

# Cost-Benefit Analysis of Volunteer Driver Programs: Minnesota Case Studies

**Prepared for:**

Minnesota Council on Transportation Access

August 2017

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## About the Council

The Minnesota Council on Transportation Access (MCOTA) serves as a clearinghouse to address transportation coordination topics from a statewide perspective. The Minnesota State Legislature established the group in 2010 (MN Statute 2010 174.285). The group includes member representatives from thirteen agencies. MCOTA's work focuses on increasing capacity to serve unmet transportation needs, improving quality of transit service, improving understanding and access to these services by the public, and achieving more cost-effective service delivery. In addition, fostering communication and cooperation between transportation agencies and social service organizations leads to the creation of new ideas and innovative strategies for transportation coordination and funding.

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# **Cost-Benefit Analysis of Volunteer Driver Programs: Minnesota Case Studies**

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This report represents the results of research conducted by the authors and does not necessarily represent the views or policies of the Minnesota Council on Transportation Access and/or the University of Minnesota's Humphrey School of Public Affairs. This report does not contain a standard or specified technique.

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## Executive Summary

In 2017, the Minnesota Council on Transportation Access (MCOTA) requested a study to identify the economic benefits of volunteer driver programs in the state, using six volunteer driver programs as case studies: county-based volunteer program, transit system-based programs, and Faith-in-Action programs. This study builds on the 2016 MCOTA volunteer program survey.

Researchers from the University of Minnesota's Humphrey School of Public Affairs sought to meet these objectives by interviewing selected providers that use volunteer drivers in Minnesota, obtaining their operation and financial data, and calculating cost savings of their programs in comparison to alternative services that would have been used if their volunteer driver programs were unavailable. For each case, this report introduces the organization and the scope of its operation, provides some operating and financial details about its volunteer driver program as well as perceived public benefits, and then calculates their cost savings in comparison to alternative services.

The analysis shows that volunteer driver services are often provided through community-based transit programs, including Community Action Partnerships that were established under the Federal Economic Opportunity Act of 1964, and Faith In Action organizations, which are networks of interfaith, volunteer caregiving service providers initiated by private foundation but also receive other grants. They may also be provided by other nonprofit organizations. These programs may serve people within one city, one county, or multiple counties in a region. They help the senior, low-income or other less independent groups to their make medical, employment, education, elderly grocery, or pharmacy trips. Volunteer driver programs save costs for federal and state human services programs, and provide critical services for customer with special transportation needs. Such services are especially indispensable in rural areas where other modes of transportation are often unavailable or a lot more expensive.

We compare the cost of volunteer driver programs to alternative services that may be available. On average, for each round-trip volunteer driver services can save from \$18 to \$185, depending on trip length and the type of alternative services. The annual savings of these six program range from about \$75,000 to as much as \$1,480,000.

## Introduction

In 2017, the Minnesota Council on Transportation Access (MCOTA) requested a study to identify the economic benefits of volunteer driver programs in the state, using six volunteer driver programs as case studies, with several Faith-in-Action programs, county-based transportation, and transit system-based programs. This study builds on the 2016 MCOTA volunteer program survey.<sup>1</sup>

### County volunteer program

- Volunteer Services of Carlton County

### Transit volunteer program

- Central Community Transit (CCT)
- United Community Action Partnership
- SEMCAC (Southeastern Minnesota Community Action Council)

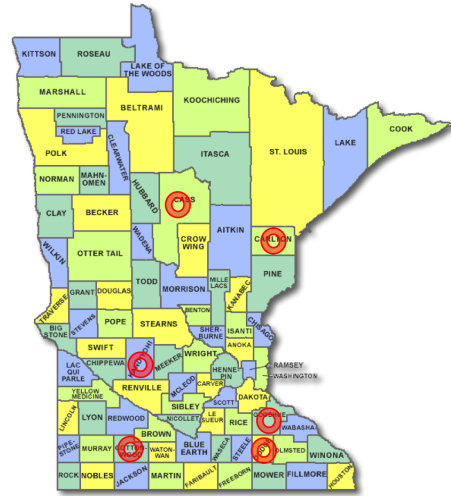


Figure 1: Map of Minnesota with circles in the headquarter of these volunteer driver programs, which serve counties including Carlton, Cass, Red Wing, Cottonwood, Jackson, Kandiyohi, Lincoln, Lyon, McLeod, Meeker, Redwood, Renville, Dodge, Fillmore, Houston, Steele, Waseca, and Winona.

### Faith in Action

- Faith in Action for Cass County
- Faith in Action in Red Wing

Researchers from the University of Minnesota’s Humphrey School of Public Affairs sought to meet these objectives by interviewing selected providers that use volunteer drivers in Minnesota, obtaining their operation and financial data, and calculating cost savings of their programs in comparison to alternative services that would have been used if their volunteer driver programs were unavailable. For each case, this report introduces the organization and the scope of its operation, provides some operating and financial details about its volunteer driver program as well as perceived public benefits, and then calculates their cost savings in comparison to alternative services.

<sup>1</sup> Douma, Frank. 2017. Minnesota Council on Transportation Access, [Volunteer Driver Programs in Minnesota: Benefits and Barriers \(PDF\)](#).

## 1. Volunteer Services of Carlton County<sup>2</sup>

### Program Description

Volunteer Services of Carlton County, Inc. (VSCC) is a nonprofit organization. It uses volunteers to meet the needs of its community. It provides transportation services for medical care, employment, education, elderly grocery, pharmacy and any other purposes. It serves its customers in entire state of Minnesota, and sometime can take their customers to Wisconsin and North Dakota. It can provide its services wherever it is needed and where they are obliged to provide those services. Access to its transportation services ultimately depends on the availability of volunteer drivers.

VSCC is dependent on grants, donations and fundraisers for operational costs. They receive funding from Carlton County, Corporation for National and Community Service, Lake Country Power, Minnesota Department of Human Services (CS/SD Grant), Minnesota Board on Aging, and United Way of Carlton County, etc. They also receive support from the ARDC Arrowhead Area Agency on Aging as a part of the Older American Act Program under an Area Plan approved by the Minnesota Board on Aging and private donations.

### Facts about VSCC's Volunteer Driver Program

VSCC used to have about 100 volunteer drivers, but now it maintains only about 40-50 of them. According to data in the first quarter of 2017, on average each volunteer provides 54 trips, in a total of 72 service hours, and 2,174 service miles. For the whole program, the numbers translate into a total of 9,720 trips, 12,960 service hours, and 391,320 service miles.

VSCC does not recruit volunteers very often. Its current volunteers stay with the organizations until they are unable to drive or they move somewhere else. Usually, it uses referral system if, at all, it needs new volunteers and it has never advertised its volunteer positions. VSCC reimburses its volunteer for mileage at 30 cents up to the federal IRS rate of 53.5 cents. It also reimburses them for no-load mileage otherwise volunteers are not willing to provide services. These reimbursement costs are covered by a combination of funds from agency itself, customer contributions, and grants from federal as well as state government.

VSCC's operating cost for the volunteer driver program mainly includes personnel cost, mileage reimbursement for volunteer drivers, and other administrative costs such as facility costs, computer software/systems, background checks, and liability insurance. According to interview with VSCC, the volunteer drive program has 4.5 full-time equivalent (FTE). The personnel cost is about \$180,000 assuming \$40,000 per FTE. The mileage reimbursement is about \$160,000 assuming an average rate of 42 cents per mile. The other administrative costs are estimated as about \$5,000 assuming a 15 percent overhead rate. These costs are covered by a combination of

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<sup>2</sup> Barb VanReese, phone: (218) 879-9238. Email: [bvanreese@vscci.com](mailto:bvanreese@vscci.com)

insurance company reimbursements, federal grants, state grants, local support, cost share payments from clients, and donations.

VSCC does not charge its customers for its services, but it sends its customers cost-sharing letters once it has reimbursed its volunteers. In those letters to its customers, it provides total number of rides a specific customer has used, total number of miles, and total cost of the trip. Once customers have received these details, they can voluntarily contribute towards the total cost of the trips. In the first quarter of 2017, its customers contributed \$2,543.

Although social benefits to customers different from case to case, the most significant benefits have been the ability of this program to provide flexible routes of transportation through their volunteers, and the impact of its no-charge policy on low-income families.

### **Alternative services available to customers**

As VSCC serves in every part of MN, alternatives available to its customers usually depend on the area they are based in.

### **Cost savings**

In this analysis, we compare operating cost of the volunteer driver programs to the alternative services of Special Transportation Services (STS). We assume that STS costs includes the base rate of \$13 and a mileage rate of \$1.3 per mile. In comparison, VSCC's volunteer driver program saves about \$47 per round trip, and about a total of \$227,000 for a year.

The calculation is shown below:

Number of round trips	4,860
Average length per round trip (mile)	81
VSCC operating cost	\$345,000
Personnel	\$180,000
Reimbursement	\$160,000
Other costs	\$5,000
Average operating cost per round trip	\$71
STS operating cost per round trip	
Base rate	\$13
Mileage rate (\$1.3/mile)	\$105
STS total rate	\$118



## Cost savings against STS

Average cost saving per round trip	\$47
Total annual savings	\$226,896

## 2. Central Community Transit (CCT)<sup>3</sup>

### Program description of CCT

Central Community Transit (CCT) provides transportation services for all Kandiyohi County and Renville County residents. On January 1st, 2015, it merged two area transit systems (Kandiyohi Area Transit and Heartland Express in Renville County) together. It serves its customer through 2 types of services: bus services and volunteer drivers services.

They have a fleet of 21 buses and have 78 volunteer drivers throughout the 2 counties. Bus transportation is provided for all ages. Children ride the bus to and from school, daycare and other activities, while adults ride the bus to and from work and appointments. Elderly ride the bus to go for medical appointments, groceries or to visit someone and get out of the house. Volunteer drivers are available for individuals 60 and older.

### CCT's volunteer transportation

CCT has two volunteer driver programs. The first one is the Senior Volunteer Program, which utilizes volunteer drivers using a personal vehicle to transport seniors 60 years of age or older to medical appointments, groceries, errands, etc. The second is volunteer driver program associated with Non-Emergency Medical Transportation, conducted through Medical Assistance and Managed Care Contracts.

CCT's volunteer drivers program is providing 22,094 annual trips, 721,932 annual miles, and 14,439 annual hours using volunteer drivers. The number of passengers served is more difficult to obtain but, according to their best estimate, it is 1,841 unduplicated clients using the service annually. On average, each volunteer driver completes 40-60 trips per month. In March, 1968 trips were arranged in 3 different counties served by these services, including 1,000 rides for seniors. On average, almost 25 rides per driver were arranged in the same month.

CCT reimburses its volunteer drivers using federal IRS rate. However, it only reimburses them for no-load miles if the counties being serviced are paying them for those miles. It does not charge its customers for volunteer driving services as it gets reimbursed from agencies that are supposed to cover these transportation expenses for customers. To cover its reimbursements, CCT applies for a Senior Transportation Grant through the Department on Aging. Costs are also

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<sup>3</sup> Tiffany Collins, Phone: (218) 675-5435. Email: [TCollins@cctbus.org](mailto:TCollins@cctbus.org)

covered by County Human Service Departments, Blue Ride, Ucare, Medica, and Primewest. There is a general administration charge of \$0.22 per mile.

The full cost for transportation in-town (under 4 miles) is \$2.50 one way and \$5.00 round trip (under 8 miles). Out of town transportation is \$0.54 per mile or current federal mileage reimbursement rate. At the time that transportation is arranged for a customer, CCT staff helps determine the cost share contribution. Volunteer drivers then hand out contribution envelopes that may be returned to the driver or mailed to the CCT office based on the Cost-Share Scale. The Transit Director and staff have calculated the costs and negotiated with these agencies to get the best reimbursement that they are able to cover the costs of the program. Since the reimbursement is based on mileage, that takes care of the difference in cost between in town and out of town transportation.

For the Senior Transportation Program, CCT follows its Cost-Share Policies where contributions are either voluntary or on a percentage basis based on the income. Annual budgeted contributions from the Senior Transportation portion of the CCT over all volunteer programs is \$44,000. The cost of the transportation service is \$0.54 per mile. Cost-share fee is based on a customer's monthly gross income and household size using the cost-share sliding scale shown below. Individual assets, property or savings are not considered when determining fees. The cost sharing fee is not required if customer's monthly gross income is at or below the federal poverty level. In that case, that customer will be given the opportunity to make a voluntary contribution to the program. Fees may be waived for hardship situations (high medical or living expenses.) Persons who choose not to pay specified fees based on the sliding fee scale can continue to provide a voluntary contribution and will not be denied service for unwillingness or inability to pay.

In addition to the voluntary contributions, CCT receives an annual grant from the MN Department of Aging for the Senior Transportation for approximately \$88,000. The non-emergency medical transportation portion of the volunteer driver program costs about \$480,000, which is covered by federal and state grants.

The most significant benefit of using volunteer drivers' services provided by CCT is the reduced cost of transportation to agencies that employ them. Other public and private transport options are relatively expensive and usually not readily available. These programs also benefit the rural areas that are not well connected with fixed routes.

### **Other public transportation services of CCT**

Besides the volunteer driver program, CCT's other service modes include:

- Demand Response Rides (Dial-a-Ride) – A route that is directed based on the ridership demands. This type of route generally has a base route with more flexibility than that of a fixed flexible route.

- Fixed Flexible Route – A route that will deviate to pick up at any location within 3/4 of a mile (or 10 blocks) from any of the scheduled route stops.
- Same Day Service – Bus routes are available at times to pick up passengers on the same day for an additional fee above the base fare. These requests are based on availability.
- Saturday Service – CCT offers fixed flexible route service on Saturdays from 8am to 4pm, within the city limits of Willmar. Passenger pick-ups that deviate from the city route must be pre-scheduled the day before.

**Cost savings of CCT’s volunteer driver program**

To illustrate cost savings of CCT’s volunteer driver program, we use the Dial-a-Ride program as the comparison. We compare the two services based on their average per-hour operating costs because the trips vary substantively in length in rural areas and there is not a consistent benchmark cost for Dial-a-Ride services in such areas. Based on Internet search, we use the data of Valley Metro in greater Phoenix in Spring 2016.<sup>4</sup> The average operating cost of Dial-a-Ride services is about \$85.00. The estimated cost savings is about \$43 per service hour, and about a total of \$615,000 for a year.

The calculation is show below:

Senior Transportation Program	
Grant from Department of Aging	\$88,000
Voluntary contribution	\$44,000
NEMT transportation programs	
Federal and state grants	\$480,000
Annual operating cost	\$612,000
Annual service hours	\$14,439
Average operating cost per hour	\$42
Dial-a-Ride operating cost per hour	\$85
Cost savings per hour	\$43
CCT total annual hours	\$14,439
CCT total annual savings	\$620,877

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<sup>4</sup> See “Valley Metro: System Fact Sheet, Spring 2016”, available through: [http://www.valleymetro.org/images/uploads/RPT2411\\_VALLEY\\_METRO\\_AGENCY\\_FACT\\_SHEET\\_January\\_2016\\_no\\_crops.pdf](http://www.valleymetro.org/images/uploads/RPT2411_VALLEY_METRO_AGENCY_FACT_SHEET_January_2016_no_crops.pdf)

### 3. United Community Action Partnership<sup>5</sup>

#### Program Description

United Community Action Partnership (UCAP) is a 501(C)(3) non-profit corporation established under the Federal Economic Opportunity Act of 1964, with the purpose to address the causes and conditions of poverty at the local level. The name – United Community Action Partnership, Inc. – was adopted through the merging of two organizations (Heartland Community Action and Western Community Action) with a long history of helping people, changing lives, and working to eliminate poverty in the lives of people in southwest Minnesota, including Cottonwood, Jackson, Kandiyohi, Lincoln, Lyon, McLeod, Meeker, Redwood and Renville counties.

UCAP has a Community Transit program and a volunteer driver program. The Community Transit program is a public transit service, with a fleet of over 20 lift-accessible buses, providing transportation options for all people throughout Southwest Minnesota. Everyone is welcome to ride Community Transit for dial-a-ride and scheduled routes for door-to-door or curb-to-curb service. It is a shared ride program. This means all trips will be coordinated to include as many passengers as possible based on their pick-up and drop-off locations.

The volunteer driver program provides rides to destinations outside the primary service area of Community Transit or when buses are not available. According to UCAP, volunteer drivers have been a critical link that allows people in rural areas to access the medical services, social activities and any other services necessary to maintain a high quality of life. Community Transit provides volunteer driver service to Southwest Minnesota.

#### Facts about UCAP's Volunteer Driver Program

UCAP's volunteer driver program has 85 volunteers, and serves about 1,500 passengers each month. For each year, they provide about 15,000 services hours and about 16,000 one way trips. The average one way trip is about 50 miles, that gets to a total of about 800,000 service miles.

Its most significant social benefit is that it provides elderly citizens a way to move around as they cannot drive themselves. It provides them an opportunity to talk to volunteers, attend family functions that they could have missed if they could not use these volunteer services.

UCAP recruits its volunteers through many methods. Most of its new recruits are referred by their current volunteers. Once, new volunteers have been included in the team, they go through an initial orientation. They also get diversity training once a year. Their services get recognized usually at these trainings.

Community Transit reimburses its volunteers using federal IRS rate of 53.5 cents per mile. Also, it provides 7\$ for meal if its volunteers are 30 miles out of the area. It also covers no-load miles.

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<sup>5</sup> Cathleen Amick, phone: (507) 537-1416. Email: [cathleen.amick@wcainc.org](mailto:cathleen.amick@wcainc.org)

The reimbursement is covered depending on what the rider is eligible for. Their program contracts with insurance agencies who cover the cost of their clients' travel. If the client has no other insurance coverage, then it collects the mileage cost from the client. A small amount of the reimbursement is covered by grants but that is limited to certain demographic criteria.

Customers are only required to pay if their reimbursement is not covered by the agencies that this program has contracts with. For single rides, the charge is 0.60 cents per driver mile cash fare or a pre-paid amount (\$4 minimum). For coordinated rides, the charge is 0.35 cents per driver mile cash fare or a pre-paid amount (\$2.5 minimum).

The annual operating cost to operate the program is about \$560,000. The major costs of running the program are reimbursing the volunteers and personnel costs, including staffing costs are fiscal support staff and staff who coordinate the rides. This program has limited state and federal funds that cover its costs.

### **Alternative services available to customers**

Community Transit is the least expensive transportation option available to individuals throughout Southwest Minnesota, but buses and volunteer drivers cannot do it all. There are two main alternative transportation options available. Special Transportation Services (STS), like People's Express, provide non-emergency medical transportation throughout the area, and taxi services are available in two communities. No single service has the resources to meet all of the transportation needs in such a rural area.

### **Cost savings for UCAP's volunteer driver program**

STS and taxi services are vital. They fill unique needs throughout the region, but they do not provide options that are easily accessible for people who need ongoing transportation or those who are on a fixed income.

In this analysis, we compare operating cost of the volunteer driver programs to the alternative services of STS and taxi services. We assume that STS costs includes the base rate of \$13 and a mileage rate of \$1.3 per mile. In comparison, UCAP's volunteer driver program saves about \$73 per round trip, and about a total of \$584,000 for a year.

We assume that taxi costs include the base rate of \$3.5 for each trip and a mileage rate of \$2.5 per mile. In comparison, UCAP's volunteer driver program saves about \$185 per round trip, and about a total of \$1,480,000 for a year.

The calculation is shown below:

Number of round trips	8,000
Average trip length (mile)	100

United operating cost	\$560,000
Average operating cost per trip	\$70
STS operating cost per round trip	
Base rate	\$13
Mileage rate (\$1.3/mile)	\$130
Total	\$143
Taxi services per round trip	
Base rate for two trips	\$5
Mileage rate (\$2.5/mile)	\$250
Total	\$255
Cost savings against STS	
Average cost saving per round trip	\$73
Total annual savings	\$584,000
Cost savings against taxi services	
Average cost saving per round trip	\$185
Total annual savings	\$1,480,000

#### **4. SEMCAC's Volunteer Driver Program<sup>6</sup>**

##### **Program Description**

SEMCAC (Southeastern Minnesota Community Action Council) is a community action agency serving southeastern counties in Minnesota. SEMCAC's Volunteer Driver Program provides transportation for people age 60 and over. It also covers Medical Assistance, Blue Plus and UCare clients to medical and dental appointments in 6 counties, including Dodge, Fillmore, Houston, Steele, Waseca and Winona County. Those who are 60 and over may also receive rides for personal appointments and senior congregate dining. To receive these services, customers must give a 48-hour notice before their appointments. The Volunteer Driver Program tries to fill every ride request, but occasionally the demand for rides exceeds the supply of volunteer drivers.

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<sup>6</sup> Erlene Welshons, Phone: (507) 864-8238. Email: [erlene.welshons@semcac.org](mailto:erlene.welshons@semcac.org)

### **Facts about SEMCAC's Volunteer Driver Program**

SEMCAC Transportation has two separate services under its Volunteer Driver Program. The first one is for Medicaid rides only. Anyone ambulatory in its service area (Dodge, Fillmore, Houston, Steel, Waseca, and Winona Counties) that are eligible for medical assistance can utilize this program. These rides are covered by Medicaid through contracts with Blue Cross Blue Shield, UCare, South Country Health Alliance, Medica, and Department of Human Services. Drivers are reimbursed at the IRS rate (currently \$0.535 per mile), except under the DHS contracts for unloaded miles, in which drivers are reimbursed at \$0.27 (because unloaded miles are county's responsibly to pay).

The second program is called "Assisted Transportation Program." These rides can be for any purpose; however, the individuals must be 60 years of age or older and ambulatory. These individuals are not on Medicaid, therefore are on a self-pay basis. SEMCAC receives a yearly grant from the South-Eastern Minnesota Area Agency on Aging (SEMAAA), to supplement the cost of these rides. Its yearly grant totals \$65,309. Although it does not charge its customers for its services, a monthly "donation" letter is sent to the riders with a breakdown of miles driven for their rides with a suggested donation based on their income level. It receives roughly 25 percent for the true cost (driver reimbursement and administrative cost) of the rides from the donations riders send in, and the other 75 percent is covered by the SEMAAA grant and Counties support of \$5,000.

According to interviews with SEMCAC staff, for the two programs, the highest cost to the programs is the volunteer driver reimbursements, ranging from \$290,000 to 350,000 each year. The second major category of cost is personnel cost. For 2016 the total annual operating cost was about \$850,000.

In 2016, the two programs have a total of 101 volunteer drivers. The total number of trips were 19,376, with a total of 31,590 service hours, and a total of 704,451 service miles.

According to data that are available in more details for the first half of 2017, about 20 percent of the total trips are for the second program.

To recruit new volunteers, SEMAC advertises its positions in churches, newspapers and local radio stations. It also encourages its current volunteers to refer new drivers. However, it is becoming more and more difficult to hire new volunteers. SEMAC recognizes its volunteers annually. It arranges an annual dinner, along with trainings for volunteers. It also acknowledges their services in local newspapers.

SEMAC's volunteer driver program provides numerous social benefits for its community. It helps seniors get to their necessary medical appointments on time without burdening their family members and helping them to be quite independent. It provides them a way to interact with the drivers and build a meaningful trust. This trust helps seniors in getting involved in their

communities and it allows SEMCAC to refer those seniors to other services they might need in urgent times.

**Alternative services available to customers**

As SEMCAC mainly operates in rural areas, there are very limited alternatives available to customers. It also depends on the area that is being served. One main alternative that is available is Specialized Transportation Service (STS) from Rochester, which, according to SEMCAC staff, costs about 3 times more than these volunteer driver services cost.

**Cost savings of SEMCAC’s volunteer driver program**

In this analysis, we compare operating cost of the volunteer driver programs to the alternative services of STS. We assume that STS costs includes the base rate of \$13 and a mileage rate of \$1.3 per mile. In comparison, SEMCAC’s volunteer driver program saves about \$20 per round trip, and about a total of \$192,000 for a year.

The calculation is shown below:

Number of round trips	9,690
The first program	7,752
The second program	1,938
Total service miles	704,451
Average miles per round trip	73
SEMCAC total operating cost	\$850,000
SEMCAC average operating cost	\$88
STS operating cost per round trip	
Base rate (round trip)	\$13
Mileage rate (\$1.3/mile)	\$95
Total	\$108
Average cost saving per round trip	\$20
Total annual savings	\$191,756



## 5. Faith In Action in Red Wing<sup>7</sup>

### Program description

Faith in Action is a network of interfaith, volunteer caregiving service providers with hundreds of locations throughout the United States. They are privately funded programs initiated and supported by a private foundation, with the purpose to serve people who are isolated or homebound due to long-term health conditions as the result of old age and/or disability.

Faith in Action in Red Wing (FIARW) was started in 1998, with a one-time \$25,000 grant to start a Faith In Action program to serve the community within the city limits of Red Wing, MN, through faith based volunteer efforts. Since then they have received other grants and donations to keep their services.

With approximate 250 volunteers, FIARW's services include local transportation and shopping assistance, friendly visiting, respite for caregivers, family caregiver support group, book house call program, road to recovery rides for cancer radiation treatment. Local transportation assistance is provided mainly through volunteer driver who transport individuals to local appointments.

### Facts about FIARW's volunteer driver program

FIARW has a total of about 70 volunteer drivers. These volunteers are usually hired through volunteer coordinators at 12 different churches. These posts are also advertised in newspapers. Each month, each volunteer provides about 10 trips, in a total of 60 service miles and 10 service hours. Each year, they serve about 110 passengers, some of them using these services more than once. The annual services of the volunteer driver program include a total of about 8,400 trips, about 8,400 service hours, and about 50,400 service miles.

To recognize their volunteer drivers, the program arranges a banquet every year, which costs about \$250. They often have donated food for this event and churches help them host this event. This program has also a unique way of rewarding their drivers. They have received a federal grant which can be used to reward their drivers in two different ways. First, when a driver has reached 150 miles for these services, they send him a \$20 gas card. When he has reached 400 miles, they get a \$25 gas card. Similarly, for 700 and 1,000 miles of service, they receive \$30 and \$35 gas cards respectively. Second, this program pays a tuition fee for their drivers to enroll in a course about safe driving and this tuition fee is almost \$24 per driver. This whole rewarding mechanism costs around \$1,200-1,500 per year.

This program does not charge its customers for its services. However, customers can contribute through donations and some benevolent donors send monthly checks to finance this program.

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<sup>7</sup> Lee Neste, phone: (651) 327-2400. Email: fai@redwing.net

Donations from customers vary. Many are below the poverty level and they normally do not contribute.

In 2016, the volunteer driver transportation program costs about \$45,000, including about \$37,000 for personnel, about \$6,000 for program coordination, and about \$2,000 for other administrative costs. About half of the expenses were covered by grants, including a grant from Department of Human Services. The remaining part was covered mostly individual contributions, church support, or in-kind contributions.

The program provides considerable benefits for senior citizens of its community who cannot use public transport on their own. According to their estimate, 76 percent of the trips are related to health services and it allows the family members of these customers to save their time by using volunteer services. A medical van for similar services could cost up to \$60 and most the customers cannot afford this van. This program also saves cost of enrolling seniors in assisted-living by making them independent. Moreover, this program is also quite beneficial for low-income citizens as it provides them food-shelves trips. These customers are not able to use public transport as it requires a lot of effort to carry their bags in buses.

#### **Alternative services available to customers**

For local transportation services, most of the customers prefer their family members first. If their family members are not able to assist them, they may use public transport. However, not all these senior citizens and low-income people can use public transport, hence they use the services provided by these volunteer drivers. An alternative that is available to customers is taxi service, which is more expensive.

#### **Cost savings**

In this analysis, we compare operating cost of the volunteer driver programs to the alternative services of STS and taxi services. We assume that STS costs includes the base rate of \$13 and a mileage rate of \$1.3 per mile. In comparison, FIARW's volunteer driver program saves about \$18 per round trip, and about a total of \$75,000 for a year.

We assume that taxi costs include the base rate of \$3.5 for each trip and a mileage rate of \$2.5 per mile. In comparison, UCAP's volunteer driver program saves about \$24 per round trip, and about a total of \$102,000 for a year.

The calculation is shown below:

Number of round trips	4,200
Average length per round trip (mile)	12
FIARW operating cost	45,200

Personnel	37,100
Coordination	6,400
Other costs	1,700
Average operating cost per round trip	\$11
STS operating cost per round trip	
Base rate	\$13
Mileage rate (\$1.3/mile)	\$16
Total	\$29
Taxi services per round trip	
Base rate for round trip	\$5
Mileage rate (\$2.5/mile)	\$30
Total	\$35
Cost savings against STS	
Average cost saving per round trip	\$18
Total annual savings	\$74,920
Cost savings against taxi services	
Average cost saving per round trip	\$24
Total annual savings	\$101,800

## 6. Faith in Action for Cass County<sup>8</sup>

### Program Description

Faith in Action for Cass County (FIACC) is a non-profit, volunteer driven organization serving people in need throughout Cass County, Minnesota. FIACC Volunteers provide non-medical, neighborly assistance to older adults, adults with disabilities, and others experiencing difficult circumstances. FIACC does not charge for services, although donations are accepted with

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gratitude. Income does not determine eligibility, yet it strives to assist those who lack other resources.

FIACC's transportation services include rides to medical appointments, errands, grocery shopping and other essential trips. Volunteers provide rides using their own vehicles. It requests its customers to contact Faith in Action two business days prior to the date of their request, so that they can arrange for a volunteer in time. However, FIA is not a licensed provider and does not provide medical appointments that are covered by Medicaid. FIACC also have several other volunteer programs, including friendly visiting, minor home repair and wheelchair ramps, chores and household tasks, caregiver respite and support, and home meal delivery.

### **Facts about FIACC's Volunteer Drivers Program**

FIACC's number of total volunteers is about 120. According to the data of 2016, on average 32 volunteer drivers may be used each month, to provide 160 trips and to serve 60 passengers, for a total of 240 service hours and about 7,600 miles. The annual total is 1,920 volunteer trips, 2,880 service hours, and 91,000 miles.

FIACC recruits its volunteers through churches, and other community places. They usually advertise these positions in local newspapers. They also encourage current volunteers to bring in more people who are willing to provide these services. However, the availability of volunteers remains a significant challenge for FIA. To recognize the services of its volunteers, FIACC arranges a couple of events on annual basis. It arranges a Fall recognition dinner every year. It also provides an updated training in the summer and arranges for lunch during this training. Moreover, it provides volunteers with shirts to recognize their contributions.

FIACC reimburses its volunteers for mileage at 43.5 cents per miles, which is 10 cents less than federal IRS business rate of 53.5 cents per mile. It also reimburses them for no-load miles as Cass County is very large and sometimes volunteers drive 20-30 minutes just to pick up their customers. Customers are not charged any fees, but are encouraged to contribute to the services based on a sliding income scale. People with incomes at or below poverty level would pay \$0 and people at or above 250 percent would be encouraged to pay 100 percent of the estimated cost.

FIACC's services are very important for their customers. Many of the people living in Cass county are retired from their professions and some can no longer drive. This might result in their being isolated from most of the services that they need and force them to skip their essential appointments. FIA's volunteers fill that gap and provide them a way to get out of their houses to receive services that they need.

Moreover, there are no public hospitals in Cass County. It just has small medical facilities. So, if its citizens need to see doctors in a hospital, they can use services provided by volunteer drivers. FIACC also help senior citizens get engaged in their own communities by helping volunteer for different community gatherings.

According to interview with FIACC staff, we estimated that the volunteer driver program costs about \$80,000 for operating, which includes approximately \$40,000 in personnel cost, \$5,000 in insurance, \$32,000 in volunteer driver reimbursement, and \$3,000 in general office administration. Some of the costs to run the program are covered by federal and state grants that provide assistance to seniors. In addition to customer contribution, other funds come from fundraising and local contributions to cover these costs.

### **Alternative services available to customers**

There are very limited transportation options available for citizens of Cass county. Only 2 bus services run on a small scale, but they do not connect to most of the areas in the county. Most of the bus services that are available, they run only once a day. And there are no taxi services available. There is another volunteer program for veterans and sometimes it collaborates with FIACC to make sure that they serve their communities in an efficient way.

There is a private transportation option available for persons with disabilities. But it is extremely expensive and thus out of reach for most of the residents of Cass county. FIACC received a grant from DHS to purchase an accessible van. In the past, FIA could not take persons with disabilities since volunteers drive their own cars and they could not provide services to people with disabilities. Now it has one year (until June 30, 2018) to show DHS that it can utilize this van in an efficient manner. FIACC needs to cover the costs of running this van, of which the operating cost is about \$225 for one-time service.

Another possible alternative is Special Transportation Services (STS), which is provided for recipients who are not able to safely use [access transportation services](#) such as personal mileage reimbursement or common carrier (bus or light rail, taxi or volunteer driver) because of physical or mental impairment. Certification for STS also requires “door through door” or “station to station” service needs to be delivered directly to the recipient by the STS driver. According to previous data of MCOTA, the operating cost of STS is \$13 per round trip for the base rate plus \$1.30 per mile.

### **Cost savings**

In this analysis, we estimate the cost savings of volunteer driver programs against two alternative service scenarios. Comparing to the private provider services, the cost savings is about \$183 per round trip, and about a total of about \$352,000 for a year.

We assume that STS costs includes the base rate of \$13 and a mileage rate of \$1.3 per mile. In comparison, FIACC’s volunteer driver program saves about \$33 per round trip, and about a total of 64 thousand for a year. The calculation is shown below:

### **Private provider for persons with disabilities**

CCFIA operating cost

Total annual operating cost	\$80,000
Total annual trip	1,920
Operating cost per round trip	\$42
Private provider cost per round trip	\$225
Cost saving per round trip	\$183
Total annual savings	\$352,000

### Special Transportation Services

#### CCFIA operating cost

Total annual operating cost	\$80,000
Total annual trip	1,920
Operating cost per round trip	\$42
STS operating cost per round trip	
Base rate	\$13
Mileage rate (\$1.3/mile)	\$62
Total	\$75
Cost saving per round trip	\$33
Total annual savings	\$64,000

## Conclusions

The analysis shows that volunteer driver services are often provided through community-based transit programs, including Community Action Partnerships that were established under the Federal Economic Opportunity Act of 1964, and Faith In Action organizations, which are networks of interfaith, volunteer caregiving service providers initiated by private foundation but also receive other grants. In addition, volunteer driver services may also be provided by other nonprofit organizations. These programs may serve people within one city, one county, or multiple counties in a region, and they can cover many counties in the Greater Minnesota.

Volunteer driver programs provide flexible transportation services to meet the need of communities. Through a network of volunteer drivers, they help the senior, low-income or other

less independent groups to make medical, employment, education, elderly grocery, or pharmacy trips. The operating costs of these programs mainly include reimbursement to volunteer drivers, and personnel for program coordination. Customer contributions are either voluntary or designed only to cover a small share of operating. The costs are often covered through federal and state human services programs as well as organizational or individual donations. Volunteer driver programs help human services agencies to keep their costs low, and provide critical services for customer with special transportation needs. Such services are especially indispensable in rural areas where other modes of transportation are often unavailable or a lot more expensive.

We compare the cost of volunteer driver programs to alternative services that may be available, such as private provider services, Special Transportation Services, or taxi services. On average, for each round-trip volunteer driver services can save from \$18 to \$185, depending on trip length and the type of alternative services. The annual savings of these six program range from about \$64,000 to as much as \$1,480,000.

**Table 7. Summary of volunteer driver programs’ cost savings per year**

<b>Volunteer Driver Program</b>	<b>Average savings per round-trip compared to other options</b>	<b>Annual savings compared to other options</b>
1. Volunteer Services of Carlton County	\$47	\$226,896
2. Central Community Transit (CCT)	\$43	\$615,246
3. United Community Action Partnership	\$73-\$185	\$584,000 - \$1,480,000
4. SEMCAC’s Volunteer Driver Program	\$20	\$191,756
5. Faith in Action in Red Wing	\$18-\$24	\$74,920 - \$101,800
6. Faith in Action for Cass County	\$33-\$185	\$64,000 - \$352,000