FY 2027-28 Budget Briefing Summary

Department of Transportation

The Colorado Department of Transportation manages the construction, maintenance, and operations of the state's highway system and other forms of transportation, including aviation, rail, and transit. The Department's FY 2026-27 appropriation represents approximately 4.6 percent of statewide operating appropriations and 0.0 percent of statewide General Fund appropriations.

Summary of Request

Department of Transportation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Appropriation						
HB 26-1410 (Long Bill)	$2,299,792,546	$0	$1,518,420,857	$1,198,498	$780,173,191	3,329.7
Other Legislation	-10,500,000	0	-10,500,000	0	0	0.0
Total	$2,289,292,546	$0	$1,507,920,857	$1,198,498	$780,173,191	3,329.7
FY 2027-28 Requested Appropriation						
FY 2026-27 Appropriation	$2,289,292,546	$0	$1,507,920,857	$1,198,498	$780,173,191	3,329.7
Revenue forecast adjustments:						
CM&O	93,317,284	0	68,406,539	0	24,910,745	0.0
Road Enterprise	7,397,862	0	7,397,862	0	0	0.0
Bridge and Tunnel Enterprise	3,680,248	0	3,680,248	0	0	5.0
Clean Transit Enterprise	2,568,420	0	2,568,420	0	0	1.0
Fuels Impact Enterprise	0	0	0	0	0	0.0
High Performance Transportation Ent.	-44,420,618	0	-44,420,618	0	0	11.0
Multimodal fund (MMOF)	-29,059,710	0	-29,059,710	0	0	0.0
Local Transit and Rail Grant Programs	-2,761,232	0	-2,761,232	0	0	0.0
Air Pollution Mitigation Enterprise	-585,523	0	-585,523	0	0	0.0
Subtotal: revenue forecast adjustments	30,136,731	0	5,225,986	0	24,910,745	17.0
Offsetting adjustments:						
Employee comp common policies	0	0	0	0	0	0.0
Operating common policies	0	0	0	0	0	0.0
Prior year actions	0	0	0	0	0	0.2
Subtotal: offsetting adjustments	0	0	0	0	0	0.2
Change requests:						
R1 Multimodal fund continuous spending	0	0	0	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R2 Repeal Moffat Tunnel Cash Fund	0	0	0	0	0	0.0
R3 Clean Transit Ent. continuous spending	0	0	0	0	0	0.0
Statewide R5 Marijuana impaired driving	500,000	0	500,000	0	0	0.0
Subtotal: change requests	500,000	0	500,000	0	0	0.0
Total	$2,319,929,277	$0	$1,513,646,843	$1,198,498	$805,083,936	3,346.9
Increase/-Decrease	$30,636,731	$0	$5,725,986	$0	$24,910,745	17.2
Percentage Change	1.3%	n/a	0.4%	n/a	3.2%	0.5%

Changes are assumed to be ongoing unless otherwise noted.

Description of Requested Changes

The department is forecasting that its overall revenue will be a net increase of $30.6 million in FY 2027-28, compared to its FY 2026-27 revenue forecast. Details on CDOT's revenue projections are provided below.

Revenue adjustments (FY 2027-28 revenue forecast compared to FY 2026-27 forecast)

CM&O (Construction, Maintenance, and Operations): The Department anticipates a $93.3 million net revenue increase for CM&O. This is largely driven by an increase in General Fund transfers to the State Highway Fund (which were modified by SB 25-257[1]), and an increase in Federal Highway Administration funds.

Road Enterprise: The revenue forecast for the Road Enterprise for FY 2027-28 is $7.4 million. This is a new enterprise created by HB 26-1430 Transportation Funding Adjustments. The enterprise receives revenue from oversize and overweight commercial vehicle permit fees.

Bridge and Tunnel Enterprise (BTE): CDOT forecasts an increase of $3.7 million in revenue to the BTE due to the newly created Wildlife Collision Prevention Fund from SB 26-141 Wildlife Collision Prevention. The new fund will receive revenue from an optional wildlife collision prevention fee on motor vehicle registrations.

Clean Transit Enterprise (CTE): CDOT estimates that revenue for the CTE will increase by $2.6 million due to a slight increase of the Clean Transit Retail Delivery Fee, the main revenue source for the CTE cash fund.

Fuels Impact Enterprise (FIE): There are no forecasted adjustments to revenues from the Fuels Impact Reduction Fee. The enterprise is limited to a fund balance of $15.0 million until its expiration in 2030.

High Performance Transportation Enterprise (HPTE): The request reflects an anticipated decrease in $44.4 million in revenues from tolls and toll violations.

Multimodal Transportation and Mitigation Options Fund (MMOF): Revenue for the MMOF shows a decrease of $29.1 million because the Department requested and received access to the full fund balance in FY 2026-27. The decline for FY 2027-28 is a result of annualizing last year's request, and reflecting only forecasted revenues.

[1] Senate Bill 25-257 Modify General Fund Transfers to the State Highway Fund decreased transfers in FY 2025-26 and FY 2026-27 by $74.8 million and $56.5 million, respectively. Transfers were pushed out to future years. For FY 2027-28, the General Fund Transfer to the State Highway Fund is $100.0 million.

Local Transit and Rail Grant Programs: CDOT forecasts a decrease in $2.8 million in revenue to cash funds that support Local Transit and Rail Grant Programs. Revenues for these programs are from the Oil and Gas Production Fee. The decrease is due to reduced spot prices for oil, which are set quarterly.

Air Pollution Mitigation Enterprise (NAAPME): CDOT estimates that revenues from retail delivery and ridership fees will decrease by $585,523.

Offsetting Revenue Allocation Adjustments

The request reflects offsetting adjustments that move expenditures from one division to another without altering the Department total. The FY 2027-28 request includes a net increase of $5.3 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, as shown below.

Employee compensation common policies in Administration: The request includes an increase of $1.4 million cash funds for Administration for employee compensation common policies. A common policy refers to general policies applied consistently to all departments. 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 (admin) [1]	$1,414,671	$0	$1,414,671	$0	$0	0.0
Offset in CM&O	-1,414,671	0	-1,414,671	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 increase of $3.9 million cash funds to Administration for operating common policy adjustments. This decreases revenue for CM&O by the same amount.

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Fund	Federal Funds	FTE
Operating common policy costs in admin:						
Risk management & property	$3,144,182	$0	$3,144,182	$0	$0	0.0
Office of Information Technology services	536,959	0	536,959	0	0	0.0
Legal services	158,506	0	158,506	0	0	0.0
NP DPA Personnel Board	77,160	0	77,160	0	0	0.0
NP Statewide training system	63,765	0	63,765	0	0	0.0
Administrative law judge services	23,419	0	23,419	0	0	0.0
State accounting system (CORE)	740	0	740	0	0	0.0
Workers' compensation	-52,094	0	-52,094	0	0	0.0
Statewide indirect cost adjustment	-32,276	0	-32,276	0	0	0.0
Capitol Complex leased space	-1,139	0	-1,139	0	0	0.0
Subtotal: operating common policies	3,919,222	0	3,919,222	0	0	0.0
Offset in CM&O:	-3,919,222	0	-3,919,222	0	0	0.0
Total	$0	$0	$0	$0	$0	0.0

Prior year actions: The request includes an increase of $6,909 cash funds in Administration for annualizing prior year budget actions. This decreases revenue in CM&O by the same amount.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Fund	Federal Funds	FTE
IT Accessibility (Admin cost)	$6,909	$0	$6,909	$0	$0	0.2
Offset in CM&O	-6,909	0	-6,909	0	0	0.0
Total	$0	$0	$0	$0	$0	0.2

Fiscal Year 2027-28 Change Requests

R1 Continuous spending authority for Multimodal Fund [legislation]: The Department requests that the JBC sponsor legislation to provide continuous spending authority to the Multimodal Transportation and Mitigation Options Fund (MMOF), and to require CDOT to send an annual report to the JBC about the MMOF budget.

The Department is requesting continuous spending authority due to:

- The administrative burden of managing different legislative appropriations with varying amounts of roll-forward authority over time;
- Wide variations in the fund balance due to large one-time General Fund transfers into the fund and transfers out of the MMOF to support budget balancing;
- The multi-year nature of multimodal construction projects;
- The local portion of MMOF funding taking longer than anticipated to award and be spent down;
- Recent instances where appropriations from prior legislation have lapsed; and
- The complexity of ensuring projects included in the Statewide Transportation Improvement Plan only include funds for which CDOT has spending authority.

R2 Repeal Moffat Tunnel Cash Fund [legislation]: The Department requests the JBC run legislation to repeal the Moffat Tunnel Cash Fund and transfer the balance ($371,480) to the General Fund. Ongoing revenues to the fund would go to the State Highway Fund for administrative expenses associated with the Moffat Tunnel.

R3 Continuous spending authority for Clean Transit Enterprise Cash Fund [legislation]: The Clean Transit Enterprise (CTE) requests the JBC sponsor legislation to continuously appropriate the Clean Transit Enterprise Cash Fund to the CTE, and to require the CTE to report annually to the JBC on its budget and expenditures.

The CTE seeks continuous spending authority due to the multi-year nature of program expenditures for zero-emission vehicle (ZEV) grants and the administrative burdens of managing four different cash funds in the enterprise. The other three cash funds in this enterprise are continuously appropriated.

Statewide R5 Marijuana impaired driving: The Governor's request for the Marijuana Tax Cash Fund (MTCF) budget includes an increase of $500,000 from the MTCF to CDOT for impaired driving education efforts.

ROAD Enterprise Funding [legislation]: The Governor's budget request letter includes a legislative placeholder to increase the oversize and overweight permit fees collected by the newly created Road Enterprise in CDOT. The enterprise was created by HB 26-1430 Transportation Funding Adjustments. OSPB projects an increase of $5.6 million cash funds to the enterprise in FY 2027-28 if this legislation passes. The revenue is exempt from TABOR. The Department does not request the JBC to run this bill.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Transportation Planning Process: The Statewide Transportation Plan, the 10-Year Plan, and the Statewide Transportation Improvement Plan were recently updated in 2025 and 2026. These plans interact to set transportation goals for the state, prioritize investments and projects in the near future, and identify specific projects for which the Transportation Commission approves funding. This issue brief provides an overview of major transportation planning documents, and aggregated data on funding for projects throughout the state.

Enterprise Fees and Revenues: The Department of Transportation has six enterprises that make up 27.0 percent of the Department's budget. Revenue from enterprises has increased from $4.1 million in FY 2009-10 to $647.0 million in FY 2026-27. This issue brief discusses the increasing role of enterprises in the Department's budget.

Budget Reduction Options: The Executive Budget Request includes a transfer of $371,480 from the Moffat Tunnel Cash Fund to the General Fund. This issue brief reviews this proposal and additional options identified by staff.

For More Information

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To read the entire briefing: Go to content.leg.colorado.gov/content/budget#budget-documents-section to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2026.