix D “Other Transactions”: Increases to indirect cost centers would not require TC approval. However, the Division of Accounting and Finance will review the impact of any indirect dollar increase to the overall indirect cost rate. Action: Add line item for Indirect Costs with approval authority falling under “Moderate Risk” requiring CFO and CE signatures.
- 8.) PD 703.0 Appendix D “Other Transactions”: Clarify that State performed maintenance work in excess of \$50,000 up to \$150,000 shall require TC approval. Contracted out work does not need commission nor 2 signature approval. The state may submit a competitive bid for maintenance projects in excess of \$150,000. Action: Edit language to reference “state performed” and move to “High Risk”.

Last month, expanding the list of program cost centers eligible for automatic roll forwards of year end fund balances was considered for inclusion. However, upon further review, Staff has decided against seeking changes for this item.

#### **Key Benefits**

The key benefit of Policy Directive 703.0 is to provide one document that provides guidance to the Department as to what items require Transportation Commission and Enterprise Board approval. The recommended changes will continue to assist in streamlining the approval processes for the various transaction types detailed in the matrix.

#### **Options and Recommendations**

- 1) Approve resolution adopting Appendices B, C, and D attached to Policy Directive 703.0 - STAFF RECOMMENDATION
- 2) Seek more information from Department Staff
- 3) Deny adoption of Appendices B, C, and D attached to Policy Directive 703.0

#### **Next Steps**

The Policy Directive will be communicated to all CDOT stakeholders and implemented as directed.

#### **Attachments**

- A: Draft of revised appendices of PD 703.0
- B: Red-lined version of August 22, 2014 PD 703.0 appendices
- C: TC Resolution



## Appendix B: "Annual Budget, Revenue, and Financial Position"

Event Type	High Risk: TC Review and Approve	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO Report To and Inform TC	Low Risk: Staff Manage
STIP	STIP Amendments no less than annually	Quarterly analysis of fiscal constrained project schedule	Administrative Modifications
Capital Development Committee		Requests made to the CDC using quantitative metrics	
4-year Program of Projects and Corresponding Budget (see Project Related Transact.)	Acceptance of Asset Management Program, Integrated Safety Plan and Programs of Project lists or <b>defined program metrics</b>	Quarterly report of allotments to projects Annual forecast of amounts required to complete projects	Locally and Regionally administered programs; or as programmed in STIP or as shown in project schedule for STIP amendments and budget supplements
Cash Balances and Revenue Forecasts	Annual Risk Assessment	Quarterly reports on construction lettings and revenue forecasts Annual reports	OCM limit on construction lettings each month
Revenue-Based Budget	Annual Budget Adoption: November - review draft budget March - adopt final	August - Review final budget including legislative items	Local agency project contributions, Federal Discretionary allocations, State administered grants
Common Policies	Presented as informational	Reviewed annually	
Decision Items	Greater than or equal \$1 million per annum (Annual Process)	Less than \$1 million per annum (Annual Process); <b>Notable new program costs over \$500k at staff discretion should be provided to the TC as an Information Item</b> (requires dual signature)	
Cost Center Roll Forwards	Greater than or equal \$1 million (Annual Process)	Less than \$1 million (Annual Process) (requires dual signature)	E0249-010 (Equipment) , S0014-010 (Haz Mat), S0193-010 (Engineering Training) , S0247-010 (Road Equip) , O1440-010 (ITS), SM265-010 (Property Management), SM275-010 (Camp George West HVAC)
Budget Pool Roll Forwards		Reclassifications of previous FY funds to RAMP or other programs	RPP and Local Program Pools
Project Budgets (see Project Related Transactions)	Individual projects <u>Not</u> on Approved List Additions greater than or equal to 15% and greater than or equal to \$500,000	Individual projects on Approved List Additions between 10%-15% or between \$250,000- \$500,000	Individual projects on Approved List Additions less than 10% or less than \$250,000
Cash-Based Expenditures	Budget increases greater than or equal to 10% of program and greater than \$1 million	Budget increases less than 10% of program and less than \$1 million	Quarterly review of the project schedule; expenditure forecasts and 'plan' vs. 'actual' analyses

(1)

(2)

## Appendix C: "Project Related Transactions"

Project Type	Initial Project Funding	Pre-Award Adjustment and Contract Modification Orders (to the currently approved project budget)			Project Closure
		Greater than or equal to 15% and greater than or equal to \$500,000 or greater than or equal to \$5,000,000 above the original approved amount	Between 10%-15% or between \$250,000-\$500,000 above the original approved amount	Less than 10% or less than \$250,000 above the original approved amount	
2013 Emergency Relief and Permanent Repairs		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice
Emergency Requests (from the Transportation Commission Contingency Relief Fund or other programs)		Requires Commission Chairperson approval for Confirmation Item			Allotment Advice
Non-emergency Transportation Commission Contingency Reserve Fund Requests		TC Approval Required			
Asset Management Programs: Geohazard, Tunnels, Walls, Bridge On-System, Culverts, Surface Treatment, Property Management, Road Equipment, ITS-Replacement, Signals Replacement (Including RAMP.)	TC Approval Required if not on Approved List or Based upon Program Metrics	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice
	Allotment Advice if on Transportation Commission Approved List or Based Upon Program Metrics				
Maintenance Levels of Service		TC Approval Required			
Transportation Systems Management & Operations - New Capital		For all MLOS transactions, including Maintenance Projects, see "Other Transactions"			Allotment Advice
		TC Approval Required			
		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice

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(1) Highway Safety Improvement Program	TC Approval Required if not on Approved List or <b>Based Upon Program Metrics</b> Allotment Advice if on Transportation Commission Approved List or <b>Based Upon Program Metrics</b>	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	Allotment Advice
	TC Approval Required if not on Approved List or <b>Based Upon Program Metrics</b> Allotment Advice if on Transportation Commission Approved List or <b>Based Upon Program Metrics</b>				
(1) FASTER Safety Program	TC Approval Required if not on Approved List or <b>Based Upon Program Metrics</b> Allotment Advice if on Transportation Commission Approved List or <b>Based Upon Program Metrics</b>	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	Allotment Advice
	TC Approval Required if not on Approved List or <b>Based Upon Program Metrics</b> Allotment Advice if on Transportation Commission Approved List or <b>Based Upon Program Metrics</b>				
Strategic Projects (e.g. 7th Pot)		TC Approval Required			Allotment Advice
Federal Discretionary Grants - State Match Required	TC Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	Allotment Advice
Federal Discretionary Grants - No State Match Required		No Commission Approval Required for any action			
Regional Priority Program		No Commission Approval Required for any action with quarterly reporting to Transportation Commission			
Other State Administered Programs - Congestion Relief, Hot Spots and Railroad Crossings, Planning and Research		No Commission Approval Required for any action			

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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	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List				
Local contributions to state project			No Commission Approval Required for any action		
Local Administered Programs: CMAQ, TAP, STP-Metro, Bridge Off-System, Metro Planning			No Commission Approval Required for any action		
Transit and Rail	TC Approval Required if not on Approved List or <b>Based Upon Program Metrics</b>	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or <b>Based Upon Program Metrics</b>				
Bridge Enterprise (Note: CDOT and BE projects are treated jointly when determining thresholds)	TC Approval Required if not on Approved List or <b>Based Upon Program Metrics</b>	Enterprise Board Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or <b>Based Upon Program Metrics</b>				
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	Allotment Advice	

(3)

(1)

(4)

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<u>Project Type</u>	<u>Initial Project Funding</u>		<u>Pre-Award Adjustment and Contract Modification Orders (to the currently approved project budget)</u>		<u>Project Closure</u>
	Greater than or equal to 7.5% if more than \$100,000 or greater than or equal to \$1,000,000 above the original approved amount	Less than 7.5% or less than \$100,000 above the original approved amount	Greater than or equal to 7.5% if more than \$100,000 or greater than or equal to \$1,000,000 above the original approved amount	Less than 7.5% or less than \$100,000 above the original approved amount	
RAMP Operations and Partnership	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	

Appendix D: "Other Transactions"

Transaction Type	High Risk: TC Review and Approval	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO as well as the Director of HPTTE if applicable, Report To and Inform TC or Enterprise Board	Low Risk: Staff Manage
FTE Requests	Increasing the total # of CDOT FTE's	Salary cap relief	Filling existing vacancies or Re-classifying to best meet business needs
<b>Commercial Loans</b>	Change that will trigger a loan and require Legislative Authority		Payment schedule included in quarterly and annual reports
<b>Transportation Commission Loans</b> Transfers between budget lines	<b>TC Approval Required for any loan from the Commission</b>  TC Approval Required for current year funds	Reclassifications of previous FY funds to RAMP	
Budget Pool Level Transfers between Regions and/or HQ	Regional Priorities Program and 7th Pot	See Project 4 Year Budget for Quarterly report of allotments to projects to include Statewide administered programs (e.g. Asset Management programs, TSM&O, Safety)	Local administered programs (e.g. CMAQ, TAP, Metro)
<b>Transfers between cost centers and program pools</b>	Total Year to Date >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000
Transfers between Capital and Operating Budget or Personal Services	Total Year to Date >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000
Transfers between Personal Services and Operating Budget		Individual Transfers >= \$250,000	Individual Transfers < \$250,000
<b>Increases to Indirect Costs</b>		<b>Increases &gt;= \$250,000; Division of Accounting and Finance required to evaluate increase in costs impact to overall Indirect Cost Rate prior to approval</b>	<b>Increases &lt; \$250,000</b>
Aeronautics	Allocations for administrative costs		
MLOS	Annual Budget including Maintenance Program Areas	Budget transfers across regions	Budget transfers across sections or program areas within a region
Maintenance Projects (M Projects)	<b>State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing in excess of \$50,000 up to \$150,000</b>	<b>Emergency projects within Maintenance budget; Year end roll-forwards</b>	<b>State performed maintenance work (Structure Repairs, Overlays, Seal Coats) costing less than \$50,000</b>
Earmarks and Federal discretionary funds	Application requiring state match not available from current program	State match is available, though project requires additional funds for completion, reference guidelines for other funds	Application requiring no state match
Other Programs (Administration & Operations)	To be reviewed on a biennial basis beginning in FY16 (FY 2015 total budget allocation of \$276,507,411)		
Transportation Commission Transition Fund	>= \$1,000,000	< \$1,000,000	
Contingency Funds	Any use of Transportation Commission Contingency Reserve Fund and Snow and Ice Contingency Reserve	Project contingencies allotted in projects but managed collectively (eg: program contingency) (requires dual signature)	Project contingency as part of approved project budget



## Appendix B: "Annual Budget, Revenue, and Financial Position"

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STIP	STIP Amendments no less than annually	Quarterly analysis of fiscal constrained project schedule	Administrative Modifications
Capital Development Committee		<del>Requests made to the CDC using quantitative model</del>	
4-year Program of Projects and Corresponding Budget (see Project Related Transact.)	<del>Acceptance of Asset Management Lists, Integrated Safety Plan and Programs of Projects as they become available</del>	Quarterly report of allotments to projects Annual forecast of amounts required to complete projects	Locally and Regionally administered programs; or as programmed in STIP or as shown in project schedule for STIP amendments and budget supplements
Cash Balances and Revenue Forecasts	Annual Risk Assessment	Quarterly reports on construction lettings and revenue forecasts Annual reports	OCM limit on construction lettings each month
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Common Policies	Presented as informational	Reviewed annually	
Decision Items	<del>Greater than or equal \$1 million (Annual Process)</del>	<del>Less than \$1 million (Annual Process) (requires dual signature)</del>	
Cost Center Roll Forwards	Greater than or equal \$1 million (Annual Process)	Less than \$1 million (Annual Process) (requires dual signature)	E0249-010 (Equipment) , S0014-010 (Haz Mat), S0193-010 (Engineering Training) , S0247-010 (Road Equip) , OI440-010 (ITS), SM265-010 (Property Management), SM275-010 (Camp George West HVAC)
Budget Pool Roll Forwards		Reclassifications of previous FY funds to RAMP or other programs	RPP and Local Program Pools
Project Budgets (see Project Related Transactions)	Individual projects <u>Not</u> on Approved List Additions greater than or equal to 15% and greater than or equal to \$500,000	Individual projects on Approved List Additions between 10%-15% or between \$250,000- \$500,000	Individual projects on Approved List Additions less than 10% or less than \$250,000
Cash-Based Expenditures	Budget increases greater than or equal to 10% of program and greater than \$1 million	Budget increases less than 10% of program and less than \$1 million	Quarterly review of the project schedule; expenditure forecasts and 'plan' vs. 'actual' analyses

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2013 Emergency Relief and Permanent Repairs		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice
Emergency Requests (from the Transportation Commission Contingency Relief Fund or other programs)		Requires Commission Chairperson approval for Confirmation Item			Allotment Advice
Non-emergency Transportation Commission Contingency Reserve Fund Requests		TC Approval Required			
Asset Management Programs:- Geohazard, Tunnels, Walls, Bridge On-System, Culverts, Surface Treatment, Property Management- (Including RAMP)	TC Approval Required if not on Approved List or Model	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice
	Allotment Advice if on Transportation Commission Approved List or Model				
Transportation Systems Management & Operations - Replacement	Allotment Advice	TC Approval Required			Allotment Advice
Transportation Systems Management & Operations - New Capital	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice
Highway Safety Improvement Program	TC Approval Required if not on Approved List or Model	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice
	Allotment Advice if on Transportation Commission Approved List or Model				

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FASTER Safety Program	TC Approval Required if not on Approved List or Model	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or Model				
Strategic Projects (e.g. 7th Pot)		TC Approval Required			Allotment Advice
Federal Discretionary Grants - State Match Required	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO			Allotment Advice
Federal Discretionary Grants - No State Match Required		No Commission Approval Required for any action			
Regional Priority Program		No Commission Approval Required for any action with quarterly reporting to Transportation Commission			
Other State Administered Programs -Congestion Relief, Hot Spots and Railroad Crossings, Planning and Research, Safe Routes to School		No Commission Approval Required for any action			
Local contributions to state project		No Commission Approval Required for any action			
Local Administered Programs: CMAQ, TAP, STP-Metro, Bridge Off-System, Metro Planning		No Commission Approval Required for any action			
Maintenance Levels of Service		For all MLOS transactions, including Maintenance Projects, see "Other Transactions"			

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Transit and Rail	TC Approval Required if not on Approved List or Model	TC Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Transportation Commission Approved List or Model				
Bridge Enterprise	Enterprise Board Approval Required if not on Approved List or Model	Enterprise Board Approval Required	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
	Allotment Advice if on Bridge Enterprise Board Approved List or Model				
High Performance Transportation Enterprise	HPTE Board Approval Required		Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Allotment Advice	
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RAMP Operations and Partnership	Greater than or equal to 7.5% if more than \$100,000 or greater than or equal to \$1,000,000 above the original approved amount	Less than 7.5% or less than \$100,000 above the original approved amount	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	Requires 2 of 3 Signatures from Executive Director or Designee, Chief Engineer, CFO	
	TC Approval Required	TC Approval Required			

Appendix D: "Other Transactions"

Transaction Type	High Risk: TC Review and Approve	Moderate Risk: 2 Signatures ED (or Designee), Chief Engineer, CFO Report To and Inform TC	Low Risk: Staff Manage
FTE Requests	Increasing the total # of CDOT FTE's	Salary cap relief	Filling existing vacancies or Reclassifying to best meet business needs
<del>Loans</del>	Change that will trigger a loan and require Legislative Authority		Payment schedule included in quarterly and annual reports
Transfers between budget lines	TC Approval Required for current year funds	Reclassifications of previous FY funds to RAMP	
Budget Pool Level Transfers between Regions and/or HQ	Regional Priorities Program and 7th Pot	See Project 4 Year Budget for Quarterly report of allotments to projects to include Statewide administered programs (e.g. Asset Management programs, TSM&O, Safety)	Local administered programs (e.g. CMAQ, TAP, Metro)
Transfers between cost centers and program pools	Total Year to Date >= \$1,000,000	Individual Transfers >= \$250,000	Individual Transfers < \$250,000
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Transfers between Personal Services and Operating Budget		Individual Transfers >= \$250,000	Individual Transfers < \$250,000
Aeronautics	Allocations for administrative costs		
MLOS	Annual Budget including Maintenance Program Areas	Budget transfers across regions	Budget transfers across sections or program areas within a region
Maintenance Projects (M Projects)		<del>Structure-Repairs-overlays-seal-coats-and-all-work where the total cost exceeds \$50,000; Emergency-projects-within-Maintenance-budget; Year-end-roll-forwards</del>	<del>Work where the total cost is &lt; \$50,000</del>
Earmarks and Federal discretionary funds	Application requiring state match not available from current program	State match is available, though project requires additional funds for completion, reference guidelines for other funds	Application requiring no state match
Other Programs (Administration & Operations)	To be reviewed on a biennial basis beginning in FY16 (FY 2015 total budget allocation of \$276,507,411)		
Transportation Commission Transition Fund	>= \$1,000,000	< \$1,000,000	
Contingency Funds	Any use of Transportation Commission Contingency Reserve Fund and Snow and Ice Contingency Reserve	Project contingencies allotted in projects but managed collectively (eg: program contingency) (requires dual signature)	Project contingency as part of approved project budget

**Resolution # TC-**

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

**WHEREAS**, pursuant to § 43-1-106(8)(h), C.R.S., the Colorado Transportation Commission (“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 “Transportation Commission Budget Policy” was approved by the Commission on August 22, 2014; and

**WHEREAS**, per Resolution # TC-3186, the Commission will annually approve Appendices B, C and D (collectively known as the “Matrix”) attached to Policy Directive 703.0, which align the level of Department and Commission governance to the level of risk; and

**WHEREAS**, Policy Directive 703.0 is intended to establish one document that provides guidance to the Department as to what budgetary items require Transportation Commission approval; and

**WHEREAS**, the Department seeks to maximize the flow of funds to construction and maintenance projects and, in doing so, apply effective and efficient cash management strategies; and

**WHEREAS**, the Transportation Commission (“Commission”) recognizes financial risk as a necessary element in maximizing the flow of funds to projects; and

**WHEREAS**, the Commission, with Department recommendation, will annually reevaluate substantive risk as associated with overall financial risk; and

**NOW THEREFORE BE IT RESOLVED**, the Commission herein approves Appendices B, C and D attached to Policy Directive 703.0 “Transportation Commission Budget Policy.”

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Transportation Secretary

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Date