

TEXAS TRANSPORTATION COMMISSION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE
MEETING

Friday,
September 13, 2012

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

COMMITTEE MEMBERS PRESENT:

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

TxDOT STAFF PRESENT:

ERIC GLEASON, Director
BOBBY KILLEBREW, Deputy Director

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3. In accordance with 43 Texas Administrative Code (TAC) '1.83(c), review and comment on the final proposed revisions to 43 TAC, regarding Transportation Development Credits	5
4. Review and discussion of PTAC Work Plan consistent with committee duties as described in 43 Texas Administrative Code '1.84(b)(3) and update on current activities related to work plan elements	45
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P R O C E E D I N G S

1
2 MR. GLEASON: We are back on. We've got a good
3 connection. I apologize for the delay. We were having
4 some problems getting into the conference.

5 So Michelle, I think -- well, is everyone
6 online? Christina is not going to be able to join us.

7 MS. BLOOMER: I heard Al, J.R., Brad, Rob,
8 Glenn and myself. So I think other than -- if Christina
9 is not going to be on, that's all of us.

10 MR. GLEASON: Is Rob on?

11 MR. STEPHENS: Yes. I'm here.

12 MR. GLEASON: There you are. All right. Yes.
13 That's great. Go ahead, Michelle.

14 MS. BLOOMER: All right. Then I will
15 officially call the meeting to order at 1:07. The second
16 item on the agenda, the approval of the minutes from June
17 7 and July 12.

18 Before asking for a motion, I just have a
19 comment to make, and then I will open it up quickly. But
20 in reviewing the minutes from July 12 -- and, Eric, I
21 don't know if you happen to have those. On Agenda Item 3,
22 it was related to the Legislative Appropriation Request,
23 discussion and the letter.

24 MR. GLEASON: Yeah.

25 MS. BLOOMER: The comment there focuses more on

1 the legislative priorities, and it doesn't indicate
2 anything along the lines that we discussed sending the LAR
3 letter, and we actually did send it.

4 So I wasn't sure if we needed to include that
5 part of the discussion as well in there, just to reflect
6 that we agreed on sending a letter to the Commission
7 regarding the LAR, and that we subsequently did that.

8 MR. GLEASON: Where are you again, Michelle?
9 Number three?

10 MS. BLOOMER: I'm on the --

11 MR. GLEASON: Number 3?

12 MS. BLOOMER: For July 12, on Agenda Item 3.

13 MR. GLEASON: I was in June; That explains it.

14 MR. GADBOIS: So it should read Legislative
15 Appropriation Request discussion and comment and moved to
16 send the letter.

17 MR. GLEASON: Okay. That was a good catch,
18 Michelle.

19 MS. BLOOMER: Yeah. And I think just with that
20 revision, I don't have any other questions regarding the
21 June 7 or 12th minutes.

22 Does anybody else -- any Committee members have
23 any questions on the June 7 or July 12 minutes?

24 MR. GADBOIS: I would like to move to approve,
25 with the amendment you suggested, both minutes.

1 MS. BLOOMER: Okay.

2 MR. SALAZAR: This is J.R. I will second that.

3 MS. BLOOMER: All right. And just since we're
4 all on the phone, I know it's kind of difficult. I will
5 just run through the list of folks I have, and you can yea
6 or nay. So we have a motion and a second to approve the
7 minutes.

8 Al?

9 MR. ABESON: Aye.

10 MS. BLOOMER: J.R.?

11 MR. SALAZAR: Yes.

12 MS. BLOOMER: Brad?

13 MR. UNDERWOOD: Aye.

14 MS. BLOOMER: Rob?

15 MR. STEPHENS: Yea.

16 MS. BLOOMER: Glenn?

17 MR. GADBOIS: Aye.

18 MS. BLOOMER: And Michelle, yes. Okay. So the
19 minutes are approved with those changes.

20 Moving on to Item 3 on the agenda is the
21 discussion of the Transportation Development Credit rules,
22 and I think I'm going to turn this over to Bobby.

23 MR. KILLEBREW: Yes. For the record, this is
24 Bobby Killebrew, Deputy Director of the Public
25 Transportation Division at TxDOT. Good afternoon,

1 everyone.

2 And as we do comment today, we do have a court
3 reporter in the room here in Austin. Just to let you
4 know, I know you all folks are on the phone. Eric is here
5 as well.

6 And we have --

7 MS. FISHER: Nancy Fisher.

8 MR. KILLEBREW: Nancy here as well, from the
9 general public. At the moment, that is the only public we
10 have other than the court reporter. To let you know who's
11 in Austin at the official site of the public meeting
12 today.

13 In your packet, members, there is a copy -- it
14 looks very like a legal document: Subchapter H,
15 Transportation Development Credit Program. These are the
16 rules that are going to the Commission at the Commission
17 meeting in September. These rules are the same that the
18 committee saw and provided comments on earlier this year,
19 so they remain unchanged.

20 In the process of receiving public comments on
21 this rule, the Department received only one public
22 comment, and that was from Carole Warlick of the Hill
23 Country Transit District. And a copy of her comment was
24 also included in your packets.

25 Today=s item for the committee -- I know we

1 don=t do rulemaking very often, so if you bear with me to
2 just go through that real quickly, today=s action for the
3 committee -- the committee can do one of a couple of
4 things.

5 Today the committee can provide comments
6 regarding this final rule packet that would go to the
7 Commission. Or the committee can waive comment and not
8 provide any comment whatsoever.

9 And with that, Michelle, I guess I will turn it
10 back over to you.

11 MS. BLOOMER: Thanks, Bob. A quick question.
12 On the provide comment, isn=t it sort of -- refresh my
13 memory, because basically what was our action last time?

14 MR. GADBOIS: We developed a letter commenting
15 on the first draft. And since this hasn=t changed, if we
16 are going to communicate anything at all, it ought to be
17 we simply stand by our initial letter and comment.

18 MS. BLOOMER: Right. This is Michelle. I
19 guess what I am asking is, usually there's three: We can
20 waive comment, we can provide comment, or we can forward
21 to the Commission and recommend their approval.

22 MR. KILLEBREW: Yes. This is Bobby. There's
23 two opportunities for the Committee to provide comment
24 during a rulemaking process. The first opportunity, which
25 happened earlier this year, you had three things that you

1 could possibly do at that point in time.

2 This is the second opportunity. And in the
3 second opportunity, believe it or not, you only get two
4 things you can do. One is waive comment; the other is you
5 can provide comment to the Commission.

6 MS. BLOOMER: Okay.

7 MR. KILLEBREW: And provide comment could mean
8 we don't provide any additional comments. Our comment is
9 no comment. Or our comment is XYZ.

10 MS. BLOOMER: And I think our --

11 MR. GADBOIS: Well, and we can also have the
12 comment that we affirm our initial letter.

13 MR. KILLEBREW: This is Bobby. Absolutely.

14 MS. BLOOMER: Right. And I was just -- it's
15 has been a while since we sent the letter. And I was just
16 getting back to Glenn's point.

17 We, I believe and the letter just communicated
18 that we were in support of the draft rules as presented
19 prior to them going out to public comment.

20 I don't know that we -- I think our comment
21 should be something just along the lines like Glenn said,
22 is that we continue to support the rules as written, and
23 recommend Commission approval.

24 MR. GADBOIS: Indeed, I would like to make that
25 motion, if our Chair wasn't making it herself.

1 MR. GLEASON: Hey, Glenn, this is Eric. Glenn?

2 MR. GADBOIS: This is Glenn. Yes.

3 MR. GLEASON: Are you on a cell phone or
4 something? We're having trouble hearing you.

5 MR. GADBOIS: I am indeed on a cell phone.

6 MR. GLEASON: Yeah. You seem to be breaking up
7 from our standpoint. I don=t know if that's true for the
8 others on the call.

9 MR. GADBOIS: Okay. Well, to try to repeat it
10 as clearly as I can, I would like to -- this is Glenn. I
11 would like to make the motion that we communicate a
12 comment to the Commission that indicates our support for
13 the rules as written.

14 MR. ABESON: I'd offer a second on that. This
15 is Al.

16 MS. BLOOMER: Okay. So we have a motion and a
17 second. Is there any discussion by the committee?

18 (No response.)

19 MS. BLOOMER: Hearing none, Bobby, we are good
20 then to proceed with taking a vote. You have what you
21 need to communicate to the Commission?

22 MR. KILLEBREW: This is Bobby. Yes, I do.

23 MS. BLOOMER: Okay. Then I will call for a
24 vote.

25 Al?

1 MR. ABESON: I'm in favor.

2 MS. BLOOMER: J.R.?

3 MR. SALAZAR: Yes.

4 MS. BLOOMER: Brad?

5 MR. UNDERWOOD: Yes.

6 MS. BLOOMER: Rob?

7 MR. STEPHENS: Yes.

8 MS. BLOOMER: Glenn?

9 MR. GADBOIS: Yes.

10 MS. BLOOMER: And Michelle, yes. So Glenn made
11 the motion. Al seconded. It all passed. All right.
12 Thank you all for your work on that, in getting that
13 through.

14 We will move on to -- we are actually going to
15 go ahead and skip down to Agenda Item 5, just due to time.

16 And then we'll go back to 5 before moving on to 6.

17 Agenda Item 5 is the legislative priorities,
18 discussion and comment.

19 At our last conference call, on July 17, when
20 we were discussing the LAR letter, I believe we agreed as
21 a committee that we would go ahead and focus the LAR
22 letter solely on our funding request, which will allow us
23 additional time as a committee to talk about what our
24 legislative priorities are and possibly to be a little bit
25 more strategic in how we present those to the Commission,

1 and to allow greater discussion at the committee level on
2 what the working group was proposing.

3 So in the meantime, my understanding is that
4 the working group has convened and done some work on their
5 legislative priorities, or at least recommendations for
6 consideration by the committee on some legislative
7 priorities.

8 So I will go ahead and turn it over to you,
9 Glenn, to sort of bring us up to speed and, Brad and Rob,
10 as to what working group one has been talking about
11 regarding legislative priorities.

12 MR. GADBOIS: Yes. So my team, Rob and Brad
13 and myself, can jump in and support this for as much
14 conversation as you want to have. I just want to be clear
15 up front, because I have a meeting conflict, in which
16 case, you know, I have maybe 15 to 20, 25 minutes that I
17 can talk about this, and then I'm going to have to get
18 off -- and let the rest of the team carry the rest of the
19 conversation.

20 MR. UNDERWOOD: In 25 minutes, I'm going to
21 have to get off, too, then.

22 (General laughter.)

23 MR. GADBOIS: Yes. Okay. I talked, we talked
24 on this topic, but because I am going to only talk for a
25 couple of minutes here, I want to make sure everybody

1 understands what -- at least kind of the framework for the
2 conversation we had and the direction we are going to seed
3 the conversation.

4 So the three of us talked about legislative
5 issues that we would like to communicate to the Commission
6 and enlist theirs and the Department=s help in furthering.

7 In doing that, there are obviously two legislative
8 arenas, and we have different kind of strategies or
9 activities we would like to do for each one of those.

10 Let=s deal with the State first. We asked Eric
11 if it was at all possible to have somebody from
12 legislative affairs on this call to help advise PTAC as
13 they're considering the different options and so kind of
14 give some background as to what the legislative session's
15 beginning to look like, whether they think these are
16 realistic, whether they have any tweaks or better ideas on
17 how we can achieve what we want to achieve.

18 But here are the three-state related things
19 that we thought were important to push forward.

20 The first -- and Eric sent this out in the
21 package, and so I'm going to just make sure that they are
22 on the table and people hear them directly. The first is
23 to ask for a dollar amount, that -- you know, some amount
24 of money that could be funded through the Texas Enterprise
25 Fund.

1 The Texas Enterprise Fund has specific
2 legislative criteria for what is available for it. Each
3 biennium it has to be funded, but historically, it's been
4 funded to the tune of around \$60 million. And
5 historically, it has gone for everything from bringing in
6 a Toyota plant -- you know, some contribution towards
7 bringing a Toyota manufacturing plant to north San Antonio
8 and really kind of attracting larger businesses and
9 employers to come to the state.

10 Our argument would be twofold. One is make
11 public transportation eligible for Texas Enterprise Funds,
12 because it is support of a serious employer in this
13 state -- a serious employer and economic development tool.

14 And for the Legislature this session to earmark
15 some of those monies in a rider or whatever toward public
16 transportation, to take care of some specific, you know,
17 capital needs, or some other needs for the overall public
18 transportation, that's one idea.

19 The second idea is --

20 MR. UNDERWOOD: Glenn, can I say something
21 about -- can I say something to that?

22 MR. GADBOIS: Sure.

23 MR. UNDERWOOD: Well, I just want to get in,
24 pretty brief about it.

25 Eric, you'll recall it was the end of August,

1 where there was a Transportation Subcommittee hearing. I
2 actually brought that before some of the legislators
3 there, and it was actually pretty well received. They
4 kind of looked at that as something maybe not thought
5 about or they hadn't heard before. And actually, Linda
6 Harper-Brown was pretty encouraged. They kind of shook
7 their head and understood and kind of took some notes.

8 And they seem to not immediately jerk, the knee
9 jerk with it. It was more like, Hmm, we've not really
10 thought about that. And that could be a very real
11 possibility.

12 So they kind of gave some positive feedback on
13 that particular idea, so I just wanted to add that to the
14 conversation.

15 MR. GADBOIS: Good, thanks. Well, you're going
16 to get to add to the second one as well. So the next
17 issue is Medicaid transportation. And for those who
18 haven't had history in dealing with the Medicaid
19 transportation, Medicaid actually, by court decree, is
20 required to provide some level of transportation,
21 particularly for children. But the Court decree has
22 gotten them in business of providing transportation
23 service for all or most Medicaid-eligible folks.

24 And the ownership or leadership of Medicaid had
25 bounced back and forth. It was over at the Department of

1 Health, when there was a Department of Health.

2 Then for a little while TxDOT had lead for
3 planning how the transportation -- Medicaid transportation
4 program went. And then a few years back, it bounced back
5 to Health and Human Services Commission.

6 Well, as I am hearing, the sample reports about
7 it is that the way it is being done right now is seriously
8 problematic. And so all we're asking for is to include
9 the Department, and particularly PTN, in the planning and
10 program development or program implementation decision
11 making process, such that we have an opportunity to make
12 it a little bit wholly inside HHS and give an avenue to
13 maybe problem-solve some of those difficulties that are
14 happening out at the real world as this is being
15 delivered. And you'll hear of this I think from Brad=s
16 testimony.

17 The Legislature doesn=t understand anything
18 about this, and most people don=t understand anything
19 about it. It is a real kind of insider baseball game, but
20 it's hugely important. It is, you know, something on the
21 order of \$100 million in transportation investment every
22 biennium.

23 Brad, do you want to jump in on your experience
24 when you talked about Medicaid transportation?

25 MR. UNDERWOOD: Yeah. You know, at the

1 committee meeting there again, was -- you know, it was
2 very much misunderstood. I think a lot of our legislators
3 have no clue how this program works, how it really even
4 benefits public transportation, how that we should be an
5 intricate part of it.

6 And for instance, Linda Harper-Brown, as well
7 as Yvonne Davis both asked several questions. Well, what
8 does this mean? How does that work? How does it benefit
9 you? What are we currently doing? Had really no clue
10 what Rider 55 was even about. They didn't know whose
11 rider it was.

12 And so we kind of had to even go a little bit
13 into the explanation of what, you know, creating brokers
14 around the state is actually doing; you know, some of the
15 issues there. So, no, I think there is a complete lack of
16 understanding and really attention being drawn to it,
17 except people in these little pilot areas, Dallas,
18 Beaumont, Houston.

19 Now, those areas seem like they are getting
20 quite a bit of attention currently, because of the service
21 and the lack thereof in those locations and some of the
22 issues they are having. I know that the Tarrant County
23 County Judge is working on some things for Tarrant County
24 right now with Medicaid transportation.

25 But, yeah, I mean, they're clueless. They

1 really have no idea that this is even taking place or
2 what's going on.

3 MR. GADBOIS: Well, and then jumping to the
4 last item, just to lay them all out on the table, right
5 now -- this is an idea that Brad and the transit folks
6 kind of came up with, and I think it's a genius idea and
7 since have heard that the large metros are getting behind
8 this idea. And it's basically this:

9 Right now, the transit agencies, when they buy
10 fuel, pay the fuel tax to the state. Then the state turns
11 around and allocates back out the fuel tax to the
12 transportation providers.

13 What we are asking for is don't -- you know, is
14 exempt the transit agencies from having to pay the state
15 fuel tax, which ends up being a huge benefit-cost savings
16 for transit agencies and therefore kind of makes the money
17 go further.

18 But it also keeps that portion of the money out
19 of this loop of going -- you know, getting connected
20 through the Comptroller and then getting distributed
21 through the Comptroller, distribution to the agency and
22 then from the agency out, you know, to whomever, in which
23 case it keeps more money where it needs to be on the
24 implementation of transit.

25 So that's the core argument there. The one

1 thing that I needed to point out is the Feds already
2 provide this exemption, and the State has a way to provide
3 this exemption.

4 It simply is that public transportation
5 agencies aren=t designated as exempt now. So those are
6 the three things we would like to send to the Commission
7 and enlist their help on at the state legislature.

8 The federal side stuff is more -- is easier to
9 talk about and more complicated at the same time. We just
10 had a new federal bill pass called MAP-21. There has been
11 some good analysis of how MAP-21 is reorienting programs
12 and the impact it will have on the urban areas and
13 probably even on the smaller areas.

14 But what hasn=t happened to date, that we know
15 of, is a good analysis of how the reprogramming that is
16 happening under MAP-21 will impact rural transit
17 providers.

18 So we have asked Eric to enlist the help of TTI
19 to do the -- or whatever resources they need to do the
20 analysis; do that analysis early enough to where there is
21 conversation about how this might work -- conversation
22 and education on how this might work before we ever get to
23 the point of sending out letters with, these are the
24 dollar amounts you are going to receive, because what we
25 are pretty confident of is already given that much more of

1 this is programmed and less competitive, it looks like a
2 number of systems -- you know, their money's going to
3 change. And a lot of systems don't now have good forward
4 planning procedures in place for how they will spend the
5 money. If you get additional money just dropped on them,
6 then we are pretty confident that won't be spent for the
7 best and highest purposes. That might happen if you give
8 them more time to think about it.

9 Now in addition to that, we were pretty
10 straightforward, where we would like to go with this in
11 the long run is to start implementing an approach that the
12 large metros and the small urbans already do with -- but
13 includes a rural in there -- and that's basically
14 development of a three-year financial plan.

15 Because we're pretty confident that right now
16 there is not much thinking about the long-term needs,
17 but -- by both the systems and by the State, that there's
18 not much long-term thinking of the direction we are going,
19 needs we might have and planning those out for any
20 additional requests or, you know, any pockets we might
21 have for allocation, and particularly, in processes for
22 kind of evaluation, are you actually spending the way you
23 said you needed to spend or are you just sitting on money
24 that could be used elsewhere?

25 And we would like to get to a place where we're

1 more strategic and we're more efficient. And we think
2 that using that MAP-21 as a springboard to help us start
3 some new processes that will help us do both.

4 Did I miss anything, guys?

5 MR. STEPHENS: No. I think you covered it
6 pretty well. This is Rob.

7 I think you covered it really well, Glenn. In
8 your letter, you know, we have talked about before there
9 are -- you know, the operators we have listed here, let=s
10 not forget the non-traditional members of that group that
11 consist of private non-profit and private entities.
12 There's been a large investment there, in capital
13 investment there. I mean, what next for that group of
14 people as we've got realignment of funding streams and
15 consolidated funding programs.

16 And you know, they could -- you know, the rural
17 area could probably use a lot of help in trying to figure
18 out how to move forward long term, and so I support that.

19 But I don=t want to forget that huge investment TxDOT --
20 Texas has made to the non-traditional operator.

21 MR. GADBOIS: And by non-traditional, you have
22 a cab company that's doing some service and getting some
23 real money in your area. But I assume that would also be,
24 to make it personal to Michelle, Catholic charities, or --

25 MS. BLOOMER: Sure.

1 MR. GADBOIS: -- you know, or anybody else that
2 is not a public transportation provider but, you know, is
3 helping to provide public transportation and getting some
4 public money to do it.

5 MR. STEPHENS: Sure. Some of these have been
6 direct recipients. So you've just got a large investment
7 there. And I don't want us to forget or overlook -- you
8 know, that could sneak up and be a problem down the way
9 for somebody, maybe for everyone.

10 But, you know, as we look at operators get
11 large chunks of money dropped in their laps -- you know,
12 some areas, MAP-21 has made those changes -- you're going
13 to have large monies taken away from others.

14 You know, there is some implications that go
15 beyond maybe just the -- just what we were thinking of
16 when we began this discussion, so I support it. I just
17 would like some thought to be given about what we do about
18 that large investment we made elsewhere.

19 MS. BLOOMER: Right. And Rob, this is
20 Michelle. Further thinking along those lines, are you
21 also including sort of the folks that -- the non-
22 traditional providers who may have been eligible under the
23 Job Access/Reverse Commute and new Freedom Fund who may or
24 may not, depending on how everything sort of settles out
25 from that, be eligible for those funds under the new

1 program, or the consolidated program.

2 MR. STEPHENS: Yeah, exactly.

3 MS. BLOOMER: Okay.

4 MR. GADBOIS: Yeah. And, Michelle, that is
5 exactly the point, is we need to start having some
6 education and discussion about how we're going to deal
7 with that, so that, you know, the people that are getting
8 JARC and New Freedom, whatever now, or frankly, 5310, that
9 aren't public transportation providers, then they are not
10 all of a sudden looking at MAP-21 going, Ahh, all my money
11 is going away. But, you know, instead we are having a
12 real conversation about what needs to be the process in
13 place to make sure that we continue those investments.

14 MS. BLOOMER: Right. Glenn, this is Michelle,
15 and I agree. I think part of the concern or the question
16 that I have is without really -- we all know what MAP sort
17 of has done or sort of laid the vision. It's now waiting
18 to see how that will actually be implemented.

19 And so it's -- without having a lot of clear
20 information or guidance from FTA at this point, it's hard
21 to really know what those impacts are.

22 MR. STEPHENS: Yeah. Of course, it is,
23 Michelle. But as we begin to understand that, I mean,
24 maybe in parallel, we can begin to kind of figure out what
25 we are going to do, and how we are --

1 MR. GADBOIS: Well, and I actually wanted to
2 push back slightly on that point, Michelle. Without a
3 doubt, FTA is going to provide more guidance and TxDOT
4 ought to be, you know, starting to develop what their
5 guidance and response will be.

6 But we've been able to have good analysis of
7 the impact at a higher level. But it needs good analysis
8 for the urban and small urban that we simply don't even
9 have as a discussion point for the rurals at this point.

10 MS. BLOOMER: So, Glenn, are you requesting at
11 our next PTAC meeting, that we have more of an in-depth
12 presentation or update on the potential impacts of MAP-21
13 to the rural program?

14 MR. GADBOIS: Well, since we don't have it for
15 this meeting, which was our initial hope, yes. That would
16 be the request, is that we as a body have some time to
17 discuss this, if we agree it's important for us to get
18 involved, you know, in helping TxDOT and the community
19 better understand the impact and the direction we need to
20 go as a state because of MAP-21.

21 Then next -- then we need to have a more
22 detailed analysis at our next meeting, and we need to be
23 ready for a discussion with some, you know, work we can
24 do.

25 MR. ABESON: This is Al. As one of the members

1 of the team two, if you will, the working group that was
2 focusing on coordination, as all of you may not know, once
3 MAP-21 was enacted, we suspended our work because of the
4 potential impact, of course, which we, as you just said,
5 Glenn, have no certainty as to what's going to happen.

6 With that kind of a presentation, it might be
7 sufficient to enable that working group to regain the
8 momentum that was lost and start moving forward. So I
9 think it would be very helpful.

10 MR. SALAZAR: Okay. And this is J.R. The only
11 thing that I would like to add too, Eric, is that I think
12 you know, coming from a rural perspective, is that I agree
13 that I think PTAC needs a more detailed plan of what
14 MAP-21 is going to do.

15 But coming from the rural providers, I think
16 that we really do, Eric, because you know, talking to my
17 neighbors everywhere, you know, throughout the state, you
18 know, we are all mentioning MAP-21.

19 And we all have our own thoughts of what's
20 going to happen, but we really don't know until you guys
21 kind of help us out on that. And so I agree 100 percent
22 with that, with what you said, Glenn.

23 MR. GADBOIS: And, J.R., let me ask you a
24 particular question, because one of the things that we
25 started with and that I'd like this group to give feedback

1 on is there are some outcomes we want to try to get to.

2 And one of those is to get longer-range
3 financial planning in place for the rurals. Do you have
4 any particular heartburn about that, or do you see, you
5 know, good reason for having it?

6 MR. SALAZAR: I don=t really have a big
7 heartburn about it. You know, it's really hard for us to
8 project five years down the road, but I think most of us
9 are doing that anyway, and so I think it's fine. I don=t
10 think that anybody would really oppose that.

11 MR. GADBOIS: Okay. And, well -- and the
12 problem -- because I am a firm believer that there has got
13 to be a problem to be solved before you do something. The
14 problem -- and I just want to be direct about this -- is
15 we think that there are some people that go after money
16 and then sit on it until it's the last minute, and they
17 can=t spend it because they don=t have local match or
18 whatever. And then you know, finally, in a pinch, it may
19 come back to TxDOT to get it redistributed.

20 What longer range planning allows us to do is
21 better monitoring, support, and/or if need be,
22 reallocation.

23 MS. BLOOMER: Glenn, this is Michelle.

24 MR. ABESON: One of the dilemmas, isn=t it,
25 Glenn -- take MAP-21, for example; it's a two-year piece

1 of legislation.

2 MR. GADBOIS: Yeah.

3 MR. ABESON: So -- and the state redoes this
4 every session. So how does one carefully -- carefully is
5 a better word than thoughtfully; thoughtfully is easier --
6 lay out an anticipated revenue for planning purposes when
7 they really don=t have any basis in doing so?

8 MR. GADBOIS: And, Al, revenue can get more
9 tenuous, you know, two years out. I completely agree with
10 that. But it does put everybody and still the small urban
11 and the rurals and private businesses and cities and
12 everybody else does long-range financial planning.

13 I think -- and frankly, as J.R. says, some of
14 the rurals do it anyway; it's just not formalized. I
15 think for us to have serious public investment and serious
16 organizations and institutions that we have built off of
17 public investment and not have them committing to at least
18 a three-year financial plan is irresponsible on our part.

19
20 MS. BLOOMER: Glenn, this is Michelle. I think
21 this item probably needs more significant discussion and
22 probably needs more discussion in person, because I think
23 like you said, before we start finding a solution, we have
24 to get down to what the root problem is.

25 And I think there are multiple issues that need

1 to be looked at, in addition to maybe better financial
2 planning. But I think there is multiple other ones that
3 feed into that. And what I wanted to get back to is,
4 Eric, Glenn, in the beginning, you mentioned there were
5 two legislative priorities you were looking at: the state
6 and the federal.

7 My question, Eric, would be, how can we and how
8 would we have impact at the federal level? And should we
9 maybe break those two up and focus right now on getting
10 our state legislative priorities in front of the
11 Commission?

12 And if that's the case, do -- are we as a
13 committee comfortable with the three that the working
14 group has laid out as is, or do we believe we need
15 additional discussion on what some of those -- three
16 items, the state fuel tax, Medicaid, and the Texas
17 Enterprise Fund?

18 MR. GLEASON: Michelle, this is Eric. If I
19 can -- just in response to your -- part of your questions,
20 I think the best way for the committee to communicate to
21 the Commission its interests is in the form of a letter.

22 And I think just from a clarity standpoint, it
23 probably makes sense to send one letter with respect to
24 state legislative priorities and a second with respect to
25 federal, just so that they don't somehow get confused or

1 one doesn't get lost with the other.

2 I don't mean to be making more work for the
3 committee or ourselves, but I just think it would be
4 clearer if there were to be two communications from the
5 committee to the Commission. Does that make sense?

6 MR. GADBOIS: It does. And this is Glenn. I'm
7 going to have to get off in just a second. My team can
8 carry all the weight, and I'm happy to do whatever work
9 they commit us to doing.

10 And just in feedback, I think we anticipated
11 two letters: one state and then additional work needed on
12 the federal side.

13 MR. GLEASON: Okay.

14 MR. GADBOIS: What I'm hoping that this
15 Committee agrees to is next meeting we have -- next
16 meeting, Eric, you agree to have the analysis at least
17 done or presentable. And we focus in on the federal stuff
18 for the next meeting.

19 At this meeting we end up -- you'll agree to
20 what we ought to put in the letter. And then we, team
21 one, are happy to draft that letter with feedback and
22 specific information that we need from PTN staff.

23 And with that, I am going to let my team carry
24 the rest of the ball, and I need to go to my Parks
25 meeting.

1 MS. BLOOMER: Okay. Thank you, Glenn.

2 MR. GLEASON: Thanks, Glenn.

3 MR. GADBOIS: Thanks, folks. Goodbye.

4 MS. BLOOMER: Okay. So back to Eric. One
5 letter for the state, one letter for the federal. And as
6 Glenn mentioned, additional work still needed to sort of
7 come to consensus on the federal level.

8 I guess my question is, then, for the rest of
9 the Committee members. Do we think -- do we all agree
10 with the three state legislative priorities that have been
11 presented, and do we think there are any others? Or are
12 these the only three, the top three? Anybody have any
13 thoughts?

14 MR. ABESON: Yes. This is Al. Can I ask a
15 couple pf questions?

16 MS. BLOOMER: Yes. Please, Al.

17 MR. ABESON: Okay. I'm not familiar with the
18 Texas Enterprise Fund and all of its workings. I've read
19 about some of the alleged use of that fund by the
20 Governor, but I'm not familiar with it at all.

21 If there were a rider that were attached that
22 would enable public transportation to get those funds, how
23 do those funds get distributed? Do they come into PTN and
24 PTN allocates? How would that work?

25 MR. UNDERWOOD: Al, this is Brad. And I don=t

1 want to speak for Eric, but I think we would treat them
2 just as we treat our -- whether it be revenue miles
3 funding or formula funding. I don=t know that you would
4 want to have them go to each specific agency for some sort
5 of project.

6 But that's just my initial reaction, unless we
7 got a lump sum and had a competitive call for those funds,
8 if that's what you are thinking. I think you could do it
9 either way.

10 Am I correct in saying that, Eric?

11 MR. GLEASON: Well, I think it is a strategic
12 decision on your part or the industry's part about which
13 approach you think will be most successful with the
14 Enterprise Fund.

15 You know, historically it's a project-based
16 award, if you will. The notion of an industry-wide award
17 from it is probably different than perhaps contemplated,
18 and so I think it's a strategic decision. I think if it
19 were sort of an industry-wide thing, then probably part of
20 the proposal would in fact be a distribution methodology.

21 And if the Department were to be involved, it would just
22 be in whatever follow-through were necessary to do that.

23 MR. ABESON: So that could become a competitive
24 process once again. Is that right?

25 MR. GLEASON: I guess it would just depend on

1 the strategy, again. I mean, I don=t know, you know.
2 Does it make sense to go to the Enterprise Fund with a
3 general description of funding that would be part of a
4 competitive program within the industry?

5 Or is it better to go with, hey, we got an idea
6 we want to use this money for, and here are the benefits.

7 I mean, it just depends on where folks think the most
8 likely successful strategy is.

9 MS. BLOOMER: And this is Michelle.

10 I think, Al, your questions, as well as sort of
11 the questions that I am having in my head -- I think what
12 the rest of the committee really needs is I think from a
13 concept standpoint, I'm not -- how do you say it?

14 I'm not against the Texas Enterprise Fund, but
15 I don=t know enough about what it is, how it historically
16 works, what -- like Eric mentioned, I guess historically
17 they funded projects.

18 I think what we really need the working group
19 to bring back to the committee is sort of a basic white
20 paper on what is the Texas Enterprise Fund, how has it
21 been used; how do we think we could leverage that resource
22 for the benefit of public transportation, and answers to
23 some of those questions.

24 And I don=t know if the committee would be
25 willing to sort of take -- putting something together, or

1 asking other -- like, Al, if you have other questions
2 about the Texas Enterprise Fund, how that would work?

3 I'd be interested, on the Medicaid, in learning
4 more about what the real issues are and some of the ideas
5 of how we think having PTN involved in that process could
6 enhance that process.

7 And then the State Fuel Tax, Glenn mentioned
8 that the state has a way to designate. Maybe some
9 information on how the state currently does that so we as
10 members can understand that, so when I sign the letter, I
11 have a thorough understanding of what we are asking for
12 and how easy or not it is to occur.

13 But I think if we could tap that in advance of
14 our next meeting and then just the committee members can
15 ask any questions that aren't answered, or we can submit
16 them in advance after receiving the white paper, and then
17 we can take action at the next meeting and have a letter
18 sent to the Commission.

19 And then in addition to doing that, we can
20 continue to have our discussions on the federal priorities
21 as to whether or not those are areas that we want to
22 pursue, as far as the financial planning, et cetera.

23 MR. ABESON: This is Al. I concur with what
24 you've just said, Michelle, but I would add one thing to
25 it.

1 I would be interested in, as part of the white
2 paper, who and what interests might be in opposition to
3 all three of these proposals, because obviously,
4 somebody's benefitting now who may not benefit as much or
5 at all, depending on what changes occur.

6 So if there could be some anticipation of
7 opponents, I would be interested in knowing that as we get
8 into the process.

9 MS. BLOOMER: This is Michelle. I think that's
10 is a great point, Al. So anticipation of opponents.

11 MR. GLEASON: Michelle, this is Eric. Could I
12 ask a question?

13 MS. BLOOMER: Yes, please.

14 MR. GLEASON: Brad and Rob and J.R., to what
15 extent do these three proposals mirror what the
16 association might also have on its agenda? And to the
17 extent to which they may be the same, some of this work
18 that the committee is looking for might be done elsewhere?

19 MR. UNDERWOOD: Eric, these actually mirror the
20 TTA legislative agenda as well. Medicaid is going to be a
21 very big priority for us going into session. There is
22 going to be lots of talk about how to reform that whole
23 program, and so that is being worked on.

24 The fuel tax is another one that is being
25 proposed by the Association. In fact, it is very nice of

1 Glenn, to say, hey, Brad thought of this. Brad did not
2 think of this at all. This was actually vetted a long
3 time ago with some other TTA Association members. I just
4 brought it up to Glenn.

5 MR. GLEASON: I think, if I could -- now, one
6 possible option for the Committee -- and I'll just throw
7 this out there for consideration -- would be at a next
8 meeting the committee could have on its agenda a
9 discussion with the association, if you will, on their
10 legislative agenda, just for the Committee's education.
11 And that could be an opportunity or an avenue to talk
12 through some of these things.

13 MR. SALAZAR: This is J.R. I think that's a
14 great idea.

15 MR. UNDERWOOD: Yes. I do too. But, yes, I
16 don't think we're -- the things we're talking about here
17 are not outside the TTA legislative agenda at all. This
18 is very similar to what they're speaking about.

19 MR. GLEASON: And this is Eric. Brad, you're
20 on the steering committee for that. Right? Is that the
21 right word?

22 MR. UNDERWOOD: Yes, sir.

23 MR. GLEASON: Is that something you can carry
24 back, then?

25 MR. UNDERWOOD: I can. Absolutely.

1 MR. GLEASON: All right.

2 MR. UNDERWOOD: I can get with Scott.
3 Charlotte's the chair of that committee, and so I am sure
4 that she would not be opposed to filling us in.

5 MR. GLEASON: Okay.

6 MR. SALAZAR: Brad, this is J.R. Are you going
7 to be there next week, TTA?

8 MR. UNDERWOOD: Yes, sir. I will be there.
9 Yes, sir.

10 MR. SALAZAR: Okay. Good.

11 MS. BLOOMER: And Brad, this is Michelle. Has
12 TTA already prepared some sort of background information
13 that they could share in advance with the committee for
14 the next meeting?

15 MR. UNDERWOOD: They could. In fact, Scott
16 Gilmore -- I spoke to him yesterday, and he is finalizing
17 that right now. I believe that could be --

18 MS. BLOOMER: Okay. So I think for the things
19 I'm looking for, the who, what, where, when, why, how and
20 how much, if we're talking the fuel tax, how much are we
21 talking about, and how much would that leverage?

22 MR. UNDERWOOD: He does have those numbers
23 already.

24 MS. BLOOMER: Okay.

25 MR. UNDERWOOD: I'm 99 percent sure that he

1 does have that.

2 MR. SALAZAR: Michelle, this is J.R. I hate to
3 keep going back, but I have a question for Eric.

4 When we talk about the state fuels tax, that
5 it's taken in and redistributed, how is that done? I
6 mean, I probably should know this, but --

7 MR. GLEASON: Well, I think, J.R. -- this is
8 Eric. I think it's one of these things where, you know,
9 you pay the tax, and it contributes to one account in the
10 State=s coffers. And then you all submit a reimbursement
11 request to us for those expenses, part of which is you're
12 reimbursed with state funding from our program with.

13 MR. SALAZAR: Okay.

14 MR. GLEASON: So, you know, then you have got
15 to add, that that fuel tax also goes to the State Highway
16 Fund. So you know, it's -- this money --

17 MR. SALAZAR: It is part of a bigger pool.

18 MR. GLEASON: -- goes around the state between
19 different accounts.

20 MR. SALAZAR: Okay.

21 MR. GLEASON: And this issue was arranged with
22 Mr. Wilson just after he arrived. I think he understood
23 it from a commonsense standpoint, that it ought to be
24 looked at.

25 MR. SALAZAR: Okay.

1 MR. GLEASON: Just generally from the state
2 perspective, all we're doing is moving money around.

3 MS. BLOOMER: But I think --

4 MR. UNDERWOOD: J.R., this is Brad. If you
5 look at it, J.R., I don't know what kind of fueling system
6 you use. You may use in-house fueling. But for instance,
7 on ours, on the places that we use a fleet card system, it
8 will say how much money that you have saved -- because
9 you're federally exempt from the state tax at the federal
10 level, it shows how much that that is, and then on the
11 state side, it will show you how much taxes that you paid.

12 If you take that amount, whether it is on a
13 weekly or a monthly basis, you can get an estimation of
14 what your agency would be saving or receiving every year.

15 MR. SALAZAR: Okay.

16 MS. BLOOMER: I think Back to Al's first
17 question is anticipation of opponents. And if it's
18 going -- if the gasoline or the fuel tax is going into the
19 general fund, you know, where -- who is ultimately
20 receiving that funding? If not --

21 MR. UNDERWOOD: Michelle, I don't know that
22 it's going into the General Revenue. It is my
23 understanding that all of this is going into Fund 6.

24 MR. GLEASON: Yes.

25 MR. UNDERWOOD: Is that correct, Eric?

1 MR. GLEASON: I don=t know. That's a
2 reasonable assumption. And then for every dollar paid in
3 the tax, half of it gets paid back with perhaps state
4 money. So I think this is an issue. And, Brad, correct
5 me if I'm wrong. The dollars associated with this aren=t
6 huge by any stretch of the imagination.

7 MR. UNDERWOOD: They are not --

8 MR. GLEASON: It is more a matter of principle
9 and with the thought being that there may be other things
10 like this that, over time, if you keep chipping away at
11 these things, you begin to build up and accumulate
12 something that looks significant. Is that a fair
13 description?

14 MR. UNDERWOOD: Absolutely. And for
15 instance -- and I will just throw this number out, since
16 we are amongst friends here on the call. Like TAAHP
17 spends on average about almost a million dollars a year in
18 fuel. And that's about what we run through. And I think
19 we figured it was going to be somewhere along 75-, \$80,000
20 a year for us in savings, to kind of put it in
21 perspective.

22 Not a huge amount of money, but there again,
23 instead of just not charging us the state tax, if that was
24 something that was put back into our -- you know, into the
25 allocations, you know, as far as our state money, you

1 know, then it becomes match and, you know, we could
2 leverage that with federal, and that \$80,000 turns into
3 \$160,000 for us, or more.

4 So I think that's more of the idea, if that
5 makes sense. Is that coming through?

6 MS. BLOOMER: This is Michelle. Yes. I think
7 there's just -- I think we need a little bit clearer of a
8 picture. I think we all are -- well, I'm in support of
9 this general concept; I just need more information to
10 better understand how that would all work, and then what
11 that translates into as far as the \$80,000 for one
12 provider, what does that mean statewide?

13 And then like Al mentioned, would there be
14 anybody in opposition, because then they're thinking,
15 well, that's \$80,000 that then won't go to some pot that
16 they would receive funding for.

17 So I think it would help to better understand,
18 like transit providers pay fuel sales tax. It goes here;
19 it gets put in this pot. It gets spent this way. Or just
20 to show the circuitous route of the dollar or the penny,
21 where it goes from the transit provider to the State
22 Comptroller, to this bucket and this bucket and then it
23 goes back to a transit provider.

24 MR. ABESON: You could actually picture the
25 flow chart and how amazing that would probably look to

1 follow a dollar collected and the dollar redistributed and
2 rehandled and rehandled and rehandled. The administrative
3 costs I bet would be significant.

4 MS. BLOOMER: And that might be a good
5 attachment to a letter to show this is actually what
6 happens. But just a thought.

7 Okay. Is there any more discussion, then, on
8 legislative priorities?

9 (No response.)

10 MS. BLOOMER: Based on the discussion, I don=t
11 think we're ready as a committee to take action at this
12 time, unless somebody disagrees.

13 I think perhaps we have work between now and
14 our next meeting to get TTA representatives from the
15 legislative committee to come maybe present their
16 legislative agenda, as well as answering some of the basic
17 questions: who, what, where, when, why, et cetera, about
18 the three that we're proposing, unless TTA can do that for
19 us.

20 And then from that point -- we'll focus on
21 state legislative priorities first and then focus our
22 attention on federal legislative priorities. Does that
23 sort of sum it up, as everybody else understands it?

24 MR. UNDERWOOD: Michelle, I'm in agreement with
25 you. The only thing that I might recommend, because we

1 are approaching the session very fast -- I don=t know if
2 we could wait a couple of months before we have a meeting.

3 We might need to try to do what we could do to
4 get the information we need so we can start putting some
5 things out there. I know the association is also kind of
6 feeling the speed as well, with the session coming. So
7 that's my only comment about it.

8 MR. ABESON: What is a target date for having
9 this letter off?

10 MS. BLOOMER: That is a good question, Al.

11 Eric, I know last time we asked, there wasn=t
12 really a time frame set up yet. Do we have a better idea?

13 MR. GLEASON: Not really, Michelle. This is
14 Eric. The Commission -- under the new leadership of the
15 Department and the Commission, the Commission is not going
16 to be adopting a formal state legislative agenda.

17 So I think that from the committee=s
18 standpoint, I would think if you had something in the
19 Commission=s hands by some point next month, I would think
20 that would be fine.

21 You know, I think the sooner the better,
22 because there's always a lot of conversations that happen
23 just prior to the start of the session. But there's no
24 timetable for Commission action that the committee needs
25 to try and target.

1 MS. BLOOMER: Okay. Next month is October. So
2 by the end of October or mid-October?

3 MR. GLEASON: I'm going to say I'll leave it up
4 to you all. I think from a practical standpoint -- I
5 don=t know when the association might be ready to come
6 have a conversation with the committee.

7 In thinking about the federal side of things,
8 and the work we need to do to get ready for substantive
9 committee conversation, I wouldn=t think we would be ready
10 before the end of October, if not the first week or two in
11 November. I just think it's going to take us that long on
12 the federal side.

13 So that doesn=t sit real well, perhaps, with
14 the schedule, but maybe the end of October would be a good
15 window to look for.

16 MS. BLOOMER: Okay. How does the rest of the
17 committee feel about that?

18 MR. ABESON: It seems reasonable, and really it
19 sounds like we don=t really have a choice.

20 MR. UNDERWOOD: That's right.

21 MS. BLOOMER: Brad, do you -- I guess you and
22 J.R. sort of indicated you have a TTA -- is it a board
23 meeting or a steering committee, legislative committee
24 meeting later next week?

25 MR. UNDERWOOD: It's on the 19th.

1 MS. BLOOMER: On the 19th. Okay.

2 MR. UNDERWOOD: Yes.

3 MS. BLOOMER: Is it possible that maybe you
4 could just feel out -- I guess I could follow up with
5 Shauna, too, to see if she would be willing to come. But
6 see if the committee thinks they have some sort of white
7 paper on, or their legislative priority document prepared,
8 that they would be willing to share with us in advance of
9 a PTAC meeting towards the end of October?

10 MR. UNDERWOOD: Yeah. I don=t think that would
11 be an issue. I really don=t.

12 MS. BLOOMER: Okay.

13 MR. UNDERWOOD: I could visit with Shauna and
14 Scott. Of course, I think Nancy's sitting there. So,
15 yeah, I think we could all put our heads around that and
16 try to have something.

17 MS. BLOOMER: Okay.

18 MR. UNDERWOOD: I think that is the goal,
19 honestly, of TTA in our legislative agenda, is that we're
20 all kind of on the same page, wanting the same things.
21 Really it's more of a unified, you know, response from the
22 industry that way.

23 MS. BLOOMER: Right. And that's sort of one of
24 my goals going forward, is to do a little bit more
25 collaboration and coordination with TTA and the industry,

1 to make sure that we are reflecting the thoughts and the
2 feedbacks of the industry, as well as we -- as we proceed
3 forward. Okay.

4 So then, Eric, why don=t we go ahead and we
5 will focus on a end-of-September --

6 MR. GLEASON: End of October?

7 MS. BLOOMER: Sorry. End of October. I was
8 still hoping that maybe we weren=t halfway through
9 September yet.

10 MR. GLEASON: I'm afraid not, Michelle.

11 MS. BLOOMER: So the end of October, for our
12 next meeting, with the thought that between now and then
13 we'd have sort of the MAP -- we'd be prepared at that
14 meeting for the MAP-21 overview or impact analysis.

15 MR. GLEASON: Uh-huh.

16 MS. BLOOMER: And then sort of state
17 legislative priorities in coordination with TTA and then a
18 more detailed on federal legislative priorities.

19 MR. GLEASON: Yes.

20 MS. BLOOMER: All right. And then Al, maybe
21 your group, working group two, after we have the MAP-21
22 impact discussion at the next meeting, will feel a little
23 bit better able to proceed from that point on, and we'll
24 just hold off until that point.

25 MR. ABESON: It sounds good.

1 J.R., is that okay with you?

2 MR. SALAZAR: It sounds good to me. Yes, sir.

3

4 MS. BLOOMER: Okay. I think if we are all okay
5 on that, I don=t think we need to go back to Item 4,
6 because it's our work plan, and we've pretty much talked
7 about working group one and working group two.

8 So are there any other items for discussion
9 regarding to the PTAC work plan?

10 MR. ABESON: I do have one question, and
11 then -- this is Al.

12 MS. BLOOMER: Okay.

13 MR. ABESON: At one of the meetings earlier in
14 the summer, we prepared a letter that we sent or we --
15 hopefully we sent, regarding the Texas Rural
16 Transportation Plan. I never saw a final draft of that,
17 and I wonder if it got sent, and I wonder if there was any
18 response?

19 MS. BLOOMER: Eric?

20 MR. GLEASON: So, Al, this is Eric. We need to
21 close the loop on the Texas Rural Transportation Plan?

22 MR. ABESON: Yeah. That's basically it, Eric.

23 MR. GLEASON: Okay. All right.

24 MS. BLOOMER: And, Al, this is Michelle. I'm
25 pretty sure the letter was sent, because I believe I

1 signed it. But maybe we can just request, Eric, that a
2 copy can be sent out to the committee.

3 MR. GLEASON: Yeah.

4 MR. ABESON: Yeah. That would be fine.

5 MS. BLOOMER: Yes. If I could also ask for the
6 LAR letter -- I apologize in changing -- it's in my old
7 email, and I was trying to remember what we had sent with
8 the last LAR letter for this year, and I wasn't able to
9 put my hands on it. So if we could put those --

10 MR. GLEASON: We will put copies of both
11 letters out to the committee.

12 MS. BLOOMER: Thanks.

13 MR. ABESON: And if there was any response to
14 the letter on the Texas Rural plan -- I doubt there was,
15 but just out of curiosity.

16 MS. BLOOMER: All right. I'll make a note.
17 Any response? I think we got our response. It was no
18 response. But we'll -- we can put that on -- and, Eric,
19 maybe just one of the issues in that Rural Transportation
20 letter, if I recall, was just asking that in the going
21 forward and developing the next one, that we could be a
22 little bit more involved in suggesting some enhancements
23 to the plan. I think as long as we have it on our radar
24 screen when the next one comes around --

25 MR. GLEASON: Okay.

1 MS. BLOOMER: -- we should be good.

2 Okay. Any more PTAC work plan related items?

3 (No response.)

4 MS. BLOOMER: If not, I will turn it over to
5 you, Eric, for Item 6, Division Director's report.

6 MR. GLEASON: All right. Well, thank you.

7 Just briefly, I apologize for not getting
8 something out to the committee ahead of time. We're
9 missing Ginnie; she always used to prompt me to get that
10 done. And so we'll try and do better next time.

11 But just to go over -- I thought I would focus
12 on Commission activities and then a little bit on that
13 point one, recognizing that our next meeting we'll do a
14 lot more of that.

15 August was a big month for us in front of the
16 Commission. You know, we managed to award the remaining
17 balances in federal fiscal year 112 funding that we had.
18 Coordinated call awards were made. A relatively small
19 but, I think, significant award to Tarrant County MHMR
20 focusing on trying to simplify access to information for
21 folks with disabilities and others on public
22 transportation options. That looks real promising to us
23 for statewide application.

24 We also were fairly successful in the
25 discretionary program arena with FTA. We received just

1 over \$14 million of discretionary funding from them, the
2 vast majority of which was associated with fleet
3 replacement as a part of a state-of-good-repair proposal
4 we sent in. So those funds were awarded.

5 The Commission did adopt the 2014-2015 LAR.
6 The good news is it continued to carry the additional
7 census impact funds in the baseline that are part of the
8 current biennium, so those funds at least are recommended
9 and proposed in our baseline budget to be carried forward
10 into the next biennium.

11 The Commission chose not to add as an
12 exceptional item the additional funding request from the
13 committee. The decision, as I understand it, on the
14 administration's part is to focus on a relatively small
15 number of priority areas in the LAR.

16 And the general thinking at the time was that
17 the likelihood in this upcoming session of securing
18 additional funding for public transportation or for any
19 other purpose through the General Revenue fund was very,
20 very small. So the LAR does not include an exceptional
21 item for the additional public transportation funding.

22 In September -- the big thing in September is
23 the final adoption of the development credit rules that
24 the committee talked about earlier. The September meeting
25 is in the Woodlands.

1 In October the meeting will be back here in
2 Austin. And at the October meeting, we intend to award
3 some of the -- or the remaining balance of the census
4 impact funding that we have for this biennium.

5 You may recall that about \$3.2 million was
6 allocated in this biennium for census impact funding.
7 About just over \$900,000 of it, I believe, was distributed
8 through the formula, and the remaining \$2.3 million, we
9 sent out a request for proposals.

10 We received eight proposals, totaling over \$4
11 million worth of requests. Two of the proposals,
12 relatively small ones, were out of scope. And so we are
13 proceeding in looking at the remaining six and hope to be
14 a position at the October meeting to make a recommendation
15 to the Commission for the award of those funds.

16 And then looking ahead to November and
17 December, the main thing I want to mention there -- and
18 this goes a bit to our earlier conversation on
19 transitioning for MAP-21 and some of the points that Rob
20 was bringing up about the investments that had been made
21 under the former authorization legislation into non-
22 traditional providers, or non-traditional agencies, and
23 then when the consolidation of the JARC program into the
24 5307 and 5311 funding programs and the New Freedom Program
25 consolidated into the 5310 program.

1 Previously, New Freedom and JARC were
2 discretionary programs. We awarded relatively large
3 amounts of money for two- and three-year projects with
4 specific agencies; Center for Independent Living, private
5 taxicab operators, non-profit organizations.

6 And so we had a remaining balance of JARC money
7 that had been unspent from previous years, and so we sent
8 an RFP out looking for proposals to focus specifically on
9 helping us through this transition time frame and
10 encouraged non-traditional recipients to work with their
11 public transportation agencies specifically on a
12 transition plan for the successful services, so that as we
13 transition to the no formula-based funding and individual
14 awards are not as large as they used to be, that there's a
15 game plan locally to at least preserve and secure the most
16 productive of those investments.

17 So we're looking at creating perhaps a two-year
18 bridge time frame with this remaining balance of JARC
19 money to allow those conversations to take place locally
20 and to hopefully help ensure a smooth transition to the
21 new funding. And the committee was -- talked about that a
22 little bit earlier. So that's the main thing, looking at
23 either the November or the December meeting for that.

24 It's also possible, if you read the news out of
25 Washington, that there may be relatively quick action on a

1 six-month budget for the next federal fiscal year. And we
2 always begin sort of watching and waiting for action in
3 the fall so that when we do get apportionments from the
4 federal programs, we're able to move on those as quickly
5 as we can.

6 With respect to MAP-21 -- I'll save most of
7 this for our next meeting -- we are beginning to prepare
8 sort of program-by-program comparison, looking at previous
9 fiscal year amounts and projected fiscal year
10 authorization amounts, to kind of tease out what we think
11 some of the key issues might be.

12 You know, on the rural side, the rural program
13 is going up in the overall amount that is associated with
14 it, and it's going up more than just that that could be
15 attributed to historic JARC funding levels here in Texas.

16
17 So the good news on the rural side is that it
18 looks like that program will be larger. I think some of
19 our stickier issues are going to come with the 5310
20 program that -- because one of the things they did is they
21 changed the way in which those funds are going to come
22 down to the state.

23 And historically, that has been a single
24 statewide program that the department has managed and
25 administered for the entire state, including the large

1 urban areas. And under MAP-21, the large urbanized areas
2 are going to get an allocation of those funds for that
3 purpose separately.

4 So we're going to have to work our way through
5 what has been a traditional statewide process the
6 Department has run in each of its districts, including the
7 large urbanized areas -- we're going to have to work our
8 way through to a new future where it's no longer a
9 statewide program from a funding distribution standpoint.

10 So that promises to be really challenging.

11 Also within the 5310 program, there is the
12 ability now to use those funds for operating purposes, or
13 at least a portion of those funds. And so we think as
14 well that may have an impact on some of the historical
15 uses or the awards we've made to non-traditional agencies,
16 if you will, in the past who have gone out then through a
17 purchase-of-service agreement contracted for a service to
18 be provided by the local transit districts. So a lot of
19 changes there.

20 We're a little concerned that the state-of-
21 good-repair program, at least for the rural side of
22 things, looks pretty small. And although it would be
23 something we might be able to count on from one year to
24 the next, it's, you know, very small compared to what we
25 think we need. So we're going to have to address that

1 issue on the rural side.

2 Then there were other program impacts from
3 safety to the federal motor carrier safety association or
4 agencies. There are asset management and performance
5 based planning and progress requirements. So there is a
6 lot of stuff going on. And we will do our best for the
7 next meeting to brief the committee on what we think the
8 most critical pieces are.

9 And then, finally, just a bit of organizational
10 change news. Recently the decision was made in TxDOT to
11 bring the bicycle and pedestrian program for the
12 Department, which has historically been in the
13 Transportation Planning and Programming Division -- that
14 program now reports to me, in public transportation.

15 So we're still trying to figure out what that
16 means. But I think we can look forward to some
17 conversations in the future on how to integrate those
18 elements into what we do.

19 And that concludes my report.

20 MS. BLOOMER: Thank you, Eric. Are there any
21 questions for Eric on the Director=s Report?

22 MR. UNDERWOOD: Eric, I have one question.

23 MR. GLEASON: Sure.

24 MR. UNDERWOOD: Any news about the 5307
25 federal, that minute order going to the Commission? Have

1 I just missed that?

2 MR. GLEASON: This would be on the Governor=s
3 apportionment group?

4 MR. UNDERWOOD: The Governor's apportionment,
5 yeah.

6 MR. GLEASON: We don=t take that to Commission,
7 Brad. We just certify for FTA the amounts that they have
8 allocated to the individual areas. And to my knowledge,
9 we sent that letter to FTA real recently.

10 MR. UNDERWOOD: Okay.

11 MR. GLEASON: Well, hang on. Maybe not.

12 MR. KILLEBREW: This is Bobby, Brad. Are you
13 talking about FY >12 funds or FY >13?

14 MR. UNDERWOOD: Yeah.

15 MR. GLEASON: Yeah what?

16 MR. UNDERWOOD: The remaining apportionment for
17 FY >12.

18 MR. GLEASON: This would be the remaining
19 balance.

20 MR. UNDERWOOD: Right.

21 MR. KILLEBREW: This is Bobby. That was
22 already sent to FTA, so the Governor apportionment system
23 should be able to pull down their full apportionment for
24 FY >12. If you have an issue there, if you'll just call
25 me or email me on that, and I will for sure give it to the

1 FTA folks.

2 MR. UNDERWOOD: Terrific. Okay. I will do
3 that. I will yield my time here so you can get on with
4 the meeting. But I'll call you about that, Bobby, what we
5 were told. So, okay.

6 MR. GLEASON: Okay. Thank you.

7 MS. BLOOMER: Okay. Any other questions or
8 comments?

9 (No response.)

10 MS. BLOOMER: I did want to say I appreciate
11 the update on the Commission action. And I think the
12 update on the 2014-2015 LAR might be a good place for us
13 to sort of jump off from regarding our state legislative
14 priorities, sort of to follow up with the Commission and
15 thank them for keeping the 3 million in Census funding
16 there.

17 And then, you know, we understand they weren=t
18 able to provide any additional funding, and here's ways
19 that we could initially leverage our existing funding
20 better and hope in doing so with those three things that
21 they have laid out, the working group has laid out.

22 But if there aren=t any other questions, is
23 there any public comment?

24 (No response.)

25 MR. KILLEBREW: Michelle, this is Bobby. We

1 don=t have any public comment signed up in the room.

2 MS. BLOOMER: Okay. The next item on the
3 agenda is to confirm the date of the next meeting. I
4 think for now we we'll just try to keep that last meeting
5 of October as free as possible for those of us that can
6 attend an in-person meeting in Austin.

7 If there aren=t any other questions, I will
8 take a motion to adjourn.

9 MR. UNDERWOOD: So moved.

10 MR. ABESON: Second. This is Al.

11 MS. BLOOMER: All right. I heard a first from
12 Brad, a second from Al. Is anybody opposed?

13 (No response.)

14 MS. BLOOMER: Hearing none, the meeting is
15 officially adjourned. Thank you all.

16 MR. GLEASON: Good-bye.

17 (Whereupon, at 2:16 p.m., the meeting was
18 concluded.)

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C E R T I F I C A T E

MEETING OF: Public Transportation Advisory Committee

LOCATION: Austin, Texas

DATE: September 13, 2012

I do hereby certify that the foregoing pages, numbers 1 through 57, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Leslie Berridge before the Texas Department of Transportation.

(Transcriber) 09/18/2012
(Date)

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