

A background image showing a group of people, likely at a meeting or conference. In the foreground, a person with glasses is looking down at a document. Another person is visible in the background, also looking at a document. The overall tone is professional and collaborative.

# RTCC

Regional Transportation  
Coordinating Council  
Region 5 MN

## PHASE 2: POLICY REPORT



REGION FIVE  
Development Commission

[www.regionfive.org/rtcc](http://www.regionfive.org/rtcc)

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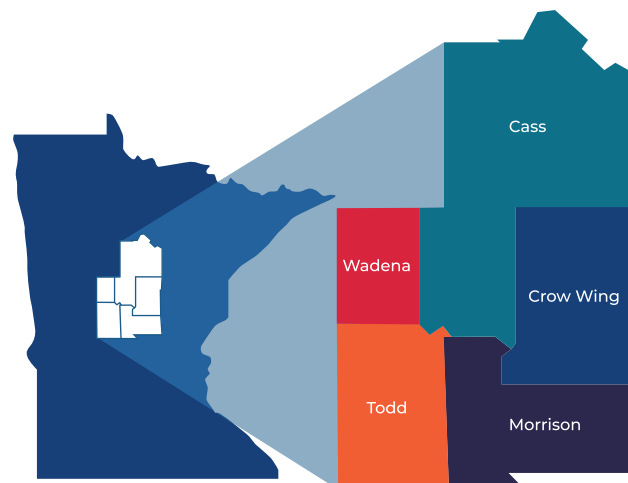
# About Region Five Development Commission

The Region Five Development Commission (R5DC) is comprised of an area that covers five counties in North Central Minnesota. These counties include Cass, Crow Wing, Morrison, Todd and Wadena. Our region is a rural and small-town area with a population of 162,000 in 69,194 households spread over an area of 3,996,051 acres. The five-county area is blessed with an abundance of business, industry, cultural and natural resources.

Region Five Development Commission (R5DC) is a five-county Regional Development Commission (RDC) established in 1973 under the Minnesota Regional Development Act of 1969 (MS Sections 462.381 to 462.398). The Act defines the boundaries, membership, operating principals and the specific duties and powers of an RDC. The purpose of the Region Five Development Commission is to insure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs for the solution of economic, social, physical and governmental problems of the state and its citizens.

## About the R5RTCC (Region 5 Regional Transportation Coordination Council)

The goal of the Regional Transportation Coordinating Council (RTCC) for Region 5 MN is to fill transportation gaps, streamline access to transportation and provide individuals more options for travel throughout the region. R5DC has established a group of regional stakeholders to develop the framework for a Regional Transportation Coordinating Council (RTCC) to improve the coordination of transportation services through a network of existing public, private, and non-profit transportation providers. The Minnesota Department of Transportation (MnDot) and the MN Department of Human Services, in collaboration with other state agencies through the MN Council on Transportation Access (MCOTA) are working with regional governments, such as Region Five Development Commission to create Regional Transportation Coordinating Councils (RTCCs).





## Need for Volunteer Drivers

The R5RTCC serves a mostly rural portion of Minnesota. Living in rural Minnesota means longer trips to the grocery store, medical appointments, and work. For those in rural areas who are unable to own a car face a lot of barriers when needing to grocery shop or go to medical appointments. Luckily most of these individuals have the option to utilize a volunteer driver program. Volunteer drivers play a key role in getting the “transportation disadvantaged” not only around the region but even around the state. Unfortunately, volunteer driver programs have many obstacles to overcome themselves including: recruiting and retaining drivers, income restrictions, and the federal reimbursement rate to name a few. During Phase 2 Implementation the R5RTCC aimed their focus on policy issues facing volunteer driver programs and this report will describe the steps taken to get these policies changed during Phase 2



## Policy, Procedure and Funding Goal

With the understanding that one of the roles of the RTCC's is to locally identify transportation issues, and make recommendations to state partners, in order to affect policy level changes. This project would act as the basis for that bottom up information sharing to take place.

For example, the 2017 **Region Five Local Human Service Transportation Coordination Plan (LHSTCP)** (<https://tinyurl.com/y7j9ro8z>) identifies several limitations, gaps and unmet needs. Many of these items pertain to policy-based limitations that would require policy changes at the state or even the federal level.

Through this project the R5 RTCC would direct implementation agency staff to conduct research and regionwide data gathering, regarding areas of transportation in need of potential policy change; with the goal of bringing about simplification, streamlining, and coordination of policies.

Furthermore, based on implementation agency staff findings, the R5 RTCC would develop a report outlining the areas of transportation in need of potential policy change, and provide draft recommendations for consideration by state agency partners such as MnDOT and DHS.

In addition, implement agency staff would also seek to coordinate with other RTCC's throughout the state in order to identify if there are some areas of transportation in need of potential policy change that are consistent on a statewide basis and which are on a local or regional basis. Coordination with other RTCC's will also help form a consistent coherent message, (understanding that regional transportation needs will vary from region to region) to be communicated to State Agencies such as MNDOT and DHS.

Lastly, it would be the intent of R5 RTCC to direct implementation agency staff to update the report annually and provide the draft report to appropriate state agencies for consideration annually.



# Policy, Procedure and Funding Tasks

The tasks listed below were developed through the Phase 1 RTCC Planning grant from 2018 – 2019 with the assistance of regional stakeholders. Please find below each task that was developed as well as details of what work was done towards each assigned task:

## **Task 1 – Conduct research and regionwide data gathering, specifically for policy related inefficiencies**

Phase 2 was aimed at research regarding policy inefficiencies and started with reaching out to the providers as well as having it as an item on the RTCC Board agenda. From their it was determined that a lot of the policy issues were surrounding the Volunteer Drivers and were focused primarily on insurance issues and tax issues. As the R5RTCC moves ahead into Phase 3 they will continue researching policy inefficiencies as well as digging into the procedures of transportation programs looking for inefficiencies as well.

## **Task 2 – Share the list of policies in need of potential changes with other RTCC's throughout the state seeking feedback**

In Phase 2 sharing policies between RTCC's has been ongoing by all of the RTCC's by email and now with the use of Flock which is a site for messaging between all the RTCC coordinators. Other issues are discussed on the site as well and most of the policies we are looking at in Region Five, other regions are also looking at those policies which will help in changing these policies going forward. As the R5RTCC transitions into Phase 3 they will continue to share policy issues between all the RTCC's statewide and use the RTCC's collectively to help push policy changes that come about.

## **Task 3 – Develop a series of draft recommendations to address the list of policies in need of potential changes**

During Phase 2 a letter to the legislators was drafted by all of the RTCC's collectively. The letter is focusing on the volunteer driver policy issues with taxes and mileage reimbursement. Staff had talked about hiring a graduate intern to help with policy issues but that has not happened yet but will be looked at as the R5RTCC transitions into Phase 3 and dig deeper into policy related issues. Furthermore, more policy recommendations will be a goal in Phase 3 as the R5RTCC mainly identified policy inefficiencies during Phase 2.

## **Task 4 – Present the DRAFT report to appropriate state agencies (MnDOT and DHS)**

A final DRAFT report will be finalized in Phase 2 and will be sent to MnDOT and DHS to outline what policies effected the region the most and any possible solutions to these issues that were found. This report will be done again in Phase 3 and will build off of the R5RTCC Phase 2 report. The main goal is to identify new policies and find possible solutions, which would all be outlined in the report.

# Letters Drafted in Collaboration with RTCC's Statewide

Below please find letters that the R5RTCC took part in during Phase 2 Implementation. In collaboration with other RTCC's in the state as well as the Volunteer Driver Coalition the following letters were drafted and sent to elected officials. As traction is made with these requests of elected officials, updates will be made to this report.

## **R5RTCC Volunteer Driver System Development Charitable Reimbursement**

*We are asking our U.S. elected officials to prioritize the passage of the Volunteer Driver Tax Appreciation Act (H.R. 2072), which would align the reimbursement rate for charitable driving with that of businesses. The current charitable reimbursement rate is 14 cents/mile (not changed since 1997). Alternatively, the business reimbursement rate is 58.5 cents/mile (fluctuates with inflation, adjusting annually). Our recommendation is that both rates be the same and that they fluctuate together.*

*The Region Five Regional Transportation Coordinating Council firmly supports the change in the charitable reimbursement rate from 14 cents per mile to the business rate. This seemingly small change in law is crucial to the survival and viability of rural Minnesota communities, as explained below.*

*Our rural central Minnesota community residents are composed of a large variety of people. We see them in town every day, active and inactive, young and old, impoverished and wealthy. Living in a region wherein the population is sparse and spread, our senior citizens face a unique barrier to aging in place and accessing basic medical services because of the significant lack of public transportation infrastructure. Addressing this barrier requires a robust volunteer driver program, and these programs are dwindling because of a lack of volunteers. Basic and reasonable mileage reimbursement in volunteer driver programs, as outlined in H.R. 2072 is a vital step to preventing the extinction of these programs throughout Minnesota.*

*We are working with public transit to connect all of the lines, to simplify the scheduling process and to bring awareness to availability. Nonetheless, there are those who cannot even access public transportation. These individuals live in a rural area that is not on a transit line or within the region where service is provided. Obviously, it is not feasible for buses to come out 10 miles to pick up one passenger, and the cost for a cab/Uber/Lyft can be prohibitive for many (not to mention, there is no Uber/Lyft service in rural areas) - we have a unique issue here in our region - our "rural-ness". Utilizing volunteer drivers is much more fiscally responsible than utilizing a county bus or taxi cab service.*

*The concept behind a "Volunteer Driver Program" is that it is a way to assist the rural areas citizens who are under/unserved. It's also a way to fill the void of "first mile" & "last mile" - in order for those who need it to reach public transportation facilities.*

## Charitable Reimbursement Letter (continued)

*Volunteer driver programs only work if there are willing and available volunteers to implement the program. Strikingly, finding/recruiting/keeping volunteers is becoming more difficult, to the point where the very existence of volunteer driver programs is at imminent risk absent a change in law. When a volunteer has to pay out of their own pocket (for fuel, maintenance, upkeep) to volunteer, that makes it even more difficult to recruit (and keep) them. In the minds of most people, volunteering is giving of their time and effort, not their resources. On top of that, once a volunteer is reimbursed over \$599.00 in a year, they must fill out a 1099 tax form. Often that clinches the deal and volunteers will stop driving before they reach that point. If the charitable reimbursement rate is raised to the business reimbursement rate, there would be no need for a 1099. They would not be taxed on being reimbursed for their charity work. Please keep in mind that employees are not taxed when they go over \$600.00 in driving (or any work related) reimbursement.*

*We implore you to understand and take action on this real-life issue, as we believe once this information is truly understood – you will take the necessary steps to change it. In fact, you and your colleagues across the nation are the only ones who hold the power to pass this necessary change in law to support all communities. Your active support of H.R. 2072 bill is crucial.*

*Those you represent need your help the most. It is seniors, veterans, those with disabilities and others who have other barriers to transportation who wish to live their lives in their homes and in their chosen communities who need you to take action. In some areas, citizens are not receiving basic medical care due only to the lack of volunteer transportation. Furthermore, volunteer drivers are needed to get to non-medical places like the grocery store, church, a meeting, or to the pharmacy after a medical appointment.*

*The Region Five Development Commission (R5DC) located in Staples, Minnesota applied for and was awarded funds from MnDOT to develop the Region Five Regional Transportation Coordinating Council. Ultimately, our aim is to put providers in place that will provide transportation for all residents – concentrating on the transportation-disadvantaged in particular.*

*As the agencies and community stakeholders that comprise the R5RTCC Advisory Board become more immersed in the transportation world, the serious threat to transportation options for those who are elderly, disabled, or lack adequate access has become a priority issue.*

*We believe that by raising the charitable reimbursement rate to the business reimbursement rate, more of our local seniors will choose to help their neighbors, they will use the volunteer driving program to get out and socialize, and it will provide closure to the gaps that we currently have in transportation throughout rural central Minnesota.*



## Letter to Elected Officials to Support Volunteer Drivers

*We are requesting your support for House File 2377 authored by Representative Dan Wolgamott and Senate File 2324 authored by Senator Jeff Howe. This legislation will alleviate problems facing volunteer drivers who provide a vital service to help older adults and others who do not drive to get to medical appointments, shop for household goods, and conduct essential business in the community.*

*The bill correctly defines volunteer drivers to differentiate them from “for hire” commercial drivers and prohibits increases in their insurance rates simply for being volunteer drivers. It also creates a state income tax subtraction for volunteers who receive more than \$600 per year in mileage reimbursement and who are issued a Form 1099 - Miscellaneous Income. Finally, the bill protects nonprofit organizations that provide transportation through volunteers from liability greater than \$1.5 million.*

*In our community residents are composed of a large variety of people. We see them in town every day, active and inactive, young and old, impoverished and wealthy. Living in a region wherein the population is sparse and spread, our senior citizens face a unique barrier to aging in place and accessing basic medical services because of the significant lack of public transportation infrastructure*

*Communities across the state have lost volunteer drivers. Nonprofit and public transportation providers are finding it increasingly difficult to recruit and retain volunteer drivers in recent years due to two major factors:*

- 1. some auto insurance carriers are increasing insurance rates on volunteer drivers, treating them more like “for-hire” drivers; and*
- 2. volunteers must pay income tax on any mileage reimbursement over the low IRS 14 cents/mile rate when the total reimbursement exceeds \$600 a year.*

*In fact, a 2019 survey by the Volunteer Driver Coalition in Minnesota indicates that of the 63 organizations that responded, 24% have experienced negative consequences related to insurance companies trying to classify volunteers as “commercial” or “drivers for-hire.” These organizations served 77,474 people in 2018, driving more than 9.5 million miles. We cannot afford to lose any of the 1,959 volunteer drivers who in 2018 helped older adults and adults with disabilities access medical care and engage in the community. Certainly, we do not want to penalize them financially. Rather, we need to support volunteer drivers and increase their numbers to meet the needs of a rapidly growing older population.*

*The legislation proposed in HF 2377/SF 2324 addresses the most significant threats to the viability of volunteer driver programs. It clarifies that volunteer drivers are NOT “for-hire” carriers and that their insurance premiums cannot be raised because they are volunteer drivers. The bill also creates a state income tax subtraction to lessen the tax liability of volunteer drivers and limits the liability of nonprofit organizations from claims in excess of \$1.5 million related to a volunteer driver.*

*We urge you to support this bill for passage in the 2020 legislative session.*

## Transitioning into Phase 3

Applications for the Phase 3 Implementation grant were due on May 15th, 2020. The R5RTCC applied for this grant and on May 29th, 2020 the Region Five Development Commission Regional Transportation Coordinating Council (RTCC) Phase 3 Implementation grant application was approved.

Please see the updated tasks and deliverables below for Phase 3. Also, many of the tasks and deliverables are continued on from Phase 2 and that is based upon direction from MnDOT when they developed the Phase 3 grant application.

TASK	DELIVERABLE(S):
1. Continue to conduct research and region-wide data gathering, specifically for policy related inefficiencies	A list of policies in need of potential changes
2. Remain in contact with other RTCC's and continue to share the list of policies in need of potential changes statewide, while also seeking feedback	A list of policies in need of potential changes, identified by state-wide, regional or local categories
3. Develop a series of draft recommendations to address the list of policies in need of potential changes	A report that provides a series of draft recommendations to address the list of policies in need of potential changes
4. Present the DRAFT report to appropriate state agencies (MnDOT and DHS)	Variety of options, ranging from providing an electronic copy of the DRAFT report to state agency partners and/or it could include a presentation, depending on state agencies preference



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