



**COLORADO**

**Department of Transportation**

Clean Transit Enterprise

## **Local Transit Operations Program**

### **Request for Letters of Intent**

**June 6, 2025**

**The CDOT Clean Transportation Enterprise (CTE) is conducting a call for Letters of Intent (LOI) for participation in the Fiscal Year 2026 SB24-230 Local Transit Operations Program (a.k.a., SB230 Formula Program), with responses due by June 20, 2025.**

In furtherance of its statutory business purpose, CTE is charged with, among other things, imposing a production fee for clean transit to be paid quarterly by every producer to reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by oil and gas development. Section 43-4-1204, C.R.S. allocates amount of Production Fees collected (less the costs to the Colorado Department of Revenue for administering the Production Fees) for the following programs created by Section 43-4-1204(3)(b), (4)(b), and (5)(b), C.R.S.: 70% for the Local Transit Operations Program; 10% to the Local Transit Grant Program; and 20% to the Rail Funding Program. The Production Fee will go into effect July 1, 2025, and the first quarterly payments of the Production Fee are to be paid in December 2025. CTE currently anticipates funding for the Local Transit Operations Program, the Local Transit Grant Program, and the Rail Funding Program will begin to be available in January 2026.

Pursuant to Section 43-4-1024(3)(c), C.R.S., CTE, through its board, adopted a formula CTE plans to utilize to allocate money for the SB230 Formula Program in FY 2026. CTE is preparing to release a Notice of Funding Availability (NOFA) in late June 2025 to determine which eligible agencies will qualify for participation in the SB230 Formula Program.

In advance of releasing the NOFA, CTE requests that eligible entities (defined on next page) interested in being considered for program qualification respond to this request for LOIs to inform planning for CTE's administrative management of the SB230 Formula Program and to enable staff to provide entities with information they will likely need in order to respond to the NOFA. The CTE is therefore asking eligible entities to either email CTE their response to the following three questions to [cdot\\_cleantransitenterprise@state.co.us](mailto:cdot_cleantransitenterprise@state.co.us), or complete the Jot Form on the CTE website: <https://www.codot.gov/programs/innovativemobility/cte>. Further details and background about the questions are provided below.

1. What is the name of your entity and are you an "eligible entity" as defined in Section 43-4-1202(7.3), C.R.S.?
2. Does the eligible entity intend to respond to the SB 230 Formula Program NOFA for Fiscal Year 2026 (i.e., for program funding associated with July 1, 2025 to June 30, 2026)?





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3. If “yes” to question 2, will the eligible entity be submitting for the “Full NOFA” or “Deferred NOFA” program option (see description below)?

Responses should be provided by June 20, 2025. Please direct any questions about the request for LOI to this same email address.

### Key Information about this request for LOIs

- **NOFA** – CTE is still in the process of drafting the final NOFA for the SB 230 Formula Program. CTE currently anticipates releasing the NOFA on or around June 30, 2025. The NOFA will be open for at least 60 days after its release, with a current anticipated closing date on or about August 29, 2025. The primary purpose of the NOFA will be to determine which eligible entities qualify for SB230 Formula Program participation.
- **Program Eligibility** – Only eligible entities may qualify for the aforementioned programs. An “eligible entity” means a local government, local or regional transit district, regional transportation authority serving one or more counties, or nonprofit organization that provides “public transit,” which the CTE Board has defined as “Open Door” transit. Note: An eligible entity’s response to this request for an LOI in no way guarantees an eligible entity will be deemed qualified and ultimately receive funding.
- **Full vs. Deferred COA Approach** – Based on input the CTE received through the SB230 Formula Program Town Halls conducted in April 2025, CTE is aware that some eligible entities may not be ready to develop and submit their most recent comprehensive operational analysis (“COA”) as described in Section 43-4-1024(3)(c)(I), C.R.S. to the CTE board prior to the NOFA closing date. To accommodate this possibility, an eligible entity may elect the “Deferred COA” approach, whereby it responds to the NOFA, without a COA, to establish general program qualification. If the eligible entity’s response satisfies all other non-COA requirements, CTE will determine and inform the eligible entity of its FY 26 formula apportionment and hold the amount aside until the eligible entity can submit an acceptable COA and move forward with a grant award. Eligible entities that are able to develop and submit an acceptable COA with their NOFA response, if deemed qualified, will move directly to award consideration (Full COA Approach).

