Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Memorandum

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TO: Interested Persons

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SUBJECT: State Fleet Management and Costs

The Department of Personnel and Administration (DPA) administers the State Fleet Management Program. This memorandum provides an overview of the program, characteristics of the state fleet, and how vehicle-related costs are handled in fiscal notes and the budget process.

State Fleet Management Program

Program Overview

DPA is statutorily tasked with managing common services for state agencies to provide cost savings to the state. One of these services is the State Fleet Management program within the Division of Capital Assets, which manages approximately 7,000 state-owned and -operated vehicles and is responsible for all vehicle procurement, technical support, data management, and replacement planning. The State Fleet Management Program also disposes of older vehicles through public auctions and maintains a motor pool with cars available for short-term rental by state employees conducting state business. Additionally, the State Fleet Management Program works to meet the Governor's petroleum reduction initiatives and efforts to expand the use of hybrid and alternative fuel vehicles in the state's fleet.

Program Operations

To manage the inventory of state fleet, DPA works with fleet coordinators at state agencies. Agencies are responsible for identifying vehicle needs and submitting requests for new or replacement vehicles to the State Fleet Management Program. Once assigned and procured, each vehicle is issued a fuel card and insured through the Office of Risk Management in DPA.

After this, agencies must regularly track and enter data on state vehicles in their possession into the Colorado Automotive Reporting System (CARS). This information includes vehicle mileage, maintenance records, and utilization data. The State Fleet Management Program uses this data to monitor the fleet, plan for vehicle replacements, and ensure agency compliance. Agencies must also participate in the replacement planning processes and follow program guidelines around procurement, safety, maintenance, and emissions testing. Agencies must rotate vehicles internally to prevent the overuse of any individual vehicle and maximize vehicle life. Additionally, the State Fleet Management Program monitors utilization to ensure that vehicles meet a minimum usage threshold. Vehicles that do not meet the utilization requirements are subject to reassignment or forfeiture. Finally, the State Fleet Management Program provides training, resources, and ongoing technical support to state agencies for state vehicles.

For short-term vehicle needs, state employees may reserve vehicles from the motor pool in downtown Denver at a daily rate. Daily rates, which include fuel, insurance, and roadside assistance, are set by the State Fleet Management Program and currently range from $45 to $70 per day based on vehicle type. More information on motor pool policies and guidelines is available on the DPA website.

The State Fleet Management Program also disposes of older or costly vehicles through weekly public auctions overseen by the Colorado Surplus Property Agency, with the proceeds used to help offset program expenses. More information on state fleet auctions is available on the DPA website.

Program Funding

Costs for the State Fleet Management program are paid through reappropriated funds to DPA from state agencies, rather than a direct appropriation to DPA. Reappropriated funds from state agencies for state fleet management services reflect payments for the fixed and variable costs of operating state fleet vehicles, as well as the costs for new and replacements fleet vehicles.

Vehicle Operating Costs

Fixed costs for an agency include costs for vehicle lease payments and a management fee to cover program expenses for DPA. Variable costs include the cost of maintenance, fuel, and auto insurance for vehicles, with agencies charged on a per-mile basis. These variable costs are calculated annually based on prior year usage costs and data. Fixed costs for fleet management are appropriated through each department's Vehicle Lease Payments budget line, while variable costs are funded through various operating or program line items within a department's budget.

DPA submits budget requests when there are gaps in funding from agencies compared to actual costs, additional funding is needed to cover unexpected costs, or the state fleet needs to be expanded. Reappropriated funds paid by state agencies are held in the Motor Fleet Management Fund for use by DPA. Spending authority for the fund is adjusted each year through the annual budget process.

New and Replacement Vehicles

In addition to operating costs for the existing fleet, the state also purchases replacement vehicles. Each spring, the State Fleet Management Program compiles a list of vehicles that should be eligible for replacement using criteria such as mileage, age, and maintenance history. Agencies review and provide input on the list based on their department's insight on specific vehicles and needs. The final list is submitted to the Governor's Office of State Planning and Budgeting (OSPB) and the Joint Budget Committee (JBC), which approve replacement funding through the annual budget process.

Once approved and funding is appropriated for replacement, agencies order an approved vehicle and the State Fleet Management Program receives, registers, and distributes the vehicle with the necessary documentation, such as fuel cards, registration, and insurance documents. Generally, the purchase of hybrids and alternative fuel vehicles is required, except in cases when it is not practicable The vehicle replacement process is performed 18 months in advance of the request for vehicles. An overview of the vehicle replacement process is available on the DPA website.

Finally, if new legislation requires additional vehicles, funding is identified in the fiscal note for the leased and variable costs. This process is described further below.

State Fleet Characteristics

In FY 2025-26, approximately $34.4 million was reappropriated to DPA from state agencies to cover fixed costs for fleet management, including vehicle lease payments. These reappropriated funds are from a combination of fund sources, with about 31 percent coming from the General Fund, as shown in Table 1. Variable costs vary by agency depending on fleet usage and size, and are paid through their operating budgets.

Table 1
FY 2025-26 Vehicle Lease Payments by Fund Source

General Fund	Cash Funds	Reapprop. Funds	Federal Funds	Total Funds
$10.7 million	$21.0 million	$2.3 million	$0.4 million	**$34.4 million**
31%	61%	7%	1%	**100%**

Source: FY 2025-26 Long Bill (SB 25-206).

The composition of the state fleet varies by agency based on their specific operational needs. As of July 2025, there are a total of 7,303 vehicles in the fleet across all agencies. Average monthly lease costs for 10-year leases range from $219 for sedans to $805 for larger vehicles. The tables below show the characteristics of the state fleet for the most common vehicle types, as well as the number of vehicles by agency.

Table 2
2025 Average Monthly Lease and Age of Top Ten Vehicle Types

Vehicle Type	Avg. Monthly Lease	Avg. Age of Vehicle
Standard Sedan	$219	6.8
Sedan Hybrid	$232	7.1
Sedan Electric	$232	4.2
SUV	$482	5.4
SUV Hybrid	$319	5.8
SUV Electric	$503	2.6
½ Ton Truck	$393	5.9
½ Ton Truck Hybrid	$519	2.8
½ Ton Truck Electric	$805	1.1
¾ Ton Truck	$473	4.0

Source: Department of Personnel and Administration.

Table 3
2025 Vehicles by Agency

Agency	Vehicle Count
Natural Resources	1,454
Public Safety	1,433
Corrections	1,096
Transportation	934
Higher Education	782
Human Services	454
Revenue	247
Public Health & Environment	150
Agriculture	118
Judicial Branch	83
Regulatory Agencies	83
Labor & Employment	74
Personnel & Administration	57
Local Affairs	40
Military & Veterans Affairs	39
Law	27
Education	14
Governor's Office	9
State	3
Dept. of Early Childhood	2
To Be Assigned	204
Total	**7,303**

Source: Department of Personnel and Administration.

Fiscal Note Assumptions for State Vehicles

When legislation drives the need for additional state fleet vehicles, the cost of new vehicles are estimated in fiscal notes prepared by Legislative Council Staff. Fiscal notes determine the number and type of vehicles required based on the requirements of the bill. Costs are then calculated using the average vehicle costs and lease terms by vehicle type. Fiscal notes identify any appropriations to state agencies that are required for vehicle lease payments, operating expenses, and other costs. Pursuant to JBC policy, fiscal notes indicate that a bill requires a reappropriation to DPA for fleet management if the bill involves ten or more vehicles.

When fiscal notes identify costs for fewer than ten vehicles, JBC policy requires that the reappropriation to DPA be accounted for through the annual budget process, either through the Long Bill or a supplemental budget bill, rather than through individual legislation.

This approach is based on a policy implemented by the JBC in 2022 after JBC Staff found that the incremental reappropriations to DPA for vehicle leases through individual legislation often went unused and reverted back to the state. JBC Staff determined that the Long Bill provides DPA with sufficient spending authority from the Motor Fleet Management Fund each year to cover the costs of new vehicle leases in legislation, making individual reappropriations through legislation unnecessary unless a bill requires a large number of vehicles (ten vehicles or more). By making appropriation changes through the annual budget process, DPA's spending authority and total reappropriations can be adjusted more holistically to account for new and existing state fleet vehicles based on actual spending, agency budget requests, and legislation passed in the prior year. Since its implementation, the policy has resulted in less reversion of General Fund.