

DEPARTMENT OF TRANSPORTATION
Division of Transportation Development
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MEMORANDUM

TO: STAC

FROM: Debra Perkins-Smith, Director, Division of Transportation Development

DATE: December 5, 2013

RE: CMAQ Distribution Formula

In November, the STAC elected not to take action on the STAC subcommittee recommendation for the formula for distribution of CMAQ funds, preferring to defer action until December so that additional information could be provided to support discussion. Additional information on the previous and recommended CMAQ distribution formulas appears below and in the attached. Questions were also raised regarding the status of maintenance areas and how long an area should continue to receive CMAQ funding after reaching attainment. Additional information on maintenance areas is included below.

The Colorado Energy Office (CEO) statewide CNG program proposal for use of CMAQ funds was discussed at the STAC meeting and at the Transportation Commission workshop in November. STAC recommended funding this program, with a request that CEO establish an advisory committee. The DRCOG Board requested of CEO that they consider some recommendations for the program that CEO felt they could address including potential funding of some EV stations and vehicles where appropriate. Direction was provided by the Commission to prepare a resolution for adoption in December for the allocation of \$30 million of CMAQ funds over four years, from 2014-2017, to support the CEO statewide CNG program for stations and purchase of vehicles.

Background:

The CMAQ program is continued under MAP-21 to provide a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas).

The most recent CMAQ distribution formula was adopted by the Transportation Commission in 2010. Resolution TC-1832, concerning the CMAQ Distribution Formula for FY2012 through FY2017 to support the STIP development, was approved on February 18, 2010. The CMAQ formula adopted for Program Distribution for the Plan will be the basis for the next STIP beginning in 2016. TC-1832 outlined the following distribution methodology:

- CMAQ funds are allocated based on specific pollutants (Ozone, Carbon Monoxide (CO), and

Particulate Matter (PM-10)); with 80% of the total federal CMAQ funds directed to Ozone, 15% to CO, and 5% to PM-10.

- Ozone and CO funds are allocated based on a 50% population/50% VMT formula (on and off-system NHS VMT).
- PM-10 funds are divided evenly between urban recipients (DRCOG) and rural recipients (Canon City (Region 2), Aspen/Pitkin County (Region 3), Steamboat Springs/Routt County (Region 3), Telluride/Mountain Village (Region 5), Pagosa Springs (Region 5)). The minimum threshold of annual funding to each rural PM-10 recipient is \$200,000.
- The resolution includes a reserve for the purpose of accommodating new non-attainment areas. If no new non-attainment areas are designated, reserve funds will be distributed to existing non-attainment and maintenance areas per the formula.

Potential Formulas:

The STAC Subcommittee on Program Distribution sought to develop formula distribution methods that were:

- Transparent,
- Simple,
- Related to the program, and
- Reproducible.

The Subcommittee proposed a simplified CMAQ distribution formula that retained the pollutant weightings of the previous formula but that based the Ozone and CO distribution to recipients on population as opposed to both population and VMT. The rationale for the change, as discussed, was based on two key points. First, CMAQ funds come to the State on the basis of the population of areas in air quality non-attainment or maintenance, not VMT. Second, a subset of VMT (NHS VMT) as opposed to total VMT (which is not available) is not a good proxy for emissions. At the November STAC meeting, however, concern was raised that population by itself underrepresents areas that may have low population but substantial VMT.

The attached table summarizes the results of the proposed formula and of the previous formula. A third column shows the previous formula if updated with the Enhanced NHS system VMT data. That calculation includes some VMT that was not captured in the previous formula developed before MAP-21 and the Enhanced NHS. Totals for on-system and off-system NHS within the AQ boundary area are summarized in the table below.

Area	On-System NHS Lane Miles		Off-System NHS Lane Miles	
	2011	2013	2011	2013
DRCOG Ozone/CO Area	2,645	3,289	423	1,228
NFR Ozone/CO Area	390	500	-	-
PPACG CO Area	475	566	147	675
UFR TPR Ozone Area	417	585	-	-
TOTAL	3,927	4,940	571	1,903

Maintenance Areas:

There is no federal distinction between non-attainment and maintenance areas in terms of the CMAQ funds that come to Colorado. Non-attainment and maintenance areas are both eligible recipients. The

80%/15%/5% weightings identified in the CMAQ Resolution reflect a desire to put more emphasis on Ozone areas, which are in non-attainment, as opposed to CO and PM-10 areas, which are in attainment/maintenance status.

- Ozone Non-Attainment Areas: The Denver Metro Area, North Front Range and Upper Front Range areas are non-attainment areas for ozone.
- CO Attainment/Maintenance Areas: Greeley, Longmont, El Paso, Denver and Ft. Collins are former nonattainment areas for CO. These areas reached attainment levels for CO in 1999-2003 and have CO maintenance plans in place. Their respective maintenance plans must demonstrate conformity with the CO air quality standard for a period of 20 years (2019-2023).
- PM-10 Attainment/Maintenance Areas: Canon City, Telluride, Steamboat Springs, Pagosa Springs, Aspen, and Denver are former non-attainment areas for PM-10. These areas reached attainment for PM-10 in 2000-2002 and have PM-10 maintenance plans in place. Their respective maintenance plans must demonstrate conformity with the PM-10 air quality standard for a period of 20 years (2020-2023).

Based on the above, the earliest date at which an area currently in maintenance will cease to be in maintenance is 2019. At this time no maintenance areas - in Colorado or any other states - have reached the end of the 20-year maintenance period. It is unclear at this time what the process will be for formally verifying or designating the end of maintenance status for a given area. It is CDOT practice not to add or delete areas from the CMAQ eligible recipient list until a formal designation is made. We expect such a designation would be issued by EPA but we are unclear on the timing or process that would remove an area from maintenance status, at which time they would no longer be eligible for CMAQ funds. Therefore, we will proceed with the areas currently designated for purposes of Program Distribution for the Plan, and will revisit the matter either as part of the next Plan update cycle or sooner if official changes occur.

Action Requested:

STAC recommendation on the CMAQ distribution formula, including whether CO and Ozone funds should be distributed based on population or on a combination of population and VMT.