

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF FIGURE SETTING
DEPARTMENT OF TRANSPORTATION**

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

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**FY 2010-11 Joint Budget Committee Staff Figure Setting
Department of Transportation**

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	
	Actual	Actual	Appropriation	Request	Staff Rec.	Change Request
DEPARTMENT OF TRANSPORTATION						
Russell George, 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 Operations line.

Transportation Commission						
Personal Services	90,754	88,057	91,369 S/	97,330	97,330	DI #1, BA #1,
FTE	1.0	1.0	1.0	1.0	1.0	BA NP-1
Operating Expenses	<u>101,310</u>	<u>101,961</u>	<u>117,602</u>	<u>117,602</u>	<u>117,602</u>	
Subtotal - Transportation Commission	192,064	190,018	208,971	214,932	214,932	
FTE	1.0	1.0	1.0	1.0	1.0	
Office of the Executive Director						
Personal Services	352,971	365,943	383,365 S/	400,708	400,708	DI #1, BA #1,
FTE	3.0	3.0	3.0	3.0	3.0	BA NP-1
Operating Expenses	<u>59,637</u>	<u>31,046</u>	<u>68,452</u>	<u>68,452</u>	<u>68,452</u>	
Subtotal - Executive Director	412,608	396,989	451,817	469,160	469,160	
FTE	3.0	3.0	3.0	3.0	3.0	
Office of Government Relations (previously Policy)						
Personal Services	457,603	576,377	557,529 S/	585,458	585,458	DI #1, BA #1,
FTE	6.7	6.8	7.0	7.0	7.0	BA NP-1
Operating Expenses	<u>63,178</u>	<u>53,039</u>	<u>61,514</u>	<u>61,514</u>	<u>61,514</u>	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	
	Actual	Actual	Appropriation	Request	Staff Rec.	Change Request
Subtotal - Office of Government Relations	520,781	629,416	619,043	646,972	646,972	
FTE	6.7	6.8	7.0	7.0	7.0	
Public Relations Office (previously Public Information)						
Personal Services	569,510	559,844	596,510 S/	628,383	628,383	DI #1, BA #1,
FTE	7.0	6.8	7.0	7.0	7.0	BA NP-1
Operating Expenses	<u>92,332</u>	<u>79,076</u>	<u>133,013</u>	<u>133,013</u>	<u>133,013</u>	
Subtotal - Office of Public Relations	661,842	638,920	729,523	761,396	761,396	
FTE	7.0	6.8	7.0	7.0	7.0	
Office of Information Technology						
Personal Services	2,680,361	2,878,421	3,173,459 S/	2,995,210	2,995,210	DI #1, DI NP-1,
FTE	32.2	30.4	30.7	0.0	30.7	BA #1, BA NP-1
Operating Expenses	<u>315,212</u>	<u>305,029</u>	<u>328,008</u>	<u>328,008</u>	<u>328,008</u>	
Subtotal - Office of Information Technology	2,995,573	3,183,450	3,501,467	3,323,218	3,323,218	
FTE	32.2	30.4	30.7	0.0	30.7	
Office of Financial Management & Budget						
Personal Services	1,074,236	1,001,367	1,152,446 S/	1,200,595	1,200,595	DI #1, BA #1,
FTE	12.0	11.8	13.0	12.0	13.0	BA NP-1
Operating Expenses	<u>42,032</u>	<u>34,154</u>	<u>61,709</u>	<u>61,709</u>	<u>61,709</u>	
Subtotal - Office of Financial Mgmt. & Budget	1,116,268	1,035,521	1,214,155	1,262,304	1,262,304	
FTE	12.0	11.8	13.0	12.0	13.0	
Accounting Branch (formerly Office of Accounting)						
Personal Services	1,550,091	1,461,480	1,572,428 S/	1,700,163	1,700,163	DI #1, BA #1,
FTE	26.0	24.0	26.0	27.0	26.0	BA NP-1
Operating Expenses	<u>60,032</u>	<u>75,860</u>	<u>95,869</u>	<u>95,869</u>	<u>95,869</u>	
Subtotal - Accounting Branch	1,610,123	1,537,340	1,668,297	1,796,032	1,796,032	
FTE	26.0	24.0	26.0	27.0	26.0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	
	Actual	Actual	Appropriation	Request	Staff Rec.	Change Request
Chief Engineer and Region Directors						
Personal Services	1,575,051	1,526,492	1,677,517 S/	1,588,210	1,588,210	DI #1, BA #1,
FTE	15.6	15.0	15.0	15.0	15.0	BA NP-1
Operating Expenses	<u>207,367</u>	<u>206,236</u>	<u>272,628</u>	<u>272,628</u>	<u>272,628</u>	
Subtotal - Chief Engineer and Region Directors	1,782,418	1,732,728	1,950,145	1,860,838	1,860,838	
FTE	15.6	15.0	15.0	15.0	15.0	
Motor Pool Operations for State Fleet Vehicles (ICF)						
Personal Services	0	36,325	81,399 S/	88,070	88,070	DI #1, BA #1,
FTE	0.0	0.4	2.0	2.0	2.0	BA NP-1
Operating Expenses	<u>0</u>	<u>27,798</u>	<u>327,616</u>	<u>327,616</u>	<u>327,616</u>	
Subtotal - Motor Pool Operations for State Fleet Vehicles	0	64,123	409,015	415,686	415,686	
FTE	0.0	0.4	2.0	2.0	2.0	
Human Resources and Administration						
Personal Services	5,267,813	5,724,368	6,677,012 S/	6,738,027	6,738,027	DI #1, BA #1,
FTE	101.9	93.1	111.0	111.0	111.0	BA NP-1
Operating Expenses	<u>1,534,780</u>	<u>1,360,332</u>	<u>1,916,610</u>	<u>1,916,610</u>	<u>1,916,610</u>	
Subtotal - Human Resources & Administration	6,802,593	7,084,700	8,593,622	8,654,637	8,654,637	
FTE	101.9	93.1	111.0	111.0	111.0	
Division of Audit						
Personal Services	581,466	666,007	651,961 S/	698,931	698,931	DI #1, BA #1,
FTE	7.3	7.5	7.5	7.5	7.5	BA NP-1
Operating Expenses	<u>26,731</u>	<u>22,835</u>	<u>33,290</u>	<u>33,290</u>	<u>33,290</u>	
Subtotal - Division of Audit	608,197	688,842	685,251	732,221	732,221	
FTE	7.3	7.5	7.5	7.5	7.5	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	
	Actual	Actual	Appropriation	Request	Staff Rec.	Change Request
Required Vacancy Savings to Balance Appropriation (DI #1)				(217,508)	0	DI #1
						<i>% Change Rec. vs. Approp.</i>
SUBTOTAL - Administration	<u>16,702,467</u>	<u>17,182,047</u>	<u>20,031,306</u>	<u>19,919,890</u>	<u>20,137,396</u>	0.5%
Personal Services	14,199,856	14,884,681	16,614,995	16,503,579	16,721,085	0.6%
FTE	212.7	199.8	223.2	192.5	223.2	0.0%
Operating Expenses	2,502,611	2,297,366	3,416,311	3,416,311	3,416,311	0.0%
Miscellaneous Administration Accounts						
Statewide Indirect Costs						
State Highway Funds	1,142,549	556,141	116,932	123,805	Pending	
Legal Services (6,580 hours)	463,308	494,158	496,000	496,000	Pending	
Risk Management - General Insurance	2,972,394	4,125,757	3,292,869 S/	1,094,829	Pending	
Workers' Compensation	<u>381,217</u>	<u>387,629</u>	<u>428,386</u> S/	<u>466,657</u>	<u>Pending</u>	
						<i>% Change Rec. vs. Approp.</i>
Subtotal - Miscellaneous	4,959,468	5,563,685	4,334,187	2,181,291	Pending	-100.0%
Centrally Appropriated Personal Services						
Salary Survey Increases	477,282	530,595	0	0	0	
Performance-based Pay Awards	174,685	182,224	0	0	0	
Shift Differential	27,756	22,686	22,205	20,545	Pending	
Health/Life/Dental	899,813	933,620	1,306,248	1,106,873	Pending	BA NP-2
Short Term Disability	13,905	16,296	19,893	20,747	20,691	BA NP-2
S.B. 04-257 Amortization Equalization Disbursement	139,702	210,189	270,056	321,243	320,375	BA NP-2
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>31,808</u>	<u>95,878</u>	<u>168,785</u>	<u>234,240</u>	<u>233,607</u>	BA NP-2

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	
	Actual	Actual	Appropriation	Request	Staff Rec.	Change Request
						<i>% Change Rec. vs. Approp.</i>
Subtotal - Central Pots	1,764,951	1,991,489	1,787,187	1,703,648	574,673	-67.8%
Administration - Subtotal	23,426,886	24,737,221	26,152,680	23,804,829	20,712,069	
Personal Services	14,199,856	14,884,681	16,614,995	16,503,579	16,721,085	
Operating & Travel	2,502,611	2,297,366	3,416,311	3,416,311	3,416,311	
Miscellaneous	4,959,468	5,563,685	4,334,187	2,181,291	Pending	
Central Pots	1,764,951	1,991,489	1,787,187	1,703,648	574,673	
						<i>% Change Rec. vs. Approp.</i>
TOTAL - Administration	23,426,886	24,737,221	26,152,680	23,804,829	20,712,069	-20.8%
FTE	212.7	199.8	223.2	192.5	223.2	0.0%
Internal Cash Funding (Print Shop and Vehicle Maint) (CFE/RF)	1,411,922	1,299,800	2,035,788	2,047,686	1,970,349	
FTE	14.2	11.8	15.0	15.0	15.0	
						<i>% Change Rec. vs. Approp.</i>
APPROPRIATED LEVEL - ADMINISTRATION	23,426,886	24,737,221	26,152,680	23,804,829	20,712,069	-20.8%
FTE	212.7	199.8	223.2	192.5	223.2	0.0%
State Highway Funds (CFE/CF)	22,014,964	23,437,421	24,116,892	21,757,143	18,741,720	-22.3%
FTE	198.5	188.0	208.2	177.5	208.2	0.0%
Internal Cash Funds (CFE/RF)	1,411,922	1,299,800	2,035,788	2,047,686	1,970,349	-3.2%
FTE	14.2	11.8	15.0	15.0	15.0	0.0%

(2) CONSTRUCTION, MAINTENANCE, AND OPERATIONS

Includes non-appropriated revenues to the Transportation Commission, which consists of eleven members responsible for formulating state policy with respect to the management, construction, and maintenance of state highways and transportation systems; advising and making recommendations relative to transportation policy; and adopting budget and programs. Also includes the Division of Aeronautics, which works with local airports to improve state air transportation planning, operations, and safety. H.B. 06-1244 transferred appropriation authority for the Division of Aeronautics administrative budget from the General Assembly to the Transportation Commission. Totals in this line item represent non-appropriated funds.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	
	Actual	Actual	Appropriation	Request	Staff Rec.	Change Request
Construction and Maintenance & Operations	1,397,903,072	S/ 1,332,550,365	901,002,251	S/ 934,386,876	934,386,876	CDPS DI #11
FTE	<u>3,027.3</u>	<u>3,142.3</u>	<u>3,142.3</u>	<u>3,100.0</u>	<u>3,100.0</u>	
CF - Local Funds, Aeronautics, LEAF, MOST, Misc.	26,153,509	2,188,880	69,470,781	104,376,950	104,376,950	
CFE/ CF - SHF (HUTF)	910,550,178	821,954,651	474,219,942	457,926,802	457,926,802	
CFE/ RF - Internal Cash Funds	1,291,472	1,322,928	1,914,340	2,997,320	2,997,320	
Federal Funds	459,907,913	507,083,906	355,397,188	369,085,804	369,085,804	

(3) STATEWIDE TOLLING ENTERPRISE/ HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

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

High Performance Transportation Enterprise Total	4,726,985	1,558,900	2,200,000	2,500,000	2,500,000
FTE	<u>0.3</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Cash Funds - Tolling Cash Funds	4,726,985	1,558,900	2,200,000	2,500,000	2,500,000
Cash Funds Exempt/RF	0	0	0	0	0

(4) FIRST TIME DRUNK DRIVING OFFENDER 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 Offender Account - Cash Funds	0	0	1,705,276	S/ 1,000,000	1,000,000
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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

Statewide Bridge Enterprise - CF	0	0	42,448,543	71,831,867	71,831,867
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(6) GAMING IMPACTS - CF

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

Gaming Impacts Total	<u>1,181,711</u>	<u>24,029,827</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	1,181,711	24,029,827	0	0	0
Cash Funds Exempt/RF	0	0	0	0	0

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	
	Actual	Actual	Appropriation	Request	Staff Rec.	Change Request
TOTAL - DEPARTMENT OF TRANSPORTATION APPROPRIATED AND NON-APPROPRIATED						<i>% Change Rec. vs. Approp.</i>
DEPARTMENT TOTALS	1,427,238,654	1,382,876,313	973,508,750	1,033,523,572	1,030,430,812	5.8%
FTE	<u>3,240.3</u>	<u>3,343.1</u>	<u>3,366.5</u>	<u>3,293.5</u>	<u>3,324.2</u>	-1.3%
Cash Funds	32,062,205	873,169,679	614,161,434	659,392,762	656,377,339	6.9%
Cash Funds Exempt/RF	935,268,536	2,622,728	3,950,128	5,045,006	4,967,669	25.8%
Federal Funds	459,907,913	507,083,906	355,397,188	369,085,804	369,085,804	3.9%

DEPARTMENT OF TRANSPORTATION

FIGURE SETTING FOR FY 2010-11

JBC WORKING PAPERS - DECISIONS SUBJECT TO CHANGE

(1) ADMINISTRATION

This line item was created by Section 43-1-113 (2) (III), C.R.S., and includes the salaries and expenses for a variety of offices and programs. This line item is a "program" line, which gives the Department the discretion to move funds from personal services to operating and also from one program or unit in the line to another without seeking approval from the General Assembly. Statute (Section 43-1-113 (6), C.R.S.) limits the Administration line item expenditures to 5.0 percent of the total Department of Transportation budget. While the majority of the Administration line item is funded from the State Highway Fund, if an administrative service is for the direct benefit of a specific highway project, or if it benefits highway construction projects in general, the Department may charge for that administrative service. Thus, construction projects assist in paying the overhead administrative costs those projects incur.

This line item provides administrative support for more than three thousand FTE that work for the Department statewide. The Department is requesting an appropriation of \$23,804,829 (21,757,143 cash funds from the State Highway fund and 2,047,686 reappropriated funds from internal cash funds) and 192.5 FTE for this line item. This represents a decrease of \$2,347,851 (9.0 percent) below the FY 2009-10 appropriation, and is 2.3 percent of the Department's total request, well within the statutory requirement that the Administration line not exceed 5.0 percent of the Department's total budget.

Committee-approved Personal Services Calculation. Staff has calculated the recommended continuation appropriation level for each unit within the Administration line using FY 2010-11 Committee approved common policies for personal services calculations and operating expenses. Based on the Committee approved common policy, staff uses the Department's FY 2009-10 base appropriation of \$26,152,680 (this amount includes an FY 2009-10 supplemental reflecting savings as a result of furloughs and savings associated with Risk Management and Workers' Compensation, as the Committee has already approved those changes), and builds the personal services line item based on the previously approved Option 8 methodology and including the common policy 2.5 percent adjustment to PERA (Budget Amendment NP-1). To date, the Committee has not set common policies for several line items. As a result, the staff recommendations for those lines and for the total appropriation for Administration are still pending. While the numbers pages do show a total for Administration, that funding level will increase with the approval of common policies for the remaining line items.

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

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

	FY2004-05	FY2005-06	FY 2006-07	FY 2007-08	FY 2008-09
C.M.O.	\$1,014,804,710	\$1,235,949,603	\$1,388,739,335	\$1,397,903,072	\$1,332,550,365
Change	n/a	21.8%	12.4%	0.7%	(4.7)%
Admin.	\$21,929,552	\$20,607,122	\$23,909,131	\$23,913,688	\$27,053,735
Change	n/a	(6.0)%	16.0%	0.0%	13.1%
FTE*	219.7	219.7	219.7	219.7	223.2

* Administration Program Line appropriated FTE.

Current Appropriation vs. Request

	FY 2009-10 Appropriation*	FY 2010-11 Request
Construction, Maintenance, and Operations*	\$901,002,251	\$934,386,876
Administration	\$26,152,680	\$23,804,829
FTE (Administration)	223.2	192.5

* This is the FY 2009-10 Long Bill appropriation, as adjusted by FY 2009-10 supplementals, and does not incorporate current revenue projections for FY 2009-10.

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

Administration "Program Line" Recommendation Summary

	Base Continuation	BA NP-1 (2.5% PERA Reduction)	Decision Items/ Budget Amendments	Staff Recomm.	Request
Option 8 Calculations:					
Trans. Commission	93,742	(1,662)	5,250	97,330	97,330
EDO	395,617	(8,585)	13,676	400,708	400,708
Government Relations	576,370	(13,202)	22,290	585,458	585,458
Public Relations	617,598	(14,776)	25,561	628,383	628,383
Information Technology	3,260,880	(60,997)	(204,673)	2,995,210	2,995,210
Finance/Budget	1,186,514	(23,871)	37,952	1,200,595	1,200,595
Accounting	1,618,439	(32,239)	113,963	1,700,163	1,700,163
Chief Engineer/Region Directors	1,720,089	(29,830)	(102,049)	1,588,210	1,588,210
Motor Pool Operations for State Fleet Vehicles	82,923	(1,068)	6,215	88,070	88,070
Human Resources and Administration	6,862,841	(130,208)	5,394	6,738,027	6,738,027
Division of Audit	675,443	(16,453)	39,941	698,931	698,931
Dept. Assumed Base Reduction	N/A	N/A	0	0	(217,508)
Total Option 8	17,090,456	(332,891)	(36,480)	16,721,085	16,503,579
Operating				3,416,311	3,416,311
Statewide Indirect Costs				Pending	123,805
Legal Services				Pending	496,000
Risk Management				Pending	1,094,829
Workers' Compensation				Pending	466,657
Salary Survey				0	0
Performance-based Pay				0	0
Shift Differential				Pending	20,545
Health, Life, Dental				Pending	1,106,873
Short-term Disability				20,691	20,747
S.B. 04-257 AED				320,375	321,243
S.B. 06-235 SAED				233,607	234,240

	Base Continuation	BA NP-1 (2.5% PERA Reduction)	Decision Items/ Budget Amendments	Staff Recomm.	Request
Administration Total				20,712,069	23,804,829

DECISION ITEM #1: TRANSPORTATION BASE ADJUSTMENT

Department Request: The Department is requesting a net decrease of \$36,476 cash funds from the State Highway Fund as a base adjustment to account for changes made within the Administration program line in FY 2009-10. The request also includes an assumed base reduction of an additional \$217,509 cash funds, resulting in a total reduction of \$253,984 cash funds.

Background

The General Assembly appropriates funds for the Department's Administration line item each year. Staff makes figure setting recommendations at a detailed level, on an organization or office-specific basis within the Administration line. However, statute (Section 43-1-113(3)(a)) directs that the Long Bill include only one line item for Administration. The use of a program line gives the Department flexibility to address changes in staffing, operating allocations, or professional service contracts by shifting funds between personal services and operating expenses and between different offices as long as it stays within the overall appropriation for the line item in a given fiscal year.

The Department has used the flexibility afforded by the Administration program line to make adjustments and reorganize work within the line item to improve operations and better align operations with statutory requirements. Prior to the FY 2009-10 budget, the Department had not followed up those adjustments with decision item requests to change the allocation of funds for the following year through the figure setting process. Because JBC staff build figure setting recommendations based on the prior year's figure setting document as adjusted by the Committee and the General Assembly, the Department's changes not requested as decision items were not previously accounted for in each year's figure setting document.

Over time, this trend (moves of funds and FTE between organizations within the line item not recognized in the following year's figure setting process) created a disconnect between figure setting recommendations and the Department's actual expenditures. The Department submitted, and the General Assembly approved, a similar decision in the FY 2009-10 budget. As directed by the Committee in an FY 2009-10 request for information, the Department submitted a request for FY 2010-11.

Staff Analysis: The Department has highlighted changes to eleven organizational lines included in the figure setting documents but embedded in the Administration line item in the Long Bill. Because

staff and the Department were building on slightly different organization-specific bases as a result of a FY 2009-10 base reduction adopted after figure setting, the requested changes would not produce the requested appropriation for several programs using staff's methodology. **Thus, staff is recommending modifications to the requested changes to "true up" the appropriation and the Department's request for each organization for FY 2010-11. The result is a net reduction of \$36,480 cash funds.** Bringing the appropriation and request into alignment for each organization should allow for a clearer presentation of the Department's changes in future budgets.

Staff further recommends that the Committee direct the Department to continue to submit decision items for changes made under the discretion afforded by the program line that the Department wishes to see incorporated during figure setting. Staff has included a continued request for information at the end of this document asking the Department to submit decision items requesting inclusion of adjustments made during FY 2009-10 and FY 2010-11 that the Department wishes to see recognized in the FY 2011-12 budget. The Department's requested incremental changes and staff's recommendations are shown in the following table.

Organization/Line	Requested Change	Staff Recommendation
Transportation Commission Staff - personal services	5,790	5,250
Executive Director's Office - personal services	14,766	13,676
Government Relations - personal services	23,685	22,290
Public Relations - personal services	17,813	25,561
Information Technology - personal services	(192,262)	(204,673)
Financial Management and Budget - personal services	32,458	37,952
Accounting - personal services	103,588	113,963
Chief Engineer and Regions - personal services	(97,807)	(102,049)
Motor Pool Operations for State Fleet Vehicles - personal services	7,724	6,215
Human Resources and Administration - personal services	5,866	5,394
Audit - personal services	41,903	39,941
Vacancy Savings to Balance Appropriation	(217,509)	0
Net Change to Administration	(\$253,985)	(\$36,480)

The Department's requested changes and staff's recommendations are reflected in the discussion of each affected organizational line below.

BUDGET AMENDMENT #1: CORRECTION TO FY 2010-11 BASE BUDGET

Department Request: The Department is requesting an increase of \$295,213 (including \$280,387 cash funds and \$18,826 reappropriated funds) for the Administration line item to restore the 1.82 percent base reduction included in the FY 2009-10 Long Bill. The request affects all of the personal services appropriations within the Administration line item.

Staff Analysis: The Committee has adopted a common policy to restore the 1.82 percent reduction in FY 2010-11. However, unlike other executive branch departments, the Department did not include such a restoration in the November 2, 2009 budget request.

Staff recommends that the Committee approve the request to restore the 1.82 percent base reduction to all organizations within the Administration line item, pursuant to common policy. Staff has included the relevant amounts in the recommendation for each organization below.

Transportation Commission

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
General Professional	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0

Personal Services

The Department is requesting an appropriation of \$97,330 cash funds from the State Highway Fund and 1.0 FTE for this line, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

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

Staff recommends the request.

Office of the Executive Director

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Executive Director	1.0	1.0	1.0	1.0
Deputy Director	1.0	1.0	1.0	1.0
Program Assistant	1.0	1.0	1.0	1.0
Total	3.0	3.0	3.0	3.0

Personal Services

The Department is requesting an appropriation of \$400,708 cash funds from the State Highway Fund and 3.0 FTE for the Executive Director's Office, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The request is for a continuation appropriation of \$68,452 cash funds.

Staff recommends the request.

Office of Government Relations

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	1.0	1.0	1.0	1.0
General Professional	1.0	1.0	1.0	1.0
Budget & Policy Analyst	3.8	4.0	4.0	4.0
Program Assistant	1.0	1.0	1.0	1.0
Total	6.8	7.0	7.0	7.0

Personal Services

The Department is requesting an appropriation of \$585,458 cash funds from the State Highway Fund and 7.0 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The Department is requesting a continuation appropriation of \$61,514 cash funds for operating expenses.

Staff recommends the request.

Public Relations Office

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	1.0	1.0	1.0	1.0
Administrative Support	3.0	3.0	3.0	3.0
Public Info. Specialist – Gen. Professional	2.8	3.0	3.0	3.0
Total	6.8	7.0	7.0	7.0

Personal Services

The request is for an appropriation of \$628,383 cash funds and 7.0 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The request is for a continuation appropriation of \$133,013 cash funds for operating expenses.

Staff recommends the request.

Office of Information Technology

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request*	FY 2010-11 Recommendation*
Prog./Admin. Assistant	3.7	3.7	0.0	3.7
IT Professionals	25.1	26.0	0.0	26.0
IT Technician	1.0	1.0	0.0	1.0
Total	29.8	30.7	0.0	30.7

*Decision item NP-1 (Statewide Information Technology Staff Transfer) would transfer all of the FTE from the *Department's* Office of Information Technology to the *Governor's* Office of Information Technology. Thus, the request reflects no FTE for the Department's office. Because the Committee has not addressed the common policy question, staff has included the continuation level of FTE for the time being.

DECISION ITEM NP-1: STATEWIDE INFORMATION TECHNOLOGY STAFF TRANSFER
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Department Request: The Department requests a transfer of a total of 82.0 FTE (30.7 FTE from the Administration line item and 51.3 FTE from the non-appropriated Construction, Maintenance, and Operations line item) and no funding from the Department to the Governor's Office of Information Technology (OIT). The affected staff will continue to work at the Department but will be OIT employees. The request is a non-prioritized budget amendment for CDOT but is a prioritized item in the Governor's Office and the common policy will be addressed during figure setting for the Governor's Office.

Because the request for CDOT is unique among the executive branch agencies, staff is including a brief discussion of the issue in this document.

Staff Analysis: Other state agencies impacted by the OIT consolidation are requesting funding reductions in the affected personal services line items as well as the transfer of FTE. The Department of Transportation is requesting the transfer of FTE *but no funding reductions*. The Department is still negotiating a service agreement with the Governor's OIT but the plan is for OIT to bill the Department directly for all services provided to the Department (according to the Department, federal regulations will require detailed invoices for all services paid for by the

Department to ensure that the Department's resources are only used for transportation-related purposes).

Although the Department's request does not reflect any savings as a result of the consolidation, the Governor's OIT has indicated that all affected departments should anticipate 10 percent savings below pre-consolidation personal services costs. Given that the continuation personal services appropriation for the Department's Office of Information Technology would provide roughly \$3 million dollars, a ten percent savings would equate to approximately \$300,000 that would transfer to the Construction, Maintenance, and Operations line item.

If the Committee approves the requested OIT consolidation and staff transfer, staff recommends that the Committee reduce the Department's Administration line item by \$299,521 to reflect the anticipated 10 percent savings below the continuation appropriation level. Staff recognizes that uncertainty remains regarding the magnitude of likely savings from the consolidation as well as the eventual level of service agreed to by CDOT and OIT. However, given that other departments would experience reductions as a result of the request, staff recommends that the Committee treat the Department in a similar fashion.

Personal Services

The request is for an appropriation of \$2,995,210 cash funds and no FTE as a result of decision item NP-1, which would transfer the office's FTE to the Governor's office (discussed above).

For the continuation base appropriation, and if the Committee denies the statewide consolidation request, staff recommends the Department's request of \$2,955,210 but with 30.7 FTE. If the Committee approves the OIT consolidation, staff recommends \$2,695,689 and 0.0 FTE, reflecting the requested transfer of FTE to the Governor's Office and the \$299,521 reduction discussed above. Staff asks permission to adjust the appropriation to reflect the Committee's decision regarding OIT consolidation.

Operating Expenses

The request is for a continuation appropriation of \$328,008 cash funds for operating expenses.

Staff recommends the request.

Office of Financial Management and Budget

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	2.0	2.0	2.0	2.0
Accountant	1.0	1.0	1.0	1.0
Budget/ Policy Analyst	6.8	7.0	7.0	7.0
Prog./Admin. Assistant	2.0	2.0	2.0	2.0
Total	11.8	12.0	12.0	12.0

Personal Services

The request is for an appropriation of \$1,200,595 and 12.0 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI#1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The request is for a continuation appropriation of \$61,709 for operating expenses.

Staff recommends the request.

Accounting Branch

The Office of Accounting used to be part of the Human Resources and Administration Division. Starting with FY 2007-08, the Department reorganized and moved 6.0 FTE from the Accounting Office to the Office of Financial Management and Budget, renaming the Office of Accounting as the Accounting Branch. The reorganization has not changed the functions of the office. It is responsible for timely and accurate payments to public and private vendors. In addition, the office is responsible for expeditious billing and collection of all receivables due to the Department, including reimbursements to the State from the federal and local governments for highway construction.

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Controller	1.0	1.0	1.0	1.0
Accountant	8.7	12.0	12.0	12.0
Accounting Technician	9.0	9.0	9.0	9.0
General Professional	0.5	1.0	1.0	1.0
Administrative Support Technician	3.0	3.0	3.0	3.0
Technician	1.0	1.0	1.0	1.0
Total	23.2	27.0	27.0	27.0

Personal Services

The request is for an appropriation of \$1,700,163 and 27.0 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI#1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The request is for a continuation appropriation of \$95,869 for operating expenses.

Staff recommends the request.

Chief Engineer and Region Directors

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Chief & Deputy Engineers	2.0	2.0	2.0	2.0
Regional Transportation Directors	6.0	6.0	6.0	6.0
Administrative Support	7.0	7.0	7.0	7.0
Total	15.0	15.0	15.0	15.0

Personal Services

The request is for \$1,588,210 and 15.0 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI#1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

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

Staff recommends the request.

Motor Pool Operations for State Fleet Vehicles

The Motor Pool Operations for Fleet Vehicles organization was created with the General Assembly's approval of a budget amendment in the FY 2008-09 Long Bill. Personnel under this line service state fleet vehicles for other agencies at the Department's garage and thus collect revenue from the other agencies. The group is funded through fees collected for maintenance work (reappropriated funds).

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Fleet Vehicle Mechanics	0.4	2.0	2.0	2.0
Total	0.4	2.0	2.0	2.0

Personal Services

The request is for \$88,070 reappropriated funds and 2.0 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The request is for a continuation appropriation of \$327,616 reappropriated funds for operating expenses.

Staff recommends the request.

Human Resources and Administration

This Division is responsible for internal services including procurement, administrative services, personnel, reproduction (the Print Shop), Equal Opportunity hiring, Equal Opportunity Business programs, Americans with Disabilities Act programs, and the operation and maintenance of Department buildings and facilities. The Division of Human Resources and Administration includes the Center for Printing and Visual Communications, which provides reproduction services, issuance of RFPs and design plans to support the construction program, and the making of road signs. Since this work is done for various programs within the Department, as well as for other state agencies, the print shop is entirely funded with internal cash funds (reappropriated funds).

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Director's Office	2.0	4.0	4.0	4.0
Printing and Visual Communications	10.8	13.0	13.0	13.0

Procurement	10.7	12.0	12.0	12.0
Administrative Services	8.1	11.0	11.0	11.0
Human Resources	25.3	28.0	28.0	28.0
Center for Equal Opportunity	5.4	5.5	5.5	5.5
Facilities Management	22.9	29.5	29.5	29.5
Organizational Learning & Development	5.5	8.0	8.0	8.0
Total	90.7	111.0	111.0	111.0

Personal Services

The request is for an appropriation of \$6,738,027 and 111.0 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The request is for a continuation appropriation of \$1,916,610 for operating expenses.

Staff recommends the request.

Division of Audit

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

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Audit Manager	1.0	1.0	1.0	1.0
Auditors	5.5	5.5	5.5	5.5
IT Professional	1.0	1.0	1.0	1.0
Total	7.5	7.5	7.5	7.5

Personal Services

The request is for an appropriation of \$698,931 and a continuing level of 7.5 FTE, including adjustments associated with DI #1 (base adjustment), BA #1 (correction to base appropriation), and

BA NP-1 (PERA reduction) discussed above.

Staff recommends the request, including adjustments associated with DI#1 (base adjustment), BA #1 (correction to base appropriation), and BA NP-1 (PERA reduction) discussed above.

Operating Expenses

The request is for a continuation appropriation of \$33,290 for operating expenses.

Staff recommends the request.

Miscellaneous Administration Accounts

Statewide Indirect Costs

The Department is requesting \$123,805 cash funds from the State Highway Fund for the appropriated share of its statewide indirect cost allocation. While the Department's total statewide indirect cost allocation is \$1,768,636, under the request the Department would pay \$1,644,831 of that total from the non-appropriated Construction, Maintenance, and Operations line item. Starting in FY 2009-10, the Department standardized the allocation of indirect costs between Administration and the Construction, Maintenance, and Operations line according to the distribution of FTE between the line items.

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

Legal Services

The Department is requesting an appropriation of \$496,000 for legal services through the Department of Law. This represents a continuation of last year's level, 6,580 hours. Legal Services costs for the Construction, Maintenance, and Operations programs (9,817 hours) and the Division of Aeronautics (35 hours) are funded through the non-appropriated Construction, Maintenance, and Operations line item.

Staff recommends the requested level of 6,580 legal services hours for Administration. The Department's legal services budget is used to defend the Department in personnel issues, against landowners contesting condemnations, and against companies contesting contract awards. Additionally, legal service hours are used defending the Department against environmental lawsuits involving such issues as drinking water contamination by underground storage tanks and by inclement weather road treatments. **The recommended funding level will be incorporated into the line item after the Committee has set hourly rates.**

DEPARTMENT OF TRANSPORTATION, ADMINISTRATION - Legal Services									
	FY 2009-10 Appropriation			FY 2010-11 Request			FY 2010-11 Recommendation		
	Legal Services Hours	Rate	Total	Legal Services Hours	Rate	Total	Legal Services Hours	Rate	Total
Base Budget	6,580	\$75.38	\$496,000	6,580	\$75.38	\$496,000	6,580	TBD	TBD
TOTAL - CFE/CF	6,580	\$75.38	\$496,000	6,580	\$75.38	\$496,000	6,580	TBD	PENDING

Risk Management - General Insurance

The Department is requesting \$1,094,829 for Risk Management and General Insurance costs.

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

Workers' Compensation

The Department is requesting an appropriation of \$466,657 for Workers' Compensation costs. A majority of the Department's employees are contained in the non-appropriated section of the budget, so this request reflects only a small portion of the Department's total workers' compensation costs. The request reflects a reduction from the November 2, 2009 request associated with Budget Amendment NP-2 (Total Compensation Update).

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

Centrally Appropriated Personal Services

Salary Survey Increases

The Department is not requesting any salary survey increases for FY 2010-11.

Consistent with the request and with Committee policy, staff is not recommending salary survey for FY 2010-11.

Performance-Based Pay Awards

The Department is not requesting any funding for performance-based pay.

Consistent with the request and with Committee policy, staff is not recommending any performance-based pay awards for FY 2010-11.

Shift Differential

The Department is requesting \$20,545 for shift differential within Administration.

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

Health/Life/Dental

The request is for an appropriation of \$1,106,873 for health, life, and dental insurance costs. The request reflects a reduction from the November 2, 2009 request associated with Budget Amendment NP-2 (Total Compensation Update).

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

Short Term Disability

The request is for \$20,747 to provide for Short Term Disability costs. The request reflects a reduction from the November 2, 2009 request associated with Budget Amendment NP-2 (Total Compensation Update).

Staff recommends an appropriation of \$20,691 for Short Term Disability costs, calculated pursuant to Committee policy.

S.B. 04-257 Amortization Equalization Disbursement

The request is for an appropriation of \$321,243 to fund this PERA-based adjustment. The request reflects a reduction from the November 2, 2009 request associated with Budget Amendment NP-2 (Total Compensation Update).

Staff recommends \$320,375 pursuant to Committee common policy for this line.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

The request is for an appropriation of \$234,240 for the supplemental amortization equalization disbursement. The request reflects a reduction from the November 2, 2009 request associated with Budget Amendment NP-2 (Total Compensation Update).

Staff recommends \$233,607 pursuant to Committee common policy for this line.

Internal Cash Funding

This line represents internal funds derived from work performed by the Center for Printing and Visual Communications for both Department reproduction and sign production, as well as for similar work performed for other state agencies. The fund source also includes personal services and operating expenses for the multi-agency fleet vehicle work at the Department's garage, under the Motor Pool Operations for State Fleet Vehicles line, discussed above. The Department is requesting \$2,047,686 internal cash funds (reappropriated funds) and 15.0 FTE of Administration Program costs be funded through internal cash funding.

Staff recommends a total appropriation of \$1,970,349 in internal cash funds (reappropriated funds) spending authority and 15.0 FTE, including \$818,305 for personal services, \$1,132,103 for operating expenses, and \$19,941 for central appropriations. The amount for centralized appropriations will change with adoption of Committee policies for Health, Life, and Dental expenses. Staff asks permission to update the internal cash funds recommendation and appropriation to reflect the Committee's policy on additional line items. This amount includes personal services and operating expenses for the Center for Printing and Visual Communications (Print Shop) and the motor pool operations (multi-agency fleet vehicle maintenance) garage.

(2) CONSTRUCTION, MAINTENANCE AND OPERATIONS

These funds are appropriated by the Transportation Commission. Staff recommends that FTE, funding, and associated letternotes continue to be shown in the Long Bill for informational purposes. This amount will change once all pending items have been finalized by the Transportation Commission, and will reflect the most recent revenue estimates available. The final Transportation Commission approved budget will be adopted in April. The Department's request includes funds totaling \$934,386,876 and 3,100.0 FTE for the Construction, Maintenance, and Operations line item, and is based on the following projections by the Department:

1. \$562,303,752 cash funds, including the Department's estimated share of Highway Users Tax Fund revenues, local cash funds (local contributions to state highway projects that are given to the State to accelerate the completion of projects that are

- high priorities for local governments, and miscellaneous fees and revenues);
2. \$2,997,320 internal cash funds (now classified as reappropriated funds); and
3. \$369,085,804 in anticipated federal funds.

The request for the Construction, Maintenance, and Operations line item is impacted by Department of Public Safety Decision Item #11 (requested as a non-prioritized decision item for the Department of Transportation), which would change the fund source for high visibility drunk driving enforcement events historically funded by the Law Enforcement Assistance Fund (LEAF). The decision item would instead fund those events (which are included in the Construction, Maintenance, and Operations line) from Highway Users Tax Fund (HUTF) Off-the-Top funds transferred from the Colorado State Patrol, while diverting LEAF funds to the General Fund to assist with budget balancing in FY 2010-11 and FY 2011-12.

Staff recommends inclusion of an informational appropriation of \$934,147,628 and 3,100.0 FTE for the Construction, Maintenance and Operations line item. This recommendation is based on the Department's projected revenues as included in the November 2, 2009 request. **Staff requests permission to: 1) adjust the line item's letternotes to reflect the Committee's decision with respect to the Department of Public Safety Decision Item #11; and 2) adjust the line item's informational appropriation to reflect the Department's projection of State Highway Fund revenues after accounting for the final appropriation to Administration (including currently pending line items).**

(3) HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

This section, created in S.B. 09-108, replaces the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310. In addition to taking over the responsibilities of the former Statewide Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. The section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes on Interstate 25. Because the revenues are continuously appropriated to the Department, the amounts are shown in the Long Bill for information purposes only.

For FY 2010-11, the Department requests \$2,500,000 cash funds and 1.0 FTE for the operation of the High Performance Transportation Enterprise. This amount represents the Department's estimate of revenue from the HOV Express Lanes for FY 2010-11.

Staff recommends the Committee reflect the Department's request for an informational appropriation of \$2,500,000 cash funds spending authority and 1.0 FTE for FY 2010-11.

(4) FIRST TIME DRUNK DRIVING OFFENDER ACCOUNT

The General Assembly created the First Time Drunk Driving Offender Account, a subaccount within the Highway Users Tax Fund, with the enactment of H.B. 08-1194. The legislation made the account subject to annual appropriation in the Long Bill, and this line item was created in the FY 2009-10 Long Bill. The line item uses increased fees to reinstate drivers' licenses following drunk driving convictions to fund additional high visibility drunk driving enforcement events. Prior to the passage of H.B. 08-1194, which became effective during FY 2008-09, the Department had conducted an average of seven high visibility events per year which were funded out of DUI fines paid into the Law Enforcement Assistance Fund (LEAF) for the Prevention of Drunken Driving created in Section 43-4-401, C.R.S. H.B. 08-1194 directs the Department to conduct a total of twelve high visibility events per year, an increase of five events per year over the previous average.

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

For FY 2010-11, the Department requests \$1,000,000 cash funds from the First Time Drunk Driving Offenders Account. This amount represents a continuation of the level in the FY 2009-10 Long Bill but a reduction of \$705,276 from the FY 2009-10 appropriation as adjusted by a supplemental that refinanced \$705,276 in Law Enforcement Assistance Fund expenditures under the Construction, Maintenance, and Operations line item with First Time Drunk Driving Offenders Account resources.

Staff recommends the Department's request of \$1.0 million to the First Time Drunk Driving Offender Account in FY 2010-11.

(5) STATEWIDE BRIDGE ENTERPRISE

This section was created by S.B. 09-108 and is funded through the bridge safety surcharge created by S.B. 09-108. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and as either structurally deficient or functionally obsolete. The enterprise has the authority to issue revenue bonds and borrow funds from the Transportation Commission to be repaid from bridge safety surcharge revenues. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. Because the revenues are continuously appropriated to the Department, the amounts are shown in the Long Bill for information purposes only.

For FY 2010-11, the Department requests \$71,831,867 cash funds, reflecting the Department's estimate of revenues to the Statewide Bridge Enterprise.

Staff recommends the Committee reflect the Department's request for an informational appropriation of \$71,831,867 cash funds spending authority for FY 2010-11, reflecting the Department's anticipated revenues for the Bridge Enterprise.

(6) GAMING IMPACTS

Background. Since it began in Colorado in 1991, limited gaming has caused pavement, congestion, and safety problems for highways that were not originally built to support the traffic volumes affecting roads into and surrounding the gaming communities. Gaming communities are found within three transportation regions: Region 1 (Blackhawk/Central City), Region 2 (Cripple Creek), and Region 5 (Southwest Colorado). Pursuant to Section 12-47.1-701 (1) (c) (I), C.R.S., the Department may annually request funds from the 50 percent share of the Limited Gaming Fund year-end balance that is transferred to the General Fund, in order to partially pay for highway construction and maintenance in the vicinity of Colorado's gaming communities. Under Section 12-47.1-701 (5) (b), C.R.S., the General Fund share not otherwise appropriated now transfers to the Clean Energy Fund created in Section 24-75-1201 (1), C.R.S.

In 1994 the General Assembly enacted S.B. 94-60 (later amended by S.B. 97-27) in order to be able to provide additional funding for limited gaming related road repairs. The enacted legislation allows the Department of Transportation to annually request Limited Gaming Funds for transportation needs attributable to limited gaming. Under Section 43-1-220 (1), C.R.S., such funds must be used for projects on highways leading to and within 50 miles of a limited gaming community.

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

- (c) (I) The limited gaming fund. The receipts from the limited gaming fund shall be segregated from other receipts paid into the state highway fund.
- (II) In accordance with the provisions of section 12-47-701 (1) (c) (I), C.R.S., the receipts from the limited gaming fund are to be used on public roads and highways leading to and within fifty-mile radius of any limited gaming community for:
 - (A) Any proposed or anticipated transportation needs attributable to limited gaming;
 - and
 - (B) Any reimbursement for emergency repairs and modifications attributable to limited gaming that the department has performed during the previous fiscal year.

The Department is not requesting Limited Gaming Funds for FY 2010-11.

Staff does not recommend any funding for Gaming Impacts in FY 2010-11.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

The Department did not have any Long Bill footnotes in FY 2009-10, and staff does not recommend any new footnotes in FY 2010-11.

Staff recommends the continuation of the following request for information.

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

For tracking purposes, staff recommends the continuation of the following request for information related to decision items approved for the FY 2008-09 Long Bill.

- 69 Department of Transportation, Administration** -- By August 1, 2010, the Department is requested to provide a report to the Joint Budget Committee regarding the effectiveness of the expansion of the Office of Organizational Learning and Development in reducing turnover and increasing retention of Department staff.

Staff recommends continuation of the following request for information related to Decision Item #1, the Transportation Base Adjustment.

- 70 Department of Transportation, Administration** -- The Department is requested to submit, with the November 1, 2010 budget request, decision items for any changes made within the Administration program line during the either FY ~~2008-09~~ 2009-10 or FY ~~2009-10~~ 2010-11 that the Department wishes to have recognized during the FY ~~2010-11~~ 2011-12 figure setting process.

BUDGET BALANCING OPTIONS

Because the Department receives no General Fund appropriations and the majority of the Department's cash funds are constitutionally protected from transfer to the General Fund, the Department presents limited options to balance a General Fund shortfall. The following option is presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider this option now or in the future.

Options with Revenue Impacts	GF	CF	RF	FF	Total	FTE
2						
First Time Drunk Driving Offender Account						
<p>The Committee could use funds from the First Time Drunk Driving Offender Account to offset General Fund appropriations in the Department of Revenue. Pursuant to H.B. 08-1194, the General Assembly annually appropriates funds from the First Time Drunk Driving Offenders Account to the Department to support high visibility drunk driving events such as "The Heat Is On." Section 43-4-901, C.R.S., as enacted H.B. 08-1194, directs the Department to conduct twelve high visibility events per year. The Committee could amend statute to reduce the number of high visibility enforcement events or fund those events from another fund source (such as HUTF off-the-top, as requested in CDPS DI #11) and offset additional General Fund appropriations in the Department of Revenue.</p>						