

# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



### **FY 2007-08 STAFF FIGURE SETTING: DEPARTMENT OF TRANSPORTATION**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

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**FY 2007-08 Department of Transportation  
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	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation	Change Request
<b>DEPARTMENT OF TRANSPORTATION</b>						
<b>Russell George, Executive Director</b>						

**(1) DIVISION OF AERONAUTICS**

This Division works with local airports to improve state air transportation planning, operations and safety. H.B. 06-1244 transferred appropriation authority for the Division of Aeronautics administrative budget from the General Assembly to the Transportation Commission. Beginning with FY 2007-08, the Division's budget will be included in the Construction, Maintenance and Operations Line Item Total.

<b>TOTAL</b>	<b>14,845,145</b>	<b>19,216,589</b>	<b>18,046,460</b>	<b>0</b>	<b>0</b>	<b>-100.0%</b>
<b>FTE</b>	<b><u>7.9</u></b>	<b><u>7.9</u></b>	<b><u>8.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>(8.0)</u></b>
Cash Funds	12,500,217	15,266,389	17,771,460 /S	0	0	-100.0%
FTE	5.0	5.0	5.0	0.0	0.0	(5.0)
Cash Funds Exempt	2,125,332	3,681,549	0	0	0	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	219,596	268,651	275,000	0	0	-100.0%
FTE	2.9	2.9	3.0	0.0	0.0	(3.0)

/S Supplemental adjustments to this line item include a reduction of (\$628) for Workers' Compensation and a reduction of (\$2,659) for Vehicle Lease Payments.

The Legislature has not yet taken action on the supplemental appropriations bill for the Department.

**(2) 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 Operations line.

**Transportation Commission**

Personal Services	91,690	82,328	95,316	88,017	96,135	
FTE	1.3	1.0	1.0	1.0	1.0	
Operating Expenses	97,081	99,602	117,602	117,602	<u>117,602</u>	
<b>Subtotal - Transportation Commission</b>	<b>188,771</b>	<b>181,930</b>	<b>212,918</b>	<b>205,619</b>	<b>213,737</b>	
FTE	1.3	1.0	1.0	1.0	1.0	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation	Change Request
<b>Office of the Executive Director</b>						
Personal Services	334,893	339,402	347,231	378,773	352,906	
FTE	3.0	3.2	3.0	3.0	3.0	
Operating Expenses	65,163	50,940	66,452	68,452	<u>66,452</u>	
<b>Subtotal - Executive Director</b>	400,056	390,342	413,683	447,225	419,358	
FTE	3.0	3.2	3.0	3.0	3.0	
<b>Office of Government Relations (previously Policy)</b>						
Personal Services	392,777	388,629	510,709	546,857	519,442	
FTE	5.7	5.1	7.0	7.0	7.0	
Operating Expenses	43,065	59,360	41,446	61,514	<u>41,446</u>	
<b>Subtotal - Office of Government Relations</b>	435,842	447,989	552,155	608,371	560,888	
FTE	5.7	5.1	7.0	7.0	7.0	
<b>Office of Public Relations (previously Public Information)</b>						
Personal Services	442,410	484,432	487,203	528,145	489,645	
FTE	6.7	7.0	7.0	7.0	7.0	
Operating Expenses	142,828	107,726	138,013	133,013	<u>138,013</u>	
<b>Subtotal - Office of Public Relations</b>	585,238	592,158	625,216	661,158	627,658	
FTE	6.7	7.0	7.0	7.0	7.0	
<b>Office of Information Technology</b>						
Personal Services	2,725,597	2,599,381	2,902,379	2,909,435	2,924,533	
FTE	33.9	31.7	34.7	33.7	33.7	
Operating Expenses	335,939	303,007	315,008	338,008	<u>315,008</u>	
<b>Subtotal - Office of Information Technology</b>	3,061,536	2,902,388	3,217,387	3,247,443	3,239,541	
FTE	33.9	31.7	34.7	33.7	33.7	
<b>Office of Financial Management &amp; Budget</b>						
Personal Services	509,428	522,316	581,071	605,719	590,717	
FTE	5.4	6.1	6.0	6.0	6.0	
Operating Expenses	40,763	21,950	45,363	38,363	<u>45,363</u>	
<b>Subtotal - Office of Financial Mgmt. &amp; Budget</b>	550,191	544,266	626,434	644,082	636,080	
FTE	5.4	6.1	6.0	6.0	6.0	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation	Change Request
<b>Office of Accounting</b>						
Personal Services	1,724,005	1,872,465	1,862,955	1,862,955	1,868,842	
FTE	31.6	32.9	33.0	33.0	33.0	
Operating Expenses	99,041	94,364	107,869	107,869	<u>107,869</u>	
<b>Subtotal - Office of Accounting</b>	1,823,046	1,966,829	1,970,824	1,970,824	1,976,711	
FTE	31.6	32.9	33.0	33.0	33.0	
<b>Chief Engineer and Region Directors</b>						
Personal Services	1,370,002	1,407,864	1,413,203	1,513,772	1,435,894	
FTE	16.7	16.5	15.0	15.0	15.0	
Operating Expenses	249,758	225,945	272,161	272,628	<u>272,161</u>	
<b>Subtotal - Chief Engineer and Region Directors</b>	1,619,760	1,633,809	1,685,364	1,786,400	1,708,055	
FTE	16.7	16.5	15.0	15.0	15.0	
<b>Human Resources and Administration</b>						
Personal Services	4,918,045	5,308,398	5,676,643	6,075,190	5,705,153	
FTE	106.4	104.1	105.5	106.5	106.5	
Operating Expenses	1,524,504	1,515,314	1,603,034	1,561,934	<u>1,603,034</u>	
<b>Subtotal - Human Resources &amp; Administration</b>	6,442,549	6,823,712	7,279,677	7,637,124	7,308,187	
FTE	106.4	104.1	105.5	106.5	106.5	
<b>Division of Audit</b>						
Personal Services	614,232	658,688	723,168	638,770	733,414	
FTE	7.3	7.5	7.5	7.5	7.5	
Operating Expenses	16,879	26,421	33,290	33,290	<u>33,290</u>	
<b>Subtotal - Division of Audit</b>	631,111	685,109	756,458	672,060	766,704	
FTE	7.3	7.5	7.5	7.5	7.5	
<b>SUBTOTAL - Administration</b>	<u>15,738,100</u>	<u>16,168,532</u>	<u>17,340,116</u>	<u>17,851,132</u>	<u>17,456,919</u>	Request vs. Appropriation <u>2.9%</u>
Personal Services	13,123,079	13,663,903	14,599,878	15,118,459	14,716,681	3.6%
FTE	218.0	215.1	219.7	219.7	219.7	0.0
Operating Expenses	2,615,021	2,504,629	2,740,238	2,732,673	2,740,238	-0.3%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation	Change Request
<b>Miscellaneous Administration Accounts</b>						
Statewide Indirect Costs						
State Highway Funds	1,484,064	966,913	1,302,235	812,653	812,653	
Legal Services	265,154	218,935	445,927	445,927	Pending	
Risk Management - General Insurance	2,186,413	983,812	3,374,875 S	2,812,433	Pending	
Workers' Compensation	357,831	360,509	316,968 S	410,157	Pending	
						Request vs. Appropriation
<b>Subtotal - Miscellaneous</b>	4,293,462	2,530,169	5,440,005	4,481,170	812,653	-17.6%
<b>Centrally Appropriated Personal Services</b>						
Salary Survey Increases	390,640	408,864	336,248	533,671	Pending	
Performance-based Pay Awards	0	0	0	124,620	Pending	
Shift Differential	33,309	31,394	26,647	27,665	27,665	
Health/Life/Dental	468,994	509,384	653,436	1,022,047	840,530	
Short Term Disability	17,138	17,364	18,780	14,621	16,820	
S.B. 04-257 Amortization Equalization Disbursement	N/A	N/A	93,899	58,224	155,265	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	0	0	0	0	32,346	
						Request vs. Appropriation
<b>Subtotal - Central Pots</b>	910,081	967,006	1,129,010	1,780,848	1,072,626	57.7%
Administration - Subtotal	<u>20,941,643</u>	<u>19,665,707</u>	<u>23,909,131</u>	<u>24,113,150</u>	<u>19,342,198</u>	
Personal Services	13,123,079	13,663,903	14,599,878	15,118,459 /a	14,716,681	
Operating & Travel	2,615,021	2,504,629	2,740,238	2,732,673	2,740,238	
Miscellaneous	4,293,462	2,530,169	5,440,005	4,481,170	812,653	
Central Pots	910,081	967,006	1,129,010	1,780,848	1,072,626	
						Request vs. Appropriation
<b>TOTAL - Administration</b>	20,941,643	19,665,707	23,909,131	24,113,150	19,342,198	0.9%
FTE	218.0	215.1	219.7	219.7	219.7	0.0

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		
	Actual	Actual	Appropriation	Request	Recommendation	Change Request
Internal Cash Funding ICF (Print Shop) (CFE)	1,277,693	1,313,143	1,452,724	1,482,326 /a	1,452,724	
FTE	13.6	12.3	15.0	13.0	13.0	
Request vs. Appropriation						
<b>APPROPRIATED LEVEL - ADMINISTRATION</b>	<b>20,944,343</b>	<b>19,665,787</b>	<b>23,909,131</b>	<b>24,113,150</b>	<b>19,342,198</b>	<b>0.9%</b>
FTE	<u>218.0</u>	<u>215.1</u>	<u>219.7</u>	<u>219.7</u>	<u>219.7</u>	<u>0.0</u>
State Highway Funds (CFE)	19,666,650	18,352,644	22,456,407	22,630,824 /a	17,889,474	0.8%
FTE	204.4	202.8	204.7	206.7	206.7	2.0
Internal Cash Funds (CFE)	1,277,693	1,313,143	1,452,724	1,482,326 /a	1,452,724	2.0%
FTE	13.6	12.3	15.0	13.0	13.0	(2.0)

/a Includes base 0.2% personal services reduction per November 1, 2006 request.

### (3) CONSTRUCTION, MAINTENANCE, AND OPERATIONS

Includes non-appropriated revenues to the Transportation Commission, which consists of eleven members responsible for formulating state policy with respect to the management, construction, and maintenance of state highways and transportation systems; advising and making recommendations relative to transportation policy; and adopting budget and programs. These totals represent non-appropriated funds. State, federal, and local funds for highway construction are split between this line and the Administration line.

Construction and Maintenance & Operations	1,011,784,442	1,235,949,603	983,967,951	1,009,248,292	1,009,248,292
FTE	<u>3,073.5</u>	<u>3,073.5</u>	<u>3,079.5</u>	<u>3,096.3</u>	<u>3,096.3</u>
CF - Local Funds	6,945,969	5,940,076	58,312,954	67,994,902	67,994,902
Cash Funds Exempt - SHF	561,260,676	767,861,448	510,658,132	499,836,251	499,836,251
Federal Funds	443,577,797	462,148,079	414,996,865	441,417,139	441,417,139

### (4) GAMING IMPACTS - CF

This program provides for construction and maintenance of roads related to increased traffic in communities with limited gaming activities.

Gaming Impacts Total	<u>0</u>	<u>0</u>	<u>5,259,411</u>	<u>14,292,757</u>	<u>14,292,757</u>	DI # 1: Gaming
Cash Funds	0	0	5,259,411	14,292,757	14,292,757	
Cash Funds Exempt	0	0	0	0	0	

### (5) STATEWIDE TOLLING ENTERPRISE

This program was created pursuant to S.B. 02-179 and H.B. 02-1310 and is reflected for informational purposes only.

Tolling Enterprise Total	<u>675,340</u>	<u>1,936,386</u>	<u>4,200,000</u>	<u>4,200,000</u>	<u>4,200,000</u>
Cash Funds - Tolling Cash Funds	<u>0</u>	<u>0</u>	<u>0</u>	800,000	800,000
Cash Funds Exempt	675,340	1,936,386	4,200,000	3,400,000	3,400,000

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08		
	Actual	Actual	Appropriation	Request	Recommendation	Change Request

**TOTAL - DEPARTMENT OF TRANSPORTATION  
APPROPRIATED AND NON-APPROPRIATED**

						Request vs. Appropriation
<b>DEPARTMENT TOTALS</b>	<b>1,048,249,270</b>	<b>1,276,768,365</b>	<b>1,035,382,953</b>	<b>1,051,854,199</b>	<b>1,047,083,247</b>	<b>1.6%</b>
FTE	<u>3,299.4</u>	<u>3,296.5</u>	<u>3,307.2</u>	<u>3,316.0</u>	<u>3,316.0</u>	<u>8.8</u>
Cash Funds	19,446,186	21,206,465	81,343,825	83,087,659	83,087,659	2.1%
Cash Funds Exempt	585,005,691	793,145,170	538,767,263	527,349,401	522,578,449	-2.1%
Federal Funds	443,797,393	462,416,730	415,271,865	441,417,139	441,417,139	6.3%



# DEPARTMENT OF TRANSPORTATION

## FIGURE SETTING FOR FY 2007-08

### JBC WORKING PAPERS - DECISIONS SUBJECT TO CHANGE

#### (1) DIVISION OF AERONAUTICS

The cash funds that support these line items are generated from a 2.9 percent sales tax on commercial jet fuel, a 6 cents per gallon excise tax on aviation gas, and a 4 cents per gallon excise tax on non-commercial jet fuel. These revenues are put into the Aviation Cash Fund and are used for administrative costs of the Division, and for formula refunds and discretionary grants. By law, no more than five percent of revenues into the Aviation Fund may be used for administrative costs. To assist local airports, the Division also distributes surplus airfield equipment, military equipment, and CDOT maintenance equipment.

H.B. 06-1244 (Hall/Owen), transferred appropriation authority for the Division of Aeronautics administrative budget from the General Assembly to the Transportation Commission. As a result of this legislation, the Division of Aeronautics budget will be included as part of the Construction, Maintenance and Operations line item of the Department. **The Committee does not need to take action on this division.**

#### (2) ADMINISTRATION

This line item was created by Section 43-1-113 (2) (III), C.R.S., and includes the salaries and expenses for the office and programs that follow. This line item is a "program" line, which gives the Department the discretion to move funds from personal services to operating and also from one program in the line to another. Statutes limit the Administration line item expenditures to five percent of the total Department of Transportation budget. While the majority of the Administration line item is funded from the State Highway Fund, if an administrative service is for the direct benefit of a specific highway project, or if it benefits highway construction projects in general, the Department may charge for that administrative service. Therefore, construction projects assist in paying the overhead administrative costs those projects incur.

##### Administration

This line item provides administrative support for more than three thousand FTE that work for the Department statewide. The Department is requesting an appropriation of \$24,113,150 cash funds exempt, including several statewide common policy items, and 219.7 FTE for this line item. This represents a 0.9 percent increase from last year's base appropriation, and is 2.3 percent of the Department's total request. This requested amount remains well within the statutory requirement that the Administration line not exceed 5 percent of the Department's total budget.

*Committee Policy Calculation.* Staff calculates the recommended continuation appropriation level

using FY 2007-08 Committee approved common policies for personal services calculations and operating expenses. Based on the Committee approved common policy, staff uses the Department's FY 2006-07 base appropriation of \$23,909,131 (this amount includes FY 2006-07 supplementals for risk management and workers' compensation. The Committee has already taken action on these supplementals), and builds the personal services line item based on the previously approved Option 8 methodology. To date, several common policy amounts have yet to be determined by the Committee, **therefore staff recommendation for the continuation appropriation level for the Administration program line is still pending.** Staff also notes that **due to the flexibility the Department has to move funds with a single program line item, the staff recommendation will in most cases not match the Department's request.** As discussed above, staff uses last year's long bill appropriations by division, as calculated by staff, and applies any salary increases and the Committee approved base reduction to arrive at a personal services recommendation. The Department on the other hand, makes decisions, subsequent to figure setting, to build more FTE and contract services amounts in the respective personal services lines. For that reason, the Department's request will in most cases be more than the staff recommendation.

Staff has discussed this issue with the Department at length. Staff and the Department disagree with each other's methodology for inflating the personal services and operating line items for the Department's Administration Long Bill line item. Staff believes that following the Department's methodology of using the actual Department estimate of allocations for personal services as the starting base for figure setting inflates the line item at a faster rate than following the current Committee approved Option 8 methodology, which uses last year's appropriated amount as the starting point. The Department states that staff's methodology is burdensome and does not allow the Department to fully utilize the flexibility it believes a program line would otherwise allow. **Staff recommends using the current Committee approved methodology for calculating the Department's personal services line items. Staff recommends that the Department submit a decision item if it wishes to address this issue and re-adjust the funding for each individual division in the Department's Administration Long Bill line item.**

*Historic Revenue Compared to Appropriations for the Administration Program.* Staff notes that appropriation for the Administration Program has fluctuated with 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, through S.B. 97-1, through specific Capital Construction Fund appropriations, and through the two-thirds share of any excess General Fund reserve; (2) proceeds received via the voter-approved TRAns bonding program; and (3) general economic growth/stagnation, which has historically increased the amount of gas tax revenues available for highway purposes and recently decreased due to economic downturns and increase in the price of gasoline; (4) payments for workers' compensation, risk management, salary increases, indirect costs, and health insurance contributions have contributed to fluctuations in the appropriated amount for Administration depending on the year.

**Construction, Maintenance, and Operations Actual Expenditures  
Administration Program Line Appropriations**

	FY 2001-02	FY 2002-03	FY2003-04	FY2004-05	FY2005-06
<b>C.M.O</b>	<b>\$1,288,574,710</b>	<b>\$1,185,336,578</b>	<b>\$1,199,448,835</b>	<b>\$1,014,804,710</b>	<b>\$1,235,949,603</b>
Change		-8.0%	1.2%	-15.4%	21.8%
<b>Admin.</b>	<b>\$21,705,724</b>	<b>\$21,846,514</b>	<b>\$22,541,748</b>	<b>\$21,929,552</b>	<b>\$23,909,131</b>
Change		0.6%	3.2%	-2.7%	9.0%
FTE*	219.7	219.7	220.7	219.7	219.7

\* Administration Program Line appropriated FTE.

**Current Appropriation vs. Request**

	FY 2006-07 Appropriation	FY 2007-08 Request
Construction, Maintenance, and Operations	\$983,967,951*	\$1,009,248,292**
Administration	\$23,909,131	\$24,113,150
FTE (Administration)	219.7	219.7

\*Does not include latest projections from S.B. 97 - 1 and H.B. 02 - 1310.

\*\*Includes approximately \$105.7 million from S.B. 97 - 1.

The table on the following page details the estimated appropriation levels for the Administration program line offices, and the current approved common policy amounts that are included in the calculation of the recommended appropriation for the Administration line item for the Department.

**Administration "Program Line" Recommendation Summary**

	<b>Base Continuation</b>	<b>Base Reduction at 1.0 and 1.5%</b>	<b>Recommendation</b>	<b>Request</b>
<b>Option 8 Calculations:</b>				
Trans. Commission	97,106	(971)	<b>96,135</b>	
EDO	356,471	(3,565)	<b>352,906</b>	
Government Relations	524,689	(5,247)	<b>519,442</b>	
Public Relations	494,591	(4,946)	<b>489,645</b>	
Information Technology	2,969,069	(44,536)	<b>2,924,533</b>	
Finance/Budget	596,684	(5,967)	<b>590,717</b>	
Accounting	1,897,302	(28,460)	<b>1,868,842</b>	
Chief Engineer/Region Directors	1,450,398	(14,504)	<b>1,435,894</b>	
Human Resources and Admin.	5,792,034	(86,881)	<b>5,705,153</b>	
Audit	740,822	(7,408)	<b>733,414</b>	
<b>Total Option 8</b>	<b>14,919,166</b>	<b>(202,485)</b>	<b>14,716,681</b>	15,118,459
Operating			<b>2,740,238</b>	2,732,673
Statewide Indirects			<b>812,653</b>	812,653
Legal Services			<b>Pending</b>	445,927
Risk Management			<b>Pending</b>	2,812,433
Workers' Compensation			<b>Pending</b>	410,157
Salary Survey			<b>Pending</b>	533,671
Performance-based Pay			<b>Pending</b>	124,620
Shift Differential			<b>27,665</b>	27,665
Health, Life, Dental			<b>840,530</b>	1,022,047
Short-term Disability			<b>16,820</b>	14,621
S.B. 04-257 AED			<b>155,265</b>	58,224
S.B. 06-235 SAED			<b>32,346</b>	0
<b>Administration Total</b>			<b>19,342,198</b>	24,113,150

**Transportation Commission**

The State Transportation Commission consists of 11 members appointed by the Governor and confirmed by the Senate. Staff assist the Commission in their duties to establish policy with regard to highway maintenance, highway construction, adopting Department budgets, managing surface transportation, and influencing state transportation policy.

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommendation</b>
General Professional	1.0	1.0	1.0	1.0
<b>Total</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

***Personal Services***

The Department is requesting an appropriation of \$88,017 and 1.0 FTE for this line.

**The staff recommendation is for \$96,135 and 1.0 FTE.** The recommendation was calculated in accordance with Committee policy including a 1.0 percent base reduction. This recommendation reflects Committee policy for personal services calculation.

***Operating Expenses***

The Department is requesting an appropriation of \$117,602 for the operating expenses of the Transportation Commission office.

**The staff recommendation is for \$117,602** for operating expenses calculated in accordance with Committee policy.

**Office of the Executive Director**

The Executive Director is responsible for all planning and program activities of the Department. This includes working with federal, state, and local agencies to develop, construct, and maintain an integrated, intermodal transportation system.

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommendation</b>
Executive Director	1.0	1.0	1.0	1.0
Deputy Director	1.0	1.0	1.0	1.0
Program Assistant	1.0	1.0	1.0	1.0
<b>Total</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

***Personal Services***

The request is for an appropriation of \$378,773 and 3.0 FTE.

**Staff recommends \$352,906 and 3.0 FTE.** The recommendation was calculated in accordance with Committee policy including a 1 percent base reduction. This recommendation reflects Committee policy for personal services calculation.

***Operating Expenses***

The request is for an appropriation of \$68,452.

**The recommendation is for an appropriation of \$66,452,** calculated in accordance with Committee policy. Staff notes that the Committee did not approve a common policy change to operating line items. Instead the Committee approved inflation factors for departments that have non-incident food and medical expenses. Staff were directed to evaluate each individual request for an increase in an operating line item. The Department did not submit a decision item requesting an increase or re-calculation of its operating line items within the Administration Long Bill line item.

**Office of Government Relations**

The Office of Government Relations was created by the Transportation Commission to assist the Commission and the Executive Director in developing policies and procedures for the Department, including policies related to highway construction and maintenance projects. The Office also coordinates federal and state legislative liaison activities, and provides policy and analytical support for Department decisions.

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Management	2.0	2.0	2.0	2.0
Analysts – Gen. Professional	2.1	4.0	4.0	4.0
Admin Assistant	1.0	1.0	1.0	1.0
<b>Total</b>	<b>5.1</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

***Personal Services***

The Department is requesting an appropriation of \$546,857 and 7.0 FTE.

**The staff recommendation is \$519,442 and 7.0 FTE.** The recommendation was calculated in accordance with Committee policy including a 1 percent base reduction.

***Operating Expenses***

The Department is requesting an appropriation of \$61,514 for operating expenses.

**The staff recommendation is \$41,446,** calculated in accordance with Committee policy. Staff notes that the Committee did not approve a common policy change to operating line items. Instead the Committee approved inflation factors for departments that have non-incident food and medical expenses. Staff were directed to evaluate each individual request for an increase in an operating line

item. The Department did not submit a decision item requesting an increase or re-calculation of its operating line items within the Administration Long Bill line item.

**Office of Public Relations**

This office assists the Executive Director in providing information to and interacting with the media, government officials, and the public. This office provides information related to road closures, accidents, weather conditions, and highway construction and delays, and other related information. The office also works closely with the Office of Transportation Safety to publicize safety issues and provide media exposure to important Department campaigns.

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Office Manager	1.0	1.0	1.0	1.0
Administrative Support	3.0	3.0	3.0	3.0
Public Info. Specialist – Gen. Professional	3.0	3.0	3.0	3.0
<b>Total</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

***Personal Services***

The request is for an appropriation of \$528,145 and 7.0 FTE.

**The staff recommendation is \$489,645 and 7.0 FTE for this program.** The recommendation was calculated in accordance with Committee policy including a 1 percent base reduction.

***Operating Expenses***

The request is for an appropriation of \$133,013 for operating expenses.

**The staff recommendation is \$138,013,** which was calculated in accordance with Committee policy. The Department did not submit a decision item requesting a re-calculation of its operating line items within the Administration Long Bill line item.

**Office of Information Technology**

This office was separated out of the Division of Human Resources and Administration to bring it into closer involvement with the Executive Director's Office. This office is responsible for providing the computing communications infrastructure for the Department. This includes providing computing support for the Department's financial management, project engineering, highway maintenance, traffic operations and personnel functions.

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Management	1.0	1.0	1.0	1.0

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Prog./Admin. Assistant	2.7	4.7	4.7	4.7
IT Professionals	27.0	28.0	27.0	27.0
Specialists	1.0	1.0	1.0	1.0
<b>Total</b>	<b>31.7</b>	<b>34.7</b>	<b>33.7</b>	<b>33.7</b>

***Personal Services***

The request is for an appropriation of \$2,909,435 and 33.7 FTE.

**The staff recommendation is \$2,924,533 and 33.7 FTE for this program.** The recommendation was calculated in accordance with Committee policy including a 1.5 percent base reduction. Staff notes that the department is reflecting a shift of one FTE from Information Technology to Human Resources and Administration.

***Operating Expenses***

The request is for an appropriation of \$338,008 for operating expenses.

**The staff recommendation is \$315,008,** which was calculated in accordance with Committee policy. The Department did not submit a decision item requesting a re-calculation of its operating line items within the Administration Long Bill line item.

**Office of Financial Management and Budget**

This office coordinates the Department's budget process, forecasts revenues, manages federal funds, and prepares the budget for all Department organizations. This office also develops the Statewide Transportation Improvement Plan (STIP), a financially constrained, 5-year state transportation planning document. Finally, this office analyzes pending legislation which has a fiscal impact on the Department.

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Management	2.0	2.0	2.0	2.0
Budget Analyst	3.0	3.0	3.0	3.0
Program Assistant	1.1	1.0	1.0	1.0
<b>Total</b>	<b>6.1</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

***Personal Services***

The request is for an appropriation of \$605,719 and 6.0 FTE.

**The staff recommendation is \$590,717 and 6.0 FTE.** The recommendation was calculated in



accordance with Committee policy including a 1 percent base reduction.

***Operating Expenses***

The request is for an appropriation of \$38,363 for operating expenses.

**The staff recommendation is for a continuation appropriation of \$45,363**, calculated in accordance with Committee policy. The Department did not submit a decision item requesting a re-calculation of its operating line items within the Administration Long Bill line item.

**Office of Accounting**

The Accounting Office used to be part of the Human Resources and Administration Division. Starting with FY 2007-08, the Department has reorganized and has combined the Office of Financial Management and Budget with the Office of Accounting to create the Division of Accounting and Finance. The organization has not changed the functions of the office, it is responsible for timely and accurate payments to public and private vendors. In addition, the office is responsible for expeditious billing and collection of all receivables due to the Department, including reimbursements to the State from the federal and local governments for highway construction.

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommendation</b>
Controller	1.0	1.0	1.0	1.0
Accountant	14.0	14.0	14.0	14.0
Accounting Technician	13.0	13.0	13.0	13.0
Administrative Assistant	4.9	5.0	5.0	5.0
<b>Total</b>	<b>32.9</b>	<b>33.0</b>	<b>33.0</b>	<b>33.0</b>

***Personal Services***

The request is for an appropriation of \$1,862,955 and 33.0 FTE.

**The staff recommendation is \$1,868,842 and 33.0 FTE.** The recommendation was calculated in accordance with Committee policy including a 1.5 percent base reduction.

***Operating Expenses***

The request is for an appropriation of \$107,869 for operating expenses.

**The staff recommendation is for a continuation appropriation of \$107,869**, calculated in accordance with Committee policy.

### **Chief Engineer and Region Directors**

The Chief Engineer for Highway Operations and Maintenance, the Chief Engineer for Engineering Design and Construction, the six Regional Transportation Directors, and related clerical and administrative assistants are contained in this program office. These staff direct all design, construction, and maintenance activities, as well as interacting with various federal, state, local, and private organizations to accomplish program goals and responsibilities.

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommendation</b>
Chief & Deputy Engineers	2.0	2.0	2.0	2.0
Regional Transportation Directors	6.0	6.0	6.0	6.0
Administrative Support	8.5	7.0	7.0	7.0
<b>Total</b>	<b>16.5</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

### ***Personal Services***

The request is for \$1,513,772 and 15.0 FTE for Highway Administration.

**The staff recommendation is \$1,435,894 and 15.0 FTE.** The recommendation was calculated in accordance with Committee policy including a 1 percent base reduction. The recommendation reflects continuation workload of the Chief Engineer and the six districts in maintaining the State Highway System, project design, engineering, and management.

### ***Operating Expenses***

The request is for an appropriation of \$272,628 for operating expenses.

**The staff recommendation is for \$272,161** pursuant to Committee policy.

### **Human Resources and Administration**

This Division is responsible for internal services including procurement, administrative services, personnel, reproduction, Equal Opportunity hiring, Equal Opportunity Business programs, Americans with Disabilities Act programs, and operating and maintenance of Department buildings and facilities, and computer/information systems management.

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommendation</b>
Director's Office	2.2	2.0	4.0	4.0
Reproduction	12.3	13.0	13.0	13.0
Procurement	10.0	12.0	12.0	12.0
Administrative Services	5.8	7.0	7.0	7.0

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Human Resources	23.8	26.0	26.0	26.0
Center for Equal Opportunity	4.6	6.0	6.0	6.0
Facilities Management	39.4	33.0	33.0	33.0
Training & Organizational Development	6.0	6.5	5.5	5.5
<b>Total</b>	<b>104.1</b>	<b>105.5</b>	<b>106.5</b>	<b>106.5</b>

***Personal Services***

The request is for an appropriation of \$6,075,190 and 106.5 FTE. The Division of Human Resources and Administration includes the Center for Printing and Visual Communications, which provides reproduction services, issuance of RFPs and design plans to support the construction program, and the making of road signs. Since this work is done for various programs within the Department, as well as for other state agencies, this office is entirely funded with internal cash funds (cash revenues transferred from other divisions within the Department and from other state agencies).

Staff notes that the department is reflecting a shift of one FTE to Human Resources and Administration from Information Technology.

**The staff recommendation is \$5,705,153 and 106.5 FTE.** The recommendation was calculated in accordance with Committee policy including a 1.5 percent base reduction.

***Operating Expenses***

The request is for an appropriation of \$1,561,934 for operating expenses.

**The staff recommendation is \$1,603,034.** The Department did not submit a decision item requesting a re-calculation of its operating line items within the Administration Long Bill line item.

**Division of Audit**

The Division of Audit is responsible for performing internal audits, external audits on persons entering into contracts with the Department, financial audits, audits required by the federal government, performance audits, and special studies as requested by the Transportation Commission. Under Section 43-1-106 (12 ) (e), C.R.S., this Division reports directly to the Transportation Commission.

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Audit Manager	1.0	1.0	1.0	1.0
Auditors	5.0	5.0	5.0	5.0
IT Professional	1.0	1.0	1.0	1.0

	FY 2005-06 Actual	FY 2006-07 Appropriation	FY 2007-08 Request	FY 2007-08 Recommendation
Administrative Support	0.5	0.5	0.5	0.5
<b>Total</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>

***Personal Services***

The request is for an appropriation of \$638,770 and a continuing level of 7.5 FTE.

**The staff recommendation is \$733,414 and 7.5 FTE.** The recommendation was calculated in accordance with Committee policy including a 1 percent base reduction.

***Operating Expenses***

The request is for an appropriation level of \$33,290 for operating expenses.

**The staff recommendation is \$33,290** calculated in accordance with Committee policy.

**Miscellaneous Administration Accounts**

**Statewide Indirect Costs**

The Department is requesting \$812,653 for the appropriated share of its statewide indirect cost allocation. Also, an additional statewide indirect cost assessment of \$684,354 in cash funds exempt paid from the State Highway Fund is included in the Transportation Commission controlled Construction, Maintenance, and Operations line. Federal highway funds are prohibited under federal law from being used to pay statewide indirect costs.

**Staff recommendation is for the requested amount of \$812,653 for the appropriated share of statewide indirect costs.** This total also reflects the Committee policy based on the statewide indirect cost allocation plan for FY 2007-08.

**Legal Services**

The Department is requesting an appropriation of \$445,927 for legal service hours. This represents a continuation of last year's level, 6,580 hours.

**Staff recommendation is for the requested level of 6,580 legal services hours.** The Department'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.**

DEPARTMENT OF TRANSPORTATION, ADMINISTRATION - Legal Services									
	FY 2006-07 Appropriation			FY 2007-08 Request			FY 2007-08 Recommendation		
	Legal Services Hours	Rate	Total	Legal Services Hours	Rate	Total	Legal Services Hours	Rate	Total
Base Budget	6,580	\$67.77	\$445,927	6,580	\$67.77	\$445,927	6,580	TBD	TBD
<b>TOTAL - CFE</b>	<b>6,580</b>	<b>\$67.77</b>	<b>\$445,927</b>	<b>6,580</b>	<b>\$67.77</b>	<b>\$445,927</b>	<b>6,580</b>	<b>TBD</b>	<b>PENDING</b>

**Risk Management - General Insurance**

The Department is requesting \$2,812,433 for Risk Management and General Insurance costs.

**Staff recommendation is pending the approval of a Committee policy for this line item.**

**Workers' Compensation**

The Department is requesting an appropriation of \$410,157 for Workers' Compensation costs. 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 recommendation is pending the approval of a Committee policy for this line item.**

**Centrally Appropriated Personal Services**

**Salary Survey Increases**

The request is for \$533,671 in salary survey increases for Administration. This amount represents the Department's November 1 request.

**Staff recommendation is pending the approval of a Committee policy for this line item.**

**Performance-Based Pay Awards**

The request is for \$124,620 in performance pay increases for Administration. This amount represents the Department's November 1 request.

**Staff recommendation is pending the approval of a Committee policy for this line item.**

**Shift Differential**

The request is for \$27,665 for shift differential.

**Staff recommends the Department's request of \$27,665 based on previously approved Committee policy.**

### **Health/Life/Dental**

The request is for an appropriation of \$1,022,047 for health, life, and dental insurance costs. This request represents the Department's November 1 request. Since that time, due to additional data the Department has recalculated its request.

**Staff recommends an appropriation of \$840,530 for the Health, Life, and Dental Insurance amount contained in the Administration Program line.** This is pursuant to previously approved Committee policy for this line.

### **Short Term Disability**

The request is for \$14,621 to provide for the Short Term Disability costs.

**Staff recommends an appropriation of \$16,820 for Short Term Disability costs.** This recommendation was calculated using Committee policy for short-term disability costs.

### **S.B. 04-257 Amortization Equalization Disbursement**

The request is for an appropriation of \$58,224 to fund this PERA-based adjustment.

**Staff recommends \$155,265 pursuant to Committee common policy for this line.**

### **S.B. 06-235 Supplemental Amortization Equalization Disbursement**

The Department did not have a request for this line item. The Committee voted to create this line item in Department's executive director offices to reflect new statutory requirements contained in S.B. 06-235.

**Staff recommends the Committee fund \$32,346 pursuant to Committee common policy for this line item.**

### **Internal Cash Funding**

This line represents internal funds derived from work performed by the Center for Printing and Visual Communications for both Department reproduction and sign production, as well as for similar work performed for other state agencies. The Department is requesting \$1,482,326 and 13.0 FTE of Administration Program costs be funded through internal cash funding. The requested level reflects personal services and operating costs of the Center for Printing and Visual Communications.

**Staff recommends continuation funding levels for this line item from FY 2006-07. Staff recommendation is for a total of \$1,452,724 and the Department's reduced 13.0 FTE. Of this amount, \$748,237 is for Personal Services and \$704,487 is for Operating Expenses.**

### (3) CONSTRUCTION, MAINTENANCE AND OPERATIONS

These funds are appropriated by the Transportation Commission. Staff recommends that FTE, funding, and associated lettered notes continue to be shown in the Long Bill for informational purposes. This amount will change once all pending items have been finalized by the Transportation Commission, and will reflect the most recent revenue estimates available. The final Transportation Commission approved budget will be adopted in April. This request is for funds totaling \$1,023,541,049 and 3,096.3 FTE. This request is based on the following projections by the Department:

1. \$67,994,902 local cash funds
2. \$441,417,139 in anticipated federal funds
3. \$499,836,251 cash funds exempt per estimated share of the Highway User's Tax Fund
4. \$14,292,757 in decision item request for Limited Gaming Fund dollars

The cash funds are from local contributions to state highway projects, and are given to the State to accelerate the completion of a project which is of high priority to a local government. Cash funds are also generated by miscellaneous fees and revenues.

Staff notes that the Department estimates show that of the \$500 million cash funds exempt, approximately \$100 million will be from Senate Bill 97-1 transfers. The Department is budgeting \$0 in prior year excess reserves (H.B. 02-1310). This projection is based on the Department's November 1, 2006 budget request and does not include more recent revenue projections from Legislative Council and the Office of State Planning and Budgeting.

**Staff recommends inclusion of \$1,023,541,049 and 3,096.3 FTE for the Construction, Maintenance and Operations line item.** This recommendation is based on the Department's projected revenues, and includes the decision item request for Limited Gaming funds.

Below are two tables summarizing the December 2006 Legislative Council and OSPB Revenue Forecasts. Staff notes that the two forecasts illustrate the difference in assumption methodology.

**Based on LCS Forecast\***  
**December 2006 Revenue Estimate**  
**Transportation Funding (GF Diversions)**  
**Five Year Projection**  
**(in millions)**

	07	08	09	10	11	Totals
<b>Capital**</b>	\$15.0	\$20.0	\$20.0	\$20.0	\$20.0	\$95.0
<b>S.B. 97-1</b>	231.3	241.1	252.4	265.0	277.8	1,267.6
<b>Gaming***</b>	5.3	14.3	0.0	0.0	0.0	19.6
<b>H.B. 02-1310</b>	291.2	113.0	116.1	133.0	121.1	774.4
<b>Totals</b>	\$542.8	\$388.4	\$388.5	\$418.0	\$418.9	\$2,156.6

\* Taken from JBC staff January 16, 2007 Memo: "December 2006 Revenue Forecast and FY 2006-07 Supplemental Summary". Based on Legislative Council December 2006 Revenue Estimate. The estimate includes bills passed during the 2006 Session and Special Session, Governor's actions, 2006 1331 Supplemental Requests, and January 2007 Supplemental Requests.

\*\* Based on Legislative Council Staff March 2006 Projections. JBC has taken action on FY 06-07 only.

\*\*\* Pursuant to Section 12-47.1-701 (c) (I), C.R.S., the General Assembly shall determine and appropriate an amount as a separate line item to be transferred to the State Highway Fund for Gaming Impacts. Staff has included the amount appropriated for FY 06-07 and the Department's request for FY 07-08. Staff has not included an amount for each year after FY 2007-08 because the General Assembly makes a determination on a year-by-year basis.

**Based on OSPB Forecast\***  
**December 2006 Revenue Estimate**  
**Transportation Funding (GF Diversions)**  
**Five Year Projection**  
**(in millions)**

	07	08	09	10	11	Totals
<b>Capital**</b>	\$15.0	\$20.0	\$20.0	\$20.0	\$20.0	\$95.0
<b>S.B. 97-1</b>	228.3	132.9	92.6	42.7	0.0	496.5
<b>Gaming***</b>	5.3	14.3	0.0	0.0	0.0	19.6
<b>H.B. 02-1310</b>	291.2	0.0	0.0	0.0	0.0	291.2
<b>Totals</b>	\$539.8	\$167.2	\$112.6	\$62.7	\$20.0	\$902.3

\* Taken from JBC staff January 16, 2007 Memo: "December 2006 Revenue Forecast and FY 2006-07 Supplemental Summary". Based on OSPB December 2006 Revenue Estimate. The estimate includes bills passed during the 2006 Session and Special Session, Governor's actions, 2006 1331 Supplemental Requests, and January 2007 Supplemental Requests.

\*\* Based on Legislative Council Staff March 2006 Projections. JBC has taken action on FY 06-07 only.

\*\*\* Pursuant to Section 12-47.1-701 (c) (I), C.R.S., the General Assembly shall determine and appropriate an amount as a separate line item to be transferred to the State Highway Fund for Gaming Impacts. Staff has included the amount appropriated for FY 06-07 and the Department's request for FY 07-08. Staff has not included an amount for each year after FY 2007-08 because the General Assembly makes a determination on a year-by-year basis.



#### **(4) GAMING IMPACTS**

**Background.** Since it began in Colorado in 1991, limited gaming has caused pavement, congestion, and safety problems for highways that were not intended to support the large traffic increases in gaming communities. Gaming communities are found within three transportation regions: Region 1 (Blackhawk/Central City), Region 2 (Cripple Creek), and Region 5 (Southwest Colorado). Pursuant to Section 12-47.1-701 (1) (c) (I), C.R.S., the Department may annually request funds from the 50 percent share of the Limited Gaming Fund year-end balance that is transferred to the General Fund, in order to partially pay for highway construction and maintenance in the vicinity of Colorado's gaming communities. Each year the Department calculates an estimate of the percentage of gaming and non-gaming traffic along gaming corridors, then allocates costs accordingly between Gaming Fund and the Transportation Commission in order to determine how much to request from the Limited Gaming Fund.

#### **Background**

In 1994 the General Assembly enacted S.B. 94-60 (later amended by S.B. 97-27) in order to be able to provide additional funding for limited gaming related road repairs. The enacted legislation allows the Department of Transportation to request annually Limited Gaming Funds for transportation needs attributable to limited gaming.

Section 12-47.1-701(1), C.R.S., reads as follows:

(c) At the end of each state fiscal year, the state treasurer shall distribute the balance remaining in the limited gaming fund, except for an amount equal to all expenses of the administration of this article for the preceding two-month period, according to the following guidelines:

(I) Fifty percent shall be transferred to the state general fund or such other fund as the general assembly shall provide, including the state highway fund. The general assembly shall determine and appropriate an amount as a separate line item to be transferred to the state highway fund.

Section 43-1-220(1), C.R.S., reads as follows:

(c) (I) The limited gaming fund. The receipts from the limited gaming fund shall be segregated from other receipts paid into the state highway fund.

(II) In accordance with the provisions of section 12-47-701 (1) (c) (I), C.R.S., the receipts from the limited gaming fund are to be used on public roads and highways leading to and within fifty-mile radius of any limited gaming community for:

(A) Any proposed or anticipated transportation needs attributable to limited gaming;  
and

(B) Any reimbursement for emergency repairs and modifications attributable to limited gaming that the department has performed during the previous fiscal year.

- **Decision Item #1 - Limited Gaming Fund Request**

For FY 2007-08, the Department is requesting \$14,292,757 in Limited Gaming funds to

perform additional needed construction and maintenance activities, in order to address factors including safety (widening and rock fall mitigation), mobility (congestion), and system quality (pavement) on gaming roads in the vicinity of Colorado's gaming communities. The requested funding would be matched with \$12,766,031 in Commission funding. For the last three fiscal years, the Committee has approved gaming funds only once in FY 2006-07.

The Department has indicated that if the Gaming Fund request is not approved, it still expends its planned share of funding toward the gaming highways, and either reduces its level of service provided for the gaming highways or must reallocate maintenance funds from other projects within the particular region to make up the difference. This, in turn, delays other maintenance projects on non-gaming highways and roads.

Per statute, monies from the Limited Gaming Fund are used for the costs of administration and operations of the Gaming Commission and Division of Gaming. After those obligations are met, 50 percent of the remaining balance is distributed to the General Fund, less any General Assembly appropriated funding for allowed miscellaneous Gaming related requests from other state agencies, including the Department of Transportation. Therefore, these requests when approved reduce the General Fund share from the Limited Gaming Fund.

The following table shows the increase in traffic on State highways near gaming communities. The table portrays a significant increase in traffic between 1991 and 2000 and a steady flow after 2000.

**Traffic Increases on State Highways Near Gaming Communities**

Annual Average Daily Traffic								
Highway	Pre-Gaming 1991	2000	2001	2002	2003	2004	2005	Percent Change 91-05
S.H. 119/U.S. 6 Jct.	3,050	16,078	17,343	18,070	17,393	17,400	14,500	
Percent Change		0.0%	7.9%	4.2%	(3.7)%	0.0%	(16.7)%	375.4%
S.H. 67	2,587	5,764	5,897	5,633	5,662	5,600	5,700	
Percent Change		0.0%	2.3%	(4.5)%	0.5%	(1.1)%	1.8%	120.3%
S.H. 24	7,050	16,524	17,033	18,120	16,689	16,700	16,700	
Percent Change		0.0%	3.1%	6.4%	(7.9)%	0.1%	0.0%	136.9%
S.H. 160	4,556	6,521	6,461	6,456	6,520	6,600	6,700	
Percent Change		0.0%	(0.9)%	(0.1)%	1.0%	1.2%	1.5%	47.1%

**Proposed Projects from Request**

The table below summarizes the projects that the Department requests to fund.

## FY2007-08 Proposed Gaming/State Highway Fund Expenditures

Proposed Expenditures by Region	Gaming Funds	State Highway Funds	Total
<b>Region 1 (Black Hawk/Central City)</b>			
S.H. 119 - Widening from 2 to 4 lanes:			
Phase 1 - Right-of-way	\$450,000	\$50,000	\$500,000
- Design	\$3,150,000	\$350,000	\$3,500,000
Safety improvements on S.H. 119: curve straightening, addition of pullouts, & shoulder improvements	\$4,320,000	\$480,000	\$4,800,000
Safety improvements on S.H. 6: curve straightening, addition of pullouts & shoulder improvements	\$2,100,000	\$2,100,000	\$4,200,000
Area highway maintenance	\$277,136	\$879,085	\$1,156,221
<b>Sub-total</b>	<b>\$10,297,136</b>	<b>\$3,859,085</b>	<b>\$14,156,221</b>
<b>Region 2 (Cripple Creek)</b>			
S.H. 67 Corridor: S.H. 67, drainage improvements, additional signing and HMA paving of pullouts at various locations along S.H. 67			
	\$500,000	\$500,000	\$1,000,000
S.H. 67at County Road 61, Rainbow Valley Road intersection preliminary engineering and design and shelf	\$500,000	\$500,000	\$1,000,000
Area Highway Maintenance	\$625,985	\$2,007,111	\$2,633,096
<b>Sub-total</b>	<b>\$1,625,985</b>	<b>\$3,007,111</b>	<b>\$4,633,096</b>
<b>Region 5 (Southwest Colorado)</b>			
U.S. 160, passing lanes - design, survey, and right-of-way	\$163,000	\$525,000	\$688,000
U.S. 550 State Line North - capacity and safety improvements	\$2,000,000	\$4,800,000	\$6,800,000
Area Highway Maintenance	\$206,636	\$574,835	\$781,471
<b>Sub-total</b>	<b>\$2,369,636</b>	<b>\$5,899,835</b>	<b>\$8,269,471</b>
<b>Grand Total</b>	<b>\$14,292,757</b>	<b>\$12,766,031</b>	<b>\$27,058,788</b>
	<b>52.8%</b>	<b>47.2%</b>	<b>100.0%</b>

The following table shows a breakdown of the Limited Gaming Fund by distribution source. Included in this table is the Department of Transportation distribution request for FY 2007-08.

Limited Gaming Fund Distribution	Percent of Tot.	FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Projected	FY 07-08 Projected
State Historical Society	28%	\$25,872,417	\$26,020,457	\$28,041,290	\$28,563,668	\$29,390,647
Gilpin and Teller Counties	12%	11,088,179	11,151,624	12,017,696	12,241,431	12,595,992
Cripple Creek, Central City, Black Hawk	10%	9,240,149	9,293,020	10,014,747	10,201,192	10,496,660
<b>General Fund Maximum Share</b>	<b>50%</b>	<b>46,200,743</b>	<b>46,465,103</b>	<b>50,073,732</b>	<b>51,005,961</b>	<b>52,483,298</b>
Municipal Impact Fund	1.0%	0	0	0	0	0
Local Gov't Impact Fund <sup>a</sup>	13.0%	6,006,097	6,040,463	6,509,585	6,630,775	6,822,829
Co. Tourism Promotion Fund <sup>b</sup>		0	185,861	19,000,000	19,475,000	19,981,350
New Jobs Incentives Fund <sup>c</sup>		NA	NA	3,000,000	3,075,000	3,154,950
State Council on the Arts Fund <sup>d</sup>		NA	NA	1,500,000	1,537,500	1,577,475
Film Incentives Fund <sup>e</sup>		NA	NA	500,000	512,500	525,825
Bioscience Grant <sup>f</sup>		NA	NA	2,000,000	NA	NA
<b>CDOT</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>5,259,411</b>	<b>14,292,757</b>
<b>Credited to General Fund</b>		<b>40,194,646</b>	<b>40,238,779</b>	<b>17,564,147</b>	<b>14,515,775</b>	<b>6,128,112</b>
Total:	100%	\$92,401,488	\$92,930,204	\$100,147,465	\$102,012,252	\$104,966,597
Transportation Percent of Fund		0.0%	0.0%	0.0%	5.2%	13.6%
General Fund Percent of Fund		43.5%	43.3%	17.5%	14.2%	5.8%

<sup>a</sup> Per HB 06-1201 Section 5 (2) Local Government Impact Fund distribution percentage was changed to an aggregate total of thirteen percent. Prior to FY 2006, the distribution to this fund was 6.5 percent of the total General Fund Transfer.

<sup>b</sup> Per HB 06-1201 Section 4 (III) (A) Tourism Promotion Fund distribution became a set amount in FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the distribution to this fund was 0.2 percent of the total General Fund Transfer.

<sup>c</sup> Per HB 06-1201 Section 4 (III) (A) and Section 9 New Jobs Incentives Fund distribution became an established portion of the Limited Gaming Fund distribution to the General Fund with a set amount for FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the Limited Gaming Fund distribution did not include this fund.

<sup>d</sup> Per HB 06-1201 Section 4 (III) (A) and Section 7 State Council on the Arts Fund distribution became an established portion of the Limited Gaming Fund distribution to the General Fund with a set amount for FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the Limited Gaming Fund distribution did not include this fund.

<sup>e</sup> Per HB 06-1201 Section 4 (III) (A) and Section 8 Film Incentives Fund distribution became an established portion of the Limited Gaming Fund distribution to the General Fund with a set amount for FY 2006 that adjusts with inflation in future years. Prior to FY 2006, the Limited Gaming Fund distribution did not include this fund.

<sup>f</sup> Per HB 06-1360 Section 2 and Section 5 (a) Bioscience Grant distribution became an established portion of the Limited Gaming Fund distribution to the General Fund for FY 2006 only. According to this bill, no distribution shall be made in future years.

As the above table illustrates, if the Committee approves this decision item, the General Fund will receive \$14.3 million less from the balance of the Limited Gaming Fund. If the request is denied, the General Fund would retain an additional \$14.3 million of the balance of the Limited Gaming Fund for FY 2007-08.

**Staff recommends that the Committee approve the Department's request.**

## **(5) STATEWIDE TOLLING ENTERPRISE**

This is a line item added for the Department in the FY 2003-04 Long Bill in order to reflect the newly created division's funding for informational purposes.

This program was established pursuant to S.B. 02-179 and H.B. 02-1310. Under the program, the Department is authorized to create a Statewide Tolling Authority in order to oversee the finance, construction, operation, and maintenance of additional highway capacity. The Transportation Commission established this body on August 15, 2002, as a division within the Department. Under the provisions of this legislation, the Transportation Commission serves as the board of the authority, which is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues from grants from state and local governments. The Department indicates that tolling projects will be identified through the statewide transportation planning process.

The legislation created the Statewide Tolling Enterprise Special Revenue Fund for the deposit of tolls and other revenue. The revenue fund is continuously appropriated to the Tolling Enterprise and may only be used to pay for the administration, planning, financing, construction, operation, maintenance, or repair of toll highways or to pay for the Enterprise's operating costs and expenses.

In September 2002, the Commission authorized a \$1,000,000 transfer from the State Highway Fund to establish the Tolling Enterprise Operating Fund for the start-up costs of the enterprise. The majority of these funds have been used to fund a Traffic and Revenue Feasibility Study for potential toll projects, and for individual corridor environmental studies that coincide with the Feasibility Study. In addition, the funds have been used for staff time, a financial advisory contract, and legal services costs.

For FY 2005-06, the authority requested and was granted a second transfer of \$2,000,000 from the Transportation Commission. These funds were used to begin the procurement process for a toll collection system and construction for converting existing High Occupancy Vehicle (HOV) lanes along I-25 to High Occupancy Toll (HOT) lanes. The toll collection system will include electronic equipment, toll tag readers, software, and integration efforts to be interoperable with the existing toll collection systems on E-470 and the Northwest Parkway.

The Tolling Enterprise opened its first project, the North I 25 / Express Lanes, to the public in June of 2006.

To date, the Transportation Commission has authorized transfers to the Tolling Enterprise totaling \$7 million. These funds are to be used for start-up costs of the enterprise.

For FY 2007-08, the Tolling Enterprise has requested that of the \$4.2 million State Highway Funds transferred by the Transportation Commission to procure compatible toll technology and facilitate the next steps toward implementation of the first project, \$800,000 be listed as cash funds. This amount represents the Tolling Enterprise's estimate of revenue from the HOV Express Lanes for FY 2007-08.

**Staff recommends the Committee approve \$800,000 cash funds and \$3,400,000 cash funds exempt be reflected for the Tolling Enterprise for FY 2007-08.** Staff notes that these funds will be listed for information only.

## FOOTNOTES

**117 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.

Comment: *Staff recommends continuation of this footnote.* This footnote enables the legislature to more precisely determine and limit the amount of transportation funding that is spent on Administration, so that the maximum amount is spent on construction. The requested detail is reflected in the numbers pages, which break out the appropriations and actual expenditures for each of the ten major offices within the Administration line item. In addition to providing information useful in examining this large program line, the requested information is needed for figure setting purposes.

**118 Department of Transportation, Gaming Impacts** -- It is the intent of the General Assembly that these funds shall remain available until completion of the project or the close of FY 2008-09, whichever comes first. At project completion or the end of the three-year period, unexpended and unencumbered balances shall revert to the Limited Gaming Fund from which they were appropriated.

Comment: *If the Committee approves the Department's Limited Gaming request, Staff recommends continuation of this footnote and amending the fiscal year to FY 2010-11.* This footnote states the Legislature's intent that if any Limited Gaming funds appropriated to the Department are not spent within three years, the funds shall revert back to the General Fund.