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Report to Congressional Committees

May 2011

# JOB ACCESS AND REVERSE COMMUTE PROGRAM

# Progress Made in Using Funds and Stakeholder Views on Proposed Program Changes

GAO-11-518

GAO

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# Highlights

Highlights of GAO-11-518, a report to congressional committees

May 2011

# JOB ACCESS AND REVERSE COMMUTE PROGRAM

## Progress Made in Using Funds and Stakeholder Views on Proposed Program Changes

### Why GAO Did This Study

Established in 1998, the Job Access and Reverse Commute program (JARC)—administered by the Federal Transit Administration (FTA)—awards formula based grants to states and localities to provide transportation to help low-income individuals access jobs. In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act–A Legacy for Users (SAFETEA-LU) reauthorized this program and made changes, such as allocating funds by formula to subrecipients in three areas—large urban, small urban, and rural—through designated recipients (usually transit agencies and states).

SAFETEA-LU required GAO to periodically review JARC. This third report under the mandate examines (1) the progress FTA and recipients have made in reducing the instances and amounts of funds they allowed to lapse without using them; (2) the challenges recipients have faced in implementing JARC; and (3) the tradeoffs, according to stakeholders, of proposals to revise JARC during the next surface reauthorization process. For this work, GAO reviewed FTA grant data; interviewed officials from FTA, 9 designated recipients, 10 subrecipients, and industry associations; and reviewed recent proposals to revise JARC.

GAO is not making recommendations in this report. DOT officials reviewed a draft of this report and provided technical corrections, which were incorporated as appropriate.

View GAO-11-518 or key components.
For more information, contact David J. Wise at (202) 512-2834 or wised@gao.gov.

### What GAO Found

Since GAO's last report on JARC in 2009, the instances of recipients letting their funds lapse—allowing the funds to be reapportioned to all recipients—have decreased. Recipients have 3 years from the time of apportionment to use the funding before it is reapportioned. In fiscal year 2008, 29 designated recipients, or 11.2 percent, let their entire fiscal year 2006 apportioned funds lapse. In fiscal year 2010, 11 designated recipients, or 4.3 percent, let their entire fiscal year 2008 apportioned funds lapse. In addition, the amount of funds lapsing has decreased. In fiscal year 2008, $16.7 million (12 percent) of apportioned funds lapsed, and fiscal year 2010, $10.2 million (6.5 percent) of apportioned funds lapsed. A few recipients have allowed a large amount of funds to lapse; however, others have made progress in using JARC funds, in part due to FTA's efforts.

The designated recipients GAO interviewed reported that they have overcome many of the challenges identified in our 2009 report. This improvement was due in part to actions taken by FTA, such as issuing guidance on project eligibility and providing workshops to help officials in areas where a large portion of JARC funds had lapsed. However, three challenges remain. First, some JARC funds have been allowed to lapse because subrecipients have difficulty providing the local funding required to receive JARC funding. Second, three recipients we interviewed faced challenges coordinating with human service organizations, as required. Finally, officials from three of the five states we interviewed said that the funding classifications they receive either do not align with local demands for JARC services or create confusion among local area recipients.

Stakeholders have proposed changing JARC. Officials GAO interviewed cited various tradeoffs to these proposals. Some proposals would combine JARC with other transit programs designed to help people who are elderly and/or have disabilities. Proponents of these proposals cited potential benefits such as increased flexibility to use funding to meet specific needs, while critics of these proposals were concerned that targeted populations will no longer receive the same amount of funding unless they are protected.

**Number and Amount of Lapsed JARC Apportionments, Fiscal Year 2008 to Fiscal Year 2010**

| Fiscal year | Number of recipients that allowed their entire funds to lapse | Amount of funds allowed to lapse |
|---|---|---|
| 2008 | 29 | $16,672,359 |
| 2009 | 16 | $12,708,611 |
| 2010 | 11 | $10,154,772 |

Source: GAO analysis of FTA data.

# Contents

**Abbreviations**

| | |
|---|---|
| DOT | U.S. Department of Transportation |
| FTA | Federal Transit Administration |
| JARC | Job Access and Reverse Commute |
| SAFETEA-LU | Safe, Accountable, Flexible, Efficient Transportation Equity Act–A Legacy for Users |
| TANF | Temporary Assistance for Needy Families |

United States Government Accountability Office
Washington, DC 20548

May 26, 2011

The Honorable Tim Johnson
Chairman
The Honorable Richard C. Shelby
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable John L. Mica
Chairman
The Honorable Nick J. Rahall, II
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

Access to transportation is critical for enabling low-income individuals to find and retain employment. To help provide this access, Congress established the Job Access and Reverse Commute program (JARC) in 1998. Administered by the U.S. Department of Transportation's (DOT) Federal Transit Administration (FTA), JARC provides grants to states and localities to fill gaps in transportation services for low-income individuals needing access to jobs and related services, such as child care and training. JARC funds can also be used to fund public transportation projects designed to transport residents of urbanized areas and other than urbanized (rural) areas to suburban employment opportunities regardless of income. In 2005, JARC was reauthorized through the Safe, Accountable, Flexible, Efficient Transportation Equity Act–A Legacy for Users (SAFETEA-LU), which authorized $602.5 million for the program for fiscal years 2006 through 2009. In March 2011, JARC's funding authorization was extended through fiscal year 2011, with the Surface Transportation Extension Act of 2011.[1]

SAFETEA-LU required us to evaluate JARC 1 year after the legislation took effect and every 2 years thereafter. We previously reported that JARC provides an important benefit to low-income individuals, but also that states and localities have not always submitted projects for FTA to

[1]Section 306 of Pub. L. No. 112-5, 125 Stat. 14, 19 (Mar. 4, 2011).

obligate JARC funds within the allowable time period.[2] When these unobligated funds lapse most of the funds are lost to the original states and/or large urbanized areas when they are reapportioned to all recipients. Thus, most of the benefit of those funds is lost to individuals in those areas who might have benefited from JARC services. FTA reapportions lapsed funds across all recipients in subsequent years, including those areas that allowed funds to lapse. Our 2009 report identified challenges, such as delays in issuing final program guidance and identifying designated recipients, faced by designated recipients and subrecipients[3] and we recommended actions that FTA or Congress could take to address these challenges. In response to our 2009 report, DOT indicated that FTA continues to provide guidance and technical assistance to help recipients address the challenges of JARC and continues to discuss opportunities to simplify the program in the next reauthorization. In addition, DOT indicated that a decrease in the percentage of funds recipients allowed to lapse after fiscal year 2009, compared with the prior fiscal year, indicates that recipients are improving their efforts to meet the challenges that had caused funds to lapse.[4] Anticipating the reauthorization of SAFETEA-LU during 2009, several stakeholders—including legislators, DOT, and public interest groups—proposed modifications to JARC. These proposed changes include funding changes, revisions to specific program requirements, and merging JARC with various other transit programs.

This report—our third in response to the SAFETEA-LU mandate—addresses FTA's progress in implementing changes to JARC. Our specific reporting objectives were to determine:

[2]GAO, *Federal Transit Administration: Progress and Challenges in Implementing and Evaluating the Job Access and Reverse Commute Program*, GAO-09-496 (Washington, D.C.: May 21, 2009).

[3]Designated recipients are state and local entities that have been designated to administer and distribute JARC funds to local entities. Under SAFETEA-LU, state agencies are required to be designated recipients for small urbanized and rural areas, while local agencies are identified as designated recipients for large urbanized areas. Designated recipients competitively allocate JARC funds to subrecipients, which include local transit agencies, nonprofit organizations, or state or local governmental authorities that receive JARC funds for eligible transit projects.

[4]GAO-09-496 also recommended that FTA use generally accepted survey design and data analysis methodologies in its program evaluations. FTA indicated that it would conduct a peer review of its program evaluation and consult with the Bureau of Transportation Statistics to modify its survey methodology.

1. the progress FTA and designated recipients have made in reducing the instances and amounts of lapsed funds;

2. the challenges designated recipients and subrecipients have faced in implementing JARC; and

3. the tradeoffs, according to stakeholders, of proposals to revise JARC in the surface transportation reauthorization process.

To address these objectives, we reviewed relevant laws and FTA guidance. We also interviewed FTA officials, select JARC designated recipients and subrecipients, and industry stakeholders. We obtained and analyzed data from FTA's Transportation Electronic Awards and Management system and FTA's Web site to determine the amount of FTA's apportionments for JARC and the extent to which JARC funds have been allowed to lapse. We assessed the reliability of these data by comparing FTA's data with data from designated recipients and interviewing FTA officials about their procedures. We determined that the data were sufficiently reliable for the purposes of our report. To examine challenges recipients have encountered in implementing the program, we interviewed 9 designated recipients and 10 subrecipients in five states and compared the challenges they reported to those we identified in our 2009 report. We selected the designated recipients based on criteria that included jurisdictions where funds had been allowed to lapse as well as states identified through industry association contacts. We selected subrecipients that covered the three areas that were apportioned JARC funding under SAFETEA-LU—large and small urbanized areas plus rural areas—as well as those that designated recipients recommended. Since we used a nongeneralizable sampling approach, the results of these interviews cannot be used to make inferences about all designated recipients and subrecipients. We also interviewed stakeholders and officials from industry associations, including the American Association of State Highway and Transportation Officials and the Community Transportation Association of America, to obtain their broader views on challenges associated with implementing JARC and potential program modifications. To determine the advantages and disadvantages of JARC modification proposals, we reviewed published proposals and discussed modification concepts with designated recipients, subrecipients, and stakeholder organizations.

We conducted this performance audit from July 2010 through May 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. See appendix I for more information about our scope and methodology.

## Background

Congress created JARC in the 1998 Transportation Equity Act for the 21st Century to support the nation's welfare-reform goals—including helping adults meet new work requirements to receive federal assistance.[5] A purpose of JARC was to improve the mobility of low-income individuals through grants that states and localities could use to provide additional or expanded transportation services and thus provide more opportunities for individuals to get to work. Accessing entry-level jobs can be challenging for low-income individuals, many of whom do not own cars, have poorly maintained cars that are not sufficient for daily commuting, or do not have access to transit options that link them to jobs.

In 2005, SAFETEA-LU made several changes to JARC. Notably, SAFETEA-LU created a formula[6] to distribute $602.5 million over 4 years beginning with fiscal year 2006 and required that state or local recipients[7] be designated to competitively allocate JARC funds. These recipients are responsible for distributing funds to other agencies. SAFETEA-LU required that 40 percent of JARC funds be apportioned annually among states for projects in small urbanized and rural areas (those with populations of 50,000–199,999 and less than 50,000, respectively). It also required that the remaining 60 percent be apportioned among large urbanized areas (those with populations of 200,000 or more). In fiscal year

[5]The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 significantly changed the system for providing assistance to low-income families with children by replacing the existing entitlement program with fixed block grants to states to provide Temporary Assistance for Needy Families (TANF). Among other things, TANF imposes work requirements for adults.

[6]Prior to SAFETEA-LU, JARC funds were awarded to grantees based on funding in the conference reports that accompanied appropriations acts. The change to a formula program significantly altered the allocation of JARC funds because some states and large urbanized areas that did not formerly receive funds started receiving funds. For example, 18 states were apportioned JARC funds for fiscal year 2006 that did not receive funds in fiscal year 2005. Furthermore, some grantees received different amounts after SAFETEA-LU—either higher or lower—than they had received in the past.

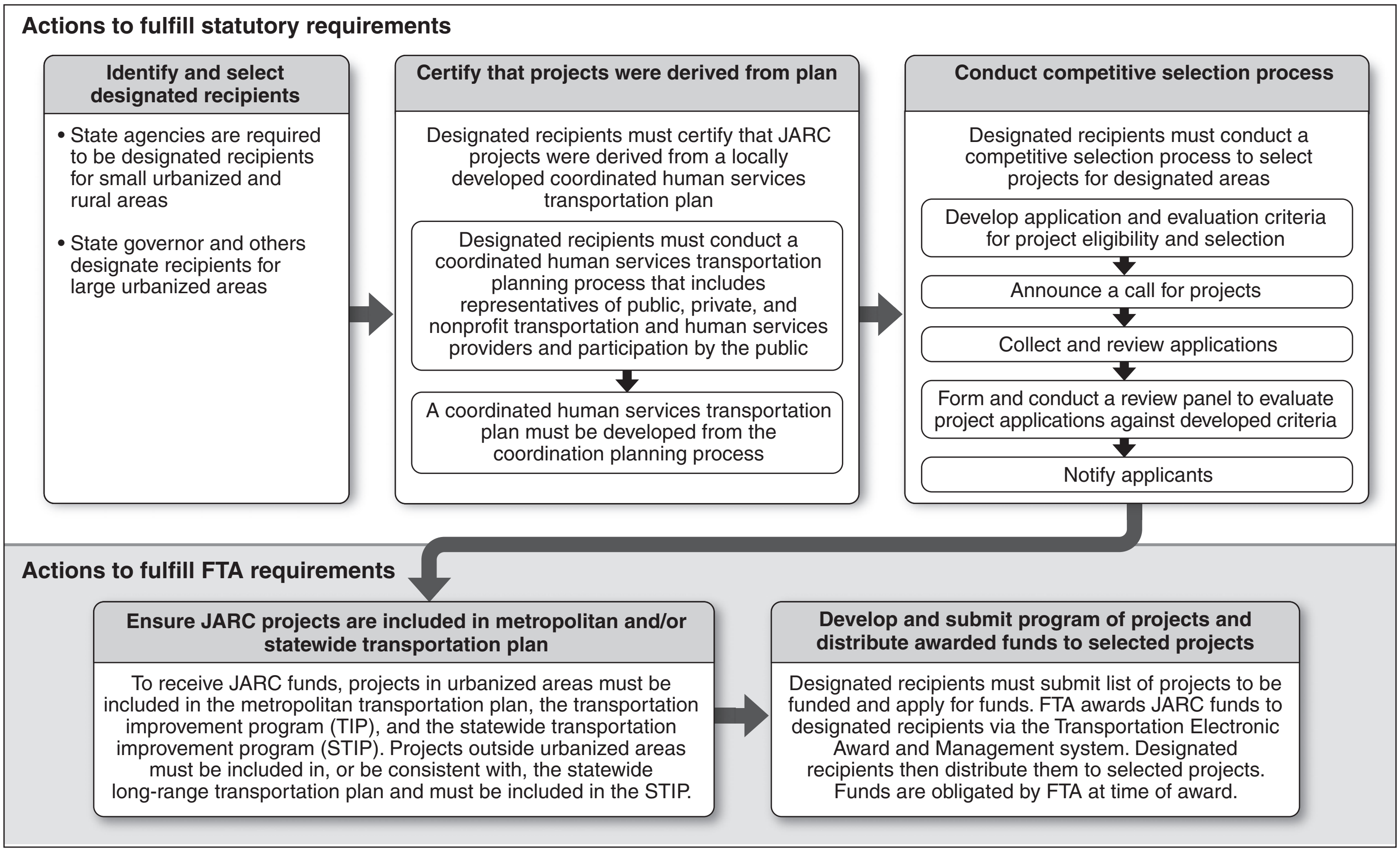
[7]In this context, states refer to the 50 U.S. states, American Samoa, Guam, Northern Mariana Islands, the Commonwealth of Puerto Rico, and the U.S.Virgin Islands. Furthermore, in this context local recipients include the District of Columbia.

2010, a total of $175 million in JARC funds were apportioned to designated recipients.

JARC funds must be obligated within a certain time period, can be used for some administrative activities, and must be supplemented by local funding. Funds must be obligated within 3 years from the time of apportionment or they lapse. Lapsed funds are reapportioned among all states and large urbanized areas in the following fiscal year. For example, $18.6 million in JARC funds apportioned for fiscal year 2006 was allowed to lapse, per FTA records, at the end of fiscal year 2008. Accordingly, FTA increased the JARC apportionments for fiscal year 2009 by $18.6 million. The reapportionment process allows lapsed JARC funds to be used in other areas. SAFETEA-LU authorizes states and large urbanized areas to use 10 percent of JARC funds for administrative activities, including planning and coordination activities. Currently, the federal government's cost share for JARC projects is limited to no more than 80 percent for capital costs and no more than 50 percent of operating costs. For example, if a subrecipient purchases a bus with JARC funds, it is eligible for up to 80 percent federal funding; however if JARC funding is used for operating the bus (bus drivers, fuel, etc.), it is eligible for up to 50 percent federal funding.

SAFETEA-LU also required JARC recipients to fulfill specific requirements and follow specific processes (see fig. 1).

Figure 1: JARC Requirements and Processes under SAFETEA-LU




Source: GAO analysis of FTA guidance.

In addition to the requirement that a recipient be designated to competitively allocate JARC funds, SAFETEA-LU required that designated recipients certify that JARC projects are derived from locally developed, coordinated public transit-human service transportation plans. The coordinated planning process must include representatives of public, private, and nonprofit transportation and human services providers and participation by the public. Furthermore, SAFETEA-LU required that states and large urbanized areas develop and conduct a competitive selection process for their projects. After projects are selected, states and urbanized areas must apply to FTA to fund the projects.

Recipients have used JARC funds for a wide variety of projects to help low-income workers get to jobs and related activities. Many projects expand the service area or extend the hours of existing bus routes. For example, in Danbury, Connecticut, JARC funds were used to add evening and weekend hours to an existing bus route. Some projects fund van pools that take groups of workers to work sites. For example, JARC funds were used for both capital and operating expenses for a van pool to employment centers from a rural area in Texas. Other projects pay for vehicle loans or vehicle repairs. For example, a human service organization in Dodgeville, Wisconsin—a rural area without transit—uses JARC funds to provide low-interest car loans to low-income workers. As of 2009, the program helped 352 low-income individuals obtain loans to purchase a car for work.[8] See appendix II for more information on types of projects supported by JARC funds.

In addition to JARC, other federal transit programs support transportation for specific purposes and populations. For example, the New Freedom program, created by SAFETEA-LU, supports new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act. In fiscal year 2010, $99 million was apportioned for this program. The Elderly Individuals and Individuals with Disabilities program (commonly referred to as the Section 5310 program), has existed since 1975. The Section 5310 program originally provided formula funding for capital projects to help meet the transportation needs of elderly individuals and persons with disabilities. In 1991, Congress expanded the Section 5310 program to allow funds to be used to acquire services to promote the use of private-sector providers and to coordinate with other human service agencies and public transit providers. In fiscal year 2010, $134 million was apportioned to state agencies for Section 5310. SAFETEA-LU requires that both of these programs, as with JARC, certify that projects be derived from a locally developed, coordinated public transit-human services transportation plan. FTA's Urbanized Area Formula Grant Program (Section 5307) and Other Than Urbanized (Rural) Area Grant Program (Section 5311) also provide formula funds for general public transit programs. The Section 5307 program provides transit funding for large and small urbanized areas, while the Section 5311 program provides transit funding for rural areas. In fiscal year 2010, $4.6 billion was apportioned for these programs: $4.1 billion for the Section 5307 program and $438 million for the Section 5311 program.

[8]FTA Circular C 9050.1 indicates that individuals obtaining vehicles must make them available for shared rides.

In our 2009 report on JARC, we found that about 14 percent of the fiscal year 2006 JARC funds lapsed, in part due to the fact that some applicants did not meet administrative requirements, such as developing a coordinated public transit-human service transportation plan, in time to apply for funds. We also found that recipients faced several challenges in implementing JARC, including the inability to provide the required local match, and that overall, the effort required to obtain JARC funds was disproportionate to the relatively small amount of funding available.

## Recipients—with FTA Help—Have Made Progress Using Apportioned Funds, but a Few Areas Continue to Let Funds Lapse

### Recipients Have Made Progress Using JARC Funds

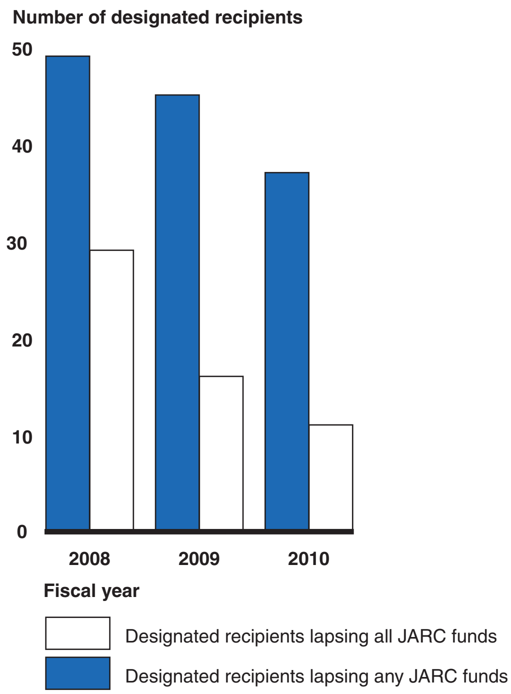
JARC funds have been apportioned to 258 geographic areas and each year since SAFETEA-LU was enacted the number of designated recipients allowing JARC funds to lapse has decreased.[9] Where JARC funds lapsed, the designated recipients lost the funds and those funds were FTA reapportioned to all designated recipients. For fiscal year 2006 apportionments, at least some of the JARC funds were allowed to lapse in 49 areas at the end of fiscal year 2008. The number of areas where funds lapsed dropped to 45 at the end of fiscal year 2009 and then to 37 at the end of fiscal year 2010.

Further, the number of recipients allowing all their JARC funds to lapse decreased steadily from the end of fiscal year 2008 through 2010. In fiscal year 2008, 29 designated recipients (or 11.2 percent of all designated recipients) let all funds apportioned in fiscal year 2006 lapse. By the end of fiscal year 2010, 11 designated recipients (or 4.3 percent of all designated

[9]An entity may be a designated recipient for multiple geographic areas. For example, in many states, the state department of transportation serves as the designated recipient for small urbanized and rural areas.

recipients) allowed all the JARC funds to lapse that were apportioned to them for fiscal year 2008. (See fig. 2.)

**Figure 2: Fewer Designated Recipients Let JARC Funds Lapse after Fiscal Year 2010 than after Fiscal Years 2009 or 2008**



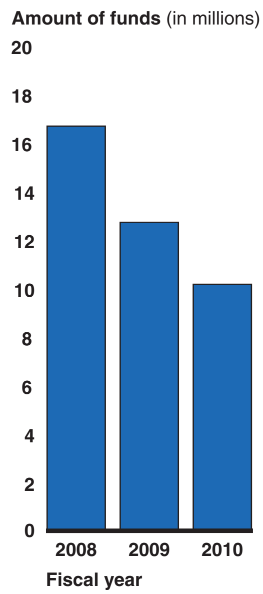

Source: GAO analysis of FTA data.

Note: These recipient counts adjust FTA data reports for instances when FTA restored lapsed funds and the restoration of those funds shifted the recipient's lapse category.

## The Amount of Funding Allowed to Lapse Decreased

In addition, the amount of funding allowed to lapse also steadily declined from the end of fiscal year 2008 through 2010. In fiscal year 2008, approximately $16.7 million, or 12 percent of all apportioned funds, were allowed to lapse. By the end of fiscal year 2010, the amount of lapsed funds had dropped to about $10.2 million, or 6.5 percent of all funds apportioned for fiscal year 2008. (See fig. 3)

**Figure 3: Fewer JARC Apportionments Lapsed after Fiscal Year 2010 than after Fiscal Years 2009 or 2008**




Source: GAO analysis of FTA data.

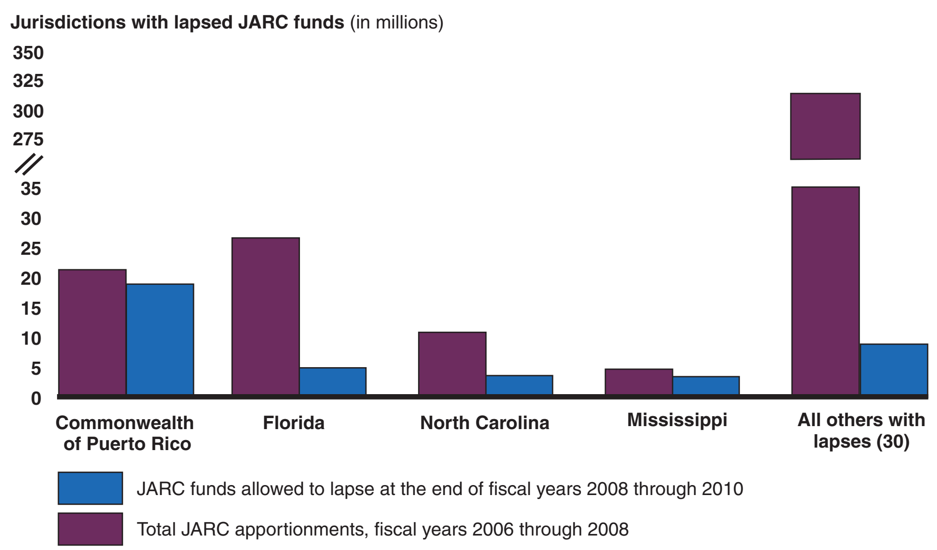
Note: We did not include funds for three areas—California small urbanized areas and California nonurbanized areas (reported as lapsed after fiscal year 2008 but restored in fiscal year 2010); and Washington, D.C. (reported as lapsed after fiscal year 2010, but where, according to FTA officials, funds were restored in fiscal year 2011).

## A Few Jurisdictions Allowed Large Amounts of Funds to Lapse

Recipients allowing JARC funds to lapse were concentrated in three southeastern states—Florida, Mississippi, and North Carolina—plus the Commonwealth of Puerto Rico. Recipients in those jurisdictions accounted for 77.4 percent of the $39.5 million that was allowed to lapse from the $436.6 million apportioned to JARC recipients for fiscal years 2006, 2007, and 2008. Puerto Rico alone accounted for $18.9 million, or 48 percent, of funds allowed to lapse during this period. Florida's large urbanized area recipients allowed $4.8 million in JARC funds to lapse. Recipients in Mississippi and North Carolina accounted for more than $3 million in lapsed funds for each state. According to designated recipients and FTA officials, recipients allowed funds to lapse for reasons that included lack of proposals from potential project sponsors and a lack of matching funds. We discuss these reasons in more depth later in the report.

Recipients in 30 other states allowed $8.9 million of JARC funds to lapse; in no case did the amount of funds allowed to lapse in any of these jurisdictions exceed $1 million (see fig. 4). Some of these lapses were not due to lack of interest in taking advantage of the JARC program or other program-related barriers, according to DOT officials. Rather, in some cases, funds lapsed because the grant recipients' budgets for JARC projects totaled less than the entire amount of JARC funds available. The remaining unobligated funds could range from several hundred dollars to several thousand dollars. Designated recipients—state agencies and large urbanized areas—in 21 states and the District of Columbia allowed none of the $65.5 million in JARC funds apportioned to them to lapse for fiscal years 2006 through 2008.

**Figure 4: Three States and Puerto Rico Accounted for 77 Percent of All JARC Funds Allowed to Lapse from the End of Fiscal Year 2008 through the End of Fiscal Year 2010**




Source: GAO analysis of FTA data.

## Recently These Areas Have Made Progress in Using JARC Funds

Recipients in Puerto Rico, Florida, North Carolina, and Mississippi have shown progress recently toward reducing the amount of funds allowed to lapse.

- Puerto Rico allowed $13.6 million to lapse for fiscal years 2006 and 2007—all its JARC funds apportioned for those years—but was able to use $2.2 million of its fiscal year 2008 funds for San Juan, a large urbanized area, plus $72,000 of its small urbanized area fiscal year 2008 funds.
- Florida's lapsed funds were limited to its large urbanized areas. For fiscal year 2006, among Florida's 12 large urbanized areas, 8 areas used all their JARC funds, while 4 areas allowed $3.2 million, their entire apportionments, to lapse.[10] For fiscal year 2007, three large urbanized areas allowed apportionments to lapse—Daytona Beach-Port Orange allowed all of its apportionments to lapse, while Miami and Tallahassee allowed part of their JARC apportionments to lapse. By the end of fiscal year 2010, Florida's recipients no longer allowed funds to lapse.
- North Carolina allowed 62.8 percent of its fiscal year 2006 apportionments for small urbanized areas and rural areas to lapse. In contrast, the percentage of funds lapsed for those areas was 40.1 percent for 2007 apportionments and 25.3 percent for 2008 apportionments.
- One of Mississippi's two large urbanized areas, Gulfport-Biloxi, allowed all its funds to lapse in fiscal year 2006, but all of that area's JARC funds were obligated for fiscal years 2007 and 2008. However, recipients continue to allow much of Mississippi's rural and small urban areas funds to lapse.

## FTA Staff Have Worked With Officials to Reduce Instances of Lapsed Funds

Lapsed funds remained a significant issue at the end of fiscal year 2010 for Puerto Rico, Mississippi, and, to a lesser extent, North Carolina. To address lapsed funds, FTA's Region IV staff reported working extensively with officials in these three jurisdictions to help local officials more effectively use JARC funds.

[10] The eight large urbanized areas in Florida for which all JARC funds were obligated for fiscal year 2006 were Bonita Springs-Naples, Cape Coral, Jacksonville, Orlando, Pensacola, Sarasota-Bradenton, Tallahassee, and Tampa-St. Petersburg. The four large urbanized areas that allowed all of their 2006 apportionments to lapse were Daytona Beach-Port Orange, Miami, Palm Bay-Melbourne, and Port St. Lucie.

- FTA staff began working with Puerto Rico in December 2007 and through most of 2010 conducted a series of workshops and quarterly meetings with the local officials to help Puerto Rico use its JARC apportionments. The first eligible project application for Puerto Rico was submitted in August 2010, but it still allowed more than $5 million to lapse at the end of fiscal year 2010, or 70 percent of the $7.6 million apportioned to Puerto Rico for fiscal year 2008.

- FTA staff reported working with Mississippi officials at annual Mississippi transit conferences and also having the United We Ride Ambassador[11] facilitate workshops in Mississippi to raise interest in the program. Furthermore, FTA regional staff reported providing technical assistance for officials in Jackson, the large urbanized area in Mississippi that has allowed all its JARC funds to lapse. The United We Ride Ambassador conducted regional coordinated planning workshops in Mississippi to help local officials develop their regional coordination plans and identify sources of matching funds. After the end of fiscal 2010, Mississippi recipients let $1.5 million lapse, or 92 percent of the funds apportioned for Mississippi for fiscal year 2008. According to the Ambassador, as of February 2011, Mississippi officials were making progress at identifying sources of matching funds needed to use available JARC funds.

- By the end of fiscal year 2010, more than $3 million was being used by North Carolina, but more than $650,000 was allowed to lapse for small urbanized areas and rural areas, plus $174,000 (or all funds) for Fayetteville for fiscal year 2008. FTA Region IV officials reported providing technical assistance and holding a workshop for Fayetteville. To help North Carolina's small urbanized areas better use their JARC apportionments, FTA staff reported assisting with coordinated plan development in 2008 and working with North Carolina officials at workshops, state conferences, and quarterly meetings with state officials. The United We Ride Ambassador conducted coordinated planning workshops in North Carolina to help local officials understand the coordinated planning process and identify sources of matching funds.

[11]United We Ride Ambassadors are consultants who provide technical training and assistance to states on public transportation and human services transportation. They work for the National Resource Center for Human Service Transportation Coordination, which is operated by the Community Transportation Association of America under a cooperative agreement with FTA.

## FTA Addressed a Number of Challenges Recipients Had Identified Implementing JARC, but Three Challenges Remain

Our 2009 report on JARC indicated that recipients had specific challenges implementing the program. Challenges were primarily related to administratively setting up and implementing the program given changes in SAFETEA-LU. Designated recipients we spoke with more recently indicated that the types of challenges they faced in 2009 had generally been addressed. However, three challenges remain:

- Limited funding available to provide the local match.
- Coordination with human services organizations can be difficult.
- Formula funding not aligned with local demands.

### FTA Has Taken Steps to Address Difficulties Recipients Faced

The designated recipients and subrecipients we interviewed reported that they have overcome many of the challenges we identified in our 2009 report. Specifically, most of the designated recipients that we interviewed had (1) instituted procedures to solicit grant applications and select projects competitively; (2) created locally developed, coordinated public transit-human services transportation plans; and (3) designated recipients identified for all areas. Among the nine designated recipients that we interviewed, four said that the program is less challenging to implement than it was in the past and four said the challenges have not changed or new challenges have replaced older ones, while one said the program is more challenging because of increased applications, among other things.

Some designated recipients attribute the improvement to actions taken by FTA to help recipients overcome barriers to using JARC funds. First, in May 2007, FTA finalized implementing guidance to help recipients better understand the change to the “new” formula program. Second, FTA officials answered many questions that designated recipients had raised about running competitions and determining project eligibility. FTA regional offices, and in some cases FTA headquarters, have worked to respond to recipient questions about project eligibility. For example, a recipient indicated that when they had questions their regional office worked closely with them to resolve their questions. Finally, FTA has provided outreach to specific jurisdictions that were slower to use JARC funds.

## Increased Difficulty in Providing Required Local Match Has Resulted in Lapsed Funds

According to most of the recipients and subrecipients we spoke with, providing a local match has increasingly become a challenge, particularly with current economic conditions, and in some locations recipients allowed JARC funds to lapse because local officials are unable to provide matching funds. JARC requires that recipients supply a local match to receive funding. The program requires at least a 20 percent local match for capital expenses and a 50 percent match for operating expenses. The recipients we interviewed indicated that they use several different sources of matching funds, including local taxes, toll credits,[12] and in-kind services. In addition, as permitted by statute,[13] some recipients have used other sources of federal funds such as Temporary Assistance for Needy Families (TANF).[14]

Officials in some FTA regional offices and states reported that recipients allowed funds to lapse in some areas because they were not able to match federal funds. FTA officials in one region said that it is difficult for grantees to justify using funding for JARC projects that would establish new routes while simultaneously cutting existing services due to constrained budgets. In the two jurisdictions—Mississippi and Puerto Rico—in which nearly all funding lapsed, a Mississippi Department of Transportation official and FTA officials partially attributed the lapses to the inability to provide matching funds. Some FTA officials and designated recipients that we interviewed said that, in some cases, JARC funds were allowed to lapse because they chose to use their local funds for other programs that are less burdensome and provide more funding.

## JARC Recipients in Three Areas Reported that Coordination with Human Services Organizations Can Be Difficult

While not a challenge in all jurisdictions, recipients in three areas indicated that coordination with other human service organizations that provide transportation services was difficult. JARC recipients are required to participate in a local coordinated transportation planning process at least every 4 to 5 years to receive funding. As previously mentioned,

[12]According to Federal Highway Administration documentation, toll credits are credits earned based on revenues generated by a toll authority (i.e., toll receipts, concession sales, right-of-way leases, or interest), including borrowed funds (i.e., bonds or loans) supported by this revenue stream, that are used by the toll authority to build, improve, or maintain highways, bridges, or tunnels that serve interstate commerce.

[13]SAFETEA-LU, Pub. L. No. 109-59, § 3018(a), 119 Stat. 1144, 1601-05 (Aug. 10, 2005).

[14]TANF provides fixed block grants to states to help families become self-sufficient.

human service funding, for example TANF funding, can be a potential match to federal JARC funds. According to data from the Department of Health and Human Services, among the 60 percent of states that used TANF funding for transportation, about $270 million was used for transportation assistance in fiscal year 2009. However, according to the three designated recipients that we interviewed, human service organizations' funding sources generally don't have the same requirement to coordinate in order to receive funding and therefore they may be less inclined to participate in the process. Officials from one state told us that involving the human service community in a coordinated plan can sometimes be difficult, but some activities, such as providing funding for local mobility managers,[15] have made this easier.

State requirements can help subrecipients fulfill the coordinated planning requirement. Officials from one state we spoke to indicated that their state had a state requirement for a coordinated plan prior to the JARC requirement, and another state's officials indicated that their coordinated transportation planning process began 15 years ago. For example, Connecticut had a collaborative and jointly planned and funded access to jobs program prior to JARC because Connecticut's welfare reform mandates predated federal welfare reform and JARC. Thus, meeting the JARC requirement that the projects come from the plan is relatively easy to meet as they already know and have relationships with the right people. On the other hand, officials from three states indicated that the coordinated plan was difficult to do.

## In Some Areas, Officials Reported that Area and Program Funding Classifications Create Challenges

In some locations, state transportation officials indicated that JARC funding apportionments created confusion and did not align with needs. SAFETEA-LU's formula apportions funds by large and small urbanized area and rural area classifications. While these classifications allow designated recipients to transfer funds among small urban and rural areas, the funds can not be distributed away from large urban areas. As we reported in our 2009 report, some state transportation department officials indicated that eliminating the urbanized area limits would give designated recipients funds where they see the most need, such as rural areas with

[15]Mobility management services consist of activities for delivering coordinated transportation services to customers, including elderly individuals, people with disabilities, and lower-income individuals. These services focus on meeting individual customer needs through a wider range of transportation options and service providers and do not include operating public transportation services.

fewer resources than large urbanized areas. Officials from three states that we interviewed suggested that it would be beneficial to remove these classifications and give designated recipients, usually states, discretion to allocate funds as they see fit across rural areas and small and large urbanized areas because local area recipients find the process confusing. Furthermore, officials from one state said that they could better address state needs if they had more flexibility about where to allocate funds. Officials from two states indicated that they had a good state process and would be willing to conduct such project competitions in large urban areas as well. Finally, two states already do that for all areas—rural, small urban, and large urban.

Some officials we spoke to also mentioned that the needs for other programs outweighed the needs for JARC. For example, officials from one FTA regional office indicated they see a bigger demand for New Freedom program funds than JARC. In addition, one designated recipient indicated that its New Freedom funds are smaller than JARC funds, but the response to calls for projects is greater under the New Freedom program. An official at a state department of transportation reported that the biggest need is for elderly and disabled programs like Section 5310.

## Proposals to Revise JARC Engender Tradeoffs

Transportation interest groups, legislators, and DOT have issued proposals to revise JARC since 2008. These proposals generally were offered to help Congress consider JARC provisions in the next surface transportation reauthorization. The proposals advance three broad concepts for reauthorizing JARC: (1) streamline JARC by merging it with other related programs, (2) revise JARC funding amounts or matching requirements, and (3) revise transportation coordination provisions. See the sources and topics addressed by these proposals in table 1. See appendix III for further information on these proposals.

Table 1: JARC Reauthorization Proposals and Key Concepts

| Source | Proposal | Streamline by merging | Revise funding | Revise program coordination |
|---|---|---|---|---|
| U.S. Department of Transportation | Refocus. Reform. Renew: A New Transportation Approach for America (2008)[a] | X | X | |
| American Association of State Highway and Transportation Officials | Transit Reauthorization Recommendations (2008) | X | | |
| American Public Transportation Association | APTA Recommendations on Federal Public Transportation Authorizing Law (2008) | X | | X |
| President-Elect's Urban Agenda | The Obama-Biden Plan (2008) | | X | |
| U.S. House of Representatives Committee on Transportation and Infrastructure | Draft Surface Transportation Authorization Act of 2009 | X | | |
| Community Transportation Association of America | A New Surface Mobility Vision for America (2009) | X | X | X |
| Transportation for America | America's Route to Reform (2009) | X | X | X |
| National Transportation Policy Project, Bipartisan Policy Center | Performance Driven: A New Vision for U.S. Transportation Policy (2009) | X | X | |
| S. 176, 111th Cong. (2009) | Job Access and Reverse Commute Program Improvements Act of 2009 | | X | X |
| President's Fiscal Year 2012 Budget Request | Department of Transportation Budget Appendix (2011) | X | | |

Source: As indicated and GAO analysis.

[a]DOT is working on a new reauthorization proposal to more closely reflect current thinking.

## Proposals to Consolidate JARC with Other Transportation Programs May Improve Efficiency and Flexibility but Might Disadvantage Some Stakeholders

Eight of the 10 proposals we examined would consolidate JARC with other related programs, generally to improve program efficiency and/or flexibility. Four proposals recommended combining JARC with FTA's other specialized programs for transportation-disadvantaged populations—the New Freedom program for people with disabilities and the program for Elderly Individuals and Individuals with Disabilities (Section 5310).[16] The President's Budget Request for Fiscal Year 2012 proposes combining JARC with the New Freedom and the Section 5310 programs. The combined program would continue goals of the current

[16]Combining JARC with the New Freedom and Section 5310 programs was recommended in proposals by the U.S. House of Representatives Committee on Transportation and Infrastructure, American Public Transportation Association, Transportation for America, and the President's Budget Request for Fiscal Year 2012.

programs. However, other proposals suggested merging JARC with other programs. As noted in our 2009 JARC report, the American Association of State Highway and Transportation Officials proposed consolidating JARC with FTA's Urbanized Area Formula Grant Program (Section 5307) and Other Than Urbanized (Rural) Area Grant Program (Section 5311). The Community Transportation Association of America proposed new urban and rural transit programs that would each include JARC elements. The National Transportation Policy Project proposed combining JARC in an essential access program that would include the Safe Routes to School program, the Over the Road Bus Accessibility program, as well as New Freedom and Section 5310 programs.

In general, consolidating JARC with other programs could offer greater program efficiency and flexibility:

- The U.S. House of Representatives Committee on Transportation and Infrastructure reported that its proposal would reduce the administrative burden on both the grantees and FTA by creating a unified program application to achieve a variety of mobility and access goals.
- Combining JARC with the New Freedom and Section 5310 programs would, as noted in support for two plans, maintain the importance of coordination already implied by the locally developed, coordinated public transit-human services transportation plan already required by SAFETEA-LU.
- Four recipients we talked with would like to see a combination of programs as it could give them more flexibility in terms of how they allocate the grants to meet the transportation gaps specific to their area. For example, one state said it has more demand for services to help people who are elderly and/or have disabilities than for JARC grants and could better respond to state priorities by shifting its JARC funds to New Freedom or Section 5310 programs.

Combining JARC and related programs may have disadvantages for some stakeholders:

- As we noted in our 2009 JARC report, associations representing people who are elderly and those with disabilities expressed concern that consolidating these programs with JARC would jeopardize transportation to these populations. Without a set-aside for various populations, some may not be assured that the funding levels would remain steady for their population group. The consolidation proposal by the U.S. House of

Representatives Committee on Transportation and Infrastructure provided minimum funding targets to protect funds for specific populations during the first year of the consolidated program and other protections in later years. However, officials in one state that we interviewed were concerned that while it would increase flexibility, it would not simplify reporting.

- Not every designated recipient may want the flexibility to determine funding allocations between the populations now served by the current programs because creating more discretion for designated recipients will also bring more political pressure to their role, according to a state program director.

- Two recipients indicated that FTA's implementation of a consolidated program would impact the extent to which they would benefit from this flexibility. In other words, if FTA were to still treat these as separate programs in terms of reporting, it may not decrease the administrative burden.

- An official from a small urbanized area transit system said that the current programs are easy to explain to local officials as separate programs and the reporting requirements are straight-forward. Combining programs might result in a more complex program that could be more difficult to explain and could involve complicated reporting to track benefits provided to different population groups.

## Proposals to Alter JARC Funding Could Improve Program Effectiveness and Help Prevent Funds from Lapsing, but Might Reduce Overall Scope of JARC

The JARC proposals we examined addressed two types of funding changes—increasing the federal funds directed to the program and changing the match ratios that JARC subrecipients have to meet in their project proposals. Two proposals we examined suggested increasing the amount of funding for JARC or its successor program.

- Transportation for America's proposal would increase funding by an unspecified amount for a new program that consolidates the JARC, New Freedom, and Section 5310 programs. According to the proposal, the advantage of this change would be to help low-income and other populations that are inadequately served by existing transit programs.

- The 2008 Obama-Biden Plan proposed doubling JARC funding in order to ensure that additional federal public transportation dollars flow to the highest-need communities.[17]

In addition, three proposals we reviewed would adjust match requirements:

- The Community Transportation Association of America's proposal would reduce local operating match requirements from 50 percent to 20 percent.
- The 2008 DOT proposal—Refocus. Reform. Renew. A New Transportation Approach for America—would reduce the local match requirement for both capital and operating expenses to 10 percent.
- S. 176, 111th Cong. (2009) would reduce the local match requirement for operating expenses of a JARC project as an incentive for projects that coordinate with programs serving other transportation-disadvantaged populations.

Reducing the local matching requirement could reduce the incidence of lapsed JARC funds. As previously discussed, some recipients told us that lack of match was a reason that their apportioned funds were allowed to lapse. Other recipients said that their current matching funds are just enough to support their current grants and they expect that it will be more difficult for those match sources to sustain their JARC support in the future. Lower match rates could have the disadvantage of reducing the overall spending for JARC. For example, we earlier reported that matching funds are important to maintaining recipients' level of spending for a program.[18] Thus, if project sponsors rely more heavily on federal funds then fewer local funds will likely be used to support programs, and total program expenditures may decline.

[17]However, the President's position has evolved since December 2008 and no longer advocates increasing JARC funding. The President's Budget Request for Fiscal Year 2012 proposed a consolidated JARC, New Freedom, and Section 5310 program funded at $405 million, the approximately $427 million apportioned for these three programs in fiscal year 2010 (includes approximately $19 million of reapportioned funds from JARC, New Freedom, and Section 5310 program lapses).

[18]GAO, *Federal Grants: Design Improvements Could Help Federal Resources Go Further*, GAO/AIMD-97-7 (Washington, D.C.: Dec. 18, 1996).

## Proposals Suggest Improving JARC's Coordination with Other Transportation Programs for the Transportation-Disadvantaged

SAFETEA-LU required recipients of FTA's three grant programs for the transportation-disadvantaged to develop a coordinated plan.[19] We previously noted that JARC recipients in three areas we spoke to still indicated that coordination with human service organizations was difficult. We reported in 2009 that some recipients had suggested that federal agencies that provide and allow funds to be used for transportation services should require grantees to participate in coordinated transportation planning efforts.

A reauthorization proposal, as previously noted, would provide an incentive for projects that coordinate at least two of the three FTA grant programs for the transportation-disadvantaged.[20] Coordination among all federal transportation programs for the transportation-disadvantaged has been a concern noted in our prior reports. Our reports in 2003 and 2004 analyzed federal spending aimed at transportation-disadvantaged populations.[21] While the full extent of such spending could not be determined, available data showed federal expenditures of $2.4 billion, of which just $317 million, or 13 percent, was by DOT programs.[22] Furthermore, we reported in 2011 that, to assure coordination benefits are realized, Congress may want to consider requiring key programs to participate in coordinated planning.[23] The American Public Transportation Association's 2008 proposal would require changes in authorizing laws for transportation, health, and human services to assure coordination and cost-sharing between agencies for human services transportation. The Community Transportation Association of America's 2009 proposal for

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[19]According to SAFETEA-LU, DOT shall coordinate JARC activities with related activities under programs of other federal departments and agencies. Designated recipients encourage stakeholders from human services agencies to participate in the coordination effort, but these agencies are not necessarily required to coordinate, as we reported in GAO-09-496.

[20]S. 176, 111th Cong. (2009).

[21]GAO, *Transportation-Disadvantaged Populations: Some Coordination Efforts Among Programs Providing Transportation Services, but Obstacles Persist*, GAO-03-697 (Washington, D.C.: June 30, 2003) and *Opportunities for Congressional Oversight and Improved Use of Taxpayer Funds: Budgetary Implications of Selected GAO Work*, GAO-04-649 (Washington, D.C.: May 7, 2004).

[22]Spending data were from eight federal departments: Agriculture, Education, Health and Human Services, Housing and Urban Development, Interior, Labor, Transportation, and Veterans Affairs.

[23]GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

streamlined urban, rural, and intercity programs would, according to the proposal, end the proliferation of stand-alone transportation programs, each with its own guidance, regulations and purposes. The Community Transportation Association of America also proposed that these new programs would be funded partly by $3 billion in transfers from other federal programs.

## Agency Comment

DOT reviewed a draft of this report and provided technical corrections, which were incorporated as appropriate.

We are sending copies of this report to congressional committees with responsibility for transit issues, the Secretary of Transportation, and the Administrator of the Federal Transit Administration. 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 at (202) 512-2834 or at wised@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.

David J. Wise

David Wise
Director, Physical Infrastructure Issues

# Appendix I: Objectives, Scope, and Methodology

The Safe, Accountable, Flexible, Efficient Transportation Equity Act–A Legacy for Users (SAFETEA-LU) requires that we evaluate the Job Access and Reverse Commute program (JARC) every 2 years.[1] This report addresses (1) the progress the Federal Transit Administration (FTA) and recipients have made in reducing the instances and amounts of lapsed funds; (2) the challenges recipients have faced in implementing JARC; and (3) the tradeoffs of proposals to revise JARC, according to stakeholders, during the upcoming surface transportation reauthorization process.

To determine the extent to which FTA and recipients have made progress in reducing the instances and amounts of lapsed funds, we obtained and analyzed data from FTA's Transportation Electronic and Awards Management system and apportionment data from FTA's Web site. We used these data to determine the amount of FTA's apportionments for JARC and the extent to which JARC funds lapsed. We did not include restored funding of $1.9 million for California and almost $1 million for Washington, D.C., in our analysis of funds allowed to lapse because these designated recipients had access to the funds in subsequent fiscal years. Although these funds show up as lapsed in FTA's Transportation Electronic and Awards Management system data, they were restored for specific reasons such as initial coding errors. In addition, we assessed the reliability of these data by (1) obtaining information from the system manager on FTA's data reliability procedures and (2) comparing FTA's data with data from designated recipients. We discussed discrepancies with FTA officials. We determined that the data were sufficiently reliable for the purposes of our report.

To examine challenges recipients have encountered in implementing the program, we interviewed 9 designated recipients and 10 subrecipients in five states and compared the challenges to those we identified in our 2009 report.[2] We selected the nine designated recipients based on criteria to achieve a mix of the following criteria:

[1]We last reported on the Federal Transit Administration's progress in implementing JARC in May 2009. GAO-09-496.

[2]Designated recipients are state and local entities that have been designated to administer and distribute JARC funds to local entities. Under SAFETEA-LU, state agencies are required to be designated recipients for small urbanized and rural areas, while local entities are identified as designated recipients for large urbanized areas. Designated recipients competitively allocate JARC funds to subrecipients, which include local transit agencies, nonprofit organizations, or state or local governmental authorities that receive JARC funds for eligible transit projects.

- some were located in areas that have allowed funds to lapse;
- some had been previously interviewed for our May 2009 report;
- all were chosen to provide diversity across geographic locations; and
- some were identified through an industry association contact.

We selected subrecipients that covered the three areas that were apportioned JARC funding under SAFETEA-LU—large and small urbanized areas plus rural areas—as well as those that designated recipients recommended. Since we used a nongeneralizable sampling approach, the results of these interviews cannot be used to make inferences about all designated recipients and subrecipients. In addition, we interviewed FTA regional officials for each of these selected areas. Table 2 lists the 9 designated recipients and 10 subrecipients that we interviewed.

**Table 2: Designated Recipients and Subrecipients Interviewed for Our Review**

| Agency | Organization | Designated recipient | Subrecipient |
|---|---|---|---|
| California Department of Transportation | State agency | X | |
| Connecticut Department of Transportation | State agency | X | |
| Montana Department of Transportation | State agency | X | |
| Texas Department of Transportation | State agency | X | |
| Wisconsin Department of Transportation | State agency | X | |
| Sacramento Area Council of Governments | Local agency for large urbanized area | X | |
| Southern California Association of Governments | Local agency for large urbanized area | X | |
| Lubbock City Transit Management Company (Lubbock, TX) | Local agency for large urbanized area | X | |
| Capital Metropolitan Transportation Authority (Austin, TX) | Local agency for large urbanized area | X | |
| Milwaukee County Transit System | Local agency for large urbanized area | | X |
| Capitol Region Council of Governments (Hartford, CT) | Local agency for large urbanized area | | X |
| Greater New Haven Transit District (New Haven, CT) | Local agency for large urbanized area | | X |
| City of Simi Valley (Simi Valley, CA) | Local agency for small urbanized area | | X |
| Kenosha Achievement Center (Kenosha, WI) | Local agency for small urbanized area | | X |
| METropolitan Transit (Billings, MT) | Local agency for small urbanized area | | X |
| Housatonic Area Regional Transit District (Danbury, CT) | Local agency for small urbanized area | | X |
| Community Transportation Agency (Galt, CA) | Local agency for rural area | | X |
| Confederated Salish and Kootenai Tribe (Pablo, MT) | Local agency for rural area | | X |

| Agency | Organization | Designated recipient | Subrecipient |
|---|---|---|---|
| Southwestern Wisconsin Community Action Program (Dodgeville, WI) | Local agency for rural area | | X |

Source: GAO analysis of interviewed agencies.

We also interviewed FTA regional and state officials in areas that allowed the greatest amount of funds to lapse including Mississippi, North Carolina, and Puerto Rico. In addition, we interviewed the United We Ride Ambassador responsible for these areas. We interviewed stakeholders and officials from industry associations, including the American Association of State Highway and Transportation Officials and the Community Transportation Association of America, to obtain their views on challenges associated with implementing JARC and potential program modifications.

To identify proposals to modify JARC issued since 2008 we conducted a literature search and interviewed FTA officials. To determine the advantages and disadvantages of these proposals, we reviewed published proposals; identified common features of these proposals; and discussed modification concepts with designated recipients, subrecipients, and interested stakeholder organizations.

We conducted this performance audit from July 2010 through May 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: JARC Activities

JARC funds are available for operating expenses and capital expenses that support services to transport low-income individuals to and from jobs and activities related to their employment. Eligible projects may include, but are not limited to, activities such as:

- late-night and weekend service,
- guaranteed ride home service,
- shuttle service,
- expanding fixed-route public transit routes,
- demand-responsive van service,
- ridesharing and carpooling activities,
- transit-related aspects of bicycling,
- local car loan programs that assist individuals in purchasing and maintaining vehicles for shared rides, and
- promoting the use of transit by workers with nontraditional work schedules.

An FTA report, dated October 2010, showed the specific types of JARC services being offered during fiscal year 2009.[1] The report was based on data from 171 JARC grant recipients[2] who reported on 910 services. According to that report:

- trip services—transportation provided directly to individuals—accounted for 81 percent of the service types reported;

[1]FTA, *Connecting People to Employment: An Evaluation of Job Access and Reverse Commute Program Services Provided in 2009* (Washington, D.C., October 2010).

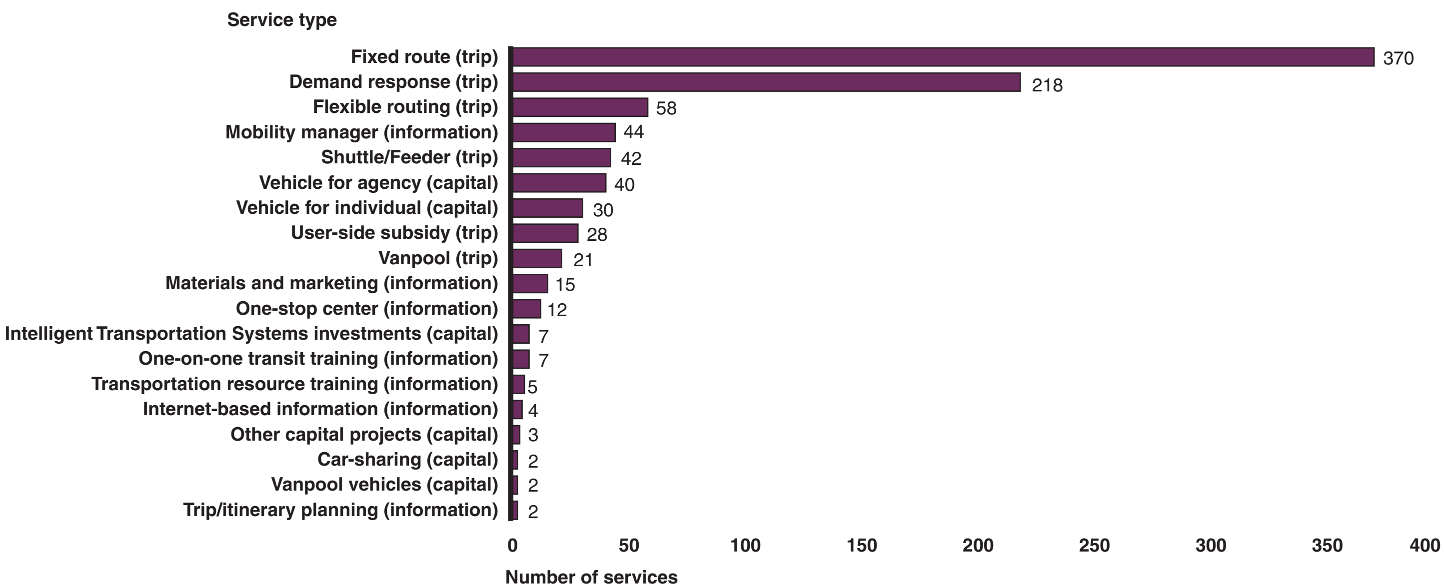
[2]FTA began with a list of 282 potential reporting candidates. FTA required recipients to self-report if they provided JARC services between October 1, 2008, and September 30, 2009. FTA directed grant recipients to not report on congressionally designated earmark projects so FTA could focus on programs funded through the SAFETEA-LU formula programs. According to FTA's report, the 171 responses from grant recipients are based on a 99 percent response rate.

- information services—for example, mobility managers—accounted for 10 percent of the service types reported; and
- capital investment projects—for example, vehicle loans,[3] purchases, and technology investments—accounted for 9 percent of the service types reported.

Within the trip services category, the top four service categories reported were "fixed route," "demand response," "flexible route," and "shuttle/feeder." Within the capital investment projects category, the top three services were "vehicle for agency," "vehicle for individual," and "Intelligent Transportation Systems investments." Agencies used JARC funds to acquire more than 80 vehicles and provided about 870 automobile loans to individuals. Figure 5 lists the number of each type of JARC service in fiscal year 2009.

[3]FTA Circular C 9050.1 indicates that individuals obtaining vehicles must make them available for shared rides.

**Figure 5: JARC Transportation Service Types Provided in Fiscal Year 2009**




Source: GAO analysis of FTA data.

# Appendix III: Proposed Changes to JARC

In 2005, JARC was reauthorized through SAFETEA-LU, which authorized $727 million for the program for fiscal years 2005 through 2009. Sponsors listed in table 3 developed proposals in anticipation of reauthorization of this legislation.[1]

**Table 3: JARC Reauthorization Proposals**

| Sponsor | Date proposed | Program consolidation | Program funding and other key features |
|---|---|---|---|
| U.S. Department of Transportation, Refocus. Reform. Renew: A New Transportation Approach for America | 2008 | Creates a Mobility Enhancement program to meet needs now addressed by the JARC, New Freedom, and Elderly and People with Disabilities programs. Funds can also be used for certain highway and bridge activities. | Provides 90 percent federal funding of projects. |
| American Association of State Highway and Transportation Officials | 2008 | Would eliminate JARC. | Transfers funding and activities to the public transit formula programs for urbanized areas (Section 5307) and nonurbanized areas (Section 5311). |
| American Public Transportation Association | October 2008 | Would merge JARC with the New Freedom and the Elderly and People with Disabilities programs. | Keeps SAFETEA-LU funding formulas and match rates. Funding to grow at a rate consistent with recommended overall transit program growth. Streamlines agency reporting. Improves coordination among agencies providing human services transportation. |
| President-Elect's Urban Policy Agenda–The Obama-Biden Plan | 2008 | Does not propose changes to the structure. | Would double the funding. |
| U. S. House of Representatives Committee on Transportation and Infrastructure | June 2009 | Would merge JARC with the New Freedom and the Elderly and People with Disabilities programs. | Keeps SAFETEA-LU match rates (50 percent federal/50 percent local operating expenditures; 80 percent federal/20 percent local capital expenditures). |
| Community Transportation Association of America | 2009 | Creates three new programs: rural transit, urban transit, and intercity bus/rail service and absorbs JARC functions. | Operating match rates go to 80 percent federal /20 percent local. Doubles investment in surface mobility. |
| Transportation for America | 2009 | Would merge JARC with the New Freedom and the Elderly and People with Disabilities programs. | Doubles current federal funding. Sets goals and targets. |

[1]In March 2011, JARC's funding authorization was extended through fiscal year 2011, with the Surface Transportation Extension Act of 2011. Section 306 of Pub. L. No. 112-5, 125 Stat. 14, 19 (Mar. 4, 2011).

| Sponsor | Date proposed | Program consolidation | Program funding and other key features |
|---|---|---|---|
| National Transportation Policy Project, Bipartisan Policy Center | 2009 | Combines JARC, New Freedom, Elderly and People with Disabilities, and other programs for an Essential Access Program | Essential Access Program gets 2 percent of total transit funding. |
| Job Access and Reverse Commute Program Improvement Act, S. 176, 111th Cong. (2009) | 2009 | Preserves JARC as a continuing program. | JARC rises to $265 million per year by fiscal year 2014. Provides 80 percent match for operating costs as incentive to combine or coordinate projects. |
| President's Fiscal Year 2012 Budget Request | 2011 | Consolidates JARC with the New Freedom and the Elderly and People with Disabilities programs in a Consolidated Specialized Transportation Grant Program that continues the goals of the three current programs. | Funding for the consolidated program would be similar to funds apportioned in fiscal year 2010 for the three current programs. |

Source: GAO analysis of proposals.

# Appendix IV: GAO Contact and Staff Acknowledgments

## GAO Contact

David J. Wise, (202) 512-2834 or wised@gao.gov

## Staff Acknowledgments

In addition to the contact named above, Catherine Colwell (Assistant Director), Richard Calhoon, Colin Fallon, Kathleen Gilhooly, Sara Ann Moessbauer, and Stephanie Purcell made important contributions to this report.

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