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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 20, 2003

Ms. Linda Angello
Commissioner
Department of Labor
Building 12, State Office Campus
Albany, NY 12240

Re: Report 2003-F-11

Dear Commissioner Angello:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the Department of Labor (Department) as of April 23, 2003, to implement the recommendations contained in our audit report, *Meeting the Transportation Needs of TANF Recipients* (Report 2000-S-63). Our report, which was issued on December 14, 2001, reviewed actions taken by the Department to ensure Temporary Assistance for Needy Families (TANF) transportation grants were allocated to local districts in an effective manner, and that the transportation needs of TANF recipients are adequately identified and met by local social services districts.

Background

About 340,000 individuals in New York State receive public assistance benefits through the federally funded TANF Program. Since these benefits are generally available for a limited amount of time most TANF recipients are expected to become economically self-sufficient through placement in jobs or training programs expected to lead to employment. In New York State, these employment and training programs are overseen by the Department, and are directly administered by 58 local social services districts (districts).

The districts are responsible for placing the recipients in jobs or training programs. If a recipient does not live within walking distance of work-related activities, and needs help getting to and from these activities, the district is required to provide assistance to the recipient in the form of transportation services such as bus passes, shuttle service, reimbursement for work-related transportation expenses, or other actions. These services may be paid for with Federal TANF funding. Transportation service funding from this program totaled \$70.5 million for the five fiscal years ended March 31, 2003. TANF transportation grants were allocated to the Department, to enhance transportation services to TANF recipients.

For some TANF recipients, a lack of transportation can be a significant barrier to successful participation in work-related activities. For example, if a recipient does not own a car and does not live within walking distance of a job or training location, it may be difficult for the recipient to find a job or obtain needed training. While public transportation may provide access to jobs or training locations, the available routes and times may not meet the recipient's particular needs and the cost may be a hardship. Therefore, to help TANF recipients overcome barriers created by a lack of transportation, the states may use part of their TANF block grant to fund transportation services for their recipients.

TANF transportation funds are distributed to the local districts through an annual grant process that is administered by the Department. Through this process, a district could request funds to reimburse recipients for their actual transportation expenses, or for transportation activities, such as contracts with shuttles, purchases of new bus routes serving TANF recipients, or any other activity allowed by the Federal regulations.

The Department began accepting grant applications for the 1997-98 fiscal year. For the six fiscal years ended March 31, 2003, the Department has been allocated a total of \$70.5 million in TANF transportation funds for use by the districts. In the 1997-98 and 1998-99 fiscal years, the funds were allocated through a single transportation program (the TANF Transportation Grant program). Beginning in the 1999-00 fiscal year, the funds could also be allocated through two additional programs; the Community Solutions for Transportation program, which is intended to develop county and/or regional transportation solutions for TANF recipients by maximizing available transportation resources and reducing duplication of services through a strong partnership among districts, transit providers and the local workforce; and the Wheels for Work program, which is intended to fund innovative projects helping recipients obtain their own vehicles.

Collectively, to date, the TANF Transportation, the Community Solutions for Transportation, and the Wheels for Work programs have expended, \$28.5 million of the \$70.5 million originally appropriated since 1997. The remaining \$42 million is obligated to be spent via existing contracts and local plans.

Summary Conclusion

Our prior audit found that TANF transportation funds were not distributed to the local districts in a timely, need-based fashion. We also found that the Department had no mechanisms in place to monitor and track these transportation programs. That audit addressed only the TANF transportation program because the other two programs were only in their initial phases at the time of that audit. However, the recommendations and implementation status as described in this report, addresses all three programs.

In our follow-up review, we found that Department officials have made progress in implementing the recommendations contained in our prior audit report. The Department is developing a Geographic Information Systems (GIS) mapping system to identify need throughout the State as well as to identify service delivery gaps. The Department has created a new web-based reporting system to track and summarize district data and progress for the purposes of monitoring and providing assistance. The Department acknowledged that a statewide needs assessment would

have been a potentially useful tool had there been ample time to do so prior to program implementation, and in a manner that would not have delayed the primary objective of operationalizing the legislated program.

Summary of Status of Prior Audit Recommendations

Of the nine prior audit recommendations, Department officials have implemented seven recommendations and partially implemented two recommendations.

Follow-up Observations

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 USDOT.

Status - Implemented

Agency Action - Initially, the Department allocated monies for the TANF transportation grant program within the Federal Guidelines, however, that allocation was not needs based. Department officials indicated that a statewide needs assessment would have been useful although difficult because of the tight timeline to distribute the funding; a study would have delayed that even more. While also not based on need, Community Solutions for Transportation funds were distributed to all districts based on poverty statistics. Similarly, the initial funds for the Wheels for Work program were not awarded based on need. Department officials have now changed the process for awarding TANF transportation funds for all three programs to a needs-based allocation.

Recommendation 2

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

Status - Partially Implemented

Agency Action - The Department is developing a comprehensive GIS to track transportation, childcare and individuals through on-line collaboration. Currently, the Department has experienced delays in the development process that officials attribute to technical difficulties and the system is not yet fully implemented. We were provided a program description and details of GIS. Once fully implemented it will address our recommendation.

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.

Status - Implemented

Agency Action - The Department has streamlined its funding processes for TANF transportation programs, resulting in an expedited process. For example, according to Department officials, for the recent Community Solutions for Transportation award, the average number of days from plan submission to approval of awards to counties was approximately 23 days. Also, the Department, in coordination with the State Department of Transportation, developed a standard methodology to assist counties in developing ridership estimates that provides a basis for the required cost allocation. In addition, the Department continues to allow counties the flexibility to modify their transportation plans, as needed, to best meet local needs. As cited in Recommendation 1, TANF Transportation funds are now distributed based on need, the level of program expenditures, and performance at the districts.

Recommendation 4

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

Status - Implemented

Agency Action - The Department has conducted site visits at local districts. During those visits, checklists are used to document the review of case records and district adherence to program-related policies and procedures. Department officials provided us with reports that document their assessments of transportation efforts made by these districts.

Recommendation 5

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

Status - Implemented

Agency Action - The application packet for each of the three transportation programs identifies the targeted population and acceptable uses of TANF transportation funds. Department employees distributed the application packets to each of the districts that applied for TANF funding.

Recommendation 6

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

Status - Partially Implemented

Agency Action - The Community Solutions for Transportation, and the Wheels for Work programs awarded transportation funds to rural districts. The Community Solutions for Transportation program is a broad-based allocation program and all districts participated. The Wheels for Work program awarded transportation funds to districts that were initially denied transportation funds under the TANF Transportation Grant program. However, there is no documentation retained to help rural districts develop transportation other than the information that program managers maintain. We suggest that the Department maintain a repository of best practices to share with rural districts for program development.

Recommendation 7

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.

Status - Implemented

Agency Action - Included with Recommendation 8

Recommendation 8

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.

Status - Implemented

Agency Action - The Department has implemented a reporting process to expedite districts reporting of TANF transportation statistics. The Department's web-based reporting system captures data by program and summary area. System reports include the number of individuals served and expenditure data arrayed by functional area. The Department provided us with evidence that they follow up with districts that do not submit their quarterly reports; and currently, all reports are up to date based on the last quarter.

Recommendation 9

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

Status - Implemented

Agency Action - The Department has created performance measures for the Community Solutions to Transportation program and the Wheels for Work program. The Community Solutions to Transportation program performance measures are based on a plan that documents goals and performance measures. The Wheels for Work measures are based on contract goals that are approved by the Department.

Major contributors to this report were Joseph Chesna, Richard Sturm and Donald Geary.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address the unresolved matters contained in this report. We also thank Department management and staff for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

William P. Challice
Audit Director

cc. Deirdre Taylor