REPORT HIGHLIGHTS

REGIONAL TRANSPORTATION DISTRICT

PERFORMANCE AUDIT, DECEMBER 2020

KEY CONCERN—The Regional Transportation District (RTD) should continue to take steps to reduce employee turnover of bus and light rail (rail) operators by improving areas of its operations, including supervisory practices, operator rest breaks, and shift scheduling, which affect these employees' engagement and job satisfaction. RTD also needs to better utilize its internal audit function to respond to and mitigate organizational risks, such as employee turnover.

KEY FINDINGS

- From January 2015 through May 2020, RTD experienced a prolonged shortage of bus and rail operators, with a significant number of them leaving RTD each year, resulting in planned services not being provided to the public. Despite steps taken by RTD to improve operator retention, they continue to experience discontentment and/or low morale.
- 31 of 51 bus and rail operators surveyed or interviewed reported problems with supervisory practices at RTD, including lack of meaningful performance feedback, supervisory communication that is delivered in a punitive manner, and inconsistent and/or untimely recognition of operator achievements.
- For 10 of 20 sampled bus routes driven from August to February 2020, up to one-third of the time bus operators did not receive rest breaks as required by the collective bargaining agreement due to lack of processes to analyze break data and update schedules to ensure breaks.
- Newer operators have greater fatigue risk due to working more 6- or 7-day weeks and fluctuating schedules compared to senior operators. For example, during 4-weeks tested in early 2020, 36 percent of newer operators worked at least one 7-day week compared to 13 percent of senior operators, and 76 percent of newer operators had their daily shifts change by 4 to 7 hours, compared to 27 percent of senior operators.
- RTD has not utilized its internal audit unit to effectively identify and respond to organizational risks, such as operator turnover. For example, from January 2018 to mid-2020, internal audits did not consistently focus on important or high-risk areas, were not timely or presented to the Board, and were not always used to improve RTD.
- Although RTD complies with the statutory 30 percent farebox recovery ratio, which is the percentage of expenses it pays with non-sales and use tax revenues, this ratio is not a meaningful measure of RTD's operations, in part because it has limited control over whether it meets the ratio and the ratio provides an incomplete picture of its operations.

BACKGROUND

- RTD was created in 1969 by the General Assembly to develop, maintain, and operate a mass transportation system in the Denver metropolitan area that includes bus and rail service, and special transportation, such as for seniors and people with disabilities.
- In Calendar Year 2019, RTD had about 95 million annual passenger boardings across all of its services.
- RTD's annual budget is about $1 billion. Its largest revenue sources are passenger fares, federal grants, and a sales and use tax on purchases within its boundaries.
- A 15-member, elected Board of Directors governs RTD and appoints the General Manager who oversees the day-to-day operations.

KEY RECOMMENDATIONS

- Improve supervision through regular performance feedback and recognition for operators, and supervisory training.
- Ensure bus operators receive adequate rest breaks in line with the collective bargaining agreement.
- Improve processes for assigning schedules to operators, and provide training on managing and mitigating fatigue.
- Improve the internal audit unit's effectiveness and compliance with Internal Audit Standards, and establish procedures and expectations for how the unit will be utilized, supervised, and evaluated.
- Identify a meaningful performance metric to replace the statutory farebox recovery ratio and work with the General Assembly to amend statute accordingly.

RTD agreed with all of the audit recommendations.