

MINUTES  
JOINT MEETING  
**SENATE TRANSPORTATION COMMITTEE**  
**HOUSE TRANSPORTATION & DEFENSE COMMITTEE**

**DATE:** Thursday, January 26, 2012

**TIME:** 1:30 P.M.

**PLACE:** WW02 - Auditorium

**MEMBERS PRESENT:** Chairman Hammond, Vice Chairman Brackett, Senators Keough, McGee, Corder, Winder, Bair, Werk, and Bilyeu

Chairman Palmer, Vice Chairman Ellsworth, Representatives Wood, Smith, Bedke, Hart, Hagedorn, Bateman, Henderson, Nessel, Ringo, King, and Killen

**ABSENT/ EXCUSED:** Representatives Wills and Nonini

**NOTE:** The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENE:** **Co-Chairman Hammond** called the meeting to order at 1:36 p.m., and asked each Committee secretary to take a silent roll. With a quorum present, the Chairman welcomed Idaho Transportation Board Chairman Darrell Manning and invited him to take the podium to introduce Idaho Transportation Department (ITD) staff and presenters.

Chairman Manning thanked the Joint Committee members for all they do for the people of Idaho. Today's presentation marked his final responsibility as Chairman of the Idaho Transportation Board (ITB). Jerry Whitehead, President of Western Trailers Company in Boise, has been appointed by the Governor to become the next ITB Chairman. He praised the work of the ITB in collaboration with ITD in setting goals for the Department and working within set budgets.

There were two major studies completed this year. ITD developed a pavement management system that is operational; and an audit found that salaries for transportation engineers and technicians were so low that Idaho was losing these professionals to other States, particularly Oregon. The federal stimulus package projects and GARVEE funded projects are nearly complete. Chairman Manning ended by introducing ITD's Director, Brian Ness, and its Chief Deputy, Scott Stokes. He explained that the major organizational changes implemented last year at ITD are functioning and have been embraced by ITD employees.

**Co-Chairman Hammond** thanked Chairman Manning for his service to the State and to the Department, and noted that the Chairman is retiring after 60 years of public service. **Co-Chairman Hammond** said there were many well-deserved well-wishers and expressions of praise for Chairman Manning at his retirement event at ITD.

**PRESENTATION:** **Co-Chairman Hammond** welcomed Brian Ness, ITD Director, and Scott Stokes, ITD Chief Deputy to the Joint Committee meeting.

**DIRECTOR  
NESS:**

Director Ness thanked all the members for their help with transportation issues over the course of the year. Today's annual report to the legislature will show: (1) what ITD is doing; (2) where ITD is going; (3) how ITD will measure their progress; and (4) how that progress will be reported. Last year, ITD focused on five areas: (1) realignment; (2) investing for performance; (3) performance measures; (4) accountability, efficiency, and effectiveness; and (5) individual performance management.

The Governor's realignment initiative was completed in eight months; nine layers of management was reduced to five; and 62 one-on-one supervisory positions were eliminated. Now there is less duplication between districts and headquarters. Decision-making is now closer to where the work is being done, and as a result, accountability and efficiency has increased. All this was accomplished and no employees lost their job. The total savings from this realignment effort totaled \$3.5 million.

Investing-for-performance means that management is holding employees accountable for accomplishing ITD's priorities. ITD invested in the Transportation Asset Management System. It launched on time and on budget; and it determines the most cost effective pavement investments, and tracks and manages maintenance activities. The system was used in 2011 to select pavement preservation projects. ITD is considering a 50-year plan which will ensure that ITD makes good decisions now that will be effective for the future. ITD's fiscal year 2013 budget request is for \$529.5 million; made up of \$260 million in State funds, \$264.8 million in Federal funds, and \$4.7 million from other sources. The debt service of \$54.5 million represents \$50.2 million Federal and \$4.3 million State. No funds are requested from GARVEE bonds. Director Ness referred Committee members to the ITD website to a pie-chart showing how these funds will be expended.

**CHIEF DEPUTY  
STOKES:**

ITD's Chief Deputy Scott Stokes took the podium to discuss the status of performance measures. He referred the Committee members to ITD's dashboard website where ITD's status on performance measures are reported and compared to other States.

Mr. Stokes addressed pavement condition and the Department's current pavement strategy. Today, 13% of Idaho's roadways have deficient pavement and it is projected that percentage will climb to 28% by 2021. ITD will need to address this growing problem. Another issue is the status of Idaho's bridges. There are 574 bridges built prior to 1962 making them over 50 years old. In 2021, Idaho will have more than a thousand bridges over 50 years old. ITD is pulling funds from pavement in order to address bridges. As confirmed by the Governor's Task Force on Modernizing Transportation Funding, Idaho's transportation funding shortfall is \$543 million.

Mr. Stokes concluded his part of the presentation by discussing Idaho's declining roadway fatality rate. Over a five-year period, Idaho went from 267 fatalities in 2006 to 169 fatalities in 2011. He stated that all the information presented today regarding ITD's accountability, efficiency, and effectiveness can be found on their website at: <http://itd.idaho.gov>.

**DIRECTOR  
NESS:**

Director Ness retook the podium to discuss ITD's new strategic plan. ITD's road-map to becoming the best begins with a new mission statement: Your Safety, Your Mobility, Your Economic Opportunity. The plan includes three goals: (1) to become the best organization by continually developing employees and implementing innovative business practices; (2) to commit to having the safest transportation system possible; and (3) to provide a mobility-focused transportation system that drives economic opportunity.

To achieve the first goal, ITD is developing the best employees and utilizing best practices. ITD's employee turnover rate needs to be reduced; even in a slow economy, ITD is experiencing a 50% employee turnover rate in road maintenance positions. ITD needs to invest in its employees and their salary rates. To achieve the second goal, ITD is focusing on further reduction in the highway fatality rate, reducing serious injuries, and injuries related to impaired driving. The third goal, to improve economic opportunities for the State, will be measured by increased efficiency in transported goods; reduction in travel time for commuting, commerce, recreation, and tourism; and an increase in Idaho's Gross Domestic Product (GDP) with an increase in jobs and business revenues.

Director Ness addressed why mobility matters. Reductions in travel time will benefit tourism and recreation (i.e., shorter shipping times lower the cost of goods, and lower costs make Idaho more competitive). ITD is studying ways to improve Idaho's shipping efficiency and is partnering with the Department of Commerce, the Department of Agriculture, the Department of Labor, and private industry to accomplish it.

In conclusion, Director Ness addressed how ITD is aligning goals with individual employee performance through actions, outcomes, and accountability. The leadership team at ITD has developed measurable strategies for each employee's contribution toward achieving the goals of the Department. Each employee will have a new performance plan beginning July 1, 2012, the start of the next fiscal year. With that the Director stood for questions.

**QUESTIONS:**

**Co-Chairman Hammond** thanked Director Ness and Chief Deputy Stokes for their comprehensive presentation and asked for questions from the Joint Committee members.

**Senator Corder** asked if measuring fatalities was the right indicator to measure. Mr. Stokes said by tracking crash rates and those crashes involving serious injuries, they found that crashes and business hours traveled are down this year.

**Representative Ringo** wanted ITD to focus on a dangerous section of road near Moscow.

**Representative Henderson** inquired about the Governor of Michigan's letter requesting increased transportation funding. Director Ness said Michigan wants to raise revenue to do preventative measure so that in the future they won't have to completely rebuild their roads. He referred to Idaho's 13% pavement deficiency as being a situation that needs addressing. In Michigan, the Governor is suggesting raising their revenue enough to attend to some of their roadway problems.

**Representative Bedke** asked about Idaho's out-of-date rail plan and wanted to hear ITD's plan and challenges in addressing rail issues. Chief Deputy Stokes said that, as outlined in the discussion on ITD's fundamental strategic plan, ITD is focused on bridges and pavement. Rail has had to take a back burner, but with an acquired rail grant, ITD will be developing a rail plan that will likely be updated every three to five years. **Representative Bedke** asked if it would take three to five years to develop a plan. Chief Deputy Stokes said ITD has consulted with the rail industry and they agree with the time line. **Representative Bedke** asked what types of plans are generated at ITD and which plans are mandated to be updated annually. Chief Deputy Stokes pointed out that updated plans are required to qualify for federal funding. The areas include aeronautics, rail, pedestrian, and bicycle. **Representative Bedke** asked where does the money come from to update those other plans. Chief Deputy Stokes did not have an immediate answer, but asked if he could send the Representative that information. He stated he knew it was the most restricted funding available.

**Representative Henderson** stated that the Twin Falls area was becoming a dairy center because they can overnight freight deliveries to Seattle or Denver, but the condition of bridges is a concern. Director Ness said ITD works with the funding they have. He acknowledged that bridges are getting further behind. ITD is committed to focusing on where the funding can do the most good, and bridges need a focus. If ITD focuses their work on bridges, taxpayers will not see work being done to improve stretches of highway.

**Representative Killen** asked if there were any steps being taken to redesign the study. Chief Deputy Stokes said ITD reassembled the team to decide what they can do given this is the last year of the study. The analysis will be available at the end of this year.

**Representative Wood** asked whether the rail industry was helping with developing the rail plan. Chief Deputy Stokes said the rail companies were all very willing to help. **Representative Wood** inquired about a recent newspaper article on payment regarding Highway 75. Director Ness said he had not seen the results of the investigation.

**Senator Bilyeu** asked what the total amount of American Recovery and Reinvestment Act (ARRA) funds Idaho received over five years, and if the expenditure resulted in adding new jobs and economic development. Director Ness said Idaho receives \$300 million in federal aid each year, but he could not say how many jobs were created. Idaho received \$800 million in GARVEE funding that created just over 13,000 jobs.

**Representative King** wanted to know if there were minimum wage jobs lost in the \$3.5 million saved. Director Ness said the \$3.5 million was put back into roads with no one losing their job. However, ITD has a 50% turnover rate in maintenance jobs; these salaries need to be increased. It is difficult to retain workers paid \$12 per hour in Idaho when they can go to neighboring States and earn \$17 per hour.

**Representative Hart** asked about the concern with repairs to bridges and the number of bridges in Idaho over 50 years old. Chief Deputy Stokes explained about the deficiencies in bridges. Many bridges were built in the 1960's and 1970's and they're reaching the 50-year mark at an accelerated rate.

**Senator Corder** asked if the current pavement strategy to invest \$100 million annually to bridges is already being advanced to bridges. Director Ness said the chart is not adjusted for inflation and some additional amount needs to be invested in bridges. **Senator Corder** asked if ITD had a strategy of going back to gravel roads given the shortfall in funding. Director Ness said there was no strategy at this time. He was hopeful that a budget strategy would develop resolving some of these issues before our roadways return to gravel.

**ADJOURNMENT** **Co-Chairman Hammond** thanked **Co-Chairman Palmer** and all Joint Committee members as well as all those from ITD. Responses to questions that ITD deferred are included with the final, signed minutes as **Attachment #1**. With no further business before the Joint Committee, **Co-Chairman Hammond** adjourned the meeting at 2:36 p.m.

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Senator Hammond  
Chairman

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Gaye Bennett  
Secretary