



**Department of Transportation** 

# Clean Transit Enterprise: SB 230 Formula Program NOFA



## 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 identities 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 -



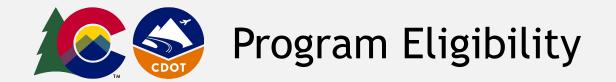
The CTE and board are working as quickly as possible to stand up the SB230 formula program before funding becomes available. As such, the information presented today is **still in draft/conceptual stage** - our anticipated implementation process is subject to change and we welcome your input as we finalize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



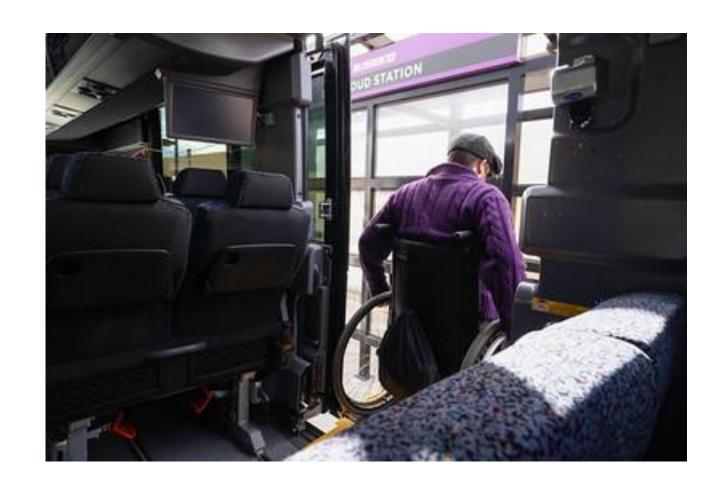
### NOFA Overview & Purpose

- "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



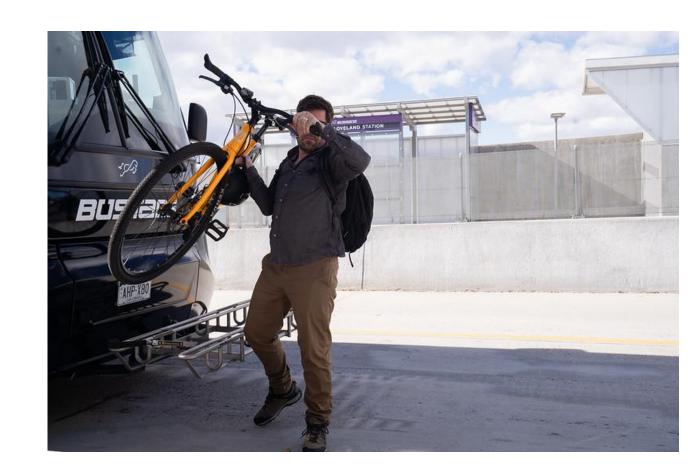


- Must provide "Open Door" transit services
- Satisfy standard DTR administrative/institutional capacity requirements
- Submit an acceptable COA or plan to develop a COA (2 approaches)





- 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





#### **Factors**

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

#### Subprograms

- 1. RTD
- 2. Larger Agencies
- 3. Smaller Agencies



- \$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

- 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

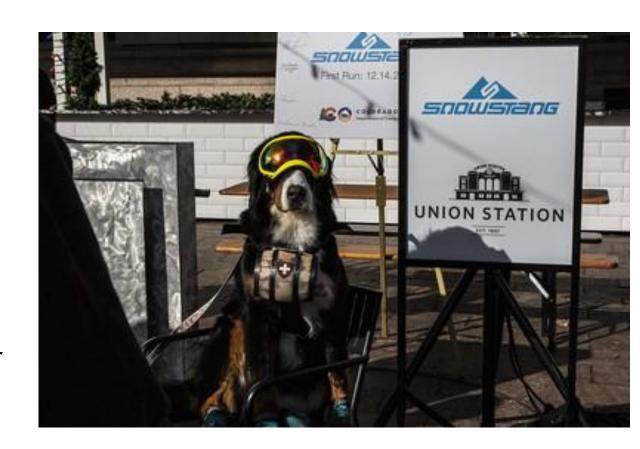




### Submission, Award & Contracting

#### 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





#### Thank You

• For questions or comments, please contact:

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