

ECRTCC 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 East Central 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 east 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. *In our situation, it's "first 7 miles" and "last 7 miles".*

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 East Central Regional Development Commission (ECRDC) located in Mora, Minnesota applied for and was awarded funds from MnDOT to develop the East Central 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 ECRTCC 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 east central Minnesota.