

REPORT HIGHLIGHTS



COLLECTION AND USAGE OF THE FASTER
MOTOR VEHICLE FEES
PERFORMANCE AUDIT, AUGUST 2015

DEPARTMENT OF TRANSPORTATION
DEPARTMENT OF REVENUE
JUDICIAL DEPARTMENT

CONCERN

Our audit found that the Colorado Department of Transportation (CDOT) should improve its oversight and management of the State's allocation of FASTER motor vehicle fee revenue to ensure effective and appropriate usage. Our audit also found deficiencies in some of the processes used for collecting three of the six FASTER fees at CDOT, the Department of Revenue (Revenue), and the Judicial Department (Judicial).

KEY FACTS AND FINDINGS

- CDOT and the Bridge Enterprise could not demonstrate that the manner in which they selected bridges for FASTER funding was thorough, integrated, and strategic.
- Individual FASTER bridge projects have been significantly overbudgeted and remain open for long periods after most construction work is complete. The amount budgeted for the 23 closed bridge projects exceeded expenditures, on average, by 19 percent, and these projects remained open an average of 1.4 years after the projects were substantially complete.
- CDOT spent \$10.7 million on projects that may not have met legislative requirements for FASTER safety revenue and CDOT could not confirm how an additional \$6 million was allocated or spent.
- CDOT could not demonstrate that 113 of the 282 (40 percent) FASTER safety projects were approved by the Transportation Commission (Commission) and neither CDOT management nor the Commission received information on how the transportation regions used the FASTER revenue allocated to these projects.
- For 6 of the 8 transit contracts reviewed, the contracts did not comply with the State Procurement Code. Additionally, CDOT did not maintain complete and accurate information on FASTER transit revenue and expenditures.
- Revenue did not have adequate controls over exemptions of the FASTER late fee.
- CDOT did not maintain adequate recordkeeping and accounting controls over the FASTER oversize/overweight vehicle surcharge.
- Judicial did not assess and collect the FASTER unregistered vehicle fine.

BACKGROUND

- Senate Bill 09-108, known as the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act of 2009, created six new motor vehicle fees to provide CDOT and local governments funding for bridge, road safety, and public transit projects. The FASTER Act also created the Bridge Enterprise, a CDOT-owned business.
- CDOT, Revenue, and Judicial are responsible for collecting all FASTER fees. In total, the State has collected about \$1.4 billion in FASTER fees since the legislation was enacted.
- In recent years, CDOT received more than \$196 million in revenue annually from the FASTER fees. CDOT stated it has funded 593 bridge, road safety, and transit projects.

KEY RECOMMENDATIONS

CDOT should improve its oversight and management of:

- The FASTER bridge revenue by implementing processes to strategically prioritize which bridges to fund, determine appropriate project budgets, and close projects in a timely manner.
- The FASTER road safety revenue by working with the Commission to set eligibility parameters for projects, establishing project prioritization and approval processes, creating a FASTER safety program, tracking and monitoring safety revenue usage, and establishing sufficient achievable performance metrics.
- The FASTER transit revenue by implementing policies that specify oversight activities for the CDOT Transit Division, including conducting routine reconciliations.

The three agencies responsible for FASTER fee collection should establish and implement adequate processes, accounting controls, and recordkeeping to ensure that all FASTER fees are appropriately and accurately assessed and transferred to the correct state accounts.

CDOT, Revenue, and Judicial agreed with these recommendations.