



Update on the Activities of the TxDOT Restructure Council

**Testimony before the
Senate Committee on Transportation and Homeland Security**

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INTRODUCTION

Thank you for inviting the TxDOT Restructure Council to this hearing. For the record, I am Jay Kimbrough, Council Member. I serve on the council with two other experts, David Laney and Howard Wolf. The purpose of this council is to report to the Texas Transportation Commission our recommendations and priorities for the department based on the recommendations made from the Grant Thornton management and organizational review.

Today, my report will focus on the role of the TxDOT Restructure Council and an update of our activities and next steps.

Times have changed, especially for an agency was created in 1917 with only 8,865 miles of “improved roadways”. By 1960, the state highway system accounted for 58,890 miles of highways serving 9.5 million residents. Today, Texas continues to have one of the largest state-maintained highway systems in the country with 80,067 center lane miles of roads and a population of 24.5 million, which is estimated to grow between 7 and 17 million by the year 2030.

A report released last week on the nation’s transportation system, and reported in the Washington Post (attached), emphasizes the need for “long-term sustainable changes instead of short-term ‘stop-gap’ measures” across the nation. For TxDOT, at this time and place in its history this has meaning on many fronts.

Using the catalogue of recommendations made to TxDOT from the recent Grant Thornton management and organizational review as well as other past audits, the council hopes to strategically position the department to better meet the needs and challenges that lie ahead.

No later than the December Commission meeting, the council will be presenting our report to the Texas Transportation Commission outlining our recommendations and priorities for the department.

COUNCIL ACTIVITY

As you all know over the past several years there have been numerous recommendations made to the department that have come from back-to-back management audits and reviews. Before the council could begin to assess and analyze what the department should do to modernize and improve we needed a way to “put our arms around” what has been asked of the department.

The solution is a comprehensive database that includes all the recommendations made to the department from the Grant Thornton review, as well as from other management audits and reviews from the past few years (pre-sunset audits, sunset commission report, and 2030 committee report). This database was made available to the public on Friday, October 1 and can be accessed on the TxDOT web site.

This is an agency accountability tool that will allow the council, the public and transportation stakeholders to review, search, and comment on recommendations and agency activity in an organized and efficient manner. This is also a tool that will assist the council in developing our report to the Texas Transportation Commission outlining our recommendations and priorities for the department.

Since the Grant Thornton report is what prompted the creation of this council, we are focusing our efforts on these recommendations. We worked closely with the Grant Thornton staff to ensure all recommendations were captured accurately. This resulted in 191 Grant Thornton recommendations, which make up 29 percent of the total number of recommendations in the database.

DATABASE OF RECOMMENATIONS

The goals for the consolidation/database effort are to:

- Centralize all Grant Thornton recommendations, as well as other audits and review into a single repository.
- Categorize all recommendations by the Grant Thornton Report Categories.
 - Leadership and Culture
 - Implementing Change
 - Organizational Structure
 - Plan/Design/Build
 - Human Resources
 - Information Technology
 - Financial Management
 - Procurement
 - Communication
- Link the recommendations to the appropriate report and page number as a way for users to understand the context of the recommendation.
 - All the Grant Thornton recommendations are currently linked to its report.
 - Other recommendations will be linked to their source report in the near future.
- Provide information on the department's "actions completed" and "actions planned or in-progress," as reported to the council by the department.
 - The department is in the process of gathering this information and it should be available to the public in the database sometime in late November.
 - Actions completed will be supported by documentation, which will be accessible to the public.
- Ensure the database and web interface are easy to use and allow the public to search, sort, filter, and download the information.
- Provide a mechanism for the public to provide feedback to the council.
- Create an accountability tool for the agency to track and monitor their accomplishments.

If you would like a demonstration please contact the Restructure Council office to make arrangement with our staff.

OTHER ACTIONS

Last week the agency posted two new high-level executive positions. TxDOT is seeking to fill the new positions of Chief Administration Officer and Chief Information Officer. The posting of these positions represent a significant first step towards an improved organizational structure that will ensure the agency is better aligned to recognize and respond to the transportation challenges that lie ahead.

The Chief Administration Officer will direct and manage support functions of the agency including human resources, procurement, HUB/DBE compliance, occupational safety and travel information. The Chief Information Officer will provide leadership and strategic direction for the department's information systems and manage the technology services aspects of the agency's operations. Both positions will report directly to TxDOT's executive director. The job descriptions may be found on the department's website.

GOING FORWARD

In the coming weeks, the council members will be working to review and analyze recommendations from the Grant Thornton report, we well as the other related audits and reviews. We will continue to work with TxDOT staff to better understand the impact of the changes that may be proposed. The council will also continue to work with the department to complete the database as previously described.

Again, in closing, no later than the December Commission meeting, the council will be presenting our report to the Texas Transportation Commission outlining our recommendations and priorities for the department.

Report: U.S. Transportation System Failing Washington Post October 5, 2010 By Ashley Halsey III

The United States is saddled with a rapidly decaying and woefully underfunded transportation system that will undermine its status in the global economy unless Congress and the public embrace innovative reforms, a bipartisan panel of experts concludes in a report released Monday.

U.S. investment in preservation and development of transportation infrastructure lags so far behind that of China, Russia and European nations that it will lead to "a steady erosion of the social and economic foundations for American prosperity in the long run."

That is a central conclusion in a report issued on behalf of about 80 transportation experts who met for three days in September 2009 at the University of Virginia. Few of their conclusions were groundbreaking, but the weight of their credentials lends gravity to their findings.

Co-chaired by two former secretaries of transportation - Norman Y. Mineta and Samuel K. Skinner - the group estimated that an additional \$134 billion to \$262 billion must be spent per year through 2035 to rebuild and improve roads, rail systems and air transportation.

We're going to have bridges collapse. We're going to have earthquakes. We need somebody to grab the issue and run with it, whether it be in Congress or the White House," Mineta said Monday during a news conference at the Rayburn House Office Building.

The key to salvation is developing new long-term funding sources to replace the waning revenue from federal and state gas taxes that largely paid for the construction and expansion of the highway system in the 1950s and 1960s, the report said.

"Infrastructure is important, but it's not getting the face time with the American people," Skinner said. "We've got to look at this as an investment, not an expense."

A major increase in the federal gas tax, which has remained unchanged since it was bumped to 18.4 cents per gallon in 1993, might be the most politically palatable way to boost revenue in the short term, the report said, but over the long run, Americans should expect to pay for each mile they drive.

"A fee of just one penny per mile would equal the revenue currently collected by the fuel tax; a fee of two cents per mile would generate the revenue necessary to support an appropriate level of investment over the long term," the report said.

Fuel tax revenue, including state taxes that range from 8 cents in Alaska to 46.6 cents in California, have declined as fuel efficiency has increased. President Obama mandated that new cars get 35.5 miles on average per gallon by 2016, and government officials said last week that they are considering raising the average to 62 miles per gallon by 2025.

Facing midterm elections in November, Congress has lacked the will to tackle transportation funding. Efforts to advance a new six-year federal transportation plan stalled on Capitol Hill after the previous one expired last year.

If Congress were to do the report's bidding, the task would be far broader in scope than simply coming up with trillions of dollars in long-term funding to rebuild a 50-year-old highway system.

The experts also advocated the adoption of a distinct capital spending plan for transportation, empowering state and local governments with authority to make choices now dictated from the federal level, continued development of high-speed rail systems better integrated with freight rail transportation, and expansion of intermodal policies rather than reliance on highways alone to move goods and people.

But Mineta noted that 42 days after an eight-lane bridge collapsed into the Mississippi River in Minneapolis in 2007, a survey found that 53 percent of respondents opposed an emergency gas tax increase to pay for infrastructure repairs.

"The shelf life of a tragedy like [I-35W] was 42 days," he said. Thirteen people died in the collapse and more than 100 were injured. The report emphasized that federal policy should be crafted to address congestion by providing incentives that encourage land use that reduces single-occupant commutes and promotes "liveable communities."

"Creating communities conducive to walking and alternate modes of transportation . . . should be an important goal of transportation policy at all levels of government," the report said.

It also encouraged expansion of innovative public-private partnerships to further transportation goals, citing the high-occupancy toll lane project in Northern Virginia as an example.

"The one option that's not in this report is throwing up our hands," said Jeff Shane, a former Transportation Department official and a member of the panel. "That seems to be the option that Congress chooses."

<http://www.washingtonpost.com/wp-dyn/content/article/2010/10/04/AR2010100407023.html>