TEXAS DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION ADVISORY COMMITTEE MEETING

Room 1A.1
200 East Riverside Drive
Austin, Texas

Monday, April 16, 2012

COMMITTEE MEMBERS PRESENT IN AUSTIN:

  Michelle Bloomer, Chair
  J.R. Salazar, Vice Chair
  Al Abeson
  Glenn Gadbois
  Brad Underwood

COMMITTEE MEMBER NOT PRESENT:

  Christina Crain

STAFF:

  Eric Gleason, PTN Director
  Bobby Killebrew, PTN Deputy Director
  Kelly Kirkland, PTN
  Ginnie Mayle, PTN
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PROCEEDINGS

MS. BLOOMER: We’ll go ahead and call the meeting to order.

The second item on the agenda is approval of the minutes from the February 9, 2012 meeting. Do I have a motion to approve the minutes?

MR. Gadbois: Happy to make the motion.

MS. BLOOMER: I have a motion from Glenn. A second?

MR. UNDERWOOD: Second.

MS. BLOOMER: A second from Brad. All those in favor?

(A chorus of ayes.)

MS. BLOOMER: The motion passes.

We’re going to go ahead and skip item 3 and move down to item 6, Review of Census data regarding urbanized areas, and Kelly is going to present that.

Kelly.

MR. KIRKLAND: Good afternoon, PTAC. For the record, my name is Kelly Kirkland. I direct the Planning and Technical Support Section of the Public Transportation Division, and this afternoon I’m going to give you a quick update on some items we have from Census impacts.

Starting off, the key event here, on March 26 the U.S. Census Bureau released their urbanized area
determinations, and this is going to take impact for federal FTA funding on October 1. That will be the federal fiscal year 2013 funding. It will take effect on September 1 in terms of state transportation funds, that is, the funds that TxDOT distributes to rural areas and to small urban areas as well.

Major determinations, these are some of the things that happened from the Census Bureau. First is, of course, Galveston lost status as an urbanized area and was reclassified as an urban cluster, and therefore, is going to be considered rural by both FTA and the state, according to current statute. San Marcos is a new small urbanized area, that is, between 50- and 200,000 population. It’s the only new urbanized area we have in the state, that’s a small surprise there.

Also, there were some existing rural incorporated areas that were merged into large urbanized areas, including Georgetown, Kyle and New Braunfels. And there was an existing rural incorporated area that was merged into an existing small urbanized area, and the result was a new large urbanized area, and that was a bit of a surprise. And finally, we had some small urbanized areas that became large urbanized areas, and that was not much of a surprise in terms of Laredo, Killeen and Brownsville.
Some of the impacts on the federal funds, of course, large urbanized areas, it’s a general rule that the formula funds that large urbanized areas get from the 5307 program cannot be used for operating expenses. Now, there may be a caveat here. Typically, we’ll have congressional action that will allow a phase-in period for areas that became newly large urbanized, whether it was a small urbanized area that became large or areas that were merged into a large urbanized area and lost their rural status or their existing small urbanized status. We’ll have to see what happens from Congress on that.

And then also, of course, Galveston becoming rural, likely to see a significant reduction in their federal formula funds, moving from the 5307 to the 5311 program.

On the state side, state urban funds, we have one new urbanized areas, San Marcos, and one fewer, Galveston, so we’ll continue to have 30 areas that will be receiving state urban formula funds, so that will mean there’s a fairly small impact, relatively small impact on the urbanized side of the state funding formula.

In terms of state rural funds, depending upon what happens with Galveston, if Galveston becomes its own rural transit district, which I think the expectations are leaning in that direction, then we’ll have 39 rural...
transit districts around the state. Currently we have 38.

Of course, Galveston could decide to stay or to move into the Gulf Coast Center which currently covers the rural areas of Galveston County. In that case, we’d have 38 rural transit districts.

Of course, we have the Census impact rule change that’s happening pretty much right now in terms of special appropriation of funds to areas that have a negative impact from the Census, and we’re working on what that means exactly. And then, of course, state funds are not available for urbanized areas that contain a transit authority, and that’s going to impact Georgetown, Kyle and New Braunfels. In other words, beforehand the population and area for those three areas were counted as rural transit districts and counted in the funding formula for CARTS and for AACOG, and because they’re now part of an urbanized area containing a transit authority, state funds cannot be used in those areas, and therefore, their population land area will not be counted in the state formula, either on the rural side or the urban side.

What’s next? TxDOT will be working with impacted areas to share information. Public Transportation Division is working to determine options for the Census impact funding and what alternatives might be, and of course, our number one issue here is to support
continuation of transit services. So we’re working on that using the flexibility we have under state statute and the rules.

Now, I have some maps here, some examples of maps. Did you have any questions before I go to those maps?

MR. UNDERWOOD: Just one just to make sure I understand, Kelly. So you’ve got Galveston as a city and then you’ve got Gulf Coast as the county, and that’s been a rural and Galveston has been a small urban. Right?

MR. KIRKLAND: Well, the Galveston small urban area, the boundaries were the Galveston urbanized area boundary, as determined by Census, which is different from the Galveston city limits.

MR. UNDERWOOD: Okay.

MR. KIRKLAND: Now, they are probably fairly close, but I believe in the 2000 Census which established Galveston urbanized area, for example, included the Village of Tiki Island as part of the Galveston urbanized area. The Village of Tiki Island is now part of the Texas City urbanized area.

MR. UNDERWOOD: And so they can choose to make their own rural transit district, the City of Galveston?

MR. KIRKLAND: It would be by county boundary.

MR. UNDERWOOD: Oh, by county boundary.
MR. KIRKLAND: By county boundary. The current state statute allows creation of rural transit districts based on county boundaries, and that would include all of the non-urbanized area within that county. Galveston County, of course, includes part of the Texas City urbanized area which would not be part of a rural transit district.

MR. GADBOIS: Kelly, this presentation is not in our packet. Correct?

MR. KIRKLAND: I don’t think so, no.

MR. GADBOIS: Can we get a copy of it out?

MR. KIRKLAND: Sure, we can do that.

MR. GADBOIS: Thank you.

MS. BLOOMER: So we only have one new small urbanized area?

MR. KIRKLAND: That’s correct.

MS. BLOOMER: So how does that impact the Census impact and the amount of funding? So we should be much better off than we thought because we thought there were going to be considerably more than one.

MR. KIRKLAND: That impact is mainly on the urban side of the state formula funds. The original forecast, if we go back even just a month ago, the forecast was that we’d probably have three new small urbanized areas, and that means we’d have three more
plates at the table sharing in the formula funds, and that has a pretty significant impact. Now, because we’re having basically an exchange of one for another, we’ll have the same number of plates so it will be less of that kind of an impact on the state urban side.

On the state rural side, particularly if Galveston creates its own rural transit district where we’ll have a new plate at the table on the rural side, there will be more of an impact on the rural funds in terms of the Census impact set-aside.

MR. GLEASON: If I can. But the bottom line is that our initial look at this suggests that we will need less than we thought to address the overall impact -- on the state side only, we’re not talking about the federal side but just on the state side.

MR. KIRKLAND: That’s right.

MS. BLOOMER: And then can you go back one slide. ON the last bullet there: State funds are not available for UZAs containing transit authorities.

MR. KIRKLAND: Correct.

MS. BLOOMER: Can you sort of give me the history, has that always been the rule?

MR. KIRKLAND: No, that’s not always been the rule. It’s been some years ago, but you go way, way back and TxDOT actually used to give state funds even to
metropolitan transit authorities, the big ones. But there were some changes based upon one of the reports produced by the Comptroller’s Office when John Sharp was the comptroller, I believe it was probably Breaking the Mold, or something like that, suggesting that the state did not need to be in the business of supplying funds to transit authorities because they had many other resources, including things like a local sales tax. So at that point the statute was amended and it was subsequently recodified into the Transportation Code where it says that state funds -- let’s see, the exact wording is something like a transit district that is inside an urbanized containing a transit authority cannot receive state funds.

Now, there’s an exception for that, and that is what applies in places like Arlington and Mesquite and Grand Prairie and North Richland Hills, and it says if you’ve got a designated recipient receiving state funds during the biennium ending August 31, 1997, then they can continue to receive state funds, and there’s certain caveats about match ratios and total amount available. However, our general counsel has looked at the statute and said that that would not apply to Georgetown, Kyle or New Braunfels.

MS. BLOOMER: So we’re saying the state funds are not available for UZAs containing transit authorities,
but now we’re saying it doesn’t impact Georgetown, Kyle
and New Braunfels.

MR. KIRKLAND: I’m saying they’re not eligible
for state funds.

MS. BLOOMER: And I guess I understand the
reasoning behind not providing state funds to transit
authorities that have taxing capability, but because the
urbanized areas grow and you may take in a transit system
that is not a transit authority -- and I don’t know if
we’re the only region in the state where this is an
example -- but I imagine if it isn’t already, one day it
will be an issue where you have a transit system that
doesn’t have the power to tax, that because the urbanized
area grows, it’s now within an urbanized area where there
is a transit authority, although they are not one, and
they lose state funds because they are now within the same
urbanized area as a transit authority.

MR. KIRKLAND: I think when our general counsel
looked it, I think one of the questions was were these
areas, for example, Georgetown, was Georgetown a
designated recipient receiving state funds, and they
weren’t. They were part of a rural transit district, and
the remainder of that rural transit district still exists
and still is eligible to receive state funds. So I think
one of the issues was if the entire designated recipient
had been brought into the urbanized area, then I think we
might see a different answer.

    MS. BLOOMER: Or if Georgetown had become its
own small urbanized area, then they would be eligible for
state funds.

    MR. KIRKLAND: And met that other criteria in
terms of receiving the state funds back in the 96-97
biennium.

    MR. GLEASON: Well, no. I think what she’s
saying is if they were not included in the Austin
urbanized area, they were freestanding -- which is what we
thought they were going to be and we were surprised by the
designation to include them in.

    MR. KIRKLAND: Because then they wouldn’t be in
an urbanized area containing a transit authority in that
case.

    MS. BLOOMER: Right. It seems like an issue of
semantics that because I’m not my own urbanized area now,
I happen to be part of a larger one that just happens to
have another transit authority that has taxing capability,
I no longer can receive state funds.

    And we don’t have to discuss it here, but maybe
it’s something for when we get to the work plan and the
group tackling Principle 1 can put that on their work plan
as part of sort of financial sustainability, because to me
that seems like an odd leap, because now, just by association, I’m no longer allowed to receive funding. Nothing has really changed as far as the system or the service goes except now the arbitrary U.S. Census designation -- which even the Census Bureau says is not meant to be used by other federal entities to award funds, but FTA does -- we’re using that to sort of determine who gets state funds and who doesn’t.

MR. UNDERWOOD: And will they still receive the same level of service that they’ve been receiving in previous years.

MR. GADBOIS: Madam Chair, can I just make sure I’m clear on this now?

So this rule now in Transportation Code applies to urbanized areas, and the attorney is suggesting, or your general counsel is suggesting that they had to have been a designated recipient as an urbanized area?

MR. KIRKLAND: I don’t have all the details, because we were talking last week in telephone calls and face-to-face, and we received an email this morning with kind of a determination that’s pretty much cut and dried that they’re not eligible. I don’t have all of the background of that as to what it is. But based upon my interpretation of discussions back and forth is the fact that they were not a designated recipient in the time
period in question, the 96-97 biennium and receiving state funds as a designated recipient at that time, because that language is specifically in that exemption in the Transportation Code.

MR. GADBOIS: Okay. So your understanding is it’s coming down to general counsel’s read of what designated recipient is defined as. Because they are a recipient, they were a recipient of rural funds.

MR. KIRKLAND: Georgetown is not a recipient.

MR. GLEASON: Georgetown was not.

MR. GADBOIS: They were a recipient of rural funds.

MR. GLEASON: They were a recipient of rural service. We provided funding to the rural transit district which was CARTS. Georgetown was not a recipient.

MR. KIRKLAND: Yes, it is a semantics issue, but that’s what attorneys hang their hat on is the language.

MR. GADBOIS: Okay.

MR. ABESON: Kelly, what is the distinction between Arlington and Mesquite being eligible to receive the state funds, but Georgetown, Kyle and New Braunfels are not?

MR. KIRKLAND: I believe the distinction there is that Arlington and Grand Prairie, Mesquite and North
Richland Hills were all designated recipients of state funds and received state funds in the 96-97 biennium.

MR. ABESON: So the fact that they have that history maintains their eligibility.

MR. KIRKLAND: And the language in the statute which describes that eligibility. Exactly.

MR. GLEASON: We’ve got some very specific language in the statute which last session there was an attempt to amend that language to be more inclusive -- well, we didn’t anticipate these specific situations but other situations that were anticipated at the time -- there was an effort on the part of the association to amend the state code to be more inclusive of other areas that did not get passed. So what we have is we have some very specific legislative code that specifically calls out a subset of areas like this in the state that we have to work with, and we’d be more than happy to send you that code language and you can see it for yourself. It seems to be limiting our capacity in this situation with respect to state funds and what we may or may not be able to do with them.

MR. ABESON: That seems to be a violation of some equal protection concepts.

MR. GADBOIS: Kelly, you don’t happen to have the code citation?
MR. KIRKLAND: Texas Transportation Code, Chapter 456.006(b) is the exemption.

MR. SALAZAR: Kelly, do you happen to have the dollar figure associated with that?

MR. KIRKLAND: In other words, if they were found eligible, how much money could they get?

MR. SALAZAR: Or how much money they’re not going to get, I guess is more accurate.

MR. KIRKLAND: Well, because it’s tied in with CARTS’ and AACOG’s distributions, we’d have to figure out their portion of the population and land area, so it would be a fraction of what CARTS is getting, and I don’t have that.

MR. UNDERWOOD: Kelly, have you or Eric heard from Georgetown, Kyle and New Braunfels as far as concerns about not receiving state funds? I mean, is this a concern of theirs, are they worried about it?

MR. KIRKLAND: Well, of course, there was even a newspaper article I think the week after the Census news came out discussing CARTS service in Georgetown, understanding that the city people there were concerned about that. And we’ve also talked with some people representing some of those areas.

MR. UNDERWOOD: Okay.

MS. BLOOMER: And maybe after the meeting,
Ginnie, you can email us the presentation and then the work group that’s going to tackle Principle 1 of the work plans can look into this a little bit more and we can flag it when we open the formula up again once we get reauthorization.

   Go ahead, Kelly, on to the maps.

   MR. KIRKLAND: All right. This is kind of a preliminary map that was prepared by TTI for us showing the area south of Austin, including the area that’s newly urbanized which is the green shaded area, and then the mustard colored area on the main map is the 2000 Census urbanized area. And you can see there the city limits are in the bright lines, the red bright line is the City of Austin, the purple is City of Buda, and then the blue is City of Kyle. And you can see, of course, city limits and urbanized areas boundaries don’t match up at all, I mean, generally speaking, but there are lots and lots of exceptions to that. But this gives you an idea of how things kind of link together here.

   And some of the preliminary work that had been done, looking at particularly this area right here, some of the forecasting stated that Kyle and San Marcos together would be a small urbanized area. Instead, what happened is San Marcos became it’s own small urbanized area and Kyle was merged into Austin, so that was a bit of
a surprise, I think.

This is what happens down on the coast. You can see Texas City urbanized area has grown considerably. It’s still considered a small urbanized area. I believe the Texas City urbanized area population is about 106,000, so well under the 200,000 population limit. Galveston urban cluster which is a Census designation for an area that has urban characteristics but is less than 50,000 population, I believe the Galveston urban cluster is about 44,000 in population. And you can see just on the north end of the causeway there, there’s an area that has kind of thick black line around it, that’s the Village of Tiki Island which was merged into Texas City urbanized area so that includes that boundary, however, the jump across the causeway id not happen and that has to do with some technical reasons to how Census builds the urbanized area designation.

Well, that’s all I had today. Did you have any other questions about this?

MR. ABESON: Thank you.

MR. UNDERWOOD: That was a very good presentation.

MS. BLOOMER: Thank you, Kelly.

MR. KIRKLAND: You’re welcome.

MS. BLOOMER: We’ll go back up to number 3,
Discussion of TxDOT’s approach to multi-modal planning,
and Eric, do you want me to turn it over to you?

MR. GLEASON: Sure. This is Eric Gleason with
the Public Transportation Division.

I’d like to ask Marc Williams, our new director
of Planning, to come on up. Marc, I’m going to let you
introduce yourself to the committee. But I asked Marc to
come today to speak with the committee about his vision or
his plans for multi-modal planning here at TxDOT. Marc.

MR. WILLIAMS: Thank you, Eric, and good
afternoon. Apologize for being a little bit tardy this
afternoon, and I’m sure that Eric is going to make sure
that I’m properly chastised about that.

As Eric introduced me, my name is Marc
Williams. I am the recently named director of Planning
for the Texas Department of Transportation. I come to the
department with a background of public and private sector
experience, having worked previously in Kentucky for the
Kentucky Transportation Cabinet, and also been involved
working for several different consultants nationwide. So
that’s just a little bit of an introduction to me.

Part of the charge that I have as director of
Planning, and certainly it’s an important objective for
Phil Wilson, who is the executive director with TxDOT, is
that we set a path forward that allows TxDOT to continue
to develop a more comprehensive, holistic vision toward
how we do our transportation planning in the state.
Obviously, there’s a lot more to be addressed in that
approach than can be covered today, and we’re really in
the process right now of starting to look at how we do
that, and I certainly see this committee and all of our
modal committees that we work with at the department as
being a very essential part of how we go about improving
our multi-modal planning process and integrating in how we
set priorities, how we involve stakeholders, how we work
best with existing committees that we have within the
department and within the State of Texas.

One of the things I really do not want to see
us do as a department is replicating functions that we
already have existing in our current structure, and we
tend to, a lot of times every time we sought off on a new
venture, be it planning or modernization, we start setting
up new committees, and one of the things that our staff is
trying to do a good job at is look at what existing
committees we have and how we can best use those
committees as we go through this process of looking at
developing a more comprehensive, holistic, multi-modal
plan approach to transportation here in the State of
Texas.

I would also like to get your input on things
that you all as a committee would like to see addressed. I’m quite sure this committee has got opinions and thoughts on how we can be doing a better job of multi-modal planning within the state, and don’t want to necessarily task you all with conveying that today, but to be thinking about that as a committee and certainly working with Eric and myself, to even work one on one individually with you all as to how the committee can help shape that.

So it’s a very important task. It’s something that Phil has identified as a top priority for me in this position and for TxDOT as an agency so that in the future we will evolve into an organization that really is multi-modal in how we look at transportation planning. And understanding, too, that we as an organization can contain certain things about what we do but we also have our legislative and federal sponsors, our local organizations, the MPOs, the cities, the counties, existing entities like the rail districts and our rural transit organizations and our local public transit organizations that are all important parts of this and they all get funding a little bit differently and there is going to be some areas where we just don’t have direct input.

But that’s a little bit of a preview of what we’re working on. Certainly would look and hope to have
the opportunity to speak with this committee, like I said, one on one, and come back with a presentation later on about how we’re seeing this coming together. We are putting together a modernization task force that will be looking at how we establish performance measures and assess how we’re doing and assess projects and priorities that we put into our Statewide Long-Range Transportation Plans, and want to make sure that we’re doing an effective job of addressing all of those areas.

But with that, I would certainly be happy to entertain any questions or comments from this committee.

MS. BLOOMER: Does the committee have any questions?

MR. ABESON: Do you have any sense of a framework in which you’re going to do this planning that you can share with us?

MR. WILLIAMS: Well, one of the things -- first of all, one of the main objectives that I have is to work in the way of better communication. It’s going to start with establishing a primary point of contact or individual of responsibility in the planning arena whose main job is going to be working with each of our modes, be it transit, aviation, rail, in their planning activities -- not to dictate how they do planning but to ensure that our planning on the statewide level is coordinated with the
plans that the multi-modal groups are doing, and vice versa.

I think all entities within TxDOT would kind of acknowledge that we’ve been working in silos, and if you pull out our Statewide Long-Range Plan and you look at it, you’ve got the highway section and you’ve got the rail section and then you’ve got the transit section and the aviation section. A lot of them, the formatting doesn’t even match. And so conceptually, the first objective is to try to eliminate the silos that exist, and TxDOT has been working on this, but they still exist in some shape or form.

And so that’s the first step is improve communication and improve linkages between silos. The second step is to get input from stakeholders like yourselves and other agencies and organizations. And the third step is to then begin to come up with a common vision for how we can be more effective in our approach to multi-modal long-range planning for the state.

MR. ABESON: We worked on a strategic plan -- Eric, Michelle, you’ll have to remind me exactly when we did that, was it last year that the agency developed a strategic plan and I know we had active attempt to make it better -- let me put it that way -- and I’m wondering now, as you go forward, what’s the relationship between your
activities and that strategic plan.

MR. WILLIAMS: Was it a strategic plan out of the PTAC committee or the overall?

MR. GLEASON: No. It was the current Strategic Plan that we have, Marc, for the department, 2011 to 2015, and this group weighed in towards the end of that process and attempted to make a number of revisions, were partially successful, I think, but it’s a tough group, we always fall a little short with what they want.

MR. ABESON: But we’ll take another shot if we get it.

(General laughter.)

MR. GLEASON: It was recognized as a work in progress, so that’s where Dr. Abeson is coming with that.

MR. WILLIAMS: Right. Well, I think we want to try to build off that. Part of the goal was to establish a holistic, coordinated planning process, and we’ve been looking at that. A lot of people have had different ideas, and if you read the Strategic Plan, it talks about putting together a single coordinated planning group, and when you describe that to different people, they have different perspectives about what that means.

One of the first things I did is I came in here and I went over and visited with Eric and Bill Glavin and Dave Fulton and all of our multi-modal leads to really
understand what they do in their arenas from a planning standpoint, and each of those groups is very unique. And so the way we’re looking at it right now is kind of migrating a little bit away from what was in the strategic vision of this super planning group that might exist and looking at really allowing the multi-modal groups to continue to do planning the way they’re doing their planning because they’re so different. How rail, how aviation, how public transit approaches planning and how highways approach planning, there’s very different things that we all do that we’re not going to be able to just instantly merge together and come up with a simple fix to it. But the first step is establishing a single point of contact, a multi-modal director.

And so we’re kind of revisiting some of the Strategic Plan areas, just where it looked good on paper but we may need to give it some further thought and assessment as we go through this. We may ultimately end up there, but for right now we want to start by addressing the communication side of it as we shape this vision.

MR. ABESON: We look forward to helping you.

MR. WILLIAMS: Look forward to working with you all very much.

MS. BLOOMER: And I just want to add too, I think some of the conversation of the committee has been
in the past is sort of trying to link all the different planning efforts, the Strategic Plan, the Rural Transportation Plan, and we’ve talked about how the Rail Division has its own plan, but I don’t believe Public Transportation has a plan per se. So my question is, is that something you envision each division still continuing forward, or that your new department would sort of facilitate the development of the individual multi-modal plans, or does that still rest with each mode?

MR. WILLIAMS: Each mode has responsibilities that they need to champion and look after, and I think that’s essential. And so we don’t want to change the approach and the responsibility that our modes have to really be the primary point of focus on their particular service area, be it public transit, rail, aviation. But what we’ve got to do a better job of is to make sure that there is a common linkage between all of those groups, and so what we’ll be working on, as I’ve indicated is, first and foremost, establishing somebody within the planning arena, a position within the planning arena that’s the principal point of contact for coordination for multi-modal planning in the state, and their job is to make sure that our plans talk to each other, our plans, be it public transit, rail, highway, establish priorities that may link to the other modes, and then on the highway side that we
can look at those priorities and best understand how we can be addressing those holistically across the state.

So no, I don’t see us taking on responsibility for the individual modal plans that each group is doing, but we will have a responsibility for ensuring that those modal-specific plans are developed with other modes in mind and that our Statewide Long-Range Transportation Plan is one that captures the goals and the objectives that are set forth by our specific modal plans.

MR. GADBOIS: So if I understand -- and I’ll just repeat in my words and you can tell me I got it or not -- you’re not undoing the silos, you’re simply creating linkages between them.

MR. WILLIAMS: Right.

MR. GADBOIS: And so my understanding is you’re new to a department, and frankly, all the state departments are sort of in this boat, that’s really having to look at new ways of doing its business, and particularly because money simply isn’t there to do business the old way. Right?

MR. WILLIAMS: Right.

MR. GADBOIS: And so if you will, because we’re sort of in this business right now of trying to figure out where we’re going to focus our activities, so help me understand where you think you’re going to make the make
the most bang for your buck in your time and how we can
help with that.

MR. WILLIAMS: Well, I’ll say two things in
response to your comments. You know, money is a driving
force and an important consideration, trying to do more
with less, we hear that all the time, but I would say,
too, that there’s a certain amount of public expectation
out there that we as a department do a better job of
multi-modal planning. If you look at any of the reports
that have been issued, be it Sunset Commission reports or
strategic plans or Senate Bill 1420, they’ve all
highlighted the need for us as a department to be more
comprehensive in our plans.

MR. GADBOIS: And sorry to interrupt, but I
didn’t mean to suggest that it’s just money going down.
There’s money out there, it’s just coming in in different
streams. Right? The toll, and private investment in
infrastructure is increasing, value capture and some of
the new tools are doing well. I’m not suggesting it’s
just a matter of dwindling money and doing more with less
only, but it’s doing radically different because the money
is different.

MR. WILLIAMS: We’re having to rethink
everything that we’re doing. But regardless of the
financial constraints that we as an agency are facing, and
it’s across the nation, there’s also a public expectation that we heard, that’s been articulated to us by the Sunset Commission and the legislature and our own internal studies, our own strategic plans, that we’ve got to do a better job of linking our silos that are all planning related so it’s more comprehensive. So that’s what we’re trying to achieve.

MR. GADBOIS: Bang for the buck and where can we help.

MR. WILLIAMS: Where you all can help is to give us the specific feedback from you all as a committee on what you all feel like priorities should be as we go through this multi-modal process. What are key performance measures that you all see, not just for your own mode but -- and this is where it’s really important for us as an organization, is what are good common performance measures that we can be looking at that would go across various modes of transportation, such as average vehicle occupancy or the average passengers traveling through a particular corridor, what would be your priorities as a committee in the way of common performance measures.

I think that’s one of the first objectives we’re going to be looking at this summer is mapping out that list of performance measures and how we can begin to
integrate those into a plan, and so that’s a very important priority for us.

MR. GADBOIS: He’s singing your song.

MR. WILLIAMS: Dr. Abeson, if you’d like to sit down and talk about performance measures, I certainly would be happy to do that.

MR. ABESON: We’ll enjoy having those conversations perhaps as early as this summer.

MR. WILLIAMS: I would be glad to do that, very much so.

MS. BLOOMER: I guess just a followup question, before we get to the performance measures, is there going to be sort of a discussion about what the overall state vision is as it relates to mobility, and then linking the performance measures to that versus, I guess, the five current goals: to improve air quality, leverage the state resources, there’s a couple of others. But sort of before setting the performance measures, establishing what the overall mobility goals of the department are.

MR. WILLIAMS: Well, the department has adopted a new set of goals for statewide that was recently adopted by the commission which is addressing safety, improving connectivity between communities, and then responding to helping to reduce congestion, and I’m going to pull a Rick Perry and say there was one more and I can’t remember it
right now.

(General laughter.)

MR. GLEASON: Best in class.

MR. WILLIAMS: What’s that?

MR. GLEASON: Best in class.

MR. WILLIAMS: Best in class state agency.

Who was it, was it Santorum or whoever that was throwing out, making suggestions during the debate?

MR. GADBOIS: Ron Paul.

MR. WILLIAMS: Ron Paul, yes. Thank you, Mr. Paul over here.

(General laughter.)

MR. WILLIAMS: But, you know, those are pretty broad goals, and so there’s a lot of latitude within those to achieve that, but I think certainly the connectivity, all four of them have got elements that go across different modes. And I think from a best in class state agency, certainly doing an effective job with our multi-modal long-range plan is essential for that. Keep in mind, I think TxDOT did our first long-range transportation plan a couple of years ago that you would have to go back to the early >90s before there was a previously adopted long-range transportation plan. So it was a big step forward to actually have a plan.

I think now what we’re really seeking out to do
is to make that plan something that is looked at as a best in class, statewide, multi-modal transportation plan. I know that’s certainly the objective that Phil has set out and laid out for us to work to achieve and what we’ve got to accomplish.

MS. BLOOMER: Are there any other questions? If not, thank you, Marc, and I think, like the committee said, we’re here to help, just let us know what we can do to assist you.

MR. WILLIAMS: Appreciate your time this afternoon. Thank you all very much.

MS. BLOOMER: We’ll go ahead and move on to item 4 which is Review and comment on the TxDOT Rural Transportation Plan.

MR. GLEASON: I’ll introduce this and then ask Jonathan Brooks to come on up and make this presentation.

The department is in the process of putting together a long-range Rural Transportation Plan that is intended to complement the recently adopted Long-Range Transportation Plan. I think the conversation has been that the recently adopted Long-Range Transportation Plan needed some more details on the rural areas. And so there’s an effort going on right now to do just that, and we engaged TTI toward the end of last calendar year to help us pull together the rural transit portion of that...
plan, and we sent them out to work with each rural transit district in a consistent fashion to try and develop a consistent amount of information across all 38 rural transit districts in the state.

In the past these kinds of efforts have typically resulted in sort of a hit-and-miss from the standpoint of participation and hit-and-miss from a level of detail, and so we at least wanted to establish a basic level of detail that was consistent among all of them.

So Jonathan, why don’t I turn it over to you and you an run through quickly what you have found, and then we can talk some more.

MR. BROOKS: Excellent. Thank you, Eric. And for the record, Jonathan Brooks. I’m an assistant transportation researcher with the Texas Transportation Institute, and I work with Linda Cherrington and several co-workers you’re probably familiar with in the Transit Mobility Program. We were happy to assist TxDOT PTN to generate information in what we feel is an innovative and a very rapid way. So with that, I’ll go ahead and begin.

As you’re already aware, there are 38 currently operating rural transit districts in Texas, and they vary in size and shape and they vary in demographics, and they vary in their types of services, and so our challenge was to, with PTN, develop a process. And so what we decided
to do to reach out to these 38 operators was to pursue a course focusing around both a visioning forum to gather information and partner with that an online questionnaire, and to communicate with the districts through a series of three webinars, and each with a slightly different focus: one more on operations and the introduction to what the rural plan is probably going to include and what our goals of the effort were; and then the second one more on capital and the impact of changing your types of service over 25 years and what that may mean for facilities and other needs, vehicles; and then to summarize that.

And so that was the overview of the process, and we’ve just really recently concluded and our information, as I’m going to share with you briefly, is now in the hands of TxDOT’s consulting team, led by Delcan, and they’re drafting that plan for the TxDOT TAC as we speak.

Our work, TTI and TxDOT, we first had to generate some baseline information, and in the past this is the kind of analysis that was done for any kind of past long-term work, where you took the basic information you already have, you have records of miles and vehicles and operating expenses and you project that over time based on population change, and you have inflation information. We added to that much more thorough analysis on capital needs.
and even how operations may change, and that was the purpose of the webinars.

So you see here the product contains projections of various types of facilities, the number of them, the approximately size that an agency foresaw needing over the period, and we developed ways to apply inflation, whether it was a vehicle inflation rate or operations itself or types of facilities. They have different types of cost and different types of change over time. And technology is another big aspect that will probably play an increasing role in the effectiveness of rural transit.

So this is an overview, a little animation of the projections process. What you’re seeing is what TTI and TxDOT did prior to the webinars to generate a baseline of status quo, assuming 2011 exists until 2035 with population change, and what we did with our involvement is add to that. We added a change in what the operators saw as are they going to operate fewer or more hours each day or different days of the week, and adjusting for that. And so that changes how you change your revenue miles over time.

And these circles off to the right -- they’ll be in your packet, I hope, this diagram -- explain how we incorporated the visioning effort. We really strove to
develop a way to include practically and uniformly the response from the rural operators. And we had a varying response. We did, in the end, get a response from about three-quarters of the operators, and most of those responses were quite thorough, and so it was new level of information that TxDOT had never had, or TTI, and so this is a brand new process.

As I just already mentioned, the information we gathered we integrated into those projections and we adjusted the vehicles based on the new revenue miles we were looking at and change in facilities. We identified a way to approximate when over 25 years they’re going to build a facility based on a population change number or a change in how they see their service changing or their hours, and so at what point do you really think you’re going to need that facility. And then technology.

These next few slides are a summary of peer groups, so we took the results from the few that were non-respondents and we have existing peer groups that are already used in the state. And if you need more information, I’m sure Eric or Kelly will be happy to provide that to you.

Basically, overall the response was that the peer groups saw either really no change in their days of service, or some of the peer groups especially saw one to
two days change, and that has a lot to do with what they see as their key services in the future or markets, or really just the need. And that also related to days of the week or hours of the day.

In general, operators did say that they would like to operate, even more than days of the week, they would like to operate a bit longer hours. And this is not early A.M., usually the start early enough because of medical trip reasons or that’s what they currently do. So the vision was for staying up a bit later and making maybe some different kinds of trips possible because of that.

MR. ABESON: Could you just explain what’s a peer group?

MR. BROOKS: Good question. A peer group, they have 38 operators, there are five peer groups, and these were identified several years ago as part of a TxDOT research project that used population information, demographics, service characteristics, whether or not a rural operator was near the border or near a metropolitan area, and grouped the 38 operators. Some of the peer groups have more members than others because some have more similar characteristics. There are some more unique operators.

Again with the peer groups, if you take that days and hours change and look at it over 25 years, what
do you need on an annual basis if you look at it in terms of revenue miles to achieve that overall hours and days. And so we weren’t asking a rural operator to try to tell us what percentage each year they’re going to grow their miles. That’s a difficult question to answer, and a small percentage over time makes a big difference, and we decided to ask: Well, in terms of 2011, what was your particular service like, in 2035 what do you envision your service will be like? And then using our own means and involvement through the webinars, demonstrating to the operators and to TxDOT and to ourselves what that can mean in terms of costs.

Overall, this slide here is types of services. You have demand response which is currently and will continue to be the staple type of service, that’s the curb-to-curb, you call in advance. Medical trips are important to many operators, will continue to be. Flexible transit routes, those are fixed time stops at bus stops but the vehicle can also go fulfill some demand response type trips. There’s a lot of interest in those over time. Indeed, some rural operators already operate some routes like that. And then fixed local routes, intercity routes and commuter services. Those really come into play for certain rural operators that have a unique relationship with their region. This is the projected
service mix and this is more for informational purposes. It does not feed directly into the cost projections as the days and hours do.

All of those have an impact on what your capital needs are. If you’re an operator whose population is going to grow 30 percent and you are going to operate a few more hours a day, your service is going to increase that much more, and eventually it’s responsible planning to predict some investment in administration or dispatching capability, vehicle maintenance facilities, or if you’re going to change from operating demand response to a more fixed base system, in some areas you should at least pursue funds for some bus stops or public information, the technology to operate that different kind of service.

So these are the bullet points summarizing the capital implications of these services changes. Overall, there’s a lot of interest in increased passenger facilities. That’s directly related to the service times. And technology is seen more and more as an influential partner, especially in a rural area where trips are booked often in advance, and the more rapidly an operator can respond to a cancellation or to a change in the transportation network using navigation equipment, you’re that much more efficient, and so it’s important to stay
reasonably close to the cutting edge.

In conclusion, of course, for the long-range plan for the statewide, the Texas Rural Transportation Plan was to look at what does this look like as far as the results. And for the plan it was focusing on the capital and operating expenditure forecast. Overall, in summary, the rural population is going to continue to grow in absolute numbers, but as a portion of the state it’s going to decrease. It’s not that there’s fewer people out there, it’s just in comparison they may seem smaller. That also varies a great deal. West Texas, where from I’m from out by Amarillo, you have an absolute population drop in a lot of areas, and so what that means is you have aging in place where the population is older and it actually has more and more need inherently for rural transit. In other areas where the population is increasing absolutely and they’re near an urbanized area, well, they might need to think more creatively if they’re going to offer some commuter services. It does found.

But what we found was that in 2011 the annual revenue miles will approximately double, and that’s due to population and service change, and will be approximately 62 million miles annually, and over the period that’s about a billion revenue miles for rural transit only. That results in operating expenses changing from about
currently last year it was about $82-1/2 million to
approximately $400 million. Now, it’s not just because of
service change, that’s a lot of inflation influence there.
In fact, inflation is the primary influence. But there
is about a 2 percent annual projected increase in service
itself which impacts the cost, and about $5 billion over
the period.

And the vehicle fleet statewide to operate this
service means it will change from about 1,600 vehicles
last year to approximately 3,000. That’s, again, related
to revenue miles. If, for example, revenue miles were
more and more efficient, which you have to hope that over
time there’s incremental increase, better technology, et
cetera, that maybe that fleet won’t be quite as high but
we’ll still need some significant capital growth. So in
summary, on capital what we found is that over the period
to maintain that fleet, to replace vehicles and to add new
ones for new capacity, we will need about $645 million for
vehicle capital.

The other half of projected capital is related
to facilities, and that is operations and maintenance
about $200 million. The most significant thing to notice
is the interest in passenger facilities, and really the
question is if we’re really making service changes and we
want to be successful in them and operate at a higher
level of service for rural operators that are working with
their stakeholders and taking the projected capital needs
for passenger facilities is especially important.

Related to that are also passenger facilities.

For example, I did some totals this morning just so you
can kind of get an idea that these projections were not
just a percentage of the total, assuming the percentage is
capital, but real facilities. If I find it, I have a
sheet here -- well, I know some of the numbers offhand.
Approximately 2,000 bus stops of various types related to
the facilities, 70 or 80 transit centers. This is
throughout the state, not one operator. But our results
and what will be in the appendices of the plan, which I’ll
explain just real briefly in a second, are actual number
of facilities within approximate size, and you can see how
we developed the cost for that, it’s nothing secret or not
straightforward, but it was an innovative process.

Technology, about $83 million over the period
and that doesn’t seem like a lot of money, but that’s
looking at dispatching needs, hardware, computers,
software and online presence which will be more and more
important, online trip planning. That will also increase
the pace you can quickly book a trip, instead of calling,
book it online if you’re comfortable with that, which over
time our residents will be more and more comfortable with.
So in conclusion -- this is my last slide -- as I said earlier, TTI and TxDOT PTN have concluded their work. The information that I’ve just shared with you is in the hands of the consulting team, and in the form of this right here, about 35 pages of what we shared, the narrative with a statewide view of findings. And this also includes some look at the regional coordination plans and what we found there. And the detail when the plan is published is in this segment, and it will be in the appendices, 75 wonderful pages of descriptions, a map for each TxDOT district with a description of each rural operator that relates most to that district office, and its individual results. There’s actually a table that would show you for each rural operator how many facilities, about what size we projected and what cost per square foot and inflation rate so you can understand what the results are. The actual plan itself will be very brief, and that’s at the direction of TxDOT TAXPAYER&P.

And really, that concludes my thoughts. If you have any questions, I’ll be happy to answer them.

MS. BLOOMER: I think before we open it to questions, Ginnie, after the meeting can we get a copy of both the presentation and then the wonderful 35 pages and then the extraordinary 75 pages?

MR. BROOKS: Absolutely.
MR. GLEASON: Yes. I want to ask Marc a timetable on the plan coming together for the commission?

MR. WILLIAMS: TAXPAYER&P has got a draft of the plan that they’re circulating internally. That draft will be shared with the stakeholders that have been involved in the process here within the next -- I think it’s almost imminent that it’s coming out, they were talking to me about printing it, so very soon you’ll be getting an opportunity to see the draft plan, provide input as stakeholders. Once we address any comments, I think we’re probably looking at going to the commission for preliminary plan adoption in early summer for the draft plan, and then it will be out for formal comment, and then later in the summer, if it’s in June when we go for preliminary adoption, then it will be about August when we go for final plan adoption. So that could kind of slide a little bit, but that’s the time frame that we’re looking at.

MR. SALAZAR: I didn’t have any question, I just had a comment, being that we were one of the 38 transit districts or 39 transit districts that participated in those surveys and they were fairly simple, and thanks to TTI for kind of dummying those down for us.

MR. BROOKS: I know Eric and Kelly were both interested in this process as trying to be innovative, not
take a lot of time, because at the start of the year you have all these conferences and different reporting going on, and TTI and PTN and the operators are all doing annual data reviews, and this was forced on us right in that time, so I’m glad it was a pleasant experience, and we feel it was like a growing process. We hope the participants, not just TTI and TxDOT, really learn from it. And it’s something we may be able to repeat in the future -- just a little plug.

MR. GADBOIS: J.R., we know it isn’t dummying it down, what you really mean to say is thank God for not spending too much of my time answering questions so I can get on with the business of providing service.

So I’ve got about three questions, and Marc, maybe for you, Eric, they may be for you, or they may be for you, Jonathan.

So the first one is help me remember what’s the problem we’re solving here with this rural transit plan.

MR. GLEASON: I’ll take that one. The feeling was, Glenn, when the department completed its work on the currently adopted Statewide Long-Range Transportation Plan that it was -- I’ll use the word thin -- it was thin in level of detail for the rural areas of the state, and so the department embarked on a complementary effort to develop a long-range Rural Transportation Plan which will
complement that Statewide Long-Range Transportation Plan. So more details on all modes for the rural areas of the state.

MR. GADBOIS: Okay. And so I’ll just ask the next question directly because that doesn’t help me get to understand what I really want to get at which is why did we choose to look at systems and operations as our middle of analysis. And the thing that kind of calls this to mind for me is the assessment that we have $250 million in need for passenger facilities. I don’t have any doubt that the people that you talked to, the operators, said we think this is important and we want to see that and that’s basically the number we think in aggregate is a real number. Don’t disagree with that at all.

To the extent that I’ve looked at analysis of facilities, there is often a very big difference of opinion, though, between what passengers and users of a transit system might want and what an operator of a transit system might want. I’m not saying one is right or wrong, I’m just wondering the rationale for your level of analysis.

MR. GLEASON: Well, let me make sure I understand. Are you saying that when it comes to passenger facilities, that what users and passengers want may not be what the operating agency may think they want?
MR. GADBOIS: That may be a bad example that's losing a good argument -- it may be a bad argument too -- but I'm just using that as an example of where the two different levels of analysis will come up with two very different results. And what I'm really wondering is, because now we've got a rural plan that's working its way through and there were some intentional, I hope, choices made on what that level of analysis was to create that plan, and I'm just looking for the rationale.

MR. GLEASON: Well, I think to a certain extent I would describe this as an effort that has us crawling before we can walk, and I'll be the first to say there can be a lot more done to look at the numbers we came up with and what assumptions went into them.

You know, on the highway side what we have is quite a bit of work in these areas about the very specific highway projects. We have nothing comparable to that from a process and longevity standpoint, and so I'm looking at this as a starting point, Glenn. I very much wanted to engage the rural transit districts in this analysis, that was a choice I made, as opposed to a different group, because I wanted them to, for the first time, consistently as a group at least put down on paper what they think the future looked like. And you know, we're going to get a little more of a taste of needs when we have the next
presentation on the regional coordination plans and what’s going on there, and I’ve always felt that when we get to the end of the process we’ll have a lot more than we’ve ever had before.

And there may be a different way to slice it. I think what you’re suggesting is totally reasonable, there’s a different way to come at these issues that might result in a different answer, absolutely, but we just made some choices at this point in the process to pull from the current operating agencies what they felt the future looked like.

MR. GADBOIS: And that’s completely fair, I’m not suggesting bad or good.

MR. GLEASON: I know. Yes.

MR. GADBOIS: I’m just wanting to make sure I understand.

And so to get to the last question, I would hope that we put on our longer term calendar and agenda looking at refining this in terms of the regional coordination planning that’s going on and maybe even helping the systems to do some customer analysis to really figure out what people are wanting, and we really do start seriously and with some level of consistency supporting that building of a robust plan that at the same time treats it simply, because these guys are out providing a
key service and they don’t have much more time to take
breaths, much less anything else.

MR. ABESON: First, I’d like to endorse what
you did, Eric. I think particularly involving J.R. and
his colleagues, I think, is exactly the right thing to do.

My concern with this is I don’t think it’s a
plan. I look to Marc as a planner to really make the
fundamental statement as to whether it is. This is an
estimate of need many years down the road, not allowing
for innovation, not allowing for creativity to come into
play, not allowing, as you said, Eric, for some of the
hopefully gained benefits of regional coordination. So
for me, all this is is a very rough estimate of dollar
needs. Yes, we have capital facilities, we have
technology, but the technology really isn’t defined, we
really don’t know what’s going to happen to the market
from a financial perspective in technology, so I’m a
little concerned about calling it a plan, and at the same
time I’m concerned, again, about this, Aplan® moving
forward and you beginning to do a whole other plan. How
do these things mesh?

MR. WILLIAMS: I think Eric said it best, and
I’ll come over and join you at your podium here. TxDOT is
crawling before we walk in a lot of these areas, and
you’re absolutely right, it’s an identification of needs
and it’s a start.

MR. ABESON: It’s an estimate of need.

MR. WILLIAMS: Estimated. And the TxDOT 2035 report had hundreds of billions of dollars of worth of needs, and that’s really where we have to take the next step from a planning standpoint is beginning to establish are these needs a good assessment, and then how do we begin to prioritize those and how do we begin to mesh those with the other priorities that are shared amongst our other modes, and can we find opportunities for commonality between those things.

Don’t judge us on where we’re at today, judge us where we’re trying to go, and I think there’s a lot of things in the Rural Transportation Plan that I look at and say, Geez, could we have done this a little bit better. But recognizing that this is a start and I think that we want to articulate that in the draft document that this is a start, it’s a continued iteration of where we want to go as an agency and trust that you as stakeholders and we as our selves will hold ourselves accountable for taking the next step to improve things.

I think one of the things that I kind of try to remind people of is that we’re not as advanced as an agency yet where we’re able to take the top ten that come out of this and automatically make funding decisions out
of it, and to kind of give people a little bit of in a sense that’s good news because if it’s not the plan the way that we want it, we don’t need to be making funding decisions. But it is beginning to point us in the direction of identifying needs, and I hope that as things evolve we’re going to doing a better job of better coordinating and making a plan.

MS. BLOOMER: And just sort of to build on what Glenn and Al have both said, I think it’s a good first step, it gives us sort of something to begin the conversation, but I think one key thing it’s missing really is, again, back to the vision: What do we as the State of Texas see public transportation looking like in 25 years or in 2035? And then from the demand side, what does the service look like. Because I noticed some providers currently provide five days a week service and they’re only interested in going to six, but what we’re hearing from the customer is we want seven days a week, 24 hours a day. And that may not be reasonable, but as a state we haven’t established a vision for what that service looks like. Is it just 100 percent coverage and it doesn’t matter if it’s one day a week or 24-7, we’ve made that sort of benchmark as a state, but what are we trying to achieve. And then relating the costs to get there to come up with what that cost is, and we’ve sort of
come at it another way, but I think it’s a good first step to give us an idea of what that universe might look like.

MR. BROOKS: If I may, Madam Chair, I would agree and say that our intent was a first iteration of a rural plan there has been a lot of what are we trying to get out of this process, and the information I shared today is a very specific part of what will be in the plan for rural public transportation, but in fact, as my co-worker, Meredith Highsmith will speak about, it also includes in the same narrative about rural public transportation, discussion of the regional coordination plans and what they’re findings were and what the regions themselves identified.

And I’d like to add also that in the course of this process we did review briefly some of the plans that have been created, for example, by the Houston-Galveston Area Council with its five rural counties that are part of rural operators, and we reviewed those plans to see if they had identified facilities and we could include those. So to the extent we could, we did leverage what’s already been planned, but it is the first iteration and we hope a good start. And the public review, we have to rely on that and hope the public review is as effective as possible to provide that feedback and make sure we’re on the right path, and the next time around we can add to the
process.

MR. GADBOIS: Well, just one last, the issue of innovation, I am convincingly, with experience, getting more and more free market -- which is scary for somebody often accused of being a Communist or a Socialist --

MR. ABESON: Who might that be?

(General laughter.)

MR. GADBOIS: But what I would really love to see is -- you know, visions come and go, but to the extent that you’re showing me a way to allow folks to innovate and build off of that innovation, to learn from each other, to experiment maybe a little bit, try something a little bit new, and know whether it succeeds or fails, creating that medium or atmosphere is, in my mind, as strong as the best vision you could possibly come up with. And I really don’t see either one of those ends of the spectrum here, but I hope you get there. Thank you.

MR. UNDERWOOD: Well, one comment that I have -- and correct me if I’m wrong, Eric -- is a good thing about identifying the needs as we grow, as we stand before the legislature in the next biennium, at least we can identify that now and say this is what we’re going to need in the future, instead of standing before them and going give us more money, and they go for what, and we go, well, trust us. This at least is showing this is what we
need it for, here’s where we’re moving, and if we don’t get on some sort of path of increase, we’re not going to get there by 2035. I mean, am I correct in that assumption as well?

MR. GLEASON: I think so. I mean, this is an industry from the state perspective that has seen almost a 50 percent decline in its buying power in state funding, and these folks have still managed to expand service. Granted, there’s been some federal expansion and there’s more local revenues coming in than ever before, and what this analysis does, it assumes that everything ratchets up on an annual basis based on inflation, so that alone is a big number. So we might have our arms around what the right numbers are or close to the numbers. They’re certainly bigger than I think anyone has seen before for rural public transportation. Whether we’ve got the vision yet or how we get there yet, we’ve got a lot of work to do on that.

And I think that the next presentation will be another chunk of information for you to kind of take in, and I think after you put these two together, we’ll really have a place to start with your principles to move toward that vision or where you want to take it.

MS. BLOOMER: Thank you, Jonathan.

MR. BROOKS: Thank you.
MS. BLOOMER: Okay. We’ll go ahead and move on to agenda item number 5, Discussion on summary of regional coordination plans.

MR. GLEASON: All right. We, as you know, for the last five years, or six years actually now, the state has been funding an activity in each of the 24 regional planning areas of the state that is both state-mandated as well as federally required for several federal programs, and it’s the regional public transportation coordination planning. I think the first set of plans were done in December of 2006, they were all complete by then, and we have just completed the first complete update of all those plans, or else we’re very close to completing that, and I think we have 20 of the 24 have finished them up. And what we asked TTI to do was to look across those plans as they were completed and to try and draw from those plans commonalities and uniqueness, if you will, so that we could understand at the state level some of the general direction that we needed to go. And so I think of it as almost writing an executive summary, if you will, to the 243 plans is where we’re looking to go with this kind of information.

So, Meredith, I’ll turn it over to you and your presentation.

MS. HIGHSWORTH: Thank you.
Good afternoon. I’m Meredith Highsmith. I’m in the Transit Mobility Program at Texas Transportation Institute, and we worked with TxDOT to review the regional coordination plans, and so that’s what I’m here to talk to you about today.

Just a quick outline of what I’m going to cover, and as Eric said, it’s kind of essentially an executive summary of all the information that we found in the 20 plans. We’re going to talk about some successes, the needs assessment, challenges, best practices, trends and innovations, and some considerations for future plan updates. And you’ll note throughout the presentation I tried to capture some of the quotes in orange from the plans so that you could get the essence of what it was they were writing about.

So what were we looking for? I kind of overviewed some of this information, but we really wanted to know common themes and general approach, how did the regions approach this second round of plan updates, essentially, and what were they looking at and what did they go through when they were updating the plans.

So just a quick high level overview. By the numbers, 20 regions did submit plan updates, however, as of Friday, it is now 21, so I have another plan to review tonight. All of the regions used surveys as a tool to get
updated information, so we’ll talk about that here in a
minute and what that looked like.

Fifty percent of the regions -- and this was
our largest category -- listed lack of awareness as a
challenge and increasing public awareness as a need which
I think is very interesting considering the second round
and some of the things that they’re now beginning to
grapple with. And one of the regions listed reducing
duplicative services as a continuing need. So that kind
of tells us where we’re going here with this second round
of updates.

So the good news. There have been great
strides in the pursuit of regional coordination. As I
mentioned in the previous slide, one region listed
reducing duplicative services as a continuing need. So
the regions are really starting to talk to each other.
The agencies within the regions and the transit providers
are beginning to work and coordinate transportation for
the betterment of the region.

Within the plans there was a representation
from a myriad of agencies, so in this case we didn’t just
see the transportation providers, we saw representation
from health and human services providers, from non-
traditional partners which I’ll talk about in a minute, so
pretty much everybody kind of came to the table and they
were all involved. They definitely built on the plans from 2006, and in some cases the regions would list the challenges and the needs from the 2006 plans, and then in this recent iteration listed what they did, how they tackled that challenge. That was a really interesting facet captured in some of these plans. And then, of course, they began laying the groundwork for future coordinated efforts.

So let’s talk about some of the successes encountered from this round of plans. Many of the regions began to really outline work plans for the next round of work, and so that was a very positive thing that we encountered in several of the plans because it laid the ground for concrete work to be done in terms of coordination within the regions. Several of the regions worked very diligently at breaking down jurisdictional barriers, and again, like I said, beginning to coordinate amongst themselves with the transit in the regions.

Non-traditional partners were one of the things that we saw more often than not in these plans. There were regions that brought high level educational institutions to the table, some of the regions even brought representatives from chambers of commerce, and so they’re really looking at transit and its boost on the economy as well. So it was very interesting to see some
of the partnerships that were formed this round.

And then, of course, establishing a brand.

Many of the regions worked at really making themselves known within the community. Perhaps they were wrapping buses or coming up with a logo or even designing a website that provide easy access to information. Many of the regions worked at establishing a brand.

So next we’ll talk about the needs assessment and really get down to it. Interestingly enough, my colleague, Jonathan, already brought up a lot of the issues in his presentation, and then Glenn, of course, began to touch on some of them, so you’ll see some of these mirrored here.

So just in terms of the regions’ approach to the needs assessment, as I mentioned, all of the regions used surveys which basically meant they’re not only listening to the stakeholders in the region but also to the public. The transit need index was a new approach that we saw this round. In 2006, many of the regions did look at an analysis of data, but in this case several of the regions actually called out the transit need index specifically, and what they were looking at there. Public meetings and workshops, of course, were a way to garner information, and then some of the regions used focus groups. Interestingly, one of the regions actually used a
focus group that was targeted towards the veteran population which was a great way to get one of the underserved populations involved in regional coordination.

Just real briefly, I’m going to talk about the transit need index just to give you guys a description of what that is. It’s used to determine areas in a region with the highest need for transportation. It’s based on data, both economic and socio-demographic. It’s similar to the Census data analysis in that it does use that data. This one is just a sample transit need analysis that TTI conducted for public transit services up in North Texas, and it includes approximately ten categories of data overlaid in order to determine where the transit need lies. The highest needs are captured in red, lower needs in dark green.

So getting down to the nitty-gritty, these are the needs that were identified by regions, and I should note as a caveat here, these were the needs that were directly called out in the plans. Many of these regions listed these as issues or challenges but didn’t necessarily call it out as a need, so we actually saw these at higher levels across the regional plans, just for your information.

The top was, of course, to increase the awareness of available services, and second to that,
interestingly, was to provide more commuter and employment shuttles. We not only saw this in where you would think
would be an urbanized area but mostly in the rural areas.
We saw places that had areas that were major employers
and people wanted access to those places and how do we get
there.

Another regional need that we saw quite
frequently was to coordinate interregional trips. So here
we have our 24 regions, we’re coordinating within the
regions, but many stakeholders and the public expressed a
need to travel from within their region to another region.
So how do we go about better coordinating amongst the
regions. Now, granted, in West Texas they have kind of
formed a coalition that meets somewhat regularly to
discuss the need, but perhaps now it’s time to look at
interregional coordination across the state.

Increased span of service and affordable
transportation in rural areas, these are both things that
we saw from Jonathan’s presentation. Many of the
stakeholders, and of course, the public are basically
saying we need late night service and overnight service
for second and third shift workers, especially in rural
areas, and then weekend service. A lot of people are now
starting to get medical appointments even on Saturdays, so
how do they, again, access those.
So next we’ll talk about some of the challenges that create obstacles in addressing the needs in the regions.

MR. UNDERWOOD: Meredith, can I ask a question on that back slide there?

MS. HIGHSMITH: Go ahead.

MR. UNDERWOOD: Where the 30 percent it said increased affordable transportation in rural areas and increased rural areas, do you think some of that could even relate into number one, that it’s already there but people just don’t realize it?

MS. HIGHSMITH: Exactly, exactly. And so that was one of the things that wasn’t called out specifically, but you can read into that in the plans. Many of the regions basically said we have all these services, we’re offering them, but people don’t know about them. And so it’s kind of a vicious cycle because then ridership is not as high as they would like and maybe they have to discontinue or reduce the level of service offered.

MS. BLOOMER: And just to add, I think that’s part of it, but once you get over the knowledge of the services available, what we’ve heard a lot, too, in our 16 counties is even when the fare is relatively low, there’s still an issue of being able to afford the fare, so if the fare is $2.50 or $5 round trip. Or we’re hearing from a
lot of the health and human services folks that come to
our coordination meetings, they still can’t afford it,
their clients cannot afford the fare. And so that’s one
barrier we’re trying to figure out, how do you overcome
that when it’s already a very subsidized low fare.

MS. HIGHSWORTH: Right. Very good point.

MR. UNDERWOOD: Thank you. I didn’t mean to
interrupt.

MS. HIGHSWORTH: No, not at all. Good question.

So regional challenges. These are the top five
challenges that we encountered throughout the majority of
the plans. I will say that the top three listed on this
list were actually ones called out explicitly by the
plans, the lower two were challenges listed because we did
not find them in the plans, so there’s a differentiation
there. The top three being: coordination with medical
transportation program; interregional connectivity, as I
discussed earlier; and then just the awareness of
available services.

What was really lacking in the majority of the
plans was addressing transportation services for veterans,
specifically, and while many of the regions did call out
other under-served populations, including those with
disabilities and low income and the elderly, there was
still some it was almost as though it was assumed in some
of the plans that there were services designed for those
groups. And so it would have been nice to see more of
that just in detail in some of the plans.

MR. GADBOIS: Meredith, on the top five they’re
not ranked order. Right?

MS. HIGHSMITH: No. These are in no particular
order. Thank you.

MR. ABESON: Meredith, I’m also apologizing for
interrupting you.

MS. HIGHSMITH: No problem.

MR. ABESON: How extensive was the
transportation services for veterans challenge across all
the regions that you looked at?

MS. HIGHSMITH: I would say 18 of the 20
regions reviewed did not address transportation services
for veterans.

MR. ABESON: Eighteen of the twenty.

MS. HIGHSMITH: Correct.

And then, of course, performance measurement --
and I’ll talk about that here more in just a minute. So
in terms of performance measurement, the majority of the
regions documented goals and objectives -- which is an
important facet to have when you’re developing these
plans -- but few regions listed performance measures. In
fact, only four had actual performance measures in order
to document the progress. So it’s really important for these regions to realize that this is a necessity when developing plans and that the purpose of the measurement should be measured by all the stakeholders. And so I think it would be important for folks to understand why it’s a necessity.

And of course, performance measures need to align with the expected outcomes of the region, so if the region can highlight what the potential outcomes are from coordination, then, of course, performance measures can be developed. And then, of course, it aids in demonstrating success once the plan has been implemented. How do we know that we’ve gotten there if we don’t have performance measures?

So in this next set I’m going to talk about some best practices that we found, as well as trends and innovations. Several of these we’ve kind of touched on so I’ll try to run through them relatively quickly.

In terms of best practices identified, obviously all of the regions use surveys, so the next thing was looking at creating a transit need index and using greater data analysis to be able to determine what the needs were within the regions, public involvement, creating expanded and new services, engaging non-traditional partners. And one thing I wanted to highlight
here is that the use of surveys and engaging non-traditional partners we found went hand in hand with some of these regions. I think that some of the regions found it almost a daunting task due to lack of resources, both staff and otherwise, to undertake some of the needs assessment. And so interestingly, a few of the regions partnered with local universities and colleges and some of the classes there that could offer help, basically for free, to develop the survey and test the survey so that it could be more effective for these regions. So in that case they actually did engage non-traditional partners in the regional coordination process which was very interesting.

Just some additional best practices, a lot of the regions did do a great job of keeping goals and objectives realistic and highlighting the agencies accountable for accomplishing different tasks within the region, and as I mentioned previously, several of the regions had support from economic development representatives, and so even one of the plans had an economic development strategy as a part of their update.

Just real quickly, one of the best practices, cohabitating service. One of the examples of cohabitating service came out of West Central Texas. They basically said, well, why do we need to worry about some of these
boundaries, let’s just work and see if we can provide a truly seamless ride for our customers. And so now in West Central Texas, customers can stay on a single vehicle when crossing over service area boundaries. There are no transfer penalties, not for the customer or for the agencies involved, and services appear relatively seamless. So again, they’ve tackled that.

Another best practice, as I mentioned, 45 percent of the regions recognized the need to provide more commuter and employment services, so it’s employer-sponsored shuttles, these could be express or JARC routes for any of the regions. And one of the regions partnered with a local employer, this would be Golden Crescent. There’s a major employer in the region called Inoplast and basically employees from all over the region need to access this employer, and so they worked to develop shuttle service and the employees can now access I think it’s four or five routes from throughout the region, so over several different counties, and they have service to two different shift times and Inoplast helps pay some of the operating for that service.

Some of the trends and innovations we saw were the use of public-private partnerships for services, and I’ll talk about that here in a second, some unique planning processes. One of the regions had two different
committees basically to vet the information for the regional coordination plan update which seemed to be relatively effective because it held everybody accountable. I thought that was an interesting process.

And then specialized travel training, and I’ll get on to that here in just a second.

Just another quick couple of innovations that we found. More of the regions are using public meetings on a bus, so instead of hosting a meeting at a location that people have to get to, they are actually physically driving a bus out to folks to have a meeting. And in one case it was very successful, they had several attendees and lots of good feedback, so it was a win.

Another region hired a mobility coordinator for regional coordination, and so that would be different from a mobility manager in that this person is actually dedicated to looking at coordination within the region and bringing all of the partner together to the table to talk about it.

Yet another region worked in a public-private partnership with both Walmart and Lowe’s to be able to provide service to those areas. Especially in some of the locations where the Walmart might lie on a county line or on a state line, it’s a very effective partnership.

So just real quickly, I mentioned the
partnership with Walmart, but the wonderful thing about the public-private partnerships is that for the purposes of establishing new business ventures, it benefits both the partners and the customer, so it’s really a good business deal all the way around.

So some of the regions, I mentioned Walmart and Lowe’s, other regions worked with local colleges to develop routes and some of the local colleges paid some of the operational costs to offset those routes. So it’s very beneficial all around.

And then specialized travel training, while we all know what travel training is, one region in particular recognized a need to offer specialized travel training and that was Lower Rio Grande Valley. They had many customers in the colonias that were not aware of what services were being offered and were, in most cases, tentative because of being limited to know English being spoken, and so they targeted that as a specific project to offer travel training for the people living in colonias and are getting information out that way and are offering information flyers in Spanish for that target population.

So just in terms of future considerations, we found a few thins. One, of course, would be performance measures. Again, it’s important to relay the success of the regional plan. Marketing, communications and public
involvement techniques, and in this case the regions need to be able to consider all the demographics and geography of a region so that if different languages are spoken or if we’re working with different unique populations they need to take that into consideration. And then, of course, a detailed cost-effective service analysis is also useful in determining if the services being offered are being used to their utmost capacity.

And that is all I have for you guys today.

I’ll take any questions.

MS. BLOOMER: Thank you, Meredith.

Does the committee have any questions? Al.

MR. ABESON: What’s the dissemination plan for this report?

MS. HIGHSMITH: Eric?

MR. GLEASON: We’ll put it on our website and as broadly as we can make it. I’m not sure where you’re going with that, Al.

MR. ABESON: It’s a terrific report.

MR. GLEASON: I think it’s a great piece of work. I’m listening to it and I’m thinking it has national implications as well within this effort.

MR. ABESON: Absolutely. I would certainly concur with that, and I would hope that it gets the kind of visibility that people will look at it and say these
are things we ought to be thinking about as we move forward.

MS. HIGHSMTIH: Oh, and I should note really quickly too on that note, all of these coordinated plans are now posted on the regional service planning website if anyone would like to access them.

MS. BLOOMER: Any other questions from the committee?

(No response.)

MS. BLOOMER: Okay. Then we’ll see if Ginnie can get out a copy of the presentation to us, as well.

MR. ABESON: With our compliments for a very well done piece of work.

MS. HIGHSMTIH: Thank you.

MS. BLOOMER: It’s been almost two hours. We’ll go ahead, and if it’s okay, we’ll take a five-minute recess and come back.

(Whereupon, a brief recess was taken.)

MS. BLOOMER: We’ll go ahead and reconvene as we need to get out of here.

We’ve lost Glenn but we still have a quorum, so we’ll go ahead and move on to item 6, which is Review and discussion of the PTAC work plan. And I know you all had a chance to read it between 11:15 last night and one o’clock today. In reviewing it last night and hearing...
sort of the comments and discussions at the last meeting, I think we’re all just ready to start working and stop working on the plan to work.

So my thought was, at about 11:15 last night when I really just wanted to go to bed, was let’s just leave the work plan as is, I think we have done a lot of work on it, we can obviously spend a lot more time on it but not actually get any work done, but take the existing work plan we have, divide it into two sort of working groups, one each to address the two main principles, with the first main principle being support public transportation and then underneath there are goals and objectives and then tasks under each objective, and then Principle 2 is promote coordinated transportation.

And then a smaller subset of the group can sort of work on fine-tuning the text of the work plan as well as prioritizing within that principle the first goal, objective and tasks related to that, and so we can actually begin working.

I think, based on our past conversations, as well as the next item on the agenda, we’ve sort of identified our top three areas to focus on, with the first one being the transportation development credit item, second is regional coordination planning, and then the third is the coordinated call. So the groups may want to
So I know, and I apologize, I sent that out really late last night and most of us drove down this morning, but if anybody has any thoughts or other suggestions of how we can move on to actual work instead of planning to work, I would be open to any of those, so I will turn it over to the committee for your thoughts. And it’s basically the same work plan you saw, it was tidied up a little bit and changed from landscape to portrait, so nothing should be too shocking on there.

MR. ABESON: Madam Chair, I don’t want to have a long conversation, but can you just indicate how we got from -- I was not at the last meeting -- how you got from there to this?

MS. BLOOMER: Sure. As part of Glenn’s scoring matrix, we were each asked to score, some of us took a little longer to do that than others. I had a very difficult time ranking and scoring each item as they related to I think they’re called guiding principles. So what I had started to do is took the guiding principles and rearranged them how my mind sort of worked, and I ended up with something that looks similar to this document and then Glenn and I went back and forth and sort of tweaked it. But everything you see on here comes right off of that 1-1/2 page summary that you and Glenn had
created that we then scored off of, it’s just rearranged in different order. And we talked about last time that’s just how my mind works, and I was trying to figure out how we could use certain tasks that were included in the guiding principle document to build onto an objective which built onto a goal which got us to a bigger picture principle.

MR. ABESON: So is this list a ranking, in effect, as a result? No?

MS. BLOOMER: No.

MR. ABESON: So the ranking really went away.

MS. BLOOMER: Based on the ranking, we’ve identified the three focus areas that are within this document.

MR. ABESON: Gotcha. Okay.

MS. BLOOMER: But what I’m proposing is if folks want to, say somebody wants to work on support public transportation, then that group can talk based on the ranking and the current activities that are going on right now to determine which goal, objective and task they want to prioritize, and then come up with a specific task and a specific timeline that they would like to propose working on that.

MR. ABESON: You mentioned three items just a moment ago. One, I presume, is the first objective under
goal one, support public transportation?

    MS. BLOOMER: Support public transportation.

Then goal one would be implement an efficient, effective and sustainable public transportation system. Objective one under that is strategically leverage all available resources to maximize service provided throughout the state, and one of those tasks associated with that is transportation development credits.

    MR. ABESON: Okay. So you’re proposing that that be a priority for whoever gets to work on that?

    MS. BLOOMER: I’m just throwing that out there. They may want to make that one of the priorities since we currently have rulemaking going on related to TDCs. And that’s the next item on the agenda.

    MR. ABESON: So is it premature to make a motion, or is that even necessary, that this, in fact, become one of the items and gets highlighted and addressed?

    MS. BLOOMER: It does say action, so we can take that as an action. My thought is we would allow the group working on that principle to sort of identify with sort of the understanding that that would be one of them.

    MR. ABESON: My only angst is I want to do something besides talk about doing something.

    MS. BLOOMER: Yes.
MR. SALAZAR: And I agree with that. I think we’ve been talking about it for quite a while, and I’m just like you, Michelle, let’s pick whatever we need to pick and move on.

MR. ABESON: Kelly, Glenn and I wrote that original thing so long ago, you were a young man, I think, when we did it.

(General laughter.)

MR. ABESON: So whether it’s a motion that’s necessary or not, I’d just as soon let’s do it.

MR. UNDERWOOD: Do you want a motion to start dividing into groups between one and two?

MS. BLOOMER: Can we make it all one motion?

MR. UNDERWOOD: Sure.

MS. BLOOMER: To divide into groups and then work on those three items?

MR. ABESON: Go ahead, Brad.

MR. UNDERWOOD: Madam Chair, I move that we divide into groups of two consisting of support public transportation and promote coordinated transportation, and we start to work on the tasks involved in those groups. Is that good enough?

MR. ABESON: Second.

MS. BLOOMER: Will you take a friendly amendment?
MR. UNDERWOOD: Go ahead.

MS. BLOOMER: That the three main focus areas that we identified in the past, transportation development credits, regional coordination and the coordinated call, are sort of prioritized within those two principles.

MR. UNDERWOOD: Yes, as amended then.

MR. ABESON: And definitely accepted over here.

MS. BLOOMER: All right. All those in favor?

(A chorus of ayes.)

MS. BLOOMER: Now, sort of a second point, we have two committees. Who’s on the committees? Do we need to do that as part of the meeting agenda? Do you folks have a feeling one way or the other?

MR. UNDERWOOD: The thing about it is with TDCs, you have been actively involved in this piece and I have sort of been involved in that because I’ve attended one of those meetings, so I don’t know if it makes natural sense, because we’re kind of in that effort to kind of stay with it, and Glenn has expressed some interest as well. But I’m just throwing out ideas at this point. I don’t have to be in that, but I think Glenn probably has some strong feelings about the first one.

MR. ABESON: Everything.

MS. BLOOMER: Yes, working groups. I think that’s what my email said.
Al, do you have a feeling one way or the other?

MR. ABESON: Well, personally, I want to work on promote coordinated transportation, and I guess not seconding, but secondly, I would support what Brad just said in terms of at least the two of you, who have already been involved in the TDC business, continue.

MS. BLOOMER: And then J.R., coordinated call? And then Eric, would it be okay to sort of, since we have two members missing, get their thoughts outside of the meeting?

The one thing I did want to say, I completely understand let’s get moving, but the individual that will sort of be leading the work of the working groups will not be me, because we want to get going, and I think I’ve been the holdup on both the scoring and work plan. So I’m going to help you all get moving by getting out of the way.

But I think what I hear is myself and Brad will be on the support public transportation working group and addressing the TDCs immediately, and then Al and J.R. would be on the promote coordinated transportation working group.

MR. SALAZAR: And I’ll do coordinated call.

MS. BLOOMER: That’s under that principle, you get all of them, of which coordinated call is one of them,
and I think regional planning is also under that one. And then Glenn and Christina, we can get their feedback outside of the meeting, or would we like to volunteer them?

   MR. UNDERWOOD: Glenn was very adamant about some of the TDC stuff a while ago, and so I’m just thinking if he feels that strongly about it, it seems like he had some things to say before the recess, why not just drop him on it and we’ll put Christina on the other one. That’s what happen when you miss a meeting, you get put on working groups.

   MS. BLOOMER: Okay. Brad has nominated Glenn to be on the support public transportation working group, and Christina on the promote coordinated transportation. So I think what we’ll do is allow those working groups to sort of get together, fine tune what they’re going to do, and then come back to us. I think our next meeting is planned as a conference call in early June, last I heard. But we’ll leave it in the hands of the working groups to get working.

   MR. ABESON: Eric, I think this is for your office. Can we do conference calls, the two working groups, can we do conference calls through your office?

   MR. GLEASON: I don’t see why not. That would be fine. In fact, that’s probably a good idea.
MR. ABESON: Okay, great. So work with Ginnie on those?

MR. GLEASON: Yes. We’ll organize it. Well, let me put it this way, I’ll wait until I hear from you that you’re ready, and then we’ll organize it. Let me clear about that.

MR. ABESON: Fair enough.

MS. BLOOMER: So at our next meeting we’ll be looking at an update from the working groups and the priorities and tasks they’re working on with sort of timeline for completion, with the goal being that when we go back to the semiannual meeting in July, we’ll be able to share with the transit providers throughout the state not only our work plan but our tasks and then the timeline for completion. I think another key thing that we had talked about last time, and we had some discussion about it but it didn’t get added, and probably each working group needs to work on it, is what we’ve already done: the Census impact, the leadership seminar. I think we really need to make sure that we document what we’ve already done related to meeting some of those goals and objectives as well.

MR. ABESON: At one time there was a comment somebody made about sharing the guiding principles with that group as well. Has that happened?
MS. BLOOMER: At the January semiannual meeting I verbally shared the guiding principles, the keys, and committed to bringing back in more detail at the July meeting what exactly those were, and I was hoping to have a handout so we could actually show them, instead of saying we’re PTAC, here’s who’s on PTAC and we’re here to help you and nobody really interacts, be able to hand something out and say, okay, this is what we mean, this is what we’re working on, this is the time frame we’re working on, please let us know if we’re serving your interests.

MR. ABESON: Okay.

MS. BLOOMER: So that takes care of item 7, and we are ready to get started on work.

So right into getting started on the work, item 8 on the agenda is discussion and comment on the Transportation Development Credit Rulemaking Advisory Committee, and I did late yesterday just send out sort of a brief background for folks, so hopefully everybody could be on the same page as to what transportation development credits are -- and from now on I’m just going to call them TDCs because that’s easier -- but just to give folks an idea, as well, and I included the existing Transportation Administrative Code

So first, I guess what I’ll do is start by just
giving a summary and then kind of go over the existing rules because I think those are very important when we get into what the initial proposed changes are which I think we will have some thoughts and comments related to, but I wanted to make sure folks understood not only what’s being proposed but how that’s different from what’s already in the rules.

I think the most important thing to flag regarding the current rules is that eligible entities and eligible projects are anything that is currently eligible to be funded under Title 23 of the United States Code which is the highway section, or Chapter 53 of Title 49 which is the transportation section or public transit. And the way it’s currently set up is 75 percent of the state’s locally earned credits are awarded within the region they are earned, and in the summary it tells how toll credits are earned. But if there is a facility earning credits within a region, which is defined as an MPO, a metropolitan planning organization’s boundaries, then 75 percent of those funds stay within that MPO’s boundaries.

Currently the way it’s set up is those funds within the region would be awarded by TxDOT holding a call to competitively award the TDCs, however, there hasn’t been a call conducted to date which I think might be way
we are considering rulemaking, but to date there have been no TDCs awarded under that process.

Currently, even though it says any project under Title 23 or Chapter 53 of Title 49 is eligible, the current rules specifically state that a highway project is not eligible unless it demonstrates that the project provides direct support of a rail, transit, bicycle-pedestrian project, or improves air quality, and you’ll notice that goes away in the revised rules, or proposed revised rules. And that an air quality project is not eligible unless it demonstrates that the project is located in a current non-attainment area, and again, that goes away. So just to flag that. And concurrence would be required of the MPO.

Entities, if they were awarded funds through this call, had one year to enter into an agreement with the state to use those. Any unused credits would be returned to the discretionary pot which is the 25 percent we’ll talk about next. And after three program calls, any unused credits that were still available would also be transitioned to the discretionary pot. But again, there have been no calls issued and no funds awarded to date under the competitive method.

The second method is the discretionary process, and this is where the remaining 25 percent of locally
generated credits go, plus the non locally earned credits. And I guess I never realized before that that 25 percent was, so there’s the credits earned in a region, they only keep 75 percent and they sort of donate -- as they would like to say -- 25 to the larger statewide pot, plus there’s the non locally earned credits that go into this pot. And I didn’t realize that until the second meeting on the 29th.

But those are awarded via a competitive process or at the discretion of the commission, so the commission can determine how those funds are awarded. And they’re awarded based on the same criteria that the competitive, basically, it can’t be a roadway unless it has direct impact and it can’t be an air quality project unless it’s in a non-attainment area. For projects located within an MPO planning boundary, the commission will consider the expressed opinion, if any, of the MPO and unused credits not used within a year can be awarded to another entity. And so that’s the current and existing rules.

Under the discretionary process, public transit providers in the State of Texas have been awarded approximately $30 million since 2006, so public transit has been a beneficiary of TDCs under this section. And that was included as attachment 2.1 in the materials sent out. The majority of the TDCs were used for fleet
replacement and expansion, facility construction and rehabilitation, equipment such as tools and computer hardware and software, contract services or purchase of service, and preventative maintenance. And then that second attachment there sort of broke out by program what TDCs were used to match. Eric had provided that previously, but thought it was interesting as well, and I did share that information with the other members of the Transportation Development Credit Rulemaking Advisory Committee.

MR. UNDERWOOD: Kind of a silly question, I’m sorry. 5304 planning, it says we used a TDC award of $16,000 to match. Why would planning require match, because isn’t planning 100 percent?

MR. GLEASON: It’s an 80-20 program, the 5304 program is an 80-20 program.

MR. UNDERWOOD: Okay. I’m thinking of RTAP then would be 100 percent.

MR. GLEASON: Yes.

MR. UNDERWOOD: Okay. That’s what I fault. Thank you.

MS. BLOOMER: And Eric, I had a question too on the TDC only contracts, the 9 million in TDC only contracts, what that represented.

MR. GLEASON: Well, that would be where an
agency has gotten a source of funding, we have not awarded anything other than TDCs for that contract. So if someone has secured funding on their own from another source and the only thing that we needed to do as the department was to provide TDCs, a lot of our awards have been done in conjunction with an award of other federal program funding.

MS. BLOOMER: So if an entity got discretionary funding for, say, state of good repair, and they needed TDCs to be able to access it, you just have a contract for the TDCs.

MR. GLEASON: That’s correct.

MS. BLOOMER: Okay. So that’s where the rules currently are, and then as part of the 2012 to 2013 biennium, there was Rider 45 which basically stated that the department shall make it a priority to utilize transportation development credits as a required match in a manner that would maximize utilization of federal funds on eligible projects. Following that, the commission passed a minute order to establish the TDC Rulemaking Advisory Committee to take up this issue. It took a while for the committee to get going from that standpoint, but the committee was formed earlier this year. I laid out in the summary sort of who the seven members are and provided an attachment for the list of the membership. It’s the
three MPOs with the largest balance of TDCs, so the North Central Texas, the Capital Area and Houston-Galveston.

You nominated me to serve on the committee to serve as the Public Transportation Advisory Committee representative.

There’s a non TMA MPO representative, Norma Zamora from the City of Brownsville, a metropolitan transit provider and that representative is from VIA, and then a city that partners with the state to provide transportation projects and we have a City of El Paso representative. So you have those individuals listed there.

Now, they held the first meeting, and unfortunately, they picked the one date I was not able to attend which I believe was March 1, and my understanding of that first meeting -- and Brad, you can jump in as well -- was basically to get all the committee members on the same page as to what TDCs were, what the task was, and my understanding is they started discussing goals. I came in at the end of that discussion when they provided the list of goals, and then at the next meeting we talked about the goals that had been developed, as well as started walking through the Administrative Code and recommending changes.

So all I brought today was exactly what was provided at the last meeting. I provided some thoughts, but I really wanted to get your thoughts on where PTAC is
and where we think the public transportation industry is
so when we go back to our next meeting which is the 26th I
have a little bit more guidance on -- I tink I know where
we would like to go, but before I get too far down that
road, I want to make sure we’re all on the same page. I
also would like to get the committee’s thoughts and ideas
on how we’d like the flexibility of toll credits and the
potential use of toll credits to be reflected in the goals
and the rules.

So if there aren’t any questions on sort of the
background and the basics, we can get into the actual
goals and maybe talk about that a little bit and then we
can sort of up the Administrative Code if you want. I
just need some direction on where to go from there.

The committee is moving really quickly and so
trying to get everybody’s input and be responsive back to
the committee. My understanding is we will have revised
draft code to review for an April 26 conference call which
is next Thursday, I don’t know if that’s going to happen,
and then the commission’s first look at the goals and the
revised Administrative Code will be at their June
meetings, so this is moving really fast. I’ll just leave
it at that.

But on the goals, Brad, do you want to provide
any thoughts or comments about the first meeting and maybe
how the goals came about before we sort of open it up to responding to the goals?

    MR. UNDERWOOD: I’ll say this, at the first meeting I don’t think there was a very clear understanding amongst the members of how public transportation has utilized TDCs in the past. It was viewed as we give TDCs to buy vehicles for areas along the border that need dialysis, and it was no, that’s not quite it, we use TDCs for a whole lot more than that. In fact, most of the vehicle purchases that have been made in the last five to ten years, TDCs have been the primary matching fund, and so I think there was a little bit of education that I tried to bring forth in the first meeting of saying no, we’re using them this way and it’s not just for goal number 6, which I didn’t really understand where this came from. I think it had kind of come out of some previous language, I don’t know, Michelle, ten years ago or something that was written, and so it didn’t really make a lot of sense to me.

    So I think we both recognized that number 6 needs to be, if not scratched, very much revised and overhauled. If you want to get too much into where we think it needs to go and head, we can start going that direction. But I have said from the very beginning, I believe, that public transportation needs a set-aside
because highway projects are very large and even though
this is a very big pot right now, it won’t be in a year or
two, and I don’t want to see us lose the amount that we
have traditionally used in the past, I think it’s only
fair.

And then the other thing I believe is that we
should be able to utilize TDCs in any way that the Highway
Department is planning on utilizing them, and so if
they’re going to be using them for projects or operations
or whatever, I think we need to insert some clear language
into these goals that we receive similar treatment. I
mean, that’s what I’ve said from the very beginning.

MS. BLOOMER: Yes. And just to add on that,
the second meeting was held on March 29 and I think there
were similar issues at that meeting trying to communicate
the range of public transportation and what that entails
and that when we say public transportation in the State of
Texas and we want public transit providers to preserve the
historical use of TDCs for public transportation
providers, we aren’t necessarily referring to the large
metropolitan transit authorities. They are a public
transit provider but there are small urban and rural
providers, and that perspective seems to be a little bit
more limited in that group, and so trying to sort of
communicate the range of public transit and all the
When we were going through the Administrative Code and the use of projects, one of the individuals that is actually from the public transit side raised the concern of referring to it as projects, we only fund projects, because a lot of the things we fund on public transit side may not be a necessary project as you would think of it on the highway side, it’s service or something else.

The other issue that was communicated at the meeting that I sort of wanted to get feedback from the committee on was I raised the concern that from the public transit side my interpretation is our concern is that a single highway project or a fairly small number of highway projects could very quickly deplete the current just less than 2 billion balance of TDCs. And I was sort of told that that was not a concern, that would never happen and we didn’t need to be worried about that. I’m still very concerned about that, but if other folks are worried about that, then I’m fine to continue to take that back and carry that torch, but if nobody else is concerned about it, then I’m not going to keep raising it when I’m being told don’t worry, that’s not going to be a problem. But I don’t know, I think that might be a problem.

One of the other members mentioned that well,
once folks figure out that toll credits are the best thing since sliced bread, they’ll be using them all the time. I was like we’ve already figured out that it’s pretty cool on the public transit side and we’re spending them. So I’m a little worried that we’re going to see the balance go down, and without being able to know sort of on a consistent basis how much money or how many credits will be earned each year, that sort of exacerbates that concern I have that we could be spending them now and end up in ten years and have none, and I want to be prudent in the use of TDCs over a longer period of time.

MR. UNDERWOOD: And I think it will get competitive on the highway side. There’s going to be a lot of people going out about these projects I want to have done, and transportation sometimes tends to be pushed to the back burner, therefore, we’re not going to have any to e used for our projects, so there again it reiterates my set-aside argument.

MS. BLOOMER: And that was another issue that was brought up at the meeting, both on the 75 percent and then there’s the 25 percent. I kind of felt like at the meeting as the public transit industry I’m not sure we have a lot of say related to the 75 percent, I think we have a significant interest and input to give on the 25 percent. But one of the comments came up related to the
75 percent, part of the recommendation was that the MPOs would select the projects, well, then transit doesn’t need to worry because they’ll be included in that process. And I don’t know, I was in a very uncomfortable position to verbalize that I’m not necessarily sure that all public transit providers in the state feel that they have a seat at the table when it comes to how projects are selected in a metropolitan area.

MR. UNDERWOOD: That is correct. Even in smaller MPOs, because, for instance, in the Texoma MPO public transportation is not represented on the board, so therefore, how would we get TDC award through projects if they were to select.

MS. BLOOMER: But before we get to the code, I guess we can go back to the goals. The group came up with six goals. I think as soon as they went out, there were emails flying back and forth and phone calls being made. I don’t know if everybody has had a chance to read them, and I apologize to the folks in the audience, but goal number one is: Maximize the utilization of available federal transportation dollars, particularly in situations where federal dollars might otherwise be foregone due to lack of state or local match.

MR. ABESON: Can I interrupt? Are these in some kind of an order that would come into play when
awards are being made?

MS. BLOOMER: I do not believe they are ranked in any particular order, they are just listed, but I can clarify. But I read the first goal, thought okay, sounds reasonable. Second goal: Free up state/local funding otherwise used as federal match so that a limited number of high priority projects might be funded without federal funds, permitting them to take advantage of state environmental streamlining. Again, I read that one and thought it applies both on the highway side and the transit side, sounds reasonable.

MR. ABESON: What does state environmental streamlining mean?

MR. UNDERWOOD: Do you want to explain that, Eric?

MR. GLEASON: What does state environmental streamlining mean?

MR. ABESON: Yes.

MR. GLEASON: Well, the general idea here is to use the development credits to draw down as much as the federal formula funding as possible so that you don’t tie up state or local money in that effort. It doesn’t change the amount of federal funding that comes down, just the way you do it. And the thinking is that that would allow you to bundle up just state or just local money on
specific projects completely so the entire project was funded through state funds or local funds, and that would involve a different environmental process that might be conducive to getting a project done more quickly.

MR. ABESON: Different environmental?

MR. GLEASON: In other words, you wouldn’t need to follow the NEPA rules necessarily.

MR. ABESON: So this has nothing to do with the real world environment.

MR. GLEASON: It’s a process issue.

MR. ABESON: Gotcha. Okay. I read that all wrong.

(General laughter.)

MS. BLOOMER: And Al, maybe just an example, one thing we do in our region is our sustainable development projects are funded with local funds only because the federal requirements for, say, a sidewalk are different then local requirements, and the process is different and it takes longer, so in the end we can build projects quicker to local standards versus going through a federal process. And I think the idea is sort of consolidating all your federal funds on a project that you have to use federal funds on and meet federal requirements and those where you can take all your state money or local money and move that project faster.
The third one is: Free up state/local funding otherwise required as federal match so that a limited number of high priority projects not otherwise eligible for federal funding may be supported from state and local dollars. And this is the same idea is instead of putting federal, state and local on a project, let’s try to focus federal money here so we can free up state money to go build something that may not be eligible under a federal program.

MR. GLEASON: May I make a comment?

MS. BLOOMER: Yes.

MR. GLEASON: One, two and three are similar, they sort of all talk about the same thing. What I would describe to the committee is that historically the program has used development credits very consistent with Rider 45. What we do and what we’ve done in public transportation is it’s not so much so that local funds can be used on a high priority project or a different project, what we’ve done is we have allowed public transportation providers to use their state and local money as operating match, as much of it as possible for operating to match federal program operating dollars. We have taken development credits and used them to fund a larger portion of what would otherwise have been local or state money for capital.
So it’s on the highway side it’s conceived of a certain set of projects being funded with federal money and another project or two being funded with state money, high priority projects. What we’re doing is basically allowing the local agencies to use their local and state money to maximize service to match federal service money.

It’s not really a choice between different projects as much as it is the greater good or the greater whole is being created by not having to use these funds as match for capital, so more service.

So we’ve seen, for example, in the last six years increases in federal programs for operating. The rural program increased dramatically with SAFETEA-LU, and this approach on the department’s part has allowed as much as possible for local providers to use local and state money to match that increase. They’ve not gotten an increase in state funding, in fact, they’ve had reduced buying power because of the flatline, so all of this attempting to make sure that we can maximize service levels in the state.

And I don’t know, it seems to me that somewhere in one, two or three, the committee might want to capture that tradeoff, unless you’re comfortable with the description of high priority projects as being okay. Does that make sense?
MR. UNDERWOOD: You have that term being used over and over, projects, projects, situations, and it never really gets down to --

MR. GLEASON: I think we could make the argument that the service is a project, if we had to. But I think it might be helpful if the committee looked at in one of those three introducing that concept that we use them for.

MS. BLOOMER: We can do that up at the top or maybe down at the bottom, or in both places, as well.

The fourth one: Use TDCs as an additional tool so smooth out cash flow demands created by the variability in project lettings and expenditures. I asked them to explain that to me and they did and I understood it at the meeting, and I can’t repeat it, but it’s mainly on the highway side relating to sort of reimbursement of programs versus having the cash to pay for it.

MR. UNDERWOOD: They described it almost as like an Infrastructure Bank a little bit where you’re pulling and taking.

MS. BLOOMER: Yes.

MR. ABESON: Does it get replaced? I mean, after it’s made available for smoothing, then after that period of time that has passed, are those dollars reimbursed to the TDC fund?
MS. BLOOMER: My understanding is yes.

MR. ABESON: It’s like a loan.

MS. BLOOMER: It’s sort of used to address the cash flow, but I can ask for clarification since that one is, I believe, Mr. Morris.

MR. UNDERWOOD: And there again, I can see where from that standpoint they’re using this for almost cash flow where these TDCs will go up and down, some days we have a whole lot, some days, they’re just kind of moving constantly. It’s not like they’re being accessed once a year, this is what we have left, I mean, this is like a continual basis of using this a lot.

MS. BLOOMER: Right. And then the fifth one I’ve hashed through it, the recommendation at the second meeting was to move it into the rules itself, but it was: Use TDCs to create a small revolver fund to smooth out the cash flow needs created by the time lag in state reimbursement of MPOs responsible for the implementation of air quality projects and programs. And the concept behind this, if I can try to explain it, is that the MPOs could trade TxDOT TDC credits in lieu of sort of cash or a revolver account where those funds could be used to pay, because right now everything is on a reimbursement basis so you have to pay up front and then submit reimbursement and wait to get paid back. And the amount that we’re, I
know at the North Central Texas Council of Governments, currently revolving is in the $3- to $5 million every week as far as paying out and then waiting 30 days to get reimbursed. So the concept would be to sort of create a revolver fund where the entities wouldn’t have to bankroll that on their own.

MR. UNDERWOOD: How do you do that with TDCs, though?

MS. BLOOMER: You trade them. And then there’s also the option to be able to trade within the MPOs, so if the Capital Area MPO needed TDCs to build a project, then either the Houston-Galveston area or the DFW area could say: Sure, we’ll give you X number of our TDCs this year in exchange for X number of TDCs in the year back. So if you had a project that was ready to go and you had all your environmental clearances and you were short on cash, you could trade TDCs to get that project going if we didn’t need them, so you don’t have entities waiting to build a project because you’re piecemealing your TDCs together.

MS. BLOOMER: And then so reading through the goals they all seemed fairly reasonable and they seemed broad enough to apply to both the highway side and the public transportation side, and then I got to goal six and I went: What? Goal six says: Support use of available
Federal Transit funding for high priority transit services which might be foregone due to a lack of matching funds, particularly where such services provide a vital economic and public health lifeline to economically disadvantaged areas of the state.

Now, my understanding, the intent of this item was to acknowledge the historical use of TDCs by public transportation and place continued use of TDCs by public transportation as a high priority focus. I’m not sure that’s how everybody interpreted it. So when I raised concern about item six at the meeting, it was like: Well, we put it in there to make you happy; you’re not happy? Well, that’s what I’m hearing.

So we have been tasked, me, namely, with coming up with how would we like goal six to be reflected, or would we not like it to be reflected at all. We can, like Eric mentioned, provide recommended alternative text for any of the other goals, we can delete goal six, we can alter goal six. There was some discussion that maybe we just drop it off at funds; there was some discussion that maybe we see in addition to the four or five above goals, maintain historical use, or I can’t remember what language I put down. But I think I’m opening that up. I have been tasked with getting the transit industry’s input as to what they would like goal six to say or not say, so I’ll
open it up for direction. We can maybe think about it and
we’ll move on.

MR. ABESON: Has the Transit Association come
forth on this issue?

MR. GLEASON: I will be talking with the other
transit representatives on the TDC Committee and then next
week am at the Texas Transit Association conference at
which they have their general meeting, and I’m trying to
work with the chair of TTA to sort of get the transit
perspective. I’m thinking the transit industry to me is
PTAC, the Texas Transit Association which represents a
large number of providers in the state, as well as
individual providers who would like to provide any
thoughts or comments, and PTN.

MR. SALAZAR: And you said you got resistance
from the public transit side of it. Can you be specific
about that?

MS. BLOOMER: The other public transit
providers on the committee, again, I went into the second
meeting having missed the first one, and you know how much
I like to talk, but I felt -- I have Michael Morris
sitting here, I have Alan Clark sitting here, and I have
Mr. Bass sitting there, and then there’s me.

MR. GLEASON: Well, don’t sit there.

MR. UNDERWOOD: Change seats.
(General laughter.)

MS. BLOOMER: I tried, I kind of got surrounded. Other than me, there was not a whole lot of discussion from other transit members on the committee. And so again, I didn’t want to continue making the point that transit providers don’t mean VIA, Cap Metro, DART, the T and DCTA, because that’s who the majority of the folks at the table, when they’re talking public transportation, that’s who they’re thinking when they’re not thinking highway. So I’m glad that they’re at least thinking transit, but again, it’s a very small component of public transit in the state.

And like I said, the only other comment that came up from a transit representative on the committee was regarding the use of the word project. I saw a lot of uh-huh, uh-huh when I was talking but not a whole lot of verbal support. So I’m more than happy to go back to the April 26 meeting and sort of push whatever our thoughts and agendas and concerns are, but before I did that, I wanted to make sure I was speaking on behalf of this committee and the transit providers in the state, because I wasn’t hearing a whole lot of talk from them.

MR. ABESON: First of all, I respect your healthy paranoia, I truly do. Secondly, is there an operational definition of high priority projects? There
wasn’t that I could find in the materials you sent last
night.

   MS. BLOOMER:  No.

   MR. ABESON:  You are also recommending
amendments to the rules.  Correct?

   MS. BLOOMER:  The group is, yes.

   MR. ABESON:  Okay.  Is it possible or is it
feasible or does it make any sense to try to write a
definition of high priority projects that could then be
inserted in the rules and drop six altogether?

   MS. BLOOMER:  I think the issue with defining
high priority projects is that’s going to be very --

   MR. ABESON:  Tricky.

   MS. BLOOMER:   -- very subjective, and I think
probably why it isn’t.  And I don’t know that I want --
and I guess that’s the issue for the committee, do we want
that level of detail in the administrative code.

   MR. UNDERWOOD:  And I don’t know that we would
win when we start dividing that either because of the
people in the room.

   MR. GLEASON:  I think one of the things the
committee should discuss is in the context of a
competition, in a relatively generic definition of a high
priority project, how well would our traditional use,
projects that we have traditionally used development
credits for, replacement fleet, rural area replacement fleet, small urban fleet, how well are the numbers around those projects going to stack up against a highway project. And so I think while maybe 2035 we’ll have a level playing field that way when we look at potential to move people and things like that, but we don’t have that now. And so one thing I think the committee should consider is I think the goals should be either so general, I think, that it could be read as applying either to transit or highway. If there is a transit goal, then it needs not to limit transit in how it’s stated, would be my suggestion. Because the presence of a single goal talking about transit, some folks will think that’s it, that’s the transit goal, these other five are not. So that’s something to think about there.

I think we need to find a way to lock in, if you will, and preserve our traditional of them which have largely been for asset replacement, critical asset replacement and expansion. But again, on a scale that would be totally dwarfed by a highway program use of development credits. And so Brad mentioned earlier a set-aside. You know, in my mind, some kind of an annually replenishing fund up to a certain amount, consistent with levels of historical use plus a little more would make sense to me. Again, not trying to get into the large
metro need and the extent to which they’re able to play in the regions is different.

MR. ABESON: Do you think that a set-aside would work, that the group would accept a set-aside?

MR. GLEASON: The group?

MR. ABESON: The committee.

MR. GLEASON: I don’t know, Al, I don’t know. I do know that our needs are relatively small. I mean, if we were to have a replenishing set-aside of 10 million a year for the programs that the department administers directly, the last five years we’ve averaged 6- a year and it’s gone anywhere from 3- to 8-. And so we could throw a number out there like 10-, for example, and we could finance -- that would draw down a $50 million federal program every year that we could use for capital replacement, expansion, service if you wanted to.

MR. ABESON: Is it your sense that a dollar figure as opposed to a percentage would be better?

MR. GLEASON: I don’t know. It’s actually not a dollar number either, it’s a number. I threw a number out because sometimes that’s the easiest thing to lock in on. Percentages sometimes, depending on how big the pot is, can go up or down at any given point in time.

MR. ABESON: I’m just trying to think of what might be more acceptable to this body.
MS. BLOOMER: I think the term set-aside versus, Eric, you proposed replenishing fund, I think we might have a little more success with a replenishing fund, and you had mentioned 10 million or more, maybe it’s a percent of the annual but not less than, so we don’t sort of cap, we don’t say 10 million and then it’s a billion available that year and we’re stuck with 10 million, but it’s at a minimum 10 percent or 10 million, whatever is greater.

MR. UNDERWOOD: And I think you’ve got to define where that percent comes from because you may look at it and go well, the balance is only 100,000 right now so technically we only have to leave you 10,000. You know what I mean? You’ve got to say of the annual allotment or the average balance, something. You know what I’m saying? As that fund moves up and down, I don’t want that percentage to be moving as well, it needs to be set on the annual.

MS. BLOOMER: Right. So we sort of set the bottom, that 10 million would be the floor, but if it’s more, if 10 percent would get you more than 10 million, then it would be the 10 percent.

MR. GLEASON: The 10 million number I threw out there, we’re only looking at the traditional use to support programs that the department administers. We gave
DART, back in 2003, 12 million to draw down federal money to purchase light rail vehicles. So we have some chunks in our history that go well beyond, and one large transit need would suck up any relatively small amount we might have for the small urban and rural programs of the state. So we need to make sure when we do this we don’t necessarily communicate that that’s all transit either.

MS. BLOOMER: And that sort of leaves me with a question. Going forward, if we have the other 75 percent discretionary available that is now being selected by the MPOs, would we then look for, say, the DART request for TDCs to come out of the metro pot, or would we be considering those under the 25 percent as well. And then I heard you say, Eric, maybe we try to not only preserve the traditional or historical use but also look going forward for something above and beyond the historical use. And one of the concepts that has been thrown out in the past was to ask for an amount equal to what’s necessary to pull down the formula funds in the state.

MR. UNDERWOOD: And the other thing I think about too, like in the DART situation, could we even make some sort of reference to if DART wants that money or someone that’s part of a larger MPO, the first preference is to access the 75 percent, don’t come straight to the 25 percent pot, let’s go to this one first, and if you’re
rejected there. And that’s kind of tough to write in a
goal, you do this first and then you do this next, but I
think that should be the overall idea of you need to
access the larger pot first, if it’s not available there,
then come down to the smaller one.

And I don’t agree with the 25 percent pot being
regulated by an MPO choice either, I think that still
needs to come back and be part of -- or the set-aside
needs to be part of the discretion of PTN like it has in
the past.

MS. BLOOMER: Yes. And that’s currently the
way it is

MR. UNDERWOOD: Good. Okay.

MS. BLOOMER: Going forward, the 75 percent,
the locally earned credits, it’s changing from TxDOT
issues a call -- the proposed change -- and the commission
awards the funds to something similar to the commission
allocates, based on a formula, those credits to each
region. That region is responsible for conducting the
call using its regional process criteria, so project
selection would be at the regional level and then the
commission would concur. And that’s similar to how
projects are awarded now under the Congestion Mitigation
Air Quality Program and Surface Transportation Program
Metropolitan Mobility where the region selects the
projects, goes through its normal public involvement process, takes them to their policy board to approve, and then the commission sort of concurs yes, and then move forward, versus before it was the commission would select the projects based on a commission-generated call.

MR. UNDERWOOD: Well, the only areas earning TDCs are Dallas, Houston, Austin, San Antonio -- no, not San Antonio? Dallas, Houston, Austin, that’s it?

MR. KILLEBREW: For the record, Bobby Killebrew, deputy director of Public Transportation.

There’s some border bridge crossings that are also toll bridges and so forth, but you named the big ones, you named the biggies right there.

And what I’d like to offer, because I think some of the conversations you’re having, I didn’t want to interrupt, but going back to this talking about projects, and Lord knows, I’ve been around on the TDC front since we first started using them so I’ve got the whip is on my back for transit being the first one out of the box. A perspective that’s always been very helpful to me, on the highway projects, TDCs are used more like a method of finance, they’re not an award to a project, they’re a method of finance, and if you think about it in those terms that makes it a little bit easier. On the transit side we use it more like money towards a project which is
a little bit different. We award TDCs to a project, on the highway side they’re doing the project no matter what, they just use it as a way to be able to finance the project. So you don’t normally see these projects going before the commission on a highway side saying this project is going to have 100,000 TDCs in it, it’s we’re going to build this overpass, Finance Division, you go and figure out how we’re going to pay for it.

So when you’re looking at those cash flow things on those goals and you’re looking at those other things that you’re talking about, that’s what is meant, if we don’t have enough money in the bank to pay the vendors, then what we’ll do is we’ll just make it 100 percent federal funds to build this overpass and we’ll put some TDCs towards it. That helps out with our cash balance real easy. On the transit side we award them to a specific project, we’re going to give J.R. some money so he can go buy a vehicle and be able to give him some TDCs to match that money so he can go buy the vehicle.

So that’s kind of a different perspective on that. They come at it from a method of finance perspective which may make more sense as you’re talking to these people and you’re sitting around the table and you’re going I’m the only transit person, all these other guys are doing these highway projects.
Same thing with the MPOs selecting the projects, they may go down that road as well saying this is a method of finance and so we’re going to update our local TIP on how we’re going to pay for these projects, how we’re going to draw down the money, not necessarily controlling it. Like Eric said, we let our operators, they have to use their capital match money to provide service for operational, and so we supplant that money with TDCs so they can buy vehicles -- fewer vehicles, I might add, because it’s less money, but again, we don’t use it necessarily as a method of finance.

And I just thought that was a good perspective to let you know because you’re in that room with those other guys, James Bass and Michael Morris and Alan Clark.

MS. BLOOMER: The definitely helps on the financing.

So I need some guidance on what we would like to do related to the goals. I’m torn between we delete item six and let goals one through five stand. I’m also torn between if we leave goal six, even revised, I think we need to make it clear that goals one through five also apply so folks don’t think that just goal six is related to public transportation.

MR. GLEASON: Are you looking, Michelle, for a sense of the committee, or are you looking for individual
committee members to let you know what they’re thinking? And that option can continue after this meeting, for example, if you want folks to think about this and send you their individual thoughts, you could describe that in this meeting and that could proceed to happen. If you’re looking for an action by the committee, it probably needs to be formulated here, unless it’s a very general sense.

MS. BLOOMER: I think we’re going to have to go with the latter, one, due to time, and two, due to the fact that it’s a discussion and comment, we didn’t get it changed to -- oh, it does say action.

MR. GLEASON: We did that so you could take action if you wanted to.

MS. BLOOMER: Okay.

MR. UNDERWOOD: Is this something, though, because you and Glenn and I are working on TDCs specifically, as far as if we get the consensus, could we rewrite this goal six and maybe insert some things here? I mean, wouldn’t we have more time to kind of blow it back and forth to one another? But I definitely want us to be on a quick time frame because this is moving very rapidly.

MS. BLOOMER: Yes. So I think maybe the better option for moving forward was to sort of ask the committee to provide either Brad or myself thoughts related to goal six, as well as the proposed revised rules between now and
say maybe the end of next week at the latest, and as part of our working group related to Principle 1, Brad, myself and Glenn will draft revised text for the rules and any comments we want to send forth as part of the next meeting related to the Administrative Code revisions and share those with everybody to provide individual feedback before the next official meeting.

MR. UNDERWOOD: That’s on the 26th?

MS. BLOOMER: That’s currently when it’s scheduled. Again, we are supposed to have sort of revised -- you’ll notice in the revised rules that I sent out, there are just a lot of insert language here related to. My understanding is the representative from general counsel is going to take the comments and thoughts from the meeting and develop actual text for the revised goals and provide that to the committee members in advance of the meeting. We don’t have that yet so I don’t know if the meeting on the 26th is going to happen or not. But I would be more than happy to share anything we have at that time. I was initially given till the end of the month to come up with our thoughts.

MR. UNDERWOOD: I’m just thinking we could even work on -- because you talked about presenting this at the TTA conference as well, you and I both will be there, we might could even work some on the wording in McAllen.
MR. GLEASON: And certainly when they’re going -- they’re currently scheduled to go to commission in June as proposed rules, and the practice we have is that this committee would look at those before that June meeting, and then again at the end of the formal review period you’d have another shot. But I think this is the time to have the largest impact before we get into that process.

MS. BLOOMER: And my impression, the intent of the members is to come to a consensus that everybody is happy with, so when we do get to the commission in June, we’re all fairly comfortable with what’s being presented, and that’s not the opportunity everybody in the transit industry takes to provide their comments, that hopefully we can do a little work. But again, if we’re not able to get there or the rules aren’t reflective of our needs or desires, then that’s obviously at the June meeting or when it comes back again for approval. But my hope, and I think what Michael Morris and James Bass are sort of tasking me with was: Well, go and find out what we can do because we thought goal six was making everybody in the industry happy, but apparently we were wrong so please tell us what we can do either with the goals or the Administrative Code.

So we’ll go ahead and let folks just take some
time to think about that, review the existing rules, the proposed rules, the goals, and then get any comments you have as soon as possible to either myself or Brad, and then we’ll get something back to you after we go to TTA to share and see what we come back with.

Yes, Al.

MR. ABESON: The use of these dollars is not only when they would be foregone to a lack of state or local match. Correct? The way that first goal reads is that’s not the only circumstance. Is that right?

MS. BLOOMER: Correct. And they aren’t actual dollars, they’re credits that have no real monetary value except the fact that they serve in place of the required local match. So if a transit provider wants to buy a $100,000 vehicle, 80 percent is federal and 20 percent is local and that is provided in cash match because the vehicle costs $100,000. If you use transportation development credits to meet the local match requirement, that vehicle still costs you $100,000, so now the federal amount is $100,000 and the local amount is zero because TDCs fulfill the local match requirement.

And I think that first goal is in the instance that Eric mentioned, we’ve historically used these when transit providers in the past have received discretionary funds either to build a maintenance facility or something
and they didn’t have the local cash match to be able to draw down those federal funds, and so we’ve used TDCs in lieu of returning the federal money to Washington to be reprogrammed.

MR. UNDERWOOD: But how do you prove that? And here’s why I say that, you say, well, you’ve got $200,000 in state funding this year, use that. You go: Oh, I’m using that for service. Well, then you could use it for this if you wanted to, so technically you don’t qualify for TDCs. Do you know where I’m going? I think there’s a slippery slope there.

MS. BLOOMER: Yes. And I think that gets back to the question of how much we as a committee want to recommend gets included in the Administrative Code as to how and when and why TDCs are awarded on the transit side versus not included in the Code but maybe as part of a policy direction that this committee helps form related to PTN’s use of TDCs.

MR. UNDERWOOD: Right.

MR. ABESON: Well, my final comment, for the moment at least, would be that if somehow that very first goal could be altered to reflect the historic use of these funds, and I don’t know whether these would be the words, as Eric said, asset replacement and expansion, or fool with those words. Once it’s in that goal, at least that
would set a floor, and then if there were another goal that tried to get at the set-aside or earmark, that would be just icing on the cake, and you also could give up the second but you’d at least have the first. Just for thought, just for the sub-group’s -- you’re not a committee -- the sub-group’s consideration.

MS. BLOOMER: Working group.

MR. ABESON: Working group’s consideration.

MS. BLOOMER: We will take that under consideration.

Eric, do you want to give the director’s report for item 9?

MR. GLEASON: Sure. I’ll make it short.

Commission action coming up, this month in April we have just a single minute order to award development credits to Abilene for some fleet. And then it kind of depends on whether or not and what we hear from FTA on apportionments for the balance of this fiscal year. SAFETEA-LU authorization has been extended for 90 days, and we’ve not heard yet whether or not FTA plans to release additional apportionments based on that or not, and as soon as we do, we will let you know. But our next big round of commission action is largely shaped by those decisions, so May could either be a very busy month, May or June could be very busy with lots of federal money being awarded, or
at least some federal money being awarded, or it may be a relatively small time frame for us. We’ll definitely go ahead and award state fund for fiscal year >13 in June, and I’ll keep you posted on the federal side. But this is typically a pretty big time of year for us in terms of awarding money, but it is dependent upon the feds.

And that concludes my report.

MS. BLOOMER: And I just have one question for the committee. At the March 29 meeting the commission did approve the revised rules related to the Census impact.

MR. GLEASON: Yes.

MS. BLOOMER: And the date was changed and our comments were included. But I did just want to ask Eric, so that is now adopted. When do we anticipate those funds being awarded to the transit providers?

MR. GLEASON: The first time those new rules will be used will be in conjunction with awarding state fiscal year >13 funds which is scheduled for June.

MS. BLOOMER: Okay. That takes care of item 9. Item 10, public comment. I guess our public comment sheets have disappeared. Does anybody in the audience want to make a public comment?

(No response.)

MS. BLOOMER: We appreciate the audience for coming and staying. This is probably one of our longer
PTAC meetings, so thank you for picking this one.

Hearing no public comment, I think we’ll skip item 11, confirm date of next meeting. I think Ginnie was currently looking at June 6 and 7, but I’m sure she’ll shoot us an email when she’s narrowed that down.

MR. UNDERWOOD: Just one thing on that, Madam Chair, in case we need to get together again to approve something on this TDC language or goal or whatever, we might should think about meeting, if even by phone, in May. I want to make sure that we’re in front of the 8-ball on this and this isn’t going to commission in June without our comment or approval.

MS. BLOOMER: Okay. We can keep that in mind. Seeing no further items, can I have a motion to adjourn?

MR. SALAZAR: So moved.

MS. BLOOMER: Second?

MR. ABESON: Second.

MS. BLOOMER: All those in favor?

(A chorus of ayes.)

MS. BLOOMER: Thank you.

(Whereupon, at 4:09 p.m., the meeting was concluded.)
CERTIFICATE

MEETING OF: Public Transportation Advisory Committee
LOCATION: Austin, Texas
DATE: April 16, 2012

I do hereby certify that the foregoing pages, numbers 1 through 121, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Transportation.

04/30/2012
(Transcriber) (Date)

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