



Setting Meaningful Targets

How MnDOT is Adapting its Approach to Target Setting
in an Age of Uncertainty and Fiscal Constraint

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We all have a stake in **A  B**



Key Questions

- How can target setting be integrated into a broader performance-based planning framework?
- How should target setting account for available resources and/or realistic expectations of future performance?
- How can the purpose and meaning of targets be clearly and consistently conveyed to key stakeholders?



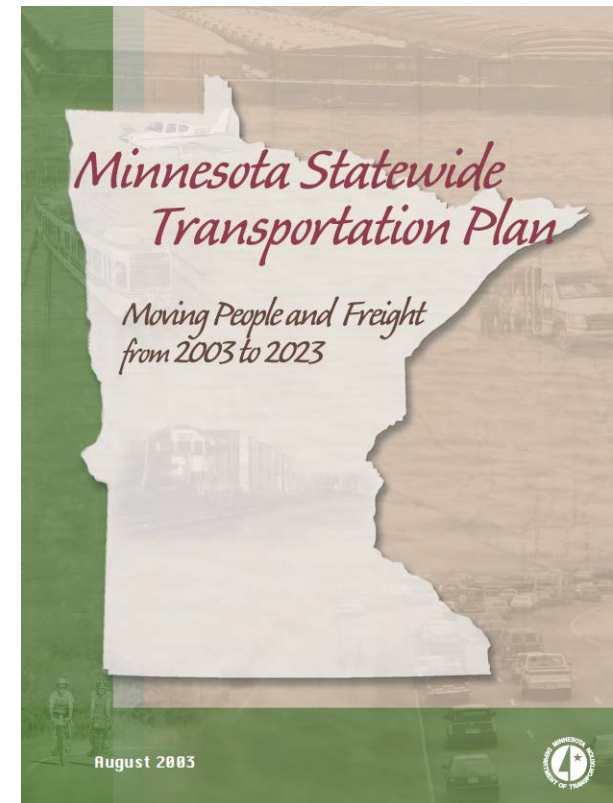
Uses of Measures and Targets

- ▶ Evaluate progress toward stated objectives
 - Determine whether strategies are effective
 - Adjust if needed to achieve better outcomes
- ▶ Make decisions based on ends, not means
 - Provide a clear, consistent rationale for resource allocation
 - Determine adequacy of current or expected funding
 - Connect planning to programming to project selection
- ▶ Improve transparency and accountability



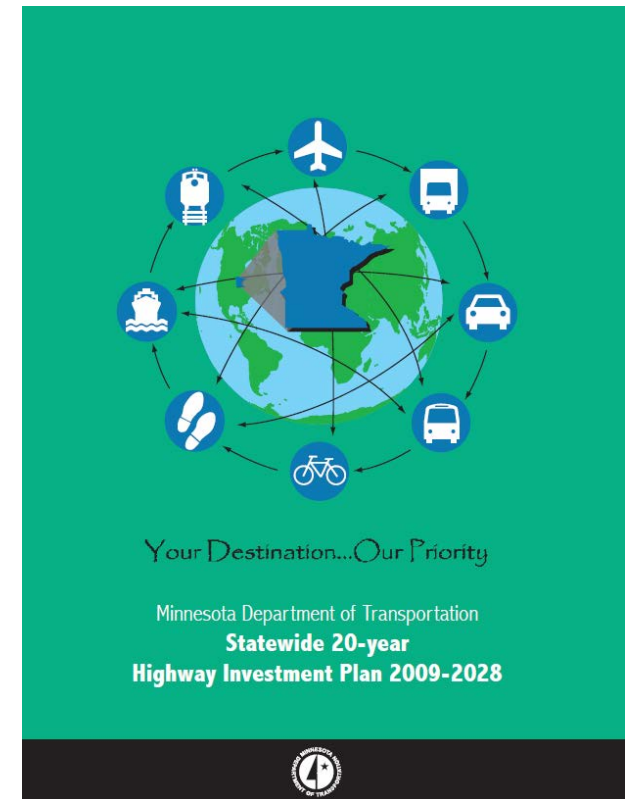
Past performance-based planning

- ▶ First performance-based plan adopted in 2003
 - Funding was sufficient to meet targets for asset condition and statewide mobility
- ▶ Targets traditionally developed by functional office experts
 - Not necessarily connected to spending decisions
 - Have not always considered needs in other areas



Past performance-based planning

- ▶ By 2009, asset condition need alone exceeded projected revenue
 - Plan took a “balanced approach” allocating resources across competing priorities
 - Did not plan to meet all performance targets
 - Used a maintenance-of-effort approach to track plan implementation
- ▶ About to begin 4th performance based plan

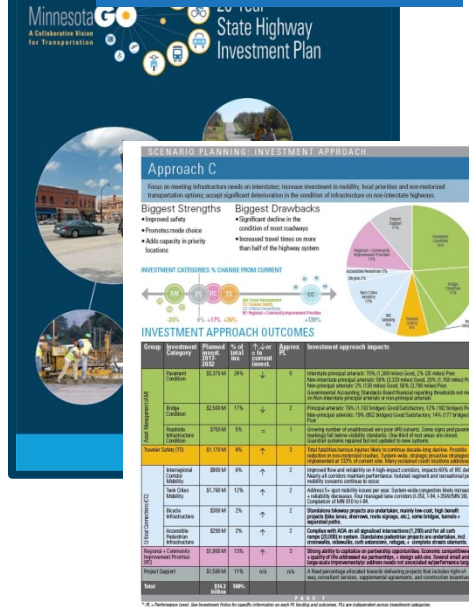


Current performance-based planning

Multimodal Plan



Investment Plans



Performance Monitoring

Annual Transportation Performance Report
2012



Supports Minnesota GO 50-year vision. Establishes objectives & strategies to guide investment

Integrates performance planning & risk assessment to establish priorities for projected funding. Considers impact of investments on performance targets.

Evaluates progress and reports performance to the public

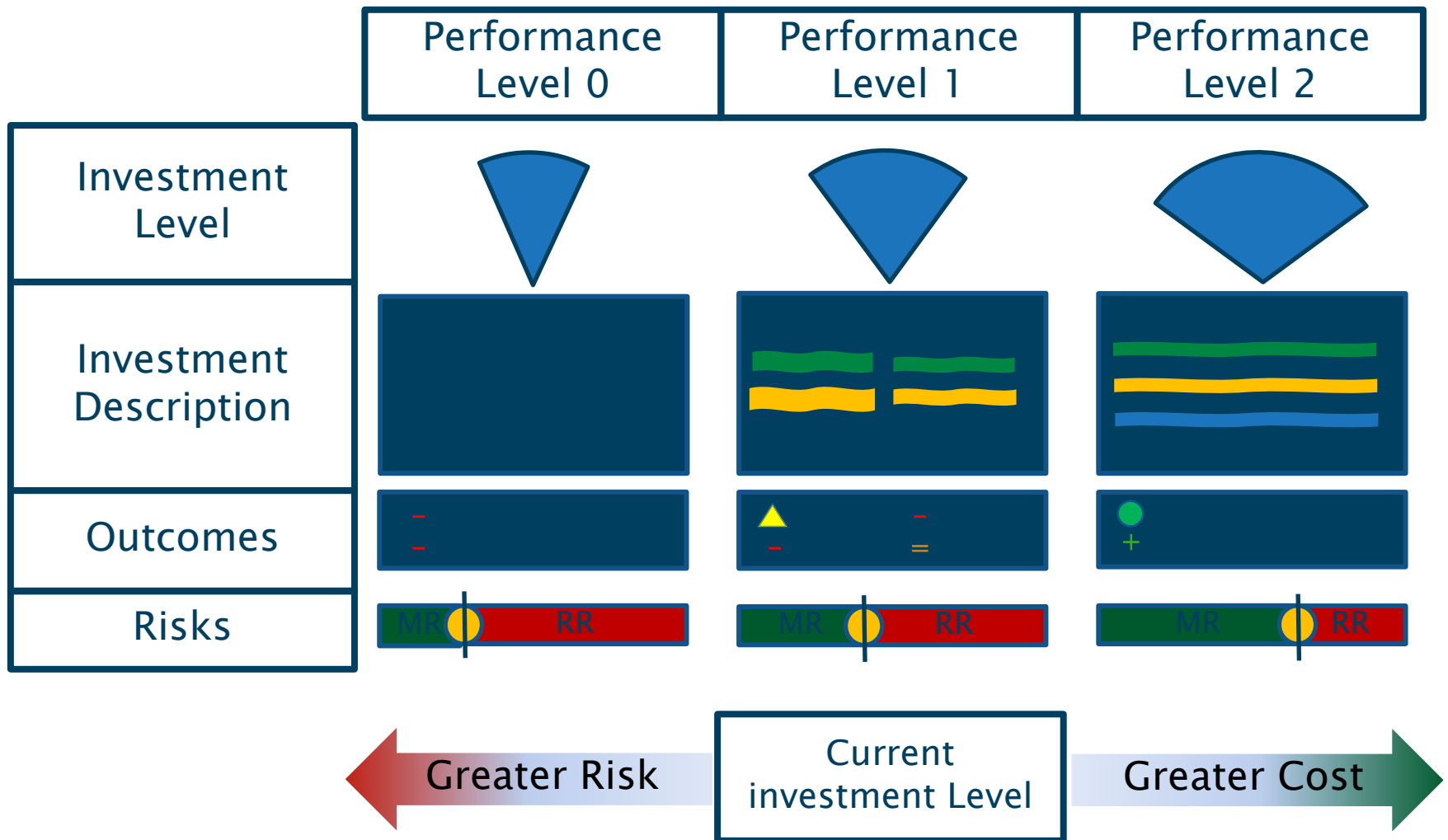


Performance measures in MnSHIP

- ▶ Establish investments needed to meet targets
- ▶ Create a range of “performance level” options within individual investment areas
- ▶ Determine risks managed at each level
- ▶ Facilitate evaluation and public discussion of alternative investment scenarios
- ▶ Develop and implement investment programs
 - Statewide Performance Program
 - District Risk Management Program

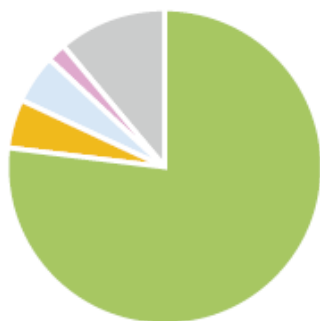


Performance level concept



Evaluating investment approaches

Approach A



Focus on **maintaining existing infrastructure** (e.g., roads and bridges) on the entire system, leaving little-to-no ability to invest in local priorities and mobility.

- Asset Management
- Traveler Safety
- Critical Connections
- Regional and Community Investment Priorities
- Project Support

Approach B
(Current Approach)



Maintain **an approach similar to MnDOT's existing priorities**, emphasizing pavement, bridges, and safety, with some investments in local priorities and mobility.

Approach C



Greater **emphasis on mobility for all modes and addressing local concerns** at priority locations. Existing infrastructure condition declines significantly on most state highways.



Targets in MnSHIP

- Pre-existing pavement and bridge targets were termed “aspirational”. Primary use was to estimate investment need
- New, fiscally constrained pavement and bridge targets were set concurrently with the establishment of spending priorities
- MnSHIP used these targets to convey desired outcomes with the expectation that they will be managed to



Targets in MnSHIP

Asset	Performance Measure	System		Pre-existing Target	New Constrained Targets	Anticipated Outcomes (2023)
Pavements	Share of system with “Poor” ride quality in travel land	NHS	Interstate	$\leq 2\%$	$\leq 2\%$	2%
			Other NHS		$\leq 4\%$	4%
		Non-NHS		$\leq 3\%$	N/A	12%
Bridges	NHS bridges in Poor condition as a percent of total deck area	NHS		$\leq 2\%$	$\leq 2\%$	2%
		Non-NHS		$\leq 8\%$	$\leq 8\%$	6%



Targets in MnSHIP

➤ Successes

- Clear asset condition objectives that can be managed to
- Alignment of targets with policy, priorities and MAP-21 requirements

➤ Persistent Challenges

- Still no clear path to setting targets in underfunded areas



Targets in the Transportation Asset Management Plan (2014)

- MnDOT one of three pilot states to complete a TAMP as part of a 2013 pilot
- Went beyond the requirements to look at additional assets classes / non-NHS assets
 - Evaluated asset inventories and identified gaps
 - Identified risks and risk management strategies
 - Developed life-cycle models for comparing typical and optimal investment approaches
 - Recommended new performance targets and a financial plan for achieving them



Targets in the TAMP

➤ Pavement Condition

System	2012 Condition (% Poor)	MNSHIP		TAMP	
		Target Recommendation (% Poor)	Plan Outcome (% Poor)	Target Recommendation (% Poor)	Plan Outcome (% Poor)
Interstate	2.4 %	≤ 2%	2 %	≤ 2 %	2 %
Non-Interstate NHS	4.3 %	≤ 4%	4 %	≤ 4 %	4 %
Non-NHS	7.5 %	NA	12 %	≤ 10 %	12 %

➤ Bridge Condition

System	2012 Condition (% Poor)	MNSHIP		TAMP	
		Target Recommendation (% Poor)	Plan Outcome (% Poor)	Target Recommendation (% Poor)	Plan Outcome (% Poor)
NHS	4.7 %	≤ 2%	2 %	≤ 2 %	2 %
Non-NHS	2.1 %	≤ 8 %	6 %	≤ 8 %	6 %



Performance targets vs. plan outcomes

What we want to happen may not be the same as what we plan for.

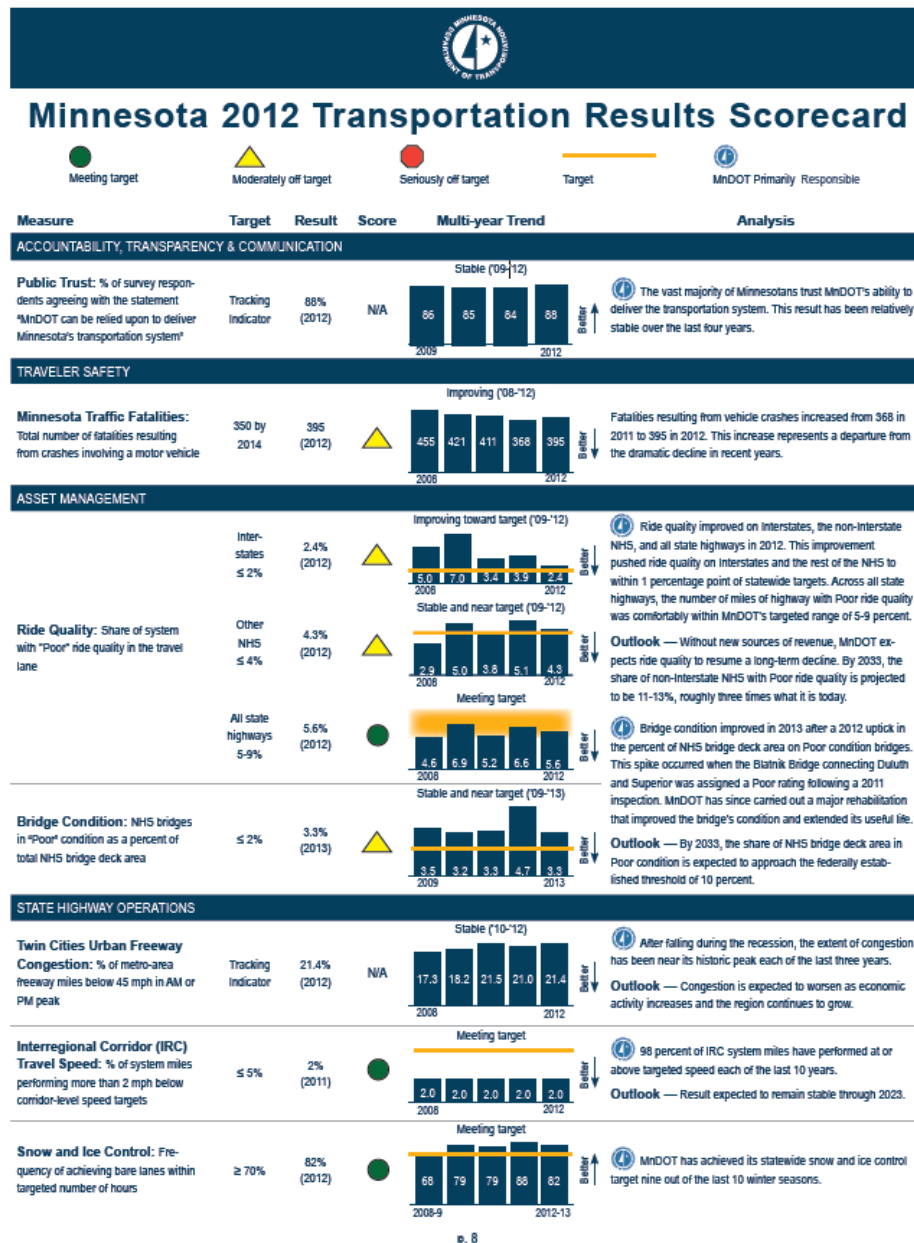
- ▶ Performance targets
 - Described as “aspirational” or “desired”
 - Used to estimate investment need
- ▶ Plan outcomes
 - Fiscally constrained
 - Set concurrently with resource allocation
 - May or may not meet targets
- ▶ Investment managed to achieve the plan outcomes
 - Acceptable to meet some targets and not others



Targets and Performance Reporting - Public

➤ Competing objectives

- Demonstrate current / near term progress
- Highlight the long-term performance implications of unmet needs



Targets and Performance Reporting - Internal

2013 state road operations and maintenance performance snapshot (Calendar year unless noted)

Legend ● At or above ▲ Moderately below target ● Seriously below target ■ Performance improved from previous year ■ WIG Battle ■ No measure/data not collected/data not

2009-2013 statewide performance

Measure	2009	2010	2011	2012	2013	Target	2009-2013 Trend
Overall state highway maintenance							
Public satisfaction with maintenance, scale of 1-10	6.0	6.1	5.9	6.3	▲ 6.4	7.0	
Smooth roads							
Pavement patching - Total lane miles with surface rating of 3.2 or less	8,794	9,944	7,693	7,119	7,173	Indicator of system need	
Pavement patching - Percent of need addressed	79%	100%	94%	92%	● 100%	90%	
Pavement - Public satisfaction with smooth ride, scale of 1-10	6.0	6.2	6.0	6.2	▲ 6.3	7.0	
Drainage infrastructure inspection - Completion of annual culvert inspection cycle	69%	74%	78%	81%	● 80%	80%	
Drainage infrastructure maintenance - Percent of Condition 4 pipes repaired, replaced, or removed annually <i>Final year of reporting</i>	13%	10%	13%	12%	9%	Not Defined	
Drainage infrastructure maintenance - Percent of Condition 4 Highway Culverts <i>Under Development</i>	7%	8%	7%	7%	7%	3% Draft	

2013 performance by district

1	2	3	4	6	7	8	M
1,132	671	360	943	947	1,310	1,028	882
100%	100%	100%	100%	100%	100%	100%	100%
85%	81%	91%	77%	91%	68%	86%	54%
9%	5%	36%	20%	8%	0%	6%	6%
9%	3%	2%	7%	12%	8%	10%	2%



Performance measures & targets policy

(Under development)

- ▶ Creates a consistent, transparent process for adopting measures and setting targets
 - Easier for measure initiators/target setters to navigate
 - Considers context of existing measures and targets
- ▶ Clarifies purpose and terminology
 - Which measures are used for what?
 - Definitions: measure, indicator, outcome, target, etc.
- ▶ Identifies roles and responsibilities
 - Who establishes or approves which measures?



Performance measures & targets policy

(Under development)

- ▶ Records formally adopted measures and targets
- ▶ Ensures MnDOT meets state and federal requirements
- ▶ Defines procedures and appropriate levels of review
 - Measures included in a statewide investment plan will be publicly vetted through planning process and adopted with the plan
 - Supporting and internal measures can be established by internal working groups at any time



Questions?

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