

Define Maintenance & Demonstrate Budget Breakdown

Simply put, SCDOT defines maintenance as the repair and upkeep of the existing transportation system. It includes items such as the day-to-day activities our Maintenance forces do in the field (mowing, pot hole patching, shoulder and ditch work), all of our resurfacing, pavement rehabilitation and reconstruction work and all bridge replacement projects. We do not include in our "maintenance" figures any road widening projects, new location roadways, safety projects or any congestion mitigation projects. We consider those projects capacity or operational improvement projects. We elected to retain the debt service in the "Other" category for the purposes of this exercise since we are trying to reflect the funding priorities of today. Additionally, we elected to reflect the legislatively directed State Infrastructure Bank pass through funding in the Capacity & Operational category since we are aware that the State Infrastructure Bank uses those funds in that manner. On the next page is a worksheet of the proposed SFY 15-16 budget that categorizes the budget in accordance with these definitions.

This working definition is different from the Accounting definition of Maintenance. In the Accounting arena, any road or bridge project that exceeds a cost of \$500,000 is capitalized and reflected as such in our financial statements and reported to FHWA as a capital outlay. Many of our bridge replacement projects and resurfacing and rehabilitation projects exceed this threshold and are categorized by our accountants, in accordance with government accounting standards, as a capital project. This can be confusing if the financial statements or FHWA tables are used to describe how the agency prioritizes its spending.