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FISCAL NOTE

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Prime Sponsors: Sen. Tate; Rodriguez Bill Status: Senate Transportation
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Bill Topic: ADMINISTRATION OF THE REGIONAL TRANSPORTATION DISTRICT

- Summary of Fiscal Impact:
- State Revenue
- TABOR Refund
- State Expenditure
- Local Government
- State Transfer
- Regional Transportation District

The bill makes several statutory changes to the Regional Transportation District. The bill will increase state expenditures in FY 2020-21 only and Regional Transportation District expenditures on an ongoing basis.

Appropriation Summary: In FY 2020-21, the bill requires appropriations totaling \$486,000 to various state agencies. See the State Appropriations section.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 20-151

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Cash Funds, Total), Transfers, and TABOR Refund.

Summary of Legislation

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

Service decisions. The bill lists several metrics, such as a change's impact on ridership numbers and the equitable distribution of resources, that RTD must consider when making decisions regarding service levels, route planning, and rates. The bill clarifies that the metrics are not exclusive of each other and RTD should not consider any one metric to be dispositive in its decision-making.

Discrimination policies. The bill prohibits RTD from discriminating against persons with disabilities. The bill prohibits several actions, such as RTD requiring an individual with a disability to use designated priority area, or failing to make reasonable modifications in policies, practices, or procedures when necessary. In addition, the bill prohibits RTD from discriminating on the basis of race, color, ethnicity, or national origin in providing services. The bill allows persons experiencing discrimination to bring a civil suit against RTD in district court. These claims are not subject to the Colorado Governmental Immunity Act. On or before January 1, 2021, RTD must submit a report to the Transportation Legislation Review Committee (TLRC) outlining how it will comply with the bill's discrimination requirements.

Nondiscrimination compliance oversight. The bill requires RTD to comply with requests for information, reports, or documents from the TLRC regarding its compliance with the nondiscrimination policies in the bill. The TLRC is required to hold public testimony after July 1, but before September 30, of each year concerning RTD's compliance. This requirement is repealed on October 1, 2025.

Board of Directors membership. The bill increases the number of voting and nonvoting members on RTD's Board of Directors (board). Beginning on January 1, 2020, the board will consist of 17 voting members and 2 nonvoting, ex-officio members. The Governor must appoint two at-large board members, with one member representing constituents with disabilities who are transit-dependent, and one member with experience or interest in equitable transportation planning. The State Treasurer and the executive director of the Department of Transportation (CDOT) are included as non-voting, ex-officio members of the board. The bill also clarifies that candidates for the board are subject to campaign contribution limits.

Board administration. The bill requires that the board meet monthly and to broadcast live when possible. In addition, the board must post audio recordings of its meetings on its website. The bill clarifies that board members must be present to vote and that the board may adopt procedures to allow members to vote via remote testimony in cases of a documented medical condition. The board must also adopt guidelines to reduce the compensation of board member that fails to attend meetings or perform official duties.

Audit requirements. The bill requires the Office of the State Auditor (OSA) to perform three audits. These audits include:

- by January 1, 2021, an audit of the fiscal health of the RTD salaried employees' pension plan;
- by January 1, 2021, an audit of RTD's organizational structure; and
- by January 1, 2022, a cost-efficiency performance audit of RTD.

The OSA is required to submit a written report on each audit to the Legislative Audit Committee, including recommendations to improve the fiscal health of RTD. Upon approval by the Legislative Audit Committee, the OSA will also submit a copy of the reports to the TLRC.

Whistle-blower protections. The bill provides whistle-blower protections to RTD employees and entities contracting with RTD, and includes RTD within the protections the OSA's fraud hotline. The bill clarifies that RTD board members and employees are subject to certain ethics requirements.

Retail and commercial services. Under current law, RTD may not provide retail and commercial services at its facilities. This bill allows RTD to provide retail and commercial services at its facilities. RTD must consult with CDOT before offering these services on CDOT-owned 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 each director represents a district of approximately 175,000 residents. State law gives 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 3.03 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

The bill increases state expenditures by \$486,000 in FY 2020-21 only. In addition, the bill increases state workload on an ongoing basis. These costs are shown in Table 2 and discussed below.

Table 2
Expenditures Under SB 20-151

	FY 2020-21	FY 2021-22
Audit Costs	\$479,000	-
Computer Programming	\$7,000	-
Total Cost	\$486,000	-

Office of the State Auditor. The OSA in the Legislative Department requires \$479,000 to conduct two audits: an audit of the fiscal health of the RTD salaried employees' pension plan and an audit of RTD's organizational structure. The audit of the fiscal health of the RTD salaried employees' pension plan is expected to cost \$206,000, based on the costs of the Public Employees' Benefit Association (PERA) sensitivity study in 2014. In addition, the audit of RTD's organizational structure is expected to cost \$273,000, based on the costs to conduct the FY 2019-20 total compensation study. OSA is also required to conduct a cost-efficiency performance audit of RTD by January 1, 2022. This audit can be conducted within the office's existing schedule of performance audits and no appropriation is required.

Department of State. The Department of State requires \$7,000 to update its TRACER system, which tracks campaign finance contributions for all candidates. The department's vendor will update the system to include candidates and candidate committees for RTD's board.

Judicial Department. The bill may minimally increase workload for the trial courts in the Judicial Department to hear discrimination-related claims. This fiscal note assumes that RTD will comply with the law and any workload impact can be accomplished within existing resources.

Department of Transportation. The bill will minimally increase workload for the director of CDOT to serve on the RTD board. In addition, workload may increase for CDOT to consult with RTD regarding RTD providing commercial and retail services at transfer facilities on CDOT property. This workload increase can be accomplished within existing resources and no appropriation is required.

Department of the Treasury. The bill will minimally increase workload for the State Treasurer to serve on the RTD board. This workload increase can be accomplished within existing resources and no appropriation is required.

Regional Transportation District

The bill will increase expenditures and workload for the RTD. Costs will increase to address and track metrics. In addition, costs may increase to comply with the audit requirements of the bill, file additional reports, and to provide retail and commercial services at its facilities. Workload may also increase to hold additional meetings and post meeting information online; however this fiscal note assumes this cost will be minimal as RTD currently posts minutes and video of its meetings online. Finally, RTD's legal costs may increase to comply with measures of this bill, as well as refine discrimination policies. Exact costs for all of these impacts have not been estimated.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed. Section 14 applies to election cycles after the effective date.

State Appropriations

In FY 2020-21 the bill requires a General Fund appropriation of \$479,000 to the Office of the State Auditor. In addition, the bill requires a cash fund appropriation of \$7,000 to the Department of State from the Department of State Cash Fund.

State and Local Government Contacts

Governor
Law
Secretary of State
Treasury

Information Technology
Personnel
State Auditor

Judicial
Regional Transportation District
Transportation