

Transportation Committee

June 3, 2020 | 2:00 pm – 3:00 pm
Zoom Virtual Meeting

MEETING MINUTES

Chair Doug Zenner called the meeting to order at 2:05 pm.

Valley County Commissioner Sherry Maupin moved to approve February 2020 Meeting Minutes. Seconded by Brian Stender. Motion carried.

Boise State University Transportation Study Update | *Gabe Osterhout, Research Associate, Idaho Public Policy Institute*

The Institute has been working on a study to determine how to update transportation funding in the state of Idaho. Their goal is to be a resource for decision makers without recommending a specific course of action. The 2011 task force report requested by Governor Otter needed to be updated. The state has grown. Needs have changed. A group of stakeholders including IAC came together for a new study.

They looked at the state of transportation in Idaho including what has changed since the 2011 taskforce report. For example, are we too reliant on fuel taxes as cars become more fuel efficient? If so, what policy alternatives are available to improve transportation infrastructure in Idaho. They also looked at best practices in other states.

They used a qualitative stakeholder analysis to determine what the community needs and funding parities are using a range of stakeholders from across the state. They also wanted to evaluate Idaho's state and local transportation infrastructure so that the locals are not left out. Local needs were not included in the 2011 study.

The final reporting will be succinct and digestible to make it easy for policymakers to make informed decisions. They will also have an interactive map and financial model to estimate what the funding gap is and where it is. This will allow for dynamic sliders that will allow us to propose different funding ideas and see how the ideas could address the needs.

Osterhout gave a preview of the interactive map and diagram. The diagram will track every dollar in the system showing where the money goes and where it ends up.

Some of the initial findings include the need to diversify revenue sources to increase funding reliability. The need to examining lower cost financing options and strengthen local matching opportunities. A state infrastructure bank is one idea.

Deferred maintenance leads to higher cost in the long run. Reliable and safe transportation systems strengthen state and local economies. Moving people and products provides added value.

Valley County Commissioner Sherry Maupin asked what are other states doing that Idaho is not with regards to alternate funding. Some states have higher fuel taxes, some have higher vehicle fees, and/or infrastructure Banks. There's definitely a lot of different options. This report will not recommend one over another.

Commissioner Maupin shared, currently we have no help from the state for public transportation. Is there anything in this study that would encourage the state to provide state funding? Osterhout said during the transportation study, they also looked at the needs for public transportation as well as bicycle and pedestrian infrastructure. Idaho has more in common with some states than others. For example, other less populated states may have come up with solutions for the public transportation that Idaho has not considered.

Nez Perce County Commissioner Doug Zenner asked about how the state infrastructure bank is set up, where does the funding come from and what is the match component? Osterhout said he doesn't know too much about the details. He knows it's something that they are looking into. He said he believes that it would be managed at the state level and would allow locals to use it for federal matching.

Sherry Maupin asked what is the date to finalize the study? He can't give a specific date, but the plan is late summer.

Sherry Maupin asked, since you started so early on, are you going to update it due to Covid-19? Osterhout shared, that they will have a section on how this has affected transportation funding and also how the CARES Act may impact it.

Update on State Revenue Projections | Seth Grigg, Executive Director, Idaho Association of Counties

Seth talked about highway user revenues. While we were in quarantine, people just were not out driving. Seth shared a document that demonstrated a massive decline in mobility. By the time the stay at home issue was ordered mobility was down 46%. We are still down roughly 20% statewide. The highway user fees that are received in rural areas are not exclusively based

on point of sale. All of the money goes into a budget with a 60/40 split between state and local. 70% goes to highway districts and counties. We still have not seen mobility get back to normal in the Treasure Valley. ITD is trying to determine how big of a hit the quarterly distribution will be. They estimate that it may be down 11% for the July highway distribution. It is anticipated that these will pick up again as we see more mobility during the summer.

Seth then addressed what is going on with sales tax. It is a general fund revenue source for counties, so it still affects transportation. Year over year sales tax are fairly cyclical. At the beginning of March 2020 there was a softening with a smaller percentage increase than there has been for the three years prior. Division of Financial Management is forecasting that revenue sharing for April will likely be down around 14%. They believe this will be the floor and that this will start to uptick with a pretty quick return to normal due to the strength of our economy as a whole. They think that in the year to come they will see the sales tax revenue drop about 3% from last year. Things are already beginning to rebound. We will continue to monitor this. In early to mid-February of 2020 we will send out a forecast to help with budget projections.

Seth also touched on PILT and SRS. We anticipate full PILT payment for this year and next year. Beyond that there is a lot of uncertainty. There is an act going through Congress right now that would give funding for National Parks. Senator Wyden from Oregon is working on an amendment (Crapo may sign on) that would fully fund PILT for the next ten years and that would provide long-term funding for SRS. The president has indicated that he is supportive as it is currently structured. The real hurdle is getting McConnell to give the bill a hearing. You can at least count on one more year for SRS that will be roughly the same as last year's SRS.

Review IAC Transportation Committee Policy Positions | Sara Westbrook, Policy Director, Idaho Association of Counties

Committee determined to keep the IAC Transportation Committee Policy Positions in place as they were last presented in 2017.

Meeting adjourned.

Transportation Committee

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