

## *Transit for Healthcare: Addressing the Volunteer Driver Deficit*

### The Problem:

The number of rural volunteer drivers is falling, impacting transit and healthcare access for the elderly.



**Volunteer Drivers provide essential transit services for individuals across the state**, providing access to healthcare appointments, grocery stores and the like.



**More than half of volunteer drivers are retired** and drawing from social security benefits.



**As Greater Minnesota continues to rapidly age**, the volunteer driver deficit will worsen, as today's volunteer drivers age into needing the service themselves.

### What's driving the deficit:

Reimbursement 'income' above the charitable mileage rate can lead to a reduction in Social Security benefits for retired volunteers.



**The charitable mileage reimbursement rate of \$0.14 per mile** has not changed since **1986**.



**Most drivers are reimbursed at the standard business rate of \$0.58 per mile**



**Mileage reimbursed at a higher rate** than \$0.14 per mile is taxable as regular income.



Retired volunteers may face **reductions in their Social Security benefits** from this extra income



**This can dissuade potential volunteers** from participating.

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*Table 1: Average cost savings of volunteer drivers compared to nearest transit option*

Volunteer Driver Program	Avg savings per-round trip compared to nearest options	Annual savings for riders compared to other transit options
Volunteer Services of Carlton Co.	\$47	\$226,896
Central Community Transit (CCT)	\$43	\$615,246
Community Action Partnership (UCAP)	\$73 - \$185	\$584,000- \$1,480,000
SEMCAC's Volunteer Driver Program	\$20	\$191,756
Faith-In-Action Red Wing	\$18 - \$24	\$74,920 - \$101,800
Faith-In-Action Cass Co.	\$33 - \$185	\$64,000 - \$352,000

Source: MCOTA 2017

### What We Know:

- Volunteer drivers are the most **cost-effective** means of providing rural transit
- More than **half of transit providers did not have enough drivers** to meet demand in 2017.
- Greater Minnesota's **public transit systems are unable to accommodate the elderly** population's transit needs
- Senior **volunteers are concerned about reimbursement** and its effect on Social Security benefits

### **Moving forward:**

#### **Federal Level**

A bill is currently waiting to be heard in the Ways and Means Committee in the U.S. House that would increase the charitable mileage reimbursement rate to \$0.58 per mile.

#### **State Level**

As the state cannot change the federal tax code, the State of Minnesota may need to be creative in its solutions to the volunteer driver deficit. By utilizing MnDOT to do community outreach and volunteer recruitment, and clarifying car insurance requirements for volunteer drivers, the state could help slow the declining volunteer driver numbers. In addition, the state may consider reimbursing transit organizations for volunteer miles driven without a client in the car.

To read the full report, visit our website at [ruralmn.org](http://ruralmn.org).