Public Transportation Advisory Committee
June 7, 2022
Meeting Begins 10:05am
Meeting Protocols

Your line has been muted automatically upon joining the meeting.

It is important to enter your name when joining the meeting – if you didn’t do that, please exit the meeting and rejoin.

To comment on an agenda item, use the meeting’s chat feature to let Theo know – he will respond and can un-mute your line.

Please don’t place this meeting on HOLD – we’ll all hear your hold tone.
Meeting Agenda
PUBLIC TRANSPORTATION ADVISORY COMMITTEE
Tuesday, June 7, 2022 - 10:00 A.M. (local time)
Texas Department of Transportation (TxDOT)
Virtual Meeting via Webex Events

1. Call to Order.

2. Guidance on virtual meeting participation.

3. Approval of minutes from January 25, 2022 and March 8, 2022 meeting. (Action)

4. TxDOT Public Transportation Division Director’s Report to the Public Transportation Advisory Committee regarding public transportation matters.

5. Federal Transit Administration Rural Grant Program allocation formulas: overview and discussion of potential changes to Texas Administrative Code governing allocations to rural transit districts. (Discussion)

6. Public Comment – Public comment will only be accepted during the meeting. Link and details are below. The meeting transcript will be posted on the internet following the meeting.

7. Propose and discuss agenda items for next meeting; confirm date of next meeting. (Action)

8. Adjourn. (Action)

I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements.

CERTIFYING OFFICIAL: Becky Blewett, Deputy General Counsel, (512) 463-8630
MINUTES FOR ADOPTION
Public Transportation Advisory Committee – Webex Meeting
January 25, 2022, 10:00 A.M.

Committee Members Present and Participating: None (Virtual Meeting via Webex)

Committee Members Participating via Webex:
John McBeth, Chair
Jim Cline, Vice Chair
J.R. Salazar
Ken Fickes
Dietrich M. von Biedenfeld
Mark Whyte

TxDOT Participating via Webex:
Eric Gleason, Director, Public Transportation Division (PTN)
Theodore Kosub, Public Transportation Specialist, PTN

Also Participating via Webex:

AGENDA ITEM 1: Call to order.

John McBeth called the meeting to order at 10:08 A.M.

AGENDA ITEM 2: Guidance on virtual meeting participation

Theodore Kosub briefed meeting attendees on virtual meeting protocols including how public comments can be submitted via Webex at 10:08 A.M.

AGENDA ITEM 3: Approval of minutes from November 09, 2021, meeting (Action).

Jim Cline opened this item at 10:07 A.M.

MOTION J.R. Salazar moved to approve the November 9, 2021, minutes.
SECOND  Dietrich M. von Biedenfeld seconded the motion.

Motion passed unanimously at 10:08 A.M.

AGENDA ITEM 4: TxDOT Public Transportation Division Director’s report to the Public Transportation Advisory Committee regarding public transportation matters.

Eric Gleason gave his report verbally beginning at 10:10 A.M. He reported on the emergency relief program funding spending status and an update on discretionary applications at the federal level, IIJA and upcoming commission actions.

AGENDA ITEM 5: Presentation and discussion on State Public Transportation Grant Program and Federal Transit Administration Rural Program allocation formulas.

Eric Gleason opened this presentation beginning at 10:20 A.M. He briefed on state funding formulas, Federal Section 5311 formula options and next steps. Eric reminded that this is also the fourth/final discussion session, potential changes to TAC rules, governing distribution of state funding to rural, small, and large urban transit districts and the Federal Rural Area 5311 program.

Questions/Comments from the committee:
- John McBeth – Would the Committee have an issue of sharing specifics with transit district partners?
- Cline – suggests for the sake of transparency of publishing information in handouts before the meeting.
Questions/Comments from the public: Theodore Kosub confirms yes.

AGENDA ITEM 6: Public Comment.

Jim Cline introduced this item at 11:12 A.M.
- Chris Mandrell – suggests putting together Options 1-3 based on actual dollar amounts per category/agency.
- Maribel Contreras – requested more information on how each transit agency would be impacted on the three options.
- Vinoe Huerta – suggests looking at declining population areas and how to deal with the impact and thought be given to safety factors, competitive salaries, obtaining vehicles and parts.
AGENDA ITEM 7: Propose and discuss agenda items for next meeting; confirm date of next meeting (Action).

John McBeth introduced this item at 11:13 A.M.

John McBeth proposes to rehash Item No. 5 with more specific information and suggests limiting the next meeting specifically to that and because it will be a lengthy discussion. Eric Gleason proposes to also include the LAR item discussion. March 8, 2022, was confirmed as the next meeting date.

MOTION    Ken Fickes moved to approve the meeting date.
SECOND    Jim Cline seconded the motion.

Motion passed unanimously at 11:16 A.M.

AGENDA ITEM 8: Adjourn (Action).

MOTION    Ken Fickes moved to adjourn.
SECOND    Jim Cline seconded the motion.

Motion passed unanimously at 11:17 A.M.

Meeting adjourned at 11:17 A.M.

Prepared by:                                Approved by:

Bonita Jennings                            John McBeth, Chair
Public Transportation Division               Public Transportation Advisory Committee
MINUTES FOR ADOPTION  
Public Transportation Advisory Committee – Webex Meeting  
March 08, 2022 10:00 A.M.

Committee Members Present and Participating: One present in person (J. R. Salazar) and Four participating virtually via Webex

Committee Members Participating via Webex:
John McBeth, Chair  
Jim Cline, Vice Chair  
Ken Fickes  
Dietrich M. von Biedenfeld

TxDOT Participating via Webex:  
Eric Gleason, Director, Public Transportation Division (PTN)  
Theodore Kosub, Public Transportation Specialist, PTN  

Texas A&M Transportation Institute (TTI) Participating via Webex  
Michael Walk

AGENDA ITEM 1: Call to order.
John McBeth called the meeting to order at 10:00 A.M.

AGENDA ITEM 2: Guidance on virtual meeting participation
Eric Gleason briefed on virtual meeting protocols including how public comments can be submitted via Webex at 10:05 A.M.

AGENDA ITEM 3: Approval of minutes from January 25, 2022, meeting (Action).
John McBeth opened this item at 10:07 A.M.

    MOTION  Dietrich M. von Biedenfeld moved to approve the January 25, 2022, minutes.
    SECOND  Ken Fickes seconded the motion.

Motion passed unanimously at 10:10 A.M.
Agenda Item 3 – Approval of Minutes from 3/8/2022 Meeting

Notification from Theodore Kosub: There are no minutes to approve. Minutes for January meeting will be included at the next PTAC meeting.

AGENDA ITEM 4: TxDOT Public Transportation Division Director’s report to the Public Transportation Advisory Committee regarding public transportation matters.

Eric Gleason gave his report verbally beginning at 10:15 A.M. He reported on the PTN Division’s winter semiannual meetings of February 16th (virtual) and February 22nd (in-person) in conjunction with the Joint TTA/Southwest Transit Association Conference. Eric also briefed on the status of the 5339 discretionary application, FY22 appropriations, and the Coordinated Call.

AGENDA ITEM 5: Presentation and discussion on State Public Transportation Grant Program and Federal Transit Administration Rural Program allocation formulas.

Eric Gleason opened this presentation beginning at 10:30 A.M. Eric began by asking for a recommended approach to modifications to the administrative code. Eric provided feedback from the Winter Semiannual meetings. Eric discussed option 1 and 2 regarding the 5311 program allocations to Texas rural transit districts; the proposed performance adjustment, and potential issues around changing RTD boundaries; Eric then requested members to adopt a recommendation.

Questions/Comments from the committee:
- Jim Cline – Gave Committee members the opportunity for provide options and opinions.
- Michael Walk was asked by Eric Gleason to explain what TGI has done.
- Jim Cline – asked about regional differences in the costs closer to urban areas; asked Eric about unexpected circumstances and performance goals.

Motion taken on Option One or Option Two presented by Eric Gleason
- Ken Fickes – Makes motion for Option One
- J.R. Salazar – Seconds the motion

Questions/Comments from the public: Theodore Kosub confirms no.
AGENDA ITEM 6: Public Comment.
Jim Cline introduced this item at 11:30 A.M.

AGENDA ITEM 7: Propose and discuss agenda items for next meeting; confirm date of next meeting. (Action).
John McBeth introduced this item at 11:45 A.M.
John McBeth proposes to walk the committee through a draft recommendation for commission consideration and proposed rules once adopted. Tuesday, June 7, 2022, at 10 AM.

  MOTION   John McBeth moved to approve the meeting date.
  SECOND   Jim Cline seconded the motion.
Motion passed unanimously at 11:16 A.M.

AGENDA ITEM 8: Adjourn (Action).

  MOTION   John McBeth moved to adjourn.
  SECOND   Jim Cline seconded the motion.
Motion passed unanimously at 11:50 A.M.

Meeting adjourned at 11:50 A.M.

Prepared by:                      Approved by:
______________________________________________________________
Bonita Jennings
Public Transportation Division               John McBeth, Chair
                                          Public Transportation Advisory Committee
Agenda Item 4

TxDOT Public Transportation Division Director’s report to the Public Transportation Advisory Committee regarding public transportation matters.
Directors Report

- FTA Emergency Relief Funding Status
- June and July Grant Program Awards
- 2020 Census Update
- TxDOT FY 24/25 Legislative Appropriations Request
CARES/ARP RTDs Monthly Expenditures

- CARES RTDs
- ARP RTDs

- Graph showing monthly expenditures from March to April with categories for 5311 CARES RTDs and 5311 ARP RTDs.
June/July FY 22 Summary of Minute Orders

- June: Formula Program Awards - $78 Million
  - State FY 23 Public Transportation Program Grant Funding
  - 5311 FY 22 (Baseline FY 21 Amount)
  - 5339 FY 21/22

- July: Discretionary Program Awards - $75 Million
  - Coordinated Call (5304, RTAP, 5311(d), 5311(f) – ICB)
  - 5310 (2nd Year Funding)
  - Rural Transit Asset Replacement and Modernization Project - 5339 B&BF
    Discretionary, 5311 (STP Flex), State Funds (TMF)
Directors Report

- FTA Emergency Relief Funding Status
- June and July Grant Program Awards
  - 2020 Census Update
  - TxDOT FY 24/25 Legislative Appropriations Request
Agenda Item 5

Federal Transit Administration Rural Grant Program allocation formulas: overview and discussion of potential changes to Texas Administrative Code governing allocations to rural transit districts. (Discussion)
Potential Federal 5311 TAC Rule Changes – Committee Recommendation

- Total Available Funds
  - Less Set-Asides:
    - State Admin.
    - ICB 15%
    - Discretionary

- FY 21 Baseline Allocation
  - (Current Formula)

- Growth
  - (IIJA / New Funds)

- Need Criteria

- Performance Adjustment

- Ridership

- Cost Per Hour

- Rural Transit District Total Allocation

- Adjusted Allocation

TxDOT Public Transportation Advisory Committee Meeting – June 7, 2022
Total Available Funds - Set Asides

(1) State Administration. The department will use not more than 10 percent of the annual federal apportionment to defray its expenses incurred for the administration of the §5311 program.

(2) Intercity bus allocation. Unless the chief executive officer of the state or the executive officer's authorized designee certifies to the Secretary of the U.S. DOT that the intercity bus service needs of the state are being adequately met, the department will allocate not less than 15 percent of the annual §5311 federal apportionment for the development and support of intercity bus transportation facilities and services providing access and connections to rural areas. If it is determined that all or a portion of the set-aside monies is not required for intercity bus service, those funds will be applied to the formula apportionment process described in paragraph (4) of this subsection. Procedures for determining if a certification of adequacy is warranted are as follows.
Total Available Funds - Set Asides Continued

(3) Discretionary allocation. After the allocation of funds under paragraphs (1) and (2) of this subsection, up to 10 percent of the remaining funds will be available to the commission for award at any time during the fiscal year on a pro rata basis, competitively, a combination of both pro rata basis and competitively, or as a one-time award. Funds may be used to address rural transit district service and capital development needs, changes in transit district boundaries, unforeseen funding anomalies, emergency services response and recovery needs, changes in economic conditions or availability of assets significantly impacting current year operational expenses, or other needs as determined by the commission.
Potential Federal 5311 TAC Rule Changes – Committee Recommendation

- **Total Available Funds**
  - Less Set-Asides:
    - State Admin.
    - ICB 15%
    - Discretionary

- **FY 21 Baseline Allocation**
  - (Current Formula)

- **Growth**
  - (IIJA / New Funds)

- **Need Criteria**

- **Performance Adjustment**

- **Ridership**

- **Cost Per Hour**

- **Rural Transit District Total Allocation**

- **Adjusted Allocation**
(4) Rural Transit District Total Allocation. Excluding the amounts allocated under paragraphs (1), (2), and (3) of this subsection, the commission will allocate to rural transit districts in accordance with this paragraph the balance of the annual §5311 federal apportionment and any program funds that were available for award in the previous fiscal year under paragraph (3) of this subsection but not awarded.
Baseline Allocation (FY 21)

(A) Subrecipients will receive a baseline allocation. The amount of a subrecipient’s baseline allocation is the amount of §5311 funds that the subrecipient received for federal Fiscal Year 2021.
Growth Allocation & Need Criteria

(B) Each rural transit district will receive a subrecipient growth allocation amount based on proportional share using the following criteria:

(i) population of the district - 50 percent;
(ii) land area of the district - 25 percent;
(iii) total vehicle miles in the district - 15 percent; and
(iv) number of low-income individuals residing in the district - 10 percent.
(5) Performance Adjustment. The total allocation computed for a rural transit district under paragraph (4) of this subsection is subject to adjustment for performance in accordance with this paragraph.

(A) The performance measures used for performance adjustments under this paragraph are:

(i) the district’s ridership increasing by two percent or more; and

(ii) the district’s operating costs per total vehicle hours not exceeding the annual average of those costs for the district, plus one standard deviation, computed over a 10-year period but excluding any year in which a federal major disaster declaration was applicable to the district.
Cost Per Hour Performance Measure

Rural Area Formula Program Performance: Establishing a Reasonable Cost per Hour Threshold

Michael Walk, Texas A&M Transportation Institute (TTI)
Considerations for Cost per Hour Threshold

- Reflect typical trends in operational costs
- Use simple and publicly available data
- Be *prospective* – set a target before the FY begins
Cost per Hour Annual Change

- 10 years of data*
- Average = 3.0%
- Standard deviation = 4.1%
- 75th percentile = 5.8%

* Statistics calculated from the annual change in total operational cost per vehicle hour (all transit districts combined).
Threshold Options

- Compare the threshold value to actual transit district cost growth over 4 years from FY 2016 to FY 2019
  - Under threshold = district **would be** eligible to receive cost per hour incentive
  - Over threshold = district **would not be** eligible to receive cost per hour incentive

<table>
<thead>
<tr>
<th>Name</th>
<th>Calculation Steps</th>
<th>Threshold</th>
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<tbody>
<tr>
<td>Average + SD</td>
<td>10-year average annual change in cost per hour (3.0%) + standard deviation (4.1%), rounded to the nearest half-percentage</td>
<td>7%</td>
</tr>
<tr>
<td>75th Percentile</td>
<td>75th percentile of 10 years of annual changes in cost per hour (5.8%), rounded to the nearest half-percentage</td>
<td>6%</td>
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# Cost per Hour Review

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Average + SD</th>
<th>75&lt;sup&gt;th&lt;/sup&gt; Percentile</th>
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<tbody>
<tr>
<td>Reflect typical trends</td>
<td>• Based on 10 years of data</td>
<td>• Based on 10 years of data</td>
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<tr>
<td></td>
<td>• 71% of 2016 – 2019 allocations would be eligible for performance $</td>
<td>• 64% of 2016 – 2019 allocations would be eligible for performance $</td>
</tr>
<tr>
<td>Use simple and publicly available data</td>
<td>• Data reported into PTN-128 and is readily available.</td>
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<tr>
<td></td>
<td>• No additional sources required.</td>
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<tr>
<td>Be prospective</td>
<td>• Threshold can be set using historical data before next fiscal year begins</td>
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Over the 4 years, how many funding allocations would have been eligible for the cost per hour incentive?

- 71% using the Average + SD threshold (Recommendation)
- 64% using the 75th Percentile threshold
(B) For each performance measure not achieved, a rural transit district’s total allocation will be reduced by five percent.

(C) A rural transit district that achieves both performance measures will receive an additional allocation amount computed by dividing the total amount of reductions for all under subparagraph (B) of this paragraph by the total number of rural transit districts that achieve both performance measures.

(D) The director, in any year, may waive the application of the performance adjustment under this paragraph to a rural transit district or a group of rural transit districts based on unique conditions that negatively affect the performance of the district or group, including natural disaster, pandemic, or another event that specifically affects the service level of the district or group.
Other Key Changes

(e) Eligible expenses. The department will follow FTA Circular 9040.1G, or its latest version, to determine eligible §5311 program expenses.

(i) Federal emergency relief funds. If federal emergency relief funds are apportioned to the department through the §5311 program, the commission will distribute those funds in a manner consistent with relief funding objectives.

(C) For the purposes of subparagraph (B)(i) of this paragraph, population is determined using the most recent federal decennial census except that beginning September 1, 2027, the director may choose to use population information from the Texas Demographic Center for periods between the publication of federal decennial census information.
## Next Steps

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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>July 12, 2022</td>
<td>Commission Meeting – Rule Proposal</td>
</tr>
<tr>
<td>August 12, 2022</td>
<td>Public Hearing for Proposed Rule Changes</td>
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<td>August 29, 2022</td>
<td>Written Comment Period Closes</td>
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<tr>
<td>September 2022</td>
<td>PTAC Meeting</td>
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<tr>
<td>October 27, 2022</td>
<td>Commission Meeting – Rule Adoption</td>
</tr>
<tr>
<td>January 2023</td>
<td>Commission Award FY 22 Growth Allocation</td>
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Public Comment
Propose and discuss agenda items for next meeting; confirm date of next meeting.
Adjourn.