Revenue Sharing Program

Identification of Projects Subject to Deallocation: §33.1-23.05 was modified in 2008 to include a provision establishing timeframes for the expenditure of funds with an additional modification made in 2012.

Criteria for identifying projects for potential deallocation:
- Projects that are new or where no portion of allocated Revenue Sharing funds have been expended within 1 year of allocation
- Project completed with allocations remaining and no activity for 24 mo.
- Project not initiated after 2 subsequent fiscal years of allocations
- Project ongoing, where no portion of allocated Revenue Sharing funds have been expended within 2 subsequent fiscal years of allocations.

Deallocation Process
At the end of each fiscal year, the Revenue Sharing Program Manager will obtain from Fiscal Division 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 send a letter to the locality advising of the potential of project funding being deallocated if the project is not initiated within the next 12 months.

Each spring, the Revenue Sharing Program Manager will obtain from Fiscal Division a list of Revenue Sharing projects that have had no expenditure activity in the past 24 months for the formal deallocation review. The Revenue Sharing Program Manager will provide to the designated local VDOT Manager a list of potential projects for deallocation.

The VDOT manager will coordinate with each affected locality to determine the project status and provide an action plan and recommendation whether funds should be deallocated or whether there is justification to retain the funds. This action plan and recommendation will be provided back to the Revenue Sharing Program Manager within 45 days.

Projects that are identified by the VDOT Manager as complete or that are cancelled at the request of the locality, will be closed and the VDOT Manager will be asked to provide proper documentation within 45 days to transfer funds to another qualifying project. A qualifying project is a Revenue Sharing project that is completed and in deficit, or an ongoing project that needs additional funds to meet a scheduled advertisement date and will be able to utilize the funds prior to the end of the current fiscal year in which the review is being done.

Once a project is identified for deallocation a list will be presented to the CTB for consideration in the removal of Revenue Sharing project funds. Localities will be notified of proposed deallocations at least 30 days prior to presentation to the CTB. If the decision is made to deallocate 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 by the locality for the funds being deallocated will be refunded to that locality through the District Office.

Revenue Sharing Resources
Local Assistance Division—VDOT
http://www.virginia.org/business/local-assistance.asp
Resource documents:
http://www.virginiadot.org/business/local-assistance-access-programs.asp#Revenue_Sharing

What is Revenue Sharing?
Revenue Sharing is a 50/50 cash match program governed by Section 33.1-23.5 of the Code of Virginia. Projects are selected through an application process and funds are allocated annually by the Commonwealth Transportation Board (CTB). The program is used to finance eligible work on highway systems within a locality. It is intended to provide funding for immediately needed improvements or to supplement funding for existing projects. The CTB may provide a maximum of $200 million and a minimum of $15 million to the program annually.

The program is open to all counties and cities, and to all towns under the urban system. Localities may request up to $10 million. Localities may request up to $5 million of the $10 million maximum for maintenance projects. Applications are prioritized for funding. Revenue Sharing 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.

The local match for these funds must come from non-VDOT sources. VDOT-managed funds (urban maintenance payments, regional surface transportation improvement (RSTP), congestion management air quality (CMAQ), safety funds, any formula funds, etc.) cannot be used for the match to revenue sharing funds. Projects that are funded 100% with revenue sharing funds, and are being administered by the locality, can take advantage of the state-aid streamlining process.

How does the state-aid streamlining process work?
As part of the streamlined process for locally administered projects, prior to award, the locality will forward to the designated Project Coordinator the State Certification Form (for projects funded solely with Revenue Sharing Funds), indicating all applicable laws and regulations pertaining to locally administered state funded projects have been met. The designated Project Coordinator will provide a letter or email to the locality giving their approval to proceed with the award process.

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Revenue Sharing Program

Eligible Projects:

Construction projects: Projects that add to or change the characteristics of the road, facility or structure, or provide a new or significantly modified transportation facility.

Reconstruction projects: Projects that completely replace an existing facility or significantly improve the functionality of an existing facility.

Improvement projects: Projects that facilitate or control traffic or pedestrian flow. Examples would include turn lanes, new sidewalks or trails, curb and gutter, or any new installation that will enhance traffic flow or safety.

Revenue Sharing Program

What is the approval process?
Upon receipt of the requests, the local VDOT manager will review the application (Revenue Sharing Detailed Application for Funds) from each locality for eligibility. Once the localities’ requests are found to be eligible, the Local Assistance Division (LAD) will develop the statewide program for submission to the Commonwealth Transportation Board (CTB) for approval.

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

What is the application process?
1. VDOT’s Director of Local Assistance Division (LAD) sends a letter inviting all qualifying local governments to participate in the Revenue Sharing Program for the coming fiscal year. Typically this is sent out in early August, with application deadlines in late October/early November.

2. The local government determines its intent to participate in the program, and the amount of local funds to be provided. The local government prepares the Detailed Application for Funds form and provides it electronically to the appropriate VDOT manager. This application should list what is to be included for each project (example: length of road, width of road, estimated cost, etc.); list projects in the locality’s priority order; and identify who will administer each phase of each project. The governing body of the locality must provide a resolution in support of the application. A town not maintaining its own streets must submit its request with the county in which it is located. While there is no limit on the amount of funds the locality may contribute, the amount of funds eligible for state matching funds may not exceed the statutory limitation. The application and all supporting documents must be sent to the designated VDOT manager for review prior to submittal to the LAD.

3. The LAD will develop a Statewide Recommendation list for submittal to the Commonwealth Transportation Board for their approval in June, with funding being available in July. Prior to any work beginning, localities must pay their portion of the Local Match on projects that will be VDOT administered or a signed, executed agreement must be in place on projects being locally administered. No work should be conducted prior to approval of Revenue Sharing allocations by the CTB, for which reimbursement will be requested.

How do you apply for Revenue Sharing funds?
Application for program funding must be made by resolution of the governing body of the jurisdiction requesting the funds. 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. 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.

How do you apply for Revenue Sharing funds cont’d
Prior to any work beginning, localities must pay their portion of the Local Match on projects that will be VDOT administered or a signed, executed agreement must be in place on projects being locally administered. No work should be conducted prior to approval of Revenue Sharing allocations by the CTB, for which reimbursement will be requested.

How do you apply for Revenue Sharing funds cont’d
For application and eligibility questions, contact the following:

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Maintenance projects:
Projects that involve work to preserve or restore the roadway, facility or structure to its original condition.

Other options:
Other eligible projects could include rural additions or new roadways. See the Revenue Sharing Program guidelines for more details.

Priority Criteria:

Priority One:
Construction projects that accelerate a project in VDOT’s Six-Year Improvement Program (SYIP) or the locality’s capital plan.

Priority Two:
Maintenance projects for pavement resurfacing that has been deemed deficient by VDOT or bridge projects that address a condition rating of Poor.

Priority Three:
Construction and maintenance that do not meet priority criteria.