

November 2006

FEDERAL TRANSIT ADMINISTRATION

Progress Made in Implementing Changes to the Job Access Program, but Evaluation and Oversight Processes Need Improvement





Highlights of [GAO-07-43](#), a report to congressional committees

Why GAO Did This Study

Begun in 1998, the Job Access and Reverse Commute (JARC) program provides grants to states and localities for improving the mobility of low-income persons seeking work. The Federal Transit Administration (FTA) administers this program. In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) authorized \$727 million for JARC for fiscal years 2005 through 2009, changed how these funds were to be awarded after fiscal year 2005, and required FTA to evaluate the program by August 2008.

GAO examined (1) SAFETEA-LU's changes to JARC, (2) FTA's progress in implementing these changes, (3) states' and localities' efforts to respond and challenges they have encountered, and (4) FTA's proposed strategy for evaluation and oversight. GAO's work included analyzing program guidance as well as interviewing officials from FTA, industry groups, and more than 30 state and local agencies.

What GAO Recommends

GAO recommends that FTA update its existing oversight processes to include the JARC program and specify how often it will monitor recipients that are not subject to its existing oversight processes, to help FTA more adequately evaluate and oversee the JARC program. FTA agreed to consider the report's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-43.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Katherine Siggerud at (202) 512-2834 or siggerudk@gao.gov.

FEDERAL TRANSIT ADMINISTRATION

Progress Made in Implementing Changes to the Job Access Program, but Evaluation and Oversight Processes Need Improvement

What GAO Found

SAFETEA-LU created a formula for distributing JARC funds starting in fiscal year 2006, substantially altering funding allocations provided under earlier grants. Funding in some states increased, with 2 states receiving increases of more than 1,200 percent between fiscal years 2005 and 2006. Funding in other states decreased as much as 80 percent, while 18 other states received funds that had not received them in fiscal year 2005. To receive funds, SAFETEA-LU required that states and localities designate a recipient agency to administer JARC funds, award grants on a competitive basis, and certify that projects were derived from a coordinated public transit-human services transportation plan.

In March 2006, FTA issued interim guidance and proposed strategies for implementing these new requirements, but delays in issuing final guidance have reduced the window of opportunity for states and localities to obligate fiscal year 2006 funding. As required by SAFETEA-LU, FTA requested public comment on its interim guidance and proposed strategies, and responding to the more than 200 comments took more time than FTA had initially planned. FTA has specified in its guidance that states and localities have until the end of fiscal year 2008 to obligate fiscal year 2006 funds, so their ability to use the funds is not imminently jeopardized. FTA also encouraged states and localities to implement their programs on the basis of the interim guidance. However, given that officials in a number of areas we interviewed planned to wait for final guidance before moving forward, these areas will have less time available to obligate fiscal year 2006 funds.

Most states and localities are in the process of trying to meet these new requirements, and although they have encountered challenges in doing so, FTA is taking steps to alleviate most of these challenges. As of the end of fiscal year 2006, about 4 percent of fiscal year 2006 funding apportioned to states and localities had been obligated. States and localities have raised a number of questions or concerns about the new requirements, such as whether an agency serving as the designated recipient would also be eligible to receive funds. In response, FTA proposed several actions that localities could take to reduce the potential conflict of interest in such situations.

FTA is continuing to develop and refine its strategies for evaluation and oversight of JARC. FTA, which has had difficulty assessing this program in the past, proposed a new approach, but states and localities found problems with it. FTA is revising its approach and gathering baseline data for its required evaluation of the JARC program. Even if FTA resolves the concerns that have been raised, gaps in monitoring may still limit its ability to evaluate and oversee the program. FTA plans to use existing oversight processes for monitoring JARC recipients; however, FTA officials noted that SAFETEA-LU did not provide specific program management oversight funds for the JARC program and said that they are looking for alternate sources of funding.

Contents

Letter

Results in Brief	1
Background	4
SAFETEA-LU Created a Formula for Distributing JARC Funds and Amended Other Aspects of the Program	7
FTA Has Developed Proposed Final Guidance for JARC, but Delays in Issuing the Final Guidance May Reduce the Time Available to Obligate JARC Funding	10
States and Large Urbanized Areas Have Begun to Implement JARC Requirements, and FTA Has Taken Steps to Alleviate Implementation Challenges	20
FTA Changed Its Evaluation and Oversight Strategies but Still Needs to Address Monitoring Issues	24
Conclusions	35
Recommendations for Executive Action	48
Agency Comments and Our Evaluation	48
	49

Appendixes

Appendix I: Objectives, Scope, and Methodology	50
Appendix II: Job Access and Reverse Commute Program Funding	56
Appendix III: Summary of Stakeholder Comments on FTA's Interim Guidance and Proposed Strategies for Job Access and Reverse Commute Program	67
Appendix IV: GAO Contact and Staff Acknowledgments	71

Related GAO Products

72

Tables

Table 1: Comparison of SAFETEA-LU's and TEA-21's JARC Provisions	11
Table 2: Stakeholders' Key Implementation Challenges and Concerns and FTA's Response	27
Table 3: Summary of Program Stakeholders' Challenges and Concerns and FTA's Response to the Proposed JARC Performance Measures and Reporting Mechanism	40
Table 4: State Agencies Interviewed for Our Review	53
Table 5: Large Urbanized Area Agencies Interviewed for Our Review	55

Table 6: Total JARC Apportionments for States and Large Urbanized Areas, Fiscal Years 2004-2006	56
Table 7: Job Access and Reverse Commute Apportionments for Fiscal Year 2006	58
Table 8: Amounts Apportioned to Large Urbanized Areas 200,000 or More in Population	58
Table 9: Amounts Apportioned to State Governors for Small Urbanized Areas 50,000 to 199,999 in Population	63
Table 10: Amounts Apportioned to State Governors for Nonurbanized Areas Fewer Than 50,000 in Population	65
Table 11: Changes to the JARC Program Proposed in FTA's March 2006 Interim Guidance and Proposed Strategies and Program Stakeholder Responses	68

Figures

Figure 1: Percentage Change in Job Access and Reverse Commute Funds Apportioned to States and Large Urbanized Areas from Fiscal Years 2005 to 2006	15
Figure 2: Key Requirements under SAFETEA-LU for Receiving JARC Funding	18
Figure 3: Timeline for FTA's Implementation of SAFETEA-LU Changes to the JARC Program	22

Abbreviations

DOT	Department of Transportation
FTA	Federal Transit Administration
GPRA	Government Performance and Results Act of 1993
JARC	Job Access and Reverse Commute program
MPO	metropolitan planning organization
NTD	National Transit Database
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users
TANF	Temporary Assistance for Needy Families
TEA-21	Transportation Equity Act for the 21 st Century
TEAM	Transportation Electronic Award and Management system

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office
Washington, D.C. 20548

November 17, 2006

The Honorable Richard C. Shelby
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable Don Young
Chairman
The Honorable James L. Oberstar
Ranking Democratic Member
Committee on Transportation and Infrastructure
House of Representatives

Access to adequate transportation is an important factor in the ability of low-income individuals—including those who receive government help to become self-sufficient—to find and retain employment. However, existing public transportation systems—originally established to allow city residents to travel within the city and bring suburban residents to central-city work locations—cannot always bridge the gap between where these individuals live and where many jobs for which they would qualify are located. Our previous work has noted that a majority of the entry-level jobs that low-income individuals would be likely to fill are located in suburbs that have limited or no accessibility through existing public transportation systems.¹ Furthermore, many entry-level jobs require shift work in the evenings or on weekends, when public transit services are either unavailable or limited.

To increase collaboration among transit agencies, local human service agencies, nonprofit organizations, and others, and thereby improve the mobility of low-income individuals seeking work, the Job Access and Reverse Commute (JARC)² program was first authorized under the Transportation Equity Act for the 21st Century (TEA-21) in 1998.

¹GAO, *Welfare Reform: Transportation's Role in Moving From Welfare to Work*, GAO/RCED-98-161 (Washington, D.C.: May 29, 1998).

²“Reverse commute” projects are projects related to the development of transportation services designed to transport residents of urban areas and other areas to suburban employment opportunities.

Administered by the Federal Transit Administration (FTA), this program provides grants for such purposes as expanding public transit routes, lengthening service hours, or providing other transportation options. However, our previous reviews of the JARC program found a number of challenges that arose in the program, such as difficulties in awarding grants competitively and inconsistencies with statutory requirements of other FTA grant programs, making implementation difficult. FTA also experienced difficulties in evaluating the program, as TEA-21 required.³

In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) authorized \$727 million for the JARC program from fiscal years 2005 through 2009. SAFETEA-LU also made a number of changes that, beginning with fiscal year 2006 funding, will affect FTA, states, and urbanized areas as they administer the program. For example, FTA will now provide grant monies through a formula to states—for distribution to small urbanized and rural areas—and to large urbanized areas.⁴ In addition, SAFETEA-LU requires the Department of Transportation (DOT) to evaluate the effectiveness of the JARC program and report the results to Congress by August 2008.

SAFETEA-LU also requires us to study the JARC program, beginning 1 year after the legislation takes effect and every 2 years thereafter. This report, our first in compliance with this mandate, analyzes what has happened to date in implementing program changes and installing a framework for FTA's evaluation of program results in 2008. Our specific reporting objectives were as follows:

- identify changes made to the JARC program as a result of SAFETEA-LU;
- assess the progress FTA has made in implementing these changes;

³GAO, *Job Access and Reverse Commute: Program Status and Potential Effects of Proposed Legislative Changes*, [GAO-04-934R](#) (Washington, D.C.: Aug. 20, 2004); *Welfare Reform: Job Access Program Improves Local Service Coordination, but Evaluation Should Be Completed*, [GAO-03-204](#) (Washington, D.C.: Dec. 6, 2002); and *Welfare Reform: DOT Has Made Progress in Implementing the Job Access Program but Has Not Evaluated the Impact*, [GAO-02-640T](#) (Washington, D.C.: Apr. 17, 2002).

⁴In information on the JARC program, the term “states” includes American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands. FTA also refers to urbanized areas with a population of 200,000 or more as “large urbanized areas,” urbanized areas with a population between 50,000 and 200,000 as “small urbanized areas,” and rural and small urbanized areas with populations of fewer than 50,000 as “other than urbanized areas.”

-
- describe the extent to which states and urbanized areas have implemented changes to the JARC program, and challenges they have encountered; and
 - determine the extent to which FTA's proposed strategy for evaluation and oversight of the JARC program will allow the agency to assess whether the program is meeting its stated goals.

Our work was based in part on our analysis of program documentation, relevant legislation, Office of Management and Budget circulars, previous GAO reports and guidance on the JARC program and on program evaluation and performance measurement, and over 200 comments posted to the DOT's online docket in response to FTA's March 2006 interim guidance and proposed strategies for the JARC program.⁵ We determined that the data that FTA provided were sufficiently reliable for the purposes of this report. We also interviewed officials from FTA and industry associations as well as representatives from 12 state departments of transportation, 8 metropolitan planning organizations, and 9 local transportation agencies in 12 large urbanized areas; a transportation agency in 1 small urbanized area; and 1 nonprofit organization that works with rural transit providers.⁶ These agencies were selected on the basis of several factors, including changes in JARC funding from fiscal years 2005 to 2006, whether the areas had formally designated a recipient for JARC funds, and whether the agency was recommended to us by FTA or an industry association. The agencies were selected to provide a distribution of the various factors; however, we did not select them in such a way that we may project the results as representative of the entire country. Appendix I contains a detailed discussion of our objectives, scope, and methodology, including more information on how we selected the state and local agencies we contacted. We conducted our work between May and October 2006 in accordance with generally accepted government auditing standards.

⁵71 *Fed. Reg.* 13456 (Mar. 15, 2006). In this FTA document, the agency provided interim guidance for fiscal year 2006 JARC program implementation and notice and request for comment on proposed strategies for fiscal year 2007.

⁶See appendix I for a complete list of the states and areas we selected.

Results in Brief

SAFETEA-LU made a number of changes to the JARC program, the most significant of which was to modify JARC from a discretionary program to a formula-based program. Whereas in recent years, JARC projects were competitively selected by FTA or congressionally designated for funding, SAFETEA-LU's formula distributes funds to states and large urbanized areas on the basis of the relative number of low-income individuals and welfare recipients in each area. This change will significantly alter the allocation of JARC funds, because some states and large urbanized areas that did not formerly receive funds will now receive them, and others will receive a different amount than they received in the past. For example, total funds available in Florida and Virginia increased by more than 1,200 percent from fiscal years 2005 to 2006 (from \$594,708 to \$8.3 million and from \$84,249 to \$2.5 million, respectively), while total funds available in Alaska and Vermont decreased by more than 80 percent (from \$1.7 million to \$207,503 and from \$991,182 to \$186,885, respectively). In addition, 18 states were apportioned JARC funds for fiscal year 2006 that did not receive funds in fiscal year 2005. Another change is that states and large urbanized areas have to fulfill the following three key requirements before receiving JARC funding: (1) identify a designated recipient for JARC funds, (2) conduct a competitive process to select projects for funding, and (3) certify that JARC projects were selected from a coordinated public transit-human services transportation plan. Other key changes resulting from SAFETEA-LU include allowing JARC recipients to use a portion of these funds for planning activities and increasing the federal government's share of project capital costs.

As required by SAFETEA-LU, FTA has used an extensive public comment process that has helped the agency develop and refine the guidance for implementing changes to the JARC program, but that also has lengthened the time needed to issue the guidance, which will likely reduce the time states and large urbanized areas have to obligate fiscal year 2006 funds under FTA's guidance. Beginning in late-2005, FTA solicited comments and input from JARC stakeholders through program notices and listening sessions. Using feedback from these initial efforts, in March 2006 FTA released interim guidance for fiscal year 2006 JARC projects and proposed strategies for fiscal year 2007. The agency received more than 200 comments on the March interim guidance and proposed strategies from state and local departments of transportation, metropolitan planning organizations, and other JARC stakeholders. FTA officials have incorporated this feedback into the formulation of proposed final guidance

for JARC, which was issued on September 6, 2006.⁷ However, due to the 60-day public comment period following issuance of the September proposed final guidance, FTA was unable to finalize its JARC program guidance before fiscal year 2007 began in October. FTA's March interim guidance and proposed strategies also included a "hold harmless" provision stating that the final guidance requirements would not apply retroactively to grants awarded prior to the issuance of the final guidance. FTA has recognized in its guidance that JARC funds are available for 2 years after the year of apportionment, meaning that fiscal year 2006 funds are available through fiscal year 2008 (Sept. 30, 2008). The time available is further reduced, however, by the time needed to fulfill SAFETEA-LU requirements, such as the requirement to develop coordinated plans. However, given that a number of states and large urbanized areas we interviewed planned to wait for final program guidance before moving forward to program implementation, these areas will have less time available to obligate fiscal year 2006 funds.

States and large urbanized areas have initiated actions to fulfill requirements to receive JARC funding, and although they have encountered challenges in moving forward, FTA has taken steps to alleviate most of these challenges in its September proposed final guidance. Nationwide, few states and large urbanized areas have formally fulfilled the three SAFETEA-LU requirements to receive JARC funding, as less than 4 percent of fiscal year 2006 funding had been obligated by states and localities by the end of fiscal year 2006. Actions to fulfill these requirements were under way, however, in most of the 12 states and 12 large urbanized areas we contacted. For example, all 12 of the states and 9 of the large urbanized areas we contacted had determined which agency would serve as the designated recipient for JARC funding, although not all of these states and urbanized areas had formally notified FTA of this determination. Officials we interviewed as well as other program stakeholders had encountered a number of challenges in program implementation, including questions regarding the selection of the designated recipient in large urbanized areas and a lack of resources for development of coordinated public transit-human services transportation plans. FTA's proposed final guidance responds to most of these issues. For example, FTA clarified information on the process for selecting designated recipients in large urbanized areas and on whether designated recipients could allow other organizations to conduct the competitive selection process to avoid

⁷1 *Fed. Reg.* 52610 (Sept. 6, 2006).

potential conflict-of-interest concerns if the designated recipient competes for funding. In addition, FTA will allow a phased-in approach for development of coordinated public transit-human services transportation plans, in response to program stakeholders' concerns about the time needed to develop these plans.

FTA is continuing to develop and refine its strategies for evaluation and oversight of the JARC program in response to comments received on its March interim guidance and proposed strategies, but a revised approach may still be limited in its ability to assess whether the program is meeting its goals. In response to previous concerns about FTA's measurement of JARC program outcomes, FTA sought public comment on four new proposed performance measures, including one measure specifically for JARC (cumulative number of jobs accessed) and three crosscutting measures (efficiency of operations, program effectiveness, and customer satisfaction) that reflect SAFETEA-LU's emphasis on the coordination of human services transportation. In addition, FTA proposed to use the National Transit Database (NTD)⁸ for tracking JARC performance data. However, program stakeholders that we contacted reported that FTA's proposed cumulative number of jobs accessed measure called for data that would be difficult to collect, and noted that the crosscutting measures may not be useful to assess JARC performance nationwide due to differences in program operation at the local level. On the basis of these comments, FTA eliminated the proposed broader coordination measures and clarified that the jobs accessed measure will assess whether JARC programs are increasing transportation system coverage for low-income people to access jobs. FTA also proposed to add a measure on ridership, which will count the number of rides provided for low-income individuals. FTA officials reported that they are currently testing the JARC performance measure and intend to obtain baseline data for use in FTA's required evaluation of the JARC program, which will be submitted to Congress in August 2008. In addition, FTA revised its proposal to use the NTD for collecting performance data after some grantees reported that it may be challenging for smaller organizations to use the system. Finally, to address grantees' concerns about the lack of feedback on their performance, FTA officials told us that the agency would be more explicit about how it used the JARC

⁸The NTD is the system through which FTA collects uniform data needed by the Secretary of Transportation to administer department programs, including FTA's Urbanized Area Formula Program (which is known as the Section 5307 program) and Nonurbanized Area Formula Program (which is known as the Section 5311 program). These data consist of selected financial and operating data that describe public transportation characteristics.

performance data grantees submitted and would explore posting this information on its Web site in the future. Even if FTA resolves its performance measurement and reporting issues, however, we identified gaps in FTA's processes for monitoring JARC that may affect its ability to evaluate and oversee the program. Although FTA has proposed to use existing oversight processes to monitor JARC recipients, these oversight processes do not explicitly include provisions for oversight of the JARC program. Furthermore, FTA's proposed process for oversight of agencies that do not fall under existing processes could lead to inconsistent oversight of JARC recipients. FTA officials said that SAFETEA-LU does not provide project management oversight funds for the JARC program, and that they are currently looking for alternate sources of funding for this purpose.

To establish adequate and consistent evaluation and oversight processes for JARC recipients, and thereby enable FTA to determine whether projects are meeting JARC program goals, we are recommending that the Secretary of Transportation direct FTA to develop a plan for including the JARC program in its established review mechanisms and to clarify how often recipients that are not covered by those review mechanisms will be monitored. DOT, including FTA, reviewed a draft of this report. FTA officials generally agreed with the report's findings and said that they would consider the recommendations as they move forward with implementing the program. FTA officials also provided technical comments that were incorporated in the report as appropriate to ensure accuracy.

Background

The enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 dramatically altered the nation's system to provide assistance to low-income families with children. The act replaced the existing entitlement program with fixed block grants to the states to provide Temporary Assistance for Needy Families (TANF).⁹ TANF provides about \$16.5 billion annually for the states to use for families to become self-sufficient, imposes work requirements for adults, and establishes time limits on the receipt of federal assistance. Without adequate transportation, however, TANF recipients and other low-income individuals face significant barriers in finding and keeping jobs. Evidence from

⁹TANF is a federal block grant to states that provides cash and noncash assistance to low-income families, such as employment services and training, work and other supports, and aid for the at-risk.

metropolitan areas, such as Atlanta, Boston, and Cleveland, shows that TANF recipients disproportionately live in inner-city neighborhoods, far from entry-level employment opportunities located in the suburbs. Although poverty has declined in central cities, urban poverty rates were still twice as high as suburban poverty rates in 1999 (approximately 16 percent versus 8 percent).¹⁰ In addition, available jobs may not be located near central cities. For instance, one study in 2001 found that in Atlanta, Chicago, Detroit, and a number of other metropolitan areas, more than 60 percent of the regional employment was located more than 10 miles from the city center.¹¹ Similarly, the TEA-21 legislation noted that even in metropolitan areas with excellent public transportation systems, less than one-half of the jobs were accessible by transit. This spatial mismatch between low-income individuals and the locations of jobs or other employment-related services may hinder those individuals' ability to both find and keep jobs.

These challenges are especially acute for low-income individuals who do not own cars and for those who generally drive long distances in poorly maintained cars. Data from the 2001 National Household Travel Survey indicated that 26.5 percent of households that earn less than \$20,000 do not own a car, as compared with 1.2 percent of households with incomes over \$75,000.¹² Lack of adequate modes of transportation makes it difficult to make multiple trips each day to accommodate child care and other domestic responsibilities and employment-related services. As we reported in 2004, many rural TANF recipients also cannot afford to own and operate a reliable private vehicle, and public transportation to get to and from training, services, and work is often not available. In addition, several caseworkers and service providers in rural areas identified the lack of valid driver's licenses as a problem for many of their clients.¹³ A study from the *Journal of the Transportation Research Board* has shown that access to

¹⁰Bruce Katz, "Smart Growth: The Future of the American Metropolis?" Centre for Analysis of Social Exclusion, London School of Economics, CASEpaper 58 (July 2002).

¹¹Edward Glaeser and Matthew Kahn, *Job Sprawl: Employment Location in U.S. Metropolitan Areas* (Brookings Institution Center on Urban and Metropolitan Policy, Washington, D.C.: 2001).

¹²John Pucher and John L. Renne, "Socioeconomics of Urban Travel: Evidence from the 2001 NHTS," *Transportation Quarterly*, Vol. 57, No. 3, Summer 2003, 49–77.

¹³GAO, *Welfare Reform: Rural TANF Programs Have Developed Many Strategies to Address Rural Challenges*, [GAO-04-921](#) (Washington, D.C.: Sept. 10, 2004).

jobs and job-related opportunities, on the other hand, increases the employment and earnings of TANF recipients and reduces TANF-use rates.¹⁴

ABQ RIDE Job Access Services – Albuquerque, New Mexico

ABQ RIDE, the transit department for the city of Albuquerque, reported that it uses JARC funding it received in previous years for seven JARC projects that include demand-response rides for work, job training, or transportation emergencies (\$.75 per trip); subsidized vanpools (\$25 per month); reduced-price bus passes (\$12 per month); a free 1-day bus pass available for job-training trips; a free 6-month bus pass for social services agency staff who volunteer to be travel trainers for their clients; and a mobility manager service that teaches people how to use bus schedules, ride buses, and use other transit services. The demand-response services are available to anyone at or below 150 percent of the poverty level. Over a 2-year period, participants are offered 120 round-trips (and 4 emergency trips) to their jobs, job-related training, and child care required for their jobs and/or job-related training.

Source: GAO.

The JARC program was created in 1998 to support the nation’s welfare reform goals by filling gaps in transportation services. JARC funds can be used to expand existing public transit routes or service hours, among other things (see sidebars). However, JARC projects are not limited to mass transit services; some JARC projects include ridesharing activities and the promotion of transit voucher programs. DOT’s two major goals for the JARC program are to (1) provide transportation and related services to urban, suburban, and rural areas to assist low-income individuals, including welfare recipients, with access to employment and related services, such as child care and training, and (2) increase collaboration among transportation providers, human service agencies, employers, and others in planning, funding, and delivering those services.

FTA experienced a number of challenges in implementing JARC under TEA-21. For instance, we have reported that DOT had previously awarded grants to designated parties in a noncompetitive fashion; however, in doing so, DOT was not in compliance with the provisions of the authorizing legislation, TEA-21, because the act called for a competitive grant selection process.¹⁵ Another challenge some grantees noted was that JARC funds could not be used for planning and coordination activities, which required grantees to find alternative sources to fund the administrative activities

¹⁴Evelyn Blumenberg and Paul Ong, “Cars, Buses, and Jobs: Welfare Participants and Employment Access in Los Angeles,” *Journal of the Transportation Research Board* (Washington, D.C.: 2001), 1756.

¹⁵Although JARC began as a competitive grant program, under TEA-21 the program became congressionally designated through appropriations legislation. Whereas FTA selected all grantees in fiscal year 1999 through a competitive selection process, the amount of funding awarded to congressionally designated projects increased over time. In fiscal years 2003, 2004, and 2005, Congress designated all grantees through appropriations legislation. In 2001, we reported that FTA had instituted a two-track process for selecting JARC grantees, with a noncompetitive process for those projects identified in Congress’ conference reports. The exclusion of significant JARC funds from the competitive selection process decreased FTA’s ability to fund projects that might have emerged from this process as the most promising in meeting the JARC program’s objectives. (See GAO, *Welfare Reform: Competitive Grant Selection Requirement for DOT’s Job Access Program Was Not Followed*, [GAO-02-213](#) (Washington, D.C.: Dec. 7, 2001).) While FTA subsequently instituted a competitive process for awarding funds to all JARC grantees, including congressionally designated projects, we later reported that the annual determination of JARC funding made it difficult for states and localities to predict their future funding levels (see [GAO-04-934R](#)).

Citibus – Lubbock, Texas

Citibus uses JARC funds to subsidize its fixed-route bus service and evening service in the city of Lubbock. According to Citibus, the evening service is a demand-response, shared ride, curb-to-curb service for the general public between 6:40 p.m. and 10:20 p.m., Monday through Saturday. The fare is \$4 per trip or \$75 for a 25-ride pass. The evening service is designed to meet the needs of passengers who are transit dependent and who would have no other means of transportation in the evenings if the evening service were not provided. Citibus also notes that a majority of evening service passengers work at night and use the service for transportation to and from job sites.

Source: GAO.

done for JARC. Also, the statutory matching requirement for JARC was inconsistent with other FTA programs because JARC projects could receive grants for up to 50 percent of the project's capital expenses, rather than 80 percent. While we have reported that FTA had met its JARC program goal of improving collaboration between grantees and stakeholders, we also have reported that more collaboration is needed at the federal level to enable grantees to obtain federal funding for JARC projects. TEA-21 required FTA to report to Congress on the results of an evaluation of JARC; however, FTA has struggled to develop comprehensive performance measures that assess a national program when individual programs, operations, and features vary.

SAFETEA-LU Created a Formula for Distributing JARC Funds and Amended Other Aspects of the Program

SAFETEA-LU made a number of changes to the JARC program, the most notable of which was the creation of a formula to distribute JARC funds beginning with fiscal year 2006. Whereas in recent years, JARC projects were competitively selected by FTA or congressionally designated for funding, SAFETEA-LU created a formula to distribute funds to states and large urbanized areas. This change is significant because some states and large urbanized areas will receive substantially more funds than under the discretionary program, while others will receive substantially less. In addition, the formula program will result in some areas receiving JARC funds that had not received them in the past. Other JARC changes resulting from SAFETEA-LU include (1) the need for states and large urbanized areas to designate a recipient for JARC funds, competitively select projects for funding, and certify that selected projects came from a locally developed coordinated plan and (2) the ability to use a portion of JARC funds for planning activities. Table 1 compares key JARC provisions under SAFETEA-LU and TEA-21.

Table 1: Comparison of SAFETEA-LU's and TEA-21's JARC Provisions

Provision	Current program under SAFETEA-LU (since August 2005)	Program as previously administered under TEA-21 (1999-August 2005)
Distribute JARC funds by formula	<ul style="list-style-type: none"> • Requires the Secretary of Transportation to apportion funds among states and designated recipients of large urbanized areas through a formula that considers the number of eligible low-income individuals^a and welfare recipients in each state or large urbanized area relative to other states or large urbanized areas. • Sixty percent of JARC funds is apportioned to designated recipients of urbanized areas with a population of 200,000 or more, 20 percent is apportioned to states for projects in urbanized areas with a population of fewer than 200,000, and 20 percent is apportioned to states for projects in other-than-urbanized areas. 	<ul style="list-style-type: none"> • The Secretary of Transportation was required to conduct a national solicitation for applications for grants and to select grantees on a competitive basis. In practice, however, projects were congressionally designated in recent years. • The same percentage of JARC funds were allocated among large urbanized areas, small urbanized areas, and other-than-urbanized areas as provided under SAFETEA-LU.
Designate JARC recipient	<p>The governor must designate a recipient at the state level to competitively select and award funds for projects in small urban and other-than-urbanized areas, and within each large urbanized area to competitively select and award funds in that area.</p>	<p>Not required under TEA-21. Rather, FTA competitively selected JARC projects and more recently awarded funds for projects that were congressionally designated.</p>
Use coordinated public transit-human services transportation plan to select projects for funding	<ul style="list-style-type: none"> • JARC projects selected for funding must be derived from a locally developed coordinated public transit-human services transportation plan. Designated recipients must certify that selected projects were derived from this plan. • Additional FTA programs that provide funding for services for transportation-disadvantaged populations are also subject to this requirement beginning in fiscal year 2007.^b 	<p>JARC projects were required to be part of a coordinated public transit-human services transportation planning process, but there was no requirement to certify that selected projects were derived from this plan.</p>
Use competitive selection process	<p>Designated recipients in urbanized areas are required to conduct a solicitation for applications for grants in cooperation with the appropriate metropolitan planning organization;^c designated recipients in states are required to conduct a statewide solicitation for applications for grants. Grants are to be awarded on a competitive basis.</p>	<p>The Secretary of Transportation was required to conduct a national solicitation for applications for grants and to select grantees on a competitive basis. In practice, however, projects were congressionally designated in recent years.</p>
Allow the use of funds for administration, planning, and technical assistance	<ul style="list-style-type: none"> • A recipient may use up to 10 percent of its apportionment to administer, plan, and provide technical assistance for JARC projects. • Planning is also included as an eligible expense, along with capital and operating expenses. 	<p>No statutory provision for administration and technical assistance under TEA-21.^d Planning and coordination activities were prohibited expenses.</p>

(Continued From Previous Page)

Provision	Current program under SAFETEA-LU (since August 2005)	Program as previously administered under TEA-21 (1999-August 2005)
Provide for transfers of JARC funds	States may transfer funds among the small urbanized area and other-than-urbanized area apportionments if the governor certifies that JARC objectives are being met in the specified area. States may also transfer funds from the small urbanized area and other-than-urbanized area apportionments to projects in any area in the state if it has a statewide program for meeting JARC objectives. States may also transfer funds to FTA's Urbanized Area or Nonurbanized Area Formula programs if the funds are used for eligible JARC projects. ^e	No provision under TEA-21.
Increase federal government's share of capital costs	JARC grants for capital projects may not exceed 80 percent of the net capital costs of the project. Grants for operating assistance may not exceed 50 percent of the net operating costs of the project.	Grants for projects could not exceed 50 percent of the total project cost. No differentiation between capital and operating projects.
Remove limit on reverse commute project funding	No limit on the amount that can be used for reverse commute projects.	No more than \$10 million could be used each fiscal year for reverse commute project grants.

Source: GAO analysis of SAFETEA-LU and TEA-21.

^aEligible low-income individuals are those whose family income is at or below 150 percent of the poverty line.

^bFTA programs in addition to JARC that serve these populations are the Elderly Individuals and Individuals with Disabilities program and the New Freedom program.

^cMetropolitan planning organizations are federally mandated regional organizations responsible for comprehensive transportation planning and programming in urbanized areas.

^dFTA allowed JARC grantees to use up to 10 percent of funds for administration and technical assistance activities.

^eFTA officials explained that this transfer allows for administrative ease of processing using a simplified single application.

JARC Became a Formula Program

A key SAFETEA-LU change to the JARC program was the creation of a formula to distribute JARC funds. Under TEA-21, JARC was a discretionary grant program for which FTA competitively selected JARC projects and, more recently, awarded funds for congressionally designated projects. Under SAFETEA-LU, states and large urbanized areas have been apportioned funding for JARC projects through a formula that is based on the relative number of low-income individuals and welfare recipients in

each area.¹⁶ Forty percent of JARC funds each year is required to be apportioned among states for projects in small urbanized and other-than-urbanized areas, and the remaining 60 percent is required to be apportioned among urbanized areas with a population of 200,000 or more. For fiscal year 2006, the allocation was as follows:

- nonurbanized areas - \$27.3 million,
- small urbanized areas - \$27.3 million, and
- large urbanized areas - \$82.0 million.

The change to a formula program is significant because some states and urbanized areas will receive substantially more funds than they received under the discretionary program, while others will receive substantially less (see fig. 1). In 22 states, the total amount of JARC funding available decreased from fiscal years 2005 to 2006, when the formula-based program began. The percentage decrease in funding for these 22 states ranged from 33 percent to 88 percent. For example:

- Alaska's funding decreased approximately 88 percent, from \$1.7 million in fiscal year 2005 to \$207,503 in fiscal year 2006.
- Vermont also saw its JARC apportionments decrease more than 80 percent, from \$991,182 to \$186,885.¹⁷

The total amount of JARC funding available for 2 states (Michigan and West Virginia) remained approximately the same over the 2 fiscal years, while in 13 states, the total funding increased. The percentage increase for these 13 states ranged from 17 percent to 2,931 percent.

- Florida, for instance, had its JARC funds increased by more than 1,200 percent, from \$594,708 in fiscal year 2005 to \$8.3 million in fiscal year 2006.

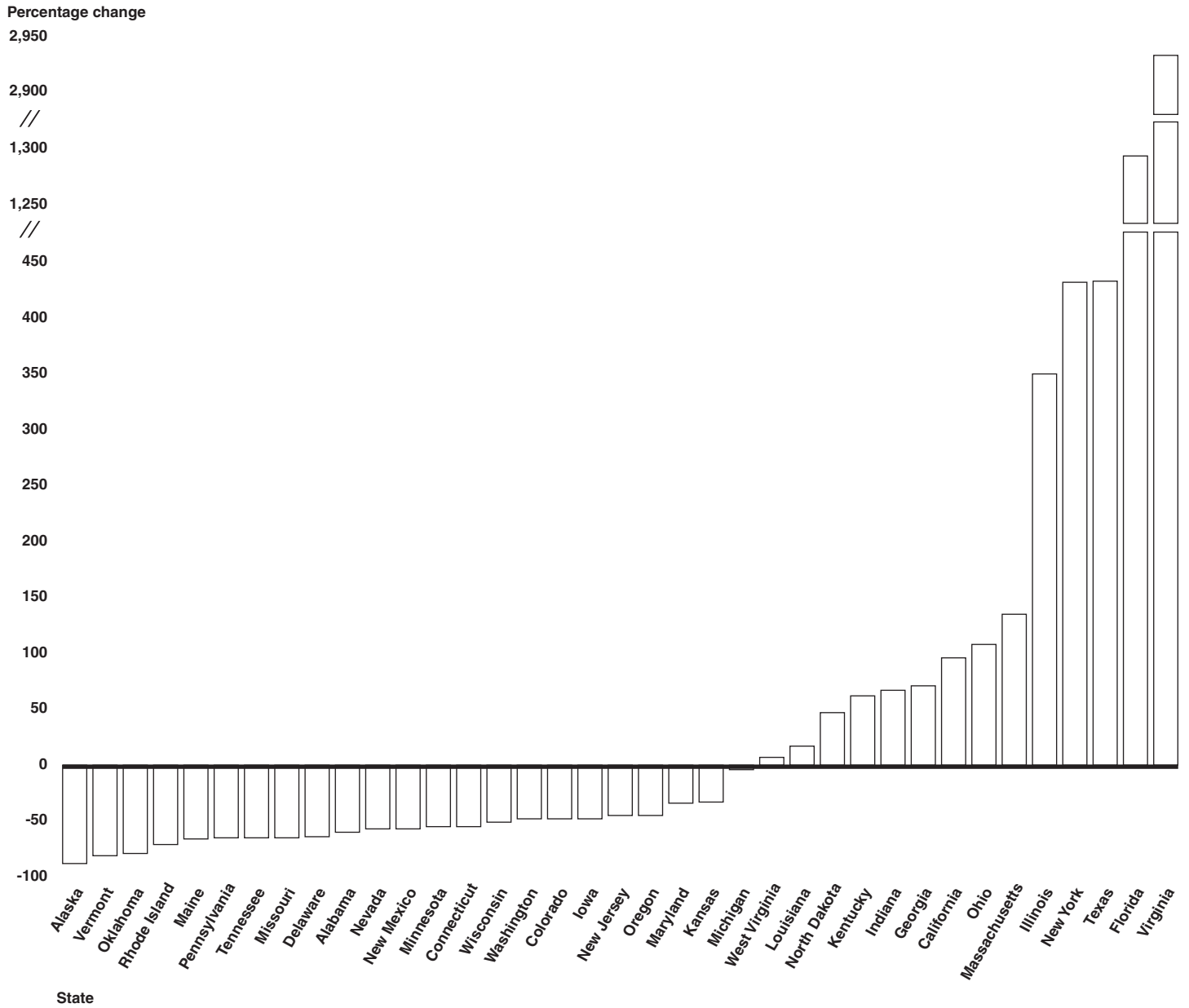
¹⁶The SAFETEA-LU formula apportions JARC funds on the basis of "eligible" low-income individuals in an area. Eligible low-income individuals are defined in SAFETEA-LU as individuals whose family income is at or below 150 percent of the poverty line.

¹⁷The dollar amounts in this paragraph include funds that were congressionally designated for specific projects in fiscal year 2005 or apportioned to states and to large urbanized areas within each state for fiscal year 2006.

-
- Virginia experienced the greatest percentage increase—more than 2,900 percent—from \$84,249 in fiscal year 2005 to \$2.5 million in fiscal year 2006.

Eighteen states were allocated fiscal year 2006 JARC funds that had not received JARC funds for fiscal year 2005. These states represent approximately 16 percent of the total JARC funding for fiscal year 2006. (App. II lists the dollar amount of the fiscal year 2006 apportionments for all of the states and large urbanized areas.)

Figure 1: Percentage Change in Job Access and Reverse Commute Funds Apportioned to States and Large Urbanized Areas from Fiscal Years 2005 to 2006



Source: FTA.

Note: This figure includes funds congressionally designated for specific projects in fiscal year 2005 or apportioned to states and large urbanized areas within each state for fiscal year 2006. This figure does not include the following 18 states that were not allocated fiscal year 2005 JARC funds: American Samoa, Arizona, Arkansas, Guam, Hawaii, Idaho, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, Northern Mariana Islands, Puerto Rico, South Carolina, South Dakota, Utah, Virgin Islands, and Wyoming.

Large urbanized areas also saw substantial changes to their JARC funding as a result of formularization. Of the 11 large urbanized areas we interviewed that had received prior JARC grants, 1 saw its JARC funding increase 64 percent between fiscal years 2005 and 2006, 5 had their funds decrease from 3 percent to 88 percent between fiscal years 2005 and 2006, and 5 had received JARC grants in the past but not in fiscal year 2005.

- For example, Tampa/St. Petersburg was apportioned \$978,029 in fiscal year 2006, a 64 percent increase from its two fiscal year 2005 grants that totaled \$594,708.
- By contrast, Jefferson County in the Birmingham, Alabama, area had received a JARC grant for almost \$3 million in fiscal year 2005, whereas the urbanized area was apportioned \$356,107 for fiscal year 2006, a decrease of 88 percent.¹⁸

In addition, the formula program will result in some states and areas receiving JARC funds that had not received them in the past. Eighteen states received JARC funds in fiscal year 2006 that did not receive them in fiscal year 2005.¹⁹ For example, Wyoming, which has not received JARC funds before, was apportioned \$202,360 for fiscal year 2006 as a result of the formula. An official from the Wyoming Department of Transportation told us that the state will be able to use the funding to provide vanpool and bus services to the new employment opportunities created by the state's natural gas and mining operations, many of which are located in areas without public transportation. Puerto Rico, also new to JARC, was

¹⁸We were unable to determine the change in funding for all large urbanized areas that had received fiscal year 2005 JARC funds because some previous grants were awarded to agencies that serve more than one metropolitan area, or to local agencies for use statewide. As such, it was not practical to isolate the fiscal year 2005 amount for each large urbanized area.

¹⁹Some of the states and large urbanized areas that did not receive JARC funds in fiscal year 2005 had received them in previous years. We were unable to determine the total number of states and large urbanized areas that had never before received JARC funds because, as we previously noted, some previous grants were awarded to agencies that serve more than one state or metropolitan area or to local agencies for use statewide.

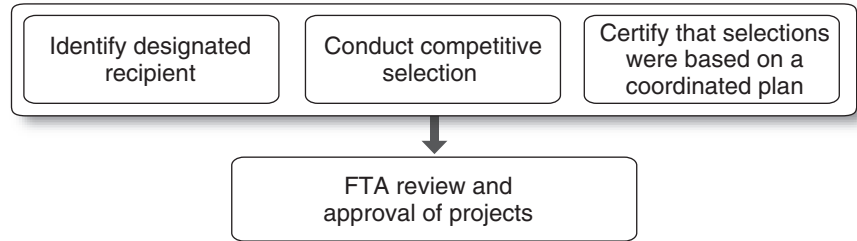
apportioned \$6.6 million under the formula. Many large urbanized areas, such as Fresno, California, will also be receiving JARC apportionments for the first time.

Officials from the industry associations and the 29 state and local agencies that we interviewed had mixed reactions to this change. Some of these state and local agencies said the change from a discretionary to a formula program would result in a more equitable distribution of funds or that formula funding would provide a more consistent source of funding than congressional designation. Some of the 29 agencies said that they would likely add or expand transportation services in their area, and a few thought that formularization would result in improved coordination among transportation and human service agencies. By contrast, some of the state and local agencies we interviewed said that the change to a formula program and the associated program requirements they would need to fulfill would increase the administrative burden on their agency, with 3 of these agencies noting that the additional burden might outweigh the benefits of the program. Other agencies said that the change to a formula program would result in a loss of funds to their state or area, while 1 agency and 1 industry association said the change would spread an already small amount of money even thinner. Several agencies also said that they might have to reduce or eliminate services as a result. Still other agencies said that the change to a formula program would have little or no impact on transportation services in their area. Some indicated that the impact would vary by location, while a few other agencies and 1 industry association noted that it is too soon to know the impact.

SAFETEA-LU Introduced Three Key Requirements for Receiving JARC Funding and Made Other Changes

In addition to creating a formula for distributing JARC funds, SAFETEA-LU also requires states and large urbanized areas to fulfill the following three key requirements before applying to FTA to receive their apportioned JARC funding: (1) identify a designated recipient for JARC funds, (2) conduct a competitive process to select projects for funding, and (3) certify that JARC projects were derived from a coordinated public transit-human services transportation plan (see fig. 2).

Figure 2: Key Requirements under SAFETEA-LU for Receiving JARC Funding



Source: GAO.

Under SAFETEA-LU, the governor of each state must designate a recipient for JARC funds at the state level to competitively select and award funds for projects in small urban and other-than-urbanized areas within the state. In large urbanized areas, the recipient must be jointly designated by the governor, local officials, and publicly owned operators of public transportation. These designated recipients will then solicit applications and develop and conduct a competitive process for selecting projects for funding. SAFETEA-LU also extended a JARC coordinated planning requirement to additional FTA programs. In the past, JARC projects were required to be part of a coordinated public transit-human services transportation plan; a similar requirement is included in SAFETEA-LU. However, this requirement will apply in fiscal year 2007 to two other FTA programs that provide funding for transportation-disadvantaged populations.²⁰ In addition, recipients in states and urbanized areas that select JARC projects must now certify that their selections were based on this plan.

²⁰“Transportation-disadvantaged populations” refers to populations that lack the ability to provide their own transportation or have difficulty accessing whatever conventional public transportation may be available. FTA programs in addition to JARC that serve these populations are the Elderly Individuals and Individuals with Disabilities program, which provides formula funding for capital projects to assist in meeting the transportation needs of the elderly and persons with disabilities, and the New Freedom program, which provides formula funding for new public transportation services and public transportation alternatives that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services. We reported in 2003 that some federal and state officials believed that providing financial incentives or mandates for coordination was one way to improve the coordination of transportation services among federal programs. (See GAO, *Transportation-Disadvantaged Populations: Some Coordination Efforts Among Programs Providing Transportation Services, but Obstacles Persist*, GAO-03-697 (Washington, D.C.: June 30, 2003).)

SAFETEA-LU made a number of other changes to the JARC program, several of which address issues that we have raised in past reports on JARC and the coordination of transportation services for transportation-disadvantaged populations. One such change is the ability of a recipient to use up to 10 percent of its JARC allocation for administration, planning, and technical assistance.²¹ SAFETEA-LU also expanded the definition of eligible activities to include planning as well as capital and operating activities. In 2004, we reported that a majority of the JARC grantees we interviewed supported this proposed change because planning activities could increase coordination with potential partners.²² We also reported in 2003 that the overall costs of coordination, which can include additional staff members and staff time needed for maintaining and overseeing coordination efforts, can be significant.²³ According to FTA, the 10 percent of JARC funds that will now be available for administration, planning, and technical assistance can be used for coordination activities, which can help state and local agencies improve services and achieve cost savings.

SAFETEA-LU also increased the federal government's share of capital costs and removed a restriction on the amount of funding available for reverse commute projects to help individuals gain access to suburban employment opportunities. In 2004, we reported that the change in the matching fund requirement for JARC would make that program consistent with the matching requirements for other FTA programs.²⁴ Under TEA-21, projects could receive a grant for up to 50 percent of the project's capital expenses, which are used to purchase capital equipment such as buses. Grantees will now be able to receive a grant for up to 80 percent of the project's capital expenses.²⁵ FTA officials had told us that this change would lessen any confusion about matching requirements among grant recipients who participate in multiple FTA programs.

²¹While TEA-21 had not included a statutory provision regarding a percentage that could be used for administration and technical assistance, FTA allowed JARC grantees to use up to 10 percent for these activities.

²²[GAO-04-934R](#).

²³[GAO-03-697](#).

²⁴[GAO-04-934R](#).

²⁵Under both TEA-21 and SAFETEA-LU, projects are eligible for grants of up to 50 percent of their operating expenses—that is, the costs of their day-to-day operations.

FTA Has Developed Proposed Final Guidance for JARC, but Delays in Issuing the Final Guidance May Reduce the Time Available to Obligate JARC Funding

FTA has been developing guidance to help JARC recipients implement changes to the program resulting from the enactment of SAFETEA-LU, but delays in releasing final guidance will reduce the window of availability of fiscal year 2006 funding. To formulate JARC guidance, FTA has been using an extensive public participation process, including notices, commenting periods, listening sessions, and focus groups. This strategy has provided FTA with an abundance of feedback, and the agency has incorporated these comments into its September proposed final guidance.²⁶ However, an extension of the public comment period and the volume of public input have also contributed to delays in issuing guidance, which meant that FTA was not able to release final program guidance prior to the beginning of fiscal year 2007. Given that FTA allows 3 years to obligate fiscal year 2006 funds, this delay results in 1 less year for states and urbanized areas to obligate JARC funding.

FTA Has Engaged in Extensive Public Outreach to Formulate JARC Guidance

As required by SAFETEA-LU, FTA has used an extensive notice and comment process to gain public input to formulate guidance for the JARC program. In November 2005, FTA published a notice of changes to JARC and other relevant programs.²⁷ This notice provided information on changes to the JARC program and solicited public comment on aspects of the program, such as technical assistance needs and the coordinated planning requirements. In addition, FTA held five public listening sessions across the country on a number of programs, including JARC, to obtain comments and input on the issues that should be addressed in future guidance. The agency also convened a focus group to discuss possible changes to the implementation of JARC. In March 2006, drawing on information received in comments and the listening sessions, FTA released interim JARC guidance for fiscal year 2006 and requested comments on its proposed implementation strategies.

When the interim guidance and proposed strategies was released, it generated many questions and concerns among stakeholders. FTA received more than 200 comments on its March interim guidance and proposed strategies from state and local departments of transportation, metropolitan

²⁶FTA refers to guidance for grantees and stakeholders as a “circular.” In this report, we refer to FTA’s draft and final circulars for JARC as “proposed final guidance” and “final guidance.”

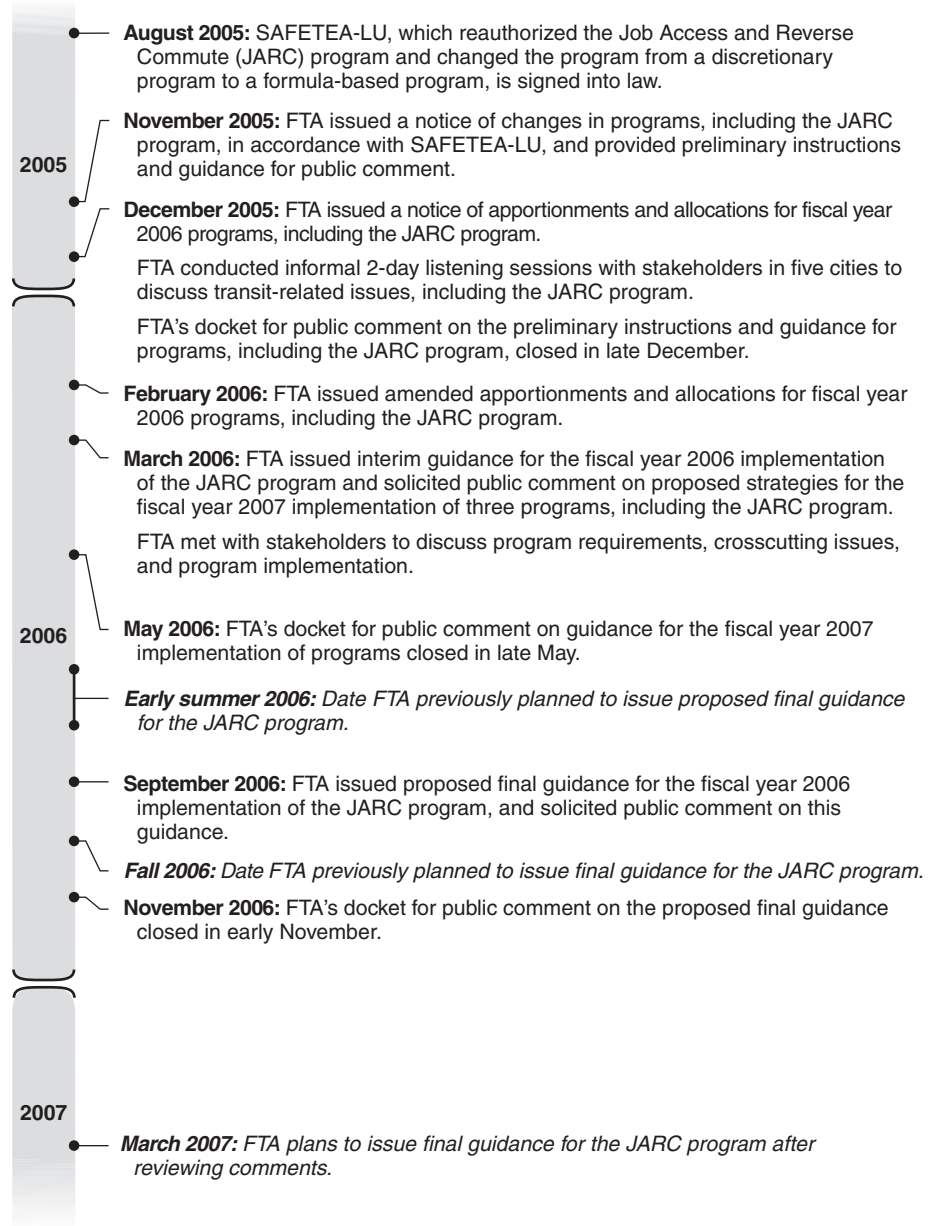
²⁷70 *Fed. Reg.* 71950 (Nov. 30, 2005).

planning organizations, private transportation service providers, interest groups, and other JARC stakeholders. FTA officials reviewed this feedback and addressed many of the stakeholders' issues in the proposed final guidance for JARC, which was released in September. We will discuss these comments in more detail later in this report, and appendix III provides a summary of these comments.

FTA's Formulation of Guidance Has Been Delayed Due to Extensive Public Comments on JARC Changes

FTA has been incorporating stakeholder concerns into its formulation of guidance, but the volume of this input has contributed to delays. FTA officials originally stated that they planned to issue proposed final guidance in the early summer of 2006. However, FTA extended the comment period for the March 2006 interim guidance and proposed strategies from April 21 to May 22 to accommodate additional comments, and more than 100 comments were submitted on or after the last day of the comment period. Because of these additional comments, FTA officials later told us that they expected to issue the proposed final guidance in late July or early August. FTA ultimately issued the proposed final guidance on September 6, 2006 (see fig. 3). Public comments were accepted for 60 days following the release of the September proposed final guidance, after which FTA began reviewing the comments to inform its final guidance. Consequently, FTA was not able to release its final guidance prior to the start of the 2007 fiscal year in October. FTA officials said that they currently plan to release final program guidance in March 2007.

Figure 3: Timeline for FTA's Implementation of SAFETEA-LU Changes to the JARC Program



Source: GAO.

Delays in Issuing Final Guidance May Reduce the Time Available to Obligate Fiscal Year 2006 JARC Funding

FTA's issuance of final guidance for JARC has been delayed, and this may reduce the time available to projects to access fiscal year 2006 funding. FTA officials noted that although the notice and comment process has affected the timeliness of the program guidance, they feel that it has enriched the development of guidance. However, the delays associated with taking this approach have reduced the time between issuing the final guidance on how to apply for fiscal year 2006 funds and the deadline for obligating these funds by the end of fiscal year 2008.

A number of states and large urbanized areas have proceeded to implement JARC's requirements using the interim guidance and proposed strategies. Nineteen of the 29 state and local agencies we interviewed in the summer of 2006 were proceeding with the implementation of JARC in the absence of proposed final guidance. Many of these agencies are required to comply with local and state planning and budget schedules, which have compelled them to move ahead with JARC implementation. FTA officials told us that they encouraged states and urbanized areas to begin implementing changes to the JARC program on the basis of the March interim guidance and proposed strategies, and that FTA is accepting applications for funding prior to issuance of final guidance. In addition, FTA's March 2006 interim guidance and proposed strategies included a "hold harmless" provision stating that the final guidance requirements would not apply retroactively to grants awarded prior to the issuance of the final guidance. FTA later extended this "hold harmless" provision to grant applications submitted in fiscal year 2007 on the basis of coordinated planning or competitive selection processes that were substantially complete before the issuance of final guidance.²⁸

Even if the delay in issuing the final guidance does not affect the efforts already under way, states and large urbanized areas will need to keep the remaining window of time in mind, or their ability to secure fiscal year 2006 funding allocated to them could be affected. Through the guidance, FTA implemented a 3-year period to obligate JARC funds for a given fiscal year (the fiscal year of apportionment plus an additional 2 years). Under this view, the availability of fiscal year 2006 funding would expire at the end of fiscal year 2008, and those agencies that chose to wait for the final guidance to be released before applying for fiscal year 2006 JARC funds

²⁸71 *Fed. Reg.* 63838 (Oct. 31, 2006).

would have only 2 years in which to obligate those funds. A number of state and local agencies we interviewed indicated that they are waiting on FTA's final program guidance before moving forward to program implementation. While these areas will benefit from having the final guidance before they submit their JARC applications, given that the guidance was not available by the beginning of fiscal year 2007, they will have less time available to obligate fiscal year 2006 funds.

States and Large Urbanized Areas Have Begun to Implement JARC Requirements, and FTA Has Taken Steps to Alleviate Implementation Challenges

States and large urbanized areas that were apportioned JARC funds have generally begun to implement requirements to receive this funding. As they have done so, they have encountered challenges, most of which FTA has taken steps to alleviate. To date, few states and large urbanized areas have fulfilled the necessary SAFETEA-LU requirements to receive fiscal year 2006 JARC funds, but most states and large urbanized areas we contacted reported that they are in the process of fulfilling these requirements. Officials we interviewed as well as other program stakeholders have encountered several challenges in program implementation, such as questions regarding the selection of the designated recipient in large urbanized areas. FTA responded to most of these issues in its September 2006 proposed final guidance.

Few States and Large Urbanized Areas Have Received Fiscal Year 2006 JARC Funds, Although Most We Interviewed Are in the Process of Fulfilling Funding Requirements

As we previously noted, states and large urbanized areas must fulfill three SAFETEA-LU requirements prior to applying to FTA to receive JARC funds to award for projects: identify a designated recipient for JARC funds, conduct a competitive selection process, and certify that JARC projects were derived from a coordinated public transit-human services transportation plan. To date, few states and urbanized areas have fulfilled these requirements and received fiscal year 2006 JARC funding. Nationwide, 3 states and 9 of the 152 large urbanized areas that were apportioned JARC funding had received fiscal year 2006 funds as of the end

of fiscal year 2006.^{29,30} These obligated funds constitute less than 4 percent of the total fiscal year 2006 JARC funding apportioned to states and large urbanized areas.

While few states and large urbanized areas have fulfilled the requirements to receive JARC funds, officials in most of the 12 states and 12 large urbanized areas we contacted in June, July, and August 2006 reported that they have begun to implement these requirements to receive funding. Specifically:

- *Identifying the JARC designated recipient.* Officials in each of the 12 states we contacted reported that the state had determined its designated recipient for JARC. In 7 of these states, officials reported that the governor had signed a letter to formally designate the recipient, as required by SAFETEA-LU, although not all of these states had submitted the letter to FTA. The other 5 states reported that their formal designation was in-progress. Officials in 9 of the 12 large urbanized areas we contacted also reported that the area had determined which agency would serve as the designated recipient for JARC funds, although none had submitted a designation letter to FTA at the time of our interviews. There is some variety in the agencies that will serve as the designated recipient in the large urbanized areas we contacted. A metropolitan planning organization will be the designated recipient in 4 of the areas we contacted, while a transit agency will be the designated recipient in the other 5 areas. The other 3 areas had not yet decided on the likely designated recipient.
- *Developing coordinated plans.* Almost all of the states and large urbanized areas we contacted had taken actions related to the establishment of locally developed coordinated public transit-human services transportation plans. SAFETEA-LU requires states and

²⁹None of the large urbanized areas that have received fiscal year 2006 grant awards have submitted a letter to notify FTA of the designated recipient for JARC funds. FTA officials noted that to allow areas to move forward in implementation for fiscal year 2006, they awarded grants to agencies that would be the JARC designated recipient, if the recipient was in the process of receiving its formal designation for the JARC program. To receive funding for fiscal year 2007, FTA states that all recipients must submit an official letter designating the JARC recipient.

³⁰FTA officials reported that FTA has also awarded JARC funds to a small urbanized area in an additional state that applied directly to FTA for funding after it was awarded funds through its state's competitive selection process.

urbanized areas to certify that they derived JARC projects from these plans. In 11 of the 12 large urbanized areas we contacted, officials reported that they either had determined their strategy for meeting the coordinated plan requirement or had initiated a coordinated planning process. In addition, officials in all 12 states we contacted reported that the state will be involved in coordinated planning for the JARC program, although the extent of their participation varied. For example, one state official we interviewed reported that his agency will lead the coordinated planning process for small urbanized and rural areas within the state, while another state official reported that rural areas will be responsible for developing plans while the state provides assistance on a case-by-case basis. In a majority of the states and large urbanized areas we contacted, officials anticipated completing these plans in early- to mid-2007. While FTA has allowed states and large urbanized areas to apply for up to 10 percent of their apportionment for administration, planning, and technical assistance prior to applying for funding for project implementation, only 1 of the states and 1 large urbanized area we contacted had received this funding, and another large urbanized area we contacted was in the process of applying for the funding. Reasons that officials we interviewed cited for not applying for this funding included the intention to wait until fiscal year 2007 to use the funding, and the use of other funding sources for these activities.

- *Conducting a competitive selection process.* Few states and large urbanized areas we contacted had conducted a competitive selection process to award fiscal year 2006 JARC funds. Officials in 2 large urbanized areas reported that they had conducted a competitive selection process to award fiscal year 2006 funds. In addition, 3 states we contacted had competitively selected JARC projects, but at the time of our interviews, none had yet applied to FTA for the state's fiscal year 2006 funding to award for project implementation. Officials in a majority of the remaining states and large urbanized areas anticipated competitively selecting projects in early- to mid-2007. More than half of the states and large urbanized areas we contacted reported that they considered or may consider a project's prior receipt of JARC funding to some extent in selecting projects for funding. For example, officials from 2 metropolitan planning organizations we interviewed noted that they would consider a project's prior receipt of JARC funds to continue successful projects. Other criteria that officials anticipated they would consider in selecting projects included the capacity of the organization to administer the funds, whether the project had matching funds, and how the project would address the needs of the community.

States and Large Urbanized Areas Have Encountered Several Implementation Challenges, Most of Which FTA Has Responded to in Its Proposed Final Guidance

In comments submitted on FTA’s March interim guidance and proposed strategies and in interviews with selected state and local officials, program stakeholders expressed several implementation challenges they had encountered or concerns they had as the program moves forward. These issues included questions regarding the designated recipient in large urbanized areas, and challenges in ensuring stakeholder participation and adequate resources for the development of coordinated public transit-human services transportation plans. FTA responded to many of these issues in its proposed final guidance, which it issued in September 2006. Table 2 below summarizes stakeholders’ key implementation challenges and concerns and FTA’s actions to respond to these issues.

Table 2: Stakeholders’ Key Implementation Challenges and Concerns and FTA’s Response

Implementation information in FTA’s notice of program changes (November 2005) and interim JARC guidance and proposed strategies (March 2006)	Challenges and concerns expressed by program stakeholders	FTA’s response in proposed final JARC guidance (September 2006)
<p><i>Designated recipients in large urbanized areas</i></p> <p>Large urbanized areas are to designate the JARC recipient under the same process that governs the designation of recipients for FTA’s Urbanized Area Formula program, known as the Section 5307 program.^a</p>	<ul style="list-style-type: none"> • Confusion regarding the need for a designation of a recipient separate from the FTA Section 5307 program. • Stakeholder comments that SAFETEA-LU identified existing Section 5307 designated recipients as the intended JARC designated recipients. 	<ul style="list-style-type: none"> • Clarifies that a designation of the JARC recipient is needed separate from the Section 5307 program.
<p>Notes stakeholders’ concerns that a potential conflict of interest could exist in large urbanized areas when the designated recipient both conducts the competitive selection process and is eligible to receive funds. Interim guidance describes strategies and policies to ensure that projects are selected through a fair and equitable process.</p>	<ul style="list-style-type: none"> • Different opinions among program stakeholders regarding the potential for a conflict of interest. • Claims that there was inconsistent information from FTA staff regarding the designated recipient’s ability to allow another organization to conduct the competitive selection process, to avoid potential conflict-of-interest issues. 	<ul style="list-style-type: none"> • Clarifies that designated recipients may establish partnerships with other organizations to competitively select projects to address potential conflict-of-interest concerns. • States that the designated recipient may be an existing Section 5307 program designated recipient or that another agency may be a preferred choice that is based on local circumstances.

(Continued From Previous Page)

Implementation information in FTA's notice of program changes (November 2005) and interim JARC guidance and proposed strategies (March 2006)

Challenges and concerns expressed by program stakeholders

FTA's response in proposed final JARC guidance (September 2006)

Development of coordinated public transit-human services transportation plans

Recommended that the lead agency developing the coordinated plan include a number of groups in the process, including nonprofit transportation providers, private transportation providers, and human service agencies.

- Challenges in getting other organizations, such as human service agencies, to participate in the planning process.

- Notes that FTA is working with other federal agencies on the Federal Interagency Coordinating Council on Access and Mobility to encourage organizations that receive other sources of human service transportation funding to participate in coordinated transportation planning.
- Notes that the extent of outreach and participation in the planning process will be based on local circumstances.

Areas must derive JARC projects receiving fiscal year 2006 funding from a coordinated public transit-human services plan. This requirement applies to the New Freedom program and the Elderly Individuals and Individuals with Disabilities program, known as the Section 5310 program, in fiscal year 2007.^b

- Difficulties in developing plans within established time frames.

- Allows a phased-in approach to the development of coordinated plans.

Program funding

Up to 10 percent of a state or large urbanized area's apportionment is available for administration, planning, and technical assistance. Recipients may apply for this funding prior to applying for project implementation.

- The cost of developing coordinated plans exceeds available resources.
- Areas will incur higher initial costs to implement new program requirements.

- Identifies other sources of FTA funding that states and urbanized areas can use for administration and to develop coordinated plans.
 - Proposes that recipients can combine the administrative funding available under the Section 5310, JARC, and New Freedom programs to develop a single coordinated public transit-human services transportation plan.
 - Notes that administrative funds are not specific to one year, and that recipients may roll over administrative funding into a subsequent year for the anticipated future costs of current projects.
 - Notes that planning activities are an eligible expense for the JARC program.
-

(Continued From Previous Page)

Implementation information in FTA's notice of program changes (November 2005) and interim JARC guidance and proposed strategies (March 2006)

Challenges and concerns expressed by program stakeholders

FTA's response in proposed final JARC guidance (September 2006)

Grantees may use federal JARC funding for 80 percent of capital expenses and 50 percent of operating expenses.

- Difficulties in securing matching funds for JARC projects.

- Lists potential sources of matching funds, including other federal programs that provide funding for transportation.

Source: GAO analysis of FTA information.

^aThe Section 5307 program makes federal resources available to urbanized areas and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning. For urbanized areas with a population of 200,000 or more, funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive federal funds.

^bThe Section 5310 program provides formula funding to states for capital projects to assist in meeting the transportation needs of the elderly and persons with disabilities.

Designated Recipient in Large Urbanized Areas

Selected urbanized area officials we interviewed and stakeholder comments on FTA's interim JARC guidance raised several questions and issues regarding the designated recipient in large urbanized areas. For example, transit agency officials we interviewed in 2 large urbanized areas were under the impression that their agency's status as the designated recipient for FTA's Urbanized Area Formula program (Section 5307 program) automatically made the agency the JARC designated recipient. In addition, two comments on FTA's March 2006 interim guidance and proposed strategies noted the stakeholders' belief that SAFETEA-LU identified existing Section 5307 designated recipients as the intended JARC designated recipients. FTA officials acknowledged that on the basis of the interim guidance and proposed strategies, there was some confusion about the process to designate the JARC recipient. To clarify this issue, the preamble of the September proposed final guidance notes that in large urbanized areas, a new designation letter shall be issued for the JARC program, regardless of whether the designated recipient is the same or different than the Section 5307 designated recipient.

Officials we interviewed in large urbanized areas and several stakeholder comments on FTA's interim guidance and proposed strategies also raised the issue of a potential conflict of interest with respect to the designated recipient in large urbanized areas, and noted uncertainty about the ability of designated recipients to allow other organizations to conduct the competitive selection process. In its March interim guidance and proposed strategies, FTA noted that many comments on its November 2005 Notice of Program Changes expressed concern that a conflict of interest could exist in large urbanized areas when the designated recipient, specifically a provider of transportation services, conducts the competitive selection

process and is eligible for funding. In addition, officials at 12 of the 17 agencies we contacted in large urbanized areas and 18 stakeholder comments on FTA's March 2006 interim guidance and proposed strategies believed there would be a potential conflict of interest or the appearance of a conflict of interest in this arrangement. Eight other stakeholder comments stated that a transparent competitive selection process or the involvement of metropolitan planning organizations in the selection process would ameliorate any conflict-of-interest concerns. While officials we interviewed in 2 large urbanized areas raised the possibility of the designated recipients allowing another organization to conduct the competitive selection process to avoid potential conflict-of-interest issues, officials in 1 of these areas said that prior to the release of FTA's proposed final guidance, they received inconsistent information from FTA staff regarding this issue.

The ability of designated recipients to both conduct the competitive selection process and compete for funds through this process does present potential conflict-of-interest concerns. However, FTA outlined a number of strategies and controls in its JARC guidance that, if adhered to by designated recipients, should address many of these potential conflict-of-interest concerns and minimize perceptions of unfairness in the competitive selection process. These controls relate to GAO's internal control standards for the federal government, one of which addresses the policies and procedures in place within an agency to ensure proper stewardship and accountability for government resources.³¹ These strategies and controls were as follows:

- *Selection of the designated recipient.* To address stakeholders' concerns of a potential conflict of interest, FTA recommended in its March interim guidance and proposed strategies that the designated recipient not be a provider of transportation services. FTA noted that it received a wide range of comments on this proposal, and, in response, the September proposed final guidance stated that the designated recipient may be the same as the area's existing Section 5307 program designated recipient or that another agency may be a preferred choice that is based on local circumstances.

³¹GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

-
-
- *Strategies for a transparent competitive selection process.* FTA's interim guidance and proposed strategies and proposed final guidance advised that the designated recipient follow a simple and straightforward selection process that is transparent, and provided several potential strategies for areas to consider when implementing a competitive selection process. These strategies include ensuring greater inclusion at the onset of the coordinated planning process to alleviate concerns about a level playing field, and ranking projects using methods such as third-party review, peer review, or review by a panel of planning partners.
 - *Allowing other organizations to conduct the competitive selection process.* While officials we interviewed in 1 large urbanized area said that FTA officials had previously provided conflicting information about the ability of designated recipients to allow other organizations to conduct the competitive selection process, FTA's September proposed final guidance affirms that designated recipients can work with other organizations to conduct the competitive selection process to alleviate conflict-of-interest concerns. FTA's proposed final guidance also notes that the SAFETEA-LU requirement for designated recipients to conduct the competitive selection process in cooperation with the metropolitan planning organization in large urbanized areas should mitigate this potential conflict-of-interest concern.
 - *FTA oversight of the competitive selection process.* Once designated recipients select projects and submit applications to FTA for funding for project implementation, FTA officials reported that they will review the applications to ensure that areas used a competitive process to select projects. In addition, at the time of submitting an application for funding, designated recipients are required to certify that they distributed funds on a fair and equitable basis, and FTA has advised that a transparent and inclusive competitive selection process should serve as the basis for this certification.

Development of Coordinated Public Transit-Human Services Transportation Plans

State and local officials we interviewed and stakeholder comments on FTA's interim guidance and proposed strategies also cited several challenges and concerns related to the development of the coordinated public transit-human services transportation plans. These issues included participation in the planning process and the amount of time needed to develop coordinated plans. For example, officials in 3 large urbanized areas and 5 states we contacted noted challenges in getting other organizations, such as human service agencies, to participate in the planning process. One

of these officials noted her concern that organizations that do not want to receive FTA funding will have no reason to participate in the planning process. In addition, five comments on FTA's interim guidance and proposed strategies suggested that federal agencies that provide other sources of federal funds for transportation services should require their grantees to participate in coordinated planning efforts. FTA officials reported that they have been working with members of the Federal Interagency Coordinating Council on Access and Mobility to encourage federal grantees that receive other sources of human service transportation funding to participate in coordinated transportation planning.³² Although it will take time to put coordination provisions in place within each agency, FTA officials said they were encouraged by this progress.

Program stakeholders also expressed concern about their ability to develop coordinated plans within FTA's time frames. For JARC, the requirement to derive projects from a coordinated public transit-human services transportation plan was in place for fiscal year 2006 and applied to the New Freedom program and the Elderly Individuals and Individuals with Disabilities program beginning in fiscal year 2007. Seven stakeholder comments on FTA's interim guidance and proposed strategies noted that it would be difficult to develop a plan within this time frame. Officials in 2 large urbanized areas we contacted shared similar concerns. In its proposed final guidance, FTA focuses on a phased-in approach to the development of coordinated plans through fiscal year 2007, with full implementation of the coordinated planning requirements for projects funded in fiscal year 2008. FTA officials also said they are encouraging areas to build on existing planning efforts to fulfill SAFETEA-LU requirements.

Competitive Selection of JARC Projects

State and local officials we interviewed cited fewer challenges related to the competitive selection of JARC projects. The reason could be because few state and local agencies we contacted had completed a competitive selection process, and many did not anticipate selecting projects until early- to mid-2007. However, officials in 1 large urbanized area and 1 state

³²Executive Order 13330 established the Interagency Transportation Coordinating Council on Access and Mobility in February 2004, currently known as the Federal Interagency Coordinating Council on Access and Mobility. The council comprises senior leadership from 11 federal departments and agencies—including the Departments of Transportation, Health and Human Services, and Labor—and the National Council on Disability. The council is tasked with seeking ways to simplify access to transportation services for persons with disabilities, persons with lower incomes, and older adults.

we contacted noted the difficulty in initiating a competitive selection process without additional FTA guidance. One of these officials said that they did not want to have to begin a new process if their actions contradict any future FTA guidance. Another state official with whom we spoke said that he would like FTA to clarify questions his agency had about the competitive selection process, such as what it means to certify that the state derived projects that were based on a coordinated plan. FTA's proposed final guidance provided recipients with additional information on how to certify that they selected projects that were based on a coordinated plan.

Other Implementation Challenges

In addition to challenges related to the designated recipient, coordinated planning, and competitive selection of JARC projects, state and local officials we interviewed also cited implementation challenges related to funding and their communication with FTA. Officials in nearly half of the states and large urbanized areas we contacted did not believe that the 10 percent of an area's JARC apportionment available for administration, planning, and technical assistance would be sufficient for these activities, although the reasons for these beliefs varied. For example, officials in 1 state and in 1 large urbanized area did not believe these funds would be sufficient because they will incur higher initial costs to meet the new program requirements, while officials in 2 other states and 1 large urbanized area did not believe this funding would be sufficient due to the costs of developing coordinated plans. FTA received a number of comments about funding for administration, planning, and technical assistance, and the September proposed final guidance informs recipients of other sources of FTA funding that are available for planning activities. These sources include funding from FTA's Urbanized and Non-urbanized Area Formula programs as well as its Metropolitan and Statewide Planning programs. The proposed final guidance also proposes that recipients may combine the administrative funding available under the Elderly Individuals and Individuals with Disabilities (known as Section 5310), JARC, and New Freedom programs to develop a single coordinated public transit-human services transportation plan.³³ In addition, the proposed final guidance

³³As we previously mentioned, the Elderly Individuals and Individuals with Disabilities program, also known as the Section 5310 program, provides formula funding for capital projects to assist in meeting the transportation needs of the elderly and persons with disabilities. The New Freedom program provides formula funding for new public transportation services and public transportation alternatives that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.

notes that the 10 percent of an apportionment available for these activities is not specific to one year, and that recipients may roll over administrative funding into a subsequent year for the anticipated future costs of projects. Lastly, the proposed final guidance notes that planning activities are an eligible expense for the JARC program, beyond the 10 percent of an apportionment available for administration, planning, and technical assistance.

Several officials we interviewed also cited challenges in meeting the JARC program matching requirements. Under SAFETEA-LU, grantees may use federal JARC funding for 80 percent of capital expenses and 50 percent of operating expenses. Matching funds may come from other federal programs that are not administered by DOT, such as the Temporary Assistance for Needy Families (TANF) block grant, as well as from noncash sources, such as in-kind contributions and volunteer services. One state official we interviewed, whose agency previously received JARC funding, noted that the agency had struggled in the past to secure matching funds and, as a result, has yet to spend all of its past federal JARC funding. A metropolitan planning organization official we interviewed noted that the ability of smaller nonprofit organizations in her area to secure the required matching funds was an issue, because these organizations have limited resources to use for matching funds. In addition, 1 state official and officials in 1 large urbanized area said that their areas anticipated or had seen cutbacks in matching funding they had received in the past from agencies that provided funding from programs such as TANF.³⁴ As a result, these officials said they will have less state and local matching funding available for projects. Although the JARC matching requirements are set in the SAFETEA-LU legislation, FTA's proposed final guidance provides information on potential sources of matching funds for JARC projects.

While several officials we interviewed had positive comments about FTA's efforts to solicit public input as it implements changes to JARC and other programs, some officials also noted challenges they had encountered in communicating with FTA regarding JARC implementation. Receiving consistent information from FTA was one challenge cited by officials we

³⁴While the overall amount of TANF funding has remained relatively stable, states have discretion over the types of services and activities to fund. We previously have reported that spending for noncash assistance, including transportation supports, varies by state. For more information, see GAO, *Welfare Reform: Better Information Needed to Understand Trends in States' Uses of the TANF Block Grant*, [GAO-06-414](#) (Washington, D.C.: Mar. 3, 2006).

interviewed. As we previously noted, officials from one metropolitan planning organization reported that they received inconsistent information from different FTA staff in response to a question about the responsibilities of the designated recipient. In addition, officials we interviewed in 1 state said they received different answers regarding the timeline for completing a coordinated plan. Other officials we interviewed cited challenges in receiving information to answer implementation questions. Officials in 2 states we contacted noted difficulties in getting specific answers to their implementation questions, with 1 state official noting that with new programs, FTA should be prepared to answer specific questions about program implementation instead of providing general information.

FTA Changed Its Evaluation and Oversight Strategies but Still Needs to Address Monitoring Issues

Although FTA revised its original JARC evaluation and oversight proposals to respond to current and past concerns raised by program stakeholders, gaps in monitoring may limit FTA's ability to assess whether the program is meeting its goals. In previous work, we and others have reported that FTA could better measure and communicate the outcomes of the JARC program to program stakeholders, including Congress and JARC grantees. To address these issues, FTA sought public comment on four new performance measures—one specifically for JARC and three crosscutting measures—and an existing data collection mechanism to track JARC performance data, the National Transit Database (NTD). However, several program stakeholders noted various obstacles to collecting reliable data on FTA's proposed measures, and some state and local officials we interviewed reported that it would be challenging to use the NTD system. In addition, state and local officials expressed ongoing concerns about the lack of feedback on their performance after submitting their data to FTA. In response to these concerns, FTA clarified the performance measures, introduced a plan to use its existing grant management system for collecting performance data, and proposed to be more explicit with grantees about how reported JARC performance data were being used. FTA officials also reported that they are testing the JARC performance measure and obtaining baseline data for use in the required evaluation of the JARC program, which will be submitted to Congress in August 2008. Even if FTA resolves its performance measurement and reporting issues, gaps in monitoring may continue to limit FTA's ability to evaluate and oversee the JARC program. FTA plans to use existing oversight processes for monitoring JARC recipients; however, FTA officials also noted that SAFETEA-LU did not specifically provide project management oversight funds for the JARC program. As a result, FTA officials are looking for

alternate sources of funding—such as the agency’s administrative funding—to provide program oversight for JARC.

Past Concerns about the JARC Program Have Included Performance Measurement, Reporting, and Evaluation

The need for agencies to measure performance is based upon the Government Performance and Results Act of 1993 (GPRA),³⁵ which was intended to improve federal program effectiveness, accountability, and service delivery. GPRA helped create a governmentwide focus on results by establishing a statutory framework for performance management and accountability, with the necessary infrastructure to generate meaningful performance information. This act required federal agencies to develop strategic plans and annual performance plans, link them with outcome-oriented goals, and measure agency performance in achieving these goals. The Office of Management and Budget also plays a role in GPRA implementation and reviews agencies’ strategic plans, annual performance plans, and annual performance reports. Overall, GPRA’s requirements have laid a solid foundation for results-oriented agency planning, measurement, and reporting by providing more objective information on achieving goals and on the relative effectiveness and efficiency of federal programs and spending.

Past GAO reports on performance measurement and performance budgeting have noted the importance of using outcome-oriented measures to assess the extent to which a program achieves its objectives on an ongoing basis and the importance of linking resources to results.³⁶ However, our previous reviews of the JARC program have found that FTA lacked the data needed to evaluate and report on the program as required by Congress. For example, in May 1998, we recommended that FTA establish specific objectives, performance criteria, and measurable goals to assess how the JARC program would improve mobility for low-income workers.³⁷ In response, FTA instituted an evaluation plan and selected access to employment sites as the sole measure of program success. However, we later found that this measure did not address key aspects of

³⁵Pub. L. No. 103-62, 107 Stat. 285 (1993).

³⁶GAO, *21st Century Challenges: Performance Budgeting Could Help Promote Necessary Reexamination*, [GAO-05-709T](#) (Washington, D.C.: June 14, 2005); and *Performance Measurement and Evaluation: Definitions and Relationships*, [GAO-05-739SP](#) (Washington, D.C.: May 2005).

³⁷[GAO/RCED-98-161](#).

the program, such as increasing collaboration between grantees and stakeholders and establishing transportation-related services that help low-income individuals.³⁸ We also reported in August 2004 that grantees found it difficult to obtain the data requested by FTA, such as the number of potential employers reached by JARC services. Furthermore, the grantee reports used to evaluate the JARC program contained self-reported information, which FTA did not verify. As a result, we stated that FTA's 2003 evaluation of JARC was limited because it lacked consistent, generalizable, and complete information, thereby making it difficult to use these data to draw any definitive conclusions about the program as a whole.³⁹ In recognition of these concerns, FTA began taking steps to consider ways to improve its evaluation process, such as revising the JARC performance measures.

In previous reports on the JARC program, we and others have also highlighted issues with FTA's reporting mechanism and lack of communication with grantees about their performance. Performance reporting is a critical element for establishing accountability and evaluating whether and to what extent program managers are meeting the goals contained within agency strategic and performance plans. In 2004, we reported that JARC grantees were required to report quarterly data using a database that many found to be burdensome. We also noted that specific information in FTA's JARC evaluation may not have been consistent because grantees did not follow a standardized reporting system.⁴⁰ Our past work on data quality has highlighted the importance of ensuring that reported performance data are sufficiently credible for decision making.⁴¹ In a 2003 FTA-contracted study of JARC evaluation efforts, some grantees recommended that FTA allow agencies to report performance data using existing systems, such as the NTD, and that the reporting structure be flexible enough to enter qualitative or narrative information to reflect the

³⁸[GAO-03-204](#).

³⁹[GAO-04-934R](#).

⁴⁰[GAO-04-934R](#).

⁴¹GAO, *Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information*, GAO/GGD-99-139 (Washington, D.C.: July 30, 1999).

different types of services provided by JARC programs.⁴² Grantees also stated that they would be interested in receiving feedback from FTA on the JARC evaluation process and stressed the importance of communicating program findings to help them assess and improve their performance.⁴³ We previously have identified the distribution of information in a form and time frame that allows managers, staff, and external stakeholders to perform their duties and to provide them with a basis for focusing their efforts and improving performance as a critical practice for managing program results.⁴⁴

FTA Clarified Its Proposed JARC Performance Measures and Introduced a Different Reporting Mechanism in Response to Concerns Expressed by Program Stakeholders

FTA's extensive public participation process helped to inform changes made to the proposed final guidance issued in September, including the introduction of new performance measures to evaluate the JARC program as well as a different reporting mechanism for collecting data. In its March 2006 interim guidance and proposed strategies, FTA had proposed using one JARC-specific measure and three crosscutting measures to assess the JARC program's outcomes and impacts:

- *Cumulative number of jobs accessed (JARC-specific)*: Cumulative number of jobs reached through the provision of JARC-related services for low-income individuals and welfare recipients.
- *Efficiency of operations (crosscutting measure)*: Number of communities and states reporting the use of shared resources between different agencies and organizations so they can provide more rides for people with disabilities, older adults, and individuals with lower incomes at the same or lower cost.
- *Program effectiveness (crosscutting measure)*: Number of communities that have a simple point of entry-coordinated human service transportation system for people with disabilities, older adults,

⁴²Federal Transit Administration, *JARC Reporting Issues: An Examination of Current Job Access Reverse Commute (JARC) Program Evaluation Efforts* (Washington, D.C.: February 2003).

⁴³*JARC Reporting Issues*.

⁴⁴GAO, *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, [GAO-05-927](#) (Washington, D.C.: Sept. 9, 2005).

and individuals with lower incomes so they have easier access to transportation services.

- *Customer satisfaction (crosscutting measure)*: Level of customer satisfaction reported in areas related to the availability, affordability, acceptability, and accessibility of transportation services for people with disabilities, older adults, and individuals with lower incomes.

According to FTA, the JARC-specific measure was intended to reduce the numerous JARC data requirements, while the three crosscutting measures reflected SAFETEA-LU's emphasis on the coordination of human services transportation and would apply to the JARC, New Freedom, and Elderly Individuals and Individuals with Disabilities (Section 5310) programs. In addition, FTA proposed to address past concerns regarding the burden of collecting program data on JARC by using existing mechanisms, including the NTD, which is used to track operational, service, and financial data on other transit formula programs.

In both the docket comments and in our interviews, program stakeholders cited potential obstacles to collecting accurate data on the number of jobs accessed measure, such as a lack of guidance from FTA and limited resources (see table 3 for a summary of stakeholder concerns regarding the proposed measures). For example, 7 state and local officials we interviewed reported that FTA's definition for the number of jobs accessed was unclear, or that they did not know how to determine this measure. Specifically, one metropolitan planning organization official wanted FTA to clarify whether the jobs accessed measure referred to the number of low-income people using a JARC-funded service to travel to their jobs or to the total number of jobs available in the area being served by a JARC-funded service. Three state transportation officials that we contacted were also concerned that they did not have sufficient staff to conduct the required data collection. Program stakeholders expressed similar concerns in their docket comments. For example, 2 stakeholders noted in their written comments to FTA that collecting data on the proposed performance measures may be overly burdensome for small agencies.

Table 3: Summary of Program Stakeholders' Challenges and Concerns and FTA's Response to the Proposed JARC Performance Measures and Reporting Mechanism

Implementation information in FTA's interim guidance and proposed strategies (March 2006)	Challenges and concerns expressed by program stakeholders	FTA's response in proposed final guidance (September 2006)
<p>JARC-Specific Performance Measure: Cumulative number of jobs accessed Cumulative number of jobs reached through the provision of JARC-related services for low-income individuals and welfare recipients.</p>	<ul style="list-style-type: none"> • Collecting data on the number of jobs accessed is hard because it is difficult to isolate JARC riders from other transit customers. • Tracking whether JARC riders are using fixed-route systems^a to access jobs or for other purposes is challenging. • Factors outside of agencies' control may make it difficult to measure the number of jobs accessed. • FTA's definition of "number of jobs accessed" is unclear, and it is difficult to know how this measure will be determined. • Administrative burden of collecting data on measures (e.g., number of jobs accessed) is high for the amount of JARC funds available. • Data collection will be burdensome for some agencies (e.g., rural or small organizations) with limited staff capacity or resources. 	<p>FTA clarified that the proposed cumulative number of jobs accessed measure in its proposed final guidance will measure the following: (1) the increase in access to jobs related to geographic coverage and/or service times that impact the availability of transportation services for low-income individuals as a result of the JARC projects implemented in the current reporting year and (2) the number of rides provided for low-income individuals as a result of the JARC projects implemented in the current reporting year.</p> <p>FTA has also hired a contractor to test the feasibility of implementing the new increase in access to jobs measure.</p>
<p>Crosscutting Performance Measure 1: Efficiency of Operations Number of communities and states reporting the use of shared resources between different agencies and organizations so they can provide more rides for people with disabilities, older adults, and individuals with lower incomes at the same or lower cost.</p>	<ul style="list-style-type: none"> • Proposed measure does not translate well for measuring performance in some areas (e.g., rural areas) and for providing service to underserved populations. • Concerned that operational efficiency is viewed as a "more service for lower dollars" approach. • Proposed measure reflects the number of coordination relationships between communities and states reporting the use of shared resources, rather than the increase in the total number of rides provided to the different populations. • Local areas need flexibility to develop performance measures that meet and reflect the unique needs and conditions of their communities. 	<p>FTA officials did not include this measure in the proposed final guidance on the basis of comments received. However, FTA officials reported that they are developing a tool and plan to provide technical assistance through the United We Ride Initiative to help states and local areas measure their own performance.</p>

(Continued From Previous Page)

Implementation information in FTA’s interim guidance and proposed strategies (March 2006)

Challenges and concerns expressed by program stakeholders

FTA’s response in proposed final guidance (September 2006)

Crosscutting Performance Measure 2: Program Effectiveness

Number of communities that have a simple point of entry-coordinated human service transportation system for people with disabilities, older adults, and individuals with lower incomes so they have easier access to transportation services.

- Proposed measure appears to give preference to projects with a “simple point of entry coordinated human service transportation system,” which may not be the only way to achieve coordination in different local areas.
- FTA’s definition of “communities” is vague.
- Local areas need flexibility to develop performance measures that meet and reflect the unique needs and conditions of their communities.

FTA officials did not include this measure in the proposed final guidance on the basis of comments received. However, FTA officials reported that they are developing a tool and plan to provide technical assistance through the United We Ride Initiative to help states and local areas measure their own performance.

Crosscutting Performance Measure 3: Customer Satisfaction

Level of customer satisfaction reported in areas related to the availability, affordability, acceptability, and accessibility of transportation services for people with disabilities, older adults, and individuals with lower incomes.

- Proposed customer satisfaction measure is very subjective and amorphous.
- Some agencies do not have the staff or resources to survey riders to measure customer satisfaction.
- On-board transit surveys for some measures, such as customer service, are expensive and labor-intensive to conduct.
- Local areas need flexibility to develop performance measures that meet and reflect the unique needs and conditions of their communities.

FTA officials did not include this measure in the proposed final guidance on the basis of comments received. However, FTA officials reported that they are developing a tool and plan to provide technical assistance through the United We Ride Initiative to help states and local areas measure their own performance.

JARC Reporting Mechanism: National Transit Database^b

JARC grantees would use the existing NTD system to collect and report JARC performance data.

- Some providers, including rural and nontraditional recipients, may find the NTD difficult to use for collecting and managing data.
- Smaller agencies may need staff training to use the NTD.
- Not all JARC information can be easily translated into the data elements contained in the NTD.

FTA will not require grantees to use the NTD for data collection and reporting. Instead, FTA proposes that grantees use their existing Transportation Electronic Award and Management system for JARC reporting. This system can be used to record qualitative information.

Source: GAO analysis of FTA guidance, comments submitted to FTA’s docket, and interviews with state and local officials.

^aFixed-route systems refer to a system providing designated public transportation on which a vehicle is operated along a prescribed route according to a fixed schedule.

^bFTA currently uses the NTD to collect uniform operational, service, and financial data on existing department programs, including the Urbanized Area and Nonurbanized Area Formula programs.

°United We Ride is an interagency federal national initiative that supports states and their localities in developing coordinated human service delivery systems. In addition to state coordination grants, United We Ride provides state and local agencies with a transportation-coordination and planning self-assessment tool, help along the way, technical assistance, and other resources to help their communities with these efforts.

FTA officials acknowledged that there was confusion among program stakeholders about the JARC-specific measure and how it should be measured, and they subsequently clarified the original proposal on the basis of the comments received. FTA's proposed final guidance stated that the JARC-specific measure would assess the following:

- *Job access:* The increase in access to jobs related to geographic coverage and/or service times that impact the availability of transportation services for low-income individuals as a result of the JARC projects implemented in the current reporting year.
- *Rides provided:* The number of rides provided for low-income individuals as a result of the JARC projects implemented in the current reporting year.

According to FTA, the jobs accessed measure is a measure of “system coverage,” describing the number of jobs reachable by JARC-funded services. FTA also clarified that the new measure is not a determination of an actual number of riders who are getting and going to jobs, which was a concern raised by some program stakeholders in their docket comments and in our interviews. FTA also intends to monitor JARC service use by measuring the number of rides actually provided by the JARC service annually.

In addition to clarifying the JARC measure, FTA is also taking steps to test its JARC performance measure and to collect baseline data for its upcoming evaluation of the program. For example, FTA has hired a contractor to examine the feasibility of collecting data for the increase in the jobs accessed measure and is currently analyzing the strategies for capturing this more precise measure and testing its implementation. FTA also is soliciting public comments on the revised JARC performance measures, which will be used to formulate the final JARC guidance. Once the measures are finalized, FTA will test the JARC-specific performance measure and plans to obtain baseline data for fiscal year 2006 and beyond

using JARC grants active during fiscal year 2005.⁴⁵ FTA officials plan to use these data to conduct the required evaluation of the JARC program, which must be submitted to Congress in August 2008.⁴⁶ FTA's proposed final guidance states that it will conduct independent evaluations of the JARC program focused on specific data elements to better understand the implementation strategies and related outcomes associated with the program. This approach is supported by our recent report on grants management, in which we recommended that performance data should be tested to make sure they are credible, reliable, and valid.⁴⁷ An FTA official we spoke with told us that FTA hopes to have a formal reporting methodology targeted to be in place by spring 2007.

Program stakeholders also reported potential difficulties with FTA's proposed crosscutting national coordination measures to assess program performance. (See table 3 for a summary of stakeholder concerns regarding the proposed performance measures.) For example, some program stakeholders stated in their docket comments that the performance measures would be too prescriptive and would stifle local creativity, while 13 stakeholders recommended that performance measures should be developed locally to address local conditions and needs. Specifically, two commenters noted that FTA's proposed crosscutting performance measures did not necessarily acknowledge the differences in providing JARC services in urbanized areas compared with rural areas, where the number of transit providers may be limited and the routes typically serve fewer people at a higher cost. In addition, two local officials and one state department of transportation official that we interviewed reported that measuring customer satisfaction would likely require administering a survey, which could be expensive or labor-intensive.

⁴⁵Fiscal year 2005 is the last year that JARC funds were distributed through congressionally designated earmarks. FTA officials that we spoke to indicated that they may have to rebaseline the data next year because few grants have been made under the new formula program in fiscal year 2006, and they anticipate that there will be increased JARC activity in fiscal year 2007.

⁴⁶SAFETEA-LU requires in § 3018, *codified at* 49 U.S.C. § 5316(i)(2), that DOT conduct a study to evaluate the effectiveness of the JARC program no later than 3 years after the legislation was passed.

⁴⁷GAO, *Grants Management: Enhancing Performance Accountability Provisions Could Lead to Better Results*, [GAO-06-1046](#) (Washington, D.C.: Sept. 29, 2006).

In recognition of these concerns, FTA did not include the three crosscutting coordination measures in its proposed final guidance, noting instead that individual communities will have the option to include evaluation strategies for their own activities. We have previously observed that designing results-oriented performance measures for intergovernmental programs, such as JARC, is complicated by the broad range of objectives identified for some programs and the discretion states and localities have in achieving those objectives. According to FTA, the crosscutting measures were created in response to recommendations stemming from the Interagency Coordinating Council on Access and Mobility's United We Ride initiative to develop a national performance measure for coordination. After reviewing the comments, however, FTA officials that we interviewed told us that they realized the difficulty of devising national measures and determined that measuring coordination should be done at the local level. FTA also clarified that the intent of the crosscutting measures was to capture a national picture of JARC-funded services, rather than compare individual communities or service systems. However, FTA officials reported that they will encourage grantees to develop additional measures for evaluating whether their programs are meeting their intended state or local goals. This proposal is supported by our past work, in which we reported that performance measures should tell each organizational level how well it is achieving its goals.⁴⁸ In addition, the United We Ride initiative is developing a tool and plans to provide technical assistance to assist with these efforts in the future.

Program stakeholders expressed mixed opinions about FTA's proposal to use the NTD to streamline data collection. For example, 5 state and local agencies that we interviewed were generally positive about FTA's proposal to use the NTD for JARC reporting, in part because they were familiar with using this system to collect and report data on other FTA programs. However, 5 agencies that we interviewed told us that small and rural agencies may find it difficult to use the NTD for collecting and managing data. In addition, two agency officials we interviewed reported that NTD can be cumbersome to use, while two program stakeholders noted in their docket comments that smaller agencies may need staff training to use the NTD.

⁴⁸GAO, *Agencies' Annual Performance Plans Under the Results Act: An Assessment Guide to Facilitate Congressional Decisionmaking*, GAO/GGD/AIMD-10.1.18 (Washington, D.C.: February 1998).

Due in part to the comments received, FTA decided not to use the NTD for JARC reporting.⁴⁹ FTA told us that while the NTD is in place, it is currently not set up or designed to collect the qualitative measures that are important for understanding the trends related to human service transportation. FTA proposed that JARC grantees report their data as an attachment to their annual report submissions in the Transportation Electronic Award and Management (TEAM) system, which the agency uses to manage and track its grants. One FTA official told us that TEAM would be better suited for collecting JARC data because it can track qualitative information, and that JARC grantees that receive funding through other FTA programs would be familiar with how to collect and report data using TEAM.

Finally, state and local officials that we interviewed also expressed ongoing concerns about the lack of feedback on their JARC performance after they report data to FTA, which may limit their ability to manage program performance. For example, 19 of the 23 states and large urbanized areas that had received JARC grants in the past commented that FTA had not provided them with any feedback on their performance data after it was submitted. Three state and local officials also told us that they would like to know how the performance data they report is being used by FTA. Meanwhile, two state transportation officials and two local officials said that receiving feedback from FTA would be helpful to know how they are performing and to make improvements or corrections. Previous reports by GAO and others⁵⁰ have found that providing frequent and effective feedback on performance information can enhance its use for decision making.⁵¹ According to FTA, the JARC data collected to date have not been intended to be used to evaluate individual projects, but rather were geared toward assessing how the program was achieving goals nationally, as required by GPRA and the Office of Management and Budget. However, during a recent interview with FTA officials, they said that they would be more explicit with grantees about how they are using JARC performance data, and that they are open to exploring the possibility of posting this information on the FTA Web site in the future.

⁴⁹FTA officials that we interviewed also noted that the agency does not have the statutory authority to use the NTD for JARC reporting.

⁵⁰Harry P. Hatry et al., *How Federal Programs Use Outcome Information: Opportunities for Federal Managers* (IBM Endowment for The Business of Government and the National Academy of Public Administration, May 2003), available online at <http://www.businessofgovernment.org/pdfs/HatryReport.pdf>.

⁵¹GAO-05-927.

Gaps in Monitoring May Limit FTA's Ability to Evaluate and Oversee the JARC Program

Even if FTA resolves its performance measurement and reporting issues, gaps in its plan for monitoring JARC recipients may continue to limit FTA's ability to evaluate and oversee the program. While FTA has proposed using existing oversight processes to monitor JARC recipients, these oversight processes do not explicitly include provisions for oversight of the JARC program. Furthermore, FTA's proposed process for oversight of agencies that do not fall under existing processes could lead to inconsistent oversight of JARC recipients.

FTA does not have a complete plan for oversight of the JARC program. Monitoring of policies and procedures to ensure proper stewardship of government resources is an important aspect of internal control. FTA is responsible for ensuring that grantees follow federal mandates along with statutory and administrative requirements. In its March interim guidance and proposed strategies, FTA stated that it would monitor implementation of JARC and other programs using pre- and post-award review processes used for grant applications and grant management, including self-certifications, progress reports, and site visits. FTA's proposed final guidance states that FTA will also use existing oversight processes for other FTA programs to conduct JARC oversight. These processes are as follows:

- **State Management Reviews:** These reviews assess states' implementation and management of the Elderly Individuals and Individuals with Disabilities program (Section 5310) and the Nonurbanized Area Formula program (Section 5311).
- **Triennial Reviews:** These reviews assess grantees receiving Urbanized Area Formula program (Section 5307) grants. These grantees are primarily transit agencies and some metropolitan planning organizations.

FTA has proposed using these processes—which FTA uses for oversight of programs that award funding to states, transit agencies, and metropolitan planning organizations—to oversee the JARC program because they should cover most JARC designated recipients. FTA's proposed final guidance also notes that JARC designated recipients that are not a state or a Section 5307 recipient may be subjected to periodic spot reviews of their administration of the program. However, two issues with FTA's monitoring proposal may result in gaps in its oversight of the JARC program.

First, the use of periodic spot reviews of designated recipients that are not states or Section 5307 recipients may result in inconsistent monitoring of JARC recipients. For example, while some metropolitan planning organizations that serve as JARC designated recipients also receive Section 5307 funding and will be subject to FTA oversight through its triennial review process, other metropolitan planning organizations serving as JARC designated recipients do not receive Section 5307 funding, and will be subject to FTA oversight through its proposed periodic spot reviews. It is not clear from FTA's proposed final guidance if these periodic reviews will be more or less frequent than the 3-year cycle of FTA's triennial reviews and state management reviews. As a result, JARC designated recipients may be held to different oversight standards on the basis of what other types of FTA funding they receive.

Second, FTA's existing oversight processes currently do not include provisions for JARC program oversight. For example, FTA's State Management Review guidance, which contains information on the Section 5311 program and the Elderly Individuals and Individuals with Disabilities program, does not include JARC program requirements and information, such as the requirement to distribute funds on a fair and equitable basis. We previously noted that this requirement would be important for recipients to adhere to in order to address potential conflict-of-interest concerns. While FTA officials said that they have begun to work to incorporate JARC into their existing oversight processes, they noted that SAFETEA-LU omitted JARC from the list of programs for which FTA may specifically use appropriated funds to obtain contractual support for project management oversight and review of major capital projects.⁵² They are presently researching other sources of funding—such as the agency's general administrative funding—that can be used to ask detailed programmatic questions of JARC recipients and to conduct site visits and project reviews. FTA officials also said that they currently do not know how much of a problem this will pose, because they do not yet know which entities will be the designated recipients for most of the areas receiving JARC funds. As a result, they are uncertain of how many JARC designated recipients will already be covered by existing oversight processes because they receive funds for other FTA programs, such as Section 5307. Given this issue, FTA

⁵²See the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users, Pub. L. No. 109-59, § 3026, *codified at* 49 U.S.C. § 5327(c). This provision authorizes the use of certain appropriated funds for contractual support for management and oversight functions for major construction projects. The Job Access and Reverse Commute program is not included in this list of programs.

officials said that they were still determining the frequency and level of JARC oversight that could be supported with their current resources. Until it develops a complete plan for implementing and funding JARC oversight, FTA's key oversight processes will not provide assurance that recipients are meeting program requirements.

Conclusions

FTA has made progress in implementing changes to the JARC program, gathering extensive public input to develop program guidance for states and large urbanized areas. However, FTA lacks an important element of program accountability and performance measurement for the JARC program, specifically related to monitoring. FTA officials have proposed to use the agency's oversight mechanisms for other FTA programs for JARC monitoring, but acknowledged that they have not finalized how this will work. Without the inclusion of JARC program requirements—such as the fair and equitable distribution of funding—in these existing oversight processes, FTA will have limited assurances that JARC recipients are administering the program in accordance with FTA's requirements and are meeting program objectives. In addition, FTA has proposed an alternative oversight process for recipients that are not covered by its existing Triennial Reviews and State Management Reviews, but FTA has not specified how often these recipients will be subject to its oversight, which may result in inconsistent or infrequent oversight of JARC recipients.

Recommendations for Executive Action

To establish adequate and consistent oversight processes that will enable FTA to evaluate and oversee JARC projects and determine whether they are meeting JARC program goals, we recommend that the Secretary of Transportation direct the Administrator, FTA, to take the following two actions:

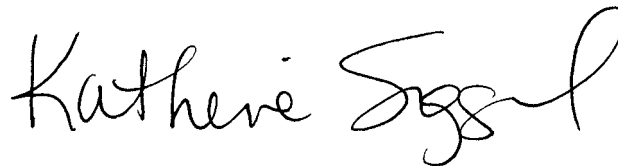
- Develop a plan for including the JARC program in Triennial Reviews and State Management Reviews, and update monitoring guidance and information accordingly.
- Specify in the JARC final guidance how frequently FTA will perform spot reviews of designated recipients that are not subject to FTA's Triennial Reviews and State Management Reviews, and make the interval for conducting spot reviews consistent with the 3-year cycles for Triennial Reviews and State Management Reviews, or more frequently if FTA determines it necessary.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Transportation for review and comment. Officials from the department and FTA generally agreed with the report's findings and said that they would consider the recommendations as they move forward in implementing the JARC program. Although FTA officials recognized the need for program oversight and indicated that they are already taking steps to incorporate the JARC program into their existing review processes, they reiterated their concerns that SAFETEA-LU did not provide them with a specific source of oversight funding for the JARC program. As a result, they are seeking other sources of funding—such as the agency's general administrative funds—to carry out this activity. Finally, FTA officials provided technical clarifications, which we incorporated in the report as appropriate.

We are sending copies of this report to congressional committees with responsibility for transit issues; the Secretary of Transportation; the Administrator, Federal Transit Administration; and the Director, Office of Management and Budget. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you have any questions regarding this report, please contact me on (202) 512-2834 or at siggerudk@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.



Katherine Siggerud
Director, Physical Infrastructure Issues

Objectives, Scope, and Methodology

This report addresses the following four objectives: (1) changes that were made to the Job Access and Reverse Commute (JARC) program as a result of the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU); (2) progress that the Federal Transit Administration (FTA) has made in implementing these changes; (3) the extent to which states and large urbanized areas have implemented changes to the JARC program, and challenges they have encountered; and (4) whether FTA's proposed strategy for evaluating and overseeing the JARC program will allow the agency to assess the extent to which the program is meeting its stated goals.

To identify the changes that SAFETEA-LU made to the JARC program, we reviewed the provisions of SAFETEA-LU and of its predecessor, the Transportation Equity Act for the 21st Century (TEA-21), dealing with the JARC program. We also reviewed previous GAO reports on JARC and interviewed officials from FTA's headquarters and one regional office. To summarize financial information for JARC for fiscal years 1999 through 2009, we gathered and analyzed data from FTA's Web site and agency officials on dollar amounts authorized, appropriated, rescinded, obligated, and unobligated. To assess the reliability of these data, we interviewed FTA officials about FTA's policies and procedures for data collection and verification. Specifically, we asked them whether their policies and procedures had changed significantly since we reviewed them for our 2004 report on JARC.¹ FTA officials told us that there were no significant changes in their data collection and verification procedures for JARC information. We also compared these data with data published in the *Federal Register* and data on FTA's Web site for obvious errors in completeness and accuracy. Therefore, we determined that the FTA information presented was sufficiently reliable for the purposes of this report.

To describe the progress FTA has made in implementing changes to JARC, we interviewed FTA officials and officials from industry associations, including the American Association of State Highway and Transportation Officials, the American Public Transportation Association, the Association of Metropolitan Planning Organizations, the Community Transportation Association of America, and the National Association of Regional Councils, to obtain their views on FTA's progress in implementing the program

¹GAO, *Job Access and Reverse Commute: Program Status and Potential Effects of Proposed Legislative Changes*, [GAO-04-934R](#) (Washington, D.C.: Aug. 20, 2004).

changes. We also reviewed FTA's JARC interim program guidance for fiscal year 2006 and proposed strategies for fiscal year 2007 (issued in March 2006), and its proposed final guidance for fiscal year 2007 (issued in September 2006).²

To describe the extent to which states and large urbanized areas have implemented changes to the JARC program and any challenges they have encountered in doing so, we obtained data from FTA officials on the number of states and large urbanized areas that had officially designated a recipient for JARC funds, selected projects and applied for funding, and obligated funds.

To determine whether FTA's proposed strategy for evaluating and overseeing the JARC program will allow the agency to assess whether the program is meeting its stated goals, we interviewed FTA officials about their performance measurement and evaluation plans. We reviewed FTA's earlier JARC program evaluation, *Job Access and Reverse Commute Program: Report to Congress* (May 2003). We also reviewed relevant legislation, FTA program guidance, Office of Management and Budget circulars and guidance on performance measurement, prior GAO JARC reports, and GAO reports and guidance on performance measurement and program evaluation. We did not evaluate FTA's proposed performance measures, because those measures were too preliminary at the time of our review to allow meaningful comparison with our criteria for successful performance measures. In addition, FTA had recently hired a contractor to evaluate the feasibility of collecting data for one of the proposed measures.

To address the third and fourth objectives, we also designed and conducted semistructured telephone interviews with officials from 24 of the 209 states and large urbanized areas that were apportioned fiscal year 2006 JARC funds. The interviews were designed to gain state and local officials' perspectives on a number of topics, including the effect of changing from a discretionary program to a formula-based program on JARC services in their area; the process of selecting a designated recipient, developing a coordinated public transit-human services transportation plan, and conducting a competitive selection process for JARC projects; FTA's proposed performance measures and program oversight mechanisms for JARC; and any challenges they may have encountered in implementing

²This guidance also addressed two related FTA programs—the Elderly Individuals and Individuals with Disabilities (also known as Section 5310) and the New Freedom programs.

changes to the JARC program. After conducting the interviews with all 24 states and large urbanized areas, we used a content analysis to systematically determine the state and local officials' views on key interview questions and identify common themes in their responses. Two analysts reached consensus on the coding of the responses, and a third reviewer was consulted in case of disagreements, to ensure that the codes were reliable. The interviews included officials from the departments of transportation of 12 states and from 8 metropolitan planning organizations and 9 transportation agencies from 12 large urbanized areas. We conducted the interviews in June, July, and August 2006.

We selected the 12 states to obtain diversity in a range of criteria, as follows:

- *Change in JARC funding:* Analyzed the percentage change and selected 4 states that received an increase in their federal JARC funds from fiscal years 2005 to 2006, 5 states whose JARC funds decreased from 2005 to 2006, 1 state that received approximately the same amount of funding in fiscal years 2005 and 2006, and 2 states that did not receive JARC funds in 2005.
- *Comments:* Whether a state department of transportation had submitted comments to the Department of Transportation's (DOT) online docket on FTA's interim JARC program guidance for fiscal year 2006 and proposed strategies for fiscal year 2007.
- *Statewide program:* Whether a state was identified in FTA's fiscal year 2005 grant apportionment notice as having a statewide JARC program, which meant that the state likely had previous experience in administering JARC funds.
- *Designated recipient:* Whether a state had notified FTA of its designated recipient (as of June 2006) for the JARC funds, from which we inferred that a state had taken some action to implement the JARC program.
- *Planning funds:* Whether a state had applied to FTA for 10 percent of its apportionment for planning/administration/technical assistance, as allowed by statute, from which we inferred that a state had taken some action to implement the JARC program.
- *Recommendations:* Referral by FTA or industry associations.

Table 4 lists the 12 states that we selected on the basis of these criteria.

Table 4: State Agencies Interviewed for Our Review

State	Agency
Alabama	Alabama Department of Transportation
Alaska	Alaska Department of Transportation and Public Facilities
Arkansas	Arkansas State Highway and Transportation Department
California	California Department of Transportation
Maryland	Maryland Transit Administration
New Mexico	New Mexico Department of Transportation
Oklahoma	Oklahoma Department of Transportation
Texas	Texas Department of Transportation
Virginia	Virginia Department of Rail and Public Transportation
Washington	Washington State Department of Transportation
West Virginia	West Virginia Department of Transportation
Wyoming	Wyoming Department of Transportation

Source: GAO.

To obtain the perspectives of small urbanized areas and rural areas that had previously received JARC grants directly and would now have to apply to the state designated recipient for funding, we supplemented the state interviews with interviews with officials from a transportation agency in Galveston, Texas—a small urbanized area—and from a nonprofit agency in Stigler, Oklahoma, that provides transportation in rural areas of the state.

We selected 12 large urbanized areas to obtain diversity in a range of criteria, as follows:

- *Prior receipt of JARC funding:* Whether a large urbanized area had received a JARC grant prior to fiscal year 2006.³

³We initially selected 11 large urbanized areas on the basis of information on JARC grants for fiscal years 2005 and 2006. Specifically, we selected large urbanized areas that would receive more funding as a result of formularization, areas that would receive less funding, and areas that did not receive funding in fiscal year 2005. However, it became apparent after conducting the interviews that all 11 of the large urbanized areas had received JARC grants at some point in the program's history. We subsequently selected a 12th large urbanized area that had no prior experience with JARC.

- *Receipt of fiscal year 2006 funding:* Whether a large urbanized area had successfully applied to FTA for its fiscal year 2006 JARC funding (as of July 2006).
- *Comments:* Whether a metropolitan planning organization or local transportation agency in a large urbanized area had submitted comments to the DOT's online docket on FTA's interim JARC program guidance for fiscal year 2006 and proposed strategies for fiscal year 2007.
- *Designated recipient:* Whether a large urbanized area had notified FTA of its designated recipient (as of July 2006) for the JARC funds, from which we inferred that the area had taken some action to implement the JARC program.
- *Recommendations:* Referral by FTA or industry associations.
- *Population:* Whether a large urbanized area had a population over 1 million.
- *Multistate area:* Whether the large urbanized area covers multiple states, which we assumed could present unique issues for an area in implementing the JARC program.
- *Location:* Whether the large urbanized area was in a state that we had already selected for interviews.

Table 5 lists the 12 large urbanized areas we selected on the basis of these criteria, and the agencies that we interviewed.

Table 5: Large Urbanized Area Agencies Interviewed for Our Review

Location	Agency
Albuquerque, New Mexico	Mid-Region Council of Governments ABQ Ride
Birmingham, Alabama	Birmingham Jefferson County Transit Authority
Denver, Colorado	Denver Regional Council of Governments Denver Regional Transportation District
Fresno, California	Fresno Council of Governments City of Fresno Department of Transportation
Kansas City, Missouri	Mid-America Regional Council
Los Angeles, California	Los Angeles Metropolitan Transportation Authority
Lubbock, Texas	Citibus
Memphis, Tennessee	Memphis Area Transit Authority
Riverside/San Bernardino, California	Southern California Association of Governments
Seattle, Washington	Puget Sound Regional Council
Tampa/St. Petersburg, Florida	Pinellas County Metropolitan Planning Organization Hillsborough Area Regional Transit Authority
Washington, D.C.	Metropolitan Washington Council of Governments Washington Metropolitan Area Transit Authority

Source: GAO.

It is important to note that these interviews cannot be generalized to the entire JARC recipient population because they were selected from a nonprobability sample.

We supplemented the information obtained from these semistructured interviews by analyzing the more than 200 public comments submitted to DOT's online docket regarding FTA's interim program guidance for fiscal year 2006 and proposed guidance for fiscal year 2007. We used a content analysis to systematically identify common themes in the comments submitted. Two analysts reached consensus on the coding of the responses, and a third reviewer was consulted in case of disagreements, to ensure that the codes were reliable. In summarizing the comments for appendix III, we only included comments that were made by more than one entity.

We conducted our work from May through October 2006 in accordance with generally accepted government auditing standards.

Job Access and Reverse Commute Program Funding

Table 6: Total JARC Apportionments for States and Large Urbanized Areas, Fiscal Years 2004-2006

State	Fiscal year		
	2004	2005	2006
Alabama	\$4,460,669	\$6,046,205	\$2,391,281
Alaska	1,610,797	1,709,786	207,503
American Samoa	0	0	82,198
Arizona	1,734,705	0	2,646,131
Arkansas	446,067	0	1,406,220
California	5,515,370	10,010,929	19,573,127
Colorado	0	3,221,339	1,670,641
Connecticut	3,221,594	2,477,954	1,126,113
Delaware	743,445	743,386	263,929
District of Columbia	1,982,520	3,716,930	379,168
Florida	3,469,409	594,708	8,292,479
Georgia	991,260	2,180,598	3,726,294
Guam	0	0	82,308
Hawaii	0	0	456,441
Idaho	0	0	629,153
Illinois	817,789	1,120,034	5,042,471
Indiana	743,445	1,377,741	2,303,911
Iowa	991,260	1,982,362	1,034,427
Kansas	2,914,304	1,387,653	927,663
Kentucky	297,378	1,139,859	1,844,076
Louisiana	0	2,477,954	2,888,701
Maine	489,682	1,486,772	505,003
Maryland	5,253,677	2,676,190	1,774,151
Massachusetts	674,056	991,182	2,325,356
Michigan	3,667,662	4,162,961	3,979,218
Minnesota	495,630	3,147,001	1,414,253
Mississippi	0	0	1,457,627
Missouri	4,460,669	6,393,119	2,233,393
Montana	0	0	456,288
Nebraska	0	0	561,622
Nevada	495,630	1,982,362	857,434
New Hampshire	0	0	352,447
New Jersey	5,005,862	5,203,702	2,838,709
New Mexico	594,756	2,527,513	1,094,686

**Appendix II
Job Access and Reverse Commute Program
Funding**

(Continued From Previous Page)

State	Fiscal year		
	2004	2005	2006
New York	8,846,994	1,833,685	9,760,182
North Carolina	0	0	3,355,608
North Dakota	0	198,236	291,404
Northern Mariana Islands	0	0	125,962
Ohio	2,081,646	2,131,039	4,425,095
Oklahoma	5,947,550	7,929,461	1,625,985
Oregon	1,090,386	2,676,189	1,467,897
Pennsylvania	8,072,819	14,553,514	5,022,975
Puerto Rico	0	0	6,632,323
Rhode Island	1,399,659	1,635,449	466,849
South Carolina	0	0	1,872,308
South Dakota	247,815	0	312,746
Tennessee	7,112,288	7,681,654	2,670,486
Texas	5,457,846	2,329,275	12,423,907
Utah	0	0	890,393
Vermont	247,815	991,182	186,885
Virgin Islands	0	0	82,637
Virginia	1,645,492	84,249	2,553,291
Washington	4,708,484	4,782,450	2,479,628
West Virginia	991,260	991,182	1,059,097
Wisconsin	2,577,275	3,855,696	1,887,559
Wyoming	0	0	202,360
Community Transportation Association of America's national Joblinks program	2,478,149	3,270,899	0
Technical assistance support and performance reviews of the JARC grants program (DC)	298,230	297,600	0
Total	\$104,380,500	\$124,000,000	\$136,620,000

Source: FTA.

Appendix II
Job Access and Reverse Commute Program
Funding

Table 7: Job Access and Reverse Commute Apportionments for Fiscal Year 2006

Urbanized area/state	Apportionment
200,000 or more in population (large urbanized areas)	\$81,972,000
50,000-199,999 in population (small urbanized areas)	27,324,000
Nonurbanized areas	27,324,000
National Total	\$136,620,000

Source: FTA.

Table 8: Amounts Apportioned to Large Urbanized Areas 200,000 or More in Population

Urbanized area/state	Apportionment
Aguadilla—Isabela—San Sebastian, PR	\$530,843
Akron, OH	248,837
Albany, NY	230,802
Albuquerque, NM	326,277
Allentown—Bethlehem, PA—NJ	216,401
Anchorage, AK	83,959
Ann Arbor, MI	121,240
Antioch, CA	84,732
Asheville, NC	114,045
Atlanta, GA	1,343,016
Atlantic City, NJ	97,112
Augusta-Richmond County, GA—SC	191,466
Austin, TX	406,084
Bakersfield, CA	318,265
Baltimore, MD	871,013
Barnstable Town, MA	75,115
Baton Rouge, LA	294,683
Birmingham, AL	356,107
Boise City, ID	97,255
Bonita Springs—Naples, FL	73,314
Boston, MA—NH—RI	1,373,901
Bridgeport—Stamford, CT—NY	260,506
Buffalo, NY	484,616

Appendix II
Job Access and Reverse Commute Program
Funding

(Continued From Previous Page)

Urbanized area/state	Apportionment
Canton, OH	112,893
Cape Coral, FL	147,513
Charleston—North Charleston, SC	219,710
Charlotte, NC—SC	277,956
Chattanooga, TN—GA	168,882
Chicago, IL—IN	3,537,943
Cincinnati, OH—KY—IN	579,180
Cleveland, OH	777,417
Colorado Springs, CO	169,456
Columbia, SC	191,671
Columbus, GA—AL	149,168
Columbus, OH	487,856
Concord, CA	100,625
Corpus Christi, TX	200,511
Dallas—Fort Worth—Arlington, TX	1,987,478
Davenport, IA—IL	125,901
Dayton, OH	303,522
Daytona Beach—Port Orange, FL	136,539
Denton—Lewisville, TX	83,301
Denver—Aurora, CO	698,475
Des Moines, IA	127,421
Detroit, MI	1,684,895
Durham, NC	152,453
El Paso, TX—NM	640,747
Eugene, OR	133,005
Evansville, IN—KY	99,338
Fayetteville, NC	152,079
Flint, MI	207,202
Fort Collins, CO	85,767
Fort Wayne, IN	120,203
Fresno, CA	479,768
Grand Rapids, MI	207,260
Greensboro, NC	115,730
Greenville, SC	154,803
Gulfport—Biloxi, MS	116,718
Harrisburg, PA	118,352
Hartford, CT	314,651

Appendix II
Job Access and Reverse Commute Program
Funding

(Continued From Previous Page)

Urbanized area/state	Apportionment
Honolulu, HI	296,056
Houston, TX	2,225,913
Huntsville, AL	91,103
Indianapolis, IN	462,916
Indio—Cathedral City—Palm Springs, CA	167,671
Jackson, MS	188,181
Jacksonville, FL	395,633
Kansas City, MO—KS	520,534
Knoxville, TN	210,450
Lancaster, PA	109,172
Lancaster—Palmdale, CA	163,748
Lansing, MI	150,738
Las Vegas, NV	611,063
Lexington-Fayette, KY	125,080
Lincoln, NE	93,940
Little Rock, AR	193,589
Los Angeles—Long Beach—Santa Ana, CA	8,008,861
Louisville, KY—IN	402,958
Lubbock, TX	143,142
Madison, WI	141,053
McAllen, TX	667,460
Memphis, TN—MS—AR	582,443
Miami, FL	2,798,658
Milwaukee, WI	586,353
Minneapolis—St. Paul, MN	713,835
Mission Viejo, CA	110,760
Mobile, AL	230,386
Modesto, CA	206,464
Nashville-Davidson, TN	333,424
New Haven, CT	200,291
New Orleans, LA	747,095
New York—Newark, NY—NJ—CT	9,052,591
Ogden—Layton, UT	140,657
Oklahoma City, OK	425,034
Omaha, NE—IA	258,026
Orlando, FL	549,368

Appendix II
Job Access and Reverse Commute Program
Funding

(Continued From Previous Page)

Urbanized area/state	Apportionment
Oxnard, CA	186,082
Palm Bay—Melbourne, FL	162,591
Pensacola, FL—AL	178,078
Peoria, IL	118,652
Philadelphia, PA—NJ—DE—MD	2,177,282
Phoenix—Mesa, AZ	1,437,345
Pittsburgh, PA	755,115
Port St. Lucie, FL	134,102
Portland, OR—WA	651,875
Poughkeepsie—Newburgh, NY	138,244
Providence, RI—MA	550,347
Provo—Orem, UT	165,680
Raleigh, NC	167,695
Reading, PA	108,520
Reno, NV	135,396
Richmond, VA	325,063
Riverside—San Bernardino, CA	1,025,531
Rochester, NY	302,343
Rockford, IL	111,425
Round Lake Beach—McHenry— Grayslake, IL—WI	46,165
Sacramento, CA	735,658
Salem, OR	204,737
Salt Lake City, UT	323,584
San Antonio, TX	860,804
San Diego, CA	1,401,052
San Francisco—Oakland, CA	1,250,507
San Jose, CA	461,635
San Juan, PR	3,175,710
Santa Rosa, CA	105,190
Sarasota—Bradenton, FL	224,190
Savannah, GA	134,548
Scranton, PA	192,821
Seattle, WA	961,747
Shreveport, LA	199,860
South Bend, IN—MI	122,001
Spokane, WA—ID	178,704

Appendix II
Job Access and Reverse Commute Program
Funding

(Continued From Previous Page)

Urbanized area/state	Apportionment
Springfield, MA—CT	276,090
Springfield, MO	118,633
St. Louis, MO—IL	853,416
Stockton, CA	263,196
Syracuse, NY	204,341
Tallahassee, FL	132,584
Tampa—St. Petersburg, FL	978,029
Temecula—Murrieta, CA	87,126
Thousand Oaks, CA	47,093
Toledo, OH—MI	252,191
Trenton, NJ	99,038
Tucson, AZ	441,408
Tulsa, OK	285,281
Victorville—Hesperia—Apple Valley, CA	130,784
Virginia Beach, VA	617,451
Washington, DC—VA—MD	1,192,035
Wichita, KS	181,906
Winston-Salem, NC	132,231
Worcester, MA—CT	179,318
Youngstown, OH—PA	218,946
Total	\$81,972,000

Source: FTA.

Appendix II
Job Access and Reverse Commute Program
Funding

Table 9: Amounts Apportioned to State Governors for Small Urbanized Areas 50,000 to 199,999 in Population

State	Apportionment
Alabama	\$764,603
Alaska	34,455
Arizona	275,606
Arkansas	491,466
California	2,846,331
Colorado	458,275
Connecticut	279,431
Delaware	47,028
Florida	1,592,836
Georgia	872,603
Hawaii	51,652
Idaho	295,735
Illinois	628,307
Indiana	672,488
Iowa	404,283
Kansas	184,930
Kentucky	251,401
Louisiana	793,743
Maine	241,388
Maryland	300,190
Massachusetts	256,565
Michigan	851,344
Minnesota	231,017
Mississippi	142,431
Missouri	284,808
Montana	218,262
Nebraska	14,563
Nevada	37,708
New Hampshire	218,838
New Jersey	140,132
New Mexico	270,568
New York	513,343
North Carolina	871,922
North Dakota	165,554

Appendix II
Job Access and Reverse Commute Program
Funding

(Continued From Previous Page)

State	Apportionment
Northern Mariana Islands	79,198
Ohio	640,802
Oklahoma	173,538
Oregon	221,712
Pennsylvania	839,555
Puerto Rico	2,571,505
South Carolina	490,363
South Dakota	123,942
Tennessee	569,892
Texas	3,065,349
Utah	126,160
Vermont	65,427
Virginia	582,583
Washington	758,209
West Virginia	519,275
Wisconsin	695,169
Wyoming	97,515
Total	\$27,324,000

Source: FTA.

Appendix II
Job Access and Reverse Commute Program
Funding

Table 10: Amounts Apportioned to State Governors for Nonurbanized Areas Fewer Than 50,000 in Population

State	Apportionment
Alabama	\$914,681
Alaska	89,089
American Samoa	82,198
Arizona	491,772
Arkansas	689,681
California	1,392,047
Colorado	258,668
Connecticut	66,653
Delaware	60,739
Florida	789,522
Georgia	1,083,301
Guam	82,309
Hawaii	108,733
Idaho	236,073
Illinois	615,969
Indiana	547,252
Iowa	393,228
Kansas	391,699
Kentucky	996,767
Louisiana	853,320
Maine	263,615
Maryland	170,073
Massachusetts	106,263
Michigan	733,405
Minnesota	469,403
Mississippi	988,678
Missouri	804,275
Montana	238,026
Nebraska	244,224
Nevada	73,267
New Hampshire	114,174
New Jersey	90,750
New Mexico	460,625
New York	876,414

Appendix II
Job Access and Reverse Commute Program
Funding

(Continued From Previous Page)

State	Apportionment
North Carolina	1,377,832
North Dakota	125,851
Northern Mariana Islands	46,764
Ohio	937,886
Oklahoma	742,132
Oregon	375,739
Pennsylvania	996,074
Puerto Rico	354,265
Rhode Island	15,592
South Carolina	763,722
South Dakota	188,804
Tennessee	890,321
Texas	2,180,328
Utah	134,311
Vermont	121,458
Virgin Islands	82,637
Virginia	640,772
Washington	461,887
West Virginia	539,821
Wisconsin	466,065
Wyoming	104,846
Total	\$27,324,000

Source: FTA.

Summary of Stakeholder Comments on FTA's Interim Guidance and Proposed Strategies for Job Access and Reverse Commute Program

In its March 15, 2006, interim guidance and proposed strategies, FTA proposed several changes that would affect the operation of the JARC program. FTA allowed for a 30-day comment period, and after a request for an extension, the agency allowed approximately 1 month for comments. FTA received over 200 comments, and program stakeholders that commented included the following: state transportation agencies, trade associations, metropolitan planning organizations, public transit providers, private transit providers, individuals, and advocates. Table 11 summarizes FTA's proposed changes to the coordinated planning process, the designated recipient and competitive selection process, and the performance measurement and reporting requirements.

**Appendix III
Summary of Stakeholder Comments on FTA's
Interim Guidance and Proposed Strategies
for Job Access and Reverse Commute
Program**

Table 11: Changes to the JARC Program Proposed in FTA's March 2006 Interim Guidance and Proposed Strategies and Program Stakeholder Responses

Proposed change	Comments submitted by JARC program stakeholders and number of similar comments
<p>Coordinated plan</p> <p><i>Elements:</i> FTA identified five key elements of a coordinated plan: (1) an assessment of transportation needs for individuals with disabilities, older adults, and persons with limited incomes; (2) an inventory of available services that identifies areas of redundant service and gaps in service; (3) strategies to address the identified gaps in service; (4) identification of coordination actions to eliminate or reduce duplication in services and strategies for more efficient utilization of resources; and (5) prioritization of implementation strategies. FTA proposed that choosing a lead agency be a local decision and defining "local" is a decision to be made at the state, regional, and local levels.</p>	<ul style="list-style-type: none"> • Agree that local communities should have flexibility in developing the coordinated plan (12) • Agree with the key elements of the coordinated plan (9) • Suggest that minimization of duplication of services should be a key element (10) • Suggest that an evaluation plan should be another key element (2) • It is unrealistic to expect that coordinated plans will be completed by the fiscal year 2007 funding cycle (7) • Satisfying FTA's requirements is a time-consuming process for coordinated plans (2) • Agencies may not have available staff resources to develop coordinated plans (2) • FTA requirements may cost more to produce than the available resources will allow (2) • Any planning requirements should be commensurate with the level of funding provided (3) • Agree that designation of a "lead agency" should be a local decision (2) • Appreciate the flexibility of defining "local" (2) • States should be involved in determining the definition of "local" (2)
<p><i>Elements – Framework for Action:</i> FTA suggested states and communities utilize the United We Ride Framework for Action when developing a coordinated plan.</p>	<ul style="list-style-type: none"> • Framework for Action is a useful and helpful tool (3) • Concern that local coordinating entities may be at a disadvantage if they do not use the Framework for Action tool (2) • The guidance should continue to indicate use of the Framework for Action tool as a suggestion, not a requirement (2)

**Appendix III
Summary of Stakeholder Comments on FTA's
Interim Guidance and Proposed Strategies
for Job Access and Reverse Commute
Program**

Proposed change	Comments submitted by JARC program stakeholders and number of similar comments
<p><i>Participation:</i> FTA provided examples of groups and organizations that may be included in the planning process, recognizing that this proposed list would not limit or require participation. FTA also suggested allowing many ways to participate and making good-faith efforts for inclusion as well as documenting the efforts. FTA also proposed that it would coordinate with other federal agencies to facilitate other funding sources.</p>	<ul style="list-style-type: none"> • Support local communities having flexibility to coordinate participation (3) • Suggest other federal agencies should require their grantees to fully participate in the coordinated planning effort (5) • Encourage FTA to work with its partners on the Federal Interagency Coordinating Council (5) • FTA should make it clear that private operators must be represented (14) • FTA should affirm that the private sector may participate in the planning process and also propose on projects (12) • Agree that lead agencies should document their outreach efforts (3) • FTA should require rather than suggest more proactive outreach (23)
<p>Designated recipient</p> <p>In urbanized areas with populations fewer than 200,000 and other than urbanized areas, FTA proposed that the state be the designated recipient. In urbanized areas of over 200,000 in population, FTA proposed that a recipient of JARC funds must be officially designated through a process consistent with the provision in Section 5307. FTA also proposed that the designated recipient for JARC does not have to be the same as the designated recipient for Section 5307 funds.</p>	<ul style="list-style-type: none"> • The designated recipient for JARC should be the same as for FTA's other formula programs (e.g., Sections 5307, 5310, or 5311), and FTA should not create separate designated recipients for JARC (8) • Having a JARC designated recipient separate from the Section 5307 designated recipient is counterproductive because it will not encourage coordination and cooperation (3) • The JARC designated recipient should not be the same entity as the designated recipient for 5307 funds due to potential conflict of interest (2) • The metropolitan planning organization (MPO) should be the designated recipient (6) • The MPO is ill-equipped to function as the designated recipient (2) • FTA should clarify the roles and responsibilities of the designated recipient (6)
<p><i>Competitive Selection:</i> A recipient charged in administering the JARC programs should be designated by the chief executive officer of a state, responsible local officials, and publicly owned operators of public transportation. To address concerns that a "conflict of interest" could exist, FTA recommended that the designated recipient of funds not be a provider of transportation services. FTA also proposed that when the MPO is the designated recipient of these funds, the MPO be responsible for the competitive selection process. FTA also provided a list of potential strategies for the competitive selection process.</p>	<ul style="list-style-type: none"> • The competitive selection process should not be managed by a transportation provider in large urbanized areas (2) • There could be a conflict of interest if a transportation provider is the designated recipient, so the MPO should conduct the competitive selection process (18) • Concerns about a conflict of interest would be ameliorated by a transparent competitive selection process or by the MPO's oversight (8) • When the designated recipient is also a provider of transportation, the designated recipient should document how it selected projects and avoided conflicts of interest, and should demonstrate that all projects were given equal opportunity (23) • The competitive selection process and criteria should be derived at the local level (7)

**Appendix III
Summary of Stakeholder Comments on FTA's
Interim Guidance and Proposed Strategies
for Job Access and Reverse Commute
Program**

Proposed change	Comments submitted by JARC program stakeholders and number of similar comments
Performance measures	
To evaluate all three programs, Sections 5310, 5316, and 5317, FTA recommended three crosscutting performance measures: (1) Efficiency of Operations, (2) Program Effectiveness, and (3) Customer Satisfaction. FTA also recommended one JARC-specific performance measure, Cumulative Number of Jobs Accessed.	<ul style="list-style-type: none"> • The specific definitions proposed for the performance measures seem to have a tenuous connection to the goals they are designed to address (2) • Proposing performance measures that are too narrow and prescriptive will stifle local ability and creativity (4) • Establishing specific performance measures is premature (4) • Performance measures should be developed locally to address local conditions and needs (13) • Cost-effectiveness should be taken into consideration (16) • The proposed strategies for evaluation and performance measurement are burdensome, especially for small operators and systems (2) • It is difficult and sensitive to identify income and other personal information among passengers (3) • Regarding performance measure one: It may be more costly to provide transportation for difficult-to-serve populations, especially in small and rural areas (2) • The proposed measures are sensitive to external factors, such as local economic circumstances (2) • Regarding performance measure two: The definition of “communities” is too vague and difficult to understand (2) • Regarding performance measure three: “Customer satisfaction” is very subjective and amorphous, and the performance measure should be more objective or technical (4) • FTA should consider administration costs; funding should be commensurate with performance measurement strategies, such as surveys (3)
Reporting requirements	
FTA proposed reporting requirements to focus on the minimum data needed to meet the requirements of various performance initiatives set forth by Congress and the Office of Management and Budget, such as the Government Performance and Results Act of 1993. FTA also proposed building on existing infrastructure and data collection mechanisms, including the use of the National Transit Database.	<ul style="list-style-type: none"> • Compliance with burdensome reporting requirements could easily cost more than the grant amounts in many communities (2) • Suggest grantees should only report simplified or basic information (3) • Reporting requirements should focus on readily available or existing information mechanisms (2) • Many smaller agencies and areas may need staff training to use the National Transit Database (2)

Source: GAO analysis of FTA guidance and public comments posted on FTA's docket.

GAO Contact and Staff Acknowledgments

GAO Contact

Katherine Siggerud, (202) 512-2834 or siggerudk@gao.gov

Staff Acknowledgments

Other key contributors to this report were John Finedore (Assistant Director), Vidhya Ananthakrishnan, Lauren Heft, Foster Kerrison, Jessica Lucas-Judy, Nancy Lueke, Kimanh Nguyen, and Stan Stenersen.

Related GAO Products

Public Transportation: Preliminary Information on FTA's Implementation of SAFETEA-LU Changes. [GAO-06-910T](#). Washington, D.C.: June 27, 2006.

Transportation-Disadvantaged Seniors: Efforts to Enhance Senior Mobility Could Benefit from Additional Guidance and Information. [GAO-04-971](#). Washington, D.C.: August 30, 2004.

Job Access and Reverse Commute: Program Status and Potential Effects of Proposed Legislative Changes. [GAO-04-934R](#). Washington, D.C.: August 20, 2004.

Transportation-Disadvantaged Populations: Federal Agencies Are Taking Steps to Assist States and Local Agencies in Coordinating Transportation Services. [GAO-04-420R](#). Washington, D.C.: February 24, 2004.

Transportation-Disadvantaged Populations: Some Coordination Efforts Among Programs Providing Transportation Services, but Obstacles Persist. [GAO-03-697](#). Washington, D.C.: June 30, 2003.

Welfare Reform: Job Access Program Improves Local Service Coordination, but Evaluation Should Be Completed. [GAO-03-204](#). Washington, D.C.: December 6, 2002.

Welfare Reform: DOT Has Made Progress in Implementing the Job Access Program but Has Not Evaluated the Impact. [GAO-02-640T](#). Washington, D.C.: April 17, 2002.

Welfare Reform: Competitive Grant Selection Requirement for DOT's Job Access Program Was Not Followed. [GAO-02-213](#). Washington, D.C.: December 7, 2001.

Welfare Reform: GAO's Recent and Ongoing Work on DOT's Access to Jobs Program. [GAO-01-996R](#). Washington, D.C.: August 17, 2001.

Welfare Reform: DOT Is Making Progress in Implementing the Job Access Program. [GAO-01-133](#). Washington, D.C.: December 4, 2000.

Welfare Reform: Implementing DOT's Access to Jobs Program in Its First Year. [GAO/RCED-00-14](#). Washington, D.C.: November 26, 1999.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548