

MINUTES
JOINT MEETING
SENATE TRANSPORTATION COMMITTEE
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Tuesday, January 24, 2017

TIME: 1:30 P.M.

PLACE: Lincoln Auditorium WW02

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Den Hartog, Lodge, Harris, and Buckner-Webb
Chairman Palmer, Vice Chairman Shepherd, Representatives Gestrin, Hixon, Kauffman, Packer, Youngblood, McDonald, Dixon, Harris (21), Holtzclaw, Monks, DeMordaunt, Syme, King, Wintrow, and Gannon

ABSENT/ EXCUSED: None

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.

CONVENED: **Chairman Brackett** convened the joint meeting of the House and Senate Transportation Committees (Committees) at 1:32 p.m. **Chairman Brackett** offered a special welcome to Mollie McCarty, Government Affairs Manager of the Idaho Transportation Department (ITD).

PRESENTATION: **Chairman Brackett** said that ITD Director Brian Ness would present his annual report to the legislature.

Mr. Ness began his presentation saying he would focus on three topics: 1.) an overview of the Governor's budget recommendation for Fiscal Year 2018 (FY18); 2.) a report on ITD's positive changes; and 3.) ITD's future focus.

Governor's Budget: To address the increasing needs of Idaho's transportation system, the Governor's recommendation for FY18 was \$723.9 million. Although Idaho is the country's third fastest growing state, ITD has an annual shortfall in state and local transportation revenue of \$543 million. Of that, ITD needs \$262 million just to keep the existing transportation system stable. In 2015, H 312 reduced that shortfall by one third.

Positive Changes: ITD had made fundamental changes over the last seven years. They put customers first, use innovation at all levels, and serve the public, not themselves. ITD has become a model that is being copied by other transportation departments across the country.

ITD makes its transportation investment decisions based on safety, mobility, and economic opportunity; they select projects that reduce accidents, remove bottlenecks, and improve Idaho's economy. Strategically focusing on projects that provide the maximum return, ITD has earned 30 national awards for excellence and innovation; it is one of the top three finalists for Idaho's Innovative Company of the Year Award of which no other state agency has ever been a finalist.

Future Focus: Building on the foundation of excellence already created at ITD, **Mr. Ness** said ITD was implementing a staffing plan that will serve them for the next quarter century and meet the challenges of changing technology. ITD is working with national organization, the Idaho Congressional Delegation, and the Trump Administration to ensure rural states maintain their share of federal funding. ITD is providing an environment where their employees have ownership of the direction ITD is moving, and they have the freedom to innovate and suggest ways to improve ITD's operations. In short, ITD has fewer layers of bureaucracy, a smaller workforce, higher productivity, better morale, and a compensation plan that pays based on skills and abilities. ITD calls this staffing plan Horizontal Career Paths

ITD was continuing to build on the success of the last seven years and preparing to meet the transportation needs of Idaho. ITD is investing the new user-fee revenue authorized in 2016 and selecting projects that maximize return on investment. With ITD's focus on employee development and innovation, they are providing a higher level of service with fewer, more highly skilled employees. **Mr. Ness** concluded by saying if all ITD's changes were considered as a whole, they would add up to big improvements and innovation that is saving millions of dollars for Idaho taxpayers.

Representative Gannon thanked ITD on their efficiency in dealing with the large pile-up of snow on the highways. **Mr. Ness** said they have received many good compliments on snow removal.

Representative Hixon asked if ITD was prepared for the new Trump Administration's focus on improving infrastructure throughout the country. **Mr. Ness** said ITD has only had contact with the transition team and not with the administration directly. The Trump Administration model to improve infrastructure is based on private development. That type of model may work well in densely populated areas of the country, but does not bode well for rural areas like Idaho where private funding opportunities are not as readily available. Based on ITD's input, however, the Trump Administration is rethinking their model.

Representative Hixon asked if other states were rethinking the lateral employee movement model that ITD practices. **Mr. Ness** said that governments base their pay scales on the number of employees a manager supervises. ITD's model measures performance based on individuals and on teams. He continued that other agencies in Idaho and in other state and local jurisdictions are reluctant to change because of the time and effort in making major changes. ITD could be a model for other agencies in this area.

Senator Hagedorn said that the legislature had passed legislation requiring trailers be licensed. These permanent license plates bring in significant annual revenue. He wanted to know how ITD was approaching businesses to promote this one-time expense. **Mr. Ness** said that there had been a slight increase in revenue year after year, but now there has been a decrease. He believes it is a result of other states providing a similar service. **Senator Hagedorn** was concerned that ITD's marketing of the plate was not reaching a company's strategic decision maker who would see this as a great business deal. He believes this program could bring in millions of dollars. **Mr. Ness** said he would look into the issue.

TOUR:

Chairman Brackett welcomed Ken Burgess of Veritas Advisors to explain the procedures to tour Boise's new public transportation hub, Main Street Station. **Mr. Burgess** explained that members need only follow the steps outside the auditorium to board the Valley Transit Bus located on the corner of Eighth and State Streets. The tour would take about 20 minutes and members would be brought back to the Capitol by 3:00 p.m.

ADJOURNED: With no further business before the joint Committees, **Chairman Brackett** adjourned the meeting at 2:00 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary