

Maintenance Budgeting Process – Local Payments

Primacy of Maintenance – by Code

Section [33.2-358 \(B\)](#) of the Code of Virginia establishes that highway maintenance, including payments to localities, is funded first (before distribution of funds to system construction).

“The Board shall allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the Interstate System, the primary state highway system, and the secondary state highway system and for city and town street maintenance payments made pursuant to § [33.2-319](#) and payments made to counties that have withdrawn or elect to withdraw from the secondary state highway system pursuant to § [33.2-366](#).”

Maintenance was intended to be funded from the Highway Maintenance and Operating Fund, however, supplemental funding from the highway construction portion of the Transportation Trust Fund has been provided since FY 2002 and from federal funds since FY 2006.

Establishing VDOT’s maintenance budget detailed distribution

A team consisting of field managers, Central Office program managers, and executives develop budget distribution scenarios based on data from the most recent Needs Assessment and historical budgets. The scenarios propose distribution across investments and services based on previous year budget levels and anticipated budget growth. The scenarios are used to establish VDOT’s maintenance budget for the coming year.

Establishing the Local Maintenance Budget

The Code requires the Commonwealth Transportation Board to establish an annual growth rate for the local maintenance program based upon the base rate of growth planned for the Department’s Highway Maintenance and Operations program. The change codifies the practice of the CTB based on the Appropriation Act language since 2003.

VDOT’s base maintenance budget provides for the core functions associated with the delivery of the maintenance program. VDOT’s base maintenance budget does not include additional work associated with special financing (budgets are based on revenues, but do not include revenues):

- Additional funding provided associated with property damage, donations, or other unanticipated situations.
- Additional work provided for with special federal funding
- Activity associated with permitting and street acceptance reviews.
- The Integrated Directional Signage Program (ISDP), outdoor advertising, inventory, and equipment programs.
- Program Management and Direction (administrative service area with lower growth rate)