
Temporary Assistance for Needy Families Information Memorandum

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20447

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TO: State agencies and Tribes administering the Temporary Assistance for Needy Families (TANF) program under title IV-A of the Social Security Act, and other interested parties.

SUBJECT: Human Service Transportation Coordination and Resource Sharing

REFERENCES: Executive Order 13330 dated February 24, 2004: *Human Services Transportation Coordination*, Section 401 of the Social Security Act, Section 404(a)(1) and 404(a)(2) of the Social Security Act, 45 CFR Part 92, 45 CFR 263.2, 45 CFR 263.11.

PURPOSE: This IM reminds States and Tribes of the Final Policy Statements of the Federal Interagency Coordinating Council on Access and Mobility on Coordinated Human Service Transportation Planning and Vehicle Resource Sharing.

BACKGROUND:

Presidential Executive Order 13330 recognizes the importance of enhancing access to transportation to improve mobility, employment opportunities, and access to community services for persons who are transportation-disadvantaged (persons with disabilities, persons struggling with self-sufficiency and older adults). President Bush stated that federally assisted community transportation services should be seamless, comprehensive, and accessible to those who rely on them for their lives and livelihoods. To achieve this goal, the President established a Federal Interagency Transportation Coordinating Council on Access and Mobility (CCAM) within the Department of Transportation. CCAM council members include the Secretaries of Transportation, Health and Human services, Education, Labor, Veterans Affairs, Agriculture, Housing and Urban Development and Interior, the Attorney General, and the Commissioner of Social Security.

The Executive Order has tasked CCAM members to work together to: (a) facilitate access to the most appropriate, cost-effective transportation services within existing resources; (b) encourage enhanced customer access to the variety of transportation and resources available; and, (c) promote interagency cooperation in order to minimize duplication and overlap of Federal programs and services and to maximize access to more transportation services. The Executive Order also stipulates that Program agencies within the Departments assist CCAM. The Office of Family Assistance (OFA), which oversees the Temporary Assistance for Needy Families (TANF) program, has been an active participant in CCAM committee activities.

October 1, 2006



Federal Interagency Coordinating Council on Access and Mobility

Coordinated Human Service Transportation Planning

FINAL POLICY STATEMENT

Policy Statement

Consistent with the requirements of the Executive Order and the statutory creation of a locally-developed, coordinated public transit human service transportation planning process established in the Safe, Affordable, Flexible, Efficient, Transportation Equity Act-A Legacy for Users (SAFETEA-LU), members of the Federal Interagency Coordinating Council on Access and Mobility (CCAM) adopt the following policy statement:

"Member agencies of the Federal Coordinating Council on Access and Mobility resolve that federally-assisted grantees that have significant involvement in providing resources and engage in transportation delivery should participate in a local coordinated human services transportation planning process and develop plans to achieve the objectives to reduce duplication, increase service efficiency and expand access for the transportation-disadvantaged populations as stated in Executive Order 13330."

NOTE: Significant involvement is defined as providing, contracting for and/or subsidizing individual transportation trips for individuals with disabilities, older adults, or people with lower incomes.

Background

Presidential Executive Order 13330 on the Coordination of Human Service Programs issued by the President on February 24, 2004, creates an interdepartmental Federal Council on Access and Mobility to undertake collective and individual departmental actions to reduce duplication among federally-funded human service transportation services, increase the efficient delivery of such services and expand transportation access for older individuals, persons with disabilities, persons with low-income, children and other disadvantaged populations within their own communities.

As a first principle to achieve these goals, federally-assisted grantees involved in providing and funding human service transportation need to plan collaboratively to more comprehensively address

the needs of the populations served by various Federal programs. In their report to the President on the Human Service Transportation Coordination, members of the Council recommended that "in order to effectively promote the development and delivery of coordinated transportation services, the Administration seek mechanisms (statutory, regulatory, or administrative) to require participation in a community transportation planning process for human service transportation programs.

In August 2005, the President signed legislation consistent with this recommendation to reauthorize Federal public transportation and Federal highway programs that contained provisions to establish a coordinated human services transportation planning process. This legislation, the Safe, Affordable, Flexible, Efficient Transportation Equity Act, A Legacy for Users (SAFETEA-LU), created a requirement that a locally-developed, coordinated public transit/human service planning process and an initial plan be developed by 2007 as a condition of receiving funding for certain programs directed at meeting the needs of older individuals, persons with disabilities and low-income persons. The plan must be developed through a process that includes representatives of public, private and non-profit transportation providers and public, private and non-profit human service providers and participation by the public. Complete plans, including coordination with the full range of existing human service transportation providers, are required by Fiscal Year 2008.

Implementation

Members of the Federal Council on Access and Mobility will undertake actions within six months of Council adoption to accomplish Federal program grantee participation in locally-developed, coordinated public transit/human service coordinated planning processes.

October 1, 2006



Federal Interagency Coordinating Council on Access and Mobility

Vehicle Resource Sharing

FINAL POLICY STATEMENT

Policy:

Federal Executive Order 13330 on Human Service Transportation Coordination directs Federal agencies funding human services transportation services to undertake efforts to reduce transportation service duplication, increase efficient transportation service delivery, and expand transportation access for seniors, persons with disabilities, children, low-income persons and others who cannot afford or readily use automobile transportation. Consistent with this presidential directive, members of the Federal Interagency Coordinating Council on Access and Mobility (CCAM) adopt the following policy statement:

"Member agencies of the Federal Coordinating Council on Access and Mobility resolve that Federally-assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources in order to maximize accessibility and availability of transportation services".

Background:

Often Federal grantees at the State and local levels restrict transportation services funded by a Federal program to clients or beneficiaries of that Federal program. Some grantees do not permit vehicles and rides to be shared with other federally-assisted program clients or other members of the riding public. Federal grantees may attribute such restrictions to Federal requirements. This view is a misconception of Federal intent. In too many communities, this misconception results in fragmented or unavailable transportation services and unused or underutilized vehicles. Instead, federally assisted community transportation services should be seamless, comprehensive, and accessible to those who rely on them for their lives, needs, and livelihoods.

Purpose:

This policy guidance clarifies that Federal cost principles do not restrict grantees to serving only their own clients. To the contrary, applicable cost principles enable grantees to share the use of their own vehicles if the cost of providing transportation to the community is also shared. This maximizes the use of all available transportation vehicles and facilitates access for persons with disabilities, persons with low income, children, and senior citizens to community and medical services, employment and training opportunities, and other necessary services. Such arrangements can enhance transportation services by increasing the pool of transportation resources, reducing the amount of time that vehicles are idle, and reducing or eliminating duplication of routes and services in the community.

Applicable Programs:

This policy guidance applies to the programs listed at the end of this document, as well as any other Federal program that allows funds to be used for transportation services. Any specific arrangements would be subject to the rules and policies of participating program(s). This guidance pertains to Federal program grantees that either directly operate transportation services or procure transportation services for or on behalf of their clientele.

Federal Cost Principles Permit Sharing Transportation Services:

A basic rule of appropriations law is that program funds must only be used for the purposes intended. Therefore, if an allowable use of a program's funds includes the provision of transportation services, then that Federal program may share transportation costs with other Federal programs and/or community organizations that also allow funds to be used for transportation services, as long as the programs follow appropriate cost allocation principles. Also, if program policy permits, vehicles acquired by one program may be shared with or used by other Federal programs and/or community organizations to provide transportation services to their benefiting population.¹

Federal agencies are required to have consistent and uniform government-wide policies and procedures for management of Federal grants and cooperative agreements - i.e., a "Common Rule."

Federal agencies are also required to follow uniform cost principles for determining allowable costs found in OMB circulars, the guidance which the Office of Management and Budget (OMB) developed on these matters.

These circulars set forth the standard Federal cost principles for determining allowable costs. For example, the allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions in OMB Circular A-122, *Cost Principles for Nonprofit Organizations*. The allowability of costs incurred by education institutions is determined in accordance with the provisions in OMB Circular A-21, *Cost Principles for Education Institutions*. The [OMB Circulars](http://www.whitehouse.gov/omb/circulars/index.html) are available at <http://www.whitehouse.gov/omb/circulars/index.html>.

OMB also required Federal agencies that administer grants and cooperative agreements to State, local and Tribal governments to put the uniform standards into their respective regulations. The table below illustrates where in the Code of Federal Regulations (CFR) you may find the uniform management and financial standards for applicable programs by responsible department.

Program funds mean Federal funds. To the extent allowable under the applicable program's statutory and regulatory provisions, program funds also mean any State or local funds used to meet the Federal program's matching or cost-sharing requirement.

Department	Grants Management Common Rule (State & Local Government)	OMB Circular A-110 (Universities & Non Profit Organizations)
Agriculture	7 CFR 3016	7 CFR 3019
Commerce	15 CFR 24	15 CFR 14
Defense	32 CFR 33	32 CFR 32
Education	34 CFR 80	34 CFR 74
Energy	10 CFR 600	10 CFR 600
Health & Human Services	45 CFR 92	45 CFR 74
Housing & Urban Development	24 CFR 85	24 CFR 84
Interior	43 CFR 12	43 CR 12
Justice	28 CFR 66	28 CFR 70
Labor	29 CFR 97	29 CFR 95
State	22 CFR 135	22 CFR 145
Transportation	49 CFR 18	49 CFR 19
Treasury	--	--
Veterans Affairs	38 CFR 43	--

OMB established Title 2 of the CFR as the single location where the public can find both OMB guidance for grants and cooperative agreements (subtitle A) and the associated Federal agency implementing regulations (subtitle B). To date, the provisions of OMB Circular A-110 have been codified at 2 CFR Part 215; OMB Circular A-21 at 2 CFR Part 220; OMB Circular A-87 at 2 CFR Part 225; and, OMB Circular A-122 at 2 CFR Part 230. Once the consolidation project has been completed, title 2 of the CFR will serve as a "one stop-shop" for grant policies and governmental guidance on applicable financial principles and single audit policy.

None of the standard financial principles expressed in any of the OMB circulars or associated Federal agency implementing regulations preclude vehicle resource sharing, unless the Federal program's own statutory or regulatory provisions restrict or prohibit using program funds for transportation services. For example, one common financial rule states the following. "The grantee or sub grantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing that such use will not interfere with the work on the project or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate. Notwithstanding the encouragement to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute." ² Hence, this directive clearly signals Federal policy calling for multiple and full use of equipment purchased with grant funds. Grantees may even charge reasonable user fees to defray program costs. Program income includes income from fees for services performed and from the use or rental of real or personal property acquired with program grant funds. As a general matter, each program would use its share of the income in accordance with the program's regulations or the terms and conditions of the award.

In summary, allowability of costs is determined in accordance with applicable Federal program statutory and regulatory provisions and the cost principles in the OMB Circular that applies to the entity incurring the costs. Federal cost principles allow programs to share costs with other programs and organizations. Program costs must be reasonable, necessary, and allocable. Thus, vehicles and transportation resources may be shared among multiple programs, as long as each program pays its allocated (fair) share of costs in accordance with relative benefits received.

A limited number of Federal block grant programs are exempt from the provisions of the OMB uniform standards and the OMB cost principles circulars. Excluded programs in the U.S. Department of Health and Human Services include the Community Services Block Grant program, the Social Services Block Grant program, the Community Mental Health Services Block Grant program, and the Substance Abuse Prevention and Treatment Block Grant program. The State Community Development Block Grant program under the U.S. Department of Housing and Urban Development (HUD) is also an excluded program. State fiscal policies apply to grantees and their subrecipients under these programs. Unless Federal law or any applicable implementing program regulations restrict or prohibit the use of Federal program funds for transportation services, we believe that it is unlikely that a State's fiscal policies would impede vehicle sharing.

Of course, all recipients (e.g., grantees, subgrantees and subrecipients) of Federal program funds must use the funds in ways that meet all applicable programmatic requirements, together with any limitations, restrictions, or prohibitions.

Possibilities for Meeting Transportation Needs:

- Partner with other program agencies. For example, a program serving the aging population owns and operates shuttle buses that provide transit services for senior citizens in several rural communities. The agency partnered with other programs to expand service to provide transportation for persons with disabilities working in community rehabilitation programs (CRPs), to provide transportation to key employment locations, and to provide Medicaid non-emergency medical transportation. This was done via a cost-sharing arrangement.
- Maximize use. For example, a for-profit organization receiving Federal Head Start funds purchased specially equipped buses to transport children to and from their Head Start facility. Generally, the buses are only used during specific hours of the day. During the idle periods (including evenings and week-ends), the organization rents the vehicles to another program serving seniors and persons with disabilities to provide transportation for recreational events, and personal needs (e.g., grocery shopping, hair dresser, medical appointments). The rental contract includes payment for extra costs incurred, such as expanded insurance coverage and additional fuel expenses. While this extra service is not allowable with Head Start funds, the income generated by the use of the buses during idle periods may be viewed as incidental to the primary use of the buses, as long as such use does not interfere with regular Head Start transportation services.

Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Tribal Governments, in the regulations shown in column two of the above table. For example, these provisions appear in the Department of Agriculture's regulation at 7 CFR 3016.32 and in the Department of Health and Human Services' regulation at 45 CFR 92.32. These provisions also appear in the Uniform Administrative Requirements for Grants and Agreements with Institution of Higher Education, Hospitals, and Other Non Profit Organizations (OMB Circular A-110) at 2 CFR 215.34.

- Pool resources. For example, a community action and economic development agency, another non-profit organization, and a community mental health center receiving Community Service Block Grant funds, Community Development Block Grant funds, Social Service Block Grant funds, Community Mental Health Block Grant funds and/or Substance Abuse Prevention and Treatment Block Grant funds teamed up with the State agency that administers the Temporary Assistance for Needy Families (TANF) program and the State's Labor Department. Each funding source provided an allocable amount of seed money to start a shuttle operation service in the local service areas with high unemployment and no public transportation services. Each funding source also pays its fair share of allowable ongoing costs in accordance with the benefit received by each party. The operation is based on fixed routes that connect individuals to job and training sites, outpatient mental health services, and substance abuse treatment and counseling services in the area. The operation also provides a feeder service to connect clientele to public transportation that goes into the downtown area.
- Partner with non-profit or other community organizations. For example, several agencies contracted with a local organization that operates a van service to provide door-to-door service for their clientele, transporting them to key places in the area. Such places include hospitals and other medical facilities, child care centers, senior citizen centers, selected employment sites, and prisons for family visitation purposes.
- Engage the business community. For example, various programs within the State's transportation department, labor department, the TANF agency, and agencies that provide community health care and assistance for the aged worked with employers in the area to contribute to the expansion of a local transportation system. The private system provides shuttle service to selected employment sites and curb-to-curb services to CRCs, senior citizen centers, retail centers, community health centers or substance abuse treatment and counseling centers, hospitals and other locations. The service is sustained through a fare-based system, with each agency benefiting from the expanded service subsidizing an allocable portion of the fares for their clientele. This service helps participating employers and their family members, as well as job seekers, dislocated workers, current employees and their family members to have access to a range of services and opportunities.
- Facilitate car-pooling. For example, a local Workforce Investment Board identified clientele with reliable cars living in various locales that they pay to pick-up other people in their area going to the same employment or training site. Participating riders pay a fare to ride. The State's TANF agency and the State's Office for the Aging also participate in the carpooling activity by defraying a portion of the fare for their riders. These other agencies also help to expand the available cars in different locales by paying for necessary car repairs and insurance cost for their share of participants.
- Arrange ride sharing. For example, an agency that receives program funds to assist elderly individuals purchased a van to transport their clientele to medical services and other destinations. Other program agencies worked out a financial agreement with this agency to pick up their clients living in the same neighborhoods and take them to and from destinations along the van's route.

- Earn income: For example, the State's Department of Transportation noticed that some of the shuttle buses that they own have been underutilized. The Department of Transportation used three of those shuttle buses to launch a fixed bus route service in areas of the State lacking access to adequate transportation to shopping, work, school, training, medical services, and other daily needs. The bus service is open to the public and fares are charged. Other State agencies, such as the Department of Human Services entered into a Memorandum of Agreement to provide program funds to the Department of Transportation for applicable fare costs for their respective clientele benefiting from the service. The income generated could be used to defray operating costs or for other program purposes, in accordance with the applicable program and administrative rules.

Programs Covered:

The following Federal programs generally allow program funds to be used for transportation services. Nevertheless, you should still check with your program liaison as needed, to determine whether the particular service you would like to provide would be an allowable use of funds. For example, under HUD's Community Block Grant Program, funds may be used to pay for certain transportation services (e.g., fares), but not others (e.g., personal auto repair costs or personal auto insurance).

Department of Transportation

DOT/Federal Transit Administration (FTA)/Capital Improvement
DOT/FTA/Elderly and Persons with Disabilities
DOT/FTA/Job Access Reverse Commute
DOT/FTA/New Freedom
DOT/FTA/Non-Urbanized Formula (Rural)
DOT/Urbanized Formula

Department of Education

ED/Assistance for Education of All Children with Disabilities (Individuals with Disabilities Education Act)

Department of Health and Human Services -Administration for Children and Families (ACF)

HHS - ACF/Community Services Block Grant Program
HHS - ACF/Head Start
HHS - ACF/Social Services Block Grants
HHS - ACF/State Councils on Developmental Disabilities and Protection & Advocacy Systems
HHS - ACF/Temporary Assistance for Needy Families
HHS - ACF/Promoting Safe and Stable Families Program
HHS - ACF/Development Disabilities Project of National Significance
HHS - ACF/Refugee and Entrant Assistance Discretionary Grants
HHS - ACF/Refugee and Entrant Assistance State Administered Programs
HHS - ACF/Refugee and Entrant Assistance Targeted Assistance
HHS - ACF/Refugee and Entrant Assistance Voluntary Agency Programs

HHS-Administration on Aging

HHS - Administration on Aging (AoA)/Grants for Supportive Services and Senior Centers

HHS - AoA/Programs for American Indian, Alaskan Native, and Native Hawaiian Elders

HHS- Centers for Medicare and Medicaid (CMS)

HHS - CMS/Medicaid

HHS - CMS/State Children's Health Insurance Program

HHS - Health Resources and Services Administration (HRSA)

HHS - HRSA/ Community Health Centers

HHS - HRSA/Healthy Communities Program

HHS - HRSA/HIV Care Formula

HHS - HRSA/Rural Health Care Network

HHS - HRSA/Rural Health Care Outreach Program

HHS - HRSA/Healthy Start Initiative

HHS - HRSA/Maternal and Child Services Grants

HHS - HRSA/Ryan White CARE Act Programs

HHS - Substance Abuse Mental Health Services Administration (SAMHSA)

HHS - SAMHSA/ Community Mental Health Services Block Grant

Department of Housing and Urban Development (HUD), Office of Community Planning and Development (OCPD)

HUD - OCPD/Community Development Block Grant

HUD - OCPD/ Housing Opportunities for Persons with AIDS

HUD - OCPD/Supportive Housing Program

Any other Federal program that allows funds to be used for transportation services.