

## **4**

### **TRANSIT FARE SUBSIDY PILOT PROGRAM**

**The Community and Health Services Committee recommends the adoption of the recommendations contained in the following report dated September 28, 2011, from the Commissioner of Community and Health Services.**

#### **1. RECOMMENDATIONS**

It is recommended that:

1. Regional Council approve implementation of a Transit Fare Subsidy Pilot Program that includes:
  - a. Discounted monthly transit passes for Ontario Works and Ontario Disability Support Program clients to assist with employment.
  - b. Funding for community agencies to purchase transit tickets to assist low income residents with basic needs.
2. Regional Council approve a reallocation of \$1.327 million from the Social Assistance Reserve Fund to support the Transit Fare Subsidy Pilot Program.
3. Staff report back in September 2013 following the evaluation of the pilot.

#### **2. PURPOSE**

Regional Council endorsed the development of a transit fare subsidy pilot program in February 2011 and asked that staff report back in the fall of 2011 on program details regarding administration and implementation. This report highlights a fully-scoped program model in response to Council direction and seeks approval to implement the pilot.

The pilot is an opportunity to test and evaluate the program model and to inform the feasibility of an on-going or expanded transit fare subsidy program to a targeted group of low income residents.

### 3. BACKGROUND

#### **Council endorsed the development of a pilot program after community consultations and staff research on possible approaches**

In recent years, Transportation Services Committee has received multiple requests for reduced transit fares from individuals and agencies representing persons with low incomes. This sentiment was also expressed through a range of community consultations and research over the last several years (e.g. York Region Social Audit, York Region Alliance to End Homelessness Transportation Needs Assessment, stakeholder consultations as part of the Community and Health Services Multi-Year Plan).

In 2010, Transportation Services and Community and Health Services Department (C&HS) staff were directed by Council to explore possible options to address these requests. This was also a key action area within Goal 1 of the C&HS Multi-Year Plan.

Staff undertook a jurisdictional scan of other municipal transit fare subsidy programs and conducted community consultations to inform their analysis of options. This research re-confirmed concerns that the high cost of transit poses a key barrier to employment and social inclusion for low income residents.

Staff reported back to Council on a framework for a transit fare subsidy pilot in February 2011 informed by the results of the consultations and analysis. The framework included the following design elements for the pilot:

- Provide a “two-tiered” approach:
  - 1) Offer discounted monthly transit passes to Ontario Works (OW) and Ontario Disability Support Program (ODSP) clients to assist with employment
  - 2) Provide transit tickets to low income residents through community agencies.
- Recognize the increased impact on Regional staff to administer the pilot
- Link discounted passes to existing case management process for OW and ODSP clients
- Establish a capped budget for the pilot
- Target a small group of OW and ODSP clients and community agencies and evaluate the results after a pre-determined time
- Allocate the majority of the funding for the pilot to the discounted passes and a smaller portion to the transit tickets for community agencies.

On February 17, 2011, Council endorsed the development of a transit fare pilot program based on this framework and asked staff to report back on a program design through adoption of Clause 2 of Report No. 2 of the Community and Health Services Committee.

### **Working group created to develop program model based on Council approved framework**

Over the Spring/Summer 2011 a working group of C&HS, Transportation Services and provincial ODSP staff met to develop a program model for the pilot within the framework approved by Council. This work included consultation with OW clients through existing C&HS client reference groups and a more in depth review of similar types of transit fare programs in other jurisdictions.

The program model described below highlights the working group's rationale and key recommendations.

## **4. ANALYSIS AND OPTIONS**

The working group first identified the key principles in the design of the pilot. It was determined that the pilot should be:

- Flexible and adaptable
- Expandable – can be scaled up to include other target groups
- Fiscally sustainable and accountable
- Respectful to users
- Strive for efficiencies through building on existing service delivery platforms
- Address identified program gaps or resident needs
- Recognize need for additional capacity to administer and deliver services to residents
- Focus on York Region Transit (YRT/VIVA) fare media – provide more affordable transit fare options

Within these principles and the Council-approved framework highlighted above, the working group has developed a design for the pilot that will operate along two tiers or “streams”.

### **STREAM 1 – DISCOUNTED PASSES FOR OW AND ODSP CLIENTS**

#### **Employment is a key outcome for OW and ODSP clients, but limited funding is available to assist with transportation costs**

The working group reviewed the transportation assistance currently available through OW and ODSP to identify gaps and focus the pilot on where it could best support OW and ODSP clients. This review was important to support the pilot's objective to help clients transition to employment and remain employed.

Employment is an expected outcome for most OW participants and is encouraged for ODSP clients to support economic and social inclusion. However, there is only limited

assistance provided to support employment-specific transportation costs. For OW, funding that is available through the Province is capped. In York Region, C&HS targets this funding to OW participants who are engaged in activities to help them prepare for employment (e.g. training, English as a Second Language, life skills programs). There is also other assistance to support OW and ODSP clients to start employment, but it is intended to cover a range of work-related expenses (e.g. work clothes, tools and equipment, license/fees, etc.) and is mostly time limited. Transportation costs are just one of the work-related items this support is intended to cover.

YRT/VIVA offers residents the option of purchasing an adult monthly pass, which provides unlimited and cost effective travel for people who regularly use transit. However, the up-front payment can be prohibitive for people on low income, including OW and ODSP clients, leaving cash fares or tickets the only options available. As of January 1, 2012 the cost of a one zone YRT/VIVA adult monthly pass will be \$115.00 while the maximum monthly assistance received by a single person on OW is \$592.00.

**The pilot will offer a target group of OW and ODSP clients with a 50 per cent discount on the purchase of an YRT/VIVA adult monthly pass**

There was a monthly average of 10,400 individual OW beneficiaries in York Region in 2010 and close to 13,000 individual ODSP beneficiaries (as of August 2011). These include both adults and children. It was determined by the working group that given the framework approved by Council, the pilot would need to focus on target groups of OW and ODSP clients to keep within a capped budget and to effectively evaluate results as they relate to supporting employment. The working group placed a priority on client groups who are beginning or already working in a job to help them stabilize in the workforce and transition to self-sufficiency. These clients are the most likely to have an immediate and regular need for transit, but currently receive limited or no support for the cost of transit.

The target groups outlined below represent a monthly average of almost 3,100 OW and ODSP clients. They make up about 13 percent of the total OW and ODSP beneficiaries in York Region. The pilot will not include most OW and ODSP clients without earnings. OW participants who already receive support for transit costs to help with pre-employment activities, as noted earlier, will also not be included.

As such, the target groups recommended to participate in Stream 1 of the pilot include the following OW and ODSP clients:

- **OW participants with earnings.** OW participants who have employment earnings may continue to receive assistance as long as their earnings do not exceed their monthly basic needs and shelter allowances. An income exemption of 50% is applied to earnings, which reduces the amount of income deducted from their benefits. Other than one-time employment start-up funding, there is no support available for work-

related travel costs, including transit. This group is the most likely to have a regular need for transit and be in the position to purchase a discounted pass.

- **OW participants exiting assistance due to employment.** OW participants who are working may no longer qualify for most benefits once their earnings reach a certain level. However, it is increasingly recognized that targeted supports play an important role in helping people transitioning off assistance to keep their jobs and achieve long-term self-sufficiency. Currently OW provides time-limited health benefits to support participants who have exited social assistance for employment, but no related transit benefits.
- **New OW applicants looking for work.** When new applicants become eligible for OW benefits, there is no transit-related support to return to employment within the first three months. The pilot offers the opportunity to provide these clients with early support so that they can look for work, return to the workforce quickly and avoid longer-term need for OW.
- **ODSP clients with earnings.** Like OW participants, ODSP clients may also work while still receiving assistance and are subject to the same income exemptions as OW participants with earnings. They receive some on-going support for work-related expenses; however, as noted above, transit is only one of many items this support is intended to cover. They are also likely to have a regular need for transit and be in the position to purchase a discounted pass.
- **ODSP clients involved in the ODSP Employment Support Program.** ODSP provides a program to support clients with disabilities to prepare for work and find a job. However, there is no specific support to assist with transit costs as part of the client's participation in the program. This group reflects clients who are highly motivated to find and keep work.

Table 1 highlights the breakdown by target group.

**Table 1**  
Transit Subsidy Pilot Program: Stream 1 Target Groups

| <b>Pilot Target Group</b>                                                                                                                          | <b>Estimated Monthly Target Group</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>OW participants with earnings</b> – clients who are working and still eligible for OW assistance                                                | 980                                   |
| <b>OW participants exiting assistance due to employment</b> – clients who are no longer eligible for assistance because of their level of earnings | 109                                   |
| <b>New OW applicants in job search</b> – clients who are within the first three months of participation in OW and looking for work                 | 278                                   |
| <b>ODSP clients with earnings</b> – clients who are working and still eligible for ODSP assistance                                                 | 1,500                                 |
| <b>ODSP clients involved in the ODSP Employment Support Program</b> – clients who are involved in a formal employment program through ODSP         | 224                                   |
| <b>Total Target Group</b>                                                                                                                          | <b>3,091</b>                          |

The pilot will help reduce the up-front cost of a YRT/VIVA adult monthly pass by offering target group clients with a 50 per cent discount. The working group considered both higher and lower discount options – 50 per cent was chosen as an appropriate level to encourage use of the pilot among the target group while keeping within a limited budget. The discount level is also close to that provided for senior and child YRT/VIVA monthly passes.

### **The pilot will provide up to 1,400 passes per month**

It is anticipated that not all clients within the target group will participate in the pilot or go on to purchase a pass if approved. Some may already have access to a car, do not live close to YRT/VIVA transit routes or use TTC instead, or simply do not have an expected frequency of transit use to justify the cost of the monthly pass. Consistent with providing a cap on funding, the pilot will budget for up to 1,400 discount passes per month – or about 45 per cent of the target group. Program uptake will be tracked to keep the number of approvals and subsequent pass purchases within pilot funding.

### **Approval to purchase a monthly pass will be for three months – with possible renewals**

Eligibility for the pilot will be determined as part of the regular OW and ODSP case management process, based on a case-by-case assessment of need. For OW clients, this will be through their employment plan. Approved OW participants will have a three month eligibility period to purchase monthly passes. The approval period coincides with the timing of regular employment planning meetings between Case Workers and participants. Renewals will be considered based on continuing need and employment plan

progress. The exception will be for OW participants exiting assistance to employment – in these cases, participants will be provided a one-time six month approval. This coincides with other transitional benefits provided through OW and will support participants in retaining employment and avoiding future need for social assistance.

Provincial ODSP staff will follow a similar approach in determining eligibility, approvals, and renewals for York Region clients in consultation with C&HS program staff. ODSP is a provincially administered program delivered through regional offices across Ontario, including in York Region.

The transit fare discount will provide an additional tool for both OW and ODSP case management to support client employment outcomes (e.g. employability, finding work, retaining jobs, increasing earnings), and can be applied with relative efficiency given the established connection between OW and ODSP Case Workers and clients.

### **Monthly passes will provide other benefits to clients**

In addition to supporting employment, monthly passes will also help OW and ODSP clients access child care, adult day programs, recreation, community programs, etc. This contributes to healthy, socially inclusive communities.

## **STREAM 2 – PROVIDE COMMUNITY AGENCIES ACCESS TO TRANSIT FUND**

### **Community agencies have limited capacity to support transportation needs of low income clients**

Previous reports note that, due to limited funding, agencies are struggling to help low income clients with transportation costs to access employment, housing, education, and urgent basic needs. The limited funding that is available for transportation is focused mostly on supporting client participation in agency programs. For example, in 2010, the C&HS Community Development and Investment Fund directed almost \$45,000 for program related transportation costs to agencies.

The lack of support to address the transportation costs of clients has been an on-going concern for community agencies and was identified as a barrier at the community consultations organized by Transportation Services and C&HS during 2010. Over the last several years, two pilot projects were implemented to mitigate the impact on agencies serving the homeless and those at risk of homelessness.

Through the first pilot which began in 2009, YRT/VIVA offers a 15 per cent discount on the bulk purchase of tickets to 13 social service agencies serving the homeless and those at-risk of homelessness. The discounted tickets are then distributed to clients on an as-needed, case-by-case basis. Approximately \$40,000 worth of tickets has been sold each year of the pilot.

In addition, in 2009 and 2010 the York Region Alliance to End Homelessness conducted a two year pilot project that distributed funds to 11 agencies to support the transportation needs of homeless clients (in 2010, \$40,000 was distributed). The funding was provided through the federal Homelessness Partnering Strategy. C&HS administers Homelessness Partnering Strategy as the designated community entity in York Region. Funding for this pilot has now ended.

**Stream 2 replaces the current YRT/VIVA discount program and expands the number of eligible community agencies**

Stream 2 of the proposed pilot will provide a transit fund of \$250,000 annually to help agencies located in York Region and serving York Region low income residents to purchase YRT/VIVA tickets. Agencies will then be able to provide tickets at no cost to agency clients. The tickets will be provided to give access to basic needs (i.e. food, shelter, clothing and other personal items, health services) and employment.

If approved by Council, Stream 2 will replace the current YRT/VIVA 15 per cent discount pilot program.

For the purposes of Stream 2, only agencies receiving C&HS community funding and United Way of York Region funded agencies will be able to apply for this funding. Agencies will be asked to submit an application to C&HS outlining the amount of transit tickets they need and how this funding will help them to assist their clients. A funding cap of \$2,500 per agency will be applied to maximize agency participation across York Region. This pilot will extend the reach of the earlier pilot programs to approximately 100 agencies.

It is also anticipated that stream 2 of the pilot will provide access to a broader range of low income residents, including OW and ODSP clients who are not eligible for participation in Stream 1.

Stream 2 builds on C&HS community funding priorities and directly responds to Goal 1 of the C&HS Multi-Year Plan to contribute to Regional economic vitality by helping low income residents with access to basic needs and employment.

By providing funding to enable agencies to purchase transit tickets, the pilot will help agencies better utilize their existing funds to assist with other transportation needs.

## **ADMINISTRATION AND EVALUATION**

### **C&HS will provide the overall lead for the pilot**

Oversight, funding, administration and reporting of the pilot will be through C&HS. YRT/VIVA will sell and distribute the monthly passes and transit tickets. Operational policies and protocols will be developed to support implementation of the pilot program. The goal of these policies is to provide effective coordination between the business units involved, identify key control measures on program use, and guide how the pilot will be administered, monitored, and reported.

As described above for Stream 1 of the pilot, the eligibility of OW and ODSP clients to purchase the discounted passes will be determined through the regular case management process. Specific guidelines will be developed to provide consistent criteria for Social Assistance Case Workers to assess client eligibility for the pilot. It is anticipated that clients will be provided with information about the pilot from Case Workers and asked, if determined eligible, to sign an application form confirming their participation in the pilot and understanding of the program requirements.

Eligible clients will be provided a three or six month voucher to purchase the discounted pass at YRT/VIVA ticket agent locations specifically identified for the pilot. One location will be at the YRT/VIVA Office at 50 High Tech Road in the Town of Richmond Hill. Discussions are underway to identify a limited number of other locations across the Region where clients will be able to purchase passes, such as local municipal offices. YRT/VIVA will collect the vouchers that have been redeemed and provide them to C&HS to conduct ongoing monitoring and evaluation. Measures to ensure that discounted passes are purchased only by eligible clients will be developed as part of the operational policy and protocols.

Stream 2 of the pilot will be administered through C&HS existing community funding programs.

Oversight for the pilot, including the development of operational policies and their implementation, will be through the addition of one dedicated temporary program staff. Their responsibilities will include the coordination and implementation of all program activity, liaison with business units involved, and regular tracking, reporting, and evaluation of the pilot.

### **The pilot will be evaluated**

A key measure of success of this pilot will be if the transit fare subsidy is effective in providing clients with an affordable transit pass to assist with employment. Measures will include regular tracking of program uptake among the target groups for Stream 1 and the number of residents and agencies served through Stream 2.

Since the objective of the pilot is to help assist with employment, an evaluation using a mix of program data, surveys and/or focus groups will be conducted by the end of the pilot to assess overall impact and best practices in service delivery. This will provide critical information on the feasibility of providing an on-going transit fare subsidy program. If response is low to the surveys or focus groups, staff will follow-up with clients to complete the evaluation.

While the pilot is underway, the Region will continue to encourage the Province, through the Commission for the Review of Social Assistance in Ontario, for benefit rates that more closely match the cost of basic needs and shelter in York Region, including transportation.

## **5. FINANCIAL IMPLICATIONS**

### **The pilot will require approximately \$1.3 million - including both program and staffing costs**

Table 2 highlights the financial implications of the pilot. The proposed cost exceeds the \$1 million suggested in the February 2011 report because the target group includes not only those with employment earnings but also those who are within the first three months of participating in OW. By expanding the target group to include these new clients, the pilot provides the opportunity to assist them in finding work quickly and limit their dependence on social assistance. The extra cost also takes into account the possibility of YRT/VIVA fare increases over the length of the pilot.

Program funding, for the pilot only, will be provided through the Social Assistance Reserve fund and is included in the proposed 2012 operating budget. The complete pilot including set up, implementation and evaluation could run for approximately 18 to 24 months. The total balance of the Social Assistance Reserve at the end of December 2010 was \$22,224,167.

Another key consideration is the need for additional staffing. A transit fare pilot represents a new program role for C&HS that will require one additional temporary staff to coordinate effective implementation, administration, and monitoring/evaluation. Full-fledged implementation can be costed once the pilot is completed.

**Table 2**  
Transit Fare Pilot Program Costs

| <b>Pilot</b> | <b>Cost</b>                      | <b>Service Levels</b>                                                   |
|--------------|----------------------------------|-------------------------------------------------------------------------|
| Stream 1     | \$966,000                        | 1,400 passes/month                                                      |
| Stream 2     | \$250,000                        | \$2,500 cap serving up to 100 agencies per year                         |
| Staff        | \$96,400<br>(Including benefits) | 1 TFT - Community Program Coordinator to administer and monitor program |
| Evaluation   | \$15,000                         |                                                                         |
| <b>Total</b> | <b>\$1,327,400</b>               |                                                                         |

## **6. LOCAL MUNICIPAL IMPACT**

This pilot will be available to eligible OW and ODSP clients, and agencies that assist low income residents, across York Region who use or require YRT/VIVA to participate in employment and support access to basic needs.

## **7. CONCLUSION**

The need to address the relative high cost of transit for low income residents has been identified in community consultations, and responds directly to Goal 1 of the C&HS Multi-Year Plan, the Region's Sustainability Strategy, Council Strategic Priorities of Healthy Communities and Economic Vitality, and the Human Services Planning Board – York Region's Making Ends Meet initiative. Addressing transit costs is also cited in the Province's Poverty Reduction Strategy as a major initiative for municipalities to mitigate the effects of poverty.

The proposed transit subsidy pilot meets Council direction for a two-tiered approach by providing a discounted monthly pass to a target group of OW and ODSP clients to help them find and keep work and tickets to community agencies to assist low income residents in accessing basic needs. In keeping with Council's direction, the pilot has been designed for specifically identified OW and ODSP clients and a limited number of community agencies. This will enable the pilot to be monitored, tracked and evaluated to assess impact, best practices for service delivery, and options for providing an on-going program.

By providing access to affordable transit options, low income residents will be better able to maintain employment, stay healthy, and contribute to York Region's economy and

communities. This can help reduce longer-term pressures on OW and ODSP programs through supporting clients in transitioning to self-sufficiency.

For more information on this report, please contact Lisa Gonsalves, Acting Managing Director, Strategic Integration and Policy Branch at Ext. 2090 or Cordelia Abankwa-Harris, Acting General Manager, Social Services Branch at Ext. 2150.

The Senior Management Group has reviewed this report.