



## MEETING AGENDA

### Public Transportation Advisory Committee

Tuesday, June 6, 2017 | 1:00 P.M. (local time)

Texas Department of Transportation (TxDOT)

3712 Jackson Avenue, Room 324

Austin, TX 78731

1. Call to Order.

---

2. Safety Briefing.

---

3. Introduction of Public Transportation Advisory Committee (PTAC) members and comments from PTAC members.

---

4. Approval of minutes from March 30, 2017 meeting. (Action)

---

5. TxDOT's Public Transportation Division Director's report to PTAC regarding public transportation matters.

---

6. Review and discussion of areas of Texas Administrative Code under consideration for 2017 rulemaking efforts. Follow-up on the March 30, 2017 meeting's discussion plus discussion of state and federal funding formulas. (Action)

---

7. Discussion and development of PTAC Work Plan based on PTAC's guiding principles and comments made at the January 22, 2015 meeting. (Action)

---

8. Public Comment – Public comment will only be accepted in person. The public is invited to attend the meeting in person or watch and listen via Webex at <https://txdot.webex.com/txdot/j.php?MTID=mb5755cf817d5b9a8f05413799d45a7f1>  
The meeting transcript will be placed on the Internet following the meeting.

---

9. Propose and discuss agenda items for next meeting; confirm date of next meeting. (Action)

---

10. Adjourn. (Action)

I certify that I have reviewed this document and that it conforms to all applicable *Texas Register* filing requirements.

CERTIFYING OFFICIAL: Joanne Wright, Deputy General Counsel, (512) 463-8630.

# AGENDA ITEM 4

## **MINUTES FOR ADOPTION**

Public Transportation Advisory Committee – Teleconference Meeting  
200 E. Riverside Drive Room 1A.2, Austin, Texas  
March 30, 2017 1:00 P.M.

### **Committee Members Present and Participating:**

Rob Stephens, Chair  
John McBeth, Vice Chair  
J.R. Salazar  
Jim Cline  
Joseph Kopser

### **Committee Members Participating via Teleconference:**

Michelle Bloomer

### **TxDOT Present and Participating:**

Eric Gleason, Director, Public Transportation Division (PTN)  
Josh Ribakove, Communications Manager, PTN  
Kelly Kirkland – Business Operations Project Manager, PTN  
Kari Banta – Program Manager, PTN  
Paul Moon – Program Manager, PTN  
Steve Wright – Program Manager, PTN

### **AGENDA ITEM 1: Call to Order.**

Rob Stephens called the meeting to order at 1:01 P.M.

### **AGENDA ITEM 2: Safety Briefing.**

Josh Ribakove gave a safety briefing for attendees at 1:02 P.M.

### **AGENDA ITEM 3: Introduction of all current Public Transportation Advisory Committee (PTAC) members.**

Rob Stephens opened this item at 1:04 P.M. All attending members provided a brief spoken introduction about themselves, as did participating TxDOT staff.

### **AGENDA ITEM 4: Approval of minutes from January 26, 2017 meeting (Action).**

Rob Stephens opened this item at 1:07 P.M.

**MOTION** J.R. Salazar moved to approve the January 26, 2017 meeting minutes.

**SECOND** Jim Cline seconded the motion.

The motion passed unanimously at 1:07 P.M.

### **AGENDA ITEM 5: TxDOT's Public Transportation Division Director's report to the committee regarding public transportation matters.**

Eric Gleason began his report at 1:08 P.M. The report began with a legislative update which touched on TxDOT's current Legislative Appropriations Request (baseline and exceptional), and House Bill 1140, which recognizes urban areas with populations over 200,000 as a separate and distinct designation. Director Gleason spoke next about two current calls for projects – section 5310 (enhanced mobility of seniors and individuals with disabilities) and section 5304 (regionally coordinated transportation planning). Finally, he touched on fleet replacements funded through the TIGER program.

Comments and discussion among John McBeth, Jim Cline, Joseph Kopser, Rob Stephens, J.R. Salazar, and Eric Gleason.

**AGENDA ITEM 6: Review and discussion of areas of Texas Administrative Code under consideration for 2017 rulemaking efforts. Detailed discussion on Federal Transit Administration Section 5310 and 5339 programs (Action).**

Eric Gleason opened this item at 1:29 P.M. Mr. Gleason gave a presentation focused on rulemaking opportunities for the committee to consider, with a focus on the section 5310 and 5339 programs. TxDOT program managers Kari Banta (section 5310) and Paul Moon were present as subject matter experts.

Comments and discussion among Joseph Kopser, Rob Stephens, Michelle Bloomer, J.R. Salazar, Jim Cline, John McBeth, Kari Banta, and Eric Gleason.

No action taken.

**AGENDA ITEM 7: Update and discussion on regionally coordinated public transportation efforts (Action).**

Eric Gleason introduced this item at 2:38 P.M. He discussed the current call for projects

Program manager Steve Wright was present as a subject matter expert.

Comments and discussion among Rob Stephens, Michelle Bloomer, Jim Cline, John McBeth, J.R. Salazar, Josh Ribakove, and Eric Gleason.

Public comments on this item from:

- Naomi Chaves – South Plains Association of Governments
- Rina Bale – Permian Basin MPO
- Kyle Ingham – Panhandle Regional Planning Commission
- Aida Martinez – South Plains Association of Governments (South Plains Regional Coordination Advisory Committee)

No action taken.

**AGENDA ITEM 8: Discussion and development of PTAC Work Plan based on PTAC's guiding principles and comments made at the January 22, 2015 meeting (Action).**

Rob Stephens led this discussion beginning at 3:15 P.M.

Comments from Jim Cline and John McBeth.

No action taken.

**AGENDA ITEM 9: Public Comment**

Rob Stephens introduced this item at 3:20 P.M.

There were no additional public comments.

**AGENDA ITEM 10: Propose and Discuss Agenda Items for Next Meeting; confirm date of next meeting (Action).**

Rob Stephens initiated and led this discussion beginning at 3:21 P.M. The next meeting will include further discussion of areas of Texas Administrative Code under consideration for 2017 rulemaking efforts.

The next meeting is scheduled for Tuesday, June 6, 2017 at 1 P.M. Location TBD.

No action taken.

**AGENDA ITEM 12: Adjourn (Action).**

**MOTION** John McBeth moved to adjourn.

**SECOND** J.R. Salazar seconded the motion.

Meeting adjourned at 3:22 P.M.

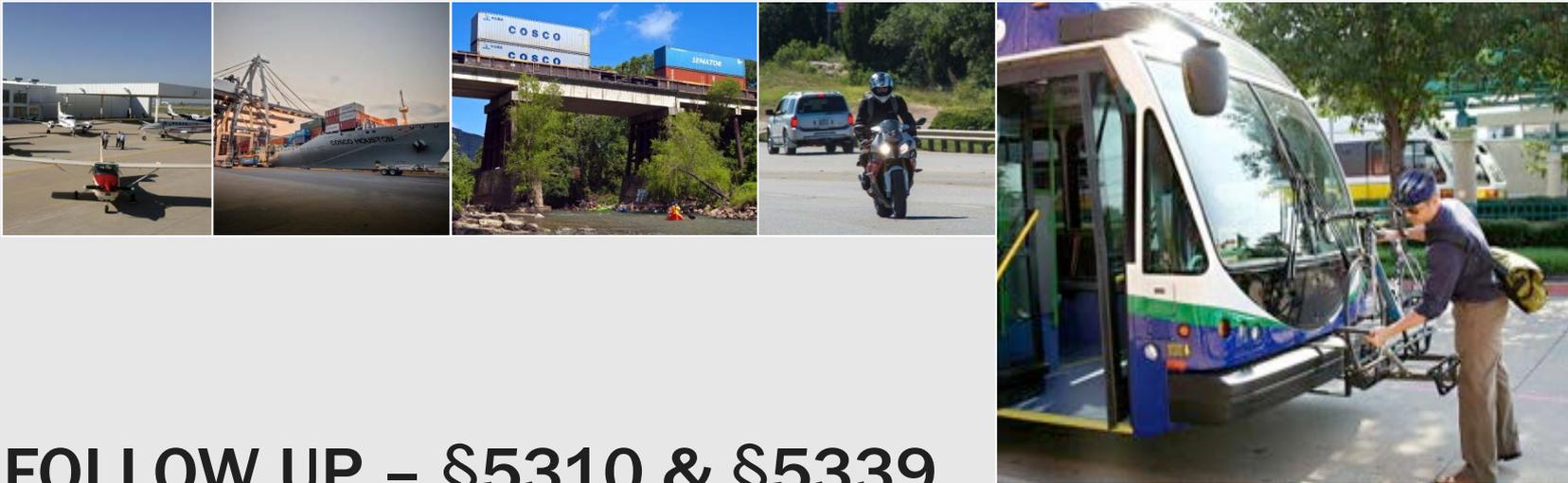
Prepared by:

Approved by:

\_\_\_\_\_  
Josh Ribakove

\_\_\_\_\_  
Rob Stephens, Chair

# AGENDA ITEM 6



## FOLLOW UP – §5310 & §5339

---

Public Transportation Advisory Committee Meeting  
June 6, 2017

# Rulemaking Schedule

PTAC Initial Discussion of Rulemaking Need	January 26, 2017
PTAC Meeting to Discuss §5310 & §5339 Rules at Concept Level	March 30
PTAC Meeting to Discuss §5311 & State Formula Rules at Concept Level	June 6
July Semiannual Operators Meeting	July 12
PTAC Meeting to Comment on Draft Rule Text	July 25
Adoption of Proposed TAC Revisions by Transportation Commission	August 31
2nd PTAC Meeting to Comment on Final Rules	October 31
Transportation Commission Meeting, Final Adoption of TAC Revisions	December 14
Final Rules Published in <i>Texas Register</i>	December 22
TAC Revisions Become Effective 20 Days after Filing with the <i>Texas Register</i>	January 12, 2018

*What Impact did the §5310 Program Changes Have on Local Transit Districts' Participation in the Program?*

- Of the Transit Districts that Historically Applied for §5310 Funds, only Two have not Applied in the last Three Program Calls.
- In the Most Recent Call for Projects, 28 Rural Transit Districts and 12 Urban Transit Districts Applied for Funds.

*Concern that the §5310 Program Changes will Encourage a Return to Previous Practices of Awarding Fleet to Small Non-profits that are not Equipped to Make Full Use of a Vehicle.*

- TAC Language Does Not Explicitly Prevent this or Offer ‘Protection’ to Local Transit Providers, However, Program Goals Do.
- State Management Plan Emphasizes Program Goals:
  - Focus on Continuation of Existing Services (Mostly Provided by Transit Districts)
  - Encourages Coordination Between Transit Providers and Agencies that offer Services to the §5310 Target Populations.

## From 3/30 discussion:

- Simplify
- Encourage 'Doing the Right Things'
- Minimize Variation from Current Amounts

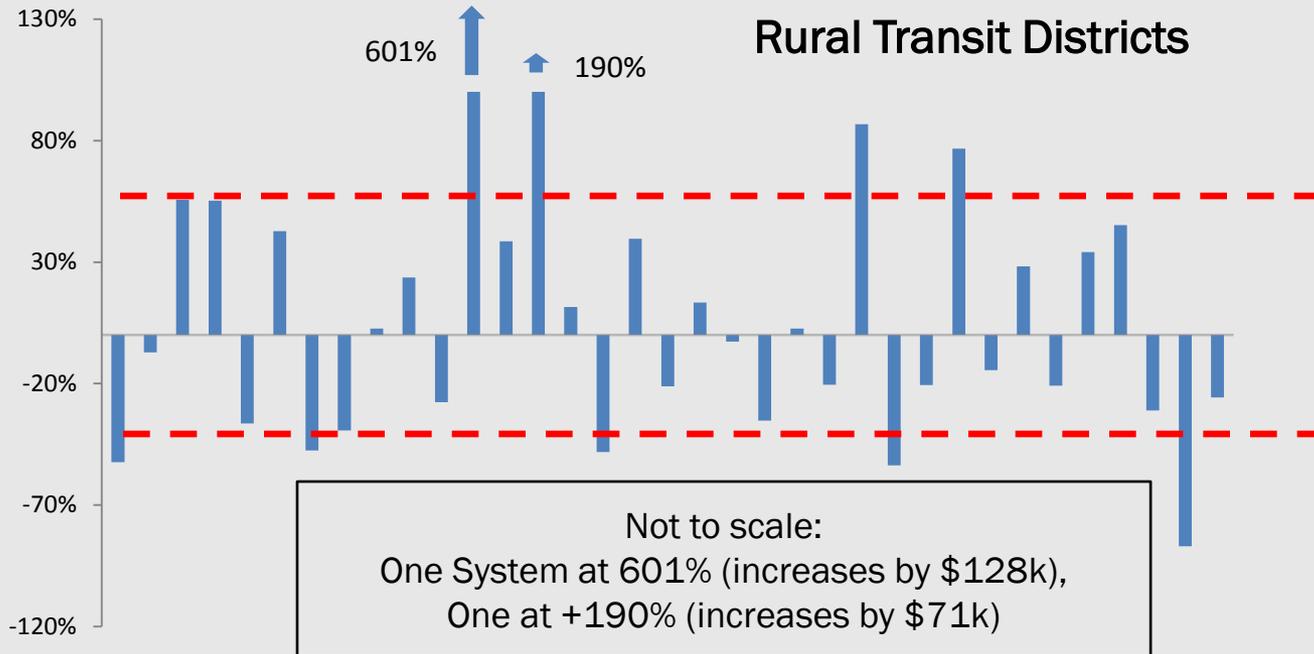
# §5339 Follow Up - Alternative Allocation Methods

Current Practice →

Available Inventory (PTMS) Measures	Available from Statistics Report
Depreciation (mileage-based) and fleet replacement cost	Vehicle Revenue Miles *
Vehicle Age and/ or Condition	# Unlinked Passenger Trips
Miles per Day (MPD)	Operating Expense per Vehicle Revenue Mile
Average Depreciation (Age and/or Miles) at Disposition	Operating Expense per Unlinked Passenger Trip
"Proper" fleet replacement (e.g. Not "hoarding")	Unlinked Passenger Trips
Fleet Investment from Other Programs and/or Local Funds	Revenue Miles per Vehicle
Number of Vehicles (could alternately use statistics report)	Vehicle Revenue Hours
	Passengers per Mile

\* Draft Proposal

# Change in Allocation Amounts Using VRM vs Current (Remaining Useful Life)



## Draft Proposal

- Use VRM as Basis for Initial Allocation Calculation
- For Three Years, Modify by Limiting Increases and Decreases to Maximum Amounts
- Calculate Final Distribution Based on Constrained Amounts

## Details on §5339 Program Formula

### Texas Administrative Code Rule §31.30 Provides Direction to TxDOT on Administering the §5339 “Bus and Bus Facilities” Program:

*“...allocate the available program funds so that each eligible subrecipient will receive a proportional share of available funding based on the remaining useful life of its public transportation fleet and the cost of replacing that fleet using the department's information system containing transit fleet data”*

# §5339 Follow Up - Example Application

## Coyote Coaches' Adjusted Fleet Replacement Cost (FRC)

	A	B	C	D	E	F	G	H	I
1	license	year	VIN	type	miles	target	deprec	replace \$	adjusted \$
2	1154229	2012	1FDDE4FS7CDB21743	3	3,856	150,000	0.026	\$ 76,000	
3	1154230	2012	1FDDE4FS5CDB21742	3	9,534	150,000	0.064	\$ 76,000	
4	1146059	2012	1FTSS3EL8DDA19918	1	7,124	100,000	0.071	\$ 52,000	
5	1094297	2011	1FDEE3FL3BDB05195	3	21,949	150,000	0.146	\$ 76,000	
6	1094294	2011	1FDEE3FL2BDA97123	3	24,123	150,000	0.161	\$ 76,000	
7	1094264	2010	1FTDS3EL9ADB03539	1	51,520	100,000	0.515	\$ 52,000	
8	1039529	2007	1FTSS34L08DA29429	1	54,743	100,000	0.547	\$ 52,000	
9	1075092	2010	1FTDS3EL2ADA15836	1	62,893	100,000	0.629	\$ 52,000	
10	899495	2005	1FTSS34S45HA64986	1	64,502	100,000	0.645	\$ 52,000	
11	1075091	2010	1FTDS3EL4ADA15837	1	67,532	100,000	0.675	\$ 52,000	
12	1075090	2010	1FTDS3EL0ADA15835	1	75,121	100,000	0.751	\$ 52,000	
13	1038523	2008	1GBDV13WX8D183196	7	78,443	100,000	0.784	\$ 47,000	
14	1009305	2006	1FTSS34L46DB31345	1	81,957	100,000	0.820	\$ 52,000	
15	865017	2002	1FTSS34S72HB64785	1	87,495	100,000	0.875	\$ 52,000	
16	1047223	2008	1FD3E35S68DB57137	2	88,667	100,000	0.887	\$ 66,000	
17	856-492	2002	1FTSS34S62HB64776	1	109,086	100,000	1.091	\$ 52,000	
18							0.543	\$ 937,000	\$ 508,747

average depreciation × total FRC = adjusted FRC

# §5339 Follow Up – Example Application (Continued)

## Determining Proportional Share

	A	B	C	D	E	F
			total fleet replacement cost (FRC)	adjusted FRC	"E"	award
1	agency name	average fleet depreciation				
2	Coyote Coaches	0.543	\$ 937,000	\$ 508,747	0.290	\$ 147,416
3	Cactus Carriages	0.851	\$ 753,000	\$ 640,803	0.290	\$ 185,681
4	Armadillo Autobus	0.723	\$ 1,156,000	\$ 835,788	0.290	\$ 242,181
5	Tumbleweed Trolleys	0.481	\$ 985,000	\$ 473,785	0.290	\$ 137,286
6	Javelina Jitneys	0.658	\$ 765,000	\$ 503,370	0.290	\$ 145,858
7	Bluebonnet Buses	0.454	\$ 1,028,000	\$ 466,712	0.290	\$ 135,236
8	Mockingbird Motors	0.578	\$ 789,000	\$ 456,042	0.290	\$ 132,144
9	Longhorn Lines	0.903	\$ 723,000	\$ 652,869	0.290	\$ 189,178
10	Texas Tornado Transit	0.387	\$ 1,023,000	\$ 395,901	0.290	\$ 114,718
11	Mustang Motor Coaches	0.773	\$ 1,430,000	\$ 1,105,390	0.290	\$ 320,302
12				\$ 6,039,407		\$1,750,000
13						
14						
15	available funds	\$ 1,750,000				
16	total adjusted FRC	\$ 6,039,407	0.290	scaling constant "E"		

$$\text{available funds} \div \text{total adjusted FRC} = E$$

$$\text{adjusted FRC} \times E = \text{award}$$



# **TEXAS ADMINISTRATIVE CODE (TAC) CHANGES: STATE FUNDING FORMULA AND FEDERAL RURAL (§5311) PROGRAMS**

---

Public Transportation Advisory Committee Meeting  
June 6, 2017

# Why Propose Changes Now?

## More Funding Available:

- \$3.5 Million to be Directed to State Large Urban
- FY 2018 Funding Distribution: Two Step Process

## Review / Confirm / Revise

- Census Impact Rule Expires 2017
- Transit District Changes
- “Tier 1” Systems: Arlington, Grand Prairie, Mesquite, NETS
- State and FTA 5311 Formula – Key Policy Areas

# Current Formula

Biennial State  
Transit Funds:  
\$57,482,135

35%  
Eligible Urban  
Providers

65%  
Rural Providers

“Tier 1” Systems  
Set-Aside

50%  
Need

50%  
Performance

100%  
Population

65%  
Need

35%  
Performance

75%  
Population

25%  
Land Area

Also the Federal Rural Program Formula

# Key Elements of Formulas

- **Fixed Biennial Total to be Distributed**
- **Rural / Urban Split (65% / 35%)**
- **Need (Population and Land Area or Population) and Performance**
  - Urban – 50% Population / 50% Performance
  - Rural – 65% Population and Land Area / 35% Performance
- **Maximum Annual Decrease: 10%**
- **Any Amount Above Fixed Total is Distributed on Pro-rata or Competitive Basis**

# Formula Performance Measures & Weights

## ■ Performance Measures for State Urban

- Local Investment per Operating Expense (weighted 30%)
- Vehicle Revenue Miles per Operating Expense (20%)
- Passengers per Vehicle Revenue Mile (30%)
- Passengers per Urban Population (20%)

## ■ Performance Measures for State Rural and FTA 5311

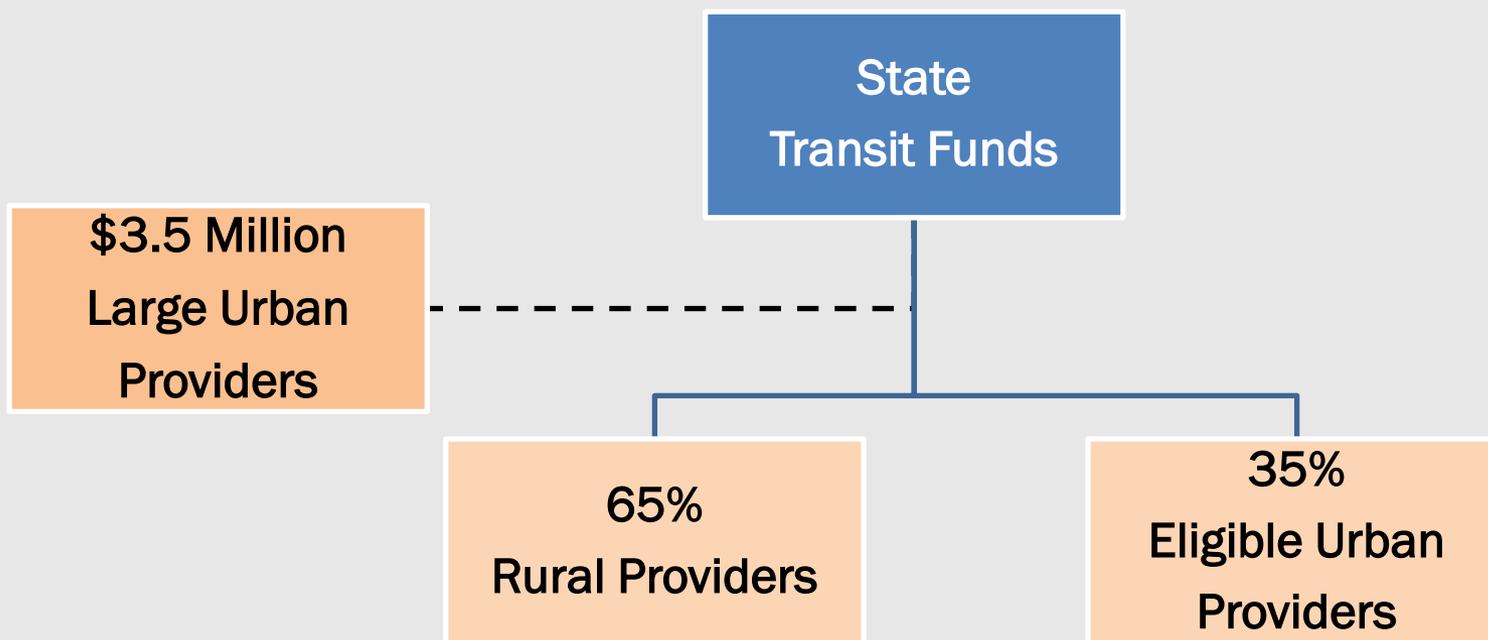
- Local Investment per Operating Expense (weighted 1/3)
- Vehicle Revenue Miles per Operating Expense (1/3)
- Passengers per Vehicle Revenue Mile (1/3)

## ■ Data Source: PTN-128 Fiscal Year totals

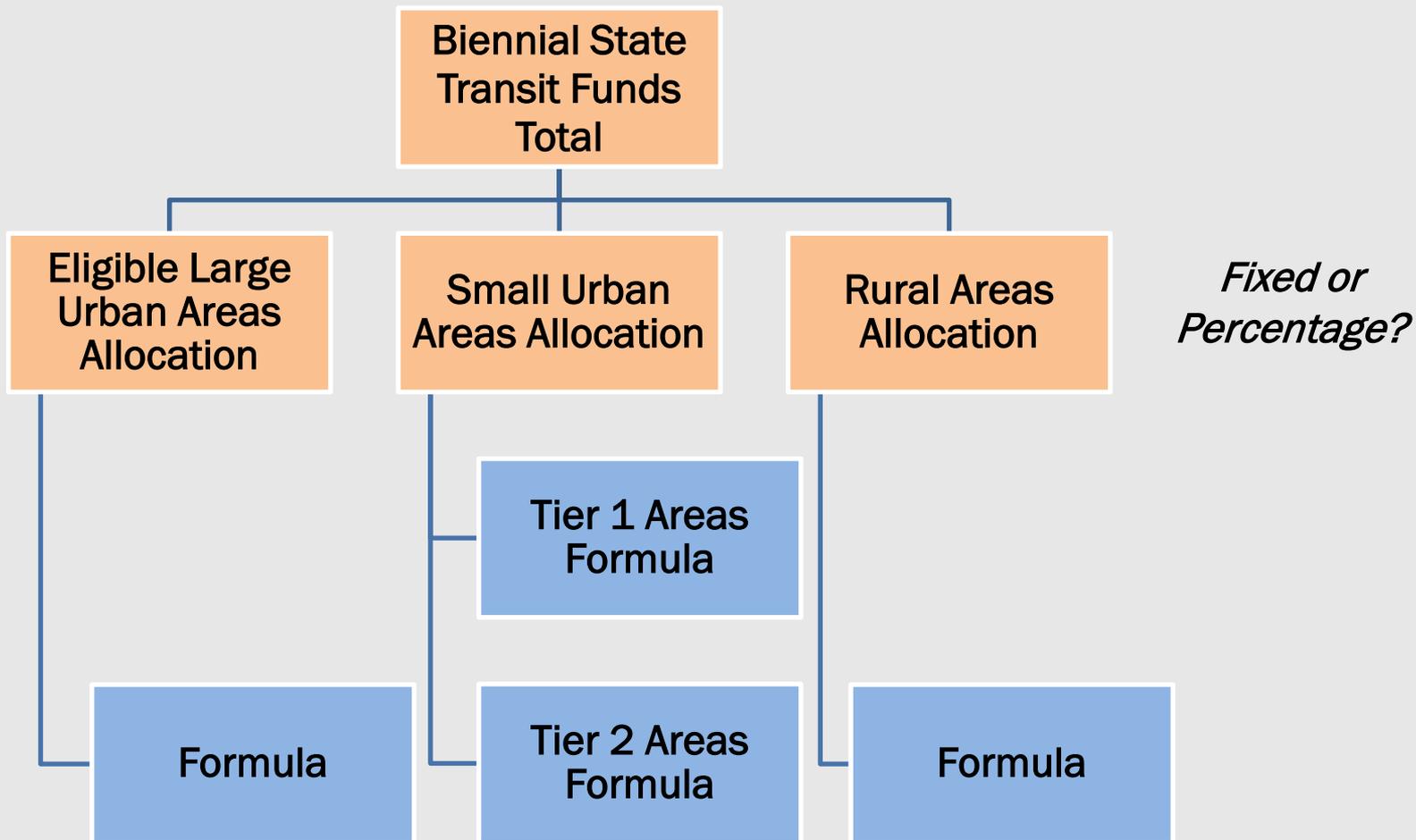
- **Overall: Fair, Transparent, and Simple**
  
- **Specific**
  - Reward Performance Efficiency and Effectiveness
  - Encourage Local Investment and Coordination
  - Facilitate System Integration
  - Provide Reasonably Stable and Predictable Allocations from One Year to the Next
  - Preserve Flexibility to Address Unforeseen Circumstances

# New Funding Category - Large Urban Providers

- 85<sup>th</sup> Legislature Revised Population Categories; Split Large Urban off of Urbanized
- TxDOT Appropriation Includes \$3.5 Million for Large Urban Category
- Change Split or Take Off Top? Other Options?



# Formula Structure – Draft Proposal

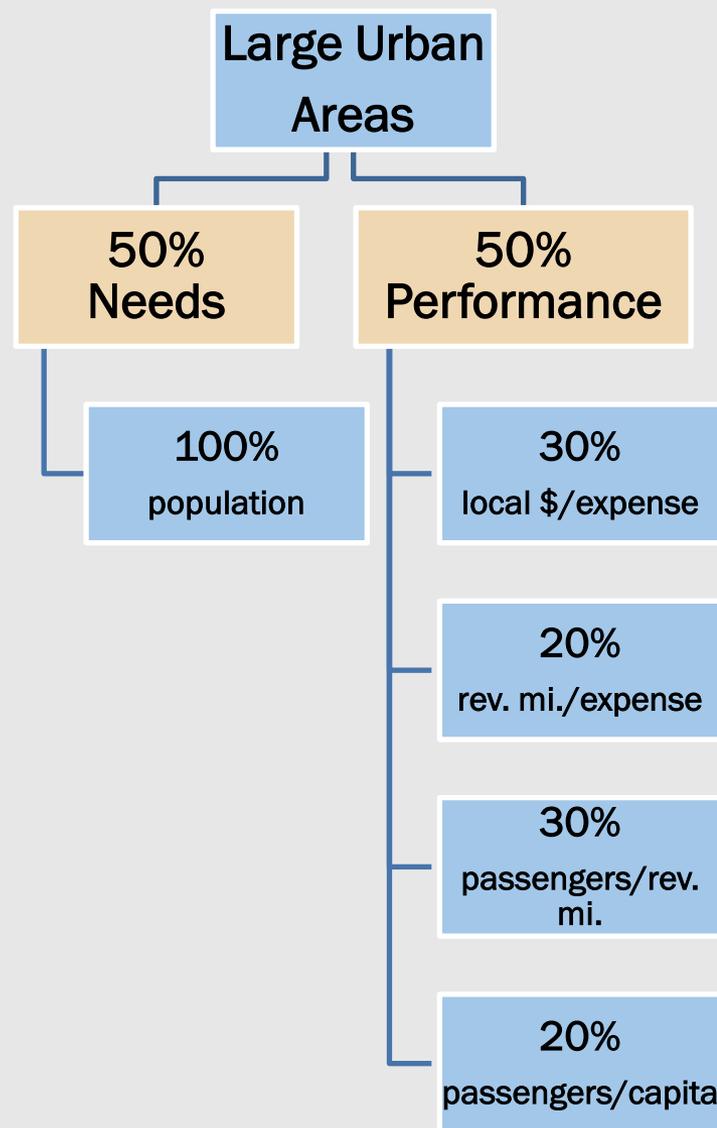


# Large Urban Formula

## State Funds for Eligible Large Urbanized Areas

### Options:

- Establish Population Thresholds and Use Same Formula as Existing State Urban (Draft Proposal)
- Establish Population Thresholds and Revise Formula to Address Unique Characteristics



# FY 2018 Funding Distribution – Two Step Process

## ■ Why:

- New Rules Will Not be in Effect when Initial Distributions Need to be Made

## ■ How:

- Run Current Formula for Initial FY 18 State Allocations (Without Additional \$3.5M)
- Award Initial 2018 Allocation in June-August 2017
- Run New Formula in January (Following Final Rules)
- Award Increment of Additional Funding in January 2018 (\$3.5M)
- Amend Grant Agreements to Include Increments

## Existing Situation:

- \$1.6 Million/year to Address Consequences of Census Change
- TAC Text Expires 8/31/2017:
  - RULE §31.11 (b) (2) If the appropriated amount to which this subsection applies exceeds \$57,482,135, the commission will allocate \$57,482,135 in accordance with paragraph (1) of this subsection and will allocate all or a part of the excess amount, as necessary to mitigate changes in formula allocations described by subparagraph (A) or (B) of this paragraph, as appropriate, resulting from the application of the 2010 census data.
- Options:
  - Increase Biennium Amount
  - Increase Rural Amount (Draft Proposal)
  - Preserve All (or a Portion of) for Discretionary Purposes

# Transit District Changes

- **Existing Situation:** Changes in Transit District Boundaries Result in Difficult-to-address Performance Share Allocation Issues
  - Each Transit District gets “One Seat at the Table” for Share of Performance Funds
  - Differing Levels of Performance
  - Performance Data is Available at the Transit District Level; Less so at the County Level
  
- **Draft Proposal:**
  - Include Language Explicitly Addressing How to Treat Certain Situations: District Consolidation and Changes to District Composition
  - Include Language Providing Flexibility to Address Unanticipated Situations

# “Tier 1” Systems Formula

- **Existing Situation:** Arlington, Grand Prairie, Mesquite, North Richland Hills-NETS are Eligible by Definition in State Statute
  - State Funds Capped in State Statute and Included in Urban Total
  - Existing Rule Text Based upon Superseded Federal Statute: (5307 Large Urban Exception)
  
- **Options:**
  - Run All Small Urban Systems Together, but Cap the Tier 1 Systems per Statute
  - Provide Fixed Amount to Tier 1 Systems, not to Exceed Statutory Limit (Draft Proposal)

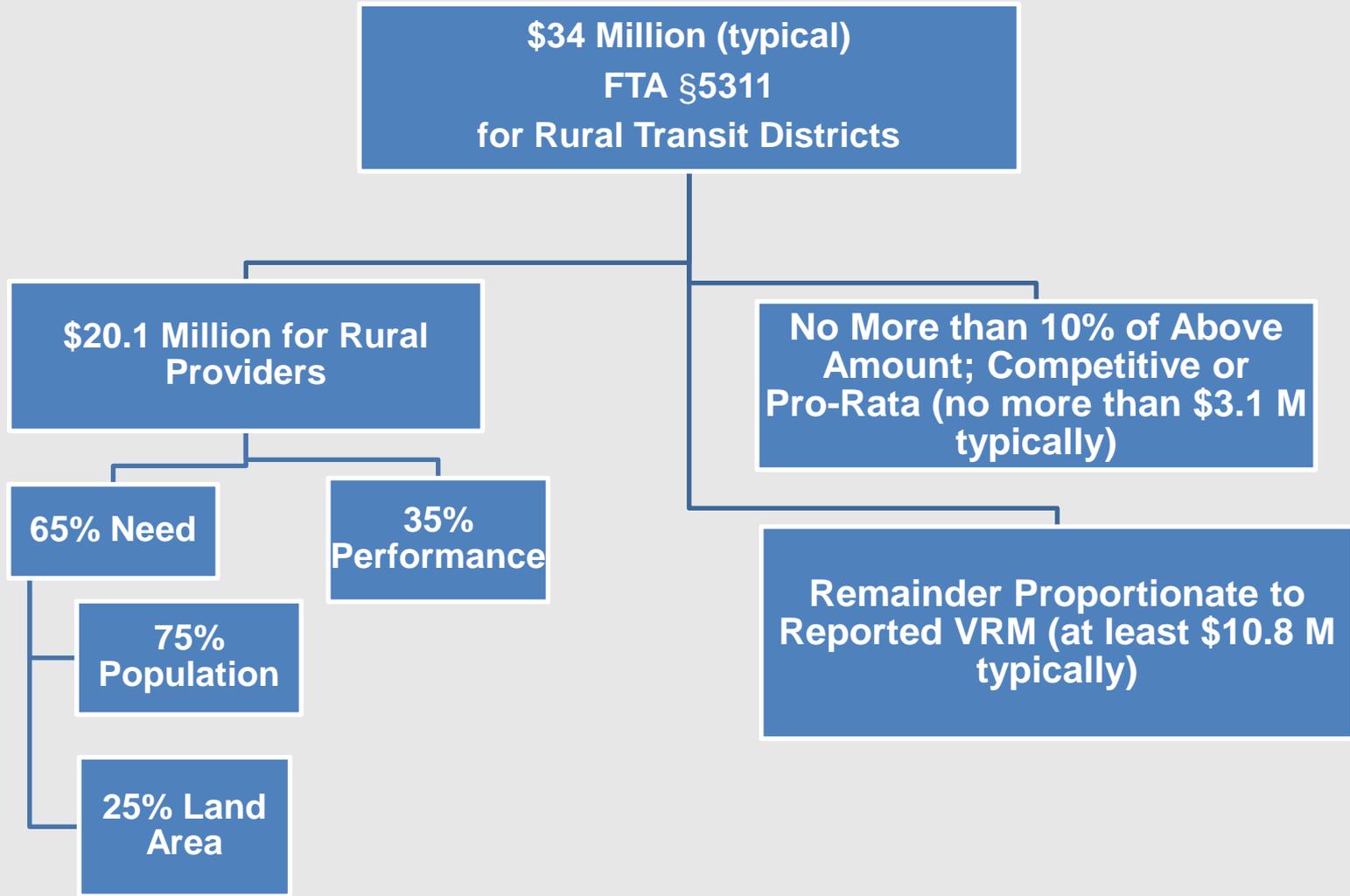
- **Need and Performance: Split / Measures**
- **Floor on Annual Agency Decrease Amount**
- **Excess Funding**
- **Unique FTA §5311 Factors**
  - \$20,104,352 Based upon Needs and Performance
  - No More than 10% on Pro-rata or Competitive Basis
  - Remaining Amount Allocated by Vehicle Revenue Miles

# Next Meetings

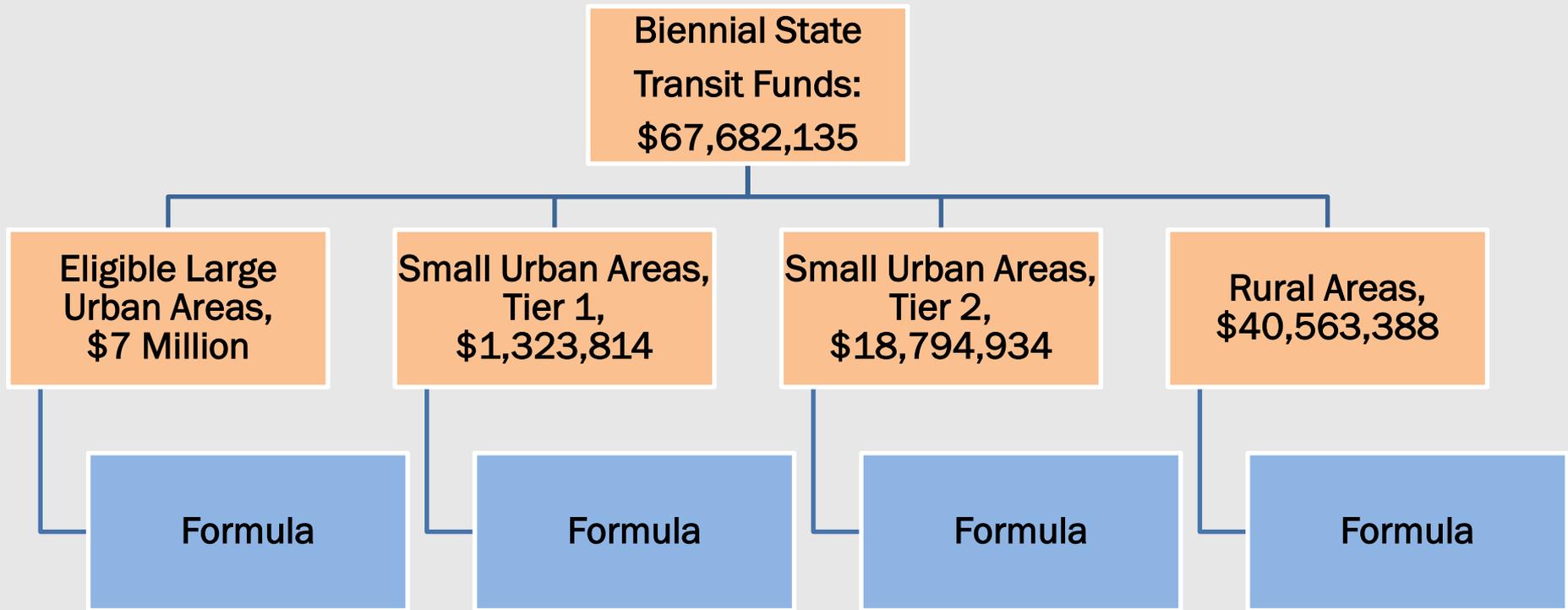
- **Semiannual Transit Operators Meeting: July 12**
- **PTAC Meeting: July 25**
  - Agenda Topic: Draft Text of Proposed Rule Changes

## Details on State Rural and Section §5311 Program Formulas

# FTA §5311 Funds Allocation Formula



# Potential Changes – Set Amounts by Category (If Available)



# FTA §5311 Formula Funds

## Congressional Authorization & Appropriation

FTA Apportions Full or Partial Annual Amount

- E.g., \$41,776,876 for FY 2016

### Set - Asides

Required or Authorized  
by Statute

#### Intercity Bus (ICB)

Set at 15%

- Awarded through Coordinated Call

#### State Program Oversight

Allowed up to 10%

- Request \$1.13M (e.g., 2.7%)

### Need and Performance Formula

Fixed at \$20.1M

- Formula in TAC

#### 65% "Need" and 35% "Performance"

Need defined as 75%  
Population and 25%  
Area

Performance is equal  
weight given to:

- Local cost share
- Miles per dollar
- Riders per mile

### Other Performance / Competitive

After subtracting \$20.1M, ICB,  
and State oversight

E.g., \$14,275,993 in 2016

#### Competitive Awards

Through Coordinated Call

- No more than 10% of balance, after ICB and State Oversight Deducted

#### Service Supplied

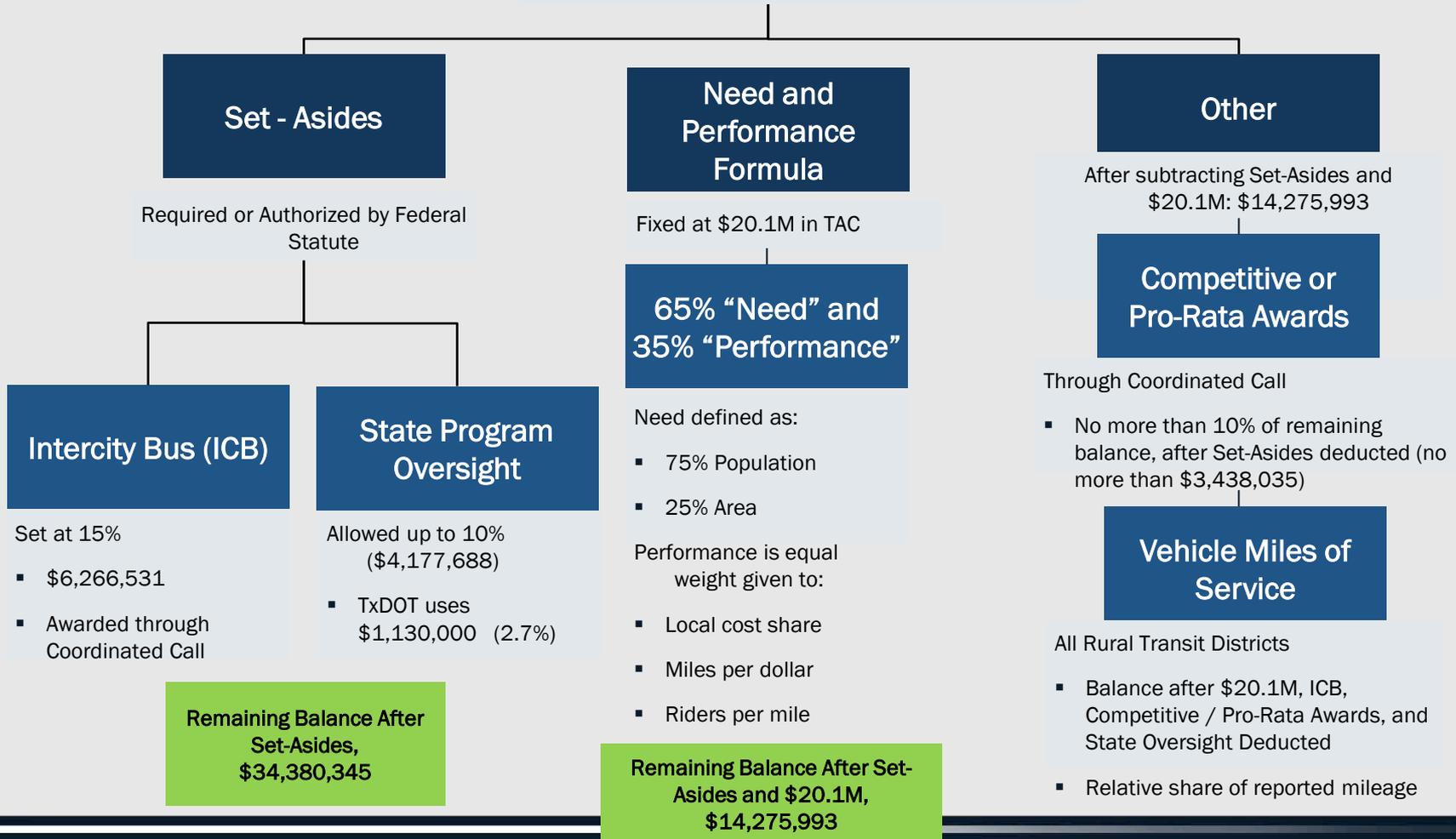
All Rural Transit Districts

- Balance after \$20.1M, ICB, Competitive Awards, and State Oversight Deducted

# FY 2016 Apportioned FTA §5311 Formula Funds (43 TAC Rule 31.36)

## Congressional Authorization & Appropriation

FTA Apportioned \$41,776,876 to Texas



# AGENDA ITEM 7

# Public Transportation Advisory Committee

## Guiding Principles

Updated February 2012

### 1. Support Public Transportation

- Goal: Implement an efficient, effective, and sustainable public transportation system.
  - Objective: Strategically leverage all available resources to maximize service provided throughout the state.
    - *Task: Develop consistent and transparent methods to award funds (e.g. §5310 Program, §5311 Program, and Transportation Development Credits.)*
  - Objective: Increase financial stability of the state's transit providers
    - *Task: Identify, develop, and implement options to accommodate the lag in federal funding availability.*
    - *Task: Explore the creation of a reserve fund to provide gap funding, loans, and/or lines of credit.*
- Goal: Support financial sustainability of local, state, and federal investments in the maintenance and expansion of critical transportation assets.
  - Objective: Strategic and aggressive pursuit of competitive federal grant funding.
    - *Task: Develop 3-year list of capitol project needs statewide.*
    - *Task: Develop long-term strategic plans for investment.*
  - Objective: Improve individual and collective planning competencies and financial capacity within agencies.
    - *Task: Develop and implement leadership forum (particularly focused on best practices for financial stability).*
  - Objective: Encourage and support the recruitment, retention, and training of personnel.
    - *Task: Develop innovative financing training/knowledge sharing opportunities.*
- Goal: Conduct regular evaluations of funding initiatives and results to guide future direction and decision-making activities.
  - Objective: Achieve continuous service performance improvements.
    - *Task: Review past program funding, develop best practices and performances metrics for investments that maximize services.*
    - *Task: Review past investments and develop best practices for evaluation of new fund development and its impacts on maintenance and capital.*

## 2. Promote Coordinated Transportation

- Goal: Increase coordination to maximize the availability and use of transportation resources (funding, services, etc.)
  - Objective: Develop and implement an approach to the coordinated call for projects that exhibits a commitment to coordination.
    - *Task: Review previous §5310, §5311, JARC and New Freedom investments under the coordinated call and evaluate coordination best practices for coordination of funding, services, and/or community participation.*
    - *Task: Develop metrics and funding criteria that promote best practices in coordinated calls for projects.*
    - *Task: Develop advance trainings that build coordinated call applicants' understanding of the desired outcomes, requirements, and suggested approaches for a successful application.*
  - Objective: Develop metrics that will allow evaluation of the funding formula's consistency with the strategic values of regional coordination.
    - *Task: Define strategic values for coordination.*
    - *Task: Develop metrics for coordination.*
    - *Task: Test evaluation of the funding formulas based on coordination metrics.*
- Goal: Encourage and reward innovation.
  - Objective: Develop investment practices and grant management policies that support innovation and entrepreneurial approaches to regional coordination.
    - *Task: Research and review best practices at all levels for innovation and entrepreneurial approaches to regional coordination.*
    - *Task: Establish metrics and goals for TxDOT-implemented best practices.*
- Goal: Support initiatives to create sustainable communities.
  - Objective: Understand what local jurisdictions are doing to promote sustainability and the implications for public transportation in Texas.
    - *Task: Research what local jurisdictions are doing to create sustainable communities.*
    - *Task: Evaluate research to determine possible implications for PTN.*
- Goal: Conduct regular evaluations of funding initiatives to guide future direction and decision-making activities.
  - Objective: Achieve continuous service performance improvements.

- *Task: Review past programs and develop best practices for performance-based evaluation of coordination activities, projects, and programs.*
- *Task: Review past investments and develop best practices for evaluation of investments via the coordinated call for projects.*