NATIONAL RESOURCE CENTER for HUMAN SERVICE TRANSPORTATION COORDINATION

An Inventory of Federal Funding for Coordinated Transit and Human Services Transportation

The federal government invests billions of dollars every year in services that provide transportation to the general public, or to clientele of various federally supported medical, workforce, education, or other social services programs. This has been documented through reports and analyses conducted by the Government Accountability Office (GAO), the Community Transportation Association of America (CTAA), Easter Seals, the U.S. Department of Agriculture's Rural Information Center, and others ever since a comprehensive examination of this topic by GAO in 1977 identified 114 Federal programs that provided financial assistance for transportation. In this report, GAO observed that these programs operated with no documented statutory or regulatory restrictions to the coordination of transportation resources, and found there was "confusion at all government levels about the extent of transportation coordination federally funded projects may engage in." At that time, GAO recommended that Congress "reduce this confusion by endorsing transportation coordination when feasible, providing there is appropriate cost-sharing and cost and service accountability."

Twenty-six years later, GAO again turned to the programmatic intersection of public transportation and "human services," and found, in a 2003 study, that there were 62 federal programs funding "transportation services for the transportation-disadvantaged" at that time. Despite its best efforts to pin down a dollar figure, this GAO study found that "the full amount these programs spend on transportation is unknown because transportation is not always tracked separately from other spending."

Again, in 2011, GAO examined the patchwork of federal programs that provide transportation services, which it determined was now comprised of at least 80 programs. Again, it was not able to discern the full amounts most of these programs spent on transportation services. Nevertheless, GAO determined that "Federal coordination of transportation services can lead to economic benefits, such as funding flexibility, reduced costs or great efficiency, and increased productivity, as well as improved customer service and enhanced mobility."

Much of the interest in this coordination between federal transit and "human services" programs stems from a few key points:

- Federal transit law allows revenues from other sources to be used as portions of non-federal share of project costs in almost every Federal Transit Administration (FTA) grant program except Section 5309 capital grants
- Many federal transit grant programs, especially Sections 5311, 5310, 5316 and 5317, are serving clientele of "human services" programs, and rely on financial involvement from those programs to meet necessary project expenses
- More than 50 federal "human services" programs may be spending some of their program funds for transportation, much of which could be provided through partnerships with FTA grantees and subrecipients or other existing transportation providers

Federal Agencies Investing in Coordinated Public Transit and Human Services Transportation

Many agencies of the Federal government have one or more programs whose dollars may be used, in some fashion, to fund transportation. In two previous inventories of federal funding for coordinated transportation conducted by CTAA for the US Department of Health and Human Services, both entitled "Building Mobility Partnerships," they found 90 programs scattered across 11 federal departments or independent agencies in 1996, and 70 programs scattered across 14 federal departments or independent agencies in 2003, whose funds could reasonably be expected to be used in some kind of transportation spending for program participants or the general public. Whether looking at these two past analyses from CTAA, or the studies conducted by GAO, the differences in numbers of agencies and programs rests largely with the flexible nature of many Federal programs and the challenge of determining whether any specific program is *allowed* to spend funds on transportation purposes, as opposed to those which routinely do.

Executive Order 13330, which took effect in February 2004, was issued by the President in order to better understand and coordinate the Federal government's spending on public transit and human services transportation. This order specifically addressed human service transportation coordination, and included two concrete actions:

(1) It expanded the Federal Interagency Coordinating Council on Access and Mobility (CCAM) to include 11 cabinet-level departments and agencies, and
(2) It required that the CCAM issue a report within 12 months that addressed inducements, impediments, results and recommendations for the coordination of transportation services for "persons with mobility limitations related to advanced age, persons with disabilities, and persons struggling for self-sufficiency."

This order was significant because it was the first government-wide statement of policy that "Federally assisted community transportation services should be seamless, comprehensive, and accessible to those who rely on them for their lives and livelihoods" and “the development, implementation, and maintenance of responsive, comprehensive, coordinated community transportation systems is essential for [these] persons...to fully participate in their communities.”

Here is a brief review of the CCAM member agencies, and the primary ways in which their programs and activities may fund transportation:

Department of Agriculture
There are two primary avenues of engagement for USDA in transportation. (a) The USDA Food and Nutrition Service’s Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps) includes an employment and training component with transportation eligibility, and more generally for which access to groceries, markets, youth meal programs, etc., are a leading concern, even though transportation is not an eligible of most SNAP funds. (b) The USDA Rural Development agencies have a number of grant and loan programs whose dollars may be used for projects related to business development and transportation infrastructure in rural areas.

Department of Education
Almost all of the active programmatic interest in transportation from the Department of Education is derived through its Office of Special Education and Rehabilitative Services, from which states receive funds for vocational rehabilitation and special education that may be used for core services and the transportation to access these core services.

Department of Health and Human Services
Outside of the Department of Transportation (DOT), the U.S. Department of Health and Human Services (HHS) is the largest purchaser of transportation services in the context of Federal programs. Significant spending on transportation services comes from many HHS operating divisions and agencies, most notably the Centers for Medicare and Medicaid Services, the Administration for Children and Families, the Health Resources and Services Administration, and the Administration on Aging. The general nature of these HHS agencies’ involvement in transportation is to assure access to health care and social services.

Department of Housing and Urban Development
While the overall dollars of spending on transportation through HUD programs may not be high as those of HHS or DOT, almost every one of its major divisions has a significant nexus with transportation, such as through the Community Development Block Grant and related programs of HUD’s Office of Community Planning and Development, the various supported housing services of HUD’s Office of Housing, or the programs and transportation access needs that are front and center in HUD’s Office of Public and Indian Housing.

Department of the Interior
There are two aspects of the Interior Department’s engagement in public transit and human services transportation. The primary point of engagement is through its Bureau of Indian Affairs and the agency’s responsibility to work with the nation’s 565 Federally

recognized sovereign nations as they address the mobility and mobility-related needs of their people. The second, markedly different, point of engagement is the responsibility of the Federal land management agencies (chiefly the National Park Service, the Bureau of Land Management, the Fish and Wildlife Service, and the Bureau of Reclamation) as they strive to address transportation and mobility issues in Federal lands that are consistent with their management and stewardship of these lands.

Department of Justice
Within the Justice Dept., there are a few programs, mostly housed within the Office of Justice Programs, whose funds may be used in connection with transportation services and projects. However, the primary area of Justice's concern with transportation is one of assuring civil rights, inasmuch as its Office of Civil Rights has enforcement and prosecution of the Americans with Disabilities Act (ADA) as one of its key missions.

Department of Labor
Throughout the agencies of the Department of Labor (DOL), there is a concern for assuring that persons are able to access jobs and job training activities; in many cases, this concern is backed up by the ability to use program dollars for transportation services. The leading DOL agencies in this regard are its Employment and Training Administration, its Office of Disability Employment Policy, its Veterans Employment and Training Service, and its Employment Benefits Security Administration

Department of Transportation

The US DOT is centrally engaged in the provision of public transit and its related transportation services. The overwhelming share of DOT program dollars for these purposes stem from FTA, but considerable money is available through its Federal Highway Administration-managed programs, as well. In addition, there is regulatory oversight from the DOT's Federal Motor Carrier Safety Administration and its National Highway Traffic Safety Administration that is a significant influence on the provision of transportation, and may affect how federally funded transportation can be effectively coordinated.

Department of Veterans Affairs

Programs of the VA are centered on meeting the needs of a single, important constituency: our nation's veterans. In terms of transportation, the leading concern is assuring veterans their access to medical services provided through the Veterans Health Administration, but the VA also is concerned with helping address the mobility needs of homeless veterans, and with supporting efforts to address the non-medical transportation needs and vocational rehabilitation of veterans in their communities.

National Council on Disability

The National Council on Disability (NCD) has a somewhat different role in CCAM since it does not distribute funds, or have regulatory or prosecutorial authority. It serves, in essence, as the federal government's internal advocate for the needs of persons with disabilities. Since transportation is central to the full participation in society by persons with disabilities, the NCD's voice is an important, albeit non-fiduciary, one on the CCAM.

Social Security Administration

There are two aspects to the Social Security Administration's (SSA) transportation interactions. On a "big picture" level, many Social Security beneficiaries, particularly those receiving Social Security Disability benefits and those receiving Supplemental Security Income benefits, have clear and pressing transportation concerns, and often spend a significant portion of their benefits payments on transportation services. On a smaller, but still meaningful, level, there are a few programs and initiatives housed within SSA, such as the "Ticket to Work" initiative, whose funds sometimes are directly spent on transportation services.

Beyond the Coordinating Council

Although only the eleven agencies named above are members of the Federal Interagency Coordinating Council on Access and Mobility, there are numerous other federal departments and agencies whose funds occasionally have something to do, sometimes a lot to do, with public transit and its coordination with human services transportation. Some notable examples include the following:

Department of Commerce
Because data from the U.S. Census Bureau are the basis of nearly all the formula-based grants made for public transit and human services programs, this agency has far-reaching impacts on much of what happens in the coordination of public transit and human services. In terms of funding programs, the Commerce Department's Economic Development Administration provides grants that are used for many infrastructure and community development projects across the country.

Department of Defense
There are three major elements of the Department of Defense's involvement in coordinated public transit and human services: (1) the need to provide safe and secure transportation for service members, their families, and contractors on and off military bases across the country, (2) the mobility needs of service members as they are being treated in the military health care system, including transitional assistance for service members who are leaving active duty on account of service-related disabilities, and (3) the transportation impacts in communities affected by the Base Realignment and Closure process.

Department of Homeland Security
The primary avenues of Homeland Security (DHS) funding that relate to coordinated public transit and human services are routed via the security-related grants from its Transportation Security Administration and its Directorate of National Protection and Programs, and the disaster assistance resources furnished through its Federal Emergency Management Agency. In addition, DHS is the leading agency for the Interagency Coordinating Council on Emergency Preparedness and Individuals with Disabilities (ICC). In addition to DHS, the other members of this council are the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Treasury, and Veterans Affairs, as well as the Environmental Protection Agency, the General Services Administration, the Office of Personnel Management, and the Social Security Administration.

Department of the Treasury
Although Treasury does not make many funds directly available for coordinated public transit and human services, it is a key partner in these programs and services, primarily through a number of tax credit programs, including the Qualified Transportation Fringe Benefit, the New Markets Tax Credit, the Work Opportunities Tax Credit, and others.

Corporation for National and Community Service
Transportation is an important element for several of this agency's activities, especially within the Senior Corps, the various AmeriCorps programs. More recently, the Corporation for National and Community Service has expanded its scope to provide funding for local service capacity-building and for social innovation projects, both of which may come to include transportation and human services connections.

Environmental Protection Agency
Perhaps best known for its regulatory rule in helping safeguard the quality of our nation's air and water, EPA also has some points of meaningful involvement in coordinated public transit and human services, such as through its Brownfields program that helps provide for healthy reuse of formerly hazardous sites and properties, and through its Smart Growth programs that help communities grow in ways that promote both positive economic vitality and positive public health outcomes.

National Endowment for the Arts
Federal investments in coordinated public transit and human services sometimes are found in unexpected places. For example, the NEA's state and local arts agencies grants can be used in ways that include transportation-related components of local cultural projects. As a higher-profile example, the NEA most recently launched its "Mayors' Institute on City Design 25th Anniversary Initiative," which supports "creative placemaking projects that contribute toward the livability of communities and help transform sites into lively, beautiful, and sustainable places with the arts at their core."

How Are Federal Funds Used as Part of Coordinated Transportation Partnerships?

With dozens of federal programs potentially being used for transportation, originating from such a diverse set of agencies as listed in the preceding pages, there are many ways in which federal funds may "mix and match" in coordinated partnerships. As any state or local coordinating agency readily will attest, this is not an easy thing to do. At the heart of any coordinated transportation partnership, there is a sense of purpose, in which the partners understand the ends and means to which their financial partnership is being put to use. The most prevalent strategies through which multiple federal programs' funds may be put to use in a coordinated fashion are the following.

Direct Grants for the Operation of Transportation Services

This may be what comes most readily to mind when thinking of ways in which federal funds support public and human services transportation. However, in terms of grant-making that helps to cover operating costs (such as drivers' wages and fuel), the federal role is much more limited, chiefly found in a small portion of Federal Transit Administration (FTA) grants (specifically, formula transit grants for urban areas of less than 200,000 population, formula transit grants to rural areas, formula transit grants to support enhanced mobility for seniors and individuals with disabilities, and the former "Job Access and Reverse Commute" and "New Freedom" transit grants that were made from FY 2006 through FY 2012), and, to an even smaller degree, the Community Development Block Grant (CDBG) programs administered through the Department of Housing and Urban Development

Direct Grants for Transportation Construction and the Acquisition of Vehicles and Other Capital Assets

All FTA grant program funds can be used for capital assistance. In fact, the largest FTA programs, such as the Section 5307 formula grants to urbanized areas with populations greater than 200,000, the Section 5337 "State of Good Repair" program and the Section 5339 program of grants for buses and bus facilities, can be used only for capital assistance. Several other federal agencies' programs are used primarily for construction or vehicle acquisition in those cases when they are used for transportation purposes. This is true for rural community facilities funds from USDA, public works funding through the Commerce Department's Economic Development Administration, and is a non-uncommon use of CDBG funding.

Purchase of Transportation Services

There are myriad mechanisms by which this is accomplished, but the leading approach, by far, through which federal funds are used to provide coordinated public and human services transportation is through contracts or other agreements by which state or local human services agencies use their federally derived funds to purchase transportation services from FTA grantees, for-profit private sector entities, or community-based non-profit organizations. Federal dollars most commonly used for contracted purchases of transportation include Medicaid, senior services under the Older Americans Act, and many of the other "human services" programs throughout the federal budget that have a transportation component.

Transportation Payments and Reimbursements to Program Participants

Some federal programs provide for the payment of transportation services directly to their customers or program participants. Sometimes, this is done through direct reimbursements of expenses; more commonly, it is accomplished through voucher arrangements or the direct provision of taxi coupons, transit passes, or other fare media. These approaches are prevalent in those programs for which transportation and other services are being provided only for a finite time period, such as Vocational Rehabilitation, Temporary Assistance to Needy Families (TANF), and employment and training programs under the Workforce Investment Act.

Tax Credit Financing of Transportation Activities

There are a number of circumstances in which tax-favored treatment under the Internal Revenue Code helps promote transportation services, projects or partnerships. For instance, private sector entities in economically distressed areas may be able to have financing costs – including the costs of transportation-related projects or facilities – discounted through New Markets Tax Credits or through tax advantages that accrue in designated Empowerment Zones, Enterprise Communities or REAP Zones; other targeted tax credits have occasionally been developed in response to massive economic disruptions, such as Liberty Zone credits in response to the terror attacks of September 11, 2001, or Gulf Opportunity Zone credits to facilitate rebuilding after Hurricanes Katrina and Rita in 2005. On a consumer level, there are tax credits that can ease individuals' transportation costs, such as the Qualified Transportation Fringe Benefit, that currently allows employers to provide up to $125 per month in employees' transit use as a "pre-tax" benefit, the Work Opportunities Tax Credit, which affords employers a tax credit to offset a portion of the salaries they pay to eligible individuals with disabilities, or the Ticket-to-Work program, which provides tax inducements to help persons (primarily those with disabilities) move off Social Security and into the workplace.

Planning for Transportation and Transportation-Related Services

Basically, only the activities of the Department of Transportation – through the Federal Transit Administration and Federal Highway Administration – have specific programs and requirements that transportation projects and services be developed through very specific, project-focused planning processes. These plans, carried out by state departments of transportation, metropolitan planning organizations, and either by or on behalf of federally recognized Indian tribes, are required to consider the provision of "non-emergency" transportation as part of human services programs. In addition, there is a requirement, specific to the FTA Section 5310 program of grants to enhance mobility for seniors and individuals with disabilities, that projects funded with its dollars be included in locally developed, coordinated public transit-human services transportation plans. Although a step or two removed from human services transportation, there are provisions and federal policy expectations that DOT-related transportation plans coordinate with states' air quality improvement plans and states' or cities' CDBG plans; some states have further provisions to link their transportation plans with local land use and economic development plans. Several other federal programs also carry planning requirements, but in these non-DOT programs, the "plans" more closely resemble policy frameworks by which those programs' priorities are carried out at the state or local level. However, these non-DOT program plans may be required to identify how transportation services will be provided (such as the state plans required by Medicaid or the state and area aging services plans required under the Older Americans Act), or may simply provide an opportunity – without a federal requirement – to consider transportation in their policy planning (e.g., state family assistance plans under TANF or state and local workforce development plans under the Workforce Investment Act).

Mobility Management Services

In terms of transportation, "mobility management" is a concept that came to statutory fruition under SAFETEA-LU. Where FTA programs are concerned, there is a statutory definition found at 49 USC 5302(3)(K). In general, however, mobility management refers to activities that facilitate more efficient transportation services through shared planning, service provision, information and assistance among cooperating local stakeholders. These services can include such things as transportation information and referral services, travel training, traveler information systems, shared dispatching of vehicles, and more. Outside the framework of DOT programs, many other federal agencies' programs have aspects that resemble mobility management, such as the service coordinators in HUD's Section 202, Section 811 and Multi-Family Housing programs, the activities of Centers for Independent Living, many of the community-focused services provided through the Department of Veterans Affairs, the transportation aspects of workforce development "One-Stop" centers and services, the information and referral services funded through the Older Americans Act, Medicaid case management services, and much of the specific work undertaken by program participants in AmeriCorps and related programs. When FTA funds are involved in mobility management arrangements, one of the notable attributes is that mobility management activities are treated as if they were a capital expense under FTA grants, and thus are funded at an 80 percent federal share.

"One-Call" Services
Arising out of the infrastructure for mobility management services, there is the specific strategy to have single points of contact for transportation information and service delivery. The underlying concept is to take advantage of established call centers, centralized data bases, information and referral services, etc., and offer integrated mechanisms for both customer information and the provision of coordinated transportation services. Elements of this one-call approach to transportation can be found in the national 2-1-1 network of human services information and referral, the deployment in many cities of comprehensive "virtual one-stop centers" that link employment and training information with necessary supportive services such as transportation, the capacity of many urban transit systems' customer interfaces surrounding their trip planning and paratransit services, and the deployment of centralized call centers for many states' Medicaid transportation operations. Although the resources of dozens of federal programs can be used to support "one-call" services and strategies, it is important to note that such services currently are not a central feature of any of these programs.

A number of issues arise when considering the above-listed strategies by which Federal funds may be used to coordinate public transit and human services transportation. A few of these include:

- Although most FTA grant programs provide some means by which revenues from non-DOT federal programs may be treated as the non-Federal share of project costs, other Federal agencies do not provide corresponding guidance to their grantees.
- The purchase of transportation services through non-DOT programs relies on procurement and contracting guidelines from diverse state and Federal agencies; although there is underlying common adherence to government-wide principles set forth by the federal Office of Management and Budget, agency- and state-specific guidelines lead to much inconsistency about the terms and conditions

under which Federally derived funds are able to be used to purchase transportation services from FTA grantees or other transportation providers.
- Some funding mechanisms, such as individual reimbursements or tax credit financing, do not readily lend themselves to collaborative arrangements across multiple organizations.
- With a few exceptions, most non-DOT programs simply do not have the service planning and design structures that correspond to DOT programs' use of state departments of transportation, metropolitan planning organizations, and designated recipients of FTA formula grant funds, which makes it difficult to engage these non-DOT program planners and decision-makers in the relevant transportation planning processes.

Federal Funding for Coordinated Transportation: Which Programs Really Matter?

Depending on the criteria or definitions one uses, there are anywhere between 60 and 250 Federal funding programs whose dollars may be used in support of some form of coordinated public transit and human services transportation. For the overwhelming majority of these programs, their funds seldom are used for transportation purposes, despite the programmatic eligibility to do so. Primarily, this is because those programs have core purposes for which transportation is a secondary or minor supportive service, and the program dollars have to be focused on primary program purposes. On the other hand, two tendencies have been observed over the decades, neither of which should be disregarded:

1. At the state and community level, there often are found entrepreneurial organizations that are able to fashion funding partnerships in ways that are allowable and laudable, but which Federal agencies and authorizers probably never envisioned. These entrepreneurial entities typically approach their circumstances with a view that starts with the question, "What are we trying to achieve with regard to our community's transportation and mobility needs?" and then leads to "Where can we find the various financial resources we need to begin fulfilling this vision?"

2. Many times, the current priorities of Federal agencies and their political leadership leads to funding opportunities for transportation and mobility services that arise from otherwise unexpected corners. In the recent years, for example, funding opportunities have arisen through the DOT-HUD-EPA Partnership for Sustainable Communities that draw on programs whose resources would never have been considered for transportation purposes a decade or two ago. The same can be said for recent funding opportunities presented by such non-traditional (at least where transportation is concerned) federal funding agencies as the Centers for Disease Control and Prevention or the National Endowment for the Arts.

Nevertheless, there is a core group of federal programs whose dollars have been used in close partnership with public transit programs in almost every state and community, and have been used in coordinated transportation partnerships for many years. These (or their precursors) were among the more significant programs identified by GAO in 1977; data collected by CTAA and National RTAP through the 1980s and 1990s underscored their continuing importance, and they continue to be reflected in the core programs of coordinated public transit and human services transportation services to this day.

Medicaid spends approximately $3 billion a year on non-emergency transportation services, out of a total federal investment of nearly $300 billion. Aside from the significance of the amount of spending, it is critical to note that Medicaid is the ONLY program outside of the DOT that requires the provision of transportation. Established at Title XIX of the Social Security Act, Medicaid is a federal-state partnership whose spending is a mandatory portion of the Federal budget. Although federal law gives states a choice to participate in Medicaid, every state in the U.S., as well as every U.S. territory and possession, participates in Medicaid. At its core, Medicaid is a form of federal- and state-provided health insurance, or medical assistance, which is provided to various categories of low-income individuals; in contrast to employer-provided insurance or Medicare, there are some benefits under Medicaid not found elsewhere, including nursing home coverage and medically necessary non-emergency transportation for Medicaid enrollees to covered medical services. The federal government sets the core standards for states to follow in their Medicaid programs, provides regulatory oversight, and reimburses states for a portion of the costs they incur in providing Medicaid benefits (the portion of Medicaid expenses reimbursed by the federal government is determined as each state's "Federal Medical Assistance Percentage," or FMAP, which is recalculated every year approximately on the basis of each state's share of households living below the federal poverty line). All the details of how Medicaid-covered services are provided, including the provision of transportation, are left in the hands of the individual state Medicaid agencies, although the major elements of states' approaches to their Medicaid programs are required to be documented in state Medicaid plans that are filed with the federal Centers for Medicare and Medicaid Services (CMS), which is the federal agency within the Department of Health and Human Services that oversees Medicaid. Because the core benefits and services of Medicaid are determined by federal law, are reimbursed by the federal government at only a portion of what they cost the states, and are required to be followed by the states, regardless of the ability to cover costs within states' budgets, Medicaid expenses are a huge topic of concern in state governments. CMS does provide a number of opportunities to try to help ease aspects of states' burdens, such as through waivers, and flexibility options that have been added to Medicaid law in the Deficit Reduction Act of 2005 and more recently under the Affordable Care Act. Where transportation is concerned, these elements of Medicaid flexibility for states include: (a) the possibility of providing transportation through a Home- and Community-Based Services waiver, (b) establishing non-emergency transportation brokerages, under which transportation may be reimbursed at the full FMAP rate, (c) exercising options under the Affordable Care Act to increase the federal share of all Medicaid reimbursements if the state offers Community-Based Services and Supports for Medicaid enrollees with disabilities (a 6-point increase in the state's FMAP), if the state expands its Medicaid benefits to cover preventive health services for adults (a 1-point increase in the state's FMAP), or if the state forestalls institutionalization of Medicaid enrollees through a program of long-term services and supports (a 2- to 5-point increase in the state's FMAP), (d) expanding the scope of Medicaid coverage to include all persons in households with incomes up to 133 percent of the federal poverty line (this expansion is initially covered at a 100 percent federal share, which then begins to decrease to 90 percent in 2017), and (e) pursuing such optional Medicaid-linked initiatives such as the Program of All-inclusive Care for the Elderly (PACE), which integrates transportation and other services under both Medicaid and Medicare for "dual eligibles" in participating communities.

Temporary Assistance for Needy Families (TANF) has an annual appropriation of $16.5 billion, not including a significant, but temporary, expansion under the 2009 American Recovery and Reinvestment Act (ARRA). According to data maintained by the Administration for Children and Families (ACF), Department of Health and Human Services' agency that oversees TANF, states currently are spending $400 million a year in federal TANF funds on transportation, which they match with $44 million in state "maintenance-of-effort" funds for transportation services. Established in its current form as part of the 1996 "welfare reform" legislation, TANF is a program of federal block grants to states for providing cash-based and non-cash assistance to eligible low- and no-income families; states are required to match their TANF allocations with state-derived maintenance-of-effort (MOE) spending. For the most part, both TANF allocations and MOE amounts required for each state are based on spending in each state on Aid to Families with Dependent Children, the TANF program's precursor, in 1994. Each state's TANF agency has considerable latitude in how it designs and carries out its TANF program. Despite the significant level of investment in transportation services, *states are not required to spend TANF funds on transportation.* In fact, state TANF spending on transportation has been almost counter-cyclical: when numbers of eligible households increase, states tend to spend more of their TANF funds on core services of cash assistance, and tend to spend less on transportation or other supportive services, but when states' TANF rolls decrease, the availability of TANF funds to be used for transportation projects, such as to match FTA Job Access and Reverse Commute grants, increases. One of the most useful documents in helping coordinate multiple federal programs was developed in 1998 for this purpose: the "Joint Guidance on the Use of TANF, WtW [Welfare-to-Work], and Job Access Funds for Transportation." Issued jointly by the Administration for Children and Families, the Labor Department's Employment and Training Administration and the Federal Transit Administration, it remains an unparalleled model of how federal agencies explain to their respective grantees how their programs can be helped to work together. This guidance may be found at the FTA website, www.fta.dot.gov/documents/Use_Of_TANF.doc.

Training and employment services under the **Workforce Investment Act** (WIA) receive just over $3 billion per year, and, like TANF, received a large supplemental appropriation under ARRA. Also like TANF, a significant, but in this case unknown, portion of WIA funds are spent on transportation services (the Labor Department's Employment and

Training Administration [ETA], which administers these programs, collects various data on program participation and outcomes, but no data on transportation). The Workforce Investment Act (WIA) was enacted in 1996 as a comprehensive overhaul of federal job training legislation. Under WIA, there are three primary avenues of training and employment funding that ETA allocates by formula to each of the states: adult employment and training, youth employment and training, and training and employment services for dislocated workers. Federal employment and training funds are allocated by formula to state workforce development agencies; states then sub-allocate most of these funds to local workforce investment boards. Most of the decision-making about how – or whether – specific activities and services are to be funded rests in the hands of local workforce investment boards, but with considerable state and federal guidance. In establishing these state and local workforce agencies, WIA identified “mandatory” and “optional” job training and related programs, which include many of the other Labor and non-Labor programs that have transportation components. Between that and the programmatic structure of the workforce delivery system, there are many opportunities for interface and coordination with federal transportation programs.

Title III-B of the **Older Americans Act** receives less than $400 million in federal appropriations each year for senior centers and supportive services, but a significant portion of those funds, approximately $70 million per year, are used to purchase transportation, primarily from FTA grantees and subrecipients. These funds are appropriated to the federal Administration on Aging (AoA), which is housed within the Department of Health and Human Services (HHS). AoA allocates its Title III-B funds by formula to state units on aging; the states then sub-allocate most of these funds to individual area agencies on aging. Most service planning and decision-making is conducted by the area agencies on aging, albeit with considerable state and federal oversight and involvement. The geographic structure and missions of state and area agencies on aging correlates fairly closely to the structure of state departments of transportation and metropolitan planning organizations, which is one reason why AoA and the aging network have a historical presence in coordinated transportation that is quite strong, despite the comparatively small level of transportation spending in AoA programs. Additionally, aging programs and services have recognized since their very inception that transportation is one of the leading issues facing older people in all geographies and income brackets, so aging programs have had to wrestle with the search for transportation solutions ever since the Older Americans Act was first enacted in 1965.

The Dept. of Housing and Urban Development’s (HUD) **Community Development Block Grant** (CDBG) family of programs has many facets to its $4 billion in annual appropriations. For example, more than $4 million a year of CDBG funds are spent on directly operated transit services. Another $288 million of CDBG funds are spent each year serving persons with disabilities, low-income populations, youth and seniors, a considerable, but undocumented, portion of which are known to be spent on transportation. Approximately $1.3 billion of CDBG dollars are spent each year on public and community facilities; many of these are transit facilities or transit-related joint development projects. HUD allocates its CDBG funds on a formula basis directly to larger cities and the country’s most-urban counties; for smaller cities and less-urban areas, CDBG allocations are made by formula to state agencies. Nearly all decision-making on the use of CDBG funds is made by the local community development agencies that receive these funds from HUD. *Because CDBG assumed some of the statutory history and guidance of the 1970s-era General Revenue Sharing program that used to exist within HUD, CDBG funds are perhaps the only non-DOT federal funds that are regarded as having clear statutory authority to be used as the "non-federal" matching funds for FTA formula grants*.

Community Services Block Grants, appropriated through the Department of Health and Human Services' Administration for Children and Families (ACF, the same division of HHS that administers TANF) currently allocate close to $700 million every year to local community action agencies and programs, most of which also are partners or operators of local FTA-funded transit services. In addition to providing this organizational infrastructure to the coordinated transit network, ACF reports its CSBG grantees spend approximately $10 million a year of CSBG funds on transportation, which account for nearly 4 million trips on transit vehicles, vans, and through informal arrangements. For the most part, ACF allocates CSBG funding by formula to community action agencies, roughly on the basis of the funds these agencies received in 1981. Most CSBG decision-making is carried out by individual community action agencies, with relatively modest guidance and oversight from state and federal agencies.

States receive approximately $3 billion per year in **Vocational Rehabilitation** grants from the Department of Education. A significant amount of these grants are used to provide participating individuals with transportation reimbursements, vouchers, bus passes, or other purchased transportation service, often from FTA grantees and subrecipients, but precise data on vocational rehabilitation transportation spending are not maintained. State vocational rehabilitation agencies are encouraged to cooperate with statewide workforce development activities under the Workforce Investment Act (see above), but that is the extent of required or encouraged coordination within federal guidance for the vocational rehabilitation network. Nearly all programmatic decision-making is carried out by state vocational rehabilitation agencies.

Federal Transit Administration **Section 5307** grants for urbanized areas' public transit currently are $4.6 billion; the overwhelming bulk of these grants are for capital projects, but Section 5307 funds are used to finance 50 percent of transit operating costs (net of farebox and other receipts) in urbanized areas of less than 200,000 population. FTA allocates these funds by formula to designated recipients in urbanized areas of more than 200,000 population, and (with a few exceptions) to state departments of transportation on behalf of their urbanized areas with populations less than 200,000. For urbanized areas of all sizes, Section 5307 funds are able to be used for mobility management services, and to cover a portion of urban transit agencies' paratransit operating costs. Beginning in FY 2013, Section 5307 funds also may be used for job access and reverse commute projects, and there also is a new provision, taking effect in 2013, under which small public transit systems in urbanized areas over 200,000 population may use a designated portion of their Section 5307 funds to help cover transit operating costs. Since 2005, Section 5307 grantees of all sizes have been allowed to use income from non-DOT federal funding sources as part of the "non-federal" matching funds for these grants. Delivery of transit services with Section 5307 revenues is carried out by agencies designated by states' governors (or may be managed directly by state departments of transportation, in the case of funding to smaller urbanized areas). The general planning of transit services in urbanized areas is required to be carried out by metropolitan planning organizations (MPOs), and no Section 5307 funds may be spent on activities that are not part of a plan that has been developed and adopted by the community's MPO.

Federal Transit Administration **Section 5311** grants for public transit outside of urbanized areas currently are almost $600 million. Funds are allocated on a formula basis to state departments of transportation. States then make all decisions about subrecipients and levels of funding awarded to specific communities. Section 5311 funds may be used for capital projects (at an 80 percent federal share), project administrative expenses (also at an 80 percent federal share), or to cover up to 50 percent of net operating deficits. Beginning in FY 2013, Section 5311 funds also may be used for job access and reverse commute projects. Ever since this program was launched, first as a FHWA demonstration program in 1973, subrecipients have relied on revenues from social, health, and workforce services, primarily the ones listed in this document, as a principal source of matching funds for their operating and capital projects; however each state can specify the terms and conditions under which non-DOT federal funds may be used in conjunction with Section 5311 funding. States can specify the types of entities eligible to be subrecipients under this program; federal law allows funds to be awarded to units of government, private non-profit entities, or – through third-party contracts – private sector businesses.

Often overlooked because it's not a grant program, the transit commuting benefit at Section 132(f) of the Internal Revenue Code (more properly termed a **Qualified Transportation Fringe Benefit**) pumps between $1.5 and $3.5 billion a year of tax-favored personal income directly into the coffers of FTA Section 5307 and 5311 recipients, at a current net cost to the U.S. Treasury of only $520 million. Because this provision of federal income tax policy supports transit fare payment through media such as vouchers, transit passes, and direct reimbursement, it helps support coordination between public transportation and human services in two ways: (1) it provides tax-based incentives that support public transit operating budgets, which are needed to help operate the infrastructure needed by human services transportation, and (2) it sustains a variety of transportation payment mechanisms that can be used readily by those human services programs that provide transportation through person-based uses of transit passes, vouchers, or individual transportation reimbursements (such as many states' TANF, Vocational Rehabilitation, and assorted workforce development activities). To a much smaller degree, other tax-favored arrangements, such as the Work Opportunity Tax Credit and Ticket-to-Work, promote and help finance transit services for persons with disabilities and other targeted populations

Conclusion

In looking at the strategies, departments and programs inventoried above, some concepts emerge that tie these various observations together:

- That the federal government spends billions of dollars a year transporting people to federally supported programs and services is nothing new, nor is it a surprise that much of this transportation can be – and is – provided through federally supported transportation services. While current reporting procedures and data sets are not able to accurately capture the extent of the financial coordination between DOT and other federal agencies' programs, that absence of data does not impede states and localities from carrying out such coordinated efforts when they choose to do so.
- Very few of the federal programs whose dollars may be used on transportation services actually spend reportable amounts of money on transportation in all 50 states. The known fact behind this is that most of these programs do not have reporting structures in place that allow for the collection of transportation-related data. What is widely believed to be the case is that actual spending on transportation by most of these programs is so small, at least on a national or state scale, that it would barely be noticed, even if transportation-related reporting systems were in place. For most of these programs, transportation investments are an option that is not pursued by state agencies or local grantees.
- The "coordinated planning" under the FTA Section 5310 program is a practice that can facilitate better coordination between some transit services and their "human services" funding partners, but is not a panacea, in that it pertains only to this one FTA grant programs, and does not embrace the bulk of the federal transit program. Moreover, the Section 5310 coordinated planning process does not easily interface with non-DOT program delivery and planning structures.
- Some state and local stakeholders have suggested that requiring non-DOT programs to specifically identify the dollar amounts they spend on transportation services would promote more effective coordination. If pursued, such a move might improve overall coordination of transportation, but could also lead to unintended consequences, once federal and state legislators begin asking why so many "non-transportation" programs have funds identified for transportation activities.
- Many state and local stakeholders have pointed at the clear language about coordination with non-DOT programs that is found in federal transit law, and ask if similarly clear language could be included in other federal programs' authorizing statutes. Details would have to vary by authorization, but this is an idea that Congressional authorizing committees may wish to explore.