

For Information

DATE: November 8, 2013

REPORT TITLE: **AFFORDABLE TRANSIT PASS PILOT PROGRAM**

FROM: Janet Menard, Commissioner of Human Services

OBJECTIVE

To inform of a one-year affordable transit pilot program in Brampton and Mississauga.

REPORT HIGHLIGHTS

- The Peel Poverty Reduction Strategy, launched October 2012, identified affordable transportation as one of five issues to be addressed.
- Transit affordability remains a significant barrier for many individuals and families in Peel region.
- As a result, the Region of Peel in partnership with the Brampton Transit and Mississauga MiWay Transit is creating a 12 month affordable transit pass pilot program for Ontario Works clients in Brampton and Mississauga.
- Staff will develop a program based on best practices from other regions and municipalities.

DISCUSSION

Background

Transit affordability has received significant attention in recent years because of barriers it creates for people experiencing low-income. Residents cite examples of how high transit costs limit their ability to participate in employment, prevent them from attending important medical and other appointments as well as from participating fully in community life. During the development of the Peel Poverty Reduction Strategy and consultations on the Provincial review of social assistance, many residents expressed concern about the cost of transit and its impact on their household budget. This sentiment has been expressed not only in Brampton, Caledon and Mississauga but also throughout the Greater Toronto Area.

In response to this growing concern, a number of regions and municipalities have created affordable transit programs. The City of Hamilton, York Region and Halton Region are three examples of communities that recognized transit affordability as a barrier to participation in employment and community life for many residents. In addition, in May 2013, the City of Mississauga's Budget Committee requested that MiWay staff research and assess the feasibility of providing assistance to persons of low-income who require use of the transit system.

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1. Affordable Transit Programs

As noted previously, several municipalities and regions have responded to concerns about transit affordability by creating programs that reduce the cost of a transit pass for a select group of individuals. Common approaches and features are used in the various programs including:

1. Assessment for eligibility based on the after tax Low-income Cut-Off (LICO), participation in Ontario Works, or the Ontario Disability Support Program;
2. Proof of income is required at either the six-month or 12 month mark;
3. Monthly transit passes are reduced by up to 50 per cent;
4. Programs are funded from social services budgets with support and/or partnerships with transit departments.

Two examples of current programs are:

a) City of Hamilton

In 2008, the City of Hamilton in conjunction with the community, created an Affordable Transit Pass (ATP) program for working residents with low income as well as Ontario Works and Ontario Disability Support Program clients. The program has a budget of \$403,000 and is managed by the Community Services Department in partnership with Hamilton Street Railway. In a survey conducted six months after the program's inception, 95 per cent of respondents agreed the program made it was easier for them to secure employment and 91 per cent indicated the program made a difference in their family budget.

b) York Region

In 2012, York Region approved a pilot program with two components: a fifty percent discount on a monthly transit pass for Ontario Works and Ontario Disability Support clients and a transit ticket program that enables community organizations to purchase up to \$2,500 in transit tickets for their clients. The program has a budget of \$1.3 million and is operated through the Community and Health Services Department in partnership with York Region Transit. A preliminary evaluation of the program by York Region staff found that the cost of the reduced pass was still unaffordable for a number of individuals and therefore the level of discount will be revisited once the pilot ends in December 2013.

2. Peel's Affordable Transit Pass Pilot Program

The Region of Peel in partnership with Brampton Transit and the Mississauga MiWay Transit will create an affordable transit pilot program for Ontario Works clients in Brampton and Mississauga. The 12 month pilot program will offer a discount on the equivalent of a monthly transit pass on the Presto Card which can be used throughout the Greater Toronto Area. Currently monthly passes are \$109 per month for Brampton Transit and \$120 per month for Mississauga MiWay Transit.

Up to 500 Presto Cards will be issued during the duration of the pilot program. The pilot program will monitor and evaluate the impact of reduced fares on Ontario Works clients.

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FINANCIAL IMPLICATIONS

The cost of the program will be shared between the Region of Peel, Brampton Transit, MiWay Transit and participating Ontario Works clients, each contributing one-third. The Region of Peel's portion of the Peel Affordable Transit Pass Pilot Program will be funded from the 2014 Social Assistance budget.

CONCLUSION

As a result of an issue raised by the Peel Poverty Reduction Strategy Committee, staff identified an opportunity to work collaboratively together. This pilot program is an example of collaborative leadership between the Region of Peel, City of Brampton and City of Mississauga. Through this pilot program, staff will be able to assess the impact reduced transit costs have on individuals and families receiving Ontario Works. In 2014, staff will provide further updates, including details and a launch date on the pilot program.



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Approved for Submission:



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