

REVISING THE TxDOT UNIFIED TRANSPORTATION PROGRAM

CATEGORY 11: DISTRICT DISCRETIONARY

RECOMMENDATIONS REPORT

October 2002

Submitted for Review to
TxDOT Executive Management
and the
Texas Transportation Commission



Prepared by
Texas Transportation Institute



In Cooperation with the
Texas Department of Transportation



and the
Association of Texas Metropolitan
Planning Organizations

EXECUTIVE SUMMARY

A statewide panel of experts from the Texas Department of Transportation (TxDOT) and selected metropolitan planning organizations, regional planning organizations, and councils of government convened several workshops during the summer of 2002 to formulate a recommended funding allocation for the new Category 11 - District Discretionary of the state Unified Transportation Plan (UTP). Panel members reviewed the old UTP funding categories now combined into Category 11, discussed strengths and weaknesses of the formulas used in these categories, and considered various criteria to use in the new category. The goal of the workshops was to create a fair and equitable statewide formula. After extensive deliberation, members recommended a new allocation formula for Category 11. The formula is presented below.

Category 11 District Discretionary

This category of work addresses miscellaneous projects selected at the district's discretion.

Allocations for the District Discretionary program are approved by the commission with each district receiving an allocation based upon the following recommended formula:

Each district will receive a minimum allocation of \$2,500,000 with the limitation that this minimum allocation cannot be used for overruns of construction projects.

Funding amounts for each district above the minimum allocation is based on:

- 70% On-System Vehicle Miles Traveled (VMT)
- 20% On-System Lane Miles
- 10% Annual Truck VMT

THE DEVELOPMENT PROCESS

The members of the Category 11 workgroup were selected from across the state with the intent of a basic geographical representation among members. Representatives from both TxDOT Districts and metropolitan planning organizations served on the panel. No District was represented by more than one workgroup member with a few Districts not represented.

Workgroup members and the agency they represented are listed below:

Mr. Mauro Avilez
MPO Director
City of Harlingen, Texas

Mr. Dennis M. Beckham
Director of TPD
Atlanta District
TxDOT

Mr. Alan C. Clark
MPO Director
Houston-Galveston Area Council

Mr. Craig Clark, P.E.
District Engineer
Childress District
TxDOT

Ms. Patricia L. Crews-Weight, P.E.
District Design Engineer
Austin District Design
TxDOT

Mr. John DeWitt
Director of TPD
San Angelo District
TxDOT

Mr. Walter G. Diggles, Sr.
Executive Director
Deep East Texas Council of Governments

Hon. Woodrow W. "Woody" Gossom, Jr.
Wichita County Judge
Wichita Falls, TX

Mr. Blair Haynie
Director of TPD
Abilene District
TxDOT

Mr. Richard Kirby, P.E.
Director of Maintenance Operations
Maintenance Division
TxDOT

Mr. Robert R. Kovar
Deputy Director, Design Division
Design Division
TxDOT

Mr. Gustavo (Gus) Lopez
District Design Engineer
Pharr District
TxDOT

Mr. Pat Norrell
Director of TPD
Corpus Christi District
TxDOT

Mr. Michael A. Parks, AICP
Director
Bryan/College Station MPO

Mr. Gary Pitnar
Executive Director
Panhandle Regional Planning Commission
Amarillo, TX

Ms. Teresa Quezada
Municipal Services Administration Assistant
Director
Municipal Services Department
City of El Paso TX

Mr. Wayne L. Wells
Transportation Program Funding
Administrator
TP&P Division, TxDOT
Programming and Scheduling Section

A charge was developed prior to their first meeting by the Texas Department of Transportation in consultation with Texas Transportation Institute (TTI). This charge was to:

Review the funding distribution formulae for the current discretionary funding categories:

*NHS Miscellaneous
STP Urban Mobility/Rehabilitation
STP Rural Mobility/Rehabilitation
State Discretionary*

Develop consensus for a new fair and equitable statewide formula to meet the discretionary funding needs of all districts within the available statewide funding limits

Prepare a report with recommendations for the Texas Transportation Commission regarding the new discretionary funding distribution formula.

The workgroup met on two separate occasions, each meeting over a two-day period. The first meeting took place on June 17-18, 2002 and the second occurred on July 18-19, 2002. The meetings were held at the Thompson Conference Center on the campus of the University of Texas at Austin. TTI staff facilitated each meeting. An attendance summary is provided in Appendix A.

At the first meeting in June, workgroup members reviewed the charge and affirmed their understanding of the task before them. TxDOT staff made several technical presentations related to the old funding categories and support data for the categories. Discussion among members at this meeting focused on particular criteria to be used in allocating category funding. Each member was allowed the opportunity to propose a specific criterion. Each criterion was then discussed and analyzed by the entire group. Through the discussion and consensus process, the group narrowed the variables down to a core list for further consideration. The potential allocation criteria reached by consensus at the first meeting were:

- Vehicle Miles Traveled (VMT)
- VMT (Trucks)
- Lane Miles
- Lane Miles (On-System)
- Centerline Miles
- Centerline Miles (On-System)
- Population
- Increased Minimum Allocation

A summary of the notes from the first meeting is provided in Appendix B.

In the interim between the first and second meetings, data for each criterion for each TxDOT District was gathered within the TP&P Division. This data is provided in Appendices C and D. The data was entered into an Excel spreadsheet to be used by workgroup members at the second meeting. This allowed participants at the meeting to suggest various combinations of criteria and their weighting in a formula and see the results immediately.

The second meeting of the workgroup took place on July 18-19, 2002. A summary of the notes from the second meeting is provided in Appendix E. The criteria were reviewed and reaffirmed as potential variables for the new category formula. Several group members then proposed various combinations of criteria and weights for each. They were entered into the spreadsheet and the results were projected on a screen in the meeting room. The spreadsheet templates used for the combinations of criteria and weights are provided in Appendices F and G. Vigorous discussion of each scenario then occurred with criteria and weights being accepted, rejected, or modified in light of fairness and equity statewide. The progression of the discussion is indicated in Table 1 below.

Table 1. Scenario Weighting Summary

Scenario	Population	% Urban	% Rural	On-System VMT	On-Off VMT	On-System Lane Miles	Total Lane Miles	On-System Centerline Miles	Total Centerline Miles	Daily Truck VMT	Annual Truck VMT
DD-1				80				20			
DD-2				70				10			20
DD-3				70				20			10
DD-4		70	30								
DD-5					70				10		20
DD-6				50							50
DD-7				100							
DD-8					100						
DD-9				60				30			10
DD-10				60		30					10
DD-11				70		10					20
DD-12				70		20					10
DD-13				34		33					33
DD-14				34				33			33
DD-15				70		8		8			15
DD-16				80		20					
DD-17				65		20		5			10
DD-18				70		15					15

After 18 proposed scenarios, the workgroup achieved consensus on both the criteria and weightings for district discretionary funding. The scenario recommended by consensus was designated DD-12 and the spreadsheet resulting from its criteria and weighting is included in Appendix G. Three criteria were finally selected: On-System VMT, On-System Lane Miles, and Annual Truck VMT. This final consensus is presented as a formal recommendation in the following section.

RECOMMENDATION

Overview

The workgroup developed the following allocation formula for UTP Category 11 - District Discretionary funding.

This category of work addresses miscellaneous projects selected at the district's discretion.

Allocations for the District Discretionary program are approved by the commission with each district receiving an allocation based upon the following recommended formula:

Each district will receive a minimum allocation of \$2,500,000 with the legislatively mandated limitation that this minimum allocation cannot be used for overruns of construction projects.

Funding amounts for each district above the minimum allocation is based on:

- 70% On-System Vehicle Miles Traveled (VMT)
- 20% On-System Lane Miles
- 10% Annual Truck VMT

Explanation of Criteria and Weightings

<i>70% On-System Vehicle Miles Traveled (VMT)</i>

This criterion was considered to be a generally fair and equitable variable in comparing districts. It indicates system use or activity, thus representing the general needs of a district. The data for this criterion is readily available and considered to be accurate.

<i>20% On-System Lane Miles</i>

This criterion accounts for the road inventory within a district. On-system lane miles provide a more accurate description of the different scales of road networks between districts, leading to a fairer distribution of funding.

This criterion accounts for districts with roads heavily impacted by truck traffic. Trucks have a greater impact on the district road network, i.e., pavement wear/damage. Districts with larger amounts of truck traffic should receive more consideration in the allocation. The workgroup recommended that this higher consideration be weighted at 10 percent.

Example of Category 11 Distribution with Recommended Formula

Based upon the currently available traffic, system, and financial data compiled for each criterion and used by the workgroup as they analyzed various criteria and weighting scenarios, the following table provides a percentage distribution for the Districts under the recommended formula.

Table 2. Example of Percentage Distribution by District Under the Recommended Formula

District Name	Percent Distribution
1 PARIS	3.03%
2 FORT WORTH	6.77%
3 WICHITA FALLS	2.44%
4 AMARILLO	3.12%
5 LUBBOCK	3.28%
6 ODESSA	2.70%
7 SAN ANGELO	2.26%
8 ABILENE	2.69%
9 WACO	3.94%
10 TYLER	3.85%
11 LUFKIN	2.72%
12 HOUSTON	11.41%
13 YOAKUM	3.29%
14 AUSTIN	5.75%
15 SAN ANTONIO	6.74%
16 CORPUS CHRISTI	3.34%
17 BRYAN	3.32%
18 DALLAS	10.10%
19 ATLANTA	3.06%
20 BEAUMONT	3.52%
21 PHARR	3.64%
22 LAREDO	2.16%
23 BROWNWOOD	2.05%
24 EL PASO	3.00%
25 CHILDRESS	1.82%
	100.00%

APPENDICES

A - Workgroup Meeting Attendance

B - Meeting 1 Notes

C - TPP-Provided Projected Category 11 Funding

D - TPP-Provided Allocation Formula Criteria Data

E - Meeting 2 Notes

F - Allocation Criteria Template for Total Sum (no initial minimum allocation)

G - Allocation Criteria Template for Minimum Allocation + Formula with Recommended
Formula

APPENDIX A

Workgroup Meeting Attendance

Organization	Participant	June 17-18	July 18-19
Panhandle Reg Plng Commission	Gary Pitnar		
Deep East Texas COG	Walter Diggles	X	
Bryan - College Station MPO	Michael Parks	X	X
El Paso MPO	Teresa Quezada	X	X
Harlingen - San Benito MPO	Mauro Avilez	X	X
Houston-Galveston Area Council	Alan Clark		X
Texarkana MPO	Dennis Beckham	X	X
Wichita Falls MPO	Hon. Woody Gossom		X
Abilene District	Blair Haynie	X	X
Austin District	Pat Crews-Weight	X	X
Childress District	Craig Clark	X	X
Corpus Christi District	Pat Norrell	X	X
Pharr District	Gustavo Lopez	X	X
San Angelo District	John DeWitt	X	X
Maintenance Division	Richard Kirby	X	X
Design Division	Bob Kovar	X	X
TP&P Programming and Scheduling	Wayne Wells	X	X

APPENDIX B

Meeting 1 Notes

Statements reported in these notes are not direct quotes, but reflect the general idea of the questions or comments made by each individual. Statements are not in exact chronological order as they occurred during the meeting. They have been arranged in order according to the topics that were discussed.

The first meeting of the District Discretionary Work Group was held June 17-18, 2002. Todd Carlson, TTI, moderated the group. Following the introductions, Jim Randall, TxDOT TPP, welcomed everyone. Next, Todd Carlson then reviewed the group's notebook and charge. He also reviewed the ground rules for the meeting.

Expert Presentations

Several people made presentations on various topics pertinent to the work group. Max Proctor, TxDOT TPP, spoke about the UTP revision activity and how this work group fits into that process. (A handout of key elements of his presentation was provided and inserted into Tab 10 of the notebook.)

Pat Crews-Weight, TxDOT AUS, asked if the districts will need to care whether the project will be funded with state or federal funding? Proctor responded that the only thing the district should care about is whether the project will be a federal project, and require meeting federal requirements. The usual priority is to seek to fund a project with federal funding; therefore, most of these type projects will generally conform to federal standards.

Blair Haynie, TxDOT ABL, commented that in the old process, a district was not able to fund all such projects with federal funding, nor for off-system. Proctor responded that the district will have to come up with the best mix, incorporating off-system projects.

Howard Lyons, TxDOT TPP, discussed a broad perspective of project programming, with emphasis on how discretionary projects were funded. He reviewed in greater detail how federal funded projects were handled.

Blair Haynie, TxDOT ABL, asked why FY 2005 allocations are significantly lower? Lyons responded that there were no Category 4E allocations for that year and then accounted for in future fiscal years. Max Proctor, TxDOT TPP, added that there are some restrictions on how these dollars were allocated.

Discussion among group members followed. Blair Haynie, TxDOT ABL, noted this would, in effect, eliminate the "Kirby Rule" in that a district should avoid using discretionary funds on off-systems projects. Proctor observed that off-systems projects should be available, if the local MPO desires such use. Craig Clark, TxDOT CHS, asked if rural mobility projects should not be restricted? Proctor responded affirmatively. Gustavo Lopez, TxDOT PHR, asked if this treatment of overruns is different from the past process? Proctor responded yes, but it may affect some other district's projects.

Workgroup Definition of District Discretionary Projects

There was general understanding and consensus on the definition and concept of District Discretionary funding.

Review of Current Allocation Formula (Old Categories)

Todd Carlson, TTI, reviewed the information provided in Tab 6 of notebook.

In Category 4D, STP Urban Mobility, Blair Haynie, TxDOT ABL, asked about the residual \$17 million in funds from the old categories. Max Proctor, TxDOT TPP, responded it was distributed on a 70/30 formula (70% for VMT, 30% registered vehicles). He further stated that even though restrictions were inherent within each previous sub-category, this will no longer be the case. Districts will need to seek to satisfy their respective needs and let the Design Letting Management handle the distribution. John DeWitt, TxDOT SJT, observed this would free up a lot of money for broader application of funds.

In Category 11, Wayne Wells, TxDOT TPP, explained that the allocation went through several iterations to ensure that all districts received the minimum allocation of \$2.5 million. This also resulted in the larger, metro district receiving more than the base minimum. The process tended to favor the smaller districts, as the smaller districts “took” from the larger districts in order to achieve the minimum allocation.

Teresa Quezada, El Paso MPO, asked what are the other funding requirements that are required but not included in this category? Proctor responded ROW and consultant engineers. None of these funds are intended to be used for ROW.

Max Proctor, TxDOT TPP, made a general observation that the workgroup decision should not be based on what the result is (specific funding amounts). It should be based on what is truly fair and equitable. He added that in the past, the Financial Working Group struggled to juggle and balance the distribution.

Michael Parks, B/CS MPO, noted that lots of local project determinations are driven by local politics, but it’s hard to get truly long range planning 8 to 10 years out. Proctor responded that yes, this new process will require longer range planning and commitments. Furthermore, projects will cost you more if you don’t plan well.

Todd Carlson, TTI, added that the ultimate goal is to arrive at the best selection of criteria and combination of formulas you all can live with. The workgroup may not agree with all of the results 100%.

Workgroup Draft Allocation Criteria and Investigative Weightings

Todd Carlson, TTI, suggested some structure toward deliberations. The group should probably arrive at the principle criteria that are critical and then arrive at the best formula or weighting to apply among the chosen criteria. Carlson noted there are no constraints on how this money is spent, other than the \$2.5 million minimum allocation to each district that cannot be spent on overruns. We should seek simplicity, but still have to arrive at some basis for a fair way to allocate these funds above the minimums.

Montie Wade, TTI, noted that over the years, there has been considerable variance in the amount of money the Commission devoted to discretionary projects. For a few years in

the late 1980s it was in excess of \$400 million, then after some concerns were raised throughout the state this was reduced to \$75 million. Now it has been pegged at \$265 million.

The group initiated the discussion regarding criteria.

Blair Haynie, TxDOT ABL suggested giving a lot of consideration to mobility measures.

Gustavo Lopez, TxDOT PHR, suggested that the group should consider some criteria that reflect the unique needs of the border areas, such as the seasonal jumps in people using the roads (winter Texans, etc.) and the workers that come from Mexico.

Pat Norrell, TxDOT CRP, noted in his district, they tried to ensure that the discretionary money went to some of the smaller communities in the district that otherwise would not get any projects.

Walter Diggles, DETCOG, suggested a need to recognize that no additional FM roads are being established, so greater needs for FM rehabilitation exist.

Craig Clark, TxDOT CHS, stated his hope to use this money for minor rehab projects in small communities.

Pat Crews-Weight, TxDOT AUS, suggested that the group not let itself get tied down in too many criteria and lose out on the very flexibility these categories were designed to address.

Michael Parks, BCS MPO, noted that it is difficult to compete with the large metropolitan districts.

Pat Crews-Weight, TxDOT AUS, what was the real feedback received from the survey that called for a restructuring in allocation? Montie Wade, TTI, stated that feedback suggested the process as too complicated and not real equitable, and with not enough flexibility. There was not a sufficient distribution with the 70/30 mix of VMT/vehicles registered. Teresa Quezada, El Paso MPO, added the group should not make the criteria and formulas more complex and confusing than before.

Gustavo Lopez, TxDOT PHR, observed that the impact of large trucks is not sufficiently addressed in the current formula.

Group discussion regarding the criteria and formulas and the need for the m to be unique to this category followed. Perhaps they should not overlap with the criteria and formulas already under consideration and more applicable to the other categories.

Blair Haynie, TxDOT ABL, stated a need to consider a balance between mobility and rehab type factors. The category needs to consider pavement condition.

Pat Norrell, TxDOT CRP, observed that the group was not talking about a big pie. This Discretionary category is really designed to be a supplemental source of funds and projects to the district. Norrell stated that his concern is are we dealing with fixing something that's broke, or simply trying to make this category simpler? Michael Parks, BCS MPO, added that the group is not really talking about a lot of money in the whole scheme of things. Perhaps one way is to simply take the total money available and divide it by 25 (districts) or even raise the minimum for the smaller districts. Todd Carlson, TTI, responded that might be a good place to start, but we needed to ensure that the result is simple and equitable. Teresa Quezada, El Paso MPO, noted he small amount will not solve a lot of the needs, but it may be a good place to start. Quezada added that way, some of the very small communities might get something every few years rather than

never. Richard Kirby, TxDOT MNT, stated the original purpose of the discretionary progress was to give the District Engineer a little pot of money that did not fit into the usual restricted categories. In the past, they received only about \$1 million per district. Kirby thinks the old way of allocating these limited funds seemed to work well. This new allocation with several other former categories still should be considered for local needs.

General discussion among the workgroup regarding the perception of an urban bias in funding allocations transpired throughout the workshop. Richard Kirby, TxDOT MNT, observed if you look at the amount of money the metro and urban districts get, the money that they would get from this category will not be particularly significant. Robert Kovar, TxDOT DES, suggested this might be the only place to try to address the rural needs. Pat Norrell, TxDOT CRP, asked members to put themselves in one of these rural communities, TxDOT has always had difficulty explaining the process to them and defending why some of their small but critical projects were going unmet. Gustavo Lopez, TxDOT PHR, reiterated the group might need to find some way to help the more rural areas, and find out where the pavement is being more impacted. Montie Wade, TTI, reiterated that the charge is to arrive at a fair and equitable way for districts to use and apply a given allocation of funding. Kirby asked if this new category is primarily a rural program? He noted districts still have to satisfy the requirements for spending the STP money. Districts shouldn't have any problem spending the money where the needs are and tracking how we spend it, as well. The old discretionary category was not an exclusively rural program either. Blair Haynie, TxDOT ABL, noted it seems that the large metro districts have not spent all their discretionary funds. Kirby responded that it's not a blanket condition. Some districts run into various roadblocks with environmental reviews, Corp of Engineers wetlands, other constraints. Teresa Quezada, El Paso MPO, observed that the commission had already acted to resolve some of the difficulties. Many members of the group perceived an urban bias, but no consensus within the group was reached, nor ways to ameliorate it if true.

Blair Haynie, TxDOT ABL, suggested creating a factor that rewards districts for meeting their letting schedules. There was not much support in the group for the concept, as it would bring in factors outside the district's control.

Some discussion of safety occurred during the workshop. Richard Kirby, TxDOT MNT, asked what and how should we address safety in this category? He added safety has been a top priority of the Commission with about 30-40 percent of the funded projects in this area. Teresa Quezada, El Paso MPO, noted safety needs are addressed in other categories.

Criteria to be considered were generated in by brainstorming among group members. Each member was asked three separate times to suggest a variable. Their initial criteria were:

- ATHWLD
- VMT
- Population
- Average Daily Truck Traffic (ADTT)/Percent Trucks/ VMT(Trucks)
- Centerline miles

- Average Daily Traffic (ADT)
- Increased Minimum Allocation
- Safety
- Hurricane Evacuation Routes
- PMIS
- NAFTA Traffic (Border truck traffic)
- Lane miles
- Congestion Factor
- Port of Entry Traffic
- Miles of Substandard Width
- Functional Classification
- Seasonal variation
- Registered vehicles

Discussion of each proposed factor followed:

ATHWLD - The original impetus was to consider the statewide distribution of heavy truckloads in some way. The consensus of the group is that is a project specific factor that would be very difficult to expand to a district or statewide factor. Several members noted it might be better served in the Rehabilitation category. Richard Kirby, TxDOT MNT, suggested it may still be necessary to reflect vehicle weight in some way in this category even if it a relatively small weight. Gustavo Lopez, TxDOT PHR, agreed. The group consensus was to not use this criterion.

VMT - There was quick positive consensus reached on this variable. Teresa Quezada, El Paso MPO, feels that VMT may be more equitable than vehicles registered, including fairness to the border districts. Gustavo Lopez, TxDOT PHR, VMT takes care of population. Lopez also wants to use Off-System VMT. Pat Crews-Weight, TxDOT AUS, stated the formula should use only On-System VMT. Max Proctor, TxDOT TPP, noted that if On-System VMT were used, Houston and other metro districts would still get considerable funds through this category. Total VMT is to be used.

Population - Much discussion within the group occurred when population was considered. Richard Kirby, TxDOT MNT, stated there is no validity in using population as a criteria, it does not in of itself relate to growth, mobility, congestion, etc. Michael Parks, BCS MPO, stated population is in the end a good measure, but VMT is better. Pat Norrell, TxDOT CRP, noted you might have areas with high populations, but low vehicles, or low income, etc. He feels like we would be excluding these potential users by excluding population. Teresa Quezada, El Paso MPO, suggested that if the group ignores pedestrian & bikes, it should possibly consider some manner of minimum allocation. Parks suggested the group start with population for the required metro/TMA areas, and then use VMT to base the distribution for the remainder. The consensus was to still keep it as a possible criterion and run it with proposed formulas to see what it derives.

Average Daily Truck Traffic (ADTT)/Percent Trucks/ VMT(Trucks) - Pat Norrell, TxDOT CRP, noted that it is hurting his district on certain routes. Richard

Kirby, TxDOT MNT, noted the variable does allow for condition of heavily impacted routes. The group consensus was to use VMT(Trucks) as a criterion in the formulas.

Centerline Miles - Michael Parks, BCS MPO, noted his district has lots of roads/centerline miles without much traffic, but they still require some work, maintenance, rehabilitation, etc. This factor would tend to reward districts with lots of centerline miles. Dennis Beckham, Texarkana MPO, did not think it a good factor; it would be addressed as a function of VMT. Gustavo Lopez, TxDOT PHR, did not see this as a strong indicator compared to others. The group consensus was that the criterion might need to be used with other factors and was kept.

Average Daily Traffic (ADT) - Gustavo Lopez, TxDOT PHR, felt that a big portion of the funding would go to the big metropolitan districts through this factor. Consensus was to not use it.

Increased Minimum Allocation - Increasing the minimum allocation to districts above the current \$2.5 million was considered a method to ameliorate the perceived urban bias in funding. Michael Parks, BCS MPO, stated this would be a very simple way to allocate funding to districts. Parks felt it would provide a good opportunity to address true local needs in rural areas, so they don't have to bank it for years. Craig Clark, TxDOT CHS, felt the small rural districts should get a fixed minimum allocation. Teresa Quezada, El Paso MPO, stated a need to look toward building on the minimum of \$2.5 million. Pat Norrell, TxDOT CRP, noted that while it's an even distribution, it takes away from other districts, primarily metro districts. Wayne Wells, TxDOT TPP, observed that it may bring added attention to the existing legislative mandated \$2.5 million minimum, allowing the legislature to raise the min allocation bar even higher. That could create unintentional problems. The consensus was to keep the variable and analyze its effects in the proposed formulas.

Safety - John DeWitt, TxDOT SJT, did not see it as a bona fide factor. Richard Kirby, TxDOT MNT, saw this factor as more for roadside needs, signs, trees, etc. The consensus of the group was to not use this factor.

Hurricane Evacuation Routes – Gustavo Lopez suggested that the border areas lost something in getting consideration for hurricane evacuation routes in the UTP restructuring. Richard Kirby, TxDOT MNT, noted that hurricane evacuation route projects should be covered in Category 1.

PMIS - Dennis Beckham, Texarkana MPO, felt PMIS shouldn't be included as districts that do a poor job maintaining pavements would be rewarded with more money. The factor was rejected by group consensus.

NAFTA Border Traffic - The workgroup agreed that there are several needs as a result of increased border traffic, but the group consensus was to not use district or regional specific variables in the formulas.

Lane Miles - Pat Crews-Weight, TxDOT AUS, suggested that this factor along with population is covered in other categories or other factors such as VMT. Richard Kirby, TxDOT MNT did not think lane miles are appropriate. Gustavo Lopez, TxDOT PHR, suggested the group look at both total off and on-System for both Lane Miles and Centerline Miles. Blair Haynie, TxDOT ABL, requested keeping this factor and running it in the scenarios to see what it gives us. The consensus of the group was to keep this factor as a criterion for formula.

Congestion Factor - Todd Carlson, TTI, noted this is usually considered an urban mobility factor. Pat Crews-Weight, TxDOT AUS, tended to feel it not as useful a factor. Gustavo Lopez, TxDOT PHR, noted that there would always be an element of bias. The variable was rejected by consensus.

Port of Entry Traffic - The factor was rejected by consensus with little discussion.

Miles of Substandard Width - Dennis Beckham, Texarkana MPO, felt this would be a way to address mobility and safety issues. Beckham further noted if we rehabilitate a road to restore its condition we will probably widen it, but we probably wouldn't spend the money just to widen the road alone. John DeWitt, TxDOT SJT agreed, if not addressed in other areas such as Category 1. Michael Parks, BCS MPO, observed if we wanted to introduce a bias toward the rural districts, this might be a way to do it. Craig Clark, TxDOT CHS, agreed it would be, but may not be the right and best way to do it. The variable was rejected by group consensus.

Functional Classification - The consensus was that the variable might be valid, but not as strong as some of the other. It was rejected.

Seasonal Variation - The factor was rejected by consensus with little discussion.

Registered Vehicles - After discussion the group decided the impact of the variable would be reflected in VMT. It was rejected.

The potential allocation criteria reached by consensus for Category 11 formulas are:

- VMT
- VMT (Trucks)
- Lane Miles
- Lane Miles (On-System)
- Centerline Miles
- Centerline Miles (On-System)
- Population
- Increased Minimum Allocation

Allocation Formulas

The workgroup began discussion of creating allocation formulas. It soon became apparent that the workgroup wanted to use "real world" numbers to create scenarios and attach weights to the factors. Examples of the formula process using just one variable were conducted. In the course of these examples centerline miles and lane miles were further clarified to include total and on-system data.

Two issues appear in the course of discussion. Pat Crews-Weight, TxDOT AUS, asked if the group can consider that whatever formulas are proposed, that they are applicable only to the amount above and beyond the \$2.5 million minimum allocation per district (\$62.5 million total)? No consensus was reached, as the group desired real world data.

Second, Max Proctor, TxDOT TPP, proposed a distribution process that would include old Category 4C (new Category 7) funding initially. Since old 4C, 4D, and 4E are STP project funding and must meet federal distribution rules by population, 4C could be included in the initial computation of Category 11 funds. Once allocations are made to the districts, Category 7 money could simply be subtracted out of the allocation and the remaining funds (Category 11) could be distributed according to other factors agreed to by the workgroup. This would allow the workgroup to remove Population, Lane Miles, & Centerline Miles variables from any formulas created and be easier to justify as a recommendation. Teresa Quezada, El Paso MPO, commented that her concern was that such a distribution method would penalize urban areas for being urban areas. Quezada adds that introduction of the 4C funds into the new category 11 would unnecessarily complicate a funding process that is already perceived and criticized for being complicated. The group should just use fairly simple, easily understood criteria such as VMT or VMT(T). The workgroup discussed the option, but did not reach consensus due to lack of clarity. Pat Crews-Weight, TxDOT AUS, believes it is not a fair concept as the districts that do not receive 4C funds were taking advantage of funds not appropriated to them and the districts that received 4C funds were penalized. The group desires to run iterations with and without the Category 7 funds and discuss it at the second meeting.

The consensus of the group was that at the next meeting they be able to see formula iterations "live" or have interim iterations e-mailed to group members as they become available, so they can be studied prior to the next meeting.

Next Meeting Date and Time

The next meeting dates and times scheduled for the work group are Thursday, July 18, 1:00 p.m. to 5:00 p.m. and Friday, July 19, 8:30 a.m. to 12:00 p.m. at the Thompson Center at UT Austin.

APPENDIX E

Meeting 2 Notes

Statements reported in these notes are not direct quotes, but reflect the general idea of the questions or comments made by each individual. Statements are not in exact chronological order as they occurred during the meeting. They have been arranged in order according to the topics that were discussed.

The second meeting of the District Discretionary Work Group was held July 18-19, 2002 at the Thompson Center in Austin, TX.

Todd Carlson, TTI, moderated the group.

The workshop began with the introduction of two new attendees: Alan Clark from HGAC and the Hon. Woody Gossom, Wichita Falls MPO. Carlson then distributed hard copies of three items for the workshop notebook related to funding distribution in the old categories now combined into Category 11.

Primarily for the benefit of new attendees, Carlson, TTI, highlighted the deliberation and actions accomplished at the first workshop and captured in summary fashion in the meeting notes.

Criteria Discussion

Alan Clark, HGAC, raised a question about the numbers used for the vehicle miles traveled (VMT) in the allocation scenario template provided to the group. He was concerned that the VMT numbers for the Houston district seemed to reflect only the on-system numbers. Richard Kirby, TxDOT MNT, maintains that only on-system VMT should be used as a criterion. Blair Haynie, TxDOT ABL, also stated that the on-system numbers should be used because for the most part VMT numbers for off-system are not systematically collected nor considered accurate or valid. Pat Norrell, TxDOT CRP, stated that he feels the inclusion of on-system VMT is more appropriate to the roadways that will be eligible for most or all the funding to be allocated. Craig Clark, TxDOT CHS, added that VMT is one of the best measures to be used. Clark noted that for this funding, his impression is that rural is only about one-third, and he feels that most or all of it is used on-system.

Alan Clark, HGAC, made the case that the VMT for all roads/ highways eligible for funds through the UTP should be included in the VMT data. Otherwise, Clark feels that to exclude some of the off-system VMT will introduce a clear "anti-urban bias." Bob Kovar, TxDOT DSN, stated that certain portions of the allocation, STP funding, has an urban element and a rural element. The metropolitan areas were getting their funding through another category source.

Alan Clark, HGAC, stated that Houston has had about 23 percent of the state's population and 20 percent of the state's VMT, but has over past years received only about 13 percent of the total state highway funding allocated. Teresa Quezada, El Paso MPO, reviewed some of the struggle at the last meeting to arrive at the most equitable measures and weighting of the measures. Quezada added that there also was concern about using data that is readily available as well as that data which is available statewide and not

unique or burdensome to collect. Richard Kirby, TxDOT MNT, reminded group that they are seeking to establish a true discretionary category, not tied to the constraints of the STIP in the past.

Alan Clark, HGAC, suggested that the Houston district should still be getting almost twice the funding it has received and that projects in the district are terribly expensive. Richard Kirby, TxDOT MNT, noted that even if the Houston district received more Category 11 money, it is still very likely that the money will be spent on on-system projects. Clark said he recognizes that this category should not put a district engineer into an urban-rural conflict: one versus the other. Pat Crews-Weight, TxDOT AUS, reminded the group of some of the assumptions that were considered and factored into the measures chosen at the last meeting and the various weightings put forth into the comparative allocation scenarios. Clark still maintained that the total VMT and total population are where the true needs are. Kirby suggested that the on-system VMT reflects the real need. Blair Haynie, TxDOT ABL, noted that in Abilene, they could spend discretionary funds only on the state system.

Further discussion ensued regarding on-system VMT. Pat Norrell, TxDOT CRP, feels that on-system VMT will be the fairest approach. Alan Clark, HGAC, reiterated that to ignore the off-system needs is not realistic since the off-system directly impacts on-system use. Norrell feels that on-system VMT reflects the representative needs of the district. Blair Haynie, TxDOT ABL, feels that the off-system needs have previously been met with old Category 4C money. Clark stated that that funding does not make up all the difference and his bottom line concern is that by excluding the off-system counts this process will not have been improved.

Gus Lopez, TxDOT PHR, stated that the important thing is to use a measure consistently. Lopez mentioned that the off-system roads, particularly in outlying rural counties, are not getting their due and there is going to be strong push for counties to get a motor fuel tax. Richard Kirby, TxDOT MNT, stated that the off-system counts should not be included if the roads are not eligible or have not been funded through such funding in the past.

The workgroup discussed whether toll road numbers (VMT) should be used. Alan Clark, HGAC, noted that toll roads are another form of taxation to build, maintain, and operate a major transportation facility, considered vital to an area. Pat Crews-Weight, TxDOT AUS, asked if money from non-toll roads could be used on toll road, should money from toll roads be used on non-toll roads? No consensus was reached on the subject, but the general group impression was not to use them.

Teresa Quezada, El Paso MPO, reiterated that some of the concerns argued had been discussed and resolved at the earlier meeting. The intention of the workgroup is not to tie the hands of any given district engineer, the group just wants to arrive at an equitable way to distribute the limited money. Quezada noted that this money should be addressed to the greater scope of roadways eligible.

In the course of the workshop, the group also discussed consideration of VMT for Trucks in order to show the impact of trucks on the roadway. Richard Kirby, TxDOT MNT, feels that the truck aspect should be addressed in operational type categories such as Category 1 (Preventive Maintenance and Rehabilitation).

Todd Carlson, TTI, noted that truck impact is also regional, even geological. Alan Clark, HGAC, said if we go to factors showing trucks, then we should even

consider rainfall. Blair Haynie, TxDOT ABL, stated he checked with their district HPMS person and he said the data is collected on only a third of the system with primarily geometric data, not VMT. The HPMS person also added that where possible, we should use on-system data because it is more reliable, current, and representative to the roads most eligible. Richard Kirby, TxDOT MNT, stated he continues to support use of on-system data. Michael Parks, BCS MPO, responded that the data used, regardless whether on or off-system, must be reliable and readily collectible.

Max Proctor, TxDOT TPP, joined the discussion to try to clarify the way this category's funding can be used. Proctor noted that population is used by the federal government to initially distribute the funds to the state. Alan Clark, HGAC, asked if he understands that funds for this new Category 11 were addressed by four categories in the past. Proctor stated what they were and the approximate levels of funding. Clark suggested that the criteria and weightings in the new allocation approximate what was used in the recent past.

Max Proctor, TxDOT TPP, asked for a chance to briefly review how this category has evolved and the funding elements involved. The previous allocation formula was created in an environment of significant concern about Metro districts getting too much money. Fifty percent of STP funding is required to be spent in TMAs. Proctor outlined the funding involved.

STP M – 4C	\$200 million
<i>(This is now new Category 7)</i>	
STP U – 4D	\$120 million
STP R – 4E	40 million
11	85 million
3E	15 million
 Total	 \$460 million

Plus the \$2.5 million minimum allocation mandated by the State Legislature.

Max Proctor, TxDOT TPP, stated that the challenge before the workgroup is how to equitably distribute this total of \$460 million. Proctor said that one suggestion is to use population, but that does not seem to relate to level of use of the major roadways or is a representative measure of true need. Proctor added that the committee has to deal with population, because the federals use it for their initial distribution. To use any other approach to equitable distribution has to be adequately justified by the workgroup. He further proposed that you take the total funding amount into consideration. You can then use straight needs criteria.

Alan Clark, HGAC, stated that the metropolitan area's needs are so great that population has to be reflected in the ultimate formula. Max Proctor, TxDOT TPP, added that the border areas would benefit more from population as a measure than VMT. Proctor noted that traditional VMT is relatively lower than other areas. He added that your challenge is whether you address the distribution issue of STP Category M, old Category 4C, directly or indirectly.

Discussion ensued regarding using population as a factor.

Max Proctor, TxDOT TPP, reminded the group that the real goal is not how much money your area gets in the end, but rather to seek to choose the best and right factors, ones that can be clearly explained and defended.

Discussion regarding the criteria began. Gus Lopez, TxDOT PHR, asked in analyzing an area's VMT and the proportion of trucks, why an area like Laredo is not showing a higher truck percentage?

Alan Clark, HGAC, stated the group might need to choose the stronger indicators rather than too many of the lesser, more specialized factors such as truck percentage, so the workgroup should concentrate on the truly larger factors.

Wayne Wells, TxDOT TPP, mentioned that whatever mix of factors and weights are chosen, the \$2.5 million minimum for each district has to be satisfied. The group began discussion about the intent of the minimum allocation and the approach needed to address the legislative mandate in the new allocation formula.

Jennifer Bierman, TxDOT TPP, is an HPMS Specialist and was asked by Wayne Wells, TxDOT TPP, to discuss for the group what data is collected and how reliable it is. Bierman noted that the Traffic Data Section of TxDOT supplies most or all of the data it collects for the HPMS database. Blair Haynie, TxDOT ABL, asked how much data is in HPMS for trucks? Bierman responded that truck data is available only on sections sampled. Haynie asked about data for cul-de-sacs. Bierman responded it could be in the collection if it is on a designated major or minor collector, but it would be a very limited portion. According to Bierman, HPMS includes data on all roads including those on all functional classified roads and county roads. Bierman noted the HPMS data is finalized and available for each district annually.

Allocation Scenarios

Blair Haynie, TxDOT ABL, noted that the group has been pursuing various issues at a theoretical level. Haynie thinks we need to focus on some specifics and run them through the scenarios table to see what they really generate. Discussion within the group followed regarding the spreadsheets to be used. It was agreed that fiscal year 2006 would be used as a baseline for all scenarios.

Todd Carlson, TTI, suggested putting some trial percentages into the tables and see what that gets us. Carlson received a weighting from group members and then ran the numbers using the \$260 million figure as the base total, excluding the old 4C level of \$200 million. After running some trial scenarios, Carlson suggests the group can then put the measures in some priority order and in a weighting mix that seems best for equity and fairness.

After the initial scenarios, debate arose as to how to handle the \$2.5 million per district minimum allocation, whether to run the scenarios with the total \$260 million or take the \$62.5 million minimum allocation off the top and then run the distribution on the remainder. Alan Clark, HGAC, asked whether TxDOT has run the distribution in the past with the \$62.5 million given up front and then run the 70/30 weights only on the remainder? Wayne Wells, TxDOT TPP, responded not in the past.

Craig Clark, TxDOT CHS, noted the discussion as to whether to take the \$62.5 million off the top of the \$260 million total, and then running the weighting for the

remaining distribution. Richard Kirby, TxDOT MNT, noted that he had a change of thinking and can now see the logic of doing this. Clark mentioned that he put some numbers on the board to show what the effect would be if the \$62.5 million is taken from the \$85 million in the old Category 11 amount. The resulting amount for potential weighted distribution is \$197.5 million. Clark further explained that the \$120 million (old 4D) is primarily an Urban Mobility fund and the \$15 million is from the NHS (Rural Mobility). Clark suggested this would allow for a more defensible and equitable methodology.

Todd Carlson, TTI, asked if there was consensus within the group about taking the minimum allocation of \$62.5 million off the top and then allocating the remaining by formula. All members supported the concept, except Alan Clark, HGAC, who withheld his support until he sees the formula results.

Group members asked that several more scenarios be run through the data. The focus was to see if the minimum allocation were met for Childress district, traditionally one that requires the minimum allocation as it would not acquire it through a formula. Childress received the minimum allocation in all but one of the scenarios.

The second day of the workshop focused on running scenarios with the spreadsheet and comparing the results of each with the group's considerations of fairness, equity, and addressing needs.

Dennis Beckham, Texarkana MPO, asked if there was any consensus to run an iteration with population. Several members responded that there was already a strong sense that population was not as good a criterion as VMT. Michael Parks, BCS MPO, mentioned that, to the general public, population is more logical. Parks added that it should not be the only criteria used by the group.

The group began constructing allocation weightings scenarios. Wayne Wells, TxDOT TPP, began tabulating the weightings on the board as the group went along. Todd Carlson, TTI, entered the suggested weights for criteria into the spreadsheet with the results projected on a screen.

(A summary of the criteria weightings for each scenario is provided in Attachment 1. Please refer to it for individual scenario weightings. Comments or issues regarding the scenarios are provided below.)

The assumptions for the initial scenarios were On-System VMT and the \$2.5 million minimum allocation per district deducted off the top.

DD-1 (Craig Clark, TxDOT CHS)

DD-2

DD-3

Alan Clark, HGAC, restated his interest to run an iteration with population.

DD-4 (Alan Clark, HGAC)

Blair Haynie, TxDOT ABL, mentions that many of the middle-size districts show reductions from the base FY 2006 allocation level.

Gustavo Lopez asked if we have VMT for off-System. He then suggested the next iteration with VMT including off-system data.

DD-5 (Gustavo Lopez, TxDOT PHR)

DD-6 (Blair Haynie, TxDOT ABL)

DD-7 (Alan Clark, HGAC)

Bob Kovar, TxDOT DSN, requested scenario DD-8. The purpose was to run the numbers that included the STP funding in old Category 4C. Each district would receive the minimum allocation and the rest allocated by the formula. The 4C funds would then be subtracted out of the total allocation for Category 11. El Paso district came in low at \$469,000.

DD-9 (John DeWitt, TxDOT SJT)

DD-10 (John DeWitt, TxDOT SJT)

DD-11 (Richard Kirby, TxDOT MNT)

Alan Clark observed that the metropolitan areas get less with most of the iterations, which may not be really equitable in view of their needs.

DD-12 (Dennis Beckham, Texarkana MPO)

Beckham observed that it appeared that using centerline miles and lane miles did not seem to make any difference.

Teresa Quezada, El Paso MPO, made the case to exclude the old Metro 4C funds from the formula. Bob Kovar, TxDOT DSN, said this was a possible option for the group.

Gus Lopez, TxDOT PHR, suggested that the group look at what brings some convergence among the members rather than those factors and weight mixes that move away from consensus. After discussion, the group arrived at the consensus about the variables that should be the major factors used.

- VMT (On-System)
- Centerline Miles
- VMT (Trucks)
- Lane Miles

Pat Crews-Weight, TxDOT AUS, suggested running a pair of scenarios dealing with equal weights among VMT, Lane Miles/ Centerline Miles, and VMT(T)

DD-13 (Pat Crews-Weight, TxDOT AUS)

DD-14 (Pat Crews-Weight, TxDOT AUS)

DD-15 (Gus Lopez, TxDOT PHR)

Teresa Quezada, El Paso MPO, noted that the goal should be to arrive at the best possible measure. Thus, Quezada feels that DD-13 and DD-14 seem to be the ones that should be culled out.

Pat Crews-Weight, TxDOT AUS, observed that VMT (Trucks) seems to bias the overall result too much.

DD-16 (Dennis Beckham, Texarkana MPO)

DD-17 (Wayne Wells, TxDOT TPP)

Mauro Avilez, Harlingen MPO, suggested dropping DD-6, DD-7, and DD-8 because they are primarily VMT based.

Group discussion followed about whether to go with centerline or lane miles. Seemed to more interest to just use centerline miles. No consensus reached for the moment.

Teresa Quezada, El Paso MPO, suggests dropping DD-15 and DD-17. Dennis Beckham, Texarkana MPO, said they needed to choose on centerline or lane miles. Group agreement was reached to cull DD-15 and DD-17. Further consensus was reached to drop DD-4 with the population factor.

Teresa Quezada, El Paso MPO, stated that it is just a matter of choosing the right mix of VMT and VMT (Trucks). Discussion followed about how much to weigh truck VMT. Alan Clark, HGAC, stated that truck data was problematic in Houston, particularly for air quality impact issues. Quezada suggested dropping the truck factor since it may be harder to justify, if it doesn't make that much difference in the overall formula. Richard Kirby, TxDOT MNT, notes that VMT already includes trucks. Clark observed that VMT touches upon use and mileage (centerline or lane) reflects system, then we need to see how to address trucks.

DD-18 (Alan Clark, HGAC)

Pat Crews-Weight, TxDOT AUS, suggests choosing lane miles. The workgroup agreed. Lane miles will be used in the formula. All iterations with centerline miles are dropped (DD-3, DD-9).

At this point in the workshop, five iterations were still under consideration: DD-10, DD-11, DD-12, DD-16, and DD-18. Further discussion and analysis by group members led to DD-10 and DD-16 being dropped from consideration.

Teresa Quezada, El Paso MPO, noted that use and inventory are what is important.

The group assented to the concept.

Discussion in the group focused on the remaining three scenarios. A straw poll by members was taken. The results are:

DD-11: 2

DD-12: 8

DD-18: 2

Teresa Quezada stated she had a problem with DD-11, since inventory (lane miles) is getting only 10% weighting. Michael Parks, BCS MPO observed that now it seems we ought to choose what can be supported and defended, such as a valid recognition to system concern. Pat Norrell, TxDOT CRP, suggested there should be more than a token treatment of system preservation.

Another vote was taken by the group as to which of the three remaining scenarios should be dropped. The result was:

DD-11: 11
DD-12: 2
DD-18: 4

By consensus, scenario DD-11 was dropped for consideration.

Further group discussion occurred over the remaining two allocation scenarios. Richard Kirby, TxDOT MNY, leans toward DD-12, because it weights inventory higher than truck VMT.

A vote was taken by group members to determine the allocation scenario to use as the formula for Category 11. The final tally was:

DD-12: 10
DD-18: 4

DD-12

\$2,500,000 to each district

The rest allocated by,

*70% VMT, On-System
20% Lane Miles, On-System
10% Annual VMT (Trucks)*

Todd Carlson, TTI, informed the group that the remaining task is to create a recommendation report for the Commission due in November. TTI will handle that, but all members will review, comment, and add to it before it is submitted to TxDOT and the Commission. Carlson or Wayne Wells, TxDOT TPP can follow up any other concerns, questions, or issues of group members.

No further meetings of the workgroup were scheduled.

ATTACHMENTS

1 - Scenario Weighting Summary

ATTACHMENT 1

Scenario Weighting Summary

	Population	% Urban	% Rural	On-System VMT	On-Off VMT	On-System Lane Miles	Total Lane Miles	On-System Centerline Miles	Total Centerline Miles	Daily Truck VMT	Annual Truck VMT
DD-1				80				20			
DD-2				70				10			20
DD-3				70				20			10
DD-4		70	30								
DD-5					70				10		20
DD-6				50							50
DD-7				100							
DD-8					100						
DD-9				60				30			10
DD-10				60		30					10
DD-11				70		10					20
DD-12				70		20					10
DD-13				34		33					33
DD-14				34				33			33
DD-15				70		8		8			15
DD-16				80		20					
DD-17				65		20		5			10
DD-18				70		15					15