



**Colorado
Legislative
Council
Staff**

SB16-011

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0008
Prime Sponsor(s): Sen. Neville T.
Rep. Neville P.

Date: January 25, 2016
Bill Status: Senate Transportation
Fiscal Analyst: Larson Silbaugh (303-866-4720)

BILL TOPIC: TERMINATE USE OF FASTER FEE REVENUE FOR TRANSIT

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue Transfers	See State Revenue section.	
State Expenditures	(\$0.0 million)	(\$0.0 million)
Highway Users Tax Fund (State Share)	\$10.0 million	\$10.0 million
Division of Transit and Rail (CDOT)	(\$10.0 million)	(\$10.0 million)
FTE Position Change	(9.0 FTE)	(9.0 FTE)
Appropriation Required: None.		
Future Year Impacts: Elimination of ongoing state cash fund transfers.		

Summary of Legislation

This bill eliminates annual transfers of \$15.0 million for transit projects from fee revenue imposed under the Funding Advancements for Surface Transportation and Economic Recovery Act of 2009 (FASTER). This includes a \$10.0 million transfer to the Colorado Department of Transportation (CDOT) for transit related projects and \$5.0 million for local transit projects. Eliminating the transfers increase the amount available for road safety projects by \$10.0 million and increase the Highway Users Tax Fund allocation to counties by \$2.75 million annually and the allocation to municipalities by \$2.25 million annually.

State Revenue

Transfers. Table 1 shows changes from current law.

Table 1: Transfers of FASTER Fees Under Current Law and SB 16-011			
Cash Fund	Current Law	FY 2016-17	FY 2017-18
Division of Transit and Rail (CDOT)	\$10.0 Million	\$0.0	\$0.0
Highway Users Tax Fund (State Allocation)	\$0.0	\$10.0 Million	\$10.0 Million
Local Government Transit Grants	\$5.0 Million	\$0.0	\$0.0
Highway Users Tax Fund (County Allocation)	\$0.0	\$2.75 Million	\$2.75 Million
Highway Users Tax Fund (Municipalities Allocation)	\$0.0	\$2.25 Million	\$2.25 Million

State Expenditures

This bill reduces expenditures by \$10.0 million and 9.0 FTE for the Division of Transit and Rail in the CDOT beginning in FY 2016-17. The bill increases by \$10.0 million the funds available for expenditure in the Highway Users Tax Cash Fund, which is continuously appropriated.

Table 2. Expenditures Under SB 16-011		
Cost Components	FY 2016-17	FY 2017-18
Personal Services (Division of Transit and Rail)	(\$789,715)	(\$789,715)
FTE	(9.0 FTE)	(9.0 FTE)
Operating Expenses (Division of Transit and Rail)	(210,285)	(210,285)
Transit Programs and Local Grants (Division of Transit and Rail)	(9,000,000)	(9,000,000)
Highway Users Tax Fund (State Allocation)	10,000,000	10,000,000
Centrally Appropriated Costs*	(185,453)	(185,453)
TOTAL	(\$185,453)	(\$185,453)

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

Assumptions. The operating budget of the Division of Transit and Rail within the CDOT is funded with \$1.0 million from the \$10.0 million transfer for state transit projects. The remaining \$9.0 million is used for the Bustang bus service, regional bus operating grants, and regional capital grants. The administrative expenses for the Division will be eliminated. The Division of Transit and Rail also administers federal funds dedicated for transit; it is not clear how the CDOT will administer these federal funds under the bill. Table 2 shows the expenditures of the Division of Transit and Rail under SB 16-011.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 3.

Table 3. Centrally Appropriated Costs Under SB 16-011		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	(\$117,875)	(\$117,875)
Supplemental Employee Retirement Payments	(67,578)	(67,578)
TOTAL	(\$185,453)	(\$185,453)

Local Government Impact

Funding for local government transit projects will be reduced by \$5.0 million annually. The county allocation from the Highway Users Tax Fund will increase by \$2.75 million and the municipality allocation will increase by \$2.25 million annually.

Statutory Public Entity Impact

This bill will reduce a \$3.0 million grant awarded to the Regional Transportation District (RTD) annually through the division of transit and rail. RTD would also be impacted by the elimination of \$2.0 million in competitive grants.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Office of Information Technology
Transportation

Municipalities
Regional Transportation District