

NLWJC - Kagan

DPC - Box 062 - Folder-013

Welfare-ISTEA-Transportation [2]

WR - transportation

THE WHITE HOUSE

WASHINGTON

February 17, 1998

The Honorable Fob James, Jr.
Governor of Alabama
Montgomery, Alabama 36130

Dear Fob:

When I delivered my 1998 State of the Union speech to Congress, I was joined by Elaine Kinslow from Indianapolis, one of the many individual heroes of the welfare revolution. After 13 years on and off welfare, Elaine now works as a transportation dispatcher with a van company. This job is not only helping Elaine create a better life for her family, but it's also helping other welfare recipients travel to and from work. Her company takes patients to doctors appointments and provides rides to former welfare recipients who cannot reach their jobs by public transportation.

Throughout our country -- in rural, urban, and suburban areas -- there is a critical need for transportation to move people physically from welfare to work. As you know, few welfare recipients own cars. In many areas, either there is no mass transit or the transportation available does not provide adequate links to jobs within a reasonable commute time. In addition, many entry-level jobs require work during evenings or weekends, when transportation services are limited.

To support innovative efforts such as the one in Indianapolis, I have proposed a \$100-million-a-year welfare-to-work transportation plan as part of my ISTEA reauthorization bill. Funds could be used for both capital and operating expenses, and local transportation and human service systems would be strongly encouraged to collaborate. This competitive grant program will assist states and localities in developing flexible transportation alternatives to help welfare recipients and other low-income workers get to where the jobs are. This plan, if enacted, and the 50,000 new welfare-to-work housing vouchers I've proposed will help welfare recipients move closer to new jobs or obtain stable housing.

Because of the tremendous need for transportation services, I urge you to use existing funds for this purpose wherever possible. Both the Temporary Assistance for Needy Families (TANF) block grant established in the 1996 welfare reform law and the Welfare-to-Work grants created by the Balanced Budget Act of 1997 offer considerable flexibility to provide certain transportation services. For example, TANF funds can be used for families eligible for TANF, and Welfare-to-Work funds can be used for a subset of the welfare population, those long-term recipients with specific employment barriers. To encourage each state and community to take full advantage of current funds, the Secretaries of HHS, Labor, and Transportation will provide you with written guidance by early April.

Together, we've helped reduce the welfare rolls by 4.3 million people over the last five years -- by 2.4 million in the new welfare law's first 13 months. I urge each of you to take the savings from these lower caseloads and use them to help even more people move from welfare to work by investing in transportation, child care, and other critically needed services. I look forward to our continued partnership in this area.

Sincerely,

Bill Clinton

ISTEA



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

STATEMENT OF ADMINISTRATION POLICY

TO: LARRY STEIN
 TRACY THORNTON
 PETER JACOBY
 JOHN PODESTA
 SYLVIA MATHEWS
 BRUCE REED
 GENE SPERLING
 ELENA KAGAN
 PAUL WEINSTEIN
 JASON GOLDBERG

CC: DEPUTY DIRECTOR LEW
 CHARLES KIEFFER

FROM: Alice Shuffield *AS*

DATE: March 2, 1998

SUBJECT: FOR YOUR CLEARANCE --
 Transportation letter ISTEA reauthorization

Attached is a draft Slater letter commending the Senate for moving to ISTEA, and urging the House to act shortly on the Senate bill. Also attached is our most recent Senate SAP (10/8/98) on the bill.

Position: Support the Senate ISTEA bill, and urge quick action on the bill in the House.

Timing: OMB will await WHLA's guidance regarding whether and when (in relation to the Budget Resolution) to send the letter. Transportation hopes to send the letter to the Hill today (Monday).

Attached: 1 Draft Letter
2 October 8th SAP

Please contact Alice Shuffield at 5-9139 with your comments or your clearance.

DRAFT 2/27/98 11 AM

**The Honorable Trent Lott
Majority Leader
United States Senate
Washington, DC 20510**

Dear Mr. Leader:

Timely enactment of comprehensive, multi-year legislation reauthorizing our Nation's surface transportation programs, consistent with the President's fiscal year 1999 Balanced Budget, is a top priority of the Clinton Administration. In 1992, President Clinton pledged to rebuild America by increasing investment in roads, bridges, transit systems, and other public infrastructure. The Administration, working with Congress, has made good on this pledge, and these investments have already paid off. President Clinton emphasized his strong commitment to surface transportation programs in his meeting with the Nation's governors earlier this week. I commend the Senate for moving to S. 1173, legislation to reauthorize the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and hope the House will be able to act shortly on its bill, H.R. 2400.

Our roads and bridges are in better shape today than they were in the early 1990's. Transit systems -- both rural and urban -- are growing and serving people better. Safety on our Nation's highways has improved -- seat belt usage is up to 68 percent and alcohol involvement in fatal crashes has dropped significantly. And increased Federal investment in surface transportation has played a key role in fueling America's economic resurgence. But we have more to do. To continue this progress and to avoid a shutdown of valuable surface transportation programs, we seek the coordinated efforts of the House and Senate to get these essential programs reauthorized in a timely manner.

Failure to reauthorize the surface transportation programs would have serious consequences nationwide. The most critical impact lies in the area of highway safety. Without new authorizations, the entire Federal motor carrier safety program and highway-related safety grants program will soon cease, and States will be forced to furlough staff -- jeopardizing many programs, including alcohol- and drug-impaired driving countermeasures and the President's seat belt use initiative.

Last year's Surface Transportation Extension Act (Pub. L. 105-130) prohibits States from obligating any Federal-aid highway funds after May 1. This cutoff will interfere substantially with plans for the approaching construction season and

associated jobs. Each billion dollars in Federal funding, for both highways and transit, supports approximately 42,000 jobs, so any shutdown will jeopardize hundreds of thousands of jobs. With the short construction season in the northern tier of this country, the negative impacts on highway construction will be especially severe there. We are also concerned about the adverse effects on the ability of Federal employees to assist State transportation departments in carrying out their essential programs.

The damage to transit programs is equally serious. The delay in reauthorization has already disrupted transit planning, and will increase grantees' costs, delay compliance with the Americans with Disabilities Act, and hinder our ability to meet the air quality standards of the Clean Air Act.

Administration Priorities

It is critical that reauthorization legislation produce a balanced surface transportation program that serves the mobility needs of our country while supporting and strengthening our key national priorities -- our core precepts. These are emphasizing safety, ensuring equal opportunity, guarding the human and natural environment, protecting our Nation's workers, and rebuilding America's transit and highway systems.

Safety

Safety is of paramount concern. Motor vehicle crashes annually kill more than 40,000 Americans and injure three million more. We are committed to ensuring that our surface transportation programs provide the necessary funding and flexibility to reduce this terrible toll. Improving safety as travel grows requires strong Federal leadership and support. The Administration is particularly concerned about potential amendments that would threaten or compromise safety. We are opposed to motor carrier exemptions from Federal laws on truck size and weight, hours of service, hazardous materials transport or commercial driver's license requirements. These exemptions would seriously compromise highway safety for all motorists. We are committed to implementation of the President's seat belt initiative and to the establishment of a .08 blood alcohol level as the "per se" standard for driving while intoxicated.

Disadvantaged Business Enterprise Program

It is essential to continue equal opportunity in competition for transportation contracts. The Administration strongly opposes any effort to eliminate or curtail our highly successful Disadvantaged Business Enterprise program, which has significantly increased the percentage of women- and minority-owned construction firms involved in building our Nation's roads, bridges, and transit systems. Removal of the DBE program would be a serious blow to our efforts to assure fundamental fairness. Our DBE program is fair, effective, and constitutional, and must be preserved.

Environment

ISTEA introduced landmark environmental provisions to reduce air and water pollution, to preserve wetlands and open space, and to make transportation more compatible with the environment. We must continue and strengthen the existing environmental programs and provide increased funding. This will allow communities to meet air quality standards and to continue to build bike paths, walkways, and other community-oriented transportation projects. We are unalterably opposed to amendments that would weaken the National Environmental Policy Act, Clean Air Act, or existing environmental programs, including transportation enhancements and the Congestion Mitigation and Air Quality Improvement (CMAQ) program. We oppose allowing single-occupancy vehicle projects to receive funding under the CMAQ program. We believe protecting and enhancing communities and the natural environment are compatible with providing efficient, intermodal transportation.

or undermine
implementation of the new
air quality standards.

Labor Standards

The Administration firmly supports the continued application of the Davis-Bacon Act and other Federal labor standards and employee protection requirements afforded working people on federally assisted highway and transit projects. In addition, we strongly support extending Federal worker protections to projects assisted by innovative financing programs. The Administration would oppose any amendments repealing or limiting these protections.

Balanced Investment in Transit and Highway Programs

We have emphasized investment in transit and highways in order to rebuild America. Our prosperity and quality of life are linked to our transportation system's efficiency, which keeps production costs low and maintains our international competitiveness. To continue our sound record of achievement, we need a reauthorization bill that protects the priorities we share, and conforms to the balanced budget agreement. We particularly oppose the imposition of a minimum allocation formula for transit funds. Allocating transit funds based on gas tax revenues and not on the basis of transit needs is the wrong approach. It will hobble efforts all across the country to invest in new or expanded transit systems to meet pressing environmental goals and transportation needs, especially among seniors, persons with disabilities, and the transit-dependent. Equally important, if increased funding levels are authorized in the legislation, transit should receive an equitable share of that increase within the agreed-to budgetary framework.

The Department appreciates your efforts last year to provide interim legislation, but these programs are so critical to our Nation's economy that long-term, comprehensive legislation is essential. I know we share a common commitment to a strong and vibrant transportation system, and I look forward to working with you to ensure that America's vital surface transportation programs are reauthorized for the 21st Century.

3 and does not violate the discretionary spending caps.

The Office of Management and Budget advises that it has no objection, from the standpoint of the Administration's program, to submission of these views for the consideration of Congress.

Sincerely,

Rodney E. Slater

Identical letters: Minority Leader Daschle, Speaker Gingrich, Minority Leader Gephardt



October 8, 1997
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 1173 Intermodal Surface Transportation Efficiency Act of 1997 (Warner (R) Virginia and 17 cosponsors)

Reauthorizing the Nation's surface transportation programs is the Administration's top transportation priority for this session of Congress. The Administration is pleased that S. 1173 is a 6-year bill, and that it addresses many of the President's priorities as reflected in the Administration's proposal. For example, the bill includes important environmental protection, welfare-to-work, and worker protection provisions; and expands the uses of the highway and mass transit capital funds. In addition, the Administration supports many of the safety provisions under consideration by the Commerce Committee.

The Bipartisan Budget Agreement. The Bipartisan Budget Agreement (BBA) between the President and the Congress increased highway spending by \$10 billion. While the Senate reported bill is more consistent with the BBA than the 6-year bill considered by the House Transportation and Infrastructure Committee, S. 1173 still exceeds the total transportation spending levels assumed in the BBA -- including an additional \$2 billion in mandatory outlays. However, the Administration understands that it is the managers' intent to modify the bill so that it remains within the bounds of the carefully crafted BBA. The Administration supports this goal and urges the Senate to craft a bill that is fully consistent with the BBA. The Administration would strongly oppose amendments to the bill which would further increase funding levels above those agreed upon in the BBA.

Amendment Concerns. The Administration commends the Senate for retaining ISTEA's disadvantaged business enterprise goals and uniform certification provision for highway projects, and strongly opposes any amendments to repeal or weaken these provisions. In addition, the Administration would oppose any amendments to weaken: the National Environmental Policy Act, the Congestion Mitigation and Air Quality Improvement Program (including allowing single occupancy vehicle projects to receive funding under the Program), or the Clean Air Act. The Administration is also committed to retaining ISTEA's labor standards and employee protection requirements afforded working people on federally assisted projects (including those assisted by State infrastructure banks), and would oppose any amendments repealing or limiting these protections. The Administration would also oppose changing the transit formula by adopting any form of minimum allocation for transit.

Major Concerns. The Administration supports Senate passage of a 6-year transportation bill, but will seek amendments to S. 1173 to address the concerns described below and the additional concerns discussed in the attachment.

- o The bill should be modified to be fully consistent with the Bipartisan Budget Agreement.
- o The bill's safety provisions should be strengthened by -- retaining the unbelted crash testing requirement; penalizing repeat drunk driving offenders at the same blood alcohol level as first offenders; including the Administration's criteria in the seat belt incentive program for States to increase seat belt use rates; and eliminating the special exemption from the Federal seat belt use law for New Hampshire.
- o S. 1173 should be amended to authorize the full \$2.2 billion requested by the Administration for the Appalachian Development Highway System, and the full \$161 million requested for National Park roads and parkways. The funding levels currently authorized in the bill are inadequate to support these important programs.
- o The bill should provide additional flexibility to State and local governments in establishing hiring preferences for in-State welfare recipients, in order to meet the aggressive targets included in the recent welfare reform law.

Finally, the Administration supports the use of alternate fuels to improve our nation's air quality, and therefore strongly supports the extension of the excise tax exemption for ethanol (but without phasing down the rates of the benefits).

Pay-As-You-Go Scoring. S. 1173 as reported would increase direct spending; therefore it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. Therefore, if the bill were enacted and these costs are not offset during the remainder of this Congressional session, a pay-as-you-go sequester would be triggered at the end of the session. OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this legislation may differ from these estimates.

PAY-AS-YOU-GO ESTIMATES

(\$ in millions)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>98-03</u>
Outlays	71	244	335	402	463	529	2,044

* * * * *

Attachment: Additional Concerns

The Administration supports Senate passage of a 6-year transportation bill, but will seek amendments to S. 1173 to address the major concerns described above and the additional concerns discussed in this attachment. The bill should be amended to:

- o Expand its intermodal focus by permitting State and local governments to use Surface Transportation Program (STP) funds for publicly owned freight rail infrastructure.
- o Retain the current 10 percent set-aside of STP funds for transportation enhancements.
- o Delete Section 1115 which would unnecessarily expand Federal Lands Program eligibility to include non-Federal aid eligible roads.
- o Delete two provisions that would dilute the effectiveness of the Hazard Elimination program by unnecessarily extending the program to the Interstate System (which is already our safest system of roads), and unnecessarily expanding program eligibility to include non-safety traffic calming projects.
- o Prevent confusion and duplication by deleting the provision that would give States the option of using or not using the metric system in connection with highway construction contracts.
- o Further expand the definition of capital to make contracted paratransit services for individuals with disabilities an eligible expense.
- o Advance transportation projects more prudently and leverage private and non-Federal investment by substituting the Administration's State Infrastructure Bank and Credit Enhancement proposals for the bill's current Innovative Infrastructure Finance provisions.
- o In addition, the Administration is concerned that the proposed Magnetic Levitation Transportation Technology Deployment Program does not adequately take into consideration evidence on the costs and benefits of projects that would be eligible under the program.

STATEMENTS ON WELFARE TO WORK TRANSPORTATION

"We must help welfare recipients get to the new jobs, which often are outside their neighborhoods. That's why I recently proposed legislation providing \$600 million to help states and local communities devise transportation strategies to move people from welfare to work."

President William J. Clinton, Radio Address to the Nation, July 5, 1997

"This new initiative will insure that they can get to that job. Clearly the jobs are there.

Now we will be augmenting existing transportation networks to help individuals who leave the welfare rolls get to those jobs."

New Jersey Governor Christine Todd Whitman

announcing a new welfare to work transportation program, June 25, 1997

"Transportation for welfare recipients making the transition to the workforce is [an] element

critical to the success of welfare-to-work programs."

National Governors' Association

Incentives and Supports for the Employment of Welfare Recipients, 1997

"The need for transportation services is tremendous...outpac[ing] all other concerns as the most urgent need. The need is great for all counties -- urban, suburban, and rural. The reauthorization of the Intermodal Surface Transportation Efficiency Act, including new funds to help those who are making the transition from welfare to work, is therefore paramount."

National Association of Counties

Making Welfare Reform Work, July 1997

"The majority [of welfare recipients] reside within the perimeter of the City of Cleveland, primarily in the inner city neighborhoods...the vast majority of new jobs are expected in suburban neighborhoods...Public transit commutes limit job accessibility. Inner city residents can only reach

8-15 percent of the job openings by public transportation in a reasonable time."

Case Western Reserve University study, 1996

WELFARE TO WORK TRANSPORTATION PROGRAM House Transportation and Infrastructure Committee bill

The inclusion of a welfare to work transportation provision in the House Transportation and Infrastructure Committee ISTEA bill shows that the committee is aware of the importance of welfare to work transportation, and of its own responsibility to address it.

Transportation is a critical problem for people trying to make to transition to work:

- Only one in twenty welfare recipients owns a car.
- There is a mismatch between where the jobs are and where welfare recipients live: two thirds of all new jobs are in the suburbs, but three-quarters of welfare recipients live in rural areas ~~on~~ central cities.
- Existing mass transit does not provide the connections to suburban jobs. Even in the cities with excellent mass transit, less than half of jobs are accessible by mass transit.

Unfortunately the funding level in the Committee bill --\$42 million a year, as opposed to the \$100 million the Administration requested-- is inadequate to deal with this major national problem.

In addition, the draft legislation explicitly sets a 10-project cap on welfare to work transportation projects. This does not make sense. Transportation for welfare recipients is a problem in every state and community. By 2002 states need to have moved half of all adult welfare recipients off of welfare and into jobs. There is not time to deal with this issue using a go-slow "pilot" type approach.



Cynthia A. Rice

09/10/97 07:37:26 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Elisabeth Stock/OVP @ OVP

cc:

Subject: Update on welfare to work transportation

There's some good but mostly bad news coming out of the Congress on welfare to work transportation:

In the House the committee bill includes an "Access to Jobs" proposal of \$42 million a year -- not the \$100 million we wanted but still significant. However, because these are authorized, not trust fund dollars, funds would need to be appropriated on a yearly basis. In addition, the bill explicitly sets a 10-project cap on the funds, while the \$42 million in federal funds -- plus the \$42 million required match -- could fund a lot more projects. The Senate bill is not expected to have a provision.

I've been working with NEC and DOT on these issues. DOT, despite its best efforts, has to date been unable to persuade the committee to drop the cap or increase the funds. Thus, the provision passed out of subcommittee today unchanged and is slated for full committee markup next Wednesday. Attached is some additional information.



tran0906.wp



tran0909.wp

WR-18TEA



Cynthia A. Rice

09/30/97 01:46:13 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: VP NEXTEA Event Tomorrow

FYI -- The Vice President is having a NEXTEA event at 2:30 tomorrow in Room 450. The event will celebrate our success to date and underscore the importance of certain Administration priorities as the bill heads to the Senate floor. The VP will praise the Senate Banking Committee's wisdom in including \$100 million a year for welfare to work transportation. Appearing with the VP will be Governor Bob Miller of Nevada, Prince Georges County Executive Wayne Curry, and a possible mayor and Member of Congress TBA.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Diana Fortuna/OPD/EOP
Emily Bromberg/WHO/EOP
Emil E. Parker/OPD/EOP

WR - 18TEA



Cynthia A. Rice

09/26/97 09:51:28 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP

cc:

Subject: Good news on welfare to work transportation

Yesterday, the Senate Banking and Urban Affairs Committee passed by a vote of 11 to 7, a Moseley-Braun amendment creating a Welfare-to-Work program. The Senate's version of program would authorize annual appropriations of \$100 million annually. Senator Moseley-Braun indicated that the program would be a 50-50 match and competitive, and stressed that local communities would make the decisions.


WR-187CA



Cynthia A. Rice

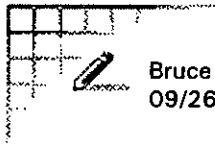
09/26/97 12:43:04 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP
bcc:
Subject: Re: Good news on welfare to work transportation 


Good news, yes, but remember this is an authorization--funds would still have to be appropriated (they don't come out of a trust fund).

Bruce N. Reed



Bruce N. Reed
09/26/97 11:22:14 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP
Subject: Re: Good news on welfare to work transportation 

good work -- that's a lot of \$

WR - ISTE

September 25, 1997

The Honorable Alfonse M. D'Amato
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

As the Committee on Banking, Housing, and Urban Affairs begins consideration of the Federal Transit Act of 1997, I urge the Committee to include the Administration's welfare to work transportation proposal. It has come to my attention that Senator Carol Moseley-Braun will offer an amendment which embodies our proposal for \$100 million a year to help states and local communities devise transportation strategies to move people from welfare to work.

One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and day care centers. Today, only about 6 percent of those on welfare have cars. And in many big cities, half of the entry level jobs can't be reached by buses or trains.

Fixing our broken welfare system has been one of the top priorities of our Administration. We began by granting waivers to 43 states to help launch welfare reform experiments that emphasized work and personal responsibility. And then last year, working with Congress, we took the bold step of finally ending welfare as we know it. We have begun to transform the system -- to make welfare a second chance, not a way of life, and to elevate our values of family and work and responsibility. In the past year, welfare caseloads have fallen by 1.4 million.

But we still have more to do. We must make sure that those who are now required to work not only have the opportunity to work, but also have the means to get to work. The lack of transportation should not be an obstacle to people who want to work. And that is why I urge the Committee to approve the Moseley-Braun welfare to work transportation amendment.

I look forward to working with you to address this issue. We can make welfare reform work if we all work together.

Sincerely,

Al Gore

September 25, 1997

The Honorable Paul S. Sarbanes
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Dear Senator Sarbanes:

As the Committee on Banking, Housing, and Urban Affairs begins consideration of the Federal Transit Act of 1997, I urge the Committee to include the Administration's welfare to work transportation proposal. It has come to my attention that Senator Carol Moseley-Braun will offer an amendment which embodies our proposal for \$100 million a year to help states and local communities devise transportation strategies to move people from welfare to work.

One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and day care centers. Today, only about 6 percent of those on welfare have cars. And in many big cities, half of the entry level jobs can't be reached by buses or trains.

Fixing our broken welfare system has been one of the top priorities of our Administration. We began by granting waivers to 43 states to help launch welfare reform experiments that emphasized work and personal responsibility. And then last year, working with Congress, we took the bold step of finally ending welfare as we know it. We have begun to transform the system -- to make welfare a second chance, not a way of life, and to elevate our values of family and work and responsibility. In the past year, welfare caseloads have fallen by 1.4 million.

But we still have more to do. We must make sure that those who are now required to work not only have the opportunity to work, but also have the means to get to work. The lack of transportation should not be an obstacle to people who want to work. And that is why I urge the Committee to approve the

Moseley-Braun welfare to work transportation amendment.

I look forward to working with you to address this issue. We can make welfare reform work if we all work together.

Sincerely,

Al Gore

WR-1 STETA



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

FEB - 6 1997

Lyn/Christa -

MEMORANDUM FOR BRUCE REED

Assistant to the President
for Domestic Policy

Could you take a look at
This - plus the DOT materials
that Lyn has - and come
up with some options for
events/actions? It would be
good to do something

FROM:

John Monahan
Director for the Office
of Intergovernmental Affairs

SUBJECT:

Welfare Reform Transportation:
Link

that
highlights the importance
of transportation in welfare
ethics -
the Admin
is doing
in this regard.

Research and project experience have shown that the availability of transportation is a critical element to the successful transition from dependence on welfare to independent employment. This package highlights what we currently know about the role of transportation in welfare reform, a number of projects currently underway around the country, and recommends several activities to increase the availability of transportation for job seekers.

Thanks
Elena

What We Know

- The Manpower Demonstration Research Corporation reported, depending on the specific characteristics of the subsample, between 1/4 and 1/3 of those surveyed experienced the lack of transportation as a significant barrier to consistent participation in the JOBS program.
- During regional HHS/DOT meetings in late 1995 and 1996, state human services officials repeatedly indicated transportation would play a major role in their ability to meet the proposed welfare reform participation rates.
- The Federal Transit Administration/DOT reports only 6% of welfare recipients own private automobiles.
- The spatial displacement of jobs and welfare recipients leaves job seekers at odds with public transportation which focus on express buses and trains into the city in the morning and out in the evening on a traditional workday schedule.
- A recent study in Cleveland, Ohio, revealed that over half of the entry level jobs involved non-traditional work hours or working at more than one job site and 80% of the new jobs were in the suburbs.

[Handwritten scribbles]

Page 2 - Bruce Reed

What is currently being done

HHS is working with a number of other federal agencies and national organizations to develop creative ways to get welfare recipients to and from work and child care.

- We are advising FTA and the National Governors Association on a project funding five states to develop and implement transportation components in their welfare reform efforts.
- The Joint DHHS/DOT Coordinating Council on Human Services Transportation has recently formed a task force on welfare reform transportation which will reach to other federal departments and agencies to promote a collaborative strategy.
- We are also serving as technical advisors on the Bridges to Work, a public/private partnerships project funded through HUD, FTA/DOT and private sources to address transportation needs in a comprehensive supportive services strategy to transition welfare recipients to independence.
- HHS jointly funds the National Transit Resource Center with FTA/DOT, a single source of low cost or no cost technical information on community transportation, currently focusing on employment transportation.
- HHS is advising FTA on the JOBLINKS project, which has 16 demonstrations of innovative approaches to linking low income individuals and employment locations.
- NGA is distributing an issue brief on transportation coordination, including a focus on welfare reform.

Recommendations

The following are several actions that would provide visibility and support for welfare reform transportation efforts.

- Consider issuing the draft Presidential executive order on human services transportation that was recently transmitted to the Vice President's Office by Governor Lawton Chiles. This could be redrafted to place a special emphasis on employment transportation.

Page 3 - Bruce Reed

- Conduct a high profile site visit to one of the sites on the attached list to provide visibility and recognition for the "critical link."
- Encourage the development of a national policy on employment transportation.

The attached sheet lists five project sites that have made significant contributions to our knowledge about the importance of transportation to successful employment and what works.

Attachment

Welfare to Work Transportation Demonstration Sites**1. The Oasis Project**

This project provides comprehensive support services to inner city welfare recipients including work readiness training, interviewing skills, job location and transportation. They have found that transportation is one of the most critical elements to successful employment in good manufacturing jobs. This project has been placing approximately 1000 individuals per year.

Contact: John Plunkett
Suburban Job-Link Corporation
2343 South Kedzie Avenue
Chicago, IL 60623
Phone: (312) 522-8700
Fax: (312) 522-8098

2. Southeast Michigan Area Transit JOBLINKS

This project is exploring the restructuring of traditional fixed-route public transit services to better serve the urban to suburb commuters. They are working collaboratively with local human services agencies.

Contact: Dan Dirks
Southeast Michigan Area Regional Transit
660 Woodward Avenue, Suite 950
Detroit, MI 48266
Phone: (313) 223-2309
Fax: (313) 223-2135

3. Transit Authority of River City JOBLINKS

This project has instituted an new express bus route connecting low-income sections of Louisville with a suburban industrial park.

Contact: Janene Grantz
Transit Authority of River City
1000 W. Broadway
Louisville, KY 40203
Phone: (502) 561-5112
Fax: (502) 561-5253

4. Historic East Baltimore Bridges to Work

This project established a partnership between an urban community-based organization and a suburban employment center. They work in tandem to identify potential job seekers in the inner city, provide the applicants with job seeking and readiness skills and link them with potential employers. Transportation to training, job interviews, and employment is a major component of this project.

Contact: Scot Spencer
Historic East Baltimore Community Action
Coalition, Inc
808 N. Chester Street
Baltimore, MD 21205
Phone: (410) 614-4218
Fax: (410) 614-9438

5. Glendale-Azalea JOBLINKS

This project demonstrates the innovative role that a rural school district can play in transporting dislocated workers to job training and other work activities. This is a collaborative effort between the school district, local human services agencies and employment programs.

Contact: Shaun Brink
Glendale-Azalea Skills Center
P.O. Box E
Glendale, OR 97442
Phone: (541) 832-2133
Fax: (541) 832-3183

Issue Brief

The Governors' Campaign for Children



Employment and Social Services Policy Studies Division
Contact: Linda McCart, 202/624-5336
July 18, 1995

Human Services Transportation: What It Is and Why It Is Important*

Summary

This *Issue Brief* provides an overview of human services transportation—what it is and why it is important, who provides the services, and how the services are funded. It gives examples of strategies that states are using to increase access to these services for families, thus increasing their ability to care for their children. It also describes how some states have formed partnerships among transit and human services organizations to increase the mobility of transit-dependent populations while decreasing costs.

The *Issue Brief* is one in a series of National Governors' Association (NGA) publications emphasizing the needs of young children and what states can do to meet those needs. The series is a part of the Governors' Campaign for Children initiative of NGA Chair Howard Dean, M.D., of Vermont, a year-long effort to improve the well-being of young children.

Background

Many states are taking a fresh look at the programs and services that impact children and families, the elderly, and the medically needy. In doing so, it is becoming clear that transportation plays an important role. For example, many families with young children have difficulty getting to medical appointments, including those for prenatal care, well-baby care, and immunization services; to child care settings; and to Head Start programs. Others have trouble keeping appointments with personnel of housing authorities and appointments with caseworkers at welfare offices. Still others cannot get to school, training courses, or jobs. Accessing these services frequently presents logistical nightmares for families with young children that often have unreliable vehicles or must rely on various forms of public transportation. As a result, children do not receive their immunizations, prenatal care check-ups are missed, school attendance becomes a problem, and jobs are lost because parents cannot get to them. Improved transportation can significantly improve access to human services, reduce costs, and minimize a major hardship for many individuals and families.

In addition, the success of health and welfare reform efforts depends heavily upon a participant's ability to get to the service provider or a job. Yet often those people most in need of services—senior citizens, children and families, and the developmentally and physically challenged—cannot drive or do not own cars.

Although getting people to services can be expensive, several states and communities are taking the lead in increasing access to services and decreasing costs through better coordination of public and human services transportation resources. Better coordination can lead to more effective oversight and

monitoring of transportation providers. As the demands on state budgets increase and states seek to reduce costs for welfare and health care, close monitoring of transportation programs becomes even more important. Effective administration of transportation services also helps decrease paperwork and reduces the possibility of overcharging.

What Is Human Services Transportation and Why Is It Needed?

A large network of human services transportation providers has evolved during the last twenty years as a way to get participants to basic services. These alternative methods of transportation grew because public transit, where it existed, often was inappropriate, inaccessible, or unaffordable to human services consumers.

In some rural and urban areas, public transit continues to be nonexistent. Although human services transportation has served as a significant complement to the nation's overall public transportation network, for the most part, it has remained distinct from federal- and state- funded transit networks. Parallel, but largely uncoordinated, transit networks have developed alongside each other, often resulting in fragmentation, underutilization of equipment, and inefficiencies in service and funding. For example, in many communities one may notice a van picking up a senior citizen, a Head Start van picking up a child, and a medical van picking up a patient—all on the same street at the same time. State policies and regulations frequently preclude these riders from traveling together or agencies from using one another's vehicles.

Who Provides Human Services Transportation?

Human services transportation is provided by a large and diverse group of federal and state agencies and programs. A recent study sponsored by the U.S. Department of Health and Human Services (HHS) found that three federal programs—Aging, Head Start, and Medicaid—have a collective fleet of more than 50,000 vehicles operated by 8,000 local human services transportation agencies. These community transportation providers include community action agencies, aging services providers, medical and mental health agencies, and Red Cross agencies. What they have in common is the need to get people to the services they provide.

How Are These Transportation Services Funded?

Financial support for human services transportation comes largely from HHS programs. HHS spends more than \$1 billion each year on Aging, Head Start, and nonemergency Medicaid transportation. Nearly 100 additional HHS programs and fifteen other federal agencies support human services transportation.

Some states have formed collaborative partnerships to operate cost-effective coordinated transportation networks that offer greater access to employment and job training, health care, rehabilitation, aging, and other programs. They have also implemented innovative methods for controlling and reducing costs by coordinating equipment, financing, and human resources.

Improving Access to Services for Children

Florida. Florida's Commission for the Transportation Disadvantaged began fourteen years ago as a small advisory council within the state's transportation department. Today, the commission's fifteen members include representatives from all major governmental agencies, the private sector, and

consumers. Its mission is to ensure that the elderly, children at risk, the physically and mentally challenged, and low-income citizens have access to efficient, cost-effective, and quality transportation services. Each county has a local coordinating board and a community transportation coordinator responsible for providing transportation directly or contracting for some or all transportation services. All agencies and operators receiving federal, state, or local funds for transportation services are required to contract with the local coordinator.

Since the commission was established, 5.4 million individuals have been served through the local coordinators. The total number of trips provided within the state transportation system increased from 14.7 million in 1993 to 26.2 million in 1994. The average cost per passenger trip statewide decreased from \$6.42 in 1993 to \$4.89 in 1994. The average cost per vehicle mile for paratransit services statewide also decreased from \$1.43 per mile to \$1.34 per mile. The commission estimates that for every \$1.00 spent on transportation, there is a \$7.00 return that results from keeping people independent, working, and out of institutions.

Funding comes from federal, state, and local sources, including passenger fares. In 1991 a Transportation Disadvantaged Trust Fund was established that provides funds for local planning agencies to develop service plans and for staff support. The trust fund also provides funds to offset the costs of subsidized trips that are not covered by government or other social service agencies. In 1994 the state legislature expanded the trust fund by allocating an extra dollar from every motor vehicle registration, increasing the annual funds for services by more than \$9 million.

Florida has experimented with several approaches to improve access to services for young children. In the western panhandle, a Head Start program leases its school buses to the local coordinator for \$1.00 per year. The local coordinator picks up and delivers the children to the Head Start program, eliminating the need for Head Start to hire drivers, maintain buses, or provide direct transportation.

In central Florida, the local coordinator works with a local Kiwanis organization and the public health department to get children to immunization sites. The Kiwanis Club helps pay for the transportation provided through the local coordinator. In the Jacksonville area, transportation is provided for children with cerebral palsy through the local coordinator who operates a brokerage system. One operator is assigned the job of transporting the children to school. The first stop is always to pick up an aide, who is provided by the cerebral palsy agency. This individual makes sure that the children are in the proper carriers and assists the drivers who are specially trained in working with handicapped children.

Idaho. Canyon County, Idaho, has a poverty rate of 25 percent and an unemployment rate of more than 8 percent. The county's transportation and human services needs are extensive. Families in the rural reaches of the county, isolated by distance and the lack of transportation resources, have limited access to jobs, doctors, social services, and businesses.

In 1991 the Canyon County Head Start Friends, Inc. (CCHSF) was the lead agency for a group of human services providers that wanted to develop a coordinated human services and public transportation system. With help from the U.S. Department of Agriculture's Rural Passenger Transportation Technical Assistance Program, the group created a fully coordinated human services and public transit service in Canyon County. CCHSF operated the system until recently, when the operation was spun off as a separate nonprofit agency.

Page 4. Human Services Transportation: What It Is and Why It Is Important

The system, Treasure Valley Transit (TVT), now offers local service in Canyon County and long-distance services into Boise to take senior citizens to the veterans' hospitals. The general public is transported to other Boise hospitals for more specialized care. TVT operates fixed-route and door-to-door services. It contracts with the local Job Opportunities and Basic Skills (JOBS) Training program to provide transportation for JOBS participants to education and training programs and to work. It also provides services to the elderly, assisting them in obtaining health care and other services.

New York. New York State has developed coordinated rural transit systems since 1988 through its Rural Public Transportation Coordination Assistance Program. One of New York's first totally integrated systems operates in Chenango County, a rural county in central New York with a population of 50,000. TC Transit is operated by Opportunities for Chenango, Inc., a community action program that also administers the local Head Start program.

TC Transit and the Head Start program share vehicle maintenance, training, administration, and drivers. This minimizes the costs to both agencies, and Head Start is able to utilize the services of a full-time professional transportation staff.

TC Transit has also integrated transportation for other children into its network of services. Included is service for the YMCA nursery school, an after-school latchkey program, and summer camp trips. Revenue from these services supplements other contract income for the transit system, enabling it to maintain affordable costs for all of its contracting agencies. TC Transit estimates that coordination saves \$500,000 annually in reduced operating and capital expenses.

North Carolina. North Carolina officials have become increasingly concerned about Head Start recipients' lack of participation in coordinated transportation efforts. Currently, the state and Head Start are jointly funding a study on the issue. The project involves an in-depth look at five Head Start agencies, three community action program agencies, one community government agency, and a day care organization chosen to represent a broad geographic mix.

The goal of the study is to determine whether it is economically beneficial to coordinate transportation services for the Head Start program with other service delivery systems. It includes several components: a cost study to discover the actual costs of providing Head Start transportation; estimates of what the costs would be for the same transportation services if they were provided through a coordinated system; identification of barriers to coordination; and an evaluation of maintenance and safety issues. The study is scheduled to be completed in late fall 1995.

Reducing Costs and Increasing Services

Pennsylvania. Pennsylvania's Medical Assistance Transportation Program (MATP) is a county-based program that uses local transportation resources and local-level management. Whenever possible, MATP-funded trips are integrated with transportation services provided by the department of public welfare, aging programs, and public transit services.

Counties and prime contractors may either provide services directly or broker services from other providers. Subcontractors include public or nonprofit agencies, for-profit companies, and private operators. Counties may use MATP funds to provide transportation services in many ways. They may

purchase tokens, passes, or script; provide reimbursements to consumers; coordinate and recruit volunteers to provide transportation; enter into contracts with providers of integrated or public transit services; or provide services directly.

In fiscal 1993-94, MATP provided approximately 4.5 million passenger trips at a cost of \$6.01 per trip. Efficiencies have been achieved through the implementation of an aggressive cost containment policy. Transportation is coordinated administratively as well as operationally, thereby reducing the potential for fraud or abuse.

Vermont. Prior to 1986, Vermont Social and Rehabilitation Services (SRS) caseworkers were arranging rides for Medicaid recipients. Caseworkers relied heavily on taxis and a few volunteer drivers. In many cases, transportation was not available to Medicaid recipients. The threat of a potential class action suit by Legal Aid to eliminate arbitrariness resulted in significant changes to the program, which was transferred from SRS to the department of social welfare.

The department has an agreement with the Vermont Public Transportation Association (VPTA) to operate the program. VPTA subcontracts with eleven regional brokers responsible for finding the most appropriate, least costly transportation for Medicaid participants. Brokers use a mix of urban and rural providers, including volunteers, public transit agencies, and taxis. In some cases, they also reimburse for mileage.

VPTA handles most of the administrative tasks of the program, charging an additional thirty-nine cents per trip. One of the ways costs have been contained is through greater use of volunteers who are reimbursed at twenty-five cents per mile. In six years, Vermont's Medicaid transportation has grown from 80,000 trips per year to 370,000 trips per year. The average cost per trip is \$7.95. The brokerage arrangement makes Medicaid trips available statewide. The program also enables the state transit association to strengthen its member base. The Medicaid revenue helps brokers spread their overhead rate across more services, which benefits all. Based on the success of this statewide program for providing medical transportation, Vermont plans to expand its transportation brokerage to provide employment-related transportation that will help move low-income residents into work and off the welfare rolls.

Washington. Washington's approach to nonemergency Medicaid transportation led the way for its brokerage model. The Medical Assistance Administration (MAA) ensures access to needed nonemergency medical services for all Medicaid clients who have no other means of transportation. MAA contracts with ten regional brokers to screen client eligibility and to arrange the most efficient, cost-effective method of transportation. Among the modes of transport are public bus, taxi, ambulance, commercial bus, and air. MAA selects brokers through a competitive procurement process, removing itself from day-to-day operational issues and enabling local transportation experts to aggressively pursue the goal of cost-effective brokering.

MAA reports substantial successes, both in expanding services to provide greater access and in controlling trip costs. Although trip costs in 1993 were essentially the same as those in 1988, five times as many trips were made. Much of this increase was the result of greater use of public transit, which rose from zero to 22 percent.

Page 6. Human Services Transportation: What It Is and Why It Is Important

The state also reports that MAA consumers now have increased mobility and better access to medical services throughout the state, particularly in rural areas. In addition to greater coordination with other human service agencies and public transit providers, the brokerage system has reduced paperwork and provider abuse.

Accessing Jobs

North Carolina. Lee County, North Carolina, is a small rural county about thirty-five miles southwest of Raleigh with a population of approximately 45,000. In 1991 a Transportation Development Plan made county officials aware that seven separate human services programs were providing transportation with public funds and operating along fourteen different routes. Yet many people were left stranded, without public transportation.

With help from a U.S. Department of Agriculture technical assistance grant administered by the Community Transportation Association of America, the county implemented a coordinated transportation system that consolidated all human services transportation programs. Before the coordination effort, the seven agencies spent \$211,450 a year on transportation. Using twelve vehicles, the agencies were providing more than 34,000 yearly passenger trips. The post-coordination system significantly reduced the duplication of services while providing the same number of agency trips and, for the first time, accommodating the public.

Today, seventeen agencies spend just more than \$200,000 for transportation services. Because all operating costs are shared, the average cost for transporting each passenger has declined from \$6.22 to \$4.75. With the addition of public passengers, overall ridership has increased by 25 percent. The commitment and help provided by the North Carolina Department of Transportation throughout the planning and development process, the presence of a dynamic individual who promoted the project, and the clear and convincing data that demonstrated the benefits of coordination were all key to the success of the project.

Oklahoma. Talihina is a community in southeastern Oklahoma with a population of 1,250 and an unemployment rate of 15 percent. The town is the only population center in a forty-mile radius. Welfare was one of the few means of survival for a number of citizens, who possessed very little hope of changing their lifestyle. The closest area to Talihina with employment opportunities was Ft. Smith, Arkansas—sixty miles to the east—where poultry plants needed to expand their workforce to meet increasing demand.

In 1985 job developers from the Oklahoma Department of Human Services met with officials from the KiBois Area Transit System (KATS) who agreed to initiate a work shuttle service for individuals seeking work. To avoid interfering with KATS' normal operations, bus schedules were established from 5:00 p.m. to 1:00 a.m.; to keep costs down, KATS trained a rider on this route to drive the vehicle.

The employment van service started in the summer of 1985. All ten of the first passengers were either on welfare or unemployed. Since that time, KATS has started several more employment routes. Today, this service is directly responsible for the employment of fifty Talihina residents. The average starting wage for the shuttle riders is \$5.25 per hour. Using a local chamber of commerce formula KATS' transportation services impact Talihina by more than \$3 million annually.

Benefits of Coordinated Service Delivery

States face increasing pressures to ensure access to child care, Head Start, preschool, health, and welfare services. Their public and human services transportation providers must also meet the requirements of the Americans with Disabilities Act with no additional dollars. Budget constraints necessitate greater coordination between public and human services transportation systems. Coordination can help communities reduce duplication, enhance service quality, and increase cost-effectiveness at every level. In addition, coordinated systems can compete more effectively for grants and other funding sources. For the community as a whole, coordinated service delivery can produce the following benefits:

- more reliable and safer vehicles and service;
- access to shopping and greater support to businesses;
- access to jobs, creating greater independence;
- enhanced economic development opportunities;
- higher quality transportation services;
- improved access to human services programs;
- reduced costs for transportation;
- increased participation in community activities; and
- lower health care costs as a result of access to primary care.

For the consumer, the benefits of coordinated service delivery can include the following:

- more hours and days of service;
- coverage of a wider service area;
- enhanced quality of life through increased independence;
- access to medical care;
- greater opportunities for employment;
- safer transportation with trained drivers and well-maintained vehicles; and
- lower transportation costs.

In addition to these community and consumer benefits, transportation providers can use coordination to eliminate duplicative transit services, access a broader range of equipment, use equipment and staff more efficiently, better market their services, and better monitor services.

***Editor's Note:** The U.S. Departments of Health and Human Services and Transportation are working together to address issues of fragmentation and barriers to effective transportation systems through the Joint DHHS/DOT Coordinating Council on Human Services Transportation. Formed in 1986, the council disseminates information on successful practices, funds training and technical assistance, provides research on transportation issues in human services, and serves as a forum for the resolution of policy and regulatory impediments to the coordination of transportation resources and services. This *Issue Brief* was prepared by the Joint DHHS/DOT Coordinating Council on Human Services Transportation and the Community Transportation Association of America. For additional information and assistance, contact the Joint DHHS/DOT Coordinating Council on Human Services Transportation at 202/401-5926, the Community Transportation Assistance project's National Transit Resource Center at 800/527-8279, or dial up TAP-IN, the resource center's bulletin board service, at 202/628-2537.

WR-18TEA



Cynthia A. Rice

04/22/97 10:41:43 AM

Record Type: Record

To: Christa Robinson/OPD/EOP

cc: Elena Kagan/OPD/EOP

Subject: Christa -- Bruce has approved this idea for a transportation event--could you turn it into an event memo?



tran0420.9 Use just the "presidential event" part of the attached. Can you push to do this the week of May 12th -- the grants are ready to be announced so we want to do it ASAP. FYI: I will talk to Emily Bromberg in intergovernmental to make sure we get the right governors but don't have a proposed list now so I left it general.

Elena -- you got a hard copy of this yesterday.

Memorandum for: Bruce Reed, Elena Kagan
From: Cynthia Rice
Date: April 20, 1997
Re: Events to Promote the President's \$600 Million
Welfare to Work Transportation NEXTEA Plan

Presidential Event

At a White House event, the President would announce pilot grants to 25 states to develop welfare to work transportation plans. He would underscore the importance of transportation to the success of welfare reform by introducing a former welfare recipient who gets to her job every day because of a federally funded transportation pilot project. He would promote his plan to provide \$600 million in welfare to work funds (part of his NEXTEA transportation bill) by receiving endorsements from a bipartisan group of governors and members of Congress. He would direct Secretary Slater to hold a series of regional meetings in collaboration with other Cabinet Secretaries around the welfare to work transportation issue.

Attending the event would be:

- A former welfare recipient who can get to her job in the suburbs because of a federally-funded pilot project (probably someone assisted by the HUD Bridges to Work project in Baltimore or Chicago).
- Governors of both parties who a) are receiving welfare to work pilot grants and b) will endorse the welfare to work portion of the President's NEXTEA transportation bill.
- Members of Congress who have proposed legislation funding welfare to work initiatives (i.e., Senators Specter and Santorum).

White House Briefing

A briefing at the White House would be held for organizations concerned about welfare reform to describe the welfare to work proposal in NEXTEA and the training and employment opportunities it provides for welfare recipients.

Vice Presidential/Cabinet Events

Louisville, Kentucky

The Vice President could attend a ceremony launching the renovation of the Nia Travel and Employment Center, a model transportation, job training, and development project located in an Empowerment Zone.

East Cleveland, Ohio

Secretary Shalala could attend a ribbon-cutting ceremony at the Windermere RTA/Head Start Transit Center, the first phase of a complex that will include the renovation of the Hayden bus garage, the Windermere Transit Station, and a Head Start Center. The project is located in East Cleveland, which has an unemployment rate of 10.9% and a 94% minority population.

Regional Meetings

The Department of Transportation could hold a series of meetings in May and June that focus on the issue of transportation as part of welfare reform. The meetings would highlight best practices for local officials.

WR - transportation

Welfare to Work Transportation

Welfare to Work Transportation Proposals

The Administration has proposed two welfare-to-work transportation initiatives:

- NEXTEA includes a six-year, \$600 million grant program to help states, localities, and non-profit organizations develop transportation services to help welfare recipients and other low income workers get to jobs.
- The President's budget includes a \$10 million expansion of HUD's Bridges to Work demonstration project, which connects residents of five cities (Baltimore, Chicago, Denver, Milwaukee, and St. Louis) to suburban jobs and employment-related support services to help keep them in the workforce. The projects, developed by Philadelphia-based Public/Private Ventures, are supported by private foundations as well as HUD and are run by local public-private consortias.

There is at least one proposal in Congress:

- Senator Specter, Santorum, and others plan to introduce a bill which would authorize \$250 million a year for a "reverse commute pilot program" modeled after the Public/Private Ventures program.


Possible Outreach Activities/Events/Executive Actions

There are several types of activities we could consider:

- Administration officials could conduct a briefing for groups concerned about welfare reform to inform them of the Administration's NEXTEA and budget proposals.
- The President could hold a White House meeting to highlight the need for transportation assistance in the welfare-to-work effort. He could promote his proposal and possibly issue an executive order (suggested by a consortium of state transportation officials) which would require better coordination of existing federal human service transportation programs. Meeting invitees could include:
 - Business, nonprofit, and transportation executives involved in the Baltimore, Chicago, Denver, Milwaukee, and St. Louis Bridges to Work program;
 - National labor and business leaders interested in transportation issues;
 - Bipartisan Congressional sponsors of welfare to work transportation initiatives (i.e., Senators Specter and Santorum);

- Researchers from Public/Private Ventures, who could possibly release a report on the Bridges to Work program. (The organization plans to release a report in the next month or so but since it examines only at the first six months of program operation, it is unlikely to contain news.)
- The President or Administration officials could visit a transportation site in Baltimore, Chicago, Denver, Milwaukee, or St. Louis.

WR - transportation

 Bruce N. Reed
03/26/97 10:08:05 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc: Elena Kagan/OPD/EOP

Subject: Re: DPC Principals meeting Thursday re: Transportation 

Good start. But there must be more action we can take with the federal transportation system. Let me know how your mtg with Jano went.

NEXTEA: THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION EFFICIENCY ACT**I**MPROVING ACCESS TO JOBS AND TRAINING

One of the biggest barriers faced by those moving from welfare rolls to payrolls is finding transportation to jobs, training, and support services such as day care. Poverty and welfare eligibility rules mean that few welfare recipients own cars, and public transit often provides inadequate connections to job and training centers. This problem is becoming more serious: two-thirds of new jobs are in suburbs. As part of his comprehensive welfare reform initiative, President Clinton proposes to build on existing transit programs that work with innovative approaches to helping people make the transition to the working world.

ISTEA SUCCESSES

- ✓ Our Livable Communities program integrates transit with jobs, schools, and housing. In Corpus Christi, local residents worked with local officials on developing three bus transfer centers and improving pedestrian access to local amenities, and a Los Angeles neighborhood initiative generated a hundred new jobs and helped to cut crime by 19 percent.
- ✓ The Joblinks program provides transportation and training in both urban and rural areas. Oregon's Glendale-Azalea School District used Joblinks funds to transport 400 unemployed and undereducated residents to training and to jobs in the first year alone. The success of initiatives such as Joblinks and Livable Communities provides a model for new efforts to improve community access to jobs and other necessities.

KEY NEXTEA PROVISIONS

- NEXTEA includes a six-year, \$600 million grant program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are. Funding would also provide access to training centers and to support services such as day care at transit links. This program would be closely coordinated with other human services assistance that would be provided to states and localities working to meet the special needs of the welfare population.
- Since transportation and construction jobs are among America's best-paying, we want to open opportunities in these fields for welfare recipients and other disadvantaged people. NEXTEA would increase incentives for states and localities to provide job training in conjunction with federally-funded technology and construction projects, and to enable them to offer hiring preferences to welfare recipients and residents of Empowerment Zones and Enterprise Communities.

DOT Role in "Welfare to Work"

Question: Transportation is often identified as a major problem in getting welfare recipients to work. What role has DOT proposed in ISTEA Reauthorization to support the transition from welfare to work?

Answer: Major points --

1. Transportation access to jobs and training is essential to moving Americans from welfare rolls to payrolls. Lack of convenient and affordable transportation is a major roadblock.
2. The Department has proposed a \$600 million Moving Americans From Welfare to Work Initiative to create flexible transportation alternatives, foster innovation and support transit-oriented child care and other employment services.
3. This competitive grant program will assist States, local governments, and non-profit organizations in planning and developing new flexible transportation access to work services to supplement or extend the reach of existing transit services.
4. The program fosters collaboration between the transportation and human resource agencies to ensure that the strategies proposed are effective in moving welfare recipients to jobs. Collaboration will be encouraged at all levels of government.
5. The Department has also proposed to create job opportunities for welfare recipients by expanding opportunities in highway construction training programs.
6. I am committed to ensuring that the Department contributes to the success of the welfare reform legislation by addressing the transportation needs that support welfare to work programs.

File
/ISTEA

THE WHITE HOUSE
WASHINGTON

March 4, 1997

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: Gene Sperling

SUBJECT: Secretary Slater Memo on ISTEA

The Administration's \$175 billion ISTEA reauthorization proposal is undergoing final interagency clearance. The process has gone relatively smoothly, and we should be ready to transmit the bill in 7 to 10 days, in keeping with Secretary Slater's commitment to Congress.

Because of the importance of this bill, I have asked Secretary Slater to summarize for you the major issues it raises and the choices it reflects. I want to be sure, first, that you are comfortable with the positions the Administration is taking in its bill. Second, I want you to have an opportunity to offer additional ideas and comments on the ISTEA reauthorization, while we still have an opportunity to respond.

Key issues (in addition to the overall funding level, as set in your FY98 budget) are:

(1) the adequacy of 6-year funding for Administration priorities: welfare-to-work (\$600M); state infrastructure banks (\$900M) and other innovative financing (\$600M); congestion mitigation and air quality, or CMAQ (\$7.8B) and safety (approximately \$3B). *(See budget table comparing ISTEA and ISTEA 2.)*

(2) the balance, in terms of funding, between traditional programs (roads, bridges and transit) and newer programs, primarily environmental protection *(see "Other Views" and "Administration Strategy" in Slater memo).*

(3) the formula for allocating federal transportation funds to individual states *(see "Administration strategy" in Slater memo).*

(4) With regard to the Amtrak reauthorization, which Secretary Slater flags, the discussions between DOT and OMB are on course. We expect to transmit our Amtrak reauthorization bill by the end of next week.

_____ Approve Administration's ISTEA Reauthorization Proposal

_____ Disapprove

_____ Need additional information



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

February 24, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: RODNEY E. SLATER 
RE: THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION
EFFICIENCY ACT (NEXTEA)

The Intermodal Surface Transportation Efficiency Act (ISTEA), which authorized \$157 billion in highway, transit, and safety programs over a six-year period, expires at the end of FY 1997. The reauthorization of these programs gives us a unique opportunity to ensure that transportation investment, the single largest federal program apart from defense and entitlements, focuses on achieving vital national goals and on preparing our economy and our communities for the challenges of the 21st century.

I am writing to request your approval of a comprehensive reauthorization proposal which we have developed with OMB and with other White House offices and Cabinet agencies. Our proposal, the National Economic Crossroads Transportation Efficiency Act (NEXTEA), expands on your Administration's successful efforts to build long-term prosperity. NEXTEA has also been designed to advance a broad range of national priorities highlighted by the Administration, such as improving safety and lowering health care costs, protecting our environment, speeding welfare recipients' transition to work, and bringing common sense to government's operations.

Attached is a summary of NEXTEA's major policy initiatives and how they can help us to achieve these goals, as well as a draft budget detailing proposed authorization levels. I am testifying before the Senate and the House this week on the subject of reauthorization, and hope to deliver the Administration's proposal at that time, so we can lead the debate that is unfolding.

Background: The Intermodal Surface Transportation and Efficiency Act of 1991

Responding to concern about the condition of our infrastructure and its impact on the economy and national competitiveness, the 1991 ISTEA legislation authorized record levels of federal highway and transit investment. But ISTEA did more than just provide additional resources: it revolutionized the U.S. transportation program by recognizing that, beyond

building roads and mass transit, Federal investment must also improve productivity, preserve our environment, protect safety, and strengthen communities. And ISTEA boldly reshaped the Federal program -- both in terms of dollars and process -- to reflect those goals.

We have made good on ISTEA's promise, and on your call to "Rebuild America." Working with Congress, over the past four years we have raised infrastructure investment by more than 20 percent over Bush Administration levels. These investments have already paid off, with substantial improvement in conditions and performance on both highway and transit systems. In addition, we have effectively implemented the progressive features of ISTEA. With DOT encouragement, states have used the power to shift funds among different categories. We have implemented the inclusive, results-oriented planning process required by ISTEA, bringing new stakeholders -- environmentalists, freight interests, community activists -- to the table. And we have made a success of ISTEA's environmental programs, which in FY 1996 supplied over \$1 billion for projects that help states and localities achieve Federal air quality goals.

DOT Outreach Efforts

In the past year, DOT conducted 14 regional hearings and over a hundred focus groups to help us develop an Administration reauthorization proposal. We heard many different people -- both transportation professionals and others -- and a lot of different ideas. But one point of consensus did emerge -- that ISTEA is working, and that we should build on its foundation as we shape a 21st Century transportation system. Our NEXTEA proposal reflects this core idea.

Other Views

As you know, ISTEA has been popular with urban interests including mayors and public transit advocates, environmentalists, preservationists and community activists. State views are more complex, as the country is split between so-called "donee" states that benefited from ISTEA formulas and "donor" states that receive back less than the full amount of their gas tax contributions to the Highway Trust Fund. States of the Northeast, which includes many large donee states, are supporting continuation of ISTEA, and especially its formulas. Donor states including Virginia, Florida, California, and others have founded a coalition, "STEP 21," to push a program that guarantees 95% return on gas tax collections. Traditional highway interests like the Highway Users Federation and the American Trucking Association want to roll back ISTEA's multi-modal and progressive features.

Despite their differences, these interests all support a strong Federal program. By contrast, a few Governors and Congressmen (Senator Mack, Representative Kasich, and Governors Voinovich, Wilson, and Engler) have voiced support for a radical devolution approach that would cut the Federal gas tax to two or three cents (excluding the 4.3 cents for deficit reduction) over the next few years.

Administration Strategy

The reauthorization bill is likely to be one of the major pieces of bipartisan legislation in this Congress. In developing our NEXTEA proposal, our goal has been to assure that the Administration can play a leadership role in the debate -- unlike the Bush Administration, which was effectively excluded when ISTEA was being developed.

As indicated above, many substantive issues in the debate will be driven by resources -- particularly the growing balances in the Highway Trust Fund. Last year, the House passed a bill to take the transportation trust funds off budget by a 2-to-1 majority. This legislation will likely pass again this session. The Senate is under pressure to follow suit, or to find other strategies to spend out the trust fund balances. You have heard from mayors, governors and others urging that the Administration support high authorization levels. As you may recall, this issue was resolved during the budget process, after an appeal from Secretary Pena, by committing to authorization levels higher than anticipated year-by-year obligations. This puts us in the position of proposing to increase authorizations over ISTEA, but may prompt some criticism that actual spending levels will fall short. To this point, our position in the budget process -- that the authorization levels give room for transportation investment to increase in the event the economy performs well -- has been positively received by most constituencies.

The substance of our NEXTEA proposal builds on the foundation laid by ISTEA and links the Federal program more closely to Administration priorities. As detailed in the attached summary, our proposal contains a variety of new elements -- incentives for technology deployment, innovative finance tools, a dedicated fund for welfare to work transportation services and bigger resources for environmental protection. But we have also been mindful of the need to maintain credibility with traditional transportation interests and committee and subcommittee chairs -- particularly in light of the resource constraints discussed above. Further, our proposed formulas have been shaped to walk a fine line between the warring parties: as drafted, they recognize both the principle of equity and also fairness for Northeastern ISTEA donee states.

AMTRAK

One policy issue that has not yet been fully resolved has to do with Amtrak. The Department's NEXTEA proposal supports all surface transportation modes, including intercity passenger rail. For the first time, states and localities will have the ability to use federal transportation funds to participate in intercity rail passenger and freight projects. Amtrak reauthorization is included in the legislation as a clear statement that rail passenger service must be an integral part of our 21st century intermodal system. I believe NEXTEA should ultimately include Amtrak reauthorization in order for the Administration to lead the debate on this central aspect of our transportation future.

The Department's Amtrak reauthorization proposal fully funds Amtrak out of the Highway Trust Fund and enables Amtrak to become eligible for certain flexible funds previously limited to highways and transit. We also have suggested an approach which would convert federal operating assistance for Amtrak into capital which would allow commitment of much higher funding numbers under applicable scoring rules.

OMB has indicated that additional review of the Amtrak legislation will be necessary, and we are continuing to work with their staff. I would urge that appropriate Amtrak reauthorization legislation be submitted to Congress as quickly as possible. Given Senator Lott's interest in this subject, it is likely that Congress will pass Amtrak legislation in this session. During your first term, this Administration has consistently supported Amtrak. By submitting an Amtrak legislative proposal soon, we can continue to lead the debate to ensure a visionary and intermodal surface transportation system for the 21st century.

I am confident that our NEXTEA proposal will position the Administration as a major player in this debate. Your leadership is essential to move forward this important legislation, and we will keep your staff apprised of opportunities for involvement.

attachment

SUMMARY: USDOT NEXTEA PROPOSAL

Investing for Trade, Jobs, and Economic Growth

Responding to concern about the condition of our infrastructure and its impact on the economy and national competitiveness, the 1991 ISTEA legislation authorized record levels of federal highway and transit investment.

We have made good on ISTEA's promise and on your call to "Rebuild America." Working with Congress, over the past four years we have raised infrastructure investment by more than 20 percent over Bush Administration levels. We also have completed construction of the Interstate Highways, and have designated the National Highway System, a network of roads most vital to our economy and national security.

As approved by OMB, NEXTEA builds on this success while helping us to move towards a balanced budget. It would authorize \$174 billion for surface transportation programs from FY 1998 through FY 2003, a nine percent increase over ISTEA. The proposed authorization levels would sustain core programs such as the National Highway System, maintenance of the Interstates, and bridge reconstruction.

As you said in his recent State of the Union address, "America is once again the most competitive nation and the number one exporter in the world." That is partly due to the growing efficiency of our freight system, which has cut costs by taking advantage of such advances as intermodal shipping and "just-in-time" deliveries. Therefore, we propose to continue these productivity improvements by making intermodal and rail freight facilities eligible for federal aid under certain circumstances.

With the success of NAFTA and GATT, we have seen a tremendous growth in north-south trade. To make the most of this opportunity, we also propose new programs to improve our border crossings and to invest in major trade corridors.

Bringing Innovation to Infrastructure Finance

The federal government alone cannot meet all of our infrastructure needs. In response to your January 1994 Executive Order on infrastructure, we launched a broad innovative finance initiative targeted at cutting red tape to speed construction projects and attracting new resources, especially private capital, to infrastructure investment. The 74 projects approved through this pilot program started an average of two years early and attracted \$1.2 billion in investment beyond that available through conventional financing. We since have made these strategies part of our routine way of doing business.

We already have begun the next step, the State Infrastructure Bank (SIB) program, which uses federal seed money to leverage private and nonfederal public funds in 10 pilot states. Under NEXTEA, we want to expand the SIB program by opening it to all states and to establish a Federal Credit Program for projects of national significance, such as California's Alameda Corridor.

Investing in Research and Technology

Technology offers another strategy for maximizing federal investment and improving system performance. In many cases, technology can provide additional capacity at lower monetary and environmental cost than new construction. Therefore, we propose making technology investments eligible for funding under all major investment categories. In addition, we propose a new incentive program for states and localities to deploy Intelligent Transportation Systems (ITS) in ways that ensure they are fully-integrated and regionally and nationally-compatible in order to maximize their long-term benefits.

Maximizing Flexibility to Shape our Transportation Future

We have taken maximum advantage of the tremendous flexibility ISTEA afforded state and local decisionmakers to use federal funds in ways that best meet their communities' special transportation needs. The Department's NEXTEA proposal goes the next step by including all surface modes. For the first time, states and localities will have the ability to use federal transportation funds to participate in intercity rail and bus projects. I believe Amtrak reauthorization must ultimately be included in NEXTEA in order for the Administration to lead the debate on this central aspect of our transportation future.

Moving from Welfare to Work

Among the barriers faced by those making the transition from welfare rolls to payrolls is access to jobs, training, and support services such as day care. Poverty and federal welfare eligibility rules mean that few welfare recipients own cars, and existing public transit often provides inadequate connections to job and training centers.

Therefore, we propose a six-year, \$600 million program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are. This program will be closely coordinated with other assistance that will be provided to states and localities working to meet the special needs of the welfare population.

Since transportation and construction jobs are among America's best-paying, we want to open opportunities in these fields for welfare recipients and other disadvantaged people. We propose to increase incentives for states and localities to provide job training in conjunction with federally-funded technology and construction projects, and to enable them to offer hiring preferences to welfare recipients and residents of Empowerment Zones and Enterprise Communities.

Enhancing our Environment

Air quality has improved steadily in recent years, the result of cleaner cars and other strategies targeted at cutting pollution. In 1990, 140 million people lived in areas that violated the standard for ozone, a smog precursor. Today, only 64 million live in such areas

in spite of increased travel. Continuing that progress in the face of the growing travel generated by a growing population and an expanding economy requires that we strengthen our environmental mitigation efforts.

NEXTEA continues our support of the successful Congestion Mitigation and Air Quality Improvement Program, which targets funds to transit, traffic flow improvements, and alternatives such as ridesharing. It also sustains our commitment to such well-received programs as Transportation Enhancements (which funds bicycle paths, vegetation planting and other environmentally-friendly projects), Recreational Trails, and Scenic Byways.

Improving Safety and Controlling Health Care Costs

The human cost of transportation deaths and injuries is immeasurable. But accidents are also a huge burden on our economy. Motor vehicle crashes alone cost our economy more than \$150 billion annually, including \$11 billion paid directly by taxpayers for medical care and to make up lost tax revenues.

Improving transportation safety can help to control these costs. The challenge we face is to increase safety even as travel increases. Under NEXTEA, we propose incentives to stem drunk and drugged driving and to reward state and local government efforts to increase safety belt use. In all safety areas, there will be a new emphasis on aggressive, performance-based management focused on results, not process. We not only will provide higher funding but also greater flexibility to shift those funds to programs with the highest safety payoffs.

Revitalizing Communities

As you have said, we must do more "to revive and empower poor urban and rural neighborhoods." Transportation empowers isolated communities by providing access to jobs, markets, education and health care, and by attracting new businesses to locate in disadvantaged areas. We propose to continue the Administration's strong commitment to both urban and rural public transit. In addition, we propose to strengthen the role of urban and rural decisionmakers under the cooperative planning provisions pioneered by ISTEA.

Conclusion

As this summary suggests, transportation touches all aspects of American life. It is about much more than asphalt and concrete: it is about *people*, and about how government can best meet their needs today, and to assure opportunity tomorrow.

ISTEA was a landmark in that it recognized that transportation investment must support other national goals. Our proposal for its successor meets the needs of the American people by refining its programs to meet the challenges of the new century -- challenges to build our economy, improve Americans' safety, preserve our environment, and deliver cost-effective, common sense government.

ISTEA REAUTHORIZATION PROGRAM PROPOSAL
(Dollars in Millions)

	Total ISTEA	Total ISTEA 2
Highway Infrastructure		
National Highway System	21,000	26,534
Interstate Maintenance Program	17,000	26,534
Surface Transportation Program/TE	23,900	34,771
Flexible Highway Infrastructure Safety		3,000
Interstate Transfer	960	
Interstate Construction	7,200	
Minimum Allocation	8,003	3,591
Donor State Bonus	2,832	
Hold Harmless	6,495	
90% of Payments	1,600	
Wisconsin	30	
Ferry Boats	100	
Demos	7,261	
NHS Corridors	248	
Bridge Program	18,100	15,874
Cong. Mitigation/Air Quality Impr. Program	6,000	7,800
Interstate Reimbursement	4,000	6,000
Recreational Trails Program	180	42
Scenic Byways Program	80	90
ITS/ITI Integration Deployment	659	600
FHWA Research & Tech. Programs	87	1,566
Federal Lands	2,600	3,150
Tax Evasion	45	30
Congestion Pricing		84
Bureau of Transportation Statistics	90	186
Emergency Relief Program	600	600
Miscellaneous Trust Funds		42
High Speed Rail	775	
Truman-Hobbs Bridge		102
Woodrow Wilson Memorial Bridge		400
Appalachian Highways		2,190
State Infrastructure Banks		900
Integrated Safety Planning		300
Gateway Border Crossing Pilot Program		270
RSPA Strat. Planning R&D & Intermod. Res.		60
Credit Reform Program		600
Other	45	
Budget Compliance	(2,557)	
FHWA Inflation in 2003*		537
Transit (with Inflation in 2003)		
Formula Capital	19,077	23,933
Discretionary Grants	12,422	5,776
FTA/Other		838
Safety		
Operations and Research (w/ '03 Inflation)	465	893
Highway Traffic Safety Grants (no infl in '03)	1,151	1,386
Motor Carrier Safety Assist. Pgm Grants (infl in '03)	537	603
Subtotal ISTEA Programs	156,985	169,282
ADDITIONAL ISTEA PROGRAMS		
TRANSIT (with inflation in 2003)		
WMATA		250
RAIL (with inflation in 2003)		
AMTRAK Capital (HA)		1,344
NECIP (HA)		1,205
AMTRAK Operating (HA)		2,073
OTHER AGENCY ROAD PROGRAMS		3,213
Subtotal Additional Programs		8,085
TOTAL BA/CA (less MTF)	156,985	177,325
Total less other agencies	156,985	174,112

update

ACCESS TO JOBS LEGISLATIVE PROPOSAL FACT SHEET

\$600m New Funds - In support of national welfare reform priorities, this proposal adds \$100 million annually in new ISTEA funding to provide access to work transportation services for welfare recipients and low-income persons with the following program components.

New Flexible Services - Creates a new competitive grant program to assist states, local governmental authorities, and private non-profit organizations to plan and develop new transportation access to work services to supplement or extend the reach of existing transit services. Grants are available for planning and implementation.

The grants will be made on the basis of:

- 1) the severity of the welfare transportation problem as measured by the percentage of the population on welfare;
- 2) the need for additional services to transport economically disadvantaged persons to specified jobs, training and other employment support services, and the extent to which proposed services will address these needs;
- 3) existence of or willingness to establish a mechanism to coordinate transportation and human resource services planning;
- 4) qualifications and performance under other welfare reform initiatives;
- 5) the extent to which the local share demonstrates a financial partnership with human resource agencies.
- 6) a program proposal which must address:
 - . a comprehensive assessment of access to work transportation needs and possible new service strategies.
 - . the coordination of existing transportation service providers.
 - . the promotion of employer-provided transportation services.
 - . long term financing strategies to support the program.

FIA will provide 50% of the project costs. Grant applicants must provide the remaining 50% match from local funding sources. Other Federal funds may be used as part of the local match.

Eligible activities include:

- 1) Collaborative planning activities to assess employment needs and strategies.
- 2) Integrating transportation and welfare planning.
- 3) Coordinating transit, private and human resource services and providers.
- 4) Operating and capital costs for services.
- 5) Promotion of employer-provided transportation.
- 6) Planning and developing important support facilities at transit sites, such child care.
- 7) Development of financing strategies.
- 8) Administrative costs.

Technical Assistance Program - Funding is available for transportation access to work technical assistance and evaluation activities.

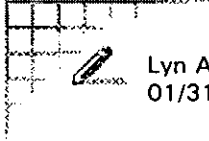
Tanno L.

Have substantial w-to-wh proposal
approved by OATB
going in our budget

\$100m to to direct grants for flex.
transp. services to serve wlf-to-wh
pop.

connect transp. comm. to st/loc planning
function

wlf/to/wh mtrg -
want to be included.



Lyn A. Hogan
01/31/97 02:56:50 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Transportation Initiative

Sorry I didn't follow up on this earlier. Does Bruce want to do something specific with the DOT announcement? It sounds great. \$100 million is good money -- and they think they can get a full match for it. Does it have to be announced before the budget or can we do it after? Maybe we could wait until a few other welfare announcements pop up. What do you think?

Lyn -

I think we can do it after. In fact, I think it would be a perfect thing to highlight as the Pres. wanders around the country talking about what can be done to get welfare beneficiaries to work. If you can, why don't you develop a specific proposal or two to run past Bruce? (Just a few paragraphs is fine.) You might want to call Tanno Lieber at DOT; tell him I asked you to call.

Thanks.

Elena

~~Perhaps~~ there's some better way of using it that I'm not thinking of.

Bruce/Lyn -

This came in from DOT. It looks pretty good to me. Can we make something of it? Perhaps even a radio address? Elena

File welfare - transportation

MOVING AMERICANS FROM WELFARE TO WORK:

The Department of Transportation's Jobs and Training Access Initiative

Access to jobs, training, and support services such as child care is essential if Americans are to move from welfare rolls to payrolls. However, lack of convenient and unaffordable transportation to these destinations is a major roadblock to successfully carrying out the President's welfare reform plan.

Commuting to work or school is difficult for welfare recipients, who, because of welfare program restrictions and other factors, rarely own cars. Cutbacks on transit aid have further limited their options.

Moreover, half of today's jobs are located outside of central cities, and this trend is accelerating: two-thirds of new jobs are in suburbs. Transit does not always reach these worksites since it focuses on transporting workers within cities or from suburbs to cities. Those workers who do make so-called "reverse commutes" often find them daunting: fewer than half of all entry-level jobs in Cleveland can be reached with less than an 80-minute transit ride.

Existing services also can be inconvenient for welfare recipients. Timetables generally serve those on conventional 9-5 schedules, and not shift workers in the kinds of businesses which offer entry-level opportunities. Support services such as day care and employment centers are often located far from transit lines, which complicates the commutes of working parents.

Without access to jobs, to education and training, and to support services, many welfare recipients will not be able to make the transition to self-sufficiency. Although providing that access is mainly the responsibility of state and local governments and the private sector, there is a crucial role for the federal government.

The Department of Transportation (DOT) has a proposed new program targeted at enabling welfare recipients to make the transition to the working world. This program, supported by \$100 million in federal funds that can leverage at least \$100 million in funds and resources from other areas, has three components:

Creating flexible transportation alternatives

Transit is still the best way for welfare recipients to commute to urban jobs, and needs to be sustained. However, the current system must become more flexible if inner-city workers are to reach the new jobs being generated in the suburbs.

This initiative would improve such access by providing \$78 million to supplement existing transit with additional and flexible, innovative services, including paratransit and vanpools. This includes the necessary planning and coordination with existing transportation and human

services programs as well as start-up operating and capital equipment costs. The proposal also waives the federal match for transportation planning funds if they are used for this purpose.

The proposal also seeks to enable the transportation network operated by private operators, local human service agencies, and charitable institutions to play a role in welfare reform. Nonprofit agencies have resources which could serve welfare recipients when otherwise unused, and this initiative would require that federally-assisted human services programs coordinate with local officials to avoid wasteful redundancy.

Fostering innovation

There are numerous barriers to innovation, including outdated regulations, concerns about the impact of change on current transportation providers, and the role of prospective employers. These concerns must be addressed, and this proposal provides \$7 million for demonstration projects, information-sharing, and other research and technical initiatives.

These funds would be provided through the Federal Transit Administration's (FTA) existing Joblinks Program, and would build on the progress being made through a cooperative FTA-National Governors' Association pilot that supports experimental welfare-to-jobs transportation programs.

Promoting family-friendly transportation

Single parents need reliable, convenient child care and other services if they are to begin work or job training. Establishing day care centers at or near transit facilities makes travel arrangements more manageable, reduces commute times, and eliminates the need for wasteful trips. The FTA's Livable Communities program already works with communities to design transit facilities and services to serve local goals, and this proposal would provide an additional \$15 million to support locating child care and other employment support services at bus and rail stations.

Conclusion

In concert with existing programs, this proposal would enable state and local governments to provide the transportation services welfare recipients need to make the transition to work, and ensures that federal welfare reform will not become an "unfunded mandate" in which the costs are disproportionately borne by other levels of government.

This proposal also would ensure that transportation services to benefit welfare recipients are developed within the existing framework for transportation decision-making, both to ensure that they receive the necessary attention and to prevent them from being implemented in a wasteful, uncoordinated manner. The initiative would be funded through competitive grants to state and local governments, and is described in greater detail in the attached fact sheet.

ACCESS TO JOBS LEGISLATIVE PROPOSAL FACT SHEET

\$100m Annual New Funds - This proposal adds new ISTEA funding to support the national welfare reform priorities of ensuring access to work transportation services for welfare recipients and low-income persons with the following program components.

New Flexible Services - Creates a new \$78 million competitive grant program for states and MPOs to plan and develop new transportation access to work services to supplement or extend the reach of existing transit services. Grants are available for planning and implementation.

The grants will be made on the basis of:

- 1) the severity of the welfare transportation problem as measured by the percentage of the population on welfare.
- 2) existence of or willingness to establish a mechanism to coordinate transportation and human resource services planning.
- 3) qualifications and performance under other welfare reform initiatives.
- 4) the extent to which the local share demonstrates a human resource agency financial partnership.
- 5) a program proposal to address:
 - a comprehensive assessment of access to work transportation needs and possible new service strategies.
 - the coordination of existing transportation service providers.
 - the promotion of employer-provided transportation services.
 - long term financing strategies to support the program.

The grant conditions are:

- 1) A Federal/local match of 50/50 is required. Grant applicants must identify matching funds sources. Federal funds allocated to local human service agencies, or other non-DOT funded operations, may be used as local match.
- 2) Grant applicants for urbanized areas over 200,000 population will be the MPOs or a partnership headed by the MPO. For urban and rural areas under 200,000 population, the states, working with the MPOs or rural planning organizations will serve as the grant applicants.

Eligible activities include:

- 1) Collaborative planning activities to assess employment needs and strategies.
- 2) Integrating transportation and welfare planning
- 3) Coordinating transit, private and human resource services and providers.
- 4) Operating and capital costs for service start-up.
- 5) Promotion of employer-provided transportation
- 6) Development of financing strategies.
- 7) Administrative costs.

Joblinks Research & Technical Assistance Program - Adds \$7 million to FTA's NTPR program to provide resources for transportation access to work and training technical assistance, research, demonstration and evaluation activities. Up to \$2 million will be provided to expand the National Governors' Association pilots to integrate transportation into state welfare programs.

Livable Communities - Adds \$15 million to FTA's National Transportation and Planning Research Program to plan and develop important low income support facilities at or on transit sites, including child care, employment development and other support facilities.

Transportation ID:202-395-4797

January 14, 1997

Note for Ken Schwartz and Alan Rhinesmith

From: Barry White *Barry*

Subject: Transportation and HUD welfare proposals

As we discussed earlier today, here is the letter from DOT DAS Leiber on Transportation's welfare initiative. Ken referred me to Alan for a similar program, but I learned from Alan that HUD's is only a \$10 million demo, so it concerns me a bit less.

I don't know the extent to which we can now get reference to DOT's program into the budget chapter on Implementing Welfare Reform, but we'll try. Alan, I'm willing to slip in a reference to HUD as well if you wish. Please have your staff contact Keith Fontenot with suitable, very brief sentences on each, if you want them in.

I also suggest that you ask your cognizant Assistant Secretaries to contact HHS acting A/S Olivia Golden, who is responsible for work-based welfare under the new law, and (outgoing) DOL A/S Tim Barnicle, who has the lead on implementing the (as yet undefined) \$3 billion Welfare to Work Challenge Fund. These two people should at least be aware of the rhetoric your agencies are proposing to use, and can help them put it into the Administration's larger welfare to work context.

My two branch chiefs (Matlack and Fontenot) will also make sure yours (Redburn and Tornquist) are kept abreast of welfare to work materials.

Thanks.

cc: Matlack, Fontenot, Redburn, Tornquist

x 32654