MEETING AGENDA
Public Transportation Advisory Committee
Thursday, January 18, 2018 | 1:00 P.M. (local time)
Texas Department of Transportation (TxDOT)
200 E. Riverside Drive, Room 2B.1
Austin, TX 78704

1. Call to Order.
2. Safety Briefing.
3. Approval of minutes from October 24, 2017 meeting. (Action)
4. TxDOT’s Public Transportation Division Director’s report to the Public Transportation Advisory Committee (PTAC) regarding public transportation matters.
5. Presentation by Texas A&M’s Texas Transportation Institute (TTI) on current transit needs in Texas. (Action)
6. Discussion (follow-up) on pre-award authority and letters of no prejudice. (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 listen by phone at a listen-in toll-free number: 1-855-437-3563 [US] with attendee access code: 598 304 40. 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 3
Committee Members Present and Participating:
Rob Stephens, Chair
J.R. Salazar

Committee Members Participating via Teleconference:
John McBeth, Vice Chair
Michelle Bloomer
Jim Cline

TxDOT Present and Participating:
Eric Gleason, Director, Public Transportation Division (PTN)
Josh Ribakove, Communications Manager (PTN)

AGENDA ITEM 1: Call to Order.
Rob Stephens called the meeting to order at 1:00 P.M.

AGENDA ITEM 2: Safety Briefing.
Josh Ribakove gave a safety briefing for attendees at 1:00 P.M.

AGENDA ITEM 3: Approval of minutes from July 25, 2017 meeting (Action).
Rob Stephens opened this item at 1:01 P.M.

   MOTION  John McBeth moved to approve the July 25, 2017 meeting minutes.
   SECOND  J.R. Salazar seconded the motion.

   The motion passed unanimously at 1:03 P.M.

AGENDA ITEM 5 (taken out of order): Discussion of public comments regarding proposed rule changes to Title 43, Texas Administrative Code, Chapter 31 and recommended final rule package. (Action).

Eric Gleason opened this item at 1:04 P.M. Mr. Gleason explained that no public comments had been received.

Comments from Michelle Bloomer, John McBeth, and Eric Gleason. John McBeth suggested that PTAC send a letter of thanks to the Commission.

   MOTION  John McBeth moved to approve TxDOT’s proposed rule changes.
   SECOND  Jim Cline seconded the motion.
AGENDA ITEM 4 (taken out of order): TxDOT’s Public Transportation Division Director’s report to the committee regarding public transportation matters.

Eric Gleason began his report at 1:15 P.M. The report touched on:
- The FTA State Safety Operations program, which will be administered by TxDOT’s Public Transportation Division (PTN) beginning November 1, 2017
- Transportation Development Credits, which can now be distributed by PTN without specific Commission approval
- PTN’s call for rural facility construction projects – Commission awards are anticipated in December
- PTN’s current TIGER grant proposal, which was not selected by TxDOT as one of three that the agency will bring forward to FTA this year

AGENDA ITEM 6: 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 1:28 P.M.

Comments from John McBeth and Eric Gleason.

No action taken.

AGENDA ITEM 7: Public Comment

Rob Stephens introduced this item at 1:34 P.M.

There were no public comments.

AGENDA ITEM 8: Propose and Discuss Agenda Items for Next Meeting; confirm date of next meeting (Action).

Rob Stephens initiated and led this discussion beginning at 2:17 P.M. Two agenda items were proposed by John McBeth:
- A refresher presentation by Texas A&M’s Texas Transportation Institute (TTI) on TxDOT’s Legislative Appropriations Request (LAR) and funding, with an emphasis on rural funding and the need to increase it
- The House Speaker’s interim charges to committees, particularly regarding contracting options and limitations. The focus would be on changing state statute so TxDOT could allow transit subgrantees to have pre-award authority to spend funds. Mr. McBeth also mentioned a “letter of no prejudice” and suggested that TxDOT’s legal division give a presentation addressing all of this
The next meeting is tentatively scheduled for January 2018. Date TBD. Time TBD. Location TBD.

No action taken.

**AGENDA ITEM 9: Adjourn (Action).**

**MOTION**  John McBeth moved to adjourn.

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

Meeting adjourned at 1:41 P.M.

Prepared by:  Approved by:

__________________________  ________________________
Josh Ribakove  John McBeth, Vice Chair
AGENDA ITEM 5
Texas Transit Geospatial Needs Assessment

Final Report Presentation
January 2018
Michael J. Walk, Research Scientist
Texas A&M Transportation Institute
Public Transit in Texas

- Public transit plays an important role
  - Used for work, medical appointments, errands, etc.
  - Over 30 million trips taken on state-funded transit services in FY2016

- For transit to continue its vital role
  - Must operate *when* and *where* needed
  - Must be funded to meet changing demands and costs
Building on Previous Needs Assessment Work

- Needs Assessment from 2016
  - Analyzed four types of need: (1) span of service, (2) urban and rural gaps, (3) inflation, and (4) population growth
  - Span analysis did not account for actual transit service areas

- Goals of Geospatial Needs Assessment
  - Identify geographic coverage gaps using actual service areas
  - Identify services where current span does not meet minimum thresholds
  - Estimate inflation-adjusted costs to fill gaps and operate a common minimum span of service for all Texans living outside transit authority boundaries

- Costs: Presented in FY2020-2021 biennium dollars
Step 1: Data Collection, Mapping and Validation

- TTI mapped all state-funded transit district service areas and routes
- Transit districts confirmed accuracy of maps, service areas, and span hours
- All transit services input into a master database
Find areas without transit service and areas without service operating at the span threshold.

**STEP 2: GAP ANALYSIS**
Example Type A Gaps

Type A = No Transit Outside a State-Funded Transit District Boundary
Example Type B Gap

Type B = Limited or No Transit INSIDE a State-Funded Transit District Boundary

RTD Boundary
Current Transit Service Area
Type B Gap = Transit District Boundary – Current Transit Service Area
# 4 Span Models for Type C Gaps

Type C = *Transit Service Does not Meet Span Threshold*

<table>
<thead>
<tr>
<th>Model #</th>
<th>Title</th>
<th>Weekday Span Threshold&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Saturday Span Threshold&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12-hour weekday service</td>
<td>12 hrs.</td>
<td>0 hrs.</td>
</tr>
<tr>
<td>2</td>
<td>14-hour weekday service</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>12-hour weekday, 8-hour Saturday service</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>14-hour weekday, 8-hour Saturday service</td>
<td>14</td>
<td>8</td>
</tr>
</tbody>
</table>
Type A and Type B Gap Analysis Results

13,400 square miles
- Type A: 3,800 square miles
- Type B: 9,600 square miles

3.5 M people
- Type A: 2.6 million
- Type B: 925 K
Type C Gap Analysis Results (Span Thresholds)

Need between 417 and 1478 hours added per week.
Type C Gap Analysis Results: Demand Response

12 M people served by state-funded transit districts

Assuming a 12-hour weekday, 8-hour Saturday span threshold
Type C Gap Analysis Results:
Fixed/Flexible-Route Local Bus Services

Needed weekly span hours for local bus services in Texas to reach the span threshold

Assuming a 12-hour weekday, 8-hour Saturday span threshold

- 0 hours: 50%
- 5 or less hours: 7%
- 5 to 10 hours: 20%
- 10 to 15 hours: 10%
- 15 to 20 hours: 8%
- More than 20 hours: 5%
Estimate the costs of providing all Texans* with a standard span of service.

**STEP 3: COST ESTIMATION**

*All Texans living outside of a transit-authority’s service area. Texans living inside transit authority “donut holes” are not included.*
Procedure

- Estimate FY2016 costs to fill Type C (span) gaps using existing operating data.
- Estimate FY2016 costs to fill Type A and B gaps with full span general-public demand-responsive service. Include
  - Operating costs based on a regional conditions
  - Capital costs for vehicle purchases
## FY2016 Type C Cost Estimates

<table>
<thead>
<tr>
<th>Span Model</th>
<th>FY2016 Operating Cost ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-hour weekday</td>
<td>$13.6</td>
</tr>
<tr>
<td>14-hour weekday</td>
<td>$31.1</td>
</tr>
<tr>
<td>12-hour weekday, 8-hour Saturday</td>
<td>$25.5</td>
</tr>
<tr>
<td>14-hour weekday, 8-hour Saturday</td>
<td>$43.0</td>
</tr>
</tbody>
</table>

Costs reflect the estimated *additional* FY2016 operating expenses if transit services were operated at the given span thresholds instead of current service levels.
### FY2016 Types A and B Cost Estimates

<table>
<thead>
<tr>
<th>Span Model</th>
<th>FY2016 Operating Cost ($ in millions)</th>
<th>Number of Vehicles</th>
<th>2016 Vehicle Cost ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type A Gaps</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12-hour weekday</td>
<td>$4.2</td>
<td>169</td>
<td>$13.2</td>
</tr>
<tr>
<td>14-hour weekday</td>
<td>$4.8</td>
<td>180</td>
<td>$14.0</td>
</tr>
<tr>
<td>12-hour weekday, 8-hour Saturday</td>
<td>$4.7</td>
<td>179</td>
<td>$14.0</td>
</tr>
<tr>
<td>14-hour weekday, 8-hour Saturday</td>
<td>$5.4</td>
<td>190</td>
<td>$14.8</td>
</tr>
<tr>
<td><strong>Type B Gaps</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12-hour weekday</td>
<td>$1.8</td>
<td>65</td>
<td>$5.1</td>
</tr>
<tr>
<td>14-hour weekday</td>
<td>$2.1</td>
<td>71</td>
<td>$5.5</td>
</tr>
<tr>
<td>12-hour weekday, 8-hour Saturday</td>
<td>$2.1</td>
<td>70</td>
<td>$5.5</td>
</tr>
<tr>
<td>14-hour weekday, 8-hour Saturday</td>
<td>$2.4</td>
<td>75</td>
<td>$5.9</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12-hour weekday</td>
<td>$6.0</td>
<td>234</td>
<td>$18.3</td>
</tr>
<tr>
<td>14-hour weekday</td>
<td>$7.0</td>
<td>251</td>
<td>$19.6</td>
</tr>
<tr>
<td>12-hour weekday, 8-hour Saturday</td>
<td>$6.8</td>
<td>249</td>
<td>$19.4</td>
</tr>
<tr>
<td>14-hour weekday, 8-hour Saturday</td>
<td>$7.7</td>
<td>265</td>
<td>$20.7</td>
</tr>
</tbody>
</table>

Operating costs are estimated FY2016 operating expenses for general public demand-responsive service operated in all gaps at the given span thresholds. Capital costs are the total costs of purchasing the required number of vehicles.
Step 4: Transit Cost Inflation (TCI)

- Motor Bus: 1.13
- Demand Response: 1.10
- Commuter Bus: 1.04
- Rural: 1.10

TCI Index (Based on Cost / Rev. Mile) vs Fiscal Year

- Motor Bus: 1.13
- Rural: 1.10
- Demand Response: 1.10
- Commuter Bus: 1.04
STEP 5: ESTIMATE FY2020-2121 COSTS AND BENEFITS
Transit Cost Inflation and Current Investment

- To account for inflation, estimated FY2016 operating expenses to fill span and geographic gaps were increased through FY2020 and FY2021 to have the same purchasing power using the calculated TCIs.

- These inflated operating expenses were compared to the current level of investment in FY2016 to account for loss of purchasing power that would occur through FY2020 and FY2021, resulting in the gap cost estimates.

- See example table below.

<table>
<thead>
<tr>
<th>Type C Gap Cost Type</th>
<th>FY2016</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-hr weekday, 8-hr Saturday Expenses</td>
<td>$236.4 M</td>
<td>$256.1 M</td>
<td>$261.9 M</td>
</tr>
<tr>
<td>Current Investment (Current Operating Expenses)</td>
<td>$205.3 M</td>
<td>$205.3 M</td>
<td>$205.3 M</td>
</tr>
<tr>
<td>Delta (Cost Estimate)</td>
<td>$31.1 M</td>
<td>$50.7 M</td>
<td>$56.6 M</td>
</tr>
</tbody>
</table>
Estimated Costs to fill All Gaps in FY2020-2021 Biennium

<table>
<thead>
<tr>
<th>Span Model</th>
<th>FY2020-2021 Biennium ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
</tr>
<tr>
<td>12-hour weekday</td>
<td>$82.2 M</td>
</tr>
<tr>
<td>14-hour weekday</td>
<td>$122.4 M</td>
</tr>
<tr>
<td>12-hour weekday, 8-hour Saturday</td>
<td>$109.9 M</td>
</tr>
<tr>
<td>14-hour weekday, 8-hour Saturday</td>
<td>$150.2 M</td>
</tr>
</tbody>
</table>

Each of above operating costs includes between $40.3 and $40.5 million to account for inflation.
Benefits and Value of Meeting the Need

Transportation cost savings
- Cost savings realized by riders, reducing transportation costs (e.g., vehicle ownership and operations costs)
- Estimate new ridership and value of each new trip

Low-cost mobility benefits
- Benefits realized by riders for new transit trips and presently foregone trips due to transit gaps (i.e., latent demand)
- Estimate new ridership and value of each new trip

Economic multiplier for transit investments
- Value of the economic activity generated by investment of state funds in public transit to close transit gaps
- Use $2.11 for each $1.00 operating expenditure (based on TxDOT RMC Report 0-6194)

Note: Used pro-rated vehicle purchase costs for benefit-cost ratio
  - Vehicles purchased to fill transit gaps have average expected useful life of 6 years.
  - Pro-rate purchase cost using two years of six-year cost to align with two-year benefit-cost estimate
## Benefits-Cost Summary

<table>
<thead>
<tr>
<th>Span Model</th>
<th>Operating Cost</th>
<th>Pro-Rated Vehicle Cost</th>
<th>Estimated Additional Ridership</th>
<th>Total Benefits</th>
<th>Benefit-Cost Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-hour weekday</td>
<td>$82.2</td>
<td>$6.7</td>
<td>2.1 million</td>
<td>$185.1</td>
<td>2.08</td>
</tr>
<tr>
<td>14-hour weekday</td>
<td>$122.4</td>
<td>$7.2</td>
<td>3.5 million</td>
<td>$276.4</td>
<td>2.13</td>
</tr>
<tr>
<td>12-hour weekday, 8-hour Saturday</td>
<td>$109.9</td>
<td>$7.1</td>
<td>6.5 million</td>
<td>$263.0</td>
<td>2.25</td>
</tr>
<tr>
<td>14-hour weekday, 8-hour Saturday</td>
<td>$150.2</td>
<td>$7.6</td>
<td>8.7 million</td>
<td>$357.8</td>
<td>2.27</td>
</tr>
</tbody>
</table>

Each of above operating costs includes between $40.3 and $40.5 million to account for inflation.
Summary

- There are over 3.5 million people living in geographic gap areas across 13,378 square miles.
- 12 million people served by state-funded transit districts, many with transit service that does not operate with enough span to serve a majority of trip purposes.
- Additional $131 million investment in transit in FY2020-2021 biennium could provide 15.5 million Texans with 12-hour weekday, 8-hour Saturday service.
- This pro-rated investment of $117.1 million would generate an estimated 6.5 million additional passenger trips and $263 million in benefits to the Texas economy.
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Transit Mobility Program  
Texas A&M Transportation Institute  
http://tti.tamu.edu/group/transit-mobility
AGENDA ITEM 6
PTAC requested that PTN provide information about Pre-Award Authority and Letter of No-Prejudice, and if it were possible that they could be applied to FTA grants administered by PTN to subrecipients. This paper summarizes what PTN has found.

1) Federal statutes and guidance describe the financial or grant management option known as **Pre-Award Authority**. Pre-Award Authority is authorized on a program-by-program basis, announced each year when the annual apportionments are published by FTA in the *Federal Register*. All the usual federal conditions are attached to this option. As long as those conditions are satisfied, the option allows FTA to reimburse a grantee for expenses incurred by the grantee before there is an executed agreement between FTA and the grantee for those funds. Here is FTA’s most recent description:

> “FTA provides pre-award authority to incur expenses before grant award for certain program areas described below. This pre-award authority allows grantees to incur certain project costs before grant approval and retain the eligibility of those costs for subsequent reimbursement after grant approval. The grantee assumes all risk and is responsible for ensuring that all conditions are met to retain eligibility.”


2) The other option, called **Letter of No Prejudice** or **LONP**, may be requested when pre-award authority is not available for the program in question. This option has a similar purpose and use, but is subject to FTA approval on a case-by-case basis. Additionally, this option requires both a completed environmental determination and a letter from the grantee to FTA specifically requesting the LONP. In addition to permitting prior costs to be reimbursed after the federal grant is executed, the LONP also allows costs to be credited as local match for that federal grant.


LONP is typically used for Section 5309 Capital Investment Grant projects, which are awarded by FTA or Congress at their discretion (competitive). These are large construction projects, typically $25 million at a minimum, but usually much higher.

For both pre-award authority and LONP, FTA specifically states that the funding is not guaranteed. All program requirements must still be followed.

TxDOT’s counsel has determined that TxDOT would require specific statutory authorization to “pass-through” pre-award authority or a LONP.
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 capital 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 performance 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.