

Transportation Toolkit

Market Rate Increase Request Letter Template – Initial Request

Suggested use: Use this template when making a first request to a county or when there is strong data to show financial losses in a transportation program. Examples of data may include the results of a recently completed transportation survey or your agencies’ financials. Alter or add information tables and dialog as needed. Use of this template is not recommended when a transportation program is in a financial surplus.

[Program Name]

[Street Address]

[City, State, Zip]

[Telephone]

[Fax]

Month XX, 20XX

[name]

[title]

[county & department name]

[street address]

[city, state, zip]

Dear [courtesy title/name],

[program name] is seeking an increase to its agreed-upon “Market Rate” transportation rate with [county & department name].

The rates that are currently in effect are [insert additional supportive statements] and have not kept pace with inflationary standards. They do not support the various direct and indirect costs associated with providing safe and reliable person-centered transportation services to persons with physical and developmental disabilities; some of which include,

* The required training and expertise needed by the individual driver or aide to provide Person-Centered Transportation Supports in accordance with each person’s assessed needs;
* The wages and benefits of the individual driver or aide providing the service;
* The miles traveled and number of persons served who may or may not share the service at any one time;
* The general and administrative costs required to provide the service, such as vehicle licensing, insurance, and the coordination of route pickup and drop-off times by supervisory staff;
* The material costs to provide the service, such as fuel, vehicle safety equipment and routine maintenance to ensure that vehicles are kept in a safe operating condition; and,
* The regulatory and inspection costs through the Minnesota Department of Transportation.

In [month] of [year], [program name] [“undertook” -or- “participated in”] an [“internal” or “statewide”] transportation cost survey [if statewide -> “that collected data from over XX disability day-service providers”]. The results of the survey [include survey results as an addendum or work into the list of tables] indicate that [program name’s] average ride cost is [rate]. [program name’s] current agreed-upon transportation rate with [county name] remains at an average per-ride rate of [rate], or [percent] below the identified survey cost. To adjust for this, [program name] is seeking a revised transportation rate framework that will allow for an average per-ride rate of [rate]. The current and requested transportation rate frameworks are shown here.

A. – Current 2025 “Market Rate” Transportation Rate Framework

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Does the individual need a lift? | Is a lift used? | Shared or Individual? | Distance in miles: 0-10 | Distance in miles: 11-20 | Distance in miles: 21-50 | Distance in miles: 51 or more |
| Yes | Yes | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| Yes | No | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| Yes | Yes | Shared | $00.00 | $00.00 | $00.00 | $00.00 |
| Yes | No | Shared | $00.00 | $00.00 | $00.00 | $00.00 |
| No | Yes | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| No | No | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| No | Yes | Shared | $00.00 | $00.00 | $00.00 | $00.00 |
| No | No | Shared | $00.00 | $00.00 | $00.00 | $00.00 |

B. – Requested 2026 “Market Rate” Transportation Rate Framework

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Does the individual need a lift? | Is a lift used? | Shared or Individual? | Distance in miles: 0-10 | Distance in miles: 11-20 | Distance in miles: 21-50 | Distance in miles: 51 or more |
| Yes | Yes | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| Yes | No | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| Yes | Yes | Shared | $00.00 | $00.00 | $00.00 | $00.00 |
| Yes | No | Shared | $00.00 | $00.00 | $00.00 | $00.00 |
| No | Yes | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| No | No | Individual | $00.00 | $00.00 | $00.00 | $00.00 |
| No | Yes | Shared | $00.00 | $00.00 | $00.00 | $00.00 |
| No | No | Shared | $00.00 | $00.00 | $00.00 | $00.00 |

The following table gives a brief history of [program name’s] “Market Rate” income billed under the T2003 UC billing code and transportation program cost.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Average  Per-Ride Market Rate | Market Rate Transportation  Income | Transportation Program Cost | Transportation  Net Income (Loss) |
| 2023 | $00.00 | $000,000.00 | ($000,000.00) | ($000,000.00) |
| 2024 | $00.00 | $000,000.00 | ($000,000.00) | ($000,000.00) |
| 2025 | $00.00 | $000,000.00 | ($000,000.00) | ($000,000.00) |
|  | Total | **$0,000,000.00** | **($0,000,000.00)** | **($0,000,000.00)** |

For additional clarity, the following tables represent [program name’s] per-year line item transportation program cost.

|  |  |
| --- | --- |
| Fiscal Year: 2023 | |
| Transportation Program Cost Item | Cost |
| Employee Salaries | ($0.00) |
| Employee Health Insurance | ($0.00) |
| Employee Dental Insurance | ($0.00) |
| Employee Life/AD&D/STD/LTD Insurance | ($0.00) |
| Employee Work Comp Insurance | ($0.00) |
| Employee FICA Tax | ($0.00) |
| Employee Unemployment Tax | ($0.00) |
| Employee Mileage Payments | ($0.00) |
| Vehicle Insurance | ($0.00) |
| Vehicle Operating Expense (fuel, maintenance, repairs, etc.) | ($0.00) |
| Vehicle Interest Expense | ($0.00) |
| Vehicle Depreciation Expense | ($0.00) |
| Contracted Transportation Expense (Vendor Name) | ($0.00) |
| Extra Line | ($0.00) |
| Transportation Cost Total | ($0.00) |
| Transportation Income Total | $0.00 |
| Transportation Net Income (Loss) | **($0.00)** |

|  |  |
| --- | --- |
| Fiscal Year: 2024 | |
| Transportation Program Cost Item | Cost |
| Employee Salaries | ($0.00) |
| Employee Health Insurance | ($0.00) |
| Employee Dental Insurance | ($0.00) |
| Employee Life/AD&D/STD/LTD Insurance | ($0.00) |
| Employee Work Comp Insurance | ($0.00) |
| Employee FICA Tax | ($0.00) |
| Employee Unemployment Tax | ($0.00) |
| Employee Mileage Payments | ($0.00) |
| Vehicle Insurance | ($0.00) |
| Vehicle Operating Expense (fuel, maintenance, repairs, etc.) | ($0.00) |
| Vehicle Interest Expense | ($0.00) |
| Vehicle Depreciation Expense | ($0.00) |
| Contracted Transportation Expense (Vendor Name) | ($0.00) |
| Extra Line | ($0.00) |
| Transportation Cost Total | ($0.00) |
| Transportation Income Total | $0.00 |
| Transportation Net Income (Loss) | **($0.00)** |

|  |  |
| --- | --- |
| Fiscal Year: 2025 | |
| Transportation Program Cost Item | Cost |
| Employee Salaries | ($0.00) |
| Employee Health Insurance | ($0.00) |
| Employee Dental Insurance | ($0.00) |
| Employee Life/AD&D/STD/LTD Insurance | ($0.00) |
| Employee Work Comp Insurance | ($0.00) |
| Employee FICA Tax | ($0.00) |
| Employee Unemployment Tax | ($0.00) |
| Employee Mileage Payments | ($0.00) |
| Vehicle Insurance | ($0.00) |
| Vehicle Operating Expense (fuel, maintenance, repairs, etc.) | ($0.00) |
| Vehicle Interest Expense | ($0.00) |
| Vehicle Depreciation Expense | ($0.00) |
| Contracted Transportation Expense (Vendor Name) | ($0.00) |
| Extra Line | ($0.00) |
| Transportation Cost Total | ($0.00) |
| Transportation Income Total | $0.00 |
| Transportation Net Income (Loss) | **($0.00)** |

As shown above, the continued losses under the current rate framework are unsustainable. [program name’s] Mission, Vision and Values require that persons served receive services that are safe and in-line with an individual’s assessed needs. Transportation is an essential component of the services a person receives, and may comprise up to 25% or more of a person’s program day. Additionally, the inherent risk in transporting persons with disabilities requires properly trained and compensated drivers and aides, as well as properly maintained vehicles that are both safe and comfortable for the person served. A meaningful increase to the agreed-upon “Market Rate” transportation rate is needed for [program name] to be able to continue to provide safe and reliable transportation services to the people we serve. Should you have any questions or comments, please do not hesitate to contact us. We thank you for your understanding and greatly value your continued support.

Sincerely,

[name]

[title]

[program name]

[telephone]

[email address]

[attach survey result or other supporting documentation]