

Overview of Current Canadian Affordable Transit Pass Programs: Summary and Recommendations for the City of Winnipeg

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SUMMARY

Introduction

Accessible and affordable transportation for low-income individuals and families has been demonstrated to create economic and social benefits for not only those experiencing low income, but for society as a whole. A majority of Canadian cities have either fully implemented, or are piloting, affordable public transit passes for people living in low-income. Winnipeg currently has discount pass options for seniors and in September, 2016, will be implementing a UPASS program for students. These two discount programs recognize that cities can play an important role in meeting the transportation needs of people with fixed or lower incomes.

Winnipeg considered implementing an affordable transit pass (ATP) program in 2010. At the time, Transit Finance Manager Carrie Erickson wrote, “a transit system that is accessible to all Winnipeggers is an important contributor to employment and economic opportunity” (Kives, 2010). On March 24, 2010, Winnipeg City Council voted in favour of a motion to consider low income and off-peak passes, “after the implementation of Winnipeg Transit’s Fare Collection System Update Project to provide for the review and development of intergovernmental partnerships as well as technical, financial, and administrative support systems that may be necessary” (City of Winnipeg, 2010).

This report focuses on transit initiatives targeted at helping low-income individuals and families. The most common initiatives used to benefit this group are reduced monthly passes. Canada currently has nineteen of such affordable transit pass (ATP) programs, each of which are briefly profiled in the Appendix. A review of eight international programs has also been very recently conducted by Toronto Public Health (2015) and can be found in the list of references. This report summarizes trends in ATP program establishment, funding, operation, challenges encountered, successful strategies, and impacts found in each jurisdiction. It then uses these to make recommendations for the City of Winnipeg in implementing its own ATP.

Program Establishment

The key factors that played a role in establishing the ATP programs profiled are: advocacy on the part of community groups and champions within government; awareness of the importance of transportation for those living on low incomes; and impending change that would make transit less affordable (Dempster & Tucs, 2012). Other important factors include an in-depth study of transportation options, development of committees to assist in operationalizing programs, inter-sectorial collaboration, and justifying the programs through existing municipal and provincial poverty reduction strategies. When analyzing the establishment process of the various programs profiled in this report there seems to be a typical linear trend that they followed. It may be summarized into four phases:

- Phase 1 Impetus & Advocacy – includes public concern and community involvement
- Phase 2 Research & Proposal – includes public consultations and review of similar initiatives
- Phase 3 Development & Implementation – includes multi-sectorial collaboration and a communications strategy
- Phase 4 Evaluation & Expansion – includes the switch from pilot to permanent programs as well as reducing rates/increasing caps/expanding eligibility

Program Funding

Many aspects of funding for affordable transit passes have been explored, such as how programs are funded, fund allocation, administrative costs, and revenue generation or loss. Primary funding for most programs comes from the municipal tax base. With just under half ($n=8$) of the 19 Canadian programs profiled receiving any form of provincial support, funding is an ongoing concern. In some jurisdictions the programs are operated by social service departments, while in others they are run directly by transit authorities. On the one hand, allocating funds to social services may be advantageous in that it allows for an appeal to the province for ongoing support; on the other hand, allocating funds to transit budgets may be advantageous due to reduced potential for caps and cuts (Dempster & Tucs, 2012). The administrative costs for the different programs profiled are variably carried by social services, transit authorities, community agencies, or some combination. Revenue generation or loss is the most difficult aspect to estimate with some communities reporting large increases in ridership (Kalinowski, 2014), and other communities reporting overall revenue loss (Tanasescu, 2007). The key question one must consider: is most of the target group already purchasing transit passes, or will providing the discount lead to increased sales that will offset the cost?

Program Operation

The most salient elements of program operation are the eligibility criteria, the application process, the sale of passes, and the partnerships involved. The most common ATP program eligibility is based on receipt of social assistance and/or falling below the LICO (either before- or after-tax). However, it is important to note that the former may exclude the “working poor” and the latter may be considered inadequate because it is too low and not based on the cost of living (Citizens for Public Justice, 2013). Pilot programs in three municipalities—Mississauga, Guelph, and Kingston—have suggested using the Low Income Measure (LIM) instead. An NOA is the most common way to assess eligibility, but this may be problematic for those who do not file income tax returns (eg. homeless individuals) and it does not necessarily reflect an individual’s current circumstances. The Region of Waterloo has circumnavigated this issue by having community agencies already familiar with the clientele dole out passes through an honour-based system (Dempster, 2009). “One window” eligibility for recreation subsidies and discounted monthly transit passes has been recognized as a best practice as well (Federation of Canadian Municipalities, 2010), and is currently being used by Calgary’s Fair Entry program, Kingston’s Municipal Fee Assistance program, and Saskatoon’s Low Income Pass program. In regards to the sale of passes, processes that are non-stigmatizing are overwhelmingly favoured, with passes that look exactly the same as regular passes. Central sales locations have been found to create accessibility barriers for patrons, but are also beneficial due to having qualified staff and central database systems. Throughout the entirety of program operation, partnerships and collaboration are vital. Consensus and a readiness among leading partners like city councils, transit authorities, social services, and community groups to work together facilitated establishing and continuing the operation of programs.

Challenges Encountered

Challenges encountered by the various programs profiled were logistical, administrative, or financial in nature. Logistical challenges were the most common, for instance establishing a benchmark for eligibility, finding way to mitigate potential for fraud while still remaining non-stigmatizing, and dealing with the complexity of the application process. Administrative

challenges were also common, for example training and learning involved with the new program, no dedicated staff for the program, and dealing with long waitlists due to higher uptake than anticipated. Lastly, financial challenges were encountered, such as loss of revenue, inconsistent funding, and finding the right formula for price versus number of passes.

Successful Strategies

Many of the municipalities found creative ways to mitigate the challenges. Analysis reveals that in their establishment ATP programs are most likely to succeed with the support of long-term community advocacy and cross-sectorial partnerships. They were also aided by rigorous research and relevance to current poverty reduction strategies. Accessibility was improved through clear information sharing protocols and using a single, simple and unobtrusive application process. Quick program uptake was ensured through wide communication strategies, and exchange of information amongst stakeholders similarly improved results. Finally, many of the programs strove to be as inclusive as possible, extending eligibility to both those receiving social assistance and those who are not.

Program Impacts: Benefits and Weaknesses

Many pilot programs have developed into permanent programs due to their success. Four of the longer-term programs have undergone formal evaluation (Region of Waterloo, 2013; Taylor Newberry Consulting [Guelph], 2013; City of Hamilton, 2008; HarGroup Management Consultants [Calgary], 2007). In each case, results have been used to support program continuation and/or expansion. The clearest indicator of success is the rise in consistent use of public transit within the low-income population. This trend was seen throughout all jurisdictions profiled, and take-up has even doubled in some of them. Benefits can also be viewed from the perspective of patrons, who considered the programs vital and effective in creating a positive difference in their lives. With the passes, patrons had more money to buy other things, visited family and friends more often, went to medical appointments more often, took more training/education classes, found employment/better employment, and volunteered more often. Various low-income residents across Canada have had the opportunity to participate in ATP programs, including people on social assistance, people living with disabilities, youth, seniors, and the working poor. Each of these populations has gained valuable financial, physical, social, and quality of life assets as a result:

- Financial assets: reduced cost of transit resulted in more money to provide for other basic needs (eg. food and rent)
- Physical assets: increased mobility enabled users to get to work, apply for jobs, and access the services they need more consistently (eg. training/education and medical appointments)
- Social assets: users were able to make more trips for a greater variety of reasons and in a more flexible way; passes were used most often for getting to and from work, grocery shopping/running errands, and personal appointments, but could also be used to go out to events and community meetings more often
- Quality of Life assets: feeling more independent, improvements in family budget, maintaining connection to family and friends, greater sense of contribution to community, increased social inclusion, and reduced stress



OVERVIEW OF CURRENT CANADIAN AFFORDABLE TRANSIT PASS PROGRAMS

While patrons and others celebrated the numerous benefits of the programs, they made several qualifications, too. Passes are still considered unaffordable for many, even at the reduced rates. Not enough passes are available in jurisdictions with caps, and restrictive eligibility criteria exclude many that require assistance. Furthermore, a greater diversity in types and points of sale is needed, rather than just one or a limited number. These barriers overlap with other limitations surrounding accessibility and availability of public transit. That is to say that the timing of buses and inconvenient schedules/routes can restrict the overall utility of an ATP program, regardless of the rate of discount.

It is important to try to broadly consider the full benefits of such discount transit programs. Most evaluations view the impact in narrow terms of direct benefits reaching only those involved in the programs. However, researchers suggest that a complete and comprehensive cost-benefit analysis considering the wider health, educational, economic, and social impacts of these programs would likely illustrate even greater value than they are currently credited with (Dempster & Tucs, 2012). Consider, for example, instances where vast amounts of money are being spent on social service programs, but the target population remains unable to access them because they lack the money required to take the bus. Such factors must also be addressed in evaluations going forward.



RECOMMENDATIONS

Research has identified access to affordable transportation as a significant feature in reducing income inequalities and improving quality of life (Muntaner et al., 2012; Litman, 2012). The growing number of income-based Affordable Transit Pass programs across Canada in recent years attests to the veritable possibility of implementing, continuing, and expanding such programs. This brief review found that nineteen municipalities across Canada have ATP programs in place, and two more are seriously considering implementing soon (Peterborough and Halifax). With this number steadily increasing, clearly it is time for the City of Winnipeg to step up as well. Winnipeg is one of the only major cities in Western Canada that is not currently running a pilot or permanent ATP program. Additionally, all provinces west of Manitoba have some form of provincially subsidized ATP programs. The main recommendation of this report is for the City of Winnipeg to implement its own ATP program, ideally with provincial support and funding. Other key learning and unique recommendations for the development of this ATP are as follows:

- Although the LICO is most common in other jurisdictions, the LIM may be a more appropriate benchmark measure for the target population
- The NOA may not adequately reflect an individual's current circumstances and therefore may not be ideal as the standalone method for assessing eligibility; community agencies familiar with the target population could be given the flexibility to manually override
- All of these "affordable" subsidized programs (usually ~50% discount) still found in their evaluations that the cost is too high for many, so a sliding scale may be a useful addition; this was recently approved and will soon be implemented in the City of Calgary, with the proposed discount ranging from 50-95% off the cost of an adult monthly pass
- Combine the ATP application process with the Recreation Fee Subsidy Program that is already being offered in Winnipeg, as this has been identified as a national best practice
- All possible perspectives and partners (especially relevant community groups and individuals experiencing poverty) should be considered and involved when working out details of program design, planning, implementation, and evaluation
- Ensure that an evaluation plan is developed into the program design, gathering both quantitative and qualitative data from patrons; this has been integral in many of the programs profiled to show areas of success and drive continued improvements



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OVERVIEW OF CURRENT CANADIAN AFFORDABLE TRANSIT PASS
PROGRAMS

APPENDIX: Brief Profile of All

Canadian Affordable Transit Pass Programs

Location	Program Name	Discount	Eligibility	Funding	Started	Cost (year)	Cap (n=?)	Users (year)
Calgary	Low Income Monthly Pass	56%	LICO-BT	City & Province	2005	\$20,000,000 (2016)	No	25000 (2016)
Waterloo Region	Transit for Reduced Income Program	44%	LICO-BT, honour-based	City	2002	\$407,000 (2015)	Yes (n=2300)	2300 (2013)
York Region	Transit Fare Subsidies Program	75%	OW/ODSP and working	City	2012	\$886,000 (budget 2014)	Yes (n=1400)	623 (2014)
Halton Region	Subsidized Passes for Low Income Transit	50%	LICO-BT	City	2011	\$630,000 (budget 2014)	No	550 (2016)
Hamilton	Affordable Transit Pass Program	50%	LICO-AT, OW/ODSP, and working	City & Province	2008	\$271,000 (2015)	Yes (n=500)	500 (2012)
Kingston	Affordable Transit Pass	35%	LICO-AT	City	2009	\$165,000 (2010)	No	<i>not found</i>
Guelph	Affordable Bus Pass	50%	LICO	City	2012	\$135,000 (2012)	No	1800 (2012)
Saskatoon	Discounted Bus Pass Program	22%	LICO-BT or social assistance	City & Province	2006	<i>not found</i>	No	<i>not found</i>
Regina	Discounted Monthly Pass	70%	Social assistance	City & Province	2003	<i>not found</i>	No	2250 (2014)
Moose Jaw	Discounted Bus Pass	70%	Social assistance	City & Province	2006	\$54,000 (2014)	No	2400 (2014)
Prince Albert	Reduced Bus Pass	75%	Social assistance	City & Province	2006	\$190,000 (2014)	No	<i>not found</i>
Cornwall	Community Bus Pass	35%	OW/ODSP - first come, first served	City	2009	<i>not found</i>	Yes (n=150)	150 (2012)
Banff	ROAM Low Income Transit Pass	100%	LICO, AISH, or Alberta Seniors benefit	City	2007	<i>not found</i>	No	<i>not found</i>
British Columbia	BC Bus Pass Program	\$45/yr	Low-income seniors and persons with disabilities	Province	1967	<i>not found</i>	No	1200 (2012)
Windsor - Pilot	Affordable Pass Program	50%	LICO-BT, OW/ODSP	City	2011	\$200,000 (budget 2014)	No	2500 (2014)
Moncton - Pilot	Affordable Transit Program	50%	Subsidized tickets provided to community agencies	City	2016	\$22,000 (2016)	<i>not found</i>	<i>not found</i>
Sudbury - Pilot	Affordable Transit Pass Program	50%	LICO-BT, OW/ODSP, and working	City	2016	<i>not found</i>	<i>not found</i>	<i>not found</i>
Mississauga - Pilot	MiWay Affordable Transportation	50%	LIM-AT - first come, first served	City	2016	\$1,300,000 (budget 2016)	Yes (n=2500)	<i>not found</i>

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Edmonton - Pilot	Low Income Transit Pass	60%	LICO	City & Province	2017	<i>not found</i>	<i>not found</i>	<i>not found</i>
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