

TEXAS DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE MEETING

10:00 a.m.
Friday,
May 14, 2010

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

COMMITTEE MEMBERS:

Present in Austin:

MICHELLE BLOOMER, Chair
J.R. SALAZAR, Vice Chair
VINCE HUERTA

Present via Teleconference:

AL ABESON
FRANK CASTELLANOS
CHRISTINA MELTON CRAIN
JANET EVERHEART

TxDOT STAFF:

ERIC GLEASON, PTN Director
BOBBY KILLEBREW
GINNIE MAYLE, PTN
SUZANNE MANN, OGC

<u>AGENDA OF PUBLIC TRANSPORTATION ADVISORY COMMITTEE</u>		
<u>ITEM</u>		<u>PAGE</u>
1.	Call to Order	3
2.	Approval of Minutes from February 26, 2010, and April 7, 2010, meetings	3
3.	In accordance with 43 TAC '1.83(c) final review of draft revisions to 43 TAC '9.130- 9.139 concerning grant sanctions, as it relates to those amendments to Chapter 31	5
4.	Discussion and action on the input to the department's Legislative Appropriations Request (LAR)	25
5.	Discussion and possible action on PTAC Work Plan as it relates to Transportation Code Section 455.004(a)(1)	81
6.	Division Director's Report to the Committee regarding general public transportation matters, including an update on items the department has been involved with and a recap of Texas Transportation Commission action regarding public transportation projects	69
7.	Public comment	54
8.	Confirm date of next meeting	83
9.	Adjourn	84

P R O C E E D I N G S

1
2 MS. BLOOMER: Okay. I think we have everybody
3 that we know or that we're expecting, so we'll go ahead
4 and call the meeting to order.

5 Taking item 2, approval of the minutes from the
6 February 26 and April 7, 2010, meetings, are there any
7 comments or questions, or do I have a motion?

8 MS. CRAIN: This is Christina. I move -- I'm
9 sorry.

10 DR. ABESON: That's okay. I move that they be
11 adopted.

12 MS. CRAIN: I'll second it.

13 MS. BLOOMER: Okay. We have a first and a
14 second. To facilitate the vote, I'll just call
15 everybody's name, and you can say your pleasure.

16 MS. BLOOMER: Al.

17 DR. ABESON: Yes.

18 MS. BLOOMER: Christina?

19 MS. CRAIN: Yes.

20 MS. BLOOMER: Janet?

21 MS. EVERHEART: Yes.

22 MS. BLOOMER: J.R.?

23 MR. SALAZAR: Yes.

24 MS. BLOOMER: Vince?

25 MR. HUERTA: Yes.

1 MS. BLOOMER: And Michelle, yes.

2 Okay. Moving on to item 3, review -- do we
3 have to approve both of them, or do we just take the
4 entire item? Oh, we need to approve them separately?
5 Okay. Then which minutes did we just approve?

6 MR. SALAZAR: This is J.R. I move we approve
7 the April 7 meeting minutes.

8 MS. BLOOMER: Okay. Do we have a second?

9 MR. HUERTA: This is Vince, and I second.

10 MS. BLOOMER: Okay. Al?

11 DR. ABESON: Yes.

12 MS. BLOOMER: Christina?

13 MS. CRAIN: Yes.

14 MS. BLOOMER: Janet?

15 MS. EVERHEART: Yes.

16 MS. BLOOMER: And then Michelle, yes. So now
17 we have approved both sets of minutes.

18 Okay. Now can we move on to item 3? All
19 right. Item 3, final review of draft revisions to 43 TAC
20 concerning grant sanctions as it relates to those
21 amendments to Chapter 31.

22 Who is presenting that?

23 MR. GLEASON: Suzanne Mann's going to do that.

24 MS. BLOOMER: Okay. Suzanne?

25 MS. MANN: Hi. I'm Suzanne Mann from the

1 Office of General Counsel at TxDOT. Can everybody hear
2 me?

3 MS. BLOOMER: Yes.

4 MS. MANN: I'm here today to discuss the
5 department's proposed grant sanction rules, Chapter 9,
6 subchapter H. These rules were originally presented to
7 PTAC, and you recommended them for adoption at your March
8 4, 2009, meeting.

9 The grant sanction rules were proposed for
10 adoption by the Texas Transportation Commission at its
11 February 2010 meeting.

12 The purpose of these proposed rules is to allow
13 the department to impose sanctions on a subgrantee if the
14 department determines that the subgrantee has failed to
15 comply with law, grant conditions, or contractual
16 agreements of the award.

17 Amendments to Chapter 31 simply remove sanction
18 provisions in that chapter and refer to the new grant
19 sanction provisions in proposed subchapter H. So we
20 already had previous sanction rules before, and these are
21 replacing those.

22 Currently the sanction process under the
23 proposed rules begins with the assistant executive
24 director or designee making the decision to sanction a
25 subgrantee.

1 The assistant executive director may consider,
2 as a mitigating factor, whether the subgrantee has an
3 internal ethics and compliance program that satisfies
4 Section 1.8 of our rules.

5 The subgrantee receives a notice of the
6 sanction by mail that gives details of the sanction and
7 states that the subgrantee may appeal the sanction.
8 Appeal is to the department's executive director.

9 The department received a public comment on the
10 rules from Jeff Heckler, executive director of Texas
11 Transit Administration [sic], stating concern about the
12 sanction process and the amount of discretion allowed to
13 the department's executive director.

14 Taking into consideration TTA's concerns, the
15 proposed rules have been changed to allow for more process
16 before a final sanction is imposed. In the previous
17 version a grantee could present only written evidence in
18 support of an appeal. Now a subgrantee is allowed is
19 allowed to actually meet in person with the executive
20 director and present oral testimony in support of its
21 appeal.

22 Additionally, the department recognizes that
23 the sanction of declaring a subgrantee either temporarily
24 or permanently ineligible for future subgrant awards can
25 have severe consequences on a subgrantee; therefore, the

1 proposed rules have been changed to allow the subgrantee,
2 at its option, to appeal to the State Office of
3 Administrative Hearings after the decision of the
4 executive director to impose a temporary or permanent
5 declaration of ineligibility.

6 The department believes that these two changes
7 adequately address TTA's concerns and are an overall
8 improvement to the proposed rules.

9 At this time I'll be happy to address any
10 questions or comments or anything.

11 DR. ABESON: I've got a curiosity. How
12 frequently does the department find itself in a position
13 where it needs to deal with a sanction?

14 MR. GLEASON: Al, this is Eric Gleason. Well,
15 Al, it doesn't happen very often at all. In the five
16 years I've been here, we've not found ourselves in that
17 situation, so this isn't something that gets used, at
18 least in the public transportation environment, that
19 frequently at all.

20 DR. ABESON: Okay.

21 MR. GLEASON: I would frankly consider it a
22 failure on our part if we ever got to that point.

23 DR. ABESON: Madam Chair, are you open for a
24 motion to adopt?

25 MS. BLOOMER: Are there any other questions

1 from the committee members?

2 MR. SALAZAR: This is J.R. I just had one
3 quick question, and maybe a little silly, but I just
4 wanted clarification. On page 12 of 12 it talks about the
5 subgrantee may file a petition with the executive director
6 requesting administrative hearing under the provision.

7 I just wanted to -- if you could just briefly
8 explain to me the administrative hearing part of it.

9 MS. MANN: Okay. Where are you on 12?

10 MR. SALAZAR: Page 12 of 12, line 7.

11 MS. MANN: Okay. Well, that's going to be
12 under the SOAH provisions, under the State Office of
13 Administrative Hearings, and -- which is actually better
14 than an appeal to our commission or to this body here.

15 SOAH is used to hearing appeals from all state
16 agencies. They do -- you present evidence; both sides
17 present evidence. You could have an attorney or not.
18 SOAH does hearings like on -- it's done as other contested
19 cases are done, so it's a process to where -- and then
20 they come out with a finding, is how it works.

21 And they hear cases from all over state
22 government, so they're used to hearing -- when people lose
23 their license, they go to SOAH, that kind of thing, too,
24 so they're used to this kind of actions.

25 MS. BLOOMER: J.R., does that answer your

1 question?

2 MR. SALAZAR: Yes, it does. Thank you.

3 MS. BLOOMER: Okay. I had a couple questions.

4 On the first page, line 12 through 14 it says,
5 "The proposed sanctions will only apply to agreements
6 signed or executed on or after the effective date of the
7 rules." And I was just curious if that is referring to
8 the master agreement or if it was referring to the annual.
9 My understanding is master agreements are executed less
10 frequently.

11 MR. GLEASON: This is Eric Gleason. The master
12 agreement that we have is executed once every three years,
13 and we've been talking about it recently among the
14 division management team, and we're researching exactly
15 the right way to do it.

16 The intent, of course, is to have it apply, you
17 know, annually or whatever it is.

18 MS. BLOOMER: Annually.

19 MR. GLEASON: Right. So we're still
20 researching the exact mechanism that we'll use, but the
21 intent, of course, is to have it apply to everything
22 signed after that date.

23 MS. BLOOMER: Okay. I just received that
24 question and wanted to make sure I could respond.

25 And then on page 6 of 12, line 20 -- sorry --

1 19, it says, "Failure to return to the department within
2 the required time any unused grant or subgrant funds
3 remaining on an expired grant or subgrant" -- I was just
4 curious, and maybe that's other areas of the department
5 since -- but since all the programs are reimbursement
6 based, I didn't understand how there could be any unused
7 grant or subgrantee funds remaining.

8 MS. MANN: That's beyond me, Eric.

9 MR. GLEASON: Well, I think the -- well, and
10 Bobby, if you need to jump in -- the situation we -- I
11 mean, oftentimes once the grant -- once the project that
12 the grant was given for is complete, there are funds that
13 remain, and so the understanding at that time is that
14 those funds have to get returned to the department.

15 MS. BLOOMER: Okay. So it's just unspent funds
16 within the grant --

17 MR. GLEASON: I think this was just
18 anticipating --

19 MS. BLOOMER: -- application.

20 MR. GLEASON: Exactly.

21 MR. KILLEBREW: If I may, for the record, this
22 is Bobby Killebrew, deputy director of Public
23 Transportation Division. Good morning to everyone.

24 And to your point, Michelle, these rules are
25 global for the department; they're not specific to public

1 transportation, although public transportation at the
2 moment is the only program that's underneath these rules.

3 The Office of General Counsel has decided to
4 kind of phase this in for all the other programs. We're
5 just number one on the chopping block. So -- which is
6 good. We get to form them to best benefit us, but they
7 will apply to all the grants the department administers,
8 whether that's traffic safety grants or any other type of
9 grants that we do hand out.

10 And some of those other type of grants, it is
11 possible, because of their funding stream, that some
12 people may actually have some money up front, so this does
13 address that case, as well as the case that Eric explains,
14 that in case you have unused grants that have not been
15 reimbursed to you.

16 MS. BLOOMER: Okay. And then on that same
17 page, up on line 10, item 7, it says, "failure to begin
18 project operations within the period specified in the
19 grant or subgrant award document or if no period is
20 specified in that document, within 45 days after the
21 project start date."

22 And that's one of the reasons that you can --
23 funds can be withheld or costs can be disallowed. Is
24 that -- I guess I'm just trying to understand how that
25 applies. If an entity has an agreement with TxDOT for

1 funding, but that project isn't set to start within 45
2 days or can't start within 45 days, is that grounds for
3 withdrawing those funds?

4 MR. KILLEBREW: And this is Bobby again. In
5 the contracts that we write, we always have project-
6 specific time lines in them, so it wouldn't necessary
7 apply to public transportation, but in the event that --
8 and again, these are global rules. This is a "may"
9 situation; it's not a "shall" situation.

10 The provisions that Michelle's referring to
11 are -- they're instance of where the assistant executive
12 director may look at that. If a project was delayed for a
13 reason, then I don't see the assistant executive director
14 taking action if it's outside the means of the project to
15 start at that certain time.

16 MS. BLOOMER: Okay. And then my last question
17 sort of relates to a lot different sections on it. I
18 was -- if somebody could just explain to me -- like say a
19 subgrantee is notified of sanctions, and then how, through
20 the executive director decision and then the appeal
21 process they can or cannot incur costs.

22 So if you're a public transportation provider
23 and you're being told you have sanctions imposed on you
24 and you may or may not be able to incur costs and/or be
25 reimbursed for those costs at the end of the final

1 ruling -- I'm just trying to figure out, for a transit
2 provider, what does that do to you, because you're in
3 this -- there's no time frame from when you first receive
4 notice of sanctions to when the executive director will
5 rule or the appeal process will be done.

6 So do you cease service so that you don't incur
7 costs and risks when you don't know how long that will go
8 and what the possible outcome will be? On the last page
9 it says -- regarding the appeal, it says, "the full term
10 of the sanction will be imposed on the date of the final
11 order," but in other areas it says that no stay will be
12 allowed.

13 And I'm just trying to figure out, from a
14 transit providers perspective, if they were to receive --
15 and I know it's unlikely, but if I'm a transit provider
16 and I were to receive a notice of sanctions, which could
17 possibly mean removal of funding, do I then make the
18 decision to continue to providing service at the risk to
19 my agency that I may or may not prevail?

20 And not knowing whether I will or will not
21 prevail and how long it will take to make that decision,
22 it's kind of hard to decide whether or not you cease
23 service the day you receive the notice or you continue to
24 provide that service and take on that risk.

25 MS. MANN: So you're saying -- so there's no

1 requirement on how soon TxDOT has to act on -- the
2 executive director would have to act, and then we could
3 not put anything on how quickly SOAH would have to act if
4 it was appealed from the executive director's.

5 MS. BLOOMER: Right. I think there is like the
6 executive director has five or ten days from the date of
7 the decision to notify the subgrantee; I believe the
8 subgrantee has ten days to then notify --

9 MS. MANN: Right.

10 MS. BLOOMER: I did -- and then another
11 question I had was it says "written notification." And
12 I've run into this issue previously. I think we just need
13 to make that clear if that is -- it has to be a letter.
14 It just says "written," and some people may interpret that
15 that, As long as I send some -- a written e-mail versus it
16 has to be a formal letter that is hand-delivered, mailed,
17 et cetera.

18 MS. MANN: Now, where is the "written" part,
19 because we don't have -- (Perusing document.)

20 MS. BLOOMER: I know I underlined it somewhere.

21 MR. CASTELLANOS: While you're looking for
22 that, can I just interrupt a second? This is Frank
23 Castellanos; I just wanted to let you know I joined the
24 conference call about five minutes ago.

25 MS. BLOOMER: Thanks, Frank.

1 MR. CASTELLANOS: You're welcome.

2 MS. BLOOMER: Page 10, line 20. It says, "A
3 subgrantee may appeal a sanction by delivering to the
4 executive director a written notice within 10 working days
5 after the date that the department mailed the notice" -- I
6 think we just need to clarify if only a handwritten letter
7 delivered in hard copy to the executive director is
8 sufficient, I just think we need to say that, because in
9 past times I have responded to a written notice via e-mail
10 and it was determined that that was not acceptable.

11 MS. MANN: Okay.

12 MS. BLOOMER: So I think just clarify what
13 "written notice" is.

14 And so there is says within 10 working days,
15 and then the next page, on page 11 of 12, on line 8 it
16 says "meeting will be scheduled at the executive
17 director's earliest convenience."

18 And I understand the need for that, because I'm
19 sure the executive director is a very busy gentleman, but
20 is there a time frame? -- like within 30 days, three
21 months, six months?

22 MS. MANN: There's not anything anticipated,
23 you know, in there right now.

24 MS. BLOOMER: Okay. Are there any other
25 questions or concerns?

1 I think, Bobby, that action you're asking us
2 for today is approval of the final?

3 MR. KILLEBREW: The action -- this is Bobby
4 again. The action today that the committee can take is
5 they can recommend these rules be recommended to the
6 commission for final adoption. You could recommend these
7 rules be recommended for final adoption to the commission
8 with your suggested remarks.

9 Can they defer completely on this?

10 MS. MANN: Uh-huh.

11 MR. KILLEBREW: Or you could defer completely
12 on this.

13 MS. BLOOMER: Is there any desire on the
14 committee to either recommend for final adoption,
15 recommend for final adoption with comments, or defer?

16 Again, we started this, I believe, in March 4
17 of 2009.

18 DR. ABESON: Well, the concerns that you've
19 raised certainly sound rather serious. It sounds like a
20 provider would really be left in limbo in terms of having
21 any sense of whether or not to discontinue the services
22 that were being paid for with the funds in question.

23 Is that correct?

24 MS. BLOOMER: And I guess that's what I'm
25 asking for clarification on. And maybe what we could do

1 is recommend for final adoption with that concern being
2 addressed.

3 MS. MANN: Well, I mean, are you asking for a
4 more specific time period? -- because it's clear already
5 that they will be barred during that time period from the
6 funds. And so --

7 DR. ABESON: Could you repeat that, please?

8 MS. MANN: I'm asking if she would prefer to
9 have a specific time period or -- because they are barred
10 from receiving funds during that period, so --

11 MS. BLOOMER: Are they barred from -- sorry;
12 this is Michelle. Are they barred from receiving funds,
13 or are they barred from incurring expenses that they can
14 then later be reimbursed, because I think those are -- if
15 they're barred from receiving funds but upon resolution
16 they could receive reimbursement for those expenses during
17 that period in question, that isn't as big --

18 MS. MANN: It's the cost, too.

19 MS. BLOOMER: Then I think that's a bigger
20 issue, and I think that's my concern, is that this could
21 go, short-term, a month or it could go much longer, and as
22 a provider, you don't know where you are, and you don't
23 know how to proceed.

24 MS. MANN: I don't know. I guess as
25 providers --

1 MR. HUERTA: I think it's an excellent point.
2 Vince.

3 I think it's an excellent point, and I think
4 what Al Abeson just mentioned I think is also important,
5 how the time period I think would be important.

6 MS. BLOOMER: Either the time -- there needs to
7 be a set time frame of which it's known and it's as short
8 as possible to resolve the issue, or there needs to be
9 a -- sanctions aren't applied until final decision is
10 made.

11 MS. MANN: Okay. What we need to realize,
12 though, is that before this ever would happen, these
13 people are in violation of either a law or their contract.
14 They can fix that -- they can fix all of this and have no
15 sanctions if they become in compliance.

16 So I think to say that it's not in their
17 control and they don't know how much time and all that is
18 not really accurate, because they can fix it by coming in
19 compliance with their contract.

20 So you're talking about an organization that
21 has breached their contract, to start with, or broken the
22 law, to start with.

23 DR. ABESON: But isn't that potentially the
24 issue that would be negotiated or discussed or adjudicated
25 through the remainder of the administrative appeals

1 process?

2 MS. MANN: Whether that --

3 DR. ABESON: I mean, the state could make that
4 allegation, but the subgrantee could argue that that's not
5 a correct interpretation.

6 MS. MANN: Yes. That's correct, sir. What
7 they would do is they would receive a letter from the
8 department, saying that, It is the department's opinion
9 that you have violated the contract by doing X. The
10 organization would come back and say, We don't view X as a
11 breach of the contract, and here's why.

12 That process will be happening quickly; that
13 part with the executive director happens pretty quickly,
14 and now they are allowed to not just present written but
15 actually set up a meeting, come talk, and go through why
16 it's not a breach of the contract.

17 I actually -- just from how often you all are
18 saying has happened, in the -- in this realm, I don't
19 think it's that much of a concern, but -- I understand
20 what your concern is, but I think with our contracts here
21 it would be resolved at that level pretty quickly if the
22 executive director -- well, in the first place, I don't
23 think there's going to be a breach. That's a pretty big
24 thing, for TxDOT to come out and say there's been a breach
25 unless we're pretty sure there's been a breach.

1 And then secondly I think if the executive
2 director feels that -- once he sees all the information,
3 that would happen quickly. I can't -- I mean, things
4 happen, but I can't see this realm, the public
5 transportation realm, ever going to a SOAH hearing.

6 Will it ever happen? Maybe, but this -- like
7 Bobby was explaining, these rules apply to other grants
8 besides these, so that probably doesn't address your
9 question so much; it's just that when you're talking about
10 sanction rules -- and also realize that you have sanction
11 rules in place right now that we're repealing and
12 replacing with these.

13 Right now they can do that; they can stop that.

14 So just keep in mind -- sanctions are tough; I mean,
15 sanctions are slapping somebody or spanking somebody.
16 Keep in mind, though, that you don't get to this point
17 unless they're breaking the law or in breach of a
18 contract.

19 MS. BLOOMER: And they've had sufficient --

20 MS. MANN: They've had notice.

21 MS. BLOOMER: And sufficient time and technical
22 assistance to resolve that issue before we get to
23 sanctions.

24 MS. MANN: Right, because this group doesn't
25 want you to break your contract.

1 MS. BLOOMER: Back to Eric's point, that that's
2 something we don't really -- you haven't done in five
3 years, and wouldn't want to do if at any way possible.

4 Okay. Any other thoughts?

5 DR. ABESON: Well, that explanation is helpful,
6 but does it resolve the question of what do you do about
7 spending money or incurring costs and all of that?

8 MS. BLOOMER: I don't think it resolves that
9 issue, Al. I think what I'm understanding is that PTN
10 will do everything in their realm of responsibility to
11 make sure that it doesn't get to that point.

12 And if a provider gets to the point of a
13 sanction, they've pretty much been defiant in addressing
14 the issue. And like I said, I hope -- we haven't gotten
15 there in the last five years, and there might have been
16 some instances where we could have possibly gone there; I
17 don't know.

18 I know in our region we work with our providers
19 to address those issues when we catch them, and I'm sure
20 PTN does the same with their subgrantees and in general
21 almost all of our providers are very compliant in
22 following those recommendations and suggestions.

23 So it doesn't address the issue. I think I'm a
24 bit more comfortable only because you have to sort of be
25 like the defiant five-year-old that just says, No, I'm not

1 going to do it, to get to that point. And at that point
2 you've sort of brought that situation on yourself.

3 So I don't know if anybody else on the phone
4 has any other comments? What we could do is we could
5 recommend for final adoption with that comment. I don't
6 know that I really want to defer again. I'd like to sort
7 of close the book on this one if at all possible, but I
8 will defer to what the committee would like to do.

9 DR. ABESON: I have a question; this is Al
10 Abeson.

11 Eric, do I remember that at one of the points
12 along the way we discussed the larger question of ethics,
13 that there was some plan for teaching providers about
14 these new provisions as well as the overall concern about
15 behaving in an ethical fashion? Is that correct?

16 MR. GLEASON: Al, I didn't catch all of your
17 question, but what I can tell you is that, you know, this
18 is, you know, part of our core business mission as a
19 division with our administration responsibilities for
20 these programs.

21 And we work with folks on a daily basis to
22 ensure compliance, and so, you know, it's just part of the
23 ethic of working the program. And it's possible -- you
24 know, this set of rules is sort of the end game; this is
25 the end stage, if you will.

1 So, I mean, we can have -- you know, we can
2 schedule a conversation with our subrecipients, you know,
3 to talk about this.

4 DR. ABESON: Well, I'm not trying to create
5 additional work. I just thought I remembered there was
6 some kind of a training program coming up that this all
7 would be included. And I think if that were the case or
8 if it could just be put into a conference that you have
9 typically with the providers, I think that would --

10 MR. GLEASON: That's fine.

11 DR. ABESON: That would add insurance from my
12 perspective.

13 MR. GLEASON: Okay. Yeah, we can do that.

14 MS. MANN: Yeah, I think I recall what you're
15 talking about. This is Suzanne again.

16 When I presented the rules on requirement of
17 having an internal compliance program, we agreed that we
18 would provide training. Bobby and I are working on that,
19 and we're going to have a training program; we're going to
20 have a sample of how to have an internal compliance
21 program, how to have -- we're going to have a checklist,
22 and then we're going to provide that training.

23 And so we are working on that. A letter's
24 going to go out shortly saying what we did in that regard.

25 And the link here is that if you have an internal

1 compliance program, then that is a mitigating factor in
2 your sanctions.

3 And so if you recall, a couple of months ago,
4 we required that they have an internal compliance and
5 ethics program. And now we're saying, If you have that,
6 then that's a mitigating factor. So there is a link
7 there, and I think that's the training you were talking
8 about.

9 DR. ABESON: Thank you very much. I think so.

10 MS. BLOOMER: Okay. If there are no other
11 questions on item 3, do we have a motion?

12 MR. HUERTA: This is Vince.

13 MS. CRAIN: This is Christina. So moved.

14 MS. BLOOMER: And, Christina, what's your -- is
15 your motion to recommend for final adoption, recommend for
16 final adoption with comment, or to defer action?

17 MS. CRAIN: Final adoption with comment.

18 MS. BLOOMER: Okay. And do we have a second?

19 MR. CASTELLANOS: This is Frank Castellanos.
20 I'll second that.

21 MS. BLOOMER: Okay. Thank you, Frank.

22 And I'll just go down through everybody on the
23 phone.

24 Al?

25 DR. ABESON: Yes.

1 MS. BLOOMER: Christina?

2 MS. CRAIN: Yes.

3 MS. BLOOMER: Janet?

4 MS. EVERHEART: Yes.

5 MS. BLOOMER: Frank?

6 MR. CASTELLANOS: Yes.

7 MS. BLOOMER: J.R.?

8 MR. SALAZAR: Yes.

9 MS. BLOOMER: Vince?

10 MR. HUERTA: Yes.

11 MS. BLOOMER: And Michelle, yes.

12 Okay. Thank you all.

13 Moving on to item 4 is the discussion and
14 action on input to the department's legislative
15 appropriations request, and I believe Eric is going to
16 present this item.

17 MR. GLEASON: Okay. Yes. At our workshop in
18 Arlington, when we were talking about the work plan, one
19 of the items that came up and rose to the top very quickly
20 was the -- whether or not the committee wanted to comment
21 and advise the commission in its development of this next
22 legislative appropriation request for the 2012-2013
23 biennium.

24 And you each received in your packet sort of a
25 one-page summary of some areas that we have identified

1 that could make up a description of need for additional
2 funding for the programs.

3 And, you know, there are a number of ways to
4 come at this, and I think we have -- just looking at that
5 handout that you got, obviously, you know, with -- and
6 this is on the state side, not the federal side, but on
7 the state side -- you know, we've had fairly flat funding
8 levels since about 2000 on the state side, and so right
9 away, obviously, with inflation, buying power of that
10 amount of money has been reduced, and we estimate that to
11 be about 40 percent, and that's based on data that we
12 routinely collect from all of the rural and smaller
13 providers that we give state funds to, and kind of
14 averaging out their individual experiences.

15 And honestly, the average was developed looking
16 back over the last three years of data that we have,
17 because that is the data set that we have the most
18 confidence in.

19 If you recall with our conversation in
20 Arlington about the formula, that with the passage of the
21 current formula back in 2006, the department embarked on
22 an effort with TTI to work with all of our providers to
23 improve the quality -- the overall quality of the data
24 that was being reported.

25 And so we began seeing, I think, significant

1 improvement in the quality of that data, you know,
2 beginning with our 2007 data. So we looked back 2007, -8,
3 and -9, and honestly there was quite a range of experience
4 among individual providers, but it seemed to sort of
5 settle down in an average of about 4 percent.

6 And so we then made the assumption that that
7 would then -- we applied that back over the time frame
8 beginning in 2000 and then projected it through the
9 completion of the next biennium.

10 And so that's where we are with that, and
11 that's one estimate of need based on that, so this would
12 basically say if you wanted to return to the buying power
13 of the 2000 level of funding, you would need about another
14 22 million for the biennium.

15 We know as well from our presentation in
16 Arlington that population growth obviously has occurred in
17 all of these areas, and if you apply that growth against
18 the flat state funding levels, you identify a need for
19 another 16 percent increase, or about 8.2 million for the
20 next biennium.

21 And then skipping over the third topic and
22 going down to the fourth, which is accounting for the
23 impacts of the 2010 census -- we talked about that as well
24 up in Arlington. And while it's a little hard to get our
25 arms around an exact number, if we try and plan for the

1 worst case, what we think is the worst case, meaning the
2 biggest impact on existing levels of funding for current
3 rural and small-urban programs, we've identified a need of
4 up to 3.2 million in the next biennium.

5 The fourth area was the one that the committee
6 started to talk about and I think recognized quickly that
7 this was an area that would be useful to talk about in
8 greater detail, and that is how do we get our arms around,
9 then, the need for additional service or the unmet need?

10 And, you know, having sort of made all these
11 adjustments to account for inflation and population growth
12 as best we can, you know, there still remains an unmet
13 need, and how do we get our arms around that?

14 And between the time that we met in Arlington
15 and today we took a run at that in a number of different
16 ways, and what we ended up with using, very much an
17 imperfect number, but relying on the work that was done
18 for the commission by the 2030 committee, if you go back
19 into the appendix of the report -- and the public
20 transportation information in the report was prepared by
21 TTI, and I've had some conversations with them about that
22 work, so it's sort of in the appendix and in the working
23 papers -- it seemed reasonable to suggest that if overall
24 funding levels were increased by about 25 percent, having
25 made all the adjustments for growth and inflation, that

1 that would be a good estimate of unmet need in terms of
2 basic mobility needs across the state.

3 Now, to give you a sense of the other kinds of
4 things that we looked at, we looked at our regional
5 coordination plans. We have 24 plans, one from each of
6 the regions of the state.

7 Now, we've not asked in those plans for folks
8 to include estimates of what they would need financially
9 to address the needs in the gaps that they identify in
10 those plans, but three of those plans did in fact do that:

11 the plan developed for the ArkTex area of the state, the
12 northeast corner of the state; the Central Texas Council
13 of Governments plan had estimates in there; and then the
14 Middle Rio Grande Valley plan had estimates in there as
15 well.

16 And so what we did is we took those estimates,
17 and we said, Well, what if we sort of figure out on a per
18 capita basis what those estimates were, and then applied
19 that per capita number to the rural and small-urban
20 population of the state.

21 And when we did that, we came up with a number
22 that was in excess of \$500 million a year. So -- and we
23 weren't convinced that -- well, while that may in fact be
24 the need, we weren't convinced that in this environment
25 that that kind of a number was something that we ought to

1 try and wrap our arms around.

2 And so without judging it as being, you know,
3 wildly inaccurate, it just seemed to be a really large
4 leap of faith at this point in time to be suggesting that
5 that was the need, and that we would really need to embark
6 on a much more elaborate and detailed look at need before
7 we could say confidently that that was or was not the
8 right number.

9 The other thing we did -- and this is very
10 similar to what was done in the 2030 report -- is we
11 looked at revenue miles per capita for each of our rural
12 and small-urban systems, and we asked ourselves, Well,
13 what would it take if we brought everyone in the state up
14 to the level represented by the second quartile, and what
15 that is, from a statistical standpoint, is we broke the
16 distribution of the revenue miles per capita down into
17 four groups.

18 The second quartile is the number that is the
19 difference between group 2 and group 3. So bringing
20 everyone in the state up to that level -- and I think
21 at -- you know, that number was in the neighborhood of 26
22 to 28 million a year to do that.

23 We also know that realistically, if we were to
24 get that amount of money, we wouldn't apply it that way;
25 we'd give something to everyone, because everyone has

1 needs.

2 And so it's really a -- I guess in many
3 respects it's an unsatisfactory conclusion that we have
4 for you today about our ability to get our arms around a
5 neat number, but what we've settled on is using a number
6 that was -- you know, that can be traced back to the 2030
7 report, which, in our view, has standing with the
8 commission, and adding that amount to the numbers that we
9 already had identified for inflation and population
10 growth.

11 And where that leaves us from a request for the
12 next biennium is it leaves us in the neighborhood of, I
13 think, if I have this right -- if you look at those three
14 things, we are in the neighborhood of about \$55.2 million
15 for the next biennium.

16 And so that's what we have for you. We've
17 reduced it to a single page, just for -- to make it as
18 easily understood as possible without all the additional
19 information, and this is information that we are working
20 with as a division, internally, through the internal LAR
21 development process.

22 So why don't I stop there and see what the
23 committee wants to do. Just from a schedule standpoint,
24 the best opportunity for the committee to comment to the
25 commission is their June meeting, as best we can tell.

1 It's not clear whether the June workshop or the
2 June commission meeting will be the opportunity; they're
3 still trying to -- the department is still trying to
4 determine how they are going to introduce a draft LAR to
5 the commission, but it would be a part of that discussion
6 which will be in June that I think the committee is best
7 positioned -- and I've talked to the executive director
8 about this -- is best positioned to make comment if you
9 wish.

10 So with that, Michelle, why don't I give it
11 back to you and see what the committee wants to do.

12 MS. BLOOMER: Okay. Eric, I just have a couple
13 of questions. You said the bottom line is we're looking
14 at 55.2 million for the next biennium, so that's 55.2 over
15 the two-year period.

16 MR. GLEASON: Correct. Keeping in mind that
17 the current level of state funding for a two-year period
18 is about 57 million.

19 MS. BLOOMER: Oh, that was my next question.
20 So we're looking at asking for 55.2 million for the next
21 two years, and the current two-year is 57 million?

22 MR. GLEASON: About 57 million. Yes.

23 MS. BLOOMER: So we're asking for --

24 MR. GLEASON: You're doubling it.

25 MS. BLOOMER: Okay. That was my question. So

1 that 55 million is in addition to the existing 57.

2 MR. GLEASON: Absolutely.

3 MS. BLOOMER: Okay. I was like, we're reducing
4 it?

5 MR. GLEASON: No, no, no. Generally speaking,
6 it looks to be about a doubling of the existing level of
7 state funding.

8 MS. BLOOMER: Okay. And I guess maybe -- when
9 you called and Ginnie said, Hey, we'd like you to come
10 down and present to the commission workshop, at the time
11 my blood pressure went a little high.

12 I'm not sure -- and maybe we can talk about
13 this as a committee. Given the state of the state of
14 Texas and the state of TxDOT, asking for \$57 from the
15 commission -- is that realistic?

16 MR. GLEASON: Well, let's talk about a couple
17 of things here.

18 MS. BLOOMER: Okay.

19 MR. GLEASON: The commission -- the department
20 has been requested by the commission to develop an LAR
21 which is described as needs-based --

22 MS. BLOOMER: Okay.

23 MR. GLEASON: -- which is similar to what was
24 done for the last biennium, and what is meant by that is
25 put forward an LAR which is not constrained by what you

1 think you have available but represents what you think you
2 could do.

3 MS. BLOOMER: Okay.

4 MR. GLEASON: So what that means in the context
5 of the department is the work on the 2030 plan identified
6 an over-\$300-billion gap in funding in terms of unmet
7 need.

8 When the department puts together a needs-based
9 LAR, what they have done and what they do typically is
10 they sit down with the construction industry, and they
11 say, How much could you do in two years? What's a
12 realistic amount of money?

13 And the last time around, the last biennium,
14 that number was I think in the neighborhood of 13 to \$14
15 billion a year. And so that formed the basis for the last
16 LAR that the department sent over.

17 So in that context it's not necessarily
18 unrealistic to also suggest that additional funds are
19 needed for public transportation. The key to this
20 conversation is how you propose to finance those funds.

21 What the department did last time and what I
22 would expect them to do this time is suggest that those
23 funds need to come from somewhere else other than the
24 state highway fund, because the state highway fund does
25 not have them.

1 And so it's an expression to the legislature of
2 what could be done if additional funds are found, and so
3 in the context of this \$55.2 million, the method of
4 finance becomes an issue.

5 If the committee were to feel that all of these
6 funds ought to come from the state highway fund, then you
7 would need to make that point to the commission. It's
8 also something that the committee could say, Well, we
9 think that these additional funds ought to come from the
10 general revenue fund or somewhere else.

11 Or you could simply remain silent on it and
12 just speak to the commission in terms of need, leaving the
13 method of finance decision up to them.

14 Now, given the dire economic situation, the
15 budget situation of this next session -- and we talked
16 about this in Arlington -- I mean, we're -- you know,
17 anywhere from 15 to \$18 billion budget deficit is
18 expected; it seems to difficult to expect too much out of
19 the session.

20 But I think it is an important issue to keep in
21 front of the legislature, so what I can tell you is that
22 what we have done internally is we have suggested to the
23 administration that the census impact amount, the 3.2
24 million, be something that they look to the state highway
25 fund for because of the critical nature of that impact on

1 existing systems, but that the balance of the need be
2 addressed through an exceptional item request, which means
3 something other than the state highway fund.

4 And so, I mean, that -- the committee would
5 need to decide whether and how it wants to weigh in on the
6 method of finance. I don't -- well, I think it's
7 appropriate in this environment to provide the commission
8 with an expression of need; that's certainly being done on
9 the highway side.

10 MS. BLOOMER: Okay.

11 MR. GLEASON: I don't know if that brings your
12 blood pressure down at all.

13 MS. BLOOMER: That helps a little bit.

14 MR. GLEASON: Now, there are other ways -- if
15 the committee would simply want to write a letter to the
16 commission, that's another way to provide comment. You
17 don't need to do it publicly at a commission meeting, and
18 it will be every bit as valid in the commission's review
19 of the LAR as it would be if you were to come up and make
20 the statement publicly.

21 So there is another option that the committee
22 could take; you could simply write a letter to the chair.

23 MS. BLOOMER: Okay. I think it does help,
24 though, knowing that it's a statement of need.

25 MR. GLEASON: Yes.

1 MS. BLOOMER: And we can or can not chose to
2 weigh in on how they meet that need.

3 Okay. And then how -- so we put together a
4 needs-based request, present that to the commission; the
5 commission includes that in the legislative appropriations
6 request or --

7 MR. GLEASON: It may or may not, but yes.

8 MS. BLOOMER: It may or may not. But they then
9 send to the legislature. At that point then how do we
10 avoid -- if we send down a \$100 million request -- the
11 55.2 additional plus the 57 million we currently get -- is
12 there any way to make sure that we don't end up somewhere
13 less than \$57 million?

14 MR. GLEASON: These things are treated as
15 separate things. The department will propose its LAR, and
16 I have no reason to believe that it's not going to do
17 this; that we will continue to propose that we fund the --
18 at the current level of state funding for public
19 transportation and its current method of finance remain
20 the same.

21 Now, I can't second-guess the commission and
22 what they will do in their discussions, but I've heard
23 nothing at this point in the process to suggest that the
24 department would do something different than that.

25 So the first -- the current level of funding

1 will be one item in the LAR, and then the LAR will
2 identify additional funding. And, for example, if -- in a
3 needs-based LAR, if the needs are included, they would be
4 included, but they would be identified as over and
5 above --

6 MS. BLOOMER: So they're treated separately.

7 MR. GLEASON: They're treated separately.

8 MS. BLOOMER: One request for the existing
9 amount of funding and then a separate request for
10 additional funding.

11 MR. GLEASON: Yes. That is my expectation as
12 to how they will be treated. Without knowing exactly what
13 the commission will do, that would certainly be our
14 recommendation, and that they not be lumped into one and
15 put at risk.

16 MS. BLOOMER: Okay.

17 MR. SALAZAR: So just so I'm clear on this,
18 the -- as far as PTAC's role, we're not talking about the
19 upcoming commission meeting. We're talking about --

20 MR. GLEASON: June.

21 MR. SALAZAR: -- June. Okay.

22 MR. GLEASON: Yes.

23 MS. BLOOMER: And you won't be among us for
24 that --

25 MR. SALAZAR: I won't be there that day.

1 MR. GLEASON: And with June we don't know if
2 it's the Wednesday workshop or the Thursday commission
3 meeting where it will be introduced.

4 MS. BLOOMER: Do we know when we will know
5 that?

6 MR. GLEASON: No.

7 MS. BLOOMER: Okay. Will we know it -- I'm
8 just trying to think, if we decide as a group that we
9 would like to present either to the commission via
10 whatever means, the workshop or the meeting, I would like
11 as many PTAC members that are available to be there, just
12 to show our --

13 MS. EVERHEART: What are the dates of that?

14 MS. BLOOMER: I believe it's --

15 MR. GLEASON: It will be the last Wednesday and
16 Thursday in June, without knowing the dates.

17 MS. EVERHEART: Okay.

18 MR. GLEASON: 23rd and 24th. And I would say,
19 Michelle, that, you know, right now the department's
20 focused on the May meeting. I would think that it will
21 come into focus very quickly after the May meeting.

22 MS. BLOOMER: Okay.

23 MR. GLEASON: Perhaps as soon as that next
24 morning when we meet in typical fashion to talk about the
25 next commission meeting. So I just think right now it's

1 that there's -- I think the intent is to not have the
2 commission take action on anything in June, and so the
3 discussion is how best to present it to them.

4 Do they do it in a workshop environment, or do
5 they do it as the discussion item at the commission
6 meeting, and that I think is the conversation.

7 MS. BLOOMER: Okay. And then for those
8 committee members, the workshop is usually the Wednesday
9 before the meeting at --

10 MR. GLEASON: The Wednesday afternoon before
11 the meeting.

12 MS. BLOOMER: Wednesday afternoon around 1:30,
13 and then the meeting's usually in the morning, so
14 there's -- for those of that travel, that would be
15 convenient.

16 MR. GLEASON: And as I say, if the committee
17 would like to send a letter or do both -- I mean, you can
18 do all those things.

19 MS. BLOOMER: All right. So how -- I guess --
20 are there any other questions? One question I have: How
21 does that process work?

22 So say it is -- how do we communicate that to
23 the commission? Is it that document, that like three-page
24 document that Ginnie sent me that just looks like an
25 accounting document, or is it in a -- sort of a white

1 paper: Here's how much money we currently receive and,
2 you know, some charts and some graphs to show that we're
3 still getting the same amount of money; Public
4 Transportation is still receiving the same amount of money
5 in 2010 as they did in 2000 and just show that, show
6 federal funding, or how is that communicated to the
7 commission?

8 MR. GLEASON: I think the committee could
9 communicate it -- I mean, to a point we could work with
10 the committee in terms of if you wanted to put together
11 something that had something more than, say, this single
12 page as supporting documentation. We could work with
13 that, to a point. I mean, I think there are practical
14 limits to what actually gets looked at in this process.

15 MS. BLOOMER: Right.

16 MR. GLEASON: You know, how it gets presented
17 to the committee is something that our finance department
18 does in the context of the entire LAR presentation, so I
19 don't know -- you know, in the scheme of things, I don't
20 know how much time or attention would be devoted to this
21 topic relative to the maintenance program and the mobility
22 program and things like that.

23 But I do know that if it's being -- certainly
24 if it's being suggested that additional funds be
25 requested, that it will be a topic of conversation.

1 MS. BLOOMER: Okay. I guess what I'm just
2 trying to get a better hold of is, if we're currently
3 receiving 57 million and we're going to go ask for 55 and
4 go ask for another 57, if I am a commissioner, I'm going
5 to want to know sort of why, how.

6 That's a lot of money, and it may or may not be
7 a lot of money to the commission in the realm of
8 everything, but to me \$57 million is a lot of money. So
9 I'm just trying to figure out how best we position the
10 additional request in front of the commission so they can
11 very quickly and easily see that, yes, additional funding
12 is needed, but if I'm looking at it, I'm going like, Wow,
13 57, that's kind of out there, but how did you get to that
14 amount; how do you go about making that argument that more
15 funding -- or is this a letter and this the main mechanism
16 you have to communicate to the commission?

17 MR. GLEASON: Well, let me describe to the
18 committee what we've done so far. This piece here with a
19 method of finance recommendation as well. We didn't
20 include that here, because I didn't want to suggest to the
21 committee one thing or the other.

22 But I have -- in the context of our request
23 through our internal preparation process, I have sent this
24 description to each of the commission aides and have asked
25 them to let me know if they need more.

1 So if the committee were content with these as
2 described, we could use that as whether or not -- as a
3 barometer, if you will, of whether or not the commission
4 desires more information as a part of this process.

5 If in its communication to the commission the
6 committee wanted to include some more, we could certainly
7 support that within practical amounts, and so -- because I
8 think -- what I mean by practical is two things: one, our
9 ability to generate it, but more so in terms of, you know,
10 how best and how quickly to communicate something to
11 someone who's got, you know, a six-inch notebook on the
12 topic to look at.

13 And my experience has been that if you can get
14 it down to one page, you're in good shape, and they'll let
15 you know if they need more.

16 MS. BLOOMER: Okay. I'll stop monopolizing the
17 conversation. Are there any other comments or questions
18 from the committee?

19 MS. CRAIN: This is Christina.

20 Eric, what conversations, if any, have taken
21 place with the Legislative Budget Board representative
22 regarding this? I mean, have you all had extensive
23 conversation with them on this?

24 MR. GLEASON: No. We have not. And, you know,
25 I don't know to what extent members of our finance

1 department or division have, you know, Christina, but, no,
2 I certainly have not.

3 MS. CRAIN: Okay. I was just curious whether
4 or not we had any idea of where they kind of sit on this
5 and what they might be recommending.

6 MR. GLEASON: Well, I think the process is such
7 that the department will send its LAR process over --

8 MS. CRAIN: Right.

9 MR. GLEASON: It's scheduled to be adopted by
10 the commission at the August meeting.

11 MS. CRAIN: Okay.

12 MR. GLEASON: So shortly thereafter we would
13 send that over and then, you know, conversations would
14 begin in earnest.

15 MS. CRAIN: Sure.

16 MR. GLEASON: I don't know to what extent prior
17 to that --

18 MS. CRAIN: Any conversations. Okay.

19 MR. GLEASON: I'm sure there are, but I don't
20 know to what extent they're specific to anything.

21 MS. CRAIN: Sure.

22 DR. ABESON: This is Al.

23 MR. GLEASON: Yeah.

24 DR. ABESON: As the division submits its
25 request to whomever in the agency puts together the whole

1 LAR, you're asking for \$57 million? I mean, that's the
2 current level of spending. Is that right?

3 MR. GLEASON: Roughly. 57 million has been the
4 level of state fund spending on public transportation
5 grants. Yes.

6 DR. ABESON: Okay. And are you asking for the
7 same amount?

8 MR. GLEASON: Well, we're asking -- in addition
9 to that amount, we have identified four areas of need.

10 DR. ABESON: That's in this one-page paper.

11 MR. GLEASON: Yes, sir. And the total request
12 that those four areas represent is 55.2 million
13 additional.

14 DR. ABESON: And that's what you're submitting
15 internally to move forward in the process.

16 MR. GLEASON: No, this committee can do --
17 well, okay. Let me make sure I understand.

18 As a division --

19 DR. ABESON: Yeah.

20 MR. GLEASON: -- we have moved these numbers
21 forward, yes.

22 DR. ABESON: Yes.

23 MR. GLEASON: This committee can chose to do
24 something different.

25 DR. ABESON: I understand.

1 MR. GLEASON: But this is the best information
2 that we have at this time. And it's -- you know, at our
3 meeting in Arlington we talked about -- we've talked about
4 population growth and we've talked about census impacts.

5 DR. ABESON: So is it likely that the
6 commission will see this -- if the committee were to
7 decide to submit this same page, would the commission then
8 essentially be receiving the same page from two places,
9 from the department as well as from the committee?

10 MR. GLEASON: I'm not sure I follow.

11 MS. BLOOMER: Has the division already
12 submitted -- you've already submitted this as a division?

13 MR. GLEASON: We have submitted, through the
14 budget preparation process, the LAR process, we have
15 submitted requests for additional funding. Yes.

16 And I have also, in conjunction with that, sent
17 this one-page, plus a method-of-finance recommendation, to
18 commission aides and the administration. So they have
19 what you have.

20 And so if the committee were to provide comment
21 to them that was consistent with that, then that would be,
22 I think, supportive.

23 If the committee were to do something
24 different, then that would be acceptable as well. And
25 really this is not something that we -- I was just trying

1 to provide the committee with some basis for putting
2 together some comment.

3 And I think, obviously, a lot of the issue is
4 how do we -- what is a reasonable expression of unmet
5 need?

6 DR. ABESON: Well, one of the concerns I
7 have -- and maybe this is out of line with the process and
8 the people involved, and I know nothing about either.
9 This is cold, dry numbers and perfectly logical and
10 rational.

11 The impact on people is really absent, totally.
12 Now, maybe -- this just goes back -- you know, we all talk
13 about, when we visit with policymakers, to make it
14 personal, make it understandable.

15 And I wonder if the committee were to submit
16 something that would include these numbers, would it also
17 be of value to perhaps include some personal stories
18 translating unmet needs into older adults that are
19 isolated, people with disabilities that can't get to
20 work -- you know the routine, just to give it a different
21 perspective, and perhaps that would help it be recognized
22 and then, of course, maybe help with getting the
23 appropriation we need.

24 MS. BLOOMER: I think if we -- depending on how
25 we determine to transmit the information to the

1 commission, I think that's a good idea.

2 One other item I had included just in reading
3 it this morning was thinking it also might be helpful to
4 give an example -- for the purchasing power, just to give
5 an example of -- pick a measurement, number of trips,
6 hours of service, that we were able to provide in 2000
7 with the 2000 funding and, given inflation, how much
8 service we are able to provide in 2010, given the same
9 amount of funding.

10 MR. GLEASON: Yes. What I can tell the
11 committee -- and this has been the story everywhere I've
12 ever worked in transit -- is that in the intervening time
13 frame, I think through coordination, through efficiencies,
14 through working locally to find additional money, we've
15 not seen, you know, a corresponding drop in service
16 levels, and I think it's much to the credit of the
17 provider community and their creativity and ability to
18 sustain service levels that they've been able to do that.

19 And so I think you can talk to the commission
20 and whomever about what that means, you know, from a
21 practical standpoint, but the experience has been through
22 a tremendous amount of I think hard work and creativity
23 and management, the industry has managed to sustain if
24 not, in some cases, somewhat increase the service that's
25 out there.

1 You know, what small role the department has
2 had in that has probably been limited to the use
3 transportation development credits for capital project
4 applications that has allowed whatever non-federal money
5 these agencies have -- it's allowed them to apply as much
6 that as practically possible against the federal program
7 to sustain their service levels.

8 So I think that's a good-news story that the
9 industry can tell in the context of these numbers.

10 DR. ABESON: But as probably the skeptical
11 member of the commission or the legislature, I'd say,
12 Well, do it again. We're going to give you the same
13 amount of money; keep right on being creative and working
14 hard.

15 MS. CRAIN: So, Eric, you think after the May
16 meeting that you'll have a better idea.

17 MR. GLEASON: Well, what I'd have a better idea
18 after the May meeting, Christina, is whether it's going to
19 be a Wednesday workshop discussion or whether it's going
20 to be --

21 MS. CRAIN: Okay.

22 MR. GLEASON: -- a June -- a Thursday
23 commission meeting time.

24 MS. CRAIN: Okay. Got it. And I'd just like
25 to know what your recommendation or thoughts would be on

1 us possibly doing both versus doing one or the other;
2 meaning the letter versus the public comment.

3 MR. GLEASON: Well, I think both will have the
4 same -- I mean, both -- there's no difference in how the
5 comments would be treated by the commission. A written
6 letter versus public testimony -- I guess it would just
7 depend upon, you know -- with public comment you have an
8 opportunity -- if the commission is interested in getting
9 into an exchange, you have an opportunity of having a
10 conversation with them.

11 MS. CRAIN: Right.

12 MR. GLEASON: And so that would be, you know,
13 the opportunity that commenting at a workshop or a
14 commission meeting would represent.

15 MS. CRAIN: Uh-huh.

16 MR. GLEASON: It's likely that what we would do
17 in either setting would be at some -- that the comment
18 would be part of the department's report to the
19 commission, so if the chief financial officer presented
20 the LAR, what is likely to happen is at some point he
21 would acknowledge that the committee is desiring of making
22 comment to the commission, and that's how it would happen.

23 MS. CRAIN: Okay.

24 MR. GLEASON: That's probably how it happens,
25 is some way that way.

1 MS. CRAIN: Okay.

2 MR. GLEASON: Honestly, I think the committee's
3 breaking some ground here in terms of advising the
4 commission. I think it's great. And so we're working to
5 try and figure out how best to do that.

6 MS. BLOOMER: I know -- Eric, if I understand
7 correctly, the division has already presented this
8 information, the 57 million and then the additional money.

9 And so I think, at least from my standpoint, it
10 would be in PTAC's best interest to sort of support and
11 echo that request.

12 And to Janet's point, I think it would be
13 beneficial if we could do both: maybe written comments
14 and public comments either through the workshop or the
15 actual meeting, and then maybe our written comments and
16 the public comments can focus not only on the numbers of
17 it but sort of the human nature that we all see; not
18 just -- I think the numbers speak for themselves, but I
19 think when you bring the personal aspect into it, it just
20 hits a little harder home.

21 Are there any -- I think my biggest issue and
22 my biggest concern -- and I think you've addressed it,
23 Eric -- as long as we don't go below the 57 million --
24 that's my biggest concern, is we go in asking for 110, and
25 they're like, Well, we can give you 40.

1 So as long as we keep those two separate, I
2 have a little bit more level of comfort with the \$55.2
3 million number. And I don't know how the commission and
4 the Legislative Budget Board -- how they determine
5 ultimately where you end up.

6 And I don't know if -- you know, sometimes
7 asking -- we have some of the providers in our region that
8 go big or go home, and, you know, I don't know that that's
9 necessarily the best approach sometimes.

10 We have \$150 million call; they'll ask for 250
11 million of it. We're like, We only have 150 million. So
12 I just want to make sure that by going in and asking for
13 an addition 55.2 million, when really that may be what we
14 need, but something between zero and that would be a
15 positive from where we are today.

16 So I don't know the strategy behind -- do we
17 ask for the ultimate and hope we get knocked down to
18 something that we'd still be happy with, or do we go in
19 with something that may be somewhere in between that and
20 have a better shot of getting close to that?

21 MR. GLEASON: Let me -- I think last biennium's
22 experience in the LAR is I think helpful. For the last
23 LAR, the department received a request from the Texas
24 Transit Association to increase state funding levels up to
25 \$100 million a year -- no, 100 million for the biennium.

1 And we submitted an LAR that requested an
2 additional \$22 million a year, or 44 million for the
3 biennium. So we, the department, included that request in
4 the last LAR, and it -- but it included it as funds coming
5 from general revenue.

6 And so in that process, the way that, you know,
7 the LAR is sent over and all of those general revenue --
8 those exceptional item requests are dealt with differently
9 through the process.

10 So to come in and ask for something that is
11 roughly 26 million a year, when the last process included
12 an additional 22 million a year, is not unreasonable, in
13 my view, as long as the commission is taking a similar
14 approach to the development of this LAR.

15 So you have a number which is not wildly
16 different than it was two years ago, and you have a number
17 which you can talk about as being justified for the
18 following reasons.

19 Now, I think the notion of trying to put a more
20 human side to this, element to this, is something that the
21 committee can bring to the commission, and I think it is
22 better positions, perhaps, than the division to do that
23 because of who you are and who you represent and why
24 you're on the committee.

25 And so I would just offer that. So I don't

1 think this would be viewed as being something, you know,
2 out of left field, if you will. You have to remember that
3 the department believes that there's a \$300 million gap in
4 need for additional transportation funding in general. So
5 as long as the same approach is being used with this LAR,
6 then I think this is consistent with that.

7 If the commission were to determine that it
8 didn't want to do that, then we might have to -- it might
9 be cause for y'all to go back and think about a different
10 number that was scaled differently, if you will.

11 But I think this is -- as best I can tell,
12 given what I know about the process the department is
13 embarking on and the intent, this is consistent with that.

14 And, honestly, the committee can go to the commission
15 anytime and talk about need.

16 It's completely appropriate with the scope and
17 responsibility of this committee, is to go and talk to the
18 commission about what you see as the needs for public
19 transportation, under any setting.

20 MS. BLOOMER: Okay. We do have somebody
21 registered to speak on this item: Nancy Fisher from the
22 Texas Transit Association.

23 MS. FISHER: Thank you. My name is Nancy
24 Fisher, and I am registered lobbyist here in the state of
25 Texas. Texas Transit Association is one of my clients,

1 and I'm here today to talk about item number 4, your
2 legislative appropriations request.

3 As a point of information, I have been working
4 in and around state government for the past 32 years, and
5 I spent five of those years as chief of staff to Speaker
6 Tom Craddick and am familiar with the appropriations
7 process, not only during the session but also the interim
8 process that leads up to the legislative appropriations
9 request.

10 Last session I worked for Texas Transit
11 Association, and one of our major items of interest
12 included the appropriations for public transportation.

13 The request that has been outlined by Eric,
14 including the 55.2 million biennium additional money for
15 public transportation is supported by Texas Transit
16 Association, and we would further ask you to include it in
17 the base bill and not as exceptional item.

18 As you know, the Texas legislature is going to
19 be faced with a deficit next session, and moving items
20 from the exceptional items into the base bill after House
21 Bill 1 and Senate Bill 1 is introduced will be very, very
22 difficult.

23 The money that is available in GR and in fund 6
24 is a matter of prioritization for the Texas Department of
25 Transportation and for the legislature, and we would

1 request that this funding receive that priority to be put
2 in the base bill.

3 We've had, as Eric has mentioned, many years
4 without an increase and would specifically request that
5 when you make your deliberations on your LAR request to
6 the commission that this money be included in the base
7 bill.

8 If there's any questions, I'll be happy to
9 respond to them at this point.

10 MS. BLOOMER: Are there any questions?

11 (No response.)

12 MS. BLOOMER: Thank you.

13 Any other discussion?

14 (No response.)

15 MS. BLOOMER: Eric, I just have a question, and
16 I apologize; I'm not -- I'm learning some new acronyms:
17 LAR, LBB. What -- can you explain a little bit more to
18 Nancy's point what the difference is between the base bill
19 and the exceptional items?

20 MR. GLEASON: I think what -- the difference is
21 whether the department submits an LAR request that has
22 these things as being funded from its revenues, which
23 would be the base bill, versus suggesting funding but from
24 some other source.

25 And when it is in that other-source category,

1 it becomes an exceptional item in the legislative process,
2 so I think that's the problem -- and this is an issue that
3 the association has been consistent on in the past: that
4 they believe that any additional funding like this is
5 something the department needs to find from within its
6 revenues; it's been a consistent position.

7 MS. BLOOMER: So by requesting to place it in
8 the base bill, we're asking the commission to prioritize
9 all their obligations against their known revenues and to
10 put transportation a little -- maybe move it up on the
11 prioritization list to receive some of the limited
12 funding --

13 MR. GLEASON: Uh-huh.

14 MS. BLOOMER: -- versus asking the legislature
15 to come up with the money.

16 In the item that you forwarded on or the
17 division forwarded on, you had mentioned that you included
18 revenue recommendations.

19 MR. GLEASON: I did, yes. What we have done as
20 a division is recommended that the census impact number --
21 the smallest number of all of these, the \$3.2 million for
22 the biennium -- be something that be included in the
23 department's -- from department revenue, that the
24 department find a way to finance that need from its
25 revenue stream but that the other amounts be included as

1 exceptional items.

2 And that is an approach that is consistent with
3 the department's approach in the past to looking for
4 additional revenues for what it sees as additional needs.

5 So I think that is an issue for the committee
6 to talk about, and it's an appropriate agreement for it to
7 weigh in on in this process.

8 MR. SALAZAR: And that's just been a
9 historical -- J.R. -- been a historical way of dealing it
10 from TxDOT's perspective, to make an exceptional item?

11 MR. GLEASON: Well, if -- what I'm -- you know,
12 the last legislative process, the last biennium, with a
13 needs-based LAR, that is how the department approached it.

14 If you have followed recent commission or just
15 ongoing commission conversations about the highway fund
16 and the lack of new funds and the growing need for
17 maintenance and all of that, you -- you know, I think the
18 commission's emphasis has been on the need for additional
19 funding for transportation.

20 MS. BLOOMER: Is there a way to sort of get two
21 bites of the apple: to initially put it in the base bill
22 and then, if it doesn't meet the threshold to be funded,
23 then to move it --

24 MR. GLEASON: Well, if I can, I think the
25 committee should simply express to the commission what it

1 believes to be the right thing to do. And I think that --
2 and I hope I'm not overstepping my bounds here. I think
3 the nuances and the strategy that go into thinking about
4 how to approach it from a legislative process and
5 legislative budget process -- I really couldn't probably
6 begin to capture all of that.

7 I just think that the committee is best suited,
8 I think, just to simply make a presentation to the
9 commission on what it feels is the best approach.

10 MS. BLOOMER: Given that we're not going to the
11 commission -- or this item isn't going to be in front of
12 the commission in May but in June, is it something we need
13 to take action on today, as we're having a May [sic]
14 meeting, or is it something --

15 MR. GLEASON: Well, one possible action the
16 committee could do today is it could direct you or some
17 combination of the committee, based on this conversation
18 today, to develop a set of prepared comments to be sent to
19 the commission and delivered to the commission.

20 Toward the end of this meeting we will talk
21 about a June meeting. We've got time to, you know,
22 develop those and we could talk about them more fully in
23 June if you want, or the committee could be content with
24 this conversation today and just, you know, direct that
25 you go ahead and prepare comments with the assistance of

1 the division and move on to another topic.

2 So it just depends on what the committee wants
3 to do.

4 MS. CRAIN: Michelle, this is Christina Crain.

5 I agree with what Eric suggested or at least brought up
6 about us formulating some comments, and I'd be happy to
7 make that motion.

8 MS. BLOOMER: Okay. Just to clarify,
9 Christina, I think earlier we had talked about
10 transmitting a letter and --

11 MS. CRAIN: Correct.

12 MS. BLOOMER: -- to the commission.

13 MS. CRAIN: Right.

14 MS. BLOOMER: And I think in addition to that
15 we had talked about, through the June commission workshop
16 meeting --

17 MS. CRAIN: Correct.

18 MS. BLOOMER: -- also presenting public
19 comment.

20 MS. CRAIN: Right.

21 MS. BLOOMER: Is that what you were making a
22 motion to do?

23 MS. CRAIN: I think the motion I'd like to make
24 is that we look at doing both.

25 MS. BLOOMER: Okay.

1 MS. CRAIN: That we look at constructing, with
2 Eric's help, a letter that would be instructive to the
3 commission that could be sent prior to their June workshop
4 meeting that puts us on the record as stating that we do
5 approve and support this, and that we also look at getting
6 a group of us together -- whether it's the full committee
7 or yourself along with Eric and several others -- that put
8 together some comments that are prepared for public
9 comment at that June meeting.

10 MS. BLOOMER: Okay. So we have a motion. Do
11 we have a second?

12 MR. HUERTA: This is Vince, and I second.

13 MS. BLOOMER: Okay. We have a second. Any
14 more discussion?

15 MR. CASTELLANOS: Yes. Under discussion --
16 this is Frank Castellanos -- again, supporting the fact
17 that Eric has mentioned that we probably would have more
18 impact if we just do a one-pager and the fact that
19 we've -- I think we're going to the point that additional
20 letter or letters need to be sent to highlight maybe the
21 human-interest issues, I've been doing a little bit of
22 fiddling with that paragraph that says "need for
23 additional services."

24 And let me just read it to you all and see what
25 you think, and maybe it will address some of the issues

1 that have been discussed. So if you'll bear with me a
2 second, if you go to that page, under "Need for additional
3 services exceeds available funding," I have deleted the
4 phrase "by 25 percent" and then just said, "Increasing
5 state funding levels for public transportation to address
6 inflation and population growth impacts does not" -- and I
7 took out the word "completely" -- "does not address the
8 gap between the need for services and available service
9 levels. Work done as part of the department's 2030 report
10 suggests an overall increase of 25 percent" -- I've added
11 in there "(\$22 million) to better meet basic mobility
12 needs after adjustments for inflation and growth."

13 I've added the sentence, "PTAC comments that a
14 more adequate amount to address unmet needs would be \$75
15 million." And there I simply took the \$55 million that
16 was mentioned and added that to the 22 million and struck
17 that last sentence in that paragraph.

18 I don't know if that kind of captures what it
19 is that we're trying to do and also limits it to the one-
20 pager, but I've been fiddling with that, and maybe just
21 food for thought.

22 MS. BLOOMER: Thank you, Frank. Maybe you can
23 send that out to the committee members via e-mail.

24 MR. CASTELLANOS: I'll do that.

25 MS. BLOOMER: And we can work on that as part

1 of the drafting of the letter.

2 So I have a motion and a second; we had some
3 comments. If there are no more comments, we'll go ahead
4 and we'll take a roll call and vote.

5 Al?

6 DR. ABESON: Definitely.

7 MS. BLOOMER: Christina?

8 MS. CRAIN: Yes.

9 MS. BLOOMER: Janet?

10 MS. EVERHEART: Yes.

11 MS. BLOOMER: Frank?

12 MR. CASTELLANOS: Yes.

13 MS. BLOOMER: J.R.?

14 MR. SALAZAR: Yes.

15 MS. BLOOMER: Vince?

16 MR. HUERTA: Yes.

17 MS. BLOOMER: And Michelle, yes.

18 All right. Thank you.

19 MR. SALAZAR: That meeting in June is --

20 MS. CRAIN: One more thing I'd add -- this is
21 Christina. I just wanted to know what our time frame
22 would be on trying to get a letter drafted, what Eric's
23 thoughts are on when that letter ought to hit the
24 commission, who it ought to be copied to, and then also
25 what we want to do as far as getting a group together to

1 put comments -- public comments together.

2 MR. GLEASON: Well, let me -- this is Eric.

3 Let me address the first several of those, Christina.

4 I think the letter ought to be timed to be in
5 the commission's hands prior to the presentation at the
6 June workshop or discussion meeting; I would time it to
7 hit just before.

8 MS. CRAIN: Okay.

9 MR. GLEASON: So it's possibly right there with
10 them.

11 How the committee wants to pull the comment
12 together, I'll leave it up to the committee.

13 MS. CRAIN: Okay.

14 DR. ABESON: This is Al. Did we decide whether
15 we're going to approach the base budget or the exceptions
16 budget?

17 MS. BLOOMER: No, we did not. I think our
18 approach is just to present to the commission what we
19 think the need is.

20 MS. CRAIN: Well, wouldn't it be that -- I
21 mean, our position, I think, at this point, given that
22 they're working on the LAR, is that we want it in the base
23 budget, and -- I mean, at least that's the way I view it.

24 Correct me if I'm wrong.

25 And then if they make it an exception item,

1 then we deal with it accordingly.

2 Eric, am I right on that?

3 MR. GLEASON: Well, there's really no right or
4 wrong to this approach, Christina, this conversation. I
5 think that's up to the committee.

6 MS. CRAIN: Okay.

7 MR. GLEASON: We've talked about all the
8 different ways it could be, from --

9 MS. CRAIN: Sure. Okay.

10 MR. GLEASON: The committee may chose not to
11 comment at all, or the committee may chose to include a
12 method of finance recommendation.

13 DR. ABESON: This is Al. I would hope that our
14 argument is sufficiently strong that it would be
15 considered part of the base budget.

16 MS. CRAIN: Well, that's my position. I mean,
17 if we're going to go to this effort, which I totally agree
18 with, I think that's the position the committee ought to
19 take, is that we think it's important enough that this be
20 made a part of the base budget. That's my two cents.

21 DR. ABESON: And I would add two more cents to
22 that.

23 MS. BLOOMER: All right.

24 MS. CRAIN: We got four now.

25 MS. BLOOMER: We have four cents now. Al added

1 his two cents.

2 Eric, just a point of clarification, then. Do
3 we need to go back and take action on that, or are we
4 good, based on the action we have, to transmit the letter
5 to the commission with the inclusion of the funding to
6 come from the base budget?

7 MR. GLEASON: Well, I think the action you took
8 was just comments.

9 MS. BLOOMER: Comments. Not what our comment
10 are.

11 MR. GLEASON: Not what they are. So I think
12 you're good.

13 MS. CRAIN: And he's leaving that to us, I
14 guess.

15 MS. BLOOMER: Okay. So we can do that as part
16 of the negotiation and drafting of the letter.

17 MS. CRAIN: Sounds like it's up to you to get
18 us corralled and figure out.

19 MS. BLOOMER: Okay. Well, I'll work with Eric,
20 then, on a time line so we can get the letter in front of
21 the commission, time it so it gets there just before their
22 workshop and the meeting and allows sufficient time for
23 the members to look at it as well and provide any
24 comments.

25 Is that okay?

1 MR. GLEASON: Yes. If I may, if there are
2 committee members -- this notion of trying to put a human
3 side to this, if there are committee members who have
4 specific ideas on how to do that and what kind of language
5 they might like to see in that regard, it would be really
6 helpful for you all to send those on in to Ginnie so that
7 we can capture that in whatever we put together.

8 MS. BLOOMER: Do you have a date by which you
9 would like those?

10 MR. GLEASON: Why don't we say within the next
11 week to ten days.

12 DR. ABESON: This is Al. I'm a little
13 confused. These paragraphs, if that's what they turn out
14 to be, would be the public testimony that the committee
15 would present to the commission. So why do we need to do
16 that so quickly? -- because that's going to be tough.

17 MS. BLOOMER: I think the question is did you
18 want -- my understanding was you wanted to include sort of
19 a human-interest in the official letter transmitted to the
20 commission in advance of their meeting.

21 DR. ABESON: Oh, I see.

22 MS. BLOOMER: So that if we want to --

23 DR. ABESON: I agree.

24 MS. BLOOMER: -- include that sort of human
25 component, not just the data, in the four areas on the

1 one-page paper, then we would need those within the seven
2 to ten days.

3 MR. GLEASON: Just to get us started on it, Al.

4 DR. ABESON: Okay. I apologize for being
5 confused. I thought we were going to do that in our
6 public statement to the commission and not necessarily
7 include them in the letter, but I'm for including them
8 both times.

9 MS. BLOOMER: Okay.

10 MR. GLEASON: This is Eric. What I have in
11 mind for the committee is that we're going to talk about a
12 June meeting; we're going to try and scheduled a June
13 meeting, and I would think that ideally we'd have a pretty
14 cut at what those things might look like before that
15 meeting.

16 DR. ABESON: Yeah.

17 MS. BLOOMER: And thinking of that, maybe if we
18 have the June meeting -- well, I guess we couldn't have it
19 the morning of the workshop; we would need more time. I
20 was just trying to think how many trips down to Austin
21 we'll all be making.

22 MR. GLEASON: Well, and we can do it over the
23 phone, too.

24 MS. BLOOMER: Okay. That would be great.

25 Okay?

1 DR. ABESON: Do -- the providers that are on
2 the phone, do they have source people that they could go
3 to to be generating some of those comments from people?

4 MR. SALAZAR: This is J.R. Generally speaking
5 I think we have a few. TTA is obviously one source that
6 we can use, and then just our own systems that we run.
7 But those are the only two that I can think of right now.

8 DR. ABESON: And is the lobbyist from the
9 association still on the phone?

10 MS. BLOOMER: No, but she is here in the room.

11 DR. ABESON: Oh, okay. Maybe can you work
12 through TTA and help us on this?

13 MS. BLOOMER: She's nodding her head yes.

14 MS. FISHER: Yes, sir, I will.

15 DR. ABESON: Okay. That's good enough for me.

16 MS. BLOOMER: Okay. All right, then. If there
17 are no more items on the LAR and if it's okay with the
18 members of the committee, we're going to flip item 5 and 6
19 and take item 6 first, and it's the division director's
20 report.

21 MR. GLEASON: Okay. Each of you got a copy of
22 our director's report in your packet, and I'll just
23 highlight a few things for you.

24 We have our semiannual meeting coming up on
25 July 14, and all of you are invited to attend that. This

1 is something we hold twice a year with our transit
2 operators, and it's a business meeting. It's a day-long
3 agenda, and we cover a variety of topics. Michelle spoke
4 at the last one and described generally what the committee
5 was up to at that time.

6 I also want to let you all know that we are
7 moving ahead with our executive leadership seminar; that
8 we have entered into an interagency contract with the
9 Texas Transportation Institute, and they have in turn
10 contracted with the Eno Foundation to begin pulling this
11 seminar together, and that will be held in October.

12 So we're really excited about that. I think
13 we've reported to you in the past about our efforts in
14 that area.

15 DR. ABESON: Who will be the attendees?

16 MR. GLEASON: We will be sending out an
17 application packet here shortly, and it being directed
18 toward current transit agency leadership among our rural
19 and small-urban providers or someone directly below that
20 level.

21 DR. ABESON: Thank you.

22 MS. BLOOMER: Are you looking for people who
23 are -- who the audience is, so it's your executive
24 directors or your directors of transportation. Is it
25 folks that are already sort of at a certain level, to take

1 them to the next level, or is it the folks that need a
2 little oomph to get them up to --

3 MR. GLEASON: I think over the long run it's
4 all of those people. What I have said in my comments on
5 this with this first one is I want to be sure that current
6 general managers and transit or transportation directors
7 don't forget about themselves for this training
8 opportunity.

9 I think too often with these seminars we
10 develop them for the up-and-coming leader, and we never
11 give anything to the current leaders, or we never
12 encourage them to take advantage of it.

13 And so in my own mind I'm going to -- as we
14 look at our applicants, we'll be giving priority to
15 current leaders, and much of that is based on the work
16 we've done over the past 18 months to identify needs and
17 things in this area of leadership development.

18 I'm hoping that we'll get a lot of
19 applications. We're going to take 25 people, so it's
20 going to be a relatively small group. And that number is
21 based largely on a similar experience in Pennsylvania
22 where they had 40 to 45 individuals, and Dr. Gannon did
23 that seminar as well, and one of the conclusions coming
24 out of that was that was a little too many people; that
25 this is -- her approach is to be as customized for the

1 individuals as possible and to have it be a very
2 interactive and small-group learning setting to have the
3 largest impact.

4 And so we're going to move ahead with that, and
5 actually J.R. has been helping us; he's part of a seven-
6 member industry advisory group that has been helping shape
7 this seminar.

8 So we're real excited about it. Not only is it
9 going to be this October session; there's going to be a
10 one-day follow-up session probably toward the end of
11 January in 2011, and participants will also have up to
12 four 30-minute individual coaching sessions throughout
13 this whole time frame with Dr. Gannon and her staff.
14 That's going to be, I think, an excellent opportunity.

15 Highlighting a few more things, the commission
16 did approve a draft strategic plan, and we did provide to
17 all of you sort of a summary of what's in the draft. With
18 respect to comments that you all had, I think much of what
19 you commented on did get addressed in this draft, and
20 perhaps an equal amount did not, but I was encouraged by
21 the amount of change that your comments triggered, given
22 the timing of when we were able to submit those in the
23 development of the draft.

24 The current plan -- or the draft is currently
25 scheduled to be adopted at the June commission meeting,

1 and so we've included a copy of the current draft and the
2 former draft to allow you to look through both those
3 documents to see the changes that were made, as well as
4 the summary table that Ginnie put together.

5 What I've not been able to do yet is sit down
6 with our strategic plan folks and, for those comments that
7 were not addressed, I've not had a chance to sit with them
8 and understand why not, and that is something that we do
9 intend to do. I apologize for not having it done in time
10 for this meeting.

11 And our thinking is that a June meeting of the
12 committee would be an appropriate time for the committee
13 to develop any additional comments they might have on that
14 strategic plan.

15 DR. ABESON: Eric, this is Al. As I looked
16 over the results of what we submitted, it appears to me
17 that coordination is essentially not in the plan. I
18 couldn't find it, at any rate.

19 And it concerns me, obviously, because I think
20 it's so important, but also because the department is
21 already putting in a good deal of energy working on
22 coordination around the state, and if one thinks of a
23 strategic plan as truly guiding activity, does this mean
24 that if it's not in the plan, then coordination then
25 ceases? Do you see the illogic of what it appears to be?

1 MR. GLEASON: I don't think not including that
2 comment implies that coordination is not part of the
3 strategic plan. I mean, I understand it's not there from
4 a -- it's not in the plan specifically, but I -- if the
5 committee feels strongly about that and continues to feel
6 strongly about it, then certainly that would be a comment
7 that would need to be given to the commission.

8 DR. ABESON: To the commission. So that --
9 would that again be something we would discuss in June?

10 MR. GLEASON: Yes, sir.

11 DR. ABESON: Okay.

12 MR. GLEASON: If I may move on, this May
13 meeting, we finally did receive from the FTA the balance
14 of our apportionment amounts for federal fiscal year 2010,
15 so we are able to move ahead with each of the first three
16 awards scheduled for May.

17 Well, let's see. The first one is the award of
18 our coordinated call projects. The second one is some
19 state planning funds for some additional coordination
20 planning. The third and fourth items are completing the
21 fiscal year 2010 award for our 5310 program.

22 And then the fourth item is, as we promised in
23 our letter to the industry in November of last year, now
24 that we have the balance of the apportionments, we'll be
25 able to award a fairly large amount of money through the

1 discretionary program to rural transit districts for
2 general program use, so that's what that fourth one is.

3 And the fifth item is, as we talked earlier in
4 this meeting, the final adoption of the contract
5 management grant sanction rules. So May is a very busy
6 meeting, and it seems like June's going to be busy as
7 well.

8 I did want to mention as a part of my report
9 one additional item for the committee's attention in that
10 I've had some conversation with the Texas Transit
11 Association about the possibility of introducing some
12 rulemaking with respect to the formula.

13 And we are talking about two areas which we
14 think are largely areas of consensus, and if so, the
15 department is considering a relatively short rule-making
16 process to address those two areas.

17 What I want to -- if the committee -- if you
18 recall, at our meeting in Arlington, we talked generally
19 about the rule making process, and you all got a flow
20 chart that sort of outlined all the steps that are
21 associated with rule making, and it becomes a fairly
22 lengthy process once you go through all those steps.

23 And one of our concerns at this time is making
24 sure that if we start a rule making process that we can
25 complete it prior to the beginning of the next legislative

1 session.

2 The department historically does not undertake
3 rule making when the Legislature is in session, and if it
4 does so, it's only for emergency purposes and not what it
5 might consider to be sort of ongoing business.

6 So what we need to try and do is to determine
7 whether or not around two items in the formula we can do a
8 relatively rule making process between now and the end of
9 the year and address these issues.

10 The two things that have come to my attention
11 that are of interest to be addressed refer only to the
12 federal side of the formula, and so, in this instance,
13 only to the rural programs, because if you recall, there
14 are no federal funds that the department administers
15 through formula that go to the small urbans.

16 And so the two items that have come to our
17 attention actually have been topics of conversation I
18 think at this committee. One is with respect to the size
19 of what we call the discretionary fund.

20 And the current set of rules identifies a
21 specific amount to be distributed by formula, leaving the
22 balance to be distributed by the commission on a pro rata
23 or competitive basis.

24 That current amount is just over \$20 million,
25 and in this time frame since the last rule making, the

1 federal program has grown significantly, to the extent
2 that the department is now working with a 7 to \$8 million
3 discretionary amount every year.

4 And so what has been suggested is that we look
5 at revising the rules to limit that discretionary portion
6 to no more than 10 percent of what is available, so what
7 that would mean is that at least 90 percent of the amount
8 available would be distributed to the rural program
9 providers through the formula, so changing that fixed
10 level of 20.1 million to a no less than 10 percent being
11 available for the discretionary amount of the program, so
12 by definition meaning at least 90 percent of it be
13 distributed by the formula. We are in agreement with
14 that. The department or the division is supportive of
15 that change.

16 The other area of change is around the
17 calculation of the performance share of the award, and
18 right now when we look at -- we use the preceding year's
19 performance numbers to calculate what each system
20 receives.

21 And what we would do with this change is move
22 to a three-year rolling average for the performance
23 calculation. What that will do is it tends to smooth over
24 any year-to-year variation, and it allows a more
25 predictable and less variable amount of funding from the

1 performance portion of the award each year. So it would
2 allow individuals to predict better, if you will, what
3 they might have coming from the formula from one year to
4 the next.

5 That last piece that I just described on the
6 performance calculation actually would affect all areas of
7 the formula, so it would impact not only the federal
8 program calculation but also on the state side that share
9 of the performance -- that share of the formula which
10 comes from performance.

11 So that's a rather lengthy explanation, but I
12 think both of those changes -- at least it's our view as a
13 division both of those changes reflect requests that we've
14 had from the industry.

15 I have had a conversation with Jeff Heckler,
16 the Texas Transit Association executive director, and Jeff
17 is working to try and determine what level of consensus
18 there might be among association members that we make this
19 change.

20 And assuming that the response to that is yes,
21 then we would like to entertain a rule making process
22 around these changes, and what I would like to do is
23 suggest that we add this conversation to the June agenda
24 for the committee.

25 It's not on our agenda today, so we really

1 can't talk about it at great length, other than to answer
2 any questions you might have of what I'm saying now.

3 But we would like to add it to the June agenda
4 and come back to the committee with a full presentation on
5 what we think this means.

6 Any thoughts on that?

7 (No response.)

8 MS. BLOOMER: Eric, did you also want to
9 mention to the committee about Claudia Langguth?

10 MR. GLEASON: Thank you. I'm sorry.

11 The final thing I'll mention before I close on
12 this is that -- and I think each of you got notice on
13 this -- Claudia Langguth has had to resign her position on
14 the committee, and that was effective May 10. She has
15 some work that is going to take her out of state for an
16 extended period of time, and she didn't feel that she
17 could be an effective member of the committee with that
18 work responsibility, so at the time we do have two open
19 positions on the committee; we are down to a committee of
20 seven.

21 And we are in the process of contacting the
22 governor and the legislative side of -- the legislative
23 branch on that additional opening.

24 MS. BLOOMER: Okay. Thank you for your report,
25 Eric. I just -- I had a couple of questions; I don't know

1 if anybody else does.

2 MR. GLEASON: Sure.

3 MS. BLOOMER: At the June meeting could we
4 get -- I see the first item there that the commission is
5 taking in May is award of a bunch of funding, including
6 5316 and -17.

7 And I know in previous meetings we had
8 requested copies of the projects; like a description --
9 the entity receiving the funding, the project description
10 and funding. If we could get that for '07, '08, and '09,
11 at the June meeting.

12 MR. GLEASON: Let me see if I understand that.
13 You want -- one more time.

14 MS. BLOOMER: I had initially asked for '09,
15 and then I think at a previous meeting Al had asked for
16 historically, just so we could see who has received JARC
17 funding, so if we could just get a copy. I know we just
18 had like a sheet that says the agency that was awarded the
19 funds, a description of the project, and the amount of
20 funding they got.

21 MR. GLEASON: Is this for JARC and New Freedom
22 programs?

23 MS. BLOOMER: JARC and New Freedom.

24 MR. GLEASON: Okay.

25 MS. BLOOMER: And then on the item about the

1 regional coordination, we're adding two regional lead
2 entities that weren't on the original list?

3 MR. GLEASON: That's correct.

4 MS. BLOOMER: Which --

5 MR. GLEASON: When -- at the -- we have two
6 lead agencies, the Nortex Regional Planning Commission and
7 South Texas Development Council. We have come to
8 agreement with them on a level of funding to continue
9 their coordination planning, and so we will be going to
10 commission to award those funds for that purpose to those
11 two entities.

12 MS. BLOOMER: Okay. And they weren't
13 originally included.

14 MR. GLEASON: They were not part of the
15 original group.

16 MS. BLOOMER: Okay. Any other questions on the
17 director's report?

18 (No response.)

19 MS. BLOOMER: If not, we'll go back to item 5,
20 discussion and possible action on the PTAC Work Plan as it
21 relates to the Transportation Code.

22 And Ginnie did provide -- she has since had to
23 leave us, but she did send us via e-mail some items for
24 the work plan, and if my memory serves, we had decided we
25 would tackle the legislative appropriations request first

1 and then, once we felt we were at a comfortable place with
2 that, move on to another item on our work plan.

3 I wanted to just talk -- if we felt we were at
4 a comfortable place with the LAR and we're ready to tackle
5 another item or if you wanted to wait until the June
6 meeting to pick our next area to focus on, so I'll leave
7 that up to the committee.

8 (Pause.)

9 MS. BLOOMER: Anybody there?

10 DR. ABESON: This is Al Abeson. My preference
11 would be let's do all the budget request stuff we've
12 talked about and then take on something else.

13 MS. CRAIN: This is Christina. I totally
14 agree.

15 MR. SALAZAR: And this is J.R. I agree with
16 that as well.

17 MS. BLOOMER: I think everybody's nodding their
18 head. Okay. So we'll continue to put our focus and
19 effort on the legislative appropriations request,
20 hopefully tighten that up by the end of June [sic], and
21 then at our June meeting we can talk about maybe picking
22 up our next item.

23 MR. GLEASON: If I can point out, there are two
24 items on there on your list for the work plan that we've
25 actually suggested be agenda items for the June meeting:

1 the strategic plan and a discussion of a minor change to
2 the funding formula. So it's not to say that that would
3 be -- so it seems as though if those items are on the
4 agenda for some level of action, that there will be some
5 effort around those elements of the work plan in June. It
6 doesn't mean that it would need to be limited to that, but
7 I point that out.

8 MS. BLOOMER: Okay. Then are there any public
9 comments other than the one we've already had?

10 (No response.)

11 MS. BLOOMER: Confirm date of next meeting.
12 Since we've lost Ginnie, we may need to do that via
13 e-mail, but I would just probably -- if you can block off
14 the 23rd and 24th of June tentatively for the commission
15 item, if you're interested in being there for that, and
16 then we'll probably have a meeting sometime in advance of
17 that.

18 MR. SALAZAR: And, Eric, this is J.R. I would
19 assume the workshop is held here in Austin. But is the
20 meeting -- are they still going out?

21 MR. GLEASON: This one's in Austin.

22 MR. SALAZAR: Okay. All right.

23 MS. BLOOMER: Thank you.

24 MR. KILLEBREW: Michelle?

25 MS. BLOOMER: Yes.

1 MR. KILLEBREW: This is Bobby, and I just
2 wanted to also add that for the members who can't attend
3 in person -- and I certainly understand the travel
4 restrictions -- at all times the workshops and the
5 commission meetings are broadcast on the internet, and we
6 encourage you to at least listen in for the public
7 transportation items when you can.

8 When they are out of town, as J.R. was
9 expecting, sometimes the broadcast is only audio for those
10 items, but the June one will be here in Austin; it will be
11 a Wednesday-Thursday, workshop Wednesday, commission
12 meeting Thursday, and it will be broadcast on the
13 internet.

14 MS. BLOOMER: Thanks for reminding us, Bobby.

15 So we'll work with Ginnie via e-mail to confirm
16 the date of the next meeting, and then do I have a motion
17 to adjourn?

18 MS. CRAIN: So moved.

19 MS. BLOOMER: So moved. Do I have a second?

20 MR. HUERTA: This is Vince; I second.

21 MS. BLOOMER: All those in favor?

22 (A chorus of ayes.)

23 MS. BLOOMER: Thank you.

24 (Whereupon, at 11:53 a.m., the meeting was
25 concluded.

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

C E R T I F I C A T E

MEETING OF: Public Transportation Advisory Committee

LOCATION: Austin, Texas

DATE: May 14, 2010

I do hereby certify that the foregoing pages, numbers 1 through 85, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas Department of Transportation.

(Transcriber) 05/18/2010
(Date)

On the Record Reporting
3307 Northland, Suite 315
Austin, Texas 78731