

REPORT TO THE LEGISLATURE

Comprehensive Study of the WorkFirst Transportation Pilot

ESHB 1109, Section 205(11)

November 1, 2020

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Executive Summary

The 2019–2021 Operating Budget required that DSHS conduct a comprehensive study of the WorkFirst transportation pilot and submit a report by November 1, 2020. The report requirements include a cost benefit analysis of the pilot including the total cost since implementation, total clients served, and impacts of the pilot.

In June 2019, the Department’s Research and Data Analysis (RDA) Division was commissioned to produce two reports on Transportation Initiative pilot outcomes. This report relies on the RDA reports; especially for data analysis, graphs, and tables where appropriate.

Statutory Requirement

[Chapter 415, Laws of 2019 Section 205\(11\)](#) requires the report on a comprehensive study of the WorkFirst transportation pilot to include the following:

1. A cost benefit analysis of the transportation pilot;
2. Total annual cost of the pilot since implementation;
3. Total annual number of clients accessing transportation services through the pilot;
4. Impacts to sanctions and the participation rate;
5. Employment outcomes;
6. Caseload impacts;
7. Department recommendations;
8. Lessons learned.

History of the Transportation Pilot

The Community Services Division (CSD) of the Department’s Economic Services Administration (ESA) developed the Transportation Initiative (TI) pilot in 2015 with the goal of addressing 100% of the transportation needs for WorkFirst participants in two pilot Community Service Offices (CSOs). The aim of the TI pilot was to address immediate and long-term needs to reduce or eliminate barriers affecting engagement in WorkFirst activities by providing transportation support (TS) services to help eligible participants progress towards economic security. Transportation and associated issues, such as suspended licenses and needed car repairs, continue to prevent many families in Washington State from reaching their full potential. Families often miss opportunities for employment or lose jobs because of an inability to get to their place of work. For families with children, child care or school drop-off and pick up often complicates transportation needs. Likewise, difficulty with transportation can impede successful participation in WorkFirst employment and training services. The TI pilot provides tools to shore up breaks in the foundation of economic stability by expanding funding for TS, and assisting with expenses not typically allowed under the department’s support services.

Between December 2015 and February 2019, the pilot gradually expanded to include 26 of 53 CSOs, including both urban and rural offices to represent the diverse geographic areas of Washington state. The TI pilot has grown to include additional TS services since its inception, including the statewide expansion

of license reinstatement in September 2016 and Post-TANF Employment Transportation Support Services in April 2018.

Participating Community Services Offices (including date of entry into pilot)

The TI pilot has grown in four incremental steps during its existence and now includes CSOs from all regions of Washington State. The following table shows each participating CSO and when they entered the pilot.

Table 1. Participating CSOs across Washington State

December 2015	July 2016	April 2018	February 2019	
Alderwood Wenatchee	Aberdeen Moses Lake Renton	Chehalis Mount Vernon Shelton Smokey Point Sunnyside	Bellingham Clarkston Colfax Colville Ellensburg Kelso King-Eastside Newport	Oak Harbor Okanogan Port Angeles Port Townsend Republic Stevenson Toppenish Walla Walla

Support Services Overview

ESA currently provides a variety of support services for families participating in WorkFirst activities. These include:

- Work clothing
- Educational expenses
- Tools and equipment
- Relocation expenses
- Vehicle repair
- Transportation

These support services are limited in nature and intended to assist the client with what they are unable to provide within their existing resources. Transportation support services, in particular, have many limits such as a \$500 car repair annual maximum and a \$150 monthly maximum for public transportation. However, the TI pilot expands the definition of transportation support services offered through participating CSOs.

Transportation Initiative Pilot Overview

Beginning in December 2015, the TI pilot addressed transportation-related barriers by easing eligibility to existing TS services, expanding available TS services, and making application for some TS services less complex. The pilot endeavors to remove barriers by:

1. Expanding eligibility requirements beyond WorkFirst clients participating in work activities to allow caseworkers to offer TS services to WorkFirst clients who are participating in non-work activities identified in their Individual Responsibility Plans;
2. Introducing additional TS services for eligible WorkFirst participants;
3. Simplifying the TS services application process;
4. Easing restrictions on the frequency, amount, and type of TS services that a client can receive.

Transportation Support Service Elements

The TI pilot provided expanded TS services for participants to support participation in activities that would lead to financial independence. The TS service included:

1. Assistance with driver's license reinstatement, including negotiating with the courts and collection agencies regarding outstanding vehicle-related fines¹;
2. Expanded vehicle repair assistance;
3. Improved process for driver's training and licensing;
4. Enhanced gas support;
5. Door-to-door on-demand transportation services;
6. TS Services for adults who have recently left TANF for employment.

Program Scope and Expenditures

Program Participants and Expenditures

RDA used management information systems maintained by ESA to identify unique clients who had received TS services between January 2016 and June 2019. The RDA analysis of the TI pilot had four key findings regarding the TI pilot program scope and expenditures.

- Under the Transportation Initiative, CSOs issued almost 23,500 TS payment vouchers totaling approximately \$2 million to 6,275 clients.
- One-third of TI clients were newly eligible for TS services. New clients were more likely than those previously eligible for TS to be unemployed, female, White, or pregnant, or have a behavioral health treatment need or chronic health condition.
- Car repairs were the most expensive TS services, followed by licensing and fees. While gas cards comprised 82 percent of all vouchers issued, they represented only 46 percent of all program expenditures. This is due to the low average cost of gas vouchers relative to other TS services.
- Relative to rural CSOs, urban CSOs served more clients and spent more funds on TI-related services on average. By contrast, rural CSOs issued more vouchers on average per client and spent

¹ TS cannot be used to pay fines associated with driving while intoxicated or driving under the influence (DWI/DUI) violations, nor can TS be used to pay fines for which a WorkFirst participant already has an established payment plan.

a higher percentage of total expenditures on gas cards and public transportation services relative to urban CSOs. Public transportation was a relatively small fraction of total TI spending².

Expenditures by State Fiscal Year

As noted earlier, the number of CSOs in the TI pilot grew from two in State Fiscal Year (SFY) 2016 to twenty-six in SFY 2019. Commensurate with that growth in participating CSOs, the expenditures on TS services increased from SFY 2016 to 2019 as shown in Table 2. The addition of sixteen CSOs in SFY 2019 more than doubled the expenditures on TS services from SFY 2017 & 2018 spending levels.

Table 2. Expenditures by State Fiscal Year

	SFY 2016	SFY 2017	SFY 2018	SFY 2019	TOTAL
Mileage Reimbursement		\$425	\$90	\$498	\$1,013
Public Transportation	\$834	\$16,045	\$11,800	\$15,988	\$44,667
All Licensing and Fees	\$11,899	\$113,937	\$87,888	\$119,109	\$332,833
Car Repairs	\$56,805	\$144,066	\$154,449	\$355,295	\$710,615
All Gas Cards/Vouchers	\$22,810	\$136,196	\$198,383	\$575,950	\$933,339
TOTAL	\$92,349	\$410,669	\$452,609	\$1,066,839	

Expenditures by Service Type and Geographic Area

TI pilot expenditures varied by TS service type and CSO location. Car repairs were the largest average cost per voucher (see Table 3) and initially were the largest share of the yearly expense (see Table 2), but by SFY 2019 were roughly a third of the total program costs. Gas cards have a relatively lower average voucher cost, but through wider usage became 82% of all vouchers and more than half of the overall expenditures in SFY 2019.

Table 3. Average Cost by Service Type

	Total Expenditures	Total Vouchers	Average Voucher
Average Voucher Cost	\$2,022,467	23,462	\$86
Gas Cards	\$933,339	19,269	\$48
Car Repairs	\$710,615	1,189	\$598
Licensing/Fees	\$332,833	1,470	\$226
Public Transportation	\$44,667	1,506	\$30
Mileage Reimbursement	\$1,013	28	\$36

Each of the twenty-six CSOs was determined as urban or rural based on common criteria to compare TS services by geographic variation. Urban CSOs had a higher average voucher cost (\$105) than rural CSOs (\$73), but issued fewer average vouchers per client (3.4 vs. 4.1). Gas cards were a smaller share of the

² Two CSOs, Aberdeen and Moses Lake, issued 97 percent of all public transit vouchers provided to rural clients, likely reflecting limited availability of public transportation in many rural communities.

vouchers in rural CSOs (80% vs. 85%) than urban CSOs and public transportation was a larger share of vouchers issued in rural CSOs (9% vs. 2%)³.

Characteristics of TI Pilot Clients

TS services were provided to about 6,275 unique clients during the TI pilot. The following were key characteristics of these clients:

- One-third would have been ineligible for TS services based on previous eligibility criteria
- Newly eligible clients were more likely to be female, pregnant, White, live in a single adult household, and have had no employment in the previous year compared to previously eligible clients
- Two-thirds were between 18-34 years of age
- Three-quarters were female
- Less than half owned a vehicle
- Those vehicles that were owned by clients had an average age of 17 years and median market value of \$780⁴

Transportation Initiative Outcomes

The RDA report commissioned to examine outcomes of the TI pilot⁵ had key findings in its analysis. The report also described limitations of the data and focus of the analysis in the report. RDA was not able to provide a formal cost-benefit analysis, however, they did state that for every \$145 per TI client per month, CSO-level work participation rates and unemployment rates increased on average by 1.44 and 1.34 percentage points, respectively, across the 16 pilot sites.

A detailed cost-benefit analysis was not conducted because: 1) changes in the work participation rate are not monetizable (i.e., we do not know the dollar value of state and social benefits associated with an increase in CSO work participation rates); and 2) the TI pilot may impact additional outcomes beyond those examined in the evaluation, resulting in an incomplete estimate of the benefits of program participation.

Key findings of the report were:

- TS service expenditures, vouchers issued, and estimated TS service penetration rates all increased following CSO implementation of the TI pilot program.
- On average, for those CSOs that implemented the TI pilot;
 - work participation rates improved by 1.44 percentage points

³ This data is somewhat skewed by the fact that, as noted above, two rural CSOs (Aberdeen, Moses Lake) accounted for 97% of all public transportation vouchers made by rural CSOs. If these two CSOs were removed from the comparison, the voucher issuances is similar between rural and urban CSOs.

⁴ Source: Includes all fair market values recorded in ACES.

⁵ [Transportation Initiative. *The Impact of Expanded Transportation Support Services on Community Service Office Outcomes*](#), DSHS Research and Data Analysis Division, October 2020.

- employment rates increased by 1.34 percentage points in the post-study period
- There was no evidence that pilot participation had a measurable impact on TANF sanction rates or caseloads.

It is important to note that RDA was unable to measure the impacts of license reinstatement, since it was expanded to include both the pilot and comparison CSOs in September 2016.

A [previous analysis](#) by ESA's Management Accountability and Performance Statistics (EMAPS) staff, conducted in September 2017, showed a post-implementation reduction in sanction rates among transportation services participants at two pilot CSOs following implementation of the pilot. It is also important to note that for both pilot and control CSOs the average monthly proportion of WorkFirst participants in sanction during the study period was only 3.1%.

Methodology

RDA assessed the impact of the TI pilot by comparing participating TI pilot CSOs with similar non-participating CSOs. Monthly changes in aggregate CSO-level outcomes between February 2018 and January 2020 for the sixteen CSOs that had implemented the TI pilot by February 2019 were compared with twenty-six CSOs that did not participate. CSOs that entered the pilot after February 2019 were omitted because they were not in the pilot a sufficient amount of time to produce measureable results. RDA's analysis took measures to control for changes in caseload composition over time and differences in CSO caseload size.

Penetration Rates

CSOs that implemented the TI pilot immediately saw an increase in TS service expenditures. On average, vouchers increased by 36% and expenditures increased by 93% on TS services in the twelve months after implementation. TI pilot CSOs also provided services for a larger portion of their TS services-eligible clients in the twelve months after implementation of the pilot; an increase from 15% penetration to 19% penetration. This included TS services for newly-eligible clients to support non-employment activities necessary to overcome barriers to employment readiness.

Work Participation Rates and Employment

Clients at TI pilot CSOs saw a modest but immediate increase in employment rates and countable WPR activities. CSOs in the TI pilot had an increase in WPR of 1.44 percentage points and an increase in employment rates of 1.34 percentage points. These gains in work participation and employment rates remained stable over time and proved to be lasting impacts of the TI pilot. Both WPR and employment rates average approximately twenty percent across all CSOs. While these outcomes are valuable, they do not reflect the impact on newly TS service eligible clients who are able to access non-work activities to overcome barriers to employment readiness.

Limitations

Although the overall outcomes of the TI pilot are promising, the data and analysis did reveal the following limitations of the study of the program:

- The study assessed the impact on penetration and outcomes in only 16 of the 26 participating CSOs.
- Potential differences between the pilot CSOs and control group CSOs may have existed but not been accounted for.
- The study focused on CSO-level outcomes rather than client outcomes. As stated above, clients newly eligible for TS services had different characteristics than previously eligible clients. And, newly eligible clients came from a vulnerable subpopulation of WorkFirst clients. An analysis of impacts to these subgroups might produce impacts of the TI pilot not otherwise captured.
- There were three data limitations:
 - Public transportation vouchers were purchased in bulk and not attributed to an individual client, so usage is underestimated in the analysis.
 - Data on on-demand (door-to-door) services were not captured in these reports due to difficulties associated with obtaining this information from administrative data systems.
 - The reported penetration rates consider usage by all clients eligible for TS services rather than those with a demonstrated need for TS services, therefore underestimating the impact of their usage.
- Analysis only examined the expansion of TS services within the TI pilot and do not draw conclusions about the efficacy of different TS services.

Conclusion

The Transportation Initiative pilot was designed to provide transportation support services for WorkFirst participants with demonstrated transportation related needs to break down these barriers and support their participation in activities that would lead to financial independence. Between SFY 2016 and SFY 2019, the TI pilot served 6,275 clients by providing 23,500 vouchers totaling approximately \$2 million. The TI pilot produced modest but stable increases in WPR and employment rates for clients at participating CSOs, the core success indicators for the WorkFirst program. In addition to those measured outcomes, the TI pilot was also successful in:

- Forging new relationships with courts and fostering coordination among agencies to assist mutual clients, which is a recommended strategy for poverty reduction, leads to better resource braiding, shared services across agencies, and reduced stress on families. The work with court systems to help prevent traffic fines from mounting, causing loss of licensure and resulting adverse impact on employability, supports the goals of legislation enacted in 2016 regarding a plan to consolidate traffic-based financial obligations ([SSB 6360](#)).
- Relaxing eligibility requirements for TS services to help participants engage in activities to address barriers to employment – things like behavioral health, homelessness and family violence services.

- Implementing Post-TANF Employment Transportation Support Services to provide transportation related support services for clients working 17 or more hours and exiting TANF; this assistance with transportation expenses helps mitigate the cliff effect for families starting new employment and no longer eligible for TANF cash assistance.
- Fostering a client-focused perspective among ESA staff about transportation difficulties and TS services.

Thoughts for the Future

As with any program or pilot, CSD learned and developed a better understanding of ways to both conduct the TI pilot and measure its efficacy as time went on. Some of the lessons learned during the TI pilot were:

- Transportation barriers are not resolved for many by simply giving gas and public transportation access. There are those who have suspended licenses because of fines that are incurring high interest rates and affecting their credit reports.
- Resolving issues with tickets and suspended licenses can be a daunting and intimidating process for those not already experiencing poverty; it can be even more challenging when clients do not have the funds to make ends meet or pay these compounding costs.
- Working with the courts and collection agencies varied in how clients were treated and educated on what it would take to get their licenses reinstated. For example, some collection agencies would tell clients that they had to pay all of their fines with the collection agency to get their license released, which was not accurate. Working with the Department of Licensing helped identify which tickets needed to be resolved to reinstate their licenses.
- In many of the TI CSOs, there were other pilots that were running simultaneously, which may have masked the impact the TI pilot had on participants. This also impacted the coding of cases as workers had to keep track of which pilot to add the participants. We are working with the ESA's Information Technology Solutions (ITS) for a different way to track which pilots a participant is included in.
- Some TS services, such as bus tickets and passes and on-demand (door-to-door) services, were tracked manually because they are paid through contract, which makes the attributing of these expenditures to an individual client difficult. We are working with ITS to have additional functionality added to existing automated systems so that we can adequately capture these TS services and expenditures in future analyses.

The Transportation Initiative pilot has been successful in achieving positive results, both from a quantitative and qualitative perspective. In addition to increases in work participation and employment rates, the TI pilot engaged vulnerable clients with services to support their pathway to financial independence. For example, some clients were able to accept offers of employment once they had their licenses reinstated, while clients in rural areas with very little means of transportation were able to participate through on-demand transportation services. By building on our lessons learned, CSD believes the TI pilot could produce continued positive outcomes for WorkFirst participants in the future and merits statewide implementation.