

Communicating Agency Risks



Tim Henkel

MNDOT Experience



Risk-Based-Performance Planning at MnDOT

Effectively Communicating Agency Risks

Tim Henkel

Minnesota Department of Transportation
Launching Enterprise Risk Management in Your Agency
August 24, 2015

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



Current performance-based planning

Multimodal Plan



4. CRITICAL CONNECTIONS

Identify global, national, statewide, regional, and local transportation connections essential for Minnesota's prosperity and quality of life, and improve these connections by examining them on investment, state-coordinated resources, and available state resources.

What This is About

Each person identifies different connections as critical based on where they live and their individual needs. In urban areas, critical connections may mean providing safe and reliable alternatives to driving during peak traffic periods. In rural areas, it may mean roadway connections to regional centers for both people and goods. Critical connections also vary by type of transportation. For example, the key connections needed for driving may be different than those for transit, bicycling or walking. There also are different scales of connections. These are connections that are people and goods across the state, connections that move people and goods throughout a region, and connections that move people and goods within a community. All of these connections are important to the overall economy and prosperity and quality of life in Minnesota.

While many types of connections are important, given both resources, it is necessary to set priorities to provide consistent, efficient and affordable movement of both people and goods. Though all connections are important to economic development, there are critical connections that serve as the backbone for movement across and within Minnesota. Identifying, maintaining, and enhancing these critical connections are shared responsibilities. As a state agency, MnDOT's cooperation with other transportation stakeholders is vital to ensure connections that move people and goods across the state and within regions. This includes, but is not limited to, roadways, waterways, airports and regional bus, airports, and rail. MnDOT, as a regional unit of government, acts to ensure connections that move people and goods throughout the region. This means developing regional transportation plans and programming projects of regional significance. Local units of government, such as cities and counties, create to ensure connections that move people and goods within that community. This could mean an integrated network of local roads, with options to bicycle, walk, or take a bus. Right connections. All connections regardless of level, location, or transportation type need to be developed in coordination with one another to ensure a truly connected Minnesota.

A connection to World-Wide

Principles

CONNECTS MINNESOTA'S PRIMARY ASSETS—THE PEOPLE, NATURAL RESOURCES AND BUSINESSES WITHIN THE STATE—TO EACH OTHER AND TO MARKETS AND RESOURCES OUTSIDE THE STATE AND COUNTRY

The Vision identifies a future system that connects the people, natural resources, and businesses of Minnesota not only to each other but also to outside the state and country as well. The critical connections, strategies and strategies will help ensure the key connections are identified, maintained, and enhanced where appropriate.

ENSURE REGIONAL CONNECTIONS

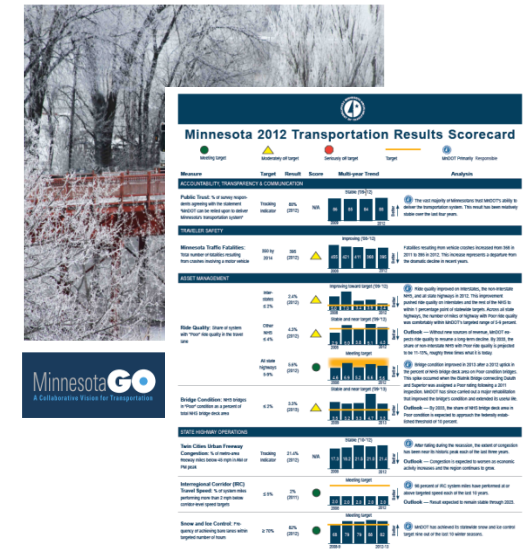
The Guiding Principles call for future policy and investment decisions that ensure key regional centers are important to economic development, there are critical connections that serve as the backbone for movement across and within Minnesota. Identifying, maintaining, and enhancing these critical connections are shared responsibilities. As a state agency, MnDOT's cooperation with other transportation stakeholders is vital to ensure connections that move people and goods across the state and within regions. This includes, but is not limited to, roadways, waterways, airports and regional bus, airports, and rail. MnDOT, as a regional unit of government, acts to ensure connections that move people and goods throughout the region. This means developing regional transportation plans and programming projects of regional significance. Local units of government, such as cities and counties, create to ensure connections that move people and goods within that community. This could mean an integrated network of local roads, with options to bicycle, walk, or take a bus. Right connections. All connections regardless of level, location, or transportation type need to be developed in coordination with one another to ensure a truly connected Minnesota.

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



Minnesota 20-year State Highway Investment Plan 2014-2033 (MnSHIP)

Develops investment areas around plan objectives



- Traveler safety
- Asset management
 - Bridge condition
 - Pavement condition
 - Other infrastructure
- Critical connections
 - Interregional corridors
 - Metropolitan freeway congestion
 - Bicycle infrastructure
 - Accessible pedestrian infrastructure

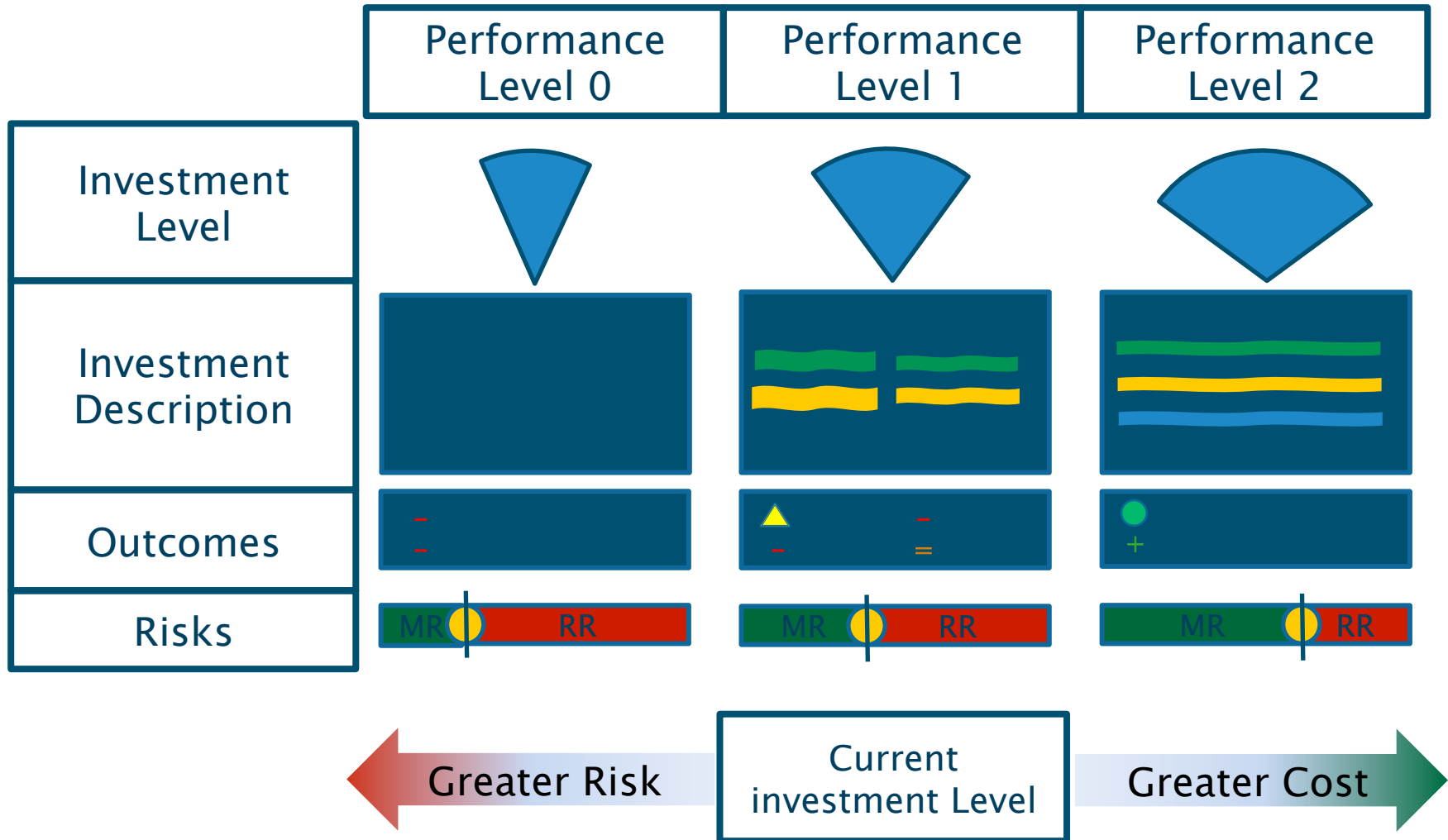


Performance measures in MnSHIP

- ▶ Established investments needed to meet targets
- ▶ Created a range of “performance level” options within individual investment areas
- ▶ Determined risks managed at each level
- ▶ Facilitated evaluation and public discussion of alternative investment scenarios
- ▶ Developed and implemented investment programs
 - Statewide Performance Program
 - District Risk Management Program

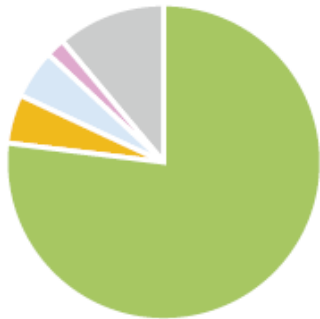


Performance level concept



Evaluating investment approaches

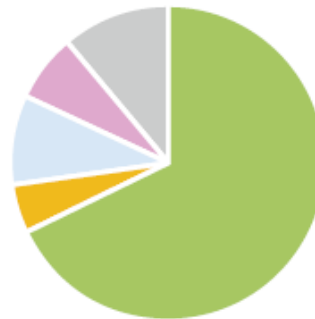
Approach A



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.

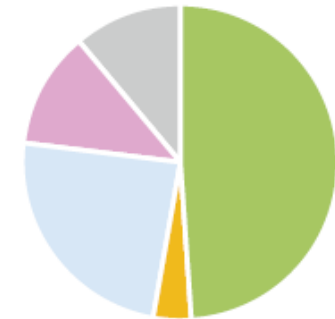
- Asset Management
- Traveler Safety
- Critical Connections
- Regional and Community Investment Priorities
- Project Support

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.

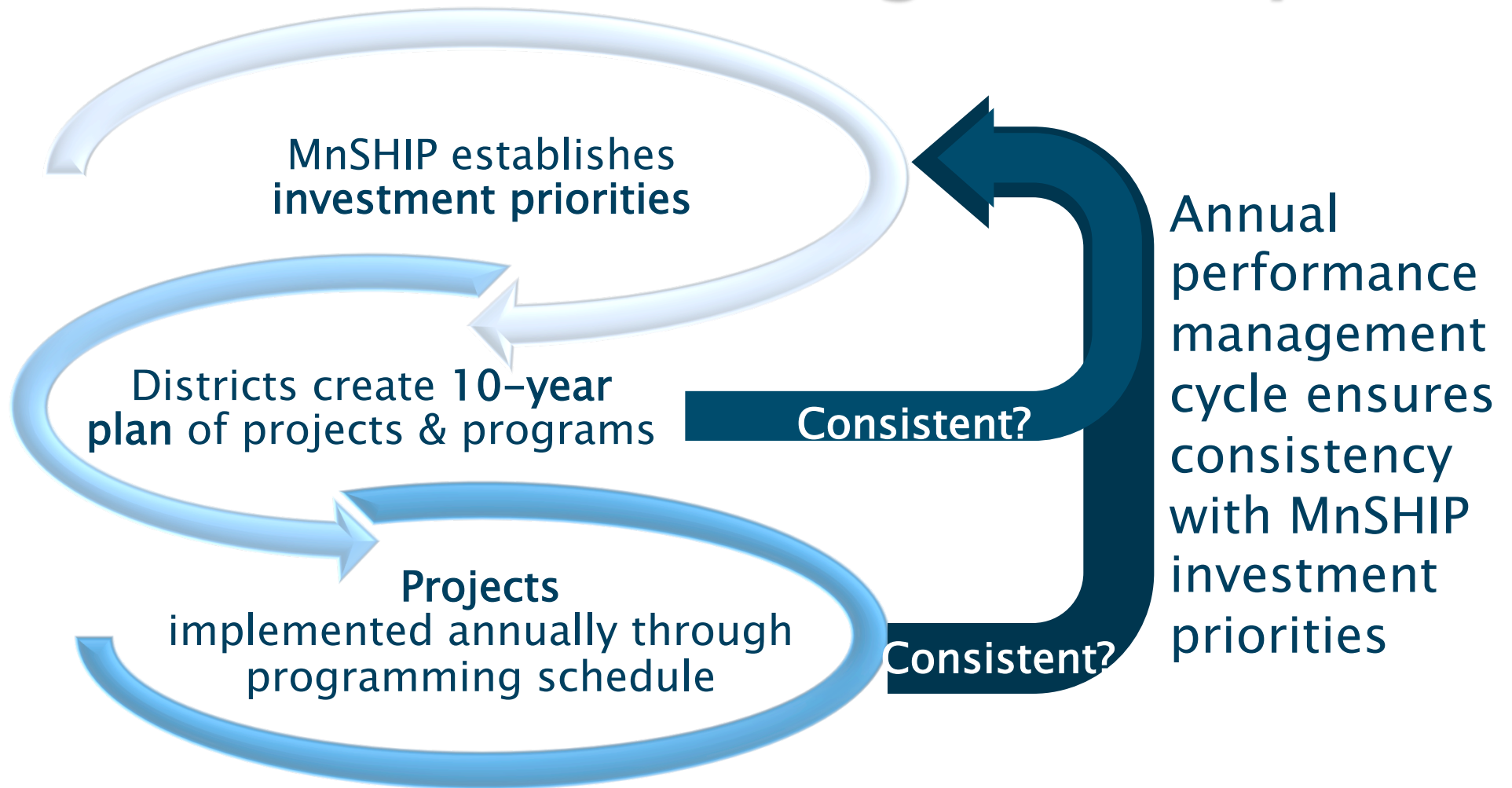
Approach C



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



Performance management cycle



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 and are called “plan outcomes”
- ▶ MnSHIP’s plan outcomes convey clear asset condition objectives that can be managed to



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



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.
- ▶ 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?

Tim Henkel

Minnesota Department of Transportation
tim.henkel@state.mn.us

