



Regional Clerk's Office
Corporate Services Department

October 1, 2013

Regional Councillor John Taylor, Co-Chair
Susan LaRosa, Co-Chair
Human Services Planning Board
York Region
17250 Yonge Street
Newmarket, ON L3Y 6Z1

Dear Co-Chairs:

**Re: Transit Fare Subsidy Pilot Program –
Evaluation Findings and Policy Recommendations**

Regional Council, at its meeting held on September 26, 2013, adopted the following recommendations of the Committee of the Whole on September 12, 2013, regarding ‘Transit Fare Subsidy Pilot Program – Evaluation Findings and Policy Recommendations’:

1. Council approve a permanent Transit Fare Subsidy Program effective January 1, 2014 subject to approval through the 2014 budget process.
2. The Regional Clerk circulate this report to local municipalities, York Region Accessibility Advisory Committee and the Human Services Planning Board.

A copy of Clause No. 9 of Committee of the Whole Report No. 1 is enclosed for your information.

Please contact Lisa Gonsalves, Managing Director, Strategic Service Integration and Policy Branch at 905-830-4444, ext. 2090 or Cordelia Abankwa, General Manager, Social Services Branch at 905-830-4444, ext. 2150 if you have any questions with respect to this matter.

Sincerely,

Denis Kelly
Regional Clerk

/C. Clark
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Clause No. 9 of the Committee of the Whole meeting, was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting on September 26, 2013.

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TRANSIT FARE SUBSIDY PILOT PROGRAM – EVALUATION FINDINGS AND POLICY RECOMMENDATIONS

1. RECOMMENDATIONS

It is recommended that:

1. Council approve a permanent Transit Fare Subsidy Program effective January 1, 2014 subject to approval through the 2014 budget process.
2. The Regional Clerk circulate this report to local municipalities, York Region Accessibility Advisory Committee and the Human Services Planning Board.

2. PURPOSE

This report summarizes key evaluation findings for the Transit Fare Subsidy Pilot Program and seeks Council approval for creating a permanent program based on the general parameters of the pilot.

3. BACKGROUND

Council approved a Transit Fare Subsidy Pilot Program for individuals on social assistance

In October 2011, Council approved a Transit Fare Subsidy Pilot Program. The pilot responded to a number of requests and community feedback over the years for reduced transit fares in York Region for low-income residents. The pilot was primarily focused on helping Ontario Works and Ontario Disability Support Program (ODSP) clients with transit costs related to employment.

The pilot was intended to run between May 1, 2012 and April 30, 2013 but in March 2013 Council approved an extension to December 31, 2013. This allowed continuity of service to clients while staff completed the evaluation and considered next steps.

The Transit Fare Subsidy Pilot Program contributes to regional economic vitality by addressing the transit needs of low-income residents. Providing YRT/Viva tickets through community agencies helps improve access to basic needs. The program also provides a more affordable transit fare through subsidized monthly passes to assist Ontario Works and ODSP clients with getting and keeping employment.

The pilot consists of two components designed to support employment for Ontario Works and ODSP clients and to support low-income residents in accessing basic needs

One part of the Transit Fare Subsidy Pilot Program provides a 50 per cent subsidy on adult YRT/Viva monthly passes to eligible Ontario Works and ODSP clients. Currently, a one-zone adult YRT/Viva monthly pass is \$120 and a two-zone adult YRT/Viva monthly pass is \$165. A 50 per cent subsidy allows Ontario Works and ODSP clients to purchase a one-zone pass for \$60 and a two-zone pass for \$82.50.

Monthly passes provide unlimited and cost effective travel for people who regularly use transit, but the upfront costs can be prohibitive for Ontario Works and ODSP clients. The goal is to make monthly passes more affordable. The priority is to help clients working, stabilize in the workforce and transition to self-sufficiency. This group makes up the majority of clients eligible for the program. The pilot also includes a smaller group of new applicants to Ontario Works and clients involved in the ODSP Employment Support Program. These groups are primarily engaged in job-search activities.

Attachment 1 provides more details on the client groups eligible to purchase subsidized monthly passes. The estimated average monthly number of Ontario Works and ODSP clients who are eligible to apply is 2,500.

The program supports clients who are likely to have a regular need for employment-related travel but receive limited financial support for it through Ontario Works or ODSP. Eligible clients apply and are approved through the existing York Region Ontario Works and provincial ODSP case management process – caseworkers determine client eligibility and issue vouchers that clients use to purchase the subsidized passes. The subsidized monthly transit passes are sold in municipal offices or facilities in Vaughan, Markham, Aurora, Newmarket, Georgina and East Gwillimbury, as well as the YRT/Viva office in Richmond Hill.

Most clients are eligible for three months. They can renew their application by contacting their caseworker and picking up new vouchers. Ontario Works clients who are exiting assistance to employment are eligible for six months.

The second part of the Transit Fare Subsidy Pilot Program provides eligible community agencies located in York Region and serving York Region low-income residents with up to \$2,500 (agencies who have spent \$2,500 are eligible to apply for an additional \$2,500)

in funding to purchase YRT/Viva tickets. These tickets are provided at no cost to agency clients to assist with accessing basic needs (i.e. food, shelter, clothing and other personal items, health services), employment and education. Only agencies receiving community funding through the Community Investment Strategy or the United Way of York Region are eligible to apply.

The program is administered through several partnerships

Both components of the Transit Fare Subsidy Pilot Program are delivered through partnerships between Community and Health Services, YRT/Viva, the provincial ODSP office, local municipalities and community agencies. A dedicated Transit Coordinator administers the pilot and is responsible for coordinating all operational details. This includes developing and maintaining tracking and reporting systems, liaising between partners, developing and communicating operational guidelines and program information, distributing and managing vouchers, administering funding to agencies, etc.

4. ANALYSIS AND OPTIONS

PILOT EVALUATION: BENEFITS AND AREAS FOR IMPROVEMENT

Over the spring of 2013, staff completed a two-part evaluation of the Transit Fare Subsidy Pilot Program. The evaluation included survey responses from almost 370 eligible clients, 75 social assistance staff, and 10 YRT/Viva and local municipal staff involved in the pilot, as well as analysis of program data. The evaluation focussed on key program elements, including level of subsidy, service delivery, benefits to clients and overall program uptake.

A smaller and more targeted evaluation was conducted primarily through surveys with eligible agencies for the component that provides YRT/Viva tickets to low-income residents through community agencies.

The evaluation findings guided staff consideration of next steps highlighted in this report.

Clients who purchased subsidized passes reported positive impacts and desire for a permanent program

A key goal of offering subsidized monthly passes to Ontario Works and ODSP clients was to provide a more affordable transit fare to assist with getting and keeping employment. The responses from clients and staff surveyed indicate the pilot was successful as:

- About 95 per cent of clients contacted who bought a pass reported that the pilot helped lower the cost of travel and made a difference in their monthly budget.

- Eighty-one per cent of clients contacted who bought a pass reported finding it easier to get to work as a result of the program, and between 70 to 79 per cent felt the program helped with accessing daily needs (e.g. getting to doctor appointments and child care, grocery shopping) and improved their overall mobility in the community (e.g. feeling independent and connecting with friends and family).
- The pilot also had some influence on client transit use – 67 per cent of clients contacted who bought a pass reported using transit more often and 45 per cent would not have bought a pass if the pilot did not exist.
- Ninety-three per cent of clients who bought a pass would continue participating in the program if available and 100 per cent would recommend the program to others.

Clients who did not purchase a subsidized pass identified cost and length of eligibility as key issues

The evaluation also surveyed eligible clients who applied and received vouchers under the Transit Fare Subsidy Pilot Program but did not purchase passes, as well as those who were eligible but chose not to participate. As anticipated at the outset of the pilot, a number of factors were reported for this – clients have cars or use other modes of transportation, use other transit systems, find transit routes or time schedules do not fit their needs, or do not use transit frequently enough to justify the outlay for a monthly pass. These factors are largely beyond the scope of the pilot to influence.

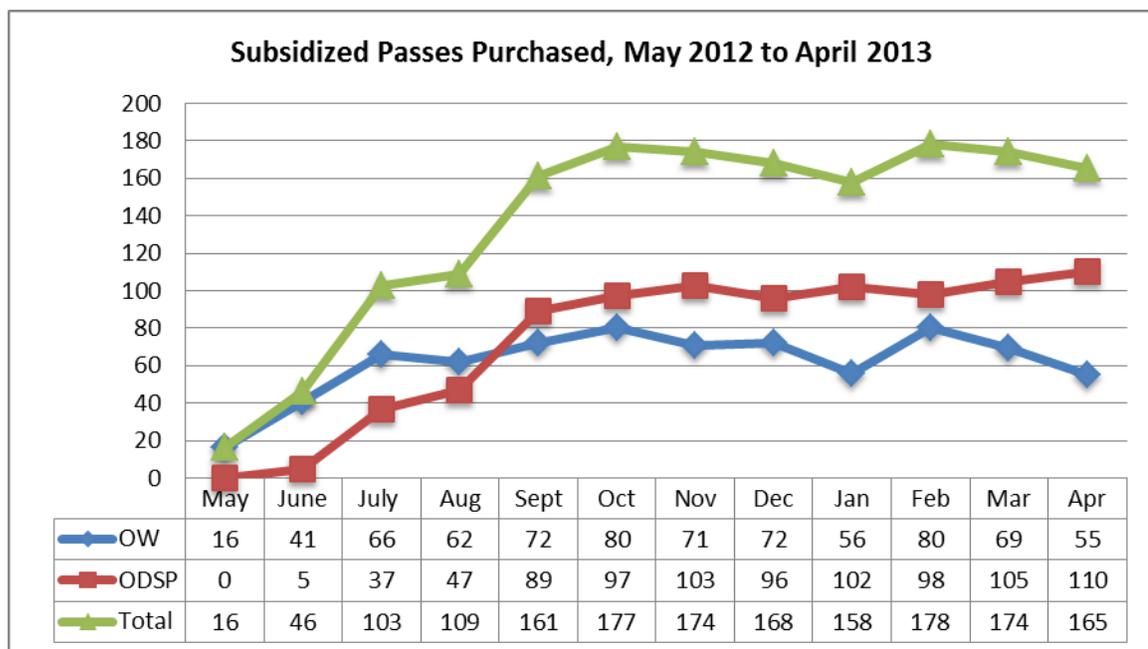
Program parameters could be re-examined to make the program more suited to this client group

Both clients and staff identified changes to program criteria that could potentially increase client use. These include increasing the subsidy level and extending the length of eligibility for clients beyond three months. For some clients the cost of a subsidized monthly pass is still not affordable given their monthly income. An increase in subsidy level may improve client uptake for this group. Extending the length of eligibility may increase accessibility of the program by reducing the number of times clients have to travel to Ontario Works or ODSP offices to renew their applications and pick-up vouchers. Another suggestion was to expand eligibility to other groups that could benefit from a subsidized pass (e.g. all Ontario Works and ODSP clients, low-income residents not receiving Ontario Works or ODSP).

Increasing program use is a key area for improvement

As shown in Figure 1, program uptake started slowly but increased and stabilized during the last six months of the period under evaluation to a monthly average of 170 clients buying passes. This represented about seven per cent of the clients that are potentially eligible. Overall expenditures to subsidize the passes during the period of the pilot were \$107,742 out of a budget of \$636,337 (not including administrative costs) to support the 50 per cent financial subsidy to clients.

Figure 1
 Monthly Program Use – Transit Fare Subsidy Pilot Program



There is no baseline information of transit use among Ontario Works and ODSP clients to assess client use of the pilot. The only readily available comparator is the overall percentage of people who are employed in York Region who use transit, which is about 12 per cent based on data from the 2011 National Household Survey. However, this number includes people using all forms of public transit (e.g. buses, trains, etc.), as well as different transit providers (e.g. TTC, GO), so the comparison is only a rough measure of potential program performance for the pilot. Still, increasing program use among eligible clients would be desirable, particularly given the benefits identified for those who purchased subsidized passes.

Delivery of the Transit Fare Subsidy Pilot Program to Ontario Works and ODSP clients through Ontario Works and ODSP staff was seen as successful

Both clients and staff felt positive about using Ontario Works and ODSP caseworkers to market and access the subsidized monthly passes. Key findings on service delivery include:

- The application process was completed as part of regular caseworker-client meetings and was well-integrated within the overall case management process, also helping to strengthen the relationship between staff and clients
- Workload impact on caseworkers, clerks, and municipal offices to deliver the program was minimal

YRT/Viva enforcement activity related to the pilot was not out-of-pattern with existing trends. When issues did arise (e.g. lost vouchers) they were addressed efficiently through the tracking processes set up under the pilot between Community and Health Services and YRT/Viva. This suggests that program information provided to clients was largely successful in raising awareness of YRT/Viva fare policy and mitigating potential misuse of vouchers and passes.

Evaluation of the Transit Fare Subsidy Pilot Program to provide YRT/Viva tickets to low-income residents showed positive results from community agencies

Forty-two agencies participated in the Transit Fare Subsidy Pilot Program and distributed about 24,000 YRT/Viva tickets to 4,688 clients over the period of the evaluation. A majority of agency clients accessed tickets more than once. Employment, education and health care made up a large majority (72 per cent) of the reasons agencies issued tickets to clients. Overall, the program was seen by both community agencies and clients as successful and worth continuing. However, reducing reporting requirements and providing more flexibility in the transit fares supported (e.g. TTC, GO) were identified as areas for improvement.

Another 42 agencies were eligible but chose not to apply to the Transit Fare Subsidy Pilot Program. The major reasons reported were anticipation that there would be minimal use by the program by their clients, the agency already received funding for client transportation needs or that transit was not a viable transportation option for their clients.

NEXT STEPS

A permanent Transit Fare Subsidy Program will provide ongoing support to help Ontario Works and ODSP clients maintain their employment

The evaluation supports the need for an ongoing program to provide subsidized monthly passes to Ontario Works and ODSP clients who often face significant barriers in returning to and/or sustaining employment. Although access to affordable transit is only one factor in helping clients maintain employment, the Transit Fare Subsidy Pilot Program was successful in filling a key gap in support for those eligible. For these reasons, it is recommended that the permanent program continue to support the same groups currently eligible under the pilot and not be expanded to other groups.

Changes to make the program more responsive to client needs can be phased-in gradually

To manage within a fixed budget and avoid the potential for wait lists, it is proposed that the permanent program have the flexibility to test different approaches to improve program uptake.

A first step will be increasing the subsidy for Ontario Works clients from 50 to 75 per cent. A 75 per cent subsidy would lower the cost of a one-zone YRT/Viva monthly pass to \$30 and a two-zone YRT/Viva monthly pass to \$41.25. Ontario Works clients have been less likely to purchase passes under the program than ODSP clients. This may be because the level of income support provided to Ontario Works is lower than ODSP support which could be a factor in deciding to purchase a pass or not. A higher subsidy may help increase program use by Ontario Works clients. ODSP clients will continue to receive a 50 per cent subsidy.

In addition, the length of program eligibility will increase from three to six months. This gives clients time to gain attachment to the workforce and will be particularly useful to working clients, who may face challenges in finding time-off that corresponds to Ontario Works and ODSP office hours.

Staff will implement these changes over eight to twelve months to assess the impact on program use and costs, and to consider if additional changes can be made within the approved budget. These could include adjusting subsidy levels further, or assessing if program eligibility could expand incrementally to other groups within Ontario Works and ODSP. These additional changes would also be assessed and adjusted if needed to ensure the program operates within budget.

The monthly average of 170 subsidized passes bought will be used as the baseline for measuring impact of changes to program criteria. This is based on the average number of passes purchased between November 1, 2012 and April 30, 2013 once uptake began to stabilize. The projected number of passes that can be supported with the adjusted subsidy of 75 per cent for Ontario Works clients under the approved pilot budget is about 750 passes per month. This will provide sufficient program capacity to test changes and increase uptake.

Opportunities to simplify administration of the program will be explored but expansion of the program to include other transit systems is not recommended

While eligible clients will still access the program through Ontario Works and ODSP caseworkers, opportunities to simplify program administration and the application process will also be explored, while maintaining accurate tracking and effective control measures on program use. The projected end of paper YRT/Viva fare media and the integration of YRT/Viva monthly passes into PRESTO by 2016 will require further adjustments in program design and service delivery.

The changes identified above are minor in scope and are recommended at this time to identify the most effective level of subsidy. Major changes to expand the program to a larger group of low-income residents or to include subsidies with other transit systems are not recommended at this time.

Funding to community agencies will continue to be provided

While the focus will still be on helping agencies purchase YRT/Viva tickets to assist their clients in accessing basic needs, education and employment, staff will look for opportunities to streamline administration and provide more flexibility in the type of fare media that will be supported. Over time, this will reduce the administrative workload on agencies and prepare for the eventual end of paper tickets available through YRT/Viva in 2016. Staff will review agency eligibility criteria, if required to stay within the approved budget.

Link to key Council-approved plans

Implementing and evaluating a transit fare subsidy pilot is a success indicator under the Region's 2011-2015 Strategic Plan to contribute to regional economic vitality by helping low and moderate-income residents with access to basic needs. The implementation of the Transit Fare Subsidy Pilot Program is also an approved action of the Human Services Planning Board of York Region's *Making Ends Meet* initiative. A permanent program will provide ongoing support to meet these objectives and supports the Community and Health Services' *Multi-Year Plan* action area to explore options to address the transit needs of low-income residents.

5. FINANCIAL IMPLICATIONS

Funding for permanent transit fare subsidy support will be based on 2013 approved budget of \$886,337

The 2013 approved budget for the current Transit Fare Subsidy Pilot Program is \$886,337. This covers both components of the program. Mid-Year 2013 expenditures are \$151,012.

As shown in Table 1, the proposed budget for a permanent Transit Fare Subsidy Program will be based on the 2013 approved budget.

Table 1
Proposed 2014 Budget for the Transit Fare Subsidy Program

Program	Proposed Budget
Subsidized passes (Ontario Works and ODSP)*	\$786,337
Funding to community agencies to purchase YRT/Viva tickets for low-income residents	\$100,000

*including temporary staff and administrative costs

Based on the evaluation, 26 per cent of Ontario Works respondents who did not redeem their vouchers to purchase a pass indicated one of the reasons as the level of subsidy being too low. If the subsidy is increased to 75 per cent, clients could find the program more affordable and it may result in increased uptake. If this occurs, it could increase program expenditures to \$418,000 in 2014. This is also taking into consideration the proposed increase to YRT/Viva fares. As noted earlier, staff will assess changes to ensure program costs remain within the approved budget. Additional cost pressures related to Ontario Works and ODSP caseload growth will also be tracked and program criteria adjusted if needed. Ongoing promotion and awareness about the subsidy to increase uptake for eligible clients who would benefit from the program will continue.

The Transit Fare Subsidy Pilot Program has been approved to be funded in 2013 and 2014 through the Social Assistance Reserve. If transition from a pilot to a permanent program is approved by Council, staff will phase in tax levy support to correspond with the Region's first, four-year Operating Budget beginning in 2015 through to 2018.

6. LOCAL MUNICIPAL IMPACT

Transit support provided through both components of the Transit Fare Subsidy Program will be available to eligible clients and agencies across all local municipalities. Local municipalities have been a key partner in the development and implementation of the pilot and will continue to be a stakeholder in the future. There are currently 14 locations throughout local municipalities where clients can purchase a subsidized transit pass. Some of the locations offer extended weekday and weekend hours.

7. CONCLUSION

Council approved the Transit Fare Subsidy Pilot Program to assess the need for an ongoing program. This was York Region's first major initiative to provide transit subsidy support to low-income residents. The pilot introduced two separate parts, providing a 50 per cent subsidy on adult YRT/Viva monthly passes to eligible Ontario Works and ODSP clients and providing eligible community agencies with funds to help low-income residents access basic needs, employment and education.

The evaluation supports establishing a permanent Transit Fare Subsidy Program. This will include minor changes to program criteria to help improve program uptake among eligible Ontario Works and ODSP clients. These enhancements will be implemented incrementally to assess impact and adjust as needed to maintain costs within the approved program budget. Part one of the program will continue to focus on providing eligible clients with access to subsidized YRT/Viva adult monthly passes to support employment.

The evaluation also supported ongoing funding to community agencies to meet the transit needs of low-income residents, streamlining administration and providing more flexibility in the type of support provided.

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

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report).

Current Groups Eligible for the Transit Fare Subsidy Pilot Program - Subsidized YRT/Viva adult monthly passes:

Eligibility	Rationale
Ontario Works clients with earnings	Ontario Works clients 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 is applied to earnings, which reduces the amount of income deducted from their benefits. Other than one-time employment start-up funding, there is little support available for related transit costs. This group is the most likely to have a regular need for transit and be in the position to purchase a discounted pass.
Ontario Works clients exiting assistance due to employment	Ontario Works clients 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 Ontario Works provides time-limited health benefits to support participants who have exited social assistance for employment, but no related transit benefits.
New Ontario Works applicants looking for work	When new applicants become eligible for Ontario Works benefits, there is little 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 long-term need for Ontario Works.
ODSP clients with earnings	Ontario Disability Support Program (ODSP) clients may also work while still receiving assistance and are subject to the same income exemptions as Ontario Works clients with earnings. They receive some on-going support for work-related expenses; however, 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.