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 Josh 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
Thursday, September 9, 2021 | 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 July 27, 2021 meeting. (Action)

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

5. State Public Transportation Grant Program and Federal Transit Administration Rural Program Formulas: overview and discussion of potential changes to Texas Administrative Code governing allocations to transit districts.

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)
AGENDA ITEM 3: Approval of Minutes from 7/27/2021 Meeting

John McBeth opened this item at 10:07 A.M.

MOTION Marc Whyte moved to approve the July 27, 2021 minutes.

SECOND Ken Fickes seconded the motion.

Motion passed unanimously at 10:07 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 10:08 A.M. His report touched on June 2021 Texas Transportation Commission action, TxDOT’s RAISE project, key findings regarding COVID-19’s impact on Texas transit providers, and rural/urban transit system performance.

Questions/Comments: Jim Cline

AGENDA ITEM 5: Update on Intercity Bus Study.

Eric Gleason opened the item at 10:24 A.M. and introduced consultant Fred Fravel (KFH Group), who gave the presentation.

Questions/Comments from the committee: J.R. Salazar, John McBeth
Questions/Comments from the public: Dave Marsh, Capital Area Rural Transit System (CARTS)

AGENDA ITEM 6: Summary of state and 5311 formula allocation program; overview of possible changes to the Texas Administrative Code.

Eric Gleason opened the item at 10:48 A.M.

Questions/Comments from the committee: Jim Cline
Questions/Comments from the public: Dave Marsh, Capital Area Rural Transit System (CARTS)

AGENDA ITEM 7: Discussion on open seats on the Public Transportation Advisory Committee.

John McBeth opened the item at 11:35 A.M.

Comments from Eric Gleason

AGENDA ITEM 8: Public Comment.

John McBeth introduced this item at 11:40 A.M. – No additional public comments.

AGENDA ITEM 9: Propose and discuss agenda items for next meeting; confirm date of next meeting (Action).

John McBeth introduced this item at 11:40 A.M.

Agenda items and upcoming meeting dates had already been discussed. Upcoming meeting dates: September 9, November 9.

AGENDA ITEM 10: Adjourn (Action).

MOTION Marc White moved to adjourn.

SECOND J.R. Salazar seconded the motion.

Meeting adjourned at 11:41 A.M.
Agenda Item 4

TxDOT Public Transportation Division Director’s report to the Public Transportation Advisory Committee regarding public transportation matters.
State Public Transportation Grant and Federal Transit Administration Rural Program formulas: overview and discussion of potential changes to Texas Administrative Code governing allocations to transit districts.
Public Transportation

Federal & State Grant Formula Changes
September 9 PTAC Meeting
DISCUSSION ONLY
## Summary of TAC Topics and Committee Discussion Schedule

<table>
<thead>
<tr>
<th>TOPICS</th>
<th>PTAC MEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desired Outcomes</td>
<td>July 2021</td>
</tr>
<tr>
<td>Determination of Need</td>
<td>September 2021</td>
</tr>
<tr>
<td>Performance Program</td>
<td>September 2021</td>
</tr>
<tr>
<td>Use of Funds</td>
<td>January 2022</td>
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<tr>
<td>Formula Allocation</td>
<td>January 2022</td>
</tr>
<tr>
<td>Program Management</td>
<td>January 2022</td>
</tr>
<tr>
<td>Final Recommendations</td>
<td>March/April 2022</td>
</tr>
</tbody>
</table>
Statewide Program Management – Areas of Interest

Statewide Interests

- Access
- Use
- Efficiency
- Safety
- Compliance
**Topic #1: Desired Outcomes**

- Use objective, accurate, routinely collected data for all formula calculations.
- Account for diversity of operating environments and system characteristics, including performance, with criteria used. Determine an appropriate share of overall total available among them.
- Respond to need as evidenced by demand and utilization.
- Identify routinely collected, minimally biased and effectiveness measures.
- Reinforce continuous, overall, performance improvement with an appropriate share of the overall allocation.
- Encourage local investment, coordination, and innovation.
- Facilitate system integration.
- Provide reasonably stable and predictable allocations from one year to the next.
- Preserve flexibility to address unforeseen circumstances.
- Easily understood.
- Strike an appropriate balance between simplicity and necessary complexity.
- Complete in anticipation of exceptions and/or unforeseen circumstances.

- **Promote Sustainable Rural and Urban Transit District Programs**
  - Fair and Equitable
  - Transparent
  - Reward Performance
Topic #2: Are There Options to Improve Determination of Need?

Option 1

Transit Need Indicator (TNI)
- Demographic based indicator focused on specific transit markets.

Option 2

Economically Disadvantaged Counties (EDC)
- Economic indicator of service area economic capacity to support transit services.
### Transit Need Indicator (TNI)

#### TNI is based on:
- **Age:** population 65 and over
- **Disability:** population of people with disabilities
- **Income:** low income population (per census definition)
- **Ethnicity:** population of people who do not identify as white

#### Potential sources of data:
- **Census:** block level
- **American Community Survey (ACS):** tract level
  - 5 year survey
  - Annual estimates

#### Methodology:
- Identified total population associated with each element of the TNI
- Calculated each Transit District’s share of that total
Economically Disadvantaged Counties (EDC)

**EDC is based on:**

- Below average per capita taxable property value
- Below average per capita income
- Above average unemployment rate

**Sources of data:**

- Comptrollers Office: property taxes
- Bureau of Economic Analysis: income
- Texas Labor Market Information: employment/unemployment rate

**Methodology:**

- EDC data is updated annually. Criteria precede the current fiscal year by three years.
- Identify total population associated with each criteria and calculated Transit District share of that total
Determination of Need: Methodology

Current formula:
- Fixed amounts for rural and urban allocations
- **Rural Need:** 65% of total (75% population, 25% land area)
- **Urban Need:** 50% of total (100% population only)

Formula with Options:
- Fixed amounts held constant (65%, 50%)
- **Rural:** 50% Population 25% Land Area 25% TNI or EDC
- **Urban:** 75% Population 25% TNI or EDC

Outcomes compared to:
- **Rural:** FY 21 Federal 5311 funding allocations
- **Urban:** FY 22 State funding allocations
Rural Program Allocation for Need = $13.1 Million (65% of $20.1 Million)
TNI/EDC Outcomes: Rural Program - Transit District Impacts

Change in Rural Need Allocation (Range)

- TNI: 10% increase, -6% decrease
- EDC: 37% increase, -24% decrease

Changes in Rural Need Allocation (# of Districts)

- TNI: 1 district increased by 5% or more, 3 districts decreased by 5% or more, 1 district within +/- 5%
- EDC: 18 districts increased by 5% or more, 6 districts decreased by 5% or more, 12 districts within +/- 5%
Small Urban Program Allocation for Need = $5 Million (50% of $10 Million)
TNI/EDC Outcomes: Small Urban – Transit District Impacts

**Changes in Small Urban Need Allocation (Range)**

- **Max Increase %**
  - TNI: 7%
  - EDC: 129%
- **Max Decrease %**
  - TNI: -8%
  - EDC: -18%

**Changes in Small Urban Need Allocation (# of Districts)**

- **Decrease 5% or more**
  - TNI: 1
  - EDC: 5
- **Within +/- 5%**
  - TNI: 23
  - EDC: 3
- **Increase 5% or more**
  - TNI: 1
  - EDC: 17
## Desired Outcomes Matrix

<table>
<thead>
<tr>
<th>Desired Outcomes</th>
<th>Characteristics</th>
<th>TNI</th>
<th>EDC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fair and Equitable</strong></td>
<td>• Objective, accurate, routinely collected data.</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>• Diversity of operating environments and system characteristics with criteria used.</td>
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<td></td>
<td>• Respond to need as evidenced by demand and utilization.</td>
<td>--</td>
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</tr>
<tr>
<td><strong>Promote Sustainable Rural and Urban Transit District Programs</strong></td>
<td>• Encourage local investment, coordination, and innovation.</td>
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<td></td>
<td>• Facilitate system integration.</td>
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<tr>
<td></td>
<td>• Provide reasonably stable and predictable allocations from one year to the next.</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>• Preserve flexibility to address unforeseen circumstances.</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td><strong>Reward Performance</strong></td>
<td>• Routinely collected, minimally biased, and accurate efficiency and effectiveness measures.</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td></td>
<td>• Reinforce continuous, overall, performance improvement with an appropriate share of the overall allocation available.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transparent</strong></td>
<td>• Easily understood.</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>• Balance between simplicity and necessary complexity.</td>
<td>Y</td>
<td>N</td>
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<tr>
<td></td>
<td>• Complete in anticipation of exceptions and/or unforeseen circumstances.</td>
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</tr>
</tbody>
</table>
## Current Methodology: Measures & Approach

### State and Federal Rural Performance:
- 3 Factor Calculation (35%)

<table>
<thead>
<tr>
<th>Measures</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds Per Operating Exp.</td>
<td>33%</td>
<td>30%</td>
</tr>
<tr>
<td>Ridership per Capita</td>
<td>N/A</td>
<td>20%</td>
</tr>
<tr>
<td>Ridership per Revenue Mile</td>
<td>33%</td>
<td>30%</td>
</tr>
<tr>
<td>Revenue Miles per Operating Exp.</td>
<td>33%</td>
<td>20%</td>
</tr>
</tbody>
</table>

### State Small Urban and Large Urban Performance:
- 4 Factor Calculation (50%)

**Approach: Proportional Share Allocations**
### Effectiveness of Current Methodology: FY 16-19 Performance Summary

<table>
<thead>
<tr>
<th>Rural Formula Measures FY 16 - 19</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds per Operating Exp.</td>
<td>45.8%</td>
<td>43.1%</td>
<td>41.4%</td>
<td>38.3%</td>
<td>↓</td>
</tr>
<tr>
<td>Ridership per Revenue Mile</td>
<td>0.19</td>
<td>0.17</td>
<td>0.15</td>
<td>0.15</td>
<td>↓</td>
</tr>
<tr>
<td>Revenue Miles per Operating Exp.</td>
<td>0.31</td>
<td>0.32</td>
<td>0.33</td>
<td>0.33</td>
<td>↔</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Urban Formula Measures FY 16 - 19</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds per Operating Exp.</td>
<td>59.6%</td>
<td>58.4%</td>
<td>56.6%</td>
<td>52%</td>
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<tr>
<td>Ridership per Capita</td>
<td>4.65</td>
<td>4.61</td>
<td>4.46</td>
<td>4.22</td>
<td>↓</td>
</tr>
<tr>
<td>Ridership per Revenue Mile</td>
<td>0.95</td>
<td>0.97</td>
<td>0.94</td>
<td>0.88</td>
<td>↓</td>
</tr>
<tr>
<td>Revenue Miles per Operating Exp.</td>
<td>0.22</td>
<td>0.21</td>
<td>0.20</td>
<td>0.20</td>
<td>↔</td>
</tr>
</tbody>
</table>
### Rural and Urban Transit Districts

#### Rural Formula Measures FY 16-19

<table>
<thead>
<tr>
<th>Measure</th>
<th>Increase</th>
<th>Decrease</th>
<th>Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds per Operating Exp.</td>
<td>13</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td>Ridership per Revenue Mile</td>
<td>9</td>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td>Revenue Miles per Operating Exp.</td>
<td>18</td>
<td>17</td>
<td>1</td>
</tr>
</tbody>
</table>

#### Urban Formula Measures FY 16-19

<table>
<thead>
<tr>
<th>Measure</th>
<th>Increase</th>
<th>Decrease</th>
<th>Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds per Operating Exp.</td>
<td>9</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td>Ridership per Capita</td>
<td>9</td>
<td>18</td>
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<td>Ridership per Revenue Mile</td>
<td>9</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td>Revenue Miles per Operating Exp.</td>
<td>9</td>
<td>15</td>
<td>3</td>
</tr>
</tbody>
</table>
## Current Measures and Approach

### Current Measures:
- Local Share Contribution
- Miles per Dollar
- Riders per Mile
- Ridership per Capita

### Current Approach:
- Proportional Share

### Pros/Cons/Options:

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro:</strong> Good balance of traditional efficiency and effectiveness measures.</td>
<td><strong>Con:</strong> Susceptible to service area bias. Contributing data subject to inconsistent definition.</td>
<td><strong>Options:</strong> Reduce/eliminate bias, accurate, respond to statewide program objectives of use and efficiency.</td>
</tr>
<tr>
<td><strong>Pro:</strong> Everyone gets a share. Performance relative to peers is rewarded.</td>
<td><strong>Con:</strong> Does not directly reward for improvement. Complex calculation summing across multiple measures.</td>
<td><strong>Options:</strong> Direct tie to improvement.</td>
</tr>
</tbody>
</table>
New Measures:
- Ridership
- Cost per Hour

New Approach:
- Year-to-Year Change

Pros/Cons
- **Pro:** Traditional transit measures. Straightforward and simple to calculate.
- **Con:** Susceptible to local and/or regional externalities.
- **Pro:** Directly rewards individual transit district improvement.
- **Con:** Without improvement, no funding. More unpredictable from one year to the next.
## Current Performance Allocation:

**Rural:**
- Fixed $7 million annually for RTDs
- 35% performance: Local Share Contribution, Miles per Dollar, Riders per Mile

**Small Urban:**
- Fixed $5 million annually for SUs
- 50% performance: Local Share Contribution, Miles per Dollar, Riders per Mile, Ridership per Capita

## Maximum Change Allocation:

**Rural:**
- Fixed $7 million annually for RTDs
- 35% performance: Ridership, Cost per Hour

**Small Urban:**
- Fixed $5 million annually for SUs
- 50% performance: Ridership, Cost per Hour

## Outcomes Compared to:
- FY 21 Federal 5311 performance funding for RTDs
- FY 22 State performance funding for SUs
Methodology

**Ridership:** Districts with year over year ridership increases will receive performance reward funding.

**Cost per Hour:** Districts with Cost per Hour increases of less than two times the Consumer Price Index (CPI) will receive performance reward funding. Currently CPI is 5.4% per year, so cutoff threshold is 10.8%.

**Ridership/Cost per Hour Allocation:** each District meeting or exceeding criteria will receive an equal share of the amount available.

**Comparison:** 2018 and 2019 performance data used to identify changes. Results applied and compared against actual FY 21/22 allocations to quantify and assess impact.
• Rural Program Performance Allocation = $7 million (35% of $20.1 million)
New Measures/Approach: Rural Program – Transit District Impacts

Changes in Rural Performance Allocation (Range)

- Max Increase %: 211%
- Max Decrease %: -100%

Changes in Rural Performance Allocation (# of districts)

- Number of Districts w/ Increase: 19
- Number of Districts w/ Decrease: 17
New Measures/Approach: Rural Program – Transit District Impacts

Estimated % Change in Performance Allocation for RTDs
New Measures/Approach: Small Urban Program – Statewide Impact

- Small Urban Program Performance Allocation = $5 million (50% of $10 million)
New Measures/Approach: Small Urban Program – Transit District Impacts

Changes in Small Urban Performance Allocation (Range)

- Max Increase %: 254%
- Max Decrease %: -87%

Changes in Small Urban Performance Allocation (# of districts)

- Number of Districts w/ Increase: 10
- Number of Districts w/ Decrease: 11
Estimated % Change in Performance Allocation for Small Urbans
## Desired Outcomes Matrix

<table>
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<tr>
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<td>Y</td>
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Public Comment
Agenda Item 7

Propose and discuss agenda items for next meeting; confirm date of next meeting.
Adjourn.