TEXAS DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION ADVISORY COMMITTEE -

TELECONFERENCE MEETING

3712 Jackson Avenue
Building 6, Room 324
Austin, Texas 78731

Tuesday, March 31, 2015

COMMITTEE MEMBERS PRESENT and PARTICIPATING:
Michelle Bloomer, Chair
J.R. Salazar, Vice Chair
Rob Stephens, Transportation Provider Representative
John McBeth, General Public Representative
Glenn Gadbois, Transportation User Representative

COMMITTEE MEMBERS PARTICIPATING VIA TELECONFERENCE:
Christina Melton Crain, General Public Representative

TxDOT PRESENT and PARTICIPATING:
Eric Gleason, Director, Public Transportation Division (PTN)
Ryan Granger, Federal Relations Representative
Kris Dudley, Public Transportation Division
Josh Ribakove, Communications Manager, PTN
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MS. BLOOMER: And we'll go ahead and call the meeting to order.

I'm going to turn it over to -- is it Bobby?

Who's going to do our safety briefing?

MR. RIBAKOVE: I'm going to do our safety briefing today.

MS. BLOOMER: Okay, Josh is.

Okay, Josh?

MR. RIBAKOVE: Okay. This is our little safety briefing. If we need to evacuate the building, we'll go down the stairs, which are right there by the elevators.

We'll come out and head out into the parking lot and walk around the building. There's an area with some trees and we'll muster right over there by the trees.

If we need to shelter in place -- and we're not expecting any inclement weather today -- we should -- that same stairwell is a good place to do that.

Restrooms are just past the elevators or just before them, if you're lady.

And that's about everything you really need to know.

MS. BLOOMER: All right. Any questions for Josh on our safety briefing?

(No audible response.)
Okay. Moving on to Item 3 on the agenda is approval of the minutes, and that should say from the January 22nd, 2015 meeting.

I will open it up for either a discussion or a motion.

MS. MELTON CRANE: This is Christina.

So moved.

MR. SALAZAR: This is J.R.

Second.

MS. BLOOMER: Okay. I have the first and the second, so we'll go ahead and call the vote.

John?

MR. McBETH: I'm all for it.

MS. BLOOMER: Steve -- I mean Rob?

MR. STEPHENS: Yeah, sure.

MS. BLOOMER: J.R.?

MR. SALAZAR: Yes.

MS. BLOOMER: Oh, my gosh, I just lost it.

UNIDENTIFIED SPEAKER: Christina.

MS. BLOOMER: Christina, thank you.

Christina?

MS. MELTON CRANE: Approved, yes.

MS. BLOOMER: And Michelle, yes.

Item 4 on the agenda is the TxDOT Public Transportation Division Director's Report.
MR. GLEASON: All right. Well, for the record, this Eric Gleason, TxDOT's director of public transportation.

Y'all received a report from me in your packet. I won't go through it extensively. Best just to highlight a number of things and then if individuals have questions on some of the contents, we can discuss those, as well.

Significantly, at the Commission's February meeting, we did push out the first portion of the FY15 federal 5311 Program; that's the formula award, the $20.1 million. And so that did go out, and the Commission also approved funding to help support TTA's rodeo that is scheduled for April 11th in Dallas.

Busy time of year for us. As I mentioned before, we have recently completed two Calls for Projects. Our annual Coordinated Call for Projects closed on February 9th, as did our annual Call for Projects for our 5310 Program. And so we are in the process of reviewing proposals submitted for both of those. With respect to the 5310 Program, Districts have submitted, recommended programs of projects from the stakeholder committees in each of those districts, and those recommendations are being reviewed here in Austin. And there's a lot of back and forth going on right now with both of these Calls for Projects as we try to
fine-tune proposals and ask some clarifying questions of folks who submitted project ideas.

We are looking at -- we are targeting the May 2015 Commission meeting from both of these efforts; that's our target right now. As we get closer, we may find that we need -- that one or two of them may need to slip to June depending on whether or not we're ready for May, but right now we're looking at May.

You know, you can see here, in terms of the coordinated call, we got about $68 million of requests and somewhere just under $10 million is available. About half of that typically goes to support operation of intercity bus routes, so not a lot of money. We have a couple of big project proposals that came in that we're going to need to enter in some rather lengthy conversations on with those proposers to talk about how best to proceed with those.

The third item is the 2015 Transportation Alternatives Program Call for Projects. This is a Federal Highway Administration program that the Division is responsible for and it is construction funds for areas of the state under 200,000 for bicycle and pedestrian facilities. We are going out with four years' worth of awards this time -- of dollars this time, about $50 million, and we are looking at project proposals being due on May 4th, and then sometime late summer, early fall, for
awards for that program.

And, finally, we also have a Call out for the next round of Coordination Planning, which is focused on a significant update of the 24 plans that exist in the state. And so we're anticipating, you know, over a two-year time frame or two years' worth of funding, about $1.8 million for those efforts, and then as this committee has discussed, following that update of the plans, we will shift gears with the program and focus on implementing projects with measurable outcomes that will allow us to identify things that work and things that don't work and step back a bit from funding an ongoing planning effort. So that is what's happening on the Discretionary Program front.

We did include in the packet a summary of the time of where things stood in the State Legislature, and, you know, very fluid environment. Jay Bond is here to join us from our State Legislative Affairs Office, and, you know, at this point, I'm not going to go through each bill which is listed, but would entertain questions from members on any of them specifically, if you have any; if you'd like an update on where it stood, things like that.

MS. BLOOMER: Are there any questions for Eric?

MR. McBETH: I would make one note on the HR 20.

MR. GLEASON: John, can you identify yourself?

MR. McBETH: John McBeth with Brazos Transit.
On HR 20 by Simmons, the Association for Community Transportation has discussed the bill with the author and he has agreed to take an amendment to that bill that will add the chairman of the Public Transportation Advisory Committee to the bill to the advisory committee that is established in this bill. So we thought because rural and small urban transit use lots and lots of highways in this state, it was very critical that the message from the public transportation providers be heard on that particular committee, and he got that language just today and will probably put it on the bill today or tomorrow.

MS. BLOOMER: Okay. This is Michelle. Thanks for the update, John.

Any other questions for Eric, either on the funding portion or the legislative portion?

MR. SALAZAR: This is J.R.

I just had one question. It's kind of a broad question, but how is the 5310 stakeholder process scoring committee, how is that process going or how did it go, being that we had a lot of changes in the 5310 Program?

MR. GLEASON: I've not yet sat down with staff to go over the program of projects that we have received from each district. I know in some cases we felt like it went reasonably well. In other cases, we actually had trouble pulling one together. I think everyone, to a certain
extent, struggled with the new distinction, and the federal guidance --

MR. SALAZAR: Sure.

MR. GLEASON: -- on eligible providers and, you know, which category of funding that they could apply for.

So I think -- I am being told that there will need to be a fair amount of tweaking done once we look at all of them.

MR. SALAZAR: Okay.

MR. GLEASON: I am not aware of any major breakdown in the process --

MR. SALAZAR: Good.

MR. GLEASON: -- and I think I probably would be if there had been one. But I don't think it was, in most cases, I don't think that it was very easy for people.

MR. STEPHENS: Eric, this is Rob Stephens on a follow-up. Do you have a timeline of when the local districts will be announcing awards?

MR. GLEASON: Well, as I said, we're targeting the May Commission meeting --

MR. STEPHENS: Okay.

MR. GLEASON: -- for award, and that is going to largely depend on how much tweaking we need to do once we get a chance to look across all projects.

So what I would anticipate is -- you know, nothing
is final until Commission action -- I would anticipate if we are going to be awarding funds in June -- in May, at the end of May, that around the first of May that we would be able to describe what our recommendation will be, somewhere in that time frame.

MR. STEPHENS: Thank you, sir.

MS. BLOOMER: Okay. And did we have somebody join us on the phone? Glenn? No? Did we lose Christina?

MS. MELTON CRANE: No, I'm here.

MS. BLOOMER: Okay. I thought I heard a --

MR. RIBAKOVE: I think that was somebody signing in on the public line.

MS. BLOOMER: Okay. And if there are no more questions for Eric, we will go ahead and move on to Item 5 of the agenda.

MR. GLEASON: If I may, Madam Chair, just a couple things -- point out a couple of other things that were in your -- one other thing that was in your packet. This is a one-pager that we developed in response to some questions from our administration on the 5310 Program, and we hope to be in a position of doing more of these in the future for other elements of our program.

Anyways, thank you.

MS. BLOOMER: And then Item 5, briefing and
discussion of federal funding authorization efforts?

MR. GLEASON: Yes, Ryan Granger from our Federal Affairs Office is with us today. I accompanied Ryan on a trip back to D.C. in March --

MR. GRANGER: I think -- yeah, three weeks ago.

MR. GLEASON: -- yeah, early March, to not only attend the American Public Transit Association Annual Legislative Conference, but to use that as an opportunity to brief a number of committee, staff, and individual Texas congressional delegation offices on the Department's authorization priorities for public transportation.

And what we thought we would do today is that Ryan and I would do kind of a tag team and he would begin with an overall summary of the Department's authorization efforts and things like that, and then more specifically, you all got information in your packet about the issues that we talked directly to congressional staff about while we were there.

So, Ryan?

MR. GRANGER: Well, for the record, my name is Ryan Granger with TxDOT Federal Affairs and thanks for inviting me to come and speak today. Eric just asked that I just give a broad overview of current reauthorization efforts and timetables, as well as best thinking on how all of that's going to unfold.
So, as of right now, MAP-21 expired in September and Congress passed an eight-month extension, which expires two months from today on May 31st. So USDOT floated its own proposal, the Grow America Act last year, I believe it was introduced by one of the members of the House. It was referred to, I think, several dozen committees where it went absolutely nowhere. But as a sidebar, they did introduce their follow-up, which was Grow America Act 2.0 yesterday.

There haven't been any reauthorization bills introduced yet.

MR. GLEASON: 2.0, huh?

MR. GRANGER: 2.0, yeah. But we may see something in days to come.

So, let's see, well, as far as where things are headed, I guess I kind of like to think of it as in terms of certainties and uncertainties, and I think the one certainty that we're hearing more and more is that there is not going to be a full bill before the MAP-21 expires -- well, the extension expires in two months from. That is almost near certainty.

And I guess my reasoning for that, and that's my opinion, but even Pete DeFazio -- he's the ranking member on the House Transportation and Infrastructure Committee -- on February 26th, I think he made an announcement that if
Congress were to pass an extension -- not a full bill, but just an extension -- it would need to do so by mid-March.

So, here we are at the end of March and not only has not, you know, both Houses passed it, but neither House has even introduced even an extension. So, we are behind, even as far as an extension goes, so the chances of there being a full bill in the next two months are pretty slim, especially considering that the House and the Senate are both in their spring recess right now and they won't be back until April 13th. So that means they have about six weeks to cobble together some sort of extension -- and I can go into more of that in just a second.

The second certainty that we're hearing more and more about is that tax reform is going to be Plan A, as far as funding the reauthorization. We heard this, Eric and I heard this in D.C. three weeks ago from the committee staff that we met with, and more importantly, House Chairman, Chairman Paul Ryan of the House Ways and Means Committee, which is the main tax-driving me in the House, he announced last week that it would be Plan A.

So that's our second certainty that tax reform is going to be the defining mechanic, which brings us to our first uncertainty, which is tax reform. It's not only a certainty, but it's also an uncertainty, because not only is it the way that they're going, but it's also kind of filled
with land mines and pitfalls. This is currently the fifth year of ongoing tax reform. Nothing much has happened previously. The Hill, actually, just a couple weeks ago, called it the fifth year of the "tax reform purgatory." So not a whole lot going on there.

National Journal released a -- did a poll on March 12th and they asked democratic and republican insiders how likely Congress was, during this congress, to pass tax reform. And I think, let's see, 78 percent of the 77 Democrats said they were not -- the Congress was not at all likely to pass anything this congress; whereas, 65 percent of the 87 Republicans asked said that Congress would not be likely at all to pass tax reform this congress. And that's not even just its current year. You know, congress goes until the end of next year, so not good polling statistics, as far as tax reform happening this congress.

And as I mentioned before, Chairman Paul Ryan of House Ways and Means said last week that any kind of tax reform would have to wait several months for House Ways and Means to make more progress on tax reform, which is going to push us way beyond the May 31sts deadline of current extension. The tax-writing committees just haven't shown any urgency, I guess, would be the word, in laying the groundwork for any kind of tax law changes or spending reductions that he needed to cover the $90 billion in
additional Highway Trust Fund deposits that you would need
for a baseline six-year transportation bill, which brings us
to the second uncertainty, which is the Highway
Transportation Fund.

So it's $90 billion of additional deposits that
are needed for a six-year bill. The Congressional Budget
Office foresees that it will probably stay solvent until
about July which is good in one respect, because it gives a
little bit of -- it lights a little bit of a fire under the
members to get somebody done, but on the other hand, it's
also something that introduces a lot of uncertainty into the
process.

So having gone through all the certainties and
uncertainties, how is this all going to unfold? Well, the
House recently just passed a very drama-free passenger rail
bill. Because transit is part of the service transportation
reauthorization, it is unlikely to be as drama-free as that
passenger rail bill. You know, my short-term prognosis is
that we're very likely to see a short-term extension before
May 31st, and I guess there's a very slight chance that
there could possibly be a new reauthorization bill before
the Highway Trust Fund runs out in about July or so, but I
would put that at very slight, at this point, so -- and
that's with the tax reform, you know, having to be done
first, that's a very heavy lift, so it makes it pretty
unlikely.

And I guess to give some context with SAFETEA-LU, the previous service transportation reauthorization, when it expired, it has ten extensions that lasted, let's see, I think two years and nine months, so, you know, it's difficult to say whether these MAP-21 extensions will go a similar route or something will come together with a new bill fairly quickly.

But, luckily, because it's only been a few years since MAP-21 was being worked on, you know, much of the same staffers that helped write that bill are still there. Usually, by the time a six-year bill, plus a three-year extension, you know, comes around, most of those staffers, they come and go like mayflies on Capitol Hill, so they're pretty much gone. So, luckily, it's only been a few years and hopefully, you know, most of the same staff will be there and that will help the process.

So that's my overview of transportation reauthorization. I'll hand it back over to Eric.

MR. GLEASON: So in that environment, and having impacted it dramatically, as far as I can tell, off we went to Washington and we talked to staff from Senate Banking and Finance, majority and minority staff from that committee. We talked to the majority and minority staff from House Transportation and Infrastructure. We talked to
Representative Farenthold's office, and the other Representative was --

MR. GRANGER: I believe Brian Babin --

MR. GLEASON: Brian Babin, that's correct. And then we talked to Senator Cornyn's staff, as well.

MR. GRANGER: Uh-huh.

MR. GLEASON: So a couple themes -- and there's not universal consensus on this, but, for example, Senate Banking and Finance staff, many of whom wrote -- or both of them were involved in writing MAP-21 -- so from their perspective, this effort is not about changes in policy to MAP-21, since it's only been in effect for two years and many of the programs aren't in full implementation yet. They did not see this as an opportunity to make policy changes to MAP-21. Their entire focus with our conversation was on just, you know, sustaining the Highway Trust Fund, finding a way to sustain and fund the Highway Trust Fund.

House T & I was a little more receptive to our ideas in terms of other things that we might do. I think ultimately, though, they will be constrained by the same conversation. So, anyway, we talked to them about three issues that are, in our minds, very important to us and the programs that we manage in Texas and some of these -- well, we have talked about all of these to one extent or the other.
The first one, and at the end of the day, if I had to pick one, the most important one, is on the Section 5339 Program, bus and bus facilities. This is the program where when Congress came to the rural program, to the rural subrecipients of this program, they established a flat-funding amount for every state. So Texas got $1.25 million. We have the largest rural population in the country by far, approaching the 6.3 million, and the second place is North Carolina with 4.3. And then Rhode Island, which has the smallest non-urban population also got $1.25 million. And so, you know, you can have fun with the numbers and look, see -- look how unfair this is, Rhode Island got $12.40 a person and we got $0.20 a percent; clearly this is wrong.

And one of the things we heard was -- I think we had a general acceptance of the issue. Solving the issue will take more money and there was some feeling that the $1.25 million represented a floor to whatever future solution there might be. So in the end, no one would end up getting less than what they got today. Our point was that that program ought to be distributed proportionately based on population like virtually every other program is.

And if you were to take the current $62.5 million associated with the program and distribute it based on population, Texas would get close to $5 million, instead of
$1.25. And so, we talked them through that. We also
provided them with some basic information that showed
them -- this is the chart at the bottom of the paper you
have -- that shows the impact of the 5339 Program and its
current funding levels on our ability, as a state, to keep
our fleet in a state of good repair, with the message being
that in two years, 60 percent of the fleet associated with
the rural and small urban programs in Texas will be beyond
their useful life from a mileage standpoint.

So, you know, I think this is the issue that we
got the most traction with back there. We also, subsequent
to that meeting, we sent them two tables, which you have.
Table 1 is the per capita distribution, based on the current
funding, and that shows you the ranking, beginning with
Rhode Island at $12.44 and ending with Texas. You know,
interestingly enough, if you look at the membership of the
Senate Banking and Finance, there is a fairly large rural
area representation on it. So you might think there would
be some openness to this issue on the committee.

The second table associated with this that we sent
them is -- said, Look, let's look at a couple different ways
of slicing the pie here with more money admittedly. The
first way was, let's hold everybody at their -- everybody
gets the floor of $1.25 million, and then if in a
proportional distribution based on population you should
have gotten more, you got more. And that's the A alternative. And what you'd see is that you would need almost $89 million -- no, I'm sorry -- you would need $80 million to give everyone at least $1.25 million, and then if you got more than that based on your proportional share, you would get more than that.

And then the second thing we did is say, Look, it doesn't take a lot of money to make us have a big impact on this program. You could double it, so you could add another $62 and a half million to this program, and if you also held, you know, everybody gets at least $1.25, and then you distributed based on proportional share, for $133 million, you know, for example, Texas, rather than getting $1.25 million would get $8.7 million. So, you know, whether or not they're going to find the resources to add funding to this program, the message was that the current distribution is unfair, it's ineffective, and it doesn't take a lot of money to fix it.

The second issue that we discussed with them -- and this is the one with the map called "Transit Without Borders." This is the population growth issue and the census impact issue where we have urbanization taking place on a yearly basis, around our major metropolitan areas and the census comes along and it re-establishes urbanized area boundaries, and this is what we went through with the 2010
And we -- this map that you see down here is an illustration of that, where the orange area was the urbanized area boundary for the 2000 Census and the green area is the urbanized area boundary associated with the 2010 Census. Now, if you look at the state of Texas, there's an estimated 2.8 million people in green areas. So if you attempted to get an estimate of how many people were affected by this, it's about 2.8 million people, and these are the areas where, you know, formally rural, now large urban with no relationship with an existing provider. And what we are looking for in authorization is the flexibility and the funding, in some cases, to deal with this. The main message here, I think, was flexibility, giving us the ability at the state or the regional level to put together multi-year transition plans around this change so that, you know, critical services weren't impacted by sudden overnight changes in designation.

The additional funding issue -- this is where we brought in what has historically been a significant difference in per capita funding levels for the Urban Program versus the rural program -- and, you know, if you looked at the currently Urbanized Area Program, the 5307 Program translates to about $15.74 per capita, and the Rural Program is about $6.81. So there's a huge gap in the per
capita funding level.

And there may be justification for that based on the role public transportation may play in some of the more heavily urbanized area, the additional expense associated with operation and maintenance of systems in those areas. But our point is that this gap is larger than it really ought to be, and that if over the course of the next authorization, progress could be made to close that gap, that would give these rural programs resources to address these growing population issues in between censuses that they don't get credit for.

This is a tough one to imagine getting too much headway on with authorization. It's kind of a hard issue for people to wrap their hands around. So I wasn't really -- I didn't really feel like we got a lot of traction with it. So it's hard to say where this will go, but in a growing state like Texas, this is hugely important for us.

MR. GADBOIS: So, Eric, Foxx is the about to roll out a new administration bill this month. Have y'all talked to his staff, DOT staff?

MR. GLEASON: USDOT staff?

MR. GADBOIS: Uh-huh.

MR. GLEASON: Ryan?

MR. GRANGER: You know, I believe that the Grow America Act 2.0, as they were calling it --
MR. GLEASON: Is this 2.0?

MR. GRANGER: -- just came out yesterday. So Federal Affairs is in the process of taking a look at the bill and we should have our analysis hopefully done and to the Divisions and Offices at TxDOT that it affects by Monday, we hope.

MR. GADBOIS: And it's not that that's necessarily going to go anywhere, but it would help if staff were framing this correctly.

MR. GLEASON: Okay. I'll take a look at that. Address these issues in that as well, makes sense, okay.

The third issue we talked about was with respect to the 5310 Program, which is something this committee has talked a lot about, and we chose to focus on the allocation issue, a curb in the program with MAP-21. So under SAFETEA-LU, 5310 was a statewide program; TxDOT received the entire amount of funding for the entire state of Texas and decisions were made in TxDOT districts on how to spend that money, irrespective of urban areas versus rural areas.

Under MAP-21, the program was divided and large urban areas received their funding directly from FTA and then TxDOT received the remaining portion of the state funding for areas under 200,000. We continue to do our efforts at the district level for areas under 200,000. Large urban areas conduct their own processes with those
funds.

So that, in and of itself, introduced challenges for us from transitioning from a statewide program to a program that was not any longer statewide. And a couple of things really made that more difficult. First was that when they did that, they also decided that 60 percent of the funding for the program should go to with the large urbanized areas. Twenty percent was small urban and 20 percent was rural.

And that's a formula that they use in other areas. The issue, when it comes to the 5310 Program is that the program itself is designed to be an overlay onto existing services. And in practice, as a statewide program, we had actually put in place investments that were almost the mirror opposite of that allocation. And it makes sense if you think about it, because the rural area is where there is no service to speak of, and so this program was -- we had made a significantly larger investment in the rural areas with this program, than the 20 percent allocation would allow us to make. And so what we heard from, I think it was Banking and Finance staff, was when they got to this question, they had a choice: they could keep it statewide or they could go 60/20/20 and they chose 60/20/20, and that was it. So our point to them was that they got it wrong, that they needed to flip that allocation, and then the
obvious discussion that ensued was, gosh, that's going to be
really hard to do unless we have more money.

The other point that we made with them is
increased flexibility of use, and this was specifically
related to the almost firewall that exists between the large
urbanized funding and our ability to use it in an area other
than the large urbanized area. We have the flexibility
within the funds that we receive for the small urban and the
rural portions of the state to make determinations that
needs have been met, and that we can move money between
those two programs as needed, based on recommendation from
stakeholder committees and what we think needs to happen.

Not so much so, that ability, to work that way
with the large urbanized area funds. We can do workarounds.
We can assume that one end of the trip is in the large
urbanized area. We can talk about using funds for that
trip, but it's much more difficult to achieve any sort of
coordinated effort through funding across those boundaries.
So we talked to them about more flexibility there.

MR. GADBOIS: So, and again, Eric -- and you
probably don't know this, but just ask -- is there
administrative rulemaking flexibility, such that you don't
have to wait for the legislation to change, and that the
administration and/or DOT staff could, through rulemaking
change, to create more flexibility in that allocation?
MR. GLEASON: I don't know -- is that in statute, federal statute?

MS. DUDLEY: I believe that the division is -- this is Kris Dudley for the record -- I believe that division is in statute.

MR. GLEASON: I know the allocation is in statute, Kris, but what Glenn's getting at is this ability to move the money from a large --

MS. DUDLEY: I think that just might be circular language.

MR. GLEASON: Let's take a look at that.

MR. GADBOIS: Yeah, because a lot of times the division will be in statute but then there will be a provision that allows administrative flexibility in how that's implemented, and if they could convey that administrative flexibility to the state level, that might solve your problems, or at least some of them.

MR. GLEASON: And then we had put together for them at the bottom of the page, some pictures that went toward this issue of the allocation. And the first one is, on the left, you know, for the small urban and rural area, we're talking about almost 98 percent of the geographic area of the state. And, you know, in a business where time is money, distance is huge and it rolls up pretty quickly.

The other two on the right are an effort to get at
this notion of current service availability and these are both calculated on the formula service investment in area. So not the 5310 Program, but the 5307 and 5311 Programs, the already-existing general purpose public transportation system, which is in place at the 5310 funds are being added to, as a complement.

And so two ways to look at current service availability. If you look at vehicle revenue miles per square mile, and this is straight from the statistics that we collect from everyone every year. Again, in the large urbanized areas you see 33,000 revenue miles per square mile and you see 196 in the rural and small urban areas. And then if you go down and then you look at vehicle revenue miles per capita as another measure of service availability, you can see it's, you know, 12 in the large UZA and 4 in the small combined UZA and rural. Again, it gets at this issue of the need for the allocation to change.

Now, anyways, those are the three items that we talked to them about. I guess I emerged most optimistic about the 5339. I think that's the one they're hearing a lot about. Now, they're hearing a lot about "Please restore the Discretionary Program" and there's a -- it's very difficult to separate decision from their earmark.

MR. GADBOIS: From what?

MR. GLEASON: Earmark.

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MR. GADBOIS: Okay.

MR. GLEASON: And so it's hard -- there didn't to be a lot of receptivity, at least in our conversations, to restoring the discretionary element, but that is something that they're hearing a lot about from people. And they're certainly hearing a lot about the larger system's need for more funding as well, under this.

So that is my report. Any questions or comments from any committee members?

MS. BLOOMER: Any questions or comments for Eric or for Ryan?

(No audible response.)

No? Okay.

MR. GLEASON: Thank you.

MR. GADBOIS: Thank y'all.

MR. RIBAKOVE: Michelle?

MS. BLOOMER: Yes?

MR. RIBAKOVE: Before we continue, let's just let Christina know that Glenn Gadbois has joined us here in the room, and let me also say to anybody who came in after the beginning of the meeting, that we've got a sign-in sheet on this table, and also a speaker card. If anybody would like to address the meeting, there's a little thing to fill out. Just hand it to me, and we'll make sure that you get your chance.
MS. BLOOMER: Okay. Thank you, Josh.

MS. MELTON CRANE: Thank you.

MS. BLOOMER: I think that concludes Item 6 -- whoops, sorry, getting ahead of myself -- Item 5.

That moves us on to Item 6 on the agenda, which is discussion and development of PTAC Work Plan, based off the guiding principles and comments made at the January 22nd meeting.

Before we proceed can either Eric or Josh remind us of the conversation at the January 22nd meeting?

MR. GLEASON: Yes, and we have minutes, as well, that would cover that?

MS. BLOOMER: Yes.

MR. GLEASON: At that meeting, we opened it up to sort of hear from members, anything -- any ideas in their mind that they'd like to see us address in a work program. I do know we had a discussion around looking at the whole issue around large urbanized areas, areas of the state that transition through growth from being small urban areas and then the next census, the population exceeds 200,000. We continue to provide state funding to those areas of the state until such time as they choose to reorganize themselves where they would no longer be eligible for that.

So there's a conversation about wanting to look at that as a phenomenon that we need to address from a policy
standpoint, in terms of how do we want to move forward with that. That's the one that sticks in my mind that was added.

There's that part and then there's just growth in general. Any sort of policy direction associated growth, how to deal with these areas that are in the urban gap. You know, the areas that -- where urbanization continues, they're funded through the Rural Program until the census comes and then, you know, the next day they wake up and they're part of a large urbanized area. What kinds of policies might we want to talk about having in place to get us ready even for the next census in that regard.

MR. GADBOIS: And one thing we discussed was TTI did all that research two, three, four years back --

MR. GLEASON: Exactly.

MR. GADBOIS: -- coming in presenting to us, we probably ought to ramp up to see if we can get that level of analysis, you know, for what's going to happen in 2020, to inform the group.

MR. GLEASON: Right. So I think ideally, in my mind, if I can, you know, we'd like to have a pretty open-ended conversation today on, not only that idea, but the ideas that were also part of the work done the last time we did this, which are the guiding principles. And, ideally, if we were to emerge with two or three key items, key policy-area items that the committee was interested in
pursuing next, that would be ideal. And this meeting would be the opportunity for the committee to brainstorm about what those efforts might be, the kind of things they might look at, and what we would do, then, is go away with that brainstorm and put together something a little more formal that we could put in front of you at your next meeting.

MS. BLOOMER: All right. So I think we tackled sort of our top two or three, based off of the guiding principles, which we finalized early in 2012. I think we want to take a look at these and see if there's anything on here that we'd like to take up, like Eric said, or if there's new items that we would like to add to be addressed. We could start there.

MR. McBETH: This is John McBeth.

Eric, where would you, in this document, where would we tackle the issue of the cities that surpassed 199,999, because as you know, there are six of those systems in place today and they're using 35 percent of the entire 5307 of the state.

UNIDENTIFIED SPEAKER: Thirty percent.

MR. McBETH: Thirty percent, yeah.

So, with the population growing the way it is, we're going to see more of those cities come in, and I think we were talking about having TTI taking a look at it and see what impact that's going to have -- currently, what impact
it would have. I mean I know for sure Bryan College Station is already over 200,000 population; they would be grandfathered in under our UTP if we continued to have this policy that once you go over 200,000, if you have existing small urban UTP, you could continue to receive the funds.

And we have discussed, you and I have discussed, the small urbans that are at that level, their population is capped at 199,000. They're not going to get any more population money, but their performance is so high that they can take a large chunk of the performance money, thus, when you have some of the rural areas move from rural into small urban, there's going to be less money for them to share with the small urbans that are already there.

So I think it's really a critical problem and I think it's something that really needs to be addressed, and I think TTI is the perfect group of people to do a financial forecast and tell us where we're going so we can then go to the leadership of the state of Texas and say, Something's got to give. You either have to create a new category for these people and move them out and fund it or you've got to phase out their money somehow, because they're going to eat all the money up.

MR. GLEASON: You asked where I would put it. I would probably put it under the first bill under support public transportation, goal number one, because this notion
of sustainable public transportation systems --

MR. McBETH: Yeah.

MR. GLEASON: -- I think it probably falls in there, and you know, I can see a fairly -- as long as we can structure it, a fairly broad-ranging conversation, and then we could ultimately end up, the committee could ultimately end up recommending some specific actions that might relate to, you know, as you suggested, funding issues, there could be administrative code issues coming out from this. There could be -- and I don't want to presuppose what the outcomes would be, but that's where we'll end up.

MR. McBETH: Well, we would at least have the data that shows us what the projections are going to be --

MR. GLEASON: Yes.

MR. McBETH: -- in five years and how that's going to affect all the other small urban areas.

MR. GADBOIS: And, John, so the second objective under the first goal, transit stability, you know, your example is the epitome of instability, where every ten years you just take a meat cleaver and re-divide the same pot.

MR. McBETH: Right.

MR. GADBOIS: So that would be my definition of instability, so I'm perfectly fine adding that under that conversation and let's figure out if we can't make some recommendations to stabilize that, whether it's separate pot
or transitions or what.

MR. GLEASON: And the other thing is we have coming up, in the current administrative code, currently, there are these state funds for census impact funding, and the current administrative code, if I recall correctly, has those funds being used for those purposes, specifically, until 2017, I believe it says, at which point it would either simply expire for those purposes or perhaps, based on a conversation here, there might be a recommendation to extend or to work differently with those monies.

MR. GADBOIS: So that ought to be part of the data that we gather is how has that worked and is it stabilizing, is it allowing enough time for transition, is it getting us where we intended it.

And remind me, Eric, how much was that money?

MR. GLEASON: It's $1.6 million each year.

MR. GADBOIS: Okay.

MR. GLEASON: And about $900,000 of that goes out through formula, which was based on a one-time calculation done back in 2013 of the impact of the shifting proportional shares amongst rural and small urban cities and that was holding them harmless from those changes.

MR. GADBOIS: Right.

MR. GLEASON: And so there's about $700,000 that actually is available each year for discretionary
application. We typically lump that into two years and go out once every other year for a call for ideas for how to use that money.

MR. GADBOIS: And that amount was set because we had looked at what the differentials might need to be --

MR. GLEASON: Uh-huh.

MR. GADBOIS: -- and a projected amount of money, right?

MR. GLEASON: Yeah, it's a totally different assumption on the urbanized areas, but we ended up with a pot of money based on research, and I think it was the strength of that statistical and mathematical analysis that resulted in the willingness to put that extra money into the program.

MR. GADBOIS: So we're not stuck with that amount of money, we could come up with a different answer and a different request --

MR. GLEASON: We could come up with a different request.

MR. GADBOIS: -- going into the future if we needed to.

MR. GLEASON: Yes.

MR. GADBOIS: Now that we have data.

MR. GLEASON: Whether we'll get the money remains to be seen --
MR. GADBOIS: Yeah. Yeah.

MR. GLEASON: -- but, yes.

MR. GADBOIS: Okay. So the other one is I see our planning director here. I think it's probably time that -- because y'all have now approved the Long-Range Plan that you were doing presentations to us on; is that not correct?

(No audible response.)

That's now approved, so part of what we ought to do is be looking for what opportunities or what, you know, implementation steps we ought to be recommending to feed in and support that plan. From what I remember in the presentations, the plan did a good job of creating a rationale for transit investment and we ought to be looking for opportunities in that.

MR. GLEASON: Okay.

MR. GADBOIS: Again, we don't know whether we'll get them or not, but we can ask.

MS. BLOOMER: It never hurts to ask, right?

MR. GADBOIS: Right.

MS. BLOOMER: Any other thoughts from the committee members, J.R. or Rob, from our transit providers?

MR. SALAZAR: This is J.R. for the record.

The only thing I would like to add is I do like the conversation about the 5310 Program. When you talk about transparency and that kind of issue and stability in
the program -- John, you can help me out on that -- we know from the rural perspective we used to -- were able to get into the JARC Program. JARC has gone away and New Freedom has gone away.

Now, through the 5311 Program -- and you know, that slides up and down as well -- we used to -- were able to count on the 5310 Program for, you know, our systems, and now even the 5310 Program is sliding with the new changes, and I'm aware of that, but it does seem like it's getting harder and harder for rural systems to maintain their systems and where they're at, much less any increases with that.

MR. GADBOIS: Help me understand that more. Can you give me a little detail or some examples of what's happening? Because in concept, I understand; we are transitioning a lot of things. That makes it kind of hard for the old arrangements of how you financed, et cetera, to work steadily. I get that in concept, but help me understand what that looks like in reality, because I don't operate a system.

MR. SALAZAR: Well, in reality, a couple years back with the 5310 Program -- I'll give you an example of us in Hill Country and the Brownwood District where, typically, when the 5310 Program came out, and we have a long history of working with each other, and let's just say there was
$100,000, Carol would get $50,000 and then we would get
$50,000 to provide service for 5310. And we used to be able
to maintain or know where we're at in the future years with
that.

Now, with the changes under 5310, we're nowhere
close to that $50,000. It's a lot of changes in that
program, and John can talk about that, too. So we wipe out
that $50,000 that we used to get in that district and we
wipe out the $20,000 or $50,000 that we used to get in
another district -- and we actually have four districts that
we operate in -- so we're taking away from a lot of the
things that we were able to do with that, because we're just
getting less money.

MR. GADBOIS: So that's the real issue, if I
understand it correctly -- and I'm going to kind of repeat
it back -- your overall budget is decreasing with all these
transitions and that may be nickel and diming it a little
bit from this program and a little bit from that program,
but the net result is your budget has got less money in it.

MR. GLEASON: Let me see -- let me just add -- and
J.R., correct me if I say anything that's not consistent
with what you're saying. I would say three things here.
Some of this is the impact of the allocation that's been
made at the federal level, because while all of a sudden we
didn't have as much money in total to work with.
Secondly, we have -- we, TxDOT -- at some prompting from the federal level, have gone in and we have, I think, deliberately engaged more people at the table with the intent of having the process be as inclusive of stakeholders as it can possibly be and those additional people at the table aren't necessarily supporting the same outcomes as what used to happen.

And then, finally, this year being the first year that the federal government also introduced a split in the program in terms of -- and I'm not going to get this exactly right -- but they made some distinction between traditional and nontraditional providers. And they lumped the traditional provider into the 55 percent of the program, and the nontraditional provider into the 45 percent of the program. The traditional provider looks a lot more like a nonprofit than it does a Transit District, and that is just, yet another twist in things that reduces the amount of money that you might have available.

And really what J.R. is talking about is this whole thing around stability and certainty, where how do you know -- with those three things, how do you know from one year to the next that you can count on anything? You know, we've opened up the process, more people at the table, not as much necessarily predictability in the outcome there as there used to be. It probably a good thing that we've got
more people there, but it has disrupted that predictability. You've got less money to work with and you have this twist in the program from the feds that, you know, almost make it unmanageable to work with.

That's what we're faced with, and it is probably a program that bears some element of review and resetting for a while, almost on an annual basis, based on what you've learned the last time out. And folks have to keep their fingers crossed that no more dramatic changes come.

MR. McBETH: Or reset it back to the way it was, because our real-life example is that we had a system that was working very, very well. Every year we issued a Call for Projects across three districts that wanted 5310 vehicles. We fully vetted the people that told us they wanted a 5310 vehicle. We made sure they had the financial solvency to operate one and they had the wherewithal to operate one, and then we awarded to those. We had a waiting list of those who didn't get it, that we would get them one the next time around.

And with this new process in our Bryan District, we have a provider -- fortunately, we're working with a really good provider -- and they came to us and included us and they want to do it. But in our Deep East Texas rural areas, that doesn't exist. It doesn't exist.

And so unfortunately, it's hard to say what's
going to happen in that area. If we aren't seen as the provider, then there's no telling, like you said, if it's just one of the classical nonprofits. We know how that used to work. They got the vehicle. They parked the vehicle, and then in five years they put 10,000 on the vehicle and they only took their clients to their location while other people couldn't -- that's why we always try to coordinate it.

So there needs to be a resetting somewhere. I don't know how you do it. I know it's not y'all's fault. I know it's at the federal level, and I've been on this soapbox in Washington, D.C., but the unintended consequences are going to negatively affect people that had a continuity of service and they're not going to have it any more; that's the bottom line. And it wasn't intended. I don't think anyone wanted it to happen, but it did and it didn't just happen, it's happening and there are going to be people that are disenfranchised, and when they get disenfranchised, the first person they call is their state representative and then they call me and want to know, why won't you give them a vehicle.

MR. GLEASON: I tell them to call you.

(Laughter.)

MR. McBETH: I tell them that you need to talk to Eric at TxDOT; that's who you need to talk to.
MR. GADBOIS: So I should stop telling them to call you, too?

MR. McBETH: Yeah.

MR. GADBOIS: So as I understand it, John, you know, the feds reducing the money is dysfunction that we can't fix.

MR. McBETH: Yeah.

MR. GADBOIS: But the other two categories that Eric talked about, I think that part of the idea, whether it's happened or not in reality or whether there were unintended consequences, we ought to look at that, but the idea was, you know, under the old system, yeah, there was kind of stability, but it was stability with a narrow set of people that were coming to the table dividing up money and there was thinking that there were more partnerships to be had out there that could, if brought to the table, contribute more service in the long run.

Now, that's going to go -- I think the philosophy behind some of that, certainly bringing in partnership in some places has increased the overall level of service and has increased the overall investment, and in some places it may not have. What we don't really have much of is any data on how that's working and where there are unintended consequences and what might need to be adjusted.

MR. McBETH: Yeah, I think the data that you would
have, just from the three of us that are sitting up here as providers, is we could give you descriptions like I just gave you of what's happening. There's not any hard data. It's data that we do need to -- I don't know how you put that data together, but if it's definitely have an effect -- I mean we're already seeing it, it's definitely going to have an effect.

MR. GADBOIS: Well, I don't think, you know, with -- I mean the general proposition is I don't think that anybody wanted to reduce the level of investment in public transportation providers. I don't think that was the intent at all, you know, and so I think at a minimum we ought to look at that, J.R., and see if there is some solution that allows us to get both, you know, kind of an enticement for other people to come in and start having buy-in ownership and investment in this transportation service. But, at the same time, you know, looking at a way to make sure that we continue investing as well as we can in the structure that we have built.

Is that --

MR. GLEASON: Well, that is -- when you look at the administrative code that exists today and you look at the description that goes out requesting projects, service continuity is an objective and it's a very important one. I think that finding out what's really going on is going to be
important and I think, you know, one of the things that's going to make it difficult is how creative people are about actually figuring out how to solve problems, even though they've not been able to do it the way that they're used to.

But I do think we are going to try to have to get at where are the gaps? Where are they happening? Where are the missed opportunities? What are we doing differently now that we weren't doing three years ago and why?

MR. GADBOIS: And part of this -- and y'all will recognize this that the world is changing, right?

MR. GLEASON: Uh-huh.

MR. GADBOIS: The way people transport themselves is changing. The way they do business is changing. Everybody has got to change their business model. Some that worked ten years ago isn't going to work ten years from now.

And so part of it, you know, was let's start figuring out ways to explore that, but at the same time, I think everybody wants to be sensitive to the fact that you guys still have infrastructure investments that you've made that we don't want going away where you're harmed.

MS. BLOOMER: Eric, how would you suggest that we proceed in looking at that, sort of identifying what the objectives were and then how well that's actually happening. Like you said, where are the gaps? Where are the missed opportunities?
MR. GLEASON: So I'm trying to -- I'm looking for a way to phrase this effort from a policy standpoint. You know, what are we trying to do from a policy standpoint before we dive into the middle of some results and then figure out what we're trying to do with them. I guess I would need some help in understanding how to phrase what the policy areas are that you would like us to put together a scope of work under.

MR. GADBOIS: So we've made some transitions in programs, right, and/or planning them.

MR. GLEASON: Uh-huh.

MR. GADBOIS: And we've asked for evaluation pretty consistently.

MR. GLEASON: And this is in the coordination planning area, going?

MR. GADBOIS: Yeah, I think it is.

MR. GLEASON: Okay.

MR. GADBOIS: So when we do transition -- so I think we've asked for evaluation on more broadly than just coordination, but let me -- so under encourage and reward innovation --

MR. GLEASON: You're looking at the principles now?

MR. GADBOIS: -- there's the last goal, conduct regular evaluations of funding initiatives, for example.
And so I would think as we're looking at doing transitions of programs and money that we would be constructing some way to evaluate whether that's achieving the objectives for which we made the adjustments.

MR. GLEASON: Okay.

MR. GADBOIS: Is that -- is that not doable?

MR. GLEASON: That's a loaded question.

(Laughter.)

MR. GADBOIS: So let me turn it around. It might be easier, is it doable? Do you know of a way to do it?

MR. GLEASON: Sure. And I think we can take that general interest on the part of the committee, because I'm assuming that might also apply to, when the time comes, the transitions we plan to make in the coordinating planning effort. Now, those aren't going to be on the table for now because folks are updating their plans first and then we're going to transition.

But with the idea toward there are transitions taking place, how do we measure, how do we evaluate, what's going on.

MR. GADBOIS: Well, let's look at starting this up for that, because an important part of an evaluation is the baseline, right?

MR. GLEASON: Let's not leave 5310 behind just yet. Let me -- how would you phrase what you wanted to look
at from a transitioning standpoint?

MR. McBETH: I think you can start off by finding out from each of the systems how it's negatively affected what they were doing and negatively affected their coordination efforts, because it's definitely negatively affected our coordination efforts.

MR. GLEASON: So we want a balance of both. We want to find out the negative, but we would also be interested in the positives.

MR. GADBOIS: And the positives.

MR. McBETH: And any of the positives, yes. Has it made it easier -- I mean we stumbled into a great group in the Bryan College Station area that have their act together, but that's two communities out of the 94 I serve.

MR. GLEASON: Hang on to that.

(Laughter.)

MR. McBETH: We're not going to let it go. We're trying to get them to start other ones in other places.

MR. GLEASON: Yeah.

MR. GADBOIS: And so budget, what's been the impact on budget. What's been the impact on -- how would you assess coordination, what would you evaluate?

MR. McBETH: I think you can start with just the number of different entities that you have shared services with that you're actually working with. I know we had a
list of those, the number of 5310 vehicles that we have placed over the years.

MS. BLOOMER: And I guess I'd also be interested in capital -- if the funds are used to purchase capital, what's the utilization on those vehicles?

MR. GADBOIS: Uh-huh.

MS. BLOOMER: Because I feel like every ten or twelve years we sort of go back and forth. We I first started, we were funding the small nonprofits with vehicles and there was a realization that they weren't utilizing them effectively or efficiently, so then we went to we weren't funding them and now it seems like we're going back around. And so, generally, we don't necessarily want transit providers to do what they do best, which is provide transportation; we want the nonprofits to do what they do best, which generally is not transportation, but we seem to be mixing those two again.

So I would be curious if we're providing them with anything related to capital vehicles operating PM, sort of what's their sort of metric for providing service versus --

MR. GLEASON: So we can do some general breakdown of where the money is going, you know, traditional versus nontraditional. We can go back three years and look -- you know, we can kind of do that stuff. We can look at the different categories of investment. We can additionally
track fleet, PM, purchase of service, you know, see how
those might be shifting over time.

MR. STEPHENS: This is Rob Stephens.

Eric, could we also introduce maybe a metric of --
maybe we're talking about different levels of service here.
Maybe a level of service that folks are providing. Maybe
you know, it goes to the issue of how you're
utilizing the equipment, because being effective and being
efficient are two different things.

I mean it may be effective for those small, little
organizations to do the two trips they do a day that's
important to them at the certain time and they get them
there and that's all they do. But is that what we're -- but
that's a high-level of service for them because that's their
mission. So, I don't know, maybe were talking about a level
of service -- you know, maybe there's a metric to measure
moving forward looking at some kind of policy to figure out
where we're at.

MR. GADBOIS: Well, it's not to discount that at
all, but the first thing that I think we ought to look at is
what data do you have that might be useful and then let's
start deciding what additional data going forward we might
need. Because my suspicion is that level of service is one
that we don't have any data on.

MR. STEPHENS: And that may be true, but I have
filled out those applications before, so from a provider's standpoint, you can provide information in an application process that provides these guys with information about what we're trying to do.

MR. GADBOIS: Okay.

MR. STEPHENS: So, how many trips do you think you're going to provide? How many miles are you going to travel? How many hours are you going to operate?

MR. GADBOIS: Yeah.

MR. STEPHENS: In our environments, we do kind of a mixed-use vehicle setting where these folks are just usually a very focused individual, kind of -- well, you know, just the problem we've always had: The client's needs versus from a systematic network need. So your client-based needs served are different than a network, you know, shared ride experience. So maybe we look at that as a level of service as a metric, I guess, and then evaluate what we're trying to do.

MR. GADBOIS: And without a doubt it's an important factor. I've got companies that are providing shuttles because Transit will never provide the level of quality of service that they want, giving their people things to eat and coffee along the way and whatever else. Well, Transit will never do that, right, but we don't collect that kind of information from people now, is, I
guess --

    MR. STEPHENS: Right. Yeah, there's WiFi on board -- I see where you're going. You're going to some other data that may not be gathered.

    MR. GADBOIS: Yeah, so level of service is important, whether it's the individualized -- if I need a caseworker going with or something along those lines, but I just don't know that we collect that data now. My suspicion is we don't.

    MR. GLEASON: That means yes, we don't.

    MR. STEPHENS: Right.

    MR. GADBOIS: Okay.

    MR. GLEASON: I mean yes, we do -- I mean, yes, we don't.

    (Laughter.)

    MR. GADBOIS: Yes, we don't, for the record.

    (Laughter.)

    MS. BLOOMER: Okay. So what I'm hearing from the group are really two issues going forward. One would be the 5310 Program and one would sort of be the growth, learning from the last census and starting to prepare for the next census, rural-now-urban, and how do we gear up for that transition, based off of what we learned from the last transition.

    MR. GLEASON: And I also heard a third, Madam
Chair, ongoing into the Department's Long-Range Plan and identifying a way that this committee can track progress. So those are the three that I heard and --

MR. GADBOIS: So the evaluation is not just 5310, it's also looking to set up for coordinated call and an evaluation of the --

MR. GLEASON: What I would suggest to the committee -- because your next meeting is going to be -- you meet every other month, so it will be the end of May -- is that from a practical standpoint, we can make progress on the growth and organization issue for you, and we can probably take a look at the Long-Range Plan, not so much on the 5310 yet, because the entire focus for the next two months is going to be getting ready for Commission action on those things.

So I'm going to say that it won't be until your meeting -- not next meeting, but meeting after that, that we can come back to you with some more thinking on that.

MR. GADBOIS: So May, June, and then July, August they should --

MR. GLEASON: Yeah, just from a practical standpoint, because staff isn't going to have a chance to do anything with that.

MR. GADBOIS: And then that would leave census for fall?
MR. GLEASON: No, we'll do census and Long-Range Plan at your next meeting.

MR. GADBOIS: Oh, okay.

MR. GLEASON: We'll take the next step with those two.

MR. GADBOIS: Okay.

MR. GLEASON: And then --

MR. GADBOIS: I would have thought it would take TTI longer than that.

MR. GLEASON: No, no, no. Let me be clear about what you'll be getting at your next meeting.

(Laughter.)

MR. GADBOIS: Okay.

MR. GLEASON: I think what we'll be able to get in front of you for the next meeting would be basically a scope of effort, a plan, kind of like this is where we see going with this.

MR. GADBOIS: Okay.

MR. GLEASON: And similarly with the Long-Range Plan, I haven't gone into it to see if we can't tease out some kind of an ongoing relationship for that plan with this committee.

But that same level of detail for 5310 is going to have to wait.

MR. GADBOIS: Okay. That's fine.
MS. BLOOMER: Okay.

MR. STEPHENS: Eric, this is Rob Stephens for the record.

One more question for you, I guess in this work -- what are we calling this -- Work Plan?

MR. GLEASON: Sure.

MR. STEPHENS: Where will we put in here the anomaly of the impact that both rural and urban providers are seeing in some parts of the state, due to the energy sector activity, you know, like that you'd have like in my area, an area where Sara's at. So there's like a handful of us who are having a unique experience in dealing with the economic conditions.

Some would call it a prosperity kind of situation, but some of us are dealing with the employment issues, you know, not being able to get staff and those kinds of things, competing with the private sector. So would there be a suitable place in here to kind of put that to discuss or talk about, maybe?

MR. GLEASON: Well, I think it goes under the first principle, again.

MR. STEPHENS: That's what I was thinking, but I would --

MR. GADBOIS: So is the problem that you've got so much competition for staffing that you're having trouble
keeping your operations going?

MR. STEPHENS: Yeah, it's the -- yeah, the unemployment rate is one of the lowest. And our area is probably one of the lowest in the state and in the nation, so I mean there's just more work than there are people, so that's one of the problems. I mean there's lots of problems there, but that's just one of the things that kind of cascades into many others and causes more problems.

So, yeah, we have struggled with staffing levels in both of the areas where we need operators with skill sets, technical skill sets and mechanics and those kinds of things, so, yeah, we struggle there.

MR. GADBOIS: So I understand that, we're going to talk about it. So help me think about it. As a committee, what would we do?

MS. BLOOMER: Well, this is Michelle. Didn't we talk, was it late last year before the last semiannual of getting together a workgroup or did I just dream that up? I thought we talked about it at the semiannual in July or maybe it was January and we were going to get a group -- the Division was going to get a group of providers that were impacted by it to start working on a white paper and what the issues were and options to address that.

UNIDENTIFIED SPEAKER: Wow.
MS. BLOOMER: Did I make that up?

(Laughter.)

MR. GADBOIS: It's the first I've heard of it.

(Laughter.)

MS. BLOOMER: Because I know we've discussed this issue before on the impacts of the energy sector and you can't -- the impact on -- subject to higher housing, traffic --

MR. STEPHENS: It's a whole unknown/known thing. You know, the same kind of thing happens when you shift programs and do different things with 5310 that impacts your infrastructure, budgets, and things.

So how do we, as a committee, help the staff kind of figure out how to help move something forward to stabilize our fund levels?

MR. GLEASON: Well, I think --

MR. GADBOIS: Let me just jump in before you for a second because you'll be amused by it. So part of why I ask the question I ask is because most of the time we just get to tell Eric to do something. And Eric isn't hiring people away from you; that's the private sector doing that, right?

And so we could say we need to bring awareness to the problem. We could say we need you know, a statewide kind of recruiting effort for the industry. We could say things like that.
I'm just wanting to know what you think of, in terms of solutions that this committee might be able to do.

MR. STEPHENS: Well, I'd rather not move into solutions right now. I think it's a good time to come up with solutions -- I think it's a little premature -- but those things that you mentioned are good. Those are good ones.

But it wouldn't be unlike any other solution that the Department would help with in trying to find out how to fill a gap when you've got transitions between funding programs and people trying to stabilize their budgets. So it wouldn't be unlike any other kind of solution that we come up with, it would be similar. So all of those things would be good.

MR. GADBOIS: Okay. Sorry, Eric, for interrupting.

MR. GLEASON: No, I think -- I don't remember the forum exactly that we talked about this in, but what I do remember is talking about it at the semiannual meeting extensively.

MR. STEPHENS: Yeah.

MR. GLEASON: I have described on previous occasions that energy sector impacts are on our radar as very important to address, and you know, it's inclusive of what people think of the medium, which is the cracked
windshields, the damage to the vehicles. But it's also meant to broaden the scope of understanding around that to include the competitive wage issue, to include additional congestion translated into additional travel time costs, you know, it takes significantly longer to get between A and B than it used to, and needing to be able to articulate those impacts in a quantitative way, as best we can so that when people are talking about energy sector, we're at the table and we're able to say something about it.

Again, you know, when I've talked to people -- some of this stuff like the competitive wage issue is a systemic issue; that's a community issue that's pervasive throughout. You know, the school district can raising their rates, you know, paying their drivers more, so, you know, that's yet another competitor for drivers and they're already paying more for that. You know, it's the wealthy element of this, but there are significant community impacts which are much larger than public transportation.

And now, of course, I'm not sure how people look at this issue right now because the price of oil has gone down and, you know, I don't know. I mean just when we're about ready to deal with this, the oil will drop and people will focus their attention elsewhere and then, boom, we'll be back in it again, you know, two years from now.

So in terms of what this committee can do, I think
it has to do perhaps around just simply quantifying a
description of a complete set of impacts.

MR. McBETH: We could write a letter to the king
of Saudi Arabia --

(Laughter.)

-- requesting that he do even more production and
drive Texas intermediate crude down to $28 a barrel.

MR. GLEASON: We'll probably have you do that not
on TxDOT letterhead. That will probably not be on TxDOT
letterhead.

(Laughter.)

MR. GADBOIS: Well, but what could be done -- I
mean the first step that could be done is, is there anybody
doing the analysis on impacts? Because everybody from
County Courts to the Legislature is at least discussing that
issue. Somebody's got to be doing some research on it
already. I don't know who.

Rob, there's your homework.

(Laughter.)

MS. BLOOMER: Is that an item we wanted to add to
the three existing?

MR. STEPHENS: Are you talking about Item 1 under
the task list?

MS. BLOOMER: No, I'm sorry, under our priorities
going forward with the 5310 Program, the urbanization and
growth, the Long-Range Plan. Did we want to add a fourth, which would be the energy sector impacts?

MR. GADBOIS: See, and I would think that's a subset under one somewhere, one of the goals. Because really what you're trying to get at is, number one, stability, and number two, people that are coming in doing that kind of impact, paying their fair share to kind of bring stability to the region, period. Right?

MR. STEPHENS: Right.

MR. GADBOIS: And so I would think that it comes under one somewhere.

MR. STEPHENS: I wouldn't disagree with you. I just want to make sure that it's an item that we don't lose focus or just forget about. I know that the oil prices have gone down, but I think it's going to be an impact that going to last in those areas for a while and there won't be a really easy solution to find to move it forward.

So, if there's an idea or tools or concepts that can help us move a solution forward, I'd like for us to at least be thinking about it. Thank you, sir.

MS. BLOOMER: Any other discussion on Item 6?

MR. GLEASON: So, now, this is an action item, so does the committee want to --

MS. BLOOMER: Just don't make me put it in the form of a motion.
MR. GLEASON: I'm fine with you not doing that, specifically. We can just draw from the nets. I just want to make sure that if you wanted to, you had an opportunity to.

MR. GADBOIS: So, let me make sure I understand. This Work Plan, Michelle, is our Work Plan to help guide us, right?

MS. BLOOMER: Yes, and initially we drafted the three-page document here sort of with everything and then we focused on one or two items with regional coordination being one, the census impacts, et cetera. So we can take a stab at updating it to incorporate what we've listed here or we can just say they kind of fit under there. But it was to help us with -- this is more of the broad vision, and what we've just talked about is sort of the more specific elements under the broad topics.

MR. SALAZAR: This is J.R. I was telling Rob, also, that this is something we started many years ago before John and Rob were on here. We started losing PTAC members and we just kind of lost our way for a little while.

MS. BLOOMER: Well, we kind of lost the document itself.

MR. SALAZAR: Yeah.

MS. BLOOMER: Glenn, I think we only have a hard
copy. We've lost the electronic version.

    MR. RIBAKOVE: Well, I believe we've got it. I
    can certainly reproduce it for you as a Word document, if it
    will make it easier to work with.

    MS. BLOOMER: But I think this is something
    originally Glenn and Al had worked on, so I mean we can open
    up again taking a look at this or we can agree that this
    still pretty much lays the large higher vision of what we're
    trying to accomplish and focus our efforts on, the three or
    four items that we identified today.

    MR. GADBOIS: Yeah, so I wouldn't suggest we need
    any formal adjustment to the language here. What I would
    suggest is we formally agree to ask Eric of the things he
    just said he would provide, to give all kinds of coverage
    that we're in agreement, that's actually what we want from
    him as a way to, you know, do our work according to this
    Work Plan.

    Is that fair enough?

    (No audible response.)

    MR. GADBOIS: He shook his head.

    MR. GLEASON: Well, I -- yeah, I mean --

    MR. GADBOIS: He's not responding for the record
    very well today.

    MR. GLEASON: Hey --

    (Laughter.)
-- that hurt.

MR. GADBOIS: All this body language doesn't get recorded.

MR. GLEASON: That's exactly right.

MS. BLOOMER: And I think we were in agreement with the two items for the next meeting, which would be our meeting in May, the end of May. It would just sort of be a plan or a scope of work, a starting point for the growth and urbanization issue and the Long-Range Plan issue that you had brought up.

And I see --

MR. GADBOIS: 5310 bumps to the second meeting --

MS. BLOOMER: To the next meeting in July.

MR. GADBOIS: -- or much the same --

MS. BLOOMER: Right.

MR. GADBOIS: -- of the, you know, consideration.

MS. BLOOMER: I'm seeing a little -- I'm seeing quite a bit of head-nodding here.

Christina, does that sound consistent with the discussion?

MS. MELTON CRANE: Yes.

MS. BLOOMER: Great.

MR. STEPHENS: Energy sector?

MS. MELTON CRANE: Yeah, sounds great.

MS. BLOOMER: And I think we're all in agreement
that we can add the energy sector into that as well?

MR. STEPHENS: Yes, ma'am. Thank you, Michelle.

MS. MELTON CRANE: Yes.

MS. BLOOMER: All right. I think that's about as formal of an action that we're going to get on that item.

So Item 7, public comment, do we have anybody from the public that would like to make a comment?

MR. RIBAKOVE: We have the not received any speaker cards.

MS. BLOOMER: Okay. Propose and discuss agenda items for the next meeting. Do you have the actual date of the next meeting, Josh?

MR. RIBAKOVE: Currently, the next meeting is scheduled for the last Tuesday in May; that's Tuesday, May 26th, and it is the day after Memorial Day.

MR. GLEASON: Monday's the 25th?

MR. RIBAKOVE: Yeah.

MS. BLOOMER: Well, we have plenty of time to plan ahead. You all can plan a vacation in Austin.

(Laughter.)

MR. GADBOIS: Oh, yeah, what a good time.

MS. BLOOMER: And I think we already covered items for the next agenda, so we should be good there.

Are there any other questions or comments before I adjourn the meeting?
MR. GADBOIS: May 26th was the date?

MS. BLOOMER: May 26th at one o'clock.

MR. RIBAKOVE: May 26th is currently the date, unless you want to adjust that.

MR. GADBOIS: So I just want to formally take this opportunity to thank all of TxDOT's staff for sitting through and putting up with our discussions. Thanks.

MS. BLOOMER: Anything else?

(No audible response.)

All right. Then the meeting is adjourned.

(Proceedings concluded at 2:29 p.m.)
CERTIFICATE

I, William J. Garling, CET, certified electronic transcriber, do hereby certify that the foregoing pages 1 through 66 constitute a full, true, and accurate transcript from electronic recording of the proceedings had in the foregoing matter.

DATED this 8th day of April, 2015.

William J. Garling, CET
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