Program Distribution
STAC
February 14, 2014
Debra Perkins-Smith

Overview

- Program Distribution Overview
- Revenue Projection
- Policy Direction
- PD 14 Objectives
- Observations
- Next Steps

Program Distribution Overview

- In past called "Resource Allocation"
- Based on adopted revenue projection (April, 2013)
- Plan horizon of 2016-2040; Focus on first 10 years 2016-2025
- MAP-21 - consolidated federal programs and performance emphasis
- Policy Directive 14 objectives
- Risk-based Asset Management Plan
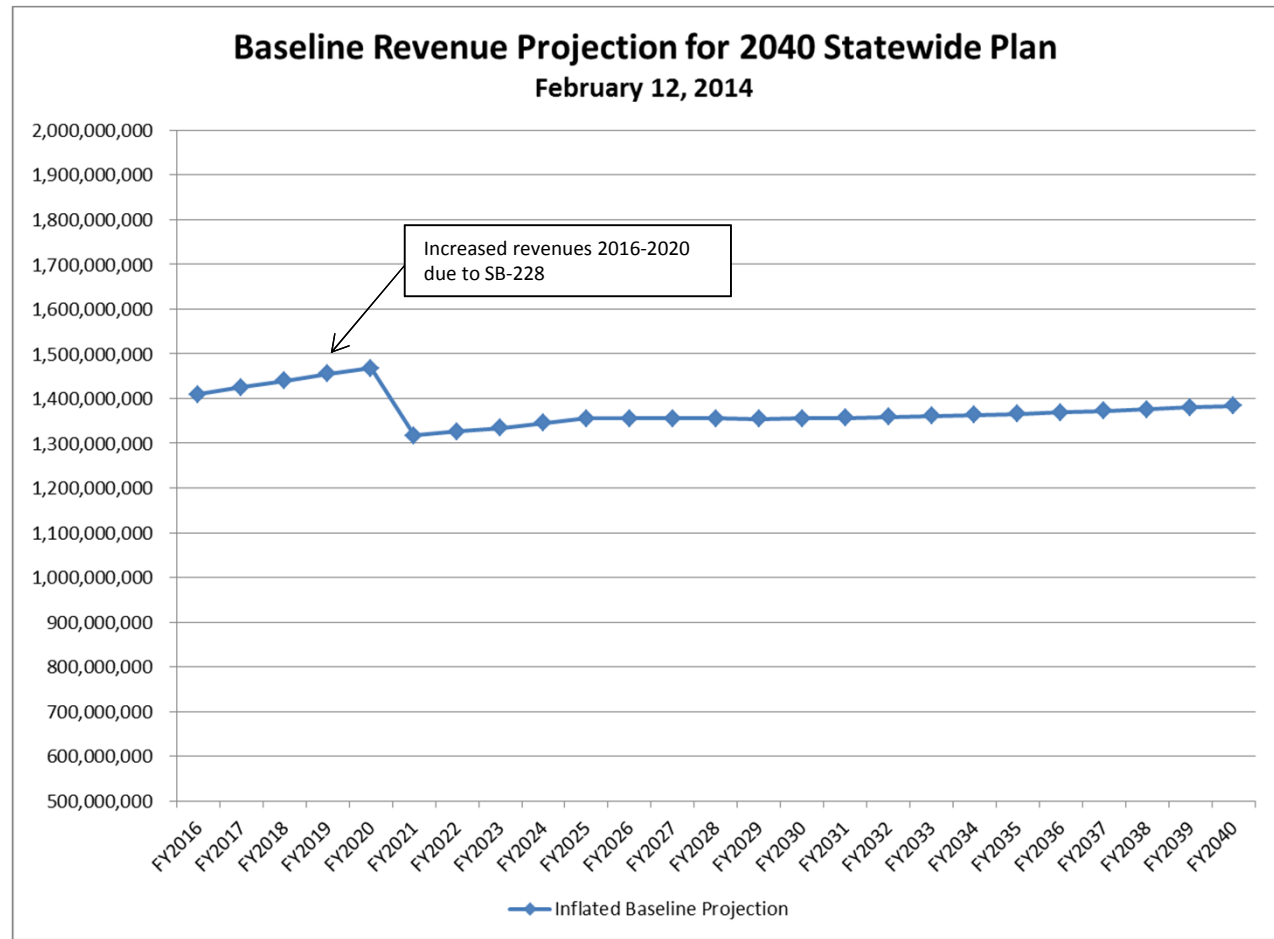
Program Distribution Overview

- Spreadsheet in three categories
    1. Asset Management
        - Taking care of what we have
    2. Other TC directed
        - Operations related
        - RPP
        - Contingency
    3. Restricted
        - State or Federal revenue directed programs
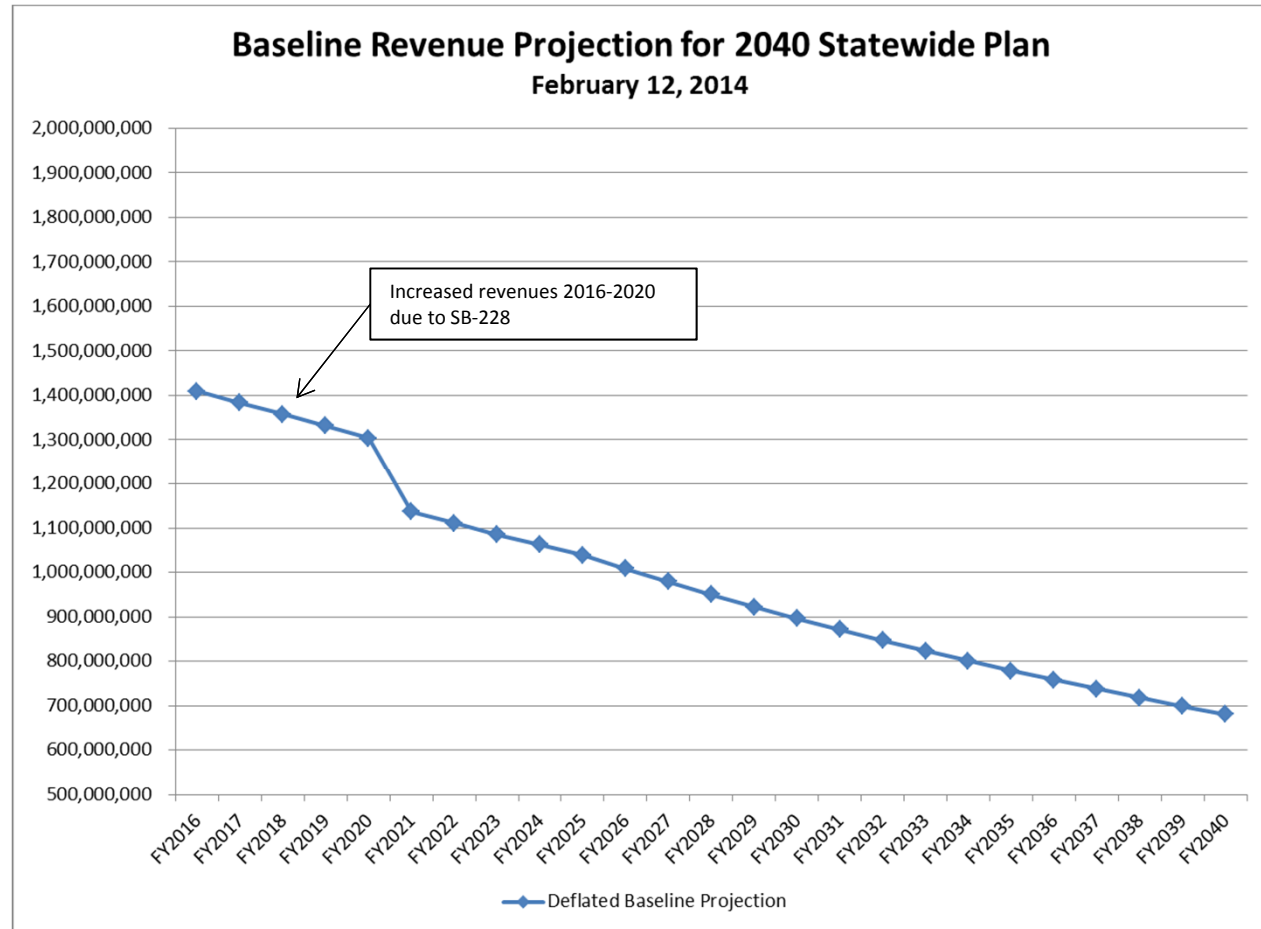   - SB-228 funds (strategic)

Revenue Projection

Baseline Revenue Projection for 2040 Statewide Plan
February 12, 2014

Increased revenues 2016-2020 due to SB-228

Inflated Baseline Projection

Revenue Projection

Baseline Revenue Projection for 2040 Statewide Plan
February 12, 2014

Increased revenues 2016-2020 due to SB-228

Deflated Baseline Projection

Policy Direction

- STAC
  - Last month STAC made a motion to move debt service funds into RPP
  - Over the past year STAC reviewed PD 14 objectives
- Transportation Commission
  - Focus on first 10 years (revenue uncertain in late years)
  - Priority for funding Infrastructure Condition and Maintenance objectives (requires debt service funds)
  - Maintain some flexibility for future (variance to TC Contingency)

Policy Directive 14

- PD 14 will guide the distribution of resources for the Statewide Transportation Plan, the Statewide Transportation Improvement Plan (STIP), and the annual budget.
- Financial resources should be directed toward achieving the objectives within the first 10 years of the planning horizon.
- Projects should be selected to support the goals and objectives.

PD 14 Infrastructure Condition Objectives

- Achieve 80% High/Moderate Drivability Life based on condition standards and treatments set for traffic volume categories by 2025.
- Maintain total bridge deck area that is not structurally deficient at or above 90%.
- Meet pavement condition and bridge goals in the Risk-Based Asset Management Plan.

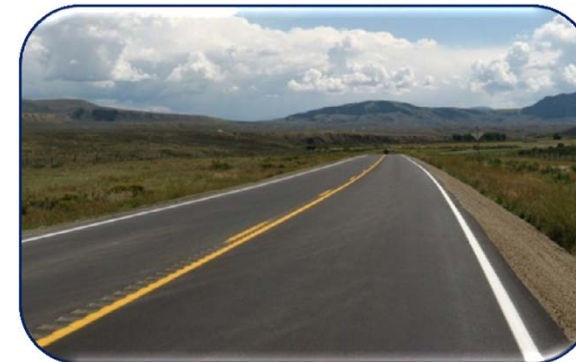# Risk-Based Asset Management Plan

- Required by MAP-21
- The purpose of the plan is to improve or preserve the condition of the assets and the performance of the highway system.
- The plan must, *AT A MINIMUM*, include:
  - a summary listing of the pavement and bridge assets on the National Highway System including a description of the condition of those assets;
  - asset management objectives and measures;
  - performance gap identification;
  - lifecycle cost and risk management analysis;
  - a financial plan; and
  - investment strategies.

If a state fails to develop and implement a state asset management plan, that state's federal transportation *funding will be reduced by 35 percent.*
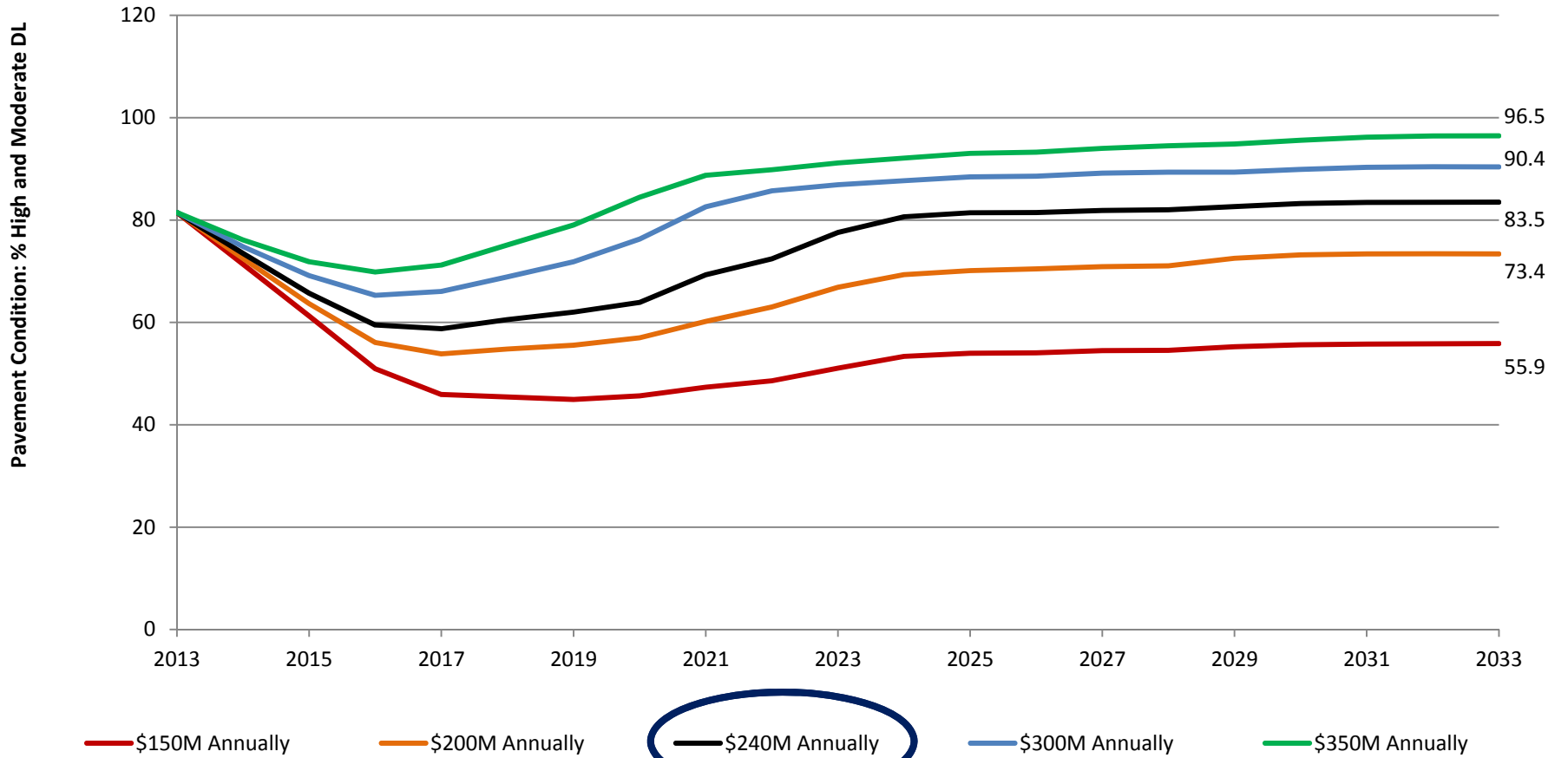
Surface Treatment

- Surface Treatment assigned $240 M through 2025 (supplemental funding from RAMP in 2016-2017).
- Meet PD 14 objectives in first 10 years.

Surface Treatment

Structures

- Structures assigned $60 M through 2025 (supplemental funding from RAMP in 2016-2017).
- Bridge funding included in Structures and Bridge Enterprise.
- Meet PD 14 objectives for bridge for first 10 years.

PD 14 Maintenance Objectives

- Maintain an LOS B grade for snow and ice removal.
- Maintain an overall MLOS B-grade for the state highway system.

Maintenance

- Maintenance assigned $254 M in 2016, increasing 3% annually through 2025.
- Meet PD 14 objectives for first 10 years.

Observations for First 10 Years

- Funds sufficient to meet infrastructure condition and maintenance objectives through 2025
- Other programs held at FY 15 levels with no increases
- Variance to TC Contingency for future flexibility

Observations for Latter Years

- Funds insufficient to meet Infrastructure Condition and Maintenance objectives in latter years
- Other programs held at FY 15 levels with no increases
- Revenue forecast fairly flat after 2025
  - Loss of purchasing power will affect programs

Next Steps

- February
  - STAC recommendation on Program Distribution
  - TC workshop on Program Distribution
  - TC Adoption of Program Distribution

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- Text
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Program Distribution