



# Revenue Sharing Policy and Guidelines Update

 Julie Brown, Local Assistance Division Director

October 29, 2018

# CTB Revenue Sharing Policy, July 2017 Revisions (Refresher)

- Reduce the maximum a locality can apply for each fiscal year from \$10M to \$5M (\$10M max per biennium)
- Establish a lifetime allocation maximum of \$10M (state match) per project, including transfers to the project
- Surplus funds from a completed project can continue to be transferred administratively to an existing revenue sharing project (District CTB member concurrence will be required as part of documentation)
- Surplus funds from a cancelled project will be deallocated and go back to the statewide revenue sharing account; these funds can only be reallocated by the CTB

# Chapter 828 of 2018 Acts of Assembly

- **Codified maximum annual locality allocation to \$5M**
- **Limited Maintenance Allocation to \$2.5M**
- **Eliminated the minimum Revenue Sharing allocation (previously \$15M)**
- **Eliminated the prior maximum Revenue Sharing allocation from \$200M to the greater of \$100M or seven percent of subsection D of § 33.2-358**
- **Changed threshold to consider allocation of over \$100M from current Policy**

# CTB Revenue Sharing Policy & Guidelines Update

## Policy and Guidelines require updating to reconcile differences

- **Modify Threshold to Consider Increase in Revenue Sharing Allocations**
  - Revenue Sharing Policy, Approved July 19, 2017: *“BE IT FURTHER RESOLVED that the Board should consider increasing the funding provided to the Revenue Sharing Program over a two year period should biennial funding for SMART Scale exceed \$1.2 billion.”*
  - Change to Language in Chapter 828: *“Total Commonwealth funds allocated by the Board under this section shall not exceed the greater of \$100 million or seven percent of funds available 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.”*
- **Replace Limit of \$5M for Maintenance to \$2.5M**

# CTB Revenue Sharing Policy & Guidelines Update

## Impact of the Differences

- **Threshold for Considering Allocation Increase Over \$100M**
  - **Current Policy:** Provides for consideration of annual allocations exceeding \$100M when SMART Scale Funding exceeds \$1.2B over two year cycle (\$600M annually)
  - **New Code Language:** Provides for annual allocations exceeding \$100M when SMART Scale and State of Good Repair funding exceed \$1.42B annually (seven percent of \$1.42B = \$100M), which is approximately \$785M annually of SMART Scale funding Only.
- **Localities Maximum Request \$2.5M (annually) for Maintenance**

# CTB Revenue Sharing Policy & Guidelines Update

## Recommended Updates

- **Update Policy to mirror amended Code Language**
- **Update Revenue Sharing Guidelines to reflect Code Language changes**
- **Update Language in Revenue Sharing Guide to address proposed pre-application Process**
- **Various administrative modifications in the Revenue Sharing Guidelines (remove outdated Appendix, clarifying need for supporting documentation in application)**

# NEXT STEPS

- **CTB approval of updated Policy (December 2018)**
- **CTB approval of updated Revenue Sharing Guidelines (December 2018)**
- **Communicate updated Guidelines to localities in advance of next application cycle**



