

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, January 15, 2019

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Crabtree, Senators Winder, Den Hartog, Lodge, Rice, Burtenshaw, Buckner-Webb, and Nelson

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.

CONVENE: **Chairman Brackett** convened the first meeting of the Senate Transportation Committee (Committee) at 1:30 p.m. by welcoming the Members and asking each to introduce themselves.

PAGE INTRODUCTION: **Chairman Brackett** invited the Committee Page, Isaac Lee of Rigby, Idaho, to take the podium and introduce himself to the Committee.

Mr. Lee said he was a senior at Rigby High School who applied to be a Senate page because he had a friend who was also applying and his friend's father was his teacher. He enjoys rugby and has travelled internationally; he especially enjoyed his time in Thailand where he would like to return some day. **Mr. Lee** plans on serving a two-year mission after graduating high school, and although he does not know where he will go to college or what he will major in, his father is a physician and medicine has always been a career he has entertained, but he is open to other options. **Mr. Lee** said he would stand for questions.

Chairman Brackett thanked Mr. Lee and Senator Burtenshaw for sponsoring Mr. Lee.

ADMINISTRATIVE RULES: **Chairman Brackett** told the Committee that Administrative Rules would be overseen by the Committee's Vice Chairman. He asked Vice Chairman Crabtree to share the review procedures with the Committee.

Vice Chairman Crabtree referred the Committee to the Administrative Rules book before them. There were 35 Administrative Rules that the Committee would be reviewing over two meetings. The first review would take place on January 22nd and would consider five stand-alone rules, of which one is a State Tax Commission (STC) rule and four are Idaho Transportation Department (ITD) rules. The second review would take place on January 29th and be comprised of the remaining 30 ITD "repeal and replace" rules. There are eight rules that will be replacing 22 repeal rules for the Committee to consider. He concluded by referring to a spreadsheet distributed with the rules book that summarized which rules would appear on the agendas for those two dates. **Vice Chairman Crabtree** said he would stand for questions; there were no questions for the Vice Chairman. **Chairman Brackett** thanked the Vice Chairman for his work with STC and ITD in the rules review process.

**BUDGET
BRIEFING:**

Chairman Brackett welcomed Paul Headlee, Legislative Services Office (LSO) Budget and Policy Division Manager, and Christine Otto, LSO Transportation Budget and Policy Analyst, and asked them to present an overview of the legislative budget with specific attention to transportation. **Chairman Brackett** encouraged the Committee to ask questions as the presenters went through their handouts.

Mr. Headlee said that this year LSO was coordinating an effort, promoted by leadership, to offer Committees budget briefings in order to increase their understanding and familiarity with the budgeting process. Today's presentation will be in two parts: 1.) a higher statewide view of the budget that consists of large budget items included in most agency budgets; and 2.) laying the foundation for understanding the concepts in the transportation divisions' budgets; the budgets are also provided in a side-by-side format sheet containing the Governor's recommendation.

Mr. Headlee went through the summary of the Legislative Budget Book (LBB) handout, which is the primary reference document used by the Joint Finance and Appropriations Committee (JFAC) in setting the Idaho State Budget each year. *(NOTE: The LBB handout is part of the permanent Committee book that will be on-file in the Legislative Services Library at the end of the Legislative Session.)*

Mr. Headlee continued that Section I of the document contains statewide summary reports, charts, graphs, and historical tables. Section II provides a detailed description of 20 executive agencies' budget requests, the Governor's budget recommendations, seven Constitutional officers' budgets, the Judicial branch budget, and the Legislative branch budget; all in a single, inclusive document. **Mr. Headlee** briefly went through each page of the summary LBB and stood for questions; there were no questions for Mr. Headlee.

Chairman Brackett thanked Mr. Headlee and invited Ms. Otto to begin her presentation on the transportation budget.

Ms. Otto said that ITD has four divisions and six budgeted programs: 1.) Transportation Services, which consists of Administration, Capital Facilities, and Aeronautics; 2.) Motor Vehicles; 3.) Highway Operations; and 4.) Contract Construction and Right-of-Way Acquisition.

Administration, under Transportation Services, develops long-range budgetary plans and legislation, operates information systems, provides employee services, financial services and facilities management, and coordinates research activities. Capital Facilities, under Transportation Services, administers the design, building, and maintenance of department facilities. Finally, Aeronautics under Transportation Services, assists Idaho jurisdictions in developing their airports and back-country air strips, and operates and maintains the State's air fleet.

The Department of Motor Vehicles (DMV) manages driver's licenses, vehicle registrations, license plates, and vehicle titles.

The Highway Operations Division directs statewide highway maintenance functions and directs highway improvements. It administers federal aid safety improvement projects and safety tasks, and protects highways from oversized and overweight vehicles, and dangerous usage. It also manages federal transit grant programs and encourages coordinating transportation services. Finally, it develops projects to improve State and local highway systems to save lives, and it coordinates transportation research efforts.

The final division, Contract Construction and Right-of-Way Acquisition accounts for the necessary funds for highway construction projects that maintain and improve the State's highway system.

The 2015 federal Fixing America's Surface Transportation Act (FAST) was a five-year law (expiring in 2020) that increased most of Idaho's highway, transit, and safety program by providing federal funding at a two-percent increase per year following the initial five-percent increase in federal funding when FAST was enacted. In addition to distributing federal highway funding through a formula program, FAST also created a new national highway freight program that requires states to establish a freight plan by streamlining environmental review and permitting processes, thereby expediting project delivery. FAST also included increases in public transportation funding, expanded public-private investment and partnerships, and allowed more state control in safety programs.

Ms. Otto continued her presentation with ITD's Highway Operations Division budget. She concluded by walking the Committee through each page of the hand-out, including the side-by-side department request versus the Governor's recommendation; she stood for questions.

DISCUSSION:

Senator Winder asked if there was any update with the problems DMV had been having with its software and vendor issues. **Ms. Otto** deferred the question to Mollie McCarty, ITD Governmental Affairs Manager. **Ms. McCarty** said the vendor they have been working with for more than two years was having problems with their software not coordinating with DMV's systems. This caused outages which made people have to wait in line for long periods of time. In some cases, DMV was not even able to complete their transactions. In August, DMV was moved off the vendor's mainframe, which required learning a new system. It was a very difficult and challenging time. DMV was then able to disconnect from real-time transactions with their vendor, which basically solved the problems that needed immediate attention. The information was sent to the vendor at the end of the business day when the vendor could perform the transactions, and the licenses would then be mailed to the customer. Since that time, DMV's systems have been stable, but there was a backlog. Now the wait times are about the same as they were prior to the technology issues. However, due to exponential population growth, wait times continue to be a concern in highly populated counties.

Ms. McCarty concluded that there had not been a change to the five-dollar Sheriff's fee, which, in many cases, does not cover their administrative costs. **Senator Winder** recommended that ITD convene a working group together with the counties with higher populations to find a better way to provide service to the public. He understood the Sheriffs' concern about recovering their costs, and concluded that this is a growing problem that will not be going away any time soon.

Chairman Brackett also questioned the sufficiency of the number of DMV locations within counties. **Ms. McCarty** said DMV has been communicating with the county Sheriffs who are conveying wide variations in the amount of time it takes to provide service to customers. **Senator Winder** added that parking is also a problem and it is a bigger problem than is being recognized at this time. **Ms. McCarty** concluded by stating that DMV owes a debt of gratitude to the Sheriffs for the work they have done, but DMV also knows that more work needs to be done.

Chairman Brackett asked how the transportation budget accounted for the surplus eliminator. **Ms. Otto** said it was under the title "Supplementals" and is listed as the "Strategic Initiatives Program Fund." The amount of \$62 million includes interest on an expected \$60 million.

Chairman Brackett asked what gave ITD the expectation of receiving that amount. **Ms. Otto** said it came from the Division of Financial Management's (DFM) revenue forecast.

Chairman Brackett and **Senator Winder** both praised Mr. Headlee and his staff for their efforts to provide these briefings to legislative committees. The presentations set a good tone between the Standing Committees' and JFAC's work.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:44 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary