

## Report to Community and Protective Services Committee

**To:** Chair and Members  
Community and Protective Services Committee

**From:** Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

**Subject:** Subsidized Transit Program Update

**Date:** July 15, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the report dated July 15, 2024, titled “Subsidized Transit Program Update” **BE RECEIVED** for information.

## Executive Summary

The purpose of this report is to provide information about usage of the five subsidized transit programs supported by the City of London and to report on a recent review of the Income Related Transit Program, including recommendations for program improvements.

## Linkage to the Corporate Strategic Plan

The Subsidized Transit Program is aligned with the strategic area of focus Wellbeing and Safety, as presented in the 2023-2027 City of London Strategic Plan:

- Outcome: that London is an affordable and supportive community for individuals and families.
- Expected Result: Londoners have equitable access to key services, community supports, and recreational opportunities that enhance wellbeing and resilience.
- Strategy: Provide, enhance, and promote access to municipal subsidy programs, including public transit.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter:

- [Integrated Subsidized Transit Program: Phase 1 Funding Agreement \(CPSC, May 11, 2021\).](#)
- [Income-Related Subsidized Public Transit Program for Individuals 18 Years of Age and Older Evaluation \(CPSC, October 9, 2019\).](#)
- [Adults 18 and Over Income-Related Subsidized Public Transit Program Council By-Law, Agreement, and Administration Process \(CPSC, October 11, 2017\).](#)

#### 1.2 Subsidized Transit Program Overview:

Affordable and accessible transportation enhances the quality of life for Londoners by helping mitigate barriers that affect a person's ability to maintain employment, access health care, and participate in social activities for themselves and their families. As a result, access to transportation is a key factor related to Londoners' having equitable access to key services, community supports, and recreational opportunities that enhance wellbeing and resilience.

The City of London currently subsidizes transit fares as follows:

- Subsidized transit passes for individuals who are visually impaired (100% subsidized).
- Subsidized transit tickets for children 12 years of age and under (100% subsidized).
- Subsidized transit passes for youth 13-17 years of age (36% subsidized).
- Subsidized transit tickets for individuals 65 years of age and over (25% subsidized).

- Income related subsidized transit passes for those 18 years of age and over (36% subsidized).

In 2023, an evaluation of the Income Related Transit Program was completed. The purpose of the evaluation was to assess program affordability and accessibility and identify recommendations for program improvements. The evaluation was designed to compliment the 2021 evaluation and build on the findings and recommendations.

The purpose of this report is to:

- Provide an update on the Subsidized Transit Program usage, costs, and pressures; and,
- Report the Income Related Transit Program evaluation findings and recommendations.

## 2.0 Discussion

### 2.1. Subsidized Transit Program Usage:

Participation in the Subsidized Transit Program was significantly impacted by the COVID-19 pandemic. Significant declines in the usage of the Income Related Transit Program have not recovered to pre-pandemic levels. However, the Youth Pass, Children’s Tickets, Visually Impaired Rides, and Seniors’ Tickets all saw increases in 2023 to levels comparable with pre-pandemic usage. Notably, usage of the youth passes is increasing, with a 40% increase in usage between 2022 to 2023. Usage of Youth Passes in 2023 is comparable to data from 2019. The usage of Seniors’ Tickets is also rising, with a 16% increase in usage from 2022 to 2023. Usage of Seniors’ tickets in 2023 was 48% higher than in 2019.

The following table displays the usage data trends of all subsidized transit programs over the past five years (2019-2024).

Table 1. Subsidized Transit Usage Data – Five Year Trend (2019-2023)

<b>Program Type</b>	<b>Program</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Passes</b>	Income Related Transit Program	12,660	5,109	4,246	4,542	5,930
	Youth Pass	10,967	4,504	2,755	7,606	10,612
<b>Tickets</b>	Children’s Tickets	312,824	88,221	56,061	139,419	200,833
	Visually Impaired Rides	86,058	44,438	44,673	58,653	71,988
	Seniors’ Tickets	368,090	246,716	242,111	471,268	545,969

A variety of factors can influence Subsidized Transit Program usage, including the cost to user, relative affordability and cost of living, consumer needs, and seasonal fluctuations in ridership. Two key factors are currently being closely monitored:

1. The 2024 London Transit Commission (LTC) fare increase that came into effect January 1, 2024; and,
2. Ontario’s Employment Services Transformation which resulted in changes to transportation support available to Ontario Works clients.

The 2024 fare increase impacts on the cost of subsidized passes and tickets are outlined in Table 2 below.

Table 2. Impact of LTC Fare Increases on City of London and End User Costs

Program Type	Program	Previous Cost to User	Current Cost to User	Previous Cost to City	Current Cost to City
<b>Passes</b>	Income Related Transit Program	\$61 per pass	\$72 per pass	\$34 per pass	\$40 per pass
	Youth Pass	\$61 per pass	\$72 per pass	\$34 per pass	\$40 per pass
<b>Tickets</b>	Children's Tickets	\$0 per ticket	\$0 per ticket	\$1.30 per ticket	\$1.53 per ticket
	Visually Impaired	\$0 per ticket	\$0 per ticket	\$2.25 per ticket	\$2.65 per ticket
	Senior's Tickets	\$1.70 per ticket	\$2.00 per ticket	\$0.55 per ticket	\$0.65 per ticket

Overall, fare increase has resulted in an 18% increase in costs for end users and for the City of London.

Analysis of Income Related Transit Program applications reveals that there has been an increase in the number of applicants in 2024 who report Ontario Works as an income source, as compared to 2023 data. It is possible that this increase is due to the realignment of funds between the Ministry of Labour, Immigration, Training and Skills Development and the Ministry of Children, Community and Social Services, and changes in eligibility for Ontario Works participation benefit funding. Ontario's Employment Services Transformation has changed how and when individuals accessing Employment Services Providers receive funding for employment-related transportation expenses. This funding is now accessed through Employment Ontario Services Providers who are able to provide supports to remove temporary barriers to employment, including transportation-related costs.

Ontario Works clients not yet connected to employment services or focusing on life stabilization, have been unable to receive the full amount of the bus pass, therefore effective January 2024, these clients were directed and supported in accessing the Income Related Transit Program. Internally, Life Stabilization and the London Regional Employment Sector are working together to coordinate benefits to best support clients and their transit needs. However, ongoing monitoring and further analysis is needed to determine whether the observed changes can be attributed to these factors and whether these trends will be sustained.

Table 3. Subsidized Transit Usage Data – 2023 vs. 2024 Usage to Date

Program Type	Program	2023 (Jan - May)	2024 (Jan - May)
<b>Passes</b>	Income Related Transit Program	2,243	2,892
	Youth Pass	4,676	5,341
<b>Tickets</b>	Children's Tickets	72,542	92,033
	Visually Impaired Ride	26,990	27,587
	Senior's Tickets	213,484	249,167

The data currently available (January – May) indicates all subsidized transit programs are on track to meet or exceed 2023 levels; however, further monitoring is necessary to determine the extent these changes will impact the Subsidized Transit Program.

## 2.2 Subsidized Transit Program Costs:

The current budget for all of five of the subsidized transit programs is \$1,512,076. In 2023, the actual cost of all programs was \$1,285,756. However, according to LTC projections, the expected costs of all programs in 2024 is \$1,663,686. Based on available data from 2024 so far, all programs are experiencing an increase in usage and program expenditures are on track to exceed the allocated budget (see tables 3 and 4 for details).

Table 4. Subsidized Transit Usage Data – 2023 vs. 2024 Q1 Actuals

Program Type	Program	Q1 2023	Q1 2024	Percent Increase
<b>Passes</b>	Income Related Transit Program	1,310	1,677	28%
	Youth Pass	2,731	3,140	15%
<b>Tickets</b>	Children’s Tickets	38,737	52,910	37%
	Visually Impaired Rides	15,355	15,739	3%
	Senior’s Tickets	121,418	139,266	15%

Table 5. Subsidized Transit Cost Data - Cost Projections vs. Actuals (Jan-May 2024)

Month (2024)	Projections	Actuals (all programs)
January	\$119,020	\$132,671
February	\$119,757	\$134,121
March	\$131,555	\$139,072
April	\$140,625	\$144,832
May	\$142,560	\$154,499
<b>Total</b>	<b>\$653,517</b>	<b>\$705,195</b>

### 3.0 Income Related Transit Program Review

#### 3.1. Income Related Transit Program Background:

The Income Related Transit Program was approved by Council and implemented in January 2018 in alignment with Council’s Strategic Plan. The purpose of the program is to provide accessible public transit to individuals experiencing low income and help mitigate barriers that affect a person’s quality of life.

The Income Related Transit Program offers eligible residents a 36% discount on the cost of an unlimited monthly pass. As of January 2024, the cost of the subsidized pass is \$72, a 36% discount from full cost of \$112. The City of London provides grant payments in the amount of \$40 per pass to the LTC.

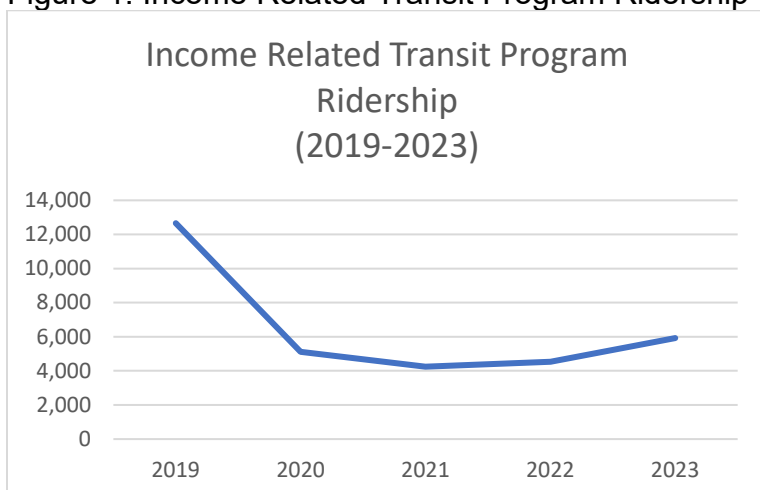
To qualify for the Income Related Transit Program, a resident must meet the following criteria:

- Be a resident of London, Ontario;
- Be 18 years of age or older; and,
- Have a current income that is below the Low Income Cut Off After-Tax (LICO-AT) measure.

According to 2021 census data, approximately 22,555 Londoners are eligible for the Income Related Transit Program.

Participation in the Income Related Transit Program has declined by about 50% from their pre-pandemic numbers in 2019 and 80% when compared to 2018 ridership (Figure 1).

Figure 1. Income Related Transit Program Ridership - Five Year Trend (2019-2023)



### 3.2. Results of Income Related Transit Program Evaluation:

In 2023, a review of the affordability and accessibility of the Income Related Transit Program was completed. The purpose of the review was to assess Income Related Transit Program participation and ways to improve the Program. The review consisted of the following components:

1. Review and analysis of available program data.
2. Survey of Income Related Transit Program user and eligible non-users.
3. Focus groups with Income Related Transit Program users and eligible non-users.
4. Interviews with subject matter experts and key program staff.
5. Municipal scan of subsidized transit programs from comparable municipalities.

#### Survey Results

235 individuals participated in the Income Related Transit Program Evaluation Survey. 72.4% of respondents were currently participating in the program while 27.7% were not. Those 27.7% that were not participating in the program were directed to a different set of questions.

Respondents were asked to reflect on their experiences with the program and questions related to transit ridership, affordability, administration, and suggestions for improvements. The main findings include:

- 38% of respondents use the Income Related Transit Program pass every day, while 54% use the pass several times per week.
- 49% of respondents feel the Income Related Transit Program pass is 'very affordable' and 43% feel it is 'somewhat affordable', with only 9% feeling it is 'not affordable'.
- 80% of respondents felt that they did not experience any barriers/challenges related to participation. However, that number decreased to 63% for Indigenous respondents and 74% for those who identify as racialized.

Overall, the average positive impact score on a scale of 1-5 was a 4.14 for all participants. The top benefits reported were:

- Ability to attend medical and other appointments more often – 71.14%.
- Ability to go grocery shopping more regularly – 67.11%.
- Ability to visit family and friends more often – 57.72%.
- Ability to access community services and supports more easily – 51.68%.

Recommendations from survey respondents on ways to improve the Income Related Transit Program include:

- Lower the price of the pass.
- Allow participants to renew and purchase the pass online.
- Consider a 3-month purchase option.
- Eliminate the annual renewal process for eligibility.
- Expand the bus pass purchase locations and hours of operation.
- Reduce / simplify the documentation requirements associated with applying for / renewing the bus pass.
- Improve the quality of customer service and the service experience of applicants and participants at key service touchpoints, including application / renewal, purchase and riding the bus.
- Expand access to the program i.e., increase the income cut-off criteria to qualify for the program.

The 52 non-participants were asked why they did not participate in the program, and the reasons were as follows:

- Did not know the program existed – 27.12%.
- Do not use the bus enough to justify the price. Cheaper to pay per trip – 20.34%.
- Not easy to go in person to purchase the monthly pass – 18.64%.

Based on these results a number of options to improve accessibility and affordability of the Income Related Transit Program have been considered; however, would have budget and participant implications. These include:

1. Increasing the subsidy percentage to lower the cost of the pass for users.
2. Expanding the available purchase locations and methods to purchase a pass.
3. Amending the eligibility criteria to expand access to the program.
4. Modifying the five existing subsidized transit programs to create one streamlined, universal income related program that would reduce administrative burden and simplify access.

### 3.3. Next Steps:

Based on the results of the Income Related Transit Program evaluation, the following program improvements can be made within the current capacity and resources:

1. Simplifying the application and renewal process, particularly for current Ontario Works and Ontario Disability Support Program participants.
2. Increasing awareness of the Income Related Transit Program through strategic promotion and community engagement.
3. Improving the customer service experience of program users through staff education and training.
4. Identifying and decreasing barriers to accessing the program, especially for Indigenous and racialized individuals.

Subsidized Transit usage across all five programs will continue to be closely monitored for the remainder of 2024.

## Financial Impact and Considerations

Recent increases in the usage of subsidized transit programs have resulted in the possibility of a budget shortfall in 2024. The City is financially responsible for the full actual costs of the subsidized transit programs and completes an annual reconciliation process with London Transit Commission at the end of the calendar year. Ongoing monitoring is necessary in 2024 to determine the actual financial impacts of current trends. Should participation trends continue to increase, a budget amendment may be required to maintain current Subsidized Transit Program subsidy levels.

In addition, a recent review of the Income Related Transit Program revealed potential program improvements for consideration. The financial impact of these improvement varies, some could be realized within the existing budget and others would require additional financial investment and further analysis.

## Conclusion

This report outlines trends and patterns in the usage of subsidized transit programs. It also includes the results from an evaluation of the accessibility and affordability of the Income Related Transit Program providing options and next steps for program improvements.

**Prepared by:** Mark Pompili  
Community Engagement and Policy Specialist

Michelle Dellamora  
Manager, Community Initiatives and Plans

**Submitted by:** Kristen Pawelec  
Director, Community Development and Grants

**Recommended by:** Cheryl Smith,  
Deputy City Manager, Neighbourhood and Community-Wide Services