

Joint Budget Committee



Staff Budget Briefing FY 2025-26

Department of Transportation

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2024 legislative session that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report:

<https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The online version of the briefing document may be found by searching the budget documents on the General Assembly’s website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

Overview of Department

The Colorado Department of Transportation's (CDOT) stated mission is "to provide the best multimodal transportation system for Colorado that most effectively moves people, goods, and information." While its mission covers a broad range of transportation functions, CDOT's primary responsibility—in terms of financial investment—is the construction, maintenance, and operation of the state's highway system. This responsibility is overseen by the Transportation Commission, a policy-setting body with eleven members. CDOT's duties also include managing other forms of transportation such as aviation, rail, and transit.

CDOT's Key Responsibilities:

- Statewide Transportation Improvement Program (STIP): CDOT develops and maintains a rolling four-year planning document that outlines statewide transportation projects. This program is informed by estimated revenues and the priorities determined during the planning process. It's a key tool for aligning resources with the state's transportation needs;
- CDOT is responsible for the maintenance of Colorado's state highway system, which spans over 9,100 centerline miles, including 3,439 bridges. This includes tasks such as road repairs, snow plowing, applying sand to icy roads, and ensuring the system can handle over 28 billion miles of vehicle travel annually;
- The department manages the construction of state highways, overseeing the planning, design, and completion of highway projects that improve or expand the transportation infrastructure;
- CDOT helps to develop and implement a multimodal transportation system by providing grants and technical assistance to local transit systems and other multimodal recipients (e.g., local bus systems, bike and pedestrian infrastructure);
- CDOT implements various safety programs, such as education campaigns to combat drunk driving, encourage seatbelt use, enforce speed limits, and generally promote road safety across the state;
- CDOT maintains the statewide aviation system, offering technical support to local airports, administering aviation fuel tax revenue reimbursements, and providing discretionary grants to local airports; and
- CDOT supports the governor-appointed Transportation Commission, which is responsible for adopting budgets, establishing policies, and guiding the implementation of transportation decisions in the state.

The Long Bill serves as the multiple revenue allocation budgets version of the Transportation Commission's budget, detailing how CDOT's anticipated revenue will be allocated for projects and operations. The document includes anticipated revenue for FY 2025-26 and anticipated allocations in FY 2025-26 and subsequent years.

While the table below accurately reports CDOT’s appropriations, it does not accurately present all of CDOT’s revenues because it excludes some transfers that CDOT has received outside of the Long Bill in recent years. Additional details are included in the “General Factors Driving the Budget” section of this document.

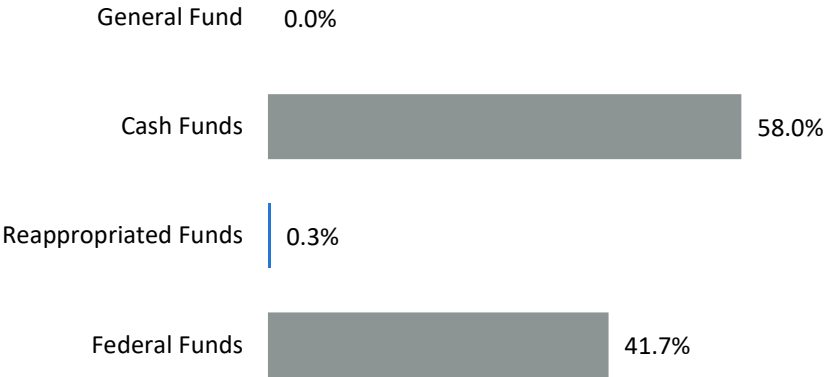
Recent Appropriations

Department of Transportation				
Funding Source	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 *
General Fund	\$0	\$500,000	\$0	\$0
Cash Funds	955,281,375	958,369,550	1,197,797,806	1,340,052,204
Reapprop. Funds	5,478,096	5,528,096	5,283,672	5,181,756
Federal Funds	829,241,883	832,949,678	860,701,961	816,035,761
Total Funds	\$1,790,001,354	\$1,797,347,324	\$2,063,783,439	\$2,161,269,721
Full Time Equiv. Staff	3,327.0	3,328.5	3,328.5	3,328.5

*Requested appropriation

Graphic Overview

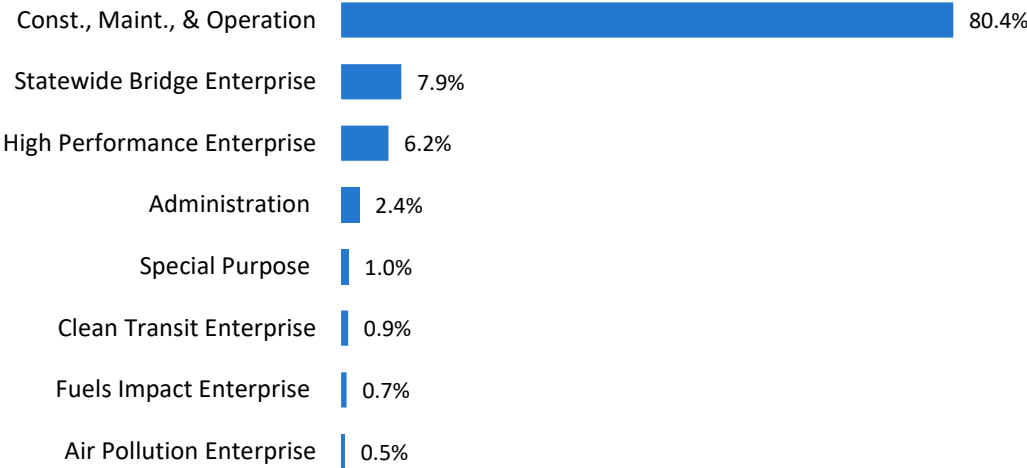
Department Funding Sources



Based on the FY 2024-25 appropriation.

The Department of Transportation typically does not receive General Fund appropriations. Funding provided pursuant to bills such as S.B. 21-260 is received through transfers to the State Highway Fund and other cash funds, not through General Fund appropriations.

Distribution of Total Funds by Division



Based on the FY 2024-25 Appropriation

Cash Funds Detail

Department of Example Cash Funds Detail				
Fund Name	FY 2024-25 Approp.	Note	Primary Revenue Sources	Primary Uses in Dept.
State Highway Fund	\$791,977,811	¹	State fuel taxes (22¢ per gallon gas, 20.5¢ diesel), registration and other vehicle fees.	The State Highway Fund is directed by the Transportation Commission and used for the construction, maintenance, and operations of the state highway system
State Highway Fund (FASTER Transit)	\$5,000,000	²	FASTER generates revenue primarily through user fees and taxes. These revenue sources are intended to fund surface transportation projects in Colorado, including road safety and maintenance.	The FASTER program focuses on improving the safety and condition of Colorado's transportation infrastructure. It is specifically designed to support projects that enhance road safety, reduce congestion, and improve the overall condition of the state's roads and bridges.
Multimodal Transportation Options Fund (MMOF)	\$19,338,751	²	Includes funds transferred from General Fund & retail delivery fee.	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.
Marijuana Tax Cash Fund	\$950,000		The Marijuana Tax Cash Fund collects sales tax revenue from retail and medical marijuana sales.	Each year, CDOT receives an appropriation from the Marijuana Tax Cash fund for impaired driving education and outreach.
Various Cash Funds	59,189,915	³	Aviation Gasoline Excise Tax, Aviation Jet Fuel Excise Tax, interest credited to the LEAF fund; fees from DUI's; interest income	Construction, maintenance and operations of FAA-designated public-use airports, LEAF-increase law enforcement presence in highways, interest from the State Infrastructure Bank
Various Enterprise Funds	321,341,329	⁴	See Appendix B for sources of fund revenue.	See Appendix B for primary uses of funds by department.
Total	\$1,197,797,806			

¹ Not appropriated by the General Assembly. Amounts shown in the State Highway Fund are for informational purposes only, except for the Administration line.

² TABOR exempt.

³ Of this amount, \$58,232,729 is from the Aeronautical Fund which is TABOR-exempt, \$940,976 is from the State Infrastructure Bank (SIB) which is TABOR-exempt and \$16,210 is from the Law Enforcement Assistance Fund which is subject to TABOR.

⁴ Funding for four of the five enterprises is continuously appropriated to the Department and those revenues are exempt from TABOR. However, funding for the Clean Transit Enterprise is subject to annual appropriation and is also TABOR-exempt.

General Factors Driving the Budget

CDOT's Long Bill appropriations differ from other state agencies because the amounts shown in this section of the Long Bill reflect estimated *revenue* rather than expenditures for the upcoming fiscal year. Key points include:

Approximately 96 percent of CDOT's FY 2024-25 revenue is continuously appropriated by statute and managed by the Transportation Commission (Commission). The Commission approved the final budget allocation plan for FY 2024-25 in March 2024. The Commission published a proposed budget for FY 2025-26 in the fall of 2024.

That means that the General Assembly actually sets appropriations for approximately 4 percent of the Department's budget. Those appropriations support specific programs like Administration, the Marijuana Impaired Driving Program, Multimodal Transportation Projects, and the Clean Transit Enterprise.

The Long Bill reflects those legislative appropriations but also serves as the consolidated version of the Transportation Commission's multiple revenue allocation budgets, with key categories including:

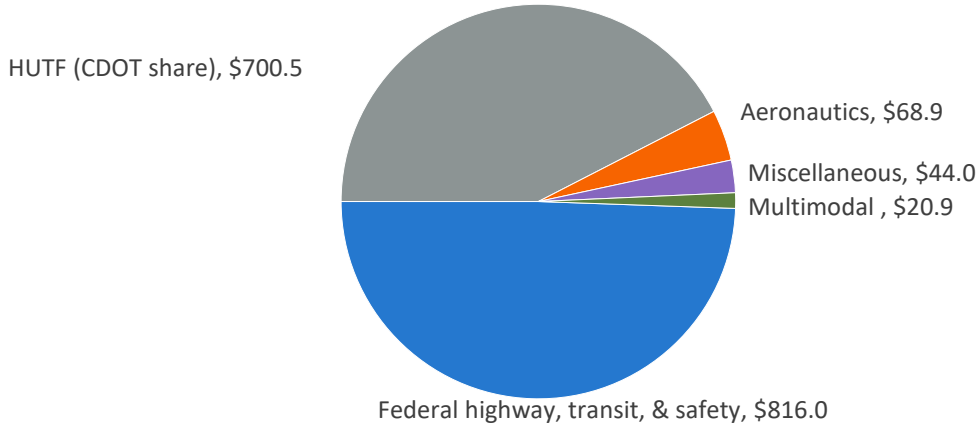
- CM&O (Construction, Maintenance, and Operations) – the largest division;
- Special Purpose – includes funds from the Multimodal Transportation and Mitigation Options Fund;
- Bridge and Tunnel Enterprise;
- Nonattainment Area Air Pollution Mitigation Enterprise;
- High Performance Transportation Enterprise, Clean Transit Enterprise, Fuels Impact Enterprise; and
- Administration.

CDOT's budget shows both current-year and future-year revenue allocations, reflecting how funds will be spent over multiple years, especially for long-term projects. Changes in projected revenue are the main driver for adjustments in the CDOT Long Bill each year. Note: *General Fund transfers are treated as cash funds in the CDOT budget and spent directly from designated funds like the State Highway Fund.*

CDOT Revenue Sources

The following chart, based on CDOT's November 2024 proposed budget for FY 2025-26, shows projected revenue from CDOT's various funding sources for FY 2025-26. Please note this chart does not include revenue from the five enterprises operating within CDOT because the five enterprises are specific funds for specific purposes, without flexibility.

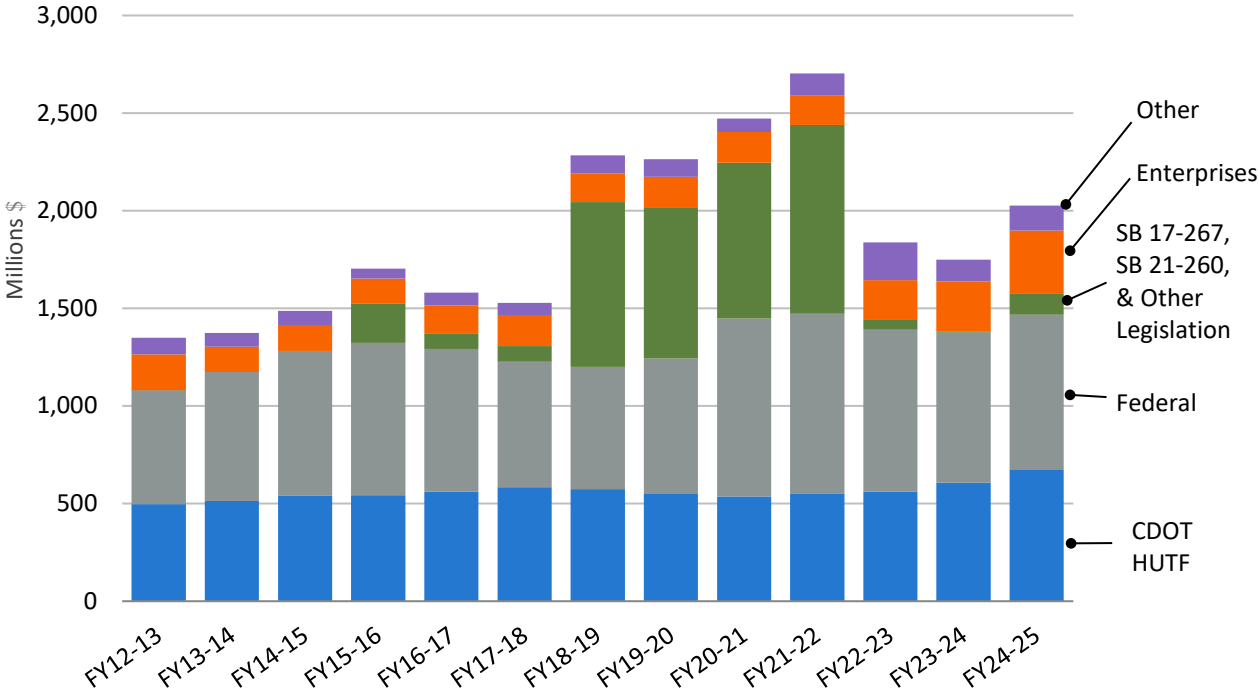
Projected FY 2025-26 CDOT Revenue (\$ millions)



Almost all of the revenue sources shown above are continuously appropriated to the Department by constitutional and statutory provisions, and in the case of federal funding, by Colorado Supreme Court decisions. Budget decisions concerning these continuously appropriated items are mostly made by the Transportation Commission, working within the framework established by statute. The CDOT programs funded by these revenues are included in the Long Bill for “informational purposes” and simply reflect anticipated revenues for the programs.

Key CDOT Revenue Sources	
Category	Primary sources of revenue
Federal highway, transit, and safety revenue	Primarily from the Federal Highway Administration via federal fuel taxes
Highway Users Tax Fund (HUTF) revenue, CDOT share	State fuel taxes (22¢ per gallon gas, 20.5¢ diesel), registration and other vehicle fees
Aeronautics revenue	Taxes on gas and aviation fuel sold at airports
Miscellaneous	Sale of state property, interest earnings, safety programs, other State Highway Fund revenue
Multimodal Transportation and Mitigation Options Fund (MMOF)	Includes funds transferred from General Fund & retail delivery fee.

Major sources of CDOT revenue



Summary of Request

Department of Transportation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$2,063,783,439	\$0	\$1,197,797,806	\$5,283,672	\$860,701,961	3,328.5
Total	\$2,063,783,439	\$0	\$1,197,797,806	\$5,283,672	\$860,701,961	3,328.5

FY 2025-26 Requested Appropriation

FY 2025-26 revenue forecast compared to FY 2024-25 forecast

HPTe revenue update	\$57,795,294	\$0	\$57,795,294	\$0	\$0	0.0
CTE revenue update	51,541,717	0	51,541,717	0	0	0.0
BTE revenue update	23,877,445	0	18,503,684	0	5,373,761	0.0
CM&O revenue update	14,149,458	0	64,291,335	-101,916	-50,039,961	0.0
APE revenue update	2,495,940	0	2,495,940	0	0	0.0
MMOF revenue update	1,273,866	0	1,273,866	0	0	0.0
R1 Multimodal options fund spending authority	50,412,240	0	50,412,240	0	0	0.0
R2 Continuous spending authority for CTE	0	0	0	0	0	0.0
R3 Reduce SB 21-260 transfers and extend funding	-39,000,000	0	-39,000,000	0	0	0.0
R4 Reduce road safety surcharge & update distrib.	-65,059,678	0	-65,059,678	0	0	0.0
Total revenue adjustments	\$97,486,282	\$0	\$142,254,398	-\$101,916	-\$44,666,200	0.0
FY 2025-26 revenue forecast	\$2,161,269,721	\$0	\$1,340,052,204	\$5,181,756	\$816,035,761	3,328.5

Offsetting revenue allocation adjustments

Other common policy changes in administration						
Admin impact	\$1,821,162	\$0	\$1,821,162	\$0	0	0.0
CM&O impact	-1,821,162	0	-1,821,162	0	0	0.0
Non-prioritized changes in administration						
Admin impact	-57,044	0	-57,044	0	0	0.0
CM&O impact	57,044	0	57,044	0	0	0.0
Total compensation in administration						
Admin impact	824,293	0	824,293	0	0	0.0
CM&O impact	-824,293	0	-824,293	0	0	0.0
Net impact of offsetting expenditure adjustments	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$2,161,269,721	\$0	\$1,340,052,204	\$5,181,756	\$816,035,761	3,328.5
Increase/-Decrease	\$97,486,282	\$0	\$142,254,398	-\$101,916	-\$44,666,200	0.0
Percentage Change	4.7%	0.0%	11.9%	-1.9%	-5.2%	0.0

Description of Requested Changes

The Department is forecasting that its revenue will be \$97.5 million higher in FY 2025-26 than its March 2024 projections for FY 2024-25. To put it more succinctly, the change in CDOT's budget total equals the difference between this year's preliminary forecast of FY 2025-26 revenue and last year's preliminary forecast of FY 2024-2025 revenue.

Revenue adjustments (FY 2025-26 revenue forecast compared to FY 2024-25 forecast)

High Performance Transportation Enterprise (HPTE) revenue update: CDOT's forecast of FY 2025-26 revenues from user fees generated on corridors owned by the Enterprise is up \$57.8 million compared to the previous year due to new tolled lanes coming online.

Clean Transit Enterprise (CTE) revenue update: CDOT estimates the Clean Transit Enterprise, created by S.B. 21-260 (Sustainability of the Transportation System), reflects an anticipated \$51.5 million net revenue increase from clean transit retail delivery fees in FY 2025-26 over FY 2024-25.

Bridge and Tunnel Enterprise (BTE) revenue update: CDOT's current forecast of FY 2025-26 revenue from bridge safety reflects an anticipated \$23.9 million net revenue increase due to increases in revenue from the bridge and tunnel impact fee imposed by S.B. 21-260.

CM&O (Construction, Maintenance, and Operations) revenue update: The request reflects an anticipated \$14.1 million net revenue increase for Construction, Maintenance, and Operations.

Air Pollution Enterprise (APE) revenue update: CDOT estimates the Nonattainment Area Air Pollution Mitigation Enterprise, created by Senate Bill 21-260, will collect \$2.5 million more from fees in FY 2025-26 than in FY 2024-25.

Multimodal Transportation and Mitigation Options Fund (MMOF) revenue update: CDOT's revenue forecast includes an increase of \$1.3 million. 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.

R1 Multimodal Options Fund (MMOF) spending authority [Requires Legislation]:

The Department request is three-fold:

- An increase in cash fund spending authority of \$50.4 million for FY 2025-26 to align with the forecasted fund balance in the Multimodal Mitigation Options Fund (MMOF);
- One additional year of roll forward authority for the SB 21-260 American Rescue Plan Act (ARPA) appropriation that lapses in FY 2024-25; and
- JBC-sponsored legislation to provide CDOT continuous appropriation spending authority to the MMOF to eliminate future spending authority gaps and simplify their budget administration.

R2 Continuous spending authority for Clean Transit Enterprise (CTE) Cash Fund [Requires Legislation]:

The request is being submitted by the Department on behalf of the CTE Board. The Department and the Board are requesting JBC-sponsored legislation to allow the Clean Transit Enterprise

Cash Fund to be continuously appropriated starting in FY 2025-26. With the enactment of Senate Bill 24-230 (Oil and Gas Production Fees), the Clean Transit Enterprise (CTE) has four cash funds, three of which are continuously appropriated and one that is annually appropriated:

- Local Transit Operations Cash Fund (continuously appropriated);
- Local Transit Grant Program Cash Fund (continuously appropriated);
- Rail Funding Program Cash Fund (continuously appropriated); and
- Clean Transit Enterprise Fund (annually appropriated).

R3 Reduce S.B. 21-260 transfers and extend the funding [Requires Legislation]:

The Department requests to reduce the transfers from the General Fund to the State Highway Fund pursuant to S.B. 21-260 (Sustainability of the Transportation System) by \$39.0 million in FY 2025-26 and \$24.5 million in FY 2026-27 (for a total of \$63.5 million over two years), as a one-time General Fund balancing measure by the following amounts:

These reductions would provide General Fund savings for FY 2025-26 and FY 2026-27. However, the reductions would be repaid in the following years by increasing the transfers in the out years as such:

- \$100 million each year from FY 2029-30 to FY 2031-32 (instead of the planned \$82.5 million per year); and
- an additional \$11 million in FY 2032-33 to fully repay the \$63.5 million reduced in FY 2025-26 and FY 2026-27.

This proposal spreads out the statutory funding over a longer period, allowing the state to have additional General Fund flexibility for two years, while retaining the full funding.

See the budget reduction options issue brief for additional details about this request.

R4 Reduce Road Safety Surcharge and Update Distribution [Requires Legislation]:

The Department requests reducing the Road Safety Surcharge to decrease FASTER revenue subject to TABOR, thus increasing General Fund availability in FY 2025-26 without impacting cities and counties. CDOT is requesting a \$11.10 reduction to all weight-based tiers of the Road Safety Surcharge, leading to a \$65.1 million reduction in FASTER revenue. The distribution of this revenue will be adjusted to ensure that local governments (cities and counties) are not negatively impacted, and the reduction will be absorbed by the Department.

See the budget reduction options issue brief for additional details about this request.

Offsetting Revenue Allocation Adjustments

The request reflects offsetting adjustments that move expenditures from one division to another without altering the Department total. The FY 2025-26 request includes an increase of \$2.6 million cash funds for Administration, which will be offset by a reduction to Construction, Maintenance, and Operations. These offsetting expenditures include total-compensation and other common policy changes and non-prioritized requests originating in other departments.

Other common policy changes in Administration: The request includes an increase of \$1.8 million to Administration for the following operating common policy adjustments, decreasing revenue for Construction, Maintenance, and Operations by the same amount.

Other common policy changes in administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT (Admin impact)	\$1,122,753	\$0	\$1,122,753	\$0	\$0	0.0
Risk management & property (Admin impact)	365,424	0	365,424	0	0	0.0
Legal services (Admin impact)	330,041	0	330,041	0	0	0.0
CORE Operating Resources (Admin impact)	65,447	0	65,447	0	0	0.0
Capitol Complex leased space (CM&O impact)	39,017	0	39,017	0	0	0.0
ALJ services (CM&O impact)	29,654	0	29,654	0	0	0.0
Workers' compensation (CM&O impact)	23,486	0	23,486	0	0	0.0
Payments to OIT (CM&O impact)	-1,122,753	0	-1,122,753	0	0	0.0
Risk management & property (CM&O impact)	-365,424	0	-365,424	0	0	0.0
Legal services (CM&O impact)	-330,041	0	-330,041	0	0	0.0
CORE Operating Resources (CM&O impact)	-65,447	0	-65,447	0	0	0.0
Capitol Complex leased space (Admin impact)	-39,017	0	-39,017	0	0	0.0
ALJ services (Admin impact)	-29,654	0	-29,654	0	0	0.0
Workers' compensation (Admin impact)	-23,486	0	-23,486	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

Non-prioritized changes in Administration: The request includes a decrease of \$57,044 cash funds in Administration and a corresponding increase of \$57,044 cash funds from CM&O to account for non-prioritized changes and the Departments indirect costs assessment.

Non-prioritized changes in administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Indirect cost assessment (CM&O impact)	\$57,276	\$0	\$57,276	\$0	\$0	0.0
NP2 OAC Staffing (Admin impact)	232	0	232	0	0	0.0
Indirect cost assessment (Admin impact)	-57,276	0	-57,276	0	0	0.0
NP2 OAC Staffing (CM&O impact)	-232	0	-232	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

Total compensation in Administration: The request includes an increase of \$824,293 to Administration to pay for changes in compensation-related common policies shown below. To pay for the increase, revenue allocated to the CM&O Division is reduced by the same amount.

Total compensation in administration				
Item	Total Funds	General Fund	Cash Funds	FTE
Salary survey (Admin impact)	\$428,473	\$0	\$428,473	0.0
Health, life, and dental (Admin impact)	277,339	0	277,339	0.0
FY 2024-25 Step Plan (Admin impact)	90,387	0	90,387	0.0
AED (Admin impact)	27,187	0	27,187	0.0
Paid Family & Medical Leave Insurance (Admin impact)	1,223	0	1,223	0.0
PERA direct distribution (CM&O impact)	724	0	724	0.0
Short-term disability (Admin impact)	408	0	408	0.0
Salary survey (CM&O impact)	-428,473	0	-428,473	0.0

Total compensation in administration				
Item	Total Funds	General Fund	Cash Funds	FTE
Health, life, and dental (CM&O impact)	-277,339	0	-277,339	0.0
FY 2024-25 Step Plan (CM&O impact)	-90,387	0	-90,387	0.0
AED (CM&O impact)	-27,187	0	-27,187	0.0
Paid Family & Medical Leave Insurance (CM&O impact)	-1,223	0	-1,223	0.0
PERA direct distribution (Admin impact)	-724	0	-724	0.0
Short-term disability (CM&O impact)	-408	0	-408	0.0
Total	\$0	\$0	\$0	0.0

Budget Reduction Options

The Executive Budget Request does not include any General Fund appropriations to the Department of Transportation, and there is not a direct appropriation of General Fund to the Department for FY 2024-25. As a result, there is not an opportunity to reduce General Fund *appropriations* to the Department for FY 2025-26. However, the FY 2025-26 request does propose to reduce *transfers* from the General Fund to the Department and to reduce cash fund revenues collected by the Department in order to make more General Fund available. This issue brief reviews these proposals and additional options identified by staff.

Summary

- The Department of Transportation is not receiving any General Fund *appropriations* for FY 2024-25. However, current law does transfer \$117.5 million per year from the General Fund to the State Highway Fund for FY 2024-25 through FY 2028-29, when the transfers start to decline. The Executive budget request proposes adjustments to the General Fund transfers to the State Highway Fund to make additional General Fund available in FY 2025-26 and FY 2026-27.
- Request R3 proposes to reduce the General Fund transfer to the State Highway Fund by \$39.0 million in FY 2025-26 and by \$24.5 million in FY 2026-27 and instead transfer the funds in subsequent years.
- The State receives significant cash fund revenue from the Road Safety Surcharge, part of the FASTER program, which is subject to TABOR. When revenue exceeds the TABOR cap, additional FASTER funds reduce the General Fund's availability.
- Request R4 proposes a fee reduction that would reduce the cash fund revenue by \$65.1 million in FY 2025-26 and by \$66.2 million in FY 2026-27, which would increase the amount of General Fund available by the same amount.

Recommendation

- Staff recommends that the Department discuss the budget balancing proposals in its budget hearing. While these options provide General Fund savings for two years, it is still

not a permanent solution. The request assumes that the immediate savings will have to be repaid to the Department in the out-years, thus increasing General Fund transfers and TABOR revenue at that time.

Discussion

The state of Colorado is facing significant pressure due to the dual challenges of a projected budget shortfall for FY 2025-26 and the restrictions imposed by TABOR on state revenue. The proposals presented by the Department seek to alleviate these pressures by adjusting the timing and distribution of funds allocated to the State Highway Fund from the General Fund as a result of SB 21-260.

The first proposal (R3 Reduce SB 21-260 transfers and extend funding) addresses a temporary solution by reducing General Fund transfers to the State Highway Fund in FY 2025-26 and FY 2026-27. This temporary reduction would be offset by increasing transfers in the following years (FY 2029-30 to FY 2032-33) to ensure that CDOT's funding remains consistent over time and the Department is made whole. The approach provides short-term fiscal relief without severely impacting long-term transportation goals, as shown in the table below.

SB 21-260 Transfers to the State Highway Fund Under Current Law and Proposed Alternative (in millions)										
Item	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Cumulative
Current Law	\$100.0	\$100.0	\$100.0	\$100.0	\$100.0	\$82.5	\$82.5	\$82.5	\$0.0	\$747.5
Proposal	100.0	61.0	75.5	100.0	100.0	100.0	100.0	100.0	11.0	747.5
Difference	\$0.0	-\$39.0	-\$24.5	\$0.0	\$0.0	\$17.5	\$17.5	\$17.5	\$11.0	\$0.0

The second proposal (R4 Reduce road safety surcharge & update distribution) also seeks to make more General Fund available. In this case, the request proposes to reduce the Road Safety Surcharge, a major source of FASTER program revenue, to decrease the amount of cash funds revenue subject to TABOR. The Department is proposing a uniform reduction of \$11.10 per vehicle for the Road Safety Surcharge. The Department estimates that the proposal would reduce TABOR cash fund revenue by \$65.1 million in FY 2025-26 and make that amount of additional General Fund available. The proposal does protect cities and counties by adjusting the distribution formula as shown in the table below, concentrating the revenue loss within the State Highway Fund.

Change to Road Safety Surcharge Revenue Under Proposal (in millions)		
Item	FY 2025-26 Current Forecast	FY 2026-27 Forecast Under Proposal
Road Safety Surcharge Revenue Under Current Law	\$151.3	\$153.9
Road Safety Surcharge Revenue With Fee Reductions	86.2	87.8
Change to Road Safety Surcharge Total	-\$65.1	-\$66.2

Change to FASTER Distributions (in millions)				
Item	FY 2025-26 Current Forecast	Current Distribution	FY 2025-26 Forecast Under Proposal	Proposed Distribution
CDOT	\$144.2	60.0%	\$79.1	45.0%
Counties	52.9	22.0%	52.9	30.0%
Municipalities	43.3	18.0%	43.3	25.0%
Total	\$240.3	100%	\$175.2	100%

Funding History FY 2018-19 to FY 2024-25

The Department of Transportation represents 0.0 percent of total state General Fund appropriations in FY 2024-25. As reflected in the table below, did not receive any General Fund appropriations in either FY 2018-19 or FY 2020-25. As shown in the table, after adjusting for inflation¹, the Department's total funding is lower in FY 2024-25 than in FY 2018-19.

FY 2018-19 to FY 2024-25 Appropriations Comparison - Adjusted ¹					
Fund	FY 2018-19		FY 2024-25	Increase/ -Decrease after inflation adjustment	
	Nominal	FY 24-25 Dollars		Amount	Percent
General Fund	\$0	\$0	\$0	\$0	0..0%
Total Funds	\$1,827,788,544	\$2,314,961,507	\$2,063,783,439	(\$251,178,068)	-10.9%

¹ Fiscal year 2018-19 appropriations are adjusted for inflation, calculated based on the Legislative Council Staff September forecast, which reflects an increase in the Denver-Aurora-Lakewood consumer price index of 26.7 percent between FY 2018-19 and FY 2024-25.

Footnotes and Requests for Information

Update on Long Bill Footnotes

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2024 Long Bill (H.B. 24-1430) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/HB24-1430> The Long Bill footnotes relevant to this document are listed below.

110 Department of Transportation, Special Purpose, Multimodal Transportation Projects – This appropriation remains available for expenditure until the close of the FY 2028-29 state fiscal year.

COMMENT: This footnote provides roll-forward authority for the appropriation from the Multimodal Transportation and Mitigation Options Fund (MMOF). Prior to the enactment of S.B. 21-260 (Sustainability of the Transportation System), the MMOF consisted of one-time transfers that were subsequently appropriated in other legislation over multiple years. The fund, originally known as the Multimodal Transportation Options Fund, was established by S.B. 18-001 and made subject to annual appropriation. S.B. 18-001 transferred \$74.3 million to the fund but failed to provide an appropriation. These funds were subsequently appropriated in a supplemental bill (S.B. 19-125) that included four years of roll-forward authority, or five years total for expenditure. Additional funds were transferred by S.B. 18-001 the following year and appropriated in the FY 2019-20 Long Bill with four years of roll-forward authority.

The MMOF started receiving an ongoing source of revenue beginning in FY 2023-24 from retail delivery fees created by S.B. 21-260; the Department is therefore requesting spending authority from the fund along with a footnote granting roll-forward authority in each Long Bill. Statute requires 85 percent of the money in the MMOF to be expended for local multimodal projects and 15 percent to be used for state multimodal projects. Without this footnote, the Department could run into difficulties encumbering the funds in Intergovernmental Agreements without having certainty of a sufficient appropriation in subsequent years.

Update on Requests for Information

The Joint Budget Committee annually submits requests for information (RFIs) to executive departments and the judicial branch via letters to the Governor, other elected officials, and the Chief Justice. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as an Appendix in the annual Appropriations Report (Appendix H in the FY 2024-25 Report):

<https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The RFIs relevant to this document are listed below.

Department of Transportation Requests

- 1 Department of Transportation, Totals -- The Department is requested to submit, with its FY 2025-26 budget request, printed and electronic versions (transmission by email acceptable) of the following:
 - a. The draft one-sheet budget (also known as the “Revenue Allocation Plan”) on which the Long Bill request is based with an explanation that shows how the Long Bill request relates to the one-sheet budget;
 - b. A schedule or schedules showing, for each of the publishing issues that collectively show how the Administration Division request is derived from the prior year Administration Division appropriation, the incremental budget changes that make up that publishing issue;
 - c. Projected expenditures by division for all common-policy items, including common policies for total compensation, operating, and IT;
 - d. A schedule showing the projected revenues for FY 2025-26 on which the draft one-sheet budget and the Long Bill request are based, with revenue-source detail that is comparable to the detail in the Department's draft narrative budget (also known as the “Budget Allocation Plan”);
 - e. A schedule showing the most recent projection of revenues for FY 2024-25 in a form compatible with the revenue projection for FY 2025-26;
 - f. A schedule showing actual revenues received during FY 2022-23 and FY 2023-24 in a form compatible with the revenue projection for FY 2025-26;
 - g. Projected state HUTF revenue for FY 2024-25 that shows (1) the revenue sources and (2) the allocation of that revenue among counties, municipalities, and other recipients.
 - h. Actual revenue for the two most recently completed Fiscal Years of (1) the Construction, Maintenance, and Operations Division, (2) the Bridge Enterprise, and (3) the High-performance Transportation Enterprise.

Comment:

The Department submitted the documents with its FY 2025-26 budget submission as requested. This information aids JBC staff in creating the tables and charts in this Briefing document.

- 2 Department of Transportation - The Department is requested to submit, starting July 1, 2024, on a monthly basis a report to the Joint Budget Committee how any fee revenue is being spent in relation to Section 38-5.5-102-109, C.R.S.

Comment:

The Department has submitted regular monthly updates on how any fee revenue is being spent and sent to the Joint Budget Committee for review.

Department Annual Performance Report

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of Transportation is required to publish an **Annual Performance Report** for the *previous state fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2025-26 budget request, the FY 2023-24 Annual Performance Report and the FY 2024-25 Performance Plan can be found at the following link:

<https://www.colorado.gov/pacific/performancemanagement/department-performance-plans>

Appendix A: Numbers Pages

Appendix A details actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source.

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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Department of Transportation
Shoshana Lew, Executive Director

(1) Administration

e Administration line as a total, and the balance of anticipated highway funds collected by the Department becomes available to the Construction, Maintenance, and Operation line.

Administration	<u>42,296,622</u>	<u>49,739,055</u>	<u>49,906,487</u>	<u>52,465,244</u> *
FTE	161.0	162.5	162.5	162.5
General Fund	0	0	0	0
Cash Funds	42,292,322	49,735,872	49,836,487	52,395,244
Reappropriated Funds	4,300	3,183	70,000	70,000
Federal Funds	0	0	0	0

TOTAL - (1) Administration	<u>42,296,622</u>	<u>49,739,055</u>	<u>49,906,487</u>	<u>52,465,244</u>	5.1%
FTE	<u>161.0</u>	<u>162.5</u>	<u>162.5</u>	<u>162.5</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	42,292,322	49,735,872	49,836,487	52,395,244	5.1%
Reappropriated Funds	4,300	3,183	70,000	70,000	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(2) Construction, Maintenance, and Operations

The single informational appropriation for this division reflects the revenues that are continuously appropriated to the Transportation Commission.

Construction Maintenance, And Operations	<u>1,949,964,785</u>	<u>1,975,165,772</u>	<u>1,658,620,633</u>	<u>1,566,151,656</u>	
FTE	3,156.0	3,156.0	3,156.0	3,156.0	
General Fund	0	0	0	0	
Cash Funds	1,318,415,673	1,208,854,658	806,331,239	764,004,139	
Reappropriated Funds	792,882	758,647	1,213,672	1,111,756	
Federal Funds	630,756,230	765,552,467	851,075,722	801,035,761	
TOTAL - (2) Construction, Maintenance, and Operations	1,949,964,785	1,975,165,772	1,658,620,633	1,566,151,656	(5.6%)
FTE	<u>3,156.0</u>	<u>3,156.0</u>	<u>3,156.0</u>	<u>3,156.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	1,318,415,673	1,208,854,658	806,331,239	764,004,139	(5.2%)
Reappropriated Funds	792,882	758,647	1,213,672	1,111,756	(8.4%)
Federal Funds	630,756,230	765,552,467	851,075,722	801,035,761	(5.9%)

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(3) Statewide Bridge Enterprise

, operate, and/or maintain state highway bridges that it designates as “Bridge-enterprise eligible”. The Enterprise’s projected revenues are shown in the Long Bill for informational purposes only.

Statewide Bridge Enterprise	<u>45,492,809</u>	<u>55,447,904</u>	<u>163,545,750</u>	<u>187,423,195</u>	
FTE	1.0	1.0	1.0	1.0	
General Fund	0	0	0	0	
Cash Funds	45,492,809	55,447,904	153,919,511	172,423,195	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	9,626,239	15,000,000	

TOTAL - (3) Statewide Bridge Enterprise	45,492,809	55,447,904	163,545,750	187,423,195	14.6%
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	45,492,809	55,447,904	153,919,511	172,423,195	12.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	9,626,239	15,000,000	55.8%

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(4) High Performance Transportation Enterprise

s, and design-build contracting. The Enterprise's projected revenues are shown in the Long Bill for informational purposes only.

High Performance Transportation Enterprise	<u>33,354,404</u>	<u>60,155,589</u>	<u>127,405,835</u>	<u>185,201,129</u>	
FTE	9.0	9.0	9.0	9.0	
General Fund	0	0	0	0	
Cash Funds	29,354,404	57,131,441	123,405,835	181,201,129	
Reappropriated Funds	4,000,000	3,024,148	4,000,000	4,000,000	
Federal Funds	0	0	0	0	

TOTAL - (4) High Performance Transportation Enterprise	33,354,404	60,155,589	127,405,835	185,201,129	45.4%
FTE	9.0	9.0	9.0	9.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	29,354,404	57,131,441	123,405,835	181,201,129	46.8%
Reappropriated Funds	4,000,000	3,024,148	4,000,000	4,000,000	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(5) Southwest Chief and Front Range Passenger Rail Commission

The Southwest Chief and Front Range Passenger Rail Commission was created by H.B. 14-1161 to encourage Amtrak to continue the existing Southwest Chief rail line service and expand the line to Pueblo and potentially Walsenburg. The Commission was later tasked with facilitating development and operation of a system along the Interstate 25 corridor before being repealed and replaced by the Front Range Passenger Rail District in S.B. 21-238.

Southwest Chief and Front Range Passenger Rail

Commission	<u>0</u>	
FTE	0.0	
General Fund	0	
Cash Funds	0	
Reappropriated Funds	0	
Federal Funds	0	

TOTAL - (5) Southwest Chief and Front Range Passenger

Rail Commission	0	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0.0%
Cash Funds	0	0.0%
Reappropriated Funds	0	0.0%
Federal Funds	0	0.0%

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(6) Special Purpose

This Long Bill division was created to organize various line item appropriations, and as a place to add new or temporary appropriations without creating new Long Bill divisions.

First Time Drunk Driving Offenders Account	<u>750,515</u>	<u>916,521</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	750,515	916,521	0	0	
Marijuana Impaired Driving Program	<u>948,270</u>	<u>944,363</u>	<u>950,000</u>	<u>950,000</u>	
General Fund	0	0	0	0	
Cash Funds	948,270	944,363	950,000	950,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Multimodal Transportation Projects	<u>14,432,233</u>	<u>12,321,593</u>	<u>19,338,751</u>	<u>71,024,857</u>	
Cash Funds	14,432,233	12,321,593	19,338,751	71,024,857	
Appropriation to the Colorado Safe Wildlife Fund	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	
General Fund	0	500,000	0	0	
Impairment Device Study	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
Transportation Services for Vulnerable Populations, Including Seniors	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
TOTAL - (6) Special Purpose	16,131,018	14,682,477	20,288,751	71,974,857	254.8%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	500,000	0	0	0.0%
Cash Funds	16,131,018	14,182,477	20,288,751	71,974,857	254.8%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(9) Multimodal Transportation Projects

The Multimodal Transportation Options Fund, which was established and funded by S.B. 18-001, supports capital or operating costs of local and state multimodal transportation projects and studies, multimodal mobility projects, and bicycle or pedestrian projects. This Division has been relocated to a line item in the Special Purpose division.

Multimodal Transportation Projects	<u>0</u>
General Fund	0
Cash Funds	0
Reappropriated Funds	0
Federal Funds	0

TOTAL - (9) Multimodal Transportation Projects	0	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0.0%
Cash Funds	0	0.0%
Reappropriated Funds	0	0.0%
Federal Funds	0	0.0%

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(7) Nonattainment Area Air Pollution Mitigation Enterprise

and reflects anticipated Enterprise revenues.

Nonattainment Area Air Pollution Mitigation Enterprise	<u>106,150</u>	<u>38,756</u>	<u>10,881,662</u>	<u>13,377,602</u>	
Cash Funds	106,150	38,756	10,881,662	13,377,602	

TOTAL - (7) Nonattainment Area Air Pollution Mitigation Enterprise	106,150	38,756	10,881,662	13,377,602	22.9%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	106,150	38,756	10,881,662	13,377,602	22.9%

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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(8) Clean Transit Enterprise

The Clean Transit Enterprise was created by S.B. 21-260 and receives ongoing funding from the Clean Transit Retail Delivery Fee. The Clean Transit Enterprise Fund is subject to annual appropriation by the General Assembly.

Clean Transit Enterprise	<u>95,414</u>	<u>22,462</u>	<u>18,134,321</u>	<u>69,676,038</u>	
Cash Funds	95,414	22,462	18,134,321	69,676,038	

TOTAL - (8) Clean Transit Enterprise	95,414	22,462	18,134,321	69,676,038	284.2%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	95,414	22,462	18,134,321	69,676,038	284.2%

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
(9) Fuels Impact Enterprise					
Fuels Impact Enterprise					
Fuels Impact Enterprise	<u>0</u>	<u>15,000,000</u>	<u>15,000,000</u>		
Cash Funds	0	15,000,000	15,000,000		
Fuels Impact Enterprise	<u>53</u>	<u>0</u>	<u>0</u>		
Cash Funds	53	0	0		
TOTAL - (9) Fuels Impact Enterprise	53	15,000,000	15,000,000	0.0%	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	
Cash Funds	53	15,000,000	15,000,000	0.0%	
TOTAL - Department of Transportation	2,087,441,202	2,155,252,068	2,063,783,439	2,161,269,721	4.7%
<i>FTE</i>	<u>3,327.0</u>	<u>3,328.5</u>	<u>3,328.5</u>	<u>3,328.5</u>	<u>0.0%</u>
General Fund	0	500,000	0	0	0.0%
Cash Funds	1,451,887,790	1,385,413,623	1,197,797,806	1,340,052,204	11.9%
Reappropriated Funds	4,797,182	3,785,978	5,283,672	5,181,756	(1.9%)
Federal Funds	630,756,230	765,552,467	860,701,961	816,035,761	(5.2%)

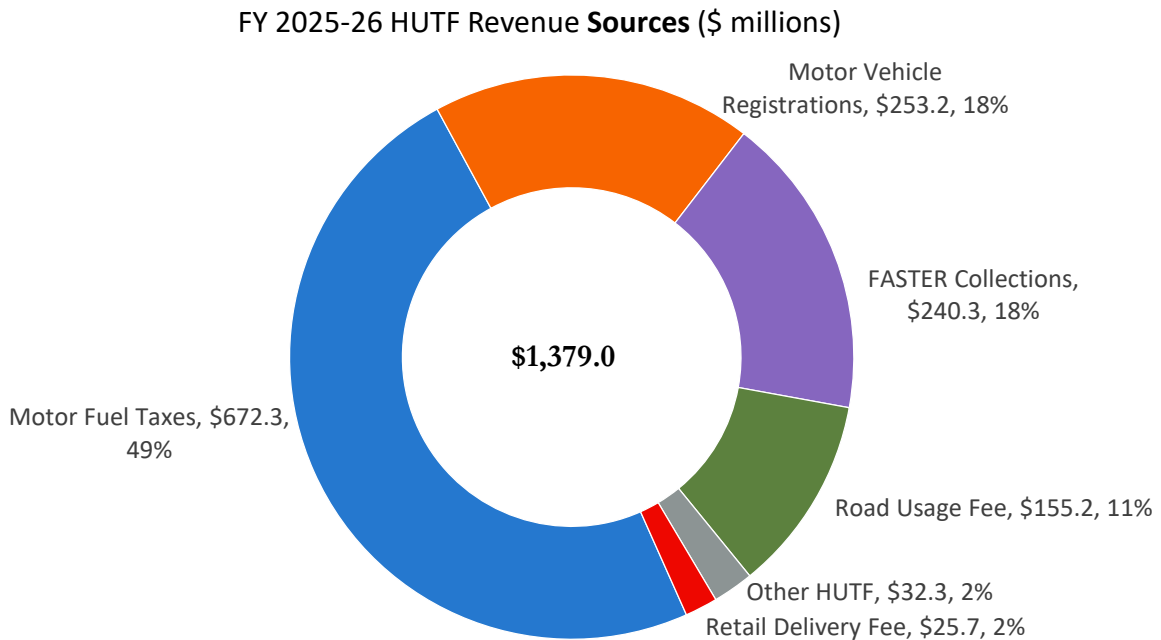
NOTE: An asterisk (*) indicates that the FY 2025-26 request for a line item is affected by one or more decision items.

Appendix B: CDOT's Dedicated Revenue Streams

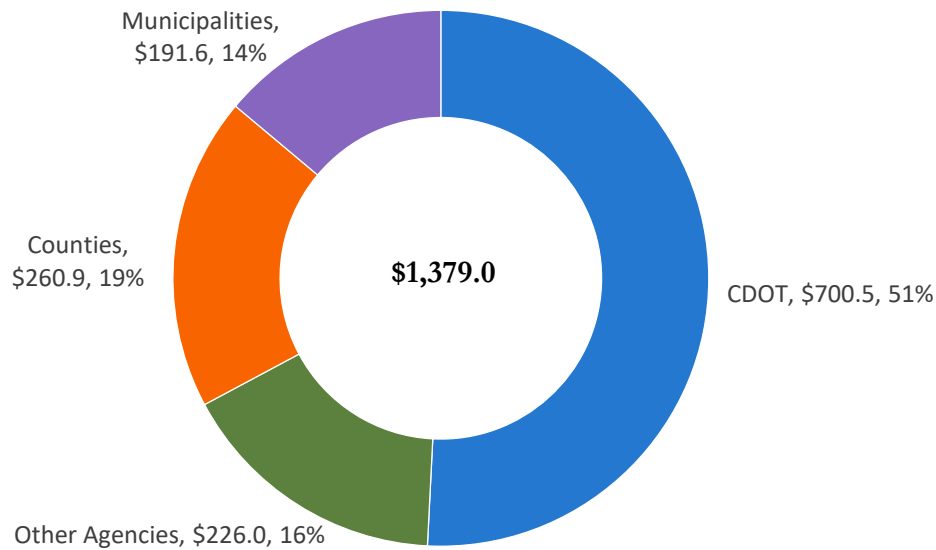
HUTF Revenue and Revenue Distribution:

One of the largest and most dependable sources of funding for CDOT is the Highway Users Tax Fund (HUTF). It's also one of the most complex cash funds in the State. HUTF revenue is distributed to CDOT, counties, municipalities, and, through "off-the-top" appropriations, to the Colorado State Patrol and the Department of Revenue. The HUTF receives revenue from fines, license plate fees, driver's license fees, passenger-mile taxes, and other sources, but its largest revenue streams are:

- Motor fuel taxes,
- Registration fees for motor vehicles, which are based on vehicle age and weight,
- Road safety (FASTER) surcharges,
- Road usage fees created by S.B. 21-260, and
- Retail delivery fees created by S.B. 21-260.



FY 2025-26 HUTF Revenue Distribution (\$ millions)



Motor Fuel Taxes

The **motor fuel taxes** that make up more than half of HUTF revenue come from the State's 22¢ per gallon gasoline excise tax and 20.5¢ per gallon diesel excise tax; these rates have not changed since 1992. Article X, Section 18 of the Colorado Constitution requires that these fuel taxes, as well as vehicle registration fees, be used exclusively for the construction, maintenance, and supervision of the state highway system. Colorado courts have said that this implies continuous appropriation authority over these funds for CDOT [Johnson v. McDonald, 97 Colo 324, 49 P.2nd 1017 (1935)].

The Department notes that the purchasing power of Colorado's fuel tax revenue has decreased due to a combination of increased fuel efficiency, which results in lower tax revenue per vehicle mile, and increased construction costs. According to CDOT, increases in construction costs, as measured by the Department's Construction Cost Index, have outpaced both the Department's revenues and general inflation.

Senate Bill 09-108 (Faster)

FASTER, which stands for Funding Advancement for Surface Transportation and Economic Recovery, was a multifaceted bill that was enacted during the Great Recession. The bill:

- Created two TABOR enterprises within CDOT:
 - The Statewide Bridge Enterprise (Bridge Enterprise, or BE), and
 - The High Performance Transportation Enterprise (Transportation Enterprise, or HPTE).
- Authorized new transportation revenue sources:

- New surcharges, fees, and fines that are deposited into the HUTF and distributed via second-stream rules (60 percent CDOT, 22 percent counties, 18 percent municipalities, no "off-the-top"):
 - Road safety surcharges;
 - A supplemental oversize/overweight vehicle surcharge;
 - A daily fee for the use of a rented motor vehicle;
 - An increased fee for the late registration of a motor vehicle; and
 - An increased unregistered vehicle fine.
- A new Bridge Safety Surcharge that goes straight to the Bridge Enterprise created by FASTER, bypassing the HUTF.

Prior to enactment of FASTER, motor fuel taxes accounted for more than 70.0 percent of total HUTF revenues. Following FASTER, the motor-fuel-tax share fell below 60.0 percent.

The Bridge and Tunnel Enterprise

The Bridge and Tunnel Enterprise rebuilds, repairs, and rehabilitates bridges that are rated as being in “poor” condition³, functionally obsolete, or structurally deficient. The Enterprise is governed by a board of directors who are also on the Transportation Commission. The principal funding source for the Enterprise is Bridge Safety Surcharges, which are paid when vehicles are registered. Surcharge revenue is deposited directly in the Statewide Bridge Enterprise Special Revenue Fund; it does not pass through the HUTF. The Bridge Enterprise can borrow, using the proceeds to pay for bridge rebuilding and repair and using its revenue to repay bondholders. The Enterprise issued revenue bonds in 2010 and is currently repaying the loans using its revenues. S.B. 21-260 expanded the Enterprise to include tunnels and authorized it to impose a retail delivery fee and an impact fee on diesel fuel.

The High Performance Transportation Enterprise (HPTE)⁴

The HPTE has expanded authority to pursue innovative methods of financing the state's transportation system, including:

- Public-private partnerships;
- Operating concession agreements;
- User fee-based project financing;
- Availability payments; and
- Design-build contracting.

FASTER authorizes the Transportation Enterprise to use road pricing on existing highway capacity as a congestion management tool if the Enterprise secures approval from the federal

³ The condition of the parts of a bridge are rated on a scale of 0 to 9 (9 = “excellent”). The bridge is rated on deck (riding surface), superstructure (supports immediately beneath the driving surface), substructure (foundation and supporting posts and piers), and culvert (tunnel carrying a stream under a road). The bridge is classified as “poor” if the lowest rating is 4 or less.

⁴ The HPTE was internally renamed by CDOT as the Colorado Transportation Investment Office (CTIO).

government and from all affected local governments. The Transportation Enterprise is governed by a seven-member board consisting of four appointees of the Governor and three members of the Transportation Commission.

Like the Bridge Enterprise, the Transportation Enterprise is authorized to issue revenue bonds backed by its revenues. The Transportation Enterprise replaced the former Statewide Tolling Enterprise.

Nonattainment Area Air Pollution Mitigation Enterprise

Senate Bill 21-260 created the Nonattainment Area Air Pollution Enterprise to mitigate transportation-related emissions in ozone nonattainment areas by funding projects that reduce traffic or directly reduce air pollution. The Enterprise is governed by a board of seven directors, five of which are appointed by the Governor. The Enterprise is authorized to impose an air pollution mitigation fee on retail deliveries and rides provided by transportation network companies.

Clean Transit Enterprise

Senate Bill 21-260 created the Clean Transit Enterprise to support public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, as well as construction and development of electric motor vehicle charging and fueling infrastructure. The Enterprise is governed by a board of nine directors, six of which are appointed by the Governor. The Enterprise is authorized to impose a clean transit retail delivery fee.

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.

Federal Funds for CDOT

CDOT receives federal funding for four purposes:

- Highways (from the Federal Highway Administration),
- Safety (from the National Highway Traffic Safety Administration),
- Transit (from the Federal Transit Administration), and
- Occasionally, Aviation (from the Federal Aviation Administration), which is reflected within CDOT's Aeronautics revenue category.

Federal Highway Administration funds account for the great majority of Colorado’s federal transportation revenue and trace to federal fuel taxes. Federal fuel tax rates, like state fuel tax rates, have not changed since the 1990s. The federal rates per gallon equal 18.4¢ for gasoline and 24.4¢ for diesel. In combination, Colorado and federal excise taxes are 40.4¢ per gallon for gas and 44.9¢ per gallon for diesel.

Federal funds provide a significant share of the CDOT’s resources; fluctuations in federal funds have a substantial impact on the Department’s annual budget. The following table shows federal funds received for recent years and budgeted in FY 2024-25.

Federal Funding Summary				
*Federal Program	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Budget	FY 2025-26 Forecast
Federal Highway Revenue	\$736.0	\$740.0	\$708.9	\$716.8
Federal Transit Revenue	38.1	31.7	30.6	30.9
Federal Safety Revenue	9.7	11.6	11.9	12.1
Total Federal Revenue	\$783.8	\$783.3	\$751.4	\$759.8

*Does not include local match requirement for Federal Highway Revenue or Federal Transit Revenue

Appendix C: CDOT'S Revenue Allocation Plan

CDOT's proposed FY 2025-26 Revenue Allocation Plan and accompanying documents can be found online at: <https://www.codot.gov/business/budget/cdot-budget>