

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.

1 APPEARANCES

2 COMMITTEE MEMBERS:

- 3 MICHELLE BLOOMER, CHAIR
- 4 J.R. SALAZAR, VICE CHAIR
- 5 AL ABESON
- 6 CHRISTINA CRAIN
- 7 GLENN GADBOIS
- 8 BRAD UNDERWOOD

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10 ALSO PRESENT:

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- ERIC GLEASON
- KELLY KIRKLAND
- GINNIE MAYLE
- CHERYL MAZUR
- LINDA CHERRINGTON

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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

1 PROCEEDINGS:

2 MS. BLOOMER: Good morning,  
3 everybody. Thank you for coming to lovely Arlington,  
4 Texas. A few just administrative items before we get  
5 started. There are refreshments in the back. Please,  
6 please help yourself. We have coffee, soda, and water.  
7 If after the refreshments, you need to use the  
8 facilities, it's just out this door and down the hall,  
9 almost to the other second half, and there are plenty of  
10 facilities to use.

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

17 MS. MAYLE: It's not a recess.

18 MS. BLOOMER: Okay, it's not a recess.  
19 It's a --

20 MS. MAYLE: A comfort break.

21 MS. BLOOMER: -- comfort break. So right  
22 around lunchtime when the lunch arrives, then we'll go  
23 ahead and settle up with lunch after the meeting today.  
24 I think that covers all the basics. So we'll go ahead  
25 and get started on the agenda. Oops, I think I forgot

1 Item No. 1, which was call the meeting to order. So  
2 call to order.

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

7           MR. UNDERWOOD: So approved.

8           MR. GADBOIS: Second.

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

13   (A chorus of ayes.)

14           MS. BLOOMER: Any opposed?

15   (No response.)

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

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

24           The rest of you, I appreciate you hanging  
25 on to the notebooks from last year, and hopefully

1 you've had a chance to get them updated with some of  
2 the new information. If you would just open up to  
3 the table of contents there. I'm not going to spend  
4 a lot of time going through everything that's in  
5 here.

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

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

20           Discussion of the Rules and  
21 Responsibilities, if you turn to the first blue tab,  
22 the light blue tab section, and if you page past the  
23 biographical information for each of the members,  
24 you will come to the page, Statute Governing PTAC,  
25 Transportation Code and Texas Administrative Code.

1           And these next two pieces of information,  
2 there are a lot of similarities between the two of  
3 them. The first piece highlights for you the  
4 section of the Transportation Code that talks about  
5 the advisory committee, about its functions and how  
6 it is composed with nine members.

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

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

20           Glenn, are you a general public member?

21           MR. GADBOIS: Yes.

22           MR. GLEASON: Okay. So we need a user  
23 and a speaker as well. I don't really expect we'll get  
24 those appointments during this session, so I'm thinking  
25 it may not be until early fall before we have the

1 remaining three appointments. We have talked with the  
2 lieutenant governor who strongly suggested that when  
3 they do appoint a provider that they do pick a smaller  
4 urban system to be represented.

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

13           And if you turn that over, you then find  
14 6-E, Conflict of Interest. And I highlight this  
15 because as an advisory committee member, you are  
16 subject to the same ethic laws and policies that we  
17 as employees of the Department are. And for your  
18 information, the last yellow tab in your binder is  
19 actually a copy of our standards of conduct. So  
20 these would apply to you as members of the committee  
21 as well.

22           I'm not going to go through them. That's  
23 just for your information. The Texas Administrative  
24 Code, the bottom of that page, Public Transportation  
25 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

1 bit to hear better. Okay. I'm ready.

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

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

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

24                   In other words, we talked about y'all  
25 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

1 restructuring's report. And I'll point those out to  
2 you. The organizational structure of the Department  
3 is a work in progress. This is just where we are  
4 now.

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

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

23           Under the chief financial officer, back  
24 over on the left-hand side again, you will see two  
25 new boxes, the debt management and the innovative

1 financing, those two boxes, currently vacant, were  
2 also recommended organizationally by the  
3 restructuring. And then again, flipping back to the  
4 right-hand side under Dee Porter, the separate box  
5 for DBE Program, as being a separate unit together,  
6 was also a recommendation.

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

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

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

24           MR. GLEASON: Well, from an  
25 organizational standpoint, no, I don't really. And I

1 think some of it is going to wait for the new executive  
2 director who's currently scheduled to be on board by the  
3 end of August. Both Amadeo Saenz and Steve Simmons, the  
4 executor director and the deputy director, have  
5 announced their retirement as of that date. And so  
6 we'll have at least a new one by then. And some of this  
7 is going to have to wait for his or her input,  
8 obviously, on how they want the Department to look.

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

14           MR. ABESON: That's encouraging.

15           MR. GLEASON: What's that?

16           MR. ABESON: That's encouraging.

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

24           MR. ABESON: So related to that, though,  
25 is, of course, the budget in terms of staff positions

1 which will still exist after the legislature gets done  
2 with its business. Is there any inclination as to how  
3 that's going to play out and relate to the  
4 reorganization?

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

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

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

19                   MR. GLEASON: Yes. You will not see the  
20 Commission approving minute orders, you know, the formal  
21 minute order each step along the way. Much of this is  
22 generally regarded as a responsibility to implement of  
23 the executive director and not necessarily a commission  
24 level of detail, aside from hiring the executive  
25 director.



1           So they will be involved. We would  
2 obviously be looking for their concurrence on these  
3 things as we move forward. They have not said, We  
4 agree with every recommendation in the restructuring  
5 report, and you all need to go do that. They have  
6 not said that, and they have said that they won't  
7 say that. What they will do is we kick off each of  
8 them and figure out how to do them best and all  
9 that, but they will be engaged, and we will let them  
10 know how we're are doing, and that will be an  
11 opportunity for them to weigh in.

12           MR. ABESON: Thank you.

13           MR. GLEASON: Other questions?

14           MR. GADBOIS: Yeah. I've got one, Eric.  
15 For those who don't have the Grant Thornton report  
16 chart memorized, PTN, if I remember correctly, would be  
17 under Barton and operations, according to the Grant  
18 Thornton, right? I mean, according to that chart.

19           MR. GLEASON: Well --

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

25           MR. GLEASON: Okay. Let me start with

1 where we are currently in the organization. PTN is  
2 currently part of what institutionally is being called  
3 "administrative support." And we're in an area of the  
4 administration, which includes human resources and  
5 general services. It's kind of a collection of  
6 divisions that doesn't necessarily complement each  
7 other.

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

18           Now, under that concept, public  
19 transportation was actually in a division along with  
20 aviation and waterways. Rail was a separate  
21 division under that concept. The restructuring I  
22 think significantly recognized that as part of the  
23 Department's future that they needed to find ways to  
24 enhance the other modes, aviation, rail and public  
25 transportation, and pull the division back out of

1 being a part of several different functions to be a  
2 stand-alone division again, and under a multi-mode  
3 type-branch of the administration.

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

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

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

19           MR. GADBOIS: Okay. And then along those  
20 lines, there was also a recommendation, either the  
21 restructuring council or Grant Thornton, talking about  
22 consolidated contract management that's now divided  
23 into -- you know, each piece as their own contract  
24 management. In consolidating that, is there going to be  
25 conversation about doing that or not?

1                   MR. GLEASON: I don't think there's been  
2 a specific conversation on it. It may be something that  
3 we get into in the near future. I'm part of a team  
4 within the organization, looking at those  
5 recommendations and deciding which of those 61 or so  
6 recommendations we should be working on next. But  
7 that's definitely something that's on the plate. But I  
8 couldn't tell you when we'll get to it.

9                   Other questions on the organization?

10   (No response.)

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

19                   We have maps of providers and regional planning  
20 areas, a lot of information on our programs, just  
21 real general ones, over the likelihood that give you  
22 a sense of the programs that are available to  
23 provide funding, everything you may want to read  
24 about the United States Code and the State  
25 Legislative Code.

1                   MR. GADBOIS: I apologize for bogging you  
2 down, but mainly just because I haven't been paying  
3 attention enough and I'm now catching up on some stuff.

4                   MR. GLEASON: Okay.

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

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

18                   MR. GLEASON: Final answer.

19                   MR. GADBOIS: Okay.

20                   MR. GLEASON: As of June of 2009, the  
21 public transportation coordinators were formally moved  
22 into the staff members of the public transportation  
23 division. Before that time, they reported to each of  
24 the individual district engineers in the district where  
25 they were located. The Department did that for a number

1 of reasons. One, by virtue of the specialty of the work  
2 we do, the division was by and large providing direction  
3 to those district staff already, and the district  
4 engineers themselves were not that engaged or  
5 necessarily had that much knowledge of what the work was  
6 that the staff people working for them was doing.

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

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

22           We've had I think -- are we up to 12 now?  
23 Maybe even at least 12 staff have either retired or  
24 moved on to different careers, if you will, in the  
25 past 16 to 17 months. So, you know, that's --

1 that's over 20 percent of the division. And we've  
2 had a large turnover on public communication  
3 coordinators, a lot of long-time TxDOT employees  
4 trying to retire.

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

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

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

19           MS. WICKENS: About a year and a  
20 half.

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

24           MR. UNDERWOOD: If I could just add  
25 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



1 continuing theme for me for as long as I have a seat  
2 here. So I'll just ask, and I assume I know the answer,  
3 but I'll just ask it anyway. We had expectations when  
4 we did that, more consistency of service, et cetera. Do  
5 we set up for ourselves performance metrics so that we  
6 know whether we achieve that or not?

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

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

24                   And we are working more efficiency where  
25 we're providing the same level of oversight and

1 clients as we ever have with fewer number of staff  
2 associated with it across the state. We've had two  
3 very extensive federal audits that was in the last  
4 two years both of which resulted in very few, if  
5 any, findings. So we're quite confident that we're  
6 moving ahead in a good manner. But do I have a set  
7 of metrics that I look at every month with respect  
8 to this effort? No.

9 Other questions on organization?

10 (No response.)

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

20 There's a picture of an example cycle and  
21 some definitions and guidelines there for you. I  
22 already talked about standards of conduct. And then  
23 the final blue tab is an acronym list. You know, we  
24 used to have a glossary in here. In fact, I think  
25 the earlier version of the notebook had a glossary,

1 but I've already struggled with glossaries because  
2 every time I look at them, I see a definition that  
3 I'm not satisfied with, and I don't really know how  
4 useful it is trying to get exactly the right  
5 definition.

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

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

19           MR. GLEASON: Those go to Ginnie.

20           MS. MAYLE: Thank you.

21           MR. GLEASON: She's been doing this work.  
22 So thank you. I appreciate that. It's back to you,  
23 Michelle.

24           MS. BLOOMER: Okay. That takes care of  
25 Item 3 and 4 on the agenda. Are there any other

1 questions or discussions before I move on to the next  
2 item?

3 (No response.)

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

7 MS. CHERRINGTON: Good morning. I didn't  
8 have a chance to greet each one of you when I came in,  
9 so hello. I'm pleased to present to you again this year  
10 a summary of the Texas Transit Funding Formula. For  
11 some of you, you're extremely familiar with this  
12 information. I'd like to go through the presentation.

13 I think this subject matter really calls  
14 for stopping and answering any question that you may  
15 have because this is a building block to  
16 understanding the formula. So please interrupt me  
17 if you have a question and need to go through your  
18 questions.

19 The funding formula that I'd like to  
20 review with you today is used to allocate state  
21 funds that are allocated to urban transit districts  
22 and to rural transit districts. And it is also used  
23 to allocate Federal Section 5311 non-urbanized  
24 funding that is allocated in the rural transit  
25 districts.

1           Just for point of information, under the  
2 federal procedures, FTA identifies the funding  
3 apportionment to each small urbanized area according  
4 to a specific formula. But all of those functions  
5 are assigned to the state, and the state actually  
6 has the ability or the right to redistribute those  
7 funds.

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

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

24           Now, this highlights the 30 state funding  
25 urban transit districts. I mentioned to you that

1 there are three categories. There are three urban  
2 transit districts that are over 200,000 population.  
3 And they are eligible for funding because they do  
4 not have a local sale tax base. And I'll point out  
5 one of those, Midland-Odessa. Midland-Odessa is  
6 actually two separate small urbanized areas, each  
7 just over 100,000.

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

14           But according to 2000 census, there are 23  
15 urban transit districts to a population between  
16 50,000 and 200,000. And the state funding also  
17 applies to four transit districts that are urban,  
18 but are a part of the large urban area for Dallas,  
19 Fort Worth, Arlington. And those four transit  
20 districts serve only a limited eligibility  
21 population of seniors and people with disabilities.

22           And I want to speak to you more about how  
23 that's handled on the funding formula in just a  
24 minute. So these are the 30 state funding transit  
25 districts.

1 Yes, Michelle?

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

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

15 MS. BLOOMER: So at the federal level,  
16 they're considered an urbanized area over 50 but under  
17 200,000?

18 MS. CHERRINGTON: Each of them, correct.  
19 Any other questions on this one?

20 (No response.)

21 MS. CHERRINGTON: And the state funding  
22 that is allocated to these urban transit district, the  
23 point of this is simply that these urban transit  
24 districts funding had just been over 10 million per year  
25 for each year of the last three bienniums, a total of

1 six years. And this is the funding currently in place  
2 in 2011, and again, just over 10 million.

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

12           Now, the 5311 funding deserves a panel and  
13 a specific discussion. In 2010, and I use 2010  
14 because 2011 and federal money is all tied up and  
15 lots of other complications. So looking at 2010  
16 Section 5311, non-urbanized federal apportionment,  
17 33.8 million went to Texas. Of that 33.8,  
18 \$20,104,352 are allocated each year by the Texas  
19 Funding Formula.

20           The rest of that funding is used, the  
21 third bullet, for TxDOT administrative cost, for  
22 intercity transit, as it may apply, and then no more  
23 than 10 percent of that total federal apportionment  
24 less the administrative costs and intercity, may be  
25 assigned by the Commission to projects that awarded



1 on either a pro rata basis. And that means some  
2 amount to each agency on some basis, or on a  
3 competitive basis, or a combination of both.

4           And so those fundings may apply to  
5 a capital project, for example, for purchase of  
6 vehicles, or a capital project that is composed and  
7 competitively qualified. In the last bullet, any  
8 amount of the Section 5311 level apportionment that is  
9 not used in the other purposes is then allocated to  
10 non-urbanized areas, rural transit districts, based  
11 upon vehicle revenue miles. Any questions? And  
12 Eric is going to talk to you to answer any of these  
13 questions.

14           Michelle?

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

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

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

25                   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

1 into what we have commonly called the commission  
2 discretionary fund, which they can choose to award a pro  
3 rata or --

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

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

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

23                   We made awards for fleet, but anything  
24 else was generally done on a revenue mile basis,  
25 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

1 transit districts receiving the funds.

2           So we've actually gotten a few questions  
3 in the last week or two about whether or not we were  
4 going to go ahead and do any awards any longer for  
5 fleet or anything like that. What we're telling  
6 people is probably not, because the amount of money  
7 we had available for that is now just simply being  
8 given out. So the districts are going to have to  
9 begin programming in those fleet replacement needs  
10 from these funds.

11           MR. SALAZAR: If I can add one thing. I  
12 know when those decisions were made, too, we did provide  
13 information to the providers at the rural operators  
14 meeting for them to provide any comment that they have,  
15 negative or in favor for that.

16           And I can tell you, and I think I can  
17 speak for Michelle, that I don't think we got any  
18 comments. I know that me, personally, I did not  
19 receive one comment either for or against. And so I  
20 kind of took that as no news is good news. But I  
21 just wanted to make that point that all the  
22 operators were aware of it.

23           MR. UNDERWOOD: You know, and, too, for  
24 me, it helps us just giving us the funds and saying, how  
25 do you need to use it for the operation. Because we're

1 all so different. I mean, our needs are going to be  
2 different than larger agencies or smaller agencies. So  
3 saying you've got to use this on the fleet. Well, last  
4 year we took our discretionary funds, and we used a  
5 portion for fleet replacement, and then we used the  
6 other portion for operating, and then higher gas prices  
7 in the summertime. So I like having that flexibility as  
8 a general manager.

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

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

25                   And so one of the thoughts on the

1 discretionary portion was that that would be a way  
2 to encourage and help looking for new ways to fund  
3 growth of a system or new programs, new project  
4 within a system, and that was a way to reward that,  
5 right, so that you could have some financial  
6 diversity beyond the programs?

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

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

21           And one them is, we're looking for  
22 projects that have some applicability statewide.  
23 We're looking for people to work with partners and  
24 put together, you know, proposals that have several  
25 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.

5 MR. SALAZAR: Thank you.

6 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.

15 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.

25 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 Do you have a question, Brad?

4 MR. UNDERWOOD: No, ma'am.

5 MS. CHERRINGTON: So this is illustrating  
6 once again that the funding that's been allocated by the  
7 formula is the same amount each year for both state and  
8 federal, and that becomes important at a later point.

9 MR. GADBOIS: Linda, in terms of dollars,  
10 just help me understand that five-twelfths is what looks  
11 like about an eighth?

12 MS. CHERRINGTON: Yes. Again. It is  
13 five-twelfths of the 20 million.

14 MR. GADBOIS: Okay. So it is of the 20,  
15 okay.

16 MS. CHERRINGTON: Now, going back to the  
17 public transportation advisory committee in 2005 and  
18 2006, about six months were spent with the members of  
19 the committee at that time working through what the  
20 goals were for the funding formula, and then how to  
21 apply those in the actual structure of the formula. And  
22 these are the three goals that were adopted by the PTAC  
23 at the time.

24 They included the first goal to improve  
25 access to public transportation in Texas in a

1 fiscally responsible manner. The fiscally  
2 responsible manner was very key to the public  
3 atmosphere, the political atmosphere, at the time  
4 relative to allocation of state funds to transit  
5 providers.

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

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

21           Through the slides, you're going to see  
22 the urban side is illustrated in blue and the rural  
23 side is illustrated in green. It kinds of helps  
24 with the perspective. First step, the state transit  
25 funds are first allocated 35 percent to urban

1 transit districts and 65 percent to rural transit  
2 districts. That is in large part based upon  
3 population distribution, but also a recognition that  
4 the funding for the federal government per capita  
5 is higher for urban systems than rural, and so  
6 there's a bias towards rural for state funds to help  
7 not balance but to help mitigate that difference in  
8 the federal funding.

9           Now, another point I want to make is from  
10 here on, the funding formula on the rural side  
11 applies to whether you're allocating state or the  
12 20.1 million in 5311. The funding formula is going  
13 to be the same. Now, the other important point to  
14 make is that on the urban side, there are two tiers.  
15 The first tier is for those four limited eligibility  
16 transit providers, and the remaining 26 urban  
17 transit districts are in the second tier.

18           I want to provide you more detail about  
19 that, but keep in mind that the urban funds do have  
20 structure as well. Now, back to that population in  
21 the distribution of 35 percent to urban and  
22 65 percent to rural. This is the 2000 population.  
23 These are still the population numbers that are used  
24 for allocation of the funding in the current fiscal  
25 year. And it will be for the next fiscal year as

1 well for reasons I'll talk to you about when we talk  
2 about the 2010 census.

3           So the urban area state funded for the  
4 general population are 3.356 million. Those are the  
5 26 urban transit districts that are eligible for  
6 funding. Limited eligibility providers are 236,000,  
7 or about 6.58 percent of all the urban. Now, that  
8 is not general population. Those are only the  
9 census numbers for persons with disability and  
10 seniors.

11           So in other words, that funding is  
12 allocated only to the market that is eligible for  
13 the transit service. So you would think that this  
14 total urban population represented by the state  
15 funding is about 3.6 million. The rural is about  
16 5.8 million. So that distribution is about  
17 38 percent urban and 62 percent rural.

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

23           Now, urban limited eligibility providers.  
24 And that, again, requires a little specific  
25 discussion. These are those four limited

1 eligibility that we talked about a few minutes ago.  
2 And they include Arlington, Mesquite, Grand Prairie,  
3 and then the seven cities that comprise the  
4 northeast transportation services district, which is  
5 northeast Tarrant County.

6           These are allocated to these communities  
7 only in proportion to the seniors and the people  
8 with disabilities as a part of the total urban  
9 population. And that's at 6.58 percent. So  
10 6.58 percent of state funding to urban transit  
11 districts is set aside in a tier that is then  
12 distributed only amongst those four transit  
13 districts. So that funding is only to those four,  
14 and those four only get that funding.

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

24           So the funding formula can be applied, but  
25 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

1 they are allocated locally from their urbanized area can  
2 be used for operations, and then these are for the rules  
3 under state funding.

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

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

11           MS. CHERRINGTON: No.

12           MR. GADBOIS: Oh, it didn't?

13           MS. CHERRINGTON: No.

14           MR. GADBOIS: The Woodlands is a  
15 general --

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

18           MR. GADBOIS: Okay.

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

22           MS. CHERRINGTON: No. The funding  
23 formula allocates to each of these four areas an amount  
24 by the formula, which we'll go into in a minute. If  
25 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           Now, this is the final transition of the  
8 formula. We started with lower percentages for  
9 performance, and it transitioned over the last six  
10 years, five years, to be a higher percentage for  
11 performance. And it's now set -- this is the  
12 formula that's just the final goal. It's 50/50 for  
13 the urban side and 65/35 for the rural side. And  
14 this is now in place as of 2007.

15           Now, on the performance side, the  
16 allocation is using these performance measures, and  
17 you'll notice that the first three are the same for  
18 both urban and rural. And then the urban side has  
19 an additional fourth indicator. Their percent  
20 distribution is different on the first three. The  
21 rural side is distributed equally. Each of the  
22 performance indicators is one-third, but they vary  
23 on urban side.

24           Now, let me talk about them each very  
25 briefly. The first one will require a bit of

1 comment. The first one is local investment for  
2 operating expense, and that's 30 percent on the  
3 urban side and 33 on the rural side. The definition  
4 of local investment is unique to the application of  
5 the funding formula. It's not local share. It's  
6 not local match. It's not local government funds.

7           The term "local investment" refers to any  
8 funds other than the formula, 5307 or 5311, that is  
9 invested by the local transit district into its  
10 transit program. So it means if they go out to  
11 compete, for example, for JARC or New Freedom, or  
12 they get a contract with the local senior citizens  
13 agency, those funds that it goes out and competes  
14 for and retrieves is included as local investment,  
15 even if it has an origination on the federal side.

16           That is the formula measure that  
17 encourages coordination and initiative. It also  
18 includes both operating and capital. And that was  
19 originally done because local governments sometimes  
20 make the decision to put their local dollars into a  
21 capital project, the replacement of equipment, not  
22 necessarily to support operations.

23           And there was a desire to recognize that  
24 local decision, so both operating and capital goes  
25 into the calculation of local investment for

1 operating expense. That means the percentage for  
2 some districts can get quite high, and it can vary  
3 year to year, which I'll speak to in a minute.

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

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

23           Any questions about the performance  
24 criteria?

25           (No response.)

1 MS. CHERRINGTON: Now, we completed  
2 taking a look at that very complicated chart. We've now  
3 gone through all of the pieces to the funding formula  
4 until you see how it is applied in each year of the  
5 application of state funding in Section 5311 for the  
6 rural.

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

19 TTI had assisted TxDOT to do a review of  
20 those data each year. J.R. and Brad are quite  
21 familiar with us calling up and asking about this  
22 detail or that. So we try to look through and do a  
23 quality check on the data. I will tell you that  
24 every year since 2006, there has been a significant  
25 increase in the quality of the data, the consistency

1 of the data, and the reliability of the data. Each  
2 year we think we're getting there, and each year  
3 there there's another piece of information we  
4 collect or another source of data that we can use as  
5 a cross reference, and every year the data gets  
6 better.

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

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

22           MS. BLOOMER: Linda, I just have a  
23 follow-up question. For those providers that are also  
24 required to report directly to the national transit  
25 database, does the PTN-128, who also report on a monthly

1 basis, is that consistent information in that they can  
2 just compile and report annually to NTD instead of  
3 creating another report?

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

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

17                   Now, there's one other element to the  
18 funding formula that I just want to highlight, and  
19 that is there is a provision that says that no  
20 transit district will receive more than a 10 percent  
21 reduction of funding year to year. That policy was  
22 necessary when the funding formula was first put into  
23 place because there was a lot of balancing to do  
24 between agencies that had previously received more  
25 than the funding allocation provides, or less.

1           And what the diagram intends to show you  
2 is that if you raise the floor, no one loses more  
3 than 10 percent per year, you have to lower the  
4 ceiling to provide that balance of funding. This  
5 process goes on every year. We are moving along,  
6 and the process is less than it was in the beginning  
7 because we're reaching balance on federal state  
8 monies.

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

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

15                   MS. CHERRINGTON: It's the districts'  
16 funding.

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

19                   MS. CHERRINGTON: This is just an  
20 example.

21                   MR. GADBOIS: Is it --

22                   MS. CHERRINGTON: It's just an  
23 illustration.

24                   MR. GADBOIS: Right. But did we create  
25 it off of data?



1 MS. CHERRINGTON: It's data that's  
2 historical, and it's not a current set of data.

3 MR. GADBOIS: Okay.

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

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

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

16 MR. GADBOIS: Okay.

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

23 MR. GADBOIS: Okay.

24 MS. CHERRINGTON: Now, why are there  
25 still variations year to year? And we all talked a few

1 minutes ago about stability of funding. I wanted to  
2 highlight to you the reasons because the stability of  
3 funding, and the fact that there are variations in the  
4 formula is an item of concern and perhaps attention  
5 because transit agencies want to predict their funding.

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

17           Another is the number of transit  
18 districts. If they have districts that combine,  
19 then that puts a ripple effect. If there are  
20 changes in the service population, and that can  
21 occur if you add counties to your district as they  
22 did in West Texas a few years ago, or if a county  
23 moves from one rural district to another by a local  
24 choice, that puts a change and a ripple in the  
25 distribution.

1           There is an increase in the percent where  
2 now it's a final stage. But in the transition, as  
3 we went from lower performance to higher, that put  
4 ripple effects every time that change came in, and  
5 that can be fairly significant. If you have a  
6 higher performance, you can get a lot more when that  
7 number's raised, the changes in individual provider  
8 performance, and the most variable statistic is  
9 local investment.

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

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

22                           Any questions?

23   (No response.)

24           MS. CHERRINGTON: That completes the  
25 presentation. I did provide to you more that showed you

1 the performance statistics according to the formula for  
2 each of the 2006 through 2010 so that you can see the  
3 trend line. And if you have any questions about any of  
4 those, I'd be glad to address them or illustrate them  
5 for everyone, but that's provided in the presentation.

6 MR. BLOOMER: Okay. Thank you, Linda.

7 Are there any questions?

8 MR. SALAZAR: I have one quick question.

9 Awhile ago, you made mention of this fiscal year reviews  
10 and 2000 figures, and next year we are going to do the  
11 same thing, and you said something about explaining why.

12 MS. CHERRINGTON: The 2010 census.

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

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

18 MS. BLOOMER: And if there are not any  
19 more specific questions, there may be just some things  
20 to think about when we get to Item No. 7, which is  
21 reviewing discussions of the PTAC work plan. I think,  
22 from my perspective, I think the biggest issue related  
23 to the funding formula gets back to the stability. I  
24 can't imagine being a transit provider, and I know we've  
25 done a lot to sort of take out some of the unknown and

1 make it a little bit more stable.

2           But again, from year to year, there's  
3 fluctuation from census impacts. There's  
4 fluctuation, and you mentioned another one, the  
5 ripple effect. And it seems difficult. I mean,  
6 we're doing our budget now for 2012 and 2013 here at  
7 the Council of Governments, so trying to do a budget  
8 and not knowing how much money you have going  
9 forward at all seems a rather daunting task.

10           So maybe as part of our work plan  
11 discussion, we can talk about ways that we can  
12 assist the providers with providing maybe a little  
13 more stability or knowyness of how much money  
14 they'll have from year to year, and then if there's  
15 also a way that, as the advisory committee, we can  
16 encourage the coordination. And I don't know if  
17 this is only in our region, but we never like to do  
18 anything the easy way here.

19           And so we have a lot of providers in our  
20 region that get federal money directly from FTA.  
21 They get federal money from through the COG, and  
22 they get state money and federal money from TxDOT.  
23 And the later oversight and management and  
24 requirements and the reporting is becoming a very  
25 heavy burden on those folks to meet. So I think if

1 we can look at that.

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

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

19           And ultimately, the only folks we're  
20 hurting are the people who need the service in that  
21 area. And if we don't provide the support, those  
22 providers don't understand how what they're doing  
23 isn't efficient or effective and how to improve it.  
24 They just get into this vicious cycle of not being  
25 able to meet the demand. And I don't know how to

1 answer that question, but that's an ongoing concern  
2 I've had since the formula has been put in place.

3                   MR. GADBOIS: We're going to take that up  
4 as Item 7, right?

5                   MS. BLOOMER: Yes. We can think about it  
6 between now and lunch and Item 7. If there aren't any  
7 other questions or thoughts on the transit funding  
8 formula, we can move on to Item 6, which is discussion  
9 on the impact of the 2010 census on the funding formula,  
10 now that we all understand the funding formula, I think.

11                   And, Linda, we'll turn it over to you.

12                   MS. CHERRINGTON: Thank you. I'm going  
13 to provide a brief summary. Some of you have seen  
14 presentations in more detail. I'm going to try to  
15 highlight the impact of the 2010 census on the  
16 discussions we just had and try to give you a little  
17 idea of where we are in the census process. We're  
18 actually not finished.

19                   As I deliver this information today, I  
20 want to emphasize to you, this is based upon  
21 research that was funded by TxDOT. It was a project  
22 by the University of Texas at San Antonio State Data  
23 Center, and TTI. The research was done in 2009.

24                   Some of the information I'll be showing  
25 you today is projected because we still don't have

1 the 2010 numbers, and it's based upon projections in  
2 the project that we did, and it was done by State  
3 Data Center projections.

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

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

21           Now, the schedule for the 2010 census  
22 that's illustrated here, I mentioned to you that you  
23 thought it was all over, but for our purposes in  
24 funding allocation, we're just getting into it. We  
25 noticed that on April 1st, we received all of the



1 block level data that's required by law, so in order  
2 to do redistricting. And we have information about  
3 jurisdiction. So we know the state population. We  
4 know the county population. We also know certain  
5 jurisdiction city limits. What we do not know is  
6 urbanized area population. And, in fact, we don't  
7 even know the final census urban criteria to define  
8 those urban areas.

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

16           The announcement of urbanized area is not  
17 expected until spring of next year. Urbanized areas  
18 are what are used in order to allocate funding for  
19 5307 and 5311 funding. And so it would not apply  
20 into the 2013 fiscal year. And that is the reason I  
21 mentioned earlier, those population numbers are  
22 still applicable and will be applicable into the  
23 next year.

24           I think my battery's gone out. I've got  
25 instructions what to do if that happened.

1 (Adjusting mic.)

2 MS. CHERRINGTON: And so that's why we're  
3 going through the discussion today, and we are still  
4 projecting what the urbanized areas will be in the data  
5 that I'll be presenting. Now, this is information that  
6 we do know. These are the facts. We do know that the  
7 2010 census results for Texas showed that Texas grew  
8 20.6 percent in population. And that now, as compared  
9 to the national average of 9.7, which makes Texas now  
10 representing 8.1 of total national population.

11 I will mention to you that this projection  
12 25.146 is about 1 percent off of what our projection  
13 was in the research we did. So we have some  
14 confidence in the research. There's variation  
15 amongst counties, but for the state total we're in  
16 line. And this is an illustration of the actual  
17 results of the census by county. The red, of  
18 course, is a loss of population, and those are  
19 primarily in West Texas, the panhandle, and some  
20 counties south of San Antonio.

21 The area that is blue are those counties  
22 that grew faster than the statewide average of 20.6.  
23 The next chart gives you a list of those counties  
24 that have grown the fastest as a percentage in  
25 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           Now, how does the FTA use this  
4 designation? The urbanized areas of over 50,000 or  
5 5307 funding, you know that the small urbanized  
6 areas are those that we need to pay particular  
7 attention as described in the previous presentation.  
8 And the non-urbanized areas are all areas that are  
9 under 50,000 population.

10           Something that's important to note in your  
11 local conversation, the census defines urban  
12 clusters, and these are communities that meet this  
13 definition of urban area that are more than 2500,  
14 but less than 50,000 population. So Bastrop, Texas  
15 is an urban cluster. But it is in the  
16 classification of non-urbanized for funding. We  
17 commonly call that rural. So sometimes that's  
18 confusing to folks because they hear something is an  
19 urban area, but, in fact, if it has not met the  
20 50,000 threshold, it's not non-urbanized.

21           Now, we've already talked about the  
22 funding formula, and I just want to highlight the  
23 portion that is needs and how population becomes a  
24 factor in how funding is allocated under the Texas  
25 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.

1 Those include those cities that we think may go over  
2 200,000. But, once again, following the category of  
3 not being eligible for a local transit tax for  
4 transit.

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

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

18                   There is also a provision in the state  
19 statute for a county transit authority, and I  
20 believe that the provisions of that statute also do  
21 not apply. It would have to, perhaps, be addressed  
22 to apply to the valley. The secondary consideration  
23 is the communities in the valley are not likely to  
24 be calling for election for transit to add funding,  
25 and there is some -- most of these communities are

1 using all of their local tax base for other purposes  
2 and wouldn't be eligible to call election for  
3 transit, because you're limited to 8.25 total.

4           And by the way, the state ability to call  
5 a local transit tax is based on the sales tax.  
6 That's the methodology for Texas. Now, these again,  
7 are projected UTA based on the 2000 urban criteria.  
8 Expect that there may be as many as four cities to  
9 go over 200,000. We think that already knowing the  
10 city limit population that Laredo, Brownsville, and  
11 probably Killeen, and Amarillo is still a little bit  
12 on the edge. But you could have four more cities  
13 over 200,000. It's projected that there could be as  
14 many as five new small urbanized area.

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

22           Galveston is almost sure to be less than  
23 50,000 population as an impact of Hurricane Ike on  
24 the fact that it is an islands, and so there is a  
25 very strict limit on the area that can be included.

1 There's also the probability that a small urbanized  
2 area could be merged with a large urbanized area and  
3 then become a part of the large area. McKinney is  
4 expected to merge with Dallas-Fort Worth under the  
5 2000 urban criteria. And portions of Texas City;  
6 that is Dickinson, is expected to merge into the  
7 Houston urbanized area.

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

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

19           MS. CHERRINGTON: Under the state  
20 formula, remember now that Lubbock, Midland-Odessa, and  
21 McAllen are over 200,000. And there would be more in  
22 that category. Their population would be 1.999 of under  
23 the current formula. And for their purposes, the big  
24 concern is that those areas will no longer be able to  
25 use their federal money for operations after a



1 transition period under the SAFETEA-LU. So that's not  
2 so much a concern for PTAC directly or the consideration  
3 of the funding formula as a concern for the transit  
4 agencies themselves and why they ask for state funding.

5           Did you have a question, Michelle?

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

17           MR. GLEASON: Let me clarify that. We,  
18 as a result of this research that Linda is describing,  
19 the Department, we actually ran the formula with these  
20 additional small urban areas in it, and without, and  
21 then looked at the difference in terms of the  
22 allocations among everyone, and we identified that  
23 about, I want to say about 1.3 million was needed to  
24 sort of hold everyone, if you will, harmless, to use  
25 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.

1           Now, there are rural transit districts  
2 illustrated on this map that show that they are  
3 losing population. I want to emphasize to you that  
4 this was the projected. And we've been authorized  
5 by TxDOT to do some preliminary homework to look at  
6 these actual county populations and update this.

7           The southeast actually had a higher  
8 population, those counties under the final 2010  
9 numbers, than what our projections were that they  
10 not be read in our final analysis. But you'll see,  
11 still, that West Texas, Panhandle, and South Texas  
12 are the rural transit districts that see some loss  
13 in population. Although statewide, even after the  
14 new urbanized areas, we expect the rural population  
15 to increase by about 12 percent. And that's what  
16 this illustration is, and it compares projected 2010  
17 population distribution compared to the 2000 that I  
18 showed you, the previous change.

19           So you'll see the percent change in  
20 urban population is much higher. But, still, rural  
21 population increases, and you'll see the  
22 distribution between urban and rural has changed.  
23 Now urban is 31 percent and rural is 59 percent  
24 because urban is growing faster than rural.  
25 Questions? These are projected numbers. We'll continue to

1 update as the facts come out through the census.

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

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

7                   MR. GADBOIS: It did?

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

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

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

20                   The second step would be when we finally  
21 get the urban area criteria, we can do a much more  
22 methodical update to the projections, and then  
23 finally, we'll only know what we know in 2012. So  
24 we'll continue to try and keep everybody up to speed  
25 on this, but it is a projection.

1           Now, I do want to mention one thing to  
2 you. I've talked about this 2010 urban criteria.  
3 For the most part, the census proposes to use the  
4 same criteria as 2000. This sheet highlights to you  
5 a few of the more possible changes, but I really  
6 want to speak to the results of the last bullet.

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

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

22           I told you a while ago that we thought  
23 McKinney would grow into Dallas-Fort Worth. If you use more  
24 man-used data, it's possible that you'll see more urbanized  
25 areas contiguous. And if you see them contiguous, the census is

1 proposed to finding it agglomerations. My new favorite word,  
2 agglomerations, which are very common on the West Coast and  
3 the northeast, but they're new to our area. And the possible  
4 agglomeration, as a result of the census, are illustrated here.  
5 And if these agglomerations occur, then you see several  
6 urbanized areas becoming one very large urbanized area, in the  
7 case of Dallas, Fort Worth, Arlington, Denton, Lewisville,  
8 McKinney. And you see other potential.

9           And this has a major effect on the small urban transit  
10 districts that might be a part of this agglomeration. This is  
11 not known. This is to watch out for, to look at these areas, and  
12 when we get those final urban criteria in the summer, we can go  
13 through, and with our own analysis and with the help from the  
14 researchers from the State Data Center, and take a look at  
15 whether or not these, in fact, would occur.

16           I want to mention to you that the criteria in these  
17 urbanized areas are the same Metropolitan Statistical Area, MSA.  
18 And I want to point out that the Lower Rio Grand Valley is two  
19 MSAs. That means that depending on the threshold the census  
20 establishes, whether or not that the Hidalgo County urbanized  
21 area, McAllen, could be become an agglomeration with the  
22 Harlingen urbanized area, Cameron County, because they're two  
23 MSAs, there's another set of criteria to look at.

24           If they came together, they would be almost a million  
25 in population. So this is something to watch out for, and it's

1 very significant to the small urbanized areas. I want to close  
2 with one comment, and this goes back to the limited eligibility  
3 urban providers. The census, we now rely on demographic data  
4 through the American Community Survey, not the decennial census,  
5 and we do not yet have the updated ACS, American Community  
6 Survey, data for disabilities because they changed the question.

7           The probability is that the percentage of persons,  
8 people with disabilities in these urbanized areas, is going to go  
9 down, and that will effect the formula and the amount of money  
10 that might be allocated to the formula of the eligibility  
11 providers. Stay tuned. We don't know the answer to this yet  
12 either. I've already hit my highlights in the summary, so I'll  
13 just ask now if there's any specific questions that anyone has?

14                           (No response.)

15           MS. CHERRINGTON: Thank you.

16           MS. BLOOMER: Are there any questions for  
17 Linda or comments or thoughts?

18           MR. SALAZAR: As many times you've given  
19 that presentation, I've paid attention.

20           MS. CHERRINGTON: But the message needs  
21 to get out. You know, every time, there's someone else  
22 that gets the message. Because in 2000, people were  
23 surprised by the results and it threw the whole industry  
24 into an upheaval. So it is really important that  
25 everybody participate.



1 MS. BLOOMER: And I think that was an  
2 important point. We were all sort of taken off guard in  
3 2000, even though we've done this, both at the state  
4 level, and I know we've done it locally in our region.  
5 There's still so many unknowns. I think we're still  
6 going to be, to some extent, caught off guard.

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

17 MS. CHERRINGTON: By the analysis that  
18 was done by the State Data Center, there is an area that  
19 is sufficiently wide enough, that's rural, that would  
20 not be projected to be urbanized. And we went back and  
21 looked at that again specifically after we got the  
22 county level data, and it still does not appear that it  
23 would be contiguous, and it still is not sure that all  
24 those urban clusters would add to 50,000. It's still  
25 iffy.

1                   MS. BLOOMER:  And that wouldn't apply as  
2 well to be an agglomeration.  But if it became one large  
3 Dallas-Fort Worth --

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

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

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

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

24                  MS. CHERRINGTON:  Although, I would  
25 say that the urbanized area does not define the

1 organizational structure --

2                   MR. ABESON: No, I understand. But the  
3 political aspect of that --

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

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

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

13                  MR. ABESON: Across the border?

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

21                  I think where I'm coming from, and I don't  
22 know which hat I'm wearing when I say this, but I  
23 think the agglomeration idea is sort of exciting on  
24 one hand, maybe from my MPO hat, because then all  
25 the funding would come -- we break down a couple of

1 the silos.

2           But if you've got Cleburne sticking out  
3 here, then it doesn't really help. And then you  
4 have -- and I think this is where, you know, if all  
5 the metropolitan planning area funds were to funnel  
6 through one source, because currently it's multiple  
7 programs going through multiple entities.

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

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

19                   MS. BLOOMER: Right.

20                   MS. CHERRINGTON: -- because --

21                   MS. BLOOMER: On the providers' side, you  
22 lose the flexibility, and I don't know that PTAC can  
23 have a role in that, but one idea is maybe we don't try  
24 to address the federal government telling us what you  
25 can and can't spend your money on through the census

1 process; but that from an administrative standpoint, the  
2 agglomeration idea is beneficial as far as seamless  
3 service, coordinated service, and streamlining and  
4 reducing duplication and burden on the providers. But  
5 trying to address the flexibility in how we use our  
6 funding through pre-authorization of SAFETEA-LU.

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

18           Do you know if lunch is here?

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

21           MS. BLOOMER: Okay. I think the next  
22 item on our agenda is Item 7, and if it's okay with  
23 everybody if we just take a brief comfort break before  
24 we head into Item 7, and let's say we come back at  
25 11:45, ten minutes.

1 (Break.)

2 MS. BLOOMER: So lunch should be arriving  
3 in about 35, 40 minutes, hopefully no later than 1:00.  
4 So we'll go ahead and get started on Item 7, which is  
5 review and discussion of the PTAC work plan. And I  
6 think Ginnie included in our handout a copy of the work  
7 plan items.

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

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

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

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

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

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

22                   MR. ABESON: Yeah.

23                   MS. BLOOMER: And maybe what the interest  
24 of the committee is in addressing transportation  
25 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



1 as someone agrees to take the 5310 Program after that.

2 MS. BLOOMER: Okay.

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

9 What I just learned was that the total  
10 amount is over a billion dollars for the State of  
11 which 75 percent must stay within the region from  
12 which it comes for at least three calls of projects.  
13 If there's any surplus left, it then can go to a  
14 state purposes. And then the 25 percent is state  
15 purpose allocated. The Commission allocates that  
16 25 percent based on applications of those  
17 development credits. And traditionally, those  
18 development credits for public transportation have  
19 been a very handy way to fund the capital where  
20 local match was not readily available.

21 What I understand is that increasing,  
22 unfortunately, the roadside folks, are figuring out  
23 ways to use toll credits in ways they hadn't thus  
24 far. As a consequence, there will be more  
25 competition for toll credits in the future. Did I

1 leave anything out that's important?

2                   MR. GLEASON: Well, that was actually a  
3 great summary. And I think you did identify an  
4 emerging direction for the development credits, and that  
5 you are correct, that there is a lot of interest on the  
6 highway side at looking at this tool as a way of  
7 leveraging -- well, bringing down the federal program  
8 dollars, we would otherwise always bring down, but  
9 perhaps not using the state dollars as match in that  
10 case, and then potentially being able to pull the state  
11 dollars together and use those in more flexible ways.

12                   That's how it's been described to me. And  
13 I generally understand that Florida has approached  
14 it this way for some time. And so I think it's  
15 likely, I would guess that at some point over the  
16 next 12 months that there may, in fact, be a  
17 rule-making activity allowing transportation  
18 development credits perhaps to address this  
19 interest, if not already accommodated in the rules.

20                   And if that were to be the case, this  
21 committee historically has an opportunity to comment  
22 on those rules. From an organizational standpoint,  
23 it would likely be led by our finance division. But  
24 this committee has always had an opportunity to  
25 weigh in on any of those rule changes affected by

1 the credits.

2           Your summary of how they've been used --  
3 the last I heard we had about 1.7 billion. And they  
4 aren't dollars. That's the main thing that  
5 people -- in the past I think we've made a mistake  
6 of putting a dollar sign next to them as a way of  
7 communicating, but they aren't, in fact, money.  
8 They simply allow you to draw down federal program  
9 dollars without having to use actual local monies or  
10 state monies to do that.

11           But you need to be able to build  
12 everything or do everything you want to do for your  
13 project with the federal money that you get. And  
14 that's always kind of a sticking point with some as  
15 they try and grasp this concept, you know.

16           MR. GADBOIS: They have a dollar  
17 equivalency, but not a dollar value.

18           MR. GLEASON: Right. I just shy away  
19 from using dollars all together because I think it's  
20 confusing.

21           MS. BLOOMER: I think a good way to think  
22 of it is if you have \$100,000 bus, normally, when you're  
23 not using toll credits, you use 80,000 in federal money  
24 and 20,000 in local match to have \$100,000 to buy the  
25 bus. When you use toll credits, that meets the required

1 local match requirement, so you use \$100,000 in federal  
2 money to buy the bus. So it is 100 percent federal.

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

5 MS. BLOOMER: I think it's really  
6 confusing, especially when I know we did the 5310 and  
7 trying to, you know, how do you buy a bus when it's a  
8 \$100,000 bus and I only have 80,000? It still costs  
9 100,000.

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

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

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

1 what the transit providers are accessing, that percent.

2 MR. GLEASON: Right now.

3 MS. BLOOMER: Right now. Well, the  
4 75 percent is supposed to be awarded through calls,  
5 which hasn't yet happened.

6 MR. GLEASON: That's right.

7 MS. BLOOMER: And these happen at the  
8 local level for which those tolls are generated. So  
9 that would be a local process, versus the 25 percent is  
10 at a statewide level. But I think that sort of raised a  
11 little red flag. So there's increasing interest on the  
12 highway side for accessing. Is it all of it, the  
13 75 percent or the 25 percent?

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

25 And so there's not been any discussion

1 that I've been a part of of anything that would say  
2 that we should amend the existing rules in this way  
3 to allow us to do more. I think at this point in  
4 time, they would all be done under the context of  
5 project calls in the areas and seeing what could be  
6 done.

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

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

1 it was complicated as it sounds now, it is even more  
2 complicated than that.

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

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

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

25                   So there's possibly some policy areas that

1 we, as the committee, would want to look at, and  
2 then in addition to that, of course, any rule  
3 making.

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

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

16                   MR. GLEASON: There's no set process for  
17 that. The projects that request development credits  
18 from the Commission need to demonstrate how they support  
19 the goals of the Department. And then typically, what  
20 we do is, we can either -- individual agencies can  
21 either send us a letter requesting them and describing  
22 the project and describing how it needs to define its  
23 goals. And we'll go back and forth with them on the  
24 project so we understand what it's about, and we'll make  
25 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           MS. CRAIN: Is that done once a year?

11           MR. GLEASON: That's done once a year.  
12 We call for project proposals for five federal programs  
13 that the Department is responsible for administering.  
14 One is a research and planning program, intercity bus,  
15 Job Access Reverse Community, JARC, for the rural and  
16 smaller areas of the state; New Freedoms for the rural  
17 and smaller areas of the state, and, as I mentioned  
18 before, a little bit of the rural program discretionary  
19 money is also available.

20           And then we have a rural transportation  
21 assistance, or it's Rural Technical Assistance  
22 Program, RTAP we call it, which is another source  
23 of funding for studies and research and stuff like  
24 that. So all those federal programs are in  
25 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

1 haven't, as far as you know, gone out and done a  
2 discretionary --

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

5 MS. CRAIN: Okay.

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

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

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

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

24 MR. GLEASON: Probably not a lot. I  
25 think there had not been a lot of activity on the part

1 of the Department in those areas to move ahead with a  
2 call for project, which is when that kind of  
3 information -- that's one time when that kind of  
4 information might become available.

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

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

14           MR. GLEASON: That's not where the  
15 25 percent comes from.

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

18           MR. GLEASON: That's how you get your  
19 hands on development credits that are in that  
20 25 percent.

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

23           MR. GLEASON: That's correct.

24           MR. ABESON: If I'm a brand-new provider,  
25 I may not know anything about this, right?

1 MR. GLEASON: That's correct.

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

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

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

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

15 MR. ABESON: When you say what kinds --

16 MS. BLOOMER: It's not even 30,000. It's  
17 like 100, 250,000 level. It's up here. The money comes  
18 in, the 75 percent goes in the pot. It will be awarded  
19 through a competitive process. That's all it says. The  
20 25 percent will be awarded this way, eligible for  
21 capital. That's all it says.

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

25 MR. ABESON: I can't imagine why.

1 MS. CRAIN: Because it's so vague.

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

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

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

20 And right now, it's capital. But there  
21 are different understandings of what capital is and  
22 is not. To me, capital is an FTA capital eligible  
23 expense. But that's not how it's interpreted. And  
24 there are both pros and cons for interpreting it the  
25 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.

1                   MR. GLEASON:  -- you know whether we  
2 set -- the principle talking about leveraging, such and  
3 such to accomplish --

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

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

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

22                   And this is where it gets kind of murky  
23 after that.  Because in my two districts, I think  
24 it's different.  Whether or not those funds are  
25 supposed to be used for the provision of public --



1 public transportation services, if that meets the  
2 needs of elderly and persons with disabilities, or  
3 nonpublic transportation, I think is one area that  
4 has raised sort of a policy question.

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

23           I've now seen that come full circle where  
24 we're back to awarding funds under the 5310 Program  
25 to non-public providers with limited service. And

1 so I'm -- I am not sure that policy decision was  
2 ever made or communicated. I'm also concerned that  
3 now as a state, we're trying to coordinate services.  
4 And in my 16-county area, we just present funding to  
5 entities that aren't part of the regional  
6 coordination effort that now are out there providing  
7 service.

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

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

22           MR. GLEASON: This is one of the areas  
23 when I talked to you earlier about one of the objectives  
24 of having the PTCs work for the division. I talked about  
25 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,

1 pretty much Chapter 31 of the Administrative Code in  
2 there. And it may not be all in there, but I thought we  
3 had a good chunk in there.

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

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

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

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

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

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

24 MS. BLOOMER: Yes. And, I think, Eric,  
25 you made a good point, which I'm not sure it is getting

1 translated in that, you know, it is supposed to be a  
2 local consensus-building decision of how those projects  
3 are to be put forward. And the question becomes as how  
4 that is carried out in each local area, because I think  
5 just as an example, we have -- I don't know that we're  
6 unique, but we have two TxDOT districts.

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

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

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

23           And so I guess my thing is, I don't know  
24 that we need to get into what that is, but I do  
25 think the concept of conformity, or not conformity,

1 but consistency to a point that allows local  
2 flexibility to meet local needs and what that  
3 definition of, whose determining what local is, is  
4 it the five folks from the Jewish Home for the Aged  
5 and AIDS Resource of Rural Texas and Dallas  
6 Nutrition in such that we're sitting around the  
7 table saying these are our needs and we're the local  
8 people, and there's five of us and one of you, and  
9 this is what we're doing. Or is it a broader local  
10 approach?

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

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

24           MR. ABESON: Okay. I think that some of  
25 these global issues -- or what I'm hearing about 5310 is

1 it's a global set of problems. The one you just  
2 described, I think is a global in and of itself how you  
3 related to urban and small rural funding and so forth.

4           My concern, and maybe it's unique to my  
5 background in what I've been doing, is how do we get  
6 5310 money allocated in a coordinated fashion with  
7 what the federal requirements are with New Freedom  
8 and JARC? And maybe that's too simplistic. But  
9 from my perspective, given the times, that's my  
10 highest priority. And I think if we could get that  
11 straightened out, perhaps it would establish a floor  
12 from which to move on to the bigger questions. And  
13 I guess my last comment is, do we have anything  
14 documenting all this variability in this program?

15           MR. GLEASON: Well, you know, I don't  
16 want to leave members with the sense that it's, you  
17 know --

18           MR. ABESON: Chaotic.

19           MR. GLEASON: -- chaotic. Yeah.  
20 Virtually, every single county in the state, to my  
21 knowledge, benefits from this program. So we've done a  
22 good job of at least getting coverage out there from a  
23 program standpoint. And I think that there may be --  
24 you know, most of the variation may be encompassed by a  
25 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

1 understanding on what's at issue and how difficult it  
2 would be, the degree of difficulty, are we ready to move  
3 on to the next one?

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

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

10 (Lunch break.)

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

15 MR. GLEASON: A small deserted item  
16 pretty much.

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

24 MR. GLEASON: Okay. Quick overview of  
25 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.

1           Over time, we got additional clarity  
2 from the federal program side about what the feds  
3 want to see in coordination planning, and we've had  
4 quite a bit of experience just in managing, we, as a  
5 state, the 24 different levels of effort of the  
6 regions. And we have been trying to bring in sort  
7 of more of a consistency of focus for the effort in  
8 terms of what topics are covered and how it's done.

9           And there was a meeting earlier -- well, a  
10 meeting last month in Austin of the regional leads  
11 and some of their partners to talk about where this  
12 program should go next. So, you know, has the road  
13 been smooth and, you know, continuously upward the  
14 entire way? No. We've had some problems along the  
15 way.

16           I think, we, as a state, struggle a lot  
17 with just the range of diversity that exists out  
18 there in terms of how different regions are  
19 approaching it, how aggressively they're approaching  
20 it, are they using consultants, are they doing it  
21 themselves, are they hiring ability managers, is  
22 this part of another person's job that they're  
23 trying to do, you know, ten other things on?

24           You know, who's at the table from the  
25 stakeholder's standpoint, and how do we keep them at

1 the table? You know, getting them to the table is  
2 hard enough, but keeping them there is another  
3 matter all together. Different reasons, having  
4 different approaches to the needs assessment.

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

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

21           Now, you have to do a needs assessment.  
22 Now, what the needs assessment looks like, it  
23 doesn't say, specifically. Our interest as the  
24 State is that when we sit down with you or if the  
25 feds come to town and we sit down with the feds and

1 you, then when they say, Well, show us your plan and  
2 show us the needs assessment, then we're able  
3 to describe that there's a needs assessment here.

4           Now, how North Central Texas does it and  
5 wants to go about doing it, given just the  
6 complexities of this region in getting things done,  
7 you know, we need to give them the room to do it.  
8 It's my expectation it will be there in some shape,  
9 form, or fashion, but it may not be what the Lower  
10 Rio Grande Valley Development Council recognizes.

11           Sometimes we get asked for advice on how  
12 to do things, then we give advice, and then we pass  
13 that advice off to the rest of the state, and then  
14 someone looks at the advice and then it becomes  
15 direction. And we've stumbled on that a couple of  
16 times because we've tried very hard not to provide  
17 direction to everybody, but we do feel it's  
18 important to share what we consider to be best  
19 practices.

20           It's been a struggle, but I think we've  
21 made a lot of progress as a state. I think we'll  
22 see the next set of plans be quite a bit different  
23 than the first set, and hopefully with a lot more  
24 information recognized in all the work that's been  
25 done.

1           So I don't know if that's what you were  
2 looking for in terms of a summary of the process,  
3 but I tried to be fairly even handed recognizing  
4 I've got a couple of people around the table who  
5 have been very engaged in this and who have some  
6 very strong feelings about it (laughter). But it  
7 has been a real process, but we're in it for the  
8 long haul.

9           And back to you.

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

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

21           MR. GLEASON: A simplistic description of  
22 what it supposed to achieve is that -- and I'll just say  
23 it very -- I don't know what the word would be. When  
24 you look around, there are a lot of people and a lot of  
25 agencies engaged in the division of public



1 transportation services. And it doesn't seem as  
2 though -- or it just seems as though there's an  
3 opportunity when you look across all of those things for  
4 it to be done more efficiently.

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

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

20           MR. ABESON: Well, I would add to that.  
21 Not only efficiency, but effectiveness is at value here.  
22 There's a whole lot of people who aren't having access  
23 to transportation that potentially could have it if, in  
24 fact, there were coordination.

25           MR. GLEASON: So we can do more with what

1 we've got. You know, stretch the resources we have  
2 further and get more people services.

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

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

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

25                   MS. BLOOMER: And I think that's one of

1 the difficulties we've had sort of a while, maybe two  
2 years ago. There was a discussion brought together to  
3 talk about performance measures. And I really think  
4 letting each region, what the sort of more specific  
5 outcome is, is very regionally specific.

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

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

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

24           MR. GLEASON: So what would be the  
25 policy?

1                   MR. GADBOIS: In kind of response to  
2 both of these, I actually, as much as I think everybody  
3 around the table, appreciate the experimental nature of  
4 this. This is the first time we've done this, right?  
5 And I also appreciate that different regions are going  
6 to do it different, and that's kind of the nature of the  
7 experiment.

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

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

24                  And so one of the policy areas I hope you  
25 look at is what might we do a better job indicating

1 performance measures and metrics such that best  
2 practices have some real determinates?

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

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

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

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

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

25 MR. ABESON: And I'm not trying to move

1 away.

2 MS. BLOOMER: Keep us moving, Al.

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

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

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

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

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

16 MS. BLOOMER: And I'll just clarify. The  
17 5310 is not part of a coordinated call.

18 MR. ABESON: But shouldn't it be?

19 MS. BLOOMER: That's a policy question.

20 MR. ABESON: That's a policy question. I  
21 know there's a weakness here in terms of federal intent,  
22 and perhaps state intent as well. And that's a good  
23 question, but I'm not wanting to deal with that one  
24 right this second. My concern is under the word,  
25 "incentives." What if, as a policy matter, those areas

1 that submitted proposals that really presented  
2 coordinated effort of two programs, not the third, but  
3 they would get more points in the evaluation process.

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

6 MR. ABESON: Yes.

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

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

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

15 MR. ABESON: Incentivizing.

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

19 MR. GLEASON: Yes, we did.

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

23 MR. GLEASON: This is how I see that. At  
24 the end of the day, we have to be able to separate the  
25 facts.

1                   MR. GADBOIS: Right. That's where I'm  
2 going. But there's not prohibition against braiding  
3 them, tying them together, as long as you can keep them  
4 separate, strands to report back dramatically what the  
5 money was spent for. And I like Al's idea because right  
6 now, as I understand it, you know, there won't, unless  
7 y'all do it, there won't be really an application that  
8 allows you to really go after JARC for a piece of an  
9 overall project or effort, and New Freedom's on another  
10 piece, et cetera?

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

18                   But we absolutely want to try and  
19 encourage what I call sort of general service  
20 development proposals and get someone to come in and  
21 say, I want to expand service in this area, and I'm  
22 going to use -- you know, I've got employers out  
23 there, I've got folks with disabilities there, or  
24 agencies out there, or maybe I'm going to partner  
25 with an intercity bus carrier, you know.



1           Right now, I've got three programs, and  
2 I'll give you money for rural discretion if you do  
3 that, too, so you're at four already and maybe you  
4 could do a little bit of planning as a part of that  
5 and get into the fifth. So it is perhaps now as  
6 easy as if it was just one pot of money. We have to  
7 kind of be able to see the different program  
8 elements in it to the extent that we can evaluate  
9 them against the individual program quantities. But  
10 we also try to encourage that from happening.

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

17           MR. GLEASON: We talk about this all the  
18 time, and it's an imperfect process that we have. But  
19 we are very much aware of that. I ask that question all  
20 the time of Cheryl when we're looking at these things.  
21 And there's lots of opportunities for the various area  
22 program managers to get together and talk about what's  
23 going on and try and identify those kinds of situations,  
24 and we even go so far as to tell people if you just  
25 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

1 good concept of what we have going on. But going back  
2 to the coordinating call, one thing that I struggled  
3 with when we first took this on is that I worry about  
4 those people that don't have the resources available to  
5 submit an application.

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

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

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

21           MR. UNDERWOOD: And I think you also have  
22 to think on the backside of that coin. If you can't  
23 submit a project, if you're too small to really be able  
24 to submit a good project, if you were to get it awarded,  
25 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?

1                   MR. GLEASON: Do you mean from the state  
2 level? I think locally the incentives, you ought to be  
3 seeing your ability to do more with what you've got.  
4 From the state level, I mean, we have -- well, it's not  
5 an incentive at all. We have the potential at some  
6 point where we would say that you are not eligible to  
7 receive JARC or New Freedom or 5310 money because your  
8 region doesn't have an updated coordination plan.

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

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

17                   MR. GLEASON: Yes.

18                   MR. GADBOIS: -- coordinated efforts?

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

24                   MR. GADBOIS: Okay. And so that was the  
25 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

1 system and never gets to the light of day.

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

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

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

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

21           The only issue I take with the decision  
22 are the time frame in which we do them. For  
23 instance, we will start working our coordinating  
24 call projects within the next two months. We'll  
25 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 MS. BLOOMER: That might go back to our  
3 funding discussion.

4 MR. ABESON: Can we just touch on 5310 as  
5 part of the coordinated call? Obviously, there's a  
6 reaction. I want that on the table.

7 MS. BLOOMER: We can throw it out there.  
8 We'll put it on the table.

9 MR. GLEASON: Brad, I'm going to fast  
10 track here. I know that's not exactly what you meant,  
11 but --

12 MR. UNDERWOOD: I think it is the overall  
13 idea. And like I said, it might just be because I don't  
14 understand. Because I know there's the scoring process  
15 and bringing it in and getting it all in order, and I  
16 know that's a big process.

17 MR. SALAZAR: And then if you're ordering  
18 a vehicle, it takes 16 months. It turns into a 15-month  
19 process, and so I understand the process.

20 MS. MAZUR: I was going to say something.  
21 This is Cheryl Mazur for the record. What I would add  
22 to that, Brad, is it is a kind of a policy question, and  
23 we deliberately wanted to -- we talked about this in the  
24 workshops. We deliberately wanted to have allowed  
25 agencies enough time to develop their partnerships, to

1 have their big idea, meetings, and all of that.

2           So we purposely put a long time span in  
3 there, and we wanted to have what we call "shelf  
4 projects" that would be ready when the federal  
5 funding came down. The federal funding for the last  
6 couple of years has been delayed even more --

7           MR. UNDERWOOD: Sure.

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

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

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

23           MR. UNDERWOOD: Right.

24           MS. MAZUR: -- although our call goes out  
25 in July.

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

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

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

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

25                   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,"

1 I mean us and you -- well, with the situation where  
2 maybe the money, we could competitively assign this  
3 money earlier in the process, like we kind of did there,  
4 just so that the agencies at the local level, or the  
5 lead, or whatever these people that we might assign this  
6 to, would be able to access those funds more quickly to  
7 seal the deal that you're talking about.

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

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

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

21           MR. UNDERWOOD: Right.

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

1 off and then start running one year behind if we had to.

2 I don't really want to go there.

3                   MS. BLOOMER: And that gets us to the  
4 funding -- maybe it's funding in general, the formula,  
5 the discretionary transition, because I think what you  
6 just mentioned is on JARC and New Freedom, I'm  
7 interested in, can we do that on the other, like Brad  
8 said? I mean, we can't solve the federal budget issue.  
9 We can never get a federal budget back -- I mean, come  
10 on, we're at 512 somewhere. How many months through the  
11 fiscal year?

12                   And I think this is one of the biggest  
13 issues I hear for transit providers is when am I  
14 going to get my federal money. And it is nothing  
15 TxDOT can really do to change it. Is there  
16 something we can think about where there's a source  
17 of funds we can use to sort of float? And we  
18 encourage our providers to do this, and FTA is  
19 clamping down on us a little. But, you know, don't  
20 spend -- October 1 of 2010, don't expect to be  
21 spending your 2011 money because you're not  
22 realistically going to get it.

23                   So is there a way to -- you know, we're  
24 not spending 2011 JARC money now. We're going to go  
25 out for call total award 2010 money, and then that

1 way you're not waiting. Same thing with -- well,  
2 that doesn't apply, '10 and '11. So when the fiscal  
3 year starts, the money's there available to draw  
4 down.

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

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

20           MR. GLEASON: Yeah. That's done.

21           MR. UNDERWOOD: We've done that.

22           MR. GLEASON: Yeah, that's no problem.

23           MS. BLOOMER: Well, I think there's some  
24 general outreach and education that needs to happen  
25 among providers if that is eligible because they're all

1 telling me, no, I can't do that. I can only do it from  
2 this point forward, which I think would be helpful.

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

7 MS. BLOOMER: Yes.

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

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

24 Because, to me, that's the kind of  
25 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                   MR. GADBOIS: Speaking for myself only on  
4 that, I'd love to hear whether there's an agreement on  
5 this committee or not. I think as complicated as the  
6 funding formula is, generally speaking, there may be  
7 tweaking but not changes in the funding formula. As far  
8 as I can tell.

9                   Now, in response to the stability first,  
10 and again, this is my way of thinking, actually. I  
11 think that there's several levels of stability we  
12 ought to put on the table. One is the funding  
13 stream in making sure that's as stable as possible.  
14 But I also think stability -- we've been trapped,  
15 and I said this earlier, by a growing dependency on  
16 program dollars alone, and that has its own set of  
17 problems.

18                   As a consequence, stability could be  
19 achieved by diversified funding and looking at ways  
20 to diversify where transit providers are getting  
21 their monies. And so I'd like to put both of those  
22 on the table. I do like the idea of thinking about  
23 not the Commission's 10 percent so much as that  
24 extra over 20 million, over 10 percent, or over less  
25 than 10 percent, or however you'd say that.

1           That money, that 7 million, or whatever it  
2 was, look at using that as something of a reserve  
3 fund or some way to just simply bring more stability  
4 rather than simply always using it as a Band-Aid.  
5 But I think there's some systemic funding problems  
6 that we ought to at least try to deal with.

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

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

22           There's some legislation that is being  
23 talked about now dealing with these areas that will  
24 be agglomerated, that Linda talked about, and,  
25 again, absorbed as part of an area with an existing

1 large transit provider, preserving their funding,  
2 state funding, for several years until they can  
3 negotiate an agreement with that Houston Metro or  
4 DART to become part of their service area.

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

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

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

24           MR. GLEASON: What's that?

25           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

1 service provided throughout the state, leverage existing  
2 resources, utilize existing providers first. Like broad  
3 general topics as to the things we're trying to do would  
4 support these four to six things, and then take items  
5 like encourage coordination of services, and the  
6 coordinated call would be under that as with, you know,  
7 incentives to coordination, provide incentives to  
8 coordinate, and then we could come up with how we do  
9 that. But sort of the bigger picture of, what are we,  
10 really, when it gets down to, it trying to do?

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

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

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

21                   MS. BLOOMER: There's six?

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

24                   MS. BLOOMER: And I think the  
25 conversation we had on providing comment on the TxDOT

1 strategic plan, although while it helped provide the  
2 agency as a whole direction, and it could be applicable  
3 in certain cases to public transportation, that it  
4 wasn't at the level that provided enough direction,  
5 enough applicability, to public transit that we really  
6 were comfortable with how public transportation fit in  
7 and what we, as the advisory committee the to commission  
8 on public transportation, were trying to achieve through  
9 the six agency goals.

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

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

22           So trying to take the big TxDOT as an  
23 agency, which has everything from roads, bridges  
24 aviation, ferries, and we talked about public  
25 transportation and sometimes bike and pedestrian and

1 rail, and boil it down to public transportation.

2 What do we see in public transportation in Texas in  
3 25 years and what policies help get us there?

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

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

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

21 MS. BLOOMER: Thank you for reminding me  
22 because I actually flagged that. That might be a good  
23 place to start. I definitely think at a very, very high  
24 level that covers sort of what I think we can all agree  
25 we were trying to achieve.



1           And then the next step would be to sort of  
2 put some more detail to that of how. How do we  
3 improve access in a fiscally responsible manner?  
4 Given that's separated, I don't know. Improve  
5 effectiveness, improve efficiency, and then to  
6 improve cooperation and coordination.

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

10          MR. GLEASON: (Nods affirmatively.)

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

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

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

23          MR. GLEASON: The emphasis since then has  
24 been almost entirely on the performance measures that  
25 are included in the Department strategic plan. So the

1 trickle down has really been more about veering out to  
2 be able to provide performance measures that are in the  
3 plan than it has been about everyone sort of universally  
4 going out at their level and developing the strategic  
5 plans in support of them.

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

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

24           I do think it is important for this  
25 committee to reach some consensus around what you

1 think is important in terms of the direction public  
2 transportation needs to take. So it's a little  
3 different than perhaps what a formal strategic plan  
4 might look like.

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

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

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

24                   The fourth one is actually one that I  
25 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.

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

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

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

23           MR. ABESON: Why I think that's important  
24 is because if there's going to be department initiative,  
25 I mean, serious initiative, to try to accomplish the

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



1 things that you wanted to try and accomplish for public  
2 transportation in whatever you were talking about; that  
3 those might be examples of areas that you can develop  
4 statements of interest around.

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

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

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

22           MR. GLEASON: What those areas might be?

23           MS. BLOOMER: Sort of like a draft, one  
24 page, goals, guiding principles, and these are the three  
25 goals, whatever those goals are, how these things fit in

1 there. I mean, just list off like a couple items  
2 related to finance.

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

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

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

16                   MS. BLOOMER: Right.

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

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

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

1 today.

2 MS. CRAIN: Got it.

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

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

8 MS. CRAIN: Okay.

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

10 MS. CRAIN: Got it.

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

14 MS. CRAIN: Okay.

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

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

25 Because we can build a beautiful list of

1 12 or 15 or 20 items, but if we don't do them, then  
2 we should have done the business of prioritizing up  
3 front.

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

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

22                   MS. BLOOMER: I think that's the ultimate  
23 goal is to sort of have the overall framework, a little  
24 bit more detail, as far as the work plan, one year to  
25 three years, but one year doesn't seem to be enough

1 because we're already six months into this year, and  
2 then for each item get into a little bit more.

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

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

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

1 this item, and really start adding the detail at  
2 that level.

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

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

11                   MR. UNDERWOOD: Right.

12                   MR. GLEASON: So you'll have time.

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

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

23                   But the sense I'm getting from people is  
24 the notion of opening it up and fixing it to address  
25 the census stuff, and then shutting it back down



1 become part of the coordination.

2 MS. BLOOMER: Now we're back to --

3 MR. GLEASON: Get out, let's get this  
4 done. But Glenn's doing this from a totally different  
5 direction, and I respect that. He's basically saying,  
6 look, if these are our principles, if these are the  
7 things we're saying we want to make progress on, how do  
8 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



1 innovation, under that heading there could be 16 items.  
2 But the top one could be, how are we going to innovate  
3 in coordination?

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

6 MR. GADBOIS: In reality, it's a matter  
7 of managing expectations. My expectation is not to open  
8 16 different topics all at the same time. I want a  
9 manageable work plan. As a consequence, if under  
10 innovation, we decided to look at 5310 first, the only  
11 real difference is one of philosophy or approach. Are  
12 we looking at 5310 to innovate, or are we looking at  
13 5310 as a program of which one thing might be  
14 innovation?

15 MR. GLEASON: I would opt for the former.

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

18 MS. BLOOMER: Which I think gets back to,  
19 I think if we have the goals and the guiding principles  
20 and the items under that, and then, like I said,  
21 finance, there could be a number of things under  
22 finance. But we could sit down and go, okay, is finance  
23 more important over innovation? Is sustainability or --  
24 what was it, maintenance of fleet, is that more  
25 important? And start tackling it that way instead of

1 trying to open them all up.

2           Otherwise, I'm just afraid we're going to  
3 spend time a lot of time and effort and not really  
4 at the end be able to go, okay, we were able  
5 accomplish this or we were able to accomplish that.

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

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

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

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

24          But I think it gets back to that main goal  
25 of what are we trying to accomplish? Are we trying

1 to accomplish the most number of rides for the  
2 limited number of funding we have, or are we trying  
3 to make sure everybody gets service no matter what  
4 client they fit in? And so I'm having a hard  
5 time -- I don't know what's most important .

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

9 MS. CRAIN: Well -- and I was just going  
10 to say, as I look through this top list of things that  
11 we've discussed, the thing that keeps coming up to me is  
12 the word, "coordination." Whether it be through  
13 funding, whether it be through the call, whether it be  
14 through the section programs, whether it be through the  
15 TDCs, it always seems to come back to coordination.

16 And for me, at least, probably being the  
17 most uneducated person sitting on this committee,  
18 that's what I keep hearing. And to me, it's almost  
19 like the bullet topic is almost coordination, and  
20 then what are the priorities that fall under that?  
21 At least that's what I'm hearing.

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

25 MR. GLEASON: That's the implication.

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

8                   MR. GLEASON: Absolutely.

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

12                  MR. GLEASON: Well, it already has.

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

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

23                  MR. ABESON: Well, it also speaks to  
24 effectiveness and efficiency. And it also speaks to  
25 fiscally responsible.

1 MS. CRAIN: Yeah, it speaks to  
2 efficiency. Which ultimately gets you to goals, right.  
3 But coordination and cooperation, to me, seems to be the  
4 key component that puts them all together right now.

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

7 MS. CRAIN: Sure, please.

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

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

23 We, at a state level, never ask that kind  
24 of question and re-evaluate our operational  
25 assumptions at all or our operational risks or

1 obligations. As a consequence, the issue of money  
2 and innovative use of money has become all the more  
3 important to me for transportation because it really  
4 has allowed us to just ignore the obvious, that  
5 they're not good enough -- there's not enough money  
6 around to do everything.

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

12           MR. SALAZAR: And I think the question  
13 was asked earlier about the incentive coordinator, and I  
14 think Al you asked that question. And I'm not sure that  
15 we answered that properly here. Because just to use my  
16 central Texas transit, we're talking about coordinating  
17 with other systems, and we're working on that. We'll do  
18 whatever, and then when we try to coordinate with other  
19 systems, they say we cannot go out of our county.

20           We're not allowed to go out of our county.  
21 We're not allowed to, you know, do all this stuff.  
22 And I do agree with the concept of coordination, but  
23 in the real world, this isn't working.

24           MR. ABESON: Right. But isn't that the  
25 opportunity for innovation? What would cause those

1 policymakers to allow cross jurisdiction or lines for  
2 service? And maybe it is incentives. I don't know  
3 offhand. But I'm convinced that the opportunity is so  
4 good to do more with the same. And particularly, to  
5 reach the populations that are so needy that it is  
6 worthy of working on. Obviously, I'm biased. So  
7 biased, it's ridiculous.

8 MR. SALAZAR: No. And I agree with that.  
9 I really do. But my point being that --

10 MR. ABESON: They're real obstacles.

11 MR. SALAZAR: -- they're real obstacles.  
12 And also that Glenn cannot read my face and say what I  
13 meant by the 5310 Program.

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

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

24 What's the best formula to make that work?  
25 I mean, how could we still work together and

1 connect, et cetera, but still let there be local  
2 autonomy, too?

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

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

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

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

20                   MR. GADBOIS: I thought we had wrapped.  
21 I mean, I thought the agreement was that y'all were  
22 coming -- that basically, we have the three items. You  
23 may want to tweak some or suggest some. We may want to  
24 get three kind of overarching statements and that y'all  
25 were going to come back with a longer list, the longest



1 list we generated today, of the possible things we would  
2 work on.

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

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

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

20           MS. BLOOMER: Yeah.

21           MR. GLEASON: Yes.

22           MR. ABESON: In that context, is it  
23 possible perhaps based on either federal and/or state  
24 policy to operationally define public transportation  
25 affecting this efficiency, cooperation, and

1 coordination? Because as somebody pointed out earlier,  
2 in the 4310 Program, it is not just public  
3 transportation. What do we mean by public  
4 transportation? Because I'd hate for us to get bogged  
5 down in that debate as we're trying to get a real work  
6 plan.

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

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

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

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

25 MR. GADBOIS: The other options,

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

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

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

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

18 (Brief break.)

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

25 Mr. Johnson.

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

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

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

22                   MS. BLOOMER: Okay. Thank you.

23                   MS. CRAIN: Who do you work with  
24 specifically?

25                   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.)

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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

11 April, 2011.

12

13

\_\_\_\_\_  
Jenny L. Bonnes, Texas CSR  
Expiration Date: 12/31/12  
Firm Registration No. 70  
Dolores Stewart & Associates  
1701 Pennsylvania Street  
Fort Worth, Texas 76104

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