

Minutes of the Joint Legislative Oversight Committee
January 19, 2009
East Conference Room, JR Williams Building
Boise, Idaho

Co-chair Senator Elliot Werk called the meeting to order at 1:05 p.m. Attending the meeting were Senators John McGee and Dick Sagness (substituting for Edgar Malepeai during session), and Representatives Maxine Bell, Clifford Bayer, Donna Boe, and Shirley Ringo. Also present were Rakesh Mohan, Director, Margaret Campbell, Administrative Coordinator, and other OPE staff.

Co-chair Werk welcomed those in attendance and acknowledged the following individuals in the audience:

Senate: President Pro Tem Robert Geddes, Melinda Smyser, Diane Bilyeu
House: Speaker Lawrence Denney, Mike Moyle, Scott Bedke, Ken Roberts, JoAn Wood, Ken Andrus, Phil Hart, Marv Hagedorn, Bill Killen, Raul Labrador, Wendy Jaquet
Lieutenant Governor Brad Little
Office of the Governor: Clete Edmundson
Idaho Transportation Board: Darrell Manning and Monte McClure
Idaho Transportation Department: Pam Lowe

Other attendees included:
Budget and Policy Analysis: Paul Headlee
Legislative Audits: Chris Farnsworth
Office of the State Controller: Dan Goichoechea
Division of Financial Management: Roger Brown
Idaho Association of General Contractors: Mark Dunham

MINUTES FROM 1/14/09 MEETING

Representative Ringo moved to approve the minutes from the January 14, 2009, meeting. Senator Sagness seconded the motion, and it passed unanimously by voice vote.

COMMITTEE RULES

Senator McGee moved to approve committee rules as written from last year. Representative Bell seconded the motion, and it passed unanimously by voice vote.

REPORT RELEASE: *IDAHO TRANSPORTATION DEPARTMENT PERFORMANCE AUDIT*

Senator McGee moved to receive the report *Idaho Transportation Department Performance Audit*. Representative Boe seconded the motion, and it passed unanimously by voice vote.

Mr. Mohan thanked the Idaho Transportation Department, the Idaho Transportation Board, the Office of the Governor and the Division of Financial Management, the Office of the Attorney General, the Office of the State Treasurer, the Office of the State Controller, and legislative Budget and Policy Analysis for their assistance during the audit. He indicated the large complex

audit was completed in a short timeframe—August through November—and under budget. It cost about \$450,000 (the budgeted amount was \$550,000). Mr. Mohan said both the department and the Governor generally agreed with report recommendations.

Mr. Mohan introduced consultants James Brock and Roberta Manshel of Avant, IMC, Robert Williams, Robert Thomas, and Michael Huddleston. The consultants summarized the findings of the report. Mr. Thomas concluded the presentation by saying the current situation facing Idaho's highway system was untenable—the state was falling further and further behind in its ability to maintain and preserve its highway and bridge infrastructure.

Co-chair Werk called on Clete Edmundson, Special Assistant for Transportation, Governor's Office, to comment on the report. Mr. Edmundson said he commended Mr. Mohan, the office, and the consultants for study, which they completed in an almost impossible short amount of time. He said the report affirmed what the Governor had been saying—Idaho needed to take care of its infrastructure investment.

Co-chair Werk called on Darrell Manning, Chairman, Idaho Transportation Board, to comment on the report. Mr. Manning said the attendance of Legislative Leadership and the Lieutenant Governor at this meeting showed the importance of transportation to the state. He thanked OPE and the consultants, indicating the consultants were well qualified and did a superb job identifying many of the problems. He said the audit largely validated the direction the department had been headed for the past two years, and he would look at the report to do everything he could to improve the system.

In response to Co-chair Werk's invitation to speak, Pam Lowe, Director of Idaho Transportation Department, said she did not have any additional comments.

Senator McGee said the report provided valuable information, confirming what Governor Otter had been saying—Idaho's transportation system was grossly underfunded. He said that while the report did not question whether to use GARVEE, it discussed a more aggressive approach to funding. However, the Legislature had chosen to be conservative in its approach.

Representative Ringo pointed out the effect on strategic and long-term planning when the state experienced a turnover of top level positions such as governor, lieutenant governor, and a quick transitioning of directors. At some level, every organization required time to stabilize itself.

Senator Sagness commented that GARVEE, as brought forward, may not have been the best funding process in terms of capacity building. He also indicated that training needed to be included in the cost of any system implemented within the department.

Senator McGee disputed a comment from consultants that the state had looked at GARVEE as a funding source to increase capacity. He said that much of the focus of GARVEE projects had been to repave roads.

Co-chair Werk closed the meeting by saying the report was extraordinary. The office and consultants had done an excellent job. The committee adjourned at 3:15 p.m.