



JOINT BUDGET COMMITTEE STAFF FY 2024-25 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Transportation

The Colorado Department of Transportation (CDOT) is primarily responsible for the construction, maintenance, and operation of Colorado's state highway system, with additional responsibilities relating to aviation, inter-regional bus service, transit, multimodal transportation, and other state transportation systems. Most policy and budget authority for the Department rests with the Transportation Commission, which is composed of eleven governor-appointed members who represent specific districts around the state. Department staff provide support to the Commission as it adopts budgets, establishes policies, and implements Commission decisions. The Department's FY 2022-23 appropriation represents approximately 4.6 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations. Though CDOT does not typically receive General Fund appropriations, it does receive occasional transfers from the General Fund and other sources.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
S.B. 23-214 (Long Bill)	\$1,797,535,671	\$500,000	\$958,557,897	\$5,528,096	\$832,949,678	3,327.0
Other legislation	(188,347)	0	(188,347)	0	0	1.5
TOTAL	\$1,797,347,324	\$500,000	\$958,369,550	\$5,528,096	\$832,949,678	3,328.5
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2024-25 revenue forecast compared to FY 2023-24 forecast						
CM&O revenue update	\$147,423,617	\$0	\$130,478,530	\$0	\$16,945,087	0.0
HPTE revenue update	33,897,254	0	33,897,254	0	0	0.0
Fuels Impact Enterprise	15,000,000	0	15,000,000	0	0	0.0
Bridge & Tunnel Enterprise revenue update	5,835,720	0	5,835,720	0	0	0.0
Air Pollution Enterprise revenue update	2,165,193	0	2,165,193	0	0	0.0
Clean Transit Enterprise revenue update	919,938	0	919,938	0	0	0.0
MMOF revenue update	11,257,350	0	11,257,350	0	0	0.0
Total revenue adjustments	\$216,499,072	\$0	\$199,553,985	\$0	\$16,945,087	0.0
FY 2024-25 revenue forecast	\$2,013,846,396	\$500,000	\$1,157,923,535	\$5,528,096	\$849,894,765	3,328.5
Offsetting revenue allocation adjustments						
Other common policy changes in Administration						
Admin impact	\$2,716,536	\$0	\$2,716,579	\$ (43)	\$0	0.0
CM&O impact	(2,716,536)	0	(2,716,579)	43	0	0.0
Total-compensation changes in Administration						
Admin impact	2,170,060	0	2,170,060	0	0	0.0
CM&O impact	(2,170,060)	0	(2,170,060)	0	0	0.0
Impact of offsetting changes in affected divisions						
Admin impact	4,886,596	0	4,886,639	(43)	0	0
CM&O impact	(4,886,596)	0	(4,886,639)	43	0	0

Net impact of offsetting expenditure adjustments	\$0	\$0	\$0	\$0	\$0	0.0
Non-offsetting expenditure adjustments						
Annualize prior year budget actions	\$ (2,000,000)	\$ (500,000)	\$ (1,500,000)	\$0	\$0	0
Annualize prior year legislation	41,569	0	41,569	0	0	0.0
Total non-offsetting expenditure adjustments	(\$1,958,431)	(\$500,000)	(\$1,458,431)	\$0	\$0	\$0
TOTAL	\$2,011,887,965	\$0	\$1,156,465,104	\$5,528,096	\$849,894,765	3,328.5
INCREASE/(DECREASE)						
Percentage Change	11.9%	n/a	20.7%	0.0%	2.0%	0.0%

* Admin refers to the Administration line item, and CM&O refers to the Construction, Maintenance, and Operations line item.

DESCRIPTION OF REQUESTED CHANGES

The Department is forecasting that its revenue will be \$216.5 million higher in FY 2024-25 than it thought its FY 2023-24 revenue would be in March 2023. To put it more succinctly, the change in CDOT's budget total equals the difference between this year's preliminary forecast of FY 2024-25 revenue and last year's forecast of FY 2023-2024 revenue.

REVENUE ADJUSTMENTS (FY 2024-25 REVENUE FORECAST COMPARED TO FY 2023-24 FORECAST)

CM&O (CONSTRUCTION, MAINTENANCE, AND OPERATIONS) REVENUE UPDATE: The request reflects an anticipated \$147.4 million net revenue increase for Construction, Maintenance, and Operations.

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE) REVENUE UPDATE: CDOT's forecast of FY 2024-25 revenues from user fees generated on corridors owned by the Enterprise is up \$33.9 million compared to the previous year due to new tolled lanes coming online.

Fuels Impact Enterprise: Senate Bill 23-280 creates an enterprise and a grant program, among other changes, to address hazardous materials transportation and vehicle emissions. The enterprise will impose a fuels impact reduction fee of up to 0.6125 cents per gallon of fuel on licensed fuel excise tax distributors and licensed fuel distributors. The bill increases state revenue from the new fee on fuel distributors by about \$14.5 million in FY 2023-24 and \$19.5 million in FY 2024-25. The fund is continuously appropriated to the enterprise, and the fund balance is limited to \$15 million.

BRIDGE AND TUNNEL ENTERPRISE REVENUE UPDATE: CDOT's current forecast of FY 2024-25 revenue from bridge safety surcharge fees is up \$5.8 million from its November 2022 forecast due primarily to increases in revenue from the bridge and tunnel impact fee imposed by S.B. 21-260 (Sustainability of the Transportation System).

AIR POLLUTION ENTERPRISE REVENUE: CDOT estimates the Nonattainment Area Air Pollution Mitigation Enterprise, created by Senate Bill 21-260, will collect \$2.2 million more from fees in FY 2024-25 than in FY 2023-24 (its second year of operation).

CLEAN TRANSIT ENTERPRISE REVENUE: CDOT estimates the Clean Transit Enterprise, created by S.B. 21-260, will collect \$919,938 more from clean transit retail delivery fees in FY 2024-25 than in FY 2023-24 (its second year of operation).

MULTIMODAL TRANSPORTATION AND MITIGATION OPTIONS FUND (MMOF) REVENUE UPDATE: The request includes an increase of \$11.3 million. Of the revenue to this fund, 85% is granted out to local entities and 15% is retained by the state. The state portion of MMOF funding is currently allocated to Bustang operations.

OFFSETTING REVENUE ALLOCATION ADJUSTMENTS

These adjustments move expenditures from one division of the Long Bill to another without altering the Department total. The FY 2024-25 request includes an increase of \$4.9 million cash funds for Administration, which will be offset by a reduction to Construction, Maintenance, and Operations. These offsetting expenditures include total-compensation and other common policy changes and non-prioritized requests originating in other departments.

NON-OFFSETTING EXPENDITURE ADJUSTMENTS

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a total reduction of \$1.9 million, including \$1.5 million from the First Time Drunk Driving Offender Cash Fund, \$500,000 from the CO Wildlife Safe Passages Fund Appropriation and \$41,569 from S.B. 23-172. Due to declining revenues and increased pressures on this funding, HB 23-1102 removed CDOT from this revenue stream and directed the Transportation Commission to allocate \$1.5 million to high-visibility enforcement from the State Highway Fund in future years.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: This issue discusses one-time funding allocated to the Department of Transportation and related programs during the 2021 and 2022 legislative sessions. The General Assembly provided \$290.4 million originating as state General Fund and \$343.5 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) during this timeframe.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2023.