TEXAS DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION ADVISORY COMMITTEE MEETING

1:35 p.m.
Tuesday,
March 19, 2013

Room 216
TxDOT Building 6
3712 Jackson Avenue
Austin, Texas

COMMITTEE MEMBERS:

MICHELLE BLOOMER, Chair
J.R. SALAZAR, Vice Chair
DR. AL ABESON
GLENN GADBOIS
ROB STEPHENS
BRAD UNDERWOOD

TxDOT STAFF:

ERIC GLEASON, PTN Director
KELLY KIRKLAND, PTN Section Director
BOBBY KILLEBREW
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PROCEEDINGS

MS. BLOOMER: Call the meeting to order. The first item on the agenda is approval of the minutes from the January 23, 2013, meeting. Are there any questions or comments regarding the minutes?

(No response.)

MS. BLOOMER: Has everybody read the minutes?

MR. GLEASON: Yes. I think there was one typo. Did you get that corrected, Michelle?

MS. BLOOMER: Yes. We noted it. There's two "withs."

MR. GLEASON: I've got you.

MS. BLOOMER: So Bobby will get that corrected. I also wanted to -- on that same item, which is Agenda Item 5, our discussion on the Texas Health and Human Services Commission, medical transportation program, at the second paragraph there, we mention that TxDOT Executive Director Phil Wilson met with the head of HHSC, and several members of the Texas Transit Association are about to meet "with with" the Deputy Director. So if we could get rid of that "with."

And it says, under the circumstances, PTAC members decided to table the letter idea. Can we just add some additional clarification that under those circumstances? And in light of Phil Wilson's December 18
letter, which I think we had decided addressed most of the
issues we were going to raise, that we determined it
wasn't necessary to send a letter from PTAC at that time.

MR. GLEASON: I think you had a copy of the
letter in front of you when we tabled the discussion.

MS. BLOOMER: Yes, we did. Yes. Those were
the only two changes. Were there any other changes?

(No response.)

MS. BLOOMER: Questions?

(No response.)

MS. BLOOMER: Okay. Hearing none, would
someone like to make a motion to approve the minutes?

MR. UNDERWOOD: So moved.

MR. SALAZAR: This is J.R. I will second,
then.

MS. BLOOMER: Okay. A first from Brad, a
second from J.R. And we will go ahead and just do roll
call to make it easier for those folks on the phone. Rob?

MR. STEPHENS: Here. Yes.

MS. BLOOMER: Okay. Thank you. Al?

MR. ABESON: I will abstain, since I wasn't
there.

MS. BLOOMER: Okay. Brad?

MR. UNDERWOOD: Aye.
MS. BLOOMER:  J.R.?

MR. SALAZAR:  Aye.

MS. BLOOMER:  Michelle, aye. The minutes pass with the recommended changes. Okay. Moving on to Item 2. I'm sorry, Item 3. The Division Director's report.

MR. GLEASON:  All right. For the record, my name is Eric Gleason, TxDOT Division Director for Public Transportation.

I will try and make this fairly short, because I think the two items we have, number 4 and number 5 really capture the substance of what is happening. We do expect for Item number 4, Mark Williams -- well, actually number 5. I'm sorry.

Item number 5, we expect Mark Williams to join us about two o'clock to go over the TDC rulemaking. And so wherever we are on Item 4 at that time, we should probably break and turn our attention to Item 5.

MS. BLOOMER:  Okay.

MR. GLEASON:  All right. Very quickly, from the Director's standpoint, kind of a quiet time at the Commission. Nothing is scheduled for this month. We have a number of actions scheduled for April.

Two of them are reasonably significant. We will talk about them in just a second, when I go over some of our activities, other activities. But it is kind of a
quiet time frame, and it probably won't really pick up again until and whenever we get the second half of this year's federal apportionments.

Which, assuming that Congress votes by the end of the month to extend the current resolution in some fashion at some level of funding, hopefully, we will have in the next month or two, or three. I will remind the Committee that last year, that final installment didn't come until July. So anyways.

Real quickly, just to let you know, this is not a policy issue for the Committee. But just to let you know that we are engaged in a lot of effort around the state to adjust designated recipient statuses, and identify direct recipient statuses for both the 5310 and the 5307 programs.

The 5310 program activity is triggered by the changes in MAP-21, where we have our large urbanized areas need to select a designated recipient for that program. And to my knowledge, they have all done -- they are all working toward that.

And we have two areas that we know of for sure that are going to ask the Department to continue in a designated recipient role for a temporary period of time, until they get their local processes in place. And those two areas are CAMPO, here in Austin.
They are looking for us to assume a six-month role that way, and then Laredo has asked us to perform the designated recipient role for fiscal year '13. And in April, we will be going to the Commission to seek their approval for that, on those two areas.

As far as I know, everyone else is moving, with the possible exception of H-GAC is moving toward taking it over locally. H-GAC is still considering what to do, I guess, is the best way to describe it. They have been back and forth a couple of times, but we still don't know yet what their final decision is.

On the 5307 side, FTA informed us --

MR. GADBOIS: Excuse me, Eric, for just one second. This is Glenn. Sorry for showing up late. But I am now on the phone.

MR. GLEASON: Okay, Glenn. No problem. On the 5307 side, a long-standing arrangement here in Texas, where the State and the Governor and the Department had passed down the designated recipient status on the 5307 program for the Governor's Apportionment Group.

We had passed that down to a local area, or a local provider. And then subsequent to that, areas may have chosen a direct recipient to have a relationship with FTA, from the compliance standpoint. That is a long-standing practice.
We have received word from FTA that that practice was no longer valid. And we are in the process, in 21 different areas of the state, helping those areas to move through a decision process, a local decision process to identify a direct recipient.

Now, we have -- seven of those 21 areas have completed that process. 20 of the 21, including those seven know what they want to do and are just working through the process. And one of them, the City of McKinney has not made a determination yet, because there is another issue going on in that area, that they are kind of waiting on, or working with, before they can make that choice.

So that is a lot of work on our part that doesn't necessarily have added value to the programs that we manage, but it is an important step. And it wasn't one that we saw coming, quite honestly. But it has been a lot of our time to do.

MR. UNDERWOOD: Eric, on that, did you ever see anything from Washington about that, or was this all come out of Region Six?

MR. GLEASON: I think all the direction we have received on that has come from Region Six. My understanding of this, and Bobby, jump in if I am wrong -- I think it is not fair to characterize this as a MAP-21
triggered change. I think there may have been some
language in MAP-21 that clarified the situation.

But my understanding is that there have been
other areas of the country who approached the program the
same way that Texas does, that have been doing this for
some time. And it was really just something that we were
doing different in Region Six, that we now have to
correct.

MR. UNDERWOOD: Okay.

MR. GLEASON: And the most recent information
we have on that, when it was originally presented to us by
FTA, it was only going to apply to applications for fiscal
year '13 funding and beyond. Last week, we heard some
additional clarification from FTA, where it also applies
to any new application for funds, whether they be 2013
funds, or whether they be prior year funds.

So if you are, you know, the City of McKinney,
and you have not applied yet for fiscal year '12 or '11
federal funds, you can't successfully apply for them until
you make your direct recipient status decision. We had
thought it would only apply to fiscal year '13.

It applies retroactively, if you have not yet
applied for those funds. All right. Enough on that.

MS. BLOOMER: Sorry. Can I just --

MR. GLEASON: Sure.
MS. BLOOMER: This is Michelle. So is the new -- I guess the change now is the designated recipient, if they are not applying directly to FTA for the money, has to designate specifically who their designated recipient is, to allow the designated recipient to go directly to FTA?

MR. GLEASON: Under the -- the State retains the designated recipient status. We cannot give that away.

MS. BLOOMER: So McKinney actually isn't the designated recipient?

MR. GLEASON: Not any longer. We are.

MS. BLOOMER: Okay.

MR. GLEASON: We are. Except for those funds which they have already applied for.

MS. BLOOMER: Applied for.

MR. GLEASON: And received.

MS. BLOOMER: New funds. So the State remains the designated recipient for the small urbanized areas?

MR. GLEASON: We are the designated recipient.

MS. BLOOMER: And now you are looking to the McKinney urbanized area --

MR. GLEASON: To make a decision on a direct recipient.

MS. BLOOMER: On a direct recipient. Not
necessarily the City of McKinney. It is the McKinney urbanized area. Okay.

MR. GLEASON: Yes.

MS. BLOOMER: Okay.

MR. GLEASON: Three other issues that are happening; two counties, Collin County and Jack County are going through processes where they are asking questions of themselves about whether or not they want to either change the rural transit district affiliation, in the case of Jack County. They are currently with Public Transportation Services.

And we have heard that they are interested in joining Rolling Plains, although we have not seen any formal communication to that extent from them on it. And then the more complicated situation is in Collin County, where the Collin County Commissioner's Court is looking at possibly changing rural transit designation status; currently with C-Carts.

And the City of McKinney needing to make its direct recipient decision. Currently, C-Carts provides those services in the McKinney urbanized area. And so the process is such that they are all trying to move along this decision spectrum at the same pace and at the same time, so that they make a set of decisions which is best for the entire area.
And it is further complicated in that the COG funds services in a portion of Collin County that is in the Dallas area UZA. So it is a rather complicated situation.

So that is another -- and the last thing I will mention is that Kerrville Bus is an intercity carrier. A longtime Texas intercity carrier has abandoned its services in Texas.

I guess that is the best way to describe it. We had had a conversation and had received notice from them on February 14th that they were planning to do this as of April 3rd.

We have learned two weeks ago now, something like that, that they -- at midnight of the date we heard, they were abandoning service. So we are trying to work through both the contractual implications of that, and as well as the service implications of that.

There are four intercity connections that are impacted by that. There is one from Houston to Texarkana. One from Galveston to Houston. And one from San Antonio to Lubbock. Those three actually have underlying Greyhound Service available.

And then the fourth one is from Eagle Pass, Del Rio into San Antonio, which has no alternative underlying service in the rural transit district out there.
Southwest Rural Transit District is seeing some pickup in activity on its services, because of that. So we aren't yet in a position of trying to jump in and set up an alternative service, because we are focusing on that last connection. And it is one that we may need to do something, if Sarah Cook down there at Southwest Regional Transportation needs some help. That concludes my report. Any questions from the Committee? (No response.)

MS. BLOOMER: Do any of the members have questions or comments for Eric?

MR. UNDERWOOD: On the Kerrville Bus, I guess I have only got one follow-up question. They will still operate their Megabus services? It is just --

MR. GLEASON: Yes. The Megabus, they are -- you know, Kerrville is a subsidiary of Coach USA, which was purchased by, or has always been a part of Megabus. I am not sure what the right way to describe that is. But Megabus operations, if you have been out traveling on the freeways, they are becoming a fairly common sight. And they seem to be, from a corporate standpoint, the focus is on the major intercity pair connections. And not on the in between connections in the rural areas, that the intercity bus industry has
traditionally provided.

MR. UNDERWOOD: Okay.

MR. GLEASON: And that is just not a Megabus
Kerrville issue, either. Greyhound has struggled with
that changing market dynamic as well over the years.

MR. UNDERWOOD: So I guess it is fair to say
that with Kerrville leaving, there could be some gaps in
service that has traditionally been provided by Kerrville
for interlining.

MR. GLEASON: Yes.

MR. UNDERWOOD: Okay.

MR. GLEASON: Yes.

MS. BLOOMER: Okay. And then, Eric, can you
just provide us, if there has been any other
communications or discussions since the January meeting,
with regards to Medicaid and HHSC. I know --

MR. GLEASON: Well, I will have a legislative
update later in the meeting. What I will say at this
point would be that from the Department's standpoint, we
have not had any formal communication further on it.

It is our understanding -- and it is my
understanding, that things are working their way out and
through the legislative process. That Senate Bill 8, if
it is still is Senate Bill 8, was introduced by Senator
Nelson, and had in it some language that would move the
entire Medicaid program to a managed care model in the state, including transportation.

And that the industry has been working very hard and closely with not only the Senator's office, but others to make some language changes in that legislation that would be more beneficial to the current partnership that the industry has with Medicaid program.

And others around the table know more about that than I do. That is where that stands.

MS. BLOOMER: Okay. Any other questions on the Director's Report item?

(No response.)

MS. BLOOMER: Okay. Hearing none, we'll move on to Item 4, and get as much of the way through as we can before two o'clock.

Before we -- Bobby, did you want to introduce it, or do you want me to start, and then you want to -- okay. So I think you all got the email. And hopefully, just want to set the stage.

What my goal is, by the end of today's meeting, is we will come up with some consensus to be able to provide PTN with some high level consensus for PTN to go back and be able to start drafting the text. What I want to try to avoid is getting into the details, sort of the sausage making of what the revised rules might look like.
And then stick to just the big picture items. Should it be statewide? Should it be district? And then leave it at that, and move on to the next item.

So we are going to try to go through this. We will just start with the -- and really, what I see, and people can weigh in -- is there is mainly three programs that are the biggies; the 5310, the 5311 and then the 5339.

And then I think we need to provide some guidance related to the 5326 safety, and the 5329. But I think we can leave those two to the end. And just take the three biggies first.

So we talked about it at our last meeting, we talked about it at the TxDOT Semiannual Meeting. We talked about it after the day after the Semiannual Meeting. And then the survey.

So I hope everybody had a chance to review the survey results. And if it is okay, I think what we will probably do is just start going through the survey results, and figure out what those big picture items are, as far as guidance.

Bobby, do you want to give any intro to the survey results, or the responses? Or do you just want to dive right in? Dive right in.
MR. KILLEBREW: Yes. For the record, this is Bobby Killebrew, Deputy Director of Public Transportation Division. Good afternoon, everyone.

And as Michelle said, there is a variety of resources that we have collected so far. And Michelle named those off. The most recent one being the survey that was included in your packet.

I don't know that the survey response rate was all that fantastic. As you can see, we only had 20 agencies responding, which is fairly low. You know, I would say, don't let that bother you, when you are thinking about these programs.

A lot of people, including maybe some members of this Committee, you know, they will know when they see it. Or they are not able to comment until something is thrown up on the blackboard in front of them, for them to be able to read. So where we really need to get to at this point, is really throwing that thing up on the blackboard.

You know, what can we glean from the survey, from the people who did respond, from you as individual members, as you represent different things, like public transportation systems or users and so forth, from the other gatherings we had with the providers. What can we glean from all those different resources. Is there a
common thread there?

    Is there something that this Committee wants to see, whether it is a common thread or not. Where do you want to see these programs go, as we are looking at the rules. Or do they work just fine where they are at now, and there is no need to make any change.

So as staff, we are sitting here ready to listen to you, and trying to be a resource to you as well. But it is the bigger picture thing. You don't have to worry about writing the text, the Administrative Code. Someone else will do that.

Some of the things that Michelle was talking about, the nitty gritty stuff, some of the more detailed stuff. Don't worry about that. We will come back to this Committee at a future date and see the nitty gritty stuff, those detailed oriented items.

It is really the bigger picture items. Where do you see this going, or is it fine the way it is. So I think, putting it all together in your head, and that is a lot, that is an awful lot.

You know, I think the table is open for the discussion and some of the big picture items. So Michelle, I think you wanted to take them one program at a time. And I will let you --

MS. BLOOMER: Yes. I think it would be easier
if we focus on one program at a time. Limit our
discussion to that program, and those key areas of
discussion, related to that program. Finish that one, and
then we can move on to the next one.

And that will also allow us to take a break
when Mark arrives. Okay. So let's just go ahead and
tackle them in order, and work our way through.

The first one is the 5310 program. I think,
just going down, the first issue is funding. Currently,
the 5310 program funds are sort of formula allocated to
the districts. And then there is a somewhat consistent
district level selection process.

With MAP-21 now in place, not all of the 5310
money will be going to TxDOT. It will be going to large
urbanized areas, to those areas, and then -- correct me --
the small urban and the rural will then go through TxDOT.

So the question is, does it need to change?
Does it need to change? Should it stay a local process?
Should it stay at the district level? Should it go to a
regional coordination level, or should we open it up to a
statewide call for projects?

We had two -- well, I'm not going to read it.
You can see what the results were from the survey were.
But I wanted to open that up for discussion and then
consensus on where we as PTAC think the 5310 program
should go. So who would like to go first?

MR. SALAZAR: This is J.R. Let me just say that I think that is pretty clear by the survey that the consensus is to basically leave some of the things that we have been doing in the past the same way, rather than taking away from the local process. I think the local process has worked.

Now there are some issues within that process itself. But I do think that there isn't very much argument to move that from a local process, I guess.

MR. UNDERWOOD: My only concern is, Bobby, if we keep it at the local process, with districts for allocating per TxDOT districts, there are some districts that will have no 5310 funding. Correct?

MR. KILLEBREW: This is Bobby. If we keep it at the TxDOT district boundaries for the purposes of allocating funds and the selected process, every TxDOT district allocation will have some money.

Some of those TxDOT district allocations will be very small. So it may be difficult to find a project that they can --

MR. UNDERWOOD: Like $20,000 something. Right?

MR. KILLEBREW: It is possible it could as low as $20,000. When you take the pot for the rural -- and this is mainly in the rural area. When you take that pot
and you split it with the current formula, some districts will just end up with very little money, using that formula.

MR. UNDERWOOD: And there's how many TxDOT districts?

MR. KILLEBREW: There's 25 TxDOT districts.

MR. UNDERWOOD: And then how many RPCs do we have? Regional Planning Commissions.

MR. KIRKLAND: Twenty-four.

MR. KILLEBREW: Twenty-four regions, yes.

MR. UNDERWOOD: So if we -- I'm trying to follow this logically. If we were to take the 25 districts that we have -- TxDOT districts that we divide the money into and say, Well, let's do it to the Regional Planning districts, there's really no fewer regional districts than there are TxDOT districts. Right? So the money ends up being the same.

MR. GLEASON: Well, the boundaries are different. This is Eric. The boundaries for those Regional Planning are different.

MALE VOICE: Those are different.

MR. UNDERWOOD: So the money would be different allocated. Is that still going to leave some regional transit district with the same kind of scenario, with very little money?
MR. KILLEBREW: This is Bobby. We have not run the scenarios as far as allocating the funds to a regional planning district area versus the TxDOT district voucher. You are right, you are talking about a different geographical area, and so with the populations in that geographical area that would imply.

We would also have to determine whether or not we want to keep the same formula for allocating the funds to those 24 different areas. Right now, the formula is 25 percent of the rural money is split equally between the TxDOT districts and 75 percent is based off of the disabled population.

If you have an accommodation, and let's say, we don't allocate by TxDOT district, we allocate to the regional lead agency boundaries, but we also change the formula, it is no longer 25 percent spread equally, and the rest, based on population. That could all have a bearing on how much money each area gets.

So I don't know that it is as simple as saying, if we keep the formula the same, instead of doing the 25 TxDOT districts, we do the 24 Regional Planning agencies, we have not run those numbers, but -- I mean, it's possible. Again, you are looking at some of the more rural areas may not get as much allocation.

MR. GADBOIS: Okay. Bobby, can I jump in for a
second and ask a couple of questions?

To the best of my memory here, there was a problem -- I know -- I think my problem is with the way we do 5310. But I am assuming y'all had a problem definition or a problem you wanted solved, when you were trying to get at in creating this survey in putting 5310 on the survey block in the first place. What's the problem?

MR. KILLEBREW: This is Bobby. I don't know that we identified that there is a problem, Glenn. The survey was crafted out of your last PTAC meeting, identifying certain areas that, with the changes brought about by MAP-21, should this program change, or should we leave the program the way it is currently written in the Administrative Code.

Some of the observations we have pointed out, when we did our analysis for MAP-21 for this committee, was that sometimes the current way of allocating the funds in this program does not work as well with the MAP-21 changes. One being the thing that Brad just talked about with the money being split into a rural pot and to a small urban pot.

If you run it through the existing formula, some of the areas of the State end up with very little allocation; not much money to do anything with. So that is an observation.
MR. GADBOIS: Okay. So the problem statement is making sure 5310 is realigned as objectively as possible with the changes of MAP-21; that are already happening, because of MAP-21? Is that a fair statement?

MR. KILLEBREW: I think the first statement I would say is that one of the things that TxDOT will be charged with is to make sure that this program is administered in a fair and equitable manner in the state of Texas. And so in concurrence with what you just said, Glenn, we need to come up with a solution that does administer this program in a fair and equitable manner across the state.

MR. GLEASON: If I can jump in?

MR. GADBOIS: Okay.

MR. GLEASON: Glenn, are you finished? I'm sorry. I didn't --

MR. GADBOIS: I have got more. But go ahead, Eric.

MR. GLEASON: No. I was going to take us down a different path. So you go ahead and finish up.

MR. GADBOIS: Okay. So if you are really looking at, do we need to change the formula, the survey responses are directed more towards the process for deciding. Correct? And so --

MR. KILLEBREW: This is Bobby. Glenn, I think
it is --

MR. GADBOIS: Yes. Go ahead.

MR. KILLEBREW: The survey addressed some different things. Michelle was kind of going through those different areas. Part is the project selection. Part is planning. Part is boundaries. Part is allocations.

The 5310 survey had several questions in it, and we have not gotten down to those other questions. But some of the questions dealt with the allocation of the funds as well.

MR. GADBOIS: Okay. And since it is not in front of me -- and I apologize about that -- I'm having to do from memory, which is always a bad thing.

But I remember that most people wanted the planning and decision making at the local -- at a local level. What did they say about the formula?

MR. KILLEBREW: This is Bobby. Just looking at the survey -- and I know we had very limited responses on the survey, but looking at the survey, the responses was to use the lead agency boundaries for determining the allocations.

And there wasn't any comments in regards to what the actual formula should be, on how it would be allocated to those lead agency boundaries.
FEMALE VOICE: Other than --

MR. GADBOIS: Okay. So the discussion point that is being talked about before I jumped in, is where do we actually -- I mean, what is the boundary? Whether it is a planning district. Whether it is a Regional Planning District or TxDOT's district.

MR. GLEASON: If I can jump in for a second. I think, Glenn --

MR. GADBOIS: Yes.

MR. GLEASON: -- that there is a fundamental decision that the program could be run and managed competitively at the state level. Some states do that. Or it could be local.

And if the Committee wants to go local, then we are talking about two options for that local process. One could be district based, the way that it currently is today. And the other could be regional planning area based. And there may be yet a third or fourth.

But those -- and so kind of moving us through, where do we have consensus, and where do we still want to discuss, you know, it sounds like local. And then we are discussing the specifics of that; whether it be district based or regional planning area.

And to a certain extent, the formula conversation, there was an interaction there, because you
want to pick a local area that generates enough money to
make it worthwhile, for that area to have a process. And
so there is a little bit of interaction there, between the
selection of the boundaries and what the formula yields.

But I am wondering if we could tease out the
pros and cons of district versus regional planning area.
That might be enough for us to move ahead with some
language that you know -- and we could run some formula
options at that point.

MS. BLOOMER: I think right now, we are just
trying to figure out the method, as far as the level at
which it could be. And then once we determine that, then
we can figure out the method or the level at which it
would be.

MR. KILLEBREW: Yes.

MS. BLOOMER: And then once we determine that,
then we can figure out the method at which level we have
selected the funds are awarded.

MR. GADBOIS: But --

MS. BLOOMER: Do any other members have any
comments or thoughts on a local process, versus a
statewide competitive call?

MR. ABESON: This is Al, Michelle. Could you
similarly indicate the relationship between the districts,
the planning agencies, and the coordination plans that I
believe now exist throughout the state, so if the question were asked how could this program further advance the coordination initiative, where would that responsibility lie? And is that one potential criterion for deciding this question.

MS. BLOOMER: Al, I think we get to that in other items. I think right now, we are just trying to figure out if this program should be project selection led at the state level, or led at the local level.

And then later we come into, how do we connect regional coordination to it. There's another one on priorities where that can come in. And then there's planning where that can come in.

But I think right now we are just trying to figure out, do we as a group think project selection should rest at the state level or at the local level. And I've heard one local. And I think I've heard one state.

MR. ABESON: This is Al. I'm going to opt for local.

MS. BLOOMER: I couldn't hear.

MR. ABESON: Sorry. This is Al. I am going to opt for local.

MS. BLOOMER: Okay. So we have two locals. Rob, would you like to weigh in?

MR. STEPHENS: Well, I mean, if we are looking
at the survey here, to -- you know, I think the overwhelming, you know, direction, is the local process. I mean, unless there is a compelling reason why we wouldn't want to do that, I would have to select local as well. I mean, unless there is some compelling interest, otherwise.

I mean, I would go local process. I would like to hear the argument for state, just so that I can make sure that we have the right direction.

MR. UNDERWOOD: My reason for choosing --

MR. GADBOIS: And Michelle, have you counted a vote for me, in this? And which way was it?

MS. BLOOMER: No. I haven't it. Do you have a vote, Glenn?

MR. GADBOIS: Okay.

MS. BLOOMER: Do you have a vote?

MR. GADBOIS: Yeah, I do, I think, although I want to caveat it with, I don't think we have enough information, because my bigger criteria here is going to be how do we maximize the distribution of money to affect where we want to go?

And the local, if it gets chosen just as local, could end up being TxDOT districts. And we know that that distributes money to where -- in a problematic way. Some districts will not get enough money to do anything
significant.

As a consequence, I would rather see a scenario for all three of these options before we finally decide. Without a doubt, I would rather keep the decision making local. But I also want to solve a particular problem, which is these decisions need to stop being made protectively, where only the providers at the table get to express their interest in where the money lies.

And too often that's protecting their money stream and not looking at other strategic priorities like, you know, innovation or even coordinated goals.

MS. BLOOMER: Okay. So you're statewide, local, on the fence, or not willing to --

MR. GADBOIS: Yes. I'm not on the fence. I don't think we have enough information to decide based on what I want to decide on, which is the distribution of money.

MS. BLOOMER: Okay. And then, Brad, did you want to --

MR. UNDERWOOD: Yes. I will answer Rob's question. And I kind of -- I agree with you a little bit on that, Glenn, in the fact that I would like to see how the money breaks down in the rural transit districts. Or -- I'm sorry -- not rural, but the Regional Planning Districts.
And the reason why that is because under the current setup, with TxDOT districts, there is not enough money to maximize what we need to be doing with this program. So I would just as soon put it at a local competitive level.

That way we can address needs based on merit and demonstration of need, rather than, you know, three providers show up to a $24,000 pot. To me, that doesn't help anybody. I think it's just a different way of going forward, under MAP-21.

So for me, I weigh in on the local side -- I'm sorry -- on the statewide side. I could be convinced that it could be a local process once I see how the money would fall out in the rural planning districts. But until that time, you know, I still lean towards the state side.

MS. BLOOMER: Okay. And then I just want to -- I will add my two cents. I am usually a local decision person.

But my concern is back to, I am not sure our goal should be to make sure we equitably distribute the money across the entire state so everybody gets a little piece of the pie. I think it is more about how best to leverage that funding across the state, to provide as many trips as possible.

So that's where -- and I'm also concerned that
if we do spread the pie out across all 25 districts, you're going to get such a small piece of pie left, what can you really do with it? So I don't --

MR. GADBOIS: Well, isn't that a question of the formula? I mean, is there something that says it has to be equally distributed?

MR. UNDERWOOD: No. But I don't think there is the money that was there before. Is that correct, Bobby?

That must have been there in years past.

MR. KILLEBREW: This is Bobby. What Brad is referring to, and Michelle alluded to earlier in the conversation. The money that comes to Texas is now broken down into three pots.

The large urbans will get the 5310 funding directly to their large urbanized areas. And that is the lion's share of the money that is going to come to Texas.

The amount that comes to TxDOT to administer for the small urban piece, and a separate amount that comes to TxDOT to administer for the rural piece is a much lower number.

And we take these much lower numbers and we start running them through the existing formula, which is, as I explained earlier, it ends up with very little funds in some areas of the state, based off their A&D population. So we have a smaller pot now, that runs
through TxDOT's administration of this program.

MR. UNDERWOOD: Yes. So I guess to answer, to follow up, even though we changed the formulas, we are still dealing with less money here. Right?

MR. GLEASON: Less money and less area of responsibility as well geographically, because the large urbans are getting the money for their program.

Really, it has more to do with -- it is more of a transition issue for us, in many respects, because it depends on how well the current distribution of funds across the projects reflects the funding breakdown between the large urbanized areas and the small urbanized and rural areas.

You know, the issue from a position standpoint, is when they don't mirror each other very well, and we have a disconnect between who has the money, and from a service continuity standpoint, who needs it while we make that change. What I would like to do, and I think we probably need, Madam Chair, to move to table this for the moment, and move into the development credits conversation.

I would like to throw out for the Committee a consideration that would the Committee be interested in seeing something that preserves the decision making locally, but included at some statements of overarching
statewide interest. Where, there would be opportunities
to express some overarching elements of statewide
interest. Some of the things we have heard.

We could write those kinds of things into the
Administrative Code, and still preserve a local decision-
making process. And so without debating the specifics, is
that general concept something the Committee would be
interested in looking at as an option?

MR. GADBOIS: I just had -- this is Glenn.

MS. BLOOMER: Hold on. Can we --

MR. GADBOIS: Go ahead, Al.

MS. BLOOMER: Hold on. What I would like to do is, let's think about that. We'll table this discussion
for now while we are all thinking about it.

And then we will move on to Item 5. We'll come
back to Item 4. And then address -- answer that question.

We can state it again, when we go back to number 4, and
move on.

But we are going to table Item 4 for now and
move on to Item 5, which is related to changes in the
Texas Administrative Code regarding the transportation
development credits.

MR. WILLIAMS: Sure. Marc Williams with TxDOT,
Director of Planning. Eric asked me to stop by and visit
with you all a little bit about the two rule changes that
were offered by our Finance Division, involving transportation development credits.

They are kind of an add-on to a much larger set of rule changes that were put forth back in September.

James Bass was not available here today. He has got legislative testimony.

So unfortunately, you have got me. But hopefully, I can speak to at least what the objectives were on both of these.

There are really two elements to it. One was a change that -- I believe it is consistent with what the original working group had outlined for this. And it was clarified on the transit side, as far as transportation developments are concerned.

That each fiscal year, that there shall be at least a $15 million pot established that, based upon the discussion of the working group as I recall, that would be sufficient to cover the means of TC usage on the transit side. I think some of the concern with the language that was in there originally may have suggested that we just keep adding $15 million into the pot, year after year, which wasn't the discussion of the working group.

I am sure that would make Eric and others happy for that. But based upon what James understood the intent to be, a clarification was added.
The second item is a change to making awards that the Commission makes, that gives the Commission the ability to allocate TDCs to a program and not necessarily to just projects. The example that I think was recently being looked at was, is there is about $100 million worth of design, federal design projects that the Commission was wanting to consider potentially doing TDCs for.

Those could be -- could have ended up being maybe about 30 or 40 different projects, which the size and the scope and the structure could vary. And the ability to go through and award TDCs for each of those would not really be practical.

And so the overall program, the goals that were outlined you know, for the project, really kind of spells out and follows on, you know, the directive that we received from, I think it was Rider 45, which kind of set us down this path. Which is, you know, the Department needs to make a priority to utilize transportation development credits as the required match in a manner that would maximize the utilization of federal funds on eligible projects.

State funds are no longer needed to be used as the required federal match should then be available to be targeted to priority projects in an effort to streamline their delivery. So you know, the intent is to be able to
have some flexibility to make use of TDCs through either a program or a set of projects.

This change was made to kind of allow that flexibility on the program side, for awarding projects to a group or awarding TDCs to a group of projects, as opposed to having to go through and stipulate each and every project that a TDC gets awarded to. Those are the two items that are out for public comment right now. I think they were posted to the Texas Register this month.

The final action on these would be, I believe, the May Commission agenda. They aren't on -- they wouldn't be on the March. And I don't see that they are on the April agenda at this time. So I believe that May would be the point in time for final adoption.

MS. BLOOMER: Okay. And Bobby, before we get into discussion, could you sort of give us an overview of what PTAC options are, as far as weighing in?

MR. KILLEBREW: And this is Bobby. We like -- as a Department, we like to take any rules that involve public transit, directly or indirectly to this Committee, if there is a direct relationship to this Committee. There is a very formal laid out process for this Committee to participate in their rulemaking process.

These are ones that are semi directly related to the things that this Committee does have the ability to
weigh in on. So at this point in time, we don’t want to follow the formal structure, per se.

This is an opportunity. The Department is interested in PTAC’s comments on these rules, as a Committee. Since these are out in public comment, you as individual members can comment at any time to the Department.

But this is your opportunity today to weigh in as a Committee comment, that will be shared with the Commission and our administration here at TxDOT as to what this Committee thinks about the changes that are being proposed. But this doesn’t necessarily follow that formal rulemaking process that the Committee is normally involved with.

MS. BLOOMER: Okay. So we have the option to formally weigh in, or not formally weigh in. And if we choose to formally weigh in, our comments that we would like to provide to the Commission in relation to these rules.

MR. KILLEBREW: Absolutely. You can support these rules as written. You can have comments about the changes that are being proposed. You can have no comment whatsoever. And this is scheduled as an action item today.

MS. BLOOMER: Okay.
MR. KILLEBREW: So I believe you require a vote of the Committee.

MS. BLOOMER: Okay.

MR. SALAZAR: This is J.R. Have we gotten very many comments?

MR. KILLEBREW: This is Bobby. On these particular rules, I am not the administrating division on these particular rules. My guess is, since they just hit the Texas Register, we probably have not received any comments so far.

I'm looking at Marc.

MR. WILLIAMS: I checked with James, and he is not aware of any comments.

MR. UNDERWOOD: I have a question about your example you provided about the planning projects. So what you would do to the Commission is say, we have got a set of planning projects. We want X number of TDCs for planning.

They would award those. And then once it is under that subheading of planning, you could dole those out with the 30 separate projects. Did I follow that logic correctly?

MR. WILLIAMS: For the TDCs, yes.

MR. UNDERWOOD: Okay.

MR. WILLIAMS: If we had -- if we were doing,
let's say $100 million worth of planning. They weren't planning projects. They were design and engineering contracts.

MR. UNDERWOOD: I see. Okay.

MR. WILLIAMS: And if we were doing $100 million of that, that would be -- basically, that would be set up as an 80:20 match. There would be $80 million of federal funds in there, and $20 million of state.

With the TDCs, we would then increase our federal funding level up to the full $100 million. And then the $20 million would be freed up for projects that could be advanced outside of the federal process. This doesn't create any new -- again, when we talk about TDCs, I want to emphasize, that we don't create any new money through the whole process.

MR. UNDERWOOD: Sure.

MR. WILLIAMS: It is simply a way to try to be consistent with the statute that kind of sent us down this path, maximize the use of federal funds. And set up state funds that we can use on priority state projects that we want to try to advance outside of the federal review process.

MR. UNDERWOOD: Okay. So I guess my question, so you go, and you go to the Commission. And you go, we want 20 million TDCs for design and engineering. Is that
what you refer to as --

MR. WILLIAMS: Uh-huh.

MR. UNDERWOOD: So okay, they say yes. You are good to go. Here is your 20 million TDCs. You go back as an agency, and you go okay, we have got this project here, this project here. And you can dole them out, up and down over the course of a period of time, as you see fit. Correct?

MR. WILLIAMS: Uh-huh.

MR. UNDERWOOD: So that is what this is saying. Correct?

MR. WILLIAMS: Right.

MR. UNDERWOOD: Well, in the same way, we have our 15 million for public transportation every year. And once those are awarded, would we have the same freedom and leverage that Eric could go, I need 5 million for this capital project, 3 million for this capital project?

Because currently, he has to go back to the Commission every single time, to go can I get this capital project, yes or no. I mean --

MR. WILLIAMS: In my reading, I don't see that there is any difference in the two programs, you know. The Commission, there is a set of -- I mean, there is the Commission. You still have to go to the Commission, Eric, to get award of your projects, right?
And so if there is a program, if there is an additional program of projects over and above that, it would fall into the same category. The Commission has the discretion to go above the 15 million that is set aside for public transit use.

MR. UNDERWOOD: Right. But I guess my question is, once a year, he goes in, in October and says, I have 15 million TDCs. I want those. They are set aside for public transportation.

And they go, yes you do. Good. And so all year long, he can use those for projects as they arise, capital needs, whatever. He doesn't have to keep going back and forth. Oh, somebody wants to buy a bus. I need 20,000 TDCs, kind of thing.

MR. WILLIAMS: I think as long as he spells that out in the award that goes -- when he asks for approval from the Commission, that he is asking to use it for this program, and the Commission approves that, then yes. I think he could do that. On our side, we would have to go and request, if we were going to ask for $20 million or a set of engineering design projects --

MR. UNDERWOOD: Right.

MR. WILLIAMS: -- we would have to go to the Commission. And we would have to say, Commission, we have got these design projects. We don't know exactly what.
We have got this program of projects.

We don't know exactly what the final shape or size of this program is going to be. It is going to be within this $100 million bound. It is going to be for these types of projects.

We would like to have Commission approval, you know, to allocate the TDCs for this program. I don't in my reading of it -- and I think we'll need to go to OGC on it -- I don't see that there is any difference in what, you know, Eric would be able to do on the public transit side.

MR. UNDERWOOD: Because if we are paying for it with public transit dollars, out of that program, to me, it should be public transit, 15 million set-aside TDCs. It should match.

I mean, I don't see any reason for there to be one subheading of planning and engineering on one side, and you can use it any way you want to. But public transportation has to come every single time he wants to use TDCs.

MS. BLOOMER: But how does that -- I understand that you go to the Commission and ask, but we have the 15 million, which is the set-aside. So it is almost like we need the set-aside to become its own program of projects every year in order to allow that flexibility.
MR. GLEASON: Well, this is Eric. I think, as Marc suggests, we need to kind of sort through. What I would imagine -- I think, Brad, what I -- you are talking about public transportation as a program.

MR. UNDERWOOD: Exactly.

MR. GLEASON: What I had imagined this new language might do for us is not necessarily that broad of a level but maybe at a federal program level, for example, like 5310 or 5311 or whatever --

MR. UNDERWOOD: Yes.

MR. GLEASON: We could come in and say that, you know, we expect to get $5 million this year of federal apportionment for the 5310 program. And based on historic use, we would anticipate needing up to this number of development credits to support requests within that program for capital and ta-dah, ta-dah, ta-dah, vehicles to purchase, or ta-dah, ta-dah, ta-dah.

And then -- and so what we do then is during the year then, when we actually make the awards of the money, we don't need to also at that same time list a specific number of TDCs with each of the projects. We would probably have to reference in the minute order their previous action and that we were doing that.

We would use TDCs. But that we wouldn't have to associate them with a specific project. That is my
goal, which is great, because then we get into this ridiculous back and forth as projects change. We don't use them all. We need more.

And we have to go back every single time, and correct something, or get another award. So it would make our approach to business much easier.

MR. UNDERWOOD: And that is what I just want to make sure, that it gives us the same flexibility to use those under a project category, like you are doing now. Oh, we decided we are buying one more bus, instead of that.

Now you have got to go all of the way back to the Commission and go whoops, we need another 20,000 kind of thing. You know, I don't want you to have to do that.

I would rather -- if that is what they are going to do to clean this up, clean it up for public transportation as well, so you have kind of got that one shot, once a year, and then you are done. You are free to move about, you know, as you need to, the rest of the year.

MS. BLOOMER: And I just want to --

MR. STEPHENS: Eric, this is Rob. Would it work better for you, from an efficiency standpoint, to maybe by category instead of program? Because that was my
question, and you answered it.

You know, that there is a 5207 program, the eleven, the ten. You know, would it be easier if you just categorized it, to capital projects? Operating, planning, whatever.

I mean, would that be easier for you to administer that? Because I could see them saying, Sir, if you get it wrong, if you guess wrong about where you are going to use it, even though you use historical data to move forward.

I mean, you will have to go back and kind of readjust that request at least once in a year. You know. I mean, do you think it would be easier to go by category or program?

MS. BLOOMER: I think really, the issue is, do we want that flexibility on the transit side as well? And then we can leave it to PTN to determine how best to provide that flexibility, based on either programs, funding or whatever.

I just had a couple of comments. As a member of the original working group, I do agree that the intent was not 15 million every year. It was a rolling 15. So we have 15, we spend ten. We have five left. It is another ten to bring it back up to 15.

So I am fine with that. One of my questions
though, is the two minor amendments. And I feel that one sort of is minor. The second one, I am not sure it is such a minor amendment.

I am just curious if there was any communication back with the original working group, related to the second amendment. And then my other concern comes in, one of the conversations we had at the TDC working group was related to transparency, accountability and reporting. I think that is fine.

But because there is no reason to go back to the Commission and say oops, well, we really need three vehicles and not two. So that is another $5,000. We don't need to be wasting their time with those type of issues.

But there was sort of that reporting back to the public about how these funds are being used. And are we doing what we intended to do in leveraging them? And so how we loop back to it.

Are we just taking one million and saying, okay here is a 100 million to work between these 30 or 40 projects, how do we get back to making that a transparent process to the general public, to know what the TDCs have actually been spent on. But I would agree that if we are going to provide that flexibility for program specific, then I would also like to see that added to the 15
And then leave it to PTN to determine at what level that flexibility needs to be provided; program specific or capital operating, planning, et cetera. So I think --

MR. WILLIAMS: I think each of those items show good comments for the Committee to make. On the program side, there is nothing I read in the rules that would suggest that public transit doesn't have the same flexibility. And I will go back and confirm that with James.

I guess Angie has been working on the revisions on these. Just to make sure. But again, I don't see anything that would cause me to doubt that that is not the case.

I did visit with James before I came over, and asked if he had sent out just a notice to the advisory group that was part of the original rulemaking on this. He indicated that he had certainly intended to do that. Was thinking about doing that.

Being that you haven't gotten a notice on that, I am expecting that he probably has not. So I will either ask him to do it, or offer to send out that notice myself, so that everybody can have a chance to see and weigh in on the rule change that is proposed.
The third item, in terms of transparency and reporting, I certainly understand and would agree that there has got to be a way to sort through that. If there is an interest in seeing how they are used.

I don't know that necessarily, you know, even the Commission process is very transparent, because somebody has to go through and find all of the minute orders that approve the individual TDCs and sort through those. And that can be, sometimes, arduous.

But I think that that is a good comment for us to -- for the Committee to make. The information exists. You know, Finance maintains that information. How to put that out and how to report it is something we need to give some thought on.

We do spend an awful lot of time generating an awful lot of reports that are on the website. They really tell you some interesting stuff. But not a whole lot of people know to go find them, or where to look for them.

MS. BLOOMER: Or where to go to look at them.

MR. WILLIAMS: And that sort of thing. So I think it would be a more relatively simple thing to do to generate a reporting mechanism. The more challenging thing would be to make sure that that is available and accessible for people who are interested.

You know, we just, through this process, began
the process of advertising the amount of TDCs that are available as part of our UPP. And there is about $2 billion worth of TDCs that are out there.

    MR. GLEASON: They are not dollars.

    MR. WILLIAMS: Two billion -- thank you, Eric.

Three billion credits, TDC credits. Boy, I am going to have to put a dollar in the can.

    MR. GLEASON: Yes.

    MS. BLOOMER: So the balance is 2 billion. Do you know what the annual replenishment amount is?

    MR. WILLIAMS: Here is the balances. It varies by --

    MS. BLOOMER: Ballpark.

    MR. WILLIAMS: By year. This, the rate of replenishment this year, I just -- again, going to ballpark it. This thing, this jumped quite a bit in January, by around, in the several-hundred-million-dollar range.

    I wouldn't want to say it was almost a billion. It was a large jump. But it is very -- it varies a lot. You know, you can get a huge increase one year, and then not so much the next year.

    Because the rules that produce the TDCs are somewhat complicated. And a lot of it really just depends upon when money comes online, and how we, you know,
authorize those funds. But we seem to be doing a pretty
good job of regularly now authorizing a significant amount
of TDCs.

A lot of them are being generated up in the
Dallas area, off of some of the regional toll revenue
accounts that they have up there. Basically, any time we
take money or revenue that comes off of a toll road
project, and we use that to fund another public highway
project or transportation project, that effectively
generates a TDC for each one of those.

It develops a whole transportation development
credit for each one of those. So it is hard to answer
your question specifically, Michelle.

But it is in the -- it has been typically in
the hundreds of millions of dollars every year. At least
for the past few years, it has been that way.

MS. BLOOMER: That at least helps me.

MR. GLEASON: At least 30 million is coming in.

MS. BLOOMER: Yes. At least 30 mil is coming
in to get the 15 every year, because that has been a
question we consistently had is --

MR. GLEASON: I think that is what her question
is.

MR. WILLIAMS: I would also encourage you, the
transit folks, to realize that, you know, we are just the
small stage in this pool here, of TDCs that you have got
here. We have only got about 400 million of the 2 billion
that is out there.

And the NPOs, the three big, the three NPOs
that generate those, CAMPO, HGAC and NCTCOG have got
really the lion's share. And they are in the process of
developing their rules and procedures to award their TDCs
and so that is another big pot that is out there, as an
opportunity to seek TDCs.

MS. BLOOMER: Right. Okay. Are there any
comments or questions from members on the phone?

(No response.)

MS. BLOOMER: Anybody still on the phone?

(No response.)

MS. BLOOMER: Okay. So trying to gauge the
consensus of the Committee. We can make comment. We can
not make comment. I am getting the feeling that at least,
I would like to make a comment. Would anybody else like
to make a comment?

MR. UNDERWOOD: Let me start off. Go ahead and
start that. I won't put words in your mouth, so go ahead.

MS. BLOOMER: Bobby, what kind of -- do you
need more direction from the Committee, if we were to make
a comment as to what that comment would be? I think
generally, the consensus, and correct me, if I am wrong,
but we are in support of the suggested revisions to the
Code.

With the, I guess, confirmation or verification
that the flexibility provided for the program level awards
also applies to the 15 million set-aside for public
transportation, with the level to be determined at the
division level. I don't know if we need to include that
or not, in the --

MR. GADBOIS: Michelle, if the flexibility
would apply to public transportation, including the 15
million -- we're not capped at 15.

MS. BLOOMER: Correct. You are correct. Thank
you, Glenn. Yes. And then sort of -- and I believe there
is the last section of the original rules, addressed both
for the NPOs.

And I think that is how the original discussion
about transparency and accountability and reporting came
about in the working group. But also, by the TxDOT is
that if we are going to take a programmatic approach to
provide that flexibility, which I think is a good idea, is
that we also ensure that we meet that responsibility to
the general public of being transparent and accountable in
reporting, in a way that is easy for folks that want that
information to get at.

So not trying to go minute order by minute
order to find it. But to have something on TxDOT's website that usually says, TDCs, here is how they are being spent, and links it back to -- I think there were three or four goals related to the use of TDCs. Those would be my comments.

MR. GLEASON: Okay.

MS. BLOOMER: Any --

MR. UNDERWOOD: You encapsulated what I wanted to say. So do you want me to second that comment? Second it. Is that your motion for comment, and I will second it?

MS. BLOOMER: That will be my motion for comment.

MR. UNDERWOOD: And I will second your motion.

MS. BLOOMER: All right. Any other comments or questions before calling the vote?

(No response.)

MS. BLOOMER: If not, we will -- I'm sorry -- go to the phone. Al?

MR. ABESON: Yes.

MS. BLOOMER: Okay. Rob?

MR. STEPHENS: Yes.

MS. BLOOMER: Glenn?

MR. GADBOIS: Yes.
MS. BLOOMER: J.R.?

MR. SALAZAR: Yes.


Item 4 and 5.

MR. WILLIAMS: I am going to run.

(Simultaneous discussion.)

MS. BLOOMER: We have at least three programs we've got to get through, so we really need to make sure before we leave today, we have provided PTM with some guidance. So let's go back to 5310.

And maybe since focusing one at a time, is it working. Let's go through maybe each of the big areas, and then we can discuss all of them in general. And then where we stand on each one.

Okay. Eric, you had proposed on the project selection, I think, a combination of a statewide --

MR. GLEASON: I had. This is Eric. I had offered up for the Committee to consider an option that was trying to address what I was hearing in the discussion. And that is, it is a process that was primarily a local process, whether that be regional planning area based or district based, or something.

But that the Administrative Code would also include in it some overarching explicit statewide
interests in that process. Criteria, whatever you might want to call them.

That things could be like, you know, service continuity. It could be coordination. It could be statements that would be made that would apply to all local area processes, as a way of ensuring whatever statewide interest we might have in the program.

MR. ABESON: This is Al. That is exactly the approach that I emphasize that I am responding to the draft survey. I think it is most appropriate that the state -- I am not sure this is the right word, dictate.

But I could remonstrate an expectation that certain kinds of projects, programs are going to be emerging with the use of these dollars. And I think that is exactly the way to do it, Eric.

MR. GLEASON: And on that note, I need to leave. This is Eric. And Bobby will, I am sure, carry on whatever I have created here.

MS. BLOOMER: All right.

MR. GADBOIS: And Michelle, this is Glenn. I think Brad and your discussion kind of won me over, and helped clarify. I am going to suggest that my position is -- or predisposition is toward a statewide competitive process that maximizes the use of money for some outcomes.

Those can be determined. Eric mentioned some.
That can be a matter for discussion. But I'm just really concerned if we start dividing the pots smaller pot up, by district or by region, we're not going to have enough money to really make much of a difference in a lot of places.

MR. GLEASON: And I think we'll be forcing --

MR. GADBOIS: And that gets us back to the formula question. Unless there is a mandate that there has to be equal distribution --

MS. BLOOMER: And I guess the question is, is do we as a Committee think that equal distribution is the best use of the funds.

MR. UNDERWOOD: No.

MR. GADBOIS: I'll say no.

MR. ABESON: And I agree. And I am in agreement with that, Glenn.

MS. BLOOMER: And I guess that is where -- like I said, I'm generally a local decision person, leave it at the local level. But my concern is I don't necessary think that taking the 2.3 million and dividing it whichever way equally or by whatever formula is the best use of those funds. And that is why I am leaning towards --

MR. GADBOIS: And, Michelle, let me just postulate this, because I'm a local person as well. I
think if we put into a competitive grant, show evidence of local support for your application, then that is going to, number one, further coordination, number two, kind of let the locals stip what they really want to get behind.

And that will -- that hopefully would further both kind of our local decision making and coordination.

MS. BLOOMER: And, Glenn, I just -- I would like to tag on to that. I think -- yes, I think I definitely want to see local involvement. I am not certain a local letter -- I cannot talk today -- letter of support, because pretty much, those are generally easy to come by. So I don't want to create more of a process. But is there a way to bring local decision making into it where maybe the locals have to decide at the local level which projects they are going to put forward.

And then those local projects that move forward go on to compete at the state level. But you don't -- generally, what happens is, everybody at the local level is going to apply. Everybody asks for a local letter of support. It's hard to say no. But there maybe has to be some --

MR. GADBOIS: Well, Michelle, there's -- excuse me. But there's a significant difference between I support this project, and I am putting up cash and doing a significant piece of this project.
But in fact, you know, kind of the more innovative and coordinated projects are asking for more than just tell -- you know, put in a letter that you support. You are choosing who to give.

MS. BLOOMER: But I don't --

MR. UNDERWOOD: But isn't that also where our regional coordination plans come in? -- because it's referenced in the plan.

So that is made up of local stakeholders that said, yes, we identified this as a need. And if you are responding to one of the needs that has been identified, to me, that has already had that local process to determine the gap in service where they need it.

MR. GADBOIS: Right on.

MS. BLOOMER: So bring in the local input at the Regional Planning level.

MR. GADBOIS: Yes.

MR. UNDERWOOD: Absolutely. I think, without creating additional process, I think we are getting to the same place.

MR. KILLEBREW: This is Bobby. If I may, and Brad hit this on the head. The federal requirement that the projects that are selected in this program be tied to a locally developed coordinated public transit human services transportation plan, that requirement continued
to MAP-21 for this program.

So in Texas, just as a reminder, in Texas, those locally developed coordinated public transit human service plans are done at the regional planning area level. And so projects that are put forward in this program that are selected, who are already selected locally are at the statewide level do have to tie to those local plans.

So I just want to make sure that everyone was aware of that fact. That requirement under federal law did continue with MAP-21 and this program.

MS. BLOOMER: Okay.

MR. GADBOIS: Yes. Then that takes care of it.

MS. BLOOMER: Yes. Okay.

MALE VOICE: Is that your consensus that it feels good. Do you want to restate the consensus?

MS. BLOOMER: I think, yes, restate the consensus. You can restate the consensus.

MR. KILLEBREW: This is Bobby. Michelle has asked me to restate the consensus of the Committee, so I'm sure Committee members will let me know if I get this wrong. What I am hearing is the consensus of the Committee now is to administer this program at a statewide basis, but with some overarching statewide priorities, or -- is the way we want to call those.
And that the program will have projects that are tied to a locally developed plan. And right now, in Texas, that is done at the regional level.

So that is the general guidance that I am getting from the Committee, the general consensus that I am getting from the Committee on this item.

MS. BLOOMER: Is there anybody that is not in general consensus?

MR. STEPHENS: I really don't know what it is that we are trying to reach consensus on. I mean, this process is going to create winners and losers.

I mean, and we are not going to avoid that. So I think what -- this development of a consensus is about whether or not we put this out for a competitive call for a project.

MS. BLOOMER: Yes. And, Rob, I think --

MR. STEPHENS: Because you guys are saying that we are better off letting TxDOT administer these funds the way that the New Freedom and the JARC funds were administered previously, in a competitive call for projects, statewide. Is that what we are saying? I am asking for clarification.

MS. BLOOMER: Big picture, yes. But details, I don't think we have gotten to the details yet. I think what we are saying now, and really, this is just the first
stab at it.

So we can draft rules and get some draft rules out there for people to respond to. So I think what we are saying is, generally as a Committee, it is not our intent to take the money and spread it equally across the state; that it is our intention to spend what limited money we have for its best and highest use.

And in order to do that, it is not necessarily an equal distribution across 25 districts. Let's have a statewide competitive call where folks have local decision making to put forth their highest priority projects to compete at the state level. And then at the state level select those projects that get the state the biggest bang for the buck with the limited amount of money the state has.

MR. ABESON: This is Al. I guess at a minimum, Michelle, to be certain that those projects that compare for state consideration are in fact generated by that locally developed coordination plan.

MS. BLOOMER: Yes. That is where the local decision making comes in. So it is not a state-level-d dictated process.

It's the locals who determined what those needs are. Those projects that are determined at the local level through the regional coordination process to be
priorities are then put forward to compete with other local high priority projects at the state level.

MR. ABESON: And that the overarching themes, as they are being called, are also elements of implementation of coordination across the state.

MS. BLOOMER: Yes.

MR. ABESON: In other words --

MS. BLOOMER: Yes.

MR. ABESON: -- they are also tied to the coordination plan, but not at any local level, but at their local levels. Right?

MS. BLOOMER: Yes.

MR. ABESON: What I am concerned about is that you're stating that we create overarching themes and identify needs. And then if delivering a developed plan is going to be advanced with these funds, as I think MAP-21 says they're supposed to be, there has to be consistency.

MS. BLOOMER: Okay. Well, we -- hold on --

MR. ABESON: The State doesn't have --

MS. BLOOMER: Okay. We're still on Item 1, and we have three more programs to go. So I think for now, let's leave it as a statewide process that involves a significant local decision-making component that is tied
back to the regional coordination plan and planning activities.

Let's go through the others if we can, fairly quickly. And then we can come back and try to wrap up our top three to four areas of guidance that we would like to give TxDOT as they go forward and draft preliminary draft rules, of which we'll put out there, and people will tear it apart, and give us their thoughts and comments.

But at this point, we are having a hard time getting both to focus on what the issues are, because we have nothing to present. So we need a straw man for them to respond to.

So the next item relates to operating assistance under the new -- under MAP-21. It is worded awkwardly but basically, you can use working for up to 45 percent of the 5311 funds for operating assistance.

The question is, should this cap of 45 percent be factored in at the local level, or at the state level. Some of the issues that I am thinking about related to that is my concern is, I think, at first, I was like yes, we can finally use 5310 money for operating assistance.

I think that is the good news. The bad news is, is I think a lot of people out there are also saying yeah. I am Joe Blow and I have two buses. And now I can ask TxDOT for operating assistance.
And so you are going to have a lot more folks coming to the table asking for 5310 money. And we have less money to give out. And so where do we want that flexibility to be? Should it apply at the local level?

So if you are a TxDOT district, or a planning agency, or a Regional Planning boundary, you have to stay within that, or a state level. And I think it really goes to how much flexibility do we want to spend this money as efficiently as possible. Thoughts?

(No response.)

MS. BLOOMER: Rob, would you like to go first?


MS. BLOOMER: No? Okay.

MR. KILLEBREW: This is Bobby. This may be a moot point now. Yes. Cameron is just leaning over to whisper in my ear. And it wasn't sweet nothings. She was whispering something else in my ear.

When we originally drafted the survey, we weren't sure how respondents were going to go with some of these questions. So one question kind of led to another one. Which may have led to a third or fourth one. If we run this program on a statewide, competitive basis, that is really almost saying that TxDOT is going to administer the allowance of the operating assistance at a statewide...
level.

MALE VOICE: Right.

MR. KILLEBREW: If we were to administer this program at an individual regional basis, then this process is probably more relevant, because then we need to know what does each region get, up to a certain amount for operating.

So I think, from the Committee's perspective, I think I have heard from various Committee members at various times is that yes, you want operating assistance to be available under this program. But it is allowed now under federal statute.

I think it would be a good idea, is what I am hearing from members, to allow under this program. But now that it is a statewide basis, it is really a statewide managed thing. We can't go over the cap on a statewide basis. And so that is what we will have to live with.

MS. BLOOMER: Okay. And this is Michelle. I think it goes back to the discussion we just had on the transportation development credits, is allowing us the maximum flexibility.

And I think that doing it at the statewide level allows us that flexibility. So if, are there any folks that have any other strong comments that they feel the need to share on that one?
(No response.)

MS. BLOOMER: If not, we will move on to the question of New Freedom. The New Freedom program has been combined with the 5310 program.

And so the question is, should there be a requirement for 5310 funds to be spent on New Freedom projects. And if so, should there be a minimum set-aside for New Freedom funds? Is there anybody that has a strong opinion related to that question? J.R.?

MR. SALAZAR: The only thing I would say is, I filled out the survey. And I am one of the 15. So I would go with that.

MS. BLOOMER: Okay.

MR. KILLEBREW: Michelle, this is Bobby again. If I may, also, again? I know we are looking at the survey. I do want to just remind people, we had a fairly low response rate on this survey.

So if you can collectively in your minds, think back to all of the other things that you have received over time about the other resources regarding feedback on this item. And think about those workshops, and the semiannual meeting and the comments you heard.

The survey has an overwhelming response, but only those people who took the time to respond. So I just don't want the survey to lead the group in one way or
another.

MS. BLOOMER: And I think, if I recall some of the discussions at the semiannual, it went along with no, there shouldn't be. I think the argument for there shouldn't be, as we have been talking about silos, and how we need to break down the silos.

And we have just now broken down the silos. And we are getting ready to create a new one. Let's take the 5310 program, which has now gotten rid of the 5310 and New Freedom silo. Let's create a silo within the 5310 program.

And I think it also goes back to the concept of local decision of what those priorities are. And so I would agree that we should not -- there should not be a requirement to fund New Freedom type projects. They would still remain eligible.

And it would be up to the individual areas and transit providers to determine their highest priorities, based on the funding that they have available. Are there any --

MR. GADBOIS: Here is my one caveat to that, Michelle. Is, we ought to do some tracking, because if this becomes a lopsided investment, then PTAC and everybody else is going to get beat up by the losers. So we ought to do some -- we ought to have some ability to
track and make sure that a constituent originally intended under these programs is not getting inordinately left out.

MS. BLOOMER: Okay. Bobby?

MR. ABESON: And I would ask, if the overarching theme on going to address this program as well, that a state may be there, reflecting what Glenn just said.

MS. BLOOMER: I guess I am having trouble understanding what the -- my whole thing is, there are -- we shouldn't be approaching public transportation as let's serve this group and this group and this group. We should be providing general public transportation that meets the needs of every group, to the best of our ability.

MR. GADBOIS: That's really sweet, Michelle, but when it doesn't happen because we don't have good enough and plenty -- and we don't -- then in real politics, people that get left off are going to be unhappy.

MS. BLOOMER: Well, then I think that gets back to, Glenn, where it's the locals' decision. If I have ten priorities or ten client groups that are requesting service and need service and I only have service -- enough resources to serve five of them, then it is up to the locals to decide which five needs are going to be met and which five needs aren't going to be met.
MR. GADBOIS: It is up to the State to watch that, to make sure the locals aren't discriminating. If that discrimination continues, then it is systemic discrimination.

MS. BLOOMER: Okay. Well, we can talk about maybe an overarching theme, along with coordination and leveraging existing resources that can be added to statewide priorities, related to the 5310 program. Okay.

Moving on to priorities, the question was, should projects receive priority consideration? I think this gets back to our conversation of what are some of those strategic priorities we would like to lay out for the program? Some of them are listed there.

I don't think we are limited to those. But I would agree that a key should be to leverage the existing resources.

Number two is projects that are the only public transportation option for the proposed service area, might be a higher and better use of funds, to be determined at a local or regional level. I think we have already addressed that with the regional coordination plan.

Projects that are sustainable over time, I would agree that we are always -- we definitely don't want to start something we can't continue. But I would also
like to caution that sometimes, it is the chicken and the egg.

You can't get local support until you have tried it. So sometimes, we just have to jump off that ledge and hope that the project will be successful, and then the sustainability will be there.

Number five, credits that have high vehicle utilization, I think we can do a better job of stating that one. Maybe it is related back to efficiency. Bobby or something.

And then the sixth one is projects that involve private for profit agencies as partners. And I do take exception with that one. I think it is important that we look at partners in a much broader sense and not so narrowly.

And partners could be anything. They don't necessarily have to be partners that bring money to the table. You can still partner. You can still coordinate. And we shouldn't restrict or dictate what a partnership is.

I think it is up to the agency submitting the proposal to show that there is a partnership there. Are there any other thoughts on what is either related to those priorities listed there, or other priorities that we would like to see, that we haven't already discussed?
I think Eric mentioned service continuity. I think that's service continuity, leveraging existing resources, filling gaps. Any other thoughts or comments on the priorities?

MR. SALAZAR: This is J.R. The only other thought that I had is, I agree with Michelle on the projects that involve private for profit agencies. I do think that we need to relook at that, and maybe not put it in quite that way, private for profit.

Because we do have a lot of partners out in the community, but not necessarily those that contribute some sort of cash. So I would agree with that comment.

MS. BLOOMER: Anything from the folks on the phone?

MR. ABESON: This is Al. That leads me to make kind of a general comment.

That I hope that as all of this gets written down and circulated, that operations and definitions being created for terms that could be interpreted in a wide variety of fashions. For example, continuity. Another example is partnership.

As you both, J.R. and you Michelle, just said, partnership can mean a whole lot of different things. There has to be some very clear meanings by which the state has a basis for making decisions. And that relates
to operational definitions.

MS. BLOOMER: Okay. And I think that is something that, once we have sort of a straw man of the draft rules, we can always go back and provide the detail and clarity to those issues.

MR. GADBOIS: Fine. Right.

MS. BLOOMER: Okay. And then the next one relates to planning. I think, unless anybody objects, we have already addressed that.

And the issue was that MAP-21 does continue the requirement for the locally developed coordination plan. And we are saying yes, that we do believe that there should be some link back, even if it is a statewide process to the local process for developing the coordinated plan.

And then I think the next one regarding boundaries and allocations is now a moot point, given a statewide process. And then seven was allocation.

Should TxDOT transfer funds between the small urban and rural area apportionments to match the mix of small urban, rural projects. Or should TxDOT provide an allocation for each rural area and each small urbanized area. I think, actually both of those are now moot as well.

I guess the question would be, is there an
urban, a small urban pot to compete against statewide, and
a rural pot to compete against, statewide. Or is there
one 5310 pot to create, it has to be to?

MR. KILLEBREW: This is Bobby. We have to run
a process, using the two pots. Once we run the process,
there is flexibility to do some transfer between the two
pots.

But we have to prove to the Feds that the needs
of any particular specific pot has been met. So that does
require, you know, a run-through.

MS. BLOOMER: And what the rules specifically
have to state, to allow that flexibility for the transfer?

MR. KILLEBREW: We would try to write that
language into the Administrative Code, as well as we can.

MS. BLOOMER: Because, I guess, does the
Committee have any concerns, since there is required to be
two pots? That if we run, if TxDOT runs a statewide
process, and there is leftover money in any one of those
pots on annual basis, that then the funds could be
transferred?

MR. GADBOIS: I don't. I do have another
question, though. Bobby, can it be graded between the
rural and small urban?

MR. KILLEBREW: I'm sorry.
MR. GADBOIS: Could a project proposed, they would -- that would ask for money out of both pots?

MR. KILLEBREW: I envision that a project -- this is Bobby. I envision that a project could serve both the small urbanized and the rural area of a state. And that may be the case in many of our providers who provide transportation under this program.

MR. GADBOIS: Right.

MR. KILLEBREW: You know, I think we would probably would lay out in our project calls, if your project is 80 percent urban and 20 percent rural, please apply under the rural pot. I mean, excuse me, the urban pot.

But you know, I think the guidance from FTA is probably also going to come out in this program, Glenn, to give the states, you know, a level that they need when selecting projects. And I would hope that if we run a statewide process that has a project that's in both pots, that it is considered as a project.

And it doesn't have to complete in the urban pot, and then also compete in the rural pot. But only compete as a project.

MR. GADBOIS: Good. That is my preference. It will allow breakdown from gaps.

MS. BLOOMER: Any other thoughts on 5310?
(No response.)

MS. BLOOMER: Okay. Are you -- five minutes?

MALE VOICE: I'm all right.

MS. BLOOMER: Okay. Let's just keep going.

MALE VOICE: Okay.

MS. BLOOMER: Do you want to get out of here before five o'clock? (Perusing documents.)

Bobby, do you have enough big picture guidance that you can start drafting rules? Okay. All right. One down. Two to go. Section 5311 --

MR. GADBOIS: And Michelle, I know I am slowing this down. I will stop. I have got 30 minutes left before I have got to be on another call.

MS. BLOOMER: Okay. Well, let's see if we can get through the 5311, then. So the issues on the 5311, the first one relates to the CAF.

The way the current funds are allocated, everything up to the 21 point million four is allocated through the formula that is based on 65 percent need and 35 percent performance. So the question was, is do we leave that 21 point million there? Or do we change it. And if so, what do we change it to?

And I think the general consensus is to leave the 20.1 million intact. And anything above and beyond that is allocated through the revenue mile formula. Okay.
Are there any strong feelings?

MR. SALAZAR: This is J.R. The only thing that I want to throw in is that at the operator meeting, I think there was a lot of heated discussion on why are we making a change, when things are working. And that kind of thing.

And so I think the industry, for the most part is happy with the way it has been done in the past. There was a big vocal support there at the meeting to just leave it the way that it is.

MS. BLOOMER: Okay. So I think, going along that line, then leave it -- we just leave it at the 21, or the 20.1 million four. Anything above and beyond that, Commission -- sorry. The route map rule, whatever. The revenue mile.

One of the other issues that came up, is the annual reporting. It is currently year to year. Which relates, because of some fluctuation. And the question was, is to do maybe more of an averaging over two years, three years, five years.

I think back to J.R.'s point, if both feel it is working fairly effectively, why change it. We are sort of split here on the data. But going back to other information, I think the only additional comment I would add is, is maybe those instances that you can't account
We talked about this a little bit at the last meeting, where you have either consolidation of agencies, or you have something that happened, that may have negatively impacted an agency's performance. So you had a hurricane or something of that effect.

And so I just want to throw out that maybe we maintain the -- leave the basis as a single year. But allow some flexibility to account for other instances that may happen. So I would hate to discourage agencies from consolidating and doing what is right, because they are too focused on how that is going to impact their money.

So we will continue operating two agencies instead of being more efficient and operate one, because that is going to negatively impact my funding from one year to the next.

So I don't know. Is it possible to a hybrid, Bobby, where we would continue to maintain the one year, but provide some level of flexibility to address those instances?

MR. KILLEBREW: This is Bobby. I think what I hear you saying is, leave the performance based on the single year, but providing TxDOT with the ability to address performance anomalies if they are a negatively impacted performance anomaly. Not if they are a
positively impacted performance anomaly.

MS. BLOOMER: Right.

MR. KILLEBREW: So -- because that can go both ways. There could be -- someone could get, for example, someone could get a college contract. All of a sudden, their ridership figures are going to go through the roof, when they get that college transportation contract.

And the example you gave, if there happens to be a hurricane that hits our coastal area, and some operators are down for a considerable amount of time. And obviously, the citizens are impacted. And it is going to be a negative one. So you are looking for the negatively impacted performance anomaly.

MS. BLOOMER: Right.

MR. KILLEBREW: Okay.

MS. BLOOMER: Any thoughts of the Committee on that item?

(No response.)

MS. BLOOMER: Okay. It says, rural transit districts may currently request funds for intercity bus projects. There has been an idea thrown out that currently, that's, what, a 15 percent set-aside for any intercity bus.

It has been proposed that of that 15 percent, some money be set aside for rural providers, for intercity
bus projects. So I need a rural transit provider to weigh in.

MR. SALAZAR: Well, this is J.R. again. And I was one of those that did say that I think that we should have the opportunity to have some sort of a percentage for rural transit districts. Going back to the comments that were made earlier today about Kerrville dropping out of the state of Texas, or out of some of those areas.

We were one of those areas that lost a route connecting San Angelo to Brownwood, to Stephenville, to Dallas-Fort Worth. And so it seems to me that at the meeting, there was a lot of talk about why is the intercity bus program getting more money and more money but yet, they are dropping routes and dropping routes.

And while I understand ridership, and I understand that every business has to make decisions, I do think that at some point transit districts are going to have to. Or transit providers, or urban providers are going to have to make some of those links that were left out when Kerrville went away.

MS. BLOOMER: So I guess, and just help me understand. Currently, rural transit districts are eligible to apply for intercity bus funds.

MR. KILLEBREW: This is Bobby. There is a required federal statutory 15 percent set-aside for the
intercity bus program.

MS. BLOOMER: Right.

MR. KILLEBREW: It doesn't stipulate -- it does talk about who can apply for those funds. But there are intercity bus projects that can be carried out by rural providers, by urban providers, by intercity bus providers.

And so historically in Texas, we have had a mixture of providers doing those intercity bus projects. I don't know if we, within that 15 percent federal set-aside amount, if we can set aside another amount specifically for a group of individuals. That is something we will have to look at with the FTA folks.

But I understand where J.R. is coming from. But yes, rural transit providers, if they are doing an intercity bus project, would be eligible to apply for the intercity bus funds.

MS. BLOOMER: I guess my concern goes back to, if we do a set-aside, then we are now creating a silo within a silo. They are eligible. And maybe it is more directly to your point of, it is more of setting priorities of what those intercity bus funds should be spent for.

So the best and highest need would be actually to provide any more service. Or Bobby, what are some of
the types of projects that are provided, or funded through
the intercity bus?

MR. KILLEBREW: This is Bobby. You know, there
are some construction projects where we do rehabs. We
have had a couple of --

MS. BLOOMER: Rehabs of what?

MR. KILLEBREW: Rehabs of facilities. You
know, if they need to become ADA compliant for example.
If you have got a facility where an intercity bus
operation is operating in and out of. And it may be a
transfer hub.

It could be, for example, in Lubbock, it is
where their city buses are operating out of, as well as
the intercity bus folks. And so it could be making it ADA
compliant.

It could be just time for renovation, because
the facility is old and needs to be renovated. It could
be HVAC system. It could be vehicular. We typically
don't fund vehicles in this program.

Vehicles are very expensive. If you are buying
open road coaches, it uses a lot of money very quickly.
But it may be to make some of those vehicles also ADA
compliant by putting in some type of a lift. We also do
operating subsidy for certain routes the intercity buses
companies are running in Texas.
MR. SALAZAR: And this is J.R. again. I think some of the comments I said was, you know, I think the intercity bus funding silo is somewhat new to the rural transit districts, urban transit districts. And that is why I asked Bobby if there is any way that any kind of guidance can be provided by TxDOT or somebody on how do we apply for that intercity bus monies, and that kind of thing.

MR. UNDERWOOD: It has been in our coordinated call in previous years. Correct, Bobby?

MR. KILLEBREW: The way we administer the -- this is Bobby again. The way we administer the intercity bus projects in Texas, we do a coordinated call. It is in the coordinated call. And it is a competitive selection.

MR. UNDERWOOD: And so the Greyhound, the Kerrville, they have all applied they have all applied during the coordinated call as well, traditionally. Correct?

MR. KILLEBREW: That is correct.

MS. BLOOMER: And so just -- this is Michelle. Just going back to the earlier discussion, I am not necessarily sure it is in the state's best interest to limit who -- separate out who can and can't further settle that money.

But again, maybe to set some parameters on what
is the best and highest use of those funds. That anybody
and everybody that can meet this need is eligible to
receive those funds.

And then let’s do it at the statewide level to
see where the highest priority is. But that is just my
two cents.

MR. UNDERWOOD: Well, the only issue I have
with that, just for the simple thing of like, Kerrville
Bus leaving the state. There is going to be some
transportation gaps, because of them not doing some of
that interlining service.

So if you have someone, like were to happen
to -- personally, I know, Sarah, Hidalgo Cook had an issue
with Kerrville left. And now she is trying to do service
back and forth to where they were. That type of project,
as compared to a rehab in Dallas, Texas for Greyhound, the
amount of people that is going to be affected by that,
that rehab is probably going to be much higher than what
Sarah could do.

And so if we start looking at the impact that
it is going to have on individuals, her project is going
to be ranked lower than that one. But to me, that has a
higher priority of getting people where they need to go.

MS. BLOOMER: But that is only if you set the
statewide priorities that way. So if the statewide
priorities are, we -- I mean, I think it comes down to, what we set the priorities at.

If we say our number one priority is the largest number of people per every dollar spent, then yes, maybe a larger. But we can say at the state level, that is not necessarily a goal for this program, or for the intercity bus.

Because the intercity bus is, really, it is in the more rural areas, to make that connection. So maybe it is not an urban focus. Maybe it is a more rural focus, on how you make those connections.

MR. UNDERWOOD: And that is the reason why I like the idea of having the set-aside. That way, rural providers know that there is this much money available every year for projects designed around the intercity bus program.

MS. BLOOMER: But I guess my argument is that if you have a good project, you should be able to -- your project should compete, because if you have a great project that addresses a significant need, whether it is an urban or a rural area, then that project should rise to the top, whether you have the set-aside or not.

MR. UNDERWOOD: As long as you can get the other intercity bus carrier that is in your area to concur with that project, that they identify it as a true need as
well.

MS. BLOOMER: Well, why do you need them to confer? It would be your local coordinating committee.

MR. UNDERWOOD: That's just been one of the requirements of the project -- correct? -- that you have to have an intercity bus carrier support letter to go along with any project that a rural or small urban presented?

MR. KILLEBREW: This is Bobby. What Brad is referring to is some of the teeth we put back into the coordinating call for projects, for the intercity bus funds, the intercity bus fund set-aside is for intercity bus projects. We have in the past received project requests that don't deal with intercity bus.

And that's unfortunate. And we cannot fund those with intercity bus funds, because those funds are federally statutory set-aside for intercity bus projects. So what we have asked people to do in our coordinated call, if you proposing an intercity bus project, you need to get a letter from the corporate office of the intercity bus carrier that is going to be partnered in that project, so we know that they are a part of the project and not necessarily just funding a project because you want to call it intercity bus.

MR. UNDERWOOD: But they are not going to do
that now.

MS. BLOOMER: Right. Why would an intercity bus give you a letter. Yes. I don't -- I think that would be a decision that TxDOT could make; whether or not it was an intercity bus project that was eligible. It is like asking my competitor to give me a letter of support to submit my project.

MR. KILLEBREW: This is Bobby. I don't think it is asking -- I don't think it is doing that to some. But we are going down, probably, a road here. We are talking about coordinated call.

And I think we have gotten off the subject matter of the 5311 program here. And while I am interested in your comments on the coordinated call, I don't know that we are addressing the comment here, where we started with was --

MS. BLOOMER: Yes.

MR. KILLEBREW: Do any set-aside for rural transit districts out of the intercity bus program?

MS. BLOOMER: And so I think we have heard two members say yes, they would like a set-aside. What about our folks on the phone?

MR. ABESON: I am undecided.

MS. BLOOMER: Okay. Glenn?

MR. GADBOIS: I am looking for my mute button.
So, just as a simple question, to make sure I understand a set-aside gives the possibility to access money that would be used for intercity otherwise -- or go unused? I mean, does the set-aside give us access to use more money for RTDs? Bobby?

MR. KILLEBREW: Glenn, this is Bobby. This one is not my suggestion. So I don't know that I can address that.

MR. UNDERWOOD: I think in theory, it possibly could. Yes.

MR. GADBOIS: Okay. So what is -- well, I understand that is what you want. I am asking whether that is what it will do.

MR. UNDERWOOD: Well, that is what I am saying. I said, possibly yes, because how much was in the intercity bus last year, Bobby?

MR. KILLEBREW: The program total? It was 5.1 million, towards the apportionment.

MR. UNDERWOOD: $5.1 million.

MR. KILLEBREW: To Texas.

MR. UNDERWOOD: To Texas. Okay. And if you are looking, when we start doing like an intermodal rehab, any type of real capital project construction, that $5 million goes really quick. It could be. As opposed to, I go back there again, to someone like Sarah down in South
Texas, that may only need a few hundred thousand to complete that route that has been going for years, for that gap in service. So I think a set-aside would actually help.

MS. BLOOMER: But it still has to be an intercity bus eligible project.

MR. UNDERWOOD: Which is what she is doing. Where Kerrville was doing that service, she is going to now be doing it.

MS. BLOOMER: But I guess, I don't get the benefit, because you are already eligible as a rural provider to get those funds.

MR. ABESON: So I think what they are saying -- and I now understand this test. Are you saying that if we do a set-aside that forces intercity bus to continue some level of service in rural districts, whereas if you don't have the set-aside, it will all get sucked down on larger, major route segments for intercity?

MR. UNDERWOOD: Yes, that would be my view.

MR. ABESON: Okay. I get it. And I'm for it.

MS. BLOOMER: Okay. Rob, do you have any thoughts to weigh in on?

MR. STEPHENS: No. I am fine.

MS. BLOOMER: Okay. So I think the general consensus of the Committee is that there is a rural...
transit provider set-aside for intercity bus. And then I think we will move on.

    We have the same question, Job Access Reverse Commute program no longer exists. Those funds are now within the 5311 program. Do we want to create a set-aside of JARC funds within the 5311 program?

    And I think, back to J.R.'s point is, folks feel it is working. We just unsiloed. Let's not create another silo. So I would draw that no, we do not want to -- JARC products will remain eligible. But there would not be a set-aside specifically for JARC projects; that would be a local decision. Are there any thoughts from the Committee on that?

    MR. UNDERWOOD: I am in agreement with you all.

    MS. BLOOMER: It still gives me heartburn.

    MR. GADBOIS: I think the same, the same logic and language applies to this as does to the New Freedom project.

    MR. SALAZAR: Yes.

    MS. BLOOMER: Okay.

    MR. GADBOIS: And my only concern is that I think it is along the same lines as now, is JARC has been an opportunity to do some innovation and experimentation that might not happen otherwise? I am hesitant to lose that opportunity because it gets thrown into a larger pot.
I don't necessarily want to keep silos. And I am not sure that it is the best way to get at it. But we are a -- we ought to at least explore how to keep some of the beneficial aspects of JARC. And that may be what I will just suggest.

MS. BLOOMER: Okay. I would agree, Glenn. I think JARC and New Freedom as well, have allowed a little bit more creativity. But I think it goes back to, at the local decision, if you have ten priorities, how are you going to maximize how many of those you can meet.

So I don't know how TxDOT is going to work that in. But I think the generally the Committee is, no set-aside for JARC, but still allowing the flexibility within the program for the creativeness and the ingenuity that JARC led to. And that might be part of the priorities that are laid out.

We may have to lay some out. Entities other than RTDs should be eligible for JARC funds. I think the way it currently is now, is that other entities that were previously eligible for JARC funds are no longer eligible to be direct recipients. But they could continue to be recipients indirectly.

And I think that is where the local decision-making process comes in. And I think the general consensus is that folks believe it should stay as is.
That no, they are not eligible directly. But they should be, indirectly. Any strong feelings, one way or the other?

(No response.)


I think we have already covered that; that we believe there should be -- we need to link back to the regional coordination plan; the priorities. Are we good? You are giving me this look.

MR. KILLEBREW: This is Bobby. I don't know if I am getting the two programs confused, between 5310 and 5311. In 5310, we allocate funds out by our formula to each Rural Transit District.

Is the Committee suggesting that we somehow, in allocating those funds out, require that the Rural Transit District tie their projects to a coordinated plan? Is that what you are saying, Michelle? Or am I misreading your thoughts?

MS. BLOOMER: Well, I think the question was, should the coordination --

MR. GADBOIS: Do you mean, they are not?

MS. BLOOMER: They are not currently. And I guess the question is, should there be some link between the 5311 projects awarded and the regional coordination plan? Am I stating that correctly?
MR. GADBOIS: Perfectly.

MS. BLOOMER: That is the question. All right, Bobby. I am looking at you.

MR. KILLEBREW: This is Bobby. That is not the question on the page that you are looking at.

MS. BLOOMER: Okay.

MR. KILLEBREW: But, is that the question that you are asking? I don't know.

MS. BLOOMER: Then I am not reading the question. What is the question?

MR. KILLEBREW: The question that Michelle is looking at is on page 8. It is actually question number 6 on the survey. And that question deals with part of the Commission's discretionary money.

Through our regional process, when the stakeholder, the lead agencies are meeting out there with the stakeholders. Some of the things that those stakeholders identified are gaps in service.

And so as the Commission has some discretionary money through the current formula and the rural program, should the Commission use part of its discretionary money to address those gaps that are identified in the regional planning process. That is what that question was getting at.

And on this survey, ten people suggested that
the Commission should use some of their Commission
discretionary money to address those gaps. And eight
people suggested that there is no need for that.

Right now, most of the Commission discretionary
money is handed out in the competitive call for projects.
And so that could be a criterion under the competitive
call, if this Committee wants to go that direction or
leave it alone. Or it could be a separate item
altogether, too.

MR. UNDERWOOD: I guess my question is, okay.
So that clears it up, because I did not effectively
understand that. So when we do a competitive call
application, don't we have to reference where this project
or use of money would be, in our regional coordinated plan
already?

Is that not one of the questions? Where is
this found in your plan, in your -- so essentially, are we
already doing this? No? I am still not understanding it.

MR. KIRKLAND: Well, we are doing it for
coordinated call projects.

MR. UNDERWOOD: Okay.

MR. KIRKLAND: This is Kelly Kirkland. Doing
coordinated call projects, it is not part of the 20.1
million formula, or the revenue-mile formula that we're
using.
MR. UNDERWOOD: Okay. But like in the discretionary -- what we would call rural discretionary, when we put forth a RD application, we have to say where this is referenced in our regional coordination plan. Correct?

MS. BLOOMER: And I think the -- so the question is do we want to continue to do that? And I think the general consensus is yes, on the discretionary pot, but continue to award the formula as is.

MR. UNDERWOOD: That's pretty much leaving things as is, I think. That is status quo.

MS. BLOOMER: Okay.

MR. ABESON: What I just like to reinforce that -- and this is going to surprise none of you, but I would like to reinforce that those dollars be tied to the plan.

MS. BLOOMER: The Commission discretionary.

MR. GADBOIS: I agree with you, Al. I'm actually surprised -- and it sounds like Brad is, too -- that we're not requiring every one of our programs using the formulas to show compliance with a broader plan and in this case, the coordinated plan. Why aren't we doing that? Why haven't we done that so far?

MR. UNDERWOOD: Well, I don't think it is a necessarily -- and I can just speak for TAPS. I think,
from my perspective, when we start to write the scope of what we are going to use our 5311 money for, which is rural demand response public transportation for elderly disabled general public, you know, on and on, education, nutrition and on and on it goes, that does match our regionally coordinated plan. I don't think we spell it out specifically and go, on page 17, it is says this. This is how we are meeting that need.

So I can just say for us, maybe we are not doing it in a formal step. But our 5311 funds are directly corresponding with our regional coordination plan.

I don't think it is a big -- I don't think it would be a big deal for providers to show that in their plan. Hey, where is it at in your plan, that says this, that you are doing that. I don't think that that is a big deal. I mean, J.R., am I stepping on your toes over here?

MR. SALAZAR: No. You are not stepping on my toes. I just worry about the bureaucracy, and where we are heading down. That we are continuing to add another layer, add another layer. If it is not broken, why are we going to fix it?

MR. UNDERWOOD: I understand.

MR. GADBOIS: Well, and with J.R., part of this is broken. We don't have enough money for transit. And
we are constantly battering up against you all. You all are getting overworked to try to provide just as much as you can with too little. The flip side of this is the other side of transportation. The road side has to do everything within the context of a larger plan, at their NPO level, and or some sort of regional planning step. Some long term planning step or TIP. Why aren't we doing something similar to that in Transit? Well, the urbans are.

MS. BLOOMER: And --

MR. GADBOIS: But what I am hearing now, is the rurals and the small urbans aren't. And frankly, I think getting tied to a larger plan makes us much more likely to fix some of the big things that are broken, than simply continuing the way we have been doing it. That is my argument.

MS. BLOOMER: And I think, Glenn, the issue is, the existing services, the funding that is provided currently, via the formula maintains the existing service continuity. And so the assumption, I would guess, is that the services that are currently providing are the priority services at the local level. But when we go after additional funding, or Commission discretionary money, link it back to the plan.

But as a regional coordination person, I have
absolutely no problem saying everything should link back to the regional coordination plan. And that gets back to the local decision-making process. So the consensus is, do we want -- what I am hearing is, we definitely want to apply the regional coordination link on the Commission discretionary.

The question is, do we want to also add it to the formula side? And what I am hearing, and what from this, and what J.R. said about the discussions and the semiannual is that the process we currently have seems to be working fairly well. Why change it?

MR. GADBOIS: Well, how would this muck up the process?

MS. BLOOMER: Well, I think it all depends on how it is implemented. And so maybe what direction or guidance we can provide PTN is, we would like to see more linked to the regional coordination process on the formula side, as well as the discretionary side. And see what type of process can be put in place that minimizes the administrative burden to do that.

MR. GADBOIS: I would support that completely.

MR. UNDERWOOD: I think it is about the process. I guess, what I think J.R. was trying to get with is, I don't want to see an RTC at any level hold hostage 5311 funds because of a certain need not being met
that maybe two members of a Committee share, that we need
to run buses backwards on Tuesdays.

And until we get that, you agree to do that, we
are not going to say that this is within the plan or the
process for your other 5311 funds. Am I correct in saying
that?

MR. SALAZAR: Yes. That is pretty correct.

MR. UNDERWOOD: Do you know what I mean? We
all sit on these committees. We work with them actively.
That has never been an issue in my area. It has probably
never been an issue in his.

But I don't want to put anything in the Code or
in the formula that says if this isn't done this way, then
we are going to hold your -- and that is going to benefit
no one in the community. And it really kind of holds that
transit person hostage.

I think we have qualified people in positions.
And if they are in compliance, they are doing the right
thing, and doing their job, in putting service on the
street.

MS. BLOOMER: Okay. If there aren't any other
strong comments or discussion, before we close it out,
Bobby.

MR. KILLEBREW: This is Bobby. I would only
make one comment in regards to the Commission
discretionary pot. We do attempt to hold back a very
small amount, usually that is 200, not over 500,000 for
emergency basis.

We do see emergencies in Texas. Wildfire. I
don't know if we will ever see flooding again. But you
know, it can happen. And you know the coastal areas.

And it would be very difficult for us to make
an award of an emergency basis type of thing out of the
discretionary pot if it is required to be tied to this
type of coordinated plan, because there is just not time
to get something tied to a coordinated plan. So I just
leave that on the table, that there are those situations
where it may be catastrophic.

And it may even be as bad as someone's
vehicle -- this happens -- it's in a collision and it
totals the vehicle and, you know, they need to have
another vehicle immediately, as soon as possible.

So just keep those things in the back of your
mind. I know the operators are nodding their heads, that
does happen.

MR. UNDERWOOD: That does happen.

MR. SALAZAR: Sure.

MR. KILLEBREW: And we need to have the ability
to move on those emergencies as appropriate.
MR. ABESON: In case you are writing language into the rules that would provide for that kind of a contingency.

MR. KILLEBREW: I can certainly try, Al.

MR. ABESON: Okay.

MS. BLOOMER: Yes. Okay. Folks, we are going to try to knock this out in the next 20 minutes.

MR. KILLEBREW: I'm sorry. Did we land on a yes or no on that item, for all projects?

MS. BLOOMER: I think we landed on yes.

MR. KILLEBREW: For all projects.

MS. BLOOMER: But I think the --

MR. KILLEBREW: For rural discretionary, or for all projects? Just rural discretionary.

MS. BLOOMER: Rural discretionary. Okay.

MR. KILLEBREW: Okay.

MR. ABESON: Yes.

MS. BLOOMER: Okay. Now, we have three more to go. And my thought is, 5339 is probably the bigger one. Section 5326 regarding transit asset management, and Section 5329 regarding public transportation safety program.

Since they don't deal with funding, I think my thoughts are, I don't know that we need to spend a lot of time on them. Bobby did mention that there will be rules
that need to be made.

My thought sort of, in looking at it is, maybe look to our transit industry stakeholders to put a working group together to come up with what they would recommend, and put that forward. Maybe look to our transit industry stakeholders to put a working group together to come up with what they would recommend, and put that forth. I don't know.

I mean, is it -- I think everybody should have a transit asset management plan. What exactly goes in, I don't think I am the expert, or any of us. Well, maybe you guys are, as to what goes in that.

But really look to TxDOT to provide some guidance and direction and templates and resources for folks. And then have the folks that are going to have to do this, sort of, like you did with the -- what was the last one we did?

MR. SALAZAR: DBE, wasn't it? Was that the rule we did? Was it DBE?

MS. BLOOMER: It wasn't DBE. Where you got a bunch of the transit industry people together.

MR. KILLEBREW: We did. This is Bobby. We did with the rulemaking process for the census funds.

I might add, on the two that Michelle is offering to skip at today's meeting, we will just take a
stab at writing the Administrative Code for that. And throw that against the wall, and see if it sticks with you.

MR. UNDERWOOD: Because a lot of that is not debatable, right? I mean, it has got to have --

MR. KILLEBREW: Some of it is not debatable. It is in the federal statute. Some of it requires the Feds to actually go through a rulemaking process, which means, that will be forever happening.

They have also told us from the federal level, don't wait on us. Go ahead and start, because if you wait on us, it is going to be too late.

And so we will throw something together, and then that will become something you all can tear apart. Does that work for you?

MS. BLOOMER: Okay. That will work.

MR. SALAZAR: And I think at the operator meeting too, our metropolitan brothers offered some of their services as well.

MR. UNDERWOOD: Small urbans have a lot of these plans, too, that they can share.

MR. SALAZAR: Yes.

MS. BLOOMER: Right. But I think in general we all agree that it is a good idea we have them. It's how you go about getting them as an individual or state. But
yes, that would be great, Bobby. That way, we will actually.

Okay, 5339. So this is bus, and bus facility formula grants. There is the urban pot and the rural pot; 3.7 million for small urban and 1.25 million for the rest of the state of Texas, for bus. So some of the questions were, TxDOT will be responsible for distributing the funds to small urban and rural transit agencies.

The method for distributing funds should be either by formula or through a competitive call for projects. Oh, my gosh. This takes us back to 5310. So do we have -- and I know, Bobby. It is hard looking at the survey.

Because when you look at the survey, you see a certain direction. And I obviously want to honor the comments that we got from the industry. But I think, like you said, we got a very limited response.

And I think there was a much broader discussion. My concern with formula is again, it is not necessarily -- it is just taking the pot and trying to equally divide it amongst everybody, assuming need is equal across everybody. But those are just my thoughts.

So I will open this one up. Formula or competitive? And it is a very small amount of money. I mean, in the past, I think TxDOT calculated we would need
about 4 to 5 million a year, just to address the rural vehicle replacement.

And we are looking at 1.25 million. If you take 1.25 million and spread it across 25 districts, how much money are you really going to get per district? That is another reason, I lean towards more of a statewide competitive call.

MR. GADBOIS: Can I ask you a question, first?

MS. BLOOMER: No, Glenn.

MR. GADBOIS: When we go out -- no?

MS. BLOOMER: I am just kidding. Go ahead.

MR. GADBOIS: Okay. So Bobby, when we go out for additional federal money, or vehicle replacement. Does that go into this pot? In which case the pot could be significantly bigger.

MR. KILLEBREW: Glenn, this is Bobby. Under MAP-21, those discretionary programs that we have gone after in the past no longer exist. This is probably going to be our only program for funding vehicle replacement. This also covers facilities.

I know it is an extremely low amount of money. But this also covers facilities as well as the vehicles. The 1.25 million that is coming to Texas for the rural program that is set in federal statute, that number won't change; it will be 1.25 million each year.
The small urban piece, which is approximately 3.7 million, that is based off a federal formula. And so that could fluctuate slightly. But I don't anticipate it to fluctuate too much off the 3.7 million.

So you are seeing in front of you what probably is going to be reality. Currently in this program, we do run a formula to allocate the funds out on the -- for vehicles.

That really looks at kind of -- we call it the decrepitude factor; those that have got the vehicles in the worst shape are the first ones to receive a piece of whatever pot of money we have been getting in the past, that lenders are alluding to. And then we just go down the list until the money is all gone. And then the next year, if we are fortunate to get money, we do the same thing again.

So that is the formula that is allocated right now. It is not done by a TxDOT district basis or a regional planning basis. It is done by either like a rural transit district basis or an urban transit district basis, depending on how we get the money.

So that's kind of the way we have been doing it. We do have that formula in the administrative code today, and it may suit the Committee fine to continue with that formula.
Again, addressing facilities is a difficult thing to do, because facilities, as Brad pointed out earlier, they're very expensive projects. And quite frankly, 1.25 million for the rural operators isn't enough to cover the vehicles, so that probably, you know, having a facility project is probably out of the question.

But you know, we could run a formula again. Decrepitude factor. We could run a competitive based type formula. We could come up with a new formula.

The Committee could come up with a new formula. Say, split it, you know, 39 different ways, and you get a piece of it. But you wouldn't be able to do anything with your piece. It would be much too small.

MR. UNDERWOOD: And I think that points out the bigger problem, Bobby, is that we cannot depend on 5339 for our asset management plan. Once we get an asset management plan, if you are buying five year vehicles, and you have got 100 of them, you know you have got about 25 vehicles every single year.

So you have got to use part of your 5311 that you have always used for operating. And you go, I have go to capitalize some of this, if I am going to stick with my plan, because it's been our experience one of the worst things you can do is not follow the plan. If you've got a plan, you need to be following it.
And so I think -- for anyone to think if we do this by formula, or statewide, to say, this is going to be the only place that will ever get vehicles every again, it's not going to happen.

MR. KILLEBREW: I think that is a good point. I think also, the revenue mod allocation that you get out, the 5311, some people use that for operating. It may be that you now need to consider as a rule operator, that needs to be part of my capital replacement program.

MR. UNDERWOOD: Right. That is exactly right. And so to me, there is not a lot of money here. But if everyone has a formula where they get so much every year, for us, we would just add that into what we are already going to be purchasing, and just put it down the road.

For us to do a statewide competitive call, the only thing I worry about is, people that don't take care of their vehicles, and have good preventive maintenance. And people that do irresponsible things with vehicles always seem to rise to the top, because they can demonstrate the most need.

Whereas, for us, we will take a five-year vehicle, make it last seven years. It is still running. So we really don't have quite the need that someone that might have a four-year unit, and just hasn't take very good care of it.
I think well, the transmission is blown. I can't use it anymore. Use the money to repair it. And so I think we get some of those issues.

MR. GADBOIS: So Brad -- am sorry.

MR. KILLEBREW: I just wanted to add, Glenn that in that situation, where the transit agency has a vehicle which has actually gone past its useful life. You would get more credit under the decrepitude formula, than someone who has fewer miles, because it is based upon the actual miles compared to the design miles.

MR. UNDERWOOD: Even if there is a vehicle that is dead, if they had a vehicle with 100,000 miles that was dead, and I had one with 150,000 miles that was still running, I would have, under that model, I would receive the bus over them?

MR. KILLEBREW: You would receive more funding under the formula. If you are both talking about --

MR. GADBOIS: Okay. So guys, given the discussion, it seems like what we need to be doing is shifting capital replacement to asset management. Which you say you all are doing, but not everybody does.

But figure out a way to get everybody looking at vehicle replacement in their asset management plans. And use this little pile of funding to fix problems that can't be reasonably perceived in the asset management
plans.

MS. BLOOMER: Well, Glenn, I don't -- this is Michelle. I don't know if I can completely agree, but I agree with your comment and Brad's comment on that. I don't think this is the only source of funding for vehicle capital replacement.

That we should be encouraging transit providers that received other sources of federal and state funds to replace their vehicles to do that. Obviously, we don't have enough money to just use this to replace vehicles.

And I think one of the questions, when we get further down is, emergency uses of these funds. So I think we can talk about that. But what -- I am sort of hearing both. Competitive, statewide competitive versus formula where everybody gets a piece of the pie, whether or not.

And my concern is, by doing that, we are just giving everybody a little bit of a really small pie and not necessarily fixing the problem. And you get $24,000, you can't buy a bus.

MR. UNDERWOOD: No. But that $24,000 will go with your other 5311 or revenue mile, or whatever.

MR. SALAZAR: And this is J.R. For the record, I support that each eligible transit agency to get a little piece of the pie, because we are doing the same
thing that Brad is doing.

We are going to buy vehicles every year. We just add that 40,000, 35,000 whatever that figure is to get more vehicles.

MS. BLOOMER: So what if you are a transit agency that doesn't have any other 5307 or 5311 funds?

MR. UNDERWOOD: Bank it one year to the next if you got to bank two years' worth to buy one vehicle.

MR. SALAZAR: And I do agree that I think that we, PTAC, TxDOT, whatever, needs to stress that to all of the rural operators, that that revenue mile is to be used to purchase a vehicle. I mean, we encourage the new purchase of a vehicle.

You can't make them. We can't make them, I don't guess. But we want to encourage them to do that. And I am just curious, out of all of us, I wonder how many of us do that?

MR. UNDERWOOD: I am curious what ARRA -- where are we at with that? Those vehicles were purchased in '08 and '09. Is that right?

MS. BLOOMER: Okay. Hold on. Time out. We are getting way, way off track. Hold on. We have seven minutes left here, folks.

MR. GADBOIS: Okay.

MS. BLOOMER: Hold on.
MR. GADBOIS: I want to side with J.R. and Brad, and suggest that giving people a little bit of money sends a clear signal that they are not going to get vehicles replaced with this spot of money. And that they have to do it under an asset management plan. But it gives them the certainty of some money.

MS. BLOOMER: Okay. And then I think, then if that is the direction we are going, I would just add, I think it is important. The asset management plan then plays a key and important role in all of this discussion as well.

So when the group works on the asset management plan, that we link back. Brad says, if we have a plan, we are doing what we say we are going to do with our plan. And that we use all our available resources to follow that plan.

MR. GADBOIS: Indeed, boss.

MS. BLOOMER: Do we -- back to the second question. Should the allocation be based on statewide strategic priorities? I guess if we are doing it formula, then it is just a formula, and we have no statewide priorities. Although, I think it would be good. Maybe it is in the asset management plan part of it, where we set out as a state what our expectations are for the condition of vehicles and the replacement of vehicles. One method,
I think that one is -- number 3, Bobby, that's not -- number 4, a formula basis forwards, as used in an agency have the option to bank up the two years' worth of allocation.

And what I'm hearing is yes. I think that is -- that could be an administrative. My concern would be if, I don't want an agency to squirrel away money, because you need three years of your allocation to buy a bus, that, you know, maybe I can't buy a bus my first year or so. J.R. gets my money that year. And then come the third year, when I finally have banked up enough, then I pull down my money. That it is not just sitting there, not being spent until the third year, when I have got my three thirds together and go. But I do think that is -- would like to see that flexibility.

MR. UNDERWOOD: We just don't want five-year-old grants sitting on the table. I mean, I think two years is reasonable. But I don't want to see people -- they have got four years' worth of 5339 waiting on a bus.

MS. BLOOMER: Well, and that is my point. Is that, you wanted to have three year grants open, because you wouldn't even really get that money. You would bank that money. And come that third year, you would get all. You would get 100 percent of the money you need, and
spend it then, versus TxDOT is going to give me a grant for one-third this year, one-third next year. And then in year two, I have got two years of money sitting there that somebody else could have used to buy a bus. But it's just sitting there, not being used.

And then in year three, I can finally take my year one, year two and year three money and spend it. Now, year three, I get all my money for year one, year two and three, and I have one contract, three years of funding, and I go spend it. In the meantime, my two years of funding that I couldn't use, somebody else got and they got to buy their vehicle. So I can buy one vehicle every three years.

MR. UNDERWOOD: Did you get a PTA?

MS. BLOOMER: No.

MR. UNDERWOOD: No. It would just be kind of in your bank or whatever?

MR. KILLEBREW: Yes. This is Bobby. This came out of one of the listening sessions as well, about the banking idea. And it is administratively banking the money.

It is almost like transferring [inaudible] credit; it's really not money. But you bank it on the books, per se. And so when there is enough money out there, so that Michelle's agency can actually buy her
vehicle, that's the year that she gets the money, that's
the year that we execute a PTA with her.

And then in the years that she's banking it,
that money goes to other rural transit districts, or other
urban transit districts. So it is possible that, Brad, if
you are an urban transit district, and Michelle is an
urban transit district, instead of taking her third that
year you end up getting more money after all that you put
with the rest of your money to go buy vehicles.

MR. UNDERWOOD: Okay.

MR. KILLEBREW: But understand, in the third
year, you may not get as much, because we've got to make
Michelle whole now.

MR. UNDERWOOD: I get my minimum amount that
year, I guess.

MR. KILLEBREW: You may get your minimum amount
or maybe less than a minimum amount after we take
Michelle's off the top, because she's banked hers. Then
you're going to get a piece of the balance.

MS. BLOOMER: Because you already got your
third year money in year one.

MR. KILLEBREW: You get your money. It is an
advantage to you. You get your money earlier, which
allows you to buy more vehicles earlier.

Michelle is banking. And she is taking a risk
that there is going to be money in that third year for her
to have a whole vehicle. So you know, she gets it later,
but she gets it all at one time in that third year.

MR. UNDERWOOD: At least -- I like that,
because it puts the power back in the control of the
transit agency to use their money as they see fit.

MS. BLOOMER: Okay.

MR. GADBOIS: Well, as long as it agrees with
the asset management plan.

MR. KILLEBREW: Exactly.

MS. BLOOMER: Okay. So I think we are all in
agreement that banking, allow the flexibility to
administratively bank funds.

The next one is MAP-21. Allows the transfer of
Section 5339 rural funds to Section 5311; should the rural
funds be transferred.

MR. GADBOIS: No.

MS. BLOOMER: Bobby, can you help me understand
the question?

MR. KILLEBREW: Under MAP-21 there is a
provision that allows 5339 money to be transferred. Hang
on a second. Let me clarify something with Karen.

Karen, is that for 5307 as well, or just 5311?

MS. DUNLAP: I think it is just 5311.
MR. KILLEBREW: Okay. I believe it is only in the 5311 program. We can actually transfer that money over to the regular 5311 program. And you can draw it down just as 5311 funds.

And so the question to the survey audience was, do you want to run this program as a separate program 5339? Or do you want to transfer this over to the 5311 program, and just bring it all down as 5311 funds?

MR. UNDERWOOD: I think it needs to stay in 5339. I think that pot will -- I think in upcoming years, we may see that pot increase, legislatively, at the federal level, because I think it is being recognized all over the states, at least from an after perspective.

What they are saying is, this will be somewhere they think they will put money as far as infrastructure later. But if we start taking it and lumping it into 5311, then you might have some transit agency go, I don't know. I spent it on gas, I guess. You know, where is your 5339 money? I don't know. We spent it on operating.

At least, this has this category. We are saying, this is your capital piece. And I think we ought to -- my opinion is we ought to keep it where it's at.

MS. BLOOMER: Any --

MR. GADBOIS: Is there any --

MR. SALAZAR: I am fine with that.
MS. BLOOMER: Okay. Rob?

MR. STEPHENS: Yes.


The next one is, some stakeholders have suggested that 5339 be viewed as a source to compensate transit agencies for vehicles totaled in an accident and other unforeseen circumstances not covered by federal emergency funds. I think we talked earlier about Commission discretionary, and --

MR. UNDERWOOD: Actually purchasing.

MS. BLOOMER: I want to -- I mean --

MR. UNDERWOOD: You guys hold back. We are not talking about -- you aren't talking about actual emergency funds you hold back every year. Correct?

MR. KILLEBREW: This is Bobby. My comment earlier was, in the 5311 program, the amount that is available for the Commission for discretionary purposes, instead of awarding it all under the coordinated call, we hold back a small amount, because we normally have some emergency some place in the State of Texas.

And that is just as a safeguard. By the end of the year, we do hand it all out. It is just that we try to plan ahead for an unforeseen emergency.

MR. SALAZAR: Okay.

MR. UNDERWOOD: So this, on number 6 then, I
would disagree, because we already have those funds set aside somewhere else.

MS. BLOOMER: Yes. I recommend we continue to do it as we currently do it. Any other thoughts? And you haven't run into any issues where you haven't had sufficient funding to address an emergency need based on the current process?

MR. KILLEBREW: Not as yet.

MS. BLOOMER: Okay.

MR. GADBOIS: Well, is he talking, are they talking about emergencies, or are they talking about a vehicle gets in an accident? Are transit agencies self-insured?

MR. KILLEBREW: This is Bobby. Most of them are, through an insurance pool, if they can, or, if they're city owned and operated, through that avenue.

What happens sometimes, is there are accidents that don't fully cover the replacement cost of the vehicle. So the transit agency is out a vehicle. Whether the insurance company pays off, you know, 10 percent on it, or whatever it happens to be. So it is replacing the asset.

MR. GADBOIS: Okay. That needs to be dealt with in asset management. I would say no to this.

MS. BLOOMER: Yes. I think, Glenn, we are
saying not the vehicle accident, but more the larger scale unforeseen.

MR. GADBOIS: Right.

MS. BLOOMER: I mean, if we are in the business of providing public transportation, we need to assume that, or at least plan for an accident. Now, a hurricane, a flood, a fire, a hailstorm --

MR. GADBOIS: Right.

MS. BLOOMER: It is a lot larger scale.

MR. GADBOIS: Right. And I got that part, Michelle. It was just worried about the accident type.

MS. BLOOMER: Okay. And if I understand the Committee, we are saying no on the accident. Yes on the emergency. But continue to handle the emergency through the current process.

MR. GADBOIS: Correct.

MS. BLOOMER: Okay. Should Section 5339 projects be linked to the Agency’s transit asset management plan? I think the overall answer is yes?

MR. GADBOIS: Yes.

MR. SALAZAR: Yes.

MR. UNDERWOOD: Yes.

MS. BLOOMER: Okay. Both the small urban and rural revenue fleets range from seven to more than 90 vehicles. The average is 20 at small urban and 40 for
rural vehicles. For vehicle replacement, should agencies with significantly smaller fleets receive a preference for funding?

MR. SALAZAR: No.

MR. UNDERWOOD: No.

MS. BLOOMER: I think the general -- unless anybody has any -- the general consensus is no. I think it gets back to your asset management plan and managing your fleet.

Should escalating maintenance costs be a factor in project selection? I think Bobby, we might need some more, maybe in the first draft, sort of what those -- we are just doing four. If I were just getting a piece, then there is no concern. So that is that.

MR. KILLEBREW: Yes.

MS. BLOOMER: Okay. And then in listening sessions, okay. Summarize it. Basically, should facilities be eligible, or should facilities not be eligible. It is sort of split both ways. And I know there has been some discussion. I think the main concern is, there is really not enough money to fund facilities. But in my mind, that doesn't mean we shouldn't -- we should remove them off the table.

MR. SALAZAR: Yes.

MR. UNDERWOOD: I don't want to restrict it, in
case later there is money available.

MS. BLOOMER: Right.

MR. UNDERWOOD: And one should be able to use it the way they think it is best for your asset management plan.

MS. BLOOMER: Right. And if you can squirrel away enough money per facility, as an eligible project, go ahead. But I hate to restrict and limit what is already eligible.

MR. UNDERWOOD: Right.

MS. BLOOMER: But that is just --

MR. GADBOIS: Well, and I agree with you all. I just want to point out an argument, Eric and I have had about this. Just put it on your plate. Michelle, you know value capture and its ability to contribute money to transit projects. One of the things that the rural and small urbans really don't do much of is a little bit of investment into facilities that might allow them to participate in value capture. As a consequence, I really do agree with you all. We need to keep it on the table, because that may be one reliable source of local funding in the future, you know, if folks ever figure it out.

MS. BLOOMER: Okay. So am I hearing you, Glenn, correctly that we need to leave facilities on the table?
MR. GADBOIS: Yes.

MS. BLOOMER: Okay.

MR. GADBOIS: Yes.

MS. BLOOMER: Then I think we have consensus.

Bobby, do you have enough from us to move forward in drafting something with the understanding that this is an initial straw man of what the rules might look like?

MR. KILLEBREW: This is Bobby. Yes, I do.

MS. BLOOMER: Okay. Does anybody have heartburn, or are going to lose sleep over where we are?

(No response.)

MS. BLOOMER: Okay.

MR. GADBOIS: Not yet.

MR. UNDERWOOD: One thing that I will say, that Michelle is going to love me for bringing up. We don't have to talk about it today.

But at some point, probably when we get the rules back, one thing that I am going to want to look at is, under the 5311 program, since we are looking at rules and TAC and that kind of thing, is a cap on administrative expenses. Things that we charge off 80:20 on, that are not capital or preventative maintenance, I think we should be looking at.

There should be a cap on the amount that an agency can charge for administration. I don't think we
are making best use of --

MR. GADBOIS:  Remind us when we get rules.

MR. UNDERWOOD:  Okay.  I just don't think we

are making -- and you can all be kind of thinking about

this.  And we can talk offline about it.  And why I feel

this way.

But I don't feel like any agency that is using

40 to 50 percent of their 5311 funds for administration

and jobs, I don't think that is putting service on the

street.  And I don't think it is meeting what the money is

intended for.  So I will be back.

MS. BLOOMER:  Okay.

(Simultaneous discussion.)

MS. BLOOMER:  All right.  Well, we'll table

that.

MR. UNDERWOOD:  I am just throwing it out

there.  It is just not right.

MS. BLOOMER:  We'll table that one for -- and I

think that gets back to setting the statewide priorities,

is how much service can we put on the street.

MR. UNDERWOOD:  I agree.

MS. BLOOMER:  I think, if there are no

objections, we will table Item 6.  I believe everybody has

the handout and information in their packet related to

that item.
MR. KILLEBREW: Yes. This is Bobby. All I would say about that, it's an informational sharing opportunity. So just please refer to your packets if you have specific questions.

Feel free to email or call us here at TxDOT, and we will try to answer your questions. But I know in the essence of time, that we don't need to go through those.

MS. BLOOMER: Okay.

MR. GADBOIS: Bobby, you are not lobbying for any one of them?

MR. KILLEBREW: I don't think there's a state employee raise out there yet.

MS. BLOOMER: The next item is number 7, public comment.

(No response.)

MS. BLOOMER: I don't believe we have any public comment. Number 8, confirmation date of the next meeting. I do want to take five minutes.

If you will just hold on for five more minutes. At our last meeting, we talked about setting regular, scheduled ahead of time meetings, so that those of us -- well, we will just leave it at that. So we know when we are going to meet.

We talked about quarterly. Based on feedback,
I have received what Bobby provided, as well as conversations. I think what I would like to do, looking at those who responded, is actually looking at every other month, focusing on a Tuesday. It seems like that is the best day for most folks. And recommending that it is the last Tuesday of every other month.

So the next meeting would be the last Tuesday of May. And going from there. Now it is now March 19th. Does that -- how does that impact our schedule? March, April, May. The end of May? We would come back.

MR. GADBOIS: As long as we can get them done by 4:00. I have got a standing meeting at 4:00 on the last Tuesday.

MS. BLOOMER: Glenn, I sure hope so.

MR. UNDERWOOD: Can't you reschedule your massage, Glenn?

MS. BLOOMER: And then we talked. One of the things Rebecca sent out was start time. And I just -- if folks have heartburn with the one o'clock start time, which would hopefully get us all out of here by three o'clock at the latest, and allowing those of us that have got to get back, enough time to get back before other responsibilities take over.

So if there is any heartburn? Every other month, last Tuesday of the month, one o'clock. You can
participate here in Austin or via conference call. And
any --

MR. GADBOIS: I'm setting it.

MS. BLOOMER: All right. So our next meeting
would be -- somebody help me. Tuesday.

MR. GADBOIS: It will be May 28, one o'clock.

MS. BLOOMER: At one o'clock.

MALE VOICE: That will be the day after
Memorial Day.

MS. BLOOMER: Well, maybe what Rebecca could
help us do is go ahead and calendar those out for the rest
of the year, and then we can look at them individually.
But I think we all know now, it's the day after Memorial
Day. Maybe you can all come down to Austin for Memorial
Day weekend and you'll be here ready to go.

MR. KILLEBREW: I will get Rebecca to send out
those dates. And we will look at any conflicts that might
arise because of a holiday of some sort. We will also
understand, hopefully, the Committee understands that we
might need to get together more often if we have an
urgency to meet.

And so these are just standing appointments to
put something on the calendar. And most certainly, if we
don't have a need to meet, then we are not going to take
your time to call the meeting, either. So, okay.
MS. BLOOMER: Right. So if we need to meet more frequently or we need to bump it up, we can do that. And obviously, if we don't have anything to talk about, we don't need to drive all the way down here. Okay.

MR. KILLEBREW: We appreciate you scheduling those out.

MS. BLOOMER: Yes. All right. Any other items for discussion?

MR. UNDERWOOD: Move to adjourn.

MS. BLOOMER: All right. I have a motion.

MR. SALAZAR: Second.

MS. BLOOMER: All those in favor?

(Chorus of ayes.)

MS. BLOOMER: The motion passes. Thank you all.

(Whereupon, at 4:15 p.m., the meeting was concluded.)
CERTIFICATE

MEETING OF: Public Transportation Advisory Committee
LOCATION: Austin, Texas
DATE: March 19, 2013

I do hereby certify that the foregoing pages, numbers 1 through 129, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Transportation.

/s/ Carol Bourgeois 03/26/2013
(Transcriber) (Date)

On the Record Reporting
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