

2022 California Transportation Asset
Management Plan

10-Year Financial Plan

May 24, 2021

Michael B. Johnson
State Asset Management Engineer
Caltrans, HQ Asset Management



2022 TAMP Workshop Series

We are Here!

Kick-Off
the 2022 TAMP
(April)

TAMP Fundamentals
Workshop #1
(April)

Financial Planning
Workshop #2
(May)

Risk Management
Workshop #3
(June)

Investment Strategies
Workshop #4
(July)

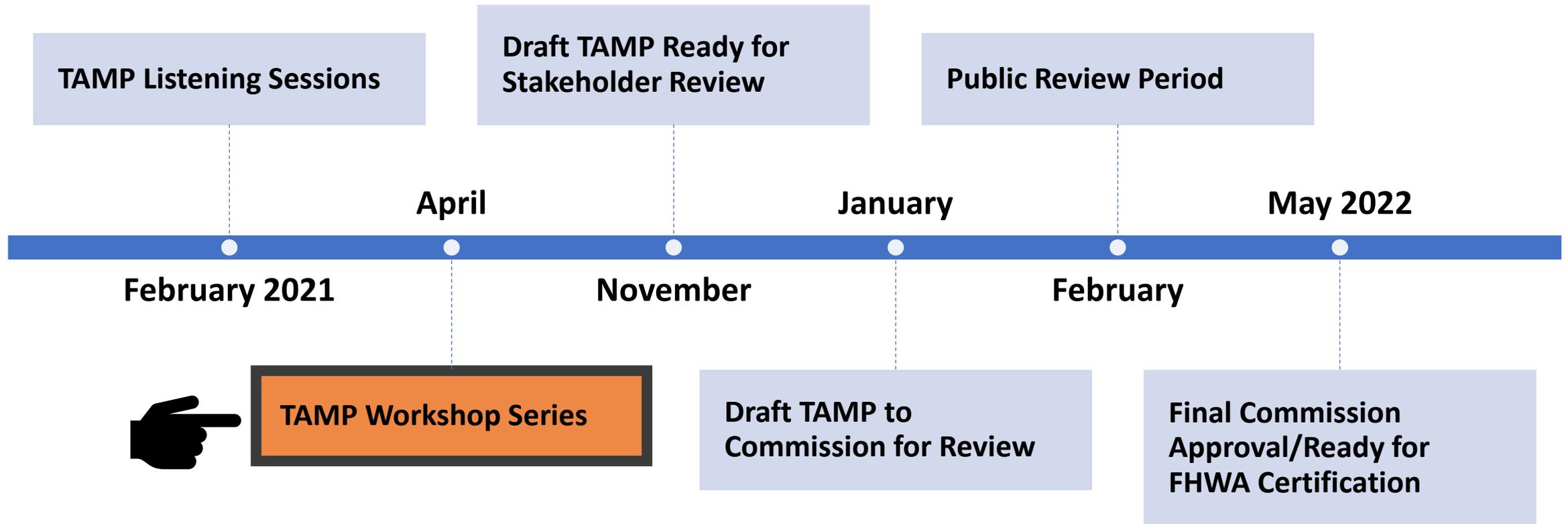
Revisiting Performance
Targets
Workshop #5
(August)

Process Improvements
Workshop #6
(September)

Draft TAMP Completed
(November/December)



2022 TAMP Schedule



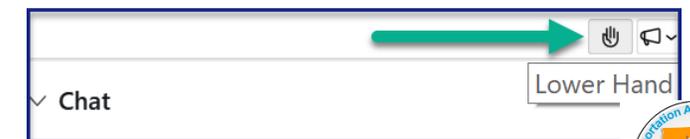
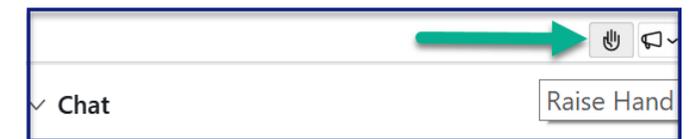
Agenda

- 9:00 A.M. Welcome, Review of Agenda and Workshop Quick Guide
- 9:10 A.M. Understanding TAMP Financial Planning
- 9:30 A.M. What are we spending on the NHS?
- State Controller's Office
 - Caltrans Financial Analysis
- 10:10 A.M. MPO Reporting of NHS Spending
- 10:20 A.M. Projecting a 10-Year Financial Plan
- 10:40 A.M. Action Items & Next Steps
- 10:50 A.M. Closing Remarks
- 11:00 A.M. Informal Time for Additional Questions

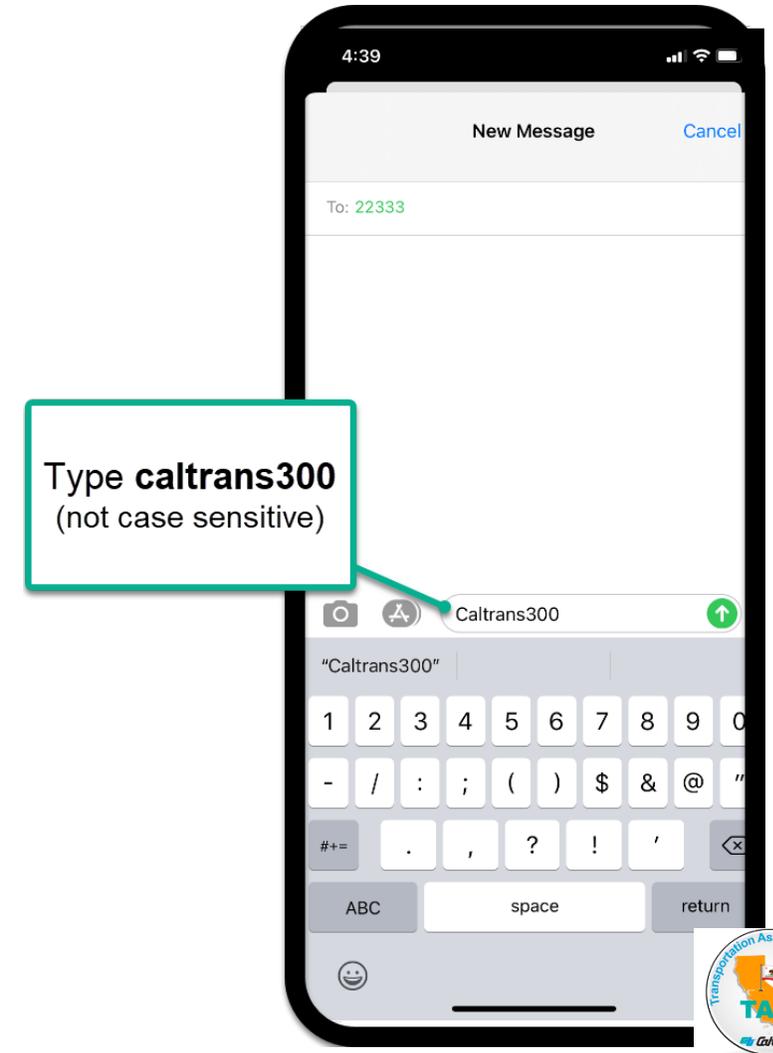
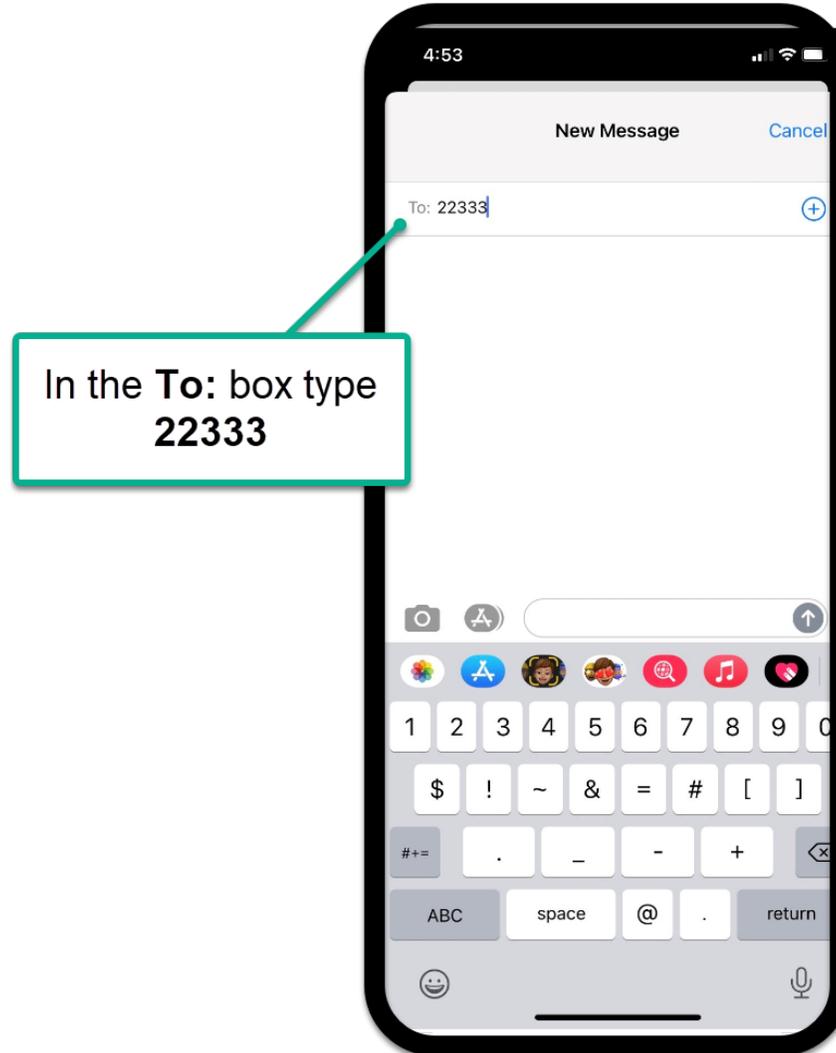
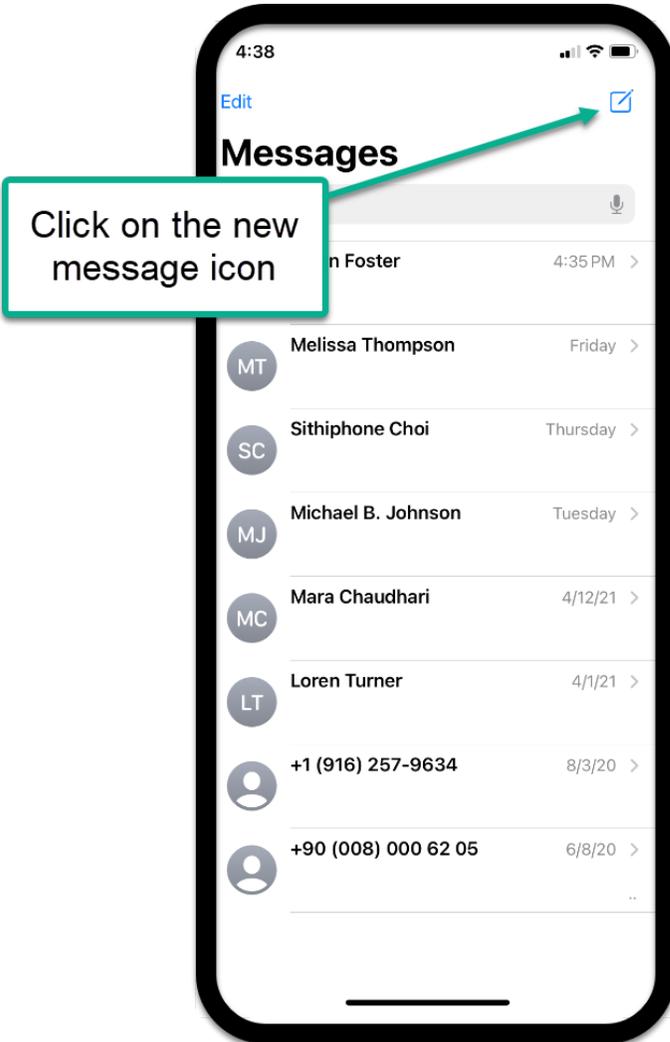
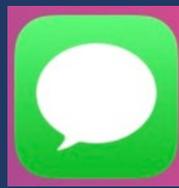


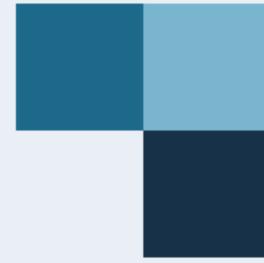
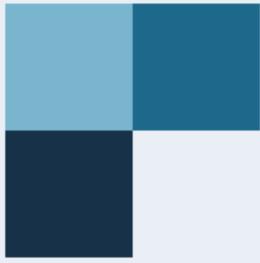
Workshop Quick-Guide

- When joining the workshop, if you clicked on the new “Join by browser” **you will not have sound**. You will need to re-join the webinar by clicking on “Join Now”
- The workshop will be recorded and posted on the Caltrans Asset Management webpage
- Use the Chat to “Everyone” feature to submit questions. We will respond to questions during the workshop as well as a Q&A at the end of the presentation
- Use the “Raise Hand” feature if you would like to communicate with Host. Click the hand again to “Lower Hand”
- If you need technical assistance with the workshop or have questions later, you can submit questions via email to: CT-TAM@dot.ca.gov



Poll Instructions





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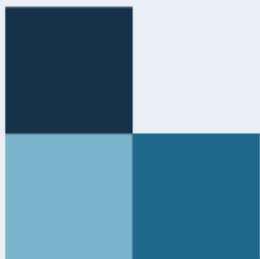
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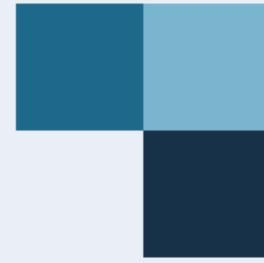
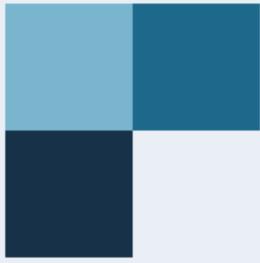
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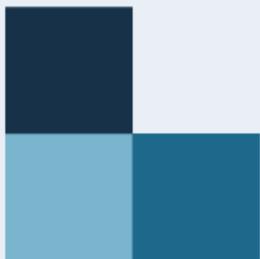
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TAMP Financial Planning

Michael B. Johnson

State Asset Management Engineer

HQ Office of Asset Management, Caltrans



What is a TAM Financial Plan?

- The TAM financial plan underpins and enables the implementation of asset management practices.
- Summarizes funding sources and uses and details the projected funding available for asset management over the next 10 years.
- The financial plan is an estimate of projected revenue, detailing the resources available for helping meet the condition targets
- It is focused on funds available for selected asset types on the SHS and NHS
- FHWA guidance is available on the TAM Portal: <https://www.tam-portal.com/document-library/>



Financial Plan Process Requirements

- Estimated cost of expected future work to implement the investment strategies of the asset management plan, by fiscal year and work type
- Estimated funding levels to address the costs of future work types (initial construction, maintenance, preservation, rehabilitation and reconstruction), by fiscal year
- Identification of anticipated funding sources and magnitude of available resources for asset management
- Asset valuation estimate for NHS pavements and bridges assets and the needed annual investment to maintain asset value



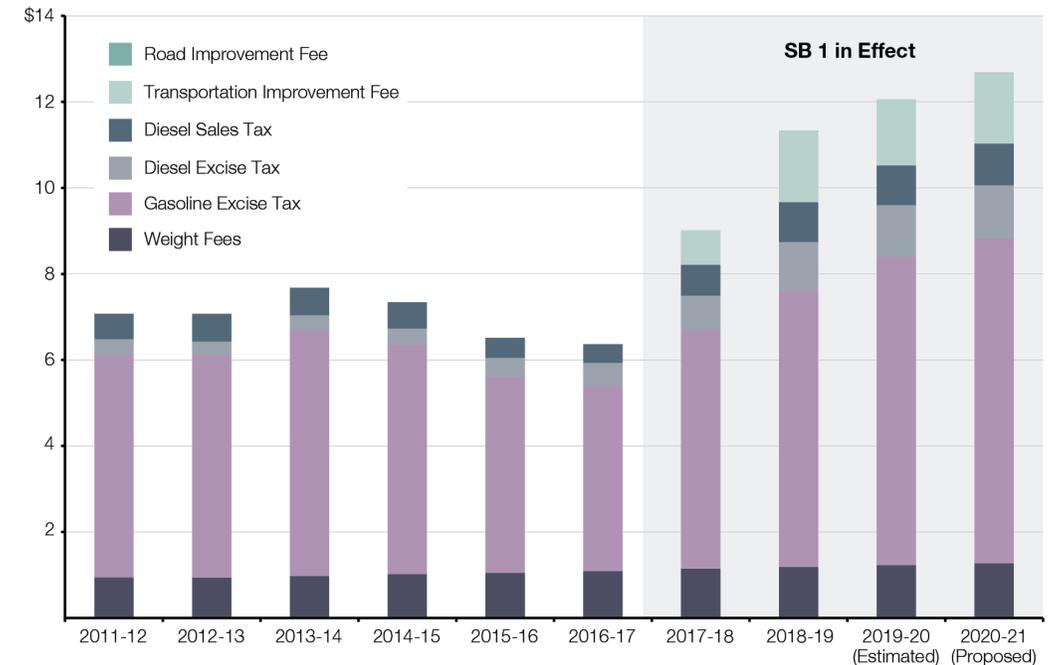
Funding Sources for Transportation

- California receives transportation funding from federal, state and local sources
- Federal funding is provided through the Highway Trust Fund (HTF), which is funded by the federal gas tax supplemented with additional revenues from State Highway Account or other funds.
- State funding includes revenue sources such as fuel taxes, transfers, rental and sale of excess property, outdoor advertising licenses, permit fees, and fines
- Local funding comes from multiple sources including but not limited to local sales taxes, traffic and development impact fees, transportation mitigation fees, general funds, various assessment districts, etc.
- For more information, see Governor's Transportation Budget:
<https://lao.ca.gov/Budget>

Figure 3

State Transportation Revenues Have Increased

(In Billions)



SB = Senate Bill.

2020-2021 Fiscal Year

LAOA



Financial Reporting Challenges

- Spending on NHS assets in California is not tracked as a separate expenditure for either the State or Locals.
- The initial TAMP included funding estimates for NHS assets that are expected to be reasonably available by Fiscal Year
- Federal regulations require expenditures to be categorized into five work types (i.e., initial construction, maintenance, preservation, rehabilitation and reconstruction)
- Moving forward, improvements are needed in reporting expenditures to meet federal requirements



Good Practices in other States

- A recent domestic scan of DOTs across the Country identified some good practices
- Projects were identified as being NHS or not at the project level
- Projects were identified by the five federal work types (primary activity was designated)
- Pre- and post project condition information was documented that allows performance projection
- Review of established performance targets



Grant Opportunities for Pavement and Bridge Funding

- **Find State Transportation Grants:**
- **Go to California Grants Portal at <https://www.grants.ca.gov>**
 - The Grant Information Act of 2018 required the State Library to build this California Grants portal by July 1, 2020
 - It is managed and hosted by the California State Library
 - Caltrans and the Commission provides updates to this site on an on-going basis
 - 11 transportation grants active or forecasted on May 18, 2021
- **Find Federal Transportation Grants:**
- **Go to Grants.gov at <https://www.grants.gov>**
 - The authoritative source for federal grant programs is the Catalog of Federal Domestic Assistance (CFDA). This catalog lists all available funding programs
 - Search Grants within Grants.gov allows you to search filter and seek opportunities for transportation related funding
 - Over 500 federal transportation related grants active or forecasted on May 18, 2021



What are we spending on the NHS?

Lisa Tam
Carol Dirksen
California State Controller's Office

Dawn Foster
TAMP Manager
California Department of Transportation (Caltrans)

Background - Initial TAMP Financial Plan

- **For the State-owned NHS assets**, Caltrans estimated funding available that was expected to be reasonably available by fiscal year in SHOPP and Maintenance Programs
 - The funding estimates were calculated by the percentage of state pavement and bridge assets located on the NHS
- **For locally-owned NHS**, annual spending was estimated using expenditures from the 2016 California Statewide Local Streets and Roads Needs Report and then was prorated based on percent of assets located on the NHS
 - Feedback from TAMP workshop was to assume 90% of funds would be applied to pavement and 10% towards bridges



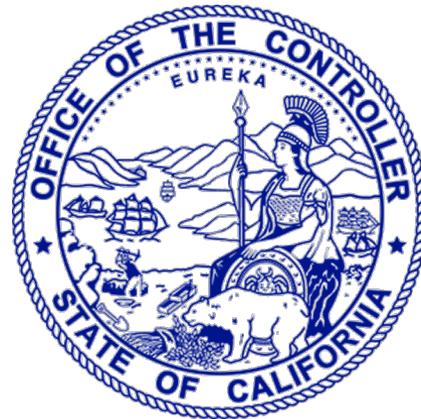
Background – Reporting on TAMP Progress

- Implementation of the TAMP requires an annual progress report to FHWA that details expenditures be submitted by the 5 federal work type for both State and Local NHS
- For Caltrans, we estimate expenditures on the NHS by review of expenditure data in Caltrans accounting system and use Caltrans project management system to obtain project location data
- For Local NHS, we turned to the State Controller Office website, “By the Numbers” (<https://bythenumbers.sco.ca.gov/>) to obtain local transportation expenditure data
- SCO “By The Numbers” financial data was extremely helpful to Caltrans for annual reporting purposes and preparing for the 2022 TAMP



Streets and Roads Annual Report

May 24, 2021



BETTY T. YEE
California State Controller

Streets and Roads Annual Report

What is the Annual Report?

- It is a snapshot of the revenues and expenditures for streets and roads by local governments
- It serves to inform the public of the efforts and costs to maintain and improve the State's local streets and roads

What goes into the Annual Report?

Unaudited City and County data on:

- Revenues – money available from all sources for streets and roads
 - State
 - Federal
 - Local
 - Other sources

What goes into the Annual Report?

Unaudited City and County data on:

- Expenditures for street/road-related
 - Administration/Engineering
 - Construction
 - Maintenance
 - Acquisition
 - Aid to Other Governmental Agencies

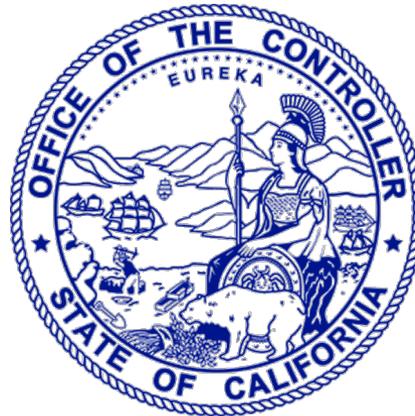
Background of the Annual Report

The Collier-Burns Highway Act of 1947

- Raised gasoline and motor vehicle taxes for the California highway system for city and county street and road improvements
- Requires the SCO to publish an Annual Report of city and county revenues and expenditures for street and road purposes

Where can I find the Annual Report?

California State Controller's Office
Local Government Financial Data



<https://bythenumbers.sco.ca.gov/>

Where can I find the Annual Report?

California State Controller's Office
Local Government Financial Data



<https://bythenumbers.sco.ca.gov/>

Estimating Assumptions for Local NHS Spending on Pavement and Bridges

1. Only NHS owners (cities & counties) within SCO financial data are used
2. City and County expenditures are combined due to reporting separately to SCO (SCO County Roads and City Streets Reports)
3. SCO Description of Work field are used to determine pavement or bridge expenditures
4. Expenditures from SCO work descriptions are cross-walked to FHWA work types to categorize the spending
5. Other Related Expenses from SCO data are added into the 5 work types for right of way, engineering and administration support



Estimating Assumptions for NHS Spending on Pavement and Bridges

Summarize NHS Spending by Region and State:

1. Expenditures are multiplied by proportion of NHS inventory to Total Local inventory within the region (MPO/RTPA)
2. City/County Expenditures are then summed at the MPO/RTPA level
3. The regional estimated expenditures are then summed for a statewide estimate for pavement and bridges by the 5 work types

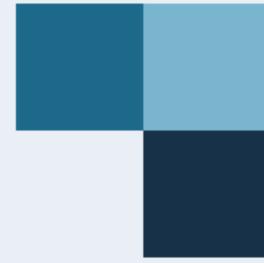
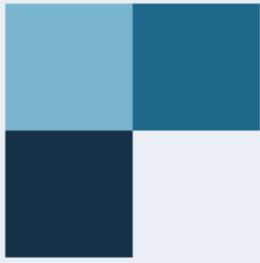


Estimating Local NHS Spending

SCO work descriptions were cross-walked to FHWA work types

		FHWA Work Types				
FHWA	→	Initial Construction	Maintenance	Preservation /Rehab	Reconstruction	Totals
SCO	→	New Street/Road Construction	Maintenance-Patching	Maintenance-Overlay and Sealing	Street/Road Reconstruction	Total Local Expenditures across Work





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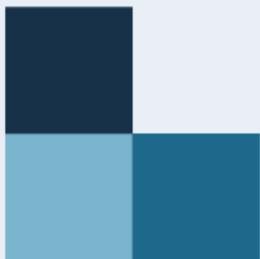
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Next Steps – Request for Information (Part A)

- Step 1: Complete Agency (MPO/RTPA) Information
- Step 2: Review agency’s expenditure data reported to SCO and assumptions for estimating statewide NHS spending on pavement and bridges.
- Step 3: Select a reporting method
 - Reporting Method A: Use Caltrans Financial Analysis
 - Reporting Method B: MPO/RTPA to report NHS expenditures
- Submittal: Sign the NHS Financial Spreadsheet and return the form and spreadsheet to Caltrans by June 30th



2022 TAMP Development National Highway System Pavement and Bridge Financial Reporting

Please follow the below steps and submit your agency’s completed National Highway System (NHS) Pavement and Bridge Financial Reporting form and financial spreadsheet by **Wednesday, June 30, 2021**, to CT-TAM@dot.ca.gov.

Part A: Local NHS Financial Estimate

Step 1:

Complete your agency information.

Agency Information	
Agency (MPO/RTPA)	
Contact Name	
Title	
Phone	
Email	

Step 2:

Review your agency’s expenditure data reported to State Controller’s Office by cities and counties and the assumptions for estimating statewide spending on National Highway System (NHS) pavement and bridges provided in the attached spreadsheet. If you were unable to attend the workshop that provided the background information on this request, the full presentation has been posted to Caltrans 2022 TAMP Workshop Series webpage at: <https://dot.ca.gov/programs/asset-management/virtual-workshop-series-for-the-2022-tamp-update>

Step 3:

Select 1 of the following reporting methods below by checking the box next to the appropriate method and provide the required information for the method you choose.

Reporting Method A Agency supports the use of State Controller Office expenditure data and assumptions to estimate National Highway System (NHS) spending prepared by Caltrans and that this provides an appropriate method for determining available funding for pavement and bridges on the NHS statewide. If your agency chooses this reporting method, select “Reporting Method A” above, sign the NHS financial estimate and continues to Part B of this form.

Reporting Method B Agency elects to report financial expenditure information for NHS pavement and bridges. This



Request for Information (Part A) – Method B Template

Method B: NHS Local Financial Spending Estimate (2018-19 Fiscal Year)

MPO: _____ NHS Inventory/Total Inventory: _____

Estimating Assumptions:

- 1) Only City and County owners of National Highway System (NHS) pavement and/or bridges are included in Table
- 2) Cities and Counties report separately to SCO and are combined into one total expenditure by category for each agency
- 3) These expenditures were based on description of work. Any description with bridge was reported as bridge expenditures only
- 4) SCO categories of work were crosswalked to FHWA work types shown in blue except for Other Related Expenses
- 5) NHS expenditures are based on city and county reported expenditures multiplied by the proportion of NHS inventory to total local inventory within the region
- 6) Pavement is measured by lane miles and bridges are measured by square foot of bridge deck for purposes of determining the proportion of inventory owned

Estimated NHS Expenditures for Pavement			FHWA Work Types				Total Local Expenditures across Work Types	Other Related Expenses		Total
			Initial Construction	Maintenance	Preservation /Rehab	Reconstruction		Right of Way Acquisition	Undistributed Administration and Engineering	
Agency Name	County Name	City Name	New Street/Road Construction	Maintenance-Patching	Maintenance-Overlay and Sealing	Street/Road Reconstruction	Total Local Expenditures across Work Types	Right of Way Acquisition	Undistributed Administration and Engineering	TAMP Expenditures by Region
"MPO/RTPA Name"										
	"County Name"									
	"County Name"									
	"County Name"									
		"City Name"								
		"City Name"								
		"City Name"								





Reporting Local Expenditures by Work Type

Dawn Foster

TAMP Manager

HQ Office of Asset Management, Caltrans

Reporting Expenditures to SCO by Work Type

- **Initial (New) Construction:** A construction that substantially deviates from the existing alignment and provides for an entirely new street or roadbed for the greater parts of its length. Includes:
 - projects developing new streets, bridges, signals, signs, sidewalks, bikeways, lighting facilities, storm drains, landscaping, etc., in locations that formerly had no such facilities, or projects departing to such an extent from the existing alignment and grade that no material salvage value is realized from the old facilities.
 - Additions and betterments to the street system and its right of way, including grade separations and urban extension projects (exclusive of maintenance and repair).



Reporting Expenditures to SCO by Work Type

- **Maintenance:** Patching, repairing, surface treating, and joint filling on traveled ways and shoulders, including any similar work on bridges. Jacking concrete pavements and patching operations including base restoration.
- Maintenance and energy cost for traffic signals and lighting on streets, roads or bridges
- Repairs or other work caused by damage to street/road structures, bridges, or
- facilities resulting from storms, slides, settlements, or other causes, unless the city engineer has determined that such work is properly classified as construction.



Reporting Expenditures to SCO by Work Type

- **Preservation:** Resealing/resurfacing street/roads or bridges and/or shoulders. Include side street and road/bridge approaches. This work preserves the facility in a safe and usable condition to which they have been improved or constructed. Also includes bridge painting and other preservation activities.



Reporting Expenditures to SCO by Work Type

- **Rehabilitation:** This work does not involve major realignment but upgrades the existing facility to a state of good repair. Includes:
- Any street, road or bridge work that materially increases the service life or load capacity of the original project.



Reporting Expenditures to SCO by Work Type

- **Reconstruction:** A construction involving realignment or the use of standards well above those of the existing element, whereby the type or the geometric and structural features are significantly changed.
Includes:
 - Replacement of the entire existing pavement or bridge structure.
 - Reconstruction of street, road, bridge or facility that has failed or has become functionally obsolete.



Financial Reporting

- Fact Sheet was prepared to better assist future reporting of NHS expenditures to SCO
- Provides better alignment between SCO and FHWA Work Categories
- The Fact Sheet was sent by email and posted to Caltrans 2022 TAMP Development webpage:

<https://dot.ca.gov/programs/asset-management/california-transportation-asset-management-plan>



Asset Management Fact Sheet for Local Agencies

Federal Financial Reporting of Transportation Expenditures

MAP-21 and subsequent federal rulemaking established federal regulation that requires the development of a Transportation Asset Management Plan (TAMP) and requires that annually each State Department of Transportation demonstrate progress on implementation. To demonstrate this progress, the Federal Highway Administration (FHWA) has requested that all transportation expenditures on pavement and bridges specific to the National Highway System (NHS) be reported in accordance with Code of Federal Regulations 23 CFR 515.13.

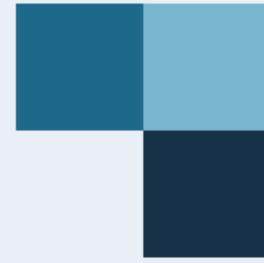
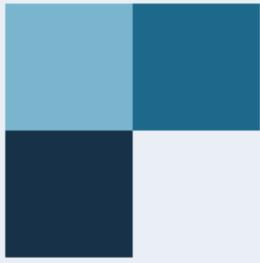
NHS expenditures for pavement and bridges are reported by combining total state and locally-owned NHS expenditures segregated into five federal work types. Caltrans defines these five work types for pavement or bridges as follows:

- 1) **Initial (New) Construction:** A construction that substantially deviates from the existing alignment and provides for an entirely new street or roadbed for the greater parts of its length. Includes:
 - projects developing new streets, bridges, signals, signs, sidewalks, bikeways, lighting facilities, storm drains, landscaping, etc., in locations that formerly had no such facilities, or projects departing to such an extent from the existing alignment and grade that no material salvage value is realized from the old facilities.
 - Additions and betterments to the street system and its right of way, including grade separations, urban extensions, and Federal Aid Secondary (FAS) and Federal Aid Urban (FAU) projects (exclusive of maintenance and repair).
- 2) **Maintenance:** Patching, repairing, surface treating, and joint filling on traveled ways and shoulders, including any similar work on bridges. Jacking concrete pavements and patching operations including base restoration.
 - Maintenance and energy cost for traffic signals and lighting on streets, roads or bridges
 - Repairs or other work caused by damage to street/road structures, bridges, or facilities resulting from storms, slides, settlements, or other causes, unless the city engineer has determined that such work is properly classified as construction.
- 3) **Preservation:** Resealing/resurfacing street/roads or bridges and/or shoulders. Include side street and road/bridge approaches. This work preserves the facility in a safe and usable condition to which they have been improved or constructed. Also includes bridge painting and other preservation activities.
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 - Replacement of the entire existing pavement or bridge structure.
 - Reconstruction of street, road, bridge or facility that has failed or has become functionally obsolete.

Local transportation expenditures reported to State Controller's Office (SCO) should follow these requirements as Caltrans will be using the SCO open data website on an annual basis to report to FHWA.

For more information contact: Caltrans Office of Asset Management at CT-TAM@dot.ca.gov





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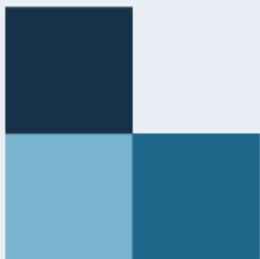
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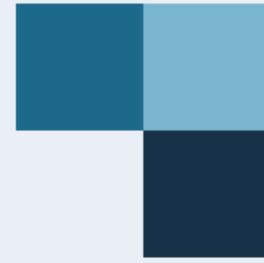
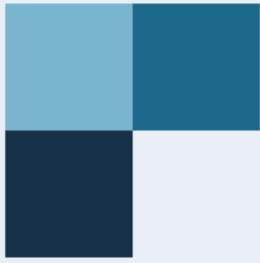
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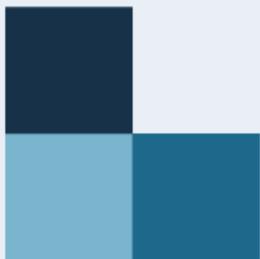
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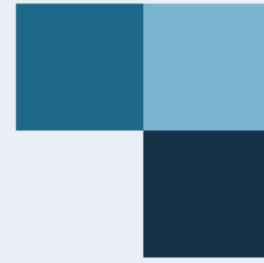
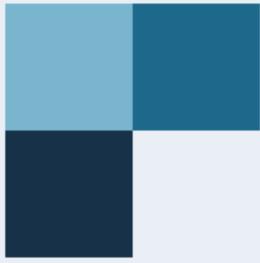
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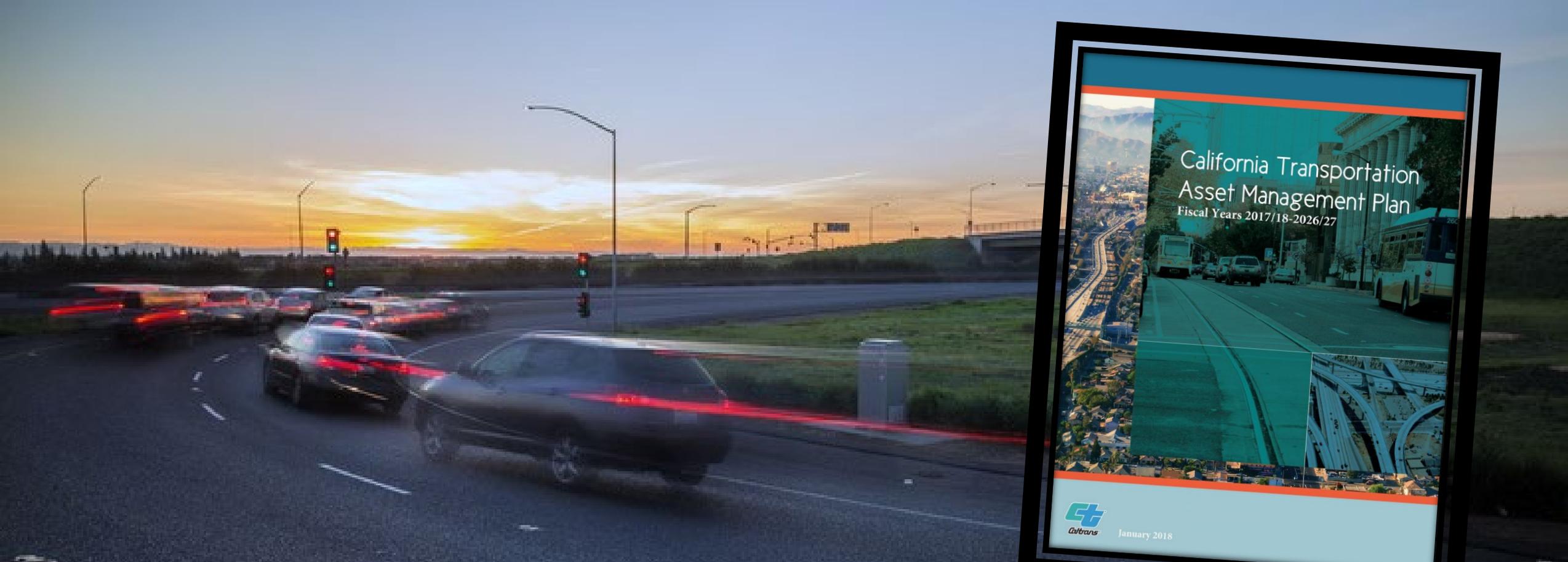
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Options for a TAMP 10-Year Financial Plan

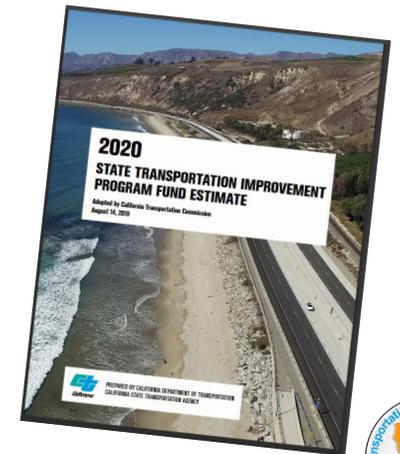
Michael B. Johnson

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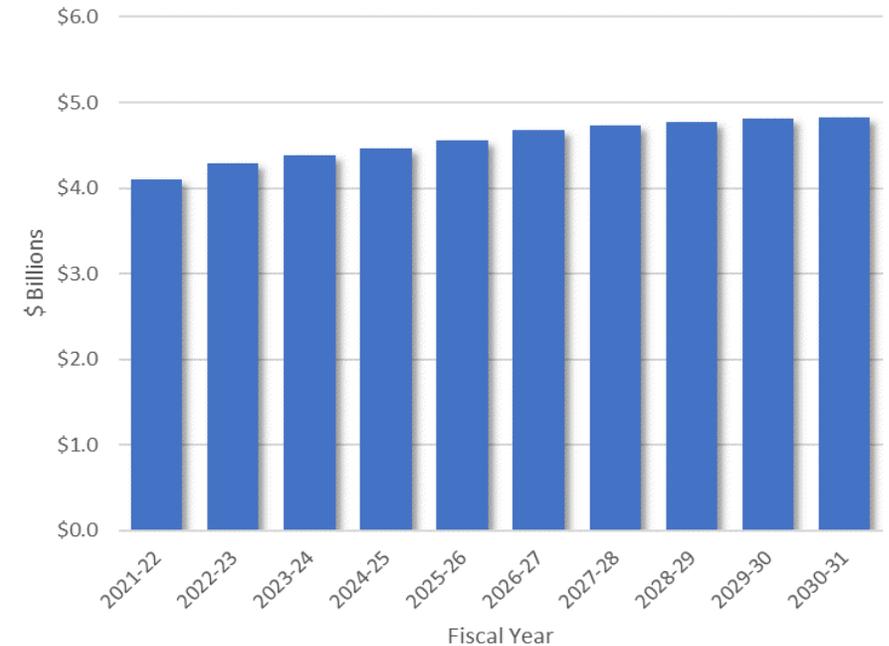
TAMP 10-Year Financial Projection

- The Financial Plan is focused on funds available for selected asset types on the State Highway and National Highway Systems
- Comprehensive reports are available on sources of transportation funding, how California projects future revenues and what constraints exist on use of funds for different purposes.
 - Transportation Funding in California (2017), Caltrans
 - State Transportation Improvement Program (STIP) Fund Estimate
 - Governor's Transportation Budget, Legislative Analyst's Office (LAO)
 - Impact of COVID-19 on State Transportation Revenues, LAO



SHOPP 10-Year Financial Plan

- 10-Year Financial Projection for SHOPP used similar assumptions to the STIP Fund Estimate in determining expected annual SHOPP capacity.
- These projections are partially indexed to inflation
- Includes 3 out of 5 federal work types
- Maintenance & STIP Program primarily fund the other 2 work types



Local NHS Funding Projection Assumptions

- Which of the following methods for estimating a 10-year financial projection should be used for the TAMP?
 - Use prior historical expenditures projected at the same level
 - Use historical expenditures indexed to inflation
 - Use prior historical expenditures excluding 2020 fiscal year (COVID19)
 - Use prior historical expenditures excluding 2020 fiscal year (COVID19) indexed to inflation
 - Use known or expected funding streams (example: Federal Infrastructure Package)
 - Use a different method than those described above



Next Steps – Request for Information (Part B)

- Review Methods for projecting a 10-Year financial estimate for the NHS
- Select one Method based on options presented in workshop
- Sign and return the filled form and spreadsheet to Caltrans by June 30th



2022 TAMP Development National Highway System Pavement and Bridge Financial Reporting

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Step 2:

Review your agency's expenditure data reported to State Controller's Office by cities and counties and the assumptions for estimating statewide spending on National Highway System (NHS) pavement and bridges provided in the attached spreadsheet. If you were unable to attend the workshop that provided the background information on this request, the full presentation has been posted to Caltrans 2022 TAMP Workshop Series webpage at: <https://dot.ca.gov/programs/asset-management/virtual-workshop-series-for-the-2022-tamp-update>

Step 3:

Select 1 of the following reporting methods below by checking the box next to the appropriate method and provide the required information for the method you choose.

Reporting Method A Agency supports the use of State Controller Office expenditure data and assumptions to estimate National Highway System (NHS) spending prepared by Caltrans and that this provides an appropriate method for determining available funding for pavement and bridges on the NHS statewide. If your agency chooses this reporting method, select "Reporting Method A" above, sign the NHS financial estimate and continues to Part B of this form.

Reporting Method B Agency elects to report financial expenditure information for NHS pavement and bridges. This





Closing Remarks

Michael B. Johnson

State Asset Management Engineer

HQ Office of Asset Management, Caltrans



Workshop Summary

- The TAMP requires expected revenues be defined for asset management
- Discussed improvements for NHS financial reporting
 - Fact Sheet to better align work categories/types
 - SCO open-data reporting to meet TAMP requirements
- Reviewed the proposed methodology using SCO data for past expenditures and future projections
- Presented assumptions for NHS expenditures and projection information in alignment with federal work types
- Federal and State Grant Opportunities were discussed



Action Items

- Caltrans sends out SCO Financial Tables and Financial Projection Options to MPOs for review and signature after the workshop
- Response from MPOs needed by Wednesday, June 30, 2021
- No response will indicate that the estimating assumptions presented in the workshop are valid for TAMP development
- Next Workshop – Risk Management (meeting materials will be sent to you in advance for review prior to workshop)

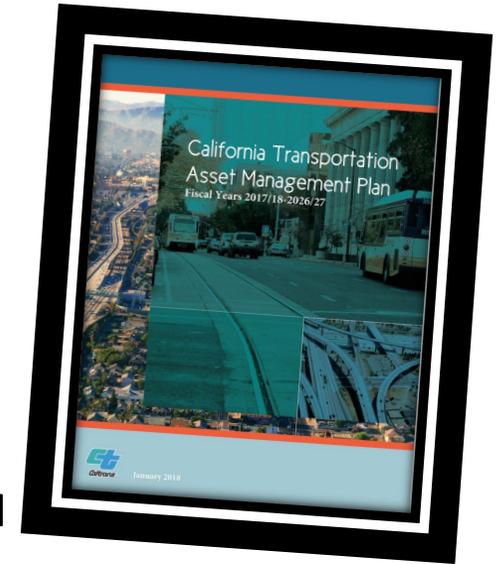


Please Join Us for Developing the 2022 TAMP

2022 TAMP Virtual Workshop #3

Risk Management

Date: **Wednesday, June 23, 2021**
& **Thursday, June 24, 2021**



An Email from CT-TAM@dot.ca.gov will be sent to you shortly with further details!

Visit Caltrans new TAMP Webpage for a short survey:

<https://dot.ca.gov/programs/asset-management/california-transportation-asset-management-plan>





Thank You



Informal Question and Answer Session

- For those of you who have additional questions and time, Caltrans will continue to be available for 1-hour after each Workshop for an informal question and answer session
 - Provides more time to gather feedback from stakeholders
 - Provides opportunity for anyone to participate and talk
 - Provides 6 additional hours of collaboration

****Please stay connected to Webex for this additional opportunity****

