

MINUTES
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Thursday, January 28, 2016
TIME: 1:30 P.M.
PLACE: Room EW40
MEMBERS: Chairman Palmer, Vice Chairman Shepherd, Representatives Wills, Bateman, Gestrin, Hixon, Kauffman, Packer, Youngblood, McDonald, Dixon, Harris, Holtzclaw, Monks, King, Rudolph, Wintrow
**ABSENT/
EXCUSED:** None
GUESTS: Jerry Whitehead, Idaho Transportation Department, Matt Reiber, Intern, Cynthia Gibson, Idaho Walk Bike Alliance, Dennis Tanikani, Idaho Farm Bureau, Dr. Dick Vester, City of Wallace
RS 24159: **Chairman Palmer** called the meeting to order at 1:30 p.m.
Rep. Shepherd presented **RS 24159**. This proposed legislation will allow Orofino schools to utilize funds from the sale of Maniac License plates. This program will not affect federal tax dollars for the school district. The purpose of this RS is to benefit the children through children programs.
Rep. King objected to the maniac symbol. She went on to say this symbol might offend people with mental illness.
Rep. Wintrow expressed her objection to the maniac symbol. She went on to say that she does want to support his school district.
MOTION: **Rep. Monks** made a motion to introduce **RS 24159**. **Motion carried by voice vote.**
Jerry Whitehead, Idaho Transportation Department, expressed the positive impact that the committee support made for the agencies. He introduced the **Brian Ness**, Director of Idaho Transportation Department.
Brian Ness, Director of Idaho Transportation Department, stated this is his seventh Legislative Session. He expressed his gratitude to both the committee, **Chairman Whitehead** and the ITD Board for their commitment. In addition, he provided the committee members with a synopsis of his history working with the Idaho Transportation Department. He went on to say that government agencies needed to change and they needed to serve the citizens of the state. He said there have been significant improvements at ITD and reviewed the FY17 governor's recommendation including the supplemental, investments of the new revenue and major highlights of 2015.
Mr. Ness said there have been adjustments for the new revenue increase. In 2015, there was additional revenue so they added projects which has increased the workload. He said even though there has been an increase in workload, the agency has decreased employees to 155 due to ITD's efficiency.

Mr. Ness said early in December, a new federal law called, "Fixing America's Surface Transportation Act: "FAST" was signed. This law is a five year plan which expires in 2020. As a result, this law allows for long-term planning, addresses inflation, and increases flexibility. FAST adds an addition, 5% to the budget. In addition, the first year will add an additional 2% in inflation for most of Idaho's highways, transits, and safety funding. It also allows flexibility of how those funds can be utilized. FAST streamlines environment review and the permitting process, increases public transportation funding and expands public and private investments and partnerships and allows for more state patrol and safety programs. ITD has worked closely with the Western Association of State Highways and Transportation officials prior to the passage of federal reauthorization to successfully address the needs of rural western states.

Mr. Ness summarized the FY16 supplemental recommendations. For the fiscal year 2017, their labor force will decrease by 20 positions. He said last year there was revenue increases which the legislature increased funding for transportation but didn't include spending authority for the new revenue. The funds are there but its just the ongoing spending authority, which is a concern. Projects are being submitted in the beginning of each year.

Mr. Ness discussed the 2015 revenue increase which is about a third of the goal of \$262 million, just to keep the infrastructure in place as it is today. The legislation provides ITD and local communities with an ongoing \$76.7 million per year from increased fuel taxes and registration fees. He summarized some of ITD projects. He complimented the employees of ITD for the success of current and future projects which have been started or finished. He explained to the committee the 2015 and 2016 General Fund surplus, which will be placed in the Strategic Initiative Fund. He said this fund can only be used on maintenance projects which must compete with funding based on their return on investment. ITD had 44 projects funded in the first year of the revenue increase. He went on to specify other projects that have been completed.

Mr. Ness stated that ITD continues to make process improvements and serve as models for other states to follow. In addition, ITD tries to encourage their employees to come up with innovated ideas. He summarized the ITD projects that have received Excellence Awards and employee awards. In addition, there have been advances in ITD technology with numerous ITD benefits for both employees and customers.

Mr. Ness explained the next five years, ITD will set the direction and organization structure of the Department. About fifty percent of the employees will reach retirement in a five year period. He stated ITD will stay with the foundation of excellence.

ADJOURN:

There being no further business to come before the Committee, the meeting was adjourned at 2:33 p.m.

Representative Palmer
Chair

Vicky Davies
Secretary