

Gulf Coast Regionally Coordinated Transportation Plan Update



Financial Plan

Houston-Galveston Area Council

May 2017

DISCLAIMER: Funding for the development of this planning document was provided by a grant from the Federal Transit Administration through the Texas Department of Transportation Public Transportation Division (TxDOT-PTN). The contents of this plan reflect the views of the authors who are responsible for the opinions, findings and conclusions presented herein, and do not necessarily reflect the views or policies of the Federal Transit Administration or the Texas Department of Transportation.



Gulf Coast Regionally Coordinated Transportation Plan Financial Plan

Table of Contents	Page
1. Introduction	4
2. 2040 Regional Transportation Plan (RTP) Funding	6
3. Existing Funding Levels	10
4. Financial Plan Strategies	15
5. Key Recommendations for the RCTP Financial Plan	20

List of Tables

1. Long Range Transit Funding 2040 RTP
2. Annual Financial Summary Largest Transit Operators 2014
3. Federal Transit Administration (FTA) Appropriations 2016
4. Houston Urbanized Area (UZA) Historical Allocations
5. Houston UZA Distribution 5307
6. Regional Funding Summary Other Categories
7. Senior Centers Title IIIB Funding
8. Incremental Transit Expansion Cost Estimates
for Smaller Transit Operators

List of Figures

1. Current Regional Transit Services
2. Gulf Coast Urbanized Areas (UZA)
3. Houston UZA Allocation Process Overview
4. RCTP Financial Plan Concept
5. Historical Funding Levels for Mobility Limited Groups
6. Monthly Sales Tax Revenue Estimates 2015-2016
7. Distribution of METRO and General Mobility Program Revenues 2009-2025
8. General Mobility Program Incremental Sales Tax Split 2012-2025
9. RCTP Financial Implementation Plan

Appendix A. Houston Urbanized Area Annual Allocation Process

Appendix B. Conroe-The Woodlands Urbanized Area Allocation Background

1. Introduction

In recent years, the level of federal funding for public transportation has increased nationwide. However the transit funding allocated from the state of Texas has remained relatively flat at \$29 million per year which has constrained the funding that could be used as leverage for more federal funds. Because the state funding has been used as local match for the federal funds, there has been a widening gap between the funds that are available and the funds actually needed to sustain and expand regional transit services consistent with regional growth and urbanization.

In a 2016 survey of Gulf Coast public and private transportation stakeholders, a question was asked about the biggest constraints encountered in providing and coordinating transportation services. 50% of the respondents identified a lack of funding needed to serve current needs, followed by inadequate existing fixed route services.¹

For planning purposes, a significant amount of funding, approximately \$33.8 billion, is included in the 2040 Regional Transportation Plan (RTP) for transit projects in the greater Houston region.² The 2040 RTP was approved by the H-GAC Transportation Policy Council in January 2015 and reports that:

“Funding also presents a challenge throughout the course of the 2040 RTP. The only dedicated local revenue source for transit is in the Metropolitan Transit Authority of Harris County (METRO) service area. As rural and suburban areas of the eight county region become increasingly developed, the need for additional transit services of all kinds will be challenged by the lack of long term local funding. Transit dependent communities are segments of the population without personal vehicles that use public transportation as their primary source of mobility. Based on recent Census data and socio-demographic analysis, many of these communities are increasingly being found outside the METRO service area. The H-GAC {led} Regionally Coordinated Transportation Plan indicates a need of approximately \$15 million annually—a funding stream that does not currently exist—to address this population.”³

The 2040 RTP includes many larger scale transit projects and their associated costs. For the RCTP Financial Plan the primary focus is on smaller scale transit investments that will benefit the vulnerable population groups including but not limited to seniors (65+), persons with disabilities, youth, veterans and persons with low incomes. One of the fundamental challenges is to relate shorter term transit needs into annual, five-year and ten-year programs of projects for each of the smaller regional transit providers. With that objective in mind this RCTP Financial Plan will outline a strategy to increase the amount of regional funding that is available to address those shorter term needs. Another significant challenge is to explain how the various funding

¹ Gulf Coast Regionally Coordinated Transportation Plan, 2016 Transportation Agency Survey Update, 2017.

² The 2040 RTP is for the greater Houston Transportation Management area which includes Harris and seven adjacent counties.

³ More details are available in the 2040 Regional Transportation Plan at www.h-gac.com/mobility.

resources which have been described as “silos” are set up today and how a better coordinated regional funding stream would be more beneficial.

Following the introductory section, Section 2 provides some background information about the transit component of the long range 2040 Regional Transportation Plan (RTP). Section 3 summarizes current expenses and the most significant revenue sources for the regional transit operators and other resources. Section 4 describes some potential financial plan strategies for RCTP projects. The key recommendations for the RCTP Financial Plan are summarized below and discussed in Section 5:

Key Recommendations;

- Advance planning and coordination for incremental regional transit expansion, where feasible, through the development of Pilot Projects to address the highest priority transportation related needs.
 - One strategy to advance that recommendation includes the expansion of the Harris County RIDES *coordination model* (a Public-Private Partnership or PPP) to include the 13 counties in the Gulf Coast Region
 - Other potential Pilot Projects include but are not limited to the following:
 - Enhance the Regional Van Pool program to coordinate with non-profit organizations and private operators (PPP) for transportation services through cooperative agreements that include joint purchases of services
 - A Regional Volunteer Driver Program to be coordinated with the expansion of the Harris County RIDES program, workforce centers and senior citizen centers
 - Sustainable funding for growing transportation services for vulnerable population groups through dedicated resources
- Explore innovative funding options to supplement federal and state funding for smaller transit operators (that don't receive sales tax revenues)
 - Coordination and planning to establish a Local Match development fund
 - More research to quantify potential societal and economic benefits that could lead to future legislative actions to enhance the funding available for regional transit and ridesharing services (including alternative modes).

2. 2040 Regional Transportation Plan Transit Summary⁴

The 2040 RTP transit funding is summarized in **Table 1** and represents a long term investment in transit initiatives by various strategies as listed below:

- System Management and Operations
- State of Good Repair
- Multimodal Network Expansion Widening
- Multimodal Network Expansion Construction
- Development Coordination.

Table 1. Long Range Transit Funding 2040 RTP

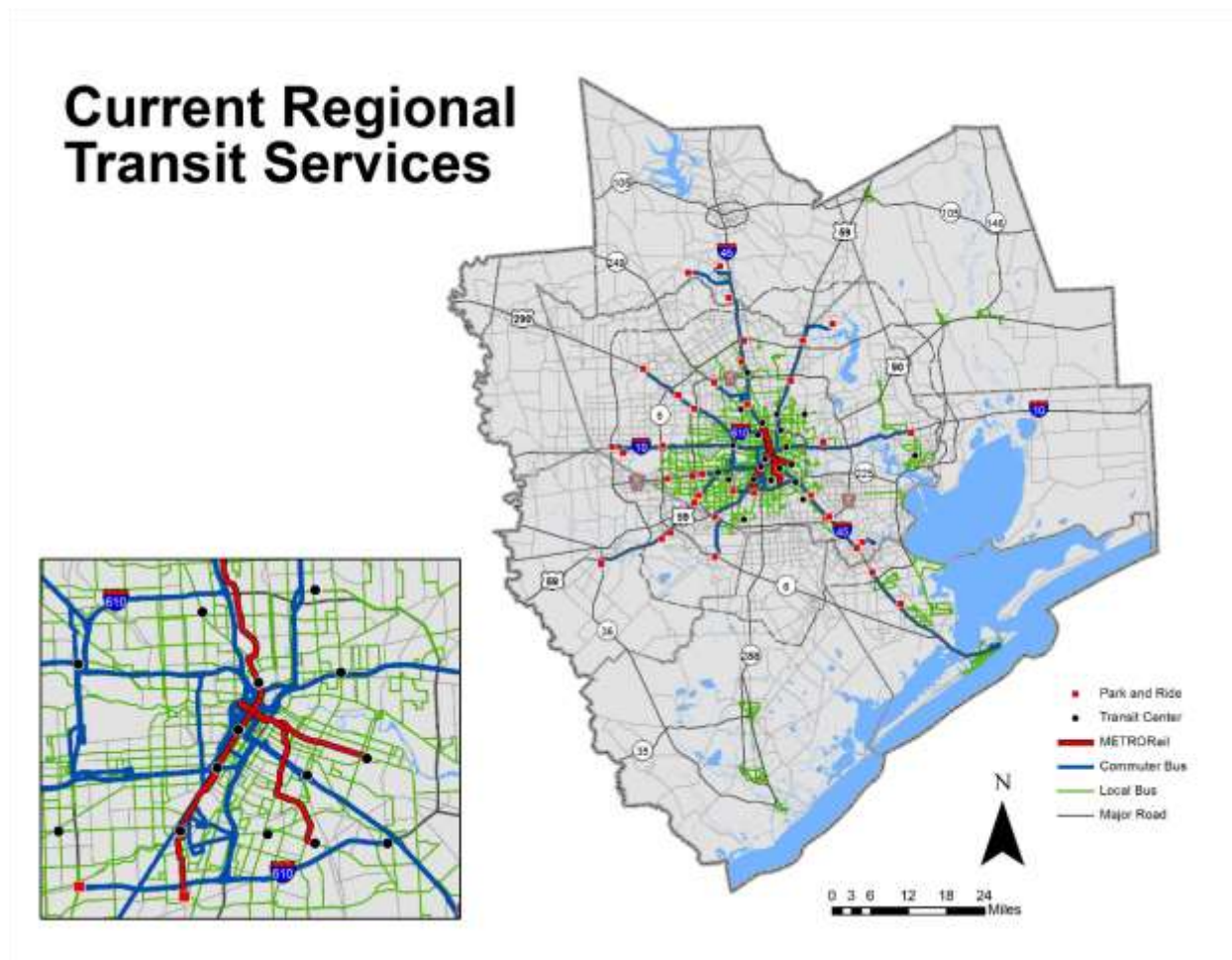
Regional Investment Programs	Totals	Notes
Local High Capacity Transit	\$4,604,631,652	Includes non-corridor light rail, park and ride, transit centers, demand management strategies. ⁵
Transit Capital	\$3,958,125,346	Includes all other new or expanded facilities, services and vehicles.
Transit Other	\$25,268,270,657	Includes non-capital transit expenditures.
Total	\$33,831,027,655	

Figure 1 shows the regional transit system that was included in the 2040 RTP which was approved in January 2015.

⁴ More details are included in the 2040 Regional Transportation Plan which is available at www.h-gac.com.

⁵ Non-corridor light rail is not within the same right-of-way as major freeway corridors.

Figure 1. 2040 RTP Regional Transit System



The annual funding that is used to support various public and human services transportation in the Gulf Coast region comes from various sources including federal, state and local resources.

The financial profiles for the largest transit operators are summarized in **Table 2**. As indicated, the total annual operating expenses were approximately \$484 million. The capital expenses vary from year-to-year and for 2014, \$372 million was budgeted for a total of \$855 million in expenses. The regional ridership was estimated at 89.3 million boardings.

Table 2. Gulf Coast Annual Financial Summary-Largest Transit Operators 2014⁶

Agency	Operating Expenses	Capital Expenses	Total Expenses	Ridership
METRO	\$454,397,826	\$369,878,818	\$824,276,644	85,369,587
Brazos Transit District⁷	\$380,000		\$380,000	26,000
BTD Conroe-Woodlands⁸	\$8,513,198		\$8,513,198	817,069
Fort Bend County Transit	\$6,517,549	\$720,310	\$7,237,859	389,272
Gulf Coast Center	\$5,345,456	\$625,653	\$5,971,109	334,195
Island Transit	\$4,441,171	\$659,322	\$5,100,493	862,335
Harris County CSD Transit	\$3,922,093	\$60,674	\$3,982,767	172,862
Totals	\$483,517,293	\$371,944,777	\$855,462,070	89,253,184

Figure 2 shows the urbanized areas within the Gulf Coast Region. The two large urbanized areas with populations greater than 200,000 are the Houston UZA and the Conroe-The Woodlands UZA. The smaller urbanized areas with populations below 200,000 include Lake Jackson-Angleton and Texas City-La Marque. Federal Transit Administration (FTA) appropriations to the UZAs (in FY 2016) total approximately \$80 million annually as shown in **Table 3**.

⁶ Federal Transit Administration National Transit Database Agency Profiles 2014.

⁷ Includes BTD rural services in Liberty, Montgomery and Walker counties only.

⁸ Source-TxDOT PTN District Profiles, 2016

Figure 2. Gulf Coast Urbanized Areas

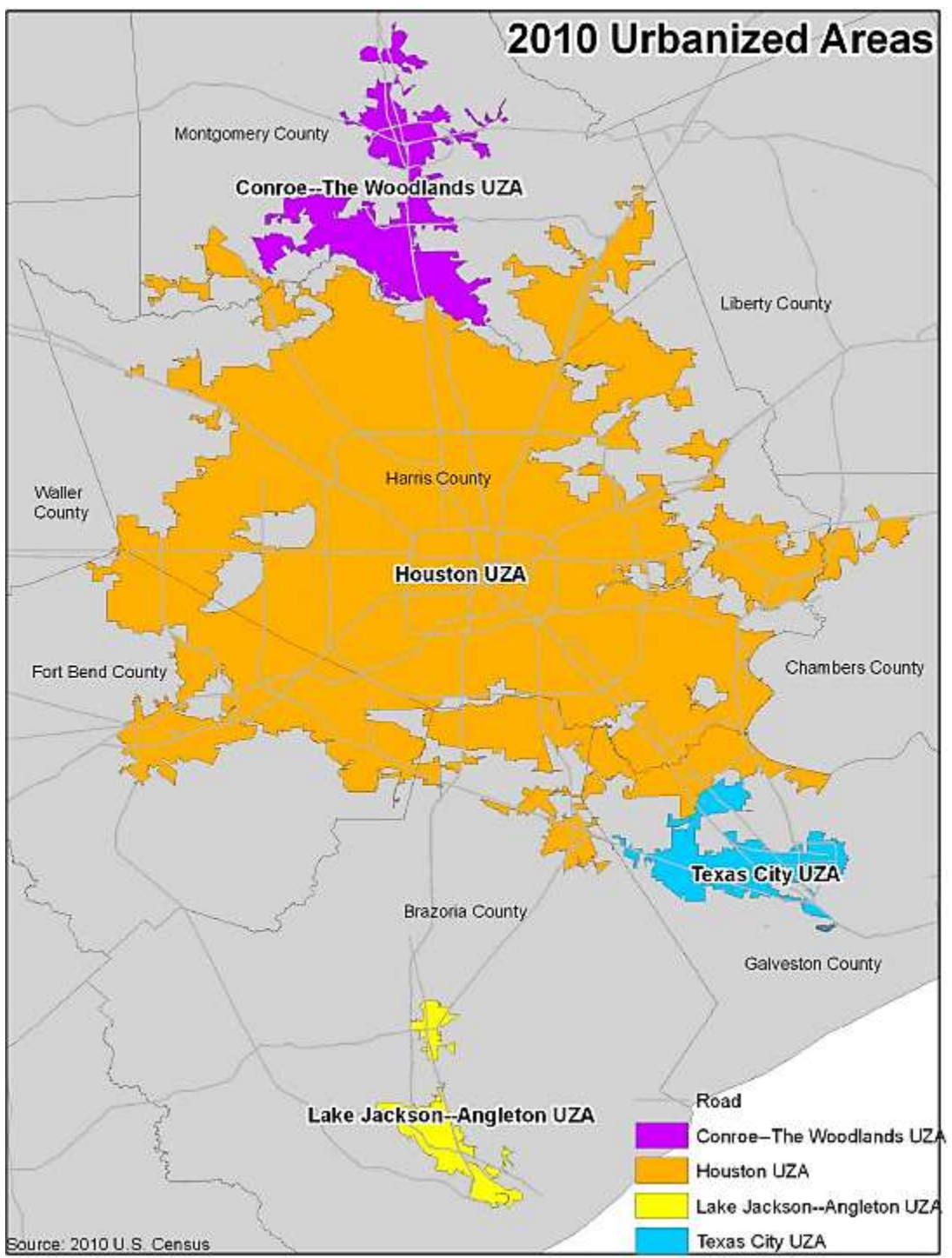


Table 3. Federal Transit Administration Appropriations FY 2016⁹

Agency	\$ Amounts
Houston Urbanized Area (UZA)	\$74,651,029
Conroe-The Woodlands UZA	\$3,018,098
Lake Jackson- Angleton UZA	\$1,059,930
Texas City UZA	\$1,398,432
Totals	\$80,127,429

3. Existing Funding Levels

Some of the most significant and consistent sources of transit funding in Texas are noted below:

- Federal Grants
- Sales Tax Revenues (to Metropolitan Transit Authorities)
- Farebox Revenues
- Enhancement of Transportation for Seniors (65+) and Persons with Disabilities (5310) Program
- State of Texas Grants to Transit Districts and other agencies in Small Urban and Rural Areas as outlined below;
 - State Allocations and Census Impacts
 - Coordinated Call for Projects
 - Rural (5311)
- Area Agency on Aging (AAA) Title IIIB Funding

There are several grant programs that are administered through the Federal Transit Administration (FTA), including 5307, 5310, 5339, and 5337. METRO is the Designated Recipient for these programs in the Houston Urbanized Area, which means METRO is responsible for these funds and their distribution for transit purposes. Below is a brief explanation of the programs and the formalization of the local process, as approved by the METRO Board of Directors, for the distribution of the funds in the Houston Urbanized Area.¹⁰

Grant program purposes:

5307 Urbanized Area Formula Program

Provides grants for public transportation capital and planning, as well as operating expenses in certain circumstances. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas, which depend on public transportation to improve mobility and reduce congestion.

⁹ FTA Apportionments for 5307 and 5340

¹⁰ Source: Houston METRO Grants Program staff.

5310 Seniors and Persons with Disabilities Program

The goal of the Section 5310 program is to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding the transportation mobility options available. FTA provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all areas—urbanized, small urban, and rural.

5339 Bus and Bus Facilities

Provides capital funding to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities.

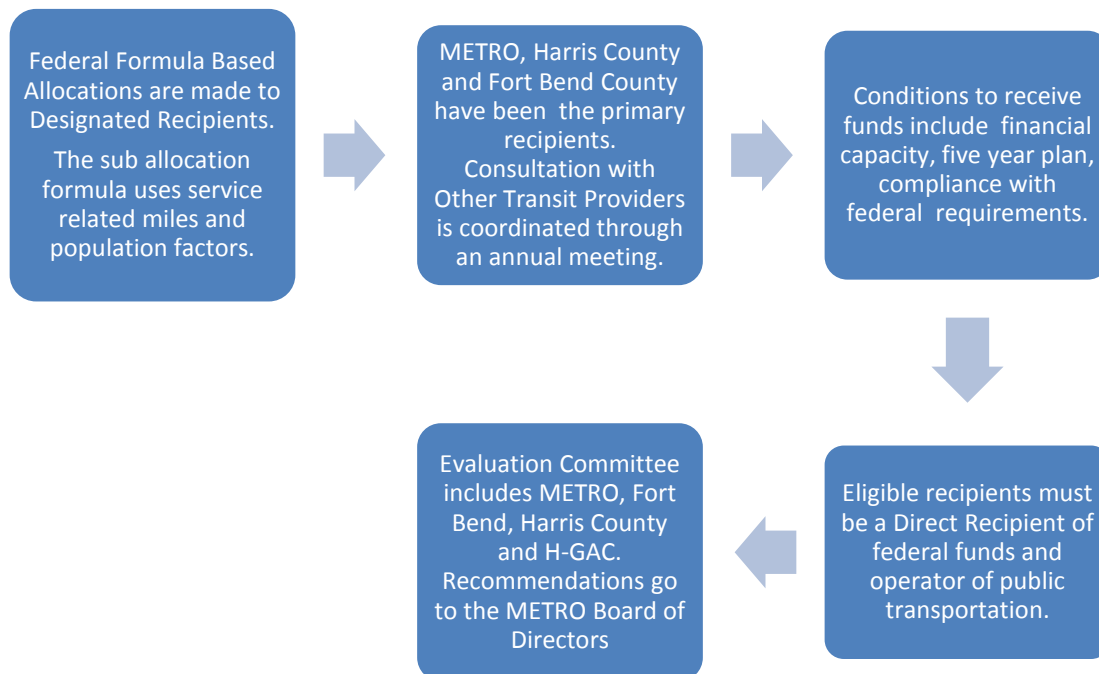
5337 State of Good Repair

Provides funding to repair and upgrade rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes.

Table 4. Houston UZA Historical Allocations

5307 Historical Allocations							
AGENCY	FY2009	FY2010	FY2011	FY2012	FY2012 Revision	FY2013	FY2014
Fort Bend County	\$2,590,835	\$2,877,230	\$2,803,000	\$3,326,592	\$5,106,135	\$1,478,422	\$4,122,486
Harris County	\$1,700,792	\$3,115,992	\$3,714,410	\$3,072,844	\$4,293,301	\$1,788,995	\$2,275,985
METRO	\$64,322,946	\$62,154,712	\$62,892,857	\$63,886,204	\$60,886,204	\$65,568,239	\$64,528,064
Total	\$68,614,573	\$68,147,934	\$69,410,267	\$70,285,640	\$70,285,640	\$68,835,656	\$70,926,535

Figure 3 illustrates the steps in the Houston UZA allocation process for 5307 funding graphically. More details about the Houston UZA allocation process for 5307 are included in Appendix A. Background information about the FTA allocation process in the Conroe-The Woodlands Urbanized Area is included in Appendix B.

Figure 3. Houston UZA Allocation Process Overview.

The following **Tables 5, 6 and 7** provide summaries of the major federal and state funding by various categories. The total amount of funding represented is approximately \$108 million.¹¹

Table 5. Houston UZA Distributions for 5307 Funds FY 2016

Agency	\$Amounts
METRO	\$68,340,446
Fort Bend County Transit	\$4,356,310
Harris County (CSD) Transit	\$1,914,273
Totals	\$74,651,029

METRO is also the designated recipient for the federal 5310 Program in the Houston Urbanized Area. METRO has a set amount based on prior expenses at the onset of the program in the urbanized area for Ft. Bend County (\$1,052,376) and Harris County (\$1,091,005) to maintain existing services. The remaining funds are awarded on a competitive basis with any funds not awarded returning to METRO. The Project Evaluation team has a member from H-GAC, United Way, Ft. Bend County, Harris County and 2 from METRO.

¹¹ Includes values within Tables 4,5,6 and as noted, in text between the tables.

METRO was also allocated State of Good Repair (5337) funding for \$5,227,728. The total available amount for a program is based on funding authorized under The Fixing America's Surface Transportation Act (FAST), (Public Law 114-94) and Appropriated under the Consolidated Appropriations Act, 2016 PL 114-113).

Table 6. Regional Funding Summary for Other Categories

Agency	Bus and Bus Facilities (5339)	Seniors and Persons with Disabilities (5310)	State Allocations ¹²	Rural (5311)
METRO¹³	\$7,317,848	\$999,665		
Fort Bend County Transit	\$37,401	\$1,328,626	\$256,817	\$578,782
Harris County CSD Transit¹⁴		\$1,091,005		
Brazos Transit District¹⁵	\$59,539	\$474,952	\$1,626,657	\$674,020
Colorado Valley Transit	\$44,719	\$163,000	\$403,989	\$147,042
Galveston County Transit District	\$47,271	\$20,000	\$534,685	\$320,075
GCC Connect¹⁶	\$7,150	\$118,305	\$303,475	\$59,470
Conroe The Woodlands			\$464,644	
Lake Jackson Angleton	\$72,572		\$240,886	
Texas City- La Marque	\$72,572		\$281,302	
The Friendship Center¹⁷		\$152,000		
Mounting Horizons CIL¹⁸		\$546,000		
Totals	\$7,659,072	\$4,893,553	\$4,112,455	\$1,779,389

¹² State allocations and Census Impacts.

¹³ METRO and subrecipient EPIC project combined for 5310 funding.

¹⁴ Harris County Community Services Department (CSD)

¹⁵ Values are for total BTB services.

¹⁶ Gulf Coast Center (GCC) Connect Transit

¹⁷ Montgomery County Senior Citizens Project dba The Friendship Center/Meals on Wheels Montgomery County

¹⁸ Mounting Horizons Center for Independent Living (CIL)

Two local entities received funding through the TxDOT Coordinated Call for Projects; The Brazos Transit District was awarded \$1,095,000 and the Galveston County Transit District (GCTD) was awarded \$ 427,100.

Some of the funding that is used to support the senior citizen centers throughout the region is provided through the Area Agency on Aging for the outlying counties (outside of Harris County). The source of those funds are the Title III B program. That funding was estimated at \$1.5 million in FY 2016 and can be used for transportation services among other purposes.

Table 7 shows the funding for various senior centers and includes local matching funds. The value of the volunteer drivers' time for various trip purposes is included in the local match that is provided by those senior centers. Further research is needed to clarify if a portion of the federal funding associated with the senior centers could be documented as match for additional funding from the Department of Transportation.

Table 7. Senior Centers Title III B Funding-FY 2016¹⁹

Agency	Funding
Colorado Valley Transit-Austin, Waller	\$101,989
MCCA Dba The Friendship Center	\$504,944
Actions Brazoria County	\$216,650
Seniors Citizens Chambers County	\$37,590
WCJC Seniors Colorado	\$35,586
WCJC Seniors Wharton	\$39,064
Fort Bend County Seniors Center	\$269,771
Galveston County Seniors Center	\$159,079
Cleveland Seniors	\$46,371
Economic Action Comm. Matagorda	\$29,987
Senior Center Walker County	\$33,281
Totals	\$1,474,112

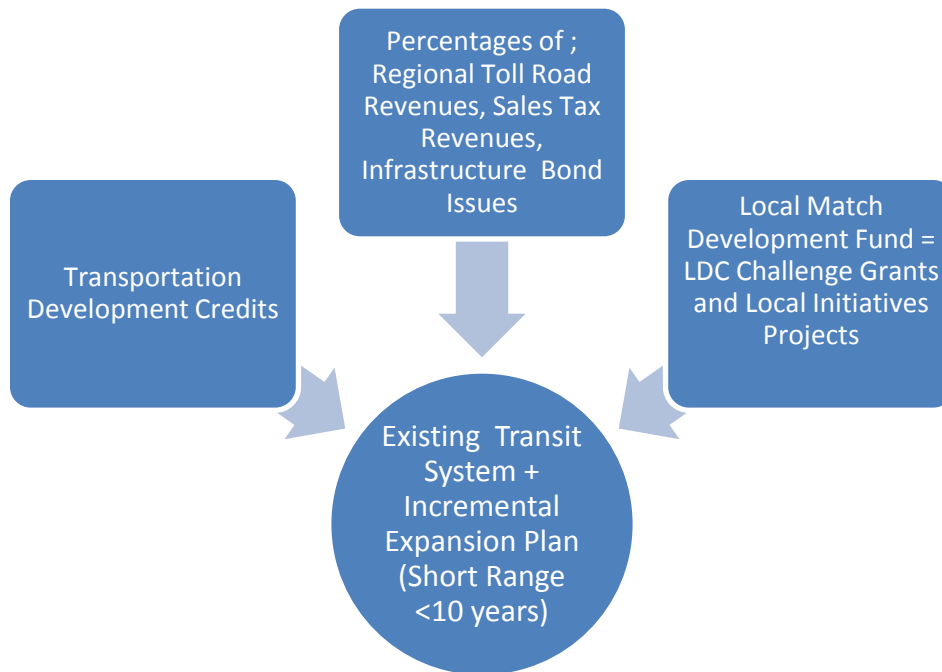
¹⁹ Source: Area Agency on Aging Vendor Agreements

4. RCTP Financial Plan Strategies

This Gulf Cost RCTP Financial Plan includes some information that was previously provided in the RCTP Needs Assessment and Gap Analysis documents related to transit costs and projections of those costs into the future *for planning purposes*. The basic strategy recommends the development of resources to provide a more stable revenue source for existing transit services and for potential expansions. One of the challenges with this approach requires the refinement of annual programs of projects to include an incremental expansion budget. One of the financial constraints has been the lack of additional local funds to match federal funds.

Some of the potential resources for the RCTP Financial Plan are not readily available and may require legislative actions to become feasible. The options discussed should be considered as hypothetical, for planning purposes. **Figure 4** shows the relationships between the key *concepts* of the RCTP Financial Plan.

Figure 4. RCTP Financial Plan Concept-Additions to Federal and State Funding

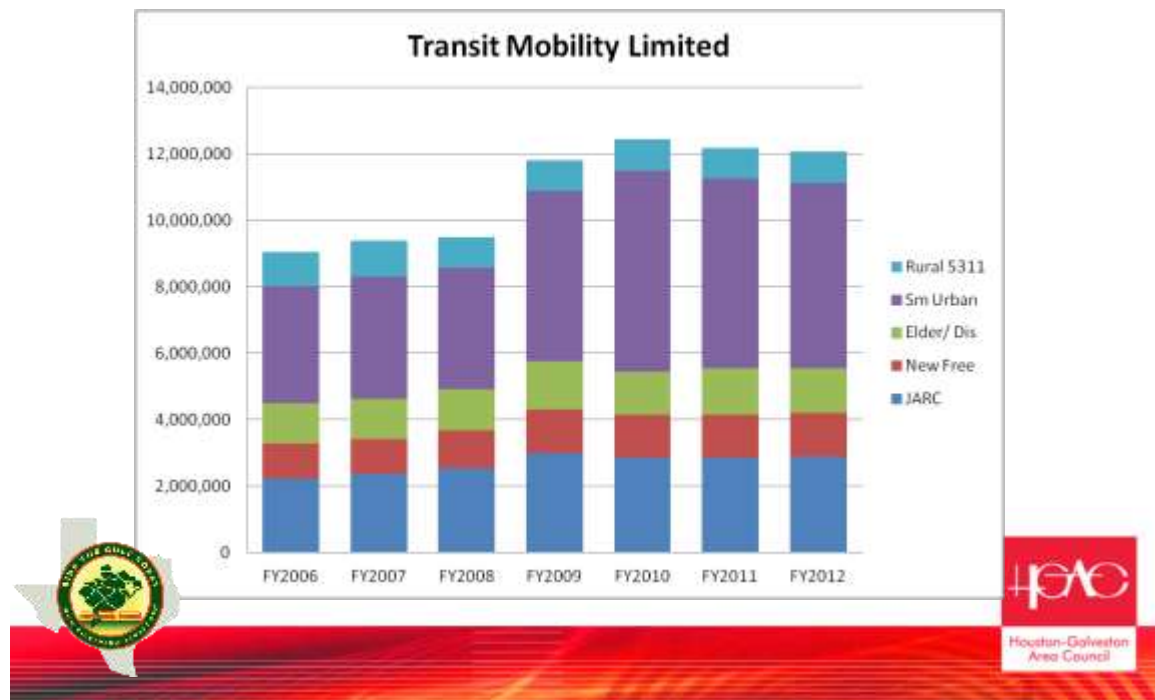


The RCTP incremental expansion financial plan concept includes maintaining the existing federal and state funding levels for transportation projects serving the mobility needs of transportation disadvantaged groups including but not limited to seniors (65+), persons with disabilities, youth, veterans and persons with low incomes. For several years that funding level

was approximately \$12 million per year in the greater Houston Transportation Management Area (TMA) as illustrated in **Figure 5**.

Figure 5. Historical Funding Levels for Mobility Limited Groups²⁰

Funding Provided



In addition to the historical funding levels, Transportation Development Credits (TDCs) are recommended as a financial tool to leverage additional Federal and State funding for public transportation Pilot Projects that are responsive to transportation related needs from the ongoing RCTP planning process. Multi-modal community transportation projects, Alternative Transportation Modes (bike, pedestrian, carpool, vanpool), should be considered in relation to access to and from transit projects.

Another potential source for future regional transit investments in the METRO Tax jurisdiction, if those local officials agree, could come from a portion of the General Mobility Program (GMP) funds that are returned to those cities.

²⁰ H-GAC Transportation Improvement Program

“The GMP was established to enhance regional mobility and ease traffic congestion. It’s a partnership with the city of Houston, Harris County and 14 surrounding multi-cities. Financed by an allocation of up to 25 percent from METRO’s one percent sales tax revenue, the GMP provides funds for the construction and maintenance of:

- Streets and roadways
- Bridges and grade separations
- Traffic-control signals
- Sidewalks/hike and bike trails
- Streetlights
- Drainage improvements related to transportation facilities, streets, roads or traffic-control improvements.

METRO also provides funding for the Motorist Assistance Program (MAP) traffic management program. Since its inception, the GMP has provided more than \$2 billion within its service area.”²¹

A small percentage of Toll Road Revenues dedicated to transit projects could help to sustain the current public transportation systems and provide capacity for growth in transit services to address growing demographics and inflation costs throughout the region. More than likely, some type of legislative action will be needed to change some existing State and /or federal laws related to TDCs and Toll Road Revenues. Recent estimates of the long range funding streams provided by toll road revenues exceeds the amounts needed for routine maintenance and repair of the current toll road system in Harris County. Current estimates of TDCs indicate hundreds of millions of TDC credits that could be used to leverage more federal funding for infrastructure improvements including enhancements to the regional public transportation system.

For long range transportation planning purposes it seems reasonable to assume that any required legislative changes could be explored for feasibility since those related options include very large amounts of funding or “credits”. Other large urban areas have been able to tap into similar resources for public transportation funding initiatives (for example see Oakland, California).

Additional resources to be explored include but are not limited to the following;

- % of Excess Sales Tax Revenues (above budgeted amounts, see **Figure 6**)
- % County Infrastructure Bond Issues
- % Regional Mobility Fund -for transit development and enhancement in areas that contribute to regional sales tax revenues that do not have transit services
- % of federal transit funding to the Houston Urbanized Area for communities outside of the METRO Service Area

²¹ Source: www.ridemetro.org

- Increase the cap on sales taxes so that areas outside of the METRO service area could join METRO and be eligible for METRO services.

As shown in **Figure 6**, the monthly sales tax revenues to METRO ranged between \$50 million and \$80 million in FY 2016 with a total annual amount of \$695.4 million. It is understood that the sales tax revenues represent a significant portion of METRO's total annual revenues estimated at \$824 million. During some months the actual sales tax revenues received were higher than the budgeted amounts, indicating a potential "surplus" in funding that could *theoretically* be re-programmed to other uses. The current policy that was established as part of the 2012 General Mobility Program (GMP) Referendum allocates 50% of those "surplus" funds above the 2014 baseline to METRO and 50% to the member cities for regional mobility projects.

Since a portion of those revenues are contributed by communities that do not have fixed route transit services, for various reasons, it is recommended that a strategy be developed to encourage those community leaders to consider reprogramming some of those resources for transit services or transit supportive infrastructure such as sidewalks and bus shelters. Even though fixed-route transit services may be warranted in an area, based on route spacing criteria, it will be critical to coordinate with those local elected officials, residents, community leaders and the transit service operators within and adjacent to those areas.

Figure 6. Monthly Sales Tax Revenue Estimates 2015-2016

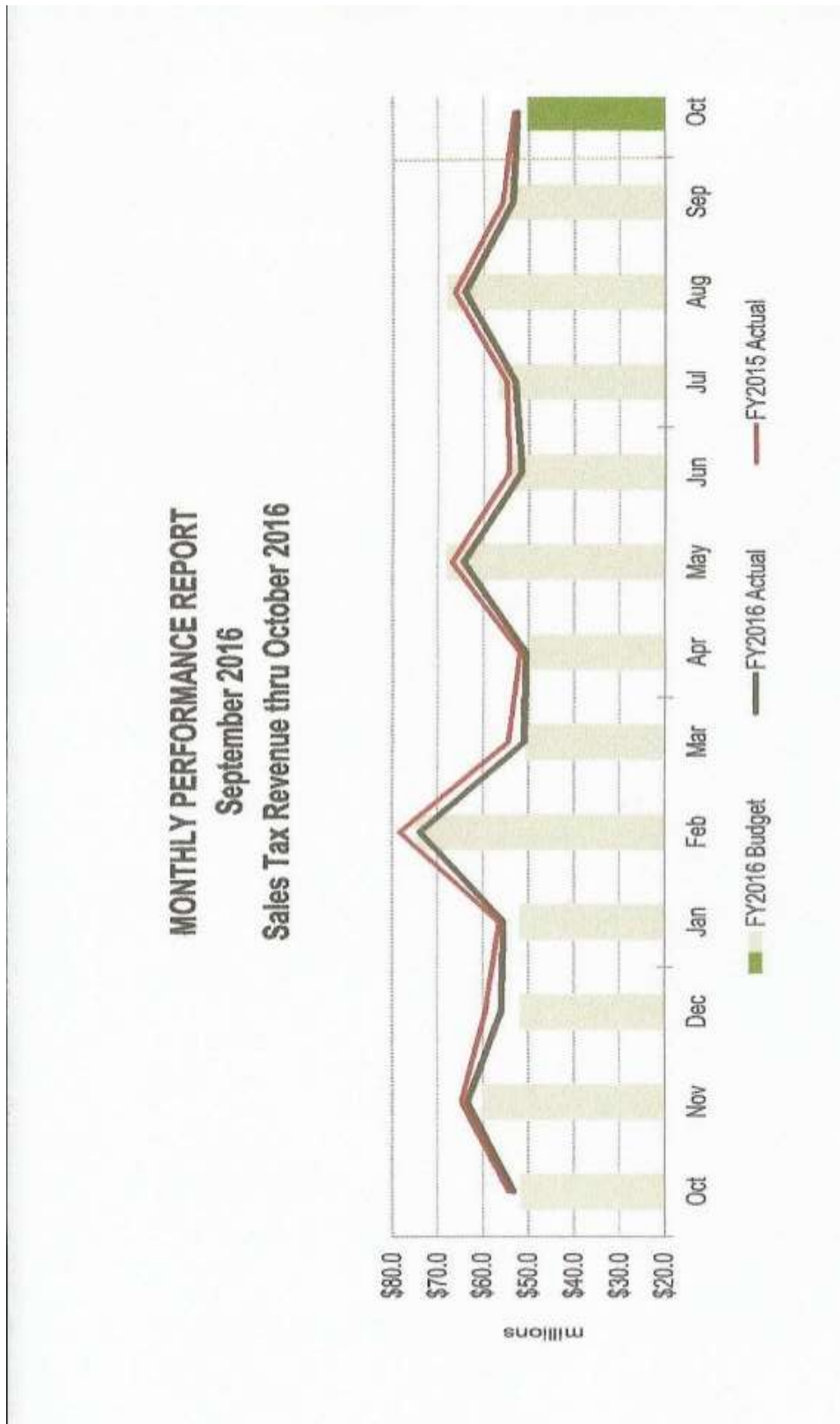


Figure 7 shows the trend of those sales tax revenues and the relative proportions of the GMP allocations from 2009 and projected to 2025.

Figure 7. Distribution of METRO and GMP Sales Tax Revenues 2009-2025

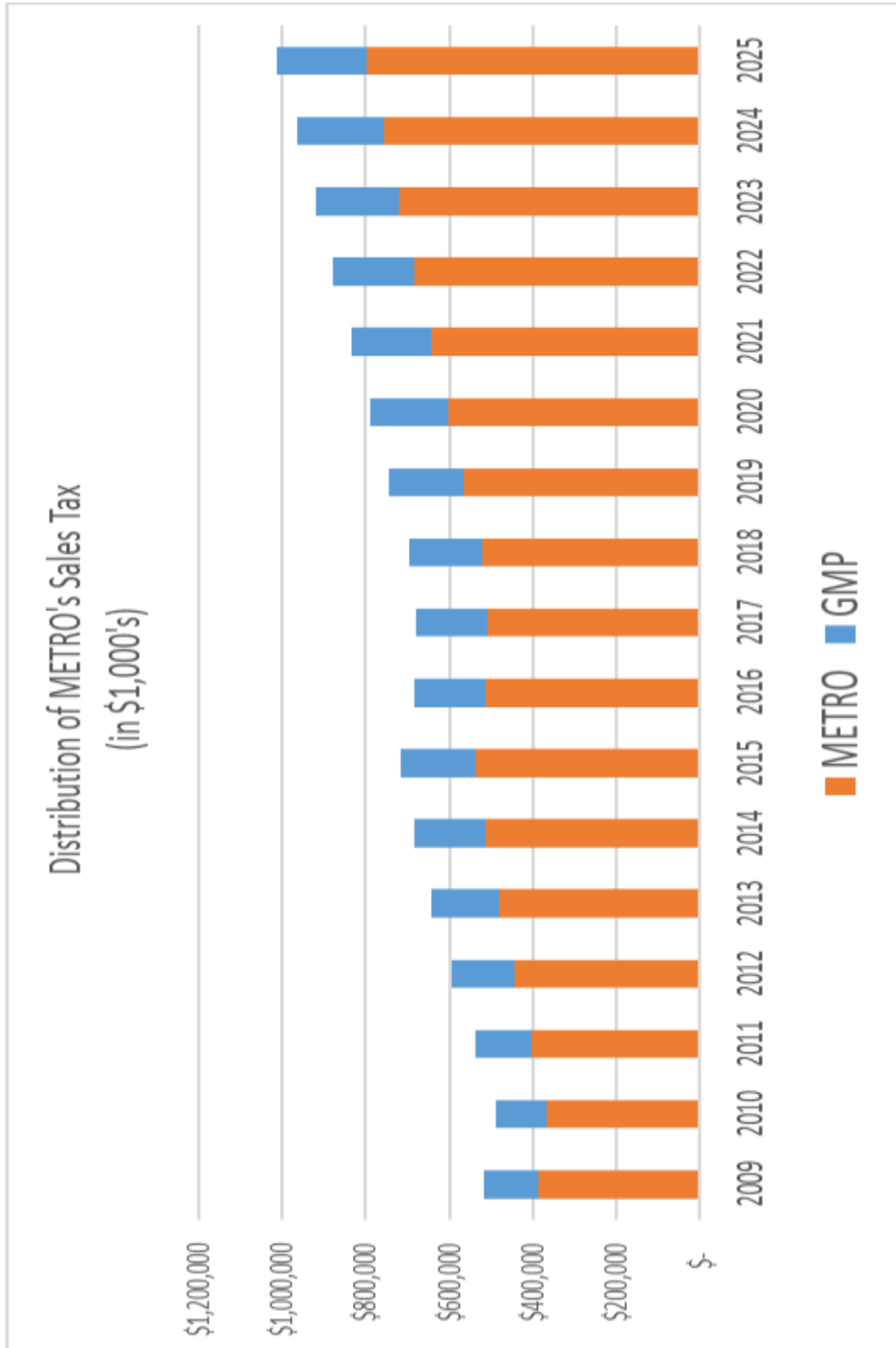
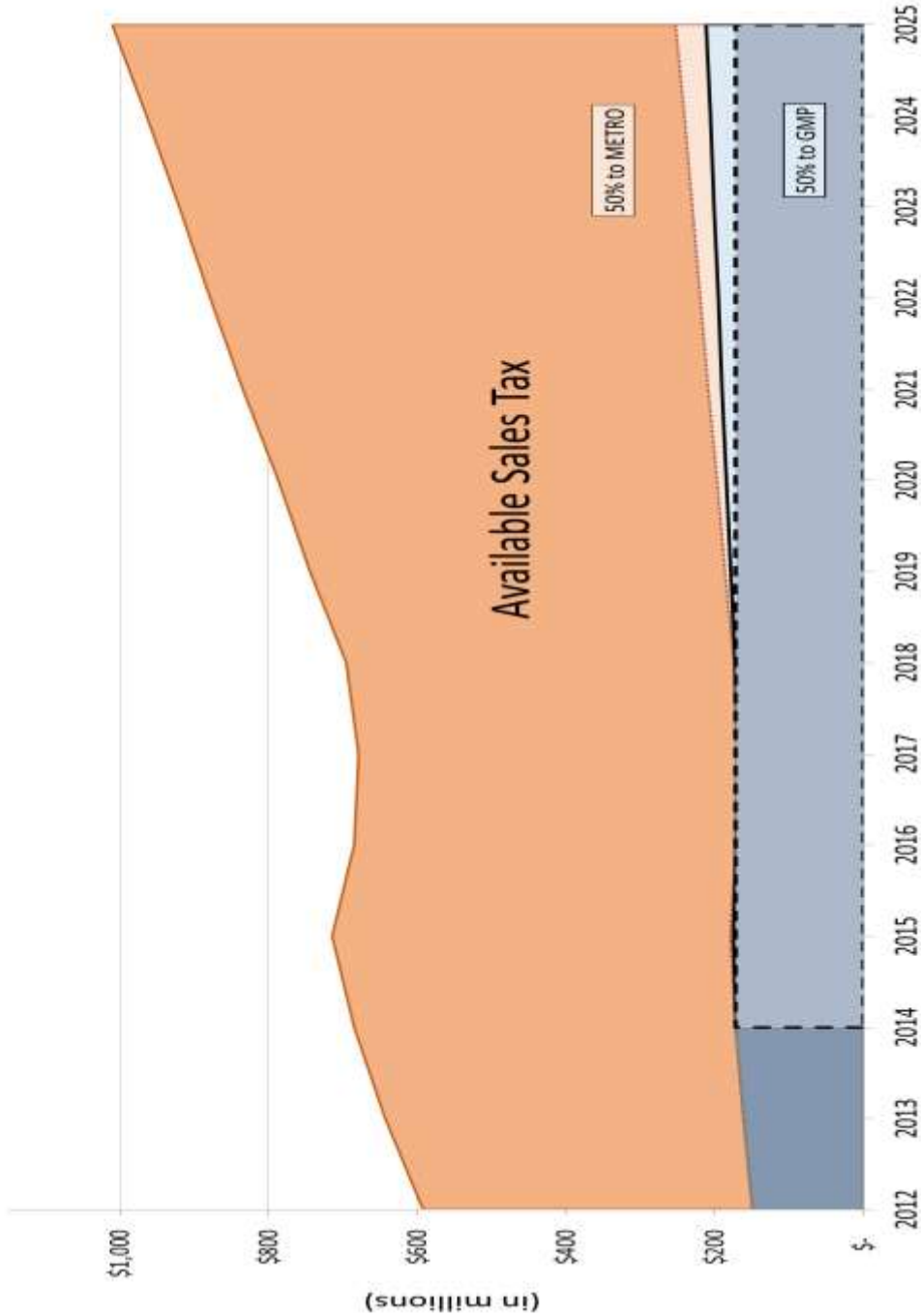


Figure 8 displays the available sales tax revenues to METRO and to the GMP with the 50% splits from 2012 and projected to 2025.²²

Figure 8. General Mobility Program Incremental Sales Tax Split 2012-2025



²² Source: METRO Debt Service and Investments, May 2017

The value of Transportation Development Credits available to the greater Houston region was estimated at close to \$500 million in 2016. Although those credits are not actually cash, a small portion of their estimated “value” could theoretically be aligned with some of the unfunded regional transit (and community transportation) initiatives to enable those efforts.

The RCTP financial plan identifies the current expenditures and sources of those funds and projects those costs into future years to align with a short-mid- term planning component (10 years or less) of the 2040 Regional Transportation Plan (RTP) for planning purposes. Population growth in the greater Houston region has historically been close to 2% per year.

Prior estimates indicated a need for about \$12 million per year for public transportation projects that have been included in the H-GAC Transportation Improvement Program (TIP) and used to benefit mobility limited groups such as seniors, people with disabilities and people with low incomes in the greater Houston region. Approximately \$15 million per year would be needed to expand those services and that value is included in the 2040 Regional Transportation Plan (RTP) for planning purposes.²³

Harris County RIDES and the METROLift Subsidy Program work with local cab companies and shared ride service providers through agencies that help to coordinate transportation services for their consumers. Those services are provided at a reduced cost to the consumers.

There is a need for further research to quantify the student ridership levels using private transportation shuttles for college students. Over 72,000 annual trips were estimated for the students that use private shuttles from their apartments to the Sam Houston State University (SHSU) in Huntsville. The ridership levels are unknown for similar student shuttles that connect student housing and apartments with the University of Houston (U of H) and Texas Southern University (TSU). Those shuttles also circulate on-campus and connect with local transit facilities such as the Eastwood Transit Center. Those ridership estimates are not included in current regional general public transit ridership reports.

A related challenge is to better understand how those private sector transportation providers could be involved in a Public-Private Partnership (PPP) that is designed to be a win-win arrangement. Those private operators have vehicles and drivers available and some of those vehicles may be underutilized such as those with empty seats. It could be feasible to utilize those vehicles and drivers for non-school related trips during off-peak time periods. A feasibility assessment would be needed to quantify and measure the benefits of filling those empty seats.

Total regional transit expenditures are estimated at \$873 million per year including operations and capital expenses. Approximately \$31 million of the total regional expenditure amount (4%) is associated with the smaller transit operators. For RCTP planning purposes it is assumed that the current annual funding levels will remain constant over time and that any incremental service

²³ Gulf Coast Regionally Coordinated Transportation Plan Needs Assessment, H-GAC 2016.

expansions will require additional funding, particularly for the smaller transit operators. An annual growth rate of 6.5% per year is used to estimate the gap in expenditures of approximately \$2 million per year for the smaller transit operators in the Gulf Coast Region.²⁴

The Texas Department of Transportation-Public Transportation Division (TxDOT-PTN) has drafted a Legislative Appropriations Request for the upcoming legislative session. In that request \$3.5 million is being requested annually to “offset the loss of purchasing power and population growth in rural areas” in Texas.²⁵

The funding that is being requested by TxDOT-PTN is much less than the actual need is estimated to be statewide. Within the Gulf Coast region it will be prudent to plan ahead to mitigate some of the anticipated funding shortfalls for a better multi-modal transportation system in the future.

5. Key Recommendations for the RCTP Financial Plan

Advance planning and coordination for incremental regional transit expansion, where feasible. The basic improvement strategy involves moving incrementally towards a better level of transit services in areas where potential demand exists and former constraints to expansion were primarily due to lack of financial resources.

Table 8 outlines some of the previously recommended strategies and estimated costs to expand some of the regional transit services outside of the METRO Service Area. The costs are planning level estimates which are preliminary and subject to change. The total estimated cost of \$ 3.9 million would be added to the base cost for existing services of \$12 million (see Figure 2) for a planning level estimate of approximately \$16 million per year.

²⁴ Source: Texas Department of Transportation- Public Transportation Division, Public Transportation Needs Assessment, 2015.

²⁵ Exceptional Item Request Schedule 85th Regular Session, Agency Submission, Version 1 Automated Budget and Evaluation System of Texas (ABEST).

Table 8. Incremental Transit Service Expansion Costs for Smaller Transit Operators²⁶

Agency	Existing Operations Costs (000)	Needed/Desired Operations Costs (000)	Gap (000)
CVTD	\$1,300	\$1,700	\$400
Walker County Transit and Senior Center²⁷	\$300	\$600	\$300
Montgomery County²⁸		\$1,800	\$1,800
Liberty County	\$427	\$1,240	\$800
Matagorda County	\$270	\$390	\$120
Chambers County		\$477	\$477
Total			\$3,897

Coordination and planning to establish a Local Match development fund. The Local Match Development Fund would include Challenge Grants coordinated through the H-GAC Local Development Corporation and other Community Development Corporations (CDC) in partnerships with local elected officials, local business leaders and regional public and private transportation service providers.

The Local Initiatives Projects (LIP) program provides funding to counties participating in the Vehicle Emissions Inspection Maintenance program (Brazoria, Fort Bend, Galveston, Harris and Montgomery Counties) for local projects to improve air quality. The 84th Texas Legislature significantly increased available LIP funding, with amounts ranging from \$100,000 to \$1,700,000 for each county. Eligible counties have been notified of their respective allocations. Eligible projects under LIP also include programs to enhance transportation system improvements, including providing local match to federal air quality funding to further leverage regional transit projects among other purposes.

Several Senior Citizen Centers utilize volunteer drivers for routine trips and for Meals-on-Wheels deliveries. Some of the federal funding that is provided to the senior centers can be used for transportation services.

The Veterans Transportation Network (VTN) transports disabled veterans to the Regional VA hospital in the Texas Medical Center. It utilizes volunteer drivers and vehicles that have been donated or acquired through the VTN. In recent months they have reported several thousand miles logged each month. More research is needed to develop a methodology to quantify the

²⁶ Prior research includes county level transit plans conducted 2008-2010 by H-GAC in coordination with various consultants.

²⁷ Addition of two vehicles assumed.

²⁸ Baseline operating costs for countywide services are TBD.

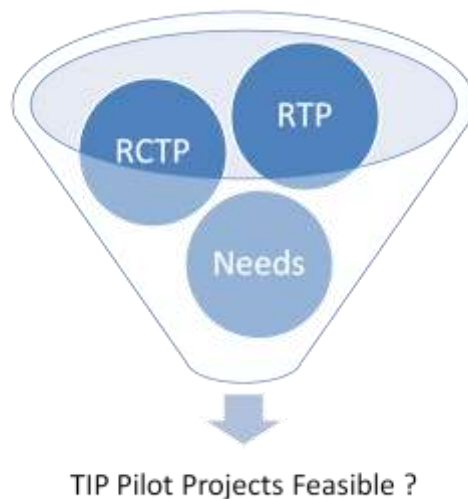
value of those hours. Local documentation of those hours would be needed to qualify that time as a local match or in-kind contribution.

More research to clarify potential benefits that could lead to legislative actions that would enhance the funding available for regional transit and ridesharing services (including alternative modes).

There have been several recent general public approvals for increased transportation funding to mitigate growing traffic congestion in many large regions, such as the Gulf Coast. It seems short-sighted to not include transportation initiatives that would incentivize ridesharing options such as transit, carpooling, vanpooling and other alternative modes. It is recommended that a proactive approach be considered to review and analyze the potential benefits of including longer range multimodal transportation options within heavily traveled roadway corridors.

The following describes a strategy for developing and incorporating pilot projects that are responsive to the transportation related needs that were identified in the 2040 Regional Transportation Plan (RTP) and the RCTP Unmet Needs Assessment into the Transportation Improvement Program (TIP) as illustrated in **Figure 9**.

Figure 9. RCTP Financial Implementation Plan



That process is considered as a first step to advance planning recommendations further towards implementation. The outline of the process includes the following steps:

- Identify regional transit needs for vulnerable population groups
- Coordinate with local stakeholders to confirm identified needs
- Conduct feasibility assessments of potential pilot projects
- Develop pilot projects for a trial period of 3-5 years
- Monitor and evaluate progress based on ridership goals, efficiency and effectiveness

- Sustain and expand successful pilot projects.

The recommended process will build upon the information that was collected as part of the RCTP needs assessment process and refine that information for specific geographic areas or to advance relevant regional policies.

The feasibility assessments would be identified as planning tasks in the Unified Planning Work Program (UPWP). In addition to a standard benefit-cost type of analysis, the assessments should also consider the societal benefits of providing improved transportation access to jobs, medical appointments and higher education facilities.

The monitoring and evaluation component would document the important activities for each pilot project. Ridership and performance data would be tracked for the first 2-3 years, at a minimum, for progress towards achieving the ridership goals. If progress is satisfactory, efforts should focus on the continuation of the project. Otherwise it is recommended that revisions be considered and tested, before a decision is made to end the project. Several potential pilot projects were previously identified and included in the Action Plan for the Regional Transit Coordination Subcommittee. That Action Plan should be revisited in light of more recent research for the current update to the Regionally Coordinated Transportation Plan. A related challenge has been the lack of full time dedicated staff resources to effectively manage the Action Plan tasks on an ongoing basis, instead of relying on committee volunteers who have higher priorities with their own full-time employment.

Appendix A:

**Federal Transit Administration
Urbanized Area Formula Grants**

Houston Urbanized Area Annual Allocation Processes

There are several grant programs that are administered through the Federal Transit Administration (FTA), including 5307, 5310, 5339, and 5337. METRO is the Designated Recipient for these programs in the Houston Urbanized Area, which means METRO is responsible for these funds and their distribution for transit purposes. This fact sheet is a brief explanation of the programs and a proposed formalization of the local process for the distribution of the funds in the Houston Urbanized Area.

Grant program purposes:

5307 Urbanized Area Formula Program

Provides grants for public transportation capital and planning, as well as operating expenses in certain circumstances. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas, which depend on public transportation to improve mobility and reduce congestion.

5339 Bus and Bus Facilities

Provides capital funding to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities

5337 State of Good Repair

Provides funding to repair and upgrade rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes

Historical allocations:

5307 Urbanized Area Formula Program

5307 Historical Allocations							
AGENCY	FY2009	FY2010	FY2011	FY2012	FY2012 Revision	FY2013	FY2014
Fort Bend County	\$2,590,835	\$2,877,230	\$2,803,000	\$3,326,592	\$5,106,135	\$1,478,422	\$4,122,486
Harris County	\$1,700,792	\$3,115,992	\$3,714,410	\$3,072,844	\$4,293,301	\$1,788,995	\$2,275,985
METRO	\$64,322,946	\$62,154,712	\$62,892,857	\$63,886,204	\$60,886,204	\$65,568,239	\$64,528,064
Total	\$68,614,573	\$68,147,934	\$69,410,267	\$70,285,640	\$70,285,640	\$68,835,656	\$70,926,535

5339 Bus and Bus Facilities

5339 Historical Allocations		
AGENCY	FY2013	FY2014
METRO	\$7,480,673	\$7,694,071

- ❖ *The 5339 program was created in MAP-21, so there are only two years of appropriations. We received funding for these activities under different programs prior to MAP-21. These funds can only be used on bus related projects.*

5337 State of Good Repair

5337 State of Good Repair		
AGENCY	FY2013	FY2014
METRO	9,286,666	9,134,929

- ❖ *The 5337 program was created in MAP-21, so there are only two years of appropriations. We received funding for these activities under different programs prior to MAP-21. These funds can only be used for state of good repair of fixed guideway or high intensity bus projects, which include METRORail and HOV lanes. In FY 2015, METRO will only qualify for fixed guideway and not high intensity bus funding.*

Formula funds allocation:

As established in federal law, these funds flow through the Designated Recipient in the Urbanized Area. METRO, as the Designated Recipient in the Houston UZA, will distribute funds based on a sub-allocation partly tied to the FTA apportionment formula as defined in MAP-21. The MAP-21 formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, fixed guideway route miles, fixed guideway passenger miles, operating expense, as well as population and population density. Other factors to be considered for the use of funds are a demonstrated transit benefit as it relates to the service area, cost effectiveness relative to the service area, and improved mobility for the transit needs in the Houston UZA.

METRO would use its share of the funds for capitalized preventive maintenance projects, ADA projects, and for purchase of transit service equipment, among other eligible activities. METRO's use of the funds helps support the preventative maintenance for transit services used in its 1,285 square mile service area and over 521 million passenger miles. In FY2013, METRO operated over 66 million revenue miles, which is 96.53% of the transit revenue miles in the Houston UZA. METRO operates a fleet of 1,256 buses, 37 light rail vehicles, 746 van pools, and 882 paratransit vans and sedan service taxis.

All of the funds allocated to METRO or other transit providers will be distributed based on actual annual federal appropriations and not anticipated appropriations.

Consultation with other transit providers:

Funds not maintaining existing METRO, Fort Bend County or Harris County service will be considered for allocation to other designated public transit providers not in the METRO service area, but in the Houston UZA, provided that the proposed use of funds benefits the Houston UZA.

A consultation among representatives from designated public transit operators and the Houston-Galveston Area Council (H-GAC) will be called to evaluate projects annually. Transit operators will submit projects for evaluation and approval.

Conditions to receive funds:

- Applicants must submit documentation demonstrating financial capacity to carry out the project. Specifically, an applicant must have the ability to match and manage those funds, cover cost overruns, cover operating deficits through long-term stable and reliable sources of revenue, and maintain and operate federally funded facilities and equipment.
- Applicants must provide a five year plan identifying estimated capital expenditures and funding needs to complete the project. The plan must also show projected opening year operations and maintenance costs as well as an identified funding source for the local match and ongoing operations and maintenance costs.
- If the applicant is requesting funding over multiple years, they must show a plan that is consistent with anticipated annual funding.
- Every recipient is required by and responsible to the FTA to meet all applicable federal requirements including, but not limited to:
 - a. Have a Maintenance Plan
 - b. Submit FTA Quarterly reports, financials, and milestone reports
 - c. File monthly safety and security reports
 - d. Have an FTA approved Disadvantage Business Enterprise (DBE) Plan
 - e. Comply and have an FTA approved Title VI Plan
 - f. Complete NTD report with all required data
- Submitted projects must demonstrate a transit benefit to the Houston UZA.

Eligible recipients:

Recipients of funds must qualify to be a Direct Recipient of federal funds and be an operator of public transportation. A Direct Recipient is a public entity that is legally eligible under federal transit law to apply for and receive grants directly from the FTA. As a Direct Recipient, recipients of funds will be subject to all federal requirements.

Evaluation Committee:

The evaluation committee will make recommendations to the METRO Board of Directors for the allocation of funds. The evaluation committee, which will be chaired by METRO, will also include one representative from each public transit provider who has previously operated and

reported service inside the Houston UZA in the last finalized NTD report, and one representative from the H-GAC.

Sustaining Existing Service:

Priority funding will be given to existing transit services. New service will be evaluated in the selection process. All of the funds allocated will be distributed based on actual annual federal appropriations and existing services may need to be reduced based on these actual appropriations.

New Project Selection Process:

- Any agency that meets the evaluation committee criteria and that submitted a project will have a single seat at the table along with METRO.
- The submitting agency must submit all information as identified in the project information needed for consultation (listed below) as well as the conditions to receive funds (listed above) to be considered.
- To obtain a consensus from the group, each submitting agency will provide a 5 to 10 minute presentation on their project outlining key items in the checklist.
- Once all submitting agencies have presented, the group will have a discussion as to how the funding shall be allocated.
- In the event of a tie and all conditions have been met for all projects submitted, the final decision on the Program of Projects will lie with METRO, in its role as the Designated Recipient.

Applicant project information to be considered by evaluation committee in consultation:

A successful applicant should address the following:

1. How does the project establish, preserve or improve mobility of the individuals in the community?
2. Does the project address a recognized need in the community? If yes, please include examples such as feedback from public meetings, surveys, complaints, etc.
3. Does the applicant report sufficient experience in managing transportation projects to provide assurance of success?
4. Does the applicant report sufficient experience in managing previous grant awards?
5. Does the applicant report sufficient financial capability and resources to implement and successfully carry out the project?
6. Does the applicant have the sufficient local match to support the implementation for the project? If yes, please list sources of local match.
7. Does the applicant have a long-term commitment to maintain and utilize capital equipment/facilities acquired with federal funds beyond the availability of the requested resources?
8. Does the project describe an active coordination effort aimed at improving efficiency and effectiveness? If yes, please provide examples.
9. Explain how the proposed project addresses gaps and/or barriers that have been identified?
10. Is the project a new service?

11. Does the project expand or enhance an existing service?
12. Does the project facilitate a state of good repair for existing service?
13. Does the proposed project contribute significant ridership as it relates to the service area?
14. How would this project be sustained without federal funding?
15. Does the project have local support? Evidence includes, but is not limited to:
 - Endorsement letters for organizations or individuals
 - Fare or other monetary contributions received from riders
 - Resolutions by local governing bodies

Appendix B. Conroe-The Woodlands Urbanized Area Allocations Background

Transit Advisory Committee	Agenda Item 4
<p>Consider Discussions, Public Comment and Action Item Regarding the Program of Projects for FY 2015 and FY 2016 Conroe-Woodlands UZA FTA Section 5307, Urbanized Area Formula Program, and Section 5339, Bus and Bus Facilities Program:</p> <ol style="list-style-type: none"> a. Distribution of FTA Formula Funds – Discussion (5 minutes) b. Program of Projects for Section 5307 and 5339 – Advise and Consult (5 Minutes) c. Public Comment (3 minutes per citizen) d. Resolution of Support of the Designated Recipients’ FY 2015 and FY 2016 Program of Projects for FTA Section 5307 and 5339 – Action Item (5 minutes) 	

a. Distribution of FTA Formula Funds

Background

In the Interlocal Agreement between the City of Conroe (City) and The Woodlands Township (The Township), the City and The Township agreed to reallocate (sub-allocate) Federal Transit Administration (FTA) formula funding within the Conroe-Woodlands Urbanized Area (UZA) in accordance with the applicable FTA funding formulas. Also in accordance with the ILA, the City and The Woodlands may deviate from this standard sub-allocation of FTA allocated funding, if they determine that the particular needs of the parties and limits on the permissible use of the funds make it advantageous to the parties. A written agreement is required to deviate from the standard sub-allocation procedure established by the ILA.

When the City and The Township reach an agreement on the sub-allocation of the formula funding, they will notify the FTA in a “split letter”, which establishes the sub-allocation of the UZA’s formula funding.

FY 2015 and FY 2016 FTA Allocation of Formula Program Funding

The federal transportation bill, which was signed in to law in 2012, authorized and appropriated funding to the Conroe-Woodlands UZA under FTA Urbanized Area Formula Program (FTA Section 5307), Enhanced Mobility of Seniors and Individuals with Disabilities Program (FTA Section 5310) and Bus and Bus Facilities Program (FTA Section 5339). The law authorized Moving Ahead for Progress in the 21st Century (MAP-21) for two (2) years.

The Highway and Transportation Funding Act of 2014 extended FTA’s contract (budget) authority to carry out its formula assistance programs only through May 31, 2015. The act pro-rated the amount of budget authority available for the period October 1, 2014 through May 31, 2015 based on the anticipated full FY 2015 total. As a result, FTA only apportioned or allocated 8/12th in contract authority of new budget authority provided in the FY 2015 Appropriations. Congress extended the authorization for public transportation to July 31, 2015. FTA has not apportioned the two (2) additional months of appropriation for contract authority.

In anticipation of Congress extending the authorization for public transportation beyond July 31, 2015, and FTA allocating formula funding to the Conroe-Woodlands UZA for the entirety of FY 2015, the following table shows the estimated amount for FY 2015. Congress has not passed a new transportation bill authorizing expenditures for FY 2016, but current discussions indicate the total FTA funding will be slightly below the FY 2015 levels and not reduce formula funding. For programming purposes, the designated recipients, the City and The Township, will assume the FY 2016 formula program funding to be at the same level as FY 2015.

<u>Program</u>	<u>FY 2015</u>	<u>FY 2016</u>
5307	\$ 3,400,046	\$ 3,400,046
5310	\$ 155,868	\$ 155,868
5339	\$ 382,013	\$ 382,013

Allocation of FTA Section 5307 Funding

The Federal Transit Administration (FTA) allocates Urbanized Area Formula Program (FTA Section 5307) funding pursuant to Section 5307 and other provisions for public transportation capital, planning, job access and reverse commute projects and, in some instances, the operation of public transit services within large urbanized areas, which are urbanized areas with a population of 200,000 or more. For the Conroe-Woodlands Urbanized Area (UZA), the formula is based on a combination of bus vehicle revenue miles, bus passenger miles and operating expense, as well as population, population density and the number of low-income individuals (individuals whose family income is at or below 150 percent of the poverty line) residing in the UZA.

Allocation of FTA Section 5310 Funding

FTA allocates Enhanced Mobility of Seniors and Individuals with Disabilities Program (FTA Section 5310) funds pursuant to Section 5310 and other provisions to enhance mobility for seniors and persons with disabilities by providing funds for public transportation capital, projects exceeding Americans with Disabilities Act requirements, projects improving access to fixed-route service and decreasing reliance on complementary paratransit, alternatives to public transportation, new freedom projects and the operation of public transit services. For the Conroe-Woodlands UZA, the formula is based on the number of seniors and individuals with disabilities within the UZA.

The City of Conroe is the designated recipient of FTA Section 5310 Program funds for the Conroe-Woodlands UZA and is responsible for administering the program. With the formal support of the Transit Advisory Committee (resolution), the City will distribute the funding based on the results of a competitive project call for the FY 2015 and FY 2016 FTA Section 5310 program funding.

A 2-year project call reduces the administrative lead time associated with the project call, H-GAC's Transportation Improvement Program (TIP) process, TxDOT's State TIP process and approval by FTA. The program budget for FY 2015 was used to develop the FY 2016 program budget.

Budget Element	FY 2015	FY 2016
Administration	\$ 15,587	\$ 15,587
Projects	\$ 140,281	\$ 140,281
<i>Total Allocation</i>	\$ 155,868	\$ 155,868

Allocation of FTA Section 5339 Funding

FTA allocates Bus and Bus Facilities Program (FTA Section 5339) funds pursuant to Section 5339 and other provisions for public transportation capital including replacement, rehabilitation and purchase of buses and related equipment and construction of bus-related facilities. For the Conroe-Woodlands UZA, the formula is based on a combination of bus vehicle revenue miles, bus passenger miles and operating expense, as well as population and population density in the UZA.

Purpose

To advise and consult on the sub-allocation of UZA formula funding based on the allocation formula used by the FTA as follows:

FTA Section 5307 Sub-allocation

Designated Recipient	FY 2015	FY 2016	Share of Total Allocation
Conroe	\$ 659,609	\$ 659,609	19.4%
The Woodlands	\$ 2,740,437	\$ 2,740,437	80.6%
<i>Total Allocation</i>	\$ 3,400,046	\$ 3,400,046	100.0%

FTA Section 5339 Sub-allocation

Designated Recipient	FY 2015	FY 2016	Share of Total Allocation
Conroe	\$ 66,470	\$ 66,470	17.4%
The Woodlands	\$ 315,542	\$ 315,542	82.6%
<i>Total Allocation</i>	\$ 382,013	\$ 382,013	100.0%

Action by Others

The City of Conroe and The Woodlands Township will send a “split letter” to FTA stating the sub-allocation of the FTA formula funding within the Conroe-Woodlands UZA.

a. Program of Projects for Section 5307 and 5339

Background

As dual designated recipients of the Urbanized Area Formula Program (FTA Section 5307) for the Conroe-Woodlands Urbanized Area (UZA), the City and The Township are responsible for identifying and selecting transit projects (capital, planning and/or operating) for inclusion in the Program of Projects (POP), Regional Transportation Plan (RTP), Transportation Improvement Plan (TIP), State TIP and/or Unified Planning Work Program (UPWP) and meeting the public participation requirements.

The Bus and Bus Facility Program (FTA Section 5339) is restricted to capital expenditures only, so 100% of the funding is pre-programmed for capital. As federal grantees of the FTA Section 5339 Program for the Conroe-Woodlands Urbanized Area (UZA), the City and The Township are responsible for identifying and selecting capital transit projects for inclusion in the RTP, TIP and State TIP and meeting the public participation requirements.

Purpose

To advise and consult regarding the UZA POP for FY 2015 and FY 2016 as follows:

City of Conroe FY 2015 Section 5307 Program of Projects

Project	Total Cost	Federal Share
Operating Expenditures	\$ 246,214	\$ 123,107
Capital Expenditures	\$ 416,007	\$ 332,805
Planning Expenditures	\$ 254,621	\$ 203,697
TOTAL	\$ 916,842	\$ 659,609

The Woodlands Township FY 2015 Section 5307 Program of Projects

Project	Total Cost	Federal Share
Operating Expenditures	\$ 450,000	\$ 225,000
Capital Expenditures	\$ 6,700,000	\$ 2,315,436
Planning Expenditures	\$ 250,000	\$ 200,000
TOTAL	\$ 7,400,000	\$ 2,740,436

City of Conroe FY 2016 Section 5307 Program of Projects

Project	Total Cost	Federal Share
Operating Expenditures	\$ 448,128	\$ 358,502
Capital Expenditures	\$ 246,214	\$ 123,107
Planning Expenditures	\$ 222,500	\$ 178,000
TOTAL	\$ 916,842	\$ 659,609

The Woodlands Township FY 2016 Section 5307 Program of Projects

Project	Total Cost	Federal Share
Operating Expenditures	\$ 450,000	\$ 225,000
Capital Expenditures	\$ 6,700,000	\$ 2,315,436
Planning Expenditures	\$ 250,000	\$ 200,000
TOTAL	\$ 7,400,000	\$ 2,740,436

Conroe-The Woodlands UZA Section 5339 Capital Expenditures Program of Projects

Designated Recipient	FY 2015	FY 2016
Conroe	\$ 66,470	\$ 66,470
The Woodlands	\$ 315,542	\$ 315,542
<i>Total Allocation</i>	\$ 382,013	\$ 382,013

Action by Others

The City and The Township will submit the 2015 and 2016 FTA Section 5307 and Section 5339 Projects to H-GAC for inclusion in the RTP, TIP, STIP and/or UPWP based on the POP.

b. Public Comment

Background

This public comment is part of the overall public outreach that is required by statute for programming Section 5307 and Section 5339 funds. The other public outreach includes: notifying the public about the POP in local publications and City and The Township web sites; presenting the POP to the public, transit providers and health and human service providers during the Section 5310 public meeting; public outreach by H-GAC to amend the RTP, TIP and/or UPWP with Conroe-The Woodlands UZA projects; and public outreach by TxDOT to amend the STIP with Conroe-The Woodlands UZA projects.

Purpose

To provide Committee members with public comment related to the programming of FY 2015 and FY 2016 POP for Section 5307 and Section 5339 in the Conroe-The Woodlands UZA.

Action by Others

Public comment, as provided under this agenda item. (Comments are limited to three (3) minutes per citizen.)

The City and the Township will submit any public comments to H-GAC to demonstrate statutory compliance with Section 5310 requirements for public outreach.

c. Resolution in support of Designated Recipients' FY 2015 and FY 2016 Program of Projects for FTA Section 5307 and 5339**Purpose**

To consider a resolution in support of the FY 2015 and FY 2016 POP for Section 5307 and Section 5339 Programs.

Attachment

A resolution of the Transit Advisory Committee of the Conroe-The Woodlands Urbanized Area in support of the Designated Recipients' proposed Program of Projects for FY 2015 and FY 2016 Federal Transit Administration Section 5307, Urbanized Area Formula Program, and Section 5339, Bus and Bus Facilities Program.

Transit Advisory Committee 5	Agenda Item
<p>Consider Presentations Regarding Section 5310 Program, Enhanced Mobility of Seniors and Individuals with Disabilities:</p> <ul style="list-style-type: none"> a. Presentation Regarding the FY 2013 and FY 2014 Program – Discussion (10 minutes) b. Presentation Regarding the Plan of Action for FY 2015 and FY 2016 – Discussion (10 minutes) c. Resolution in Support of the Designated Recipient Requesting Transportation Development Credits for the FY 2015 and FY 2016 Program from the Houston-Galveston Area Council – Action Item (5 minutes) 	

Background

Designated Recipient

On July 15, 2014, the Texas Department of Transportation notified the Federal Transit Administration (FTA) of its concurrence with the City of Conroe's (City) request to become the Section 5310 Designated Recipient.

Program Management Plan

The PMP must be approved by the FTA prior to programming funds in grants. The City submitted the Program Management Plan (PMP) to the FTA for review, comment, and approval on July 24, 2014 and subsequently responded to a request from the FTA to complete a checklist for required items in the PMP. The checklist was completed and returned on February 5, 2015. FTA Region VI Planning staff notified the City informally that the PMP was approved and was forwarded for review by Region VI Program Management staff. Program management staff has not completed their review, but they have stated that the lack of an approved PMP does not affect the programming of FY13 and FY14 funds. An approved PMP will be required prior to programming FY15 funds.

- a. FY 2013 and FY 2014 Program of Projects

Background

The City executed an electronic grant in FTA's system. The City and The Friendship Center, also known as Senior Rides, are finalizing an agreement for use of the funds. The FTA decreased the funds available by \$3,818, or from \$193,604 to \$189,786, due to funds drawn by the Texas Department of Transportation (TxDOT), which was in excess of the funds under its administration of \$34,366. The revised budget is included in the table below.

Revised Budget for FY13-14 Section 5310					
	FY13	FY14	Total	TIP Amt	Difference
Admin	\$ 3,343	\$ 15,636	\$ 18,979	\$ 19,359	\$ (380)
Vehicles	\$ 30,084	\$ 77,916	\$ 108,000	\$ 108,000	\$ -
POS	\$ -	\$ 33,297	\$ 33,297	\$ 33,297	\$ -
PM	\$ -	\$ 29,510	\$ 29,510	\$ 32,948	\$ (3,438)
Total	\$ 33,427	\$ 156,359	\$ 189,786	\$ 193,604	\$ (3,818)
POS - Purchase of Service					
PM - Preventative Maintenance					

Purpose

To provide an update about the FY 2013 and FY 2014 Section 5310 program.

b. FY 2015 and FY 2016 Section 5310 Program Update

Background

FY2015 and FY2016 Program of Projects and Request for Public Input

It is the intent of the City to align its programming schedule with TxDOT. By accelerating the schedule, Conroe will be able to provide funding when appropriations are made available. Currently, the process of awarding funding is lagging the appropriation cycle due to the administrative lead time to include projects in H-GAC's Transportation Improvement Program (TIP) and State TIP (STIP). It is the intent of Conroe to program both FY2015 and FY2016 simultaneously. Currently, 8/12ths of the FY2015 funding has been apportioned by FTA and the amount is \$103,912. Assuming the remaining 4/12ths of funding is apportioned in the future, the total estimated amount of funding is \$155,868. FY2016 apportionment is not known at this time, but is assumed to be the same amount as FY2015, or \$155,868. The final program of projects will be amended based on the actual appropriation by Congress and apportionment by FTA.

The City has begun the process of conferring with transportation providers regarding their programs and needs, as well as reaching out to individuals who are elderly and/or have disabilities regarding their transportation needs. The City has drafted a survey, which is being distributed to transportation providers, health and human service agencies, elected officials, and users of public transportation. The City is also preparing for a public meeting on Thursday, July 9, from 3:30 pm to 5:30 pm to discuss transportation needs and funding priorities.