TEXAS DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE MEETING

10:00 a.m.
Thursday,
June 7, 2012

3712 Jackson Avenue
Building 6
Room 325
Austin, Texas

COMMITTEE MEMBERS:

MICHELLE BLOOMER, Chair
J.R. SALAZAR, Vice Chair
AL ABESON
GLENN GADBOIS
BRAD UNDERWOOD
ROB STEPHENS

TxDOT STAFF:

ERIC GLEASON, PTN Director
BOBBY KILLEBREW, PTN
KELLY KIRKLAND, PTN
GINNIE MAYLE, PTN

ON THE RECORD REPORTING
(512) 450-0342
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PROCEEDINGS

MS. BLOOMER: Okay. We'll go ahead and get started and officially call the meeting to order.

Is there anybody on the phone at the moment?

(No response.)

MS. BLOOMER: Al?

(No response.)

MS. BLOOMER: Okay.

Ginnie has asked -- we don't have a court reporter today, so they are recording via Webex. So if the members can please remember to identify yourselves before speaking, that will make the court reporter's job much easier when she does get to transcribing the minutes.

Moving on to Item 2 on the agenda, Approval of the Minutes from the April 16 meeting. Do I have a motion to approve?

MR. GADBOIS: So moved. This is Glenn.

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

MR. UNDERWOOD: Brad Underwood. Second.

MS. BLOOMER: Thank you.

We have a motion and a second. All those in favor, Aye.

(A chorus of Ayes.)

MS. BLOOMER: All those opposed?
(No response.)

MS. BLOOMER: The minutes pass. Okay.

Moving on to Item 3 on the agenda regarding the final draft of proposed revisions to the Transportation Development Credit rules. Bobby's going to start us off and then we'll turn it over to the committee.

MR. KILLEBREW: Absolutely. Good morning. For the record, I'm Bobby Killebrew, Deputy Director of TxDOT's Public Transportation Division. And a fair howdy to everyone. Not included in your bundle packet, but I believe underneath it, is a page that has a title -- it says, Example Cycle for Rule Making in PTAC. A one single page. Kind of a late-minute addition to the packet. That's what I'll be going over briefly with you.

After I finish that part of the presentation I think I'm turning you back over to Michelle and the committee for further discussion.

Michelle asked that I kind of go through -- we don't do this very often -- kind of go through the rule-making process that the Department has when we're changing the Administrative Code. And you'll see this one looks a little bit different than some of the versions you've seen in the past. Usually, in the past I have some dates stuck out to the side and maybe a little bit more detailed information. For most of the rules this committee sees
the lead division is the Public Transportation Division. Because we're changing Chapter 31 of the Administrative Code. And that's the chapter we're responsible for.

The Transportation Development Credit rules, which are the rules you're looking at today are actually in the Finance chapter of the Administrative Code. And as such, the Finance Division will be taking the lead. So they'll be making the schedule, as far as the dates and so forth. I'll go through these items, kind of give you a guesstimate on my part on when I think things might be occurring. Realize that it is just a guesstimate since the Finance Division is the lead and they will actually establish the dates with our legal counsel.

With the rule-making process as a committee you have really three opportunities to help the rule be formed, help the rules be changed, help the rules be deleted or whatever Departments happen to do in those cases. As individual members, you can participate in the public process when it gets to public comment as individual members.

So today we're just focusing on what the committee as a whole does. And the first item on the list is preliminary notification. When the Department's going to invoke on rulemaking they're supposed to notify the relative committees. And if you'll recall, in previous
meetings of PTAC we talked about the Transportation Accountant rules. And that was your preliminary notification at that point in time. And you all provided feedback to Michelle, who serves on the actual Rulemaking Advisory Committee for this effort. So that was an invaluable process.

The second item on the list is something that we're doing today. And that is, as a committee you have an opportunity to provide comment on the proposed rules. And Michelle will probably go over those rules in detail in just a minute. Now, today's process -- what you can do is you can provide comment if you like, you may elect to waive your comment, you also may elect to defer your comment until the public comment period. So those are three things that you can do today as a committee.

Once we go forth from today, right now scheduled for the end of June at the June Commission meeting the Commission is set to adopt a final draft version of the rules. And if they do that the next step will be for the Department to post those draft versions in The Texas Register so the public can comment on it.

Now, if the Commission adopts at the end of this month at their June meeting the earlier Texas Register they can publish in will actually be middle of July. So it will be like, July 13 before the public will
actually see a copy of those. And the Department will then start a public comment period. Most often the public comment period last 30 days, typically not longer than 45 days. But again, that's the Finance Division's lead role, is to determine the amount of days that if we have a public period how long that public comment period's going to be.

There's also an optional hearing, a public hearing that can take place during the public comment period. I have not heard from the Finance Division if they're going to hold a public hearing on these rules. But if they do, it will happen within that 30 or 45-day public comment period.

And then we get to come back together again as a committee a second time. And I'm guessing that second meeting of this committee will probably happen sometime in August. And at the second time the committee has -- and the second opportunity to comment on the rules before they go to the Commission for final adoption. And right now I'm guessing at the earliest final adoption would happen in September. The committee -- the Commission meets on September 27. So that's probably the earliest that this set of rules could actually go to the Commission.

And once the Commission makes their final adoption they'll do two different things. We will file a
final piece with the Secretary of State and we'll also have a final publication in The Texas Register. The Texas Register -- if they adopt these rules in September, the final piece will come out in October 12 Texas Register edition. The rules will actually go into effect around October 18 as it's 20 days after we file with the Secretary State that they become effective.

So that's kind of the timeline on this one with some fairly loose dates out there, again, because the Finance Division will set on those dates. As the Commission starts its process of adopting the rules at the end of June, at the end of this month, then these dates will become a little more firm. They'll probably be a bit more known and we can also share those with you as we know them at that point in time.

But that's the rulemaking process and how PTAC participated in that process. Again, as a group, two or three different opportunities. As individual members of the public you can comment during the public comment period, as well.

So if there's any questions I'd be happy to entertain them.

MS. BLOOMER: This is Michelle. Are there any questions for Bobby before we turn over to the actual rules?
MR. GADBOIS: This is Glenn. Madam Chairman, are you going to give a little bit of background on the committee work in developing these rules after Bobby?

MS. BLOOMER: Yes.

MR. GADBOIS: Thank you.

MS. BLOOMER: I just -- this is Michelle -- I just had asked Bobby to sort of set up the --

VOICE: Groundwork?

MS. BLOOMER: Thank you. I can't even think at the moment.

The context of what we would be asking for at the end and what the process was. And I remember we can take three actions. But like Bobby mentioned, it's usually quite a significant amount of time between rulemaking -- and I tend to forget what those three are. So at the end we can either provide comment, waive comment or defer to public comment period. I got that correct. So -- okay.

And at our last PTAC meeting I sort of gave the from the very beginning to the first meeting summary of where we were. And I believe I shared the draft rules at that time with you. They've changed rather significantly since then, all in what I would consider very positive changes. So the last time we mainly focused on the rules because that was where most of the work of the TDC
Rulemaking Advisory Committee had occurred to that date.

So I don't know if you've had a chance to sort of look over the goal, the program goals. But I think we're in a much better place with the program goals. And basically, they just state to maximize the use of available federal funds so that we don't lose any federal funds because there's insufficient local match to draw down those federal funds. So TDC would be an opportunity to draw down federal funds that we might not be able to draw down due to insufficient local match.

One of the other ones is to -- if we do that there's also the opportunity of making state and local funds that we would normally use as local match to free those up for more -- for strategic projects that we may not be able to do otherwise. Just to remind projects, by funding them 100 percent state probably. And then to fund some projects that may not be eligible for federal funds. And so those are sort of the goals.

There is a specific goal. It's page 2 of 9 in the draft, Number 3. It's to support public transit. And I think the committee wanted to make very clear to the transit industry that they are very supportive of public transit and hence, there's a specific goal in there that says to support public transit. And I think this addresses our concern related to the first set of goals.
that came out of the Rulemaking Advisory Committee.

And then the fourth is sort of a catch-all to further any other stated goals of the Commission or in the case of the locally earned credits, the Metropolitan Planning Organization, which would be responsible for awarding the locally earned credits.

They added a couple of definitions. I think they're pretty self-explanatory. The main change you see there, which I can't recall if we had already made that change back in April 17 -- when was our last PTAC meeting -- April 16 -- if we'd already made that changes -- the Rulemaking Committee. But they've broadened the list of eligible projects to be consistent with the authorization for toll credits. So previously authorized toll credits can be used for anything eligible under Title 23 of the United States Code or anything under 5307 of Title 49.

And the Commission's rules have sort of narrowed that a little bit. That's now been broadened back up to what is authorized. So I think that's -- I guess you can decide how you feel. But it's -- anything is now eligible under Title 23 or Chapter 53 of Title 49.

So I think that's good.

Now, if you remember, there's two sets of -- two pots of credits. And they're not money. So if I
accidentally say dollars or money, they're credits. So it's not real money. They are 75 percent of the TDCs that are locally earned. And then there's the 25 percent of the locally earned credits plus any non-locally earned credits. So tend to refer to them as the 75 percent pot and the 25 percent pot.

Under the current rules the 75 percent will be awarded by the Commission. To date that hasn't happened. And then the 25 percent is -- sorry -- the 75 percent is to be awarded by the Commission through a competitive call -- through the competitive call.

VOICE: I thought 75 percent was local --

MS. BLOOMER: They're locally earned but they're only awarded through a competitive call. But the competitive call hasn't happened.

VOICE: Previously.

VOICE: Oh, previously. Okay.

MS. BLOOMER: Previously.

VOICE: Okay. Yes.

MS. BLOOMER: Sure. And then the remaining 25 percent is awarded through the -- is the -- the remaining -- it's not really 25 percent. The 25 percent of the locally earned credits plus the non-locally earned credits are awarded by the Commission, either competitively or at their discretion. And to date most of
that, to my knowledge, has been at their discretion. And that's where the majority of the public transit toll credits have come from.

And like we talked last time, in the past six years I think public transit has earned approximately 30 million in toll credits, averaging around five to six a year. I think our lowest year was around a little over a million and the highest year was around eight million, but in that range. So that's where we've been.

Based on the current draft rules the 75 percent locally earned credits will now go -- be apportioned to the Metropolitan Planning Organization in which they were earned. And the MPO would be responsible for developing a process to award those credits. And then the 25 percent will sort of remain the same at the Commission, just competitive or at their discretion.

A few things to mention is that public transit providers can apply -- public transit providers within the MPO that receive locally earned credits -- often Houston and Dallas/Fort Worth --

VOICE: The hard one to remember.

MS. BLOOMER: I know. I'm trying to not put us first. But the three MPOs -- three regions in which they earn credits, those MPOs will be responsible for developing the process. Transit providers that are within
those three Metropolitan Planning Organizations -- the
language is that they must first seek the award of credits
under this section for an eligible project. So if you are
a transit provider in one of those three MPO areas and you
are proposing toll credits you must go to that MPO first.

The one exception is that unless the credits
are to serve as match for a statewide program administered
by TxDOT. So if you are a Section 5310 or Section 5311
and you're requesting those funds from TxDOT then you
would request TDC to match those funds directly from
TxDOT.

MR. STEPHENS: So it's just 5310 and 5311?

This is Rob.

MS. BLOOMER: Or --

MR. STEPHENS: Is it --

VOICE: Any --

MS. BLOOMER: Any other statewide. So it would
also be --

VOICE: Anything under the coordinated call
or --

MS. BLOOMER: Right. So if you're requesting
the federal funds from TxDOT you would then also request
the TDCs as match for those federal funds from TxDOT.
That seemed to be a little bit more logical in how that
would work. I think it also streamlined the
administrative process related to funding those programs.

VOICE: Proper agents like direct recipients, state of good repair, capital, if you were to get it, like that.

MS. BLOOMER: So that sort of -- sorry, this is Michelle again -- that sort of takes care of the locally earned credits. On the award by the Commission again, there's two ways those funds can be awarded. Competitive or discretionary. But before we get to that, I think the biggest change that is made to the rules here is that each year the Commission will allocate to public transit either 15 million in credits or --

VOICE: A minimum.

MS. BLOOMER: A minimum.

VOICE: Uh-huh.

MS. BLOOMER: A minimum of 15 million credits or 50 percent or the available credits. So if there are 30 million credits or more available public transit would have 15 million credits set aside for that year. If there is less than 30 it would be 50 percent. So I think that's key. And again, the key is the minimum.

Also, there's language in there -- and it's sort of a revolving. So in year one if more than 30 million credits are available public transit would have 15 million credits to put towards projects. Say we only used
five million. We would have a balance of ten million. So
the next year, in year two, it wouldn't be an additional
15, it would be five to bring us back up to that floor.
And we're calling that a floor because it's the minimum
amount, not the maximum amount.

And that's why that last sentence there was
added that states, "The allocation under this subsection
is not intended to set the maximum number of credits that
may be ultimately awards for public transit projects under
this subsection." So transit providers can also seek
funding through the locally earned credit, in addition to
the 15 million. They can also seek it through the
competitive process that TxDOT will issue and/or through
discretionary award above and beyond that 15 million.

But like we said, in the last six years the
highest number of credits utilized in a given year was
about eight million. But we wanted to give ourselves that
flexibility that in, you know, ten or 15 years if we were
leveraging our funds more that option would be there.

MR. STEPHENS: Michelle, for clarity -- this is
Rob -- are you saying that if in one year ten million's
used by public transit and there's a five million dollar
leftover, those are added into an additional 15 million?
Or is --

VOICE: No.
MR. STEPHENS: -- just ten.

MS. BLOOMER: No, ten. To bring it back up to 15.

VOICE: Well, at least ten million. Because it's an at least 15 million.

MR. STEPHENS: Well --

VOICE: Right? So it -- there's a guaranty that the balance every year -- would it be at least 15 million. If five is remaining then they would at least add ten million.

MR. STEPHENS: Okay.

MS. BLOOMER: And that's given that the balance every year is 30 million or more.

MR. STEPHENS: Right.

MS. BLOOMER: Okay?

I think those are some of the highlights.

MR. STEPHENS: Well, I had one more question.

MS. BLOOMER: Uh-huh?

MR. STEPHENS: We're using the 30 million as a benchmark for an example. What has been typically the -- that will work for TDCs or --

MS. BLOOMER: Currently -- this is Michelle -- currently the balance is at two -- just under two billion.

VOICE: But they've never been used hardly.

MR. STEPHENS: But --
MS. BLOOMER:  Hold on.  One -- only one person can speak at a time.  We have to identify ourselves.

Eric?

MR. GLEASON:  This is Eric Gleason, Director of Public Transportation for TxDOT.  Let me just clarify a couple things.  The 30 million that you talk about is an amount that would be in the -- what we've called the statewide.  It's not as if the entire amount, which is now like 1.7 billion -- if that were to become 30, that's -- if the 25 percent pot were to be 30 million -- were to be less than 30 million then the allocation would follow that.

And the other context for this is that this activity -- this rulemaking activity is largely oriented toward attempting to allow or to trigger the use of development credits in a much greater fashion on the highway side of the program.  Which all of a sudden then, having 1.7 billion statewide -- that's such a big number.

VOICE:  Do you hear --

MR. GLEASON:  And that's -- right.  Yes.  So that's kind of the context for this entire discussion that's going on.

MS. BLOOMER:  And -- this is Michelle.  And that's one of the reasons we went with adding -- trying to get in the 15 million floor.
VOICE: Floor of the 25 percent.

MS. BLOOMER: Correct. For the 25 percent.

But Eric's right. It will -- it's based off the state amount. So of the 1.7 we don't know how much of that is locally earned and how much is within each of those three MPO areas and how much is over on the 25 percent. But we know there's 1.7 million. And from our standpoint the last meeting we talked about how we were concerned despite some assurances that we didn't need to worry, that the funding would always be at that level.

MR. GADBOIS: Madam Chair?

MS. BLOOMER: Yes, Glenn?

MR. GADBOIS: So my understanding when I left the last meeting is we now have a committee to kind of focus on this issue. And thanks to Brad I got volunteered for that.

And I genuinely thank you.

So I'm assuming that committee will do more work. But I've got a couple of questions from you, particularly, since you were on the committee and they're kind of background or what's happened thus far kinds of questions. As has been alluded to, the -- this rule -- one of the core things of this rule change is to create much more flexibility at the MPO level -- a suballocation to the MPO, which wasn't there before. And in that
suballocation process much greater flexibility in what these projects could be spent for. Is that cutting it to the bone?

In the Drafting Committee's review of that consideration was there anything beyond anecdotal information provided in terms of demand, where -- what kinds of projects, what level of dollar amounts might be now eligible -- didn't work before -- so that we'll have some -- let me -- we might have some real numbers to project, model out, whatever you want to call it, the impacts of this? Was there any of that presented?

MS. BLOOMER: No, not to my knowledge. Was there at the first meeting, Brad?

MR. UNDERWOOD: No.

MS. BLOOMER: No.

MR. GADBOIS: Okay.

MS. BLOOMER: And sort of -- I think part of the reason for that, Glenn, was that really for the locally earned credits that decision making has been sort of pushed down to the local level to determine how best for the local -- at each of those three MPO areas how best in each of those three separate areas they choose to spend -- or not spend -- utilize the credits.

MR. GADBOIS: Yes. And I understand that. But, you know, and so there are two policy issues there.
One is flexibility for the locals to make their own
decisions because they know best. And that's a policy
decision and I get that part. The other is to greatly
expand the types of projects that are eligible. And
that's a separate policy issue. And what I'm wondering is
if there was more than anecdotal, We can't spin this
because we don't have -- you know, we can't spend it on
these other projects; and any information on what the
scale of those other projects might actually be. And what
you're saying is no --

   MS. BLOOMER: No.

   MR. GADBOIS: -- there really was none. Okay.

   And which gets me to the one point that I just want to
lay out for everybody to talk about and then we can work
on this more if everybody thinks this is also important.
We -- so I'm hearing we don't have much of a baseline. I
mean, we could probably pull out baseline, this is how it
was spent under the old rules. But we don't have much of
a projection of a baseline on how we think it will be
spent under the new rules.

   But we also don't have in these rules much of
an evaluation or even a reporting. I mean, we have some
indication of reporting but no commitment to or specifics
on analysis or evaluation. And we probably ought to have
that in the rulemaking, especially since we're making such
a big shift in how these monies might be drawn down.

Does that make sense to folks?

MS. BLOOMER: This is Michelle. I would say yes. And back to Eric's point. Going from this point backwards the majority of the TDCs that have been awarded are for public transit. And we do know that dollar amount and we do know sort of -- Eric has done both by year and by program -- it's matched -- sort of an analysis that has been shared with the Rulemaking Committee.

There haven't been a whole lot of TDCs used for roadway projects. So we don't have any historical information. As well, there wasn't a lot of sort of estimation of what that demand might be. But from our standpoint that demand is fairly large, I believe. And that's why I was mainly focused on public transit and how we sort of preserve our historical use of TDCs and allow for enhanced usage going forward.

But in the rules -- the proposed new rules -- there is a reporting requirement --

VOICE: Right.

MS. BLOOMER: -- that every year the MPOs will have to report how they've utilized the TDCs. And that TxDOT will be required to do the same thing. And that will be sort of the transparency of how the TDCs are being used.
MR. GADBOIS: In -- yes, ma'am. The reason I asked the first question is because, you know, without anything more than we suspect there's big demand. We don't have a baseline. And I get that. The reporting that's required in here is required to get integrated into a TIP, in which case it all has to be pulled out. And there's no requirement of analysis of that specifically or a valuation of that against the new goals. Right?

And the only thing I'm suggesting is we may want to suggest that so that we can start having a better handle on whether these policies actually are achieving what -- the stated goals and secondly, are the stated goals too broad and therefore, you know, some of the old policies that we created purposefully are being significantly undermined.

MS. BLOOMER: And -- this is Michelle -- I think the intent of the committee -- and it may not be clearly stated in the rules -- was that when the MPOs submit their reports -- and it's on page 5, Section F, starting on line 7 -- that no later than December 1st of each year. So in addition to putting in toll credits in the TIP there is also a separate annual reporting requirement for the MPOs, as well as TxDOT. Submit -- so they must -- the MPO will submit a report to the Department documenting the management of its credit
allocations for the previous fiscal year.

And the intent that was discussed at the meetings was that there would be not only an amount on the project type, but it would link it back to the goals it was in support of so that the larger public could understand how they were being used. And I think that would be a mechanism to go back and then see how well the credits are being utilized to meet the stated goal.

MR. STEPHENS: Michelle -- this is Rob -- in addition to what Glenn says, which is a good idea, there -- I anticipate there really isn't enough federal money for the TDCs to be able to match fully and bring down all the federal money eventually. So --

MR. GLEASON: If I can? This is Eric Gleason. The conversations I've been a part of, it isn't the impetus for this. First of all, it comes from a rider that was included in the Department's appropriation the last session directing the Department to use development credits in a way to maximize -- draw down the federal funds and flexibility to construct projects.

The notion is it doesn't necessarily draw down any more federal money than we otherwise would have got at the state. The idea is to use the development credits as the match mechanism to draw down those federal funds, therefore, allowing whatever local -- whatever state money
you might have had to tie up as match to those specific federal programs. That money can be pooled and applied to projects.

It's just a different way of funding or a different way of -- method of drawing down federal money to fund the same number of projects statewide that you might have otherwise done. It's just that some of the projects no longer would have federal money in them.

And the states that have done this -- as I understand it -- Florida is an example -- that's exactly what they do. They -- there's some increased flexibility around project delivery when you can pool non-federal monies together to do everything you want to accomplish with a project. And that's really the intent. And so there's one view of this, you know --

Glenn, your point notwithstanding, I mean, I don't -- it doesn't sound as though anybody looked at, Here's a hypothetical way this might play out and this is what it might mean. But presumably, if the general notion is to just simply use them as a draw-down mechanism for federal funding then I would think their use would be fairly -- it would be fairly aggressively applied. The evaluation part that you're talking about, I think, would then, I think, focus on how the non-federal money then ended up being used and whether or not they actually
accomplished or moved us towards some of those goals.

MR. GADBOIS: Well, in -- and I actually suspect the other use of these is going to be where, you know, projects in other states don't spend down federal money but it needs to be spent down and thus, they will go to other states looking for a way to spend down that money.

MR. GLEASON: Possibly.

MR. GADBOIS: And toll credits are a quick way to match that when all of your money is committed in the pipeline on other projects. Right? And so that will make us more competitive for new federal money. I suspect. Most of that will happen on the roadside because the transit side's -- pretty well gets tapped out. Maybe not. But that's my understanding of things.

And so I guess for both of those reasons I would like to start looking at a way to evaluate -- not just report, but some level of commitment on the Department's side that they will actually do some analysis, if not evaluation, to make sure that we're actually accomplishing our goals.

MR. STEPHENS: Glenn -- this is Rob -- are you suggesting that as we move forward there may be an opportunity for the State of Texas to negotiate or barter with other states to trade credits for more --
MR. GADBOIS: No, no, no. Actually, the way it usually works -- and Texas has actually been pretty good about this -- is -- in my limited understanding is Montana gets a project. They can't spend the money in the time frame they need to spend it. The feds then go out and do a call to other states saying, We've got this money that needs to be spent, can any of you spend it. And if the match is available and the project is, you know, appropriately in the pipeline to have -- make it shovel ready quickly then that state can compete for those dollars. Texas has actually been pretty good about competing for those. My suspicion is the other use of toll credits here will be to make us even more competitive in that arrangement.

MS. BLOOMER: Okay. This is Michelle.

And, Glenn, sort of to your initial point. Our next item on the agenda is the PTAC Work Plan. And I think there's been a lot of work done here with the rules. But I think even more work is yet to come, putting some of the policy issues about how public transportation will then utilize the credits available.

MR. GADBOIS: Yes.

MS. BLOOMER: And I think that's something -- I'm looking to the first working group of you, Rob and Brad, to sort of take the lead in developing that.
MR. GADBOIS: That --

VOICE: I do just want to make one quick note that I should have started with. Thank you for all your work on this. This version of the rules -- it looks a lot better than the initial version did. And particularly because of the provisions on the 25 percent side to, you know, preserve some serious dedication to public transportation. And so I hugely appreciate your work on that. And then -- well, we'll leave it at that. So --

MR. UNDERWOOD: Well, the only thing -- this is Brad Underwood. Only thing I was going to say is, when it comes to public transit I believe that these -- the new rules are really good, Michelle. And I know you've worked very hard and Shawna [phonetic] has actually pitched in and worked very hard on this, as well. And so I appreciate your commitment to this.

I mean, this is -- to me, it sets public transportation in a good place going forward with TDCs. And I believe as a committee we can start working on some policy things that can expand the usage and really move us forward in public transportation in the State of Texas. So thank you very much for that.

MS. BLOOMER: Thank you, Brad and Glenn.

I also did want to say that we have involved the Texas Transit Association in the discussions that have
helped us get the rules to where they are today. And like Brad said, Shawna, the chair of the PTA Legislative Committee has been instrumental in helping us get it to where it is today.

I think that gets us to Bobby. We had three actions we can take today. We can provide comment, waive comment or defer comment. Given that the majority of the committee was very cognizant of public transportation and wanting to be in support of it, if the committee is comfortable I would really like for the committee to weigh in on a positive note on the record so when it goes to the Commission we make it clear that we are in support of the rules as the Commission is looking at them. And we're also asking some of our public transit friends through TTA to do the same at the Commission meeting later this month on June 28.

So I will turn it over to the committee if there are any more questions or if somebody would like to make a motion.

Bobby, can you help us with sort of how we would provide -- understand we can waive comments fairly easy. We can make a motion to waive comment or defer comment. But what -- how would we go about providing comment and support of the rules as they exist?

MR. KILLEBREW: Absolutely. This is Bobby.
Someone can make the motion -- and this is pretty -- an example: I Michelle so move that we adopt the rules with the following comment, The Public Transportation Advisory Committee recognizes the hard effort that was put forth in drafting these rules, we appreciate the full support of public transit in the rules, something along those lines. And then the committee can vote on that and with a unanimous vote then that comment goes into the public record.

MS. BLOOMER: Okay.

MR. GADBOIS: Okay. I'd like to make the motion but suggest that it be a letter, given that this is preliminary draft. Rather than we approve these rules kind of language, that we authorize the drafting of a letter in support of these rules as drafted. I would also like to add, you know -- well, actually -- so that's a motion.

I would like to suggest or test the interest of PTAC -- this is Glenn, by the way -- that we also ask for the Commission to consider making a commitment to the evaluation of the reporting that happens to make sure that, you know, we're understanding how this achieves the goals as stated.

And the second that we haven't talked about this at all is -- and maybe -- well, actually, let me
leave this for the committee. Just so you know, one of the things that we may want to consider is how toll credits do or don't work for our friends that are the last mile friends for transit, bicycle and walking; and do toll credits have a role in bicycle and pedestrian facilities, whatever --

VOICE: Projects.

MR. GADBOIS: Thank you. I'm catching Michelle's disease. Because bicycle and walking was in the own rules, prevalent in the old rules and not as much so when we create a set aside for transit only. We may want to consider suggesting some language that, you know, gives them access, especially since we're not spending historically our 15 million. But I don't know what the impact of that's going to be. So we ought to talk about that as a committee.

Does that make sense to you all, to come back with something?

VOICE: Michelle, are you going to reiterate that motion?

MR. GADBOIS: Well, so the question before my motion is finalized is do we want to add to my motion a request to look at a -- or make a commitment to evaluation? My motion on the table is we write a letter in support of the rules as drafted.
VOICE: I can support that motion. My fear is if we attempt to add any comment about something that's not in this or something additionally we want to see, the Commission not look at that and go, Let's send these back to that committee again to have them rework on them again.

And I think I'm pretty happy the way public transit has been "preserved" in this instance. And I don't want that being opened back up to go, Well, what about this again, let's relook at that.

MR. GADBOIS: But I'll point out we're right here.

VOICE: I agree.

MR. GADBOIS: You've got public comment. You've got a redrafting. And so we're very early in the process for drafting. Right?

VOICE: We are.

MR. GADBOIS: Okay.

VOICE: But I think there's been a ton of work that's went into this committee working on these. And I don't always want to say that we're David and Goliath. But in this situation I think there was a possibility of having mostly MPOs in the road projects. And it's like, Oh, yeah, we're public transit. And I think we fared very well.

And I guess my fear is for this to go back and
say, Well, let's have the committee rework another section on this and go -- because there is a consensus in this -- in the committee with these. Correct?

MS. BLOOMER: Correct.

VOICE: And to go back and say, Well, we want to add this or we want to start changing this, I don't want the whole thing to change again, I guess.

MS. BLOOMER: Correct.

And I -- oh, sorry, Bobby.

MR. KILLEBREW: And -- pardon me. This is Bobby. If I may, Michelle --

And, Glenn, I don't know whether this addresses your last comment about bicycle and pedestrian.

In the definitions on page 2 -- I wanted to make sure that you were able to see that. In the definition for eligible project it still includes highway/rail transit, bicycle or pedestrian project if authorized under Title 23 or Chapter --

MR. GADBOIS: And we can have more conversation about this. But under the old structure it's specifically, you know, things can be spent on these. And that's the vast majority of what it gets spent on. Right? Now we've got a structure where it can be spent on anything at the MPO level --

MR. KILLEBREW: Uh-huh.
MR. GADBOIS: -- including -- anything under that definition. And then we have a statewide-specific set aside for public transportation but really not the same level of consideration for our last-mile friends, in that we just may want to think about that and maybe suggest some -- but we have to also look at what its impacts might be. If it creates a big sucking sound, we may -- you know, the public transportation world may not want to do that. Right.

MR. STEPHENS: Can I make a suggestion? This is Rob. Would it be helpful if we can include some of your concern about tracking our success in a work plan with our work that we do, the three of us, in the next agenda item, possibly looking where we're trying to keep up with how we're tracking success and our goals and keeping close count to -- doing some -- tracking that [inaudible]. Would that work, Glenn?

VOICE: Seeing that we're public transportation we could set up whatever evaluation, goals, reporting on our side of the 15 million.

VOICE: I don't know if that will work.

MR. GADBOIS: Yes. Of course, it's a possibility. And so, yes. The -- I just want to make sure that you all consider this. I --

Brad, I appreciate your anxiety about losing
the gains that we have made in this drafting. I frankly have gone through enough of these drafting processes to where if there's going to be a big blow-up of the deal it's going to happen regardless of what we do. But my suspicion is -- and from the sounds that I've -- the description I've heard from Michelle, there has been enough pre-conversation with the major interests, there isn't going to be a big blow up around these rules. It is really about tweaking at this point, is my --

MS. BLOOMER: This is Michelle. And, yes, we have taken a significant amount of effort on the front end to ensure -- not ensure -- but to hope that when we get to the Commission in June and then we go back to the Commission in August --

VOICE: September.

MS. BLOOMER: -- September that there wouldn't be a blow up, as you said. So we've involved -- there are a few members -- out of seven there are about three members on the committee that represent transit interests. We've taken it to TTA in the event of getting everybody in the transit industry that has a stake involved in advance. And I sort of concur with Brad. At this point I don't have a problem with mentioning it. My concern is a majority of the committee members feel that we've done a significant amount of work, that they've made
significant -- not necessarily concessions -- but acknowledged public transit and taken significant strides to make the transit industry feel part of the process and feel comfortable with the outcome, that to go back now and sort of say, even if it's a minor tweak, Well, we'd like to see this and we'd like to see this, we might lose some of the ground that we've gained, as far as being considered as a partner.

So I --

MR. SALAZAR: And this is J.R. for the record, too. I kind of agree with some of the things that Michelle is mentioning; Brad, as well. And I think that there is a time and a process for evaluation and those things that you mentioned. But I'm not sure it's at the front end of what we're trying to do is the proper place or the best place for that to happen. I understand what you're -- what you mentioned and -- but again, I'm not sure that at the beginning stage it's something that we need to do.

MR. GADBOIS: Okay. Well, and so it sounds like there's not an interest by the group to add that to the motion. And that's fine. So my motion stands as is. And we -- the subcommittee will continue to work on how we might communicate to the Department an interest in seeing a commitment to that. It doesn't have to be in the
rules for that to happen.

VOICE: Right.

MR. GADBOIS: The Department can do that otherwise. And so that's, you know -- thank you for the discussion.

MR. UNDERWOOD: Would you restate your motion? I might second it if you restate it so we know where we're at.

MR. GADBOIS: I thought you already had seconded it. You said earlier, I'll second that motion. The motion is to write a letter to the Commission from PTAC in support of the rules as drafted.

MR. UNDERWOOD: I can second that --

MS. BLOOMER: Okay.

MR. UNDERWOOD: -- Madam Chair.

MS. BLOOMER: So we now have a motion. We're all clear on what that motion is. We have a second by Brad. Before we make a -- take the count, did somebody join us on the phone?

MR. ABESON: Yes. Your colleague in northern Texas who doesn't know how to tell time.

MR. SALAZAR: You're right on time, Al, because we're fixing to get to our reports. And I was thinking -- I knew that Al was going to do the report and I thought, Well, maybe I'm going to have to do it. But so your...
timing was perfect.

MS. BLOOMER: Well, thank you --

MR. ABESON: My apologies. I really just got mixed up on time. I was busy doing something and just missed out on it. Sorry.

MS. BLOOMER: No problem. Thanks for joining us, Al. Just to bring you up to speed, we don't have a transcriber here today in the room with us. So the meeting is being recorded. When you speak if you could just remember to identify yourself that will help when it comes to transcribing the minutes.

So we've had a discussion. We're on Item 3 on the agenda. We've -- regarding Transportation Development Credits. We've had a fairly lengthy discussion. Glenn made a motion. We have second. We'll go ahead and take the roll call.

So well, since we have somebody on the phone we'll go ahead and just go around the room.

Rob?

MR. STEPHENS: Yes.

MS. BLOOMER: Okay.

Glenn?

MR. GADBOIS: Aye.

MS. BLOOMER: Brad?

MR. UNDERWOOD: Aye.
MS. BLOOMER: J.R.?
MR. SALAZAR: Aye.
MS. BLOOMER: Al?
MR. ABESON: I'm going to abstain since I missed most of the discussion.
MS. BLOOMER: Okay. Thank you.
And Michelle, Aye.

Before we move on to the agenda I was remiss earlier, before we started the meeting in introducing our newest member and welcoming Rob Stephens from Longview to the Public Transportation Advisory Committee.

So welcome to your first meeting.

MR. STEPHENS: Thank you.

VOICE: You haven't been on this all along? I thought you'd just been here.

MS. BLOOMER: Okay. So we will -- yes.

MR. GLEASON: Do you want to identify who's going to draft the letter?

MS. BLOOMER: Oh. I just assumed that was the royal we.

MR. GLEASON: I was not assuming that.

(Laughter)

MS. BLOOMER: Let me ask the question. Does PTN staff have a template letter or an example letter from a past -- I believe we've done this in the past, where
we've sent a letter in support to the Commission of a rule. Is that something you could take a stab at drafting or would you like to ask one of the three members of the working group number one to do so?

MR. GLEASON: Let me just -- I think we could probably find an example. I also don't think it's that complicated. I think the motion pretty much says it all and wouldn't --

MS. BLOOMER: Okay.

MR. GLEASON: -- need to be too much more than that, other than to reference the date of the committee meeting and to move on. So I think it's a fairly straightforward exercise for someone to draft.

MS. BLOOMER: Okay.

MR. GADBOIS: Madam Chair, may I suggest that -- I'm happy to draft for you all -- or any one of our committees happy to draft, recirculate it, get it to Michelle within the next week. And by email. And Michelle is the one that signs it. It has to go on you all's letterhead, given the way we normally do letters is that -- because the last letter I saw was on you all's letterhead.

MR. GLEASON: Yes.

MR. GADBOIS: So I think that you have to arrange it with him to get them the content you're
comfortable with, they print it, get a signature from your somehow or another and then it goes on.

MS. BLOOMER: Okay.

MR. GADBOIS: Is that a workable process?

MS. BLOOMER: That sounds good. This is Michelle. And I think since Glenn made the motion and Glenn volunteered to draft the letter we'll ask Glenn to --

If you can sort of draft the text of the letter, share with your other two working group members. The only caveat I'm going to throw in there is I am only available through next Friday to do that.

MR. GADBOIS: Next Friday -- is it this week's Friday or the week after?

MS. BLOOMER: Next -- not this coming Friday, tomorrow, but --

MR. GADBOIS: Okay.

MS. BLOOMER: -- the following Friday.

MR. GADBOIS: Okay. So if we get it to you within --

MS. BLOOMER: In Maui.

MR. GADBOIS: So if we get it to you within a week -- didn't you just come back from vacation?

VOICE: That's what I thought.

MR. GADBOIS: I swear. I'm jealous.
MS. BLOOMER: Paris and Barcelona.

MR. GADBOIS: Yes. So -- no, I'm jealous.

I'll be in your suitcase. So if we get it to you within a week that works for your schedule. Right?

MS. BLOOMER: Yes.

MR. GADBOIS: Okay.

MR. GLEASON: And one more -- does the committee wish to choose someone to comment to the Commission at the meeting on the -- later this month on this topic?

VOICE: The 28th?

MS. BLOOMER: It is the 28th. I think if we're sending a letter we should be okay. My understanding from the last TDC Rulemaking Advisory Committee is that they were asking members of the Advisory Committee to come as part of the presentation. And then I am coordinating with TTA to have friends of transit speak as part of the public comment part of that item in support of it. So I think --

MR. GLEASON: Okay. So would you plan to be a part of the advisory group that --

MS. BLOOMER: I will not because --

MR. GLEASON: -- attend the meeting?

MS. BLOOMER: -- I won't be --

VOICE: She won't be here.

MS. BLOOMER: I will be out of state. But I
believe Norma Zamora, who served on the committee and
served as the chair of TTA, will be there, as well as, I'm
assuming, some of the MPO representatives.

Mr. Stephens: I'd planned on being at that
meeting, as well, Michelle.

Mr. Gadbois: Can you send us a notice to how,
you know -- what, if any, surprises there are --

Voice: Uh-huh.

Mr. Gadbois: -- blow ups?

Voice: Uh-huh. I can do that.

Ms. Bloomer: Okay.

Voice: So I'll be there, as well.

Ms. Bloomer: And I think we're trying to
coordinate to have both a rural, a small urban and a metro
representative from the transit industry to speak in
support as the friends of transit --

Mr. Gleason: Okay.

Ms. Bloomer: -- as part of the public comment
period.

Mr. Gleason: So, no.

Ms. Bloomer: I mean, unless --

Mr. Gleason: Just trying to cover all the
bases.

Voice: Were you wanting someone specifically
from PTAC, Eric, to --
MR. GLEASON: I'm just throwing it out there that it -- this is the time now for the committee to decide if they were to speak who it would be since Michelle couldn't be there and all that. So -- but it's not a big deal.

MS. BLOOMER: Do you -- who's the other one? Oh, okay. Yes. Two of the members that were looking at speaking at the June 28 meeting are also PTAC members.

VOICE: So I could just say that was a dual role.

MS. BLOOMER: And there was sort of a question, would it be beneficial for those individuals to submit a letter in writing, as well in support or is their participation at the meeting itself making the verbal comments, sufficient.

MR. GLEASON: That -- my view of that is that the presence and the verbal comment would be sufficient.

MS. BLOOMER: Okay. So I think we have a motion and a second. We've passed it. We've had some additional discussion. We're all good --

MR. GADBOIS: No, we --

MS. BLOOMER: -- on Transportation Development Credits for now.

MR. GADBOIS: -- need to develop a letter and get it sent.
MS. BLOOMER: Okay.

VOICE: Excellent.

MS. BLOOMER: And now the harder work begins. So moving on to Item 4, Review and discussion of the PTAC Work Plan. So as we discussed at our last meeting, we're all ready to roll up our sleeves and get working. And in order to do that, we divided into two working groups.

Working group number one is working on guiding principle number one, which is to support public transportation. And Brad, Glenn and Rob are on working group number one.

Working group number two is focusing on guiding principle number two, and that is to promote coordinated transportation. And that is Al, Christina and J.R.

What I'd like to do is ask each of the working groups to sort of give an update on where they are, if they've had a chance to meet, sort of how they're going to go forward so we can start ticking those off. And like we said, I think for working group number one, the main task now is now that we have some draft proposed related to the TDCs, putting a little more meat to that. And then I believe working group number two has the done the same and sort of identified their top priorities to move forward.

Does anybody want to volunteer to go first?

MR. ABESON: I will -- I'm -- I will
represent -- are we calling us working groups or subcommittees?

MS. BLOOMER: We are working groups.

MR. ABESON: Working groups. Well, I'm pleased to represent working group two. And as you said, we are proposing to move forward, to promote coordination. And the way we plan to try and attack that need is to look over the entire process by which the coordinated call awards are made. Not so much the process as the substance associated with the process to see if there are ways if we can develop, improve, recommend the language that would be in the individual authority RFPs so that they would promote -- when applicants respond they would work to, in fact, increase coordination.

A key element of what we intend to do is to build on the research that was done by TTI that laid out a whole number of very interesting initiatives that have been taken by communities across the state, in terms of moving on coordination. For example, transportation across jurisdictional boundaries, transportation -- increasing span of service, the linking of non-traditional partners, public/private partnerships and effective marketing.

So what we're going to try to do in short is to see if we can weave some of the language around some of
these somewhat innovative practices in a way that cut across the various programs in the coordinated call so that -- and you'll recognize this word -- I think all of you -- perhaps, Rob, you weren't there when we used this word -- to incentivize the development of additional coordination across the state.

And we have had one telephone meeting. Our next step is to get some help from the Department to get us documents that we can individually review. And then we plan to go forward with a target date of presenting some suggestions, recommendations to the Department in time for the 2013 coordinated call.

MS. BLOOMER: Okay.

MR. ABESON: Do my colleagues want to add anything?

MR. SALAZAR: The only thing that I want to add -- this is J.R. for the record -- I know on the conversation we had yesterday I made mention to Al and Al agreed that whatever process takes place, I want to make sure that we're aware that we don't want to make it harder for smaller rural transit systems to submit applications when it comes to the coordinated call. And we always keep in mind that maybe the resources that I have in place aren't the resources that some other providers have.

MR. ABESON: And I think the working group is
in total accord with that concern.

MR. UNDERWOOD: This is Brad Underwood. I have a quick question, Mr. Abeson. The --

MR. ABESON: How about calling me Al?

MR. UNDERWOOD: (Laughs.) The coordinated --

you said you're going to make some recommendations for the 2013 coordinated call. Is that for the call that -- the RFP that's going to be issued in July of 2013, or are we talking about the RFP that's going to be issued for the coordinated call coming up?

MR. ABESON: July of 2013.

MR. UNDERWOOD: Okay. All right. I was fixing -- because I'm like, Well, that's getting --

(Simultaneous discussion.)

MR. UNDERWOOD: Yes. I think Eric was --

MR. ABESON: We're going to be good, but we're not that good.

MR. UNDERWOOD: Okay. Bobby just left the room when you said that.

MS. BLOOMER: Okay. Do any other committee members have questions for working group number two?

(No response.)

MS. BLOOMER: Okay. And then what we'll probably --

MR. ABESON: Can I just add one comment? I
just want to thank Ginnie and Rebecca for getting us some initial support as we are working. Thanks very much for that.

MS. BLOOMER: Okay. And I think what we -- I'd like to do is each of the next PTAC meetings -- we don't have the date set for the next one, but it will probably be driven by --

VOICE: The rules.

MS. BLOOMER: -- the rules again -- is for the working groups just to anticipate that and we'll come back with a further update and see if we can get a little bit further on some of the efforts.

Who would like to represent working group number one?

MR. UNDERWOOD: I can give us a brief update real quick. It's been interesting because these -- the rules for the TDCs have moved rather quickly and expeditiously. And so there hasn't been a ton of things for us to do, although I think we prepared to be [inaudible]. I know you and I have visited at the conference in McAllen about them a couple of times. And I apologize for not bringing in Rob and Glenn into the conversation. But we're almost at a deadline. If the meeting's in two days what's your thought here? So we really didn't have a lot of time to get together and say
this is what we really believe is a good thing.

But now that I think we've got some final rules
that are going to be adopted or at least, in the process,
I believe our group is going to be getting together and
talk about how that we foresee these TDCs being utilized
by the public transportation projects across the state,
and hopefully it's going to complement the work that
working group number one is doing -- or working group
number two.

MS. BLOOMER: You're --

MR. UNDERWOOD: We're one. They're two. Okay.

So hopefully it will complement with some of the
coordinated call projects and some of your recommendations
there.

Gentlemen, am I leaving out any --

VOICE: You said brief.

VOICE: You said brief and to the point.

MR. GADBOIS: Well -- and I don't mean this to
sound snotty at all. But given you didn't talk to us,
sure.

MR. UNDERWOOD: I am -- they're working group
number three. I'm working group --

(General laughter.)

VOICE: We're working group 1A --

VOICE: 1A and 1B.
MR. UNDERWOOD: I'm one.

MR. GADBOIS: Yes. And we're coordinated. No.

I want to add to that we just committed to do some meeting around considering how we might communicate on evaluation and last-mile stuff. And we will do that.

And then just to make sure I'm clear, since I missed the meeting -- and I'm grateful I was volunteered for this -- is that we're focused on more than development credits. Right? I mean, we're -- our focus as a working group is on looking at financing more broadly transportation development credits just happened to be the one hot ticket.

VOICE: That is correct. Yes.

VOICE: Okay.

VOICE: If the new rules are going out, we might as well attach some policy to go along with them.

VOICE: So the other thing we ought to commit to as a group is that we'll have a conference call to discuss what else we do as we wrap toll credits or wrap what we want to do with toll credits.

VOICE: I believe --

VOICE: Okay, sir.

MS. BLOOMER: Right. And this is Michelle.

When -- you're actually correct. Working group number three principles are -- working group number one has the
guiding principle to support public transportation. Under that there are three goals. So I would encourage the working group before -- or during your call to sort of go over those --

VOICE: Okay.

MS. BLOOMER: -- and sort of identify which are your top three that you're going to work on, with TDCs maybe being the first one.

VOICE: Right.

VOICE: Okay.

MS. BLOOMER: But you're definitely not just limited to TDCs.

VOICE: Thank you.

MS. BLOOMER: And then the hope is that we can take that, put a little bit more of a timeline associated with task one TDCs between here and here, task -- et cetera. And then take that back. I don't know that we'll be able to take that back -- get all that back and take it back in written form to the transit providers at the semi-annual meeting in July. But I do intend to take back a hard copy to share with them of the guiding principles so they know what we are working on.

VOICE: Well, we may be able to put a little more meat on it before then.

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

MS. BLOOMER: That was my hope and what I had sort of committed at the January public meeting -- or semi-annual meeting.

VOICE: Working group number one just agreed to help 1A and 1B have a conference call.

MS. BLOOMER: And then maybe --

VOICE: Working group one said we would be glad to do so and coordinate that effort. Working group one will get you all an email next week.

MS. BLOOMER: That should be fun.

VOICE: Working group of one and one.

MS. BLOOMER: Can we just -- this is Michelle -- can we just clarify before we go on? I know working group two has worked through Ginnie to sort of set up the conference call. Should working group one do the same? Does that work?

MR. UNDERWOOD: Working group one has the capability to do it at TAPS, so --

MS. BLOOMER: Okay.

MR. UNDERWOOD: -- we can do that.

MS. BLOOMER: Okay.

MR. UNDERWOOD: We have our own system to -- we could --

VOICE: So we include -- but we can include
Ginnie. You probably -- working group might even choose to Skype. You just never know. Group one will let you know.

MS. BLOOMER: Okay. There's no action required on Item 4 so we'll move on to Item 5, which is Review and comment on the TxDOT Rural Transportation Plan.

And Eric?

MR. GLEASON: This is Eric Gleason. At your last meeting in April you had a presentation on -- from TTI on this transit element of the Texas Rural Transportation Plan. And you also had an opportunity at that meeting in April to speak with the Director of Planning.

The Texas Rural Transportation Plan is scheduled for adoption at this coming Commission meeting in June. We sent all of you a link in the last couple weeks on the plan as it was posted for comment during a public comment period. That public comment period ended this Monday, the 4th. And so where the -- so for today what the committee can do if it chooses is it could choose to send again, a letter or something like that to the Commission for their consideration at the June meeting.

Peggy Thurin is here from Transportation Planning to answer any questions you might have on the process around the Rural Transportation Plan. This is
just an opportunity for the committee as a whole to consider whether or not they want to further comment on that Rural Plan.

Again, it's outside the public comment period, but a letter would certainly be appropriate if you felt so to send to the Commission with anything you might want to add at this point.

MR. UNDERWOOD: This is Brad. Have we commented on this before?

MR. GLEASON: You have had -- no. Not on the full draft plan, no. You've received a presentation from TTI on the public transportation element of the plan.

MR. UNDERWOOD: But we didn't comment on that. But we --

MR. GLEASON: That's correct.

MR. UNDERWOOD: -- just received it. Okay.

MR. ABESON: We discussed it a bit.

MR. GLEASON: Yes.

MR. UNDERWOOD: Yes.

MR. ABESON: This is Al. What is the estimated value of commenting at this point in time? And the reason I ask that question is that after the discussion we had in April and reading the plan twice I again come to the conclusion that it's not a plan. And it certainly isn't a plan for public transportation.
Frankly, I found the immense attention and detail to the highway portion impressive. And then I looked over to see where's public transportation and again, it's barely there and certainly not there in any kind of meaningful planning capacity. Which is why I asked my question. Is it worth making some comment? And again, I may be all by myself on my thinking on this. So that may make it moot for the committee. But I -- after I read that I just felt the real need to say what I've just said.

MS. BLOOMER: Eric, would you like to --

MR. GLEASON: Okay.

Al, this is Eric.

MR. ABESON: Hi, Eric.

MR. GLEASON: I think that the -- one approach that the Public Transportation Advisory Committee could take at this juncture would be -- in my own view -- to recognize that there's still a lot of work to be done to better incorporate other modes such as public transportation into the Department's planning processes.

What you -- Al, your comments I accept. I also would observe that the plan does make progress in this regard and that in many ways, although not a complete plan and perhaps not in a -- not presented in a planning way, that the amount of information certainly in the appendix
on public transportation is more than we've gathered and had available previously.

So I think it's always valuable for the committee to comment. I think it's important for the committee in their role as -- in advising the Commission on matters of policy importance to take every opportunity it has to do that. And even in the context of what you just said, Al.

MR. ABESON: I appreciate that.

MR. GLEASON: I don't have an answer to your, you know --

MR. ABESON: Oh, no. That's helpful.

MR. GLEASON: -- added value.

MR. ABESON: I would --

MS. BLOOMER: And --

MR. ABESON: I'm interested in what my colleagues on the committee feel about the plan.

MS. BLOOMER: And, Al, this is Michelle. I think what Eric said rings true. I think it's a very good first step. But in support of what you said, I think -- and Eric said, I still think there's a long way to go. So I do think there's value in providing comment to recognize the effort to go above and beyond what we currently have, as far as public transportation is concerned. Compared to the highway side, it's not there. But again, it's -- if
we compare it back to where public transit was before it's better than where we were before.

So I think it would be a benefit to acknowledge that first initial step and then focus the comment on what we would like to see for the next plan. This -- my understanding is the Rural Transportation Plan is incorporated as part of the long-range plan which is updated every four years. So the next revision of this plan or process will begin in 2013. So I think our -- the value in our comments may not be related to this plan but how we can influence the development of the next plan going forward.

MR. GADBOIS: My understanding -- or my remembrance is -- this is Glenn -- is that this is the first time we've done a Rural Transportation Plan. Correct? And is that --

MS. BLOOMER: That's correct.

MR. GADBOIS: -- yes? Okay.

And so, Al, whereas I completely agree with your analysis, I think that strategically we're going to do more with honey than vinegar. And so, you know, maybe we look -- as Michelle suggests, we look at next draft and talk about what we'd like -- what we're happy to help with, what we'd like to see, something along those lines as this evolves. Does that make sense?
MR. ABESON: Yes. I certainly understand what you're saying. And your comment about vinegar and honey really rings true. Because frankly, when I read it I was angry. I really was. And it seemed to me that even air and marine got more attention than public transportation, which really bothered me.

However, I'd like to hear whether -- I mean, will someone surface a motion that we should draft such a letter and, if so, then let's talk about how that gets done if the motion is made, seconded and passed?

MS. BLOOMER: Well, Al, I -- this is Michelle. I started to hear a motion in your comment. Would you like to make a formal motion?

MR. ABESON: Sure. I move that a letter be prepared on behalf of PTAC that acknowledges the initiative to do the planning, calling for additional attention and offering help in the next iteration of the plan.

MS. BLOOMER: Okay. So we have a motion by Al. Do I have a second?

MR. GADBOIS: I'll second that. Glenn.

MS. BLOOMER: Okay.

We have a second from Glenn. Before moving on and taking an action, Eric, I think the discussion needs to focus on what -- or do we have enough detail around
what those comments -- the key points in the letter will be?

VOICE: And who's going to do it.

MS. BLOOMER: And who's going to do it? Is that a --

MR. GLEASON: This is Eric. I would agree with that. I think at this meeting that the committee should reach some consensus around the major points to be made and then identify an individual to draft the letter, with our assistance, of course.

MR. ABESON: Well, certainly one of the elements needs to be acknowledging the effort, that that's appreciated.

Isn't that the honey you're talking about, Glenn?

MR. GADBOIS: Yes. And that's an okay way to phrase it. I mean, I think that we, you know, number one, acknowledge that this is the first Rural Transportation Plan and as such it's -- you know, it's evolutionary. Or, you know, it's something that, you know, we're discovering how to do, we as a state.

Second, a lot of work went in to gathering the data and information that is included here and we appreciate that level of effort on the inclusion of public transportation data. Third, Al, is to get to your point.
You know, there are some planning elements that we should identify as, you know, really wanting to see in the next round and being willing to help include.

MS. BLOOMER: This is Michelle. I think Glenn just ticked off the letter. So --

MR. GADBOIS: That Al's going to draft.

MR. ABESON: I was just going to say, Now, I know who's going to write it.

MS. BLOOMER: Well, going back to the TDC discussion, I think since we got Al to make the motion, the committee will ask if Al would be willing to take a stab at drafting the letter to share with the committee and then, of course, having PTN's assistance, as well.

VOICE: Put it on letterhead.

MS. BLOOMER: Put it on letterhead and get --

MR. ABESON: I'd be glad to do that, depending on the time.

Eric, when do you -- can this wait til like, later in June -- late June?

MR. GLEASON: I think it would be better if it did not. It could -- what we're looking at is the Commission meeting on the 28th of June. And I think practically speaking, we should have it in a week in advance of that.

MR. ABESON: Okay. I'm going away tomorrow for
over a week. But I think I can probably still get it done.

Glenn, can I run a draft by you first before we subject anybody else to it?

MR. GADBOIS: Sure. And then you'll -- I'm sure Eric will jump in on this. We need to be careful on our -- as PTAC, you know, drafting. And so I think what we do formally, Al, is you and I can, you know, work on drafting it together. And then we send it to Ginnie and Michelle for their -- however, they need to, you know, look at it internally as the Department. And then to -- and then however they might find a way for PTAC to comment, review, whatever, they get to do that. Is that --

MR. ABESON: That's fine with me.

MR. GADBOIS: That's a process that --

MR. ABESON: Sure.

MR. GADBOIS: Because --

MR. ABESON: Yes.

MR. GADBOIS: Okay.

MS. BLOOMER: To keep it --

MR. ABESON: Okay. I'll try to get that done pretty early on --

MR. GLEASON: The main -- this is Eric.

MR. ABESON: -- the week of the 19th, if I
can.

MR. GLEASON: The main thing to -- the main way to avoid any sort of impropriety on the part of the committee would be to -- obviously, what is going to focus on those points that were just summarized. And this is all about tweaking language in a letter around those three or four points.

MR. GADBOIS: But sending -- and sending it to you all helps us avoid --

MR. GLEASON: Yes.

MR. GADBOIS: -- open meetings because you all get to --

MR. GLEASON: We'll spread that. Okay.

MR. GADBOIS: -- administer that.

MR. GLEASON: Yes.

MR. ABESON: Okay.

MS. BLOOMER: Okay?

MR. ABESON: I don't think the motion's been seconded or passed.

VOICE: Glenn --

MS. BLOOMER: I think Glenn seconded the motion. I think --

MR. GADBOIS: I'm happy to second your motion.

MS. BLOOMER: We have yet to take formal, final action on it.
So, Rob? Aye? Nay?

MR. STEPHENS: Yes.

MS. BLOOMER: Glenn?

MR. GADBOIS: Yes.

MS. BLOOMER: Brad?

MR. UNDERWOOD: Aye.

MS. BLOOMER: J.R.?

MR. SALAZAR: J.R. Yes.

MS. BLOOMER: Al?

MR. ABESON: Yes.

MS. BLOOMER: And Michelle, yes.

Okay. Thank you, Al, for volunteering to do that.

MR. ABESON: You're welcome.

MS. BLOOMER: Moving on to Item 6, Discussion on the 2010 Census impacts regarding funding.

MR. GLEASON: This is going to be Kelly.

MS. BLOOMER: Okay.

Kelly, we turn it over to you.

MR. KIRKLAND: All right. Thank you.

Al, can you hear me?

MR. ABESON: Yes, I can, Kelly.

MR. KIRKLAND: Okay. Good. I'm furthest away from the microphone. I wanted to test that.

We had on the presentation list at the last
PTAC meeting -- and this was to kind of update us to where we are today with things. And before you, you have a PowerPoint presentation unplugged.

Al, did you get that from Ginnie?

MR. ABESON: Yes, I have it.

MR. KIRKLAND: Very good. Thank you.

The beginning part of this is really just recapping what you'd already heard about in terms of the March 26 date. Next page is a major determinations, what happened with San Marcos or Galveston, Georgetown, Kyle and New Braunfels, what's happened to Conroe and The Woodlands, and then the situation in Laredo, Killeen and Brownsville.

Next, slide is a discussion about 5207 impacts. If you're in a large, urbanized area over 200,000 population, you cannot use your federal formula funds for operating. But we may have some congressional relief on some kind of a sliding scale to address that. And then Galveston is likely to see a large decrease in their federal funds [inaudible] to the 5311 programs.

VOICE: I'm sorry, Kelly. Will you say that again? You may have some federal relief?

MR. KIRKLAND: What typically happens in a situation, we go from one census urbanized area to a new census urbanized areas, you have areas around large metro
areas that are suddenly larger. And the federal requirement on the large urban program is that your formula federal funds, 5207, cannot be used for operating expenses. And there's a realization that that can be a significant impact on those areas, including those areas that go from rural to a brand new urbanized area, a large urbanized area like is happening with Conroe, for example.

And so what Congress did in, I believe it was 2003 and they addressed it again in 2005, when SAFETEA-LU came along, is that a portion of 5207 funds awarded to the urbanized area based upon those newly urbanized portions of that area can be used for operating expenses.

And they'll say, Well, like, maybe the first year the equivalent of 75 percent of your federal funds can be used for operating, the second year maybe 50 percent and then for the third year also 50 and maybe the fourth year 25 percent and then they phase that out. Because we don't have a federal bill at this point we can't say for certain it's going to happen. But I believe it's quite likely.

VOICE: What -- in that size getting it -- just -- because I knew they helped with the transition in 2000 census.

MR. KIRKLAND: Right.

VOICE: I'm just wondering when you said may,
have we seen language that suggest they're --

MR. KIRKLAND: Well, we have. But we're so far from having an actual bill passed to say whether it's going to happen or not. And, I mean, we've had how many different versions of federal transportation bills? Some of them -- Oberstar had one a couple of years ago. And then we've had Mica and Glosser, and it just -- and those didn't go anywhere. I mean, they might have passed through on the House or might have passed the Senate but then they just died and didn't go to the other house.

VOICE: Right. Well, but the bill's in conference now. Right?

MR. KIRKLAND: There is a version of the bill in conference.

VOICE: And was that provision in the House side or the Senate side?

MR. KIRKLAND: The House version had --


MR. KIRKLAND: All right. What I'm going to be focusing on mainly today are the transit impacts on the state funds, impacts because we have one new urbanized area so potentially a new urban transit district. We have one fewer urban transit district.

We have a new rural transit district, Galveston, which has basically expanded. The former
Galveston urban transit district, of course, was just in the old urbanized area. The new Galveston transit district includes all of the non-urbanized part of Galveston County, so quite a bit of that area was formerly served by Gulf Coast Center as a rural transit district. Now it's going to be its own stand-alone rural transit district.

VOICE: So what will happen with Gulf Coast Center? Are they going to be --

MR. KIRKLAND: Gulf Coast Center at this point, in terms of being a rural transit district, is just the rural area of Brazoria County.

VOICE: Okay.

MR. KIRKLAND: And that's in terms of awarding the funds for, say, Fiscal Year 2013.

VOICE: Okay.

MS. BLOOMER: I'm sorry. This is Michelle. Has there been any thought in leveraging the existing provider instead of creating another rural transit district?

MR. KIRKLAND: Any -- we certainly discussed with our consultant who's working on behalf of Galveston County, Goodman Corporation, and we laid out that. It could -- of course, Galveston County rural area could be part of Gulf Coast Center as a two-county rural transit district.
district, including the part that's already served by Gulf Coast Center, as well as a new area. And the decision we've been hearing is that they want to be their own transportation district.

MR. GLEASON: Yes, I may. This is Eric. I think the Department historically has not taken a position one way or the other on these kinds of decisions. We view them as local decisions. So, you know, we provide information when these topics come up. Now, I think --

Michelle, we've either -- I've never talked about it at the committee. I think you and I've talked about this. I believe that NCTCOG takes a more active role in these kinds of situations with respect to outcome than we have as a state.

MS. BLOOMER: Yes. This is Michelle. In our region we do -- our policy body has adopted a policy that we leverage our existing resources first and foremost before creating a new entity. And my concern is with limited state and federal funds available for public transportation creating another entity, one not only for -- that disburses those funds and adds duplicative service -- because now you have two entities doing administrative -- serving an administrative role; but in -- on the coordination side that adds a level of complexity to coordination, because now you've added one
more provider to the mix.

And I'm just curious. I don't know the area well enough. Is there -- are they -- there's two counties, Galveston County and Brazoria County. Are they in different regional planning service areas? Are they within the same planning service area?

MR. KIRKLAND: They're within the same region.

MS. BLOOMER: So they're within the same region. And you sort of -- it's sort of this proliferation of transit providers and service to meet their clients, which from a regional coordination standpoint it makes it extremely difficult, especially if individuals want to travel between those two counties because now you have two different services serving the county. But I just raised --

MR. GADBOIS: Can I make sure I understand?

MR. KIRKLAND: Uh-huh.

MR. GADBOIS: This -- where you say under state fund -- formula funds, you know, UTDs and then you have one for rurals --

MR. KIRKLAND: Okay?

MR. GADBOIS: -- you have the urban subtotal negative impacts, 252,569.

MR. KIRKLAND: Yes.

MR. GADBOIS: Is that meant to be the
negative -- the net impact is a negative -- is that a net impact?

MR. KIRKLAND: No. That's not a net impact. That is the sum of the negative impacts among all urban transit districts. That is, if you have -- look at the positive impacts from the way the formula works, the net impact is zero because you're diving the pie into so many slices. But it -- looking at urban transit districts you have some that have positive impact, which means their increase in population run through the formula gives them more state funds. That's a positive impact.

MR. GADBOIS: Okay. But in real terms we have a -- we have an amount of money --

MR. KIRKLAND: Uh-huh. Yes.

MR. GADBOIS: -- we have a pie.

MR. KIRKLAND: Uh-huh.

MR. GADBOIS: And the positive impacts increase an individual property's share of that pie and a negative impact decreases --

MR. KIRKLAND: Decreases.

MR. GADBOIS: -- that share of the pie.

MR. KIRKLAND: The difference --

MR. GADBOIS: Okay.

MR. KIRKLAND: -- in the property, yes.

MR. GADBOIS: Okay. So -- and the question I'm
looking at -- getting at is if you wanted everybody above the lose-money line what would that dollar amount be for urban and for rural?

MR. KIRKLAND: The amount -- oh, urban --

MR. GADBOIS: The new -- the pies would need to enlarge --

MR. KIRKLAND: Right.

MR. GADBOIS: -- X amount --

MR. KIRKLAND: The total pie?

MR. GADBOIS: The total pie for urban, the total pie for rural would need to increase X amount to have everybody above the negative line.

MR. KIRKLAND: Well, to have nobody below the negative line, which is another way of what you're --

MR. GADBOIS: Yes.

MR. KIRKLAND: That's actually what we're trying to do. I believe the total between both programs for the state funds is just over $900,000.

MR. GADBOIS: Well --

MR. KIRKLAND: Yes and no. The way the census impact fund works, we are just addressing the negatives. If that money were just put into the formula and allocated --

VOICE: Right. No. I don't think that's what Glenn's --
MR. KIRKLAND: -- would still have negative impact.

VOICE: I don't think Glenn's asking if it was just -- if we pushed it all through the formula --

MR. GADBOIS: Right.

VOICE: -- how much more would we need for everyone to have --

(Simultaneous discussions.)

MR. KIRKLAND: Right. And that's the point of the specific rule change.

VOICE: Right.

MR. KIRKLAND: This specific conversation, what we're talking about is how do we make sure nobody is below the line. And the amount it takes to fill everybody's bucket back up to at least where it was is just over $900,000 between the two programs.

MR. GADBOIS: Okay.

MR. KIRKLAND: We had estimated, based on some research, that it could be as much as $1.6 million between the two programs. We thought there were going to be more urbanized areas than there were.

MR. GADBOIS: Right.

MR. KIRKLAND: And we thought -- actually, we thought most of the impact would be on the urban side, and now it turns out, because of Galveston's switch, that most
of it's on the rural side. The good news is we have more than enough money to address it.

MR. GADBOIS: Galveston switched and there's an ineligible.

MR. KIRKLAND: Right. I mean, the combination of things that didn't play out the way we thought.

MR. GADBOIS: Right. And so the money that we've set aside for accommodating that shift or that problem is more than enough to take care of making sure everybody's above the line?

MR. KIRKLAND: Everybody's -- nobody's below the line.

MR. GADBOIS: Nobody's below the line.

MR. KIRKLAND: A lot of them are right at the line.

MR. GADBOIS: Okay.

MR. KIRKLAND: So you're not above or below.

MR. GADBOIS: Okay. Okay. That helps.

Thanks.

MR. KIRKLAND: Yes. More than enough to deal with it from that standpoint, and we have some residual in the -- which then falls under the discretionary option within the Administrative Code.

MR. GADBOIS: Is that a one-time or is that --

MR. KIRKLAND: At this point in time --

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MR. GADBOIS: -- something that continues through, you know, each one of the annual cycles?

MR. KIRKLAND: Right now the Department's in the process of preparing its legislative appropriations request for next biennium. And it's going through the internal stages. That will be presented to -- and it's a item on our agenda. That will be presented to the Commission in June as a presentation of the LAR. There's no formal action in June by the Commission but they will be expected in August to adopt that. At this point in time the discussion draft within the administration continues to carry this amount forward --

MR. GADBOIS: Okay.

MR. KIRKLAND: -- into the next biennium. That's a long way of getting to your question. So right now it looks like it would at least be available into the next biennium.

MR. GADBOIS: From your LAR? What you can control? And then we've got the -- what the Legislature does with your --

MR. KIRKLAND: Right. So two important steps. One, it needs to be blessed by the Commission and then two, it's got to be obviously approved by the Legislature.

MR. GADBOIS: Okay. Thanks.

MS. BLOOMER: This is Michelle. Kelly, can we
go back to the slide, the transit impact state funds?

MR. KIRKLAND: Yes. Okay.

MS. BLOOMER: And I apologize if this is -- if I'm missing something. But my understanding is currently in Galveston County and Brazoria County there is an existing provider providing service. And that is the Gulf Coast Center.

MR. KIRKLAND: The rural transit district in the area is Gulf Coast. So they provide services to the non-urbanized -- under the 2000 census now they were providing services to the non-urbanized areas of Galveston and Brazoria County.

MS. BLOOMER: At that time it was all non-urbanized.

MR. KIRKLAND: The City of Galveston and the stand-alone urban transit district for just the City of Galveston was doing the urban area --

VOICE: Was doing the urban area that was part of the Galveston urbanized area.

MR. KIRKLAND: Yes.

VOICE: There's also urbanized areas of Texas City and La Marque, which are part of Galveston County on the mainland, and they're served by Gulf Coast Center, which does urban transit in Texas City and Lake Jackson. And Lake Jackson's Brazoria County.
MS. BLOOMER: Okay. And going forward, is one of those two going to be providing the service in Galveston County in the urbanized area now?

VOICE: As far as we know, the urbanized area of Galveston County, Texas City and La Marque, is still going to be provided by Gulf Coast Center. The non-urbanized part of Galveston County is going to be this new Galveston County transit district.

MR. KIRKLAND: Which includes the City of Galveston. I'm sorry. That --

MS. BLOOMER: Okay.

MR. KIRKLAND: So there's more than one urbanized -- the Texas City/La Marque was not something that was a part of this conversation in people's thoughts. That continues to be a separate urbanized area. Currently the services in that area are provided by Gulf Coast Center. So all that remains the same. The difference is the City of Galveston and -- is now a non-urbanized area. And all of those services will be provided by the Galveston rural transit district, which is Galveston County.

MS. BLOOMER: Okay. I'll have to digest all that. And I just want to -- my largest concern is that I don't believe transit services are best provided based on a funding source or an urbanized area designation or a
small urban rural provider or an urbanized provider. That -- to the public it's transportation services. So the more providers there are trying to provide a service based on either the type of funding that's being provided or a census designation or a political subdivision designation sort of complicates the actual provision of service to the client. So --

VOICE: I agree.

MS. BLOOMER: -- we can --

VOICE: Then we get to come back and do coordination efforts, because --

VOICE: Yes.

VOICE: -- the other providers between them --

MS. BLOOMER: Well. Right. And that's where I'm getting. Just register that for now and move on, because I do have a question about the last bullet, too. And maybe this is something we can ask our working group number one to look at in more detail as part of their work activities.

I'll turn it back over to Kelly.

MR. KIRKLAND: Okay. So for the third bullet on that sheet -- slide or that sheet we talked about having a census impact rule change, which is, of course, now in effect, which talks about the funding that we have available, talks of our current biennium Appropriation Act
to address issues with state funding losses.

The fourth bullet here -- state funds are not available for transit in urbanized areas that contain transit authorities. And so that's going to impact Georgetown, Kyle and New Braunfels. We're not going to be able to count their population and land area in the funding formula for state funds.

MR. SALAZAR: Yes. And just for the record -- this is J.R. again -- I mean, that's really hard for me to swallow. Unless I'm mistaken here, when we talk about the enclave, whatever we call those people, the Arlington --

MS. BLOOMER: Grand Prairie, Mesquite and that.

MR. SALAZAR: Because we do provide state funds for them.

MR. KIRKLAND: Yes, we do. Because there is a specific exemption in statute back in 1996.

MR. SALAZAR: Uh-huh. So what we did, just because they were written in in 1996, they get money because they were written in?

MR. KIRKLAND: Yes.

MR. SALAZAR: And these people here will not because they weren't --

MR. KIRKLAND: Yes.

MR. SALAZAR: -- included in that --

MR. KIRKLAND: That's correct.
MR. SALAZAR: That's just hard for me to swallow. I mean, it's just -- I just -- that just does not make sense to me one bit. And I think we all agree on that. But, I mean, what do we do?

MS. BLOOMER: And I -- this is Michelle -- J.R., I think the other issue for me, too is it gets back to the UZA designation. So by the mere fact that you're a transit provider within the Census Bureau urbanized area and you also happen to be -- because it's a large area, have a transit authority in your service area now you are --

VOICE: Well --

MS. BLOOMER: Am I ineligible for --

VOICE: That's not automatic. Large urbanized areas don't necessarily automatically have transit authorities. For example, Killeen is a large urbanized area now because of their census. They do not have a transit authority. Conroe or The Woodlands does not have a transit authority. Brownsville does not have a transit authority.

MS. BLOOMER: Right. But --

VOICE: These are all large urbanized areas.

MS. BLOOMER: But the mere fact that you now are a transit agency -- so those entities are sort of --

VOICE: Eligible to receive funds.
MS. BLOOMER: -- lucky because they're within a large urbanized area that doesn't have. And then on the other flip side, if you happen to be -- you're in an urbanized area -- either you weren't before or you were before but you were small enough that you didn't take in enough land where you had larger urbanized area that did include, you were able to get funds. And then one day because the Census Bureau decides, Well, now the urbanized area is this, and it just so happens that there's another transit property in that urbanized area with you that happens to have a sales tax you no longer receive state funds.

VOICE: Uh-huh.

MS. BLOOMER: So I think both J.R.'s concern about there are others that have an exception, so that's not necessarily equitable for these four. And I think for me it's more of an issue of, Is one day you are and by something completely outside your control and sort of an arbitrary designation, the urbanized area, and another entity that sits next -- I mean, it would be like saying, Well, Michelle, because you sat next to Brad today we can't do X; but you've done X for the ten past years.

So I think that's where -- when we saw this last time it was like, Wait a minute. And I think what I'd like to -- maybe the working group one to look at is,
you know, do we have any ability to provide some
flexibility to those entities that are in this position in
the short term and in the long term when we open up the
rules I think this is something we'll need to address.

And, Eric, you had mentioned that of the three
million or the one point -- the census impact dollars that
maybe if we only need 900,000 is there some opportunity
that that difference could be made available to help
address this, or are there other --

MR. GLEASON: Here's the -- this is Eric. This
is what we know about short-term flexibility with respect
to this, is that on the federal side any federal funding
that was calculated using the 2000 census designations --
so in that case all federal funding -- transit funding,
including Fiscal Year '12 was calculated using 2000 census
designations. It can continue to be used in those areas
beyond Fiscal Year 2012 for the provision of service.

So for example, Georgetown and urbanized areas
around the metroplex that are formerly non-urban, now
urbanized it's possible if there are remaining balances of
federal Fiscal Year '12 or earlier funding in the 5311
program, for example, that they can be applied in those
areas into federal Fiscal Year 2013. Okay? Any 2013
federal money received could not be.

So we've got an opportunity, depending on
remaining balances, to -- I don't know what you want to call it, you want to call it a shell game or whatever it is -- but we can create an opportunity to bridge a certain time frame to allow a longer-term solution to be put in place that way. Now, with respect to the state census funds we can't award them to these areas for service in these areas or give them to another provider to provide service in these areas. The state funds can't directly go into that.

What we are exploring internally are what kinds of options might there be around the discretionary portion, in terms of -- for example -- and I want to use it just as an example. The question has been asked and not answered. But for example, if say, it -- there's $100,000 of rural program service in Georgetown today and CARTS has federal '12 or '11 5311 funds in that amount available we can bridge by spending that money -- that federal money -- there. We could consider an award possibly of the census state funding as backfill for that amount to the regular program. I don't know if that's possible.

MR. GADBOIS: Could --

MR. GLEASON: But those are the kinds of questions we're asking to try and -- our objective is creative time frame, a one to two-year bridge time frame
with some short-term solutions to allow these --
particularly places in this kind of a situation to sort
something out.

MR. GADBOIS: Okay. This is Glenn. Can I
suggest another scenario --

MR. GLEASON: Absolutely.

MR. GADBOIS: -- that you all consider? As I
understand it from the way it's been -- the General
Counsel's decision has come down, Capital Metro has been
considered a recipient -- correct -- just not for that
specific area? I mean --

MR. GLEASON: That area --

MR. GADBOIS: -- Capital Metro --

MR. GLEASON: That area is not --

MR. GADBOIS: Capital Metro --

MR. GLEASON: -- included in the funding
calculation.

MR. GADBOIS: Right. But Capital Metro was an
eligible -- could be an eligible recipient under that.

No?

VOICE: No. We cannot give money to a transit
authority. State funds, through the state-funding
formula, cannot go to a transit authority.

MR. GLEASON: Right.

VOICE: Unless it was a transit -- or it was in
an urbanized area that was under Chapter 453 of the Texas Transportation Code when the urbanized area was below 200,000 in population. Therefore, Laredo, even though it's not over 200,000, is still eligible for state funds.

MR. GADBOIS: Okay. Could that same logic, though, be applied to Georgetown that wasn't in the --

VOICE: No.

MR. GLEASON: The code is specific to Laredo.

MR. GADBOIS: Oh. Okay.

VOICE: Yes. Because Capital Metro --

MR. GADBOIS: So they did a bracket?

MR. GLEASON: It's not -- it doesn't say Laredo specifically. But it has enough of a definition in it where --

MR. GADBOIS: The bracket. Yes.

MR. GLEASON: Yes.

MR. GADBOIS: So -- okay. Because what I was going to suggest is Capital Metro these days does contracting for services, even where they're not within their one-cent service area.

VOICE: Right.

MR. GADBOIS: And so that might have been a way around this. But it sounds like no. Okay.

MR. GLEASON: Yes. The state code is incredible prescriptive and specific --
MR. GADBOIS: Oh, yes.

MR. GLEASON: -- to deal with past situations. And it's not -- it doesn't give us the flexibility now. But we -- what I would expect to happen is that when we go to -- we'll be going to the Commission later this month with the award of state funds for next year. So that will be the first time the 2010 census impacts are felt.

And as a part of that action in June, we'll be identifying for the Commission the amount of funding needed and to whom it needs to go, to make sure everyone doesn't go -- make sure no one goes below the line. So that's what the June Commission action will award. It will award state funds and then to make sure no one goes below the line.

That will leave us with about 2.2 or 2.3 million for this biennium to be looked at in these bridge situations and how creative can we get in getting funds out to allow the service to be provided. San Marcos, being the new stand-alone UVA, might have some very unique one-time start-up needs that those funds could be applied for.

And we'll be going out with some kind of a call, if you will, for proposals at some point, where we will say, These are the situations that we anticipate funds being needed to address; send in -- based on those,
send in proposals to us and we'll be evaluating them and,
you know, make a decision.

Now, the other example -- we have -- Galveston, for example, by moving from urban to rural on the federal side really gets shorted. And, you know, they get a little more on the state side in their rural status than they did on the urban side. But on the federal side they take a big hit. The net impact of all that is about $600,000 less of public transportation formula funding for Galveston.

MR. GADBOIS: Well, the -- and just a note. And particularly, the -- Georgetown and those other areas. That -- ultimately, that's a problem created by the Legislature. And if it's that important to the Georgetown and the such I can -- we can -- we need to assume that they're going to go to their legislators to seek a remedy that would happen within a time frame such that if we figured out a -- we -- you all figured out a solution for the next year or so then the legislative fix kicks in after that. Right?

MR. GLEASON: Yes. That's the context of a bridging time frame --

MR. GADBOIS: Yes.

MR. GLEASON: -- to allow a solution to happen.
MS. BLOOMER: That -- this is Michelle. Just sort of to wrap all that up. I think the issue from -- what I think the issue is from a PTAC standpoint is sort of the issue of the short-term flexibility to allow the time, either at the local level to address it or for PTAC to open the rules back up again.

But I -- again, I'd like to go back and maybe the -- working group number one can look at it under your objective to increase financial stability. Because I think for transit providers it's a real issue of year-to-year and how the census impact sort of -- we already have the issue of not getting federal funds in a timely manner related to the beginning of the fiscal year. And then from year-to-year or ten years not knowing where you fall until it comes out and having to sort of just completely adjust. And then the inequity issues. If we can start ticking off what some of those are so when we do get ready to open the rules -- the formula back up again we can remember what all those were.

But I would ask -- and I know you're already doing it -- but encourage -- if we could -- what we can do and as flexible as we can be to help those agencies address that transition period and give them a little breathing room to figure out how they're going to adjust for that negative impact.
MR. GLEASON: If I might suggest? Is there --
I don't know the extent to which we need to continue
through this. We touched on the key elements of this
presentation. We're getting close to two hours for our
meeting here. I will leave it up, obviously, to the
committee. But I would say that we've covered the salient
policy points.

VOICE: Well, and the committee has created
this space for a conference call to figure out our work
plan advice accepted, I think, on one of those items. LAR
is probably another one of those items we ought to just
discuss. And so --

VOICE: Okay.

MS. BLOOMER: We'll go ahead and move on to the
next item, which is the Legislative Appropriations Request
discussion and comment.

MR. GLEASON: Yes. This is Eric. We touched
on this earlier. You have in your packet a copy of a
letter that the committee sent to the Commission during
its deliberations on the current biennium. We are now in
the same time frame and the Department is preparing the
request for next year. Now would be the time for the
committee, if it wanted to, to weigh in for a request for
performance that it consider an increase in public
transportation funding.
You know, the context for this last session was, you know, dire economic straights. The committee still wanted to make the request to keep it visible. The Department accepted the recommendation to the extent that we included it. We included it as a request for general revenue funding as opposed to funding coming from the non-dedicated side of the State Highway Fund.

So here we are again two years later, three years later. I'm not sure. The economic picture looks a little better than it did. But I think everyone's expecting the next session to be similar. The committee can still choose to keep these needs in front of the Commission and in front of the Legislature by requesting that the Commission add it to the Department's requests. And that's the purpose of this item today.

What I would -- if the committee chooses to do that what I would suggest to you as a course of action would be to use this letter from the previous time as the starting point. The division could help you update some of the numbers in it to be current. And then based on that, that a letter could be drafted and be sent to the chair, as it was last time.

MR. GADBOIS: I'd like to just suggest something here. Given that we've already got the LBB instructing agencies to hold the line on cost and find
another 10 percent, the fourth of those in a row, that we spend a little bit of time thinking about strategy and maybe investigating a -- maybe we can find a more productive way than asking for GR that we know we're not going to get.

And so if we can, I'd like to put that on our conference call. See if we can figure out a game plan. We've got a little bit of time to be able to effectively talk to Commission. You all are hearing -- the Commission's hearing a briefing late July.

MR. GLEASON: Late June.
MR. GADBOIS: Late June. And we'll finalize in August?

MR. GLEASON: Yes.
MR. GADBOIS: So if we shoot to have something to them in late June or early July then we could be okay. The question for you is if we consider something, if we draft something is there a way for you all to send it out and us to electronically as a group approve it?

MR. GLEASON: I would say -- this is Eric -- the only way for that to work would be for today for the committee to have enough of a substantive discussion around what that might be so that all we were doing independent and outside of a regular meeting was with tweaking.
VOICE: Could we have the letter on a one-item phone meeting? Just do a phone call?

MR. GLEASON: Well, I mean, we can -- we -- the alternative is to look to try and organize a meeting of the committee between now and whenever to talk about that. And, yes, we can do meetings by phone.

MR. UNDERWOOD: Okay. The reason why -- I kind of agree with you, Glenn, because TTA, the Legislative Committee, have some ideas about some other ways of funding that if we were all kind of -- TEC agrees with this, TTA legislatively agrees with this, all singing the same song we might have a better -- and one is the fuel tax. We've kind of discussed that off and on. And --

MR. GLEASON: And then we'll have to comply with the public notice requirement.

VOICE: Yes.

MR. GADBOIS: But if we could target a meeting in say, early July, where we, the committee come to you with a much firmer draft the meeting is then really only to consider that one item, the draft and approval of it or tweaking it or whatever, that would give us enough time to do that? I mean, we have enough time for public notice on that and getting that all arranged? And --

MR. GLEASON: Ten days. Ten days is the post-
notice.

MR. GADBOIS: Okay. And then that's enough
time for us to actually impact Commission deliberations?
If we --

MR. GLEASON: It's prior to adoption of a final
LAR, yes.

MR. GADBOIS: Okay.

MS. BLOOMER: This is Michelle. So it would be
in anticipation of the July Commission meeting. And then
the last time around we also went before the Commission as
part of that.

MR. GLEASON: Well, right now there is no LAR
action scheduled for the July meeting. There is a
description provided to the Commission in June. And it's
an opportunity for the Commission to comment on what they
hear. But there's no formal action on that item in June.
And then in August -- at the August meeting is when they
will formally adopt the appropriations request.

MS. BLOOMER: And the last time we did it we
went -- would have gone in what would be equivalent to
June of this year?

MR. GLEASON: I believe so, yes.

MS. BLOOMER: Okay. But right now --

MR. GLEASON: I think --

MS. BLOOMER: -- we're kind of --
MR. GLEASON: I think you're right.

MS. BLOOMER: -- short on time to make a June Commission meeting, would be my concern.

MR. GLEASON: Well, unless you wanted to do something as straightforward as say, Take this shell today, update the numbers and let's go. But I think if the time -- if the idea is to take a little more time to be a little more thoughtful, given that the prognosis for the session is, you know, a week --

MR. GADBOIS: No offense to the drafters of that, but I would feel more comfortable taking a little bit of time to draft something that might have a little more chance of positive impact.

MS. BLOOMER: This is Michelle. I -- Glenn, I completely agree. I think part of my concern or uncertainty is related to I think it's important to keep what's in that letter in front of the Commission, regardless of how much of an actual opportunity we think of getting anything we're asking for. I think it's important to keep going back and hammering in that in the last now 12 years public transportation, other than the 3 million last, hasn't gotten any increase. And sort of the diminishing buying power, increasing costs, increasing ridership, et cetera.

But to your point I think it's also very
important to focus on maybe how do we get -- how do we actually receive some sort of benefit through some other, more strategic effort, initiative. I think we also probably need to mention the TDCs and how we're already leveraging existing resources.

And even though we haven't gotten any more real money and actually we've lost buying power with the money we have received, how we've been able to stretch that even farther. Because I think what keeps coming back is, Well, we all need to learn how to do more with less. Well, you can only squeeze so much more out of less. And I think we need to keep reinforcing that we've been doing that and we've been very successful at doing that. But at some point there's not going to be any more to squeeze out of that less.

And acknowledging that and acknowledging the difficulty that we're in financially, here are some other options that would bring benefit to public transportation, as far as purchasing power or stretching our dollars further that may not be in the line of, you know, another $57 million like the fuel credit. And I don't know if TTA or the toll roads contain the -- I mean, that's -- having been on the opposite side and being the one that reviews invoices for transit providers and reimbursing funds, tolls are another huge expense that we see coming through.
MR. UNDERWOOD: Been talked about at the TTA Legislative Committee, as well.

MR. GADBOIS: Can I take your attempt to influence the committee as a proof that we should be drafting it?

(Laughter)

MS. BLOOMER: I think -- this is Michelle. I think that's fine. We don't have formal action. We can go back. Discussion and comment. Can we take action?

VOICE: It says action.

MR. GLEASON: There's action. It's for action.

MS. BLOOMER: Oh. That's odd how that's done. Okay. We can take action.

VOICE: We can take action.

MS. BLOOMER: And based on that comment, Glenn, I think you volunteered committee one --

MR. GADBOIS: And A -- 1A --

MS. BLOOMER: -- sorry -- working group one to work on a revised letter using the last finance letter sort of a base and adding to that to share with the committee. We just need to make sure. So you all need to wicky-wicky.

MR. GADBOIS: That's what we get for falling between last meeting and this one.

VOICE: Yes.
MR. GADBOIS: So the only thing I would suggest as clarification for that is we're suggesting we have a meeting in July to formally approve something. And, yes, that may mean we don't in person go in front of the Commission in June. We think our letter will be well received and, you know -- and have due influence in early July if you're comfortable with that additional clarification on your motion. And I'm good at seconding it.

MS. BLOOMER: Wasn't sure where I was making a motion. But okay. First and a second.

Are we okay, Eric, on a one-item conference call related to the letter?

MR. GLEASON: Well, we'll look for time. Sure. Yes, that's fine.

MS. BLOOMER: Because we don't -- is there anything we can do today to put more detail to it so we would not be required to come back for the conference call? Would that be easier? Because --

MR. GLEASON: I think it would be easier. But I don't think it's possible. I think --

MS. BLOOMER: Okay.

MR. GLEASON: I think what I heard is that there needs to be some discussion around what TTA's looking at with some more creative options. What I'm
hearing is the committee wants to go to the Commission in some format which is more than just, I need more money.

VOICE: Right.

MS. BLOOMER: Right.

MR. GLEASON: And I can certainly --

MR. GADBOIS: And by the way, ask the Legislature for GR sources.

MR. GLEASON: Well, yes. I mean, we all know where that --

MR. GADBOIS: Yes.

MR. GLEASON: All right.

MS. BLOOMER: Okay. Then we have a motion and a second. Any other discussion on the item? Al, do you have any?

MR. ABESON: No.

MS. BLOOMER: Are you -- okay. So we'll go round. Rob?

MR. STEPHENS: Fine.

MS. BLOOMER: Glenn?

MR. GADBOIS: Aye.

MS. BLOOMER: J.R.?

MR. SALAZAR: Aye.

MS. BLOOMER: Al?

MR. ABESON: Aye.

MS. BLOOMER: Michelle, aye.
And then just before I wrap, I think the idea being we'd have a letter late July to get to the Commission in August. And then we'll have another meeting between then --

VOICE: Correct.

MS. BLOOMER: -- for the rules. And then we can talk about sending somebody to the Commission in August potentially.

MR. UNDERWOOD: Are there any dates that we would have to -- the reason I say that is because we have the semi-annual on the 18th. We'll all be here. And, Glenn, you live here.

MR. GADBOIS: Yes. Although -- I mean, we may --

VOICE: Or we need it before then.

MR. GADBOIS: I'm thinking if we -- you know, the longer we wait into July the harder it's going to be to influence the LAR, because the LAR, you know, goes through a lot of -- you know, has to go through every department, has to -- you know, all that sort of stuff. And so to the extent we're really trying to influence it, the earlier the better. I just don't think it can happen before early July.

VOICE: Okay.

MS. BLOOMER: Okay.
VOICE: I understand.

MR. GADBOIS: And so if you all don't mind us -- giving an hour in early July to meet and talk about it and look at it, draft it, you know, you'll get by email and vote on it, then I'd rather see that happen.


MS. BLOOMER: Okay.

Eric, Division Director's Report?

MR. GLEASON: Okay. Once again -- I'll do it quickly because I know it's late. Now, I apologize we didn't get a written report together. I do recall that being something the committee wants to see, as opposed to me just popping up at the meeting with the topic. So we will do that -- not for the phone call. I would suggest there's not a Director's Report --

MR. GADBOIS: Thank you.

MR. GLEASON: -- at the phone call. But at our next meeting after that. Real quickly, Commission action. The last -- in May -- we had no items in April. In May we did make an initial award to some projects that did come in through our coordinated call. And we chose those projects and the awards based on available funding.

So we awarded a portion of the Inner-City Bus Program that was focused on operating, because those are largely contracts that need to be in place by the 1st of
September to allow that service to be sustained.

And we did, because of some remaining program balances, have enough to move ahead on the Job Access Reverse Commute Program awards. So no action yet on New Freedom, no action on Rural Discretionary and no action yet on the balance of the inner-city bus funding that were part of the call. We did some partial -- I don't guess -- we've not yet awarded anything on the Planning Program, either.

MS. BLOOMER: And this is Michelle. When are those anticipated?

MR. GLEASON: That's going to depend on when we get full-year apportionments from the feds.

MS. BLOOMER: Okay.

MR. GLEASON: And so your guess is as good as mine. Right now we don't have authorizing legislation past the end of this month. I assume something will pop out at the end of the month.

MS. BLOOMER: We can only hope.

VOICE: But then if it's another continuing 90-day resolution --

MR. GLEASON: Well, that would give us the rest of the year.

MS. BLOOMER: Go through to like July 15.

MR. GLEASON: That will give us the rest of
the year, and then we're just dependent upon the STATUTORY getting their apportionments out. So I'm going to hope for July. I really hope it doesn't slide to August. But I think July is going to be close.

VOICE: So it's still going to push you with your September contract dates? I mean, are you going to be --

MR. GLEASON: Well, what we've done with the May award was those -- yes. Yes, for those things, yes. Our main concern for September were the operating hearings themself.

VOICE: Okay.

MR. GLEASON: Yes. Two other smaller items in May. Some additional funds out to the Concho Valley Transit District to make some modifications to the [inaudible] out there and inner-city carriers. And then reassigning active grant fund from the Community Council of Southwest Texas over to the Southwest Area Regional Transit District.

In June, later this month, we are going to award the state funds, as we talked about. We will be awarding metropolitan transportation planning funds. This is an annual award that we do under the 5303 program. And then development credits to Hill Country Transit to help them use their -- to help draw down funding for fuel --
the 307 side. So that's it.

MS. BLOOMER: Okay.

VOICE: They took advantage of capitalizing --

MR. GLEASON: Well, to make a long story short, they attempted to take advantage of a federal program when it was announced. We neglected to include their application in our application on their behalf, and so this action addresses that issue.

VOICE: Okay. Thanks.

MR. GLEASON: Making good on the --

VOICE: Sure.

MR. GLEASON: All right.

MS. BLOOMER: Okay. Any other questions for Eric?

(NO RESPONSE.)

MS. BLOOMER: Hearing none, we'll move on to Item Number 9, which is public comment. And I don't believe we have anybody signed up for public comment. That's one way to --

MR. GADBOIS: Or they could have left the building.

MS. BLOOMER: I don't believe we're going to confirm the date of the next meeting at this point. Ginnie will work for something in mid-July for one item, to discuss the letter.
Seeing no other action --

MR. UNDERWOOD: Move to adjourn.

MS. BLOOMER: I have a motion.

MR. GADBOIS: Second.

MS. BLOOMER: Second. All those in favor, say Aye.

(A chorus of Ayes.)

MS. BLOOMER: Thank you very much. Meeting is adjourned.

(Whereupon, the meeting was adjourned at 12:10 p.m.)
CERTIFICATE

MEETING OF: Public Transportation Advisory Committee
LOCATION: Austin, Texas
DATE: June 7, 2012

I do hereby certify that the foregoing pages, numbers 1 through 105, inclusive, are the true, accurate, and complete transcript prepared from the digital recording provided.

06/27/2012
(Transcriber) (Date)

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