



**STATE OF NEW YORK
DEPARTMENT OF LABOR**

Governor W. Averell Harriman State Office Building Campus
Albany, New York 12240

George E. Pataki
Governor

Linda Angello
Commissioner of Labor

July 22, 2002

Mr. William P. Challice
Audit Director
Office of the State Comptroller
Division of Management Audit and
State Financial Services
123 William Street, 21st Floor
New York, New York 10038

Dear Mr. Challice:

The Department of Labor (Department) has received and reviewed audit report 2000-S-63 issued by the State Comptroller on December 14, 2001, regarding the actions taken by the Department to ensure that the transportation needs of Temporary Assistance for Needy Families (TANF) recipients are adequately identified and met by local social services districts. As already indicated in previous responses to this audit, the Department believes this audit was conducted in a manner that failed to adequately address the implementation, operation and successful outcomes of the Department's transportation programs.

The Department is confident that we have done, and continue to do, an efficient job in distributing the federal funds and ensuring that the transportation needs of all recipients are being met. The evidence is in the fact that participation rate requirements have been met, entries to employment have been increasing and caseloads have been declining dramatically during the past seven years. The Department intends to continuously review and refine the program as warranted. Our monitoring efforts will continue to involve a close working relationship with localities to ensure that their needs, and the clients', are met.

Having stated the above, however, Section 170 of the Executive Law requires that, after receipt of this audit report, I report to you regarding what steps were taken to implement the recommendation set forth in this audit and, where the recommendation was not implemented, the reason. Therefore, the Department's actions are indicated as follows:

Recommendation # 1:

Allocate TANF transportation grant funds to the local districts on the basis of need, as determined by, in conjunction with the local districts, a comprehensive statewide assessment of TANF recipients' transportation needs. Guidance for the performance of such an assessment is provided by the planning guidelines issued by HHS and the USDOT.

Department Response:

As indicated previously, the Department's allocation methodologies that were used were allowable under federal and State law. The audit produced no substantial evidence that the Department's allocation methodologies were inappropriate or that a statewide assessment was needed.

Recommendation #2:

Develop a means, such as the use of GIS technologies, to assist in evaluating and approving local district assessments of transportation needs.

Department Response:

The Department is continuing to develop this technology to assist local districts in identifying transportation needs. In addition to using locations, addresses and maps, information on the availability of transportation and employment will be used in developing this system.

Recommendation #3:

Re-engineer, streamline and expedite the process that is used to provide TANF transportation funds to the local districts to ensure that all TANF transportation grant funds are used to meet documented transportation needs.

Department Response:

As indicated in the report, our initial delay was caused by a lack of clarification from the federal government regarding the types of transportation that are allowable under TANF. Despite the efforts of OSC staff to minimize this issue, it is clear that the inability to attain clear guidelines was a significant factor in delays in implementing these programs. It is also disconcerting that OSC would suggest that other states were able to implement transportation programs without such federal guidance. Regardless of what is indicated in the report, the Department will continue to seek guidance from the federal government to ensure compliance with regulations. In addition, the report fails to adequately address the availability of Training Related Expenses (TREs) for transportation. These funds have been available for many years. Additional transportation funds were made available to enhance existing systems. While the Department is always interested in streamlining our application processes, this recommendation does not fully address the issues that impacted the initial application delays.

Recommendation #4:

Periodically visit selected districts and review case files to evaluate the performance of the districts in identifying and providing the transportation services needed by TANF recipients, and document the results of these reviews.

Department Response:

The Department has visited selected districts and reviewed case files to evaluate the districts' performance in meeting numerous policy and procedural concerns. One prior review addressed whether assessments are conducted comprehensively and in a manner consistent with Welfare-To-Work policy. Information on these reviews has been made available to your auditors in response to other audits. An integral component of a proper assessment is the determination of the support services necessary to enable the TANF recipient to become self-sufficient. Transportation and childcare have been and continue to be the two most common supportive services that need to be put in place prior to assigning the recipient to a work activity and are routinely addressed in every assessment interview. The Department will continue to conduct case file reviews to evaluate Welfare-To-Work policy and procedures.

Recommendation #5:

Issue guidelines to the local districts defining who is eligible for TANF transportation services, and issue guidelines specifying how the local districts should reimburse recipients' transportation expenses, unless justification can be provided for maintaining the inconsistent eligibility criteria and inconsistent reimbursement rates identified by our audit.

Department Response:

The Department does not agree with the OSC recommendation that our program criteria are inconsistent. The audit fails to recognize that the needs of low-income individuals vary throughout the State. Program guidelines are contained in transportation plans or in transportation Request for Proposals (RFP). Welfare-To-Work staff review the plans or RFPs to determine if local districts and providers can meet the guidelines before approvals are made. The Department continues to believe that local government is better able to determine how to provide needed services to their low-income populations. Both federal and state laws do not require statewide standards, allowing flexibility when implementing programs funded through TANF. The Department believes that issuing additional guidelines is unnecessary.

Recommendation #6:

Develop special programs of coordination and assistance, including programs promoting the adoption of best practices from other districts, to help rural districts meet the transportation needs of their TANF recipients.

Department Response:

The Department is confident that we have developed transportation programs that successfully meet the diverse needs of all TANF recipients in the State. Department staff continue to work with local district staff and provider agencies to identify issues that impact program operation and the development of solutions. Together with SENSES, we hosted a series of community education forums on transportation funding and initiatives. These forums addressed the Community Solutions for Transportation (CST) program and its expansion to the 200 percent of poverty population, as well as providing an opportunity for disseminating “best practices.” We have also put together information on successful transportation initiatives in New York State and across the country. While the Department does not believe that “special programs of coordination and assistance” need to be developed as indicated in the recommendation, we will continue to work with our local districts, providers and community groups in identifying issues and sharing best practices.

Recommendations #7 and #8:

Follow up with local districts that do not submit quarterly TANF transportation reports on time and determine what can be done to enable the districts to submit the required information in a timely manner.

Fully implement mechanisms to capture and summarize relevant TANF transportation data in a format that facilitates the evaluation of local district performance in meeting TANF recipients’ transportation needs.

Department Response:

As previously indicated to your audit staff, the Department has developed a web-based reporting system for Department transportation programs. This system enables providers and districts to routinely and easily report program achievements. This system has been working well and reports are submitted on a timely basis. Using this information, the Department produces a variety of management reports that summarize program performance, which adequately address these two recommendations.

Recommendation #9:

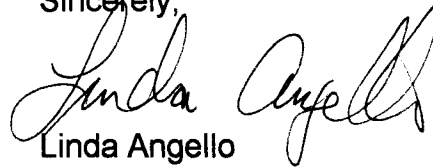
Establish measurable performance indicators and desired outcomes for local districts’ TANF transportation programs.

Department Response:

The Department’s Welfare-To-Work Division is working to incorporate program goals into existing management reports. These goals are based on approved plans and competitive proposals. Once completed, all future reports will include cumulative data compared against the agreed upon criteria.

If you have any questions, please contact Karen C. Stackrow, Director of Internal Audit, at (518) 457-9016.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Angello". The signature is fluid and cursive, with the first name "Linda" and last name "Angello" clearly distinguishable.

Linda Angello

cc: Governor George E. Pataki
Lt. Governor Mary O. Donohue
Comptroller H. Carl McCall
Senate President Pro Tem Joseph L. Bruno
Senate Minority Leader Martin Connor
Speaker Sheldon Silver
Assembly Majority Leader Paul A. Tokasz
Assembly Minority Leader Charles H. Nesbitt
Senate Finance Committee Chairman Ronald B. Stafford
Senate Finance Committee Ranking Minority Member William T. Stachowski
Assembly Ways & Means Committee Chairman Herman D. Farrell, Jr.
Assembly Ways & Means Committee Ranking Member Thomas Barraga
Assembly Oversight, Analysis and Investigation Committee Chairman Jeffrey Klein
Ms. Carole Stone, Director, Division of the Budget