

SUBJECT: Creating the “wheels for work” pilot program

COMMITTEE: Economic Development — favorable, with amendment

VOTE: 6 ayes — Oliveira, Yarbrough, Keffer, Raymond, Seaman, Van de Putte
1 nay — Luna
2 absent — Greenberg, Siebert

SENATE VOTE: On final passage, Local and Uncontested Calendar, April 3 — 31-0

WITNESSES: For — None
Against — None
On — Patricia Hall, Texas Workforce Commission

BACKGROUND : The Maryland “wheels for work” initiative is a county-level program that helps welfare recipients find transportation to and from work. County fleet vehicles in good condition with fewer than 80,000 miles are donated to the program and are sold at low cost to welfare recipients who have secured employment but are not able to accept or retain the job solely because of a lack of transportation. A non-profit organization receives and sells the vehicles for Maryland counties. In order to be eligible to purchase a vehicle, a potential buyer is required to pay for the inspection of the car and secure car insurance.

DIGEST: SB 1114, as amended, would require the Texas Workforce Commission (TWC) to establish a “wheels for work” pilot program in four sites in Texas, including one rural and one urban site. The program would be patterned after the Maryland program. TWC would be able to adopt rules to implement the program and would be required to set a timetable for implementing and completing the pilot project.

Participation in the program would be limited to welfare recipients who had secured employment but were unable to accept or retain employment because of a lack of transportation. Persons donating cars to the pilot

program would receive a charitable donation receipt for federal income tax purposes.

TWC would be required to establish the program by January 1, 1998. If a waiver or authorization from a federal agency was necessary for implementation, the commission could delay the program until authorization was granted.

TWC would be required to report on the effectiveness of the pilot program to the 77th Legislature and the governor by January 15, 2001. The program would expire September 1, 2001.

SB 1114 would take effect September 1, 1997.

**SUPPORTERS
SAY:**

SB 1114 would help many Texans find transportation to work. Texans receiving public assistance may not have access to a vehicle to drive to a job, and with the shift of employment from urban downtowns to suburban edge cities, public transportation may not be available. SB 1114 would give public assistance recipients access to low-cost vehicles in good condition in order to transport themselves to and from work.

SB 1114 would facilitate the transition from welfare to work by helping Texans get to work. With the increasing emphasis on self-sufficiency and workfare instead of welfare, the state should assist Texans who have secured employment, but cannot accept the position because of a lack of transportation. SB 1114 would be one inexpensive way the state could help these deserving Texans.

By the year 2002, 50 percent of welfare recipients will have to work at least 30 hours each week in order for the state to receive federal welfare funds. SB 1114 would help Texas fulfill these requirements by giving recipients access to transportation.

The pilot program would be a trial program loosely modelled after the "wheels for work" program in Maryland and would give TWC the flexibility necessary to establish appropriate program requirements to ensure success. The state would not be exposed to liability for the quality of

donated cars because TWC could adopt rules to require donated vehicles to be in good running condition and pass inspections.

OPPONENTS
SAY:

Although SB 1114 is a good idea, not enough is known about the Maryland pilot program to effectively implement a similar program in Texas. The Maryland program has only been operating for a little over one year, which is hardly enough time to evaluate its effectiveness. In fact, only 30 cars since April 1996 have been sold in Maryland as a result of the program. Texas should wait to see how the program in Maryland operates before implementing a similar program.

SB 1114 could expose the state to liability for the quality and safety of vehicles sold as a result of the pilot program.

NOTES:

The committee amendment would require TWC to establish the program in four sites in Texas, including one rural and one urban site, instead of just in Harris County.