Working Far From Home:
Transportation and Welfare Reform in the Ten Big States

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Executive Summary

Transportation assistance for low-income workers is complex, expensive, and rife with unintended consequences. Policymakers confuse ends and means when *job access strategies* are too focused on *public transit systems*. The policy challenge is helping low-income workers get to distant jobs on difficult schedules, but too often both policymakers and decisionmakers act as if the challenge is devising a way to make public transit "good enough" to serve the reverse commutes of low-income workers. This represents both a bias and a blind spot. The bias lies in our willingness to consign poor people to barely functioning public systems from which higher-income citizens routinely withdraw (as in public schools, public health, public safety, and public space). The bias is expressed in the overheard comment of one senior official from a national public transit organization, "Show me a thirty-year-old man on a bus, and I'll show you a failure."

The blind spot is cars. In most cases, the shortest distance between a poor person and a job is along a line driven in a car. Prosperity in America has always been strongly related to *mobility* and poor people work hard for *access* to opportunities. For both the rural and inner-city poor, access means being able to reach the prosperous suburbs of our booming metropolitan economies, and mobility means having the private automobile necessary for the trip. The most important response to the policy challenge of job access for those leaving welfare is the continued and expanded use of cars by low-income workers. Across the country, state and local decisionmakers are inventing new programs to do just that and devising new ways that public funds can help.

This report presents survey and field research on the ten states with the largest (as of January 1998) numbers of families receiving assistance under the Temporary Assistance for Needy Families Block Grant (TANF), which is a mix of federal and matching state funds. (Throughout this report, we use TANF to refer to both state and federal funds.) These ten states collectively represent two-thirds of the national caseload; they are: California, Florida, Georgia, Illinois, Michigan, New York, Ohio, Pennsylvania, Texas, and Washington. We surveyed officials in a variety of relevant state departments and interviewed local officials and public transit operators in cities and rural counties throughout the ten states. This research informs both our analysis of transportation assistance and our recommendations to policymakers.

Our analysis consists of five key points.

- **First**, both rural counties and inner cities are isolated from the dispersed job growth generated by suburbanized metropolitan economies. Lower densities and longer distances generate regressive commuting costs: lower income households face time and money costs that are higher in proportion to their earnings. When combined with the decline in wages of lower-skilled jobs, working families of modest means face a nearly impossible situation.

- **Second**, the work requirements at the heart of welfare reform have forced a variety of partial responses to this commuting dilemma. Transportation is often listed as the leading barrier to getting and keeping a job for those leaving welfare. The resources devoted to transportation assistance are increasing, with both TANF block grant funds and supplemental funds from new programs--such as the Access to Jobs and Reverse Commute Program from the U.S. Department of Transportation (USDOT)--being expended on public transit and its alternatives.

- **Third**, public transit systems operating in many metropolitan areas have been rendered obsolete by the suburbanization of population and employment. These systems were designed to serve an industrial geography in which central places were the most valuable and in which most people lived and worked in high-density environments. Yet, there is a bias in both formal program rules and informal decisions favoring public transit as the job access solution for low-income workers. In the worst case scenario, new subsidies to public transit systems granted in the name of job access can: (1) consign low-income workers to long rides on buses and trains; (2) drain resources from the rest of the transit system, thereby weakening services on which many working families already rely; and (3) encourage further job suburbanization--hardly the goal of a job access strategy.

- **Fourth,** private automobiles have been an overlooked solution and remain largely taboo in Washington, D.C. and some states. But local policymakers are recognizing that cars are a necessary part of the job access mix for low-income workers and are developing ways that public funds can help. Some environmentalists, transit advocates, and others may object to car-based solutions. And while clean air, uncongested roads, and farmland preservation are worthy goals, they should not impede the job prospects of poor people being propelled from welfare to work.

- **Fifth**, transportation assistance is an essential component of any meaningful commitment to making work pay for families with modest incomes. Half the states have decided that families should remain eligible for assistance regardless of the asset value of one vehicle (the old AFDC program denied benefits to anyone with a car worth more than $1,500). Furthermore, some states provide ongoing transportation assistance for public transit and/or cars for up to one year after employment. While these changes suggest that policymakers recognize the realities of commuting in metropolitan labor markets, they fall far short of what is needed to meet the job access needs of all low-income, working families.

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In response to this analysis, we offer three broad categories of recommendations to policymakers. Specific recommendations are presented in the final section of the report.

- State policymakers should base eligibility for transportation assistance on income, not on current or recent receipt of welfare. Such assistance--even using TANF funds--*does not* trigger the federal TANF time limits, including the five-year lifetime limit on assistance.

- State policymakers should use TANF to assist low-income workers with matching grants to acquire cars and to provide ongoing assistance to low-income workers for car operating expenses. State and federal policymakers should revise asset limits to permit the use of one car for each worker in a household without losing eligibility for any low- income work support program. State and local decisionmakers should use TANF to hire transportation coordinators (often referred to as mobility managers) to coordinate new transit alternatives for low-income workers with existing paratransit services for the elderly and disabled.

- Congress should fully fund the Access to Jobs and Reverse Commute program under the U.S. Department of Transportation at the authorized level of $150 million per year. Grants made under this program should go to local public transit systems but these grants should be restricted to public-private partnerships in which employer contributions partially defray the costs of new transit routes and schedules serving their locations. State and local policy makers should not use welfare-to-work grant funds for transportation assistance because TANF is generally available to fund this service. Using two separate funding streams and agencies to deliver transportation services creates inefficiencies.

I. Introduction

During the last three years, transportation has risen to the top of the welfare reform agenda. A strong economy has generally quieted concerns about the availability of entry-level jobs, at least within metropolitan labor markets. Recent changes in key programs along with substantial increases in funding have mitigated the child care needs of those leaving welfare. With jobs and child care in place for many working families, transportation is often cited as the biggest remaining barrier to getting and keeping a job and as a major factor in whether such a job yields a family-supporting income.[1]

But transportation is a sprawling, unwieldy topic. It is too easy to be guided by a simple, unqualified factoid such as "only one in twenty welfare recipients owns a car" or "over half of entry-level jobs are not accessible by public transportation" or "two-thirds of new jobs are located in the suburbs". As the source of that last "universal" citation---or at least of the highly circumscribed research on which that claim is based---we have a deep appreciation for the power of stylized facts to live long and influence policy.[2]

We attempt to move beyond the stylized facts, conventional wisdom, and partial perspectives that have characterized too much reporting on transportation in the context of welfare reform. As more programs and money are devoted to transportation, the stakes continue to rise along with the risk of wasted efforts, unintended consequences, and missed opportunities for real progress. We hope this report helps to contain the sprawl and provide a coherent picture for readers who are either new to the topic or who come to the issue focused on either the transportation or the welfare side of the equation. It is difficult to capture and convey the often competing perspectives of human service providers and transportation providers on the subject of job access for those leaving welfare---perspectives well summarized by the dueling slogans of "work first" and "transit first" that we heard on more than one of our site visits. In many instances, these perspectives are being slowly reconciled in meeting rooms across the country. We attempt to distill some of the insights and recent experience of many local experts.

This report consists of three major sections. ***First***, we present our analysis of transportation assistance, outlining the problem and its significance. ***Second***, we present our survey and field research findings from the ten big states.***Third***, we outline a set of policy recommendations. In an appendix, we present three short case studies of programs from our field research.

2. Analysis

Transportation arises as an issue within welfare reform because of the centrality of work in the new system of public assistance. Perhaps not so obviously until we began to impose them, work requirements imply the time and money costs of a daily commute. From that simple reality, the dimensions of the problem rapidly multiply: from balancing commuting costs and wages within an individual worker's budget, to allocating of public subsidies across various routes within a transit system's budget. Transportation for those leaving welfare is a highly constrained problem: wages from first jobs are often too low to support the costs of the commute; the location of available jobs are often far from home; the public transit system's routes and schedules are often irrelevant to these commutes; and financial support for commuting costs are often arbitrarily designed as transitional (and, therefore, transitory).

As we argue throughout this report, attempting to address these constraints individually is a losing proposition. But attempting to address them simultaneously is complex and difficult. This is a time when nothing is so practical as a good theory---theorizing being nothing more than making short the long story of the real world. A standard theory of the problem on transportation and welfare reform is summarized here.[3]

Background

In the first half of this century when our larger metropolitan areas were much more concentrated than they are today, lower income households could economize on commuting by residing in housing that was close to work. The typical working-class commute during the fifty years before 1950 involved leaving a rowhouse or tenement and walking or riding a streetcar or bus to a factory, warehouse, or railyard. This was a commute in which transit (first privately then publicly owned) was a workable and important element. High-density neighborhoods and high- density industrial districts in close proximity to each other created the ideal conditions for mass transit (as well as for overcrowding, tuberculosis, and so on.)

For a long list of reasons that need not detain us here, U.S. metropolitan areas have deconcentrated rapidly during the second half of this century. Activities are spread far and wide into housing subdivisions, shopping malls, regional schools, and industrial parks. Our suburbanized metropolitan areas are predicated on daily mobility. Households reside in one place; work in a second and third; shop in a fourth and fifth; and learn, worship, and recreate in still other places throughout the metropolitan area. Limited-access highways, parking lots, school and church bus fleets, airport shuttles, and radio broadcast traffic reports are the essential infrastructure of our spread settlements.

This settlement structure is largely a product of postwar affluence and primarily reflects the choices of an expanding middle class. But the geographical hallmarks of suburbanization---lower densities and greater distances---have implications for lower-income households. Greater distances between home and work mean that significant commuting is now unavoidable and no longer a household expenditure on which poorer families can economize by choosing to live next to work. This is exacerbated when family members are employed in different places. Housing and zoning laws that support spatial stratification by income and race reinforce this commuting dilemma. And lower densities mean that transit is a much less workable option for overcoming these greater distances, for reasons that are more fully discussed below.

Theoretically, in a metropolitan labor market that operates with perfect information and competition, employers bid up wages at more isolated workplaces in order to attract sufficient numbers of workers (or employers move to less isolated workplaces). While there is some evidence that employers do pay such a premium, it is obviously not enough to redress the excess suburban demand for labor and the excess inner-city supply that exists in most metropolitan areas. Alas, the more common condition appears to be a market failure in which the costs of collective action and imperfect information lead employers to bear as a cost of doing business a chronic labor shortage and high turnover rates among those who do attempt the difficult commute.

So today's metropolitan areas generate a regressive schedule of commuting costs: lower income households must bear higher commuting costs proportional to their earnings just to get to work. When combined with the decline in wages of lower skilled jobs, working families of modest means face a nearly impossible situation. The problems are most extreme among those leaving welfare---those with the lowest wages, the most isolated job prospects, and the demands of work requirements.

Policy has never directly responded to this reality. But with welfare reform and its highly visible work requirements, the commuting dilemma faced by low-wage workers is increasingly difficult to avoid. Without a complete understanding of the problem, even the best efforts by policymakers will only address immediate and partial issues and ultimately fall far short of the needs of many lower income families. Policymakers might focus on improving transit schedules, limiting job placements to locations already served by transit, or even finding (and perhaps subsidizing) higher wage jobs. But none of these options will fully address the dilemma of job access for low-income workers and their families. We now turn to a description of current efforts and attempt to assemble the welfare and transportation puzzle into a complete picture.

Public Transit, Paratransit, Private Automobiles

In order to convey a comprehensive yet legible view of transportation and welfare reform, we need to impose a structure on the subject. We employ a simple typology of three major systems of transportation: public transit, paratransit, and private automobiles. *Public transit* refers to the traditional system of mass transportation funded primarily by Federal and state departments of transportation and governed by the planning and operating requirements of federal transportation law, currently known as TEA21. For our purposes, this system has three key features. First, it operates on routes and schedules that are largely fixed. Second, professionals call public transit an open-door service, meaning that anyone paying the fare is entitled to ride. Third, the system operates at a significant loss, meaning that a public subsidy (typically equal to one-half to two-thirds of the total operating budget) must be allocated across the various routes and services of the system.

Paratransit, as we use the term in this report, refers to the alternative system of transportation providers targeted to specific populations (e.g., the elderly, the disabled, but also including, for example, the employees of a specific firm) and operated by a wide array of public, non-profit, and for-profit entities. These are the familiar fleets of vans and small buses operating throughout the country. Paratransit typically operates on routes and schedules that are demand- responsive; meaning that the location and timing of eligible riders determine the system. While no one calls this a closed-door system, for obvious reasons, that is an essential quality of most paratransit: there is an eligibility determination beyond simply paying the fare. While these systems are inherently more expensive than public transit, the subsidy closely follows eligible riders. This makes for a predictable funding stream that often induces community-based organizations, small entrepreneurs, and public agencies with a non-transportation mission to start paratransit operations.

The last transportation system being funded under welfare reform is that used by the vast majority of American commuters: *private automobiles* driven in individual journeys to work or in carpools. We cannot resist calling this an open-your-own-door system; it is totally demand-responsive and functions around the specific needs of the commuter. Here the costs and benefits operate much the same as in the general working population. There are private costs of owning and operating an automobile balanced against the private benefits of convenience, flexibility, the chance to chain together work and non-work trips, and access to those opportunities not served by public transit and paratransit. There are also the social costs of road congestion, environmental degradation, and the need to subsidize any private costs beyond the reach of low-income households balanced against the social benefits of supporting the work efforts of those who might not otherwise have access to employment.

These three systems are being supported by three major funding streams for those leaving welfare. We need to say a brief word about each funding source before turning to a discussion of each system of transportation. The three major funding streams are:

- The basic Temporary Assistance for Needy Families Block Grant (TANF) found in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) which authorizes $100.8 billion for FY1997-2002. These funds are matched by so-called maintenance- of-effort (MOE) funds from the states, which will total at least $63 billion over the same period. Throughout this report, we use TANF to refer to both state and federal funds. State and local welfare agencies typically administer these funds under the regulatory oversight of the U.S. Department of Health and Human Services.

- The supplemental welfare-to-work grants found in the 1997 Balanced Budget Act, which authorizes $3 billion for FY1998-1999. State and local workforce development agencies typically administer these funds, some of which are allocated by formula and some by competitive grant through the U.S. Department of Labor.

- The even newer Job Access and Reverse Commute program found in the Transportation Equity Act for the 21st Century (TEA21), which authorizes $750 million for FY1999-2003. These awards are made by the U.S. Department of Transportation from applications made by metropolitan planning organizations in coordination with welfare agencies and local transit operators.

The relative magnitudes of these funding streams are important since the latter two programs fund much of the ongoing innovative transportation assistance across the country, while the larger TANF program funds the vast bulk of conventional transportation assistance. Given the recently released federal regulations regarding TANF expenditures, discussed in the third section of this report, it is clear that flexibility and innovation are now possible in the core TANF programs as well.[4] So, enormous resources are on the table.

Public Transit On The Demand Side: Buying a Ticket to Nowhere

We begin with the most familiar kind of support: spending basic TANF funds on public transit. Though it is well beyond the scope of this report to measure precisely, this is undoubtedly the largest expenditure of funds within the realm of transportation and welfare reform. It is the direct descendent of practices from the earlier AFDC and JOBS programs. The theory here is that welfare recipients looking for work and those beginning a new entry-level job cannot afford transit fares. So the local welfare agency distributes tokens or passes to clients or reimburses clients for trips. The agency essentially enhances the demand for the existing public transit service. In addition to increasing purchasing power, there appears to have been a substantial investment in information technology as well. Transit kiosks are a familiar fixture in many local welfare offices, and caseworkers often have desktop access to computerized transit information allowing them to determine an appropriate route and schedule for a client. (We suspect that some of this technology investment is excessive. The geographic information systems work best when used as part of a "transit-first" approach in which job placements are constrained to worksites currently served by transit. Otherwise, a stack of schedules on the caseworker's desk probably yields a better return on investment.)

There are good reasons why nearly all discussions and most transportation strategies begin with this approach: it deals directly with the immediate needs of many clients and addresses the nature of the problem as perceived by many welfare administrators. The approach starts by identifying and maximizing existing public transit resources.

We found, however, that the approach has two limitations. *First*, given the nature of public transit, enhancing individual demand does not necessarily call forth the necessary supply. Simply put, standing on the corner with a transit pass does not ensure that a bus will serve the rider's destination and time shift. Public transit best serves high-density origins and destinations that help ensure ridership along fixed routes and schedules. Yet, the jobs for which many entry-level workers are qualified operate on late and/or rotating shifts located in isolated warehousing or industrial facilities more likely to be located along suburban highway exits than city streets. In addition to commuting to work, welfare clients typically must also travel to and from child care facilities, to and from training or education classes, to and from doctor or treatment visits, as well as deal with groceries, school visits, and so on. While having the fare for all these rides is necessary, it is not a sufficient condition to guarantee that all the rides exist where and when clients need them.

Second, the disbursement of transit passes or vouchers is seen as transitional: after some point the worker is expected to bear his or her own transit costs. Unfortunately, rather than define the terms of a meaningful transition point (e.g., meeting a target income level), most state and local policymakers employ a technique pervasive among TANF-inspired reforms and apply an arbitrary time limit, often one to three months from the time employment begins, after which support ceases.

Time limits on transportation assistance fail to recognize the regressive nature of commuting costs and risk simply churning the working poor on and off the assistance caseloads. The hypothesis that transportation assistance can be transitional is one of the looming unanswered questions regarding what happens to people upon leaving the welfare system. Do wages rise fast enough to allow workers to assume their own transit costs? Or, do workers suffer a substantial loss of income when time-limited transportation assistance ends, keeping their earnings below or near the poverty line? Do wages rise so fast that workers purchase an automobile? Or, do workers respond to the end of transit assistance by acquiring old, unreliable cars that drain household savings with the need for frequent repairs and that create late or missed appearances at the workplace? Do workers move closer to their jobs, or move on to another job closer to home? Or, does the worker bear the costs of commuting (in the face of work requirements) and economize on food, clothing, or quality child care?

Relating eligibility to need rather than to time limits would seem more rational, and given the open nature of the preceding questions, much more prudent. That conclusion leads, however, to a related and larger issue. If eligibility for *continuing* transportation assistance were based on need being generated by the nexus of low wages and distant jobs, then why not base eligibility for *initial* transportation assistance on need and not on recent involvement with the welfare system? We return to a fuller discussion of this issue in the third section of this report.

Public Transit on The Supply Side: Robbing Peter to Pay Paul

The experiences of many caseworkers and the findings of several useful studies have led a number of states and localities to expand the supply of public transit through coordination with public transit agencies and metropolitan planning organizations.[5] Several states financially supported this coordination and assisted counties and localities in developing transportation plans. About one-third of the competitive grants in the first round of the welfare-to-work grants included transportation planning and coordination as a significant component of a winning application. In something of an apotheosis of this approach, applicants for Access to Jobs grants are *required* to show coordination between transit operators and human service agencies and to create new or extended transit services with the funds.

As with enhancing the demand for transit services, this expanded supply approach is a reasonable next step for transportation strategists to take: first make sure welfare clients can take advantage of the public transit system, then make incremental improvements to that system to better serve the needs of welfare clients' commutes. The elements of such improvements include extending schedules to serve evening and weekend work shifts, filling gaps in current service by improving connection times between existing routes, and extending or creating new routes to serve employment destinations that currently do not have public transit service. The theory here is that the public transit system can be re-engineered to support the potential commutes of those leaving welfare.

As with time limits on the demand side, however, this apparently reasonable approach to improving the supply of public transit has severe limitations, which in this case arise from the intricacies of public transit finance. Public transit systems operate at a loss; this means that fares paid by riders cover only a portion of the operating cost of the system and the remainder is covered by public subsidy.[6] A public transit system has a ratio of total fares to total operating costs referred to as the "farebox recovery ratio". Fares generally cover one-third to one-half of operating costs for public transit systems.

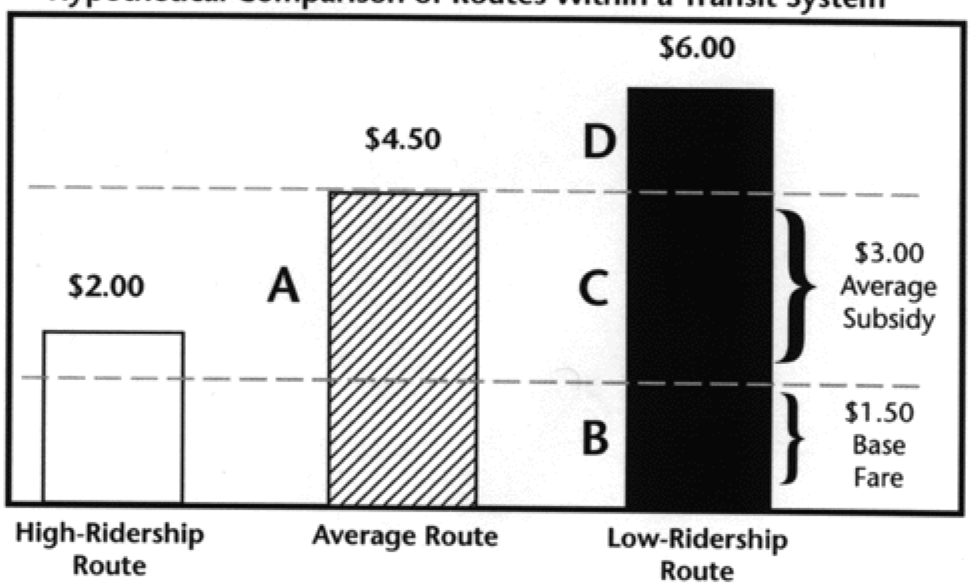
It is important to note, however, that individual routes within a public transit system have farebox recovery ratios that vary widely from the system average. On some routes fares may meet or even exceed the operating costs of the service while on other routes fares will, by definition, cover a much smaller portion of the cost than the average route. This means that public transit operators allocate their total subsidy across various routes and services in ways that implicitly subsidize some riders and places more and others less. One important key to a higher farebox recovery ratio is referred to as "multi-loading": lots of people getting on and off at every stop of the bus or train, with new fares occupying the seats as frequently as possible. The basic cost of running the bus from A to Z remains constant while multi-loading passengers at stops B, C, D, and so on increases fare revenue.

This dynamic can have an ironic outcome. Public transit operators end up "spending" their subsidy on their worst performing routes. There are many reasons why this may be good policy: the high subsidy routes might feed riders into better performing routes, or they might serve a public function, such as relieving congestion on an over-taxed highway, that would be worth the higher rate of subsidy. But with a fixed and limited subsidy budget, the creation of new routes serving destinations that require a higher than average subsidy must result in cutbacks on other routes. The following illustration clarifies this arithmetic.

In the table below, using hypothetical but realistic figures, we show a public transit system with a fare of $1.50 and an average operating cost of $4.50 per ride, a farebox recovery ratio of one-third. Thus, A in the center bar represents the average subsidy of $3.00 per ride. The left bar shows a high-ridership route, say a bus route serving several city neighborhoods and a downtown office district. On this route, fares cover three-quarters of the cost and the required subsidy is only 50 cents per ride. The right bar shows a low-ridership route, say an express bus from a city neighborhood to a suburban industrial park. Note that the bus may be completely full on its trip from the city to the suburbs. The point is that there is little or no multi-loading, by design in this case to better serve the suburban job access goal. We have had more than one local transit official report to us that their reverse commute routes can cost $10 per ride requiring a huge investment of public subsidy. These costs can reflect many things: serving late night shifts, serving low-density suburban destinations, or the express bus dynamic described above. The common feature is a low farebox recovery ratio.

This helps explain why many public transit officials and many advocates for cities and the urban poor have been wary of reverse commuting initiatives. New reverse commuting routes without new funding sources divert resources from the rest of the system. Cutting service on existing city routes might actually end up reducing transit service for more low-income workers than are helped by the new suburban routes.

Hypothetical Comparison of Routes Within a Transit System



The new Access to Jobs program under the U.S. Department of Transportation is designed to remedy this funding shortfall and put more resources on the table. The TANF funds and welfare- to-work grant awards carry eligibility and accounting requirements that make it difficult (though not impossible) to use these sources to enhance the supply side and create new service. Access to Jobs is designed to do exactly this.

However, how these new funds should be integrated with existing transit subsidies has been given far too little consideration. To what level of subsidy should we invest targeted funds in a public transit route designed to support the job access needs of low-income workers? Three reasonable choices present themselves. First, policymakers could subsidize only that portion of the cost labeled B in the illustration. This is tantamount to simply enhancing the ability of welfare clients to afford transit fares, as discussed in the preceding section. The costs labeled C and D would be borne by the public transit system as a whole through its general subsidy budget. Unless the route is able to attract large numbers of riders (effectively making it look like the center bar), it is unlikely to be sustainable without diverting resources from other more efficient service, losing both riders and the support of the transit operator. This situation reasonably describes the conditions before Access to Jobs put new resources into play.

Second, policymakers could subsidize both B and D, thereby bringing the operating loss in line with the average cost of routes throughout the transit system. At first glance, this seems reasonable: that job access routes be held to the same but no higher standard as other routes in the system. This is probably the level of targeted subsidy being invested in many current Access to Jobs grants. The problem here, however, arises from the subsidy allocation problem described above. The funds to pay for C still must come from somewhere within the public transit system. We doubt that full deliberations, let alone disclosures, are being made as to where those cuts come from. The worst case scenario is resources moving from city routes whose riders have little alternative to suburban routes whose county executives dominate the metropolitan planning organizations making the decisions, all in the name of job access for poor people.

Finally, policymakers could fully subsidize the routes, contributing B, C, and D. Many if not most of the awards made under the welfare-to- work grant competition and Access to Jobs are probably designed in this way. While this avoids shifting costs on to other parts of the public transit system, it does not maximize resources available. It risks both the careless design of needlessly expensive service and of over-subsidizing suburban job access. This latter point is less about weakening the rest of the public transit system and more about allowing suburban employers to avoid a cost of their location decision. Allowing suburban employers to avoid the cost of supplying labor to the distant greenfields they have chosen induces further job deconcentration---hardly the intended outcome of a job access program.

While the presence of new resources makes it possible to avoid some of the unintended consequences discussed here, it does not guarantee it. We believe it is possible to design a program that can protect transit systems without simply throwing money into a big leaky bucket that fails to maximize assistance to low-income workers. In particular, we propose specific allocations of subsidies into the components of the operating costs for such routes, labeled B, C, and D in our illustration. We discuss these issues more fully in the third section of the report.

Paratransit: Leveraging the Alternatives Without Going Broke

Beyond the public transit system, many states and localities are experimenting with paratransit alternatives. Over one-third of the awards made in the first round of Access to Jobs grants could be placed in this category. This targets the investments on the intended population and also avoids what can be a difficult and time-consuming collaboration with other agencies, especially transportation providers. By purchasing or leasing a fleet of vans and/or by financing familiar TANF subcontractors to do so, a welfare agency can relatively quickly address the concerns of many clients and bypass an often inattentive, cautious, or recalcitrant public transit agency.

In our survey and site visits, however, we learned that this approach can be fraught with difficulties. The expertise required to run a transportation service is easily underestimated. Local responses to meet needs outside the existing transit system often include a largely frustrating attempt to provide point-to-point van service from home to child care to employer. The programmatic history of reverse commuting initiatives is especially littered with failed community-based enterprises that have sought to create a small business opportunity out of the need for transportation alternatives.[7]

The next step for many welfare agencies is to contract out transportation services to existing providers. This move can address the expertise issue but often leads to duplication of service. An extensive van transportation system has developed over a period of years to meet the needs of Medicaid recipients and disabled residents with transportation needs. This system usually consists of contracts with small community based organizations that purchase or lease vans to meet the needs of their customers or residents of their service area. Thus, a fractured, inefficient, and expensive system has developed in most communities to meet the transportation needs of certain classes of eligible residents whose needs cannot be met within a traditional public transit system. Many state and localities are conducting an inventory of these resources in order to better manage them. In the third section of this report, we recommend a specific technique for leveraging these community assets.

Private Automobiles: Mainstreaming the Journey From Welfare to Work

Some of the most innovative transportation programs across the country use private automobiles. This is in many ways the most controversial of the approaches we identified. Access to Jobs and the welfare-to-work grant specifically disallow car-purchase proposals. Although TANF funds, like AFDC and JOBS before it, are commonly used to reimburse clients for mileage or pay for minor repairs, these have been seen as small and transitional supports. Together these factors have created an environment of "innovate but keep it quiet" among many local decisionmakers.

But private automobiles are the mainstay of American commuting. The Federal Highway Administration's 1995 Nationwide Personal Transportation Survey (NPTS) presents a commute dominated by the car.[8] Ninety percent of the total distance traveled by commuters is in cars, and seventy percent of the distance was traveled in single occupancy vehicles. Even among workers from households below the poverty line, 73 percent of work trips use a private automobile.

While assistance with cars raises many questions, more progress has been made on this issue than is commonly realized. Forty-three states have raised the vehicle asset limits from the $1,500 amount under the old AFDC program, and 24 of these place no limit on the value of one car owned by a TANF-eligible family. This indicates more than just a greater degree of generosity on the part of the states. Rather, it reflects a greater understanding that possessing moderate assets (e.g., housing, an automobile) is no insurance against needing temporary assistance, and that requiring recipients to deplete those assets in order to be eligible for such assistance is short- sighted public policy. Furthermore, we believe the increased asset limits suggest an understanding on the part of policymakers that an automobile is a necessary means for many clients to get a job and meet work requirements.[9] If states can allow TANF-assisted families to *possess* $10,000 or $15,000 cars (or indeed can concede that the value of one car is not even relevant to eligibility), how much of a policy leap is needed to provide assistance for families to *acquire* cars necessary to access jobs?

Some of the strongest protests against car-based programs in welfare reform come under the banner of environmentalism. Though hard to find in writing, we heard more than one local planner and state official mention clean air, traffic congestion, and even urban sprawl as reasons to limit the use of private automobiles for commuting by low-income families. While these are all worthy concerns, should we pursue them on the backs of poor people being compelled by time limits and work requirements? Lower income households undoubtedly drive older cars, which likely produce more air-polluting emissions. The answer is more assistance for better cars and maintenance, not excluding poor workers from the highways. More cars on these roads would undoubtedly add to congestion. The answer is congestion pricing and other ways to manage overall highway demand, not just managing poor workers' traffic. And if public transit is the magic bullet that would solve both air quality and highway congestion, then policymakers should increase its use by higher income workers rather than simply focus on maintaining a captive market share among poor workers who have no alternative.

We observed several locally grown programs that use cars as a last phase of transportation assistance, providing a form of graduation from the welfare caseload. The assistance ranges from help with six to 12 months of auto insurance to help with purchasing or leasing a car. With the recent release of federal regulations on the use of TANF funds, we expect an increasing reliance on private automobiles and make specific recommendations for how this might be done.

3. Survey

Method

We conducted our survey during the end of 1998 and the first part of 1999 to gather information about the decisions made in the ten states with the largest welfare caseloads (California, Florida, Georgia, Illinois, Michigan, New York, Ohio, Pennsylvania, Texas, and Washington).[10] These states include almost two-thirds of the national caseload. We interviewed state officials and visited at least one community in each state. We learned about state and local decisions regarding funding and policy to address transportation barriers to work, as well as lessons from real people developing innovative responses to that need. We met many committed staffers in state and local welfare agencies, employment offices, transit agencies, and regional metropolitan planning organizations working hard to overcome the problems created by numerous funding streams and conflicting program rules to develop effective responses to the transportation needs of poor working families. We found that it was necessary to interview more than one, and sometimes as many as five, state officials to develop a sense of the funding and policy decisions made by states. Because there is no single funding source to address transportation barriers to work (unlike the Child Care Development Fund, targeted to address low-income families' child care needs), states involve their welfare, labor, economic development, and transportation agencies, and sometimes the governor's staff as well, to develop responses to transportation needs.

At the local level we often met one person who had galvanized the larger community to address job access issues. If there was a committee (official or informal) working on a funding proposal or a plan, one person usually played the leadership role of bringing it together. After the federal transportation bill (TEA-21) passed in 1998, the prospect of new funds to address this issue brought some groups together. Often, we witnessed the difficulty faced by two cultures unaccustomed to working together and speaking different languages: transit officials didn't know what TANF means, and welfare staff had rarely, if ever, heard of a fare-box recovery ratio. It was our experience that in a world where transit is a much bigger deal than welfare to local decision-makers, it was often hard for the welfare staff sitting around the table to be heard over the roar of the public transit providers. The most progress seemed to be made in places that were too small to have a public transit provider and places where a suburban transit agency responds to local employers. In one memorable example---Dallas---airport area employers went to the transit provider to lobby for a new bus route.

In some communities, it was our site visit that brought the local players to the table together for the first time. For these trips, we felt more like consultants than researchers.

Almost everywhere we went, local officials were hungry for information about how other states and local communities were addressing transportation needs. We hope that this summary of state and local decisions, with some of our favorite examples of innovation and promising practices, will prove helpful to policymakers everywhere.

Findings

All states employ a mix of public transit, paratransit, and private automobile assistance in their support of TANF workers. Our survey identified a widespread reliance on vouchers for exisiting public transit and mileage reimbursement for existing private automobiles. But the focus of program and funding innovation was on new paratransit alternatives, such as van services, and new mechanisms to help clients acquire cars, often for the first time. In this section, we highlight key issues and findings across the states.

All ten states provide funds for public transit passes and tokens. Five states (California, Florida, New York, Ohio, and Texas) let local officials determine the amount of reimbursement for public transit use, while the remaining states (Georgia, Illinios, Michigan, Pennsylvania, and Washington) have decided upon a statewide policy. Of these latter states, only Michigan does not cap the amount of reimbursement for public transit use. California exemplifies the tendency to over-rely on public transit as the solution for entry level workers: where public transportation exists, California caps assistance at the cost of the least expensive mode, which will almost inevitably be public transit. Such a policy fails to recognize the time- cost of commuting. A $2 dollar fare for a two-hour bus ride should not be considered superior to a $4 dollar mileage reimbursement for a thirty minute car ride. Second, increasing the supply of riders with subsidized fares only works if the system goes when and where the workers need to go. As explained in the first section of this paper, it is impossible to expand service without spending new money or reducing service in another part of the system.

Most states do not require local transportation plans. Only California, Florida, New York, and Ohio require local administrators of public welfare funds to develop and submit a plan to address transportation barriers to work. Pennsylvania, Michigan, and Texas require transportation plans for projects to remove transportation barriers where funds were awarded by competitive process.

All ten states limit transportation assistance to current and recent welfare recipients, instead of determining eligibility on the basis of household income. Most states provide very limited post placement transportation assistance to recent welfare recipients. The practice, if not the law, in Washington state is to rarely provide assistance to former welfare recipients and no assistance to other working poor families. California and Florida permit local officials to provide up to one year of assistance to former welfare recipients. Michigan and New York allow up to three months of assistance after placement, while California, Georgia, and Illinois provide short-term assistance (e.g., until the first paycheck or two months after employment). Ohio and Washington leave the decision to the counties. No state has a policy to guarantee transportation assistance on the basis of household income rather than previous TANF receipt.

Three states do not provide any diversion assistance (one-time assistance to deal with an emergency intended to prevent welfare enrollment) for transportation needs, and two others provide very limited support. Most states have created diversion programs, but Illinois, Michigan, and Pennsylvania do not provide diversion assistance (e.g., car repair) for transportation needs. Texas only provides such help in a few areas in a pilot program that permits a lump sum payment of $1,000. Acceptance of the payment makes the recipient ineligible for TANF for the next twelve months. In Washington, up to $1,500 can be provided, if the recipient develops a plan to avoid cash assistance and accepts liability for repayment of a pro- rated amount if she needs additional assistance in the following 12 months.

Local efforts to help people buy cars are incredibly innovative, but these programs are small and inadequate. Most states do not provide funding for car purchases. Pennsylvania and Michigan provide grants to TANF-eligible families for car purchase. In Pennsylvania up to $750 is available for a down payment, and in Michigan up to $600 is available for this purpose. (Both states provide additional funds for car repair as well.) No other state guarantees help in buying cars, although some states permit county welfare officials to do so.

After we completed the survey, a couple of states made changes in state policy regarding transportation assistance. While we decided not to try to do a rolling update on the changes (otherwise the paper might never have gotten published), for the most part the changes reported to us were minor or not yet finalized. However, we are compelled to include one significant change: Florida's state legislature changed state law permitting local TANF agencies to provide up to $8,500 for a vehicle used to get to training, work, or school by a former TANF recipient.

In 1997, Ohio created the Prevention, Retention and Contingency (PRC) Program, and some counties have used this fund for car purchase assistance. However, an official guidance letter from the Ohio Department of Human Services (ODHS) to county administrators states: "ODHS neither endorses nor prohibits the purchase of automobiles for needy assistance groups...under PRC" and instructs the county agency to consult with elected commissioners and the county prosecutor "to determine legal interpretations" before proceeding.[11] Illinois and Washington states prohibit the use of state controlled public funds for car purchase.

A few states help people get drivers' licenses, driver education and assistance with fine payments. Many local welfare-to-work agencies indicated that the lack of a driver's license is a barrier to employment, primarily because employers use it to screen employees, not because driving is a component of the job. Georgia and Illinois do not permit the use of public funds for driver's education classes. Most of the other states leave the decision about funding classes to local county offices. Florida, Michigan, Ohio, Pennsylvania, and Washington prohibit the use of public funds for payment (grant or loan) for fines.

All ten states permit the use of TANF funds for car repairs. New York, California, Florida, and Ohio leave the decision to the county offices. The maximum aid ranges from a high of $4,000 ($500 per repair) in a year to Work First participants in Washington (from the support services fund which can also be applied to other needs) to a low of $500 per TANF episode for cash recipients in Georgia. Ironically, Washington will not provide assistance with car purchases but offers significantly more for car repair than any state guarantees for car purchase. (However, since the survey was completed, Washington has lowered its cap for supportive services from $4,000 per year to $1,500 per year. Meanwhile, as noted above, Florida has new state legislation allowing local TANF agencies to spend up to $8,500 for a car needed for "transitional transportation".)

All ten states permit the use of TANF funds for some automobile operating expenses (e.g., mileage, gas vouchers, or insurance). All states permit the use of public funds for mileage reimbursement or gas vouchers. Most states have a maximum monthly reimbursement limit (about $200 per month in Washington to $350 month in Georgia). Michigan offers only 15 cents per mile for work-related transportation expenses (commuting, child care, training, etc.), while Florida offers only gas vouchers at caseworker discretion. Illinois offers mileage reimbursement only when public transportation "is not feasible", and Pennsylvania only if there is "no viable, affordable alternative."

Four states permit the use of public funds for car insurance assistance on a statewide basis: Florida, Georgia, Illinois, and New York. Washington does not provide insurance assistance; the rest of the states leave the decision to local officials. Some states cap the amount of assistance: Florida limits assistance to six months of coverage with the maximum amount to be determined locally, Georgia permits assistance of up to $300 as diversion (to eliminate the need for welfare enrollment) from TANF and $300 when a case is opened, and Illinois will cover the least costly rate up to $150 for 3 months of coverage twice in any six month period and three times in any 12 month period.

Five states exclude the value of at least one car from eligibility determination for TANF-funded benefits. Under the AFDC statute, states could not provide cash assistance or other benefits to families with a vehicle worth more than $1,500. Prior to passage of federal welfare reform, many states sought waivers to allow a greater "vehicle asset limit". The 1996 welfare reform statute gave states the flexibility to change or eliminate the asset limit. Now, all ten states have increased or eliminated the limit to permit the ownership of a car without losing eligibility for TANF assistance. Illinois, Georgia, Michigan, and Pennsylvania exclude the value of one car from the state asset limit, while Ohio has no vehicle asset limit. Other states have increased the asset limit to exclude one car with values from a low of $4,650 in New York to high of $8,500 in Florida.

4. Policy Recommendations

This survey highlights problems that we hope policymakers at all levels of government will address quickly. State legislatures and governors should reexamine state transportation assistance policies, and if necessary, review decisions made at the local level. Success in these ten states would lead the way for smaller states and is critically important because the big states represent nearly two-thirds of the national caseload.

State policymakers should base eligibility for transportation assistance on income, not on current or recent receipt of welfare. Such assistance---even using TANF funds---does not trigger federal TANF time limits. Now that we have ended the entitlement to cash assistance and work requirements are ubiquitous, the social guarantee to low income families should consist of work and income supports. Since our goals are access to work and success at work, there is no reasonable explanation for creating a system of supports that ends at an arbitrary time after employment, unrelated to the ongoing financial need for assistance. Nor is it reasonable to create a system of supports that makes an artificial distinction between low-income workers with a recent connection to TANF receipt, and those who have successfully left the system of cash assistance or avoided it altogether. Instead, transportation assistance should be available to all low-income families.

We heard lots of complaints from state officials about the ambiguity of the November 1997 *draft* TANF regulations; they frequently told us that states would do more to assist working poor families if it were clear that the assistance would not trigger the time limit. Final regulations for TANF and state maintenance-of-effort funds issued by HHS in May 1999 make it possible for states to provide transportation assistance to any TANF-eligible working family without triggering the 60 month lifetime limit on assistance.[12] It is now clear that states can create different income eligibility criteria for working families' receipt of transportation assistance than for cash assistance. States should take advantage of the new regulations by extending transportation assistance to all low- income working families based on household income, not previous connection to the cash assistance program. (Reviewing the survey findings with state administrators just before publication revealed that there are already some changes to state policy under consideration or promulgated as a result of the May 1999 changes made in the final regulations.)

State policymakers should use TANF to assist low-income workers with matching grants to purchase cars. States should use TANF funds to assist with car purchase, loan programs, insurance payments, and obtaining drivers' licenses (including loans for fine payments). Current federal policy prohibits the use of Welfare to Work block grant and Access to Jobs funds for car purchase. Yet, many successful low-income workers want to purchase a car for the ease and convenience associated with traveling where and when they want and need to, as most of us do every day. They want to save the time required to navigate the public transit system or ride in a van with other workers, while taking children to child care and school, and picking up groceries and other essentials. In addition, having a car may mean access to a better job---one that was previously beyond the reach of public transit or a reasonable commute time.

For parents who have some means to contribute to the cost of car purchase and maintenance, states should use TANF funds to assist with purchase. This co-pay approach helps ensure that automobile assistance goes to families that are prepared, by virtue of employment and some modest savings, to successfully manage an asset like an automobile. (TANF case managers told us about clients who used their EITC refund toward a down payment.) Currently, too few states allow the use of TANF for car purchase, though in some cases, states are willing to contribute significantly to car repair. As with other work supports, this matching resource should be available to all working poor families (as defined by the state), not just those leaving welfare for work.

Some public officials consider using public funds for car purchase to be politically difficult. This proposal counters many of the concerns because cars would be available to all working poor families (not just those recently on welfare) who can afford to match a state contribution (it is not the outright gift of a car). While there is a perception that assisting low-income families would be controversial, we did not find that to be the case in states that have decided to assist with car purchase (notably Pennsylvania and Michigan).

State and federal officials should revise asset limits to permit the use of one car for each worker in a household without losing eligibility for any low-income work support program. All states should revise their laws to permit a household to own one vehicle for each worker without losing TANF eligibility. Ohio is the star here: the state has eliminated its vehicle asset limit, recognizing that families obtain cars in many ways, and that a family owning a car valued at over $5,000 or even $10,000 may still be low-income. For example, an employee who loses his job and is willing to take a job for less pay, may be driving a car paid for with an earlier, higher income. The family may still need child care and other work supports, and shouldn't be forced to sell a reliable vehicle in order to qualify for supportive services---particularly when the replacement (less valuable) car may cost the state in repair services!

Likewise, the federal government should revise the food stamp law. Current federal food stamp law counts the value of a car over $4,650 toward the household asset limit of $2,000. This policy can force the state administrators to deny food stamps to a family otherwise eligible for this basic work support. The Clinton Administration issued guidance to the states expressly permitting the use of state vehicle asset limits for families receiving in-kind benefits through TANF. In this way, families who previously might have been denied food stamps because the value of their car exceeded the federal food stamp vehicle asset limit of $4,650, can continue to receive food stamps as long as the value of their vehicle is less than the state's vehicle asset limit. Still, the two different standards can be confusing to case managers and recipients. Congress can eliminate this problem, and the federal government could set an example for the states, by allowing the ownership of one car per worker without any impact on food stamp eligibility.

State and local decision-makers should use TANF to hire transportation coordinators (often referred to as mobility managers) to coordinate new transit alternatives for low-income workers with existing paratransit services for the elderly and disabled. TANF should be used to finance the development of a coordinated system that is demand responsive for welfare recipients looking for work, low-income workers (whether or not recently connected to the welfare system), Medicaid recipients, and disabled persons, as well as any member of the public willing to pay the full cost of service. Initially, it may only be possible to create a system that serves welfare recipients and low-income workers, later blending in other clients and funding streams. TANF funds should pay for the percentage of operation costs equal to the percentage of TANF eligible riders. In a successful scenario, workers will earn and save enough to graduate from the system and purchase personal transportation.

Congress should fully fund Access to Jobs at the authorized level of $150 million per year, while retaining the collaborative local planning and competitive aspects of the application and award process. In the first year, there were many more requests for funding than dollars available. And this occurred despite the fact that DOT was forced to create a very short turnaround time for applications: the guidance was issued on November 11, 1998 and the deadline for applications was December 31. (We heard more than one story about planning meetings that occurred on Christmas Eve.) With more time for planning and writing, there will undoubtedly be even bigger demand in the future.

While we had early concerns about the veto power of transit agencies in the local planning process, human service providers appear to have played an important role in that process and seem to be well represented in the winning programs. The national competition for funds, combined with the program's emphasis on community collaboration and the involvement of human service providers, leads to a greater likelihood that transportation services will be responsive to the needs of low-income workers. If Congress designates the appropriations (by using an "earmark" process, like other transit funds), there will be no way to ensure local planning includes all relevant agencies, and DOT loses the opportunity to award innovation.

Federal policymakers should use Access to Jobs funds to subsidize new public- private partnerships in transit service in which public funds support TANF-eligible riders and the public transit system as a whole, and employer contributions support any above-average costs of new routes and schedules serving their locations. We recommend the following public-private cost sharing for new public transit service designed to support the job access needs of low-income workers. The basic fare should be covered by TANF funds through individual transit vouchers and passes. The local system average operating subsidy should be covered by Access to Jobs funds (or any other targeted transit source), to avoid draining operating subsidy from another part of the local transit system. The additional operating subsidy generated by the nature of suburban job access services should be covered by employers (whose locations largely account for these higher costs) in the form of a revenue guarantee for any operating cost above the system's average. This model builds on the most successful examples from the field, in which large employers such as UPS, Sears, and others have contributed to new public transit service start-ups. A number of employers have used a guarantee against revenue shortfall to induce public transit agencies to start new routes. In one well known example, UPS contributed to the start-up of new service between South Jersey and the UPS facility at the Philadelphia International Airport. After three months of corporate contributions to New Jersey Transit, ridership was sufficient to end the need for UPS subsidy. For another example, see our case study of Dallas. This arrangement has some of the discipline of a price mechanism. The service won't get TANF-funded fares from individuals if it doesn't provide access to jobs, and it won't get employer contributions if it doesn't provide access to workers. Transit operators would not divert resources from elsewhere in the system, nor would they chase subsidies for their own sake.

We recognize that employer contributions, with notable exceptions, are often difficult to arrange and enforce. While we hesitate at the prospect of hostaging the job chances of low- income workers to employer willingness-to-pay for new transit service, we believe the reality check and the fairness of employer contributions is an important principle that should guide the distribution of these new subsidies. If employers are unwilling to pay the additional costs of bringing transit to their locations, then it probably means that other modes are better suited for matching employers to the entry-level workers they demand.

State and local policymakers should not use federal welfare-to-work grant funds for transportation assistance because TANF is generally available to fund this service, and using two separate funding streams and agencies to deliver transportation services creates inefficiencies. The federal legislation creating the welfare-to-work grants limits the use of those funds for transportation to circumstances when there is no other transportation available (including assistance funded by TANF or Access to Jobs). Current welfare reserves in virtually every state are available to address transportation needs. Conversations we had with local providers during the survey period spotlighted the difficulties of integrating TANF and local workforce development agencies and providers (which usually manage the welfare- to- work grants). Adding transportation services to that confusing mix will rarely be helpful. If states use TANF funds to meet transportation needs related to car purchase, transit passes, and para-transit options, then they should not need welfare-to-work grant funds for this purpose. In fact, it is an inefficient model to have two agencies trying to meet the transportation needs of the same population.

5. Conclusion

When job access is the genuine goal, policymakers turn to a mix of solutions: transit, van- pools, ride-shares, and helping poor people buy and maintain cars. NO single mode can address all the job access needs in every jurisdiction. We hope our policy recommendations help improve the framework within which states and localities are building this necessary and flexible mix, as more and more low-income workers confront the difficulties of working far from home.

Appendix

CASE STUDY 1
Washington, Pennsylvania
Mobility Manager

Pennsylvania has one of the most progressive approaches to transportation assistance of the big ten states. In addition to the car purchase, maintenance, and repair assistance described elsewhere in this paper, the state created a pilot program in three regions throughout the state. In its first year the pilot was so successful that the winning counties wanted to extend the program and lots of other counties wanted to participate. The state legislature has increased the annual funding for the program from $500,000 (FY 1997-98) to $1.5 million (FY 1999-2000). Last year, 12 regions were funded in the statewide competition. We visited two of the winning programs in rural Pennsylvania.

Centre County and Washington County are just south and west of Pittsburgh. In Washington we met with Mary Brugger of the TANF agency, and George Krcelich, operations director for the Washington County Department of Human Services. Krcelich told us that the county provides transportation services to a variety of residents: those in vocational rehab, senior citizens, veterans, Medicaid clients, and human services. Welfare clients used to call a caseworker who made arrangements with a van service or cab company to provide transportation. Under Krcelich's leadership, the county transformed its transportation assistance program so that there is one number to call for the transportation "broker".

Users can call up to 24 hours before they need service or arrange for regular pickup. For welfare-to-work clients though, the county will try to respond on shorter notice for someone who gets a new job or sudden shift change. (As he said, "We can get a package delivered across town in an afternoon. Why can't we do the same thing for a person?") There are five contractors delivering service, each in one of five parts of the county. The county pays the contractors on a per person/per ride basis. Beginning mid-year 1998, Krcelich began moving toward changing the contract to pay for the van and driver on a per hour basis. But even on a per ride basis, the county has saved money: the average cost for a ride for welfare-to-work clients was reduced from $21 to $8.65 after clients began using the broker service. Paying customers are able to use it as well, on a fee-for-service basis. In a county virtually without any public transportation, door-to-door transportation is available to anyone who needs it. Caseworkers and drivers even use a kind of informal tracking to watch for anyone who might be having a problem. If a customer fails to show a couple of times, the drivers often put in a call to the caseworker who follows up with the client. The program provides service during non-traditional work hours because it is available in the evening and on weekends (24 hours a day, seven days a week) for welfare-to-work clients. In 1999, the service went regional, providing transportation in two adjacent counties.

We heard lots of communities talking about this kind of mobility manager for welfare recipients unable to utilize public transportation. In most places, there have been terrible battles over whether it makes sense to use a brokered system because it means taking contracts away from numerous non-profit community based organizations, each with its own van(s), scheduler, and client group or neighborhood. The Washington County example was the best we saw anywhere and one other communities should replicate.

CASE STUDY 2
Chautauqua County, New York
Cars

In early September, we visited several small cities and rural areas in New York state. In Jamestown, we met one of the most entrepreneurial local welfare workers of our travels: Irene Rubner, welfare to work project director for Chautauqua County. Rubner works in a small county with only 476 cases. She brought in her case managers when she wasn't sure about the answer to a question or wanted to describe a particular client's circumstances.

New York state has devolved welfare management, allowing county administrators some flexibility within state guidelines. Each county must have a written plan, and it must have a transportation component. Some county plans indicate that if transportation is a barrier to work, the client should move. In Chautauqua County, case managers encourage clients to relocate when the effort to find a transportation solution is unsuccessful.

Rubner doesn't much like the "move" solution. Instead she has come up with a variety of transportation solutions: a paratransit system with the regional transit company that bills for each ride provided (though she would like to switch to a contract system using hourly rates); use of cabs where necessary; a deal with a local employer that former welfare recipients will be able to work the first shift, when the regional transit system is available (an agreement that works because her referrals are so reliable); an emergency ride program staffed by senior citizens; and best of all, the EARNA CAR program.

EARNA CAR takes referrals from case managers of TANF recipients who have demonstrated reliability of work effort. They must have a driver's license and participate in a driver's continuing education class to be eligible. Participants attend class three times a week for two months at a community college where they learn basic car maintenance by repairing a donated car. The cars come from the county (retired cars from its fleet), and from individuals in response to an ad in the local newspaper. (The donated cars must need less than $500 worth of repairs.) There are five or six participants in each class and they repair one car at a time. While repairing the cars, the group decides, as a matter of consensus, which car goes to which student based on family needs and personal preference. Upon taking possession of the car, the recipient must be employed.

A local bank processes car loans for graduates of the class. Cars manufactured in the 1980s cost $300, and cars made after 1990 cost $500. The workers have a year to pay off the loan. The county takes advantage of state policy to cover the cost of car insurance for the first year; after that, the worker picks up the cost of insurance.

Rubner told us that cars are really the answer for most people--once they have a job. She gave us the example of one of the EARNA CAR graduates who was able to get a higher paying job--as soon as she had the car to get there. When we asked how many people would want to participate, she assured us that they would run out of donated cars long before every potential participant got one.

CASE STUDY 3

Dallas, Texas

Public Transit Expansion

In February, we went to Dallas and found solid collaboration between the TANF agency (in Dallas, TANF management is handled by Lockheed Martin IMS under a contract with the Dallas County Local Workforce Development Board), the local transit agency (Dallas Area Rapid Transit), and an employer group from the airport area (DFW). While we saw a few examples of extremely creative transit agencies (e.g., PACE in suburban Chicago and SMART in suburban Detroit), Dallas was the only place we learned of employers taking an active role by lobbying the local transit authority for assistance with the transportation barrier for entry-level workers.

Gracie Vega, who works for Hilton in the airport area, told us about bringing the airport area employers together and their decision to visit the DART board to lobby for an express bus to the airport. John Quinn, a planner at DART, explained that the trip to DFW used to take three hours and required two transfers. This meant a six hour commute from Dallas. Now, the express bus picks up riders at the West Transfer Center in downtown Dallas, then circles the downtown area picking up other riders. It takes only 45 minutes to get to the airport and employers are providing circulator vans to get workers from the end of the line to some of the workplaces in the area. Quinn assured us that it was involvement and advocacy by the employers that led to investment in the express bus.

Quinn told us that DART had to eliminate other routes and rides to pay for the cost of the express bus. There is no new operating subsidy money, so DART had to choose some other part of the system for elimination to create the express bus route to the airport. He asserted that they only cut under-utilized existing service. Quinn plans to create a park-and-ride lot at the airport eventually. Then riders into the city will subsidize the cost of riders out to the airport. Right now, the system-wide fare is only $1, and the average cost per ride throughout the system is a little over $2. But, the cost of a ride on the express bus to the airport is about $10. So the very expensive subsidy for this route had to found by cutting service somewhere else in the system. Therein lies the problem with transit route expansion and addition.

This is a group of committed and excited people. They come from very different work cultures and are learning to speak the same language. They know they are making a real difference - with the employers' group and a novel initiative called "Work for Wheels" created by Glenn Weinger of Lockheed and his staff. Work for Wheels is a paratransit service that holds the payments made for each rider in a special account. If the worker stays on the job for three months, she gets the money in the account for a down payment. Lockheed staff members work with local car dealers to arrange loans. It's like an Individual Development Account for car purchase and is funded by a competitive grant for innovative projects from the state TANF block grant.

The Dallas group proves that the collaboration and coordination model of transportation planning can work. These three people (and the others who joined us in the meeting) like each other, have the same goals, understand the limits of each company and constituency, and are willing to try new things. They've taken the time to learn the language of each business, and this has made innovation possible. We can't say if it is the result of time spent together, and the crisis of employers at the airport, or leadership from truly special Lockheed staff.

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She previously served as director of public policy at United Way of America, and director of policy development at Public/Private Ventures in Philadelphia. while at P/PV, she helped to create the $32 million Transitional Work Corporation which is a national model of wage-based community service jobs. Before moving to the east coast, she was the government relations counsel for the United Way & Community Chest in Greater Cincinnati, and practiced law for the Legal Aid Society in Cincinnati and Youngstown, Ohio, where she specialized in housing and homeless litigation and policy. In Ohio, Waller was appointed to state and local community boards by two governors and numerous local elected officials. She served as a fellow on welfare policy in the 103rd Congress. Waller is a graduate of Northwestern University and The Ohio State College of Law.

Mark Alan Hughes is a distinguished senior scholar at the University of Pennsylvania's Fels Center of Government and a nonresident senior fellow at The Brookings Institution's Center on Urban and Metropolitan Policy. He is co-principal investigator on several research and policy development projects including transportation and welfare reform, urban vacant property management and reuse, and metropolitan labor market performance. From 1993 to 1999, he was vice president for policy development at Public/Private Ventures in Philadelphia. A P/PV, Hughes helped create the $17 million Bridges to Work demonstration for the U.S. Department of Housing and Urban Development, testing the hypotheses of his academic research. More recently, Hughes helped establish the $32 million Transitional Work Corporation in Philadelphia, which is playing an important role in the city and state's welfare reform efforts. From 1986 to 1992, Hughes was on the faculty of Princeton University's Woodrow Wilson School of Public and International Affairs. His academic research focused on metropolitan labor markets and how suburbanization limits job prospects for inner-city residents. Hughes has published writings in the leading journals of several disciplines, and won a National Planning Award in 1992 for his writings. He's a graduate of Swarthmore College, where he was the Midwest Scholar for the Class of 1981, and the University of Pennsylvania, where he received his Ph.D. in regional science in 1986.

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6. Robert Cervero and Martin Wachs, "An Answer to the Transit Crisis: The Case for Distance-Based Fares" in *Journal of Contemporary Studies* 5 (Spring 1982) pp.59-70; Robert Cervero, "Transit Pricing Research: A Review and Synthesis" in *Transportation* 17 (1990) pp.117-139.

7. Mark Alan Hughes, *Over the Horizon: Jobs in the Suburbs of Major Metropolitan Areas* (Philadelphia PA: Public/Private Ventures, 1993).

8. Office of Highway Information Management, Federal Highway Administration, *1995 Nationwide Transportation Survey*, (Washington, DC, 1997).

9. There is recent research to support this view. See Brian D.Taylor, and Paul M. Ong, "Spatial Mismatch or Automobile Mismatch? An Examination of Race, Residence, and Commuting in U.S. Metropolitan Areas," *Urban Studies* (1995, Vol. 32: 1453-1473); Evelyn Blumenburg and Paul Ong, "Job Access, Commute, and Travel Burden among Welfare Recipients," *Urban Studies* (1998, Vol. 35: 1-43); Martin Wachs and Brian D. Taylor, "Can Transportation Strategies Help to Meet the Welfare Challenge?," *Journal of the American Planning Association* (1998, Vol. 64: 13-17).

10. See chart on Change in Welfare Caseloads, prepared by Administration for Children and Families at: http://www.acf.dhhs.gov/news/stats/caseload.

11. Ohio Department of Human Services, Ohio Works First/PRC Guidance Letter No. 1, April 15, 1999.

12. Final Regulations, TANF, 45 CFR Part 260, April 12, 1999. The regulations are available at the HHS website:
http://www.acf.gov/news/3tanfreg.htm.
A summary of the final rule is available at: http://www.acf.dhhs.gov/programs/ofa/exsumcl.htm