



Minnesota Volunteer Driver Program Forum

A Summary Report
May 9, 2018
Saint Paul, Minnesota

Sponsored by:
Minnesota Council on Transportation
Access (MCOTA)

Minnesota Council on
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Hosted by:
Center for Transportation Studies,
University of Minnesota



Facilitated by:
College of Continuing and Professional
Studies, University of Minnesota



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This daylong event, convened by the Minnesota Council on Transportation Access (MCOTA), brought together individuals running volunteer driver programs and other stakeholders. The forum provided attendees with the opportunity to share information to help maintain and strengthen these programs.

Forum Program

Opening Remarks

- Diogo Reis, Minnesota Department of Human Services
- Tim Henkel, MCOTA Chair and Assistant Commissioner, Minnesota Department of Transportation
- Claire Wilson, MCOTA Member and Assistant Commissioner, Minnesota Department of Human Services

Panel: Current State of Volunteer Drivers in Minnesota

Moderator: Diogo Reis, Minnesota Department of Human Services Research

Panelists:

- Frank Douma, Humphrey School of Public Affairs, University of Minnesota
- Tiffany Collins, MCOTA Member and Central Community Transit
- Shelly Pflaum, United Community Action Partnership
- Ted Nelson, Prairie Five Rides

Panel: How to Handle Insurance and Tax Issues

Moderator: Diogo Reis, Minnesota Department of Human Services Research

Panelists:

- Theresa Eclov, Faith in Action for Cass County
- Peter Brickwedde, Minnesota Department of Commerce
- Matt Damiani, Minnesota Department of Revenue

MN2030 Looking Forward

Panelists:

- Kari Benson, Minnesota Department of Human Services Aging + Adult Services Division and Minnesota Board on Aging
- Reena Shetty, Minnesota Board on Aging
- Mike Saindon, Minnesota Department of Human Services
- Ilya Garelik, Minnesota Department of Human Services

Panel: Mobility Management

Moderator: Tim Sexton, MCOTA Member and Minnesota Department of Transportation

Panelists:

- Heidi Corcoran, Dakota County
- Alan Hermann, SmartLink Transit, Scott County
- Sue Siemers, Minnesota Department of Transportation

Panel: Emerging Topics + Technologies

Moderator: Tim Sexton, MCOTA Member and Minnesota Department of Transportation

Panelists:

- Jack Larson, Arrowhead Transit
- Sandra Wheelecior, Arrowhead Transit
- Michael Kronzer, Minnesota Department of Transportation

Closing Remarks

- Noel Shughart, MCOTA staff and Minnesota Department of Transportation

More Information

Download this document and related materials at coordinatemntransit.org/events/volunteerdriverforum



Volunteer Drivers: Budget Savings, Social Benefits

Minnesota spends more than \$88 million annually on nonemergency medical transportation, with reimbursement to volunteer drivers accounting for a third of those funds, says Claire Wilson, assistant commissioner of the community supports administration at the Minnesota Department of Human Services.

Volunteer drivers transport seniors or individuals with disabilities to healthcare appointments or to other destinations, such as the grocery store. Drivers typically are active retirees and range in age from 55 to 80 plus.

Volunteer drivers represent a huge budget savings to Minnesotans, Wilson says.

But volunteer driver programs mean much more than budgets to riders.

"This is what you're doing every day, giving older people and individuals with disabilities a rush of freedom and peace and a sense of 'I'm going to be able to be in my world today in a way that gives me some choice and freedom,'" Wilson says.

"That isn't just getting people door-to-door," she says. "It gives them relief from social isolation—it gives them a companion. It eases so many fears and relieves them from so many challenges."

In addition to overseeing nonemergency medical transportation, DHS also administers funds such as Live Well at Home grants, Wilson says.

The grant recently helped fund Faith in Action in Red Wing, Minnesota. The provider's goal is to help community residents remain independent by providing services such as home visits, transportation, and bringing books to those at home.

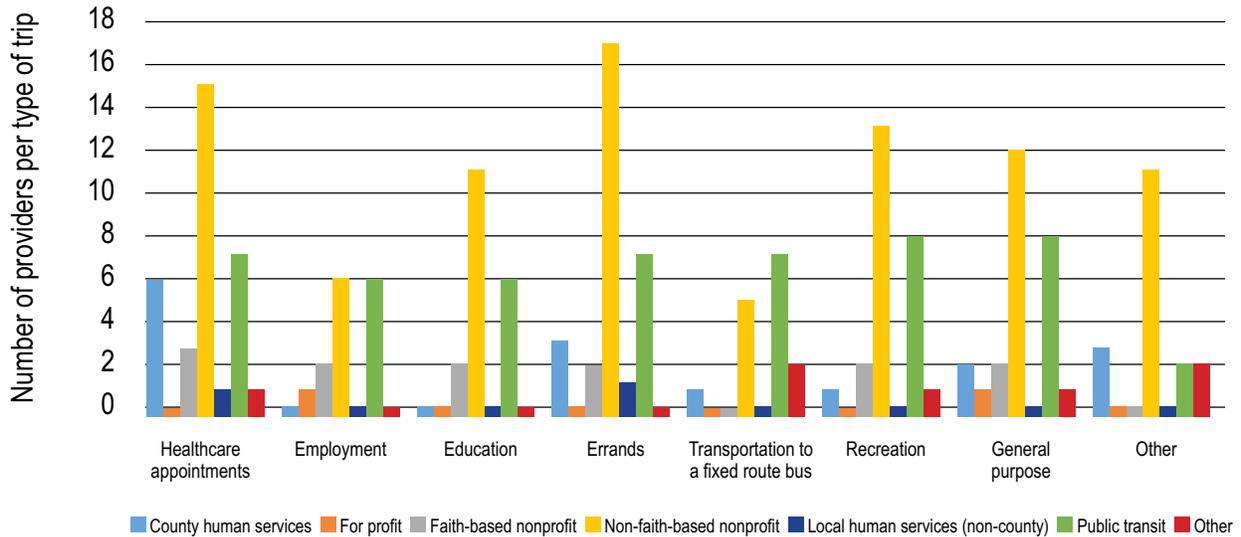
In recent years, 80 volunteer drivers for Faith in Action have transported kidney dialysis patients to their three-times-a-week appointments, providing more than 2,000 hours of service and driving more than 19,000 miles, Wilson says.

For her part, Shelly Pflaum says that, while volunteer drivers allow older and disabled Minnesotans to go places they couldn't get to with public transportation, "they do so much more than just drive." Pflaum is the community transit access coordinator for United Community Action Partnership.

"They're going to drive the person where they're going, but they're also providing companionship," she says. "They offer options where other options might be cost-prohibitive for people who still want to be able to do their own grocery shopping."

Volunteer drivers can drive nights and weekends, offering flexible scheduling for their riders, says Tiffany Collins, transit director for Central Community Transit. And, volunteer drivers often are the only transportation her clients can afford.

Types of Services Provided per Organization



Trip types provided by volunteer drivers, by provider type



These stories highlight the strong role volunteer drivers play in helping seniors across the state retain their independence.

Yet counties and human service agencies continue to identify access to transportation for older Minnesotans and individuals with disabilities as one of three top unmet needs. DHS emphasized the point in its last biennial budget gap analysis, according to Tim Henkel, MCOTA chair and assistant commissioner of the Minnesota Department of Transportation.

In fact, about 28 percent of those responding to the budget gap analysis said lack of transportation was a barrier to older Minnesotans remaining in their homes, Henkel says.

Without volunteer drivers, services are discontinued, transportation costs rise, fewer people can age in place, rural residents can't get to where they need to go, and older residents can become impoverished, Collins adds.

But volunteer drivers themselves and the administrators who oversee these programs may provide the best ways to support and improve these essential services.

"We want to learn if there are things we can do at the state level to help you with your volunteer efforts and to move forward as a council to make the volunteer network stronger," Henkel says.

The need for volunteer drivers won't be going away, Wilson says. "We know that as our older adult population swells we're going to need more of these services—they're going to be even more critical."



Current State of Minnesota’s Volunteer Driver Program

Several organizations that rely on volunteer drivers to transport older adults and Minnesotans with disabilities to medical appointments, to the grocery store, or simply to the library have had to turn away a percentage of riders lately because the providers just don’t have enough volunteer drivers to meet demand.

But Minnesota service providers—and, by extension, Minnesota taxpayers—depend on those drivers.

A recent MCOTA-sponsored study of 900 volunteer drivers across the state found they drive slightly less than 400,000 hours per year and make 429 monthly trips on average.

“If the Minnesota Department of Human Services were to pay for that number of driver hours, costs would skyrocket,” says Frank Douma, director of the State and Local Policy Program at the Humphrey School of Public Affairs and principal investigator for the study.

Driver recruitment

The study also found volunteer driver recruitment to be a big issue.

“About 70 percent of the respondents say they use volunteer drivers, and most of them indicated they don’t have enough,” Douma says.

For example, Prairie Five Rides uses both volunteer

and special transportation services (STS)-qualified drivers to transport older and disabled riders throughout its 3,000-square-mile service area in west-central Minnesota.

“In 2016, we had close to 40 volunteer drivers. That’s kind of the optimum number for us, where you’re not denying rides,” says Ted Nelson, program manager for Prairie Five Rides. “Right now, we’re at 18 drivers. We’re denying about two to six rides a day. It’s been a huge hit on us but we’re struggling through.”

Providers have a hard time recruiting volunteer drivers for reasons that range from questions about automobile insurance coverage and federal taxes to a general downturn in volunteerism.

Other factors faced by providers who use volunteer drivers include the inability to adequately cover large transportation areas and limitations on transporting riders to appointments in other states.

And many of these issues aren’t location specific. Whether the service provider is located in Minneapolis or Pelican Rapids, for example, finding enough volunteer drivers to make every trip requested is a challenge.

Mileage reimbursement

Reimbursing drivers for the miles they drive can create confusion around tax issues, keeping away volunteers who would otherwise like to participate.

Nearly 80 percent of survey respondents in the MCOTA study reimburse drivers for the miles they drive, Douma says.

And 55 percent of those that reimburse volunteer drivers do so at the charitable rate of 14 cents per mile, which is much less than the 2018 federal business rate of 54.5 cents per mile. The remaining respondents reimburse their drivers for varying amounts below the federal business rate.

Nearly all the organizations that reimburse also pay drivers for their no-load miles—the distance the volunteer drives to pick up riders and to return home after dropping riders off.

“Those no-load miles are not necessarily reimbursable from other sources, so they’re coming from the providers’ own pockets,” Douma says.

One way to attract more volunteer drivers could be for the state to reimburse organizations that pay for no-load miles, he adds.

Tax implications of mileage reimbursement

A big barrier to volunteer retention is simply referred to by some service providers as “the 1099 issue.”

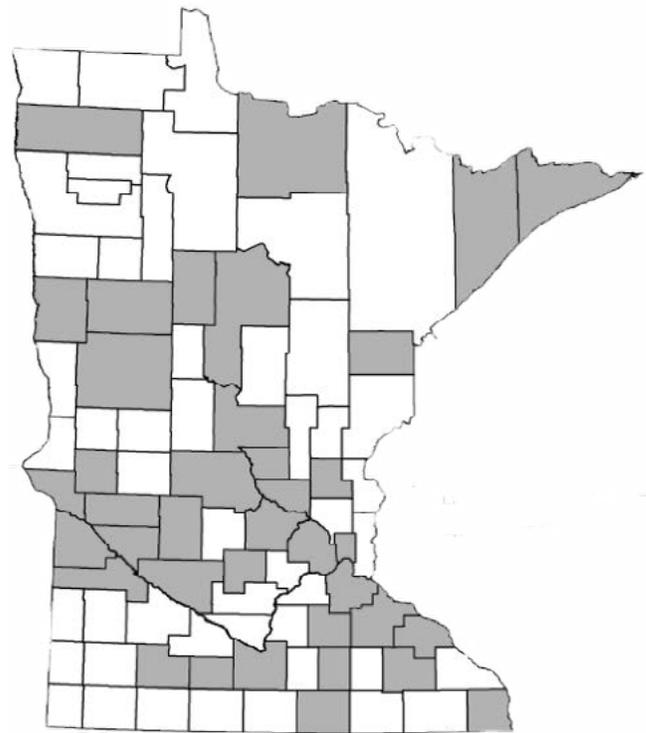
In a nutshell, volunteer drivers who receive mileage reimbursements in excess of the charitable rate (14 cents per mile) that total more than \$600 annually must pay taxes on it. In those circumstances, the IRS treats the reimbursement as taxable income that must be reported, says Matt Damiani, assistant director of income tax and withholding at the Minnesota Department of Revenue.

In addition, organizations need to provide those drivers with Form 1099-MISC, which, according to the IRS, “reports payments made in the course of a trade or business to a person who’s not an employee or to an unincorporated business.”

Organizations that depend on volunteer drivers suffered due to the 1099 requirement. Nelson, of Prairie Five Rides, reports he lost half of his volunteer drivers when the 1099 issue hit.

After a flurry of questions from the organizations that use volunteer drivers, the Minnesota Department of Revenue made a post to its website clarifying the income tax withholding issue. “Previously we were silent on this topic because it’s a federal law,” Damiani says. “But there have been so many questions and so much confusion, we decided we needed to try to help.”

The charitable rate, set by statute, hasn’t changed for the past 21 years, Damiani adds.



Survey respondent locations for the MCOTA-sponsored Study of Volunteer Driver Programs

The 14-cents-per-mile charitable reimbursement rate can feel like an affront to volunteers, says Theresa Eclov, executive director of Faith in Action for Cass County. “Volunteers become really demoralized because they feel undervalued in comparison to business people.”

Vehicle insurance

Regardless of reimbursement issues, volunteer drivers are voicing concern related to their personal vehicle insurance coverage. In particular, they worry their costs will escalate or that they aren’t carrying enough insurance on their vehicles. The entry of for-profit businesses like Uber and Lyft, especially, has caused confusion about vehicle insurance coverage.

Those concerns come as some insurers seek to treat volunteer drivers as contractors or employees and move them into a higher coverage rate required for Uber and Lyft drivers or other commercial drivers. These insurers view volunteer drivers as receiving compensation—not reimbursement—for their time, Douma says.

“This, as you can guess, becomes a significant disincentive for someone to decide to volunteer their time as a driver,” Douma says.

To clear up the issue, Douma recommends

Minnesota statute explicitly exempt volunteer drivers from regulations that pertain to businesses like Uber and Lyft.

The current Minnesota law that regulates those paid drivers contains vague language that could be understood as pertaining to volunteer drivers as well as paid drivers. The wording has confused insurers, according to Peter Brickwedde, assistant commissioner of government and external affairs at the Minnesota Department of Commerce.

Legal clarification would help insurers understand that volunteer drivers are not employees and don't need to be charged higher commercial rates, Brickwedde says.

"Insurance shouldn't be an impediment to doing this work," he adds. "Insurance is supposed to be there in case of an accident. You don't want a possibility of dispute to be a deterrent to somebody being a volunteer driver in the first place."

Other challenges to driver programs

A decrease in volunteer numbers isn't the only issue these programs face.

Volunteer drivers for Faith in Action for Cass County can't assist their riders in any way—including helping them into and out of their vehicles—and the same is true for most other volunteer driver programs.

"We don't even require CPR or first aid. They're just driving," Eclov says. "People are living longer at home and become increasingly frail. So, when folks have difficulty transferring themselves in and out of vehicles, I have to make a phone call and say, 'I'm sorry we can't serve you anymore.'"

Faith in Action also is seeing more riders with serious mental and physical health concerns. "Because volunteers don't have a medical background, we have them dial 911 in emergency situations," Eclov says. "The volunteers didn't really sign up for these things."

In addition, service providers outside the Twin Cities struggle to cover their large districts and, in some cases, face difficulties transporting patients to medical appointments in other states.

For example, two years ago Faith in Action for Cass County purchased a wheelchair-accessible van with grant monies. The van accommodates two wheelchairs and five other passengers. But Eclov discovered the van needs U.S. Department of Transportation certification, which requires an annual inspection and drivers to pass a physical to travel outside Minnesota.

Recommendations for increased recruitment

- Use photos and videos in recruitment marketing
- Recruit in 55+ housing complexes
- Offer consistent training, online orientation
- Emphasize flexibility
- Offer recognition (birthday celebrations, etc.)
- Hold networking events for volunteers, like monthly coffee and doughnuts
- Offer support for paperwork, such as an app for drivers to record expenses

In response, the organization modified its DOT application.

"Now we don't drive out of state, even though Fargo is one of our big secondary medical locations," she says. "But I don't know of a single driver who would have agreed to take a physical."

Prairie Five Rides also struggles to provide driver coverage for its 3,000-mile area in west-central Minnesota. The program does have five vans with DOT-trained drivers, but it calls on volunteer drivers to transport riders to medical appointments in Sioux Falls and Watertown, South Dakota.

No matter the size of the service provider or its location, program administrators all strongly agree on one thing: they are committed to sending out volunteer drivers every day. Their clients depend on volunteer drivers in order to remain in their homes and to live independently.





MN2030: Looking Forward

By the year 2030, Minnesota’s demographic makeup will look quite different. Baby boomers will begin turning 85. That year will also mark the first time in Minnesota history that residents aged 65 and over will outnumber school children.

Those numbers will certainly affect state social services. The Minnesota Board on Aging and the state’s Department of Human Services have partnered on MN2030: Looking Forward, an initiative to envision how those state services should look by that significant year and to put in place goals and strategies to get there.

“We’ve been really trying to ask ourselves and ask others ‘What do we really want our futures to look like? What do we want to focus on together as we move forward?’” says Kari Benson, executive director of the Minnesota Board on Aging.

The agencies are getting feedback from Minnesota service providers—and Minnesotans themselves—about issues they expect to see in light of the state’s aging population. Also, the partners are asking the providers for ideas on how best to address those issues.

Transportation, of course, is included within the initiative. Service providers expect, for instance, that greater numbers of volunteer drivers will be needed

to drive older Minnesotans to medical appointments, stores, and churches.

“People want to live in their homes longer and to live in communities where physical infrastructure makes that easy to do,” Benson says. “Volunteer drivers are crucial to helping older Minnesotans stay connected to their communities and get the help they need.”

With those thoughts in mind, DHS staff asked forum attendees to participate in a visioning exercise.

Participants identified ways to overcome challenges that volunteer driver programs typically face.

DHS summarized the ideas of forum participants into priorities in three key areas: mileage reimbursement, insurance, and service coordination.

MN
2030

LOOKING
FORWARD



MN2030 Priorities: Mileage reimbursement

- Raise livery/for-hire exclusion dollar limit
- Simplify billing system
- Establish a state council of volunteer driver programs
- Develop Volunteer Driver Manual
- Raise volunteer mileage reimbursement rate to business rate
- Conduct study to identify cost and formula for volunteer driver expenses, as well as return on investment of volunteer driver programs
- Conduct a public awareness campaign
- Modify Medical Assistance so that it covers no-load miles
- Clarify IRS Form 1099 tax rules

MN2030 Priorities: Insurance

- Define volunteer driver in state statute. Differentiate between volunteer drivers and for-profit drivers
- Protect volunteer drivers from livery exclusion
- Establish a comprehensive network of volunteer drivers
- Share information through brochures, webinars, social media, and navigators
- Increase collaboration with insurance companies
- Create a state mandate that requires insurance policies to cover volunteer drivers
- Increase volunteer recruitment training
- Create a resource directory
- Expand Senior Care for programs that already coordinate it and are exempt

MN2030 Priorities: Service coordination

- Utilize Regional Transportation Coordinating Councils (RTCCs)
- Increase county-to-county transportation
- Increase knowledge of transportation services
- Share county resources
- Establish a local community outreach/task force
- Increase use of mobility management organizations
- Create an organized, volunteer program database
- Remove barriers to services caused by county borders (funding, insurance, turf issues, client)



Mobility Management

Regional Transportation Coordinating Councils

Regional Transportation Coordinating Councils (RTCCs) connect an area's transportation programs so all eligible riders have access to rides to and from medical appointments, grocery shopping, and other places they'd otherwise have a hard time reaching. The councils coordinate rider programs to avoid unnecessary duplication of services.

Sue Siemers, Greater Minnesota mobility management program coordinator at the Minnesota Department of Transportation, is leading an effort to create eight to 10 RTCCs throughout the state.

In 2015, MnDOT and DHS established the initiative. Eventually, RTCCs across Minnesota each will cover four to eight counties to pool ridership efforts, including volunteer driver programs.

"We need to have the coordination and the efficiencies of all our providers out there," Siemers says.

The Greater Minnesota RTCCs are currently in the planning stage. Ten applicants submitted grant proposals in 2018 for 12-month planning grants. The RTCCs will be structured in such a way they "just won't start up and fade away," she adds.

While MnDOT is funding the planning grants, each RTCC will be responsible for funding a significant portion of its program when it is up and running.

GoDakota

In 2009, Dakota County officials recognized that its transit services for older residents and those with disabilities were a "spaghetti bowl—sort of a mess," says Dakota County transit coordinator Heidi Corcoran. The system was very inefficient, with several vehicles traveling similar routes carrying one or two passengers each. "In 2012, we looked at efficiency and cost," she recalls. "We've got to address this, we've got to figure this out."

The three-year-old Dakota County Transportation Coordination Collaborative includes representation from the Metropolitan Council, MnDOT, Dakota County Community Development Agency, and three volunteer organizations. Its aim, like all RTCCs, is to coordinate transportation services and programs to increase efficiency. The result is the GoDakota Mobility Management Model.

Now, Dakota County is testing a partnership with Lyft. The pilot will partner with Lyft to supplement Metro Mobility for door-to-door service for individuals with disabilities.

When the full GoDakota effort—beyond the pilot—is up and running, a rider will contact a call center to request a ride. From there, the request will be moved into a software system that determines the best

provider for the specific request, Corcoran says.

"Maybe Metro Mobility is the cheapest but will take the longest," Corcoran says. "If your priority is time, you'd be matched with a different provider. You select your ride and it automatically goes through a funding payment system. Maybe a waiver will pay for part and you have a credit card on file that pays for the other part. Then, the ride will pick you up."

The Lyft project will help GoDakota determine how to bill using a software system. "The first steps may be may be workarounds, but we want to create something more sustainable," Corcoran says.

Another initiative connects newly released inmates with transportation. The Dakota County jail, in Hastings, currently has no transit service. But starting in July, buses will stop at the county jail twice each day to transport recently released inmates to an existing fixed-route transportation system.

Software speeds ride requests in Scott and Carver counties

SmartLink Transit, which serves Scott and Carver counties, uses a ride-scheduling software system that includes an accounting function, says program director Alan Hermann, of Scott County. SmartLink helps administer nonemergency medical transportation. The software allows riders to request a trip by phone call or online.

"Software is a big key to mobility management," Hermann says. "When trip requests come, we determine least costs. Then we reach out to our nonemergency medical transportation providers."

The software upgrade will include an invoicing component, so each transit service is invoiced for the trip. The accounting aspect gives SmartLink the true costs of providing transportation services across the region broken down by each provider, including costs for volunteer trips.

A homegrown system in the Arrowhead

Coordinating insurance reimbursement is another aspect to the RTCC puzzle.

For its part, Arrowhead Transit, which serves the Arrowhead region of Minnesota, chose to create its own software to manage 5,000 rides per month, says director Jack Larson. Insurance reimbursement is also part of the system.

Insurance companies vary in the way they request billing information. The Arrowhead software allows users to enter billing information into one common area, and filters on the back end codify the information for the insurance provider specified. The system allows managers to determine where insurance-billing issues and mistakes originate.

"We send batches of up to 1,300 claims," Larson says. "If you have four or five mistakes in that batch, they'll kick that back to you. If you want to be paid, you have to clean that up."

In all, local entities looking to coordinate services must consider a number of issues, including software, invoicing, and ride-cost considerations. But tackling those issues is worthwhile for the efficiencies gained and the cost savings, Hermann says.





The Future of Transportation

What if one day a Minnesota transportation provider could send a fully autonomous vehicle to pick up an older passenger? Could such technology benefit volunteer driver programs?

Sandra Wheelcor, a supervisor for Arrowhead Transit and member of the self-driving vehicles task force for the Grand Rapids area, considers the possibilities.

A township or city with a fleet of driverless vehicles shared by residents would reduce the need for volunteer drivers, she says.

According to Michael Kronzer, manager of the MnDOT autonomous bus pilot project, self-driving vehicles on Minnesota roads are 15 to 20 years away.

The task force looked at how various types of self-driving vehicles could improve mobility and access for the older adults and individuals with disabilities. The task force found that meeting these needs could add billions of dollars back into the U.S. economy, Kronzer says.

A Minnesota model for self-driving vehicles would need to be different for rural and urban areas because rural areas with low population density won't cover the cost of a fleet of the cars or buses, Wheelcor adds.

Kronzer's team tested an autonomous (self-driving) bus from the American company EasyMile in rural Minnesota this past winter. They wanted to better understand what kind of rural infrastructure is needed to support the bus as well as to see how well it would

perform in a Minnesota winter.

"A lot of this advancement is going on in warm-weather states, in perfect dry, warm conditions," Kronzer says. "We want to make sure Minnesota becomes a leader and that cold weather states aren't left behind as the state and federal regulations and the industry itself advances."

The buses, which cost from \$250,000 to \$300,000, travel around 12 miles per hour but are capable of speeds up to 25 miles per hour. They hold up to 12 passengers.

For the winter test drives in rural Minnesota, Kronzer's team traveled along programmed routes and an operator manually drove the bus from the garage to the route, though such operators may not be necessary when buses travel their routes in the approved, regulated future.

In clear conditions, the vehicle performed as expected. It performed sufficiently on ice, slippery pavements, and over fallen snow, but it struggled to travel through falling and blowing snow.

"The bus isn't intelligent enough to tell if it's seeing a person or if it's seeing snow. It will stop no matter what it is," Kronzer says. "But they're working on that."

It may be years before self-driving vehicles provide a viable mobility option. But they are part of the conversation, and pilot programs like MnDOT's show the possibilities for a new mobility landscape.