

**Inventory of Human Service Transportation Coordination
in Tennessee and Future Opportunities
for Leveraging Federal Funds**



Prepared for:

**House Committee on Transportation
Senate Committee on Transportation**

Prepared by:

**Tennessee Department of Transportation
Division of Multimodal Transportation Resources**

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Executive Summary

This report was commissioned by the Tennessee Department of Transportation (TDOT) Division of Multimodal Transportation Resources as required by Public Chapter No. 981 (May 2008) and was prepared by TranSystems Corporation. The legislation directed TDOT to undertake “a comprehensive study to identify and inventory all coordination of human service transportation¹ in Tennessee.” Additionally, Public Chapter No. 981 directed TDOT to “conduct an inventory of all grants or expenditures for human service transportation in Tennessee.” TDOT was required to submit the study findings to the respective chairs of the House and Senate Committees on Transportation by December 31, 2008.

A primary focus of this study was to identify other resources that may be used as required State match for Federal Transit Administration programs, which could free up state funds currently used as match and allow for enhancements to the public transportation system in Tennessee. TDOT appreciates the cooperation received from its state agency partners that participated in the program inventory.

A catalyst for this study is the fact that for the first time, the U.S. Department of Transportation (USDOT), through its funding authorization (known as “SAFETEA-LU”), allows funds derived from other Federal grant programs that are eligible to be expended for transportation to be used toward the state and/or local match for USDOT-funded projects.

Highlights of the study findings are listed below and described in more detail in the full report. Recommended next steps are included at the end of this section.

Section 1: Coordination Initiatives

At the Federal level, the Government Accountability Office (GAO) has identified 62 Federal programs that fund specialized transportation for “transportation-disadvantaged individuals.” Coordination among those agencies receiving specialized Federal transportation funding will strengthen existing transportation services to be more cost-effective and accountable, and help providers become more responsive to consumers.

Since 2004, several Federal initiatives were implemented that support and provide incentives for human service transportation coordination including:

- **Executive Order 1330**, signed February 24, 2004, directs multiple Federal department and agencies to work together to ensure that transportation services are seamless, comprehensive, and accessible.

¹ As defined in Public Chapter No. 981, “Human service transportation’ means public transportation services for populations needing specialized assistance including, but not limited to, persons who have an age-related condition or disability, are poor, or cannot access an automobile.” As such, “human service transportation” (or “HST”) is not limited to programs supported by the Tennessee Department of Human Services.

- The Executive Order established the **Interagency Transportation Coordinating Council on Access and Mobility**, which has taken a lead role in promoting the coordination of human service transportation by identifying and eliminating barriers. Two important policy directives include:
 - **Coordinated Planning**—directs Federally funded grantees that have significant involvement in providing resources and engaging in transportation service delivery participate in a local coordinated human services transportation planning process.
 - **Vehicle Resource Sharing**—clarifies that Federally assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources to maximize accessibility and availability.
- **SAFETEA-LU**—For the first time, Federal transportation funds from departments other than USDOT may be used as State match.
- **National Transit Database**—Data regarding human service transportation trips and passengers is proposed to be included in annual NTD reporting, which is used in calculating FTA funding allocations.

At the state level, Tennessee has actively participated in the coordinated planning process since 2005.

- **United We Ride Coordination Workshops**— State Department and Commission representatives participated in two coordination workshops hosted by TDOT. The workshops identified Departmental programs that would benefit from coordination.
- **Coordination Planning Workshops**—TDOT held two workshops to assist public transportation providers in the development of the FTA and SAFETEA-LU required Locally Coordinated Human Service Transportation Plans. The initial workshop included stakeholders from State government along with public transit agencies and metropolitan and rural planning organizations.
- **Locally Coordinated Human Service Transportation Plans**—Coordination planning efforts resulted in 95 percent of all public transit providers developing Locally Coordinated Human Service Transportation Plans, which exceeded the 75 percent goal established by FTA Region IV.

Tennessee is not alone in its effort to coordinate human service transportation. Among the recognized leaders in the human service transportation coordination effort are Florida, Kentucky, Maine, Massachusetts Nebraska, North Carolina, and Pennsylvania. Most operate with either an executive order or legislative mandate from the state. For example, Maine, Nebraska, and North Carolina have Executive Orders requiring coordination. The Florida Commission for the Transportation Disadvantaged was created through state legislation and spans several decades. Florida’s legislation also includes a Transportation Trust Fund, which supports the provision of coordinated transportation throughout a local network of community transportation coordinators.

While much has been accomplished to further plan for the coordination of human service transportation, more work is needed to move into the implementation phase. A key ingredient is identifying and leveraging sources of funding.

Section 2: Inventory Results

The inventory identified eight programs (in addition to TDOT) that received or expended specialized transportation funds. Each of the agencies identified represents a potential coordination partner as well as providing an opportunity to leverage Federal funding.

- In FY 2008, a total of more than \$130 million was spent on human service transportation in Tennessee. Of that amount, \$84.8 million was from Federal funds, \$39.6 million from state funds, and \$5.9 million from local funds.
- The Department of Finance and Administration is the largest recipient of Federal funds with \$54.7 million supporting human service transportation. Of that amount, \$41.8 million was for TennCare and \$12.9 million for the Division of Mental Retardation Services.
- TDOT receives \$18.8 million in Federal funds to support human service transportation.
- The Department of Human Services receives \$7.4 million in Federal funds to support human service transportation. Of that amount, \$6.4 for the Families First Program and \$1.0 for the Vocational Rehabilitation Program.
- The Department of Labor and Workforce Development receives \$2.6 million in Federal funds to support human service transportation.
- The Commission on Aging and Disability received \$1.3 million in Federal funds to support human service transportation.

Section 3. Opportunities for Coordination and Leveraging Funds

The focus of this study was to identify Federal funds that could be leveraged to use as required state match for Federal Transit Administration programs. Among the key findings from this study are the following:

- Approximately \$100.9 million is being expended by state agencies other than TDOT to support the provision of human service transportation services.
- In addition, a total of \$28.8 million is being expended to support human service transportation provided through Federal Transit Administration programs. FTA requires state and local matches of 25 percent each. For FY 2008, the required minimum state match was about \$4.3 million.
- Direct recipients of Federal Transit Administration funds may partner with other state agencies to use non-USDOT Federal funding as a source for the \$4.3

million state match money required by SAFETEA-LU, thereby allowing state money to further support human service transportation in Tennessee.

- Other state programs such as the Division of Mental Retardation Services may be able to purchase vehicles through the Section 5310 Transportation for Elderly Persons and Persons with Disabilities program, with SAFETEA-LU funding up to 80 percent of the cost.
- Rural public transit operators are using revenue generated from State and local agency contracts to cover a portion of their local match, which reduces their reliance on local funding.

With increasing demand, and shrinking resources, it is in the best interest of the State of Tennessee to continue to pursue the coordination of human service transportation and to further refine the opportunities to leverage funds and stretch limited resources.

This study focused on identifying and inventorying state agencies that expend funds to support human service transportation in Tennessee. The purpose of the research was to identify potential opportunities to coordinate and leverage Federal transportation funds, particularly those funds that flow through TDOT to support rural public transportation providers.

For the first time, the U.S. Department of Transportation through SAFETEA-LU is allowing funds derived from other Federal grant programs that are eligible to be expended for transportation to be used toward the state and/or local match for USDOT-funded projects. Examples of the types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services.

Section 4: Recommended Next Steps

Based on the information provided in the previous sections, the recommended next steps are as follows:

1. It is recommended that each State Department or Commission verify that all expenditures for human service transportation have been identified.
2. It is recommended that TDOT work with each State Department or Commission to develop a report that documents hard data that will be used to demonstrate the benefits of coordinating human service transportation in the State of Tennessee.
3. It is recommended that the State of Tennessee adopt the Vehicle Resource Sharing Policy Statement issued by the Federal Interagency Transportation Coordinating Council on Access and Mobility that clarifies that Federally assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources to maximize accessibility and availability.

Introduction

This report was commissioned by the Tennessee Department of Transportation (TDOT) Division of Multimodal Transportation Resources as required by Public Chapter No. 981 (May 2008) and prepared by TranSystems Corporation. The legislation directed TDOT to conduct and inventory all Federal funds allocated for human service transportation in Tennessee. TDOT was required to submit the study findings to the respective chairs of the House and Senate Committees on Transportation by December 31, 2008. A copy of the legislation is included as Attachment A.

In addition to identifying existing human service transportation resources, the study brought to light potential coordination opportunities to leverage TDOT's Federal funding and to provide support for other agency transportation programs through capital and/or operating assistance, which could also enhance transportation service for clients/customers served by other State Departments.

A catalyst for this study is the fact that for the first time, the U.S. Department of Transportation (USDOT), through the Safe, Affordable, Flexible, Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU), allows funds derived from other Federal grant programs that are eligible to be expended for transportation to be used toward the state and/or local match for USDOT-funded projects. Examples of the types of programs that are potential sources of local match include: employment, training, aging, medical, community services, veterans programs, and rehabilitation services.

The report includes four sections:

- **Section 1: Overview of Recent Federal- and State-Level Human Service Transportation Coordination Initiatives**
This section sets the context of the study by tracing recent transportation coordination efforts at the Federal level, which have served as a catalyst for the development of coordinated service planning and delivery efforts at the state and local levels.
- **Section 2: Inventory of State and Local Agency Programs that Fund or Support Human Service Transportation in Tennessee**
This section describes current transportation coordination efforts in Tennessee and describes the results of the human service transportation service inventory of Tennessee agency programs that receive Federal funding, including an overview of human service transportation programs funded by the Federal Transit Administration (FTA).
- **Section 3: Potential Opportunities for Coordinating and Leveraging Federal Transportation Funding in Tennessee**
This section synthesizes the information described in earlier sections and identifies potential opportunities to leverage Federal funding and provide greater

coordination of transportation resources at the state and local level in Tennessee.

- **Section 4: Recommended Next Steps**

This section includes recommended next steps, based on the information provided in the previous sections.

Section 1: Overview of Recent Federal- and State-Level Human Service Transportation² Coordination Initiatives

Summary

At the Federal level, the Government Accountability Office (GAO) has identified 62 Federal programs that fund specialized transportation for “transportation-disadvantaged individuals.” Coordination among those agencies receiving specialized Federal transportation funding will strengthen existing transportation services to be more cost-effective and accountable, and help providers become more responsive to consumers.

Since 2004, several Federal initiatives were implemented that support and provide incentives for human service transportation coordination including:

- **Executive Order 1330**, signed February 24, 2004, directs multiple Federal department and agencies to work together to ensure that transportation services are seamless, comprehensive, and accessible.
- The Executive Order established the **Interagency Transportation Coordinating Council on Access and Mobility**, which has taken a lead role in promoting the coordination of human service transportation by identifying and eliminating barriers. Two important policy directives include:
 - **Coordinated Planning**—directs federally funded grantees that have significant involvement in providing resources and engaging in transportation service delivery participate in a local coordinated human services transportation planning process.
 - **Vehicle Resource Sharing**—clarifies that federally assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources to maximize accessibility and availability.
- **SAFETEA-LU**—For the first time, Federal transportation funds from departments other than USDOT may be used as State match.
- **National Transit Database**—Data regarding human service transportation trips and passengers is proposed to be included in annual NTD reporting, which is used in calculating FTA funding allocations.

At the state level, Tennessee has actively participated in the coordinated planning process since 2005.

² “Human service transportation” is analogous with “social services transportation,” which includes specialized service for older adults, people with disabilities, low-income individuals, and others who do not have access to a vehicle.

- **United We Ride Coordination Workshops**— State Department and Commission representatives participated in two coordination workshops hosted by TDOT. The workshops identified Departmental programs that would benefit from coordination.
- **Coordination Planning Workshops**—TDOT held two workshops to assist public transportation providers in the development of the FTA and SAFETEA-LU required Locally Coordinated Human Service Transportation Plans. The initial workshop included stakeholders from State government along with public transit agencies and metropolitan and rural planning organizations.
- **Locally Coordinated Human Service Transportation Plans**—Coordination planning efforts resulted in 95 percent of all public transit providers developing Locally Coordinated Human Service Transportation Plans, which exceeded the 75 percent goal established by FTA Region IV.

While much has been accomplished to further plan for the coordination of human service transportation, more work is needed to move into the implementation phase. A key ingredient is identifying and leveraging sources of funding.

Introduction

The purpose of this section is to identify the Federal and State initiatives that have helped to shape human service transportation as it is viewed today.

Section 2 includes a description of Federal initiatives and describes the results of the inventory of state agencies conducted to identify and profile social service transportation funded or supported by agencies other than TDOT. The information in the inventory was used to develop the discussion in Section 3 about how to increase human service transportation coordination in Tennessee with an eye toward improving service by filling gaps, eliminating duplication of effort, and leveraging Federal dollars available to fund human service transportation services.

Federal Initiatives

The topic of how to coordinate social service transportation resources to avoid duplication and fragmentation of services has a long history, dating back several decades. At the heart of the discussion has been the issue of resource allocation and whether coordination of transportation is even allowed based on Federal, State, and local laws and regulations. Various attempts to address coordination issues have proved to be largely ineffective and program/funding silos remain today, with agencies carefully guarding their own resources and reluctant to share resources or even provide information. In some cases, the information may not be available; in other cases it may simply be a reluctance to share information for fear of losing resources.

On February 24, 2004, human service transportation coordination took a new direction when President George W. Bush signed **Executive Order 1330**, Human Service

Transportation Coordination to “enhance access to transportation to improve mobility, employment opportunities, and access to community services for persons who are transportation-disadvantaged.” The Executive Order created the **Interagency Transportation Coordinating Council on Access and Mobility**, which included the following Federal members:

- Secretary of Transportation
- Secretary of Health and Human Services
- Secretary of Education
- Secretary of Labor
- Secretary of Veterans Affairs
- Secretary of Agriculture
- Secretary of Housing and Urban Development
- Secretary of Interior
- Attorney General
- Commissioner of Social Security

The full text of the Executive Order is included as part of Attachment B. A variety of coordination efforts have been undertaken under the auspices of the Federal Coordinating Council, most notably the United We Ride effort, which provides resources for coordinated transportation planning efforts required as part of Federal rulemaking. A notable example is development of the state- and local-level coordinated planning tool, the United We Ride “Framework For Action,” template, which is a series of exercises designed to identify areas where additional effort is needed to accomplish coordinated social service transportation planning. TDOT used the State Framework For Action as part of its coordinated planning approach.

As a follow-up to the Executive Order, on October 1, 2006, the Administration on Aging and the Federal Transit Administration signed a Memorandum of Understanding (MOU) “to assist their respective networks in the coordination of transportation services for older adults and to facilitate access to these services by older adults.” The full text of the MOU is included as part of Attachment B. The MOU sets out five objectives and establishes a requirement for annual work plans to guide the coordination efforts between the two agencies.

At the same time, the Federal Coordinating Council developed two policy statements: one on coordinated human service transportation planning and the other on vehicle resource sharing. Both were adopted on October 1, 2006, and the text of those policy statements is included in Attachment B. These two policies have played an important role in the potential success of the current coordinated planning effort.

First, the policy statement on coordinated human service transportation planning states:

“Member agencies of the Federal Coordinating Council on Access and Mobility resolve that federally-assisted grantees that have significant involvement in

providing resources and engage in transportation delivery should participate in a local coordinated human services transportation planning process and develop plans to achieve the objectives to reduce duplication, increase service efficiency and expand access for the transportation disadvantaged populations as stated in Executive Order 13330.”

“Significant involvement” is defined in the policy as agencies “providing, contracting for and/or subsidizing individual transportation trips for individuals with disabilities, older adults, or people with lower incomes.” These are the targeted agencies that TDOT sought to identify and profile as part of this study.

Second, the policy on shared vehicle resources states:

“Member agencies of the Federal Coordinating Council on Access and Mobility resolve that Federally-assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources in order to maximize accessibility and availability of transportation services.”

The stated purpose of this policy guidance is to correct long-standing confusion about whether an agency can or cannot serve clients other than its own. The policy guidance clarifies that the shared-use of vehicles is encouraged as long as grantees share the cost of providing that service in order to maximize the use of available transportation services. The Federal Coordinating Council is currently finalizing guidance on how accounting for the cost sharing should be accomplished.

The Veterans Administration also has issued a letter encouraging its grantees to coordinate human service transportation services when possible (see letter included in Attachment B).

FTA is also doing its part to encourage human service transportation coordination by proposing to allow transit agencies reporting to the National Transit Database (NTD) to report all of their demand response services to individuals as public transportation services, regardless of whether the trip was sponsored in whole or in part by a third party (except for those trips that qualify as charter service as defined by the FTA). The text of the proposed rulemaking contained in Federal Register / Vol. 73, No. 156 is included in Attachment B. This would be a significant change since data from the National Transit Database is the basis for the majority of FTA funding allocations.

Tennessee Initiatives

TDOT’s Division of Multimodal Resources has actively supported these Federal coordination initiatives. In 2005, using funds from the United We Ride State Coordination Grant program, funded by FTA, TDOT sponsored two United We Ride workshops to discuss opportunities for interagency cooperation in the provision of human services transportation. The following nine state-level agencies participated:

- Tennessee Center on Disability & Employment
- Tennessee Commission on Aging & Disability
- Tennessee Department of Children's Services
- Tennessee Department of Education
- Tennessee Department of Human Services (Families First and Division of Rehabilitation Services)
- Tennessee Department of Labor & Workforce Development
- Tennessee Department of Mental Health & Developmental Disabilities
- Tennessee Department of Transportation
- Tennessee Department of Veterans Affairs

As well as representatives from nine local and regional entities including:

- Chattanooga Area Regional Transit Authority
- Clarksville Transit System
- East Tennessee Human Resource Agency
- Jackson Transit Authority
- Mid-Cumberland Human Resource Agency
- Murfreesboro Housing Authority
- Northwest Tennessee Human Resource Agency
- South Central Tennessee Development District
- Upper Cumberland Human Resource Agency

A key aspect of the workshop was completion of a State Framework For Action assessment, which most notably identified a need for additional information about social services transportation to look for coordination and leveraging opportunities—the focus of this study.

As a follow-up, in 2007 and 2008, also using FTA coordination planning grant funds, TDOT held additional workshops to assist local service providers with development of their Locally Coordinated Human Service Transportation Plans as required by Federal legislation (i.e., SAFETEA-LU). The first workshop, which was held January 18, 2007, focused on State Government Stakeholders. In attendance were representatives from the following agencies:

- Tennessee Department of Children's Services
- Tennessee Department of Human Services
- Tennessee Department of Labor and Workforce Development
- Tennessee Department of Mental Health and Developmental Disabilities
- Department of Finance and Administration (Division of Mental Retardation Services))
- Tennessee Council on Developmental Disabilities

A second workshop, held April 26, 2008, focused on a local assessment of resources, gaps in service, and project selection. This workshop was directed toward public transit agencies and planning organizations.

As a result of this coordinated planning effort, Tennessee is one of the first states to meet the Federal requirement for these coordination plans, with 95 percent of rural and small urban agencies submitting Locally Coordinated Human Service Transportation Plans.

Other Coordination Initiatives

Tennessee is not alone in its effort to coordinate human service transportation. Among the recognized leaders in the human service transportation coordination effort are Florida, Kentucky, Maine, Massachusetts Nebraska, North Carolina, and Pennsylvania. Most operate with either an executive order or legislative mandate from the state. For example, Maine, Nebraska, and North Carolina have Executive Orders requiring coordination. The Florida Commission for the Transportation Disadvantaged was created through state legislation and spans several decades. Florida's legislation also includes a Transportation Trust Fund, which supports the provision of coordinated transportation throughout a local network of community transportation coordinators.

Section 2:

Inventory of State and Local Agency Programs that Fund or Support Human Service Transportation in Tennessee

Summary

The inventory identified eight programs (in addition to TDOT) that received or expended specialized transportation funds. Each of the agencies identified represents a potential coordination partner as well as providing an opportunity to leverage Federal funding.

- In FY 2008, a total of more than \$130 million was spent on human service transportation in Tennessee. Of that amount, \$84.8 million was from Federal funds, \$39.6 million from state funds, and \$5.9 million from local funds.
- The Department of Finance and Administration is the largest recipient of Federal funds with \$54.7 million supporting human service transportation. Of that amount, \$41.8 million was for TennCare and \$12.9 million for the Division of Mental Retardation Services.
- TDOT receives \$18.8 million in Federal funds to support human service transportation.
- The Department of Human Services receives \$7.4 million in Federal funds to support human service transportation. Of that amount, \$6.4 for the Families First Program and \$1.0 for the Vocational Rehabilitation Program.
- The Department of Labor and Workforce Development receives \$2.6 million in Federal funds to support human service transportation.
- The Commission on Aging and Disability received \$1.3 million in Federal funds to support human service transportation.

Process

A critical element of this study was to inventory state agencies and commissions to identify all grants and expenditures for transportation services for populations needing specialized assistance, including individuals with age-related conditions, people with disabilities, and low-income individuals who do not have access to an automobile. The consultant and TDOT worked to develop an interview guide, which was sent to each agency or commission in advance of telephone interviews. The cover letter outlined the purpose of the study, described how the individuals would be contacted, and listed desired study results. The interview guide was a list of questions designed to elicit the following information:

- Verification of contact information, organizational overview, and description of the target population served
- Identification of the sources of funds, including any matching requirements

- Description of the use of funds
- Description of services provided

The staff of the TDOT Division of Multimodal Resources created a list of agencies and persons to contact. The list contained multiple contact persons for each agency or commission, along with their respective telephone numbers. The cover letter and interview guide were mailed to each person on the contact list at the beginning of October. A sample of the cover letter and a list of agencies contacted are included with this report as Attachment C.

Initial calls were made to the Legislative Liaisons for each department on the list, to identify the appropriate staff person to interview. When necessary, calls were followed-up with either a second call or an e-mail. Subsequent calls were then made to the contact persons identified by the Legislative Liaisons, and telephone appointments were scheduled. The data was then collected via telephone interview. To ensure the accuracy of the information collected, agency profiles were written and submitted to the respondents for their review. Profiles for each of the responding agencies are included as Attachment D and a description of the relevant programs funded through the TDOT Division of Multimodal Resources is included below.

Findings

During the months of October and November 2008, the consultant contacted 21 agencies, commissions, or departments within state government. TranSystems also contacted the nine rural transit agencies in order to identify any other sources of funding not identified by the state agencies. Using the discussion guide described above, information on populations served and expenditures by program were collected. In addition to expenditures through the TDOT Division of Multimodal Transportation Resources, an additional \$100.9 million in Federal, state, and local funds were used to provide transportation services. A total of \$66 million of these funds were from Federal sources; \$34 million from the state; and almost \$1 million from local sources. In addition, \$579,000 of state funds was expended for capital (purchase of vehicles). Table 2.1, included at the end of this section, summarizes transportation funding by agency and contains comments about each agency.

Responding State Agencies

Following is a brief description of each agency that responded to the inventory request. Full descriptions can be found in Attachment D – Profiles for Responding Agencies.

Commission on Aging and Disability

The Commission on Aging is charged with providing community-based services for Tennesseans 60 years of age and older. Baby boomers (born between 1946 and 1964) make up the largest segment (35 percent) of the population in Tennessee. Their

retirement and changing needs as they age will lead to increased demand for various types of public transportation services necessitating the need for coordination. Funds are received under three programs: Title IIIB, Title IIIC, and Title IIIC2. Title IIIB funds are used for the provision of community support services, which includes transportation.

Commission on Children and Youth

The Commission acts as a public policy advocate for children in the state and funds activities designed to benefit those children and their families. Transportation may be part of services provided, but is not a “core service” and is therefore not accounted for separately.

Department of Agriculture

The goal of the Department of Agriculture is to promote local products and produce while ensuring safe and dependable food for all. The Department does not fund transportation service.

Department of Children’s Services

The Department of Children’s Services is responsible for investigating cases of child abuse and neglect and for locating quality foster homes and adoptive families. When necessary, children are placed with foster families or in other residential placements. A per diem rate ranging from \$25 per day to \$400 per day is paid to support children in placement. The cost to provide transportation is included in the per diem rate and is not accounted for separately.

Department of Corrections

The Department of Corrections is responsible for oversight of 20,000 prisoners, residing in 15 prisons across the state. Transportation is provided for prisoners between prison facilities and is not available to the general public. These services are not considered public transportation for purposes of this study.

Department of Education

The Department of Education is responsible for implementing Board of Education policies and legislative mandates. Funding for transportation is provided with state and local funding, but is not considered to be available to the general public. These services are not considered public transportation for purposes of this study.

Department of Finance and Administration

The Department of Finance and Administration is an oversight agency responsible for managing the state budget. There are two programs within the Department of Finance and Administration that fund human service transportation. They are:

- **Division of Mental Retardation Services**—The Division of Mental Retardation Services provides services to persons of all ages with an IQ of less than 70. Service funding is provided through a combination of Federal and state funds, although the Federal funds flow through TennCare and are reported separately by this Division. Transportation expenses are built into billing rates as part of day or other billable activities.
- **TennCare Bureau**—TennCare is Tennessee’s managed care Medicaid program. It serves primarily low-income, pregnant women; children; and persons with disabilities through contracts with managed care organizations (MCOs). The current Tennessee Non-emergency Transportation Plan is described in Section 3.1(c)(1) of the State Plan. The assurance of transportation within the State Plan states: “provision is made for assuring necessary transportation of recipients to and from providers.”

Department of Health

The goal of the Department of Health is to promote and protect the health of all citizens of the state. It does not provide or fund any transportation services.

Department of Human Services

There are two programs within the Department of Human Services that fund human service transportation. They are:

- **Families First (TANF) Program**—The Families First program is designed to assist families by providing temporary cash assistance to families. The program emphasizes work, training, education, and personal responsibility. The goal of the program is self-sufficiency and family stability. Transportation service is a component of this program.
- **Vocational Rehabilitation Program**—The Vocational Rehabilitation Program serves individuals with disabilities desiring vocational rehabilitation services. The purpose of the service is to enable these individuals to secure and maintain employment. Transportation to and from diagnostic, training, or physical and mental restoration may also be provided to eligible individuals.

Department of Labor and Workforce Development

The Department of Labor and Workforce Development promotes economic and workforce development, and improves workplace health and safety throughout the state. This program targets persons who are unemployed, underemployed, or disadvantaged youth.

Workforce Investment Act (WIA) programs are funded entirely through Federal money. The funds may be used to provide transportation to assist participants in getting to and from employment related activities, including training/educational facilities.

Department of Mental Health and Developmental Disabilities

The Division of Managed Care within the Department provides services to adults who are severely or persistently mentally ill and to children with serious emotional disturbance. Transportation services are provided as part of the care plan for clients, but the transportation is provided through the TennCare, Non-emergency Transportation program. Costs associated with this transportation are included in the reported TennCare data.

The Office of Support Services provides support to 48 Peer Support Centers across the state. This includes funds to support transportation to and from services at the Peer Centers.

Department of Safety

The Department of Safety is responsible for law enforcement, safety education, motorist services, and disaster preparedness and prevention within the state of Tennessee. The Department does fund or support transportation services.

Tennessee Housing Development Agency

The mission of the Tennessee Housing Development Agency is to create safe and affordable housing opportunities for citizens of the state. In general, the agency does not receive transportation funding, with one exception. The Self-Sufficiency Program has a component that assists program participants in accumulating personal savings. Funds saved under this program may be used toward transportation expenses, such as the purchase of a bus pass or vehicle.

TDOT Division of Multimodal Transportation Resources

Information on transportation programs and funding made available through the TDOT Division of Multimodal Transportation Resources was also collected for this report. Within TDOT, there are four Federal programs that support the provision of human service transportation services in Tennessee:

- Section 5310—Special Needs for Elderly Individuals and Individuals with Disabilities Program (Title 49 U.S.C. 5310)
- Section 5311--Nonurbanized Area Formula Program (Title 49 U.S.C. 5311)
- Section 5316--Job Access and Reverse Commute Program (Title 49 U.S.C. 5316)
- Section 5317—New Freedom Program (Title 49 U.S.C 5317)

The program descriptions below are taken from the respective program circulars issued by the U.S. Department of Transportation, Federal Transit Administration. Funding levels for each of the programs described below can be found in Table 2.1. Total funding for the four programs for FY 2008 was \$28.8 million, comprised of \$18.8 million in Federal funds and \$5 million each in state and local funds.

- **Section 5310—Special Needs for Elderly Individuals and Individuals with Disabilities**

The goal of the Section 5310 program is to improve mobility for elderly individuals and individuals with disabilities. FTA provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of elderly individuals with disabilities in all areas—urbanized, small urban, and rural. The program requires coordination with other Federally assisted programs and services in order to make the most efficient use of Federal resources.

Tennessee Department of Transportation is the FTA designated recipient of Section 5310 funding. Funding is distributed to eligible, non-profit organizations and governmental authorities through a competitive application process conducted by the Tennessee Department of Transportation. Effective October 1, 2006, SAFETEA-LU requires all Elderly Individuals and Individuals with Disabilities projects selected for funding be derived from a Locally Developed Human Services Transportation Coordination Plan.

- **Section 5311—Nonurbanized Area Formula Program**

The Nonurbanized Area Formula Program provides formula funding to states for the purpose of supporting public transportation in areas of less than 50,000 population. Funds may be used for capital, operating, and administrative assistance to state agencies, local public bodies, Indian tribes, nonprofit organizations, and operators of public transportation services. The goals of the program are to (1) enhance the access of people in nonurbanized areas to health care, shopping, education, employment, public services, and recreation; (2) assist in the maintenance, development, improvement, and use of public transportation systems in nonurbanized areas; (3) encourage and facilitate the most efficient use of all transportation funds used to provide passenger transportation in nonurbanized areas through the coordination or programs and services; (4) assist in the development and support of intercity bus transportation; and (5) provide for the participation of private transportation providers in nonurbanized transportation.

- **Section 5316—Job Access and Reverse Commute Program**

The goal of the Job Access and Reverse Commute (JARC) program is to improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and non-urbanized areas to suburban employment opportunities. Toward this goal, the Federal Transit Administration provides financial assistance for transportation services planned, designed and carried out to meet the transportation needs of eligible low-income individuals and of reverse commuters regardless of income. The program requires coordination of Federally assisted programs and services in order to make the most efficient use of Federal resources.

TDOT is the FTA-designated recipient of the Section 5316 funds for the small-urbanized areas (populations over 50,000 but less than 200,000) and rural areas (populations below 50,000) of Tennessee. In the large (more than 200,000 population) urban areas, Job Access and Reverse Commute funds are spent on late night or early morning routes to areas where JARC eligible individuals live or work, or additional routes in areas where there are large populations of JARC eligible individuals reside.

JARC funds are distributed to eligible private, non-profit organizations, state or local governmental authorities, and operators of public transportation services, including private operators of public transportation services. Poverty data for urbanized and rural areas derived from 2000 U.S. Census is the basis for funding distribution. Effective October 1, 2006, Safe, Affordable, Flexible, Efficient, Transportation Equity Act—A Legacy for Users (SAFETEA-LU) requires all Job Access and Reverse Commute projects selected for funding must be derived from a Locally Developed Human Services Transportation Coordination Plan.

Current Job Access funding provides operating expenses in all rural areas and in the small urban areas of Morristown, Johnson City, Franklin, Clarksville, Cleveland and Jackson Tennessee.

- **Section 5317—New Freedom Program**

The New Freedom Program aims to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society. Lack of adequate transportation is the primary barrier to work for individuals with disabilities. The program seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the minimum requirements of the ADA of 1990.

The Tennessee Department of Transportation is the FTA designated recipient of Section 5317 funds for the small-urbanized areas (populations over 50,000 but less than 200,000) and rural areas (populations below 50,000) of Tennessee. Funding is

distributed to eligible private, non-profit organizations, state or local governmental authorities, and operators of public transportation services, including private operators of public transportation services. Disability data for urbanized and rural areas derived from 2000 U.S. Census is the basis for funding distribution. Effective October 1, 2006, SAFETEA-LU requires all New Freedom projects selected for funding must be derived from a Locally Developed Human Services Transportation Coordination Plan.

Currently, in Tennessee, New Freedom funds are used to provide ADA compliant bus shelters, bus stop annunciators, and paratransit services to the remote neighborhoods in small urban areas. In rural areas, funded projects include Travel Training, Mobility Managers, and non-emergency stretcher services.

Department of Veterans Affairs

The Department of Veterans Affairs serves members of the armed forces who have been discharged from service under conditions other than dishonorable. Veterans are eligible to receive an array of Federal and state benefits. The Department does not provide transportation services, but reimbursable transportation services may be available through the Veterans Administration Medical Centers under the auspices of the U.S. Department of Veterans Affairs.

Tennessee State Veterans Homes Board

The Tennessee State Veterans Homes (TSVH) provides nursing home care to honorably discharged veterans, spouses, and Gold Star parents. To be eligible for services, a person must be entitled to medical treatment and/or other benefits through the United States Department of Veterans Affairs and meet certain state requirements.

Transportation is provided to residents of TSVH homes to and from doctor appointments, to hospitals for acute care purposes, or resident outings.

Other Agencies

During the course of conducting the inventory, two other potential providers of transportation service were identified: Veterans Administration Medical Centers (VA) and Catholic Charities.

The VA centers provide transportation service to their patients through travel offices located at each facility. No information was obtained on the level, type, or expenditures for services for inclusion in this report. However, the service provided through the VA centers may be a potential partner for the provision of transportation services in Tennessee.

Catholic Charities is now responsible for the administration of the Refugee and Immigration Service Program. This program, formerly administered by the Tennessee Department of Human Services, may also be a potential coordination partner.

Table 2.1
State of Tennessee
Inventory of Program Funding and Coordinated Human Service Transportation

Agency	FY 2008 Federal	FY 2008 State	FY 2008 Local	Total	Potential Partner	No Service Provided	Comments
Total Operating Funding (excluding TDOT)	\$66 M	\$34 M	\$942,500	\$100.9 M			
Total Capital Funding (excluding TDOT)	\$0	\$579,000	\$0	\$579,000			
Total TDOT Funding	\$18.8 M	\$5.0 M	\$5.0 M	\$28.8 M			
Total Funding (all sources)	\$84.8M	\$39.6M	\$5.9 M	\$130.3 M			
Commission on Aging and Disability	\$1.3 M		\$702,000	\$2.0 M	✓		Potential for coordination or funding through §5310 Special Needs For Elderly Individuals and Individuals with Disabilities.
Commission on Children and Youth							No transportation funds identified. Transportation may be part of the services provided, but not as a "core" service and is therefore not accounted for separately.
Department of Agriculture						✓	No transportation programs or funding provided.
Department of Children's Services						✓	More research may be needed. Approximately 7,600 children are in state custody, of which about 600 are in secured facilities; 3,500 are in DCS family settings; and the rest are in contract residential placements.

Agency	FY 2008 Federal	FY 2008 State	FY 2008 Local	Total	Potential Partner	No Service Provided	Comments
Department of Corrections						✓	Transportation is provided for prisoners being transferred between prison facilities and is not considered to be available to the public.
Department of Education						✓	Not considered to be available to the public. \$356.3 million spent for student transportation.
Department of Finance and Administration							
• Division of Mental Retardation Services	\$12.9 M	\$10.2 M operating \$579,000 capital		\$23.1 M operating \$579,000 capital	✓		Potential for coordination with \$5317 New Freedom funding.
• TennCare Bureau	\$41.8 M	\$23.2 M		\$65.0 M	✓		Potential for coordination or funding.
Department of Health						✓	More research may be necessary. No transportation programs or funding identified.
Department of Human Services							
• Families First (TANF)	\$6.4 M			\$6.4 M	✓		Funds do not require a match, but require maintenance of effort on the part of the state. This maintenance of effort may include expenses made outside of the Department of Human Services.
• Vocational Rehabilitation Program	\$1.0 M	\$270,000		\$1.3 M	✓		Estimate. Potential for funding.
Department of Labor and Workforce Development	\$2.6 M			\$2.6 M	✓		Potential for coordination with \$5316 JARC funding.

Agency	FY 2008 Federal	FY 2008 State	FY 2008 Local	Total	Potential Partner	No Service Provided	Comments
Department of Mental Health and Development Disabilities		\$300,000		\$300,000	✓		Potential for coordination with §5317 New Freedom funding.
Department of Safety						✓	Social service transportation not funded or provided.
Tennessee Housing Development Agency					✓		Through the Self-Sufficiency Program, funds may be used for transportation such as the purchase of a vehicle or for transportation expenses; however, the amount for transportation is not a separate line item.
Department of Transportation							95% of local transit agencies have completed Coordinated Human Service Transportation Plans
• Section 5310	\$2.7 M	\$447,535	\$447,535	\$3.6 M	n/a		Transportation for Elderly Persons and Persons with Disabilities
• Section 5311	\$13.4 M	\$3.5M	\$3.5	\$20.4 M	n/a		Nonurbanized Area Formula Program
• Section 5316	\$1.7 M	\$800,000	\$800,000	\$3.3 M	n/a		Job Access and Reverse Commute Program
• Section 5317	\$1.0 M	\$266,000	\$266,000	\$1.5 M	n/a		New Freedom Program
Department of Veterans Affairs						✓	Transportation services not provided or funded. Reimbursement Potential. May need additional research.
Tennessee State Veterans Homes Board			\$240,500	\$240,500	✓		Potential for coordination or funding through §5310 Special Needs for Elderly Individuals and Individuals with Disabilities.
Source: Based on interviews with agency representatives conducted from October–December 2008.							

Section 3: Potential Opportunities for Coordination and Leveraging Federal Transportation Funding in Tennessee

Summary

The focus of this study was to identify Federal funds that could be leveraged to use as the required state match for Federal Transit Administration programs, thereby enhancing coordination of services and freeing state dollars. Among the key findings from this study are the following:

- Approximately \$100.9 million are being expended by state agencies other than TDOT to support the provision of human service transportation services.
- In addition, a total of \$28.8 million are being expended to support human service transportation provided through Federal Transit Administration programs. FTA requires state and local matches of 25 percent each. For FY 2008, the required minimum state match was about \$4.3 million.
- Direct recipients of Federal Transit Administration funds may partner with other state agencies to use non-USDOT Federal funding as a source for the \$4.3 million state match money required by SAFETEA-LU, thereby allowing state money to further support human service transportation in Tennessee.
- Other state programs such as the Division of Mental Retardation Services may be able to purchase vehicles through the Section 5310 Transportation for Elderly Persons and Persons with Disabilities program, with SAFETEA-LU funding up to 80 percent of the cost.
- Rural public transit operators are using revenue generated from State and local agency contracts to cover a portion of their local match, which reduces their reliance on local funding.

This study focused on identifying and inventorying state agencies that expend funds to support human service transportation in Tennessee. The purpose of the research was to identify potential opportunities to coordinate and leverage Federal transportation funds, particularly those funds that flow through TDOT to support rural public transportation providers.

For the first time, the U.S. Department of Transportation through SAFETEA-LU is allowing funds derived from other Federal grant programs that are eligible to be expended for transportation to be used toward the state and/or local match for USDOT-funded projects. Examples of the types of programs that are potential sources of local match include: employment, training, aging, medical, community services, veterans programs, and rehabilitation services.

Potential opportunities for coordinating human service transportation services and leveraging Federal match funds, while maintaining state and local funding levels.

Coordination

As stated in Section 1 of this report, TDOT has been a leader in the coordination planning effort and has actively supported recent Federal transportation initiatives from the Federal Transit Administration. Among the reasons for coordinating human service transportation programs are the potential to:

- Secure or leverage funding by centralizing information
- Provide better service to customers
- Reduce fragmentation/duplication of service
- Enhance communication among agencies
- Increase awareness of services available for agencies and customers
- Improve data management and reporting
- Use technology to manage information, improve service scheduling

Among the barriers for coordinating human service transportation programs is the potential existence of:

- Conflicts between agency regulations
- Uneven distribution of resources (e.g., technology) than others, which may impact ability and/or willingness to coordinate
- Concerns about shared data
- Turf issues
- Uncertainty of benefits for individual program
- Liability and insurance concerns

Some issues are real but many are perceived and can be resolved with communication and commitment from all parties involved. As described earlier, the Interagency Transportation Coordinating Council on Access and Mobility has begun to break down barriers at the Federal level and individual agency members have begun to provide guidance to their respective state and local agency partners on planning for coordinated transportation and clarifying perceived and real regulatory conflicts. The Federal Transit Administration also has issued guidance to its grantees and taken steps to help facilitate coordination at the state and local levels through coordinated planning efforts.

Table 3.1 lists the non-TDOT-funded programs identified during the study that fund human service transportation programs.

**Table 3.1
Potential Human Service Transportation Coordination/Funding Partners**

Agency	FY 2008 HST Funding	Potential Opportunities for Coordination/Leveraging Funding
Commission on Aging and Disability	\$2.0 M	Potential for coordination or funding through §5310 Special Needs For Elderly Individuals and Individuals with Disabilities.
Department of Finance and Administration		
• Division of Mental Retardation	\$23.1 M operating \$579,000 capital	Potential for coordination with §5317 New Freedom funding.
• TennCare Bureau	\$65.0 M	Rural public transit agencies provide TennCare transportation service and use a portion of the funding for local match.
Department of Human Services		
• Families First (TANF)	\$6.4 M	Funds do not require a match, but require maintenance of effort on the part of the state. This maintenance of effort may include expenses made outside of the Department of Human Services.
• Vocational Rehabilitation Program	\$1.3 M	Estimate. Potential for coordination with §5316 JARC and §5317 New Freedom funding.
Department of Labor and Workforce Development	\$2.6 M	Potential for coordination with §5316 JARC funding.
Department of Mental Health and Development Disabilities	\$300,000	Potential for coordination with §5317 New Freedom funding.
Tennessee Housing Development Agency	not identified	Through the Self-Sufficiency Program, funds may be used for transportation such as the purchase of a vehicle or for transportation expenses; however, the amount for transportation is not a separate line item.
Tennessee State Veterans Homes	\$240,500	Potential for coordination or funding through §5310 Special Needs for Elderly Individuals and Individuals with Disabilities.
Total Funding	\$100.9 M operating \$579,000 capital	

At this point TDOT has been successful in bringing other state agencies to the table for coordination discussions and in this study took that a step further to identify and inventory state agencies to gather available information about the level of funding currently expended or used to support human service transportation in Tennessee. On several occasions during the inventory, agencies had to be prompted to realize that they

did, in fact, support transportation support services, which fall within the purview of this study. In Tennessee, rural public transportation agencies are already coordinating some services through contracts with TennCare, the Division of Mental Retardation Services, Families First, and other programs. However, more can be done to increase coordination and reduce duplication of effort gaps in service.

In FY 2008, these eight agencies reported expending \$100.9 million for operating and \$579,000 for capital projects to support the provision of human service transportation for their program participants. TDOT may be able to partner with these state agencies to leverage funds to help offset the \$4.3 million state match requirement for SAFETEA-LU-funded projects.

Section 5310 Transportation for Elderly Persons and Persons with Disabilities provides funding to support capital purchase such as vehicles. With an 80 percent Federal share coupled with 10 percent state and 10 percent local matches, it is likely that TDOT could assist state agencies with the purchase of vehicles for their own programs. For example, in FY 2008, the Division of Mental Retardation Services spent \$579,000 toward the purchase of vehicles. Had these purchases been fully funded through the Section 5310 program the state/local match share to be covered through DMRS would have been no more than \$115,800, assuming Section 5310 funds covered the entire 80 percent Federal share. Similarly, the Tennessee State Veterans Homes could also be a beneficiary of this program. They indicated that when their vehicles need to be replaced, they use their own operating funds to support the replacement. Using the Section 5310 program to support these other agencies will free up state funds currently used by non-TDOT agencies for capital purchases.

Leveraging Funds

As shown in Table 3.2, within TDOT there are four programs funded through SAFETEA-LU that support the provision of human service transportation services:

- Section 5310—Special Needs for Elderly Individuals and Individuals with Disabilities Program (Title 49 U.S.C. 5310)
- Section 5311—Nonurbanized Area Formula Program (Title 49 U.S.C. 5311)
- Section 5316--Job Access and Reverse Commute Program (Title 49 U.S.C. 5316)
- Section 5317—New Freedom Program (Title 49 U.S.C 5317)

These FTA grant programs are formula-based and under SAFETEA-LU the grants are competitively procured and allow other non-DOT Federal funds to be used to satisfy the match requirements. The match requirements for operating projects are 50 percent Federal, 25 percent state, and 25 percent local. The match requirements for capital projects are 80 percent Federal, 10 percent state, and 10 percent local. Note that funds for Section 5310 may only be used for capital projects such as the purchase of vehicles. The other three program funds may be used for capital and/or operating projects.

**Table 3.2
Match Requirements for Federal Transportation Programs**

Transportation Program	Federal Funding	Required State Match	Required Local Match
Operating Project Funding*			
Section 5311— Nonurbanized Area Formula Program	\$13.4 M	\$3.35 M	\$3.35 M
Section 5316—Job Access and Reverse Commute Program	\$1.7 M	\$425,000	\$425,000
Section 5317—New Freedom Program	\$1.0 M	\$250,000	\$250,000
Total	\$16.1 M	\$4.0 M	\$4.0 M
Capital Project Funding			
Section 5310— Transportation for Elderly Persons and Persons with Disabilities	\$2.7M	\$337,500	\$337,500
*These three programs also permit funds to be used for capital projects at an 80% federal, 10% state, and 10% local match rate. Note: For the purpose of this analysis, it was assumed that projects would be matched based on operating projects for Sections 5311, 5316, and 5317 and for capital projects for Section 5310.			

Table 3.2 shows the Federal share for the four human service transportation programs supported by SAFETEA-LU. Up to \$4.3 million of state funds currently expended by TDOT’s Division of Multimodal Resources for Section 5310, Section 5311, Section 5316, and Section 5317 projects, which could be reallocated to enhance transportation services if other eligible state agency funds were used to offset the required state match.

For analysis purposes, it was assumed that projects funded through Section 5311, Section 5316, and Section 5317 would be funded at an operating match rate (50/25/25 Federal/state/local share) and Section 5317 would be funded at a capital match rate (80/10/10 Federal/state/local).

Rural public transit operators through the coordination of services are already using revenue generated from agency contracts to cover a portion of their local match. This use of revenue enables them to be self-sufficient by not having to rely entirely on local government funding to provide the match. In turn, the ability to use revenue generated from operating contracts helps to leverage funding for the cities and counties who can then use their funds to support other programs—a win-win for all agencies.

Section 4: Recommended Next Steps

Based on the information provided in the previous sections, the recommended next steps are as follows:

1. It is recommended that each State Department or Commission verify that all expenditures for human service transportation have been identified.
2. It is recommended that TDOT work with each State Department or Commission to develop a report that documents hard data that will be used to demonstrate the benefits of coordinating human service transportation in the State of Tennessee.
3. It is recommended that the State of Tennessee adopt the Vehicle Resource Sharing Policy Statement issued by the Federal Interagency Transportation Coordinating Council on Access and Mobility that clarifies that Federally assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources to maximize accessibility and availability.

Attachment A

Public Chapter No. 981

PUBLIC CHAPTER NO. 981

SENATE BILL NO. 2835

By Tracy, Kurita

Substituted for: House Bill No. 2937

By Harmon, Pinion, Fincher, Maggart

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 54, relative to transportation services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 23, is amended by adding the following language as a new section:

§ 4-3-2308.

(a) The department's division of multimodal resources shall conduct a comprehensive study to identify and inventory all coordination of human service transportation in Tennessee.

(b) The department's division of multimodal resources shall conduct an inventory of all grants or expenditures for human service transportation in Tennessee. The state entity with authority to issue such grants or expenditures shall report to the department's division of multimodal resources detailing the amount and purpose of such grant or expenditure upon request.

(c) The department shall apply for any federal grants or assistance that are available to enhance coordination of human service transportation.

(d) The results of the study shall be presented to the House transportation chairman and the Senate transportation chairman by December 31, 2008.

(e) It is the intent that this act shall be done within the existing resources of the department and state government.

(f) For the purposes of this section:

(1) "Department" means the Department of Transportation;
and

(2) "Human service transportation" means public transportation services for populations needing specialized assistance including, but not limited to, persons who have an age-

related condition or disability, are poor, or cannot access an automobile.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 6, 2008



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 21st day of May 2008



PHIL BREDESEN, GOVERNOR

Attachment B

Federal Coordination Initiatives



For Immediate Release
Office of the Press Secretary
February 24, 2004

Executive Order: Human Service Transportation Coordination

By the authority vested in me as President by the Constitution and the laws of the United States of America, and to enhance access to transportation to improve mobility, employment opportunities, and access to community services for persons who are transportation-disadvantaged, it is hereby ordered as follows:

Section 1. This order is issued consistent with the following findings and principles:

- (a) A strong America depends on citizens who are productive and who actively participate in the life of their communities.
- (b) Transportation plays a critical role in providing access to employment, medical and health care, education, and other community services and amenities. The importance of this role is underscored by the variety of transportation programs that have been created in conjunction with health and human service programs, and by the significant Federal investment in accessible public transportation systems throughout the Nation.
- (c) These transportation resources, however, are often difficult for citizens to understand and access, and are more costly than necessary due to inconsistent and unnecessary Federal and State program rules and restrictions.
- (d) A broad range of Federal program funding allows for the purchase or provision of transportation services and resources for persons who are transportation-disadvantaged. Yet, in too many communities, these services and resources are fragmented, unused, or altogether unavailable.
- (e) Federally assisted community transportation services should be seamless, comprehensive, and accessible to those who rely on them for their lives and livelihoods. For persons with mobility limitations related to advanced age, persons with disabilities, and persons struggling for self-sufficiency, transportation within and between our communities should be as available and affordable as possible.
- (f) The development, implementation, and maintenance of responsive, comprehensive, coordinated community transportation systems is essential for persons with disabilities, persons with low incomes, and older adults who rely on such transportation to fully participate in their communities.

Sec. 2. Definitions.

- (a) As used in this order, the term "agency" means an executive department or agency of the Federal Government.
- (b) For the purposes of this order, persons who are transportation-disadvantaged are persons who qualify for Federally conducted or Federally assisted transportation-related programs or services due to disability, income, or advanced age.

Sec. 3. Establishment of the Interagency Transportation Coordinating Council on Access and Mobility.

- (a) There is hereby established, within the Department of Transportation for administrative purposes, the "Interagency Transportation Coordinating Council on Access and Mobility" ("Interagency Transportation Coordinating Council" or "Council"). The membership of the Interagency Transportation Coordinating Council shall consist of:
 - (i) the Secretaries of Transportation, Health and Human Services, Education, Labor, Veterans Affairs, Agriculture, Housing and Urban Development, and the Interior, the Attorney General, and the Commissioner of Social Security; and
 - (ii) such other Federal officials as the Chairperson of the Council may designate.
- (b) The Secretary of Transportation, or the Secretary's designee, shall serve as the Chairperson of the Council. The Chairperson shall convene and preside at meetings of the Council, determine its agenda, direct its work, and, as

appropriate to particular subject matters, establish and direct subgroups of the Council, which shall consist exclusively of the Council's members.

(c) A member of the Council may designate any person who is part of the member's agency and who is an officer appointed by the President or a full-time employee serving in a position with pay equal to or greater than the minimum rate payable for GS-15 of the General Schedule to perform functions of the Council or its subgroups on the member's behalf.

Sec 4. Functions of the Interagency Transportation Coordinating Council. The Interagency Transportation Coordinating Council shall:

- (a) promote interagency cooperation and the establishment of appropriate mechanisms to minimize duplication and overlap of Federal programs and services so that transportation-disadvantaged persons have access to more transportation services;
- (b) facilitate access to the most appropriate, cost-effective transportation services within existing resources;
- (c) encourage enhanced customer access to the variety of transportation and resources available;
- (d) formulate and implement administrative, policy, and procedural mechanisms that enhance transportation services at all levels; and
- (e) develop and implement a method for monitoring progress on achieving the goals of this order.

Sec. 5. Report. In performing its functions, the Interagency Transportation Coordinating Council shall present to me a report not later than 1 calendar year from the date of this order. The report shall:

- (a) Identify those Federal, State, Tribal and local laws, regulations, procedures, and actions that have proven to be most useful and appropriate in coordinating transportation services for the targeted populations;
- (b) Identify substantive and procedural requirements of transportation-related Federal laws and regulations that are duplicative or restrict the laws' and regulations' most efficient operation;
- (c) Describe the results achieved, on an agency and program basis, in:
 - (i) simplifying access to transportation services for persons with disabilities, persons with low income, and older adults;
 - (ii) providing the most appropriate, cost-effective transportation services within existing resources; and
 - (iii) reducing duplication to make funds available for more services to more such persons;
- (d) Provide recommendations to simplify and coordinate applicable substantive, procedural, and administrative requirements; and
- (e) Provide any other recommendations that would, in the judgment of the Council, advance the principles set forth in section 1 of this order.

Sec. 6. General.

- (a) Agencies shall assist the Interagency Transportation Coordinating Council and provide information to the Council consistent with applicable law as may be necessary to carry out its functions. To the extent permitted by law, and as permitted by available agency resources, the Department of Transportation shall provide funding and administrative support for the Council.
- (b) Nothing in this order shall be construed to impair or otherwise affect the functions of the Director of the Office of Management and Budget relating to budget, administrative, or legislative proposals.
- (c) This order is intended only to improve the internal management of the executive branch and is not intended to, and

does not, create any right or benefit, sub-stantive or procedural, enforceable at law or in equity by a party against the United States, its departments, agencies, instrumentalities or entities, its officers or employees, or any other person.

GEORGE W. BUSH
THE WHITE HOUSE,
February 24, 2004.

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Memorandum of Understanding

Between

The U.S. Federal Transit Administration and The U.S. Administration on Aging

Introduction

It is national policy to help older Americans remain independent and participate fully in community. Affordable mobility providing access to community services is key to supporting this national policy. Affordable mobility is necessary for many older adults to access health care and other personal services, retail, business, recreation and social engagements. Unfortunately, older adults are at high risk of losing their mobility as a result of functional impairments and the lack of access to transportation services.

The Administration on Aging (AoA), an agency in the U.S. Department of Health and Human Services, provides financial assistance to support the development of comprehensive and coordinated systems of home and community-based care for older persons and their caregivers. AoA's mission is to promote the dignity and independence of older people, and to help society prepare for an aging population. Created in 1965 with the enactment of the Older Americans Act (OAA), AoA is part of a federal, state, tribal and local partnership called the National Network on Aging. This network serves about 7 million older persons and over 250,000 of their caregivers each year, and consists of 56 State Agencies on Aging; 655 Area Agencies on Aging; 244 Tribal and Native organizations; two organizations that serve Native Hawaiians; 29,000 local service providers; and over 500,000 volunteers. These organizations provide assistance and services to older individuals and their families in urban, suburban, and rural areas throughout the United States.

The Federal Transit Administration (FTA), an agency in the U.S. Department of Transportation, provides financial assistance to states, local governments and non-profit organizations to support the development and maintenance of public transportation systems that serve the transportation needs of the general public, and address the special transportation needs of specific components of the public including older adults. Public transportation systems provide basic mobility for millions of Americans, including older adults.

FTA provides financial assistance to approximately 600 public transportation entities in urban areas and approximately 1300 public and non-profit providers in rural areas. In addition, FTA provides funds to approximately 4,000 non-profit organizations for the provision of special transportation services for older adults and people with disabilities.

Purpose

Whereas, FTA and AoA administer significant programs that provide transportation services to older persons through multiple public and private organizations, FTA and AoA (the parties) enter into this Memorandum of Understanding (MOU) to assist their respective networks in the coordination of transportation services for older adults and to facilitate access to these services by older adults.

Background

The lack of accessible and affordable transportation has been identified as a key barrier for accessing community services. Both the Administration on Aging and the Federal Transit Administration not only support public transportation but also the coordination of transportation services targeted to older adults.

Through its Supportive Services and Senior Centers Program under Title III of the Older Americans Act, AoA provides formula funding to the State Agencies on Aging for a wide array of supportive services. Approximately \$360 million is appropriated annually for this program. State Agencies on Aging award funds to Area Agencies on Aging, most of whom use a portion of these funds to help meet the transportation needs of older persons. In FY 2000, over 40 million one-way trips were provided to older persons by 2,700 local transportation providers at a cost of \$65 million. In addition, approximately \$100 million was leveraged by State and Area Agencies on Aging to further meet the transportation needs of older persons.

The FTA provides assistance to private nonprofit organizations and certain public bodies for the provision of transportation services for the elderly and persons with disabilities. In FY 2000, \$140 million was used to help approximately 1,400 local providers purchase more than 1,800 vehicles and for contracted service for the provision of transportation services for the elderly and individuals with disabilities. In addition, the FTA provided \$229 million in FY 2000 to provide assistance for capital, operating, and administrative expenditures by state and local agencies, nonprofit organizations, and operators of transportation systems to provide public transportation services in rural and small urban areas (under 50,000 population). An estimated 36 percent of the ridership in nonurbanized systems is elderly, which represents nearly three times their proportion of the rural population.

The FTA also supports programs that enhance access to transportation services for older adults. As a result of the Americans with Disabilities Act, older adults have increased accessibility on the fixed route public transportation system. For those individuals who cannot access the fixed route service and are identified as eligible for ADA paratransit services, they can obtain curb-to-curb services for any trip purpose. In FY 2000, \$4 billion were used for capital and operating expenditures by transit agencies to provide public transportation services in urbanized areas. While these services must be open to the general public, a significant number of passengers served are elderly.

Objectives

Under this agreement, FTA and AoA will work together to achieve the following objectives:

Objective 1: Increase awareness of the transportation needs of older adults and the importance of developing strategies that can be used to address these needs.

Objective 2: Establish baseline data regarding transportation services addressing the needs of older persons, including existing transportation system characteristics, customer satisfaction and innovative service and transportation coordination models.

Objective 3: Develop and implement a joint plan to provide ongoing technical assistance and training to state and local agencies and organizations in an effort to promote and implement promising practices, including Intelligent Transportation Systems, related to the coordination of transportation services.

Objective 4: Work collaboratively with stakeholders at the national, state, and local levels to identify barriers and solutions to accessing transportation services, and to get their on-going input on the strategies and activities FTA and AoA will use to carry out this agreement.

Objective 5: Work together to better coordinate the provision of funding opportunities to the aging services and transportation networks to foster coordination of transportation services and the development of innovative service delivery models.

Administration of Memorandum of Understanding

AoA and FTA agree to:

1. Develop and implement annual work plans each calendar year to achieve the goals and objectives of this agreement;
2. Produce annual progress reports at the end of each calendar year; and
3. Designate staff to be responsible for administering all aspects of this agreement.

Period of Agreement

This agreement is effective upon signature and shall continue in effect until terminated by either party.

Authority

Older Americans Act, Title II, Section 203, Federal Agency Consultation.



Federal Interagency Coordinating Council on Access and Mobility

Coordinated Human Service Transportation Planning

FINAL POLICY STATEMENT

Policy Statement

Consistent with the requirements of the Executive Order and the statutory creation of a locally-developed, coordinated public transit human service transportation planning process established in the Safe, Affordable, Flexible, Efficient, Transportation Equity Act-A Legacy for Users (SAFETEA-LU), members of the Federal Interagency Coordinating Council on Access and Mobility (CCAM) adopt the following policy statement:

“Member agencies of the Federal Coordinating Council on Access and Mobility resolve that federally-assisted grantees that have significant involvement in providing resources and engage in transportation delivery should participate in a local coordinated human services transportation planning process and develop plans to achieve the objectives to reduce duplication, increase service efficiency and expand access for the transportation-disadvantaged populations as stated in Executive Order 13330.”

NOTE: Significant involvement is defined as providing, contracting for and/or subsidizing individual transportation trips for individuals with disabilities, older adults, or people with lower incomes.

Background

Presidential Executive Order 13330 on the Coordination of Human Service Programs issued by the President on February 24, 2004, creates an interdepartmental Federal Council on Access and Mobility to undertake collective and individual departmental actions to reduce duplication among federally-funded human service transportation services, increase the efficient delivery of such services and expand transportation access for older individuals, persons with disabilities, persons with low-income, children and other disadvantaged populations within their own communities.

As a first principle to achieve these goals, federally-assisted grantees involved in providing and funding human service transportation need to plan collaboratively to more comprehensively address the needs of the populations served by various Federal programs. In their report to the President on the Human Service Transportation Coordination, members of the Council recommended that “in order to effectively promote the development and delivery of coordinated transportation services, the Administration seek mechanisms (statutory, regulatory, or administrative) to require participation in a community transportation planning process for human service transportation programs.

In August 2005, the President signed legislation consistent with this recommendation to reauthorize Federal public transportation and Federal highway programs that contained provisions to establish a coordinated human services transportation planning process. This legislation, the Safe, Affordable, Flexible, Efficient Transportation Equity Act, A Legacy for Users (SAFETEA-LU), created a requirement that a locally-developed, coordinated public transit/human service planning process and an initial plan be developed by 2007 as a condition of receiving funding for certain programs directed at meeting the needs of older individuals, persons with disabilities and low-income persons. The plan must be developed through a process that includes representatives of public, private and non-profit transportation providers and public, private and non-profit human service providers and participation by the public. Complete plans, including coordination with the full range of existing human service transportation providers, are required by Fiscal Year 2008

Implementation

Members of the Federal Council on Access and Mobility will undertake actions within six months of Council adoption to accomplish Federal program grantee participation in locally-developed, coordinated public transit/human service coordinated planning processes.



Federal Interagency Coordinating Council on Access and Mobility

Vehicle Resource Sharing

FINAL POLICY STATEMENT

Policy:

Federal Executive Order 13330 on Human Service Transportation Coordination directs Federal agencies funding human services transportation services to undertake efforts to reduce transportation service duplication, increase efficient transportation service delivery, and expand transportation access for seniors, persons with disabilities, children, low-income persons and others who cannot afford or readily use automobile transportation. Consistent with this presidential directive, members of the Federal Interagency Coordinating Council on Access and Mobility (CCAM) adopt the following policy statement:

“Member agencies of the Federal Coordinating Council on Access and Mobility resolve that Federally-assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources in order to maximize accessibility and availability of transportation services”.

Background:

Often Federal grantees at the State and local levels restrict transportation services funded by a Federal program to clients or beneficiaries of that Federal program. Some grantees do not permit vehicles and rides to be shared with other federally-assisted program clients or other members of the riding public. Federal grantees may attribute such restrictions to Federal requirements. This view is a misconception of Federal intent. In too many communities, this misconception results in fragmented or unavailable transportation services and unused or underutilized vehicles. Instead, federally assisted community transportation services should be seamless, comprehensive, and accessible to those who rely on them for their lives, needs, and livelihoods.

Purpose:

This policy guidance clarifies that Federal cost principles do not restrict grantees to serving only their own clients. To the contrary, applicable cost principles enable grantees to share the use of their own vehicles if the cost of providing transportation to the community is also shared. This maximizes the use of all available transportation vehicles and facilitates access for persons with disabilities, persons with low income, children, and senior citizens to community and medical services, employment and training opportunities, and other necessary services. Such arrangements

can enhance transportation services by increasing the pool of transportation resources, reducing the amount of time that vehicles are idle, and reducing or eliminating duplication of routes and services in the community.

Applicable Programs:

This policy guidance applies to the programs listed at the end of this document, as well as any other Federal program that allows funds to be used for transportation services. Any specific arrangements would be subject to the rules and policies of participating program(s). This guidance pertains to Federal program grantees that either directly operate transportation services or procure transportation services for or on behalf of their clientele.

Federal Cost Principles Permit Sharing Transportation Services:

A basic rule of appropriations law is that program funds must only be used for the purposes intended. Therefore, if an allowable use of a program’s funds includes the provision of transportation services, then that Federal program may share transportation costs with other Federal programs and/or community organizations that also allow funds to be used for transportation services, as long as the programs follow appropriate cost allocation principles. Also, if program policy permits, vehicles acquired by one program may be shared with or used by other Federal programs and/or community organizations to provide transportation services to their benefiting population.¹

Federal agencies are required to have consistent and uniform government-wide policies and procedures for management of Federal grants and cooperative agreements – i.e., a “Common Rule.” Federal agencies are also required to follow uniform cost principles for determining allowable costs found in OMB circulars, the guidance which the Office of Management and Budget (OMB) developed on these matters.

These circulars set forth the standard Federal cost principles for determining allowable costs. For example, the allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions in OMB Circular A-122, *Cost Principles for Nonprofit Organizations*. The allowability of costs incurred by education institutions is determined in accordance with the provisions in OMB Circular A-21, *Cost Principles for Education Institutions*. The OMB Circulars are available at <http://www.whitehouse.gov/omb/circulars/index.html> .

OMB also required Federal agencies that administer grants and cooperative agreements to State, local and Tribal governments to put the uniform standards into their respective regulations. The table below illustrates where in the Code of Federal Regulations (CFR) you may find the uniform management and financial standards for applicable programs by responsible department.

¹ Program funds mean Federal funds. To the extent allowable under the applicable program’s statutory and regulatory provisions, program funds also mean any State or local funds used to meet the Federal program’s matching or cost-sharing requirement.

Department	Grants Management Common Rule (State & Local Governments)	OMB Circular A-110 (universities & non-profit organizations)
Agriculture	7 CFR 3016	7 CFR 3019
Commerce	15 CFR 24	15 CFR 14
Defense	32 CFR 33	32 CFR 32
Education	34 CFR 80	34 CFR 74
Energy	10 CFR 600	10 CFR 600
Health & Human Services	45 CFR 92	45 CFR 74
Housing & Urban Development	24 CFR 85	24 CFR 84
Interior	43 CFR 12	43 CFR 12
Justice	28 CFR 66	28 CFR 70
Labor	29 CFR 97	29 CFR 95
State	22 CFR 135	22 CFR 145
Transportation	49 CFR 18	49 CFR 19
Treasury	--	--
Veterans Affairs	38 CFR 43	--

OMB established Title 2 of the CFR as the single location where the public can find both OMB guidance for grants and cooperative agreements (subtitle A) and the associated Federal agency implementing regulations (subtitle B). To date, the provisions of OMB Circular A-110 have been codified at 2 CFR Part 215; OMB Circular A-21 at 2 CFR Part 220; OMB Circular A-87 at 2 CFR Part 225; and, OMB Circular A-122 at 2 CFR Part 230. Once the consolidation project has been completed, title 2 of the CFR will serve as a “one stop-shop” for grant policies and governmental guidance on applicable financial principles and single audit policy.

None of the standard financial principles expressed in any of the OMB circulars or associated Federal agency implementing regulations preclude vehicle resource sharing, unless the Federal program’s own statutory or regulatory provisions restrict or prohibit using program funds for transportation services. For example, one common financial rule states the following. “The grantee or sub grantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing that such use will not interfere with the work on the project or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate. Notwithstanding the encouragement to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless

specifically permitted or contemplated by Federal statute.”² Hence, this directive clearly signals Federal policy calling for multiple and full use of equipment purchased with grant funds. Grantees may even charge reasonable user fees to defray program costs. Program income includes income from fees for services performed and from the use or rental of real or personal property acquired with program grant funds. As a general matter, each program would use its share of the income in accordance with the program’s regulations or the terms and conditions of the award

In summary, allowability of costs is determined in accordance with applicable Federal program statutory and regulatory provisions and the cost principles in the OMB Circular that applies to the entity incurring the costs. Federal cost principles allow programs to share costs with other programs and organizations. Program costs must be reasonable, necessary, and allocable. Thus, vehicles and transportation resources may be shared among multiple programs, as long as each program pays its allocated (fair) share of costs in accordance with relative benefits received.

A limited number of Federal block grant programs are exempt from the provisions of the OMB uniform standards and the OMB cost principles circulars. Excluded programs in the U.S. Department of Health and Human Services include the Community Services Block Grant program, the Social Services Block Grant program, the Community Mental Health Services Block Grant program, and the Substance Abuse Prevention and Treatment Block Grant program. The State Community Development Block Grant program under the U.S. Department of Housing and Urban Development (HUD) is also an excluded program. State fiscal policies apply to grantees and their subrecipients under these programs. Unless Federal law or any applicable implementing program regulations restrict or prohibit the use of Federal program funds for transportation services, we believe that it is unlikely that a State’s fiscal policies would impede vehicle sharing.

Of course, all recipients (e.g., grantees, subgrantees and subrecipients) of Federal program funds must use the funds in ways that meet all applicable programmatic requirements, together with any limitations, restrictions, or prohibitions.

Possibilities for Meeting Transportation Needs:

- Partner with other program agencies. For example, a program serving the aging population owns and operates shuttle buses that provide transit services for senior citizens in several rural communities. The agency partnered with other programs to expand service to provide transportation for persons with disabilities working in community rehabilitation programs (CRPs), to provide transportation to key employment locations, and to provide Medicaid non-emergency medical transportation. This was done via a cost-sharing arrangement.
- Maximize use. For example, a for-profit organization receiving Federal Head Start funds purchased specially equipped buses to transport children to and from their Head Start facility. Generally, the buses are only used during specific hours of the day. During the idle periods (including evenings and week-ends), the organization rents the vehicles to another program serving seniors and persons with disabilities to provide transportation for recreational events,

² Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Tribal Governments, in the regulations shown in column two of the above table. For example, these provisions appear in the Department of Agriculture’s regulation at 7 CFR 3016.32 and in the Department of Health and Human Services’ regulation at 45 CFR 92.32. These provisions also appear in the Uniform Administrative Requirements for Grants and Agreements with Institution of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110) at 2 CFR 215.34.

and personal needs (e.g., grocery shopping, hair dresser, medical appointments). The rental contract includes payment for extra costs incurred, such as expanded insurance coverage and additional fuel expenses. While this extra service is not allowable with Head Start funds, the income generated by the use of the buses during idle periods may be viewed as incidental to the primary use of the buses, as long as such use does not interfere with regular Head Start transportation services.

- Pool resources. For example, a community action and economic development agency, another non-profit organization, and a community mental health center receiving Community Service Block Grant funds, Community Development Block Grant funds, Social Service Block Grant funds, Community Mental Health Block Grant funds and/or Substance Abuse Prevention and Treatment Block Grant funds teamed up with the State agency that administers the Temporary Assistance for Needy Families (TANF) program and the State's Labor Department. Each funding source provided an allocable amount of seed money to start a shuttle operation service in the local service areas with high unemployment and no public transportation services. Each funding source also pays its fair share of allowable ongoing costs in accordance with the benefit received by each party. The operation is based on fixed routes that connect individuals to job and training sites, outpatient mental health services, and substance abuse treatment and counseling services in the area. The operation also provides a feeder service to connect clientele to public transportation that goes into the downtown area.
- Partner with non-profit or other community organizations. For example, several agencies contracted with a local organization that operates a van service to provide door-to-door service for their clientele, transporting them to key places in the area. Such places include hospitals and other medical facilities, child care centers, senior citizen centers, selected employment sites, and prisons for family visitation purposes.
- Engage the business community. For example, various programs within the State's transportation department, labor department, the TANF agency, and agencies that provide community health care and assistance for the aged worked with employers in the area to contribute to the expansion of a local transportation system. The private system provides shuttle service to selected employment sites and curb-to-curb services to CRCs, senior citizen centers, retail centers, community health centers or substance abuse treatment and counseling centers, hospitals and other locations. The service is sustained through a fare-based system, with each agency benefiting from the expanded service subsidizing an allocable portion of the fares for their clientele. This service helps participating employers and their family members, as well as job seekers, dislocated workers, current employees and their family members to have access to a range of services and opportunities.
- Facilitate car-pooling. For example, a local Workforce Investment Board identified clientele with reliable cars living in various locales that they pay to pick-up other people in their area going to the same employment or training site. Participating riders pay a fare to ride. The State's TANF agency and the State's Office for the Aging also participate in the car pooling activity by defraying a portion of the fare for their riders. These other agencies also help to expand the available cars in different locales by paying for necessary car repairs and insurance cost for their share of participants.

- Arrange ride sharing. For example, an agency that receives program funds to assist elderly individuals purchased a van to transport their clientele to medical services and other destinations. Other program agencies worked out a financial agreement with this agency to pick up their clients living in the same neighborhoods and take them to and from destinations along the van's route.
- Earn income: For example, the State's Department of Transportation noticed that some of the shuttle buses that they own have been underutilized. The Department of Transportation used three of those shuttle buses to launch a fixed bus route service in areas of the State lacking access to adequate transportation to shopping, work, school, training, medical services, and other daily needs. The bus service is open to the public and fares are charged. Other State agencies, such as the Department of Human Services entered into a Memorandum of Agreement to provide program funds to the Department of Transportation for applicable fare costs for their respective clientele benefiting from the service. The income generated could be used to defray operating costs or for other program purposes, in accordance with the applicable program and administrative rules.

Programs Covered:

The following Federal programs generally allow program funds to be used for transportation services. Nevertheless, you should still check with your program liaison as needed, to determine whether the particular service you would like to provide would be an allowable use of funds. For example, under HUD's Community Block Grant Program, funds may be used to pay for certain transportation services (e.g., fares), but not others (e.g., personal auto repair costs or personal auto insurance).

Department of Transportation

DOT/Federal Transit Administration (FTA)/Capital Improvement
 DOT/FTA/Elderly and Persons with Disabilities
 DOT/FTA/Job Access Reverse Commute
 DOT/FTA/New Freedom
 DOT/FTA/Non Urbanized Formula (Rural)
 DOT/Urbanized Formula

Department of Education

ED/Assistance for Education of All Children with Disabilities (Individuals with Disabilities Education Act)

Department of Health and Human Services - Administration for Children and Families (ACF)

HHS - ACF/Community Services Block Grant Program
 HHS - ACF/Head Start
 HHS - ACF/Social Services Block Grants
 HHS - ACF/State Councils on Developmental Disabilities and Protection & Advocacy Systems
 HHS - ACF/Temporary Assistance for Needy Families

HHS – ACF/Promoting Safe and Stable Families Program
HHS – ACF/Development Disabilities Project of National Significance
HHS – ACF/Refugee and Entrant Assistance Discretionary Grants
HHS – ACF/Refugee and Entrant Assistance State Administered Programs
HHS – ACF/Refugee and Entrant Assistance Targeted Assistance
HHS – ACF/Refugee and Entrant Assistance Voluntary Agency Programs

HHS-Administration on Aging

HHS – Administration on Aging (AoA)/Grants for Supportive Services and Senior Centers
HHS - AoA/Programs for American Indian, Alaskan Native, and Native Hawaiian Elders

HHS - Centers for Medicare and Medicaid (CMS)

HHS - CMS/Medicaid
HHS – CMS/State Children’s Health Insurance Program

HHS - Health Resources and Services Administration (HRSA)

HHS - HRSA/ Community Health Centers
HHS - HRSA/Healthy Communities Program
HHS - HRSA/HIV Care Formula
HHS - HRSA/Rural Health Care Network
HHS – HRSA/Rural Health Care Outreach Program
HHS – HRSA/Healthy Start Initiative
HHS – HRSA/Maternal and Child Services Grants
HHS – HRSA/Ryan White CARE Act Programs

HHS - Substance Abuse Mental Health Services Administration (SAMHSA)

HHS - SAMHSA/ Community Mental Health Services Block Grant

Department of Housing and Urban Development (HUD), Office of Community Planning and Development (OCPD)

HUD - OCPD/Community Development Block Grant
HUD - OCPD/ Housing Opportunities for Persons with AIDS
HUD - OCPD/Supportive Housing Program

Any other Federal program that allows funds to be used for transportation services.



DEPARTMENT OF VETERANS AFFAIRS
Veterans Health Administration
Washington DC 20420

IL 10-2007-006

In Reply Refer To: 16

March 2, 2007

UNDER SECRETARY FOR HEALTH'S INFORMATION LETTER

HUMAN TRANSPORTATION SERVICES COORDINATION

1. This Information Letter provides Department of Veterans Affairs (VA) medical centers with guidance in implementing strategies in response to Executive Order 13330, "Human Transportation Services Coordination."

2. Background

a. Personal mobility often can be taken for granted. For many people, it means starting the car or walking to the subway. However, an increasing number of Americans are unable to get to work, run errands, or access medical care simply because they do not have reliable transportation. The number of older adults in America, 30 million in 2000, is expected to double by 2030. Many of them belong to the population of "transportation-disadvantaged" individuals who cannot operate vehicles because of medical conditions or limitations. Other transportation-disadvantaged people are unable to afford their own automobile, or live in areas without public transportation.

b. In recognition of the fundamental importance of human service transportation and the continuing need to enhance coordination, Executive Order 13330 was issued February 2004. The Executive Order established a Federal Interagency Transportation Coordinating Council on Access and Mobility (CCAM), whose tasking is to simplify access to transportation for people with disabilities, people with lower incomes, and older adults.

(1) The CCAM Secretaries members are of: VA; Department of Transportation (DOT), Department of Health and Human Services (DHHS), Department of Labor (DOL), Department of Education (DOE), Department of Interior (DOI), Department of Housing and Urban Development (DHUD), United States Department of Agriculture (USDA), and the Commissioner of the Social Security Administration, the Attorney General, and the Chairperson of the National Council on Disability.

(2) Executive Order 13330 requires that CCAM members work together to provide the most appropriate, cost effective services within existing resources, and reduce duplication to free up funds for more service. The CCAM launched United We Ride (UWR), a national initiative to implement the Executive Order and the Action Plan established by the CCAM. The CCAM then submitted a detailed 2005 United We Ride Report to the President. The report outlined collective and individual department actions to decrease duplication, enhance efficiencies, and simplify access for consumers.

c. At the CCAM meeting, members of the CCAM adopted the following policy statements:

(1) “Member agencies of the Federal Coordinating Council on Access and Mobility resolve that Federally-assisted grantees that have significant involvement in providing resources and engage in transportation delivery should participate in a local coordinated human services transportation planning process and develop plans to achieve the objectives to reduce duplication, increase service efficiency and expand access for the transportation-disadvantaged populations as stated in Executive Order 13330.”

(2) “Member agencies of the Federal Coordinating Council on Access and Mobility resolve that Federally-assisted grantees that have significant involvement in providing resources and engage in transportation should coordinate their resources in order to maximize accessibility and availability of transportation services.”

3. Recommendations for VA Medical Centers. It is strongly recommended that each facility take the following steps to comply with Executive Order 13330:

- a. Evaluate transportation services offered within the facility.
- b. Participate in any coordinated transportation planning processes in the local community.
- c. Consider offering any excess capacity in VA transportation services to other Federal agencies under agreements that provide for reimbursement to VA.
- d. Consider the feasibility of using any excess capacity in the transportation service of another Federal agency under an agreement that provides for reimbursement to that agency.
- e. Consider informing veterans of the transportation services of other government agencies that might be available to them.

4. Inquiries. Questions may be addressed to the Chief Business Office at (202) 273-0384.

Michael J. Kussman, MD, MS, MACP
Acting Under Secretary for Health

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FLD: VISN, MA, DO, OC, OCRO, and 3/6/07

commercial vehicle." Mr. Hines reported that he has driven straight trucks for 18 years, accumulating 216,000 miles, and tractor-trailer combinations for 18 years, accumulating 216,000 miles. He holds a Class A CDL from Texas. His driving record for the last 3 years shows no crashes and no convictions for moving violations in a CMV.

John H. Holmberg

Mr. Holmberg, 63, has had amblyopia in his left eye since childhood. The best corrected visual acuity in his right eye is 20/20 and in the left, 20/70. Following an examination in 2008 his optometrist noted, "I would concur with these results and agree that Mr. Holmberg has adequate vision to operate a commercial vehicle." Mr. Holmberg reported that he has driven straight trucks for 20 years, accumulating 50,000 miles. He holds a Class A CDL from Wisconsin. His driving record for the last 3 years shows no crashes and no convictions for moving violations in a CMV.

Gary R. Lomen

Mr. Lomen, 49, has had amblyopia in his left eye since childhood. The best corrected visual acuity in his right eye is 20/20 and in the left, 20/50. Following an examination in 2008, his optometrist noted, "In my opinion, Mr. Lomen can operate a commercial vehicle safely with his current vision, based on years of success with his visual condition." Mr. Lomen reported that he has driven straight trucks for 16 years, accumulating 542,400 miles. He holds an operator's license from Washington. His driving record for the last 3 years shows no crashes and no convictions for moving violations in a CMV.

Leonardo Lopez, Jr.

Mr. Lopez, 36, has complete loss of vision in his right eye due to chronic retinal detachment. The best corrected visual acuity in his left eye is 20/30. Following an examination in 2007 his ophthalmologist noted, "I believe that Mr. Lopez has sufficient vision to perform driving tasks required to operate a commercial vehicle." Mr. Lopez reported that he has driven straight trucks for 9 years, accumulating 126,000 miles. He holds a Class D operator's license from New Jersey. His driving record for the last 3 years shows no crashes and no convictions for moving violations in a CMV.

Jeffrey F. Meier

Mr. Meier, 50, has had a macular scar in his left eye due to toxoplasmosis

since birth. The best corrected visual acuity in his right eye is 20/25 and in the left, 20/150. Following an examination in 2008 his ophthalmologist noted, "My opinion is that he has sufficient vision to operate a commercial vehicle." Mr. Meier reported that he has driven straight trucks for 30 years, accumulating 675,000 miles. He holds a Class D operator's license from Iowa. His driving record for the last 3 years shows no crashes and no convictions for moving violations in a CMV.

James G. Mitchell

Mr. Mitchell, 41, has a prosthetic left eye due to a traumatic injury that occurred in 1993. The visual acuity in his left eye is 20/20. Following an examination in 2007 his optometrist noted, "I feel Mr. Mitchell is visually able to operate a motor vehicle in all lighting conditions with a driver's side mirror." Mr. Mitchell reported that he has driven tractor-trailer combinations for 16 years, accumulating 2.2 million miles. He holds a Class D operator's license from Alabama. His driving record for the last 3 years shows no crashes and no convictions for moving violations in a CMV.

Billy R. Pierce

Mr. Pierce, 59, has a decreased right eye due to a severe infection that occurred in 2004. The best corrected visual acuity in his right eye is 20/20 and in the left, 20/400. Following an examination in 2008, his optometrist noted, "It is my opinion, that Mr. Pierce has the ability and visual ability to operate a commercial vehicle." Mr. Pierce reported that he has driven straight trucks for 43 years, accumulating 1.3 million miles, and tractor-trailer combinations for 29 years, accumulating 435,000 miles. He holds a Class D operator's license from Alabama. His driving record for the last 3 years shows no crashes and no convictions for moving violations in a CMV.

James A. Rapp

Mr. Rapp, 46, has had loss of vision in his left eye due to childhood glaucoma. The visual acuity in his right eye is 20/20 and in the left, count-finger vision. Following an examination in 2008, his ophthalmologist noted, "In my opinion, he has sufficient vision to perform the driving tasks required to operate a commercial vehicle." Mr. Rapp reported that he has driven straight trucks for 18 years, accumulating 374,400 miles. He holds a Class D operator's license from Ohio. His driving record for the last 3 years

shows one crash, which he was cited for, and no other convictions for moving violations in a CMV.

Thomas P. Shank

Mr. Shank, 41, has had exotropia in his right eye since birth. The best corrected visual acuity in his right eye is count-finger vision and in the left, 20/16. Following an examination in 2008, his optometrist noted, "In my medical opinion, Mr. Shank has sufficient vision to perform the driving tasks required to operate a commercial vehicle at any time of day or night." Mr. Shank reported that he has driven straight trucks for 5 years, accumulating 250,000 miles, and tractor-trailer combinations for 19 years, accumulating 1.7 million miles. He holds a Class A CDL from New York. His driving record for the last 3 years shows no crashes and two convictions for moving violations in a CMV; unsafe lane changes, and speeding in a CMV. He exceeded the speed limit by 9 mph.

Request for Comments

In accordance with 49 U.S.C. 31136(e) and 31315, FMCSA requests public comment from all interested persons on the exemption petitions described in this notice. The Agency will consider all comments received before the close of business September 11, 2008. Comments will be available for examination in the docket at the location listed under the **ADDRESSES** section of this notice. The Agency will file comments received after the comment closing date in the public docket, and will consider them to the extent practicable. In addition to late comments, FMCSA will also continue to file, in the public docket, relevant information that becomes available after the comment closing date. Interested persons should monitor the public docket for new material.

Issued on: August 7, 2008,

Larry W. Minor,

Associate Administrator for Policy and Program Development.

[FR Doc. E8-18613 Filed 8-11-08; 8:45 am]

BILLING CODE 4910-EX-P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[Docket No: FTA-2008-0009]

National Transit Database: Policy on Reporting of Coordinated Human Services Transportation Data

AGENCY: Federal Transit Administration (FTA), DOT.

ACTION: Notice of Proposed New Policy on Reporting of Coordinated Human Services Transportation Data to the National Transit Database.

SUMMARY: This notice provides interested parties with the opportunity to comment on changes to the Federal Transit Administration's (FTA) National Transit Database (NTD) policy on the reporting of coordinated human services transportation data. For many years, it has been FTA's policy to require transit agencies reporting demand response service to the NTD to exclude service data for certain sponsored trips from their reports. These trips were typically arranged and paid for by a third party for a specific group of clients (such as participants in programs like Medicaid, Head Start, sheltered workshops, or assisted living centers), and were often not open to the general public at large. Data for these trips were thus excluded from the calculation of the apportionment of Urbanized Area Formula Grants. In light of FTA's policies and guidance on Coordinated Human Services Transportation, FTA is proposing to clarify this policy for the 2008 NTD Report Year to specify that transit agencies are to report data for all of their demand response service as public transportation, except for those services that are defined as charter service under FTA's recently revised charter rule (49 CFR Part 604, 73 FR 2326, January 14, 2008). FTA also proposes to require transit agencies in urbanized areas to separately report their "regular unlinked passenger trips" and their "sponsored demand response unlinked passenger trips" for demand response service. FTA invites the public to comment on this proposed policy change.

DATES: Comments must be received on or before September 11, 2008. FTA will consider comments filed after this date to the extent practicable.

ADDRESSES: You may submit comments [identified by DOT Docket ID Number FTA-2008-0009] at the Federal eRulemaking Portal at: <http://www.regulations.gov>. Follow the online instructions for submitting comments.

Fax: 202-493-2251.

Mail: Docket Management Facility: U.S. Department of Transportation, 1200 New Jersey Avenue, SE., West Building Ground Floor, Room W12-140, Washington, DC 20590-0001.

Hand Delivery or Courier: U.S. Department of Transportation, 1200 New Jersey Ave., SE., West Building Ground Floor, Room W12-140, Washington, DC 20590-0001 between 9

a.m. and 5 p.m. ET, Monday through Friday, except Federal holidays.

Instructions: When submitting comments, you must use docket number FTA-2008-0009. This will ensure that your comment is placed in the correct docket. If you submit comments by mail, you should submit two copies and include the above docket number.

Note that all comments received will be posted, without change, to

Note that all comments received will be posted, without change, to <http://www.regulations.gov> including any personal identifying information.

FOR FURTHER INFORMATION CONTACT: For program issues, John D. Giorgis, Office of Budget and Policy, (202) 366-5430 (telephone); (202) 366-7989 (fax); or john.giorgis@dot.gov (e-mail). For legal issues, Richard Wong, Office of the Chief Counsel, (202) 366-0675 (telephone); (202) 366-3809 (fax); or richard.wong@dot.gov (e-mail).

SUPPLEMENTARY INFORMATION:

I. Background

The National Transit Database (NTD) is the Federal Transit Administration's (FTA's) primary database for statistics on the transit industry. Congress established the NTD to "help meet the needs of * * * the public for information on which to base public transportation service planning. * * *" (49 U.S.C. 5335). Currently, over 650 transit providers in urbanized areas report to the NTD through an Internet-based reporting system. Each year, performance data from these submissions are used to apportion over \$5 billion of FTA funds under the Urbanized Area Formula Grants and the Fixed Guideway Modernization Grants Programs. These data are also used in the annual National Transit Summaries and Trends report, the biennial Conditions and Performance Report to Congress, and in meeting FTA's obligations under the Government Performance and Results Act.

II. Proposed Policy Change

For many years, it has been FTA's policy to require transit providers reporting demand response service to the NTD to exclude certain trips that were sponsored by a third party from their reports. A "trip sponsor" refers to a third party that reimbursed the transit provider in whole or in part for the trip, and in many cases, handled all or part of the trip arrangements. These trips were typically arranged and paid for by some third party for a specific group of clients (such as participants in programs like Medicaid, Head Start, sheltered workshops, or assisted living centers),

and were often not open to the general public at large. Data for these trips were thus excluded from the calculation of the apportionment of Urbanized Area Formula Grants.

FTA proposes to clarify this policy in light of FTA's policy and guidance on Coordinated Human Services Transportation, and in light of PTA's recently revised charter rule (49 CFR Part 604, 73 FR 2326, January 14, 2008). FTA proposes in this notice that transit providers reporting to the NTD for the 2008 NTD Report Year, should report all of their demand response services to individuals as public transportation services, regardless of whether the trip was sponsored in whole or in part by a third party. Trips that meet the definition of charter service at 49 CFR 604.3(c) must be reported on a quarterly basis on the charter registration Web site, as required by the charter rule, and data for these trips should not be reported as revenue service to the NTD.

A key component of FTA's charter rule is the concept of "exclusivity." Charter service is defined, in part, as "transportation provided * * *, at the request of a third party for the exclusive use of a bus or van at a negotiated price," with the caveat that "charter service * * * does not include demand response service to individuals." Transit providers reporting to the NTD may distinguish their demand response services, particularly their sponsored demand response service, from charter service a number of ways: (1) Charter service is exclusive, whereas demand response service is *shared-ride*. If the transit provider may mix passengers from a trip sponsor with other demand response passengers on the same trip, then the trip is on shared-ride service, and service data for that trip should be reported to the NTD as public transportation. (2) Charter service is *service to a group*, whereas demand response service is *service to individuals*. Service to individuals can be identified by a vehicle trip that includes multiple origins, multiple destinations, or both, even when the clients have exclusive use of the vehicle. Some demand response sponsored trips carried out as part of a Coordinated Human Services Transportation Plan, such as trips for Head Start, assisted living centers, or sheltered workshops, may be provided on an exclusive basis, but are provided to service multiple origins to a single destination, a single origin to multiple destinations, or even multiple origins to multiple destinations. Transit providers should report service data for these trips to the NTD as public transportation. (3) Charter service is *for a specific event or*

function, whereas demand response service is *regular and continuing*. Some demand response sponsored trips carried out as part of a Coordinated Human Services Transportation Plan may be exclusive, and may be for a group from a single origin to a single destination, but may occur on a frequently reoccurring basis, such as daily, weekly, biweekly, or monthly. Transit providers should report service data for these trips to the NTD as public transportation. Demand response service that is exclusive, from a single origin to a single destination, and that reoccurs on a less-frequent basis that once per month should be considered to be charter service. Transit providers should report these services to the charter registration Web site.

Transit providers reporting to the NTD must specifically exclude from their reports on revenue service any service that meets the definition of "charter service" under the charter rule, and thus, must be reported to the charter registration Web site. This exclusion includes charter service legally provided to a Qualified Human Services Organization (QHSO), as provided for by the charter rule.

To implement this policy, FTA proposes to require transit providers reporting to the NTD to report their regular unlinked passenger trips and their sponsored unlinked passenger trips separately for demand response service. Reporters would not have to make this distinction for any other modes of service. Regular unlinked passenger trips would refer to those demand response trips that are arranged and paid for by individuals, even when those individuals pay the fare with user-side subsidies, such as coupons or passes provided a QHSO. Regular unlinked passenger trips would include all demand response trips provided pursuant to the requirements of the Americans with Disabilities Act of 1990. Sponsored unlinked passenger trips would include all trips where the transit provider is directly reimbursed in whole or in part by some third party that has helped arrange for the trips. This distinction would make reporting of these services for urbanized area transit agencies consistent with the reporting of these services for transit agencies in rural areas. Since this proposal is being announced late in the 2008 Report Year, FTA will grant a waiver from reporting separately regular and sponsored unlinked passenger trips for the 2008 Report Year to any NTD Reporter that requests such a waiver.

Issued in Washington, DC, this 1st day of August 2008.

James S. Simpson,
Administrator.

[FR Doc. E8-18388 Filed 8-11-08; 8:45 am]

BILLING CODE 4910-57-M

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

60-Day Notice and Request for Comments

AGENCY: Surface Transportation Board, DOT.

ACTION: 60-day notice and request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork burdens, and as required by the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 *et seq.* (PRA), the Surface Transportation Board (Board) gives notice of its intent to request from the Office of Management and Budget (OMB) approval without change of the seven existing collections described below.

Comments are requested concerning each collection as to (1) Whether the particular collection of information is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility; (2) the accuracy of the Board's burden estimates; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology, when appropriate. Submitted comments will be included and/or summarized in the Board's request for OMB approval.

DATES: Written comments are due on October 14, 2008.

ADDRESSES: Direct all comments to Marilyn Levitt, Surface Transportation Board, Suite 1260, 395 E Street, SW., Washington, DC 20423-0001, or to levittm@stb.dot.gov. Comments should be identified as "Paperwork Reduction Act Comments, and should refer to the title and control number of the specific collection(s) commented upon.

FOR FURTHER INFORMATION CONTACT: For additional information or copies of the information collection(s) contact Scott Decker at (202) 245-0330 or deckers@stb.dot.gov. [Federal Information Relay Service (FIRS) for the hearing impaired: (800) 877-8339.]

Subjects: In this notice the Board is requesting comments on the following information collections:

Collection Number 1

Title: Class I Railroad Annual Report
OMB Control Number: 2140-0009.

Form Number: R1.

Type of Review: Extension without change.

Respondents: Class I railroads.

Number of Respondents: Fewer than 10.

Estimated Time per Response: As long as 800 hours, based on information provided by the railroad industry during the 1990's. This estimate includes time spent reviewing instructions; searching existing data sources; gathering and maintaining the data needed; completing and reviewing the collection of information; and converting the data from the carrier's individual accounting system to the Board's Uniform System of Accounts (USOA), which ensures that the information will be presented in a consistent format across all reporting railroads, see 49 U.S.C. 11141-43, 11161-64, 49 CFR 1200-1201. It is likely that the estimated time to produce this report is overstated, given the advances made in computerized data collection and processing systems.

Frequency of Response: Annual.

Total Annual Hour Burden: Up to 5,600 hours annually.

Total Annual "Non-Hour Burden" Cost: No "non-hour cost" burdens associated with this collection have been identified.

Needs and Uses: Annual reports are required to be filed by Class I railroads under 49 U.S.C. 11145. The reports show operating expenses and operating statistics of the carriers. Operating expenses include costs for right-of-way and structures, equipment, train and yard operations, and general and administrative expenses. Operating statistics include such items as car-miles, revenue-ton-miles, and gross ton-miles. The reports are used by the Board, other Federal agencies, and industry groups to monitor and assess railroad industry growth, financial stability, traffic, and operations, and to identify industry changes that may affect national transportation policy. Information from this report is also entered into the Board's Uniform Rail Costing System (URCS), which is a cost measurement methodology. URCS, which was developed by the Board pursuant to 49 U.S.C. 11161, is used as a tool in rail rate proceedings, in accordance with 49 U.S.C. 10707(d), to calculate the variable costs associated with providing a particular service. The Board also uses this information to more effectively carry out other of its regulatory responsibilities, including: Acting on railroad requests for authority

Attachment C

List of Agencies Contacted and Sample Transmittal Letter

Agencies Initially Contacted

Catholic Charities
Commission on Aging and Disability
Department of Agriculture
Department of Children's Services
Department of Corrections
Department of Education
Department of Finance and Administration
Department of Health
Department of Human Services (DHS)
Department of Labor and Workforce Development
Department of Mental Health and Developmental Disabilities (DMHDD)
Department of Mental Retardation (DMR)
Department of Safety
Department of Veterans Affairs
Knoxville-Knox County CAC (Workforce Connections)
TennCare
Tennessee Career Center at Chattanooga
Tennessee Career Center at Clarksville
Tennessee Career Center at Columbia
Tennessee Career Center at Cookeville
Tennessee Career Center at Crossville
Tennessee Career Center at Dyersburg
Tennessee Career Center at Jackson
Tennessee Career Center at Johnson City
Tennessee Career Center at Memphis North Main
Tennessee Career Center at Metro Center
Tennessee Career Center at Talbott
Tennessee Career Center at Tullahoma
Tennessee Commission on Children and Youth
Tennessee Housing Development Agency
Tennessee Veterans Homes

DATE

Name, Title
Organization
Address
Address2

Re: Public Chapter 981 – Transportation Inventory

Dear NNNN:

In May 2008, the Senate and House of Representatives passed and the Governor signed SB 2835, which later became PC 981. This legislation directs the Tennessee Department of Transportation (TDOT) Division of Multimodal Transportation Resources to conduct a study to take an inventory of all grants and expenditures for transportation services for populations needing specialized assistance. This includes transportation services for persons with age related conditions, a disability, and those who are low income or do not have access to an automobile.

We are surveying all departments to determine which support specialized transportation services. On behalf of TDOT, your office will be contacted by Thomas Procopio or Caroline Ferris of TranSystems to respond to some questions regarding sources of funding, uses of funds, required state/local match, expenditures and types of services funded. So that you will be prepared to respond to questions posed by the representatives of TranSystems, a discussion guide that will be used for the interview is enclosed. TDOT is required to provide a report to the Senate and House Transportation Committees by December 31, 2008, so your assistance is greatly appreciated.

Given funding constraints and the rising cost of fuel, the most effective use of all available funding is needed. The first step in determining if we are effectively utilizing funds for transportation is to understand what the funding sources are, what expenditures are being made, and who is being served. That is the core information that will be collected as part of this study.

Thank you in advance for your cooperation. If you have any questions please contact Sherri Carroll, assistant director of operations, TDOT Division of Multimodal Transportation Resources. Ms. Carroll's number is 615-253-1043.

Sincerely,

Sincerely,

Jim Tracy, Chairman
Senate Transportation Committee

Phillip Pinion, Chairman
House Transportation Committee

Attachments



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
DIVISION OF MULTIMODAL TRANSPORTATION RESOURCES
505 DEADERICK STREET, SUITE 1800
NASHVILLE, TENNESSEE 37243

October 3, 2008

Ms. Janet Lamb, Legislative Liaison
Commission on Aging and Disability
500 Deaderick Street, 8th Floor
Nashville, TN 37243-0860

Re: Public Chapter 981 – Transportation Inventory

Dear Ms. Lamb:

In May 2008, the Senate and House of Representatives passed, and the Governor signed, SB 2835, which later became PC 981. This legislation directs the Tennessee Department of Transportation (TDOT) Division of Multimodal Transportation Resources to conduct a study to take an inventory of all grants and expenditures for transportation services for populations needing specialized assistance. This includes transportation services for persons with age related conditions, a disability, and those who are low income or do not have access to an automobile.

We are surveying all departments to determine which support specialized transportation services. On behalf of the TDOT, your office will be contacted by Thomas Procopio or Caroline Ferris of TranSystems to respond to some questions regarding sources of funding, uses of funds, required state/local match, expenditures and types of services funded. So that you will be prepared to respond to questions posed by the representatives of TranSystems, a discussion guide that will be used for the interview is enclosed. TDOT is required to provide a report to the Senate and House Transportation committees by December 31, 2008, so your assistance is greatly appreciated.

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Thank you in advance for your cooperation. If you have any questions please contact Sherri Carroll, Assistant Director of Operations, TDOT Division of Multimodal Transportation Resources. Ms. Carroll's number is 615-253-1043.

Sincerely,

Jim Tracy, Chairman
Senate Transportation Committee

Sincerely,

Phillip Pinion, Chairman
House Transportation Committee

Attachments

Attachment D

Agency Profiles

Commission on Aging and Disability

Perry Fitzgerald, Fiscal Director

The Commission on Aging was created after the passage of the Older Americans Act (OAA) of 1965. The Commission on Aging is charged with providing community based services for adults 60 years of age and older. The commission receives funds under three OAA programs: Title IIIB, Title C, and Title C2. Title IIIB is for Community Support Services, which includes transportation; Title IIIC is for Congregate Meal Programs; and Title IIIC2 is for Home Delivered Meal Programs. Title E, the Family Caregiver Support Program also provides respite or in-home care. The Commission also has a contract with TennCare (the state Medicaid agency) for the provision of in-home services for elderly individuals on TennCare.

In 1999, the State of Tennessee enacted the Long Term Care Community Choices Program. This program was designed to provide in-home services to persons who are elderly or disabled. Funds for this program are only for the provision of in-home services.

Source of Funds

The funding for transportation services provided through the Aging network is composed of Federal, state, and local funds. The Federal funds are Title IIIB funds for supportive services through the Older Americans Act. The state must provide at least a 5 percent match to draw down Federal funds, and the local Area Agencies on Aging (AAA's) are responsible for a 10 percent local match. Historically, the state and local match has exceeded the minimum requirements. Match requirements apply to the total Federal allocation and not to specific services within the grant. When state and local match for the entire Title III allocation exceeds the minimum required amount, only local funds are used to match transportation expenditures. In-kind contributions are allowed to be used as local match and can be any contribution to the program that would have required the expenditure of funds had the contribution not been made (e.g. volunteer driver or use of a vehicle). The state or local agency may not use funds from other Federal programs as match for Older Americans Act funds (OMB Circular 122— Cost Principles for Non-Profit Organizations).

In addition to Federal, state, and local funds, program income is also used to pay for the cost of service. Participants in aging programs may not be charged a fee, but a suggested contribution may be collected. Any contributions made by participants are considered program income and may only be used in the program for which they were collected. For example, contributions for transportation service can only be used for transportation service. Program income must be used before federal funds are applied.

The following table shows funds expended for specialized transportation services for persons age 60 and older during FYs 2007 and 2008, and also the FY 2009 allocation:

Source of Funds	FY 2007	FY 2008	FY 2009
Federal Title IIIB	\$ 1,405,000	\$ 1,300,700	\$ 1,317,500
State Funds	\$ 0	\$ 0	\$ 0
Local Match	\$ 836,000	\$ 702,400	\$ 702,400
Program Income	\$ 15,600	\$ 13,000	\$ 9,100
Total Expenditures	\$ 2,256,900	\$ 2,016,100	\$ 1,863,600
Source: Commission on Aging and Disability. Amounts are rounded to the nearest \$100.			

Use of Funds

The Older Americans Act allocates funds based upon Census data for persons 60 years and older. The Commission on Aging, in turn, distributes the funds to local AAAs. There are nine Area Agencies on Aging designated in the state. Seven of the AAAs are located in Development District Offices. One is located in a Human Resource Agency (HRA) and one is a subdivision of a county. Each AAA is responsible for developing its own budget and allocating funds for the provision of transportation. In order to receive funds from the Commission on Aging an agency must be a designated Area Agency on Aging. With the exception of case management, guardian and medication management service, AAA's must contract out the provision of services. There is no prohibition on the agencies that the AAA may contract with to provide service.

As noted above, a match is required by both the state and local agencies, and match requirements apply to the total Title III allocation and not to specific services within the grant expenditures. The federal share of costs is limited to 85 percent of the total cost. Up to 5 percent of the state's allocation may be allocated to administration. Each AAA may take up to 10 percent of its allocation for administrative purposes and administrative funds not expended may be rolled over to the next program year, but must be used to provide service. AAAs have 36 months to spend rollover funds.

Capital is also an allowable expense, but the use of funds for capital is discouraged by the Commission, which prefers that the AAAs work with other sources of funds for capital needs. Upon request, an AAA may be allowed to use rollover funds for capital expenses.

Services Provided

Each AAA determines what transportation services will be provided, based upon local needs. Most often, transportation is funded for service to and from senior centers, but service to doctor's appointments also may be provided. A large factor in determining what transportation services will be provided is what other transportation services are available locally. Service may be provided by a senior center, using volunteer drivers, or may be provided by contract with another local agency like a transit authority.

Although there are no prohibited trips, generally service is pre-scheduled or advance reservation. Emergency transportation service is not provided by or paid for through Older Americans Act funds.

Commission on Children and Youth

Steve Petty, Legislative Specialist

The Commission on Children and Youth staffs and coordinates nine regional councils that provide organizational structure for statewide networking on behalf of children and families. The regional councils address the needs of children and families at the regional level and offer local-level feedback to the Commission.

The Commission acts as a public policy advocate for the children of the state. It provides no services directly, but provides funding for activities designed to benefit children in the state. Examples include funding for delinquency prevention to counties to remove children from adult jails. Transportation may be part of the services provided, but not as a “core” service and is, therefore, not accounted for separately.

Department of Agriculture

Adam Hill, Legislative Liaison

The mission of the Department of Agriculture is to promote local produce and products and ensure safe and dependable food and fiber for all while conserving natural resources.¹

The Department does not receive funding for transportation and does not finance any transportation services.

¹ <http://www.tennessee.gov/agriculture/>

Department of Children's Services

Department of Children's Services
Joe Cimino

The Department of Children's Services (DCS) is responsible for helping some of the state's most vulnerable citizens: children. Case managers are responsible for investigating cases of child abuse and neglect. Resource parent specialists work to find good foster homes and adoptive families. The juvenile justice program treats youth offenders who are sent to the Department by the courts.

Currently, there are approximately 7,600 children in state custody. Of that total, approximately 600 are in secured facilities; 3,500 are in DCS family settings; and approximately 3,500 children are in contract residential placements. Foster families and residential facilities receive a per diem rate to support children in placement. DCS family foster care per diem is approximately \$25 per day and contract residential placements per diems range from \$50 per day (for family placements) to \$400 per day, for certain residential facility placements. The amount of the per diem depends on the level of service provided.

Transportation costs are included in the per diem rate paid for each child. There is no money reserved for transportation and the cost of transportation is not accounted for separately. Generally, the higher the level of care, the higher the institutional setting and the less transportation provided. There are also about 3,000 case managers statewide who may, as part of their case management activities, occasionally transport a child. This is always included as an ancillary service, provided as part of a larger treatment package and not as a core service.

The funds for service are a mix of Federal and state funds. The majority of Federal funding is entitlements that have no specific match rate, but are based on the eligibility of the child and the services to draw down the Federal funds. For the most recent fiscal year, the mix of federal funds to state funds was about 45 percent.

Department of Corrections

Cathy Posey, Assistant Commissioner for Administration

The Department of Corrections is responsible for the oversight of 20,000 prisoners within 15 prisons located throughout the state, including a special needs facility in Nashville.

The Department does not receive Federal or state funding for specialized transportation and does not provide any transportation services, other than prisoner transport.

Department of Education

Bruce Opie, Legislative Liaison

The Department of Education has various responsibilities, including acting as the fiscal agent for state and local funds for school systems; implementing Board of Education policies and legislative mandates; monitoring several area school systems where federal Special Education and No Child Left Behind funding is involved; and enforcing laws relative to accountability standards and student achievement.

The Department's target population is school children, from pre-kindergarten to grade 12. There are 136 school systems throughout 95 counties in Tennessee. School systems in Tennessee are not required to provide student transportation, although the vast majority of systems do so.

Source of Funds

Funding for student transportation is provided through the Basic Education Program (BEP), which is funded entirely with state and local money. The BEP is divided into three different categories: teacher salaries, classroom needs, and capital outlay (which includes pupil transportation). Capital outlay is funded with 50 percent state money and 50 percent local; school system money and in-kind contributions cannot be counted toward the local portion.

The BEP formula factors in the number of pupils transported, miles transported, and density of pupils per mile. Annual budgets drafted by the school systems are due to the Department by August, and school systems receive 10 payments throughout the year, based on the budgeted amount and reporting. School systems are responsible for any expenses incurred beyond the amount budgeted, and most school systems go above their annual allocation. During FYr 2008, the state spent \$118,796,757 on student transportation; local expenditures during the same fiscal year were \$237,593,513.

Use of Funds

Transportation funds can be used to purchase anything relating to the provision of service, including but not limited to maintenance services, driver salaries, administrative costs, and capital purchases, such as buses or rent on a bus compound. The Department does not dictate on what or where transportation funds will be spent, rather, each school system receives their portion and is responsible for providing and managing service, as long as they remain in compliance with state and federal laws. Similarly, the Department of Education does not dictate type of allowable service, vehicle, or trip type, other than to ensure compliance with laws.

For example, Tennessee law prohibits the use of BEP funds for transportation for students residing within 1.5 miles of their assigned school. Should a system choose to

provide transportation to those students, they cannot consider those pupils as part of their BEP budget or funding formula.

Services Provided

BEP funds from the Department of Education are used to provide pupil transportation.

Department of Finance and Administration

Maureen Abby, Fiscal Director

The Department of Finance and Administration is responsible for managing the State budget for each department. As a result, the Department does not provide or fund transportation services. Two entities were identified as receiving funding for transportation services: TennCare and the Division of Mental Retardation.

Department of Health

Crystal Allen

The Department of Health works to “promote, protect, and improve the health and well-being of all Tennesseans” through a variety of programs, ranging from childhood immunizations to prevention of bioterrorism.

The Department does not provide or fund any transportation services. A rare exception is transport for tuberculosis patients or elderly patients who need to be moved to a specialized facility. In these cases, transportation is funded through a special depository fund for civil penalties against nursing homes.

Department of Human Services (Families First Program)

Jeff Roberts

The Department of Human Services' "Families First Program" (or Temporary Assistance to Needy families (TANF)) provides temporary cash assistance to families. The program emphasizes work, training, education and personal responsibility. The goal of the program is to promote self-sufficiency and family stability.

The Department pays a capitated rate to five contractors across the state, plus a placement incentive for each client retaining in employment for nine months. The contractors provide a variety of support services to help customers make the transition to self sufficiency. The core plan for a client may or may not include transportation. Transportation may be provided by purchasing service from a transit authority, a rural transportation provider or by reimbursing the client directly.

For fiscal 2008 a total of \$6.4 million was expended for transportation services.

Department of Human Services (Vocational Rehabilitation Program)

Linda Fleming

The Department of Human Services' Vocational Rehabilitation Program serves individuals with disabilities desiring vocational rehabilitation services. The purpose of the service is to enable these individuals to secure and maintain employment.

Funding for this program is provided through a federal grant award for Vocational Rehabilitation Services and a state or local match equal to 21.3 percent of the federal allocation is required to draw down the funds. Transportation is an allowable expense of the program, but no specific dollar amounts are specified for transportation services.

The following table shows the total FY 2007 expenditures for transportation only, and the federal and state share. All amounts are rounded to the nearest \$100.

Total Program Expenditures	Transportation Expenditures	Federal Share of Transportation Expenditures	State Share of Transportation Expenditures
\$86,881,200	\$ 1,307,600	\$ 1,037,900	\$ 269,700
Source: DHS Vocational Rehabilitation Program.			

For fiscal 2008, the Federal allocation for the Vocational Rehabilitation Program, rounded to the nearest \$100, was \$66,575,700, requiring a match of \$18,018,600. No specific dollar amounts have been identified for transportation services.

The funds for transportation are expended by either purchasing services from local vendors and/or reimbursement of transportation costs directly to the client. Capital expenses, such as purchase of vehicles, are allowed in very limited circumstances.

Trips for diagnostic, training, physical and mental restoration or employment purposes may be provided to eligible individuals who meet the economic need criteria and who require transportation in order to participate in rehabilitation services.

Department of Labor and Workforce Development

Susan Cowden, Administrator, Workforce Development

The Department of Labor and Workforce Development promotes economic and workforce development and improves workplace safety and health throughout Tennessee. Its target population is those persons served by the federal Workforce Investment Act (WIA) that are unemployed, underemployed, or disadvantaged youth.

Source of Funds

WIA programs are funded entirely through federal money. Though state or local match is not currently required to receive funds, future allocation requirements may change, as dictated by legislation. The FY 2008 Federal allocation for all WIA programs, including transportation, was \$70,420,833, of which \$2,602,737 was expended on transportation.

Use of Funds and Services Provided

WIA transportation funds are used to assist program participants in getting to and from training/ educational facilities and employment related transportation.

Department of Mental Health and Developmental Disabilities

Candace Gilligan, RN, MSN, Assistant Commissioner for Hospital Services

Lisa Ragan, MSSW, Office of Support Services, Division of Recovery Services and Planning

The Department of Mental Health and Developmental Disabilities, Division of Managed Care provides an array of support services to adults who are severely or persistently mentally ill, and to children with serious emotional disturbance. Services include inpatient hospitalization, outpatient services, residential treatment, substance abuse services, and community support and rehabilitation services. These services are provided through a specialized managed care company, referred to as a Behavioral Health Organization (BHO). These organizations contract with a network of hospitals, doctors, therapists, social workers, clinics, and other specialty providers to deliver medically necessary treatment.

Transportation services are provided as part of a plan of care for clients, however, these services are not funded through the Division of Managed Care. Transportation for eligible clients is funded by TennCare.

Office of Support Services

Tennessee has 48 Peer Support Centers across the state. The Peer Support Centers provide educational, support, and social opportunities for Tennesseans who have serious and persistent mental illness. Each Peer Center is connected to a community mental health agency for supervision and financial oversight and each receives a small amount of funding for transportation to help consumers get to the center. The total amount the state provides is \$300,000, divided among the 48 centers.

The purpose of the Peer Center Transportation Program is to provide a reliable source of transportation for mental health clients. Service is provided to adults who attend the peer centers and who have been diagnosed with mental illness and co-occurring disorders. Funds provided to the peer centers under this program may be used to purchase vehicles, fund the operation of vehicles or purchase bus passes.

Division of Mental Retardation Services

Lucia Beiler

The Division of Mental Retardation Services (DMRS) is responsible for services to Tennessee residents with IQs less than 70. Services are provided to persons of all ages who live with their families or in residential programs.

DMRS receives funding from federal and state sources. Federal funding is received from the United States Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS). These funds flow through the Bureau of TennCare and are Medicaid waiver funds. State funds are provided as match to the federal funds and to pay for persons who are not eligible under federal program.

DMRS sets service rates and enters into fee for service arrangements with local providers of service. In some cases, DMRS has built transportation expenses into their billing rates as part of community inclusion or day activities. In other instances, it is necessary for DMRS to supplement the cost of service.

In FY 2008, a total of \$23,103,000 (rounded to the nearest \$100) was expended for transportation services. Of that amount, \$12,860,000 was Federal funds and \$10,243,000 from state sources.

Department of Safety

Bill Hedge, Fiscal Director

The Department of Safety is responsible for law enforcement, safety education, motorist services, and disaster preparedness and prevention within the state of Tennessee.

The Department does not receive Federal funds for transportation services and does not issue any grants to other governmental agencies for such services.

TennCare

Keith Gaither, Acting Chief Network Officer

TennCare is Tennessee's managed care Medicaid program. It serves primarily low-income, pregnant women, children, and persons with disabilities through contracts with Managed Care Organizations (MCOs). TennCare is a demonstration program. Because of its demonstration status, the state has been allowed to waive certain Medicaid regulations in order to demonstrate the effectiveness of a managed care approach for delivering health care services to those eligible for Medicaid and others who are eligible under the demonstration. Of the approximately 1.2 million TennCare enrollees, about 35,000 were eligible under the expanded requirements of the demonstration program.

TennCare's service delivery network is comprised of physical health, mental health, pharmacy, dental benefits, and transportation services (both emergency and non-emergency although this report only discusses non-emergency) for enrollees. Federal Medicaid law requires states to provide "necessary transportation [for enrollees] to and from providers." Providers include physicians, services ordered by the physician or health care provider, as well as pharmacy services. Non-emergency medical transportation (NEMT) services also include transportation home after discharge from a hospital or an appointment. However, there is very little Federal Medicaid guidance regarding the methods for meeting the requirement to provide transportation. It is up to each state to determine how it will provide transportation in its Medicaid program (42 CFR 431.53).

The current Tennessee Non-emergency Transportation Plan is described in Section 3.1(c)(1) of the State Plan. The assurance of transportation within the State Plan states that provision is made for assuring necessary transportation of recipients to and from providers. Methods used for providing non-emergency transportation, according to the State Plan Attachment 3.1D include "non-emergency services on a state wide basis for recipients whose conditions are such that any other means of transportation is contraindicated; volunteer transportations services provided on a state wide basis for recipients who are determined eligible for transportation services; and commercial transportation services such as taxicabs, vans, buses, common carriers, etc., provided on a state wide basis for recipients who are determined eligible for transportation services."

In Tennessee, the MCOs, as part of their contacts, are responsible for ensuring that enrollees have reasonable access to care. For some enrollees, transportation is a benefit that is necessary for the enrollee to access the services they need. Contracts require that MCOs comply with a variety of standards that help ensure that enrollees receive transportation, whether through a transportation broker, through the direct provision of service, or via mass transit. If an enrollee does not receive the transportation, then the MCO is responsible for ensuring the associated medical service is either accessed or rescheduled appropriately.

In addition, the state, as a part of its current contract with its managed care providers, requires the MCOs to meet certain standards and expectations in the delivery of non-emergency medical transportation services to enrollees. These standards include call center standards, scheduling timeframes, hours of operation, driver and vehicle standards, claims processing, and cost data.

TennCare is funded by Federal and state money. In FY 2007, 64.28 percent of total TennCare funding was federal and 35.72 percent of the funds supplied by the state of Tennessee. During the same year, approximately \$65,000,000 was spent on NEMT under the TennCare program.

As of January 1, 2009, all MCOs contracting with the Bureau of TennCare will be operating at full financial risk, meaning that MCOs are paid set monthly rates, or capitation rates, to manage and deliver care to TennCare enrollees. Included in the capitation rates is a portion set aside for the delivery of NEMT services.

From these capitation rates, also known as “per member per month” (PMPM) payments, all expenses, including administrative and capital expenditures, are included in the calculation. Because the MCOs are at full financial risk, no percentage ceiling is placed on administration or other expenses.¹ However, capitation payments are a portion of total expenditures that must comply with budget neutrality requirements.

¹ Items such as fuel allowances are not currently provided by the TennCare Bureau to the MCOs. The MCOs are free, however, to negotiate fuel allowances with its subcontractors and/or transportation providers.

Tennessee Housing Development Agency

Toni Harris, Legislative Liaison
Laura Swanson

The Tennessee Housing Development Agency creates “safe, sound, and affordable housing opportunities” for Tennesseans through a variety of programs, including Section 8 rental assistance, homebuyer education, and foreclosure counseling.

In general, the Agency does not receive transportation funds or provide transportation services. The exception is a small component of the Self-Sufficiency Program that assists program participants to accumulate personal savings. Funds saved under this program may be used toward transportation expenses, such as the purchase of a bus pass, but participants are limited by the number of withdrawals and the percentage of money they may withdrawal at any one time, if the funds are not going toward a major purchase such as a car or a home. Because transportation expenses are not a separate line item, it is not possible to track the amount spent specifically on transportation.

Department of Veterans Affairs

Norman Nash, Fiscal Director

The Department of Veterans Affairs was created to serve those who have already served our country. A veteran is any person who served in the active military, naval, or air service and was discharged or released under conditions other than dishonorable (US. Code 38). Veterans who are residents of Tennessee and/or their families are eligible to receive services from the Tennessee Department of Veterans Affairs.

Eligible veterans and/or their families are eligible to receive an array of federal and state benefits. In part, federal benefits that may include transportation services are:

- Medical and hospital care (VA hospitals)
- Special adapted motor vehicles
- Adaptive equipment for motor vehicles
- Services and aids for blind veterans
- Assistance to homeless veterans

State benefits that may include transportation services are:

- State Veterans Homes

The VA hospitals and state veterans homes may provide transportation, but these entities do not fall under the authority of the State Department of Veterans Affairs. The state also does not award or operate special adaptive vehicles, *but the federal Veterans Administration may award such vehicles to veterans*. Services and assistance to blind or homeless veterans are not a service that the State Department of Veterans Affairs provides. Local veterans groups may also provide transportation services, but the state provides no financial assistance to those groups.

Tennessee State Veterans Homes

Polly Darnall, Executive Director

The Tennessee State Veterans Homes (TSVH) provides nursing home care to honorably discharged veterans, spouses, and Gold Star parents. To be eligible for services, a person must be entitled to medical treatment and/or other benefits through the U.S. Department of Veterans Affairs and meet one of the following requirements:

- Be a resident of the state at the time of admission
- Born in the state
- Entered the Armed Forces in the state
- A Tennessee address is the official home of record on the veterans military record
- Has an immediate family member or legal guardian who would serve as primary caregiver, who is a resident of the state

A spouse of a veteran or a Gold Star parent is eligible, on a space available basis.

There are three nursing homes throughout the state: one in Knoxville, one in Murfreesboro, and one in Humboldt.

Transportation to residents of TSVH nursing homes is provided for the following general purposes:

- To and from doctor appointments
- To a hospital for acute care purposes
- Third party ambulance services to and from hospitals
- Resident outings as part of activities programs

Source of Funds

The Tennessee State Veterans Homes operate like any other nursing home. Each facility is self-sufficient; no grant funds are received from the state or federal government to operate the facilities. The sources of its revenues are receipts for the cost of care. Those receipts come from Medicaid, Medicare, and private insurance or private pay residents. For the current fiscal year, implementation of a nominal fee for transportation service, based on the distance of the trip, is planned. However, no resident will be refused service because of the inability to pay.

Use of Funds

Each home owns and operates two vehicles: one vehicle that seats 10 ambulatory passengers and four passengers with mobility devices and one vehicle that seats three ambulatory passengers and one passenger with a mobility device. Each home is responsible for the operation and maintenance of its vehicles. The costs include the

driver and all related transportation costs (fuel, insurance, maintenance, etc.). In addition, when vehicle replacement is needed, the individual homes are responsible for paying for vehicle replacement out of their general operating funds, The FY 2009 transportation budget, by home is as follows:

Home	Maintenance	Fuel	Driver	Tech (CNA)	Insurance	Total
Murfreesboro	\$ 3,122	\$ 8,515	\$24,546	\$24,546	\$30,880	\$ 91,609
Humboldt	\$ 4,928	\$ 8,515	\$24,546	\$24,546	\$30,420	\$ 92,955
Knoxville	\$ 4,928	\$ 8,515	\$24,546	\$24,546	\$30,880	\$ 93,415
Total	\$12,978	\$25,545	\$73,638	\$73,638	\$92,180	\$277,979
Source: Tennessee State Veterans Homes						

Services Provided

Service is provided to residents of the homes to and from doctor appointments and when a resident is discharged from the hospital or other, non-emergency, health care facility. The vehicles are also used for resident outings. A Certified Nurse's Aide (CNA) must stay with the resident while in transport and with the resident while at the drop off location. If the vehicle is overbooked, the home will use other community transportation services, funded by programs that the resident may be eligible for, such as TennCare. For emergency transportation, or for residents who need stretcher transportation, third party ambulance services are used.