TEXAS DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION ADVISORY COMMITTEE

MEETING

Room 323
Building 6
3712 Jackson Avenue
Austin, Texas

Tuesday,
May 28, 2013

COMMITTEE MEMBERS PRESENT IN AUSTIN:

Michelle Bloomer, Chair
J.R. Salazar, Vice Chair
Glenn Gadbois
Rob Stephens
Brad Underwood

COMMITTEE MEMBER PRESENT BY TELEPHONE:

Al Abeson

COMMITTEE MEMBER NOT PRESENT:

Christina Crain

STAFF:

Eric Gleason, PTN Director
Bobby Killebrew, PTN Deputy Director
Kelly Kirkland, PTN

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PROCEEDINGS

MS. BLOOMER: The clock on the phone says 1:01, so we'll go ahead and call this meeting to order so we can knock it out and get out of here, back on the road.

Good morning. Here in Austin we have Glenn, Brad, J.R. and myself, Michelle. Who do we have on the phone?

DR. ABESON: Al Abeson.

MS. BLOOMER: Al Abeson. Do we have Christina?

(No response.)

MS. BLOOMER: Al, can you say your name again?

DR. ABESON: Al Abeson.

MS. BLOOMER: Just want to make sure the court reporter can hear you.

All right. If that is everybody, we'll go ahead and move on to item 2 which is approval of the minutes from the March 19, 2013 meeting. Are there any comments or questions regarding the meeting minutes?

(No response.)

MS. BLOOMER: Hearing none, do I have a motion for approval?

MR. SALAZAR: This is J.R. I move to approve.

MS. BLOOMER: I have a motion, and do I have a second?

MR. UNDERWOOD: Second.
DR. ABESON: Al Abeson.

MS. BLOOMER: Brad beat you to it Al, so we have a motion and a second. We'll go around. Glenn?

MR. GADBOIS: Aye.

MS. BLOOMER: Brad?

MR. UNDERWOOD: Aye.

MS. BLOOMER: J.R.?

MR. SALAZAR: Aye.

MS. BLOOMER: Al?

DR. ABESON: Aye.

MS. BLOOMER: And Michelle, aye. The minutes pass unanimously.

Item 3, I believe we were going to move right past so we could get on to the main discussion for today which is item 4.

MR. GADBOIS: We're just changing order, we're still going to get to that?

MS. BLOOMER: No. Eric doesn't have a report today, so we're skipping item 3 and moving on to item 4: Discussion and comment on potential rulemaking necessary to implement MAP-21. So that is the focus of the meeting today, and I believe, Bobby, you were going to sort of give us -- am I putting you on the spot?

MR. KILLEBREW: No.

MS. BLOOMER: A big overview of where we've
been since the last meeting, and then we'll start digging
into the details.

MR. KILLEBREW: Absolutely. Bobby Killebrew, deputy director of the Public Transportation Division here at TxDOT. And welcome to everyone. And hi, Al, glad you're on the phone with us today.

Where we've been since the last time this committee met, we have been busy. I'm going to back up just a little bit, I'm going to go back to the month of January just to kind of refresh your memories, maybe, on what happened in January. January was a busy month in regards to --

MR. GADBOIS: Al, can you hear Bobby?

DR. ABESON: I'm not sure. Bobby, say something again. I was disconnected for a moment.

MR. KILLEBREW: Okay. Glad you could join us, Al. Are you still there?

DR. ABESON: Yes. I'm okay and I can hear you, Bobby.

MR. KILLEBREW: Fantastic. So I was going back to the month of January because January was a busy time for this committee and for TxDOT. We started looking at MAP-21 and what we needed to change in the Texas Administrative Code to gear our policies and processes to match what was passed recently. And so in January we had
lots of phone calls and webinars, we did reach out on a
couple of occasions to the transit communities, we had a
semiannual meeting here in Austin -- we have that twice a
year -- and we had a big discussion at the semiannual
meeting.

The next day following the semiannual meeting
we had some workshops to dig even deeper into five of the
programs. As you'll remember, we had five programs that
we kind of picked out as the major things in MAP-21 that
was going to impact the transit community and TxDOT. And
so that allowed us to do one and a half hour listening
sessions on each of those five programs.

We gathered all the information that we had
collected from all the input throughout that month, and
PTAC had a meeting on January 23, and that's when we
shared with you the feedback that we had received from the
transit community.

From that PTAC meeting we got general direction
that we needed to go out again and kind of narrow down all
the comments that we had received, go out with a survey,
have that survey, if possible, put on the internet and
allow people to comment, allow people to see other
people's comments and to comment on other people's
comments, and to do another outreach effort. Which we did
take that into consideration, we were able to put that

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survey out on the internet, and along with the survey we also held some webinars on what we called concept papers -- and these concept papers is what came out, basically, of your January PTAC meeting -- that focused those five areas down to a more concise list of activities that we might go forward with during the rulemaking process. The internet was opened up for comments and the internet then closed for comments. It was open for approximately a two-week period there.

Today's meeting, which brings us to May 28, is to share with you those comments we received back through the internet and to get further direction from the committee as we'll need to start doing the actual drafting of the Texas Administrative Code changes in the very near future in order to stay on time with doing a rulemaking process.

I know in your packet that you got from us today you had a copy of the concept papers that were posted to the internet and you also received a copy of the comments that we received back through the internet. One we actually received through an email because the person had difficulty with the internet submission. So with that, that brings us up to today.

MR. GADBOIS: And Bobby, just a quick question, the Formula Grants for the Enhanced Mobility of Seniors
and Individuals with Disabilities, 49 USC, 5310, is one of those concept papers. Okay, got it. I just wanted to make sure I knew what the concept papers were.

MR. KILLEBREW: Absolutely. And there were five concept papers, and I'll just mention those real quickly then, Glenn. Thank you.

There was one for what we call the 5310 program which is the one Glenn just mentioned. There was also a concept paper for the 5311 program. We had a new program which is a bus and bus facilities grant program which is 5339. And then we had two smaller, they're not necessarily formula programs, they're just requirements under MAP-21, one deals with asset management and the other deals with transit safety. So out of all the things that MAP-21 changed in the transit world, we saw those as the five major areas to focus on.

MS. BLOOMER: Okay. And I think I heard did somebody else join us? Al, are you still there?

DR. ABESON: Yes, I am.

MS. BLOOMER: Okay.

MR. GADBOIS: Can I ask one more clarifying question of Bobby?

MS. BLOOMER: One more.

MR. GADBOIS: So the comment portion on the concept papers, you have a column on the left-hand that
says section. Were people specifically asked to identify the section or the concept paper upon which they were commenting?

MR. KILLEBREW: The way we set up the internet, when you were going to go into a concept paper, like 5310, you were able to leave a comment about 5310, so it automatically recorded that as a 5310 comment, and such as the other concept papers.

MR. GADBOIS: Got it. Okay, thanks.

MS. BLOOMER: Thank you, Bobby.

And I think what we're going to try to do today as a committee is we'll just take them program by program, going to try to stay on time so we don't end up at the end trying to rush, and just remind the members that, again, we're looking for broad concepts to provide PTN with the guidance to start drafting the text, not a lot of the details, but the broad big picture guidance that they'll need.

So we'll go ahead and start with Section 5310, the Elderly and Persons with Disabilities Program. So I think most of the concepts that were laid out, we did not hear back on. There were a few that we did hear some significant comment on, and that would be -- Bobby, can you help me, the two biggies are, I think it's the statewide competitive versus a local planning process and
the local planning process --

MR. KILLEBREW: At the lead agency. We did receive back some significant comments from a couple of individuals regarding the concept paper that suggested that projects be first vetted through a local process before submitted to a statewide competition. And the comments varied, some did not like that local process, some liked the local process; other people did not like the statewide competition and some people did like the statewide competition. But those were some of the vast changes from our current way of handing out the funding formula today.

Just as a refresher, today's formula for allocating 5310 funds is that 25 percent of the overall pot is equally distributed to all twenty-five TxDOT districts, the remaining 75 percent is distributed based on E&D population. That's today's formula. Also in today's formula we don't necessarily make a difference between the pots of money -- this is all pre MAP-21 -- and so one big pot came to the State of Texas. Under MAP-21, Section 5310 funding program is now divided into three pots of money: a large urban pot, a small urban pot, and a rural pot.

And so from the committee, as you're looking at those pots, two of those pots actually flow through TxDOT,
the small urban pot and the rural pot, the large urban pot goes directly to the large urbanized areas. As a committee you were looking at how best to distribute that small urban pot and that rural pot, and from the committee that's what came up with the local process to be handled with the lead agencies, not necessarily selecting the projects but having the responsibility or the oversight to see that a process played out in those local regional areas, and then projects would be submitted to some sort of statewide competition. And that's what the concept paper laid out.

MS. BLOOMER: And I think, recalling from our last meeting, the discussion regarding the statewide or the local process really revolved around the issue of the amount of funding available. It is a very small pie that if you split it by districts gets split twenty-five ways. We talked about splitting it by regional coordination boundaries which takes it from twenty-five to twenty-four, but you still have the small pie divided by twenty-four ways, and hence, we had leaned towards the statewide process. Which what was the dollar amount, Bobby, $2.3 million?

MR. KILLEBREW: The dollar amount under MAP-21 that we got for this fiscal year '13, the apportionments just came out very recently, for the rural pot it's a
little bit under $2.7 million, and for the small urban pot it's right at $3.3 million. And that's after we take off our 10 percent set-aside for state administrative fees.

MR. GLEASON: This is Eric Gleason, division director.

So we have some experience now with working with the program under MAP-21 and in terms of how we're managing the fiscal year '13 money, and there's a couple of observations that I have form that I think are important for the committee to hear. The main concern I have goes right to this allocation where, generally speaking, Texas as an entire state received just over $15 million, combination of 5310 and what was previously the 5317 program. Nine million of that went to the large urbanized areas, 60 percent, so roughly $6 million of it, split the way Bobby just described, came to the small urban and rural areas. And as Bobby said before, when we managed the program we didn't distinguish within the funds we got those three areas. MAP-21 very clearly distinguishes each of them.

What we're finding out when we try to fund what we've always been funding is that the funding or the requirements of the historical distribution of those funds do not match the allocation the way it's coming down now to the state. And most specifically, the programs have
historically used a larger sum of funds for the rural areas of the state than in the urbanized areas. So one of the big issues for us with this change from MAP-21 has been service continuity, and what I mean by service continuity isn't necessarily that everything stays the same, but what I mean by it is that there is a deliberate and a strategic approach to changing service when we do change it, so some group is not inadvertently left out.

And our biggest issue right now is this disconnect between the historical program way of the funds and the way the money is now coming down to the state, and as we move forward, that's my primary concern right now for the program. We are going to need to find ways within MAP-21 and within the way we work locally with recipients to take maximum advantage of the funds that are out there in other programs so we can leverage these 5310 program funds and make sure that where we have these disconnects, we've got the capacity, perhaps through other programs, to continue to provide service for these funds. That's a huge issue in my mind.

And I also want to talk a little bit to another issue and that is that I think three years from now we'll have a pretty good handle on what the program looks like and how we want to move forward with it, and what I would like to try and do now is make a plea for flexibility in

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this version of the Administrative Code wherever we can, so that as we make adjustments, as we get used to the new allocation, if we are changing the process locally, that every time we figure out something we don't have to run back to the Administrative Code to make a change to do it. And I don't know specifically what that means, but I would encourage the committee to look for flexibility.

MS. BLOOMER: Thank you, Eric.

Back to your discussion on the historical distribution, if we were to continue the historical distribution, how much funding are we looking at for the rural areas?

MR. GLEASON: I don't know if we have an exact number for you, Michelle. I just know it's more than what the rural areas were allocated.

MS. BLOOMER: Just trying to figure out if it's a small gap or a large gap.

MR. GLEASON: Well, the way I think about it, without knowing the answer to that question, is the large urbanized areas have the largest investment in general purpose public transportation, and so while their populations are that much larger, to a certain extent they've got the infrastructure. They've got more infrastructure per capita for these programs than any other area of the state, but that's the way the allocation
comes down. There's a certain logic that you might actually flip it, recognizing that you don't have the investment in the rural areas and the nature of the trip being made, and all of that. And so we need to kind of find our way through that.

One of the things we've talked about is you do have the ability within the program to set rules about trips and whether or not you count originating or destination ends, or whether you use language that allows if one end of the trip is within an urbanized area, it may be paid for from the urbanized program. But that's going to take a lot of collaboration between the large urbanized, small urban and rural areas. We have some ability as a state to move between small urban and rural, assuming we can say that the needs have been satisfied in one before we move to another, but with the exception of that trip end that I just mentioned, that rule, it's pretty much a firewall between the large urbanized areas and the rest of the state.

MR. GADBOIS: What is a firewall?

MR. GLEASON: The ability to move money between a large urbanized area -- from a large urbanized area to a small urban or rural.

MR. GADBOIS: They have the flexibility to do that, a metro area does.
MR. GLEASON: We have the flexibility within the state program to move between urban and rural, and rural and urban.

MR. GADBOIS: And a metro could invest in a program outside of their metro area if they saw it in their interest to do so, couldn't they?

MR. KILLEBREW: I can't speak on behalf of FTA. I'm sure they're working out these boundary issues right now and where does the project benefit. That's the struggle I think most people are having now: you put these boundaries on the map, but my project is really not that black and white. So FTA has not come out with any guidance regarding that. The guidance that we're referring to is that when FTA has had shifts with boundaries, they've always looked at one end of the trip: is the origin or the destination in the large urbanized area. If it is, then you can use large urbanized money to possibly pay for that entire trip. This is a very unique transportation that's kind of targeted to specialized groups, so those boundaries are not that clear.

We know that MAP-21 doesn't allow the flexibility to transfer the large urban apportionment down to the small urban or the rural pot.

MR. GADBOIS: For you to transfer it.

MR. KILLEBREW: Or for the state as a whole,
the governor to declare that and so forth.

MR. GLEASON: We couldn't come together and decide as a state to do that.

MR. GADBOIS: Right. But locally -- and this is where I'm trying to get at it -- locally a metro, working with any small urban and rural in their area, could through a collaborative process agree to invest some of that metro money outside of the metro area.

MR. GLEASON: Well, I think what Bobby is saying is if one end of the trip is within the urbanized area, that has a better -- that's almost a for sure thing. What's not clear is if the total investment was outside that urbanized area, since there has to be an accounting for the funds at the end, so I don't know how they'd handle that.

MS. BLOOMER: Do we have any thoughts from the committee on the concept that was thrown out there and/or the comments received, and then the direction that we would like to proceed forward? So currently, we haven't had any comments on operating as an eligible expense or the state goals, it was mainly on item 3 which is there will be a competitive statewide call for projects in the number 4, the local selection process.

MR. UNDERWOOD: One thing that kind of strikes me about what Eric said about that service continuity and
how do we maintain that, and I guess I get back to my
original argument about leveraging existing resources,
from the standpoint of as a 5311 provider if there is a
gap in service from what we've historically done with the
5310 agency, then I'm going to make up that with either my
5307 or 5311 program. I mean, we're not about cutting
service, we're about expanding service. And so more than
anything, I think we have to be very selective about how
we do this process and make sure that we're getting the
money in the hands of the people that can provide the most
amount of service. And so I get back to we've got to
leverage existing resources in this discussion.

MR. SALAZAR: The only comment I had is
basically the same comment I had in the last meeting, is
that coming from the rural area I didn't see where the
5310 program was not working, as opposed to some of the
other areas, Dallas-Fort Worth maybe.

(General laughter.)

MR. SALAZAR: And so I made that comment last
time where I liked the local process and the way that
we've done it historically, and I understand that the
money isn't there but I do believe that in some areas,
particularly in our area of the State of Texas, things are
working the way they're handled as far as the local
process, not going to a statewide project.
MR. UNDERWOOD: The problem I have about the local process is we do a monthly regional coordination meeting where we gather all of the HHSC service providers and everybody around the table and we talk about what needs you have and how can we better address those needs. And sometimes it's a minor tweak and adjustment, sometimes it's a major project concept that we all look at and go: Wow, that would be great in an ideal world; if money ever falls out of the sky, let's do that.

But we're doing that on a consistent ongoing basis, and when we do this at a 5310 level, when we come together like that, it's almost like we're rehashing things we've already done we're going to do later that month. We have a 5310 meeting in June, we're going to have an RTC meeting later and we're going to say the same things again. And so I guess for me -- and I don't know that it necessarily has to be statewide, but I don't see why we couldn't make it a statewide formula base, just like what we do with the 5311. I mean, we're already coordinating regionally in our RTC meetings, why can't we just push this money out with the 5311 program via formula, and that way we now at least have some money to bring to the table and go: Yes, we've got the 5310 money, that's a great thing we've been talking about doing, let's make that happen. I think it's almost redundant what
we're doing with it from a local process.

MS. BLOOMER: What we're suggesting to do with it, or what we're currently doing with it?

MR. UNDERWOOD: What we're currently doing with it. Do you see what I'm saying?

MR. SALAZAR: Is that possible through a formula?

MR. KILLEBREW: Caught me on the spot there, J.R. I'm having to think because MAP-21 changed our world so much, I don't want to mis-speak. I know there's some requirements -- I'm looking at my resources in the audience -- the competition requirement is the part that I think is probably going to get a little bit in the way.

MR. GADBOIS: And while you're thinking about it, let me just jump back to I thought our discussion last time was if we allocate it out by formula or anything like that, what we're doing is dividing an increasingly smaller pie, in which case most people's response was that really isn't enough money to do much. Right? And so I'm not separating or even meaning to comment on the proposal, I'm just thinking back to our discussion before and what's changed that get us rethinking that.

MS. BLOOMER: Brad, is that to your thought similar to the 5339 is that we shouldn't assume that 5339 is the only source of capital vehicle replacement money?
MR. UNDERWOOD: Exactly.

MS. BLOOMER: And in the same sense, providers shouldn't assume that 5310 is their only source of funding, that we should be leveraging our other resources, so while it is a very small amount, it's a very small amount you can rely on on a consistent basis to leverage your other resources.

MR. GADBOIS: If you formula it out.

MR. UNDERWOOD: I'm just trying to get to where we can start planning. You know, if I know I'm getting this much in 5339 and this much in 5310, it's not difficult for me to go: Yes, that's a good project that we can plan on doing, and maybe we'll do it this year, maybe we won't do it next year. I don't know. I think that really ends up sending more of a bad from transit in our local communities to say: You know what, we've got enough money to fund this this year, next year we'll see how it all shakes out; if I don't need a bus, then you'll get your project. You know what I'm saying? So this would enable us to go back to more of a planning phase, being able to say we can start moving the little bit of 5339, a little bit of 5310, kind of combining those together.

MR. GADBOIS: And I tend to think about these things in terms of outcomes that we're trying to achieve,
and I like the idea of setting up an outcome that we're trying to achieve, if we're going to change the rules, we set up this process as leveraging resources. I also like the idea of funding reliability, not necessarily certainty but some predictability. And then to the extent I understand what Eric said about it, service continuity, those are outcomes that we can set and write the rules to try to get us as far as we can along those lines. Right?

MS. BLOOMER: Well, and I think we have some of those issues under the state goals, and we just add service continuity to that. But Brad, just to clarify, when you're saying statewide formula basis, are you talking by provider or by local geographic area?

MR. UNDERWOOD: I think by local geographic area, I guess.

MS. BLOOMER: Okay. Which is what we currently do.

MR. UNDERWOOD: Which is what we currently do. It's just taking out that step in the process of going let's have just one more meeting and let's have everybody gather around the table again, because we've just done that the month before and we're going to be doing it two weeks from now. When this process was written, we didn't have the RTC, we weren't doing regional coordination meetings on a monthly or quarterly basis, or however often
that people choose to have those. But now that we are doing that and we're identifying the needs -- because I agree, I mean, once a year to try to come up with let's figure out all the needs for the region once a year, as opposed to let's do it on a monthly basis as they arise, I think it gives us a better idea. So to me, let's push this money out.

    MR. GADBOIS: What prevents RTC from talking about and making decisions on 5310?

    MR. UNDERWOOD: I think they're around the table to talk about it, absolutely.

    MR. GADBOIS: But there's nothing that prevents that, it's just that there's been a separate timing on a separate call?

    MR. UNDERWOOD: Right. And I think non-transit people don't see it as 5310 or 5311, or let's do a New Freedom project or whatever, they just see they have a need, and I think that's what we're about as transit providers is providing solutions for those needs, and I think this enables us to do that.

    MR. GADBOIS: Are previous rules requiring it to be a separate process?

    MR. GLEASON: It was a separately described process in the TAC, yes, and so it was a district-based process that when the coordination planning process came
on, we linked the two by simply saying that what was done in 5310 had to be referenced in the coordination plan, but we didn't at the time bring the two together.

MS. BLOOMER: And I think where the committee was going last time was to strengthen that connection between the formula process of allocating the funding, and like Brad said, to the regional coordination planning or the local coordination effort.

MR. UNDERWOOD: And we do that already. Like in our -- is it A or B? -- part B, the longer one -- which is the longer? There's art A and part B. Part B is the long one?

MS. BLOOMER: Part A gets funded, part B is --

MR. UNDERWOOD: -- all the supplemental things behind it. I mean, we have to reference that, we describe how we're coordinating, where the project is down in our plan. We do that in 5310 already in our applications.

MR. SALAZAR: Are there lead agencies in each area?

MS. BLOOMER: I'm just trying to give Rob a chance to talk. Sorry, J.R., finish your thought.

MR. SALAZAR: I just had a question. I didn't know if there were lead agencies in each area, regional coordination.

MR. KILLEBREW: Yes, we have an assigned lead
agency in each area of the state -- not that those don't change from time to time, but we do have an assigned agency. And if I may, back to your earlier question, I had to go back and look at the law because there was some area competition and statewide competition and stuff that's in MAP-21 and it is a "may" in MAP-21, it's not a "must" so it is flexible there. The only requirement is that whoever is administering the program, whether it's a large urbanized area, or in our case, the State DOT, you have to assure to the federal government that you're distributing the funds in a fair and equitable manner. It does not define any further what's fair and equitable, the burden is on the person getting the money to prove that.

MS. BLOOMER: And there is a requirement, too, that the projects that are selected are considered derived from the coordination plan, or consistent.

MR. KILLEBREW: The language in MAP-21 changed in regards to the projects being in the coordinated plan. FTA has interpreted the language, so far, to mean the same as it did under SAFETEA-LU. The language in MAP-21, I believe, says must be included, and FTA has interpreted that so far to mean must be derived from.

MS. BLOOMER: So there's that connection to the regional coordination plan. I guess the question is did we still want to strengthen that in some way without
necessarily moving all the way to the regional coordination agencies selecting projects, which I think we've backed off.

But Rob, do you have any thoughts or comments that you'd like to add?

MR. STEPHENS: Sure. I worry about creating unsustainable systems, I've always worried about that. And now what I worry about, as I talk to a few agency folks in the Area Agency on Aging -- I've worked in a couple different areas in the state -- they are currently feeling the effects of -- I don't know how to say this -- sequestration, whatever that is, so they're dealing with that at the local level. So now you have where you have agencies that are working very closely with these entities, they're supposed to be providing support services, some of those are transportation, now you have the rural areas being challenged with this extra thing with having to now do what you've been doing but do it with less money now. And now you even have on top of that, layered on top you have this process with 5310.

So I'm worried about us creating processes or encouraging unsustainable systems. And I'd like to go back to what my colleagues are saying here about leveraging existing resources and projects that are sustainable over time, and the best sustainable projects
over time are those successful 5311 projects that have
used the 5310 funds as a way to support services in their
area.

I remember a time -- I've probably been around
too long, but I remember a time when the 5310 application
simply asked a few questions of the person that was
applying for the funds. It just said simply: Have you
talked to your providers in your area? Can they provide
this service that you're looking for? And if they can,
then will you please work with them and let them do that
for you, and if they honestly can't, then we need to do
something different. So it was that simple and it didn't
have to be a big RTC meeting or something. Those were
long time ago things. That made the most sense to me; it
may not make the most sense for everybody in every area.

But I can tell you guys, there are things going
on out here that are indirectly going to impact us as
agencies to provide services as we know them. I mean, you
have what we're dealing with now but these other things
I'm hearing about will compound that. So I'm hoping that
we do things that stick with the goal of leveraging
existing resources, looking at projects that are
sustainable over time. I hope that we're sensitive to
that moving forward, whatever we do.

MR. UNDERWOOD: Michelle, would it be improper,
because I know we have transit people out in the audience, to let them voice any discussion on this topic?

MS. BLOOMER: We can. Do we want to see if Al has any comments before opening it up to the general.

DR. ABESON: I do. I can't effectively relate to some of the comments that you all have been making since I don't operate a program, but as I look over the concept paper, the concern I have is that as Eric talks about continuity and other stalk about sustainable and leveraging, I don't see the opportunity or the suggestion for innovation and development. I think that some can assume that continuity means the same and the closest that I see on the point 2 is projects that demonstrate efficient use of vehicles, which in my mind is, in and of itself, grim for tomorrow.

So my basic point is I would to see the ultimate materials that are written allude in some way to the opportunity for innovation, and I think it's a word that needs to be present so that there is not the interpretation that this is less money, perhaps administered slightly differently, but delivering the same kind of service.

Thanks for that.

MS. BLOOMER: Thank you, Al. And I believe last time both you, Al, and Glenn, when we were talking
about the 5311 program and JARC, I think we want to keep
those aspects of New Freedom and the JARC, about the
innovation and the experimentation as part of the 5310 and
5311 program. So I don't know if we can add a state goal
that addresses that to some extent.

DR. ABESON: I believe that it doesn't have to be a specifically stated goal, I think it could be done in
some other ways. For example, projects that demonstrate
efficient use of vehicles, why only vehicles, it could be
vehicles, personnel, other kinds of resources. It doesn't
have to be that explicit, although I like that, but I
think it can be read through some carefully crafted
language.

MS. BLOOMER: Okay. So if we can broaden that
to projects that demonstrate efficient use of resources,
and then we just sort of provide a little detail, such as
capital, financial, human.

DR. ABESON: Yes, that would certainly work in
the right direction.

MR. GADBOIS: I also see Brad's leveraging
resources as kind of the driver to the innovation that I'm
talking about.

DR. ABESON: That would certainly be true as
well. How you define leveraging resources could do that
in any number of ways, it could be quite clearly
innovative.

MS. BLOOMER: Okay. So I think what we'll do is go ahead and open up. We do have two individuals from the public that would like to comment on the 5310 program, so I think we'll go ahead and open it up to them, and then maybe based on the comments, come back and decide on a consensus that we can provide PTN to move forward.

So the first comment speaker I have is John McBeth from the Brazos Transit District. John.

MR. UNDERWOOD: Do we have to start with him.

(General laughter.)

MR. McBETH: Brad stole most of what I want to say.

My name is John McBeth and I'm the president and CEO of the Brazos Transit District. We serve sixteen counties in rural Central Texas and all the way over to the Lufkin-Nacogdoches area.

We provided comments so I will not reiterate those comments. They revolved around the geographical boundaries, the local selection of projects, the competitive statewide call for projects, and some general comments.

In listening to your discussions, first of all, I was on the PTAC for several years, and I congratulate you for your service. I know this is sometimes just far
from being drudgery, but it's important drudgery.

In looking at the comments and in speaking with people throughout the state, the first thing that occurs to me is what Mr. Salazar commented on, and that is in the rural transit districts and the small urban transit districts, the UTDs and RTDs, our process is not broken, it's working, it's worked for years and I would love to see it continue to work. And that process, basically, the money is distributed by TxDOT district, it comes to the public transportation coordinators at the district, they do a call for projects and generally come to the rural transit district and ask us what our projects are, but then there are other projects that are out there.

I've procured vehicles for probably twenty-six different non-profits in my sixteen county area over the years and have replaced very many of them. What I would like to see is what both J.R. and Brad have commented on which is the formulization of the 5310 money, distributed via a formula to the RTDs, keep it within the TxDOT boundaries. I serve four TxDOT boundaries and three COGs, so I've got all the boundaries in the world.

What I do understand about TxDOT is their boundaries work. A perfect example is Walker County which is in my Bryan TxDOT District. Under this proposal, if the lead agency was within council of governments in
Houston, that's Houston Area Council, and Walker County is extremely rural. Their demography is totally different, even though they're actually probably closer to Houston than they are to the Bryan District, but they've just got a different demography.

So I'd like to see it formulized, I would like to see it kept within the geographical boundaries of the districts, and that plays into something that Eric just commented on, Eric and Bobby, about trip flexibility, that if we can show -- if I understood this right -- if we can show that even though the trip originates in a rural area, the destination is in a large urban area, then that money could be utilized from the large urban area to help pay for that trip, if I understood what you were saying.

MR. GLEASON: Assuming they would.

MR. McBETH: Assuming you could transfer that money. And the interesting thing about the 5311 program is one thing we do not have a lack of is reporting. We report on pretty much everything and we all have super geo-coded dispatching systems that will tell us where the trip originated and where the trip ended by geographical code. So we would be able to provide that information, let's say if we decided to go with a formulated process, and try to move some of the large urban money over the next two years, we could provide that
data to TxDOT so they would have a good idea of how much
more they might be able to transfer out of the big urban
areas into the rural and the small urban transit
districts.

I think this is by and large a rural issue more
than it is a small urban issue, because the small urban
transit districts have pretty much always administered
their own plans, and I think they would be chagrined if
they were aware of this that we were even discussing it.
The reason myself and Ms. Warlick are aware of it is not
just because we're rural but we also have small urban
transit districts in our area.

So by and large, those are my comments. I
don't want to see it stay the same, I would love to see
the lead agency become the rural transit district or the
urban transit district. Like J.R. said, we've been doing
this for years, we know what the needs are out there, we
also go to all the regional planning commission meetings.

In my area that's three a month. I've got one person
that she spends a tremendous amount of her time just going
to those meetings so we have input in them, but we also
get the input from those council as to what needs to be
done.

So that's my comment on 5310 and I appreciate
the opportunity to comment.
MS. BLOOMER: Thank you.

MR. UNDERWOOD: Can we ask questions?

MS. BLOOMER: Can we ask questions?

MR. GLEASON: Sure.

MR. UNDERWOOD: John, if we were to make this more of a formulated process, how would you respond to someone who might question and say how are we going to make sure that all the smaller non-profits still receive the same service that they've been receiving through programs and things?

MR. McBETH: I think you would need to put into place through the TAC, or through just regulations after the TAC is published that gives TxDOT the right to publish those regulations, that the funds have to be spent as they were intended to be spent which is on small non-profit -- some people call them mom-and-pop, I don't because there's nothing mom-and-pop about a non-profit organization, I've been in charge of one -- you have to have rules in place that says the money is going to be spent there.

As a board member of the Community Transportation Association of America, I was one of the few on that board that was very much against the proposal that they were pushing forward of allowing 45 percent of the money to be spent on operating costs. I think that's a big mistake. I've worked with this program since it was
the 16(b)(2) program; it's not an operating program, it's a capital assistance program. And there are all sorts of other capital funds that a RTD or a UTD has access to, they could use their 5311 or 4307 money, they could use the 39 money, there's just all sorts of other monies they can use.

If you only have $24,000 of 5310 money, there are other monies that a transit district has that they can use to complement that to buy an entire vehicle, or even provide the service instead of buying a vehicle because vehicles are so extravagantly expensive these days. You can't buy something that's fully ADA complementary and all of that kind of stuff for, generally, less than about $68,000.

So we have less money and my thoughts, as you were talking about the flexibility is let's figure out how we can utilize the RTD and UTD data to justify taking some of the money from the large urban areas and plowing it into the rural areas, although the caveat is the large urban areas have large populations and they need the money, they need the money just as badly as everybody else does. So I think we also have to look at that because I know there are tremendous competing needs.

I sit on the coordinating council there at Houston-Galveston Area Council and I see the number of
applications come in and it's a lot of people that want a lot of vehicles. Are they all justified? No. But you can certainly pick sixteen of them out of there that would use up all the money, and they're all good projects.

MR. GLEASON: John, just a clarification. From the program standpoint, to utilize the large urbanized area, we at TxDOT don't have the ability to transfer it.

MR. McBETH: Right.

MR. GLEASON: I just want to make sure everyone understands this. What it would take to make that happen would actually be a collaboration between an area and a large urbanized area where, in fact, that large urbanized area might have interlocal with it to get the funding, but we're not going to transfer money back and forth across to deal with it. I just want to make sure everyone heard that. It can work out at a different level, it just can't be a formal transfer of funding.

MR. McBETH: Exactly.

MR. GLEASON: And the other thing that I'm interested in, and I guess I need to hear conversation about lead agency versus RTD versus UTD, because I think we're using them almost interchangeably in this conversation, and I'm not sure if that's the intent or not.

MS. BLOOMER: I don't think so. They're
different entities, and I think that's where some of this issue is coming in, that the rural transit district or the urban transit district generally participate in the regional coordination planning but aren't necessarily the lead agency.

MR. GLEASON: I just want to make sure we're clear about what we're agreeing to and what we're talking about.

MR. McBETH: That's correct.

MR. GLEASON: Because I know that's a critical issue in all of this.

MR. GADBOIS: And so, John, you've been doing this a long time, you're probably the best person in this room I could ask this question of. We have more and more need, in the urban area there's more demand for transit than there ever has been before, and in the small urban, in the rural it's more costly with gasoline prices, there's more need for money and there's less money fairly consistently. And I've been with you for several years asking for more money, and just asking for more money doesn't seem like a solution that's going to work in our lifetime.

I mean, what I've been hoping for is that we can find a way to start using little bits of money to encourage people to be more aggressive about piecing
together new revenue sources and just being more entrepreneurial in their business. Because I know that as we stabilize funding streams, something we all appreciate, that kind of works against really being aggressively entrepreneurial. You're aggressively entrepreneurial when you're really hungry.

And so help me understand if in this conversation on 5310, or any of the others, where you see an arrangement that helps us keep people entrepreneurial -- I don't want to keep them hungry, keep them entrepreneurial.

MR. McBETH: Well, I think Brad Underwood hit it on the head: it's the leveraging of the fund that everybody has. The rural programs in Texas historically were put together with just a myriad of funds. We had contracts with ever social service agency, Medicaid always being the biggest one, but we also had funding agencies, AAA, MHMR, TRC, and so we have a lot of experience with a bunch of revenue streams trying to utilize all of those so that we can get the biggest bang for the buck, carry the most people, try to meet as much of the demand as we can.

I don't think we're ever going to have a time that we're going to be able to meet all the demand that we have.

I have a list right now or probably eleven -- I think it was eleven last count -- private non-profits that
want a 5310 vehicle, and that is just for my Bryan District, and I've got two other districts I've got to satisfy. So we're never going to have all the money we want, but generally the transit districts are aware of what the needs are because we hear about them every day through our dispatch offices, loud and clear, what the needs are, and then also through our boards who are all elected officials, at least in my case.

And you and I have worked together for years to try to take all this stuff and try to put together a consistent program. I think in the rural areas it's worked very, very well. It may not have worked as well as it should, but it's worked very well. I think where we have the failing is when we get into the large urban areas. There's just too many competing demands, and then we have the issue -- and I will say it because no one else will -- the metropolitan transit authorities don't want to deal with this program, they just don't. It's too small, it's a small amount of money, and they think in tens of millions, not hundreds of thousands, that's kind of small amounts of money. So that's where you have your disconnect, whereas, in the rural and small urban, we see any money, we're going to go after it for our people. The large areas, you just don't have that central entity that is dedicated to getting that money.
I don't think changing the distribution from TxDOT to the planning lead agencies is going to do anything but confuse that process. I've worked with TxDOT a long, long, long time, there are a lot of people there that would probably have a stroke if they heard me say it, but I really do trust TxDOT's judgment because they've got, in this building alone, a ton of planners.

MR. GLEASON: I'm writing that down.

MR. McBETH: It's being recorded, I'm sure.

(General talking and laughter.)

MR. McBETH: But I think the issue is leveraging, Glenn, and it's flexibility, it's leveraging and flexibility, and I think transit districts do a very good job of that because that's what we've always done, we've just always done it.

I don't look for there to be any more money. I work a lot at the D.C. level and I work a lot at the state level, and I'm telling you, I don't see any more money coming in anybody's direction anywhere soon. And quite frankly, I think the transit people, we're pretty lucky. Like what Rob was saying, people we're dealing with on a daily basis from area agencies on aging and Texas rehab and MHMR, those people, draconian cuts in funding, it's just incredible. And they really want us to make up for it, handing us an application for $280,000 worth of vans,
when we don't have $280,000 in the whole program.

So everybody has greater needs, and what we need to do is work with what we have, use it as best we can. At Brazos Transit we try to spend the dollar at least three times.

MR. GADBOIS: How does that go for you?

MR. McBETH: Sometimes it works and sometimes it doesn't.

MR. GLEASON: No comment.

MR. McBETH: It results in a lot of late nights for Eric and Bobby.

(General laughter.)

MS. BLOOMER: Thank you.

MR. McBETH: Thank you so much.

MS. BLOOMER: We do have one more public comment, Carole Warlick from Hill Country Transit District.

MS. WARLICK: Thank you. Carole Warlick, general manager, Hill Country Transit District, and I appreciate the opportunity to comment today. I don't know what's left to be said, John.

Anyway, we operate a metro, a small urban and a rural system in Central Texas. Killeen went over 200,000 this year so we're now a metro, and we are maybe the only metro in the state that certainly knows what to do with
5310 funds and welcomes 5310 funds.

Mainly, I want to speak in support of what Brad has said, and J.R. and Rob, and John before me. I think there is no one more able to coordinate and utilize 5310 funds than the transit agencies. We've been doing this for thirty-plus years, we have a strong established relationship with our HHSC folks in our regions, and with the advent of regional coordination, I think it did bring something into play that we did not have prior to that, and that is a structured coming together of all of these entities and talking about needs and talking about gaps in service. And to change the way we're doing this and send the process to the lead agencies I think is going to confuse the situation, I think it's going to fragment things rather than coordinate things, and I think it's going to be duplicative of what we're already doing -- which is meeting monthly and talking about all the different needs in the areas and so forth.

A couple of words I heard were entrepreneurial and innovative. I think the 5311s, the rural and the small urban are masters at this because we have had to be to survive over the years. This is what we do. We constantly figure out how best to utilize funds to meet all the needs in our region. I think we have a very entrepreneurial outlook in what we do on a day-to-day
basis. We often have to put in place innovative processes
to deliver the services with the amount of funds that we
have.

So I think, again, the regional coordination
meetings are great opportunities to talk about innovative
ways of doing things, and many systems have put into place
a lot of things with the advent of regional coordination
that were not done before.

I think it's working very well to be with the
boundaries of the TxDOT districts. I, too, have about
four TxDOT districts and three COGs in my service area,
Central Texas COG, Capital Area and Concho Valley. And we
all manage to coordinate and talk and work very well. The
process is not broken right now. It may not be perfect,
but it certainly works very well. It is the best way to
leverage funds because we already have so much invested in
our infrastructure and in our services, so we're going to
protect that and we're going to protect our clients and
we're going to protect those social service agencies that
we've built relationships with for thirty-plus years.

So there's not a whole lot I can add. I don't
want to say the same thing that everybody else has already
said, but I am definitely in support of keeping it with
the TxDOT districts and continuing the process as it is.

MS. BLOOMER: Okay. Thank you, Carole.
MR. GADBOIS: As a clarification, Carole -- and good to see you again.

MS. WARLICK: Thank you. You too.

MR. GADBOIS: So on this lead agency thing, I saw several comments and then PTN issued a clarification on what they had intended by that, and have you seen the clarification?

MS. WARLICK: I'm not sure that I have.

MR. GADBOIS: Let me just read it: These concept papers discuss the suggestion that lead agencies play a more active role in overseeing a process for the selection of projects. This should not be interpreted that a lead agency selects projects, but rather the agencies will engage with their regional coordination bodies to select 5310 projects that will best address the needs of seniors and individuals with disabilities in the regional planning areas.

MS. WARLICK: And that occurs right now.

MR. GADBOIS: Pardon?

MS. WARLICK: And that occurs right now.

MR. GADBOIS: And that occurs right now. But does that clarification take care of your concern that lead agencies not be -- because the way I read that is TxDOT in these concept papers are suggesting that TxDOT
MS. WARLICK: I think participation by the lead agencies is certainly a valid point.

MR. GADBOIS: And by the whole regional planning group, not just the lead agency.

MS. WARLICK: Exactly. And that's what I'm saying, all of that is occurring now, I think, with all of our frequent regional coordination meetings.

MR. GADBOIS: And then I'm just going to ask you the same thing I say to J.R. and Brad all the time. My suspicion is we hear a lot from the best and brightest, how well it's working. I'm some concerned, because I keep hearing other stories, that it's not working where the best and brightest aren't around. So when you say we, you mean for your region. Right? You don't mean for the entire state?

MS. WARLICK: For my region and for some of my colleagues that I talk to. I can't speak for other parts of the state, maybe those folks need some specific guidance or help in their areas, I don't know. But it certainly works well in our region, and I think those who bound me it works well.

MS. BLOOMER: Any other questions for Carole?
DR. ABESON: I'd like to follow up on that, and I had exactly the same question that Glenn raised. Is there a perspective on how many regional planning or regional coordination activities are meeting, let's say, the test of SAFETEA-LU before we even get into this? I mean, is there a sense of that statewide what the impact of calling for more attention or at least as much attention to coordination as in the past, whereas, Carole and John described where it's working well? What's the perspective, perhaps from TxDOT, about across the state?

MR. GLEASON: Al, this is Eric. We have a range of experience across the state, as we always will. We do have some areas that really are the best practice areas where it just seemed to really click. We have other areas that are still struggling. And so with a state as large as this, there's a real diversity of experience and I think capacity, if you will, to handle a process as important as this one. And so we've heard from some folks today who are from areas where it seems to be working relatively well.

But you know, the 5310 process, up until now, has been with a district-based group of stakeholders which are different than the planning committees we're talking about. There might be some overlap but in some cases those are two different groups. I'm still trying to
figure out in my own mind how this comes together into one.

DR. ABESON: And what that suggests to me is that while bowing before the altar of flexibility, I also would think that if possible the concept here being what comes after should be encouraging those who are lagging behind to move forward, if at all possible, but not to penalize those who have already gotten there. That's a tall order, I recognize, but I do think that that should be one of the purposes of this endeavor.

MS. BLOOMER: Thank you, Al.

MR. UNDERWOOD: Just to follow up on that, I mean, I would agree but I think it's very difficult to write rules or legislate or anything else to the poorest performers, because when you do that you end up suffocating those that are doing it the right way or at the top of the game.

DR. ABESON: [Inaudible].

MR. UNDERWOOD: That's exactly right.

DR. ABESON: But somehow there needs to be motivation and some penalty, something to move those that aren't doing it well to do it well.

MR. GADBOIS: And so, Al, along those lines and a topic that Brad and I have talked about before, I'm going to see if it applies here. I would feel more
comfortable with the formula trying to achieve -- if it were regional rather than a district body, I guess, but I'd be more comfortable with a formula if there was sufficient oversight to make sure that money doesn't sit and linger if it's not getting spent out there efficiently and have that money redistributed, have a game plan for redistributing that money fairly quickly or putting it back into the pie. Because where we're having success I don't want to hold -- if people are getting it and doing the right things, I don't want to hold that up, but I'm tired of money sitting around in places where it's just not getting spent for several years.

DR. ABESON: Or spent the right way.

MR. GADBOIS: Well, spent the right way is difficult and that's a harder thing. But certainly money not spent is an easier thing to identify and try to pull back and get into play. Right?

MR. McBeth: Glenn, can I speak to that? This is John McBeth. There is a solution to your problem, and you bring up a very good subject.

When we wrote the Urban Transit District Act and the formula that went with it, we put into place in that formula a stipulation because we had several urban transit districts -- this was a long time ago, but we had several that did not spend their state match funds each
year, they just let them sit there until they just got
swept by the legislature back into the general fund.

In order to stop that from happening, we wrote
into that that if you did not use your money or all of
your money and you left a percentage, let's say 25 percent
of your money you left on the table, at the end of the
first year that money reverted back to TxDOT and they
reduced your formula allocation by that amount of money
forever into the future as long as the wind blows. All of
a sudden, nobody left their money laying around anymore.

I think that TxDOT has the authority in a
formula like that to say if you don't spend your money
that we give you the first year, all of it, unless you can
show us a plan that you got so small of an amount you've
got to put it together till you have enough money to buy a
busy, then unless you can show us otherwise, we're going
to take that money or that percentage away from you and
you sill never see it again.

That seems a little draconian, and like you
said, I've done this long enough that I used to watch
several millions of dollars of small urban money go back
each and every biennium.

MR. GADBOIS: And to that discussion, and let
me just clarify, that discussion points to the flip side
of that is I also don't want to encourage people to spend
money just to spend it. Right?

MR. McBETH: No.

MR. GADBOIS: So really what I'm after is some kind of financial planning that shows we expect to spend this money out, and then some kind of tracking of that such that we can see when it's not expected to be spent out in the way that it's supposed to, that it can get shifted somewhere else. Can we do that, guys?

MR. UNDERWOOD: We have on the 5307 side, because we have to, we have a five-year planning budget that we have to update every year. So we just incorporate our 11 program with it. I mean, you guys are already doing that.

MS. BLOOMER: Hold on. It's getting way out of control and we're a lot of time on this one issue. I do believe as part of the 5310 program you're required to put together a three-year funding plan, at least previously you were when you submitted a project. So I think that financial piece is there.

I did want to ask, Eric, do we see the issue of monies just sitting there, not getting spent, or is it more of an issue of the funding being spent efficiently?

MR. GLEASON: We have both.

MS. BLOOMER: We do have both.

MR. GLEASON: We have both. I don't think as
much of it just sitting there as perhaps used to. We still have some fairly recurring entities out there where that's an issue for them.

Glenn, to get to your point, we can track remaining balances and whether generally money is being spent. To go to the next level when we have 160 different agencies we have a project grant agreement with across the state is a little problematic for us to really get down to see if it's really being spent the way they said it was going to be spent. We're able to track it generally but it's hard, it's hard to kind of stay on top of things. I know exactly what you're getting at, but from a practical standpoint, it's hard, unless we're aware of a specific issue through something.

But we do a fairly good job of monitoring grant balances. We used to automatically grant extensions but I think most folks in the room would attest to the fact that doesn't happen anymore, and so we are cracking down that way to make sure there's a spending plan for the money, and if you do extend you have a reason for it and you have an end date now in mind that makes sense. So we're getting better at it.

MR. UNDERWOOD: And that's been my experience too. I had a bus that we were waiting on to purchase that we couldn't get the Altoona test because it was a new
unit. So it was like an act of congress to get a 5310 for a three-month extension because we couldn't issue the P.O. until we had the Altoona test. I mean, I'm not putting down PTN. It was a big deal: this is 5310 money, it's got to be spent, we're not going to let you carry it over, and it was just kind of one of those weird unusual circumstances where I could not issue the P.O. -- and we had it, we had it procured, but without the Altoona we couldn't issue the P.O. But we were able to get it done within the three-month extension, but it wasn't just oh, give me an extension, it was like here you to kind of thing.

MR. GADBOIS: I'm gagging myself so Michelle can get on with it.

(General laughter.)

MS. BLOOMER: Bobby.

MR. KILLEBREW: This is a very short comment. I didn't want to leave anybody with the impression, since I work on the finances probably a lot here, this is one of the programs that actually does spend its money. We're in very good condition with the feds on having open grants, in this one we have very few open grants, we're doing extremely well. There's a high demand for these dollars and so the money does get spent. There is a small carryover from year to year, it's the nature of the beast.
But this program, unlike some of our other programs that we will talk about, they have more problems spending it.

Good comment, I appreciate the comment.

MS. BLOOMER: Thank you, Bobby.

I think I'm hearing sort of a consensus of the committee, if somebody would like to take a stab at stating it.

MR. UNDERWOOD: In the form of a motion, is that what you're looking for here?

MS. BLOOMER: Yes.

MS. BLOOMER: And really, I think maybe to limit it, we're only talking about modifying items 3 and 4 on the concept paper, with everything else pretty much remaining the same.

MR. GADBOIS: Well, let me make sure I have the parts. We're looking at a formula allocation to a regional geographic area.

MR. UNDERWOOD: The TxDOT districts.

MR. GADBOIS: TxDOT districts or to regional planning?

MR. UNDERWOOD: TxDOT districts.

MR. GADBOIS: I thought we had agreed last time no, I thought we had agreed last time larger areas would be better.

MR. GLEASON: We've got twenty-five districts
to twenty-four regional planning areas, so that doesn't get you there.

MR. GADBOIS: Okay.

MS. BLOOMER: So I think the issue last time is we were just trying to get something to put out there, and now we have the comment, and so where are we going now.

MR. GADBOIS: Regional geographic is district.

The goals that will guide the rulemaking will be service continuity, leveraging existing resources, and looking for other ways to encourage innovation, funding consistency or reliability, and strengthening the linkages with the regional planning process. We are also seeking on this, and every other funding topic we're going to do, making sure money doesn't linger once allocated out there. With the question being if that's the motion, does that achieve the flexibility you had asked for, bowing at the altar, as Al says?

MR. GLEASON: Would it be? I will say yes, and I will say that I've often thought at some point we might look to perhaps combine smaller regional areas or districts into larger ones, at some point in this process if it were to make sense, so we might get three TxDOT districts together.

MR. GADBOIS: John's three areas?

MR. GLEASON: For example. And so I would want
to be able to move that way if that made sense. What I'm hearing right now is we'll keep the formula at the district level, but I wouldn't want the language to be so constraining we couldn't do something like that.

MS. BLOOMER: What if we left it at TxDOT designated geographical areas which could be the district or a combination, maybe a little higher geographical area that still focused on TxDOT designated geography.

MR. UNDERWOOD: I'm okay with that because the county still brings the same money the county would bring. Regardless if it's three counties or ten counties, that particular county is still in that area. Right? If we're talking about the formula that we're talking about, this county is going to bring the same amount of money; whether you group it with ten counties or two counties, it still brings, via the formula, that much money.

MR. GLEASON: As the formula currently stands, 25 percent of what comes in is distributed equally to each of the districts.

MR. UNDERWOOD: So that would stay the same whether you're one county or ten counties.

MR. GLEASON: And the remaining 75 percent is based on your proportional share of the target population.

MR. UNDERWOOD: Okay. And I guess that's what I'm saying, proportional share of the target population
would stay the same whether you're in one county or ten counties combined together. Right? The formula would still look the same.

MR. GLEASON: Yes.

MS. BLOOMER: You're doing the formula by county and you just happened to group it with the X number of counties that were in that district.

MR. GLEASON: We aggregate it to the district level, but yes.

MR. UNDERWOOD: Okay. Then I'm okay with that.

MR. GADBOIS: So the geographic boundary is to be designated by TxDOT. Right?

MS. BLOOMER: Yes. TxDOT designated geographical area.

MR. GADBOIS: TxDOT designated geographical area. And so the motion is -- and I'll make it -- we continue with a formula approach to distribution of 5310 funds with a geographic boundary designated by TxDOT, or geographic area designated by TxDOT; that the rurals should seek to accomplish four strategic outcomes: service continuity, leveraging existing resources with a mind to promote innovation, funding consistency, and strengthening the linkage to the regional coordination plans.

MR. STEPHENS: What was the third one? Could
you repeat that one?

MS. BLOOMER: Hold on, Glenn, because I think a lot of the ones you are mentioning are listed on the state goals for the program. So the service continuity is (f) projects that provide service continuity. Leverage existing resources is (a) projects that leverage existing resources, and we've talked about that relating to innovation as well, and then I think we would need to add to that list strengthen the role of the regional coordination process.

MR. GADBOIS: And funding reliability or consistency.

MS. BLOOMER: But I would hate to lose the other ones that are projects that are the only public transportation option for the proposed service area, projects that are sustainable over time, projects that demonstrate efficient use of resources, capital, human, et cetera, and then projects that involve partnerships. We talked about this last time and we tweaked the language a little bit, but I think we just need to tweak it a little bit more. It's projects that involve partnerships with non-profit organizations and for-profit transportation providers. The conversation last time was it just said for-profit providers, and we felt that that was too restrictive of who the partnerships could be with.
I think we've broadened it but we haven't broadened it enough, so projects that involve partnerships and you show us who your partners are. They don't need to be non-profits, they could be for-profits that aren't necessarily for-profit transit providers, just show us who your partners are. That would be my friendly amendment.

MR. GADBOIS: As a point of order, can I take your jumping in as a second of my motion before you make a friendly amendment?

MS. BLOOMER: If that's how it works, yes.

MR. GADBOIS: Then with Michelle seconding, the friendly amendment is the strategic outcomes get put to the state priorities --

MS. BLOOMER: State goals for the program.

MR. GADBOIS: -- state goals for the program, and I'm fine with that. And so really then the bulk of our motion is continue with the formula, the geographic area to be designated by TxDOT.

MS. BLOOMER: Are we good?

MR. UNDERWOOD: I feel like I'm on the House floor. I guess I'm lost.

MR. GADBOIS: With the friendly amendment, the motion is we're going to keep the formula, the boundary to which the formula applies will be designated by TxDOT, and then we will make adjustments to the list of state
objectives for the overall program.

MR. UNDERWOOD: And it will be a formula that will be pushed out with the 5311 money?

MR. GLEASON: 5311?

MR. UNDERWOOD: But I'm saying we're not going to go through the whole process of the 5310 meetings and public notices and that sort of thing. Right? This will be a formula program, just like what we do in 5311.

MS. BLOOMER: Hold on. The 5311 program is formula allocated to providers. Correct? We're not formula allocating the 5310 program to providers. It's to the geographical area at the district. There are multiple providers within that geographical area that are eligible for funding. So it wouldn't be to the rural transit district or the urban transit district, it would be to the eligible entities in that geography to go through that local process.

MR. UNDERWOOD: Okay, then.

MR. GADBOIS: Is that not what you were suggesting?

MR. UNDERWOOD: No.

MS. BLOOMER: I don't think the program allows us to just program allocate the money to set providers.

MR. UNDERWOOD: The RTD or the UTD in the area.

MR. GLEASON: And then what?
MR. UNDERWOOD: And then we would distribute the money.

MR. GLEASON: Based on what process?

MR. UNDERWOOD: Based on the needs of the RTC and things that we've developed over the course of the program, as we've identified the needs in our part A or part B -- I forgot which.

MR. GLEASON: Is there a competitive piece to this anywhere?

MR. UNDERWOOD: Whenever we do our applications, is that not a competitive call?

MS. BLOOMER: But I guess my understanding is that's a different process, and what I'm hearing is the current process works. So we're saying let's keep the current process in place where it's formula allocated to the TxDOT district level and/or another geographic designation made by TxDOT.

MR. GLEASON: District-based designation. I mean, I think, honestly, what I was building on was TxDOT districts being grouped together.

MS. BLOOMER: Right, so TxDOT district or some grouping of TxDOT districts to be determined by TxDOT, and then the local process would continue as it has been.

MR. UNDERWOOD: Is that what you were saying as well? Am I the only person in the room? The people that
testified, Carole and John?

   MS. WARLICK: That's what I'm saying maybe with
the change being that the local process is a regional
coordination plan and those meetings supplant the
additional 5310 meetings, because we're already having
those conversations in the regional planning meetings.

   MR. GADBOIS: That's why we're asking to have a
stronger linkage with the regional coordination plans so
that it stops being a separate process, a separate
meeting.

   MS. WARLICK: That was my intent, that we do
away with this cumbersome 5310 process we go through now
of rating and scoring, and every region or district does
it differently, and do it based on the regional
coordination plan.

   MR. UNDERWOOD: Just changing gears. I was
with you.

   MS. WARLICK: I mean, that's not sending it
directly to the 5311 providers.

   MS. BLOOMER: Okay. Do we need a timeout?

   MR. GADBOIS: So we've got a motion.

   MS. BLOOMER: Well, we have a motion.

   MR. UNDERWOOD: And a second.

   MS. BLOOMER: And a second.

   MR. GADBOIS: So we have discussion, then vote.
MS. BLOOMER: We've had discussion for the last hour and a half, so I think discussion has ended. Can we call the vote?

MR. KILLEBREW: Do you know what your voting on? It would be two points. One, if you could restate it once again -- I know it's painful. Also, I'm not sure the other items that are listed in the concept paper, such as the operating cap and not to require New Freedom projects, was that all included in the motion, or did those concepts fall off the radar screen? I'm just trying to go back to that.

MS. BLOOMER: Just to clarify, the concepts that are on the paper stand as is. Item 2 on the concept paper are the state goals, so we're saying to adjust those based on the conversation we've had here and strengthen the role of the local regional coordination activities, and then we're saying 3 and 4 come off as far as concepts. We are no longer recommending a statewide competitive call or that the local selection process be carried out at the regional lead agency level. What we're suggesting is the funds are formula allocated to the TxDOT districts and/or another TxDOT district-based geography determined by TxDOT. I thought that's where we were going in the last hour and a half.

So ewe have first and we have a second. Any
more discussion? Are we ready to take the vote?

MR. GADBOIS: Yes.

MS. BLOOMER: Okay. Glenn?

MR. GADBOIS: Yes.

MS. BLOOMER: Brad?

MR. UNDERWOOD: Nay.

MS. BLOOMER: Brad?

MR. UNDERWOOD: Nay.

MS. BLOOMER: J.R.?

MR. SALAZAR: Yes.

MS. BLOOMER: Michelle, yes.

MR. STEPHENS: Yes.

MS. BLOOMER: And Al?

DR. ABESON: Aye.

MS. BLOOMER: Okay, five ayes, one no. And

again, this is not the final word, but we're getting down
to the goal line here, folks. We want some Administrative
Code to go out, you'll have other opportunities to
comment. Thank you.

Okay. We'll move on to 5311. I would like to
do this, it is now 2:30, I was hoping to call this meeting
to adjournment at 3:00.

MR. GLEASON: You told me 2:30 on Friday.

MS. BLOOMER: Well, I figured if we shot for
2:30, we might hit 3:00. It all depends on 5311 because I
think the other ones are good.
So the 5311 program, the concepts that were thrown out there that we would not require JARC projects, that for projects to be eligible for rural discretionary awards that they must be tied to the public transit-human service coordination plan, that of the federally mandated 15 percent set-aside for the intercity bus projects, an amount or percentage would be available to rural transit districts to implement intercity bus eligible projects, and that to allow TxDOT some flexibility in instances where there is a negative impact in a provider's formula due to large circumstances outside their control, such as natural disasters, wind, fire, flood, et cetera.

Or one of the other ones we talked about was in the instance of consolidation where it may not be in an entity's financial benefit to consolidate because of the performance of another agency they would be assuming, but we don't want folks not to make the right decision because they're looking at the funding issue, so to allow TxDOT that flexibility to make adjustments when there is a negative impact, not necessarily a positive impact.

Let's see. Bobby, can you help me just sort of synthesize the comments that we received? We did receive a few comments on the 5311 program. I don't know that there were any that were significantly in opposition to any of the four concepts that were thrown out there. The
one concept I did see was the indication of the formula including the low income factor. And this was one of those similar issues where folks are saying it's working well, leave it as it is, and so we're pretty much doing that. I don't know if there's any other thoughts on the comments that we received, but I'll open it up for the next couple of minutes.

MR. GADBOIS: Help me understand Paulette's the coordinated plan duplicates TIP comment. She says: In regards to proposed rule changes for discretionary awards -- and this is for 5311 -- for a project to be eligible for rural discretionary awards, it must be tied to the public transit-human services coordinated plan. In some cases the coordinated plan duplicates TIP processes, in other cases it could delay project award if the project had to first be amended to either the coordinated plan or the TIP. These issues should be considered before making this a part of the code.

MR. KILLEBREW: I can't speak on Paulette's behalf, but I will do my best I can to interpret that.

MR. GADBOIS: Help me understand what it means.

MR. KILLEBREW: My read on that comment when we received was in regards to the item on the concept paper which is item number 3, and that addresses rural discretionary awards, and PTAC had landed on that if the
commission does any rural discretionary awards, then those
awards need to be tied to that coordinated plan. Paulette
saw this as, I would say, a barrier that yet again, in
order for her to be eligible to get some rural
discretionary awards, she had to go through these
processes, one would be the coordinated plan, the other
would be the TIP. The TIP is not an issue. We program
the TIP at a statewide level for this program so she
doesn't have to go through that, and we followed up with
her on that item. So it would just be the coordinated
plan aspect of it that in order for her to eligible, she's
got to be with another group.

MR. GADBOIS: Okay. Got it.

MS. BLOOMER: Okay. Are there any other
comments from the committee?

DR. ABESON: I have one. On point 3, what does
tied to mean, operationally?

MR. UNDERWOOD: Does that mean referenced?

DR. ABESON: Tied to, does it mean specifically
be mentioning the plan, does it mean that there's a
reference to something in the plan? And again, it might
not be the right time to ask this question but I want to
be sure that when it's operationally translated it does
reflect that which was in the plan.

MR. KILLEBREW: Al, when we were developing
these concept papers, we went back and read the transcript from the meeting here, and we tried to be as close as possible to what the members had actually said. My interpretation of that is that it's the same as it is in 5310, that it's just a project that has to be derived from the plan, marrying this again to the same type of concept.

DR. ABESON: Thank you.

MR. GLEASON: If I can ask the committee a question. We have a project which is recommended for award this Thursday with funds from the rural discretionary program to purchase a bus simulator for safety training purposes. The question I have is that tied to the public transit-human services coordination plan, an important safety investment. I mean, one could argue generally that it is a benefit to our services and the vast majority of folks who use our services are somehow related -- they have a relationship to the human service agencies. If it's that general of a connection that's desired, then I think in most cases, given the clientele that most systems serve, we could probably make the case. If the committee had something more specific in mind, then I would ask how something as specific as a safety investment would be tied to the plan.

MR. UNDERWOOD: I agree. How do you even put those together? Right there it says at some point we will
do this safety investment or this particular piece, as opposed to it's already in the statewide TIP, shouldn't that be enough. It no longer becomes discretionary at that point.

MR. STEPHENS: Right. I agree with you. This is a discretionary fund. I think to give TxDOT flexibility, you're starting to get down into what might be operationally defined as derived from, so folks are going to look for that specific project listed in the local human services coordinated plan. I think that's the danger that you go to if you don't keep it discretionary.

DR. ABESON: If that were a need, would that not be in the coordinated plan?

MS. BLOOMER: And I think what I hear Rob saying and Brad and Al is that we're not necessarily looking for the simulator to be in the regional plan, but I would expect that in the regional plan, one of the priorities identified would be safety or that the agency asking for the funds could justify how the simulator does address the goals that are laid out in the plan.

MR. GADBOIS: And I actually think -- I agree with that, Michelle, I actually think, guys, that's an important conversation for you to have with the health and human service side. They get all day long that there are going to be some operational expenses that they have that
you're not going to care two flips about except the general outcome, and this might be one of those kind of expenses that you have for them, but it's important enough for them to understand all of the training that your guys go through and all that means and requires from you for their folks to be safe on the bus and the rides. It's not unreasonable to expect that kind of discussion to happen and for them to say: Yes, safety and training is a priority for us to make sure that Brad's guys do a great job. But did it have to be listed on there? I don't think so.

MR. UNDERWOOD: I agree. Because at some point, because it is a rural discretionary award and as long as it is an eligible transit expense and it's located in the TIP, I think we almost have to let operators and agencies run their business.

MR. GADBOIS: And I'm fine with discretionary taking care of either things you didn't anticipate or that you just didn't have the money for any other way. I think all we're looking for is to make sure that there's some level of discussion of why that kind of thing is important to back up any request, and it's not just an operator coming out of the blue saying give us some discretionary money because this is the way to work around the system.

DR. ABESON: What I'm hearing, though, is

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somewhat different than what Bobby just said in terms of derived from the coordination plan. Now, if it is, in my mind, discussion of safety and training within that plan, specifically there, then I would have no problem concluding that it was derived from. But there's no reflection of that in the plan itself, I would have a problem.

MR. GADBOIS: Agree. I think having that discussion at the human services should put into the plan some element of we value the training and safety and that's one of our priorities, and to the extent we can, we put a dollar amount on what you are planning on spending towards that. But basically, that's not going through and listing, it's not a TIP, it's not a reflection of a TIP that lists out every project.

MR. UNDERWOOD: And I think maybe tied to the public transit-human services coordinated plan, maybe that's the language that Paulette was referring to. I mean, I think everything we do is almost referenced in the plan. It seems like every project application we have to list where is this referenced in your plan. I don't think that's a big issue. But as far as specifically saying this is the project, this is where it's at on page 17, I'm not for that.

MS. BLOOMER: And I don't think we ever
intended that. It was: Here's my project, here's how --

based on my plan, because every plan is different, here's
how this project fits into the goals, strategies, whatever
that region has in their plan. So tied to, derived from,
and I really think it's up to the entity that's applying
to justify how it fits the regional coordination plan.

MR. GLEASON: The thing I want to be careful
with this, the primary thrust for these plans -- and
everything you've said notwithstanding -- the primary
thrust has been to identify gaps in service and needs, and
so I don't know the extent to which the plans are geared
currently to be broad enough to encompass this. I think
we could get there, and perhaps it sufficient enough to
have a general conversation once a year with the group
about your transit program in general, the kinds of things
that you're looking at to make investments in, and on we
go. But I don't think the focus for writing the plans has
been specific enough to get into those operational areas.

MR. UNDERWOOD: I think that's more of a board
and agency function, wouldn't you say, Eric? I mean,
these are our goals for the year.

MR. GLEASON: I picked safety, and that may not
be the best example, but it just occurred to me. And I
just don't want the plans that we have today to somehow
come up short in this conversation because it hasn't
really been our focus to make sure they've been so expansive in the way they've been written to encompass something like this.

MR. GADBOIS: My hope for these regional plans has always been yes, gaps, of course, but the agencies around the table have all kinds of resources. They may not have a simulator in this particular instance, but they may have the ability to do printing. Right? And to the extent that we get them together looking for efficiencies, economy of scale and not just narrowly where are our gaps in our service, then we do a better job of spending dollars three times, or however you're going to get to that.

And so I guess we leave the conversation this way: it was never the intent of our conversation, as I understand it, to require somebody to list out in the regional plan, but if that hadn't been a discussion of the regional plans or isn't somewhere, you can't point to something in the regional plans that says this is justified, I would suggest that's a shortcoming of the regional plans that we ought to look at.

MR. UNDERWOOD: I just don't think we can confuse regional plans for strategic plans, and I think most agencies which are set with their board and the input of their stakeholders have a strategic plan of where
they're going. I don't ever want to have anything that's
going to bond that strategic plan because the regional
plan doesn't ever get there. See what I'm saying there?
Because we want to keep transit agencies in the business
of running transit with their local elected bodies and
officials and stakeholders identifying their needs
strategically and let them do their business, not so much
let their business be run by a committee. Does that make
sense?

MR. GADBOIS: Yes. And so you have your
strategic plan, you take that to the coordinating group,
say here's my strategic plan of what I'm trying to do,
what of this makes sense to you that you can get on and
support, and there may be some things they don't. You
don't want to have to give those up because they don't. I
get that.

MR. UNDERWOOD: Absolutely.

MR. GADBOIS: And so we can all sit around the
table and imagine a case where that occurs and it is not
our intent to thwart you trying to get what you need for
your strategic plan anyway.

MR. UNDERWOOD: Right. Am I out there on a
limb?

MS. BLOOMER: Hence, you can leverage other
pots of funding, and then that way the regional
coordination isn't limiting you from doing what your agency's strategic plan is because you have multiple funding sources available to do that.

Just to play devil's advocate, if we do have all these gaps in service and we have more demand than we have resources available, how does buying a simulator -- I guess my question would be how does it help us put more trips out on the road.

MR. GLEASON: It's totally consistent with the number one objective of the department, safety first, and so if you can't be safe, you have no business putting service on the road.

MS. BLOOMER: I mean, that goes into every agency's vision/mission/goals, so if you can't link that back to your coordination plan.

MR. GADBOIS: Well, but it may not be particularly in the coordination. We could get around this by saying in the coordination plan -- or it's not referenced, what's our word -- reflective of the coordination.

MS. BLOOMER: Derived.

MR. GADBOIS: Derived from the coordination plan, or you provide some description of why that isn't so. And we could allow that to occur. Right? Where you simply say this was never anticipated but it's completely
in line with all of our agency goals.

MR. UNDERWOOD: I'd rather say should be than must be, I guess, if I'm hearing you correct.

MS. BLOOMER: Well, I think we'll leave the flexibility to TxDOT to address it, and I think we're just getting back to the same issue on 5310, to strengthen the local decision-making and the regional process without dictating.

So the only other issue that we really haven't talked about, I think what I'll do is we'll open up to public comments to see if any of our public comments address it, but is the inclusion of the low income factor in the formula, which we chose not to address and one of the comments suggested we did. But I will open it back up for comment, and Carole, we'll let you go first this time.

MS. WARLICK: Comment on the 5311?

MS. BLOOMER: Yes, 5311.

(General talking and laughter.)

MS. WARLICK: I would just say that I would prefer to not -- I have concerns about 5311 being tied to the plan specifically because of the example Eric brought up of the simulator. I can see where this came up all of a sudden. You've looked at your workers' comp claims, you've looked at your accident history, and all of a sudden you see a need for a simulator because this is
going to make your system safer, it's going to keep buses on the street. Back to the point about how does this help your service, you're not going to have buses tied up in a shop being repaired. And this comes up all of a sudden and it's not specifically addressed in the plan.

Now, I heard your comments about it doesn't have to be specifically addressed in the plan and I would hope that would be the case, but I know there are some PTCs who want paragraph and page quoted -- yes -- of where it is in the plan. So for that reason, I have a huge concern about getting --

MR. GADBOIS: Would it make you feel better if there was language of it's either in the plan or you provide some rationale for why it isn't in the plan? So your description is this topic never came up, and in fact, it's a priority for TxDOT, it's a priority for us to have bus training safety but it was never considered in the plan. Would allowing that opt-out provision take care of your concern?

MS. WARLICK: It would make me feel better.

MR. UNDERWOOD: Is it the kind that should be referenced in the plan, not must be referenced in the plan, that way you can provide your own justification?

MS. WARLICK: Anyway, you know what I'm saying. I think we need to be careful about getting too tied into
the plan. I don't have a problem with the plan.

Everything we do is based around that coordination aspect now, and I'm totally onboard with that, but be careful about the degree of specificity.

MR. STEPHENS: I agree with you, because in my experience I've seen folks trying to use this as a selection prioritizing.

MS. WARLICK: The plan should be a tool, a tool to help us all coordinate and deliver the best service possible to the largest number of clients. That's what the plan should be. It shouldn't be a hammer that's held over our head to say if it's not in the plan, you can't do it, I don't care how good it is for the system, how many lives it saves or how many buses it keeps on the street. You know, we can't let it become that way is all I'm saying.

MR. UNDERWOOD: That's a good point, Carole. Just like a budget, it's a planning tool, it's not the end-all/be-all.

MS. WARLICK: It's a planning tool.

MS. BLOOMER: Thank you.

DR. ABESON: I'm going to take exception to that. I think the whole idea, and these concepts were back in SAFETEA-LU, was to ensure that there is representation from the broad community affected by these
transportation decisions so that they can, in fact, guide the way in which action is going to be undertaken, and I think if it's that critical, and depending on the frequency of meetings regarding implementation of the plan, it should be in the plan. It shouldn't be something that comes form left field that would not be reflected. So I think the closer to the plan the better in terms of what the intent was of the legislation in the first place.

MS. BLOOMER: Okay. Thank you, Al.

John.

MR. McBETH: Again, I'm John McBeth. My comments are going to be brief, and I'm speaking on this particular topic, number 3.

The funds that we're discussing are discretionary funds and so they should be discretionary funds. If Pilgrim's Pride comes to me from Jasper, Texas and says I'll pay you $175,000 to establish a commuter route to bring people from Jasper, Texas to Lufkin, Texas every day, seven days a week, if you can come up with the rest of the money for that bus route, I don't want to turn them down because it's not in the public transit-human service portion of the plan. I think it needs to just simply say it must be tied to the general mobility goals of the Texas Department of Transportation.

It's discretionary, it's at the discretion of
the commission members, I don't think we should tie their hands and I think we should make it a part of mobility. It would be very difficult for me to say, as it's currently written, that a commuter route from Jasper, Texas to Lufkin, Texas -- which, by the way, I'm working on right now -- is something that is tied -- it's public transit but it's not human services transit. So that's what I would like to see, I would like to see it very generic and very general.

MR. GADBOIS: May I ask John a question?

MS. BLOOMER: Yes.

MR. GADBOIS: So John, I have this come up in my consulting business all the time, every time I sit around a table with somebody, it's a partnership. Right? And they have some stake in my time if I agree to do stuff with them, and you, transit agency, only have so much time and ability. Right? And so to some extent it's in their interest if you take a side deal, whether it reflects money directly out of their pot or not because it's going to pull some of your resources away to go supply that, even if it's your time and attention. As a consequence, the presumption has been at least that's worth a conversation with your coordination partners.

And what I've conceded to Brad, because I think he makes the same argument in a different way, is there
will be times those don't line up, in which case
discretionary ought to have that opt-out of it's not in
the plan but here's why. And so that's what we proposed
giving to you. Does that work for you?

MR. McBETH: My only reticence with this are
the two words: human service. I work with three
different lead agencies and each one of them has a
completely different attitude about what human service
means. At HGAC human service means anything that carries
a human, but if I get up into the Deep East Texas Council
of Governments, human service means Area Agency on Aging,
Medicaid, Texas Rehabilitation, it's always carrying an
elderly or a disabled person.

MR. GADBOIS: Again, you're getting bludgeoned
by the narrow definition.

MR. McBETH: Exactly, the definitions. So I
would just like to see it just kept general so that it's
discretionary money at the discretion and it's for the
general mobility goods of the State of Texas. That way if
you need a bus simulator, you can buy a bus simulator, if
you need to do a commuter route, you can do a commuter
route, if someone opens a new nutrition center and needs
transportation, that's human services, you can do it. But
let's try not to tie everybody's hands. That's one of the
things that's made Texas the leader in rural public
transit nationwide is that we are so innovative in what we do down here, and people really give us all sorts of kudos for what we do, and it's because we've got great leadership at TxDOT. And I say that in all truthfulness.

DR. ABESON: Michelle.

MS. BLOOMER: Yes, Al.

DR. ABESON: May I make one last comment on this?

MS. BLOOMER: Yes, you may.

DR. ABESON: I think it's interesting the word discretionary, I would suggest that, in fact, those who sit around the table and put together the coordination plan have full discretion to put into that plan what they choose. Discretionary, in my mind, as it's being bandied about, is somewhat different. It suggests that the public transportation authority can be discretionary in how it chooses to allocate these funds. I think that's quite different. To me, the former is what was the intent of the legislation.

I'm done.

MS. BLOOMER: Okay. Any further conversation of the committee on this item related to 5311? If not, do I have a motion?

MR. UNDERWOOD: I'm going to move that we accept the 5311 working paper here, with the exception of
number 3, for a project to be eligible for rural
discretionary awards, it must -- or should be tied to the
department's goals and objectives.

MS. BLOOMER: Can we have a clarification?
Should be tied?

MR. UNDERWOOD: Should be tied to the
department's, TxDOT's goals and objectives that they set
forth.

MS. BLOOMER: And what are those goals and
objectives?

MR. GLEASON: The goals are maintain a safe
system, address congestion, connect Texas communities, and
be a best in class state agency.

Al, I just read it off the back of my employee
card.

(General laughter.)

MR. STEPHENS: Is that a motion?

MR. UNDERWOOD: That's my motion.

MR. STEPHENS: I second that.

MS. BLOOMER: We have a motion and a second.
Any further discussion?

MR. KILLEBREW: Staff has a clarification
question. I know you haven't discussed it, but item
number 4 on that list, which is part of your motion, I
believe, Brad.
MR. UNDERWOOD: Oh, yeah. We're taking that in.

MR. KILLEBREW: Okay. I didn't know if there was any additional information you wanted to share with the direction that PTAC wanted to go with item 4. It's kind of vaguely written in the concept paper. We received one public comment back on that.

MS. BLOOMER: And I think that public comment was in support of the concept.

MR. KILLEBREW: It was in support of.

MS. BLOOMER: So I think the motion is to maintain the concepts 1, 2 and 4 and revise 3, as Brad stated.

MR. UNDERWOOD: Yes.

MR. KILLEBREW: And so on number 4, if there's any further direction from the committee, it would be welcomed as far as what's mean by an amount or percentage to hold out for the rural transit districts.

MR. UNDERWOOD: Why don't I pull back my motion. Do we need to talk about what this percentage needs to be then? Because it does not have a percentage in here. I was looking at the 15 and thinking it was 15, but this is the federally mandated 15 percent but we don't have a public transit percentage in here.

MR. GADBOIS: You don't have to pull back your
motion. We can have discussion.

MR. UNDERWOOD: Discussion on it.

MS. BLOOMER: Okay. Well, I think at the last meeting we agreed -- well, the consensus of the committee was to have a portion of that 15 percent intercity set-aside, within that 15 percent set-aside, a portion for rural transit districts.

MR. UNDERWOOD: Right. What percentage are we looking at on that?

MR. KILLEBREW: I guess that's what, Bobby, you're asking.

MR. UNDERWOOD: That's what Bobby wants to know.

MR. KILLEBREW: That would be nice.

MR. UNDERWOOD: What as the annual allocation this year, Bobby, for the intercity bus program?

MR. KILLEBREW: The dollar value?

MR. GADBOIS: Order of magnitude, $2 million or $200,000?

MR. GLEASON: $5.7- or $5.9-, somewhere in there?

MR. KILLEBREW: A little bit under $6 million.

MS. BLOOMER: Any thoughts from the committee? Not to sort of reopen old wounds, but I think the conversation last time was rural transit districts are
already eligible for those intercity bus funds. Correct?

Bobby is shaking his head yes. So I was the lone person, I think, last time, but rural transit districts are already eligible for the 15 percent set-aside as long as the project is an eligible intercity bus project. So we've just un-siloed and now we're creating a silo again. So I'm not going to weigh in on the what percent of the silo within the silo we want.

MR. GADBOIS: Because you're not much caring for the silo in the first place.

MS. BLOOMER: Right. So I'm not sure how we arrive at a percent related to that.

MR. UNDERWOOD: How did they come up with 15 percent?

MR. GLEASON: That was the feds.

MR. UNDERWOOD: Exactly. How did they come up with that number?

MS. BLOOMER: Do we carry the federal set-aside of 15 percent down?

MR. GLEASON: What would ne helpful for me, if I may, is to hear a little bit more about the why and what the imagined uses of the money would be by the rural transit districts. For example, is it to help interlining agreements, service connection agreements to the national network at major points, is it to help fund capital
facilities that rural transit districts want to construct?

MR. UNDERWOOD: I think it could be used for a variety. I look at Dave Marsh and some of the facilities, the multimodal facility he's been able to build in partnership with Greyhound. I look at Linda Pugh up at Ark-Tex and some of the things she's doing with her 5311-F program. I think Sarah Hidalgo-Cook down at SWART, I don't if she is being able to utilize 5311-F yet but I know in her situation that happened with her with Kerrville Bus, she could have definitely used some 5311-F when she lost service overnight.

And so I think the intention is to keep certain pots of money set aside for projects like this so that we're building our statewide network. And I know we're already eligible, I get that, but sometimes the impact that a rural transportation provider may be able to show on paper on a project application may not be as great as maybe one of the larger intercity providers, such as Greyhound or Megabus, or one of those, because they have nationwide statistics that they can use and run with. And so I just think we need to make sure that we're maintaining a portion of this money for our rural and small urban transit providers.

MS. BLOOMER: And Brad, if I recall, it was sort of those intercity bus routes that maybe aren't --
they're very high impact as far as creating that connectivity but they may not be high volume, and hence, a lot of the larger intercity bus companies are favoring the higher revenue. And so how do we maintain that minimum level of connectivity throughout the state. So I don't know if it's necessarily making it -- is it possible to take it away from a set-aside for particular providers but a set-aside for particular types of projects. We also had the discussion about we tend to spend a lot of the intercity bus money on planning studies instead of actual service.

MR. GLEASON: And the intent is not to limit the total amount that could go to RTDs, but this is to make available a minimum amount.

MR. GADBOIS: To skew competition in their favor. Right?

MR. GLEASON: Well, yes and no. It guarantees a certain amount of money available.

MR. UNDERWOOD: Does anyone have a number?

MS. BLOOMER: You are looking at the wrong person.

MR. STEPHENS: What number are you looking for, Brad?

MR. UNDERWOOD: Make me an offer. What's it going to take to get you in this car today?
MS. BLOOMER: I guess what would it take to maintain that minimum level of connectivity, intercity connectivity?

MR. UNDERWOOD: Here's a question, I'll put PTN on the spot here. From our recent coordinated call applications, do you recall how many project requests we received from rural or urban transit districts for 5311-F money, intercity projects?

MR. GLEASON: Not specifically.

MR. UNDERWOOD: Can you ballpark?

MR. GLEASON: More than we did from intercity carriers.

MR. STEPHENS: I'll chime in on that, I'll put you on the spot too. We applied last year for some intercity bus funds --

MR. GLEASON: That's when you were with Longview. Correct?

MR. STEPHENS: Yes. We had a project that was good, it was approved by the commission. It hasn't gone to contract yet. I don't know what happened but we had coordination with the intercity bus carrier, Greyhound, and we waited for a couple of years because the bigger systems took all the money, we had to wait in line -- at least that's what I was told, there was a lot of projects,
a lot of capital improvements in large cities.

MR. GLEASON: The intercity was available with Concho Valley.

(General laughter.)

MR. STEPHENS: I didn't get any state money, though, for Concho Valley, that was all ARRA funds.

We waited a while, so I guess if that's what you're talking about, we've got to have a good project that's a good project with good support, then I don't know, how do we line up at the trough.

MR. GLEASON: Well, I think it's almost as though -- if I can express my opinion -- the intercity bus industry really is changing in this state, and more and more, with the exception of just a small number of remaining regional carriers, the large national folks are pulling back to the major terminals, or they're asking us to 100 percent pay for the expense, minus the fares, of that rural connection. What we got from Greyhound this year was, you know, probably $4 million, maybe $5-, twice as much as we typically get from them, because very single connection that they had gone 50-50 with us in the past, they wanted 100 percent funding, and they were going to use part of their national network as in-kind match. So it literally doubled the investment for us to simply keep what we had.
And so I think we are moving into an era where we will need a different solution for Texas if we're going to preserve those rural connections. I don't think anymore carriers like Greyhound, who no longer may connect in rural communities, I'm not sure when they come looking for funds from us from the 5311-F program what the case is for that.

MR. GADBOIS: So along those lines, if we put $6 million and just said 100 percent, our part of the rural set-aside, let's just say that for a second, then would that money be used -- one of these guys competing for facilities still compete with Greyhound, the difference would be they would be competing with Greyhound's demands for 100 percent of funding from you, versus this capital construction project, wouldn't the rural set-aside still be used to pay for that?

MR. GLEASON: The way I look at it is we have an enormous service issue now in this state if you want to maintain any kind of connectivity from the rural areas into the major networks, let alone capital needs. We were short before on the capital side, we're shorter now than we've ever been with this trend in service.

MS. BLOOMER: So would we want to focus instead, then, of on a set-aside issue, sort of a priority, guidance on a priority that the intercity bus
set-aside funds, the 15 percent, first and foremost, should be spent on preserving the rural connections. And that would be the number one priority, and when we can say that we've accomplished that, then we can move into other priorities.

MR. GADBOIS: Well, I'd be willing to put the thing at 50 percent if it were to preserve rural connectivity.

MS. BLOOMER: So not less than 50 percent of the 15 percent set-aside spent to preserve rural connections.

MR. UNDERWOOD: I think then you get into some issues like what Eric said. They're going to get applications of like $5 million to continue the existing routes.

MS. BLOOMER: But then you get one from Greyhound and then you get one from somebody that's not a private intercity bus carrier to preserve the same rural connection, and I'm TxDOT and I'm sitting there going: Well, I could pay 100 percent or I could pay 50 percent. If a rural transit provider can do it more efficiently at a lower cost and preserve the rural connection, why would we not fund that? Or if the private provider can do it more efficiently at a lower cost, why would we not want to fund that, as long as we're meeting the goal of preserving
the connection? Instead of dictating who preserves it, I
mean, anybody can preserve it, who can do it.

MR. UNDERWOOD: I think you can argue that's
the case now, is it not? Are you awarding based on the
traditional carrier or based on who can do it more
efficiently?

MR. GLEASON: Traditional carrier.

Here's where we are, we're going to fund
Greyhound to do some connections, we're also setting aside
$600,000 for an intercity connection between Eagle Pass,
Del Rio, Uvalde and San Antonio, to be determined. And
what I would imagine with that process is we'll put it out
and it will be a great pilot, if you will, to see if, in
fact, a rural transit district can put together a package
which meets the minimum requirements of intercity funding,
that's got to have some intercity service characteristics
associated with it -- got to be able to carry luggage and
stuff like that, there's some stuff that we've got to
meet -- and let's see what happens, let's see if we get
proposals that are more cost-effective and maybe running
at different times of the day than we get from the
intercity carriers.

MR. GADBOIS: Well, so let's carry this out
into the future a little bit further. If the intercities
are going the way the railroads have gone, which is
getting rid of all of their small service lines and focusing on the big trunk lines only, then the question really becomes how do we use this to have that Eagle Pass experiment happen and work well to attract the RTDs to get into that business in a way where they can start capturing a lot of that intercity money. Right? So what do we set the percentage at to do that?

MR. UNDERWOOD: Twenty percent? Of the 15 percent that's federally mandated, 20 percent of that must go to a rural or small urban transit district. In this case this year it would have been $2 million.

MR. GADBOIS: Well, at a minimum, you know where we want to go with this. Right?

MR. GLEASON: Well, you know, that's an interesting question, Glenn. Yes and no, because right now the service levels that we've been supporting for so long are so meager, if you will. I don't see who uses them, honestly. You know, we got a proposal from Greyhound for the Eagle Pass-Del Rio connection, and it looked okay until you started looking at the times it was running, and I don't know, I don't know much about their network, but it was connections in San Antonio from midnight to 4:00 in the morning, and so that's only if you're going to be making connections to the national network. It's tough time of day to go to the Veterans
Administration or anything else with that.

MR. GADBOIS: Unless you're just that desperate for the ride.

MR. GLEASON: Unless you're just that desperate, yes.

So I'm not sure we know. We have some research that was done a number of years ago that looked at intercity travel demand. It was mostly in the context of where the next rail corridors ought to be, but there's some information there. And then, you know, we'd need to do some work, we could pick the major pairs, but it's how we get between them and where we stop that are probably issues.

MR. GADBOIS: And actually, what I'm looking for is to use intercity bus as much as we can to spur the development of a new hybrid.

MR. GLEASON: Absolutely.

MR. GADBOIS: And that new hybrid is we've got all these RTDs out there that are supplying service, get them into a business if that's possible, if they want to do it, if they're capable of doing it, and if there's enough ridership to make it worth anybody's while to get them in the business of doing intercity.

MR. GLEASON: So maybe six of our thirty-nine become intercity carriers as well, six of our thirty-nine
RTDs, there's a brand to it, there's certain service levels that it carries, and they run it.

MR. UNDERWOOD: And so circle back to that's the reason why the 20 percent set-aside is there, to make sure that our RTDs get into that ball game. It encourages that to let them in that door.

MR. GLEASON: A different way to do this is not do the set-aside as much as to set he priorities, simply make a statement of priorities for the program.

MR. UNDERWOOD: But the only problem is I don't want to restrict some people like in the Austin area that need a multimodal facility, like what Dave has built. I'm thinking of the one that he has in is it Lampasas?

MR. GLEASON: Taylor, San Marcos, Georgetown.

MR. UNDERWOOD: There's many of them.

MR. GLEASON: He's got six or seven of them.

MR. GADBOIS: So there will be some RTDs where the hub runs smack down the middle, and those needs will be a little different, but they'll still have some need to connect people into that hub that aren't right on that alignment. Right? And so they still could do some intercity as well. And you're not doing what I would do, 100 percent all in kind of approach. By saying 20 percent, a Dave Marsh can still look at that other 80 percent and try to use it for capital.
MR. UNDERWOOD: It's just a minimum amount is all I'm looking for.

MR. GADBOIS: I don't know, guys, what's going to work, but I'm game for trying either one.

MS. BLOOMER: Eric, is there a way that we can provide flexibility so if it doesn't do what we're trying to accomplish, we don't have to back and amend the TAC? Back to the concept of flexible.

MR. GLEASON: We can look at that. It's the TAC, I don't want to be directing us to do work in the TAC. If there's an expression of interest on the part of the committee to --

MR. GADBOIS: To seek the priority of getting more RTDs involved in intercity service.

MS. BLOOMER: I think the committee, consensus-wise, can come to consensus 100 percent on that. I think where the committee isn't at 100 percent consensus is a set-aside specific for rural transit districts.

MR. GLEASON: Well, I think the underlying dynamic is that service is service, but there are capital needs as well and those, in a one or two time swoop, can take all the money. And so people trying to preserve both sides of the fence, if you will, they're trying to keep their options open. You know, well, service is great but I also think capital.
MR. UNDERWOOD: You can do service all day long but you can't drop people off in the street kind of thing.

MR. GADBOIS: So we indicate a priority. The process is you are looking to start rulemaking, we'd see a draft of it, and we could comment at that point if we didn't like your percentage amount?

MR. GLEASON: Or we can give you something without a percentage in it.

MR. GADBOIS: Or even come without a percentage.

MR. GLEASON: And you guys could add a percentage.

MR. GADBOIS: Like Brad could make the argument of no, I want the 20 percent back in at that point. Are you okay with that? Because you have got me for one more minute for a vote and then I've got to scoot.

MS. BLOOMER: I'd like to hear the consensus of the committee or somebody to make a motion.

MR. UNDERWOOD: Actually, I've got my motion, so basically it would be just to leave it like it is where it has no percentage and we'll look at that the next time.

Is that what we're hearing? Is that what you said?

MR. GADBOIS: With staff looking to set a priority of encouraging RTDs to begin looking at or investigating or starting intercity bus service. Is that
a friendly amendment?

MR. UNDERWOOD: As amended.

MR. GADBOIS: Second.

MS. BLOOMER: We have a motion and a second.

We'll go ahead and vote. Glenn?

MR. GADBOIS: Aye.

MS. BLOOMER: Brad?

MR. UNDERWOOD: Aye.

MS. BLOOMER: J.R.?

MR. SALAZAR: Aye.

MS. BLOOMER: Rob?

MR. STEPHENS: Aye.

MS. BLOOMER: Al?

DR. ABESON: Aye.

MS. BLOOMER: Michelle, aye.

MR. UNDERWOOD: Move for a comfort break.

MS. BLOOMER: No, no break. We're moving on.

The next one is 5326, it's the transit asset management. Bobby, I do not believe we received any comments on this item. Is that correct?

MR. KILLEBREW: That's correct.

MS. BLOOMER: I don't know if we need further discussion or just a consensus that we're still onboard with the concepts that were laid out in the concept paper.

MR. GADBOIS: So moved.
MR. STEPHENS: And I'll second that.

MS. BLOOMER: I have a motion and a second.

Glenn?

MR. GADBOIS: Aye.

MS. BLOOMER: J.R.?

MR. SALAZAR: Aye.

MS. BLOOMER: Michelle, aye.

MR. STEPHENS: Aye, Rob.

MS. BLOOMER: And Al?

DR. ABESON: Aye.

MR. GADBOIS: And Brad is out of the room.

MS. BLOOMER: Brad abstained.

We're moving on to 5329 which was the safety program. Same issue, there were no comments received from the committee. Do I have a motion that we continue with the concept as outlined in the concept paper?

MR. SALAZAR: I'll make that motion.

MS. BLOOMER: I have a first. Do I have a second?

MR. GADBOIS: Glenn seconds.

MS. BLOOMER: Do we need discussion, Bobby?

No.

Okay. So I have a first and a second. Call the vote. Glenn?

MR. GADBOIS: Aye.
MS. BLOOMER: J.R.?
MR. SALAZAR: Aye.
MS. BLOOMER: Michelle, aye.
Rob?
MR. STEPHENS: Aye.
MS. BLOOMER: And Al?
DR. ABESON: Aye.
MS. BLOOMER: Okay. Making note that Brad stepped out of the room.
The last one is the bus and bus facilities program, and I believe this is the same instance where we did not receive any comments regarding the concept paper that was put out there. So do I hear a motion to proceed on drafting the TAC consistent with the concepts that were laid out? I'll make the motion.
DR. ABESON: So moved.
MS. BLOOMER: And I have a second from Al. We have a first and a second. Glenn?
MR. GADBOIS: Aye.
MS. BLOOMER: J.R.?
MR. SALAZAR: Aye.
MS. BLOOMER: Michelle, aye.
Rob?
MR. STEPHENS: Aye.
MS. BLOOMER: And Al?
DR. ABESON: Aye.

MS. BLOOMER: All right.

MR. GADBOIS: Hey, when we get down to business, we get down to business.

MS. BLOOMER: I'm sorry, Al. Go ahead.

DR. ABESON: Okay. On the 5311 when we voted to accept the motion, were we approving in that point 3 as described? That as the one tied to the public coordination plan. Is that what that vote included?

MS. BLOOMER: It did as Brad revised it.

DR. ABESON: Okay. Then I want to change my vote to no.

MS. BLOOMER: Okay.

MR. KILLEBREW: Michelle, if I might. I think there was a change to the wording on item number 3 on 5311.

MS. BLOOMER: That's the question Al was asking: What was the change.

MR. KILLEBREW: I think the change was it's going to say: For a project to be eligible for rural discretionary awards, it should be tied to the department's goals and objectives.

MS. BLOOMER: And that's what Al is changing his vote from a yes to a no on 5311, and that will be reflected.
We're done, we just went back. So we've taken care of all. I guess my question to Bobby is that next time we come back we will have draft Administrative Code?

MR. GLEASON: Yes. The next time this committee is scheduled to meet will be probably towards the end of June or early July at the latest, and what you'll see before you at that time will actually be the drafted Texas Administrative Code language.

Our goal is to take from this meeting today, immediately run over to the Office of General Counsel, as quick as we can, with a revised text to get them to start reviewing this.

So we'll have to poll the committee on that date, but we're targeting somewhere at the end of June, early July at the latest so we can meet the July 25 commission meeting.

And so also included in your packets that estimated timeline which kind of lays out the next steps and the dates that I think those might occur.

MS. BLOOMER: So our normal schedule at the last meeting that we set up was every other month, the last Tuesday, and so what we're saying is that would put us the end of July, we're probably going to need to move that up to late June, early July.

MR. KILLEBREW: We will have to meet, yes, and
that will be an out-of-cycle type meeting, and so totally understand that all members are going to be phoning that we'll make that telephone capabilities available to you.

MS. BLOOMER: Okay. And then the only other comment for the members is the request that when we do have that meeting in late June or early July confirmed is once you know, if you can please let Rebecca know if you'll be attending in person or on the phone.

I didn't do that this time, and I apologize, but it makes it difficult for TxDOT to know if we're going to have a quorum or not.

So if we could all as members just shoot her a quick email letting her know if we plan to participate in person in Austin or on the phone, that would be appreciated.

MR. GLEASON: Al is the best practice person. If everyone could do as well as Al does, we'd be fine.

DR. ABESON: Even after I voted no.

MR. GLEASON: Even after you voted no, Al.

That's all right.

(General laughter.)

MS. BLOOMER: Any other items for discussion? Any other public comment? Going once, going twice.

MR. UNDERWOOD: Move to adjourn.

MS. BLOOMER: Have a motion.
MR. SALAZAR: Second.

MS. BLOOMER: Second. All those in favor?

(A chorus of ayes.)

MS. BLOOMER: All right. Meeting adjourned.

Thank you, everybody.

(Whereupon, at 3:26 p.m., the meeting was concluded.)
CERTIFICATE

MEETING OF: Public Transportation Advisory Committee
LOCATION: Austin, Texas
DATE: May 28, 2013

I do hereby certify that the foregoing pages, numbers 1 through 105, 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.

05/31/2013
(Transcriber) (Date)

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