



C. L. "BUTCH" OTTER
GOVERNOR

March 18, 2009

Dear Legislator,

Thank you for the opportunity to comment on the findings of the most recent Office of Performance Evaluations audit of the Idaho Transportation Department, and for allowing me to express my goals for sustaining and advancing efficiency and accountability at ITD.

Certainly enhancing efficiency and accountability throughout state government is a value we share. The legislative function of performance audits is an important tool in moving toward those objectives even in the best of economic times. Today, such audits are a critical element of being responsible stewards of every tax dollar with which we are entrusted.

As you know, my efforts to establish greater institutional accountability and efficiency at ITD became more focused late last year when I directed the department to immediately cut its administrative costs by 10 percent and redirect the money to road funding. Yet like you, I remain concerned about ITD's progress in finding and implementing efficiencies in its internal processes and its delivery of services. And like you, my commitment to our shared goals is even stronger as a result of that concern.

It remains my intention to create an annual ITD Accountability Report to be presented to me, the Idaho Transportation Board, and you. And it remains my intention to appoint a task force made up of senior Idaho business executives to perform a peer review of ITD and its management in an effort to identify new best practices from the private sector to more efficiently manage the state highway system.

Consistent with those actions, and more specifically in response to the OPE audit, attached you will find a copy of an Executive Order outlining my proposals for working toward a three-year goal of implementing all four of its major findings.

Thank you again for your leadership and continued help in restoring public confidence by making ITD as accountable, efficient and effective as possible.

As Always – Idaho, "Esto Perpetua"

C.L. "Butch" Otter
Governor of Idaho

CLO/dk



OFFICE OF THE GOVERNOR

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2009-08

*REQUIRING THE IDAHO TRANSPORTATION DEPARTMENT TO PUBLISH AN
ANNUAL ACCOUNTABILITY REPORT*

WHEREAS, the Office of Performance Evaluations (OPE) conducted an audit of the Idaho Transportation Department (ITD) and concluded that additional efficiencies and cost savings can be achieved; and

WHEREAS, the ITD requested and conducted peer reviews of its operations and substantiated the majority of findings in the OPE audit; and

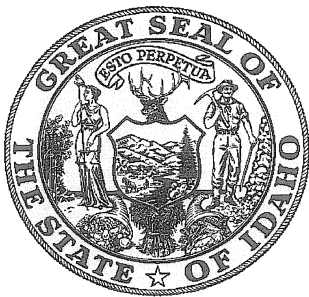
WHEREAS, efficiency, accountability and saving taxpayer money should be the hallmarks of good state government;

NOW, THEREFORE, I, C.L. "BUTCH" OTTER, Governor of the State of Idaho, by the authority vested in me under the Constitution and laws of this state do hereby order:

- 1. ITD shall provide quarterly status updates for the Governor and chairs of the Senate Transportation and House Transportation and Defense Committee on the progress of implementing the findings of the audit and peer review starting July 1, 2009.*
- 2. ITD shall publish an annual report no later than January 1 each year. The report shall be called the "ITD Annual Accountability Report" (Report).*
- 3. ITD shall provide copies of the Report to:*
 - a. The Office of the Governor;*
 - b. The President Pro Tempore of the Idaho Senate;*
 - c. The Speaker of the Idaho House of Representatives;*
 - d. The Chair of the Senate Transportation Committee; and*
 - e. The Chair of the House Transportation and Defense Committee.*
- 4. The Report shall include the following information:*

- a. *Criteria, as approved by the ITD Board, for prioritizing transportation infrastructure projects and expending state and federal funds in Idaho;*
 - b. *A statewide list of priority projects as established by the ITD Board based on the criteria developed under 4(a);*
 - c. *The annual amount of increased revenue generated under any legislation dealing with the motor fuel tax or vehicle registration fees as passed by the Idaho Legislature in 2009 or thereafter;*
 - d. *Which priority projects will receive funding from the revenue identified in 4(c);*
 - e. *An accounting for funds spent from the revenue identified in 4(c) during the previous year; and*
 - f. *A strategic action plan outlining quarterly benchmarks for achieving the recommendations in the audit, the responsibility of managers within ITD and progress made in completing the requirements for that year as outlined in paragraphs 6, 7 and 8 of this executive order.*
5. *The director of ITD shall provide monthly updates to the ITD Board on the development and implementation of quarterly benchmarks in 4(f).*
6. *By January 1, 2010 ITD shall:*
 - a. *Begin developing a **statewide plan** for Idaho's transportation system that links ITD's strategic plan with the state transportation improvement program and corridor plan;*
 - b. *Identify participants for developing the statewide plan;*
 - c. *Incorporate the priorities established in 4(a) into the statewide plan;*
 - d. *Establish internal tracking and monitoring systems for funding and projects;*
 - e. *Develop **strategic performance measures**;*
 - f. *Identify stakeholders and gather their input on the performance measures;*
 - g. *Establish an office to oversee and evaluate the development and implementation of strategic performance measures;*
 - h. *Identify existing data and gaps for strategic performance measures;*
 - i. *Identify the requirements for a departmental **financial planning system** and estimated cost of implementation;*
 - j. *Develop the requirements for a statewide **pavement management system (PMS)**, **maintenance management system (MMS)** and **project scheduling system (PSS)**;*
 - k. *Issue requests for proposals (RFPs) for the PMS and MMS;*
 - l. *Develop and implement a pilot project for the PSS in one operational district.*
7. *By January 1, 2011 ITD shall:*
 - a. *Complete the **statewide plan** and present it to the Governor and Legislature;*
 - b. *Report on the data related to all **strategic performance measures**;*
 - c. *Issue a RFP for a **financial planning system**;*
 - d. *Design and implement PMS and MMS.*
8. *By January 1, 2012 ITD shall:*
 - a. *Set goals for **strategic performance measures** using the data from 2011;*

- b. Integrate the statewide plan, strategic performance measures, MMS, PMS and PSS into the financial planning system;*
 - c. Fully integrate the MMS, PMS and PSS and complete the necessary training for staff.*
- 9. Neither ITD nor the ITD Board can request spending authority from the Legislature for the revenue identified under 4(c) unless the necessary tasks for that year, as identified in paragraphs 6, 7 or 8, are completed.*
- 10. To facilitate the successful implementation of this executive order the director of ITD shall form a project management team of department managers as described in the OPE audit. The team shall be formed by April 17, 2009.*



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho in Boise on this 18th day of March in the year of our Lord two thousand and nine and of the Independence of the United States of America the two hundred thirty-third and of the Statehood of Idaho the one hundred nineteenth.

A handwritten signature in cursive script, reading "C.L. 'Butch' Otter".

C.L. "BUTCH" OTTER
GOVERNOR

A handwritten signature in cursive script, reading "Ben Ysursa".

BEN YSURSA
SECRETARY OF STATE