



MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
FROM: JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER
DATE: AUGUST 15, 2018
SUBJECT: FY 2019-20 BUDGET TOPICS

Purpose

This memorandum summarizes information related to FY 2019-20 budget topics and timing, including:

- Introduction to CDOT budget process
- Timeline
- Revenue forecasts
- Decision Items

Action

No formal action required. Content is being presented to the Transportation Commission (TC) for informational purposes only.

Background

The Division of Accounting and Finance (DAF) has started development of the FY 2019-20 Budget Allocation Plan. The following table outlines key milestones and a projected timeline for FY 2019-20 budget activities.

Month	Action Item
August	Preparing TC for Upcoming Budget Deliverables
August	Discuss FY 2017-18 Roll Forwards
September	FY 2019-20 Revenue Projections and Draft Budget for Review/Direction - Staff and TC Review
October	FY 2017-18 Budget Reconciliation - Staff and TC Review
October	FY 2019-20 Revenue Projections and Draft Budget for Review/Direction - Staff and TC Review
November	FY 2019-20 Proposed Budget Approved by TC and Submitted to Office of State Planning & Budget (OSPB)
January	EMT Review of FY 2019-20 Decision Items
February	FY 2019-20 Decision Items and Work Plan Budgets - EMT/TC Review and Approval
February	FY 2019-20 Draft Budget for Review/Direction - EMT and TC Review
March	TC Adopts FY 2019-20 Final Annual Budget
On or Before April 15th	Re-Submit FY 2019-20 Final Annual Budget to OSPB for Governor's Approval

Key elements of the budget development process are outlined below.

Introduction to the CDOT Budget Process

In July 2018, DAF began holding meetings with all Divisions in CDOT, educating them on DAF's budget formulation actions and policies. These meetings are part of an ongoing initiative to help bring internal stakeholders into the budget formulation process to a greater degree, which will create a more participatory budget for stakeholders and foster relations between DAF and all internal groups. The meetings include an



explanation of the budget timeline and a demonstration to Divisions/Regions on how to fill out their Work Plan Budget requests for FY 2019-20.

Revenue Forecasts

In September 2018, DAF will present the TC with FY 2019-20 revenue estimates. A draft FY 2019-20 Annual Budget will be prepared based on estimated revenue.

Draft Budget

The initial draft budget for the September workshop is compiled using the September 2018 revenue forecast. All revenue specific to a program (i.e., FAST Act and State mandated programs such as safety education and Aeronautics) will automatically be adjusted based on FY 2019-20 revenue estimates. All other program amounts will be based on the FY 2018-19 budget amounts as approved by the TC in March 2018, and subsequently amended in August 2018, and FY 2019-20 asset management planning totals. Any unallocated revenue will be available for TC-directed priorities. A second workshop on the FY 2019-20 Proposed Annual Budget will be held in October. The draft budget will be further updated to incorporate updated estimates of Administration and Operations, legislative decision items, and TC direction. The TC will be asked to approve a final FY 2019-20 Proposed Annual Budget in November, at which point it will be sent to the Governor's Office by the December 15 deadline for review.

Decision Items

DAF will present Decision Items to the EMT and TC in January and February. Decision items are newly initiated division-requested programmatic opportunities for funding that require EMT approval if a line item on the Final Annual Budget remains unchanged, or TC approval if a line item on the Final Annual Budget requires an increase.

Final Budget

The FY 2019-20 Proposed Annual Budget will be updated in February to reflect updated revenue projections, Decision Items, and legislative and Governor's Office initiatives. The TC will have a chance to make recommendations in the February workshop in anticipation of adoption in March. The statutory mandate for delivery of the FY 2019-20 Final Annual Budget to the Governor is April 15.

Options and Recommendation

N/A

Next Steps

DAF will hold a TC budget workshop in September 2018 to review a revenue forecast for FY 2018-19 and the initial draft of the FY 2019-20 Annual Budget. In future months, the Department will provide FY 2018-19 budget information to the TC for guidance, and to meet Office of State Planning and Budget (OSPB) and statutory requirements. DAF will continue to hold meetings with each Division in CDOT over the next two months to discuss their annual budgets, including traveling to each Region to meet face-to-face with Region leadership.

Attachments

N/A





MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
FROM: JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER
DATE: AUGUST 15, 2018
SUBJECT: AMENDED FY 2018-19 FINAL ANNUAL BUDGET

Purpose

The purpose of this memorandum is for the Division of Accounting and Finance (DAF) to present a FY 2018-19 Amended Annual Budget.

Action

DAF requests that the Transportation Commission (TC) review and adopt, via resolution, the FY 2018-19 Amended Annual Budget.

Background

The Colorado General Assembly passed SB 18-001 in early May 2018, near the end of the General Assembly session. SB 18-001 provided CDOT with a direct General Fund transfer of \$346.5 million to the State Highway Fund (SHF) on July 1, 2018 (in FY 2018-19), along with authorization for up to \$2.0 billion in bonding if a ballot initiative is passed by the voters in November 2019. A \$74.25 million transfer to the newly created Multimodal Fund (MMF), administered by CDOT, was also authorized to take place on July 1, 2018. On July 1, 2019, SB 18-001 authorizes a \$105.0 million General Fund transfer to the SHF and a \$22.5 million transfer to the MMF. The passage of SB 18-001 occurred after the FY 2018-19 Final Annual Budget was adopted by the TC, necessitating a budget amendment in August 2018.

SB 18-001 General Fund Transfer

The FY 2018-19 Amended Annual Budget allocates the \$346.5 million General Fund transfer to CDOT under SB 18-001 in the manner approved by the Transportation Commission in July 2018. This includes:

Strategic Projects (Line 63)

\$241.5 million has been allocated to the Strategic Projects line for use on construction and preconstruction phase projects as approved by the Transportation Commission in July 2018.

ADA Compliance (Line 49)

\$5.0 million has been allocated to the ADA Compliance line, as approved by the Transportation Commission in July 2018.

Asset Management

\$100.0 million has been allocated to Asset Management Programs, as approved by the Transportation Commission in July 2018. These funds have been further allocated to specific funding programs based on the level of advancement of these programs, and the funding needed to maintain planned levels of asset



management investment and to smooth the transition from the RAMP Program. Funds have been allocated in the following amounts to these programs:

- 1) Surface Treatment: \$88.3 million (*Line 16*)
- 2) Structures On-System Construction: \$10.2 million (*Line 17*)
- 3) Traffic Signals: \$1.5 million (*Line 23*)

SB 18-001 Multimodal Fund General Fund Transfer

SB 18-001 also authorized a \$74.25 million General Fund transfer to the newly created MMF, administered by CDOT's Division of Transit and Rail (DTR).

Front Range Passenger Rail/Southwest Chief (Line 101)

Per statute, \$2.5 million of the \$74.25 million General Fund transfer to the MMF is transferred to the Front Range and Southwest Chief Rail Fund. A new line item has been created in the FY 2018-19 Amended Annual Budget, titled Southwest Chief and Front Range Passenger Rail Commission.

Multimodal Fund (Line 100)

After \$2.5 million is transferred, per statute, to the Southwest Chief and Front Range Passenger Rail Fund, 85% of revenue to the MMF is dedicated to local priorities, while 15% of the revenue is for state priorities. A new line item has been created in the FY 2018-19 Amended Annual Budget, titled Multimodal Transportation, for the remaining \$71.75 million.

Other Programs

In addition to the changes described above and necessitated by the passage of SB 18-001, the FY 2018-19 Amended Annual Budget includes one additional change to a budget program.

Regional Priority Program (Line 47)

The General Assembly approved \$302,000 in Capital Development Committee (CDC) funding in FY 2018-19 for a radar project in Alamosa County (Region 5) that is being worked on in conjunction with the Colorado Department of Natural Resources (DNR) and other local partners. Subsequently, DAF has increased budget authority by \$302,000 in the Region 5 Regional Priority Program pool to use for the project.

Options and Recommendation

- 1) Approve the FY 2018-19 Amended Annual Budget as presented.
- 2) Approve the FY 2018-19 Amended Annual Budget with modifications.
- 3) Request more information and delay action until a subsequent month.

Next Steps

DAF will return to the TC in September 2018 with the initial iteration of the FY 2019-20 Proposed Annual Budget for TC review and comment, which will include a \$105.0 million General Fund transfer for highways and a \$22.5 million General Fund transfer to the Multimodal Transportation Options Fund, both of which were authorized in SB 18-001.

Attachments

Attachment A: FY 2018-19 Amended Annual Budget



Colorado Department of Transportation
Attachment A: FY 2018 - 19 Amended Annual Budget

CDOT	Budget Category			Directed By	FY 2018-19 Budget	Funding Source
1	Maintain - Maintaining What We Have					
2		CDOT Performed Work				
3		Roadway Surface	TC	37,487,230		
4		Roadside Facilities	TC	25,002,562		
5		Roadside Appearance	TC	10,964,746		
6		Structure Maintenance	TC	6,311,352		
7		Tunnel Activities	TC	6,141,692		
8		Snow and Ice Control	TC	82,553,949		
9		Traffic Services	TC	68,365,868		
10		Planning and Scheduling	TC	17,761,243		
11		Material, Equipment and Buildings	TC	18,211,358		
12					272,800,000	
13						
14						
15		Contracted Out Work				
16		Surface Treatment /1 /2	TC	313,682,698	FHWA/ SH/ 09-108: \$0.98M/ SB 18-001	
17		Structures On-System Construction /1 /2	TC	47,589,367	FHWA/ SH/ 09-108: \$16.12M/ SB 18-001	
18		Structures Inspection and Management /1 /2	TC	9,450,000	SH	
19		Geohazards Mitigation /1	TC	8,400,000	09-108: \$10.3M	
20		Highway Safety Improvement Program	FR	43,054,370	FHWA/ SH	
21		Railway-Highway Crossings Program	FR	3,395,698	FHWA/ SH	
22		Hot Spots	TC	2,167,154	FHWA/ SH	
23		Traffic Signals /1 /2	TC	17,810,758	FHWA/ SH/ 09-108: \$12.6M /SB 18-001	
24		FASTER - Safety Projects	TC	67,360,121	09-108	
25		Permanent Water Quality Mitigator	TC	6,500,000	FHWA/ SH	
26						
27					519,410,166	
28						
29		Capital Expenditure				
30		Road Equipment /1 /2	TC	26,800,000	SH	
31		Capitalized Operating Equipment	TC	3,028,000	SH	
32		Property /1 /2	TC	20,200,000	SH	
33					50,028,000	
34						
35					Total:	842,238,166
36						
37	Maximize - Safely Making the Most of What We Have					
38		CDOT Performed Work				
39		TSM&O: Performance Programs and Services	TC	2,794,487	SH	
40		TSM&O: Traffic Incident Management	TC	4,102,288	SH	
41		TSM&O: ITS Maintenance /1	TC	23,500,000	SH	
42					30,396,775	
43		Contracted Out Work				
44		Safety Education	Comb	11,203,720	NHTSA/ SSE	
45		TSM&O: Congestion Relief	TC	6,450,000	FHWA/ SH	
46		Regional Priority Program	TC	48,677,000	FHWA/ SH	
47		ROADX	TC	12,096,525	FHWA/ SH	
48		ADA Compliance		5,000,000	FHWA/ SH/ SB 18-001	
49					83,427,245	
50						
51		Capital Expenditure				
52		TSM&O: ITS Investments	TC	10,000,000	FHWA/ SH	
53					10,000,000	
54					Total:	123,824,020
55						
56						
57						
58	Expand - Increasing Capacity					
59		CDOT Performed Work				
60					-	
61						
62		Contracted Out Work				
63		Strategic Projects	SL	583,500,000	SB 17-267/SB 18-001	
64		National Freight Program	FR	20,791,883	FHWA/SH	
65					604,291,883	
66						
67					Total:	604,291,883
68						
69	Deliver - Program Delivery/Administration					
70						
71		Operations (including maintenance support	TC	32,230,682	SH	
72		Projects Initiatives	TC	2,605,000	FHWA/SH	
73		DTD Planning and Research - SPR	FR	14,192,374	FHWA/SH	
74		Administration (Appropriated)	SL	35,845,120	SH	
75		HPTE FEE for Service	TC	5,169,500	SH	
76					90,042,676	
77						
78					Total:	90,042,676
79						
80	Pass-Through Funds/Multi-modal Grants					
81		Aeronautics				
82		Division of Aeronautics to Airports	AB	24,235,195	SA	
83		Division of Aeronautics Administration	AB	1,264,805	SA	
84					25,500,000	
85						
86		Highway				
87		Recreational Trails	FR	1,591,652	FHWA	
88		Safe Routes to School	TC	2,500,000	FHWA	
89		Transportation Alternatives Program	FR	12,319,571	FHWA/LOC	
90		STP-Metro	FR	54,037,405	FHWA/LOC	
91		Congestion Mitigation/Air Quality	FR	50,313,066	FHWA/LOC	
92		Metropolitan Planning	FR	8,421,886	FHWA/FTA/LOC	
93		Bridge-Off System - TC Directed	TC	3,164,139	FHWA/FSH/LOC	
94		Bridge-Off System - Federal Program	FR	6,245,256	FHWA/FSH/LOC	
95					138,592,975	
96						
97		Transit				
98		Federal Transit	FR	38,924,000	FTA/LOC	
99		Strategic Projects - Transit	SL	38,000,000	SB 17-267	
100		Multimodal Transportation	TC	71,750,000	SB 18-001	
101		Southwest Chief and Front Range Passenger Rail Commissioner	TC	2,500,000	SB 18-001	
102		Transit and Rail Local Grants	SL	5,000,000	09-108	
103		Transit and Rail Statewide Grants	TC	3,000,000	09-108	
104		Bustang	TC	5,200,000	09-108	
105		Outrider Rural Regional Opps	TC	2,500,000		
106		Transit Administration and Operations	TC	1,000,000	09-108	
107					167,874,000	
108						
109		Infrastructure Bank				
110		Infrastructure Bank	TC	400,000	SIB	
111					400,000	
112					Total:	332,366,975
113						
114	Transportation Commission Contingency/Debt Service					
115		Permanent Recovery				
116		Permanent Recovery			-	FHWA
117						
118		Contingency			-	
119		TC Contingency	TC		-	FHWA / SH
120		TC Program Reserve	TC	759,009	FHWA / SH	
121		Snow & Ice Reserve	TC	10,000,000	SH	
122					10,759,009	
123		Debt Service				
124		Senate Bill 267 - Debt Service	DS	28,500,000	FHWA / SH	
125		Certificates of Participation - Property	DS	2,361,784	SH	
126		Certificates of Participation - HQ/R2/R4	DS	9,368,100		
127		Certificates of Participation - Energy	DS	1,046,627	SH	
128					41,276,511	
129						
130		Total:			52,035,520	
131						
132						
133						
134						

Flexible Funds

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

Revenue **2,044,799,240**

Key to acronyms:
LOC=Local Matching Funds
SIB=St. Infrastructure Bank Interest
TC=Transportation Commission

DS= Debt Service Covenants
SH=State Highway funding
FHWA=Federal Highway Administration
FTA=Federal Transit Administration
FR=Federal Requirements

SL=State Legislation
Comb=Combination
SSE=State Safety Education

State Bridge Enterprise
Attachment A: FY 2018 - 19 Amended Annual Budget

State Bridge	Budget Category	Program Area	Directed By	FY 2018-19 Budget	Funding Source
1	Maintain - Maintaining What We Have				
2	CDOT Performed Work				
3		Maintenance	BEB	300,000	09-108
4		Support Services	BEB	350,000	09-108
5		Bridge Preservation		100,000	
6					
7				750,000	
8	Contracted Out Work				
9		Bridge Enterprise Projects	BEB	95,596,057	09-108
10				95,596,057	
11					
12				Total:	96,346,057
13	Maximize - Safely Making the Most of What We Have				
14	CDOT Performed Work				
15					
16					
17	Contracted Out Work				
18					
19					
20					
21				Total:	
22	Expand - Increasing Capacity				
23	CDOT Performed Work				
24					
25					
26	Contracted Out Work				-
27					
28					
29					
30				Total:	
31	Deliver - Program Delivery/Administration				
32					
33		Administration and Legal Fees		1,659,943	09-108
34					
35				1,659,943	
36					
37				Total:	1,659,943
38	Pass-Through Funds/Multi-modal Grants				
39	Highway				
40					
41					
42					
43				Total:	
44	Bridge Enterprise Contingency / Debt Service				
45	Contingency				
46		Contingency	BEB		09-108
47					
48	Debt Service				
49		Debt Service	BEB	18,234,000	FHWA/SH
50					
51				18,234,000	
52					
53				Total:	18,234,000
					116,240,000

Revenue

116,240,000

Key to acronyms:

BEB= Bridge Enterprise Board

DS= Debt Service Covenants

High Performance Transportation Enterprise
Attachment A: FY 2018 - 19 Amended Annual Budget

HPTE	Budget Category	Program Area	Directed By	FY 2018-19 Budget	Funding Source
1	Maintain - Maintaining What We Have				
2	CDOT Performed Work				
3					
4	Contracted Out Work				
5					
6					
7				Total:	
8	Maximize - Safely Making the Most of What We Have				
9	CDOT Performed Work				
10					
11					
12	Contracted Out Work				
13					
14		Property			
15					
16				Total:	
17	Expand - Increasing Capacity				
18	CDOT Performed Work				
19		Maintenance	HPTEB		Tolls/Managed Lanes Revenue
20					
21					
22	Contracted Out Work				
23		Express Lanes Operations	HPTEB	10,942,648	Tolls/Managed Lanes Revenue
24					
25				10,942,648	
26					
27				Total:	10,942,648
28	Deliver - Program Delivery/Administration				
29					
30		Administration and Legal Fees		5,194,500	Fee for Service/Interest Income
31					
32					
33				5,194,500	
34					
35				Total:	5,194,500
36	Pass-Through Funds/Multi-modal Grants				
37	Highway				
38					
39					
40				Total:	
41	HPTE Contingency / Debt Service				
42	Contingency				
43					
44	Debt Service				
45					Fee for Service
46					
47				Total:	16,137,148

Revenue

16,137,148

Key to acronyms:

HPTEB=High Performance Transportation Enterprise Board

HPTE Fee For Service Allocation Adjustment

(5,169,500)

Total Consolidated Allocations

2,172,006,888

Total Consolidated Revenue

2,172,006,888

Resolution # TC-18-08-

Resolution for the Fiscal Year 2018-19 Amended Annual Budget.

Approved by the Transportation Commission on August 16, 2018.

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

WHEREAS, C.R.S. § 43-1-113(9)(c) requires the Transportation Commission adopt a final budget allocation plan, which shall upon approval by the Governor constitute the budget for the Department of Transportation for Fiscal Year 2018-19; and

WHEREAS, the Transportation Commission adopted the final budget allocation plan on March 15, 2018 and the final budget allocation was submitted to the Governor for approval prior to April 15, 2018; and

WHEREAS, the Transportation Commission has the statutory authority to alter the Fiscal Year 2018-19 adopted budget allocation plan after it is delivered to and approved by the Governor; and

WHEREAS, legislative passage of Senate Bill 18-001 authorized a transfer of \$346.5 million from the General Fund to the State Highway Fund on July 1, 2018, per C.R.S. § 24-75-219 (5)(a)(I); and

WHEREAS, legislative passage of Senate Bill 18-001, per C.R.S. § 24-75-219 (5)(a)(II), authorized a transfer of \$74.25 million from the General Fund to the newly created Multimodal Transportation Options Fund, administered by CDOT and the Division of Transit and Rail, on July 1, 2018; and

WHEREAS, \$2.5 million in the Multimodal Transportation Options Fund was transferred, per C.R.S. § 43-1-1103 (2)(a)(II), to the Southwest Chief and Front Range Passenger Rail Fund created in C.R.S. § 43-4-1003; and

WHEREAS, the adopted Fiscal Year 2018-19 Final Annual Budget must be amended to recognize the additional revenue provided by Senate Bill 18-001; and

WHEREAS, in July 2018 the Transportation Commission approved allocations utilizing the \$346.5 million General Fund transfer during Fiscal Year 2018-19; and

WHEREAS, \$100 million from Senate Bill 18-001 has been allocated to Asset Management and added to the baseline Fiscal Year 2018-19 budget recommendations for Asset Management as outlined below; and

Asset Class	FY 2018-19 (millions of \$)
Surface Treatment	\$313.7
Bridge, BE and Bridge Fixed Costs	\$149.4
MLOS	\$272.8
Buildings	\$20.2
Culverts	\$10.0
Tunnels	\$8.4
ITS	\$23.5
Road Equipment	\$26.8
Geohazards	\$8.4
Walls	\$5.4
Traffic Signals	\$16.3
TOTAL	\$855.0

WHEREAS, under Policy Directive 703.0, those Asset Management programs with Transportation Commission approved metrics shall rely on statewide asset management models to develop their projects lists and those without approved metrics shall provide project lists to the Transportation Commission; and

WHEREAS, \$5.0 million from Senate Bill 18-001 has been allocated to use for Americans with Disabilities Act (ADA) compliance; and

WHEREAS, \$241.5 million from Senate Bill 18-001 has been allocated to Strategic Projects for construction and preconstruction phase projects as identified and approved by the Transportation Commission on July 19, 2018; and

WHEREAS, Fiscal Year 2018-19 revenue forecasts are based on current federal appropriation guidelines, which may change by September 30, 2019.

NOW THEREFORE BE IT RESOLVED, that the Colorado Department of Transportation's amended budget allocation plan for the period of July 1, 2018 through June 30, 2019, including \$855.0 million allocated to Asset Management Programs as indicated above, is approved by the Transportation Commission.

Transportation Commission Secretary

Date



MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
FROM: JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER
DATE: AUGUST 15, 2018
SUBJECT: FY 2017-18 COST CENTER ROLL FORWARD REQUESTS

Purpose

This memorandum provides an opportunity for the Transportation Commission (TC) to review and approve the FY 2017-18 cost center roll forward requests according to Policy Directive (PD) 703.0.

Action

The TC is being asked to approve three roll forwards for the Division of Highway Maintenance: \$5.0 million from the Snow and Ice Contingency Fund, \$4.2 million from project and equipment cost centers, and \$3.6 million for Maintenance Levels of Service (MLOS) projects. The TC is also being asked to approve one roll forward for \$1.1 million for staffing and operations from Transportation Systems Management & Operations (TSM&O) cost centers. All other items are informational. Approved FY 2017-18 roll forward requests will be rolled into FY 2018-19 cost center balances.

Background

In accordance with PD 703.0, all requests to roll forward ending cost center balances from the previous to the current fiscal year in amounts less than \$1.0 million are subject to approval by Executive Management. Two signatures are required for approval. Also, according to PD 703.0, roll forward requests of \$1.0 million or greater require approval by the TC. These requests must be reviewed by the CFO and Executive Management, who will decide whether to recommend approval before submitting requests to the TC for consideration in their monthly meeting.

Preliminary cost center reconciliations show current unspent FY 2017-18 cost center balances available to roll forward. FY 2017-18 Accounting Period 13 closed on August 3. The Division of Accounting and Finance (DAF) will provide a final reconciliation to the TC in September, if necessary. All remaining unspent funds will be rolled into the Transportation Commission Program Reserve Fund. Attachment A identifies roll forward requests requiring TC approval, which include:

\$5.0 Million Snow and Ice Contingency Fund Roll Forward

The Division of Highway Maintenance (DHM) is requesting a \$5.0 million roll forward to help with the following initiatives:

- \$3.0 million for Region 5 Avalanche Gazex project construction for SH 145 – Lizard Pass and US 50 Monarch Pass.
- \$1.2 million for five snowplow replacements on the equipment replacement plan.
- \$500,000 for JOA housing and per diem costs in the Summit County area.
- \$150,000 for Region 1, 2, and 4 salt brine equipment.



- \$150,000 the purchase and deployment of mobile friction sensors on supervisor vehicles.

\$4.2 Million Resurfacing and Equipment Roll Forward

The Division of Highway Maintenance (DHM) is requesting a \$4.2 million roll forward to help with the following initiatives:

- \$2.2 million for encumbered maintenance projects (including preservation projects) that are waiting to be awarded.
- \$2.0 million for Region 5 O'Bellx Gazex equipment.

\$3.6 Million MLOS Projects Roll Forward

The Division of Highway Maintenance (DHM) is requesting a \$3.6 million roll forward to help with the following initiatives:

- \$1.5 million for reimbursement of the cost of 903 tablets, purchased in April 2018, to the TC.
- \$1.4 million for the move of Region 1 traffic signal operations from TSM&O to Region 1.
- \$302,050 for Managed Lanes-US 36 Toll Road maintenance.
- \$200,000 for a Utility Reconciliation Project to verify utility invoicing compared to GIS locations.
- \$200,000 for light fleet outfitting of CDOT logos, lighting packages, and safety equipment.

\$1.1 Million TSM&O Roll Forward

The Division of Transportation Systems Management & Operations (TSM&O) is requesting a \$1.1 million roll forward to help with the following initiatives:

- \$500,000 for active purchase orders: Region 2 Traffic Operations Center (TOC) workstations, the Smart Mobility Plan, contracted TOC operators, the I-70 Coalition contract, and two statewide plans.
- \$600,000 will go toward staffing and operations of Region 2 TOC, I-70 JOA TOC, and Region 1 TOC in Golden.

Staff Approved Roll Forwards

According to PD 703.0, roll forward requests that are less than \$1.0 million can be approved by two Executive Management signatures. Attachment B lists FY 2017-18 to FY 2018-19 roll forward requests that have been approved by Executive Management, totaling \$2.2 million. These roll forwards will allow nine CDOT offices to further advance their program goals in FY 2018-19 (see Attachment B for details).

Automatic Roll Forwards

According to statutory, regulatory, or Departmental guidelines, a number of roll forwards are automatically enacted each fiscal year. The total estimated amount of these automatic roll forwards into FY 2018-19 is \$112.6 million (see Attachment C). The larger automatic roll forwards are explained below:

- **Bridge Enterprise (BE), \$2.7 million:** Bridge Safety Surcharge funds are required to stay in BE and will be used for program administration and operations of the BE program in FY 2018-19.
- **High Performance Transportation Enterprise (HPTE), \$27.1 million:** As an Enterprise, HPTE funds are required to stay in the program and will be used for program administration and operations costs on existing Express Lanes. The majority of remaining cost center balances will be rolled forward to HPTE budget pools for future project development and debt service payments.
- **Aeronautics, \$18.7 million:** The large roll forward covers grants that are multi-year commitments and fuel tax disbursements that are statutorily obligated to be paid to airports.



- **Intelligent Transportation Systems (ITS), \$14.2 million:** Task and purchase orders for multi-year engineering, technical, and maintenance projects were created late in FY 2017-18 and are being rolled over into FY 2018-19.
- **DTR Bustang, \$3.4 million:** Roll forward money will be used to maintain and expand Bustang operations and for the purchase of new technology to track ridership and improve related data. Bustang revenue is comprised of FASTER Transit and fare revenue and cannot be repurposed.
- **RoadX, \$2.1 million:** There are multiple consulting contracts that are in place, including Panasonic, that were encumbered at the end of FY 2017-18.

Options and Recommendation

1. Approve the Division of Highway Maintenance's \$12.8 million roll forward requests and Division of TSM&O's \$1.1 million roll forward request -- **STAFF RECOMMENDATION**.
2. Ask for more information on the submitted roll forward requests or approve a portion of the Division of Highway Maintenance and TSM&O requests.
3. Deny all requests.

Next Steps

With TC approval, DAF will roll the FY 2017-18 funds into FY 2018-19.

Attachments

Attachment A: Division of Highway Maintenance and TSM&O Cost Center Roll Forward Request

Attachment B: FY 2017-18 Staff Approved Cost Center Roll Forwards

Attachment C: Automatic Roll Forwards



Attachment A: Division of Highway Maintenance and TSM&O Roll Forward Requests

Division of Highway Maintenance		
MLOS projects		
Reimbursement of tablet cost to the Transportation Commission	\$1,500,000	Cost of 903 tablets that were purchased in April 2018 and to be reimbursed to the TC at the close of the fiscal year.
Move of Region 1 Traffic Operations from TSM&O	\$1,400,000	The \$1.8 million MLOS roll forward request for Region 1 TSM&O assists in re-establishing the traffic signal operating budget in the Region 1 Traffic MLOS program. More specifically, these dollars will fund the SB 8 IGAs for local entities maintaining signals within their jurisdiction. When the signal program was transferred to HQ TSM&O in 2014, Region 1 transferred its signal allocation of \$1.8 million to HQ.
Managed Corridors - Toll Road	\$302,050	This cost center is for Managed Lanes-US 36 Toll Roads, R710M-010, requesting to have remaining FY18 funds to be rolled forward to FY19 to fund shortage in cost center to pay for FY19 costs for US36 Toll Road.
Utility Reconciliation Project	\$200,000	This project is for the consultant contract to perform the work detailed in the SOW. The utility project will work with the Regions to verify all utility invoicing compared to the GIS locations in the field. Once verified the goal is to close unverified utility accounts, saving the Department money.
Light Fleet Outfitting of CDOT logos, lighting package, and safety eq	\$200,000	This was a FY18 Cost Center Decision Item request that was approved but not budgeted in FY18. This cost will cover the FY18 and FY19 outfitting.
Total MLOS Projects	\$3,602,050	
Division of Highway Maintenance		
TC Snow & Ice Contingency		
Region 5 Avalanche Gaze Project-Construction Costs: SH145 Lizard Pass and US50 Monarch Pass	\$3,000,000	Projects identified are on SH145 Lizard Head Pass and US50 Monarch Pass. Alternative mitigation methods for The Peterson Slide, Yellow Springs, Yellow Springs Gully, and The Big Slide.
Additional Funding for Snowplow replacements (5)	\$1,200,000	The additional funding will replace 5 additional snowplows on the equipment replacement plan. These snowplows will be configured to pull the 33 Tow Plows that DHM has around the state.
JOA Costs (Housing and Per Diem) for Summit County	\$500,000	This \$500,000 will continue support for additional staffing to the Summit County area. Additional staffing requires placing employees in travel status, causing the department to incur housing costs and per diem. The funding will cover the travel costs for the JOA and prevent Region 3 from using operating funds for these costs.
Region 1, 2 and 4 Salt Brine Equipment	\$150,000	The \$150,000 is to be utilized to purchase salt brine equipment for Region 1, 2, and 4. Salt brine is a proven, anti-icing agent that assists with snow and ice build-up on our highways. It is the primary source of anti-icing for CDOT.
Friction Sensor Project	\$150,000	Purchase and deploy mobile friction sensors on supervisor vehicles along interstate corridors. The winter of 2017-2018, a pilot project in Region 4 deployed nine friction sensors. A cost-benefit analysis has been completed on utilizing friction sensors to manage a storm event. This project would purchase 40 additional sensors to cover the remaining maintenance supervisor vehicles along the front range.
Total Snow and Ice Contingency	\$5,000,000	



Division of Highway Maintenance			
SM100-010	Maintenance Resurfacing	\$2,193,082	
		Projects are waiting to be awarded but cannot due to negative budget. Requesting the encumbered amount to be rolled forward to FY19, these funds are committed to resurfacing projects out in the field across maintenance sections.	
E0205-010	O'Bellx Gazex Equipment for Region 5	\$2,000,000	Requesting to have PO & remaining funds of FY18's PO to be rolled forward to pay for Avalanche O'Bellx Gazex Equipment for Region 5. Due to the nature of the equipment ordered and where the items are shipped from, this order takes about a year to build and then ship. The order was placed in November 2017 after receiving roll forward funds to purchase equipment. We should be receiving Equipment and final invoice this fall.
Total Division of Highway Maintenance		\$4,193,082	

Transportation Systems Management & Operations		
	TSM&O: Encumbered \$500,000 to R2 TOC Workstations; Smart Mobility Plan; Contracted TOC Operators; I-70 Coalition Contract; Statewide TDM Plan; TSM&O Statewide Plan	\$1,107,604
OP105-010	Unencumbered \$600,000 to Contracted TOC Operators	
The encumbered \$500,000 will go towards the following active POs: Region 2 Traffic Operations Center workstations, Smart Mobility Plan, Contracted TOC Operators, I-70 Coalition Contract, Statewide TDM Plan, TSM&O Statewide Plan.		
The unencumbered \$600K will go towards the following: Contracted TOC Operators: this will help support staffing of the new Region 2 TOC, I-70 JOA TOC, and Region 1 TOC in Golden.		
Total TSM&O		\$1,107,604

Total TC Approval Amount	\$13,902,736
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Attachment B: FY 2017-18 Staff Approved Cost Center Roll Forwards

Division	Program	Request Amount	Notes and Consequences if Not Approved
Division Communications			
ECTCC-010	CDOT on Air	\$151,172	30 Active PO's with an encumbered amount of \$189,224. This is for outreach videos produced for the Telephone Town Halls and Facebook for the CDOT on Air Program.
Total Communications		\$151,172	
Division of Highway Maintenance			
S0246-010	Viasala Route Optimization	\$50,800	Nearly completed with contract, final work and invoice coming in the next few months.
S0246-010	State of CO - Explosive	\$17,588	Requesting to have remainder of FY18 PO funds rolled forward to FY19 so final invoice can be paid. DHM could not get final invoice prior to year end.
SM027-010	Outfitting Light Fleet Vehicles with Lighting, safety bags, & decals	\$122,141	For Outfitting Light Fleet Vehicles with Lighting packages, safety bags & decals. DHM received funds at the end of June and a shopping cart was ordered but due to errors in the shopping cart it was not fully ordered to be turned into a PO prior to year end.
Total Division of Highway Maintenance		\$190,529	
Division of Information Services (IT)			
EI343-010	Equipment Pool Infrastructure for Cyber Resiliency recommendations	\$199,034	This cost center is used for paying for cloud servers. With the build out of the CDO project and the cyber incident possibly leading to recommended changes in where CDOT hosts certain applications, I would like this request to move forward. Justification: money to implement cyber resiliency recommendations.
E0450-010	Video CONF CDOT; backup funding for new building contingency	\$177,016	This cost center had leftover funds because of the uncertainty of the AV equipment needed in the new buildings. As CDOT has requests to make modifications to some rooms in the new buildings, IT would like this request to move forward. Justification: money to make AV modifications needed for new buildings, as we learn more about how they are going to work.
Total Division of Information Services (IT)		\$376,051	
Division of Transportation Development			
DT535-010	Information Management/Traffic Data Collection	\$268,783	Has active PO's amounting to \$268,783.
Total Division of Transportation Development		\$268,783	



Human Resources			
E0441-010	Service Awards	\$1,700	Funds are encumbered but orders have not yet been delivered.
ET668-010	Training and Org Development; build up CDOT training and materials to not pay license fees in future years	\$100,000	Looking to go to RFP for leadership training. This RFP would look to engage a learning vendor to help design some courses that CDOT currently purchases from vendors. For the courses HR currently purchases, HR must pay per student to buy the materials for each person's seat in the class. By going to RFP, HR would create content for which CDOT owns the intellectual property. This would entail initial development of content, which would be an investment (through the RFP). However, once CDOT develops content, CDOT would no longer need to buy the materials for each person's seat in the class. So while there would be an initial expense to develop content, over time the cost for learning will go down.
E0435-010	Employment Candidate Recruitment	\$27,537	HR did not do any television or radio ads last year. HR's intention was to do so, but there was confusion over who owned the ads that HR had produced previously and if HR could still use them. This year, HR is planning to advertise extensively in preparation for winter ops and JOA. These funds are critical to the success of that push.
Total Human Resources			\$129,237

Office of Emergency Management			
EM120-010	OEM Training and Operations	\$236,451	Continued delivery of projects: 1) Heavy Equipment Operator - Wildfire Personal Protective Equipment - \$60,000 2) Heavy Equipment Operator - Training Classes (2 classes of 25 operators) - \$20,000 3) O - 305 Training - 2 Classes - \$40,000 4) IMT Operational Support - \$25,000 5) Emergency Operations Center - \$100,000
S0172-010	Communications - DTR console for Emergency Ops Center at KOA	\$169,247	This equipment is for a 800 Mhz. Digital Trunk Radio Console for statewide communications internally with CDOT and with its external partners. This enables CDOT to have day to day communications from the Emergency Operations Center at KOA.
Total Emergency Management			\$405,698

Office of Policy and Government Relations			
E0455-010	Federal Govt. Consultant for FY19	\$65,000	PO was delayed in being paid off and will roll over to FY19.
Total Office of Policy and Government Relations			\$65,000



Process Improvement			
E0444-010	CDOT Process Improvement: 1) Lean Ideas to help out Maintenance Patrols; 2) Colorado Talent Challenge; 3) Training related to internal change projects; 4) Training for "Change Management for Employees"	\$95,375	Funds assist in the Lean Everyday Ideas, Lean innovation and improvement projects related to the Governor's Colorado Talent Challenge, training and related assistance with internal change projects, and next level of maturity for training for change management. The efforts were planned for the backside of FY18 but schedules for the project were delayed.
E0444-010	Burapadecha Consulting	\$1,200	The funds were delayed for Burapadecha Consulting in the second half of FY18 due to accessibility issues of the CDOT network, which caused work to be pushed back to a later date. This cost center also has the encumbered funds attached to the project, which would require the \$1,200 to assist in the final payment of the project. The funds are encumbered.
Total Process Improvement			\$96,575
Transportation Systems Management & Operations			
OP100-010	1) TSMO Director Program Support; 2) Operations Academy Training; 3) Operation Academy Curriculum Development	\$258,391	\$258,000 is unencumbered and will go towards the following: 1) \$150-\$200,000 for Director Program Support to develop reports and conduct analysis on a wide range of program topics for the TC, EMT, and Governor's Office (an example of this work is the benefit/cost analysis TSM&O did for the TC on the Heavy Tow Program); 2) \$25-\$50,000 for Operations Academy Training: this will conduct another annual Operations Academy for 50+ CDOT staff and partner agency staff in Operations. 3) \$25-\$50,000 for Operations Academy Curriculum Development: this will develop new curriculum for the Operations Academy, such as technology and data specific training modules.
ORTIM-010	Traffic Operations & Incident Management	\$232,946	Encumbered funding requested to roll forward support mission critical services and program efforts in FY19 and these funds are critical to sustain mission critical services and program support: TMC contracted operators, additional TMC Regional offices/support and the Traffic Incident Management Program.
Total TSM&O			\$491,337
Total EMT Approval Amount			\$2,174,381



Attachment C: Automatic Roll Forwards

CDOT Automatic Roll Forward Cost Centers (FY 2017-18)

Program	Cost Centers	Roll Forward Criteria	Justification	Project or Operating Expense	Responsible Party	Estimate
Bridge Enterprise (BE)	All BE Cost Centers (Fund 538)	All fund balances	Statutory	Both	BE Board/OFMB	2,665,388
High Performance Transportation Enterprise (HPTE)	All HPTE Cost Centers (Fund 536-537)	All fund balances	Statutory	Both	HPTE Board/OFMB	27,087,227
FASTER Transit	All FASTER Transit Cost Centers	All fund balances	Statutory	Operating	DTR	645,429
FTA Grants	All FTA Grant Cost Centers	All fund balances	FTA - US Code	Operating	DTR	29,725,731
DTR Bustang	All Bustang Cost Centers	All fund balances	Statutory	Operating	DTR	3,431,905
DTR SB228	D1228-010	All fund balances	Statutory	Operating	DTR	781,329
Aeronautics	All Aeronautics Cost Centers (Fund 160)	All fund balances	Statutory	Both	Aero Board	18,746,245
Law Enforcement Assistance Fund (LEAF)	All LEAF Cost Centers (Fund 403)	All fund balances	Statutory	Both	Office of Transportation Safety	120,024
NHTSA Grants	All NHTSA Grant Cost Centers	All fund balances	FHWA - US Code	Operating	OTS	2,712,993
Heavy Road Equipment	S0247-010, S0270-010, E0205-010	All fund balances	2009 CFO Memo	Capital Purchases	Maintenance Division	7,880,043
Property Pool	SM265-010, S0014-010	All fund balances	2009 CFO Memo	Capital projects	DAS-Property Manager	338,982
Intelligent Transportation Systems (ITS)	OI440-010	All fund balances	2009 CFO Memo	Both	TSM&O--ITS Branch	14,228,077
Non-road, non-computer (other) equipment.	E0249-010, R1001-010, R2001-010, R3001-010, R4001-010, R5001-010	Only fund balances associated with encumbrances	Previous Budget Director Memo	Capital Purchases	Project Support & Region RTDs	12,088
Transportation Summit Conference	S0192-010	All fund balances	2015 CFO Memo	Operating	Intergovernmental Relations/Communications	37,135
Southwest Chief Rail	TOMAS-290 (Fund 29R)	All fund balances	Statutory	Operating	DTR	50,905
RoadX	RoadX-010, RDX10-010	All fund balances	CFO E-mail on 6/25/16	Both	RoadX Office	2,107,346
Cyber Incident Cost Center	COITE-010	All fund balances	Deputy Finance Officer E-mail on 7/6/18	Operating	DAF	223,840
Enterprise Payments for Corridor Maintenance	R710P-010	All fund balances	Agreement between CDOT & HPTE	Operating	Maintenance Division & HPTE	790,360
Transportation Engineering Training Program (TETP)	S0193-010	All fund balances	2009 CFO Memo	Operating	Office of Employee Development	969,872
						Total: \$112,554,919



Resolution # TC-18-08-

Resolution for the Fiscal Year 2017-18 Roll Forwards.

Approved by the Transportation Commission on August 16, 2018.

WHEREAS, the Transportation Commission has oversight of the Colorado Department of Transportation annual budget, including roll forward requests; and

WHEREAS, offices of the Colorado Department of Transportation can make requests to roll forward budget resources from a prior fiscal year to a current fiscal year; and

WHEREAS, the Division of Highway Maintenance has applied to the Division of Accounting and Finance to roll forward \$3,602,050 of FY 2017-18 MLOS funds, \$4,193,082 of FY 2017-18 project and equipment funding, and \$5,000,000 of FY 2017-18 Snow & Ice Contingency funds to FY 2018-19 for specific prioritized projects and purchases; and

WHEREAS, the Division of Transportation Systems Management and Operations has applied to the Division of Accounting and Finance to roll forward \$1,107,604 of FY 2017-18 to FY 2018-19 for specific prioritized operations and purchases; and

WHEREAS, these projects and purchases have positive cost-benefit ratios that will make the Department more efficient, increase public safety and compliance with regulations; and

WHEREAS, Policy Directive 703.0, updated in June 2016 by the Transportation Commission, allows only the Transportation Commission to approve roll forward requests above \$1.0 million; and

WHEREAS, Department Executive Management must approve roll forward requests greater than \$1.0 million before they are presented to the Transportation Commission; and

WHEREAS, The Division of Accounting and Finance, based on approval of Executive Management, has requested the Transportation Commission approve the \$3,602,050 MLOS, \$4,193,082 project and equipment, and \$5,000,000 Snow and Ice Contingency roll forward requests from the Division of Highway Maintenance and \$1,107,604 from the Division of Transportation Systems Management and Operations.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission, in accordance with Policy Directive 703.0, authorizes the Division of Accounting and Finance to roll forward \$3,602,050 of MLOS funds, \$4,193,082 resurfacing and equipment funds, and \$5,000,000 of Snow and Ice Contingency funds from FY 2017-18 to FY 2018-19 for projects and purchases managed by the Division of Highway Maintenance and \$1,107,604 of operations funding from FY 2017-18 to FY 2018-19 for the Division of Transportation Systems Management and Operations.

Transportation Commission Secretary

Date