

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON OCTOBER 8, 2019
FROM:	LYNNE LIVINGSTONE DEPUTY CITY MANAGER AND ACTING MANAGING DIRECTOR NEIGHBOURHOOD, CHILDREN AND FIRE SERVICES
SUBJECT:	INCOME-RELATED SUBSIDIZED PUBLIC TRANSIT PROGRAM FOR INDIVIDUALS 18 YEARS OF AGE AND OVER EVALUATION

RECOMMENDATION

That, on the recommendation of the Deputy City Manager and Acting Managing Director of Neighbourhood, Children and Fire Services, this report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Adults 18 and Over Income-Related Subsidized Public Transit Program Council By-law, Agreement, and Administration Process (October 11, 2017)

LINK TO STRATEGIC PLAN FOR THE CITY OF LONDON

The Income-Related Subsidized Public Transit Program for individuals 18 years of age and over is aligned to the Strategic Plan for the City of London 2019 – 2023 under the *Strategic Area of Focus* - Building a Sustainable City, *Outcome* - Londoners can move around the city safely and easily in a manner that meets their needs, *Expected Result* - Increase access to transportation options, and *Strategy* - Support Londoners to access affordable public transit where they live and work.

BACKGROUND

On October 18, 2017, Council resolved that, on the recommendation of the Managing Director of Neighbourhood, Children and Fire Services, with the concurrence of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following action be taken with respect to the income-related subsidized transit program:

- Any 2018 costs in excess of the funding already identified with respect to the enhanced income-related subsidy program, BE FUNDED first from any potential 2018 Property Tax Supported Operating Budget Surplus and then, if required, through a drawdown from contingency reserves; it being noted that program uptake will be assessed in 2018 to determine the ongoing funding requirements for the program and Civic Administration will bring forward a 2019 Budget Amendment to provide for permanent, ongoing program funding. (2017-T03) (7/14/CPSC).

The purpose of this report is to:

- provide an overview of the City's current affordable transit programs;
- provide an overview of the Income-Related Subsidized Transit Program and the evaluation framework used to assess the program;
- provide a summary of the Income-Related Subsidized Transit Program evaluation results; and,
- outline suggested next steps to continue to improve the City's current affordable transit programs.

City of London's Affordable Transit Programs

Affordable transportation is a key component of enhancing the quality of life for all Londoners. Accessible public transit helps to remove and prevent barriers that affect a person's ability to gain and maintain employment, access health care, recreational, educational and social activities for themselves and their families. In addition, a vibrant, well-used transit system is an important part of building a healthy and inclusive community.

There are currently five distinct models of delivery for each of the current five subsidized transit programs. Some programs have an identified base budget, some programs have a base budget that does not cover the current costs, and some programs don't have a base budget. In addition, each subsidized transit

program has a separate formal agreement between the City of London and the London Transit Commission (LTC). Eligibility for the programs varies. The discounted fare options for four of the programs (children, youth, the visually impaired, and seniors), can be purchased by anyone, however the use is monitored at time of use by the LTC operator. The Income-Related Transit Program eligibility is determined by City staff, and purchase of these passes is limited to those customers that have been previously approved. LTC provides an invoice monthly for each program based on the actual ridership for four of the five programs. The City in return, provides grant payments to the LTC to make up the difference between the cost of a subsidized fare and a regular fare for each program, except the Subsidized Transit Program for Youth Ages 13 up to and including 17. For the youth program, the City has an agreement with the LTC to purchase adult monthly bus passes at a negotiated discount based on the number of passes sold per month.

The subsidized programs are as follows:

1. Subsidized Transit for the Visually Impaired (100% subsidy)

- The current budget for this program is \$160,000.
- The total cost of this subsidized program in 2018 was \$160,303.
- In 2018, an average of 1,638 passes were subsidized monthly.

2. Children 12 and under Ride for Free (100% subsidy)

- The current budget for this program is \$150,254.
- The total cost of this subsidized program in 2018 was \$422,802.
- In 2018, there was approximately 30,638 subsidized rides for children each month.

3. Subsidized Transit for Youth Ages 13 up to and including 17 (36% subsidy)

- There is no permanent budget currently allocated for this program; at Council's direction this pilot program is being funded first through property tax supported operating budget surplus and, if required, through a drawdown from contingency reserves.
- This program started on September 1, 2018 and the total cost for the first four months was \$63,758. For the first 6 months of 2019, the cost for this program was \$102,850. Eligible youth paid \$52.00/month for a bus pass.
- This is currently a pilot program for 18 months at which time it will be reviewed as part of the 2020-2023 Multi-Year Budget process.
- This subsidized transit program is growing monthly. In the first six months of this program (September 2018 to February 2019) an average of 863 passes were subsidized monthly. It is important to note that since the first month of the program, the number of passes subsidized per month has increased monthly (634 in September 2018 and 1,026 in May 2019).

4. Subsidized Transit for Seniors (25% subsidy for bus tickets only)

- As part of the 2019 budget update, Council approved the reinstatement of a 25% subsidy for bus tickets for seniors 65 years of age and over.
- The budget for this program in 2019 is \$285,300.
- The program started April 1, 2019. It has almost doubled in three months (starting at 22,485 subsidized rides in April and 40,365 in June).

5. Income-Related Transit Program for Individuals 18 years of age and over (36% subsidy)

- The current budget for this program is \$453,435. At Council's direction any costs in excess of the current budget are to be funded first through property tax supported operating budget surplus and, if required, through a drawdown from contingency reserves.
- The total cost of this subsidized program in 2018 was \$413,625.
- In 2018, an average of 1,188 passes were subsidized monthly. Eligible Londoners paid \$52.00/month for a bus pass.

Income-Related Subsidized Transit Program and Evaluation Framework

Program Overview

The Income-Related Subsidized Transit Program (Income-Related Program) was implemented in January 2018 in alignment with Council's Strategic Plan. The purpose of the program is to provide accessible public transit to individuals in order to help remove and prevent barriers that affect a person's quality of life.

The Income-Related Program offers eligible residents a \$52.00 monthly bus pass, which is a 36% discount from adult regular fare. To qualify for the program, a resident must: be a resident of London, be 18 years of age or older, and have a current income that is below the Low Income Cut-Off After-Tax (LICO-AT). Ontario Works participants receiving assistance with transportation costs through employment related expenses may not be eligible for the Income-Related Transit Program. Eligibility for the program is

assessed in collaboration by City staff in Social Services. Applicants who are determined to be eligible are able to participate in the program for 12 months. After the 12 months, residents must submit a new application for re-assessment. Eligible individuals can purchase a subsidized transit pass at one of ten City of London and London Transit Commission (LTC) locations. Transit passes are valid from the 1st of the month to the last day of the month.

Evaluation Framework

In order to understand if the Income-Related Program was accomplishing its purpose, Civic Administration undertook an evaluation in the spring of 2019. The evaluation focused on the first year of program implementation (January 2018 – January 2019). The purpose of the evaluation was two-fold:

- 1) To understand the impacts of the subsidized transit program for London residents; and,
- 2) To determine whether the process by which the program is administered has been effective.

As part of the evaluation, feedback was sought from a number of key stakeholders including: program participants, City staff, LTC staff and community organizations. A number of methods were used to collect information including: a participant survey, focus groups, staff feedback, ridership data, program data, financial data, and population data.

The evaluation aimed to answer a number of key questions including:

- What is the demographic breakdown of program participants?
- To what extent has transit ridership increased?
- What are the individual-level impacts of the subsidized transit program?
- Is the program affordable for residents; are there any barriers to participation?
- Are there any unintended consequences as a result of the program?
- What is the client experience with the program?
- Is the administration of the program effective?
- What is the ongoing cost to administer the program?
- Are additional resources needed to support the program?

Income-Related Subsidized Transit Program Evaluation Results

Survey Results

A survey was distributed to 3055¹ individuals who were made eligible for the Income-Related Transit Program in 2018. The survey was distributed via email and Canada Post. In total, 191 London residents completed the survey, which is a 6.3% response rate. The survey included 30 questions designed to understand the impacts of the Income-Related Program. A summary of key findings include:

- The majority of respondents came from the 56 – 65 age group, followed by the 46 – 55 age group.
- Most respondents (66%) represented one-person households followed by 17% from two-person households.
- Prior to participating in the program, the majority of respondents used the bus at least once a day (41%) or several times per week (44%). After being accepted into the program, respondents used the bus more often, with 44% using it at least once a day and 49% using it several times per week.
- 59% of respondents felt the subsidized transit pass is very affordable, 32% felt it is somewhat affordable, and 9% felt it is not affordable. Some people felt that the income cut-off for the program should be changed so that more people would be eligible.
- Overall respondents felt that the application process was simple and accessible. Residents reported that staff were able to answer questions, and that purchase locations were convenient.
- Nearly 80% of respondents reported that they did not experience any barriers / challenges related to participating in the program. Of those who described barriers (34 comments), the primary concerns were:
 - disappointment with not being able to purchase their bus pass online;
 - customer service delays, often tied to challenges accessing information through the point of purchase system;
 - frustration with the renewal process, several participants reported that they did not receive reminders to renew their bus pass; and,
 - confusion navigating the application and purchasing processes.
- Overwhelming respondents felt the program had benefitted them greatly with the top benefits being: “I have more money to buy things that I need”, “I am able to go grocery shopping more regularly”, and “I am able to attend medical and other appointments more often”.

The full survey result summary can be found in [Appendix A](#).

¹ This number includes individuals who were made eligible for the program but may not have purchased a bus pass or purchased a limited number of bus passes in 2018. It also includes individuals who are no longer participating in the program as they no longer satisfy the income requirement.

Focus Group Results

Five focus groups were facilitated with both City staff and London residents to gain a greater understanding about the Subsidized Transit Program.

Positive Program attributes reported by participants included:

- Supports a person's ability to gain and maintain employment, access to health care, recreational education, and social activities for themselves and their families.
- Improves quality of life of participants.
- Empowers individuals to be more independent and less reliant on other people for transportation.
- Saves people money, allowing participants to allocate the savings to other critical basic needs priorities.
- Relatively easy for residents to access the bus passes through the ten purchase locations.
- Eligibility process is reasonably straight-forward for the majority of applicants.

Limitations of the Income-Related Program reported by participants included:

- Lack of program awareness.
- Eligibility is based on a current household income that is below the LICO-AT, some felt this cut-off point should be changed so that more people would be eligible.
- Some felt uncomfortable disclosing personal information through the application process and needing to go to a Social Services office to apply for a subsidized bus pass.
- Some found the application process challenging due to the confusion with the online system, not having easy access to income information, or language barriers.
- Inability to purchase the bus passes online.

In addition, City staff described a number of administrative challenges associated with the Income-Related Program including:

- Inconsistent service experience across purchase locations.
- Variation of services available between the City of London and the LTC. This can cause frustration for customers who are forced to go back and forth between the LTC and City offices in order to resolve certain issues such as verifying eligibility, or replacing a lost or stolen LTC card.
- Administrative burden with the management of five separate funding agreements between the City of London and the LTC.

NEXT STEPS

Based on results of the Income-Related Program evaluation, Civic Administration will undertake the following steps to improve the Program:

- Consider ways to improve program participation in the Income-Related Transit Program such as developing a communications and awareness strategy.
- Improve the Income-Related Program application process by:
 - addressing needs of unique populations, such as newcomers;
 - making sure application forms and other program materials are written in plain and simple language; and,
 - better communicating and supporting the annual renewal requirement and process.
- Offer staff training on delivering an outstanding service experience.
- Improve consistency of processes, practices, and protocols across all LTC and City of London purchase sites.

In addition, Civic Administration in collaboration with the London Transit Commission, have developed a business case to be put forward for Council's consideration through the 2020 - 2023 Multi-Year Budget process. The business case will put forward an integrated business model to support all five affordable transit programs.

Moving towards an integrated affordable transit model will address a number of concerns identified in the Income-Related Transit Program evaluation including: inconsistent customer service experiences, confusion navigating the various processes, and customer service delays. Benefits to implementing an integrated model that supports subsidized transit for Londoners include:

- more simple, consistent and less confusing to use for the transit rider;
- easier and more streamlined for the rider to access and understand; and,
- reduced current administration of the program both for the City and the LTC.

In addition, this integrated business model will be based on measurable outcomes and will have a permanent budget that sustains the program (as the current base budget is not sufficient to meet the needs of the current five programs).

FINANCIAL IMPACT

The current annual budget for the City’s subsidized transit programs is \$1,048,989. Civic Administration will bring forward an Integrated Business Case to support the five affordable transit programs through the 2020 – 2023 Multi-Year Budget process.

CONCLUSION

Overall, participants in the Income-Related Transit Program evaluation reported that: the program had benefitted them greatly; the pass was affordable, and participation in the program allowed them to ride the bus more often. Suggested program improvements identified through the evaluation will help Civic Administration make sure that all of the City’s affordable transit programs are simple and accessible.

Affordable transportation is a key component of enhancing the quality of life for all Londoners. Accessible public transit helps to remove and prevent barriers that affect a person’s ability to gain and maintain employment, access health care, recreational, educational and social activities for themselves and their families. In addition, a vibrant, well-used transit system is an important part of building a healthy and inclusive community.

PREPARED BY:	PREPARED AND SUBMITTED BY:
KRISTEN PAWELEC MANAGER, NEIGHBOURHOOD AND COMMUNITY INITIATIVES	CHERYL SMITH MANAGER, NEIGHBOURHOOD STRATEGIC INITIATIVES & FUNDING
RECOMMENDED BY:	
LYNNE LIVINGSTONE DEPUTY CITY MANAGER AND ACTING MANAGING DIRECTOR, NEIGHBOURHOOD, CHILDREN & FIRE SERVICES	

- c. Douglas Drummond, Financial Business Administrator
Kevin Dickins, Manager, Employment and Income Supports Services
Scott Oldham, Manager, Administration and Attractions
Kelly Paleczny, London Transit Commission

APPENDIX A

(See attached Survey Summary)