



Joint Budget Committee

Staff Budget Briefing FY 2026-27

Department of Transportation

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November 18, 2025

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Additional Resources

To find the online version of the briefing document search the General Assembly’s website for [budget documents](https://leg.colorado.gov/content/budget/budget-documents) (leg.colorado.gov/content/budget/budget-documents).

Overview of Department of Transportation

The Colorado Department of Transportation's stated mission is "to provide the best multimodal transportation system for Colorado that most effectively moves people, goods, and information." CDOT's primary responsibility—in terms of dollars expended—is the construction, maintenance, and operation of the state's highway system. CDOT is also responsible for managing other forms of transportation, including aviation, rail, and transit. CDOT is overseen by an eleven-member Transportation Commission (TC) appointed by the governor.

CDOT's Specific Duties Include:

- Developing and implementing the Statewide Transportation Improvement Program (STIP), a federally mandated, 4-year planning document that identifies statewide transportation projects based on estimated revenues and priorities;
- Maintaining, repairing and plowing over 23,000 total lane miles of highways;
- Maintaining 3,447 bridges and overseeing 28 billion miles of vehicle traffic annually;
- Developing and implementing a multimodal transportation system through grants and assistance to local transit systems, and other recipients such as bike and bus projects;
- Implementing safety promotion programs that target areas such as: drunk driving, seatbelt use, and speed limit enforcement;
- Maintaining the statewide aviation system plan, including providing technical support to local airports, administering aviation fuel tax revenue reimbursements, and administering discretionary grants to local airports; and
- Implementing the Transportation Commission's budget, policies, and decisions.

CDOT's portion of the Long Bill shows a consolidated version of the Transportation Commission's (TC) budget because the TC's budget is a *revenue allocation budget*— it shows revenue CDOT expects to receive for the budget year and how the department plans to allocate the revenue for the budget year and subsequent years.

Projected revenue changes are the primary factor driving the CDOT Long Bill appropriation from year to year. The revenue allocated in the Long Bill includes money received from state fuel taxes and registration fees, federal funding, and appropriations from cash funds not controlled by CDOT (such as the Marijuana Tax Cash Fund). General Fund appropriations to CDOT are uncommon, but the Department's revenue does include transfers from the General Fund, which are classified as cash funds because the money is transferred into a CDOT-controlled cash fund.

While the table below accurately reports CDOT's appropriations, it does not accurately present all of CDOT's revenues because it excludes some transfers that CDOT has received outside of the Long Bill in recent years. Additional details are included in the "General Factors Driving the Budget" section of this document.

Recent Appropriations

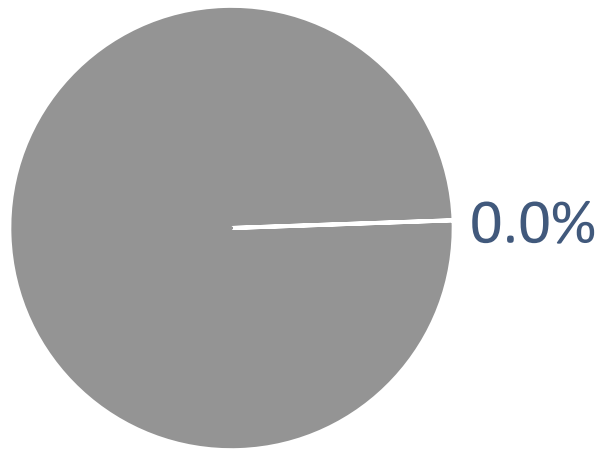
Department of Transportation

Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 [1]
General Fund	500,000	0	0	0
Cash Funds	958,369,550	1,197,797,806	1,449,032,151	1,448,245,698
Reapprop. Funds	5,528,096	5,283,672	5,181,756	2,731,756
Federal Funds	832,949,678	860,701,961	819,182,106	780,173,191
Total Funds	\$1,797,347,324	\$2,063,783,439	\$2,273,396,013	\$2,271,150,645
Full Time Equivalent Staff	3,328.5	3,328.5	3,328.5	3.329.7

[1] Requested appropriation.

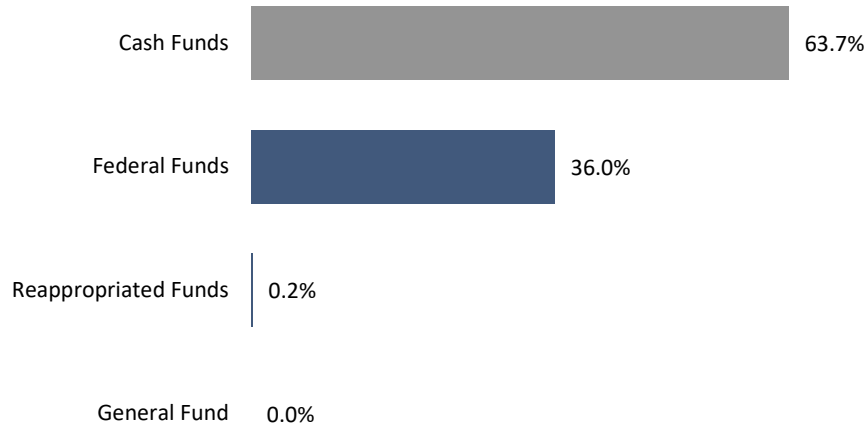
Graphic Overview

Department's Share of Statewide General Fund



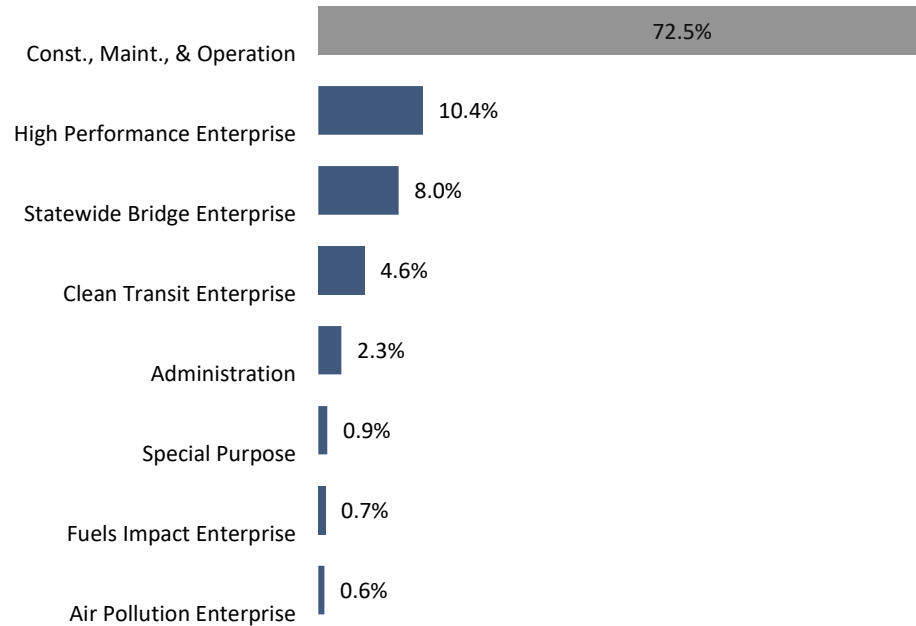
Based on the FY 2025-26 appropriation.

Department Funding Sources



Based on the FY 2025-26 appropriation.

Distribution of Total Funds [1] by Division



Based on the FY 2025-26 appropriation.

[1] The Department of Transportation typically does not receive General Fund appropriations. Funding provided pursuant to bills such as S.B. 21-260 is received through transfers to the State Highway Fund and other cash funds, not through General Fund appropriations.

Cash Funds Detail

Department of Transportation Cash Funds Detail

Fund Name	FY 2025-26 Appropriation.	Note	Primary Revenue Sources	Primary Uses in Dept.
State Highway Fund (SHF)	\$832,396,155	[1, 3]	State fuel taxes (22¢ per gallon gas, 20.5¢ diesel), registration and other vehicle fees	Construction, maintenance, and operations of the state highway system.
Multimodal Transportation Options Fund (MMOF)	20,612,617	[3]	Includes funds transferred from General Fund and retail delivery fee	85 percent is granted to local entities and 15 percent is retained by the state. The state portion of MMOF funding is currently allocated to Bustang operations.
Marijuana Tax Cash Fund	450,000	[3]	Collects sales tax revenue from retail and medical marijuana sales	Impaired driving education and outreach programs.
Various Cash Funds	64,492,986	[2, 4]	Aviation Gasoline Excise Tax, Aviation Jet Fuel Excise Tax, interest credited to the LEAF fund; fees from DUI's; interest income	Construction, maintenance and operations of FAA-designated public-use airports; increase law enforcement presence in highways; interest is earned from the State Infrastructure Bank (SIB) [6]
Various Enterprise Cash Funds	531,080,393	[3, 5]	See Issue Brief for sources of fund revenue.	See Issue Brief for primary uses of funds by department.
Total	\$1,449,032,151			

[1] Not appropriated by the General Assembly. Amounts shown in the State Highway Fund are for informational purposes only, except for the Administration line.

[2] Subject to TABOR

[3] Exempt from TABOR (except interest income, some special permits in the SHF, and the MMOF Retail Delivery Fee). The Highways Users Tax Fund (HUTF) is subject to TABOR, but when the funds move from the HUTF to the SHF, they are not subject to TABOR in the SHF.

[4] Various cash fund sources include the Law Enforcement Assistance Fund (LEAF), the Aviation Fund, and the State Infrastructure Bank (SIB). Transfers from other departments and unrealized gains/losses for these funds are exempt from TABOR. States sales taxes, the Aviation Gas and Fuel Taxes, DUI and DWI fines and interest income to these funds are subject to TABOR.

[5] Funding for CDOT enterprises is continuously appropriated, except for the Clean Transit Enterprise, which is annually appropriated with expenditure authority granted through FY 2028-29.

[6] State Infrastructure Banks are revolving infrastructure investment funds for surface transportation. They give states capacity to attract investments, borrow on the bond market, or establish reserve funds. As loans and credit are repaid to SIBs, they can support new projects. The SIB revolving fund is split into four accounts (highway, transit, aviation, and rail) with assets totaling about \$40 million, with the Aeronautics account making up 75% of the assets.

General Factors Driving the Budget

CDOT's Long Bill Appropriations Differ from other Agencies

CDOT's Long Bill appropriations differ from other state agencies because the amounts shown in this section of the Long Bill reflect estimated *revenue* rather than expenditures for the upcoming fiscal year.

Approximately 95 percent of CDOT's FY 2025-26 revenue is continuously appropriated by statute and managed by the Transportation Commission (Commission) and the enterprise boards of each enterprise. The Commission approves an annual Revenue Allocation Plan that is developed using CDOT's independent quarterly forecast. The Commission approved the final budget allocation plan for FY 2025-26 in March 2025. The Commission published a proposed budget for FY 2026-27 in the fall of 2025.

That means that the *General Assembly actually sets appropriations for approximately 5 percent* of the Department's budget. Those appropriations support specific programs like Administration, the Marijuana Impaired Driving Program, Multimodal Transportation Projects, and the Clean Transit Enterprise. The Multimodal Transportation and Mitigations Options Fund (MMOF) and the Clean Transit Enterprise (CTE) are typically allowed to spend appropriations over a four-year period authorized through a Long Bill footnote.

The Long Bill reflects those legislative appropriations but also serves as the consolidated version of the Transportation Commission's multiple revenue allocation budgets, with key categories including:

- CM&O (Construction, Maintenance, and Operations) – the largest division;
- Special Purpose – includes funds from the Multimodal Transportation and Mitigation Options Fund and the Marijuana Tax Cash Fund;
- Bridge and Tunnel Enterprise; High Performance Transportation Enterprise; Nonattainment Area Air Pollution Mitigation Enterprise; Clean Transit Enterprise, Fuels Impact Enterprise; and
- Administration.

CDOT's budget shows both current-year and future-year *revenue allocations*, reflecting how funds will be spent over multiple years, especially for long-term projects. Changes in projected revenue are the main driver for adjustments in the CDOT Long Bill each year.

Revenue sources for CDOT:

- Revenue collected from state motor vehicle fuel taxes and fees and license and registration fees are deposited into the Highway Users Tax Fund (HUTF) and distributed to CDOT, counties, and municipalities based on statutory formulas (see Appendix B for more information).
- Funding from the General Fund, federal funding, and smaller revenue sources, which are deposited into the State Highway Fund (SHF), CDOT's primary cash fund. Most SHF funding is continuously appropriated and allocated by the Commission. Importantly, SHF is one of the only sources of flexible funding the Department has to fund basic maintenance, operations, and administration costs.¹ *Note that General Fund transfers appear in the CDOT budget as cash funds because they are deposited in the State Highway Fund or other funds and spent directly from those funds.*

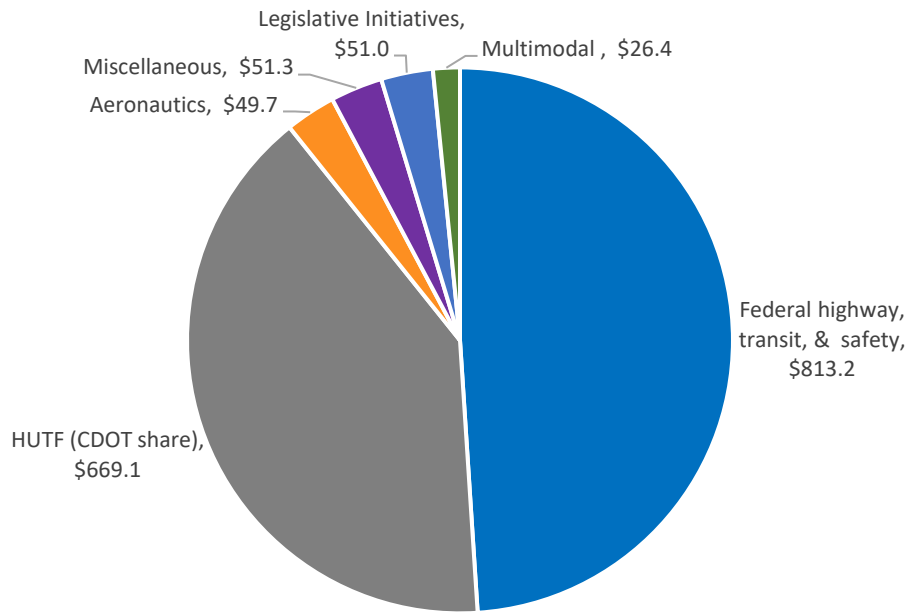
¹ Interest earned in the State Highway Fund stays within the fund, which the Department currently allocates to maintenance and operations.

- Enterprises (self-supported, government-owned businesses that receive revenue in return for provision of goods and services). This revenue is not subject to TABOR. See the briefing issue on CDOT’s enterprises for additional information on the role of enterprises in CDOT’s budget.

CDOT Revenue Sources

The following chart, based on CDOT's November 2025 proposed budget for FY 2026-27, shows projected revenue from CDOT's various funding sources for FY 2026-27, totaling about **\$1.7 billion**. This chart does not include revenue from the five enterprises operating within CDOT because those are specific funds for specific purposes.

Projected Non-Enterprise Revenue for FY 2026-27 (\$ millions)



Almost all of the revenue sources shown above are continuously appropriated to the Department by constitutional and statutory provisions, and in the case of federal funding, by Colorado Supreme Court decisions. Budget decisions concerning these continuously appropriated items are mostly made by the Transportation Commission, working within the framework established by statute. The CDOT programs funded by these revenues are included in the Long Bill for “informational purposes” and simply reflect anticipated revenues for the programs.

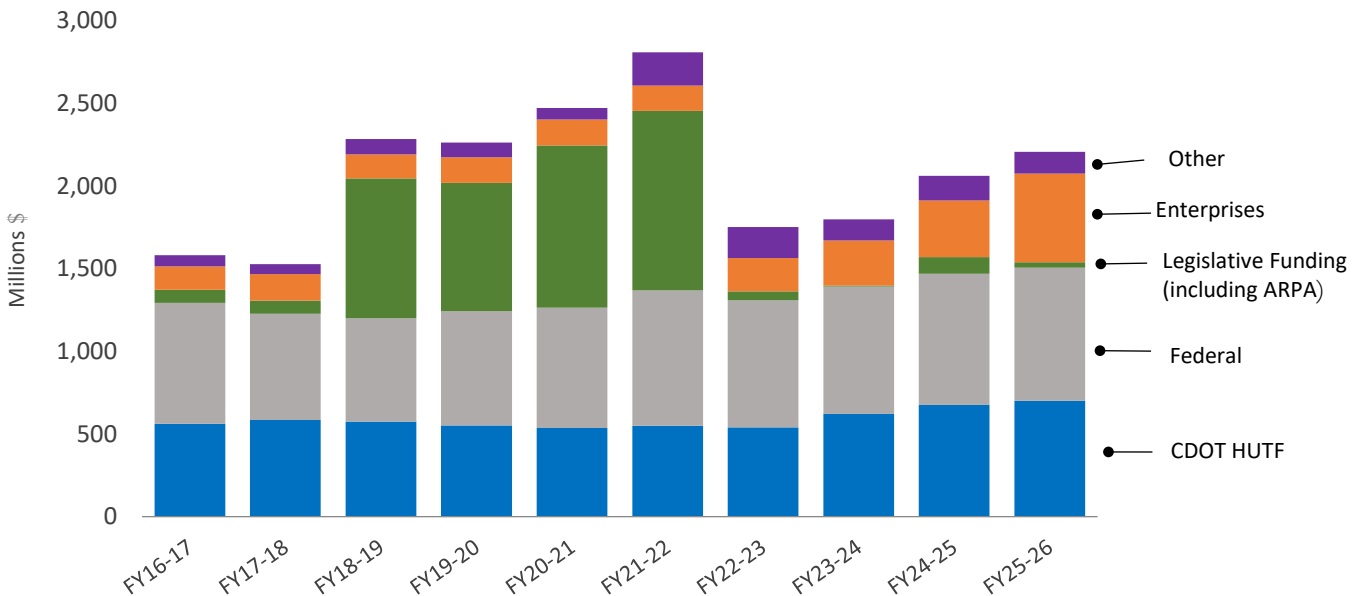
Key CDOT Revenue Sources

Category	Primary sources of revenue
Federal highway, transit, and safety revenue	Primarily from the Federal Highway Administration via federal fuel taxes
Highway Users Tax Fund (HUTF) revenue, CDOT share	State fuel taxes (22¢ per gallon gas, 20.5¢ diesel), registration and other vehicle fees
Aeronautics revenue	Taxes on gas and aviation fuel sold at airports
Miscellaneous	Sale of state property, interest earnings, safety programs (Law Enforcement Assistance Fund), other State Highway Fund revenue, legislative initiatives, Marijuana Tax Cash Fund, State Infrastructure Bank Fund
Multimodal Transportation and Mitigation Options Fund (MMOF)	Includes funds transferred from General Fund & retail delivery fee.

CDOT Historical Funding Trends

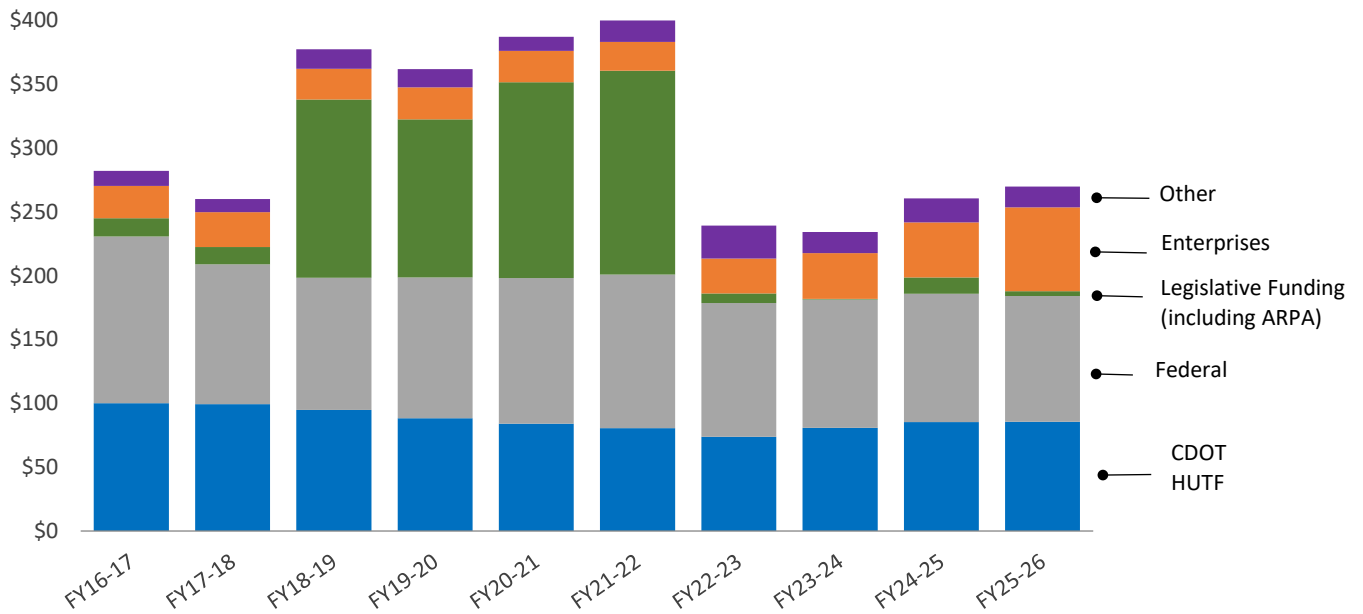
CDOT funding is reliant on revenue availability. The following figure shows how the Department’s actual revenue has fluctuated over the past 10 years due to changing revenue from federal and state sources, and the creation and expansion of enterprises. Revenue from state funding increased from FY 2018-19 to FY 2021-22, mainly due to S.B. 17-267 (Sustainability of Rural Colorado), which made over \$2 billion available for transportation projects through lease-purchase payments and transfers from the State Highway Fund. S.B. 18-001 (Transportation Infrastructure Funding), S.B. 21-260 (Sustainability of the Transportation System), and S.B. 21-265 (Transfer from General Fund to State Highway Fund), also contributed to the increase in revenue from legislative actions between 2018 and 2022. Senate Bill 09-108 (Funding Advancements for Surface Transportation and Economic Recovery Act, “FASTER”) and S.B. 21-260 created enterprises in CDOT which have contributed higher revenue to the Department in recent years.

Major sources of CDOT revenue over the past 10 years



The following chart shows the same revenue, adjusted for inflation and population. It shows an overall decline in the purchasing power of revenue from the Highway Users Tax Fund (HUTF).

Major sources of CDOT revenue per capita, adjusted for inflation



Summary of Request

Department of Transportation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 (Long Bill)	\$2,273,396,013	\$0	\$1,449,032,151	\$5,181,756	\$819,182,106	3,328.5
Total	\$2,273,396,013	\$0	\$1,449,032,151	\$5,181,756	\$819,182,106	3,328.5
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$2,273,396,013	\$0	\$1,449,032,151	\$5,181,756	\$819,182,106	3,328.5
Revenue forecast adjustments:						
Local Transit and Rail	52,144,840	0	52,144,840	0	0	0.0
Bridge and Tunnel Enterprise	17,792,289	0	24,735,781	0	-6,943,492	0.0
MMOF	5,755,167	0	5,755,167	0	0	0.0
Air Pollution Enterprise	2,696,954	0	2,696,954	0	0	0.0
CM&O	-69,328,668	0	-37,263,245	0	-32,065,423	0.0
Clean Transit Enterprise	-34,796,917	0	-34,796,917	0	0	0.0
High Performance Enterprise	-6,246,770	0	-3,796,770	-2,450,000	0	0.0
Fuels Impact Enterprise	0	0	0	0	0	0.0
Subtotal: Revenue forecast adjustments	-31,983,105	0	9,475,810	-2,450,000	-39,008,915	0.0
Offsetting adjustments:						
Employee comp common policies	0	0	0	0	0	0.0
Operating common policies	0	0	0	0	0	0.0
Impacts driven by other agencies	0	0	0	0	0	1.2
Subtotal: offsetting adjustments	0	0	0	0	0	1.2
Prior year actions	500,000	0	500,000	0	0	0.0
Change requests:						
R1 MMOF spending authority	29,237,737	0	29,237,737	0	0	0.0
Total	\$2,271,150,645	\$0	\$1,488,245,698	\$2,731,756	\$780,173,191	3,329.7
Increase/-Decrease	-\$2,245,368	\$0	\$39,213,547	-\$2,450,000	-\$39,008,915	1.2
Percentage Change	-0.1%	0.0%	2.7%	-47.3%	-4.8%	0.0

Description of Requested Changes

The department is forecasting that its overall revenue will be a net decrease of \$37.7 million in FY 2026-27, compared to its FY 2025-26 revenue forecasts. Details on CDOT's revenue projections are provided below.

Revenue adjustments (FY 2026-27 revenue forecast compared to FY 2025-26 forecast)

Local Transit and Rail Grant Programs: CDOT forecasts an increase of \$52.1 million in revenue for cash funds supporting local transit and rail programs (Local Transit Grant Program Cash Fund, Local Transit Operations Cash Fund, and the Rail Funding Program Cash Fund). The anticipated increase is due to increased revenues from oil and gas production fees (S.B. 24-230), and the enterprise no longer being subject to Proposition 117.²

Bridge and Tunnel Enterprise (BTE): CDOT's current forecast of revenue from the Bridge Safety Surcharge, Bridge and Tunnel Impact Fee, Bridge and Tunnel Retail Delivery Fee, and other sources (miscellaneous enterprise revenue, Federal Highway Administration transfer from CDOT) is projected to increase by \$17.8 million due to an increase in the Bridge and Tunnel Impact Fee (S.B. 25-230) and an inflationary increase to the BTE's Retail Delivery Fee.

Multimodal Transportation and Mitigation Options Fund (MMOF): CDOT's revenue forecast projects an increase of \$5.8 million to the MMOF. Of the revenue to this fund, 85 percent is granted out to local entities and 15 percent is retained by the state for Bustang operations.

Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME): CDOT estimates the Nonattainment Area Air Pollution Mitigation Enterprise (also called the Air Pollution Enterprise) will collect \$2.7 million more from retail delivery and ridership fees. The increases are due to inflationary fee adjustments to the retail delivery and rideshare fees, and interest earnings.

CM&O (Construction, Maintenance, and Operations): The budget request reflects an anticipated \$69.3 million net revenue decrease for Construction, Maintenance, and Operations due to S.B. 25-257 (Modify General Fund Transfers to the State Highway Fund), which reduced General Fund transfers to the Department via the State Highway Fund, and S.B. 25-258 (Temporarily Reduce Road Safety Surcharge), which reduced the Road Safety Surcharge by \$3.70 between September 2025 and August 2027.

Clean Transit Enterprise (CTE): CDOT estimates that revenue for the Clean Transit Enterprise will decrease by \$34.8 million. This is a base revenue adjustment.

High Performance Transportation Enterprise (HPTE): Revenues from toll penalty violations, congestion impact fees (S.B. 24-184), service charges, and managed lane revenue is projected to decrease by \$6.2 million due to changes to the Congestion Impact Fee and penalty revenue forecasts, and a decrease in the Fee for Service from CDOT³.

Fuels Impact Enterprise (FIE): Revenue from the Fuels Impact reduction fee (created by S.B. 23-280) will remain at \$15 million because the enterprise is limited to \$15 million in revenue for its first five years of operation.

Offsetting Revenue Allocation Adjustments

The request reflects offsetting adjustments that move expenditures from one division to another without altering the Department total. The FY 2026-27 request includes an increase of \$8.7 million cash funds for Administration, which will be offset by a reduction to Construction, Maintenance, and Operations (CM&O). These offsetting expenditures include total-compensation and other common policy changes and non-prioritized requests originating in other departments. Details are shown in the tables below.

² [Proposition 117](#) amended Colorado statute to require voter approval for new state enterprises if the enterprise revenue collected from fees over its first five years exceeds \$100 million. Starting in FY 2026-27, CTE's revenue will no longer be restricted to \$100 million. Fees are set quarterly based on spot prices for oil and gas, and may fluctuate throughout a fiscal year.

³ CDOT pays the HPTE through a Fee for Service Intra-Agency Agreement (IAA) for specialized services.

Employee compensation common policies in Administration: The request includes a net increase of \$1.4 million in cash funds for employee compensation common policies. A common policy refers to general policies applied consistently to all departments. To pay for the increase, revenue allocated to CM&O is reduced by the same amount.

Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Employee compensation costs [1]	\$1,373,997	\$0	\$1,373,997	\$0	\$0	0.0
Offsets in CM&O	-1,373,997	0	-1,373,997	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

[1] Includes adjustments for: salary survey; health, life and dental; step plan; PERA direct distribution; short-term disability; unfunded liability amortization payments; and paid family and medical leave insurance.

Operating common policies in Administration: The request includes a net decrease of \$6.3 million cash funds to Administration for the following operating common policy adjustments. This increases the revenue for CM&O by the same amount.

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Operating common policy increases:						
Risk management & property	-\$6,443,445	\$0	-\$6,443,445	\$0	\$0	0.0
State accounting system (CORE)	98,608	0	98,608	0	0	0.0
Workers' compensation	62,757	0	62,757	0	0	0.0
Legal services	51,236	0	51,236	0	0	0.0
Office of Information Technology services	-25,464	0	-25,464	0	0	0.0
Capitol Complex leased space	7,998	0	7,998	0	0	0.0
Administrative law judge services	-3,446	0	-3,446	0	0	0.0
Subtotal: operating common policies	-6,251,756					
Offsets in CM&O	6,251,756	0	6,251,756	0	0	0.0
Total	\$0	\$0	\$0	\$0	\$0	0.0

Impacts driven by other agencies in Administration: The request includes a net increase in \$31,910 cash funds in Administration and a corresponding decrease in cash funds from CM&O to account for requests from other state agencies. These are also called “non-prioritized requests.” The amount shown in the table below applies only to this department and does not necessarily reflect the total value of the request.

Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Non-prioritized requests:						
NP IT accessibility	\$203,122	\$0	\$203,122	\$0	\$0	1.2
NP IT operating offset	-201,401	0	-201,401	0	0	0.0
NP State accounting system (CORE) staff	98,021	0	98,021	0	0	0.0
NP IT efficiencies	-84,560	0	-84,560	0	0	0.0
NP Statewide enable AI	12,458	0	12,458	0	0	0.0
NP3 SB24-205 AI compliance	4,270	0	4,270	0	0	0.0
Subtotal: non-prioritized requests	31,910	0	31,910	0	0	1.2
Offsets in CM&O	-31,910	0	-31,910	0	0	0
Total	\$0	\$0	\$0	\$0	\$0	1.2

Prior year actions: The request includes a net increase of \$500,000 from the Marijuana Tax Cash Fund related to a one-time balancing action in FY 2025-26.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Statewide R7 MTCF balancing	\$500,000	\$0	\$500,000	\$0	\$0	0.0
Total	\$500,000	\$0	\$500,000	\$0	\$0	0.0

Fiscal Year 2026-27 Change Requests

R1 Spending authority for multimodal transit fund: The department requests cash fund spending authority for the Multimodal Transportation and Mitigations Options Fund (MMOF) to align with the fund’s forecasted balance.

Year 1: The request includes an increase of \$29.2 million cash funds from the MMOF for a total requested appropriation is \$55.6 million in cash fund spending authority for FY 2026-27.

The MMOF was created by S.B. 18-001 (Transportation Infrastructure Funding) and expanded in S.B. 21-260 (Sustainability of the Transportation System). The MMOF is funded through General Funds transferred in S.B. 18-001, federal State and Local Fiscal Recovery Funds (SLFRF) allocated through S.B. 21-260, and revenues from the Retail Delivery Fee. Statute requires 85% of MMOF funds to be granted to local transit projects, and 15% is retained by CDOT for statewide multimodal transit projects. Appropriations made to the MMOF through previous legislation were available for a five-year period (the initial appropriation plus roll forward authority). The Department’s original appropriations lapsed at the end of Fiscal Year 2025, and the MMOF program has lost access to a portion of its fund balance. Most funds have been awarded to local projects, and are currently in progress through FY 2027-28. Senate Bill 25-264 (Cash Fund Transfers to the General Fund) transferred \$71.4 million *from* the MMOF to the General Fund, which has impacted local agencies’ transit project planning and timelines. The Department is requesting a total appropriation of \$55.6 million to allow the Department to access the full fund balance of the MMOF to distribute new revenues and move forward with existing awarded projects.

Informational Issue: CDOT Enterprises

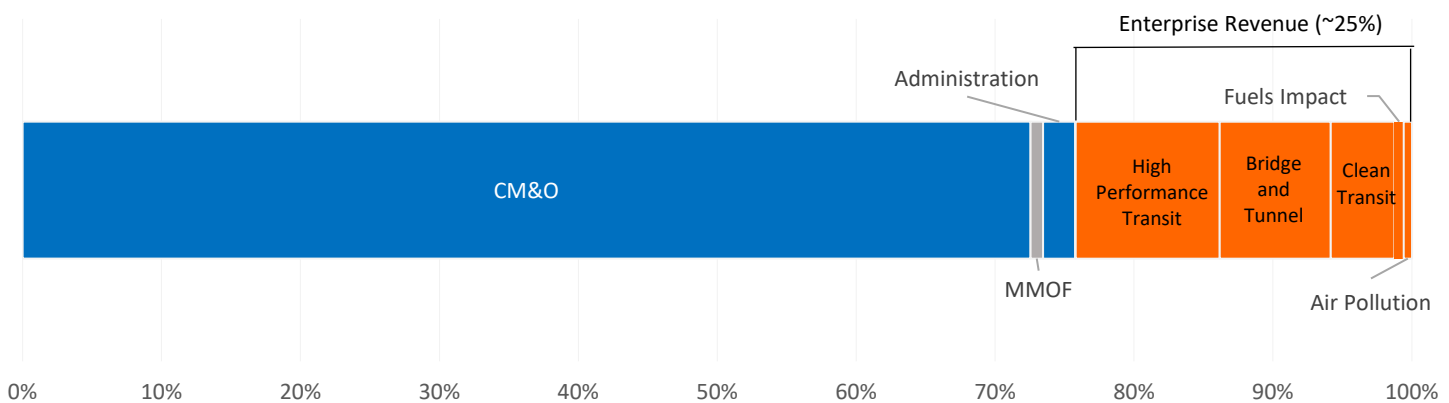
The JBC in recent years requested more information and transparency about enterprises in Colorado, and their role in Departments' budgets. CDOT has five enterprises, explained in more detail below.

Overview of Enterprises in Transportation

State enterprises are self-supporting, government-owned businesses that receive revenue in return for providing goods and services that must be related to the nature of the fee. These enterprises have the power to impose fees, and issue grants, bonds, and rebates payable from fee revenues and other available enterprise money, as authorized by statute.⁴ Enterprises remain exempt from TABOR as long as they receive less than ten percent of their revenue in grants from the state and local governments.

Since 2009, with the creation of the High Performance Transportation and Bridge and Tunnel enterprises, enterprises have been an increasing source of revenue for the Department. Senate Bill 21-260 further increased revenue from enterprises to the Department through the creation of two new enterprises (Clean Transit and Air Pollution). Later legislation also expanded the scope and fees of some enterprises, and created the Fuels Impact Enterprise. In the first five years of operation, enterprises cannot collect more than \$100 million in revenue per year, or they must adjust their fees to stay under this cap. CDOT enterprises created by S.B. 21-260 will be allowed to collect an excess of \$100 million in revenue starting in FY 2026-27, which is reflected in the Department's revenue projections for the 2026-27 budget request. Enterprises are a major source of revenue for CDOT. The chart below shows that about 25% of the department's Long Bill appropriations is from its five enterprises.

About 25% of CDOT's Long Bill Appropriations are from Enterprises



Based on FY 2025-26 appropriations.

⁴ High Performance Transportation Enterprise: Section 43-4-806, C.R.S.; Bridge and Tunnel Enterprise: Section 43-4-805, C.R.S.; Clean Transit Enterprise: Section 43-4-1203, C.R.S.; Nonattainment Area Air Pollution Enterprise: Section 43-4-1303, C.R.S.; Fuels Impact Enterprise: Section 43-4-1506, C.R.S.

The table below provides an overview of the five CDOT enterprises, including their name, purpose, funding source, statutory authority, and whether they are continuously or annually appropriated.

Overview of CDOT Enterprises

Enterprise	Purpose and Projects	Funding Source(s)	Statutory Authority	Appropriation
High Performance Transportation Enterprise (HPTE)	Pursue innovative financing alternatives not otherwise available to the state in order to deliver surface transportation projects; expands and maintains toll lane infrastructure and improves multimodal options such as transit and rail	Congestion Impact Fee; managed lane revenue (tolls on express lanes, safety and tolling enforcement penalties)	Created by SB 09-108 (FASTER); expanded with SB 24-184 (Support Surface Transportation Infrastructure Development) [1]	Fee revenues <i>continuously</i> appropriated from Statewide Transportation Enterprise Special Revenue Fund and Statewide Transportation Enterprise Operating Fund
Bridge and Tunnel Enterprise (BTE)	Finance, repair, reconstruct, and replace designated bridges and repair, maintain, and more safely operate tunnels	Bridge Safety Surcharge; Bridge and Tunnel Impact Fee; Bridge and Tunnel Retail Delivery Fee	Created by SB 09-108 (FASTER); expanded with SB 21-260 and HB 23-1276 (Scope of Bridge and Tunnel Enterprise) [2]	Fee revenues are <i>continuously</i> appropriated from Bridge Special Fund
Clean Transit Enterprise (CTE)	Support public transit electrification planning, facility upgrades, and charging infrastructure construction; mitigate adverse impacts of air pollution and GHG emissions produced by oil and gas development; offers yearly planning and capital grant opportunities	Clean Transit Retail Delivery Fee; Oil and Gas Production Fee	Created by SB 21-260; expanded with SB 24-230 (Oil and Gas Production Fees) [3]	Revenues from oil and gas production fee <i>continuously</i> appropriated from Local Transit Operations Fund, Local Transit Grant Programs Fund, and Rail Funding Cash Program Fund; Revenues from clean transit retail delivery fee <i>annually</i> appropriated from Clean Transit Fund
Nonattainment Area Air Pollution Enterprise (NAAPME)	Mitigate environmental and health impacts of air pollution from motor vehicle emissions in nonattainment areas; offers Community Clean Transportation Assistance Program (CCTAP) small grant program (for communities and government entities) and large grant program (for projects such as Bus Rapid Transit)	Air Pollution Mitigation Retail Delivery Fee; Air Pollution per ride fee imposed on rideshare providers	Created by SB 21-260 [4]	Fee revenues <i>continuously</i> appropriated from Nonattainment Area Air Pollution Mitigation Enterprise Fund
Fuels Impact Enterprise (FIE)	Improve fuel transportation and monitor vehicle emissions by administering the Fuels Impact Reduction Grant Program (\$10 million is for four counties for projects on key commercial freight corridors; remaining \$5 million for statewide fuel movement and freight projects)	Fuels Impact Reduction Fee	Created by SB 23-280 (Hazardous Material Mitigation) [5] (<i>expires 1/1/2030</i>)	Fee revenues <i>continuously</i> appropriated from Fuels Impact Enterprise Fund – limited to \$15 million

[1] Section 43-4-806, C.R.S.

[2] Section 43-4-805, C.R.S.

[3] Section 43-4-1203, C.R.S.

[4] Section 43-4-1303, C.R.S.

[5] Section 43-4-1506, C.R.S.

Recommendation

Staff recommends asking the Department about the status of enterprise-supported projects due to the increasing role enterprises play in the Department’s budget.

Discussion

The following section details the different enterprises in CDOT, including how and when they were created, how they generate revenue, and what projects they fund with revenues collected from fees and surcharges.

High Performance Transportation Enterprise (HPTE)

HPTE was renamed to the Colorado Transportation Investment Office (CTIO) within CDOT, but continues to be called the High Performance Transportation Enterprise in statute (and throughout this document). HPTE has statutory authority to “aggressively pursue” innovative methods of more efficiently financing transportation projects. Methods include public-private partnerships (P3s) and user fee-based project financing. HPTE is overseen by a board of directors that includes external stakeholders from four geographic regions appointed by the Governor. Revenue to HPTE primarily comes from tolls and fines from the state’s express lanes. Senate Bill 24-184 (Support Surface Transportation Infrastructure Development) authorized HPTE to impose a Congestion Impact Fee on short-term vehicle rentals (currently \$3 per day/rental, adjusted for inflation starting in FY 2025-26). The table below shows the revenue sources for the HPTE.

HPTE Revenue Sources (\$ millions)

Revenue Source	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Forecasted	FY 2026-27 Forecasted
SB 24-184 Congestion Impact Fee	\$0.0	\$27.4	\$56.7	\$58.6
Managed Lane Revenue	3.4	3.4	0.5	0.5
Toll Revenue	42.3	59.0	114.5	136.5
Toll Violations	24.0	24.1	50.8	21.6
Service Changes	17.3	17.4	12.2	12.2
Total	\$87.0	\$131.4	\$234.7	\$229.4

The HPTE uses the revenue it collects to manage express lanes throughout the state (currently 269 miles, including lanes under construction or in development). The enterprise estimates that tolls from express lanes have accelerated delivery of over \$3 billion in freeway projects in Colorado. The HPTE is also currently working to incorporate advanced roadside technology (such as sensors and cameras) to enforce safety violations on I-70, as required by H.B. 22-1074 (Traffic Violations on I-70 Shoulder Lanes). Additionally, following passage of S.B. 24-184, HPTE began collecting a fee from vehicle rentals to support multimodal transportation projects⁵, which it is using to develop projects such as:

- The Mountain Rail project, which aims to restore passenger service in Northwest Colorado and connect mountain towns and recreational destinations; and
- The Front Range Passenger Rail, a proposed intercity rail system connecting major Front Range cities in Colorado, including Pueblo, Colorado Springs, Fort Collins, and Denver.

⁵ The Oil and Gas Fee from S.B. 24-230 also supports these multimodal transportation projects.

Bridge and Tunnel Enterprise:

The Bridge and Tunnel Enterprise (BTE) was established to finance, repair, reconstruct, and replace any designated bridge in the state (bridges that are rated as being in “poor” condition, functionally obsolete, or structurally deficient). BTE is governed by a board of directors, who are the members of the Transportation Commission. The principal funding sources for BTE are the Bridge Safety Surcharge (paid when vehicles are registered), the Bridge and Tunnel Impact Fee, retail delivery fees, and federal sources of revenue. Surcharge revenue is deposited directly in the Statewide Bridge Enterprise Special Revenue Fund. Revenue does not pass through the HUTF. The BTE can borrow, using the proceeds to pay for bridge rebuilding and repair and using its revenue to repay bondholders. The BTE issued revenue bonds in 2010 and is currently repaying the loans using its revenues. Senate Bill 21-260 expanded the BTE to include tunnels and authorized it to impose a retail delivery fee and an impact fee on diesel fuel. Senate Bill 25-230 increased the Bridge and Tunnel Impact Fee by \$0.02 in FY 2025-26 and \$0.01 in FY 2026-27 and 2027-28. Since the BTE was created in 2009, 450 bridges have been classified as eligible for repair or replacement. Of these, 233 have been repaired or replaced, 16 are under construction, and 29 are in the design phase (as of July 2025).

Clean Transit Enterprise:

Senate Bill 21-260 created the Clean Transit Enterprise (CTE) to support public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, and construction and development of electric motor vehicle charging and fueling infrastructure. CTE is governed by a board of nine directors, six of which are appointed by the Governor. CTE collects a clean transit retail delivery fee to fund its operations, issue grants, loans, and rebates, and support electrification of public transit.

Senate Bill 24-230 (Oil & Gas Production Fees) expanded the purpose of CTE to reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by oil and gas development by investing in public transit. Effective July 1, 2025, S.B. 24-230 also requires the CTE to impose a quarterly oil and gas production fee on every producer of oil and gas in the state. The fee is adjusted quarterly based on average oil and gas prices, and CTE is required to reduce the fee to ensure total revenue collected does not exceed \$100 million over a five-year period from FY 2021-22 to FY 2025-26. There is no limitation for revenue fees collected by the enterprise for FY 2026-27 and subsequent years. As of October 2025, CDOT was working to stand up programs for transit and passenger rail support, using revenue from the Oil and Gas Production Fee, but no updates on progress for the programs was available. Revenue collected from the fee is deposited into three new cash funds created within CTE, which are all continuously appropriated. The table below shows how revenue from oil and gas production fees must be allocated to the cash funds created by S.B. 24-230 (after administrative expenses are taken out for the Department of Revenue).

Allocation of Funds in the Clean Transit Enterprise from Oil and Gas Production Fees

Enterprise Cash Fund	Share of Revenue	Allowable Use(s) of Funds
Local Transit Operations Cash Fund	70%	Expand transit service, increase transit frequency, and improve transit networks to increase ridership; Money is allocated to local governments, transit districts, or regional transit authorities to serve communities with >1 million people
Local Transit Grant Program Cash Fund	10%	Provide competitive grants to eligible entities for operating costs and capital expenses associated with providing public transportation; Enterprise board designs the grant program to incentivize matching grants and the creation or expansion of local regional transportation authorities
Rail Funding Program Cash Fund	20%	Support passenger rail projects

Funding from the CTE is mostly granted out to local transit agencies for planning, facility, and charging infrastructure, as well as for bus replacement grants. The department requested roll-forward authority for its expenditures in 2025 to mitigate issues created by the multi-year funding nature of grants funded by CTE. Roll-forward authority was granted through FY 2028-29.

Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME)⁶

Senate Bill 21-260 created the Nonattainment Area Air Pollution Enterprise (NAAPME) to mitigate transportation-related emissions in ozone nonattainment areas⁷ by funding projects that reduce traffic or directly reduce air pollution. NAAPME receives revenue from the air pollution retail delivery fee and air pollution per ride fee imposed on rideshare providers. NAAPME distributes the Community Clean Transportation Assistance Program (CCTAP) small grant program for communities and other governmental entities, and a large grant program for projects such as Bus Rapid Transit. The Enterprise is governed by a board of seven directors, five of which are appointed by the Governor. The Small Grants Program had its first call for grant projects in the fall of 2024, and the Large Grants Program will likely fund projects such as Bus Rapid Transit in the future.

Fuels Impact Enterprise:

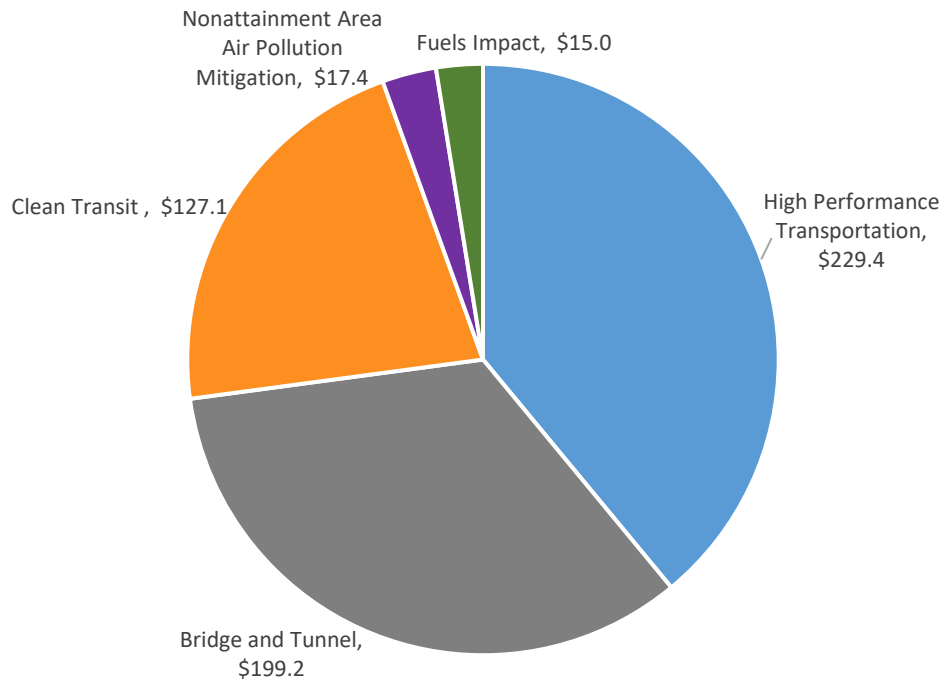
Senate Bill 23-280 (Hazardous Material Mitigation) created the Fuels Impact Enterprise (FIE) to improve fuel transportation and monitor motor vehicle emissions. The FIE is funded by imposing a Fuels Impact Reduction Fee on licensed fuel distributors. It uses fee revenue to administer the Fuels Impact Reduction Grant Program, which distributes grants to certain entities for improving hazardous mitigation corridors and projects related to emergency response, environmental mitigation, or fuel transportation. Senate Bill 23-280 names Adams County, the City of Aurora, El Paso County, Mesa County, and Otero County as recipients of the first \$10 million collected by the fund each year. Another \$5 million per year is distributed to projects on key commercial freight corridors or to projects related to the transportation of fuel within the state on hazardous materials routes. The Fuels Impact Fund is limited to an available fund balance of \$15 million. This FIE will expire on January 1, 2030. The Transportation Commission is directed to serve as the board of the Fuels Impact Enterprise and one full time employee is appropriated to implement the bill.

The following chart shows the distribution of revenue among CDOT's enterprises, based on revenue projections.

⁶ [Nonattainment Air Pollution Mitigation Enterprise 10 Year Plan, June 2024.](#)

⁷ A non-attainment area is any area that does not meet the national primary or secondary ambient air quality standards (NAAQS) set by the EPA, or an area that contributes to ambient air quality in a nearby area that does not meet NAAQ (<https://www.epa.gov/green-book/ozone-designation-and-classification-information>).

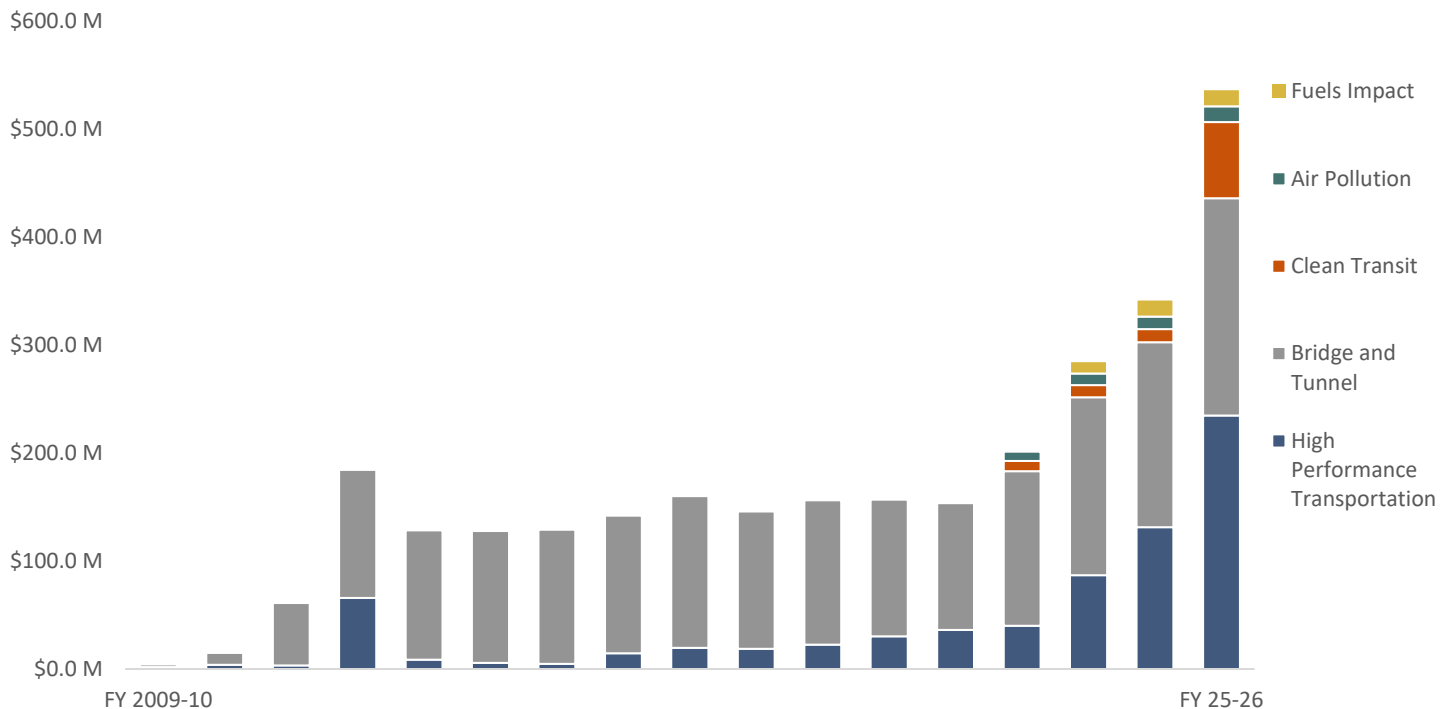
Distribution of Revenue from CDOT Enterprises (\$ millions)



Based on FY 2026-27 Revenue Forecast.

The following chart shows how enterprise revenue has increased since 2009, when the High Performance Transportation and Bridge and Tunnel Enterprises were created. In FY 2022-23 and FY 2023-24, revenues increased further due to S.B. 21-260, which created the Clean Transit and Air Pollution Enterprises, and S.B. 23-280, which created the Fuels Impact Enterprise.

Change in CDOT Enterprise Revenue since 2009



Issue: Budget Reduction Options

The Executive Budget Request does not include any General Fund appropriations to the Department of Transportation, and there is not a direct appropriation of General Fund to the Department for FY 2026-27. As a result, there is not an opportunity to reduce General Fund *appropriations* to the Department for FY 2026-27. Additionally, in the 2025 legislative session, the General Assembly modified the annual General Fund transfers to the State Highway Fund for FY 2026-27 through FY 2031-32 (previously set in statute by S.B. 21-260⁸), reducing the Department's funding for FY 2026-27 (S.B. 25-257).

Summary

- The Department of Transportation is not receiving any General Fund appropriations for FY 2025-26.
- The Department did not submit any budget balancing proposals for FY 2026-27.
- Senate Bill 25-257 reduced the Department's revenue from the State Highway Fund by \$74.8 million in FY 2025-26 and \$56.5 million in FY 2026-27.
- The Department has several cash funds, the following which are currently subject to TABOR:
 - Aviation Fund (Aviation Gasoline Tax, Aviation Jet Fuel Tax)
 - Multimodal Transportation and Mitigation Options Fund (Retail Delivery Order Fee only)
- The [Governor's Budget Request Letter for 2026-27](#) included a proposal and legislative placeholder to reclassify aviation revenue as exempt from the TABOR cap.

Recommendation

Staff recommends that the Department discuss the proposal mentioned in the Governor's Budget Request letter to clarify the impacts on the Department, TABOR obligations, and cash fund revenues.

Discussion

Reclassifying Aviation Fuel Tax Revenues: The state of Colorado is facing significant pressure due to the dual challenges of a projected budget shortfall for FY 2026-27 and the restrictions imposed by TABOR on state revenue. TABOR constitutional provisions specify that revenue collected on behalf of another government is considered exempt from the TABOR cap.⁹ According to statute¹⁰, the Colorado Aeronautical Board must transfer money from the aviation fund to local airports' operating funds. Each airport gets four cents per gallon of aviation gas sold, and 65% of the state sales and use taxes collected on aviation fuels at that airport. Since the money is only allowed to be used for aviation-related purposes, the legislative placeholder in the Governor's 2026-27 Budget Letter states that these fund transfers should be reclassified as exempt from TABOR because

⁸ Senate Bill 21-260 created an annual transfer from the General Fund of \$100 million to the State Highway Fund from FY 2024-25 through FY 2028-29, and \$82.5 million for FY 2029-30 through FY 2031-32. Senate Bill 25-257 modified the transfers by decreasing the annual General Fund transfers to the State Highway Fund from \$100 million to \$32.2 million in FY 2025-26 and from \$100 million to \$50.5 million in FY 2026-27. The transfer increases again to \$100 million for FY 2027-28 through FY 2031-32, after which the transfer decreases to \$64.8 million in FY 2032-33. The bill also eliminated the General Fund transfer of \$7 million to the Revitalizing Main Streets Program in the Department

⁹ Article X, Section 20 of the Colorado Constitution

¹⁰ Section 43-10-110, C.R.S.

they fit under “collections for another government.” If legislation reclassifies this revenue, an estimated \$29 million in aviation revenue would be exempt from TABOR, which could free up General Fund for other purposes.

Multimodal Transportation and Mitigation Options Fund (MMOF): The MMOF is annually appropriated by the General Assembly, and is one of the few areas of the Department’s budget that the General Assembly has the authority to control via transfers from the General Fund to the Multimodal Transportation and Mitigation Options Fund each year. The JBC could modify the annual transfer of \$10.5 million from the General Fund to the MMOF required by S.B. 21-260 to increase the amount of General Fund available for FY 2026-27. However, S.B. 25-264 (Cash Fund Transfers to the General Fund) cut funding to the MMOF by \$71.4 million in FY 2025-26 through a one-time transfer from the MMOF to the General Fund. The effects of the cut vary across the 15 Transportation Planning Regions (TPRs) in the state, but generally have led to reducing, delaying, and – in some cases – cancelling local transit projects.

Funding History FY 2018-19 to FY 2025-26

The Department of Transportation represents 0.0 percent of total state General Fund appropriations in FY 2025-26. As reflected in the table below, CDOT did not receive any General Fund appropriations in either FY 2018-19 or FY 2020-25. As shown in the table, after adjusting for inflation¹¹, the Department’s total funding is lower in FY 2025-26 than in FY 2018-19.

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted

Fund	FY 2018-19		FY 2025-26	Increase/ -Decrease after inflation adjustment	
	Nominal Dollars	FY 25-26 Dollars		Amount	Percent
General Fund	\$0	\$0	\$0	\$0	0.0%
Total Funds	\$1,827,788,544	\$2,378,626,543	\$2,273,396,013	-\$105,230,530	-4.4%

Additional Options for JBC Consideration

The table below summarizes options identified by the JBC staff that the Committee could consider in addition to or instead of the options presented in the Governor’s Budget Request Letter.

Additional Budget Reduction Options

Option	General Fund	Other Funds	Bill? Y/N	Description
Marijuana Tax Cash Fund reduction	\$0	-\$500,000	N	This fund is used primarily for public awareness campaigns directed at marijuana impaired driving. Since FY 2014-15, the Department received an annual appropriation of \$450,000, later increased to \$950,000. A reduction of \$500,000 for FY 2026-27 and ongoing will impact education and outreach efforts related to marijuana-impaired driving.
Net General Fund Relief	\$0	\$500,000		

Expenditure Reduction/Revenue Enhancement

Marijuana Tax Cash Fund (MTCF) Reduction

Description: Reduce the Bill MTCF appropriation in CDOT to support budget balancing.

Key Considerations: This could be a one-time option for FY 2026-27, or ongoing reduction if the Committee chooses to adjust the MCTF appropriation to the Department in future years. This reduction would impact education and outreach activities the Department does to reduce marijuana-impaired driving in the state.

Additional background: Since FY 2014-15, the Department has received an annual appropriation of cash funds from the Marijuana Tax Cash Fund (MTCF) for developing and implementing a public awareness campaign directed at marijuana impaired driving. Initially, this appropriation totaled \$450,000 for a campaign started in FY 2013-14 using federal funding from the National Highway Traffic Safety Administration. At that time, the Department also received an annual appropriation of \$500,000 for an additional public awareness campaign focused on all forms of impaired driving. The 2016 Long Bill redistributed the \$500,000 appropriation from the second campaign into a single “Marijuana Impaired Driving Program” totaling \$950,000. This annual appropriation remained consistent with the exception of a \$500,000 reduction in FY 2020-21 and another reduction in FY 2025-26 of \$500,000. The Department requests an appropriation of \$950,000 from the MTCF for FY 2026-27, which is an increase of \$500,000 from the amount the General Assembly appropriated in FY 2025-26.

The Department reports the following effects from the \$500,000 reduction in MTCF in FY 2025-26:

- Reduced ad buy-in by 50% and did not create any new advertisements for the public awareness campaign
- Media impressions reduced by about 50%

Based on fluctuations in the MTCF revenues in recent years, staff recommends the committee discuss the possibility of decreasing the appropriation in FY 2026-27 (aligned with the \$450,000 appropriation the Department received in FY 2025-26). This would allow the General Assembly flexibility in appropriating the funds to programs with greater need, or maintaining a higher fund reserve for future years. The Department could continue to reuse previously designed materials and limit outreach activities.

FY 2025-26 Executive Order Budget Adjustments

Budget Reductions

Executive Order D 2025 014, as amended, identifies the following plans for FY 2025-26 spending reductions in this department.

Department	Title	General Fund	Description
Statewide	Hiring freeze	-\$3,000,000	Reflects expected savings in Health Life Dental costs from the statewide hiring freeze ordered in Executive Order D 2025 009.
Statewide	Refinance discretionary amount of ARPA Refinance State Money Cash Fund transfer to the General Fund	-5,400,000	Transfers available fund balance with no expected impact to programs in this fiscal year
Total		-\$8,400,000	

Other Balancing Holds

For the State as a whole, the Governor's Office anticipates \$3.0 million General Fund savings from a FY 2025-26 hiring freeze. The Governor's Office has not yet provided information regarding the impacts of the hiring freeze at the department level. CDOT reports that the impact of the freeze has been minor to the Department because positions related to maintenance, operations, and engineering were exempt from the freeze. The Department did not yet have data on the estimated savings in Health, Life, and Dental costs from the hiring freeze.

Footnotes and Requests for Information

Update on Long Bill Footnotes

The General Assembly includes footnotes in the Long Bill to:

1. set forth purposes, conditions, or limitations;
2. explain assumptions; or
3. express legislative intent.

This section discusses a subset of the footnotes relevant to the divisions covered in the briefing. For a full list of footnotes, see the end of each departmental section of the [2026 Long Bill](https://leg.colorado.gov/bills/sb25-206) (<https://leg.colorado.gov/bills/sb25-206>).

103 Department of Transportation, Special Purpose, Multimodal Transportation Projects – This appropriation remains available for expenditure until the close of the 2028-29 state fiscal year.

Comment: Footnote 103 provides roll-forward authority for the appropriation from the Multimodal Transportation and Mitigation Options Fund (MMOF). Prior to the enactment of S.B. 21-260 (Sustainability of the Transportation System), the MMOF consisted of one-time transfers that were subsequently appropriated in other legislation over multiple years. The fund, originally known as the Multimodal Transportation Options Fund, was established by S.B. 18-001 and made subject to annual appropriation. Senate Bill 18-001 transferred \$74.3 million to the fund but failed to provide an appropriation. These funds were subsequently appropriated in a supplemental bill (S.B. 19-125) that included four years of roll-forward authority, or five years total for expenditure. Additional funds were transferred by S.B. 18-001 the following year and appropriated in the FY 2019-20 Long Bill with four years of roll-forward authority.

The MMOF started receiving an ongoing source of revenue beginning in FY 2023-24 from retail delivery fees created by S.B. 21-260; the Department therefore requested spending authority from the fund along with a footnote granting roll-forward authority in each Long Bill. Statute requires 85 percent of the money in the MMOF to be expended for local multimodal projects and 15 percent to be used for state multimodal projects. Without this footnote, the Department could run into difficulties encumbering the funds in Intergovernmental Agreements without having certainty of a sufficient appropriation in subsequent years.

104 Department of Transportation, Clean Transit Enterprise, Clean Transit Enterprise Cash Fund – This appropriation remains available for expenditure until the close of the 2028-29 state fiscal year.

Comment: Footnote 104 provides roll-forward authority for the appropriation from the Clean Transit Enterprise Cash Fund through FY 2028-29. The Clean Transit Enterprise (CTE) was created with the enactment of S.B. 21-260, with the authorization to impose a Clean Transit Retail Delivery Fee. The fee revenue is collected by the Department of Revenue and credited to the Clean Transit Enterprise Fund. S.B. 21-260 made the Clean Enterprise Fund subject to annual appropriation. The Department indicates that subjecting the fund to annual rather than continuous appropriation was an error, which has created administrative burden on the Department in budget tracking since projects funded by the Clean Transit Enterprise Fund span multiple fiscal years and receive funding from multiple sources. Additionally, S.B. 24-230 created three new cash funds within the Clean Transit Enterprise (the Local Transit Operations Cash Fund, the Local Transit Grant Program Cash Fund, and the

Rail Funding Program Cash Fund), all which are continuously appropriated and receive revenue from fees on oil and gas producers in the state.

Update on Requests for Information

The Joint Budget Committee may submit requests for information (RFIs) to departments. The Joint Budget Committee must prioritize the requests per Section 2-3-203 (3), C.R.S.

This section discusses a subset of the RFIs relevant to the divisions covered in the briefing. For a full list of RFIs, see the [letters requesting information](https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf) (https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf).

Requests Affecting Multiple Departments

1. Department of Corrections; Department of Human Services; Judicial Department; Department of Public Safety; and Department of Transportation – State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.

Comment: Information on this RFI will be discussed in the briefing document for the Department of Public Safety, Division of Criminal Justice. Most of the revenue that the Department of Transportation receives from the Law Enforcement Assistance Fund (LEAF) is passed on to other agencies. The table below provides a comparison of statewide LEAF revenue and CDOT’s share of LEAF revenue, since FY 2023-24.

Revenue Allocations	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 (Forecasted)
LEAF (Statewide)	\$1,063,865	\$1,072,633	\$1,208,473	\$1,081,387
LEAF (CDOT)	\$ 181,458	\$172,690	\$36,850	\$163,936

4. Department of Agriculture; Department of Public Safety; Department of Higher Education, Judicial Department; Department of Transportation; Department of Personnel Administration – State agencies with existing certificates of participation, the payments for which are subject to annual State appropriations, are requested to report annually, on or before September 1, to the Department of the Treasurer the following information for the full duration of the projects financed through certificates of participation: the name and total amount of the project financed; whether and when it was refinanced/refunded; the original financing date of the project; the total outstanding debt for the project; future principal payment amounts for the amortization of the debt by date and fund source; future interest payment amounts for the amortization of the debt by date and fund source; and the call feature and call dates.

Comment: The department submitted the requested information to the State Treasurer on September 1, 2025.

Department of Transportation Requests

1. Department of Transportation, Totals -- The Department is requested to submit, with its FY 2026-27 budget request, printed and electronic versions (transmission by email acceptable) of the following:
 - a. The draft one-sheet budget (also known as the “Revenue Allocation Plan”) on which the Long Bill request is based with an explanation that shows how the Long Bill request relates to the one-sheet budget;
 - b. A schedule or schedules showing, for each of the publishing issues that collectively show how the Administration Division request is derived from the prior year Administration Division appropriation, the incremental budget changes that make up that publishing issue;
 - c. Projected expenditures by division for all common-policy items, including common policies for total compensation, operating, and IT;
 - d. A schedule showing the projected revenues for FY 2026-27 on which the draft one-sheet budget and the Long Bill request are based, with revenue-source detail that is comparable to the detail in the Department's draft narrative budget (also known as the “Budget Allocation Plan”);
 - e. A schedule showing the most recent projection of revenues for FY 2025-26 in a form compatible with the revenue projection for FY 2026-27;
 - f. A schedule showing actual revenues received during FY 2023-24 and FY 2024-25 in a form compatible with the revenue projection for FY 2026-27;
 - g. Projected state HUTF revenue for FY 2026-27 that shows (1) the revenue sources and (2) the allocation of that revenue among counties, municipalities, and other recipients.
 - h. Actual revenue, including sources, for the two most recently completed Fiscal Years of (1) the Construction, Maintenance, and Operations Division, (2) Statewide Bridge and Tunnel Enterprise, (3) the High-performance Transportation Enterprise, (4) the Multimodal Transportation Mitigation Enterprise, (5) Nonattainment Area Air Pollution Mitigation Enterprise, (6) Clean Transit Enterprise Fund, (7) Local Transit Operations Cash Fund, (8) Local Transit Grant program Cash Fund, (9) Rail Funding Program Cash Fund (10) Fuels Impact Enterprise.

Comment: The Department submitted the documents with its FY 2026-27 budget submission as requested. This information aids JBC staff in creating the tables and charts in this Briefing document.

2. Department of Transportation – the Department is requested to submit, on a semi-annual basis, a report to the Joint Budget Committee how any fee revenue is being spent in relation to Section 38-5.5-102-109, C.R.S.

Comment: The Department submitted the Fiber Surcharge biannual update in November 2025. CDOT has issued 433 permits for longitudinal, buried fiber installations since January 1, 2024, of which 200 were distributed in 2025. The Department has permitted 299.09 miles of fiber (209.363 urban miles and 89.727 rural miles). CDOT collected \$38,223 in revenue from one-time application fees in 2025. Revenue collected from the application fee is used to cover the cost of staff in regional permitting offices to process fiber installation permits. The Department has not collected any revenue from permits issued in 2025 (collection will begin January 1, 2026). The average annual cost of a permit is \$200.68.

Department Annual Performance Report

Departments must publish an **Annual Performance Report**¹² for the *previous state fiscal year* by November 1 of each year. This report summarizes the Department's performance plan and most recent performance evaluation. In addition, departments develop and submit a **Performance Plan**¹³ for the *current fiscal year* to the Joint Budget Committee and the relevant Joint Committee of Reference by July 1 of each year.

Per statute¹⁴, the Joint Budget Committee must consider performance plans submitted by departments and may prioritize budget requests intended to enhance productivity, improve efficiency, reduce costs, and eliminate waste. To find the performance plans, search the Office of State Planning and Budgeting website and select the [performance plan](http://www.colorado.gov/pacific/performance/department-performance-plans) (www.colorado.gov/pacific/performance/department-performance-plans).

¹² Section 2-7-205, C.R.S.

¹³ Section 2-7-204 (3)(a), C.R.S.

¹⁴ Section 2-7-204 (6), C.R.S.

Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. Appendix A organizes this information by line item and fund source.

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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Department of Transportation
Shoshana Lew, Executive Director

(1) Administration

The Long Bill contains a single appropriation for CDOT's entire Administration division, which leaves the Transportation Commission with discretionary flexibility over allocation of the appropriation. The General Assembly sets an appropriated level for the Administration line as a total, and the balance of anticipated highway funds collected by the Department becomes available to the Construction, Maintenance, and Operation line.

Administration	<u>49,739,055</u>	<u>49,915,038</u>	<u>53,047,230</u>	<u>48,201,381</u> *	
FTE	162.5	162.5	162.5	163.7	
General Fund	0	0	0	0	
Cash Funds	49,735,872	49,913,751	52,977,230	48,131,381	
Reappropriated Funds	3,183	1,287	70,000	70,000	
Federal Funds	0	0	0	0	
TOTAL - (1) Administration	49,739,055	49,915,038	53,047,230	48,201,381	(9.1%)
FTE	<u>162.5</u>	<u>162.5</u>	<u>162.5</u>	<u>163.7</u>	<u>0.7%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	49,735,872	49,913,751	52,977,230	48,131,381	(9.1%)
Reappropriated Funds	3,183	1,287	70,000	70,000	0.0%
Federal Funds	0	0	0	0	0.0%

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(2) Construction, Maintenance, and Operations

The single informational appropriation for this division reflects the revenues that are continuously appropriated to the Transportation Commission.

Construction Maintenance, And Operations	<u>1,975,165,772</u>	<u>2,141,814,073</u>	<u>1,649,205,773</u>	<u>1,584,722,954</u> *	
FTE	3,156.0	3,156.0	3,156.0	3,156.0	
General Fund	0	0	0	0	
Cash Funds	1,208,854,658	1,311,672,370	843,911,911	811,494,515	
Reappropriated Funds	758,647	761,188	1,111,756	1,111,756	
Federal Funds	765,552,467	829,380,515	804,182,106	772,116,683	
TOTAL - (2) Construction, Maintenance, and Operations	1,975,165,772	2,141,814,073	1,649,205,773	1,584,722,954	(3.9%)
FTE	<u>3,156.0</u>	<u>3,156.0</u>	<u>3,156.0</u>	<u>3,156.0</u>	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	1,208,854,658	1,311,672,370	843,911,911	811,494,515	(3.8%)
Reappropriated Funds	758,647	761,188	1,111,756	1,111,756	0.0%
Federal Funds	765,552,467	829,380,515	804,182,106	772,116,683	(4.0%)

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(3) Statewide Bridge Enterprise

This TABOR enterprise operates within the Department of Transportation. It gets most of its funding from bridge-safety surcharges on vehicle registrations. Statute gives the Bridge and Tunnel Enterprise the ability to finance, repair, reconstruct, replace, operate, and/or maintain state highway bridges that it designates as “Bridge-enterprise eligible”. The Enterprise’s projected revenues are shown in the Long Bill for informational purposes only.

Statewide Bridge Enterprise	<u>55,447,904</u>	<u>62,134,014</u>	<u>181,374,655</u>	<u>199,166,944</u>	
FTE	1.0	1.0	1.0	1.0	
General Fund	0	0	0	0	
Cash Funds	55,447,904	62,134,014	166,374,655	191,110,436	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	15,000,000	8,056,508	

TOTAL - (3) Statewide Bridge Enterprise	55,447,904	62,134,014	181,374,655	199,166,944	9.8%
<i>FTE</i>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	55,447,904	62,134,014	166,374,655	191,110,436	14.9%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	15,000,000	8,056,508	(46.3%)

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(4) High Performance Transportation Enterprise

This TABOR enterprise operates within the Department of Transportation. It pursues innovative means of financing and operating surface transportation infrastructure projects, including public-private partnerships, operating concession agreements, user fees, and design-build contracting. The Enterprise's projected revenues are shown in the Long Bill for informational purposes only.

High Performance Transportation Enterprise	<u>60,155,589</u>	<u>78,180,828</u>	<u>235,687,122</u>	<u>229,440,352</u>	
FTE	9.0	9.0	9.0	9.0	
General Fund	0	0	0	0	
Cash Funds	57,131,441	75,428,737	231,687,122	227,890,352	
Reappropriated Funds	3,024,148	2,752,091	4,000,000	1,550,000	
Federal Funds	0	0	0	0	
TOTAL - (4) High Performance Transportation Enterprise	60,155,589	78,180,828	235,687,122	229,440,352	(2.7%)
FTE	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	57,131,441	75,428,737	231,687,122	227,890,352	(1.6%)
Reappropriated Funds	3,024,148	2,752,091	4,000,000	1,550,000	(61.3%)
Federal Funds	0	0	0	0	0.0%

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(5) Special Purpose

This Long Bill division was created to organize various line item appropriations, and as a place to add new or temporary appropriations without creating new Long Bill divisions.

First Time Drunk Driving Offenders Account	<u>916,521</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	916,521	0	0	0	
Marijuana Impaired Driving Program	<u>944,363</u>	<u>887,667</u>	<u>450,000</u>	<u>950,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	944,363	887,667	450,000	950,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Multimodal Transportation Projects	<u>12,321,593</u>	<u>87,948,009</u>	<u>20,612,617</u>	<u>55,605,521</u> *	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	12,321,593	87,948,009	20,612,617	55,605,521	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Appropriation to the Colorado Safe Wildlife Fund	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	500,000	0	0	0	

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TOTAL - (5) Special Purpose	14,682,477	88,835,676	21,062,617	56,555,521	168.5%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	500,000	0	0	0	0.0%
Cash Funds	14,182,477	88,835,676	21,062,617	56,555,521	168.5%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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(7) Nonattainment Area Air Pollution Mitigation Enterprise

The Nonattainment Area Air Pollution Enterprise was created by S.B. 21-260 and receives ongoing funding from the Air Pollution Mitigation Per Ride Fee and Air Pollution Mitigation Retail Delivery Fee. This appropriation is for informational purposes only and reflects anticipated Enterprise revenues.

Nonattainment Area Air Pollution Mitigation Enterprise	<u>38,756</u>	<u>113,010</u>	<u>13,377,602</u>	<u>16,074,556</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	38,756	113,010	13,377,602	16,074,556	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

TOTAL - (7) Nonattainment Area Air Pollution Mitigation Enterprise	38,756	113,010	13,377,602	16,074,556	20.2%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	38,756	113,010	13,377,602	16,074,556	20.2%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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(8) Clean Transit Enterprise

The Clean Transit Enterprise was created by S.B. 21-260 and receives ongoing funding from the Clean Transit Retail Delivery Fee. The Clean Transit Enterprise Fund is subject to annual appropriation by the General Assembly.

Clean Transit Enterprise	<u>22,462</u>	<u>315,280</u>	<u>49,089,048</u>	<u>14,292,131</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	22,462	315,280	49,089,048	14,292,131	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Local Transit and Rail Grant Programs	<u>0</u>	<u>0</u>	<u>55,551,966</u>	<u>107,696,806</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	55,551,966	107,696,806	

TOTAL - (8) Clean Transit Enterprise	22,462	315,280	104,641,014	121,988,937	16.6%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	22,462	315,280	104,641,014	121,988,937	16.6%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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(9) Fuels Impact Enterprise

Fuels Impact Enterprise

Fuels Impact Enterprise	<u>53</u>	<u>13,011,050</u>	<u>15,000,000</u>	<u>15,000,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	53	13,011,050	15,000,000	15,000,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

TOTAL - (9) Fuels Impact Enterprise	53	13,011,050	15,000,000	15,000,000	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	53	13,011,050	15,000,000	15,000,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

TOTAL - Department of Transportation	2,155,252,068	2,434,318,969	2,273,396,013	2,271,150,645	(0.1%)
<i>FTE</i>	<u>3,328.5</u>	<u>3,328.5</u>	<u>3,328.5</u>	<u>3,329.7</u>	<u>0.0%</u>
General Fund	500,000	0	0	0	0.0%
Cash Funds	1,385,413,623	1,601,423,888	1,449,032,151	1,488,245,698	2.7%
Reappropriated Funds	3,785,978	3,514,566	5,181,756	2,731,756	(47.3%)
Federal Funds	765,552,467	829,380,515	819,182,106	780,173,191	(4.8%)

Appendix B: CDOT's Dedicated Revenue Streams

Highway Users Tax Fund (HUTF) Revenue and Distribution

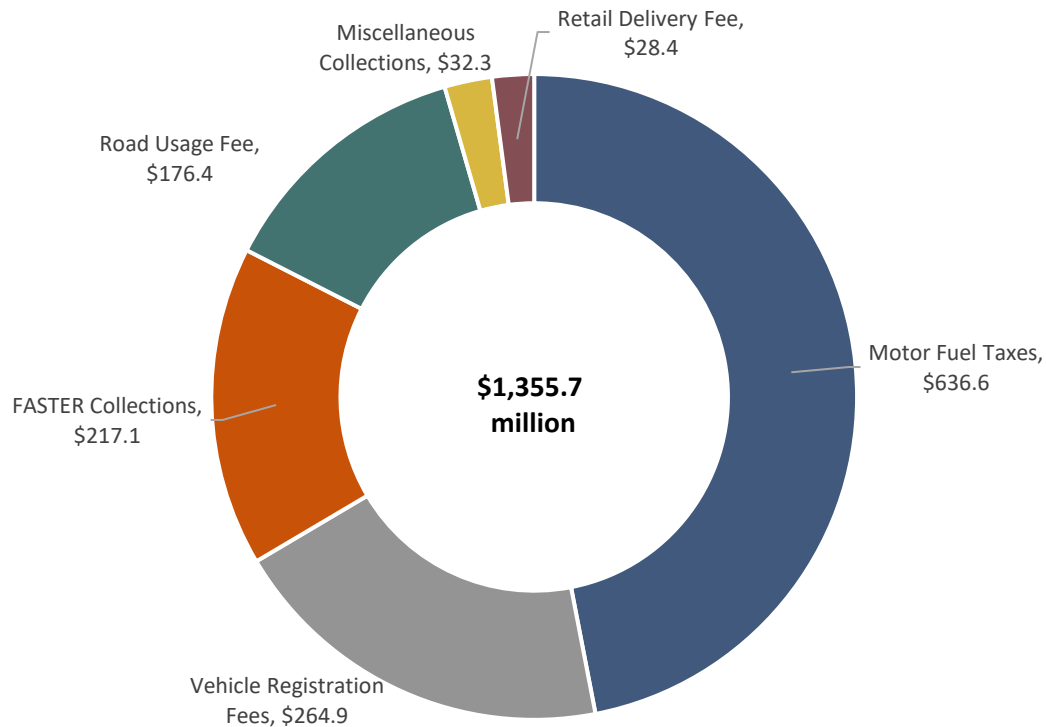
HUTF is the primary source of state highway system funding for Colorado, and one of the most complex cash funds in the State. After "off-the-top" appropriations to the Department of Revenue and Department of Public Safety, HUTF revenue is distributed to CDOT (through the State Highway Fund), counties, and municipalities for transportation purposes. HUTF receives revenue from fines, license plate fees, driver's license fees, passenger-mile taxes, and other sources. HUTF revenue is subject to TABOR.

The revenue sources for HUTF are:

- Motor fuel taxes,
- Motor vehicle registration fees based on vehicle age and weight,
- FASTER (S.B. 09-108) fees and surcharges,
- Road usage fees (assessed on each gallon of gasoline and diesel fuel),
- Retail delivery fees, and
- Miscellaneous collections (traffic penalties, judicial collections, interest earnings, cash program revenues).

The following chart shows the sources of projected HUTF revenues for FY 2026-27.

Highway Users Tax Fund Revenue Sources FY 2026-27 (\$ million)



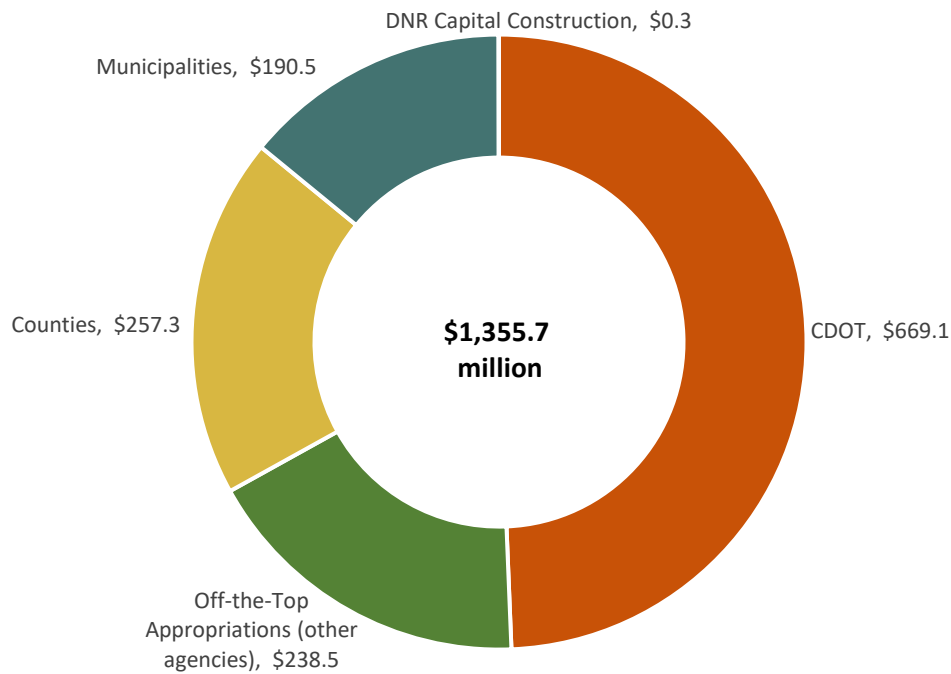
HUTF revenue is split between different formula “streams” in statute¹⁵. An overview of the streams are outlined in the table below.

Allocation of Revenue in the Highway Users Tax Fund, Based on Formula Streams

“Stream” in HUTF statute	First Stream	Second Stream	Third Stream (FASTER)	Fourth Stream
Revenue Sources	First \$0.07 of fuel taxes; license and weight-based vehicle registration fees; passenger-mile tax on commercial buses; miscellaneous revenues (traffic and DUI fines); interest	Fuel tax revenue in excess of \$0.07; age-based registration fees; electrical vehicle (EV) registration fees; road usage fees	Road safety surcharge; daily vehicle rental fees; late registration fees and unregistered vehicle fines; oversized/overweight surcharge	Retail delivery fee
Amount allocated to CDOT	65 percent of revenue (after off-the-top appropriations) goes to CDOT, 26 percent to counties, and 9 percent to municipalities	60 percent of revenue goes to CDOT, 22 percent to counties, and 18 percent to municipalities	60 percent of this revenue goes to CDOT, 22 percent to counties, and 18 percent to municipalities	71.1 percent to HUTF (of which 40 percent goes to CDOT through SHF, 33 percent to counties, and 27 percent to municipalities), and 28.9 percent to MMOV
Allowed uses for CDOT	Administration	Construction, maintenance, and operations of roadway	Regional transit projects	Regional transit projects

The graphic below shows how HUTF revenue is distributed in Colorado:

HUTF Revenue Distribution Forecast FY 2026-27 (\$ millions)



Based on FY 2026-27 Revenue Forecast.

¹⁵ Sections 43-4-201, 43-4-202, 43-4-206, 43-4-207, and 43-4-208, C.R.S.

Motor Fuel Taxes

Motor fuel taxes (22¢ per gallon gasoline excise tax and 20.5¢ per gallon diesel/special fuel excise tax) are currently the primary sources of transportation revenue for the state, and make up more than half of HUTF revenue. These rates have not changed since 1992. Constitutional provision¹⁶ requires that these fuel taxes, as well as vehicle registration fees, be used exclusively for the construction, maintenance, and supervision of the state highway system. Colorado courts have said that this implies continuous appropriation authority over these funds for CDOT¹⁷.

The Department notes that the purchasing power of Colorado's fuel tax revenue has decreased due to a combination of increased fuel efficiency, which results in lower tax revenue per vehicle mile, and increased construction costs. According to CDOT, increases in construction costs, as measured by the Department's Construction Cost Index, have outpaced both the Department's revenues and general inflation.

Federal Funds for CDOT

CDOT receives federal funding for four purposes:

- Highways (from the Federal Highway Administration),
- Safety (from the National Highway Traffic Safety Administration),
- Transit (from the Federal Transit Administration), and
- Occasionally, Aviation (from the Federal Aviation Administration), which is reflected within CDOT's Aeronautics revenue category.

Federal Highway Administration funds account for the majority of Colorado's federal transportation revenue and come from federal fuel taxes. Federal fuel tax rates, like state fuel tax rates, have not changed since the 1990s. The federal rates per gallon equal 18.4¢ for gasoline and 24.4¢ for diesel. In combination, Colorado and federal excise taxes are 40.4¢ per gallon for gas and 44.9¢ per gallon for diesel.

Federal funds provide a significant share of the CDOT's resources. Fluctuations in federal funds have a substantial impact on the Department's annual budget. The following table shows federal funds received for recent years and budgeted in FY 2025-26.

Federal Funding Summary (\$ millions)

*Federal Program	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Budget	FY 2026-27 Forecast
Federal Highway Revenue	\$687.4	\$708.9	\$717.7	\$727.5
Federal Transit Revenue	29.6	29.6	29.8	30.1
Federal Safety Revenue	11.4	11.9	14.3	14.5
Total Federal Revenue	\$728.4	\$750.4	\$761.8	\$772.1

*Does not include local match requirement for Federal Highway Revenue or Federal Transit Revenue

Federal Funding Uncertainty

The current federal transportation authorization bill, the Infrastructure Investment and Jobs Act (IIJA) expires at the end of Federal Fiscal Year 2026 (September 30, 2026). The department's current revenue forecast assumes continued growth in federal revenue, but uncertainty regarding federal funds is high going into the next

¹⁶ Article X, Section 18 of the Colorado Constitution

¹⁷Johnson v. McDonald, 97 Colo 324, 49 P.2nd 1017 (1935)

transportation authorization bill. Potential future issues as a result of this uncertainty include: stagnant federal gas tax, declining Highway Trust Fund (HTF) revenue, and continued reliance on General Fund to pay debts.

Appendix C: Recent Legislative Actions Impacting the Department's Budget

The table below provides details on recent legislative actions that impact the Department's budget. Legislation in bold is most relevant for changes to revenue or expenditures for FY 2026-27.

Department of Transportation Recent Legislative Changes

Bill Number and Short Title	Appropriations, Fund Transfers, Revenues, and/or Expenditures	Brief Description of Bill Impact(s)
HB 25-1292 Transmission Lines in State Highway Rights-of-Way	Reduces net state expenditures in SHF by \$123,00 in FY 2025-26 and \$105,000 in FY 2026-27; Increases costs in SHF for CDOT to administer rights-of-way permit program (and 1.0 FTE ongoing); Decreases costs to CDOT by \$229,600 starting in FY 2025-26 due to waiver valuations; May increase revenue to SHF (indeterminate amount) starting in FY 2027-28 (subject to TABOR)	Establishes criteria for the development of utility corridors and requires a study on state highway corridors and high voltage transmission development; Requires transmission developers to compensate CDOT for installing high voltage lines in a state highway right-of-way (through surcharges or P3)
SB 25-257 Modify General Fund Transfers to State Highway Fund	Reduced GF transfer to SHF from \$100 million to \$32.2 million for FY 2025-26; Reduces GF transfer to SHF from \$100 million to \$50.5 million for FY 2026-27; Increases GF transfer to SHF from \$82.5 million to \$100 million for FY 2029-30 to FY 2031-32; Created a new GF transfer to SHF of \$64.8 million for FY 2032-33; Eliminated the GF transfer to SHF of \$7 million for FY 2025-26 to FY 2031-32 for the Revitalizing Main Streets Program	Modifies the schedule and amount of GF transfers to the SHF
SB 25-264 Cash Fund Transfers to the General Fund	Transferred \$71,400,000 from the Multimodal Transportation and Mitigation Options Fund (MMOF) to the GF in FY 2024-25	One-time transfers from various state cash funds to the General Fund
SB 25-206 Long Appropriations Bill	Appropriated \$2,273,396,013 to CDOT for FY 2025-26, of which \$2,150,197,118 was continuously appropriated funds (95%) and \$123,198,895 was annually appropriated funds (5%)	Extends spending authority for the Clean Transit Enterprise Cash Fund and the Multimodal Transportation and Mitigation Options Fund through FY 2028-29
HB 25-069 Tire Chain Traction Control Device Permit	Increases revenue (subject to TABOR) to SHF by about \$92,000 starting in FY 2025-26, and \$43,000 in ongoing years from fees for tire chain or traction device permits; CDOT requires 1.0 FTE in FY 2025-26 and 0.5 FTE in FY 2026-27 and ongoing to develop and administer the permit program	Requires CDOT to issue a permit that authorizes the holder to install or remove tire chains or alternate traction devices on certain motor vehicles at a locations designated by the permit. CDOT may place conditions on the permit concerning safe and orderly movement of traffic, and charge a fee to offset costs of issuing permits.

Bill Number and Short Title	Appropriations, Fund Transfers, Revenues, and/or Expenditures	Brief Description of Bill Impact(s)
HB 25-161 Transit Reform	Increased expenditures in CDOT by \$124,500 in FY 2025-26 to hire a consultant and publish technical assistance materials about best practices for the development of regional transportation authorities	Creates new requirements for RTD to improve performance, including strategic planning, performance tracking, and coordination with transit agencies and local governments
SB 25-258 Temporarily Reduce Road Safety Surcharge	Reduces state revenue to HUTF, and SHF, resulting in a reduction of state expenditures for CDOT of \$18.3 million in FY 2025-26, \$22.1 million in FY 2026-27, and \$3.9 million in FY 2027-28 (total of \$44.3 million across three years)	Reduces the Road Safety Surcharge by \$3.70 for each vehicle class from September 1, 2025 through August 31, 2027; Along with four other fees enacted in SB 09-108 (“FASTER”), revenue from the surcharge is credited to HUTF and allocated to SHF, counties, and municipalities. This bill adjusts percentages of all “FASTER” fees from SB 09-108 to those destinations [2]; Requires that FASTER fee revenue be expended only for improvements to state highways and transportation-related projects (not administration)
SB 25-320 Commercial Motor Vehicle Transportation	Increases state revenue by \$13.5 million in FY 2025-26, \$6.6 million in FY 2026-27, and \$6.8 million in FY 2027-28 (in the Bridge and Tunnel Enterprise); Reduces GF revenue by \$0.3 million in FY 2028-29	Increases the Bridge and Tunnel Impact Fee rate from FY 2025-26 through FY 2027-28; Reinstates the Low-Emitting Vehicles sales and use tax exemption from August 1, 2025 through December 31, 2028, which had originally expired at the end of 2024
SB 24-184 Supporting Surface Transportation Development	The Congestion Impact Fee increased revenue to HPTE by \$28.1 million in FY 2024-25 and \$57.3 million in FY 2025-26, credited to the Transportation Special Fund (not subject to TABOR); Increased expenditures for CDOT by \$342,000 in FY 2024-25, and \$303,000 by FY 2025-26 and ongoing to operate the expanded enterprise (paid from SHF and the Transportation Special Fund)	Authorizes HPTE to impose a Congestion Impact Fee on short-term vehicle rentals (up to \$3 per day) for multimodal transportation infrastructure projects; Requires HPTE to develop a new multimodal strategic capital plan by March 1, 2025 that aligns with greenhouse gas pollution reduction goals; Authorizes HPTE, RTD, CDOT, and Front Range Passenger Rail District to create an intergovernmental agreement for the construction of the Northwest Fixed Guideway Corridor; Authorizes RTD to extend construction and operations of the Northwest Rail Fixed Guideway Corridor beyond the boundaries of RTD
SB 24-230 Oil and Gas Production Fees	Expected to increase revenue to the Clean Transit Enterprise by \$52.7 million in FY 2025-26 and \$116.3 million in FY 2026-27; Requires CTE board to adjust fees to ensure revenue from fees and surcharges does not exceed \$100 million in first five years of operation (FY 2021-22 to FY 2025-26) to comply with Proposition 117 [5]	Creates new oil and gas production fees on oil and gas producers starting July 1, 2025; Allows the CTE to collect the fees to expand transit service, frequency, and ridership, and fund passenger rail projects; Creates three new cash funds within the CTE: Local Transit Operations Cash Fund, Local Transit Grant Program Cash Fund, and Rail Funding Program Cash Fund (all continuously appropriated)
HB 23-1276 Scope of Bridge and Tunnel Enterprise	May increase expenditures for CDOT in the short-term if BTE decides to do preventative maintenance projects	Expands the scope of the Bridge and Tunnel Enterprise (BTE) to include preventative maintenance projects on bridges in fair or good conditions, and to allow BTE to repair, reconstruct, replace, or maintain a bridge rated as fair if the fair-rated bridge is included as part of a project to repair, reconstruct, replace or maintain a designated bridge
HB 22-1074 Traffic Violations on I-70 Shoulder Lanes	Increases revenue to HPTE starting in FY 2022-23 from civil penalties (not subject to TABOR)	Allows the HPTE to enforce violations and impose civil penalties between \$10 and \$250 on drivers that drive on peak period shoulder lanes (PPSL) on I-70.
SB 22-180 Programs to Reduce Ozone Through Increased Transit	Transferred \$40 million in FY 2021-22 from the GF to the SHF for use by CDOT (\$30 million for the transit pilot project and \$10 million for Revitalizing Main Streets Program); Increased state cash fund expenditures through FY 2024-25 for the above programs	Creates a transit services pilot project in the Transit and Rail Division of CDOT to increase ridership on state-run transit, reduce vehicle travel, and reduce ground level ozone; requires CDOT to report results of the pilot project annually to the General Assembly (by December 1) from 2023 to 2025 (including information about the services that are provided and estimates of increased public transit ridership); <i>As of 2025, pilot program data showed increasing ridership each year.</i>

Bill Number and Short Title	Appropriations, Fund Transfers, Revenues, and/or Expenditures	Brief Description of Bill Impact(s)
SB 21-260 Sustainability of the Transportation System	FY 2020-21: one-time transfer of \$380 million from ARPA to SHF, HUTF, MMOF; FY 2021-22: one-time transfer of \$170 million GF to SHF; For FY 2024-25 through FY 2031-32, annual transfers from the GF of \$10.5 million to MMOF, \$7 million to SHF for Revitalizing Main Streets Program, and \$100 million to the SHF [1]; Increased state revenues for various state cash funds (for enterprises) starting in FY 2021-22	Increases funding for the Revitalizing Main Streets Program Creates new enterprises in CDOT (Clean Transit, Air Pollution, Bridge and Tunnel); Creates new fees for electric motor vehicle registrations, purchases of gasoline and diesel fuel, retail deliveries, passenger ride services, and short-term vehicle rentals; Enterprises should not collect revenue in excess of \$100 million for the first five years of operation (FY 2021-22 to FY 2025-26); Requires CDOT and CDPHE to review fees created by the bill and make recommendations to the General Assembly in 2026 interim about appropriateness of current fees and need for adjustments (resources for this to be requested in FY 2026-27 if needed); Requires CDOT to create an Environmental Justice and Equity Branch to provide additional access to transportation capacity projects in disproportionately impacted communities; Requires CDOT to create a Freight mobility and Safety Branch; Requires CDOT to conduct studies on road usage charges and autonomous motor vehicles; Requires CDOT and CDPHE to report annually on progress towards electric vehicle adoption goals and greenhouse gas pollution reduction goals
SB 17-267 Sustainability of Rural Colorado	Repealed transfers scheduled under SB 17-262 that would have moved \$160 million per year (FY 2018-19 and FY 2019-20) from GF to HUTF, to remain in the GF for other legislative purposes; \$380 million in Lease-Purchase proceeds (Certificates of Participation) issued to the SHF (for CDOT) in FY 2018-19, and in FY 2019-20; Created an ongoing SHF expenditure in CDOT's budget of annual lease payments of \$50 million per year; Overall, shifted transportation finance from cash-based transfers (through GF to HUTF transfers) to debt-like structured financing (COPs) to generate more immediate capital for rural highway projects, where CDOT got an infusion of \$1.5 billion (\$380 million x 4 years) in new SHF revenue through FY 2021-22, but assumed 20-year debt commitment (\$50 million per year)	Fiscal package designed to improve the sustainability of rural Colorado that created a multi-year financing mechanism through lease-purchase agreements (Certificates of Participation) that generated billions of dollars for state highway projects and adjusted TABOR limits and fiscal policies; Authorized State Treasurer to execute up to \$500 million per year in COPs for FY 2018-19 through FY 2021-22, totaling up to \$2 billion in principal value; Of the \$500 million annual issuance, the first \$120 million in FY 2018-19 was allocated to controlled maintenance and capital projects and the remaining proceeds were credited to the SHF for CDOT to use on Tier 1 projects in CDOT's Strategic Transportation Investment Program (10-year development program, where 25% of SHF proceeds needed to be used for projects in counties with populations under 50,000 (in July 2015); Proceeds from lease-purchase agreements were TABOR-exempt
SB 09-108 Funding Advancement for Surface Transportation and Economic Recovery (FASTER) [4]	Revenue from road safety surcharge (annual fee ranging from \$16 to \$39 for vehicle registrations) directed to HUTF for road safety projects; Revenue from daily vehicle rental fee (\$2 per day) is credited to HUTF for road safety projects; Revenue from supplemental oversize/overweight vehicle surcharge (\$15 to \$100, depending on size, weight, and duration of travel permit) credited to HUTF to offset road damage caused by large vehicles; Revenue from supplemental unregistered fee vehicle fine of \$25 per month (maximum of \$100) credited to HUTF; Revenue from Bridge Safety Surcharge (\$13-\$32 per vehicle per year) credited to the Bridge Special Fund	Creates sustainable revenue streams for Colorado's transportation infrastructure; Created the Statewide Bridge Enterprise, later renamed to the Bridge and Tunnel Enterprise (BTE), to repair, reconstruct, and replace structurally deficient or functionally obsolete bridges; Creates the High-Performance Transportation Enterprise (HPTE) to finance and operate innovative surface transportation infrastructure projects, including P3s and toll facilities; Authorizes revenue from new surcharges, fees, and fines deposited into the HUTF to be distributed via second-stream rules to the SHF, counties, and municipalities [3]; Creates the Bridge Special Fund, which receives bridge-related surcharge revenues and loan proceeds, used for bridge projects; Creates the Efficiency and Accountability Committee within CDOT to ensure transparency and effectiveness in project funding

[1] During the 2025 legislative session, the General Assembly passed bills to eliminate the \$7 million annual transfer from GF to the SHF for the Revitalizing Main Streets Program and to modify the schedule of annual transfer of GF to SHF (see S.B. 25-257 in the table above).

[2] Adjusted FASTER fee distribution formula percentages: 54 percent to CDOT, 24 percent to counties, 20 percent to municipalities

[3] See Appendix B for additional information on the HUTF and dedicated revenue streams.

[4] Prior to the enactment of FASTER, motor fuel taxes accounted for more than 70% of total HUTF revenues. Following FASTER, the motor-fuel-tax share fell below 60% of total HUTF revenues.

[5] [Proposition 117](#) amended Colorado statute to require voter approval for new state enterprises if the enterprise revenue collected from fees over its first five years exceeds \$100 million

Appendix D: Expended ARPA Funds

The table below provides updated information, as of March 2025, regarding the department's budgeted and expended funds from the American Rescue Plan Act (ARPA). Funds not expended by December 2026 must be returned to the U.S. Treasury.

Project Name	Budget	Total Obligations	Prior Total Expenditures	Expended from 1/2025 - 3/2025	Total Expenditures	Not Expended	Percent Expended
Revitalizing Main Streets	\$6,830,000	\$6,830,000	\$5,420,199	\$111,811	\$5,532,010	\$1,297,990	81%
Burnham Yard Rail Development	500,000	500,000	500,000	0	500,000	0	100%
Multimodal Transportation and Mitigation Options Fund	50,680,000	50,680,000	39,292,413	1,227,371	40,519,784	10,160,216	80%
State Highway Fund: Shovel Ready Infrastructure Projects	110,473,582	110,473,582	110,473,582	-\$3,176,890	107,296,692	3,176,890	97%
Front Range Passenger Rail District	14,500,000	14,500,000	4,774,668	0	4,774,668	9,725,332	33%
CDOT Total	\$182,983,582	\$182,983,582	\$160,460,863	-\$1,837,708	\$158,623,155	\$24,360,427	87%

Appendix E: CDOT's Revenue Allocation Plan

CDOT's proposed FY 2026-27 Revenue Allocation Plan and accompanying documents can be found online at:
<https://www.codot.gov/business/budget/cdot-budget>