

CHAPTER THREE

PUBLIC AND HUMAN SERVICES TRANSPORTATION FUNDING

In the context of this report, **public transportation** is synonymous with public transit. It is the conveyance of any person who pays a prescribed fare to travel in a local area in a vehicle that is owned, subsidized, or operated by any municipality, county, regional authority, state, or other governmental agency, including one operated or managed by a private management firm under contract to the government agency owner. Public Transportation is designed to move large numbers of people at one time. Examples are the rural transit provider Zuni Entrepreneurial Enterprises at Zuni Pueblo and Albuquerque SunTran operated by the City of Albuquerque. **Human services transportation** is the conveyance of persons, who need social services that are funded by various agencies and who are unable to transport themselves because of income, age, disability, or the inability to drive. The transportation may be provided as an ancillary component of the total social services package. Example are the transportation of senior citizens to an exercise program via senior center vans funded by the State Agency on Aging (SAOA) and nonemergency medical transportation of a Medicaid recipient to a doctor's appointment.¹

Funding for human services transportation comes from both federal and state sources. The US Department of Health and Human Services (USDHHS) provides transportation funding as an ancillary support service for the people they serve through a broad array of social services. These people—including the elderly, young, disabled, and poor—may be referred to as the transportation disadvantaged. For reasons of age, physical or mental ability, and amount of economic resources, they are unable to operate or own a privately owned vehicle. In New Mexico, populations served by human services transportation are permanently and temporarily disabled adults and children, senior citizens, pre-school-age disadvantaged children, people moving from welfare to work, and Medicaid recipients.

In New Mexico, funding for public transportation comes largely from the federal government and local municipalities. The US Department of Transportation (USDOT), through its Federal Transit Administration (FTA), provides funding to urban and rural areas for

¹ These definitions are based on the terms as described by the Transportation Research Board and the American Public Transportation Association glossaries. < <http://www4.nationalacademies.org/trb/homepage.nsf>>. <<http://www.apta.com/>>.

transportation for the general public on buses, commuter rails, subways, and vanpools. The FTA also provides transportation funding for elderly and disabled people and low-income people who are trying to access jobs.

Rather than continue with this uncoordinated and duplicative funding scenario, these two federal departments, along with the US Department of Labor (USDOL), have agreed that states should coordinate transportation programs between agencies and departments to operate more efficiently and to offer more extensive, better service. In short, rather than duplicate efforts and operate vehicles with low ridership, state agencies and departments should communicate with each other and, through coordination, plan how to provide more transportation with the vehicles that they already have.

Federal Transportation Funding Sources

Many federal programs address public transportation. The Community Transportation Association of America (CTAA) has identified 90 programs in 17 federal agencies that provide transportation funding to states.² Three Acts in particular have created a watershed of opportunity to fund transportation initiatives that benefit Temporary Assistance for Needy Families (TANF) recipients, Welfare-to-Work (WTW) clients, and other low-income people: the **Personal Responsibility and Work Opportunity Restoration Act of 1996 (PRWORA)**, the Balanced Budget Act of 1997, and the Transportation Equity Act for the Twenty-first Century (TEA-21), which was signed in 1998. These funding opportunities are especially important to New Mexico families, which are among the nation's poorest.

Each Act targets specific beneficiaries. Under the PRWORA, states are required to meet federal criteria in a revamped TANF program, but they are free to decide how to allocate the TANF block grant to meet local goals, including the percent of funds to be dedicated to transportation initiatives. In fiscal year 1999, the New Mexico Human Services Department (NMHSD) received \$129,339,257 in Federal TANF funds to serve approximately 75,000 to 85,000 individuals who met TANF guidelines. The NMHSD allocated five per cent, or \$6,594,000, to transportation programs and services. The NMHSD plans to award the Public Transportation Programs Bureau (PTPB) of the New Mexico State Highway and Transportation

² For a complete list, see Federal Funding Sources for Community Transportation. <<http://www.ctaa.org/ntrc/ctap/pubs/funding>>.

Department (NMSHTD) another \$1,500,000 in FY 2000 to provide transportation services to New Mexico Works participants.

The USDOL WTW program, created by the Balanced Budget Act of 1997,³ provides “transitional assistance to move the hard-to-employ welfare recipients living in high poverty areas into unsubsidized employment and economic self-sufficiency.”⁴ The Act prescribes a set of eligibility requirements that TANF recipients must meet to qualify for the service.⁵ The US Congress reauthorized the WTW program in November 1999, and the client eligibility criteria were expanded so that a greater percentage of TANF clients could be served. Another change was to set aside a specific percentage of program funds to serve noncustodial parents of TANF children.⁶

There are two types of WTW grants: formula grants to the states and national competitive grants. Under the formula grant, the New Mexico Department of Labor (NMDOL) received \$9,058,956 from the USDOL for WTW in fiscal year 1999, which requires a 33 percent state match, and budgeted \$1.2 million, or nine percent, to the PTPB for transportation. The NMDOL has committed \$1,094,992 to fund statewide transportation services to WTW participants in FY 2000.⁷ Since 1998, four New Mexico organizations have received national competitive WTW grants from the USDOL: the City of Albuquerque, Catholic Social Services, Santa Fe Service Employment Redevelopment (SER), and New Mexico Highlands University. These awards total \$13,200,000.

Under the federal transportation bill TEA-21, funding opportunities exist for states and large cities to develop **Access To Jobs (ATJ) and Reverse Commute (RC)** programs to help people get to jobs.⁸ Transit authorities, states, and other service providers may apply to the FTA for funding under these programs. ATJ grants are used to develop and implement transportation

³ The Welfare-to-Work program was actually created by Title IV, Part A of the Social Security Act as amended by the Balanced Budget Act of 1997.

⁴ Federal Register. Part II, Department of Labor, Employment and Training Administration, 20 CFR Part 645, Welfare-to-Work Grants; Interim Rule, November 18, 1997.

⁵ See the New Mexico Works Plan for the eligibility requirements for a noncustodial parent. Available from the Human Services Income Support Division Office.

⁶ See the New Mexico Works Plan for the eligibility requirements for a noncustodial parent. Available from the Human Services Income Support Division Office.

⁷ Roybal, Larry. Planner III, New Mexico Department of Labor (NMDOL), December 13, 1999. The NMDOL FY 1998 runs from 7/1/98 to 6/30/00 and FY 1999 runs from 7/1/99 to 6/30/00.

⁸ *TEA-21 User's Guide: Making the Most of the New Transportation Bill*, Surface Transportation Policy Project, 1998. **Reverse commuting** is defined as movement in a direction opposite the main flow of traffic, such as from a central city to a suburb during the peak work hours.

services to provide access to the workplace for people who live at up to 150% of the poverty level (in 1999).⁹ RC grants are intended to develop transportation services to take residents of rural and urban areas to the suburbs, where many employment opportunities exist. There are no income restrictions on who can use these services.¹⁰ TEA-21 guarantees \$75 million per year for these grants.¹¹ An important feature of TEA-21 is the planning requirement provision; it mandates that eligible ATJ and RC projects shall be part of a coordinated public transit/human services transportation planning process.¹²

The State and the Cities of Albuquerque and Las Cruces applied to the FTA for ATJ grants for fiscal year (FY) 1999. While many states received no funding, in May 1999, the FTA awarded the State \$1,198,000, the City of Albuquerque \$400,000, and the City of Las Cruces \$268,400 to improve low-income people's access to jobs. The PTPB administers the State ATJ grant. Of the \$75 million guaranteed under TEA-21 for ATJ and RC grants in FY 2000, Congress earmarked \$50 million. Included in this earmark is a \$1,000,000 grant to the City of Albuquerque. The PTPB is expected to submit a State ATJ and RC application for rural areas and small towns in February 2000. As two-thirds of the ATJ and RC grant funds for FY 2000 have already been set aside by the Congress, New Mexico will face great competition from other states for a share of the remaining \$25,000,000.

The three main sources of federal funding for welfare-to-work transportation are detailed in *Figure 3.1 The Three Largest Federal Funding Sources Targeting Transportation Under Welfare Reform*, on page 63. The population served by each program and the agency that administers it are also listed. While these main funding sources (TANF, WTW, and ATJ) offer the states great flexibility in program design, they also require state agencies and departments to coordinate transportation planning and program implementation. Of these sources, the federal ATJ and RC grants are the only programs that commit 100 percent of funds to transportation. These grants also require a 50 percent local match, but Federal dollars from the USDHHS and the USDOL may be used as the local match.

⁹ Annual Update of HHS Poverty Guidelines, Federal Register, Vol. 64, No. 52, March 13, 1999.

¹⁰ Federal Transit Administration (FTA). Section 3037 (b) (2) (C), (online) <<http://www.fta.gov/library/legal>>.

¹¹ Transportation Equity Act for the 21st Century Formula Grant Program for other than Urbanized Areas, (online) <<http://www.fhwa.dot.gov/tea21/suminfra.htm#wtw>>.

¹² Federal Transit Administration (FTA). Section 3037 (b) (2) (C), (online) <<http://www.fta.gov/library/legal>>.

Figure 3.1 The Three Largest Federal Funding Sources Targeting Transportation Under Welfare Reform

Federal Agency	Program	Targeted Population	Administered by	FY 1999 Allocation	Estimated Amount to Transportation
Department of Transportation, Federal Transit Administration	Access to Jobs and Reverse Commute Grant (requires 50% local match)	ATJ—people living at or below 150% of the federal poverty level RC—general public	PTPB ¹³ City of Albuquerque City of Las Cruces	\$1,198,000 \$ 400,000 \$ 268,400	\$1,198,000 \$ 400,000 \$ 268,400
US Department of Health and Human Services, Administration for Children and Families	TANF state block grant (requires State Maintenance of Effort match)	State's 75,000-85,000 TANF clients (including children)	NM Human Services Department	\$129,339,257	\$6,594,000 ¹⁴
Department of Labor, Employment and Training Administration	WTW State Formula Grant (Requires 33% State match)	Estimated 3,000 hardest-to-employ TANF recipients	NM Department of Labor ¹⁵	\$9,715,600 ¹⁹⁹⁸ \$9,058,956 ¹⁹⁹⁹	\$1,242,340 \$1,094,992
Department of Labor, Employment and Training Administration	National Competitive WTW grants	WTW eligible in Bernalillo County	City of Albuquerque, Albuquerque Works	\$ 1,876,425	Not Determined
		WTW eligible in Bernalillo County with a focus on non-English speakers	Catholic Social Services ¹⁶	\$ 1,351,541	\$93,821
		WTW eligible in Taos and Mora Counties	Santa Fe SER ¹⁷	\$ 5,000,000	Not Determined
		WTW eligible in San Miguel County	New Mexico Highlands University ¹⁸	\$ 5,000,000	Not Determined

Data Source: USDOT, FTA <<http://www.fta.dot.gov>>, USDHHS, <<http://www.dhhs.gov>>, and USDOL, ETA, <<http://www.doleta.gov>>

¹³ NMSHTD, PTPB.

¹⁴ Estimate based on FY 1999 transportation allocations to five TANF prime contractors, to the PTPB for transportation services and research, funds reserved for NMHSD Regional Council transportation initiatives, and FY 1998 totals of TANF transportation to work activity reimbursements and one-time emergency grants.

¹⁵ The required State match for FY 1998 is \$4,857,800, and for FY 1999, the required match is \$4,529,478. The NMDOL FY 1998 runs from 7/1/98 to 6/30/00 and FY 1999 runs from 7/1/99 to 6/30/00.

¹⁶ Catholic Social Services received a two-year grant for May 1998-June 2000.

¹⁷ Santa Fe SER is in the process of amending its grant to include Santa Fe and Rio Arriba Counties as part of its service area.

¹⁸ Award announced in October 1999.

In addition to federal funds, the New Mexico State Legislature appropriated \$700,000 to the New Mexico Commission on the Status of Women in State Maintenance of Effort funds for October 1, 1999 to June 30, 2000 to implement the TeamWorks program. Ten percent of these funds (\$70,000) is budgeted for transportation.¹⁹

Other Federal Transit Administration Grants to New Mexico

In addition to the ATJ and RC grants provided under TEA-21, the FTA also administers urban and rural transit grants under Title 49, Chapter 53, Sections 5303, 5307, 5309, 5310, 5311, and 5313 of the United States Code.²⁰ **Section 5303** is a formula grant program that deals with long-range transportation planning, coordination, design, and engineering of multimodal, intermodal, and mass transit by metropolitan planning organizations. Section 5303 funds problem solving; resource distribution; and the development and integrated management of transportation systems and facilities in metropolitan, multi-state, and international border crossing areas. Factors to be taken under consideration are protecting and enhancing the environment, increasing accessibility and mobility for people and for freight, enhancing the integration and connectivity of the transportation system between modes of transit, and increasing the efficiency of transportation management and operations. The overall social, economic, energy, and environmental effects of transportation must be considered in the planning, design, implementation, and management phases of the process.²¹ The FTA allocated New Mexico under this section \$198,569 for FY 2000.²²

Section 5307 is a formula grant program that provides transit capital and operating assistance to urban areas.²³ An urban area is a city with a population of 50,000 or more. Albuquerque, Las Cruces, and Santa Fe receive transit funding under this grant program. Because the City of Albuquerque has a population greater than 200,000, it receives funding directly from the FTA, while FTA funds to Las Cruces and Santa Fe are administered through the NMSHTD. Under Section 5307, funds for planning, capital, and preventive maintenance are

¹⁹ New Mexico Commission on the Status of Women, October 1999.

²⁰ 49 USC 5303, 5307, 5309, 5310, and 5311.

²¹ Title 49, USCS 5303 (1999). FTA Comparison of Formula Grant Programs, (online) <<http://www.fta.dot.gov/library/legal/sdbysd/SDBYSD.html>>.

²² See *Figure 3.2 FTA Funding Allocated to New Mexico for Selected Public Transit Programs from FY1998, FY 1999, and FY2000*.

²³ FTA fact sheet, (online) <<http://www.fta.dot.gov/library/legal/factspl1.htm>>.

provided on an 80% federal to 20% local match ratio. The federal share increases to 90% for the incremental costs of vehicle-related equipment needed to comply with the Clean Air Act Amendments and the Americans with Disabilities Act (ADA) requirements.²⁴ Operating expenses are reimbursed on a 50 percent federal to 50 percent local match ratio.

Capital investment grants and loans are provided under **Section 5309**. Section 5309 provides capital assistance for fixed guideway modernization (40 percent), new fixed guideway systems or extensions, known as “New Starts” (40 percent), and bus and bus-related facilities (20 percent) in both urban and nonurban areas. Public bodies and agencies are eligible for Section 5309 funds, and states may apply on behalf of private nonprofit and public subrecipients. Many states use this capital program to acquire vehicles in addition to those already procured under Sections 5310 and 5311.²⁵ The federal share for any project assisted under the Capital Program is 80 percent of the net project cost. As with Section 5307, the federal share increases to 90% for vehicle-related equipment acquired to be in compliance with the Clean Air Act Amendments of 1990.²⁶

Section 5310 is intended to improve the mobility of elderly persons and persons with disabilities in both rural and urban areas. The program requires the coordination of federally assisted programs and services to make efficient use of federal resources. Eligible nonprofit organizations or public bodies apply directly to the PTPB for assistance under this program.²⁷ Section 5310 funds are apportioned among the states by a formula based on the number of elderly persons and persons with disabilities in each state (according to the latest available US Census data). Funds are allocated based on the annual program of projects included in a statewide grant application. Section 5310 funds require an 80 percent federal to 20 percent local match ratio.

Section 5311, known as the Nonurbanized Formula Assistance Program, is intended to provide transportation to the public in nonurbanized areas, which are defined as cities, towns, and rural communities with fewer than 50,000 people. These funds are apportioned annually by the federal government to the Governor of each state. The statutory formula is based solely on

²⁴ Guidelines for Section 5307 are found in FTA Circular, C 9030.1C

²⁵ Guidelines for Section 5309 are found in FTA Circular C 9300.1A.

²⁶ Guidelines for Section 5309 are found in FTA Circular C 9300.1A.

²⁷ *Transit Facts and Figures, FY 97-98, Section 5311 Programs*. New Mexico State Highway and Transportation Department, Public Transportation Programs Bureau, Transit Research Section.

the nonurbanized population of the states. Section 5311 funds may be used for capital, operating, and administrative assistance to state agencies, local public bodies, nonprofit organizations (including Indian tribes), and operators of public transportation services.²⁸ There is no limitation on operating assistance under this grant. The match ratio for Section 5311 capital and administrative costs is 80 percent federal to 20 percent local. For operating costs, the match is 50 percent federal and 50 percent local.²⁹

A separate annual allocation, known as the Rural Transit Assistance Program (RTAP), is made to a state under **Section 5311(b)(2)**. The RTAP provides funding to states to support nonurban transit activities in four categories: training, technical assistance, research, and related support services.³⁰ Capital costs are allowed if the equipment is purchased to support one of these four eligible activities. There is no federal requirement for a local match for RTAP funds. Although states may not use RTAP funds for state administrative or overhead expenses, however, any such expenses may be covered by the 15 percent of a state's annual Section 5311 funds available for state administration. Contracts with other organizations to administer and deliver RTAP services may include reasonable administrative and overhead costs.

Section 5313 is a formula grant program that sets forth the guidelines for statewide planning of transportation on a general basis, outlines the planning process goals and functions, and calls for fair and equitable treatment within that planning process of all areas of each state. Section 5313 provides for each state to receive an amount equal to the population in urbanized areas in that state, divided by the total population in urbanized areas of all states. Each state must receive at least 0.5% of the total amount apportioned. Funds are used for grants and contracts in carrying out Statewide planning activities.³¹ New Mexico received an allocation of \$51,875 from the FTA under this program for FY2000.

Figure 3.2, on page 67, shows the amounts allocated to New Mexico for fiscal years 1998-2000 under FTA Sections 5303, 5307, 5309, 5310, 5311 and 5313.

²⁸ Guidelines for Section 5311 are found in FTA Circular C 9040.1E.

²⁹ *Transit Facts and Figures, FY 97-98, Section 5311 Programs*, New Mexico State Highway and Transportation Department, Public Transportation Programs Bureau, Transit Research Section.

³⁰ Guidelines for Section 5311(h) are found in FTA Circular C9040.1E.

³¹ Title 49, USCS 5313 (1999). FTA Comparison of Formula Grant Programs, (online) <<http://www.fta.dot.gov/library/legal/sdbysd/SDBYSD.html>>.

**Figure 3.2 FTA Funding Allocated to New Mexico
for Selected Public Transit Programs for FY 1998-2000**

FTA Program	FY 1998	FY 1999	FY 2000	Total
Section 5303	\$ 158,502	\$ 175,605	\$ 198,569	\$ 532,676
Section 5313(b)	\$ 42,360	\$ 46,286	\$ 51,875	\$ 140,521
Section 5307	\$ 5,363,296	\$ 5,898,905	\$ 6,248,659	\$17,510,860
Section 5311	\$ 1,266,249	\$ 1,670,467	\$ 1,810,042	\$ 4,746,758
Section 5311(b)	\$ 69,618	\$ 84,224	\$ 78,573	\$ 232,415
Section 5310	\$ 429,057	\$ 456,044	\$ 488,168	\$ 1,373,269
New Starts	\$ 0	\$ 4,962,765	\$ 9,810,787	\$14,773,552
Fixed Guideway	\$ 0	\$ 0	\$ 0	\$ 0
Bus	\$ 7,573,270	\$ 7,575,270	\$ 8,584,582	\$23,733,122
Total	\$14,902,352	\$20,869,566	\$27,271,255	\$63,043,173

Data Source: Federal Transit Administration, Office of Budget and Policy, January 11, 2000

Moving from Individual to Systemic Solutions

Before 1999, most states addressed the lack of welfare-to-work transportation at the individual TANF client level. An example of this individualized approach is the New Mexico Income Support Division's (ISD) \$25 per month transportation reimbursement to TANF clients who travel one to 500 miles per month to a work activity. This assistance increases by \$25 for every additional 500 miles a recipient travels each month, but some New Mexico rural residents commute, round-trip, 120 to 200 miles per day.³² With the cost of owning and operating a private compact vehicle ranging from \$0.36 to \$0.48 per mile,³³ this \$25-a-month reimbursement covers the true cost of approximately 70 miles of travel. Moreover this individual transportation assistance program does not support transportation services that meet clients' long-term needs after they leave the TANF program and still earn low wages, as many working New Mexicans do. The NMHSD has acknowledged this concern. For this reason, the NMHSD committed \$1.2 million for enhancing transportation systems during FY 1999 and \$1.5 million in FY 2000.³⁴

³² The ATRI interviews with NMDOL Workforce Development Center Directors, November 1999.

³³ Runzheimer International Report to AAA, 1999.

³⁴ McFadden, Marise. NMHSD, ISD, Telephone interview. (1999, December 14).

At the federal level, the US Secretaries of Labor, Health and Human Services, and Transportation have directed states to take a more “systemic approach to breaking down transportation barriers.”³⁵ Supporting their recommendation for systemic solutions, in December 1998, the agencies issued *Interagency Guidance: Use of TANF, WTW, and Access To Job Funds for Transportation*.³⁶ The interagency guidance requires states to consult and collaborate across department and program divisions to resolve transportation shortages and to improve access to work.

A 1999 report by the General Accounting Office (GAO) also notes the need for more systemwide transportation coordination. As the GAO report states, the coordination of transportation funding programs can reduce program costs by “clustering passengers, utilizing fewer one-way trips, and sharing the use of transportation personnel, equipment, and facilities.” It also “reduces the inefficiencies arising from the disparate operations and service patterns that often result from a multiplicity of providers.” Finally, coordination can also lead to significant reductions in per-trip costs.³⁷

Allowable Expenditures

The *Interagency Guidance: Use of TANF, WTW, and Access to Jobs Funds for Transportation* advises that there are specific rules that govern the types of transportation expenditures permissible under the respective federal programs for the particular groups targeted for service. For example, TANF funds may be lent to an individual to lease or purchase a car, but WTW funds may not be. Furthermore, WTW transportation dollars may be used to provide transportation services only to WTW clients. *Figure 3.3*, on pages 69 and 70, shows that under the two federal programs, the allowable expenditures include many diverse transportation options. *Figure 3.3* indicates there are more restrictions on WTW funds than on TANF funds regarding the purchase or maintenance of a personal vehicle. Under both programs, recipients who rely primarily on their personal vehicles may be reimbursed for gasoline purchases, car insurance payments, car registration, and car tags. TANF funds may also be used to facilitate the

³⁵ *Interagency Guidance: Use of TANF, WTW, and Job Access Funds for Transportation*, available online at <<http://www.fta.dot.gov/wtw/uoft.html>>.

³⁶ Available online <<http://www.fta.dot.gov/wtw/uoft.html>>.

³⁷ US General Accounting Office. “Transportation Coordination—Benefits and Barriers Exist, and Planning Efforts Progress Slowly.” Report to Congressional Committees. GAO/RCED-00-1. online <<http://www.gao.gov/new/items/rc00001.pdf>>.

Figure 3.3 Allowable Transportation Expenditures Under Federal TANF and Welfare-to-Work Programs

TRANSPORTATION SERVICE	WTW	TANF
A. Services Related to the Operation of a Personal Vehicle		
Driver's Education Training	Yes	Yes
Driver's License Fees	Yes	Yes
Car Purchase for Individual	No	Yes
Loan to Individual to Lease or Purchase Car	No	Yes
Single Down Payment towards Car Purchase for Individual	No	Yes
Emergency Car Payment	Yes (one time only)	Yes
Multiple Car Payments	No	Yes
Maintenance/Repairs to Owned Cars	Yes	Yes
Maintenance/Repairs to Other's Cars	No	Yes
Gasoline Reimbursement	Yes (voucher); No (cash)	Yes (cash)
Car Registration	Yes	Yes
Car Tags	Yes	Yes
Car Insurance/One-Time Payment (which can cover needs for up to 3 months)	Yes	Yes
Multiple Car Insurance Payments	Yes	Yes
Car Inspection	Yes	Yes
Emergency Towing	Yes	Yes
Car Storage	No	Yes
Parking (parking lot/garage fees while at work)	Yes	Yes
Facilitating the Donation and Repair of Previously Owned or Reconditioned Vehicles	No	Yes
Individual Development Account (IDA) (to be used by individual to purchase car)	Yes, if from participant's personal account	No
B. Services Related To Public Transit		
Public/Private Transit (tokens, vouchers, tickets, etc.)	Yes	Yes

TRANSPORTATION SERVICE	WTW	TANF
Basic Transportation Cash Allowance Made to Individuals for Transportation Needs (such as \$20/week)	No	Yes
Subsidize Expansion of Existing Transportation Services (for example, Transit Authority)	Yes	Yes
Start-Up Costs for Expanded Transportation Services	Yes	Yes
C. Services Related to Use of Transportation Alternatives		
Car/Van Pools (fee)	Yes	Yes
Bike and Helmet Purchase	No	Yes
Agency Van (purchase)	Yes	Yes
Agency Van (lease)	Yes	Yes
Transportation Coordinator/ Brokerage, Counselor Positions Helping Clients Find and Arrange Transportation	No	Yes
Individual Development Account (IDA) to Cover Qualified Business Capitalization Expenses to Establish a Transportation Service (such as van, shuttle, or door-to-door service)	Yes	Yes
Costs Related to Planning for Transportation Services	Yes	Yes
Construction or Purchase of Building or Facility for Transportation	No	No
D. Other Services		
Taxis	Yes	Yes
Reimbursement to Volunteers for Expenses Incurred While Transporting Client(s) (contingent on state or local laws)	Yes	Yes

Data Source: Adapted from North Carolina Department of Transportation. Updated and verified by USDOL contact Justice Parrazo, Region VI, Dallas, Texas (1999, August 9) and by USDHHS contact Robert Sluss, Region VI, Dallas, Texas (1999, August 19)

donation and repair of *previously* owned or reconditioned vehicles, although WTW funds must not be used for such expenses.

In some remote parts of the State, a personal vehicle is the most cost-effective transportation option. Services like no-interest car loans, or Earn-A-Car programs (sometimes known as “charity car” programs) may be appropriate in remote areas of McKinley and Catron Counties, where population density is very low and the distances to jobs and support services are great. TANF funds may also be used to establish a transportation coordinator or brokerage to help clients find and arrange transportation.

Summary

Prior to welfare reform in 1996, two federal agencies provided the principal funding for transportation services for the general public and special populations. The USDOT, through the FTA, has funded general transportation, including mass transit systems in urbanized and rural areas, transportation services for the elderly and disabled, technical assistance for rural transportation, and urban and state transit planning. The USDHHS has funded transportation for the following groups: Medicaid recipients, people undergoing vocational rehabilitation, disadvantaged pre-schoolers attending Head Start or Early Head Start Programs, senior citizens, and disabled adults and children.

With the reform of federal and state welfare programs, a new transportation need has emerged: transportation for the working poor and for people moving from welfare to work. Rather than continue disparate transportation services, the USDOT and the USDHHS have adopted a new philosophy of transportation planning and programming to reduce the duplication and improve the cost-effectiveness of transportation programs.

In December 1998, these two departments, along with the USDOL, issued *Interagency Guidance: Use of TANF, WTW, and Job Access Funds for Transportation*. In effect, they offered the states great flexibility in program design, while also requiring state agencies and departments to coordinate transportation planning and program implementation. Prior to this mandate, most states addressed the lack of welfare-to-work transportation at the individual TANF-client level and did not take a systemwide approach. States must now coordinate human services transportation and public transportation programs.

Across the nation, states have begun to collaborate across departments and programs to resolve transportation shortages, reduce per-trip costs, expand and improve services, become more efficient and cost-effective, and reduce the duplication of services. Transportation coordination is especially important in New Mexico because of the lack of State-funded public transit.

