

Michigan Department of Transportation

Legislative Reporting Requirement

Toll Credit Report

Public Act 87 of 2021, Section 386 - On or before May 1 of each year, the department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on its toll credit program. The report shall include the following information:

(a) The amount of toll credits earned and certified by the FHWA in the prior fiscal year. **The calculation of toll credits earned is always a year behind due to the Maintenance of Effort calculation. For FY20 MDOT earned \$18,754,906.79 that was certified by the Federal Highway Administration.**

(b) The value of toll credits used by programs and projects in the previous fiscal year. **The value of toll credits used/obligated is \$7,841,569.13**

(c) The balance of available toll credits at the end of the prior fiscal year. **The current balance is \$128,402,028.35.**

(d) A discussion of the department's strategy for using toll credits. **MDOT utilizes toll credits for the Safe Routes to School program to cover the local match. Historically, the Safe Routes to School program was 100% Federally funded. A local match of these funds is now required, so MDOT uses toll credits to reduce the impact to the locals. Additionally, FHWA has an in-kind match program that allows MDOT to accrue credits for Canada's expenditures on the Gordie Howe Bridge. These credits function similarly to toll credits and are required to be expended by 2027, so utilizing these is MDOT's current focus. Unlike the in-kind credits, toll credits do not expire. Please note that neither the toll credits, nor the in-kind credits provide MDOT with additional Federal funding, rather they allow us to make a project 100% federally funded, utilizing our Federal obligation authority. MDOT plans to use additional toll credits in the future to free up and leverage state funding.**