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WELFARE REFORM

Implementing DOT's Access to Jobs Program in Its First Year

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Resources, Community, and
Economic Development Division

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The Honorable Phil Gramm
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable Bud Shuster
Chairman
The Honorable James L. Oberstar
Ranking Democratic Member
Committee on Transportation and Infrastructure
House of Representatives

To transition welfare recipients to employment, it is important to provide them with transportation to the workplace. Three-fourths of welfare recipients live in central cities or rural areas, while two-thirds of the new jobs are located in the suburbs. Many of these new jobs are in areas with limited or no public transportation systems and are accessible primarily by car.[1] However, many welfare recipients do not have cars. To address this mismatch, the Transportation Equity Act for the 21st Century (TEA-21) authorized the Access to Jobs and Reverse Commute (Job Access) program. The program authorizes the Department of Transportation (DOT) to provide grants to local agencies, nonprofit organizations, and transit authorities, among others, to improve transportation to employment. Within DOT, the Federal Transit Administration (FTA) is responsible for implementing the program. TEA-21 authorized up to $750 million for fiscal years 1999 through 2003 to implement the program.

TEA-21 requires us to review the Job Access program every 6 months. This report describes (1) DOT's implementation of the Job Access program, particularly its approach for selecting awards in fiscal year 1999; (2) the fiscal year 1999 grantees and their planned approaches for providing transportation services to low-income workers; and (3) the changes DOT is making to the program in response to our prior recommendations, including the establishment of specific objectives, performance criteria, and measurable goals for evaluating the program's success.

[1]The need for transportation services to move people from welfare to work is discussed in Welfare Reform: Transportation's Role in Moving From Welfare to Work (GAO/RCED-98-161, May 29, 1998).

Results in Brief

As required by the Transportation Equity Act for the 21st Century, DOT established and implemented a process for competitively selecting Job Access grantees. DOT selected 179 grantees from 266 applications and awarded almost $71 million of the $75 million provided for the Job Access program for fiscal year 1999. However, DOT did not select grantees consistently, and the basis for those selections was not always clear. Reviewers did not uniformly apply the criteria for ranking and selecting the applications because applications were not standardized, making them difficult to review. In addition, the guidance to DOT reviewers was not sufficiently specific, leading to varying interpretations of how to apply DOT's criteria for ranking and selecting the applications. DOT officials said that this was a new program and that they designed the process to select applicants based on legislatively established criteria. However, they agreed on the need to improve the process for ranking and selecting applications. In this regard, they plan to develop a standard application format and to revise the process for ranking and selecting applications for fiscal year 2000.

About 67 percent of the grantees in the first year of the Job Access program were traditional transportation organizations, such as metropolitan transit agencies. According to a DOT official, some nontraditional organizations were involved in designing the selected projects and are involved in their implementation. DOT officials awarded selection points to applicants who demonstrated that, in designing a project, they included nontraditional organizations, such as human service agencies, employers, and metropolitan planning agencies. Most grantees plan to rely primarily on expanding or providing links to existing transit to meet the identified needs in their areas. Many grantees also plan to provide other transportation assistance, such as informing welfare recipients about how to use existing transportation systems.

DOT concurred with the three recommendations that we made in May 1998.[2] It has implemented two of them and is still determining how to address the third. First, we recommended that DOT coordinate with other federal agencies in implementing welfare-to-work programs. In response, DOT has coordinated with other federal agencies, as called for in TEA-21, by establishing and participating in interagency councils and working groups and by issuing guidelines jointly with other agencies. Second, we recommended that in its welfare-to-work initiatives, DOT require collaboration among local organizations. DOT ranked the grant applicants for fiscal year 1999, in part, on the basis of this level of coordination with

[2]See GAO/RCED-98-161.

local agencies that serve various communities. Third, we recommended that DOT establish specific objectives, performance criteria, and measurable goals for evaluating the program. DOT is still determining how to evaluate the Job Access program. It has not yet developed a complete set of specific objectives, performance criteria, and measurable goals for evaluating the program.

Background

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 dramatically altered the nation's system for providing assistance to the poor. Among the many changes, the act replaced the existing entitlement program for poor families (Aid to Families With Dependent Children) with fixed block grants to the states to provide Temporary Assistance for Needy Families (TANF). TANF imposes work requirements on adults and establishes time limits on the receipt of federal assistance. However, for welfare recipients trying to move from welfare to work, a lack of transportation to the places of employment can pose significant barriers. Existing public transportation systems cannot always transport low-income people from their homes to the entry-level jobs they would likely fill. Many of these jobs are located in suburbs beyond the reach of public transportation, or they require shift work in the evenings or on weekends when public transportation is unavailable or limited.

To help address this lack of transportation, TEA-21[3] established the Job Access program. In implementing the program, DOT provides grants to local agencies, nonprofit organizations, and transit authorities, among others, to improve mobility for low-income individuals seeking employment. TEA-21 authorized up to $150 million each year through fiscal year 2003 for the Job Access program. The Department of Transportation and Related Agencies Appropriations Acts for fiscal years 1999 and 2000 each provided $75 million for the program.[4] TEA-21 also required DOT to allocate 60 percent of the program's funds each year to projects in urban areas with populations of at least 200,000; 20 percent of the program's funds to projects in urban areas with populations of less than 200,000; and 20 percent of the program's funds to projects in areas other than urban ones ("nonurban areas").[5]

[3]P.L. 105-178.

[4]The Conference Report accompanying the fiscal year 2000 appropriation specifically provided for approximately $50 million in funding to individual projects.

[5]Areas other than urban ones are those with populations of less than 50,000. These areas include small towns and rural areas.

TEA-21 required the Secretary of Transportation to solicit grant applications nationwide and to select grant recipients competitively. The Secretary must consider several factors when reviewing and selecting grant applications. To select grants for fiscal year 1999, DOT synthesized these factors into four criteria that applicants had to address. In examining the applications, DOT reviewers could assign up to 110 points, and each criterion was weighted by its relative importance. The criteria were (1) the degree of local coordination when a project was being designed, 25 points; (2) an area's need for services, 30 points; (3) a project's effectiveness in providing job access services, 35 points; and (4) the sustainability of a project's financing—defined as the ability to obtain funding after the termination of Job Access funding—10 points. DOT could award up to 10 bonus points for innovative approaches (such as the use of geographic information systems to identify available transportation), links to employment support services, and employer-based strategies (such as employer-run shuttles). According to its program guidance, DOT also considered other factors, including the schedule for implementing a project, the extent to which the Job Access program's funds remained available for awarding to lower-ranked applications after the highest-ranked applications were selected, and the geographic distribution of grants throughout the country.

DOT's Process for Ranking and Selecting Applications

As required by TEA-21, DOT established and implemented a process to competitively select grantees for the Job Access program. DOT selected 179 grantees from 266 applications and awarded almost $71 million of the $75 million provided for fiscal year 1999. However, the process was not always consistent, and the basis for those selections was not always clear.

According to DOT officials, in establishing a process to review Job Access applications, DOT provided grant reviewers with a guide that contained a number of factors to be considered when scoring each of the four selection criteria. They said that when FTA's regional offices conducted the initial reviews, individual reviewers assigned a numerical score to each project that was based on the weighted score for each criterion. According to DOT officials, the leaders of headquarters teams then converted the scores of multiple reviewers into a high, medium, or low rating for each criterion, and the headquarters review teams performed additional reviews. Then, the leaders of the headquarters teams made recommendations to the FTA Administrator to fund or not to fund projects.[6]

[6]These recommendations were contained in project summaries that also included written justifications and any stipulated corrective actions that were required for funding to proceed.

Specifically, projects ranked "4" or "5" were highly recommended for funding with few or no stipulated corrective actions needed, projects ranked "3" were deemed marginal but eligible for funding, and those ranked "1" or "2" were not recommended for funding because of major deficiencies or because they were not responsive to the grant requirements. The FTA Administrator selected for funding all the projects that the FTA staff ranked "4" or "5," 7 of the 30 projects ranked "3," and none of those ranked "1" or "2."

While this process was used, the proposals were not selected in a consistent fashion, and the basis for some selections was unclear. This inconsistency occurred because the information supplied by applicants varied in detail and quality and the guidance to DOT's reviewers on how to review and rank the applications was not specific enough to ensure consistent results. Although DOT officials attempted to minimize the variations among application reviews, they stated that the ranking and selection process needed to be improved. On the basis of their experience from the first year of the program, the officials plan to standardize the application format to ensure that applicants provide more consistent data in their grant applications. Also, DOT plans to revise the process for ranking and selecting applications to ensure more consistent results when grants are awarded for fiscal year 2000.

According to DOT officials, the grant applications for fiscal year 1999 varied greatly in length and format, making the reviews very time-consuming. According to these officials, while most of the applications addressed the criteria that DOT used to review them, some were formatted in a manner that made them difficult to review. For example, one applicant provided extensive information about the decline of the industrial base in the state, which, in the view of DOT officials, was not necessary to document a need for job access services. Nevertheless, the reviewers had to examine and synthesize the voluminous documentation. Other applicants did not provide such extensive information about changes in the economies of their states. Another difficulty, according to these officials, was that the guidance given to reviewers was not detailed enough to ensure consistent scoring. Thus, there were some wide variations in the review results. For example, some reviewers scored one application as being of "medium" quality in meeting one criterion and "low" in three other criteria, while other reviewers scored the same application as "medium" in one criterion and "high" for the others.

DOT officials said they designed the award process to select applicants based on the criteria established in TEA-21. DOT officials said that they converted the initial numerical scores to the qualitative scores to minimize the variation in the scores for individual applications. They explained that some initial reviewers had scored applications more conservatively than others had and that converting the initial numerical scores to qualitative scores was an attempt to equalize the reviews performed by different staff. However, this effort was not entirely successful, and DOT officials could not demonstrate how numerical scores were directly and consistently converted to the qualitative scores. For example, a score of 24 out of 35 was considered "high" or "medium" in one case, while a score of 17 was considered "high" or "medium" in another case.

DOT officials also could not consistently demonstrate how applications' overall rankings (1 through 5) were determined from the qualitative scores for each of the criteria. For example, an application from a city that DOT classified as medium-sized with qualitative scores of medium in all categories received a low overall ranking. However, another application in the medium-sized group had the same qualitative scores but was given a higher overall ranking. Similar inconsistencies existed in the scores and selections of applications for urban and nonurban areas.

After DOT had selected the applications with the highest overall rankings, program officials decided to use some of the remaining fiscal year 1999 funds for other lower-ranked applications. Staff reviewers recommended that DOT fund some of these lower-ranked applications because they considered those applications to represent viable projects. However, DOT management officials did not always select those applications recommended by the staff reviewers. Moreover, in some cases, DOT management officials selected other applications with lower qualitative scores. For example, two applications from medium-sized cities received the same overall ranking, but DOT funded the applicant with lower qualitative scores. According to FTA's deputy administrator, DOT decided to fund some applications with lower rankings to serve Native American tribal communities and to provide greater geographic balance in awarding grants.

DOT officials told us that this is a new program and that the ranking and selection process needs to be improved. For fiscal year 2000, they plan to make several changes to the process, including (1) standardizing the application format to ensure that applicants provide all the required information, thus helping to eliminate the submission of unneeded

information and helping to speed DOT's reviews, and (2) developing a uniform application review process to promote greater consistency in the selections. DOT will also eliminate the awarding of bonus points. Instead, when ranking and selecting applications for fiscal year 2000, DOT will consider innovative approaches to providing services, along with the geographic dispersion of the grantees, as an additional factor.

Job Access Program Funded Traditional Transportation Agencies and Approaches

The grantees for the Job Access program's first year were primarily traditional transportation agencies—for example, the Washington (D.C.) Metropolitan Area Transit Authority and the Chicago Transit Authority. A DOT official said he was not surprised at the predominance of these entities because, in his view, meeting the requirements generally applicable to federal transit grantees is difficult for nontraditional organizations. The grantees plan to use and expand their traditional and existing transit services to transport welfare recipients and the working poor to places of employment.

Job Access Grantees Are Typically Traditional Transportation Agencies, but Other Agencies Are Also Involved

Existing transportation organizations submitted 170 of the 266 applications for Job Access grants in fiscal year 1999. Transit organizations also accounted for 122 of the 181 grant awards that DOT made for fiscal year 1999.[7] Thirteen grantees were smaller community organizations, such as the African American Leadership Partnership in Chicago and the East Bay Asian Local Development Corporation in the Oakland area. The balance of the grantees included various government entities, such as the Chicago Housing Authority and DuPage County, Illinois.[8]

A DOT official said that he was not surprised that the Department had received so many applications from traditional transit organizations. The nontraditional organizations are often included in consolidated applications. DOT encouraged consolidated applications and awarded points based on the extent to which applicants utilized existing transportation service providers. According to a DOT program official, relying primarily on traditional transit organizations to provide job access services may help prevent difficulties that nontraditional entities would face in meeting the requirements associated with federal transit grants.

[7]The total of 181 grantees referred to here is greater than the total of 179 grantees that initially received awards because DOT broke some of the applications into separate grants when it made the final awards.

[8]See app. I, table I.1 for specific information on the types of grantees.

According to some grantees, these requirements are complex, time-consuming, and costly to meet, especially if a grantee does not have the structure to meet those requirements. Specifically, some grantees said it would be difficult to satisfy the requirements involving participation by disadvantaged business enterprises,[9] labor protection arrangements, and drug testing. For example, one grantee plans to use taxicabs to transport an apartment complex's residents to work during late-hour shifts when other transportation options are not available. Grantee officials said that they believe it will be difficult to contract with a taxi company that will pay for drug and alcohol testing for all of its drivers, while getting only a relatively small increase in business from the grantee.

According to a DOT program official, although most grantees are traditional transit agencies, nontraditional organizations were involved in designing the grantees' projects and are involved in their implementation. Specifically, DOT awarded selection points to applicants that demonstrated that in designing a project, they had included various transportation providers and others, such as human service agencies, employers, metropolitan planning organizations, states, communities, and individuals. In addition, some traditional agencies that are grantees will fund the efforts of nontraditional organizations that provide service directly to beneficiaries. For example, one urban transit agency will ultimately distribute funds to seven projects in its area, including one planned by a local community organization and another planned by the local public housing authority.

Grantees Plan to Rely on a Variety of Traditional Types of Transit

The grantees plan to use a variety of traditional approaches to meet the transportation needs of low-income workers.[10] The most prevalent approach to providing transportation, planned by over 50 percent of the grantees, relies to some extent on existing transit services, such as buses or trains. Many of these grantees plan to expand existing transit service by extending the hours of service on an existing route or increasing the locations reached by existing transit lines. For example, one grantee plans to double the frequency of fixed-route service through a low-income section of town.

[9]Under DOT's disadvantaged business enterprise program, certain grantees are required to establish programs with goals for participation by small business concerns owned and controlled by socially and economically disadvantaged individuals.

[10]See app. I, table I.2 for information on the specific types of transportation that grantees plan to provide.

Grantees also plan to provide a variety of nontraditional transportation and other services. Grantees plan to use vans, shuttles, and demand-responsive methods[11] to transport people to and from their jobs or to and from their homes to existing transit lines. Although some grantees plan to provide transportation only to and from work, many grantees plan to provide other services—for example, providing guaranteed rides home to help program beneficiaries meet emergency child care responsibilities. One grantee is planning to provide transportation vouchers to the program's beneficiaries that can be used for these responsibilities. In addition to transporting program beneficiaries, 57 grantees plan to provide some sort of transportation information to them. For example, one grantee plans to develop a Traveler Information System that will inform beneficiaries about how to access fixed route and shuttle services. Other examples are grantees' employing a transportation coordinator or promoting expanded transportation services.

DOT Has Taken Actions in Response to Our Prior Recommendations on the Job Access Program

In May 1998, we made three recommendations to the Secretary of Transportation about the implementation of the Job Access program. First, we recommended that the Secretary coordinate DOT's welfare-to-work activities with those of other federal agencies, as called for in TEA-21. Second, we recommended that the Secretary require grant recipients to coordinate their transportation strategies with local job placement and other social service agencies. TEA-21 requires that, in awarding grants, DOT consider the extent to which an applicant demonstrates that it has consulted with the community to be served. Because grantees can use other federal funds to match the Job Access grants, sustained coordination among DOT, other federal agencies, and local agencies is important in ensuring the effective use of welfare-to-work funds. Third, we recommended that the Secretary establish specific objectives, performance criteria, and measurable goals for the Job Access program.[12] Implementing this recommendation is important for DOT to ascertain the extent to which the program assists welfare recipients and to avoid duplicating other federal and state welfare programs. Moreover, TEA-21 required DOT to evaluate the program and report to the Congress by June 2000.

[11]Demand-responsive methods transport passengers, via cars, vans, or buses, in a flexible fashion, when passengers call to be taken to their destinations. They do not operate over a fixed route or on a fixed time schedule.

[12]GAO/RCED-98-161.

DOT agreed with our first recommendation that the Secretary of Transportation coordinate DOT's welfare-to-work activities with those of other federal agencies. At DOT's invitation, executive-level representatives of the departments of Labor and of Health and Human Services have met with DOT representatives in a "policy council" to discuss the implementation of the Job Access program. DOT also formed interagency working groups to ensure that the Job Access program complements other federal programs. Moreover, in May 1998, before the Job Access program was authorized, and again in December 1998, the Secretaries of those departments issued joint guidance to states and localities, describing how the departments' programs could be used together to implement transportation strategies under welfare reform.[13] These measures are intended to help the Job Access program avoid duplicating other transportation programs, among other things.

DOT also agreed with our second recommendation that it require Job Access grantees to coordinate their transportation strategies with local job placement and other social service agencies. Among the steps it took in response, DOT required the Job Access grant applicants to submit projects that were based on regional planning processes that included representatives from both transit and social service providers, such as local job placement agencies. DOT assessed those grant applications based on the extent of this local coordination.

As for our third recommendation, DOT officials recognized the need for a plan that has specific objectives, performance criteria, and measurable goals to evaluate the program's success. However, DOT has not yet designed and implemented the plan. In the interim, DOT has adopted a goal of increasing the number of new employment sites that the Job Access program will make accessible. In addition, DOT notified grantees that it expects them to monitor the performance of their projects and to report such information as (1) the number of transportation services a Job Access project added, (2) how a project improved the accessibility of jobs and support services in a target area, and (3) the number of people using a project's expanded services. However, DOT has not yet established goals or benchmarks against which these collected data can be compared.

[13]See Transportation Coordination: Benefits and Barriers Exist and Planning Efforts Progress Slowly (GAO/RCED-00-1, Oct. 22, 1999). In 1986, the Secretaries of Health and Human Services and Transportation established a Coordinating Council on Human Services Transportation, consisting of representatives from their departments. As stated in this report, we found that the Council needs to be strengthened. Specifically, although for several years the two departments have been drafting a strategic plan for the Council, it is unclear when any of the plan's proposed tasks will be undertaken.

Therefore, the data alone are not sufficient to measure the program's overall performance or success.

Agency Comments

We provided the Department of Transportation with a draft of this report for review and comment. We met with FTA officials, including the Director of the Office of Research Management and the Coordinator of the Job Access program. The Department agreed with the findings of our report and provided a number of clarifying and technical suggestions that we incorporated as appropriate. For example, the Department suggested that we include more information about the process that it used to select and rank applications from prospective grantees. The Department also clarified the dates on which it, along with other agencies, had issued guidelines to states and localities describing how these agencies' programs could be used together to implement transportation strategies under welfare reform.

Scope and Methodology

To obtain information on how DOT has implemented the Job Access program, we interviewed FTA officials and examined documentation, internal reports, grant applications, and other descriptive materials about the program. To identify the grantees and how they plan to use the Job Access funds, we reviewed documents that summarized the projects. We also interviewed some of the grantees. To determine the steps taken by DOT to evaluate the Job Access program, we interviewed FTA officials and reviewed relevant documentation. We performed our review from May through November 1999 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the cognizant congressional committees; Rodney E. Slater, Secretary of Transportation; Gordon J. Linton, Administrator, Federal Transit Administration; and other interested parties. We will make copies available to others upon request.

If you have any questions about this report, please call me at (202) 512-2834. Key contributors to this report were Ruthann Balciunas, Catherine Colwell, Eric Diamant, Ernie Hazera, and Frank Taliaferro.

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Description of Grantees and Type of Planned Services

Of the 266 Job Access applications for fiscal year 1999, 64 percent (170 applications) were submitted by transportation organizations. Sixty-seven percent of the grantees (122 of the 181 grantees) were transportation organizations. These transportation organizations included state departments of transportation and entities that typically receive Federal Transit Administration (FTA) grants, such as the Washington Metropolitan Area Transit Authority. In addition, community organizations, such as Change Inc., Project Renewal, and the Red Lake Band of Chippewa Indians, constituted 11 percent of the applicants and 7 percent of the grantees. The remaining 24 percent of the applicants and 27 percent of the grantees were planning organizations (including metropolitan planning organizations), government agencies (including counties and cities), and human service organizations (for example, public housing authorities and state social service agencies). See table I.1 for specific numbers and percentages.

Table I.1: Types of Organizations Applying for and Receiving Job Access Grants

Type of grantee	Number of applications	Percentage of applications	Number of grantees	Percentage of grantees
Transportation organizations	170	64	122	67
Community organizations	30	11	13	7
Planning organizations	22	8	16	9
Government entities	21	8	18	10
Human service organizations	19	7	12	7
Employer-sponsored organizations	1	0	0	0
Information not available	3	1	1	1
Total	**266**	**99[a]**	**181[b]**	**100**

[a]Percentages do not add to 100 because of rounding.

[b]The total of 181 grantees is greater than the 179 grantees that initially received awards because DOT broke up some of the applications into separate grants as the final projects were approved.

In some cases, although one agency had been designated as an applicant for a number of projects, the development of the project or projects involved a number of different organizations. For example, the Maryland Department of Transportation served as the applicant for 15 projects

around the state. However, the Department had held several regional meetings throughout the state to involve different types of organizations, including employers and public agencies, in developing projects and applying for grants.

In addition, the 181 Job Access grantees are planning to provide a wide variety of transportation services to meet the needs identified in their areas. Ninety-three plan to extend current transit service by providing services on weekends or during evening hours or to new employment sites, and 78 plan to provide new service.[1] In addition, 34 grantees are planning to implement transportation services that are provided as needed ("demand-responsive" services), as opposed to operating transit vehicles on fixed schedules or routes. Also, 75 of the project summaries state that the grantees plan to use vans or shuttles to provide service. See table I.2 for the types of transportation that the grantees plan to provide.

Table I.2: Grantees' Planned Services

Service description	Number of grantees	Percentage of grantees
Transportation approach		
Fixed route extension (frequency or location)	93	51
New service	78	43
Demand-responsive service	34	19
Connection to existing service	25	14
Transportation mode		
Van or shuttle	75	41
Bus or rail	25	14
Carpooling or ridesharing	17	9
Taxi	7	4
Other services		
Marketing or information coordinator	57	31
Guaranteed ride home or transportation for emergency child care	19	10
Access to child care, training, or social service agency locations	22	12
Opportunities for employment in the transportation sector	5	3

In addition to providing transportation, 57 of the grantees said they planned to provide some sort of transportation information to their projects' beneficiaries. Some of these grantees planned to provide

[1]Some grantees planned to provide a number of different services.

information on current transportation options; others planned to employ a transportation coordinator to provide information tailored to individual beneficiaries. In addition, some grantees planned to provide transportation to help beneficiaries get to child care or to return home during the work day to deal with emergencies. Table I.2 provides the specific numbers on the types of services grantees are planning to provide.