

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

<u>AGENDA OF PUBLIC TRANSPORTATION ADVISORY COMMITTEE</u>		
<u>ITEM</u>		<u>PAGE</u>
1.	Call to Order	3
2.	Approval of Minutes from January 23, 2013 meeting	3
3.	Division Director's report to the committee regarding public transportation matters	5
4.	Discussion and comment on potential rule making necessary to implement MAP-21 changes	15 55
5.	In accordance with 43 Texas Administrative Code (TAC) §1.83(c), review and comment on the final proposed revisions to 43 TAC, regarding Transportation Development Credits	34
6.	Presentation on recent federal and state legislative matters	124
7.	Public comment	none
8.	Confirm date of next meeting	125
9.	Adjourn	128

P R O C E E D I N G S

1  
2 MS. BLOOMER: Call the meeting to order. The  
3 first item on the agenda is approval of the minutes from  
4 the January 23, 2013, meeting. Are there any questions or  
5 comments regarding the minutes?

6 (No response.)

7 MS. BLOOMER: Has everybody read the minutes?

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

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

12 MR. GLEASON: I've got you.

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

22 And it says, under the circumstances, PTAC  
23 members decided to table the letter idea. Can we just add  
24 some additional clarification that under those  
25 circumstances? And in light of Phil Wilson's December 18

1 letter, which I think we had decided addressed most of the  
2 issues we were going to raise, that we determined it  
3 wasn't necessary to send a letter from PTAC at that time.

4

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

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

9 (No response.)

10 MS. BLOOMER: Questions?

11 (No response.)

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

14 MR. UNDERWOOD: So moved.

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

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

20 MR. STEPHENS: Here. Yes.

21 MS. BLOOMER: Okay. Thank you. Al?

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

24 MS. BLOOMER: Okay. Brad?

25 MR. UNDERWOOD: Aye.

1 MS. BLOOMER: J.R.?

2 MR. SALAZAR: Aye.

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

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

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

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

18 MS. BLOOMER: Okay.

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

23 Two of them are reasonably significant. We  
24 will talk about them in just a second, when I go over some  
25 of our activities, other activities. But it is kind of a

1 quiet time frame, and it probably won't really pick up  
2 again until and whenever we get the second half of this  
3 year's federal apportionments.

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

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

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

21 And we have two areas that we know of for sure  
22 that are going to ask the Department to continue in a  
23 designated recipient role for a temporary period of time,  
24 until they get their local processes in place. And those  
25 two areas are CAMPO, here in Austin.

1           They are looking for us to assume a six-month  
2 role that way, and then Laredo has asked us to perform the  
3 designated recipient role for fiscal year '13. And in  
4 April, we will be going to the Commission to seek their  
5 approval for that, on those two areas.

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

12           On the 5307 side, FTA informed us --

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

16           MR. GLEASON: Okay, Glenn. No problem. On the  
17 5307 side, a long-standing arrangement here in Texas,  
18 where the State and the Governor and the Department had  
19 passed down the designated recipient status on the 5307  
20 program for the Governor's Apportionment Group.

21           We had passed that down to a local area, or a  
22 local provider. And then subsequent to that, areas may  
23 have chosen a direct recipient to have a relationship with  
24 FTA, from the compliance standpoint. That is a long-  
25 standing practice.

1           We have received word from FTA that that  
2 practice was no longer valid. And we are in the process,  
3 in 21 different areas of the state, helping those areas to  
4 move through a decision process, a local decision process  
5 to identify a direct recipient.

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

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

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

22           MR. GLEASON: I think all the direction we have  
23 received on that has come from Region Six. My  
24 understanding of this, and Bobby, jump in if I am wrong --  
25 I think it is not fair to characterize this as a MAP-21

1 triggered change. I think there may have been some  
2 language in MAP-21 that clarified the situation.

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

9 MR. UNDERWOOD: Okay.

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

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

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

24 MS. BLOOMER: Sorry. Can I just --

25 MR. GLEASON: Sure.

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

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

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

12 MR. GLEASON: Not any longer. We are.

13 MS. BLOOMER: Okay.

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

16 MS. BLOOMER: Applied for.

17 MR. GLEASON: And received.

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

20 MR. GLEASON: We are the designated recipient.

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

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

25 MS. BLOOMER: On a direct recipient. Not

1 necessarily the City of McKinney. It is the McKinney  
2 urbanized area. Okay.

3 MR. GLEASON: Yes.

4 MS. BLOOMER: Okay.

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

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

19 And the City of McKinney needing to make its  
20 direct recipient decision. Currently, C-Carts provides  
21 those services in the McKinney urbanized area. And so the  
22 process is such that they are all trying to move along  
23 this decision spectrum at the same pace and at the same  
24 time, so that they make a set of decisions which is best  
25 for the entire area.

1           And it is further complicated in that the COG  
2 funds services in a portion of Collin County that is in  
3 the Dallas area UZA. So it is a rather complicated  
4 situation.

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

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

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

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

23           And then the fourth one is from Eagle Pass, Del  
24 Rio into San Antonio, which has no alternative underlying  
25 service in the rural transit district out there.

1 Southwest Rural Transit District is seeing some pickup in  
2 activity on its services, because of that.

3 So we aren't yet in a position of trying to  
4 jump in and set up an alternative service, because we are  
5 focusing on that last connection. And it is one that we  
6 may need to do something, if Sarah Cook down there at  
7 Southwest Regional Transportation needs some help.

8 That concludes my report. Any questions from  
9 the Committee?

10 (No response.)

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

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

16 MR. GLEASON: Yes. The Megabus, they are --  
17 you know, Kerrville is a subsidiary of Coach USA, which  
18 was purchased by, or has always been a part of Megabus. I  
19 am not sure what the right way to describe that is.

20 But Megabus operations, if you have been out  
21 traveling on the freeways, they are becoming a fairly  
22 common sight. And they seem to be, from a corporate  
23 standpoint, the focus is on the major intercity pair  
24 connections. And not on the in between connections in the  
25 rural areas, that the intercity bus industry has

1 traditionally provided.

2 MR. UNDERWOOD: Okay.

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

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

10 MR. GLEASON: Yes.

11 MR. UNDERWOOD: Okay.

12 MR. GLEASON: Yes.

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

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

21 It is our understanding -- and it is my  
22 understanding, that things are working their way out and  
23 through the legislative process. That Senate Bill 8, if  
24 it is still is Senate Bill 8, was introduced by Senator  
25 Nelson, and had in it some language that would move the

1 entire Medicaid program to a managed care model in the  
2 state, including transportation.

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

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

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

12 (No response.)

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

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

20 What my goal is, by the end of today's meeting,  
21 is we will come up with some consensus to be able to  
22 provide PTN with some high level consensus for PTN to go  
23 back and be able to start drafting the text. What I want  
24 to try to avoid is getting into the details, sort of the  
25 sausage making of what the revised rules might look like.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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.

1                   MR. KILLEBREW: Yes. For the record, this is  
2 Bobby Killebrew, Deputy Director of Public Transportation  
3 Division. Good afternoon, everyone.

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

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

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

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

1 common thread there?

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

7           So as staff, we are sitting here ready to  
8 listen to you, and trying to be a resource to you as well.

9           But it is the bigger picture thing. You don't have to  
10 worry about writing the text, the Administrative Code.  
11 Someone else will do that.

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

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

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

25           MS. BLOOMER: Yes. I think it would be easier

1 if we focus on one program at a time. Limit our  
2 discussion to that program, and those key areas of  
3 discussion, related to that program. Finish that one, and  
4 then we can move on to the next one.

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

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

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

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

22 We had two -- well, I'm not going to read it.  
23 You can see what the results were from the survey were.  
24 But I wanted to open that up for discussion and then  
25 consensus on where we as PTAC think the 5310 program

1 should go. So who would like to go first?

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

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

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

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

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

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

23 MR. KILLEBREW: It is possible it could as low  
24 as \$20,000. When you take the pot for the rural -- and  
25 this is mainly in the rural area. When you take that pot

1 and you split it with the current formula, some districts  
2 will just end up with very little money, using that  
3 formula.

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

6 MR. KILLEBREW: There's 25 TxDOT districts.

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

9 MR. KIRKLAND: Twenty-four.

10 MR. KILLEBREW: Twenty-four regions, yes.

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

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

21 MALE VOICE: Those are different.

22 MR. UNDERWOOD: So the money would be different  
23 allocated. Is that still going to leave some regional  
24 transit district with the same kind of scenario, with very  
25 little money?

1           MR. KILLEBREW: This is Bobby. We have not run  
2 the scenarios as far as allocating the funds to a regional  
3 planning district area versus the TxDOT district voucher.

4        You are right, you are talking about a different  
5 geographical area, and so with the populations in that  
6 geographical area that would imply.

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

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

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

25           MR. GADBOIS: Okay. Bobby, can I jump in for a

1 second and ask a couple of questions?

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

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

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

22 If you run it through the existing formula,  
23 some of the areas of the State end up with very little  
24 allocation; not much money to do anything with. So that  
25 is an observation.

1 MR. GADBOIS: Okay. So the problem statement  
2 is making sure 5310 is realigned as objectively as  
3 possible with the changes of MAP-21; that are already  
4 happening, because of MAP-21? Is that a fair statement?

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

13 MR. GLEASON: If I can jump in?

14 MR. GADBOIS: Okay.

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

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

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

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

25 MR. KILLEBREW: This is Bobby. Glenn, I think

1 it is --

2 MR. GADBOIS: Yes. Go ahead.

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

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

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

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

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

23 And there wasn't any comments in regards to  
24 what the actual formula should be, on how it would be  
25 allocated to those lead agency boundaries.

1 FEMALE VOICE: Other than --

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

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

9 MR. GADBOIS: Yes.

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

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

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

24 And to a certain extent, the formula  
25 conversation, there was an interaction there, because you

1 want to pick a local area that generates enough money to  
2 make it worthwhile, for that area to have a process. And  
3 so there is a little bit of interaction there, between the  
4 selection of the boundaries and what the formula yields.

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

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

15 MR. KILLEBREW: Yes.

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

19 MR. GADBOIS: But --

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

23 MR. ABESON: This is Al, Michelle. Could you  
24 similarly indicate the relationship between the districts,  
25 the planning agencies, and the coordination plans that I

1 believe now exist throughout the state, so if the question  
2 were asked how could this program further advance the  
3 coordination initiative, where would that responsibility  
4 lie? And is that one potential criterion for deciding  
5 this question.

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

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

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

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

20 MS. BLOOMER: I couldn't hear.

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

23 MS. BLOOMER: Okay. So we have two locals.

24 Rob, would you like to weigh in?

25 MR. STEPHENS: Well, I mean, if we are looking

1 at the survey here, to -- you know, I think the  
2 overwhelming, you know, direction, is the local process.  
3 I mean, unless there is a compelling reason why we  
4 wouldn't want to do that, I would have to select local as  
5 well. I mean, unless there is some compelling interest,  
6 otherwise.

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

10 MR. UNDERWOOD: My reason for choosing --

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

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

15 MR. GADBOIS: Okay.

16 MS. BLOOMER: Do you have a vote?

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

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

1 significant.

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

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

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

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

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

20 MR. UNDERWOOD: Yes. I will answer Rob's  
21 question. And I kind of -- I agree with you a little bit  
22 on that, Glenn, in the fact that I would like to see how  
23 the money breaks down in the rural transit districts.  
24 Or -- I'm sorry -- not rural, but the Regional Planning  
25 Districts.

1           And the reason why that is because under the  
2 current setup, with TxDOT districts, there is not enough  
3 money to maximize what we need to be doing with this  
4 program. So I would just as soon put it at a local  
5 competitive level.

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

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

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

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

25           So that's where -- and I'm also concerned that

1 if we do spread the pie out across all 25 districts,  
2 you're going to get such a small piece of pie left, what  
3 can you really do with it? So I don't --

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

7 MR. UNDERWOOD: No. But I don't think there is  
8 the money that was there before. Is that correct, Bobby?  
9 That must have been there in years past.

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

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

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

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

1 through TxDOT's administration of this program.

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

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

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

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

22 I would like to throw out for the Committee a  
23 consideration that would the Committee be interested in  
24 seeing something that preserves the decision making  
25 locally, but included at some statements of overarching

1 statewide interest. Where, there would be opportunities  
2 to express some overarching elements of statewide  
3 interest. Some of the things we have heard.

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

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

10 MS. BLOOMER: Hold on. Can we --

11 MR. GADBOIS: Go ahead, Al.

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

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

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

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

23 MR. WILLIAMS: Sure. Marc Williams with TxDOT,  
24 Director of Planning. Eric asked me to stop by and visit  
25 with you all a little bit about the two rule changes that

1 were offered by our Finance Division, involving  
2 transportation development credits.

3 They are kind of an add-on to a much larger set  
4 of rule changes that were put forth back in September.  
5 James Bass was not available here today. He has got  
6 legislative testimony.

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

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

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

23 I am sure that would make Eric and others happy  
24 for that. But based upon what James understood the intent  
25 to be, a clarification was added.

1           The second item is a change to making awards  
2           that the Commission makes, that gives the Commission the  
3           ability to allocate TDCs to a program and not necessarily  
4           to just projects. The example that I think was recently  
5           being looked at was, is there is about \$100 million worth  
6           of design, federal design projects that the Commission was  
7           wanting to consider potentially doing TDCs for.

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

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

22          State funds are no longer needed to be used as  
23          the required federal match should then be available to be  
24          targeted to priority projects in an effort to streamline  
25          their delivery. So you know, the intent is to be able to

1 have some flexibility to make use of TDCs through either a  
2 program or a set of projects.

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

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

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

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

24 These are ones that are semi directly related  
25 to the things that this Committee does have the ability to

1 weigh in on. So at this point in time, we don't want to  
2 follow the formal structure, per se.

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

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

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

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

25 MS. BLOOMER: Okay.

1 MR. KILLEBREW: So I believe you require a vote  
2 of the Committee.

3 MS. BLOOMER: Okay.

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

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

11 I'm looking at Marc.

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

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

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

23 MR. WILLIAMS: For the TDCs, yes.

24 MR. UNDERWOOD: Okay.

25 MR. WILLIAMS: If we had -- if we were doing,

1 let's say \$100 million worth of planning. They weren't  
2 planning projects. They were design and engineering  
3 contracts.

4 MR. UNDERWOOD: I see. Okay.

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

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

16 MR. UNDERWOOD: Sure.

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

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

1 what you refer to as --

2 MR. WILLIAMS: Uh-huh.

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

9 MR. WILLIAMS: Uh-huh.

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

12 MR. WILLIAMS: Right.

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

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

21 MR. WILLIAMS: In my reading, I don't see that  
22 there is any difference in the two programs, you know.  
23 The Commission, there is a set of -- I mean, there is the  
24 Commission. You still have to go to the Commission, Eric,  
25 to get award of your projects, right?

1           And so if there is a program, if there is an  
2 additional program of projects over and above that, it  
3 would fall into the same category. The Commission has the  
4 discretion to go above the 15 million that is set aside  
5 for public transit use.

6           MR. UNDERWOOD: Right. But I guess my question  
7 is, once a year, he goes in, in October and says, I have  
8 15 million TDCs. I want those. They are set aside for  
9 public transportation.

10           And they go, yes you do. Good. And so all  
11 year long, he can use those for projects as they arise,  
12 capital needs, whatever. He doesn't have to keep going  
13 back and forth. Oh, somebody wants to buy a bus. I need  
14 20,000 TDCs, kind of thing.

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

22           MR. UNDERWOOD: Right.

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

1 We have got this program of projects.

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

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

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

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

21 MS. BLOOMER: But how does that -- I understand  
22 that you go to the Commission and ask, but we have the 15  
23 million, which is the set-aside. So it is almost like we  
24 need the set-aside to become its own program of projects  
25 every year in order to allow that flexibility.

1 MR. GLEASON: Well, this is Eric. I think, as  
2 Marc suggests, we need to kind of sort through. What I  
3 would imagine -- I think, Brad, what I -- you are talking  
4 about public transportation as a program.

5 MR. UNDERWOOD: Exactly.

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

10 MR. UNDERWOOD: Yes.

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

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

24 We would use TDCs. But that we wouldn't have  
25 to associate them with a specific project. That is my

1 goal, which is great, because then we get into this  
2 ridiculous back and forth as projects change. We don't  
3 use them all. We need more.

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

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

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

15  
16 I would rather -- if that is what they are  
17 going to do to clean this up, clean it up for public  
18 transportation as well, so you have kind of got that one  
19 shot, once a year, and then you are done. You are free to  
20 move about, you know, as you need to, the rest of the  
21 year.

22 MS. BLOOMER: And I just want to --

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

1 question, and you answered it.

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

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

11 I mean, you will have to go back and kind of  
12 readjust that request at least once in a year. You know.

13 I mean, do you think it would be easier to go by category  
14 or program?

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

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

25 So I am fine with that. One of my questions

1     though, is the two minor amendments. And I feel that one  
2     sort of is minor. The second one, I am not sure it is  
3     such a minor amendment.

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

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

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

19            Are we just taking one million and saying, okay  
20     here is a 100 million to work between these 30 or 40  
21     projects, how do we get back to making that a transparent  
22     process to the general public, to know what the TDCs have  
23     actually been spent on. But I would agree that if we are  
24     going to provide that flexibility for program specific,  
25     then I would also like to see that added to the 15

1 million.

2                   And then leave it to PTN to determine at what  
3 level that flexibility needs to be provided; program  
4 specific or capital operating, planning, et cetera. So I  
5 think --

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

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

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

21                   Being that you haven't gotten a notice on that,  
22 I am expecting that he probably has not. So I will either  
23 ask him to do it, or offer to send out that notice myself,  
24 so that everybody can have a chance to see and weigh in on  
25 the rule change that is proposed.

1           The third item, in terms of transparency and  
2 reporting, I certainly understand and would agree that  
3 there has got to be a way to sort through that. If there  
4 is an interest in seeing how they are used.

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

10           But I think that that is a good comment for us  
11 to -- for the Committee to make. The information exists.

12           You know, Finance maintains that information. How to put  
13 that out and how to report it is something we need to give  
14 some thought on.

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

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

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

25           You know, we just, through this process, began

1 the process of advertising the amount of TDCs that are  
2 available as part of our UPP. And there is about \$2  
3 billion worth of TDCs that are out there.

4 MR. GLEASON: They are not dollars.

5 MR. WILLIAMS: Two billion -- thank you, Eric.  
6 Three billion credits, TDC credits. Boy, I am going to  
7 have to put a dollar in the can.

8 MR. GLEASON: Yes.

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

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

13 MS. BLOOMER: Ballpark.

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

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

23 Because the rules that produce the TDCs are  
24 somewhat complicated. And a lot of it really just depends  
25 upon when money comes online, and how we, you know,

1 authorize those funds. But we seem to be doing a pretty  
2 good job of regularly now authorizing a significant amount  
3 of TDCs.

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

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

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

17 MS. BLOOMER: That at least helps me.

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

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

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

24 MR. WILLIAMS: I would also encourage you, the  
25 transit folks, to realize that, you know, we are just the

1 small stage in this pool here, of TDCs that you have got  
2 here. We have only got about 400 million of the 2 billion  
3 that is out there.

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

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

12 (No response.)

13 MS. BLOOMER: Anybody still on the phone?

14 (No response.)

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

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

22 MS. BLOOMER: Bobby, what kind of -- do you  
23 need more direction from the Committee, if we were to make  
24 a comment as to what that comment would be? I think  
25 generally, the consensus, and correct me, if I am wrong,

1 but we are in support of the suggested revisions to the  
2 Code.

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

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

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

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

25 So not trying to go minute order by minute

1 order to find it. But to have something on TxDOT's  
2 website that usually says, TDCs, here is how they are  
3 being spent, and links it back to -- I think there were  
4 three or four goals related to the use of TDCs. Those  
5 would be my comments.

6 MR. GLEASON: Okay.

7 MS. BLOOMER: Any --

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

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

14 MR. UNDERWOOD: And I will second your motion.

15

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

18 (No response.)

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

21 MR. ABESON: Yes.

22 MS. BLOOMER: Okay. Rob?

23 MR. STEPHENS: Yes.

24 MS. BLOOMER: Glenn?

25 MR. GADBOIS: Yes.

1 MS. BLOOMER: J.R.?

2 MR. SALAZAR: Yes.

3 MS. BLOOMER: And Michelle, aye. Okay. Thank  
4 you. All right. Thank you. Okay. Going back to Item 4.  
5 Item 4 and 5.

6 MR. WILLIAMS: I am going to run.

7 (Simultaneous discussion.)

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

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

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

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

24 But that the Administrative Code would also  
25 include in it some overarching explicit statewide

1 interests in that process. Criteria, whatever you might  
2 want to call them.

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

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

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

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

19 MS. BLOOMER: All right.

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

25 Those can be determined. Eric mentioned some.

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

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

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

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

13              MR. UNDERWOOD: No.

14              MR. GADBOIS: I'll say no.

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

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

24              MR. GADBOIS: And, Michelle, let me just  
25 postulate this, because I'm a local person as well. I

1 think if we put into a competitive grant, show evidence of  
2 local support for your application, then that is going to,  
3 number one, further coordination, number two, kind of let  
4 the locals stip what they really want to get behind.

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

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

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

22 MR. GADBOIS: Well, Michelle, there's -- excuse  
23 me. But there's a significant difference between I  
24 support this project, and I am putting up cash and doing a  
25 significant piece of this project.

1           But in fact, you know, kind of the more  
2 innovative and coordinated projects are asking for more  
3 than just tell -- you know, put in a letter that you  
4 support. You are choosing who to give.

5           MS. BLOOMER: But I don't --

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

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

14          MR. GADBOIS: Right on.

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

17          MR. GADBOIS: Yes.

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

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

1 to MAP-21 for this program.

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

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

12 MS. BLOOMER: Okay.

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

14 MS. BLOOMER: Yes. Okay.

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

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

19 MR. KILLEBREW: This is Bobby. Michelle has  
20 asked me to restate the consensus of the Committee, so I'm  
21 sure Committee members will let me know if I get this  
22 wrong. What I am hearing is the consensus of the  
23 Committee now is to administer this program at a statewide  
24 basis, but with some overarching statewide priorities,  
25 or -- is the way we want to call those.

1           And that the program will have projects that  
2 are tied to a locally developed plan. And right now, in  
3 Texas, that is done at the regional level.

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

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

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

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

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

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

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

1 stab at it.

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

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

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

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

23 It's the locals who determined what those needs  
24 are. Those projects that are determined at the local  
25 level through the regional coordination process to be

1 priorities are then put forward to compete with other  
2 local high priority projects at the state level.

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

6 MS. BLOOMER: Yes.

7 MR. ABESON: In other words --

8 MS. BLOOMER: Yes.

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

12 MS. BLOOMER: Yes.

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

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

20

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

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

1 back to the regional coordination plan and planning  
2 activities.

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

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

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

17 The question is, should this cap of 45 percent  
18 be factored in at the local level, or at the state level.

19 Some of the issues that I am thinking about related to  
20 that is my concern is, I think, at first, I was like yes,  
21 we can finally use 5310 money for operating assistance.

22 I think that is the good news. The bad news  
23 is, is I think a lot of people out there are also saying  
24 yeah. I am Joe Blow and I have two buses. And now I can  
25 ask TxDOT for operating assistance.

1           And so you are going to have a lot more folks  
2 coming to the table asking for 5310 money. And we have  
3 less money to give out. And so where do we want that  
4 flexibility to be? Should it apply at the local level?

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

10           (No response.)

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

12           MR. STEPHENS: Are you joking? No. No, I  
13 don't.

14           MS. BLOOMER: No? Okay.

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

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

1 level.

2 MALE VOICE: Right.

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

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

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

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

22 And I think that doing it at the statewide  
23 level allows us that flexibility. So if, are there any  
24 folks that have any other strong comments that they feel  
25 the need to share on that one?

1 (No response.)

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

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

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

13 MS. BLOOMER: Okay.

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

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

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

1 another.

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

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

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

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

21 MR. GADBOIS: Here is my one caveat to that,  
22 Michelle. Is, we ought to do some tracking, because if  
23 this becomes a lopsided investment, then PTAC and  
24 everybody else is going to get beat up by the losers. So  
25 we ought to do some -- we ought to have some ability to

1 track and make sure that a constituent originally intended  
2 under these programs is not getting inordinately left out.

3 MS. BLOOMER: Okay. Bobby?

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

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

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

19 MS. BLOOMER: Well, then I think that gets back  
20 to, Glenn, where it's the locals' decision. If I have ten  
21 priorities or ten client groups that are requesting  
22 service and need service and I only have service -- enough  
23 resources to serve five of them, then it is up to the  
24 locals to decide which five needs are going to be met and  
25 which five needs aren't going to be met.

1 MR. GADBOIS: It is up to the State to watch  
2 that, to make sure the locals aren't discriminating. If  
3 that discrimination continues, then it is systemic  
4 discrimination.

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

9  
10 Moving on to priorities, the question was,  
11 should projects receive priority consideration? I think  
12 this gets back to our conversation of what are some of  
13 those strategic priorities we would like to lay out for  
14 the program? Some of them are listed there.

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

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

23 Projects that are sustainable over time, I  
24 would agree that we are always -- we definitely don't want  
25 to start something we can't continue. But I would also

1 like to caution that sometimes, it is the chicken and the  
2 egg.

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

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

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

16           And partners could be anything. They don't  
17 necessarily have to be partners that bring money to the  
18 table. You can still partner. You can still coordinate.

19           And we shouldn't restrict or dictate what a partnership  
20 is.

21           I think it is up to the agency submitting the  
22 proposal to show that there is a partnership there. Are  
23 there any other thoughts on what is either related to  
24 those priorities listed there, or other priorities that we  
25 would like to see, that we haven't already discussed?

1 I think Eric mentioned service continuity. I  
2 think that's service continuity, leveraging existing  
3 resources, filling gaps. Any other thoughts or comments  
4 on the priorities?

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

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

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

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

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

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

1 to operational definitions.

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

6 MR. GADBOIS: Fine. Right.

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

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

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

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

25 I guess the question would be, is there an

1 urban, a small urban pot to compete against statewide, and  
2 a rural pot to compete against, statewide. Or is there  
3 one 5310 pot to create, it has to be to?

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

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

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

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

15  
16 MS. BLOOMER: Because, I guess, does the  
17 Committee have any concerns, since there is required to be  
18 two pots? That if we run, if TxDOT runs a statewide  
19 process, and there is leftover money in any one of those  
20 pots on annual basis, that then the funds could be  
21 transferred?

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

25 MR. KILLEBREW: I'm sorry.

1 MR. GADBOIS: Could a project proposed, they  
2 would -- that would ask for money out of both pots?

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

8 MR. GADBOIS: Right.

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

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

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

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

25 MS. BLOOMER: Any other thoughts on 5310?

1 (No response.)

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

3 MALE VOICE: I'm all right.

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

5 MALE VOICE: Okay.

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

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

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

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

17 The way the current funds are allocated,  
18 everything up to the 21 point million four is allocated  
19 through the formula that is based on 65 percent need and  
20 35 percent performance. So the question was, is do we  
21 leave that 21 point million there? Or do we change it.  
22 And if so, what do we change it to?

23 And I think the general consensus is to leave  
24 the 20.1 million intact. And anything above and beyond  
25 that is allocated through the revenue mile formula. Okay.

1 Are there any strong feelings?

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

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

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

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

21 I think back to J.R.'s point, if both feel it  
22 is working fairly effectively, why change it. We are sort  
23 of split here on the data. But going back to other  
24 information, I think the only additional comment I would  
25 add is, is maybe those instances that you can't account

1 for.

2 We talked about this a little bit at the last  
3 meeting, where you have either consolidation of agencies,  
4 or you have something that happened, that may have  
5 negatively impacted an agency's performance. So you had a  
6 hurricane or something of that effect.

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

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

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

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

1 positively impacted performance anomaly.

2 MS. BLOOMER: Right.

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

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

14 MS. BLOOMER: Right.

15 MR. KILLEBREW: Okay.

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

18 (No response.)

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

24 It has been proposed that of that 15 percent,  
25 some money be set aside for rural providers, for intercity

1 bus projects. So I need a rural transit provider to weigh  
2 in.

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

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

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

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

24 MR. KILLEBREW: This is Bobby. There is a  
25 required federal statutory 15 percent set-aside for the

1       intercity bus program.

2                   MS. BLOOMER:   Right.

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

7

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

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

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

24                   So the best and highest need would be actually  
25      to provide any more service.  Or Bobby, what are some of

1 the types of projects that are provided, or funded through  
2 the intercity bus?

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

6 MS. BLOOMER: Rehabs of what?

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

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

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

20 Vehicles are very expensive. If you are buying  
21 open road coaches, it uses a lot of money very quickly.  
22 But it may be to make some of those vehicles also ADA  
23 compliant by putting in some type of a lift. We also do  
24 operating subsidy for certain routes the intercity buses  
25 companies are running in Texas.

1           MR. SALAZAR: And this is J.R. again. I think  
2 some of the comments I said was, you know, I think the  
3 intercity bus funding silo is somewhat new to the rural  
4 transit districts, urban transit districts. And that is  
5 why I asked Bobby if there is any way that any kind of  
6 guidance can be provided by TxDOT or somebody on how do we  
7 apply for that intercity bus monies, and that kind of  
8 thing.

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

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

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

19          MR. KILLEBREW: That is correct.

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

25                 But again, maybe to set some parameters on what

1 is the best and highest use of those funds. That anybody  
2 and everybody that can meet this need is eligible to  
3 receive those funds.

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

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

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

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

24 MS. BLOOMER: But that is only if you set the  
25 statewide priorities that way. So if the statewide

1 priorities are, we -- I mean, I think it comes down to,  
2 what we set the priorities at.

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

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

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

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

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

1 well.

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

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

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

15 And that's unfortunate. And we cannot fund  
16 those with intercity bus funds, because those funds are  
17 federally statutory set-aside for intercity bus projects.

18 So what we have asked people to do in our coordinated  
19 call, if you proposing an intercity bus project, you need  
20 to get a letter from the corporate office of the intercity  
21 bus carrier that is going to be partnered in that project,  
22 so we know that they are a part of the project and not  
23 necessarily just funding a project because you want to  
24 call it intercity bus.

25 MR. UNDERWOOD: But they are not going to do

1 that now.

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

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

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

17 MS. BLOOMER: Yes.

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

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

23 MR. ABESON: I am undecided.

24 MS. BLOOMER: Okay. Glenn?

25 MR. GADBOIS: I am looking for my mute button.

1       So, just as a simple question, to make sure I understand  
2       a set-aside gives the possibility to access money that  
3       would be used for intercity otherwise -- or go unused? I  
4       mean, does the set-aside give us access to use more money  
5       for RTDs? Bobby?

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

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

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

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

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

19              MR. UNDERWOOD: \$5.1 million.

20              MR. KILLEBREW: To Texas.

21              MR. UNDERWOOD: To Texas. Okay. And if you  
22      are looking, when we start doing like an intermodal rehab,  
23      any type of real capital project construction, that \$5  
24      million goes really quick. It could be. As opposed to, I  
25      go back there again, to someone like Sarah down in South

1 Texas, that may only need a few hundred thousand to  
2 complete that route that has been going for years, for  
3 that gap in service. So I think a set-aside would  
4 actually help.

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

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

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

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

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

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

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

23 MR. STEPHENS: No. I am fine.

24 MS. BLOOMER: Okay. So I think the general  
25 consensus of the Committee is that there is a rural

1 transit provider set-aside for intercity bus. And then I  
2 think we will move on.

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

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

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

15 MS. BLOOMER: It still gives me heartburn.

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

19 MR. SALAZAR: Yes.

20 MS. BLOOMER: Okay.

21 MR. GADBOIS: And my only concern is that I  
22 think it is along the same lines as now, is JARC has been  
23 an opportunity to do some innovation and experimentation  
24 that might not happen otherwise? I am hesitant to lose  
25 that opportunity because it gets thrown into a larger pot.

1           I don't necessarily want to keep silos. And I  
2 am not sure that it is the best way to get at it. But we  
3 are a -- we ought to at least explore how to keep some of  
4 the beneficial aspects of JARC. And that may be what I  
5 will just suggest.

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

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

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

23           And I think that is where the local decision-  
24 making process comes in. And I think the general  
25 consensus is that folks believe it should stay as is.

1 That no, they are not eligible directly. But they should  
2 be, indirectly. Any strong feelings, one way or the  
3 other?

4 (No response.)

5 MS. BLOOMER: Okay. Moving on. Coordination.

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

10 MR. KILLEBREW: This is Bobby. I don't know if  
11 I am getting the two programs confused, between 5310 and  
12 5311. In 5310, we allocate funds out by our formula to  
13 each Rural Transit District.

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

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

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

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

1 MR. GADBOIS: Perfectly.

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

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

6 MS. BLOOMER: Okay.

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

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

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

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

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

25 And on this survey, ten people suggested that

1 the Commission should use some of their Commission  
2 discretionary money to address those gaps. And eight  
3 people suggested that there is no need for that.

4 Right now, most of the Commission discretionary  
5 money is handed out in the competitive call for projects.

6 And so that could be a criterion under the competitive  
7 call, if this Committee wants to go that direction or  
8 leave it alone. Or it could be a separate item  
9 altogether, too.

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

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

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

21 MR. UNDERWOOD: Okay.

22 MR. KIRKLAND: This is Kelly Kirkland. Doing  
23 coordinated call projects, it is not part of the 20.1  
24 million formula, or the revenue-mile formula that we're  
25 using.

1 MR. UNDERWOOD: Okay. But like in the  
2 discretionary -- what we would call rural discretionary,  
3 when we put forth a RD application, we have to say where  
4 this is referenced in our regional coordination plan.  
5 Correct?

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

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

12 MS. BLOOMER: Okay.

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

17 MS. BLOOMER: The Commission discretionary.

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

24 MR. UNDERWOOD: Well, I don't think it is a  
25 necessarily -- and I can just speak for TAPS. I think,

1 from my perspective, when we start to write the scope of  
2 what we are going to use our 5311 money for, which is  
3 rural demand response public transportation for elderly  
4 disabled general public, you know, on and on, education,  
5 nutrition and on and on it goes, that does match our  
6 regionally coordinated plan. I don't think we spell it  
7 out specifically and go, on page 17, it is says this.  
8 This is how we are meeting that need.

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

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

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

23 MR. UNDERWOOD: I understand.

24 MR. GADBOIS: Well, and with J.R., part of this  
25 is broken. We don't have enough money for transit. And

1 we are constantly battering up against you all. You all  
2 are getting overworked to try to provide just as much as  
3 you can with too little. The flip side of this is the  
4 other side of transportation. The road side has to do  
5 everything within the context of a larger plan, at their  
6 NPO level, and or some sort of regional planning step.  
7 Some long term planning step or TIP. Why aren't we doing  
8 something similar to that in Transit? Well, the urbans  
9 are.

10 MS. BLOOMER: And --

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

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

25 But as a regional coordination person, I have

1 absolutely no problem saying everything should link back  
2 to the regional coordination plan. And that gets back to  
3 the local decision-making process. So the consensus is,  
4 do we want -- what I am hearing is, we definitely want to  
5 apply the regional coordination link on the Commission  
6 discretionary.

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

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

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

21 MR. GADBOIS: I would support that completely.

22 MR. UNDERWOOD: I think it is about the  
23 process. I guess, what I think J.R. was trying to get  
24 with is, I don't want to see an RTC at any level hold  
25 hostage 5311 funds because of a certain need not being met

1 that maybe two members of a Committee share, that we need  
2 to run buses backwards on Tuesdays.

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

7 MR. SALAZAR: Yes. That is pretty correct.

8  
9 MR. UNDERWOOD: Do you know what I mean? We  
10 all sit on these committees. We work with them actively.  
11 That has never been an issue in my area. It has probably  
12 never been an issue in his.

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

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

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

25 MR. KILLEBREW: This is Bobby. I would only

1 make one comment in regards to the Commission  
2 discretionary pot. We do attempt to hold back a very  
3 small amount, usually that is 200, not over 500,000 for  
4 emergency basis.

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

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

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

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

22 MR. UNDERWOOD: That does happen.

23 MR. SALAZAR: Sure.

24 MR. KILLEBREW: And we need to have the ability  
25 to move on those emergencies as appropriate.

1 MR. ABESON: In case you are writing language  
2 into the rules that would provide for that kind of a  
3 contingency.

4 MR. KILLEBREW: I can certainly try, Al.

5 MR. ABESON: Okay.

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

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

10 MS. BLOOMER: I think we landed on yes.

11 MR. KILLEBREW: For all projects.

12 MS. BLOOMER: But I think the --

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

15 MS. BLOOMER: Rural discretionary. Okay.

16 MR. KILLEBREW: Okay.

17 MR. ABESON: Yes.

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

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

1 that need to be made.

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

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

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

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

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

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

24 I might add, on the two that Michelle is  
25 offering to skip at today's meeting, we will just take a

1 stab at writing the Administrative Code for that. And  
2 throw that against the wall, and see if it sticks with  
3 you.

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

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

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

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

16 MS. BLOOMER: Okay. That will work.

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

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

22 MR. SALAZAR: Yes.

23 MS. BLOOMER: Right. But I think in general we  
24 all agree that it is a good idea we have them. It's how  
25 you go about getting them as an individual or state. But

1 yes, that would be great, Bobby. That way, we will  
2 actually.

3 Okay, 5339. So this is bus, and bus facility  
4 formula grants. There is the urban pot and the rural pot;  
5 3.7 million for small urban and 1.25 million for the rest  
6 of the state of Texas, for bus. So some of the questions  
7 were, TxDOT will be responsible for distributing the funds  
8 to small urban and rural transit agencies.

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

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

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

23 So I will open this one up. Formula or  
24 competitive? And it is a very small amount of money. I  
25 mean, in the past, I think TxDOT calculated we would need

1 about 4 to 5 million a year, just to address the rural  
2 vehicle replacement.

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

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

9 MS. BLOOMER: No, Glenn.

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

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

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

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

21 I know it is an extremely low amount of money.  
22 But this also covers facilities as well as the vehicles.  
23 The 1.25 million that is coming to Texas for the rural  
24 program that is set in federal statute, that number won't  
25 change; it will be 1.25 million each year.

1           The small urban piece, which is approximately  
2 3.7 million, that is based off a federal formula. And so  
3 that could fluctuate slightly. But I don't anticipate it  
4 to fluctuate too much off the 3.7 million.

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

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

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

22           So that's kind of the way we have been doing  
23 it. We do have that formula in the administrative code  
24 today, and it may suit the Committee fine to continue with  
25 that formula.

1           Again, addressing facilities is a difficult  
2 thing to do, because facilities, as Brad pointed out  
3 earlier, they're very expensive projects. And quite  
4 frankly, 1.25 million for the rural operators isn't enough  
5 to cover the vehicles, so that probably, you know, having  
6 a facility project is probably out of the question.

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

10           The Committee could come up with a new formula.

11           Say, split it, you know, 39 different ways, and you get a  
12 piece of it. But you wouldn't be able to do anything with  
13 your piece. It would be much too small.

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

20           So you have got to use part of your 5311 that  
21 you have always used for operating. And you go, I have go  
22 to capitalize some of this, if I am going to stick with my  
23 plan, because it's been our experience one of the worst  
24 things you can do is not follow the plan. If you've got a  
25 plan, you need to be following it.

1           And so I think -- for anyone to think if we do  
2 this by formula, or statewide, to say, this is going to be  
3 the only place that will ever get vehicles every again,  
4 it's not going to happen.

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

10          MR. UNDERWOOD: Right. That is exactly right.

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

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

21          Whereas, for us, we will take a five-year  
22 vehicle, make it last seven years. It is still running.  
23 So we really don't have quite the need that someone that  
24 might have a four-year unit, and just hasn't take very  
25 good care of it.

1 I think well, the transmission is blown. I  
2 can't use it anymore. Use the money to repair it. And so  
3 I think we get some of those issues.

4 MR. GADBOIS: So Brad -- am sorry.

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

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

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

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

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

1 plans.

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

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

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

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

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

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

1 thing that Brad is doing.

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

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

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

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

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

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

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

24 MR. GADBOIS: Okay.

25 MS. BLOOMER: Hold on.

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

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

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

17           MR. GADBOIS: Indeed, boss.

18           MS. BLOOMER: Do we -- back to the second  
19 question. Should the allocation be based on statewide  
20 strategic priorities? I guess if we are doing it formula,  
21 then it is just a formula, and we have no statewide  
22 priorities. Although, I think it would be good. Maybe it  
23 is in the asset management plan part of it, where we set  
24 out as a state what our expectations are for the condition  
25 of vehicles and the replacement of vehicles. One method,

1 I think that one is -- number 3, Bobby, that's not --  
2 number 4, a formula basis forwards, as used in an agency  
3 have the option to bank up the two years' worth of  
4 allocation.

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

16 MR. UNDERWOOD: We just don't want five-year-  
17 old grants sitting on the table. I mean, I think two  
18 years is reasonable. But I don't want to see people --  
19 they have got four years' worth of 5339 waiting on a bus.  
20

21 MS. BLOOMER: Well, and that is my point. Is  
22 that, you wanted to have three year grants open, because  
23 you wouldn't even really get that money. You would bank  
24 that money. And come that third year, you would get all.  
25 You would get 100 percent of the money you need, and

1 spend it then, versus TxDOT is going to give me a grant  
2 for one-third this year, one-third next year. And then in  
3 year two, I have got two years of money sitting there that  
4 somebody else could have used to buy a bus. But it's just  
5 sitting there, not being used.

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

14 MR. UNDERWOOD: Did you get a PTA?

15 MS. BLOOMER: No.

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

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

22 It is almost like transferring [inaudible]  
23 credit; it's really not money. But you bank it on the  
24 books, per se. And so when there is enough money out  
25 there, so that Michelle's agency can actually buy her

1 vehicle, that's the year that she gets the money, that's  
2 the year that we execute a PTA with her.

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

10 MR. UNDERWOOD: Okay.

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

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

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

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

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

25 Michelle is banking. And she is taking a risk

1 that there is going to be money in that third year for her  
2 to have a whole vehicle. So you know, she gets it later,  
3 but she gets it all at one time in that third year.

4

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

8 MS. BLOOMER: Okay.

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

11 MR. KILLEBREW: Exactly.

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

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

18 MR. GADBOIS: No.

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

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

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

25 MS. DUNLAP: I think it is just 5311.

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

5 And so the question to the survey audience was,  
6 do you want to run this program as a separate program  
7 5339? Or do you want to transfer this over to the 5311  
8 program, and just bring it all down as 5311 funds?

9 MR. UNDERWOOD: I think it needs to stay in  
10 5339. I think that pot will -- I think in upcoming years,  
11 we may see that pot increase, legislatively, at the  
12 federal level, because I think it is being recognized all  
13 over the states, at least from an after perspective.

14 What they are saying is, this will be somewhere  
15 they think they will put money as far as infrastructure  
16 later. But if we start taking it and lumping it into  
17 5311, then you might have some transit agency go, I don't  
18 know. I spent it on gas, I guess. You know, where is  
19 your 5339 money? I don't know. We spent it on operating.

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

23 MS. BLOOMER: Any --

24 MR. GADBOIS: Is there any --

25 MR. SALAZAR: I am fine with that.

1 MS. BLOOMER: Okay. Rob?

2 MR. STEPHENS: Yes.

3 MS. BLOOMER: Okay. Any other? I would agree.

4 The next one is, some stakeholders have suggested that  
5 5339 be viewed as a source to compensate transit agencies  
6 for vehicles totaled in an accident and other unforeseen  
7 circumstances not covered by federal emergency funds. I  
8 think we talked earlier about Commission discretionary,  
9 and --

10 MR. UNDERWOOD: Actually purchasing.

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

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

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

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

24 MR. SALAZAR: Okay.

25 MR. UNDERWOOD: So this, on number 6 then, I

1 would disagree, because we already have those funds set  
2 aside somewhere else.

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

8 MR. KILLEBREW: Not as yet.

9 MS. BLOOMER: Okay.

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

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

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

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

25 MS. BLOOMER: Yes. I think, Glenn, we are

1 saying not the vehicle accident, but more the larger scale  
2 unforeseen.

3 MR. GADBOIS: Right.

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

8 MR. GADBOIS: Right.

9 MS. BLOOMER: It is a lot larger scale.

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

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

16 MR. GADBOIS: Correct.

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

20 MR. GADBOIS: Yes.

21 MR. SALAZAR: Yes.

22 MR. UNDERWOOD: Yes.

23 MS. BLOOMER: Okay. Both the small urban and  
24 rural revenue fleets range from seven to more than 90  
25 vehicles. The average is 20 at small urban and 40 for

1 rural vehicles. For vehicle replacement, should agencies  
2 with significantly smaller fleets receive a preference for  
3 funding?

4 MR. SALAZAR: No.

5 MR. UNDERWOOD: No.

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

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

15 MR. KILLEBREW: Yes.

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

24 MR. SALAZAR: Yes.

25 MR. UNDERWOOD: I don't want to restrict it, in

1 case later there is money available.

2 MS. BLOOMER: Right.

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

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

10 MR. UNDERWOOD: Right.

11 MS. BLOOMER: But that is just --

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

23 MS. BLOOMER: Okay. So am I hearing you,  
24 Glenn, correctly that we need to leave facilities on the  
25 table?

1 MR. GADBOIS: Yes.

2 MS. BLOOMER: Okay.

3 MR. GADBOIS: Yes.

4 MS. BLOOMER: Then I think we have consensus.

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

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

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

11 (No response.)

12 MS. BLOOMER: Okay.

13 MR. GADBOIS: Not yet.

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

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

24 There should be a cap on the amount that an  
25 agency can charge for administration. I don't think we

1 are making best use of --

2 MR. GADBOIS: Remind us when we get rules.

3 MR. UNDERWOOD: Okay. I just don't think we  
4 are making -- and you can all be kind of thinking about  
5 this. And we can talk offline about it. And why I feel  
6 this way.

7 But I don't feel like any agency that is using  
8 40 to 50 percent of their 5311 funds for administration  
9 and jobs, I don't think that is putting service on the  
10 street. And I don't think it is meeting what the money is  
11 intended for. So I will be back.

12 MS. BLOOMER: Okay.

13 (Simultaneous discussion.)

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

16 MR. UNDERWOOD: I am just throwing it out  
17 there. It is just not right.

18 MS. BLOOMER: We'll table that one for -- and I  
19 think that gets back to setting the statewide priorities,  
20 is how much service can we put on the street.

21 MR. UNDERWOOD: I agree.

22 MS. BLOOMER: I think, if there are no  
23 objections, we will table Item 6. I believe everybody has  
24 the handout and information in their packet related to  
25 that item.

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

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

9 MS. BLOOMER: Okay.

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

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

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

16 (No response.)

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

20 If you will just hold on for five more minutes.

21 At our last meeting, we talked about setting regular,  
22 scheduled ahead of time meetings, so that those of us --  
23 well, we will just leave it at that. So we know when we  
24 are going to meet.

25 We talked about quarterly. Based on feedback,

1 I have received what Bobby provided, as well as  
2 conversations. I think what I would like to do, looking  
3 at those who responded, is actually looking at every other  
4 month, focusing on a Tuesday. It seems like that is the  
5 best day for most folks. And recommending that it is the  
6 last Tuesday of every other month.

7 So the next meeting would be the last Tuesday  
8 of May. And going from there. Now it is now March 19th.

9 Does that -- how does that impact our schedule? March,  
10 April, May. The end of May? We would come back.

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

14 MS. BLOOMER: Glenn, I sure hope so.

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

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

24 So if there is any heartburn? Every other  
25 month, last Tuesday of the month, one o'clock. You can

1 participate here in Austin or via conference call. And  
2 any --

3 MR. GADBOIS: I'm setting it.

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

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

7 MS. BLOOMER: At one o'clock.

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

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

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

22 And so these are just standing appointments to  
23 put something on the calendar. And most certainly, if we  
24 don't have a need to meet, then we are not going to take  
25 your time to call the meeting, either. So, okay.

1 MS. BLOOMER: Right. So if we need to meet  
2 more frequently or we need to bump it up, we can do that.

3 And obviously, if we don't have anything to talk about,  
4 we don't need to drive all the way down here. Okay.

5 MR. KILLEBREW: We appreciate you scheduling  
6 those out.

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

9 MR. UNDERWOOD: Move to adjourn.

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

11 MR. SALAZAR: Second.

12 MS. BLOOMER: All those in favor?

13 (Chorus of ayes.)

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

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

C E R T I F I C A T E1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

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  
3636 Executive Ctr Dr., G-22  
Austin, Texas 78731