

Revenue Sharing Program Guidelines



For further information, contact

Local VDOT Manager
or

Local Assistance Division
Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219
(804)786-2746



Copyright 2015 Commonwealth of Virginia

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. 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. 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.

All previous instructions regarding administrative procedures for revenue sharing projects are hereby superseded.

REVENUE SHARING PROGRAM GUIDELINES

CONTENTS

	<u>Page</u>
I. Definitions.....	1
II. Purpose.....	3
III. Eligible Work.....	3
IV. Funding Limitations.....	4
V. Application for Funds	5
VI. Approval	6
VII. Implementation	6
VIII. Transfer of Funds	8
IX. Supplemental Allocations	9

LIST OF APPENDICES

SECTION Section 33.2-357 OF THE CODE OF VIRGINIA	A
REVENUE SHARING PROGRAM POLICY	B
CRITERIA FOR MAINTENANCE PRIORITY PROJECTS.....	C
APPLICATION PROCESS	D
DETAILED APPLICATION FOR FUNDS Form.....	E
SUMMARY OF PROJECTS – Designation of Funds Form	F
SAMPLE RESOLUTION	G
IMPLEMENTATION PROCESS.....	H
CERTIFICATION FORM For STATE FUNDED PROJECTS	I
REVENUE SHARING PROGRAM DE-ALLOCATION AND PROJECT TRANSFER PROCESS.....	J

I. Definitions

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

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.

- **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, trails, curb & gutter, any new installation that will enhance traffic flow or safety, or projects that alleviate roadway drainage issues.
- **Maintenance Projects** are those projects that involve work in preserving or restoring the roadway, facility, or structure to its original condition, as nearly as possible. This includes the removal and replacement (down through the base) of a pavement structure.

Local VDOT Manager means the department 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 eligible projects in that locality.

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.

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 an established level of performance of the asset infrastructure network as defined by VDOT. The target is usually determined by the portion of the network above a threshold or benchmark rating. Whether the condition of the asset

is below the benchmark rating for bridges and pavements will be used to establish whether or not maintenance projects meet the criteria for priority consideration.

Revenue Sharing Program Fund means the designation given to the fund used to finance the specially funded program. Projects are selected by the local government in coordination with the Department of Transportation subject to approval by the Commonwealth Transportation Board.

Rural Addition means any subdivision street used as such by the date established under Section 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 (Section 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*.

System of State Highways means the primary or secondary roads under the ownership, control or jurisdiction of VDOT.

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 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 Section 33.2-357 of the *Code of Virginia* ([Appendix A](#)) and the Commonwealth Transportation Board’s Revenue Sharing Program Policy ([Appendix B](#)). An annual allocation of funds for this program is designated by the Commonwealth Transportation Board.

III. Eligible Work

The Revenue Sharing Program may be used to finance eligible work on highway systems within a locality. 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 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 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

When additional allocations are determined to be necessary to completely finance a project listed in the adopted Six-Year Improvement Plan, the locality may request that the anticipated deficit be financed by the Revenue Sharing Program. This includes, but is not limited to, such work as signalization, additional preliminary engineering, or acquisition of additional right-of-way. This procedure may be utilized to accelerate the funding of a project and thereby permit its completion earlier than otherwise would have been possible.

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

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 to construct a project not currently in the Six-Year Plan. However, in such cases, the locality funds, together with the state matching funds, should finance the entire estimated cost of the project within the fiscal year involved. A preliminary engineering only project can be established, provided it is fully funded.

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 subdivision streets otherwise eligible under Section 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

Suggested eligible types of maintenance work include plant mix overlays, bridge or culvert rehabilitation, guardrail replacement, sidewalk repairs, and curb & gutter repair.

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. Urban system roads in cities and towns are not eligible.

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 Section 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.

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 funds available each fiscal year will be determined by the Commonwealth Transportation Board. The maximum allocation the CTB may make to the Revenue Sharing Program is \$200 million annually. The minimum allocation the CTB may make to the Revenue Sharing Program is \$15 million annually.

A locality may apply for up to a maximum of \$10 million in matching allocations. Up to \$5 million of these requested funds may be specified for maintenance projects. 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 or to projects that can accelerate a project in a locality's capital 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 C](#) 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 indicating on the detailed application that appropriate documentation is available to confirm deficiency. This documentation is to be provided by the application 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

- Locality requests up to a total of \$1 million will be evaluated first and funded first
- Locality requests over \$1 million and up to \$10 million will be evaluated next and funded next

Priority 2 – Construction Projects that meet a transportation need identified in the Statewide Transportation Plan or projects that will be accelerated in a locality's capital plan

- Locality requests up to a total of \$1 million will be evaluated first and funded first
- Locality requests over \$1 million and up to \$10 million will be evaluated next and funded next

Priority 3 – Projects that address deficient pavement resurfacing and bridge rehabilitation (as described in Appendix C)

- Locality requests up to \$1 million will be evaluated first and funded first
- Locality requests over \$1 million up to \$5 million will be evaluated next and funded next

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

- Locality requests up to \$1 million will be evaluated first and funded first
- Locality requests over \$1 million will be evaluated next and funded next

Notes: If funds are depleted prior to completely funding all projects within a priority, any remaining funds will 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, transfers affecting those fiscal year allocations can only be made to projects meeting the same priority selection criteria that received funding originally.

V. Application for 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.

Project funding is allocated by resolution of the Commonwealth Transportation Board. Projects may be developed and constructed by VDOT or the locality. The application process is described in [Appendix D](#). Forms for submission of Revenue Sharing Program funding requests and pertinent project information must be compiled and submitted for VDOT review. The forms utilized for this purpose are found in [Appendix E](#) (REVENUE SHARING DETAILED APPLICATION FOR FUNDS Form) and [Appendix F](#) (SUMMARY OF PROJECTS - Designation of Funds Form). A sample resolution may be found in [Appendix G](#).

Requested funds should cover the entire cost of the project or the application must indicate where additional funds are coming from to fully fund the project. Indicating “future revenue sharing funds” is not acceptable. The Revenue Sharing Program is approved on an annual basis and Program funding for specific projects in future years should not be expected and cannot be guaranteed.

Note: It is anticipated that at the time the application is submitted the locality has the funding to match its request if approved.

VI. Approval

Upon receipt of the requests, the designated local VDOT Manager will review the application ([REVENUE SHARING DETAILED APPLICATION FOR FUNDS Form](#)) from each locality for eligibility and accuracy. Once the localities’ requests are found to be eligible, Local Assistance Division will develop the Statewide Program 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 may approve transactions, such as locality/state agreements, for Revenue Sharing Program projects prior to Commonwealth Transportation Board approval; however, no project work should be conducted, prior to approval of Revenue Sharing Program allocations by the Board, for which reimbursement from the requested Revenue Sharing Program funds is expected.

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, the locality should forward to the local VDOT Manager the local matching funds prior to any work beginning. If requested by the locality, VDOT will provide an invoice to the locality for its share of the estimated cost of work to be performed; the money is collected prior to the beginning of work or surplus funds (state funds and local match) from other Revenue Sharing projects may be transferred to cover the estimated cost. For projects exceeding \$500,000 in total estimated cost, VDOT and the locality may agree to payment of the local match by project phase (i.e., preliminary engineering, right of way, or construction). 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, the locality may request surplus funds from other Revenue Sharing projects be transferred to cover the deficit and, if necessary, request a final billing for its share. Additional funding can also be transferred from other VDOT fund sources as applicable. 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 transfer the remaining funds to another existing Revenue Sharing project as noted in the section describing transfer of funds (Section [VIII](#)). [Appendix H](#) provides the steps for initiating project funding and invoicing. Surplus funds should be addressed within six (6) months following project completion to ensure funds do not become de-allocation candidates, thereby limiting transfer options.

If a local government wishes to cancel 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 cancelled after the 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. This guide is available on the Local Assistance Division webpage: http://www.virginiadot.org/business/resources/LAP_Guide.pdf. The Local Assistance Division, working with the designated local VDOT Manager will prepare the appropriate locality/state agreement that governs the performance of work administered by the locality. 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 process is available. 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](#)) 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) system by the Project Coordinator or designee.

Once the project begins, the locality may submit, no more frequent than monthly, invoices to VDOT for eligible costs incurred. After all work is completed, the locality makes 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 remaining VDOT share of Revenue Sharing Program funds may be transferred to another existing project as noted in the section describing transfer of funds (Section [VIII.](#)) or, if the locality desires, returned to VDOT's statewide fund for the Revenue Sharing Program. [Appendix H](#) provides the steps for initiating project funding and invoicing.

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 will be required for any project cancelled after the plans have been approved unless an exception is granted by the Commissioner.

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. 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. 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. 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 process to address funding that may be removed from a project under certain conditions. No funds will be de-allocated without the locality being notified. The de-allocation process is explained in [Appendix J](#).

VIII. Transfer of Funds

Transfer of funds to an existing revenue sharing project

To implement a transfer of funds between existing revenue sharing construction projects, the County Administrator or City/Town Manager may request via letter or email that funds be moved from one revenue sharing project to another existing revenue sharing project in order to provide additional funds. This request should be forwarded to the designated local VDOT Manager. The local VDOT Manager will, in turn, forward the request to the Local Assistance Division. (Please refer to [Appendix J](#) for more information on the procedures for transfer of funds.) Transfers between existing revenue sharing maintenance projects will also follow the same procedures as transfers between existing revenue sharing construction projects once the transfer request is initiated by the local government.

Transfer of funds to an existing non-revenue sharing project

Revenue Sharing Program funds may also be transferred to an existing construction project in the Six-Year Improvement Program, Secondary Six-Year Plan, or Capital Improvement Program (CIP) for localities participating in the Urban Construction Initiative if needed to meet the approved federal obligation schedule, to ensure a scheduled advertisement date can be met or advanced, if needed for project award, or to fund the deficit on a completed project, and if approved by the Commonwealth Transportation Board. Revenue Sharing Program funds may also be transferred to an existing maintenance project currently underway or with funds programmed in the current fiscal year providing it meets the priority criteria. Included in the request must be a resolution from the locality establishing the project as a revenue sharing project along with the detailed reasons for the request and the status of both projects. This documentation should be forwarded to the designated local VDOT Manager. The local VDOT Manager will, in turn, forward the request to the Local Assistance Division. (Please see [Appendix J](#) for more information on the procedures for transfer of funds.)

Notes: Any project established as a revenue sharing project outside of the application process will not be deemed as an existing Revenue Sharing project for prioritization (Priority 1) during the next application cycle.

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.

IX. Supplemental Allocations

For any fiscal year in which less than the full program allocation has been allocated, those localities requesting the maximum allocation may be allowed an additional allocation at the discretion of the Commonwealth Transportation Board.

§ 33.2-357, effective July 1, 2015) 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 \$10 million for use by the locality to improve, construct, or reconstruct the highway systems within such locality with up to \$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 § 33.2-335, 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 be no less than \$15 million and no more than \$200 million 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.



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

1401 East Broad Street
Richmond, Virginia 23219

Phone: (804) 786-2701
Fax: (804) 786-2940

Agenda item # 3

Current Policy To Be Revised/Replaced
Upon CTB Approval July 15, 2015

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

July 16, 2014

MOTION

Made By: Mr. Cole, Seconded By: Mr. Malbon

Action: Motion Carried, Unanimously

Title: Policy and Guidelines for the Revenue Sharing Program (Revision)

WHEREAS, § 33.1-23.05 (§ 33.2-357, effective October 1, 2014) of the *Code of Virginia* (1950), as amended, specifically stipulates that the Commonwealth Transportation Board (CTB) shall establish guidelines for the purpose of distributing and administering revenue sharing program funds allocated by the CTB; and

WHEREAS, the CTB approved a revised Revenue Sharing Program Policy and Guidelines on July 18, 2012 to comply with changes to the revenue sharing program made by the General Assembly that year; and

WHEREAS, it is the sense of the CTB that the existing Revenue Sharing Program Policy and the program guidelines should be amended to provide additional clarification in administration of the revenue sharing program.

NOW, THEREFORE, BE IT RESOLVED that the CTB hereby adopts the following policy to govern the use of revenue sharing funds pursuant to § 33.1-23.05 (§ 33.2-357, effective October 1, 2014) of the *Code of Virginia* (1950), as amended:

1. The Revenue Sharing Program shall provide a matching allocation up to \$10 million to any county, city or town for projects designated by the locality for improvement, construction or reconstruction of highway systems within such locality with up to \$5 million for use by the county, city or town for maintenance projects for highway systems within such county, city or town.

2. Revenue Sharing funds shall be prioritized and allocated in accordance with the provisions of § 33.1-23.05 B (§ 33.2-357 B, effective October 1, 2014) of the *Code of Virginia* and, then, as further outlined in the Revenue Sharing Program Guidelines.
3. 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 a supporting resolution from the governing body of the adjacent locality. Towns not maintaining their own streets are not eligible to receive Revenue Sharing Program funds directly; their requests must be included in the application of the county in which they are located. All requests must include a priority listing of projects.
4. Funds may be administratively transferred by the Department of Transportation from one revenue sharing project to another existing revenue sharing project upon request of the locality. If approved by the CTB, revenue sharing funds may also be transferred to an existing project in the Six Year Improvement Program or Secondary Six Year Plan if needed to meet the approved federal obligation schedule or to ensure that a scheduled advertisement date can be met or accelerated. Requests for all transfers must be made in writing by the County Administrator or City/Town Manager. All requests must include the reasons for the request and the status of both projects.
5. 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; however, if the estimated project cost exceeds the Revenue Sharing Program funding request, the locality must identify other funding sources and amounts necessary to complete the project. Projects receiving revenue sharing funds shall be initiated and at least a portion shall be expended within one year of the allocation. If a project having funds allocated under this program has not been initiated so that a portion of such funds have been expended within two subsequent fiscal years of allocation, the funds may be reallocated at the discretion of the CTB.

BE IT FURTHER RESOLVED that the CTB approves the Revenue Sharing Program Guidelines as revised and attached hereto.

BE IT FURTHER RESOLVED that the above policy shall become effective immediately, and all revenue sharing program policies previously adopted heretofore by the CTB governing the use of revenue sharing funds shall be rescinded simultaneously.

####

Criteria for Maintenance Priority Projects

A locality may apply for up to \$10 million in matching allocations with up to \$5 million 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 being classified as *not deficient* and would not meet priority criteria.

APPLICATION PROCESS

1. VDOT's Director of Local Assistance sends an invitation letter (via email) to all qualifying local governments addressed to County Administrators and City/Town Managers to participate in the Revenue Sharing Program for the coming fiscal year.
2. The local government determines its intent to participate in the program, and the amount of local funds to be provided. The local government and designated local VDOT Manager jointly prepare an application to recommend assignment of requested funds for eligible projects. This application will:
 - indicate if project is for construction OR maintenance;
 - List what is to be included for each project (example: length of road, width of road, estimated cost, project schedule, project description, termini, etc.);
 - list projects in the locality's priority order;
 - identify each phase (i.e., preliminary engineering, right of way, and construction) of each project to be administered by the locality or by VDOT;
 - Include a resolution from the governing body of the locality supporting the application. A town not maintaining its own streets must submit its request with the county in which it is located.

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 funding allocation stipulated by statute. It is anticipated that at the time the locality submits an application they have available any funds shown as local match or local funds. Funds that are used to match revenue sharing cannot be other VDOT managed funds. If the locality uses other grant funds as their match it is up to the locality to determine if the work they will be doing is eligible (under those funds) and if they are required to follow any specific regulations attached to those funds. The locality must submit a separate REVENUE SHARING DETAILED APPLICATION FOR FUNDS FORM (see [Appendix E](#)) for each project as well as the SUMMARY OF PROJECTS - Designation of Funds Form (see [Appendix F](#)) representing the locality's list of prioritized projects. These forms and all supporting documents must be sent to the designated VDOT Manager for review prior to submittal to the Local Assistance Division. Although the invitation letter specifies a deadline for applications to be submitted, it will be necessary for the locality to coordinate with the local VDOT Manager to allow sufficient time to review the application to ensure accuracy of the information and eligibility of the project work.

3. It is the responsibility of the designated local VDOT Manager to review the detailed application form developed in Step 2 of the process for eligibility. 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. It is 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. It should also be noted that if federal funds are added, 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 or the roadway or bridge will be classified as *not deficient*.

4. The appropriate VDOT personnel upload the detailed application form and summary of applications onto the Local Assistance Team Site.

Each signed REVENUE SHARING DETAILED APPLICATION FOR FUNDS Form, the locality's SUMMARY OF PROJECTS - Designation of Funds Form, and all supporting documents must be received by the Local Assistance Division by the date specified in the invitation letter. While the initial application must be transmitted to your local VDOT Manager electronically, original signed documents are to be forwarded to your local VDOT Manager by the deadline specified in the invitation letter.

5. VDOT's Local Assistance Division reviews the submitted detailed applications and notifies 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.
6. After the Local Assistance Division has reviewed the submitted detailed applications, LAD will request the designated local VDOT Manager to enter the data from the detailed application into VDOT's Project Pool and obtain the permanent UPC. A permanent UPC is required for all projects being recommended for approval by the CTB.

REVENUE SHARING DETAILED APPLICATION FOR FUNDS

SEPARATE APPLICATION REQUIRED FOR EACH PROJECT TO BE CONSIDERED

Total locality request cannot exceed \$10M (which includes any maintenance funding requested). Maintenance request total cannot exceed \$5M per locality
Projects receiving funding under this program are to be initiated and a portion of the Revenue Sharing funds expended within one year of allocation

FY: <input type="text" value="2016-17"/>	>select<	of <input type="text" value="insert locality name"/>	District: >select<
# of Applications Locality is submitting: <input type="text"/>			

PROJECT INFORMATION: (Please TAB from field to field)

Locality's Priority #:	<input type="text"/>	Route #:	<input type="text"/>	and local road name, if available: <input type="text"/>
State Project Number:	<input type="text"/>	UPC #:	<input type="text"/>	
Has project previously received Revenue Sharing funding?	>select<	If "Yes", indicate Fiscal Year(s)	<input type="text"/>	
Does project meet a transportation need identified in VDOT's Statewide Transportation Plan?	>select<			
Has an application also been submitted requesting HB2 funds for this project?	>select<			
Is project in Locality's Capital Plan and only by receipt will these funds advance the project advertisement date?	>select<	(Current Advertisement: <input type="text"/> ; Advanced Advertisement: <input type="text"/>)		
Is project work for pavement resurfacing or bridge rehabilitation where the maintenance analysis determines the infrastructure does not meet the Department's performance guidelines?	>select<	If "Yes", does local VDOT Manager have this documentation?	>select<	
<i>Requests for pavement resurfacing or bridge rehabilitation (maintenance) lacking this documentation will not meet the higher priority selection criteria</i>				
Scope of Work:	>select one<	Project Type:	>select<	(*Project Type will be used in priority selection)
Description of work:	<input type="text"/>			
Length:	<input type="text"/>	(miles) From:	<input type="text"/>	To: <input type="text"/>

PROJECT ESTIMATES (Please TAB from field to field)

PHASE	*Total Estimated Project Cost	Sections below pertain to Revenue Sharing funded portion only:		
		Estimated Eligible Project Costs	Estimated Eligible VDOT Project Expenses	Estimated Reimbursement to Locality
PE	\$ 0	\$ 0	\$ 0	\$ 0
RW	\$ 0	\$ 0	\$ 0	\$ 0
CN	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0

PROJECT TO BE ADMINISTERED BY - >select< - If "LOCALITY", please answer for each phase (PE, RW, and CN) below

Please note that indicating <u>any</u> phase of project work to be administered by the locality and reimbursed using Revenue Sharing Program funding constitutes a "Locality Administered Project". Submission of this application represents the locality's request to administer (RTA) the project work.	
has PE Phase: <input type="text" value="n/a"/>	<i>The RTA is not required - however, for an application for a project exceeding \$5M estimated construction costs it is recommended that the locality use the self-evaluation form in the LAP Manual to assist in assessing its ability to manage a complex project. Local administration of a complex project will be at VDOT's discretion.</i>
has RW Phase: <input type="text" value="n/a"/>	
has CN Phase: <input type="text" value="n/a"/>	

PROJECT FINANCIAL INFORMATION (Please TAB from field to field)

VDOT Revenue Sharing matching funds UP TO \$1M requested for this >SELECT< project for FY 2017:	\$ 0
VDOT Revenue Sharing matching funds OVER \$1M requested for this >SELECT< project for FY 2017:	\$ 0
VDOT Revenue Sharing matching TOTAL application request: (right click on "\$0" to the right & "Update Field" for total)	\$ 0
Total of other State / Federal / Local funds (enter amount to the right to include previous state & local revenue sharing funds):	\$ 0
List types of other funds: <input type="text"/>	
Total funding to be programmed on Project *(this line should equal total estimated project cost from above): (right click on "\$0" & "Update Field" for total)	\$ 0

COMMENTS

<input type="text"/>

<p>My signature below certifies this information is accurate and the locality has the required funding to match the amount being requested.</p> <p>Submitted by: <input type="text"/></p> <p style="text-align: center; font-size: small;">sign here for original hard-copy submission</p> <p style="text-align: center;">Signature of Locality Official <input style="width: 100px;" type="text"/> Date <input style="width: 50px;" type="text"/></p>	<p>My signature below certifies I have reviewed this application and, to the best of my knowledge, the information is accurate and the project work meets eligibility requirements to receive Revenue Sharing funding.</p> <p>Reviewed by: <input type="text"/></p> <p style="text-align: center; font-size: small;">sign here for original hard-copy submission</p> <p style="text-align: center;">Signature of VDOT Official <input style="width: 100px;" type="text"/> Date <input style="width: 50px;" type="text"/></p>
--	--

An original, signed application must be forwarded to your local VDOT Manager, along with a resolution supporting this application by the deadline listed in the "Call for Applications" letter.

(Revised 08/01/2015)

**SUMMARY OF PROJECTS - Designation of Funds Form
FY 2016 Revenue Sharing Program**

\$10 million maximum allocation per locality and
no more than \$5 million of that amount may be allocated to maintenance projects

CONSTRUCTION FUNDS BEING REQUESTED:

Locality's Priority	Route #	Road Name	Requested State Match up to \$1M for Construction	Requested State Match Over \$1M for Construction	TOTAL CONSTRUCTION FUNDS REQUESTED FOR PROJECT
			\$0	\$0	\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
TOTAL CONSTRUCTION FUNDS REQUESTED:			\$0	\$0	\$0

MAINTENANCE FUNDS BEING REQUESTED: (cannot exceed \$5 million and is part of total \$10M)

Locality's Priority	Route #	Road Name	Requested State Match up to \$1M for Maintenance	Requested State Match Over \$1M for Maintenance	TOTAL MAINTENANCE FUNDS REQUESTED FOR PROJECT
			\$0	\$0	\$0
			\$0	\$0	\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
TOTAL MAINTENANCE FUNDS REQUESTED:			\$0	\$0	\$0

GRAND TOTAL OF ALL FUNDS REQUESTED:	\$0	\$0	\$0
--	-----	-----	-----

Locality Representative Date Submitted

VDOT Representative Date Reviewed

Revised: 7/18/2012

SAMPLE RESOLUTION

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 of up to [enter amount locality intends to provide as its match] 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,

NOW, THEREFORE, BE IT RESOLVED THAT: 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.

(Note that the paragraph below is optional but ensures on locally administered projects a separate "Authority to Sign" is not required to execute the agreement.)

BE IT FURTHER RESOLVED THAT the [name of locality (City/Town Council or Board of Supervisors)] hereby grants authority for the [title of position, i.e. City Manager/County Administrator] to execute project administration agreements for any approved revenue sharing projects.

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

A COPY ATTEST

[name] [title]

IMPLEMENTATION PROCESS

VDOT's Local Assistance Division coordinates with the Financial Planning Division to program the state matching funds for the approved specific revenue sharing projects.

VDOT Administered Projects

1. Prior to proceeding with the development of the project, the locality and VDOT will coordinate the project schedule. The appropriate designated local VDOT Manager will request payment from the locality for its share of the estimated cost of work to be performed prior to work commencing. The locality may request VDOT to provide an invoice for the locality's share of necessary funding. For projects with an estimated cost of over \$500,000, the locality can request to be invoiced by phase.
2. 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, the locality may request surplus funds be transferred from other Revenue Sharing projects or request a final billing for its share. A transfer of other VDOT managed funds (if applicable) may also be requested to cover the deficit. If the locality's share of the actual cost is less than the funding received, the difference may, if desired by the locality, be refunded to the locality or transferred to another existing project as noted in the section describing Transfer of Funds in this guide.
3. Upon completion of a project the District should follow their prescribed close-out procedure. Any surplus revenue sharing funds should be transferred to another qualifying project (as outlined in Appendix J) to prevent the funds from becoming a candidate for de-allocation.

Locally Administered Projects

1. VDOT has published a [Locally Administered Projects \(LAP\) Manual](#) that provides general guidance for locally administered projects, including those being funded through the Revenue Sharing program. The LAP Manual is available on the Local Assistance Division webpage on the VDOT website.
2. For those projects identified as being locally administered and funded solely with Revenue Sharing funds, VDOT will draft the Programmatic Project Administration Agreement, Appendix A, and Appendix B that governs the performance of work administered by the locality and will cover all projects being administered by the locality. The agreement must be executed by the locality and VDOT prior to incurring any cost to be financed from the Revenue Sharing Program. Any costs incurred prior to the agreement being executed will not be eligible for reimbursement. Note that a Standard Project Administration Agreement can be used instead if the locality prefers a separate agreement for each project. The Request to Administer (RtA) form is not required, since the application identifies whether or not the project is to be locally administered. It is recommended that a 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 more complex transportation projects. Although uncommon, VDOT may deny a locality's request to administer a project. Please refer to Chapter 2 of the LAP Manual for further explanation.

3. Upon execution of the agreement, and at the request of the District the project will be opened for a minimal time for VDOT to perform SERP, scoping or inspection if applicable and as provided in the agreement. As invoices are received for payment, the proper phase will be opened for a minimal time to allow the invoice to be processed. Locally administered projects are not opened for extended periods of time.
4. 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 has been met.

The designated Project Coordinator will provide a letter or email to the locality giving their approval to proceed with the award process. Note that Local Assistance Division will not open the construction phase of a project until the State Aid Certification form has been received and is uploaded into VDOT's Integrated Project Manager (iPM) system.

5. Once the project begins, a project level invoice, accompanied by supporting documentation, should be submitted to the VDOT Project Coordinator no more frequent than monthly. The supporting documentation should include copies of invoices paid by the locality and a to-date project summary schedule, tracking payment requests and any adjustments. In lieu of copies of invoices paid by the locality, a one-page summary of what documentation the locality has on file may be used, provided that the locality's Director of Finance or (equivalent official) similar position signs it. A request is then forwarded to Local Assistance Division from the local VDOT office requesting the phase opened and the funds authorized for payment. No invoice should be processed for payment without authorization from Local Assistance Division. After all work is completed the locality makes a final billing to VDOT for its share of the actual eligible costs incurred. If the actual cost is less than that provided by the agreement, the difference may be transferred to another revenue sharing project in the locality, or, if the locality desires, refunded to the VDOT Revenue Sharing Program Fund.
6. Any updates to the project's status, schedule, or estimate shall be done by the designated local VDOT Manager or Project Coordinator during the course of the project.
7. Upon completion of a project the District should follow its prescribed close-out procedure. Any surplus revenue sharing funds should be transferred to another qualifying project (as outlined in Appendix J) to prevent the funds from becoming a candidate for de-allocation.

Certification Form for State Funded Projects

Project Number: _____

UPC: _____

This certification form is to be used to certify adherence to all applicable laws and regulations pertaining to locally administered state funded projects. This certification form will not be used for projects utilizing any federal funds. The signature at the bottom will certify that **>INSERT LOCAL GOVERNMENT NAME<** has met the following requirements for state funded projects. VDOT may perform project audits to verify compliance with this certification. False or inaccurate statements identified by VDOT or other state regulatory agencies may result in the requirement to return state aid and/or other penalties as allowed by State law.

Initials	Certification Statement
	Check applicable statement: <input type="checkbox"/> For highways maintained by the LPA, project plans have been designed in accordance with AASHTO standards and signed and sealed by a Virginia registered P.E. in accordance with DPOR; OR <input type="checkbox"/> For highways which will be operated and maintained by VDOT, project plans have been designed in accordance with VDOT Standards and that VDOT has reviewed the plans in accordance with the agreed upon schedule and all necessary design variances/waivers have been attained and the plans have been signed and sealed by a Virginia registered P.E. in accordance with DPOR.
	All required regulatory agency coordination has been made and applicable permits or approvals have been acquired.
	Where VDOT will operate and maintain the highway, that the LPA has performed appropriate due diligence to identify environmental hazards on new right of way and to the best of our knowledge, any existing environmental hazards have been identified and mitigated or a plan for mitigation during construction has been made.
	Project was developed in accordance with State laws and regulations governing public involvement so that adequate and appropriate public notice and opportunity for public comment was provided.
	All right of way has been obtained and that the LPA has legal right of entry onto each and every parcel for the advertisement and construction of the referenced Project.
	The LPA has complied with the Code of Virginia requirements pertaining to relocations and the acquisition of real property.
	All affected utilities have been relocated or companies authorized to relocate their facilities. If not, they are included as in-plan work to be performed by the road contractor.
	The project was advertised in accordance with the Virginia Public Procurement Act and that the advertisement package included all appropriate EEO provisions.
	All environmental regulations as are applicable to local government capital improvement projects and as required by State or federal laws applicable to non federal-aid projects have been met or provisions to meet continuing requirements during construction have been made.

>INSERT LOCAL GOVERNMENT NAME< acknowledges that failure to fulfill its legal obligations associated with those requirements identified in this certification may result in project delays and/or delays or forfeiture of State reimbursements. **>INSERT LOCAL GOVERNMENT NAME<** further acknowledges that obligations associated with those requirements identified in this certification may be subject to audit by VDOT or State oversight agencies.

 Local Government Manager (City Manager, County Administrator, City Engineer or County Director of Public Works or designated authority to sign)

 Date

cc: Project file
 VDOT Project Coordinator
 VDOT Local Assistance Director

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

REVENUE SHARING PROGRAM DE-ALLOCATION AND PROJECT TRANSFER PROCESS

De-allocation

Identification of Projects Subject to De-allocation:

- § 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-allocation:
 - Projects that are new or on-going where no portion of allocated revenue sharing funds have been expended within one (1) year of allocation
 - Project completed with allocations remaining and no activity for 24 months
 - Project not initiated after two (2) subsequent fiscal years of allocations
 - Project on-going, where no portion of allocated revenue sharing funds have been expended within two (2) subsequent fiscal years of allocations

Process for de-allocation:

- At the end of each 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 Manager will send a letter to the locality advising the potential of project funding being de-allocated if project is not initiated within the next twelve (12) months.
- Each spring, the Revenue Sharing Program Manager reviews a list of revenue sharing projects obtained from the Revenue Sharing database that have had no activity in past 24 months for the formal de-allocation review.
- The Revenue Sharing Program Manager will provide to the designated local VDOT Manager a list of potential projects for de-allocation.
- 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 Revenue Sharing Program Manager within 45 days.
- Projects that are identified by the designated local VDOT Manager as complete or that are cancelled at the request of the locality, 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. A qualifying project is a revenue sharing project that is completed and in deficit, or an on-going project that needs additional funds to meet a scheduled advertisement or award date by the end of the current fiscal year in which the review is being done.
- Once a project is identified for de-allocation a list will be presented at the January CTB meeting for consideration in the removal of Revenue Sharing project funds. Localities will be notified of proposed de-allocations at least 30 days prior to presentation to the CTB.
- If the decision is made to 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 de-allocated will be refunded to that locality through the respective District office.

Project Transfer

Once a determination has been made that a requested project meets the criteria of transfer for Revenue Sharing funds, the process described below should be followed.

Process for transfer:

- ***Existing Revenue Sharing Project to Existing Revenue Sharing Project:***
 - Designated local VDOT Manager submits PD24 along with email or letter from County Administrator, Board of Supervisors, or Town/City Manager requesting transfer (referencing from and to).
 - Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with Infrastructure Investment Division). The 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.
- Once funding is verified it is available:
 - Revenue Sharing Program Manager forwards PD24 to Infrastructure Investment Division for processing in PAM and Cardinal and records transfer in Revenue Sharing database.
 - Email is sent to the designated local VDOT Manager indicating the transfer of funding has been approved. If applicable, project agreements are modified (or request made of project manager to do so) and is transmitted with the transfer approval letter.
- ***Existing Revenue Sharing Project to New Project (has never had Revenue Sharing funds):***
 - Any project established as a new Revenue Sharing project outside of the application process **will not** be deemed as a Priority 1 project during the next application cycle.
 - New project must be in VDOT's existing Six Year Improvement Plan, Secondary Six Year Plan, or the Capital Improvement.
 - Movement of the funds must be needed to meet the approved federal obligation schedule, to ensure a scheduled advertisement date can be met or advanced, needed for award, or to cover a deficit on a completed project.
 - Designated local VDOT manager must submit resolution from the Locality requesting the transfer, identifying the status of the "from" project and request establishment of the new project as a revenue sharing project.
 - Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with Infrastructure Investment Division). The 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.
 - Once funding is verified it is available:
 - Revenue Sharing Program Manager drafts CTB resolution and Decision Brief for review by Policy Division.
 - Once approved by the Policy Division, the CTB Resolution & Decision Brief are put on agenda for next CTB meeting.

- Once CTB has approved, Revenue Sharing Program Manager forwards PD24 to Infrastructure Investment Division for processing in PAM and Cardinal and records transfer in Revenue Sharing database.
- Email is sent to the designated local VDOT Manager indicating the transfer of funding has been approved. If applicable, project agreements are modified (or request made of the designated local VDOT Manager to do so) and is transmitted with the transfer approval letter.

DRAFT