

# ***NEW YORK STATE OFFICE OF THE STATE COMPTROLLER***

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**H. Carl McCall  
STATE COMPTROLLER**



***DEPARTMENT OF LABOR  
MEETING THE TRANSPORTATION NEEDS OF  
TEMPORARY ASSISTANCE FOR NEEDY  
FAMILIES RECIPIENTS***

***2000-S-63***

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**DIVISION OF MANAGEMENT AUDIT AND  
STATE FINANCIAL SERVICES**

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**H. Carl McCall**  
**STATE COMPTROLLER**

**Report 2000-S-63**

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

Dear Ms. Angello:

The following is our audit report addressing the actions taken by the Department of Labor to ensure that the transportation needs of Temporary Assistance for Needy Families recipients are adequately identified and met by local social services districts.

This audit was performed 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 list major contributors to this report in Appendix A.

*Office of the State Comptroller  
Division of Management Audit  
and State Financial Services*

December 14, 2001

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***Division of Management Audit and State Financial Services***

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# **EXECUTIVE SUMMARY**

## **DEPARTMENT OF LABOR**

### **MEETING THE TRANSPORTATION NEEDS OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES RECIPIENTS**

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#### **SCOPE OF AUDIT**

About 586,000 individuals in New York State receive public assistance benefits through the federally funded Temporary Assistance for Needy Families (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 of Labor (Department), and are directly administered by 58 local social services districts (which consist of 57 counties and New York City).

The local 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 local 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. For the four State fiscal years ended March 31, 2001, a total of \$53 million in TANF transportation grants was allocated to the Department, to enhance transportation services to TANF recipients. Our audit addressed the following questions about the Department's allocation of these funds to the local districts, and its monitoring of local district efforts to provide TANF recipients with needed transportation services, for the period January 1, 1997 through May 31, 2001:

- Were TANF transportation grants allocated to the local districts in an effective manner?
- Does the Department's monitoring of the local districts provide adequate assurance that the transportation needs of TANF recipients are identified and met by the districts?

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## **AUDIT OBSERVATIONS AND CONCLUSIONS**

According to Federal guidelines, TANF transportation funds should be distributed to localities on the basis of the localities' needs for transportation services for TANF recipients. However, we found that the Department has not assessed the need for these services in each district. We recommend that the Department perform a comprehensive statewide assessment of TANF recipients' transportation needs, and use this information to allocate funds in the most effective manner possible. In performing this assessment, we recommend that the Department make use of Geographic Information Systems (GIS) {in which information is organized on a geographic basis and displayed visually on maps}; we note the use of this technology helped the State of New Jersey implement nationally recognized TANF transportation programs. At the conclusion of our audit, Department officials advised us that they had taken steps to develop a statewide GIS. (See pp. 7-9)

TANF transportation grants are distributed to the local districts through an annual award process in which applications for funding are submitted by districts for review and approval by the Department. We found that this process is subject to long delays and is considered administratively burdensome by the six local districts we visited. Because of the delays in making the funds available to the local districts, as of December 2000, the districts had been able to spend only \$6 million of the \$53 million that had been allocated in the first four years of the program. As a result, some TANF recipients may not have been placed in the job or training program best suited to their needs because the necessary transportation was not made available. (See pp. 9-12)

We visited six local districts and reviewed 25 case files in each district, to determine whether the transportation needs of these 150 TANF recipients were identified and addressed as required. We found that there was no documentation indicating that the transportation needs of some of these recipients had been identified by the districts, and that some of those needs that were identified had actually been addressed. For example, according to the case records, 95 of the 150 recipients needed transportation services to get to and from work-related activities. For 14 of these 95 recipients, there was no documentation indicating that action had been taken to address the need (e.g., providing bus passes or arranging for taxis). If the need was not met, the recipient may not have been able to successfully participate in work-related activities. We recommend that the Department periodically visit the districts and evaluate their performance in identifying and providing the transportation services needed by TANF recipients. (See pp. 15-17)

We also identified inconsistencies in the policies of the six local districts to provide transportation services. As a result, recipients in some districts may receive less help in meeting their transportation needs than recipients in other districts. We recommend that the Department issue guidelines to address these inconsistencies. We also found indications that New York's rural districts may

not be receiving the assistance they need in providing and coordinating TANF transportation services, and therefore recommend that the Department develop special programs of coordination and assistance for these districts. We also recommend that the Department improve its system for collecting information from the local districts about their TANF transportation services, and use this information to evaluate the effectiveness of the districts' performance in meeting the transportation needs of TANF recipients. (See pp. 17-23)

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## ***COMMENTS OF DEPARTMENT OFFICIALS***

Department officials stated that our report failed to address their repeatedly expressed specific concerns relating to the audit. This is not the case. Throughout the audit, areas of disagreement cited by Department officials were of a general nature. Despite our continuous efforts, including providing the Department with written preliminary findings and requiring a response thereto, and holding an exit conference to discuss our findings, Department officials refused to discuss specifics or provide details supporting their position. Similarly, Department officials did not respond to our specific recommendations and instead misconstrued their intent (to enhance monitoring program activity, to streamline the grant application process, to promote best practices where possible among local districts, and to ensure that recipients are given fair treatment) as our misunderstanding the need for local flexibility, and laws and policies that govern the use of grant funds. We believe our recommendations incorporate flexibility concerns and are well within the constraints of program laws and policies. The fact remains that, after four years, of the \$53 million available for this program only \$6 million (11 percent) has been expended, even though districts demonstrated on their project proposals, which were approved by the Department, that there were TANF recipients with transportation needs who could have used this funding. Further, our case file review found some recipients for whom there was no evidence that their transportation needs were met. In response to our recommendations to better administer program funds, Department officials argue that, "this audit was conducted prematurely." Four years of program funding is sufficient to assess the role of the Department in addressing the needs of TANF recipients.

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Major Contributors to This Report

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# INTRODUCTION

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## Background

As a result of Federal legislation in 1996 and State legislation in 1997, most public assistance recipients must seek employment or engage in activities that can lead to employment, such as formal education, job readiness training or vocational training. If a certain percentage of a state's public assistance recipients do not participate in such work-related activities, the amount of Federal funding provided to the state may be reduced. This Federal funding is provided through a Temporary Assistance for Needy Families (TANF) block grant, which for New York State totals about \$2.4 billion a year. As of May 31, 2001, a total of about 586,000 individuals in New York State were receiving TANF benefits. To encourage economic self-sufficiency, the period of time during which an adult may be eligible for TANF benefits is generally limited to a lifetime total of 60 months.

Employment and training programs for TANF recipients in New York State are overseen by the Department of Labor (Department), and are directly administered by 58 local social services districts (which consist of 57 counties and New York City). The local districts are responsible for placing TANF recipients in jobs or training programs. The local districts are also responsible for identifying and providing supportive services needed by the recipients to facilitate their participation in work-related activities. Supportive services include child care, transportation to and from work-related activities, and other services that will enable the recipient to overcome barriers to successful participation in work-related activities.

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 job 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 the recipients. According to Federal regulations, examples of the types of allowable transportation activities include:

- reimbursement in whole or part of a recipient's work-related transportation expenses (e.g., reimbursement for mileage, gas, public transit fare, taxis, auto repairs/insurance or a basic cash allowance for transportation needs);
- contracts for shuttles, buses, car pools or other transportation providers serving TANF-recipients;
- purchase of rider passes on public or private transit systems;
- payment of costs incurred by State or local agency staff involved in the planning of transportation services for TANF recipients; and
- payment of start-up or operating costs for new or expanded transportation services benefiting TANF recipients, provided that such costs are necessary and reasonable, as well as allocated to cover only those costs associated with TANF 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 rider passes on a public transit system, the establishment 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 four fiscal years ended March 31, 2001, the Department has been allocated a total of \$53 million in TANF transportation funds for use by the local districts. The Department can use up to 15 percent of these funds for administrative purposes. 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 1999-2000 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-to-Work Program, which is intended to fund innovative projects helping recipients obtain their own vehicles.

In the 1997-98 and 1998-99 fiscal years, the Department of Transportation contracted with the public transit operators that participated in local district efforts to provide transportation services to TANF recipients. However, as of December 2000, the Department of Labor assumed the responsibility for these contracts.

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### ***Audit Scope, Objective and Methodology***

**W**e audited the actions taken by the Department of Labor to ensure that the transportation needs of TANF recipients are adequately identified and met by the local social services districts. Our performance audit covered the period January 1, 1997 through May 31, 2001. To accomplish our objective, we reviewed the Department of Labor's policies and procedures pertaining to TANF transportation, interviewed officials at the Department of Labor and the Department of Transportation, and analyzed records relating to TANF transportation grants as well as other relevant information and reports maintained by the Department of Labor. In addition, to identify best practices for transporting TANF recipients to and from work-related activities, we conducted Internet research and we met with officials of the State of New Jersey.

We also visited six local districts (Broome, Erie, Monroe, Niagara, St. Lawrence and Westchester) to review their processes for identifying and addressing the transportation needs of TANF recipients. At these districts, we interviewed managers and reviewed the documentation in selected case files. We also reviewed the source documentation for TANF transportation grant applications submitted by the districts. We selected these six districts to visit because, taken as a group, they include rural and urban areas, and areas with and without public transportation. We did not select New York City, even though a significant portion of the State's TANF recipients are served by this district, because we plan to examine in a

separate audit the adequacy of the transportation services provided to TANF recipients in New York City.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations which are included within our audit scope. Further, these standards require that we understand the Department's internal control structure and its compliance with those laws, rules and regulations that are relevant to the operations which are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on those operations that have been identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may be relatively efficient or effective. As a result, our audit reports are prepared on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

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### ***Response of Department Officials***

**A** draft copy of this report was provided to Department officials for their review and comment. Their comments were considered in preparing this report, and are included as Appendix B.

Department officials stated that our report failed to address their repeatedly expressed specific concerns relating to the audit. This is not the case. Throughout the audit, areas of disagreement cited by Department officials were of a general nature. Despite our continuous efforts, including providing the Department with written preliminary findings and requiring a response thereto, and holding an exit conference to discuss our

findings, Department officials refused to discuss specifics or provide details supporting their position. Similarly, Department officials did not respond to our specific recommendations and instead misconstrued their intent (to enhance monitoring program activity, to streamline the grant application process, to promote best practices where possible among local districts, and to ensure that recipients are given fair treatment) as our misunderstanding the need for local flexibility, and laws and policies that govern the use of grant funds. We believe our recommendations incorporate flexibility concerns and are well within the constraints of program laws and policies. The fact remains that, after four years, of the \$53 million available for this program only \$6 million (11 percent) has been expended, even though districts demonstrated on their project proposals, which were approved by the Department, that there were TANF recipients with transportation needs who could have used this funding. Further, our case file review found some recipients for whom there was no evidence that their transportation needs were met. In response to our recommendations to better administer program funds, Department officials argue that, “this audit was conducted prematurely.” Four years of program funding is sufficient to assess the role of the Department in addressing the needs of TANF recipients.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Labor shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.



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# ALLOCATING AND DISTRIBUTING TANF TRANSPORTATION GRANTS

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We examined the process used by the Department to allocate and distribute TANF transportation grants to the local districts. We found that improvements are needed to reduce delays in the process and provide better assurance that the funds are allocated on the basis of statewide need.

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## ***Comprehensive Statewide Needs Assessment***

States receive their TANF block grant from the U.S. Department of Health and Human Services (HHS). In July 2000, HHS and the U.S. Department of Transportation (USDOT) jointly issued the *Planning Guidelines for Coordinated State and Local Specialized Transportation Services* to help state oversight agencies coordinate local district efforts to identify and meet the transportation needs of TANF recipients and other clients. According to these guidelines, state oversight agencies should provide planning support by assisting districts in coordinating transportation services. The guidelines further state that transportation coordination should consider the needs of an entire region, and coordinated planning should be part of an intergovernmental plan and program development decision-making process.

The guidelines also state that the oversight agencies and the local communities will need to share planning resources to identify client needs, and when client needs are properly identified, state and local agencies will be able to adjust existing para-transit services or create new services as needed while achieving efficiencies through the co-mingling of clientele or the coordinated dispatching of services. The guidelines conclude that these improvements would not be possible without coordination.

The guidelines recommend that data be collected by the state oversight agency to facilitate the forecasting and identification of the types and locations of transportation services needed. Using this data, a master plan should be developed to target

TANF funding to appropriate populations and appropriate geographic areas, and to the most appropriate types of transportation. However, we found that the Department has not developed a master plan of this kind, and in fact, has not assessed TANF recipients' transportation needs on a comprehensive statewide basis, as recommended by the guidelines. Instead, the Department relies on the local districts to identify these transportation needs through their applications for TANF grant funds. While these applications provide some indication of these needs, they do not provide for coordination among more than one district, do not provide a basis for targeting funds to areas with the greatest need, and do not provide a means for addressing needs not identified by local districts.

In addition, when the Department allocates TANF transportation grant funds to the local districts (separate allocations are made for each of the three transportation programs, and indicate the maximum amount each district can receive through each program), the allocations are not based on the need for transportation services in each district. For example, the allocations for the Community Solutions for Transportation Program are based on certain poverty statistics in each local district. However, this allocation methodology does not take into account the existing transportation resources in each district. As a result, Niagara County was allocated \$735,000 for the Community Solutions for Transportation Program, even though information in Niagara County's grant application for the program indicated that the district actually needed more than this amount. However, since the allocation was based on poverty statistics and not need, this was the maximum funding that Niagara County could receive.

The U.S. Department of Labor recommends that Geographic Information Systems (GIS) be used to identify TANF recipients' transportation needs. (In Geographic Information Systems, information can be organized on a geographic basis and displayed visually on maps.) According to the U.S. Department of Labor, a spatial analysis using GIS can determine the relative proximity of recipients and employers to transit service; travel times and distances between points or over the entire network; and any obvious gaps in transit service. The most basic spatial analysis of access to work activities requires three sets of data: (1) GIS maps of transit routes; (2) addresses of TANF recipients; and (3) addresses of potential job and training sites.

Planners can use this information to modify or improve transit routes or to develop new services.

HHS has indicated that New Jersey, which uses GIS technologies to map out the entire state and its transportation resources for TANF recipients, has one of the best statewide models for implementing TANF transportation programs. New Jersey TANF administrators use GIS information to identify service delivery gaps and as a basis for approving district TANF transportation grant requests. We visited New Jersey to obtain an understanding of its TANF transportation programs and found that the state has adopted a centralized perspective that involves the counties in preparing a statewide needs assessment. All the counties in New Jersey have established Steering Committees, which are centralized groups that coordinate all aspects of local transportation alternatives. These Steering Committees collectively create a statewide needs assessment and a map of available resources for meeting TANF recipients' transportation needs. This system enables New Jersey to provide effective transportation to the recipients and develop alternatives that encompass all areas of transportation needs.

We recognize that there are differences between New York and New Jersey, such as size, infrastructure in-place (i.e., New Jersey has one central Transit Authority), and oversight agency roles. When combined with a statewide needs assessment, GIS technologies can be a valuable tool for planning and monitoring TANF transportation services in the local districts. At the conclusion of our audit, Department officials advised us that they had taken steps to develop a statewide GIS.

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### ***Process for Distributing TANF Transportation Grants to the Local Districts***

For the four fiscal years ended March 31, 2001, the Department was allocated a total of \$53 million in TANF transportation grant funds for use by the local districts. However, much of this amount was not distributed to the districts until late in calendar year 2000, almost four years after the implementation of the Welfare Reform legislation that created the TANF block grants. As a result of this delay, the local districts, as of December 2000, had been able to spend only \$6 million.

We were unable to determine exactly when TANF transportation grants were made available to many of the local districts, because, to date, Department officials have not provided us with much of the information we requested about the distribution of the funds to the districts. However, on the basis of information we obtained in our visits to six of the districts and on the basis of other information that was made available to us, we were able to determine that a significant portion of the \$53 million in TANF transportation grants was not distributed to the districts until the fourth quarter of calendar year 2000. For example, none of the \$24 million that was allocated for the Community Solutions for Transportation Program was distributed to the local districts before the last quarter of 2000. In addition, some of the districts we visited did not receive grant funds from the Wheels-to-Work Program or the TANF Transportation Grant Program until late in 2000.

We examined the process used by the Department to allocate and distribute TANF transportation grants to the local districts. We found that the process is subject to long delays and is considered administratively burdensome by the local districts we visited. For example, district managers told us the grant process is cumbersome. They told us they are put under tight deadlines to complete grant applications that their employees have neither the time nor the expertise to complete. Moreover, after the applications are submitted, the districts often must wait three to six months before they are instructed by the Department to make changes to the applications. After these changes are made, the districts must wait another two to three months to learn whether the applications have been approved by the Department, and even then they receive no formal notification of approval or denial.

During these long delays, district officials are unsure when they will receive the funds they requested or even if they will receive the funds at all, and as a result, may not be able to obtain needed transportation services or implement needed transportation programs in a timely manner or at all. Once the grant application is approved, the districts must wait to receive the local legislature's approval to spend the grant funds, which could take up to two months. Therefore, the entire process, from the submission of the grant application until the grant funds can actually be used by the district, can take nearly a year. District managers told us that the process is so cumbersome they are reluctant to apply for the funds.

In the grant applications, the districts are expected to justify the need for the funds and provide detailed support for the amount of funding requested. The districts are encouraged by the Department to address certain types of transportation needs, such as needs common to many TANF recipients, needs identified by employers, needs providing long-term employment opportunities, and needs not met by the existing transportation systems (such as reverse commutes and the need for transportation during late-night shifts). The applications are evaluated by the Department, which determines how much (if any) funding should be awarded for each grant.

We examined the process used by the Department to review grant applications to determine why it can take up to nine months. We found that the Department has devoted limited resources to the review of the applications, as two staff are responsible for administering all aspects of the Department's TANF transportation programs, including the review of the applications from the local districts. As a result, it takes an inordinate amount of time for the applications to be reviewed in a coordinated and systematic manner. We note that while up to 15 percent of TANF transportation funds can be used for administration, during the 1999-2000 and 2000-2001 fiscal years, the Department appropriated only \$150,000 to administer its TANF transportation programs. If the Department's administration of the grant applications is to be more timely, the Department needs to give the application review process a higher priority.

We also determined that when the local districts are asked in the grant applications to substantiate whom their proposed projects will serve, they are required to provide far more details than are required by the Federal TANF spending guidelines, which require only that funded projects benefit TANF recipients and be reasonable. If these additional details were not included in the applications submitted to the Department, the amount of time needed by Department staff to review the applications could be reduced. In addition, it is burdensome for the local districts to provide more details than are necessary.

The distribution of funds to the local districts was further delayed in the 1997-98 and 1998-99 fiscal years because it took the Department several months to put together grant application packages for those years. Department officials told us the application packages were delayed because Federal regulations

do not clearly define the kind of transportation projects that are eligible for TANF funds and they were unable to obtain guidance on this subject from the Federal government in a timely manner. As an example, Department officials provided documentation showing they requested clarification in November 1998 about the use of TANF funds for certain shared-ride transportation programs and for start-up costs for new and expanded services for TANF recipients, but did not receive a response from HHS until February 2000. (According to the response, TANF grants can be used for these programs.) We acknowledge the Department did not receive a prompt reply to this particular request, but we also note that other states, such as New Jersey and Michigan, were able to initiate TANF transportation programs in 1998.

During our visits to six of the districts, we examined the documentation maintained by the districts in support of the transportation needs described in their grant applications. We found that these needs were adequately documented. However, since the funds requested in the grant applications to meet these needs were delayed, the needs may not have been fully met, and some TANF recipients may not have been placed in the job or training program best suited to their needs. For example, we found that Erie County did not begin to provide transportation services to TANF recipients with jobs until November 2000, when it finally received its TANF Transportation Grant funding for the 1997-98 fiscal year.

We therefore conclude that improvements are needed in the process used to allocate and distribute TANF transportation funds to the local districts. The process should be expedited so that the funds can be made available to the districts in a timely manner, and the process should be simplified so that it is less cumbersome for the districts to obtain funds for documented needs. We also note that action must be taken to ensure that the unused TANF transportation grants from prior fiscal years are not lost because of the delays in making the funds available for use.

## **Recommendations**

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



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## OVERSEEING AND MONITORING LOCAL DISTRICT ACTIVITIES

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The Department is responsible for overseeing and monitoring local district efforts to meet the transportation needs of TANF recipients. We found that improvements are needed in this oversight and monitoring. For example, when we reviewed selected TANF cases at six local districts, we found that there was no documentation indicating that the transportation needs of some recipients had been identified by the districts, and that some of those needs that were identified had actually been addressed. In addition, because of inconsistencies in the approaches taken by the districts in addressing transportation needs, the recipients in some districts may receive less help in meeting their transportation needs than the recipients in other districts. We further found that improvements are needed in the Department's procedures for collecting and evaluating information about the districts' use of TANF transportation funds.

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### ***Local District Efforts To Address Transportation Needs***

The local districts are required to assess the employability of all TANF recipients within 90 days of the date the individual becomes eligible for public assistance. As part of this assessment, the district must determine whether any supportive services (such as child care or transportation) are needed by the recipient to enable him or her to participate in work-related activities.

At each of the six local districts we visited, we randomly selected 25 of the TANF recipients who were required to participate in work-related activities during our audit period. We then reviewed the case records for each of these 150 recipients to determine (1) whether the recipient's need for transportation services had been assessed by the district, and (2) if a need for transportation services was identified, whether action was taken by the district to address this need.

The results of our review of selected case files at the six districts are summarized in the following table:

District	Number of Recipients Sampled	Assessment of Transportation Need Not Documented	Effort To Address Identified Transportation Need Not Documented
<b>Broome</b>	<b>25</b>	<b>2</b>	<b>2</b>
<b>Erie</b>	<b>25</b>	<b>2</b>	<b>1</b>
<b>Monroe</b>	<b>25</b>	<b>1</b>	<b>0</b>
<b>Niagara</b>	<b>25</b>	<b>0</b>	<b>7</b>
<b>St. Lawrence</b>	<b>25</b>	<b>2</b>	<b>3</b>
<b>Westchester</b>	<b>25</b>	<b>0</b>	<b>1</b>
<b>TOTAL</b>	<b>150</b>	<b>7</b>	<b>14</b>

For 7 of the 150 recipients, there was no documentation in the case records indicating that district staff had assessed whether the recipient needed supportive transportation services to get to and from work-related activities. In the absence of such documentation, there is less assurance that a district will identify a potential barrier to successful participation in work-related activities.

For the remaining 143 recipients, there was documentation in the case records indicating that the recipient's transportation needs had been assessed by district staff. In these assessments, it was determined that 48 of the recipients did not need supportive transportation services to get to and from work-related activities (e.g., some recipients lived within walking distance of their job or training locations), while 95 of the recipients did need supportive transportation services to get to and from work-related activities. For 14 of these 95 recipients (15 percent), there was no documentation indicating that district staff had taken action to address this need (such as providing bus passes or arranging for taxis).

- In a case from Broome County, a note in the case file from the recipient's instructor stated, "transportation was still a problem causing the recipient to miss classes" because he resided 17 miles from the nearest bus route. However, there was no indication in the case file that the recipient's need for transportation was addressed by the district.
- In another case from Broome County, the employability assessments indicated that the recipient had no car and did not have access to public transportation. However, there was no documentation in the case file indicating

that the district took steps to address the recipient's need for transportation.

- In a total of six cases from Erie and Niagara Counties, the case files indicated that the recipient lived on a bus route. However, in each case file, there was no indication that the district provided the recipient with bus passes to get to and from work-related activities.

In the absence of documentation indicating that action was taken to address identified transportation needs, there is less assurance that such action was actually taken, and accordingly, less assurance that the need was met. If this need is not met, the recipient may not be able to successfully participate in work-related activities.

Department officials told us that their staff have visited all the districts and reviewed case files to assess whether the districts were adequately identifying the recipients' need for supportive services, and any significant problems that were found relating to supportive services would have been discussed with district management.

However, there were no written reports describing the results of the reviews, and no documentation of any discussions that took place with district management. In the absence of such documentation, there is less assurance that the districts' efforts to identify supportive service needs were adequately assessed by Department staff, and there is no basis for following up with the districts to ensure that any needed corrective actions have been taken. We also note that, while the Department's reviews were designed to determine whether a district's employability assessments identified the recipients' need for supportive services, the reviews were not designed to determine whether adequate steps were taken by the district to meet the needs that were identified. Therefore, we recommend that the Department 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.

In addition, during our visits to the six local districts, we identified the following inconsistencies in the approaches taken by the districts to addressing TANF recipients' transportation needs:

- Three of the districts (Broome, Monroe and St. Lawrence) continue to provide transportation services to TANF recipients after they are employed. However, two of the districts (Niagara and Westchester) do not provide transportation services to TANF recipients if they are employed, and Erie County did not begin providing such services until November 2000. Officials in Niagara and Westchester Counties told us that the recipients should use their Income Disregard to pay for transportation to and from work (the Income Disregard is the percentage of a working TANF recipient's earned income that is not considered when the recipient's public assistance grant is calculated).
- It is considered important to provide transitional support to former TANF recipients who obtain jobs that make them ineligible for continued public assistance. However, the districts do not have the same policy for providing transportation services to such individuals. For example, Erie County provides transportation services for employed individuals up to nine months after they leave public assistance. However, four of the districts (Broome, Monroe, St. Lawrence and Westchester) provide such services for up to three months after the recipient leaves public assistance, and Niagara County allows such recipients to use any bus passes that were already distributed, but makes no additional passes available.

The districts have different policies for reimbursing the recipients' transportation costs. Three districts (Broome, Monroe and Westchester) reimburse recipients at 32.5 cents per mile, St. Lawrence County reimburses recipients at 17 cents per mile, Niagara County reimburses recipients at 10.5 cents per mile, and Erie County provides a monthly transportation allocation of \$43 for a bus pass or the costs associated with using an automobile.

Department officials told us that the districts have the flexibility to implement their own procedures for providing transportation services to TANF recipients. The officials stated that, as long as the districts adhere to Federal and State regulations and Department procedures, they can use whatever methods they like in providing for these transportation services. We agree that the districts should be given a certain amount of flexibility in

their administration of TANF programs, especially in the methods that they use to administer the programs. The inconsistencies we question are inconsistencies in eligibility for benefits and inconsistencies in the amount of benefits provided, not inconsistencies in the methods used to provide these benefits. Since such inconsistencies could be said to be inequitable, it seems prudent to determine whether they are justified.

For example, the New York State procedures related to the Income Disregard do not require that employed recipients use the Income Disregard for transportation to and from work. Therefore, it may not be equitable that the recipients in some districts are required to use the Income Disregard for this purpose, while the recipients in other districts are not. In these circumstances, it might be better if new guidelines were issued to ensure that this matter were treated consistently in all districts. Similarly, the most recent guidelines about mileage reimbursement for public assistance recipients were issued in 1994 before the implementation of Welfare Reform legislation. In these circumstances, it might be better if new guidelines were issued to help the local districts administer TANF programs in a more uniform manner. We recommend that the Department 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 the local districts, unless justification can be provided for maintaining the inconsistent eligibility criteria and inconsistent reimbursement rates identified by our audit.

We also note that, in rural local districts, TANF recipients generally do not own automobiles, do not have access to public transportation, and must travel long distances between their homes and the locations of their work-related activities, including child care facilities. As a result, rural districts may need assistance in providing and coordinating transportation services for their TANF recipients. For example, one of the districts we visited (St. Lawrence County) is predominantly rural. District officials told us the district has no public transportation, was denied funding for the TANF Transportation Grant Program, and did not apply for grant funds from the Wheels-to-Work Program because a local transportation provider could not be found.

We found indications that other rural districts may not be receiving the assistance they need in providing and coordinating TANF transportation services. For example, in the 1997-98 and 1998-99 fiscal years, 19 of the 32 applicants for TANF Transportation Grant Program funds were rural districts. However, only 6 of the 19 districts were awarded grants. Moreover, in the 1999-2000 and 2000-2001 fiscal years, 11 of the 39 rural districts in New York did not receive a Wheels-to-Work grant.

We therefore recommend that the Department develop special programs of coordination and assistance to help rural districts meet the transportation needs of their TANF recipients. During our audit, we identified rural districts using innovative approaches to meet their TANF transportation needs, and it is possible that these approaches could be adopted by other rural districts. For example, Greene County, which is located in the Catskill Mountains, received a TANF transportation grant in 2000 and contracted with a private provider to administer programs providing shuttles that transport TANF recipients to and from work-related activities; vouchers that can be used on private transportation carriers; and low-interest loans to recipients to cover the costs of purchasing and owning a vehicle. The Department could bring these and other such programs to the attention of other rural districts, help rural districts implement such programs, and coordinate shared-services of this kind among more than one district. Without such assistance from the Department, many of New York's rural districts may not have the resources to meet TANF recipients' transportation needs.

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### ***Information About Local District Transportation Services***

Federal regulations require the Department to collect information about the transportation services provided to TANF recipients and to report this information to HHS on a quarterly basis. In addition, the Department requires all local districts receiving TANF transportation funding to submit quarterly progress reports including such information as the following:

- Number of TANF recipients receiving transportation services;
- Number of trips made by TANF recipients receiving transportation services;

- Miles of transportation service; and
- Cost per trip.

We examined whether local districts were submitting the quarterly progress reports as required, and found that the reports have not been submitted by many of the districts that received TANF transportation funds. For example, in the 1997-98 and 1998-99 fiscal years, TANF transportation grants were provided to a total of 16 districts. However, the Department received quarterly reports from only five of these districts. As a result, the Department was less able to monitor the performance of the districts in providing transportation services to TANF recipients.

In May 2001, the Department implemented its Transportation Web Reporting Site, which allows local districts to submit their quarterly TANF transportation reports electronically through the Department's Intranet. While this new reporting system may make it easier for the districts to comply with the reporting requirement, the Department needs to follow up with districts that do not submit their quarterly reports and determine what can be done to enable the districts to submit the required information.

The Department is responsible for monitoring the performance of the local districts in providing transportation services to TANF recipients. This monitoring can be accomplished through visits made by Department staff to the local districts and through the review of information reported to the Department by the local districts. Generally, information from the local districts about TANF transportation services can be reported to the Department in two ways: (1) through the quarterly progress reports related to TANF transportation grants and (2) through New York State's automated Welfare Management System, which contains information about services provided to TANF recipients by the local districts.

If the Department is to make the best possible use of the TANF transportation information reported by the local districts, it should accumulate and organize this information in appropriate formats. Such formats would allow Department managers to readily evaluate the effectiveness of the districts in meeting recipients' needs, complying with requirements and accomplishing operational goals. However, we found that the

Department does not accumulate and organize TANF transportation information in formats that facilitate such evaluations. Rather, the information in the quarterly progress reports is not processed or summarized at all by the Department, but is retained in the various formats in which it is reported by the various districts, and the Welfare Management System, which was designed prior to the implementation of Welfare Reform legislation, does not adequately accumulate information about TANF transportation services. Specifically, the System does not contain codes to account for recipients with and without transportation needs, or district actions to address these transportation needs (such as mileage allowances or bus passes).

Department officials told us they are in the process of establishing new methods to capture useful TANF transportation data as part of the development of the new Client Management System. According to the officials, in the new system, information will be accumulated in a way that will help districts determine a recipient's transportation needs, the best means to meet those needs in compliance with regulations, and how the recipient's transportation needs affect the location of work-related activities.

However, before meaningful data can be collected, managers must determine how they will measure program performance so that the information systems can be programmed to capture the necessary data elements. Department managers have not yet established clear goals and objectives, desired outcomes, performance indicators, and measures of success for local district TANF transportation programs. Rather, Department managers rely on the districts to establish their own methods of measuring the performance of their TANF transportation programs. In the absence of an established performance measurement system, Department managers are less able to evaluate the effectiveness of the local districts in meeting the transportation needs of TANF recipients, and less able to initiate prompt corrective action in response to problems.

## **Recommendations**

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.
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 the local districts, unless justification can be provided for maintaining the inconsistent eligibility criteria and inconsistent reimbursement rates identified by our audit.
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.
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.
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.
9. Establish measurable performance indicators and desired outcomes for local districts' TANF transportation programs.

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November 20, 2001

Mr. William P. Challice  
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Dear Mr. Challice:

This letter is in response to your request for the Department of Labor's (Department) comments on the Office of the State Comptroller's draft audit report (2000-S-63) addressing 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.

The Department has repeatedly expressed specific concerns relating to this audit; however, this report fails to address our concerns. Therefore, due to this lack of response, the Department's comments will be limited to four overall areas of concern.

First, it is the Department's position that this audit was conducted prematurely. At the time of this audit, the outcomes of most Welfare-To-Work transportation programs were not yet available. This is evidenced by the fact that the term "may not have been" is used several times in this report in an attempt to *predict* program outcomes. Furthermore, the report includes a lot of "what if" statements, but does not present any information indicating that the transportation needs of any TANF recipients were not met. The auditors were informed of the difficulties this Department had experienced in implementing these programs before the audit began and, as a result, knew the audit findings would be impacted.

Second, several of the audit recommendations displayed an overall disagreement with and misunderstanding of this Department's continued commitment to local flexibility. The needs of TANF recipients in large urban areas and small rural areas vary greatly. Creating local mandates by issuing stringent guidelines will not meet the needs

of recipients or local governments. Within permissible state and federal guidelines, the Department believes that local government should determine how to provide needed services to low-income individuals.

Third, this report fails to adequately emphasize the availability of Training Related Expenses (TREs) for transportation. Local districts have addressed the ongoing transportation needs of recipients involved in work activities for many years. Welfare-To-Work transportation funding was made available to enhance existing processes. The report repeatedly alludes to “unmet transportation needs” without ever providing evidence to support that such unmet needs are anything more than aberrations in an otherwise well-functioning system.

Finally, this report misrepresents the laws and policies that govern the use of federal funds to support transportation services for TANF recipients, implying that this Department was not in compliance. The Department’s transportation program design and allocation methodologies that were used are, in fact, allowable under federal and state law. In addition, the joint federal guidance mentioned in the report encourages flexibility and does not require specific allocation methodologies or statewide needs assessments. The report fails to clarify the difference between “requirement” and “guideline.”

It is the Department’s opinion that this audit was not conducted in a manner that adequately assesses the operation and outcomes of the Department’s transportation programs. The Department is confident that we are doing an efficient job in distributing the dollars so that client needs are adequately served. We intend to continuously assess and modify the program to improve the administration of the grant awards. As always, this includes constant communication with localities and other advocate organizations to ensure that their concerns are factored into our programs.

We would be happy to meet with you and your staff to discuss our response or to provide the auditors with additional information that relates to this audit. If you have any questions, please contact me, at (518) 457-9016.

Sincerely,



Karen C. Stackrow  
Director of Internal Audit

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