

## **Interim Toll Credits Usage Policy - Frequently Asked Questions (FAQs)**

### **1. What is the reason for providing MPOs with the Toll Credits (TC) allocations?**

Since the inception of the TC policy in 2013, Caltrans has never imposed caps on Metropolitan Planning Organizations (MPOs) or individual programs. Remaining balance of TC for the local projects is \$390M. At this point, without any controls in place, we are at risk of exceeding the remaining balance.

### **2. What is the basis of \$130M annual cap for the TC allocations for the Division of Local Assistance (DLA) programs and how the TCs are distributed to the MPOs?**

The \$130M annual TC cap is based on the remaining TC balance and based on the average of TCs usage for the Federal Fiscal Years (FFYs) 2021 through 2025 per year.

### **3. Who is eligible to receive TC?**

All MPOs will receive the TC allocation for the FFYs 2026 – 2028.

### **4. What about the use of TCs on our Overall Work Plan (OWP)?**

The Interim Toll Credit Use Policy Memorandum does not apply to the Toll Credits managed by the Caltrans Division of Transportation Planning (DOTP). TCs may still be used on OWPs and guidance to MPOs will be provided by DOTP.

### **5. What are the expectations from the MPOs?**

We are requesting MPOs review their current toll credit usage and Federal Transportation Improvement Program (FTIP) programming for the FFYs 2026 through 2028 and ensure that TC are programmed for regional projects within these allocation limits. We also expect MPOs to provide Caltrans with updated TC programmed information each quarter for the FFY 2026.

### **6. Are the TC allocations new funds coming to California?**

No. TCs do not generate additional revenues or apportionments. TC allocations is needed to maximize the usage of the current TCs balance till

the state receives additional allocation from the Federal Highway Administration (FHWA).

**7. What are deadlines to program and obligate TC?**

The TC allocation is for the FFYs 2026 through 2028. MPOs may choose to program the TCs allocated for the region for these FFYs. MPOs have flexibility in programming TCs and may choose to program TC in any of the noted FFYs as long as the cumulative programming is within the allocation limits for the regions.

**8. Could a region exchange its share of TC allocation with another region?**

Yes, regions may exchange their share of TC allocations with other regions. Please work with the Division of Local Assistance (DLA), Office of Project Management Oversight (OPMO).

**9. What is the process to request FHWA for additional TCs and how long will it likely take?**

Caltrans is currently validating toll facility revenues and toll revenue capital expenditures. Once this revenue and expenditure validation is completed, the "Maintenance of Effort" will be evaluated and submitted to FHWA for review and approval. The FHWA California Division Administrator will then determine whether toll credits have been approved. Caltrans is actively working on this effort but until financial records are transmitted to FHWA we may not be able to provide timeline. Negotiations over data validation, confirmation, and acceptance by FHWA will form the final TC agreement approval.

**10. What is the approval process for using TC for rural non MPO region?**

All rural non MPO counties collectively receive the TC allocation rather than receiving individual TC allocations for each county. This collective approach, as opposed to breaking out by individual counties, benefits these rural counties by avoiding the need to prepare TC loan agreements with other regions to amass enough TC to meet the needs of a particular project. Rural non MPO counties to reach out to Caltrans Division of Financial Programming, Office of Federal Programming and Data Management for the TC approval and Federal Statewide Transportation Improvement Program (FSTIP) programming requests.