



JOINT BUDGET COMMITTEE STAFF FY 2020-21 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Transportation

The Colorado Department of Transportation's (CDOT's) primary responsibility is the construction, maintenance, and operation of Colorado's state highway system under the policy direction of the eleven-member Transportation Commission, with additional responsibilities relating to aviation, transit, rail, and other modes of transportation. The Department's FY 2019-20 appropriation represents approximately 6.5 percent of statewide operating appropriations and 0 percent of statewide General Fund appropriations. Though CDOT does not receive General Fund appropriations, it does receive periodic transfers from the General Fund and other sources. Under current law, in FY 2020-21, CDOT will receive \$50 million from the General Fund due to S.B. 18-001 and at least \$500 million from lease purchase agreements authorized by S.B. 17-267.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	2,112,021,087	0	1,483,476,167	7,078,096	621,466,824	3,328.8
TOTAL	\$2,112,021,087	\$0	\$1,483,476,167	\$7,078,096	\$621,466,824	3,328.8
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$2,112,021,087	0	\$1,483,476,167	\$7,078,096	\$621,466,824	3,328.8
Revenue adjustments						
Revenue adjustment for the Bridge Enterprise	2,770,162	0	2,770,162	0	0	0.0
Revenue adjustment for the Administration Division and the Construction, Maintenance, and Operations Division	(100,952,038)	0	(100,952,038)	0	0	0.0
Reduced revenue available from the Multimodal Transportation Options Fund	(22,500,000)	0	(22,500,000)	0	0	0.0
Reduced revenue requested from Marijuana Tax Cash Fund	(1,000,000)	0	(1,000,000)	0	0	0.0
Revenue adjustment for the High Performance Transportation Enterprise	(342,700)	0	(342,700)	0	0	0.0
Total revenue change	(\$122,024,576)	\$0	(\$122,024,576)	\$0	\$0	0.0
Offsetting expenditure adjustments						
R1 Administration Efficiency Savings, effect in Administration Division	(1,124,675)	0	(1,124,675)	0	0	0.0
R1 Administration Efficiency Savings, effect in CM&O Division*	1,124,675	0	1,124,675	0	0	0.0
Net effect of offsetting adjustments	0	0	0	0	0	0.0
Non-offsetting expenditure adjustments						
None	0	0	0	0	0	0.0
TOTAL	\$1,989,996,511	\$0	\$1,361,451,591	\$7,078,096	\$621,466,824	3,328.8

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	(\$122,024,576)	\$0	(\$122,024,576)	\$0	\$0	0.0
Percentage Change	(5.8%)	n/a	(8.2%)	0.0%	0.0%	0.0%

DESCRIPTION OF REQUESTED CHANGES

CDOT's Long Bill budget request shows how projected CDOT revenues will be allocated among its divisions. When CDOT submitted its FY 2019-20 budget request in November 2018, the total amount requested was a forecast of the total amount of revenue that CDOT expected to receive in FY 2019-20. This budget request, submitted in November 2019, forecasts the amount of revenue CDOT will receive in FY 2020-21.

REVENUE ADJUSTMENTS

Revenue adjustment for the Bridge Enterprise. CDOT's forecast of FY 2020-21 revenues from bridge safety surcharge fees, which support the Bridge Enterprise, is higher than its November 2018 forecast of Bridge Enterprise revenue for FY 2019-20.

Revenue adjustment for the Administration Division and the Construction, Maintenance, and Operations Division. In November 2018, CDOT anticipated S.B. 17-267 would provide \$500,000,000 of revenue in FY 19-20 and S.B. 18-001 would provide another \$105 million for highways. In November 2019, CDOT it looks forward to unchanged SB 17-267, but it can't count on \$105 million for highways from another bill like S.B. 18-001. Thus most of this revenue adjustment is due to the end of S.B. 18-001 funding.

Reduced revenue available from the Multimodal Transportation Options Fund. In November 2018, CDOT anticipate that during FY 2019-20 S.B. 18-001 would provide \$22.5 million for multimodal transportation. In FY 2020-21 S.B. 18-001 will provide no further multimodal funding for CDOT.

Reduced revenue requested from Marijuana Tax Cash Fund. A year ago, CDOT requested a one-time appropriation of \$1.0 million from the Marijuana Tax Cash Fund for a one time spending boost for the First Time Drunk Driving Offenders Account program. That one-time money won't be repeated in FY 20-21.

OFFSETTING EXPENDITURE ADJUSTMENTS

These adjustments move expenditures from one division of the Long Bill to another without altering the Department total. They usually arise in the Administration Division and the Construction, Maintenance, and Operations Division, which depend on the same revenue sources, meaning that a spending increase in one will be offset by an equal spending decrease in the other.

R1 Administration Efficiency Savings. CDOT requests a reduction of \$1,124,675 cash funds for FY 2020-21 and subsequent years within the appropriated Administration Division line item, which represents a 5 percent reduction of spending on administrative activities that are paid from the State Highway Fund. The saving will be used to increase cash funds spending in the continuously appropriated Construction, Maintenance, and Operations Division by an offsetting amount.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R1 Administration Efficiency Savings: To increase funding for highway construction, maintenance, and operations, CDOT has identified \$25.5 million of reductions for its FY 2020-21 budget, of which \$1,124,675 is within the Administration Division. The resulting expenditure reductions will be directed to construction, maintenance and operations. Because most of the Department's state funds are continuously appropriated, the Department can implement most of these changes without approval of the General Assembly. However, since the Administration Division is annually rather than continuously appropriated, CDOT requests that the Administration appropriation be reduced by \$1,124,675 cash funds (5 percent) for FY 2020-21 and subsequent years.

Senate Bill 17-267 Update. Senate Bill 17-267 permits the State to enter into \$2 billion of lease-purchase agreements (Certificates of Participation or COP's) over the four years that began with FY 2018-19. That's \$500 million of COP's per year with all the proceeds in years 2 through 4 going to the Colorado Department of Transportation (CDOT). Colorado offered the first tranche of COP's in September, 2018, when it collateralized 25 buildings and received \$545.5 million in return, almost 10 percent more than expected. The second offering will probably occur in January 2020 and could again raise more than \$500 million. The State is still identifying properties for collateralization. A referred measure in S.B. 18-001 as amended by S.B. 19-263 would cancel the last two years of offerings if it passes at the polls in November 2020.

Performance Audit. In May 2019, the State Auditor released a multi-part [Performance Audit](#) of the Department of Transportation. The audit identified a number of reporting and process improvements CDOT can make in five areas: annual spending, budget transparency, fraud detection, construction debudgeting and closure, and master task order contracts. The Department is in the process of implementing all the auditor's recommendations. Implementation of the annual spending and budget recommendations will result in substantially improved Transportation-Commission budget documents that will more closely tie to the Department's Long Bill budget request, thus providing additional information on Long Bill appropriations.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2020-21_trabrf.pdf