

Transportation Advisory Committee

Meeting date: July 27, 2026

Agenda Item #: 8 (Attachment F)

2029-2032 Transportation Improvement Program Development Process

Agenda item type: Informational briefing

Summary

Continued discussion on the Transportation Improvement Program, or TIP, development process for the new Fiscal Years 2029-2032 TIP.

Background

Staff has outlined the next topic for discussion in developing the Fiscal Years 2029-2033 TIP, the use of state Multimodal Transportation and Mitigation Options Fund, or MMOF funding.

MMOF funding in the TIP process

In 2021, Senate Bill 260 introduced an annual state funding source to all Transportation Planning Regions, or TPRs, in the state to fund multimodal projects, including transit, Transportation Demand Management, or TDM, bicycle and pedestrian, and multimodal studies, among others. The funds require a match of 50% from any federal, state or local source, and include a program to reduce or eliminate the minimum match for certain local governments based on a formula of economic indicators. The formula for allocating the funds to TPRs uses a combination of 11 criteria representing various populations, transit ridership and other factors. DRCOG's annual allocation has been approximately \$8-11 million per year (except for a larger front-loaded allocation in Fiscal Years 2022 and 2023) and represents approximately 58% of the statewide total available.

Due to the requirements of the funding program, including eligibility and match, in the calls to develop the Fiscal Years 2022-2025 and 2024-2027 TIPs, the MMOF funds were added to the total funds available to program and applicants were allowed to combine MMOF funds with federal funds to reduce the total project match minimum to 10%. The TIP policy also instructed the calls to be conducted in two parallel tracks; one for air quality/multimodal projects using MMOF funds and other specific federal funding sources, and another for other projects using only federal Surface Transportation Block Grant funding. The purpose of splitting the calls into two parallel tracks was so similar project types or outcomes were aligned to better utilize the 10% match situations.

Recent funding reductions

In both 2025 and 2026, the state legislature rescinded a portion of the MMOF funds statewide to assist in balancing the overall state budget. The summary below outlines those impacts to DRCOG.

- In 2025, DRCOG saw an overall reduction of about \$29 million in funds over Fiscal Years 2025-2027. With the state transitioning the program to a cash management



program approach and the ability for TPRs to borrow against future revenue, DRCOG saw two major adjustments:

- A loss of funds to program in both Fiscal Years 2028 and 2029.
- A reduction of \$4.9 million to currently programed projects through Fiscal Year 2027. Through selective funding type transfers and voluntary scope reductions or eliminations, DRCOG did not need to involuntarily reduce or eliminate MMOF funding to currently programmed projects.
- In 2026, the state legislature reduced the total statewide MMOF program by approximately 37% to assist in balancing the state budget for a second year. This reduction included both a statewide elimination of 48% in Fiscal Years 2027-2029 funding and a reduction of 18% in future year funding for Fiscal Year 2030 and beyond. The overall reduction to DRCOG was approximately \$14.1 million and impacted our program by further eliminating Fiscal Year 2030 funds to program, in addition to reducing the projected Fiscal Year 2031 funding.

In total, the two recent reductions affected the DRCOG program by eliminating future Fiscal Years 2028-2030 funds to program and cut projected Fiscal Year 2031 funds by 40%.

Anticipated programming results

As a result of the funding cuts and future program uncertainty, DRCOG staff is anticipating the following:

1. The Fiscal Year 2029-2032 TIP will not program MMOF funding as part of the upcoming calls for projects beginning in 2027. In the future, if the funding program becomes more reliable, the Fiscal Year 2031 and beyond MMOF funds can be programmed through a special call for projects.
2. Due to removing the MMOF funds from the upcoming call for projects, the need to use tracks in those calls for projects is eliminated.

Action by others

None.

Previous discussion/action

- [January 26, 2026](#) – Transportation Advisory Committee.
- [February 12, 2026](#) – TIP Subcommittee.
- [February 23, 2026](#) – Transportation Advisory Committee.
- [March 12, 2026](#) – TIP Subcommittee.
- [March 23, 2026](#) – Transportation Advisory Committee.
- [April 20, 2026](#) – Transportation Advisory Committee.
- [May 18, 2026](#) – Transportation Advisory Committee.

Recommendation

None.

Attachment(s)

Staff Presentation.



For more information

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