



COLORADO

Department of Transportation

Clean Transit Enterprise: SB 230 Formula Program NOFA

CASTA Spring Conference, May 9, 2025



Today's Agenda

- Key Definitions
- NOFA Overview & Purpose
- Program Eligibility & Structure
- Program Formula & Funding Availability
- Letter of Intent Requirement/Matching Relief Request
- Full Comprehensive Operational Analysis (COA) Approach
- Deferred COA Approach
- Data/Information Requests
- Local Zoning & Planning Evaluation
- Submission, Award Announcement, and Contracting





Key Definitions

- **Formula Program** - Created by SB24-230 to provide annual operating and other support to transit agencies to help offset GHG emissions from oil & gas production
- **SB230 Apportionment Formula** - The mechanism for allocating funding to transit agencies based on the 6 factors proscribed in the law
- **Comprehensive Operational Analysis (COA)** - A statutorily required plan that identifies how agencies will spend SB230 funds and the benefits that anticipate
- **Match Requirement** - The percent of local funding need to match formula funds
- **Open Door vs. Closed Door Transit** -



CAVEAT!

*The CTE and board are working as quickly as possible to stand up the SB230 formula program before funding becomes available. As such, the information presented today is **still in draft/conceptual stage** - our anticipated implementation process is subject to change and we welcome your input as we finalize policies and approach!*



NOFA Overview & Purpose

- “Release” by June & Open for 60 Days
- Review submission on a rolling basis — first in/first out rule?
- Working on consultant support contract to help applicants respond to NOFA requirements
- NOFA Purposes:
 - Ensure agencies meet program eligibility requirements
 - Verify agency readiness, establish means for contracting/accountability
 - Validate data to be used in apportionment formula
 - Accommodate agencies with different circumstances and needs





Program Eligibility

- Must provide “Open Door” transit services
- Satisfy standard DTR administrative/institutional capacity requirements
- Submit an acceptable COA or plan to develop a COA (2 approaches)





Eligible Use of Funds

- Focus on activities that increase ridership/mode shift and decrease GHG
- Can include marketing and promotions
- Capital investment OK, but 2-year spending window could create challenges
- Still exploring use for planning and administration





Program Formula

Factors

- Population
- Population Density
- Ridership
- VRM
- Local Zoning/Planning
- Transportation Disadvantaged Communities

Subprograms

1. RTD
2. Larger Agencies
3. Smaller Agencies



Funding Availability

- \$38M in FY 26
- Estimate \$75M - \$80M in FY 27
- Will need to limit quarterly reimbursement levels
- Considering hold back to develop contingency funding





Letter of Intent Requirement

- LOI Requirement
 - Submit a LOI before NOFA release
 - No penalty if decide not to apply
 - Can't apply for FY 26 if no LOI
 - Provide clarity on formula outputs, enable expedited contracts





Local Match Relief

- Local Match Relief
 - Consideration of match relief must be requested with LOI
 - CTE will define matching relief criteria (still in development)
 - Waivers will be for a maximum of 2 years
 - Early request process will help agencies get board/commission approvals and inform agency budgeting





Full COA Approach

- For agencies that already have plans on how to spend SB 230 funds
- Show how funds will be spent & anticipated benefit
- Cover a 5-year horizon, with details first 2 years
- CTE will provide anticipated grant range (+/-10%)





Full COA Approach Cont.

- Spending categories
 - Marketing & promotions
 - Expansion - new routes, route extension, increased frequency/hours
 - Other strategies to increase ridership
- Required information
 - Improvement description, expected costs, timeline
 - Complimentary activities and funding sources (e.g., bus purchases)
 - Anticipated benefits (e.g, x% increase in ridership and/or VRM)



Deferred Funding COA Approach

- For agencies who need time to develop plans for spending SB 230 funds
- Applicants respond to all other NOFA requirements to establish program eligibility
- Applicants deemed eligible notified of FY26 deferred grant amount
- Grant awarded/contracted once agency submits acceptable COA
- Agencies must have approved COA by June 2026 or lose deferred grant
- CTE will provide consultant support, but agencies free to use own approach





Deferred Funding COA Approach Cont.

- Benefits:
 - Takes pressure off agencies to quickly develop COAs
 - 2-year spending window doesn't start until agencies are ready
 - Allows agencies to focus spending SB230 funding on actions that reduce GHG





Data/Information Requests

- Local Zoning & Planning Assessment
 - NOFA will include questionnaire
- Baseline Information (2022-2024)
 - Spending Levels - Operations and capital
 - Funding Sources - Federal, state, local
 - Service Data - Passenger trips, VRM, RSH(?), average headways
- Formula Data Validation
 - Generally using FY23 NTD data
 - Agencies can review data and request revisions





Submission, Award & Contracting

- **Submission**
 - Will likely use COTRAMs for submission, may require supplemental submission via email
 - CTE will be available to support
- **Grant Award**
 - Will announce eligibility on a rolling basis
 - Final grant “numbers” may not be available until Fall
- **Contracting**
 - Will use COTRAMs to develop and administer FY 26 grants (FY 27 - ?)
 - Still working on contract template and process





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Thank You

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