

# JOINT BUDGET COMMITTEE



## INTERIM SUPPLEMENTAL BUDGET REQUEST FY 2018-19

## DEPARTMENT OF TRANSPORTATION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:  
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## INTERIM SUPPLEMENTAL REQUESTS

### INTERIM SUPPL, DEPT. OF TRANSPORTATION, SOUTHWEST CHIEF AND FRONT RANGE PASSENGER RAIL FUND

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$2,500,000</b>	<b>\$931,409</b>
FTE	2.0	1.4
Cash Funds	\$2,500,000	\$931,409

<p><b>Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.?</b> [The Controller may authorize an expenditure in excess of the amount authorized by an item of appropriation for the fiscal year if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.]</p>	<b>YES</b>
<p><b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>                      [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]</p>	<b>YES</b>
<p><b>Explanation:</b>  <b>Interim Supplemental Criteria:</b> The Department and Staff agree that this request meets the relevant interim supplemental requirements:</p> <ul style="list-style-type: none"> <li>• There is an existing FY 2018-19 appropriation from the Southwest Chief Fund in the Long Bill that can be over expended (in contrast there is no preexisting appropriation from the new Multimodal Fund, which is the reason the Department did not submit an interim Multimodal supplemental);</li> <li>• The need for the appropriation arose when the General Assembly adjourned; the late passage of S.B. 18-001 left no opportunity for CDOT to seek an appropriation from the legislature for the SW Chief Rail Fund.</li> <li>• An appropriation during the interim is necessary because matching grant opportunities will soon arise and the Department is more likely to win matching federal grant dollars if it has already received an appropriation than it is if the money is in a cash fund and the Department expects to receive an appropriation next spring through the normal supplemental process. In addition, the Department points to a Front-range planning timeline established in a December 1, 2017 CDOT presentation to the General Assembly titled "Summary of Key Steps Towards Implementing Front Range Passenger Rail". The department argues that the General Assembly expects it to adhere to this timeline and states that it will be difficult to do so without an interim supplemental that lets it begin work now; and</li> <li>• The requested expenditure for staff and a Front Range rail planning study is consonant with the statutory rules that govern expenditures from the Southwest Chief Fund.</li> </ul> <p><b>JBC Supplemental Criteria:</b> This supplemental is the result of an error in calculating the original appropriation.</p>	

**DEPARTMENT REQUEST:** The Department requests an appropriation of 2.0 FTE and \$2.5 million cash funds from the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund (the "Southwest Chief Fund"). This \$2.5 million appropriation equals the entire amount transferred to the Southwest Chief Fund by S.B. 18-001.

The Department does not plan to spend the entire \$2.5 million in FY 2018-19. It instead seeks authority to spread the \$2.5 million over FY 2018-19, FY 2019-20, and possibly FY 2020-21 if funds remain. The Department's request thus seeks to effectively provide a continuous appropriation for the \$2.5 million transfer that S.B. 18-001 makes to the Southwest Chief fund, which can only be achieved in the Long Bill with a roll forward. However, the Department does not request a roll forward.

The Department's request is comprised of \$510,894 for two years of salary and benefits for two employees, \$1.5 million for a contractor who will over two years develop a Front Range Passenger Rail Stakeholder Engagement and Service Development Plan, and \$489,106 of additional spending authority that the Department will draw upon as necessary.

**STAFF RECOMMENDATION:** Staff recommends that the Committee approve an appropriation of \$931,409 and 1.4 FTE for FY 2018-19. Staff does not recommend a roll forward provision that would allow this appropriation to be used in FY 2019-20 or later years. Staff believes that the Department should request FY 2019-20 spending authority in November 2018, when normal requests are submitted.

#### STAFF ANALYSIS:

**Background on S.B. 18-001:** For FY 2018-19, Senate Bill 18-001 transferred \$74.25 million from the General Fund to a new Multimodal Transportation Options Fund created by the bill (the "Multimodal Fund") and then retransferred \$2.5 million from the Multimodal Fund to the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund (the "Southwest Chief fund"). Both of these funds are subject to annual appropriation by the General Assembly. The bill did not include an appropriation from either fund, thus none of these transfers can be expended by the Colorado Department of Transportation (CDOT) until CDOT receives an appropriation.

Staff believes that the omission of these appropriations from S.B. 18-001 was inadvertent. The appropriations were probably overlooked because of the bill's complexity, because several strike-below amendments made it difficult to track bill changes, and because these are the only two transfers in the bill that require an appropriation (the bill's other transfers placed money in continuously appropriated cash funds that can be expended without additional spending authority). Had these omissions been recognized during passage, staff believes suitable appropriations would have been added to the bill; there was no reason to transfer money to the Multimodal Fund and to the Southwest Chief Fund without making the money available for expenditure in FY 2018-19.

Senate Bill 18-001 says nothing about the purpose of the transfer to the Southwest Chief Fund, which is established in Section 43-4-1002 (1), C.R.S. Statute specifies that the fund must be used to support the two key activities of the Southwest Chief and Front Range Passenger Rail Commission: (1) encouraging Amtrak to continue and expand Southwest Chief rail line service, and (2) facilitating the development of a passenger rail system along the I-25 corridor. Since Senate Bill 18-001 says nothing about the use of this transfer, one must look to these provisions for guidance concerning the purpose of the \$2.5 million transfer. Staff agrees with the Department that the only reasonable interpretation is that the transfer is intended to facilitate the future of Front Range passenger rail.

**Components of the request:** The Department will use this supplemental to hire a Program Director in October 2018 at an annual salary between \$110,000 to \$130,000 and a Planning Specialist III or IV at an annual salary of \$50,400 to \$91,644 in November 2018. Using the midpoints of each salary range, this equates to personal services and benefits (AED, SAED, Medicare, STD and Health-Life-Dental) expenditures of:

	FY 2018-19	FY 2019-20
Program Director		
Salary	\$90,000	\$120,000
Benefits	25,781	34,375
Operating Expenses	950	950
Planning Specialist III or IV		
Salary	47,348	71,022
Benefits	16,380	23,580
Operating Expenses	950	950
<b>Total</b>	<b>\$181,409</b>	<b>\$250,877</b>

The Department also plans to engage a contractor at a total cost of \$1.5 million to develop a Front Range Passenger Rail Stakeholder Engagement and Service Development Plan. Staff assumes that half of this work will be done in FY 2018-19 and half in FY 2019-20, and thus recommends appropriations of \$750,000 each year.

Thus the total appropriation to fund the Department's plan in FY 2018-19 is \$931,409 (= \$181,409 + \$750,000). The related FTE equal 1.4.

**Appendix A: Numbers Pages**

	FY 2016-17 Actual	FY 2018-19 Appropriation	FY 2018-19 Suppl Request	FY 2018-19 Recommendation	FY 2017-18 Recommended Total
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**Interim Suppl., Dept. of Transportation, Southwest Chief and Front Range Passenger Rail Fund**

<b>(7) Southwest Chief Rail Commission</b>	<u>\$0</u>	<u>\$100,000</u>	<u>\$2,500,000</u>	<u>\$931,409</u>	<u>\$1,031,409</u>
FTE	0.0	0.0	2.0	1.4	1.4
Cash Funds	0	100,000	2,500,000	931,409	1,031,409

<b>Total for Southwest Chief and Front Range Passenger Rail Fund</b>	<u>\$0</u>	<u>\$100,000</u>	<u>\$2,500,000</u>	<u>\$931,409</u>	<u>\$1,031,409</u>
FTE	0.0	0.0	2.0	1.4	1.4
Cash Funds	0	100,000	2,500,000	931,409	1,031,409