



# **SUPPLEMENTAL ALLOCATIONS FOR MAINTENANCE ACTIVITIES**

## **FY 2025 URBAN AND ARLINGTON/HENRICO STREET MAINTENANCE PAYMENTS**

Laura Farmer, Chief Financial Officer

Russ Dudley, Local Assistance Division

May 14, 2024

# Recommendations for additional funding for VDOT and Localities

- **Since FY 2023**
  - **the cost of paving has increased significantly**
  - **the paving program has grown to meet the performance targets**
- **Beginning in FY 2023, additional special funds above the base maintenance allocation have been provided to the maintenance program to support these additional needs**
- **Provided as supplemental amounts due to the uncertainty of the long-term cost implications and whether it will continue at the sustained levels.**
- **As supplemental funds, they are not used to drive future base program allocations.**
- **Supplemental funds were also provided in 2024 and recommended in the 2025 draft.**
- **We are now recommending an increase to the 2025 draft amount.**

# Recommendations for additional funding for VDOT and Localities

*\*Original recommendation included in draft for VDOT was \$120 million for FY 2025.*

*Updating recommendation to \$202.5 million based on final contract assumptions and needs for Calendar Year 2025.*

*Locality amounts are proportional distribution based on the distribution of the Base Allocation*

(in millions)	FY 2023	FY 2024	FY 2025 Recommendation*
VDOT Operations for Fuel	\$6.5	\$ -	\$ -
Supplemental funding for Maintenance/Paving	90.4	147.0	202.5
Supplemental funding for Localities			
Cities	20.9	37.5	52.2
Counties	3.7	6.7	9.3
Total for Localities	<b>\$24.6</b>	<b>\$44.1</b>	<b>\$61.5</b>
Total for VDOT and Localities	<b>\$121.5</b>	<b>\$191.1</b>	<b>\$264.0</b>

# VDOT Maintenance and Operations Program

The make up of VDOT's Maintenance Program allocations includes several components:

- **Base Program Allocation supporting the core program**
  - **Grows annually by the change in CPI projection from TAX**
- **Special Allocations driven by dedicated revenue sources:**
  - Property Damage, Integrated Directional Signing Program, Outdoor Advertising, Vending Commissions**
- **Maintenance Management & Direction – includes the administrative functions of Program**
  - **Grows annually like other administrative programs**

# Components for Maintenance Funding

## Financial Assistance for Cities

(in millions)	FY 2024	FY 2025
Financial Assistance for Cities – Base Budget Allocations*	\$448.2	\$462.0
Additional allocation provided by the 2020 Omnibus Bill implementation plan	9.8	10.9
Addition from Appropriation Act (FYs 2023-2024) - Biennial action considered one-time only	15.0	-
Supplemental funds based on additional VDOT increase	37.5	52.2
Funds for Port Localities	1.0	1.0
Exempt Permit Revenue Estimate Distribution	0.3	0.1
<b>TOTAL</b>	<b>\$511.7</b>	<b>\$526.3</b>

*FY 2025 allocation includes a correction from the April assumptions*

# Components for Maintenance Funding

## Financial Assistance for Counties

(in millions)	FY 2024	FY 2025
Financial Assistance for Counties – Base Budget Allocations*	\$79.6	\$82.1
Supplemental funds based on additional VDOT increase	6.7	9.3
Exempt Permit Revenue Estimate Distribution	0.1	0.0
<b>TOTAL</b>	<b>\$86.3</b>	<b>\$91.4</b>

*FY 2025 allocation includes a correction from the April assumptions*

# FINANCIAL ASSISTANCE TO LOCALITIES

**Russ Dudley, Local Assistance  
Division Administrator**

**5/14/2024**



# Urban Maintenance Program Street Maintenance Payments

## **Eligibility Requirements for Maintenance Payments:**

Urban street acceptance criteria established in Code Section 33.2-319

CTB established annual payment rates

Arterial Routes Inspected annually

## **Payment - General**

Payments based on moving lane miles (lanes available to traffic during peak-traffic hours)

CTB approves payment amounts to localities

Localities annual growth rate is based upon the base rate of growth for VDOT's maintenance program

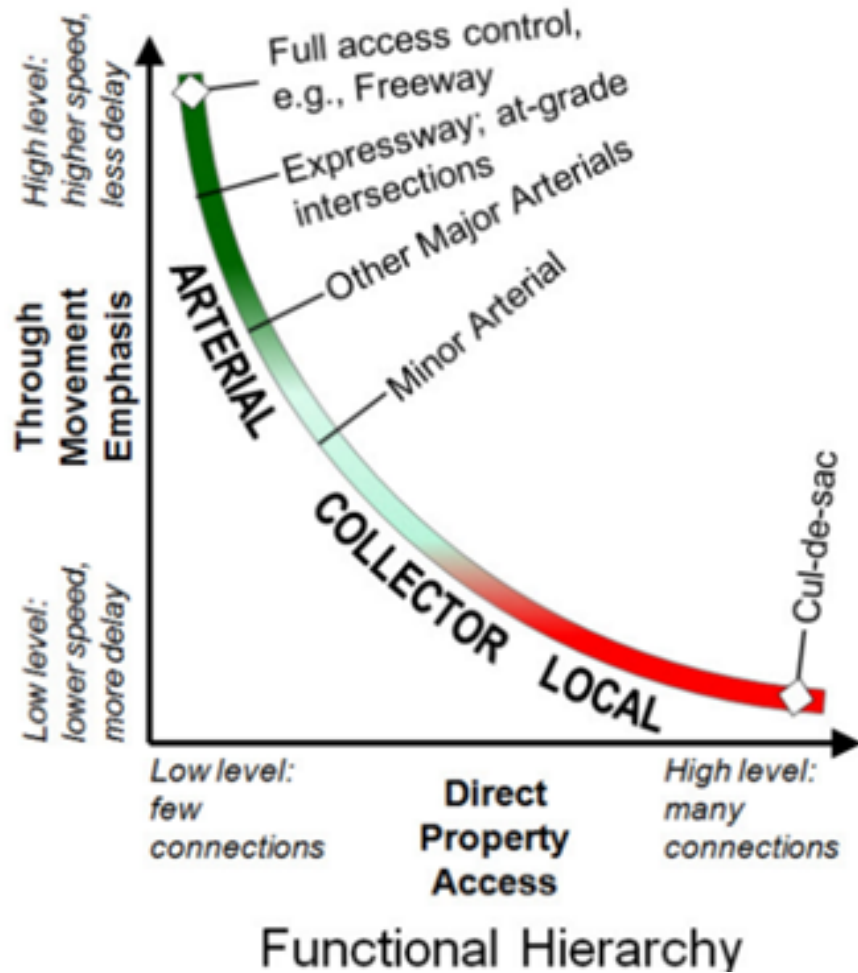
Payments to localities made quarterly

## **Payment Categories – Based on Functional Classifications**

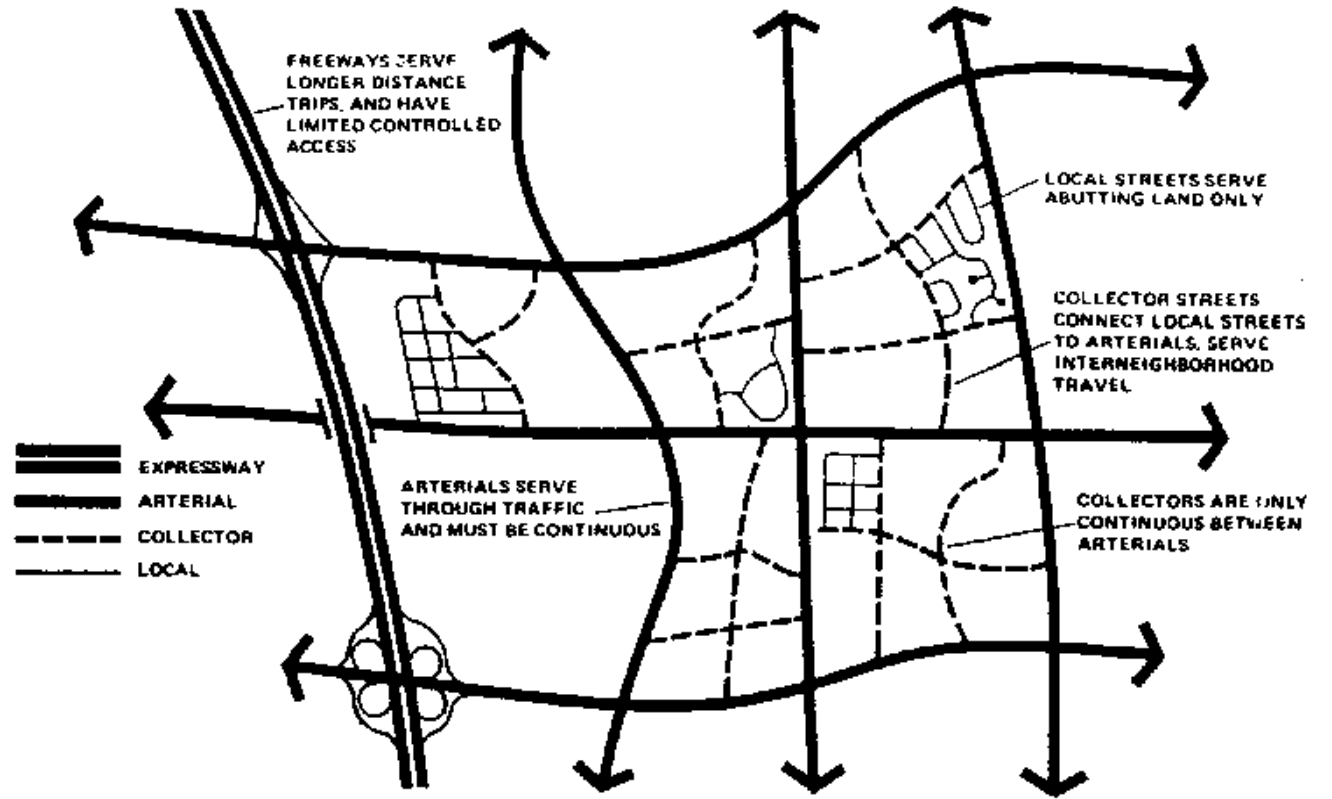
Principal and Minor Arterial Roads

Collector Roads and Local Streets

# Functional Classification System



ROADWAY FUNCTION BY CLASSIFICATION



# County (Arlington/Henrico) Street Maintenance Payments

## Eligibility Requirements for Maintenance Payments:

Established by Code Section: 33.2-366

These counties maintain their own system of local roads

CTB establishes maintenance payments

Annual submission of additions/ deletions provided by county

Annual arterial inspection not required by Code

## Payment - General

No differential in payment rates based on Functional Classifications

CTB approves payment amounts to localities

Annual growth rate is based upon the base rate of growth for VDOT's

Maintenance Program

Payments to localities made quarterly

# Additional Quarterly Payments

**Overweight Permit Fees – Distributed equally across Urban System and Arlington/Henrico Counties based on lane mileage**

**\$1 Million (\$250,000 quarterly) to City of Chesapeake for additional maintenance costs of Moveable Bridges; Payments began in 2005**

**\$1 Million Virginia Port Authority Payment compensating Localities with Tax-exempt Real-estate (Newport News, Portsmouth, Norfolk, Warren County)**

# Proposed FY 2025 Urban Locality Payments

- **FY 2025 Urban Budget = \$525,183,002**
  - *FY 2024 Budget = \$510,405,059*
- **Payment Rates:**
  - Principal and Minor Arterial Roads ≈ **\$29,094** per lane mile
  - Collector Roads and Local Streets ≈ **\$17,082** per lane mile
- **FY2025 overweight permit fee distribution = \$100,486**
  - Rate of \$3.79 per lane mile
- **Continue \$1M to Chesapeake to address additional costs associated with movable bridges**
- **VPA Tax Exempt Payments to Warren County, Newport News, Portsmouth, Norfolk - \$1M shared based on throughput**

# Proposed FY 2025 Arlington/Henrico Payments

- **FY 2025 Arlington/Henrico Budget = \$91,356,875**
  - **FY2024 Arlington/Henrico Budget = \$86,262,546**
- **Payment Rates:**
  - Arlington ≈ **\$24,662** per lane mile
  - Henrico ≈ **\$17,945** per lane mile
- **FY2025 overweight permit fee distribution = \$17,832**
  - Rate = \$3.79 per lane mile

# Next Steps

**June Resolution Approving Urban Inventory / Payments to Urban Localities**

**June Resolution Approving Payments to Arlington and Henrico Counties**



Virginia Department of Transportation