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Transportation Voucher Programs: Facilitating Mobility in Rural Areas
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Introduction

Transportation is critical for successful economic development. People who are able to access jobs and area services make long-term investments in their families and their communities.

Shrinking state revenues and growing consumer demands challenge rural communities to fund and coordinate transportation programs that both:

1) Effectively serve a diverse customer base. (e.g., seniors, people with disabilities, those with limited income), and
2) Take full advantage of both formal and informal transportation networks (e.g., public transit, volunteer drivers, family and neighbors).

These circumstances are inviting both small and remote rural communities to take another look at voucher systems.

About Vouchers

Vouchers are tickets that eligible riders who are transportation disadvantaged can exchange for a ride. Funded by one or more agencies, vouchers guarantee that a driver will be paid later for giving a ride now. Vouchers are typically used to:

- Subsidize the cost of a ride on transit or other mode for the customer, and
- Pay volunteer drivers when infrastructure is not available.

Voucher systems give people living in rural areas choice and control in managing their lives.

Voucher programs have operated since the late 1970s, but were discontinued in many cases because of liability issues and the lack of public transit services in many rural areas. In the past few years rural states, such as Montana, Wyoming and Minnesota, have resolved liability issues and begun to coordinate a system of volunteer drivers to provide rides in rural areas. These efforts have largely been spearheaded by Centers for Independent Living and transit providers.

Faith-based and community service organizations and public agencies contribute to voucher programs to support constituents and invest in rural economic development. Although voucher programs can be challenging to manage, recent developments in technology can enable service agencies, transit providers and funding agencies to coordinate and manage voucher systems. Improved infrastructure for voucher management can be a new source of income for transit providers and strengthen rural communities.

Voucher Models

During the last few years, two models for managing voucher systems have emerged.

Checkbook model – Customers receive a pre-printed checkbook with an allocation of miles or trips from a support agency (e.g., Independent Living Center). The customer trades the check for a ride with a volunteer or transit agency driver. The support agency helps locate rides, offers planning support, allocates vouchers and reimburses drivers. Although volunteer drivers are paid, the driver maintains volunteer status under IRS rules.

i-voucher model – A human service agency or other entity sets up, authorizes, and tracks ride programs using special software. Voucher sites print and mail *i-vouchers* to eligible riders or send bus ledgers to transit providers. *I-vouchers* contain information about destinations, mileage, value and documentation (e.g., driver's signature, rider data). Voucher sites reimburse drivers and service providers and invoice funding sources.

Why Use Vouchers?

Forty-one percent of rural residents still have no public transportation available. Another 25 percent of rural citizens live in areas where public transportation is extremely inadequate, providing fewer than 25 trips per year for each household without a personal vehicle (Seekins, 2003).

Vouchers provide a mechanism to both take advantage of the public transportation services which do exist in rural areas and facilitate other means to meet mobility needs where public transportation is not available.

One growing trend in many rural communities is to combine various transit resources through a central hub. While effective in reducing administrative costs, eliminating duplication, coordinating transit vehicles in a community fleet and providing more service for residents, these strategies fail to address two other key issues:

- A ride that costs too much to deliver, or

- A person who cannot afford to pay for the trip.

Vouchers are an effective solution for the challenges of high cost and inadequate resources that impact many seniors, people with disabilities and/or limited income who do not have a personal vehicle or the ability to drive. Vouchers enable funding agencies to 1) pay existing public and private transit providers where routes and services exist and 2) access community resources (e.g., volunteer drivers) where using transit is not practical.

Vouchers position individuals to access whatever transportation resources are available and provide a connection to available funding streams for which individuals may be eligible based on disability, age and income. Voucher programs:

- Give consumers choice and control in selecting their means of transportation and in selecting a destination and time for their trip,

- Provide transportation for individuals living outside of cities or beyond established routes,

- Promote the use of community resources which is consistent with the history of rural or frontier communities who rely on neighbor-to-neighbor support, and

- Work equally well in larger rural communities where some limited transportation may be available.

New software for managing vouchers is available to help multiple funding sources to set up, authorize and track specific rides with ease, even when volunteer drivers are used. It also allows various agencies to separately fund and coordinate transportation. Some voucher system managers use existing spread sheet technology to get the job done when a single funding source is involved.

Vouchers have proven to be very cost effective. The average cost per mile of sites participating in the Association of Programs for Rural Independent Living study (see the following section) across a three year period was $.0.39 per mile (Gonzales, 2004). In small rural communities with limited transit services, funding sources set a fixed rate for voucher redemption. Surprisingly, when consumers are given a choice, the most expensive ride format – often taxi trips − are not selected first. The numbers in Figure 1 (APRIL Year 3 Report, 2004) show consumers choose to ride with volunteer drivers most, followed closely by transit providers. Private taxi companies come in a distant third.

Consumers using only volunteers	40.5 %
Consumers using only transit	32.6 %
Consumers using only taxis	11.3 %
Consumers using volunteers & transit	10.6 %
Consumers using volunteers & taxi	4.5 %

Figure 1

Vouchers enable the administrative site to select providers whose services are as safe, affordable and convenient as possible; the customer benefits directly from this screening. Vouchers create a means to fund transportation based on maximizing customer service benefits. Existing transit providers find that vouchers actually increase ridership because people have new or better access to services.

Transit providers are exploring cutting edge Intelligent Transportation Systems that include global satellite positioning and smart cards. Although these technologies may become more practical for rural transportation providers in the next twenty years, they have several limitations with vouchers as currently employed. Primarily, they often need to be concentrated in areas served by transit providers and this precludes use by volunteer drivers who may not possess the technology infrastructure. Some mixture of voucher and intelligent transportation is likely to surface during the next few years as providers gain experience with both.

Who Has Established a Voucher Program and Why?

Voucher programs have been established in more than twelve states. For the past two years, the **Association of Programs for Rural Independent Living** (APRIL) has tested voucher models in Kansas, Utah, Montana, Alaska, Illinois, Minnesota, New Mexico, Georgia, Massachusetts and Pennsylvania. The **North Dakota Center for Persons with Disabilities** (NDCPD) has worked with some of the same sites, as well as additional voucher sites in Wyoming and North Dakota. Arkansas and Colorado also have systems that use voucher models. Some providers in these states have been using voucher programs for more than ten years.

The use of voucher programs is slowly growing. Recent federal funding to test voucher systems and word of mouth has generated new interest. Agencies such as Centers for Independent Living are the largest operators of voucher programs. A smaller number of transportation providers serving senior centers or that have long distance routes also use vouchers (e.g., Douglas, Wyoming; Sanders County, Montana; Marshall, Minnesota; and Zuni, New Mexico).

Voucher program managers tend to be innovative and take a leadership role in meeting the needs of diverse clients. Providers who see a need to develop mobility options to supplement conventional transportation resources have turned to voucher programs. Based on demographics of voucher sites, providers who are attracted to the voucher model more often than not have a human service background.

What Are the Pros and Cons of Using Voucher Systems?

Checkbook and i-voucher systems have relative strengths and limitations depending on the size of the community, transportation program and the number of funding partners. Some aspects of each model that may benefit one community or consumer group may not work for another. Although both voucher models have been widely deployed in rural communities, neither method has been vigorously tested where multiple funding sources are combined through a statewide application. This is likely to be the next step in voucher development. Experienced organizations, agencies and operators who use vouchers are positioning themselves to approach state agencies for coordinated buy-in that would move vouchers from relatively single program focus to a systemic solution. New challenges will likely surface during that period.

The Checkbook Model

Many voucher programs today use the checkbook model. This model is described in the 1996 University of Montana Rural Institute manual **The Supported Volunteer Rural Transportation Voucher Program**, developed by Brad Bernier, Tom Seekins, and Kitty Herron, and was used by APRIL in its 2002 demonstration project. The model has also been tested by other agencies not associated with APRIL (e.g., Arkansas, Wyoming).

The advantages of the checkbook model include:

- It offers the greatest consumer choice and control over transportation, especially when a last minute ride is needed.

- It is easy for agencies to learn to use.

- Studies have shown that consumers often identify with and enjoy the checkbook model.

- A training manual for starting a voucher program using the checkbook model is available (see below).

- The checkbook model has been tried and successfully used in a large number of rural communities.

- The model works best when funding is provided by one or more funding sources.

Disadvantages of the checkbook model include:

- Customers who do not read or write need help to complete the voucher.

- Duplicate checks can be written if people become confused or attempt to take advantage of the system. This is rare and providers have found simple remedies for these problems.

- The checkbook model generates paper checks which must be stored and tracked. The accumulation of printed checks can be a problem.

APRIL sites are continuing efforts to address the challenges of the checkbook model. The organization provides technical assistance products and services to help communities and agencies learn more on this voucher model. The following products are currently available from APRIL (www.april-rural.org) in electronic formats:

- Start-up guide and training manuals,
- Brochures,
- Rider Forms (e.g., trip diaries and satisfaction questionnaires, enrollment forms, Individual Transportation/Employment Plan forms),
- Sample vouchers and check registers. and
- Excel workbooks to record and manage consumer trip data.

The i-voucher Model
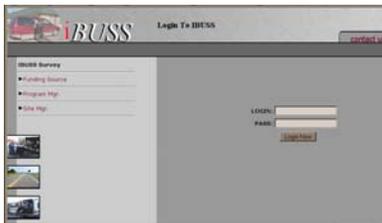
The i-voucher model was developed by the North Dakota Center for Persons with Disabilities (NDCPD) at Minot State University. The model is coordinated by Internet Business Support Software, or *iBUSS,* and is accessed from an internet website (www.ndcpd.org/grit). This software was field tested for two years by sites in New Mexico, N. Dakota, Wyoming, Montana and Minnesota.

The advantages of the i-voucher model include:

- The i-voucher model can be used by either new or experienced voucher programs and is recommended for sites that have or are seeking multiple funding sources to support vouchers.

- It also offers consumers choice and control. Some limits are set by funding agencies. The customer trades some degree of control for some degree of funding support.

- It has proven easy to use for consumers who do not read.

- The i-voucher model allows multiple funding sources (e.g., Medicaid, Older Americans Act, Temporary Assistance for Needy Families) to set up, track and authorize rides and generate a needed audit trail.

- The software is easy to learn. Online training is usually completed in four to six hours.

- The i-voucher model creates new businesses that may employ people with disabilities.

- It is 508 compliant and has numerous help screens.

- The *iBUSS* software automatically generates standard Medicaid forms.

Disadvantages with the i-voucher model include:

- The consumer still must call a driver or transit agency to schedule a ride.

- Partners are required to work closely together during any initial start up phases to understand roles and responsibilities and make decisions about rates.

- Online training, while effective at showing the user how to use the software, may not prepare the user to coordinate with multiple partners.

- Bookkeeping features may not be compatible with systems already in use by a transit provider or service agency.

The NDCPD continues to address the few disadvantages to the i-voucher model. The software is currently available at no cost. NDCPD provides technical assistance and virtual tours and plans to work closely with interested organizations to support or customize the i-voucher model, eventually on a fee-for-service basis.

Which is the Best Option for You?

Figure 2 below provides a checklist that you can use to decide which option is best for your community.

Check book model		i-voucher model	
Partners can handle and manage a paper voucher system using printed checkbooks		Partners can handle and manage a virtual system using Internet technology	
Most consumers read and write well enough to use the checkbook model		Most consumers read and write with difficulty and prefer pre-written vouchers	
Staff prefer a training manual that shows how to set up the system		Staff prefer a training manual that shows how to use the software	
You prefer to use your own tracking and bookkeeping systems. Are willing to modify those to handle vouchers.		You prefer to use a tracking and bookkeeping system that coordinates readily with the i-voucher software	
Stave have time to learn a new system		Staff have time to learn a new system	
You are willing to handle forms and procedures for multiple funding agencies.		You prefer to have software that coordinates and manages forms for multiple funding agencies.	
You prefer the highest degree of customer choice and control		You are willing to trade some control for multiple agency buy-in	

Figure 2

Using any new system requires problem solving, decision making and a learning curve. No system is perfect but both options offer opportunities to use vouchers to provide better services to people with diverse needs.

Whichever method of providing vouchers you choose there are many resources available to ease your way. Many of these resources are listed at the end of this article.

Funding for Voucher Transportation

Obtaining financial buy-in for voucher programs can be challenging, but it is critical. Until recently, most funding for voucher models came from small single-source grants, but with the passage of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005 more opportunities exist at the federal, state and local levels to fund voucher programs.

Federal Sources

At least 62 Federal agencies fund transportation at the local level and this has driven the Federal government better coordinate these existing resources. The Federal Transit Administration and 10 other federal agencies recently launched a new initiative called United We Ride to identify useful laws, regulations and practices to better coordinate transportation. This creates an ideal opportunity to craft new proposals for funding voucher programs from multiple funding sources to benefit the full array of mobility needs of an individual.

Before 2005, federal sources for vouchers were largely awarded for demonstration and assessment purposes by the U.S. Department of Health and Human Services, Administration on Developmental Disabilities and the U.S. Department of Education, Rehabilitation Services Administration. With SAFETEA-LU, funding voucher programs became an eligible expense in Federal Transit Administration (FTA) programs, namely the Job Access and Reverse Commute Program (Section 5316) and the New Freedom Program (Section 5317). Some states may also approve funding for vouchers through Section 5310, a program that provides funding for the transportation of elderly people and persons with disabilities. These programs require a local, state or non-U.S. Department of Transportation federal match. For more information about these FTA programs visit: http://www.fta.dot.gov/laws/leg_reg_circulars_guidance.html.

State and Local Resources

State resources have included single source grants from offices of Vocational Rehabilitation or State Councils on Developmental Disabilities, as well as specialized funding from counties, universities or other disability advocacy groups. A growing number of voucher sites have accessed local community funding sources, such as the Chamber of Commerce, United Way, Arc chapters, Faith in Action, city government and Community Action Programs.

Some local agencies have faced special challenges that limit buy-in for voucher programs such as:

- Uncertainty about how to manage reimbursement of volunteer drivers,
- Limited information about the cost effectiveness of voucher programs,
- Fear that voucher programs may under-mind existing transportation providers,
- Limited funding for transportation in remote rural communities, and
- Recent cuts in state revenues including transportation programs.

Conclusion

Voucher programs provide a tangible mechanism to facilitate needed mobility for the transportation disadvantaged. They enable low-income people, persons with disabilities and others to afford trips and take advantage of both formal and informal community transportation services. Vouchers remain an effective way to expand the mobility options in rural areas and provide choice to customers as they navigate their way to jobs, services and other quality-of-life destinations.

RESOURCES

Resources are available to help agencies plan for and operate voucher programs. Many of these resources are available via the web.

Start-Up Resources:

The following two manuals provide step-by-step instructions for starting a voucher program using the checkbook model. For agencies choosing to use the i-voucher model, many of the strategies and suggestions for start up are equally applicable.

Toolkit for Operating a Rural Transportation Voucher Program. Association of Programs for Rural Independent Living (APRIL). Visit http://www.april-rural.org/transportation.html. Cost: $20.00

The Supported Volunteer Rural Transportation Voucher Program. Rural Institute on Transportation. Visit http://rtc.ruralinstitute.umt.edu/Trn/TrnManual.htm.

Community Assessment Online located at www.ndcpd.org/grit can be used by any rural community to decide if a voucher system is right for them. The tool uses expert system software to lead the viewer through a series of questions about operating a voucher program. While helpful for remote rural communities this tool is less applicable to communities with some infrastructure in place.

Virtual Tour of *iBUSS* software - Experienced users and agencies may be ready to explore the i-voucher model. The best way to understand how this model works is to arrange a virtual tour through the North Dakota Center for Persons with Disabilities. Interested persons can call 1-800-233-1737 and ask for a virtual tour of the software. Human service agencies or transit providers can view the software from their current location and ask questions of an experienced user.

Funding and Planning Resources:

This resource, *A Framework for Action: Building the Fully Coordinated Transportation System* is a self-assessment tool for communities that takes readers through a step-by-step approach to coordination at a local or regional level. It can help with the needs assessment phase of planning. http://www.unitedweride.gov/1_7_ENG_HTML.htm.

The Transportation Cooperative Research Program has recently published a *Toolkit for Rural Community Coordinated Transportation Services*. This toolkit helps rural communities identify elements of setting up and implementing transportation services. To find out more about this toolkit visit the Transportation Research Board at http://gulliver.trb.org/bookstore/.

The FTA innovative practices directory has numerous suggestions for increasing ridership using various promotional strategies. Visit: http://ftawebprod.fta.dot.gov/bpir/.

Peer Resources:

Before starting a new voucher program it may be important to visit with an experienced voucher user to learn first hand what challenges have occurred. The individuals listed here have agreed to be contacted by persons who are interested in voucher system management. These agencies are familiar with both the i-voucher and checkbook models.

Ken Hoff (I-model/checkbook model)
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Jeanette Aguirre (I-voucher model/checkbook model)
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Larry Alflen (I-voucher model/checkbook model)
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Kim Johnson (i-voucher model)
Dakota Center for Independent Living
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Ron Straight, CCTM (checkbook model)
Developmental Services of Northwest Kansas, Inc.
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Gwen Bryant (I-voucher model and checkbook model)
Sanders County Commission on Aging
P.O. Box 339,
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The Joblinks Employment Transportation Initiative is a partnership of the Community Transportation Association, the U.S. Department of Labor Employment and Training Administration and the U.S. Department of Transportation Federal Transit Administration. Joblinks assists communities in addressing challenges associated with accessing affordable and reliable transportation to work and related destinations. For more information, visit http://www.ctaa.org/ntrc.

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