



What is the purpose of this Fact Sheet?

The Colorado Department of Transportation will offer financial flexibility to local governments that are looking to continue key transportation projects in a more difficult budget outlook. CDOT is able to provide this relief by using its balance of toll credits with the U.S. Federal Highway Administration (FHWA).

What are Toll Credits?

CDOT is able to provide some relief by using its balance of “toll credits” with the Federal Highway Administration (FHWA). Toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues earned on existing toll facilities. Toll credits act as a “soft match” and are not “real dollars,” but rather a tool which State DOTs can utilize to reduce or eliminate requirements for non-federal matching funds. Note: Increasing federal share in projects come from existing resources and are not additional federal apportionments or obligation authority to the state.

How can Toll Credits be applied to a Project?

For projects selected through Metropolitan Planning Organization (MPO) processes, requests for match relief should be made through the MPO and then submitted to CDOT. Requests for projects not in an MPO should be made through the appropriate CDOT Region Office, or in the case of federal transit (FTA) projects, through the CDOT Division of Transit and Rail.

There are 2 scenarios where toll credits may be used to assist:

1. If the scope of the project can be reduced, the project can proceed with no local match and 100% federal funding. Example, a \$100,000 project is reduced in scope to \$80,000 and eliminate the match element.
2. If additional federal funding can be identified and programmed within the TIP and STIP a project can proceed with no local match and 100% federal funding. Example, a \$100,000 project is kept at \$100,000 by procuring additional federal funds being sourced (from existing available funding) to replace the diminished local contribution, thus eliminating the match.

Key Points

- For existing project awards
- Determined on case by case basis
- In response to permanent reduction of local revenue
- May require a reduction of scope equal to lost local contribution
- Eliminates required match, but NOT a cash replacement
- IGA revisions may be required due to scope reduction and change in reimbursement terms

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Scenarios

Below are a few examples of how Toll Credits can be used on a project. In some cases it may be necessary to identify other available resources including federal funds.

REDUCED TOTAL COST - NO LOCAL OVERMATCH					What does this mean?	REDUCED TOTAL COST - LOCAL OVERMATCH					What does this mean?
Fund Type	Original Cost	Original Rates	Revised Project Cost	Revised Rates	Your project must reduce scope by the amount of the local match to fit in the revised budget.		Original Cost	Original Rates	Revised Project Cost	Revised Rates	Your project must reduce scope by the amount of both the local match AND the local overmatch to fit in the revised budget.
Federal	\$80,000	80%	\$80,000	100%		Federal	\$80,000	80%	\$80,000	100%	
Local "Match"	\$20,000	20%	\$0	0%		Local "Match"	\$20,000	20%	\$0	0%	
Local "Over Match"	\$0	N/A	\$0	N/A		Local "Over Match"	\$100,000	N/A	\$0	N/A	
Total Cost	\$100,000	100%	\$80,000	100%		Total Cost	\$200,000	100%	\$80,000	100%	
NO CHANGE TO TOTAL COST - NO LOCAL OVERMATCH					What does this mean?	NO CHANGE TO TOTAL COST - LOCAL OVERMATCH					What does this mean?
	Original Cost	Original Rates	Revised Project Cost	Revised Rates	You must secure additional federal resources in the amount of the lost match and program them in the STIP. These funds may be available currently as unprogrammed dollars or may require the cancellation or reduction of other projects.		Original Cost	Original Rates	Revised Project Cost	Revised Rates	You must secure additional federal resources in the amount of the lost match AND the local overmatch and program them in the STIP. These funds may be available currently as unprogrammed dollars or may require the cancellation or reduction of other projects.
Federal	\$80,000	80%	\$100,000	100%		Federal	\$80,000	80%	\$200,000	100%	
Local "Match"	\$20,000	20%	\$0	0%		Local "Match"	\$20,000	20%	\$0	0%	
Local "Over Match"	\$0	0%	\$0			Local "Over Match"	\$100,000	N/A	\$0	N/A	
Total Cost	\$100,000	100%	\$100,000	100%		Total Cost	\$200,000	100%	\$200,000	100%	