

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

DATE: Thursday, January 24, 2013

TIME: 1:30 P.M.

PLACE: Auditorium WW02

MEMBERS: Chairman Palmer, Vice Chairman Shepherd, Representatives Wood(35), Wills, Bateman, Henderson, Denney, Gestrin, Gibbs, Hixon, Kauffman, Packer, Patterson, Youngblood, Ringo, King, Gannon

Chairman Brackett, Vice Chairman Johnson, Senators Keough, Winder, Rice, Nonini, Hagedorn, Bock, Buckner-Webb

**ABSENT/
EXCUSED:** Representatives Wills, Henderson

GUESTS: Dave Butzier, URS; Elizabeth Criner, Northwest Food Processors Association and Far West Agribusiness Association; Lyn Darrington, State Farm; Julie Delorenzo, Idaho Transportation Department Board; Rex Green, Idaho Independent Auto Dealers; Dan Harbeke, Union Pacific; Robyn Lockett, Legislative Services Office; Jeremy Pisca, Risch Pisca; Roger Seiber, Capitol West; Russell Westerburg, Lamar

Chairman Brackett called the meeting to order at 1:36 p.m.

Brian Ness, Director, Idaho Transportation Department (ITD), presented the annual report of his agency. He stated the key points would be the fiscal 2014 budget, federal funding bill, strategic plan progress, revenue enhancement and focus goals for 2013. He presented ITD's FY 14 budget, making mention that ITD received no money from Idaho's General Fund. He reported the Operational Program Environment (OPE) audit was closed without any major problems and that they had no legislative audit findings in the last two years. He explained funding is down due to the Federal Transportation Funding Bill. He said it will expire in 2014 and will have to be extended or ITD's budget could be cut by \$100 million.

Mr. Ness discussed the new strategic plan and mission that was developed at ITD. He said they changed employee performance reviews from staggered to annually. He stated one of the goals of the strategic plan is to have the safest transportation system possible and gave examples as to how they have begun to accomplish this goal. He believes highway fatalities can be even lower and they will continue to work towards that goal. He said the next goal was to have a mobility focused transportation system that distinguishes Idaho from the rest of the country. This allows ITD to work with other agencies to see economic impacts. He mentioned some of the accomplishments on this goal. He said this goal also allowed ITD to develop a freight study to improve freight movement within Idaho. He reviewed the six recommendations this study found.

The next strategic goal, **Mr Ness** stated was for ITD to become the best organization by developing employees and implementing innovative business practices. The key accomplishment to this goal was to change the organizational culture. To do this, he said, they went beyond the regular employee satisfaction survey and looked at leadership gaps. He discovered there were 9 layers in the management level system. They designed a new management level system that reduced the number of layers to 5 with clearly defined roles for each layer. He believes there are always areas to improve in leadership skills. ITD had a leadership summit to determine how to deliver the best customer service. He said one of the main barriers was employee compensation and turnovers. To fix this they introduced an employee compensation package which in the last year brought the turnover rate to zero. He stated this allows experienced personnel to stay on the roads.

Mr. Ness stated that last year they saved money and reinvested it. This will provide for additional projects and will save in interest. They will also go to a paperless filing system and reorganize office space. Some of the future areas they will discuss include bridge needs and pavement conditions. He stated that failing pavements in the future are more costly than keeping them maintained now. This year, he said they will continue to train new leaders and implement 'lag' measures to deliver better customer service.

Mr. Ness responded to questions regarding the debt service by saying last year the money saved was not additional funding. He said if they have the reduction in federal aid there was a possibility that they could still pay their debt and needs on the road but would lose ground in bigger construction projects and bridges. He believes ITD has done everything that was asked of them and will continue to use money wisely.

In response to questions regarding how many passenger miles are driven in Idaho annually, **Mr. Ness** said approximately 15 billion vehicle miles were traveled this year. He gave some examples of the economic impact of reducing height, width and weight limits by stating transportation is so important to economic movement. He explained how ITD collaborates with the Department of Commerce daily in regards to economic impact for businesses.

In regards to how much of their budget goes into the roads, **Mr. Ness** said roughly 95% of their budget goes into road projects or maintenance on the road. Most of the money is going into rehabilitating the existing system first. He believes they can bring bridges up to standard within a 7 year time frame. He stated the implication to possibly losing \$100 million would force them to change their strategy from big construction jobs to maintenance and holding the system together as it is.

Mr. Ness responded to a question of whether to provide training to planning and zoning boards, schools and other local agencies to prevent costly maintenance or repairs by stating they have stressed the importance with districts to communicate with these groups on a regular basis.

ADJOURN: There being no further business to come before the Joint Committees the meeting was adjourned at 2:37p.m.

Representative Palmer
Chair

Jackie Wright
Secretary