



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-161: TRANSIT REFORM

**Prime Sponsors:**

Sen. Winter F.; Jodeh  
Rep. Lindstedt; Froelich

**Fiscal Analyst:**

Nina Forbes, 303-866-4785  
nina.forbes@coleg.gov

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**Version:** Initial Fiscal Note

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**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill updates the operations of the Regional Transportation District (RTD) and creates an RTD Accountability Committee.

**Types of impacts.** The bill is projected to affect the following areas on a limited (state) and ongoing (statutory public entity and local government) basis:

- State Expenditures
- Local Government
- Statutory Public Entity

**Appropriations.** For FY 2025-26, the bill requires and appropriation of \$146,720 to the Colorado Energy Office. No appropriation is required from the State Highway Fund, which is continuously appropriated to the Department of Transportation.

**Table 1  
State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$273,552	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.1 FTE	0.0 FTE

<sup>1</sup> Fund sources for these impacts are shown in the table below.

**Table 1A  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$146,720	\$0
Cash Funds	\$124,500	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$2,332	\$0
<b>Total Expenditures</b>	<b>\$273,552</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.1 FTE</b>	<b>0.0 FTE</b>

### Summary of Legislation

The bill creates new requirements for the Regional Transportation District (RTD) with the goal of improving its performance. These requirements include strategic planning, performance tracking, and coordination among transit agencies, local governments, and planning organizations.

RTD is required to:

- enter into service partnerships with local governments, institutions of higher education, or other entities to expand transit services;
- align with state climate goals, establish worker retention goals, comply with federal transit worker safety directives, and to develop performance measures to evaluate its progress with the above;
- develop a 10-year strategic plan, including a study of funding opportunities, by 2026 and comprehensive operational analyses every five years beginning in 2026;
- publish information and dashboards on its website on capital projects, ridership and service information, planned service changes, workforce data, and safety; and
- notify the Denver Regional Council of Governments (DRCOG) and the Department of Local Affairs of known infrastructure gaps within transit-oriented communities.

The bill also modernizes RTD’s EcoPass and low-income fare discount programs, adds two non-voting ex-officio members to the RTD board of directors (board) to be appointed by the Executive Director of the Department of Transportation (CDOT) and DRCOG, and prohibits write-in candidates from the RTD board elections.

The Transportation Commission must develop and publish by March 31, 2026 best practices for creating regional transportation authorities, enhancing transit funding, and providing additional transit services across the state.

Finally, the bill establishes a 13-member RTD Accountability Committee within the Colorado Energy Office (CEO) to assess the RTD executive leadership and board's governance structure and compensation, local and state agency representation within RTD, and workforce retention, with recommendations due by January 30, 2026.

## Background

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The General Assembly established 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, citizen-initiated ballot measure Initiative 6 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.

RTD is a political subdivision, similar to a special district. However, RTD is not a regional transportation authority. Current law gives RTD's board wide authority to operate and maintain the transportation system within its district boundaries, including 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.

The legislature plays a limited role in the administration of RTD; however, RTD is required to provide copies of its annual budget to the Transportation Legislation Review Committee, 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. The district is funded through sales and use taxes within its region, fare revenue, and bonds. More information is available in its most recent [Annual Comprehensive Financial Report](#).

## State Expenditures

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The bill increases state expenditures by about \$274,000 in FY 2025-26 only. These costs are incurred in CDOT and CEO as shown in Table 2 and described in the sections below. Costs are paid from the State Highway Fund and the General Fund.

**Table 2  
State Expenditures  
All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Colorado Energy Office	\$149,052	\$0
Department of Transportation	\$124,500	\$0
<b>Total Costs</b>	<b>\$273,552</b>	<b>\$0</b>

**Colorado Energy Office**

**Staff**

CEO requires 0.1 FTE Program Manager III from July 2025 through January 2026 to manage the work of the RTD Accountability Committee, including managing appointments of committee members, procurement and management of consultants, logistics and meeting facilitation, and oversight for the final report drafting and presentation.

**Consultant Services**

CEO requires the services of a consultant to support the facilitation of committee meetings, planning, the drafting and finalization of the report, and public transit governance and administration research and expertise. Consultant costs are estimated at \$135,000, with actual costs dependent on contract terms.

**Table 2A  
State Expenditures  
Colorado Energy Office**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$11,720	\$0
Consultant Services	\$135,000	\$0
Centrally Appropriated Costs	\$2,332	\$0
<b>Total Costs</b>	<b>\$149,052</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.1 FTE</b>	<b>0.0 FTE</b>

### **Department of Transportation**

CDOT requires \$124,500 in FY 2025-26 only to hire a consultant to study and publish technical assistance materials outlining best practices for the development of regional transportation authorities. These costs are paid from the State Highway Fund.

Additionally, the bill increases workload for CDOT to serve as one of the two non-voting ex-officio members to the RTD board. This can be accomplished within existing appropriations.

**Table 2B  
State Expenditures  
Department of Transportation**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Consultant Services	\$124,500	\$0
<b>Total Costs</b>	<b>\$124,500</b>	<b>\$0</b>

### **Governor’s Office of Boards and Commissions**

Workload will minimally increase for the Governor’s Office of Boards and Commissions to make the required five appointments to the RTD Accountability Committee as required 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 the expenditure table above.

### **Local Government**

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There may be some limited expenditures for municipalities and counties to respond to requests from RTD for information on infrastructure adequacy in transit centers and to participate in the required planning processes.

## Statutory Public Entity

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The bill increases expenditures in RTD by approximately \$6.0 million in FY 2025-26, and by differing amounts ongoing. The expenditures and their timing are as follows:

- every five-year costs of \$3.0 million to conduct the comprehensive operation analysis;
- one-time costs of \$2.5 million to complete the 10-year strategic plan;
- ongoing costs of \$376,000 for the income-based fare program changes, which includes \$200,000 to be passed through to Denver Human Services, which works with RTD on the income-based fare program and must verify proof of income manually; and
- ongoing costs of \$100,000 to coordinate with entities hosting special events.

Expenditures for the comprehensive operation analysis and strategic plan will be incurred over an 18-month period, with additional time required if done concurrently.

## Technical Note

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The analysis and planning the bill requires RTD to perform is expected to require at least 18 months to complete, which current bill timelines preclude.

## Effective Date

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

## State Appropriations

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For FY 2025-26, the bill requires a General Fund appropriation of \$146,720 to the Colorado Energy Office within the Governor’s Office and 0.1 FTE.

No appropriation is required from the State Highway Fund, which is continuously appropriated to the Department of Transportation.

## State and Local Government Contacts

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Colorado Energy Office	Legislative Council Staff	Regional Transportation District
Counties	Local Affairs	Transportation
Governor’s Office	Municipalities	

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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](#).