

# Revenue Sharing Program Guidelines

2023



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VDOT GOVERNANCE DOCUMENT

VIRGINIA DEPARTMENT OF TRANSPORTATION  
LOCAL ASSISTANCE DIVISION

## REVENUE SHARING PROGRAM GUIDELINES

This ~~revised~~ document provides a comprehensive summary of the Revenue Sharing Program as established by the *Code of Virginia* and as governed by the policies of the Commonwealth Transportation Board (CTB). It is intended to serve as a reference for local jurisdictions and VDOT staff in preparation and disposition of applications for program funding guidance.

This document defines eligible projects, summarizes funding limitations, and describes the roles of the parties involved in the application and approval process. The appendices in this publication include the enabling legislation, the Commonwealth Transportation Board's policy, associated forms, and procedural information for the convenience of the user.

The [Locally Administered Projects Manual](#) (LAP) provides guidance on project administration for all locally administered projects. [-is the primary source for guidance regarding project development, and should be the primary reference for any locality administering revenue sharing funded projects.](#) The provisions applicable to state funded projects are noted throughout the LAP Manual. Projects funded solely with Revenue Sharing funds do have specific streamlining opportunities as highlighted in Chapter 5 of the LAP Manual.

These guidelines reflect policy approved by the Commonwealth Transportation Board (CTB) and are modified only by an affirmative vote from the CTB. Occasionally modifications to these Guidelines may be necessary to adjust for changes in Departmental procedures. Where those modifications fully comport with Virginia Code and CTB Policy, they may be made administratively without further approval of the CTB. The CTB will be advised of any administrative updates.

All previous instructions regarding administrative procedures for revenue sharing projects are hereby superseded.

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Under Review on Town Hall

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## I. Definitions

The following words and terms, when used in this document, shall have the following meanings, unless the context clearly indicates otherwise.

Deficit refers to an existing negative balance on a project in VDOT's Six-Year Improvement Program where the current estimate exceeds allocations to the project. – It does not refer to replacement of local funds committed by the locality after a project has been awarded allocations.

**Eligible Project** means work including construction, reconstruction, improvement, or maintenance and eligible street additions for which Revenue Sharing Program funds are available. Work must be on roadways that are currently maintained by VDOT or on roadways that are currently maintained by a locality and for which the locality is receiving maintenance payments from VDOT or roads meeting new road or rural addition qualification. For funding purposes, a single construction project is defined as a project with termini that are both logical and independent. Projects cannot be segmented in order to qualify for additional Revenue Sharing allocations. Multiple, similar scope project activities performed across a locality, commonly referred to as City/Town/County-wide projects, are eligible projects, subject to the limitations outlined in Section V., Application for Funds.

- **Construction Projects** are those projects that change or add to the characteristics of a road, facility or structure to provide a new or significantly modified transportation facility.
- **Reconstruction Projects** are those projects that completely replace an existing facility or significantly improve the functionality of an existing facility. (Examples: replacement through the sub-base of a pavement structure, complete replacement of bridge, or widening a road or bridge).
- **Improvement Projects** are those projects that facilitate or control traffic or pedestrian flow, such as intersection improvements, turn lanes, channelization of traffic, traffic signalization and installation of new sidewalks, upgrading sidewalks to meet ADA standards, trails, curb & gutter, any new installation that will enhance traffic flow or safety, or projects that alleviate roadway drainage issues (replacement or repair of existing drainage assets is considered maintenance).
- **Maintenance Projects** are those projects that involve work in preserving or restoring the roadway facility, sidewalk, or structure to its original condition as nearly as possible. This includes the removal and replacement of a pavement course or a sidewalk.

**Local VDOT Manager** is typically the VDOT District employee responsible for the administration of the Revenue Sharing Program for that locality. Unless otherwise indicated, the local VDOT Manager for counties is usually the Residency Administrator and for urban localities it is the urban liaison in the VDOT District office. The District Administrator will designate the employee responsible if different from above.

**Locality Capital Plan** means any plan utilized by the locality that identifies, prioritizes or allocates funding for specific eligible projects in that locality. For locality-wide projects, specific locations must be identified in the Capital Plan to be eligible Revenue Sharing Projects.

**Matching Allocations** means funds provided by the Commonwealth which are allocated to eligible items of work in participating localities to supplement, on a dollar-for-dollar basis to match the locality's contribution for eligible projects, within the limits established by the CTB.

**Maintenance Needs Analysis** means a systematic approach of identifying maintenance needs based on an asset management approach. Condition assessment reviews are conducted on pavements and bridges maintained by VDOT on a regular basis based on established guidelines to determine when those assets are deficient and potentially in need of some corrective action.

**Maintenance Performance Target** means a desired level of performance for a set of assets (such as pavements and bridges) within the infrastructure network, as established and defined by VDOT. The target is usually expressed as a portion or percentage of the infrastructure network which meets or exceeds a threshold or benchmark rating. Only assets falling below the benchmark rating (target) for bridges and pavements will be considered eligible for priority maintenance projects.

**Project Completion, for the purpose of these guidelines, is defined as the date of VDOT acceptance of the project and is generally designated by the C-5 signed by the locality and VDOT. The C-5 is the official document VDOT uses to certify the project is complete.**

**Revenue Sharing Program Fund** means the designation given to the fund used to finance the specially funded program. Projects are proposed by the local government in coordination with the Department of Transportation and must be approved by the Commonwealth Transportation Board.

**Rural Addition** means any subdivision street used as such by the date established under § 33.2-335 of the *Code of Virginia* and eligible for addition into the secondary system by resolution of the County Board of Supervisors.

**Six-Year Improvement Plan** means either the Six-Year Improvement Program for Interstate, Primary, and Urban Systems, developed by VDOT and the Commonwealth Transportation Board; or the Secondary Six-Year Plan, the official listing of improvements to be constructed on the secondary system, which is developed jointly by the Virginia Department of Transportation (VDOT) and the county governments (§ 33.2-332 of the *Code of Virginia*).

**State Transportation Plan** means the comprehensive review of statewide transportation needs as adopted and updated by the Commonwealth Transportation Board in accordance with § 33.2-353 of the *Code of Virginia*, commonly known as VTRANS.

## II. Purpose

The “Revenue Sharing Program” provides additional funding for use by a county, city, or town to construct, reconstruct, improve or maintain the highway systems within such county, city, or town and for eligible rural additions in certain counties of the Commonwealth. Locality funds are matched, dollar for dollar, with state funds, with statutory and Commonwealth Transportation Board Policy limitations on the amount of state funds authorized per locality.

The program is administered by the Department of Transportation, in cooperation with the participating localities, under the authority of § 33.2-357 of the *Code of Virginia* ([Appendix A](#)) and the Commonwealth Transportation Board’s Revenue Sharing Program Policy ([Appendix B](#)).

~~Recognizing the legislative intent, history, and the nature of the Revenue Sharing Program, a CTB Revenue Sharing Program Study Committee established by the Secretary of Transportation in 2017, established a statement on the general purpose and priorities of the Revenue Sharing Program and recommendations as guidance when establishing Policy, Guidelines, and administrative procedures. The Study Committee’s guidance, moving forward, is contained in [Appendix C](#) and a summary table of the 2017 policy revisions resulting from the committee’s recommendations is found in [Appendix D](#).~~

An annual allocation of funds for this program is designated by the Commonwealth Transportation Board. Funds are approved by the CTB in even numbered years for a two-year cycle and are typically programmed in fiscal years three and four of the -Six-Year Improvement Program. However, where the project schedule demonstrates a need for earlier programming of allocations, the Department will attempt to adjust the programmed years to accommodate the schedule.

## III. Eligible Work

The Revenue Sharing Program may be used to finance eligible work on highway systems within a locality, and may include sidewalks, trails, and other facilities that accommodate pedestrian and/or bicycle access along the highway network. The Revenue Sharing Program is intended to provide funding for -improvements or to supplement funding for existing projects. ~~Larger new projects may also be considered, provided the locality identifies any additional funding needed to implement the project. Revenue Sharing Program funds are generally expected to be used to finance project costs in the same fiscal year and these projects should be in active development that is leading to their completion within the near term.~~ Additional information about time limits for spending funds is addressed under Timely Implementation of Projects (Section VII.C.).

Below is a list of types of work that ~~will be~~ are considered eligible for Revenue Sharing Program financing. All eligible work is ~~then~~ reviewed based on priority criteria identified under Funding Limitations (Section IV.).

### A. Supplemental Funding for Projects Listed in the Adopted Six-Year ~~Plan~~ Program

When additional allocations are determined to be necessary to completely finance a project listed in the adopted Six-Year Improvement Program (SYIP), the locality may request that the anticipated deficit be financed by the Revenue Sharing Program through the normal application process.

**B. Construction, Reconstruction or Improvement Projects not included in the Adopted Six-Year ~~Plan~~Program**

When the designated local VDOT Manager concurs that the proposed work may be eligible for program funding, the locality may request one half of the funds, subject to CTB Policy limitations, to construct a project not currently in the Six-Year Plan. However, in such cases the locality funds, together with the state matching funds, must finance the entire estimated cost of the project within the fiscal year involved. If funds are approved, the project will subsequently be adopted by the CTB in the Six Year ~~Plan~~Program.

**C. Improvements necessary for the Acceptance of Specific ~~Subdivision~~Streets Otherwise Eligible for Acceptance into the Secondary System for Maintenance (Rural Additions)**

Revenue Sharing Program funds may be used to fund the improvements (widening, surface treating, etc.) necessary for the acceptance of ~~certain~~ specific subdivision streets otherwise eligible under § 33.2-335, *Code of Virginia*. This section does not authorize the use of Revenue Sharing funds to improve roads in cities and towns so as to render them eligible as additions to the urban system.

**D. Maintenance Projects Consistent with the Department's Operating Policies**

Eligible types of maintenance work include, but are not limited to, plant mix overlays, bridge or culvert rehabilitation, guardrail replacement, sidewalk repairs, and curb & gutter repair. In order to appropriately evaluate a request for a priority maintenance project with pavement or structure ratings below the Department's maintenance performance targets, the locality is responsible for providing appropriate documentation to confirm the pavement or structure deficiency with its application submission.

**E. New Hardsurfacing (Paving)**

The first-time paving of a previously unpaved roadway, usually composed of a multiple course asphalt surface treatment, may be funded by the Revenue Sharing Program. Only roads in the state secondary system are eligible to use Revenue Sharing Program funds for new hardsurfacing. If a project is funded solely with revenue sharing funding, there is no minimum vehicle per day requirement.

**F. New Roadway**

Revenue Sharing Program funds may be used to establish a new facility to be part of the system of state highways or part of the road system in the locality that is eligible to receive maintenance payments from VDOT pursuant to § 33.2-319 of the *Code of Virginia*. In order for a new roadway to be eligible for Revenue Sharing Program funding, it must be a part of a locally adopted plan, such as the locality's Comprehensive Plan, and must be expected to divert sufficient traffic from existing public roads so that those roads will not need to be improved in the foreseeable future. Projects may also need to be included in the regional Constrained Long



Range Plan in air quality non-attainment areas. Qualifying projects should ~~provide an immediate benefit to~~ the overall transportation network with a connection between two existing major public roads, based on current transportation needs. Projects that exclusively serve private developments or commercial establishments are not eligible.

#### ~~G. Deficits on Completed Construction, Reconstruction or Improvement Projects~~

~~When a project in the CTB's Six-Year Improvement Plan is completed with a deficit, the locality may request that the deficit be financed by the Revenue Sharing Program.~~

## IV. Funding Limitations

The total amount allocated each fiscal year by the Commonwealth Transportation Board for the Revenue Sharing Program cannot exceed the greater of \$100 million or seven percent of funds available for distribution pursuant to subsection D of § 33.2-358 of the *Code of Virginia*.

A locality may apply for a maximum of \$5 million in matching allocations per fiscal year (\$10 million per biennial cycle) and the maximum lifetime matching allocation per project is limited to \$10 million in matching allocations. This limitation includes any allocations transferred to the project. Up to \$2.5 million per fiscal year of these requested funds may be specified for maintenance projects. In accordance with Virginia Code requirements, priority will be given first to construction projects that have previously received Revenue Sharing funding. After funding those requests, priority will be given to projects that meet a transportation need identified in the Statewide Transportation Plan (VTRANS) or to projects that can accelerate advertisement of a project in a locality's capital improvement plan. After these projects have been funded, projects that address pavement resurfacing and bridge rehabilitation where the maintenance analysis determines the infrastructure does not meet the Department's maintenance performance target will be funded. The condition ratings that define the Department's maintenance performance targets are described in detail in [Appendix EC](#) of these Guidelines. In order to appropriately evaluate a request for a maintenance project with pavement or a structure below the Department's maintenance performance targets, the locality is responsible for providing the appropriate documentation to confirm the deficiency. This documentation is to be provided by the application submittal deadline.

**Construction and maintenance projects will be evaluated and prioritized for funding as follows:**

**Priority 1 – Construction Projects that have previously received Revenue Sharing funding as part of the Program application process \***

- Locality cumulative requests up to a total of \$1 million will be evaluated first and funded first.
- Locality cumulative requests over \$1 million and up to \$5 million per fiscal year (\$10 million per biennial cycle) will be evaluated next and funded next

**Priority 2 – Construction Projects that meet a transportation need identified in the Statewide Transportation Plan (VTRANS) or when funding will accelerate advertisement of a project in a locality's capital improvement plan**

- Locality cumulative requests up to a total of \$1 million will be evaluated first and funded first

- Locality [cumulative](#) requests over \$1 million and up to \$5 million per fiscal year (\$10 million per biennial cycle) will be evaluated next and funded next

**Priority 3 – Projects that address deficient pavement resurfacing and bridge rehabilitation** (as described in [Appendix ED](#)).

- Locality [cumulative](#) requests up to \$1 million will be evaluated first and funded first.
- Locality [cumulative](#) requests over \$1 million up to \$2.5 million per fiscal year (\$5 million per biennial cycle) will be evaluated next and funded next.

**Priority 4 – All other eligible projects** (projects not meeting priority criteria described above)

- Locality [cumulative](#) requests up to \$1 million will be evaluated first and funded first
- Locality [cumulative](#) requests over \$1 million will be evaluated and funded next

**Notes: If funds are depleted prior to completely funding all projects within a priority, any remaining funds may be pro-rated within that priority or allocated as otherwise directed by the Commonwealth Transportation Board.**

~~Also, in any fiscal year that all priority categories were not funded, allowable transfers affecting those fiscal year allocations can only be made to projects meeting the same priority selection criteria that received funding originally.~~

~~\*Any project established as a revenue sharing project outside of the application process will not be recognized as an existing Revenue Sharing project for allocation prioritization purposes during the next application cycle.~~

## V. Application for Funds

Applications for Revenue Sharing funding are accepted on a biennial basis [in odd numbered years](#) through VDOT's SMART Portal as described in [Appendix FE](#). — Preliminary project information must be provided with a pre-application also submitted through VDOT's SMART Portal. ~~Establishment of the A~~ pre-application for each anticipated project request is ~~a~~ required ~~step~~ to ensure coordination between the locality and local VDOT office staff regarding the project concept, eligibility, and preliminary funding priority determination.

A resolution from the governing body which ~~identifies the allocation request~~, provides the locality's commitment to fully fund the project(s), and provides signatory authority to an authorized local officer, is also necessary to apply for program funding [and must be submitted with the full application by the application deadline](#). An example of an acceptable resolution can be found in [Appendix GF](#).

A locality may request funds for a project located within its own jurisdiction or in an adjacent jurisdiction, with concurrence from the governing body of the other locality. Regardless of where the project may be located, the funding limitations for each locality outlined in the previous section apply. Towns not maintaining their own streets may not directly apply for Revenue Sharing Program funds but may include their requests as part of the package submitted by the county in which they are located [and are considered part of that county's overall request](#). After an affirmative vote, the Commonwealth Transportation Board allocates project funding through an approved resolution.

Each application must clearly identify the proposed project scope, the project termini and the specific improvements to be made. To assist those evaluating the project, the application must include a detailed location map / sketch, a detailed cost estimate, and a narrative that clearly explains the proposed improvements and how they will enhance the existing transportation network.

Requested funds ~~should~~must cover the entire cost of the project or the application must indicate the source of any additional funds necessary to fully fund the project. Indicating “future revenue sharing funds” is not acceptable, even if the intent is to reapply in future application cycles for additional Revenue Sharing allocations. ~~Keep in mind, after a project has been awarded for construction, any local funds committed as part of the award are not eligible to be replaced through the application process or through a transfer of funds.~~ The Revenue Sharing Program is approved on a biennial basis and ~~Program~~ funding for specific projects in future years ~~should not be expected and cannot be~~application cycles are not guaranteed.

Applications for multiple, similar-scope projects (such as traffic calming, ADA ramps, sidewalks, drainage improvements), generally referred to City/Town/County-wide projects, may be submitted. ~~However, these applications must be accompanied by a list which identifies~~ identify the location (route name/number), limits, and specific scope for each project. ~~The location p~~earl in the application will allow for multiple entries and all locations must be provided there in order to be eligible for reimbursement through the project. Additional projects or funding cannot be added to the original request ~~in future application cycles and these projects are not eligible for funding transfers.~~ They are limited to the original funding received.

**Note:**

**The Locality must commit to their matching allocations at the time their application for funding is submitted. A resolution from the Locality which includes their commitment to fully fund the project is also required to be submitted with the final application.**

~~Projects may are to be administered by either the Locality, or by VDOT; however VDOT will evaluate the locality's ability to administer the project during the application process if the locality requests to administer the project. may use the RTA scorecard to determine the locality's ability to effectively administer the project.~~ If the locality is requesting that requests VDOT to administer the project they must request coordinate -this prior to submitting their application for funding. ~~Project scopes, schedules, and estimates, must be coordinated with the locality needs to coordinate with the local VDOT Manager during the application process. on the project's scope, schedule, and estimate on all projects.~~

## **VI. Approval**

During the on-line application submittal process, the designated local VDOT Manager will review the on-line application from each locality ~~for eligibility and accuracy.~~ Once the localities' requests are found to be eligible, ~~project scopes are finalized and estimates are~~ validated, the Local Assistance Division will develop the recommended statewide Program allocation for submission to the Commonwealth Transportation Board for approval. The Local Assistance Division will review and coordinate with other divisions as necessary and appropriate.

The Commonwealth Transportation Board approves the statewide Revenue Sharing Program, including allocations to specific projects in consideration of each locality's request. The Commissioner of Highways, or his designee, may approve transactions, such as locality/state agreements, for Revenue Sharing Program projects prior to Commonwealth Transportation Board approval; however, no project work ~~should~~ can be conducted for which reimbursement from the requested Revenue Sharing Program funds is expected prior to approval of Revenue Sharing Program allocations by the CTB.

**Note: Any work done prior to CTB approval is done so at the locality's risk.**

## VII. Implementation

Upon Commonwealth Transportation Board approval of the statewide program, development of the individual projects begins. The state matching funds for the approved projects are reserved and allocated, accordingly, to each of the approved projects. Projects may be developed and constructed by VDOT or by the locality under an agreement with the Department.

### A. VDOT Administered Work

After approval of the annual statewide Program allocation ~~and at the request of the locality, the designated local VDOT Manager, working with the Local Assistance Division, working with the designated local VDOT Manager, will prepare the appropriate agreement for execution by both the locality and VDOT prior to incurring any costs to be financed from Revenue Sharing Program funds. Upon execution of the agreement,~~ VDOT will provide an invoice to the locality for its share of the estimated cost of work to be performed. The local matching funds must be collected prior to the beginning of work. For projects exceeding \$500,000 in total estimated cost, VDOT and the locality may enter into an agreement so that the local match may be provided by project phase (i.e., preliminary engineering, right of way, or construction). VDOT may agree to a payment schedule for the Construction phase when the construction estimate exceeds \$5 million. The locality must request such a payment schedule prior to advertisement and any agreement must be modified to address the revised payment schedule. After the project is completed, the local VDOT Manager will review the actual costs incurred to determine if there is a surplus or deficit. If a deficit exists, VDOT will provide a final project invoice for the locality's share of the costs. Failure to reimburse the Department for the locality's share of the project cost can result in denial of future allocation requests. If the locality's share of the actual cost is less than the amount received from the locality, the difference will be refunded to the locality ~~upon written request or the locality may request to transfer all the remaining state revenue sharing funds to another existing Revenue Sharing project as noted in the section describing transfer of funds (Section VIII.) and would be billed for their locality share. Appendix H provides the steps for initiating project funding and invoicing. Surplus funds must be addressed within six (6) months following project completion (ending C-5 date) to ensure funds do not become de-allocation candidates, thereby limiting transfer options.~~

If a local government ~~wishes to cancel~~s a project begun under the Revenue Sharing Program during the Preliminary Engineering (PE) or Right of Way (RW) phases but prior to the Construction (CN) phase, it may do so by resolution of the local governing body. The Department retains the sole option to require reimbursement by the locality of all state matching funds spent from the time the project was begun until it is canceled. Reimbursement will be required for any project canceled after the construction plans have been approved unless an exception is granted by the Commissioner.

## B. Locally Administered Work

VDOT has published the Locally Administered Projects (LAP) Manual that provides ~~general~~ guidance for locally administered projects, which includes provisions for Revenue Sharing and other state funded projects ~~and should be the primary reference for project development and delivery requirement of locality administered revenue sharing funded projects.~~

~~In accordance with the requirements of the Virginia Code and the LAP Manual, a project administration agreement will be necessary. That agreement establishes general roles and responsibilities of both the Department and the locality. The locality must execute the project administration agreement within six months of receipt of the agreement by the Department. Failure to execute the agreement within this time frame can result in deallocation of project funding.~~

In addition to CTB approval, an agreement must be executed by both the locality and VDOT prior to incurring any cost to be financed from Revenue Sharing Program funds. If the project is funded entirely with Revenue Sharing funds and local funds, a streamlined [project development](#) process is available ~~using the State Aid certification as outlined in the LAP Manual.~~ Should the locality opt to utilize this streamlined process for state-aid (only) projects, the locality will submit the completed state certification form ~~(Appendix I) in accordance with LAP Manual requirements to the local VDOT Manager prior to advertisement but no later than prior to project award. This document should be uploaded into VDOT's Integrated Project Manager (iPM) ProjectWise system by the VDOT Project Coordinator or designee.~~

~~Once the project begins, the locality must submit, no more frequently than monthly and no later than 90 days after incurring eligible project expenses, invoices to VDOT for eligible costs incurred.~~

~~After all work is completed, the locality makes submits a final billing to VDOT for VDOT's share of the actual eligible costs incurred. If the actual cost is less than anticipated in the agreement, the locality may request that the remaining VDOT share of Revenue Sharing Program funds to be transferred (along with the remaining local share) to another existing, eligible project as noted in the section describing transfer of funds (Section VIII.) or, if the locality desires, the surplus funds will be returned to VDOT's statewide fund for the Revenue Sharing Program. Appendix H provides the steps for initiating project funding and invoicing. Surplus funds must be addressed within six (6) months following project completion (ending C-S date) to ensure funds do not become de-allocation deallocation candidates, thereby limiting transfer options.~~

If a local government wishes to cancel a locally administered project begun under the Revenue Sharing Program before it is completed, it may do so by resolution of the local governing body. The Department retains the sole option to require reimbursement by the locality of all state matching funds spent from the time the project was begun until it is canceled.

~~Reimbursement of any state funds expended will be required for any project cancelled after the plans have been approved unless an exception is granted by the Commissioner. Any Revenue Sharing Program funds remaining upon cancellation are not eligible to be transferred to other projects, per transfer of funds policy (Section VIII).~~ Reimbursement for any state funds expended will be required for any project cancelled after construction plans are complete and advertisement has been authorized, unless an exception is provided. Failure to reimburse the Department for costs incurred of a cancelled project may result in denial of future Revenue Sharing program allocations.

### C. Timely Implementation of Projects

All requests for Revenue Sharing funding are expected to be for viable projects with work anticipated ~~in the near future~~ in the fiscal year funding is programmed. Any project having funds allocated under this program shall be initiated ~~where at least a portion of the Revenue Sharing funds have been expended~~ within one year of ~~allocation~~ programmed allocation. Localities are advised to give careful consideration in applying for Revenue Sharing funds, particularly if the project has other VDOT-managed funds, to ensure that at least a portion of the Revenue Sharing funds can be expended within one year of allocation. For any project that has not been initiated or has not made substantive progress within ~~two~~ one years, the Revenue Sharing funds may be reallocated in accordance with the most recent CTB Allocation Transfer Process. the Board has the discretion to defer consideration of future allocations until the project moves forward. If Revenue Sharing Program funds are allocated for a project and that project is not initiated within the two fiscal years subsequent to allocation, the funds may be reallocated at the discretion of the Commonwealth Transportation Board.

Local Assistance Division has developed a ~~de-allocation~~ deallocation process to ensure surplus project allocations can be efficiently reallocated to projects in deficit or to support the biennial application process. ~~address funding that may be removed from a project under certain conditions.~~ The following outlines the conditions which may warrant deallocation: criteria to identify projects that may be subject to deallocation:

- ~~o Project completed for 6 months or more with allocations remaining and no activity for six (6) months~~
- o Completed or cancelled projects.
  - o Project which has not been initiated within two (2) fiscal years of its allocation, after appropriate notification to the locality.
  - o Project which is on-going, where, for 24 months, the project has not made substantive progress or is significantly behind its approved project schedule, no portion of allocated revenue sharing funds has been expended, or project has been inactive, after appropriate notification to the locality.
  - o Projects where allocations significantly exceed the project estimate (typically more than 15%), after adequate notice to the locality.

No funds will be de-allocated ~~deallocated~~ without a notification to the locality. The administrative process for deallocating these projects is explained in Appendix J. Any project that is new or on-going, where no portion of allocated revenue sharing funds have been expended within one (1) year of allocation, will receive notification such funds may be subject to deallocation and may not be eligible for future allocations until the project moves forward.

In cases where the project is completed but has a pending condemnation or claim which may be eligible for reimbursement, the district should review the estimate to determine if, based on the expected final costs, there will be surplus of funds. If determined there will be surplus funds, the anticipated surplusVDOT may retain adequate funds on the project to address such future expenditures and . of funds can be transferred (in accordance with Appendix J), or remain on the project excess will be moved to the Revenue Sharing Balance Entry account removed from the project's balance. If the locality retains the anticipated surplus funds, any actual surplus will not be eligible to be transferred once the condemnation or claim is completed but will be returned to VDOT's statewide fund for the Revenue Sharing program. If the locality transfers the anticipated surplus, and later needs funds those funds to cover the final cost, they can transfer back to the project no more than the sum that was originally transferred, or claim.

### **VIII. Transfer of Redistribution of Surplus Funds Allocations**

Revenue Sharing funding is allocated to specific projects through an application process and the allocations are generally not intended to be transferred to supplement other Revenue Sharing projects or become a revenue source for other projects which have not received Revenue Sharing allocations. However, under limited circumstances as outlined below, Revenue Sharing allocations may be transferred to other projects. Any revenue sharing funds that are transferred to another qualifying project cannot be replaced on the donor project at a later date. Concurrence by the District CTB member is required on all transfer requests. :

Surplus allocations from projects will be administratively moved transferred to the Revenue Sharing balance entry account for future distribution by the CTB redistribution through a statewide prioritization process, which provides first priority to those projects in deficit at award, second priority to those projects anticipated to be in deficit at advertisement, third to those projects in deficit during construction and fourth to those projects in deficit after project completion, and then to all other eligible requests. Generally, additional allocations are not made to projects until a need is identified at advertisement. If a deficit is identified early in the project development process, localities must submit a new project allocation application through the biennial application process.

To be eligible for surplus allocations to address deficit projects, the City/Town Manager or County Administrator must submit a formal request for the funding on locality letterhead to the Local Assistance Division Director. The Department may require additional documentation to ensure all reasonable attempts at minimizing project costs have been taken prior to allocating additional Revenue Sharing funding. If the original locality Resolution does not provide a locality commitment to address the additional local funds necessary, a new resolution will be required. - Funds moved to the balance entry account are not are not subject to the deallocation process.

1. ~~Surplus Revenue Sharing funds from a completed project may be transferred to an existing revenue sharing project within the same locality with the concurrence of the District Commonwealth Transportation Board member. Transfer must occur within six (6) months of project completion. Any project that has already gone through the award process is not eligible to receive a transfer of funds to replace the local funds that were committed to by the locality at the time of award for construction.~~
2. ~~Surplus funds from a cancelled project must be deallocated and returned to the statewide Revenue Sharing program account; these funds can only be reallocated by the Commonwealth Transportation Board.~~
3. ~~All other Revenue Sharing transfers must meet the conditions of the deallocation process, which limits transfers to projects which need the additional funding to meet an advertisement date or award date within one (1) year of the transfer request, or that addresses an existing deficit on a completed project. Local funds that were committed to, by the locality, at the time of award for construction are not eligible to be replaced with Revenue Sharing Program funds through a transfer of funds. The following requirements also apply:
  - ~~When a transfer is requested to another existing Revenue Sharing project, concurrence from the District Commonwealth Transportation Board member is required.~~
  - ~~When a transfer is requested to a non Revenue Sharing project, concurrence from the District CTB member and approval from the full Commonwealth Transportation Board is required. Any non Revenue Sharing project that receives Revenue Sharing allocation outside the application cycle will not be considered an existing Revenue Sharing project for allocation prioritization purposes during the next application cycle.~~~~

~~Appendix J provides administrative procedures to complete each transfer.~~

~~When, as a condition of allocation transfer, the locality is required to advertise or award a project within 12 months, the Department may deallocate the transferred funding after consultation with the District CTB Member, if the advertisement or award is not complete. If a locality fails to meet any other conditions established for any transfer of Revenue Sharing funds, those funds may also be de-allocated after consultation with the District CTB Member.~~

~~**Notes: Any project established as a revenue sharing project outside of the application process will not be recognized as an existing Revenue Sharing project for allocation prioritization purposes during the next application cycle.**~~

~~**Transfers cannot be made to any county/city wide project.**~~

~~**Transferring funds between construction and maintenance projects should not be assumed but will be evaluated on a case-by-case basis. In any fiscal year that all priorities were not funded, transfers for those fiscal years can only be made to projects in that priority that received funding.**~~



~~Localities may not submit funding applications or otherwise transfer other Revenue Sharing funding to replace allocations that have been transferred from a Revenue Sharing project.~~

## IX. Supplemental Allocations

For any ~~fiscal year~~ application cycle in which less than the full program allocation has been allocated, those localities requesting the maximum allocation may request an additional allocation subject to the discretion of the Commonwealth Transportation Board.

The CTB may also elect to provide supplemental allocations, within the policy's guidelines, during non-application years should additional or deallocated funding become available.

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APPENDIX A

**§ 33.2-357 OF THE CODE OF VIRGINIA**

### § 33.2-357. Revenue-sharing funds for systems in certain localities.

A. From revenues made available by the General Assembly and appropriated for the improvement, construction, reconstruction, or maintenance of the systems of state highways, the Board may make an equivalent matching allocation to any locality for designations by the governing body of up to \$5 million for use by the locality to improve, construct, maintain, or reconstruct the highway systems within such locality with up to \$2.5 million for use by the locality to maintain the highway systems within such locality. After adopting a resolution supporting the action, the governing body of the locality may request revenue-sharing funds to improve, construct, reconstruct, or maintain a highway system located in another locality or between two or more localities or to bring subdivision streets, used as such prior to the date specified in § 33.2-355, up to standards sufficient to qualify them for inclusion in the primary or secondary state highway system. All requests for funding shall be accompanied by a prioritized listing of specified projects.

B. In allocating funds under this section, the Board shall give priority to projects as follows: first, to projects that have previously received an allocation of funds pursuant to this section; second, to projects that (i) meet a transportation need identified in the Statewide Transportation Plan pursuant to § 33.2-353 or (ii) accelerate a project in a locality's capital plan; and third, to projects that address pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure does not meet the Department's maintenance performance targets.

C. The Department shall contract with the locality for the implementation of the project. Such contract may cover either a single project or may provide for the locality's implementation of several projects. The locality shall undertake implementation of the particular project by obtaining the necessary permits from the Department in order to ensure that the improvement is consistent with the Department's standards for such improvements. At the request of the locality, the Department may provide the locality with engineering, right-of-way acquisition, construction, or maintenance services for a project with its own forces. The locality shall provide payment to the Department for any such services. If administered by the Department, such contract shall also require that the governing body of the locality pay to the Department within 30 days the local revenue-sharing funds upon written notice by the Department of its intent to proceed. Any project having funds allocated under this program shall be initiated in such a fashion that at least a portion of such funds have been expended within one year of allocation. Any revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be reallocated at the discretion of the Board.

D. Total Commonwealth funds allocated by the Board under this section shall not exceed the greater of \$100 million or seven percent of funds available for distribution pursuant to subsection D of § 33.2-358 prior to the distribution of funds pursuant to this section, whichever is greater, in each fiscal year, subject to appropriation for such purpose. For any fiscal year in which less than the full program allocation has been allocated by the Board to specific governing bodies, those localities requesting the maximum allocation under subsection A may be allowed an additional allocation at the discretion of the Board.

E. The funds allocated by the Board under this section shall be distributed and administered in accordance with the revenue-sharing program guidelines established by the Board.

2006, c. 827, § 33.1-23.05; 2008, c. 608; 2011, cc. 830, 868; 2012, cc. 729, 733; 2014, c. 805; 2015, c. 684; 2018, c. 828.

APPENDIX B  
**Commonwealth Transportation Board REVENUE SHARING PROGRAM POLICY**  
**(~~December~~ July 18, 2023 ,2018)**

Under Review on Town Hall

Under Review on Town Hall

~~APPENDIX C~~

~~STATEMENT OF PURPOSE, PRIORITIES AND RECOMMENDATIONS  
for the Revenue Sharing Program~~

~~(THIS WILL BE REMOVED IN THE REVISED DOCUMENT)~~

## **CTB Revenue Sharing Program Study Committee**

### **Statement of Purpose, Priorities and Recommendations for the Revenue Sharing Program**

*The Revenue Sharing program is implemented in accordance with requirements established in Virginia Code. Within that framework, the Commonwealth Transportation Board (CTB) establishes policies to support the most effective and equitable use of Revenue Sharing funds, as well as the most effective and expeditious administration of the Program. As stated in the CTB Revenue Sharing Policy, the Revenue Sharing Program is intended to provide funding for immediately needed improvements or to supplement funding for existing projects. Larger new projects may also be considered, provided the locality commits to any additional funding needed to implement the project within limits of Policy.*

#### General Priorities of the Program:

- Provide funding support for projects of local importance where allocations are expended as set out by the Code of Virginia and projects are completed in a relatively short period of time.
- Provide funding to support projects that focus on immediately needed improvements and will be completed in a relatively short period of time.
  - Provide funding to leverage other projects that support Regionally or Statewide significant projects;

#### Committee's Priorities for Program Recommendation

- Recommend policies that emphasize fair and equitable distribution of funds, whether initial allocations or subsequent transfers of existing allocations, which support the priorities of the program.
- Recommend policies that, to the best degree possible, provide a high level of funding predictability and certainty for all stakeholders.
- Recommend policies that, as allowable by the Code of Virginia and other State policies, allow Revenue Sharing allocations to be used as financial leverage for other transportation funding programs.
- Recommend policies to ensure the effective use of Revenue Sharing allocations and expeditious completion of Revenue Sharing projects.
- In accordance with the Code of Virginia, policies and processes established by the Board shall be developed with the understanding that allocations are provided to localities for specified projects and are not allocations to localities for their general use on other transportation projects thereafter.

#### Other Recommendations

- The Study Committee recommends the Board re-evaluate the Policy changes after two subsequent application cycles. This recommendation is included in the updated CTB Policy.
- The Study Committee also recommends that every two years the CTB should evaluate the appropriate funding level of the Revenue Sharing Program. Further, the Committee recommends that should the biennial funding for SMART Scale exceed \$1.2 billion, an appropriate percentage of the increase should go to funding the Revenue Sharing Program; however, the Study Committee recommends that the Revenue Sharing Program should be funded annually at a minimum of \$100 million irrespective of the SMART Scale funding.

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~~APPENDIX D~~

~~SUMMARY OF 2017 REVENUE SHARING PROGRAM POLICY CHANGES~~

~~(THIS WILL BE REMOVED IN THE REVISED DOCUMENT)~~



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APPENDIX ~~EC~~

**CRITERIA FOR MAINTENANCE PRIORITY PROJECTS**

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## Criteria for Maintenance Priority Projects

A locality may apply for a maximum of \$5 million in matching allocations per fiscal year (\$10 million per biennial cycle) and up to \$2.5 million (\$5 million per biennial cycle) of these requested funds may be specified for maintenance projects. The criteria for determining if a pavement resurfacing or bridge rehabilitation project meets the priority is described below and is based on the Department's performance targets.

### Pavement Resurfacing Projects

Any proposed pavement maintenance project to address a pavement section that was rated as "deficient" (Critical Condition Index (CCI) below 60 or comparable criteria) is eligible for consideration as a maintenance priority project. Any proposed bridge maintenance project to address a poor rating (General Condition Rating (GCR) of 4 or below) on a VDOT or locality maintained bridge or structure is eligible for consideration as a maintenance priority project.

It will be the responsibility of the requesting locality to indicate on the detailed application if a project for which funds are requested meets the priority criteria. VDOT will provide the condition data to verify that determination for all VDOT maintained facilities. For locally maintained facilities, the locality will submit their condition rating data to the local VDOT Manager for review. Any questions about the condition assessment data and whether a project qualifies for priority funds will be determined by the District Maintenance Engineer.

Pavement condition assessments are based on the surface distresses, such as roughness, cracking, patching, rutting, potholes, etc. The detailed findings are summarized into a CCI rating which is based on a scale of 0 to 100, with 100 being assigned to a pavement section with no visible distresses. Any pavement section receiving a CCI rating below 60 is termed "deficient" and can potentially be considered for maintenance activities. The type of maintenance activity is usually selected based on the extent and the severity of distresses present. Any pavement with a CCI rating below 60 can qualify for the established priority criteria.

### Bridge Rehabilitation Projects

Bridge Condition Assessments are based on the condition of structures as defined by GCRs that are assigned to each structure during regularly scheduled inspections. These inspections are required by VDOT policy and by the federally mandated National Bridge Inspection Program. For each bridge or culvert, GCR are used to describe the existing, in-place structure as compared to its as-built condition. Evaluations are provided for the physical condition of the deck, superstructure, and substructure, or culvert components of a structure (therefore bridges will usually have three GCR and culverts have one). General Condition Ratings are based on a scale of 0 to 9, with 0 being the worst condition and 9 being the best condition. Virginia categorizes the structure inventory into three categories of Good, Fair, and Poor. They are defined as:

- Good – lowest GCR is greater than or equal to 6. Structures in this category are typically in need of preventive maintenance work such as bridge cleaning, deck sealing, sealing joints, thin deck overlays, and spot/zone painting.
- Fair – lowest GCR is equal to 5. Structures in this category are typically in need of restorative maintenance actions such as deck patching, rigid deck overlays, reconstructing/closing joints, substructure repairs, fatigue retrofitting, over-coating or re-coating, scour repairs, cathodic protection and electrochemical chloride extraction.

- Poor – lowest GCR is less than or equal to 4. Structures in this category are typically in need of rehabilitation work actions such as deck replacements, superstructure replacements, and culvert rehabilitation, or complete structure replacement.

Virginia performs an annual needs assessment of the structure inventory in order to determine the resources required to address the structures in each condition category. Bridges and culverts that are in the poor condition category can qualify for the established priority criteria, providing the items deemed as poor are being addressed. While bridges and culverts that are in the fair and good condition categories do not meet the primary criteria for priority consideration, maintenance projects are encouraged for these structures as system preservation activities, and these projects would qualify for Revenue Sharing funding.

The requesting locality is responsible for indicating on the application if the project meets the priority criteria. VDOT will provide the condition data to verify that determination for all VDOT maintained facilities. For locally maintained facilities, the locality submits its condition rating data to the local VDOT Manager for review. Any questions regarding the condition assessment data and whether a project qualifies for priority funding will be determined by the District Maintenance Engineer (DME). If a secondary pavement condition assessment is several years old (with latest assessment above deficient determination) the DME will determine if a new assessment can be added to the current review schedule. Interim bridge ratings will not usually be considered and the latest regularly scheduled rating should be the basis for evaluation of the priority criteria. Failure to provide the rating documentation will result in the roadway or bridge project request being determined to not meet Priority 3 selection criteria.

Under Review on ~~TOP SECRET~~

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APPENDIX **DF**

**REVENUE SHARING APPLICATION PROCESS**

## APPLICATION PROCESS

The application process generally begins with an announcement or invitation letter, from the Director of Local Assistance, via email and other announcements, to County Administrators and City/Town Managers to participate in the upcoming biennial application cycle ([odd-numbered years](#)). The announcement will include a timeframe in which applications will be accepted through VDOT's [SMART Portal](#).

A pre-application submittal for each project is required through the SMART Portal in order to be considered for funding during the open application period. [Paper or hard-copies will not be accepted](#). This will provide an opportunity for the local VDOT ~~Project~~ Manager to review the eligibility, scope and estimate prior to the final application submittal.

After determining that ~~it~~ [they](#) will participate in the program, the locality should coordinate closely with their local VDOT Manager to review potential projects. The local VDOT Manager will provide support regarding eligibility, estimates, and scheduling. If the locality is requesting VDOT administration of the project, the locality must coordinate with the local VDOT Manager to obtain the Department's concurrence with the project's scope, schedule, and estimate.

When submitting multiple project applications, localities will be required to prioritize the applications.

A resolution from the governing body, indicating their desire to participate in the Revenue Sharing ~~p~~Program, their commitment to fully funding the projects, and providing appropriate signatory authority, is also required as part of the application process [and must be included with the application](#). A sample resolution is provided in [Appendix G](#).

Applications [lacking required documents](#), submitted [late after the deadline](#), or left in pending status will not be accepted.

There is no limit on the amount of funds the locality may contribute; however, the locality may receive no more than the maximum amount of state Revenue Sharing [Program](#) funding allocation stipulated by statute or by Commonwealth Transportation Board Policy.— Funding provided through other VDOT [funding P](#)programs cannot be used to match Revenue Sharing Program funds. If the locality uses other non-VDOT grant funds as match, the locality must determine if the work being performed is eligible under those non-VDOT programs and the locality is required to meet the requirements of those programs.

~~During the application process or after final submittal, the designated local VDOT Project Manager will review the SMART Portal application to make an initial project eligibility determination. If locally administered, the local VDOT Manager will also make an initial determination regarding the ability of the locality to effectively complete the project may use the RtTA scorecard to determine the locality's ability to effectively administer the project.— Please note that this review also takes the place of the Request to Administer (RtA) Project form used for most other projects and represents VDOT's concurrence with the locality administering the project, if applicable. While an RtA is not required, it is highly recommended that any locality submitting an application that exceeds \$5 million in construction cost should use the self-~~

~~evaluation form in the LAP Manual to assist in assessing their ability to manage a more complex transportation project. If federal funds are added to the project, the typical RtA process as outlined in Chapter 10 of the LAP Manual must be followed.~~ For questions regarding eligibility on maintenance performance targets or general condition ratings the designated VDOT Manager should contact the District Maintenance Engineer (DME). If a pavement condition assessment is several years old (with latest assessment above deficient determination) the District needs to work with their DME to see if a new assessment can be added to the review schedule. Bridges have regularly scheduled inspections, but if the condition of the bridge has degraded since the last regularly scheduled assessment the District should contact the DME to see if a new assessment can be requested ahead of schedule. All documentation related to deficient roadways and bridges must be received by the prescribed deadline in order for the roadway or bridge project request to be determined to meet Priority 3 selection criteria.

The local VDOT ~~Project~~ Manager is responsible for reviewing the application to confirm project scope, estimate, [schedule](#) and funding is accurate and [any required](#) supporting documents are submitted [with the application](#).

VDOT's Local Assistance Division will review the final applications and will notify the designated local VDOT Manager of the amount of state matching funds available for use on specified projects in their localities, subject to the approval of the Commonwealth Transportation Board.

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APPENDIX ~~GE~~

**SAMPLE RESOLUTION**



**SAMPLE RESOLUTION**

Please note that specific language regarding the locality's commitment to the funding is a requirement on all resolutions.

At a regularly scheduled meeting of the [name of locality (City/Town Council or County Board of Supervisors)] held on [month & day], 20\_\_\_\_, on a motion by [name of Council or Board member], seconded by [name of Council or Board member], the following resolution was adopted by a vote of [#] to [#]:

WHEREAS, the [name of locality (City/Town Council or County Board of Supervisors)] desires to submit an application for an allocation of funds] through the Virginia Department of Transportation Fiscal Year 20xx-xx, Revenue Sharing Program; and,

~~WHEREAS, [enter amount locality intends to provide as its match] of these funds are requested to fund [description of work], [termini]; and,~~

~~WHEREAS: The [name of locality (City/Town Council or County Board of Supervisors)] hereby supports this application for an allocation of [enter amount locality intends to provide as its match] through the Virginia Department of Transportation Fiscal Year 20xx-xx Revenue Sharing Program.~~

~~NOW THEREFORE BE IT RESOLVED, that the Council/Board of Supervisors of the City/Town/County of \_\_\_\_\_ hereby commits to fund its local share of preliminary engineering, right of way and construction (as applicable) of the project(s) under agreement with the Virginia Department of Transportation in accordance with the project financial document(s).~~

~~BE IT FURTHER RESOLVED, that the (City/Town Manager/County Administrator/or other named position designee) is authorized to execute all agreements and/or addendums for any approved projects with the Virginia Department of Transportation.~~

~~ADOPTED this [day] day of [month year].~~

**A COPY ATTEST**

\_\_\_\_\_  
[name] [title]



RESOLUTION  
AFFIRMING COMMITMENT TO FUND THE LOCALITY SHARE OF PROJECTS  
UNDER AGREEMENT WITH THE VIRGINIA DEPARTMENT OF TRANSPORTATION  
AND PROVIDE SIGNATURE AUTHORITY

WHEREAS, the (City/Town or County) of \_\_\_\_\_ is a recipient of Virginia Department of Transportation funds under various grant programs for transportation-related projects; and

WHEREAS, the Virginia Department of Transportation requires each locality, by resolution, to provide assurance of its commitment to funding its local share; and

THEREFORE, IT IS HEREBY RESOLVED, by the (City/Town Council or Board of Supervisors) of \_\_\_\_\_ hereby commits to fund its local share of preliminary engineering, right-of-way, and construction (as applicable) of the project(s) under agreement with the Virginia Department of Transportation in accordance with the project financial document(s); and

BE IT FURTHER RESOLVED, that the (City/Town Manager or County Administrator) and/or his designees is authorized to execute all agreements and/or addendums for any approved projects with the Virginia Department of Transportation.

In witness whereof, the forgoing was adopted by (City/Town Council or Board of Supervisors) of \_\_\_\_\_, Virginia on (date).

(locality seal)

\_\_\_\_\_  
Clerk of Court

**APPENDIX H**

**IMPLEMENTATION PROCESS**

Under Review on Town Hall

~~APPENDIX I~~

~~CERTIFICATION FORM FOR STATE FUNDED PROJECTS~~

(Please refer to the [Locally Administered Projects \(LAP\) Manual](#) for the most current form)

## APPENDIX J

### ~~REVENUE SHARING PROGRAM PROJECT TRANSFER AND DEALLOCATION PROCESS~~

### ~~REVENUE SHARING PROGRAM PROJECT TRANSFER AND DEALLOCATION PROCESS~~

~~Revenue Sharing funding is allocated to specific projects through an application process and the allocations are generally not intended to be transferred to supplement other Revenue Sharing projects or become a revenue source for other projects which have not received Revenue Sharing allocations. However, under limited circumstances Revenue Sharing allocations may be transferred to other projects in accordance with the following procedures. Any revenue sharing funds transferred from a project may not be replaced at a later date.~~

#### TRANSFER ELIGIBILITY/REVIEW PROCESS:

- ~~1. **Surplus funds from a completed project will be returned to the Revenue Sharing Program Fund** may be transferred to an existing Revenue Sharing project within the same locality that needs funds to meet an advertisement or award date within 1 year of request or to meet an existing deficit on a completed project with approval of the Commonwealth Transportation Board District member. Transfer must occur within six (6) months of project completion. Any project that has already gone through the award process is not eligible to receive a transfer of funds to replace the local funds, committed by the locality, to cover the estimated cost of the project.~~

- Within six months ~~of~~ **after** project completion, the locality's County Administrator or City/Town Manager, as applicable, must submit a request, in writing, requesting such a transfer to their local VDOT Manager. Project completion is typically identified by a submitted C-5 or can also be indicated by other approved documentation when the C-5 is not reflective of project completion, such as when there are outstanding claims or on-going condemnation procedures. These are reviewed and approved by the Revenue Sharing Program Manager.
- The local VDOT Manager will notify the Local Assistance Division (LAD) Revenue Sharing Program Manager of such request to ensure that funding is available to be transferred and that no outstanding issues exist that would preclude such a transfer. The LAD Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with the Infrastructure Investment Division). The LAD Revenue Sharing Program Manager also verifies that there are no restrictions applicable to the particular fiscal year's funding which would disallow the requested transfer.
- After receiving concurrence from LAD, the local VDOT Manager will request written concurrence from the District Commonwealth Transportation Board (CTB) member. The local VDOT Manager will forward ~~the concurrence~~ to LAD Revenue Sharing Program Manager the locality's email requesting the transfer, the CTB member's concurrence, along with a complete IID-24.
- The LAD Revenue Sharing Program Manager will review the IID-24 and forward to the Infrastructure Investment Division for processing in PAM and Cardinal and record the transfer in the Revenue Sharing database.
- An email is then sent to the designated local VDOT Manager indicating that the transfer of funding has been completed. If applicable, project agreements are modified (or request made of project manager to do so) and are transmitted with the transfer approval letter.

**2. ~~Surplus funds from a completed project~~ may be transferred to an existing non-Revenue Sharing Project in the Six Year Improvement Program or Secondary Six Year Plan that needs funds to meet advertisement or award date within 1 year of request or to address an existing deficit on a completed project, with the approval of the Commonwealth Transportation Board. Transfer request must occur within 6 months of project completion. Any project that has already gone through the award process is not eligible to receive a transfer of funds to replace the local funds, committed by the locality, to cover the estimated cost of the project**

- Within six months ~~of~~ **after** project completion, the locality's County Administrator or City/Town Manager, as applicable, must submit a written request for a transfer to their local VDOT Manager.
- The local VDOT Manager will notify the LAD Revenue Sharing Program Manager of such request to ensure that funding is available to be transferred and that no outstanding issues exist that would preclude such a transfer. The LAD Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with the Infrastructure Investment Division). The LAD Revenue Sharing Program Manager also verifies that there are no restrictions applicable to the particular fiscal year's funding which would disallow the requested transfer.

- After receiving concurrence from LAD, the local VDOT Manager will ensure that the District CTB member is aware of the pending request and provides a locality resolution designating the recipient project as a revenue sharing project and identifies the project funds will be re-allocated from.
- Upon receipt of the required documents, tThe Revenue Sharing Program Manager will coordinate with the local VDOT Manager to prepare a CTB Resolution and decision brief and will present the request at the next possible CTB Meeting for CTB action.
- If concurrence is provided by the CTB, the local VDOT Manager will prepare an IID-24 and provide to the Revenue Sharing Program Manager. After review, the Revenue Sharing Program Manager forwards the IID-24 to the Infrastructure Investment Division for processing in PAM and Cardinal and records transfer in Revenue Sharing database.
- An email is sent to the designated local VDOT Manager indicating the transfer of funding has been completed. If applicable, project agreements are modified (or request made of project manager to do so) and is transmitted with the transfer approval letter.

**~~3. Surplus funds from a cancelled project must be deallocated and returned to the statewide Revenue Sharing program account; these funds can only be reallocated by the Commonwealth Transportation Board.~~**

- After receiving an email from the locality that a project is to be cancelled, the LAD Revenue Sharing Program Manager prepares an IID-24 that is transferring funds from the cancelled project to the Revenue Sharing Balance Entry account, and forwards to the Infrastructure Investment Division for processing in PAM and Cardinal financial systems.
- The LAD Revenue Sharing Program Manager records the transfer in Revenue Sharing database.

**~~4. All other transfers must meet the conditions of the deallocation process, which limits transfers to projects which need the additional funding to meet an advertisement date or award date within one (1) year of the transfer requests, or that addresses an existing deficit on a completed project. Any funds being transferred from a completed project must occur within 6 months of project completion. Local funds on a project already awarded are not eligible to be replaced with Revenue Sharing Program funds through a transfer of funds. The following requirements also apply as necessary:~~**

- When a transfer is requested to another existing Revenue Sharing project, concurrence from the District CTB member is required.
- When a transfer is requested to a non-Revenue Sharing project, concurrence from the District CTB member and approval from the full CTB is required. Any non-Revenue Sharing project that receives a Revenue Sharing allocation outside the application cycle will not be considered an existing Revenue Sharing project for allocation prioritization purposes.

**~~The transfer process is outlined in paragraphs 1 and 2 above, as applicable.~~**

~~For any transfer to a project which requires advertisement or award within one (1) year of request or CTB approval, the LAD Revenue Sharing Program Manager will notify the locality of the upcoming deadline, in writing, at least two months prior to the advertisement or award deadline, if advertisement or award has not yet been completed. The LAD Revenue Sharing Program Manager will copy the local VDOT Contact and the District CTB member. If locality cannot meet the deadline, the LAD Revenue Sharing Program Manager will initiate deallocation unless an exception is provided.~~

If the terms of the transfer, including the requirement to advertise or award the project, cannot be met by the locality, the locality may request to retain their funding. Such request must be submitted to the Director of Local Assistance, in writing, by the County Administrator or City/Town Manager at least 15 business days prior to the deadline. The request must include reasons for the inability to meet the transfer terms, including actions taken to meet the terms of the transfer and when the terms will be met.

Coordination with the local VDOT Manager regarding the request is strongly recommended. The Director of Local Assistance will consult with District CTB Member prior to the final decision to approve the locality request or to deallocate, as pertinent. The final decision will be provided to the locality and the local VDOT Manager in writing, with a copy to the District CTB Member.

### ~~De-allocation~~Deallocation ~~DE-ALLOCATION~~DEALLOCATION ELIGIBILITY/PROCESS:

#### Identification of Projects Subject to De-allocationDeallocation:

- ~~§ 33.2-357 was modified in 2008 to include a provision establishing timeframes for the expenditure of funds with an additional modification made in 2012. The language indicates that any project having funds under the revenue sharing program shall be initiated in such a fashion where at least a portion of the funds have been expended within one year of allocation. Any revenue sharing funds for projects not initiated after two subsequent years of allocations may be reallocated at the discretion of the Commonwealth Transportation Board. Criteria for identifying projects for potential de-allocationdeallocation:~~

- ~~Project completed for 6 months or more with allocations remaining and no activity for 6 months~~
- ~~Project which has not been initiated within two (2) fiscal years of allocation~~
- ~~Project which is on-going, where for 24 months no portion of allocated revenue sharing funds has been expended or project has been inactive.~~

#### Process for de-allocationdeallocation:

- ~~At the end of eachTwo months prior to the end of the current fiscal year, the Revenue Sharing Program Manager will obtain from the Revenue Sharing database a list of revenue sharing projects that received allocations for that fiscal year and have had no project expenditure activity.~~
- ~~The Revenue Sharing Program Manager will discuss these projects with the local VDOT PIM and determine which projects have not yet been initiated. Once those have been identified, the Revenue Sharing Program Managerlocal VDOT manager will coordinate with will send a letter to the locality advising the of the potential that project funding may be deallocated de-allocated if the project is not initiated within the next twelve (12) months and of the possibility that no additional funds may be allocated by CTB until the project is initiated.~~
- ~~Each springTwo months prior to the end of the current fiscal year, the Revenue Sharing Program Manager reviews a list of revenue sharing projects obtained from the Revenue Sharing database that have not been initiated within 2 fiscal years of allocation or have had no activity in past 24 months and projects that have been completed for 6 months or more with surplus funds, for the formal de-allocationdeallocation review.~~
- ~~The Revenue Sharing Program Manager will provide to the designated local VDOT Manager a list of potential projects for de-allocationdeallocation.~~
- ~~The designated local VDOT Manager will coordinate with each affected locality to determine the project status and provide an action plan and recommendation whether funds should be de-allocated or whether there is justification to retain the funds. This action plan and recommendation will be provided back to the LAD Revenue Sharing Program Manager within 45 days.~~



- ~~Projects that are identified by the designated local VDOT Manager as complete will be closed and the designated local VDOT Manager will be asked to provide proper documentation within 45 days to transfer funds to another qualifying project, as applicable, in accordance with CTB Policy. A qualifying project is a revenue sharing project that is completed and in has an existing deficit, or an on-going project that needs additional funds to meet a scheduled advertisement or award within 12 months of the date the donor project was place on the deallocation list. Local funds on an awarded project are not eligible to be replaced with Revenue Sharing Program funds though a transfer of funds.~~
- ~~Once a project is identified for de-allocation deallocation a list will be presented no later than at the January CTB meeting for consideration in the removal of Revenue Sharing project funds. Localities will be notified of proposed de-allocation deallocations at least 30 days prior to presentation to the CTB.~~
- ~~If the decision is made to deallocate ~~de-allocate~~ the funds, those funds will be removed from the project and made available for statewide redistribution at a later date. Any locality matching funds that had been provided to VDOT by the locality for the funds being deallocated ~~de-allocated~~ will be refunded to that locality through the respective District office.~~

~~As previously noted, surplus funds from a cancelled project must be deallocated and returned to the statewide Revenue Sharing program account; these funds can only be reallocated by the Commonwealth Transportation Board.~~

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