Transportation for older adults and adults with physical disabilities is in high demand. As the aging population grows, this demand is expected to increase. Specialized transportation services—typically by van, small bus, or taxi—provide essential transportation and independence for those who have difficulty using traditional fixed-route public transportation service because of disability, age-related conditions, or income constraints. Most specialized transportation providers recognize the limitations of relying on any one source of funding. Current fiscal constraints have increased the need to identify and piece together multiple sources of funding to sustain and grow their systems.

Federal Funding for Specialized Transportation

The U.S. Centers for Medicare & Medicaid Services, the Federal Transit Administration (FTA), and the Administration for Community Living (ACL, which now oversees the Administration on Aging) are the major sources of federal transportation funding for older adults and adults with physical disabilities. Funding varies greatly state by state, as well as within each of these funding sources. The Department of Veterans Affairs (VA) funds transportation services for low-income veterans and/or veterans with disabilities, mostly through mileage reimbursement. The Patient Protection and Affordable Care Act (ACA) of 2010 offers indirect incentives for investment in transportation.

State and Local Funding

Although the federal government spends more than $2 billion annually on specialized transportation, state and local agencies contribute significant amounts, often going beyond the fulfillment of federal match requirements, which range from 5 to 50 percent of total program costs.

Overview of Case Studies

To illustrate the tapestry of specialized transportation funding in the United States, the authors interviewed seven local providers. In choosing these examples, the authors wished to present diversity in geography and institutional
structure. The following providers were interviewed:

- River Cities Public Transit of Pierre, South Dakota;
- Pelivan Transit of Big Cabin, Oklahoma;
- Peoplerides of Marshalltown, Iowa;
- The Marin Access Mobility Management Center of Marin County, California;
- The Delta Area Rural Transit System of Clarksdale, Mississippi;
- Medical Motor Service of Rochester, New York; and
- Seniors’ Resource Center of Denver, Colorado.

Four concepts perhaps best summarize the specialized transportation programs of the featured providers:

- Specialized transportation is delivered by diverse provider types who offer a wide range of transportation services.
- There is a broad tapestry of funding sources.
- Successful operators nurture numerous community partnerships.
- Transportation managers exhibit innovation, business acumen, and community service.

Every provider documented at least 10 sources of funding; three providers reported more than 45. Peoplerides of Iowa reported that its services are used by 57 businesses, nonprofit organizations, and government agencies that purchase rides for their clients. All directors interviewed described bending over backwards to identify sources of funding that would allow them to not only sustain their existing levels of service, but also expand those services to new riders.

Recommendations

Demand for specialized transportation services will continue to grow as the population ages. To address this growing need, the public, private, and not-for-profit sectors of the community will need to work together to identify more funding and coordinate service. Transparency in the reporting of expenditures and service delivery will enable policymakers and the public to evaluate the effectiveness of these needed investments. Specific recommendations include the following:

- All levels of government need to increase public sector support for specialized transportation;
- Transportation providers need to reach beyond traditional funders of transportation to seek private sector and foundation support;
- Local and state actors need to enhance the coordination of specialized transportation; and
- Government agencies, in particular the U.S. Centers for Medicare & Medicaid Services, need to make publicly available better data on the nation’s investment in specialized transportation.

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