

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee

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

Subject: Review of Subsidized Transit Programs in London

Date: April 21, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the following actions be taken with respect to the Review of Subsidized Transit Programs in London:

- a) the staff report titled Review of Subsidized Transit Programs in London **BE RECEIVED** for information; and
- b) the Civic Administration **BE DIRECTED** to report back to the Strategic Priorities and Policy Committee, prior to the next Multi-Year Budget, with program options to consider, including costing, based on the findings in the Subsidized Transit Program Review (appended to the staff report as Appendix A) including:
 - i) maintaining the current subsidized transit programs;
 - ii) implementing limited program modifications to enhance access; and
 - iii) implementing a universal income-based program.

Executive Summary

This report presents the summary of a review completed of London's subsidized and tuition-based transit programs, as directed by Council at its meeting on April 2, 2024. The review found that London's programs align well with best practices and are meeting their intended program objectives.

The review also found that subsidized transit programs in London are growing in reach and cost. Budget rightsizing will need to be implemented to address cost pressures. Pending direction from Council, adjustments could also be made to expand program reach and access.

This report recommends that Civic Administration develop options to guide future planning with consideration of accessibility, equity, and financial requirements.

Linkage to the Corporate Strategic Plan

The Community Safety and Well-Being Plan is aligned with the following strategic areas of focus in the City of London Strategic Plan 2023 – 2027:

- Strategic Area of Focus: Wellbeing and Safety
- Outcome: 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

- [Subsidized Transit Program Update](#) (CPSC: July 15, 2024)
- [London Transit Commission Review Recommended Approach](#) (SPPC: January 14, 2025)
- [London Transit Commission Assessment Growth Business Case](#) (SPPC: March 25, 2025)
- London Transit Rapid Transit Operational Readiness Review (SPPC: April 21, 2026)
- London Transit Route Planning and Management Review (SPPC: April 21, 2026)

1.2 Background

The London Transit Commission operates as a Commission of the City of London under By-law No. A.-6377-206, which establishes the London Transit Commission as the sole operator of public transit in the City of London and defines the composition of the Commission.

At its meeting on July 25, 2023, Council directed Civic Administration to review the current by-law and report back with recommendations to optimize the collaboration between the London Transit Commission and the City of London in delivering on Council's 2023 to 2027 Strategic Plan.

At its meeting on April 2, 2024, Council further resolved that Civic Administration undertake a Request for Proposals for an external auditor to initiate a comprehensive operations and performance audit of London Transit Commission.

At its meeting on January 21, 2025, Council received a report from Civic Administration outlining the recommended approach to address both Council directions which ultimately resulted in direction to undertake four distinct reviews; Governance Review; Rapid Transit Operational Readiness Review; Route Planning and Management Review; and Transit Passes and Subsidized Transit Programs.

1.3 Purpose

The purpose of this report is to summarize the review of all subsidized transit programs and fares currently administered by the City of London and the London Transit Commission as well as tuition-based programs and detail recommended next steps based on the findings of this review. The Subsidized Transit Program Review Summary is attached as Appendix A.

2.0 Discussion and Considerations

2.1 Review Summary

In accordance with the Procurement of Goods and Services Policy, Kovacs Group Inc. was awarded the contract to complete a program review of London's subsidized and tuition-based transit programs.

The review included all transit programs subsidized by the City of London or the London Transit Commission, which includes Children 12 and Under Tickets, Youth Pass (13–17), Youth Tickets/Stored Value (13–17), Seniors Tickets/Stored Value (65+), CNIB Pass, and the Income Related Transit Program Pass. The review examined whether current subsidized transit programs are achieving their intended objectives, whether those objectives remain aligned with Municipal Council's transit goals, and how London's approach compares to best practices in other municipalities. The review included a program inventory, a cost structure analysis, and a comparative analysis.

The review also examined tuition-based transit programs operating through the London Transit Commission in partnership with Western University and Fanshawe College. It focuses on cost structures, management controls, and ridership data and considers how these programs fit within London's broader transit landscape.

2.2 Subsidized Transit Programs

Program Inventory

There is a range of subsidized transit programs in London designed to support access to public transportation for specific population groups. These programs vary in structure, eligibility, and subsidy level, reflecting different policy objectives and user needs. Programs were compared on the basis of eligibility, ridership share, and program controls. Subsidized transit programs collectively account for approximately 14.5% of ridership, with the largest individual contributors being Youth Tickets/Stored Value Smart Cards (3.9%), Seniors Tickets/Stored Value Smart Cards (3.9%), the Income Related Transit Program Pass (2.7%), and the Youth Pass (2.2%).

Program usage has grown across all programs from 2022-2025. Total rides across all programs grew from 1,739,701 in 2022 to 2,576,718 in 2025, an increase of 48% over three years. Seniors Tickets/Stored Value Smart Cards and Youth Tickets/Stored Value Smart Cards were the two largest programs by rides in 2025, each accounting for 27% of total rides. The Income Related Transit Program Pass recorded the largest ride growth of any program, increasing 127% from 210,568 rides in 2022 to 478,633 in 2025, and is now the third-largest program by rides, at 19% of total program rides. Consistent, year-over-year growth was also observed for Children 12 and Under Tickets, with rides growing 79% from 2022 to 2025.

It should be noted that the COVID-19 pandemic caused significant disruptions to transit usage from 2020-2022. Since 2022, participation in all programs, except Seniors Tickets/Stored Value Smart Cards and Youth Passes, has rebounded but not exceeded pre-pandemic levels. Seniors Tickets/Stored Value Smart Cards and Youth Passes are the only two programs whose 2025 usage exceeds 2019 levels. For all other programs, the rate of growth reflects a return toward pre-pandemic levels. Given the unprecedented impacts of the pandemic on ridership, it was determined that analysis should focus on 2022 – 2025, given data from 2020 and 2021 was anomalous.

Program controls align with best practices observed in comparator municipalities. The London Transit Commission monitors usage and compliance to identify and respond to verification needs.

Cost Structure Analysis

Expenditures on subsidized transit programs have continued to outpace budget allocations each year as program participation has grown. In addition, the 2024 London Transit Commission fare increase contributed to an 18% increase in costs for both end users and the City of London. Total City of London subsidy expenditure increased from \$985,708 in 2022 to \$1,878,809 in 2025, a 91% increase over three years. Year-over-year growth was 30% in 2023 and 35% in 2024, moderating to 8% in 2025.

2.3 Tuition-Based Transit Programs

Program Overview

London Transit Commission operates a tuition-based transit program in partnership with Western University and Fanshawe College through institutional agreements. Full-time students at both institutions receive unlimited access to London Transit Commission services through a pass included in their student fees. The pass is valid for the full year from September 1 to August 31. All full-time students are automatically enrolled with no opt-out option.

Controls and Enrollment

The Tuition Pass accounts for 49.7% of total system ridership, making it the largest contributor to overall London Transit Commission ridership.

Students tap their card when boarding to confirm they hold a valid pass. Because student cards include a photo, operators can request to see the card and verify the holder's identity. As student cards are also required for access to campus facilities, cardholders are unlikely to share them to obtain free transit access.

Enrollment grew steadily from 55,917 in 2022 to a peak of 61,981 in 2024, then declined by 10% to 55,661 in 2025. The 2025 decline of 6,320 holders is attributable to lower student enrollment.

Cost Structures and Funding

The full cost of \$288.35 per student per year is funded entirely through mandatory student fees, with no contribution from the City of London or the London Transit Commission. The Tuition Pass generates \$16,049,849 in annual revenue for the London Transit Commission, making it the single largest revenue source across the full program portfolio. The 2025 enrollment decline of 6,320 holders has resulted in an estimated revenue reduction of \$1,822,372 relative to 2024 enrollment levels.

2.4 Municipal Comparative Analysis

In total, five municipalities were reviewed as part of the municipal scan. The design and purpose of London's subsidized transit programs were analyzed alongside those of the chosen comparator municipalities.

Across municipalities, affordability was consistently identified as the primary objective of subsidized transit programs. Beyond affordability, programs had several additional purposes such as social equity, poverty reduction, access to employment, services, and community life, increase in ridership, fairness and consistency. London's programs align with the guiding principles identified across comparator municipalities.

Subsidy levels for programs in other municipalities vary based on program type and objective. Income-based programs consistently receive the highest and most variable subsidies (49%–100%), reflecting their role as the primary mechanism for addressing affordability. All but one of the five municipalities reviewed offered single-ride subsidies in addition to monthly passes for low-income riders.

Age-based programs (children, youth, and seniors) generally provide more moderate, less targeted subsidies, though the ranges are wide (18%–100%). Higher subsidy levels within these categories are typically associated with time-limited free programs (e.g., youth) or specific policy choices (e.g., free transit days for seniors) rather than a consistent structural approach.

Municipalities increasingly frame subsidized transit as an equity tool rather than simply a fare reduction. This is reflected in movement away from universal age-based discounts toward income-based programs. Some comparator municipalities are moving towards expansion of income-based eligibility, supported by standardized verification and integrated with broader social policy objectives. In some cases, this has involved consolidating multiple programs into a single income-based model to reduce fragmentation and improve access. However, expansion is often limited by administrative and financial capacity.

The review also looked at controls, fraud prevention and risk management. It noted that London applies layered controls across the program lifecycle, using application-stage verification, photo-based Smart Cards at point of boarding, and renewal requirements for income-based program participants. London's approach to risk tolerance reflects a pragmatic tolerance orientation, accepting some degree of program leakage as a reasonable cost of maintaining accessibility, consistent with the majority of comparator municipalities reviewed.

London's subsidized transit programs compare favorably to the five municipalities reviewed with clearly articulated program purposes, eligibility criteria, and control mechanisms that are consistent with the approaches used elsewhere. London's subsidy levels are comparable to other communities with the notable exceptions of income-based and seniors' programs, which are subsidized at a lower percentage in London than in other municipalities.

3.0 Financial Impact

Total City of London subsidy expenditure grew 91% from \$985,708 in 2022 to \$1,878,809 in 2025 while the council approved budget for 2025 was \$1,512,076. This growth reflects three

converging factors: increased enrollment, increased ridership, and the 2024 London Transit Commission fare increase.

The structural relationship between London Transit Commission fare increases and City subsidy obligations means that future fare adjustments will automatically increase the City's financial commitment without any change to program design or eligibility.

Cost pressures related to structural factors are expected to continue in the foreseeable future. Two programs are expected to drive the majority of future expenditure growth. Seniors Tickets/Stored Value Smart Cards is growing in response to demographic aging, a structural, long-term trend unlikely to moderate without a change in program design. The Income Related Transit Program Pass also continues to show strong enrollment momentum. These program pressures represent ongoing obligations that will require ongoing budget adjustments.

To maintain service levels the transit subsidy budget will need to be rightsized as part of the 2027 Budget Update process.

4.0 Next Steps

Budget pressures related to the subsidized transit programs are projected to continue, as usage of all programs has maintained or increased year-over-year. London's subsidized transit programs are aligned with best practices and approaches of comparable municipalities. However, municipalities are moving toward income-based eligibility and higher subsidy levels, as a reflection of the guiding principle of affordability and that subsidies ought to be directed to those with the greatest financial need, rather than broadly applied across demographic groups.

Considering both the financial pressures and the goals of London's subsidized transit programs, it is recommended that Civic Administration report back with options to redesign the program in order to address the findings in the Subsidized Transit Program Review Summary (attached as Appendix A). Pending Council approval, these options will include the following:

Option 1: Maintain Current Subsidized Transit Programs (Status Quo)

- Maintain the current subsidized transit programs with existing eligibility criteria and subsidy levels with ongoing budget adjustments as needed.

Option 2: Limited Program Modifications to Enhance Access

- Identify modifications with a focus on the two programs driving increasing costs: the Seniors Tickets/Stored Value Smart Cards and the Income Related Transit Program Pass.
- Include program changes such as increasing subsidy levels, expanding fare types (e.g. tickets/stored value smart cards for low-income users rather than monthly pass only), and changing eligibility and/or application requirements.
- Identified modifications would be considered during the next Strategic Plan and Multi-Year Budget.

Option 3: Universal Income-Based Program

- Investigate a single, income-tested program that bases subsidy level on financial need, not age or other affiliation.
- This universal, income-based program would replace some or all of the six existing subsidized transit programs.
- Proposed program would include options for income thresholds, subsidy levels, and fare types.
- Identified modifications would be considered during the next Strategic Plan and Multi-Year Budget.

Conclusion

London has a range of subsidized transit programs designed to support access to public transportation for specific population groups. These programs vary in structure, eligibility, and subsidy level, reflecting different policy objectives and user needs. The programs are achieving

their intended objectives, increasing transit usage, mobility, and community participation. Consistent budgetary pressures require careful planning to ensure these programs remain sustainable, equitable, and administered properly as demand continues to grow.

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Appendix A: Subsidized Transit Program Review Summary

April 2026

Subsidized Transit

Program Review Summary

Prepared by:



London
CANADA

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Section 1.0:

Introduction

1.1 Purpose of the Review

On April 2, 2024, Council resolved that the following actions be taken with respect to the London Transit Commission:

- the Civic Administration BE DIRECTED to undertake a Request for Proposals for an external auditor to initiate a comprehensive operations and performance audit of the London Transit Commission, with the following audit scope:
 - inclusion of current routing of service in regard to best practices in major municipalities, structure of the organization, financial structuring of various passes and contracts, operational preparedness and readiness to integrate with future Rapid Transit corridors, and to other KPIs to identify strengths and weaknesses;
 - identification of alternate service delivery model considerations and associated savings/cost implications, including but not limited to the municipality delivering the service directly; and
 - provision of recommendations to Municipal Council at the completion of the audit with a copy of the full public report provided to the London Transit Commission.
- the Civic Administration BE DIRECTED to identify an appropriate source of financing.

This direction was to be achieved through a coordinated approach to deliver four discrete projects, including reviews of:

1. The current governance model and bylaw associated with the London Transit Commission, its alignment with Council's transit goals, and changes that could be considered to enhance the delivery of transit services in London and integration of the London Transit Commission with City Council and staff;
2. **All subsidized transit programs (children under 12, youth, seniors, visually impaired, and income), including the post-secondary programs with Western University and Fanshawe College;**
3. The readiness of the London Transit Commission to operate the rapid transit service currently under construction related to best practices for similar services in other municipalities noting that London Transit Commission has the exclusive right to operate the system under its bylaw and is currently using the completed sections for conventional transit; and

4. London Transit Commission's route planning and management practices, including the process for establishing new transit routes and modifying or discontinuing existing ones, relative to industry standards.

The purpose of this report is to present the findings of project #2, the review of all subsidized transit programs currently administered by the London Transit Commission.

The review examines whether current programs are achieving their intended objectives, whether those objectives remain aligned with Municipal Council's transit goals, and how London's approach compares to best practices in other municipalities. The review includes a program inventory, a cost structure analysis, and a comparative analysis.

The review also examines tuition-based transit programs operating through the London Transit Commission in partnership with Western University and Fanshawe College. It focuses on cost structures, management controls, and ridership data.

1.2 Background and Context

This review follows direction from Municipal Council on April 2, 2024, as part of a broader set of transit-focused reviews covering governance, service delivery, and operational readiness. Both subsidized and tuition-based transit programs were identified as key areas requiring further analysis to ensure their continued relevance, sustainability, and alignment with community needs.

1.3 Methodology

A mixed-methods approach was used, integrating qualitative and quantitative data, including:

- Interviews with representatives from five comparable municipalities;
- A municipal documentation review of policies, reports, and public materials from comparable municipalities;
- Working sessions with City and London Transit Commission staff; and
- Local documentation review of program data covering eligibility, uptake, usage, and financial performance.

Quantitative data was analyzed using descriptive statistics. Qualitative data was analyzed thematically to identify patterns related to program effectiveness, strengths, challenges, and opportunities. Triangulation across data sources strengthens the reliability of findings.

Section 2.0:

Subsidized Transit Program Inventory

2.1 Overview of Subsidized Transit Programs

There is a range of subsidized transit programs in London designed to support access to public transportation for specific population groups. These programs vary in structure, eligibility, and subsidy level, reflecting different policy objectives and user needs. They include:

- 1. Children 12 and Under Tickets:** This program provides free transit access for children 12 years of age or younger.
- 2. Youth Pass (13–17):** This program provides a subsidized monthly pass for youth aged 13 to 17.
- 3. Youth Tickets/Stored Value (13–17):** This program offers discounted per-ride transit options for youth aged 13 to 17 through tickets or stored value cards.
- 4. Seniors Tickets/Stored Value (65+):** This program provides discounted transit fares for individuals aged 65 and over via tickets or stored-value options.
- 5. CNIB:** This program provides fully subsidized transit access on a per-ride basis for individuals who are visually impaired and registered with CNIB.
- 6. Income Related Transit Program Pass:** This program provides a subsidized monthly transit pass for adults with income below the Low-Income Cut-Off (LICO).

The purpose of the subsidized transit programs is to provide affordable and accessible transportation that enhances quality of life by reducing barriers that affect a person's ability to maintain employment, access health care, and participate in social activities.

2.2 Program Eligibility, Ridership Share, and Controls

Program	Eligibility	Program Start Date	Ridership Share	Controls Verification	Controls
Children 12 and Under Tickets	Aged 5-12	2017	1.4%	Age verified at boarding	Fob
Youth Tickets/ Stored Value	Aged 13-17	1996	3.9%	Age verified at boarding	Tickets/Smart Card
Seniors Tickets/ Stored Value	Aged 65+	1972 (update 2019)	3.9%	Age verified at boarding	Tickets/Smart Card
CNIB	CNIB registrant	1979	0.4%	Valid CNIB registrant	CNIB Transit Pass
Income Related Transit Program Pass	Adults with income under LICO	2018	2.7%	Application approval	Smart Card
Youth Pass	Aged 13-17	2018	2.2%	Age verified at boarding	Smart Card

Summary Analysis

- Programs are delivered through a variety of fare types and mechanisms, including tickets, stored value, and passes.
- Subsidized transit programs collectively account for approximately 14.5% of ridership, with the largest individual contributors being Youth Tickets/Stored Value (3.9%), Seniors Tickets/Stored Value (3.9%), the Income Related Transit Program Pass (2.7%), and the Youth Pass (2.2%).
- Eligibility criteria across all programs fall into three broad categories: age-based, affiliation-based, and income-based.
- Program start dates span several decades, indicating that the current suite of programs has evolved in response to changing needs and policy priorities.
- Programs support a range of policy objectives, including reducing financial barriers and encouraging transit use among specific age groups. These objectives are reflected in the design of individual programs.
- Control mechanisms vary across the portfolio and reflect each program's eligibility criteria.
- Controls align with best practices observed in comparator municipalities. As is common across jurisdictions, some degree of program leakage is accepted as a cost of maintaining accessibility, and London's approach reflects this. The London Transit Commission continues to monitor usage and compliance.

2.3 Uptake Across Programs

Subsidized Tickets: Total Tickets Tendered Annually

Program	2022	2023	2024	2025
Children 12 and Under Tickets	139,472	202,605	241,299	249,540
Youth Tickets/Stored Value	625,050	724,477	692,992	687,276
Seniors Tickets/Stored Value	471,628	545,928	636,112	696,746
CNIB	58,653	71,993	71,961	74,735

Subsidized Passes: Total Passes Sold Annually

Program	2022	2023	2024	2025
Income Related Transit Program Pass	4,545	5,915	7,584	9,947
Youth Pass	7,664	10,612	11,558	11,205

Summary Analysis

- Program use has grown across all programs from 2022 to 2025.
- Children 12 and Under Tickets grew from 139,472 tickets tendered in 2022 to 249,540 in 2025, an increase of 79%.
- Youth Tickets/Stored Value usage has declined since 2023, while Youth Pass enrollment has grown over the same period. This suggests youth are shifting from per-ride tickets to monthly passes, rather than a reduction in participation.
- Seniors Tickets/Stored Value has grown consistently, increasing by 48% between 2022 and 2025. As the proportion of older adults in the city increases, demand for seniors' transit programs is likely to continue growing, with corresponding implications for ridership and program costs.
- The CNIB program has generally remained stable over the last three years, with growth concentrated between 2022 and 2023.
- The Income Related Transit Program Pass has recorded strong growth, more than doubling (119%) between 2022 and 2025.
- Youth Pass enrollment grew from 2022 to 2024, reaching 11,558 passes sold, before a modest decline to 11,205 in 2025.

2.4 Rides

Program	2022	2023	2024	2025
Children 12 and Under Tickets	139,472	202,605	241,299	249,540
Youth Tickets/Stored Value	625,050	724,477	692,992	687,276
Seniors Tickets/Stored Value	471,628	545,928	636,112	696,746
CNIB	58,653	71,993	71,961	74,735
Income Related Transit Program Pass	210,568	289,690	380,353	478,633
Youth Pass	234,330	344,439	398,391	389,788
Total	1,739,701	2,179,132	2,421,108	2,576,718

Summary Analysis

- Total rides across all programs grew from 1,739,701 in 2022 to 2,576,718 in 2025, an increase of 48% over three years. Growth was strongest in 2023 at 25%, moderating to 11% in 2024 and 6% in 2025, with 2022 rides reflecting residual pandemic effects.
- Children 12 and Under Tickets rides grew from 139,472 in 2022 to 249,540 in 2025, an increase of 79%.
- Youth Tickets/Stored Value peaked in 2023 at 724,477 rides and has since declined. Combined with increased Youth Pass rides over the same period, this reflects a shift in how youth are accessing the system rather than a reduction in overall youth ridership.
- Seniors Tickets/Stored Value and Youth Tickets/Stored Value were the two largest programs by rides in 2025, each accounting for 27% of total rides.
- CNIB rides have been effectively stable since 2023, after an increase of 23% between 2022 and 2023.
- The Income Related Transit Program Pass recorded the largest ride growth of any program, increasing 127% from 210,568 rides in 2022 to 478,633 in 2025, and is now the third-largest program by rides, at 19% of total rides.
- The Youth Pass grew 70% from 234,330 rides in 2022 to a high of 398,391 in 2024, before a modest decline to 389,788 in 2025.

2.5 Subsidy Levels, Costs, and Sources

Program	Subsidy Level	User Cost	Subsidy Cost	Total Cost	Subsidy Funding Source(s)
Children 12 and Under Tickets	100% subsidized	\$0 per ticket	\$1.53 / \$1.12 per ticket	\$2.65 per ticket	City of London Grant /London Transit Commission
Youth Tickets/ Stored Value	20% subsidized	\$2.12 per ticket	\$.53 per ticket	\$2.65 per ticket	London Transit Commission
Seniors Tickets/ Stored Value	25% subsidized	\$2.00 per ticket	\$.65 per ticket	\$2.65 per ride	City of London Grant
CNIB	100% subsidized	\$10 per year (admin fee)	\$2.65 per ride	\$2.65 per ride	City of London Grant
Income Related Transit Program Pass	36% subsidized	\$72 per pass	\$40 per pass	\$112 per pass	City of London Grant
Youth Pass	36% subsidized	\$72 per pass	\$40 per pass	\$112 per pass	City of London Grant

Summary Analysis

- Subsidy levels range from 20% to 100%, with two programs fully subsidized and four programs operating under a partial cost-sharing model.
- The Youth Pass and Income Related Pass share an identical per-unit cost structure (\$72 user / \$40 City / \$112 total).
- Five of six programs are funded in whole or in part through City of London grants. The Children 12 and Under Tickets program is funded through a combination of contributions from the City and the London Transit Commission. Youth Tickets/Stored Value is the only program where the subsidy is embedded entirely within the London Transit Commission fare structure rather than delivered as a discrete grant, with uptake decreasing when the City of London introduced the Youth Pass program.
- The \$10 annual fee for the CNIB program serves an administrative purpose rather than a cost-recovery purpose.

2.6 User and Funding Contributions

Program	User Fee	City of London	LTC	Total
Children 12 and Under Tickets	\$0	\$381,796	\$279,484	\$661,280
Youth Tickets/Stored Value	\$1,457,025	\$0	\$364,256	\$1,821,281
Seniors Tickets/Stored Value	\$1,393,492	\$452,885	n/a	\$1,846,377
CNIB	\$0	\$198,048	\$0	\$198,048
Income Related Transit Program Pass	\$716,184	\$397,880	\$0	\$1,114,064
Youth Pass	\$806,760	\$448,200	\$0	\$1,254,960
Total	\$4,373,461	\$1,878,809	\$643,740	\$6,896,010

Summary Analysis

- Users contribute \$4,373,461 (64%) of total program costs. The City of London contributes \$1,878,809 (27%), and the London Transit Commission contributes \$643,740 (9%).
- The City's contribution of \$1,878,809 is distributed across five programs. The four largest recipients are Seniors Tickets/Stored Value (\$452,885), Youth Pass (\$448,200), Income Related Transit Program Pass (\$397,880), and Children 12 and Under Tickets (\$381,796), with the CNIB program accounting for the remaining \$198,048.
- The London Transit Commission contributes \$643,740 across two programs. The Children 12 and Under program receives \$279,484, and the Youth Tickets/Stored Value program receives \$364,256 through foregone fare revenue embedded in the London Transit Commission fare structure.

Section 3.0:

Cost Structure Analysis

3.1 Historical Transit Subsidy Budget Implications

Prior to 2020, subsidized transit program costs regularly exceeded the program's budget. In response to this budget pressure, a 2020-2023 Multi-Year Budget Business Case aligned funding with program costs at that time, and formalized a single grant agreement between the City of London and the London Transit Commission, replacing a model in which each program operated under a separate agreement.

Despite disruption caused by the COVID-19 pandemic from 2020-2022, program participation has since rebounded and, in fact, grown. In addition, the 2024 London Transit Commission fare increase contributed to an 18% increase in costs for both end users and the City of London, adding further pressure to an already strained budget. By 2025, actual City of London expenditures reached \$1,878,809.

3.2 City of London 2022-2025 Subsidy Expenditures

Program	2022	2023	2024	2025
Children 12 and Under Tickets	\$181,313	\$261,082	\$369,260	\$381,796
Youth Tickets/Stored Value	\$0	\$0	\$0	\$0
Seniors Tickets/Stored Value	\$259,395	\$300,282	\$413,472	\$452,885
CNIB	\$131,968	\$161,961	\$190,696	\$198,048
Income Related Transit Program Pass	\$154,428	\$201,620	\$303,320	\$397,880
Youth Pass	\$258,604	\$360,808	\$462,320	\$448,200
Total	\$985,708	\$1,285,753	\$1,739,068	\$1,878,809

Summary Analysis

- Total City of London subsidy expenditure increased from \$985,708 in 2022 to \$1,878,809 in 2025, a 91% increase over three years. Year-over-year growth was 30% in 2023 and 35% in 2024, moderating to 8% in 2025.
- The 35% growth in 2024 reflects both increased ridership across programs and the impact of the 2024 London Transit Commission fare increase, which raised costs for the City of London by 18% across all affected programs.
- Children 12 and Under Tickets expenditure increased from \$181,313 in 2022 to \$381,796 in 2025, a 111% increase.
- Youth Tickets/Stored Value carries no City expenditure. The subsidy for this program is absorbed within the London Transit Commission fare structure.
- Seniors Tickets/Stored Value was the largest program by City expenditure in 2025 at \$452,885, growing 75% from \$259,395 in 2022. Seniors Tickets/Stored Value growth is structural (demographic aging) and will contribute disproportionately to future costs
- CNIB expenditures increased from \$131,968 in 2022 to \$198,048 in 2025, a 50% increase.
- The Income Related Transit Program Pass recorded the largest growth over the period, increasing by 158% from \$154,428 in 2022 to \$397,880 in 2025.
- The Youth Pass was the second largest program by City expenditure in 2025, at \$448,200, up 73% from \$258,604 in 2022.
- Any London Transit Commission fare increase will directly raise subsidy costs across all City-funded programs, as the City contribution is a fixed percentage of the total fare.

3.3 Impact of Current Subsidies on System Revenue

Revenue Source	Amount	Share of Total
User fare contributions	\$4,373,461	70%
City of London grants	\$1,878,809	30%
Net contribution	\$6,252,270	100%

Summary Analysis

- The combined net financial contribution of subsidized transit programs to the London Transit Commission in 2025 was \$6,252,270.
- A total of \$1,878,809 in City of London grants function as a direct revenue transfer to the London Transit Commission.
- User fare contributions account for 70% of program revenue, with City of London grants making up the remaining 30%.

Section 4.0:

Tuition-Based Transit Programs

4.1 Overview of the Tuition-Based Transit Program

London Transit Commission operates a tuition-based transit program in partnership with Western University and Fanshawe College through three institutional agreements. Full-time students at both institutions receive unlimited access to London Transit Commission services through a pass included in their student fees. The pass is valid for the full year from September 1 to August 31. All full-time students are automatically enrolled with no opt-out option.

The tuition-based program is fundamentally different from subsidized transit programs in its design, eligibility, and funding. Unlike income-based or age-based programs, where the municipality determines eligibility, the tuition-based program relies on the partnering institution to establish eligibility through student enrollment. The London Transit Commission provides the fare product. The institution provides the enrolled population and the funding mechanism.

A contract between the transit provider and the institution typically governs programs of this type. Key contractual elements include eligibility criteria, opt-out provisions, transfer payment terms, annual rate adjustment mechanisms, contract terms and renewal conditions, and pass issuance processes. These elements can significantly affect the price of the pass.

4.2 Eligibility and Controls

Program	Eligibility	Program Start Date	Ridership Share	Controls Verification	Controls
Tuition Passes	Full-time students	1998	49.7%	Registrar list of students	Student Card

Summary Analysis

- The Tuition Pass accounts for 49.7% of total system ridership, making it the largest contributor to overall London Transit Commission ridership.
- Eligibility is established through the institution’s registrar. The London Transit Commission does not independently verify individual student eligibility. Administrative responsibility for enrollment verification rests with the institution.
- Controls for the tuition pass program rely on an interface between London Transit’s Smart Card readers and the student cards issued by participating institutions.
- Students tap their card when boarding to confirm they hold a valid pass. Because student cards include a photo, operators can request to see the card and verify the holder’s identity. As student cards are also required for access to campus facilities, cardholders are unlikely to share them.

4.3 Program Enrollment

Program	2022	2023	2024	2025
Tuition Passes	55,917	61,844	61,981	55,661

Summary Analysis

- Enrollment grew steadily from 55,917 in 2022 to a peak of 61,981 in 2024, then declined by 10% to 55,661 in 2025.
- The 2023 to 2024 period was effectively flat, with enrollment increasing by just 137 holders (0.2%).
- The 2025 decline of 6,320 holders is attributable to lower student enrollment.

4.4 Cost Structure and Funding

Program	User Cost	Annual LTC Revenue	Source
Tuition Passes	\$288.35 per year	\$16,049,849	Mandatory Student Fee

Summary Analysis

- The full cost of \$288.35 per student per year is funded entirely through mandatory student fees, with no contribution from the City of London or the London Transit Commission. The cost of \$288.35 is the current price, which is subject to annual escalation per the terms of the contract.
- The Tuition Pass generates \$16,049,849 in annual revenue for the London Transit Commission, making it the single largest revenue source across the full program portfolio.
- The 2025 enrollment decline of 6,320 holders has resulted in an estimated revenue reduction of \$1,822,372 relative to 2024 enrollment levels.

Section 5.0:

Municipal Comparative Analysis

5.1 Program Design and Intent

In total, five municipalities were interviewed and reviewed as part of the municipal scan, including: Guelph, Hamilton, Ottawa, Waterloo Region, and Windsor.

Program Purpose

Across municipalities, affordability was consistently identified as the primary objective of subsidized transit programs. Beyond affordability, several additional purposes were identified:

- Social equity and poverty reduction
- Access to employment, services, and community life
- Increase in ridership
- Fairness and consistency

Guiding Principles

Four core guiding principles emerged across municipalities:

- Targeting affordability through income-based eligibility
- Advancing equity through program design
- Balancing accessibility with administrative simplicity
- Aligning subsidy programs with broader transit and social policy goals

Across jurisdictions, there was a clear shift toward income-based, equity-focused subsidy models, supported by standardized verification and integrated with broader social policy objectives. Age- and affiliation-based programs still exist, but are increasingly supplemented or replaced by models that target affordability more directly.

London's Approach

London's programs align with all four guiding principles identified across comparator municipalities, including affordability, equity, and access to employment, services, and community life.

5.2 Eligibility and Administration

Categories of Eligibility

Across comparator municipalities, subsidized transit programs can be grouped into three eligibility categories.

Category	Eligibility Basis	Verification Method
Income-Based	Household or individual income falls below a defined income threshold.	CRA documentation, tax returns, proof of social assistance, or agency referral.
Age-Based	Participant falls within a defined age range (e.g., youth, seniors).	Government-issued ID confirming date of birth; for children, often no verification at point of use.
Affiliation-Based	Participant is a member of a defined group.	Proof of program enrollment, membership card, or agency confirmation letter.

London’s Approach

London operates programs across all three eligibility categories, including income-based, age-based, and affiliation-based.

Systems and Technology

The technology platforms that support administration vary both in sophistication and by program type.

Technology Tier	Characteristics
Manual / Paper-Based	Paper applications processed by staff Eligibility determined through manual document review Records in spreadsheets or basic databases Card issuance as a separate manual step
Semi-Automated Internal Systems	Custom or adapted municipal software for application tracking Some automated eligibility screening Partial integration with fare card system Reporting available but may require manual extraction
Integrated Digital Platform	Online portal with document upload Automated eligibility determination Direct integration with fare card or mobile ticketing for provisioning Built-in reporting, renewal management, and participant communication

London’s Approach

London's administrative approach varies by program type, spanning the first two technology tiers.

5.3 Subsidy Level

Program Type	Subsidy Range	Most Common Structure
Income-based (single ride)	50% - 100%	Flat percentage discount on per-ride fare
Income-based (monthly pass)	49% - 100%	Flat or tiered percentage discount on monthly pass
Senior (age-based only)	18% - 100%	Reduced ticket, monthly pass, or annual pass
Senior (income + age combined)	57% - 69%	Income-based programs accessible to qualifying seniors
Children (age-based)	100%	Full subsidy; no user cost
Youth (age-based)	18% - 100%	Reduced fare or pass; time-limited free programs
Youth (income + age combined)	50% - 67%	Low-income rates applied to youth category
Affiliation-based	100%	Full subsidy; no user cost

The table highlights a clear distinction in how municipalities apply subsidies across program types, with the level of targeting directly influencing subsidy depth, including:

- Income-based programs** deliver structured subsidies (50%–100%), reflecting their role as the primary mechanism for addressing affordability. The use of tiered structures allows municipalities to scale support based on financial need, with the lowest-income users accessing fully subsidized fares. Flat percentage discounts are more common across the comparator group.
- Age-based programs** (children, youth, and seniors) span a wide subsidy range (18%–100%), reflecting significant variation in how municipalities structure these benefits. Higher subsidy levels within this category are found across both structural programs (e.g., monthly passes) and time-limited or conditional programs (e.g., free transit days). This breadth reflects local policy choices rather than a consistent cross-municipal approach.
- Affiliation-based programs** are consistently fully subsidized (100%), reflecting strong equity and accessibility objectives, with eligibility verified through external systems rather than income testing alone.

London’s Approach

London’s subsidy levels range from 20% to 100% across its six programs, with the highest subsidies applied to affiliation-based (i.e., CNIB) and age-based (i.e., Children 12 and Under) programs.

5.4 Cost and Financial Sustainability

Funding Models for Subsidized Transit

Municipal subsidized transit programs are funded through a range of models that differ in how costs are allocated, tracked, and managed. The choice of model has implications for financial transparency, risk distribution, and long-term sustainability.

Funding Model	How It Works
Transit Operating Budget Absorption	Transit agency absorbs foregone revenue within its operating budget; no separate subsidy line item
Dedicated Municipal Transfer	A separate department (social services, community investments) transfers funding to the transit agency to compensate for subsidized fares
Centralized Municipal Program	Subsidy funded through a centralized, City-wide income-tested program budget that covers transit alongside recreation, tax relief, and other benefits

London’s Approach

London uses a dedicated municipal transfer model, with City grants flowing directly to the London Transit Commission to fund subsidized fares across five of its six programs.

5.5 Controls, Fraud Prevention, and Risk Management

How Controls Are Layered Across the Program Lifecycle

Subsidized transit programs do not rely on a single control mechanism. Instead, they layer controls across three stages of the program lifecycle.

Control Stage	Purpose and Common Mechanisms
Application-Stage Controls: Establishing Eligibility	All five comparator municipalities require identity verification and income documentation at application Common elements: government-issued photo ID, proof of municipal residency, income verification through CRA documentation, tax returns, or agency referral
Point-of-Use Controls: Preventing Unauthorized Use	Ensures only the eligible individual uses the subsidized pass or card after issuance Effectiveness depends on two factors: fare technology and enforcement practices at point of boarding
Renewal and Ongoing Monitoring: Maintaining Eligibility Over Time	Periodic renewal serves as a recurring compliance checkpoint Annual re-verification of income documentation is the most common approach, ensuring continued eligibility

London’s Approach

London applies layered controls across the program lifecycle, using application-stage verification, photo-based Smart Cards at point of boarding, and renewal requirements for income-based program participants.

Risk Tolerance

Municipalities differ in their philosophical approach to fraud risk. These differences are not simply a matter of having more or fewer controls in place; they reflect deliberate policy choices about how to balance program integrity against accessibility and administrative burden.

Orientation	Characteristics	Trade-Offs
Strict Enforcement	<ul style="list-style-type: none"> Centralized application with rigorous documentation requirements Active on-board enforcement and spot checks Investment in compliance technology and staffing Low tolerance for program leakage 	<ul style="list-style-type: none"> Higher administrative cost per participant Stronger deterrent against misuse May create barriers for eligible users who lack documentation or face mobility challenges
Pragmatic Tolerance	<ul style="list-style-type: none"> Reasonable verification at application stage Limited enforcement at point of use Acceptance of some degree of leakage as the cost of accessibility 	<ul style="list-style-type: none"> Lower administrative overhead Greater accessibility for legitimate users Some exposure to pass sharing and income misreporting
Barrier-Free Access	<ul style="list-style-type: none"> Emphasis on removing all barriers to access Simplified application process, often agency-mediated Minimal enforcement at point of use Social benefit prioritized over program leakage concerns 	<ul style="list-style-type: none"> Maximizes program reach and participation Lowest administrative burden Accepts highest level of potential misuse as acceptable given social objectives

London’s Approach

London's approach reflects a pragmatic tolerance orientation, accepting some degree of program leakage as a reasonable cost of maintaining accessibility, consistent with the majority of comparator municipalities reviewed.

5.6 Lessons Learned and Trends

Critical Challenges

The primary challenges across subsidized transit programs included:

- **Demand Outpacing Capacity:** Successful programs drive high demand, often exceeding administrative and financial capacity. This leads to processing backlogs, service delays, and a recurring cycle where expansion outpaces available resources.
- **Balancing Simplicity with Accountability:** Easier application processes improve access but reduce verification, while stricter requirements strengthen accountability but create barriers. Striking this balance remains an ongoing operational challenge.
- **Political and Public Expectations Are Difficult to Manage:** Programs are shaped by competing pressures, expansion demands from advocates, cost concerns from the public, and policy direction from elected officials, often without matching resources.
- **Data Limitations Constrain Decision-Making:** Fragmented systems limit the ability to assess who is being reached, how programs are used, and their true impact, making evidence-based decisions difficult.
- **Changing Population Increases Complexity:** Shifting demographics, including growing newcomer populations, growing proportion of older adults, and rising cost-of-living pressures, expand and diversify the eligible population, requiring ongoing adaptations to programs and outreach.

What Administrators Would Do Differently

Subsidized transit program administrators would implement the following if they were to redesign their programs:

- **Build Administrative Infrastructure First:** Invest early in staffing, systems, and processes (applications, case management, system integration) to avoid backlogs, poor user experience, and reactive fixes after launch.
- **Start with a Centralized Eligibility Model:** A single, integrated application across programs reduces barriers for users and improves visibility into total supports. Retrofitting this later is complex and inefficient.
- **Design for Administrability, Not Just Equity:** Simple, clearly defined eligibility criteria are easier to implement and manage. Overly complex rules increase errors, processing time, and administrative burden.
- **Plan for Growth from the Start:** Build scalable systems, staffing models, and funding approaches that can expand with demand to avoid operational strain as participation increases.
- **Invest in Data and Evaluation Early:** Establish baseline data, metrics, and evaluation frameworks at launch to enable ongoing monitoring, demonstrate impact, and support informed decision-making.

Planned Changes and Emerging Directions for Comparator Municipalities

Across municipalities, subsidized transit programs are evolving in consistent ways, with a focus on expansion, modernization, and broader social impact, including:

- **Expansion of Eligibility and Deeper Subsidies:** Municipalities are moving toward income-based eligibility and higher subsidy. However, expansion is often limited by administrative and financial capacity.
- **Shift to Digital and Automated Processes:** There is growing investment in online applications, automated eligibility verification, and integrated digital platforms to improve efficiency, access, and program management.
- **Interest in Fare Capping:** Fare capping is being explored as an alternative or complement to subsidized passes, reducing upfront costs and improving equity for frequent riders, though it may not replace deeper subsidies for low-income users.
- **Transit as Social Infrastructure:** There is a broader shift toward viewing transit as essential social infrastructure. This reframes subsidies as investments in equity and participation, prioritizing access and reach over strict cost containment.

Section 6.0:

Conclusion

This review examined London's subsidized transit programs and tuition-based transit programs. The report presents a program portfolio that is growing in reach and cost, is broadly aligned with best practices, and faces structural pressures that will require deliberate attention as the programs continue to mature.

The Portfolio of Subsidized Transit Programs

London operates six subsidized transit programs serving children, youth, seniors, persons with visual impairments, and low-income adults. Collectively, these programs account for 14.5% of total system ridership and represent a total annual investment of \$6,896,010, shared among users, the City of London, and the London Transit Commission. Ridership has grown 48% across the portfolio from 2022 to 2025, with all programs recording gains over the period. The evidence indicates that London's subsidized transit programs are achieving their intended purpose, improving affordability and accessibility for residents who face barriers to employment, health care, and social participation, and contributing meaningfully to quality of life across the community.

Eligibility criteria are clearly defined and verifiable. Control mechanisms are appropriate to each program's eligibility structure and risk profile. The London Transit Commission's approach reflects a pragmatic tolerance orientation that balances program integrity with accessibility, consistent with the approach taken by the majority of comparator municipalities reviewed.

Structural Cost Pressures

Total City of London subsidy expenditure grew 91% from \$985,708 in 2022 to \$1,878,809 in 2025. This growth reflects three converging factors: increased enrollment, increased ridership, and the 2024 London Transit Commission fare increase. Actual program costs have consistently exceeded base budget allocations since the program's early years. The structural relationship between London Transit Commission fare increases and City subsidy obligations means that future fare adjustments will automatically increase the City's financial commitment.

Two programs are expected to drive the majority of future expenditure growth. Seniors Tickets/ Stored Value is growing in response to demographic aging, a structural, long-term trend unlikely to moderate without a change in program design. The Income Related Transit Program Pass continues to show strong enrollment momentum. These are not short-term pressures. They represent ongoing obligations that will require a sustainable funding approach.

The Tuition-Based Pass Program

The tuition-based transit program with Western University and Fanshawe College generates \$16,049,849 in annual revenue for the London Transit Commission and accounts for 49.7% of total system ridership. It operates entirely outside the public subsidy framework, with costs borne through mandatory student fees. This program is the largest source of program-based revenue in the London Transit Commission's portfolio, and its continued stability is material to the system's overall financial position. The 2025 enrollment decline of 6,320 holders resulted in an estimated revenue reduction of \$1,822,372.

Comparative Analysis

London's subsidized transit programs compare favourably to those of the five municipalities reviewed. Program purposes are clearly articulated, eligibility criteria are grounded in established income measures, and control mechanisms are consistent with the approaches used elsewhere.

The comparative analysis indicates a clear trend that municipalities are increasingly shifting toward income-based, equity-focused program models that more directly target affordability. Municipalities that have recently updated their programs have generally moved away from maintaining multiple separate age- and affiliation-based programs in favour of fewer, income-tested programs that more directly target affordability.

Forward Considerations

London's subsidized transit programs represent a meaningful investment in mobility, inclusion, and community participation. The programs are working. The challenge ahead is to ensure they remain sustainable, equitable, and well administered as demand continues to grow.