

# Public Transportation: A Priority Link in Moving People to Work

prepared by the

ATR Institute  
University of New Mexico

for the

Public Transportation Programs Bureau  
Transportation Programs Division  
New Mexico State Highway and Transportation Department

Pete Rahn, Secretary  
H. Allen Fenner, Director  
Josette Lucero, Bureau Chief

October 23, 1998

ATR Institute



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# **PUBLIC TRANSPORTATION: A PRIORITY LINK IN MOVING PEOPLE TO WORK**

## **EXECUTIVE SUMMARY**

Even as Congress debated drafts of the Transportation Equity Act for the 21st Century (TEA-21), the New Mexico State Highway and Transportation Department (SHTD), through its Public Transportation Programs Bureau (PTPB), began to focus on the transportation needs of New Mexico Works clients, who would soon enter or re-enter the workforce. Passed by

Congress and signed by the President in June

1998, TEA-21 contains strong language establishing national transit and reverse commute programs aimed at transporting recipients of Temporary Assistance to Needy Families (TANF) and low income people to job sites.

The PTPB has long recognized that transportation is a vital component in a system that maintains quality of life for all New

***If New Mexico Works is to succeed, TANF recipients must have accessible, reliable, and affordable transportation options.***

Mexicans. In the spring of 1998, the Bureau began work with the ATR Institute/UNM, the New Mexico Passenger Transportation Association, and all pertinent state government agencies (Department of Human Services, Department of Labor, Children Youth and Families Department, and Economic Development), to formulate a coordinated effort for assessing the public transportation needs of New Mexico Works clients. Part of that effort is documentation, found partially in this report, of how public transportation systems can be bolstered to help move TANF recipients to new work opportunities, job training, and education.

The PTPB's emphasis on transit and transit related services made it the designated state agency to administer federal funds for public transportation projects. PTPB's stated goal is to "contribute to the continuation and improvement of transit services in New Mexico through the establishment and support of a safe, accessible, environmentally conscious statewide transit network." The driving force behind this goal is the realization that public transportation spurs economic development, moves goods and people, and can build strong communities when delivered with consumer needs in mind. Additionally, public transportation services enable people to get to work, education, recreation and the marketplace. As this report exemplifies, these notions of public transportation are well recognized by residents living in all regions of New Mexico.

At seven New Mexico regional welfare forums and a statewide conference, TANF recipients, Human Service case workers, and concerned citizens provided input suggesting the need for a comprehensive approach to developing and implementing a public transit system which links people to the basic services and requirements for a meaningful and productive life. With few exceptions, New Mexico has relied on local communities to identify and respond to citizens' most critical transit needs. In some locations, and with PTPB assistance, communities have modified and extended existing transit service, or, more often, started up new service to help meet the needs of senior citizens and disabled people. These transit programs are funded through private sources and/or Federal Transit Administration dollars administered through the PTPB. New Mexico is one of six states that does not allocate direct state revenues or expenditures to public transit.<sup>1</sup>

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<sup>1</sup> The other states are Alabama, Hawaii, Alaska, Idaho, and Colorado.

## **Transportation Truly is the “to” in Welfare-to-Work**

In addition to moving from a government assistance recipient to taxpayer and wage earner, individuals in transition will also be moving physically from their homes to job sites and support services. Secretary of the United States Department of Transportation, Rodney Slater, clearly and succinctly declared how dependent Welfare-to-Work (WTW) is upon transportation when he said, “Transportation truly is the ‘to’ in welfare-to-work.”

Transportation links the TANF recipient to the job interview, the training center, the child care facility, the job site, the substance abuse counseling meeting, the life skills class, the community college, the medical clinic, the grocery store and the peer support group. If New Mexico Works is to succeed, TANF recipients must have accessible, reliable, and affordable transportation options.

The United States Secretaries of Labor, Health and Human Services, and Transportation agree that the lack of reliable, affordable and accessible public transportation is an immense barrier to making welfare reform a success. Consequently, they have signed a Memorandum of Understanding pledging to cooperatively fund solutions to current transportation problems. They have also set in place a federal policy to work cooperatively and ask that their equivalents at the state level do the same.

## **Funding Transportation in Welfare Reform**

There are three major sources of federal money available to states to address the transportation needs of TANF recipients: Department of Health and Human Services; Department of Labor; and Department of Transportation. This report will briefly mention the first two funding sources, and detail how current US Department of Transportation (USDOT) funds are being used to support public transportation programs in New Mexico.

In August 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) reformed the nation's welfare laws. PRWORA replaced Aid to Families with Dependent Children (AFDC) with TANF block grants and changed the nature and provision of welfare benefits in America.<sup>2</sup> The act gave states flexibility to design their own programs. Transportation issues figure in state plans in at least two ways. States may consider transportation needs in sanction policies. For example, a state may design their plan to exempt recipients from work requirements or time limits if transportation is a barrier. Secondly, states may develop and fund new approaches to address recipients' transportation needs.

Under the Balanced Budget Act of 1997, the U.S. Department of Labor provides WTW grants to states and local communities for the hardest to employ TANF recipients. Funds may be used for supportive services such as transportation.

The PTPB of the SHTD administers the USDOT Federal Transit Administration funds for public transportation services, such as buses, trolleys, vans, paratransit, vans, and services for elderly and disabled people. Federal dollars break down from various sections of the law: formula grants for all urbanized areas (Section 5307); funds for elderly and disabled mobility (Section 5310); non-urban transit monies for capital, administrative and operating assistance to providers in rural areas and small towns (Section 5311); and, training and technical assistance for rural transit providers (Section 5311b). New Mexico has historically been a "donor state" when it comes to funding transit; that is, it typically returns more money into the federal trust funds for transit than it receives in return. For every dollar that New Mexico has put into the federal trust funds for transit, it has received only thirty-three to thirty-four cents in return.

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<sup>2</sup> Department of Labor, Welfare-to-Work site (<http://wtw.doleta.gov/resources/factsheet.html>).



## **Innovation is a Must**

New Mexico is not alone in facing the transportation challenges of welfare reform; but the challenges may be greater for a state that is still considered about two-thirds rural and has one of the lowest per capita income rates in the nation. Innovative programs, efficiencies in public transportation operations, and creative financing are required. While the state may lead the way, one solution from one agency will not solve the lack of accessible, dependable, affordable transportation for WTW clients. New Mexico departments have already begun to take innovative steps. First the five departments—Human Services, Labor, Economic Development, Children, Youth, and Families, and Highway and Transportation—joined forces to sponsor the seven regional welfare-to-work forums. Second Human Services and Labor have each partnered with the State Highway and Transportation Department to fund WTW transportation initiatives.

Because of variations in geography, culture, population, distances, and entry-level jobs, New Mexico cannot simply transfer programs whole cloth from other states. New Mexico communities can, however, benefit from knowing what other states and local governments around the nation are doing in welfare reform. From all indications, states that employ multiple, coordinated, community-based solutions are making the greatest impact on meeting the transportation challenges of welfare clients and the public generally. For example, the widely praised Wisconsin Works program offers coordinated subsidized transportation options through employers, community action agencies and local governments. Wisconsin offers good drivers the opportunity to provide transportation services for WTW clients by car pooling arrangements. Other arrangements such as utilizing public school buses are being instituted. Mileage reimbursement, auto repair grants, car loan pool, and car sharing are programs that support vehicle use as a primary source of transportation.

## **What New Mexicans are Saying**

Seven regional forums were sponsored by the New Mexico Departments of Human Services; Labor; Children, Youth and Families; Economic Development; and State Highway and Transportation Department. In addition, Human Services, State Highway and Transportation Department, and the ATR Institute at UNM held a statewide conference on “Building a State of the Art Welfare-to-Work System in New Mexico.” The ATR Institute has documented in this report the feedback, the concerns, ideas, and recommendations from people attending these various forums. Not surprisingly, participants in all counties reported that the “lack of transportation” is one of the primary barriers for TANF recipients to “getting and keeping a job,” and getting their children to day care facilities.

The lack of transportation precludes many TANF recipients, who are ready and able to work from getting there. Human service caseworkers verified that statement by noting cases in their areas where clients could not take jobs because they lacked a safe, affordable means of transportation.

Employers, many of whom were eager to participate in providing jobs for New Mexico Works clients, noted that being at the job site each day and on time was critical to getting and keeping a job. This will mean that not only personal vehicles are needed, but also in small and larger cities public transportation must be readily available. Currently, most systems are not equipped to handle an influx of WTW riders nor are transit services able to expand to meet the needs.

Transportation solutions will be difficult to find for TANF clients living in rural areas where people have multi-generational cultural ties to a location. People who want to continue to live on family land in a traditional rural economy are caught in a unique bind: how to maintain

cultural continuity without having to relocate. Native Americans, small farmers and ranchers, and those from land grant communities are in this particular situation.

As known for some time, transportation is intricately linked with economic development and job creation. State economic development specialists report that the three big issues for companies relocating to New Mexico are “transportation, training, and taxes.” Transportation and good housing will assist in job development.

As with most state residents, TANF recipients look to private vehicles for transportation, but questions arise as to the suitability, operational safety, legal requirements and reliability of these vehicles. With the national average cost of owning a vehicle at more than \$5,000 per year and New Mexico as one of the costliest states for purchasing automobile insurance, how will an entry level, minimum wage earner, with children in day care begin to pay for a vehicle? Some TANF recipients self report that they will skip insurance payments and other legal requirements because of the cost and the burden of constantly repairing poorly operating vehicles.

### **Ready for Solutions**

New Mexico residents were quick to look for innovations in public transportation operations and private vehicle use. Examples such as utilizing school buses, shared community vans and other transportation equipment, credits or funding for private vehicle pools, changes in regulatory requirements, park and ride programs, and other improved transit options were offered at the regional forums. From all indications residents are eager to participate in solutions to better transportation for those people who are struggling to get off public assistance and get employment.

Participants look to state government to lead and provide policy direction. Local communities are eager to pull their fair share to resolve problems. A lack of good data and

information on the overall public transportation situation in New Mexico was echoed in many regions of the state. Many participants stated that having good information would make their local decision-making easier and better. Studies conducted by Bernalillo and Doña Ana Counties provide some preliminary indications on how transportation affects welfare reform. Those surveys give local officials an opportunity to create new programs.

Recommendations supported getting new funding mechanisms from the state level for public transportation. The idea of using old capital for new clients, such as school buses to transport WTW clients, was suggested around the regions. Changing laws and regulations to accommodate better public transportation was seen as a high priority in making welfare reform succeed. Local officials were looking for innovative solutions through “transit authority” models, private sector incentives and funding for use of private vehicles for transporting WTW clients.

No idea is too revolutionary to be discarded, and no current methods of transporting New Mexico’s population are too sacred to change. Transportation is key to welfare reform success, and innovation is critical in making progress to get people to jobs.

## INTRODUCTION

New public law, which limits the time a TANF recipient may receive benefits to a maximum of five years, has caused a re-examination of the causes leading families into the welfare cycle and the barriers to bringing the recipient into the work force. This report focuses on one of the major obstacles individuals face in moving from the welfare rolls to productive employment: the lack of adequate transportation.

Evaluating the transportation needs of welfare recipients cannot be done without reviewing the resources dedicated to public transportation in New Mexico. When studied from the state government funding perspective, New Mexico is one of six states that does not dedicate state revenues for public transportation. Instead, such services are dependent on user fees, local government expenditures and federal funding.

In New Mexico, user fees offset between fifteen and twenty percent of public transportation operating costs. Local governments, including the larger urban cities, have found it increasingly difficult to allocate the funds needed either to provide an adequate level of operation or to serve areas outside their political boundaries.

Federal Transit Administration dollars flowing into New Mexico and the other states are derived from congressionally mandated fuel taxes paid at the gas pump. During the 1990s, a larger share of the monies deposited into the Federal Transit Account have been returned to those states with large urban populations, such as California and the northeastern corridor states. New Mexico is a donor state, depositing more transit dollars into the federal treasury than are returned, further exacerbating the public transportation shortfall.

The limited resources allocated to public transportation have been repeatedly singled out as a major impediment to implementing and sustaining an effective welfare reform program.

Recognizing this fact, the New Mexico Department of Labor recently transferred \$1,242,340 to the State Highway and Transportation Department, Public Transportation Programs Bureau to fund transportation for rural Welfare-to-Work programs. These funds will be used to extend current rural transit service and startup new rural transit systems. The PTPB recently sent out a “Request for Information” so that rural transit providers, non-profit organizations, and municipalities may apply for these WTW transportation funds. This initiative would not have taken place without the Labor Department’s recognition that access to jobs depends on access to transportation.

The following pages not only describe the public transportation needs in New Mexico, but also outline the federal assistance that can be expected and how other states and communities are addressing these same problems with imaginative and innovative programs. Feedback from TANF recipients, caseworkers, job coaches, business people, transportation providers, and educators at seven regional New Mexico WTW forums and a statewide conference are also included. Finally, the report makes recommendations for enhancing public transportation programs that will allow TANF recipients the opportunity to access jobs, educational centers and childcare.

## **CHAPTER ONE**

### **FUNDING TRANSPORTATION IN WELFARE REFORM: THE NATIONAL SCENE**

There are three major sources of federal money available to states to address the transportation needs of welfare recipients: Department of Health and Human Services (DHHS), Department of Labor (DOL), and Department of Transportation (DOT). This chapter will briefly describe the first two funding sources and more thoroughly describe DOT funding.

#### **Department of Health and Human Services Funding**

In August 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), Public Law 104-193, reformed the nation's welfare laws and changed the nature and provision of welfare benefits in America to a “work first” program. The act eliminated Aid to Families with Dependent Children (AFDC) and created Temporary Assistance for Needy Families (TANF). TANF provides block grants to the states and gives states flexibility to design their own cash assistance programs.

Transportation plays a part in state TANF plans in at least two ways. First, states may consider recipients' transportation needs in sanction policies. For example, a state may design their plan to exempt recipients from work requirements or time limits if transportation is a barrier. Second, states may develop and fund new approaches to address TANF recipients' transportation needs. The estimated Fiscal Year 1999 obligation to New Mexico under the TANF-State Family Assistance Grants (93.558) is just over \$126.1 million.<sup>1</sup>

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<sup>1</sup> Budget Information For States, Budget of the United States Government, Fiscal Year 1999. Office of Management and Budget 1998.

## **Department of Labor Funding**

Under the Balanced Budget Act of 1997, Public Law 105-33, the USDOL created Welfare-to-Work (WTW). WTW supplies formula and competitive grants to states and local communities to create additional job opportunities for the "hardest-to-employ recipients of TANF." The hardest-to-employ recipients are specifically defined as follows:

- a) Individuals who face two of three specified labor market deficiencies and who are long-term welfare recipients, or who face termination from TANF within 12 months; or who are noncustodial parents of minors whose custodial parent meets these criteria; labor market deficiencies include (1) lack of high school diploma or GED and low reading or math skills, (2) requiring a substance abuse treatment for employment, and (3) a poor work history; or
- b) Individuals who are "recent" recipients of TANF assistance or non-custodial parents who have characteristics associated with long-term welfare dependence—such as school dropout, teen pregnancy, or poor work history.<sup>2</sup>

At least seventy percent of the grant funds must be spent on individuals in category (a); and thirty percent of funds may be spent on individuals in category (b).<sup>3</sup> These "hardest-to-employ" TANF recipients will be referred to as WTW clients in the remainder of this report.

Funds may be used to move eligible individuals into jobs by: creating jobs through public or private sector wage subsidies; on-the-job training; contracting with public or private job readiness providers, job placement, and post-employment services; job vouchers for similar services; community service or work experience; or job retention and supportive services such as

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<sup>2</sup> Department of Labor, Welfare-to-Work site (<http://wtw.doleta.gov/resources/factsheet.html>).

<sup>3</sup> Ibid.



transportation services, substance abuse treatment, child care and housing assistance, if such services are not otherwise available to WTW clients.

In addition, federal guidelines state that “the Secretary of Labor will give special consideration to cities with large concentrations of poverty as well as to rural areas.”<sup>4</sup> DOL WTW estimated funding to New Mexico in 1998 was \$9.716 million. For FY 1999 the estimated allocation is \$9.056 million.<sup>5</sup>

### **Department of Transportation Funding**

On June 9, 1998, President Clinton signed into law a bill reauthorizing the Intermodal Surface Transportation Efficiency Act (ISTEA). PL 105-178 is titled the Transportation Equity Act for the 21st Century (TEA-21). TEA-21 took three years to write and is the largest public works bill in the nation's history. The act authorizes over \$217 billion in transportation spending over the next five years. Congress has already guaranteed \$198 billion, spread over the next five years; the House and Senate will vote annually on the amount to guarantee for each program.

As enacted, the legislation reflects a national policy that “...transportation is about more than concrete, asphalt, and steel: it is about people, and about providing them with the opportunity to lead safer, healthier, and more fulfilling lives.”<sup>6</sup> TEA-21 increased total transit funding by thirty-one percent. FTA administers these funds. (See Table 1.1 Total Transit Authorization and Percent Change, Fiscal Years 1998-1999).

Congress does not necessarily appropriate the total amounts authorized. The amounts enacted (guaranteed) in the Fiscal Year 1999 budget (due in October 1998) may be different from those in Table 1.1.

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<sup>4</sup> Ibid.

<sup>5</sup> Budget Information for the States, Budget of the United States Government, Fiscal Year 1999. Office of Management and Budget, 1998.

<sup>6</sup> Rodney Slater, DOT web page (<http://www.fhwa.dot.gov/tea21/index.htm>).

**Table 1.1 Total Transit Authorization and Percent Change, Fiscal Years 1998-1999**

<b>FTA Programs (dollars in millions)</b>	<b>FY 1997 Actual</b>	<b>FY1998 Enacted</b>	<b>FY 1999 Authorizations</b>	<b>Percent Change 1998-1999</b>
FORMULA GRANTS	\$2,149.2	\$2,500.0	\$3,100.0	24.0%
Intercity Bus Accessibility (new program)			8.8	
Alaska R.R. (new program)			4.8	
5308 Clean Fuel Buses (new program)			150.0	
5307 Large-Urban Form. Grants	1,793.7	2,089.0	2,441.1	16.9%
5307 Small-Urban Form. Grants	184.4	214.7	250.9	16.9%
5311 Rural Transit Grants	115.1	134.1	177.5	32.4%
5310 Elderly and Disabilities Grant	56.0	62.1	66.9	7.7%
5309 MAJOR CAPITAL GRANTS	\$1,900.0	\$2,000.0	\$2,857.0	42.9%
New Fixed-Guideway Systems	760.0	800.0	1,302.8	62.9%
Fixed-Guideway Modernization	760.0	800.0	1,002.8	25.4%
Buses and Facilities	380.0	400.0	551.4	37.9%
OTHER FTA GRANTS	\$133.0	\$137.6	\$385.0	179.8%
Metropolitan Planning	39.5	39.7	70.3	77.1%
5311(b)(2) Rural Transit	4.5	4.5	5.3	17.8%
Assistance Program Statewide Planning	8.3	8.3	14.7	77.1%
National Transit Research, et al.	41.5	45.7	70.7	54.7%
Access to Jobs (new program)			150.00	
University Transportation Centers	6.0	6.0	6.0	0.0
FTA Administration	41.5	45.7	67.0	46.6%
TOTAL TRANSIT FUNDING	\$4,382.2	\$4,837.7	\$6,341.0	31.1%

Source: "Community Transportation, A Publication of the Community Transportation Association of America," July/August 1998, page 10.

### *New Transportation Programs Created*

Secretary of Transportation Rodney Slater states that TEA-21 “expands opportunity for all Americans through a new Access to Jobs program to help those making the transition from welfare rolls to payrolls.”<sup>7</sup> Section 3037 of TEA-21 authorizes two new grant programs to physically transport people from welfare-to-work: Access To Jobs (ATJ) and Reverse Commute Grants (RC). Access to Jobs Projects are projects which relate to developing transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and other employment related activities. Eligible low-income individuals are defined in the law as individuals whose family income is at or below 150 percent of the poverty line. Eligible welfare recipients are those who received welfare during the past three years.

Reverse Commute Grants provide funds for developing services to transport urban and rural residents to suburban employment opportunities. RC projects benefit all populations; they are not low-income specific.<sup>8</sup>

TEA-21 authorizes \$150 million per year for five years for ATJ and RC, a total of \$750 million for fiscal years 1999-2003. The program is funded for FYs 1999-2003 with \$400 million from the FTA Mass Transit Account. The additional \$350 million must be appropriated by Congress before it becomes available. The following table (Table 1.2) shows the total authorizations and the guaranteed dollars for Job Access and Reverse Commute Grants for each fiscal year covered by TEA-21. Authorized dollars are the maximum possible under the legislation. Guaranteed dollars have been appropriated. For FY99 Congress guaranteed \$50

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<sup>7</sup> Ibid.

<sup>8</sup> TEA-21 Fact Sheet. USDOT ([www.fhwa.dot.gov/tea21/factsheets/jobaccs.htm](http://www.fhwa.dot.gov/tea21/factsheets/jobaccs.htm)).

million. No more than \$10 million of each year's total funding will be spent on reverse commute projects. Funding began to flow on October 1, 1998.<sup>9</sup>

**Table 1.2 Authorized and Guaranteed Funding for Job Access and Reverse Commute Grants, Fiscal Years 1998-2003**

Job Access and Reverse Commute Grants						
Year	1998	1999	2000	2001	2002	2003
Total Authorization	0	\$150M	\$150M	\$150M	\$150M	\$150M
Guaranteed	0	\$50M	\$75M	\$100M	\$125M	\$150M

Source: TEA-21 Fact Sheet, Federal Highway Administration, Department of Transportation, September 14, 1998.

### *Criteria and Application Deadline*

All ATJ and RC grants are competitive, and no set amount will be allocated to New Mexico. A proposal from New Mexico will compete with proposals from other states. Funds will be divided into three categories, according to total population of area served:

- 60% of funds to urbanized areas with a population greater than 200,000;
- 20% of funds to urbanized areas with a population less than 200,000; and
- 20% of funds to rural areas.

Local government authorities and agencies and nonprofit organizations may apply for ATJ and RC grants. In areas with a population of at least 200,000, the metropolitan planning organization (MPO) selects from among the applicants. In areas with a population less than 200,000, the Governor or the Governor's representative selects projects to submit to the USDOT.

The US Secretary of DOT must coordinate ATJ activities with related programs of other federal departments and agencies through interagency agreements with Labor and Health and

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<sup>9</sup> Ibid.

Human Services. The DOT is looking for this same type of collaboration in proposals from state agencies.

Eligible ATJ projects are those that:

1. promote transit use by workers with nontraditional work schedules;
2. promote use of transit vouchers by welfare recipients and eligible low-income individuals;
3. promote the use of employer-provided transportation, such as the transit benefit program (currently provided under section 132 of the Internal Revenue Code); or
4. finance capital expenses and operating costs of equipment, facilities and associated capital maintenance items relating to providing access to jobs.

Eligible Reverse Commute projects include projects that:

1. subsidize the costs of adding reverse commute bus, train, carpool, van routes or service to suburban work places;
2. subsidize the purchase or lease of vehicles by a nonprofit organization or public agency dedicated to shuttling employees from their residence to a suburban workplace; or
3. facilitate the provision of mass transportation services to suburban employment opportunities.<sup>10</sup>

The deadline for FY 1999 applications is December 31, 1998. Full application details are available at the FTA web site (<http://www.fta.dot.gov/wtw/fr11298.html>) or from the Regional FTA Administrator Region VI - Lee Waddleton, Parkview Place, 524 East Lamar Street, Suite 175, Arlington, TX 76011-3900, (817) 860-9663.

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<sup>10</sup> Ibid.

ATJ and RC funds cannot be used for planning or coordinating activities, and they require a 50 percent match from other sources. The matching funds must come from sources other than revenues that provide mass transportation, but they may come from federal departments other than DOT (e.g., Department of Labor, Community Development Block Grant monies). It is unclear whether TANF funds can be used for matching since these funds are to serve only TANF recipients. US Department of Health and Human Services is expected to issue guidelines soon which state under what circumstances TANF funds can be used for the ATJ match.

### ***Training***

A new provision in TEA-21 allows states to reserve slots for welfare recipients in “on-the-job training” (OJT) programs which lead to full journey-level positions in skilled highway construction trades. As trainees, recipients also have access to support service programs that provide pre-employment counseling; orientation to highway construction industry requirements; basic skills improvement; assistance with transportation, child care or other special needs; jobsite mentoring; and post-graduation follow-up. TEA-21 significantly broadens the approved scope of on-the-job training/supportive services. Training which leads to transportation technology careers may now be funded under OJT to prepare for rapidly expanding transportation employment opportunities in the 21st century.<sup>11</sup>

### **Federal Partners**

An important factor in the success of welfare reform is the coordination and collaboration among the many players involved. At the federal level many departments and agencies that are working together on issues directly related to welfare reform, TANF, and WTW have created a

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<sup>11</sup> Department of Transportation web page (<http://www.fhwa.dot.gov/tea21/suminfra.htm#wtw>).

web site called “Federal Partners” (<http://wtw.doleta.gov/documents/fedpartner.htm>). The site provides links to seventeen federal agencies with web sites containing relevant information.

The World Wide Web has become instrumental in researching and exchanging information on welfare reform. In addition to the above site, there are many others, which may prove valuable to state, county, and municipal level policy makers and service providers and to state legislators and their staff. The Welfare Peer Technical Assistance Network (<http://www.calib.com/peerta/>) is funded by HHS and designed for welfare reformers working at state, county, or municipal levels. Among the services offered are on-line forum exchanges; moderated teleconferences; conferences; interactive work groups; peer-to-peer site visits; national state-based technical assistance needs assessment reports; a calendar of technical assistance events; and emerging innovations reports. The National Conference of State Legislatures (<http://www.ncsl.org/statefed/welfare/transch.htm>) has several web pages devoted to welfare reform (<http://www.ncsl.org/statefed/welfare/welfare.htm>). New Mexican service providers, legislators, officials, and policy analysts can access this information at no charge and use the services provided to dialogue electronically with their peers across the nation.

## **CHAPTER TWO**

### **Public Transportation in New Mexico: Programs and Funding**

The Public Transportation Programs Bureau (PTPB) of the State Highway and Transportation Department (SHTD) administers FTA funds for public transportation.<sup>1</sup> In New Mexico this includes urban buses, trolleys, vans, paratransit vans, and services for the elderly and disabled as well as rural transit programs. New Mexico receives FTA dollars for transit under Sections 5307, 5310, 5311, and 5311(b).

#### **Formula Grants**

The Section 5307 formula grant program (formerly Section 9) makes funds available on the basis of statutory formula to all urbanized areas in the country. Funds from this section of the FTA program provide capital, planning and operating assistance to cities with more than 50,000 people. Capital and planning costs are on an 80/20 match ratio and operating deficits are reimbursed on a 50/50 basis. In New Mexico these grants go to Albuquerque, Las Cruces, and Santa Fe. Because the population of Albuquerque is over 200,000, the annual formula grant from FTA is appropriated directly to the City. These appropriations are flow through funds from the SHTD.

Albuquerque operates a fixed route bus system with a fleet of 122 buses and six trolleys. The annual ridership is 6.4 million.<sup>2</sup> Las Cruces started operation in 1986 with a fixed route and a demand response bus system with a fleet of 11 vehicles. Ridership has grown to 660,000

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<sup>1</sup> Public transportation is the facilities, equipment, personnel, and procedures needed to provide and maintain transportation services that are publicly owned, funded, or operated by any municipality, county, regional authority, state or other governmental agency, including a system operated or managed by a private company under contract to the government agency owner. In this report public transportation and public transit will be used synonymously.

<sup>2</sup> Phone interview with John Parker, City of Albuquerque Transit Department, October 1998.



annually.<sup>3</sup> Santa Fe Trails Transit began fixed route service in January 1993 and has grown to ten routes utilizing 29 vehicles and serving 615,231 riders annually.<sup>4</sup> Each of these transit systems also provides paratransit service.

### **Transportation for Elderly and Disabled**

Section 5310 (formerly Section 16) funds transportation to help meet the mobility needs of the State's elderly and disabled population. The PTPB makes grants to non-profit organizations under an annual application and award process in cooperation with the local Metropolitan and Regional Planning Organizations (MPOs). Section 5310 grants fund capital acquisitions only, primarily vehicles, although other equipment is eligible (i.e., radios and lifts). Grants are on an 80/20 matching basis with the 20 percent local share provided by the applicant. Local grantees across New Mexico have purchased more than 200 vehicles under this program.

### **Non-Urban Transit**

Section 5311 (formerly Section 18) funds capital, administrative, and operating assistance to public transportation providers in rural areas and cities and towns of fewer than 50,000 people. Capital and administrative costs are on an 80/20-match ratio with operating deficits reimbursed on a 50/50 share. The PTPB makes grants to local governments and private non-profit providers under an annual application and award process in cooperation with the local Regional Planning Organizations (RPO). Currently twelve public transportation systems funded under Section 5311 operate across the state. Systems range from a two-van operation in Belen to a sixteen-vehicle fleet of over-the-road coaches and vans operated by Navajo Nation Transit.

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<sup>3</sup> Phone interview with Michael Noonchester, Transit Director, City of Las Cruces, October 1998.

<sup>4</sup> Phone interview with Wade Havens, Acting Director of Transit and Aviation, City of Santa Fe, October 1998..

## **Rural Transit Assistance Program**

Under Section 5311(b), FTA funds state Rural Transit Assistance Programs (RTAP). RTAP provides training and technical sessions on various regulations affecting rural transit providers, including Commercial Driver's License requirements and FTA's drug and alcohol policies. New Mexico's RTAP program provides administrative and executive functions for the New Mexico Passenger Transportation Association (NMPTA). NMPTA is a nonprofit association comprised of individuals, organizations, rural transit providers, and transportation vendors whose function is to advance public transit in rural New Mexico.

## **Funding**

Under TEA-21, Congress recognized the importance of public transportation and authorized a significant funding increase for formula grants to states. Rural transit grants (5311) grew by over 32 percent (see Table 2.1).

**Table 2.1 Total FTA Formula Grant Reauthorization Under TEA-21.  
(National funding in millions of dollars)**

<b>FTA FORMULA GRANTS Programs</b>	<b>FY 1997 Actual</b>	<b>FY1998 Enacted</b>	<b>FY 1999 Authorizations</b>	<b>Percent Change 1998-1999</b>
5307 Large-Urban Form. Grants	1,793.7	2,089.0	2,441.1	16.9%
5307 Small-Urban Form. Grants	184.4	214.7	250.9	16.9%
5311 Rural Transit Grants	115.1	134.1	177.5	32.4%
5310 Elderly and Disabled Grant	56.0	62.1	66.9	7.7%
5311(b)(2) RTAP	4.5	4.5	5.3	17.8%

Source: "Community Transportation, A Publication of the Community Transportation Association of America," July/August 1998, page 10.

Since New Mexico does not expend dedicated State dollars for transit projects,<sup>5</sup> the PTPB administers only FTA funds. The Bureau's 1994-1998 budgets for formula grants are outlined below in Table 2.2.

**Table 2.2 FTA Funds Administered by New Mexico  
Public Transportation Programs Bureau, 1994-1998**

	1994	1995	1996	1997	1998
Section 5307					
Albuquerque	4,493,659	4,511,004	3,696,147	3,739,626	4,349,741
Santa Fe	430,492	444,223	364,099	381,370	444,524
Las Cruces	538,002	555,163	455,029	476,613	555,540
Section 5310					
Elderly and Disabled People	411,171	412,202	371,002	395,217	429,057
Section 5311					
Cities/Towns, Rural Areas Less Than 50,000 Population	1,217,136	1,246,850	1,042,850	1,090,984	1,266,249
Rural Transportation Assistance Program	69,014	68,996	68,596	68,564	69,618

Source: Federal Registers, 1994-1998.

<sup>5</sup> The six states in this group are Alabama, Alaska, Hawaii, Idaho, Colorado, and New Mexico. Source, American Association of State Highway and Transportation Officials Draft Survey, with telephone survey updates of states reporting zero dedicated dollars by Tom Mauser, Colorado Department of Transportation, September 1998.

## **CHAPTER THREE**

### **TRANSPORTATION INNOVATIONS ACROSS THE NATION**

New Mexico is not alone in facing the transportation challenges of welfare reform and Welfare-to-Work programs specifically. Large metropolises, cities, small towns, and rural areas across the nation are scrambling to improve transportation. In Chicago, a city with a well-developed public transit system, the two most common reasons welfare recipients give for not keeping jobs are the lack of childcare (25.6%) and transportation (20.9%).<sup>1</sup> A recent study in suburban Ventura County, California found that the top three challenges for welfare recipients moving into the workforce are lack of childcare, transportation, and skills.<sup>2</sup>

Marian Wright Edelman, Children's Defense Fund President, calls upon the states to clear a pathway to move these families out of poverty and into the economic mainstream. She states, "There is no mystery about how to help families off welfare and out of poverty. States must provide the education, training, and work experience that parents need to compete for jobs with decent wages...[and] remove the obstacles that often prevent parents from leaving welfare for work: lack of health care, transportation, and childcare."<sup>3</sup>

#### **Applying Multiple, Coordinated, Community-Based Solutions**

While the states may lead the way, one solution from one agency will not solve the lack of accessible, reliable, affordable transportation for WTW clients. There are approximately 22,700 families receiving TANF in New Mexico. A woman, who has two dependent children

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<sup>1</sup> Survey conducted by the Mayor's Office of Employment and Training, reported in *Chicago Tribune*, December 12, 1997.

<sup>2</sup> *Ventura County Star*, February 3, 1998

<sup>3</sup> Marian Wright Edelman, "How "welfare to work" can work," *CDF Reports, A Voice for Children*, October 1997.

living with her, heads ninety percent of these families.<sup>4</sup> As New Mexico Secretary of Human Services, Bill Johnson, Jr., states the problem is too big for any one agency to handle. “We can't do this alone. We have to join hands,” he says.<sup>5</sup> Lines between departments, boundaries between the public and private sectors, and the desk between the service provider and the WTW client must all be crossed for welfare reform to succeed.

New Mexico cannot simply transfer programs whole cloth from other states. Characteristics of the transportation problems vary according to local geography; cultural factors and history; population size; amount of public transit currently offered; distances between affordable housing, entry-level jobs, and child care providers; commitment of state and local resources and staff; degree of business community involvement; and amount of cooperation and collaboration among public departments, agencies, and the private sector. Yet New Mexico communities and policy makers can benefit from knowing what other states and communities around the nation are doing. Aspects of some of these programs may be applicable to specific locations here. The following examples are provided to generate ideas for New Mexicans.

Wisconsin and Tennessee are two states applying a mix of public, private, and entrepreneurial solutions to WTW transportation problems. The widely praised Wisconsin Works (W-2) program offers TANF recipients several forms of transportation assistance. In the more heavily populated Wisconsin counties, W-2 may hire a full- or part-time transportation facilitator. The facilitator assists clients in the following ways:

- (a) negotiating reduced rates from transit operators using bulk purchase of transportation slots;

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<sup>4</sup> NM Human Services Department handout, Regional Welfare-to-Work Forum, Las Cruces, NM

<sup>5</sup> New Mexico Regional Welfare-to-Work Forums, August-September 1998 (part of the "Lost Child" story).

- (b) coordinating subsidized transportation options through employers, community action agencies, or existing government programs; and
- (c) solving transportation logistics problems.

Several states are following suit by designating transportation coordinators in major cities and service areas.<sup>6</sup>

W-2 also assists clients who want to provide transportation services to the low-income community as a new business, a cooperative, or a community service job. Start up capital comes from several small business programs. Vans and buses are leased from public agencies or private businesses. W-2 may also contract with individuals who have a good driving record and a reliable automobile to provide transportation services for other W-2 clients. Community service jobs as drivers, mechanics, and logistics coordinators are created at public and private transit companies. Finally W-2 coordinates with non-profit and community agencies to set up automobile leasing/loaner programs. A non-profit agency accepts donated cars and services and maintains the cars (in part using community service job labor). Esperanza Unida of Milwaukee, for example, accepts donated autos and repairs them for resale.<sup>7</sup>

Tennessee has 95 counties with only four urban and three semi-urban regions. Access to jobs is difficult for rural Tennessee TANF recipients since two out of five counties have no public transportation and people often depend on family and friends for rides. Tennessee officials are implementing multiple transportation plans to deal with the problem.<sup>8</sup>

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<sup>6</sup> Wisconsin Department of Workforce Development. Welfare Reform Initiatives. (<http://www.dwd.state.wi.us/w2/chap12.htm>).

<sup>7</sup> Ibid.

<sup>8</sup> "Welfare Reform in Rural Areas: A Special Community Transportation Report," Community Transportation Association of America (<http://www.ctaa.org/ct/sepoct97/rural-welfare.htm>).

The First Wheels program, modeled on a Georgia program called Wheels to Work, helps welfare recipients buy cars through a revolving loan fund. The program is designed to provide quick access to a car, build credit history, teach responsibility, and encourage community involvement. Program participants sign contracts to make interest-free, low monthly payments. The payments are recycled into new loans. Startup money came from local Families First (Tennessee's reformed welfare program) Councils. The Councils are made up of social workers, community and business leaders, transportation providers, and clergy. First Wheels is administered by a non-profit organization that holds the automobile liens. The organization also accepts donated vehicles and offers tax breaks to donors. Participants must have a driver's license, \$100 to put toward their first insurance payment, and the determination to become self-sufficient.

The state pays Families First clients a \$5/day transportation benefit. Seventy-seven percent of clients have found their own transportation solution. The state also links clients with a ride through bus, van, or taxi service. Most areas use a voucher system to pay transportation providers directly. The Human Services Department has made arrangements with local taxi companies to transport clients at \$4.22 plus 20 cents per person per trip, a rate which makes the service more cost efficient than the public transit system. Tennessee is considering setting up car share programs in which several recipients would pool their \$5/day transportation allowances to lease a used-car. They also support clients who start small businesses to provide rides for others.<sup>9</sup>

Tennessee has also set up regional transportation brokerages based on the success of their child care brokerage system. Officials have divided the state into fourteen transportation

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<sup>9</sup> Ibid.

catchment areas, each with a transportation broker. By state law, transportation, childcare, training and education are guaranteed to TANF recipients, or they are exempt from the work requirement. Tennessee has allocated \$10.5 million to address the transportation needs of Families First clients.<sup>10</sup>

### **Using Public School Buses in Rural Areas**

In Glendale and Azalea, Oregon, two communities hit hard by cutbacks in the timber industry, people must travel fifty miles to non-timber jobs, medical services, and shopping. They face a ten to twenty mile trip to the Glendale-Azalea Skills Center where they can learn a new trade. The Skills Center negotiated with the school district to use school buses to transport adults to services. Popular belief held that state law prohibited the use of school buses for community transportation, but that was not the case. Local residents now ride school buses to GED and Adult Education programs at the Skills Center. The planning group that pulled the transportation program together was a collaboration which included a local school district representative, the school district business manager, the state Human Resources volunteer program manager, Adult and Family Services district manager, a community member, and a representative of the county Department of Human Services.<sup>11</sup>

In Tennessee Private Industry Councils have convinced local school boards to allow adults to ride school buses to training and education sites. Insurance is not a problem as long as the transportation is for educational purposes. Safety measures insure that no small children ride the bus with adults and the school system has the right to deny transportation to anyone with a

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<sup>10</sup> Ibid.

<sup>11</sup> Ibid.



history of violent behavior. The school board is paid \$4.22 a day per person for the service. Other states using buses to transport WTW clients are North Carolina and Kentucky.<sup>12</sup>

### **Entrepreneurial Welfare Efforts**

In Anne Arundel County, Maryland, the Department of Social Services is using federal money to finance a van pool service run by former welfare recipients. The program, known as the AdVANtage, turns welfare recipients into business people and provides a valuable service to others on welfare who need transportation to school, jobs, or training. The Community Transportation Association of America, a nonprofit organization, is providing technical assistance. The paradigm shifting nature of this transportation strategy has not gone unnoticed. An editorialist in *The Baltimore Sun* wrote:

It would have been simpler for government to fall back on its own welfare mentality; that is, for the county department to take the grant from Uncle Sam and pay existing businesses to transport local clients. Transforming the grant into seed money for a van company requires more time, energy and hassle. The results, however, have the potential of being much more rewarding for the county, taxpayer and the entrepreneurs it may foster.<sup>13</sup>

### **Mileage Reimbursements and Auto Repair Grants**

A Michigan program offers job seekers three options: bus passes, a 12 cents per mile reimbursement to ride providers, or up to a \$500 grant for car repair.<sup>14</sup> Short-term assistance to

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<sup>12</sup> Welfare Reform in Rural Areas: A Special Community Transportation Report,” Community Transportation Association of America (<http://www.ctaa.org/ct/sepoct97/rural-welfare.htm>).

<sup>13</sup> “From Welfare to Entrepreneurship,” (editorial), *The Baltimore Sun*, March 19, 1997.

<sup>14</sup> Welfare in the States: Children’s Defense Fund, New Studies Look at Status of Former Welfare recipients, May 27, 1998 ([http://www.childrensdefense.org/fairstart\\_status.html](http://www.childrensdefense.org/fairstart_status.html)).

address immediate crises such as a major car repair can make the difference in determining whether a working parent can keep a job.<sup>15</sup>

Alaska offers several types of mileage reimbursements and resource exemptions. Alaska uses TANF funds for transportation in areas with no public transportation. Mileage reimbursement is 10 cents a mile for a personal vehicle (maximum of \$85 per month); in areas with public transportation, the limit is \$50 per month for a bus pass or mileage. Local school districts, which provide special vans to transport teenage parents and their babies to school and child care, may be paid up to \$1,000 per year per teen parent.

Many areas of the state are not connected by a road system; travel between communities is possible only by airplane, boat, or snowmobile. Alaska allows a total resource exemption for any vehicle necessary for family transportation to work, school, or training. The exemption can be applied to cars, trucks, RVs, ATVs, boats, snowmobiles, motorcycles, or airplanes.

The Alaska Department of Health and Social Studies is collaborating with the state DOT to promote coordinated transportation planning in local communities to address the needs of TANF recipients. DHSS is also conducting outreach to welfare recipients to encourage them to use their annual Alaska Permanent Fund Dividend to purchase a reliable vehicle, pay for needed auto maintenance or repairs, and/or pay for insurance.<sup>16</sup>

New Hampshire reimburses TANF recipients for travel costs at 25 cents per mile up to \$65 per month or up to \$130 per month with prior approval, if participating in any New Hampshire Employment Program activity. Auto repair payments up to \$240 per year are allowed. New welfare reform initiatives include paying bus passes, driver's license, auto

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<sup>15</sup> Reinvesting Welfare Savings: State Welfare Reform, March 30, 1998 (<http://www.cbpp.org/330rein.htm>).

<sup>16</sup> Pat Nault, Project Assistant, Alaska Division of Public Assistance, Juneau, AK. (907/465-5838).

registration, insurance fees, and driver's education. New Hampshire is researching the feasibility of expanding the role of community transportation providers.<sup>17</sup>

### **Car Loans and Car Sharing**

A program in Ventura County, California guarantees car loans to welfare recipients and a car-sharing program offers new cars which are maintained by student mechanics. Residents of Steuben County, New York, are donating used cars that are then repaired by vocational education students and TANF recipients. Entrepreneurs in Portland, Oregon, have started a successful car-sharing business modeled on similar programs in Europe. Car sharing is joint access to a fleet of vehicles located close to people's homes or work. People become members of the program by paying a \$500 fee that covers the insurance deductible. Members pay \$1.50 per hour of use and 40 cents per mile. The company, CarSharing Portland, supplies all gas, maintenance, repairs, and insurance.<sup>18</sup>

### **Employer-Sponsored Transit Benefits**

The Internal Revenue Code [26USC 132(f)] allows an employer to provide up to \$65 per month to subsidize any employee's commute to work, in other than a single occupancy vehicle (SOV). This transit benefit is not limited to welfare clients. The employer can deduct these costs as business expenses and the benefits are not taxable income to the employee. The program is designed to improve air quality, reduce traffic congestion, and conserve energy by promoting alternatives to SOVs. Employees who commute by transit, vanpool, bicycle, and commuter rail, for example, are eligible for the benefit. An indexing mechanism in the Internal

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<sup>17</sup> Jane MacDonald, Program Specialist, Division of Transitional Assistance, Concord, NH (603/271-7817).

<sup>18</sup> Information available at CarSharing Portland, Inc. (<http://www.carsharing-pdx.com>).

Revenue Code permits \$5.00 incremental increases in the payment, based on changes in the cost of living index. Beginning in the year 2002 the benefit will increase to \$100/month.<sup>19</sup>

In numerous cities partnerships between transit providers and employers are also extending these benefits to WTW clients. The TransitChek program in New York and Philadelphia are examples of successful programs. Employers purchase regional transit vouchers for distribution to employees and receive tax benefits. Employees use the vouchers with any of the region's public and private transit operators. Booz, Allen & Hamilton's transportation consulting practice, based in Newark, joined the TransitChek program to cut employees' commuting costs and to demonstrate their commitment to reducing traffic congestion and pollution. Denver, Los Angeles, San Francisco, Chicago, Milwaukee, Norfolk, and Washington, D.C. all offer such programs. If small business owners balk at the paperwork involved in offering the transit benefit to employees, assistance is available at no cost to the employer (the fee comes out of the \$65 benefit) from companies such as VPSI, Inc.<sup>20</sup>

### **Guaranteed Ride Home**

Some transit agencies and private employers offer a guaranteed ride home to employees faced with home emergencies or illness. This is frequently an important backstop for employees, including TANF recipients, who have long, complex commutes. Ventura County, California, has just established a guaranteed ride home program as part of their welfare to work "Pride" program. It serves as a safety net for people using public transportation to get to work by providing free taxi rides or rental cars to commuters who are confronted by unforeseen crises while at work.<sup>21</sup>

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<sup>19</sup> Federal Transit Administration website (<http://www.fta.dot.gov/office/public/c9813.htm>).

<sup>20</sup> FTA web site (<http://www.fta.dot.gov/wtw/trfe/trfe.html>).

<sup>21</sup> Ibid.

## **Long-Term Metropolitan Planning Organization Strategies**

States are also directing MPOs to take the lead by addressing WTW transportation within the broader context of regional planning. In St. Louis, the East-West Gateway Coordinating Council, which serves as the Metropolitan Planning Organization for the Missouri and Illinois bi-state region, developed a long range transportation plan that linked transportation investment with economic, employment and other community benefits and launched the St. Louis Regional Jobs Initiative. A broad consortium of 16 agencies and organizations serves as a governing board for the initiative, which focuses on jobs available along the Metrolink rail line as well as in the suburbs. All workforce development projects are developed in partnership with specific employers. Transportation is integrated into a broad approach that addresses total mobility needs to support access to work.<sup>22</sup>

## **Forging New Partnerships Between Transit, Labor, and Human Services**

The Connecticut Department of Social Services pays public transit operators across the state to provide new transportation services to move TANF recipients to work. This step is forging new partnerships between transit and human service agencies. The Capital Region Council of Governments in Hartford led a broad-based coalition in developing a comprehensive two-year Welfare-to-Work transportation pilot plan.<sup>23</sup>

New Jersey announced a transportation initiative to move Work First New Jersey participants to work. The New Jersey Department of Transportation will be providing technical assistance and asking each county to develop a transportation coordination plan. Other elements of the initiative include:

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<sup>22</sup> CTAA, "Access To Jobs," State Welfare-to-Work Transportation Efforts. Web site: ([http://www.ctaa.org/welfare/innovative/full\\_print.htm](http://www.ctaa.org/welfare/innovative/full_print.htm)).

<sup>23</sup> Ibid.

- free one-month mass transit passes for welfare recipients;
- a planning fund to seek solutions to transportation needs;
- a county demonstration project integrating employment transportation into the existing network serving seniors and citizens with disabilities; and,
- a county demonstration project creating a feeder network for short trip connections to public transit.<sup>24</sup>

North Carolina is providing technical assistance to counties to bring together the transportation, social services and employment programs to address client mobility needs. The state is encouraging the use of excess seats on school buses for employment transportation.<sup>25</sup>

### **Linking Employees to Job Sites Through Reverse Commute Bus Service**

With a population of more than 673,000, Louisville is the largest urban area in Kentucky.<sup>26</sup> When the Bluegrass Industrial Park opened in the more affluent suburbs on the east side of the city, there was a worker shortage. Meanwhile, on the economically depressed west side of Louisville, unemployment was in the double digits. There was no direct transit service from the west to east side. The bus route required three transfers and took two hours. When employers complained of the worker shortage, the Kentuckiana Regional Planning and Development Agency and the Transit Authority of the River City developed a solution to the commute problem: express bus routes began from West Louisville and downtown to the Industrial Park each morning and evening. The longest commute time is now 45 minutes and peak fare cost is \$1.00. The industrial park is so large that a free shuttle bus was started for

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<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> Population of Jefferson County. U.S. Bureau of the Census, USA Counties 1996 CD-ROM.

transit riders to deliver employees to their work sites. Surveys of riders revealed that most people did not have an automobile and were transit-dependent.<sup>27</sup>

The transit authority in Louisville also started a Night Owl Job Link service that transports late-night shift workers to jobs. Employees take a 20-passenger shuttle bus between home and work from 11 p.m. to 5 a.m. Passengers must pre-register for the service. Local partners in these projects are the MPO, local transit agency, Louisville Empowerment Zone, LCBD Enterprise Group, Louisville Business Resource Center, Workforce Development Partnership, and the Private Industry Council. Funding for the express routes and park shuttle comes from several sources: fare box recovery, cash assistance from the municipality, employer purchased bus passes, local Jefferson County occupational tax fund, federal transit operating assistance funds, and local transit agency funds.<sup>28</sup>

### **Providing Van Pool Services Through Community Based Non-Profits**

In Baltimore, Maryland, most of the entry-level job growth is located near the Baltimore Washington International Airport (BWI) located 10-15 miles southeast of the city. Baltimore's fixed-route transit system does not operate early enough to get many potential employees to job sites in the airport business district. The Historic East Baltimore Community Action Coalition (HEBCAC) used a US Department of Housing and Urban Development Bridges-to-Work grant to begin a comprehensive welfare-to-work program which provides door-to-door transportation through scheduled van services. The van service is free to participants for the first month then a round trip fare jumps to \$4.00. HEBCAC, a non-profit, leases and manages the van service and

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<sup>27</sup> Surface Transportation Policy Project, "Getting From Welfare to Work: Transportation Success Stories," Washington, DC (compiled by Nancy Willis).

<sup>28</sup> Ibid.

contracts with a private transportation company to provide the vehicles and drivers.<sup>29</sup> Local partners include HEBCAC, BWI Airport Business District, the Mayor's Office of Employment Development, Job Training Partnership Act, Yellow Transportation Inc. (for-profit transit provider), Jubilee Jobs, Inc., Genesis Jobs, Inc., and the Baltimore Empowerment Zone.<sup>30</sup>

### **Congestion Mitigation Air Quality Program Funded Projects**

Federal funds are available through the Federal Highway Administration Congestion Mitigation Air Quality Program (CMAQ) to create and expand transportation programs that improve air quality. In areas designated as non-attainment for ozone, carbon monoxide, or some particulates, as defined under the Clean Air Act Amendments of 1990, money is available for various types of transportation projects including public transit.

On the outskirts of Chicago, CMAQ money funds the Shuttle Bug program, a shuttle service from a suburban commuter rail station to nearby companies. Shuttle Bug is a reverse commute program which provides inner-city residents with better access to suburban jobs 25 miles northwest of downtown. The shuttle uses 15-passenger vans on six routes during weekday rush hours. Additional funds are provided by private contributions, transit funds and local governments.<sup>31</sup>

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<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.



## CHAPTER FOUR

### FEEDBACK FROM FORUM AND CONFERENCE PARTICIPANTS

In August and September 1998, five New Mexico Departments—Human Services, Labor, Economic Development, Children, Youth and Families, and State Highway and Transportation—sponsored seven Regional Welfare-to-Work Forums. Meetings were held in Las Cruces, Silver City, Gallup, Las Vegas, Clovis, Roswell, and Albuquerque. In addition, a “Building a State of the Art Welfare-to-Work System in New Mexico Conference,” sponsored by the Human Services Department, Department of Labor, the SHTD Public Transportation Programs Bureau, ATR Institute/UNM, and New Mexico School-to-Career Office, was convened in Albuquerque on September 21-22. This chapter reports feedback from forum and conference participants on transportation issues in state welfare reform.

#### Defining the Problem

At the eight events named above participants discussed barriers which potentially blocked New Mexico Works and Welfare-to-Work from succeeding in their County. Each County reported that transportation is a major barrier. As groups discussed transportation issues their definition of the problem shifted. They noted: transportation is not the barrier—*lack of transportation* is. Case workers, job developers and trainers, educators, transit services providers, and childcare advocates from metropolitan areas, small towns, and rural communities uttered the same refrain. The lack of transportation precludes many TANF recipients, who are ready and able to work, from getting to a job. The Income Support Division Director for four

eastern counties said, “If I had the Transportation I could put twenty women [TANF recipients] to work tomorrow.”<sup>1</sup>

### **Employers' Expectations**

At each forum New Mexico Secretary of Labor, Clint Harden, conducted informal surveys of prospective employers. He asked, “What are the three traits you most desire in employees?” Statewide he found that employers want workers who “are dependable, have a good attitude toward work, and are able to get along well with others.”<sup>2</sup>

There are at least two important dimensions of dependability: Employers depend on the employees to:

- 1) do the job they were hired for, and
- 2) be at the job site each day, on time.

To do the job she/he was hired to do, an employee must have learned the skills and basic knowledge needed for that job and must have developed the personal work ethic to put those skills to use. To be at the job site each day and on time, an employee must have accessible, reliable, affordable transportation every working day.

Transportation is accessible when people can get to it conveniently; if the transportation is reachable then it can be used. Transportation is reliable when it can be depended on day in and day out, regardless of environmental factors such as inclement weather. Transportation is affordable when its cost is not unduly burdensome to those who most dependent on it.

In order to get a job and keep a job, many WTW clients need more than accessible, reliable, and affordable transportation to and from the job site. They may need to drop off children at childcare and access healthcare, substance abuse counseling, peer support, training

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<sup>1</sup> WTW Forum, Clovis, September 10, 1998.

<sup>2</sup> WTW Forum, Albuquerque, September 24, 1998.

and educational services. If their trips include multiple stops, planning becomes more complex. Trips may not mean simply travelling from point A (home) to point B (job) and return. Multiple stop trips are especially common among single parents with pre-school age children. In addition, these trips may take place at times outside the standard eight-to-five work hours. Many entry-level jobs require working second or third shifts, which fall outside service hours of every transit system in the state. Securing the accessible, reliable, affordable transportation necessary to meet employers' expectations of dependability will be a major barrier for some TANF recipients and WTW clients.

### **Urban Transportation Needs Identified**

Most New Mexicans drive a car to work while some take public transit. People who use transit to commute fall into one of two categories:

- 1) **transit by choice**—they have access to a private vehicle but choose for financial, environmental, ethical, or convenience reasons to use transit; and
- 2) **transit-dependent**—they do not have the option of driving a private vehicle for reasons of age, ability, or income.<sup>3</sup>

Many TANF recipients are transit-dependent. In large cities and small towns they face an acute public transit shortage. In the cities of Roswell, Santa Fe, Las Cruces, and Albuquerque, which have public transit with fixed routes, there are significant deficiencies in areas covered and hours and days of service. Most Section 5311 (rural) transit programs in New Mexico offer demand-response service, door-to-door transportation. Most demand-response systems are not currently equipped to handle an influx of WTW riders. Private for-profit bus companies offer limited in-state and interstate services.

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<sup>3</sup> Community Transportation Association of America, "Public Transportation: Small Town and Rural America's Lifeline," February 1995.

The City of Albuquerque has the most extensive municipal public transit system in the state. Thirty-four routes operate Monday-Friday between 6 a.m. and 6 p.m. Only one route extends service to 7:30 p.m. Some routes run only at morning and afternoon commute times. Eighteen routes offer limited service on Saturdays; three routes provide limited Sunday service.<sup>4</sup> In Santa Fe, Santa Fe Trails Transit provides fixed-route bus service on ten routes. Most routes operate from 6:00 a.m. until 10:00-10:30 p.m., Monday through Friday. Saturday and holiday services operate 8:00 a.m. until 8:00 p.m. There is no service on Sundays, Thanksgiving, Christmas or New Year's Eve.<sup>5</sup> In Las Cruces, RoadRunner Transit offers fixed route service on nine routes. Service is offered Monday-Saturday from 6:30 a.m. to approximately 7:15 p.m.<sup>6</sup> Pecos Trails Transit in Roswell offers five fixed routes which operate 7 a.m. to 8 p.m. weekdays and 9 a.m. to 4:30 p.m. on Saturdays.<sup>7</sup> Each of these fixed route systems also provides paratransit service.

Even in these urban areas with fixed-route transit service, many WTW clients without cars have a difficult time getting to work. They give a number of reasons: bus stops are not located within walking distance; even if they live close to a bus stop, the bus may not run close to the job location; if it does run there, the bus may not run often enough, early or late enough, or on the weekends when they need it. They may need to make one or more transfers and if they miss a connection, the next bus may not arrive for an hour. This may double their commute time and make them late for work.

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<sup>4</sup> City of Albuquerque Transit Department. *The Sun Times*, May 1998.

<sup>5</sup> "Santa Fe Trails Bus Routes," (<http://www.santafe.org/>).

<sup>6</sup> LKC Consulting Services, Inc. "Regional Transit Study for Doña Ana County, Final Report Presented to the City of Las Cruces," June 1998.

<sup>7</sup> Interview with Paul Sorenson, Director, Pecos Trails Transit, October 1998.

Job placers in Rio Rancho reported that they have many entry-level jobs, especially at call in centers, which they cannot fill because applicants do not have transportation. The limited public transit offered in Rio Rancho and Albuquerque does not serve people working the second and third shifts. In addition, people in Cuba and Jemez who could take the jobs have no transportation to Rio Rancho.<sup>8</sup>

### **Rural Transportation Needs Identified**

A recent Community Transportation Association of America (CTAA) survey found that more than forty-one percent of the nation's rural residents live in areas with no federally-assisted public transit.<sup>9</sup> Rural residents who do not have access to a private vehicle or public transit have enormous transportation barriers. They often must depend on family members or friends for all of their transportation needs. One case worker who used to provide home health services to people with disabilities reported that some people were "practically locked in their houses" because they did not own a car or were physically unable to drive.

When family or friends are not available, the cost of transportation can be high. A Human Services Department supervisor reported that in the more isolated areas of northern New Mexico some TANF recipients pay \$50 to hire someone to drive them to Espanola for appointments and to conduct business. In Sierra County an Income Support Division supervisor reported that farm workers pay up to fifty percent of their \$42.00 daily wages for transportation to the fields of Hatch. The workers pay these prices because they desperately need their jobs.<sup>10</sup>

Transportation from home to educational institutions and training programs is especially important in counties like Curry and Roosevelt where, according to DOL statistics, almost fifty

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<sup>8</sup> WTW Forum, Albuquerque, Sandoval County Group.

<sup>9</sup> CTAA, "Public Transportation: Small Town and Rural America's Lifeline," February 1995.

<sup>10</sup> Interviews at WTW Forum, Las Cruces, August 6, 1998.

percent of TANF recipients lack a high school diploma or GED. Access to transportation can determine whether a TANF recipient successfully completes training and moves into the workforce. Regardless of the incentives the DOL may offer companies for hiring TANF recipients, employers want workers who can do the job. This means employees must have a solid education and they may need job-specific training. Since many WTW clients have low reading and math skills and do not have a high school diploma or GED, reliable transportation to educational and training sites will be a necessity. In Socorro County a volunteer with a program to move young unemployed mothers into the workforce reported that because they lacked transportation none of the nine participants completed the program.<sup>11</sup>

Access to medical services is an issue for low-income residents and TANF recipients in all rural areas. In Doña Ana County a caseworker said that when there is only one car in a rural household, with two adults (one working outside the home) and dependent children, the second adult (most often a woman) might be stranded. This means, for example, that she must “catch a ride to town” to take children to a health clinic. Unless she can find an alternate way to get home, she will have no choice but to stay at the clinic all day (until the car-driving member of the household gets off work). Her lack of transportation means that the health clinic becomes an impromptu day care center.

In northwest New Mexico a participant voiced concern about the lack of transportation for TANF recipients with children at risk for speech and developmental delays. While Medicaid would pay for therapy, the recipients do not have transportation to the treatment facility, which can be as far as 45 miles away.

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<sup>11</sup> Ibid.

In Truth or Consequences, a volunteer community educator reported that lack of weekend transportation for non-emergency medical service is a major concern. She knew a woman who broke both arms on a weekend and had to wait until the following Monday to travel to Las Cruces for treatment by an orthopedist (according to the educator, two broken arms did not qualify as a Medicaid medical emergency).<sup>12</sup>

Another problem for some transit-dependent TANF recipients is the inability to physically leave domestic violence. According to the Welfare Information Network, 60 percent of welfare recipients experience some type of domestic violence. In addition “between 15 and 49 percent of abused women on welfare experience problems relating to child support, visitation, child custody, and interference from their [current or former] partners with education, training and work.”<sup>13</sup> Sometimes an abuser grants or denies the recipient access to the car in an attempt to control her behavior. At other times the abuser may attack the partner then leave in the vehicle.

Project Sandoval County, a domestic violence prevention and education program, has devised a unique response to this problem. If an abused partner calls their hotline number, the Project will send someone out to transport the victim and children to a safe place. Project staff have taken out additional insurance on their private vehicles to cover this use. If they are unable to provide transportation they have an agreement with a Rio Rancho taxi service to transport the victim to a safe house for free.<sup>14</sup>

Transportation solutions will be difficult to find for TANF clients who live in rural areas where people have multi-generational cultural ties to a place. These regions often have highly

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<sup>12</sup> WTW Forum, Las Cruces.

<sup>13</sup> April Kaplan, “Domestic Violence and Welfare Reform,” Welfare Information Network, October, 1997.

<sup>14</sup> Interview with Jody Wheatley, Project Sandoval County, at WTW Forum, Albuquerque.

dispersed populations, high unemployment, high poverty rates, and poor roads. Some participants in New Northern New Mexico and representatives from various Indian nations voiced this concern. Job opportunities are especially scarce in rural areas like the “checkerboard” area of northern Sandoval County. WTW clients would have to commute to Rio Rancho, Albuquerque, or Santa Fe and they have no affordable, reliable transportation to do so. People who want to continue to live on family land in a traditional rural economy are caught in a unique bind: how can they maintain cultural continuity if taking a job means relocating to a city or suburb? People living in the three Indian Reservations and nineteen Pueblos face a similar question. Micro-economic development and transportation cooperatives may provide some solutions.

The Navajo Transit System, a PTPB grantee, serves a 26,000 square mile area in four states and offers seven fixed-routes plus charter bus service on and off the reservation. They will be a major transportation provider for the Navajo Nation's WTW program. One of the main problems in McKinley County is the lack of maintenance on 9,000 miles of unimproved roads. Unimproved and nonmaintained roads are a major transportation barrier for all county residents, including TANF recipients.<sup>15</sup> On seasonal “mud days” people cannot leave home without risk of becoming stuck.

The Pueblo of Zuni offers demand response transit and vanpooling through Zuni Entrepreneurial Enterprises (ZEE). ZEE is funded through the PTPB and they work closely with the Pueblo of Zuni's Joblinks program. To meet the increased demands for transit in WTW, ZEE

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<sup>15</sup> McKinley County Road Department; Northwest New Mexico Planning Organization presentation by Mary Murnane at Building a State of the Art Welfare System in New Mexico Conference, Albuquerque, September 21, 1998.



needs capital to purchase an additional van and operating funds to cover increases in drivers' hours.<sup>16</sup>

The Pueblo of Laguna has applied for a grant from PTPB to provide public transit for residents within Pueblo lands, and on roundtrips to Cañoncito and Albuquerque. They are waiting for certification from the State Corporation Commission. The Laguna Community Health Representative suggested that her counterparts in other Pueblos would be good contacts to disseminate information on transit funding options and to collect information on transportation needs with the Pueblos.<sup>17</sup>

A representative from Jemez Pueblo said they have two new senior vans but no money to maintain them. They want help creating and funding a vanpool to take residents to jobs in Rio Rancho and Albuquerque. Numerous participants noted that many gambling casinos often have free van service to pickup customers. Participants want those vans used for additional purposes, which serve low-income Pueblo residents.<sup>18</sup>

Another participant from the southern part of the state voiced frustration over a phenomenon called the “tortilla curtain.” Other state and local government employees who deal with transportation, human services, and labor share the frustration. The participant explained that many people in that region feel that very little state money filters down to the southern part of the state because of its close ties to Mexico and Mexican culture. The participant said it was as if a curtain crossed the state west to east through Socorro and state aid and resources seldom crossed the barrier.<sup>19</sup>

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<sup>16</sup> Interview with Larry Aflen, Executive Director, ZEE, October 1998.

<sup>17</sup> Interview with Ramona Dillard, Director, Pueblo of Laguna Community Services, October 1998.

<sup>18</sup> WTW Forum, Albuquerque.

<sup>19</sup> WTW Forum, Las Cruces.

## **Transportation and Economic Development**

Transportation is intricately linked with economic development and job creation. New Mexico Economic Development Specialist, Mary Mural, reported that the three big issues for companies who are considering relocating to New Mexico are “transportation, training, and taxes.” In years past, about one-half of companies interested in moving to New Mexico wanted a rural location; the other half wanted an urban area. Now the numbers have changed to one-third rural, one-third urban, and one-third the border area. Companies interested in the border area are asking the NM Economic Development Department three questions: Where will people live? Where will they eat? How will they get to the job site? Because of the lack of infrastructure in the border area, Mural predicts that new companies will develop their own public-private partnerships to transport workers.<sup>20</sup>

The location of new entry-level jobs and affordable housing can be miles apart with no transit service to bridge the gap. In a national survey of 77 metropolitan areas, more than 80 percent of low-skilled jobs are being created in suburbs. These jobs are inaccessible to many welfare recipients who live in rural areas or central cities.<sup>21</sup> According to a Labor Department job placer, Wackenhut Corrections, owner and operator of the new prison in Santa Rosa, has setup three job fairs but no one has applied for the entry-level jobs. There is a shortage of affordable housing in Santa Rosa and people who need jobs in Tucumcari, Vaughn, and Fort Sumner lack the transportation to travel to Santa Rosa. One job coach said that a client, who has a vehicle, reported that he simply could not afford to commute to the prison because the entry-level wages are so low (\$13,000/year). The client could not afford the cost of driving to work.

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<sup>20</sup> Ibid.

<sup>21</sup> Reinvesting Welfare Savings: State Welfare Reform. Center on Budget and Policy Priorities, March 30, 1998. (<http://www.cbpp.org/330rein.htm>).

A planner from Guadalupe County stated that a TANF recipient from Vaughn came up to her after a planning meeting and said that she would love to work at the new prison in Santa Rosa. But the woman did not have transportation to Santa Rosa to even apply for a job, much less to work there five days a week.

### **Private Vehicle Option**

Many New Mexico working class and middle class families rely on privately owned vehicles to commute to work. This transportation solution will not work for those low-income and TANF households who cannot afford the cost. Nationally the average cost to operate a safe, insured vehicle, traded in every five years, is between \$5000 and \$7000.<sup>22</sup>

The short supply of public transit service and the limited service hours provided by transit systems forces most workers in New Mexico to rely on private vehicles to commute to jobs. A nationwide study reports that 94 percent of welfare recipients do not own a car. For those who do own cars, the car's average value is \$620.<sup>23</sup> While in New Mexico the percent of TANF recipients without access to a private vehicle is probably lower, there are no good estimates of the percent of TANF recipients who own vehicles, nor are there estimates of the average value and reliability of such vehicles.

Two counties have completed transportation surveys of public assistance recipients. A Bernalillo County survey found that 42 percent of TANF recipients do not drive or only have access to a car occasionally. The 48 percent who reported that they usually have access to a car also reported that the car was unavailable an average of one day a week due to factors such as

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<sup>22</sup> AAA has calculated the true cost of operating a private vehicle, including car payments, depreciation, insurance, maintenance, fuel, parking at 53 cents per mile. For a person driving 8,000 miles per year the cost would be \$4,240; for 10,000 miles per year, a cost of \$5,300; for 12,000 miles, a cost of \$6,360. Information from "Calculating the True Cost of Owning Your Car," CarSharing Portland, web site(<http://www.carsharing-pdx.com/cost.html>).

<sup>23</sup> "The Transportation System's Role in Moving Welfare Recipients to Jobs," Volpe Transportation Journal, Spring 1998.

lack of maintenance and lack of gas money. Ninety-one percent of homeless residents of Bernalillo County either do not drive or only have access to a car occasionally.<sup>24</sup>

A survey of 700 Doña Ana County residents who sought services at the local HSD or DOL offices in June-July 1998 revealed that 52 percent of the individuals without a vehicle were unable to accept a job due to lack of transportation. An additional 18 percent of respondents had lost a job because they lacked transportation. The three largest transportation problems they reported were as follows:

- 31 percent lacked transportation to doctor/hospital
- 30 percent lacked transportation for shopping
- 27 percent lacked transportation to work.<sup>25</sup>

Using the survey and vehicle registration records, Michael Noonchester, the Public Transit Director in Las Cruces, determined that many welfare recipients in Doña Ana County have cars; some have several cars, but none that run. Few of these people have reliable transportation.<sup>26</sup>

The poverty rate in New Mexico averaged over the three year period, 1995-1997, was 24 percent, the highest in the nation. Almost one out of every four people in New Mexico was living below the U. S. poverty level.<sup>27</sup> New Mexico's median household income (for a family of four) over the same period ranked 48th among the fifty states.<sup>28</sup> In addition, income inequality between New Mexico families with children has been increasing for almost twenty years. If all New Mexico families are ranked by income and divided into five equal-sized portions, the

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<sup>24</sup> Bernalillo County 1997 Welfare to Work Transportation Study (500 people surveyed at County Offices by Public Works, Planning Department).

<sup>25</sup> City of Las Cruces Transit Department, "Analysis of the Public Transportation Survey" (undated).

<sup>26</sup> Interview with Michael Noonchester, October 1998.

<sup>27</sup> U.S. Bureau of the Census, March 1998, 1997, and 1996 Current Population Surveys (<http://www.census.gov/hhes/poverty/poverty97/pv97state.html>).

<sup>28</sup> Measured in 1997 dollars, U.S. Bureau of the Census, March Current Population Survey. *The Official Statistics*, September 8, 1998. Same as above.

average income of the poorest fifth of families fell by \$2,430 between the late 1970s and the mid-1990s, from \$8,840 to \$6,410. The average income of the middle fifth of families fell by \$4,680 from \$34,240 to \$29,560, while the average income of the richest fifth of families increased by \$7,350 from \$84,390 to \$91,740.<sup>29</sup> Moreover, the Center on Budget and Policy Priorities points out that “the expenses of working, such as childcare and transportation, often absorb a large proportion of the earnings of low income workers.”<sup>30</sup>

Another question arises regarding what percent of TANF recipients drive uninsured vehicles. New Mexico law requires drivers to have a liability policy (or surety bond or cash deposit) with a minimum of \$60,000 in coverage: \$25,000 coverage for bodily injury to or death of one person, \$50,000 coverage for bodily injury to or death of two or more persons, and \$10,000 for property damage in any one accident.<sup>31</sup> Auto insurance premiums are not a deductible life expense for welfare recipients. Many citizens consider auto insurance a luxury they can’t afford. For example, one welfare recipient in Bernalillo County reported that she decides every other month whether she can afford to pay the next \$104 two-month liability and uninsured motorist insurance premium on her fifteen year-old car. Since she is already behind on utility bills this month (October 1998), she has decided that she can not afford the insurance, but she will continue to drive the vehicle.

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<sup>29</sup> *Pulling Apart: A State-by-State Analysis of Income Trends, New Mexico*, Center On Budget and Policy Priorities, December 16, 1997 (<http://www.cbpp.org/pa-nm.htm>).

<sup>30</sup> *State Income Tax Burdens on Low-Income Families in 1997: Assessing the Burden and Opportunities for Relief*, Center on Budget and Policy Priorities (<http://www.cbpp.org/sttax98-2.htm>).

<sup>31</sup> Mandatory Financial Responsibility Act [[66-5-201](#) to [66-5-239](#) NMSA 1978].

In a catch-22, automobile insurance in New Mexico is costly (compared to other rural states) and the state has one of the highest incidences of uninsured drivers.<sup>32</sup> Forum participants ask whether the 27 percent of New Mexicans who earn \$6 or less per hour<sup>33</sup> can afford to operate a vehicle in a safe and legal manner. A person who works 40 hours/week for 52 weeks/year at \$6/hour will gross \$12,480. It will be very difficult for these New Mexicans to own and legally operate a personal vehicle to travel to work.

Another concern participants raised is the unknown incidence of substance abuse among TANF recipients who drive. The US HHS Department reports that between 10 and 20 percent of welfare recipients self-report a substance abuse problem. HHS states that real figures may be much higher.<sup>34</sup> There are no statistics on the number of recipients in New Mexico who need substance abuse treatment and counseling. Nor are there any estimates on the number of recipients who hold valid driver's licenses. But the State Human Services and Labor Departments have determined that there is a need for substance abuse counseling and treatment component in the WTW program.<sup>35</sup>

Although TANF recipients may want to own and operate a car for the freedom and convenience it offers, additional stresses come with operating a personal vehicle while living on a low-income or public assistance. One recipient, describing a recent day when her old car broke down, called the event the "last straw." With all the financial and emotional stress she was

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<sup>32</sup> Neither the State Motor Vehicle Division, the State Insurance Department, nor the SHTD Traffic Safety Bureau could supply good estimates on the number of uninsured vehicles in New Mexico. A consultant with the State Insurance Department reported that the number of vehicles insured could be acquired from the insurance companies. The numbers needed to calculate the percent of uninsured vehicles are the numbers of passenger vehicles, light trucks, commercial trucks, etc., registered in the state. So far this information has not been forthcoming from the State Motor Vehicle Division.

<sup>33</sup> DOL Current Population Survey, 1995. Labor Secretary Clint Harden reported figure at the Regional Welfare-to-Work Forum, Albuquerque, September 24, 1998.

<sup>34</sup> "Substance Abuse and Welfare Reform Policy," Welfare Information Network, Julie Strawn. (<http://www.welfarewatch.org/cgi-bin/printreport.cgi?18>).

<sup>35</sup> In October 1998, State DOL put out a Request for Proposals to deliver services to WTW clients with substance abuse problems.

under, she simply couldn't handle "one more thing going wrong." Knowing that she did not have the money to fix the car, she just sat there and cried. Later, she found out the car did not need repair; it needed gas. Her seventeen-year-old son, who shared the car with her and also drove it to work, had failed to put gas in the tank after using it. This time, there was a happy ending to the story—the car did not need an expensive repair.

For some recipients finding an affordable car that works is an impenetrable barrier. One recipient who had found a job but needed a car to get there went through four cheap automobiles. Each car broke down in short order. In total frustration, she gave up on trying to get to work and lost the job.

A recipient reported that because of her car's age she has already used the one-time \$300 grant from the Human Services Department to have repairs done on the vehicle. She pointed out that this benefit is only available to WTW clients during the first thirty days of employment. It is designed to help people buy uniforms, tools, or special shoes.<sup>36</sup> What happens, she asked, if someone's car breaks down on day 31 of employment? Now she relies on a relative to fix the car for free, only charging her for the parts.

### **Participants' Suggestions for Improvement**

In most of New Mexico school buses, though currently limited to transporting students, provide the only public transportation for local travel. Participants recommend that school buses transport parents along with children to centrally located drop off points—schools—where the parents can pickup other transportation to childcare, job, and training sites. Fares can be

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<sup>36</sup> During the first 30 days at a new job, New Mexico Works will provide a client with a small grant (maximum \$300) to meet expenses of starting that job—such as to pay for tools, uniforms, special shoes, or car repair required for work. The employee must bring the income support specialist a letter from the employer stating the recipient is starting to work and an estimate for needed items. Source, DHS and TVI WORKS.

negotiated to underwrite the cost of added services and mileage. Under the Department of Labor guidelines, employers can provide up to \$65/month as a non-taxable transit benefit to each employee (see Chapter 3). In addition, participants noted that school buses (and often drivers) sit idle during the school day and after students have been dropped off at the end of the school day. School buses could be used in these hours to transport WTW clients to training and educational centers, and second and third shift jobs. Some participants raised issues of liability, child safety, and increased costs. But these are not insurmountable problems as some states have demonstrated: North Carolina, Tennessee, Kentucky, and Oregon are already using school buses to transport WTW clients (see Chapter 3).<sup>37</sup> Participants also recommend that the school systems (or subcontractors) employ WTW clients as drivers, dispatchers, mechanics, bus monitors, and support personnel. The New Mexico Department of Labor can arrange training programs.

Small transit operators funded by the PTPB expressed frustration that DOL was counting on them to provide WTW clients with transportation, but they are not allowed to extend services beyond city or county lines due to a State Corporation Commission regulation.<sup>38</sup> They advise that a regional transportation plan will better serve all residents, not just TANF recipients.<sup>39</sup>

Case workers and health educators in Sierra, Socorro, and Cibola suggested that vans and buses which are purchased with public money should function as shared “community resources,” not the property of one non-profit organization or government agency.<sup>40</sup> They expressed

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<sup>37</sup> Job Links Program, offered by Glendale-Azalea Skills Center, Glendale, OR (reported in STPP “Getting from Welfare To Work: transportation Success Stories”; Tennessee example in “Welfare Reform in Rural Areas: A Special Community Transportation Report,” CTAA On-Line (<http://www.ctaa.org/ct/sep0ct97/rural-welfare.htm>).

<sup>38</sup> A transit system may appeal to the State Corporation Commission for a waiver to extend service area. But the perception among small transit systems is that state regulations must be changed.

<sup>39</sup> Small transit operators also have a hard time keeping licensed drivers. Once they train drivers and help them pass the test for a Commercial Drivers License, the driver moves on to a better paying job.

<sup>40</sup> Opinion expressed by several members of the Socorro and Sierra County group at Las Cruces, NM Forum, August 6, 1998; Cibola County representatives at Albuquerque WTW Conference, September 22, 1998.



frustration that a senior citizens van could be parked most of the day when it could have been used to transport TANF recipients to jobs and classes and children to after-school recreational programs. Changes in federal regulations now allow for cross-agency use of vehicles. The SHTD Public Transportation Programs Bureau is following this policy and other State agencies should also follow suit.

Forum participants do not believe that New Mexico can soon afford to create a brand new public transit system to help welfare recipients make the transition to work. More likely, what the state can afford immediately is to assess the transportation services (however limited) which exist in each county and implement policy changes, which will allow those services to be more fully utilized. This means counting the seats available on every senior citizens center van; social and fraternal club bus; Head Start and daycare center van; tribal bus; and public and private school bus. Since countywide school bus routes are already in place, the school bus system provides a logical starting point for improving utilization of existing capacity.

Participants from every rural community expressed a need for better local and regional transit service. One county has taken a big step in that direction. In Doña Ana County transit is available only within the city limits of Las Cruces, the economic and educational center of the region. The recently completed *Las Cruces Regional Transportation Plan* calls for substantial increases in transit services to connect Las Cruces with outlying communities such as Hatch, Rincon, Radium Springs, Doña Ana, La Mesilla, San Miquel, Anthony, Sunland Park. New routes would be phased in over several years. The plan also covers funding issues and economic benefits of transit.

Regional transit planning and development is an idea whose time has come in northern New Mexico. The highly successful 1997 Park and Ride Demonstration Program which linked

Santa Fe, Los Alamos, Espanola, and Pojoaque Pueblo recently received FTA and local funding for FY 1999. On November 2, 1998, the Park and Ride will begin Monday through Friday operation. The benefits of programs like this will extend to not only transit-dependent people, but also to transit-by-choice residents.

## Summary of Feedback

- *In all regions of the state, the lack of transportation impedes the success of people who are moving from welfare to work. To meet employers' expectations, employees need accessible, reliable, and affordable transportation.*
- *TANF recipients and WTW clients have complex travel needs: they go to childcare providers, job sites, training and educational facilities, medical and counseling services. Yet they have few transportation options. Because of poverty, if they operate a vehicle it is often unreliable, unsafe, and uninsured. For economic reasons, they are often transit-dependent.*
- *Transit services in urban areas may not extend to locations of new jobs and buses do not run during the hours and on the days needed. Transit service in rural areas is almost non-existent. Buses and vans operated by user groups (like seniors, disabled, and schools) are not shared as community resources.*
- *In urban and rural areas, affordable housing is not always available where new jobs are located and transit does not exist to link them.*
- *People with cultural ties to specific land and communities have additional transportation problems because of low population density, high poverty and unemployment, and poor road conditions.*
- *A transportation needs assessment and a roads condition assessment should be completed for all counties and tribal lands.*
- *All people will benefit from improved local and regional transportation systems.*
- *Public transportation in New Mexico should be affordable, accessible, dependable, universal (available to all), and safe.<sup>41</sup>*

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<sup>41</sup> Vision statement of the working group on transportation at the Building a State of Art Welfare to Work System in New Mexico Conference, September 22, 1998.

## **CHAPTER FIVE**

### **CURRENT ACTIVITIES AND RECOMMENDATIONS FOR FUTURE NEEDS**

Repeated studies from across the nation, and the statewide regional Welfare-to-Work forums and conference convened to examine the hurdles facing welfare reform, have concluded that the lack of transportation is a major stumbling block to TANF recipients' obtaining and keeping jobs. But while the state recognizes that an immense gap exists in public transportation, the actual needs have never been quantified, including the necessary financial resources to address these needs. The lack of quantifiable data makes it impossible to accurately estimate the resources that need to be allocated to strengthen present public transportation activities in New Mexico, or to commence new initiatives. Moreover, the lack of data can hamper New Mexico's funding requests to federal agencies, which control not only TANF funds but also those from the US Departments of Labor and Transportation. Other peripheral funding has been used by other states, such as that for rural development, the Community Development Block Grant Program (CDBG), the Environmental Protection Agency (Congestion Mitigation, Smart Growth Program) and other Housing and Urban Development programs.

#### **The First Efforts**

The New Mexico Cabinet Secretaries involved in welfare reform and workforce development have heard forum and conference participants' pleas for increased attention to transportation issues and they have taken action. On September 29, 1998 Secretary Harden transferred \$1,242,340 from the State Department of Labor to the SHTD Public Transportation Programs Bureau. These funds will be used to provide public transportation for WTW programs around the state by either expanding current transit service or providing new systems.

In addition, through a coordinated effort, the State Human Services Department and the State Highway and Transportation Department will contract with the ATR Institute, University of New Mexico to conduct a needs analysis of information, facts, and data related to the transportation shortfalls in meeting State welfare reform goals. The information gathered will provide the first comprehensive view of public transportation in New Mexico, with emphasis on collecting specifics of local transportation needs for implementing welfare reform. This needs analysis will result in a “Welfare to Work Transportation Tool Kit,” compiled by county. Policy makers and local planners responsible for developing transportation services for all local residents can use the information. The “Tool Kit” will meet the following objectives:

1. Quantify the transportation needs of welfare recipients throughout the state as they move from the welfare system to employment.
2. Assess the capability of existing transportation resources to meet those needs.
3. Identify obstacles to coordinating and expanding existing transportation services.
4. Assess regulatory and legal barriers to transportation coordination.
5. Identify and analyze travel patterns that TANF recipients will need to follow to access critical support services, such as childcare, training and counseling.
6. Develop a formula for distributing available TANF funds to meet local WTW transportation needs.
7. Identify county and regional level transportation initiatives which can provide cost effective, and reliable transportation options for welfare recipients.

### **Recommendations for Future Action**

In past years the Legislature has recognized the need for more coordinated public transportation services in the state for the citizenry as a whole. Senate Joint Memorial 21 (SJM21), passed in 1995, called for the development of a transportation network to better serve low-income persons and others who are without automobiles. The SHTD, PTPB prepared an

analysis for the legislature in October 1995 which recommended some of the following initiatives to meet the spirit of SJM 21:

- Establish a Coordinating Council made up of state agencies providing or funding transportation services. (While such a Council was initially established, it requires stronger mandates to make necessary changes.)
- Coordinate by state agencies the purchase of capital equipment to better allocate resources, avoid duplication, and reduce costs.
- Locate alternative funding sources to meet growing transport demands.

Therefore, the recommendations were to eliminate service duplication, increase cost-effectiveness, maximize vehicle use, reduce overhead costs of operations, look at alternative funding mechanisms, and improve the overall efficiency of the programs now funded for providing public transportation. While the PTPB has continued to make efficiency and cost improvements with their transportation grantees, it is outside their mandate and purview to require other state agencies to do the same.

**Recommendation A:** The impetus of welfare reform has renewed the need for the Coordinating Council to be legally established with set goals from the legislature and set criteria for meeting efficiency objectives called for by the PTPB under SJM 21.

New Mexico is one of six states that do not make direct state expenditures for public transportation programs. Typically, this type of funding can provide enhancement of capital expenditures, operation and maintenance of current systems, assist rural planning, and provide a funding pool for local operations and facilities. California put into law the Transportation Development Assistance Act for rural communities. Under this law, transit systems can be established, and when the transit needs of the community are met, the system is free to use their funding for rural road development.

**Recommendation B:** The legislature should consider various funding mechanisms for direct state expenditures to finance public transportation programs around the state; state funds would be used to leverage federal funding of these programs. For instance, a capital expenditure formula could be calculated for distribution to counties, or a transportation-pooled fund for use by small transit agencies could be set up for capital, operations and maintenance. Low interest loans through a revolving loan program similar to those set up for environmental infrastructure would also be possible.

The private sector, both business and industry, understands the importance of a stable and reliable working force. As documented in this report from feedback by residents around the state, communities are willing to become innovative and flexible in their use of welfare recipients as workers. But transportation is still a concern. Private employers around the state have expressed their desire to help make the system work. The private sector must be engaged and kept in the process of welfare reform and worker training and retention.

**Recommendation C:** Provide state incentives for private industry and businesses to hire welfare recipients for transportation related jobs, and to provide employer-sponsored transportation benefits for welfare recipients beyond that which are offered by the federal government. Incentives can include tax credits, commuter incentives, business sponsorships to leverage public funding, leasing/rental of transit facilities and operations to serve the needs of businesses for non-public needs, development of community partnerships, vehicle lending programs, and insurance pools for low income persons.

In previous years legislators have proposed legislation to create transit authorities. While there has been good support for such a notion, the legislation has failed for various reasons. Because the state should provide policy, financial support, and general direction to local governments and communities regarding public transportation, it is prudent to examine new legislative strategies that will “enable” local governments (large and small) to grow public transportation services according to their particular needs. The State of Texas has chosen this method.

**Recommendation D:** The legislature should pass an enabling statute which allows public transportation growth and maintenance through regional transportation districts that are authorized to enact local option taxes and create districts under certain conditions. That is, the legislation would set certain criteria, that if met by a local government or a cooperative group of local governments, would permit them to create transportation districts in accordance with that particular region. Some regions may choose to enact local option taxes, while others may design a private/public-operated entity, and still others only need regulatory flexibility to make their system viable. The Public Regulatory Commission (PRC) could register such districts for oversight purposes.

The newly enacted PRC will have authority over many aspects of transportation including insurance and Certificates of Convenience and Necessity. Insurance pools for welfare recipients and low-income people have been established in other states where public transportation is either not readily available or not feasible. Additionally, feedback from small transit operators indicates it is difficult to get a certificate of operation that will allow them to



cross county lines, thus compounding the difficulty of transporting welfare recipients from one region of the state to another.

**Recommendation E:** The Public Regulatory Commission should receive direction from the legislature to review its statutory and regulatory requirements and make changes to facilitate transportation services for welfare reform. The goal would be to establish more efficient, more flexible, and less burdensome requirements.

Many participants at the regional forums suggested using public school buses for transporting WTW clients, particularly during off-hours and weekends. This was voiced most strongly in the rural sectors of the state. Many states have found that the school bus system provides a logical starting point for improving utilization of existing capacity. Several states and towns have used school buses successfully without many problems in the transition. School buses could transport parents along with children to centrally located drop off points where they would pick up other transportation. Welfare recipients could fill jobs created in an expanded school bus transportation system.

**Recommendation F:** Legislate that the New Mexico Board of Education look to restructuring its policies on school bus use to accommodate welfare reform programs and amend state statutes that prevent non-school children from using school buses. Encourage private school bus contractors to train and employ welfare reform clients as bus drivers, or provide other support services such as dispatchers, mechanics, and bus monitors.

The transition from welfare to work is a multifaceted and complex problem. Each facet influences others, making it very difficult to isolate and fix one part of the problem (i.e.,

transportation), without considering others. Economic development is necessary to create new, good-paying jobs; new employees must have excellent educations; job training programs must meet employees' needs; high-quality childcare must be available; affordable housing must be located within reasonable commute distance to jobs; healthcare and counseling services must be in place for people who are entering or re-entering the work force. **A fully developed transportation infrastructure is the mortar that will hold these pieces together.** Once transportation services are in place, then people can begin to take the necessary steps to build a solid economic and social foundation for their families.

## **GLOSSARY**

**Access to Jobs Projects (ATJ)** develop services to transport welfare recipients and eligible low-income individuals to and from jobs and other employment related activities.

**Aid to Families with Dependent Children (AFDC)** is the previous federal “welfare” program that up until 1997 provided cash assistance to adults with dependent children.

**Balanced Budget Act of 1997**, Public Law 105-33, the Act that created the Welfare-to-Work (WTW) program under the Department of Labor, Education and Training Administration.

**Clean Air Act Amendments of 1990** are intended to meet unaddressed or insufficiently addressed air quality problems such as acid rain, ground-level ozone, stratospheric ozone depletion, and air toxics.

**Community Transportation Association of America (CTAA)** is a non profit transit advocacy and technical assistance organization located in Washington, D.C.

**Congestion Mitigation Air Quality Program (CMAQ)** is included within TEA-21 and provides funding to cities which are non-attainment or maintenance areas for ozone or carbon monoxide, two pervasive air pollutants. Non-attainment areas are places where federal air quality standards are being exceeded on an ongoing basis, or where exceedences have occurred in the last three years. Maintenance areas are places where exceedences are no longer occurring on a continuing basis, but which were once non-attainment areas. TEA-21 authorized \$6,557,407 in CMAQ funds to New Mexico in FY 1999. According to the SHTD and the Middle Rio Grande Council of Governments, about 90 percent of this amount is expected to be guaranteed.

Albuquerque/Bernalillo County will actually receive less CMAQ funds than it received last year due to a formula change in disbursements under TEA-21. Sunland Park may receive funds for projects. SHTD will have discretionary use of the remaining funds.

**Demand-response transit** is a door-to-door transit service available on a call ahead, reservation schedule. Fares are usually higher than fixed-route services.

**Federal Transit Administration (FTA)** is a component of the U.S. Department of Transportation, delegated by the Secretary of Transportation to administer the Federal Transit Program under the Urban Mass Transportation Act of 1964, as amended, and various statutes.

**Fixed routes** are buses that travel the same streets or roads each day at specific times as its fixed or known service.

**Intermodal Surface Transportation Efficiency Act (ISTEA)** of 1998 re-authorizes the 1991 Act “to develop a National Intermodal Transportation System that is economically efficient, environmentally sound, provides the foundation for the Nation to compete in the global economy and will move people and goods in an energy efficient manner.”

**Metropolitan Planning Organization (MPO)** are, according to the U.S. Code, the organization designated by the governor and local elected officials as responsible, together with the State, for transportation planning in a urbanized area. It serves as the forum for cooperative decision making by principal elected officials of general local government.

**New Mexico Passenger Transportation Association** is a non-profit corporation established in 1987 representing New Mexico transportation providers.

**New Mexico State Highway and Transportation Department (SHTD)** is the state agency responsible for transportation. It is the equivalent to another state’s Department of Transportation (DOT) agency.

**New Mexico Works** is the cash assistance benefits program administered by the New Mexico Human Services Department. It is the state equivalent of TANF and was created by the New Mexico Works Act [27-2B-1 to 27-2B-20 NMSA 1978].

**On-the-Job Training (OJT)** is aided by a new provision in TEA-21 that allows States the opportunity to reserve slots for welfare recipients in OJT programs that lead to full journey level in skilled highway construction trades. As trainees, recipients also have access to support service programs that provide pre-employment counseling, orientation to the requirements of the highway

construction industry, basic skills improvement, assistance with transportation, child care or other special needs, job site mentoring, and post-graduation follow-up.

**Paratransit** are forms of transportation services that are more flexible and personalized than conventional fixed route, fixed schedule service but not including such exclusory services such as charter bus trips. The vehicles are usually lower medium-capacity highway vehicles, and the service offered is adjustable in various degrees to individual user's desires. Its categories are public, which is available to any user who pays a predetermined fare and semipublic, which is available only to people of a certain groups, such as the elderly, employees of a company, or residents of a neighborhood.

**Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)**, Public Law 104-193, signed in August 1996, reformed the nation's welfare laws and changed the nature and provision of welfare benefits in America from an entitlement to a "work first" program. Established Temporary Aid To Needy Families.

**Private Industry Councils**, Welfare-to-Work grants fall into two categories, formula grants to the States and competitive grants to local communities. The states receive 75% of the grant funds. The state is required to pass through 85% of the money to local Private Industry Councils, which oversee and guide job-training programs in geographical jurisdictions called service delivery areas.

**Public Transportation** (commonly called Public Transit) is the facilities, equipment, personnel, and procedures needed to provide and maintain public transit service that is publicly owned by any municipality, county, regional authority, state or other governmental agency, including a system operated or managed by a private company under contract to the government agency owner.

**Public Transportation Programs Bureau (PTPB)** is the bureau within the New Mexico State Highway and Transportation Department which is responsible for public transportation in New Mexico.

**Regional Planning Organization (RPO)** consists of local, county, or tribal governments. In New Mexico, there are currently 7 RPOs: 4 are administered by a Council of Governments (COG), 1 by eight northern Indian Pueblos, and 2 by the NMSHTD.

**Rural Transportation Assistance Program (RTAP)** is a program that assists in the design and implementation of training and technical assistance projects and other support services for the transportation operators in non-urbanized areas.

**Single occupancy vehicle (SOV)** is a vehicle containing only a driver. In some areas, children of non-driving age are not counted as occupants in SOV drive lanes.

**Temporary Aid to Needy Families (TANF)** is administered by the US Health and Human Services Department, Office of Family Assistance. TANF dollars are dispersed as block grants to the States and HHS allows States to design their own cash assistance programs. TANF was created under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and it replaces AFDC. TANF requires people who can work, to go to work.

**Transit benefit** is a monetary benefit from employer to employee, provided by the Internal Revenue Code [26USC 132(f)] to allow an employer to provide up to \$65 per month to subsidize any employee's commute to work, in other than a single occupancy vehicle.

**Transportation Equity Act for the 21st Century (TEA-21)**, PL 105-178, is commonly referred to as TEA-21. TEA-21 took three years to write and is the largest public works bill in our nation's history. The Act authorizes over \$217 billion dollars in transportation spending over the next five years. All federal gasoline tax revenues go to the Highway Trust Fund (HTF) and are directed to transportation spending. The percentages of annual average funding is 25% for the National Highway System, 21% for the Interstate Maintenance, 18% for Bridges, 7% for CMAQ, and 29% for Surface transportation.

**Welfare-to-Work (WTW)** is the US Department of Labor (Employment and Training Administration) program designed to address the educational and training needs of the hardest to employ TANF recipients. WTW clients are a sub-set of TANF recipients. They qualify for WTW programs in

one of two ways: they are TANF recipients who have two of three specified barriers to employment: 1) holds no high school diploma or GED and has low reading or math skills, 2) requires substance abuse treatment for employment, or 3) has a poor work history, they then qualify for this program. Or they are individuals who are “recent” recipients of TANF assistance or noncustodial parents who have characteristics associated with long-term welfare dependence, such as school dropout, teen pregnancy, or poor work history.

**Welfare-to-Work Client** is defined as those individuals who are the “hardest-to-employ” TANF recipients.