

Preview of the 2017 State Highway System Management Plan

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Background – Ca. Streets and Highway Code (164.6)

- California Streets and Highway Code requires Caltrans to prepare a Ten Year Plan for the rehabilitation and reconstruction of the State Highway System.
- Caltrans is also required to prepare a Five Year Maintenance Plan that addresses maintenance needs on the State Highway System
- The rehabilitation plan and the maintenance plan shall attempt to balance resources between State Highway Operation and Protection Program activities and maintenance activities in order to achieve identified milestones and goals
- The two plans shall be submitted in January of odd numbered years and will be the basis for the departments budget request and the adoption of the fund estimate.

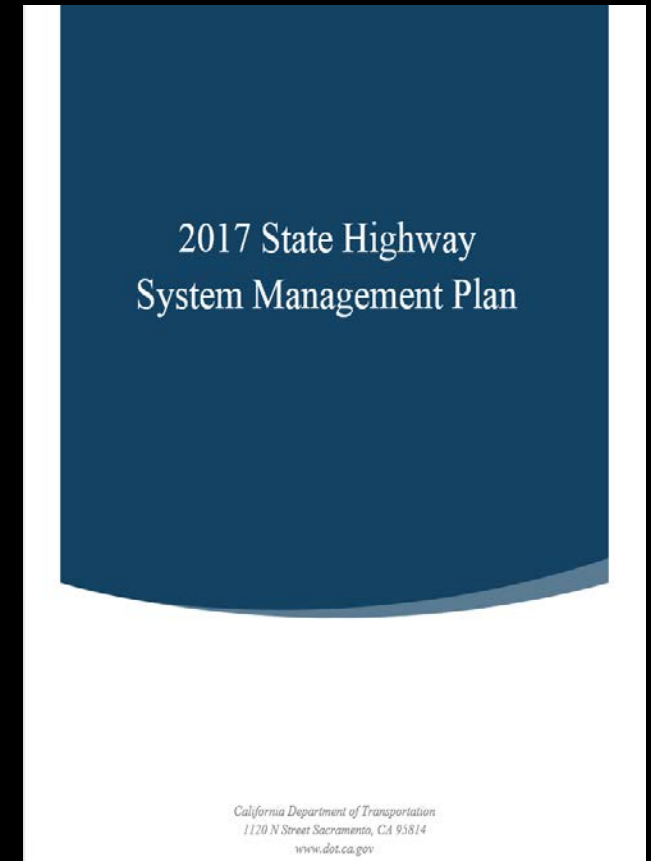
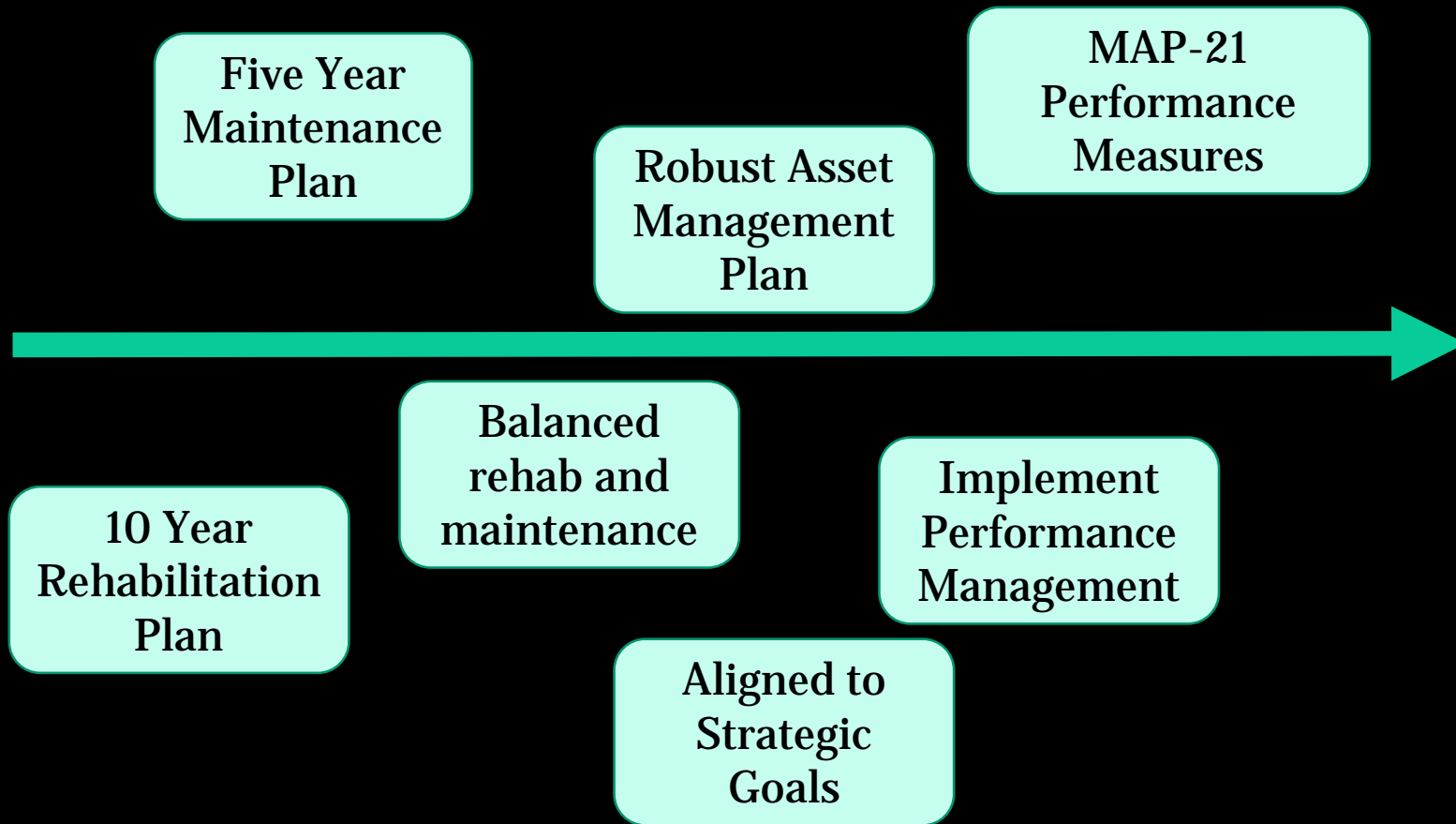
Background – Ca. Government Code

- Government Code requires a “robust asset management plan” to guide the selection of projects in the SHOPP.
- The Asset Management Plan shall be consistent with Federal Law
- Performance measures and targets are approved by the CTC
- Projects shall be limited to maintenance, safety, operation, and rehabilitation of state highways and bridges that do not add a new traffic lane to the system

Background – Federal Law - MAP-21 / FAST Act

- Federal Regulation (MAP-21/FAST Act) requires the development of a Transportation Asset Management Plan (TAMP) with National Performance Measures for pavement and bridges
- The TAMP Requires the implementation of Performance Management which requires performance targets to be set using the National Measures
- The TAMP shall include the entire National Highway System

Threading the Needle



2017 State Highway System Management Plan

- **Integrated management plan that encompasses Streets and Highway Code Requirements**
- **Fully aligns with the Caltrans Strategic Management Plan**
- **Fully aligns with the targets adopted by the CTC for the four major asset classes**
- **Includes a Needs Assessment and Investment Plan**
 - **Needs assessment developed using performance management approach**
 - **Needs assessment is independent of available funding sources**
 - **California one of the first in the nation to implement Performance Management**
 - **Investment plans for maintenance, SHOPP and Freight Program integrated by asset**
 - **Plan provides a clear understanding of how funding programs work together**
 - **Breaks down the SHOPP funding silos to allow more project flexibility and cost efficiency**

Needs Assessment

- Needs assessment developed using Performance Management techniques
 - look at current condition/performance levels, measures gaps to established goals and then estimates the cost achieve goals
- The overall estimate of need for major asset classes will be about the same as the 2015 10-year SHOPP Plan
 - changes in methodology for Caltrans building facilities, Americans with Disability Act, and construction inflation will increase the estimated need.

Category of Need	Needs (\$billions)	Percent of Need (%)
Safety	13	13%
Stewardship – Fix it First	36	38%
Sustainability	13	13%
System Performance	10	10%
Other	3	3%
Cost Escalation	22	23%
Totals	\$97 Billion	100%

Major Drivers of Increased Costs for the 2017 Plan

- The 2017 Needs Assessment is expected to identify total needs that increase costs relative to the 2015 Plan from \$80 billion to about \$97 billion.
- The following table shows the major cost drivers and the methodology changes that produce the increases:

Description of Need	Comment
ADA needs (+\$2.8 billion)	The 2015 methodology limited ADA costs to those specified in the ADA settlement – the 2017 Plan uses the assessed need
Transportation Facilities (+\$1.7 billion)	The 2015 methodology constrained estimates for Caltrans facilities (offices, labs, equipment and maintenance buildings, etc.) - the 2017 Plan uses the assessed need
Cost Escalation (+12.1 billion)	The 2015 methodology assumed construction inflation of 2.9% applied for 5 years. The 2017 methodology assumes 4.5% applied for 7.5 years.

Next Steps

- Caltrans will be presenting an update at the January CTC Meeting
 - Overview of the investment plan
 - The Investment Plan also defines what will be accomplished with available funds
 - Expected condition/performance resulting from the investment
- Draft Plan to be submitted to the Legislature and CTC by January 31, 2017
- Final plan due to the Legislature by May 2017.

Thank You