PUBLIC TRANSPORTATION ADVISORY COMMITTEE MEETING

HELD AT NORTH CENTRAL COUNCIL OF GOVERNMENTS
616 SIX FLAGS DRIVE, CENTERPOINT II
TRANSPORTATION COUNCIL ROOM
ARLINGTON, TEXAS
APRIL 13, 2011
9:30 a.m.
APPEARANCES

COMMITTEE MEMBERS:

MICHELLE BLOOMER, CHAIR
J.R. SALAZAR, VICE CHAIR
AL ABESON
CHRISTINA CRAIN
GLENN GADBOIS
BRAD UNDERWOOD

ALSO PRESENT:

ERIC GLEASON
KELLY KIRKLAND
GINNIE MAYLE
CHERYL MAZUR
LINDA CHERRINGTON
AGENDA

1. Call to Order
2. Approval of Minutes from 2-25-11 meeting
3. Explanation and discussion of role and responsibilities of the PTAC
4. Brief overview of department and division organizational Structure
5. Discussion on funding formula
6. Discussion on the impact of 2010 Census on funding formula
7. Review and discussion of PTAC work plan
8. Public comment
9. Adjourn
MS. BLOOMER: Good morning, everybody. Thank you for coming to lovely Arlington, Texas. A few just administrative items before we get started. There are refreshments in the back. Please, please help yourself. We have coffee, soda, and water. If after the refreshments, you need to use the facilities, it's just out this door and down the hall, almost to the other second half, and there are plenty of facilities to use.

We are going to try to keep it pretty informal today, so if you need to, feel free to get up and get some refreshments or whatever. I think we're going to take an informal break. It's not a break. Not a break. What's it called, Ginnie?

Help me.

MS. MAYLE: It's not a recess.

MS. BLOOMER: Okay, it's not a recess.

It's a --

MS. MAYLE: A comfort break.

MS. BLOOMER: -- comfort break. So right around lunchtime when the lunch arrives, then we'll go ahead and settle up with lunch after the meeting today. I think that covers all the basics. So we'll go ahead and get started on the agenda. Oops, I think I forgot
Item No. 1, which was call the meeting to order. So call to order.

Item No. 2 is a script from the minutes of the February 25th, 2011 meeting. Is there any discussion on the minutes? If not, can I have a motion to approve?

MR. UNDERWOOD: So approved.

MR. GADBOIS: Second.

MS. BLOOMER: I have a motion from Brad, and a second from Glenn. Do we need to -- do I just all in favor, say "aye" since we are all here? All right.

All those in favor say "aye."

(A chorus of ayes.)

MS. BLOOMER: Any opposed?

(No response.)

MS. BLOOMER: Okay, approved. We're going to take the next two items, No. 3 and Item No. 4 together, and I'm going to turn it over to Eric.

MR. GLEASON: All right. Thank you. For the record, my name Eric Gleason. I'm the TxDOT Director of Public Transportation. I'm going to use the large notebook for Items 3 and 4. And we have two new members, Glenn and Brad.

The rest of you, I appreciate you hanging on to the notebooks from last year, and hopefully
you've had a chance to get them updated with some of the new information. If you would just open up to the table of contents there. I'm not going to spend a lot of time going through everything that's in here.

          I'll focus most of my comments on talking about rules and responsibilities of the committee, going over open records, opening meetings. And I'll probably leave the discussion with the funding and grant programs for you to read through. I believe four of you heard that last year, and I imagine Brad and Glenn are pretty well versed on it, so I don't necessarily need to spend time on that.

          When I'm done, if there's any area here that I didn't touch on that you do have an interest in, this would be the time to bring it up. And so we'll just kind of informally go through it that way, and I'll page through this and keep up with finding where I'm at, and we'll through it.

Discussion of the Rules and Responsibilities, if you turn to the first blue tab, the light blue tab section, and if you page past the biographical information for each of the members, you will come to the page, Statute Governing PTAC, Transportation Code and Texas Administrative Code.
And these next two pieces of information, there are a lot of similarities between the two of them. The first piece highlights for you the section of the Transportation Code that talks about the advisory committee, about its functions and how it is composed with nine members.

And then it talks about the appointment process with the governor, the speaker, and lieutenant governor, each having the responsibility for appointing three members to the committee; one representing the provider, one representing the user, and one representing the general public.

And just to bring everyone up to the date on where we're on the committee membership, it is a nine-member committee. We do need three more appointments. The lieutenant governor needs to appoint a provider and a user. And Christina, you're a general public member. And then the speaker needs to appoint a user.

Glenn, are you a general public member?

MR. GADBOIS: Yes.

MR. GLEASON: Okay. So we need a user and a speaker as well. I don't really expect we'll get those appointments during this session, so I'm thinking it may not be until early fall before we have the
remaining three appointments. We have talked with the
lieutenant governor who strongly suggested that when
they do appoint a provider that they do pick a smaller
urban system to be represented.

Brad does represent both rural and smaller
urban, but I think it would be a good balance on the
committee to have a single smaller focused provider.
So that's where we stand with that. The next piece
is the Texas Administrative Code. And that, too,
much like the Legislative Code, outlines -- well, we
have two pieces here. We have a piece that applies
to all advisory committees.

And if you turn that over, you then find
6-E, Conflict of Interest. And I highlight this
because as an advisory committee member, you are
subject to the same ethic laws and policies that we
as employees of the Department are. And for your
information, the last yellow tab in your binder is
actually a copy of our standards of conduct. So
these would apply to you as members of the committee
as well.

I'm not going to go through them. That's
just for your information. The Texas Administrative
Code, the bottom of that page, Public Transportation
Advisory Committee, you can read through that. The
1 key functions of the committee are on the back page,
2 talking about advising the Commission on the needs
3 and problems of the State of Public Transportation
4 providers, including recommending a method for
5 allocation of funds; commenting on proposed rules or
6 rule changes involving public transportation;
7 advising the committee on the implementation of
8 Transportation Code Chapter 461, which is the
9 chapter of the Code that calls for coordination of
10 services and systems to eliminate inefficiencies.
11 And so that's, you know, a very broad
12 description of the duties of the committee. I think
13 the main thing in my mind that jumps out there is
14 trying to stay focused at policy level. We can talk
15 about things that might be more focused on
16 implementation and business related to how to run
17 the division of some of the programs, but I think at
18 the end of the day, the committee needs to find
19 itself in the policy that we have advising the
20 Commission as they see fit on issues. Any questions
21 on that?
22 (No response.)
23 MR. GLEASON: It's pretty straightforward
24 stuff.
25 THE REPORTER: I need to move up a little
bit to hear better. Okay. I'm ready.

MR. GLEASON: All right. I'll touch a little bit on open meetings and some of the key pieces on that that you'll need to know, and I know both Michelle and J.R. passed their test as required by the Governor's Office to be on the committee. But just highlighting a few of the things that seem most relevant to the committee, a quorum is defined as the majority of the membership.

So in this case we have six members, so the quorum is four. If we ever get to nine, the quorum will be five, and it's only by a majority vote of the members present. See, you have to have a quorum, and it is voted on the majority of those members present. So if there are four people here, then three, the majority of those members and so on.

Conflict of Interest: We've gone over. Meetings: Just as a note, the term "meeting, it does not include a gathering of a quorum of this advisory committee as long as formal action is not taken and that any discussion of public business is incidental to the social function convention workshop, event, or press conference.

In other words, we talked about y'all attending semi annual meetings and other kinds of
1 meetings. And so as long as there's no formal
2 conduct of business which is occurring, it's fine.
3 And the only other thing I think which is of
4 interest is that teleconferencing, being on the
5 telephone, is okay. You know, we don't have to have
6 membership present to get a quorum or to conduct the
7 business of the committee.
8 Being on the phone is fine. And I'm kind
9 of paraphrasing; the handbook is quite long. But
10 that seems to be the most relevant. So then in
11 terms of conducting business outside of a meeting,
12 in terms of e-mail and things like that -- the thing
13 is, I think it would be inappropriate for e-mail to
14 be taking place among members of the committee in a
15 way that actually was conducting the business of the
16 committee.
17 In terms of suggesting topics of
18 discussion, questions about information that might
19 be available, I think that's going to be just fine,
20 but I would caution any one of you to sort of, you
21 know, e-mail amongst yourselves when talking about a
22 topic on the committee agenda. There's certainly
23 been a lot of newspaper coverage here in Austin on
24 that kind of stuff, just to caution on that one.
25 MR. GADBOIS: Can't include staff on
1 those emails.

2 MR. GLEASON: Pardon?

3 MR. GADBOIS: Can't include staff on

4 those e-mails.

5 MR. GLEASON: That's always a good thing

6 to do because if we see anything that looks like you may

7 be straying off the reservation, we'll certainly let you

8 know. So, you know, in terms of role responsibilities,

9 things like that, that's about it on that. The next

10 chapter, the green tab, has an organizational chart for

11 the Department in it. And I bring it up because, as

12 many of you probably know, the Department is in a state

13 of change.

14 The Grant Thornton's organizational

15 management review, followed by the restructuring

16 council for individuals wanted to look at the Grant

17 Thornton report and look at all of the recent audits

18 and management studies that have been done on the

19 Department and to develop their conclusions and

20 recommendations to the Commission for changes to

21 TxDOT.

22 All that's been in play now for quite some

23 time. And the current version of the organizational

24 chart for the Department does reflect some of the

25 recommendations that were included in the
restructuring's report. And I'll point those out to you. The organizational structure of the Department is a work in progress. This is just where we are now.

So what you see here doesn't reflect in its entirety what the restructuring recommended or what the Grant Thornton report recommended. And in the end, it may never look like those things. But I felt it would be interesting to point out some of the changes to it that are consistent with those recommendations.

About halfway down the work chart at the broadest line on the chart, there are two new positions in the Department, the chief information officer on the left-hand side, with Louis Clark being hired into that position. And then on the right-hand side, the chief human resources and administrative services officer, Dee Porter, those two positions being called out separately within the administration level of the organization were recommendations of the restructuring report and the Grant Thornton. So those two have been moved on.

Under the chief financial officer, back over on the left-hand side again, you will see two new boxes, the debt management and the innovative
financing, those two boxes, currently vacant, were also recommended organizationally by the restructuring. And then again, flipping back to the right-hand side under Dee Porter, the separate box for DBE Program, as being a separate unit together, was also a recommendation.

At the last commission meeting, the Commission did give the green light to go ahead and separate out government, our current government and public affairs division, out into two divisions; one being public affairs and the other being communication. So those two functions have been merged together and one of the recommendations was to split that back out.

So we are proceeding down that path to do that. It has not happened yet, but we've been given the green light by the Commission to go ahead and do that. So that just gives you a sense of some of the things that are happening in the Department as we transition based on the recommendations of the restructuring. Any questions on that?

MR. ABESON: Is there any kind of a schedule when this massive transition will be concluded?

MR. GLEASON: Well, from an organizational standpoint, no, I don't really. And I
I think some of it is going to wait for the new executive director who's currently scheduled to be on board by the end of August. Both Amadeo Saenz and Steve Simmons, the executor director and the deputy director, have announced their retirement as of that date. And so we'll have at least a new one by then. And some of this is going to have to wait for his or her input, obviously, on how they want the Department to look.

Everything we've been told from organizational change and culture change, experts who have been talking to us, the first thing they say is that it never ends, so get off the notion that there's an end date to this process.

MR. ABESON: That's encouraging.

MR. GLEASON: What's that?

MR. ABESON: That's encouraging.

MR. GLEASON: Well, it is, and it isn't, you know. So I think it's a recognition that, you know, you should always be evolving in change, and, you know, perhaps what the issue is right now seems to be that the Department's culture hasn't evolved and changed to reflect the current set of challenges and diversities that we're dealing with.

MR. ABESON: So related to that, though, is, of course, the budget in terms of staff positions
which will still exist after the legislature gets done with its business. Is there any inclination as to how that's going to play out and relate to the reorganization?

MR. GLEASON: No. What I can tell you is that the Department in its appropriations request significantly reduced its FTE count overall. And so there is already in that request a 2- to 3,000 drop in FTEs. Well, a lot of that is in recognizing just that the level hasn't worked and has dropped somewhat as funding has dropped.

And so just from the request standpoint, the Department has already moved in that direction, and this chart reflects that assumption. And I've not heard of anything yet that would suggest that anything more would be required to happen.

MR. ABESON: Ultimately, the reorganization is approved by the Commission?

MR. GLEASON: Yes. You will not see the Commission approving minute orders, you know, the formal minute order each step along the way. Much of this is generally regarded as a responsibility to implement of the executive director and not necessarily a commission level of detail, aside from hiring the executive director.
So they will be involved. We would obviously be looking for their concurrence on these things as we move forward. They have not said, We agree with every recommendation in the restructuring report, and you all need to go do that. They have not said that, and they have said that they won't say that. What they will do is we kick off each of them and figure out how to do them best and all that, but they will be engaged, and we will let them know how we're are doing, and that will be an opportunity for them to weigh in.

MR. ABESON: Thank you.

MR. GLEASON: Other questions?

MR. GADBOIS: Yeah. I've got one, Eric.

For those who don't have the Grant Thornton report chart memorized, PTN, if I remember correctly, would be under Barton and operations, according to the Grant Thornton, right? I mean, according to that chart.

MR. GLEASON: Well --

MR. GADBOIS: And where y'all are is kind of funding, I mean, in terms of the organization for PTN. And so I guess the question is, are there conversations, and if so, are they going in a particular direction?

MR. GLEASON: Okay. Let me start with
where we are currently in the organization. PTN is currently part of what institutionally is being called "administrative support." And we're in an area of the administration, which includes human resources and general services. It's kind of a collection of divisions that doesn't necessarily complement each other.

Both the Grant Thornton report and the restructuring, the organizational chart recommended changing that. The Grant Thornton report recommended a new branch of the administration, if you will, around vision and planning. And listed under that vision and planning box, a number of divisions, multi-mode type divisions, including aviation and rail and a bunch of that stuff. And I have the chart, but I don't think we need to get into it specifically.

Now, under that concept, public transportation was actually in a division along with aviation and waterways. Rail was a separate division under that concept. The restructuring I think significantly recognized that as part of the Department's future that they needed to find ways to enhance the other modes, aviation, rail and public transportation, and pull the division back out of
being a part of several different functions to be a
stand-alone division again, and under a multi-mode
type-branch of the administration.

So I don't necessarily know if it would
fall in under John Barton, under the current
structure or not. To me, the significance of the
difference between Grant Thornton and the
restructuring council was pulling the division back
out and retaining as a stand-alone division within a
multi-level framework.

MR. GADBOIS: And that's, I guess, a
better way to ask the question. And so has there been
significant conversation about going in that direction?

MR. GLEASON: Not yet. I've not been a
part of it. I have not been a part of that discussion.
I would imagine that that may be something that will
wait for the executive director. But I've not been a
part of any significant discussion.

MR. GADBOIS: Okay. And then along those
lines, there was also a recommendation, either the
restructuring council or Grant Thornton, talking about
consolidated contract management that's now divided
into -- you know, each piece as their own contract
management. In consolidating that, is there going to be
corveration about doing that or not?
MR. GLEASON: I don't think there's been a specific conversation on it. It may be something that we get into in the near future. I'm part of a team within the organization, looking at those recommendations and deciding which of those 61 or so recommendations we should be working on next. But that's definitely something that's on the plate. But I couldn't tell you when we'll get to it.

Other questions on the organization?

(No response.)

MR. GLEASON: Now, this is something that if it changes in a way that I think is significant in the work that we do and the work that you do, I'll keep you up to speed on it. The other parts of the notebook are pretty straightforward. There are maps -- well, there's staff contact information, public transportation division staff contact information. You can see where staff is located around the state.

We have maps of providers and regional planning areas, a lot of information on our programs, just real general ones, over the likelihood that give you a sense of the programs that are available to provide funding, everything you may want to read about the United States Code and the State Legislative Code.
MR. GADBOIS: I apologize for bogging you down, but mainly just because I haven't been paying attention enough and I'm now catching up on some stuff.

MR. GLEASON: Okay.

MR. GADBOIS: In the recommendation as well as in the staffing part of it, there was -- I think it was recommendations on Grant Thornton, going back to district level staffing for public transportation, PTCs, I guess. And there was a note in the response in the database that TxDOT's going to a consolidated, or more consolidated approach, to how PTN works and relates to the districts.

Am I to take that as the answer that you are reconsidering and you're going to kind of continue with the more consolidated approach? Or -- so is that a final answer, or is that just kind of an interim answer?

MR. GLEASON: Final answer.

MR. GADBOIS: Okay.

MR. GLEASON: As of June of 2009, the public transportation coordinators were formally moved into the staff members of the public transportation division. Before that time, they reported to each of the individual district engineers in the district where they were located. The Department did that for a number
of reasons. One, by virtue of the specialty of the work we do, the division was by and large providing direction to those district staff already, and the district engineers themselves were not that engaged or necessarily had that much knowledge of what the work was that the staff people working for them was doing.

Not true in all cases. We had a number of district engineers that were very, very engaged. But largely not. There's a range of practices happening in the field about how these programs are being implemented and how they're being monitored and all of that that we felt having the staff as a part of the division, we would be more successful in bringing more consistency to our approaches and being able to hold each other accountable.

And I say "each other" because we both needed to be held accountable, both the division and the general staff, to the same product. And so that's been in place now for almost two years. We have undergone in the last year or so a lot of turnover.

We've had I think -- are we up to 12 now? Maybe even at least 12 staff have either retired or moved on to different careers, if you will, in the past 16 to 17 months. So, you know, that's --
that's over 20 percent of the division. And we've
had a large turnover on public communication
coordinators, a lot of long-time TxDOT employees
trying to retire.

And so we've been running as quickly as we
can. Cheryl has been in hiring mode for long time,
and I'm sure she'd like to spend a few months of the
year not trying to hire somebody. It doesn't seem
to be ending. And so we're seeing a lot of
turnover. We're getting a lot of great people on
board. It's going to take each of them several
years to really get their arms around what the
program is all about.

Alicia is located in our Dallas District
offices. She is largely responsible for providers
in the Fort Worth area.

Alicia, you've been with us now for how
long?

MS. WICKENS: About a year and a
half.

MR. GLEASON: About a year and a half,
and still has a lot to learn about programs and how
things get done. So we're in a kind of teaching mode.

MR. UNDERWOOD: If I could just add
something to that. I remember when it was not
1 consolidated at all. So just briefly. But when that
2 transition took place, it was, from a provider
3 standpoint, I think J.R. would agree, it was huge for us
4 because we now had a direct connection I guess to PTN,
5 whereas as opposed we had to go through our PTC, and
6 then needed to go through some engineers. And as far as
7 the efficiency of being able to do our job with more,
8 just better, in performing our functions at the provider
9 level has helped us a great deal.
10                MR. SALAZAR: I agree that we were one of
11 the systems that actually had several -- we lost a
12 couple PTCs -- I don't want to say several -- but a
13 couple out of the Brownwood district, and then out of
14 the Abilene district. And so we kind of felt a little
15 left out, to be perfectly honest, because we didn't know
16 where we were going. And so we kind of fought the
17 regionalization that was going on, but it did turn out
18 well. And we found we're going to be, in this San
19 Angelo area, and things have worked out well for us, and
20 we're really pleased with the regionalization that's
21 taken place.
22                MR. UNDERWOOD: We get more realtime
23 communication. I know that's a huge thing for us.
24                MR. GADBOIS: And I appreciate that
25 practical insight on this. This is going to be a
continuing theme for me for as long as I have a seat here. So I'll just ask, and I assume I know the answer, but I'll just ask it anyway. We had expectations when we did that, more consistency of service, et cetera. Do we set up for ourselves performance metrics so that we know whether we achieve that or not?

MR. GLEASON: Well, with respect to the public transportation coordinators and how they do their work, they each have performance plans that they are evaluated on. They all got together and devised the performance plans, so it is consistent across all over Dallas as because they're different for each one.

And so it measures around whether the whole notion of centralizing, as we say, and I don't really like the word, but that's what it is called, the PTCs and metrics around whether that's being more effective or not. You know, I'm not tracking quantitative measures of that, if you will, metrics, but, you know, I think the general notion, the general feeling, even though we've had some bumps along the way, is that, you know, from a provider standpoint, there was little or no interruption to what they needed from us.

And we are working more efficiency where we're providing the same level of oversight and
clients as we ever have with fewer number of staff associated with it across the state. We've had two very extensive federal audits that was in the last two years both of which resulted in very few, if any, findings. So we're quite confident that we're moving ahead in a good manner. But do I have a set of metrics that I look at every month with respect to this effort? No.

Other questions on organization?

(No response.)

MR. GLEASON: No, okay. Well, then wrapping this notebook discussion up, again, there's a large section that does include legislative and Administrative Code, both from the federal and state level. The second green tab is actually a little section, but it does lay out for you a typical rule-making process. So when the committee does get into rule making, it's a fairly standardized process that we do need to follow.

There's a picture of an example cycle and some definitions and guidelines there for you. I already talked about standards of conduct. And then the final blue tab is an acronym list. You know, we used to have a glossary in here. In fact, I think the earlier version of the notebook had a glossary,
but I've already struggled with glossaries because every time I look at them, I see a definition that I'm not satisfied with, and I don't really know how useful it is trying to get exactly the right definition.

But acronyms are important, and we do use a lot of them. And so this is a list of as many acronyms that we've been able to identify that you may run into. That's what's in the notebook. As you go through it, if you have questions on it, give me a call, give Cheryl a call, give Kelly a call, and we'll try and get an answer for you. But that's it unless you folks want to dive into a piece of it.

MR. ABESON: I would like to go on the record for you or Ginnie or anyone else who put this together. It was exceedingly valuable last year, and at this phase of the meeting, I went through it again last weekend, and now it is even better. So kudos.

MR. GLEASON: Those go to Ginnie.

MS. MAYLE: Thank you.

MR. GLEASON: She's been doing this work.

So thank you. I appreciate that. It's back to you, Michelle.

MS. BLOOMER: Okay. That takes care of Item 3 and 4 on the agenda. Are there any other
questions or discussions before I move on to the next item?

(No response.)

MS. BLOOMER: Okay. No. 5 is discussion on the funding formula, and I believe Linda is going to take Item No. 5.

MS. CHERRINGTON: Good morning. I didn't have a chance to greet each one of you when I came in, so hello. I'm pleased to present to you again this year a summary of the Texas Transit Funding Formula. For some of you, you're extremely familiar with this information. I'd like to go through the presentation. I think this subject matter really calls for stopping and answering any question that you may have because this is a building block to understanding the formula. So please interrupt me if you have a question and need to go through your questions.

The funding formula that I'd like to review with you today is used to allocate state funds that are allocated to urban transit districts and to rural transit districts. And it is also used to allocate Federal Section 5311 non-urbanized funding that is allocated in the rural transit districts.
Just for point of information, under the federal procedures, FTA identifies the funding apportionment to each small urbanized area according to a specific formula. But all of those functions are assigned to the state, and the state actually has the ability or the right to redistribute those funds.

In Texas, the decision was made several years ago to identify those apportioned values to each small urban area, and they're sent directly as apportioned by FTA. And then each smaller urbanized area works directly with FTA on the funding. So the funding formula that we'll go through today applies on the federal side to only the rural transit district.

Now, the eligible transit districts, there are 30 eligible urban transit districts in three categories that I'll specify to you in a moment. And it does not apply to large urban transit districts that have a source of the funding from a local sales tax. And there are 38 rural transit districts that are eligible for the funding formula.

Now, this highlights the 30 state funding urban transit districts. I mentioned to you that
there are three categories. There are three urban transit districts that are over 200,000 population. And they are eligible for funding because they do not have a local sale tax base. And I'll point out one of those, Midland-Odessa. Midland-Odessa is actually two separate small urbanized areas, each just over 100,000.

But by preference for this community, these are treated under the state funding formula as one urban transit district. And so it's just a tad over 200,000 when you combine the two. Now, there are, according to the 2000 census, and I'll be talking about 2010 census later in the morning.

But according to 2000 census, there are 23 urban transit districts to a population between 50,000 and 200,000. And the state funding also applies to four transit districts that are urban, but are a part of the large urban area for Dallas, Fort Worth, Arlington. And those four transit districts serve only a limited eligibility population of seniors and people with disabilities. And I want to speak to you more about how that's handled on the funding formula in just a minute. So these are the 30 state funding transit districts.
Yes, Michelle?

MS. BLOOMER: Can I just make sure I understand correctly. On the Midland-Odessa, that is actually not a U.S. census designated urbanized area? They are two separate classifications that fall under the urbanized area definition and combine -- we combine them at the state level?

MS. CHERRINGTON: We combine them only for the purposes of application in the state funding formula for urban transit districts. They are two independent urbanized districts, and they receive FTA funding independently as each urbanized area. They are treated together only for application of the state funding under the funding formula.

MS. BLOOMER: So at the federal level, they're considered an urbanized area over 50 but under 200,000?

MS. CHERRINGTON: Each of them, correct.

Any other questions on this one?

(No response.)

MS. CHERRINGTON: And the state funding that is allocated to these urban transit district, the point of this is simply that these urban transit districts funding had just been over 10 million per year for each year of the last three bienniums, a total of
six years. And this is the funding currently in place in 2011, and again, just over 10 million.

One point I want to make is that's a flat line. It has not changed. Now, there are 38 rural transit districts that received state funding, and the funding formula applies to the application of their 5311 funding as well. And they range from single county rural transit districts to very, very large multi-county vast rural areas, such as the West Texas Opportunity's Rural Transit District for Big Bend and West Texas.

Now, the 5311 funding deserves a panel and a specific discussion. In 2010, and I use 2010 because 2011 and federal money is all tied up and lots of other complications. So looking at 2010 Section 5311, non-urbanized federal apportionment, 33.8 million went to Texas. Of that 33.8, $20,104,352 are allocated each year by the Texas Funding Formula.

The rest of that funding is used, the third bullet, for TxDOT administrative cost, for intercity transit, as it may apply, and then no more than 10 percent of that total federal apportionment less the administrative costs and intercity, may be assigned by the Commission to projects that awarded
on either a pro rata basis. And that means some amount to each agency on some basis, or on a competitive basis, or a combination of both. And so those fundings may apply to a capital project, for example, for purchase of vehicles, or a capital project that is composed and competitively qualified. In the last bullet, any amount of the Section 5311 level apportionment that is not used in the other purposes is then allocated to non-urbanized areas, rural transit districts, based upon vehicle revenue miles. Any questions? And Eric is going to talk to you to answer any of these questions.

Michelle?

MS. BLOOMER: Do you have an idea of how much money that was in fiscal 2010? And then I believe we also did this in 2009.

MR. GLEASON: I think it was in the neighborhood, I want to say, of about seven to seven-and-a-half million. About seven-and-a-half million, yeah.

MS. CHERRINGTON: For the last bullet, proportion on vehicle revenue miles? Is that the question?

MR. GLEASON: Right. The last couple of
1 years, we've had approximately, after we take out
2 administrative expenses and intercity buses, we've had
3 about 28 million, roughly. And 28.1 of that goes out by
4 the formula using need and performance. And then we
5 awarded a relatively small amount of that money through
6 the coordinated call program. And then whatever that
7 pot is left in between those two things, then it's been
8 about seven-and-a-half million that has been done based
9 on proportion of reported revenue miles.
10                MS. CHERRINGTON: And the use of vehicle
11 revenue miles has been particularly valuable in recent
12 years because of the cost of fuel. And so the
13 application of that particular measure is very
14 appropriate, given the high expense in variation of cost
15 each year based upon fuel.
16                MR. GADBOIS: Is that the rationale for
17 taking that remainder in allocated based on revenue
18 miles, or were there more rationale? I mean, when that
19 was changed from the older configuration, not and up to
20 for the discretionary -- the Commission's pro rata
21 basis, whatever that portion's called, used to not be
22 capped, right?
23                MR. GLEASON: Well, we were required to
24 distribute 20.1 million by the needs of performance.
25 And then whatever above and beyond that, it all fell
into what we have commonly called the commission discretionary fund, which they can choose to award a pro rata or --

MR. GADBOIS: And so when you change that to now create something above what's done by the formula and above what's done on commission discretion, or pro rata, what was the rationale for doing that?

MR. GLEASON: Well, there were a number of things at work, if I can. One, the amount had simply grown to be a very large number, between the 20.1 million and what was in the, quote "discretionary fund" had grown from, you know, being two to two-and-a-half million to 7 and approaching 8 million dollars.

And there was a general recognition that that was an amount much larger than ever intended, if you will, to be a part of the discretionary fund that the Commission could allocate. Secondly, revenue miles were picked, I think perhaps for two reasons. One, they actually had become the method of pro rata distribution we had used in the intervening years to make awards from the discretionary funds.

We made awards for fleet, but anything else was generally done on a revenue mile basis, largely in response either to spikes in fuel prices
1 or whatever.
2 Secondly, it seemed to bring into the
3 overall distribution equation a recognition of
4 system size, which isn't necessarily recognized in
5 the needs performance portion of the formula. And
6 so it recognized, or it begins to recognize, you
7 know, a decision that every general manager makes
8 from one year to the next, which is how am I going
9 to be able to afford the run this year the system I
10 ran last year.
11 So system size, it seems to begin to get
12 at that, as a circuit, for system size. And, you
13 know, the award comes, and it's useful for all 5311
14 program purposes, operating, capital. There are no
15 restrictions placed on it by the Commission in terms
16 of how it may be used. It's available for all
17 program purposes.
18 And it's interesting because in the past,
19 the Department and the Commission has been
20 prescriptive, if you will, about that portion of
21 money in making awards for fleet replacement. We
22 aren't going to be in a position to be able to
23 really do that any longer with any
24 significant amount of money. And so those decisions
25 are actually going to have to be made by the rural
transit districts receiving the funds. So we've actually gotten a few questions in the last week or two about whether or not we were going to go ahead and do any awards any longer for fleet or anything like that. What we're telling people is probably not, because the amount of money we had available for that is now just simply being given out. So the districts are going to have to begin programming in those fleet replacement needs from these funds.

MR. SALAZAR: If I can add one thing. I know when those decisions were made, too, we did provide information to the providers at the rural operators meeting for them to provide any comment that they have, negative or in favor for that. And I can tell you, and I think I can speak for Michelle, that I don't think we got any comments. I know that me, personally, I did not receive one comment either for or against. And so I kind of took that as no news is good news. But I just wanted to make that point that all the operators were aware of it.

MR. UNDERWOOD: You know, and, too, for me, it helps us just giving us the funds and saying, how do you need to use it for the operation. Because we're
all so different. I mean, our needs are going to be
different than larger agencies or smaller agencies. So
saying you've got to use this on the fleet. Well, last
year we took our discretionary funds, and we used a
portion for fleet replacement, and then we used the
other portion for operating, and then higher gas prices
in the summertime. So I like having that flexibility as
a general manager.

MR. GLEASON: The other issue that it
addressed, and I need to mention because it's important,
is it signaled a greater sense of certainty to the
rural transit districts of how much funding they could
expect to receive from one year to the next as opposed
to waiting for us each year to make the decision we had
been making each year, and that is to distribute it
right, so this gives them a lot more certainty.

MR. GADBOIS: And I appreciate all that.
Mainly, you're catching me up, but when we had that
conversation originally about discretionary, one of the
thoughts was that distributing money by formula kind of
traps the transportation providers into, here's a pot of
money, and then how you have to operate that money
varies from year to year. And so there's more
certainty, but not certainty, right?

And so one of the thoughts on the
discretionary portion was that that would be a way
to encourage and help looking for new ways to fund
growth of a system or new programs, new project
within a system, and that was a way to reward that,
right, so that you could have some financial
diversity beyond the programs?

Now, whether that actually happened or
not, and it sounds like it didn't, we were too busy
trying to fix, you know, rising fuel prices and
whatever else, I understand that. That's just --
understanding that helps. I appreciate it.

MR. GLEASON: Well, one of the things we
have done is somewhat along those lines, but not
t entirely. In our coordinated call, we do allow
proposers to submit proposals for rural discretionary
funding, if you will. But we identify the kinds of
projects we're looking for there as opposed to leaving
it open for all program purposes. The successful
project needs to, you know, pick some specific criteria
we're looking for.

And one them is, we're looking for
projects that have some applicability statewide.
We're looking for people to work with partners and
put together, you know, proposals that have several
systems working together to address a need, things
1 like that. So trying to nudge programs in ways that
2 we think are useful from the State's standpoint.
3 Not quite what you said, but it's somewhere along
4 those lines.

MR. SALAZAR: Thank you.

MS. CHERRINGTON: We'll turn back to the
7 funding program, and remember from these five, we were
8 talking about the second bullet, the 20.1 allocated from
9 that formula for federal non-urbanized. This diagram
10 illustrates for you funding that has been available for
11 the funding formula. And the most recent years, the
12 blue bars are illustrating the State funds. And very
13 much like the urban side, the State funds have been flat
14 for the last three bienniums, six years.

There are about 18 million in state funds
16 to the rural transit districts, and the yellow bar
17 reflects the 20.1 million that has been in place
18 since 2006. You notice the arrow in the far right
19 column? It's not funding from the federal
20 government that we know yet has fallen to that lower
21 bar; that's five-twelfths of the funding for 2011
22 that has been actually allocated pending final
23 progression action on the most recent congressional
24 bill.

I got a notice yesterday that they hoped
1 to let me know by the end of this week what the
2 final outcome would be for transit.
3
4 Do you have a question, Brad?
5
6 MR. UNDERWOOD: No, ma'am.
7
8 MS. CHERRINGTON: So this is illustrating
9 once again that the funding that's been allocated by the
10 formula is the same amount each year for both state and
11 federal, and that becomes important at a later point.
12
13 MR. GADBOIS: Linda, in terms of dollars, 10
14 just help me understand that five-twelfths is what looks
15 like about an eighth?
16
17 MS. CHERRINGTON: Yes. Again. It is
18 five-twelfths of the 20 million.
19
20 MR. GADBOIS: Okay. So it is of the 20,
21 okay.
22
23 MS. CHERRINGTON: Now, going back to the
24 public transportation advisory committee in 2005 and
25 2006, about six months were spent with the members of
26 the committee at that time working through what the
27 goals were for the funding formula, and then how to
28 apply those in the actual structure of the formula. And
29 these are the three goals that were adopted by the PTAC
30 at the time.
31
32 They included the first goal to improve
33 access to public transportation in Texas in a
fiscally responsible manner. The fiscally responsible manner was very key to the public atmosphere, the political atmosphere, at the time relative to allocation of state funds to transit providers.

Goal No. 2, as you often see in the transit program, to improve efficiency and effectiveness of public transportation services. And Goal 3 was to improve cooperation and coordination of services. Coordination being a very substantial theme at the time and continues to be, as Eric mentioned in his remarks just a few minutes ago.

So as you go forward with the funding formula, these are goals that were in mind. This is an illustration of the funding formula. It appears, and it's first look is quite complicated, so I'm going to deconstruct the funding formula in the previous slides, and we'll see how the entire formula is built.

Through the slides, you're going to see the urban side is illustrated in blue and the rural side is illustrated in green. It kinds of helps with the perspective. First step, the state transit funds are first allocated 35 percent to urban
transit districts and 65 percent to rural transit districts. That is in large part based upon population distribution, but also a recognition that the funding for the federal government per capita is higher for urban systems than rural, and so there's a bias towards rural for state funds to help not balance but to help mitigate that difference in the federal funding.

Now, another point I want to make is from here on, the funding formula on the rural side applies to whether you're allocating state or the 20.1 million in 5311. The funding formula is going to be the same. Now, the other important point to make is that on the urban side, there are two tiers. The first tier is for those four limited eligibility transit providers, and the remaining 26 urban transit districts are in the second tier.

I want to provide you more detail about that, but keep in mind that the urban funds do have structure as well. Now, back to that population in the distribution of 35 percent to urban and 65 percent to rural. This is the 2000 population. These are still the population numbers that are used for allocation of the funding in the current fiscal year. And it will be for the next fiscal year as
well for reasons I'll talk to you about when we talk
about the 2010 census.

So the urban area state funded for the
general population are 3.356 million. Those are the
26 urban transit districts that are eligible for
funding. Limited eligibility providers are 236,000,
or about 6.58 percent of all the urban. Now, that
is not general population. Those are only the
census numbers for persons with disability and
seniors.

So in other words, that funding is
allocated only to the market that is eligible for
the transit service. So you would think that this
total urban population represented by the state
funding is about 3.6 million. The rural is about
5.8 million. So that distribution is about
38 percent urban and 62 percent rural.

The total population of the state that
receives state funding is about 45 percent of total
population, 2000, numbers, and the other 55 percent
are in the large urban metropolitan transit
districts.

Now, urban limited eligibility providers.

And that, again, requires a little specific
discussion. These are those four limited
eligibility that we talked about a few minutes ago. And they include Arlington, Mesquite, Grand Prairie, and then the seven cities that comprise the northeast transportation services district, which is northeast Tarrant County.

These are allocated to these communities only in proportion to the seniors and the people with disabilities as a part of the total urban population. And that's at 6.58 percent. So 6.58 percent of state funding to urban transit districts is set aside in a tier that is then distributed only amongst those four transit districts. So that funding is only to those four, and those four only get that funding.

The remainder of that urban funding is allocated to the 26 remaining transit districts. Now, it's important to point out that there is additional limitations to the funding to these four districts. Statutes specify that these four specific districts can only get the funding maximum that they got in the '96-'97 biennium, which translated to an annual dollar amount as illustrated above.

So the funding formula can be applied, but then if it exceeds this maximum, the transit
1 district cannot get more than the maximum. And
2 NETS, it always hits the maximum. NETS does not get
3 the total amount that is allocated by the formula.
4 Mesquite is approaching its maximum
5 amount. Both Grand Prairie and Arlington, the
6 funding probably is not distributed as much as the
7 limitation in the statute. The districts also have
8 some limits on what they can use. They are the only
9 district that must use their funds as match to
10 federal dollars. All the other districts can use
11 their funding for operations or maintenance or any
12 other use that they need. But these have some
13 specific limitations.
14 Any questions about the urban limited
15 eligibility providers?
16 MR. GADBOIS: Just hopefully a quick one.
17 Is this created by state statute or federal, the
18 authority to create a limited eligibility operation?
19 MS. CHERRINGTON: The rules about funding
20 are separate from rural and state. One does not create
21 the other. Under the federal statute, districts that
22 provide only limited eligibility may use their portion
23 of the 5307 allocation to their urbanized area for
24 operations. That's the only federal -- it doesn't
25 create a particular category. It only says that what
they are allocated locally from their urbanized area can be used for operations, and then these are for the rules under state funding.

It happens that we think that these may be the only four districts in the country that are applying these rules, but it's not. But that's because of the conditions that they're a part of in the DFW area.

MR. GADBOIS: That used to also apply for the Woodlands, right?

MS. CHERRINGTON: No.

MR. GADBOIS: Oh, it didn't?

MS. CHERRINGTON: No.

MR. GADBOIS: The Woodlands is a general --

MS. CHERRINGTON: The Woodlands is a general population transit service.

MR. GADBOIS: Okay.

MR. ABESON: Let me see if I understand this. Arlington and Grand Prairie have capped out their max? They can get no more money under this authority?

MS. CHERRINGTON: No. The funding formula allocates to each of these four areas an amount by the formula, which we'll go into in a minute. If that formula exceeds these numbers that are in the
1 statute, the District can only get that much. Only NETS
2 has met that cap. NETS does not get -- NETS is actually
3 allocated by the formula about 40,000 more. It is
4 limited by statute. The formula does not apply in that
5 case. Well, the formula applies but then is limited by
6 this number.

7 MR. GLEASON: If I can add a little bit.
8 Then with that remaining amount from NETS, if you will,
9 it gets spread out over the balance of those four
10 systems.

11 MS. CHERRINGTON: Because again, those
12 four are allocated --

13 MR. GLEASON: They aren't there yet.

14 MS. CHERRINGTON: Those are only eligible
15 for that 6.58, and only that 6.58 applies to them. Now,
16 going back to the Texas funding formula, we want to move
17 on to the next part of that, and we want to look at the
18 needs. Eric mentioned earlier that the funding that
19 goes to the urban side is distributed by needs and
20 performance and on the rural side by needs and
21 performance.

22 On the urban side, it's 50 percent for
23 needs. On the rural side, it is 65 percent for
24 needs. Why is it higher on the rural side? Because
25 there's a recognition that rural areas can be very
1 much larger, very much more of a dispersed
2 population. And so there's a recognition that
3 serving that need requires more resources.
4 Now, the definition of how do you define
5 "need." Well, it's defined on the urban side solely
6 as population. So 100 percent of the need, and
7 whatever your population, you get that pro rata
8 share. I should mention that those three systems
9 that are above 200,000 when they're calculating
10 need, and need only, the limit is 199,999
11 population.
12 Why do we do that? Well, historically,
13 urban funds were primarily for small urbanized
14 areas. It was only recently that Lubbock went over
15 a million -- or over 200,000, I apologize. Over
16 200,000. And so the small urban margin was broken.
17 But the real reason this was put in was that McAllen
18 urbanized area in the 2000 population was over
19 600,000. If their total population was used, they
20 would absorb a great deal of the funding for needs.
21 And so the limit was placed at 199,999 for needs
22 calculation.
23 It uses the entire population number on
24 the performance side, which I will get into in a
25 minute. On the rural side, needs is defined as
1 75 percent by population and 25 percent by area.
2 Now, I'll move down to the other half of the needs
3 and performance allocation. On the performance
4 allocation, the urban areas get 50 percent
5 performance and the rural get 35 percent
6 performance.
7
8 Now, this is the final transition of the
9 formula. We started with lower percentages for
10 performance, and it transitioned over the last six
11 years, five years, to be a higher percentage for
12 performance. And it's now set -- this is the
13 formula that's just the final goal. It's 50/50 for
14 the urban side and 65/35 for the rural side. And
15 this is now in place as of 2007.
16
17 Now, on the performance side, the
18 allocation is using these performance measures, and
19 you'll notice that the first three are the same for
20 both urban and rural. And then the urban side has
21 an additional fourth indicator. Their percent
22 distribution is different on the first three. The
23 rural side is distributed equally. Each of the
24 performance indicators is one-third, but they vary
25 on urban side.
26
27 Now, let me talk about them each very
28 briefly. The first one will require a bit of
The first one is local investment for operating expense, and that's 30 percent on the urban side and 33 on the rural side. The definition of local investment is unique to the application of the funding formula. It's not local share. It's not local match. It's not local government funds. The term "local investment" refers to any funds other than the formula, 5307 or 5311, that is invested by the local transit district into its transit program. So it means if they go out to compete, for example, for JARC or New Freedom, or they get a contract with the local senior citizens agency, those funds that it goes out and competes for and retrieves is included as local investment, even if it has an origination on the federal side. That is the formula measure that encourages coordination and initiative. It also includes both operating and capital. And that was originally done because local governments sometimes make the decision to put their local dollars into a capital project, the replacement of equipment, not necessarily to support operations. And there was a desire to recognize that local decision, so both operating and capital goes into the calculation of local investment for
That means the percentage for some districts can get quite high, and it can vary year to year, which I'll speak to in a minute.

The second measure is revenue miles per operating expense. If you look at that for a moment, reverse it, it's cost per mile. The cost per mile, the higher it goes is negative. We want to measure that everything that went up is positive, so we reversed it. Miles per expense. The more miles per expense, the more efficient, the better performance.

The next measure is passengers per mile, and that's a service effectiveness measure. And then on the urban side, the fourth measure is passengers per population for urbanized area. That's to recognize that some urban transit districts are serving a function that goes beyond the population of their community. And that is a city that has a university, a city that's on the border, or a city that's tourist orientation. And it's to recognize some credit for funding because the services go beyond the population.

Any questions about the performance criteria?

(No response.)
Now, we completed taking a look at that very complicated chart. We've now gone through all of the pieces to the funding formula until you see how it is applied in each year of the application of state funding in Section 5311 for the rural.

Now, how do we get the data that goes into all of these funding formula allocations? They are reported to single reporting, which is commonly known as PTN-128. PTN-128 was a rather laborious paper process in 2006. It's now a web-based system in all transit systems. And by the way, the large urbans and metros report in to the transit database each year. They report on a monthly basis, so there's detailed data on a monthly basis. It includes revenue, it includes service delivery, and it includes expenses. And those data are reported and they're analyzed each year.

TTI had assisted TxDOT to do a review of those data each year. J.R. and Brad are quite familiar with us calling up and asking about this detail or that. So we try to look through and do a quality check on the data. I will tell you that every year since 2006, there has been a significant increase in the quality of the data, the consistency
of the data, and the reliability of the data. Each year we think we're getting there, and each year there's another piece of information we collect or another source of data that we can use as a cross reference, and every year the data gets better.

And I think that we're getting to very high level of confidence in the data that's reported, and we continue with individual agencies with particular questions each year. There also is a need for a continuous upkeep and maintenance of the quality of the data because staff changes in the transit districts, and the staff that may have been trained for this system in 2006 is no longer there, or someone else is taking that duty on, and there's a constant training process that goes on.

We have been approved by TxDOT to provide some additional training classes this summer. And in the process, we also can help people learn what we've learned in the quality control checks as we move on.

MS. BLOOMER: Linda, I just have a follow-up question. For those providers that are also required to report directly to the national transit database, does the PTN-128, who also report on a monthly
basis, is that consistent information in that they can just compile and report annually to NTD instead of creating another report?

MS. CHERRINGTON: The intent is that the data is consistent. All the definitions that we use are consistent with NTD. And we have made some changes in the PTN-128 over the years to reconcile that because the rural transit data is now also reported to the state by the NTD. We continue to improve that, but that is the goal.

There is one issue that we won't get over. That's the state PTN-128 that is based on state fiscal year, and the NTD is based upon the federal fiscal year. So there's always a one-month lag in data, and that's always a margin of difference that we have to live with.

Now, there's one other element to the funding formula that I just want to highlight, and that is there is a provision that says that no transit district will receive more than a 10 percent reduction of funding year to year. That policy was necessary when the funding formula was first put into place because there was a lot of balancing to do between agencies that had previously received more than the funding allocation provides, or less.
And what the diagram intends to show you is that if you raise the floor, no one loses more than 10 percent per year, you have to lower the ceiling to provide that balance of funding. This process goes on every year. We are moving along, and the process is less than it was in the beginning because we're reaching balance on federal state monies.

But there are still variations every year, and this 10 percent rule still applies every year. And there are still a couple of agencies that this is still necessary to apply.

MR. GADBOIS: Linda, what do these bars relate to?

MS. CHERRINGTON: It's the districts’ funding.

MR. GADBOIS: Okay. Is this rural or smaller --

MS. CHERRINGTON: This is just an example.

MR. GADBOIS: Is it --

MS. CHERRINGTON: It's just an illustration.

MR. GADBOIS: Right. But did we create it off of data?
MS. CHERRINGTON: It's data that's historical, and it's not a current set of data.

MR. GADBOIS: Okay.

MS. CHERRINGTON: It's simply illustrative of the process. It's intended to illustrate that if you raise the floor, you have to lower the ceiling. And at some agencies that might be expected to get a very high increase. It comes down in order to balance the bottom. But this chart is strictly illustrative.

MR. GADBOIS: Okay. But we do create such a chart each year?

MS. CHERRINGTON: We do the calculations each year, and it would be possible to make such a chart.

MR. GADBOIS: Okay.

MS. CHERRINGTON: If you were to look at this chart for the current year, there would only be about three or four agencies in the bottom that were getting a negative, and it would be balanced out. And there would be very fewer at the top. There's only two or three involved in the balancing of these --

MR. GADBOIS: Okay.

MS. CHERRINGTON: Now, why are there still variations year to year? And we all talked a few
minutes ago about stability of funding. I wanted to
highlight to you the reasons because the stability of
funding, and the fact that there are variations in the
formula is an item of concern and perhaps attention
because transit agencies want to predict their funding.

And we can predict it going forward, but
we have to put the copy out. However, this is based
on a set of assumptions. If the assumptions change,
then the numbers change. First of all is the total
dollars available for allocation. Now, I've
already made the point that the funding is the same
every year. But that means that you always have to
come back to a zero change; that if someone is
getting more money, that means someone else is
losing money because it all has to come back to the
same funding allocation. So that's a factor.

Another is the number of transit
districts. If they have districts that combine,
then that puts a ripple effect. If there are
changes in the service population, and that can
occur if you add counties to your district as they
did in West Texas a few years ago, or if a county
moves from one rural district to another by a local
choice, that puts a change and a ripple in the
distribution.
There is an increase in the percent where now it's a final stage. But in the transition, as we went from lower performance to higher, that put ripple effects every time that change came in, and that can be fairly significant. If you have a higher performance, you can get a lot more when that number's raised, the changes in individual provider performance, and the most variable statistic is local investment.

And then the most recent performance data, the reason that's important is because the data to allocate state money in the first year of the biennium for 2000 -- well, for any year. From 2011, for example, it went to 2009 performance data because we didn't have 2010 complete in the data yet. When you do the federal funding, it goes to the previous year. So that has an impact.

And then, of course, that 10 percent rule. So these are the reasons that data does differ year to year and affects the amount funding that you will get as a transit district.

Any questions?

(No response.)

MS. CHERRINGTON: That completes the presentation. I did provide to you more that showed you
the performance statistics according to the formula for each of the 2006 through 2010 so that you can see the trend line. And if you have any questions about any of those, I'd be glad to address them or illustrate them for everyone, but that's provided in the presentation.

MR. BLOOMER: Okay. Thank you, Linda.

Are there any questions?

MR. SALAZAR: I have one quick question. Awhile ago, you made mention of this fiscal year reviews and 2000 figures, and next year we are going to do the same thing, and you said something about explaining why.

MS. CHERRINGTON: The 2010 census.

MS. BLOOMER: And that's for the next cycle.

MS. CHERRINGTON: Yeah, and I'll speak to that in the next presentation. Sorry. I will discuss the timing in the 2006 census in the next presentation.

MS. BLOOMER: And if there are not any more specific questions, there may be just some things to think about when we get to Item No. 7, which is reviewing discussions of the PTAC work plan. I think, from my perspective, I think the biggest issue related to the funding formula gets back to the stability. I can't imagine being a transit provider, and I know we've done a lot to sort of take out some of the unknown and
make it a little bit more stable. But again, from year to year, there's fluctuation from census impacts. There's fluctuation, and you mentioned another one, the ripple effect. And it seems difficult. I mean, we're doing our budget now for 2012 and 2013 here at the Council of Governments, so trying to do a budget and not knowing how much money you have going forward at all seems a rather daunting task. So maybe as part of our work plan discussion, we can talk about ways that we can assist the providers with providing maybe a little more stability or knownness of how much money they'll have from year to year, and then if there's also a way that, as the advisory committee, we can encourage the coordination. And I don't know if this is only in our region, but we never like to do anything the easy way here. And so we have a lot of providers in our region that get federal money directly from FTA. They get federal money from through the COG, and they get state money and federal money from TxDOT. And the later oversight and management and requirements and the reporting is becoming a very heavy burden on those folks to meet. So I think if
we can look at that.

And then with the formula, my only other concern is that we base -- I think we've done a good job, and we have some systematic way of allocating funds or programming funds. My only concern is whether or not the providers understand well enough how the formula works and how what they're doing impacts the formula which then impacts the amount of money they ultimately get.

I think if you have an entity that isn't performing well, their funding goes down. Which in my mind, that means they're less able to perform at the level they were previously performing, or even better, which means they get less funding from year to year. So you're in this vicious cycle of, I'm not performing as well, so I get less money, and I can't do as much and I perform less well than I did last year, so I get even less money.

And ultimately, the only folks we're hurting are the people who need the service in that area. And if we don't provide the support, those providers don't understand how what they're doing isn't efficient or effective and how to improve it. They just get into this vicious cycle of not being able to meet the demand. And I don't know how to
answer that question, but that's an ongoing concern.
I've had since the formula has been put in place.
MR. GADBOIS: We're going to take that up
as Item 7, right?
MS. BLOOMER: Yes. We can think about it
between now and lunch and Item 7. If there aren't any
other questions or thoughts on the transit funding
formula, we can move on to Item 6, which is discussion
on the impact of the 2010 census on the funding formula,
now that we all understand the funding formula, I think.
And, Linda, we'll turn it over to you.
MS. CHERRINGTON: Thank you. I'm going
to provide a brief summary. Some of you have seen
presentations in more detail. I'm going to try to
highlight the impact of the 2010 census on the
discussions we just had and try to give you a little
idea of where we are in the census process. We're
actually not finished.
As I deliver this information today, I
want to emphasize to you, this is based upon
research that was funded by TxDOT. It was a project
by the University of Texas at San Antonio State Data
Center, and TTI. The research was done in 2009.
Some of the information I'll be showing
today is projected because we still don't have
the 2010 numbers, and it's based upon projections in
the project that we did, and it was done by State
Data Center projections.

The other thing I want to point out in the
information I share with you, and it's according to
the current federal legislation under SAFETEA-LU.
We do not have new authorization, and so the rules
that we've applied are according to the current
policies.

Okay. Now, the significance -- you know,
we know that the Constitution says that you need to
have a decennial census to reapportion the number of
seats available. And Texas will get four more, so
that's obviously a big significance. But in a
transportation business, that's really not the
point. We really think it's all about defining
non-urbanized and urbanized areas in how funding is
allocated. And that's why it's so significant to us
perhaps more than any other audience for the
information.

Now, the schedule for the 2010 census
that's illustrated here, I mentioned to you that you
thought it was all over, but for our purposes in
funding allocation, we're just getting into it. We
noticed that on April 1st, we received all of the
block level data that's required by law, so in order to do redistricting. And we have information about jurisdiction. So we know the state population. We know the county population. We also know certain jurisdiction city limits. What we do not know is urbanized area population. And, in fact, we don't even know the final census urban criteria to define those urban areas.

We expect those criteria were proposed in August, but we haven't seen the final. Recent Communication indicates they'll be released this summer. So we'll finally see the final criteria that will be applied to the 2010 census numbers to define urban areas, and then to identify urbanized areas.

The announcement of urbanized area is not expected until spring of next year. Urbanized areas are what are used in order to allocate funding for 5307 and 5311 funding. And so it would not apply into the 2013 fiscal year. And that is the reason I mentioned earlier, those population numbers are still applicable and will be applicable into the next year.

I think my battery's gone out. I've got instructions what to do if that happened.
(Adjusting mic.)

MS. CHERRINGTON: And so that's why we're going through the discussion today, and we are still projecting what the urbanized areas will be in the data that I'll be presenting. Now, this is information that we do know. These are the facts. We do know that the 2010 census results for Texas showed that Texas grew 20.6 percent in population. And that now, as compared to the national average of 9.7, which makes Texas now representing 8.1 of total national population.

I will mention to you that this projection 25.146 is about 1 percent off of what our projection was in the research we did. So we have some confidence in the research. There's variation amongst counties, but for the state total we're in line. And this is an illustration of the actual results of the census by county. The red, of course, is a loss of population, and those are primarily in West Texas, the panhandle, and some counties south of San Antonio.

The area that is blue are those counties that grew faster than the statewide average of 20.6.

The next chart gives you a list of those counties that have grown the fastest as a percentage in population. And the point to be made by this is the
1 counties that are in or around the metropolitan
2 areas grew the fastest in the state. And as you
3 look down this list, you will see some counties
4 along the border, also the high percentage increase.
5 Now, I want to talk more about this notion
6 of urban and urbanized areas and how it is
7 significant to us. Urbanized areas are defined not
8 on just data results of the census, they are a
9 calculation of population and population density at
10 the block, block group, and census tract level, and
11 they're calculated by the census. And according to
12 a statistically valid formula, they made a great
13 deal of importance about the fact that this was done
14 in an objective detailed fashion based upon
15 statistical numbers and not by a political process.
16 And the urban areas are defined by
17 criteria that I mentioned have not yet been
18 announced by the census. We won't see them until
19 this summer, although they have given us a list of
20 what they propose to use, and we can apply those in
21 our analysis.
22 Most of the analysis I'm going to give you
23 today includes the 2000 criteria, but I will mention
24 to you the possible impact of the 2010 proposed
25 criteria. So the emphasis of urbanized area, and I
1 underlined "ized," which is going to be critical in 2 the rest of the presentation.
3
4 Now, how does the FTA use this 5 designation? The urbanized areas of over 50,000 or 6 5307 funding, you know that the small urbanized 7 areas are those that we need to pay particular 8 attention as described in the previous presentation. 9 And the non-urbanized areas are all areas that are 10 under 50,000 population.
11
12 Something that's important to note in your 13 local conversation, the census defines urban 14 clusters, and these are communities that meet this 15 definition of urban area that are more than 2500, 16 but less than 50,000 population. So Bastrop, Texas 17 is an urban cluster. But it is in the 18 classification of non-urbanized for funding. We 19 commonly call that rural. So sometimes that's 20 confusing to folks because they hear something is an 21 urban area, but, in fact, if it has not met the 22 50,000 threshold, it's not non-urbanized.
23
24 Now, we've already talked about the 25 funding formula, and I just want to highlight the 26 portion that is needs and how population becomes a 27 factor in how funding is allocated under the Texas 28 Funding Formula. So changes in population will
1 affect these steps in the process of allocation.
2 And we've already talked about that there are 38
3 rural transit districts that are funding, and there
4 are 30 state funded urban transit districts. That's
5 just provided to you to kind of get our basis on how
6 this applies and how the census will affect these
7 transit districts.
8            Well, I want to talk first about the urban
9 side. This is a diagram of the population growth.
10 This is projected urbanized area population, and
11 these are the state funded urbanized transit areas.
12 Not the four in DFW, but the other 26. The yellow
13 part is the expected growth in urbanized area based
14 upon our research study, and the green bar shows the
15 200,000 demarcation for purposes of federal funding.
16            What do you think that big tall line in
17 the middle is? Anybody know? It's McAllen
18 urbanized area. It's expected to be over 700,000
19 people when the final urbanized area is defined.
20 And it could be higher for a reason I'll explain a
21 little bit later. Again, remember, this is an area
22 that does not have any local tax base to support
23 transit, and the local service is relative to
24 population, quite small. You also see a few other
25 yellow bars peaking just above the green line.
Those include those cities that we think may go over 200,000. But, once again, following the category of not being eligible for a local transit tax for transit.

MR. GADBOIS: When you say that about McAllen, will you please explain what you mean by they don't have a local tax base.

MS. CHERRINGTON: The Texas statutes provide minimum requirements for a local community, eligibility to have a local election and pass a transit tax. There's several provisions in state law, but it includes a certain minimum for a primary population center, and a primary city, and then the Lower Rio Grande Valley in Hidalgo County, the largest city is McAllen, but McAllen does not exceed the population limit under state statute to create a population center to then be eligible to call a vote to create a transit authority.

There is also a provision in the state statute for a county transit authority, and I believe that the provisions of that statute also do not apply. It would have to, perhaps, be addressed to apply to the valley. The secondary consideration is the communities in the valley are not likely to be calling for election for transit to add funding, and there is some -- most of these communities are
using all of their local tax base for other purposes and wouldn't be eligible to call election for transit, because you're limited to 8.25 total.

And by the way, the state ability to call a local transit tax is based on the sales tax.

That's the methodology for Texas. Now, these again, are projected UTA based on the 2000 urban criteria. Expect that there may be as many as four cities to go over 200,000. We think that already knowing the city limit population that Laredo, Brownsville, and probably Killeen, and Amarillo is still a little bit on the edge. But you could have four more cities over 200,000. It's projected that there could be as many as five new small urbanized area.

Again, looking at the city populations, it's almost certain that New Braunfels, San Marcos-Kyle together; Georgetown and Hutto would go over 50,000. Cleburne is still in deep because Cleburne includes several urban clusters, and it depends if they are all classified together as an urbanized area.

Galveston is almost sure to be less than 50,000 population as an impact of Hurricane Ike on the fact that it is an islands, and so there is a very strict limit on the area that can be included.
There's also the probability that a small urbanized area could be merged with a large urbanized area and then become a part of the large area. McKinney is expected to merge with Dallas-Fort Worth under the 2000 urban criteria. And portions of Texas City; that is Dickinson, is expected to merge into the Houston urbanized area.

So that will change both the number of urbanized areas and then the population. And then in almost every urbanized area of the state, the urbanized boundaries; that is, that area that will qualify as urbanized is likely to work, like an amoeba, growing out. These are expected projections and these are based upon the 2000 urban criteria in the current SAFETEA-LU federal regulations.

MR. GADBOIS: And Linda, would you explain why we should care about the additional the FTA of over 200,000?

MS. CHERRINGTON: Under the state formula, remember now that Lubbock, Midland-Odessa, and McAllen are over 200,000. And there would be more in that category. Their population would be 1.999 of under the current formula. And for their purposes, the big concern is that those areas will no longer be able to use their federal money for operations after a
transition period under the SAFETEA-LU. So that's not so much a concern for PTAC directly or the consideration of the funding formula as a concern for the transit agencies themselves and why they ask for state funding.

Did you have a question, Michelle?

MS. BLOOMER: I think the other issue, one is the transition out of the small urban into the large urban, which you lose flexibility to use federal money for operating. I think the other issue related to small urban is that there might be more folks in the small urban -- they basically share these same amount of funds now. I think we were successful and increased that to 3 million over the biennium. So there's an additional 1.5 million there. But 1.5 million amongst one, two, three, four, five, I think that's another area of impacts going forward.

MR. GLEASON: Let me clarify that. We, as a result of this research that Linda is describing, the Department, we actually ran the formula with these additional small urban areas in it, and without, and then looked at the difference in terms of the allocations among everyone, and we identified that about, I want to say about 1.3 million was needed to sort of hold everyone, if you will, harmless, to use that expression, from the addition of these new small
1 urban areas with another $300,000 in there for total of
2 1.6 that's focused on the rural side. And as individual
3 rural transit districts share population changes because
4 of the census, money begins moving around among them as
5 well. And so, roughly, $300,000 was needed to protect
6 rural transit districts from a loss of funding due to
7 the census results.
8                MR. GADBOIS: Are these new small
9 urbanized areas, or were these new small urbanized areas
10 providing service under your rural?
11                MS. CHERRINGTON: Yes.
12                MR. GADBOIS: Before?
13                MS. CHERRINGTON: Yes.
14                MR. GADBOIS: In which case the numbers
15 per rural go down?
16                MS. CHERRINGTON: I'll speak to that in a
17 second.
18                MR. GADBOIS: Okay.
19                MS. CHERRINGTON: That's a good point.
20 So these are the rural transit districts. And these are
21 the projected changes in population based upon the
22 research that was done, and assuming that those
23 urbanized changes did occur. Now, an interesting point
24 about this illustration is, those urbanized areas, the
25 rural districts that they came from will still increase
1 in total population because the increase in rural
2 exceeds that which will be withdrawn to the urbanized
3 area. So the Capital Area Transit System -- Capital
4 Area Rural Transit System, CARTS, for example, will have
5 withdrawn, for example, Georgetown and San Marcos-Kyle.
6 However, the population in the rest of the
7 rural area increases greater than that population
8 that is withdrawn. The same applies in the Brazos
9 Transit District where the Conroe rural area would
10 be -- excuse me -- where the Conroe urbanized area
11 would come out of the rural transit district. It
12 does not make a negative effect on the population.
13 And the same thing would be the case of
14 the Alamo Area Council of Governments. Remember,
15 these new urbanized areas are all coming from
16 metropolitan counties in and around -- excuse me --
17 coming from rural counties in and around
18 metropolitan areas, and all of those areas are
19 growing rapidly.
20 There is one area that does make a
21 difference, and that's Cleburne. If Cleburne was
22 defined as an urbanized area, if, and it were taken
23 out, then the remainder of the county that's rural
24 would be quite small. And that would be the one
25 that would actually have a significant effect.
Now, there are rural transit districts illustrated on this map that show that they are losing population. I want to emphasize to you that this was the projected. And we've been authorized by TxDOT to do some preliminary homework to look at these actual county populations and update this. The southeast actually had a higher population, those counties under the final 2010 numbers, than what our projections were that they not be read in our final analysis. But you'll see, still, that West Texas, Panhandle, and South Texas are the rural transit districts that see some loss in population. Although statewide, even after the new urbanized areas, we expect the rural population to increase by about 12 percent. And that's what this illustration is, and it compares projected 2010 population distribution compared to the 2000 that I showed you, the previous change.

So you'll see the percent change in urban population is much higher. But, still, rural population increases, and you'll see the distribution between urban and rural has changed. Now urban is 31 percent and rural is 59 percent because urban is growing faster than rural.

Questions? These are projected numbers. We'll continue to
update as the facts come out through the census.

MR. GADBOIS: The research, just to make sure I understand, it will provide district by district for both urbanized and rural percent change or --

MS. CHERRINGTON: The research did provide that data --

MR. GADBOIS: It did?

MS. CHERRINGTON: -- based upon what we knew. Again, remember, the research was completed before the census.

MR. GADBOIS: Right. But you're doing it again --

MS. CHERRINGTON: And I think -- in talking with Kelly, I think we're probably going to do the updates in three steps. One was just, right now, look at the actual cannonaded and kind of make an educated assessment of what that impact might be to the rural transit districts. Until we know they're urbanized areas, we can't know it for a fact.

The second step would be when we finally get the urban area criteria, we can do a much more methodical update to the projections, and then finally, we'll only know what we know in 2012. So we'll continue to try and keep everybody up to speed on this, but it is a projection.
Now, I do want to mention one thing to you. I've talked about this 2010 urban criteria. For the most part, the census proposes to use the same criteria as 2000. This sheet highlights to you a few of the more possible changes, but I really want to speak to the results of the last bullet.

The census proposes to use now what's available through GIS systems, the Geographic Information Systems and look at land use as part of the criteria, not just population. Because they can now look at satellites and see where the impervious surface defines industrial areas that are really part of the urban fabric and include those as part of the urban area, and also look at wetlands, not just waterways.

Well, this is going to make a difference in areas that are going to qualify as urban area, and therefore could be urbanized under the 50,000 rural. And it also means that you could see more likely the contiguous urbanized areas actually creating things that they would be coterminous; that they would grow together.

I told you a while ago that we thought McKinney would grow into Dallas-Fort Worth. If you use more man-used data, it's possible that you'll see more urbanized areas contiguous. And if you see them contiguous, the census is
proposed to finding it agglomerations. My new favorite word, agglomerations, which are very common on the West Coast and the northeast, but they're new to our area. And the possible agglomeration, as a result of the census, are illustrated here. And if these agglomerations occur, then you see several urbanized areas becoming one very large urbanized area, in the case of Dallas, Fort Worth, Arlington, Denton, Lewisville, McKinney. And you see other potential. And this has a major effect on the small urban transit districts that might be a part of this agglomeration. This is not known. This is to watch out for, to look at these areas, and when we get those final urban criteria in the summer, we can go through, and with our own analysis and with the help from the researchers from the State Data Center, and take a look at whether or not these, in fact, would occur. I want to mention to you that the criteria in these urbanized areas are the same Metropolitan Statistical Area, MSA. And I want to point out that the Lower Rio Grand Valley is two MSAs. That means that depending on the threshold the census establishes, whether or not that the Hidalgo County urbanized area, McAllen, could be become an agglomeration with the Harlingen urbanized area, Cameron County, because they're two MSAs, there's another set of criteria to look at. If they came together, they would be almost a million in population. So this is something to watch out for, and it's
very significant to the small urbanized areas. I want to close
with one comment, and this goes back to the limited eligibility
urban providers. The census, we now rely on demographic data
through the American Community Survey, not the decennial census,
and we do not yet have the updated ACS, American Community
Survey, data for disabilities because they changed the question.
The probability is that the percentage of persons,
people with disabilities in these urbanized areas, is going to go
down, and that will effect the formula and the amount of money
that might be allocated to the formula of the eligibility
providers. Stay tuned. We don't know the answer to this yet
either. I've already hit my highlights in the summary, so I'll
just ask now if there's any specific questions that anyone has?
(No response.)
MS. CHERRINGTON: Thank you.
MS. BLOOMER: Are there any questions for
Linda or comments or thoughts?
MR. SALAZAR: As many times you've given
that presentation, I've paid attention.
MS. CHERRINGTON: But the message needs
to get out. You know, every time, there's someone else
that gets the message. Because in 2000, people were
surprised by the results and it threw the whole industry
into an upheaval. So it is really important that
everybody participate.
MS. BLOOMER: And I think that was an important point. We were all sort of taken off guard in 2000, even though we've done this, both at the state level, and I know we've done it locally in our region. There's still so many unknowns. I think we're still going to be, to some extent, caught off guard.

Maybe that's something to think about when we get to Item 7 is what sort of recommendation or role we can play to sort of ease that transition so one day you aren't rural and you can use your money for operating and have state match. And then the next funding cycle, you aren't, and you can't. I am kind of curious, though, on Cleburne, what the thinking is that it wouldn't become part of the Dallas-Fort Worth, Arlington, the larger urbanized area.

MS. CHERRINGTON: By the analysis that was done by the State Data Center, there is an area that is sufficiently wide enough, that's rural, that would not be projected to be urbanized. And we went back and looked at that again specifically after we got the county level data, and it still does not appear that it would be contiguous, and it still is not sure that all those urban clusters would add to 50,000. It's still iffy.
MS. BLOOMER: And that wouldn't apply as well to be an agglomeration. But if it became one large Dallas-Fort Worth --

MS. CHERRINGTON: It would not apply because it would still have that area that separates it by rural area.

MR. GADBOIS: It's got to be contiguous to be --

MS. CHERRINGTON: You have to be contiguous to be part of an agglomeration, that's correct. And the census blocks have to be next to each other that are both urban, urbanized.

MR. ABESON: Agglomeration could really be interesting in terms of how transit organizations are organized in how that choose to deliver services. For example, here in the metroplex, if my understanding is correct, the Arlington paratransit system does not coordinate with the T at the borders of the jurisdictions. But if you had a different organizational structure, like one, for example, we'd no longer have the T, DART, and the Amtrak train. They could become one system. Unimaginable. It's unimaginable.

MS. CHERRINGTON: Although, I would say that the urbanized area does not define the
organizational structure --

MR. ABESON: No, I understand. But the

political aspect of that --

MS. CHERRINGTON: Okay. I just wanted it
to be clear that's really all about allocation of
funding, not back to organizational.

MR. ABESON: I understand completely, but
the political aspect of that is staggering, absolutely
staggering.

MS. BLOOMER: And as far as to provide a
little additional information, Arlington and the T actually do
coordinate to some extent.

MR. ABESON: Across the border?

MS. BLOOMER: Across the border. And to
some extent, Tarrant County is probably one of our best
counties as far as coordination goes because you have
the American Red Cross, the Fort Worth Transportation
Authority and Arlington. And they pretty much work very
well together to fill in as much of that gap as they
possibly can.

I think where I'm coming from, and I don't
know which hat I'm wearing when I say this, but I
think the agglomeration idea is sort of exciting on
one hand, maybe from my MPO hat, because then all
the funding would come -- we break down a couple of
But if you've got Cleburne sticking out here, then it doesn't really help. And then you have -- and I think this is where, you know, if all the metropolitan planning area funds were to funnel through one source, because currently it's multiple programs going through multiple entities.

And for the providers, ultimately, the end goal is the same, to provide service. But I've got to get some of my funding here and I've got to get some of my funding here, and really, I'm providing the same service. It's the silos of funding that make it difficult, and then all the string that come attached with that particular --

MS. CHERRINGTON: But just to point out, the agglomeration for those small urbanized areas is a terrible issue when it comes to not using the DMD's (phonetic) --

MS. BLOOMER: Right.

MS. CHERRINGTON: -- because --

MS. BLOOMER: On the providers' side, you lose the flexibility, and I don't know that PTAC can have a role in that, but one idea is maybe we don't try to address the federal government telling us what you can and can't spend your money on through the census
process; but that from an administrative standpoint, the agglomeration idea is beneficial as far as seamless service, coordinated service, and streamlining and reducing duplication and burden on the providers. But trying to address the flexibility in how we use our funding through pre-authorization of SAFETEA-LU.

I think one key point, too, to remember is that the Census Bureau never indicated the census and the urbanized area definitions to be used in apportioning funds. And they clearly state in their criteria that any federal department that does that does that at their own risk. And so the DOT chooses to use that, but when the census is doing its information, it's basically for one purpose and one purpose only, and it's not to apportion federal candidate administration funding. And so that's why we get into some of these issues.

Do you know if lunch is here?

MR. GLEASON: Lunch was supposed to arrive between 11:00 and 11:30.

MS. BLOOMER: Okay. I think the next item on our agenda is Item 7, and if it's okay with everybody if we just take a brief comfort break before we head into Item 7, and let's say we come back at 11:45, ten minutes.
MS. BLOOMER: So lunch should be arriving in about 35, 40 minutes, hopefully no later then 1:00. So we'll go ahead and get started on Item 7, which is review and discussion of the PTAC work plan. And I think Ginnie included in our handout a copy of the work plan items.

And I think what we had talked about at our last meeting is really trying to use this as an opportunity to get all the ideas and concepts out. We have some from our previous work plan to help us strategize on which way to take it, and then also to talk about sort of the balance between what we're calling a strategic plan. But I think it's maybe more of a strategic -- what's the word -- guiding principals-type document. So I think we really need to find a balance between actually accomplishing tasks to end them off and developing a longer term vision.

Eric, do you want to talk a little bit about just the concept behind maybe a one- to two page at the most? I think it's probably more like one, one-and-a-half page strategic direction paper. Or should we just start by throwing our ideas out of what we would like to work on?
MR. GLEASON: Well, I think you --

there's two things. This is an opportunity to talk more
about all of those items so that everyone has a chance
to talk about what they think any one of these might
look at or look like. And then I think at the end, we
want to try and come back, and if I'm not mistaken, try
and kick off maybe one or two or maybe three, some
relatively small number of them, as the ones we're going
to start on first.

So I think first the conversation can be
just wide open on all of them so that we fully
understand what everyone's range of interests are
for each of those topics, and then which of them do
we want to start out with. One of those being the
strategic plan.

MS. BLOOMER: And maybe what we can do is
what some of those for all the members -- that we have
transportation development credits, what they are. I
think you guys just had a conversation about that.

MR. GLEASON: I think Al can probably
explain that (laughter).

MR. ABESON: Yeah.

MS. BLOOMER: And maybe what the interest
of the committee is in addressing transportation
development credits as well as the Section 5310 Program.
1 And I heard we had a couple as we went through on
2 funding, and I know that Glenn has added some based on
3 our conversations.
4 Does anybody want to take any one of those
5 or one of the other ones and sort of explain what
6 the issue or concern is and maybe what we're looking
7 at, what we might consider doing as a committee, or
8 do you want to go through them one by one and work
9 our way down?
10 MR. GADBOIS: I think it would be helpful
11 if we do little summaries of what each one of these are
12 and why we think it is important from whoever wants to
13 jump in on the topic, and Eric can if nobody does, just
14 so we all kind of are on the same starting page for
15 which each one of these are. Then I would hope if we
16 get to the bottom of this and we want to add additional
17 items, we'd do so. And then we can kind of start
18 talking about prioritizing them. Does that make sense?
19 MS. BLOOMER: Yes --
20 MR. GADBOIS: Yes.
21 MS. BLOOMER: -- is the easy answer.
22 MR. GADBOIS: Okay.
23 MS. BLOOMER: Do you want to start with
24 transportation development credits, or do you want to --
25 MR. GADBOIS: Sure. I'm happy to as long
as someone agrees to take the 5310 Program after that.

MS. BLOOMER: Okay.

MR. GADBOIS: So development credits are something that the State has gotten credit for from the feds based on federal transportation money that wasn't spent. So basically, toll roads, using private and local money, offset of federal expense, and therefore, the State gets some level of credit for that.

What I just learned was that the total amount is over a billion dollars for the State of which 75 percent must stay within the region from which it comes for at least three calls of projects. If there's any surplus left, it then can go to a state purposes. And then the 25 percent is state purpose allocated. The Commission allocates that 25 percent based on applications of those development credits. And traditionally, those development credits for public transportation have been a very handy way to fund the capital where local match was not readily available.

What I understand is that increasing, unfortunately, the roadside folks, are figuring out ways to use toll credits in ways they hadn't thus far. As a consequence, there will be more competition for toll credits in the future. Did I
MR. GLEASON: Well, that was actually a great summary. And I think you did identify an emerging direction for the development credits, and that you are correct, that there is a lot of interest on the highway side at looking at this tool as a way of leveraging -- well, bringing down the federal program dollars, we would otherwise always bring down, but perhaps not using the state dollars as match in that case, and then potentially being able to pull the state dollars together and use those in more flexible ways. That's how it's been described to me. And I generally understand that Florida has approached it this way for some time. And so I think it's likely, I would guess that at some point over the next 12 months that there may, in fact, be a rule-making activity allowing transportation development credits perhaps to address this interest, if not already accommodated in the rules. And if that were to be the case, this committee historically has an opportunity to comment on those rules. From an organizational standpoint, it would likely be led by our finance division. But this committee has always had an opportunity to weigh in on any of those rule changes affected by
the credits.
Your summary of how they've been used --
the last I heard we had about 1.7 billion. And they
aren't dollars. That's the main thing that
people -- in the past I think we've made a mistake
of putting a dollar sign next to them as a way of
communicating, but they aren't, in fact, money.
They simply allow you to draw down federal program
dollars without having to use actual local monies or
state monies to do that.
But you need to be able to build
everything or do everything you want to do for your
project with the federal money that you get. And
that's always kind of a sticking point with some as
they try and grasp this concept, you know.
MR. GADBOIS: They have a dollar
equivalency, but not a dollar value.
MR. GLEASON: Right. I just shy away
from using dollars all together because I think it's
confusing.
MS. BLOOMER: I think a good way to think
of it is if you have $100,000 bus, normally, when you're
not using toll credits, you use 80,000 in federal money
and 20,000 in local match to have $100,000 to buy the
bus. When you use toll credits, that meets the required
local match requirement, so you use $100,000 in federal money to buy the bus. So it is 100 percent federal.

MR. GADBOIS: That was a very good sidestep, which is a wise-tale way to your example.

MS. BLOOMER: I think it's really confusing, especially when I know we did the 5310 and trying to, you know, how do you buy a bus when it's a $100,000 bus and I only have 80,000? It still costs 100,000.

Eric, I did have one question. The 1.7 billion in toll credit, is that the 25 percent of the Commission?

MR. GLEASON: No, that's all total. And it's not quite 75/25 on that number because we've actually spent some of the statewide match portion of that down. And so roughly speaking, you can take 75 percent of that 1.7 billion and associate that with the regions from where it was generated, and 25 percent statewide. As a matter of fact, we've actually spent down some of that statewide. So it's not quite a 25/75 split.

MS. BLOOMER: But I think the point for the committee to realize is that the part, I guess, of concern from my standpoint is that the 25 percent that the Commission has authority to award, because that's
what the transit providers are accessing, that percent.

MR. GLEASON: Right now.

MS. BLOOMER: Right now. Well, the 75 percent is supposed to be awarded through calls, which hasn't yet happened.

MR. GLEASON: That's right.

MS. BLOOMER: And these happen at the local level for which those tolls are generated. So that would be a local process, versus the 25 percent is at a statewide level. But I think that sort of raised a little red flag. So there's increasing interest on the highway side for accessing. Is it all of it, the 75 percent or the 25 percent?

MR. GLEASON: Well, I think they've not talked about that specifically. They've talked about the opportunity that it represents, or I think there is interest in understanding that better in what I might mean in terms of being able to do more or to do the same thing but perhaps more quickly or more flexibly by freeing up your state dollars as opposed to putting them over four or five different projects, you can pool them and put them into one and maybe do something with that project you might not have been able to do otherwise if it had federal money in it.

And so there's not been any discussion
that I've been a part of anything that would say
that we should amend the existing rules in this way
to allow us to do more. I think at this point in
time, they would all be done under the context of
project calls in the areas and seeing what could be
done.

Now, having said that, one of the things
about the current set of rules that I think is of
interest to this committee is, if you read them,
they're actually written in a way where even in
those areas where there will be project calls,
there's a real interest in the rurals in seeing
projects that actually have public transportation or
sort of non-highway benefits associated with
multi-level -- so the current Administrative Code
actually is reasonably favorable towards even
highway projects having non-highway elements as a
program. It doesn't preclude that all together, but
there's a real strong bias for that.

MR. GADBOIS: The only other thing I
would add is if you're confused now, this will get even
more confusing. Because my suspicion is, to the extent
we start talking about highway dollars as well, it
should call into question category allocations, the
metros in how they view those. And so just to know that
it was complicated as it sounds now, it is even more complicated than that.

MR. GLEASON: So some of the potential policy areas, you know, there's the one about, you know, the general kinds of projects for which these are eligible to be used on. And there's the current Administrative Code that provides a description of that that includes multi-level uses.

Beyond that, there are questions, I think, about, and people have raised this to me in the past, whether or not we would want to try and encourage certain kinds of projects by offering development credits as being available, kind of, you know, incentive for this area. So that's one area that the committee could talk about.

The committee may want to simply reaffirm, for example, from a policy standpoint the approach that has been used as a thought of them being used for capital so that every bit as much of the local money or state money that's available can be used to match operating, and reaffirming that as a usable approach to helping finance and fund public transportation in the rural and the small urban areas.

So there's possibly some policy areas that
we, as the committee, would want to look at, and
then in addition to that, of course, any rule
making.

MS. BLOOMER: I think there's two
opportunities. One is if there's a decision on the
commission level, policy on the commission level, of
potential rule making. And then as public
transportation, how do we see the best leverage of
transit development credits? Those are two
different levels.

MS. CRAIN: I've got a question. I'm
trying to learn this. On the 25 percent credits that
the Commission has the authority or discretion to award,
what is their process for doing it? Or is it annually,
do they determine how they're going to do it?

MR. GLEASON: There's no set process for
that. The projects that request development credits
from the Commission need to demonstrate how they support
the goals of the Department. And then typically, what
we do is, we can either -- individual agencies can
either send us a letter requesting them and describing
the project and describing how it needs to define its
goals. And we'll go back and forth with them on the
project so we understand what it's about, and we'll make
a determination on whether we think it's the
1 appropriate process.
2 The other way that we've used them is as a
3 part of our coordinated call, the projects that we
4 do every year for a handful of our competitive
5 programs, we do identify development credits as
6 something that a project proposer can say they need
7 as a part of their project. And so they get awarded
8 through that process. Which it has more structure
9 to it. It has a formal schedule in all of that.
10
11 MS. CRAIN: Is that done once a year?
12 MR. GLEASON: That's done once a year.
13
14 We call for project proposals for five federal programs
15 that the Department is responsible for administering.
16 One is a research and planning program, intercity bus,
17 Job Access Reverse Community, JARC, for the rural and
18 smaller areas of the state; New Freedoms for the rural
19 and smaller areas of the state, and, as I mentioned
20 before, a little bit of the rural program discretionary
21 money is also available.
22 And then we have a rural transportation
23 assistance, or it's Rural Technical Assistance
24 Program, RTAP we call it, which is another source
25 of funding for studies and research and stuff like
26 that. So all those federal programs are in
27 the making. And we do that once a year. We
1 typically send out -- the call for the projects will
2 go out in July, and then we ask for proposals to be
3 back in to us either by the end of the calendar year
4 or very early at the start of the next couple of
5 weeks in January.
6           We spend several months looking over
7 proposals, making decisions. And then like this
8 year, we're currently scheduled at the May
9 commission meeting to recommend to the Commission
10 that there were funds and development credits to
11 people who propose as part of this process. And
12 then it starts all over again.
13           And we started doing that two years ago.
14 Before that, we would do each of those programs
15 individually, at different times of the year. So we
16 bundled them all up together and call them
17 coordinated calls, and we try to do it once a year.
18           People get kind of a groove on it, they
19 can expect it. We give them five or six months to
20 put their proposals together so they can develop
21 partnerships locally and try to bring some routine
22 and consistency to it.
23           MS. CRAIN: That's good. That's good.
24 The Commission has limited the process to the
25 recommendation through the coordinated call. They
haven't, as far as you know, gone out and done a discretionary --

MR. GLEASON: They have not done a process like that.

MS. CRAIN: Okay.

MR. GLEASON: The discretionary part comes when someone sends us a letter, or we have in the past, when we've had money, and for fleet, we have put together the kind of thing where we say, you know, development credit for fleet. The Department has also submitted projects to federal discretionary program calls, and we have used development credits as our submittal for those match as well.

MS. CRAIN: Okay. But those were just extraordinary circumstances when they do that?

MS. BLOOMER: And maybe we don't need to get into this, the details, now but move on to the next.

MR. ABESON: I do have a question. In terms of the 75 percent that remain aware that were generated, where the credits were generated, how much guidance is given to those communities as to how those funds can be used -- or excuse me -- how the credits can be used?

MR. GLEASON: Probably not a lot. I think there had not been a lot of activity on the part
of the Department in those areas to move ahead with a
call for project, which is when that kind of
information -- that's one time when that kind of
information might become available.

I don't know to the extent this there's a
general understanding, and Michelle can probably
respond to this better than I can, among planners
and decision-makers in those areas about the
availability and general use of development credits.

MR. ABESON: So is it fair to say that on
the one hand, the 25 percent, which is generated by a
provider, or someone in the community, asking for the
credits, that's one way?

MR. GLEASON: That's not where the
25 percent comes from.

MR. ABESON: Well, I'm trying to
understand.

MR. GLEASON: That's how you get your
hands on development credits that are in that
25 percent.

MR. ABESON: Okay. Okay. So that is
initiated by somebody out in the community, asking?

MR. GLEASON: That's correct.

MR. ABESON: If I'm a brand-new provider,
I may not know anything about this, right?
MR. GLEASON: That's correct.

MR. ABESON: Okay. The 75 percent is, as far as you know, totally locally derived?

MR. GLEASON: Well, they're all derived locally.

MR. ABESON: Yeah. But in terms of what the credits can be used for, what kind of guidance is there on both sides, the 75 and the 25, that would or could as a policy matter restrict, encourage, support public transportation initiatives?

MR. GLEASON: I would say the only existing guidance is what is in the Administrative Code. And that's a description of how the program will be managed and what kinds of projects will be eligible.

MR. ABESON: When you say what kinds --

MS. BLOOMER: It's not even 30,000. It's like 100, 250,000 level. It's up here. The money comes in, the 75 percent goes in the pot. It will be awarded through a competitive process. That's all it says. The 25 percent will be awarded this way, eligible for capital. That's all it says.

And one of the reasons it hasn't moved forward at the 75 percent is because I think there's a lack of understanding of how or when or --

MR. ABESON: I can't imagine why.
MS. CRAIN: Because it's so vague.

MS. BLOOMER: And that's why. But I think there's more at the state, but I don't think it's well-known how much money is available on an annual basis to the Commission and how much is available to public transportation. Which may be a good thing.

But what happens is as requests come in, and this is my understanding, but as requests come in through the 5310 program, the 5311 program, the coordinated call, those get put into a column and the funding might can stay in the Commission, they're awarding funds.

I think as the committee, or at least what I'm interested in, is what sort of policy goes back to how those funds are awarded, and then what are the goals in awarding those funds. And then can we sort of help provide guidance on the process and put maybe a little bit more structure and bones on and then discuss eligibility.

And right now, it's capital. But there are different understandings of what capital is and is not. To me, capital is an FTA capital eligible expense. But that's not how it's interpreted. And there are both pros and cons for interpreting it the way currently interpreted. But I think having
1 guidance for the provider so they know what the
2 requirements are and then how much to leverage them,
3 it is not an unlimited pot of non-money at the end
4 of the rainbow. So how best to use that to get out
5 from under our other goals.
6 And I think the difficulty I'm having is I
7 think a lot of these go into overall goals, but
8 we're starting with the details and I guess going
9 back to the goals. As we're talking about
10 transportation development credits specifically
11 versus maybe one of the goals is leveraging existing
12 resources most efficiently, and then how each of
13 those things fit in there. So I think I'm going to
14 have the same issue. I mean, we can keep going.
15 MR. GLEASON: Keep in mind today, we
16 don't need to sort anything out (laughter), which is
17 where we are all trying to go. And I'm as guilty as
18 anyone else. But what I like about what you just did is
19 you took a specific -- sometimes you've got to, you
20 know, wallow around in the details before you realize
21 what you need --
22 MS. BLOOMER: Right.
23 MR. GLEASON: -- up top, and you just did
24 that. You said, you know, maybe what we need is --
25 MS. BLOOMER: Guiding principle.
MR. GLEASON: -- you know whether we set -- the principle talking about leveraging, such and such to accomplish --

MS. BLOOMER: Yeah. What are we trying to accomplish with the TDCs -- I guess maybe a question as a committee, what do we think we're trying to accomplish? Are we trying to reduce the local match required, or are we trying to not lapse federal funds? Are we trying to encourage coordination? What are we trying to accomplish by spending these credits?

I think if everybody, maybe just as a general discussion, lightly, can go down to the 5310 program, and I think I put this on there. And this is actually one that a number of folks brought to my attention, both at the last two semi annual meetings, and then outside of that.

The current Section 5310 Program, also known as The Elderly and Persons with Disability Program is federal transit administration funds that are apportioned to states based on the elderly and disabled population within the state.

And this is where it gets kind of murky after that. Because in my two districts, I think it's different. Whether or not those funds are supposed to be used for the provision of public --
public transportation services, if that meets the needs of elderly and persons with disabilities, or nonpublic transportation, I think is one area that has raised sort of a policy question.

And then I think also the issue of eligible entities. I know a long -- about six, seven years ago when I first started, and I've been here 11 years at the Council of Governments, and we were doing it one way where anybody that met the eligibility requirement could apply for 5310 funds, and that included like your adult daycares, your nutrition facilities, et cetera. And there at some point was some conscious decision that it wasn't leveraging through the State's resources most efficiently by allowing entities to use 5310 funds, which are very limited in actuality, both in dollar amount and what you can use them for, to allow entities to take funds from that pot and then use them to purchase vehicles that operated very limited service, both in days, days that they were operating and hours they were operating and the client they were serving.

I've now seen that come full circle where we're back to awarding funds under the 5310 Program to non-public providers with limited service. And
so I'm -- I am not sure that policy decision was ever made or communicated. I'm also concerned that now as a state, we're trying to coordinate services. And in my 16-county area, we just present funding to entities that aren't part of the regional coordination effort that now are out there providing service.

So I just now created additional entities which I have to try to bring into the fold to coordinate. So trying to figure out how the 5310 Program relates to the 5311 non-urbanized, the 5307 Program, and then how it fits in moving the entire statewide coordination effort forward.

MR. SALAZAR: Just a couple of comments of what Michelle said. I think the 5310 Program is done differently throughout the state, and I think we need some sort of an conformity there with regards to, you know, exactly how those issues should be addressed. But I do think everybody does it differently, and I think we need to get somewhat on the same page with regards to that.

MR. GLEASON: This is one of the areas when I talked to you earlier about one of the objectives of having the PTCs work for the division. I talked about the inconsistencies that existed. This program is like
1 a poster child for that issue. There's actually a
2 relatively specific set of guidelines for how the
3 program is administered in the Administrative Code.
4 And what we found is that in practice, it
5 was being done very different ways. So we're trying
6 to corral that. I think in my view, what I like to
7 tell my folks, is that there needs to be the ability
8 locally to do things differently because that's what
9 make sense locally.
10 And this isn't about a single standard
11 operating procedure for the 5310 Program that has to
12 be replicated in every region of the state. But we
13 do need to set the fence lines on it a little
14 closer. And in a lot of ways, it's as
15 straightforward as simply doing what the
16 Administrative Code says to do. So step one is
17 simply do what the Administrative Code says to do.
18 Now, we all may look at the Administrative
19 Code and say that that needs to change, and that's
20 another thing all together as well. But the first
21 step, you're exactly right. There is a large
22 diversity of how this program is actually
23 implemented at the local level. Different
24 approaches to public involvement spanning the entire
25 spectrum. Different rules for the stakeholder
1 groups to the extent to which they're allowed to
2 make decisions. Different levels of detail being
3 brought to the stakeholder group in terms of the
4 extent of proposals received. All kinds of stuff.
5           So I think there's -- and Michelle, you
6 were asking some very good policy questions about
7 the program, and things that I think could really
8 benefit from the discussion on it with this group.
9 And what I'd like to do with this is have that
10 conversation outside of the rule-making process.
11 And at the end of the conversation, we can decide to
12 open up the rules, if we need to, to figure out what
13 needs to change, but we don't do it in the middle of
14 rule-making process because then the schedule for
15 that tends to --
16               MS. BLOOMER: And I guess, too, maybe a
17 starting point for a future meeting would be, what does
18 the Administrative Code say? Because we've gone around
19 and around and around with the PTCs about what the
20 program says it's supposed to do.
21               MR. GLEASON: I think that is in the
22 notebook. I think that's going to be in the chapter
23 that has the United States Code. And I wouldn't
24 necessarily get into it or not, but in the U.S. Code and
25 the State Legislative Code, and then we have, I think,
pretty much Chapter 31 of the Administrative Code in there. And it may not be all in there, but I thought we had a good chunk in there.

MR. GADBOIS: So if I'm understanding correctly, and pardon me if I get it wrong, there's inconsistency in the process by which decisions are made. So you --

MR. GLEASON: There's clarity in the Administrative Code and inconsistency in how it's --

MR. GADBOIS: Inconsistency in the process throughout the state in terms of how decisions are made, what stakeholders are included and what are included, things you mentioned. In addition to that there's inconsistency, it sounded like, in terms of the types of projects that are getting funded as well.

At a minimum, we ought to be dealing with the inconsistencies on process, if less a problem of those types, those can be tailored. That makes more sense to me. But at a minimum, more consistency on the process.

MS. BLOOMER: I don't know, process.

MR. ABESON: Well, there's multiple processes.

MS. BLOOMER: Yes. And, I think, Eric, you made a good point, which I'm not sure it is getting
translated in that, you know, it is supposed to be a
local consensus-building decision of how those projects
are to be put forward. And the question becomes as how
that is carried out in each local area, because I think
just as an example, we have -- I don't know that we're
unique, but we have two TxDOT districts.

Actually we have three in our 16 counties,
but two that we actively participate with through
this process. They both follow the same process,
but they were completely different in how they were
carried out. But it was basically the same outline.

MR. GLEASON: Just each step along the
way. Different approaches, technically.

MS. BLOOMER: Right. Which came to
completely different outcomes. One that supports the
regional approach and regional coordination and one that
doesn't. But it met all the requirements because it had
quote "local input," meaning the folks at the table, who
happen to only be health and human service providers,
made the decision of how the funds were allocated,
inconsistent with the regional policy of regional
coordination moving forward.

And so I guess my thing is, I don't know
that we need to get into what that is, but I do
think the concept of conformity, or not conformity,
but consistency to a point that allows local flexibility to meet local needs and what that definition of, whose determining what local is, is it the five folks from the Jewish Home for the Aged and AIDS Resource of Rural Texas and Dallas Nutrition in such that we're sitting around the table saying these are our needs and we're the local people, and there's five of us and one of you, and this is what we're doing. Or is it a broader local approach?

And I think the difficulty is that you have this small amount of funding that we're trying to integrate into all the other federal programs. How does that integrate into JARC and New Freedom and 5310 and 5311 and 5307? And right now, it seems to be sort of this program that's just kind of over here.

So I think from my standpoint and the policy standpoint is, how do we bring that funding program into line with all the others that provides a consistent movement in a single direction, not some of them are going this way and some of them are going that way?

MR. ABESON: Okay. I think that some of these global issues -- or what I'm hearing about 5310 is
it's a global set of problems. The one you just
described, I think is a global in and of itself how you
related to urban and small rural funding and so forth.
My concern, and maybe it's unique to my
background in what I've been doing, is how do we get
5310 money allocated in a coordinated fashion with
what the federal requirements are with New Freedom
and JARC? And maybe that's too simplistic. But
from my perspective, given the times, that's my
highest priority. And I think if we could get that
straightened out, perhaps it would establish a floor
from which to move on to the bigger questions. And
I guess my last comment is, do we have anything
documenting all this variability in this program?
MR. GLEASON: Well, you know, I don't
want to leave members with the sense that it's, you
know --
MR. ABESON: Chaotic.
MR. GLEASON: -- chaotic. Yeah.
Virtually, every single county in the state, to my
knowledge, benefits from this program. So we've done a
good job of at least getting coverage out there from a
program standpoint. And I think that there may be --
you know, most of the variation may be encompassed by a
handful of districts as opposed to the majority of
1 districts. But it is there.
2 It is there, but I don't want you to feel
3 as though it is total chaos and nobody knows from
4 one day to the next what's going on. People are
5 losing service without -- we have coverage. We have
6 people who use it. And as we talk about changes to
7 it and things like that, of course, we'll have to
8 make sure that, you know, we don't inadvertently cut
9 someone out. We have a lot of providers, a lot of
10 sort of nontraditional transit providers who have
11 been providing this service for a long time.
12 And so there's quite a bit of vested
13 interest in that. Decisions are kind of made and
14 have historically been made around TxDOT district
15 boundaries. That's the way the program has rung up.
16 Our regional planning work is done within regional
17 planning areas of the state, which is different than
18 the TxDOT boundaries.
19 So as we talk about this kind of stuff,
20 we'll have to -- this is what's hard about this
21 work, you know, it's the transition from one to the
22 next. But I think you guys have a great handle on
23 the issues, and I'm hearing quite a bit of energy
24 around this one.
25 MR. GADBOIS: So we have a level of
understanding on what's at issue and how difficult it
would be, the degree of difficulty, are we ready to move
on to the next one?

MS. BLOOMER: Our next item for
discussion? I think so. Coordination planning. Do we
want to talk about the coordination planning? And then
we can sort of eat lunch in between.

MR. GADBOIS: I was hoping we were eating
and talking at the same time.

(Lunch break.)

MS. BLOOMER: Okay. So we'll go ahead
and pick back up. The item is coordination planning,
including the coordinated call and coordination in
census. Does somebody want to -- that's a lot of items.

MR. GLEASON: A small deserted item
pretty much.

MS. BLOOMER: I think it might help if we
all -- well, maybe not -- sort of an overall picture of
coordination planning of where we are in the state, and
then maybe just a little bit of information on the
coordinated call. I think it might help for some of the
newer members because there's sort of a philosophy
behind it, how it has happened the last couple of years.

MR. GLEASON: Okay. Quick overview of
coordination planning. Coordination planning is the
1 requirement of the Texas Statute as well as for three
2 federal programs. The federal programs are the 5310
3 Program, the 5316, which is Job Access and Reverse
4 Commute, and 5317, which is the New Freedom Program for
5 those described in the binder.
6 So from those two sources of direction,
7 since I think 2005, if not a little bit before that,
8 Texas as a state has been working on coordination
9 planning. The initial efforts in 2004 and 2005 were
10 spearheaded by the then Commissioner Andrade,
11 a member of the Commission at that point
12 in time. There was a great deal of assistance from
13 Michael Morris from the North Central Texas Council of
14 Governments who kicked off this coordination
15 planning process in each of the 24 planning regions
16 of the state. And that has been happening.
17 And so the first milestone that that group
18 reached was by December of 2006, each of those 24
19 regions of the state had a coordination plan,
20 regional coordination plan in place. Now, what that
21 plan looked like and the amount of involvement it
22 took to get there was really different depending on
23 which region you were from. But the most important
24 thing was that everyone had one, that the process
25 had been kicked off, and the coordination planning
1 was underway.
2 The State funded that initial effort of
3 the relatively high level of state funding, I think
4 in the neighborhood of $2.3 or 2.4 million dollars.
5 Since that first year of funding, the State has been
6 using the Federal 5304 Regional Planning Program,
7 and then just recently bringing in some JARC and New
8 Freedom Administrative Program dollars to it to bump
9 along at an effort funded roughly at about 1.4 a
10 year. Yeah, about 1.4 million a year.
11 And each of the 24 regions of the state
12 right now is engaged in the first formal update of
13 those plans, if you will, as required by the
14 federal guidelines. And so by the end of this
15 calendar year, I think we'll have -- or is it in the
16 next calendar year?
17 MR. KIRKLAND: End of this calendar year,
18 with a couple of exceptions.
19 MR. GLEASON: With a couple of exceptions
20 by the end of this calendar year, each of the 24 regions
21 will have updated their plans. And getting to where we
22 are not has been an evolving process. The process
23 originally began in a very -- I think it was structured,
24 but there weren't a lot of requirements placed on people
25 in terms of how they did their plan and what was in it.
Over time, we got additional clarity from the federal program side about what the feds want to see in coordination planning, and we've had quite a bit of experience just in managing, we, as a state, the 24 different levels of effort of the regions. And we have been trying to bring in sort of more of a consistency of focus for the effort in terms of what topics are covered and how it's done. And there was a meeting earlier -- well, a meeting last month in Austin of the regional leads and some of their partners to talk about where this program should go next. So, you know, has the road been smooth and, you know, continuously upward the entire way? No. We've had some problems along the way.

I think, we, as a state, struggle a lot with just the range of diversity that exists out there in terms of how different regions are approaching it, how aggressively they're approaching it, are they using consultants, are they doing it themselves, are they hiring ability managers, is this part of another person's job that they're trying to do, you know, ten other things on? You know, who's at the table from the stakeholder's standpoint, and how do we keep them at
the table? You know, getting them to the table is hard enough, but keeping them there is another matter all together. Different reasons, having different approaches to the needs assessment.

It has just been very hard from our standpoint looking at all of this to try and corral it in a way that seems to make sense and yet not be so restrictive to regions that they felt like we were crucifying them to the fact to do what they need to do. We've not been 100 percent in that effort. I think we've been pretty successful. We've had to kind of change directions a couple of times along the way.

But I think we -- I will say this. We do believe that there is room for each of the regions to pursue how they do their planning differently. But we also believe that the federal program guidance is specific enough now where there are some elements identified there that do need to be addressed.

Now, you have to do a needs assessment. Now, what the needs assessment looks like, it doesn't say, specifically. Our interest as the State is that when we sit down with you or if the feds come to town and we sit down with the feds and
you, then when they say, Well, show us your plan and show us the needs assessment, then we're able to describe that there's a needs assessment here. Now, how North Central Texas does it and wants to go about doing it, given just the complexities of this region in getting things done, you know, we need to give them the room to do it. It's my expectation it will be there in some shape, form, or fashion, but it may not be what the Lower Rio Grande Valley Development Council recognizes. Sometimes we get asked for advice on how to do things, then we give advice, and then we pass that advice off to the rest of the state, and then someone looks at the advice and then it becomes direction. And we've stumbled on that a couple of times because we've tried very hard not to provide direction to everybody, but we do feel it's important to share what we consider to be best practices. It's been a struggle, but I think we've made a lot of progress as a state. I think we'll see the next set of plans be quite a bit different than the first set, and hopefully with a lot more information recognized in all the work that's been done.
So I don't know if that's what you were looking for in terms of a summary of the process, but I tried to be fairly even handed recognizing I've got a couple of people around the table who have been very engaged in this and who have some very strong feelings about it (laughter). But it has been a real process, but we're in it for the long haul.

And back to you.

MS. BLOOMER: I think that was a good summary. Do you want to open it up to questions now, or do you want to wait until we do the coordinated call and how that fits into the coordination planning and the incentives?

MR. GADBOIS: I would like to just ask for two brief points of clarity. You had asked about philosophy for coordination before, what your assessment of kind of what coordination was supposed to achieve, just your broad brush, and who's supposed to be coordinating.

MR. GLEASON: A simplistic description of what it supposed to achieve is that -- and I'll just say it very -- I don't know what the word would be. When you look around, there are a lot of people and a lot of agencies engaged in the division of public
transportation services. And it doesn't seem as
though -- or it just seems as though there's an
opportunity when you look across all of those things for
it to be done more efficiently.

And that's the basic thrust behind
coordination is that general, almost gut level,
recognition when you are aware enough of what's
happening to say, there has to be a better way to do
this. Everybody -- you know, these things came down
over time through dozens and dozens of different
federal programs, and up through the communities in
dozens of different ways. We have what we have for
a lot of good reasons and responses from very
specific constituents in these needs.

Now that we have all of this, you know,
across it, it just seems as though it ought to be
done with -- there's an opportunity to do it a lot
more efficiently. That's my philosophy about what
it's all about.

MR. ABESON: Well, I would add to that.

Not only efficiency, but effectiveness is at value here.
There's a whole lot of people who aren't having access
to transportation that potentially could have it if, in
fact, there were coordination.

MR. GLEASON: So we can do more with what
we've got. You know, stretch the resources we have further and get more people services.

MR. ABESON: And I think on the efficiency side, not necessarily with cost savings but better use of the resources that we have.

MR. GLEASON: Now, who should be at the table is largely thought of and originally conceived of, I think, as engaging health and human service agencies, work force development-type folks, bringing those people in and talking to them. And I think the federal law reads a lot around that. But I think there's a whole other arena around efficiencies that deal with maintenance and operations and training and all those things that aren't part of the federal guidance necessarily; aren't really identified in the state law. But there's an enormous amount of efficiency to be captured in that arena as well.

And so my notion of it, even though it may not be an explicit reference in what we ask people to do as part of the coordination effort, my notion of it goes far beyond the traditional group. I actually think there may be a lot more there than possibly any other arena. It's just that it's not been captured in the guidance.

MS. BLOOMER: And I think that's one of
the difficulties we've had sort of a while, maybe two years ago. There was a discussion brought together to talk about performance measures. And I really think letting each region, what the sort of more specific outcome is, is very regionally specific.

And I know some regions, at least my interpretation or impression of what they're trying to do, is to coordinate those services, like give VA votes on another workforce vehicle, et cetera, et cetera. But I think some regions, and our region being one of them, is we are looking at more of the efficiencies first, like the big, big projects.

And then because there's so many different people, and there's lots of different approaches, in order for -- and it's sort of a little bite at a time. If we can get these two providers to coordinate, then we'll work on getting a third to coordinate with them, or in trying to build a bigger system.

But I think, at least in our region, our stakeholders define what the ultimate goal of regional coordination was to them, and then devise the strategies to try to help get us there.

MR. GLEASON: So what would be the policy?
MR. GADBOIS: In kind of response to both of these, I actually, as much as I think everybody around the table, appreciate the experimental nature of this. This is the first time we've done this, right? And I also appreciate that different regions are going to do it different, and that's kind of the nature of the experiment.

But experiments also have the ability to define their outcomes and measure their performance on those experiments such that you can learn something from each one of the experiments. It doesn't have to be the same as their neighbor or anybody else, but you get to then start looking at what's working based on their own definition of what they tried to do and what's not.

Because one of the advantages to experimentation is that, you know, when you find things that work well; maintenance, you know, if, in fact, that is shared maintenance or shared purchase or something like that, if that ends up working well, then they'll spread like wildfire, and people won't really understand how well it worked if work if one call says and all that sort of stuff.

And so one of the policy areas I hope you look at is what might we do a better job indicating
performance measures and metrics such that best practices have some real determinates?

MS. BLOOMER: Okay. That may be another policy level which goes sort of how or what we sort of encourage or support regional coordination, getting back to the regional transportation development credit and the 5310 discussion. And then sort of what role TxDOT -- because it's a grass roots bottom-up approach what role TxDOT plays in helping sort of set that framework to bring some consistency to it but still allow the local folks to sort of create that vision.

Maybe there's some general -- there's a requirement for performance measures, but each region is required to develop their own based on their plan and their process. But there's certain general guidelines that lay the framework around the skeleton, and then the locals are allowed to respond to that as needed, like a needs assessment.

How I define a needs assessment may be completely different than how another region does.

MR. ABESON: Are we talking about coordinated calls simultaneously or --

MS. BLOOMER: I think we can move on to the coordinated calls.

MR. ABESON: And I'm not trying to move
MS. BLOOMER: Keep us moving, Al.

MR. ABESON: The way the coordinated call is done now is it asks for proposals in the three domains, doesn't it? The JARC, New Freedom, and 5310?

MR. GLEASON: Intercity bus, JARC, New Freedom, a little bit of --

MR. ABESON: But they're all separated in the call, in effect. In fact, there's --

MR. GLEASON: Separated in this program, that's correct.

MR. ABESON: Has there been consideration to creating a sixth, which is -- and this might not be the right language, but true coordination of the three programs? And I don't know if I'm making it clear.

MS. BLOOMER: And I'll just clarify. The 5310 is not part of a coordinated call.

MR. ABESON: But shouldn't it be?

MS. BLOOMER: That's a policy question.

MR. ABESON: That's a policy question. I know there's a weakness here in terms of federal intent, and perhaps state intent as well. And that's a good question, but I'm not wanting to deal with that one right this second. My concern is under the word, "incentives." What if, as a policy matter, those areas
that submitted proposals that really presented
coordinated effort of two programs, not the third, but
they would get more points in the evaluation process.

MR. GLEASON: So using the call to
support and encourage coordination?

MR. ABESON: Yes.

MR. GLEASON: How can the call, and one
does it already, and we get into that, to the extent it
might do it already, can it do more?

MR. ABESON: Can it do more, and maybe if
we throw in the credits as well.

MR. GLEASON: Yeah, exactly. And what
range of tools that can be used to help encourage a
similar coordination.

MR. ABESON: Incentivizing.

MR. GADBOIS: And so we're clear right
now on each one of those programs. Is this part of the
regional coordination plan?

MR. GLEASON: Yes, we did.

MR. GADBOIS: And I like that part at
least. And there's prohibition against lending program
funds.

MR. GLEASON: This is how I see that. At
the end of the day, we have to be able to separate the
facts.
MR. GADBOIS: Right. That's where I'm going. But there's not prohibition against braiding them, tying them together, as long as you can keep them separate, strands to report back dramatically what the money was spent for. And I like Al's idea because right now, as I understand it, you know, there won't, unless y'all do it, there won't be really an application that allows you to really go after JARC for a piece of an overall project or effort, and New Freedom's on another piece, et cetera?

MR. GLEASON: No. It is set up to do that right now. It doesn't look like it, perhaps, because we have separate categories. But, no, no, we tell people in the workshop we host during the call when it is out there that, absolutely. That's how we try to finesse this issue where at the end, you've got to be able to back it out into the program.

But we absolutely want to try and encourage what I call sort of general service development proposals and get someone to come in and say, I want to expand service in this area, and I'm going to use -- you know, I've got employers out there, I've got folks with disabilities there, or agencies out there, or maybe I'm going to partner with an intercity bus carrier, you know.
Right now, I've got three programs, and I'll give you money for rural discretion if you do that, too, so you're at four already and maybe you could do a little bit of planning as a part of that and get into the fifth. So it is perhaps now as easy as if it was just one pot of money. We have to kind of be able to see the different program elements in it to the extent that we can evaluate them against the individual program quantities. But we also try to encourage that from happening.

MR. GADBOIS: Okay. That's good to know. I still have concerns about how much of that is actually happening and how well that scores, because the more complicated you make a project, the more skilled you have to be for your evaluators to actually understand how all those pieces will fit together.

MR. GLEASON: We talk about this all the time, and it's an imperfect process that we have. But we are very much aware of that. I ask that question all the time of Cheryl when we're looking at these things. And there's lots of opportunities for the various area program managers to get together and talk about what's going on and try and identify those kinds of situations, and we even go so far as to tell people if you just submit a project and describe it this way, you don't
1 need to identify a specific funding stream. There's a
2 minimum that all projects have to have.
3 You know, and if leverage -- you can say,
4 you know, here's JARC and here's why, and here's
5 New Freedom, and here's why. So it's helps us, and
6 we have a lot of proposals that come in, and so it's
7 helpful to us, if you want to play the game well.
8 But again, we try and make room for that.
9 MR. UNDERWOOD: Well, just in a
10 practical application, TAPS, for instance, we've done
11 this twice now. We have a project that's been put in
12 partially by New Freedom and partially by JARC because
13 we have a coordination position that basically works
14 with employers, but at the time, does lot of work with
15 MHMR. But his job is really split, plus TAPS puts money
16 in that, too.
17 And so we've done that, and we've done it
18 on capital projects with some buses, some JARC
19 buses. Part of them were done out of New Freedom
20 and some were done out of discretionary. So it does
21 happen. And it was really out of suggestion.
22 MR. SALAZAR: Brad led me to the point
23 because I was going to say the same thing that you're
24 saying. We did the exact same thing where we had a new
25 position with New Freedom and JARC, and so that is a
good concept of what we have going on. But going back
to the coordinating call, one thing that I struggled
with when we first took this on is that I worry about
those people that don't have the resources available to
submit an application.

And particularly, if we do the 5310
Program, and we take that away from local regions,
then they're going to lose those monies as well.

MR. GLEASON: Yeah. And we work hard to
provide training, provide opportunity for people to
learn how to write project proposals, and we do
everything we can to level that playing field. That was
something Commissioner Andrais (phonetic) is interested
in. And we've carried that through. But it still
exists.

But I'll tell you what, every year the
projects that come in are written better, generally,
more than they were the year before. And so -- and it's
not always the same people time after time applying
either.

MR. UNDERWOOD: And I think you also have
to think on the backside of that coin. If you can't
submit a project, if you're too small to really be able
to submit a good project, if you were to get it awarded,
you probably don't have the sophistication to do the
1 reporting that goes behind that project. I mean, I'm
2 just being realistic.
3 I mean, you have to report your status and
4 milestones. And on this project, if you can't get
5 the application together, it's probably because you
6 can't handle the reporting after.
7 MR. GLEASON: So let me move on and try
8 to recap. In the interest in seeing the situation, the
9 call can be used to further support and encourage
10 coordination. And in the call itself, there's this
11 general interest about trying to break down silos as
12 much as we can among the different programs while
13 preserving the ability at the end of the day to try to
14 braid the programs, in your words, as much as we can.
15 And this seems like the stronger policy
16 issue for the committee. The second one is more of
17 a -- we can kind of share with you the way we do the
18 calling, and you might have some ideas.
19 MR. GADBOIS: Well, the other element is
20 to be able to figure out the experiments, or if there's
21 some way of evaluating or measuring so that we're
22 identifying lessons and, you know, best practices in a
23 way people can actually, you know, use pretty well. And
24 I just would like to add, if you can do bullet points,
25 what are the incentives for coordination at this point?
MR. GLEASON: Do you mean from the state level? I think locally the incentives, you ought to be seeing your ability to do more with what you've got. From the state level, I mean, we have -- well, it's not an incentive at all. We have the potential at some point where we would say that you are not eligible to receive JARC or New Freedom or 5310 money because your region doesn't have an updated coordination plan.

Now, I think with this next round of updates, you know, that's going to be our first opportunity to think about, you know, the extent to which we might want to push that, and that might be an issue that the committee might want to give us some feedback on.

MR. GADBOIS: So in coordinating call, you score better for --

MR. GLEASON: Yes.

MR. GADBOIS: -- coordinated efforts?

MR. GLEASON: Yes. Yeah, that's the obvious one. In the coordinated call, you have to show that you have partnerships. We need letters. We need definite statements of support from the agencies you're sending that to that are going to be supporting.

MR. GADBOIS: Okay. And so that was the easy one. I just was wondering if there were any others
1 that I didn't know about that the State does -- I mean,
2 y'all pass out some money still for the regional
3 planning?
4               MR. GLEASON: We give out about
5 1.4 million a year.
6               MR. GADBOIS: Okay. And I'm just looking
7 for anything else.
8               MR. GLEASON: Yeah.
9               MR. ABESON: I would add to what you
10 said. One of the incentives is -- and I'm not really
11 sure what language to speak, but mainstreaming this
12 descriptive environment, it provides people who are this
13 to discover people who are that and discover each other,
14 which is such a consistency philosophy of the American
15 Disabilities Act extended to people who are seniors and
16 so forth.
17               And there are others we can talk about
18 offline as they say. On the performance measure
19 question, while I would support that conceptually,
20 the most important piece of that is how do you get
21 those best practices in fact in practice? When we
22 have a history in the country and perhaps around the
23 world of wonderful discoveries, we did this well, we
24 do this better, and then we talk about it, and then
25 it moves into some kind of passive dissemination
system and never gets to the light of day.

So if we're going to do performance measures and we are going to discover best practices, then how are we going to work to get those best practices in place? That's the missing piece for me from what's on that sheet at the moment.

MR. GADBOIS: That's what strategic planning was --

MR. ABESON: Strategic planning in the government context assumes that everything will stay the same politically.

MR. UNDERWOOD: Can I do one more on the coordinated call? And I don't know if this is a policy or just maybe my ignorance. I mean, it can very much be my ignorance of the process. But, I mean, I'm not criticizing coordinated calls, TAPS. We work very hard on ours. We do very well, and we've been able to do projects that have oddly been very, very worthwhile with coordinated calls. So I think it's a great program.

The only issue I take with the decision are the time frame in which we do them. For instance, we will start working our coordinating call projects within the next two months. We'll start getting the big ideas on the board, this is
1 what we need, identify needs. We'll start attending
2 the workshops on the TxDOT tier that's done. We'll
3 maybe start writing our applications, gather our
4 partnership this summer. But by the time I see
5 those funds go all the way around, a lot of times
6 the distance is either that the need is not as great
7 as it was at the particular time, or the partner has
8 either kind of inflated on their financial
9 responsibility to come to the table with that, or
10 we've had a change in funding.
11 You see where I'm going with that? That's
12 my only issue. If I go to a manufacturer today and
13 say let's start a JARC company, yeah, it's going to
14 cost $100,000, and that is what I need from you, and
15 I'll bring the other share. By the time I can get
16 that to them, their need is like, I needed that a
17 year ago, where have you been?
18 Well, it takes me time to do this. And
19 that may just be the nature of the beast and there
20 is no other way around that. But is there anything
21 from a policy standpoint that we can do to move that
22 along? Because I know coming this summer, we're
23 already seeing the needs in our areas and going, gas
24 is going to four bucks a gallon, what are we going
25 to do to help with that? Let's put in a project,
1 and I'll see you next year. You know what I mean?
2
3 MS. BLOOMER: That might go back to our
4 funding discussion.
5
6 MR. ABESON: Can we just touch on 5310 as
7 part of the coordinated call? Obviously, there's a
8 reaction. I want that on the table.
9
10 MS. BLOOMER: We can throw it out there.
11 We'll put it on the table.
12
13 MR. GLEASON: Brad, I'm going to fast
14 track here. I know that's not exactly what you meant,
15 but --
16
17 MR. UNDERWOOD: I think it is the overall
18 idea. And like I said, it might just be because I don't
19 understand. Because I know there's the scoring process
20 and bringing it in and getting it all in order, and I
21 know that's a big process.
22
23 MR. SALAZAR: And then if you're ordering
24 a vehicle, it takes 16 months. It turns into a 15-month
25 process, and so I understand the process.
26
27 MS. MAZUR: I was going to say something.
28
29 This is Cheryl Mazur for the record. What I would add
30 to that, Brad, is it is a kind of a policy question, and
31 we deliberately wanted to -- we talked about this in the
32 workshops. We deliberately wanted to have allowed
33 agencies enough time to develop their partnerships, to
have their big idea, meetings, and all of that.
So we purposely put a long time span in there, and we wanted to have what we call "shelf projects" that would be ready when the federal funding came down. The federal funding for the last couple of years has been delayed even more --

MR. UNDERWOOD: Sure.

MS. MAZUR: -- so that added a wrinkle that we weren't prepared for. But there are things that could be done. We could shorten the process. We could do two calls. I mean, there's lots of different options that we could do. You know, we did what we did deliberately.

MR. UNDERWOOD: Okay. Well, that's just probably my ignorance of not understanding it fully.

MS. MAZUR: Yeah. Eric want to make sure that everyone had at least six months to think about their ideas, develop their partnership, and have time to write their proposals. I do kind of see that most people seem to do it the last couple of months when they don't even think about doing things until after the workshops, which conclude in October --

MR. UNDERWOOD: Right.

MS. MAZUR: -- although our call goes out in July.
MR. UNDERWOOD: And from a corporate America standpoint, if I'm a manufacturer, and I'm just throwing this out as an example. But if I look at it and I go to them as a transit partner, I want to partner with you to do your C shift or whatever to help with transportation, they look at their 2011 budget and they go, well, maybe, you know, and they kind of work some things around, and you've got this relationship going. By the time you're able to come back to them later, like J.R. said, you've got capital involved in that, a year and a half later, they go, well, you know --

MR. GLEASON: Yeah. And then I always ask them how long it takes them to bring a new product to the market as well. But nonetheless, that's --

MR. UNDERWOOD: And it is. That might be a nightmarish thing to do, two calls a year.

MR. GLEASON: Well, I think with the structure the way it is -- and see, you're actually doing it the way I imagine ultimately people should be doing it. They're doing it sort of independent of call. They're getting ready with the next project, and then they're ready to go, and they're not waiting until November or December when the lightbulb goes on and say, my gosh, I've got three weeks to get this together.

MR. UNDERWOOD: So there's a lot of our
1 ideas already.
2                MR. GLEASON: I know. It's an evolving
3 thing.
4                MR. UNDERWOOD: Absolutely. It's all
5 year long. That when we say, that needs to be a
6 project.
7                MS. MAZUR: Right. And then just to
8 follow up, you know, we have a contract with NTCG
9 because they have the idea of, give us some money so
10 we'll hold it here in check. And if JARC projects come
11 along during the year, we'll be able to roll that out
12 quickly. So I hate to bring that up, but there was a
13 concept to do something a little bit different to help
14 that same type situation.
15                MR. UNDERWOOD: I think that's what
16 we're doing right now. I think that that issue is a
17 regional coordination issue, too, sort of, you get all
18 the folks at the table and getting them to understand
19 the process. And that gets back to one of the
20 difficulties of getting all the right people to the
21 table, and then the bigger problem of keeping them there
22 because I have a problem and I want it solved now.
23                MR. GLEASON: So here's an interesting
24 question before we move on. What set of things would
25 need to be in place for us to get comfortable? By "us,"
I mean us and you -- well, with the situation where maybe the money, we could competitively assign this money earlier in the process, like we kind of did there, just so that the agencies at the local level, or the lead, or whatever these people that we might assign this to, would be able to access those funds more quickly to seal the deal that you're talking about.

But it's not that we just can move this stuff out earlier. We need a certain set of interest to be met, and one of them is, how do we ensure the outcomes that we get reasonable outcomes to measure that to happen, you know, in a reasonable time frame, and we don't feel like we're just sending money out and never knowing what happens to it. So we can talk about what that might even look like.

MR. UNDERWOOD: And maybe it is a shorter time frame to get you to that coordinated call.

MR. GLEASON: Well, it may be that people don't need five months in.

MR. UNDERWOOD: Right.

MR. GLEASON: But then what you might just simply -- the fund money might come in sooner than later. So anyway -- and if we were to run one year behind in our federal money, we might just take a year
off and then start running one year behind if we had to.

I don't really want to go there.

MS. BLOOMER: And that gets us to the

funding -- maybe it's funding in general, the formula,

the discretionary transition, because I think what you

just mentioned is on JARC and New Freedom, I'm

interested in, can we do that on the other, like Brad

said? I mean, we can't solve the federal budget issue.

We can never get a federal budget back -- I mean, come

on, we're at 512 somewhere. How many months through the

fiscal year?

And I think this is one of the biggest

issues I hear for transit providers is when am I

going to get my federal money. And it is nothing

TxDOT can really do to change it. Is there

something we can think about where there's a source

of funds we can use to sort of float? And we

encourage our providers to do this, and FTA is

clamping down on us a little. But, you know, don't

spend -- October 1 of 2010, don't expect to be

spending your 2011 money because you're not

realistically going to get it.

So is there a way to -- you know, we're

not spending 2011 JARC money now. We're going to go

out for call total award 2010 money, and then that
way you're not waiting. Same thing with -- well, that doesn't apply, '10 and '11. So when the fiscal year starts, the money's there available to draw down.

Or another issue is, at the federal level you have pre-award authority, and so you can actually start incurring the cost for the money you're supposed to get at the beginning of the fiscal year, even though you don't have access to it.

And I understand that causes heartburn at the state level (laughter.) But -- or at a minimum, can you use the state money you spent, because I'm getting state match, I'm spending that at 100 percent instead of matching it because I don't have that federal money to allow that match, that state money, that's spent to be used as match for the federal money when you can finally get the federal money.

MR. GLEASON: Yeah. That's done.
MR. UNDERWOOD: We've done that.
MR. GLEASON: Yeah, that's no problem.
MS. BLOOMER: Well, I think there's some general outreach and education that needs to happen among providers if that is eligible because they're all
telling me, no, I can't do that. I can only do it from this point forward, which I think would be helpful.

MR. GLEASON: Okay. I'm trying to react -- some of the things you're saying are reminding me of the stability and the certainty of this issue of being able to smooth over bumps in the road.

MS. BLOOMER: Yes.

MR. GLEASON: You know, in some kind of reserve fund. And now I'm going -- this is one of the things I think the committee needs to talk about in terms of when we talk about this remaining 10 percent on the rural side of the federal program, in this discretionary piece, if you will, what are the different kinds of things that we think about it being used for?

And without getting into those today, specifically, things like hold back some for an emergency, create a reserve fund. Maybe we would reopen the whole thing all together again and decide we want to set aside money in a replacement fund. I mean, we can talk about anything, but I think those are useful conversations to have, even if in the end we decide not to do any of that. But we at least work through those kind of things.

Because, to me, that's the kind of guidance we need from y'all when it comes to that
1 discretionary pot. How much of it do we want to try
2 and use for future --
3
4 MR. GADBOIS: Speaking for myself only on
5 that, I'd love to hear whether there's an agreement on
6 this committee or not. I think as complicated as the
7 funding formula is, generally speaking, there may be
8 tweaking but not changes in the funding formula. As far
9 as I can tell.
10
11 Now, in response to the stability first,
12 and again, this is my way of thinking, actually. I
13 think that there's several levels of stability we
14 ought to put on the table. One is the funding
15 stream in making sure that's as stable as possible.
16 But I also think stability -- we've been trapped,
17 and I said this earlier, by a growing dependency on
18 program dollars alone, and that has its own set of
19 problems.
20 As a consequence, stability could be
21 achieved by diversified funding and looking at ways
22 to diversify where transit providers are getting
23 their monies. And so I'd like to put both of those
24 on the table. I do like the idea of thinking about
25 not the Commission's 10 percent so much as that
26 extra over 20 million, over 10 percent, or over less
27 than 10 percent, or however you'd say that.
That money, that 7 million, or whatever it was, look at using that as something of a reserve fund or some way to just simply bring more stability rather than simply always using it as a Band-Aid. But I think there's some systemic funding problems that we ought to at least try to deal with.

MR. GLEASON: So I think we kind of outlined our discussion on funding. And I'll tell you, I'm going pick up one of the bullet points below in that we are going to need to go into the formula after the session ends, assuming the Department puts some additional money in its baseline budget to address the census impacts that we talked about, and we are going to need to open a codec to allow us to spend that in the areas that needs to be spent specifically.

Otherwise, we'll just get pushed through the formula, 65/35, which is just the reverse of where it needs to go, generally, and then even more specifically in the urban systems. So we're going to need to open that up just to allow us to spend that money in the way it needs to be spent.

There's some legislation that is being talked about now dealing with these areas that will be agglomerated, that Linda talked about, and, again, absorbed as part of an area with an existing
large transit provider, preserving their funding, state funding, for several years until they can negotiate an agreement with that Houston Metro or DART to become part of their service area.

That will need to add or change some language in existing code to address that, assuming it passes. So for those two reasons alone, we're going to open it back up. And so we can open it up and shut it down and just deal with those things and leave other changes for the census or later if you want to, or we can open it up and talk about all these things again and just see what, if any, of those might make sense to change.

And I think we're open to either approach. It's been four or five years since we've opened it up completely, and I never thought we'd get more than two or three. So, you know, it's inevitable and some people just have to perceive it very carefully because there will be a lot of us around the table, and it will be a lot of work for this committee. I guarantee you that.

MR. GADBOIS: And there will be some serious fights.

MR. GLEASON: What's that?

MR. GADBOIS: There will be some serious
1 fights.
2                MR. GLEASON: Yes.
3                MS. BLOOMER: Do we want to take any of
4 the other ones -- the strategic plans that sort of goes
5 with the last one, the long range committee goals, down
6 at the bottom there?
7                MR. GLEASON: Yeah. It is about seven
8 minutes until 2:00, and I know we want to try and wrap
9 up.
10                MS. BLOOMER: We've already hit No. 2,
11 and No. 3, Changes to Administrative Code. Performance
12 money, we've talked about a little bit. I guess maybe
13 if we can spend the next 30 to 40 minutes focusing on
14 the bigger, sort of taking the details and trying to
15 build a bigger picture, that might be helpful and that
16 might help sort of dictate if and when we want to open
17 up the funding formula.
18                Because I think before we get into sort of
19 letting all those cats out of that bag, get some of
20 the things in in what we are trying to do and what
21 are the priorities for public transportation in the
22 State of Texas I think might help inform --
23                MR. GLEASON: Yeah. The only thing I'll
24 say about that, Michelle, is we can open it up pretty
25 quickly because I want to open it up and close it back
1 down in time for preserving time for the next award of
2 state funds but enough time for people to make
3 adjustments for the programs for the next --
4
MS. BLOOMER: I think we can make the
5 minor tweaks you're talking about, but whether or not,
6 we, as a committee, desire to open up the entire thing
7 again for another six months to a year discussion on
8 redoing the formula, I think it would be helpful to sort
9 of have the --
10
MR. GADBOIS: And especially given the
11 census report until 2012. And so, you know, we might
12 have to open it up again around that. So I'm with you
13 on the tweaks more than the overhaul at this point.
14 Could I make a suggestion? Some of these things group
15 together pretty easily, right? We've got financing that
16 includes kind of the innovative of development credits,
17 et cetera. We've got the formula, and then at least --
18 well, we haven't talked about it, so I'm not sure which
19 strategic plan actually begins. But, you know, maybe
20 strategic planning, coordination planning, you know,
21 together.
22
MS. BLOOMER: I think what I was
23 envisioning next is trying to take all the sort of
24 issues for the policy topics we've talked and try to
25 boil them down into something like maximize the level of
service provided throughout the state, leverage existing resources, utilize existing providers first. Like broad general topics as to the things we're trying to do would support these four to six things, and then take items like encourage coordination of services, and the coordinated call would be under that as with, you know, incentives to coordination, provide incentives to coordinate, and then we could come up with how we do that. But sort of the bigger picture of, what are we, really, when it gets down to, it trying to do?

MR. GADBOIS: And those aren't already in this strategic plan that TxDOT provides? My level of understanding was --

MS. BLOOMER: I think at a very high level. TxDOT has, my understanding, if I recall, is five folds. They may have changed. But it's like reduce congestion, enhance air quality, and --

MR. GLEASON: We were very successful of getting those first five. It's still pretty much that now. There's six now.

MS. BLOOMER: There's six?

MR. GLEASON: Not five, but it's the same concept.

MS. BLOOMER: And I think the conversation we had on providing comment on the TxDOT
strategic plan, although while it helped provide the
agency as a whole direction, and it could be applicable
in certain cases to public transportation, that it
wasn't at the level that provided enough direction,
足够的 applicability, to public transit that we really
were comfortable with how public transportation fit in
and what we, as the advisory committee the to commission
on public transportation, were trying to achieve through
the six agency goals.

So trying to provide a little bit more
detail to what that specifically means. Because
personally, I don't know if previous congestion is
one of them anymore, one of the six, but my point
when we were making that comment is that I'm not
really concerned with congestion. I'm concerned
with improving mobility.

Now, if I can improve mobility, which as a
secondary impact, reduces congestion, which improves
air quality, great. But if you are a person that
has no mobility, you don't really care about air
quality. You care about your mobility needs.

So trying to take the big TxDOT as an
agency, which has everything from roads, bridges
aviation, ferries, and we talked about public
transportation and sometimes bike and pedestrian and
rail, and boil it down to public transportation.

What do we see in public transportation in Texas in
25 years and what policies help get us there?

MS. CRAIN: This is Christina Crain for
the record. One thought based on the scenario you've
just mentioned is to maybe go with the three goals that
have been set out in Linda's presentation because those
are goals that this committee came up with however many
years ago.

Number one, to improve access to public
transportation to Texas in a fiscally responsible
manner; number two, to improve effectiveness of
efficiency of public transportation services; number
three, to improve cooperation and coordination of
services.

I mean, to me, that seems to fit your
broad categories, or at least a place to start. And
then we're consistent with the work this committee
has done, and then maybe take it from there. Just a
thought.

MS. BLOOMER: Thank you for reminding me
because I actually flagged that. That might be a good
place to start. I definitely think at a very, very high
level that covers sort of what I think we can all agree
we were trying to achieve.
And then the next step would be to sort of put some more detail to that of how. How do we improve access in a fiscally responsible manner? Given that's separated, I don't know. Improve effectiveness, improve efficiency, and then to improve cooperation and coordination.

MR. ABESON: When -- is it called the strategic plan for the Department? Is that what the proper terminology is?

MR. GLEASON: (Nods affirmatively.)

MR. ABESON: When that was being developed, we, or new committee members, we really suggested some quite specific language, which I guess was way too specific. And when we talked about that, I think, Eric, what you had indicated was now the Department was going to be going from this macrolevel down to some degree to begin laying out some more specific goals, objectives, strategies, correct?

MR. GLEASON: That's what I said at the time, yes.

MR. ABESON: That leads me to ask, is it different?

MR. GLEASON: The emphasis since then has been almost entirely on the performance measures that are included in the Department strategic plan. So the
trickle down has really been more about veering out to be able to provide performance measures that are in the plan than it has been about everyone sort of universally going out at their level and developing the strategic plans in support of them.

Now, that's been the push from the Department then. Now, I still think that it makes sense for the division to pursue a strategic plan for public transportation. What I've talked to Michelle about for this committee is, first and foremost, it would be helpful for all of you to reach agreement on some set of, and you can call them goals, and I might call them principles, whatever, but some framework that you're going to use as a committee to evaluate policy issues and opportunities and direction that you want to advise the Commission or ourselves on.

I'm just trying to make the bite a little more manageable for the committee. We, as a division, need to gear up and figure out how to do a strategic plan. And when we do that, this committee will have a big role in it. But I don't have for you today a time table for that plan. But.

I do think it is important for this committee to reach some consensus around what you
I think is important in terms of the direction public transportation needs to take. So it's a little different than perhaps what a formal strategic plan might look like.

MR. ABESON: Are the performance goals that have come from the strategic plan now defined?

MR. GLEASON: The plan adopted a specific set of performance measures under each of the plan. Four measures are for public transportation. I will tell you that they will not satisfy you or possibly any member of this committee as being the complete set of measures that y'all think are important for us to have for public transportation. These are simply what the Department is going to report.

Well, you can imagine at the state level why you'd report that, but it may not help you understand what we're doing. There's one that talks about access public transportation, rural access public transportation, and again, it is a very general rudimentary-type measure. And then there's a third area that talks about urban area access that talks about the different kind of services or modes available.

The fourth one is actually one that I think is very useful. And it's important because it
1 talks about the condition of a fleet, the statewide
2 condition of a fleet, in the same way that it talks
3 about the condition of the highways. And it's
4 important. And I don't mean it's the same, but it's
5 an opportunity generally to be recognized under the
6 maintenance goal of the Department, the percent of
7 the fleet in good or better condition. Just like
8 another measure is a percent of the roadways in good
9 or better condition.

And to me, that has significance if we
follow that all the way through. Because if we can
begin to measure this in a way that makes sense to
us and to the providers, we can also then begin
talking about what kind of money do we need two or
three or four or five years down the road to sustain
where we're at or to get better.

MR. ABESON: That's exactly as I was
asking the question. Can you back into what we think
are the most important policy matters by hanging on to
those four performance measures?

MR. GLEASON: It's possible. But I mean,
I can -- I think it's possible.

MR. ABESON: Why I think that's important
is because if there's going to be department initiative,
1 performance goals of the plan, would it not make sense
2 for us to hang our hats on those?
3                MR. GLEASON: I think it's important to
4 draw those linkages back where they exist.
5                MR. ABESON: Okay.
6                MR. GLEASON: But I do think it is good
7 idea to draw those linkages and make them where they
8 exist because that will strengthen the whole basis for
9 the work. And I've made a list of areas. We've talked
10 about finances, things you might want to say about
11 financing.
12 Another one I wrote down was innovation,
13 to the extent to which you want to look at
14 innovative or promoting innovative best practices.
15 We talked about coordination. I wrote down mobility
16 as an area. Now, in the Department's plan, they
17 don't use the word, "mobility." They use the word
18 "conductivity." And that is, the people when they
19 derived the plan, and the Commission, they thought
20 that mobility was too broad. And that was one of
21 the comments that we had and you all had as a
22 committee, there ought to be a mobility call. They
23 talked about it, but they decided it was too broad.
24 So it's under conductivity.
25                MR. GADBOIS: Can you hold that for just
1 one second and let me get a point of clarity here. It
2 originally sounded like you were talking about us
3 identifying goals that would help us to guide our
4 overall activities. And my thinking was more actually
5 along the lines of what Eric's mentioned in we're
6 looking at identifying a work plan, items that we want
7 to work on. Which proposal is on the table?
8        MS. BLOOMER: Both.
9        MR. GADBOIS: Both, okay.
10        MS. BLOOMER: First -- and maybe it's the
11 terminology. The strategic plan is more of the
12 visioning, like the guiding principles or the goals,
13 what we're trying to achieve. And then from that, I
14 think what I was hoping was we could then help look at
15 all these ideas we've identified as areas we'd like to
16 tackle and sort of develop a work plan or a strategy to
17 attack those based on the bigger picture.
18        MR. GLEASON: So if you get in a
19 discussion on the 5310 Program, like we talked about,
20 you would have a set of principles or goals that you
21 could look at and say, how in our discussions about this
22 program, can we --
23        MS. BLOOMER: How can we address some
24 innovative ideas on financing, support regional
25 coordination? Or go back, how does this support
1 regional coordination?

2                MR. GLEASON: Right.

3                MS. BLOOMER: And then maybe that way,

4 since we have so many areas that we're interested in,

5 help sort of focus our efforts into those that touch

6 more areas, more role guiding principles, and leave some

7 of the other ones, or do it like we tried last year.

8 You know, we have time. We have a legislative session

9 coming up, we have to do this now. Something to try to

10 help us figure out how to be more strategic on what we

11 work on and how we work on it so we can start taking

12 things off our list.

13                MR. GADBOIS: And I have a specific

14 proposal. And weirdly enough, Eric was more closely in

15 line than I would have ever thought, given that we

16 didn't coordinate it walking in here. And y'all can,

17 again, ignore it, tear it apart, or whatever you'd like,

18 but I actually think that we ought to look at spending

19 about 15 percent of our time on funding, particularly

20 around the formula for this year, and probably about

21 25 percent of our time on funding 2012, particularly the

22 formula.

23 Once we have census research, et cetera, I

24 was thinking somewhere along the lines of 20 percent

25 of our time looking at strategic planning, mobility,
1 conductivity. Eric, I think you're right, the
2 strategic plan for the Department talks about it in
3 terms of conductivity. Coordination, about
4 20 percent, and 35 percent of our time would go
5 towards innovation that would include things like
6 5310, innovations to coordinated call, how we use
7 development credits, and any other list of
8 innovations we can think of to put on that list.
9 And so that's just a proposal for y'all to do with
10 what you'd like.
11                MR. ABESON: Eric, did you have other
12 items on your list?
13                MR. GLEASON: The last one I mentioned
14 was mobility. I had maintenance of assets. I had
15 public involvement. I had sustainability. And I tend
16 to think of that as more than just the green initiative
17 and the livability. I think sustainability is more how
18 we look at the financial viability of our system.
19                MR. ABESON: Personnel.
20                MR. GLEASON: Personnel, right. And the
21 final area I have was performance. So I wasn't
22 thinking -- well, I hadn't thought of this necessarily
23 as topics you might divide your time on, as you did. I
24 thought more in the notion of trying to say something
25 about things that were important to the committee and
things that you wanted to try and accomplish for public transportation in whatever you were talking about; that those might be examples of areas that you can develop statements of interest around.

You know, these are things under finance we're trying to accomplish or build on certainty, you provide stability, you know, you want to have a reserve so that when something falls off, you know, the bottom doesn't fall out. Performance, you know.

MS. BLOOMER: I think some of these nicely fit back into the three goals previously identified. We may have all the pieces to bring together sort of the longer term, vision, already as well as earlier in the conversation, maybe specific items related to next year's work plan or this year's PTAC work plan that she's trying to put it all in some organized fashion based on everything we talked about today.

Is that something that we could work on between now and the next meeting to bring back for discussion for approval?

MR. GLEASON: What those areas might be?

MS. BLOOMER: Sort of like a draft, one page, goals, guiding principles, and these are the three goals, whatever those goals are, how these things fit in
there. I mean, just list off like a couple items
related to finance.

MR. GLEASON: We could -- not knowing
exactly when the next meeting is scheduled for, but I
think that we could take a stab at what that might be
like, very abbreviated, but it would be enough, and we
could send it ahead of time, and it would be nothing
more than a starting point for the conversation. But it
could give folks enough detail where maybe it will help
decide what it is you want and didn't want.

MS. BLOOMER: Maybe that's something we
can do over teleconference.

MR. GLEASON: That could be something
that could be discussed over a teleconference call.
Then we wouldn't have to try and get everybody together.

MS. BLOOMER: Right.

MR. GLEASON: We'd have to talk about how
to do that, formally.

MS. CRAIN: Do we need to determine what
those broad categories are going to be? Are we going to
go with the three goals that are already set out, or do
we need to kind of, today, determine what those broad
categories are?

MR. GLEASON: No. It would be nice if we
could, but I don't think that's part of the agenda
today.

MS. CRAIN: Got it.

MR. GLEASON: It's kind of like, we want to work on this. I would take the next first step.

MS. BLOOMER: Right. I think if we could get everything we've talked about today and try to bring it all together --

MS. CRAIN: Okay.

MS. BLOOMER: -- as sort of a strawman.

MS. CRAIN: Got it.

MS. BLOOMER: -- that we can then respond back to. So we can tweak what those three, maybe it's four rules, later. But just something to bounce back.

MS. CRAIN: Okay.

MR. GLEASON: And I will say another thing we're going to have to work on is getting the background ready to look at the formula and get new settings to look at that.

MR. GADBOIS: I mean, I hope that we're really looking at developing a work plan, not just some generalized list, you know, users and projects we want to do so that we can start getting an outline of when we need to have stuff done by, what those issues are, and that we can do them all.

Because we can build a beautiful list of
12 or 15 or 20 items, but if we don't do them, then we should have done the business of prioritizing up front.

MR. GLEASON: Glenn, here's what I would say to that. My preference would be to take a list, if you will, and say these one, two, or three things are the first things that the committee wants to work on. Let's develop more explicit work plans about these two or three items. Not here's a work plan for each of these ten items all at the same time. I don't know if I'll be able to support the committee the way you all need it if it's too big of a list to develop.

MR. GADBOIS: Whether it's a one-year or two-year work plan, I would think we can map out that we're going to have this many meetings, we can deal with this many topics between this meeting and that meeting. Here are the ones we ought to deal with first either because they're the most time sensitive, or whatever, and that's the kind of -- even at that level, it would help us think through what our order and demands are in what we ought to be working on.

MS. BLOOMER: I think that's the ultimate goal is to sort of have the overall framework, a little bit more detail, as far as the work plan, one year to three years, but one year doesn't seem to be enough.
because we're already six months into this year, and then for each item get into a little bit more.

But I think until we have a list of things we would like to work on, it makes it hard to say, well, we know we're going to have to take up the tweaks to the funding formula here, so let's get the list. Those that have time requirements to them, let's get those down and so we can start to fill in the pieces, and then maybe then we can reopen up the question of how we go about doing that work, because that's a long list.

And I understand you want to do a lot, and I think that's great. And I think we've done as a committee a lot in the last year. But most of those -- we all have other jobs. And, you know, and we're going to need significant support from PTN and PTN staff to help move these things forward. And they also have tasks that they're working on.

So I think let's get the big picture nailed down. Let's get some level of detail a couple of steps down, as far as what projects we might need to work on, and let's start really drilling it out, okay, we're going to work on the funding formula, and what's the specific work plan for that item, and what's the specific work plan for
this item, and really start adding the detail at
that level.

MR. UNDERWOOD: Well, just to kind of
piggyback on what you're saying, I don't know that I'm
comfortable making any recommendations on the funding
formula after one meeting. You know, it may take us two
or three. I don't know. You said it took six last
time.

MR. GLEASON: It's all part of the
rule-making process.

MR. UNDERWOOD: Right.

MR. GLEASON: So you'll have time.

MR. UNDERWOOD: And that's what I'm
saying. It may be tough to find a whole two-year work
plan if we're going to tackle a money goal for three
years.

MR. GLEASON: No, I think we're good. I
understand what you're saying, but I think if it's an
open up and fix it and close it back down again, that's
a fairly straightforward program. You're right, if you
want to open it up quickly and sit back and say, is this
the right thing to do, that's a lot harder.

But the sense I'm getting from people is
the notion of opening it up and fixing it to address
the census stuff, and then shutting it back down
again, we're comfortable with that.

MR. GADBOIS: And maybe it's in a way to look at one meeting, you identify what it is you want to open up and fix and maybe a direction to go. And then go and see how that's implemented, and what the rules might look like, what that actually means, and then you want to see that information again, and maybe say, well, that's not what I thought it was going to do. And then you're going to want to talk to stakeholders.

MR. UNDERWOOD: Sure.

MR. GADBOIS: And some will have a process they have to do and some stuff we do. But that will be over several years of meetings, not four hours.

MR. GLEASON: Let me ask this and see if you want to go there. If the strong signal, something around principle goals, something up front will be good because that will help shape your discussion later on down the road. We know we need to jump on what would be the next topics that we talked about today that you might want to take on?

MR. ABESON: Coordination.

MR. GLEASON: Coordination.

MR. GADBOIS: Innovation which includes -- I'll even throw stability in there.

MR. ABESON: I would say that 5310 could
1 become part of the coordination.
2                MS. BLOOMER: Now we're back to --
3                MR. GLEASON: Get out, let's get this done. But Glenn's doing this from a totally different
direction, and I respect that. He's basically saying,
look, if these are our principles, if these are the
things we're saying we want to make progress on, how do
we do that?
9                If we say we want to make progress on
10 innovation, well, let's see, how can we do that, you
11 know, as opposed to let's look at this 5310 Program,
12 and here are all the things we're trying to
13 accomplish on innovation. What can we do about
14 those things for this? And it is just two very
15 different ways to come about this. I hadn't really
16 thought of it that way, conceptually.
17                MR. ABESON: I don't see such a
18 remarkable difference to the approaches.
19                MR. GLEASON: Well, I only do -- I do --
20 perhaps not from a committee standpoint, but I do from a
21 work program standpoint. Because what I have concerns
22 about is the approach here might open up three, four,
23 five, six different areas at the same time to look at
24 innovation.
25                MR. ABESON: Okay. So if the heading is
innovation, under that heading there could be 16 items. But the top one could be, how are we going to innovate in coordination?

MR. GLEASON: Yeah. I think you can slice it and dice it both ways.

MR. GADBOIS: In reality, it's a matter of managing expectations. My expectation is not to open 16 different topics all at the same time. I want a manageable work plan. As a consequence, if under innovation, we decided to look at 5310 first, the only real difference is one of philosophy or approach. Are we looking at 5310 to innovate, or are we looking at 5310 as a program of which one thing might be innovation?

MR. GLEASON: I would opt for the former.

MR. GADBOIS: I would opt for the former as well.

MS. BLOOMER: Which I think gets back to, I think if we have the goals and the guiding principles and the items under that, and then, like I said, finance, there could be a number of things under finance. But we could sit down and go, okay, is finance more important over innovation? Is sustainability or -- what was it, maintenance of fleet, is that more important? And start tackling it that way instead of
trying to open them all up.
Otherwise, I'm just afraid we're going to spend time a lot of time and effort and not really at the end be able to go, okay, we were able accomplish this or we were able to accomplish that.

MR. GLEASON: But I think everybody is saying that at least getting those things written down is important.

MS. BLOOMER: That's our first, yes.

MR. GADBOIS: Yeah. Although that makes me think we're coming at it from a number of different directions in terms of the language we're using as well as, you know, what we might think is important. How do we decide? You know, I talk innovation of 5310 and look over at J.R. and he's cringing, oh, my God, how are you going to muck around with 5310 on that, and so how are we going to decide the priority for, you know, sustainability or any of the other things we want to do?

MS. BLOOMER: I think it gets back to sort of the main vision. I mean, I think I sort of get excited on innovation with the 5310 Program, but I'm over here, too, with J.R. going, Yeah, I'm not so sure either on the 5310 Program.

But I think it gets back to that main goal of what are we trying to accomplish? Are we trying
to accomplish the most number of rides for the
limited number of funding we have, or are we trying
to make sure everybody gets service no matter what
client they fit in? And so I'm having a hard
time -- I don't know what's most important.

MR. ABESON: These three things that
Christina pointed out really help in terms of looking at
priorities, I think.

MS. CRAIN: Well -- and I was just going
to say, as I look through this top list of things that
we've discussed, the thing that keeps coming up to me is
the word, "coordination." Whether it be through
funding, whether it be through the call, whether it be
through the section programs, whether it be through the
TDCs, it always seems to come back to coordination.
And for me, at least, probably being the
most uneducated person sitting on this committee,
that's what I keep hearing. And to me, it's almost
like the bullet topic is almost coordination, and
then what are the priorities that fall under that?
At least that's what I'm hearing.

MR. ABESON: And just to add to that, you
made an incredibly significant point earlier. And only
one today (laughter).

MR. GLEASON: That's the implication.
MR. ABESON: But when you talked about coordination and also asset management, I immediately thought of Barry Barker from rural Kentucky. His maintenance -- and he runs the big transit agency there. His maintenance department provides maintenance for a bunch of human service agents. That's coordination. I have never thought about it that way.

MR. GLEASON: Absolutely.

MR. ABESON: But that is an opportunity for innovation that just knocks my socks off. And it can go into purchasing. It can go into --

MR. GLEASON: Well, it already has.

MR. ABESON: Good. It can go into data management, information systems, dispatch. I mean, there's no end to the potential to that and the innovation that can be brought under that heading.

MS. CRAIN: That's kind of where I'm at. I mean, I'd almost say, if you went with goal three, which is to improve cooperation and coordination services, you could almost fit. That could be our main objective, and then we could coordinate under that all the specific things we want to do.

MR. ABESON: Well, it also speaks to effectiveness and efficiency. And it also speaks to fiscally responsible.
MS. CRAIN: Yeah, it speaks to efficiency. Which ultimately gets you to goals, right. But coordination and cooperation, to me, seems to be the key component that puts them all together right now.

MR. GADBOIS: May I play devil's advocate for a second?

MS. CRAIN: Sure, please.

MR. GADBOIS: As somebody who has been a long time advocate for coordination, I have a little bit of trouble being a serious devil's advocate on this, except that I do think there's an important issue that I hope at some point we figure out a way to figure it out. But it might not be a priority.

In my mind, we have been managing access to services by accident in this state because we do not accept the fact that we have no risk management, no operational management such that we're confining everything by the size of the pie and access to services by size of the pie without ever asking the question that a particular transit agency might have to ask, where are my most efficient routes so that I can provide the most certain thing for the buck?

We, at a state level, never ask that kind of question and re-evaluate our operational assumptions at all or our operational risks or
obligations. As a consequence, the issue of money and innovative use of money has become all the more important to me for transportation because it really has allowed us to just ignore the obvious, that they're not good enough -- there's not enough money around to do everything.

As a consequence, we're, as a state, just trying to do everything as well as we might do some things. And what might those some things look like? We're never forcing ourselves to ask or answer that question.

MR. SALAZAR: And I think the question was asked earlier about the incentive coordinator, and I think Al you asked that question. And I'm not sure that we answered that properly here. Because just to use my central Texas transit, we're talking about coordinating with other systems, and we're working on that. We'll do whatever, and then when we try to coordinate with other systems, they say we cannot go out of our county. We're not allowed to go out of our county. We're not allowed to, you know, do all this stuff. And I do agree with the concept of coordination, but in the real world, this isn't working.

MR. ABESON: Right. But isn't that the opportunity for innovation? What would cause those
policymakers to allow cross jurisdiction or lines for
service? And maybe it is incentives. I don't know
offhand. But I'm convinced that the opportunity is so
good to do more with the same. And particularly, to
reach the populations that are so needy that it is
worthy of working on. Obviously, I'm biased. So
biased, it's ridiculous.

MR. SALAZAR: No. And I agree with that.

I really do. But my point being that --

MR. ABESON: They're real obstacles.

MR. SALAZAR: -- they're real obstacles.

And also that Glenn cannot read my face and say what I
meant by the 5310 Program.

MR. GADBOIS: Oh, good to know you're
grimacing over there.

MS. CRAIN: Well, that's really what I'm
speaking is, and what J.R. has said, that reality is one
angle, but then what we want to see is another. How can
we best address both that, you know, we talked about
we've got the formula funds, we've got the statewide
angle, but then we want to also let the localities be
autonomous to some degree, too, because they best know
what they best need in their areas.

What's the best formula to make that work?

I mean, how could we still work together and
connect, et cetera, but still let there be local autonomy, too?

MR. ABESON: I also think that a factor that contributes to when certain initiatives should be undertaken is time and circumstance. And I don't think that our budgetary situation as a nation and as a state is good enough to allow good opportunity for getting more done with the same, or even less, that perhaps the time is right and perhaps the circumstances are right to try and overcome obstacles that might lead all these neighbors to say, well, we can provide more service without having to provide more money.

Maybe this is not a bad thing, maybe this is something we should reconsider. And maybe I'm being very simplistic about this, but why not?

MR. GLEASON: We probably have about 15 minutes to wrap up, 15, 20 minutes to wrap up.

MS. BLOOMER: Okay. I don't know how much more --

MR. GADBOIS: I thought we had wrapped. I mean, I thought the agreement was that y'all were coming -- that basically, we have the three items. You may want to tweak some or suggest some. We may want to get three kind of overarching statements and that y'all were going to come back with a longer list, the longest
list we generated today, of the possible things we would
work on.

Hopefully, you will also come back with
some idea of a calendar of when we're meeting for
the next year or two years, whether it's monthly,
quarterly, whatever. And when topics -- if you can
identify them, when topics that need to be dealt
with, formulas, the easiest example of that. To the
extent, you know, put it on a calendar. And that
then is what we're going to see to start working
with biennium is what I thought we already --

MS. BLOOMER: I think we'll share in
advance to have one sort of work out how we
administratively will do that by a teleconference before
we start taking on the work of actually moving forward
with the implementation of it.

MR. ABESON: I also thought there would
be some further language associated with the three
goals. Is that right?

MS. BLOOMER: Yeah.

MR. GLEASON: Yes.

MR. ABESON: In that context, is it
possible perhaps based on either federal and/or state
policy to operationally define public transportation
affecting this efficiency, cooperation, and
cooperation? Because as somebody pointed out earlier, in the 4310 Program, it is not just public transportation. What do we mean by public transportation? Because I'd hate for us to get bogged down in that debate as we're trying to get a real work plan.

MR. GLEASON: Okay. Maybe you could just send Ginnie an e-mail with those thoughts.

MR. ABESON: Oh, okay. Not the solution, just the thoughts.

MR. GLEASON: Yeah. Well, that's fine. We're going to try to shape some. We're going to try to shape it around quarterly meetings because it's the general statement for the committee unless that's pressing business.

Typically, that's rule making is what introduces pressing business. So we try to meet four times a year, only more often if required. And so the schedule will reflect rule making around the devising the goals, and then we'll begin making process on further defining what it is you want to see under these three goals, and trying to fit stuff we talked about today under there with some kind of timeframe.

MR. GADBOIS: The other options,
besides the operational definition, is public
Transportation by the state. But besides the
operational definitions, the other option is to you
figure out a way to make suggestions on any additional
language so that y'all won't have to do that. And that
would be the other option, we could do it by e-mail.

MS. BLOOMER: I don't know if we can do
that, but if you have additional thoughts, you can send
them to Ginnie at the next meetings and we can include
them in the strawman.

MR. GADBOIS: Okay. Send them out, and
then we can send our thoughts to Ginnie, and that gets
pollled and consolidated together. And that's fine as
well.

MR. GLEASON: We could do that, and then
have everyone look at it for the next meeting, yeah. I
mean that takes the onus off y'all's back.

(Brief break.)

MS. BLOOMER: We do have one item before
we can adjourn. I have lost my agenda. Okay. Item 8,
before we adjourn. We'll go to Item No. 8, which is
public comment, and we do have somebody here who wants
to speak, Melvin Johnson, representing the Rural
Transportation Alliance.

Mr. Johnson.
MR. JOHNSON: Thank you very much. I'm Melvin Johnson for the record. I'm here to basically inform you that we are establishing a rural transportation alliance that will be out of Austin with the Texas Legal Services, and it has received the funding to do that.

And I have been patient, but I've learned a great amount. It's good to be back here, and I wanted to meet and sit here and let you know what our agenda will be. We're basically trying to get some of the best minds as far as transportation goes in order to form an alliance that is strictly for rural transportation, and we hope to actually learn from the feedback. We'd like to learn as much as we can.

In summing it up, we're basically trying to get some of the best people that we can to do as much as we can about rural transportation in Texas. The money has been given to Texas Legal Services, but we were given this specific assignment to look at rural transportation.

MS. BLOOMER: Okay. Thank you.

MS. CRAIN: Who do you work with specifically?

MR. JOHNSON: I work with Bruce Bowers
1 with Legal Services.

2                MS. CRAIN:  Legal Services. Very good.

3                MS. BLOOMER: Thank you very much. Are

4 there any other public comments? Ginnie? Okay. If

5 there are no other items to discuss, I'll take a motion

6 to adjourn.

7                      (Chorus of ayes.)

8                MS. BLOOMER: Meeting adjourned.

9 Thank you.

10                      (Meeting adjourned.)
April 13, 2011

1 STATE OF TEXAS  
2 COUNTY OF TARRANT  
3
4 I, JENNY L. BONNES, Certified Shorthand  
5 Reporter in and for the State of Texas, do hereby  
6 certify that the above and foregoing contains a true  
7 correct transcription of all portions of evidence and  
8 other proceedings in the above-styled and numbered  
9 cause, all of which occurred and were reported by me.  
10 WITNESS MY OFFICIAL HAND this _______ day of  
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