



# Aging rural Minnesota: The future of volunteer drivers

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OCT. 26, 2023

SMART RURAL SEMINAR

# About us

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In 1997, a group of rural Minnesota advocates came together to create a rural policy “think tank” that would provide policy makers, rural advocates, and concerned citizens with an objective, unbiased and politically unspun examination of today’s rural issues.

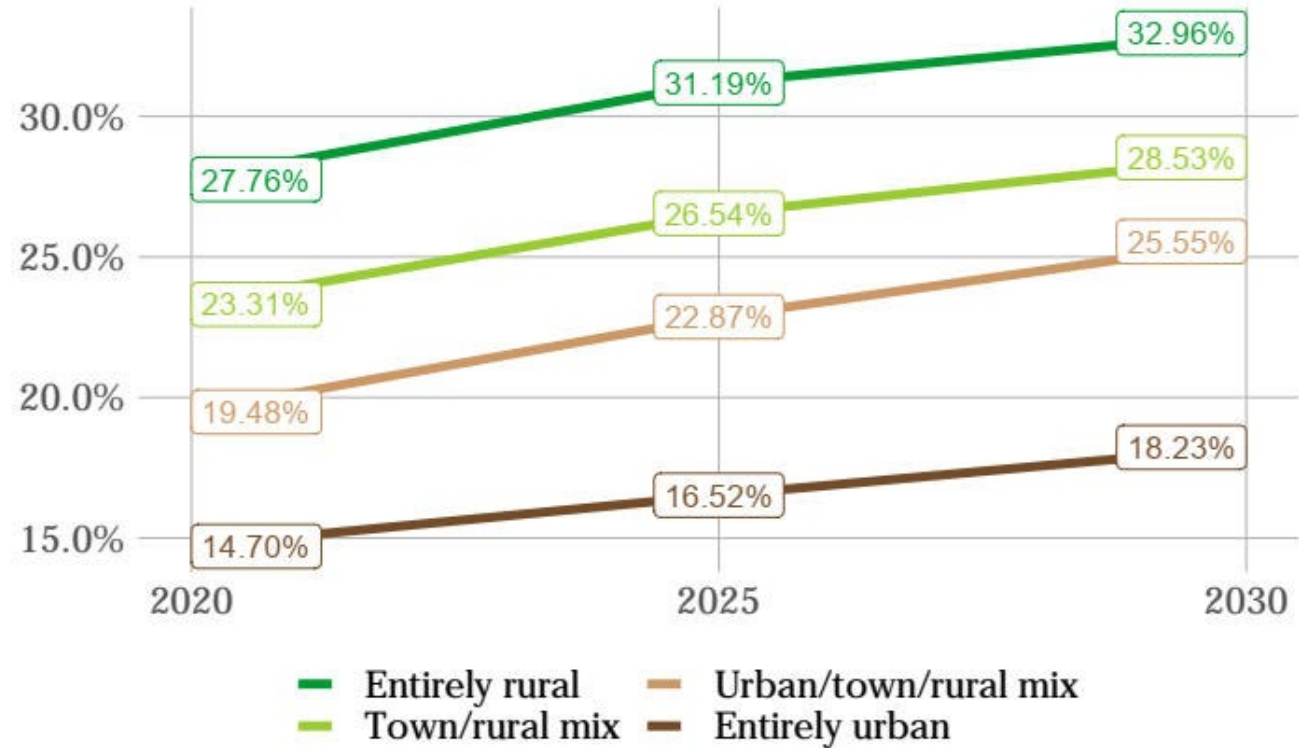
- Based in Greater Minnesota, serving Greater Minnesota.
- A non-partisan, non-profit policy research organization.
- Dedicated to providing Minnesota’s policy makers with an unbiased evaluation of issues from a rural perspective.
- 19 Board members
- 3 Staff members in home offices



# Demand for public transit

- Residents 65 and older make up a larger percentage of rural communities' population, and the trend is expected to continue through 2030.
- Public transit is expanding in Greater Minnesota but cannot accommodate all the needs of elderly and disabled transit users.

Percentage of population 65 or older

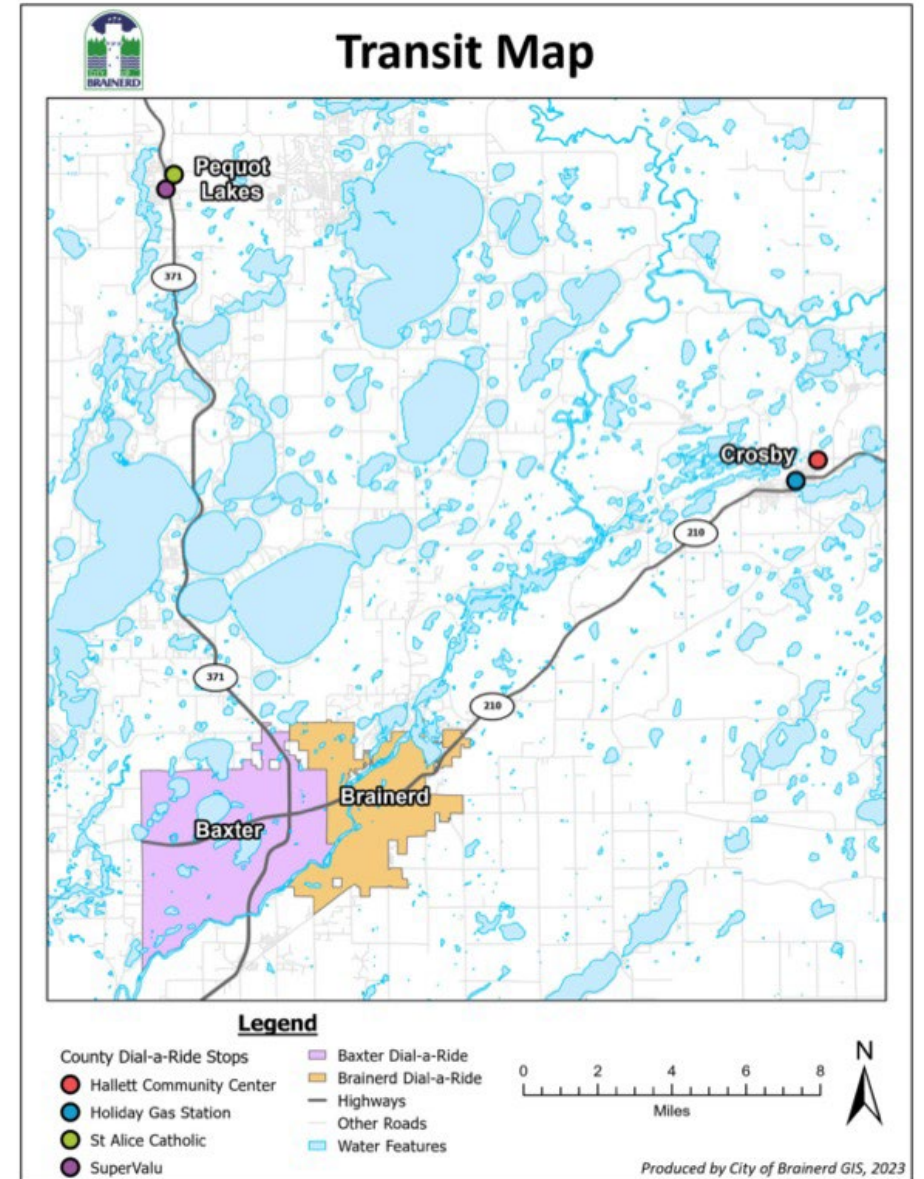


# Transportation: an issue for rural elderly

- Minnesota is a large state with large distances between communities.
- Public transit options are improving but are still largely limited by the costs of distance.
- Dial-a-ride options and fixed-route options.
- Used by elderly, disabled, and workforce.

Morning and evening fixed-route transit between Brainerd-Baxter and Pequot Lakes or Crosby.

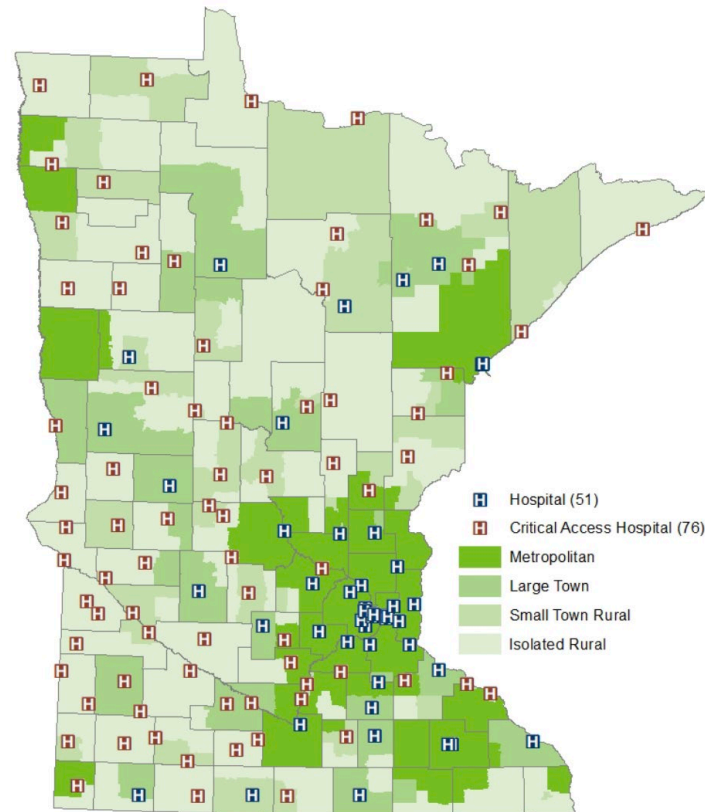
*Source: Brainerd & Crow Wing Public Transit*



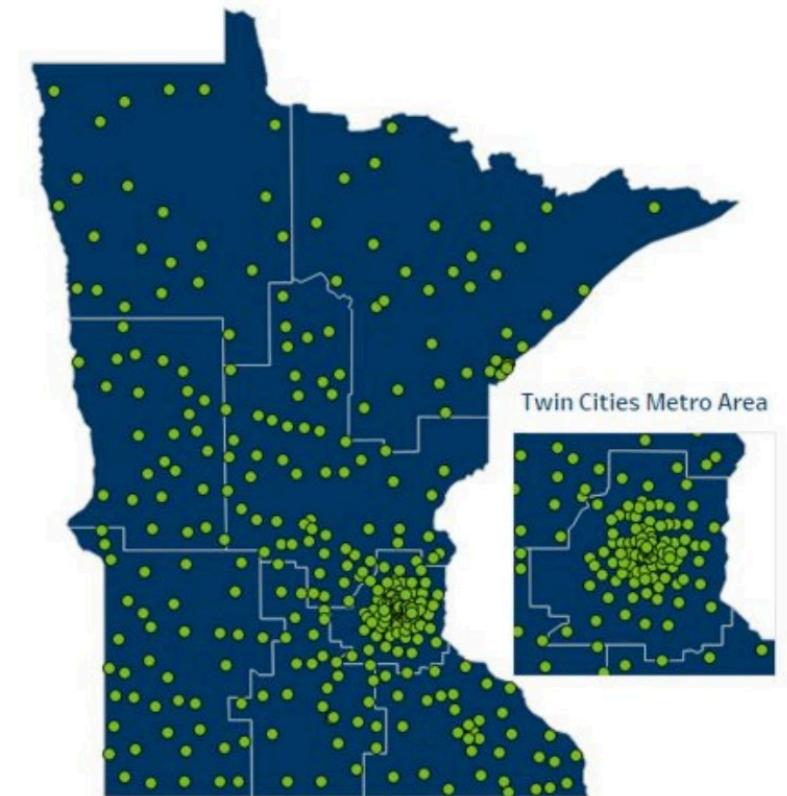
# Transportation: an issue for rural elderly

Consolidation among healthcare providers creates greater distances between sites.

People must travel farther for health care services, including across counties.



Minnesota's hospitals



Minnesota's primary care clinics



# Volunteer drivers are a key piece of the transportation puzzle

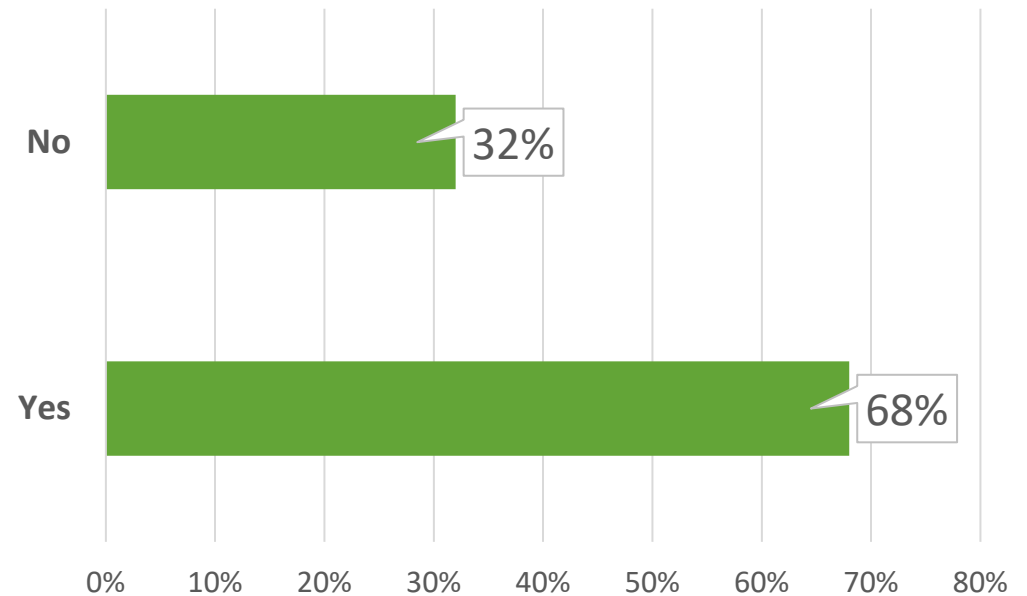
- Volunteer drivers make up a large part of transportation services, driving the elderly and disabled to healthcare appointments, but their numbers are dwindling.
- Alternatives can be prohibitively expensive.
- Passengers must use other services for non-medical appointments such as shopping or social get-togethers and must pay for those themselves.
- Lack of transportation options leaves people isolated and alone.



# Who are volunteer drivers?

- More than half of volunteer drivers are retired individuals drawing Social Security benefits.
- Many of the Baby Boomers who were volunteer drivers now need the service themselves.
- Transit providers are having a difficult time recruiting and retaining volunteer drivers for a number of reasons.
- From a 2019 survey where we interviewed transit providers around Greater Minnesota, we found:

Percentage of transit providers who said they are having trouble recruiting volunteer drivers

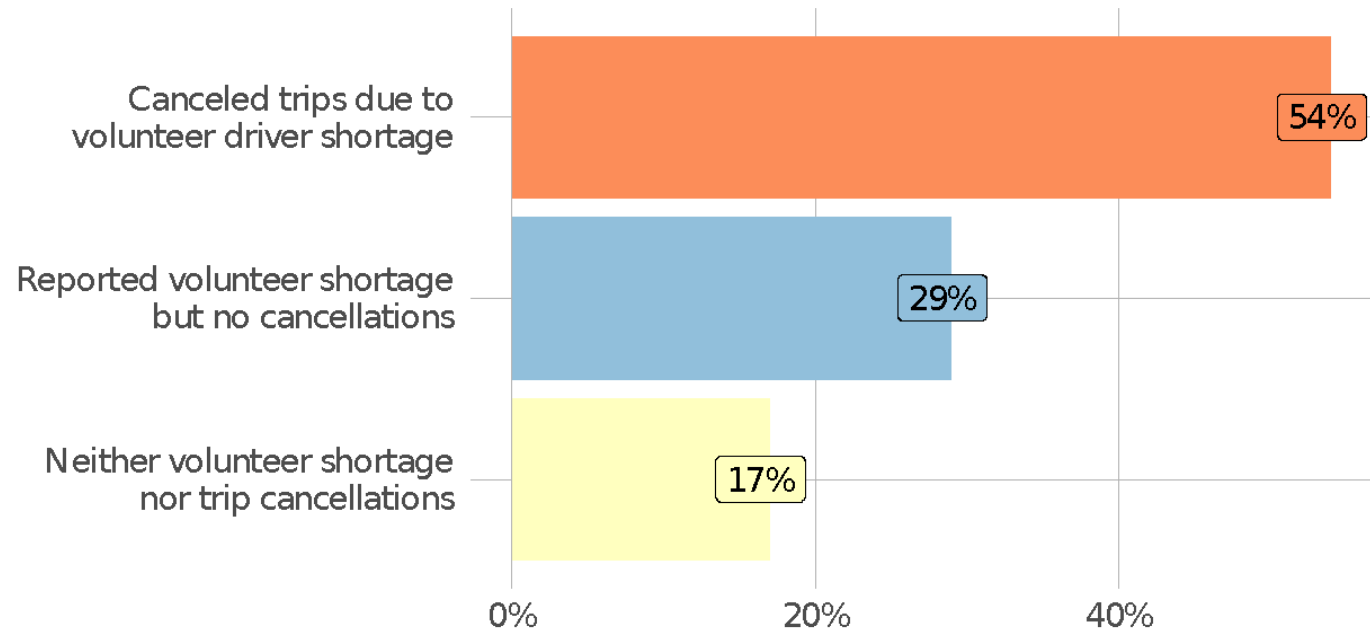


# What we know

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- More than **half of transit providers in 2019 did not have enough drivers to meet demand, resulting in canceled trips.**

Number of providers indicating whether they have had cancelled trips due to driver deficit





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# Alternatives

- Volunteer drivers have been the most **cost-effective** means of providing essential rural transit, especially from city to city.
- Trips can be hours long depending on where the rider needs to go.

Volunteer Driver Program	Service Area	Avg savings per round trip compared to nearest options	Annual Savings for riders compared to other transit options
Volunteer Services of Carlton Co.	Carlton County	\$47	\$226,896
Central Community Transit (CCT)	Kandiyohi, Renville, and Meeker counties	\$43	\$615,246
Community Action Partnership (UCAP)	Cottonwood, Jackson, Lincoln, Lyon, Murray, Pipestone, Redwood and Rock counties	\$73 - \$185	\$584,000-\$1,480,000
SEMCCAC's Volunteer Driver Program	Dodge, Houston, Fillmore, Olmsted and Rural Winona counties	\$20	\$191,756
Faith-In-Action Red Wing	Goodhue County	\$18 - \$24	\$74,920 - \$101,800
Faith-In-Action Cass Co.	Cass County	\$33 - \$185	\$64,000 - \$352,000

Data: MCOTA, 2017



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# What's driving the volunteer driver shortage?

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Charitable mileage reimbursement rate is very low.

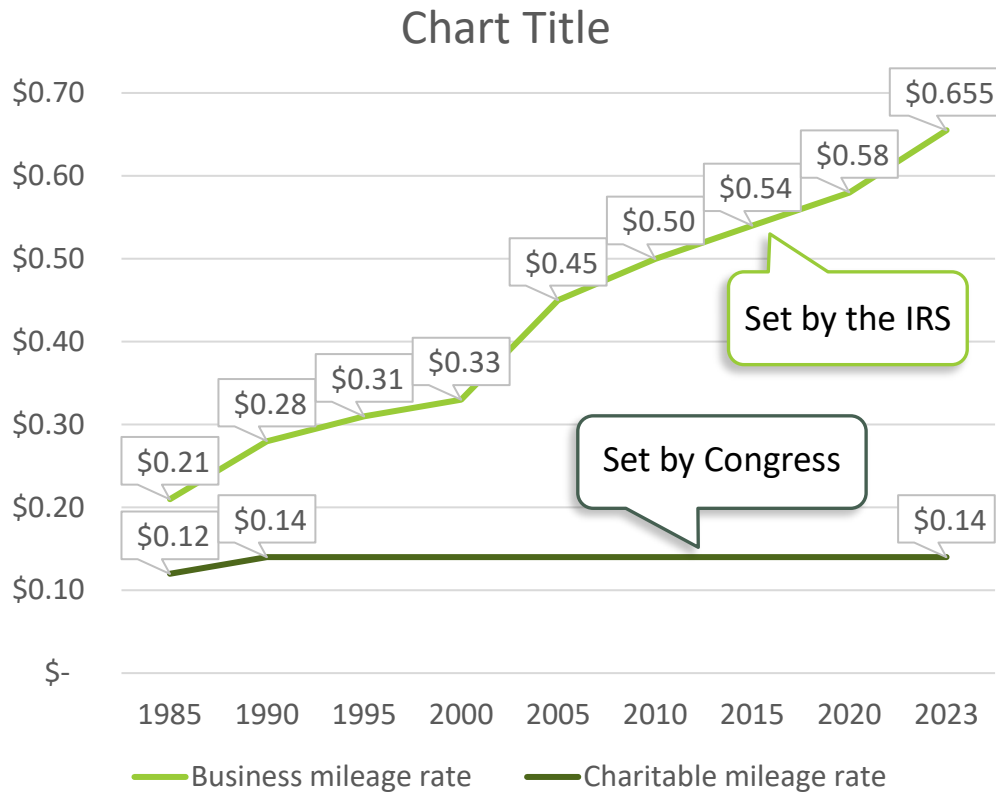
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No-load miles: The federal mileage deduction does not apply to miles driven without a passenger.

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1099 reimbursement “income” and the fear of reduced Social Security benefits.

# Charitable mileage reimbursement rate



- The business mileage rate has continued to increase with cost of living.
- The charitable mileage rate hasn't changed since 1986.
- Transit organizations will often "reimburse" drivers the difference, but this leads to another issue...

# Social Security Concerns

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- “Reimbursement” above the charitable mileage rate is **taxable income** and may lead to a reduction in Social Security benefits for retired volunteers.
- The **fear** of reducing their Social Security income by earning additional income is a “major disincentive” for would-be volunteers, many of whom rely on their Social Security incomes.

# Minnesota addressed this

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The MN Legislature addressed two major issues in 2021:

- ***Adjusted the state's charity tax credit for Minnesota volunteer drivers*** from 14 cents per mile to the current IRS business rate, eliminating the tax burden on volunteer drivers for any reimbursement of mileage expenses incurred.
- ***Created a consistent definition for volunteer drivers.*** Previous legislation inadvertently grouped volunteer drivers with drivers for hire (i.e., Uber), creating confusion and much higher insurance costs. The new legislation clarified that volunteer drivers are not for hire, they are volunteers, and reimbursement they receive above 14 cents per mile up to the IRS business rate cost is reimbursement only for operating their own vehicle.

From MnDOT's 2022 Transit Report: A Guide to Greater Minnesota's Public Transit Systems



# The future

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- Volunteer drivers generally only give rides for medical appointments, not social events or shopping.
- Multi-county public transit regions continue to develop and expand their options within communities.
- Autonomous vehicles: Grand Rapids is piloting a completely accessible autonomous vehicle system that is free to the public. Also gathering valuable data on operating in cold climates.



Source: <https://maymobility.com/locations/grand-rapids-minnesota/>

# Why continue to invest in volunteer drivers?

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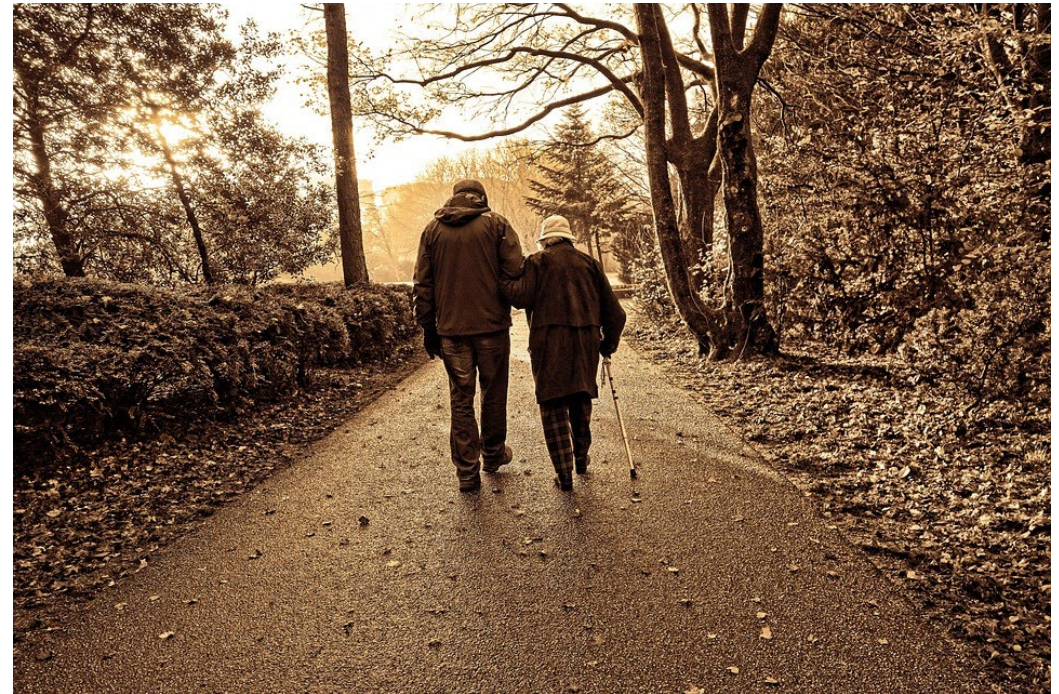
- But until alternatives like AV can be built out, the elderly in Greater Minnesota depend on volunteer drivers, especially to travel between cities.
- Right now, volunteer drivers are still the most cost-effective means of providing essential transit.



# Moving forward at the state level

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- Support MnDOT's efforts to continue improving Greater MN's transit systems.
  - Modernizing rural transit with cleaner vehicles.
  - Seeking new innovation and best practices from around the country.

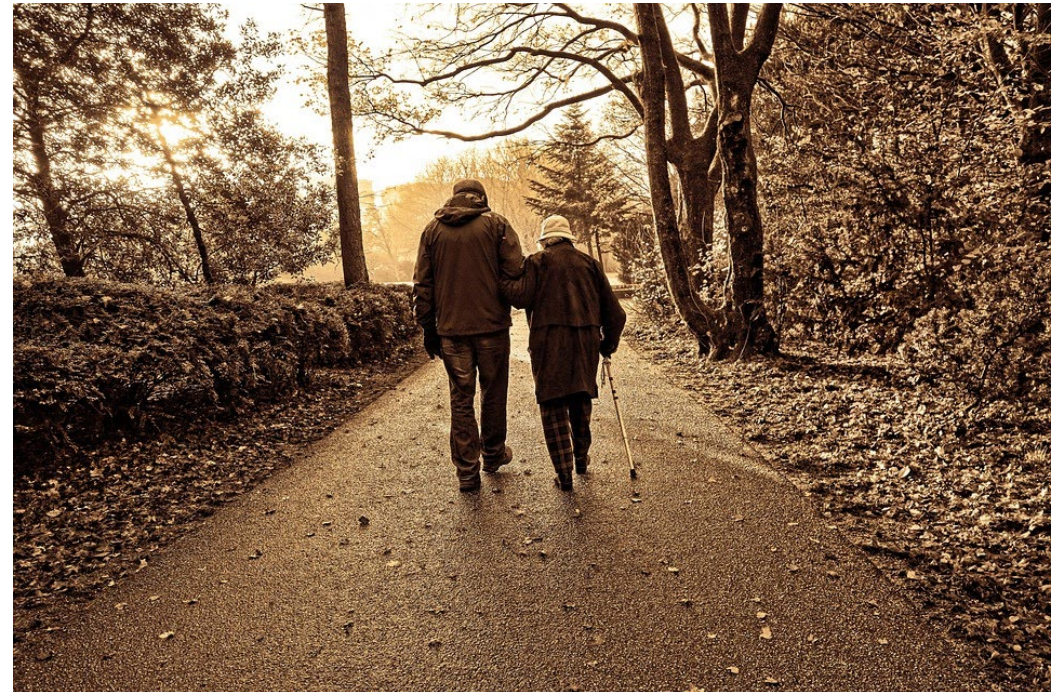




# Moving forward at the state level

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- Help with volunteer driver recruitment through community outreach.
- Consider reimbursing transit organizations for volunteer miles driven without a client in the car (no-load miles).





# Moving forward at the federal level

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At the federal level:

- Sens. Klobuchar and Smith have introduced bills in the U.S. Senate that would raise the charitable mileage rate.





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and development  
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Thank you!

