

MEMORANDUM

DEPARTMENT OF TRANSPORTATION

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DATE: April 18, 2012
TO: Transportation Commission
FROM: Laurie Freedle
SUBJECT: TC April Budget Workshop

In the April budget workshop, staff will request approval of the final FY13 budget. To meet statutory requirements, the department must submit a final budget, approved by the TC, to the Governor in April.

There have been a few changes to the FY13 budget since the March presentation, due to state legislative action. In March, the Joint Budget Committee (JBC) did figure setting, made decisions regarding common policies, and incorporated these into the (currently) draft Long (Appropriations) Bill. Although the bill has not passed at this writing, it is assumed it will pass in its current form. The Long Bill altered the budget in the following manner:

- The manner in which the Law Enforcement Assistance Fund is allocated to non-CDOT partners was changed again. This change removes the portion of funds going to other agencies from CDOT's budget, which decreases the perceived revenue by just under a million dollars. This has no impact on the CDOT portion of the program.
- The JBC cut \$1.6 Million from the appropriated portion of CDOT's budget, which impacts the administrative budget. Staff is working on how to implement this on the detailed level, and has reflected this cut in the FY13 budget.
- The JBC mandated a 1% vacancy savings for personal services, and approved health, life and dental insurance rates that have the state paying slightly more on those benefits than in FY12. The net effect is a slight decrease in personal services cost. For the majority of CDOT, this is absorbed in the CE and Indirect rates. The two areas where this is not true are Administration and Maintenance. These areas are affected as described below:
 - For Administration, this results in a transfer of funds from personal services to operating.
 - For MLOS, this results in decreased costs. Because these effects were not known in time to re-calculate MLOS, we have accumulated the result of this in one line, Maintenance Support, which is reduced by \$290 thousand. Once the Long Bill is passed, staff will analyze the final impact and assess the need for a budget supplement in FY13 for this program.
- Once these non-TC directed actions were taken, and program details finalized, the net of funding was added to the recommended Contingency. The amount going into contingency increased by \$1.8 Million, bringing the Contingency budget to \$67.6 Million. As stated before, there will be workshops forthcoming for TC decision on the allocation of these funds.

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