



**COLORADO**

**Department of Transportation**

# CDOT Proposed Budget Allocation Plan

Fiscal Year 2025-26



## Table of Contents

|  |          |
|--|----------|
| <b>CDOT Proposed Budget Allocation Plan.....</b>                         | <b>1</b> |
| FY 2025-26 Proposed Budget Allocation Plan - Summary.....                | 3        |
| Colorado Department of Transportation.....                               | 6        |
| Colorado Transportation Commission Overview .....                        | 7        |
| Colorado Aeronautical Board .....  | 8        |
| Section 1 - Introduction to CDOT .....                                   | 9        |
| Section 2 - CDOT Revenue Sources .....                                   | 21       |
| Section 3 - CDOT Revenue Allocation .....                                | 35       |
| Section 4 - Colorado Transportation Investment Office .....              | 58       |
| Section 5 - Colorado Bridge and Tunnel Enterprise .....                  | 59       |
| Section 6 - Nonattainment Area Air Pollution Mitigation Enterprise ..... | 60       |
| Section 7 - Clean Transit Enterprise.....                                | 61       |
| Section 8 - Fuels Impact Enterprise .....                                | 63       |
| Appendices.....  | 64       |



## FY 2025-26 Proposed Budget Allocation Plan - Summary

### Colorado Department of Transportation

| Colorado Department of Transportation            | FY 2025-26 Proposed Budget |
|--|----------------------------|
| <b>Capital Construction</b>                      | <b>\$589.5 M</b>           |
| Asset Management                                 | \$381.0 M                  |
| Safety   | \$95.1 M                   |
| Mobility   | \$113.5 M                  |
| <b>Maintenance and Operations</b>                | <b>\$420.5 M</b>           |
| Asset Management                                 | \$384.0 M                  |
| Safety   | \$12.2 M                   |
| Mobility   | \$24.4 M                   |
| <b>Multimodal Services &amp; Electrification</b> | <b>\$59.6 M</b>            |
| Mobility   | \$59.6 M                   |
| <b>Suballocated Programs</b>                     | <b>\$371.1 M</b>           |
| Aeronautics                                      | \$68.1 M                   |
| Highway  | \$148.7 M                  |
| Transit and Multimodal                           | \$154.3 M                  |
| <b>Administration &amp; Agency Operations</b>    | <b>\$136.0 M</b>           |
| Debt Service                                     | \$44.5 M                   |
| Contingency Reserve                              | \$33.4 M                   |
| Other Programs                                   | \$36.8 M                   |
| <b>Total - CDOT</b>                              | <b>\$1,691.4 M</b>         |



### Colorado Bridge and Tunnel Enterprise

| Colorado Bridge and Tunnel Enterprise       | FY 2025-26 Proposed Budget |
|---|----------------------------|
| Capital Construction                        | \$121.5 M                  |
| Asset Management-BTE                        | \$121.5 M                  |
| Maintenance and Operations                  | \$2.1 M                    |
| Maintenance and Preservation                | \$2.1 M                    |
| Agency Operations-BTE                       | \$2.4 M                    |
| Debt Service-BTE                            | \$61.5 M                   |
| <b>Total - Bridge and Tunnel Enterprise</b> | <b>\$187.4 M</b>           |

### Colorado Transportation Investment Office

| Colorado Transportation Investment Office                | FY 2025-26 Proposed Budget |
|--|----------------------------|
| Maintenance and Operations-CTIO                          | \$181.2 M                  |
| Administration & Agency Operations-CTIO                  | \$4.1 M                    |
| Debt Service-CTIO  | \$0.0 M                    |
| <b>Total - Colorado Transportation Investment Office</b> | <b>\$185.2 M</b>           |

### Clean Transit Enterprise

| Clean Transit Enterprise                | FY 2025-26 Proposed Budget |
|---|----------------------------|
| Suballocated Programs                   | \$68.1 M                   |
| Transit and Multimodal                  | \$68.1 M                   |
| Administration & Agency Operations      | \$1.6 M                    |
| Debt Service                            | \$0.0 M                    |
| <b>Total - Clean Transit Enterprise</b> | <b>\$69.7 M</b>            |



**Nonattainment Area Air Pollution Mitigation Enterprise**

| Nonattainment Area Air Pollution Mitigation Enterprise                | FY 2025-26 Proposed Budget |
|---|----------------------------|
| Multimodal Services & Electrification                                 | \$13.2 M                   |
| Mobility  | \$13.2 M                   |
| Administration & Agency Operations                                    | \$0.2 M                    |
| Debt Service  | \$0.0 M                    |
| <b>Total - Nonattainment Area Air Pollution Mitigation Enterprise</b> | <b>\$13.4 M</b>            |

**Fuels Impact Enterprise**

| Fuels Impact Enterprise                | FY 2025-26 Proposed Budget |
|--|----------------------------|
| Suballocated Programs                  | \$14.8 M                   |
| Highway                                | \$14.8 M                   |
| Administration & Agency Operations     | \$0.2 M                    |
| Debt Service                           | \$0.0 M                    |
| <b>Total - Fuels Impact Enterprise</b> | <b>\$15.0 M</b>            |
| <b>Total - CDOT and Enterprises</b>    | <b>\$2,162.1 M</b>         |



# Colorado Department of Transportation

## Fiscal Year 2025-26 Proposed Budget Allocation Plan

Jared Polis, Governor  
Shoshana M. Lew, Executive Director

### Transportation Commission

**Yessica Holguin**, District 1

**Shelley Cook**, District 2

**Eula Adams**, District 3

**Karent Stuart**, District 4

**Jim Kelly**, District 5

**Rick Ridder**, District 6

**Barbara Bowman**, District 7

**Mark Garcia**, District 8

**Hannah Parsons**, District 9

**Terry Hart**, District 10

**Vacant**, District 11

**Herman Stockinger**, Commission Secretary

**Jennifer Uebelher**, Commission Liaison

Per the attached Resolution, the Transportation Commission presents the Proposed Budget Allocation Plan for the period July 1, 2025, through June 30, 2026, for approval by the Governor.

**Approved:** \_\_\_\_\_

**Date:** \_\_\_\_\_

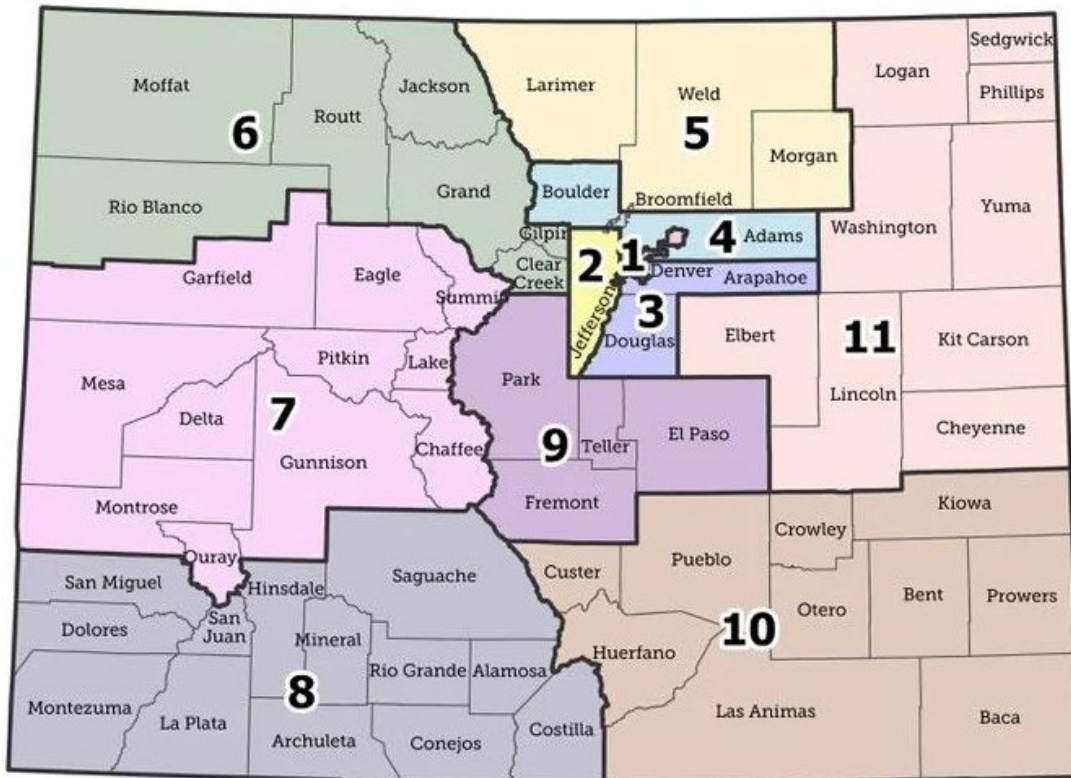


## Colorado Transportation Commission Overview

The eleven-member Colorado Transportation Commission provides oversight, policy direction, and makes resource allocation decisions for the Colorado Department of Transportation. The powers and duties of the Commission are set forth in Section 43-1-106 C.R.S. Transportation Commissioners are appointed to four-year terms on a staggered schedule by the Governor and confirmed by the state Senate. Each Commissioner represents a specific geographic portion of the state, and a map of the state’s Transportation Commission Districts can be found in the figure below.

The members of the Transportation Commission also serve as the board members of the Colorado Bridge & Tunnel Enterprise and the Fuels Impact Enterprise.

### Overview of Transportation Commission Districts



## Commission Districts

Data Source: CDOT 2022  
Published: March 2023  
codot.gov





## Colorado Aeronautical Board

The Division of Aeronautics is advised by the seven-member Colorado Aeronautical Board, which provides oversight, policy direction, and makes resource allocation decisions for CDOT's Division of Aeronautics. The members of the board are appointed by the Governor and confirmed by the Senate. Appointments are made to ensure a broad representation of the airports throughout the state.

### Colorado Aeronautical Board Members

**Kent Holsinger**, Chair, Western Slope Governments

**Mark Van Tine**, Vice Chair, Aviation Interests-at-Large

**Kenneth Maenpa**, Western Slope Governments

**Daniel Melia**, Eastern Slope Governments

**Chaz Tedesco**, Eastern Slope Governments

**Trimbi Szabo**, Secretary, Pilot Organizations

**Steve Lee**, Airport Management





## Section 1 - Introduction to CDOT

The Colorado Department of Transportation is the cabinet level department that plans for, operates, maintains, and constructs the state-owned multimodal transportation system.

Title 43, Article 1, Part 1 of the Colorado Revised Statutes (C.R.S.) grants authority to the Colorado Department of Transportation (CDOT) to cost-effectively address all present and future transportation challenges faced by Colorado. Under the direction of the Transportation Commission, CDOT formulates statewide transportation policy, provides strategic planning, and oversees the construction, maintenance, coordination, and operation of a statewide multimodal transportation system.

**CDOT's Vision:** To enhance the quality of life and the environment of the citizens of Colorado by creating an integrated transportation system that focuses on safely moving people and goods by offering convenient linkages among modal choices.

**CDOT's Mission:** To provide the best multimodal transportation system for Colorado that most effectively and safely moves people, goods, and information.

### CDOT by the Numbers

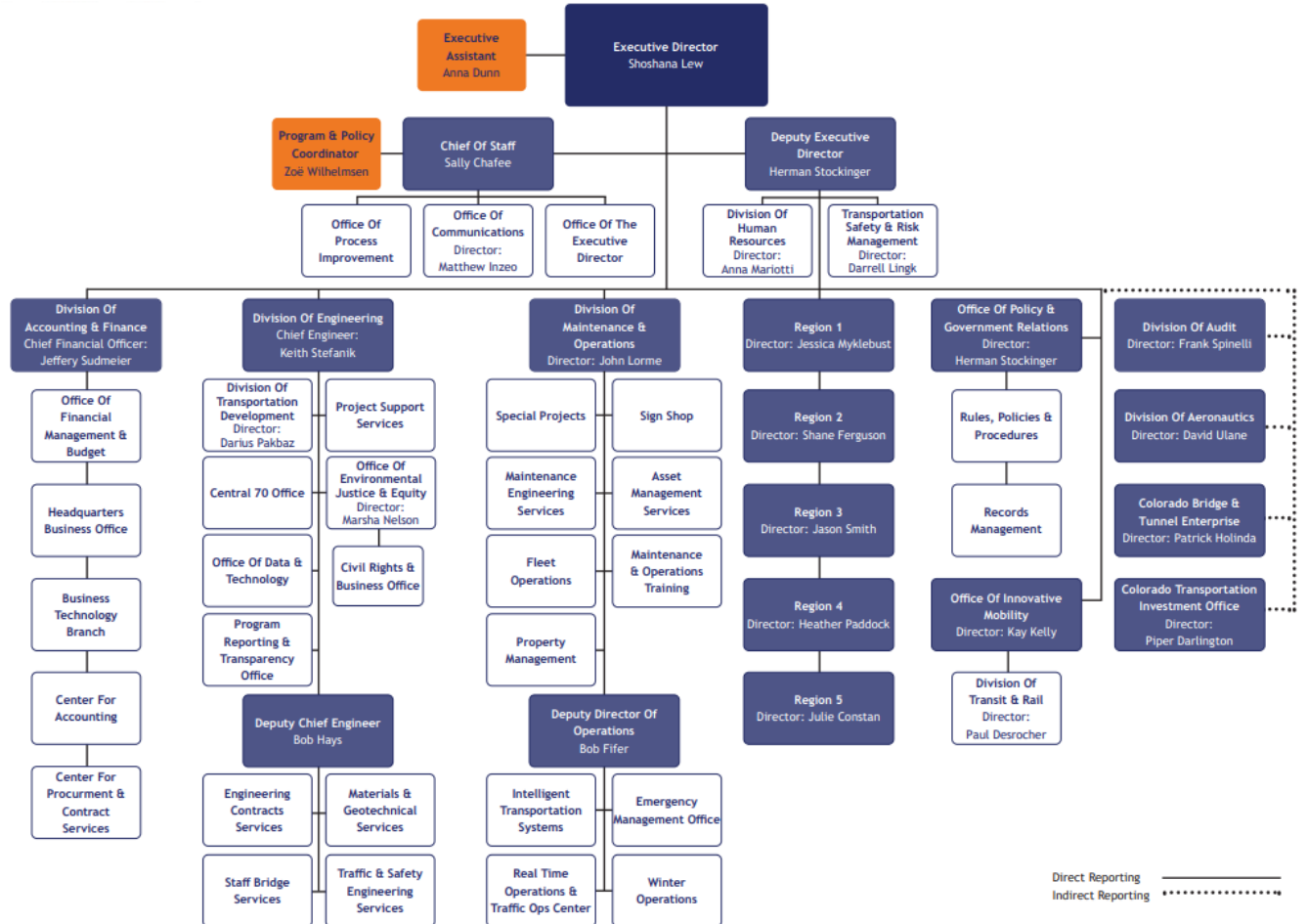
- Maintains, repairs and plows over 23,000 total lane miles of highway
- Maintains 3,447 bridges
- Oversees 28 billion miles of vehicle travel annually
- Plows about 6 million lane miles each year
- Spends \$69 million annually on snow removal
- Keeps over 35 mountain passes open year-round
- Monitors 278 of 522 avalanche paths
- Administers about \$11 million in federal grants for transit operators and \$41 million in federal aviation grants for airports
- Manages over \$5 million in federal grants for safe driving programs



## CDOT Organizational Chart

CDOT is organized according to state statutes, the Policy Directives of the Colorado Transportation Commission, and the directives of the Executive Director. The Department's organizational structure is shown below.

### CDOT Organizational Chart





## CDOT Divisions and Offices

- **Executive Director** - Leads CDOT in planning for and addressing Colorado's transportation needs. The Executive Director, with support from senior staff, sets the strategic direction for CDOT, makes recommendations to the Transportation Commission, ensures consistent communication, sets internal policy, establishes short and long-term strategic goals, and provides leadership for CDOT through execution of the Transportation Commission's policies and adopted annual budgets.
- **Division of Engineering** - Responsible for integrated project development, including planning, engineering, design, and construction. Engineering activities include designing roadways, runways and bridges; construction project management; hydraulic and geological investigations; materials design and testing; and traffic analysis and Intelligent Transportation System integration.
- **Division of Maintenance and Operations** - Responsible for the operation and maintenance of the state's multimodal transportation system. Using performance monitoring, the Division of Maintenance & Operations identifies and implements low-cost, high-value operational improvements to the system. It also manages emergency planning and preparedness, Colorado's fiber network, CDOT's vehicle fleet, and various ancillary assets of CDOT.
- **Division of Accounting and Finance** - Responsible for producing CDOT's annual budget. Other functions include forecasting transportation funding revenue from the Highway Users Tax Fund, managing federal aid billing, providing accounting services, and managing CDOT's procurement process.
- **Office of Innovative Mobility** - Expands mobility options through ridesharing, electrification, and other emerging technologies. In coordination with the Division of Transit & Rail, the office supports transportation options that help reduce congestion and emissions by avoiding single occupancy vehicle use.
- **Office of Policy and Government Relations** - Acts as liaison between CDOT and other governmental entities on transportation issues. The Office of Policy & Government Relations also provides standards on retention of records and oversees compliance with state and federal statutes.
- **Office of Communications** - Provides the public with current information on the state of the highway system. Updates are communicated via variable message signs, the COtrip website, television, radio, social media, and other channels. The Office of Communications also oversees public awareness campaigns and conducts internal communication efforts to keep CDOT employees informed of important events and initiatives.
- **Office of Transportation Safety** - Helps local law enforcement agencies with funding for educational programs. These programs focus on populations at high risk for crash involvement, such as younger and older drivers, motorcyclists, and passenger occupants who do not wear proper restraint devices. The Office of Transportation



Safety also conducts internal safety programs to ensure that all employees are safe when performing their work.

- **Division of Audit** - Provides assurance that controls are operating effectively and efficiently. The Division of Audit conducts and supervises internal audits, external audits on persons or entities entering contracts with CDOT, federally required audits, financial audits to ensure the integrity of CDOT, and performance audits to determine the efficiency and efficacy of CDOT's operations.
- **Division of Aeronautics** - Supports aviation interests statewide. Under the guidance of the Colorado Aeronautical Board, the Division of Aeronautics awards and administers grants funded by aviation fuel tax receipts to help improve Colorado's 76 public-use airports.
- **Division of Human Resources** - Maintains a talented and diverse workforce. The Division of Human Resources recruits new employees, manages positive relations with employees, and develops and administers programs for professional and career development. CDOT is committed to nondiscriminatory practices and provides equitable opportunities for employment and advancement.
- **Colorado Transportation Investment Office** - Responsible for seeking out innovative and efficient means of financing and delivering surface transportation projects. Formerly the High-Performance Transportation Enterprise (HPTE) the CTIO is a government-owned business within CDOT with the statutory power to impose tolls and other user fees, issue bonds, and enter contracts with public and private entities to facilitate Public-Private Partnerships (P3s).
- **Clean Transit Enterprise** - Electrifies Colorado's transit system. The Clean Transit Enterprise (CTE) issues grants, loans, and rebates that support transit electrification through the electrification of the public transit system and vehicle fleet, upgrades to public transit facilities to enable the safe operation and maintenance of electric vehicles, and the development of transit electrification plans to inform transit agencies as they prepare and transition to electric vehicles.
- **Nonattainment Area Air Pollution Mitigation Enterprise** - Mitigates the environmental and health impacts of increased vehicle emissions from motor vehicles in nonattainment areas. The Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME) provides funding for projects that reduce traffic through demand management or that directly reduce air pollution, such as retrofitting construction equipment, constructing roadside vegetation barriers along medians, and planting trees.
- **Statewide Bridge and Tunnel Enterprise** - Finances, repairs, reconstructs and replaces Designated Bridges as defined by SB09-108 and repairs, maintains, and more safely operates tunnels. The Colorado Transportation Commission serves as the Statewide BTE Board of Directors.

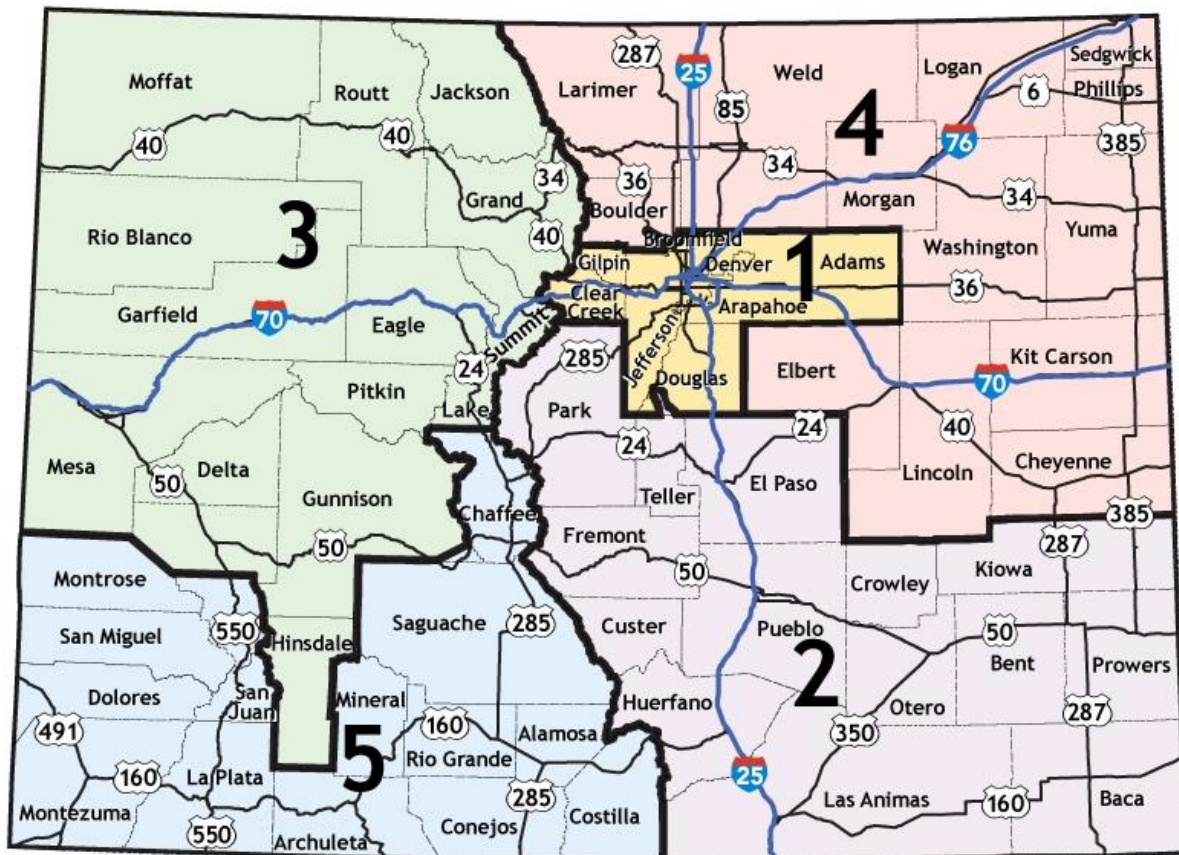


- **Fuels Impact Enterprise** - Administers the fuels impact reduction grant program and imposes fees that are related to the transportation of fuel within Colorado. The Enterprise operates as a government-owned business within CDOT with the Colorado Transportation Commission serving as the Statewide Board of Directors.

## CDOT Transportation Regions

Colorado’s five Transportation Regions operate under the guidance of the Executive Director, the Deputy Executive Director, and their respective Regional Transportation Directors. All Regions design highway projects and award contracts to private companies that submit the lowest bids to construct the projects. The Regions also deliver needed maintenance for the state multimodal transportation system and maintain ongoing contact with local governments, industry, and the public within their geographic area. Each region covers all aspects of CDOT operations for that geographic area, including engineering, planning and environmental management, traffic operations, right-of-way acquisition and surveying, and utilities management.

### Map of CDOT Regions

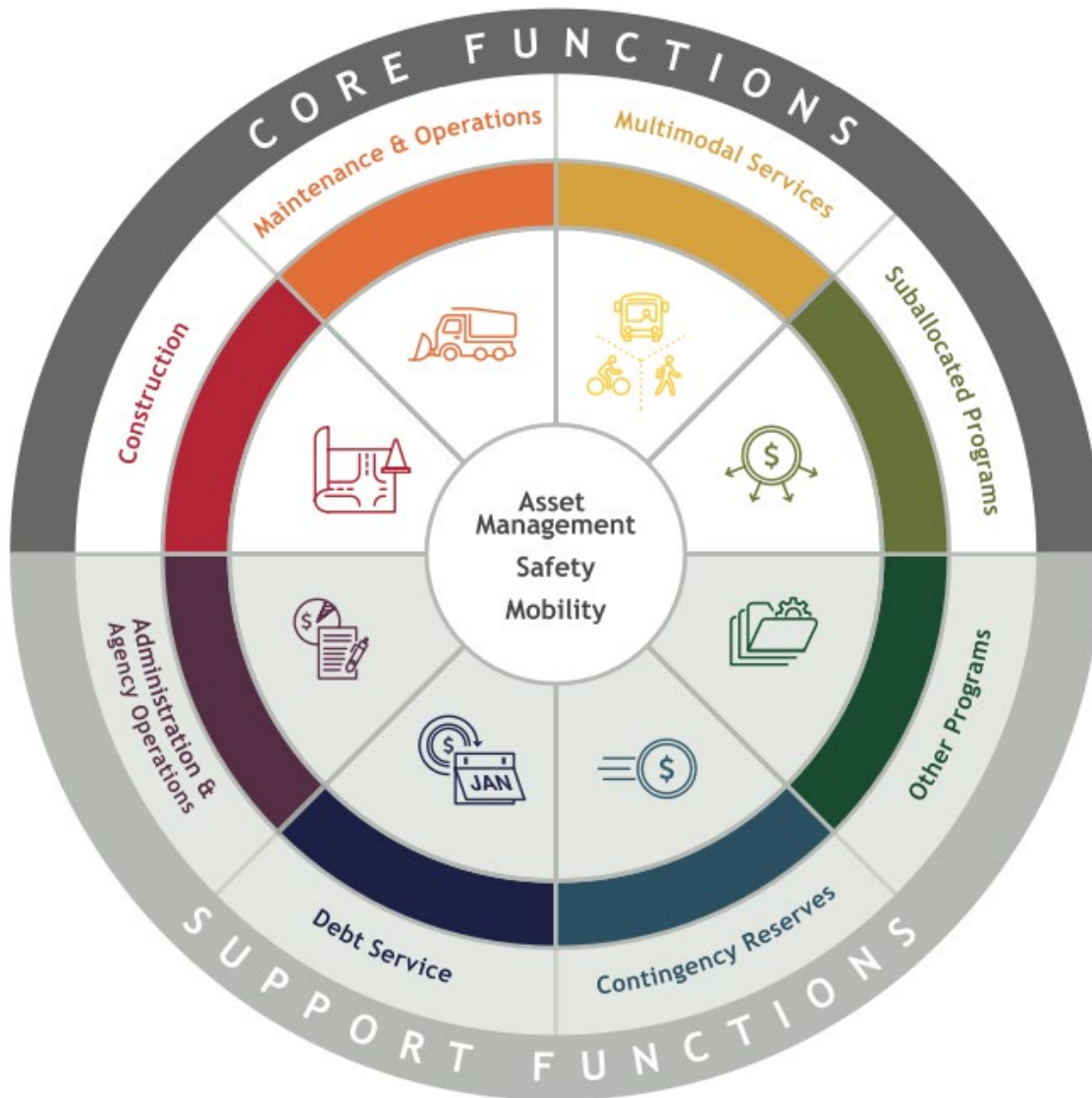




## CDOT Core and Support Functions

CDOT has four core functions pursuant to state and federal statute and the policies of the Colorado Transportation Commission, including construction, maintenance and operations, multimodal services, and suballocated programs. Each of these four core areas incorporate safety, mobility, and asset management. In addition to the core functions, the Department also performs several key support functions necessary for its operations.

### Diagram of CDOTs Core and Support Functions





## CDOT Core Functions

- **Construction** - CDOT delivers an annual construction program focused on maintaining the condition of existing assets, improving the safety of the system, and enhancing mobility through major upgrades and expansions of the system. Funding for construction supports not only the work performed on the road by contractors, but also design, right of way acquisition, and related support tasks.
- **Maintenance and Operations** - CDOT is responsible for the daily maintenance and operation of the state's multimodal transportation system. The 13 Maintenance Program Areas include activities such as pavement repair, slope maintenance, and snow and ice removal. They also include programs focused on ensuring the system operates efficiently, such as removing inoperable vehicles from traffic through Safety Patrol and Heavy Tow services, as well as providing real-time travel information via variable message signs and the COtrip website.
- **Multimodal Services** - CDOT works to reduce pollution and congestion by providing multimodal transportation options through its Office of Innovative Mobility and Division of Transit and Rail. This includes Bustang and Bustang Outrider interregional bus service, strategic investment in multimodal infrastructure such as mobility hubs, support for transit and light duty vehicle electrification, bike and pedestrian programs, and other innovative programs focused on providing more travel choices to Coloradans.
- **Suballocated Programs** - CDOT administers several suballocated programs, passing funds through to local agencies to prioritize and deliver transportation improvements. This includes transit and aeronautics grant programs, as well as flexible programs, such as STP-Metro and CMAQ, used for a variety of highway and multimodal improvements. Suballocated programs are organized into three categories: Highways, Transit, and Aeronautics.

## CDOT Support Functions

- **Administration and Agency Operations** - Administration & Agency Operations programs support the Department's core functions through support services such as contracting and procurement, development of specifications and standards, materials testing, finance and accounting, and human resources, among others. Salaries and benefits make up the largest portion of Administration and Agency Operations costs. Other examples include software and IT infrastructure, and legal expenses.
- **Debt Service** - CDOT, the Colorado Bridge & Tunnel Enterprise (BTE), and the Colorado Transportation Investment Office (CTIO) periodically issue debt and are responsible for annual debt service payments. Most of this debt is associated with Certificates of Participation (COPs) issued under SB 17-267 for "strategic transportation projects," bonds issued under the federal Build America Bonds program to advance the replacement of poor bridges under the FASTER Bridge program, and debt held by the CTIO on major toll corridor projects.



- **Contingency Reserves** - CDOT maintains a contingency fund to provide a source of funding for emergencies (such as major rockfall events or flooding), and for other unplanned or unanticipated needs such as the need to commit matching funds for grant opportunities. Ultimately, most contingency funds are allocated to Construction or Maintenance and Operations programs.
- **Other Programs** - CDOT administers several other programs that support its core functions and the achievement of the Department’s mission to provide the best multimodal transportation system for Colorado that most effectively and safely moves people, goods, and information. This includes the Department’s planning and research programs, and safety education programs focused on driver education and enforcement activities.

## Understanding the CDOT Budget

The budget for most of CDOT’s core and support functions is allocated and directed by the Transportation Commission. This Budget Allocation Plan provides a detailed breakout of CDOT’s budget allocations. Distributions for some programs, such as Surface Treatment, are based on performance systems, allowing CDOT to allocate funding to the areas where they are needed most. Certain programs are funded with a mixture of “flexible” federal apportionments such as National Highway Performance Program and Surface Transportation Program, as well as state Highway User Tax Funds. Other federal programs, such as Transportation Alternatives (TAP), Surface Transportation Program (STP)-Metro, Congestion Mitigation and Air Quality (CMAQ), and Highway Safety Improvement Program (HSIP) are based on “inflexible” apportionments that must be used for designated purposes per federal authorization act requirements with required state or local match.

The Department’s Revenue Allocation Plan, included as Appendix A, represents the amount of revenue the Department anticipates it will receive over the fiscal year, and how it intends to allocate those revenues to each budget program. The Spending Plan, included as Appendix B, complements the Revenue Allocation Plan, and provides a more comprehensive view of multi-year capital budgets and expenditures.

## Revenue Allocation

The Revenue Allocation Plan, included as Appendix A, is developed by forecasting anticipated revenues for the upcoming fiscal year and allocating those revenues to budget programs. These programs are established to serve a specific departmental function, for example, geohazard mitigation, and are organized into categories representing the four core functions, and the four support functions. Core functions are further subdivided into categories for Asset Management, Safety, and Mobility (or highways, transit, multimodal, and aeronautics in the case of suballocated programs).





Each of the budget programs included in the Revenue Allocation Plan are composed of either cost centers or budget pools. In general, cost centers represent the operating portion of the Department’s budget, while budget pools represent the capital portion. While most operating expenditures occur during the fiscal year of the budget, most capital expenditures span multiple fiscal years. Since the state fiscal year ends in the middle of the construction season, even single season construction projects span multiple fiscal years. Major projects such as the I-25 South Gap can span five or six fiscal years.

At the end of the fiscal year, the budget has either been spent directly from a cost center or it has been budgeted to a project from a budget pool (Appendix C includes information on open projects and project balances). In general, open projects from a prior fiscal year are paid for out of previously received revenues. The Revenue Allocation Plan represents new anticipated revenue that is available for operating expenses during the fiscal year, and for new capital projects.

Any budget at the end of the fiscal year remaining in a cost center or budget pool (in the case of a budget pool, funding that has not been budgeted to a specific project), rolls forward (“Roll Forward Budget”), and is amended into the budget for the new fiscal year. Roll forward budget for the prior fiscal year will be amended into the FY 2025-26 Annual Budget after the close of FY 2024-25 in August 2025. With respect to capital programs, the bulk of expenditures lag about one year behind the year the dollars were budgeted.

## Spending Plan

The Department provides a Spending Plan, included as Appendix B, to communicate the complex nature of multi-year capital budgeting more clearly. The Spending Plan is populated with the Department’s anticipated expenditures for FY 2025-26 by budget category, using the same primary budget categories that are used in the Revenue Allocation Plan (e.g., Capital Construction, Maintenance and Operations, etc.). These anticipated expenditures include spending from budgets that originated in revenue allocations from multiple prior years.

## CDOT Strategic Goals

The scope of CDOT’s mission and responsibilities is far-reaching, so to focus its efforts, CDOT sets several Wildly Important Goals (WIGs) each fiscal year to quantify strategic success. WIGs integrate CDOT’s many functions with the Governor’s “Bold Four” initiatives, helping the administration achieve its vision for Colorado. WIGs also align with the “Reimagine State Government” initiative by harnessing new innovations and the expertise of employees to ensure safety, eliminate waste, identify cost savings, and deliver exceptional services to Coloradans.

Transportation provides access to jobs, schools, recreation, goods and more, and is hence the backbone of Colorado’s economy. It is also one of the primary sources of emissions statewide.



CDOT thus plays a vital role in building a better future for all Coloradans, and to sustainably drive economic growth and improve quality of life, we must play our part with extraordinary thought and care. We are up to the challenge.

## CDOT Fiscal Year 2024-25 Strategic Goals

- **Advancing Transportation Safety** - Reduce the number of traffic-related fatalities and serious injuries in fiscal year 2027 by 22.5%, compared to the same month in fiscal year 2023.
- **Clean Transportation** - Decrease transportation sector emissions of carbon dioxide equivalent (CO<sub>2e</sub>) from 3.83 tones per capita in 2023 to 3.66 by June 30, 2027. Decrease transportation sector emissions of nitrogen oxides (NO<sub>x</sub>) from 7.80 pounds per capita in 2023 to 7.45 by June 30, 2027. Decrease transportation sector emissions of volatile organic compounds (VOC) from 2.54 pounds per capita in 2023 to 2.43 by June 30, 2027.
- **Statewide Transit** - Increase ridership for the Bustang Family of Services from 290,737 in fiscal year 2024 to 325,625 by June 30, 2025.

## FY 2025-26 Decision Items

Decision items represent major changes from the previous year's budget. Per Department Policy, decision items more than \$1.0 million require Transportation Commission (TC) approval. Decision items below \$1.0 million require approval by the Department's Executive Management Team. Any decision items that are submitted that require TC approval will be incorporated into the Final FY 2025-26 Budget Allocation Plan.

Additionally, the Governor's FY 2025-26 Budget Request was submitted to the legislature on November 1, 2024. The Governor's Budget Request includes four decision items that were submitted by CDOT. The top two priority requests, R-01 and R-02, are CDOT initiatives, while R-03 and R-04 were developed in collaboration with the Governor's Office to address a significant state budget shortfall for FY 2025-26. For FY 2025-26, the Governor's Office of State Planning and Budgeting (OSPB) is forecasting an approximately \$1 billion shortfall for the State's budget. The Governor's Budget Request contains multiple proposals that impact many state agencies and programs to ensure a balanced budget, and two of these proposals would have a significant impact on CDOT's FY 2025-26 Budget. All four decision items are described below.

### R-01 Multimodal Options Fund Spending Authority

The Department is requesting an increase in cash fund spending authority of \$50.4 million in FY 2025-26 to align with the forecasted fund balance in the Multimodal Transportation and Mitigation Options Fund (MMOF). This would not be new revenue into the MMOF, but rather



legislative authority to encumber and spend the full balance of revenue that was previously collected or transferred into the Fund (i.e. current fund balance in the MMOF).

The Department is also requesting one additional year of roll forward authority for the SB 21-260 American Rescue Plan Act (ARPA) appropriation that lapses in FY 2024-25. Finally, the Department is requesting that the JBC sponsor legislation to continuously appropriate the MMOF to the Department to eliminate the challenges with administering the budget and prevent spending authority gaps in the future.

This solution would allow the Department to access the full fund balance in the MMOF for FY 2025-26 and ongoing which will allow the Department to distribute more funding to local multimodal projects. The Department will continue to spend the state portion of MMOF funding on statewide multimodal projects such as Bustang, however, access to the full fund balance is needed to meet accelerating program expenditures.

### **R-02 Continuous Spending Authority for Clean Transit Enterprise Cash Fund**

This request is being submitted by CDOT on behalf of the Clean Transit Enterprise (CTE) Board. Similar to the MMOF request above, the CTE is requesting that the JBC sponsor legislation to continuously appropriate the Clean Transit Enterprise Cash Fund. This change will allow CTE to maximize its delivery of grant funding to transit agencies in the state and remove the extra administrative burden on the enterprise of tracking two separate types of appropriations. If the decision item is approved by the legislature and legislation is passed, the CTE will be in a position to be more responsive to transit agency funding needs that typically span multiple fiscal years and fund a greater number of grant awards to support the electrification of transit in Colorado.

### **R-03 Reduce SB 21-260 Transfers and Extend the Funding**

For FY 2024-25 through FY 2028-29, SB 21-260 Sustainability of the Transportation System transfers \$100.0 million annually from the General Fund to the State Highway Fund. For FY 2029-30 through FY 2031-32, the transfer amount is reduced to \$82.5 million.

As part of statewide efforts across agencies to balance the State's budget, the Department submitted a request to reduce the transfer to the State Highway Fund by \$39.0 million in FY 2025-26 and by \$24.5 million in FY 2026-27. This request increases the transfers in FY 2029-30 through FY 2032-33 to ensure CDOT receives the total amount of funding outlined in SB 21-260.

Of the proposed \$61.0 million transfer in FY 2025-26 scheduled from the General Fund to the State Highway Fund, \$10.0 million is proposed to be utilized for Bustang. Additionally, \$25.0 million of the \$75.5 million proposed transfer in FY 2026-27 is proposed to be utilized for Bustang. This will ensure that expanded Bustang service supported by one-time funding from SB 21-280 can continue after those funds are exhausted while the Department works to



identify a sustainable ongoing funding solution. Other General Fund transfers from SB 21-260 for Revitalizing Main Streets and the MMOF program are not impacted.

#### **R-04 Reduce Road Safety Surcharge and Distribution Update**

As part of statewide efforts across agencies to help balance the State's budget, the Department proposes a reduction to the Road Safety Surcharge, resulting in a decrease in state revenue subject to TABOR. The Road Safety Surcharge is a weight-based registration fee which is distributed to the State Highway Fund, cities, and counties based on a statutory formula. Specifically, the Department requests a \$11.10 reduction to all weight-based fee tiers of the Road Safety Surcharge, similar to temporary reductions enacted in SB 21-260 and HB 22-1351, resulting in a \$65.1 million decrease to FASTER revenue in FY 2025-26. This will decrease the State's total cash fund revenue subject to TABOR, which will increase General Fund availability in FY 2025-26. This proposal would amend the current statutory formula distributions to ensure that revenue to counties and municipalities will not be impacted.



## Section 2 - CDOT Revenue Sources

Under the State Constitution (Article X Section 18), the revenue collected from state motor vehicle fuel taxes and fees and license and registration fees must be used for the construction, maintenance, and supervision of the state's public highways. The revenues from these sources are deposited in the Highway Users Tax Fund (HUTF) and distributed to CDOT, counties, and municipalities based on formulas in state statute.

In addition to revenue from the HUTF, CDOT also receives funding from the state's General Fund, federal funding, and revenue from other smaller sources. The majority of the Department's funding is deposited in the State Highway Fund (SHF), which is CDOT's primary cash fund. Most of the funding in the SHF is continuously appropriated and allocated at the discretion of the Transportation Commission.

CDOT also has five Enterprises: the Colorado Bridge and Tunnel Enterprise (BTE), the Colorado Transportation Investment Office (CTIO), the Clean Transit Enterprise (CTE), the Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME), and the Fuels Impact Enterprise (FIE). An enterprise is a self-supporting, government-owned business that receives revenue in return for the provision of a good or service. Enterprise revenue is not subject to statewide revenue limits under TABOR.

## Transportation Revenue Forecasting

The Office of Financial Management and Budget (OFMB) maintains an annual revenue model to guide CDOT's budget-setting process. OFMB updates the model quarterly to monitor the current year's fiscal performance and inform the budget for future years. Some of the data used by the model includes, but is not limited to:

- Historical performance of fee revenues
- National economic performance indicators, such as the year-over-year percent change in real U.S. GDP growth
- Inflation estimates based on data from Moody's and the National Highway Cost Construction Index (NHCCI)
- State population and demographic data from the Department of Local Affairs
- Data on annual vehicle miles traveled (VMT) in Colorado from the CDOT Division of Transportation Development
- Estimated vehicle costs, including federal or state rebates for certain vehicles
- Vehicle sales and energy consumption data from the Energy Information Administration
- State fleet data from the Colorado Department of Revenue
- The Colorado Clean Cars standard as baseline for electric vehicle adoption



The model also forecasts federal funding from formula programs and grants. CDOT’s federal funding comes from the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the National Highway Traffic Safety Administration (NHTSA).

The outputs from this model are used to develop the Annual Revenue Allocation Plan. During the development process for the annual budget, CDOT staff reconciles annual projected revenues with the expenditure requests from all the Department’s divisions and executive management. Staff then updates the Revenue Allocation Plan as decisions are made. OFMB staff provides draft and final versions of the Revenue Allocation Plan for formal review and approval by the Transportation Commission, which then becomes CDOT’s official budget for the next fiscal year.

## Overview of CDOT Revenue Sources

This section provides an overview of all CDOT revenue sources. The table below summarizes CDOT’s revenue by cash fund. Additional information on the revenue to CDOT’s enterprises can be found starting in Section 4.

### CDOT Revenue Summary (millions)

| Cash Fund                                    | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|--|----------------------|----------------------|--------------------------|--------------------------|
| State Highway Fund - HUTF                    | \$539.7 M            | \$621.0 M            | \$675.0 M                | \$635.5 M                |
| State Highway Fund - Federal                 | \$759.0 M            | \$768.8 M            | \$792.0 M                | \$801.0 M                |
| State Highway Fund - Legislative Initiatives | \$54.3 M             | \$5.5 M              | \$107.5 M                | \$68.5 M                 |
| State Highway Fund - Miscellaneous           | \$43.1 M             | \$59.8 M             | \$37.3 M                 | \$37.4 M                 |
| State Highway Fund - Bustang                 | \$3.1 M              | \$3.4 M              | \$3.8 M                  | \$4.2 M                  |
| Aeronautics Fund                             | \$60.8 M             | \$53.5 M             | \$60.0 M                 | \$68.9 M                 |
| Multimodal Options Fund*                     | \$9.9 M              | \$8.6 M              | \$19.9 M                 | \$20.9 M                 |
| Law Enforcement Assistance Fund              | \$1.2 M              | \$1.2 M              | \$1.2 M                  | \$1.2 M                  |
| State Infrastructure Bank Fund               | \$0.9 M              | \$1.2 M              | \$1.2 M                  | \$1.2 M                  |
| Marijuana Tax Cash Fund                      | \$1.7 M              | \$1.0 M              | \$1.0 M                  | \$1.0 M                  |
| Fund 606                                     | \$1.1 M              | \$1.1 M              | \$1.2 M                  | \$1.2 M                  |
| <b>Cash Fund Revenue Total</b>               | <b>\$1,474.7 M</b>   | <b>\$1,525.1 M</b>   | <b>\$1,700.1 M</b>       | <b>\$1,641.0 M</b>       |

\*This is the forecast for revenue and does not include the \$50.4 million requested in the Decision Item R-01 Multimodal Options Fund Spending Authority, discussed above.

## State Revenue and Expenditure Limits

Colorado voters approved an amendment to the State Constitution (Article X, Section 20) in 1992, commonly known as the Taxpayer’s Bill of Rights (TABOR). TABOR limits growth in fiscal



year spending for state and local governments and requires any revenue collected in excess of current spending limits to be refunded to taxpayers.

The September 2024 revenue forecasts from the Office of State Planning and Budget (OSPB) and Legislative Council Staff (LCS) are forecasting that state revenue will surpass the TABOR cap through at least FY 2025-26. In general, increasing cash fund revenue is putting pressure on the state budget. Since TABOR refunds are paid with General Funds, any increase in state cash fund revenue will decrease the availability of General Funds in future years.

While surpassing the TABOR cap does not directly impact CDOT's revenue, there is a risk that the decreasing availability of General Funds may impact future General Fund transfers to State Highway Fund. Any actual changes would depend on actions taken by the General Assembly to balance the budget.

## Highway Users Tax Fund Revenue

The revenue that flows through the HUTF includes state-levied taxes and fees associated with the operation of motor vehicles in the state. The State Treasurer distributes the HUTF proceeds between CDOT, other state agencies, counties, and municipal governments according to statutory formulas and annual appropriations.

**Motor Fuel Tax Collection** - Motor fuel taxes are currently the primary source of transportation revenue in the state. Colorado has an excise tax of 22 cents per gallon for gasoline and 20.5 cents per gallon for diesel/special fuel.

**Motor Vehicle Registration Fees** - The state collects several fees at the time of vehicle registration. Age-based fees, weight-based fees, license fees, and electric vehicle fees are distributed through the HUTF.

- **Age and weight-based vehicle registration fees** - Annual registration fees based on the age and weight of a vehicle are deposited in the HUTF.
- **Plug-in Electric Motor Vehicle Registration Fee** - The state currently assesses an annual registration fee on plug-in hybrid electric vehicles and battery electric vehicles. Of this fee, 60 percent is allocated to the HUTF and 40 percent is allocated to the Electric Vehicle Grant Fund in the Colorado Energy Office. Pursuant to SB 21-260, Sustainability of the Transportation System, this fee amount began annually increasing with inflation beginning in FY 2022-23.
- **Electric Vehicle Road Usage Equalization Fee** - SB 21-260 imposed an additional Road Usage Equalization Fee on regular and commercial plug-in electric vehicles. Fees on passenger vehicles will be phased in through FY 2031-32. Beginning in FY 2032-33, the fee for passenger vehicles will be annually adjusted for inflation using the National Highway Cost Construction Index.



- **Commercial Electric Vehicle Fees** - In lieu of the regular equalization fee, electric commercial vehicles will pay an annual registration fee based on weight. Beginning in FY 2023-24, this fee will be annually adjusted for inflation based on the National Highway Cost Construction Index.

**FASTER Fees** - In 2009, the General Assembly passed SB 09-108, also known as the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act. This bill created new motor vehicle fees, fines, and surcharges to fund road, bridge, and public transit projects. The fees and surcharges created by FASTER are outlined below. Revenue from FASTER fees must be used for safety projects.

- **Road Safety Surcharge** - The Road Safety Surcharge applies to every registered vehicle, and it ranges between \$16 and \$39, depending on the vehicle. The amount of the Road Safety Surcharge is set in statute (§43-4-804(1) C.R.S.). SB 21-260 temporarily reduced the Road Safety Surcharge fee for two years. For all registration periods between January 1, 2022, and January 1, 2024, the amount of the Road Safety Surcharge was reduced by \$5.55.
- **Late Registration Fees** - In Colorado, motor vehicles must be registered annually. At the end of each registration period, motor vehicle owners have a one-month grace period to renew their registration. The FASTER late registration fee is charged when a motor vehicle is registered after the grace period. The fee is \$25 for each month the vehicle registration is late, and up to \$100 total. The county office that collects the late registration fee retains \$10 of the fee.
- **Daily Vehicle Rental Fee** - All car rental companies in Colorado are required to collect a fee for each day a vehicle is rented. The rate for this fee can be found on the Department of Revenue's website.
- **Oversize/Overweight Vehicle Surcharges** - Special permits are required when a vehicle exceeds the size and weight restrictions for Colorado's roadways. CDOT is responsible for approving and issuing all special permits. This surcharge is due any time a vehicle requires a single-trip permit to travel, and ranges between \$15 and \$400 depending on the vehicle's size and weight and the duration of the permit.

**Road Usage Fee** - SB 21-260 created the road usage fee, which is assessed on each gallon of gasoline and diesel. This fee will be phased in between FY 2022-23 to FY 2031-32. Beginning in FY 2032-33, this fee will be annually adjusted for inflation based on the National Highway Cost Construction Index. The state began collecting revenue from this fee in April 2023.

**Miscellaneous Collections** - This category includes revenue from traffic penalties and judicial collections, interest earnings, and various cash program revenues.

**Retail Delivery Fees** - SB 21-260 imposed new fees on retail deliveries that are subject to the state sales tax. This fee is adjusted annually for inflation based on the Denver-Aurora-





Lakewood Consumer Price Index. The state’s share of this revenue is distributed to the HUTF and the Multimodal Transportation and Mitigation Options Fund.

## Highway Users Tax Fund Distribution

HUTF revenue is distributed to CDOT, other state agencies, counties, and municipalities based on statutory formulas. CDOT’s portion of revenue from the Highway Users Tax Fund is deposited in the State Highway Fund.

### Statewide HUTF Revenue - Forecasted Distribution by Recipient (millions)

| Recipient                       | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| Off-the-Top Appropriations      | \$186.6 M            | \$200.9 M            | \$213.2 M                | \$225.7 M                |
| CDOT*                           | \$539.7 M            | \$621.0 M            | \$675.0 M                | \$635.5 M                |
| DNR Capital Construction        | \$0.3 M              | \$0.3 M              | \$0.3 M                  | \$0.3 M                  |
| Counties                        | \$218.5 M            | \$231.2 M            | \$251.3 M                | \$260.9 M                |
| Municipalities                  | \$153.6 M            | \$166.1 M            | \$182.6 M                | \$191.6 M                |
| <b>Total HUTF Distributions</b> | <b>\$1,098.7 M</b>   | <b>\$1,219.5 M</b>   | <b>\$1,322.4 M</b>       | <b>\$1,314.0 M</b>       |

\*CDOT’s FY 2025-26 revenue was reduced to reflect the Department’s request in R-04 Reduce Road Safety Surcharge and Distribution Update

HUTF revenue is allocated based on different statutory formulas, which are described below.

**First Stream Revenue** - First stream HUTF revenue consists of the following:

- Proceeds from the first \$0.07 of fuel excise taxes;
- Driver license, motor vehicle title and registration, and motorist insurance identification fees;
- Proceeds from the passenger-mile tax levied on commercial bus services; and
- Interest earnings.

After “off-the-top” appropriations are made to the Colorado State Patrol and the Department of Revenue, 65 percent of first stream revenue is distributed to CDOT, 26 percent is distributed to counties, and 9 percent is distributed to municipalities.

**Second Stream Revenue** - Second stream HUTF revenue consists of motor fuel taxes in excess of the first \$0.07 and age-based registration fees. Of this revenue, 60 percent is distributed to CDOT, 22 percent to counties, and 18 percent to municipalities.

**FASTER Revenue** - FASTER revenue includes the fees, surcharges, and fine revenues authorized by SB 09-108. Of this revenue, \$15.0 million is set aside for spending on transit projects, and the remaining funding is distributed using the same formula as second stream revenue.



**Road Usage Fees** - Revenues from these fees are distributed to the HUTF using the same formula as second stream revenue.

**Retail Delivery Fees** - Of the revenue generated from the state’s portion of Retail Delivery fee, 71.1 percent is distributed to the HUTF and 28.9 percent is distributed to the Multimodal Transportation and Mitigation Options Fund. Of the revenue deposited in the HUTF, 40 percent is paid to the State Highway Fund, 33 percent is paid to counties, and 27 percent is paid to municipal governments. Revenue from the Retail Delivery Fee may be used for transit-related projects needed to integrate different transportation modes.

## Legislative Initiatives

In addition to the Department’s dedicated funding sources, the General Assembly will often transfer or appropriate additional funding from the state’s General Fund for CDOT programs. This section provides an overview of recent legislative initiatives.

### Summary of Recent Legislative Initiatives (millions)

| Legislation (millions)                                  | FY 2022-23<br>Actual | FY 2023-24<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---|----------------------|----------------------|--------------------------|--------------------------|
| SB 21-260 - Sustainability of the Transportation System | \$53.8 M             | \$5.0 M              | \$107.0 M                | \$68.0 M                 |
| Capital Development Committee Funding                   | \$0.5 M              | \$0.5 M              | \$0.5 M                  | \$0.5 M                  |
| <b>Total</b>  | <b>\$54.3 M</b>      | <b>\$5.5 M</b>       | <b>\$107.5 M</b>         | <b>\$68.5 M</b>          |

### SB 21-260 - Sustainability of the Transportation System

This bill created annual transfers from the General Fund to the State Highway Fund between FY 2024-25 to FY 2031-32. The transfers in FY 2024-25 and FY 2025-26 are \$107.0 million. Of this amount \$7.0 million must be used for the department’s Revitalizing Main Streets program.

### Capital Development Committee Funding

Each year, the Department is required to submit a request for funding to the Capital Development Committee (CDC) of the General Assembly (43-1-113 (2.5) C.R.S.). In recent years, the CDC has allocated \$500,000 to CDOT for capital development projects.

Referendums C and D went to voters in 2005, which together would have allowed the state to borrow up to \$1.7 billion for transportation projects, with Referendum C providing the funding to repay the debt. When C passed and D failed, the General Assembly began appropriating Capital Development Funds to CDOT. These appropriations have provided \$500,000 annually to CDOT since FY 2010-11. CDOT received additional funding from the CDC



in FY 2018-19 for a San Luis Valley Doppler Weather Radar partnership and in FY 2020-22 for weather radar systems in southwest Colorado.

## Federal Sources of Revenue

In addition to state sources of funding, CDOT relies on revenue from the federal government. Federal funding for highway and transit projects primarily comes from the Federal Highway Trust Fund, which is funded with federal fuel taxes. In recent years, fuel taxes have been insufficient to fully fund the Federal Highway Trust Fund, and it has been supplemented by transfers from the federal General Fund. This section outlines Colorado’s federal funding in more detail, which is summarized in the table below.

### Federal Sources of Revenue (millions)

| Category (millions)                   | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| Federal Highway Revenue               | \$682.1 M            | \$687.4 M            | \$708.9 M                | \$716.8 M                |
| Federal Highway Revenue - Local Match | \$32.1 M             | \$32.2 M             | \$33.1 M                 | \$33.6 M                 |
| Federal Transit Revenue               | \$28.2 M             | \$30.3 M             | \$30.6 M                 | \$30.9 M                 |
| Federal Transit Revenue - Local match | \$6.9 M              | \$7.4 M              | \$7.5 M                  | \$7.6 M                  |
| Federal Safety Revenue                | \$9.7 M              | \$11.4 M             | \$11.9 M                 | \$12.1 M                 |
| <b>Total</b>                          | <b>\$759.0 M</b>     | <b>\$768.8 M</b>     | <b>\$792.0 M</b>         | <b>\$801.0 M</b>         |

### Federal Highway Revenue

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act, or the IIJA. The IIJA includes a reauthorization of surface transportation funding over five years and authorizes \$550 billion in new federal infrastructure investment over federal fiscal years 2022 through 2026. This includes an increased level of funding to existing US Department of Transportation (USDOT) formula programs, funding for new formula programs, and several new grant funding opportunities.

The Department’s actual federal revenues depend on the passage of an annual Appropriations Act, or the extension of an act via “Continuing Resolution,” to obligate federal resources and receive subsequent cash reimbursement. Colorado receives approximately 1.36 percent of the national total of “formula” funds distributed by the Federal Highway Administration (FHWA). Additionally, the State may receive discretionary grants from the USDOT, such as RAISE or INFRA, which are not projected as part of the revenue allocation model but could increase overall federal revenues.

All federal-aid projects must be in an approved Statewide Transportation Improvement Program (STIP), and the FHWA must authorize projects in advance. State spending on



authorized projects is reimbursed by the FHWA, and most federal-aid funding programs require a state or local match.

The table below provides an overview of FHWA apportionments by program. These numbers represent the actual and estimated amounts of federal revenue the department will receive after obligation limitations.

**FHWA Formula Programs (millions)**

| Program                              | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|--------------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| National Highway Performance Program | \$301.5 M            | \$303.8 M            | \$314.5 M                | \$315.7 M                |
| Surface Transportation Block Grant   | \$141.4 M            | \$142.5 M            | \$147.5 M                | \$150.5 M                |
| Highway Safety Improvement Program   | \$46.4 M             | \$46.6 M             | \$48.3 M                 | \$49.4 M                 |
| Railway-Highway Crossings Program    | \$3.1 M              | \$3.1 M              | \$3.2 M                  | \$3.1 M                  |
| CMAQ                                 | \$40.0 M             | \$40.3 M             | \$41.7 M                 | \$42.5 M                 |
| Metro Planning                       | \$6.2 M              | \$6.2 M              | \$6.4 M                  | \$6.6 M                  |
| National Freight Program             | \$16.0 M             | \$16.1 M             | \$16.7 M                 | \$17.0 M                 |
| Carbon Reduction Program             | \$14.5 M             | \$14.6 M             | \$15.1 M                 | \$15.4 M                 |
| PROTECT Program                      | \$16.3 M             | \$16.4 M             | \$17.0 M                 | \$17.4 M                 |
| Recreational Trails                  | \$1.6 M              | \$1.6 M              | \$1.6 M                  | \$1.6 M                  |
| State Planning and Research          | \$13.7 M             | \$14.0 M             | \$14.2 M                 | \$14.5 M                 |
| Transportation Alternatives Program  | \$16.3 M             | \$16.5 M             | \$17.1 M                 | \$17.5 M                 |
| <b>Total Formula Programs</b>        | <b>\$617.0 M</b>     | <b>\$621.8 M</b>     | <b>\$643.3 M</b>         | <b>\$651.2 M</b>         |

**Other FHWA Allocations (millions)**

| Program                        | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|--------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| NHPP Exempt Allocations        | \$8.1 M              | \$8.6 M              | \$8.6 M                  | \$8.6 M                  |
| FHWA Bridge Formula            | \$45.0 M             | \$45.0 M             | \$45.0 M                 | \$45.0 M                 |
| NEVI Program                   | \$12.0 M             | \$12.0 M             | \$12.0 M                 | \$12.0 M                 |
| <b>Total Other Allocations</b> | <b>\$65.1 M</b>      | <b>\$65.6 M</b>      | <b>\$65.6 M</b>          | <b>\$65.6 M</b>          |



**FHWA Local Matching Funds (millions)**

| Program                         | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| Total FHWA Local Matching Funds | \$32.1 M             | \$32.2 M             | \$33.1 M                 | \$33.6 M                 |

**Federal Transit Revenue**

The Federal Transit Administration (FTA) provides financial and technical assistance to local public transit systems and oversees safety measures and technology research. FTA funding for local transit projects comes from the Mass Transit Account of the Federal Highway Trust Fund, which is funded through federal motor fuel taxes. Local sources of revenue are used to match FTA apportionments.

**Federal Safety Revenue**

The National Highway Transportation Safety Administration (NHTSA) administers grant programs for state safety projects. This funding supports programs for state and community highway safety, traffic safety information systems, alcohol-impaired driving countermeasures, and motorcyclist safety.

**American Rescue Plan Act (H.R. 1319)**

CDOT received \$343.5 million from the American Rescue Plan (H.R. 1319) through SB 21-260 Sustainability of the Transportation System. These funds are an allocation of the State and Local Fiscal Recovery Funds (SLFRF) from the US Treasury and will fall into expenditure category 6: Revenue Replacement; 6.1 Provision of Government Services. The funds were available upon transfer on June 30, 2021, and costs can be incurred through December 31, 2024. The Treasury Interim Final Rule further clarified that as long as funds are obligated by December 31, 2024, the performance period extends through December 31, 2026. Of the amount transferred to the Department, \$159.5 million will be used for shovel ready state highway projects, \$161.34 will be transferred to the Multimodal Transportation and Mitigation Options Fund for multimodal projects, and the remainder will be used for the Revitalizing Main Streets Program, the Front Range Passenger Rail District, and Burnham Yard.

Based upon changed guidance made by the U.S. Treasury in November 2023, the Joint Budget Committee of the General Assembly and Governor’s Office made the decision to refinance most of the state’s remaining ARPA with state funds to protect the State of Colorado from having the funds return to the federal government either through lapse, reversion, or changing policies and legislation. This action was implemented in the final days of the 2024 legislative session through House Bill 24-1466. House Bill 24-1466 replaced the majority of the ARPA-SLFRF funds with state General Funds. After the swap, CDOT will retain \$181.7 million



in ARPA-SLFRF and \$161.8 million in Refinance Cash Funds (provided through the General Fund transfer).

### HB 24-1466 Swap Amounts

| Program                   | Initial ARPA-SLFRF | Revised ARPA-SLFRF | Refinance Cash Fund |
|---------------------------|--------------------|--------------------|---------------------|
| Multimodal Options Fund   | \$146.8 M          | \$50.7 M           | \$96.2 M            |
| Revitalizing Main Streets | \$22.2 M           | \$5.6 M            | \$16.6 M            |
| Shovel Ready Projects     | \$159.5 M          | \$110.5 M          | \$49.0 M            |

## Aeronautics Revenue

CDOT's Division of Aeronautics provides financial assistance to Colorado's 76 public use airports, promotes aviation safety and education, and promotes economic development through the development, operation, and maintenance of the state aviation system. Sources of aeronautics revenue are described in more detail below, and information on the distribution of this funding can be found in the Revenue Allocation section.

### Aeronautics Revenue (millions)

| Category (millions)                 | FY 2021-22 Actual | FY 2022-23 Actual | FY 2024-25 Forecasted | FY 2025-26 Forecasted |
|-------------------------------------|-------------------|-------------------|-----------------------|-----------------------|
| Aviation Gasoline Excise Tax        | \$0.2 M           | \$0.2 M           | \$0.2 M               | \$0.2 M               |
| Aviation Jet Fuel Excise Tax        | \$4.1 M           | \$3.1 M           | \$3.2 M               | \$3.4 M               |
| Aviation Jet Fuel Sales and Use Tax | \$55.8 M          | \$49.1 M          | \$55.7 M              | \$65.2 M              |
| Interest on Deposits                | \$0.7 M           | \$1.0 M           | \$0.9 M               | \$0.0 M               |
| <b>Total</b>                        | <b>\$60.8 M</b>   | <b>\$53.5 M</b>   | <b>\$60.0 M</b>       | <b>\$68.9 M</b>       |

**Gasoline Excise Taxes** - Colorado collects a tax of \$0.06 per gallon of gasoline used in non-turbo-propeller and non-jet aircraft, and a tax of \$0.04 per gallon of gasoline used in turbo-propeller and jet aircraft.

**Aviation Fuel Sales Tax** - The state assesses a sales tax of 2.9 percent of the value of all aviation fuel sold in Colorado.

**Miscellaneous Revenue** - The Division of Aeronautics receives revenue from multiple miscellaneous sources, including inspection fees and interest on deposits.

**Federal Aviation Administration Funding** - From time to time, the Division of Aeronautics is the recipient of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants, generally for AIP-eligible statewide planning efforts.



## Miscellaneous State Highway Fund Revenue

In addition to motor fuel taxes and registration fees, there are various smaller sources of revenue to the State Highway Fund.

Flexible Sources of Miscellaneous Revenue includes revenue from damage awards, interest earned, permits, property, sales, and service charges. This revenue is flexible and can be allocated at the discretion of the Transportation Commission

Inflexible sources of miscellaneous revenue are required by statute or specific agreements to go to specific programs.

### Flexible Sources of Miscellaneous State Highway Fund Revenue (millions)

| Category (millions) | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------|----------------------|----------------------|--------------------------|--------------------------|
| Damage Awards       | \$1.9 M              | \$3.2 M              | \$4.1 M                  | \$4.1 M                  |
| Interest Earned     | \$12.8 M             | \$12.7 M             | \$9.2 M                  | \$9.2 M                  |
| Permits             | \$8.4 M              | \$8.8 M              | \$8.9 M                  | \$9.0 M                  |
| Property            | \$3.7 M              | \$12.1 M             | \$3.2 M                  | \$3.2 M                  |
| Sales               | \$1.6 M              | \$9.0 M              | \$4.6 M                  | \$4.6 M                  |
| Service Charges     | \$8.3 M              | \$8.2 M              | \$2.5 M                  | \$2.5 M                  |
| <b>Total</b>        | <b>\$36.8 M</b>      | <b>\$54.0 M</b>      | <b>\$32.5 M</b>          | <b>\$32.6 M</b>          |

### Inflexible Sources of Miscellaneous State Highway Fund Revenue (millions)

| Category (millions)                        | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|--|----------------------|----------------------|--------------------------|--------------------------|
| PFAS Program                               | \$2.6 M              | \$2.5 M              | \$2.1 M                  | \$2.1 M                  |
| Fiber Access                               | \$1.0 M              | \$0.6 M              | \$0.0 M                  | \$0.0 M                  |
| Commercial Electric Vehicle Fees           | \$0.0 M              | \$0.0 M              | \$0.0 M                  | \$0.0 M                  |
| Steep Grade Fine Revenue                   | \$0.0 M              | \$0.0 M              | \$0.0 M                  | \$0.0 M                  |
| Local availability payments for Central 70 | \$2.7 M              | \$2.7 M              | \$2.7 M                  | \$2.7 M                  |
| <b>Total</b>                               | <b>\$6.3 M</b>       | <b>\$5.8 M</b>       | <b>\$4.8 M</b>           | <b>\$4.8 M</b>           |

## State Multimodal Transportation Funding

In addition to state highway funding, CDOT receives revenue for multimodal transportation projects, including transit, bike, and pedestrian projects. Most of this funding is granted out to local governments to assist with local multimodal projects, and the remainder is retained by CDOT for statewide multimodal initiatives. This section outlines the revenue used for multimodal transportation projects.



### State Multimodal Funding (millions)

| Category (millions)                    | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|--|----------------------|----------------------|--------------------------|--------------------------|
| Bustang Fare Revenue                   | \$3.1 M              | \$3.4 M              | \$3.8 M                  | \$4.2 M                  |
| Multimodal Transportation Options Fund | \$9.9 M              | \$8.6 M              | \$19.9 M                 | \$20.9 M                 |
| Rail and Transit - FASTER              | \$5.0 M              | \$5.0 M              | \$5.0 M                  | \$5.0 M                  |
| <b>Total</b>                           | <b>\$18.0 M</b>      | <b>\$17.1 M</b>      | <b>\$28.6 M</b>          | <b>\$30.1 M</b>          |

**Multimodal Transportation and Mitigation Options Fund** - This cash fund includes funds transferred from the General Fund and revenue from the Retail Delivery Fee. Of the revenue to this fund, 85% is granted out to local entities and 15% is retained by the state. The state portion of MMOF funding is currently allocated to Bustang operations.

**State Rail and Transit** - Each year, \$15 million from the FASTER Road Safety Surcharge is annually set aside for transit projects. FASTER transit funds are split between local transit grants (\$5 million per year) and statewide projects (\$10 million per year).

The \$5 million in local transit grants are awarded competitively by CDOT, while the \$10 million in statewide funds are programmed by the CDOT Division of Transit and Rail to statewide, interregional, and regional projects. Local recipients are required to provide a minimum 20 percent local match. Among the types of projects that have been awarded are the purchase or replacement of transit vehicles, construction of multimodal stations, and acquisition of equipment for consolidated call centers.

**Bustang Fare Revenue** - Bustang is an interregional bus service operated by the Department that connects commuters along the I-25 Front Range and I-70 Mountain Corridors. Bustang links local transit systems together and addresses demand for reliable transit alternatives along the highest traveled corridors of the state. Additional information on Bustang Routes can be found in the Revenue Allocation section.

### State Safety Education Programs

In addition to the Federal safety funding the state gets from NHTSA, the state funds several other safety programs, primarily focused on impaired driving programs. These programs are described below.





### Summary of State Safety Education Programs (millions)

| Category (millions)                                 | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---|----------------------|----------------------|--------------------------|--------------------------|
| First Time Drunk Driver                             | \$1.5 M              | \$1.5 M              | \$0.0 M                  | \$0.0 M                  |
| Law Enforcement Assistance Fund -<br>Other Agencies | \$1.1 M              | \$1.1 M              | \$1.2 M                  | \$1.1 M                  |
| Law Enforcement Assistance Fund -<br>CDOT           | \$0.2 M              | \$0.2 M              | \$0.0 M                  | \$0.2 M                  |
| Marijuana Impaired Driving Program                  | \$1.7 M              | \$1.0 M              | \$1.0 M                  | \$1.0 M                  |
| <b>Total</b>  | <b>\$4.4 M</b>       | <b>\$3.7 M</b>       | <b>\$2.2 M</b>           | <b>\$2.2 M</b>           |

**Law Enforcement Assistance Fund** - Every person who is convicted of, or pleads guilty to, driving under the influence (DUI) pays a fine of \$75, of which \$60 is credited to the Law Enforcement Assistance Fund (LEAF). After appropriations to the Colorado Department of Public Health and Environment (CDPHE) for evidential breath alcohol testing and the Colorado Bureau of Investigation (CBI) for toxicology lab services, the remainder of the funding is diverted to CDOT (80 percent) and the Department of Human Services (DHS) (20 percent). CDOT’s portion of this funding is used to increase the law enforcement presence on public highways during periods of the year known to have a higher incidence of impaired driving.

**First Time Drunk Driver** - In previous years, CDOT had received funding from driver license reinstatement fees to fund high visibility enforcement periods around the state. Due to declining revenues and increased pressures on this funding for ignition interlock devices, HB 23-1102 removed CDOT from this revenue stream and directed the Transportation Commission to allocate \$1.5 million to high-visibility enforcement from the State Highway Fund in future years. The Department received the last appropriation of \$1.5 million from the account in FY 2023-24.

Enforcement episodes include, but are not limited to, specific dates that have high incidences of impaired driving crashes, such as St. Patrick’s Day, 4th of July, Labor Day, etc. CDOT implements the enforcement episodes based on problem identification analysis.

**Marijuana Tax Cash Fund** - The Marijuana Tax Cash Fund (MTCF) is funded by state sales and excise taxes on medical and recreational marijuana. CDOT currently receives an annual appropriation to fund outreach and education on marijuana impaired driving. In addition to outreach and education on impaired driving, CDOT uses this MTCF appropriation to fund local law enforcement in their efforts to enforce impaired driving laws.

## State Infrastructure Bank

The Colorado State Infrastructure Bank (SIB) is a revolving fund created by the General Assembly that is authorized to make loans to public and private entities to facilitate the



financing of transportation projects in the state. The fund receives interest income from the fund’s loan portfolio and the fund’s cash balance. More information on how this revenue is distributed can be found in the next section.

**State Infrastructure Bank Funding (millions)**

| Category (millions)       | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------------|----------------------|----------------------|--------------------------|--------------------------|
| State Infrastructure Bank | \$0.9 M              | \$1.2 M              | \$1.2 M                  | \$1.2 M                  |
| <b>Total</b>              | <b>\$0.9 M</b>       | <b>\$1.2 M</b>       | <b>\$1.2 M</b>           | <b>\$1.2 M</b>           |



## Section 3 - CDOT Revenue Allocation

Each year, the Transportation Commission allocates the estimated revenue that will be available for the upcoming budget year to CDOT's various programs. The Revenue Allocation Plan ("one-sheet") summarizes the estimated FY 2025-26 revenue that will be allocated to each line of CDOT's budget. This section describes the allocation of the Department's revenue in more detail, and the one-sheet can be found in Appendix A.

The Department has created several categories to provide increased transparency into the Department's spending. The Department's budget categories are split between Core Functions and Support Functions.

### Capital Construction

Supported by construction contractors, CDOT delivers an annual construction program focused on maintaining the condition of existing assets, improving the safety of the system, and enhancing mobility through major upgrades and expansion of the system. CDOT's construction program includes 14 construction programs organized into three categories: Asset Management, Safety, and Mobility. Funding for construction includes not only the work performed on the road by contractors, but also design, right of way acquisition, and related support costs.

Recent increases in funding can be attributed to one-time General Fund transfers, as described in the Revenue Allocation section above.



**CDOT Capital Construction Allocations (millions)**

| Program                                  | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Proposal |
|--|----------------------|----------------------|----------------------|------------------------|
| <b>Asset Management</b>                  | <b>\$392.3 M</b>     | <b>\$399.3 M</b>     | <b>\$423.5 M</b>     | <b>\$381.0 M</b>       |
| Surface Treatment                        | \$225.6 M            | \$225.6 M            | \$229.0 M            | \$223.2 M              |
| Structures                               | \$62.5 M             | \$63.3 M             | \$63.4 M             | \$55.8 M               |
| System Operations                        | \$26.9 M             | \$26.3 M             | \$27.3 M             | \$23.3 M               |
| Geohazards Mitigation                    | \$10.0 M             | \$9.7 M              | \$9.7 M              | \$5.0 M                |
| Permanent Water Quality Mitigation       | \$6.5 M              | \$6.5 M              | \$6.5 M              | \$6.5 M                |
| 10 Year Plan Projects - Capital AM       | \$60.9 M             | \$68.0 M             | \$87.7 M             | \$67.2 M               |
| <b>Safety</b>                            | <b>\$121.6 M</b>     | <b>\$115.6 M</b>     | <b>\$132.0 M</b>     | <b>\$95.1 M</b>        |
| Highway Safety Improvement Program       | \$39.4 M             | \$42.9 M             | \$43.1 M             | \$40.2 M               |
| Railway-Highway Crossings Program        | \$3.6 M              | \$3.8 M              | \$3.8 M              | \$3.5 M                |
| Hot Spots                                | \$2.2 M              | \$2.7 M              | \$2.7 M              | \$2.7 M                |
| FASTER Safety                            | \$69.2 M             | \$59.0 M             | \$75.2 M             | \$41.5 M               |
| ADA Compliance                           | \$7.2 M              | \$7.2 M              | \$7.2 M              | \$7.2 M                |
| <b>Mobility</b>                          | <b>\$134.1 M</b>     | <b>\$116.8 M</b>     | <b>\$161.5 M</b>     | <b>\$113.5 M</b>       |
| Regional Priority Program                | \$50.0 M             | \$50.0 M             | \$50.0 M             | \$50.0 M               |
| 10 Year Plan Projects - Capital Mobility | \$63.5 M             | \$42.9 M             | \$87.7 M             | \$40.8 M               |
| Freight Programs                         | \$20.7 M             | \$23.9 M             | \$23.8 M             | \$22.6 M               |
| <b>Total</b>                             | <b>\$647.9 M</b>     | <b>\$631.7 M</b>     | <b>\$717.0 M</b>     | <b>\$589.5 M</b>       |

**Asset Management**

**Surface Treatment** - The Department’s Surface Treatment Program maintains the quality of the pavement on state highways at the highest possible level. Department staff utilizes pavement management software and annual data collection to make recommendations on which segments of the state highway system should be prioritized for rehabilitation.

The main sources of funding for the Surface Treatment Program are State Highway Funds and federal reimbursement for eligible expenditures.

**Structures** - This program provides inspection and inventory of the statewide structures, manages all essential repairs and critical findings for statewide structural asset programs, and evaluates permits required for oversize and overweight vehicles.

The main sources of funding for the Structures Program are State Highway Funds and federal reimbursement for eligible expenditures.



**System Operations** - This program is focused on implementing new and innovative technology, deploying and integrating statewide Intelligent Technology Systems (ITS), incorporating automated performance measures, and extending technical resources to CDOT regions in the areas of traffic signal and ramp metering. This program also leads and/or participates in the development and implementation of arterial and freeway management strategies throughout the state.

Beginning with the FY 2024-25 Budget, this line also provides funding for the Corridor Operations and Bottleneck Reduction Assistance (COBRA) program, which provides funding for low-cost needs that improve the flow of traffic and improve the safety of our roadways.

The main sources of funding for System Operations are State Highway Funds and federal reimbursement for eligible expenditures.

**Geohazards Mitigation** - Mountain and canyon corridors are affected by several geologic hazards such as debris flow, embankment distress, landslides, rockfalls, rockslides, and sinkholes. The Geohazards Program designs mitigation plans, reviews consultant designs, performs site inspections during construction, responds to rock falls, and other geological hazards-related emergencies. Other work includes responding to requests from Maintenance, Engineering, and the public when slope issues are observed. The current inventory of recognized geological hazards throughout the state is just over 3,000.

The main source of revenue for the Geohazards Program is the State Highway Fund.

**Permanent Water Quality Mitigation** - The primary goal of the Permanent Water Quality (PWQ) Program is to treat pollution in stormwater from CDOT roadways before it flows into Colorado's rivers, lakes, and streams. Pollutants from CDOT roadways include oil and grease, copper, any fluids from vehicles, lead, and chloride. The PWQ Control Measures (CMs) that clean these pollutants from stormwater include swales, basins or ponds, and porous surfaces. Each of these CMs capitalizes on natural mechanisms, such as sediment removal or infiltrating water through the ground, to eliminate roadway pollutants from entering surface and groundwater.

The PWQ Program is a regulatory program that is evaluated by the Colorado Department of Public Health and Environment (CDPHE) through CDOT's stormwater (MS4) permit. CDOT Headquarters staff support Regions in assessing whether PWQ Control Measures (CMs) are required on transportation projects, in tracking CMs in a statewide inventory, and in ensuring CMs are inspected and maintained to promote healthy Colorado water. The scenic byways throughout Colorado are maintained and improved through CDOT's Permanent Water Quality Program.

The main source of revenue for this program is the State Highway Fund and federal reimbursement for eligible expenditures.



**10 Year Plan Projects - Capital AM** - This line includes flexible federal funding authorized under the IIJA for construction projects in the Department’s 10 Year Plan that support Asset Management. It also includes funding for the Promoting Resilient Operations for Transformative, Efficient and Cost-saving Transportation (PROTECT) formula program and the Bridge program, both federal programs authorized by the IIJA.

The Promoting Resilient Operations for Transformative, Efficient and Cost-saving Transportation (PROTECT) Program is a federally mandated program that provides funding for projects that involve planning, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure.

The PROTECT Program is a new program created under the IIJA. Funds are apportioned to states by formula. Of the amounts apportioned to a state for a fiscal year, the state may use:

- Not more than 40 percent for construction of new capacity; and
- Not more than ten percent for development phase activities.

Highway, transit, and certain port projects are eligible for PROTECT funding and there is a higher Federal share if the State develops a resilience improvement plan and incorporates it into its long-range transportation plan.

The source of revenue for the formula PROTECT Program is the Federal Highway Trust Fund. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

The Bridge Formula Program is a federally mandated program created under the IIJA to replace, rehabilitate, preserve, protect, and construct bridges on public roads. Colorado is expected to receive \$225 million under the new program to address highway bridge needs, which is \$45 million annually.

Funds are apportioned to states based on the following formula:

- 75 percent based on relative costs of replacing State’s poor condition bridges; and
- 25 percent based on relative costs of rehabilitating State’s fair condition bridges.

According to the FHWA, this funding will help improve the condition of about 481 bridges in poor condition and to preserve and improve more than 5,000 bridges in fair condition in Colorado. Of the total apportionment, 15 percent of funds are reserved for “off-system” (non-Federal-aid highway) bridge projects. No match is required if the bridge is owned by a local agency or federally recognized Tribe. The program sets aside three percent of the appropriated funds for Tribal transportation facility bridges, which shall be administered as if made available under the Tribal Transportation Program.



The source of revenue for the Bridge Program is advance appropriations from the federal General Fund. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

## Safety

**Highway Safety Improvement Program** - The primary goal of the Highway Safety Improvement Program (HSIP) program is to achieve a significant reduction in fatalities and serious injuries on all publicly maintained roads. This includes public roads not owned by the state and roads on tribal lands. To comply with this program, CDOT is required to develop a strategic highway safety plan that identifies and analyzes highway safety programs and opportunities, create projects to reduce the identified safety problems, and evaluate and update the plan on a regular basis.

Beginning in FY 2020-21, HSIP funding has been diverted annually to the Department's new Strategic Safety Program, which is described in more detail below. The main sources of funding for the HSIP program are State Highway Funds and federal reimbursement for eligible expenditures.

**Railway-Highway Crossings Program** - The Railway-Highway Crossings program is a federally mandated program for the elimination of hazards at railway-highway crossings. The purpose of this program is to reduce the number of injuries and fatalities at public crossings throughout the state. Nationwide, since the program's inception in 1987 through 2014, for which the most recent data is available, fatalities at public crossings have decreased by 57 percent. The overall reductions in fatalities come despite an increase in vehicle miles traveled on roadways and an increase in passenger and freight traffic on railways.

The main sources of revenue to the Railway-Highway Crossings program are federal highway funds and local matching funds.

**Hot Spots** - This is a CDOT safety program that seeks to mitigate minor unforeseen issues that need immediate attention, as well as add funding to ongoing projects for unforeseen safety issues discovered during the project process.

The main sources of funding for the Hot Spots program are State Highway Funds and federal reimbursement for eligible expenditures.

**FASTER Safety** - FASTER safety funding is used for road safety projects, defined in statute as a construction, reconstruction, or maintenance project the Transportation Commission, a county, or municipality determines is needed to enhance roadway safety. Projects that have been funded with FASTER safety funding include pavement and other asset management projects, intersection and interchange improvements, shoulders and safety-related widening, and wildlife fencing.



FASTER Safety projects are funded through distributions of revenue generated by Senate Bill 09-108, which are credited to the Highway Users Tax Fund. This funding source is described in more detail in the State Revenue Section above.

**ADA Compliance** - The landmark Americans with Disabilities Act (ADA) mandates that qualified individuals with disabilities shall not be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity.

For CDOT and its sub-recipients, these services or activities are any that are transportation related. These can include but are not limited to roadways, contiguous walkways, intersections, rest areas, roadside emergency telephones, public conveyances such as buses and light rail, and literature related to any of these. CDOT is pursuing an aggressive strategy of upgrading curb ramps through regular program delivery, as well as committing dedicated funding toward curb ramp upgrading to achieve ADA compliance within five years.

The main sources of funding for the ADA Compliance Program are State Highway Funds and federal reimbursement for eligible expenditures.

## Capital Construction and Mobility

**Regional Priority Program** - The objective of the Regional Priority Program (RPP) is to supplement the formula-driven funding allocations to the five CDOT engineering regions with flexible funding. This funding is used at the discretion of each Regional Transportation Director, in consultation with local elected officials and other stakeholders in each region. RPP funds are distributed to the CDOT Regions according to a formula that is weighted on these factors: 50 percent population, 35 percent state highway system lane miles, and 15 percent state highway system truck Vehicle Miles Traveled (VMT).

The RPP is funded through annual Transportation Commission allocations of State Highway Funds with federal reimbursement for eligible expenditures.

**10 Year Plan Projects - Capital Mobility** - This line was previously called “Strategic Projects” and included funding from SB 17-267, SB 18-001, and SB 19-262. Funding from General Fund transfers, as described in the General Fund Transfers section, primarily goes to strategic construction projects. This line now includes the CDOT share of the federal Carbon Reduction Program, as well as General Fund transfers and any available flexible federal funding authorized under the IIJA. This allocation is dedicated to construction projects in the Department’s 10 Year Plan that support mobility.

The Carbon Reduction Program is a federally mandated program that provides funding for projects that reduce transportation emissions or that focus on the development of carbon reduction strategies. Funding is apportioned by formula and includes a suballocated portion. This line is for the CDOT-directed funds.





The Carbon Reduction Program is a new program created under the IIJA. Use of this funding requires the Department, in consultation with the Metropolitan Planning Organizations, to develop (and update at least every four years) a carbon reduction strategy and submit it to the US Department of Transportation (USDOT) for approval. The USDOT must certify that the Department’s strategy meets the statutory requirements.

The source of revenue for the Carbon Reduction Program is the Federal Highway Trust Fund. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

**Freight Programs** - This line was previously called “National Highway Freight Program” and included a budget for the National Highway Freight Program (NHFP). This is a formula-based program with the purpose of improving the efficient movement of freight on the National Highway Freight Network (NHFN). The NHFN includes the interstates, several small segments of other corridors important to freight movement, and approximately 240 miles of Critical Urban and Critical Rural Freight Corridors to be designated by the state.

The main sources of funding for the NHFP are State Highway Funds and federal reimbursement for eligible expenditures.

Beginning in FY 2022-23, the Freight Programs line includes funding for NHFP and CDOT’s portion of the Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) fee on fuel products. This revenue is anticipated to be used for freight-related projects and initiatives in the coming years.

## Maintenance and Operations

CDOT maintenance and operations staff are responsible for the daily maintenance and operation of the state transportation system. This includes Maintenance Program Areas focused on activities such as snow and ice removal and pavement repair, and programs focused on ensuring the system operates efficiently, such as Courtesy Patrol and Heavy Tow services to remove inoperable vehicles from traffic, and real-time travel information provided to travelers via Variable Message Signs, or the COtrip website.



**Maintenance and Operations Allocations (millions)**

| Program  | FY 2022-23 Budget | FY 2023-24 Budget | FY 2024-25 Budget | FY 2025-26 Budget |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Asset Management</b>                          | \$336.1 M         | \$358.1 M         | \$368.6 M         | \$384.0 M         |
| <b>Maintenance Program Areas</b>                 | \$273.8 M         | \$284.9 M         | \$297.9 M         | \$312.8 M         |
| Express Lane Corridor Maintenance and Operations | \$11.0 M          | \$12.1 M          | \$12.7 M          | \$13.2 M          |
| Property   | \$27.9 M          | \$25.6 M          | \$22.7 M          | \$22.7 M          |
| Capital Equipment                                | \$23.4 M          | \$23.5 M          | \$23.3 M          | \$23.3 M          |
| Maintenance Reserve Fund                         | \$0.0 M           | \$12.0 M          | \$12.0 M          | \$12.0 M          |
| <b>Safety</b>                                    | \$12.2 M          | \$12.2 M          | \$12.2 M          | \$12.2 M          |
| Strategic Safety Program                         | \$12.2 M          | \$12.2 M          | \$12.2 M          | \$12.2 M          |
| <b>Mobility</b>                                  | \$24.0 M          | \$24.3 M          | \$24.4 M          | \$24.4 M          |
| Real-time Traffic Operations                     | \$14.0 M          | \$14.3 M          | \$14.4 M          | \$14.4 M          |
| ITS Investments                                  | \$10.0 M          | \$10.0 M          | \$10.0 M          | \$10.0 M          |
| <b>Total</b>                                     | \$372.3 M         | \$394.5 M         | \$405.1 M         | \$420.5 M         |

**Funding in Maintenance Program Areas (millions)**

| Program                                | FY 2022-23 Budget | FY 2023-24 Budget | FY 2024-25 Budget | FY 2025-26 Budget |
|--|-------------------|-------------------|-------------------|-------------------|
| Roadway Surface                        | \$37.7 M          | \$40.9 M          | \$41.7 M          | \$36.0 M          |
| Roadside Facilities                    | \$22.8 M          | \$24.3 M          | \$23.8 M          | \$24.3 M          |
| Roadside Appearance                    | \$10.8 M          | \$9.3 M           | \$11.9 M          | \$8.3 M           |
| Structure Maintenance                  | \$5.7 M           | \$5.6 M           | \$6.0 M           | \$6.2 M           |
| Tunnel Activities                      | \$6.4 M           | \$5.0 M           | \$6.0 M           | \$4.8 M           |
| Snow and Ice Control                   | \$84.1 M          | \$84.9 M          | \$92.3 M          | \$110.5 M         |
| Traffic Services                       | \$71.9 M          | \$75.7 M          | \$77.4 M          | \$81.9 M          |
| Materials, Equipment, and Buildings    | \$18.2 M          | \$21.1 M          | \$20.9 M          | \$20.9 M          |
| Planning and Scheduling                | \$16.1 M          | \$18.1 M          | \$17.9 M          | \$19.9 M          |
| <b>Maintenance Program Areas Total</b> | \$273.7 M         | \$284.9 M         | \$297.9 M         | \$312.8 M         |

**Asset Management**

**Maintenance Program Areas** - To provide statewide consistency in service, CDOT uses a performance-based budgeting system for its maintenance program. The Maintenance Levels of Service (MLOS) system includes an annual physical rating and/or survey to gauge conditions for approximately 64 activities or system categories. The measured items all fall under six Maintenance Program Areas (MPA):



- Roadway Surface;
- Roadside Facilities;
- Roadside Appearance;
- Structure Maintenance;
- Tunnel Activities; and
- Snow and Ice Control.

Additionally, there are operational MPA's that are funded through MLOS but are not measured and assigned a letter grade:

- Traffic services;
- Materials, Equipment, and Buildings; and
- Planning and Scheduling.

There are 13 service levels established for each MPA, with calculations translated to a scale of A+ through F, with A+ being the highest service level and F being the lowest. The main source of funding to the CDOT maintenance program is the State Highway Fund.

**Express Lanes Corridor Maintenance and Operations** - Formerly referred to as Toll Corridor General Purpose Lanes. This budget is used to pay for general purpose lane maintenance activities in express lanes corridors, such as US-36 and Central 70, where a third party is performing this work on CDOT's behalf. The main source of revenue for this program is the State Highway Fund.

**Property** - This budget is used for CDOT's inventory of over 1,200 buildings, which include vehicle storage facilities, sand sheds, office buildings and lab facilities, rest areas, as well as a limited number of employee housing facilities and storage sheds.

In addition to ongoing maintenance and repair, the structural conditions of each building are evaluated and graded annually. CDOT's goal is to maintain 85 percent or more of its buildings at a level C or better, on an A through F rating scale. Existing buildings are assessed for replacement or refurbishment to maintain desired condition levels. The main source of revenue for this program is the State Highway Fund.

**Capital Equipment** - CDOT relies on a wide variety of heavy road equipment for the maintenance of the state highway system. The fleet includes:

- Trucks used to haul asphalt, rocks, and earth;
- Trucks that plow snow and distribute snow and ice melting materials;
- Large mobile sweepers;
- Large landscaping mowers; and
- A hot plant for producing asphaltic concrete pavement.



CDOT has developed an expected useful life for all heavy equipment based on age and usage (mileage or hours), and the Department has a vigorous fleet management system to proactively address the condition of its fleet.

The main source of revenue for this program is the State Highway Fund.

**Maintenance Reserve Fund** - This funding is used to fund emergency maintenance activities, such as snow and ice removal and wildfire response. The Division of Maintenance and Operations uses this funding to reimburse any budget used for emergency response activities. The main source of revenue for this program is the State Highway Fund.

## Safety

**Strategic Safety Program** - In FY 2020-21, the Transportation Commission approved the transfer of \$11.4 million in funding from the Highway Safety Improvement Program (HSIP) to the newly established Strategic Safety Program. The Strategic Safety Program is focused on decreasing the frequency and severity of accidents through systematic statewide safety improvement programs including: 6-inch striping, interstate cable rail, rumble strips, variable speed limit signage, and Manual for Assessing Safety Hardware (MASH) compliant guardrail.

## Mobility

**Real-time Traffic Operations** - Under this program, the Department removes incidents from Colorado's highways and restores normal traffic operations as safely and quickly as possible. This program includes the State Farm Safety Patrol, which provides limited roadside assistance at no charge to drivers.

**ITS Investments** - The Colorado Department of Transportation uses advanced technology and information systems to manage and maintain safe and free-flowing state highways and to inform motorists in Colorado about traffic and roadway conditions. Travel information is provided to the public by a variety of methods including:

- The COtrip.org website displaying Closed Circuit Television (CCTV) images, speed maps and travel times, weather conditions, construction information, alerts (including Amber Alerts);
- 511 Interactive Voice Response (IVR) system providing up-to-date road and weather conditions, construction, special events, travel times, and transfers to bordering states and other transportation providers; and
- Variable Message Signs (VMS) providing travel messages including closures, alternative routes, road condition information, special events, and real-time trip travel time information;



The main sources of funding for this program are State Highway Funds and federal reimbursement for eligible expenditures.

## Multimodal Services & Electrification

CDOT works to reduce air pollution and roadway congestion by providing multimodal transportation options through its Office of Innovative Mobility and Division of Transit and Rail. This includes providing Bustang and Bustang Outrider interregional bus service, strategic investment in multimodal infrastructure such as Mobility Hubs, and support for transit and light duty vehicle electrification.

### Summary of Multimodal Services & Electrification

| Program                            | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Innovative Mobility Programs       | \$8.9 M              | \$9.0 M              | \$9.3 M              | \$9.3 M              |
| National Electric Vehicle Program  | \$11.3 M             | \$14.5 M             | \$14.5 M             | \$14.5 M             |
| Carbon Reduction Program - CDOT *  | \$8.8 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| 10 Year Plan Projects - Multimodal | \$17.2 M             | \$12.3 M             | \$19.5 M             | \$12.0 M             |
| Rail Program                       | \$0.0 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| Bustang                            | \$8.8 M              | \$9.6 M              | \$13.7 M             | \$23.7 M             |
| <b>Mobility Total</b>              | <b>\$55.1 M</b>      | <b>\$45.4 M</b>      | <b>\$57.1 M</b>      | <b>\$59.6 M</b>      |

\*This allocation is now being reported as part of the 10 Year Plan Projects - Capital Mobility line.

## Mobility

**Innovative Mobility Programs** - The Office of Innovative Mobility incorporates the Division of Transit and Rail, integrating its functions with other means of expanding multimodal transportation options, including ridesharing, electrification, and emerging technologies, providing additional choices to avoid single occupancy vehicle use. Through these initiatives, the Department hopes to reduce total vehicle miles traveled (VMT) per capita in the state and looks to curb the growth of greenhouse gas and ozone causing emissions from transportation-related activities.

**National Electric Vehicle Program** - The National Electric Vehicle formula program is a federally mandated program created under the IIJA to strategically deploy electric vehicle (EV) charging infrastructure and establish an interconnected network to facilitate data collection, access, and reliability.



Funds are apportioned to states using the same formula distribution as federal-aid highway apportionments. Of the total funding that goes to this program, ten percent of funding is set aside for discretionary grants to state and local governments that require additional assistance to strategically deploy EV charging infrastructure.

Key provisions include:

- Funded projects must be located along designated alternative fuel corridors;
- Each state must submit a plan to USDOT describing its planned use of funds;
- If a state does not submit a plan (or carry it out), the USDOT may withhold or withdraw funds and redistribute within the state, or to other states;
- The Program establishes the DOT-DOE Joint Office of Energy and Transportation; and
- USDOT is required to designate national EV charging corridors to support freight and goods movement.

The source of revenue for the National Electric Vehicle Program is advance appropriations from the federal General Fund. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

**10 Year Plan Projects - Multimodal** - This line was previously called “Strategic Transit and Multimodal Projects” and included statewide transit funding from SB 17-267 and CDOT’s portion of the Multimodal Transportation Options Program (MMOF) funds from SB 18-001. Beginning in FY 2022-23, the CDOT portion of the MMOF was allocated to Bustang.

This line is now funded with a portion of any available flexible state or federal funds that are not allocated to other construction or maintenance programs. This allocation is dedicated to multimodal projects contained in the Department’s 10 Year Plan.

**Rail Program** - This line is established for any funding that the Division of Transit and Rail receives for initiatives that support passenger rail, either from legislative initiatives or allocations made by the Transportation Commission.

**Bustang** - Bustang is CDOT’s interregional express bus service that began operations in 2015 and connects major populations, employment centers, and local transit entities along the I-25 and I-70 corridors. Bustang carries commuters to and from Denver, Colorado Springs, Fort Collins, Glenwood Springs and more. The program has since been expanded to include a family of services, including Bustang Outrider, Snowstang, Estes Park and Pegasus.

**Bustang Outrider** - Bustang Outrider is a rural-focused program that began operations in 2018 with the following routes:

- Lamar to Colorado Springs is in service daily except major holidays, and operated by Senior Resource Development Agency of Pueblo, Inc. (SRDA);
- Alamosa to Salida to Pueblo is in service daily and is also operated by SRDA; and



- Durango to Grand Junction has transitioned to Outrider from Roadrunner operating in service daily by Southern Colorado Community Action Agency (SoCoCAA, formerly SUCAP).

Additionally, there are several new routes that began in 2021, which include:

- Trinidad to Pueblo for 5 days/week service, except major holidays;
- Sterling to Greeley service on Mon, Wed, and Fri, except major holidays;
- Telluride to Grand Junction for 5 days/week service, except major holidays;
- Craig to Denver via U.S. 40 for 7 days/week service, except major holidays;
- Crested Butte to Denver for 7 days/week service, except major holidays; and
- Sterling to Denver on Tuesdays and Thursdays, except major holidays.

*Snowstang* - Starting in 2019, Snowstang provided 40 days of service to the Arapahoe Basin, Loveland, Breckenridge, Copper Mountain, and Steamboat ski areas on Saturdays and Sundays. Snowstang was suspended in 2020 due to the COVID-19 pandemic; however, service resumed for the 2021-22 ski season.

*Estes Park* - Bustang provides service from downtown Denver to Estes Park on weekends. This route includes stops at the Estes Park Visitor Center and the Rocky Mountain National Park (RMNP) Park & Ride transit hub.

*Pegasus* - This shuttle service launched in 2022, offering more frequent service between Denver and Vail using smaller (non-CDL) vehicles.

Bustang is funded with FASTER revenue, farebox revenue, and the CDOT portion of the Multimodal Transportation and Mitigation Options program.

## Suballocated Programs

CDOT administers several suballocated programs by passing funds through to local agencies to prioritize and deliver transportation improvements. This includes transit and aeronautics grant programs and programs such as Surface Transportation Block Grant (STBG)-Urban and Congestion Mitigation and Air Quality (CMAQ) that are used for a variety of highway and multimodal improvements. Suballocated programs are organized into three categories: Highway, Transit and Multimodal, and Aeronautics.



**Summary of Suballocated Programs (millions)**

| Program                               | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Aeronautics</b>                    | <b>\$35.3 M</b>      | <b>\$64.2 M</b>      | <b>\$57.4 M</b>      | <b>\$68.1 M</b>      |
| Aviation System Program               | \$35.3 M             | \$64.2 M             | \$57.4 M             | \$68.1 M             |
| <b>Highway</b>                        | <b>\$143.8 M</b>     | <b>\$151.9 M</b>     | <b>\$155.4 M</b>     | <b>\$148.7 M</b>     |
| STBG-Urban (STP-Metro)                | \$61.9 M             | \$66.0 M             | \$66.9 M             | \$63.8 M             |
| Congestion Mitigation and Air Quality | \$51.7 M             | \$52.8 M             | \$53.8 M             | \$51.4 M             |
| Metropolitan Planning                 | \$10.7 M             | \$10.7 M             | \$12.1 M             | \$11.4 M             |
| Off-System Bridge Program             | \$19.5 M             | \$22.4 M             | \$22.5 M             | \$22.1 M             |
| <b>Transit and Multimodal</b>         | <b>\$194.1 M</b>     | <b>\$93.8 M</b>      | <b>\$114.7 M</b>     | <b>\$154.3 M</b>     |
| Recreational Trails                   | \$1.6 M              | \$1.6 M              | \$1.6 M              | \$1.6 M              |
| Safe Routes to School                 | \$3.1 M              | \$3.1 M              | \$3.1 M              | \$3.1 M              |
| Transportation Alternatives Program   | \$20.6 M             | \$21.6 M             | \$22.8 M             | \$21.8 M             |
| Transit Grant Programs                | \$61.0 M             | \$51.7 M             | \$53.9 M             | \$43.1 M             |
| Multimodal Options Program - Local    | \$97.6 M             | \$6.2 M              | \$16.4 M             | \$68.2 M             |
| Carbon Reduction Program - Local      | \$9.5 M              | \$9.6 M              | \$9.9 M              | \$9.4 M              |
| Revitalizing Main Streets Program     | \$0.7 M              | \$0.0 M              | \$7.0 M              | \$7.0 M              |
| <b>Suballocated Programs Total</b>    | <b>\$373.2 M</b>     | <b>\$309.9 M</b>     | <b>\$327.5 M</b>     | <b>\$371.1 M</b>     |

**Aeronautics**

The Division of Aeronautics promotes the safe operation and accessibility of general aviation and intrastate commercial aviation in Colorado. The objectives of the Division are to:

- Set priorities for improving the state’s air transportation system;
- Provide financial assistance to maintain and improve Colorado’s 76 public use airports;
- Promote aviation safety and education; and
- Promote economic development through the development, operation, and maintenance of the state aviation system.

**Distribution of Aviation Revenue** - Revenue from aviation fuel taxes is distributed to the state airports by CDOT’s Division of Aeronautics. Airports receive an amount equal to \$0.04 for each taxable gallon of gasoline sold at each airport, and 65 percent of the sales and use taxes generated at each airport by the aviation fuel sales tax.

After distributing funding to airports, the remaining funding is used for the Colorado Discretionary Aviation Grant (CDAG) Program. The CDAG Program was developed to maintain and improve the statewide aviation system. This is achieved by providing grants that help meet individual airport and statewide aviation goals and needs.





## Highway

**Surface Transportation Block Grant (STBG)-Urban Program** - The Surface Transportation Block Grant Program (STBG) is a federally mandated program that provides flexible funding to states and localities for projects to preserve and improve the conditions and performance on:

- Any Federal-aid highway, bridge, and tunnel projects on any public road;
- Pedestrian and bicycle infrastructure; and
- Transit capital projects, including intercity bus terminals.

STBG-Urban is a sub-program of STP for urbanized areas with populations greater than 200,000. Project selection for STBG-Urban funds is conducted by federally designated regional Transportation Management Areas (TMAs) composed of local governments. In Colorado, the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), and the North Front Range Metropolitan Planning Organization (NFRMPO) select projects and the member governments that receive funding contribute matching funds. Project finance is administered by CDOT.

The main sources of revenue to the STBG-Urban program are:

- Federal highway funds equal to the estimated net revenue amount of the STBG apportionment set-aside for urban areas with populations exceeding 200,000 (82.79 percent);
- Required local match (17.21 percent); and
- Additional local funds in excess of the required matching amounts.

The annual apportionment of federal spending authority for the STBG-Urban is available for four fiscal years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

**Congestion Mitigation and Air Quality** - Congestion Mitigation and Air Quality (CMAQ) is a federally mandated program to improve air quality in nonattainment and maintenance areas for ozone, carbon monoxide, and particulate matter. These include the areas of the North Front Range Metropolitan Planning Organization (NFRMPO), the Denver Regional Council of Governments (DRCOG), Aspen, Cañon City, Pagosa Springs, Steamboat Springs, and Telluride.

Funds may be used for transportation projects designed to contribute to the attainment or maintenance of national ambient air quality standards (NAAQS), with a high level of effectiveness in reducing air pollution.

The main sources of revenue to the CMAQ program are:

- Federal highway funds (82.79 percent);
- Required local matching funds (17.21 percent); and
- Additional local funds above the matching requirement.



Federal funds are apportioned according to a formula based on population and severity of pollution in ozone and carbon monoxide areas. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

**Metropolitan Planning** - The Metropolitan Planning program is a federally mandated program to fund transportation planning processes at federally designated Metropolitan Planning Organizations (MPOs). This planning process establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas with populations exceeding 50,000. The MPOs in Colorado are the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), the North Front Range Metropolitan Planning Organization (NFRMPO), the Pueblo Area Council of Governments (PACG), and the Grand Valley MPO (GVMPO).

The main sources of revenue to the Metropolitan Planning program are:

- Federal funds (Federal Highway Administration and Federal Transit Authority) (82.79 percent); and
- Required local matching funds (17.21 percent).

These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

**Off-System Bridge Program** - This line provides funding to administer off-system (local agency) bridge inspection, tunnel inspection, and the bridge program (major rehabilitation and replacement). CDOT Off-System Bridge program is funded partially through a federal program and partially through Transportation Commission-directed funds.

## Transit and Multimodal

**Recreational Trails** - The Recreational Trails Program provides funds from the FHWA to States to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses.

The Recreational Trails program is funded through federal reimbursement for eligible expenditures. This funding is set aside from the Department's Transportation Alternatives apportionment.

**Safe Routes to Schools** - Colorado established The Safe Routes to School (SRTS) program in 2004 to distribute federal and state funding to eligible projects that improve safety for pedestrians and bicyclists in school areas and encourage children in grades K-8 to safely bicycle and walk to and from school.

Eligible activities include, but are not limited to:



- Planning, design, and construction of safe school routes for children to walk and bike to and from school;
- Planning, design, and construction of facilities for pedestrians and bicyclists to travel to and from school; and
- Educating children, parents, and communities about safe walking and bicycling practices and the health benefits that result from walking and bicycling to and from school.

Funds are awarded through a statewide competitive process for construction and education projects chosen by an advisory committee appointed by CDOT's executive director. From 2005 through 2023, the Safe Routes to School Program has distributed \$36.3 million in state and federal funds supporting 141 infrastructure and 147 non-infrastructure projects across all regions of the state.

**Transportation Alternatives Program** - The Transportation Alternatives Program (TAP) was a program established under Section 1122 of MAP-21 and continued as a set-aside under Section 1109 of the FAST Act. The TAP provides funding for bicycle, pedestrian, historic, scenic, and environmental mitigation transportation projects.

Eligible activities include but are not limited to:

- Construction, planning, and design of facilities for pedestrians and bicyclists;
- Construction of turnouts, overlooks and viewing areas, and preservation of historic transportation facilities;
- Some environmental mitigation activities, including vegetation management, and archeological and stormwater mitigation related to highway projects; and
- The Recreational Trails Program.

The main sources of revenue for the Transportation Alternatives program are:

- Federal highway funding (82.79 percent);
- Local matching funds (17.21 percent); and
- Additional local funds above the matching requirement.

**Transit Grant Programs** - Each year CDOT grants funding out to local entities for transit projects. This funding comes from federal transit funding and state FASTER funding.

A portion of fuel taxes collected at the federal level is distributed to states for the operation and maintenance of state public transportation systems. This source of funding is described in greater detail in the CDOT Revenue Sources section.

The FASTER legislation authorized \$15 million each year for transit funding. Of this funding, \$5 million in local transit grants are awarded competitively by CDOT regional offices. Local recipients are required to provide a minimum 20 percent local match. Among the types of projects that have been awarded are the purchase or replacement of transit vehicles, construction of multimodal stations, and acquisition of equipment for consolidated call



centers. The remaining \$10 million in FASTER transit funding is used for statewide, interregional, and regional projects.

**Multimodal Options Program - Local** - Senate Bill 18-001 provided a one-time allocation of \$94.25 million in state General Fund to the Multimodal Transportation Options Fund. Of this funding, 85 percent (\$80.12 million) must be used for local multimodal projects, and 15 percent (\$14.13 million) must be used for statewide multimodal projects.

Senate Bill 18-001 directed the Transportation Commission to develop a distribution formula based on population and ridership for local government funding. The formula for the local distribution of funding was developed in consultation with the Transit and Rail Advisory Committee, the Statewide Transportation Advisory Committee, transit advocacy organizations, and bicycle and pedestrian organizations. Generally, each funding recipient must match an equal amount to the award they receive from CDOT. However, the Transportation Commission may reduce or exempt the matching requirement for certain local governments due to size or special circumstances.

Senate Bill 21-260 renamed this to the Multimodal Transportation and Mitigation Options program and provided ongoing funding from the new retail delivery fee and General Fund transfers. The budget for this program is annually appropriated by the legislature and the Department has approval for three additional years of spending authority for each appropriation.

**Carbon Reduction Program - Local** - The Carbon Reduction Program is a federally mandated program that provides funding for projects that reduce transportation emissions or that focus on the development of carbon reduction strategies. This line houses the suballocated portion of the new Carbon Reduction Program.

The Carbon Reduction Program is a new program created under the IIJA. Use of this funding requires the Department, in consultation with the Metropolitan Planning Organizations, to develop (and update at least every four years) a carbon reduction strategy and submit it to the US Department of Transportation (USDOT) for approval. The USDOT must certify that the Department's strategy meets the statutory requirements.

The source of revenue for the Carbon Reduction Program is the Federal Highway Trust Fund. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

**Revitalizing Main Streets Program** - This program helps communities across the state implement transportation-related projects that improve safety and yield long-term benefits to community main streets. This line was added to the budget beginning in FY 2022-23. The Program was previously funded with one-time allocations from the Strategic Projects line.



In FY 2020-21, SB 21-110 transferred \$30 million from the General Fund to the State Highway Fund to provide additional funding for the Revitalizing Main Streets program. Senate Bill 21-260 provides ongoing funding for this program from General Fund transfers. Between FY 2024-25 to FY 2031-32, SB 21-260 transfers \$7.0 million to the State Highway Fund for the Revitalizing Main Streets and Safer Main Streets programs. This funding may be expended for multimodal projects.

Additionally, SB 21-260 transferred \$115 million of the revenue that is retained after increasing the excess state revenues cap to transportation. Of this funding, 94 percent was transferred to the Multimodal Transportation and Mitigation Options Fund and 6 percent was transferred to the State Highway Fund for the Revitalizing Main Streets and Safer Main Streets programs.

## Administration & Agency Operations

Administration and Agency Operations programs support the Department’s core functions through support services such as contracting and procurement, development of specifications and standards, materials testing, finance and accounting, and human resources, among others. Salaries and benefits make up the largest portion of Administration and Agency Operations costs. Other examples include software and IT infrastructure, and legal expenses.

### Summary of Administration and Agency Operations

| Program   | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|---|----------------------|----------------------|----------------------|----------------------|
| Agency Operations                                     | \$59.7 M             | \$66.2 M             | \$77.5 M             | \$81.9 M             |
| Administration  | \$42.9 M             | \$44.5 M             | \$48.8 M             | \$52.5 M             |
| Project Initiatives                                   | \$2.6 M              | \$1.4 M              | \$1.7 M              | \$1.7 M              |
| <b>Administration and Agency Operations<br/>Total</b> | <b>\$105.3 M</b>     | <b>\$112.1 M</b>     | <b>\$128.0 M</b>     | <b>\$136.0 M</b>     |

**Agency Operations** - This category is the operational budget for the Department, and includes funding for personnel, office supplies and operations, IT infrastructure, and certain Division level programs and initiatives.

Funding for the Agency Operations budget comes from the State Highway Fund.

**Administration** - The Department’s Administration line is composed of expenditures that meet the criteria outlined in Section 43-1-113 (2)(c)(III), C.R.S. Unlike the majority of CDOT’s budget, funding for Administration is appropriated annually by the Colorado General Assembly and may not exceed 5 percent of the Department’s total budget. This appropriation comes from the State Highway Fund and does not represent an increase in funding to CDOT. Rather,



it is a ceiling set by the legislature on how much of the funding CDOT receives can be spent on administering the Department.

CDOT’s Administration funding is a single line item in the annual Long Bill. Administration activities are not supported by General Funds or federal funds. Several statewide common policies are paid in whole or in part from the Administration line item, including legal services, property & liability insurance, workers’ compensation, and information technology services.

**Project Initiatives** - This line was created for the FY 2020-21 Annual Budget to separate the costs from limited duration internal project initiatives from the ongoing costs to provide operational support to the Department’s programs.

## Debt Service

CDOT and the state’s transportation Enterprises periodically issue debt and are responsible for annual debt service payments. Most this debt is associated with Certificates of Participation (COPs) issued under SB 17-267 for “strategic transportation projects,” bonds issued under the federal Build America Bonds program to advance the replacement of poor bridges under the FASTER Bridge program, and debt held by the Colorado Transportation Investment Office (CTIO) on major toll corridor projects.

### Debt Service Summary (millions)

| Program             | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|---------------------|----------------------|----------------------|----------------------|----------------------|
| Debt Service        | \$0.0 M              | \$28.4 M             | \$44.5 M             | \$44.5 M             |
| <b>Debt Service</b> | <b>\$0.0 M</b>       | <b>\$28.4 M</b>      | <b>\$44.5 M</b>      | <b>\$44.5 M</b>      |

### SB 21-267 Debt Service

SB 17-267 directed the State Treasurer to execute lease-purchase agreements on existing state facilities to generate revenue for priority transportation projects. These agreements function as sales of state property to private investors, and they require investors to immediately lease the buildings back to the state. Leases are renewed annually for up to 20 years, after which the state resumes ownership of the buildings.

SB 17-267 required the State Architect to select a list of state facilities with a net present value of at least \$2.0 billion. Between FY 2018-19 and FY 2021-22, the bill directed the State Treasurer to execute lease-purchase agreements on these facilities in amounts of up to \$500 million annually. The state’s obligation for lease payments may not exceed \$150 million annually, or \$3.0 billion over 20 years.



The Department makes lease payments on a series of COPs issued to renovate or replace CDOT properties. In recent years, CDOT has completed several projects to consolidate buildings for region and department headquarters.

**CDOT Region 4 Building** - This project was completed in CDOT Engineering Region 4. It was completed on time and on budget in November 2016, and it consolidated 13 buildings into 4.

**CDOT Region 2 Building** - This project was completed in CDOT Engineering Region 2. It was completed on time and on budget in April 2018, and it consolidated 13 buildings into 3.

**CDOT Headquarters/Region 1** - This project was completed in May 2018. It was completed under budget and consolidated 32 buildings into 12. It serves as the main headquarters for the Department and Engineering Region 1.

**Bridge Enterprise** - To accelerate the repair or replacement of Colorado's bridges that are in poor condition, FASTER created a new enterprise, the Bridge Enterprise (BE), and designated the Transportation Commission to serve as the Bridge Enterprise Board of Directors (Board). The business purpose of the Enterprise is to "finance, repair, reconstruct, and replace any designated bridge in the state" per C.R.S. 43-4-805 (2)(b). Because it was constituted as a government-owned business, the Enterprise may issue revenue bonds to accelerate construction of Colorado's poor bridges. In 2010, the Bridge Enterprise issued \$300 million in revenue bonds under the Build America Bonds Program.

With the passage of SB 21-260, the scope and mission of this Enterprise were expanded to include tunnel projects. In 2024, the Enterprise issued another \$150 million in revenue bonds. Two additional tranches are anticipated in 2025 and 2026 so the Enterprise can address all the eligible bridges on the 10-Year Plan.

**Colorado Transportation Investment Office** - Colorado Transportation Investment Office (CTIO) board supervises and advises the Enterprise's Director and is authorized to enter into agreements with the Transportation Commission and private industry to finance, build, operate, and maintain transportation infrastructure using innovative financing and contracting methods. The board is also authorized to issue revenue bonds that are payable from user fees generated on corridors owned by the Enterprise.



## Contingency Reserve

CDOT maintains a contingency fund to provide a source of funding for emergencies (such as major rockfall events or flooding), and for other unplanned or unanticipated needs such as the need to commit matching funds for grant opportunities. Ultimately, most contingency funds are allocated to Construction or Maintenance and Operations programs.

### Summary of Contingency Reserve

| Program                          | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Contingency Fund                 | \$0.0 M              | \$0.0 M              | \$15.0 M             | \$15.0 M             |
| Commission Reserve Funds         | \$0.0 M              | \$0.0 M              | \$0.0 M              | \$18.4 M             |
| <b>Contingency Reserve Total</b> | <b>\$0.0 M</b>       | <b>\$0.0 M</b>       | <b>\$15.0 M</b>      | <b>\$33.4 M</b>      |

**Contingency Fund** - Every year, the Transportation Commission sets aside contingency funding for unforeseen emergencies. There are various emergencies that occur throughout the year that require additional funding to address including: large rockfalls, landslides, floods, car crashes that do significant damage to the infrastructure, or other natural disasters. These funds are utilized for all of these events. It is difficult to predict the amount needed for responding to these events.

**Commission Reserve Funds** - This line contains the Transportation Commission Program Reserve Fund and the Capital Construction Cost Escalation Fund.

Transportation Commission Program Reserve Fund - Program Reserve funds are set aside under the purview of the Transportation Commission throughout the fiscal year. This budget can be used for unanticipated funding needs identified throughout the year, including project funding shortfalls, settlements and grant match. The appropriate amount of funding for this pool is difficult to determine as the needs vary from year to year.

The Contingency and Program Reserve funds are often supplemented throughout the year through the receipt of unanticipated revenue, including any funds received as part of the FHWA annual redistribution process in which additional federal funds are made available to the state at the end of the fiscal year. The amounts identified above represent initial allocations, and do not include supplemental allocations made over the course of the year.

The Transportation Commission established the Capital Construction Cost Escalation Fund in FY 2022-23 to provide an additional source of funding for projects with significant cost escalation. The goal of this program is to prevent delays in capital construction projects due to economic fluctuations, especially cost escalation.





## Other Programs

CDOT administers several other programs that support its core functions and the achievement of the Department’s mission. This includes the Department’s planning and research programs, and safety education programs focused on driver education and enforcement activities.

### Summary of Other Programs (millions)

| Program                     | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| Safety Education            | \$14.1 M             | \$15.8 M             | \$16.0 M             | \$17.4 M             |
| Planning and Research       | \$15.1 M             | \$17.4 M             | \$17.7 M             | \$18.2 M             |
| State Infrastructure Bank   | \$0.3 M              | \$1.1 M              | \$0.9 M              | \$1.2 M              |
| <b>Other Programs Total</b> | <b>\$29.5 M</b>      | <b>\$34.3 M</b>      | <b>\$34.6 M</b>      | <b>\$36.8 M</b>      |

**Safety Education** - The Department runs three programs that target education and enforcement of impaired driving. Current safety education programs administered by the Department include the Law Enforcement Assistance Fund (LEAF) program, the First Time Drunk Driver (FTDD) program, and a public awareness campaign on impaired driving. The funding for these programs is described in more detail in the Revenue Section.

**Planning and Research** - State Planning and Research (SPR) funds support statewide planning and research activities. These funds are used to establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions and to carry out transportation research activities throughout the state.

**State Infrastructure Bank** - The Colorado State Infrastructure Bank (SIB) is a revolving fund created by the General Assembly that is authorized to make loans to public and private entities to facilitate the financing of transportation projects in the state.



## Section 4 - Colorado Transportation Investment Office

The Funding Advancement for Surface Transportation and Economic Recovery Act (Part 8 of Article 4, Title 43, Colorado Revised Statutes), otherwise known as FASTER, created the Colorado High Performance Transportation Enterprise (HPTE), now renamed the Colorado Transportation Investment Office (CTIO), in 2009 as an independent, government-owned business within CDOT. CTIO has the legal responsibility to aggressively seek out opportunities for innovative and efficient means of financing and delivering important surface transportation infrastructure projects in the state. It has the statutory power, among others, to impose tolls and other user fees, to issue bonds, and to enter into contracts with public and private entities to facilitate Public-Private Partnerships (P3s). In 2024, SB 24-184 *Support Surface Transportation Infrastructure Development* authorized the Enterprise to impose a Congestion Impact Fee as a new user fee. The fee is charged daily to those renting a vehicle. The bill also reiterated that the mission of CTIO is to prioritize the mitigation of traffic congestion and traffic-related pollution through the completion of multimodal surface transportation infrastructure projects.

CTIO is an enterprise for purposes of Article X Section 20 of the State Constitution as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues in grants from state and local governments. CTIO is overseen by a separate Board of Directors that includes external stakeholders from four geographic regions appointed by the Governor.

### CTIO Revenue (millions)

| Revenue Source                  | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| SB 24-184 Congestion Impact Fee | \$0.0 M              | \$27.6 M             | \$57.1 M                 | \$59.0 M                 |
| Managed Lane Revenue            | \$0.0 M              | \$0.0 M              | \$0.5 M                  | \$0.5 M                  |
| Toll Revenue                    | \$32.7 M             | \$42.3 M             | \$80.8 M                 | \$86.7 M                 |
| Toll Violations                 | \$0.0 M              | \$19.1 M             | \$38.2 M                 | \$30.6 M                 |
| Service Charges                 | \$7.9 M              | \$17.3 M             | \$7.9 M                  | \$8.4 M                  |
| <b>CTIO Total</b>               | <b>\$40.6 M</b>      | <b>\$106.3 M</b>     | <b>\$184.5 M</b>         | <b>\$185.2 M</b>         |



**CTIO Budget Allocations (millions)**

| Program                  | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| Express Lanes Operations | \$36.1 M             | \$78.4 M             | \$123.4 M            | \$181.2 M            |
| Agency Operations-CTIO   | \$4.1 M              | \$4.1 M              | \$4.1 M              | \$4.1 M              |
| Debt Service-CTIO        | \$0.0 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| <b>CTIO Total</b>        | <b>\$40.1 M</b>      | <b>\$82.5 M</b>      | <b>\$127.4 M</b>     | <b>\$185.2 M</b>     |

**Section 5 - Colorado Bridge and Tunnel Enterprise**

On March 2, 2009, former Governor Bill Ritter signed into law Colorado Senate Bill 09-108, Funding Advancement for Surface Transportation and Economic Recovery, otherwise known as FASTER. A portion of the funding designated as the “bridge safety surcharge” is dedicated specifically for Colorado’s most deficient bridges identified as structurally deficient or functionally obsolete and rated “poor” by the Colorado Department of Transportation (CDOT). Bridges rated as poor have a superstructure, substructure, or deck rated four out of ten or less. The Bridge Safety Surcharge ranges from \$13 to \$32 and is imposed on vehicle registrations based on vehicle weight. The surcharge is a nominal dollar amount and does not adjust for inflation over time.

To assist with this historic focus on Colorado’s poor bridges, FASTER created a new enterprise, the Colorado Bridge Enterprise (BE), and designated the Transportation Commission to serve as the Bridge Enterprise Board of Directors (Board). The business purpose of the Enterprise is to “finance, repair, reconstruct, and replace any designated bridge in the state” per C.R.S. 43-4-805 (2) (b). Because it was constituted as a government-owned business, the Enterprise may issue revenue bonds to accelerate construction of Colorado’s poor bridges. Bridge projects under the Enterprise may include the repair, replacement, or ongoing operation or maintenance, or any combination thereof, of a designated bridge.

In 2021, SB 21-260 changed the name of the Statewide Bridge Enterprise to the Statewide Bridge and Tunnel Enterprise (BTE) and authorized it to impose a Bridge and Tunnel Impact Fee on diesel fuel and a Bridge and Tunnel Retail Delivery Fee. In 2023, HB 23-1276 *Scope of Bridge and Tunnel Enterprise* expanded the Enterprise’s scope to include preventative maintenance bridge projects for good and fair rated bridges. The Enterprise can now package repair or replacement projects on bridges with poor and fair ratings together to be more cost efficient and accelerate the delivery of safety improvements.

In December 2010, the Bridge Enterprise issued \$300 million in bonds to accelerate the replacement and reconstruction of poor bridges. As of June 2016, all bond funds have been expended and the Enterprise is in the repayment phase of the bond program. The Enterprise issued another round of bonds totaling \$150 million in March 2024. This issuance and possibly



two more in FY 2024-25 and FY 2025-26 will allow the Enterprise to meet its commitment to address the BTE eligible structures on the 10-Year Plan.

Since the inception of the Bridge Enterprise in July 2009, over 400 FASTER-eligible bridges have been identified. As of July 2023, 198 of these bridges have been replaced or repaired, 33 are in construction, and 31 are in the design phase.

**Colorado Bridge and Tunnel Enterprise Revenue (millions)**

| Revenue Source                            | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---|----------------------|----------------------|--------------------------|--------------------------|
| Bridge Safety Surcharge                   | \$102.0 M            | \$113.9 M            | \$115.6 M                | \$117.6 M                |
| Bridge and Tunnel Impact Fee              | \$11.6 M             | \$21.7 M             | \$27.9 M                 | \$35.6 M                 |
| Bridge and Tunnel Retail Delivery Fee     | \$9.5 M              | \$8.6 M              | \$10.4 M                 | \$11.6 M                 |
| Build America Bonds Credit                | \$5.1 M              | \$5.1 M              | \$5.1 M                  | \$5.1 M                  |
| FHWA Transfer from CDOT                   | \$9.6 M              | \$9.6 M              | \$9.6 M                  | \$15.0 M                 |
| Miscellaneous Enterprise Revenue          | \$5.1 M              | \$5.8 M              | \$2.5 M                  | \$2.5 M                  |
| <b>Bridge and Tunnel Enterprise Total</b> | <b>\$143.0 M</b>     | <b>\$164.7 M</b>     | <b>\$171.1 M</b>         | <b>\$187.4 M</b>         |

**Colorado Bridge and Tunnel Enterprise Allocations (millions)**

| Program                      | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| Asset Management-BTE         | \$94.5 M             | \$101.6 M            | \$109.8 M            | \$121.5 M            |
| Maintenance and Preservation | \$0.8 M              | \$0.8 M              | \$2.1 M              | \$2.1 M              |
| Agency Operations-BTE        | \$1.9 M              | \$1.8 M              | \$2.4 M              | \$2.4 M              |
| Debt Service-BTE             | \$48.0 M             | \$48.7 M             | \$49.3 M             | \$61.5 M             |
| <b>BTE Total</b>             | <b>\$145.2 M</b>     | <b>\$152.9 M</b>     | <b>\$163.5 M</b>     | <b>\$187.4 M</b>     |

## Section 6 - Nonattainment Area Air Pollution Mitigation Enterprise

Senate Bill 21-260 created the Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME) within CDOT to mitigate the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas resulting from the growth in transportation network company rides and retail deliveries. The Enterprise collects revenue from the NAAPME Retail Delivery Fee and the NAAPME Per Ride Fee on transportation network company rides. The Enterprise has established a Small Grants Program called the NAAPME Community Clean Transportation Assistance Program and a Large Grants Program. The Small Grants Program will have its first call for projects in the fall of 2024. The Large Grants Program will likely fund projects such as Bus Rapid Transit in the future.



The Enterprise’s board consists of seven members, including the Executive Directors (or their designees) of the Colorado Department of Public Health and Environment and the Colorado Department of Transportation, and five members appointed by the Governor. Appointed members of the Board serve at the pleasure of the Governor, the qualifications for appointees are outlined in the bill. Members serve without compensation but must be reimbursed for necessary expenses. Pursuant to SB 21-260, the Enterprise must create and regularly update a dashboard that provides updates on its 10-year plan, regularly engage with the public, and submit an annual report to the General Assembly and the Transportation Commission.

**NAAPME Revenue (millions)**

| Revenue Source                        | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| NAAPME Retail Delivery Fee            | \$2.2 M              | \$2.5 M              | \$2.7 M                  | \$3.0 M                  |
| NAAPME Per Ride Fee                   | \$6.5 M              | \$8.0 M              | \$8.4 M                  | \$10.4 M                 |
| <b>Nonattainment Enterprise Total</b> | <b>\$8.7 M</b>       | <b>\$10.5 M</b>      | <b>\$11.1 M</b>          | <b>\$13.4 M</b>          |

**NAAPME Allocations (millions)**

| Program                               | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| NAAPME Projects                       | \$6.6 M              | \$8.3 M              | \$10.7 M             | \$13.2 M             |
| Agency Operations-NAAPME              | \$0.2 M              | \$0.2 M              | \$0.2 M              | \$0.2 M              |
| Contingency Reserve-NAAPME            | \$0.2 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| Debt Service-NAAPME                   | \$0.1 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| <b>Nonattainment Enterprise Total</b> | <b>\$7.1 M</b>       | <b>\$8.5 M</b>       | <b>\$10.9 M</b>      | <b>\$13.4 M</b>      |

## Section 7 - Clean Transit Enterprise

Senate Bill 21-260 created the Clean Transit Enterprise (CTE) within CDOT to reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions by supporting the replacement of existing gasoline and diesel transit vehicles with electric motor vehicles. The Enterprise funds these projects with revenue from the Clean Transit Retail Delivery Fee established in the bill. Revenue from the fee is deposited into the Clean Transit Enterprise Fund.

In the spring of 2022, the CTE published its 10-year plan, which outlines the business purpose of the enterprise and includes an estimate of the funding needed to implement the plan. According to SB 21-260, the Enterprise must also create and regularly update a dashboard that provides updates on its 10-year plan, regularly engage with the public, and submit an annual report to the General Assembly and the Transportation Commission.



SB 24-230 *Oil and Gas Production Fees* added a new business purpose to the Enterprise. It directs the Enterprise to reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by oil and gas development. The Enterprise is to do this by investing in public transit modes such as bus and rail. The funds to make these investments will come from an Oil and Gas Production Fee paid quarterly by every producer of oil and gas in the state starting in 2026. The revenue will be split between three new funds: Local Transit Operations Cash Fund (70% of revenue), Local Transit Grant Program Cash Fund (10% of revenue), and Rail Funding Program Cash Fund (20% of revenue).

The Enterprise’s board consists of nine directors, including the Executive Directors (or their designees) of the Colorado Energy Office, the Colorado Department of Public Health and Environment, and the Colorado Department of Transportation, and six directors appointed by the Governor. The directors appointed by the Governor serve four-year terms, and the qualifications for appointees are outlined in the bill. Members serve without compensation but must be reimbursed for necessary expenses.

### Clean Transit Enterprise Revenue

| Revenue Source                        | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|---------------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| Clean Transit Enterprise Fund         | \$9.3 M              | \$10.7 M             | \$11.5 M                 | \$12.9 M                 |
| Local Transit Operations Cash Fund    | \$0.0 M              | \$0.0 M              | \$0.0 M                  | \$39.7 M                 |
| Local Transit Grant Program Cash Fund | \$0.0 M              | \$0.0 M              | \$0.0 M                  | \$5.7 M                  |
| Rail Funding Program Cash Fund        | \$0.0 M              | \$0.0 M              | \$0.0 M                  | \$11.4 M                 |
| <b>Clean Transit Enterprise Total</b> | <b>\$9.3 M</b>       | <b>\$10.7 M</b>      | <b>\$11.5 M</b>          | <b>\$69.7 M</b>          |

### Clean Transit Enterprise Allocations (millions)

| Program                         | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| CTE Projects                    | \$6.8 M              | \$7.7 M              | \$16.6 M             | \$68.1 M             |
| Agency Operations-CTE           | \$0.6 M              | \$0.4 M              | \$0.6 M              | \$0.6 M              |
| Contingency Reserve-CTE         | \$0.8 M              | \$0.9 M              | \$1.0 M              | \$1.0 M              |
| Debt Service-CTE                | \$0.1 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| <b>Clean Transit Enterprise</b> | <b>\$8.3 M</b>       | <b>\$9.0 M</b>       | <b>\$18.1 M</b>      | <b>\$69.7 M</b>      |



## Section 8 - Fuels Impact Enterprise

Senate Bill 23-280 *Hazardous Material Mitigation* created the Fuels Impact Enterprise within CDOT to administer the Fuels Impact Reduction Grant Program and impose a per gallon Fuels Impact Reduction Fee. The Transportation Commission is directed to serve as the board of the Fuels Impact Enterprise and one full time employee is appropriated to implement the bill.

Beginning on September 1, 2023, the Enterprise began receiving Fuels Impact Reduction Fee revenue from fuel distributors.. The bill names Adams County, the City of Aurora, El Paso County, Mesa County, and Otero County as recipients of the first \$10 million collected by the fund each year. The amounts distributed to each are also outlined in the bill. Another \$5 million per year will be distributed to projects on key commercial freight corridors or support projects related to the transportation of fuel within the state on hazardous materials routes. The Fuels Impact Fund is limited to an available fund balance of \$15 million. This Enterprise will expire on January 1, 2030.

### Fuels Impact Enterprise Revenue (millions of dollars)

| Revenue Source                       | FY 2021-22<br>Actual | FY 2022-23<br>Actual | FY 2024-25<br>Forecasted | FY 2025-26<br>Forecasted |
|--------------------------------------|----------------------|----------------------|--------------------------|--------------------------|
| Fuels Impact Reduction Fee           | \$0.0 M              | \$11.3 M             | \$15.0 M                 | \$15.0 M                 |
| <b>Fuels Impact Enterprise Total</b> | <b>\$0.0 M</b>       | <b>\$11.3 M</b>      | <b>\$15.0 M</b>          | <b>\$15.0 M</b>          |

### Fuels Impact Enterprise Allocations (millions of dollars)

| Program                        | FY 2022-23<br>Budget | FY 2023-24<br>Budget | FY 2024-25<br>Budget | FY 2025-26<br>Budget |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Fuels Impact Grants            | \$0.0 M              | \$0.0 M              | \$14.8 M             | \$14.8 M             |
| Agency Operations-FIE          | \$0.0 M              | \$0.0 M              | \$0.2 M              | \$0.2 M              |
| Contingency Reserve-FIE        | \$0.0 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| Debt Service-FIE               | \$0.0 M              | \$0.0 M              | \$0.0 M              | \$0.0 M              |
| <b>Fuels Impact Enterprise</b> | <b>\$0.0 M</b>       | <b>\$0.0 M</b>       | <b>\$15.0 M</b>      | <b>\$15.0 M</b>      |



## Appendices

### Appendix A - Revenue Allocation Plan

This appendix includes the Department’s Final Revenue Allocation Plan. The Revenue Allocation Plan represents how much the Department anticipates it will receive through a variety of revenue sources during the course of the fiscal year, and how it intends to allocate those revenues to specific purposes (budget programs).

In an effort to increase transparency in the budget, the Revenue Allocation Plan will include projected roll-forwards for FY 2024-25 to provide the complete budget that is available for programming in FY 2025-26. The roll forward budget represents remaining balances in programs which have not been encumbered in construction projects or grants, or expended by the end of the fiscal year. The majority of roll-forward balances are already committed to planned projects.

The most current version of the revenue allocation plan can be found on [CDOT’s website](#).

### Appendix B - Spending Plan

While the Revenue Allocation Plan shows how new revenue will be allocated across the Department’s cost centers and pools each fiscal year, it does not show what the Department plans to spend during each fiscal year or for each expenditure category (i.e., capital, operating or personal services). The Department developed the Spending Plan to complement the Revenue Allocation Plan, which provides a more comprehensive view of multi-year budgets and expenditures.

The Spending Plan is populated with the Department’s anticipated expenditures for FY 2025-26 by budget category, using the same primary budget categories that are used in the Revenue Allocation Plan (e.g. Capital Construction, Maintenance and Operations, etc.). Within each primary budget category, expenses are then broken down by General Ledger account code to provide greater visibility into planned expenditures.

The Plan reports new revenue and cash balances rolled forward from prior fiscal years. For the Capital Construction program, estimated amounts are estimated using project delivery schedules. For other budget categories, estimated amounts are based on an average of prior year expenditures and budgeted amounts for FY 2025-26.

The FY 2025-26 Spending Plan can be found on [CDOT’s website](#).

### Appendix C - Open Projects and Unexpended Project Balances

As required by Section 43-1-113(6)(a), C.R.S., Appendix C serves as an addendum to the FY 2025-26 budget allocation plan and contains a complete list of all projects budgeted in prior years that have not been deleted or progressed to completion. This includes the balance of all





funds carried over from previous years' budgets, whether resulting from construction or operation for less than the budgeted figure or from incomplete or deleted projects.

A table containing a summary of open projects by fiscal year can be found on [CDOT's website](#).

## Appendix D - Planned Projects

As required by Section 43-1-113(2)(c), C.R.S., Appendix D serves as an addendum to the FY 2025-26 budget allocation plan and contains a complete list of all individual planned projects from FY 2024-25 through FY 2027-28. For these purposes, planned projects are those projects planned for award in FY 2024-25, or previously awarded, with anticipated expenditures in FY 2024-25 through FY 2027-28. These figures will increase throughout the year as additional projects are scheduled for advertisement.

An updated list of planned project expenditures can be found on [CDOT's website](#).

## Appendix E - Total Construction Budget

As required by Section 43-1-113(2)(c), C.R.S. Appendix E serves as an addendum to the FY 2025-26 Budget Allocation Plan and contains a summary of the total construction budget for the given fiscal year.

A summary of the construction budget by Budget Program line, project phase, as well as estimated construction engineering and indirect allocations can be found on [CDOT's website](#).

## Appendix F - Project Indirect Costs and Construction Engineering

As required by Section 43-1-106 (8)(h), C.R.S., Appendix F serves as an addendum to the FY 2025-26 Budget Allocation Plan and contains project indirect costs and construction engineering costs.

Each project participating in the federal program is charged a certain percentage for indirect costs. Indirect costs are costs that cannot be assigned to a particular project but are necessary for the construction program. Examples of indirect costs include personal services charges for supervisory engineering positions, materials testing, and engineering information technology costs.

Construction engineering costs (CE) are those costs that have been incurred for the purpose of ensuring compliance with specific project construction specifications, generally accepted construction standards, associated testing, and materials validation activities. Examples of costs accumulated in the CE budget pools include construction oversight, materials testing, and design services under construction.

The main sources of funds for the Department's project indirect and construction engineering costs are the State Highway Fund and federal reimbursement for eligible expenditures.



Appendix F approximates indirect and CE cost allocations to region and division cost centers in order to support construction programs. It can be found on [CDOT's website](#).

## Appendix G - CDOT Personnel Report

Appendix G provides the number of positions and associated salary and benefits costs in the same format as the Revenue Allocation Plan to provide visibility into staffing levels, and budget and expenditures on Department personnel. It can be found on [CDOT's website](#).

## Appendix H - 10-Year Plan Update

The 10-Year Plan Annual Report was produced by the Division of Transportation Development and provides a comprehensive update on the Department's progress with the 10-Year Plan. It provides project status and highlights for completed projects and projects that are underway, and more. This plan is provided as part of the FY 2025-26 Annual Budget pursuant to SB 23-268 Ten-Year Transportation Plan Information. It can be found on [CDOT's website](#).