

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
June 17, 2008

To: Board of Supervisors

From: Department of Human Assistance

Subject: Report Back On Transportation Assistance Services To Welfare To Work Clients;
Wheels To Work Program

Contact: Bruce Wagstaff, Director, 875-3611

BACKGROUND

The Board requested a report back on the Wheels to Work Program and related transportation issues facing Welfare To Work clients.

DISCUSSION

The Department of Human Assistance (DHA) has recommended elimination of two of its transportation assistance programs: Wheels to Work and the Auto Loan Program.

Wheels-to-Work Program

Approved by The Board on September 18, 2001, the Wheels to Work program has two key components.

Auto Surplus Vehicle - DHA purchases surplus vehicles from the County Department of General Services-Fleet Services (DGS) at the wholesale Kelley Blue Book rate plus agreed-upon adjustments. Vehicles selected for this program have a price no greater than \$4,000. DHA gives these vehicles to Welfare-to-Work clients who qualify for Wheels to Work, at no cost. The County retains ownership on the vehicle in the form of a lien for one year, at which time DHA transfers ownership to the client if (s)he is still employed. If the client is not still employed at that time, DHA repossesses the vehicle.

Originally, 50 vehicles per year were authorized to be purchased through DGS for the Wheels to Work Program. The demand for vehicles and the number of our clients that meet the eligibility requirements for this program have steadily declined. This past fiscal year, only four vehicles were given away. DHA is proposing to eliminate the \$50,000 in General Funds appropriated annually for the purchase of the vehicles as part of its plan to address the Department's budget deficit. This reduction in funding would eliminate the program.

The Board asked that DHA discuss with DGS the potential for providing the vehicles to the program at no cost or at a reduced rate. Under current County Code (Section 2.56.300) surplus property with an estimated value of more than \$500 must be sold to the highest bidder in accordance with procedures set forth in State law and the County Charter. A Memorandum Of Understanding (MOU) between DHA and DGS provides for DHA to purchase vehicles at Fair Market Value without going through the bidding process, which is also permitted.

The Board has the authority to change the County Code to provide for transfer of ownership, at no cost, of appropriate vehicles from DGS to DHA for the purpose of the Wheels To Work program. In the past four years, the value of vehicles sold to DHA for Wheels To Work averaged approximately \$12,000 per year. Had those vehicles been provided to DHA at no cost, DGS would have had to add an average of \$4.30 per vehicle per year into the fleet rate, or about 35 cents per month per vehicle. In consultation with DGS, they are open to the Board directing staff to make this modification to the County Code and modifying fleet rates accordingly. It should be noted that if there is an increase in the usage of this program, fleet rates would likely increase accordingly.

Should the Board wish to move in this direction, it could direct staff to bring back recommendations for the relevant changes to the County Code and could proceed to delete the \$50,000 in General Funds from this program.

Lutheran Social Services (LSS) – With a \$30,000 annual contract, LSS matches Wheels to Work recipients with appropriate vehicles, assists them in completing DMV paperwork and smog certifications, reviews the Program Agreement paperwork with the recipients and collects signatures, arranges for minor repairs to vehicles, and tracks and reports the assignment of vehicles. Staff is discussing with LSS the possibility of a per client reimbursement rate for this contract, rather than a flat payment of \$30,000. This could significantly reduce the costs of this component of the program.

If the department maintains the Wheels-to-Work program, it would be important to continue receiving services through LSS. Elimination of the LSS component while maintaining the overall program would place a burden on existing DHA staff at a higher per hour cost.

Auto Loan Program

The Board established the Guaranteed Automobile Loan Program in 1998. Through an agreement with the Sacramento Credit Union, employed CalWORKs recipients can obtain low interest automobile loans. Maximum individual loans began at \$4,500 and have increased to their current rate of \$7,000. DHA sets aside \$35,000 per year to pay off any loans that default under this program. The Department's obligation to guarantee the loan is for four (4) years from the date each loan is funded.

Currently, there is one loan outstanding for which the County has ensured payment. This loan has recently gone into default and the County will be paying the Credit Union the \$734 balance.

The proposed elimination of the \$35,000 funding for Fiscal Year 2008-09 would end the low-interest loan guarantee program. Since it is not used frequently anyway, this would have little impact on client service.

Other Transportation Assistance Programs

The Board noted that limited transportation resources is a key barrier to Welfare-to-Work clients obtaining employment, and requested information about how clients would overcome these barriers without the Wheels to Work and Auto Loan programs. Other services that DHA provides to assist with transportation needs includes:

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- Many clients have their own vehicles or have access to vehicles. A recent survey of clients in our bureaus found that 73 percent had their own vehicles or access to a vehicle to meet their transportation needs. This number is not indicative of the entire client population, because those who had no access to transportation would obviously not be in the bureau to be surveyed. Nonetheless, it does indicate that many clients have access to a vehicle. Most others use public transportation or are within walking distance of the bureau providing services.
- CalWORKs transportation payments – Welfare-to-Work clients who are engaged in employment activities receive payments to cover transportation costs. They may either receive a flat rate of \$85 per month or can claim mileage at the same rate as that paid to County employees and approved by the Internal Revenue Service. These transportation payments come from the Department’s CalWORKs Allocation. Sixty-seven percent of clients receive these payments. The department is working aggressively to increase this rate to ensure that those who should be receiving these payments are receiving them.
- Education-Related Bus Passes – Eleven percent of clients have a Universal Transit Pass (Los Rios College System) or a California State University, Sacramento Transit Pass, giving students in these systems access to public transit. They do not receive CalWORKs transportation payments.

Respectfully submitted,

BRUCE WAGSTAFF, Director
Department of Human Assistance

APPROVED:
TERRY SCHUTTEN
County Executive

By: _____
PENELOPE CLARKE, Administrator
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BW:PL