



May 2017

PUBLIC TRANSIT

Information on Job Access and Reverse Commute Activities after 2012 Statutory Changes

Accessible Version

GAO Highlights

Highlights of GAO-17-483, a report to congressional committees

Why GAO Did This Study

Established in 1998, the JARC program, which was administered by FTA, provided grants to states and localities for improving the mobility of low-income individuals to and from jobs and employment-related activities. In 2005, statute changed JARC into a formula program with dedicated funds apportioned by FTA. Then in 2012, MAP-21 repealed and consolidated the JARC program. However, activities previously funded through the JARC program are still eligible for funding through other programs administered by FTA.

The Fixing America's Surface Transportation Act included a provision for GAO to examine the impact of changes that MAP-21 had on public transportation. This report examines: (1) how FTA communicated the 2012 statutory changes to JARC activities to transit providers and (2) whether and how selected states and transit providers have continued to fund and provide JARC activities since the 2012 statutory changes. GAO reviewed FTA program guidance. GAO interviewed FTA officials and 34 selected recipients of JARC funding, including transportation officials and transit providers, from six states (Arizona, Michigan, Mississippi, Oregon, Texas, and Virginia). GAO judgmentally selected these JARC recipients for interviews to represent diverse geographic locations, including large-urban, small-urban, and rural funding areas within each state, among other factors.

GAO provided a draft of this report to DOT for comment. DOT had no comment on this report.

View GAO-17-483. For more information, contact Mark Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

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What GAO Found

The Federal Transit Administration (FTA) communicated changes that Moving Ahead for Progress in the 21st Century Act (MAP-21) made to public transportation programs, including the Job Access and Reverse Commute (JARC) program, to designated recipients through program guidance and outreach. For example, in an October 2012 *Federal Register* notice, FTA addressed the consolidation of the JARC program and its eligible activities (JARC activities) into the existing Urbanized Area Formula Program (urban transit program) and the Formula Grants for Rural Areas Program (rural transit program). Additionally, in 2014, FTA issued final guidance on JARC activities allowed under the urban and rural transit programs. In addition to written guidance, FTA officials offered webinars and made staff available via in-person meetings, calls, and e-mail messages to answer any questions or concerns about the 2012 program change. Of the 34 selected JARC recipients (selected recipients) GAO interviewed, most (22) stated that they found the guidance provided to them, either by FTA directly or by other means, to be sufficient and effective in communicating program changes.

Most of the selected recipients we interviewed (30 of 34) said that they have continued to provide some level of JARC activities after the 2012 statutory changes. Selected recipients cited several reasons why they continue—or plan to continue—providing JARC activities, including:

- recipients still have remaining dedicated JARC funds,
- overall federal transit formula amounts were unchanged, and
- JARC activities have already been integrated into existing transit services.

The 34 selected recipients GAO interviewed also identified an array of challenges in continuing their JARC activities. All but one of the selected recipients specified funding challenges related to MAP-21 changes. In particular, 21 selected recipients reported JARC activities had difficulty competing against other public services, including transit services, for funds, and 17 reported year-to-year funding allocations for continued JARC activities could change. In addition, 25 selected recipients specified service challenges linked to the location of low-income housing and employment centers. GAO found that it is too soon to determine the full impact of the statutory changes on JARC activities. This finding is in part due to the number of grant recipients and subrecipients still spending dedicated funds apportioned before the 2012 statutory changes. Half of the 34 selected recipients GAO interviewed reported that they were still spending dedicated JARC funds, and recent FTA data indicate that as of February 2017, there were approximately 265 active program grants funding JARC activities. Officials from 7 of the 17 selected recipients that have already expended all of their JARC program funding stated that they are uncertain whether or not they will be able to obtain long-term funding to continue to support JARC activities into future years.

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Abbreviations

DOT	U.S. Department of Transportation
FAST Act	Fixing America's Surface Transportation Act
FTA	Federal Transit Administration
JARC	Job Access and Reverse Commute
MAP-21	Moving Ahead for Progress in the 21st Century Act
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act—A Legacy for Users of 2005
TANF	Temporary Assistance for Needy Families
TEA-21	Transportation Equity Act for the 21st Century of 1998
TriMet	Tri-County Metropolitan Transportation District of Oregon

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U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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May 4, 2017

The Honorable Michael Crapo
Chairman
The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable Bill Shuster
Chairman
The Honorable Peter A. DeFazio
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

Access to transportation is critical for enabling low-income individuals to find and retain employment and attend to other life needs. To help provide this access, Congress established the Job Access and Reverse Commute (JARC) program in 1998.¹ Administered by the U.S. Department of Transportation's (DOT) Federal Transit Administration (FTA), the JARC program provided grants to states and localities to fill gaps in transportation services for low-income individuals needing access to jobs and related services, such as child care and training. JARC funds could also be used for public transportation activities designed to transport residents in both urbanized and rural areas to suburban employment opportunities regardless of income.² In 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21)³ made a number of changes to public transportation programs, including repealing and consolidating the JARC program.⁴ However, activities previously funded through the JARC program are still eligible for funding through other

¹ Pub. L. No. 105-178 § 3037, 112 Stat. 107, 387 (1998).

² An urbanized area is an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census. Rural areas have populations of less than 50,000.

³ Pub. L. No 112-141 § 20002(a), 126 Stat. 405. 622 (2012).

⁴ When we use JARC program in this report, we are referring to the funds apportioned and grant projects started under JARC prior to the 2012 statutory changes.

programs administered by FTA. Since this change, questions have been raised about the impacts of the program's consolidation on funding recipients, and any effects it has had on transit services targeting low-income users.

The Fixing America's Surface Transportation Act (FAST Act) included a provision for us to analyze and evaluate possible impacts of changes made to public transportation activities under MAP-21 on low-income riders.⁵ This report examines (1) how FTA communicated the 2012 statutory changes to JARC activities to transit providers and (2) whether and how selected states and transit providers have continued to fund and provide JARC activities since the 2012 statutory changes.

To determine how FTA communicated the MAP-21 changes to the JARC program we reviewed FTA program guidance, including a federal register publication and applicable program circulars. We also interviewed FTA officials and representatives of relevant stakeholder groups, such as the Community Transportation Association of America, American Association of State Highway and Transportation Officials, and the National Rural Transit Assistance Program. To determine the current status of JARC program activities that started before the 2012 statutory changes, we reviewed fiscal year 2009 through 2012 funding information on program apportionments, and FTA program information about ongoing JARC activities as of February 2017.⁶

To answer both objectives, we interviewed a total of 34 entities from six states (Arizona, Michigan, Mississippi, Oregon, Texas, and Virginia).⁷ This population included officials from the 6 selected state transportation agencies, as well as 13 selected large-urban JARC program's designated recipients and 15 subrecipients, which consisted of local transit agencies and nonprofit organizations, among others.⁸ We selected states and

⁵ Pub.L. No.114-94, § 3027,129 Stat. 1312, 1495 (2015).

⁶ When we use the term JARC activities in this report, we are referring to all eligible JARC projects, programs, and services previously funded under the dedicated JARC program, which have since been consolidated into other existing FTA funding streams.

⁷ See appendix I for a table listing all 34 selected JARC recipients we interviewed.

⁸ A designated recipient is a state or local entity that has been designated to administer and distribute JARC funds to local agencies and subrecipient agencies. Subrecipients of JARC funds could be local transit agencies, non-profit organizations, or local government authorities that received JARC funds for eligible activities.

JARC recipient agencies to interview to include a range of geographic locations, states that received large amounts of JARC program funds, as well as states that received smaller JARC funding amounts. We also reviewed a list provided by FTA of ongoing JARC program activities funded prior to the MAP-21 statutory changes to assist in our selection. All selected recipients we interviewed had received dedicated JARC program funds and were either actively administering, or had recently completed, their eligible JARC grant activities. We developed interview question sets to use with designated recipients and subrecipients. We then analyzed responses from our interview question set with the 34 selected JARC recipients (selected recipients). To conduct this analysis, we established high-level categories of responses, and reviewed the recipients' answers to interview questions to determine any common themes in selected recipient responses, and quantify those responses. One analyst conducted the categorization of responses, and a second analyst reviewed this analysis. Results of this analysis are not generalizable.

We conducted this performance audit from April 2016 to May 2017 in accordance with the generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

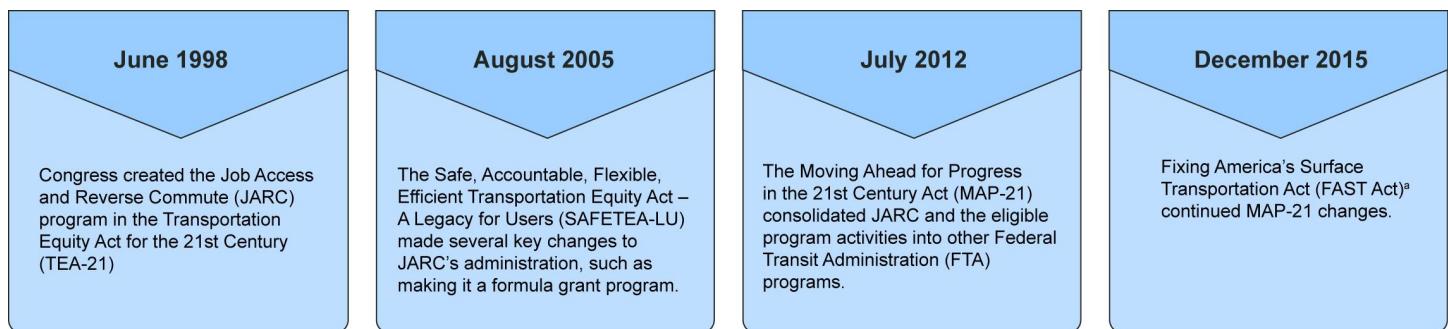
Public transportation provides many groups with wide-ranging benefits. Those served include transportation disadvantaged populations, such as "low-income individuals".⁹ Congress created the JARC program in the 1998 Transportation Equity Act for the 21st Century (TEA-21) to support national welfare-reform goals,¹⁰ including helping adults meet new work

⁹ The term "low-income individual" is defined in an FTA circular as an individual whose family income is at or below 150 percent of the poverty line, as defined in Section 673(2) of the Community Services Block Grant Act Pub. L. No. 97-35, § 673, 95 Stat. 357, 512 (1981) as amended by Pub. L. No. 105-285, § 201, 112 Stat. 2729 (1998), codified at 42 U.S.C. § 9902(2), including any revision required by that Section, for a family of the size involved.

¹⁰ Pub. L. No. 105-178, § 3037, 112 Stat. 197, 387 (1998)

requirements to receive federal assistance.¹¹ A purpose of the program was to improve low-income individuals' ability to access jobs and job-related needs by providing grants to states and localities for the provision of additional or expanded transportation services. Under TEA-21, JARC was a discretionary program, with projects selected by FTA for funding through a competitive process or congressionally designated for funding. Figure 1 provides a timeline of subsequent surface transportation authorizations that affected the program.

Figure 1: Job Access and Reverse Commute (JARC) Authorization Timeline



Source: GAO analysis of FTA documentation and guidance. | GAO-17-483

^aThe FAST Act is the current surface transportation authorization.

In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act —A Legacy for Users (SAFETEA-LU) changed JARC into a formula program.¹² FTA apportioned dedicated program funds to states for projects in small urbanized and rural areas, and to large urbanized areas, based on a statutory formula. State transportation agencies were required to be JARC designated recipients for small urbanized and rural areas. Designated recipients for large urbanized areas include major transit

¹¹ The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, 110 Stat. 2105 (1996) substantially changed the system for providing assistance to low-income families with children by replacing existing entitlement programs with a fixed block grant to states to provide Temporary Assistance for Needy Families (TANF). Among other things, TANF imposed a work requirement for adults.

¹² For more details on the SAFETEA-LU changes to JARC see GAO, *Federal Transit Administration: Progress Made in Implementing Changes to the Job Access Program, but Evaluation and Oversight Processes Need Improvement*, GAO-07-43 (Washington, D.C.: Nov.17, 2006).

agencies and metropolitan planning organizations.¹³ SAFETEA-LU also required that designated recipients develop and conduct a competitive selection process for their projects, and competitively allocate funds to subrecipients. After projects were selected, designated recipients had to apply to FTA to fund the projects. FTA awarded grants to designated recipients and funds were obligated at the time of award. Figure 2 below provides an overview of the JARC grants process under SAFETEA-LU. Program-eligible activities included, among others: late-night and weekend transit service, expansion of fixed-route public transit routes (e.g., bus routes), ride-sharing activities, local car loan programs, or capital expenditures such as vehicle purchases to support a transit service.¹⁴ In fiscal year 2012, the last year before the program was consolidated, FTA apportioned approximately \$176.5 million to urbanized and rural areas. Funds were available for obligation for 3 years from the time of apportionment. JARC funds remain subject to the program requirements that were in place at the time the funds were apportioned.

¹³ Small urbanized areas as used in the context of FTA formula grant programs are urbanized areas with a population of at least 50,000 but less than 200,000. Rural area is any area outside of an urbanized area where the population is under 50,000. Large urbanized areas as used in the context of FTA formula grant programs are urbanized areas with a population of 200,000 or more.

¹⁴ For a complete listing of eligible JARC activities under SAFETEA-LU, see Appendix II in GAO, *Job Access and Reverse Commute Program: Progress Made in Using Funds and Stakeholder Views on Proposed Program Changes*, GAO-11-518 (Washington, D.C.: May 26, 2011).

Figure 2: Dedicated Job Access and Reverse Commute (JARC) Grant Process under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)

Job Access and Reverse Commute (JARC) Program	<ul style="list-style-type: none"> State governors and other designated recipients for large urbanized areas, while federal requirements determine designated recipients for other areas Federal Transit Administration (FTA) would apportion funds to designated JARC recipients. 	
Designated recipients^a	Large Urbanized Areas JARC designated recipients were determined by the state governor and others, and included local transit providers and regional planning agencies, among other entities. These designated recipients could either use JARC program grants to support their own activities or disburse the funds to eligible subrecipients through a competitive selection process.	Small Urbanized and Rural Areas State-level transportation agencies were required to serve as designated JARC grant recipients for activities in small urbanized and rural areas. These designated recipients disbursed grants to subrecipients through a competitive selection process.
Subrecipients^b	JARC activities in large urbanized areas were required to be included in their region's Metropolitan Transportation Plan, their area's Transportation Improvement Program, and their state's Statewide Transportation Improvement Program.	Planning requirements for JARC activities in small urbanized areas were the same as those for activities in large urban areas. JARC activities outside urbanized areas had to be included in, or be consistent with, their state's long-range transportation plan and were required to be included in their state's Statewide Transportation Improvement Program.

Source: GAO analysis of FTA documentation and guidance. | GAO-17-483

In 2012, the JARC program was one of several FTA grant programs that MAP-21 changed or did not renew. Specifically, the statute consolidated eligible JARC activities into the existing Urbanized Area Formula Program (urban transit program) and Formula Grants for Rural Areas Program (rural transit program). Eligible activities of the consolidated urban and rural transit programs are as follows.

- Urban transit program:** In addition to providing funds for eligible JARC activities in urbanized areas, this program provides funds for activities including: (1) planning, certain operating costs, engineering, design, and evaluation of transit projects and other technical transportation-related studies; (2) capital investments in bus and bus-related activities; and (3) capital investments in new and existing fixed-guideway systems including, but not limited to, rolling stock, overhauling and rebuilding of vehicles, and communications.

-
- **Rural transit program:** In addition to providing funds for eligible JARC activities in rural areas, this program provides funds for activities including: (1) planning; (2) capital expenses for the acquisition of buses and vans or other paratransit vehicles; (3) preventive maintenance, vehicle rehabilitation, remanufacture, or overhaul; and (4) operating expenses directly related to system operations

We have previously noted that consolidation was seen as a means of continuing the goals of the program while offering greater efficiency and flexibility, including decreasing administrative burdens, to recipients.¹⁵

FTA Issued Guidance and Conducted Outreach to Communicate That JARC Activities Remain Eligible for Federal Funding

FTA communicated changes that MAP-21 made to public transportation programs, including the JARC program, to designated recipients through program guidance and outreach. Initially, FTA issued a *Federal Register* notice regarding FTA transit program changes in October 2012.¹⁶ The notice provided interim guidance and emphasized that under MAP-21, activities that were funded through the former JARC program are eligible under the urban transit program and the rural transit program. The notice also stated that there is no set-aside or spending cap on JARC activities.

After the 2012 consolidation, DOT applied all of the JARC eligibility requirements and existing activities in the urban transit program and rural transit program. For example, FTA officials explained that they incorporated a unique aspect of grantee eligibility under the JARC program—the eligibility of private nonprofit organizations as sub-recipients—in the urban transit program.¹⁷ FTA issued circulars with the final MAP-21 program guidance in 2014.¹⁸ The circulars reiterated that

¹⁵ GAO-11-518.

¹⁶ Notice 77 Fed. Reg. 63,670 (Oct. 16, 2012).

¹⁷ For the rural program, private nonprofit organizations were eligible sub-recipients for FTA funds prior to MAP-21 changes.

¹⁸ FTA Circular 9030.1E *Urbanized Area Formula Program: Program Guidance And Application Instructions* and FTA Circular 9040.1G *Formula Grants For Rural Areas: Program Guidance And Application Instructions*.

there is no limit to the amount of allocated and unobligated formula funds that can be used for JARC activities until Congress rescinds or redirects the funds to other programs, and outlined the eligibility requirements for these activities.

As part of its outreach to funding recipients, FTA held webinars highlighting new and consolidated programs under MAP-21, and the JARC program was among the programs covered. Additionally, FTA officials stated that headquarters and regional FTA officials made themselves available through conferences, or other means such as telephone calls or e-mail, to answer questions or concerns regarding the consolidation and its potential impacts on JARC activities. Selected recipients we spoke with said they found out about changes to the JARC program through FTA webinars or designated JARC recipients.

- Of the 19 selected designated recipients we interviewed, a majority (12 of 19) said they found out about the JARC consolidation primarily through webinars and FTA's summer 2012 conference.¹⁹ Some also reported they viewed their contact with FTA officials as a useful resource as they navigated the program changes. For example, an official with the Texas Department of Transportation said he found FTA staff to be the most important resource during program changes, because the staff was available for questions and feedback. Furthermore, this official told us that his agency had meetings twice a year with subrecipients, and FTA staff joined those meetings to assist in answering a range of questions or concerns, including those on JARC activities, from subrecipients.
- Of the 15 selected subrecipients we interviewed, about half (7) reported finding out about the JARC program changes through their state's transportation agency or other designated recipient. For example, an official with a Mississippi subrecipient said it found out about the JARC consolidation and its implications at the annual workshop held by the Mississippi Department of Transportation to assist agencies with grant applications. In Arizona, an official with a selected subrecipient said he learned about the JARC program changes through its metropolitan planning organization's committee meeting.

¹⁹ The 19 selected designated recipients we interviewed consist of 6 state DOTs and 13 non-state DOT organizations, such as local transit agencies and metropolitan planning organizations.

Of the 34 total selected recipients we interviewed, 22 stated they found the guidance provided to them, either from FTA directly or through their respective designated recipients, to be sufficient and effective in communicating program changes.²⁰ For example, an official from a designated recipient in Mississippi who characterized FTA's communications as effective noted that the information was readily available, but that it was primarily up to recipients to read the guidance and follow up with FTA on any questions or concerns. An official from a selected subrecipient in Virginia said that the state's communication regarding the MAP-21 program changes was good and that FTA's written resources also provided useful details on the changes.

Selected Recipients Continue to Provide JARC Activities, but the Full Impact of Statutory Changes Is Unclear

Almost all (30 of 34) selected recipients reported that they have continued providing JARC activities, such as transportation services, that were started prior to the 2012 MAP-21 consolidation.²¹ About two-thirds (22) of the selected recipients we interviewed have maintained all such activities. Officials from half of the selected recipients (17) reported that they still are expending dedicated JARC program funds received prior to the 2012 statutory changes to support their ongoing JARC activities, and that they plan to continue using those funds until they are depleted.²² Further, all selected recipients reported that they have had to address, or anticipate having to address, service or funding challenges in order to continue their JARC activities. Despite reported challenges, all selected recipients except one reported they are working to maintain their JARC activities, including service hour expansions and commuter bus routes. Some selected recipients reported that it is too soon to tell whether they will

²⁰ Of the remaining 12 agencies we interviewed, 9 either had no response or could not provide an answer about the 2012 transition period. The remaining 3 agencies said the level of detail in the guidance was not sufficient to meet their needs during the transition.

²¹ The remaining 4 recipients used dedicated JARC funds for activities that they have completed, such as capital expenditures for vehicles, or transit pilot programs that the MAP-21 consolidation did not affect.

²² As noted above, under SAFETEA-LU funding remained available for obligation for 3 years from the time of apportionment for eligible JARC activities, but there was no time limit on when the funds had to be fully expended.

need to make additional adjustments to their JARC activities in the future because of possible year-to-year funding challenges.

Selected Recipients Stated That to Date, They Have Continued Funding and Providing JARC Activities

Of the 34 selected recipients we interviewed, 30 had continued JARC activities, such as ongoing transit service, started prior to the MAP-21 changes. These selected recipients reported that they have maintained some level of JARC activities using a number of funding sources, including urban or rural transit program funds and remaining JARC program funds. Specifically, about two-thirds of selected recipients (22 of 34) reported continuing all of their previous JARC activities to date, and just under one-quarter (8 of 34) said they continue to provide downsized or redesigned JARC activities. The remaining 4 selected recipients had used their JARC program funds to complete short-term activities, such as capital expenditures for vehicles or pilot transit programs, which were not affected by the MAP-21 changes.

Through analysis of our interviews with selected recipients, we identified a number of reasons recipients have been able to continue JARC activities after the MAP-21 program changes. These reasons include the following:

- **Remaining dedicated JARC funds:** Seventeen of the 34 recipients reported that they have not yet expended all of their dedicated funds and continue to use them to fund JARC activities. Officials from 5 selected recipients reported that when MAP-21 was implemented in 2012, they started planning their expenditure of remaining dedicated funds to sustain existing JARC activities into future years.²³ For example, officials at Texas Department of Transportation, a selected designated recipient, reported redistributing dedicated funds that their subrecipients had not expended in a timely manner to other eligible subrecipients' ongoing JARC activities. Those funds were fully expended in August 2016. Additionally, in Oregon, officials from Tri-County Metropolitan Transportation District of Oregon (TriMet), a selected designated recipient, said they distributed remaining dedicated JARC funds to subrecipients, which used this funding in

²³ Three of these five selected JARC recipients reported they still had JARC funds remaining at the time we interviewed them.

combination with local funds to maintain their transit services connecting residential neighborhoods and employment centers to longer or more heavily used transit routes. The officials said they expect to close out their final dedicated program grant in June 2017.

- **Overall federal transit formula funding amounts were unchanged:** None of the 19 selected designated recipients we interviewed reported a significant overall change to their annual FTA formula funding allocations attributable to the statutory changes. In addition, five of those designated recipients noted that the changes led to overall benefits, including reduced administrative burden and increased spending flexibility of federal funds. For example, officials from Maricopa Association of Governments, a selected designated recipient in Arizona, explained that they were able to re-evaluate ongoing service and capital needs and reallocate some unused funds (in this case, urban transit program funds that they had initially chosen to set aside for JARC activities) to undertake bus stop capital upgrades. According to the officials, the reallocation had no impact on their subrecipients' JARC activities, and the added funding flexibility was beneficial to the region's transit system as a whole.
- **JARC activities integrated into existing transit services:** Half of selected recipients (17 of 34) reported that their JARC program funded activities fulfilled a variety of citizens' transportation needs, encouraging the providers to continue those JARC activities using alternate funding sources after the 2012 statutory changes. For example, officials with Ride Connection, a selected Oregon subrecipient, stated that their ongoing JARC transit service has become an important transportation option serving the broader community with trips to schools and grocery stores, in addition to job centers. A dedicated program grant currently funds this service, but officials we spoke with said they are actively seeking alternate funds to maintain it. Additionally, officials with Blue Water Area Transit, a selected Michigan subrecipient, told us that late-night bus service initially funded under the JARC program has become popular with a wider population, helping increase ridership on their other transit services. Due to the ridership increase, officials reported that the agency is able to cover a greater portion of operating expenses using revenue from fares, providing an overall benefit to the system. Four of the recipients we selected provide transit service in university communities. Those transit officials said that students, faculty, and other campus employees make up a large portion of transit riders in their jurisdictions. This customer base creates demand for expanded transit service hours, like extended weekday hours of operation and weekend service, which JARC program grants had previously funded.

These selected recipients all reported that they now receive dedicated local transit funding from the university or surrounding jurisdiction to maintain these services.

- **Importance of JARC activities to the community:** Officials from just over one-third of selected recipients we interviewed (12 of 34) stated that transportation for low-income workers is a high priority in their communities, and they are willing to seek out additional funds in order to sustain JARC activities.²⁴ For example, TriMet reported receiving political support from its regional business community for transit access to low-wage employment centers, particularly during off-peak hours such as evenings and weekends when transit service can be limited. TriMet officials explained that their transit system attracts relatively high interest from employers because their main local funding source is a payroll tax. Additionally, officials with Flint Mass Transportation Authority, a selected Michigan designated recipient, reported that limited job availability in their metropolitan area creates a high demand for JARC commuter bus routes that service employment centers in other jurisdictions. According to the officials, the funding needs of their commuter service limit the amount of funding available for other needs such as capital purchases.

Officials from the eight selected recipients said they continue to provide downsized or redesigned JARC activities, service modifications or other changes that have enabled them to maintain a level of JARC activities to help meet low-income riders' needs. Reported adjustments fell into three categories:

- **Realigning service and funding:** Two selected recipients reported redesigning their JARC activities. Lower Rio Grande Valley Development Council, a selected designated recipient in Texas, reported realigning one 50-mile long JARC funded route into three separate routes to more efficiently meet rider needs. These bus routes serve affordable housing projects in rural areas—locations that, according to officials, had limited transit options before the service began—and job centers in urban areas such as industrial parks and universities. Additionally, officials with Suburban Mobility Authority for Regional Transportation, a selected Michigan designated recipient, reported that one of their subrecipients, a nonprofit transit provider, adjusted service on a JARC funded demand response bus service to

²⁴ The remaining 22 selected recipients we interviewed did not discuss how, if at all, the importance of the JARC activities affected their abilities to continue them after consolidation.

better align it with community needs and funding sources.²⁵ The officials said the service primarily served elderly and disabled riders; after fully expending dedicated JARC funds, the officials have used funds from FTA's Enhanced Mobility of Seniors and Persons with Disabilities program to maintain the service.²⁶ However, they also said that as a result of this funding change, the service's target ridership now focuses exclusively on seniors and persons with disabilities in order to comply with program requirements.

- **Adjusting service hours or frequencies:** Two selected recipients informed us that they were unable to sustain all activities started with JARC program grants, but have adjusted service hours and frequencies to allow them to continue some such activities after the program changes. Officials with the Oregon Department of Transportation, a selected designated recipient, reported that a number of their subrecipients that provide transit service used dedicated JARC program grants to fund enhancements such as expanded service hours, more extensive service areas, and increased bus frequencies. After the statutory changes, some of Oregon Department of Transportation's subrecipients had to partially cut back their transit service enhancements, but aspects of the enhancements remain. More specifically, officials said that one of their subrecipients maintained 2 of the 4 hours of enhanced bus service, but eliminated the 8 p.m. to 10 p.m. window after the JARC funds ran out. Blacksburg Transit, a selected Virginia subrecipient, reported reducing service on a JARC commuter bus route from two round trips per day to one daily round trip, which it said allowed them to fulfill a community need while reducing the cost of the service.
- **Discontinuing select low-ridership JARC activities:** Officials with 4 selected recipients explained that they discontinued some JARC activities with limited ridership.²⁷ According to these recipients, they

²⁵ Demand response transit service is any non-fixed route system transporting individuals and requiring advanced scheduling by the customer. The vehicles typically do not operate over a fixed route or on a fixed schedule, can be dispatched to pick up several passengers at different pick-up points before taking them to their respective destinations, and can deviate to pick up or drop off other passengers en route to those destinations.

²⁶ The Enhanced Mobility for Seniors and Individuals with Disabilities program, codified at 49 U.S.C. § 5310, provides formula funding to states to serve the special needs of transit-dependent populations beyond traditional public-transportation services. These funds can be used for capital, planning, and operations expenditures.

²⁷ These recipients started their JARC activities using funds apportioned prior to the MAP-21 consolidation.

have found ways to provide alternate services for transportation-disadvantaged individuals, including those commuting to low-wage jobs. For example, officials with Detroit Department of Transportation, a selected designated recipient in Michigan, reported discontinuing a demand response service after their dedicated JARC funding was expended. The officials explained that they used city resources to assist individuals that used the demand response service in finding more transit-accessible workplaces, and utilized federal and local funds to enhance existing fixed route bus service. Additionally, officials with Brownsville Metro, a selected subrecipient transit agency in Texas, reported that they discontinued one of their JARC bus routes when a local university that directly benefited from the service could no longer provide the required matching funds to maintain the route. However, a different JARC route funded through a partnership with a neighboring county continues operation.

Selected JARC Recipients Identified Some Ongoing Funding and Service Challenges, as well as Possible Methods for Addressing Challenges

Selected recipients reported facing service and funding challenges in continuing JARC activities after the statutory changes in 2012. FTA officials explained that low-income transit users may live or work in areas that are not adjacent to heavily-serviced transit areas, a situation that can make JARC activities more expensive to provide than other transit service. A majority of our selected recipients (25 of 34) reported service challenges due to factors such as location of housing or employment characteristics of low income individuals (e.g., working late-night hours or weekends). Additionally, officials with almost all selected recipients (33 of 34) reported facing challenges pertaining to funding. For example, many noted that they have had difficulty competing for funds against other public services. Table 1 below highlights some of the service and funding challenges our selected recipients identified, as well as examples of methods some selected recipients used to address these challenges.

Table 1: Selected Recipients Reported Challenges in Continuing the Goals of the Dedicated Job Access and Reverse Commute (JARC) Program

Challenge	GAO's summary of common issues selected recipients identified	Examples of methods used to address challenges
JARC service challenges	<ul style="list-style-type: none"> Low-income residential areas can be located far from job centers, locations that can make provision of transit between the two locations difficult. (21 recipients) Some low-income employment may require regularly working weekends, late nights, or early morning hours that do not always coincide with transit hours of operation. (12 recipients) 	<ul style="list-style-type: none"> Recipients in Arizona, Michigan, and Mississippi reported obtaining funds from employers served by commuter bus routes. Twenty-nine recipients reported continuing coordinated planning efforts to address service gaps and expend funds more efficiently.
JARC related funding challenges after 2012 statutory changes	<ul style="list-style-type: none"> JARC activities can have difficulty competing against other public services, including transit services, for funds. This can result in reduced overall competitive funding allocations from designated recipients to subrecipients, among other issues. (25 recipients) Year-to-year funding allocations for continued JARC activities can vary or be uncertain. (17 recipients) Regulatory changes affected how recipients can fund and manage JARC activities (8 recipients). 	<ul style="list-style-type: none"> Designated recipients in Arizona, Oregon, and Michigan reported setting aside a portion of their existing federal urban or rural transit program formula funds for JARC activities. Almost all recipients reported using public funds in addition to those from the urban and rural transit programs, including the Federal Transit Administration Enhanced Mobility of Seniors and Individuals with Disabilities program (6 recipients), state or local funds designated for transportation activities (10 recipients), and state or local general funds. (20 recipients)

Source: GAO analysis of interviews with selected JARC recipients. | GAO-17-483

Note: In addition to the funding challenges listed above, 11 of the 34 selected JARC recipients reported that other funding challenges, such as broader economic issues and population changes affecting their formula funds, occurred at about the same time as the Moving Ahead for Progress in the 21st Century Act program changes. As such, the recipients faced a challenge in funding transit service, including JARC activity continuation, but the issue was broader and less impacted by the statutory changes.

It Is Too Soon to Determine the Full Impact of Statutory Changes on JARC Activities

A substantial amount of dedicated JARC funds apportioned in 2012 and earlier under SAFETEA-LU remains unspent. According to FTA data, as of February 2017, there are approximately 265 federally funded JARC program grants accounting for about \$147.9 million still open with funds to expend. As noted earlier, half of our selected recipients reported that they have not yet expended all of their dedicated federal JARC funds.²⁸ For those with dedicated funding still available, they may not yet have faced

²⁸ The JARC program's funding amount is comprised of grants funded with JARC funds obligated in 2005 or later.

the decision of whether to continue to fund—or at what level to fund—eligible JARC activities under the urban or rural transit program, whether to fund other eligible activities under those programs, or whether to seek additional nonfederal funds to continue their eligible JARC activities.

Officials with nine of the selected recipients with dedicated funds remaining said they have not yet finalized plans for continuing their current JARC activities after the funds are expended and that they were not sure if the activities would be maintained as-is or be adjusted. For example, Sun Metro Mass Transit Department, a selected designated recipient in Texas, reported that it plans to re-evaluate eligibility requirements for its JARC activities and analyze its regional transit priorities before making a final future funding decision. Also, officials with RADAR Transit, a selected Virginia subrecipient, reported that they are working to educate regional government officials about the benefits of the current JARC activities in advance of dedicated funds being expended, but officials are not sure whether they will be able to obtain local funds to replace their expended monies. However, the remaining eight of the 17 selected recipients with dedicated funds remaining have developed plans to continue their JARC activities after spending all of the funds.²⁹

Officials from 7 of the 17 selected recipients that have already expended all of their dedicated funds stated that they are uncertain whether they will be able to obtain long-term funding to continue to support JARC activities into future years. For example, a selected subrecipient transit agency in Michigan reported that to date the state has provided funding in the annual budget to sustain its JARC activities. However, that funding is not guaranteed to continue beyond year to year. Officials with a selected Mississippi subrecipient nonprofit transportation provider explained that the funding amounts they receive from local jurisdictions for their rural JARC transit service can be inconsistent, making it challenging for them to cover the local portion of their operating expenditures. Also, officials with Charlottesville Area Transit, a selected Virginia subrecipient, explained that the level of local and state funding, which they currently use to help sustain expanded transit service hours started with a JARC program grant, could change in the future. According to the officials, at any time their jurisdiction could redirect municipal funds to non-transit activities such as the city's fire or police departments. Furthermore, these

²⁹ Methods these selected recipients developed to continue their JARC activities are included in Table 1.

officials reported that Virginia's state gas tax, which provides transit operating funds, is scheduled to sunset in 2019 and might not be renewed. However, all seven selected recipients that have expended their dedicated funds and face such uncertainty indicated that they are seeking sustained, long-term funding sources to help them continue JARC activities in the future.

Agency Comments

We provided a draft of this report to DOT for comment. DOT had no comments on this report.

We are sending copies of this report to the appropriate congressional committees, the Administrator of FTA, the Secretary of the Department of Transportation, and interested congressional committees. In addition, the report is available at no charge on GAO's Web site at <http://www.gao.gov>.

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



Mark L. Goldstein,
Director, Physical Infrastructure Issues

Appendix I: Selected Job Access and Reverse Commute (JARC) Designated Recipient and Subrecipient Interviews

Table 2: Selected Job Access and Reverse Commute (JARC) Designated Recipient and Subrecipient Interviews

State	Organization Name	Description	Recipient Type
Arizona	Arizona Department of Transportation	State transportation agency	Designated recipient
	Maricopa Association of Governments	Metropolitan planning organization	Designated recipient
	City of Tucson Transit Services Division	Local transit agency	Designated recipient
	Pima Association of Governments	Metropolitan planning organization	Subrecipient
	Glendale Urban Shuttle	Local transit agency	Subrecipient
Michigan	Michigan Department of Transportation	State transportation agency	Designated recipient
	Detroit Department of Transportation	Local transit agency	Designated recipient
	Suburban Mobility Authority for Regional Transportation	Local transit agency	Designated recipient
	Flint Mass Transportation Authority	Local transit agency	Designated recipient
	Blue Water Area Transit	Local transit agency	Subrecipient
	Two in Cities Area Transportation Authority	Local transit agency	Subrecipient
Mississippi	Mississippi Department of Transportation	State transportation agency	Designated recipient
	Coast Transit Authority	Local transit agency	Designated recipient
	DJ Transit, Inc.	Nonprofit organization	Subrecipient
	Climb-Up	Nonprofit organization	Subrecipient
Oregon	Oregon Department of Transportation	State transportation agency	Designated recipient
	Tri-County Metropolitan Transportation District of Oregon	Local transit agency	Designated recipient
	Lane Transit District	Local transit agency	Designated recipient
	Corvallis Transit System	Local transit agency	Subrecipient
	Ride Connection	Nonprofit organization	Subrecipient
	Swan Island Business Association	Nonprofit organization	Subrecipient
Texas	Texas Department of Transportation	State transportation agency	Designated recipient

**Appendix I: Selected Job Access and Reverse
Commute (JARC) Designated Recipient and
Subrecipient Interviews**

State	Organization Name	Description	Recipient Type
	Sun Metro Mass Transit Department	Local transit agency	Designated recipient
	Lower Rio Grande Valley Development Council	Metropolitan planning organization	Designated recipient
	Dallas Area Rapid Transit	Local transit agency	Designated recipient
	Brownsville Metro	Local transit agency	Subrecipient
	Sun City Cab Company	For-profit company	Subrecipient
Virginia	Virginia Department of Rail and Public Transportation	State transportation agency	Designated recipient
	Greater Richmond Transit Company	Local transit agency	Designated recipient
	Hampton Roads Transit	Local transit agency	Designated recipient
	Charlottesville Area Transit	Local transit agency	Subrecipient
	Blacksburg Transit	Local transit agency	Subrecipient
	RADAR Transit	Nonprofit organization	Subrecipient
	Human Kind	Nonprofit organization	Subrecipient

Source: GAO interviews with selected recipients. | GAO-17-483

Appendix II: GAO Contact and Staff Acknowledgements

GAO Contact

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Staff Acknowledgments

In addition to the individual named above, the following individuals made important contributions to this report: Heather MacLeod (Assistant Director), Betsey Ward-Jenks (Analyst-in-Charge), Dwayne Curry, Andrew Furillo, Delwen Jones, Elizabeth Wood, Rachel Frisk, Cheryl Peterson, and Max Sawicky.

Appendix III: Accessible Version

Data Tables

Data for Figure 1: Job Access and Reverse Commute (JARC) Authorization Timeline
June 1998

Congress created the Job Access and Reverse Commute (JARC) program in the Transportation Equity Act for the 21st Century (TEA-21)

August 2005

The Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) made several key changes to JARC's administration, such as making it a formula grant program.

July 2012

The Moving Ahead for Progress in the 21st Century Act (MAP-21) consolidated JARC and the eligible program activities into other Federal Transit Administration (FTA) programs.

December 2015

Fixing America's Surface Transportation Act (FAST Act) a continued MAP-21 changes.

Data for Figure 2: Dedicated Job Access and Reverse Commute (JARC) Grant Process under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)
Job Access and Reverse Commute (JARC) Program

- State governors and other designated recipients for large urbanized areas, while federal requirements determine designated recipients for other areas

-
- Federal Transit Administration (FTA) would apportion funds to designated JARC recipients.

Designated recipients^a

Large Urbanized Areas

JARC designated recipients were determined by the state governor and others, and included local transit providers and regional planning agencies, among other entities.

These designated recipients could either use JARC program grants to support their own activities or disburse the funds to eligible subrecipients through a competitive selection process.

Small Urbanized and Rural Areas

State-level transportation agencies were required to serve as designated JARC grant recipients for activities in small urbanized and rural areas.

These designated recipients disbursed grants to subrecipients through a competitive selection process.

Subrecipients^b

JARC activities in large urbanized areas were required to be included in their region's Metropolitan Transportation Plan, their area's Transportation Improvement Program, and their state's Statewide Transportation Improvement Program.

Planning requirements for JARC activities in small urbanized areas were the same as those for activities in large urban areas.

JARC activities outside urbanized areas had to be included in, or be consistent with, their state's long-range transportation plan and were required to be included in their state's Statewide Transportation Improvement Program.

Source: GAO analysis of FTA documentation and guidance. | GAO-17-483

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