MARCH 20, 2000

To: Bruce
From: Paul Glastris
WR-
Transportation

THE NEW REPUBLIC

Let Them Drive Cars

SAY YOU'RE A member of the working poor, playing by the rules, struggling toward the American dream. If you labor full-time at the minimum wage and take advantage of the Earned Income Tax Credit, you bring home about $1,200 a month. With food stamps, subsidized housing, and very careful budgeting, your family can just get by. But two things always threaten to knock you on the floor.

One, health care, gets a lot of attention from the public policy world. The other gets zero attention: your wheels. Try to go everywhere by bus and you'll spend your life commuting; picking up and dropping off kids becomes a logistical nightmare. Buy a car and the best you can hope for is a clunker that constantly breaks down. That $565 for a new water pump when you just spent $600 on a brake job may be what makes you give up and go back on the dole.

Washington, obsessed with grand, often symbolic issues, doesn't think much about whether someone looking for work has a car to get there. It should. In our movement-oriented economy, employees need to go where the jobs are; the government can make that possible by helping the working poor get reliable used cars. Instead, the government discourages it. If you own a car with a book value greater than $4,650—a figure set by Congress more than 20 years ago, when $4,650 bought something worth driving—you become ineligible for food stamps. Placing even a small down payment on a used car can also make you ineligible. Combined, these rules insure that anyone who gets food stamps—which includes not only those on welfare but also the working poor—either has no car or drives an old, pollution-spewing jalopy that brings nothing but financial grief.

Last month President Clinton proposed changing the rules on cars and the working poor. Because the plan was modest in scale, hardly anyone paid attention. Yet the president's proposal was excellent and important, the sort of small, real step that brings credit to government. The proposed legislation would essentially waive the $4,650 value limit for a food-stamp recipient's car, allowing states to set higher figures. Further, Clinton proposed that food-stamp recipients be allowed to put a down payment of $1,000 on a car without losing their eligibility. (If you fear the welfare Cadillac, don't: $1,000 down will not buy anything remotely fancy.) Finally, Clinton proposed that the working poor be permitted to save for car down payments in Individual Development Accounts—special bank instruments that low-income Americans can now use solely for college, first homes, and business start-ups. All told, this package of ideas, which originated with analysts Margy Waller and Mark Alan Hughes, would dramatically improve a lower-middle-class man or woman's chances of obtaining a safe, reliable car.

What Clinton's proposals recognize, and many commentators on the fate of the poor do not, is that to compete in today's job market, people simply must be mobile. Some three-quarters of Americans who receive public assistance live in inner cities or rural areas, while two-thirds of available new jobs are in the suburbs. It should come as no surprise, then, that studies show that low-income Americans are 25 percent more likely to hold a job if they own a car. The White House proposals also represent a welcome acknowledgment of the real world. Environmental lobbyists ritually denounce the automobile, extolling mass transit instead. But, while it may be desirable, improving mass transit is at best a long-term solution, since transit lines take years and billions of dollars to build. Reliable cars, on the other hand, would improve the job prospects of the working poor right away. Moreover, considering that any pre-1980 automobile emits almost 100 times as much pollution per mile traveled as a new model, every clunker taken off the road and replaced with a decent car is a victory for cleaner air.

It's even possible that Clinton's proposals could help alleviate the awful traffic jams that are becoming a way of life. Usually it is the clunkers—driven by day laborers, child-care workers, and other members of the working poor—that break down during rush hours, snarling the Beltway and similar roads around the nation. If the typical poor or lower-middle-class American had a car half as nice as that of the typical 17-year-old in the private schools where the policymakers send their kids, traffic might flow more smoothly. Sometimes the smallest ideas can have the most far-reaching impact. ■

WR Transportation

Q&A for Transportation Event
February 23, 2000 – Draft as of 2/21 9:30 PM

Q: What did the President announce today?

A: [Use first paragraph from final press paper – change from future to past tense]

How Big is the Problem?

Q: Is lack of transportation really a problem for low-income families?

[ERIC/ANNA – This Answer replaces what was in 2/18 draft]

A: Transportation to work is a barrier for many low-income families. Existing public transit often doesn't link to suburban job opportunities, cover evening and weekend hours, or serve many rural communities. Recent data show that welfare recipients and other low income workers with cars are significantly more likely to be working. In particular, studies show:

Transportation is a barrier to employment. Both welfare recipients and employers find the lack of transportation is a significant barrier to work.

- In Connecticut, 40 percent of welfare recipients report that transportation is a barrier to employment. (Welfare Research Group, 1997)
- In Michigan, transportation was the most common barrier among welfare recipients surveyed: nearly half (47 percent) lacked access to a car and/or did not have a driver's license, and transportation was one of the most important factors in whether someone was working – ~~more significant even~~ as important as than a high school diploma. Welfare recipients without a transportation barrier are 55 percent more likely to work (70 percent employment rate) than those with transportation issues (45 percent). (Danziger, September 1999)
- Based on surveys by Wirthlin Worldwide, businesses in The Welfare to Work Partnership consistently cite transportation as among the top three barriers for welfare recipients they have hired, and one of the top issues affecting retention for these employees. More than half of businesses surveyed find employee transportation to be a problem, with 33% saying that public transportation routes do not run near their companies and 18% saying public transportation does not operate during hours needed to get workers to their jobs. (From 1998 survey Wirthlin Study, cited in Welfare to Work Partnership's publication "The Road to Work", released in 8/99).

Adequacy and use of public transportation.

- Nationwide, 42 percent of welfare recipients reportedly rely on public transportation (Leete and Bania, Census Public Use Microdata Sample, 1995). Suburban and rural welfare recipients are 3 to 4 times more likely than urban recipients to consider public transportation as inadequate. (Census and HUD, American Housing Survey, 1995).
- In rural areas, commuting distances tend to be longer and approximately 40 percent of rural counties lack public transit systems entirely. (Community Transportation Association of America, Survey of rural FTA grant recipients, 1994).

- Even in metropolitan areas with extensive transit systems, less than half of the jobs are accessible by transit:
  - In Watts, a low-wage jobseeker can get to 10 times more jobs than a person without a car. (GET CITES: Evelyn Blumenberg -- will fax backup tomorrow)
  - In Boston, only 43 percent of entry level jobs were found accessible by public transportation, and only 33 percent of all employers in high-growth employment centers were accessible by public transportation (VOLPE).
  - In Cleveland, even with an 80-minute commute, residents from neighborhoods with a high concentration of public assistance recipients could reach less than 44 percent of appropriate job openings by public transit (Case Western).
  - In the Atlanta region, only 43 percent of entry-level job opportunities were accessible by the transportation authority (JARC application—CHK cite).

Car ownership.

- For welfare recipients in Los Angeles, those with a car are 25 percent more likely to get a job. Among welfare recipients with a job, those with a car earn 25 percent more than those without a car. (GET CITES: Paul Ong, unpublished data, 2000, and 1994)

- New, unpublished data from the Urban Institute's national survey show that as of 1997, 47 percent of families on welfare and 63 percent of low-income families (below 100% of poverty level) have a car, compared to 97 percent of higher income families (above 200% of poverty). Families receiving welfare who have a car are almost twice as likely to work (31 percent employment rate) than families on welfare who do not have a car (16 percent). Similarly, among low-income families, those with a car are nearly 25 percent more likely to work (73 percent employment rate) than those without a car (59 percent).

Job accessibility. Two-thirds of all new jobs are created in suburbs, but three-quarters of welfare recipients live in rural areas or central cities.

- Suburban locations are adding jobs more than twice as fast as central cities -- 10.3 percent compared to 4.4 percent annually. (HUD State of the Cities Report 1999)

Transportation and Food Stamps

Q: How will this new regulation help families get a car so they can get to work?

A: The regulation will disregard, or not count, the value of any vehicle in which the equity value is less than $1,000, helping 150,000 low-income families have a car to get to work and still qualify for needed nutritional assistance. Putting it simply, if family sold its car and wouldn't get more than $1,000 after paying off the loan, the car is not counted for purposes of food stamp eligibility.

Under current food stamp policy, a family is generally ineligible if they own a car worth more than $4,650 even if the family needs the car to get to work and really owns a small fraction of the car's value. [Note: see Q&A below for more on the food stamp asset test.] For example, suppose a family buys a 1997 Chevy pick-up with financing then the wage earner loses a job and takes a $6 per hour job. This family is now living on about $900 per month before payroll taxes and would be entitled to $280 in food stamps but the pick-up truck makes them ineligible under the current Food Stamp Program asset rules – even if they owe so much on the truck that if they sold it very little would be left for the family after paying off the finance company. Currently, if this family sells the truck, they would be eligible for food stamps but the wage earner won't be able to get to work.

The proposed regulation is currently on public display at the Federal Register and will be published later this month.

Q: What does the budget's food stamp legislative proposal do and how is it different from the regulation?

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A: The Administration's budget would help an additional 245,000 low-income families own a car and still qualify for nutritional assistance by giving states an option to use their higher TANF vehicle resource rules in the Food Stamp program. Most states exclude the value of one vehicle in determining TANF eligibility and many others have set higher values for TANF than allowed in the Food Stamp program. Thus, a state that has put in place an $8,000 vehicle limit for TANF could use the same one for food stamps, streamlining eligibility determination rules and allowing more families to have a car and still receive needed nutritional assistance. The higher vehicle limit set by the states would apply to all families (whether they were on TANF or not.) The regulation puts in place a nationwide policy that will help only certain families – those with $1,000 or less in equity in their cars. The regulation alone ~~with~~ will help 150,000 families by the year 2005; the legislation will help an additional 245,000 families.

Q: What is the current food stamp vehicle allowance?

A: The food stamp vehicle allowance is $4,650; in addition, families must have less than $2,000 in resources to qualify for food stamps. Thus, a family with $2,000 in a bank account could only have a vehicle worth $4,650. However, a family with no bank account or other resources could own a vehicle worth up to $6,650 and still qualify for food stamps, since the value of the vehicle above $4,650 counts towards the $2,000 resource limit.

In addition to these asset tests, families must have income of under 130 percent of poverty (about $8.75 an hour for someone working 40 hours per week in a family of three) to qualify for food stamps.

Q: What's the point of the $4,650 limit? Where did it come from?

A: The threshold of $4,500 was set by Congress in 1977 to ensure that people with luxury cars did not get food stamps. In the more than 20 years since the limit was set, however, it has been increased only $150 (or about 3 percent), while the Consumer Price Index for cars has nearly tripled. As a result, the vehicle limit has a far more restrictive effect on working poor families today than Congress intended when it established the limit:

Q: How many states have raised their vehicle limits under welfare reform and how much have they raised them to?

A: States have used the flexibility provided under welfare reform to adopt more generous vehicle limits for TANF than was allowed under AFDC:

- **3 States exclude all vehicles** – IL, MI and OH
- **4 States exclude one vehicle per adult** – AL, NH, NC, and SC
- **21 States exclude one vehicle per household** – AK, AZ, AR, CO, CT, HI, KS, KY, ME, MD, MS, MO, MT, NE, NE, NV, NM, ND, PA, VT, WV and WY
- **7 States have high equity or fair market value exclusions ($7,000 - $10,000)** – LA, MN, NJ, OR, UT, VA and WI
- **14 States have equity or fair market value exclusions between $4,650 - $5,000** – CA, DE, DC, GA, ID, IN, MA, NY, OK, RI, SD, TN, TX and WA
- **2 States have other equity exclusions** – IA excludes equity of $3,889 for each adult and employed child; and FL has a combined equity exclusion of $8,500 for all vehicles.

Q: What's the difference between equity value and fair market value?

A: Fair market value is the price a car should fetch on the market – sometimes called the "blue book value." Equity is what you'd get if you sell the car for the fair market value and pay off any loan on the car.

Q: Will these proposals bring back the welfare "Cadillac"? How expensive a vehicle will people be able to own?

A: No. An important point here is that to qualify for food stamps, your income has to be below 130 percent of the poverty line – that's $18,000 a year for a family of three. If you need to make payments on an expensive car, you're not going to be able to do that for very long on that income. In fact, USDA ran a project in North Carolina in 1995 and 1996 which basically allowed families to own a car regardless of value – and the average car was three years old with a market value under $7,300.

Q: Do you expect Congress to enact this proposal?

A: This proposal has bipartisan support in both the Congress and the states. Bipartisan legislation has been introduced in both the House and Senate which incorporates this proposal (HR 3192 introduced by Representatives Walsh, Kelly, Diaz-Balart, Clayton, Hall, and Kaptur, and S 1805 introduced by Senators Kennedy and Specter). In addition, last year the nation's state welfare directors called for changes in food stamp policies which included this change. Welfare reform has always been a bipartisan issue and we should be able to work with the Congress to enact this proposal this year.

Q: How many people would be helped by these food stamp vehicle policies?

A: Together, the regulation and the legislative change will enable nearly 400,000 low-income people to own vehicles and still be eligible for food stamps. The regulatory change would help 150,000 people; the legislative proposal would help an additional 245,000.

Q: How much do the regulatory and legislative proposals cost and how are they paid for?

A: In the context of food stamp caseload reductions that go beyond changes in law or in economic assumptions, OMB has determined that this regulatory change, which costs $565 million between FY 2001-FY 2005, will not need to include offsets that are generally required for administrative actions in order to ensure cost neutrality. Food stamp annual spending in FY 2000 is now projected to be $1.1 billion below the Administration's baseline estimate in the FY 2000 Budget. The number of people receiving food stamps has fallen by 10.4 million since March 1994 and recent food stamp caseload declines have led to significant reductions in food stamp spending. Some working families are not participating in the Food Stamp Program for reasons in addition to the strength of the economy and the success of welfare reform in moving people from welfare to work. This regulatory change is aimed at addressing this issue.

The food stamp legislative change, which is estimated to cost $661 million between FY 2001-FY 2005, is fully paid for within the context of the budget.

Q: How do these proposals build on the announcement the President made last July?

A: The executive actions announced by the President last July made it easier for low-income working families eligible for benefits under TANF to own reliable vehicles without losing nutritional support from the Food Stamp Program. As more families move from welfare to work, there is growing recognition of the importance of owning a reliable car to find and keep a job. The proposed regulation announced today will build on the actions the President took last summer by allowing households that have moved off welfare to have a reliable car and still be eligible for nutrition assistance if the household has little or no equity in the vehicle and the proposed legislative change will allow states to raise the vehicle limit to match the higher limits they've set in the TANF program.

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Other Transportation Budget Initiatives

Q: What else does your budget do to help low-income families get transportation so they can go to work?

A: The Administration recognizes that different transportation strategies will work in different places and for different people, so our budget includes a package of initiatives to help low-income families get to work by making it easier for them to purchase a car as well as improving public transit solutions. In addition to the proposals described above to make it easier for working families to own vehicles and receive food stamps, the budget:

Doubles Access to Jobs transportation funding to $150 million to expand grants to communities to develop innovative public transportation solutions that help more low-income workers and welfare recipients get to work. These grants support locally designed innovative solutions to help low-income families get to work, including extending public transit hours and routes and funding van services. The Transportation Equity Act for the 21st Century authorized $750 million over five years ($150 million annually) for the President's Job Access initiative and reverse commute grants. For FY 2001, the TEA-21 guaranteed funding level is $~~75~~100 million and the President's budget seeks to double funding to the full authorized level of $150 million. The Department of Transportation will set aside $5 million for Indian tribes, and proposes to allow tribes to apply directly to the Federal Transit Administration for these grants. To support the Administration's Delta Initiative, $5 million will also be set aside for applicants from the Mississippi Delta region. The program is funded at $75 million for FY 2000, and in May, Vice President Gore awarded $71 million in FY 99 funds to 179 communities in 42 states around the country.

Allow working families to use Individual Development Accounts to save for a car that will allow them to get or keep a job. Since 1992, the President has supported the creation of IDAs to empower individuals to save for a first home, post-secondary education, or to start a new business. In 1998, the President signed into law legislation authorizing a five-year $125 million IDA demonstration program. The President's budget provides $25 million for IDAs in FY 2001 to create over 20,000 new accounts. In recognition of the fact that a car is critical for many low-income workers to get or keep a job, the Administration is proposing to also allow IDAs to be used to save for a car.

Q: How is the Access to Jobs Program going? How do you react to reports that the Access to Jobs program is bogged down in bureaucratic delays?

[ERIC/ANNA – This is an entirely new answer; we'd left it blank in the 2/18 version]

A: Access to Jobs is a brand new program that is off to a promising start. To date, more than half of the 189 projects that were announced last May have received their FY 1999 federal funds, and DOT is working aggressively to provide technical assistance for grantees that are experiencing start-up delays. Start-up delays mainly reflect the fact that because the program is funded through Federal Transit funds, all grantees must meet the same requirements as for other Federal Transit programs such as testing for drugs and alcohol and making sure new services don't have an adverse impact on existing transportation jobs. One of the greatest strengths of the ATJ program is its emphasis on collaborative local planning that has resulted in involving a large number of non-traditional transit providers, such as community and faith-based organizations and human services agencies. In most cases, these groups are collaborating with more traditional public transit agencies and DOT has encouraged traditional transit providers to serve as the lead agency since they are familiar with the standard transit requirements. However, in some cases it is taking longer than expected for the non-traditional providers to meet these requirements for the first time. DOT has also told grantees that they may begin providing transportation services with their matching funds while completing the steps to comply with transit requirements needed to receive the federal funds. So far, about half of the grant sites have started services under this option. DOT is confident that funds from the second year's competitive application will go out faster based on the lessons learned this year and the technical assistance strategies put in place. DOT will release the notice for FY 2000 applications within the next few weeks.

Background

The Philadelphia Inquirer ran an article on February 13 citing bureaucratic delays in receiving Access to Jobs grant funds. The Philadelphia region was selected for $1.3 million in Federal Job Access funds in May. Their application involved a large number of non-traditional transportation sub-applicants. In an effort to expedite grant awards, DOT had set up a two part process that involved initial selection in May, followed by completion of the transit requirements. According to DOT, once selected the traditional local transit agency—SEPTA--was reluctant to assume responsibility for non-traditional grantees meeting FTA grant requirements. SEPTA began some of their services in September using pre-award authority, but did not pass any funds to the sub-recipients so that they, too, could begin services. In December, SEPTA finally agreed to be the lead applicant for the purposes of the Federal requirements. The final application was then sent to the Department of Labor, who is in the process of completing Labor certifications and hopes to have these done within two weeks. At the behest of the FTA Regional Administrator, SEPTA agreed on February 16th to advance funds to the non-traditional applicants so that they can begin services as well.

While Philadelphia has experienced some problems which are now on their way to being solved, other ATJ grantees have enjoyed considerable success already. For example, a non-profit provider in Weirton, West Virgina has already transported nearly 700 low-income riders to employment opportunities, training, and child care, helping people get to jobs that they otherwise would not have been able to take. A new van service started in Toledo, Ohio with ATJ funds now reaches 200 employers and schools and has already served over 600 people, helping some low-income parents work for the first time. The Massachusetts Bay Transportation Authority began ATJ-funded services in September and is now providing bus service to 111 new stops reaching previously unserved employers and 410 stops at times not previously served. Approximately 285 of these new stops are within ¼ mile of the residences of welfare recipients or other low-income workers.

Q: Why do you think IDAs will help people save?

A: The first results from a major study of IDAs confirm that they are an effective tool in helping low income people save. On average, all IDA participants saved an average of $33 per month – a conservative figure that includes program dropouts and those with no savings. When combined with matching funds, participants accumulated an average of $845 over a nine-month period, and this is expected to grow as the program matures. Especially noteworthy was that very poor IDA participants saved almost as much as other participants, and saved a much larger portion of their income. Ninety percent of the participants had household incomes below 200 percent of the poverty line, with about 43 percent below the poverty line. ~~While there were some differences in savings based on demographic characteristics, the more important lesson was that a diverse group of low income individuals were able to begin saving through IDAs.~~ Former welfare recipients saved at least as much as low income individuals who had never been on welfare. These results are from the American Dream Demonstration, a privately funded national demonstration operating in 14 sites around the country. Clearly, if a low income family could save approximately $1,000 through an IDA in the course of a year, this would help them make a down payment on a decent car.

Q: Do you think the Retirement Savings Accounts included in your budget should be used to help someone save for a car?

A: A number of the details related to the qualified withdrawals for RSAs are still under development. We plan to explore further whether it is appropriate to allow RSAs to be used to save for a car as one of the non-retirement related withdrawals. RSAs would cover a much broader population -- not just the low-income families eligible for IDAs.

Q: The President's FY 2001 Transportation Budget has been called "dead on arrival" by several influential members like Senators Shelby and Byrd, and Congressman Shuster. They have said that this budget diverts highway funds from states and violates the Transportation Equity Act for the 21st Century's (TEA-21) funding formulas.

A: The FY 2001 Budget provides $55 billion, a record funding level, for transportation. This action reflects strong administration support for improving the nation's safety, highway, transit, rail, aviation, and maritime programs.

We propose to reallocate about $1.5 billion of the $3.1 billion in unanticipated funding that is available as a result of the higher than anticipated gas tax receipts to fund priority programs. Every State will receive more than it anticipated receiving when TEA-21 passed. This reallocation builds upon the reallocations Congress itself has enacted in each of the last years.

Our proposal for the Access to Jobs program would simply fully-fund the program at the authorized level Congress enacted in TEA-21.

Background

The Budget proposes to reallocate highway funds to the following programs:

- $50 million to help move more people from welfare to work through Access to Jobs;
- $70 for highway safety operations and research;
- $468 million for expanded intercity passenger rail;
- $75 million to improve roads in Indian reservations;
- $398 million to supplement the highway emergency relief fund;
- $48 million to expand transportation options in the Mississippi Delta Region; and
- other programs such as trade border and corridor, commercial drivers license, and the Transportation and Community and System Preservation Pilot.

This reallocation does not adjust the TEA-21 formulas and no states would lose funding compared to the amounts contained in the original TEA-21 baseline. This plan directs higher than anticipated funds to programs that are priorities for Congress and the Administration.

The Administration's plan focuses especially on the needs of the low income families and areas. With the reallocation of $50 million from the gas taxes described above, the

Administration proposes doubling the Job Access and Reverse Commute Grant program in the Federal Transit Administration (FTA) to $150 million, the fully authorized level. These grants allow communities to develop innovative public transportation solutions to help more low-income workers and welfare recipients get to work.
Note: this Q&A was provided by David Tornquist and Lin Liu of OMB and was reviewed by Dorothy Robyn of the NEC.

Welfare Reform Background

Q: How is welfare reform going?

A: In 1992, President Clinton promised to end welfare as we know it, and now more than three years after the enactment of the welfare reform law, we've seen revolutionary changes to promote work and responsibility: the number of Americans on welfare is at its lowest level since 1969 – 30 years ago – as millions of people move from welfare to work. Since January 1993, the welfare rolls have fallen by more than half, from 14.1 million to 6.9 million. More than 1.3 million welfare recipients went to work in 1998 alone. All fifty states are meeting the law's overall work requirement in 1998, and the percentage of adults still on welfare who were working reached 27 percent -- a nearly fourfold increase over the 7 percent in 1992. Census Bureau data show that the employment rate of people receiving welfare in the previous year has increased by 82 percent since 1992. Numerous independent studies also confirm that record numbers of people are moving from welfare to work. The Welfare to Work Partnership, launched by the President in 1997, now includes 12,000 businesses that have hired nearly 650,000 welfare recipients. The federal government is also doing its share: in 1997 the President challenged federal agencies to hire 10,000 welfare recipients over four years and, with the Vice President's leadership, we've far exceeded that goal, hiring more than 16,000 people at a time when the federal workforce is the smallest it has been in thirty years.

Q: What has this Administration done to make work pay for low-income families?

A: President Clinton and Vice President Gore have worked for the last seven years to raise incomes, make work pay, help families make a successful transition from welfare to work, and extend opportunity to all. This includes raising the minimum wage, expanding the Earned Income Tax Credit, enacting the Children's Health Insurance Program, and promoting investment in underserved communities.

The President has warned Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform, vigorously opposing proposals to cut the welfare block grant and the EITC tax refund for low income workers which lifted 4.3 million people out of poverty in 1998. To finish the job and support hard pressed working families, we must enact our FY 2001 proposals to expand the EITC, health coverage, and child care, provide more housing vouchers, help low income working families upgrade their skills and get the critical work supports they need, promote responsible fatherhood by helping low income fathers work and support their children, and enact tough new measures to collect more child support from those who can afford to pay.

Q: What is the Administration doing to make sure families get the food stamps and Medicaid for which they are eligible?

A: Medicaid and Food Stamps are essential supports for working families. As these parents leave welfare for work, it is important for them to know that health insurance and nutritional assistance benefits are still available. It's also important that states reach out to low-income working families who may be eligible for these programs since Food Stamps and Medicaid could keep them off of welfare in the first place.

In December, the President unveiled a new regulation proposed by the Department of Health and Human Services (HHS) which awards $200 million to high performing states that succeed in moving people from welfare to work, enrolling children and families in Medicaid, Children's Health Insurance Program (CHIP) and Food Stamps, and family formation. These new measures will ensure that welfare reform will continue to move millions of families from dependence to independence, by encouraging work, supporting working families to help them succeed and stay off welfare, and increasing the number of low-income children living with two married parents. We will also require states to certify that they are following Medicaid and Food Stamp laws as a condition of applying for the high performance bonus.

In addition, we've taken a number of actions to be sure both that states follow the law and that they do appropriate outreach. HHS has repeatedly urged states in many different ways to pay attention to their eligibility and enrollment processes to ensure that those eligible for Medicaid, particularly children, are enrolled. In fact, all state Medicaid and TANF administrators received a letter in June of last year explaining actions states should take to ensure that all those eligible for Medicaid receive it, including making Medicaid and CHIP applications available at sites where TANF eligibility is evaluated and where "diversionary" assistance is provided. Since that time, more letters have been sent, including a 27-page guide on how states can improve their Medicaid and welfare systems. We also have launched a 50-state review process to make sure that all those who should receive Medicaid do.

In July 1999, the President took executive actions to help ensure working families who need Food Stamps have access. These steps included: a new policy making it easier for working families to own a car and still receive Food Stamps; a new regulation simplifying rules so that families do not have to report income as often and states won't be penalized for small errors in projecting families' future earnings; and a new public education campaign launched by Secretary Glickman to educate working families about Food Stamps.

In January, 1999, USDA sent a formal notice to every state outlining the law's requirements, including that states should ensure that applicants are fully aware of their right to file an application for Food Stamps when applying for cash assistance and should not automatically terminate Food Stamp benefits as people move to work.

	On welfare	100% FPL	100-200% FPL	Above 200%FPL
Own a car	47% (1,093,312)	63% (5,570,993)	87% (10,548,700)	97% (46,790,000)
Work	**31%** (333,547)	**73%** (4,050,508)	91% (9,641,312)	98% (46,033,700)
Don't work	69% (759,765)	27% (1,520,485)	9% (903,025)	2% (756,337)
No car	53% (1,244,830)	37% (3,266,221)	13% (1,543,104)	3% (1,513196)
Work	**16%** (201,906)	**59%** (1,911,050)	90% (1,392,944)	99% (1,494,447)
Don't work	84% (1,042,924)	41% (1,355171)	10% (1,50160)	1% (1,5750)
Total	100% (2,338,142)	100% (8,837,214)	100% (12,091,804)	100% (48,300,000)

Note: Respondents are families with at least one person under 65.
Source: Unpublished data from the National Survey of American Families, Urban Institute, 1997.

- Households?
- By income?

Ron
Jim

THE WHITE HOUSE

WASHINGTON

February 22, 2000

FOOD STAMPS AND TRANSPORTATION EVENT

DATE:	February 23, 2000
LOCATION:	Presidential Hall – OEOB 450
BRIEFING TIME:	1:20pm – 1:35pm
EVENT TIME:	1:40pm – 2:25pm
FROM:	Bruce Reed

I. PURPOSE

To unveil a new regulation and highlight several new budget initiatives to help low-income families get to work by making it easier to own a car or obtain public transportation.

II. BACKGROUND

Today you will announce a new regulation that will enable 150,000 individuals to own a reliable car without losing eligibility for food stamps. You will also call on Congress to enact three legislative proposals in your new budget that will: 1) enable 245,000 more families to own a car and still get food stamps by allowing states to use the more generous rules already put in place for their welfare reform programs; 2) double funding to $150 million for Access to Jobs grants; and 3) allow low-income families to use Individual Development Accounts (IDAs) to save for a car.

Families Need Transportation To Go To Work. Low-income families cannot participate fully in our strong economy and support their children unless they can get to work. Two-thirds of all new jobs are now created in suburbs, but three-quarters of welfare recipients live in rural areas or central cities. While many states and communities are working to develop innovative transportation strategies, existing public transit often fails to link to suburban job opportunities, cover evening and weekend hours, or serve rural communities. Even in metropolitan areas with extensive transit systems, studies have shown that less than half the entry level jobs are accessible by transit.

Having a car can make a tremendous difference. Data from the Urban Institute's National Survey of American Families show that twice as many welfare recipients with cars were working than those without cars, and 25 percent more low-income families with cars were working than those without cars. Studies of welfare recipients in Michigan and Los Angeles also underscore that access to a car is a critical factor in getting a job. The fact is, however, that many welfare recipients and low-income workers do not have a car.

Steps To Help More Families Get To The Job. Today's announcements will put more families on the road to work and opportunity by:

Making it Easier for Working Families to Own a Car and Receive Food Stamps. Current law forces many working families to choose between nutritional assistance and a reliable car because it limits food stamp eligibility to most families owning a vehicle worth less than $4,650. Today you will unveil a new regulation that will enable families with low amounts of *equity* in their cars to qualify for food stamps (equity being fair market value minus outstanding loans), so working parents will not be forced into this choice. The regulation will exclude, from the food stamp program's limit on assets, the value of any vehicle with an equity value of less than $1,000. You will also call on Congress to pass your new budget proposal allowing state food stamp programs to use the higher vehicle asset limits of their welfare reform programs. (In most states, the welfare reform rules on owning a car are more generous than the rules that apply to food stamps). Together, the regulatory change and the budget proposal will make it easier for an estimated 400,000 individuals by 2005 to get to work (150,000 through the regulation and 245,000 through the budget proposal).

Doubling 'Access to Jobs' Funding. You will also highlight your proposal to double Access to Jobs grants to $150 million in FY 2001. These grants fund locally designed transportation projects that help hard-pressed families get to work – for example, by extending public transit hours and routes or funding van services. Under the $150 million proposal, the Department of Transportation will also set aside $5 million for Indian tribes, and designate another $5 million for applicants from the Mississippi Delta region, as part of the Administration's Delta Initiative.

Allowing Working Families to Use Individual Development Accounts to Save for a Car that will Allow them to Get or Keep a Job. You will also highlight a $25 million initiative in your budget to fund the third year of a five-year IDA demonstration program signed into law in 1998. As part of this budget initiative, you will also propose allowing low-income families to use IDAs to save for a car that will help them get or keep a job. Currently, IDAs provide incentives through federal matching funds for low-income working families to save for a first home, post-secondary education, or start a new business – but not a car.

III. PARTICIPANTS

Briefing Participants:
Secretary Dan Glickman
Bruce Reed
Mary Beth Cahill
Loretta Ucelli
Cynthia Rice
Paul Glastris

Event Participants:

YOU

Secretary Dan Glickman

Michael Alexander

Michael Alexander, from Brockton, NY, is a 24-year-old single father of two children. Mr. Alexander is working hard to find jobs to support his family, but because he resides in an area with very limited public transportation and he did not own a car, it was very difficult for him to maintain steady employment. He is currently receiving welfare, Medicaid, and food stamps. Through the help of a county run program, EARNA CAR, Mr. Alexander was recently able to purchase a used vehicle. He attended classes about car maintenance, helped repair a donated car, and with the help of a local bank worked out a manageable loan payment. Now he is working part-time at Dunn Tire and attending classes in computer repair at a local community college. He is in the process of moving into full-time employment, so he can fully support his children and leave public assistance. Without this car, it would be extremely difficult for him to balance his responsibilities at home with his current work and school schedule, much less pursue the full-time employment that would make him completely self-sufficient.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced onto stage, accompanied by Secretary Dan Glickman and Michael Alexander.
- Secretary Dan Glickman will make remarks and introduce Michael Alexander.
- Michael Alexander will make remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and depart.

VI. REMARKS

To be provided by speechwriting.

Transportation Event
Q&A
February 23, 2000

Q: What did the President announce today?

A: The President unveiled a new regulation and highlighted several new budget initiatives to help low-income families get to work by making it easier for them to own a car or obtain public transportation. The new regulation will enable 150,000 individuals to own a reliable car without losing eligibility for food stamps. The President also called on Congress to enact three legislative proposals in his new budget that will: 1) enable 245,000 more families to own a car and still get food stamps by allowing states to use the more generous rules already put in place for their welfare reform programs; 2) double funding to $150 million for Access to Jobs grants; and 3) allow low-income families to use Individual Development Accounts (IDAs) to save for a car. These new steps are an important part of the Administration's strategy to reform welfare, reward work, and help hard-pressed working families.

Q: Is lack of transportation really a problem for low-income families?

A: Transportation is a barrier to employment for many low-income families. Existing public transit often doesn't link to suburban job opportunities, cover evening and weekend hours, or serve many rural communities. Recent data show that welfare recipients and other low income workers with cars are significantly more likely to be working. **(Supporting data is attached).**

Q: How will this new regulation help families get a car so they can get to work?

A: The regulation will exempt, from the food stamps assets cap, the value of any vehicle in which the equity is less than $1,000, helping 150,000 low-income families have a car to get to work and still qualify for needed nutritional assistance. Putting it simply, if family sold its car and wouldn't get more than $1,000 after paying off the loan, the car is not counted for purposes of food stamp eligibility.

Under current food stamp policy, a family is generally ineligible if they own a car worth more than $4,650 even if the family needs the car to get to work and has only a small fraction of the car's value in equity.

Q: What does the budget's food stamp legislative proposal do and how is it different from the regulation?

A: The Administration's budget would help an additional 245,000 low-income families own a car and still qualify for nutritional assistance by giving states an option to use their higher TANF vehicle resource rules in the Food Stamp program. Most states exclude the value of one vehicle in determining TANF eligibility and many others have set higher values for TANF than allowed in the Food Stamp program. Thus, a state that has put in place an $8,000 vehicle limit for TANF could use the same one for food stamps, streamlining eligibility determination rules and allowing more families to have a car and still receive needed nutritional assistance. The higher vehicle limit set by the states would apply to all families (whether they were on TANF or not.) The regulation puts in place a nationwide policy that will help only certain families – those with $1,000 or less in equity in their cars. The regulation alone will help 150,000 families by the year 2005; the legislation will help an additional 245,000 families.

Q: What's the difference between equity value and fair market value?

A: Fair market value is the price a car should fetch on the market – sometimes called the "blue book value." Equity is what you'd get if you sell the car for the fair market value and pay off any loan on the car.

Q: Will these proposals bring back the welfare "Cadillac"? How expensive a vehicle will people be able to own?

A: No. An important point here is that to qualify for food stamps, your income has to be below 130 percent of the poverty line – that's $18,000 a year for a family of three. If you need to make payments on an expensive car, you're not going to be able to do that for very long on that income. In fact, USDA ran a project in North Carolina in 1995 and 1996 which basically allowed families to own a car regardless of value – and the average car was three years old with a market value under $7,300.

Q: Do you expect Congress to enact this proposal?

A: This proposal has bipartisan support in both the Congress and the states. Bipartisan legislation has been introduced in both the House and Senate which incorporates this proposal (HR 3192 introduced by Representatives Walsh, Kelly, Diaz-Balart, Clayton, Hall, and Kaptur, and S 1805 introduced by Senators Kennedy and Specter). In addition, last year the nation's state welfare directors called for changes in food stamp policies which included this change. Welfare reform has always been a bipartisan issue and we should be able to work with the Congress to enact this proposal this year.

Q: How much does this regulation and legislative proposal cost and how is it paid for?

A: Food stamp annual spending in FY2000 is now projected to be $1.1 billion below the Administration's baseline estimate in the FY 2000 Budget. The number of people receiving food stamps has fallen by 10.4 million since March 1994 and recent food stamp caseload declines have led to significant reductions in food stamp spending.

Some working families are not participating in the Food Stamp Program for reasons in addition to the strength of the economy and the success of welfare reform in moving people from welfare to work. The unanticipated and undesirable savings from declines in food stamp participation greatly exceed the $565 million cost of the proposed change in food stamp vehicle policy. The change in vehicle policy helps reverse some of the decline in food stamp participation among the working poor, though it will not necessarily help those who have left the rolls during the last several years. In the context of significant food stamp caseload reductions that go beyond changes in law or in economic assumptions, it has been determined in this instance that these caseload trends fully offset this administrative action. Moreover, the entire cost of the proposed policy change is included in the President's balanced budget request for FY 2001.

The food stamp legislative change, which is estimated to cost $661 million between FY 2001-FY 2005, is fully paid for within the context of the budget.

Q: What else does your budget do to help low-income families get transportation so they can go to work?

A: In addition to the proposals described above the budget:

Doubles "Access to Jobs" transportation grants to $150 million. These grants support locally designed innovative solutions to help low-income families get to work, including extending public transit hours and routes and funding van services.

Allows working families to use Individual Development Accounts to save for a car that will allow them to get or keep a job. Since 1992, the President has supported the creation of IDAs to empower individuals to save for a first home, post-secondary education, or to start a new business. The President's budget provides $25 million for IDAs in FY 2001to create over 20,000 new accounts. In recognition of the fact that a car is critical for many low-income workers to get or keep a job, the Administration is proposing to also allow IDAs to be used to save for a car.

Q: How is the Access to Jobs Program going? How do you react to reports that the Access to Jobs program is bogged down in bureaucratic delays?

A: Access to Jobs is a brand new program that is off to a promising start. To date, more than half of the 189 projects that were announced last May have received their FY 1999 federal funds, and DOT is working aggressively to provide technical assistance for grantees that are experiencing start-up delays. Start-up delays mainly reflect the fact that because the program is funded through Federal Transit funds, all grantees must meet the certain requirements, such as testing for drugs and alcohol and making sure new services don't have an adverse impact on existing transportation jobs. Also, the ATJ program involves a large number of non-traditional transit providers, such as community and faith-based organizations and human services agencies. In some cases it is taking longer than expected for the non-traditional providers to meet program requirements for the first time.

Q: Why do you think IDAs will help people save?

A: The first results from a major study of IDAs confirm that they are an effective tool in helping low income people save. On average, all IDA participants saved an average of $33 per month – a conservative figure that includes program dropouts and those with no savings. When combined with matching funds, participants accumulated an average of $845 over a nine-month period, and this is expected to grow as the program matures. Especially noteworthy was that very poor IDA participants saved almost as much as other participants, and saved a much larger portion of their income. Ninety percent of the participants had household incomes below 200 percent of the poverty line, with about 43 percent below the poverty line. Former welfare recipients saved at least as much as low income individuals who had never been on welfare. These results are from the American Dream Demonstration, a privately funded national demonstration operating in 14 sites around the country. Clearly, if a low-income family could save approximately $1,000 through an IDA in the course of a year, this would help them make a down payment on a decent car.

Q: Do you think the Retirement Savings Accounts included in your budget should be used to help someone save for a car?

A: A number of the details related to the qualified withdrawals for RSAs are still under development. We plan to explore further whether it is appropriate to allow RSAs to be used to save for a car as one of the non-retirement related withdrawals. RSAs would cover a much broader population – not just the low-income families eligible for IDAs.

Q: What is the Administration doing to make sure families get the food stamps and Medicaid for which they are eligible?

A: Medicaid and Food Stamps are essential supports for working families. As these parents leave welfare for work, it is important for them to know that health insurance and nutritional assistance benefits are still available. It's also important that states reach out to low-income working families who may be eligible for these programs since Food Stamps and Medicaid could keep them off of welfare in the first place.

In December, the President unveiled a new regulation proposed by the Department of Health and Human Services (HHS) which awards $200 million to high performing states that succeed in moving people from welfare to work, enrolling children and families in Medicaid, Children's Health Insurance Program (CHIP) and Food Stamps, and family formation. These new measures will ensure that welfare reform will continue to move millions of families from dependence to independence, by encouraging work, supporting working families to help them succeed and stay off welfare, and increasing the number of low-income children living with two married parents. We will also require states to certify that they are following Medicaid and Food Stamp laws as a condition of applying for the high performance bonus.

In July 1999, the President took executive actions to help ensure working families who need Food Stamps have access. These steps included: a new policy making it easier for working families to own a car and still receive Food Stamps; a new regulation simplifying rules so that families do not have to report income as often and states won't be penalized for small errors in projecting families' future earnings; and a new public education campaign launched by Secretary Glickman to educate working families about Food Stamps.

Data on transportation and its effect on employment status

Q: Is lack of transportation really a problem for low-income families?

A: Transportation to work is a barrier for many low-income families. Existing public transit often doesn't link to suburban job opportunities, cover evening and weekend hours, or serve many rural communities. Recent data show that welfare recipients and other low income workers with cars are significantly more likely to be working. In particular, studies show:

Transportation is a barrier to employment. Both welfare recipients and employers find the lack of transportation is a significant barrier to work.

- In Michigan, transportation was the most common barrier among welfare recipients surveyed: nearly half (47 percent) lacked access to a car and/or did not have a driver's license, and transportation was one of the most important factors in whether someone was working – as significant as a high school diploma. Welfare recipients without a transportation barrier are 53 percent more likely to work (69 percent employment rate) than those with transportation issues (45 percent). (Danziger, February 2000)

- Based on surveys by Wirthlin Worldwide, businesses in The Welfare to Work Partnership consistently cite transportation as among the top three barriers for welfare recipients they have hired, and one of the top issues affecting retention for these employees. More than half of businesses surveyed find employee transportation to be a problem, with 33% saying that public transportation routes do not run near their companies and 18% saying public transportation does not operate during hours needed to get workers to their jobs. (From 1998 survey Wirthlin Study, cited in Welfare to Work Partnership's publication "The Road to Work," released in 8/99).

- In Connecticut, 40 percent of welfare recipients report that transportation is a barrier to employment. (Welfare Research Group, 1997)

Car ownership.

- Data from the Urban Institute's National Survey of American Families show that as of 1997, 47 percent of families on welfare and 63 percent of low-income families (below 100% of poverty level) have a car, compared to 97 percent of higher income families (above 200% of poverty). Twice as many families receiving welfare who had a car were working (31 percent employment rate) than families on welfare who did not have a car (16 percent). Similarly, 25 percent more low-income families with a car were working (73 percent employment rate) than those without a car (59 percent).

- For welfare recipients in Los Angeles, those with a car are 32 percent more likely to get a job. ("Car Ownership and Welfare-to-Work," UCLA Working paper, Paul Ong, 2/14/00) Among welfare recipients with a job, those with a car earn 60 percent more than those without a car. ("Work and Automobile Ownership among Welfare Recipients," Social Work Research, Paul Ong, December 1996)

Adequacy and use of public transportation.

- Nationwide, 42 percent of welfare recipients reportedly rely on public transportation (Leete and Bania, Census Public Use Microdata Sample, 1995). Suburban and rural welfare recipients are 3 to 4 times more likely than urban recipients to consider public transportation as inadequate. (Census and HUD, American Housing Survey, 1995).

- In rural areas, commuting distances tend to be longer and approximately 40 percent of rural counties lack public transit systems entirely. (Community Transportation Association of America, Survey of rural FTA grant recipients, 1994).

- Even in metropolitan areas with extensive transit systems, less than half of the jobs are accessible by transit:

  - In Watts (Los Angeles), a low-wage jobseeker can get to 57 times more jobs than a person without a car. (Lewis Center for Regional Policy Studies, UCLA, Evelyn Blumenberg and Paul Ong).

- In Boston, only 43 percent of entry level jobs were found accessible by public transportation, and only 33 percent of all employers in high-growth employment centers were accessible by public transportation (VOLPE).
- In Cleveland, even with an 80-minute commute, residents from neighborhoods with a high concentration of public assistance recipients could reach less than 44 percent of appropriate job openings by public transit (Case Western).
- In the Atlanta region, only 43 percent of entry-level job opportunities were accessible by the transportation authority (Atlanta Metropolitan Planning Organization, Joe McCoughlin, MIT and Michael Rich, Emory University, 1998).

Job accessibility. Two-thirds of all new jobs are created in suburbs, but three-quarters of welfare recipients live in rural areas or central cities (BLS data and AFDC data).

- Suburban locations are adding jobs more than twice as fast as central cities -- 10.3 percent compared to 4.4 percent annually. (HUD State of the Cities Report 1999)

PRESIDENT CLINTON TAKES ACTIONS TO HELP LOW-INCOME FAMILIES GET ON THE ROAD TO WORK AND OPPORTUNITY
February 23, 2000

President Clinton today will unveil a new regulation and highlight several new budget initiatives to help low-income families get to work by making it easier for them to own a car or obtain public transportation. The new regulation the President is announcing will enable 150,000 individuals to own a reliable car without losing eligibility for food stamps. The President will also call on Congress to enact three legislative proposals in his new budget that will: 1) enable 245,000 more families to own a car and still get food stamps by allowing states to use the more generous rules already put in place for their welfare reform programs; 2) double funding to $150 million for Access to Jobs grants; and 3) allow low-income families to use Individual Development Accounts (IDAs) to save for a car. These steps are a key part of the Administration's strategy to reform welfare, reward work, and help hard-pressed working families.

FAMILIES NEED TRANSPORTATION TO GO TO WORK. Low-income families cannot participate fully in our strong economy and support their children unless they can get to work. Two-thirds of all new jobs are now created in suburbs, but three-quarters of welfare recipients live in rural areas or central cities. While many states and communities are working to develop innovative transportation strategies, existing public transit often fails to link to suburban job opportunities, cover evening and weekend hours, or serve rural communities. Even in metropolitan areas with extensive transit systems, studies have shown that less than half the entry level jobs are accessible by transit.

Having a car can make a tremendous difference. Data from the Urban Institute's National Survey of American Families show that twice as many welfare recipients with cars were working than those without cars, and 25 percent more low-income families with cars were working than those without cars. Studies of welfare recipients in Michigan and Los Angeles also underscore that access to a car is a critical factor in getting a job. The fact is, however, that many welfare recipients and low-income workers do not have a car.

PRESIDENT ANNNOUNCES STEPS TO HELP MORE FAMILIES GET TO THE JOB. The Clinton-Gore Administration will put more families on the road to work and opportunity by:

Making it Easier for Working Families to Own a Car and Receive Food Stamps. Current law forces many working families to choose between nutritional assistance and a reliable car because it limits food stamp eligibility to most families owning a vehicle worth less than $4,650. President Clinton and Vice President Gore believe working parents shouldn't be forced into this choice, and today the President will unveil a new regulation that will enable families with low amounts of *equity* in their cars to qualify for food stamps (equity being fair market value minus outstanding loans). The regulation will exclude, from the food stamp program's limit on assets, the value of any vehicle with an equity value of less than $1,000. The President will also call on Congress to pass his new budget proposal allowing state food stamp programs to use the higher vehicle asset limits of their welfare reform programs. Together, the regulatory change and the budget proposal will make it easier for an estimated 400,000 individuals by 2005 to get to work (150,000 through the regulation and 245,000 through the budget proposal).

Doubling 'Access to Jobs' Funding. The President today will also highlight his proposal to double Access to Jobs grants to $150 million in FY 2001. These grants fund locally designed transportation projects that help hard-pressed families get to work – for example, by extending public transit hours and routes or funding van services. Under the $150 million proposal, the Department of Transportation will also set aside $5 million for Indian tribes, and designate another $5 million for applicants from the Mississippi Delta region, as part of the Administration's Delta Initiative.

Allowing Working Families to Use Individual Development Accounts to Save for a Car that will Allow them to Get or Keep a Job. The President will also highlight a $25 million initiative in his budget to fund the third year of a five-year IDA demonstration program signed into law in 1998. As part of this budget initiative, the President will also propose allowing low-income families to use IDAs to save for a car that will help them get or keep a job. Currently, IDAs provide incentives through federal matching funds for low-income working families to save for a first home, post-secondary education, or start a new business – but not a car.

TODAY'S ACTIONS BUILD ON A RECORD OF REWARDING WORK AND HELPING HARD-PRESSED WORKING FAMILIES. President Clinton and Vice President Gore have worked for seven years to raise incomes, make work pay, help families make a successful transition from welfare to work, and extend opportunity to all. Today's transportation proposals will do even more to promote work and help hard-pressed working families and are part of a comprehensive package of proposals in the Administration's FY 2001 budget to expand the EITC, health coverage, and child care, provide more housing vouchers, help low-income working families upgrade their skills and get the critical work supports they need, promote responsible fatherhood by helping low income fathers work and support their children, and enact tough new measures to collect more child support from those who can afford to pay.

	Recipients*	**Work Status of Families by Income Relative to Poverty****		
	On welfare	**100% FPL**	**100-200% FPL**	**Above 200%FPL**
Own a car	47%	63%	87%	97%
Work	**31%**	**73%**	91%	98%
Don't work	69%	27%	9%	2%
No car	53%	37%	13%	3%
Work	**16%**	**59%**	90%	99%
Don't work	84%	41%	10%	1%
Total	100%	100%	100%	100%

*Welfare recipients are the primary child caregiver.

**Respondents are families with at least one person under 65; work is defined as one or more persons employed during the previous calendar year.

Source: Data from the National Survey of American Families, Urban Institute, 1997.

Researchers on cars as a factor in employment of welfare recipients and low income families:

Sheldon Danziger, Univ. of Michigan 734-998-8515.

Dr. Paul Ong, UCLA School of Public Policy and Social Research, Dept. of Urban Planning (310) 825-8775

Dr. Evelyn Blumenburg, UCLA School of Public Policy and.Social Research, Dept of Policy Studies (310) 825-1803

Harold Leibovitz, Urban Institute 202-261-5732

Food Stamp Policies and Using IDAs for Cars:
David Super, Center on Budget and Policy Priorities, 202-408-1080

Food Stamp Policies:
Ellen Vollinger, Food Research and Action Center, 202-986-2200 x 3016

Using IDAs for Cars:
Michael Sherradin, Washington University in St. Louis 314-935-7433

5/5

TO: Cynthia
Diana
Elena
Bruce
Emil

FROM: Andrea

WR Transportation

This is the joint DOT, DOL, HHS welfare to work transportation guidance inspired by the President's discussion of Elaine Kinslow + her employer @ SOTU.
Letter is dated 5/4, but guidance will actually be sent out / posted on web etc. on Friday 5/8 -- the day after the welfare to work transportation event w/ Slater, Herman + Golden.
Agencies feel it would hurt our message of ~~[illegible]~~ pushing for Access to Jobs $ if this ~~[illegible]~~ was announced same day, so it will be released without fan-fare.

May 4, 1998

Dear Colleague:

As President Clinton said in his 1998 State of the Union address, "A society rooted in responsibility must first promote the value of work, not welfare." In order for families to transition from welfare to work successfully, the Federal Government, States, communities, businesses, and non-profit agencies must work together to create opportunities and remove barriers. Your involvement is crucial to overcoming one of the biggest challenges facing those transitioning from welfare to work: finding reliable, affordable, and efficient transportation to jobs, training, and support services such as child care.

President Clinton recognizes the challenge this poses to job seekers, and has asked us to create new strategies to help them get to where the jobs are. As he has said, "Each and every one of us has to fulfill our responsibility, indeed, our moral obligation, to make sure that people who now must work, *can* work."

In February, the President wrote a letter to the Nation's Governors highlighting the critical role of transportation and urging them to use existing funds for transportation services wherever possible. To encourage each State and community to take full advantage of current resources, the U.S. Departments of Health and Human Services, Labor, and Transportation are working closely together on this issue and are jointly issuing the written guidance enclosed with this letter.

The guidance encourages coordination among transportation, workforce development, and social service providers to ensure the most efficient use of Federal funds. Such partnerships are an excellent way to create new, more effective transportation alternatives and to enable businesses to get the workers they need while stimulating local economies. We know some of you are already engaged in such partnerships and applaud these efforts, many of which are described in a recent publication by the Department of Transportation and the Community Transportation Association of America entitled "Access to Jobs, A Guide to Innovative Practices in Welfare to Work Transportation." This publication is available on the Internet at http://www.ctaa.org/welfare.

We are confident that with adequate attention to, and investment in, transportation and other support services, welfare recipients will have the resources they need to find and keep jobs. We greatly appreciate your help in making welfare reform a success.

Rodney E. Slater
Secretary of Transportation

Donna E. Shalala
Secretary of Health and
Human Services

Alexis M. Herman
Secretary of Labor

Enclosure

Temporary Assistance for Needy Families Program Policy Announcement

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, D.C. 20447

No. TANF-ACF-PA-98-2 **Date:** May 4, 1998

TO: STATE AGENCIES AND INDIAN TRIBES ADMINISTERING APPROVED TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PLANS AND OTHER INTERESTED PARTIES

SUBJECT: Joint guidance concerning the ways in which TANF and Welfare-to-Work (WtW) funds can be used to help States and communities provide transportation services to eligible individuals.

BACKGROUND: In a recent letter to the Governors, President Clinton stressed a critical need for transportation to move people from welfare to work. Because of the tremendous need for transportation services, the President asked the Secretaries of Health and Human Services, Labor (DOL), and Transportation (DOT) to provide written guidance on some of the ways in which TANF and WtW funds may be used to break down the transportation barriers for eligible individuals.

PURPOSE: This announcement transmits the attached joint guidance to States. The guidance encourages States and communities to take full advantage of existing TANF and WtW funds to provide the transportation services that eligible individuals need to attain and maintain employment.

INQUIRIES: Inquiries about TANF should be addressed to the appropriate Administration for Children and Families Regional Administrator. We have also attached listings of Federal Regional Office contacts for DOL and DOT.

Diann Dawson
Acting Director
Office of Family Assistance

USE OF TANF AND WtW FUNDS FOR TRANSPORTATION

INTRODUCTION:

Transportation is one of the main challenges facing people making the transition from welfare to work. A mismatch exists between the location of available entry-level and service sector jobs and the residences of most welfare recipients. Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities, with few recipients owning cars. Many entry level jobs require evening or weekend hours in areas that are poorly served by existing transit routes or are not within a reasonable commute time. Many parents going to work also need transportation in order to access child care, which further complicates getting to and from work. The transportation barrier is magnified for low-income Americans living in rural counties, 40 percent of which have no public transportation services.

Historically, the U.S. Departments of Health and Human Services (HHS) and Labor (DOL) have defined transportation in terms of the individual client. As a result, funds were used to directly reimburse clients for transportation rather than to develop and support transportation services necessary to meet their needs. Welfare reform calls for a more systemic approach to break down the transportation barriers. For example, supporting and developing services such as connector services to mass transit, vanpools, sharing buses with elderly and youth programs, coordinating with existing human services transportation resources, employer provided transportation, or guaranteed ride home programs may be necessary to address the transportation problems for welfare recipients and other low income persons.

PURPOSE OF GUIDANCE:

HHS and DOL, in concert with the U.S. Department of Transportation (DOT), are working closely together to provide joint, coordinated guidance to encourage States and communities to take full advantage of existing resources to address the transportation challenge of moving people from welfare to work and to develop seamless, integrated services. This guidance is intended to augment the current regulatory and statutory provisions.

AUTHORITY AND REFERENCES:

Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Public L. 104-193) and Balanced Budget Act of 1997 (Public L. 105-33) amending Title IV-A of the Social Security Act; Temporary Assistance for Needy Families Program (TANF) Proposed Rule (62 Fed. Reg. 62124 (proposed Nov. 20, 1997)); TANF Policy Announcement No. TANF-ACF-PA-97-1, dated January 31, 1997; Welfare-to-Work Grants Interim Final Rule, 20 CFR Part 645 (62 Fed. Reg. 61588 (Nov. 18, 1997)).

RESPONSE TO CHALLENGE:

It is essential for all Federal, State, and local entities to collaborate to ensure and maintain success in moving families from welfare to work. This collaboration will help to provide the right mix of transportation services necessary to meet the needs of welfare recipients as well as deliver the most efficient use of existing resources and services.

States should encourage local agencies to ensure that services provided to welfare recipients are developed in consultation with other appropriate agencies providing transportation services at the local level. In addition, in consultations with transportation providers to develop solutions to the difficult problems faced by welfare recipients, public agencies should be mindful of their obligations not to interfere with collective bargaining rights or agreements or to displace employees.

PROMISING INITIATIVES:

Many States are already working to break down the transportation barriers for welfare recipients. For example, Kentucky has taken a comprehensive approach to providing coordinated transportation. Four cabinet offices -- Families and Children, Health Services, Workforce Development, and Transportation -- combined transportation resources to develop a new coordinated transportation system for all their participants. North Carolina and New Jersey are helping counties to bring together the transportation, social services, and employment programs to address client mobility needs and are identifying underutilized transportation resources -- including school buses -- for employment transportation. In Ventura County California, the local transit agency has extended its hours of service, re-routed some lines, and developed new service to some remote locations being used as work experience sites. These and many other examples are included in *Access To Jobs, A Guide to Innovative Practices in Welfare-to-Work Transportation* developed by DOT and the Community Transportation Association of America. The guide features innovative transportation approaches to meet the needs of welfare recipients and other low income persons, as well as a list of available resources. It is attached and available on the Internet at http://www.ctaa.org/welfare.

PROPOSED RESOURCES:

To help meet the tremendous need for transportation services, President Clinton has asked Congress to authorize and appropriate through the Federal transportation program a six-year, $600 million Access to Jobs competitive grant program, to assist States and localities in developing flexible transportation solutions for people moving from welfare to work. Funds could be used for both capital and operating expenses for new services. Local transportation and human service systems will be strongly encouraged to collaborate. Funding would also provide transportation to training and to support services such as child care.

If funded, these resources will also work to ensure that agencies responsible for designing State and local transportation systems -- State DOTs, transit authorities, etc. -- are attending to this important need. These new Federal funds require a dollar for dollar match, and other Federal funds could be used as part of the local match, if not prohibited by specific statute and regulations.

EXISTING RESOURCES:

Existing funding for welfare reform -- both the Temporary Assistance for Needy Families (TANF) block grants established in the PRWORA of 1996 and the Welfare-to-Work (WtW) grants authorized by the Balanced Budget Act of 1997 -- provides considerable flexibility to help States and communities provide transportation to individuals transitioning from welfare to work. At the same time, these funding streams have certain limitations and leave significant gaps that the Administration hopes to address through programmatic initiatives and proposed legislation.

1. The Temporary Assistance for Needy Families (TANF) Program

TANF block grants to States total $16.5 billion annually through FY 2002. In addition, States must maintain their own spending at no less than 80 percent of historic spending levels (or 75 percent if they meet the work participation rates). Guidance about State spending requirements, known as maintenance of effort (MOE), is contained in a January 31, 1997 policy announcement issued by the Office of Family Assistance. (For detailed guidance on this issue, refer to TANF-ACF-PA-97-1 and the Notice of Proposed Rulemaking (NPRM) for TANF.) The policy announcement and the NPRM are available on the Internet at http://www.acf.dhhs.gov/news/welfare/.

State, local, and Tribal TANF agencies, or private organizations providing services under contract with the TANF agency, may use TANF funds for a range of transportation services so long as the expenditure reasonably accomplishes a purpose of the TANF program, such as promoting job preparation and work. Work and responsibility are the cornerstones of the TANF program. Thus, it is critical that States involve appropriate State and local agencies (transportation, housing, child care), businesses, and community organizations to develop strategies and provide the supportive services that eligible individuals need to attain and maintain employment.

<u>Program Purposes and Choices</u>

The purposes of the TANF program as described in section 401 of the Social Security Act (Act) are as follows:

- provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;

- encourage the formation and maintenance of two-parent families.

To accomplish these purposes, the State TANF agency may use TANF funds to provide support services including child care and transportation. Some examples of the ways in which TANF funds can be utilized to provide necessary transportation services to TANF eligible families include but are not limited to:

- reimbursement in whole or part to TANF eligible individuals for work-related transportation expenses (e.g., mileage, gas, public transit fare, auto repairs/insurance, or a basic cash allowance for transportation needs);

- a contract for shuttles, buses, car pools, or other transportation services for TANF eligible individuals;

- the purchase of vans/shuttles/minibuses by State or locale for the provision of transportation services to TANF eligible individuals (refer to the discussion below about the parameters on the use of TANF funds and cost allocation);

- the purchase of rider "slots," "passes," or vouchers on a public or private transit system;

- financial assistance in the form of loans to eligible individuals for the lease or purchase of a vehicle to travel to/from work or work related activities;

- facilitating the donation and repair of previously owned or reconditioned vehicles to eligible families;

- as an alternative to ongoing assistance, one-time, short-term "diversion" payments can be made to assist individuals with transportation needs such as automobile repair/insurance to secure or maintain employment;

- payment of start up costs for new or expanded transportation services benefitting eligible families provided that such costs are *necessary and reasonable*, as well as allocated to cover only those costs associated with TANF eligible individuals (refer to the discussion below about the parameters on the use of TANF funds and cost allocation);

- establishment of an Individual Development Account that a TANF eligible individual could use to cover qualified business capitalization expenses to establish a transportation service such as a van, shuttle, or door-to-door transportation service (Section 404(h) of the Social Security Act);

- the transfer of TANF funds to the Social Services Block Grant (SSBG) to address the lack of transportation infrastructure in many rural and inner city areas; SSBG may be used to serve families and children up to 200% of the poverty level, allowing States to address the needs of the disadvantaged population with a blend of transportation services;

- payment of costs incurred by State, local, or Tribal TANF agency staff involved singularly or with other agencies in the planning of transportation services for TANF eligible individuals.

State MOE funds under the TANF program or State funds separate from the TANF program that qualify under the MOE requirement may also be used to assist TANF eligible individuals in similar ways.

Many States are also easing restrictions that deter TANF eligible recipients from owning cars. Some States are increasing the excluded value or discounting entirely the value of a motor vehicle in determining TANF eligibility. Such action also promotes job preparation and work.

Parameters on the Use of TANF Funds

In order to take advantage of resources provided through the TANF block grants, it is necessary to understand three key requirements of the statute related to eligible families, assistance, and time limits. First, Federal TANF funds, along with State MOE funds, must be spent on eligible families in which the minor child resides with the family (or on individuals who are expecting a child). States define who is eligible for TANF.

Second, funds or services received by eligible families are generally labeled as "assistance." The term "assistance" has been defined in TANF-ACF-PA-97-1 to mean every form of support provided to families under TANF except for: (1) services that have no direct monetary value to an individual family and do not involve implicit or explicit income support; and (2) one-time, short term assistance (e.g., automobile repair to retain employment). Under this definition, a transit pass given to a family each month to cover transportation costs constitutes "assistance." The definition, with slight modification, was included in the Administration for Children and Families' (ACF) proposed TANF rules published in the Federal Register on November 20, 1997. The comment period on the proposed rule closed February 18, 1998. ACF expects to issue a Final Rule by the end of the Federal Fiscal Year 1998.

Third, Federal assistance paid to a family counts toward the lifetime limit on the receipt of TANF benefits. Under the statute, Federal assistance can only be given to a family for a maximum period of 60 months, whether or not consecutive; States can set shorter limits or, provide assistance past the 60 month limit with State funds. This means that each month of assistance issued to a family counts toward the family's time limit. It is important that, when planning a transportation strategy to enable a TANF family to travel to work, States assess the impact of such assistance on the family's time limit and advise the family of this impact.

When planning for transportation services, States should also be aware of certain statutory requirements, restrictions, and cost principles that apply to the use of TANF funds. OMB Circular A-87 describes the principles that apply for determining allowable costs. Generally, OMB Circular A-87 provides that costs must be both "reasonable and necessary." The cost principles of OMB Circular A-87 are designed to ensure the fair and equitable expenditure of both Federal and State funds.

A primary requirement is that TANF funds be used in a manner that reasonably accomplishes the purposes of the TANF program (discussed in the preceding section). In addition, funds from one Federally funded program cannot be used to overcome a shortfall in another Federally funded program. Thus, decisions regarding the use of TANF funds must fulfill one or more purposes of the TANF program, but cannot be used to remedy a deficit in another Federally funded program.

For example, it would be improper to use TANF funds to fund another entity's project(s), or to carry out other responsibilities of a State or local government that benefit the non-TANF public (e.g., extension/expansion of a public transportation system). This limitation is particularly relevant if such expenses are otherwise covered under another specific appropriation or statutory funding mechanism. However, TANF funds may be used for transit projects benefitting eligible families within the purposes of the TANF program (e.g., contracting with a transit company, including a public transit service, to provide additional transportation so that eligible individuals have access to jobs that are clustered in areas where there is little or no transit services). Such an arrangement does not preclude other "non-TANF" individuals from also using the service but TANF funds may not pay for or subsidize use by non-TANF individuals. As non-TANF ridership and fare income increases, the arrangement may become less costly to the TANF program.

The OMB guidelines also provide the requirement and basis for allocating costs that may be associated with more than one Federal program or non-Federal program. For example, the TANF agency may arrange with another agency or program to use the vans or buses of the other agency or to share in the purchase of transportation services. Such costs must be allocated using a methodology that accurately divides the costs in accordance with the relative benefits received by each program.

It is also important to note that TANF funds may not be used to match another Federal grant program unless such double matching is authorized by the statute of the program. State expenditures may not count toward the MOE level if they were spent as a condition of receiving other Federal funds (Section 409(a)(7)(B)(iv)(IV) of the Social Security Act).

Finally, TANF funds may not be used to construct or purchase facilities or buildings. This restriction is based on the general rule, in a long line of Comptroller General decisions, that in the absence of specific legislative authority, appropriated funds may not be used for the permanent improvement of property, including construction and purchase. For example, see the decision at 42 Comp. Gen. 480 (1960).

2. Welfare-to-Work Grants

The U.S. Department of Labor provides WtW grants to States and local communities to create additional job opportunities for the hardest-to-employ TANF recipients. The grants total $3 billion for Fiscal Years 1998 and 1999. There are two kinds of grants: Formula Grants to States (75%) and Competitive Grants to local communities (25%). Generally, WtW funds can be used for job readiness activities, employment activities, job placement, post-employment services, and job retention and supportive services – including transportation assistance – which are designed to move hard-to-employ welfare recipients into unsubsidized employment. The following outlines some key features of the WtW program:

Eligible Participants

WtW funds can only be spent on eligible participants. WtW participants are a targeted group of welfare recipients. This group includes those who have received welfare for at least 30 months or are within 12 months of hitting their time limit on receipt of TANF assistance, and who have barriers to employment, specifically defined by statute, related to education, work history, or substance abuse. Certain individuals who appear likely to become long-term recipients are also eligible, as are certain non-custodial parents. Eligibility criteria for the WtW program are described in the Interim Final Rule at 20 CFR 645.212 and 213.

Formula grants

Seventy-five percent of WtW funds (less small set-asides for specific statutory purposes) are available to States in amounts based on the statutory formula set forth in Section 403(a)(5)(A)(v) of the Social Security Act. States must provide one dollar of non-Federal matching funds for every two dollars of Federal WtW funds. States are required to pass through at least 85 percent of the money to local Private Industry Councils (PICs) (unless the Secretary of Labor approves a waiver to permit an alternate entity to administer funds in a particular area) and may retain up to 15 percent of the funds for Welfare-to-Work projects that focus on helping long-term welfare recipients enter unsubsidized employment. As part of their WtW Formula Grant Plan, States are required to describe strategies to promote and encourage coordination with the State Department of Transportation, Metropolitan Planning Organizations, transit operators and other transportation providers at the State and local levels. The portion of funds contributed to these efforts by non-Federal funding sources that go toward the service of WtW eligible individuals may be counted toward the State WtW match requirement.

Competitive grants

The remaining 25 percent of funds will be available through competitive grants to local communities as described at Section 403(a)(5)(B) of the Social Security Act. The Department of Labor will award WtW competitive grants directly to political subdivisions (cities and counties) and PICs, as well as to private entities (such as community development corporations and community-based organizations, community action agencies, and other public and private organizations) which apply in conjunction with a PIC or political subdivision. The Secretary of Labor will give special consideration to rural areas and cities with large concentrations of poverty. For the purposes of the competitive grants only, a public transit system may apply for a competitive grant as a private entity in conjunction with the local PIC or political subdivision. As part of their competitive grant proposal, applicants are asked to describe the coordination and contributions of local housing and transportation authorities, in addition to other organizations. Competitive grant solicitation for grant applications will be available through the WtW Internet at http://wtw.doleta.gov.

Program Choices and Parameters

Because the WtW grants are part of the same subtitle of the Social Security Act as TANF, the broad purposes of the WtW program are the same as those outlined above for TANF. The Welfare-to-Work program is, however, more narrowly targeted to specifically provide transitional employment assistance to "move individuals into and keep individuals in lasting unsubsidized employment" by means of the six allowable activities listed in the statute (Section 403(a)(5)(C)(i) of the Social Security Act).

With a few exceptions, the allowable activities under WtW are similar to the activities permitted under TANF, and all of the requirements discussed above, including OMB Circular A-87, apply to the WtW Grants program. The exceptions, with regard to transportation services, are:

- WtW funds can be used only for transportation services that are not otherwise available to the participant (refer to Section 403(a)(5)(C)(i)(VI) of the Social Security Act and 20 CFR 645.220(e));

- WtW funds can only be spent on transportation services for individuals participating in an allowable WtW employment activity;

- In addition to the general prohibitions on double match described above, the Social Security Act specifically prohibits the use of WtW grant funds, and State WtW matching funds, to fulfill match requirements under TANF or any other Federal law (Section 403(a)(5)(C)(vi) of the Social Security Act).

- Under WtW, up to 50% of matching funds may be in the form of third-party in-kind contributions.

PICs are expected to coordinate local community resources to provide transitional employment assistance (particularly supportive services such as child care and transportation) to the WtW eligible population. Local communities have considerable flexibility in how they use the WtW funds, but the Department of Labor encourages States to facilitate collaboration with local transportation organizations to help WtW participants reach their new job opportunities. States should also encourage local WtW service providers to work with transportation providers to develop employment opportunities for welfare recipients in transportation services, including appropriate self-employment opportunities.

3. Other Resources

In addition to TANF and WtW, a variety of other Federal, State, and local programs or services can assist in providing transportation services to low-income families. Under such programs as Medicaid and the Job Training Partnership Act, the provision of transportation is allowable as a supportive service. Other ideas can be found in *Access To Jobs, A Guide to Innovative Practices in Welfare-to-Work Transportation*. States should encourage local agencies to utilize all available transportation services in their area to facilitate access to good jobs for low income Americans.

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Regional Offices (TRO I-X)

The FTA carries out its mission through offices located in the 10 standard Federal regions. The Regional Offices (Office Acronym:TRO I-X) field staff are FTA's main point of daily contact with state, local, and transit industry officials. The Regional Offices are delegated certain responsibilities for implementing FTA programs.

REGION 1 Boston	Transportation Systems Center Kendall Square 55 Broadway, Suite 920 Cambridge, MA 02142-1093 Areas served: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut	Tel. No. 617-494-2055 Fax No. 617-494-2865
REGION 2 New York	26 Federal Plaza, Suite 2940 New York, NY 10278-0194 Areas served: New York, New Jersey, and U.S. Virgin Islands	Tel. No. 212-264-8162 Fax No. 212-264-8973
REGION 3 Philadelphia	1760 Market Street Suite 500 Philadelphia, PA 19103-4124 Areas served: Pennsylvania, Virginia, West Virginia, Delaware, Maryland, and District of Columbia	Tel. No. 215-656-7100 Fax No. 215-656-7260
Philadelphia Metropolitan Office	1760 Market Street Suite 500 Philadelphia, PA 19103-4124	Tel. No. 215-656-7070 Fax No. 215-656-7260
REGION 4 Atlanta	Atlanta Federal Center Suite 17T50 61 Forsyth St., S.W. Atlanta, GA 30303 Areas served: North Carolina, Kentucky, Tennessee, South Carolina, Alabama, Georgia, Florida, Missippi, and Puerto Rico	Tel. No. 404-562-3500 Fax No. 404-562-3505
REGION 5 Chicago	200 West Adams Street Suite 2410 Chicago, IL 60606 Areas served: Illinois, Ohio, Minnesota, Wisconsin, Indiana, and Michigan	Tel. No. 312-353-2789 Fax No. 312-886-0351
Chicago Metropolitan Office	200 West Adams Street Suite 2410 (24th floor) Chicago, IL 60606	Tel. No. 312-886-1616 Fax No. 312-886-0351

REGION 6 Ft. Worth	524 East Lamar Boulevard Suite 175 Arlington, TX 76001-3900 Areas served: Texas, Oklahoma, Arkansas, Louisiana, and New Mexico	Tel. No. 817-860-9663 Fax No. 817-860-9437
REGION 7 Kansas City	6301 Rockhill Road Suite 303 Kansas City, MO 64131-1117 Areas served: Iowa, Kansas, Nebraska, and Missouri	Tel. No. 816-523-0204 Fax No. 816-523-0927
REGION 8 Denver	Columbine Place 216 16th St., Suite 650 Denver, CO 80202-5120 Areas served: Colorado, Utah, Montana, Wyoming, South Dakota, and North Dakota	Tel. No. 303-844-3242 Fax No. 303-844-4217
REGION 9 San Francisco	201 Mission Street Room 2210 San Francisco, CA 94105-1926 Areas served: California, Arizona, Nevada, Hawaii, Guam, American Samoa, and the Northern Mariana Islands	Tel. No. 415-744-3133 Fax No. 415-744-2726
Los Angeles Metropolitan Office	201 N. Figueroa, Suite 1460 Los Angeles, CA 90012	Tel. No. 213-202-3950 Fax No. 213-202-3961
REGION 10 Seattle	Jackson Federal Building 915 Second Avenue, Suite 3142 Seattle, WA 98174-1002 Areas served: Washington, Oregon, Idaho, and Alaska	Tel. No. 206-220-7954 Fax No. 206-220-7959

This Facsimile is from the

Office of Family Assistance

370 L'Enfant Promenade, SW
Aerospace Building 5th Floor
East Wing
Washington, DC 20447-0001

Date: 5/5/98 This transmission consists of this cover page plus 15 pages.

To: Andrea Nane	From: Elaine Richa—
Phone:	Phone: 401-5088
Fax no: 456-7431	

Message: Finally! Done!

Office of Family Assistance
Fax no. (202) 205-5887.

WR - Transportation

2/13/98

DRAFT LETTER

At my State of the Union speech, I was joined by Elaine Kinslow from Indianapolis, one of the many individual heros of the welfare revolution. After 13 years on and off welfare, Elaine now works as a transportation dispatcher with a van company. Not only is this job helping Elaine create a better life for her family -- it also helps other welfare recipients get to work. Her company takes patients to doctors' appointments, and also provides rides to former welfare recipients who cannot reach their jobs by public transportation.

There is a critical need for transportation to move people from welfare to work in rural, urban, and suburban areas. As you know, few welfare recipients own cars. Existing mass transit in many areas does not provide adequate links to jobs, either at all or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transportation services.

To support innovative efforts such as the one in Indianapolis and others like it around the country, 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 capital and operating expenses, and would also strongly encourage local collaboration among transportation and human service systems. 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, will work hand in hand with the 50,000 new welfare-to-work housing vouchers I've proposed to help welfare recipients move closer to new jobs or secure more 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 (WtW) 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 WtW 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 make use of current funds to the extent possible, I have directed the Secretaries of HHS, Labor, and Transportation to 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.

WR - Transportation

To: Bruce, Elena, Diana, Lyn, Ken
From: Cynthia Rice
Re: Transportation and Welfare to Work
Date: March 13, 1997

Here's an additional fact sheet on the transportation welfare to work proposal. Note that this is an update of a similar fact sheet from 12/20 that some of you might have.

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.

FTA 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.

WR-Transportation

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.

IMPROVING 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.

Comments to Jake Sweet 456-5316 asap

WR-Transportation

PRESIDENT WILLIAM J. CLINTON
REMARKS ANNOUNCING NEW TRANSPORTATION BILL
Wednesday, March 12, 1997

Acknowledgments: Secretary Slater; Senator Moynihan; Mayor Daley.

I have often talked about the need to build America's bridge to the 21st Century. That means finishing the job of balancing the budget -- to keep our economy the strongest in the world. It means giving our children the best education -- so they have the tools to succeed in the global economy and Information Age.

But building our bridge has a more literal meaning as well. America's bridges, highways and transit systems are a crucial source of our economic strength. They help us reach our jobs and our homes, move goods and services across the country, and keep our commerce reliable, efficient, and inexpensive. That is why I am proud that our administration increased the Federal investment in transportation infrastructure by nearly one-quarter in the past four years -- even as we cut the deficit by 63%. Today, our bridges and highways are stronger. One hundred miles of new transit lines are under construction. Congestion on America's roads is down. That success is part of the reason nearly 12 million new jobs have been created since we took office.

Today, I am pleased to announce that we are taking the next big step to maintain and modernize the best transportation system in the world. I am submitting to Congress the National Economic Crossroads Transportation Efficiency Act -- known as NEXTEA. This comprehensive legislation commits $175 billion over the next six years to improve America's bridges, highways and transit systems. At the same time, it will create tens of thousands of jobs, improve highway safety, protect our air and our water, and help move people from welfare to work.

I am especially proud that as we build America's infrastructure, we will help build better lives for those who are moving off welfare. One of the biggest barriers facing people who move from welfare to work is finding the transportation to get to their jobs, their training programs, or their children's day care centers. This bill provides $600 million over 6 years to ensure that those who now must work, can get to work. It supports innovative means of transportation, such as vanpools. It helps pay for transportation to day care facilities and training centers that are located at transit links. It makes it much easier for welfare recipients to find jobs, and to meet their obligations to their employers and their families once they begin those jobs. In doing so, it will help us reach our goal of moving 2 million more people off the welfare rolls by the year 2000.

Another critical feature of this legislation is its landmark commitment to protecting our environment. NEXTEA provides more than $1.3 billion a year to reduce air and water pollution, and preserve wetlands and open space. It helps communities reduce congestion and improve air quality by nearly one-third, by helping them to invest in cleaner and more efficient methods of transportation. It supports cleaner and greener alternatives to our highways -- such as recreational trails for hiking and horseback-riding, bike paths to go to work or just go for a ride, and pedestrian walkways. NEXTEA also continues our investments in scenic and historic byways, and landscaping and planting to beautify America's roadsides.

At its heart, this bill is about more than our roads and our bridges. It is about our values. It is about the exciting opportunity of cutting-edge commerce, and the roads and bridges we need to sustain it. It is about the responsibility of those moving from welfare to work, and <u>our</u> responsibility to help them get there. It is about the community we share, and the steps we must take to make it safer and cleaner for all our children.

The opportunity to reshape America's infrastructure comes only once every five years -- which means that this is the transportation bill that will carry America into the 21st Century. That is why we need this new legislation: to keep our economy on the right track, and to ensure that the track itself is strong enough and sturdy enough to carry into a new century and economy, with all the promise and possibility they will bring.

<u>Jane</u>

100m – generate strategic ~~[illegible]~~ thinking
Competitive grant program – transit operator, state, city, MPO – show strategy in place
– Planning, operating, + capital
– coordination w/soc. services + private sector transport.
– model of ISTEA, ~~[illegible]~~ 50/50

25 states NGA

Chicago – successful demo ride-in to outer suburbs, HUD's Bridges to Work

NEXTEA

THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION EFFICIENCY ACT

SHAPING AMERICA'S SURFACE TRANSPORTATION SYSTEM FOR THE 21ST CENTURY

MARCH 12, 1997

THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION EFFICIENCY ACT

Today, President Clinton will announce the National Economic Crossroads Transportation Efficiency Act (NEXTEA), a six-year, $175 billion investment program to improve America's highways, bridges, transit systems, and railroads; lower the toll in lives and health care costs from motor vehicle crashes; enhance America's environment; and support mobility and economic prosperity. NEXTEA increases surface transportation funding by $17 billion, or 11 percent, over the $157 billion authorized by ISTEA.

■ **"REBUILDING AMERICA" -- $175 BILLION INVESTMENT WHILE BALANCING THE BUDGET**
- Increases funding for core highway programs by 30 percent over ISTEA levels.
- Provides greater flexibility for states and localities to target funds that best meet community needs.
- Expands programs for innovative financing to leverage federal dollars.
- Provides $600 million to deploy intelligent transportation technology to cut travel time and enhance safety.

■ **PUTTING A STRONGER EMPHASIS ON SAFETY**
- Increases funding for the National Highway Transportation Safety Administration by 25 percent to $395 million.
- Increases highway and truck safety funding by $2 billion.
- Increases funding for drunk driving prevention by 60 percent.
- Creates and expands programs to increase the proper use of safety belts and child restraints, reduce drunk and drugged driving, and continue research into building safer roads and vehicles.

■ **PROTECTING THE ENVIRONMENT**
- Increases funding for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) by 30 percent, to $1.3 billion annually.
- Increases Transportation Enhancements funding by more than 25 percent to support bike paths, pedestrian walkways and other community-oriented projects.
- Expands CMAQ eligibility to include regions that fail to meet any new air quality standard.
- Provides greater flexibility for state and local investment in non-polluting modes of transportation.

■ **INVESTING $600 MILLION TO MOVE PEOPLE FROM WELFARE TO WORK**
- Supports flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are.
- Increases incentives for states and localities to provide job training for federally-funded technology and construction projects.

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REBUILDING AMERICA

America's prosperity and quality of life are linked to our transportation system's efficiency, which keeps production costs low and maintains our international competitiveness. When President Clinton promised to "rebuild America" five years ago, this system suffered from inadequate capacity, deteriorating infrastructure, and poor connections among different forms of transportation. The President has worked with Congress to make good on his promise, taking advantage of ISTEA to raise infrastructure investment to record levels.

ISTEA SUCCESSES

- ✔ Under President Clinton, federal transportation infrastructure investment increased 21 percent, to an average of $25.5 billion annually.

- ✔ Many indicators of highway conditions and performance have stabilized or improved. The condition of bridges and highway pavement, which had been deteriorating, has stabilized. We have kept pace with our transportation system's maintenance requirements and stopped its deterioration.

- ✔ Transit investment has increased, including over $3 billion transferred using ISTEA's flexible funding provisions. Nearly 26,000 new buses and nearly 600 new rail cars have been bought for state and local transit agencies, and more than 100 miles of new transit lines serving more than 100 new stations are under construction. Transit speeds have improved by an average of about 10 percent.

KEY NEXTEA PROVISIONS

- ■ NEXTEA builds on ISTEA's successes while helping us to move towards a balanced budget. It would authorize about $175 billion for surface transportation programs from 1998 through 2003, an 11 percent increase over ISTEA. The proposed authorization levels would sustain or expand core programs such as the National Highway System, maintenance of the Interstate Highways, bridge reconstruction, and mass transit.

- ■ NEXTEA gives state and local officials greater flexibility to target funds towards projects that best meet community needs, including Amtrak and intercity rail passenger facilities. It also increases the tools available to them by making intelligent transportation systems eligible under all major program categories and by expanding innovative finance strategies to cut red tape and to leverage private and nonfederal public resources.

A COMMITMENT TO SAFETY

More than 40,000 Americans die and three million are injured in motor vehicle crashes each year, inflicting a tragic toll on millions of families. In addition, these crashes cost our economy $150 billion annually, including $14 billion paid directly by taxpayers for expenses such as health care and emergency services. Improved safety can help to control these costs.

ISTEA SUCCESSES

✔ Under ISTEA, with its enhanced commitment to safety, highway fatalities have been lower than in decades, averaging about 41,000 annually. Safety belt use has grown from 11 percent of motorists in 1982 to 68 percent last year. Alcohol-related fatalities have decreased from 57 percent of crashes in 1982 to 41 percent in 1995.

KEY NEXTEA PROVISIONS

Our challenge is to continue the progress on safety even as traffic increases. Recently, we have seen warning signs that we may be approaching the limits of progress under ISTEA: the fatality rate has stagnated, increases in safety belt use have leveled off, and the number of alcohol-related deaths has increased. NEXTEA would attack these problems by focusing on three key areas: driver behavior, road design, and vehicle standards.

Safer Drivers

- NEXTEA would increase NHTSA safety funding by 25 percent to $395 million, and fund incentive programs to reduce drugged and drunken driving, to increase safety belt use, and to collect improved data on highway safety to better identify and solve safety problems.

- $9 million annually in financial incentives would be provided for states to increase proper use of safety belts and child restraints.

- NEXTEA would increase funding for drunk driving prevention by 60 percent to $40 million in 1998, and reward states for aggressively reducing drunk driving through administrative driver's license suspensions and revocations, programs to prevent minors from drinking, and effective sanctions for repeat offenders.

- NEXTEA would provide $5 million annually beginning in 1999 in grants to states to prevent drugged driving. A state would be eligible for these grants if it adopted five of nine countermeasures, including zero tolerance laws, administrative license suspension for those driving under the influence, and pre-license drug testing.

Safer Roads

- Under ISTEA, funding was set aside to eliminate road hazards and to make highway-rail grade crossings safer. Grade crossing deaths alone have dropped by 31 percent. NEXTEA would build on this progress by replacing this set-aside with a flexible, six-year, $3.2 billion Infrastructure Safety Program. States would now have the ability to transfer funds to enforcement and behavioral programs if they would have a greater impact on safety.

Safer Vehicles

- States would have increased flexibility for tougher enforcement, such as targeting shippers who encourage truckers to violate rules and increasing penalties for violators. States also would be reimbursed for border enforcement and other high-priority activities that improve trucking safety.

- Under NEXTEA, the freeze on the size and weight of larger combination trucks on Interstate Highways and other routes would continue. We are doing a comprehensive study of this and related issues, and may soon propose additional steps in future safety legislation.

- Much progress on safety has been the result of vehicle design aimed at protecting motorists in crashes. NEXTEA would build on the progress to date with a $45 million annual research program targeted at improving crash avoidance and crash worthiness. In addition, more than a third of intelligent transportation systems research would be focused on collision avoidance systems and other "smart vehicle" technologies that prevent crashes.

- A new focus on performance in safety programs would measure effectiveness by looking at quantifiable results, not at how much money or effort is put into solutions.

INCREASING INVESTMENT THROUGH INNOVATIVE FINANCING

In spite of ISTEA's record investment, the federal government alone cannot meet all of our infrastructure needs. President Clinton recognized this in his January 1994 Executive Order on infrastructure, in which he directed us to cut red tape to speed construction and supplement federal funds by leveraging private and nonfederal public investment.

ISTEA SUCCESSES

- ✔ President Clinton's Partnership for Transportation Investment accelerated 74 projects worth \$4.5 billion, including \$1.2 billion in investment beyond that available through conventional financing. Projects are advancing an average of two years ahead of schedule, saving interest and inflation costs.

- ✔ Some innovative finance initiatives also advance other national priorities, such as in Missouri and Arizona, where entrepreneurs were given permission to install fiber optic cable within highway rights-of-way in return for reserving part of the cable as the backbone of statewide intelligent transportation systems.

- ✔ The new State Infrastructure Bank program uses federal seed money to leverage private and nonfederal public funds in 10 pilot states. Among the proposed uses of these funds are: a loan to start construction on a highway interchange without waiting for the full federal funding to be accumulated; a loan to finance a toll road's interest costs while it is being built, before revenues can begin to pay off the construction debt; and a loan to buy new light rail vehicles.

- ✔ We provided a direct loan to California's Alameda Corridor, which will speed shipping from Los Angeles' port by creating a dedicated freight rail corridor. We also provided standby lines of credit to secure private financing for California toll roads; at a cost of just \$18 million, we supported \$2.5 billion in construction financing

KEY NEXTEA PROVISIONS

- ■ NEXTEA would open the State Infrastructure Bank program to all states, increase the federal seed money dedicated to these banks, and allow states to use up to 10 percent of their regular federal-aid highway funds to capitalize their banks.

- ■ \$100 million annually would be dedicated to help leverage nonfederal public resources for projects of national significance, such as interstate trade corridors.

ENSURING GLOBAL COMPETITIVENESS

Under President Clinton, America is once again the most economically-competitive nation in the world and its leading exporter, and this is due in great measure to the reliability and low costs of our transportation system. In an increasingly-global economy, keeping transportation efficient is crucial to our continued competitiveness and to taking advantage of the markets opened by NAFTA and GATT.

ISTEA SUCCESSES

✔ Seamless connections among different forms of transportation, such as between trucks, railroads, and seaports, are important for efficiency, and ISTEA-funded projects are making possible these connections. These projects include truck-rail freight transfer facilities in Stark County, Ohio, and Auburn, Maine, and projects in Portland, Oregon and Seattle designed to improve rail and truck access to seaports.

✔ Projects such as the Red Hook barge transfer, which daily takes hundreds of trucks off New York's crowded streets, often have important social and environmental benefits, and ISTEA made them eligible for funding through such flexible initiatives as the Congestion Mitigation and Air Quality Improvement Program and our innovative finance programs.

KEY NEXTEA PROVISIONS

- NEXTEA would facilitate trade by creating new programs to improve border crossings and develop major trade corridors within the U.S., cutting congestion and eliminating bottlenecks.

- NEXTEA would support projects of national significance, such as those focused on trade corridors, through dedicated funds and by expanding the State Infrastructure Bank program.

- The proposal would expand funding eligibility to include access to intermodal terminals and water ports. This is a vital change since much international trade -- 98 percent by weight, 50 percent by value -- is shipped through ports. These programs also would make eligible for funding Amtrak and intercity rail passenger and public freight facilities and intelligent transportation systems projects, which can improve the logistics crucial to "just-in-time" deliveries.

IMPROVING 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, since two-thirds of new jobs are in suburbs. To support 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.

PROTECTING THE ENVIRONMENT

Scientific research demonstrates the effects of pollution on our health and on the ecological systems which sustain human life. President Clinton has taken advantage of ISTEA's landmark environmental provisions to reduce air and water pollution, to preserve wetlands and open space, and to make transportation facilities more compatible with the environment.

ISTEA SUCCESSES

✔ The largest ISTEA environmental initiative is the Congestion Mitigation and Air Quality Improvement Program (CMAQ), which authorized $1 billion annually under ISTEA to help communities meet national standards for healthy air. CMAQ has funded such innovative projects as cleaner natural gas buses in Cleveland and Boise, a child care center to promote ridership at a San Jose transit facility, and an inspection and maintenance program in Indiana, which ensures that auto emissions systems continue to cut pollution.

✔ ISTEA supported important travel alternatives, such as bikeways and pedestrian paths, and preserved scenic and historic roadside vistas, supporting tourism and strengthening local economies.

KEY NEXTEA PROVISIONS

■ NEXTEA would increase CMAQ funding by 30 percent, to $1.3 billion annually, and expand funding eligibility to include scrappage of higher-polluting pre-1980 vehicles. It also would act on new research on the dangers of particulate matter by allowing areas that do not meet health standards for this pollutant to receive CMAQ funds. NEXTEA also would ensure that no state loses CMAQ funds as a result of the Environmental Protection Agency's proposed changes in air quality standards.

■ NEXTEA would increase Transportation Enhancements funding by more than 25 percent, supporting projects designed to strengthen the cultural, aesthetic, and environmental aspects of our transportation system.

■ The National Scenic Byways program, which designates roads of aesthetic or historic value and funds improvements to them, would be continued, and the list of eligible activities would be expanded to include scenic byway marketing programs. Funding for recreational trails, bicycle transportation and pedestrian walkways, landscaping, and wildflower plantings also would be continued, as would ISTEA's commitment to inclusive transportation planning which reflects such community values as environmental preservation.

IMPROVING TRANSPORTATION THROUGH TECHNOLOGY

Technology can improve the performance of roads and transit systems and effectively increase their capacity, especially in urban areas where new construction is too expensive or environmentally unsound. Technology also can make travel safe: most automobile crashes involve human error, and advanced collision avoidance systems and highway-rail grade crossing warnings can save hundreds of lives annually. Finally, technology can provide the logistical support needed for such innovations as "just-in-time" deliveries, which are cutting costs and improving productivity at nearly a third of U.S. companies.

ISTEA SUCCESSES

✔ ISTEA established a major federal commitment to intelligent transportation systems (ITS), the application of advanced information and communications technologies to travel. The federal role includes providing seed money for development and deployment, assistance in the creation of technology standards to promote system integration, and the coordination of public and private research efforts.

✔ The first generation of ITS is already being deployed: in Denver, synchronized traffic signals reduced travel times by over 15 to 20 percent, and in Seattle, ramp metering has cut accident rates by more than 60 percent. *Operation TimeSaver*, an initiative to reduce travel times in 75 cities by 15 percent over the next decade, was launched last year. Under this initiative, states may use their federal transportation funds to deploy ITS systems.

✔ Overall federal transportation research and technology investment increased to record levels, $930 million in 1997 alone. Initiatives resulting from this investment include high-performance materials, such as Superpave asphalt, which cost less and last longer, and the application of global positioning satellite systems to aviation and maritime navigation.

KEY NEXTEA PROVISIONS

■ NEXTEA would provide states and localities with ITS training and technical assistance, and fund a $600 million incentive program to help cities integrate their ITS programs and to help rural areas deploy ITS to improve safety, mobility, and commercial vehicle operations. It also would expand the eligibility of all major program categories to include ITS, so technology will always be considered as a strategy for meeting travel demand.

■ NEXTEA would increase overall federal investment in technology research for initiatives including advanced composites for stronger, safer roads and bridges and second-generation ITS technologies such as collision avoidance systems.

STRENGTHENING URBAN COMMUNITIES

Sound transportation is crucial for sustaining economic prosperity and a high quality of life in our cities. Targeted infrastructure investment can reduce congestion and improve connections so businesses can take advantage of the city's proximity to suppliers, support services, markets, and amenities. Such investment also can generate jobs for city residents, directly through construction, and indirectly by attracting new businesses.

ISTEA SUCCESSES

✔ ISTEA strengthened the role of cities in the transportation planning process, giving cities greater control over a substantial portion of federal funds and enabling them to choose projects which best met urban needs.

✔ Together with the increased flexibility of many programs, this enabled funding to be transferred to such urban needs as transit. Over $3 billion traditionally earmarked for highways was used for high-priority transit projects, most in cities, and overall transit funding increased under ISTEA, reaching a record $6 billion in 1995 alone.

KEY NEXTEA PROVISIONS

■ NEXTEA sustains investment in mass transportation by increasing direct federal transit funding to $5 billion a year, by increasing the flexible Surface Transportation Program, and by making Amtrak and intercity rail terminals eligible for funding. Transit programs would be streamlined to make it easier for local officials to select the options that make the most sense for their communities

■ NEXTEA includes a six-year, $600 million program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are and to provide access to training and such support services as child care.

■ Technology can provide needed additional urban travel capacity with less disruption to established communities and at less cost than new construction. NEXTEA proposes to make intelligent transportation systems eligible under all major programs, and to create an incentive program to ensure that these technologies are fully integrated.

■ NEXTEA would further strengthen the role of central cities in regional planning and simplify federal planning requirements.

SERVING RURAL AMERICA

Transportation is as vital to rural areas as it is to cities. Sound transport is vital for shipping raw materials and agricultural products. Tourism, generated by the four in five Americans who drive for pleasure in rural areas, sustains many local economies. And many rural residents rely on transit to reach schools, health care, and other necessary services.

ISTEA SUCCESSES

- ✔ ISTEA provided over $1 billion for special projects in rural America, such as protecting scenic roadside vistas, preserving historic transportation facilities, and beautifying communities with bicycle and pedestrian facilities.

- ✔ ISTEA benefitted rural areas with provisions like special transit programs for small communities, transportation enhancements, scenic byways, and set-asides for off-system bridges.

KEY NEXTEA PROVISIONS

- ■ NEXTEA would strengthen rural communities' involvement in transportation planning by requiring coordination with local rural officials when statewide transportation plans are developed.

- ■ NEXTEA would increase investment in core programs affecting rural areas, such as the National Highway System, Transportation Enhancements, and Rural Transit Assistance, and expand funding eligibility to include Amtrak and intercity rail and bus, two key lifeline for rural America.

- ■ NEXTEA would raise authorizations for the Federal Lands Highways Program to $525 million, funding improvements on roads in national parks and forests, Indian reservations, and other public lands.

Document No. ____________

WHITE HOUSE STAFFING MEMORAND[redacted]

WR-Transportation

DATE: 3/11/97 ACTION/CONCURRENCE/COMMENT DUE BY: Wed. 3/12 8:15a

SUBJECT: POTUS' Remarks Announcing New Transportation Bill

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McCURRY		✓
BOWLES	✓		McGINTY		
McLARTY			NASH		
PODESTA	✓		RUFF	✓	
MATHEWS	✓		SMITH		
RAINES	✓		REED	✓	
BAER	✓		SOSNIK	✓	
ECHAVESTE	✓		LEWIS	✓	
EMANUEL	✓		YELLEN		
GIBBONS			STREETT		
HALE	✓		SPERLING	✓	
HERMAN			HAWLEY		
HIGGINS	✓		WILLIAMS		
HILLEY	✓		RADD		
KLAIN	✓				
BERGER					
LINDSEY					

REMARKS:

Comments to Jake Siewert 62620

RESPONSE:

Staff Secretary
Ext. 6-2702

'97 MAR 11 PM10:43

PRESIDENT WILLIAM J. CLINTON
REMARKS ANNOUNCING NEW TRANSPORTATION BILL
Wednesday, March 12, 1997

I have often talked about the need to build America's bridge to the 21st Century. That means finishing the job of balancing the budget -- to keep our economy the strongest in the world. It means giving our children the best education -- so they have the tools to succeed in the global economy and Information Age.

But building our bridge has a more literal meaning as well. America's bridges, highways and transit systems are a crucial source of our economic strength. They help us reach our jobs and our homes, move goods and services across the country, and keep our commerce reliable, efficient, and inexpensive. That is why I am proud that, even as we moved toward a balanced budget and cut the deficit by 63%, we still increased the Federal investment in transportation infrastructure over the past four years. Today, our bridges and highways are stronger. One hundred miles of new transit lines are under construction. That success is part of the reason nearly 12 million new jobs have been created since we took office, including 1.1 million new construction jobs.

Today, I am pleased to announce that we are taking the next big step to maintain and modernize the best transportation system in the world. I am submitting to Congress the National Economic Crossroads Transportation Efficiency Act -- known as NEXTEA. This comprehensive legislation authorizes $174 billion over the next six years to improve America's bridges, highways, and transit systems. At the same time, it will create tens of thousands of jobs, help move people from welfare to work, protect our air and our water, and improve highway safety.

I am especially proud that as we build America's infrastructure, we will help build better lives for those who are moving off welfare. One of the biggest barriers facing people who move from welfare to work is finding the transportation to get to their jobs, their training programs, or their children's day care centers. This bill provides $600 million over 6 years to help provide and pay for transportation so that those who now must work, can get to work. In doing so, it will help us reach our goal of moving 2 million more people off the welfare rolls by the year 2000.

For too long, too many believed that strong transportation and a clean environment could not go hand-in-hand. This bill proves that simply isn't true. NEXTEA provides more than $1.3 billion a year to reduce air and water pollution, and preserve wetlands and open space. By helping communities invest in cleaner methods of transportation; by supporting recreational trails, bike paths, and pedestrian walkways; by investing in scenic byways and landscaping -- this bill strengthens our infrastructure while protecting and enhancing our precious natural resources.

NEXTEA also builds on our progress in making our roads safer -- increasing highway traffic safety funds by 11 percent, and expanding our aggressive campaign to crack down on drunk and drugged driving.

At its heart, this bill is about more than our roads and our bridges. It is about cutting-edge jobs and commerce, and the infrastructure we need to prepare for them. It is about the responsibility of those moving from welfare to work, and our responsibility to help them get there. It is about the community we share, and the steps we must take to make it safer and cleaner for our children.

The chance to reshape America's infrastructure comes only once every six years -- which means that this is the transportation bill that will carry America into the 21st Century. That is why we must work together to pass this legislation, building on a long, bipartisan tradition of transportation policy. Together, we can keep our economy on the right track -- and ensure that the track itself is strong enough for the enormous challenges and opportunities that lie ahead.

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

WR - Transportation

cc: Phil Waldman ASAP + return BR Jana Lieber DAS Policy

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.

1 sentence new idea in SOTU *

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 disproportionatly 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) existance 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.

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

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