



MEMORANDUM

TO: TRANSPORTATION COMMISSION
FROM: JEFFREY SUDMEIER, CHIEF FINANCIAL OFFICER (CFO)
DATE: NOVEMBER 14, 2018
SUBJECT: FY 2019-20 ANNUAL BUDGET

Purpose

This memorandum summarizes information to be discussed during the November TC budget workshop and Transportation Commission meeting, including the following FY 2019-20 budget topics: 1) FY 2019-20 Proposed Annual Budget (One Sheet); and 2) FY 2019-20 Proposed Budget Allocation plan (Narrative Budget).

Action

The TC is being asked to review and approve the FY 2019-20 Proposed Annual Budget and the FY 2019-20 Proposed Budget Allocation Plan. The TC will be asked to adopt the final budget after revenue forecasts are updated in March 2019.

Background & Details

The FY 2019-20 Proposed Annual Budget is included as Attachment A. The Proposed Annual Budget is included in the Proposed Budget Allocation Plan (see <https://www.codot.gov/business/budget/cdot-budget/draft-budget-documents/fy-2019-20-proposed-narrative-budget/view>), which also includes additional information on current programs and funding details supporting the annual budget.

The FY 2019-20 Proposed Annual Budget is balanced, with all flexible revenue allocated. Revenues specific to a program are considered inflexible (i.e., Fast Act and State mandated programs such as safety Education and Aeronautics) and have been automatically adjusted based on the FY 2019-20 Revenue Forecast. Asset Management and Maintenance programs are funded according to the FY 2019-20 Asset Management Planning Totals, approved by the TC in August 2016. All other program revenues are considered flexible and are estimated based on the FY 2018-19 budget amounts as adopted by the TC in March 2018 (and amended in August 2018).

The final draft of the FY 2019-20 Proposed Annual Budget reflects the following changes:

- **Administration (Line 74)** - The Administration line was increased by \$2.4 million to account for common policy changes, most notably an increase in the Office of Information Technology (OIT) rates.
- **Bridge Enterprise (Lines 3, 5, 9, and 33)** - Allocations were updated to reflect the Bridge Enterprise's FY 2019-20 Work Plan budget submission and priorities of the enterprise, which includes increased maintenance costs for new Bridge Enterprise structures. As such, Maintenance (Line 3) was



increased \$150,000, Bridge Preservation (Line 5) was reduced by \$100,000, Administration and Legal (Line 33) was reduced by \$171,700, and Bridge Enterprise Projects (Line 9) was increased by \$121,700.

- **HPTE Fee for Service (Line 30).** The fee for service line for HPTE was increased from \$5.2 million to \$5.6 million based on the FY 2019-20 Work Plan budget submission. The TC and HPTE Board will be asked to approve the FY 2019-20 HPTE Fee for Service in March, 2019.
- **TC Program Reserve (Line 122):** The TC Program Reserve line was decreased from \$11.5 million to \$8.7 million to compensate for the increases to the Administration line and the HPTE Fee for Service line.

Options and Recommendations

1. Approve the FY 2019-20 Proposed Budget Allocation Plan.
2. Direct staff to make changes to the FY 2019-20 Proposed Budget Allocation Plan and approve in advance of a December 15, 2018 Office of State Planning and Budgeting (OSPB) deadline.

Next Steps

- TC adoption of the FY 2019-20 Proposed Budget Allocation Plan for submission to the OSPB on or before December 15, 2018.
- February, 2019 TC workshop to review Decision Items and other updates to the FY 2019-20 Proposed Budget Allocation Plan, including any changes resulting from common policy updates, the work plan budget process, or updated forecasts of revenues.

Attachments

Attachment A - FY 2019-20 Proposed Annual Budget (One Sheet)

Attachment B - Resolution of Approval



**Colorado Department of Transportation
Attachment A: FY 2019-20 Proposed Annual Budget**

CDOT	Budget Category	Directed By	FY 2018-19 Budget	FY 2019-20 Budget	Variance	Funding Source
1	CDOT Performed Work					
2	Roadway Surface	TC	37,487,230	36,511,573	(975,657)	-3%
3	Roadside Facilities	TC	25,002,562	24,351,835	(650,727)	-3%
4	Roadside Appearance	TC	10,964,746	10,679,373	(285,373)	-3%
5	Structure Maintenance	TC	6,311,352	6,147,090	(164,262)	-3%
6	Tunnel Activities	TC	6,141,692	5,981,845	(159,847)	-3%
7	Snow and Ice Control	TC	81,365,315	79,247,670	(2,117,645)	-3%
8	Traffic Services	TC	67,177,234	65,428,853	(1,748,381)	-3%
9	Planning and Scheduling	TC	17,761,243	17,298,982	(462,261)	-3%
10	Material, Equipment and Buildings	TC	18,211,358	17,737,382	(473,976)	-3%
11	Toll Corridor General Purpose Lanes	TC	2,377,268	2,315,396	(61,872)	-3%
12			272,800,000	265,700,000	(7,100,000)	-3%
13	Contracted Out Work					
14	Surface Treatment /1	TC	313,682,698	222,000,000	(91,682,698)	-29%
15	Structures On-System Construction /1	TC	47,589,367	46,620,000	(969,367)	-2%
16	Structures Inspection and Management /1	TC	9,450,000	10,010,000	560,000	6%
17	Geohazards Mitigation /1	TC	8,400,000	9,700,000	1,300,000	15%
18	Highway Safety Improvement Program	FR	43,054,370	43,939,531	885,161	2%
19	Railway-Highway Crossings Program	FR	3,395,698	3,466,442	70,744	2%
20	Hot Spots	TC	2,167,154	2,167,154	-	0%
21	Traffic Signals /1	TC	17,810,758	16,072,823	(1,737,935)	-10%
22	FASTER - Safety Projects	TC	67,360,121	69,940,120	2,579,999	4%
23	Permanent Water Quality Mitigation	TC	6,500,000	6,500,000	-	0%
24			519,410,166	430,416,070	(88,994,096)	-17%
25	Capital Expenditure					
26	Road Equipment /1	TC	26,800,000	22,100,000	(4,700,000)	-18%
27	Capitalized Operating Equipment	TC	3,028,000	3,028,000	-	0%
28	Property /1	TC	20,200,000	17,600,000	(2,600,000)	-13%
29			50,028,000	42,728,000	(7,300,000)	-15%
30	Total:		842,238,166	738,844,070	(103,394,096)	-12%
31	CDOT Performed Work					
32	Mobility Operations: Planning, Performance, and Programs	TC	2,794,487	2,794,487	-	0%
33	Mobility Operations: Real-Time Operations	TC	10,552,288	10,552,288	-	0%
34	Mobility Operations: ITS Asset Management	TC	23,500,000	21,200,000	(2,300,000)	-10%
35			36,846,775	34,546,775	(2,300,000)	-6%
36	Contracted Out Work					
37	Safety Education	Comb	11,203,720	11,888,720	685,000	6%
38	Office of Communications		950,000	950,000	-	0%
39	Office of Transportation Safety		9,543,720	10,008,720	465,000	5%
40	Mobility Operations		710,000	930,000	220,000	31%
41	Regional Priority Program	TC	48,677,000	48,375,000	(302,000)	-1%
42	ROADX	TC	12,096,525	12,096,525	-	0%
43	ADA Compliance		5,000,000	22,400,000	17,400,000	348%
51			76,977,245	94,760,245	17,783,000	23%
52	Capital Expenditure					
53	Mobility Operations: ITS Investments	TC	10,000,000	10,000,000	-	0%
54			10,000,000	10,000,000	-	0%
55	Total:		123,824,020	139,307,020	15,483,000	13%
56	CDOT Performed Work					
57			-	-	-	0%
58	Contracted Out Work					
59	Strategic Projects	SL	583,500,000	555,000,000	(28,500,000)	-5%
60	National Freight Program	FR	20,791,883	23,102,092	2,310,209	11%
61			604,291,883	578,102,092	(26,189,791)	-4%
62	Total:		604,291,883	578,102,092	(26,189,791)	-4%
63	Department Operations	TC	32,230,682	23,736,229	(8,494,453)	125%
64	Maintenance Operations	TC	16,494,453	16,494,453	-	0%
65	Projects Initiatives	TC	2,605,000	2,605,000	-	0%
66	DTD Planning and Research - SPR	FR	14,192,374	14,533,590	341,216	2%
67	Administration (Appropriated)	SL	35,845,120	38,218,285	2,373,165	7%
68	HPTE FEE for Service	TC	5,169,500	5,600,000	430,500	8%
69			90,042,676	101,187,557	11,144,881	12%
70	Total:		90,042,676	101,187,557	11,144,881	12%
71	Division of Aeronautics to Airports	AB	24,235,195	31,860,545	7,625,350	31%
72	Division of Aeronautics Administration	AB	1,264,805	1,139,455	(125,350)	-10%
73			25,500,000	33,000,000	7,500,000	29%
74	Recreational Trails	FR	1,591,652	1,591,652	-	0%
75	Safe Routes to School /2	TC	2,500,000	3,125,000	625,000	25%
76	Transportation Alternatives Program /2	FR	12,319,571	12,292,436	(27,135)	0%
77	STP-Metro /2	FR	54,037,405	54,767,363	729,958	1%
78	Congestion Mitigation/Air Quality /2	FR	50,313,066	50,196,268	(116,798)	0%
79	Metropolitan Planning /2	FR	8,421,886	8,568,424	146,538	2%
80	Bridge-Off System - TC Directed /2	TC	3,164,139	3,164,139	-	0%
81	Bridge-Off System - Federal Program /2	FR	6,245,256	6,245,258	2	0%
82			138,592,975	139,950,540	1,357,565	1%
83	Transit					
84	Federal Transit /2	FR	38,924,000	39,266,000	342,000	1%
85	Strategic Projects - Transit	SL	38,000,000	50,000,000	12,000,000	32%
86	Multimodal Transportation Options Fund		71,750,000	22,500,000	(49,250,000)	-69%
87	Southwest Chief and Front Range Rail Commission		2,500,000	-	(2,500,000)	-100%
88	Transit and Rail Local Grants	SL	5,000,000	5,000,000	-	0%
89	Transit and Rail Statewide Grants	TC	3,000,000	3,000,000	-	0%
90	Bustang	TC	5,200,000	5,200,000	-	0%
91	Outrider Rural Regional Opps	TC	2,500,000	2,500,000	-	0%
92	Transit Administration and Operations	TC	1,000,000	1,000,000	-	0%
93			167,874,000	128,466,000	(39,408,000)	-23%
94	Infrastructure Bank					
95	Infrastructure Bank	TC	400,000	400,000	-	0%
96			400,000	400,000	-	0%
97	Total:		332,366,975	301,816,540	(30,550,435)	-9%
98	Permanent Recovery					
99	Permanent Recovery		-	-	-	#DIV/0!
100			-	-	-	#DIV/0!
101	Contingency					
102	TC Contingency	TC	-	15,000,000	15,000,000	#DIV/0!
103	TC Program Reserve	TC	759,009	8,733,169	7,974,160	1051%
104	Snow & Ice Reserve	TC	10,000,000	10,000,000	-	0%
105			10,759,009	33,733,169	22,974,160	214%
106	Debt Service					
107	Senate Bill 267 - Debt Service	DS	28,500,000	50,000,000	21,500,000	75%
108	Certificates of Participation - Property	DS	2,361,784	2,361,544	(240)	0%
109	Certificates of Participation - HQ/R2/R4	DS	9,368,100	9,369,650	1,550	0%
110	Certificates of Participation - Energy	DS	1,046,627	1,045,263	(1,364)	0%
111			41,276,511	62,776,457	21,499,946	52%
112	Total:		52,035,520	96,509,626	44,474,106	85%
			2,044,799,240	1,955,766,905	(89,032,335)	-4%
	Revenue		2,044,799,240	1,955,766,905	(89,032,335)	-4%

(0)

Flexible Funds

/1 FASTER Safety funds (\$40.0M) were substituted for flexible funds in appropriate Asset Management Programs.
/2 Includes local match

Key to acronyms:

LOC=Local Matching Funds
SIB=St. Infrastructure Bank Interest
TC=Transportation Commission
SH=State Highway funding
FHWA=Federal Highway Administration
FR=Federal Requirements
DS= Debt Service Covenants
AB=Aeronautics Board
FTA=Federal Transit Administration
SL=State Legislation
Comb=Combination
SSE=State Safety Education

**State Bridge Enterprise
Attachment A: FY 2019-20 Proposed Annual Budget**

State Bridge	Budget Category	Directed By	FY 2018-19 Budget	FY 2019-20 Budget	Variance	Funding Source	
1	Maintain - Maintaining What We Have	CDOT Performed Work					
2		Maintenance	BEB	300,000	450,000	150,000	09-108
3		Support Services	BEB	350,000	350,000	-	09-108
4		Bridge Preservation		100,000	-	(100,000)	
5				750,000	800,000	50,000	
6		Contracted Out Work					
7		Bridge Enterprise Projects	BEB	95,596,000	97,617,700	2,021,700	09-108
8				95,596,000	97,617,700	2,021,700	
9			Total:	96,346,000	98,417,700	2,071,700	
10	Maximize - Safely Making the Most of What We Have	CDOT Performed Work					
11				-	-	-	
12		Contracted Out Work					
13				-	-	-	
14		Total:	-	-	-		
15	Expand - Increasing Capacity	CDOT Performed Work					
15				-	-	-	
16		Contracted Out Work					
17				-	-	-	
18		Total:	-	-	-		
19	Deliver - Program Delivery/ Administration	Administration and Legal Fees		1,660,000	1,488,300	(171,700)	09-108
20							
21				1,660,000	1,488,300	(171,700)	
22			Total:	1,660,000	1,488,300	(171,700)	
23	Pass-Through Funds/Multi-modal Grants	Highway					
24							
25				-	-	-	
26			Total:	-	-	-	
27	Bridge Enterprise Contingency / Debt Service	Contingency					
28		Contingency	BEB				09-108
29					-	-	-
30		Debt Service					
31		Debt Service	BEB	18,234,000	18,234,000	-	FHWA/SH
32				18,234,000	18,234,000	-	
33		Total:	18,234,000	18,234,000	-		
34							
35		Total:	116,240,000	118,140,000	1,900,000		
Revenue			116,240,000	118,140,000	1,900,000		

Key to acronyms:

BEB= Bridge Enterprise Board

DS= Debt Service Covenants

**High Performance Transportation Enterprise
Attachment A: FY 2019-20 Proposed Annual Budget**

HPTE	Budget Category	Program Area	Directed By	FY 2018-19 Budget	FY 2019-20 Budget	Variance	Funding Source
1	Maintain - Maintaining What We Have	CDOT Performed Work					
2		Contracted Out Work					
3				-	-		
4				-	-		
5			Total:	-	-		
6	Maximize - Safely Making the Most of What We Have	CDOT Performed Work					
7				-	-		
8		Contracted Out Work					
9		Property			-	-	
10		Total:	-	-			
11	Expand - Increasing Capacity	CDOT Performed Work					
12		Maintenance	HPTEB				Tolls/Managed Lanes Revenue
13					-	-	
14		Contracted Out Work					
15		Express Lanes Operations	HPTEB	10,942,648	10,967,648	25,000	Tolls/Managed Lanes Revenue
16			10,942,648	10,967,648	25,000		
17		Total:	10,942,648	10,967,648	25,000		
18	Deliver - Program Delivery/ Administration	HPTE Program Management /1		5,194,500	5,650,300	455,800	Fee for Service
19							
20				5,194,500	5,650,300	455,800	
21			Total:	5,194,500	5,650,300	455,800	
22	Pass-Through Funds/Multi-modal Grants	Highway					
23							
24							
25			Total:	-	-		
26	HPTE Contingency / Debt Service	Contingency					
27				-	-		
28		Debt Service					
29				-	-		Fee for Service
30			Total:	-	-		
31							
				16,137,148	16,617,948	480,800	
/1 Includes estimated interest on Fee for Service							
Revenue			16,137,148	16,617,948	480,800		
Key to acronyms:							
HPTEB=High Performance Transportation Enterprise Board			(5,169,500)	(5,600,000)	(430,500)		
Total Consolidated Allocations			2,172,006,888	2,084,924,853	(87,082,035)		
Total Consolidated Revenue			2,172,006,888	2,084,924,853	(87,082,035)		
				(0)	(0)		

Resolution # TC-18-11-XX

Approval of the FY 2019-2020 Proposed Budget Allocation Plan

Approved by the Transportation Commission on November 15, 2018

WHEREAS, § 43-1-113 (2), C.R.S. (2018) requires the Transportation Commission to submit a proposed budget allocation plan for moneys subject to its jurisdiction for the fiscal year beginning on July 1, 2019 to the Joint Budget Committee, the House Transportation and Energy Committee, the Senate Transportation Committee and the Governor on or before December 15, 2018 for their review and comments; and

WHEREAS, Senate Bill 17-267 allocated up to \$500 million in Lease Purchase Agreement proceeds to CDOT in FY 2019-2020, with at least 10% of the proceeds to be used for transit purposes; and

WHEREAS, CDOT is statutorily required to pay a maximum of up to \$50 million annually for Senate Bill 17-267 debt service repayments, with \$50 million budgeted for FY 2019-2020; and

WHEREAS, Senate Bill 18-001 allocated \$105 million to the State Highway Fund in FY 2019-2020 and \$22.5 million to the Multimodal Transportation Options Fund; and

WHEREAS, Senate Bill 18-001 further provided an annual transfer of \$50 million per year to the State Highway Fund, beginning in FY 2019-2020 and continuing through FY 2038-2039, subject to change based on ballot outcomes in November 2018 and November 2019; and

WHEREAS, allocations under Senate Bill 17-267 and Senate Bill 18-001 are reflected in the FY 2019-2020 proposed budget allocation plan and may be modified at a later date based on ballot outcomes or legislative changes; and

WHEREAS, FY 2019-2020 revenue forecasts are based on current federal appropriation guidelines, which may change by July 1, 2019; and

WHEREAS, the Transportation Commission has the statutory authority to alter the FY 2019-2020 proposed budget allocation plan before and/or after it is delivered to the Governor on April 15, 2019; and

NOW THEREFORE BE IT RESOLVED, that the Colorado Department of Transportation's proposed budget allocation plan for the period of July 1, 2019 through June 30, 2020 is approved by the Transportation Commission for forwarding to the Joint Budget Committee, the House Transportation and Energy Committee, the Senate Transportation Committee and the Governor on or before December 15, 2018 for their review and comment.

Herman Stockinger, Secretary
Transportation Commission of Colorado

Date