

How Contra Costa County Addressed Transportation Barriers to Employment Among CalWORKS Families

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EXECUTIVE SUMMARY

The California Work Opportunity and Responsibility to Kids (CalWORKs) program supports family success by providing cash aid and employment services. Both the County of Santa Clara Social Services Agency Department of Employment and Benefit Services (DEBS) and the County of Contra Costa Employment & Human Services Department (EHSD) recognized that having reliable transportation is a significant barrier to job placement opportunities. The EHSD addressed this challenge by offering participants an auto loan program,

automotive maintenance classes, and a taxi referral program. The Keeping Employment Equals Your Success (KEYS) program connected participants who are unable to obtain traditional car loans to affordable auto loans. The Basic Automotive Maintenance class was designed to teach participants how to keep their cars running smoothly. The Taxi Referral Program provided participants an opportunity to receive free ride vouchers for job-related rides. This case study dives deeper into the impact of each transportation solution and provides recommendations for DEBS.

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Background

The locally administered California Work Opportunity and Responsibility to Kids (CalWORKs) program provides families with the necessary support to transition from public assistance to self-sufficiency. The road to financial independence is two-tiered – employment services and cash aid. Participation in Welfare-to-Work (WTW) employment activities is a requirement for adults who receive CalWORKs cash benefits.

The County of Santa Clara Social Services Agency Department of Employment and Benefit Services (DEBS) supports CalWORKs families to overcome various employment barriers and provides families with a direct link to the job market. Dedicated Employment Counselors (EC) provide continuous support, ensuring WTW participants are connected to employers and further developing proficiency leading to permanent and viable job placement.

To successfully participate in the WTW program, it is crucial that families have reliable transportation. Unfortunately, many CalWORKs participants struggle in meeting their immediate transportation needs (including access, availability, and coordination). For example, participants may live in one part of the county while jobs are concentrated in a different part of the county, making public transit access difficult. Employment opportunities may involve work shifts during times when public transit is not readily available. Additionally, participants who rely heavily on public transit for daily activities must coordinate multiple trips, which can be costly and time-consuming. Lastly, the cost of owning a personal vehicle can be a financial hardship for many low-income families.

In Contra Costa County, results of a needs assessment report indicated that lack of reliable transportation was the primary barrier for participants to find and maintain employment. The Employment & Human Services Department (EHSD) developed initiatives to meet participants' needs in getting to work, including the auto loan program, automotive maintenance class, and taxi referral program. Through these opportunities, participants were able to purchase a vehicle, improve their credit score, learn essential car maintenance skills, increase their financial literacy, and keep their jobs.

Because many Santa Clara County CalWORKs participants experience multiple transportation challenges in getting to work, it is critical that DEBS continues to reflect on ways to successfully mitigate transportation barriers to employment. This case study explores the different transportation solutions offered to Contra Costa County CalWORKs participants and evaluates the feasibility of implementing similar transportation projects.

Analysis

The Contra Costa County EHSD developed innovative strategies to provide multiple transportation options to help CalWORKs participants keep employment and appointments. Participants who received these supportive services reported a reduction in missed work time, a reduction in travel time, and an increase in wages. This section provides an overview of the auto loan program, basic automotive maintenance class, and taxi referral program.

KEYS Auto Loan Program

The Keeping Employment Equals Your Success (KEYS) auto loan program targets participants with whom a personal vehicle is the only practical means of transportation to a job or training, and who would otherwise be unable to obtain a car loan due to a lack of substantial employment, low wages, and/or poor credit history. This program provides CalWORKs participants access to affordable loans at a fair price.

EHSD established the KEYS program in collaboration with the Public Works Department (PWD) and a local financial institution with contracted services from a car reseller, automotive mechanic, and car maintenance instructor. Based on a vehicle's lifecycle and usage evaluation, the PWD Fleet Services Division will retire a vehicle by pulling it out of service to begin the disposition process. The PWD Fleet Services Department sells decommissioned County vehicles to a contracted third party who then makes these retired vehicles available to KEYS program participants.

At program inception, EHSD partnered with a local credit union to deposit funds into an interest-bearing account established as collateral for the KEYS program. The credit union is responsible for administering loans to KEYS program participants as well as repossessing the vehicle if there is a default on the loan. Additionally, EHSD enlisted a mechanic to facilitate car inspections as well as an instructor to provide education on routine car maintenance.

To be considered for the KEYS program, the EHSD caseworker must assess the WTW participant's need for a personal vehicle and financial viability. If the participant meets the eligibility criteria, the case worker will complete an initial application and submit

the referral form to the Auto Loan Coordinator (ALC), in this case, the EHSD Transportation Services Manager, who will guide the participant through the KEYS program and provide a loan application along with a checklist. The participant must submit the completed loan application and supporting documentation to the ALC within two weeks. Upon receipt of the application, the ALC schedules an interview to discuss the loan packet and loan recipient responsibilities. The ALC reviews the participant's employment status, residency, driving record, and credit report to ensure minimum qualifications are met. Qualifications include working full time (minimum of 32 hours per week), being employed with the same employer for the last 3 months, having an unexpired California driver's license, providing a DMV record printout with no more than 2 points within 3 years, and reviewing any credit report concerns (low credit score is not a factor).

After confirming the participant's need for a personal vehicle and verifying the participant's ability to repay the loan, the ALC then presents the entire loan packet to the Loan Review Committee (LRC) – comprised of two EHSD managerial staff and one senior lending staff from the credit union – and notifies the participant of the LRC decision. If approved, the participant must attend a money management class taught by the ALC as well as a basic car maintenance class taught by a private contractor. The participant may then select a retired County vehicle from the contracted automotive resale agent or any other source, as long as the car meets program specifications and passes a safety inspection. Most (two-thirds) participants choose the retired County fleet option, which costs up to \$5,000 for hybrid vehicles. The diagnostic inspection is performed by a contracted

automotive mechanic to ensure that the vehicle is operational and safe. The inspection is free-of-cost to the participant, but the contractor charges the program \$195 per vehicle for in-shop service or \$155-\$250 per vehicle for mobile service.

The KEYS program was funded through the CalWORKs allocation during the initial three years. Since 2006, the program's revenue is derived from the Lifeline Transportation Program grants offered through the Metropolitan Transportation Commission (MTC).

The first approved KEYS program loan application was in January 2003. As of April 2022, the program has received a total of 526 referrals and successfully processed 60% (314) of the applications. Referrals were not processed if the participant does not meet the eligibility criteria or failed to submit verification documents. Of the applications reviewed by the LRC, the program approved 54% (170) and denied 46% (144) of the loan applications. In total, the program has funded 86% (146) of approved auto loans, totaling approximately \$450,000.

On average, KEYS program participants borrowed \$4,820 for an auto loan, with a maximum loan amount of \$6,000. The average program loan carries a fixed interest rate of 7% for a 30-month term with a monthly payment amount of \$180.

A unique feature of the KEYS program is that funds are replenished as participants repay their loans. The program's loan repayment rate is 94%, which is attributed to the strict screening and approval process to ensure program sustainability. The below diagram illustrates the KEYS Auto Loan Program process roadmap (*Figure 1*)

Basic Automotive Maintenance Class

EHSD emphasizes the importance of regular preventative maintenance as an essential part of car safety and dependability. EHSD contracted with a retired mechanic to teach basic automotive maintenance to CalWORKs participants interested in learning how to keep their car running smoothly and prevent car breakdowns. This class is available to all CalWORKs participants, but KEYS loan program recipients receive priority registration.

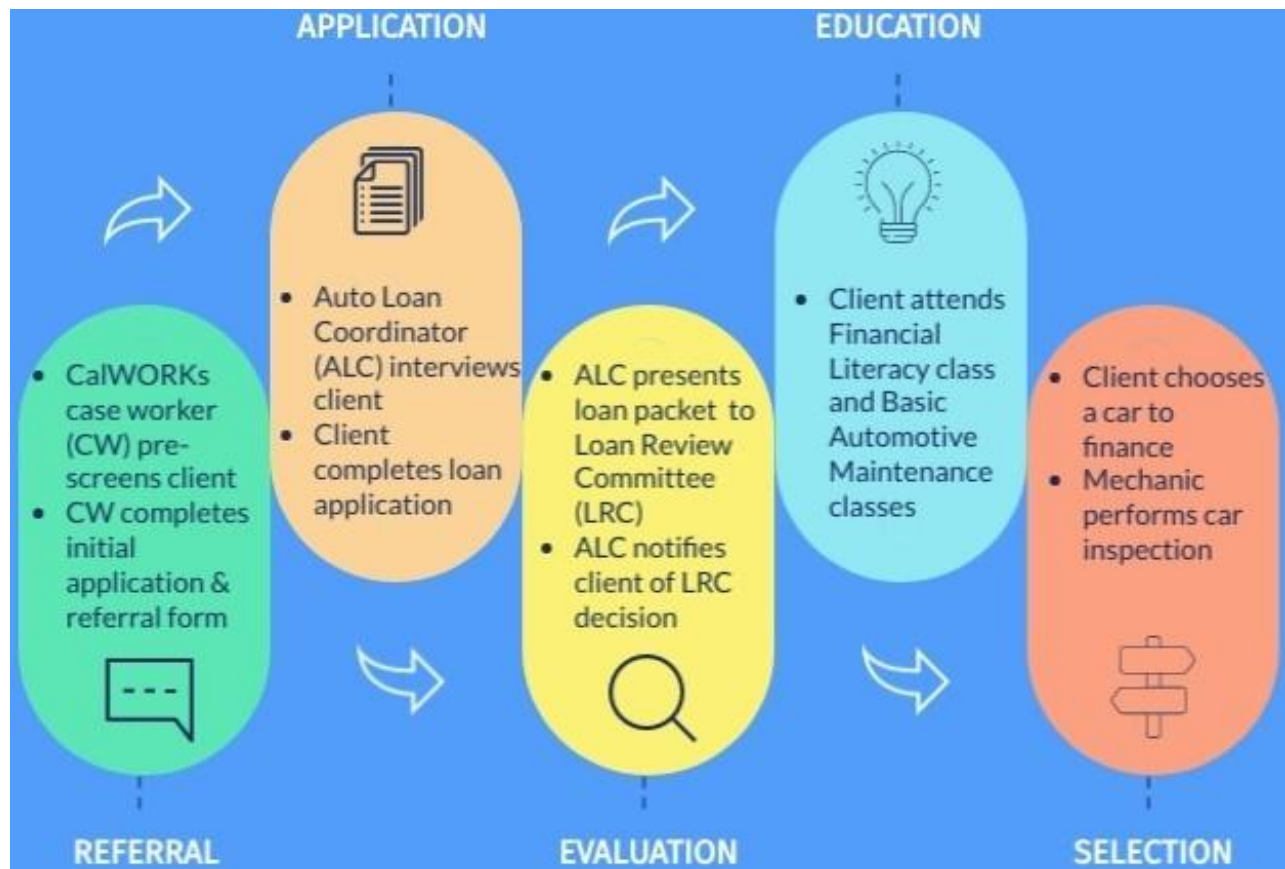
To participate, the caseworker must submit a referral to the ALC, who coordinates with staff, students, and the instructor. The contractor is responsible for securing the learning facility, developing and conducting the presentation, and providing attendees with classroom materials. The class is held on a quarterly basis for three hours with a minimum of six attendees, and the instructor charges the program \$35 per attendee.

This class is not currently being offered due to low demand, thus a contract has not been in place for several years. However, all KEYS loan program recipients still receive detailed information about car maintenance basics from the ALC to keep their vehicle in good shape.

Taxi Referral Program

Another transportation solution involves vouchers for on-demand rides within the county. The program initially began as a contracted bus service which then converted to a taxi service due to high operating costs. Previously funded by the CalWORKs program, the taxi referral program funding has transitioned to the American Recovery Reinvestment Act (ARRA). Once ARRA funds were exhausted, the program's

FIGURE 1
Keys Auto Loan Program Process Roadmap



revenue was primarily derived from the Lifeline Transportation Program grants offered through the MTC.

To receive a taxi voucher, the caseworker must assess the participant's need for a ride to important locations and submit a referral to the Taxi Services Coordinator (TSC), who is the Transportation Services Manager. The participant receives a taxi voucher for rides to pre-approved destinations Monday to Friday between 6:00 am and 8:00 pm within the county. Destinations include job interviews, job employment programs, and the first two weeks of work. This service is

intended to be one-time only, so recurring trips or daily usage are not qualifying needs

under the taxi referral program. Participants may receive up to 35 free rides, with the following program reimbursement rate for the taxicab contractors: \$10 minimum per ride, \$3 per mile, \$10 flat rate for any daycare stops (in addition to the per mileage rate), and \$10 cancellation fee (if a ride is canceled less than 1 hour before the scheduled pick-up time).

EHSD had a contract with four different providers, but by the end of 2018, only one of those providers was still in operation.

Many local taxicab drivers struggled financially with the increase in popularity of rideshare services such as Uber and Lyft, resulting in many companies going out of business. Shortly afterward, EHSD terminated the program due to low taxicab ridership and participants' preference for using convenient ride-hailing applications.

Conclusion

The transportation solutions offered to Contra Costa County residents have made a profound difference in the lives of the families who receive help from EHSD. Car ownership and maintenance ability can have tremendous beneficial impacts on low-income families. Below are recommendations to help meet the transportation needs of WTW participants in Santa Clara County.

Auto Loan Program

It is not recommended for DEBS to implement an “in-house” auto loan program as there already is a community-based organization offering this service to Santa Clara County residents. Peninsula Family Services (PFS) operates the Drive Forward program, which resembles the KEYS program, apart from the option to purchase a retired County vehicle. ECs may refer participants directly to PFS or by submitting an online interest form.

It is not advisable for DEBS to designate retired County vehicles for CalWORKs participants who participate in the PFS Drive Forward program. DEBS would be exposed to potential vulnerabilities (e.g., customer service, financial, and legal) based on expectations of County vehicles being good used cars. The Facilities and Fleet Department (FAF) recommends retirement of a vehicle after completing an annual

utilization study and then selling the car to a contracted auctioneer. The below graph illustrates the analysis tool used to determine total costs and estimates the optimum point in time or usage to replace the vehicle (*Figure 2*).

Given the parameters to retire a vehicle, FAF should not request the contracted auctioneer to sell retired County vehicles to PFS for CalWORKs participants. Vehicles are retired based on a combination of age, odometer reading, repair cost, and replacement part availability. Thus, buyers are responsible for the high cost of repairs and maintenance.

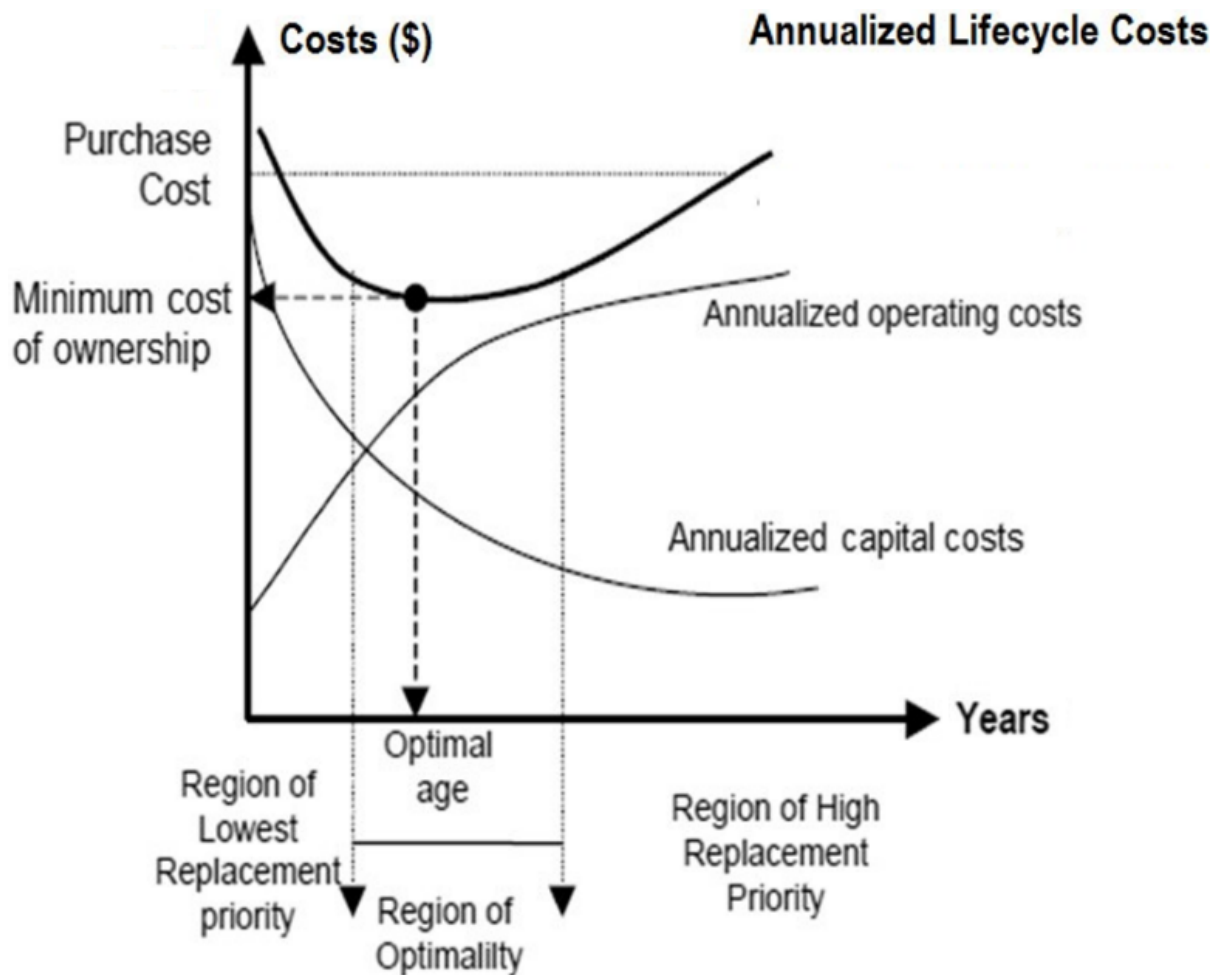
Vehicle Maintenance Class

It is recommended that DEBS explores potential partnerships with local community-based organizations to offer auto maintenance services to CalWORKs participants. ECs may refer participants directly to Maintenance for Moms (MFM) to apply online for subsidized vehicle repairs and car maintenance education. However, this service is only available for single-mother households.

It is not recommended for FAF to have a technician teach on weekends or evenings after having worked full-time in the shop. Additionally, many cars operate in unique ways and require different maintenance services. Alternatively, ECs may provide participants with links to YouTube car maintenance videos created by automotive mechanic schools.

It is recommended that DEBS consider referring clients to community colleges that offer open admissions for classes within the automotive program. Currently, both

FIGURE 2
Life Cycle Cost Model



Source: https://www.concreteconstruction.net/business/producers/optimizing-your-fleet-replacement-policy_o

Evergreen Community College and De Anza College offer such programs. ECs could inform interested clients to self-enroll and submit a reimbursement request for educational expenses.

Ride Voucher Program

It is not recommended for DEBS to implement a taxi voucher program due to the unsuccessful outcomes of similar ride referral programs. CalWORKs participants

prefer to make their own transportation arrangements and then request ancillary service reimbursements from the program as it is less complicated than receiving pre-approved vouchers.

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