Project No. 20-65, Task 59 - 61

THE DETERMINATION OF HOW FEDERAL SECTION 5316 FUNDS WERE USED UNDER THE SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPOATION ACT: A LEGACY FOR USERS (SAFETEA-LU) AND THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY (TEA-21)

THE DEGREE TO WHICH JARC AND NEW FREEDOM ACTIVITIES ARE BEING CONTINUED UNDER MAP-21 AND THE FAST ACT

"JARC AND NEW FREEDOM THEN AND NOW"

FINAL REPORT

Prepared for
The National Cooperative Highway Research Program
Transportation Research Board
of
The National Academies

Principal Investigator, Sean Libberton
Ella Claney
Crystal Cummings
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Jennifer Thompson

WSP | Parsons Brinckerhoff
Washington, D.C.
November 2016

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Abstract

This report documents the results of an analysis of the differences between the uses, administration, and management of the Federal Transit Administration's (FTA) Section 5316 Job Access and Reverse Commute (JARC*)* and Section 5317 New Freedom programs under the *Transportation Equity Act for the 21st Century* (TEA-21) and the *Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users* (SAFETEA-LU), as well as the degree to which JARC and New Freedom activities were funded once the programs were eliminated under the *Moving Ahead for Progress in the 21st Century Act* (MAP-21). JARC was transformed from a discretionary funding program under TEA-21 to a formula driven program under SAFETEA-LU before being eliminated altogether in 2012 under MAP-21. Changes in funding levels and distribution mechanisms as well as changes in program and project administration requirements have had a significant impact on the JARC program and JARC-funded projects. This report includes a review of historical (since 1999) Section 5316 funding allocation data by state, and, more importantly, compares the distribution of funding to large urban, small urban, and rural areas under TEA- 21 and SAFETEA-LU. This report also provides the history of the New Freedom program as well as an analysis of New Freedom funding and uses since its authorization in 2006 under SAFETEA-LU.

The research is based upon a detailed review of available grants data, as well as information collected from two national surveys and interviews and focus groups with state DOT and other program stakeholders. The research found that a majority of state DOT representatives preferred the formula distribution of JARC funding under SAFETEA-LU or its consolidation with FTA's Section 5307 Urbanized Area and Section 5311 Rural Area Formula programs under MAP-21 to the discretionary funding model provided by TEA-21. This report further finds that while state DOTs who participated in the research favored MAP-21's consolidation of the New Freedom program with the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program, transit agencies in urban and rural areas and program administrators in urbanized areas tended to disapprove of the change. Finally, the research finds that New Freedom-type projects have been more successful than former JARC projects at securing funding through their MAP-21 (and now, the Fixing America's Surface Transportation (FAST) Act) programs.

Executive Summary

The *Moving Ahead for Progress in the 21st Century Act* (MAP-21) eliminated the Federal Transit Administration's (FTA) Section 5316 Job Access and Reverse Commute (JARC) and Section 5317 New Freedom programs in 2012, simultaneously establishing eligibility for JARC projects under the Section 5307 Urbanized Area Formula and Section 5311 Rural Area Formula grant programs and for New Freedom projects under the Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Program. The National Cooperative Highway Research Program (NCHRP) commissioned two research efforts to understand the evolution of the JARC and New Freedom programs prior to their elimination under MAP-21, and the impact of their elimination on JARC and New Freedom-type projects and services, which are combined in this report. The first research – "*The Determination of How Federal Section 5316 Funds Were Used under the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy For Users (SAFETEA-LU) and the Transportation Equity Act for the 21st Century (TEA-21))*" - found that over half of state Departments of Transportation (DOT) that participated in a survey conducted for the study believed that the funding of JARC-type projects would be discontinued with the consolidation of the Section 5316 program with Sections 5307 and 5311 under MAP-21. Many New Freedom program stakeholders were similarly concerned that its elimination would result in less Federal investment in New Freedom-type projects, despite their eligibility under the Section 5310 program.

A second research study - "*The Degree to Which JARC and New Freedom Activities Are Being Continued or Initiated Under MAP-21*" – began as an attempt to quantify the actual impact of the loss of dedicated JARC and New Freedom funding for such projects. However, the availability of robust and reliable data on the continuation of JARC and New Freedom projects post-SAFETEA-LU proved insufficient to quantify this impact on a national basis. Rather, through an on-line survey of state DOTs, transit operators, and metropolitan planning organizations, supplemented by stakeholder interviews and FTA grants data, the research is able to document a series of trends and other observations regarding the use of Section 5307, 5310, 5311, and state and local program funds for JARC and New Freedom-type activities. Primarily, despite being absorbed into larger existing programs, the amount of funding spent on services intended to provide job access and reverse commute opportunities for low-income and transit dependent populations appears to have declined. Many survey respondents suggested that service providers were already struggling to meet their area's capital and operating needs with existing levels of Section 5307 and/or Section 5311 funding, and that without a mandatory set aside for JARC-type activities there was little incentive to continue to fund specialized transit activities. New Freedom-type investments appeared to experience a smaller decline, likely because the purpose of the New Freedom program is much more closely aligned with the specialized funding goals of Section 5310.

1. Introduction

The *Moving Ahead for Progress in the 21st Century Act* (MAP-21) eliminated the Federal Transit Administration's (FTA) Section 5316 Job Access and Reverse Commute (JARC) and Section 5317 New Freedom grant programs in 2012. At the same time, MAP-21 expanded the eligibility of the Section 5307 Urbanized Area Formula Program and Section 5311 Rural Area Formula Program to include JARC-"type" projects, while doing the same for New Freedom projects under the Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Program. The elimination of the two programs - but preservation of their eligible activities under alternate formula programs - was consistent with the theme of program consolidation which was a hallmark of MAP-21, and which would be continued under the *Fixing America's Surface Transportation* (FAST) Act, which superseded MAP-21 in 2015.

The National Cooperative Highway Research Program (NCHRP), on behalf of the American Association of State Highway Officials (AASHTO) Standing Committee on Public Transportation (SCOPT), commissioned two research activities on the past – and future – of JARC and New Freedom services which are combined and presented in this report: *JARC and New Freedom – Then and Now*. The first research assignment - "*The Determination of How Federal Section 5316 Funds Were Used under the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy For Users* (SAFETEA-LU) *and the Transportation Equity Act for the 21st Century (TEA-21)"* - was performed between late 2014 through the Fall of 2015, and was intended to provide insight on the relative effectiveness of the alternate ways that JARC funds were distributed across the two authorizations. Based upon the data collected to support this research effort, it is evident that states did not favor the discretionary administration of JARC funds under TEA-21. However, state DOTs who participated in the research were evenly split between their preference for the SAFETEA-LU and MAP-21 distribution methods. The reasons for these preferences will be presented in this report.

The second research effort - "*The Degree to Which JARC and New Freedom Activities Are Being Continued or Initiated Under MAP-21"* – was conducted one year later, and strives to understand the impact of program consolidation on JARC and New Freedom-type projects (the FAST Act was passed by Congress shortly after the research commenced). The research set out to answer the following questions:

a) How much federal Section 5307 funding was approved in large and small urbanized areas in Fiscal Year (FY) 2013/14 specifically for new or continued JARC activities?

b) How much Section 5311 funding was approved in non-urbanized areas in FY 2013/14 specifically for new or continued JARC activities in FFY 2013/14?

c) How much federal Section 5310 funding was approved in FY 2013/14 in large and small urbanized areas and rural areas specifically for new or continued New Freedom activities?

d) Compare the results for the amount of Section 5316 JARC and Section 5317 New Freedom funding that was approved for large and small urbanized areas and non-urbanized areas by large UZA and by state and for the nation as a whole, in FY 2012/13 under SAFETEA-LU with MAP-21 in FY 2013/14?

Based upon the data collected to support this second piece of the research effort, these questions, unfortunately, cannot be directly answered. As explained in Section 2 *Research Methodology* of this report, limited Federal Transit Administration (FTA) data on MAP-21 JARC and New Freedom project expenditures resulted in the need for original data collection via an electronic survey of program stakeholders. This survey was hampered, however, by the absence of existing stakeholder contacts and addresses across transit operating and program administering agencies. Finally, the response rate to the survey was poor. Nevertheless, the survey data does provide some insight, and certain trends can be identified about the continuation of JARC and New Freedom activities under MAP-21 and the FAST Act.

Section 3 *JARC Then and Now* introduces the reader to the JARC program, providing its statutory history as well as a summary of program goals and objectives, eligibility and other requirements, and typical projects and recipients. The JARC program began as part of the Clinton Administration's broader "Welfare to Work" initiative of the mid-1990's, and this history, including the program's subsequent authorization in TEA-21 and SAFETEA-LU – and its consolidation under MAP-21 - is presented, as are program funding levels and general program distribution trends. The effectiveness of the three authorizations for distributing funding to where it was/is most needed – according to State DOT officials surveyed for the research – is also explored.

Section 3 continues with further analysis of the results of a second survey of JARC program stakeholders, including not only state DOT representatives but urban and rural transit operators and other agencies charged with administering Section 5307 and/or Section 5311 programs and for programing JARC activities under MAP-21 and the FAST Act. While this data is limited, it does reveal some trends such as the gradual decline in funding for JARC-type activities each year since MAP-21, and, where JARC-type activities are continuing, they appear to be doing so with funding other than from the Section 5307 and/or Section 5311 programs.

Section 4 *New Freedom Then and Now* is structured similarly to Section 3, providing a context and set of analyses for the New Freedom program. First initiated as part of President George W. Bush's New Freedom Initiative, SAFETEA-LU formally authorized the New Freedom program to provide alternative transportation options for persons with disabilities beyond what was already required under the American's with Disabilities Act (ADA) of 1990. Section 4 documents these program origins and presents authorized funding levels and distribution over the course of its existence. This section also presents an interpretation of the research survey results pertaining to the continuation of New Freedom activities in a post-SAFETEA-LU program environment.

Section 5 *Conclusions* summarizes the key research findings. The research does generally confirm the prediction of many previous designated recipients and subrecipients of SAFETEA-LU JARC and New Freedom funding that because any growth in the Sections 5307, 5310, and 5311 programs resulting from consolidation was still insufficient to meet basic capital and operating needs, it was unlikely that specialized programs would continue to be funded under MAP-21 and the FAST Act to the degree that they were funded under SAFETEA-LU. In addition, several former JARC and New Freedom grant recipients expressed concern that the defunding of these specialized programs would have the greatest negative impact on the low-income and vulnerable populations who are in the most need of specialized transportation services for access to employment, job training, and healthcare.

2. Research Methodology

The execution of this research relied on a variety of information sources and data collection approaches. Specifically, the research methodology included a review of federal law, FTA guidance, previous research, and published and unpublished grant information on the former Section 5316 and 5317 programs, as well as two surveys prepared specifically for the research. In addition, a series of interviews and focus groups conducted to support parallel research on the Section 5310 program – *"The National Perspective: An Assessment of Section 5310 Program Administration Under MAP-21*" – provided additional information which was used in the development of this research and its findings. Each of these activities are described below.

2.1. Review of Program Documentation and Grants Data

The intent of the review and summary of program literature and data was to present an historical context and foundation for the research effort. This context was based upon an expansive review of existing literature on the JARC and New Freedom programs. This literature included a) FTA-sponsored evaluations of program performance conducted for several – but not all – years of both programs; b) JARC program audits performed by the US General Accountability Office (GAO); and c) policy and academic research. Two points must be understood about the amount of research and analysis associated with the two programs. First, Congress mandated annual GAO reviews of the JARC program, but not New Freedom; therefore, much more is known about the performance of the former than the latter. Secondly, FTA funded its own annual evaluation and detailed reporting on the use of funding for both programs between 2006 and 2010 (C*onnecting People to Employment and Enhancing Mobility for People with Disabilities)* but discontinued it due to lack of administrative funding. Therefore, program performance and associated data is unavailable for the final years of SAFETEA-LU.

Program funding and obligation data for both programs is derived from FTA-published annual apportionments and grant statistical summaries available on its website (www.dot.fta.gov). More detailed information on the types of activities funded by JARC and New Freedom is taken from FTA's annual *Connecting People to Employment and Enhancing Mobility for People with Disabilities* report series. The project activity groupings used by FTA in these reports was utilized in the subsequent research survey to ensure consistent comparisons between SAFETEA-LU and MAP-21 reporting of uses of JARC and New Freedom funding.

When the research program was originally scoped, it was understood by the research team that FTA's data on post-SAFETEA-LU JARC and New Freedom projects was embedded within Section 5307, Section 5310, and Section 5311 grants, and that JARC and New Freedom projects could be extracted from these program databases based on the Activity Line Item (ALI) codes that were assigned to track expenditures. Specifically, FTA's ALI codes currently include a special code for JARC projects (646-00) and New Freedom projects (647-00) issued under Section 5307 and 5311 grants. These were set-up to track any transfers of Section 5316 JARC and Section 5317 New Freedom funds to 5307 and 5311, as permitted under SAFETEA-LU.

However, the research team learned from FTA staff that there is insufficient confidence that FTA grants data accurately captures grantees' use of Section 5307 and 5311 program funds for JARC purposes, or

Section 5310 funds for New Freedom type activities. FTA staff believes that grantees and FTA grants managers may not be using the correct activity line item (ALI) codes to capture these purposes, and that FTA's data is under-reporting actual JARC and New Freedom uses. In addition to the data FTA did provide, as presented in Sections 3.2.1 and 4.2.1 of this report, the research team therefore decided to attempt to collect expenditure data directly from Section 5307, 5310, and 5311 recipients and subrecipients via online survey, including the amounts and uses of these program revenues for JARC and New Freedom activities.

2.2. Stakeholder Surveys

This research benefits from two extensive surveys carried out in 2015 and 2016. These two survey efforts are described below

2.2.1. State DOT Survey on the JARC Program

The research team prepared a survey for state DOTs to gain a better understanding of the challenges of administering the JARC program over the duration of TEA-21 and SAFETEA-LU and to contrast these challenges with any new ones which emerged with the incorporation of the program into the Section 5307 Urbanized Area Formula and Section 5311 Rural Area Formula grant programs under MAP-21. Questions on the JARC program were combined with a series of questions on the Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities program, which was the subject of parallel NCHRP research being performed by the research team.[i] Consolidating the two sets of questions into a single survey helped achieve economies of scale in the performance of the research while minimizing the burden on respondents of having to answer separate surveys. In fact, it was an overarching goal of the research team to minimize the time and effort required to respond to the survey. Therefore, only nine questions for each of the two programs were asked.

The survey was prepared and formatted to be administered online. The NCHRP/SCOPT Research Panel reviewed and approved the survey questions in February 2015, and SCOPT transmitted the survey to each of its members, which includes DOT representatives from every state, the District of Columbia, and Puerto Rico, via email on February 23, 2015. Prior to March 17, only 10 states had completed the survey. Consequently, the research team decided to extend the deadline for responding until April 6. However, only 18 states had submitted the online survey at its April 6 closure. Upon consultation with NCHRP and SCOPT staff, it was decided that the survey should be re-activated. On April 24, SCOPT notified survey non-respondents that the survey was being re-opened, with a new deadline of May 29. When the survey closed on that date, 28 states had responded – a 53.8 percent response rate. Table 2-1 on the following page lists those states that responded to the survey.

Table 2-1 Section 5316 Survey Respondents

Alabama	New Hampshire
Alaska	New Mexico
California	North Carolina
Colorado	North Dakota
Delaware	Oregon
Florida	Pennsylvania
Illinois	South Carolina
Indiana	South Dakota
Michigan	Texas
Minnesota	Vermont
Mississippi	Virginia
Missouri	Washington
Montana	Wisconsin
Nevada	Wyoming

It should be noted that while considered “completed” for the purpose of survey tracking, not all submitted surveys included a response to every question. While the overall response rate was disappointing, survey respondents reflected a variety of large, small, urban, and rural states, and it is the belief of the research team that the information collected through the survey provides insightful and valid information for the purposes of gaining a better understanding of how and where JARC program funding was used prior to the enactment of MAP-21, and of the challenges associated with administering the program.

2.2.2. JARC and New Freedom Stakeholder Survey

A second survey was administered to collect from former JARC and New Freedom grant recipients and subrecipients information on the extent that JARC and New Freedom activities are continuing under MAP-21 and the FAST Act. These survey questions were reviewed and approved by the NCHRP/SCOPT Research Panel in February 2016. These questions were combined with questions supporting parallel research - *The National Perspective – An Assessment of Section 5310 Program Administration Under MAP-*21 - into a single survey monkey survey; as with the 2015 survey, it was the research team’s hope that consolidating the two sets of questions into a single survey would achieve economies of scale in the performance of the research while minimizing the burden on respondents of having to answer multiple surveys.

As it was found in the 2015 survey that SCOPT’s contact list was not up to date for several DOTs, the research team looked for other vehicles for reaching JARC and New Freedom stakeholders. However, collecting accurate contact information for state DOTs and transit agencies proved to be a challenge. The research team found that FTA does not have an accurate contact list for recipients of the Section 5307, 5310, and 5311 programs. Concurrent with the present research effort, the research team learned that the Community Transportation Association of America (CTAA) had been tasked by FTA to create a state DOT Section 5310/5311 program contact list. This list was provided to the research team on February 12, 2016.

The research team prepared its own contact list of specialized transit service contacts at metropolitan planning organizations (MPOs) in order to transmit the survey to an individual most likely to respond knowledgably about the transition to a local designated recipient and how that change impacted administration of the program.

The American Public Transportation Association of America (APTA) agreed to facilitate transmittal of the survey to its Mobility Management Leadership contact list. This list included representatives from 57 transit agencies that APTA identified as being directly responsible for administering funds or operating services using Section 5310, JARC, and New Freedom funding.

In the hopes of generating a higher response rate, the 2016 survey provided for anonymous responses, with the only identification being a respondent's association with a state DOT or a service provider/administrator from a rural area, small urban area, or large urban area. The survey was transmitted by the research team on March 22 to state DOTs with a request that it be passed on to their subrecipients, or that they provide the team with contact information for the team to transmit the survey directly to subrecipients. The survey was also transmitted to the team's MPO contact list on March 22. On April 19, APTA transmitted the survey to its Mobility Management Leadership contact list.

A reminder email was sent to state DOT and MPO survey recipients on April 28. Due to a disappointing response rate, another reminder was sent to all contact lists on May 31 (the original survey deadline) providing an extension for responding until June 17.

When the survey closed on June 17, 2016, the research team had received at least partial responses from 27 state DOTs, 130 rural transit agencies, 70 small urban operators or MPOs, and 59 large urban operators/MPOs; however, not every respondent answered each and every question. A smaller portion of respondents provided information regarding JARC and New Freedom than those who responded to questions specific to Section 5310.

Certainly, this level of response is in no way sufficient to measure in a quantitative way the amount of federal funding used to support JARC and New Freedom type activities in a post-SAFETEA world, or the amount of projects which have been continued (or discontinued). As Sections 3.2 and 4.2 show, however, certain trends and observations can be gleaned from the limited survey data.

2.3. JARC Program Focus Groups and Section 5310 Stakeholder Interviews

The research team hosted two focus groups with state DOT staff in June 2015 to gain further insights into the evolution of the distribution of JARC funding. Participants were identified through the 2015 survey. Each focus group was comprised of representatives of only five state DOTs in order to foster open conversation.

The focus groups followed the administration of the 2015 online survey which was transmitted via SCOPT to all state DOTs.

Focus groups were facilitated via conference call. Five questions were distributed to each participant prior to the phone call by the moderator in order to provide them the opportunity to think about and prepare comments before the call. The questions discussed on the call were:

1. Describe your state DOT's experience in using JARC during TEA-21.
2. Describe your state DOT's experience in rolling out the SAFETEA-LU JARC program.
3. Did your existing 5311 subrecipients find value in the JARC program?
4. Describe your State DOT's experience with JARC's inclusion into the 5311/5307 program with MAP-21.
5. From a state DOT administrative angle, what are some lessons learned regarding the different ways that the JARC program has been delivered by the FTA?

A list of individuals, and the agencies they represented, that participated in the focus groups is provided in Table 2-2 below.

Table 2-2 Focus Group Participants

Date	Name	Organization
6/23/15	Becky Hanson	North Dakota DOT
6/23/15	John Mahoney	Virginia DOT
6/23/15	Roderick Bailey	Mississippi DOT
6/23/15	Delilah Garcia	New Mexico DOT
6/23/15	LaVerne Moody	Georgia DHS
6/29/15	Katherine Pongratz	California DOT
6/29/15	Rob Andresen	Colorado DOT
6/29/15	Barbara Donovan	Vermont DOT (formerly of Maine DOT)
6/29/15	Julie Straveland	Alaska DOT
6/29/15	Dinah Van Der Hyde	Oregon DOT
6/29/15	Jean Palmateer	Oregon DOT
6/29/15	Sharon Peerenboom	Oregon DOT

As mentioned previously, the 2016 portion of the research was completed simultaneously with NCHRP research "*The National Perspective – An Assessment of Section 5310 Program Administration Under MAP-21*." As a part of that research, 20 interviews and two focus groups were conducted with a large cross section of state DOT program administrators, transit agencies, MPOs, and private transit providers who currently, or previously, receive(d) Section 5310 funds. A detailed discussion of the performance of these interviews and focus groups can be found in the NCHRP report "*Section 5310 Then and Now.*" While the primary focus of these interviews was how recipients adjusted to the administrative changes in the Section 5310 program after MAP-21, interview subjects frequently cited the dissolution of JARC and New Freedom as related challenges tied to the new authorization. Observations regarding previous JARC and New Freedom programs collected through these interviews are therefore presented in this report.

3. JARC Program: Then and Now

The JARC program was formally authorized by Congress in 1998 to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. During its thirteen year existence, JARC provided over $1.85 billion to support the development and operation of transportation services to connect low-income persons to employment and related support services. Because many entry-level jobs are located in suburban areas, low-income individuals living in inner city, urban, or rural areas were presumed to have difficulty accessing such employment opportunities. In addition, many entry level-jobs require working late at night or on weekends when conventional transit services are either reduced or non-existent. Finally, employment related-trips taken by this particular travel market are complex and involve multiple destinations, such as reaching childcare facilities. JARC was created to provide funding for innovative transit services targeted for meeting these unique mobility needs.

In its *FY 2002 Report to Congress on the JARC Program*, FTA identified three primary program objectives:

1. To establish effective transportation-related services that help low-income individuals and welfare recipients reach jobs and employment support services, such as child care, training, counseling and job interviews;

2. To develop reverse commute transit services that connect urban and non-urban residents with suburban employment opportunities; and

3. To increase planning, financial, and service delivery collaboration among local transportation providers, human service and job placement agencies, employers, metropolitan planning organizations, and other relevant organizations in providing access to employment and employment support services.[ii]

States and public bodies were eligible recipients of JARC funding. Under TEA-21, each state's governor was charged with designating recipients for JARC funding in rural and small urban (less than 200,000 population), while metropolitan planning organizations were responsible for designating recipients in large urban areas. Under SAFETEA-LU, the governor was responsible for designating all recipients. Recipients could then pass through JARC funds to eligible subrecipients, including private non-profit organizations, state or local governments, and operators of public transportation services; these may include private operators of public transportation services. As an example, according to FTA's October 2011 evaluation of the program, 52 percent of JARC recipients were transit agencies; 24 percent were state DOTs; and 12 percent were metropolitan planning organizations in FY 2010.[iii] According to the same report, JARC funding was directed by recipients to 673 subrecipients, two-thirds of which were non-profit organizations or public transit operators.[iv] Beginning in FY 2006 under SAFETEA-LU, JARC funding was allocated by formula to recipients, and then distributed to subrecipients through a locally-developed human service transportation coordinated planning process.

Eligible expenses under the program include capital, planning, and operating expenses for projects that transport low income individuals to and from jobs and activities related to employment, and for reverse commute projects. For program evaluation purposes, FTA established four categories of JARC-funded services.

- **Trip-based services**, which provide transportation directly to individuals. These include fixed routes, flexible routes, shuttles, demand response, and user-side subsidy programs (e.g., vouchers, ridesharing, and guaranteed ride home).
- **Information-based services**, which provide information about transportation services to individuals, but do not provide direct transportation services. These include mobility managers/brokerages, trip or itinerary planning, internet-based travel information, informational materials, and one-on-one training.
- **Capital investment programs**, including facilities and infrastructure to support transportation services. These include vehicle based programs (such as those making automobiles available to individuals or organizations), facility or amenity improvements, and technology to support transportation services.
- **Planning studies**, including feasibility studies for future services**.** Such activities were not eligible under TEA-21 but were made eligible under SAFETEA-LU.

3.1. JARC Program History

JARC was born out of President Clinton's Welfare to Work initiatives of the mid-1990s. In its 1999 report on USDOT's first year of implementing the JARC program, the GAO nicely summarized its roots:

> *"The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 dramatically altered the nation's system for providing assistance to the poor. Among the many changes, the act replaced the existing entitlement program for poor families (Aid to Families With Dependent Children) with fixed block grants to the states to provide Temporary Assistance for Needy Families (TANF). TANF imposes work requirements on adults and establishes time limits on the receipt of federal assistance. However, for welfare recipients trying to move from welfare to work, a lack of transportation to the places of employment can pose significant barriers. Existing public transportation systems cannot always transport low-income people from their homes to the entry-level jobs they would likely fill. Many of these jobs are located in suburbs beyond the reach of public transportation, or they require shift work in the evenings or on weekends when public transportation is unavailable or limited."*[v]

Previous GAO research found that 75 percent of welfare recipients lived in either the central city or in rural areas, and that 50 percent of welfare recipients lived in central cities, compared with 30 percent of the total population. Moreover, the GAO found that 70 percent of entry-level jobs in manufacturing, retail, and wholesale sectors were located in the suburbs. Of such employers, only 32 percent were located within a one-quarter mile of a transit stop. Finally, the GAO found that entry-level job shifts were often scheduled during non-peak hours when transit – if available – operated at very low frequency.[vi]

To help address this gap between public transportation service and entry-level suburban employment, FTA initiated its own Welfare to Work initiative in 1995 with the launching (in cooperation with the US Department of Labor) of Joblinks, which funded 16 transportation demonstration projects in 12 states. In conjunction with the Federal Highway Administration (FHWA), FTA published case studies of emerging "job access" planning efforts in Hartford, St. Louis, Detroit,[vii] New Jersey, and Wisconsin[viii] and seeded a "Job Access Planning Challenge Grant" program which funded 10 other local and regional efforts to identify job access mobility needs and plan new services to meet them; these experiences were documented as case studies and published as technical assistance.[ix] FTA further supported the US Department of Housing and Urban Development's Bridges to Work initiative aimed at exploring new ways to link urban welfare recipients with suburban jobs. Bridges to Work projects were implemented in Baltimore, Chicago, Denver, Milwaukee, and St. Louis. Despite these agency-driven efforts, there remained no formal USDOT program aimed at providing capital or operating assistance to local transit providers to help meet the objectives of national welfare reform legislation.

3.1.1. TEA-21

That changed in 1998 when TEA-21 Section 3037 established a new discretionary program for "Job Access and Reverse Commute Grants." TEA-21 defined most of the program parameters described in Section 3. In addition, TEA-21 capped the amount of funding available for reverse commute projects at $10 million annually. Although the program only allowed JARC funding to cover 50 percent of eligible project costs, it allowed for other federal funds, such as TANF, to serve as local match. This is notable as the US Department of Health and Human Services had made available approximately $800 million in TANF funding for transportation benefits in FY 2002 alone. TEA-21 authorized up to $150 million each year through fiscal year 2003 for the Job Access program through a combination of revenues from both the Mass Transit Account of the Highway Trust Fund and the US Treasury General Fund. As the table below shows, however, Congress did not fully fund the program until 2005.

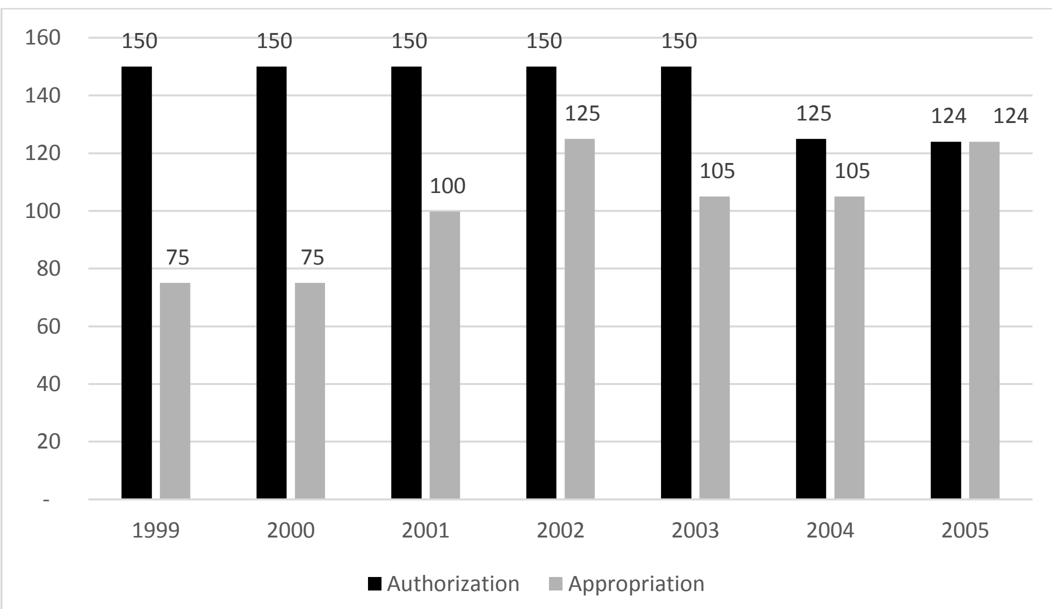

Figure 3-1 JARC Authorized and Authorized and Appropriated Funding, FY 1999 – 2005

Source: U.S. Department of Transportation, Federal Transit Administration

Significantly, TEA-21 established JARC as a discretionary program, and Section 3037(f) defined specific "factors for consideration" that candidate projects must meet in order for FTA to award a grant, as presented below:

(1) **the percentage of the population in the area to be served by the applicant that are welfare recipients**;
(2) in the case of an applicant seeking assistance to finance an access to jobs project, **the need for additional services in the area to be served by the applicant** (including bicycling) to transport welfare recipients and eligible low-income individuals to and from specified jobs, training, and other employment support services, and the extent to which the proposed services will address those needs;
(3) the extent to which the applicant **demonstrates**--
  (A) **coordination with, and the financial commitment of, existing transportation service providers**; and
  (B) **Coordination with the State agency that administers the State (TANF) program**
(4) the extent to which the applicant **demonstrates maximum utilization of existing transportation service providers and expands transit networks or hours of service**, or both;
(5) the extent to which the applicant **demonstrates an innovative approach that is responsive to identified service needs**;
(6) the extent to which the applicant--
  (A) in the case of an applicant seeking assistance to finance an access to jobs project, **presents a regional transportation plan for addressing the transportation needs of welfare recipients and eligible low-income individuals**; and
  (B) **identifies long-term financing strategies to support the services** under this section;
(7) the extent to which the applicant **demonstrates that the community to be served has been consulted in the planning process**; and
(8) in the case of an applicant seeking assistance to finance a reverse commute project, **the need for additional services identified in a regional transportation plan to transport individuals to suburban employment opportunities,** and the extent to which the proposed services will address those needs.[x]

Source: TEA-21 Section 3037(f)

In addition to this competitive criteria, TEA-21 also required FTA to allocate 60 percent of the program's funds each year to projects in urban areas with populations of at least 200,000; 20 percent of the program's funds to projects in urban areas with populations of less than 200,000; and 20 percent of the program's funds to projects in areas other than urban ones ("nonurban areas"). Because the program was largely earmarked under TEA-21 (as will be described below), actual allocation of funding did not align with the statutory distribution parameters.

Finally, TEA-21 required that the GAO evaluate the program every six months and report the results of its evaluation to Congress. Similarly, the law required the USDOT to report to Congress its own evaluation of the program within two years of its enactment.

3.1.1.1 Program Funding

The GAO's first Report to Congress noted deficiencies in FTA's process for evaluating JARC applications and selecting projects. FTA developed a set of criteria based upon the Section 3037(f) factors, including (1) project effectiveness, (2) need for services in the area, (3) degree of local coordination, and (4) the project's financial viability. However, GAO stated that USDOT staff "did not select grantees consistently, and the basis for those selections was not always clear. Reviewers did not uniformly apply the criteria for ranking and selecting the applications because applications were not standardized, making them difficult to review. In addition, the guidance to DOT reviewers was not sufficiently specific, leading to varying interpretations of how to apply DOT's criteria for evaluating the applications."[xi]

In its December 2000 Report to Congress, GAO noted that FTA had demonstrated improvement in its project evaluation process. But in FY 2000, Congress began to direct JARC funding to specific states, localities, and organizations. These projects were not subject to FTA's evaluation process. As Figure 3-2 below shows, Congress earmarked an increasing percentage of the program every year through FY 2003, when it earmarked the entirety of the program – a practice that continued through FY 2005.

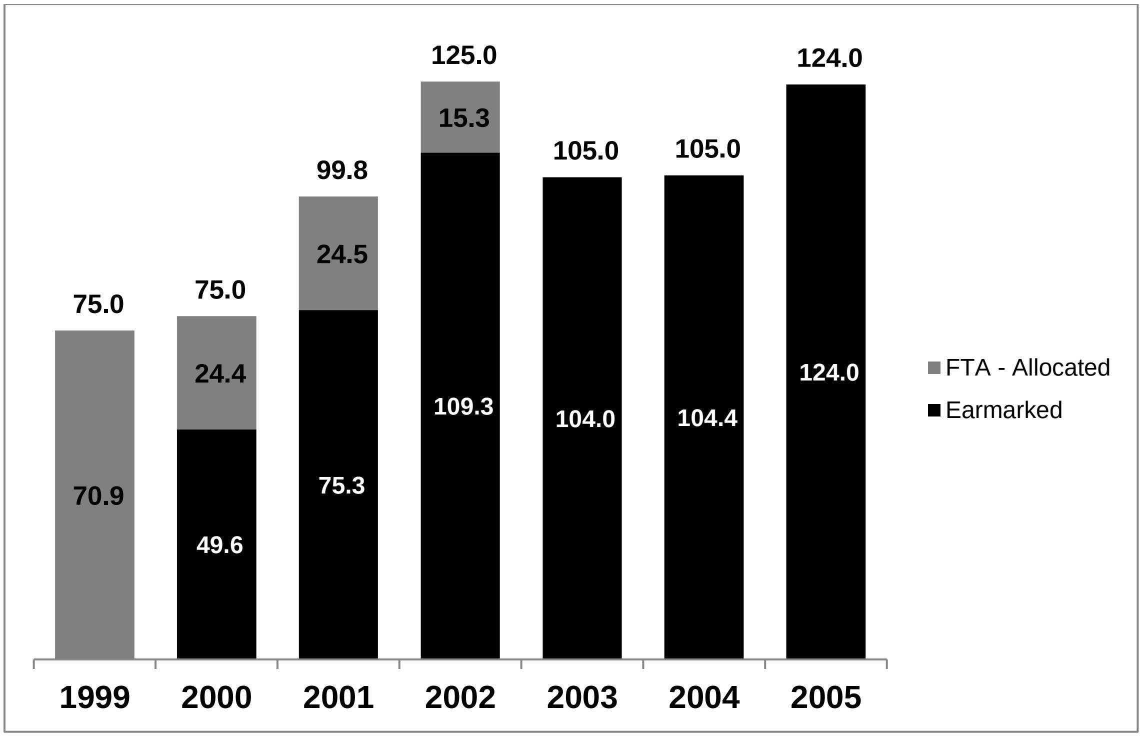

Figure 3-2 JARC Appropriations (including Earmarks) FY 99 – 2005

Source: U.S. Department of Transportation, Federal Transit Administration

Beginning in FY 2000 and continuing through the remainder of TEA-21 and its extensions, FTA did not evaluate Congressionally-earmarked JARC projects other than to confirm the eligibility of grant recipients and project purposes. GAO criticized FTA for not subjecting Congressionally-directed projects to evaluation. The decreasing annual availability of funding to non-earmarked projects resulted in FTA not soliciting new applications in FY 2001, using instead unfunded projects from its FY 2000 competition; the GAO stated that "this foreclosed opportunities to select projects that FTA may have found more promising than those actually selected in FY 2001." Moreover, grantees surveyed by GAO "reported that the reduction in funds available for competitive award resulted in a discontinuation of funding for some Job Access projects that had been selected on a competitive basis in FY 1999."[xii] This, in turn, led to a discontinuation of previously-funded local JARC services. The unpredictability of the program's availability to potential recipients was a significant factor in its conversion to a formula program under SAFETEA-LU, as will be discussed in Section 3.1.2.

3.1.1.2 Uses and Distribution of Funding

In October 2002, FTA issued its legislatively mandated *Report to Congress on the Job Access and Reverse Commute Program*. Utilizing grantee survey results from the 2000 and 2001 GAO audits, grantee reporting, and a survey of JARC riders performed by the University of Illinois at Chicago (UIC), the *Report* synthesized a number of trends in the use of JARC funding during the first three years of the program. Among the highlights of FTA's findings were:

- During the first three years of the program (FY 1999-2001), 368 Job Access projects were selected for grants totaling $248 million.
- As of August 2002, $207 million in JARC grant awards had been obligated to 209 grant recipients in 44 states and the District of Columbia.
- 62.2 percent of JARC funds were awarded to large urban areas of over 200,000 population. Small urban areas (between 50,000 and 200,000 population) received 13.9 percent of funds. Rural areas received 23.9 percent of JARC funding.
- Grantees used JARC funds for a wide variety of services that range from the expansion of fixed route bus systems to the establishment of centralized customer information systems that provide individuals information regarding their transportation options to reach employment and other destinations. Sixty percent (60 percent) of JARC funds were obligated for fixed route services, 34 percent for demand response services, 3 percent for ridesharing, and 3 percent for information services.

TEA-21 expired in FY 2003 and was extended by Congress for 2004 and 2005. Because SAFETEA-LU set a three-year period for the obligation of JARC funding and FTA began to recover TEA-21 JARC earmarks after three years of non-use, all TEA-21 JARC funding was obligated by FY 2008. Table 3-1 summarizes TEA-21 JARC obligations by population group and by purpose. Some observations on the use of funding by different population groups include the following:

- The use of JARC funding for operating assistance was fairly consistent across population groups, from 83.4 percent in rural areas or at statewide discretion to 86.4 percent in large urban areas.
- 60.5 percent of funds were obligated to urbanized areas of over 200,000 population, which comports closely with the SAFETEA-LU JARC formula. Only 11.8 percent was obligated to smaller urban areas.
- Over the TEA-21 period of obligation, FTA's Annual Grant Statistical Summaries indicated that 27.8 percent of JARC funding was obligated in "areas under 50,000 population."

However, this figure may overstate the use of JARC funding in rural areas, as TEA-21-era JARC statewide earmarks were obligated by FTA to state DOT's who had the discretion to use them in any urban or rural area within the state. As part of the 2015 survey, state DOTs were specifically asked about the receipt of statewide JARC earmarks. Thirteen state DOT survey respondents reported receiving statewide JARC earmarks. However, given that these earmarks were received from between 15 and nine years ago, records on where they were distributed are very limited. Five states (Indiana, Mississippi, New Mexico, Texas, and Vermont) reported how much in earmarks they distributed to large urban, small urban, and rural areas. While Texas used all of its earmark in rural areas, all other states used at least a portion of their earmarked JARC funding in urbanized areas, with Indiana only using the funds in urban areas. Consequently, the 2015 survey data can only confirm that states did not exclusively use JARC earmarks in rural areas, but cannot provide clarity on how much of these earmarks were used in rural vs urban areas. The annual share of the program obligated in rural areas or at statewide discretion fluctuated wildly, from between 20 percent in FY 2001 and FY 2004 to 47 percent in FY 2007.

Table 3-1 JARC Obligations by Population Category and Purpose ($), FY 1999-2008

< 50,000 in Population				
Year	**Capital**	**Operating**	**Planning**	**Total**
1999	172,785	883,343	-	1,056,128
2000	5,047,826	10,954,335	-	16,002,161
2001	3,226,722	13,527,951	-	16,754,673
2002	2,620,351	19,417,349	-	22,037,700
2003	2,734,809	27,157,555	-	29,892,364
2004	726,080	16,684,569	-	17,410,649
2005	2,304,200	41,624,204	-	43,928,404
2006	2,102,716	23,885,441	-	25,988,157
2007	5,952,860	21,787,941	264,816	28,005,616
2008	14,498,636	27,529,778	899,931	42,928,345
Total	**39,386,985**	**203,452,466**	**1,164,747**	**244,004,197**

50,000 - 200,000 in Population				
Year	**Capital**	**Operating**	**Planning**	**Total**
1999	938,083	2,005,301	-	2,943,384
2000	1,628,890	6,827,012	-	8,455,902
2001	2,871,442	8,705,884	-	11,577,326
2002	895,660	7,758,159	-	8,653,819
2003	3,059,354	15,177,022	-	18,236,376
2004	1,326,412	17,576,451	-	18,902,863
2005	204,230	5,686,086	-	5,890,316
2006	307,378	2,570,770	-	2,878,148
2007	719,051	2,630,845	-	3,349,896
2008	4,005,079	17,811,013	647,049	22,463,141
Total	**15,955,579**	**86,748,543**	**647,049**	**103,351,171**

> 200,000 in Population				
Year	**Capital**	**Operating**	**Planning**	**Total**
1999	2,398,225	7,705,444	-	10,103,669
2000	4,380,143	31,309,975	-	35,690,118
2001	7,087,506	49,590,122	-	56,677,628
2002	6,165,282	33,955,081	-	40,120,363
2003	8,140,595	79,348,436	-	87,489,031
2004	(15,248)	49,732,233	-	49,716,985
2005	8,438,814	67,734,915	-	76,173,729
2006	5,059,861	43,357,303	-	48,417,164
2007	3,684,270	23,000,008	1,528,626	28,212,904
2008	25,654,005	72,786,308	574,160	99,014,473
Total	**70,993,453**	**458,519,825**	**2,102,786**	**531,616,064**

Source: U.S. Department of Transportation, Federal Transit Administration

3.1.2. SAFETEA-LU

The passage of SAFETEA-LU in August 2005 brought significant changes to the JARC program. Two notable changes stand out. The first was the conversion of JARC from a discretionary to a formula program. Beginning in FY 2006, FTA apportioned funds among states and specific urbanized areas through a formula that considered the number of low-income individuals and welfare recipients relative to other states and urbanized areas. Specifically, 60 percent of JARC funds were to be apportioned to designated recipients with a population of 200,000 or greater, 20 percent to urbanized areas of fewer than 200,000 population, and 20 percent was apportioned to states for projects in non-urban (that is, less than 50,000 population) areas. SAFETEA-LU required that the governor designate an entity at the state level to serve as recipients for JARC funding in non-urban and small urban areas, and for each large urbanized area.

The second major change was the requirement for the development of a coordinated public transit-human service transportation plan to select projects for funding. This plan was not only a requirement under JARC but also of the Elderly Individuals and Individuals with Disabilities (Section 5310) and New Freedom (Section 5317) programs. The objective of the plan was to identify the gaps in meeting the transportation needs of the target populations under all three programs, identify potential solutions for addressing identified gaps, and provide a framework for prioritizing funding and implementation. Key elements of the plan include:

- An assessment of available services that identifies current public, private, and non-profit providers;
- An assessment of transportation needs for individuals with disabilities, older adults, and people with low-incomes;
- Strategies, activities, and/or projects to address the identified gaps between current services and needs as well as opportunities to improve efficiencies in service delivery; and
- Priorities for implementation based on resources, time, and feasibility.

The plan was to be "developed through a process that includes representatives of public, private, and non-profit transportation and human services providers and participation by members of the public."[xiii]

3.1.2.1 Program Funding

Beginning in FY 2006, Congress appropriated JARC program amounts at SAFETEA-LU authorized levels. In addition, beginning in FY 2009, FTA began to recover prior year unobligated JARC funds, which were added back into the program and redistributed by formula to states and urbanized areas. Figure 3-3 on the following page presents JARC funding availability over the course of SAFETEA-LU (and its annual extensions), while Table 3-2 summarizes the distribution of JARC funding among population categories.

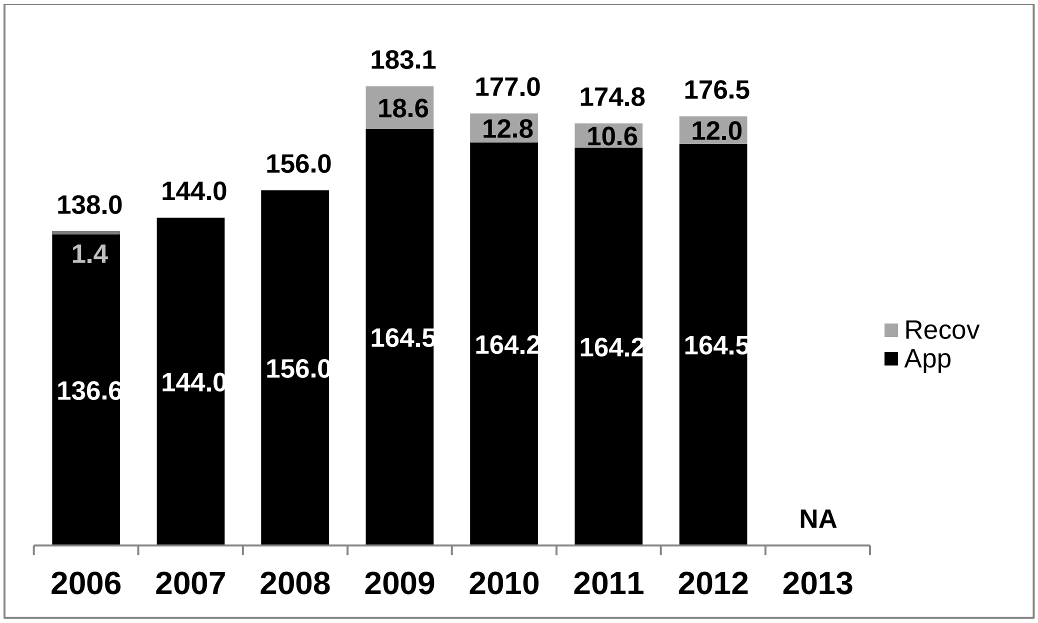

Figure 3-3 JARC Apportionments, Including Recoveries, FY 2006 – 2012

Source: U.S. Department of Transportation, Federal Transit Administration

Table 3-2 JARC Apportionments by Population Category ($), FY 2006 – 2012

Year	< 50,000 in Population	50,000 - 199,999 in Population	> 200,000 in Population	Total
2006	27,324,000	27,324,000	81,972,000	136,620,000
2007	28,800,000	28,800,000	86,400,000	144,000,000
2008	31,200,000	31,200,000	93,600,000	156,000,000
2009	36,620,635	36,620,635	109,861,905	183,103,175
2010	35,893,835	36,064,223	105,040,879	176,998,937
2011	34,960,961	34,960,961	104,882,884	174,804,806
2012	35,294,912	35,294,912	105,884,736	176,474,560

Source: U.S. Department of Transportation, Federal Transit Administration

3.1.2.2 Uses and Distribution of Funding

In addition to FTA's published grant obligation data, FTA collected and reported much more detailed information on the uses of JARC funding from FY 2006 through FY 2010. This data is derived from GAO surveys of JARC recipients as well as FTA's annual report series "*Connecting People to Employment*" which provided an evaluation of JARC (and New Freedom) program services for each of fiscal years 2006 through 2010. [xiv] Given the three year availability of program funding, the period presented here reflects the transition of the program from TEA-21 to SAFETEA-LU.

GAO found that most recipients planned to use funds awarded from FY 2006 through FY 2008 to operate existing transit routes or expand transit services targeted at low-income persons. While JARC funding could be used to fund a greater share of capital expenses than operating expenses, many recipients that GAO interviewed noted that the available funding was generally insufficient to start new services and/or purchase vehicles and equipment and subsequently continue operating services after receiving JARC funds.[xv]

Beginning in FY 2006, FTA asked JARC recipients to characterize their JARC-supported services in one of three ways: trip-based, information-based, and capital investments. As shown below, across the five years that this data was collected, the vast majority of JARC funds (83 percent) were used for trip-based services. Trip-based services were comprised primarily of fixed-route (51 percent) and demand response (31 percent) services, with the remaining trip-based services comprising flexible routing, shuttles/feeders, user-side subsidies, and vanpools.

Table 3-3 JARC-supported Services, FY 2006 - 2010

Year	Trip-based services	Information-based services	Capital Investment Projects	Planning Projects
2006	550	50	50	-
2007	500	40	50	-
2008	580	50	50	-
2009	740	90	80	-
2010	810	120	80	10
Total	**3,180**	**350**	**320**	**10**
Total (%)	**88**	**9**	**8**	**<1**

Source: U.S. Department of Transportation, Federal Transit Administration

Nine percent of funded JARC projects from FY 2006 to FY 2010 were information-based services, which FTA defined to include mobility managers, one-on-one transit training, materials and marketing, transportation resources training, one-stop centers, trip/itinerary planning, and internet-based information. The remaining eight percent comprised capital investment projects, including vehicles for agencies, vehicles for individuals (including low-interest loans for individuals to repair or purchase automobiles to access employment), intelligent transportation systems, vanpool vehicles, car-sharing, and other capital projects such as bus shelters to increase access to fixed-routes that serve low-income employment areas.

In 2010, FTA added “Planning” to the JARC-supported services categories and a total of ten such activities were reported. These included community mobility studies and needs assessments, which should be noted were distinct from the coordinated public transit - human services transportation plans. Some planning studies were reported in FY 2009 as well but were categorized under information-based materials and marketing services.

Figure 3-4 presents the uses of JARC funds by population category. As would be expected, when looking at the four types of trip-based categories reported by recipients to FTA, urban areas primarily funded fixed-route services while rural areas tended towards demand response projects. Minor variations are seen across other JARC-supported services types such as information-based services and capital investment projects. One notable observation is that large urban areas tended more towards shuttle/feeder services and less towards flexible-routing.

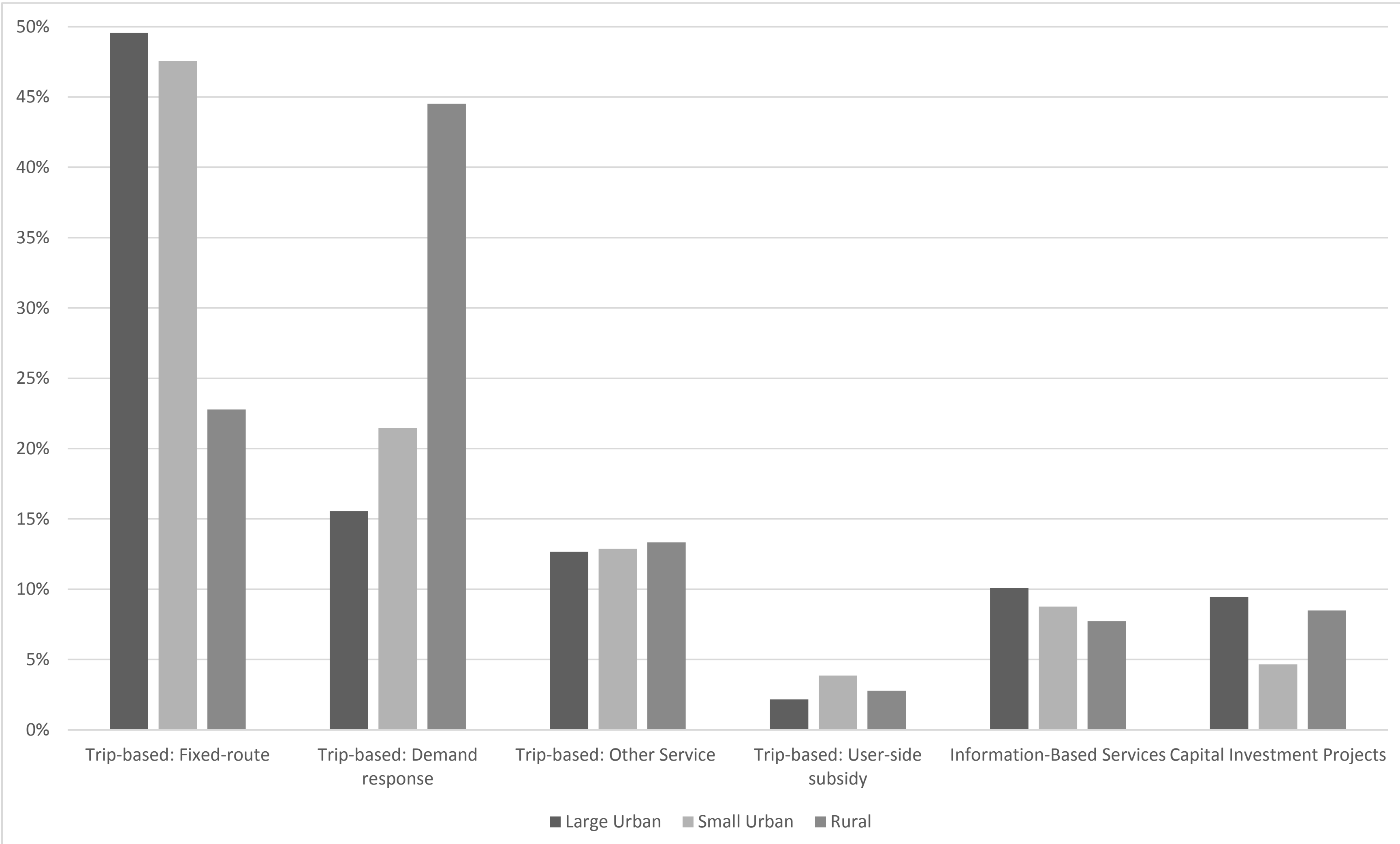

Figure 3-4 Distribution of JARC Projects by Geographic Area, FY 2006 - 2010

Source: U.S. Department of Transportation, Federal Transit Administration

3.1.2.3 Program Goals Addressed – Transportation Services Provided and Jobs Accessed

A review of the existing literature tracking the JARC program's 13 year existence suggests that JARC has been successful in meeting its goals. In terms of service outcomes, through FY 2010, JARC funding supported at least 152 million one-way trips.[xvi] Access to an estimated 47 million jobs, on average, per year and 17,750 employment sites were facilitated by the program.[xvii] This section expands upon the program's progress in meeting goals under TEA-21 and SAFETEA-LU.

As noted earlier, FTA identified the "establishment of effective transportation-related services that help low-income individuals and welfare recipients reach jobs and employment support services, such as child care, training, counseling and job interviews" as a primary goal of the program. Beginning with its authorization of the program, the literature suggests that, in general, JARC-funded services were serving the target population. An early finding of research sponsored by the Food and Rural Economics Division, Economic Research Service of the US Department of Agriculture found that approximately 9.4 million low-income residents and welfare recipients accessed transportation and other related employment services on JARC-funded projects through the end of FY 2001.[xviii] FTA's FY 2002 Report to Congress on the Program noted that 43 percent of JARC grantees reported providing access to 7,453 new employment sites using JARC funds. According to FTA, more than one-third (34.8 percent) of the new sites reached made employment options possible during a time period not previously available and two-thirds of the sites made employment locations available to the targeted populations that could not be reached via transit previously.[xix] Not insignificantly, the majority of trips provided employment access during typical working hours. Further, under TEA-21, JARC-funded services created access to 2,261 employment support facility sites, such as childcare and job training.

A survey of 534 riders on JARC-funded transportation services conducted by the University of Illinois at Chicago in May and June 2002 found that most respondents did not own a car (84 percent), earned less than $9 per hour (68 percent), used the JARC services more than 10 times per month (73 percent), and would not be able to access their destination without the JARC service they were riding when surveyed (66 percent).[xx] GAO found similar results in its survey of grantees in FYs 1999 and 2000.

FTA developed a structured approach to assessing the extent to which JARC was meeting program goals under SAFETEA-LU. Between FY 2006 and 2010, JARC grant recipients were asked to report on the performance of the program. The number of one-way trips was one of two performance measures FTA used to evaluate performance of JARC-supported services. As shown in the table below, JARC funding supported almost 149 million trips between 2006 and 2010.

Table 3-4 JARC One-way Trips Provided, FY 2006 – 2010

Year	One-Way Trips (millions)
2006	22.9
2007	19.6
2008	23.5
2009	27.3
2010	55.3
Total	**148.6**

Source: U.S. Department of Transportation, Federal Transit Administration

Across all years, the majority of fixed-route one-way trips reported were in urbanized areas. Demand response trips showed a different pattern, with most trips occurring in rural areas. This should not be surprising given that fixed-route services tend to be well suited for higher-density communities. Fixed-route was the predominant service type for carrying one-way trips across large urban, small urban, and rural areas; however, demand response and flexible routing services carried an increasingly higher share of trips in small urban and rural areas relative to large urban areas.

Total jobs accessed was the second performance measure that FTA used to evaluate JARC performance. As shown in Table 3-5 using a methodology that combined JARC service area coverage for individual providers with data from several external sources, FTA estimated that JARC-supported services grew from 43 million annual accessible jobs to 54 million accessible jobs over the period of analysis, nearly half of which were classified as low-wage jobs. Further, when taking into account a theoretical capacity of each provider's system, FTA estimated that between FY 2007 and 2010, the number of jobs likely reached (as opposed to only accessible jobs) grew by a factor of four.

Table 3-5 Jobs Accessed, FY 2006 – 2010 (millions)

Year	Total Jobs Made Accessible	Low Wage Jobs Made Accessible	Total Jobs Likely Reached
2006	43	21	Not Estimated
2007	36	18	4
2008	52	25	4
2009	52	25	8
2010	54	27	16

Source: U.S. Department of Transportation, Federal Transit Administration

3.1.3. Funding Distributions Pros and Cons

In 2015, state DOTs were surveyed as to how they viewed the benefits, if any, to the three authorized funding distribution models. The survey responses are summarized below.

3.1.3.1 TEA-21

State DOTs were asked what they viewed as the benefits, if any, to the discretionary JARC program under TEA-21. Although not a single survey respondent preferred a discretionary JARC program to a formula (or no) JARC program, a majority of respondents to this question did acknowledge that being able to identify high priority projects and tailor a funding request to those projects – rather than being given a set level of funds and then identifying projects to fit within this level – did have some merit. Conversely, 28 percent of respondents appreciated that they did not have to pursue JARC funding if they didn't see a need. Some states found limited demand for JARC funding under SAFETEA-LU, but an obligation to use the funds lest they lapse.

Many respondents also noted the flexibility of using other federal funds as match as a benefit of TEA-21, although it must be noted that this provision was maintained in SAFETEA-LU. Surprisingly, less than a quarter of respondents felt that taking advantage of political support was a benefit of the TEA-21 JARC program, with one commenting that political support helped them receive larger allocations under TEA-21 than under SAFETEA-LU. A respondent from a large mid-western state noted that one of its urbanized areas received over $2 million a year in JARC earmarks under TEA-21, but then only $220,000 annually under the SAFETEA-LU formula, resulting in massive cutbacks.

On the other hand, the unpredictability of funding under a discretionary program was the most often cited limitation of the TEA-21 JARC program. Forty percent of respondents to this question also stated that the earmarking process depended more upon political support than on true project merit or need.

3.1.3.2 SAFETEA-LU

The reliability of a formula revenue stream was deemed by state DOT survey respondents as the most significant benefit of the SAFETEA-LU JARC program. However, it was noted by several respondents that in implementing JARC as a formula program, state DOTs had the task of having to “sell” it to both traditional Section 5307 (small urban)/5310/5311 grantees and non-traditional grantees. This was in contrast to TEA-21, as the program was earmarked to grantees that were already sold on the program. Nearly one-half of survey respondents found limited demand for JARC funding in some areas, making it difficult to fund enough projects in some population area categories. Thirty-seven percent of respondents went on to note that, in such cases, it would have been helpful if states had the authority to transfer funds between population categories.

According to surveyed state DOTs, the implementation of new JARC transportation programs was viewed to be narrowly more beneficial than expanding existing programs. One half of the respondents agreed that the expansion of eligible JARC activities under SAFETEA-LU to include the ability to fund mobility managers was a program benefit.

The survey data also confirmed the findings of the GAO – as presented in Section 3.1 *JARC Program History* – that SAFETEA-LU created a number of new and challenging requirements that FTA was slow to respond to in terms of implementing guidance. The coordinated planning process was one such requirement that one-third of survey respondents expressed frustration about.

Two survey respondents stated that their state received less formula funds under SAFETEA-LU then they did under TEA-21, and thus there was no benefit.

3.1.3.3 MAP-21

The most significant result of the 2015 survey of state DOTs was that over 57 percent of respondents believed that JARC projects would be eliminated with the consolidation of the Section 5316 program with Sections 5307 and 5311. Moreover, no respondents believed that JARC projects would be funded by other federal, state, and local programs in the future. Two states stated that JARC projects will be eliminated due to lack of interest. Three survey respondents noted that while they have been able to continue funding JARC service over the first two years of MAP-21 (with carry-over or other resources) they will not likely continue over the long term.

One state noted that it prefers to use an expanded Section 5307 and 5311 program for general public transportation uses rather than for specialized, narrow JARC projects. On the other hand, a small northeastern state is transferring funds from Section 5311 to 5307 in order to continue projects.

A small southern state commented in the research survey that it was disappointed in the elimination of the Section 5316 JARC program because it had worked hard to get projects developed and to finally get its subrecipients comfortable with implementing and operating non-traditional projects. Another state commented that many JARC recipients were private non-profits, and now that this funding has been consolidated with the Section 5307 and Section 5311 programs, the lack of coordination between these non-traditional providers and traditional transit agencies has resulted in the discontinuation of services. This comment was echoed by representative of a large mid-western state who stated that

> "Outreach to targeted populations…was very weak. Many of the 5307 and 5311 agencies minimally participate in the coordination process – many HHS-type agencies come to the table with needs however due to limited funds the transit agencies cannot meet the needs identified and limit their participation."

According to the 2016 survey, respondents from large urbanized areas were the most vocal opponents of consolidation, with only eight percent of respondents favoring it. The primary concern cited by those in opposition of consolidation was that even though it resulted in an increase in Section 5307 program funding, transit investment needs in most areas continued to exceed available funding. In particular, two large urban recipients commented that they had discontinued funding of all JARC operations because Section 5307 funding was prioritized for vehicle purchases. One respondent from an MPO which administered the JARC program under SAFETEA-LU noted that since their local transit agencies now receive "former" JARC funding as part of their annual Section 5307 apportionment, it is unable to track whether or not JARC activities are continuing.

Small urban and rural areas shared nearly identical preferences, and respondents from both areas spoke to the same issues. Those that opposed program consolidation also believed there was not enough funding in the Section 5307 or Section 5311 programs to continue specialized services, as the majority of FTA formula funds were already dedicated to meeting capital investment needs. This observation aligns with the findings of previous NCHRP research (Research Results Digest 394 *Estimating the Long-Term Impacts of MAP-21 on the Nation's Local Rural Transit Bus Infrastructure*) which found that an average of $366 million annually would be necessary in order to eliminate the "state of good repair" capital investment backlog in non-urban areas by 2028. In contrast, FTA reported that only $272 million in Section 5311 funding obligated for capital purposes in 2014.

As noted, state DOT survey respondents were the only group with a majority of respondents favoring consolidation. These respondents primarily cited their appreciation for the simplified grants management process after JARC's elimination, with some state DOT respondents noting that they had previously found the JARC program unnecessary. However, while they appreciated the administrative ease under consolidation, several state DOT respondents also expressed concern that previously successful JARC activities are no longer being funded under the Section 5307 or Section 5311 programs. They explained that since no additional dollars were apportioned for the purpose of continuing JARC activities, there simply was not enough money to continue both previously eligible Section 5307 and Section 5311 activities as well as previously funded JARC eligible activities.

Fundamentally, several respondents noted that without a required set-aside for JARC-type activities, there was no incentive for recipients to use their existing Section 5307 and 5311 resources for specific JARC projects. Across all categories of respondents, concerns were expressed that because

MAP-21 (and later, the FAST Act) did not specify any amount of funding that should be reserved for JARC type activities, the low-income populations who most need access to reverse commuting services to reach employment were the most likely to be negatively affected by this change.

3.2. JARC – Post-SAFETEA-LU

With MAP-21's elimination of the JARC program, dedicated funding for job access and reverse commute projects no longer exist. However, these types of services remain an eligible expense under the Section 5307 Urbanized Area Formula and Section 5311 Rural Area Formula programs. Critical questions of this research is to determine stakeholder support for the consolidation of JARC and Sections 5307 and 5311, and if such services and projects are continuing under MAP-21, and, now, the FAST Act.

The 2015 research survey requested of state DOTs their preference for one of the following:

(1) a discretionary JARC program (TEA-21);

(2) a formula JARC program (SAFETEA-LU); or

(3) no program, but with JARC-eligible activities fundable under expanded Section 5307 and Section 5311 formula programs (MAP-21).

As noted in the previous section, state DOT respondents were evenly split between their preference for the SAFETEA-LU and MAP-21 distribution methods. Partiality for the reliability of a formula program appears to far outweigh the uncertainty of a congressionally earmarked program. Interestingly, no state felt that a discretionary JARC program best met its needs.

A second survey conducted in 2016 asked not only state DOTs but service providers and local administrators of JARC programs a simple question: Do you favor or oppose the consolidation of the JARC program into the Section 5307 and Section 5311 programs? Of those that responded, only state DOTs supported program consolidation, while all other groups opposed it. Figure 3-5 presents the breakdown of respondent opinions on MAP-21's consolidation of the programs.

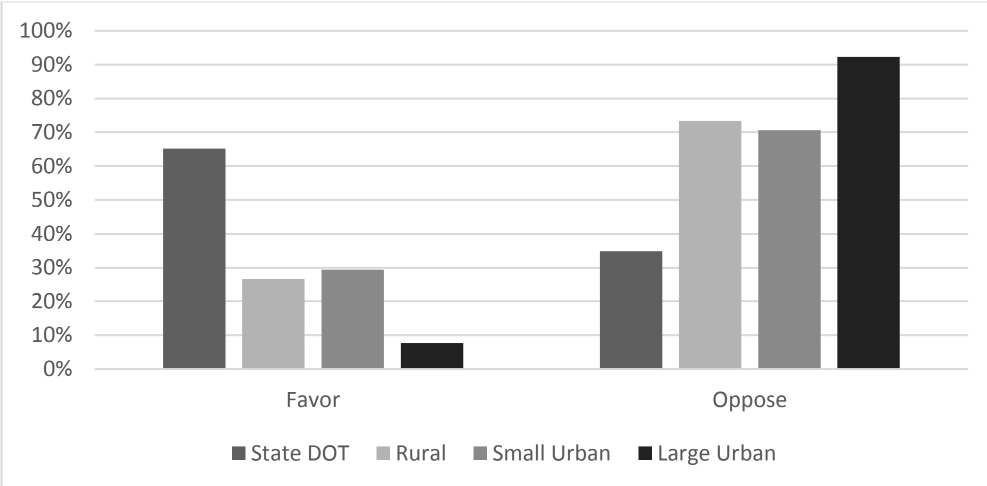

Figure 3-5 Survey Respondents Preference for the Dissolution of JARC

As stated in *Section 2 Research Methodology*, the research team conducted a survey of JARC stakeholder agencies in the first half of 2016 to solicit data on pre- and post-MAP-21 expenditures for job access and reverse commute services. Of the total 286 respondents to the survey, 95 provided information on JARC funding and projects pre- and post-SAFETEA-LU. A breakdown of respondents is shown below. While the response rate was not as robust as the research team had hoped, many of the responses reinforced one another and a trend began to emerge about the continuation of JARC projects and respondent attitudes towards the elimination of the program.

Table 3-6 JARC Survey Respondents by State DOT and Population Category

Category	Respondents
State DOT	26
Rural Areas (<50,000 population)	33
Small Urban Areas (50,000-200,00)	18
Large Urban Areas (> 200,000)	18
Total Respondents	**95**

3.2.1. Funding for JARC-Type Activities Post-SAFETEA-LU

Once JARC was consolidated into the Section 5307 and Section 5311 programs under MAP-21, FTA, in large part, lost the ability to track what formula funds were being spent specifically on continuing JARC type activities. Table 3-7 on the following page presents the amount of funding expended for JARC activities under the FY 2013 – 2015 Sections 5307 and 5311 programs, according to FTA grants data.

Table 3-7 JARC Activities Funded Through 5307 and 5311 Reported to FTA

FY	Federal Funding ($)
2013	4,429,610
2014	15,209,805
2015	14,054,423
Total	**33,693,838**

These amounts are derived from the "Section 5316" activity line item (ALI) code in FTA Section 5307/11 grant budgets. This ALI is intended to capture JARC project expenditures post-MAP-21; however, this research found that it is unlikely that the amount of funding spent on JARC projects is accurately reported for two reasons. First, FTA reporting can be laborious for grant recipients and subrecipients, and many subrecipients are not trained in the appropriate ALI reporting codes when submitting their funding reports to the designated recipient. Second, several JARC activities were already eligible activities under Section 5307 and Section 5311, so, once the programs were combined, some recipients may have chosen to report previously-funded JARC projects and services under an alternative eligible ALI without needing to specify the activity had previously been funded by JARC. For these reasons, FTA data alone cannot be relied upon to tell the entire story.

The 2016 research survey therefore requested that respondents report three funding amounts related to the provision and continuation of job access and reverse commute services:

> *1) The amount of Section 5316 funding used to support JARC-type services for FY 10 through FY 15;*
>
> *2) The amount of Section 5307/5311 funding used to support JARC-type services after the enactment of MAP-21 (FY13 through FY 15); and*
>
> *3) The amount of state or local funding used to support JARC-type services for FY 10 through FY 15.*

While 55 respondents - of the total 95 respondents - who reported detailed information on JARC-related expenditures represent a small sample of all recipients and providers, two interesting trends emerge from their responses.

First, the overall amount of total (federal, state, and local) funding used for JARC-related activities has steadily decreased since the program's consolidation into Section 5307 and 5311. Table 3-8 on the following page shows the percentage of funding expended by survey respondents for JARC projects and services between 2013 and 2015, as compared to what was spent annually, on average, between FY 2010 and 2012.

Table 3-8 Percentage of Spending on JARC- like Activities in FY 13 - FY 15 Compared to Average Annual Spending FY 10 – FY 12 (%)

	FY 2013	FY 2014	FY 2015
Rural	95	65	49
Small Urban	108	62	62
Large Urban	81	47	16
Total	**92**	**60**	**42**

The table demonstrates that – among respondents – spending on JARC type activities has decreased since the elimination of the formal JARC program. Specifically, the table indicates that FY 2013 experienced only 92 percent of the average annual average of JARC expenditures as reported in FY 2010-2012. By FY 2014, JARC expenditures totaled only 60 percent of the average annual FY 2010-2012 level, whereas in FY 2015, the spending rate reached only 42 percent of SAFETEA-LU – era obligations. Large urbanized areas experienced the greatest drop in JARC investments.

It is likely that the gradual decline corresponds, in part, on the availability of carry-over JARC funding, which, with the elimination of the program in 2012, would have ended in 2015. While the very limited size of the reporting pool would leave in question any observations specific to each population category, the general trend downward for all categories suggests some reliability to this finding.

Survey respondents were also asked to report what JARC-like activities they had been funding during SAFETEA-LU and what JARC-like activities they had continued to fund after MAP-21 began in 2013. Overall, all population categories reported cutting the number of projects funded by a third or more. As shown in Table 3-9 below, rural areas continued to fund just over one-half of the JARC activities that had been funded prior to MAP-21, while small and large urban areas funded approximately two-thirds of their previous JARC projects, respectively.

Table 3-9 Percentage of JARC Projects Continued to be Funded after SAFTEA-LU (%)

Rural	Small Urban	Large Urban
52	64	66

Second, the majority of funds expended on JARC-type activities after MAP-21 was enacted are not Section 5307 or Section 5311 program funding. While the program was consolidated into Section 5307 and Section 5311 with the intention to continue to fund JARC activities through those programs, only 12 percent of the funding reported by survey recipients for JARC-type services since the passage of MAP-21 originated from either program. Of the remaining amount of funding reported during the same three year period, 38 percent came from state and local funding sources. Unobligated JARC funding accounted for approximately one-half of all funds spent on JARC related activities for FY 2013, FY 2014, and FY 2015. Now that all SAFETEA-LU JARC funds have been expended (FY 2015 being the last year of program availability), either more federal formula or state/local funding will need to be diverted to maintain local JARC programs, or such services will need to be reduced or eliminated.

Figure 3-6 presents the breakdown by population category of respondents who stated that they are using FTA formula funding for JARC activities.

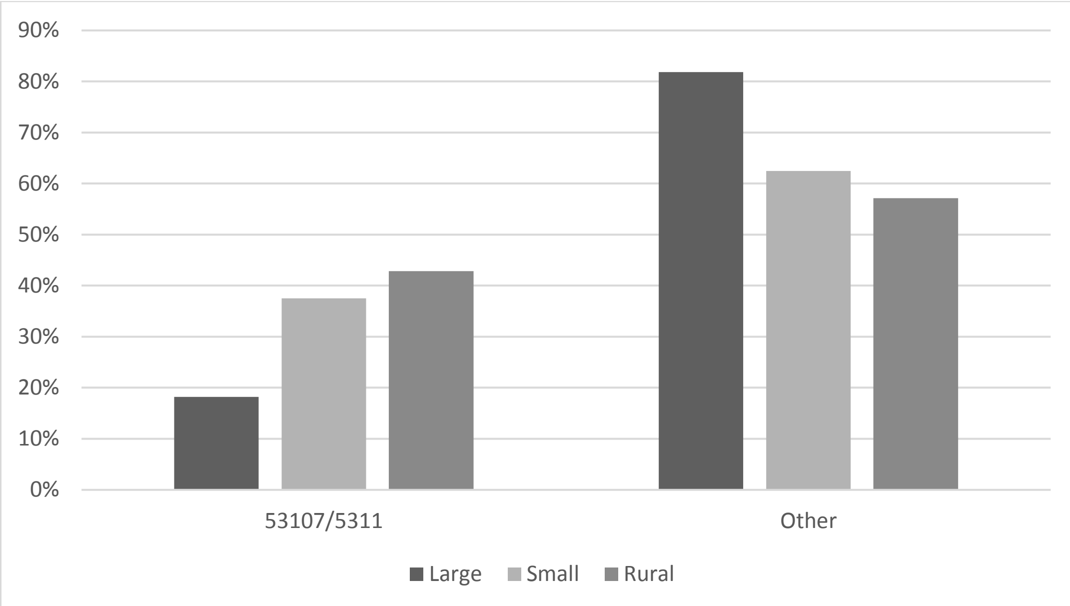

Figure 3-6 Survey Respondents using Section 5307 or 5311 funds to Continue JARC Activities

3.2.2. JARC-type Projects Post SAFETEA-LU

Survey respondents were also asked to identify what types of projects they had previously funded and continued to fund post-SAFETEA-LU. While the sample of respondents was relatively small, the cross section of recipients and subrecipients from across population categories reported funding a similar distribution of JARC projects - as shown in Table 3-7 on the following page - as those included in the data collected by FTA in FY 2006 - FY 2010, as presented in Table 3-1 earlier in this report. According to the FTA data, the majority of JARC projects funded between FY 2006 to FY 2010 were either fixed route or demand response services. While respondents from small urban areas reported almost the same amount of fixed route projects between the FTA data and the 2016 survey data (47 percent and 43 percent respectively), large urban areas reported 30 percent fewer fixed-route services and 10 percent more demand-response activities than the FTA obligation data from FY 2006 to 2010. Based on other survey responses and interview comments, it is possible that large urban area recipients may have absorbed some JARC-type fixed-route activities into existing fixed-route services funded through Section 5307 or by state or local programs. If this is the case, they may no longer consider these services JARC activities and therefore did not report them as such. Where service to a market specifically viewed as “specialized” JARC was continued, it may fall under the definition of demand response.

The only capital purchases listed by responders were for vehicles, most commonly vans for employment trips. Deviated fixed-route services to large employment centers, low-income outlying villages in rural areas, and commuter service between two small towns, were among the types of trip-based services still funded, according to survey participants, although some respondents noted they were at risk of discontinuation if additional funding was not secured after the expiration of SAFETEA-LU JARC carry-over funding at the end of FY 2015.

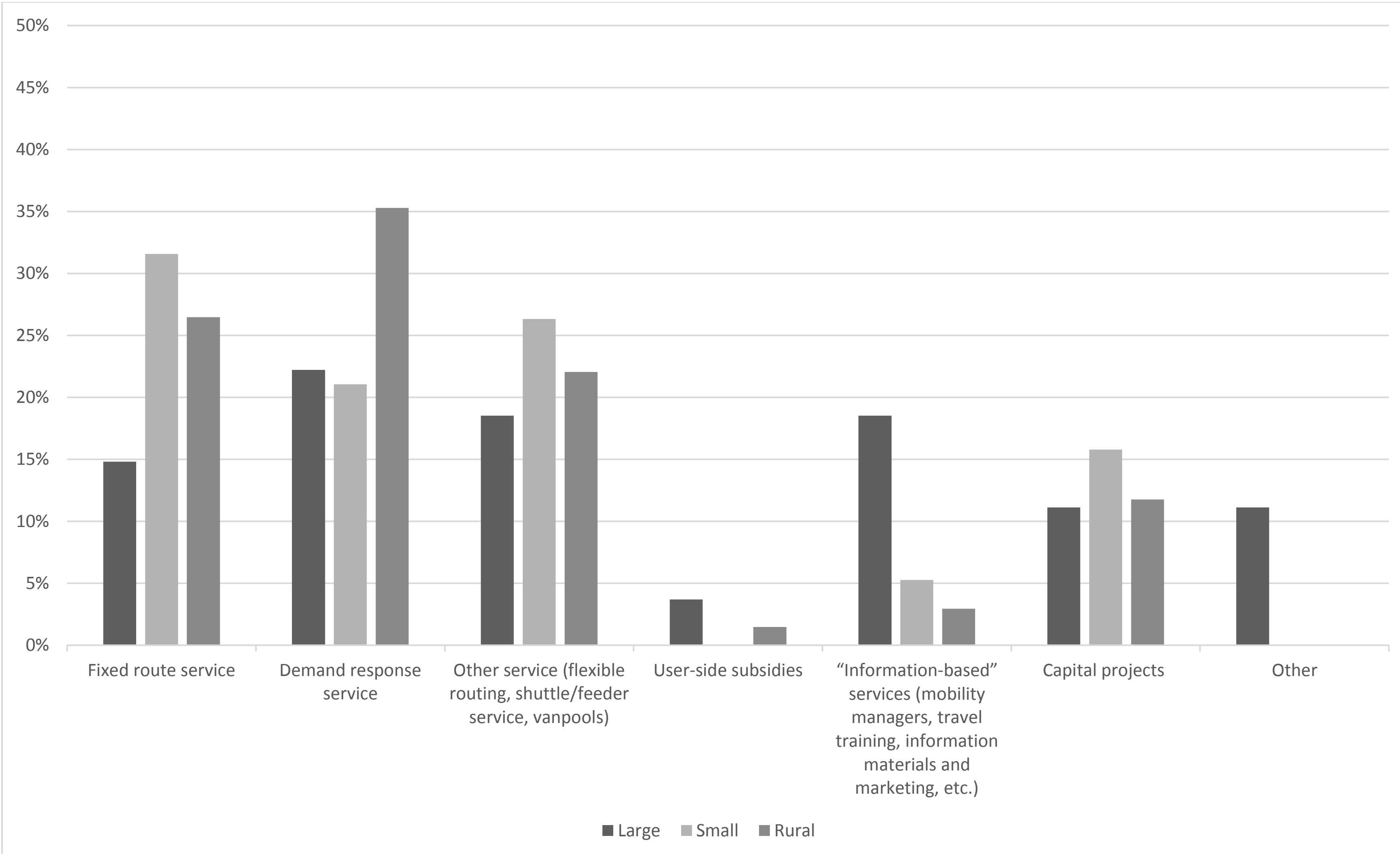

Figure 3-7 Distribution of JARC projects by Geographic Area, Post MAP-21

4. New Freedom Then and Now

The New Freedom Initiative was established by Executive Order of President George W. Bush to extend and enhance efforts already underway through the 1990 ADA to facilitate the integration of Americans with disabilities into the workforce and mainstream society. According to FTA, the 2000 US Census reported that only 60 percent of Americans living with disabilities between the ages of 16 and 64 were employed. The lack of adequate transportation options was cited as one of the primary barriers to employment for these individuals.[xxi]

Signed into law in August 2005, SAFTEA-LU Section 5317 authorized the New Freedom program to reduce transportation barriers and to create additional transportation mobility options for people with disabilities beyond those already required by the ADA.[xxii] Over the program's seven authorized years, Congress appropriated $646 million of New Freedom funding to provide further assistance for persons with disabilities via roundtrip transportation to jobs and employment support services and healthcare providers.[xxiii]

To measure the success of these program objectives, three key performance measures were developed by FTA to annually evaluate the success of the program's activities:

1. Increases or enhancements related to geographic coverage, service quality and/or service times that impact availability of transportation services for individuals with disabilities as a result of implementing New Freedom projects.

2. Additions or changes to environmental infrastructure (e.g., transportation facilities, sidewalks, etc), technology, and vehicles that impact availability of transportation services as a result of implementing New Freedom projects.

3. Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of implementing New Freedom projects.[xxiv]

Also for program evaluation purposes, FTA established three categories of New Freedom funded services. Similar to JARC, these included trip-based services, information-based services, and capital investment programs. Eligible activities under these categories were slightly different than those approved for JARC funding and will be discussed in greater detailed in Section 4.1.1.2. *Uses of Funding.*

New Freedom was authorized as a formula grant program with funds apportioned to three geographic categories: 60 percent of funds to large urbanized areas (over 200,000 population); 20 percent of funds to small urbanized areas (50,000-200,000 population); and 20 percent of funding to non-urbanized areas (that is, rural areas of less than 50,000 population). Apportionments were based on the ratio of the number of persons with disabilities living in each area divided by the total number of persons with disabilities in each area nationwide. States did not have the authority to transfer funds from one area to another, but designated recipients were able to transfer funds to Section 5307 and Section 5311 recipients, provided that funds were used for New Freedom purposes and that FTA was notified. Notification of fund transfers were required to include the amount of funds being transferred, the receiving program, and the specific projects that adhered to New Freedom criteria that would receive the funds. Additional FTA review for approval was not required.

States and public entities such as public transit agencies, MPOs, and local governments were eligible recipients of New Freedom funding. In rural and small urban areas, the state governor was solely responsible for selecting the designated recipient. In urbanized areas, the governor selected a designated recipient in coordination with local officials and public transit providers. While not required, designated recipients chosen to administer JARC funds were frequently also responsible for New Freedom funds.[xxv] According to FTA for the years FY 2009 and FY 2010, 49 percent of recipients were transit agencies; 27 percent were state DOTs; 16 percent were MPOs and; 8 percent were categorized as “other.” Eligible subrecipients of New Freedom funds included private non-profit organizations, state or local governments, and public or private operators of public transportation services.

Designated recipients were responsible for notifying local entities of available funding and of the process for being a subrecipient of funds; developing and conducting the competitive selection process to receive New Freedom monies; monitoring all subrecipients for Federal compliance; and documenting and reporting to FTA subrecipient activities.

Under MAP-21 and now the FAST Act, the New Freedom program as it existed under SAFETEA-LU was incorporated into the Section 5310 Transportation for Elderly Persons and Persons with Disabilities program, creating a single program that funded activities to enhance the mobility of seniors as well as persons with disabilities. The implications of this consolidation are discussed in *Section 4.2 New Freedom Projects Post-SAFTEA-LU*

4.1 New Freedom Program History

In February 2001, eleven years after the ADA had been passed, the Bush Administration announced the New Freedom Initiative (NFI). Signed into law by Executive Order, the intent of the NFI was to go beyond the ADA’s existing requirements to further diminish barriers for people with disabilities. NFI was a multidisciplinary policy priority focused on six main goals: 1) increasing access to Assistive and Universal Design technologies for disabled populations; 2) expanding educational opportunities; 3) promoting homeownership; 4) integrating Americans with disabilities into the workforce; 5) expanding transportation options; and 6) promoting full access to community life. At the time of the announcement of the Initiative, over 54 million Americans (nearly 20 percent of the population) were living with disabilities, and half of those individuals were living with severe disabilities affecting their ability to see, hear, walk, or perform other basic functions.[xxvi]

While efforts inspired by the ADA had made progress aiding persons with disabilities, surveys conducted by the National Organization on Disability through the Harris Polling Organization in 2002 found that one out of five adults with disabilities had not graduated from high school, which was twice as low as adults without disabilities. Additionally, nearly 27 percent of adults aged 25-64 living with a severe disability lived in poverty. The U.S. Department of Justice further reported that millions of Americans with disabilities were being locked out of the workforce due to existing transportation barriers. Ease of transportation was cited as a critical factor in access to jobs, education, and healthcare. For example, in 2001 31 percent of individuals living with disabilities across urban, non-urban, and rural areas lacked adequate transportation. [xxvii]

At the time of his 2001 Executive Order, President Bush proposed $8.6 billion in FY 2002 to fund the NFI. While the majority of this initial funding ($8.4 billion) was budgeted for special education programs across the country, $45 million was set-aside to fund 10 new pilot programs for innovative transportation and $100 million made available in competitive matching grants for alternative transportation providers to provide services beyond those required by the ADA.[xxviii]

4.1.1. SAFETEA-LU

It was not until the passage of SAFTEA-LU in 2005 however that Congress formally authorized funding for the New Freedom program to fund alternative transportation options for peoples with disabilities. Following its passage, FTA established the following basic requirements for any eligible project:

> *"Both new public transportation services and new public transportation alternatives are required to go beyond the requirements of the ADA and must (1) be targeted toward individuals with disabilities; and (2) meet the intent of the program by removing barriers to transportation and assisting persons with disabilities with transportation, including transportation to and from jobs and employment services."*[xxix]

SAFETEA-LU required that all subrecipients of New Freedom funding must go through a competitive selection process managed by the designated recipient. Large urban areas applied for funding under an area-wide solicitation, while small urban and rural areas were notified of funding opportunities under a single statewide solicitation for both geographic pools. All recipients were required to create a coordinated public transit-human services transportation plan to select projects for funding under JARC, New Freedom, and Section 5310.[xxx] The coordinated plan was intended to identify gaps in meeting existing transportation needs for the programs' targeted populations and to provide possible solutions to address them.

Both capital and operating costs that supported new public transportation services beyond what was required by the ADA were eligible to receive funds. FTA defined new service as "any service or activity that was not operational on August 10, 2005, and did not have an identified funding source as of August 10, 2005, as evidenced by inclusion in the metropolitan and statewide Transportation Improvement Programs."[xxxi]

The federal share of New Freedom funds was not to exceed 80 percent of capital costs and 50 percent of operating costs. Up to 10 percent of the costs to administer the program were eligible expenses. Additionally, the incremental costs for any vehicle-related equipment or facilities required by the Clean Air Act or the ADA were eligible for a 90 percent federal share. Federal funds, excluding those from other USDOT programs, could be used for the local/state match for funds, and revenue from service contracts could be applied as local match.[xxxii]

Under SAFTEA-LU, a state had the discretion to transfer New Freedom funds apportioned for either rural or small urban areas to the Section 5307 and 5311 programs.

4.1.1.1 Program Funding

Congress authorized funding for the New Freedom program beginning in FY 2006. The figure below shows that the program was virtually fully funded throughout the duration of SAFETEA-LU. Table 4-1 below shows the apportionment of New Freedom funding among population categories during the program's existence.

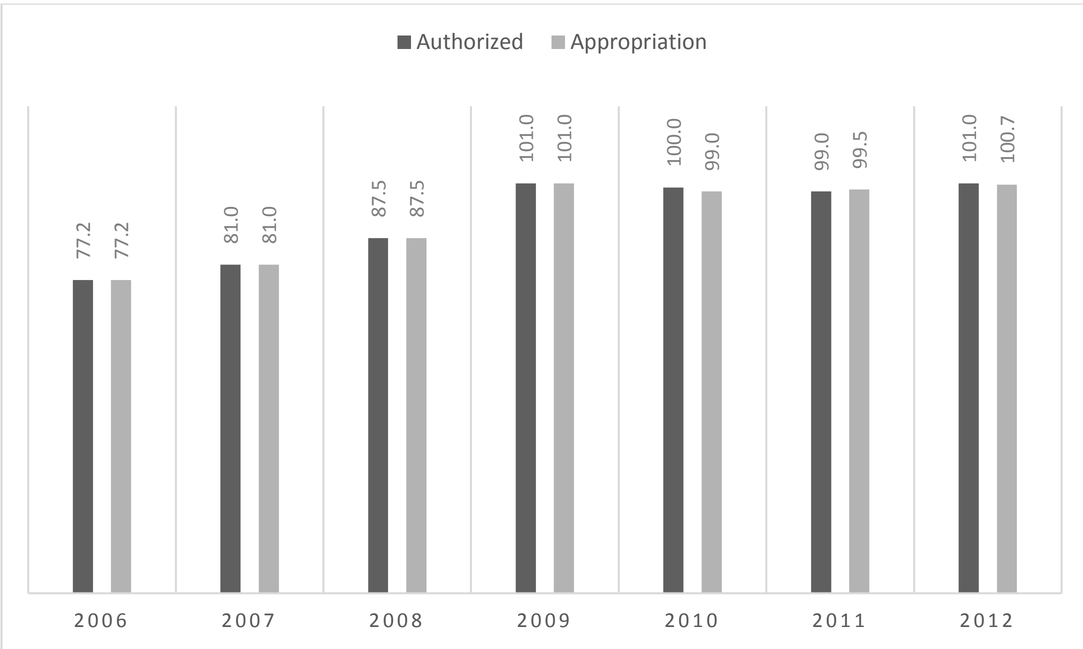

Figure 4-1 Authorized and Appropriated Funding, FY 2006-2012

Source: U.S. Department of Transportation, Federal Transit Administration

Table 4-1 New Freedom Apportionments by population category, FY 2006 -2012 ($)

Year	< 50,000 in Population	50,000 - 199,999 in Population	> 200,000 in Population	Total
2006	15,444,000	15,444,000	46,332,000	77,220,000
2007	16,200,000	16,200,000	48,600,000	81,000,000
2008	17,500,000	17,500,000	52,500,000	87,500,000
2009	20,171,917	20,171,917	60,515,751	100,859,585
2010	19,797,533	19,797,533	59,392,599	98,987,665
2011	19,899,788	19,899,788	59,699,364	99,498,940
2012	20,131,103	20,131,103	60,393,308	100,655,514
Total	**129,144,341**	**129,144,341**	**387,433,022**	**645,721,704**

Source: U.S. Department of Transportation, Federal Transit Administration

As shown in Figure 4-2, the program was slow to be implemented. By March 2007, only three percent of the $77.2 million appropriated in FY 2006 had been awarded to grantees. In July 2007, the GAO reported to Congress on issues surrounding the program's progress. The report partially attributed the limited implementation to a lack of program guidance from FTA and the fact that they had not yet developed policies for program oversight. The GAO also found that in 2006 only a few governors had designated recipients to receive the funds. Additionally, only a handful of states had formalized the required human service transportation coordinated plans, making them ineligible for funding. Once designated, program recipients found the requirements and local match requirements overly cumbersome, making them hesitant to apply for funding.

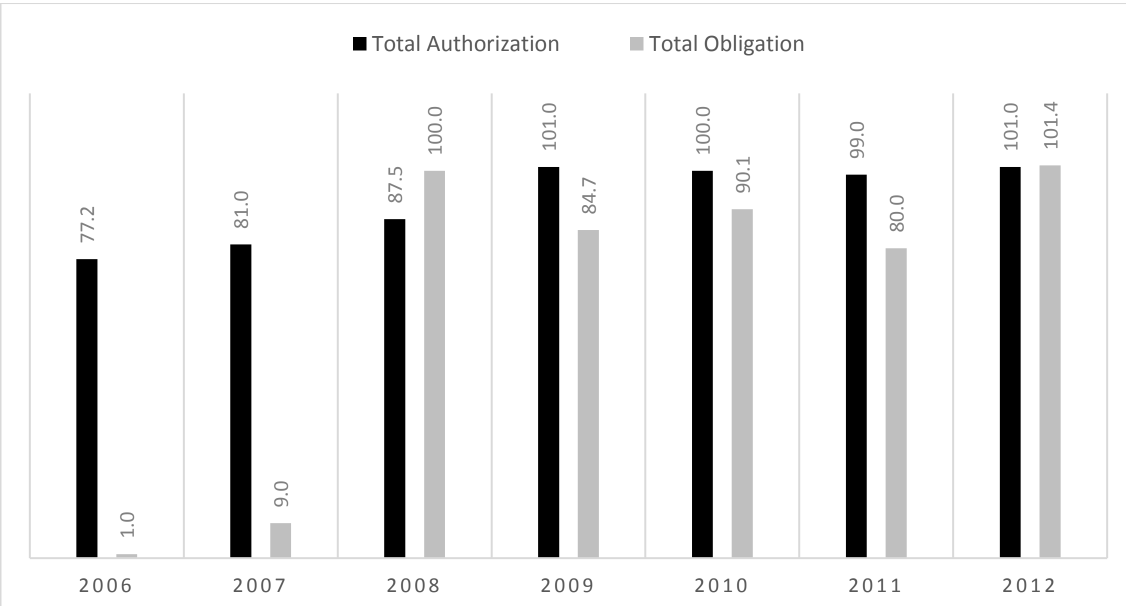

Figure 4-2 Authorization and Obligations, FY 2006 – FY 2012

Source: U.S. Department of Transportation, Federal Transit Administration

During 2006, FTA developed an extensive outreach process to develop the final program guidance, which was ultimately released in March 2007.[xxxiii] Once issued, designated recipients had a better understanding of eligibility requirements and a greater number of states released their program solicitations. This led to a sharp increase in grant obligations in 2008 and a relatively consistent obligation rate in the years that followed.

4.1.1.2 Uses and Distribution of Funding

Even though funding was allocated by formula for use in specific population categories, the actual obligation of funding deviated from the SAFETEA-LU formula. Table 4-2 on the following page presents obligations by population area for FY 2007 – FY 2014, the last year of available data (which includes SAFETEA-LU unobligated funds carried over into FY 2013 and 2014). Twenty five percent of New Freedom funds were obligated in rural areas while only fifteen percent of funding was obligated in small urban areas.[xxxiv] It is possible that this is due to small urban area's greater likelihood to allow New Freedom funds to lapse.

Table 4-2 New Freedom Obligations by Population Category and Purpose, FY 2007 -2012 ($)

< 50,000 in Population				
Year	**Capital**	**Operating**	**Planning**	**Total**
2007	2,120,598	930,635	-	3,051,233
2008	13,380,529	10,849,839	41,659	24,272,027
2009	10,026,736	8,592,099	12,000	18,630,835
2010	11,176,475	10,190,664	-	21,367,139
2011	9,321,328	8,513,187	-	17,834,515
2012	10,524,737	11,257,832	-	21,782,569
2013	14,213,672	13,166,379	27,989	26,827,603
2014	3,111,634	6,481,716	-	9,593,350
Total	**73,875,709**	**69,982,351**	**81,648**	**143,359,271**

50,000 - 200,000 in Population				
Year	**Capital**	**Operating**	**Planning**	**Total**
2007	737,531	790,519	-	1,528,050
2008	5,397,354	6,494,046	-	11,891,400
2009	12,636,432	4,641,498	-	17,277,930
2010	7,748,795	4,421,432	-	12,170,227
2011	7,414,230	4,660,858	-	12,075,088
2012	8,611,198	6,465,236	-	15,076,434
2013	4,629,602	2,195,465	-	6,825,067
2014	821,100	2,154,243	-	2,975,343
Total	**47,996,242**	**31,823,297**	**-**	**79,819,539**

> 200,000 in Population				
Year	**Capital**	**Operating**	**Planning**	**Total**
2007	1,699,077	2,348,703	696,853	4,744,633
2008	39,285,055	23,446,442	796,871	63,528,368
2009	28,034,668	19,428,376	991,954	48,454,998
2010	34,449,246	22,054,642	153,232	56,657,120
2011	26,837,715	22,321,843	913,957	50,073,515
2012	34,447,611	29,597,406	474,946	64,519,963
2013	26,827,603	17,081,616	-	43,909,219
2014	13,121,178	10,622,956	77,244	23,821,378
Total	**204,702,153**	**146,901,984**	**4,105,057**	**355,709,194**

Source: U.S. Department of Transportation, Federal Transit Administration

In terms of use, FTA’s obligation data indicates 56 percent of New Freedom funds were used for capital purposes while 43 percent of funds were used for operations – a sharp contrast with the JARC program, which was used predominantly to cover operating expenses.

FTA collected more detailed information on the use of New Freedom funds for FY 2007 through FY 2010, which it documented in its annual *Connecting People to Employment and Enhancing Mobility for People with Disabilities* report series. Like JARC recipients, FTA asked grantees to classify their New Freedom-funded services in one of three ways.

- **Trip-based services,** which provide transportation directly to individuals. These services include flexible routing, shuttle/feeder service, expanded ADA paratransit service, same-day ADA paratransit service, door-to-door service, volunteer driver programs, user-side subsidies/vouchers, vanpool, and aide/escort assistance.
- **Information-based services**, which provide information about transportation services to individuals.
- **Capital investment programs**, which includes investment in facilities and infrastructure to support transportation services. These services include vehicle-based programs (such as those making automobiles available to individuals, transit and other agencies), accessible taxis, vanpool vehicles, car-sharing, ITS-related software/hardware improvements, and infrastructure improvements beyond those required by the ADA (such as elevators, large capacity wheelchair lifts, additional wheelchair securement areas, and other infrastructure improvements).

As shown in Table 4-3, more than half of all New Freedom-provided services over the four year reporting period were trip-based. Information-based services, which provided travel information to individuals, mostly through mobility managers and one-on-one transit training, accounted for 28 percent of all funded services. Seventeen percent of project awards were for capital investment such as new vehicles and ITS investments – a small proportion of overall program usage but much greater than that for the JARC program.

Table 4-3 New Freedom Supported Services, FY2007-2010

Year	Trip-based services	Information-based services	Capital Investment Projects
2007	35	15	10
2008	109	57	37
2009	262	137	88
2010	375	180	102
Total	781	389	237
Total (%)	**55**	**28**	**17**

Source: U.S. Department of Transportation, Federal Transit Administration

Figure 4-3 on the following page shows the types of New Freedom projects undertaken across population categories. Information-based services such as mobility management and one-on-one travel training was by far the most “popular” purpose in urbanized areas. While rural areas also pursued these types of projects – at least to a greater degree than under JARC - demand response service was the most common project funded under the New Freedom program. Overall, “trip-based” services accounted for 74 percent of New Freedom projects in rural areas, but only 50 percent in large urban and 52 percent in small urban areas.

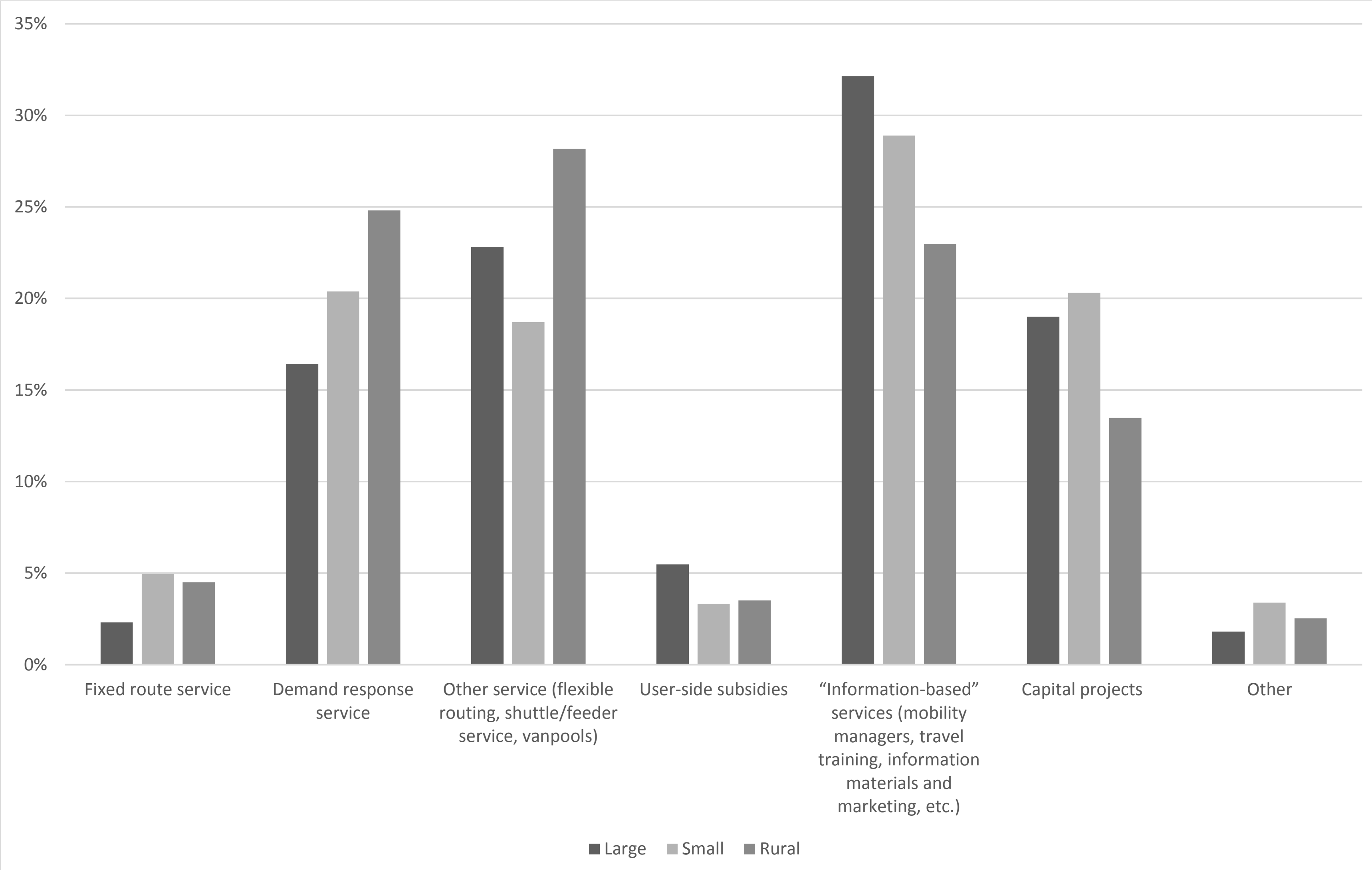

Figure 4-3 Distribution of New Freedom Projects by Geographic Area, FY 2006- FY2010

Source: U.S. Department of Transportation, Federal Transit Administration

4.2. New Freedom - Post-SAFETEA-LU

With the passage of MAP-21 in 2012, the New Freedom program was dissolved into Section 5310 Transportation for Elderly Persons and Persons with Disabilities, creating a single program supporting specialized transportation for eligible populations. MAP-21 established that up to 45 percent of funds authorized under Section 5310 may be used for New Freedom-eligible actives, although there is no requirement to do so. The remaining 55 percent of Section 5310 funds must be used for previously eligible Section 5310 activities. MAP-21's requirements for the Section 5310 program were extended by the FAST Act.

As described in Section 2 *Research Methodology*, the research team distributed two surveys requesting information on New Freedom stakeholders' response to MAP-21's changes. A majority of total respondents (60 percent) favored the consolidation of New Freedom's consolidation into Section 5310 as shown in the figure below.

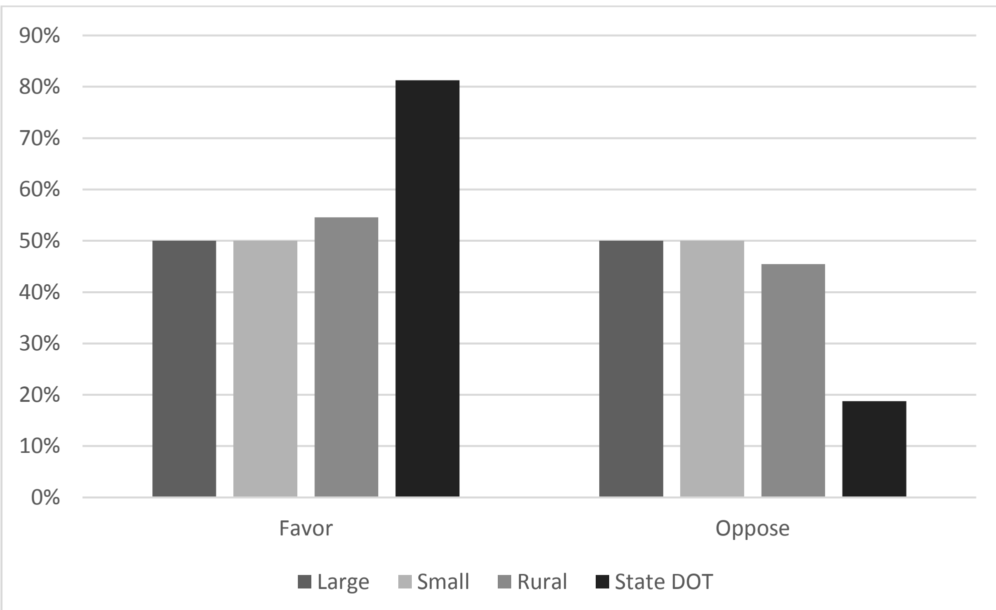

Figure 4-4 Survey Respondents Preference for the Consolidation of New Freedom

State DOT respondents were the biggest supporters of consolidation, noting in both the survey and follow-up interviews that they found the New Freedom program requirements to go "beyond the ADA" difficult for most providers to meet, ultimately discouraging them from applying for these funds. In addition, since most New Freedom eligible projects were already eligible for Section 5310 before MAP-21, the elimination of administrative processes by combining the two programs was particularly favorable for state DOTs. This was by and large the most noted benefit of consolidation across all respondent populations.

Similar to JARC's consolidation with Section 5307 and Section 5311, several interview participants and survey respondents believed that the biggest issue with consolidation was that it didn't increase the amount of funding available to the Section 5310 program, but rather increased the demands on the same amount of money.

One bi-state MPO stated that the program's consolidation had further confused existing and potential recipients of funds, potentially discouraging them from applying. A representative from the National Associations of Area Agencies on Aging (NAAAA) noted that some previous New Freedom recipients were unaware of how the Section 5310 program operated and were confused as to whether or not their projects would still be eligible under MAP-21, and for that reason had not applied for funding during the project selection process.

The research survey further requested information on the continuation of New Freedom activities from a wide pool of state DOT administrators, designated recipients, and subrecipients of New Freedom and Section 5310 program funds. However, the survey response rate regarding New Freedom expenditures was much lower than for the JARC program. As shown below, only 35 MPOs and transit agencies in small and large urban areas, 18 state DOTs, and 11 rural subrecipients responded to survey questions on how much was spent on New Freedom activities under SAFTEA-LU - and continued to be spent under MAP-21 - and what those activities are.

Table 4-4 New Freedom Survey Responses

Category	Respondents
State DOT	18
Rural (<50,000 population)	11
Small Urban (50,000 - 200,000 population)	12
Large Urban (>200,000 population)	12
Total Respondents	**53**

Furthermore, an even smaller set of these respondents submitted actual funding data. However, given the nature of the relationship between New Freedom and Section 5310, this portion of the research is closely aligned with the complimentary Section 5310 program research *The National Perspective – An Assessment of 5310 Program Administration under MAP-*21 , which involved the performance of 20 phone interviews with state DOTs, designated recipients, and service providers. While the Section 5310 research focuses on administrative changes to the program post- SAFETEA-LU, a majority of interview subjects discussed their experiences with either previously receiving New Freedom funds or continuing New Freedom eligible activities under the Section 5310 program during MAP-21 and the FAST Act. Their observations have been included in this analysis to further support the survey data.

4.2.1. Funding for New Freedom-Type Activities Post SAFETEA-LU

According to FTA grants data, as shown in Table 4-5 on the following page, $76 million in total was obligated from the Section 5310 program on New Freedom activities in FY 2013-2015. This was over twice the amount of funding obligated for JARC projects out of the Section 5307 and Section 5311 programs (see Table 3-7 in Section 3.2.1 *Funding for JARC-Type Activities Post-SAFETEA-LU*.)

Table 4-5 New Freedom Activites Funded Through 5310 Reported to FTA

FY	Federal Funding
2013	$4,488,970
2014	$16,834,268
2015	$54,835,629
Total	**$76,158,867**

As was the case with JARC reporting, while New Freedom is an ALI that designated recipients may identify in a Section 5310 grant, most New Freedom projects were already eligible under Section 5310. Additionally, designated recipients must show that at least 55 percent of Section 5310 funding is being used for "traditional' Section 5310 activities and therefore it may be in a recipients' interest to not specify when programs are New Freedom activities to ensure this threshold is met. For this reason, the research team asked survey respondents to provide three amounts in regards to their New Freedom spending:

> *1) The amount of Section 5317 funding used to support New Freedom-type services for FY 10 through FY 15;*
>
> *2) The amount of 5310 funding used to support New Freedom-type services after the enactment of MAP-21 (FY13 through FY 15); and*
>
> *3) The amount of state or local funding used to support New Freedom-type services for FY 10 through FY 15.*

The data used in the following analysis represents too small a pool of respondents (11 state DOTS and 20 designated recipients and providers, including only one from a small urban area), to reflect trends between population categories, and therefore responses have been broken out into either rural or urban (which includes both large and small urban respondents) to more accurately understand impacts of MAP-21 changes. While still limited, the data is consistent with three trends that were aligned with observations expressed during phone interviews with Section 5310 program stakeholders.

First, as shown below, survey responses suggest that New Freedom activities in urban areas have not been negatively impacted by the program's consolidation. Self-reported funding for New Freedom-type activities in urban areas was actually higher than the average amount of New Freedom funds spent in the three years prior to MAP-21. Meanwhile, reported expenditures in rural areas for New Freedom activities dropped to only three quarters in 2014 and less than one-half in 2015 of FY 2010-2012 annual average funding levels.

Table 4-6 Percentage of New Freedom Spending in FY 13 - FY 15 compared to Average FY10 -FY12 amounts under SAFETEA-LU

	FY 2013	FY 2014	FY 2015
Rural	114	72	48
Urban	222	147	175
Total	**168**	**110**	**112**

In 2013, all populations saw an increase in funding, likely due to areas utilizing any previously unspent New Freedom funds from SAFETEA-LU. However, an incongruous trend between rural and urban areas emerges after FY 2014. To best understand it, it is necessary to look at other changes to the Section 5310 program at this time, as analyzed in parallel NCHRP research *Documentation of FTA Section 5310 Recipients and Projects Before the Enactment of Moving Ahead for Progress in the 21st Century (MAP-21))*. Prior to MAP-21, Section 5310 program funds were allocated to state DOTs based on each state's senior and disabled population for use anywhere in the state. MAP-21 modified the distribution formula consistent with the population categories used to allocate Section 5317 New Freedom funding. Specifically, 60 percent of the program was now allocated to large urban areas – even though, as the parallel research found, only 34.2 percent of Section 5310 funding was obligated in large urban areas during the final three years of SAFETEA-LU. MAP-21's increase in urban funding permitted such areas to spend more on both traditional Section 5310 and New Freedom activities. On the other hand, many rural areas received much less Section 5310 funding under MAP-21 than previously, culminating in the termination of some Section 5310 – and New Freedom - activities.

Second, of those respondents that continued to fund New Freedom-style activities after SAFETEA-LU, a majority across population groups reported that they were using Section 5310 to do so. This research found that a majority of New Freedom –type activities that continued to be funded were in fact utilizing Section 5310 funds, as the programs' consolidation under MAP-21 intended. Much more so than with the JARC program, survey and interview respondents expressed that New Freedom activities easily aligned with Section 5310 program's objectives. As shown in Figure 4-5 on the following page, "other" sources accounted for nearly 40 percent of urban New Freedom-type activities, and over 30 percent in rural areas. When asked to elaborate on the sources, survey respondents generally reported that they had initially continued to spend carry-over New Freedom funds, and then, particularly in rural areas, had turned to increased local coordination and funding sources from other programs through the Department of Health and Human Services, the Department of Veterans Affairs, and Medicaid.

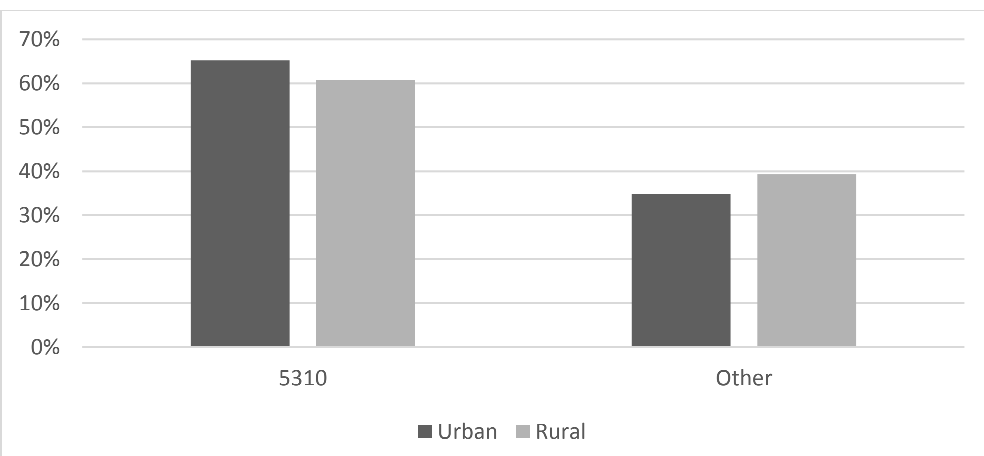

Figure 4-5 Survey Respondents Using Section 5310 Funds to Continue New Freedom Activities

One interviewee from a mid-western consortium of human service transportation providers described how the consortium had turned to increased local coordination to continue their New Freedom-type activities and maximize available funding. The consortium pays for a mobility manager to focus on coordinating efforts with other local groups to stretch resources to fund as many services as possible. In one instance, the consortium coordinated with two other local agencies, one veteran's affairs office, and one non-profit organization to complete hospital trips to a neighboring county; one group donates the vehicle for use; one group pays for the gas; and her transportation consortium provides the volunteer driver and trip coordination. At this point, the subject was not concerned about the future of New Freedom-type activities as the consortium had also begun to receive Section 5311 funding to maintain operation of its rural services.

Lastly, this research found that Section 5310 and New Freedom funding priorities regarding operating and capital activities did not align, leaving previously funded New Freedom operating activities underfunded under MAP-21 and the FAST Act. As shown in Table 4-2 in *Section 4.1.1.*, 42 percent of all New Freedom funds were obligated for operating assistance between 2007 and 2014. However, several post-SAFETEA-LU survey respondents and interviewees stated that the administrators of their area's Section 5310 program tended to prioritize capital expenses such as vehicle purchases over operating expenses, and, without dedicated New Freedom funds, their programs would no longer receive much-needed operating assistance to continue existing services. To understand if this concern regarding unaligned program priorities between New Freedom and Section 5310 activities was true, the research team reviewed the percentage of funds obligated to both capital and operating activities under the Section 5310 program since MAP-21, according to published FTA data. As shown in Table 4-7, despite allowing up to 45 percent of program funding to be utilized for operating assistance for New Freedom-type services, only six percent of Section 5310 funding was obligated for operations in 2014. It should be noted that many FTA grantees continued to utilize carry-over New Freedom funding through 2014, and that under both the previous New Freedom program and the current Section 5310 program, mobility managers are considered a capital expense and capital expense require a lower local match rate (20 percent) than for that of operating funds (50 percent).

Table 4-7 Section 5310 Obligations by Category, FY 2009 - 2014

Year	Capital		Operating		Total
	($)	(%)	($)	(%)	($)
2009	194,887,742	99	610,182	<1	195,497,924
2010	179,995,480	99	1,232,023	1	181,227,503
2011	201,019,898	99	1,932,665	1	202,952,563
2012	212,172,511	99	1,643,954	1	213,816,465
2013	175,925,241	97	4,567,896	3	180,493,137
2014	223,671,392	94	15,513,542	6	239,184,934
Total	**1,187,672,264**	**98**	**25,500,262**	**2**	**1,213,172,526**

Source: Department of Transit, Federal Transit Administration

Several survey participants stated that their agencies were using Section 5307 or Section 5311 formula funds to fill the gaps of lost New Freedom revenues, presumably for operating costs.

4.2.2. New Freedom-Type Projects Post-SAFETEA-LU

The table below shows the percentage change in previously funded New Freedom activities which continued to be funded after the enactment of MAP-21, as reported by survey respondents.

Table 4-8 Percentage of New Freedom Activities Continued to be Funded post MAP-21

Rural	Urban
67	74

While the percentage of reported projects declined in both urban and rural areas, the rate of decline was less than for JARC projects. Interestingly, the percentage of New Freedom projects fell in urbanized areas even as the amount of spending on New Freedom activities reportedly increased.

As discussed in *Section 4.1.1.2 Uses and Distribution of Funding,* “Information Based Services”, which include mobility managers and travel training; “other services”, which include flexible routing, shuttle/feeder services, vanpools, and volunteer driver programs; and “demand response services,” were the top three project categories to receive funding during FY 2006 through FY 2010 as per FTA data (see Figure 3-4 *Distribution of JARC Projects by Geographic Area, FY 2006 - 2010*). While 56 percent of New Freedom funds from FY 2007 through FY 2014 were used for capital purposes, it is important to recall that Mobility Managers are eligible capital expenses under the Section 5317 and Section 5310 programs.

When asked to report continued New Freedom-type activities post-SAFETEA-LU, the few rural area respondents focused on demand response service. Urban area respondents placed a greater emphasis on funding mobility managers. However, the low survey response rate limits the utility of the data. Through interviews, several Section 5310 program administrators said that they have heard subrecipients were fearful that funding for mobility managers would disappear with the dissolution of New Freedom funding. However, mobility managers are, and were before MAP-21, an eligible capital expense under Section 5310. Mobility managers are also considered “traditional 5310 services” that qualify as a line item to meet the program’s 55 percent quota for traditional, mostly capital, purposes. Regardless, interviewees felt that designated recipients administering the Section 5310 program had placed a priority on maintaining and replacing vehicles as their most important capital expense, and had concerns that once carry-over New Freedom funds were obligated, or expired, the funding of mobility managers would take a backseat to vehicle purchases under the Section 5310 program

Ultimately, during several interviews with industry organizations and state DOTs, stakeholders speculated that it was too early to truly understand how the program’s consolidation has affected former New Freedom projects. It is possible that program administrators and recipients have yet to develop opinions about program changes because SAFETEA-LU funding has only recently expired.

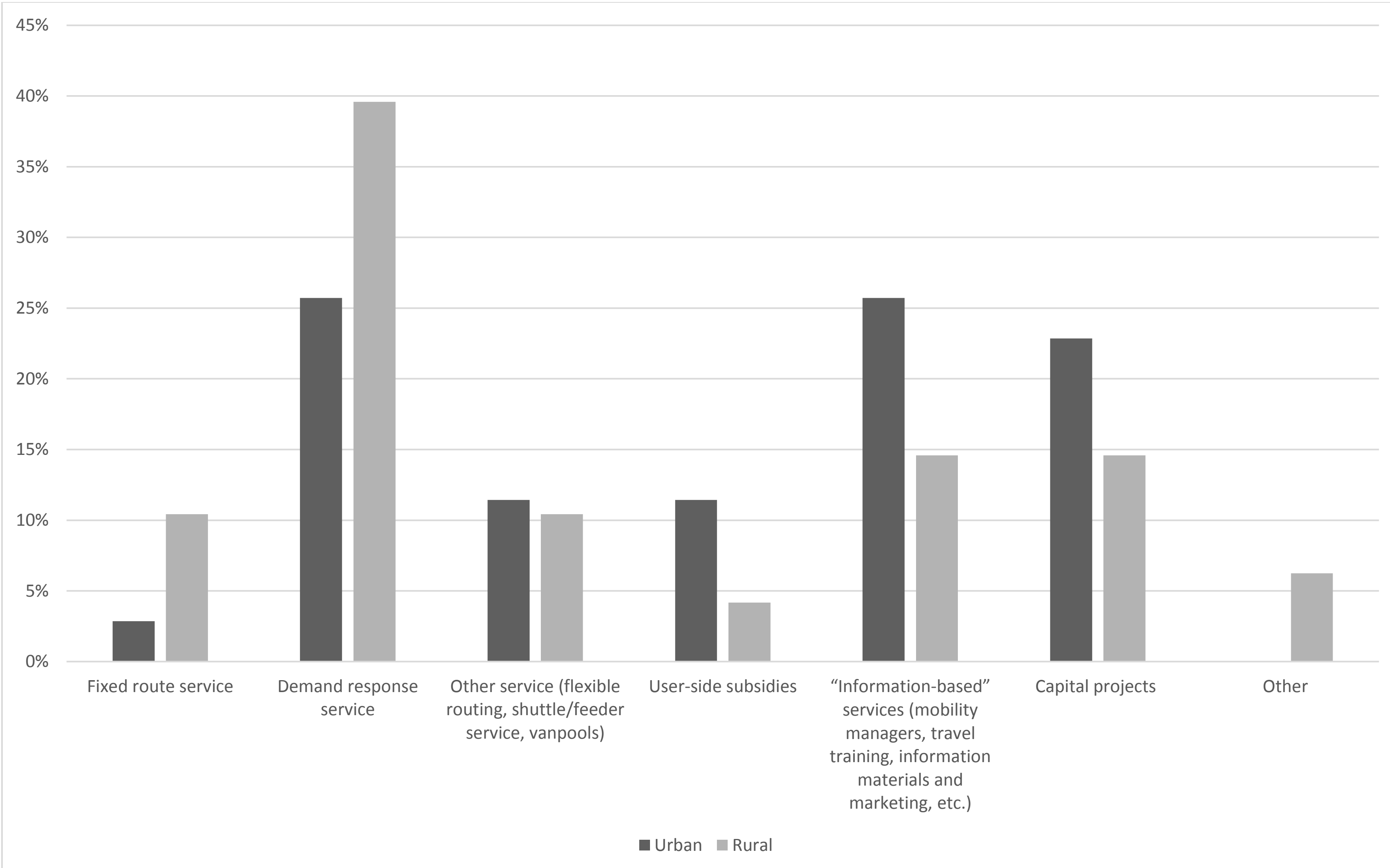

Figure 4-6 Distribution of New Freedom-type Activities by Geographic area, FY 10 - FY 14

5. Conclusions

This report has collected meaningful data and observations regarding the former JARC and New Freedom programs, as well as the continuation of projects previously funded through those programs under MAP-21 and the FAST Act. After assessing the validity of the research methodology, the following summarizes the key research findings.

5.1. Research Methodology

- The lack of FTA data on continued funding for JARC and New Freedom activities has proven challenging over the course of this research. FTA acknowledged that grantees and FTA grants managers may not be categorizing JARC or New Freedom projects and services as such, because these activities may also fall under other eligible grant activity line item codes. Attempts to collect grant data from program stakeholders was further complicated by the absence of grantee contact information.
- Survey response rates were disappointing, and made it impossible for the research to provide a national accounting of the continued level of investment in JARC and New Freedom projects upon the elimination of their dedicated programs. While the research does identify some trends in the continuation of JARC and New Freedom activities, these trends must be understood within the context of available data.
- It is too early to truly understand the effects of the consolidation of JARC with Section 5307/Section 5311 and New Freedom with Section 5310. SAFETEA-LU funding only expired last year, this obscuring a firm understanding of what will happen to JARC and New Freedom projects without their dedicated funding sources. Future research once the MAP-21 and FAST Act program requirements are better "institutionalized" may be warranted.
- On the other hand, staff turnover at State DOTs, local program administrators, and service providers makes any historical analysis difficult. Most participants in the 2015 survey were not at their state DOT during TEA-21 and could not attest to the value of the JARC program during that era. Many of the 2016 interview and focus group participants noted that they were relatively new to their position, and were not familiar with even relatively recent JARC or New Freedom activities in the state of local area.

5.2. JARC Funding Distribution Methods

- State DOT survey respondents were almost evenly split between their preference for the SAFETEA-LU and MAP-21 JARC program distribution methods. Partiality for the reliability of a formula program appears to far outweigh the uncertainty of a congressionally earmarked program.
- However, the transition from a discretionary (TEA-21) to formula (SAFETEA-LU) program presented challenges to some states. One state noted that that one of its urbanized areas received over $2 million a year in JARC earmarks under TEA-21, but then only $220,000 annually under the SAFETEA-LU formula, resulting in massive service cutbacks. Another state agreed that they received less funding under SAFETEA-LU than JARC.
- Nearly one-half of the 2015 state DOT survey respondents found limited demand for JARC funding in some areas during SAFETEA-LU, making it difficult to fund enough projects in some population

area categories. Thirty seven percent of respondents went on to note that, in such cases, it would have been helpful if states had the authority to transfer funds between population categories.

- Sixty five percent of 2016 state DOT survey respondents reported that they were in favor of the JARC program's consolidation with Section 5307 and Section 5311. Some of these states reported that they appreciate the flexibility of MAP-21's expanded Section 5311 program, as funds could be used more broadly and not tied to JARC-eligible purposes.
- On the other hand, the vast majority of transit operators who responded to the survey opposed the elimination of JARC, as the expanded Section 5307 and 5311 programs simply funded the backlog of other transit needs at the expense of specialized job access and reverse commute services.
- Many survey respondents and interview subjects, particularly in rural areas, noted that existing Section 5307 and Section 5311 formula funding amounts were already inadequate to meet an area's transportation needs before MAP-21. These formula programs were designed to help operate and maintain and areas general public transit system, not to support specialized job access and reverse commute services.

5.3. Observations on the Continuation of JARC Projects and Services

- The number one reported challenge in administering the SAFETEA-LU JARC program was state DOT's difficulty in securing match for Section 5316 funding. This suggests – and was found by this research to be true - that even changes to a federal surface transportation authorization which results in the availability of more federal funding will not necessarily improve the state of JARC-eligible transportation unless local revenues also increase (or federal matching requirements decrease or are eliminated).
- Many survey respondents that opposed program consolidation believed that without specific funding for job access and reverse commute services such projects would soon be de-funded and the specialized population that was truly benefiting from the JARC program would be left without the transportation tools needed to get to work.
- The most significant result from the 2015 state DOT survey was that over 57 percent of respondents believed that JARC projects will be eliminated with the consolidation of the Section 5316 program with Sections 5307 and 5311.
- The 2016 survey found that without dedicated funding for JARC-type activities, the funding expended by respondents for these types of activities has already been cut by 58 percent over the past three years. The research notes the very limited survey response rate which backs this observation.
- A large portion of the funding that continued to support these JARC-type activities during MAP-21 originated from carry-over JARC funds that had not been obligated under SAFETEA-LU. It is likely that the amount of total funding spent on JARC-type activities will continue to decrease under the FAST Act, particularly since former JARC funds have now expired.
- According to FTA data for the years 2006-2010, fixed route and demand response services were the primary types of projects funded by the JARC program in small urban, large urban, and rural areas.

- Based on 2016 survey data, respondents reported that while they still continued to fund fixed route and demand response services, they expended a smaller percentage under MAP-21 on each. Instead, respondents also obligated funds for "information based services" such as mobility management and capital projects, primarily in the form of van purchases for providers.
- It is possible that large and small urban areas have absorbed fixed route services into existing transit systems funded by Section 5307 and no longer consider those services a JARC-type activity.

5.4. Observations on the Continuation of New Freedom Projects and Services

- In addition to the dissolution of JARC, state DOTs were the strongest proponents for the consolidation of New Freedom with the Section 5310 program, primarily citing the increased administrative ease of eliminating reporting requirements.
- On the other hand, service providers and local program administrators who participated in the research were split on the issue of program consolidation. Most survey respondents who favored consolidation cited that they found New Freedom to be a redundant program that was essentially funding the same type projects as Section 5310, but with additional paper work and different requirements.
- Urban area respondents to the 2016 survey reported higher expenditures for New Freedom-type activities than the average annual amount of New Freedom spending over the last three years of the program's existence. However rural area survey respondents reported a 52 percent decline in New Freedom-type of expenditures over the same period. The research notes the very limited survey response rate which backs this observation.
- Because of consolidation, the Section 5310 program's authorized funding levels essentially doubled ($134 million in FY 2012 to $257 million in FY 2013) with the passage of MAP-21, meaning that there was additional funding to absorb previous New Freedom projects that continued the mission to provide services to elderly and disabled persons.
- Several interview respondents – particularly in urbanized areas - who had been worried about losing funding under MAP-21 said they were actually receiving more resources now under Section 5310 than they had been under the New Freedom program.
- Despite MAP-21's allowance of up to 45 percent of program funding for operating assistance for New Freedom-type services, only six percent of Section 5310 funding was obligated for operations in 2014.
- One 2016 rural agency interview subject stated that they did not know that operating activities were eligible under the Section 5310 program. Another urban area interviewee noted that their Section 5310 designated recipients did not allow applicants to request funding to cover operating costs, which had lead them to worry about continuing operations once carried over New Freedom funds have expired.

6. Endnotes

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