


Item No. 3 (iii)
Committee of the Whole
March 26, 2014
April 1, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: February 25, 2014

SUBJECT: Low Income Transit Pass Pilot Program

SUPPLEMENTARY REPORT

ORIGIN

On August 7th 2013, the Transportation Standing Committee requested a staff report on mechanisms to provide subsidized transit passes to low income residents.

An information report “Low Income Transit Passes” dated November 12, 2013 was prepared for the Transportation Standing Committee.

On December 4, 2013, the Transportation Standing Committee recommended that Committee of the Whole consider the implementation of a low income bus pass pilot program.

On January 8, 2014, the Committee of the Whole made a motion to consider the implementation of a low income bus pass pilot program in the 2014/15 budget, as outlined in the attached November 12, 2013 information report, for a period of 6 months beginning in May 2014, and that the pilot program consists of a maximum of 500 monthly transit passes being offered at a 50% discount to low income residents as defined by the Statistic Canada Low-Income Cut Off and that only one discount be applicable for the program.

It was MOVED by Councillor Rankin and seconded by Councillor Dalrymple that this item be deferred until such time as a staff report regarding the implementation of the pilot program is completed. MOTION PUT AND PASSED.

RECOMMENDATION ON NEXT PAGE

LEGISLATIVE AUTHORITY

Section 102 of the Halifax Regional Municipality Charter allows Council, by by-law, to prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law. As such, to establish a subsidized transit pass, Council would be required to set out the rates through a by-law.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Request that staff prepare a transit fare by-law for Regional Council's consideration; and
2. Approve the low income transit pass pilot program as described in this report and request that the pilot program be implemented pending the adoption of a transit fare by-law.

BACKGROUND

On August 7th, 2013, the Transportation Standing Committee requested a report investigating the potential for a subsidized transit pass for low income residents of HRM:

Moved by Councilor Watts, seconded by Councilor Walker that staff prepare a report on mechanisms to provide subsidized yearly bus passes to low income residents.

Further to this motion, the Committee requested that the report:

- Define low income in Nova Scotia and determine the number of people in HRM eligible for a subsidy;
- Review programs in other municipalities;
- Provide a cost comparison to other subsidized Metro Transit passes; and
- Provide an overall impact analysis for the Metro Transit system.

An Information Report dated November 12, 2013 (Attachment C) was provided to the Transportation Standing Committee at their December 4, 2013 meeting.

The Transportation Standing Committee recommended that Committee of the Whole consider the implementation of a low income bus pass pilot program in the 2014/15 budget for a period of 6 months beginning in May 2014, and that the pilot program consists of a maximum of 500 monthly transit passes being offered at a 50% discount to low income residents.

On January 8, 2014, the Committee of the Whole requested more information on the potential implementation of the pilot program, including information on the measures to determine eligibility, and the potential duplication of existing Provincial funding programs. This information is outlined in the report below.

DISCUSSION

The following is a discussion of key points that are relevant to implementation of a low income pilot pass program and that were raised by the Committee of the Whole on January 8, 2014. In addition, draft general program information (Attachment A) and a draft application form (Attachment B) have been prepared.

Eligibility – Income Levels

Two methods for determining the income levels eligible to participate in the program were outlined in the November 12, 2013 information report.

The first measure is the Statistics Canada Low Income Cut Off (LICO). This is the threshold used by other transit agencies to identify those who qualify for low income transit passes. It is also a threshold commonly used by other levels of government to identify those who qualify for other subsidies. If this measure was used to determine eligibility, the following 2012 Statistics Canada LICO chart would apply:

Family Size	Income (before tax)
1	\$20,366
2	\$25,353
3	\$31,168
4	\$37,843
5	\$42,920
6	\$48,408
7+	\$53,894

The second measure that could be applied is HRM's indexed value, which is currently \$31,000 annually per family.¹ This is the value HRM uses for the Residential Property Tax exemption and deferral programs, and it is based on the LICO values. The use of one number rather than a scale to determine eligibility would make it clearer and easier for potential applicants. If this measure were selected as a threshold, it would also make a higher number of small family sizes eligible for the discounted transit pass. For these reasons, the use of an indexed value is preferred for ease of implementation, clarity to residents, and consistency with existing HRM practices.

Other measures of low income are available, including Market Basket Measure and Low Income Measures. None of these are as widely used and accepted as the LICO measures, and they were not found to have any advantages over the two methods described above. Calgary Transit limits eligibility to their low income pass program to residents that earn less than 87.5% of the LICO. An approach similar to this would be useful in a program with high demand that was intended for those with the least financial resources available.

¹ Based on the approved indexing formula, the value is projected to increase to \$32,000 for 2014/2015.

It is recommended that the HRM indexed value (currently \$31,000 per household) be utilized to determine eligibility for the low income transit pass pilot program. This would make the program consistent with other HRM programs, and make use of a measure that is similar to, but more inclusive, than the LICO values.

Provincial Programs

A substantial difference between HRM and the municipalities where most other low income transit pass programs exist is the division of responsibilities for social services. In Nova Scotia, the Provincial Government is responsible for social services, including Employment Support and Income Assistance (ESIA). In the other municipalities considered as part of the November 12, 2013 staff report, the funding and/or administration of social support services is the responsibility of the municipalities. In Saskatchewan, the Ministry of Social Services reimburses cities for the discounted passes they provide to residents that are participating in a provincial assistance program. In Ontario, the municipalities are responsible for providing social services. Nationally, the majority of the funding for low income transit pass programs is from social assistance budgets, and there is only limited support from transit agencies.

There are approximately 13,000 persons in HRM that receive ESIA from the Nova Scotia Department of Community Services. For those who currently are working regularly, attending training, or actively searching for employment, the Province provides transportation funding based on the most economically efficient alternative, and pays participants directly by adding this cost to the participants' monthly cheque. Depending on the unique travel needs of the individual, sometimes other transportation alternatives are funded, such as taxi fares if transit is not a viable option for regular trips.

In January 2014, the Nova Scotia Department of Community Services provided funding for transportation to 7,581 of those residents, and of those, 6,320 received exactly \$78 in transportation funding, which is the cost of a regular adult monthly transit pass. There is no confirmation that those in receipt of the funding purchase a transit pass, and it is likely that a portion choose to use the funding to pay for taxis, gas, transit tickets, or alternatively, walk or get rides from others and use the funding for other non-transportation related needs.

If HRM establishes a permanent low income transit pass program that recipients of ESIA are eligible for, the Department of Community Services would have the ability to dramatically reduce the funding they provide to residents for transit passes. Based on the number of recipients above, the ESIA spent approximately \$493,000 providing funding for transit passes in January 2014. If HRM provided these passes at half price, it would be a cost of \$246,000 per month to HRM, and a cost savings of \$246,000 for the ESIA program. This would shift the responsibility of providing a social assistance benefit from the Province to the Municipality.

To prevent duplicating or shifting assistance that is currently being provided through the ESIA program, it is recommended that the low income transit pass program target residents who are not recipients of the ESIA transportation funding.

However, there may be some benefit to further discussions with the Province to determine the benefits of a partnership to provide transit service to residents receiving ESIA. The Province could fund the discount provided on transit passes, similar to the program in Saskatchewan. Alternatively, the province could purchase transit passes directly from Metro Transit and distribute them.

Another option could be that a program be developed whereby ESIA recipients are provided a card or other form of identification that can be used as a transit pass (similar to the UPass or the CNIB identification card). The Province could then reimburse Metro Transit directly to fund the program. Not only would this model create a new revenue stream for Metro Transit, but it could also have the effect of increasing ridership.

Target Recipients

In Guelph, Ontario, providing an affordable bus pass is meant to improve access not only to work, but to recreation/leisure, health care, and social interactions. For this reason, subsidized bus passes are available to youth, adults, or seniors, regardless of their employment status. Conversely, in Hamilton, Ontario, affordable transit passes are intended specifically for low income residents who are employed. As a result, in order to be eligible for this program, applicants must submit four recent consecutive pay stubs in addition to a Notice of Income Assessment.

The draft program information and application form attached have been prepared such that residents do not need to be working to be eligible for the pilot program. However, should Council wish to target the program to individuals who rely on transit for employment, the application form can be modified to require that applicants provide four recent consecutive pay stubs. This could also reduce the demand and budget for the program in this pilot stage.

Discrimination

Staff has determined that offering a low income transit pass program would not constitute discrimination under the Nova Scotia *Human Rights Act*.

Transit Fare By-law

The *Charter* identifies that Council may, by by-law, prescribe the fees for persons who use transit. Currently, Council has not set such fees by by-law. As Council is now creating additional classes for fares for use, staff is recommending these fees be set out in a by-law. It is anticipated that establishing a transit fare by-law will take several months, and as such, the low income pass pilot program cannot be implemented in May 2014 as requested by the Transportation Standing Committee.

It is recommended that Regional Council request that staff develop a transit fare by-law, to be brought forward for Regional Council's consideration as soon as possible, and request that the low income pass pilot program be implemented following adoption of the fare by-law.

Assessing the Pilot Program

There will be several sources of data available to evaluate the low income pass pilot program.

The first category of information will be the user provided data on the application form. This will include information regarding previous transit use, general purpose of the travel, and feedback on the pilot program. Determining the level of transit use prior to the pilot program will also provide an indication of the financial impact of the program on Metro Transit.

After the pilot program, HRM will be able to report on the number of applicants to the program, the number of passes sold monthly, and some basic demographic and geographic data about applicants.

It will be of critical importance to survey the participants in the pilot program in order to obtain more detailed information. For example, in 2007 Calgary Transit surveyed a portion of their low income transit pass holders and found that frequency of transit use increased by almost 50% for residents with the passes. The survey also found that respondents were most likely to be between 35 and 44 years old, 47% had children, and 71% were on some form of income support.

The pilot program would also provide an opportunity to quantify the resources required for the administration of the program. It has been determined that resources are available in HRM's Revenue Department in the short term for the review and approval of applications for the pilot program, however, there is some concern about the ability of the HRM Citizen Contact Centres to accommodate the extra capacity required to distribute additional passes. Currently, the average amount of monthly passes sold at the four Customer Service Centres is 500. If there are 500 participants in the pilot program, walk-in customer numbers could double every month due to the on-going eligibility requirements to continue in the program. It is also possible that there could be longer wait times for customers as the timing of the monthly transit passes coincides with due dates for other services. However, a pilot program will provide information on the staff time required for the program, the impact on HRM's Citizen Contact Centres, the number of passes that can be accommodated in a permanent program, and the administration costs of the program.

Transit Passes available for the Pilot Project

Under the draft program developed, 500 participants would be eligible to purchase regular adult Metro Transit passes monthly, for a period of six months. MetroLink and MetroX services are considered premium services, and monthly passes for these services would not qualify for the discounted rate. The senior and child passes available are already offered at a discounted rate. In addition, seniors or children who may be eligible for the low income pass could purchase regular adult passes at half price to take advantage of the cost savings.

FINANCIAL IMPLICATIONS

The financial impact of the low income transit pass pilot program will vary based on the proportion of participants who currently purchase transit passes at full price. By limiting the pilot program to a maximum of 500 passes for a period of six months, the maximum loss of revenue

possible is \$117,000 over a six month period. This loss of revenue is projected in the 2014/15 operating budget.

It has been determined that a pilot program can be administered through the HRM Revenue Department with existing staff resources. The program would need to be re-evaluated after the pilot phase to determine if there would be any additional staff resources required and/or financial implications related to the administration of the program.

In addition, if the pilot program is successful and continues beyond the pilot project, there will be an ongoing increase to the number of customers buying low-income transit passes at the Customer Service Centres. Determination of full resource impact would need to be assessed after the pilot phase to understand these financial implications.

COMMUNITY ENGAGEMENT

No community engagement took place associated with this report. Should a pilot program be initiated, feedback from participants will be important to further develop the program.

ENVIRONMENTAL IMPLICATIONS

Implementation of the Low Income Transit Pass Pilot Program may have positive environmental implications by encouraging Metro Transit ridership and thereby reducing the use of private automobiles.

ALTERNATIVES

1. Regional Council could recommend that HRM pursue discussions with the Province of Nova Scotia regarding the provision of transit service for residents receiving ESIA.
2. Regional Council could recommend that the low income transit pass pilot program be made available only to residents who are currently employed.
3. Regional Council could decide not to adopt a low-income transit pass pilot program.

ATTACHMENTS

Attachment A: Draft Program Information
Attachment B: Draft Application Form
Attachment C: Staff report dated December 6, 2013

REFERENCES

Calgary Transit & Vibrant Communities: Low Income Pass Outcome Survey, August, 2007. By HarGroup Management Consultants Inc. Available online at:
http://tamarackcommunity.ca/downloads/vc/CAL_FF_Survey_081807.pdf

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Patricia Hughes, MCIP, LPP, Supervisor, Service Design & Projects, Metro Transit, 490-6287

Financial Approval by:

Greg Keefe, Director of Finance & ICT/CFO, 490-6308

Report Approved by:

Eddie Robar, Director, Metro Transit, 490-6720

Report Approved by:

Brad Anguish, Director, Community & Recreation Services, 490-4933

Report Approved by:

John Traves, Q.C., Director, Legal, Insurance and Risk Management Services, 490-4219

Metro Transit Low Income Transit Pass Pilot Program

What is the Low Income Transit Pass Pilot Program?

The intent of this program is to make monthly transit passes more affordable for low income residents in HRM. Residents who participate in the program will be able to purchase monthly adult transit passes for \$39.00 (50% off regular price).

The number of passes is limited, and applicants will be approved on a first come, first serve, basis. The pilot project will be re-evaluated after six months.

Who is eligible to apply?

To qualify, you must meet ALL of the following:

- You live in HRM
- You are not receiving or are not eligible to receive reimbursement for the cost of transit passes from any other agency, including but not limited to the Department of Community Services Employment Support and Income Assistance Program.
- Your combined family income is less than \$31,000 per year

What is required to apply?

- Complete the Low Income Transit Pass Application Form. The application form must be signed by all adult members of the family living at the same address. One application form can be used for both you and your spouse.
- Include last year's Notice of Income Assessment from the Canada Revenue Agency for every person in your family who has income.
- Drop off or mail your application form and Notice of Income Assessment to:

Mail To: Low Income Transit Pass Pilot Program
HRM Revenue Department
PO Box 1749
Halifax, NS
B3J 3A5

Drop off at: HRM Citizen Contact Centres located at:
Acadia Centre, 636 Sackville Drive, Lower Sackville
Alderney Gate, 40 Alderney Drive, Dartmouth
Bayers Road, 7071 Bayers Road, Halifax
Scotia Square, 5201 Duke Street, Halifax

Applications will be reviewed and a letter will be sent notifying the applicant whether or not they are approved for a low income transit pass.

How do participants receive their passes?

To purchase your monthly low income transit passes, you must show your approval letter at one of the HRM's Citizen Contact Centres. Pay by cash or debit only.

Keep your approval letter and show it monthly to purchase your transit pass. This letter will be good until the end of the six month pilot project.

Attachment B

Metro Transit Low Income Transit Pass Application Form

Section 1: Applicant Information					
Last Name			First Name		
Date of Birth	Day	Month	Year	Male Female Prefer not to Disclose	Phone Number
Address		Street		City	Postal Code
Email Address:					
Marital Status (select one):		Married/Common Law		Single	Other
Are you currently employed?		Yes		No	Retired
If yes, please provide the following		Employer Name		Employer Address	
Do you receive Employment Support and Income Assistance (ESIA) benefits from the NS Department of Community Services?					
Yes			No		
If so, do you receive a transportation subsidy under the ESIA program?					
Yes			No		
Existing Transit Usage					
Have you taken the bus in the last 6 months?		How do you typically pay for the bus?		How many transit trips do you take on average each week (Each time you pay or show your pass without transferring counts as one trip):	
Yes	No	Cash Ticket Monthly Pass Other: _____			
What do you use Metro Transit for? Circle all that apply.		<ul style="list-style-type: none"> • Work • Volunteer • Shopping • School • Recreation 		<ul style="list-style-type: none"> • Medical Appointments • Church/Religious • Visit Family/Friends • Other: 	

Section 2: Spouse/Partner Information					
Last Name			First Name		
Are you also applying for a low income transit pass?			Note: For additional family members with income, please attach a separate page.		
Yes			No		
If you answered yes above, then please complete the following. Otherwise, please skip to Section 4.					
Last Name			First Name		
Date of Birth	Day	Month	Year	Male Prefer not to Disclose	Female Phone Number
Address		Street		City	Postal Code
Email Address:					
Marital Status (select one):		Married/Common Law		Single	Other
Are you currently employed?		Yes		No	Retired
If yes, please provide the following		Employer Name		Employer Address	
Do you receive Employment Support and Income Assistance (ESIA) benefits from the NS Department of Community Services?					
Yes			No		
If so, do you receive a transportation subsidy under the ESIA program?					
Yes			No		
Existing Transit Usage					
Have you taken the bus in the last 6 months?		How do you typically pay for the bus?		How many transit trips do you take on average each week (Each time you pay or show your pass without transferring counts as one trip):	
Yes No		Cash Ticket Monthly Pass Other: _____			
What do you use Metro Transit for? Circle all that apply.		<ul style="list-style-type: none"> • Work • Volunteer • Shopping • School • Recreation 		<ul style="list-style-type: none"> • Medical Appointments • Church/Religious • Visit Family/Friends • Other: 	

Section 3: Family Income

To be eligible for the low income transit pass pilot program, your combined family income must be less than \$31,000 per year. What was your total annual family income last year? _____

Note: For all family members with income, you must attach a copy of last year's Canada Revenue Agency Personal Income Tax Notice of Assessment (Line 260 Taxable Income). Alternately, you can contact Canada Revenue Agency to request a copy of your Form C.

Section 4: Consent for Contact

The Low Income Transit Pass Program is a pilot program for Metro Transit. Your feedback is important to the evaluation of the program. Do you consent to be contacted for the purposes of evaluating the program?

Yes

No

Do you have any comments or suggestions that you would like to share about the Low Income Transit Pass Pilot Program? If so, please write them below or on an attached sheet.

DRAFT

Section 5: Application Signatures		
This application must be signed by the applicant and all members of the family that have income.		
All statements in this application are true to the best of my knowledge and belief and no information required to be given has been concealed or omitted. The Criminal Code of Canada subsection 380 (1) states that everyone who by deceit, falsehood, or other fraudulent means defrauds the public of any property, money or valuable security, is guilty of an offence.		
Signature of Applicant:	Signature	Date
Signature of All Family Members with Income:	Signature	Date
	Signature	Date
	Signature	Date
	Signature	Date

In accordance with Section 485 of the Municipal Government Act (MGA), the personal information collected on this form will only be used by HRM staff for the purpose of further developing the Low Income Transit Pass Program. If you have any questions about the collection and use of this information please contact the Access & Privacy Office at 490-4390 or accessandprivacy@halifax.ca

Item No. 5 (i)
Committee of the Whole
December 18, 2013
January 8, 2014

TO: Mayor Savage and Members of Halifax Regional Council in Committee of the Whole

SUBMITTED BY Original Signed
for: Councillor Reg Rankin, Chair, Transportation Standing Committee

DATE: December 6, 2013

SUBJECT: **Low Income Transit Pass Pilot Program**

ORIGIN

Motion of the December 4, 2013 meeting of the Transportation Standing Committee with financial implications for the 2014-2015 Transit Operating Budget.

LEGISLATIVE AUTHORITY

HRM Multi-year Financial Strategy <http://www.halifax.ca/finance/multiyear.html>

RECOMMENDATION

The Transportation Standing Committee recommends that Committee of the Whole consider the implementation of a low income bus pass pilot program in the 2014/15 budget, as outlined in the attached November 12, 2013 information report, for a period of 6 months beginning in May 2014, and that the pilot program consists of a maximum of 500 monthly transit passes being offered at a 50% discount to low income residents.

BACKGROUND

On August 7, 2013, the Transportation Standing Committee requested a staff report on mechanisms to provide subsidized yearly transit passes to low income residents.

An Information Report dated November 12, 2013 (Attachment 1) was provided to the Transportation Standing Committee at their December 4, 2013 meeting.

DISCUSSION

At the December 4, 2013 meeting, the above noted Information Report was added to the agenda for discussion. Councillor Watts put forward a motion in regard to a low income transit pass pilot program for debate.

The Committee discussed the motion, with the following comments noted:

- This initiative might serve to encourage Metro Transit ridership, with positive environmental and traffic implications.
- The program would be intended to assist residents who were not able to afford a car or the full cost of a monthly transit pass.
- As social services are not within the mandate of HRM, it was suggested that HRM strike up a working relationship with the Department of Community Services to determine those that require assistance with transportation.
- Questions and suggestions were raised as to how the program would be administered.

Staff clarified the following at the request of the Committee:

- The cost of the proposed program would be approximately \$20,000 per month (\$120,000 for a six month pilot project, \$240,000 on an annualized basis).
- The discount would be 50% of the monthly price of a transit pass.
- It was anticipated that the program would be administered by Metro Transit.
- Applicants to the program would be required to complete an application form.
- Staff would include questions on the application form with regard to past transit use, to have better data after the pilot phase, and to determine financial implications of the implementation of the program.
- The Department of Community Services already provides some funding for transportation assistance. This provincial assistance captures a portion of low income residents but not those low income residents who work full time.

The Committee discussed the proper direction for this motion to follow, and it was noted that it should be brought forward with the Metro Transit budget discussion at the upcoming Committee of the Whole meeting.

FINANCIAL IMPLICATIONS

The staff information report dated November 12, 2013 provided an estimate of anticipated costs for implementation of a pilot program at approximately \$20,000 per month (\$120,000 for a six month pilot project, \$240,000 on an annualized basis).

A funding source for the Pilot Program was not identified in the staff report, as such the program is an unbudgeted item and would require identification of a funding source and/or increase to the Metro Transit Operating Budget in order for Regional Council to proceed with the program.

COMMUNITY ENGAGEMENT

The Transportation Standing Committee is comprised of eight duly elected members of Regional Council. Meetings are held on a monthly basis and are open to the public (unless otherwise indicated). Agendas, reports and minutes are available on the HRM website.

ENVIRONMENTAL IMPLICATIONS

Implementation of the Low Income Transit Pass Pilot Program may have positive environmental implications by encouraging Metro Transit ridership and thereby reducing the number of cars on the roads.

ALTERNATIVES

Council may choose to not consider implementation of the Low Income Transit Pass Pilot Project, or may also bring forward any further alternatives as deemed appropriate.

ATTACHMENTS

Attachment 1 Information report “Low Income Transit Passes” dated November 12, 2013.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Jennifer Weagle, Legislative Assistant, 490-6517

Original Signed

Financial Approval by: _____
Greg Keefe, Director of Finance & ICT/CFO, 490-6308



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Info Item No. 1

**Transportation Standing Committee
December 4, 2013**

TO: Chair and Members of the Transportation Standing Committee

Original Signed

SUBMITTED BY:

Eddie Robar, Director, Metro Transit

DATE: November 12, 2013

SUBJECT: Low Income Transit Passes

INFORMATION REPORT

ORIGIN

On August 7th 2013, the Transportation Standing Committee requested a staff report on mechanisms to provide subsidized yearly transit passes to low income residents.

LEGISLATIVE AUTHORITY

Section 102 of the Halifax Regional Municipality Charter allows Council, by by-law, to prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law. As such, to establish a subsidized transit pass, Council would be required to set out the rates through a by-law.

BACKGROUND

On August 7th, 2013, the Transportation Standing Committee requested a report investigating the potential for a subsidized transit pass for low income residents of HRM:

Moved by Councilor Watts, seconded by Councilor Walker that staff prepare a report on mechanisms to provide subsidized yearly bus passes to low income residents.

Further to this motion, the Committee requested that the report:

- Define low income in Nova Scotia and determine the number of people in HRM eligible for a subsidy;
- Review programs in other municipalities;
- Provide a cost comparison to other subsidized Metro Transit passes; and
- Provide an overall impact analysis for the Metro Transit system.

DISCUSSION

Defining low income and determining the number of eligible residents

In Canada there is no official government mandated poverty line,¹ however Statistics Canada produces a Low-Income Cut-Off (LICO) measurement on a yearly basis which is widely accepted as an accurate determination of what constitutes low income in Canada. The LICO represents the income level at which a family has to spend a greater proportion of its income on necessities than the average family of similar size, and as such, varies based on family size.

According to statistics provided by the Government of Nova Scotia, approximately 34,000 persons in HRM would fall under the Statistics Canada LICO after taxes. Of the 34,000, the Department of Community Services estimates that approximately 13,000 people receive support under the Employment Support and Income Assistance (ESIA) program, which does provide some funding for transportation allowances to eligible recipients.²

It is not known what percentage of the 34,000 low income residents in HRM would choose to purchase subsidized transit passes if available. Although a large percentage would either reside or work within areas serviced by Metro Transit, many may not use transit frequently enough to merit purchasing a monthly pass. This could be for many reasons, including variations in transportation needs, and the ability to walk, cycle, or use a personal vehicle to meet those needs.

Programs in other municipalities

A review of low income transit pass programs in other municipalities was conducted, and included cities smaller, larger, and comparable in size to HRM (Burlington, Oakville, Regina, Victoria, Windsor, Calgary, Hamilton, York Region, Waterloo Region, Kingston, and Guelph). In reviewing these programs a number of key findings were identified:

- Most cities use Statistics Canada's Low Income Cut Off (LICO) to determine eligibility to their subsidized transit pass programs.
- Some programs are targeted at residents accessing provincial programs such as Social Assistance, the Saskatchewan Employment Supplement, Ontario Works, etc.
- It is common to offer a limited number of passes available on a first come first serve basis (ie. Hamilton, York Region, Burlington, and Oakville).
- The programs are administered by the municipality, and typically require either proof of income in the form of a *Notice of Assessment* from the Canada Revenue Agency, or proof of participation in a government assistance program.
- Although there is some variation, most low income transit passes offered are approximately 50% of the cost of a regular adult transit pass.
- Some cities also provide free or discounted transit tickets or passes to eligible community agencies so that they are able to distribute them to residents in need (ie. York Region, Victoria).

Existing Metro Transit subsidized passes and programs

Metro Transit currently offers the following discounted fares:

- Seniors and Children (ages 5- 15 and over the age of 65): a 26% discount on the cost of a monthly pass and a 27% discount on tickets.
- Students: a 10% discount on the cost of a monthly pass.
- U-Passes: All students at participating institutions are required to purchase a U-Pass at approximately a 70 – 80% discount.
- CNIB: Members of the Canadian National Institute for the Blind (CNIB) receive free fare.
- E-Pass: Employees at participating organizations receive a 25% discount on an annual pass.

In addition to the discounted passes offered, Metro Transit also informally donates transit tickets and monthly transit passes to charitable organizations by request. In the 2012/2013 fiscal year Metro Transit donated approximately \$23,217 worth of transit tickets and passes through this program.

Options for providing subsidized transit for low income residents in HRM

Based on the review conducted, two potential mechanisms to make transit more accessible to low income residents were identified, as described below. Either strategy, or a combination of the two options, are possible in HRM.

a) Provide subsidized passes directly to low income residents

Residents could apply to qualify for a low income transit pass by submitting a *Notice of Assessment* (distributed annually by Canada Revenue Services) and an application form to HRM. This would be a similar process as the existing HRM Residential Property Tax Exemption Program, and could be administered in much the same way. Those individuals whose family income either falls below Statistics Canada's LICO, or, the HRM approved cut-off used for the property tax exemption program (currently \$31,000 in income annually per family) would be eligible. If approved, the applicant would be sent a confirmation letter and unique account number, which would allow them to purchase transit passes monthly at a discounted rate at one of HRM's customer service centres.

The request of the Committee was to determine the potential of an annual low income transit pass. An annual pass would be challenging to administer and less affordable for low income residents than monthly passes. Unlike the E-Pass program, which can be administered through payroll deductions, HRM would have no reliable mechanism to collect payments in installments throughout the year for the pass. As a result, residents would be required to pay the full amount of the annual pass upfront (assuming a 50% discount, this would be approximately \$468), which would not be affordable for most low income residents. In addition, monthly passes provide more flexibility for residents whose transportation needs may change throughout the year. This flexibility makes monthly passes more cost effective, particularly for residents working casual hours or with seasonal employment.

This program would primarily benefit residents with low income who have full time employment, or have other regular transit needs that would merit purchasing a monthly transit pass.

b) Provide discounted transit tickets or passes to community organizations

Metro Transit could continue to offer a limited number of transit tickets and passes to community organizations for free, and could also offer ticket and pass sales at a 50% discounted rate to community organizations that service low income or disadvantaged groups. This would allow those groups to better leverage available funding to distribute tickets or passes as needed to the residents they serve. This program would be targeting residents with low income who do not necessarily have full time employment, and who would benefit from transit access for appointments, interviews, errands, etc., on an infrequent basis that would not typically merit the purchase of a monthly transit pass. For this program, it would be important to have a pre-determined set of criteria or list of eligible community organizations, and have a reporting function to ensure that tickets and passes are being distributed appropriately.

Impact to Metro Transit

The financial impact of a subsidized transit program for low income residents would vary based on the proportions of new and current transit users that would choose to take advantage of the

program, which is difficult to predict. If HRM offered a low income monthly transit pass at a 50% discount, the cost of an individual adult transit pass would be \$39 per month. This could potentially result in a \$39 loss of revenue to Metro Transit for every pass sold at the discounted price. However, the program could also generate new revenue by attracting new transit riders. . If half of the passes were purchased by new users, the program would be cost neutral. It is anticipated that there would be at least some balance of new and existing transit pass holders partaking in the program, partly mitigating the resultant gain or loss of revenue.

As such, to better evaluate the financial implications and prevent a large loss of revenue, should Council wish to proceed with a low income transit pass program, it should proceed as a pilot project with a limit on the number of passes available. It is common in other comparably sized municipalities to cap the number of passes available in the program at about 1000 – 1500 per month. Limiting the program to 500 transit passes monthly during a pilot phase would limit the maximum potential revenue loss (or gain) to \$19,500 per month.

Similarly, it is difficult to determine the cost of providing discounted transit passes to community organizations, as it is unknown what proportion of sales would represent new revenue. In Victoria, more than 50 organizations benefit from this type of program including shelters, resource centres, and support networks for low income residents. A 2011-2012 report on the program in Victoria states: *“While the Victoria Regional Transit Commission is subsidizing 50% of the tickets and passes allocated to the program, the remaining 50% earn revenue and ridership for the Commission. Such revenue, unlikely to have been otherwise realized, amounted to over \$150,000 in retail sales from April 2011 to March 2012. This represents a “win-win” for social and economic returns on investment in our Transit system.”*³

The introduction of a limited number of low income transit passes is not expected to have a significant impact on the existing transit service, as it is assumed that at least a portion of the passes would be purchased by existing transit users, and a portion would be purchased for travel during non-peak times. However, it is possible that the new ridership could create capacity issues on certain routes or at certain times, creating a need for increases to service.

More accurate financial and service implications could be determined by including a feedback process as part of any pilot program established. Applicants to the program could be asked to identify if they are new or existing monthly transit pass holders, and to describe their daily transit use. This would be strongly recommended for evaluation purposes.

It has been determined that a pilot program can be administered through the HRM Revenue Department with existing staff resources. The program would need to be re-evaluated after the pilot phase to determine if there would be any additional resources required or financial implications related to the administration.

FINANCIAL IMPLICATIONS

There are no financial implications with this report.

COMMUNITY ENGAGEMENT

As this report is only to provide information to the Transportation Standing Committee, no community engagement has taken place. Should a pilot program be initiated, feedback from participants would be recommended to further develop the program.

REFERENCES

1. Nova Scotia Department of Community Services Poverty Backgrounder:
http://www.gov.ns.ca/coms/departement/backgrounders/poverty/Poverty_Stats-May2008.pdf
2. Nova Scotia Department of Community Services Employment Support and Income Assistance Policy Manual:
http://novascotia.ca/coms/employment/documents/ESIA_Manual/ESIA_Policy_Manual.pdf
3. 2011 – 2012 Report to the Victoria Regional Transit Commission: Community Social Planning Council

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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