

SB 230 Formula Program NOFA - FAQs

#	Question	Answer
1	How much flexibility is there in the COA? If an agency initially pursues one expansion strategy outlined in the COA but later wishes to pivot to a different approach, is that allowed?	<p>The level of flexibility varies by fiscal year:</p> <ul style="list-style-type: none">• FY26: The COA is relatively fixed. CDOT requires a defined scope of work that will be incorporated into the grant agreement, leaving limited room for adjustments.• FY27: There is moderate flexibility. If the agency's scope of work does not change, the CTE can use an "options letter" to approve FY27 funding. If significant changes to the scope are needed, a formal amendment to the agreement would be required.• FY28 and beyond: The COA requirements are more general and more flexible at this point – we are looking for what your longer term vision is for SB230 program funding use. CTE currently anticipates conducting a new NOFA for the program for FY28 that will require an updated 5-year vision and an updated scope of work for FY28, FY29, and potentially additional years.
2	What are the funding estimates for my agency?	Please send an email to CDOT_cleantransitenterprise@state.co.us requesting apportionment estimates.
3	Can SB230 Formula Program funds be used as a replacement for funding sources that are going away to maintain these services (e.g., end of Ozone Season Transit Grants), or used to supplement sources that can no longer cover eligible operating expenses?	<p>The CTE board recognizes some entities are facing financial challenges that place existing services at risk of reduction or discontinuation. While the CTE has a strong interest in helping to prevent service reductions, it also wants to avoid doing anything to encourage entities to reduce their local contributions to providing transit services. Given this, the board has expanded program eligibility to include:</p> <ol style="list-style-type: none">1. Operating costs to maintain services that would be reduced/eliminated because the eligible entity is losing access to non-local funding (e.g., loss of MMOF funds);2. Operating costs to maintain services that would be reduced/eliminated because an eligible entity's operating costs are growing faster than their local funding sources (local revenue contributions are either maintained or growing). <p>An entity will not be deemed eligible for SB230 formula program if it is reducing or eliminating service because of reduced and/or declining local funding contributions.</p>

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4	Can contracted transit services be funded?	Yes. Contracted services that meet the definition of eligible operating expenses can be funded.
5	Who should the application materials be addressed to (e.g. letters of support)?	Craig Secrest, Director of CTE.
6	Will submitting the application early improve chances of early grant decisions?	Yes. Early, complete submissions will be reviewed and may improve chances of early grant decisions.
7	Is pre-award spending allowed (e.g. ordering buses early) and can any costs be reimbursed retroactively?	Most likely, no. Pre-award approval for state-funded projects is generally not currently permitted by the State Controller and we do not think will be a possibility for FY26. We are currently exploring whether pre-award authority for rolling stock purchases could be an option in future years. Similarly, costs incurred prior to grant contract execution can not be reimbursed (no retroactivity).
8	Are reimbursements allowed for services starting before January 2026?	Most likely not. Reimbursements will apply only to expenses incurred after contracts are executed, which will not likely be before January 1, 2026.
9	Can minor route expansion (e.g., one or two stops) qualify for reimbursement? If so, can SB230 funds be used to cover associated infrastructure costs (e.g., bus stop development)	Yes, SB230 formula program funds can be used for route expansion, however, entities will need to isolate net new costs associated with expansion. Infrastructure costs associated with the new stops are not eligible for reimbursement under the FY26 program, but agencies may request local match relief in return for covering these costs with local funding.
10	What happens if local funding is cut in future years (2027-2029)?	CTE intends for SB230 to be a supplemental funding source, not a substitute for local funding, so cuts in local transit funding could risk losing eligibility.

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11	What is the required local match?	A 20% local match is the baseline requirement for the program, however, agencies can request local match rate based, which CTE will determine based on the same formula used for MMOF (Multimodal Options Fund), which assesses local fiscal capacity. The CTE will also consider other agency justifications for local match relief, such as the level of local expenditure on supporting activities such as facilities construction and promotions. Reach out to CDOT_cleantransitenterprise@state.co.us if you have any questions regarding your specific local match.
12	How does SB230 interact with federal funding (e.g. 5311)?	There is currently no formal linkage between federal and state funds. In the future, programs such as 5311 allocation formulae may consider SB230 funding. Coordination across programs is a forthcoming task for CDOT.
13	Can SB230 funds be used for administrative or marketing costs?	No, not at this time. The CTE Board has provided guidance that only operations and vehicle-related capital costs are currently eligible under the program for FY26.
14	What is the purpose of the 5-year vision vs. 2-year scope of work in the COA?	The overall purpose of the COA is to document how an agency plans to use SB 230 Formula Program funds to increase transit services, expand ridership, and reduce GHG emissions. This includes: <ul style="list-style-type: none"> • 5-year Vision: Outlines the full buildout of service expansion plans; in particular, we want to see how the availability of service and the use of funds is expected to evolve over the first five years of the program. • 2-year scope: Provides a detailed, contract-ready scope of work for FYs 26 and 27.
15	Is there specific language that entities should include in letters of support	Letters should identify any applicable approval and financial support from an entity's governing body. We would also like to see something about committing to maintaining increased services levels into the foreseeable future.
16	Is it critical for agencies to provide data on estimated increases in unlinked passenger trips (UPT) in their NOFA response? What if this data isn't currently available?	The CTE recognizes that providing UPT estimates may be a challenge for some entities to provide. Not providing it will not render an agency ineligible. We simply ask that entities try their best to provide estimates (even if rough) and provide an explanation if not possible.

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17	Can an agency use SB230 to purchase Low/No transit vehicles? If so, do agencies need to have a zero-emission fleet transition plan in place for these costs to be eligible?	Yes, Low/No vehicle purchases are eligible and are, in fact, encouraged. No plan is required for a “Low” emission vehicle; a plan is required for a zero-emission vehicle.
18	Will unawarded/unused FY26 funding be redistributed through a second round of grant awards or amendments?	No, not in FY26. Subject to CTE Board decision, any unawarded/unused FY26 funds will either be rolled into the amount apportioned in FY27, or used to build a program contingency fund.
19	Is the COA something that is standard for all grants moving forward?	No, the COA is a specific statutory requirement for the SB230 Formula Program. It is important to note that the term “Comprehensive Operational Analysis “ is also an industry term that has specific connotations that differ from what is required for the NOFA response. Also, requirements for an SB230 Formula Program COA are likely to evolve and change in future years as we learn more about how to administer the program. Agencies should contact Craig Secrest, CTE director with specific questions about COA content requirements.
20	Do vehicles purchased using SB230 funds need to comply with “Buy America” requirements?	No, Buy America is a federal-specific requirement; since SB230 is state only funding this requirement is not applicable.
21	Can SB 230 funds be used to provide or expand demand response services?	Yes, at least for FY26, we are considering on demand services eligible for program funding. However, please keep in mind that the program's primary goal is GHG reduction. You need to show that your planned spending is leading to increased ridership and mode shift, not just increased transit service.
23	Should an entity submit multiple COAs if it has multiple projects, or submit one consolidated response?	Entities should only submit one, consolidated NOFA. Word limitations for narrative responses can be exceeded if needed to cover multiple projects.

