

Final
STAFF SUMMARY OF MEETING
COMMITTEE ON JOINT TRANSPORTATION

Date: 12/10/2015

Time: **09:01 AM to 11:32 AM**

Place: HCR 0112

This Meeting was called to order by
Senator Baumgardner

This Report was prepared by
Matt Kiszka

ATTENDANCE

Becker J.	X
Buck	X
Carver	X
Cooke	X
Coram	X
Esgar	E
Garcia	E
Kraft-Tharp	X
Melton	E
Mitsch Bush	X
Moreno	*
Neville P.	X
Nordberg	X
Scott	X
Todd	E
Winter	X
Tyler	*
Baumgardner	X

X = Present, E = Excused, A = Absent, * = Present after roll call

Bills Addressed:	Action Taken:
Presentation from the Colorado Department of Transportation Pursuant to the	Witness Testimony and/or Committee Discussion Only
Presentation from the Public Utilities Commission Pursuant to Joint Rule 25	Witness Testimony and/or Committee Discussion Only

09:02 AM -- Presentation from the Colorado Department of Transportation Pursuant to the SMART Act

Senator Baumgardner, chair, called the meeting to order. He made opening comments and welcomed the Colorado Department of Transportation (CDOT) to the table. A packet of materials from Legislative Council Staff (LCS) was distributed to the committee (Attachment A), including an LCS memo on the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act, an Office of State Planning and Budgeting publication on SMART Act performance management in Colorado, and a Joint Budget Committee budget briefing document for CDOT.

Shailen Bhatt, Executive Director, and Josh Laipply, Chief Engineer, CDOT, came to the table to present to the committee. Documents pursuant to the SMART Act were distributed to the committee by CDOT, including a copy of the department's presentation (Attachment B), the department's 2015-16 performance plan (Attachment C), the department's regulatory agenda (Attachment D), and two budget requests (Attachment E). Director Bhatt began his presentation, saying that CDOT has a "three peaks" (technology, people, system) strategy for making the organization the best DOT in the country. He spoke to why many DOTs in the country are currently financially challenged, pointing to slides 3 and 4 of his presentation. Director Bhatt stated that the federal gas tax brings in \$500 million a year for transportation spending in Colorado, and the state gas tax brings in \$300 million. He said CDOT has identified that it needs \$805 million per year to maintain state transportation infrastructure assets. Mr. Bhatt discussed CDOT wants and needs, and the lack of funding to cover both. He said that CDOT has a \$1 billion a year overall shortfall in funding for the next 20 years.

Mr. Laipply discussed CDOT's performance plan for FY 2015-16. He discussed CDOT's strategic policy initiatives, which include safety, travel time reliability, pavement condition, and maintenance. Mr. Laipply and Mr. Bhatt responded to questions on why traffic fatalities have risen in Colorado in the last 5 years, noting that the state is seeing population growth, and more deaths in the overall population from distracted driving. He noted that Colorado also does not have a primary seat belt law, which usually leads to a decrease in fatalities. The CDOT representatives responded to questions on the passage of the 5-year federal transportation funding bill and how it will help Colorado. Mr. Bhatt discussed the advantages of long-term funding and how it can help a state plan ahead for its transportation infrastructure projects. Mr. Bhatt and Mr. Laipply responded to questions on additional funding from new federal authorization, whether the new funding is earmarked for specific projects, whether Colorado's toll roads are a source of revenue for the state, and revenue that could come in from enforcement of tolls.

09:24 AM

Mr. Bhatt and Mr. Laipply responded to questions on whether the state is considering a vehicle miles travelled (VMT) pilot study, if CDOT is expecting to add more toll roads in the state, and if CDOT has a plan for adding new lanes that will be tolled versus not tolled. The committee discussed concerns with a VMT approach to taxation of road users. Mr. Bhatt and Mr. Laipply responded to questions on whether the state gas tax and Funding Advancements in Surface Transportation and Economic Recovery (FASTER) fees will go away if VMT is implemented, and if CDOT is including commercial vehicles in its VMT pilot.

09:40 AM

The CDOT representatives responded to questions on the legality of the use of shoulder lanes as travel lanes on the state's highways, if a breakdown of the annual cost of maintenance for Colorado's major highways is available, and whether CDOT is able to consider having certain state roadways moved into the jurisdiction of municipalities or counties.

09:49 AM

Director Bhatt discussed RoadX, CDOT's new program that will bring technological advancement to Colorado's roadways (for more information see <https://www.codot.gov/programs/roadx>). Mr. Laipply discussed the pavement condition of Colorado's roads, the improvement of which is one of CDOT's other strategic initiatives. Director Bhatt spoke to legislative plans for transportation bonding (TRANS bonds), and how CDOT is concerned that legislation could move forward without dedicated funding to pay for the bonds. He stated that CDOT is not against the idea of bonding, just bonding without a payment plan that will require CDOT to use its maintenance dollars to repay the bonds.

Mr. Laipply spoke to travel time reliability, another strategic objective of CDOT. He said that the department is trying to make congestion predictable so that it can provide reliable estimates of travel time throughout the state. Director Bhatt discussed the bad congestion and imperfect roadways in Colorado that are leading to increased travel times, and how this will worsen over time.

Mr. Laipply discussed maintenance, CDOT's final strategic policy objective, which aims to make all of the state's transportation assets last as long as possible. He spoke to CDOT's asset management projects. Director Bhatt discussed the bills that CDOT is looking to bring forward in the 2016 legislative session, and its budget requests. He made final comments on Colorado's transportation infrastructure and transportation funding to the committee.

09:58 AM

The CDOT representatives responded to questions on how to get local buy-in for transportation infrastructure projects, road work being done on State Highway 43 through Glen Haven, CDOT's marijuana education program budget request, the resources that CDOT has devoted to its VMT study and whether the study was authorized by the legislature, how CDOT's new offices are being paid for, how CDOT defines a "want" versus a "need" for the state, concerns with CDOT's plans to put in new bike paths when areas of the state do not see them as a priority, how CDOT plans to repay the bonds it will issue for its new offices, how much it costs the state to use federal dollars due to regulations and administration, and whether this cost can be reduced. Committee discussion ensued.

10:22 AM

Discussion ensued on the state and local transportation infrastructure planning processes and how the state interacts with the federal government. Discussion also focused on CDOT's project approval process and how local governments have had issues with delays and lost paperwork. Discussion ensued on the ploughing of roads in certain areas of the state and how CDOT's work on this needs to be improved.

10:38 AM -- Presentation from the Public Utilities Commission Pursuant to Joint Rule 25

Joe Neguse, Executive Director, Department of Regulatory Agencies, and Doug Dean, Director, Public Utilities Commission (PUC), came to the table to present to the committee on the PUC, pursuant to Joint Rule 25 of the General Assembly. A copy of the PUC's presentation was distributed to the committee (Attachment F). Director Neguse made opening comments on the mission and goals of DORA and the PUC.

Director Dean provided an overview of the PUC and the value it provides to Colorado's citizens. He said the PUC is 100 percent cash funded and saves Colorado's constituents \$10.75 for every \$1.00 that funds the commission. Director Dean explained that the PUC is quasi-legislative and quasi-judicial, and balances the needs of investor-owned utilities (IOUs) to receive a fair rate of return with the needs of the utility customers to pay reasonable energy rates.

Director Dean explained the industries regulated by the PUC, noting that the rates of transportation network companies (TNCs) and the limousine industry are not regulated by the PUC. He said the PUC responds to consumer complaints and questions in regards to utilities. He introduced and discussed the PUC's commissioners and staff, as outlined in Attachment F. He explained how oversight of the Regional Transportation District (RTD) is also performed by the PUC, which then bills RTD for the oversight, per state law.

10:54 AM

Director Dean provided an overview of legislation that the PUC is bringing forward in 2016. He discussed some of the recent major cases of the PUC, including Black Hills Energy's request to build a wind farm and Boulder County's goal of creating a municipal utility. Director Dean responded to questions on the status of a case before it on High Cost Fund (HCF) support for telecommunications utilities.

Director Dean discussed the PUC's recent major rulemakings. He said rulemaking for TNCs had come about through collaboration between PUC staff and the TNCs, which was a new approach for the PUC that it plans to use going forward in rulemaking for taxi companies and other industries. He responded to a question on the PUC's role in local community expansion of broadband availability, stating that there is none.

11:05 AM

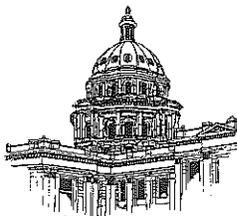
Director Dean discussed the challenges of the PUC, as seen on page 26 of the presentation, which include budgetary challenges and its annual workload. He responded to questions on the regulation of out of state vehicles being used to transport people from Denver International Airport to mountain resorts. Director Dean stated that these carriers do not fall under PUC regulation. He responded to questions on statutory changes made to Office of the Consumer Counsel (OCC) oversight, what happened to OCC cases after legislative changes made in the 2015 session, and whether the PUC needs legislation to be introduced to cover its costs.

Director Dean discussed rate case annual customer savings, and responded to questions on what the PUC is doing to ensure energy assistance for low-income customers.

At the request of the committee, Lynn Notarianni, Telecommunications Section Chief, came to the table to speak to the HCF for broadband deployment and the pending Century Link settlement case currently sitting before the PUC. She explained the details of the case and moneys to be received by Century Link if a ruling is found in its favor. She responded to questions on whether the PUC has considered moving HCF moneys to another fund, the potential results of its ruling in the current case, and whether mapping can be provided on broadband-competitive areas of the state.

11:31 AM

The committee was adjourned.



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Council
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MEMORANDUM

October 15, 2015

TO: Members of the General Assembly

FROM: Elizabeth Burger, Principal Research Analyst, 303-866-6272

SUBJECT: Committee of Reference SMART Government Act Hearings

Summary

This memorandum provides an overview of the provisions of the "State Measurement for Accountable, Responsive, and Transparent Government Act" (SMART Government Act). The act requires executive agencies to annually present specific information to joint legislative committees between November 1 and the first day of the legislative session (January 13 in 2016). This memorandum summarizes the information that state agencies are required to submit to committee in advance of the hearings and the requirements of the hearings.

State Agencies Must Submit Specific Information to Committees

State agencies must annually submit a performance plan and regulatory agenda to committees of reference. Departments are also required to annually submit their budgets for the upcoming fiscal year to the Joint Budget Committee.

Performance plan. The SMART Government Act requires state agencies to develop a performance plan. A performance plan is a document prepared by the department as part of a performance management system which incorporates the impact of management strategies and continuous process improvement activities on the costs and efficiency of delivering goods and services to taxpayers and customers of state government. The performance plan serves as a guide to the department's major functions and as a tool to evaluate performance goals over time. A performance plan must include:

- a statement of the department's mission or vision;
- a description of the department's major functions;
- performance measures for the department's major functions;
- performance goals that correspond to the department's performance measures and that extend at least three years into the future;
- a narrative description of the strategies necessary to meet the performance goals; and
- a summary of the department's most recent performance evaluation.

Departments must submit their performance plans to the Joint Budget Committee and the relevant joint committees of reference each July 1. Departments are also required to conduct performance evaluations and distribute them to the Joint Budget Committee at least twice each calendar year. Finally, a performance report for each department must be published each November 1.

Special requirements for certain agencies. In lieu of completing a performance plan, the Department of Higher Education will satisfy the requirements of the SMART Government Act through the master plan for postsecondary education maintained by the Colorado Commission on Higher Education (CCHE) and any performance contracts that the CCHE negotiates and enters into with the governing boards of state institutions of higher education.

The Public Employees' Retirement Association will satisfy the SMART Government Act's requirement to create a performance plan through the association's annual actuarial valuation report and its report to the Governor regarding the policies, financial condition, and administration of the association.

Regulatory agenda. Pursuant to the SMART Government Act, each department, with the exception of the Judicial Branch, is required to submit its regulatory agenda to its oversight committees. Annually on November 1, departments must submit their regulatory agendas to Legislative Council, which will distribute the regulatory agendas to the appropriate committees of reference. The regulatory agenda must contain:

- a list of new rules or revisions to existing rules that the department expects to propose in the next calendar year;
- the statutory or other basis for the adoption of the proposed rules;
- the purpose of the proposed rules;
- the contemplated schedule for the adoption of the rules;
- an identification and listing of persons or parties that may be affected by the rules; and
- a list and brief summary of all permanent and temporary rules actually adopted since the previous departmental regulatory agenda was filed.

Department budget submittal. State law requires state agencies to submit their budget requests for the upcoming fiscal year to the Joint Budget Committee each November 1.

Committee of Reference SMART Government Act Hearings

Between November 1 and the commencement of the following regular legislative session, committees of reference are required to conduct hearings with each state department. Committees must meet at least *once* and up to *three* times during this time period. Public testimony is allowed at each hearing. The hearings must include a presentation covering the department's:

- performance plan;
- regulatory agenda; and
- budget request and associated legislative agenda for the upcoming legislative session.

Assignments of departments to committees of reference. For purposes of the hearings, the Speaker of the House of Representatives and the President of the Senate are required to assign each state department to a House and Senate committee of reference. JR 25 of the Joint Legislative Rules specifies the departmental assignments for each committee for purposes of the SMART Government Act, unless the Speaker and President designate the

assignments in another manner. The assignments for the 2015-16 SMART Government Act hearings can be found in Attachment A.

During its SMART Government Act hearings with its assigned departments, the Joint Judiciary Committee is also required to hear a presentation from the Colorado Commission on Criminal and Juvenile Justice (CCJJ). The CCJJ must present a progress report on its recommendations for the upcoming legislative session.

Annual presentation of audits. The SMART Government Act requires the State Auditor's Office (SAO) to conduct performance audits of one or more specific programs or services in at least two departments. The SAO must present the audits to the committees of reference to which the relevant departments are assigned. The following audits were conducted pursuant to this requirement, and will be presented to the designated committees during the 2015-16 SMART Government Act hearings.

- *Correctional Industries* (released January 2015) - Department of Corrections
Joint Judiciary
- *Consumer Directed Attendant Support Services* (released May 2015) - Department of Health Care Policy and Financing
Joint Health
- *Medicaid Prescription Drugs* (released May 2015) - Department of Health Care Policy and Financing
Joint Health
- *Collection and Usage of Motor Vehicle FASTER Fees* (released August 2015) - Department of Transportation
Joint Transportation
- *Limited Gaming Impact Grants* (released August 2015) - Department of Local Affairs
Joint Local Government
- *Oil & Public Safety* (to be released December 2015) - Department of Labor and Employment
Joint Business

Joint committee chairs and liaisons. The chair of each joint committee of reference will preside over the SMART Government Act hearings. A list of the chairs for the 2015-16 and 2016-17 hearings can be found in Attachment A. The chairmanship will switch to the other chamber beginning with the hearings held in November 2017.

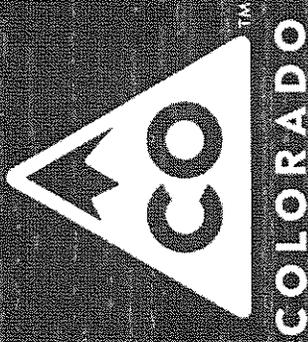
2015-16 Committee Assignments Pursuant to the SMART Government Act

Joint Committee	Agencies	Joint Committee Chair (Nov. 2015- Jan 2017)*
House and Senate Agriculture	Agriculture Natural Resources	Rep. Vigil
House Transportation and Senate Agriculture	Colorado Energy Office	Rep. Tyler
House and Senate Business	Labor and Employment Personnel and Administration Regulatory Agencies Office of Economic Development	Rep. Williams
House and Senate Finance	Public Employees' Retirement Association Revenue Treasury	Sen. Neville
House and Senate Education	Education Higher Education	Sen. Hill
House and Senate Local Government	Local Affairs	Rep. Fields
House and Senate State Affairs	Military Affairs State	Sen. Scott
House and Senate Transportation	Transportation	Sen. Baumgardner
House Health Insurance and Environment, House Public Health Care and Human Services, and Senate Health and Human Services	Public Health and Environment Human Services Health Care Policy and Financing	Rep. Primavera Rep. McCann
House and Senate Judiciary	Corrections Judicial Law Public Safety State Public Defender Alternate Defense Counsel Office of the Child's Representative Colorado Commission on Criminal and Juvenile Justice**	Rep. Kagan

Note: Agencies that are assigned to committees for oversight pursuant to JR 25, but are not included under the SMART Government Act include: The Office of Information Technology, the Public Utilities Commission, the Health Benefit Exchange, and the Office of State Planning and Budgeting.

*The chairs designated in this column will serve as the joint committee chair for the hearings held in November and December of 2015 and January of 2016 and the hearings held in November and December of 2016 and January of 2017. After that point, the chairmanship will rotate to the other chamber, and continue to rotate on a two-year basis.

**Only required to brief the committees, not required to comply with the other provisions of the SMART Government Act.



Performance Management in Colorado

Office of State Planning and Budgeting
December 2015



Our vision for performance management in Colorado

Our vision: A sustainable, customer-focused performance management system which drives continuous performance improvement and operational excellence

Customer focus

Colorado's performance management system is founded on a commitment to customer service in state government

Continuous performance improvement

Continuous performance improvement requires that we track what we do and how we do it in order to evaluate opportunities to improve our customer service. Performance plans help departments to identify customer focus areas in order to prioritize resources to meet strategic and operational goals

Operational excellence

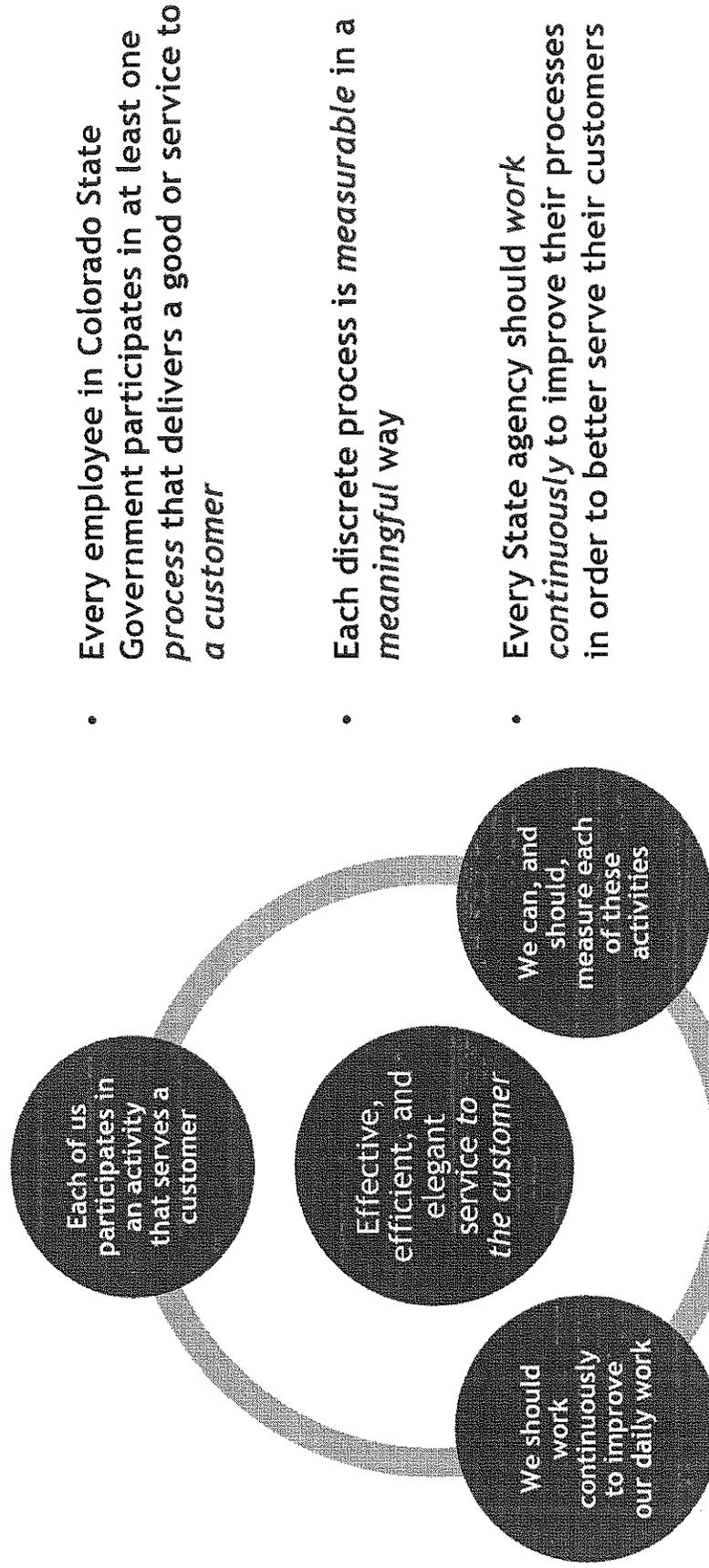
Operational excellence feeds a culture of innovation in which challenges to effective, efficient, and elegant customer service are transformed into opportunities. Equipped with training and tools for continuous performance improvement, employees are able to drive operational excellence at every level of state government



Governor's Office of State Planning and Budgeting

Guiding principles of performance management in Colorado

The Hickenlooper Administration continues to work to shift Colorado state government toward a customer-oriented performance management system based on the following three, operational guiding principles:



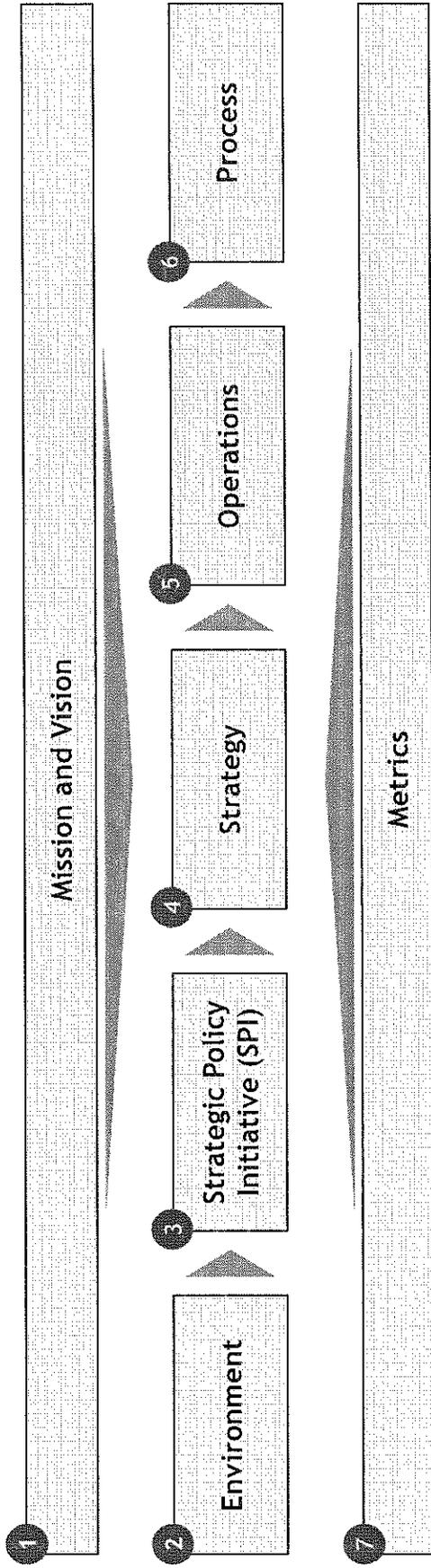
- Every employee in Colorado State Government participates in at least one process that delivers a good or service to a customer
- Each discrete process is measurable in a meaningful way
- Every State agency should work continuously to improve their processes in order to better serve their customers

Upcoming SMART Government Act Deliverables

The revised SMART Government Act (H.B. 13-1299) formalizes the performance management system in Colorado, providing parameters for planning, management, and evaluation reflected in the following deliverables:

Deliverable	Purpose	Agencies involved	Deadlines
Performance Plan	Outline Department's major goals, metrics, and plan to achieve those goals	<ul style="list-style-type: none"> Executive Branch Non-Exec Branch OSPB 	<ul style="list-style-type: none"> July 1, 2016
Performance Plan Evaluations	Evaluate Department's progress (quarterly) toward achieving goals outlined in performance plan	<ul style="list-style-type: none"> Executive Branch Non-Exec Branch OSPB 	<ul style="list-style-type: none"> Jan 16, 2016 April 16, 2016 July 16, 2016 October 16, 2016 November 1, 2016
Annual Performance Reports	4 page summary of each Department's performance plan, including progress toward goals	<ul style="list-style-type: none"> Executive Branch Non-Exec Branch OSPB 	<ul style="list-style-type: none"> December 2015 - January 2016
SMART Act hearings	Inform legislature on performance successes and challenges	<ul style="list-style-type: none"> Executive Branch Non-Exec Branch 	<ul style="list-style-type: none"> May, 2016
Performance Mgt Instructions	Provide guidance on building quality performance plans	<ul style="list-style-type: none"> OSPB Non-Exec Branch 	

Elements to a high quality performance plan



1. Mission and Vision
 - Mission: why Dept. exists, which customers served
 - Vision: desired future state
2. Environment
 - World outside the Dept., usually can not control
3. Strategic Policy Initiative
 - 3-5 major strategic priorities
 - Measured in x to y by when, for whom
4. Strategy
 - Handful of high impact efforts to achieve SPI
5. Operations
 - Program, initiative or functional activities that put the strategy into action
6. Process
 - Specific activity conducted by an individual or group
7. Metrics
 - Data based measure used to understand progress towards goals and support decision making

Key elements of performance plans & annual performance reports

Performance Plan - 07/01/2015

Strategic Policy Initiatives

Strategic Policy Initiatives outline the overarching policy goals for each department. Departments identified 3-5 strategic policy initiatives and associated performance targets (1- and 3-year goals) to provide direction and establish strategic priorities

Major Program Areas

Departments identify major program areas within each department - these may be divisions or key functions that the department performs

Performance Measures

Departments use a range of measures to understand how well they are delivering a good or service. These include: outcome measures, lead measures, input measures, and metrics that measure the critical process of major programs

Annual Performance Report - 11/01/2015

The annual evaluations report on the actual performance in FY 2015, providing an overall judgment on whether strategic policy initiatives were accomplished

The reports identify those major program areas which are used to deliver strategic policy initiatives, and report on performance measures of associated critical processes

The annual evaluations report on the actual performance in FY 2015 as measured by those metrics identified as key to the delivery of the performance plan, and include data on prior historical performance

Near term deadlines and activities



- SMART Act hearings
- SMART Act hearings
- Collect data on Oct-Dec
- Q2 performance evaluation report January 15
- Collect data on Jan-Mar
- Q3 performance evaluation report April 15
- FY 2017 perf plan development
- Perf plan for FY 2017 July 1
- Collect data on Apr-Jun
- Q4 performance evaluation report July 15

Key deadlines and activities

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF BUDGET BRIEFING
DEPARTMENT OF TRANSPORTATION**

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

**Prepared By:
Christina Beisel, JBC Staff
November 16, 2015**

For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

JBC Staff Budget Briefing – FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

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C - Update on Long Bill Footnotes & Requests for Information	
D - SMART Act Annual Performance Report	
E- Motor Fuel Tax History	
F - Memo Added 11.16.15 Regarding Utah's I-15 and Colorado's Federal Funding	

DEPARTMENT OF TRANSPORTATION

Department Overview

The Colorado Department of Transportation (CDOT) is a cabinet level department which plans for, operates, maintains, and constructs the state-owned transportation system, including state highways and bridges. CDOT operates under the direction of the Colorado Transportation Commission, which is composed of eleven members who represent specific districts around the state. Each commissioner is appointed by the Governor and confirmed by the Senate for a four year term. The Commission establishes policy and administers the Department's budgets and programs. Some of CDOT's specific duties include:

- Operation of the over 9,100 center-lane mile state highway system, including 3,439 bridges and over 28.0 billion miles of vehicle travel;
- Management of highway construction projects statewide;
- Maintenance of the state highway system, including repairing road damage, filling potholes, plowing snow, and applying sand to icy roads;
- Assistance in the development of a statewide, multi-modal transportation system by providing assistance to local transit systems in the state;
- Development and implementation of the State's Highway Safety Plan, including efforts to combat drunk driving, encourage seatbelt use, enforce speed limits, and reduce traffic fatalities; and
- Maintenance of the statewide aviation system plan, which includes the provision of technical support to local airports regarding aviation safety and the administration of both entitlement reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

JBC Staff Budget Briefing – FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

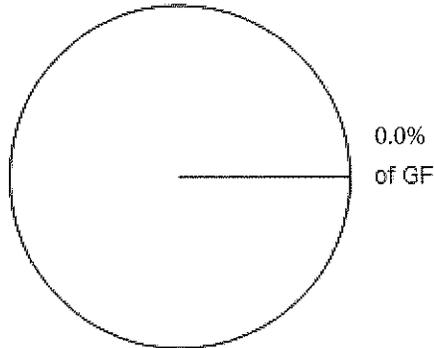
Department Budget: Recent Appropriations

Funding Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 *
General Fund	\$0	\$700,000	\$0	\$0
Cash Funds	759,829,076	748,479,175	844,073,959	748,969,471
Reappropriated Funds	19,775,304	19,773,476	19,777,338	4,777,338
Federal Funds	<u>488,142,984</u>	<u>514,325,330</u>	<u>573,062,075</u>	<u>650,882,799</u>
Total Funds	\$1,267,747,364	\$1,283,277,981	\$1,436,913,372	\$1,404,629,608
Full Time Equiv. Staff	3,317.5	3,326.9	3,326.8	3,326.8

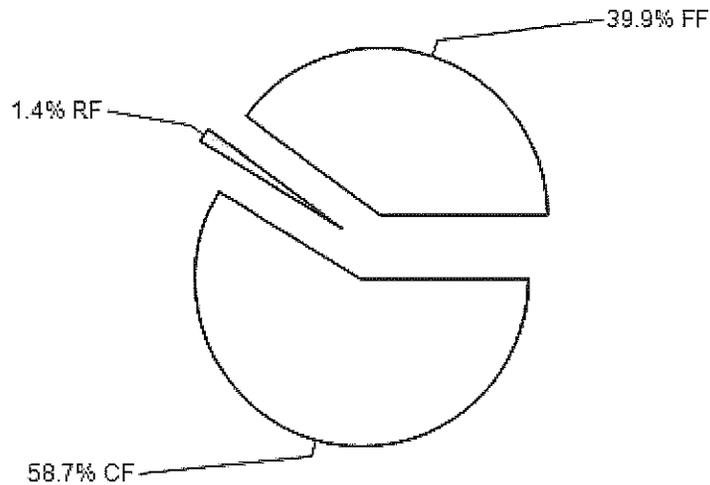
*Requested appropriation.

Department Budget: Graphic Overview

Department's Share of Statewide
General Fund



Department Funding Sources

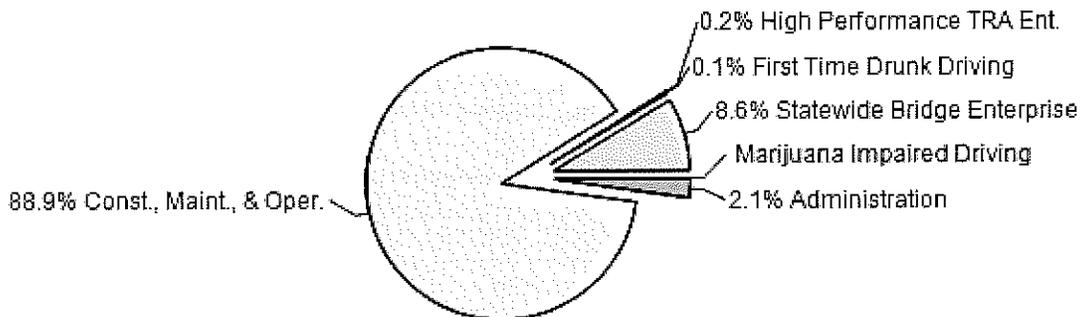


All charts are based on the FY 2015-16 appropriation.

Distribution of General Fund by Division

The Department of Transportation does not receive General Fund appropriations.

Distribution of Total Funds by Division



All charts are based on the FY 2015-16 appropriation.

General Factors Driving the Budget

Total State Funding Levels and General Fund Expenditures

Total state funding for transportation has fluctuated substantially over the past ten years, primarily due to changes in the amount of General Fund transferred to the Highway Users Tax Fund (HUTF), the Department's main source of funding. The HUTF is supported by state and federal excise taxes on gasoline, diesel, and special fuels, registration fees, surcharges, and other miscellaneous sources of revenue. Pursuant to statutory formula, CDOT receives over half of the State's monthly HUTF distributions.

Beginning in 1997, the General Assembly passed a variety of legislation to assist in the completion of priority transportation projects by providing additional funding to the State Highway Fund from General Fund sources, including: Capital Construction Fund appropriations (which originate in the General Fund); diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (pursuant to S.B. 97-001); Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and two-thirds of the year-end General Fund surplus (pursuant to H.B. 02-1310). Additional legislation (H.B. 99-1325) permitted the Department to issue bonds to accelerate projects and to use future federal and state revenues to pay back bondholders over time.

Transfers of General Fund dollars to the State Highway Fund under the legislation discussed above has fluctuated with the economy. For example, economic conditions precluded most such transfers from FY 2002-03 through FY 2004-05, although there were limited transfers under H.B. 02-1310 in FY 2003-04 and FY 2004-05. Transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 to a total of \$522 million, decreased to \$407 million in FY 2007-08, and then decreased to \$88 million in FY 2008-09.

State Transportation Revenues

The Department's most significant source of State revenues is the excise tax on motor fuels, which has been set at \$0.22 per gallon of gasoline and \$0.205 per gallon of diesel fuel since 1991 and 1992 respectively. The major source of federal revenue is also an excise tax on motor fuels, which has been set at \$0.184 per gallon of gasoline and \$0.244 per gallon of diesel fuel since 1997. Taken together, the total excise taxes for Colorado are \$0.404 per gallon of gas and \$0.449 per gallon of diesel. The average fuel taxes for all states are \$0.487 per gallon of gas and \$0.544 per gallon of diesel; leaving Colorado in the bottom half of all states.

Fuel excise taxes have decreased purchasing power due to a combination of increased fuel efficiency (resulting in lower revenue per vehicle mile) and increased construction costs. According to the Department, increases in construction costs (as measured by the Construction Cost Index) have outpaced both the Department's revenues and general inflation. Essentially, \$1.00 in motor fuel tax revenue in 1991 would purchase less than \$0.49 in 2015.

A growing state population has also translated to increased vehicle miles traveled (VMT). The State grew to more than 5.0 million people in 2010, a 16.9 percent increase over the past decade, and the State Demographer projects that Colorado will grow to almost 6.0 million people by

2020. The growth in vehicle miles traveled (VMT) has outpaced this population growth, exerting increased pressure on the system. Indeed, the growth in VMT directly affects congestion and mobility, and it accelerates wear and tear on the road surface and bridges.

Nationally, many states have increased gas taxes in recent years. In 2013 and 2014, nine states and the District of Columbia increased state gas taxes – most of which contained a provision tying the tax rate to the economy. In 2015, the following seven states increased their state gas tax: Georgia, Idaho, Iowa, Nebraska, South Dakota, Utah, and Washington. Tax increases ranged from \$0.06 per gallon to \$0.185 per gallon.

As a point of reference, an increase of \$0.06 per gallon to motor and diesel fuels in Colorado would result in an estimated \$171.9 million of additional revenue to the HUTF in FY 2016-17, based on previous gas tax collections and forecasted revenues by Legislative Council.

Senate Bill 09-108 (Funding Advancement for Surface Transportation and Economic Recovery)

Senate Bill 09-108 (FASTER) authorized the following new revenue sources within the Department:

- Road safety and bridge safety surcharges, each of which vary by vehicle weight and are collected through the same mechanism used for payment of registration fees and specific ownership taxes;
- A daily fee for the use of a rented motor vehicle;
- A supplemental oversize/overweight vehicle surcharge;
- An increased fee for the late registration of a motor vehicle; and
- An increased unregistered vehicle fine.

FASTER HUTF

FASTER increased overall HUTF revenues, as well as the share of the Department's revenues coming from registration fees and surcharges. Prior to the enactment of FASTER, motor fuel taxes accounted for more than 70.0 percent of total HUTF revenues. FASTER-related HUTF revenues, which include the road safety surcharge, rented vehicle fee, oversize/overweight surcharge, and late registration fee, have reduced the share of contribution to the HUTF attributed to motor fuel tax revenues to about 59.0 percent. By law, the proceeds of these revenue sources are distributed 60.0 percent to CDOT, 22.0 percent to counties, and 18.0 percent to municipalities, and are not subject to "off-the-top" appropriations.

FASTER Bridge Safety

The implementation of FASTER has also increased other revenues for the Department because not all of the legislation's fees and surcharges are credited to the HUTF. Bridge safety surcharge revenues are credited to the Statewide Bridge Enterprise Special Revenue Fund for the repair and rehabilitation of bridges rated as "poor", i.e. functionally obsolete and structurally deficient. This dedicated fund is managed by the Statewide Bridge Enterprise. The Board of the Enterprise consists of members also on the Transportation Commission.

High-Performance Transportation Enterprise (HPTE)

FASTER also replaced the former Statewide Tolling Enterprise with the High-Performance Transportation Enterprise (HPTE). The HPTE has expanded authority to pursue innovative methods of financing the state's transportation system, including:

- Public-private partnerships;
- Operating concession agreements;
- User fee-based project financing;
- Availability payments; and
- Design-build contracting.

FASTER authorizes the HPTE to use road pricing on existing highway capacity as a congestion management tool if the Enterprise secures federal approval and the approval of all affected local governments. The Enterprise is governed by a seven-member board consisting of four appointees of the Governor and three members of the Transportation Commission. Both Enterprises are authorized to issue revenue bonds backed by their respective revenues.

Senate Bill 09-228

Among other provisions, Senate Bill 09-228 (Flexibility to Use State Revenues) set-up a General Fund transfer to the HUTF contingent on an increase in Colorado personal income. Senate Bill 09-228 requires a five year block of transfers of 2.0 percent of General Fund revenues to the HUTF subject to a trigger based on growth of 5.0 percent in statewide personal income. Colorado personal income exceeded 5.0 percent in 2014, triggering the General Fund transfers in FY 2015- 16. Once the personal income threshold is met for a single year, the 5-year block of transfers continues, regardless of the subsequent change in personal income.

The September 2015 Legislative Council Staff forecast projects the full S.B. 09-228 transfers will occur in FY 2015-16, with the transfer being cut in half for FY 2016-17. However, the Governor's Office of State Planning and Budgeting (OSPB) forecasts the FY 2015-16 transfers to be cut in half and the FY 2016-17 transfers to be eliminated.

TABOR Restrictions on Senate Bill 09-228 Transfers

Senate Bill 09-228 limits the General Fund transfers in relation to TABOR refunds. If the amount of the TABOR refund is between 1.0 percent and 3.0 percent of General Fund revenues for the state fiscal year, the S.B. 09-228 transfer is reduced by half in that year. If TABOR refunds exceed 3.0 percent, the S.B. 09-228 transfer is eliminated. Simply put, if TABOR refunds increase, S.B. 09-228 transfers decrease.

TABOR Refund (as percentage of GF revenue)	S.B. 09-228 HUTF Transfer (as percentage of GF revenue)
Less than 1.0 percent	2.0 percent
1.0 percent - 3.0 percent	1.0 percent
Greater than 3.0 percent	No Transfer

Section 24-75-218 (4) (a), C.R.S.

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S.B. 09-228 Fund Use

Whereas most funding into the HUTF is divided by statutory formulas among municipal, county, and state use, funds from S.B. 09-228 are designated solely for state use. Funds are transferred to CDOT via the HUTF, per Section 43-4-206 (2) (a), C.R.S. Funds are to be used specifically for implementation of the strategic transportation project investment program, in which high priority projects are identified by the Transportation Commission. No more than 90.0 percent of S.B. 09-228 funds are to be used for highway or highway-related capital improvements and no less than 10 percent of revenues are to be dedicated to transit or transit-related capital improvements.

While the Transportation Commission identified \$2 billion worth of projects eligible for funding by the 228 transfers, the majority of expected FY 15-16 transfers to CDOT will be used to fund the critical I-70 East Viaduct project. Following the passage of FASTER and the creation of the Bridge Enterprise, CDOT identified 128 bridges rated as "poor" and eligible for FASTER bridge repair. Of those 128, 30 were determined to be the worst in the state. Due to the high cost of the project, the I-70 East Viaduct is the only remaining project on the list of 30, and remains a high priority for the Department.

Transfer Timeline

Transfers for any S.B. 09-228 transfers would occur on the following timelines. The first transfer occurs based on Legislative Council Staff (LCS) quarterly economic forecasts. Final transfers are based on the actual transfer amounts published in the Comprehensive Annual Financial Report (CAFR).

Timeline for Potential 2015-16 S.B. 09-228 Transfer		
Percentage of Estimated Transfer	Date of Transfer	Based on:
80.0	4/15/2016	March LCS Forecast for FY 2015-16
20.0	12/2016	Actual amount of 2015-16 transfers as published in FY 2015-16 CAFR

Timeline for Potential 2016-17 S.B. 09-228 Transfer		
Percentage of Estimated Transfer	Date of Transfer	Based on:
20.0	7/15/2016	June LCS Forecast for FY 2016-17
20.0	10/15/2016	September LCS Forecast for FY 2016-17
20.0	1/15/2017	December LCS Forecast for FY 2016-17
20.0	4/15/2017	March LCS Forecast for FY 2016-17
20.0	12/2017	Actual amount of 2016-17 transfers as published in FY 2016-17 CAFR

The chart on the following page provides a general overview of HUTF fund distribution, including S.B. 09-228 transfers.

Revenue Stream 1

- Excise Tax on Gasoline and Special Fuel (1st 7 cents/gallon)
- Fines, Penalties, Forfeitures (DUI, traffic infractions, etc.)
- License Plate, Identification Plate, Placard Fees
- Driver’s License, Vehicle Title and Registration Fees
- Sale of Abandoned Vehicles
- Passenger-mile Taxes

Revenue Stream 2

- Excise Tax on Gasoline and Special Fuel (Above 7 cents/gallon)
- S.B. 09-108 (FASTER) Fees and Surcharges

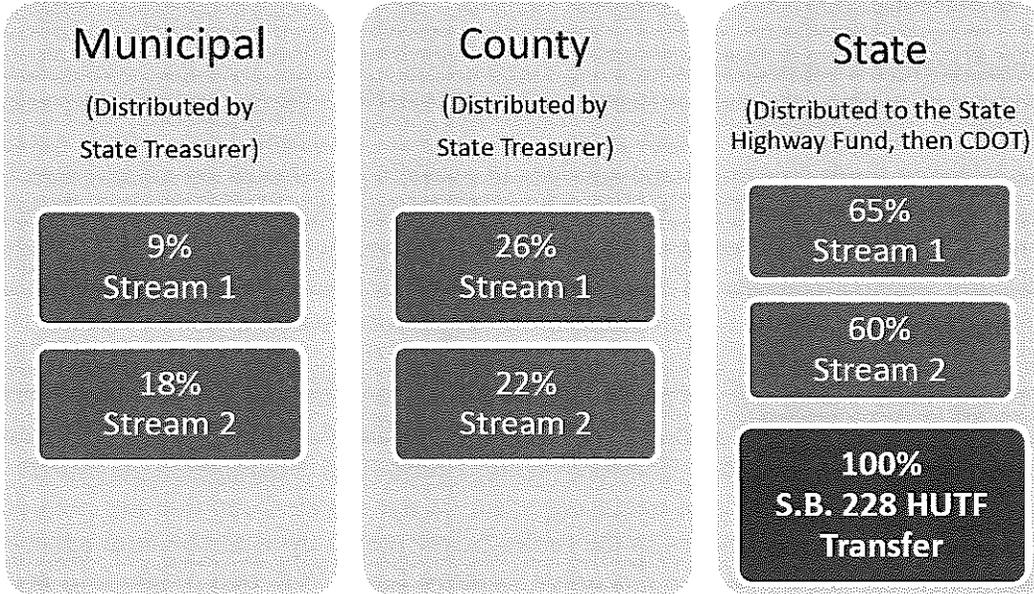
Revenue Stream 3

- S.B. 228 HUTF Transfer

HIGHWAY USERS TAX FUND

Investment Interest

“Off the Top”
Up to 6% to Colorado State Patrol /Ports of Entry



Federal Funds

The Department's total share of federal funds has fluctuated in recent years. Federal receipts increased to \$586.6 million in FY 2009-10, with an infusion of funds as a result of the American Recovery and Reinvestment Act (ARRA). More recently, budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in "obligation limits" reducing each state's funding below the full amounts that were authorized in the federal *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU) transportation authorization bill.

CDOT receives federal funding for four purposes, including highways (Federal Highway Administration funds), safety (National Highway Traffic Safety Administration funds), transit (Federal Transit Administration funds), and aviation (Federal Aviation Administration funds). Federal funds provide a significant share of the CDOT's resources, and fluctuations in federal funds, determined by multi-year authorization bills, affect the Department's annual budgetary outlook.

On July 6, 2012, President Obama signed the most recent authorization bill, the *Moving Ahead for Progress in the 21st Century Act* (MAP-21). The legislation updated and replaced SAFETEA-LU; specifically reauthorizing federal transportation programs, providing budget authority for federal transportation apportionments, and updating federal statutes governing the U.S. Department of Transportation and its various agencies and programs. Following several short term transportation reauthorization bills, both the Senate and the House passed transportation funding bills in 2015, in July and November, respectively. It is expected that a conference committee will resolve differences and refer a funding bill to the President's desk by Thanksgiving. If signed into law, six years of projects will be approved, including three years of funding. Given the numerous short-term extensions that have occurred in recent years, this 3-6 year authorization is expected to provide local, county, and state governments with an increased ability to plan projects with more stable funding expectations.

The Administrative Program Line

The Administration line, created by Section 43-1-113(2)(III), C.R.S., includes the salaries and expenses for a variety of offices and programs. It is a "program" line, which gives CDOT discretion to move funds from personal services to operating (and vice versa) and also from one program to another without seeking approval from the General Assembly. Statute (Section 43-1-113 (6), C.R.S.) limits expenditures to no more than 5.0 percent of the total CDOT budget. The Administration section consists of several offices and divisions and provides administrative support for more than 3,000 FTE that work for the Department statewide.

The following table shows the Department's allocation of funding for personal services and operating expenses among the various organizations within Administration. Please note that because the Department includes common policy items and interagency payments in their reporting, the personal services and operating totals do not match those that are included in the numbers pages. Rather the numbers in the tables below match up with the total appropriations. Additionally, because CDOT has the discretion to move funds from one program to another, the figures for FY 2015-16 and FY 2016-17 are only estimates.

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Department of Transportation FY 2016-17 Request for Administration Personal Services and Operating Expenses					
Administration Organization	FTE	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Estimate	FY 2016-17 Request
Transportation Commission	1	\$157,744	\$178,949	\$177,308	\$182,243
Personal Services	1	77,101	87,689	100,954	101,372
Operating Expenses	0	80,643	91,259	76,355	80,872
Office of Executive Director	3	652,396	624,872	692,229	699,069
Personal Services	3	602,708	538,523	619,983	622,549
Operating Expenses	0	49,689	86,349	72,246	76,520
Government Relations	9	795,243	787,349	899,765	904,467
Personal Services	9	760,969	766,109	881,994	885,645
Operating Expenses	0	34,274	21,240	17,771	18,822
Public Relations	8.5	849,227	956,818	1,081,048	1,088,523
Personal Services	8.5	767,202	891,646	1,026,521	1,030,770
Operating Expenses	0	82,025	65,171	54,527	57,753
Information Technology	0	1,455,196	9,627,260	8,054,898	8,531,418
Personal Services	0	0	0	0	0
Operating Expenses	0	1,455,196	9,627,260	8,054,898	8,531,418
Financial Management & Budget	8	958,691	1,114,778	1,277,085	1,283,295
Personal Services	8	935,907	1,094,690	1,260,278	1,265,494
Operating Expenses	0	22,784	20,088	16,807	17,801
Accounting Branch	27.5	1,939,281	2,098,745	2,376,162	2,391,857
Personal Services	27.5	1,900,197	1,971,436	2,269,645	2,279,039
Operating Expenses	0	39,084	127,309	106,516	112,818
Chief Eng. & Region Directors	16	1,553,234	1,566,471	1,787,296	1,797,053
Personal Services	16	1,405,353	1,515,208	1,744,405	1,751,625
Operating Expenses	0	147,881	51,263	42,890	45,428
Motor Pool Operations	2	273,192	152,454	162,060	164,700
Personal Services	2	114,522	109,684	126,275	126,798
Operating Expenses	0	158,670	42,771	35,785	37,902
Division of Administrative Services	79.5	6,829,840	6,549,317	7,271,027	7,340,480
Personal Services	79.5	5,932,717	5,694,324	6,555,675	6,582,809
Operating Expenses	0	897,123	854,992	715,352	757,671
Administrative Print Shop	12	1,350,279	1,042,535	1,037,112	1,065,275
Personal Services	12	480,207	524,013	603,278	605,775
Operating Expenses	0	870,072	518,522	433,835	459,500

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Office of Risk Management & Safety Education	8	460,978	463,232	527,872	530,851
Personal Services	8	435,978	445,970	513,429	515,554
Operating Expenses	0	25,000	17,262	14,443	15,297
Division of Audit	9	738,277	851,440	962,989	969,498
Personal Services	9	704,987	796,627	917,129	920,925
Operating Expenses	0	33,290	54,812	45,860	48,573
Office of Program Management	0	0	359,919	406,423	409,267
Personal Services	0	0	334,682	385,308	386,902
Operating Expenses	0	0	25,237	21,115	22,365
Office of Emergency Management	0	0	126,314	142,077	143,154
Personal Services	0	0	115,683	133,182	133,733
Operating Expenses	0	0	10,631	8,895	9,421
Interagency Payments, POTS and Common Policies and Contracts	0	3,869,900	4,757,499	4,016,860	4,247,169
Personal Services	0	0	115,625	133,114	133,665
Operating Expenses		<u>3,869,900</u>	<u>4,641,874</u>	<u>3,883,745</u>	<u>4,113,504</u>
Total Personal Services	183.5	14,117,848	15,001,910	17,271,171	17,342,654
Total Operating Expenses	0	<u>7,765,630</u>	<u>16,256,040</u>	<u>13,601,040</u>	<u>14,405,665</u>
TOTAL ADMINISTRATION LINE	183.5	\$21,883,478	\$31,257,950	\$30,872,211	\$ 31,748,320

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Summary: FY 2015-16 Appropriation & FY 2016-17 Request

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
S.B. 15-234 (Long Bill)	<u>\$1,436,913,372</u>	<u>\$0</u>	<u>\$844,073,959</u>	<u>\$19,777,338</u>	<u>\$573,062,075</u>	<u>3,326.8</u>
TOTAL	\$1,436,913,372	\$0	\$844,073,959	\$19,777,338	\$573,062,075	3,326.8
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	\$1,436,913,372	0	\$844,073,959	\$19,777,338	\$573,062,075	3,326.8
R1 Heat Is On	500,000	0	500,000	0	0	0.0
NPI FY 2016-17 Secure Colorado	109,411	0	109,411	0	0	0.0
Updated revenue projections	<u>(32,893,175)</u>	<u>0</u>	<u>(95,713,899)</u>	<u>(15,000,000)</u>	<u>77,820,724</u>	<u>0.0</u>
TOTAL	\$1,404,629,608	\$0	\$748,969,471	\$4,777,338	\$650,882,799	3,326.8
Increase/(Decrease)	(\$32,283,764)	\$0	(\$95,104,488)	(\$15,000,000)	\$77,820,724	0.0
Percentage Change	(2.2%)	0.0%	(11.3%)	(75.8%)	13.6%	0.0%

Description of Requested Changes

R1 Heat Is On: The Department is requesting \$500,000 from the Marijuana Cash Fund in FY 2016-17 to fund a statewide impaired driving public education campaign. “Heat Is On” would target males, ages 18-34, who have a higher binger risk, are likely to combine marijuana and alcohol, and are less aware of DUI laws and consequences. The “Heat Is On” issue brief provides more detail and information about the request.

NPI FY 2016-17 Secure Colorado: The request seeks an increase of \$109,411 total funds for FY 2016-17 to cover the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities.

Updated revenue projections: The request includes a decrease in the Department's cash fund (HUTF) revenues due to the Department's expectation of the elimination of the S.B. 09-228 transfer in FY 2016-17. The request also includes an increase in the Department's estimated apportionment of federal funds due to flood recovery dollars and an increase in expected toll revenues.

Issue: “Heat Is On”

The Department of Transportation is requesting \$500,000 in cash funds from the Marijuana Tax Cash Fund to grow the “Heat Is On” public education campaign to include an expanded message about all forms of impaired driving, education about Colorado's felony DUI law, increased evaluation, and an increased media reach.

SUMMARY:

- The Colorado Department of Transportation (CDOT) is required by statute to manage various statewide public awareness campaigns around highway safety, including campaigns focused on impaired driving and seatbelt usage.
- The Department uses separate campaigns aimed at different types of impaired driving to the same targeted audience of males ages 18-34, group is most likely to have a higher binge risk, to mix marijuana and alcohol, and to be less aware of DUI laws and consequences, based on Department research.

RECOMMENDATION:

Staff recommends the Committee ask for the following information from the Department:

- Specific estimates of how much more \$500,000 would buy in terms of length of the campaign, expanded geographic target, increased number of messages, and increased media impressions.
- Opportunities or challenges of combining campaigns into one, unified message regarding impaired driving.

DISCUSSION:

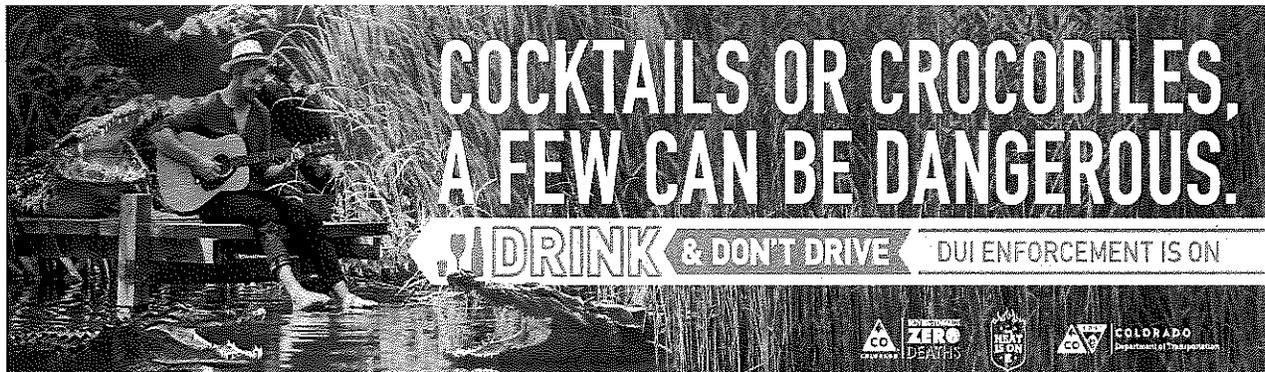
"Heat Is On" Campaign

The CDOT Office of Communications and the Office of Transportation Safety within the Department manage statewide public awareness campaigns focused on impaired driving, in coordination with enforcement campaigns run by local law enforcement agencies. Since 1999, the Department has operated the Heat Is On campaign, which runs 12 high visibility impaired driving events each year aimed at reducing the number of impaired driving fatalities. Approximately one-third of traffic fatalities in Colorado involve an impaired driver.

The Heat Is On campaign has primarily been focused around a "Drink & Don't Drive" message that targets males ages 21-34 – a population with above average fatality rates, a higher likelihood of driving while impaired, a higher binge risk, and a higher risk of combining drugs and alcohol. Campaigns include a pre- and post-enforcement phone survey measuring tagline awareness. The Department also uses law enforcement data including number of arrests and number of impaired driving fatalities to measure effectiveness of campaigns.

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The most recent campaign involved a month long media blitz with a message focused on survey results from the male 21-34 target audience, which indicated that members of this group do not consider their driving to be impaired after just a few drinks. The campaign combined paid advertising with strategic partnerships and earned media. CDOT estimates the recent month long campaign resulted in 46 million media impressions between mid-August and mid-September. The image below is an example of one of the advertising messages featured in the most recent campaign.



Based on CDOT's survey of the campaign, 35.0 percent of Coloradans were aware of the DUI enforcement message prior to and following the enforcement events.

"Drive High, Get a DUI" Awareness Program

Beginning in 2014-15, the Department received funding for the "Drive High, Get a DUI" program, following the legalization of marijuana in Colorado. In FY 2015-16, the Department received \$450,000 of Marijuana Tax Cash Funds to continue a public awareness campaign focused on preventing impaired driving and use of marijuana. Tactics from the FY 2014-15 funding (spent in April 2015, focused on the 4/20 weekend) included "Drive High, Get a DUI" arcade games, a smoking vehicle, and a media campaign. During the April campaign, a phone survey was conducted and found that 47 percent of respondents recalled hearing the Drive High, Get a DUI slogan, an increase from 39 percent in June 2014. In addition to the April media push, CDOT has been partnering with local marijuana dispensaries to distribute flyers and house the 10 Drive High, Get a DUI arcade games (shown below). The Department is in the process of conducting a statewide survey on driver behavior, including driving high, but does not expect results to be available until January 2016.

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Request

The Department is requesting \$500,000 cash funds from the Marijuana Tax Cash Fund in FY 2016-17 to increase funding for the Heat Is On campaign. The request seeks to:

- Expand the message to include all forms of impaired driving, including alcohol, prescription drugs, illicit drugs, and marijuana;
- Provide education about the State's new felony DUI law (H.B. 15-1043 – Felony Offense for Repeat DUI Offenders);
- Increase data collection and evaluation; and
- Grow the media reach.

Estimated Request Costs	
Administration: Program strategy, research, management, execution, consultation	\$35,000
Creative Development: Develop further executions of campaign, test creative concepts	\$120,000
Media Buying: Implement one-year media campaign, fee to buy, manage, and monitor media	\$240,000
Public Relations: Media pitching, community building, partnership development	\$100,000
Evaluation: Develop evaluation plan to measure behavioral patterns and message retention	\$5,000
Total	\$500,000

This request supports the Department's FY 2015-16 Performance Plan's goal of moving Colorado to zero deaths by reducing traffic-related deaths by one-half by 2030. The Department's strategy is informed by a National Highway Traffic Safety Administration (NHTSA) report that effective strategies to reduce impaired driving include high visibility enforcement and saturation patrols, in combination with mass media campaigns.

The request discussed an alternative considered by the Department, which would have been to request additional funding for the Drive High, Get a DUI campaign. However, the Department determined that the additional funding would be better utilized by the Heat Is On campaign,

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which has more well-established media and law enforcement partnerships. However, the Department believes that the Drive High, Get a DUI campaign serves a valuable function in highlighting the consequences of driving high, which are not as well established as those for drunk driving.

Analysis

Staff has concerns about what the increased funding would provide outside of what the Department already does via the Heat Is On and Drive High, Get a DUI campaigns. Additionally, the justification for the need for separate campaigns is unclear and the creation of a separate campaign drives duplicative costs which could be avoided by combining campaigns. For instance, the Heat Is On request includes \$120,000 for creative development. The FY 2015-16 request for Drive High, Get a DUI, continued in the FY 2016-17 request, included \$125,000 for creative development.

Informational Issue: Newsworthy Items

This information issue provides a brief overview of major CDOT budget related items that hit the news in 2015. This issue provides a general update of the newsworthy items and may be topics the Committee would like to discuss in greater depth with the Department at their hearing.

SUMMARY:

- The Office of the State Auditor's (OSA) August 2015 FASTER audit found that CDOT should improve management and oversight of FASTER revenue and provided recommendations, agreed up on by the Department.
- In September 2015, the Governor and CDOT announced a commitment to invest \$100.0 million over the next four years in bicycle trails and infrastructure, most of which is federal funds.
- CDOT plans to build two new buildings, including a new headquarters building, costing approximately \$127.0 million total funds that will be financed with Certificates of Participation (COPs).
- The Southwest Chief Route Advancement and Improvement Project was awarded a \$15.2 million federal TIGER grant. CDOT has committed a \$1.0 million match for the project.

DISCUSSION:

FASTER Audit

In August 2015 the Office of the State Auditor (OSA) released a report of the results of the performance audit of Colorado's collection, usage, and management of the motor vehicle fees established by the 2009 Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act. In short, the audit "found that the Colorado Department of Transportation (CDOT) should improve its oversight and management of the State's allocation of FASTER motor vehicle fee revenue to ensure effective and appropriate usage. [The] audit also found deficiencies in some of the processes used for collection three of the six FASTER fees at CDOT, the Department of Revenue, and the Judicial Department."

Key audit findings related to CDOT operation:

- CDOT's process for selecting bridge projects to receive FASTER funding was not demonstrated to be "thorough, integrated, and strategic."
- FASTER bridge projects "have been significantly overbudget and remain open for long periods after most construction work is complete."
- Projects receiving FASTER safety dollars may not have met legislative requirements.

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- "CDOT could not confirm how an additional \$6.0 million [of FASTER safety revenue] was allocated or spent."
- CDOT could not demonstrate that all FASTER safety projects received approval by the Transportation Commission, nor was information shared by the transportation regions within CDOT about how related revenue was allocated.
- Some FASTER contracts did not comply with the State Procurement Code.
- "CDOT did not maintain complete and accurate information on FASTER transit revenue and expenditures" or the FASTER oversize/overweight vehicle surcharge.

The audit report recommended a number oversight and management processes for FASTER bridge, safety, and transit revenues to be managed in a more efficient and transparent manner. CDOT agreed with all recommendations and have agreed to have all recommendations implemented by July 2016 (or before).

Staff recommends the department hearing include a discussion of the status of the implementation of audit recommendations.

Bike Trails

In September, Gov. John Hickenlooper announced a four-year plan to spend over \$100 million to increase bicycle infrastructure and safety in an effort to become "the best state for bicycling." The announcement included a commitment from CDOT to spend 2.5 percent of the Department's construction budget on bicycle and pedestrian programs.

\$63.6 million of the \$100.0 million will be federal funds from the Transportation Alternatives Program (TAP), the Congestion Mitigation and Air Quality (CMAQ) program, and the Surface Transportation Program (STP). These programs all provide funding for bicycle and pedestrian improvements, as well as some road projects, but the bike projects included in this \$63.6 million were identified by local governments as priority projects. \$30 million will come from Great Outdoors Colorado (GOCO) as part of the plan to increase trail connectivity in the state. The remaining \$10 million will be federal TAP dollars dedicated to the Safe Routes to School program.

According to the Department, none of the future bike trail projects are diverting funding from road projects. These are existing projects funded primarily through federal programs intended to build bicycle and pedestrian infrastructure.

Administration Buildings

In June 2015, the Transportation Commission approved resolutions authorizing CDOT to issue a Request for Proposals (RFP) for the design of a new combined Headquarters and Region 1 facility in Denver, as well a new Region 2 facility in the Pueblo area. The resolutions approved the use of up to \$2.0 million for the Headquarters/Region 1 building and up to \$1.6 million for the Region 2 building, of Transportation Commission Contingency Reserve Funds, to fund project design, provide earnest money to secure a location, and establish a guaranteed maximum price for the projects.

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A 2012 CDOT assessment of the condition of the Headquarters building (4201 E. Arkansas, Denver), the Region 1 building (200 S. Holly, Denver), and the Region 2 building (905 Erie, Pueblo) determined that the buildings have fire and life safety concerns, floodplain concerns, Americans with Disabilities Act (ADA) deficiencies, and costly capital improvement repairs (i.e. mechanical concerns). The Headquarters building was built in 1954 as an elementary school, and is described by the Department as incompatible for office space and costly to renovate. The Region 1 building has workers housed in temporary trailers, in addition to the fire/life safety concerns listed above. The Region 2 building was built in 1930s and has had issues with flooding, as well as space issues, requiring workers to be housed in temporary trailers that lack indoor plumbing. The proposed plan would consolidate the Headquarters and Region 1 building into a new space in Denver. Region 2 would construct a new building in the Pueblo area. Combined, the two new buildings would cost approximately \$127 million to build.

CDOT plans to finance the buildings with Certificates of Participation (COPs), using the revenue from the sale or lease of the older buildings towards financing the new buildings, with a goal to complete construction by the end of 2017.

The Department explored other space options, including leasing an existing space or remodeling/upgrading the existing buildings. However, their space needs and fiscal analysis indicated new buildings would be better option over the long run. Locations are being explored, but final decisions have not yet been made. The Department emphasized that no funds dedicated to roads would be used to finance the COPs.

Capital Develop Committee staff has asked the Department to provide an update at the Capital Development Committee's annual budget hearing.

Southwest Chief

The Southwest Chief Route Advancement and Improvement Project was awarded a second federal Transportation Investment Generating Economic Recovery (TIGER) grant in October 2015. In 2014, the project received a \$12.5 million TIGER grant to begin improvements on the deteriorating BNSF Railway La Junta Subdivision, which runs through parts of Kansas, southeast Colorado, and New Mexico. The 2015 TIGER grant awarded \$15,212,142 federal funds to the project, matching funds committed by Amtrak, Kansas, Colorado, New Mexico, BNSF, and local communities. See the chart below for the source of the funding, as submitted in the TIGER grant application.

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Appendix: Sources and Uses of Project Funds
 The Amtrak Southwest Chief Route Advancement and Improvement Project
 Application for US DOT TIGER VII Discretionary Grant Funds

Uses of Funds (Components, Locations and Characteristics)				Sources of Funds						Totals		
#	Component	Sub-division	States	Federal	Non-Federal Match					Total Funds	As %	
				TIGER VI Grant Funds	Amtrak	State of Kansas	State of Colorado	State of New Mexico	BNSF Railway			Local Communities
1	At-Grade Crossing	BNSF La	CO	\$ 582,083	157,803	\$ 47,225.88	\$ 47,225.88		\$ 94,451.76	\$ 6,588	\$ 935,425	3.8%
2	Turnout Replacement	Junta	KS	\$ 2,037,927	552,484	\$ 165,342.10	\$ 165,342.10		\$ 330,684.20	\$ 23,065	\$ 3,275,008	13.4%
3	Rail Relay			\$ 9,705,507	2,631,170	\$ 787,432.02	\$ 787,432.02		\$ 1,574,864.04	\$ 109,847	\$ 15,597,033	63.8%
4	Ties, Ballast, and Resurfacing	NMDOT	NM	\$ 2,885,870	658,543			\$ 1,000,000		\$ 82,000	\$ 4,637,677	19.0%
Total				\$ 15,210,143	\$ 4,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 233,000	\$ 24,443,143	100.0%
As %				62.2%	16.4%	4.1%	4.1%	4.1%	8.2%	1.0%	100.0%	
				Non-Federal Match à	\$9,233,000							
					37.8%							

The Southwest Chief provides passenger transportation and freight service to rural communities in Kansas, New Mexico, and southeast Colorado. In short, the quality of the rail in this subdivision has fallen, requiring slower speeds by both passenger and freight trains. Amtrak was considering rerouting the service from the line due to the significant impact on travel times and schedules. As part of the grant, BNSF has agreed to maintain the new track.

As seen above, CDOT has committed \$1.0 million to the project as a condition of receipt of the TIGER grant. The Department has determined that the statutory language for S.B. 09-228 allows for the use of \$1.0 million of the expected FY 2015-16 transfer to fulfill the commitment.

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Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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DEPARTMENT OF TRANSPORTATION

Shailen Bhatt, 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	14,117,848	14,157,677	14,171,119	14,219,525	
FTE	183.5	151.4	183.5	183.5	
General Fund	0	0	0	0	
Cash Funds	13,411,956	13,487,874	13,488,526	13,536,932	
Reappropriated Funds	705,892	669,803	682,593	682,593	
Federal Funds	0	0	0	0	
Operating Expenses	7,765,630	3,994,107	4,198,126	4,198,126	
General Fund	0	0	0	0	
Cash Funds	7,377,349	3,575,093	3,130,267	3,130,267	
Reappropriated Funds	388,281	419,014	1,067,859	1,067,859	
Federal Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (A) Administration	21,883,478	18,151,784	18,369,245	18,417,651	0.3%
<i>FTE</i>	183.5	151.4	183.5	183.5	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	20,789,305	17,062,967	16,618,793	16,667,199	0.3%
Reappropriated Funds	1,094,173	1,088,817	1,750,452	1,750,452	0.0%
Federal Funds	0	0	0	0	0.0%

(B) Centrally Appropriated Personal Services

Health, Life, and Dental	952,974	1,134,295	1,173,682	1,207,810	
General Fund	0	0	0	0	
Cash Funds	905,325	1,076,358	1,124,652	1,127,886	
Reappropriated Funds	47,649	57,937	49,030	79,924	
Federal Funds	0	0	0	0	
Short-term Disability	18,412	23,109	23,962	19,153	
General Fund	0	0	0	0	
Cash Funds	17,491	22,072	22,971	18,171	
Reappropriated Funds	921	1,037	991	982	
Federal Funds	0	0	0	0	
S.B. 04-257 Amortization Equalization Disbursement	384,680	415,717	480,384	485,311	
General Fund	0	0	0	0	
Cash Funds	369,431	398,610	460,498	460,498	
Reappropriated Funds	15,249	17,107	19,886	24,813	
Federal Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>347,281</u>	<u>389,735</u>	<u>464,007</u>	<u>480,737</u>	
General Fund	0	0	0	0	
Cash Funds	333,514	373,697	444,799	456,182	
Reappropriated Funds	13,767	16,038	19,208	24,555	
Federal Funds	0	0	0	0	
Salary Survey	<u>268,388</u>	<u>159,987</u>	<u>278,911</u>	<u>937</u>	
General Fund	0	0	0	0	
Cash Funds	261,517	153,086	267,619	790	
Reappropriated Funds	6,871	6,901	11,292	147	
Federal Funds	0	0	0	0	
Merit Pay	<u>178,679</u>	<u>162,691</u>	<u>99,689</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	171,247	154,305	95,653	0	
Reappropriated Funds	7,432	8,386	4,036	0	
Federal Funds	0	0	0	0	
Shift Differential	<u>27,528</u>	<u>25,034</u>	<u>30,582</u>	<u>45,157</u>	
General Fund	0	0	0	0	
Cash Funds	26,152	24,365	28,610	45,112	
Reappropriated Funds	1,376	669	1,972	45	
Federal Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (B) Centrally Appropriated Personal Services					
FTE	2,177,942	2,310,568	2,551,217	2,239,105	(12.2%)
General Fund	0.0	0.0	0.0	0.0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	2,084,677	2,202,493	2,444,802	2,108,639	(13.8%)
Federal Funds	93,265	108,075	106,415	130,466	22.6%
	0	0	0	0	0.0%

(C) Miscellaneous Administration Accounts

Statewide Indirect Costs State Highway Funds	123,760	129,070	129,937	129,937	
General Fund	0	0	0	0	
Cash Funds	123,760	129,070	125,658	125,658	
Reappropriated Funds	0	0	4,279	4,279	
Federal Funds	0	0	0	0	
Legal Services	0	651,486	625,166	625,166	
General Fund	0	0	0	0	
Cash Funds	0	651,486	625,166	625,166	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
General Insurance - Property & Liability	2,787,211	2,679,701	2,679,701	3,803,411	
General Fund	0	0	0	0	
Cash Funds	2,787,211	2,679,701	2,679,701	3,803,411	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Workers' Compensation					
General Fund	<u>440,580</u>	<u>539,457</u>	<u>553,451</u>	<u>460,145</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	440,580	539,457	553,451	460,145	
Federal Funds	0	0	0	0	
CORE Operations					
General Fund	0	<u>68,172</u>	<u>62,574</u>	<u>62,574</u>	
Cash Funds	0	68,172	62,574	62,574	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payments to OIT					
General Fund	0	<u>6,727,713</u>	<u>5,900,920</u>	<u>6,010,331</u>	*
Cash Funds	0	6,727,713	5,900,920	6,010,331	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Information Technology Security					
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
OIT Services					
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (C) Miscellaneous Administration					
Accounts	3,351,551	10,795,599	9,951,749	11,091,564	11.5%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	3,351,551	10,795,599	9,947,470	11,087,285	11.5%
Reappropriated Funds	0	0	4,279	4,279	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - (I) Administration					
	27,412,971	31,257,951	30,872,211	31,748,320	2.8%
FTE	183.5	151.4	183.5	183.5	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	26,225,533	30,061,059	29,011,065	29,863,123	2.9%
Reappropriated Funds	1,187,438	1,196,892	1,861,146	1,885,197	1.3%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(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.

Construction Maintenance, And Operations	<u>1,648,077,218</u>	<u>1,704,668,941</u>	<u>1,277,416,161</u>	<u>1,236,114,586</u>	
FTE	2,783.5	2,741.2	3,137.3	3,137.3	
General Fund	0	0	0	0	
Cash Funds	904,677,384	840,812,366	702,437,894	598,339,646	
Reappropriated Funds	904,144	816,388	1,916,192	1,892,141	
Federal Funds	742,495,690	863,040,187	573,062,075	635,882,799	

TOTAL - (2) Construction, Maintenance, and

Operations	1,648,077,218	1,704,668,941	1,277,416,161	1,236,114,586	(3.2%)
FTE	<u>2,783.5</u>	<u>2,741.2</u>	<u>3,137.3</u>	<u>3,137.3</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	904,677,384	840,812,366	702,437,894	598,339,646	(14.8%)
Reappropriated Funds	904,144	816,388	1,916,192	1,892,141	(1.3%)
Federal Funds	742,495,690	863,040,187	573,062,075	635,882,799	11.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(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>33,473,642</u>	<u>7,899,719</u>	<u>2,575,000</u>	<u>7,716,702</u>	
FTE	4.0	4.0	4.0	4.0	
General Fund	0	0	0	0	
Cash Funds	32,727,079	6,880,131	1,575,000	6,716,702	
Reappropriated Funds	746,563	1,018,707	1,000,000	1,000,000	
Federal Funds	0	881	0	0	

TOTAL - (3) High Performance Transportation

Enterprise	33,473,642	7,899,719	2,575,000	7,716,702	199.7%
FTE	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	32,727,079	6,880,131	1,575,000	6,716,702	326.5%
Reappropriated Funds	746,563	1,018,707	1,000,000	1,000,000	0.0%
Federal Funds	0	881	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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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	1,383,042	1,276,490	1,500,000	2,000,000 *	
General Fund	0	0	0	0	
Cash Funds	1,383,042	1,276,490	1,500,000	2,000,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

TOTAL - (4) First Time Drunk Driving Offenders

Account	1,383,042	1,276,490	1,500,000	2,000,000	33.3%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	1,383,042	1,276,490	1,500,000	2,000,000	33.3%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(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	11,383,446	11,671,947	124,100,000	126,600,000	
FTE	2.0	2.0	2.0	2.0	
General Fund	0	0	0	0	
Cash Funds	11,383,446	(4,435,033)	109,100,000	111,600,000	
Reappropriated Funds	0	0	15,000,000	0	
Federal Funds	0	16,106,980	0	15,000,000	
TOTAL - (5) Statewide Bridge Enterprise	11,383,446	11,671,947	124,100,000	126,600,000	2.0%
FTE	2.0	2.0	2.0	2.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	11,383,446	(4,435,033)	109,100,000	111,600,000	2.3%
Reappropriated Funds	0	0	15,000,000	0	(100.0%)
Federal Funds	0	16,106,980	0	15,000,000	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(6) MARIJUANA IMPAIRED DRIVING PROGRAM					
Marijuana Impaired Driving Program	0	0	450,000	450,000	
General Fund	0	0	0	0	
Cash Funds	0	0	450,000	450,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
TOTAL - (6) Marijuana Impaired Driving Program	0	0	450,000	450,000	0.0%
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	0	0	450,000	450,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of Transportation					
	1,721,730,319	1,756,775,048	1,436,913,372	1,404,629,608	(2.2%)
<i>FTE</i>	2,973.0	2,898.6	3,326.8	3,326.8	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	976,396,484	874,595,013	844,073,959	748,969,471	(11.3%)
Reappropriated Funds	2,838,145	3,031,987	19,777,338	4,777,338	(75.8%)
Federal Funds	742,495,690	879,148,048	573,062,075	650,882,799	13.6%

Appendix B: **Recent Legislation Affecting Department Budget**

2014 Session Bills

H.B. 14-1161 (SW Chief Rail Commission): Creates the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission as a Type I agency within the Department of Transportation. Requires the Commission to coordinate and oversee efforts by the state and local governments, to cooperate with the states of Kansas and New Mexico, Amtrak, and the Burlington Northern and Santa Fe Railway (BNSF) to ensure continuation of existing Amtrak southwest chief rail line service in the state, expand such service to include a stop in Pueblo, and to explore the benefits of adding an additional stop in Walsenburg. Appropriates \$5,279 cash funds to the Department in FY 2014-15.

H.B. 14-1301 (Safe Routes to School): Continues the Safe Routes to School Program and specifies all grants awarded must be for non-infrastructure projects. Adds criteria that the CDOT must consider when evaluating grant applications. Requires General Fund appropriations made to the program be reduced in any year that the CDOT receives federal moneys for the program, by the amount of federal moneys received. Appropriates \$700,000 General Fund to the Department in FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

2015 Session Bills

S.B. 15-163 (Supplemental Bill): Supplemental appropriation to the Department of Transportation to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

Appendix C: Update on Long Bill Footnotes & Requests for Information

Long Bill Footnotes

- 75 Department of Transportation, Construction, Maintenance, and Operations – It is the intent of the General Assembly that the Department of Transportation work with local communities to study the economic development benefits of improving Highway 50 between Salida and the Kansas state line.

Comment: The department is in compliance with this Footnote.

Requests for Information

The Department of Transportation does not have a Request for Information.

Appendix D: FY 2014-15 SMART Act Annual Performance Report and FY 2015-16 Performance Plan

Pursuant to Section 2-7-205 (1) (a) (I), C.R.S., the Office of State Planning and Budgeting is required to publish an Annual Performance Report for the Department of Transportation by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation. For consideration by the Joint Budget Committee in prioritizing the Department's budget request, the FY 2014-15 report can be found at the following link: <https://sites.google.com/a/state.co.us/colorado-performance-management/department-performance-plans/transportation/fy-2014-15-performance-plan-and-evaluation-reports>.

Pursuant to Section 2-7-204 (3) (a) (I), C.R.S., the Department of Transportation is required to develop a performance plan and submit that plan to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year. For consideration by the Joint Budget Committee in prioritizing the Department's budget request, the FY 2015-16 plan can be found at the following link: <https://drive.google.com/file/d/0BzIopKKDzSSTZWlmRThRT3VqOU5sVG9TTjlySWhSZTBxZ204/view>.

Appendix E: Motor Fuel Tax History

Colorado Motor Fuel Tax Rates

Tax Rate (cents)	Fuel	Effective Dates
1.0	Gas & Diesel	January 1, 1919 to December 31, 1922
2.0	Gas & Diesel	January 1, 1923 to December 31, 1926
3.0	Gas & Diesel	January 1, 1927 to December 31, 1928
4.0	Gas & Diesel	January 1, 1929 to December 31, 1933
5.0	Gas & Diesel	January 1, 1934 to December 31, 1934
4.0	Gas & Diesel	January 1, 1935 to December 31, 1946
6.0	Gas & Diesel	January 1, 1947 to July 31, 1965
7.0*	Gas & Diesel	August 1, 1965 to August 31, 1966
6.0	Gas & Diesel	September 1, 1966 to June 30, 1969
7.0	Gas & Diesel	July 1, 1969 to July 1, 1981
9.0	Gas & Diesel	July 2, 1981 to June 30, 1983
12.0	Gas	July 1, 1983 to June 30, 1986
18.0	Gas	July 1, 1986 to July 31, 1989
20.0	Gas	August 1, 1989 to December 31, 1990
22.0	Gas	January 1, 1991 to present
13.0	Diesel	July 1, 1983 to June 30, 1986
20.5	Diesel	July 1, 1986 to June 30, 1989
18.5	Diesel	July 1, 1989 to July 31, 1989
20.5	Diesel	August 1, 1989 to December 31, 1989
18.0	Diesel	January 1, 1990 to December 31, 1991
20.5	Diesel	January 1, 1992 to present

*A 1-cent motor fuel tax for 1965 flood disaster relief was passed effective August 1, 1965 through August 31, 1966.

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Federal Fuel Tax Rates

Tax Rate (cents)	Fuel	Effective Dates
1.0	Gas	June 21, 1932 to June 16, 1933
1.5	Gas	June 17, 1933 to December 31, 1933
1.0	Gas	January 1, 1934 to June 30, 1940
1.5	Gas	July 1, 1940 to October 31, 1951
2.0	Gas & Diesel	November 1, 1951 to June 30, 1956
3.0	Gas & Diesel	July 1, 1956 to September 30, 1959
4.0	Gas & Diesel	October 1, 1959 to March 31, 1983
9.0	Gas	April 1, 1983 to November 30, 1990
14.1*	Gas	December 1, 1990 to September 30, 1993
18.4**	Gas	October 1, 1993 to December 31, 1995
18.3	Gas	January 1, 1996 to September 30, 1997
18.4**	Gas	October 1, 1997 to present
9.0	Diesel	April 1, 1983 to July 31, 1984
15.0	Diesel	August 1, 1984 to November 30, 1990
20.1*	Diesel	December 1, 1990 to September 30, 1993
24.4**	Diesel	October 1, 1993 to December 31, 1995
24.3	Diesel	January 1, 1996 to September 30, 1997
24.4**	Diesel	October 1, 1997 to present

* Includes 0.1 cent per gallon tax dedicated to the Leaking Underground Storage Tank Fund effective January 1, 1987. Collection of the tax was suspended for the period September 1, 1990 through December 1, 1990. The 14.1 cents per gallon rate includes 2.5 cents per gallon for reduction of the national debt.

**Includes 0.1 cent per gallon tax dedicated to the Leaking Underground Storage Tank Fund. This amount includes 6.8 cents per gallon tax for reduction of the national debt. Effective October 1, 1995, 2.5 cents of the 6.8 cents is dedicated to the Federal Highway Trust Fund. The remaining 4.3 cents does not expire.

MEMORANDUM

TO: Joint Budget Committee Members

FROM: Christina Beisel, JBC Staff

SUBJECT: Utah I-15 Expansion & Colorado's Status as a Donor State

DATE: November 16, 2015

Two questions were asked related to transportation during the Capital Construction briefing on November 12, 2015. Responses are included below.

Financing for I-15 in Utah

The I-15 corridor in Utah underwent a large-scale expansion, completed in 2012. The I-15 CORE project was Utah's largest expansion in recent years, and consisted of a 24-mile widening and reconstruction project on I-15 between Lehi and Spanish Fork.

According to the Utah Office of the Legislative Fiscal Analyst, the I-15 CORE project did not receive federal funding and was primarily funded via highway bonds authorized by the Utah legislature. Utah's S.B. 09-239 allowed the Utah Department of Transportation to issue up to \$2.2 billion in general obligation bonds for several highway construction projects, including the I-15 CORE project. The total I-15 CORE project cost was \$2.6 billion (\$1.5 billion for programming, including property acquisition, and \$1.1 billion for design/build).

Colorado: Donor v. Recipient State

Under the SAFETEA-LU federal transportation funding act, federal transportation funding was distributed to the states based on equitable funding formulas. These formulas resulted in some states being classified as "donor" states, because these states paid more money into the federal Highway Trust Fund via the federal gas tax than they received back through the funding formula.

MAP-21, the transportation funding bill that followed SAFETEA-LU, eliminated most of the equity funding formulas, thus reducing the number of donor states. MAP-21 increased the minimum rate of return for federal transportation apportionments to \$0.95 for each dollar paid to the Highway Trust Fund. In recent years, infusions of federal General Fund have been necessary to close the revenue and expenditures gap in the Highway Trust Fund. These federal General Fund transfers have also contributed to most states receiving more money than they pay in via gas taxes. In FY 2014, only three states – Maryland, South Carolina, and Texas – had a ratio of less than 1.0. As seen in the chart below, Colorado has had a ratio above 1.0 in recent years, with the exception of FY 2012-13. Note that the Department only has actual data through 2013-14, but is guaranteed to be a recipient state in FY 2014-15, and expects to be a recipient in the next several years.

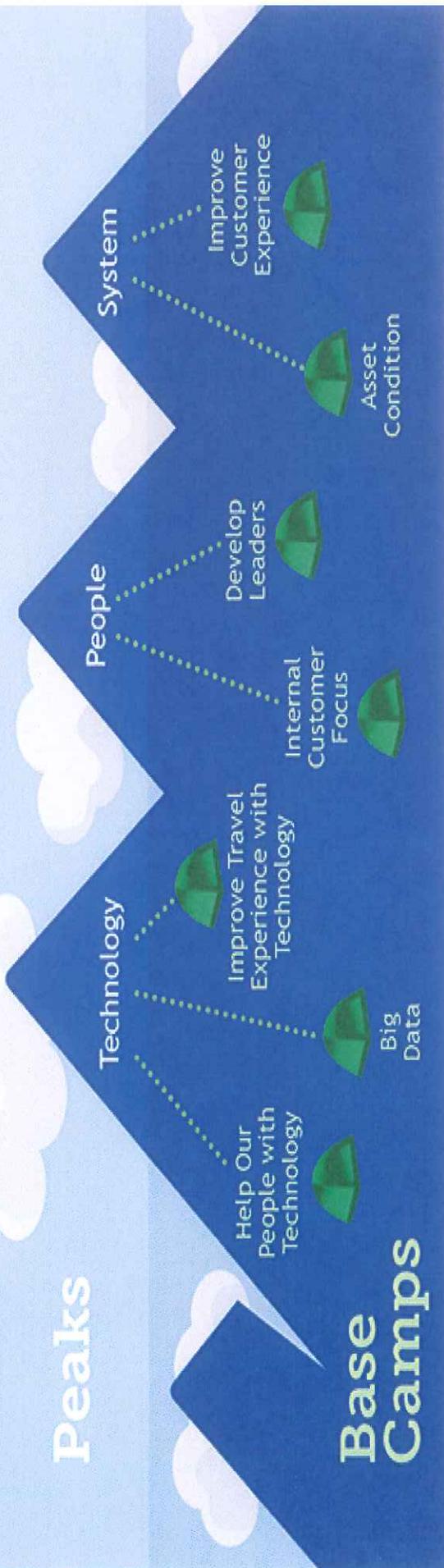
Colorado Highway Trust Fund Payments and Allocations			
Fiscal Year	Payments into the Highway Trust Fund	Allocations from the Highway Trust Fund	Percentage Received Per Dollar Remitted
2009-10	\$461,516,000	\$598,641,000	1.3%
2010-11	490,059,000	582,122,000	1.19%
2011-12	539,628,000	553,506,000	1.03%
2012-13	565,586,000	550,646,018	0.97%
2013-14	585,933,000	648,112,990	1.11%



Purpose Provide Freedom, Connection and Experience through Travel

Summit Best Department of Transportation in the Country for All Customers

Peaks



Colorado Department of Transportation

SMART Act Presentation

December 10, 2015



COLORADO
Department of
Transportation

Three peaks to become
No. 1 transportation
department:

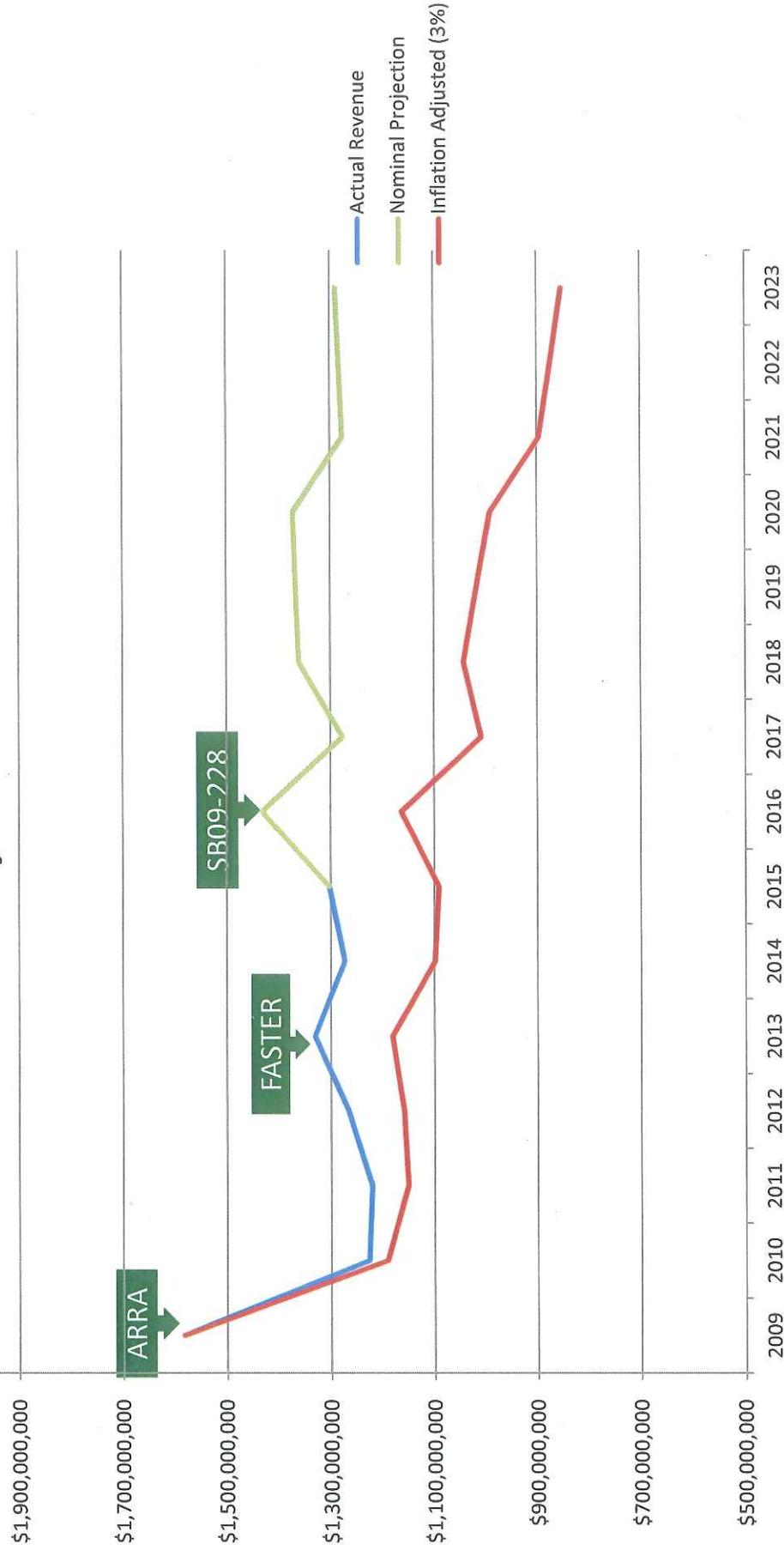
1. Leading-edge
technology
2. Our people
3. Healthy multi-modal
transportation
system



New strategic framework



Historical & Projected Revenue 2009-2023



* Does not include Permanent Flood Recovery Reimbursements



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THEN AND NOW
per capita spending

1991

VS.

2015

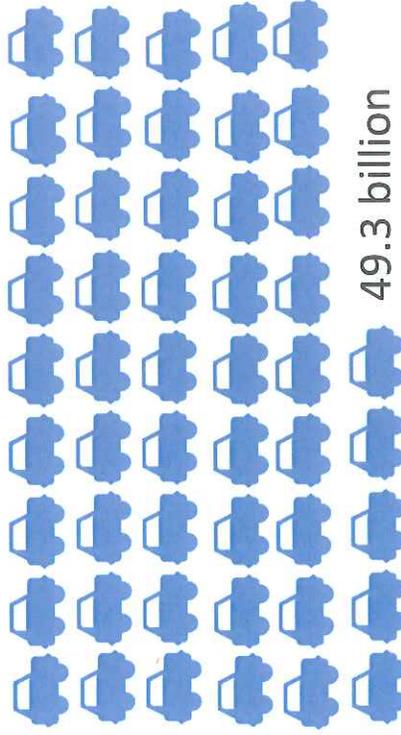
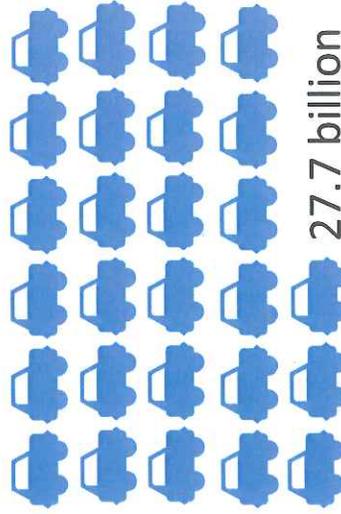


3.3 million

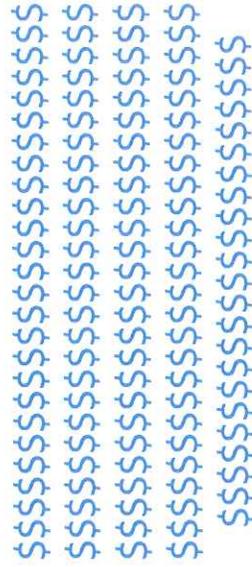
population



5.4 million



vehicle
miles
traveled



dollars
spent/person



All dollar figures adjusted for inflation

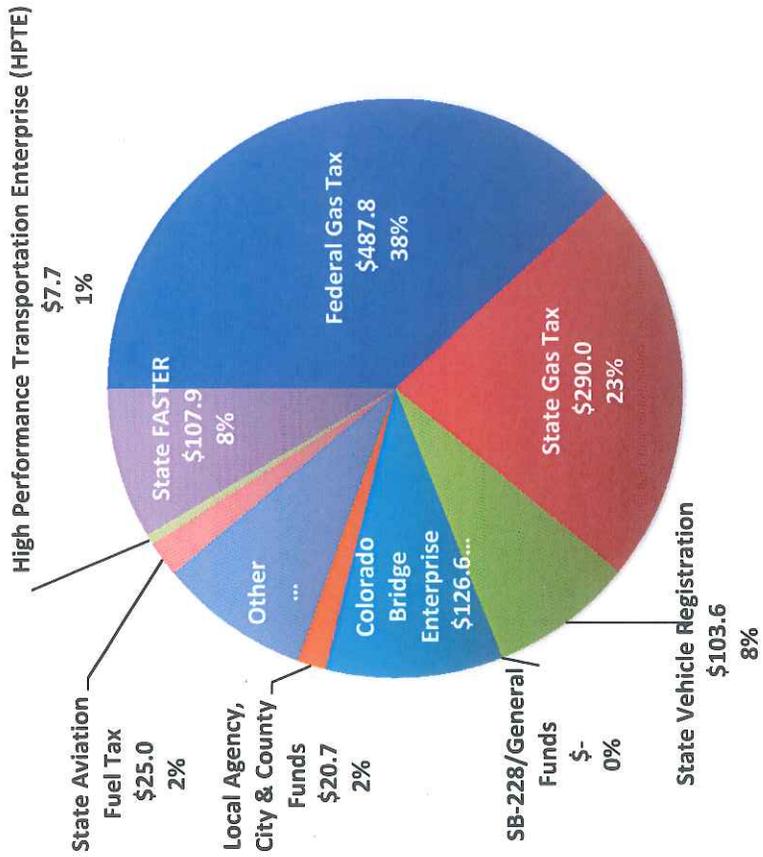


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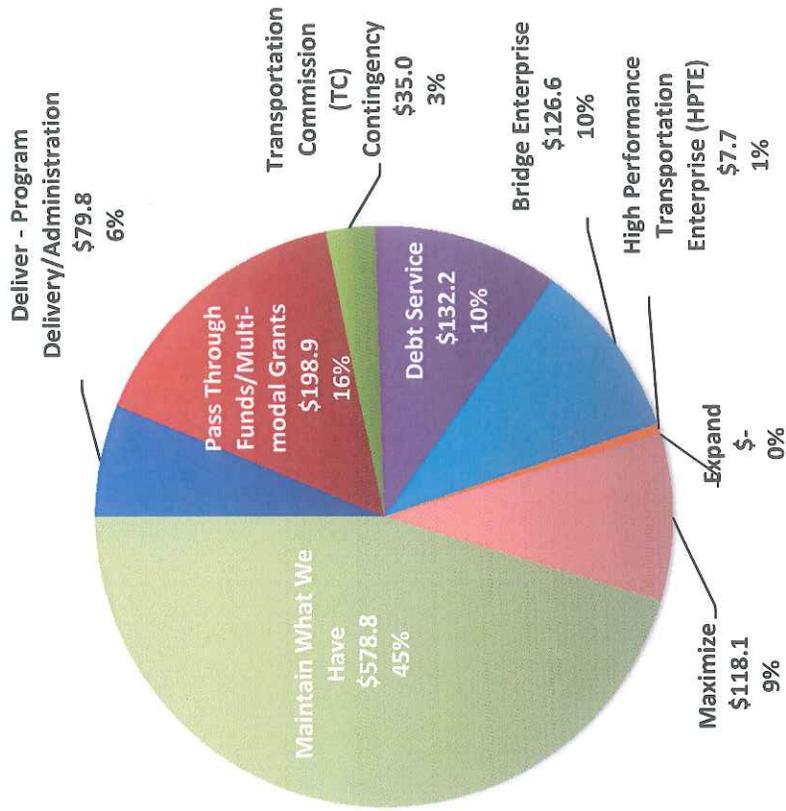
FY 2016 – 17 Sources & Uses

\$1.28B

CDOT Sources of Funds



CDOT Uses of Funds





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ASSET MANAGEMENT

Goals for Asset Management

FY '16 Asset Management Category

Fiscally Constrained Transportation Commission Goal for Asset Management Category
(CDOT needs \$805M to meet the goals)

Funding Available (\$736m)

Surface Treatment	80% of system with "high" or "moderate" drivability life	\$236 m
Bridge	90% of Colorado bridges not structurally deficient	\$164 m
Buildings	90% of buildings with a "C" condition or greater	\$13 m
Culverts	95% of culverts not structurally deficient	\$8 m
Tunnels	100% of useful life of fire/life safety key components	\$5 m
ITS	90% of assets within useful life	\$21 m
Road Equipment	70% of vehicles still within useful life	\$18m
Geohazards/Rockfall	60% of sites rated "C" or better	\$9 m
Walls	Goal under development 99% of walls in good or fair condition	\$2 m
Traffic Signals	Have only 15% of intersections with at least one component above 100% useful life	\$6 m
Annual Maintenance	B- overall condition	\$254 m



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ANNUAL MAINTENANCE Goals for Asset Management

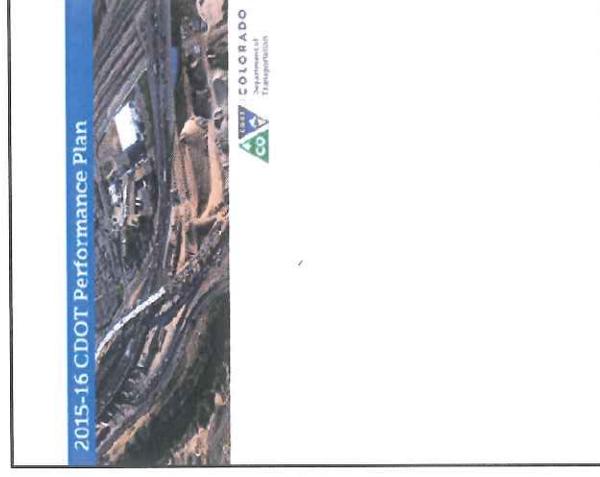
Maintenance Level of Service by Program Area

Description	Funding Needed for 'A' Rating	Budget FY 2016 Funding	FY 2012 Budget	FY 2014 Budget	FY 2016 Projected
Planning, Training and Scheduling	\$24.2M	\$14.8M	C	C-	C-
Roadway Surfacing	\$171.1M	\$39.0M	B	B+	C-
Roadside Facilities	\$39.6M	\$20.1M	B+	A-	C-
Roadside Appearance	\$11.6M	\$7.8M	B	B	C-
Traffic Services	\$120.9M	\$67.7M	C+	C+	C-
Bridges & Structures	\$25.7M	\$8.6M	C+	B-	C-
Snow & Ice	\$85.5M	\$73.3M	B	B	B
Service Equipment, Buildings & Grounds	\$25.9M	\$15.9M	B-	C+	C-
Tunnels	\$11.2M	\$6.9M	C+	C+	C-
OVERALL MLOS	\$515.5M	\$254.4M	B-	B-	C



FY 2015-16 CDOT Performance Plan

- Required by the 2013 revision of the State Measurement for Accountable, Responsive and Transparent Government (SMART) Act
- Helps the department through effective administration and delivery of transportation-related programs and services
- Key elements: Four Strategic Policy Initiatives (SPIs) and supporting operational performance metrics. (*Number of SPIs reduced this year for greater focus, per OSPB guidance.*)





Changes in FY15-16

- Alignment with “three peaks” of technology, people and infrastructure condition
- More explanation of strategies to achieve desired outcomes
- Specific, directional outcomes for each Strategic Policy Initiative. (What does success look like?)
- Better description of context of each SPI
- More frequent reporting to OSPB (quarterly)





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SMART Act Performance Plan

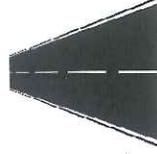
4 Strategic Policy Initiatives

- Key Performance Plan metrics are built around the 4 SPIs

1. **Safety**



2. **Pavement Condition**



3. **Travel-Time Reliability**



4. **Maintenance**





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SMART Act Performance Plan

Strategic Policy Initiatives: Safety

Safety SPI: Move Colorado toward zero deaths by reducing traffic-related deaths by one-half by 2030. Reduce fatalities by 12/yr, from 548 in 2008 to 344 in 2025

- One & Three Year Targets:
 - 452 for calendar year 2016
 - 428 for calendar year 2018



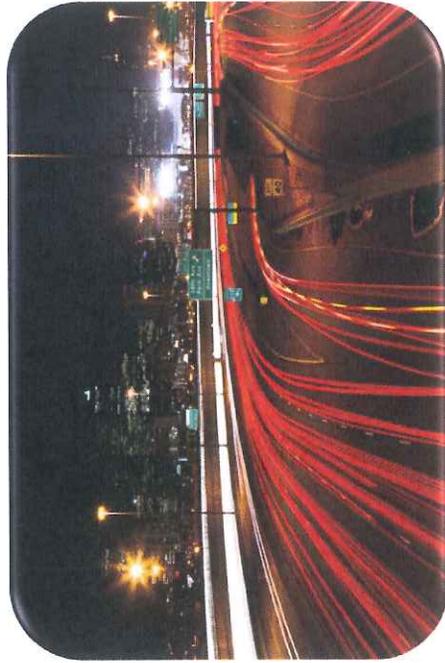
Progress: Annual fatalities have fallen 27% in the past 10 years... but have risen in the past five years to 488 in 2014.



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ROADX

RoadX will employ a multi-pronged DO-IT approach with the objective of being the most efficient, agile, and flexible system for bringing transportation technology to market.



Vision: Crash-free, delay-free and technologically-transformed travel in Colorado.

Mission: Partner with public and industry partners to make Colorado one of the most technologically advanced transportation systems in the nation, and a leader in safety and reliability.

Web site: <https://www.codot.gov/programs/roadx>



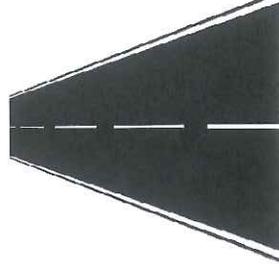
COLORADO
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SMART Act **Performance Plan**

Strategic Policy Initiatives: Pavement Condition

Pavement Condition SPI: Attain High or Moderate Drivability Life for 80% of sampled lane miles of pavement on the state highway system by 2025.

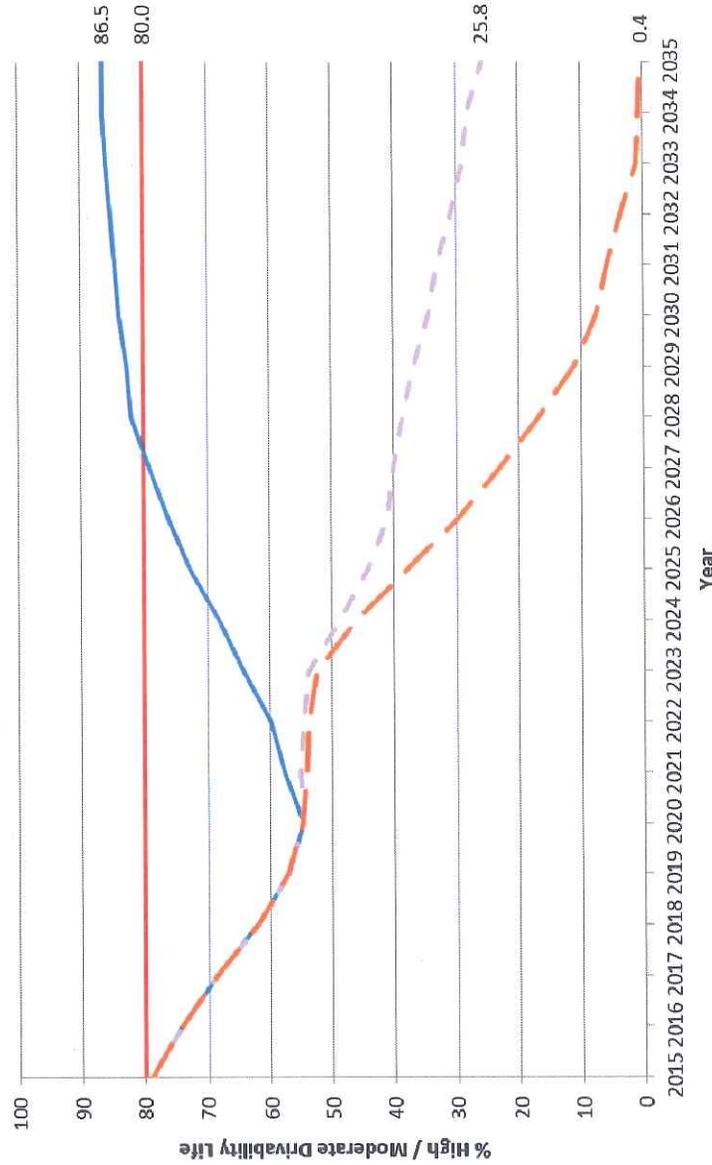
- One & Three Year Targets:
 - 74% FY 2016
 - 62% FY 2018



Progress: Pavement Condition rose to 79% in 2015 (up from 73% in 2014)... in large part due to a change in the pavement model, not a change in pavement condition.



Percent of Pavements with % High / Moderate Drivability Life



At Current Funding of
\$236 M

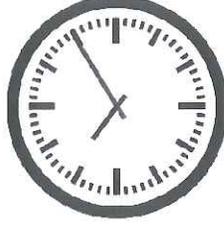
— Target
— Planned Budget

Pavement's Share of a
\$167 Million Cut to Assets

— Reduced Funding w/o Inflation
— Reduced Funding w/ Inflation of MLOS



Strategic Policy Initiatives: Travel-Time Reliability



Travel-Time Reliability SPI: Slow growth of congestion on I-25 (between NW Parkway and C-470) during daytime and early evening weekday hours. Slow the growth of congestion on I-70 (between Vail and C-470) during daytime and early evening weekend hours.

- *Example of one- and three-year targets:*
 - *Reduce the Planning Time Index (PTI) for NB I-25 from a projected average of 2.59 per month in calendar year 2016 to an actual average of 2.50 per month.*
 - *Achieve a PTI of 2.60 in 2018.*

Progress: Planning Time Index is expected to increase with the growth in population and traffic and no corresponding increase in funding to address our congestion challenges (current PTI for above example is 2.42 for 2014, up from 2.38 in 2013).



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OUR CHALLENGE

continued growth

From
2013
to
2040



Population

+47%

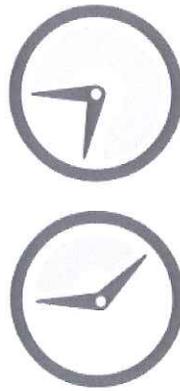
7.8 MILLION
COLORADANS



Vehicle Travel

+47%

41.8 BILLION
MILES TRAVELED



Avg. Traffic Delay
on congested corridors

2 to 3
TIMES

DURING
PEAK HOURS
(if we do nothing)



Strategic Policy Initiatives: Maintenance



Maintenance SPI: Maintain roadways and facilities to minimize the need for replacement or rehabilitation in a constrained funding environment.

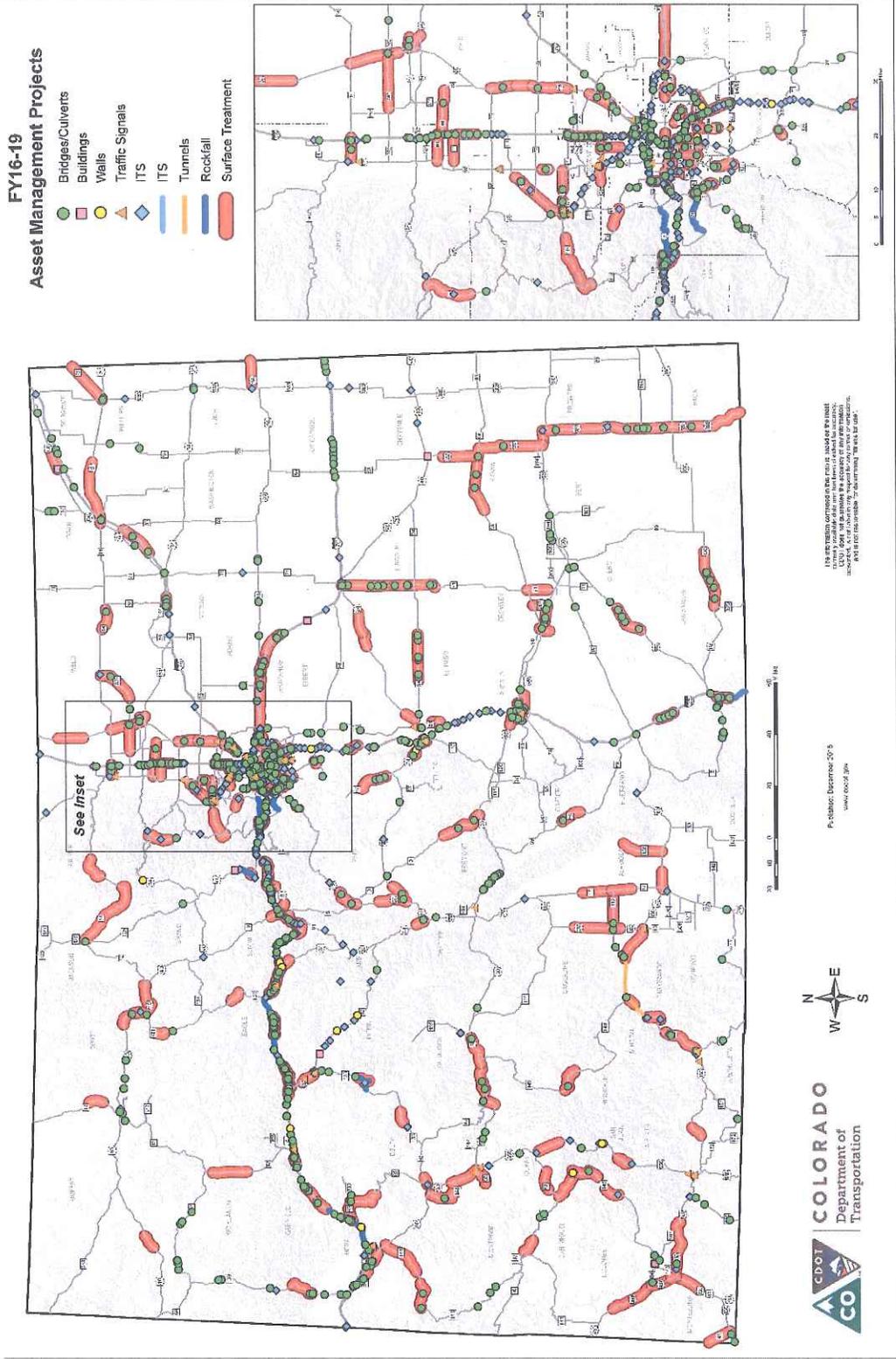
- One & Three Year Targets:
 - Achieve an overall Maintenance Levels of Service (MLOS) grade of C for the state highway system in FY 2016 and 2018.

Progress: CDOT has achieved a “B-” overall in 2014 and in most previous years, though projects a slight overall decline for 2016 and beyond, with a deficit of about \$22 million average per year to maintain the modest B- standard through 2025.



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ASSET MANAGEMENT FY 16-19 Projects





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SMART Act Legislative & Regulatory Agendas

Bills:

- Bridge Height Clarification
- Transit Hub Parking Enforcement
- Bus on Shoulder Exemption

Budget Requests:

- Marijuana Impaired Driving Campaign:
\$450K
- Impaired Driving/Felony DUI Campaign:
\$500K

Other:

- Funding for Transportation

Planned Rule Revisions

- Rules Governing Practices and Procedures of the Transportation Commission

Publicly Available

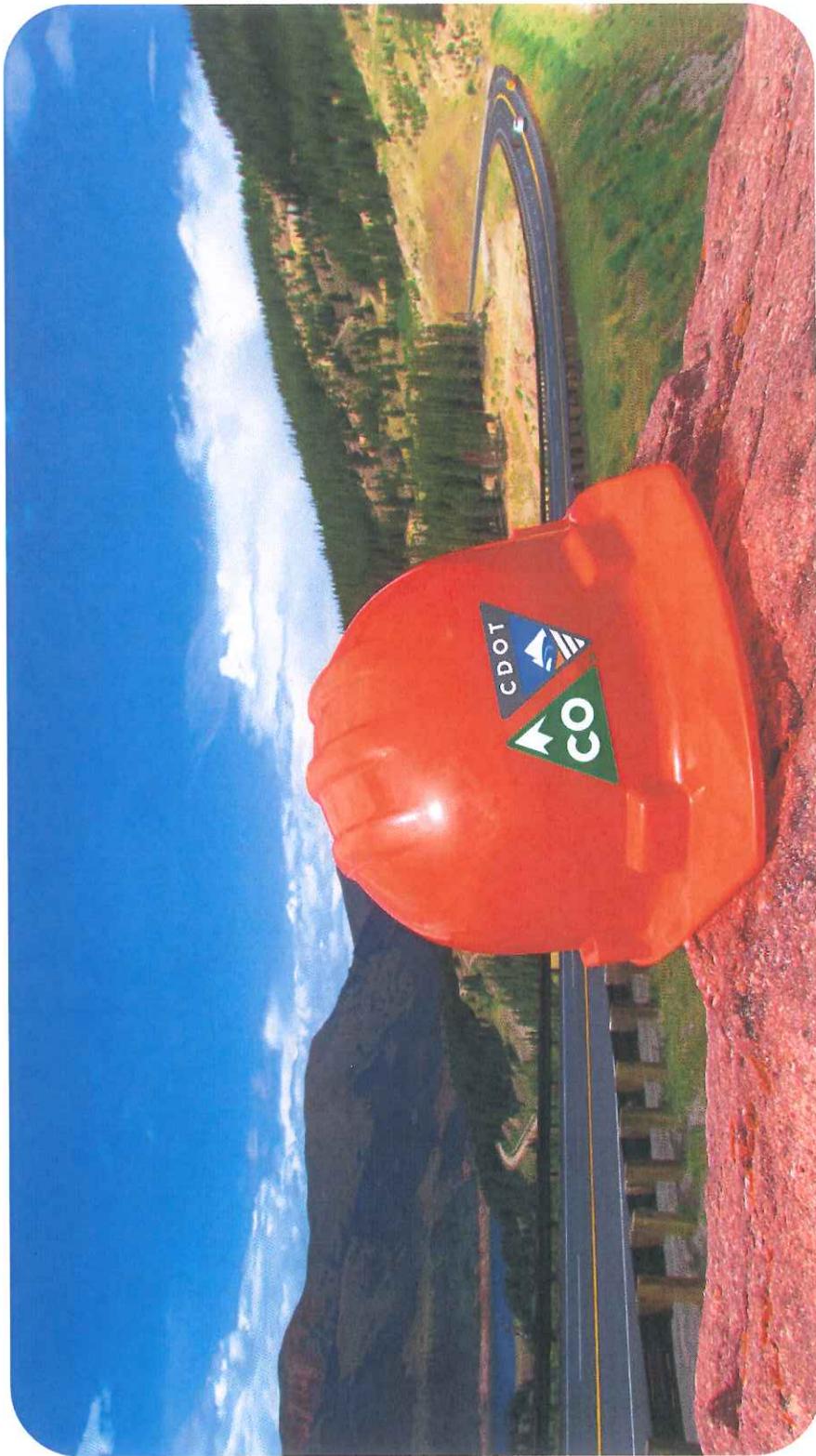
CDOT Website

www.coloradodot.info/business/rules



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Final Thoughts

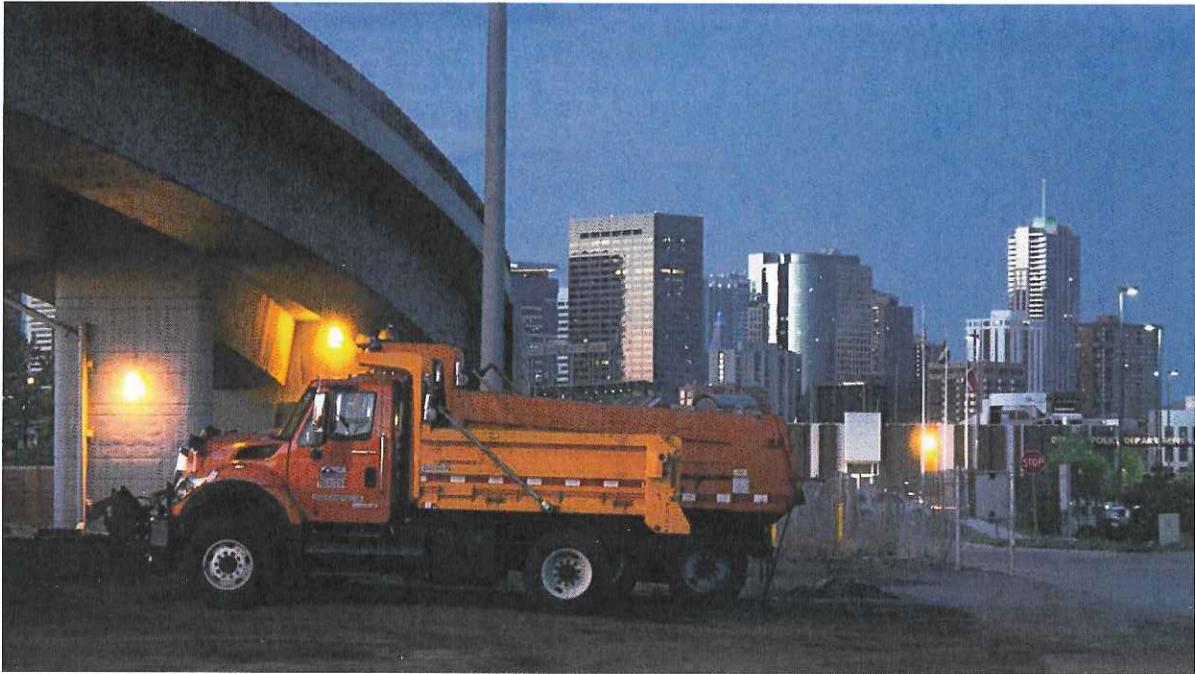


2015-16 CDOT Performance Plan



COLORADO
Department of
Transportation

December 2015 Resubmission



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Introduction & Overview

The Colorado Department of Transportation (CDOT) is pleased to present its Performance Plan for fiscal year 2015-16. This plan will help the Department serve Coloradans by effectively administering and delivering transportation-related programs and services.

Described in this document are selected one- and three-year Strategic Policy Initiatives; strategies and processes supporting those initiatives; output and outcome measures indicating performance levels; and a description of the environment, inputs and the customer of each initiative. A description of the Department also is included.

The Performance Plan is required by the 2013 revision of the State Measurement for Accountable, Responsive and Transparent Government (SMART) Act. The Governor's Office of State Planning and Budgeting (OSPB) provides guidance each year on recommended and required content.

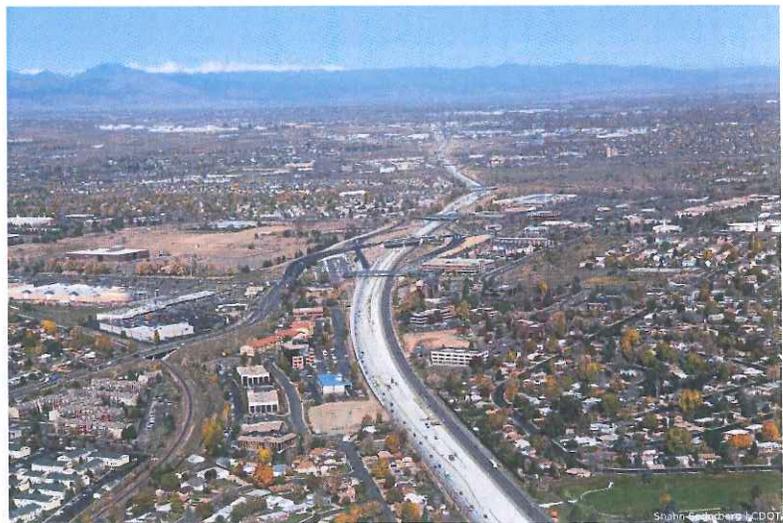
This document is a December 2015 resubmission of the plan CDOT initially submitted in July 2015. The resubmitted draft includes two additional Strategic Policy Initiatives, for a total of four. In addition, the Department under new executive management in June 2015 began developing a new strategic framework. Page 3 of this document includes new details on the framework.

Performance measures, goals and the presentation of this plan also are changing this year due to consultations with OSPB throughout fiscal year 2014-15. (See pages 8-9.) Revisions may continue to occur through this partnership, and as CDOT completes its annual review of the Federal Highway Administration-CDOT Stewardship Agreement and other documents that contain many of the same or similar performance indicators.

Department Description

The Colorado Department of Transportation is the cabinet department that plans for, operates, maintains and constructs the state-owned transportation system, including state highways and bridges. The Department's statutory authority resides within Title 43, Part 1, Colorado Revised Statutes (2015). Article 1 vests the Colorado Transportation Commission with authority over planning, development, and adoption of CDOT's annual budget.

CDOT is responsible for a state highway system that encompasses more than 9,100 centerline miles (about 23,000 total lane miles) and includes more than 3,400 bridges. This system each year handles more than 28 billion vehicle miles of travel. Although the Interstate system accounts for only about 10 percent, or 952, of the centerline miles on the state system, about 40 percent of state-highway travel within Colorado takes place on Interstate highways.



Interstate 36 at Westminster, October 2014.

Strategic Framework, Vision and Mission

Under the guidance of new executive management, CDOT in June 2015 began developing a new strategic framework. CDOT has reached out to employees at all levels to help create this framework, and an associated employee survey in mid-2015 yielded more than 700 responses.

CDOT's **purpose** is to provide freedom, connection and experience through travel.

The Department's new strategic framework focuses on reaching the "**summit**" of becoming the best transportation department in the country. Success in reaching this goal will boost the health of Colorado's transportation system and maximize the freedom of people in the state to decide how, when and where they want to go.

To become the No. 1 transportation department in the country, CDOT has identified three "**peaks**" it must reach. Each peak includes "**base camps**" that help the Department scale that peak. The peaks and base camps are:

- **Peak 1: Leading-Edge Technology**—CDOT will deploy leading-edge technology so Coloradans and visitors can move more reliably and safely. In August 2015, CDOT's Executive Director announced the creation of a volunteer "Tech Team," a group of CDOT employees who will help identify and implement such technology.

A base camp of this peak will focus on **Improving the Traveling Experience**, such as through applications for mobile devices. At a time when funds for expanding infrastructure are limited, CDOT will use new technology to maximize the capacity of existing roads, bridges and more. A second basecamp will



focus on **Big Data**, or using complex data sets to improve performance. A third base camp —**Helping our People**—will involve leveraging technology to make CDOT employees’ jobs safer and easier, such as by using Unmanned Aerial Systems to provide images of locations where it is unsafe or time consuming for employees to travel.

- **Peak 2: Our People**—Under this peak, CDOT will encourage employees to have a passion for coming to work every day and will attract new employees who want to work for the best transportation department in the country.

This peak has a base camp of **Leadership Development**, under which CDOT will develop leadership, problem-solving and other skills needed to create a leading 21st Century transportation system. The second base camp is an **Internal Customer Focus**. CDOT will encourage the application of common-sense problem solving to help employees support each other’s success. CDOT will foster employees who take an interest in their colleagues’ well-being.

- **Peak 3: Healthy Multi-Modal System**—CDOT will enhance Colorado’s roads, bridges and multi-modal options so the Department’s customers can go where they want more safely, easily and confidently than ever.

A base camp of this peak is **Asset Condition**. CDOT seeks to invest in and preserve the transportation infrastructure condition to ensure safety and mobility at a least life-cycle cost. Under this base camp, CDOT will continue to determine the right mix of infrastructure investment across urban and rural communities. A second base camp is to **Improve the Customer Experience**, such as by clearing incidents more quickly, enhancing safety and addressing bottlenecks.

The Department’s **vision** is to enhance the quality of life and the environment of the citizens of Colorado by creating an integrated transportation system that focuses on safely moving people, goods and information by offering convenient linkages among modal choices. CDOT’s **mission** is to provide the best multi-modal transportation system for Colorado that most effectively and safely moves people, goods and information. CDOT’s core values are safety, people, respect, integrity, customer service and excellence.

From these organizational priorities, the department establishes mid- to long-term performance goals and objectives. Policy Directive 14, an updated version of which was adopted by the Governor-appointed Colorado Transportation Commission in early 2015, provides policy direction on investment decisions to achieve certain performance levels for the statewide transportation system, including safety, infrastructure condition, maintenance and system performance levels. The objectives in Policy Directive 14 help set direction for funding levels for various programs in the long-range Statewide Transportation Plan, the near-term Statewide Transportation Improvement Plan (STIP), and the Department’s annual budget.

Department Structure

The state’s transportation system is managed by CDOT under the direction of the Colorado Transportation Commission, which is composed of eleven members who represent specific districts. Each commissioner, appointed by the Governor and confirmed by the Senate, serves a four-year term. The commission directs policy and adopts Departmental budgets and programs.

The Executive Director’s Office leads the Department in planning for and addressing Colorado’s transportation needs. The Executive Director and other members of the Executive Management Team set the direction of the Department, make recommendations to the Transportation Commission, ensure consistent communication, set

internal policy, set short-term and long-range goals, and provide leadership for the Department through the execution of the Transportation Commission's policies and budgets.

CDOT's Chief Engineer, who is also the Transportation Program Director, is responsible for integrated transportation program-development functions including planning, engineering, design and construction. Reporting to the Chief Engineer and Transportation Program Director are CDOT's Division of Transit & Rail, Division of Transportation Development, Office of Major Project Development, Project Support and Office of Program Management.

The Department's divisions and offices, along with its Transportation Regions, perform an array of functions. Examples include:

- Colorado's five Transportation Regions operate under the guidance of the Deputy Director/Chief Operating Officer and their respective Regional Transportation Directors. CDOT's Transportation Regions design highway projects and awards contracts to private companies that submit the lowest bids to construct the projects. The Regions also deliver needed maintenance for the state highway system and maintain ongoing contact with local governments, industry and the public. Each Region covers all aspects of CDOT operations for that Region, including engineering, planning and environmental management, traffic, right-of-way and surveying, and utilities.
- Regions, supported by the Division of Highway Maintenance, also take care of the highway system by plowing snow, repairing pavement, maintaining guardrails and more.
- The Division of Transportation Systems Management & Operations (TSM&O) focuses on implementing low-cost, high-value operational improvements to get more out of Colorado's existing transportation system.
- The Office of Transportation Safety helps local law-enforcement agencies with special funds to provide educational programs to reduce distracted and impaired driving and to increase the use of safety belts.
- The Division of Aeronautics supports aviation interests statewide, including by awarding and administering grants to help improve local airports. The Division operates under the direction of the Colorado Aeronautical Board.
- The Division of Transit and Rail provides assistance to numerous transit systems in the state.
- The Division of Transportation Development manages the statewide transportation-planning process and ensures the department fulfills its environmental and reporting obligations.
- The Office of Major Project Development helps CDOT and the High Performance Transportation Enterprise (HPTE) more effectively and efficiently develop major projects through the promotion of consistency in the advancement, management and oversight of such projects.

Major Functions

CDOT administers highway, aviation, transit and rail, and other programs pursuant to state laws, federal laws and the policies of the Colorado Transportation Commission. For this plan, the Department uses six functional categories to describe its work:

1. **Capital Construction:** The Department delivers bridge, pavement and other capital construction projects. CDOT ensures pavements, tunnels, bridges and other structures statewide are properly designed, constructed, and maintained. **Customers:** All users of the state highway system. This includes resident, tourist and recreational travelers; "through" travelers on the Interstates; business customers such as the freight and tourism industries; the construction community; transit service providers; the military; counties; municipalities and others.

2. **Operations and Maintenance:** CDOT maintains and operates the state highway system. The Division of Transportation Systems Management and Operations plans, develops, and administers a statewide program to reduce congestion and improve the safety, security, mobility, and efficient use of Colorado's existing highway system. TSM&O improves the surface transportation system through activities other than building new capacity. Examples include Variable Messaging Signs that allow travelers to adjust trips based on the latest information and traffic signals on ramps that dynamically control the rate at which vehicles enter freeways. Meanwhile, the Division of Highway Maintenance provides policy and guidance for the statewide maintenance program. This Division also maintains operational oversight for the administration of the maintenance program for the nine maintenance sections. CDOT's maintenance forces take care of the highway system in numerous ways including plowing snow, striping and repairing pavement. **Customers:** All users of the state highway system. This includes resident, tourist and recreational travelers; "through" travelers on the Interstates; business customers such as the freight and tourism industries; the construction community; transit service providers; the military; counties; municipalities and others.
3. **Safety:** CDOT strives to reduce the incidence and severity of motor-vehicle crashes and associated human and economic loss. This is done by incorporating roadway-safety engineering principles in all state highway construction and enhancement projects, conducting safety-specific infrastructure projects, and by administering data-driven safety-education grant programs to influence driver behavior and support law enforcement and local community safety projects. CDOT also works to expand safety partnerships and to provide tools for safety advocates to work with the Department. **Customers:** All users of the state highway system. This includes resident, tourist and recreational travelers; "through" travelers on the Interstates; and business customers such as the freight and tourism industries. Other customers include safety partners such as Mothers Against Drunk Driving and the Colorado Department of Public Health and the Environment; law enforcement agencies including the Colorado State Patrol; transit services; the military; counties; municipalities and others.
4. **Program and Project Support:** CDOT provides administrative, planning, financial and other support for the transportation system. Project Support includes Operations, CDOT Administration, State Planning and Research, the State Infrastructure Bank, State Highway Fund Contingencies, and the Debt Service and Certificates of Participation programs. CDOT administers funds to Local Programs including the Transportation Alternatives, STP Metro, Congestion Mitigation and Air Quality (CMAQ) and Safe Routes to School programs. **Customers:** All users of the state highway system. This includes residents and visitors; CDOT staff; debt holders; the Federal Highway Administration; Metropolitan Planning Organizations; Transportation Planning Regions; counties; municipalities and others.
5. **Transit and Rail:** CDOT supports transit and rail. The Transit and Rail Division plans, develops, finances, operates, and integrates transit and rail into the statewide transportation system. The Division also operates the Bustang interregional bus system, which connects commuters along the Interstate 25 Front Range and Interstate 70 mountain corridors. The Division works in coordination with other transit and rail providers to plan, promote, and implement investments in transit and rail services statewide. The Division also is responsible for administering and expending state and federal transit funds and for developing the Statewide Transit Plan and the Freight and Passenger Rail Plan. **Customers:** Local transit agencies and their users; human service transportation providers; the Federal Transit Administration (FTA); Regional Transportation Authorities; Transportation Planning Regions.
6. **Aeronautics:** CDOT supports statewide aviation interests. The Department's Division of Aeronautics, which is under the direction of the Colorado Aeronautical Board, collects and distributes aviation fuel tax revenue and provides services including planning; airport capital improvement program development; and airport grants administration. **Customers:** Colorado public-use airports and their users, the flying public, and pilots and other aviation professionals, including those within the Federal Aviation Administration.

Locations

CDOT's headquarters building is at 4201 East Arkansas Ave. in Denver. The Department owns about 1,200 buildings statewide, including the headquarters building in Denver and five regional offices in Denver, Durango, Grand Junction, Greeley and Pueblo. This inventory also includes 344 storage sheds, which is the most numerous type of building in CDOT's inventory, and 297 maintenance/repair buildings, which is the second most common type of building.

Process Improvement Strategies

CDOT's focus on improving business processes is directly tied to the Governor's goal of "making government more effective, efficient and elegant."

The Department began its structured process-improvement initiative in late 2011 and uses the principles and practices of Lean process improvement as its foundation. The key pillars of the Lean initiative are "respect for people" and "continuous improvement."

Process-improvement efforts are spread throughout the Department and include techniques and methods derived from private-sector organizations. CDOT's efforts range from individuals using "Lean Everyday Ideas" to improve their workplaces or processes to large, cross-functional "Global Lean" projects that focus on larger, cross-functional processes. At CDOT, Lean means "everyone, every day, improving every process and every product to benefit every customer."

Several large cross-functional process improvements have been undertaken, and more are underway. Examples include:

- Improvement in managing the system of maintenance work orders. This is expected to result in a 50 percent reduction in the number of work orders with errors, which in turn will reduce the amount of time spent correcting these work orders by approximately half.
- The Department's Heavy Equipment Specification and Procurement Process Improvement Project, which is working to reduce the time needed to procure heavy equipment from an average of 25 months to 14 months.
- The Department's Customer Experience Improvement Project, which streamlined the previous 70-plus step process for addressing certain customer inquiries or complaints to fewer than 20 steps.

Results of the Department's recent process-improvement efforts and a summary of upcoming projects are available at <http://www.CoDOT.gov/business/process-improvement/>

Plan Overview

As discussed on page 3, CDOT in June 2015 began developing a new strategic framework that will include new goals and performance measures. In its new effort to become the No. 1 transportation department in the country, CDOT will focus on the "peaks" of Leading-Edge Technology, Our People and a Healthy Multi-Modal System. The Strategic Policy Initiatives in this plan relate primarily to that last peak of creating and maintaining a Healthy Multi-Modal System, which is the traditional role of a transportation department.

Strategic Policy Initiatives

1. Safety: Move Colorado toward zero deaths by reducing traffic-related deaths by one-half by 2030. This includes reducing fatalities by 12 per year, from 548 in 2008 to 344 in 2025. CDOT aims to reduce fatalities to 452 for its one-year target (Dec. 31, 2016 target, or calendar year 2016 fatalities) and 428 for its three-year target (Dec. 31, 2018 target, or calendar year 2018 fatalities).

2. Pavement Condition: Attain High or Moderate Drivability Life for 80 percent of sampled lane miles of pavement on the state highway system by 2025, up from 79 percent in fiscal year 2015. CDOT plans to achieve 74 percent High/Moderate Drivability Life for its one-year target (June 30, 2016, target, or fiscal year 2016 pavement condition) and 62 percent for its three-year target (June 30, 2018, target, or fiscal year 2018 pavement condition).

3. Travel-Time Reliability: Slow the growth of congestion on Interstate 25 (between Northwest Parkway and C-470) during daytime and early evening weekday hours. Slow the growth of congestion on Interstate 70 (between Vail and C-470) during daytime and early evening weekend hours. One- and three-year goals include:

- Reduce the Planning Time Index for NB Interstate 25 from a projected average of 2.59 per month in calendar year 2016 to an actual average of 2.50 per month. Achieve a PTI of 2.60 in 2018.
- Reduce the Planning Time Index for SB Interstate 25 from a projected average of 2.74 per month in calendar year 2016 to an actual average of 2.70 per month. Achieve a PTI of 2.80 in 2018.
- Reduce the Planning Time Index for WB Interstate 70 from a projected average of 1.67 per month in calendar year 2016 to an actual average of 1.60 per month. Achieve a PTI of 1.70 in 2018.
- Reduce the Planning Time Index for EB Interstate 70 from a projected average of 1.93 per month in calendar year 2016 to an actual average of 1.90. Achieve a PTI of 2.0 in 2018.

4. Maintenance: Maintain CDOT's roadways and facilities to minimize the need for replacement or rehabilitation in a constrained funding environment. This includes achieving an overall Maintenance Levels of Service (MLOS) grade of C for the state highway system in fiscal years 2016 and 2018, down from a B- in fiscal year 2014.

The Department operates in a constrained funding environment. Greater fuel efficiency and ongoing cost inflation are weakening the ability of state and federal fuel taxes—which have not increased for two decades—to provide sufficient funding for the transportation system. At the same time, population growth means increasing wear and tear on the highway system. As demonstrated by initiatives No. 3 and No. 4 above, CDOT forecasts its best efforts will at most curb the growth of congestion and the decline in Maintenance Levels of Service.

CDOT's goals are not limited to initiatives outlined in this plan. Other performance goals may be found in documents including CDOT's Stewardship Agreement with the Federal Highway Administration, the Transportation Commission's Policy Directive 14, the Department's Risk-Based Asset Management Plan and other documents.

Changes from 2014-15 Plan

This draft of CDOT's Performance Plan features significant changes from the Department's 2014-15 plan.

Several changes this year resulted from consultations with the Office of State Planning and Budgeting. The number of Strategic Policy Initiatives has been reduced to four this year, down from the six such initiatives plus six Focus

Areas in the Department's 2014-15 plan. Strategic Policy Initiatives focus on areas of critical importance and have specific, directional performance targets. Strategies related to the initiatives are clearly labeled and discussed at length. Links between the Department's Strategic Policy Initiatives, Major Functional Areas and customers are clearer. The environment in which CDOT is affecting its Strategic Policy Initiatives is described.

Another driver of change is a nascent effort in the Department to better identify and more frequently monitor operational metrics (leading metrics) that most affect performance on the Department's outcomes (lagging metrics).

For example, the condition of pavement on the state highway system (an outcome) is now associated in the Performance Plan to an operational metric. This operational metric shows the percentage of Surface Treatment program projects advertised for the fiscal year that match recommendations made from CDOT's pavement management system. This measure helps ensure actual construction projects are matching the pavement models that are designed to help ensure CDOT achieves the desired pavement condition.

Employee Involvement

Development of the Performance Plan included contacts with members of the Executive Management Team, program managers and other employees. Suggestions have been provided by CDOT employees belonging to the state employee union, Colorado Workers for Innovative and New Solutions. CDOT and the WINS members in fall 2014 discussed including narrative related to employee safety in this year's plan. As a result, CDOT has included information on worker's compensation claims and efforts to promote employee safety within the narrative accompanying CDOT's safety-related Strategic Policy Initiative.

Additionally, CDOT has involved its workforce in developing its new strategic framework (see page 3). A related employee survey in summer 2015 yielded more than 700 responses.

CDOT Peak: Healthy Multi-Modal System

Strategic Policy Initiative No. 1: Safety

Initiative Description: Move Colorado toward zero deaths by reducing traffic-related deaths by one-half by 2030. This includes reducing fatalities by 12 per year, from 548 in 2008 to 344 in 2025. CDOT aims to reduce fatalities to 452 for its one-year target (Dec. 31, 2016, target, or calendar year 2016 fatalities) and to 428 for its three-year target (Dec. 31, 2018, target, or calendar year 2018 fatalities).

Background: Annual fatalities on all roads statewide have fallen 27 percent in the past 10 years, from 667 in 2004 to 488 in 2014.¹ For the past five years alone, however, fatalities grew from 450 in 2010 to 488 in 2014. The Department in late 2014, along with its safety partners, issued an updated Strategic Highway Safety Plan (SHSP), which had the vision of "Moving Toward Zero Deaths." Other states, cities, industry groups and the Federal Highway Administration also support "Toward Zero Deaths" visions. As Colorado's plan notes, Toward Zero Deaths is "a realistic movement that recognizes the objective for every individual, every family and every community should be zero deaths on Colorado's transportation network." (See "Strategies" below for more on the plan.)

Why this matters: CDOT has an ethical responsibility to deliver safety programs. Roadway users—motorists and non-motorists alike—expect to arrive at their destinations safely. Through infrastructure projects and campaigns to influence public behavior, the Department plays an instrumental role in ensuring that roads, bridges, tunnels and other infrastructure statewide are safe for the traveling public. In addition to the human costs, the economic cost of fatalities is considerable. The National Safety Council estimates the average economic cost per death in a motor-vehicle crash was \$1.5 million in 2013.

Environment: Although declining over the long-term, fatalities since 2010 have begun to climb, as diminishing returns are being seen from improvements in vehicle manufacturing, roadway projects and behavioral education. In response, CDOT and its planning partners who helped create the Strategic Highway Safety Plan have established action plans for eight emphasis areas (see Strategies section below).

The Department is striving to reduce fatalities at a time when both population and Vehicle Miles Traveled on the highway system continue to grow. Colorado's population has grown 46 percent in the past 20 years, from 3.7 million people to 5.4 million people. The state's population will grow to six million by 2020 and to 7.8 million by 2040, according to a November 2014 report from Colorado's State Demography Office. Other factors that could limit gains from current safety efforts include the legalization of recreational marijuana in Colorado, which could increase the incidence of impaired driving, and distracted driving due to increased use of mobile devices.

Conversely, the Department sees promise in emerging technologies such as connected vehicle technologies, both vehicle-to-vehicle and vehicle-to-infrastructure. Such technologies are expected to be a key driver in helping the state move "Toward Zero Deaths." Passing a primary seatbelt law and a helmet law in Colorado also would help reduce roadway fatalities.

In addition to the safety of the traveling public, CDOT strives to promote employee safety. Since the inception of the Department's Excellence in Safety program in 2013, CDOT supervisors have conducted on average 12,500 safety engagements each fiscal year. A safety engagement is a direct conversation between a supervisor and his or her direct report specifically about safety at a specific job site. These engagements are recorded by each supervisor into a database. These efforts helped reduce worker's compensation claims from 326 claims in fiscal year 2012 to 242 in

¹ Fatalities data are subject to revision as new data become available.

fiscal year 2015. According to historical trends, this equates with preventing about 85 employees from suffering an injury who otherwise would have done so without the Excellence in Safety process.

Strategies: CDOT employs myriad strategies to reduce the incidence and severity of motor-vehicle crashes and associated fatalities. Such strategies include:

- Conducting safety-specific infrastructure projects.
- Administering data-driven safety-education grant programs to influence driver behavior and support law enforcement and local community safety projects.
- Monitoring and analyzing crash data to understand trends regarding the number and severity of collisions. Location-specific data identifies sites requiring possible improvement actions.
- Engaging local agencies and organizations to develop safety-improvement strategies to prevent crashes and to address high-incidence locations.
- Advocating for legislation to reduce fatalities and injuries, such as a primary seatbelt law or helmet law.
- Working with the motor vehicle industry to leverage connected and autonomous vehicle technology.

Colorado's Strategic Highway Safety Plan, published in 2014, identifies eight emphasis areas related to the state's most serious traffic safety problems. These areas include: aging road users (65+); bicyclists and pedestrians; data; impaired driving; rural and urban infrastructure; motorcyclists; occupant protection; and young drivers (15-20). Strategies identified by each of the emphasis area teams are located in the appendix of the Strategic Highway Safety Plan. In addition, a Distracted Driving Task Force was formed.

Selected operational process: Qualify, select, advertise and award Highway Safety Improvement Program projects. Projects that are selected address identified crash patterns, which are mitigated by the scope of the project and meet a minimum benefit/cost ratio of 1.0. CDOT's goal is to meet a program-wide benefit/cost ratio of 2.0.

Selected operational metrics/("lead metrics"): Average benefit/cost ratio for Highway Safety Improvement Projects. Number of dedicated law enforcement contact hours for traffic safety enforcement.

Major Functional Area: Safety.

Customers: All highway users, including users of all highway transportation modes. This includes resident, tourist and recreational travelers on Colorado's state highway system. Other customers are business travelers including the trucking industry; safety partners such as Mothers Against Drunk Driving and the Colorado Department of Public Health and the Environment; law enforcement agencies including the Colorado State Patrol; transit services; the military; counties; municipalities and others.

Evaluation: Fatalities on Colorado roadways increased from 481 in 2013 to 488 in 2014. This was below the Department's goal of 476. See the "Environment" section on page 10 for a discussion of recent trends.

Metric Type	Metric Description	Process	Year Type	1- and 3-Year Targets	Performance Results
Strategic Policy Initiative/outcome /lag metric	Fatalities on Colorado roadways	Implement safety program (see Strategies section above)	CY	CY16: 452 CY18: 428	2012: 474 2013: 481 2014: 488 ²
Outcome/lag metric	Fatalities per 100 million Vehicle Miles Traveled on Colorado roadways	Implement safety program (see Strategies section above)	CY	CY16: 0.94 CY18: 0.90	2012: 1.016 2013: 1.024 2014: 0.996
Operational/ "lead" metric	Average benefit/cost ratio for Highway Safety Improvement Projects	Qualify, select, advertise and award Highway Safety Improvement Program projects	CY	CY16: 2.0 CY18: Not established	2015: ³ Q1 (year-to-date): 1.68 Q2 (year-to-date): 2.33 ⁴ Q3 (year to-date): 2.31
Operational/ "lead" metric	Percentage of advertised FASTER Safety projects that address Level of Safety Service 3 and 4 locations	Advertise FASTER Safety projects	CY	CY16: 90% CY18: Not established	2015: ⁵ Q1 (year-to-date): 83% Q2 (year-to-date): 80% Q3 (year to-date): 72%
Operational/ "lead" metric	Dedicated law enforcement contact hours for traffic safety enforcement ⁶	Administer enforcement grants	CY	CY16: 65,000 CY18: 65,000	2012: 50,880 2013: 67,808 2014: 75,689
Input	Vehicle Miles Traveled on Colorado roadways	N/A	CY	N/A (input)	2012: 46.8 billion 2013: 47.0 billion 2014: 49.0 billion

2 Revised to reflect latest data.

3 Tracking of metric in current form began in late 2014.

4 Revised to reflect latest data.

5 Tracking of metric in current form began in 2015. Measure added to Performance Plan in December 2015 resubmission.

6 Dedicated law enforcement contact hours refer to the time spent by law enforcement conducting traffic law enforcement activities while using dedicated state funds or federal grant funds for impaired driving, speed, seat belt, high-visibility enforcement, etc.

CDOT Peak: Healthy Multi-Modal System

Strategic Policy Initiative No. 2: Pavement Condition

Initiative description: Attain High or Moderate Drivability Life for 80 percent of sampled lane miles of pavement on the state highway system by 2025, up from 79 percent in fiscal year 2015. CDOT plans to achieve 74 percent⁷ High/Moderate Drivability Life for its one-year target (June 30, 2016 target, or fiscal year 2016 pavement condition) and 62 percent for its three-year target (June 30, 2018 target, or fiscal 2018 pavement condition).⁸

Background/Definitions: Drivability Life is an indication in years of how long a stretch of highway will have acceptable driving conditions. Acceptable driving condition is a function of smoothness and safety, as determined by the amount of pavement cracking and depth of rutting. Pavement with High Drivability Life is expected to have acceptable driving conditions for more than 10 years. Pavement with Moderate Drivability Life is expected to have four to 10 years of acceptable driving conditions. Pavement with Low Drivability Life is expected to have fewer than four years of acceptable driving conditions.

Why this matters: Drivers navigating pavement in "unacceptable" condition may need to endure rough rides; reduce speeds to safely navigate around potholes, deteriorating shoulders and other types of pavement damage; or otherwise compensate for deteriorating conditions. Water can collect in deep ruts or other depressions in pavement, which can increase the chances of hydroplaning. Excessive and severe cracking (pavement "fatigue") can reduce the passable width of a roadway, particularly on smaller highways.

Environment: CDOT is responsible for the pavement on a highway system that includes more than 9,100 centerline miles—or 23,000 total lane miles. Centerline miles represent the length of the road, and lane miles represent the length and lane count for a road. About 18 percent of the state's total lane miles, and 10 percent of its centerline miles, are on the Interstate. CDOT must plan and deliver its construction projects in challenging climates and topographies, including extreme freeze/thaw cycles and high mountain passes.

The Department maintains highway pavement in a constrained and uncertain funding environment. State and federal fuel taxes have not increased for two decades. The Moving Ahead for Progress in the 21st Century Act (MAP-21), the 2012 law that funds surface transportation nationwide, expired Sept. 30, 2014. While MAP-21 has been extended for the short term, uncertainty will remain until Congress passes a long-term authorization.

In planning surface treatment projects, CDOT must weigh the capacity of the contracting community that performs the rehabilitation and reconstruction of highway pavement. That capacity can be exhausted or limited during natural disasters or times of heightened economic and construction activity.

Strategies: The Department's strategies for pavement management include:

⁷ FY16 and FY18 targets for pavement on the state highway system were revised in December 2015 to account for recent updates to the pavement model and forecasts. Specifically, CDOT has updated the evaluation scale used for pavement smoothness, which is one component of the Drivability Life metric used by the model to determine pavement condition. This change was made to better align the model with how smoothness is described in CDOT construction specifications and federal definitions. One- and three-year targets listed here may change with further improvements to CDOT's pavement modeling system. The targets also may change as new data become available on funding, materials costs, land-use patterns, population growth, truck travel, weather and more.

⁸ Due in part to the age of the pavement on the state highway system, pavement condition under current funding assumptions is expected to fall in the short term and begin improving in the 2020s.

- Increasing preventive maintenance on pavements. Preventive maintenance is applying lower-cost treatments at an appropriate time in the life of pavements to extend the performance of the roadway and reduce the likelihood of high-cost rehabilitation and reconstruction. Key preventive maintenance activities include crack sealing and filling; concrete joint sealing and filling; surface sealing (chip sealing, fog sealing, etc.); micro-surfacing; patching; and delivering ultra-thin asphalt overlays (≤ 1.5 inches).
- Prioritizing Interstates and High- and Medium-Volume roadways over other roadways when selecting surface treatment projects. CDOT's long-term target is the same for all categories of pavement (80 percent High/Moderate Drivability Life), but the Department has developed different Drivability Life standards based on highway traffic volume. Interstates and High- and Medium-Volume roadways have the highest Drivability Life standards, while Low-Volume roadways have lower acceptable Drivability Life standards. All acceptable Drivability Life standards consider the safety and serviceability needed by the roadway users.
- Increasing the annual miles of roadway treated, particularly for low-volume roads, by using new and more cost-efficient combinations of repairs and thin surface treatments.
- Achieving economic efficiencies by coordinating pavement activities with activities on other CDOT assets.

More details are available in CDOT's [Risk-Based Asset Management Plan](#).

Selected operational processes: Operational processes related to pavement condition include preserving, resurfacing and rehabilitating roads with the optimized application of cost-effective pavement treatments.

Selected operational metric ("lead metric"): Percent of Surface Treatment program projects advertised for the fiscal year that match recommendations made from the pavement management system. This measure helps ensure actual construction projects are matching the pavement models that are designed to help ensure CDOT achieves the desired pavement condition, as measured by the Drivability Life metric. The "percent match" measure in its current form is new as of early 2015, and methodology may be refined and results may be revised for future reports.

Major Functional Areas: Functional Areas that affect pavement condition include Capital Construction, Operations and Maintenance, Safety and Program and Project Support.

Customer: Customers include all highway users. This includes resident, non-resident, tourist, recreational, and "through" travelers on Colorado's state highway system. Other customer groups include business travelers including the trucking industry; transit services; the Federal Highway Administration; law enforcement agencies; the military; counties; municipalities and others.

Evaluation: The percentage of pavement on the state highway system with High or Moderate Drivability Life rose in fiscal year 2015 to 79 percent, from 73 percent in fiscal year 2014. This was just below the goal of 80 percent for fiscal year 2015 referenced in last year's Performance Plan. However, the improvement in 2015 was primarily driven by an update to the pavement model, not a change in the actual condition of pavement. (See first footnote on following page.) Updates to the model notwithstanding, pavement condition has been falling in recent years. Due in part to the age of pavement on the state highway system, the condition under current funding assumptions is expected to continue declining in the short term and begin improving in the 2020s.

For this year's Performance Plan, CDOT has included discrete short-term goals, in addition to a long-term goal of 80 percent High or Moderate Drivability Life. These shorter-term goals are subject to change as new budget, condition and other relevant information becomes available.

Metric Type	Metric Description	Process	Year Type	1- and 3-Year Targets	Performance Results
Strategic Policy Initiative/outcome/lag metric	Percent of state highway pavement with High or Moderate Drivability Life	Preserving, resurfacing and rehabilitating roads with the optimized application of cost-effective pavement treatments.	Fiscal	FY16: 74% ⁹ FY18: 62%	2012: N/A (new metric) 2013: 82% 2014: 73% 2015: 79% ¹⁰
Operational/lead metric	Percent of Surface Treatment program projects advertised for the fiscal year that match recommendations from the pavement management system. Note: Results for each month are cumulative for fiscal year 2014-15 to date.	Select and advertise surface treatment projects	Fiscal	FY16: 80% FY18: 80% ¹¹	July 2014: 0% August 2014: 0% September 2014: 0% October 2014: 0% ¹² November 2014: 55.6% December 2014: 66.7% January 2015: 70.6% February 2015: 70.8% March 2015: 71.4% April 2015: 77.1% May: 77.1% June: 77.1% (fiscal-year end)
Input/environmental factor	Miles of roadway on state highway system	N/A (input)	CY	N/A (input)	2012: 23,023.7 2013: 23,021.5 2014: N/A
Input/environmental factor	Annual Vehicle Miles Traveled on state highway system	N/A (input)	CY	N/A (input)	2012: 28.1 billion 2013: 28.4 billion 2014: N/A
Input/environmental factor	Annual Vehicle Miles Traveled for trucks on the state highway system	N/A (input)	CY	N/A (input)	2012: 2.5 billion 2013: 2.4 billion 2014: N/A

⁹ FY16 and FY18 targets for pavement on the state highway system were revised in December 2015 to account for recent updates to the pavement model and forecasts. Specifically, CDOT has updated the evaluation scale used for pavement smoothness, which is one component of the Drivability Life metric used by the model to determine pavement condition. This change was made to better align the model with how smoothness is described in CDOT construction specifications and federal definitions.

¹⁰ Improvement in 2015 was driven primarily by an update to the pavement model, not a change in the actual condition of pavement. (See previous footnote.)

¹¹ CDOT plans to maintain this target in the short term. The target is set at 80 percent to allow the Transportation Regions flexibility in selecting projects that may not match recommendations from the model. Region selections could be more cost-effective, because they can take into account factors that the pavement management system does not.

¹² Four projects were advertised in the first four months of fiscal year 2015, and none was a match. Several of these projects were delayed projects from fiscal year 2014, which was a transition year for the pavement model, and matching requirements were put on hold.

CDOT Peak: Healthy Multi-Modal System

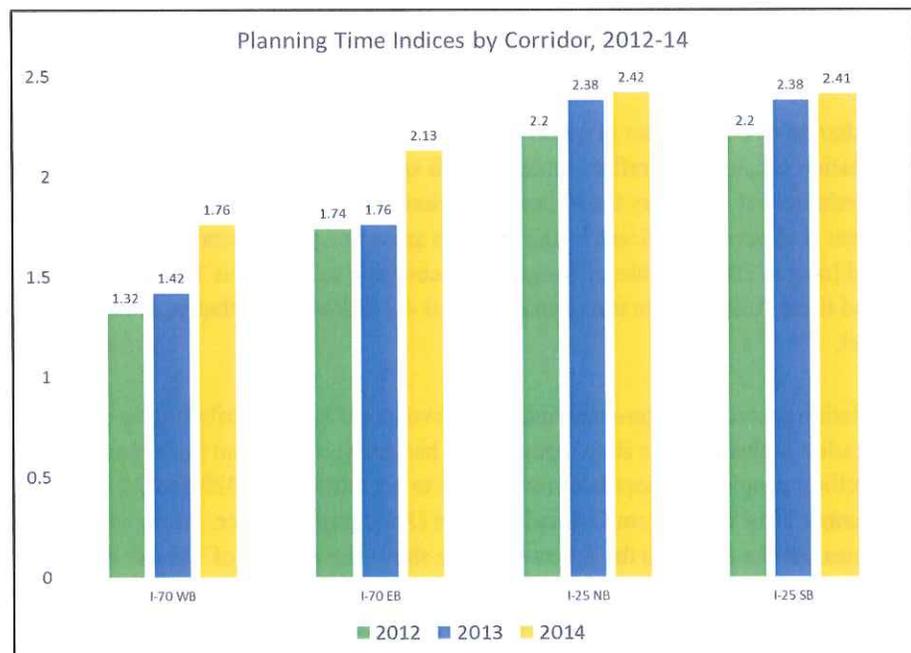
Strategic Policy Initiative No. 3: Travel-Time Reliability

Initiative description: Slow the growth of congestion on Interstate 25, between Northwest Parkway and C-470, during daytime and early evening weekday hours. Slow the growth of congestion on Interstate 70, between Vail and C-470, during daytime and early evening weekend hours. One- and three-year goals include:

- Reduce the Planning Time Index for NB Interstate 25 from a projected average of 2.59 per month in calendar year 2016 to an actual average of 2.50 per month. Achieve a PTI of 2.60 in 2018.
- Reduce the Planning Time Index for SB Interstate 25 from a projected average of 2.74 per month in calendar year 2016 to an actual average of 2.70 per month. Achieve a PTI of 2.80 in 2018.
- Reduce the Planning Time Index for WB Interstate 70 from a projected average of 1.67 per month in calendar year 2016 to an actual average of 1.60 per month. Achieve a PTI of 1.70 in 2018.
- Reduce the Planning Time Index for EB Interstate 70 from a projected average of 1.93 per month in calendar year 2016 to an actual average of 1.90. Achieve a PTI of 2.0 in 2018.

Metric background and definitions: A Planning Time Index is a measure of the total travel time that should be planned for a trip. It includes sufficient buffer time to ensure that a driver and any passenger(s) arrive on schedule, according to a definition from the Federal Highway Administration. For this plan, the PTI value represents the 95th percentile travel time divided by travel time at free-flow speed. In other words, the index represents the extra time needed to arrive on time for 19 of 20 trips. For a stretch of road with a PTI of 1.5, a driver should plan 45 minutes for a trip that takes 30 minutes in free-flow conditions (30 minutes multiplied by 1.5 equals 45 minutes) to be on-time 95 percent of the time.

Using data from INRIX, a private traffic data provider, CDOT calculated historical PTI values for Interstates 25 during daytime and early evening weekday hours, and on Interstate 70 during daytime and early evening weekend hours. These data were carefully considered in developing goals for each of the two corridors for 2016 and 2018. The PTI goals are generally higher than historical PTI values due in part to recent increases in Colorado's population and traffic volumes. For future reporting of performance metrics, PTI data will be tracked on a monthly basis by CDOT using INRIX.

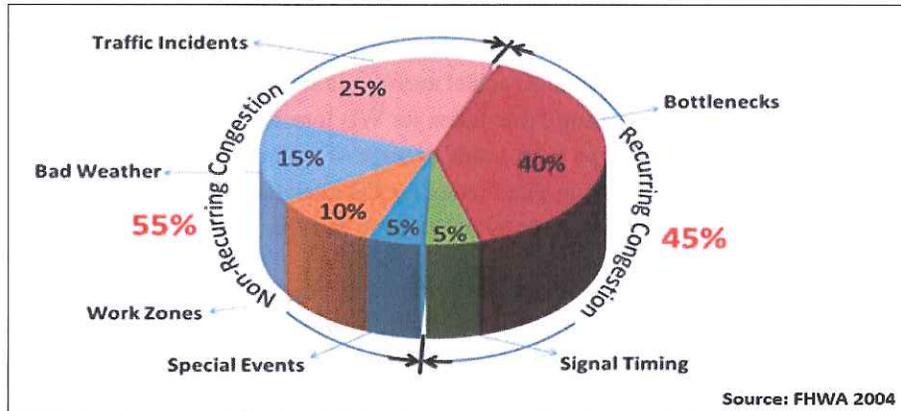


CDOT aims to slow the projected growth of Planning Time Index values for Interstates 25 and 70. Above are the average PTI values per month for the past three years for Interstate 70 (between Vail and C-470) and Interstate 25 (between Northwest Parkway and C-470). The values represent peak travel times.

Using the strategies described on pages 18-19, CDOT will work to decrease the rate at which the PTI values are projected to grow.

Why this matters: Travelers and freight transporters depend on the reliability of the highway system for planning purposes. Unpredictable travel times can result in significant economic and social costs for highway users, such as missed appointments, delayed packages and late employees. Congestion—a key driver of reliability—on an annual basis causes \$1.6 billion in delays and wasted fuel in the Denver-Aurora area alone, according to the Texas Transportation Institute’s 2012 Urban Reliability Report.

Environment: Traffic volumes are influenced by factors including population, the size of the workforce, freight transport and tourism travel. Various factors contribute to congestion, including increases in traffic volumes, incidents such as crashes, work zones, special events (such as concerts and football games), inclement weather, poor traffic signal timing and highway bottlenecks. The worse the congestion, the higher the Planning Time Index value for a roadway. Assuming there is no increase in highway capacity, PTI values for Interstates 25 and 70 are expected to grow.

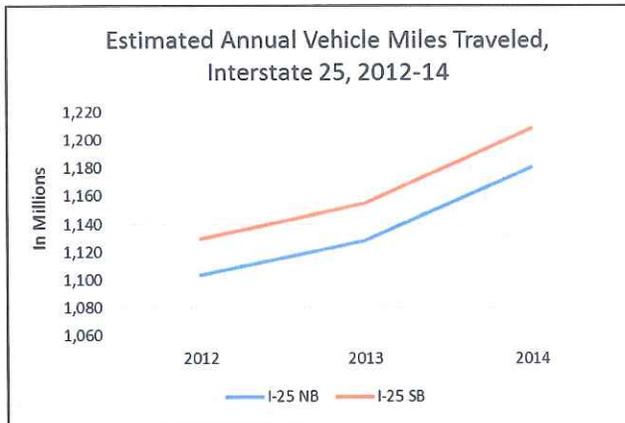
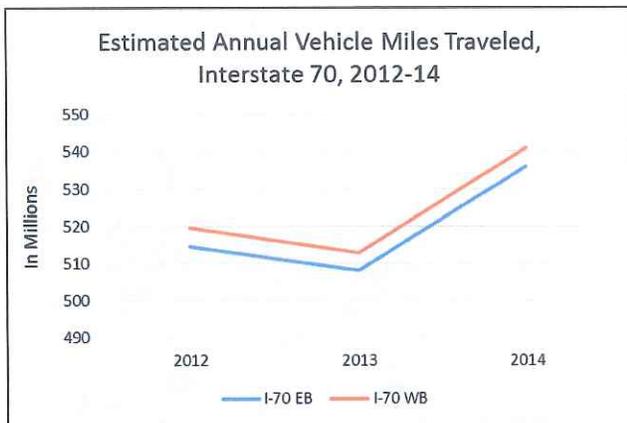


More than half of congestion in urban areas is due to non-recurring causes.

The chart above shows that in urban areas, about 55 percent of congestion is nonrecurring. Twenty-five percent of congestion is caused by traffic incidents, such as an automobile crash, a disabled vehicle, or roadway debris. For each minute that a freeway travel lane is blocked during peak use, an estimated four minutes of delay occur after the incident is cleared. Americans living in urban areas bought an extra 2.8 billion gallons of fuel than they otherwise would have in 2007 because of congestion, according to the Texas Transportation Institute. Moreover, congestion caused these Americans to travel an additional 4.2 billion hours that year, according to the Institute's Urban Mobility Report.

Population growth and non-recurring traffic events are both contributing to congestion and reliability problems on Colorado's highways. The state’s population has grown 46 percent in the past 20 years, from 3.7 million people to 5.4 million people. The population will grow to six million by 2020 and 7.8 million by 2040, according to a November 2014 report from Colorado’s State Demography Office. Along with this growth has come higher traffic volumes. As the charts on the following page show, the number of Vehicle Miles Traveled per year grew from 2012-14 by 4 percent for Interstate 70 (between Vail and C-470, both directions) and about 7 percent for Interstate 25 (between Northwest Parkway and C-470, both directions).

CDOT is responsible for a highway system that includes 23,000 total lane miles of highway, including more than 9,100 centerline miles. In addition, the Department owns about 3,400 bridges with almost 33 million square feet of deck area. CDOT is responsible for managing a total of 21 tunnel bores throughout Colorado with a total length of 6.9 miles. Disruptions to any of this infrastructure can result in unreliable travel times. CDOT must manage



From 2012 to 2014, the number of Vehicle Miles Traveled per year grew by 4 percent for Interstate 70 (between Vail and C-470, both directions) and about 7 percent for Interstate 25 (between Northwest Parkway and C-470, both directions).

reliability in challenging climates and topographies, including extreme freeze/thaw cycles and high, heavily traveled mountain passes.

Strategies: CDOT is focused on improving reliability on Interstates 25 and 70, which are among the most congested stretches of Interstate in Colorado. CDOT formed the Division of Transportation Systems Management & Operations (TSM&O) in 2013. The division focuses on implementing low-cost, high-value operational improvements to the transportation system. Initiatives include:

1. Improving Traffic Incident Management (TIM) and clearance times through statewide training efforts, which are critical to improving the safety of first responders, to decreasing incident clearance times, and to decreasing the potential for secondary crashes. The Federal Highway Administration offers a National TIM Responder Training program. This multi-disciplinary program advocates a shared vision to implement safe, quick clearance at traffic incident scenes; prompt, reliable and open communications; and motorist and responder safeguards. CDOT can help save lives, time and critical funds by promoting the TIM training program. The program focuses on a response effort that protects motorists and responders while minimizing the impact on traffic flow. TIM efforts include detecting, verifying and responding to incidents; clearing the incident scene; and restoring traffic flow. Based on the severity or type of incident, first responders may represent law enforcement, transportation, emergency medical services, public safety, towing and recovery, public works, hazardous materials (HAZMAT) and firefighting disciplines.
2. Targeting corridor improvements, such as bottleneck reduction funded through the Highway Safety Improvement Program.
3. Implementing managed lanes through tolling, variable speed limits, peak-period shoulder lane operations and Active Traffic Management (ATM). ATM is the ability to dynamically manage recurrent and non-recurrent congestion based on prevailing and predicted traffic conditions. Focusing on trip reliability, it maximizes the effectiveness and efficiency of the highway. ATM approaches seek to increase throughput and safety through the use of integrated systems with new technology, such as dynamic routing, dynamic junction control, adaptive signal control and transit signal priority.
4. Adding ramp meters to Interstates to better manage system flow.
5. Using Intelligent Transportation Systems devices to provide real-time weather and roadway information to travelers.
6. Developing command-level partnerships with law enforcement and other stakeholders to implement integrated event traffic management for safe and reliable travel during these significant temporary increases in traffic. Events could include a major concert at the Pepsi Center, a Denver Broncos football game, or a Presidential motorcade.

7. Implementing new, innovative technologies through CDOT's RoadX program, which is under development. RoadX projects will combine public and private efforts to bring innovative Intelligent Transportation System technology to the Interstate system. For example, coordinated ramp metering on Interstate 25 is currently in design.



Each strategy will address the causes of congestion, improve reliability and help slow the increase in the Planning Time Indices on Interstates 25 and 70. CDOT also plans to increase the effectiveness of programs such as the Courtesy Patrol and Heavy Tow programs by working with Incident Commanders to enable faster responses to incidents and reduce incidents through active traffic and incident management.

Selected operational processes: Train first responders, conduct after-action reviews of incident clearance.

Selected operational metrics ("lead metrics"): CDOT has created several operational measures and targets to help offset the growth of the Planning Time Indices for Interstates 25 and 70. They include:

- Reducing the average incident clearance time¹³ on Northbound and Southbound Interstate 70 (between Vail and C-470), and on northbound and southbound Interstate 25 (between Northwest Parkway and C-470), by 10 percent in 2016 compared to the average 2014 time. CDOT also aims to reduce the average incident clearance times on these roadways by 20 percent in 2018 compared to the 2014 times. Please see the table on the following pages for specific targets.
- Reducing the duration of road closure events on northbound and southbound Interstate 70 (between Vail and C-470), and on northbound and southbound Interstate 25 (between Northwest Parkway and C-470) by 10 percent in 2016 compared to the total 2014 time on each corridor. CDOT plans to reduce the closure time on the same roadways by 20 percent for calendar year 2018 compared to 2014 times. Please see the table on the following page for details. Road closures can drive up the Planning Time Index. Closure times will be addressed by training first responders, deploying new Highway Incident Commanders, expanding the Interstate 25 Courtesy Patrol, working with law enforcement to incentivize private and heavy towing services, conducting after-action reviews, and developing and updating Traffic Incident Management Plans.
- Additional metric(s) under development.

Major Functional Area: Operations and Maintenance.

Customers: All users of the state highway system are customers of CDOT's efforts to promote travel-time reliability. Highway users include all resident, tourist and recreational travelers on the highway system; business customers such as freight transporters, the tourism industry, the U.S. Postal Service and Federal Express; transit services; city, town and county law enforcement agencies; emergency service personnel; the military; and others.

Evaluation: Metrics for the individual corridors in this Strategic Policy Initiative are new to the Performance Plan this year, so no previous targets existed. Past data for the Strategic Policy Initiatives, operational metrics and other performance measures related to this Strategic Policy Initiative are shown in the following table.

¹³ Incident clearance times include recorded incidents, such as those cleared by CDOT's Courtesy Patrol, the Heavy Tow program and others. The clearance time is from the time an incident is reported to the time at which an incident is cleared and all first responders have left the scene.

Readers should note that Interstate 25 metrics in the table represent performance in the Denver metro area, between Northwest Parkway and C-470. Performance is for daytime and early evening weekday hours, with the exception of Vehicles Miles Traveled, which represents the entire year. Interstate 70 metrics represent performance in the mountain corridor, between Vail and C-470. Performance represents daytime and early evening weekend hours, which the exception of Vehicle Miles Traveled, which represents the entire year.

Metric Type	Metric Description	Process	Year Type	1- and 3-Year Targets	Performance Results
Strategic Policy Initiative/ Outcome A	Planning Time Index for NB I-25	Improve incident management, decrease road closure times, and implement new technologies through CDOT's RoadX program.	CY	Reduce PTI for NB I-25 from a projected average of 2.59 per month in calendar year 2016 to an actual average of 2.50. Achieve an average PTI of 2.60 per month in 2018.	Average PTI per month 2012: 2.20 2013: 2.38 2014: 2.42
Operational /lead metric	Average incident clearance time on NB I-25	Train first responders, deploy new Highway Incident Commanders, expand I-25 Courtesy Patrol, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews.	CY	2016: 46 minutes (10% reduction ¹⁴ from 2014) 2018: 40 minutes (20% reduction from 2014)	2012: N/A 2013: N/A 2014: 51 minutes
Operational /lead metric	Average monthly road closure time, per event, on NB I-25	Train first responders, deploy new Highway Incident Commanders, expand I-25 Courtesy Patrol, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews, and develop and update Traffic Incident Management Plans.	CY	2016: 55 minutes (10% reduction from 2014) 2018: 48 minutes (20% reduction from 2014)	2012: 41 minutes ¹⁵ 2013: 42 minutes ¹⁶ 2014: 61 minutes
Input	Annual Vehicle Miles Traveled on NB I-25	N/A (input)	CY	N/A (input)	2012: 1.10 billion 2013: 1.13 billion 2014: 1.18 billion

¹⁴ Clearance and closure time data and associated targets in this chart have been rounded to the nearest minute, so targets do not always equal exactly 10 and 20 percent reductions.

¹⁵ Results include at least nine months of data, but not a full calendar year.

¹⁶ Results include at least nine months of data, but not a full calendar year.

Metric Type	Metric Description	Process	Year Type	1- and 3-Year Targets	Performance Results
Strategic Policy Initiative/ Outcome B	Planning Time Index for SB I-25	Improve incident management, decrease road closure times, and implement new technologies through CDOT's RoadX program.	CY	Reduce the PTI for SB I-25 from a projected average of 2.74 per month in calendar year 2016 to an actual average of 2.70. Achieve an average PTI of 2.80 per month in 2018.	Average PTI per month 2012: 2.20 2013: 2.38 2014: 2.41
Operational /lead metric	Average incident clearance time on SB I-25	Train first responders, deploy new Highway Incident Commanders, expand I-25 Courtesy Patrol, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews.	CY	2016: 44 minutes (10% reduction from 2014) 2018: 39 minutes (20% reduction from 2014)	2012: N/A 2013: N/A 2014: 49 minutes
Operational /lead metric	Average monthly road closure time, per event, on SB I-25	Train first responders, deploy new Highway Incident Commanders, expand I-25 Courtesy Patrol, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews, and develop and update Traffic Incident Management Plans	CY	2016: 52 minutes (10% reduction from 2014) 2018: 46 minutes (20% reduction from 2014)	2012: 39 minutes ¹⁷ 2013: 51 minutes ¹⁸ 2014: 58 minutes
Input	Vehicle Miles Traveled on SB I-25	N/A (input)	CY	N/A (input)	2012: 1.13 billion 2013: 1.15 billion 2014: 1.21 billion
Strategic Policy Initiative/ Outcome C	Planning Time Index value for WB I-70	Improve incident management, decrease road closure times, and implement new technologies through CDOT's RoadX program.	CY	Reduce the Planning Time Index for WB I-70 from a projected average of 1.67 per month in calendar year 2016 to an actual average of 1.60 per month. Achieve a PTI of 1.70 in 2018.	Average PTI per month 2012: 1.32 2013: 1.42 2014: 1.76
Operational /lead metric	Average incident clearance time on WB I-70	Train first responders, deploy new Highway Incident Commanders, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews.	CY	2016: 40 minutes (10% reduction from 2014) 2018: 36 minutes (20% reduction from 2014)	2012: N/A 2013: N/A 2014: 45 minutes

¹⁷ Results include at least nine months of data, but not a full calendar year.

¹⁸ Results include at least nine months of data, but not a full calendar year.

Metric Type	Metric Description	Process	Year Type	1- and 3-Year Targets	Performance Results
Operational /lead metric	Average monthly road closure time per event on WB I-70	Train first responders, deploy new Highway Incident Commanders, expand I-25 Courtesy Patrol, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews, and develop and update Traffic Incident Management Plans.	CY	2016: 149 minutes (10% reduction from 2014). 2018: 133 minutes (20% reduction from 2014).	2012: N/A 2013: N/A 2014: 166 minutes
Input	Annual Vehicle Miles Traveled on WB I-70	N/A (input)	CY	N/A (input)	2012: 519 million 2013: 513 million 2014: 541 million
Strategic Policy Initiative/ Outcome D	Planning Time Index for EB I-70	Improve incident management, decrease road closure times, and implement new technologies through CDOT's RoadX program.	CY	Reduce the Planning Time Index for EB I-70 from a projected average of 1.93 per month in calendar year 2016 to an actual average of 1.90. Achieve a PTI of 2.0 in 2018.	Average PTI per month 2012: 1.74 2013: 1.76 2014: 2.13
Operational /lead metric	Average incident clearance time on EB I-70	Train first responders, deploy new Highway Incident Commanders, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews.	CY	2016: 44 minutes (10% reduction from 2014) 2018: 39 minutes (20% reduction from 2014)	2012: N/A 2013: N/A 2014: 49 minutes
Operational /lead metric	Average monthly road closure time per event on EB I-70	Train first responders, deploy new Highway Incident Commanders, expand I-25 Courtesy Patrol, work with law enforcement to incentivize private and heavy towing services, conduct after-action reviews, and develop and update Traffic Incident Management Plans.	CY	2016: 250 minutes (10% reduction from 2014). 2018: 222 minutes (20% reduction from 2014).	2012: N/A 2013: N/A 2014: 278 minutes
Input	Vehicle Miles Traveled on EB I-70	N/A (input)	CY	N/A (input)	2012: 515 million 2013: 508 million 2014: 536 million

CDOT Peak: Healthy Multi-Modal System

Strategic Policy Initiative No. 4: Maintenance

Initiative description: Maintain CDOT's roadways and facilities to minimize the need for replacement or rehabilitation in a constrained funding environment. This includes achieving an overall Maintenance Levels of Service (MLOS) grade of C for the state highway system in fiscal years 2016 and 2018, down from a B- in fiscal year 2014.

Metric background and definitions: Maintenance Levels of Service is a "report card" style grading system that CDOT uses to rate its maintenance performance. An A+ is the highest service level achievable, while an F- is the lowest. Nine Maintenance Program Areas (listed below) are each given a grade, and those individual grades are used to determine an overall MLOS grade. To measure service levels, CDOT employees conduct condition surveys across the transportation network on an ongoing basis. Inspectors rate each maintainable feature in a given section of the network according to established criteria.

The Staff Maintenance and Operations Branch provides policy and guidance for the statewide maintenance program and maintains operational oversight for program administration. Under nine Maintenance Program Areas, CDOT performs an array of activities:

1. The **Roadway Surface** area includes patching and sealing potholes and blading unpaved services.
2. The **Roadside Facilities** area includes cleaning drainage structures, repairing eroded slopes and repairing guardrails.
3. The **Roadside Appearance** area includes controlling vegetation, sweeping the road surface and removing trash.
4. The **Traffic Services** area includes maintaining roadway signs and striping, maintaining traffic signals, and maintaining roadway lighting.
5. The **Structure Maintenance** area includes painting bridges, repairing expansion joints and patching decks.
6. The **Snow and Ice Control** area includes plowing snow and taking avalanche control measures.
7. The **Equipment and Buildings and Rest Areas** program area includes maintenance for all buildings and grounds.
8. The **Tunnel Activities** area includes providing structural maintenance and repair, as well as tunnel washing and maintenance of the tunnels' electrical, mechanical and ventilation systems.
9. The **Planning and Scheduling** area includes providing performance budgeting and training maintenance staff.

Why this matters: Maintaining roads, bridges, tunnels and other infrastructure minimizes the need for replacement and rehabilitation. Maintenance activities such as striping roadways and clearing the highways of snow and ice also improve safety and mobility.

Environment: CDOT's maintenance patrols serve a system that includes 23,000 total lane miles of highway, including more than 9,100 centerline miles. In addition, the Department owns about 3,400 bridges with almost 33 million square feet of deck area. CDOT is responsible for managing a total of 21 tunnel bores throughout the state. The Division of Highway Maintenance administers various programs to maintain this system, including the Snow and Ice Removal program, Traffic Services, Vegetation Management, Debris Removal and more.

CDOT owns a large number of safety and traffic-related devices that the Department must maintain. In the past, CDOT had completed annual inventories of these items. Due to budget constraints, this annual inventory has not been completed in several years. The most recent counts are:

- 192,726 signs

- 511,000 delineators
- 1,156,402 linear feet of cable guardrail
- 7,300,476 linear feet of metal guardrail
- 2,568,675 linear feet of concrete guardrail
- 50,779 miles of striping
- 29,890 roadway lights
- 2,000 traffic signals
- 936 attenuators

The list above is not a comprehensive account of assets served by CDOT's maintenance forces, but it provides a sense of the scope of work performed by the maintenance program.

CDOT must plan and deliver maintenance services in challenging climates and topographies, including extreme freeze/thaw cycles and high, heavily traveled mountain passes. The Department also maintains the highway system in a constrained and uncertain funding environment. The maintenance program budget allocation was flat from fiscal year 2013 to fiscal year 2014, and rose less than 1 percent in fiscal year 2015. Compared to anticipated funding, CDOT's 2015 Transportation Deficit Report estimated the Department from 2016-25 will face a deficit of roughly \$22 million per year, on average, to maintain a B- grade for overall Maintenance Levels of Services, which was the goal in last year's Performance Plan. Such a funding environment has prompted CDOT to revise the goal to a C grade.

Strategies: CDOT strategically invests in maintenance areas of critical importance. The Department devotes well over half of its maintenance budget to its two largest maintenance areas: Snow and Ice Control and Traffic Services, which includes maintaining signs and striping. The maintenance program in recent years has seen inflation rising at a faster rate than its annual budgets. In this environment, the program's focus will remain on snow and ice removal and pavement markings. CDOT will adjust the funding of each Maintenance Program Area (MPA) to maintain as high a level of service as possible in the two focus areas, while funding for other MPAs will decline.

Other current strategies include:

- **Maintenance Optimization Study:** This study is a third-party review of the Department's Maintenance Performance Standards, budget planning, resource allocation and staffing levels. CDOT will implement study recommendations to increase efficiencies and maximize resources.
- **Winter Operations and Operational Readiness:** Under these strategies, CDOT is focusing on continuously assessing the Maintenance Division's preparedness levels for winter operations and other operations throughout the year. Monitoring personnel, equipment, and materials readiness rates gives visibility into how prepared the Department is to respond to events and emergencies.
- **Level of Service (LOS) Mapping:** LOS Mapping is a program that reports to managers and patrols the level of service they achieve for snow and ice removal operations. Each patrol gives a report after winter storms on the service level they provided during the last storm event. This allows managers to conduct after-action reviews with the patrols, discuss what went right and wrong, and provide direction on providing more efficient and effective services.
- **Maintenance Decision Support System (MDSS):** The MDSS is a computer program that provides managers and patrols weather forecasts and roadway treatment recommendations. MDSS bases recommendations off of weather and pavement temperature forecasts, the capabilities of a patrol, and available materials. The system maximizes the effectiveness of materials.

Selected operational process: See description of processes associated with Maintenance Program Areas on the previous page.

Selected operational metric/"lead" metric: Retro-reflectivity score for long-line striping.

Major Functional Area: Operations and Maintenance.

Customers: Customers include all highway users. This includes resident, tourist, recreational, and "through" travelers on Colorado's state highway system; business customers such as the freight and tourism industries; transit services; law enforcement agencies; the military; counties; municipalities and others.

Evaluation: CDOT achieved a B- for overall Maintenance Levels of Service in fiscal year 2014, which met the goal in the Department's 2014-15 Performance Plan. The Department has achieved a B- each year from 2010-14, except for 2013, when a B was achieved. For fiscal year 2016, CDOT forecasts it will achieve a C grade for overall Maintenance Levels of Service, while a B level of service is projected for Snow and Ice Removal and a C- is projected for Traffic Services. For fiscal year 2018, the department forecasts it will achieve a C grade for overall Maintenance Levels of Service, while a B is forecast for Snow and Ice Control, and a D+ is forecast for Traffic Services. Future initiatives will be focused on increasing the level of service for Traffic Services.

Metric Type	Metric Description	Process	Year Type	1- and 3-Year Targets	Performance Results
Strategic Policy Initiative/ outcome/lag metric	Maintenance Levels of Service grade	Deliver maintenance program ¹⁹	FY	FY16: C FY18: C	2012: B- 2013: B 2014: B- 2015: B-
Operational/lead metric	Snow-and-Ice Control grade	Plow and remove snow, apply chemicals and abrasives and proactively control avalanches	FY	FY16: B FY18: B	2012: B 2013: B 2014: B 2015: B
Operational/lead metric	Retro-reflectivity score for long-line striping. Sampled monthly at random locations.	Stripe and evaluate state highway system pavement	FY	FY16: ≥80 mcd/m ² /lux FY18: ≥80 mcd/m ² /lux	FY14: ²⁰ April: 146 May: 173 June: 166 FY15: July: 181 August: 176 September: 223
Input	Maintenance program spending ²¹	Deliver maintenance program	FY	N/A input	2012 actual: \$242 million 2013 actual: \$249 million 2014 actual: \$249 million 2015 (budget): \$251 million
Input	Maintenance Full Time Equivalents at fiscal-year end ²²	Hire and retain maintenance workforce	FY	N/A input	2012: 1,177.0 2013: 1,166.5 2014: 1,166.5

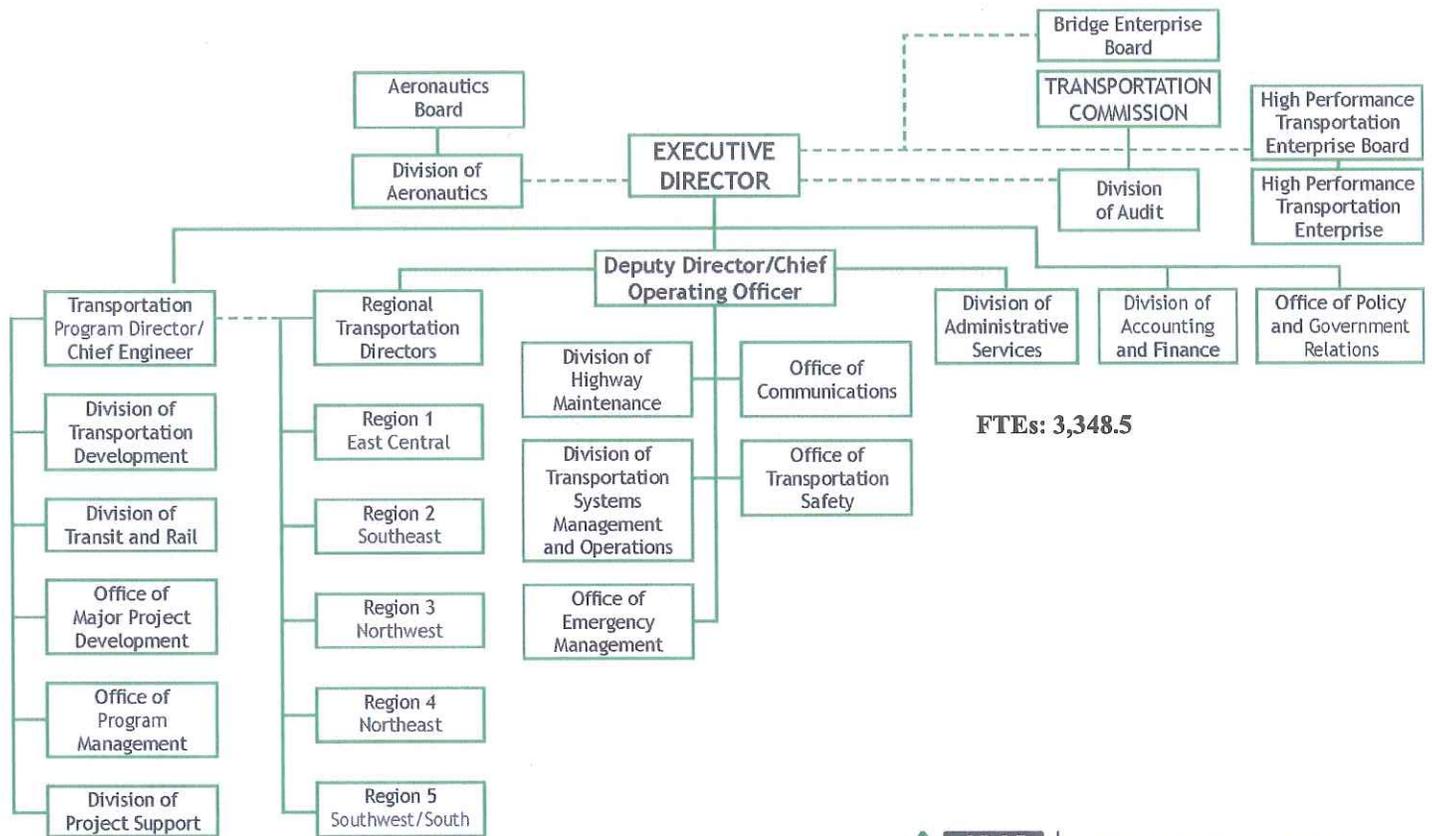
¹⁹ See page 23 for a more complete description of Maintenance Program Areas (MPAs) and associated processes.

²⁰ CDOT began tracking this metric in this format in early 2015.

²¹ Per CDOT's FY 2015 and FY 2016 Final Budget Allocation Plans.

²² Includes Trans Mtc I, II, and III and LTC Ops I.

Appendix I: Organizational Chart



COLORADO
Department of Transportation

Appendix 2: Fiscal Year 2014-15 Performance Evaluation

Strategic Policy Initiatives

The Colorado Department of Transportation (CDOT) has identified several Strategic Policy Initiatives for FY 2014-15 and beyond. For this performance evaluation, the Department has updated progress on the selected initiatives used in the Nov. 3, 2014, Annual Performance Report that best capture some of the Department’s strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data available as of fall 2015. The Department initiatives include:

- **Safety** - Reduce traffic fatalities and serious injuries and work toward zero deaths for all users.
- **Infrastructure Condition** - Preserve the transportation infrastructure condition to ensure safety and mobility at a least life-cycle cost.
- **System Performance** - Improve system reliability and reduce congestion, primarily through operational improvements and secondarily through the addition of capacity. Support opportunities for choice among transportation modes, including automobiles, bicycles, transit and rail, aviation and pedestrian modes.
- **Environmental Stewardship** - Enhance the performance of the transportation system while minimizing the impact to and encouraging the preservation of the environment.
- **Reduced Project-Delivery Delays** - Reduce project costs, promote jobs and the economy, and expedite the movement of people and goods by accelerating project completion through eliminating delays in the project development and delivery process.

These initiatives provide context for much of CDOT’s day-to-day work, some of which is highlighted in the measures section of this report. Additional detail for these and other strategic policy initiatives is available in the Department’s Performance Plan, which may be accessed [here](#).

Operational Measures

Safety²³
Process – Implement safety programs.

Measure	CY11 Actual	CY12 Actual	CY13 Actual	CY14 Actual	CY15 Actual	CY15 Goal	CY17 Goal
Fatalities per 100 million Vehicle Miles Traveled	0.96	1.016	1.024	0.996	Updated annually	0.97 (for CY15, revised)	0.92 (for CY17, revised)
Serious injuries per 100 million vehicle miles traveled	6.80	6.98	6.85	6.57	Updated annually	6.18 (for CY15, revised)	5.82 (for CY17, revised)

The fatality rate on Colorado's roadways decreased in calendar year 2014 to 0.996 fatalities per 100 million Vehicle Miles Traveled (VMT), from 1.024 per 100 million VMT in calendar year 2013. This was slightly above CDOT's 2014 target of 0.99 fatalities per 100 million Vehicle Miles Traveled. The long-term trend remains downward due in part to a continued focus on safety from CDOT's behavioral, enforcement and engineering programs. These programs are made possible because of funding from the FASTER Safety program, the Highway Safety Improvement Program (HSIP), the National Highway Traffic Safety Administration (NHTSA), and other sources. There also has been increased coordination with safety stakeholders through the State Strategic Highway Safety Plan. Readers should note that the fatalities rate in last year's Performance Plan ("FY14-15 CDOT Performance Plan Update") was reported as a five-year rolling average. CDOT has returned to reporting performance and targets on a single-year basis due to the belief that this presentation is clearer. This change has been discussed in previous Performance Plan evaluations. The rate of serious injuries on Colorado’s roadways in 2014 fell to 6.57 per 100 million VMT, short of the Department's goal of 6.35 per 100 million VMT. The calendar year 2014 goals discussed here for fatalities and serious injury rates, as well as the 2015 and 2017 goals listed above, have been revised to reflect goals in the 2014 Strategic Highway Safety Plan.

²³ Safety targets were updated in summer 2015 to reflect targets in the Strategic Highway Safety Plan. Fatalities and injuries shown in the chart on this page reflect data as of fall 2015 and are subject to revision as new data become available. Final results for the fatalities and injuries rates for 2015 will not be available until official Vehicle Miles Traveled statistics are available in mid-2016.

Process - Select and deliver FASTER safety projects.

CDOT has learned from the Office of the State Auditor of inconsistencies in its methodology for reporting the percentage of the FASTER Safety fiscal-year budget that was encumbered or expended by June 30 each year. The target for this metric was to spend or encumber 80 percent of the budget by June 30. The Department is exploring several approaches to calculating this metric more consistently and accurately. Due to the complexities of the metric, the Department has not yet finalized a methodology. Additionally, CDOT is developing internal policy and procedural directives concerning the management of FASTER Safety funds.

Infrastructure Condition

Process – Preserve, resurface and rehabilitate roads with optimized application of cost-effective pavement treatments.

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY15 Goal	3-Year Goal
Percentage of pavement on state highway NHS, excluding Interstates, with High and Moderate Drivability Life	N/A	83%	78%	84%	80.0%	80.0%
Percentage of Interstate pavement statewide with High and Moderate Drivability Life	N/A	86%	89%	91%	80.0%	80.0%

CDOT in fiscal year 2015 achieved its goal of 80 percent High/Moderate Drivability Life for Interstate pavement and National Highway System pavement, excluding Interstates. Drivability Life is an indication of how long a stretch of highway will have acceptable driving conditions. The percentage of pavement in the High or Moderate category on the entire state highway system in 2015 (79 percent) was higher than previously forecast due to recent updates in the pavement management model. Specifically, CDOT has updated the evaluation scale used for pavement smoothness, which is one component of the Drivability Life metric used by the model to determine pavement condition. This update was made to better align the model with how smoothness is described in CDOT construction specifications and federal definitions. Updates to the pavement metric and model notwithstanding, pavement condition has been declining over the past several years.

Process - Maintain the state’s transportation infrastructure. This includes processes such as plowing and removing snow; proactively controlling avalanches; and maintaining traffic signals, striping and guardrails

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY15 Goal	FY17 Goal
Overall Maintenance Levels-of-Service grade for state highway system	B-	B	B-	B-	B-	C (revised to reflect updated forecasts)
Level-of-Service grade for snow-and-ice control	B	B	B	B	B	B
Level-of-Service grade for traffic services	C+	B-	C+	C+	C	C- (revised from N/A)

In fiscal year 2015, CDOT met or exceeded its targets for the three maintenance metrics in the chart above. This included meeting the target of a "B-" grade for overall Maintenance Levels of Service (MLOS); meeting the "B" target for Snow and Ice Control; and exceeding the "C" target for Traffic Services. The Traffic Services Maintenance Program Area (MPA) includes striping, signals, signing, guardrail and lighting. With limited maintenance funds, CDOT continues to weigh the appropriate funding level for each Maintenance Program Area. The Department formed a Striping Task Force in fall 2014 to re-evaluate striping production and associated performance targets. The task force's focus is identifying creative and innovative improvements to the striping program.

Process – Regularly inspect bridges. Replace, repair, or conduct major rehabilitation to Structurally Deficient bridges.

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY15 Goal	FY17 Goal
Percentage of state highway bridge deck area that is Not Structurally Deficient	93%	94%	94%	94%	90%	90%
Percentage of National Highway System bridge deck area that is Not Structurally Deficient	94%	95%	95%	95%	90%	90%

CDOT in 2015 met its goals of ensuring that 90 percent or more of deck area on both the state highway system and the National Highway System is Not Structurally Deficient. Colorado's bridges are among the best in the nation, thanks in part to replacements funded by the Colorado Bridge Enterprise. Operating as a government-owned business within CDOT, the CBE was created by FASTER legislation to finance the repair and reconstruction of state-owned vehicle bridges.

System Performance

Process – Implement Intelligent Transportation Systems, performing effective maintenance and other strategies.

Measure	CY11 Actual	CY12 Actual	CY13 Actual	CY14 Actual	CY15 Actual	CY15 Goal	CY17 Goal
Planning Time Index value for Interstates	1.23	1.23	1.25	1.23	Annual Metric	1.25	1.25

CDOT met the Planning Time Index goal of 1.25 or less in 2014. This metric represents all Interstate segments statewide, including all directions. Data represent all times of day on Tuesdays, Wednesdays and Thursdays throughout the year. The index is just one metric that CDOT is exploring to measure reliability, and the Department will have greater ability in future years to provide context for performance results for such metrics. The Department in mid-2015 acquired more extensive data sets that were used as a basis for new reliability metrics in its fiscal year 2015-16 Performance Plan. The new metrics focus on segments of Interstates 70 and 25 during peak times.

Environmental Stewardship

Process – Obtain permits from the Colorado Department of Public Health and the Environment to discharge storm water from roadway projects. Mitigate project-area water discharge.

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY15 Goal	FY17 Goal
Number of Environmental Compliance Violations to CDOT from the Colorado Department of Public Health and the Environment	0	0	0	0	0	0

The Department in fiscal year 2015 met its goal of zero violations. This was accomplished through the efforts of environmental staff in the Regions and at CDOT's headquarters, which included working in partnership with the Colorado Department of Public Health and the Environment.

Reduced Project-Delivery Delays

Process – Manage the preconstruction phases (design, environmental, right-of-way, utilities) of projects effectively.

Measure	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY15 Goal	FY17 Goal
Percent of projects advertised before or within 30 days of ad date estimated on July 1	50.0%	70.0%	49.0%	N/A	N/A*	N/A*

*Goal had been 80% for FY15 and FY17.

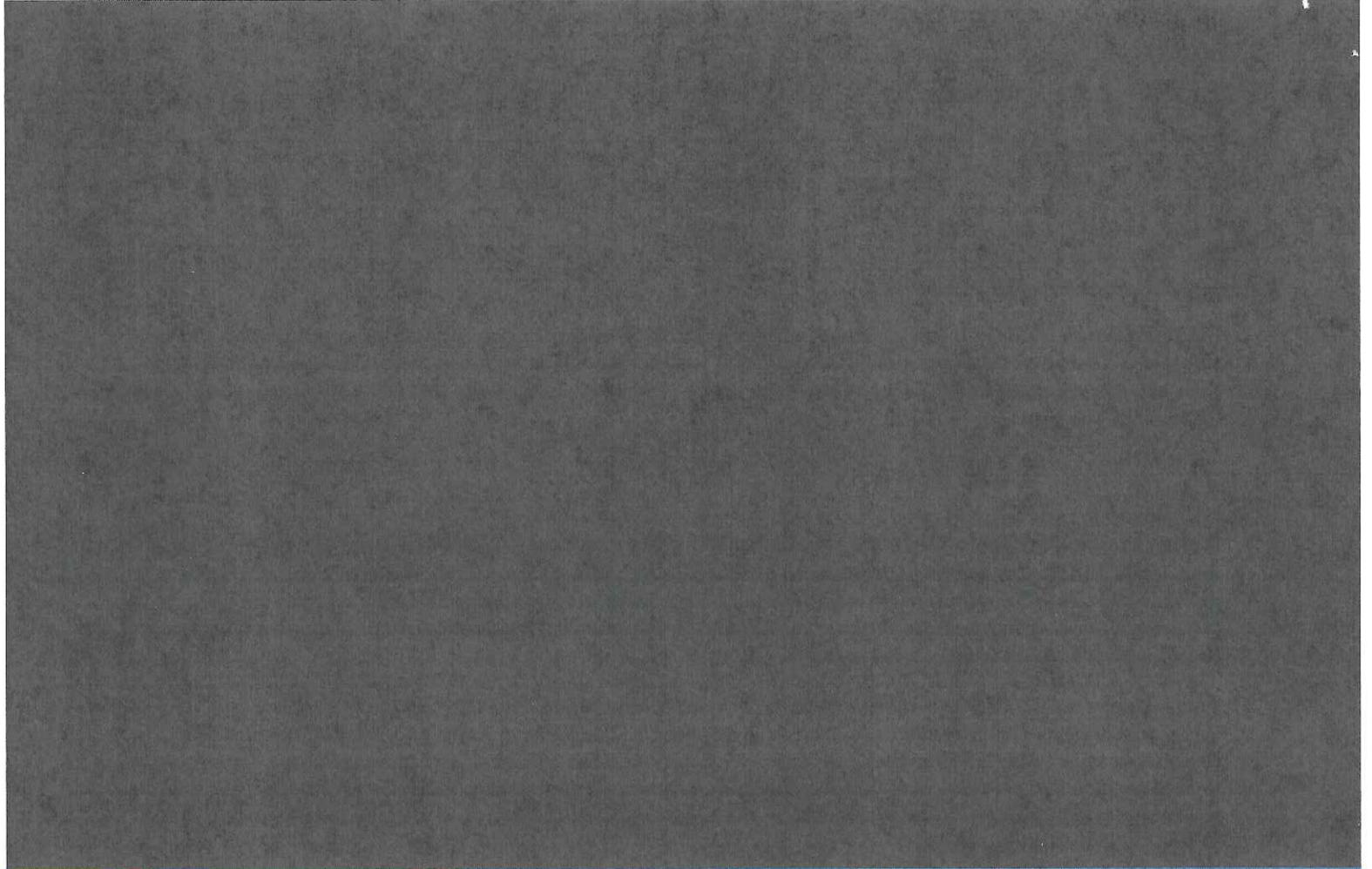
CDOT is no longer tracking this metric, because the Department's focus shifted more from delivering a very discrete list of projects each year to ensuring the delivery of a multi-year program of projects. Managing a multi-year program allows more flexibility to adjust specific project schedules to meet program delivery goals. New metrics related to this approach are being refined and others remain in development.

Influence of Performance Plan on CDOT operations and updates to the 2015-16 plan

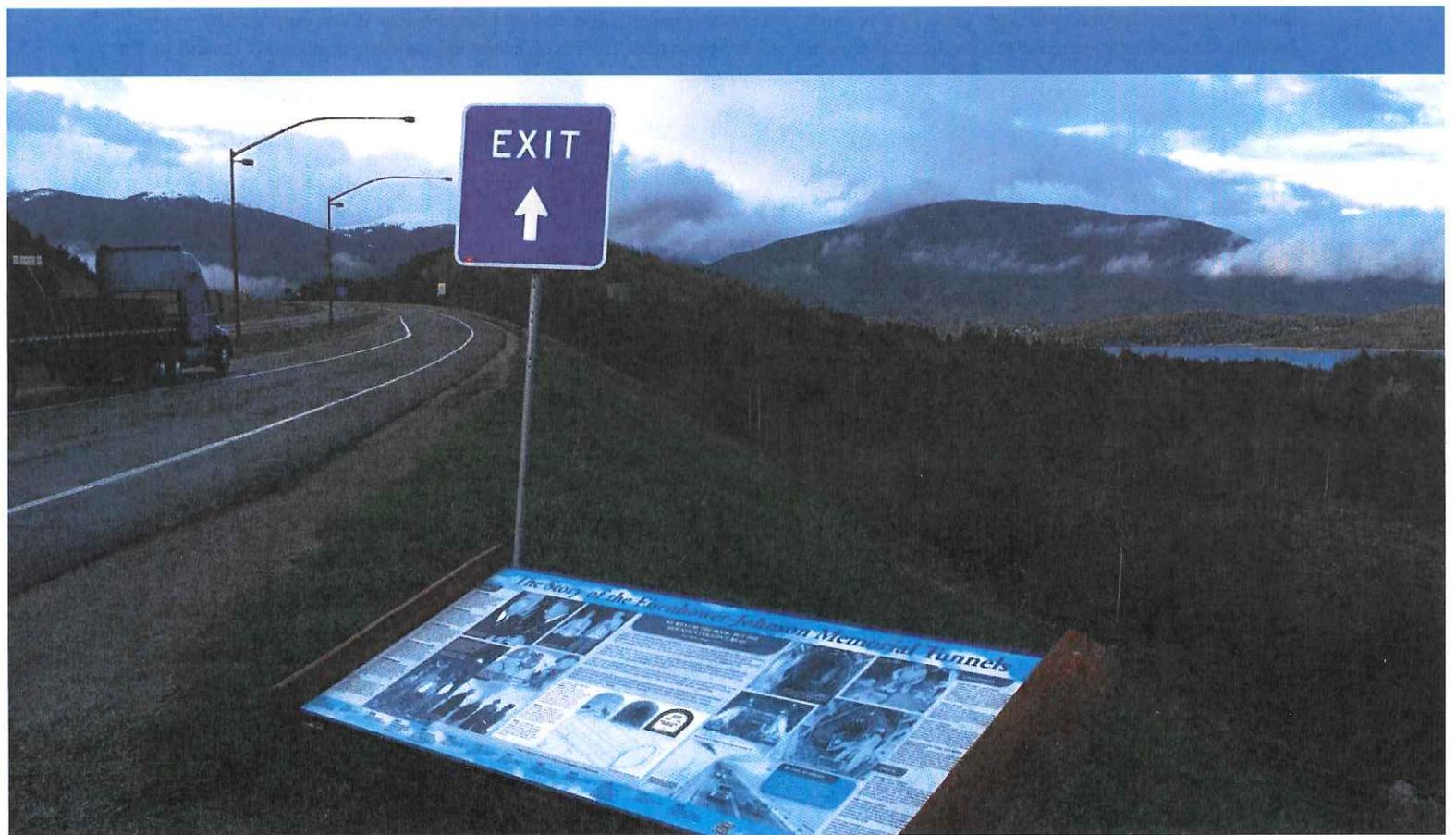
Metrics and historical results outlined in this document have influenced CDOT's operations and its 2015-16 Performance Plan in several ways. CDOT's Transportation Commission and the Department's asset managers review asset condition metrics, such as the Drivability Life of highway pavement, to help determine annual budgets for asset programs. Grades each year for Maintenance Levels of Service and maintenance program areas, such as Snow and Ice Control, help the Department calculate the budgets needed to achieve future performance levels.

Several changes in CDOT's 2016 Performance Plan are the result of lessons learned from the Department's 2014-15 plan, including modifications resulting from consultations with the Office of State Planning and Budgeting on last year's plan. The number of Strategic Policy Initiatives has been reduced to four this year, down from the six such initiatives and six Focus Areas in the Department's 2014-15 plan. Strategic Policy Initiatives focus on areas of critical importance and have specific, directional performance targets. Strategies related to the initiatives are more clearly labeled and discussed at length. The environment of each Strategic Policy Initiatives is described.

Another driver of change in the 2015-16 Performance Plan is a nascent effort within the Department to better identify and more frequently monitor operational metrics that most affect performance on the Department's outcomes. For example, the condition of pavement on the state highway system (an outcome) is clearly associated in the 2015-16 Performance Plan to an operational metric. This operational metric shows the percentage of Surface Treatment program projects advertised for the fiscal year that match recommendations made from CDOT's pavement management system. This measure helps ensure actual construction projects are matching the pavement models that are designed to help assist CDOT with achieving the desired pavement condition.



COLORADO
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Transportation





COLORADO

Department of Transportation

Office of the Executive Director
4201 East Arkansas Ave, Suite 262
Denver, CO 80222

October 23, 2015

Mr. Mike Mauer
Director, Legislative Council Staff
Colorado General Assembly
State Capitol, Room 029
Denver, CO 80203

RE: Colorado Department of Transportation 2016 Department Regulatory Agenda

Dear Mr. Mauer:

Pursuant to Section 2-7-203(2)(a)(IV), C.R.S., this letter serves as the Colorado Department of Transportation's (CDOT) submission of its 2016 Department Regulatory Agenda. This report provides a list of new rules or existing rule revisions that CDOT expects to propose in 2016, as well as the statutory or other basis for adoption of the proposed rules, purpose of the proposed rules, contemplated schedule for adoption of the rules, and a listing of persons or parties that may be affected by the rules. Additionally, this letter summarizes the rule-making activities conducted in 2015. The contemplated schedule is based on the timing requirements set forth in existing statute under the State Administrative Procedure Act, Section 24-4-103, C.R.S., and takes into account the public meetings of the Transportation Commission, which will open and later adopt the rules during their monthly public meetings. The calendars listed are subject to change based on various factors, including additional time needed for input from the representative groups and interested parties.

As required by Section 2-7-203(2)(a)(IV), C.R.S., this Department Regulatory Agenda is available to the public at www.coloradodot.info/business/rules and was submitted to the Secretary of State for publication in the Colorado Register. Furthermore, as required by state law, at the annual oversight hearing before the Joint Transportation Committee in January 2016, CDOT will be prepared to discuss this material and respond to Legislators' questions.

2016 Department Regulatory Agenda

Rules Governing Practice and Procedures of the Transportation Commission of Colorado, 2 CCR 601-11

- *Statutory Basis:* Section 43-1-106(6) and 43-1-106(8)(k), C.R.S.
- *Purpose of the Rules:* The Department is required to promulgate rules which govern the Transportation Commission's procedures. These rules were last updated on April 14, 2014. The Commission is considering making minor changes regarding internal processes, including the processes for drafting meeting summaries and establishing standing committees.
- *Contemplated Schedule:* A notice of rule-making will be filed with the Secretary of State in May 2016; a public rule making hearing will be held in July 2016; adoption of the rules will occur in September 2016, and permanent rules will become effective October 2016.
- *Persons/Parties That May be Affected by the Rules:* The Transportation Commission and those CDOT employees and members of the public who appear before the Commission.

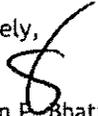


Rules Completed in 2015:

- *Adopted Emergency Rules and Updated Permanent Rules Concerning the Implementation of the Safe Routes to School Program, 2 CCR 601-19 (Statutory Basis: Section 43-1-1604, C.R.S.)*
- *Updated Rules Governing Outdoor Advertising in Colorado, 2 CCR 601-3 (Statutory Basis: Sections § 43-1-415(1), and § 43-1-414(1), C.R.S. and 23 CFR 750.705)*
- *Repealed the Rules Governing Transit Grants, 2 CCR 603-1, 2 CCR 603-2, and 2 CCR 603-3 (Three sets of Rules -- Statutory Basis: Section 43-1-602, C.R.S.(603-1), § 43-1-702, C.R.S. (603-2), and § 43-1-902 C.R.S. (603-3))*
- *Updated Rules Regarding Transport Permits for the Movement of Extra-Legal Vehicles or Loads ("Oversize Overweight Rules"), 2 CCR 601-4 (Statutory Basis: Sections 42-4-510(1.7)(B) and 42-4-511(1), C.R.S.)*

Should you have questions, please contact Andy Karsian, CDOT State Liaison, at (303) 757-9703. Thank you.

Sincerely,


Shailen P. Bhatt
Executive Director

cc: Senator Randy Baumgardner, Chairman, Transportation Legislation Review Committee
Senator Ray Scott, Vice-Chairman, Transportation Legislation Review Committee
Representative Max Tyler, Chairman, Transportation Legislation Review Committee
Diane Mitsch-Bush Vice-Chairwoman, Transportation Legislation Review Committee
Jessica Shippley, Senate Liaison, Legislative Council Staff
Matt Kiszka, House Liaison, Legislative Council Staff





COLORADO

Department of Transportation

Cost and FTE

Priority: X-X

CDOT Heat Is On Campaign
FY 2016-17 Request

- This request seeks \$500,000 from the Marijuana Cash Fund in FY2016-17 to fund a statewide impaired driving public education campaign.

Link to Operations

- The Colorado Department of Transportation (CDOT) manages statewide public awareness campaigns to prevent impaired driving in Colorado, paired with heightened enforcement by the Colorado State Patrol and local law enforcement. Efforts include campaign planning and execution, data collection, training, and DUI enforcement under section 405(d) of the federal transportation authorization bill (“Moving Ahead for Progress in the 21st Century Act” or “MAP-21”).

Problem or Opportunity

- Colorado has a new felony DUI law that strengthens consequences for repeat offenders.
- Unique in the nation, Colorado has a Driving While Ability Impaired (DWAI) threshold, which makes Colorado one of the most stringent states in the country for DUI enforcement.
- The identified target audience and message for the public awareness campaign: males, ages 21-34, who have a higher binge risk and are likely to combine drugs and alcohol. This audience may also be less aware of DUI laws and consequences, including those involving drugs. The campaign’s main awareness message is “Drink & Don’t Drive” and the campaign’s main enforcement message is “Heat Is On.”
- CDOT’s current funding is not adequate to expand further education on the felony DUI law and the risks associated with all forms of impaired driving. Funding is needed for a program that supports data collection, campaign creative development and a larger statewide media reach.

Consequences of Problem

- Approximately one-third of traffic fatalities in Colorado involve an impaired driver. Without a robust awareness campaign, DUI-related fatalities could increase.

Proposed Solution

- Administration: Program strategy, development, management, execution, consultation/evaluation
- Creative Development: Further executions of CDOT’s “Heat Is On” and “Drink & Don’t Drive” campaign and focus group message testing
- Media Buying: One-year statewide media campaign directed primarily to target audience
- Public Relations: Year-long PR strategies to further campaign messaging
- Evaluation: Measure behavioral patterns and message retention to inform future campaign efforts



COLORADO

Department of Transportation

Priority: R-1
Marijuana-Impaired Driving Program
FY 2015-16 Change Request

Cost and FTE

- This request seeks \$450,000 from the Marijuana Cash Fund in FY2015-16 to fund a statewide marijuana-impaired driving public education campaign.

Link to Operations

- The Colorado Department of Transportation (CDOT) manages statewide public awareness campaigns to prevent impaired driving in Colorado, paired with heightened enforcement by the Colorado State Patrol and local law enforcement agencies. CDOT works on marijuana impaired driving efforts including a public education campaign, data collection, Drug Recognition Expert training and DUI enforcement under section 405(d) of the federal transportation authorization bill ("Moving Ahead for Progress in the 21st Century Act" or "MAP-21").

Problem or Opportunity

- As the first state to legalize recreational marijuana, increased driving while high risks now exist.
- CDOT identified a target audience and message for the public awareness campaign: male recreational marijuana users, age 18-34, who have a higher binge risk and are likely to combine marijuana and alcohol. This audience is also less aware of marijuana DUI laws and consequences. The campaign's main message is "Drive High, Get a DUI."
- CDOT's current funding is not adequate to expand further education on the risks of driving high into a full-fledged program that supports much-needed data collection, further creative development and a larger statewide media reach.

Consequences of Problem

- Because of the legalization of recreational marijuana in Colorado, there is a heightened risk of a higher impaired driving motor vehicle crash and fatality rate.

Proposed Solution

- Administration: Program strategy, development, management, execution, consultation/evaluation
- Creative Development: Further executions of CDOT's "Drive High, Get a DUI" campaign and focus group message testing
- Media Buying: One-year statewide media campaign directed to target audience
- Public Relations: Year-long PR strategies to further campaign messaging
- Evaluation: Measure behavioral patterns and message retention to inform future campaign efforts

Colorado PUC: An Overview

Doug Dean, Director



COLORADO

Department of
Regulatory Agencies

Public Utilities Commission

Value to the State

- PUC is 100% Cash Funded
 - Fixed utility fund
 - Relay fund
 - Telecom fund
 - Transportation fund
 - High Cost Administration fund
 - TNC fund
- PUC saves Colorado consumers over \$10.75 for every \$1.00 spent to run the agency



History

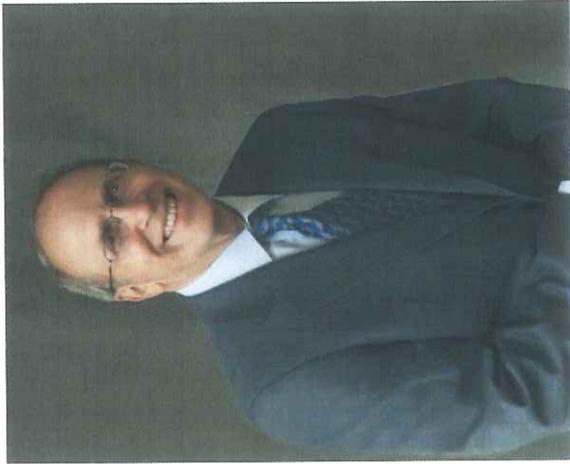


- Railway Commission established in 1885
- Public Utilities Act passed in 1913
 - Granted authority over all utilities
 - Foundation of PUC statutes today
 - Created “Public Utilities Commission”
- PUC added to Constitution - 1954
- PUC type 1 transfer to DORA - 1969

Commissioners

- Three commissioners
- Appointed by the Governor
- Confirmed by majority vote of State Senate
- Serve four-year terms - may be reappointed
- No more than two commissioners from one political party
- One commissioner appointed Chairman

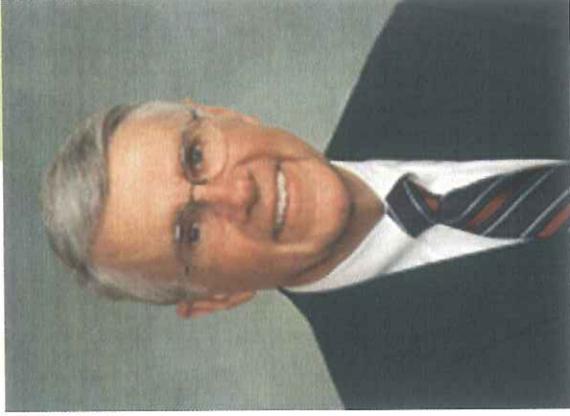
Commissioners



Joshua Epel (D)
Chairman
2011 - 2019



Pam Patton(D)
2012 - 2016



Glenn Vaad(R)
2014 - 2017



Our Mission



The Colorado Public Utilities Commission serves the public interest by effectively regulating utilities and facilities so that the people of Colorado receive safe, reliable, and reasonably-priced services consistent with the economic, environmental and social values of our state.

Director

- Appointed by Executive Director of DORA with approval of Commissioners
- Responsibilities:
 - Manage operations of the PUC to carry out public utilities law pursuant to §40-2-103, C.R.S.
 - Implement Commission policies, procedures and decisions
 - Direct administrative functions and manage staff

Commission Responsibilities

- Quasi-Legislative - Promulgate rules
- Quasi-Judicial - Ensures due process for all parties in adjudicatory proceedings
- In general, the PUC serves the public interest by balancing needs of consumers and utility service providers

Five Areas of Responsibility

- Utilities

- Operating Authority - Determine benefit to consumers in granting right to do business
- Rates - Maintain just and reasonable utility rates for consumers
- Service - Ensure consumers have reliable and responsive utility service
- Safety - Minimize dangers for consumers related to regulated utility service
- Infrastructure - Ensure a constructive regulatory environment to recover capital

Responsibility for Non-Utility Motor Carriers

- Minimum safety standards for the benefit of providers, consumers, and the public
- Minimum insurance requirements
- Certain quality standards
- Determine rates collected by towing carriers for towing and storage of motor vehicles in absence of owner consent



PUC Structure



The PUC is comprised of 95 FTE and is organized into 11 sections, each led by a section chief.

External Affairs

- Respond to consumer complaints and questions
 - Secured \$1,070,953 in refunds for consumers in FYE 2015
- Media inquiries and informational materials
 - Publish Consumer FYI pamphlets to assist consumers in understanding utilities and regulation

Policy Advisors

- Advise the Commissioners and Administrative Law Judges on energy, water, and telecommunications matters
- Within the context of case records, provide expertise in financial analysis, economics, policy, and engineering
- Organize and manage proceedings on contested matters
- Facilitate Commissioners' open decisions meetings
- Craft written decisions after Commissioners' deliberations

Regulatory & Legal Affairs and Administrative Support

- Regulatory and Legal Affairs
 - Ensure that appropriate processes and procedures are followed by staff and Commissioners
 - Work with Attorney General's Office to ensure legal services dollars are maximized to greatest benefit of consumers
 - Oversee Commission rulemaking process

Regulatory & Legal Affairs and Administrative Support

- Administrative Support
 - Process all filings and decisions for all regulated industries
 - Administer all Commission agendas and minutes
 - Process all transportation stamps, fingerprints, and over-the-counter permits
 - Administer the Commission's electronic filing system

Research and Emerging Issues

- Research topics likely to impact utility regulation in the near future
- Assist the Commission to anticipate the future and adjust regulatory practices accordingly
 - Present “Commissioner Information Meetings” on a multitude of topics
- Administer special projects

Energy

- Staff expertise in electric, natural gas, steam and water facility design, engineering, procurement, construction and operation
- Review investor-owned utility acquisitions, operations and reliability filings
- Appear as a litigant in energy cases and advise Commissioners in uncontested matters
- Limited oversight of electric cooperative RES compliance

Economics

- Appear as litigants before the Commission, recommending just and reasonable rates, while balancing consumer rates with the financial health of the utility
- Conduct thorough audits of the natural gas, electric, steam and water investor-owned utilities
- Negotiate settlements with utilities which avoid costly litigation
- Provide expertise to other sections within the PUC performing economic analysis

Telecommunications

- Provide expertise in financial analysis, economics, operations, planning & engineering
- Regulate telecommunications companies & 911 network providers for rates and service quality
 - Serve as advisors to Commissioners on all non-litigated matters
 - Appear as a party in most litigated cases
 - Negotiate settlements with utilities
- Administer state and federal subsidy programs for rural high cost support & low income consumers
- Serve as state telephone number administrator
- Oversee Colorado Relay Program for the deaf, deaf/blind, hard of hearing & speech impaired

Transportation and Administration

- **Transportation**
 - Varying degrees of regulatory oversight of taxis, limos, shuttles, towing companies, household goods movers, transportation network companies and hazardous materials carriers
 - Enforce State law and Commission rules regarding market entry, service quality, and safety
 - Jurisdiction limited to intrastate carriers
- **Administration**
 - Responsible for the management of PUC operations
 - PUC liaison with Department for accounting, budgeting, human resources, and OIT issues
 - Oversees Colorado No-Call

Administrative Hearings

- Administrative Law Judges who:
 - Conduct hearings in contested cases
 - Issue Recommended Decisions
 - Assist in rulemaking functions
- Court Reporters who:
 - Record testimony during all Commission hearings and transcribe them as needed

Gas Pipeline Safety

- Safety jurisdiction over 57,277 miles of intrastate natural gas main, service, transmission, and gathering pipelines
- Includes 1,642,985 individual gas service lines
- Fining authority for safety violations
- Investigate pipeline incidents/releases

Rail/Transit Safety Section

- Safety oversight of railroad and light rail crossings
- Safety oversight of rail fixed guideway systems (e.g., RTD Light Rail)
- Establish certain railroad clearance safety standards and railroad peace officer minimum standards
- Does not regulate general safety or rates of railroads
- Must find 20% match funding for FTA Grant
- No highway-rail signalization safety funding appropriations since 2003

Recent Major Cases

- High Cost Fund Support and Additional Areas of Effective Competition
- Public Service Gas Rate Case
- Black Hills Acquisition of SourceGas
- City of Boulder Transfer of Assets from Public Service
- Atmos Gas Rate Case
- Black Hills 2016-2018 Electric DSM Plan
- Black Hills CPCN for Peak View Wind

Recent Major Rulemakings

- Transportation Network Company Regulations - SB14-125
- Data Access and Privacy for Gas and Electric
- Basic Emergency Service, 9-1-1
- Employment Factors for Building Generation Facilities - SB13-1292
- Electric Rules Clean up and Implementation of SB15-046 and 254 and HB15-1284 and 1377
- Future 2016 - Telecommunications Regulatory Reform

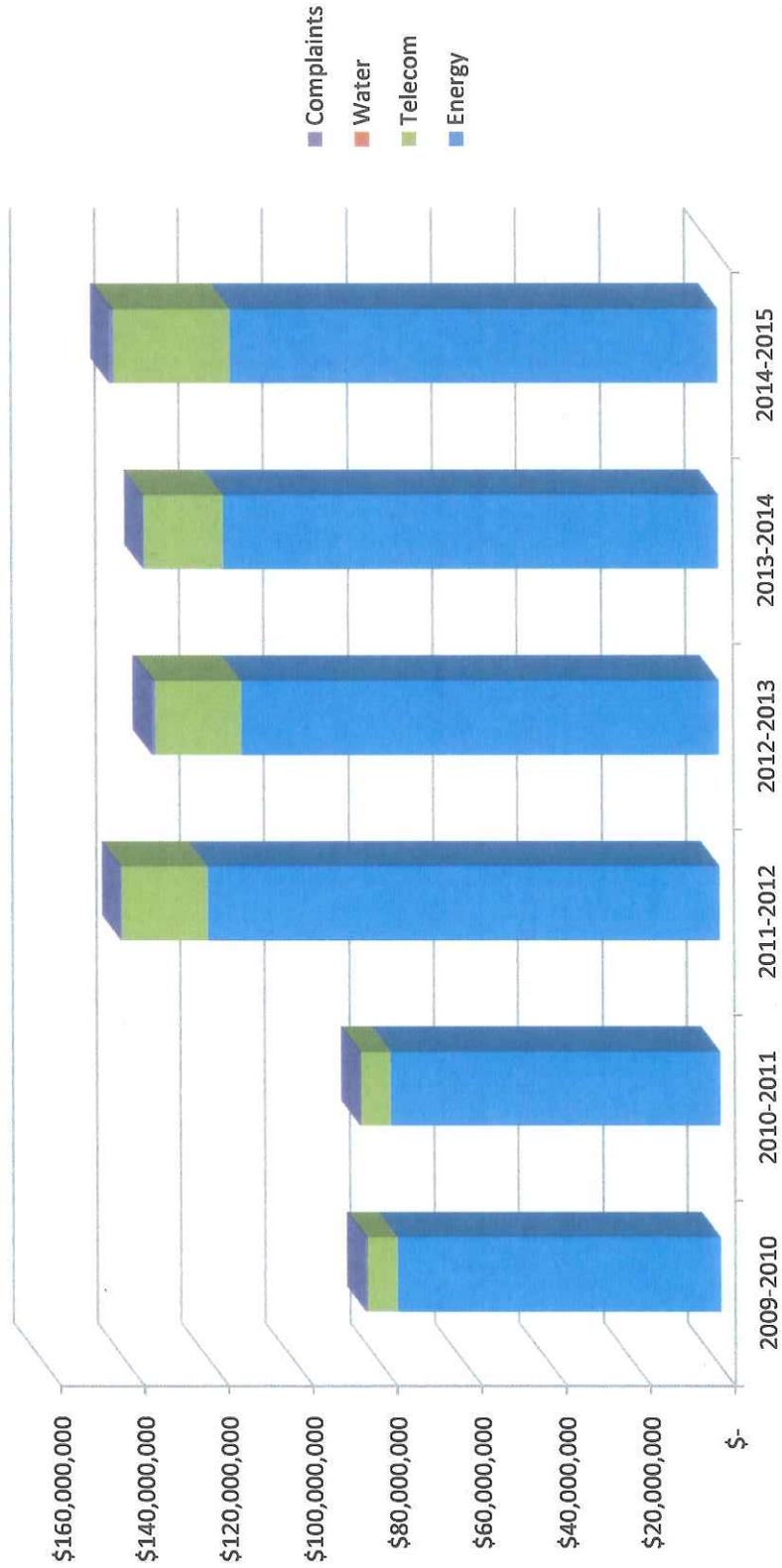


Challenges



- Budgetary challenges
 - Telecommunications Fund
 - Motor Carrier Fund
- 2015 YTD workload statistics:
 - Processed 35,761 total documents
 - Issued 1,260 decisions
 - Opened 928 dockets
 - Analyzed 275 tariff filings

Rate Case Annual Customer Savings



Questions?



www.colorado.gov/dora/puc