Cost Allocation Meets Coordination – Module 2

A Mini-Course for Human Services Transportation Providers
Meet Your Instructor

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Review

- Cost allocation model
- Variable costs include miles and driver benefits. T/F
- In-kind expenses
Cost Allocation Course

- **Session 1** – Basics of cost allocation, demonstrate how to use the model and how to apply it for things like forecasting and setting fares.

- **Session 2** – Illustrate reasons to allocate your costs, and how your fully allocated cost can be a tool for coordination.

- **Session 3** - Determine the difference between pricing, cost, value and how to communicate these to others.
Self-Assessment

What are 3 reasons you may allocate your costs?

Answer in the chat
What if...

- Your board wants you to cut your bus route with the lowest ridership to save money.

  • How do you determine how much money you save?
Reasons to Allocate Costs

1. Day to day management/internal program management
2. Long-term planning and decision-making
3. Meet regulatory requirements by providing documentation
4. Assess current performance
5. Accountability
MORE Reasons to Allocate Costs

6. Increase cost effectiveness of service

7. Support requests for funding

8. Prepare for and report on emergency services

9. Educate consumers, boards and partners on what it takes to operate your services

10. Facilitate coordination
Levels of Coordination

1) Cooperation

2) Collaboration

3) Consolidation of services

Transit Cooperative Research Project - TCRP 101
Complexity of Coordination

- Different missions
- Different data collection
- Not reporting as transportation
- Differing indirect and fixed costs
- Blending of state/fed funding
Coordination

• Ensure all operators are consistently recording services and costs
• Develop uniform methodology to track, report on and analyze transportation services and costs*
• Ensures transparency among users and other beneficiaries
• Avoid duplication
• Reduce service gaps
• Increase services
Components of Successful Coordination

1. Partnership approach: shared power, shared funding, shared responsibility
2. Resource Management and quality control – trips are provided in a cost-effective manner that is consistent with the needs and desires of the riders.
3. Maximizing productivity: ride sharing – eliminate duplication
4. Full cost recovery
5. Cost effective allocation of resources - coordinated service scheduling with non-transportation providers
6. Funding arrangements - provision of services to more than just a select client group broadens community support

Knowing your fully allocated cost is an underlying concept in sharing costs, setting prices, proving effectiveness, and demonstrating value for partners.
Describe your knowledge of the Coordinating Council on Access and Mobility (CCAM).
Coordinating Council on Access and Mobility

Danielle Nelson
CCAM’s Cost-Sharing Policy Statement

• Issued in July 2020
• Recommends cost-sharing to encourage coordination on a state and local level.
• Coordinating transportation can include vehicle and ride-sharing as well as using multiple funding sources.
• In order to enter into these arrangements, each entity should have an understanding of their own fully allocate costs.
CCAM’s Cost-Sharing Policy Statement

- Costs must be allocated based on the benefits each partner receives.
- Each partner pays the fully allocable share of the costs.
- Partners may not pay for rides that do not benefit their own program.
- Cost allocation agreements must be updated regularly.
- If shared activities generate income, the income should be allocated to partners in the same proportion as costs.
- Costs of a required attendant for a passenger must be included in cost allocation agreements to determine rates.
CCAM Program Inventory

Identifies 130 Federal programs that provide funding for human services transportation for people with disabilities, older adults, and/or individuals of low income.

- Includes the program name (Comprehensive Opioid Abuse Program, Recreational Trails, Temporary Assistance for Needy Families – TANF...)
- Responsible agency and sub-agency
- Program objectives
- Statutory reference
- FY18 Authorizations/Expenditure totals
- Recipients and Beneficiaries
- Eligible and/or Required Transportation Activities

www.nadtc.org
Fund braiding - Multiple funding streams used together to fund a project or service

Guide relates only to Federal funding for local match requirement

Federal funding streams do not lose their identity or requirements.

The transportation service must meet all the requirements of the participating Federal agencies.
Figure 1: Federal Fund Braiding Example

Program A
Considers this to be incoming Federal fund braiding because Program B’s funds fulfill its match requirement

Program B
Considers this to be outgoing Federal fund braiding because its funds fulfill Program A’s match requirement
<table>
<thead>
<tr>
<th>Agency</th>
<th>Program Name</th>
<th>Policy</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHS</td>
<td>Administration for Community Living</td>
<td>Developmental Disabilities Projects of National Significance</td>
<td>Not Applicable: No Match Requirement</td>
</tr>
<tr>
<td>HHS</td>
<td>Administration for Community Living</td>
<td>Independent Living State Grants</td>
<td>Not Applicable: No Match Requirement</td>
</tr>
<tr>
<td>HHS</td>
<td>Administration for Community Living</td>
<td>Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers</td>
<td>Not Allowed: Match must come from &quot;non-Federal&quot; sources, which is interpreted to mean that no Federal funds may fulfill this requirement</td>
</tr>
<tr>
<td>HHS</td>
<td>Administration for Community Living</td>
<td>Special Programs for the Aging, Title VI Part A Grants to Indian Tribes and Part B Grants to Native Hawaiians</td>
<td>Not Applicable: No Match Requirement</td>
</tr>
</tbody>
</table>
Activity – Vehicle inventory

- List in the chat other agencies or organizations in your community who own vehicles?
CCAM Policy on Vehicle Resource

- Adopted by CCAM in 2006.
- Federal cost principles do not restrict grantees to serving only their own clients.
- Costs of providing transportation must be shared.

Some of the guidance is repeated in the cost-sharing policy released in 2020:
- Each program pays their allocated share in accordance to the benefits received.
- Vehicle sharing is predicated on each program following appropriate cost allocation principles.
- Program costs must be reasonable, necessary, and allocable.
All These Policies:

- Establish that cost allocation is a fundamental process for coordinating transportation services funded by Federal sources.
- Do not provide specific guidance on how to perform cost allocation analysis.
- Support and promote coordination among those who operate and/or fund transportation.
“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 service.”
Questions?
Breakout Rooms

- You will be assigned to a breakout room automatically.
- Please turn your camera and microphone on in the breakout room.
- You will have 5 minutes to discuss the following scenarios that were sent to you in the invitation instructions.
- Allow all group members time to provide input.
- Assign one member to report out after we reconvene.
- When the breakout rooms close, you will automatically be rejoined to the larger meeting.
Scenario 1 – Vehicle Sharing

- A vehicle is used by the Senior Center to provide transportation to older adults to a dining site at mid-day.

- A disability group would like to use the vehicle in the evenings and weekends to provide outings.

- Can this be done? What should be considered?
Scenario 2 – Local Match

- The local community action program has TANF funds and would like to contribute to your 5310 transportation service.

- You are short local match and want to use these funds as local match.

- How do you proceed?
Scenario 3 – Mixing Riders

- The local alternative high school has different hours of operation than regular school. One student needs a ride to school at the same time at the same area your vehicle and route is traveling to take older adults to dining site on your 5310-funded service. The school district is willing to pay for these trips.
- Can this student ride with your dining site participants?
Summary

- Discussed reasons to allocate your costs
- Illustrated how cost allocation is a tool for coordination
- Reviewed Federal CCAM and guidance related to coordination
Self-Assessment

What are 3 reasons you may allocate your costs?

*Answer in the chat*
Homework

Review the Program Inventory and Federal Fund Braiding guide.

Identify a program you want more information about as a possible partner.

Program Inventory –

Federal Fund Braiding Guide –
Questions?
Explore pricing, cost, and value and how to communicate that to others.

October 28 -10:00 CT/11:00 ET
NADTC says...

THANK YOU