

MEMORANDUM

DEPARTMENT OF TRANSPORTATION

Materials and Geotechnical Branch
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DATE: May 25, 2005

TO: Tim Harris, Director of Staff Services

FROM: Corey Stewart, Pavement Management Program Manager
Corey Stewart

SUBJECT: **Policy Memo 19**
Regional Allocation Percentages for the Surface Treatment Program

Issue: In order to comply with the Transportation Commission Resolution Number 1214, in which the regional allocation of Surface Treatment Funds are to be based on the performance model shown in the Pavement Management Program (PMP), regional allocation totals for fiscal year 2007 and beyond will need to be modified.

Action: We are requesting ratification by the Chief Engineer, Director of Transportation Development, and the Director of Financial Management and Budget to utilize the following formula to determine regional allocations of the Surface Treatment Funds:

$$\text{Regional Allocation} = (2*5P + 10F)/20$$

Where:

5P = Past five years of regional allocation percentages.

10F = Future ten years of regional allocation percentages based on the current model.

The allocations will be calculated every two years utilizing the current Pavement Management model projections with the next calculation occurring for FY 2009. Fiscal year 2007 and 2008 percentages are ratified by this policy memo and the remaining percentages are shown for illustrative purposes only.

Background: As outlined in Resolution Number 1214, the following formula was developed.

$$\text{Regional Allocation} = (5P + 5F)/10$$

Where:

P = Past five years of regional allocation percentages.

F = Future five years of regional allocation percentages based on the current PMP model.

Upon further investigation, some minor refinements were made to the formula in order to allocate a portion of the surface treatment funds based on the need to reconstruct pavements with no Remaining Service Life (RSL 0) and to smooth the transition into the model. It is

recommended that 90 percent of the allocation will be performance based and 10 percent of the allocation will be needs based. To smooth the transition and to allow for enhancements to the model 90 percent of the allocation is based on the following formula:

$$\text{Regional Allocation} = (2*5P + 10F)/20$$

Where:

5P = Past five years of regional allocation percentages.

10F = Future ten years of regional allocation percentages based on the current model.

The remaining 10 percent is based on the regional percentage of the statewide total of pavements having a RSL of zero. For example, if a region had 25 percent of the network's RSL zero pavements, then the region would receive 25 percent of this portion of the surface treatment funds.

The total allocation for a region is the sum of the performance based PMP allocation and the needs based allocation. The following table indicates the revised percentages for the regional allocations utilizing the calendar year 2004 projections. Fiscal year 2007 and 2008 percentages are ratified by this policy memo and the remaining percentages are shown for illustrative purposes only. Policy Memo #11-*Hold Harmless Scenario* will be archived and is no longer in effect beginning in FY 2007.

**Surface Treatment Funds
Regional Allocation Percentages**

Region (% RSL 0 pavements)	FY 07 Allocation %	FY 08 Allocation %	FY 09 Allocation (estimate)	FY 10 Allocation (estimate)	FY 11 Allocation (estimate)	FY 12 Allocation (estimate)
Region 1 (14.20)	14.49	14.48	14.02	12.72	13.54	12.89
Region 2 (21.60)	18.36	18.60	18.55	18.63	19.21	18.95
Region 3 (14.48)	15.27	15.65	15.72	15.21	13.97	14.00
Region 4 (31.61)	26.49	26.11	26.04	28.63	29.52	30.42
Region 5 (12.99)	10.04	10.57	11.74	12.13	11.91	12.01
Region 6 (5.12)	15.35	14.59	13.93	12.68	11.85	11.73

Schedule for calculation of Region allocation percentages

Allocation % calculation date *	Allocation % set for FY	Surface Treatment Funds Advancement Schedule **
February 2005 (2004 model)	FY 07, 08	November 2005 advance FY 07 funds November 2006 advance FY 08 funds
November 2006 (2006 model)	FY 09, 10	November 2007 advance FY 09 funds November 2008 advance FY 10 funds
November 2008 (2008 model)	FY 11, 12	November 2009 advance FY 11 funds November 2010 advance FY 12 funds
November 2010 (2010 model)	FY 13, 14	November 2011 advance FY 13 funds November 2012 advance FY 14 funds
Each November, every two years	Two Fiscal years %'s locked in	Same schedule pattern as above

* Allocation percentage will be presented at November RTD meeting. No changes to model will be performed after acceptance of Good/Fair/Poor maps and percentages to the time of running projections. Treatment costs and other model changes approved by the Technical Committee prior to June of each year will be used to determine Good/Fair/Poor percentages and projections.

** Surface Treatment Advancement shall occur at the earliest date possible after approval for advancement by the Transportation Commission.

I Concur: Robert Haley 8-5-05
Date
Robert Haley,
Director of Financial Management and Budget

I Concur: Jennifer Finch 7/25/05
Date
Jennifer Finch
Director of the DTD

I Concur: Craig Siracusa 5/26/05
Date
Craig Siracusa,
Chief Engineer

cc T. Aschenbrener
RMEs
D. Harmelink (FHWA)
RTDs
W. Lupton