



2014 Annual Report to Our Citizens

Our Mission

Your Safety. Your Mobility. Your Economic Opportunity.

Our Strategic Goals

- **Commit to having the safest transportation system possible.**
- **Provide a mobility-focused transportation system that drives economic opportunity.**
- **Become the best organization by continually developing employees and implementing innovative business practices.**

Did you know?

- The Idaho Transportation Department (ITD) receives its revenue from the federal government and user-based fees such as vehicle titles and registration, fuel taxes, and driver licensing.
- ITD maintains and operates the state highway system, which includes interstate highways, U.S. highways, and state highways.
- ITD restored or rehabilitated 39 bridges and paved approximately 430 lane miles of Idaho highway in 2014.
- Investing in road improvements saves lives. Safety improvements reduced total crashes by 29% and injury crashes by 41% in corridors after GARVEE projects were completed.
- ITD is much more than a highway department. It also provides statewide services for driver licensing, vehicle registration/titling, ports of entry, public transit, and airports.
- ITD created the first winter-maintenance performance indicator in the country.
- ITD won more national awards in a single year than any other state in the 100-year history of the American Association of State Highway and Transportation Officials.

Demographic Information

Five-year comparison	2010	2014
• Idaho Population	1.57 Million	1.61 Million
• Licensed Drivers	1.07 Million	1.11 Million
• Registered Cars, Trucks and Trailers	1.58 Million	1.63 Million
• Annual Vehicle Miles Traveled in Idaho	15.6 Billion	15.8 Billion
• Tons of Freight Traveling on Idaho Roads Annually	184.5 Million	187.7 Million
• Annual Public Transit Boardings (2014 is an estimate)	4.02 Million	4.03 Million
• Lane Miles on the State Highway System	12,240	12,284
• Bridges on the State Highway System	1,807	1,824
• Miles of Scenic Byways	2,412	2,468

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Accomplishments

- ITD has received 155 national, regional, and state awards since 2010, and 26 awards in 2014.
- In 2013, Idaho had 20% fewer highway fatalities than in 2006, despite a 4% increase in miles traveled annually.
- ITD eliminated 103.5 full-time positions (6% of its workforce) between 2013 and 2015 by reducing management layers and improving efficiency.
- Since 2012, ITD's culture measures show gains in employee satisfaction with simultaneous improvements in efficiency and highway safety.
- District 4 reopened I-84 only 15 hours after a support column had been severely damaged by a commercial truck.
- ITD cleared 124 avalanches last winter, as many as the last three years combined.

Customer-Focused Performance Measures

Calendar Year ending Dec. 31

	2010	2011	2012	2013
Five Year Fatality Rate (per 100 million vehicle miles) GOAL: Zero Deaths	1.53	1.39	1.29	1.25
Days to Process Vehicle Titles GOAL: 7 days	7	6	8	8
DMV Transactions Processed on the Internet (in thousands) GOAL: 289,600	191.8	210.9	245.1	260.9

Fiscal Year ending June 30

	2010	2011	2012	2013	2014
Percent of Time Highways Clear of Snow/Ice During Winter Storms GOAL: 55%	N/A	28%	47%	54%	61%
Percent of Pavement in Good or Fair Condition GOAL: 82%	84%	87%	86%	85%	84%
Percent of Bridges in Good Condition GOAL: 80%	73%	74%	73%	74%	73%

For more information, see : <http://itd.idaho.gov/Dashboard>

Innovations

- District 5 employee David Petersdorf redesigned a paint-bead nozzle to use less paint when spraying stripes on roads. The redesigned nozzle costs \$20 and has saved \$110,000 so far.
- Caldwell and Mountain Home Maintenance crews developed a portable backpack system for sealing cracks in highways. This eliminated the need for a truck-mounted system and doubled productivity of the crews.
- ITD completed Idaho's first "design/build" highway project that was both designed and built by a contractor. This allowed a new intersection on Idaho 44 to be completed four years earlier than would have been possible using the standard process. The design-build project has won three regional awards for excellence.

Financial Information

(Excludes Federal Stimulus Funds. Amounts are in millions and rounded. There were no audit findings for FY13.)

	FY13 Actual	% of Total	FY14 Actual	% of Total
STAFFING LEVEL	1,827.5		1,814.0	

What to know:



FUNDS RECEIVED				
Federal Reimbursements	\$ 303.4	54.9%	\$ 309.9	55.2%
State	244.3	44.2%	246.4	43.9%
Local	5.0	0.9%	4.9	0.9%
Total Funds Received:	\$ 552.7	100.0%	\$ 561.2	100.0%

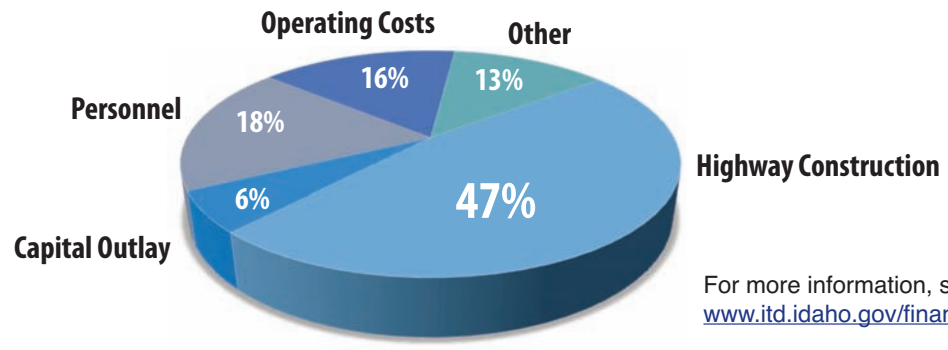
What to know:

- FY15 staffing level reduced to 1,724 (a 6% reduction from FY13).
- In 1996, the year of Idaho's last fuel-tax increase, federal revenue was 43% of ITD's total budget. In FY14, federal revenue is 55% of ITD's total budget.
- State revenue growth remains flat, increasing Idaho's reliance on federal funds.

EXPENDITURES				
Construction Payouts:	\$ 294.2	51.6%	\$ 284.5	49.0%
Operation Expenses:				
Highways	\$ 158.3	27.8%	\$ 167.2	28.8%
DMV	26.8	4.7%	31.9	5.5%
Administration	21.4	3.8%	21.8	3.8%
Transit	11.5	2.0%	11.9	2.0%
Facilities	2.8	0.5%	4.0	0.7%
Aeronautics	2.1	0.4%	2.6	0.4%
Total Operating Expenses:	\$ 222.9	39.1%	\$ 239.4	41.2%
Total Construction and Operating Expenditures:	\$ 517.1	90.8%	\$ 523.9	90.2%
GARVEE Debt-Service Transfers				
Federal	\$ 48.6	8.5%	\$ 52.3	9.0%
State	4.0	0.7%	4.4	0.8%
Total Debt-Service Transfers:	\$ 52.6	9.2%	\$ 56.7	9.8%
Total Expenditures:	\$ 569.7	100.0%	\$ 580.6	100.0%



FY14 Expenditures by Type (\$580.6 Million)



For more information, see: www.itd.idaho.gov/finances

GARVEE PROGRAM (as of August 2014)	FY14 Actual
Total Amount Authorized	\$857.4
Amount of Bonds Sold	\$857.4
Amount Under Contract	\$857.4
Expended (through August 2014)	\$813.0
Debt-Service Ratio Limit	30%
Debt-Service Ratio on Full Bonding	21%

What to know:



- ITD used GARVEE* bonds to offset inflation, advancing priority projects that otherwise would have taken decades to fund and complete.

*Grant Anticipation Revenue Vehicle

Trends in Transportation

Revenue

- State revenue is not keeping pace with inflation. Buying power has decreased 26% since the last fuel-tax increase.
- In 1996, Idaho's fuel tax was 25¢ per gallon. In 2014, the fuel tax remains at 25¢ per gallon.
- Fuel efficiency of new cars has increased more than 24% from 2004 to 2013.
- The Federal Trust Fund has an annual deficit of approximately \$15 billion per year. Without additional funding, Idaho's annual federal funding could be reduced by 30 percent (\$100 million).
- Federal funding solutions are favoring high-speed rail and freight corridors between large cities rather than transportation in rural areas, which could have a negative impact on Idaho's transportation system.

Costs

- In 2013, crashes in Idaho caused 213 fatalities and 11,340 injuries. Investments in transportation safety require an ongoing, long-term commitment.
- More than 50% of ITD employees are eligible to retire over the next five years, escalating recruiting and training costs.
- ITD wages need to be increased to attract and retain the next generation of workers.
- The cost of diesel fuel used by ITD's snowplows more than tripled from 1997 to 2014. The cost of a new snowplow (\$195,000) has more than doubled from 1997 to 2014.
- At current funding levels, Idaho's pavement condition is projected to decline from 15% to more than 25% deficient by 2019.
- Idaho bridges are designed to last approximately 50 years. At current funding levels, they can only be replaced every 120 years. Our bridges will deteriorate long before then.

Moving Forward

Safety

- Prioritize all safety projects to protect Idaho citizens and road users.
- Engage communities to use positive, behavior-based messaging to promote and encourage safe driving practices.



Economic Opportunity/Mobility

- Focus projects and maintenance on delivering goods and services to their destination in a timely and cost-effective method.
- Partner with businesses and agencies to increase jobs in Idaho.



Employee Development

- Develop both the workforce and the leadership to meet the challenge of losing up to 50% of our employees during a five-year period.
- Create an environment that attracts and retains the future workforce needed to deliver the department's mission.



Innovative Business Practices

- Leverage technology and innovative solutions to address daily challenges in meeting ITD's strategic priorities.
- Increase efficiencies in both cost and customer service delivery to maximize tax dollars.



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