

This file contains the following documents:

- 1 March 16, 2012, Committee Pending Decision on the Department of Transportation's First Time Drunk Driving Offenders Account Line Item; and
- 2 March 5, 2012, JBC Staff document titled: FY 2012-13 Staff Figure Setting: Department of Transportation.

MEMORANDUM

TO: Joint Budget Committee Members

FROM: Byron DeLuke, Joint Budget Committee Staff, 303-866-4957

SUBJECT: Committee Pending Decision on the Department of Transportation's First Time Drunk Driving Offenders Account Line Item

DATE: March 16, 2012

During the March 7, 2012, figure setting for the Department of Transportation (CDOT), the Committee did not approve staff recommendation for an appropriation of \$1,000,000 cash funds for the First Time Drunk Driving Offenders Account (FTDD) line item. The Committee "flagged" the line item for further discussion during staff comebacks. Below is a description of the line item, analysis of its placement within CDOT, revenue projections, and staff recommendation.

Description: The General Assembly created FTDD with the enactment of H.B. 08-1194. The account is funded with increased fees to reinstate drivers' licenses following drunk driving convictions (from \$60 to \$95) and pays for a portion of CDOT's "The Heat is On!" campaign. Prior to the creation of FTDD, the Department had overseen an average of seven high visibility drunk driving enforcement events per year as part of this campaign. These events were funded out of DUI fines paid into the Law Enforcement Assistance Fund (LEAF) for the Prevention of Drunken Driving created in Section 43-4-401, C.R.S. H.B. 08-1194 directed CDOT to oversee a total of 12 high visibility events, an increase of five per year. FTDD was created to pay for this expansion.

Placement Within CDOT: H.B. 08-1194 stipulated that FTDD funds be subject to annual appropriation in the CDOT section of the Long Bill because the Department already administered "The Heat is On!" along with several other highway safety programs through its Office of Transportation Safety (OTS). Several sources of OTS revenues, which are continuously appropriated and include federal funding from the NHTSA as well as penalties for DUI convictions (LEAF), are used to pay for administration of "The Heat is On!" campaign.

Moneys authorized through the FTDD line item represent pass-through funds to the law enforcement agencies that provide personnel for high visibility drunk driving enforcement events—mostly local law enforcement agencies. The line item funds overtime expenses to increase enforcement efforts for defined periods of time. Local agencies and the CO State Patrol apply to CDOT to receive funding, and the Department targets areas with elevated enforcement needs. Program expenses also include advertising to inform the public of upcoming enforcement events as well as costs to reach out to local law enforcement agencies.

Several statutory and budgetary changes would need to be made in order to move the FTDD line item to the Department of Public Safety (DPS):

- Section 42-2-132, (4) (b) (II) (B), C.R.S., would need to be amended to make funds in FTDD subject to annual appropriation to DPS rather than to CDOT;
- Section 43-4-401, C.R.S., would need to be amended to require the DPS to oversee 12 high visibility drunk driving enforcement episodes annually rather than CDOT;
- Section 43-4-402, (2) (a), C.R.S., would need to be amended to redirect the portion of LEAF revenues that are continuously appropriated to CDOT's Office of Transportation Safety to DPS;
- Sections 43-4-404 (1) and (2), C.R.S., would need to be amended to provide guidance to DPS on allocation of LEAF moneys; and
- The amount of money being appropriated through the FTDD line item would need to increase to cover administration costs for "The Heat is On!" campaign that are currently paid for out of OTS.

Revenue Projections Vs Expenditures: CDOT pays for "The Heat is On!" campaign with funds from LEAF and FTDD. This week, the Judicial Department projected \$1,520,000 in revenues for LEAF in FY 2012-13. Pursuant to Section 43-4-402 (2) (a), C.R.S., the General Assembly makes an "off the top" appropriation from LEAF to the Department of Public Health and Environment (DPHE) each year, and 80 percent of the moneys remaining in the fund are continuously appropriated to CDOT. Because the JBC allocated \$946,852 to DPHE during figure setting, CDOT is scheduled to receive \$459,000 from LEAF in FY 2012-13. The 12 high visibility drunk driving enforcement events that are statutorily required and make up CDOT's "The Heat is On!" campaign cost about \$2 million annually. If revenue estimates hold and continuation level funding is approved for the FTDD line item, the Department will fall about \$350,000 short of the requested level for LEAF in FY 2012-13 and \$500,000 short of overall funding requirements for "The Heat is On!" campaign.

Table 1: Law Enforcement Assistance Fund Shortfall in FY 2012-13

	LEAF Funds Requested	Allocation Per Revenue Projection	Variance to Request: Shortfall
DPHE "Off the Top"	\$946,852	\$946,852	\$0
CDOT: 80% of Balance	811,449	458,518	(352,931)
DHS: 20% of Balance	292,523	114,630	(177,893)
Totals	\$2,050,824	\$1,520,000	(\$530,824)

A potential recourse would be to appropriate more cash funds spending authority to CDOT out of the FTDD line. The Department of Revenue estimates that the FTDD account will have a fund balance of \$4.2 million at the start of FY 2012-13 and will receive \$2.9 million in revenues. Because the anticipated cash outflow for FY 2012-13 is \$2.3 million, the appropriation to CDOT out of FTDD can be increased without negatively impacting other Long Bill groups that are supported by the account. Please see the table below for the FTDD cash fund report.

Table 2: First Time Drunk Driving Offender Account - Cash Fund Report

	Actual: FY 2010-11	Estimate: FY 2011-12	Estimate: FY 2012-13
Cash in Beginning Fund Balance	\$1,977,158	\$3,556,533	\$4,209,707
Cash Inflow During Fiscal Year	3,001,182	2,890,413	2,890,413
Appropriated Cash Outflow During Fiscal Year	1,421,807	2,237,239	2,268,453
Available Liquid Fund Balance	\$3,556,533	\$4,209,707	\$4,831,667

Recommendation: Because high visibility enforcement events are part of a larger statewide effort by CDOT to reduce the incidence and severity of motor vehicle crashes, and the moneys appropriated through this line item represent pass-through dollars, staff recommends that the line item remain a part of CDOT's annual budget. **Staff recommends an appropriation of \$1,500,000 for the First Time Drunk Driving Offender Account in FY 2012-13 because of lower than expected revenue projections for LEAF.**

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2012-13 STAFF FIGURE SETTING
DEPARTMENT OF TRANSPORTATION**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:
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March 5, 2012**

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**FY 2012-13 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF TRANSPORTATION

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**FY 2012-13 Joint Budget Committee Staff Figure Setting
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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
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DEPARTMENT OF TRANSPORTATION Donald Hunt, Executive Director

(1) ADMINISTRATION

This line item was created to include the personal services and operating expenses for offices and programs that are the administrative piece of the Transportation Commission's non-appropriated functions. The lines below are included for figure setting purposes. Because the Administration line is a program line, the Department has discretionary flexibility over all amounts within Administration. The Transportation Commission has appropriations authority over both the Administration line and the Construction, Maintenance, and Operations line, and the combined annual request for these lines reflects anticipated revenues to the State Highway Fund, Federal Highways Administration funds and funds from local governments. The General Assembly sets an appropriated level for the Administration line as a total, and the balance of anticipated highway funds become the appropriation to the Construction, Maintenance, and Operation line.

(A) Administration

Personal Services	<u>14,179,299</u>	<u>13,057,759</u>	<u>13,780,049</u>	<u>14,063,690</u>	<u>13,781,774</u>
<i>FTE</i>	194.0	178.3	192.5	192.5	192.5
Cash Funds	13,523,950	12,434,825	13,045,655	13,317,709	13,050,817
Reappropriated Funds	655,349	622,934	734,394	745,981	730,957
Operating Expenses	<u>2,390,943</u>	<u>5,085,265</u>	<u>5,512,050</u>	<u>5,277,309</u>	<u>5,276,428</u>
Cash Funds	1,697,126	4,276,696	4,444,191	4,209,450	4,208,569
Reappropriated Funds	693,817	808,569	1,067,859	1,067,859	1,067,859
Total Funds - (A) Administration	<u>16,570,242</u>	<u>18,143,024</u>	<u>19,292,099</u>	<u>19,340,999</u>	<u>19,058,202</u>
<i>FTE</i>	<u>194.0</u>	<u>178.3</u>	<u>192.5</u>	<u>192.5</u>	<u>192.5</u>
Cash Funds	15,221,076	16,711,521	17,489,846	17,527,159	17,259,386
Reappropriated Funds	1,349,166	1,431,503	1,802,253	1,813,840	1,798,816

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Figure Setting
Department of Transportation
Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
(B) Centrally Appropriated Personal Services					
Shift Differential	<u>24,156</u>	<u>27,389</u>	<u>21,501</u>	<u>24,452</u>	<u>23,964</u>
Cash Funds	23,108	27,090	20,630	24,186	23,702
Reappropriated Funds	1,048	299	871	266	262
Health, Life, and Dental	<u>1,063,068</u>	<u>937,810</u>	<u>997,365</u>	<u>1,103,039</u>	<u>1,207,564</u>
Cash Funds	1,011,129	889,162	953,904	1,049,174	1,148,907
Reappropriated Funds	51,939	48,648	43,461	53,865	58,657
Short-term Disability	<u>18,848</u>	<u>17,790</u>	<u>20,116</u>	<u>22,395</u>	<u>19,714</u>
Cash Funds	18,026	16,942	19,294	21,481	18,908
Reappropriated Funds	822	848	822	914	806
S.B. 04-257 Amortization Equalization Disbursement	<u>244,902</u>	<u>252,809</u>	<u>318,217</u>	<u>404,882</u>	<u>396,957</u>
Cash Funds	234,185	240,383	305,218	388,366	380,769
Reappropriated Funds	10,717	12,426	12,999	16,516	16,188
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>153,064</u>	<u>184,340</u>	<u>255,711</u>	<u>347,946</u>	<u>341,134</u>
Cash Funds	146,366	175,279	245,265	333,752	327,223
Reappropriated Funds	6,698	9,061	10,446	14,194	13,911
Total Funds - (B) Centrally Appropriated Personal Services	1,504,038	1,420,138	1,612,910	1,902,714	1,989,333
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	1,432,814	1,348,856	1,544,311	1,816,959	1,899,509
Reappropriated Funds	71,224	71,282	68,599	85,755	89,824

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Figure Setting
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Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
(C) Miscellaneous Administration Accounts					
Statewide Indirect Costs State Highway Funds	<u>116,746</u>	<u>123,805</u>	<u>139,546</u>	<u>125,319</u>	<u>125,319</u>
Cash Funds	116,746	123,805	139,546	125,319	125,319
Legal Services	<u>463,526</u>	<u>416,206</u>	<u>498,172</u>	<u>498,172</u>	<u>PENDING</u>
Cash Funds	463,526	416,206	498,172	498,172	
Risk Management - General Insurance	<u>3,292,870</u>	<u>1,042,310</u>	<u>2,533,271</u>	<u>2,871,052</u>	<u>PENDING</u>
Cash Funds	3,292,870	1,042,310	2,533,271	2,871,052	
Workers' Compensation	<u>422,041</u>	<u>428,136</u>	<u>412,555</u>	<u>537,629</u>	<u>PENDING</u>
Cash Funds	422,041	428,136	412,555	537,629	
Total Funds - (C) Miscellaneous Administration Accounts	4,295,183	2,010,457	3,583,544	4,032,172	125,319
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	4,295,183	2,010,457	3,583,544	4,032,172	125,319
Total Funds - (1) Administration	22,369,463	21,573,619	24,488,553	25,275,885	21,172,854
FTE	<u>194.0</u>	<u>178.3</u>	<u>192.5</u>	<u>192.5</u>	<u>192.5</u>
Cash Funds	20,949,073	20,070,834	22,617,701	23,376,290	19,284,214
Reappropriated Funds	1,420,390	1,502,785	1,870,852	1,899,595	1,888,640

(2) CONSTRUCTION, MAINTENANCE, AND OPERATIONS

This line item includes non-appropriated revenues to the Transportation Commission as well as the Division of Aeronautics. Totals in this line item represent non-appropriated funds and are included for informational purposes only.

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Figure Setting
Department of Transportation
Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
Construction Maintenance, And Operations	<u>1,385,453,196</u>	<u>1,425,775,296</u>	<u>988,331,322</u>	<u>997,744,664</u>	<u>997,744,664</u>
<i>FTE</i>	2,930.7	2,959.3	3,122.0	3,126.5	3,126.5
Cash Funds	754,070,076	741,528,655	581,170,495	585,319,815	585,319,815
Reappropriated Funds	962,726	1,805,735	3,015,804	3,015,804	3,015,804
Federal Funds	630,420,394	682,440,906	404,145,023	409,409,045	409,409,045
Total Funds - (2) Construction, Maintenance, and Operations	<u>1,385,453,196</u>	<u>1,425,775,296</u>	<u>988,331,322</u>	<u>997,744,664</u>	<u>997,744,664</u>
<i>FTE</i>	<u>2,930.7</u>	<u>2,959.3</u>	<u>3,122.0</u>	<u>3,126.5</u>	<u>3,126.5</u>
Cash Funds	754,070,076	741,528,655	581,170,495	585,319,815	585,319,815
Reappropriated Funds	962,726	1,805,735	3,015,804	3,015,804	3,015,804
Federal Funds	630,420,394	682,440,906	404,145,023	409,409,045	409,409,045

(3) HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

This section, created in S.B. 09-108, replaced the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310 and pursues public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. The amounts shown are included for informational purposes only.

High Performance Transportation Enterprise	<u>1,726,445</u>	<u>3,774,234</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
<i>FTE</i>	0.4	1.5	1.0	4.0	4.0
Cash Funds	1,726,445	2,898,843	2,500,000	2,500,000	2,500,000
Federal Funds	0	875,391	0	0	0
Total Funds - (3) High Performance Transportation Enterprise	<u>1,726,445</u>	<u>3,774,234</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
<i>FTE</i>	<u>0.4</u>	<u>1.5</u>	<u>1.0</u>	<u>4.0</u>	<u>4.0</u>
Cash Funds	1,726,445	2,898,843	2,500,000	2,500,000	2,500,000
Federal Funds	0	875,391	0	0	0

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Figure Setting
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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
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(4) FIRST TIME DRUNK DRIVING OFFENDERS ACCOUNT

The line item is supported with fees paid to reinstate drivers' licenses following drunk driving convictions and provides funding for increased high visibility drunk driving law enforcement actions undertaken pursuant to H.B. 08-1194.

First Time Drunk Driving Offenders Account	<u>889,747</u>	<u>967,183</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Cash Funds	889,747	967,183	1,000,000	1,000,000	1,000,000
Total Funds - (4) First Time Drunk Driving Offenders Account	889,747	967,183	1,000,000	1,000,000	1,000,000
<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	889,747	967,183	1,000,000	1,000,000	1,000,000

(5) STATEWIDE BRIDGE ENTERPRISE

This section was created in S.B. 09-108 and is funded through the bridge safety surcharge created in that bill. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and either structurally deficient or functionally obsolete.

Statewide Bridge Enterprise	<u>2,377,264</u>	<u>11,179,750</u>	<u>91,800,000</u>	<u>93,026,477</u>	<u>93,026,477</u>
Cash Funds	2,377,264	11,179,750	91,800,000	93,026,477	93,026,477
Total Funds - (5) Statewide Bridge Enterprise	2,377,264	11,179,750	91,800,000	93,026,477	93,026,477
<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	2,377,264	11,179,750	91,800,000	93,026,477	93,026,477

Total Funds - Department of Transportation	1,412,816,115	1,463,270,082	1,108,119,875	1,119,547,026	1,115,443,995
<i>FTE</i>	<u>3,125.1</u>	<u>3,139.1</u>	<u>3,315.5</u>	<u>3,323.0</u>	<u>3,323.0</u>
Cash Funds	780,012,605	776,645,265	699,088,196	705,222,582	701,130,506
Reappropriated Funds	2,383,116	3,308,520	4,886,656	4,915,399	4,904,444
Federal Funds	630,420,394	683,316,297	404,145,023	409,409,045	409,409,045

*This line item includes a decision item.

DEPARTMENT OF TRANSPORTATION

FIGURE SETTING FOR FY 2012-13

JBC WORKING PAPERS - DECISIONS SUBJECT TO CHANGE

Committees of Reference SMART Act Recommendation Letters for the Department

House Committee of Transportation

Received February 1, 2012

Recommendations

The House Committee of Transportation did not provide a recommendation on the Department's FY 2012-13 budget request.

Senate Committee of Transportation

Received February 1, 2012

Recommendations

The Senate Committee of Transportation recommended that the Joint Budget Committee approve the Department's FY 2012-13 budget request.

FORMAT NOTES: Individual line items appear in **BOLD ALL CAPS**, subsections within line items that are included for informational purposes appear in **bold underlined** font, decision items appear in ***bold italic*** font, and summary descriptions of staff recommendations appear in **bold** font.

(1) ADMINISTRATION

Description: This line item was created by Section 43-1-113 (2) (III), C.R.S., and includes the salaries and expenses for a variety of offices and programs. It is a "program" line, which gives the Department the discretion to move funds from personal services to operating (and vice versa) and also from one program or unit in the line to another without seeking approval from the General Assembly. Statute (Section 43-1-113 (6), C.R.S.) limits the Administration line item expenditures to no more than 5.0 percent of the total Department of Transportation budget.

This line item provides administrative support for more than 3,000 FTE that work for the Department statewide. For FY 2012-13, the Department is requesting an appropriation of \$25,275,996 (\$23,376,290 cash funds from the State Highway fund and \$1,899,596 reappropriated funds from internal cash funds) and 192.5 FTE for this line item. This represents an increase of \$787,332 (3.2 percent) above the FY 2011-12 appropriation, and is 2.3 percent of the Department's total request, well within the statutory requirement that the Administration line not exceed 5.0 percent of the Department's total budget.

Staff does not make individual recommendations for each organization within the Administration Long Bill line item. Rather, staff presents consolidated recommendations for the following components that make up the line: (1) total personal services; (2) total operating expenses; (3) statewide indirect costs; (4) hours of legal services; (5) shift differential; (6) risk management and general insurance; (7) salary survey; (8) performance-based pay; (9) health, life, and dental insurance; (10) short term disability insurance; (11) amortization equalization disbursement; and (12) supplemental amortization equalization disbursement. Recommendations for the following items are pending the finalization of committee policies: (1) risk management and general insurance; (2) workers' compensation; and (3) legal services.

Committee-approved Personal Services Calculation: Staff has calculated the recommended continuation appropriation level for the Administration line using FY 2012-13 committee-approved common policies for personal services calculations and operating expenses. Based on the Committee approved common policy, staff started with the FY 2011-12 Estimate for Total Full and Part-time Employee Expenditures that is included in the budget request (Schedule 14). This figure was then adjusted for any salaries that are exempt from the common policy, and by the salary portion of any significant annualizations. The 2.0 percent personal services reduction was applied to this base. Staff then calculated the associated savings to PERA using a rate of 10.15 percent and to FICA-Medicare using a rate of 1.45 percent. Finally, staff added in the restoration of the 2.5 percent adjustment to PERA required by S.B. 11-076.

Historic Revenue Compared to Appropriations for Administration: Appropriations for the Administration line are generally tied to the Department's construction budget, to which the following factors have historically contributed: (1) the General Assembly's commitment of General Fund dollars to highway improvement projects, including through sales and use tax revenues pursuant to S.B. 97-1 (repealed by S.B. 09-228), specific Capital Construction Fund appropriations, and through the two-thirds share of any excess General Fund reserve pursuant to H.B. 02-1310 (repealed by S.B. 09-228); (2) proceeds received via the voter-approved TRANs bonding program; (3) general economic growth/stagnation affecting gasoline consumption and thus fuel tax revenues; (4) FASTER revenues, and (5) year to year fluctuations in payments for workers' compensation, risk management, salary increases, indirect costs, and health insurance contributions. The following tables include recent year actuals and appropriations for the Construction, Maintenance, and Operations line as well as the Administration line.

Actual Expenditures and Appropriations for the Administration and Construction, Maintenance, and Operations Line Items

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
C.M.O. Line	\$1,388,739,335	\$1,397,903,072	\$1,332,550,365	\$1,385,453,196	\$1,425,775,296
Change	0.0%	0.7%	(4.7)%	4.0%	2.9%
Administration Line	\$23,909,131	\$23,426,886	\$24,668,871	\$22,369,463	\$21,573,619
Change	0.0%	-2.0%	13.1%	-9.3%	-3.6%
FTE*	219.7	221.4	223.2	194.0	178.3

*Administration Program Line actual FTE.

Current Appropriation vs. Request

	FY 2011-12 Appropriation	FY 2012-13 Request
C.M.O. Line	\$988,331,322	\$997,744,664
Administration Line	\$24,488,553	\$25,275,885
FTE (Administration)	192.5	192.5

As the data above illustrate, however, the annual changes in the Department's Administration line appropriation do not always correlate to annual changes in the Department's overall budget or actual revenues. In part because the Department has operated below the FTE levels authorized by the Transportation Commission for some time, significant changes in the Department's annual funding primarily affect the number and size of contracts let to the Department's private sector partners for major rehabilitation and reconstruction projects on the state highway system.

Request: The Department requests \$25,275,885 in cash and reappropriated funds and 192.5 FTE for this line item in FY 2012-13. The budget request reflects an increase of \$787,332 total funds and zero FTE from FY 2011-12.

Recommendation: Staff's recommendation is pending the approval of common policies for (1) risk management and general insurance; (2) workers' compensation; and (3) legal services by the Committee. While the numbers pages show a total for Administration, that funding level will increase with the approval of common policies for the pending items. Staff requests permission to adjust the line item after the Committee has determined the common policy for these items. The table on the following page summarizes the request and staff's recommendations for the individual components of the Administration program line item. The recommendations for each component are discussed in greater detail below the table.

Administration "Program Line" Recommendation Summary for FY 2012-13

	FY 2011-12 Appropriation	Restore FY 2011-12 PERA Reduction	Common Policy/ Personal Services Adjustments	Staff Recomm.	Dept. Request
Personal Services	\$13,780,049	\$283,641	(\$281,916)	\$13,781,774	\$14,063,690
Operating	5,512,050	N/A	(235,622)	5,276,428	5,277,309
Salary Survey	0	N/A	0	0	0
Performance-based Pay	0	N/A	0	0	0
Shift Differential	21,501	N/A	2,463	23,964	24,452
Health, Life, Dental	997,365	N/A	210,199	1,207,564	1,103,039
Short-term Disability	20,116	N/A	(402)	19,714	22,395
S.B. 04-257 AED	318,217	N/A	78,740	396,957	404,882
S.B. 06-235 SAED	255,711	N/A	85,423	341,134	347,946
Statewide Indirect Costs	139,546	N/A	(14,227)	125,319	125,319
Legal Services	498,172	N/A	PENDING	PENDING	498,172
Risk Management (General Insurance)	2,533,271	N/A	PENDING	PENDING	2,871,052
Workers' Compensation	412,555	N/A	PENDING	PENDING	537,629
Administration Total	\$24,488,553	\$283,641	(\$155,342)	\$21,172,854	\$25,275,885

The following sections detail staff's recommendations for the various components of the Administration line item.

Administration Personal Services

The personal services component of Administration supports the salaries for eleven offices and organizations within the Administration line item (a total of 192.5 FTE appropriated in FY 2011-12 and requested in FY 2012-13). It does not include funds for centrally appropriated personal services, including shift differential, HLD, short-term disability, AED, or SAED. The Department requests a total of \$14,063,690 (\$13,317,709 cash funds from the State Highway Fund and \$745,981 reappropriated funds) for personal services in FY 2012-13.

The following table shows CDOT's allocation of funds and FTE among eleven offices within the Administration line. Please note that because the Department includes centrally appropriated personal services items in their reporting, the totals for FY 2012-13 included in the table below do not match the totals for personal services that are included in the numbers pages. Rather the numbers in the table below match up with the total personal services expenditures for the line item.

CDOT FY 2012-13 Request for Administration Personal Services

Administration Organization	FY 2010-11 Actual	FY 2011-12 Estimate*	FY 2012-13 Request	
			(\$)	FTE
Transportation Commission	\$72,764	\$79,174	\$92,721	1.0
Office of Executive Director	514,624	568,063	574,508	4.0
Government Relations	614,719	680,552	760,827	8.0
Public Relations	590,860	661,584	647,995	7.0
Information Technology	106,105	0	0	0.0
Financial Management & Budget	1,061,102	1,276,142	1,390,131	12.0
Accounting Branch	1,613,688	1,878,465	2,008,298	27.0
Chief Eng. & Region Directors	1,613,803	1,748,292	1,764,032	15.0
Motor Pool Operations	88,640	102,081	103,668	2.0
Human Resources/Administration	6,418,557	6,616,759	7,053,443	103.0
Risk Management & Safety Education**	0	390,435	421,956	6.0
Division of Audit	544,377	769,802	816,264	7.5
Interagency Payments and Common Policies and Contracts	<u>1,238,578</u>	<u>621,611</u>	<u>332,563</u>	<u>0.0</u>
Total	\$14,477,817	\$15,392,960	\$15,966,406	192.5

*Represents the Department's estimated expenditures as included in the November 2011 budget request.

**Separated out of Human Resources/Administration for FY 2011-12.

Staff recommends a total appropriation of \$13,781,774, including \$13,050,817 cash funds from the State Highway Fund, \$730,957 reappropriated funds, and 192.5 FTE, calculated pursuant to Committee common policy for personal services. The following table shows the components of staff's recommendation.

Summary of (1) Administration Personal Services Recommendation						
	TOTAL	GF	CF	RF	FF	FTE
FY 2011-12 Long Bill*	\$13,780,049	\$0	\$13,045,655	\$734,394	\$0	192.5
Restore FY 2011-12 PERA Reduction	283,641	0	272,054	11,587	0	
Base reduction (1.5%)	(281,916)	0	(266,892)	(15,024)	0	
Total Recommendation	\$13,781,774	\$0	\$13,050,817	\$730,957	\$0	192.5

*Represents Long Bill "appropriation" as approved by the Joint Budget Committee and General Assembly. Does not reflect Department's current estimate of FY 2011-12 personal services expenditures.

Administration Operating Expenses

This funding supports non-personnel operating expenses for all eleven offices within the Administration program line item. The Department requests an appropriation of \$5,277,309 for operating expenses, including \$4,209,450 cash funds from the State Highway Fund and \$1,067,859 reappropriated funds, a decrease of \$234,741 in total funds from FY 2011-12.

The following table shows the Department's allocation of funding for operating expenses among the various organizations within the Administration line item. Please note that because the Department includes common policy items and interagency payments in their reporting, the totals for FY 2012-13 included in the table below do not match the totals for operating expenses that are included in the numbers pages. Rather the numbers in the table below match up with the total operating expenditures for the line item.

CDOT FY 2012-13 Request for Administration Operating Expenses

Administration Organization	FY 2010-11 Actual	FY 2011-12 Estimate*	FY 2012-13 Est/Request
Transportation Commission	\$63,560	\$97,602	\$97,602
Office of Executive Director	39,904	48,452	48,452
Government Relations	37,582	51,514	51,514
Public Relations	41,572	93,013	93,013
Information Technology	3,966,964	3,365,744	3,138,936
Financial Management & Budget	21,894	46,709	46,709
Accounting Branch	33,624	75,869	75,869
Chief Eng. & Region Directors	155,804	272,628	272,628

Administration Organization	FY 2010-11 Actual	FY 2011-12 Estimate*	FY 2012-13 Est/Request
Motor Pool Operations	129,191	247,616	247,616
Human Resources/Administration	1,540,091	1,701,610	1,701,610
Risk Management & Safety Education**	0	15,000	15,000
Division of Audit	24,147	33,290	33,290
Interagency Payments and Common Policies and Contracts	<u>1,041,389</u>	<u>3,046,547</u>	<u>3,487,241</u>
Total	\$7,095,722	\$9,095,594	\$9,309,480

*Represents the Department's estimated expenditures as included in the November 2011 budget request.

**Separated out of Human Resources/Administration for FY 2011-12.

Staff recommends an appropriation of \$5,276,428 for operating expenses, including \$4,208,569 cash funds from the State Highway Fund and \$1,067,859 reappropriated funds. Staff's recommendation includes the following changes from the request that are calculated pursuant to common policy: (1) \$39,187 cash funds from the State Highway Fund for Multiuse Network Payments; (2) \$3,173 cash funds from the State Highway Fund for Management and Administration of OIT; and (3) (\$43,241) cash funds from the State Highway Fund for Purchases of Services from the Computer Center.

Salary Survey Increases

The Department is not requesting any salary survey increases for FY 2012-13.

Consistent with the request and with committee common policy, staff is not recommending salary survey for FY 2012-13. This line item is not included in the numbers pages.

Performance-Based Pay Awards

The Department is not requesting any funding for performance-based pay in FY 2012-13.

Consistent with the request and with committee common policy, staff is not recommending performance-based pay for FY 2012-13. This line item is not included in the numbers pages.

Shift Differential

The Department is requesting \$24,452 for shift differential within Administration in FY 2012-13.

Staff recommends an appropriation of \$23,964 for Short Term Disability costs, including \$23,702 cash funds from the State Highway Fund and \$262 reappropriated funds, calculated pursuant to committee common policy.

Health/Life/Dental

The Department requests \$1,103,039 for health, life, and dental insurance costs in FY 2012-13.

Staff recommends a total appropriation of \$1,207,564 for health, life and dental insurance costs, including \$1,148,907 cash funds from the State Highway Fund and \$58,657 reappropriated funds, calculated pursuant to committee common policy.

Short Term Disability

The Department requests \$22,395 for Short Term Disability within Administration in FY 2012-13.

Staff recommends an appropriation of \$19,714 for Short Term Disability costs, including \$18,908 cash funds from the State Highway Fund and \$806 reappropriated funds, calculated pursuant to committee common policy.

S.B. 04-257 Amortization Equalization Disbursement

The Department requests \$404,882 to fund this PERA-based adjustment within Administration in FY 2012-13.

Staff recommends \$396,957, including \$380,769 cash funds from the State Highway Fund and \$16,188 reappropriated funds, calculated pursuant to committee common policy.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

The Department requests \$347,946 for the supplemental amortization equalization disbursement costs within Administration for FY 2012-13.

Staff recommends \$341,134, including \$327,223 cash funds from the State Highway Fund and \$13,911 reappropriated funds, calculated pursuant to committee common policy.

Statewide Indirect Costs

The Department is requesting \$125,319 cash funds from the State Highway Fund for the appropriated share of its statewide indirect cost allocation, a decrease of \$14,227 from FY 2011-12. While CDOT's total statewide indirect cost allocation is \$1,565,391, under the request the Department would pay \$1,440,072 (93%) from the non-appropriated Construction, Maintenance, and Operations line. Starting in FY 2009-10, CDOT standardized the allocation of indirect costs between Administration and the Construction, Maintenance, and Operations lines according to FTE.

Staff recommends \$125,319, pursuant to Committee policy for this line item.

Legal Services

CDOT is requesting an appropriation of \$498,172 for legal services through the Department of Law. This represents a continuation of last year's level, 6,580 hours. Legal Services for Construction, Maintenance, and Operations programs (9,817 hours) and the Division of Aeronautics (35 hours) are funded through the non-appropriated Construction, Maintenance, and Operations line item.

Staff recommends the requested level of 6,580 legal services hours for Administration. This amount is consistent with the ten year average. CDOT's legal services budget is used to defend the

Department in personnel issues, against landowners contesting condemnations, and against companies contesting contract awards. Additionally, legal service hours are used defending the Department against environmental lawsuits involving such issues as drinking water contamination by underground storage tanks and by inclement weather road treatments. The recommended funding level will be incorporated into the line item after the Committee has set hourly rates. Staff calculations are found in the following table.

DEPARTMENT OF TRANSPORTATION, ADMINISTRATION - Legal Services									
	FY 2011-12 Appropriation			FY 2012-13 Request			FY 2012-13 Recommendation		
	Legal Services Hours	Rate	Total	Legal Services Hours	Rate	Total	Legal Services Hours	Rate	Total
CF from State Highway Fund	6,580	\$75.71	\$498,172	6,580	\$75.71	\$498,172	6,580	TBD	PENDING

Risk Management - General Insurance

The Department is requesting \$2,871,052 in cash funds for Risk Management and General Insurance costs. This request is an increase of \$337,781 in cash funds from the current year appropriation.

Staff's recommendation is pending the approval of a committee policy for this line item. Staff asks permission to make the corresponding adjustments in the Department's appropriation when the Committee approves this common policy. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

Workers' Compensation

CDOT is requesting an appropriation of \$537,629 for Workers' Compensation in FY 2012-13. A majority of the Department's employees are contained in the non-appropriated section of the budget, so this request reflects only a small portion of the Department's total workers' compensation costs.

Staff's recommendation is pending the approval of a committee policy for this line item. Staff asks permission to make the corresponding adjustments in CDOT's appropriation when the Committee approves this common policy. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

Administration Total Reversions to the State Highway Fund

CDOT has reverted significant cash funds spending authority the past three years (see table below) for Administration. The Department's cash funds revert to the State Highway Fund and are available for construction projects the following year. The reversions through FY 2009-10 were largely the result of hiring freezes at the Department and management changes to reduce operating expenses (for example, strictly limiting in-state travel). CDOT added some staff after the hiring freeze expired, and the JBC approved a reduction in FTE for FY 2010-11. These actions eliminated some of the Department's "empty spending authority." Staff believes that CDOT manages its appropriations within the Administration line item responsibly and does not recommend further reductions.

Reversion / (Overexpenditure)

	FY 2008-09	FY 2009-10	FY 2010-11
Funds	\$1,912,796	\$3,167,819	\$1,590,193
FTE	24.3	26.5	14.2

(2) CONSTRUCTION, MAINTENANCE AND OPERATIONS

Description: These funds are appropriated by the Transportation Commission. The moneys pay for work performed by CDOT staff and its contracting partners to (1) repair and reconstruct the state highway system and to keep it in safe working order; (2) provide safety education; (3) provide flexible funding for cost-saving initiatives such as Intelligent Transportation Systems; (4) increase highway capacity; (5) pass funding through to other governmental units such as airports, local governments, and transit providers as formula or discretionary grants; and (6) pay for annual debt service for highway and bridge projects. Staff recommends that FTE, funding, and associated letternotes continue to be shown in the Long Bill for informational purposes.

Request: The Department's request includes funds totaling \$997,744,664 and 3,126.5 FTE for FY 2012-13, and is based on the following projections by the Department:

- \$585,319,815 cash funds, including the Department's estimated share of Highway Users Tax Fund revenues, local cash funds (local contributions to state highway projects that are given to the State to accelerate the completion of projects that are high priorities for local governments or as a match for federal grants); Division of Aeronautics funding, and other department revenues including several different types of permit fees and interest earnings;
- \$3,015,804 internal cash funds (now classified as reappropriated funds); and
- \$409,409,045 in anticipated federal funds.

***Recommendation:* Staff recommends inclusion of an informational appropriation of \$997,744,664 and 3,126.5 FTE for the Construction, Maintenance and Operations line item.**

This recommendation is based on the Department's projected revenues as included in the November 1, 2011 request. Staff requests permission to adjust the line item's informational appropriation to reflect the Department's projection of State Highway Fund revenues after accounting for the final appropriation to Administration (including currently pending line items).

(3) HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

Description: This section, created in S.B. 09-108, replaces the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310. In addition to taking over the responsibilities of the former Statewide Tolling Enterprise, the High Performance Transportation Enterprise was

established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. The section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes on Interstate 25. Because these revenues are continuously appropriated to the Department, the amounts are shown in the Long Bill for information purposes only.

Request: For FY 2012-13, the Department requests \$2,500,000 cash funds and 4.0 FTE for the operation of the High Performance Transportation Enterprise. This dollar amount represents the Department's estimate of revenue from the HOV Express Lanes for FY 2011-12. The additional FTE represent the hiring of an Executive Director for the Enterprise as well as support staff.

***Recommendation:* Staff recommends inclusion of an informational appropriation of \$2,500,000 cash funds spending authority and 4.0 FTE for FY 2012-13.**

(4) FIRST TIME DRUNK DRIVING OFFENDER ACCOUNT

Description: The General Assembly created the First Time Drunk Driving Offender Account, a subaccount within the Highway Users Tax Fund, with the enactment of H.B. 08-1194. The legislation made the account subject to annual appropriation and this line item was created in the FY 2009-10 Long Bill.

The line item uses increased fees to reinstate drivers' licenses following drunk driving convictions (from \$60 to \$90) to fund additional high visibility drunk driving enforcement events. Prior to the passage of H.B. 08-1194, which became effective during FY 2008-09, the Department had conducted an average of seven high visibility events per year. These events were funded out of DUI fines paid into the Law Enforcement Assistance Fund (LEAF) for the Prevention of Drunken Driving created in Section 43-4-401, C.R.S. House Bill 08-1194 directs the Department to conduct a total of 12 high visibility events per year, an increase of five events per year over the previous average. It is critical to note, however, that not all of the moneys used to fund these 12 high visibility events comes from this line item. The Department also receives about \$1 million in reappropriated funds from the Department of Public Safety each year for this purpose. Thus, the 12 high visibility events actually cost about \$2 million annually. Overtime costs for local law enforcement officials drive this cost.

The Department partners with the Colorado State Patrol and with local law enforcement agencies for the high visibility events. The program funds overtime expenses at local law enforcement agencies to increase enforcement efforts for defined periods of time, for example over holiday weekends. Local agencies apply to CDOT to receive funding and participate, and the Department targets areas with elevated enforcement needs. Program expenses also include advertising to inform the public of upcoming and ongoing enforcement events in an effort to prevent individuals from driving drunk in the first place, as well as costs to reach out to law enforcement agencies.

Request: For FY 2012-13, the Department requests \$1,000,000 cash funds from the First Time Drunk Driving Offenders Account, equal to the FY 2011-12 appropriation.

***Recommendation:* Staff recommends the Department's request of \$1,000,000 cash funds from the First Time Drunk Driving Offender Account in FY 2012-13.**

(5) STATEWIDE BRIDGE ENTERPRISE

Description: This line item was created by S.B. 09-108. It is funded through the bridge safety surcharge on vehicle registrations set forth in Section 43-4-805 (5) (g) (I), C.R.S. The fee schedule is graduated by weight and phased in over the course of three fiscal years, FY 2009-10 to FY 2010-11. Use of these funds requires the approval of the Statewide Bridge Enterprise Board. The Enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and as either structurally deficient or functionally obsolete. The Enterprise has the authority to issue revenue bonds and borrow funds from the Transportation Commission to be repaid from bridge safety surcharge revenues. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. Because the revenues are continuously appropriated to the Department, the amounts are shown in the Long Bill for informational purposes only.

Request: For FY 2012-13, the Department requests \$93,026,477 cash funds, reflecting the Department's estimate of revenues to the Statewide Bridge Enterprise.

***Recommendation:* Staff recommends the Committee reflect the Department's request for an informational appropriation of \$93,026,477 cash funds spending authority for FY 2012-13, reflecting the Department's anticipated revenues for the Bridge Enterprise.**

**FY 2012-13 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF TRANSPORTATION

APPENDIX A: FOOTNOTES AND REQUESTS FOR INFORMATION

The Department did not have any Long Bill footnotes in FY 2011-12, and staff does not recommend any new footnotes in FY 2012-13.

Staff recommends the continuation of the following request for information.

- 1 Department of Transportation, Administration** -- The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow calculation for Option 8 purposes. PERA and Medicare should also be provided by the individual section or office. Additionally, the Department should include subtotals for salary and FTE for each of the offices within the Administration line item information currently supplied.

Staff recommends continuation of the following request for information (as amended below) to explain the Department's requested changes for the FY 2012-13 budget request.

- 2 Department of Transportation, Administration** -- The Department is requested to submit, with the November 1, ~~2011~~ 2012 budget request, decision items for any changes made within the Administration program line during either FY ~~2010-11~~ 2011-12 or FY ~~2011-12~~ 2012-13 that the Department wishes to have recognized during the FY ~~2012-13~~ 2013-14 figure setting process.

**FY 2012-13 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF TRANSPORTATION

**APPENDIX B: PROPOSED CASH FUND TRANSFER FROM THE STATE RAIL BANK
FUND FOR BUDGET BALANCING PURPOSES IN FY 2012-13**

Because CDOT receives no General Fund appropriations and the majority of its cash funds are constitutionally protected from transfer to the General Fund, the Department generally presents limited options to balance a General Fund shortfall. However, as part of the governor's FY 2012-13 budget proposal, the Department has requested budget authority and the associated statutory authorization to transfer \$9,356,000 from the State Rail Bank Fund into the General Fund in FY 2012-13. This is the amount of revenue that resulted from the sale of the state-owned Towner Rail Line. Background on this sale and the proposed transfer is presented below along with a staff recommendation for Committee action.

Background

The General Assembly can choose to allocate General Fund dollars to the State Rail Bank Fund to be used for purposes required to carry out the acquisition of abandoned railroads. H.B. 98-1395 authorized CDOT to acquire the "Towner Line" and allocated \$10.2 million to the State Rail Bank Fund for that purpose. In December 2005, CDOT selected the Victoria and Southern Railroad (V&S) to purchase the line for \$10.9 million. The purchase agreement stipulated a down payment of \$1.5 million that was collected at the contract initiation with a balance of \$9.4 million due in six years (December 2011). The Towner Line's closing took place on October 4, 2011. Funds received from the sale were deposited in the State Rail Bank by the State Treasurer as required by Section 43-1-1305 (4) (c) (II), C.R.S.

Governor Request

The Governor has requested that the Committee run a bill to provide the Department with budgetary authority and the associated statutory authority to transfer \$9.4 million in sale proceeds from the State Rail Bank Fund to the General Fund for FY 2012-13. Pursuant to Section 43-1-1309, C.R.S., moneys in the State Rail Bank Fund may only be used for the acquisition, maintenance, improvement, or disposal of rail lines or railroad rights-of-way. Therefore, transferring these moneys would require a statutory change. Sale proceeds will remain in the State Rail Bank Fund and accrue interest if no action is taken because unlike most of CDOT's funding, State Rail Bank funds are not continuously appropriated to the Department.

Proposal to Abandon the Towner Line

CDOT had hoped that V&S would continue to provide rail service after its purchase; however, the Department has received a letter of intent to abandon the Line. CDOT maintains the right of first refusal to purchase the Towner Line and associated rights of way through May 9, 2012. If the Department exercises this right, it would be required to pay the lesser of: the purchase price paid by

V&S plus documented capital improvements made by V&S to the line, plus eight percent interest compounded annually; or the net salvage of the line at the time CDOT intends to sell all or part of the line. In both cases, the Department would be required to pay significantly more than V&S bought the Line for in 2005 (about \$14 million).

Budgetary Impact

At the state level, these moneys would assist the General Assembly with balancing the FY 2012-13 budget. If the transfer request is denied, the budget as requested by the governor will be out of balance by \$9.4 million and the General Assembly will have to find a commensurate amount of funding elsewhere to assist with balancing the budget in FY 2012-13. Additionally, while staff is not aware of any effort to re-acquire the Towner Line, the Department would have to seek a late supplemental if the General Assembly were to have CDOT re-purchase it. Under this scenario, about \$4.6 million in General Fund would be required if the sale proceeds are not transferred and about \$14 million in General Fund would be required if the money is transferred.

Staff Recommendation

Staff recommends that the Committee sponsor a bill to provide the Department with budget authority and the associated statutory authority to transfer \$9,356,000 from the State Rail Bank Fund to the General Fund for FY 2012-13.

**FY 2012-13 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF TRANSPORTATION

**APPENDIX C: COMMITTEES OF REFERENCE SMART ACT RECOMMENDATION
LETTERS FOR THE DEPARTMENT**

State Representative
GLENN VAAD
P.O. Box 411
Mead, Colorado 80542-0411
Capitol: 303-866-2943
Home: 970-535-4908
Cell: 970-397-5551
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Chairman:
Transportation Committee
Member:
Agriculture, Livestock, and
Natural Resources Committee
Appropriations Committee
House Services Committee

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

February 1, 2012

Representative Cheri Gerou
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative Gerou:

The SMART Act allows committees of reference to make formal recommendations to the Joint Budget Committee (JBC) regarding state departments' budgets, based on the committee's hearings with their assigned departments. The House Transportation Committee met on February 1, 2012, to discuss recommendations to the JBC per the SMART Act. At its meeting, the committee made no recommendations regarding the Department of Transportation.

Sincerely,

Representative Glenn Vaad, Chair
House Transportation Committee

- c: Joint Budget Committee Members
House Transportation Committee Members
Donald Hunt, Executive Director, Department of Transportation
Kurt Morrison, Legislative Liaison, Department of Transportation
John Ziegler, Staff Director, Joint Budget Committee
Kelli Kelty, Legislative Council Staff



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Senate
State of Colorado
Denver

TRANSPORTATION COMMITTEE
CHAIR

EDUCATION COMMITTEE
VICE-CHAIR

February 1, 2012

Representative Cheri Gerou
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative Gerou:

The SMART Act allows a committee of reference to make formal recommendations to the Joint Budget Committee (JBC) regarding state departments' budgets, based on the committee's hearings with their assigned departments. The Senate Transportation Committee met on January 31, 2012, to discuss recommendations to the JBC per the SMART Act. At its meeting, the committee voted to support the Colorado Department of Transportation budget as submitted.

Sincerely,

A handwritten signature in blue ink that reads "Sen. Evie Hudak".

Senator Evie Hudak, Chair
Senate Transportation Committee

- c: Joint Budget Committee Members
Senate Transportation Committee Members
Don Hunt, Executive Director, Colorado Department of Transportation
Kurtis Morrison, Legislative Liaison, Colorado Department of Transportation
John Ziegler, Staff Director, Joint Budget Committee
Kori Donaldson, Legislative Council Staff

05-Mar-12

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