



Revised Fiscal Note

(replaces fiscal note dated April 16, 2024)

Drafting Number:	LLS 24-1080	Date:	May 1, 2024
Prime Sponsors:	Rep. Lindstedt; Froelich Sen. Winter F.	Bill Status:	House Appropriations
		Fiscal Analyst:	Nina Forbes 303-866-4785 nina.forbes@coleg.gov
Bill Topic:	TRANSIT REFORM		
Summary of Fiscal Impact:	<div><input type="checkbox"/> State Revenue<input type="checkbox"/> State Transfer<input checked="" type="checkbox"/> Local Government</div> <div><input checked="" type="checkbox"/> State Expenditure<input type="checkbox"/> TABOR Refund<input checked="" type="checkbox"/> Statutory Public Entity</div> <p>The bill makes several statutory changes to the operations of the Regional Transportation District (RTD) and creates a new subcommittee of the Transportation Legislation Review Committee. It increases state, local, and statutory public entity expenditures beginning in FY 2024-25.</p>		
Appropriation Summary:	For FY 2024-25, the bill requires an appropriation of \$36,679 from the General Fund to the Legislative Department. No appropriation is required from the State Highway Fund which is continuously appropriated to the Department of Transportation.		
Fiscal Note Status:	The revised fiscal note reflects the introduced bill, as amended by the House Transportation, Housing, and Local Government Committee.		

Table 1
State Fiscal Impacts Under HB 24-1447

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$36,679	-
	State Highway Fund	at least \$200,000	-
	Centrally Appropriated	\$4,767	-
	Total Expenditures	at least \$241,446	-
	Total FTE	0.3 FTE	-
Transfers		-	-
Other Budget Impact		-	-

Summary of Legislation

The bill makes several statutory changes to the operations of the Regional Transportation District (RTD). These changes are discussed below.

Regional fixed guideway mass transit systems. The bill requires the district to:

- submit its proposed fixed-route transit service plans to the Denver Regional Council of Governments (DRCOG) for its review and input;
- coordinate with DRCOG regarding the implementation of the plans;
- ensure that RTD service decisions are consistent with the DRCOG Regional Transportation Plan;
- coordinate transit and land-use decisions to ensure that transit services will be provided to new and existing transit-oriented communities;
- acknowledge established transit centers and give preference for transit centers when determining transit services and routes;
- requires RTD to coordinate its fixed guideway mass transit system schedule with the schedules of other mass transit providers to facilitate connectivity to other mobility options within the region; and
- allows a county to request its own subregional service council.

Ten-year strategic plan. The RTD board must develop a 10-year strategic plan and submit it to the General Assembly by September 30, 2027. The plan must address the district's plans and strategies to:

- increase ridership;
- improve transparency;
- use district-owned land to prioritize certain types of development;
- update parking policies;
- support state and regional climate, housing, and transportation goals; and
- identify funding opportunities to expand transit and improve system efficiency and equity.

The Board must continue to implement the recommendations of the 2021 DRCOG RTD Accountability Committee Final Report and the 2020 performance audit and to report its progress to specified entities by December 31, 2025.

Increasing ridership. The bill requires RTD to pursue and take advantage of opportunities to increase and build ridership by:

- working with entities hosting special events to encourage use of public transit to and from the events;
- working with entities to encourage youth to ride transit; and
- consider recommendations and requests for changes to service routes or schedules that would lead to increased ridership.

District budget and planning. The bill requires RTD to post the following items on its website:

- the RTD annual budget and other budget information, in a format that is easy to access, understand, and navigate;
- RTD's financial plan, including information about capital projects; and
- three public accountability dashboards detailing financial information on capital projects, ridership by route and reliability of service, and district workforce statistics.

Fair market value for use of district transfer facilities. Current law requires RTD to charge retail, commercial, or residential users of a portion of a transfer facility to pay fair market value for the use of the facility. The bill repeals this requirement.

Creation of the Regional Transportation District Governance Subcommittee within the Transportation Legislation Review Committee. The bill creates the Regional Transportation District Governance Subcommittee within the Transportation Legislation Review Committee (TLRC) to meet during the 2024 legislative interim to review, solicit input, and make recommendations to the General Assembly regarding RTD's governance structure.

The subcommittee will be made up of 19 members, including:

- six members of the General Assembly as follows:
 - the chairs of the Transportation committees;
 - two members of the Senate, one appointed by the President and one appointed by the Senate Minority Leader; and
 - two members of the House, one appointed by the Speaker and one appointed by the House Minority Leader.
- five members appointed cooperatively by the chairs of the Transportation committees as follows:
 - one member with expertise regarding issues faced by transit riders;
 - one member who resides in the district, is a transit user, and has a disability;
 - one member who resides in a disproportionately impacted community in the district and who is transit-dependent;
 - one member who represent a local government served by RTD; and
 - one member who represents an underserved community.
- four members appointed by the Governor, as follows:
 - one member with transportation financial planning expertise;
 - one member with multimodal transit service expertise;
 - one member with human resources expertise for transit agencies; and
 - one member with transportation equity or multi-modal experience.
- two members who currently serve on the RTD board, to be appointed to the subcommittee by the RTD board;
- the Chief Executive Officer of RTD or their designee; and
- one member representing the labor union that represents the greatest percentage of RTD employees, appointed by the labor union.

The subcommittee shall examine and make recommendations to the TLRC regarding:

- the ideal size of the RTD board;
- the ratio of elected versus appointed board members and the appropriate appointing authority;
- the directives and duties of the RTD board;
- the annual salary for RTD directors;
- methods to ensure equitable representation of the district;
- a plan for transitioning the current board to a new board; and
- a plan to ensure the RTD board directors maximize ridership and services within the district.

These recommendations will be presented through a report submitted to the TLRC and the Governor by September 15, 2024. The TLRC will meet up to two additional times to review the recommendations of the subcommittee and to make recommendations for legislation as necessary. The TLRC is allotted one additional bill for possible legislation.

A neutral third-party facilitator contracted by the Department of Transportation (CDOT) will assist the subcommittee in their meetings, with at least one community meetings in each of the five subregional service councils, and in drafting the report and other work. CDOT will cover the costs of the facilitator within existing resources. Legislative Council Staff (LCS) is required to assist the subcommittee with meetings.

Burnham Yard Rail Property. In July 1, 2022, the State Treasurer transferred \$6,500,000 from the General Fund to the State Highway Fund for CDOT to use for an environmental study on relocating the consolidated main rail line away from I-25 in connection with the development of the Burnham Yard rail property. The bill authorizes CDOT to instead use the \$6,500,000 for site preparation, site enhancements, planning, and facilitating a track alignment that preserves buildable land while promoting transit and rail capacity and increasing safety in connection with the development of the Burnham Yard rail property.

Background

The General Assembly created RTD in 1969 to create, operate, and maintain a transit system in the RTD service area. The original RTD board consisted of 21 taxpaying electors. In 1980, a citizen-initiated ballot measure changed the composition of RTD's board to its current structure, a 15-member board of directors. Directors are elected for four-year terms and elections are staggered so that eight seats are open in one general election and seven in the next. State law gives the RTD's board the power to enter into contracts; borrow and invest money; purchase and maintain property; and levy taxes. The board is also charged with setting RTD policy, adopting the annual budget, and establishing RTD's short- and long-term transit goals.

RTD is a statutorily created entity, similar to a special district. However, RTD is not a regional transportation authority, as it was created as a separate statutory political subdivision. Current law gives RTD's elected board wide authority to operate and maintain the transportation system within its district boundaries. The legislature plays a limited role in the administration of RTD; however, RTD is required to provide copies of its annual budget to the TLRC, and other information, data, testimony, or audits as requested by the committee.

RTD currently serves 3.08 million people in 2,342 square miles of service area, including all or part of the following eight counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and Weld.

State Expenditures

In FY 2024-25 only, the bill increases state expenditures in CDOT from the State Highway Fund by at least \$200,000 and in the Legislative Department from the General Fund by about \$37,000. These costs are shown in Table 2 and discussed below.

Table 2
Expenditures Under HB 24-1447

	FY 2024-25	FY 2025-26
Department of Transportation		
Facilitator Contract	at least \$200,000	-
CDOT Subtotal	at least \$200,000	-
Legislative Department		
Personal Services	\$22,047	-
Member Per Diem	\$6,490	-
Travel Cost – Meetings at Capitol	\$5,952	-
Travel Cost – Meetings Not at Capitol	\$2,190	-
Centrally Appropriated Costs ¹	\$4,767	-
FTE – Personal Services	0.3 FTE	-
Legislative Subtotal	\$41,446	-
Total	at least \$241,446	-
Total FTE	0.3 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Transportation. The bill requires the CDOT to hire a facilitator to run the subcommittee meetings and assist with the preparation of the final report. The fiscal note assumes the facilitator will cost between \$200,000 to \$350,000, paid from the State Highway Fund, with actual costs determined through the contract and dependent on the number of meetings held, meeting room costs and locations, any research performed by the facilitator, and the scope of the final report. Funding from the State Highway Fund is allocated by the Transportation Commission, which will adjust spending to accommodate the increase in CDOT expenditures under this bill.

Legislative Department. Legislative Council Staff requires staff to support additional meetings and the General Assembly requires reimbursement costs for legislative members. All costs are paid from the General Fund. The Office of Legislative Legal Services can absorb the additional workload within existing appropriations.

- **Staffing.** LCS requires 0.3 FTE Research Analyst to assist with staffing the additional subcommittee and TLRC meetings. It is assumed that LCS staff will not assist with community meetings.
- **Legislator per diem and travel costs.** The General Assembly requires additional per diem and travel reimbursement costs assuming:
 - six legislative members attend two subcommittee meetings;
 - at least two legislators attend each of five community meetings; and
 - 18 TLRC members attend two additional meetings.

Governor's Office. Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required four appointments to the subcommittee under the bill. This work can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Local Government

The bill will result in additional administrative costs for local governments who are part of DRCOG in order to coordinate with RTD as required, primarily in Section 1 of the bill, including coordinating on district size, services, and land use decisions.

Statutory Public Entity

The bill will increase expenditures and workload for RTD by approximately \$1.0 million to develop the district's ten-year strategic plan. RTD will have various other changes to its costs associated with its coordination with DRCOG and other requirements of the bill.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2024-25, the bill requires an appropriation of \$36,679 from the General Fund to the Legislative Department as follows:

- \$14,632 to the General Assembly for legislator per diem and reimbursement; and
- \$22,047 and 0.3 FTE to Legislative Council Staff.

The State Highway Fund is continuously appropriated to the Department of Transportation.

State and Local Government Contacts

Governor's Office	Legislative Council Staff	Legislative Legal Services
Regional Transportation District	Transportation	

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).