



STAFF REPORT ACTION REQUIRED

Transit Fare Equity: Fair Pass Program

Date:	December 20, 2016
To:	TTC Board
From:	Chief Executive Officer

Summary

This report seeks the Board's approval to support the City of Toronto's proposed Fair Pass program as outlined in their attached report "Fair Pass: Transit Fare Equity Program for Low-Income Torontonians".

Recommendations

It is recommended that the Board:

1. Endorse the creation of a cost recovery arrangement between the City and the TTC whereby the TTC invoices the applicable City department on a quarterly basis for revenue losses that are sustained as a result of the Fair Pass Program;
2. Approve the addition of a low-income concession provided through the Fair Pass Program that includes a discount on the PRESTO adult single fare and PRESTO adult monthly pass; and
3. Direct staff to continue working in partnership with the City to ensure the successful implementation of each phase of the Fair Pass Program.

Financial Impact

Funding for the Fair Pass Program is the responsibility of the City of Toronto and will be incorporated into the City's budgets; therefore, there is no net financial loss to the TTC. The TTC passenger revenue losses resulting from this program will be recovered via quarterly invoices by the TTC to the applicable City department. The quarterly cost recovery will be based on actual prior-quarter Fair Pass Program usage as determined by PRESTO-based ridership and revenue data.

The City staff report outlined the annual TTC passenger revenue losses associated with the Fair Pass Program, based on 2016 fare pricing. It was projected to be \$4.1 million in 2018 (first year of the program), increasing to \$11.9 million by 2019. At its November meeting, the TTC Board approved a fare increase in 2017. Therefore, the revised TTC

passenger revenue losses, based on 2017 fare pricing, are projected to be \$4.2M in 2018 increasing to \$12.6M by 2019. City staff will bring a report to Council in 2020 proposing the expansion of the program; revenue losses associated with this expansion will be identified then. Refinements to these projections will be made in conjunction with the increasing availability and use of comprehensive PRESTO-based ridership data to evaluate actual program usage.

The TTC calculated the total subsidy required to cover the Fair Pass program using several data sources. The eligible population was determined by using the City's eligibility requirements of the Low Income Measure (LIM) plus 15% against Stats Canada income data. Based on a longitudinal analysis of the TTC Customer Satisfaction Survey, and data from the Transportation of Toronto Survey, City staff concluded that 30% of the eligible population are transit users. Since the uptake rates of similar programs in other jurisdictions vary greatly, the TTC and City staff opted for conservatively assuming that all 30% of the eligible population who uses transit will register for the Fair Pass Program. Finally, a Transit Fare Equity survey conducted by the City provided the data to calculate how many low-income residents would use a single ride or monthly pass discount. This was used in concert with TTC's demographic, ridership and fares data to determine the total subsidy required to fund the Fair Pass program.

The TTC currently offers the following concession fares regardless of income: Children 12 and under, secondary students, full-time post-secondary students and seniors. The Fair Pass program will provide a discount to low-income residents who don't qualify for these existing concession fares and will be offered at the following discounts levels:

1. 33% discount on a single adult fare
2. 21% discount on a monthly adult pass

Today, these discount levels are equivalent to the current Senior/ Student/ Post-Secondary concession fares. However, the Fair Pass program and the current concession fares may not always be aligned. This may cause eligible low-income customers using Senior/ Student/ Post-Secondary concession fares to switch to the Fair Pass program, requiring further subsidy to cover the lost revenues, currently not covered in the proposed Fair Pass program. Moreover, if the City chooses to further discount the Fair Pass program, then additional subsidy would be required to recover the lost revenues.

For customer convenience, the TTC has the discretion to round the final price of the Fair Pass Program single fare and monthly pass to the nearest 5 cents.

The funding, eligibility requirements, and subsequent administration of the Fair Pass Program will be the responsibility of the City. The PRESTO equipment required for the administration of Fair Pass Program will be provided to the City in accordance with the TTC's contract with PRESTO.

The implementation of the Fair Pass program on PRESTO would be a Service Provider (SP) specific concession and would not allow for discounted travel outside of the TTC. A SP specific concession, applied to a single fare or pass is included within the requirements set out in our contract with PRESTO and we do not envisage any additional costs associated with the technical implementation.

Decision History

At its November 2013 meeting, the TTC Board adopted the report, "Fare Policy - Requests for Fare Discounts," noting that the TTC did not have a mandate to resolve broader issues of income distribution and would require funding solutions to implement fare concessions. Therefore any recommendations as part of the City's Fair Pass program report would be funded outside the TTC's current fare revenue and would have no financial impact to the TTC. Furthermore, funding for the Fair Pass program is in addition to current TTC subsidies received from the City.

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2013/November_18/Reports/TTC_Fare_Policy_Requ.pdf

In July, 2014, City Council adopted "Toward a Policy Framework for Toronto Transit Fare Equity" directing Social Development, Finance and Administration, in partnership with the Toronto Transit Commission, Toronto Employment & Social Services, Toronto Public Health, City Planning, City Treasurer, and Financial Planning to develop a Policy Framework for Toronto Transit Fare Equity.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX43.18>

In February 2015, TTC Board approved the 2015 Operating budget which included the provision for children 12 and under to ride free, making transit more affordable for low-income families. The TTC also reaffirmed its commitment to work with the City and outside stakeholders on the development of discounted fares for low-income residents.

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/February_25/Minutes/index.jsp

On November 3, 2015, City Council unanimously adopted "TO Prosperity - Toronto Poverty Reduction Strategy." Transit equity is one of the five pillars of the strategy. Recommendation 6 states, "make transit more affordable to low-income residents"; and action 6.2 commits the City to, "ensure the roll-out of the new Presto Pass technology includes a fare-gated-to-income capacity."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.5>

On December 1, 2016, the Executive Committee adopted without amendment "TO Prosperity - Toronto Poverty Reduction Strategy" which recommended City Council establish a Fair Pass Program as outlined in the staff report "Fair Pass: Transit Fare Equity Program for Low-Income Torontonians". It will be considered by City Council on December 13, 2016.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.10>

Accessibility/Equity Matters

The TTC is committed to supporting the implementation of the Fair Pass program in an effort to make transit more affordable for low-income residents.

Many social agencies provide their clients with tickets or tokens, giving them access to medical appointments, employment activities etc. With the implementation of PRESTO underway, we continue to work on a Limited Use Media (LUM) solution which will provide agencies a means to distribute these single fares. The LUM is in essence a paper PRESTO card which uses near-field communication (NFC) technology and would be valid for a single fare, equivalent to the current token fare. The TTC continues to work with these agencies to ensure that the LUM solution meets the needs of the agencies and their clients when PRESTO is fully implemented in 2017.

The Fair Pass program, like all TTC fares, will be enforced by Transit Enforcement Officers and Transit Fare Inspectors who receive diversity and human rights training to ensure policies and practices are applied in a fair, non-discriminatory manner.

Comments

Since 2014, the TTC has been working with the City and outside stakeholders to develop a framework which would provide discounted fares to low-income residents. As part of this framework, the TTC completed extensive financial analysis and provided technical guidance on the PRESTO fare card system, concession administration requirements and customer statistics. The TTC will continue to work with the City to ensure each phase of the Fair Pass program is successfully implemented.

The Fare Pass program will be implemented in three phases. Phase 1, to be implemented in 2018, will prioritize Ontario Works (OW) and Ontario Disability Support Program (ODSP) clients not in receipt of other transportation supports. In 2019, Phase 2 extends eligibility to residents receiving housing supports or child care fee subsidy. Starting in 2020, Phase 3 will include all other Toronto residents living with an income below the low Income Measure + 15%.

The financial analysis calculated the amount of cost recovery required to sufficiently fund a low-income fare and pass, based on the eligibility requirements set out by the City and for each phase of implementation. Any subsequent administration of a Fair Pass program will be the responsibility of the City. This includes determining Fair Pass program eligibility and issuing PRESTO cards, setting Fair Pass concessions and issuing TTC Photo ID to eligible low-income customers. The PRESTO equipment required to set concessions, load funds or passes and integrate photo IDs, if required by the TTC, will be provided to the City as part of the TTC's contract with PRESTO.

The Fair Pass program will only be offered on the PRESTO fare card and the concession will be set as a service provider specific concession, similar to the TTC Post-Secondary concession. As a result, the Fair Pass concession will not be recognized by other GTHA service providers and does not allow for discounted travel outside of the TTC. Furthermore, the level of discount funded by the City means that like the Post-Secondary

concession, the Metropass Discount Plan will not be available for Fair Pass program customers.

The routing of the City of Toronto report is as follows:

- December 1- Executive Committee
- December 13- City Council
- December 20- TTC Board attached to TTC Board Report

Attachments

Attachment 1: City of Toronto report “Fair Pass: Transit Fare Equity Program for Low-Income Torontonians”

Contact

Arthur Borkwood
Head - Customer Development
Strategy & Customer Experience Group
Tel: 416-393-6085
Email: Arthur.Borkwood@ttc.ca

Fair Pass: Transit Fare Equity Program for Low-Income Torontonians

Date: November 17, 2016

To: Executive Committee

From: City Manager

Wards: All

SUMMARY

The Toronto Poverty Reduction Strategy puts forward two recommendations to increase transit equity: "improve transit services in the inner suburbs" and "make transit more affordable for low-income residents." The City is advancing major plans to expand transit services, but the social, economic, and health benefits of expanded services will not be realized if a large portion of city residents cannot afford TTC fares.

Between 2009 and 2015, TTC fares increased by 21 percent, while the minimum wage increased by 9 percent. A transit-dependent family of four, with two working parents earning the minimum wage spends between 20% and 35% of their disposable income on TTC fares. The TTC monthly pass is the second least affordable in Canada.

Low-income adults aged 20 to 64, as a group, pay the highest TTC fares. There are no discounts for this age group, and data shows that low-income riders use cash fares and tokens more often than higher income riders, who are more likely to buy monthly passes, which are cheaper on a per-ride basis. Unable to pay the upfront cost of a monthly pass, the majority of working-age, low-income residents pay per ride and end-up paying more per ride than everyone else.

Numerous Canadian municipalities have low-income transit pass programs, including Burlington, Calgary, Guelph, Hamilton, Kingston, Milton, Mississauga, Oakville, Saskatoon, Windsor, Halton Region, Niagara Region, York Region, and the Region of Waterloo. International examples include Paris, London, Seattle, and San Francisco.

Leveraging the new PRESTO technology and existing City administrative processes, the Fair Pass Program recommended in this report puts forward an evidence-based, cost-effective, and user-friendly response to several Council directions to increase transit access for low-income residents.

RECOMMENDATIONS

1. City Council establish a Fair Pass Program [subject to approval of funding as part of the 2018 Budget, approval by the Toronto Transit Commission Board of the addition of a low-income concession, and the full roll out of PRESTO] that includes a discount on the PRESTO adult single fare and PRESTO adult monthly pass, and direct:

a. that the discount level for the Fair Pass Program be 33 % for the adult single fare and 21% for the adult monthly pass

b. that the eligibility for the Fair Pass Program discounts be to all Toronto residents living with an income below the Low Income Measure + 15%, except for Ontario Disability Support Program and Ontario Works clients in receipt of transportation supports;

c. a multiphase implementation of the Fair Pass Program as follows:

Phase 1 – starting in March 2018 – includes only Ontario Disability Support Program and Ontario Works clients not in receipt of transportation supports

Phase 2 – starting in March 2019 – extends eligibility to residents receiving housing supports or child care fee subsidy whose household income fall under the Low-Income Measure +15% eligibility threshold

Phase 3 – starting in March 2020 – extends eligibility to all other Toronto residents living with an income below the Low Income Measure +15% threshold

2. City Council direct that funding for Phase 1 of the Fair Pass Program be included, for consideration by City Council, in the 2018 Operating Budget,

3. City Council direct that funding for Phase 2 and Phase 3 of the Fair Pass Program be included, for consideration by City Council, in the 2019 Operating Budget and 2020 Operating Budget respectively.

4. City Council direct the Executive Director, Social Development Finance and Administration, in partnership with the General Manager, Toronto Employment and Social Services, the Chief Executive Officer Toronto Transit Commission, the Medical Officer of Health, and the Executive Director Financial Planning to:

a. Report to the Executive Committee in Winter 2019 on the evaluation of phase 1 and present an implementation plan, including a detailed cost analysis and funding strategies, for phase 2

b. Report to the Executive Committee in Winter 2020 on the evaluation of phase 2 and present an implementation plan, including a detailed cost analysis and funding strategies, for phase 3

5. City Council forward this report to the Premier of Ontario, relevant Provincial and Federal Cabinet Ministers, and the Chair of the Board of Directors, Metrolinx.

FINANCIAL IMPACT

The Fair Pass Program will be implemented in three phases. Phase 1 prioritizes Ontario Works (OW) and Ontario Disability Support Program (ODSP) clients not in receipt of other transportation supports. Phase 2 extends eligibility to residents receiving housing supports or child care fee subsidy. Phase 3 includes all other Toronto residents living with an income below the Low Income Measure + 15% eligibility threshold.

Table 1. Estimated cost of the Fair Pass Program based on 2015 TTC fares, the size of the target population, and the recommended level of discount

	2018	2019	2020	2021
Residents Receiving a Discount by Year-End	36,000	66,000	193,000	193,000
Discount Cost - Phase 1	\$ 4.1M	\$ 7.5M	\$ 7.6M	\$ 7.6M
Discount Cost - Phase 2	-	\$ 4.4M	\$ 7.6M	\$ 7.7M
Discount Cost - Phase 3	-	-	\$ 18M	\$ 32.7M
Total Discount Cost	\$ 4.1M	\$ 11.9M	\$ 33.2M	\$ 48M
Cost of Presto Card	\$ 0.3M	\$ 0.5M	\$ 1.4M	\$ 0.9M
Administration Cost	\$ 0.4M	\$ 0.6M	\$ 1.6M	\$ 1M
Gross Program Costs	\$ 4.8M	\$ 13M	\$ 36.2M	\$ 49.9M
Replacement Card Fee	-\$ 0.2M	-\$ 0.5M	-\$ 1.1M	-\$ 1.7M
Incremental Annual Cost	\$ 4.6M	\$ 7.9M	\$ 22.6M	\$ 13.1M
Cumulative Program Cost	\$ 4.6M	\$ 12.5M	\$ 35.1M	\$ 48.2M

Phase 1 would commence in March 2018 (assuming PRESTO is fully rolled out). An estimated 36,000 low-income concession cards would be issued by the end of 2018. Phase 2 would commence in March 2019. A total of 66,000 residents are estimated to be enrolled in the program by the end of 2019. Phase 3 would commence in March 2020 and take approximately two years to reach full implementation. It is estimated that by the end of 2021, 193,000 low-income residents would be enrolled in the program.

Based upon estimates of eligible users, level of fare discount, frequency of use, number of PRESTO cards to be issued, and administrative costs, the net cost of the program in 2018 is projected to be \$4.5M. Costs are estimated to increase to \$12.5M in 2019 with the rollout of phase 2. In 2020, the completion of phase 2 and start of phase 3 would increase costs to \$35M. The full program cost of \$48.2M would be reached in 2021.

Administration includes the cost of the initial Presto Card and photo ID as well as the cost of verifying eligibility. For phase 1, eligibility and card production will be done in the City's Employment & Social Services offices. The start-up of the program will require 6

temporary full-time equivalents. The evaluation of Phase 1 will determine the resources necessary to manage the program on an ongoing basis.

Administration also includes the replacement of lost and damaged cards. These costs will be recovered from the cardholder at the estimated \$13-15 fee the TTC plans to charge children, students, and post-secondary students eligible for transit fare concessions.

As outlined in the 2016 budget process, cumulative savings from the upload of Ontario Works have amounted to \$199.5 million since 2008; the projected savings for 2017 and 2018 are \$23.5 million and \$21.5 million, respectively. Given that these savings have been directed to the overall budget pressure, Phase 1 of the Fair Pass Program will be a property tax pressure.

The more advanced phases in 2019 to 2021 will be subject to the availability of funding within the City's operating budget and based on opportunities for Federal and Provincial cost sharing contributions for this and other poverty reduction initiatives.

As discussed below in the Implementation & Evaluation section, the Fair Pass Program purposely adopts a three-phase, iterative implementation approach, where each phase is thoroughly evaluated and lessons are applied to the design of subsequent phases.

Phase 1 will generate rich descriptive statistics from PRESTO data about the ridership patterns of Fair Pass users, including frequency of pass use, transit modes usage, time of the day of trips, and starting location of journeys. This data will allow for more refined projections of the cost of phases 2 and 3.

The evaluation program will also examine whether the Fair Pass spurs ridership, and by doing so, helps to sustain ridership growth that can benefit TTC finances. Since the City will cover revenue losses from discounted trips, ridership growth may have positive net results for the TTC, especially if additional trips occur in times and locations where there is excess capacity in the system.

The Deputy City Manager & Chief Financial Officer, and the TTC Chief Financial & Administration Officer have reviewed this report and agree with the financial impact information.

EQUITY IMPACT

Torontonians with access to a vehicle, or who are able to afford unlimited transit passes, take full advantage of the city's economic opportunities, vibrant cultural life, numerous parks and natural areas, and a variety of municipal services. Low-income residents lack such access. They rely heavily on transit to navigate life in the city. Expensive transit fares restrict their options and opportunities.

While existing TTC transit fare concessions enable children 12 and under to use the TTC for free, and students and seniors to pay lower fares, most working age low-income riders are not eligible for transit fare discounts, or City and Provincial transportation supports. The Fair Pass Program proposed in this report addresses this

gap by increasing equitable access to transit in Toronto, thereby advancing an important priority within the Toronto Poverty Reduction Strategy.

DECISION HISTORY

Since 2013 Toronto City Council, the Board of Health, and the Board of the Toronto Transit Commission (TTC) have adopted several resolutions directing staff to review, enhance, and create mechanisms that reduce the cost of public transit for low-income residents.

On March 25, 2013 the Board of Health adopted "Next Stop Health: Transit Access and Health Inequities in Toronto," requesting staff to develop solutions for affordable transit, recommending the allocation of a portion of new funding for transit expansion in order to improve affordability; to incorporate transit affordability for low-income individuals into provincial policies; and to ensure that the Official Plan review and transit planning process improve transit availability in areas of the city with a high proportion of low-income residents and lower transit availability.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.HL20.3>

In response to the need for an overarching framework to guide and coordinate efforts to create equitable access to transit, on July 8, 2014, City Council adopted "Toward a Policy Framework for Toronto Transit Fare Equity" directing Social Development, Finance and Administration, in partnership with the Toronto Transit Commission, Toronto Employment & Social Services, Toronto Public Health, City Planning, City Treasurer, and Financial Planning to develop a Policy Framework for Toronto Transit Fare Equity.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX43.18>

On February 2, 2015, the Toronto Transit Commission Board adopted the recommendation that children aged 12 and under ride for free. This was a 2015 poverty reduction investment. The TTC also reaffirmed its commitment to work with the City and outside stakeholders on the development of discounted fares for low-income residents.

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2015/February 25/Minutes/index.jsp](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2015/February%2025/Minutes/index.jsp)

On November 3, 2015, City Council unanimously adopted "TO Prosperity - Toronto Poverty Reduction Strategy." Transit equity is one of the five pillars of the strategy. Recommendation 6 states, "make transit more affordable to low-income residents"; and action 6.2 commits the City to, "ensure the roll-out of the new Presto Pass technology includes a fare-g geared-to-income capacity."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.5>

ISSUE BACKGROUND

Available and affordable public transit can effectively reduce poverty through increased access to social and health services, community resources, and economic opportunities. The inability of a portion of the population to easily move throughout the city decreases the economic and social returns on transportation investments. It hinders

economic growth and prosperity, counteracts government efforts for efficiency, and may contribute to health inequities within the population.

The City and the Province are advancing major plans to expand transit services, but the social, economic, and health benefits of expanded services will not be realized if a large portion of city residents cannot afford transit fares.

The TTC raises a higher share of revenue from the farebox than other transit agencies. In 2015, 68% of TTC's operating budget was covered by fares.¹ In contrast, Vancouver's Translink estimates that 37% of its operating budget will be raised by riders with the remaining mostly coming from different orders of governments.² Montreal's STM,³ Chicago's CTA,⁴ and New York's MTA⁵ expect fares to cover around 40% of operating costs in 2016. As the third largest transit agency in North America, the TTC transports more riders than most agencies with fares bearing more of the costs.

In adopting "Toward a Policy Framework for Toronto Transit Fare Equity" in 2014, and "TO Prosperity - Toronto Poverty Reduction Strategy" in 2015, City Council recognized that investment in infrastructure must be complemented with efforts to increase transit affordability, especially for low-income residents to whom public transit is the main, or the sole, mode of transportation.

City Investments

The City makes significant investments in public transit: 18% of its 2016 operating budget and 50% of the tax supported 2016-2025 capital budget and plan are earmarked for transit.

In 2016, the City will provide the TTC a subsidy of \$493.6 million to fund the operating costs of the conventional system, and an additional \$116 million for the operating costs of Wheel Trans. The City's subsidy alleviates the need for fares to cover all operating costs.

In total, approximately \$72 million will be spent in 2016 to fund existing concession fares, which increases transit access for the following population groups, regardless of income:

- 350,700 children 12 and under⁶
- 204,595 secondary students (aged 13-19)⁷
- 213,418 full-time post-secondary students⁸
- 377,440 seniors (65 and up)⁹

In addition to these investments in the TTC, City divisions provide transportation assistance to low-income residents seeking emergency shelter, employment, medical attention, health information, and social supports.

- In 2014, five divisions spent a total of \$3.37 million in transportation assistance for an estimated 377,759 residents¹⁰

- In 2015, Shelter, Support and Housing Administration (SSHA) transferred \$375,862 to community-based housing service providers for the purchase of tokens for their clients
- In 2014 and 2015, applications to the City's major community grant programs administered by Social Development, Finance and Administration identified that between 4% and 6% of the requested funding would be spent on tokens, totalling approximately \$600,000¹¹

Importantly, much of the funds listed above were originally designated for programming. As transit fares increased, clients began to report that they were unable to access programs due to transit costs, and service providers thus began channelling increasingly more funds and staff hours to the purchase and distribution of tokens.

Provincial and Federal Investments

The City of Toronto also delivers transportation assistance, cost-shared with the Province of Ontario, through the Ontario Works (OW) program. In 2014 Toronto Employment & Social Services (TESS) administered \$26M gross (\$2.98M City net) in transportation supports to help OW clients access medical appointments, employment activities, and job opportunities. In 2018, the cost of OW benefits will be fully borne by the Province as part of the scheduled upload of social service costs.

Recently, in recognition of both the true cost of travel in Toronto and the need to better support clients participating in employment programs, TESS enhanced its employment benefits, raising the number of clients eligible for transportation support and increasing the full-time allowance rate to match the cost of the monthly transit pass. Even with these enhancements, only 20% of Ontario Works clients are eligible for transportation-related support; 16% receive enough to buy a TTC monthly pass.¹²

The Federal Government has proposed substantial capital investments in public transit over the next 10-years but does not currently provide direct funding to transit equity programs.

The Public Transit Tax Credit provides transit users with a 15% non-refundable credit on the purchase of a various unlimited travel passes. With the introduction of PRESTO, travel expenses incurred using a PRESTO card will be eligible for the federal tax credit as long as the card is used to make at least 32 one-way trips over 31 consecutive days.¹³ According to TTC data, 40% of low-income riders take transit with the frequency required to benefit from these non-refundable tax credits, provided they earn enough income and file tax returns. The remaining 60% do not receive this benefit or any other direct support from the Federal government for transit equity.

Transit Remains Unaffordable for Low-income Residents

Notwithstanding these investments, transit is unaffordable for low-income Torontonians. The 10% of seniors and 29% of children living in low-income households benefit from existing concession fares,¹⁴ as do full-time, post-secondary students whose earnings are limited by time constraints. In contrast, there are no discounts for low-income adults

aged 20 to 64. For these residents costly transit fares are a financial, social and health burden.

High Fares

- TTC fares increased by 21 percent between 2009 and 2015, while the minimum wage increased by 9%¹⁵
- The TTC adult regular monthly pass is the second least affordable in Canada, measured in terms of a percentage of the monthly minimum wage¹⁶
- TTC riders must use the adult regular monthly pass 49 times to recover its cost and start saving; in Berlin, 29 rides are enough, in Paris, 39, and in New York, 41

No discounts or supports

- 62% of Toronto's low-income residents are aged 18 to 64; nearly all of them are not eligible for TTC discounts, or City or Provincial transportation support if they work full time
- Low-income adults pursuing post-secondary training on a part-time basis are not eligible for TTC discounts, City or Provincial transportation support
- Only approximately 20% of Ontario Works clients are eligible for transportation assistance; 16% receive enough to buy a TTC monthly pass¹⁷

Financial burden

- A transit-dependent family of four, with two working parents earning the minimum wage spends between 20% and 35% of their disposable income on TTC fares¹⁸
- A part-time worker earning the minimum wage, if required to do a three-hour shift, may spend up to 20% of the income earned in the shift on tokens¹⁹
- TTC data shows that low-income residents – including heavy users – use cash fares and tokens more often than higher income riders, who are more like to buy monthly passes, which are cheaper on a per-ride basis²⁰
- The majority of low-income residents pay per ride and end up paying more on average than everyone else

Social and health burden

- Low-income parents without a car are less likely to take a sick child to the doctor²¹
- Low-income Torontonians are more likely to rely on transit to access healthy food²²
- Low-income families forgo free recreational activities due to transit costs²³
- High TTC fares are a major barrier for racialized youth seeking stable employment;²⁴
- Newcomers integrate more successfully in communities with adequate transit access to education and training opportunities²⁵
- Transit exclusion reinforces other types of social exclusion, making it harder for low-income residents to build economically stable lives²⁶

COMMENTS

Fair Pass: Transit Fare Equity Program for Low-Income Torontonians

The Fair Pass Program will aptly respond to several Council directions to increase transit access for low-income residents. It will leverage the new PRESTO technology to enhance transit equity without overburdening TTC operations, accentuating differences

with transit systems in the region, or creating unfairness among disadvantaged groups. The program's design is based on:

- Two reviews of low-income transit affordability programs in Canadian and international cities, including the Greater Toronto and Hamilton Area (see Appendix A for an overview of 21 programs)
- A cost-benefit analysis of a low-income discounted transit pass program in Toronto (see Appendix B for the complete analysis)
- A Transit Fare Equity Survey, answered by 4,465 low-income residents across the city (see Appendix C for the complete community engagement report)
- A series of focused discussions with members of a community and stakeholder advisory committee²⁷
- Several technical discussions with the TTC, City Planning, and Metrolinx

Program Summary

Eligibility threshold Low Income Measure (LIM) +15 (before tax, adjusted to family size, plus 15%)	\$45,075 (household)
Eligible population (including seniors and students but not children 12 and under)	706,730
Estimated transit users within eligible population	193,279
Fare paid by riders (consistent with other TTC concessions in 2016)	Single fare: \$1.95 Monthly pass: \$112.00
Implementation timeframe	Phased, 2018-2022

1. Eligibility: LIM+15%

Eligibility thresholds for low-income transit programs vary from city to city. The Low-Income Cut Off (LICO) and enrolment in social assistance program are commonly used as eligibility criteria in Canadian cities. Programs in other countries use the Low Income Measure (LIM), enrolment in social assistance programs, and legally recognized statutes (e.g. a person with a disability, a veteran, a refugee) as eligibility criteria. The LIM is specific for Toronto and is reported annually by Statistics Canada

Both the Toronto Poverty Reduction Strategy and the Ontario Poverty Reduction Strategy adopt the LIM as the overall low-income indicator. This intentional alignment is meant to facilitate research, program-design, and financial cooperation. Consequently, the Toronto Fair Pass Program uses the LIM as its eligibility threshold, and proposes the inclusion of 15% above the LIM to ensure all vulnerable groups are eligible, including low-wage and precariously employed workers.

Rationale

Part-time jobs in Toronto have increased by 21% since 2010 and now constitute a quarter of all jobs.²⁸ Most of these are low-paid retail and service jobs spread throughout the city.²⁹ Precariously employed workers are commuting for short shifts,

often more than once a day, and paying transit fares that can add up to 35% of their disposable incomes.³⁰ Overlooking their needs would be a major shortfall of a transit fare equity program.

The income of low-wage, precariously employed workers falls close to low-income thresholds, depending on how many shifts they get, whether they receive tips, or have any taxable benefit. If the City were to adopt the LIM as the threshold for the Fair Pass Program, low-wage workers would qualify for it in very low earning years, and not qualify for it in years where their incomes went slightly above the LIM. The negative impact of "claw backs" that cut supports to residents making economic headway, often leaving them worst off for trying to get ahead, have long been documented.³¹ Social assistance programs are now designed to avoid these disincentives.³²

With this in mind, the approach proposed in the Fair Pass Program is to set the threshold at 15% above the LIM. This will ensure that all low-income Torontonians qualify for the program, including precariously employed residents who may occasionally, or after much effort, find themselves just above the official low-income line. This approach creates a program that addresses the immediate needs of the most disadvantaged group, while also supporting residents taking the first steps toward more stable lives.

Cost-benefit Analysis

The cost-benefit analysis commissioned for this report modeled two eligibility scenarios using the Low-Income Measure and a higher eligibility threshold. In the first scenario, only households with an annual income of less than \$43,000 qualify for the program.³³ In the second scenario, households where two adults have a combined annual income of less than \$72,000 are also eligible.³⁴ The cost of the program is higher in the second scenario, but so are the benefits.

Since individuals in the second income bracket are very likely to be economically active, affordable transit is directly linked with increased employment opportunities that support economic growth and generate new tax revenues. Other studies have linked access to transit with increased government revenue due to employment growth. In Hamilton, for example, 75% of surveyed users of a low-income monthly pass reported that the transit subsidy allowed them to keep their jobs.

This analysis also found that investments in this program would be offset by savings in the health care system. Affordable transit increases the likelihood of low-income individuals visiting a doctor regularly. In Calgary, users of the fare-geared-to-income program were 70% less likely to miss a medical appointment. Regular visits to family physicians and continuity of care have been shown to significantly decrease emergency department visits and hospital admissions, generating considerable savings for the medical care system.³⁵

In total, the cost-benefit analysis found that discounts up to 35% can be safely considered an investment with high financial and economic returns. The federal and provincial governments would accrue most of the generated benefits, through saving in the health care system and increased tax revenues. These benefits along with a shared

commitment to poverty reduction provides an opportunity for new intergovernmental partnerships aimed at improving transit equity. Examples exist.

The Province of British Columbia funds Vancouver's discounted passes for low-income seniors and people with disabilities. Saskatoon's discounted pass program is cost-shared with the provincial government.³⁶ Recently, the Province of Alberta announced that in the next three years, \$19.7 million will be channelled to low-income transit passes in Edmonton and Calgary.

City staff will engage provincial and federal counterparts on the third phase of the proposed program, which will bring direct economic benefits to all governments but is the most costly and requires additional partnerships for efficient implementation.

2. Fare Media: Discounts on the Single Fare and the Monthly Pass

According to the jurisdictional reviews commissioned for this project, most existing programs aimed at improving the affordability of transit for low-income residents offer only a discounted monthly pass. A similar program would cost the City of Toronto an estimated \$9.5M annually once fully implemented, which is considerably less than the proposed Fair Pass program. However, this approach has a major limitation: it excludes infrequent transit users, precariously employed workers with irregular schedules, and residents with very low incomes from the cost of the single fare is a barrier. TTC data shows that only between 40% and 50% of low-income riders use the TTC frequently enough to benefit from a discounted monthly pass.³⁷

The Transit Fare Equity Survey asked 4,465 low-income Torontonians to identify the discounts that best meet their needs and the factors that staff should consider when implementing these discounts. Chart 1 and Chart 2 show that low-income residents need flexible discounts that can be applied to various fare types, can be used with all TTC services, and can be purchased in many locations across the city. Alone, a discounted monthly pass would not respond to these needs.

Figure 1: Answer to the question "Please review the list of five options to make transit more affordable, and select the two options that would most help you."

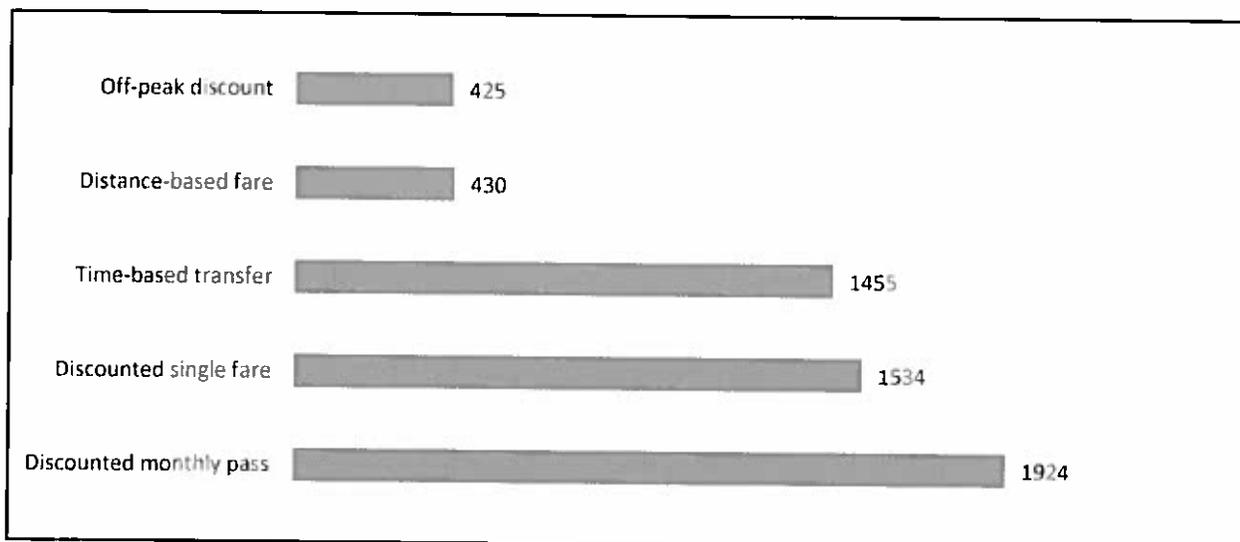
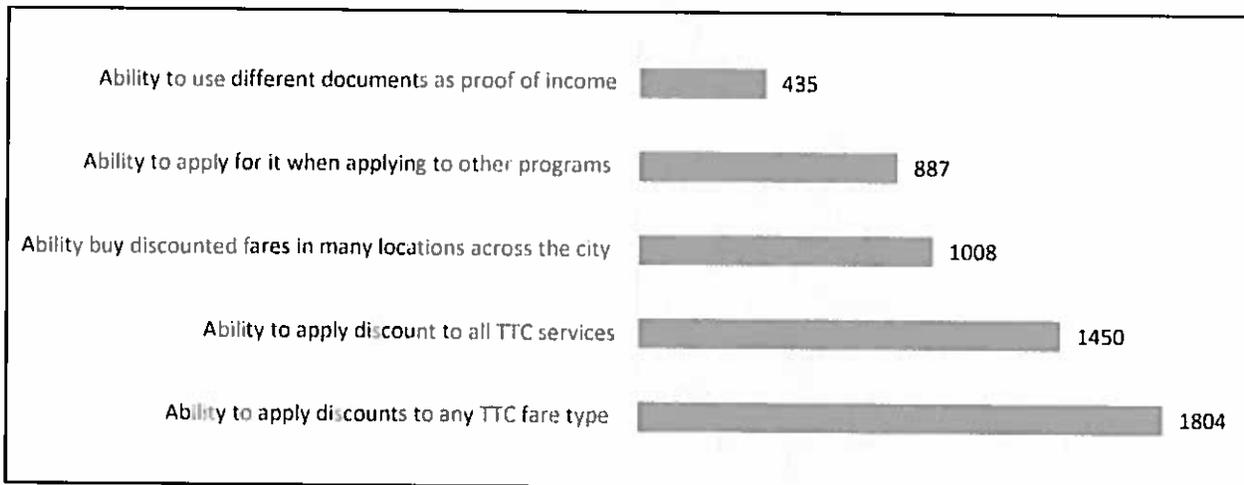


Figure 2: Answer to the question, "Please review the list of five ways to make it easier to access transit discounts, and select the two choices that would most help you"



The PRESTO technology allows discounts to be applied on the single fare. This approach permits eligible riders to benefit from the program every time they use the TTC. Learning from other jurisdictions and from the needs expressed by low-income residents, Toronto can get it right from the very start. The Fair Pass Program applies to both single fares and to the monthly pass.

3. Discount Levels: 33% on the adult single fare, 21% on the adult monthly pass

Discount levels vary greatly among low-income transit programs in other jurisdictions. Three factors were taken into account to select an adequate discount level for the Fair Pass Program: the fare media choice, fairness among and between benefitting user groups, and findings of the cost-benefit analysis.

Most transit affordability initiatives offer low-income residents discounts between 30% and 70%.³⁸ Most of these discounts, however, apply only to monthly passes. Take-up rates are usually moderate as a result.

The Fair Pass Program proposes a 33% discount on the adult single fare and a 21% discount on the adult monthly pass, which is in line with current TTC concession discounts. Applying the discount to the single fare and to the monthly pass, grants low-income residents the flexibility they need and is a significantly more effective program design. A moderate discount reduces the financial impact of this choice.

Efficient Allocation of Funds

From a social equity perspective, the Fair Pass Program is a more efficient allocation of funds than most TTC concessions. As Figure 3 shows, Children 12 and under ride free is the most cost-efficient concession, due to the high percentage of children living in poverty, and the fact that children paid a discounted fare before they were made exempt from it. The second most cost-effective option is the Fair Pass. As a targeted program, every dollar invested will go towards subsidising transit to low-income residents, making the cost per low-income rider considerably lower than in other TTC concessions.

Figure 3. Cost per capita of subsidizing transit to different resident groups

Concession Group	Discount level	% of residents eligible for this concession living on a low-income	# of residents eligible for this concession living on a low-income	Total cost of the discount	Cost per low-income resident
Children (0-12)	Free	29%	104,190	\$8.3 M	\$80
Proposed Fair Pass	33% on single fare 21% on monthly pass	100%	482,550	\$48.2 M	\$100
Students (13-19)**	33% on single fare 21% on monthly pass	28%	58,506	\$27.8 M	\$493
Seniors (65+)	33% on single fare 21% on monthly pass	10%	38,780	\$23.3 M	\$601
Post-secondary Students***	21% on monthly pass	n/a	n/a	\$13.5 M	n/a

* To allow for comparison, LIM-AT is used in all columns. ** Estimation based on number of residents 18 and 19 years of age living below LIM-BT. *** The post-secondary students group comprises residents of any age enrolled in a broad range of educational programs; it is not possible to estimate the number of eligible residents.

IMPLEMENTATION & EVALUATION

The Fair Pass Program purposefully adopts a three-phase, iterative implementation approach, where each phase is thoroughly evaluated and learnings are applied to the design of subsequent phases. Five general principles will guide the implementation:

- **Minimize additional administrative processes** - every attempt should be made to integrate the delivery of this program into existing City processes
- **Promote user access, choice, and responsibility** - information about eligibility criteria, application processes, and program rules should be widely available and easy to understand
- **Promote social equity without stigmatizing users** - neither the application process nor day-to-day use of the Fair Pass card should in any way stigmatize users
- **Take into account the needs of persons with disabilities** - staff should actively seek the advice of people with disabilities to ensure that information, communications, application and feedback processes are fully accessible
- **Evidence based** - the program should be carefully evaluated to ensure that it meets the desirable social equity goals in a cost-effective manner

The Three Phases

The Fair Pass Program will be implemented in three phases.

Phase	Starting Date	Target Group
1	March 2018	ODSP and OW clients not in receipt of transportation supports
2	March 2019	Residents receiving housing supports or child care fee subsidy whose household income fall under the LIM+15 threshold
3	March 2020	All other Toronto residents whose household income fall under the LIM+15 threshold

Phase 1 will prioritize OW and ODSP clients not in receipt of transportation supports.³⁹ In line with the above-stated principles, this option allows the program to be piloted with a group of residents already receiving ongoing support from City programs and services. Since the income threshold for OW and ODSP eligibility is lower than LIM+15%, these residents are automatically eligible for the Fair Pass program. No additional income-testing process will be necessary.

By leveraging existing processes and systems, the implementation of Phase 1 will avoid the duplication of administrative requirements. Whether as part of their regular service planning discussions with staff, or as a separate process, OW and ODSP clients will be able to enrol in this program without being asked to produce additional documents.

Toronto Employment and Social Services (TESS) will lead the implementation of Phase 1. As Toronto's service delivery agent for OW, TESS manages the third largest social assistance system in Canada. In 2014 alone, 10% of all Torontonians received some kind of support from TESS. An operation of this dimension requires a large and tailored infrastructure. TESS has 19 accessible offices, easily reached through public transit and strategically located in high priority neighbourhoods. TESS offices will serve OW clients eligible for Phase 1 of the Fair Pass program.

Phase 2 of the program will include residents receiving housing supports and child care fee subsidy.

In line with the above-state principle of minimizing additional administrative processes, and the Toronto Poverty Reduction Strategy, which directs staff to "create a seamless social support system" and "integrate the intake and administration of means-tested programs," Phase 2 and 3 will require the formation of new partnerships among City divisions and between the City and other orders of government.

Phase 2 will leverage work underway through the Human Services Integration project. Though a broader and more diverse group, residents included in this phase have links with City divisions and agencies; many will already have their eligibility assessed more than once through existing processes. In an integrated human service delivery model, no additional income-testing process would be necessary.

Phase 3 will cover all other Toronto residents living with an income below the LIM+ 15% threshold.

Phase 3 will require funding strategies that leverage financial support from other orders of government and other non-City funding sources. Phase 3 will also require information sharing protocols with other orders of government to make income verification streamlined and effective. No such protocol is currently in place. Staff will begin working on these funding strategies and protocols concurrent with Phase 1 rollout to allow for the necessary time for negotiations.

While the establishment of these partnerships may delay Phase 3, the benefits associated with them have broader implications. In addition to making the application process for the Fair Pass Program easier for residents and less costly for the City, the creation of a seamless social support system is a major step in supporting low-income residents struggling to meet basic needs and build more stable economic lives. It is also a laudable step toward a more efficient and responsive government.

Evaluation

The complete evaluation proposal for the Fair Pass Program is found in Appendix D. Designed by an independent consultant, this comprehensive proposal lays out a plan for how to gather actionable information about program costs, processes, and short- and long-term outcomes. It contains:

- A program logic model identifying outputs, short, medium, and long-term outcomes
- An evaluation methodology describing the research instruments to be used
- Drafts of a baseline survey, a post-test survey, and questions for in-depth interviews

The three primary objectives of the proposed evaluation plan are:

- To document the costs of the program
- To understand successes and challenges associated with program implementation
- To document program impact on low-income residents

The phased implementation approach that start with a clearly defined population group, coupled with the roll out of PRESTO, is expected to generate a wealth of new data and offer an invaluable opportunity to gain understanding of the transit patterns and needs of low-income residents.

Drawing on these findings, the evaluation of the Fair Pass Program will allow staff to improve clients' experiences, assess whether the intended outcomes of the program are being achieved, and make refined projections about the cost of expanding the program into its subsequent phases.

CONTACT

Denise Andrea Campbell
Director
Social Development, Finance &
Administration
416-392-8614
dcampbe6@toronto.ca

Ricardo Tranjan
Manager Poverty Reduction Strategy
Social Development, Finance &
Administration
416-392-5397
rtranja@toronto.ca

SIGNATURE



Peter Wallace
City Manager

APPENDIXES

Appendix A: Canadian and International Jurisdictional Reviews - Summary Table
Appendix B: Toronto Transit Fare Equity Cost Benefit Analysis
Appendix C: Transit Fare Equity Community Engagement Report
Appendix D: Fair Pass Evaluation Framework

¹ Toronto Transit Commission. 2016 Operating Budget Note, p.3. Available at <http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-89241.pdf>

² TransLink. 2016 Operating and Capital Budget, p.8. Available at, http://www.translink.ca/-/media/Documents/about_translink/corporate_overview/corporate_reports/business_plan/2016_business_plan_and_operating_and_capital_budget.pdf

³ Société de transport de Montréal. Budget 2016, p. 46. Available at, <https://www.stm.info/sites/default/files/pdf/tr/budget2016.pdf>

⁴ Chicago Transit Authority. President's 2016 Budget Recommendations, p. 45. Available at, http://www.transitchicago.com/assets/1/finance_budget/2016_Budget_Book_WEB_FINAL_Compressed.pdf

⁵ Metropolitan Transportation Authority. 2016 Adopted Budget. Available at, http://web.mta.info/mta/news/books/pdf/MTA_2016_Adopted_Budget_February_Financial_Plan_2016_2019.pdf

⁶ Statistics Canada, Small Area and Administrative Data; Taxfiler (T1FF) - Family Data, 2012.

⁷ Statistics Canada, 2011 Census of Canada.

⁸ 2014-2015 figures provided by the Ministry of Training, Colleges and Universities.

⁹ Statistics Canada, 2011 Census of Canada.

¹⁰ Toronto Employment & Social Services; Shelters Support & Housing Administration; Parks, Forestry & Recreation; Social Development, Finance & Administration; and Toronto Public Health.

¹¹ Grant programs examined include SDFA's Access, Equity & Human Rights; SDFA's Community Safety Investments; SDFA's Community, Festivals, and Special Events; and TPH's Toronto Urban Health Fund.

¹² 2015 figures provided by Toronto Employment and Social Services.

¹³ Program details available at <http://www.cra-arc.gc.ca/tx/ndvdlis/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns360-390/364/lqblty-eng.html>

¹⁴ Statistics Canada, Custom Tables 2001 and 2006 Census of Canada; Statistics Canada, Small Area and Administrative Data, Taxfiler (T1FF) - Family Data, and 2012.

¹⁵ Canadian Centre for Policy Alternatives (2015), Making Ends Meet: Toronto's 2015 Living Wage.

¹⁶ Toronto Public Health. 2013. Next Stop Health: Transit Access and Health Inequities in Toronto.

¹⁷ 2015 figures provided by Toronto Employment and Social Services.

¹⁸ Calculation based on the following assumptions: hourly minimum wage \$11.25 (April 2016), 35-hour working week, 52 weeks a year, taxes at 20.5%, both adults purchase the monthly metro pass, the family pays the average rent for a two-bedroom apartment \$1251 (CHMC's Rental Market Statistics 2015, Table 3). The low estimate assumes both children are 12 years of age or under, the high estimate assumes both children are between 13 and 19 years of age.

¹⁹ Calculation based on the following assumptions: hourly minimum wage \$11.25 (April 2016), income taxes at 20.5%, tokens used as the fare media.

²⁰ Toronto Public Health. 2015. Transit Fare Equity Project: Analysis of the TTC Customer Satisfaction Survey - Public Transit Use by Income.

²¹ Williamson, D.L. & Drummond, J. 2000. Enhancing low-income parents' capacities to promote their children's health: Education is not enough. *Public Health Nursing*, 17 (2): 121-131.

²² Toronto Public Health. 2010. Summary of the Toronto food strategy consultation and engagement. What we heard. Available at, -
[http://wx.toronto.ca/inter/health/food.nsf/Resources/6E171B9FFA4BB82C85257750006E4043/\\$file/What%20We%20Heard.%20Food%20Strategy%20June%202010%20Summary%20-%20Final.pdf](http://wx.toronto.ca/inter/health/food.nsf/Resources/6E171B9FFA4BB82C85257750006E4043/$file/What%20We%20Heard.%20Food%20Strategy%20June%202010%20Summary%20-%20Final.pdf)

²³ Toronto Public Health. 2011. Perspectives of parenting on a low income in Toronto. Available at, http://www.toronto.ca/health/inequalities/pdf/lowincome_parent.pdf

²⁴ Access Alliance (2011). Research bulletin #1. Labour market challenges and discrimination faced by racialized groups in the Black Creek area. Toronto: Access Alliance.

²⁵ Esses, V. M., Hamilton, L. K., Bennett-AbuAyyash, A. and Burstein, M. (2010, March). Citizenship and Immigration Canada. Characteristics of welcoming community. Available at, <http://welcomingcommunities.ca/wpcontent/uploads/2011/09/Characteristics-of-a-Welcoming-Community-11.pdf>

²⁶ Wray, Ron (2013). The Spatial Trap: Exploring Equitable Access to Public Transit as a Social Determinant of Health. Wellesley Institute; Wixey, Sarah, Peter Jones, Karen Lucas, and Mark Aldridge (2013). Measuring Accessibility as Experienced by Different Socially Disadvantaged Groups. Working Paper 1. Transport Studies Group, University of Westminster. Available at: http://home.wmin.ac.uk/transport/download/SAMP_WP1_Literature_Review.pdf

²⁷ Active advisory members included representatives from the Advisory Committee on Accessible Transit (TAAC), Civil Action, Canadian Centre for Policy Alternatives, Wellesley Institute, Fair Fare Coalition, TTC Riders, United Way Toronto and York Region, University of Toronto.

²⁸ City of Toronto (2015). Toronto Employment Survey 2015. Available at, <http://www1.toronto.ca/City%20of%20Toronto/City%20Planning/SIPA/Files/pdf/T/2015-Employment-Bulletin%20FINAL-accessible.pdf>

²⁹ Martin Prosperity Institute (2015). The Geography of Toronto's Service Class & What it Means for the City of Toronto. Available at, http://www.martinprosperity.org/media/pdfs/Toronto_election_series-Geography_of_Service_Class.pdf

³⁰ See endnote 17.

³¹ Jane Jenson (2014). Redesigning the "Welfare Mix" for Families: Policy Challenges. Canadian Policy Research Network, Discussion Paper F30. Available at: http://cprn.org/documents/17519_en.pdf

³² See for example Ontario's decision not ensure that low-income families keep the full Canada Child Benefit. More details available here: <https://news.ontario.ca/mcss/en/2016/06/ontario-ensuring-vulnerable-families-keep-full-canada-child-benefit.html>

³³ 2013 Statistics Canada LIM-AF adjusted for 2016 prices.

³⁴ The analysis also considered lone-parent families and unattached individuals. The thresholds used for lone parent families were \$39,000 (LIM-AF) and \$67,000 (living wage); for unattached individuals the values used were \$25,000 (LIM-AT) and \$43,000 (living wage).

³⁵ Toronto Public Health. 2013. Next Stop Health: Transit Access and Health Inequities in Toronto.

³⁶ Dempster, B., & Tucs, E. 2012. *A Jurisdictional Review of Canadian Initiatives to Improve the Affordability of Public Transit for People Living on a Low Income*. Civics Research Co-operative. Toronto: Toronto Public Health.

37 Toronto Public Health. 2015. Transit Fare Equity Project: Analysis of the TTC Customer Satisfaction Survey - Public Transit Use by Income.

³⁸ Ibid.

³⁹ OW clients in receipt of the Employment Related Expenses benefit or the Medical Transportation benefit, who receive between \$100 and \$141 a month, will not be eligible for the Fare Pass Program. The value of these benefits are higher than the discount provided through the Fare Pass Program.

Appendix A: Canadian and International Jurisdictional Reviews – Summary Table

Jurisdiction	Start Date	Fare media	Eligibility	Price per Patron	Discount	Estimated # of Patrons	Program Cost	Funding Source
GTHA								
Halton Region	2011	monthly pass	LICO-BT Gross LICO + 15% Sponsored refugees (gov't/ private) OW/ODSP (those not in receipt of transportation support)	\$30-\$47 (2011) (varies by municipality) \$25-\$57.50 (2016)	50%	437 monthly (2011) 550 monthly (2015)	2015 Annual Budget: \$630,000	100% municipal budget approved annually through council Budget pooled among three municipalities
Hamilton	2008	monthly pass (Presto)	LICO-AT who are employed OW/ODSP and working	\$43.50 (2012) \$47.50 (2016)	50%	2015: 6,047 (approved) and 4,749 (purchased) 2013: 6,292 (approved) and 4,778 (purchased)	2015: \$278,062 Net (Gross \$342,540)	2015: Ongoing operational cost savings and departmental surplus 2013/14: Hamilton Social Services Initiative Reserve Fund and OMCSS
York Region	2012 (pilot) 2014	tickets (agencies) monthly pass (clients)	OW (new applicants looking for work, with ft/pt earnings, clients exiting OW due to emp't) ODSP (in employment programs, with ft/pt earnings)	OW clients : 1 Zone - \$33 2 Zone - \$44.25 ODSP clients: 1 Zone - \$66 2 Zone - \$88.50	2012: 50% OW/ODSP 2014: 50% for ODSP 2014: 75% for OW 2015/16: change from percentage based discount to a flat rate	2012: 3,056 (vouchers issued) and 1,629 (vouchers redeemed) 2015: 6,558 (issued) and 4,206 (redeemed) Comparing 2015 to pilot: 215% increase in vouchers issued, 258% increase in voucher redeemed	2015 annual budget for program \$668,670	2013/14: Social Assistance Reserve Fund 2015: funded by tax levy and Social Assistance Reserves

LICO-BT-low income cut-off before tax; **LICO-AT**-low income cut-off after tax; **LIM**-low income measure; **OW**-Ontario Works; **ODSP**-Ontario Disability Support Program

Jurisdiction	Start Date	Fare media	Eligibility	Price per Patron	Discount	Estimated # of Patrons	Program Cost	Funding Source
Durham	2006	monthly pass	Only available for disabled residents – 'access pass' through Specialized Services	\$45 (\$112) \$46 (\$115)	40%	2013: 179,000 trips	2013: \$5M for Specialized Services (\$69M budget for total DRT)	Municipal budget: fares, other revenues
Peel Region-Mississauga only	2014 (pilot 1)	monthly pass (Presto)	OW	\$40	65%	Sept 2014-Aug 2015: 250 available and 232 purchased	\$398,500	2014-2015 City of Mississauga/MiWay, the Region of Peel, and OW clients.
	2016 (pilot 2)	monthly pass (Presto)	LIM	\$65	50%	June –Dec 2016: 2500 available	\$1,420,000	2016: City of Mississauga/MiWay and Region of Peel
Ontario								
Cornwall	2009	monthly pass	OW/ODSP	2015: \$42.00 per pass (regular \$63)	33%	175 passes available each month on a first come, first serve basis	\$44,000	100% municipal budget approved annually through council
Guelph	2012	monthly pass	LICO-BT	2016: \$37.50 (adult) \$32.00 (youth) \$31.00 (senior)	53%	Total # of applications exceeded projected 1800 by 50%	2012: 135,350	Municipal tax levy
Waterloo Region	2002	monthly pass	LICO-BT	2016: \$42	47%	2011: Approx. 2000 passes/month; waiting list of 1000 2016: Approx. 2000 passes/month; waiting list of 700	2016: \$828,500	Municipal tax levy and gas tax levy

LICO-BT-low income cut-off before tax; **LICO-AT**-low income cut-off after tax; **LIM**-low income measure; **OW**-Ontario Works; **ODSP**-Ontario Disability Support Program

Jurisdiction	Start Date	Fare media	Eligibility	Price per Patron	Discount	Estimated # of Patrons	Program Cost	Funding Source
Waterloo Region	2010	monthly pass	OW and education to Grade 12 or equivalent	Free		2012: 300-400/month 2016: 260/month	2016: \$257,000	Cost-shared with Province (5.8%)
Kingston	2009	monthly pass	LICO-AT	\$46.75 (adult) \$34.75 (youth) \$34.75 (senior)	36%	Approx. 1800 individuals access this program annually	2010: \$165,000 No limit to the number of ATP riders; revenue loss absorbed in the Kingston Transit budget	Municipal tax levy
Kington	2015	monthly pass	LICO-AT - for two months for people entering or re-entering the workforce	Free		First quarter of 2015-7 passes issued		Ontario Works
Windsor	2011	monthly pass	LICO-BT ODSP and OW	\$44	49% (adult) 27% (student)	Number of ongoing clients served: 2438 Households 3947 Clients	2016: \$200,000 Annual Allocation Additional program costs are absorbed by Transit Winds	Windsor's Pathway to Potential Fund

LICO-BT-low income cut-off before tax; **LICO-AT**-low income cut-off after tax; **LIM**-low income measure; **OW**-Ontario Works; **ODSP**-Ontario Disability Support Program

Jurisdiction	Start Date	Fare media	Eligibility	Price per Patron	Discount	Estimated # of Patrons	Program Cost	Funding Source
Rest of Canada								
Banff		monthly pass	LICO	free	100%			
Calgary	2005	monthly pass	75% LICO-BT (2009) 87.5% of LICO (2013) 100% LICO (2014) Youth (6-17) if parent meet eligibility Social assistance Refugees	\$40 (2012) \$44 (2016 – \$99 regular pass for adult/youth)	44% (2015) 46% (2014) 47% (2013) 43% (2012)	2015: 24,000 (approved applicants); 199,300 (adult/youth passes sold @ 100% LICO) 2013: 20,400 (approved applicants); 134,900 (adult/youth passes sold @ 87.5% LICO)	Subsidy value: \$8.697M (2015); \$7.103M (2014); \$5.507M (2013)	100% municipal budget (No separate line item in budget for the low income transit pass program, cost absorbed)
Moose Jaw		monthly pass	Social Assistance	\$20	66%	2,400	2014/15: \$54,000 (Prov. portion)	Cost-shared with Province.
Saskatoon (part of the Sask Discount Bus Pass Program)	2003	monthly pass	LICO-BT or Social Assistance	\$64	15%; similar discount for youth		2015: Approx. \$97,000 city portion	Cost-shared with Province.
Victoria (part of the BC Bus Pass Program)	1967	monthly pass	Agencies -> low income seniors and those with disability	\$45 per calendar year	100%	1,200 passes		

LICO-BT-low income cut-off before tax; **LICO-AT**-low income cut-off after tax; **LIM**-low income measure; **OW**-Ontario Works; **ODSP**-Ontario Disability Support Program

Jurisdiction	Start Date	Fare media	Eligibility	Price per Patron	Discount	Estimated # of Patrons	Program Cost	Funding Source
International								
London, U.K.	2000s	Discount card provided by Job Centre Plus: rate pay as you go fares (zone based far for rail, flat fare bus)	Income Support Program Employment and Support Allowance (illness or disability affects ability to work) Jobseekers Program	Bus fares set by bus company; train fare depends on journey (time/day)	50%	2015: 4,800	Concession/ fares based on a national Government-set formula. Mayor of London determines concessions every calendar year.	Fares, other income (e.g. advertising, congestion charge), grant/cross rail funding from the Department for Transport, and Greater London Authority, borrowing.
Lyon, France		monthly pass	Social Assistance Jobseekers Refugees Enrolled in specific benefit programs	EUR 8.80/ month instead of 60.40/month EUR 17.60/month instead of 60.40 EUR	85% 71%			Not specifically noted
Paris, France	2000s	monthly pass weekly pass	Social Assistance Low Income Enrolled in specific benefit programs	Free or Discount - (Solidarity Transportation Discount Card)	75% discount on the month/weekly pass 50% on regular tickets	670,000 in 2013	Number of beneficiaries of the Solidarity Transport Card is continually increasing	State Council Operating Budget
Portland, U.S.		single fare	Fare Assistance Program: Low income clients of agencies; Fare Relief Program: Grants available to agencies	Adult Fare \$2 per ticket (usual \$2.50)	Fare Assistance: 20% lower cost to agencies Fare Relief: Grants up to \$25,000 in the form of fares		Transit authority set aside \$1.3 million to fund the Fare Assistance Program and Fare Relief Program. Funding.	50% of revenues from a district-wide payroll tax; 25% of operating revenue through fares.
San Francisco, U.S.	2005	monthly pass	Low Income	\$35 USD(\$70 USD adult monthly pass)	50%	20,000+ people per year		San Francisco Municipal Transit Agency

LICO-BT-low income cut-off before tax; **LICO-AT**-low income cut-off after tax; **LIM**-low income measure; **OW**-Ontario Works; **ODSP**-Ontario Disability Support Program

Toronto Transit Fare Equity Cost Benefit Analysis: Final Results

CANADIAN CENTRE FOR
ECONOMIC ANALYSIS

Overview

- CANCEA and Prosperity at Risk
- Background
- Objectives
- Modeling parameters and results
 - Demographic
 - Health
 - Economic
 - City of Toronto Finances
- Conclusions

It is important to note that due to data limitations, the analysis was partially driven by assumptions and the results are more illustrative of the relative size of costs and benefits rather than a detailed cost/benefit analysis

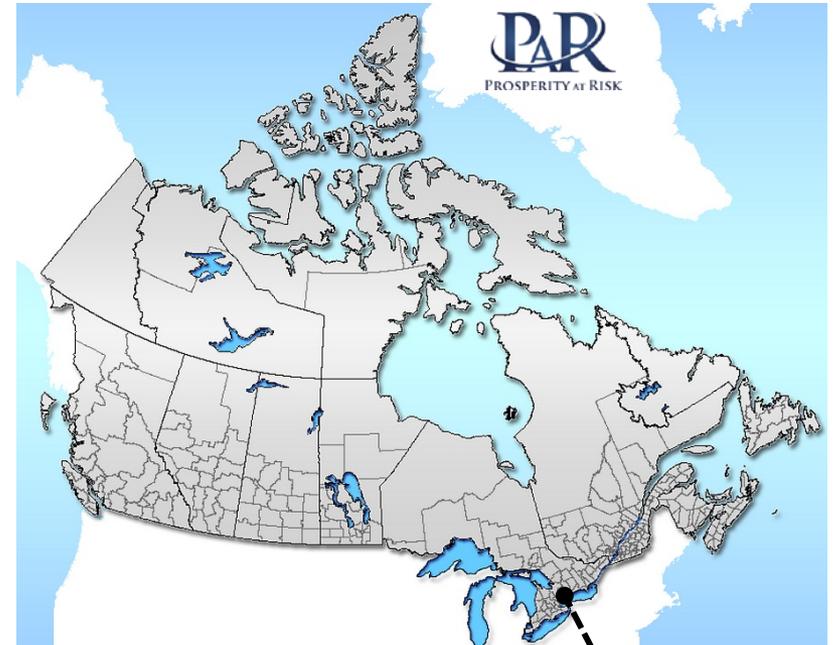
Canadian Centre for Economic Analysis (CANCEA)

- RiskAnalytica: Since 2001
 - Intensive R&D in developing many data evaluation and insight platforms
 - *Investment of \$7+ million since 2008*
 - Healthcare, economics, infectious disease, market trading, infrastructure evaluation
- CANCEA: 2010 to current
 - **Agent-based platform** and **systems approach technology** matured: Prosperity at Risk
 - *investment of \$3+ million since 2011*
 - Superior real economy capabilities, Canada-wide down to 5,500+ municipalities
 - Infrastructure breakdowns, government fiscal finances (3 levels), private industries, labour markets etc.
 - 150+ evaluation projects, reports and studies completed
 - Recent major reports include studies of
 - Infrastructure investment in Ontario
 - Growth costs, benefits and risks for the Region of Peel
 - Social housing investment net benefits for Toronto Community Housing Corporation, the City of Toronto, Queen's Park and Ottawa
 - Housing Affordability -- first comprehensive report on the full range of demand and supply factors in several decades

Prosperity at Risk (PaR)

Prosperity at Risk (PaR) is a modern and powerful simulation platform using agent-based modelling and a systems approach for geo-spatial socio-economic analysis:

- More than 36 Million simulated agents (individuals, corporations, governments & non-profit entities)
- 235 industries
- 440 commodities
- 850+ traits per agent
- Over 19 billion interaction measurements of agents in a year
- 5,500+ census areas across Canada

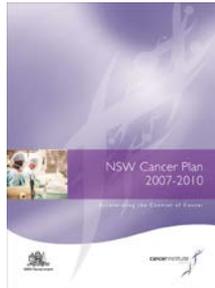


CANCEA's Economic and Health Policy Impact Highlights



Canadian Partnership Against Cancer (2006)

Life and Economic Burden of Cancer: 2002 to 2032

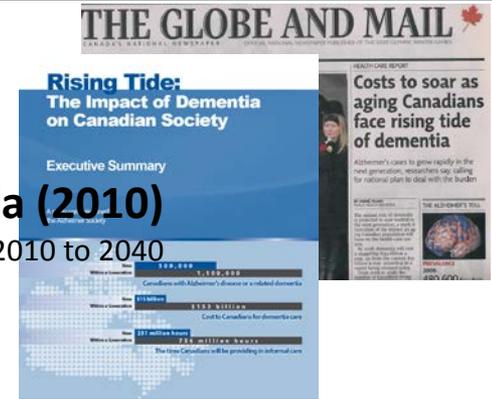


Cancer Institute NSW (2007)

Life and Economic Burden of Cancer, NSW, Australia 2007 to 2010

Alzheimers Society Canada (2010)

Life and Economic Burden of Dementia: 2010 to 2040



National Microbiological Lab, PHAC (2009)

Dr. Lindsay E. Nicolle Award 2010
Pandemic simulation

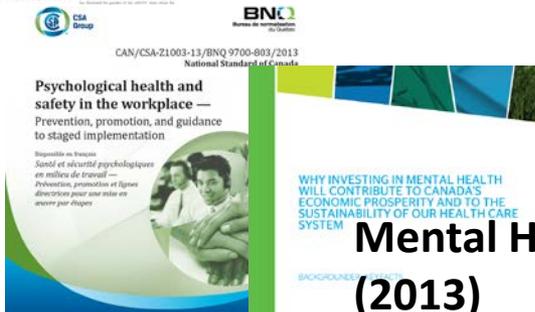
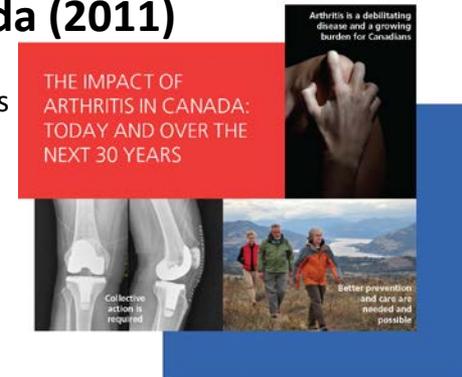
Ontario Lung Association (2011)

Life and Economic Burden of Lung Disease in Ontario: 2011 to 2041



Arthritis Alliance of Canada (2011)

Life and Economic Burden of Osteoarthritis and Rheumatoid Arthritis 2010 to 2040



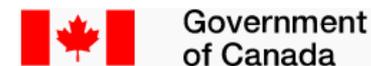
Mental Health Commission of Canada (2013)

The Life and Economic Impact of Major Mental Illnesses in Canada 2011 to 2041



PaR: Selected Clients and Funding Partners

- PaR has been used for over 145 socio-economic projects and reports for a wide range of public, private and non-profit entities including those highlighted below



Transit Fare Equity: Background

- Transit equity is crucial for Canadians to reach places of employment, education, recreation, and necessary amenities such as health care and food
- As of 2010, over 23% of Toronto residents earn below the Low-Income Measure (LIM)
- Multiple government and non-government organizations recognize that a collaborative effort for transit fare equity is an important step towards poverty alleviation, including:
 - The Alliance for a Poverty Free Toronto
 - The Federation of Canadian Municipalities
 - CivicAction
 - The Toronto Women’s City Alliance
 - The Wellesley Institute

Background: Impacts of Transit Inequity

- Low-income groups:
 - Are more reliant upon public transit than other groups (local transit mode share is the highest of all income brackets)
 - Pay cash fares more frequently, and buy monthly passes less frequently than middle-income riders
 - Have unique transit usage and fare purchasing patterns
 - Travel shorter distances, but often have longer travel times
 - May forgo employment, certain medical appointments, and use of government and financial services due to cost and travel time
 - This may enforce poverty and adversely impact health, as well as the cost burden of health care utilization
 - Are at a high risk of economic and social exclusion when transit is inequitable

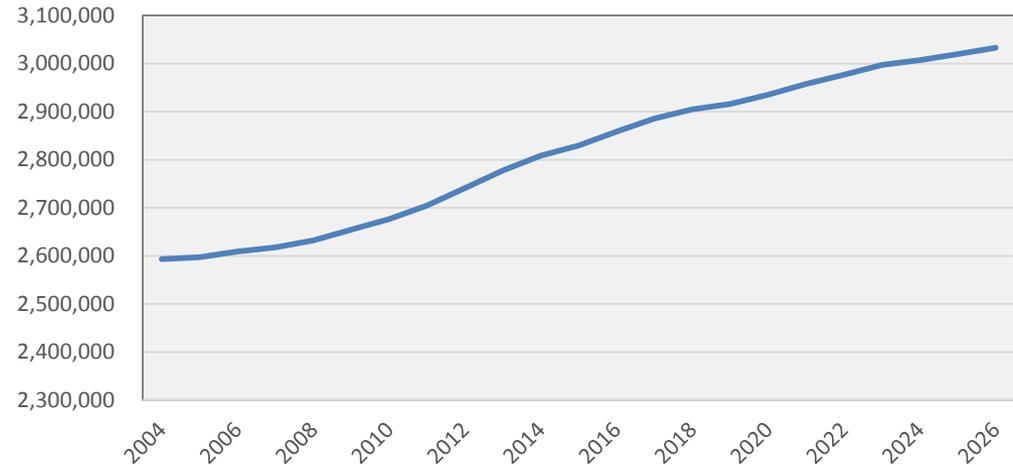
Objectives

- Taking particular needs and behaviours of different income groups into consideration, the transit fare equity cost benefit analysis seeks to:
 - Model the change in health care utilization and associated costs of low-income transit riders who receive discounted fares
 - Estimate the economic impact of changes in employability and access to labour markets
 - Model the financial impact of the proposed transit fare equity program on the municipal accounts of the City of Toronto

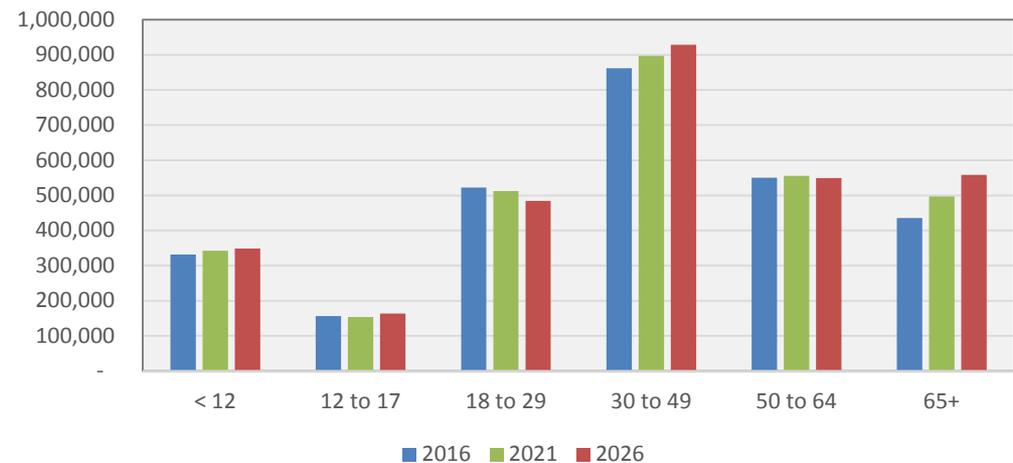
Toronto Population

- The population of the City of Toronto is expected to grow to over 3 million people in the next 10 years
- Ensuring that all people are able to access the growing labour market, health and social services, and leisure activities is important to maintain everyone's quality of life

Population of Toronto



Population of Toronto by Age



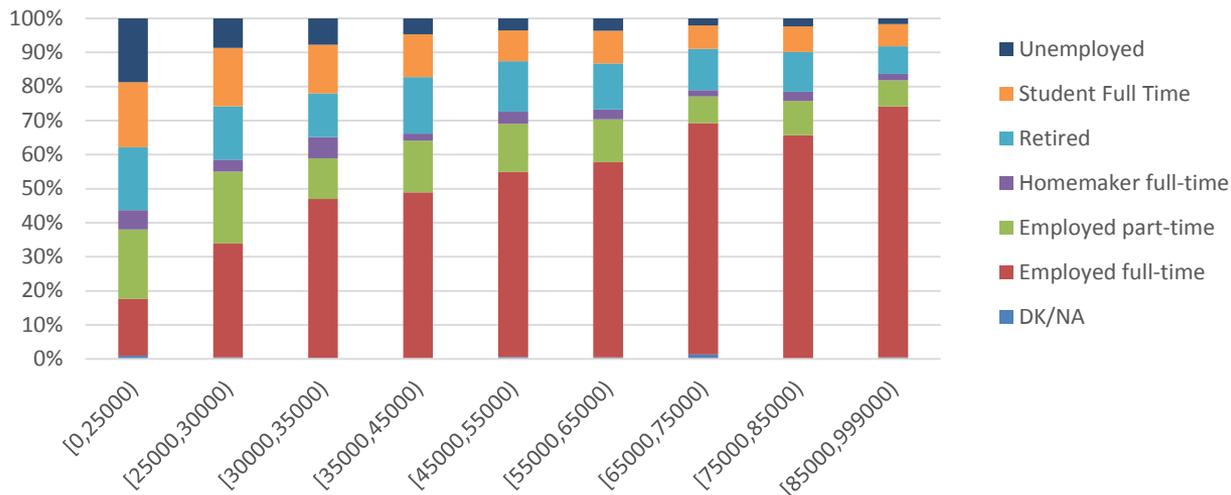
Demographic and Trip Pattern Modeling Parameters

- TTC Survey Data provides a detailed description of regular TTC riders
 - Age/Sex
 - Household income level
 - Employment status of rider
- Complex fare options (tokens, weekly/monthly metropasses, MDP, senior/child/student discounts, PRESTO, etc.) make uptake decision of new discount pass difficult
 - Analysis runs sensitivity on uptake rate from 0% to 100% for the eligible population under the assumption that people will switch to the discounted pass if it would cost them less

Characteristics of TTC Riders

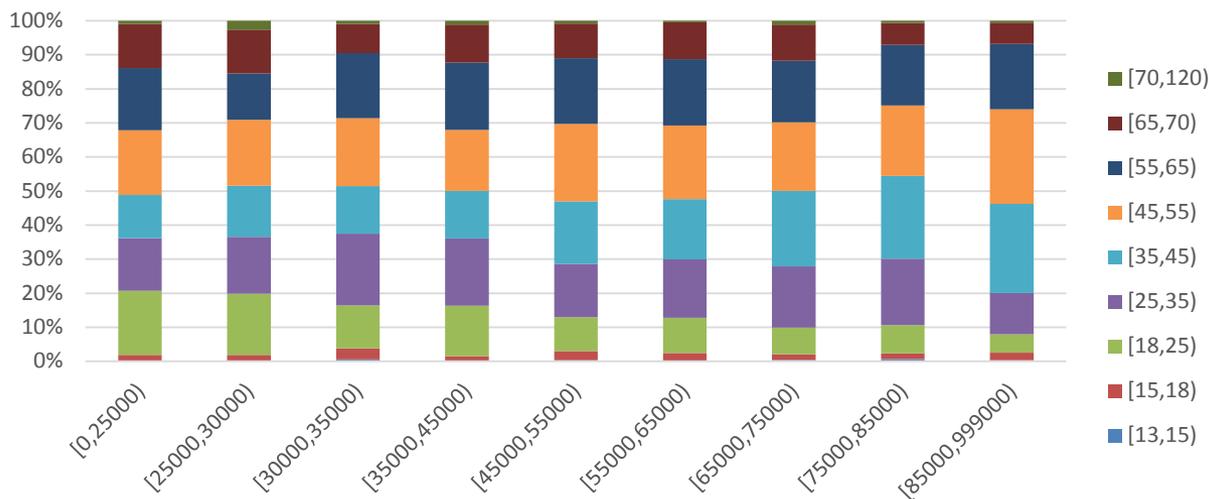
- Lower income brackets have a higher proportion of riders who are unemployed and employed part-time

TTC Ridership by Employment Status and Income



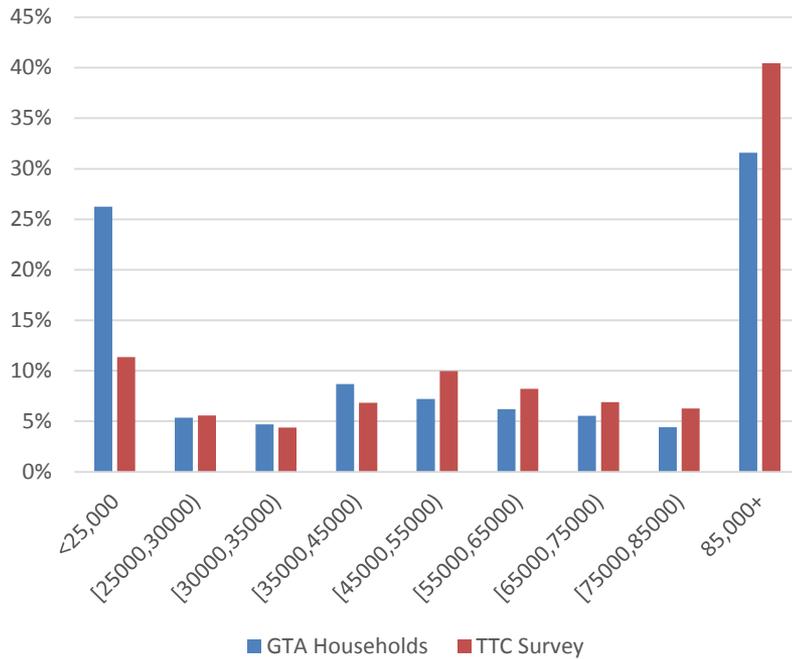
- TTC riders between ages of 35 and 55 tend to have the highest household incomes

TTC Ridership By Age and Income

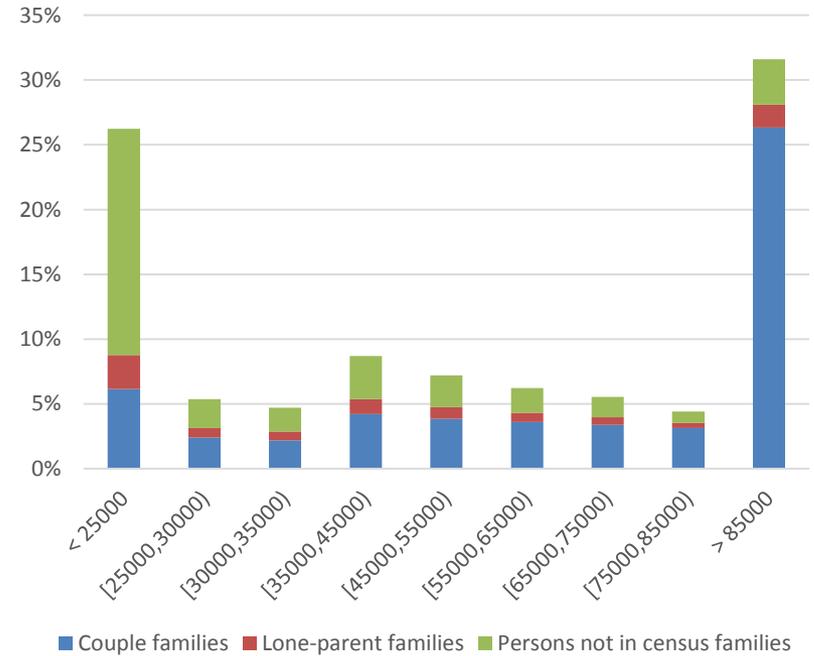


Distribution of Household Incomes

Distribution of Household Incomes



Household Types by Income Bracket

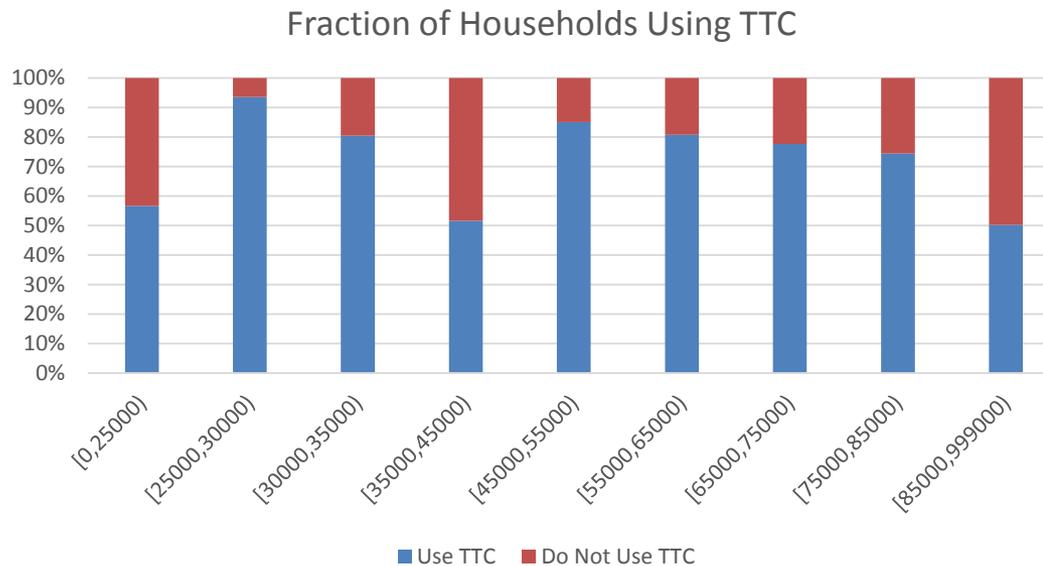


- Distribution of household incomes differ significantly for the lowest income group between the GTA households and the TTC survey
 - Unknown if a result of sampling bias or actual difference in behaviour driven by affordability or access
 - Note that single person households, and lone-parent households are a much greater fraction of low-income households which could result in under-sampling of low-income households and over-sampling of higher incomes in the TTC survey



TTC Usage By Household

- TTC Survey data give distribution of people given they use the TTC, but does not give an estimate of the absolute number of riders by age and income
- Note that the TTC survey data was adjusted for different household sizes and constrained to match the total number of annual rides (535M in 2014)



Eligibility of Transit Users

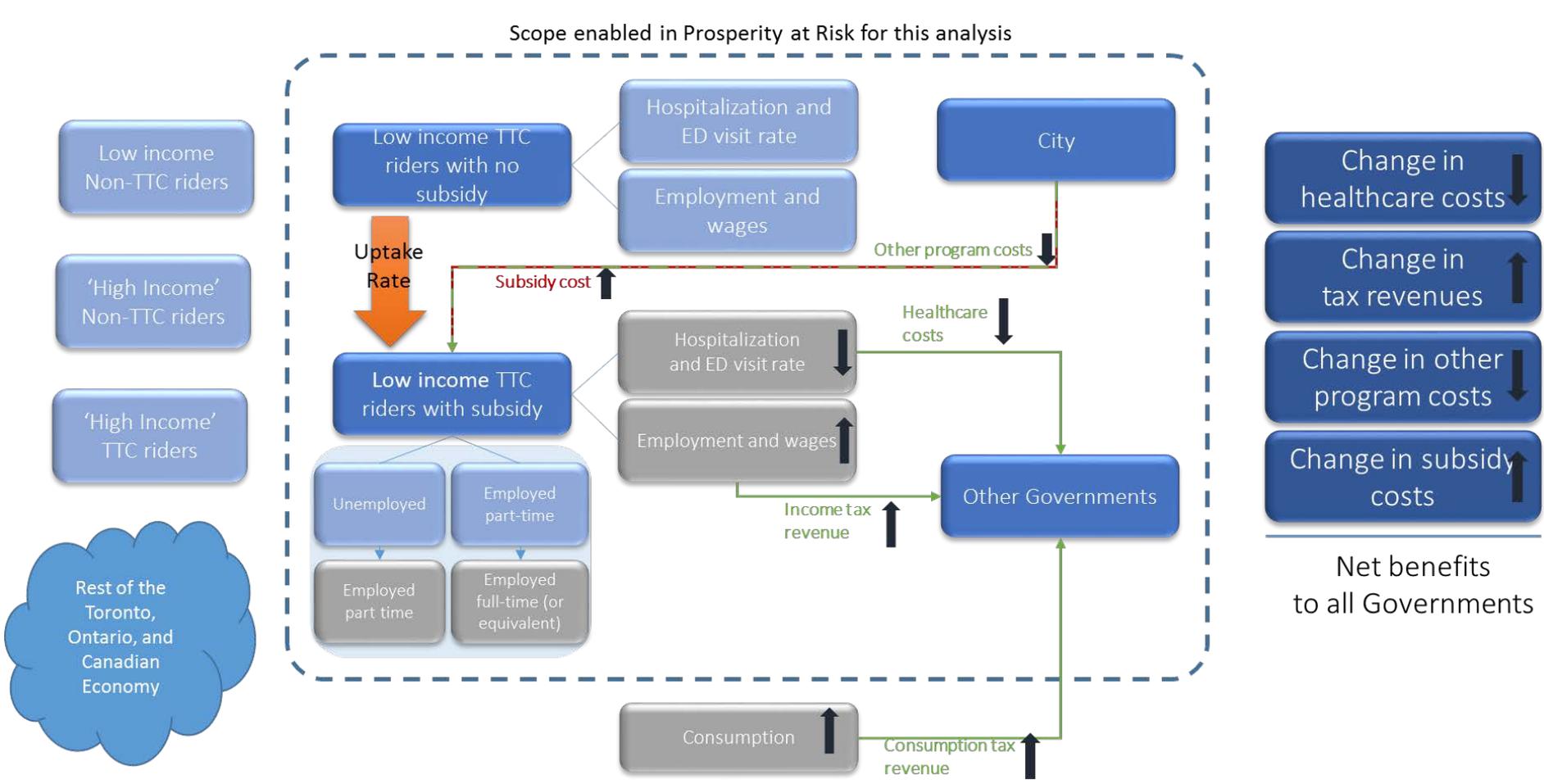
- Two eligibility scenarios are considered:
 - **Low Income Measure:** People are eligible for the transit fare discount if they belong to a household with an income below the low income measure
 - **Living Wage Threshold:** People are eligible for the transit fare discount if they belong to a household with an income below the living wage threshold
- Both of these thresholds depend on the type of household

	Low Income Measure	Living Wage
Couple Families	\$43,000	\$75,000
Lone Parent Families	\$39,000	\$67,000
Individuals	\$25,000	\$43,000

Health Care Utilization Impacts

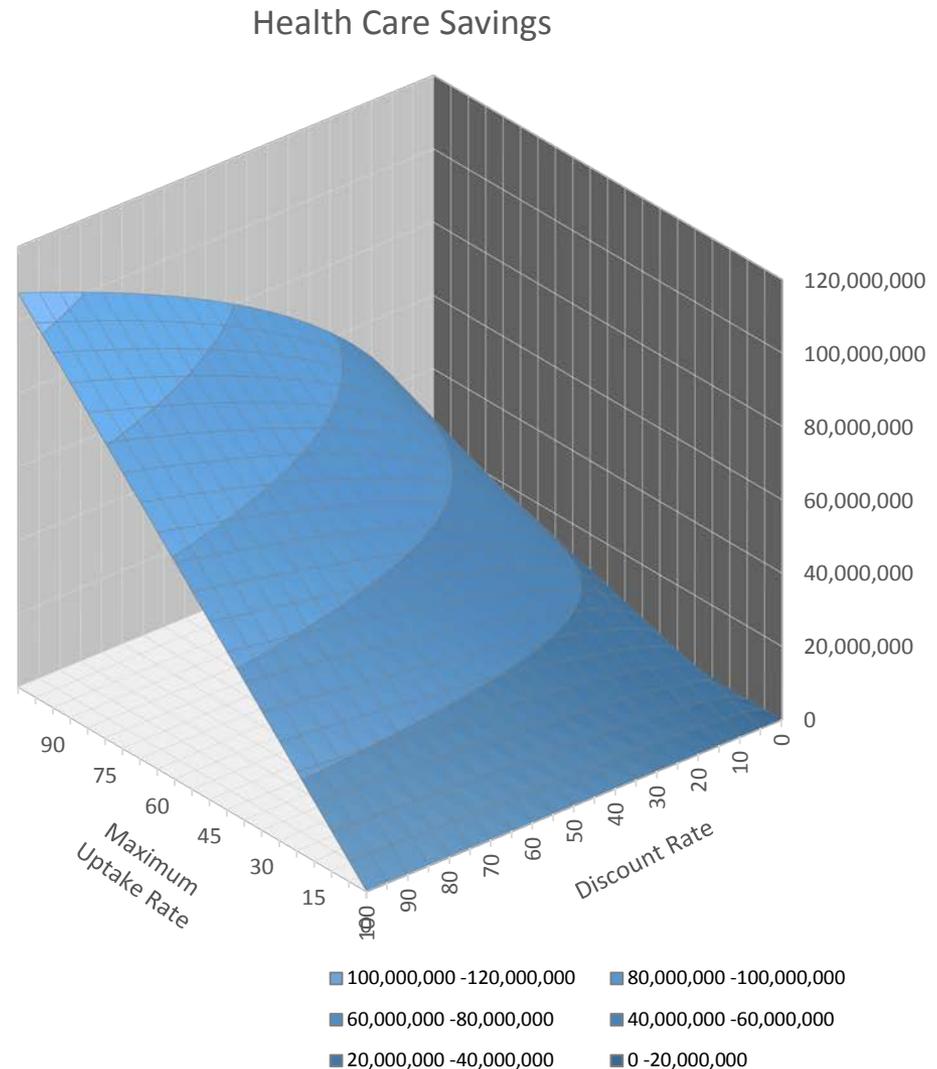
- Access to a family physician and continuity of care have a significant impact on emergency department (ED) visits and hospital admissions for patients with chronic conditions
 - Patients with fewer than 3 physician visits were 1.17 times more likely to have ED visits and 1.19 times more likely to be admitted to hospital
 - Patients with low continuity of care (walk-in clinics, various physicians) had 1.55 times more ED visits and 1.35 times more hospital admissions
- Recommendation of the study was to address shortage of GPs but could equally apply to ensuring patients are able to access regular primary care
- Based on the Calgary LIMTP data, the likelihood of attending medical appointments would increase from 64% to 75% if the person purchased a discounted transit fare

Prosperity at Risk – Transit Fare Sub-model Overview



Health Care Utilization Impacts

- The health care savings are considerable and primarily depend on uptake rate
- Over 5,000 hospitalizations and 45,000 ED visits could be prevented annually in Toronto in people with chronic conditions could have high continuity of care (at full uptake)
- Note that as the discount rate goes to zero, the benefits are reduced as no additional funds are available to the household

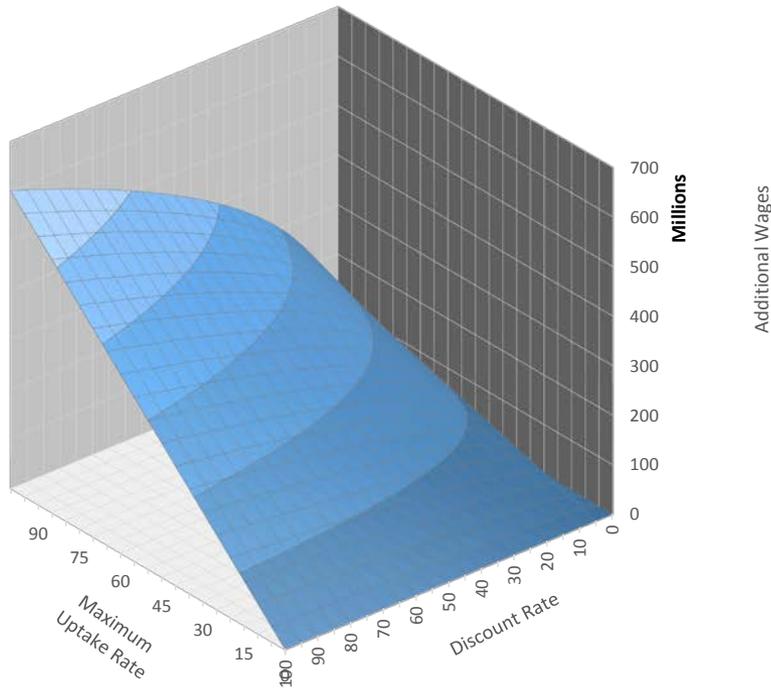


Employment Impacts

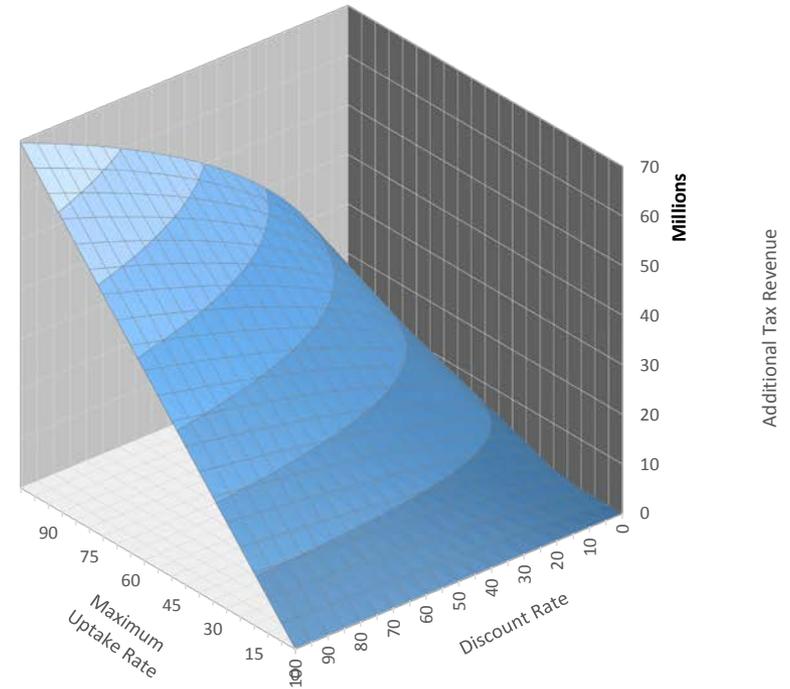
- From the TTC survey, almost 40% of respondents with incomes less than \$25,000 are unemployed or employed part-time
- Access to affordable transit can have a significant impact on employment opportunities and employability
 - From the Calgary LIMTP data, 49% said the transit subsidy allowed them to find or improve employment
 - In Hamilton, 75% indicated that the transit subsidy enabled them to keep their jobs
- We conservatively will assume that for people receiving the transit subsidy:
 - 25% of those unemployed will find part-time work at minimum wage and
 - 25% of those working part-time will find full-time (or full-time equivalent) work at minimum wage

Employment Impacts

Additional Wages Earned



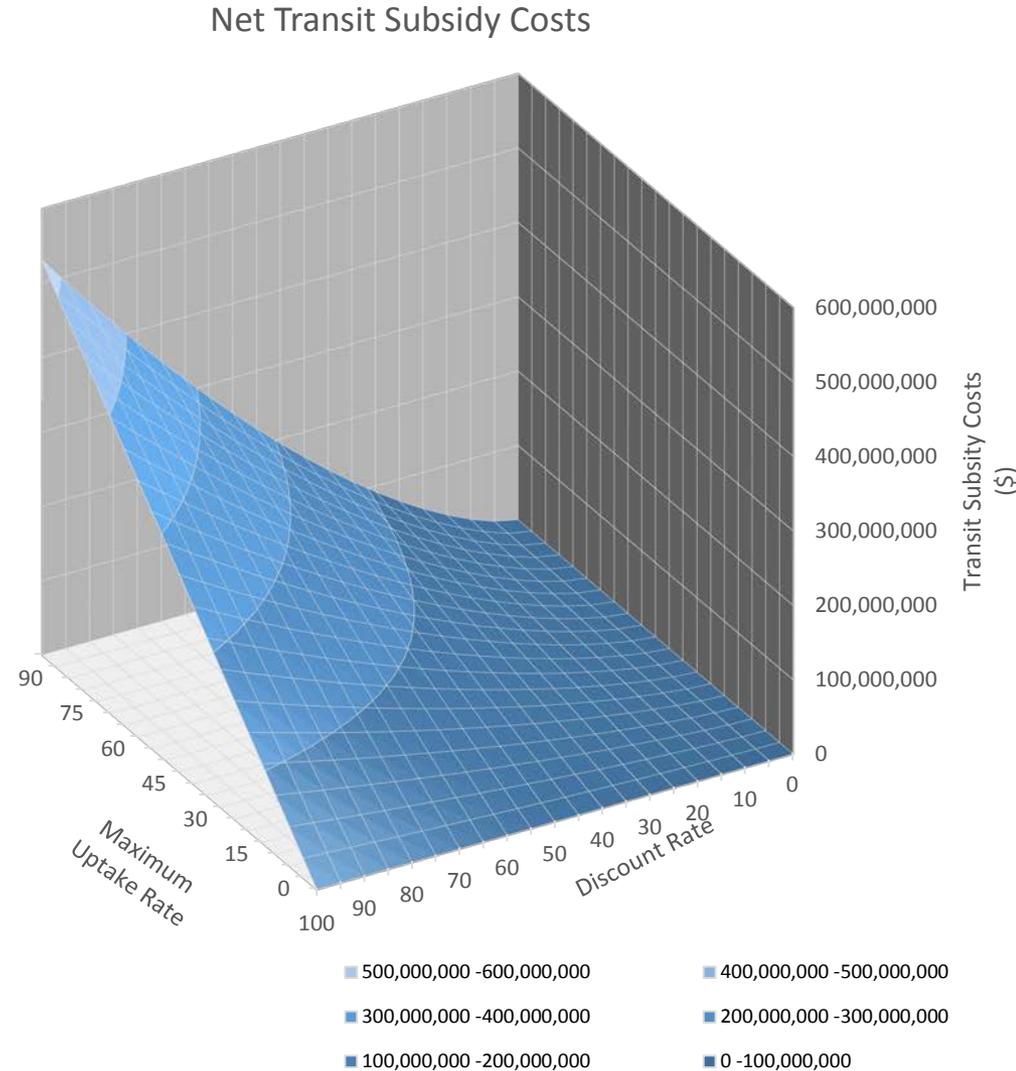
Government Tax Revenue



- For people in the lowest income brackets (below LIM), the additional wage does not result in additional tax revenue
- For people earning above the low income measure but less than a living wage, additional income is assumed to be taxed at the lowest rate

City of Toronto Financial Modeling Parameters

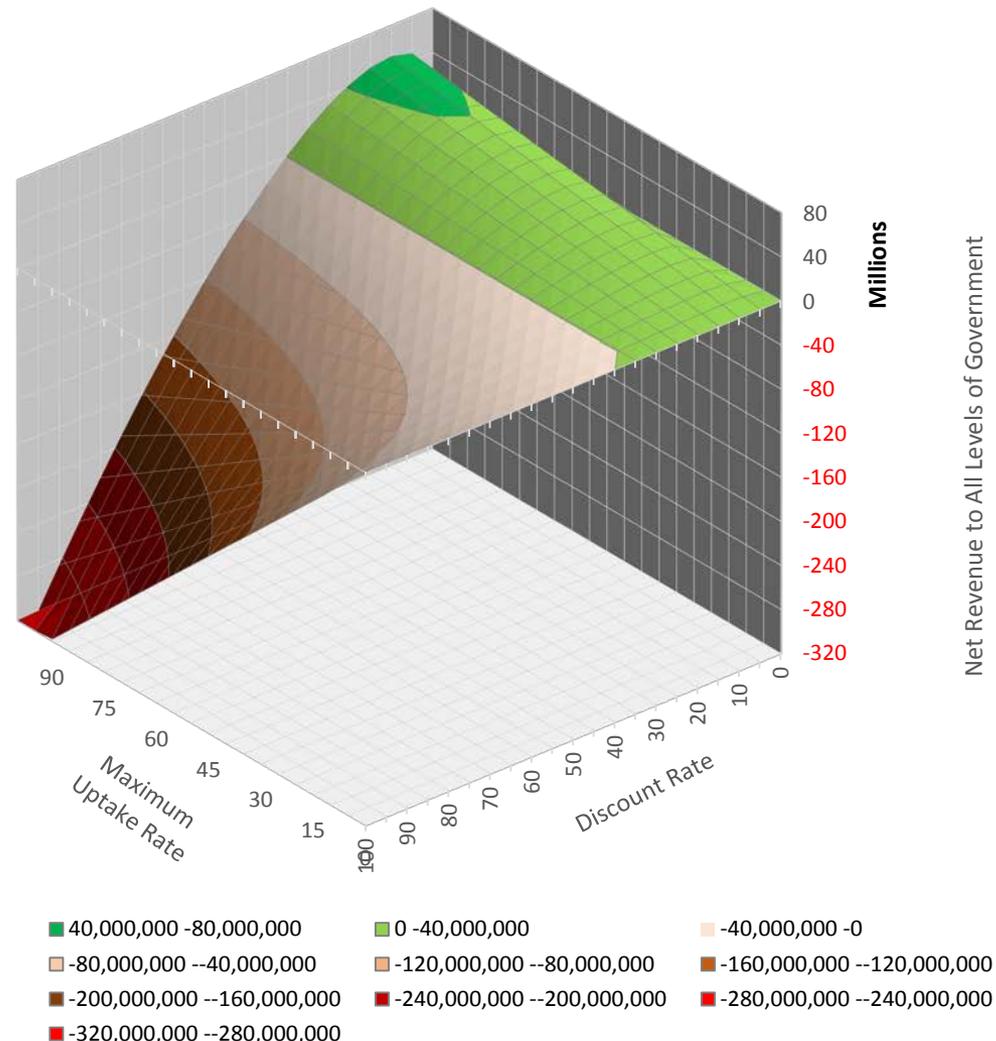
- The direct cost to the City of Toronto would be the transit subsidy given to eligible households.
- The total current expenditure by the city through various programs on transit is estimated to be about \$3.5M per year
- It is assumed that 50% of these costs could be avoided at full uptake



Net Benefits: LIM and Living Wage Eligible

- Combining the benefits from reductions in health care utilization, additional tax revenue, and cost of the program, there is a significant net benefit for moderate discount rates of up to 40% and low risk if the uptake rate is low
- High discount rates with large uptake would result in the cost of the program exceeding the benefits captured in the model
- Green regions are positive net benefits

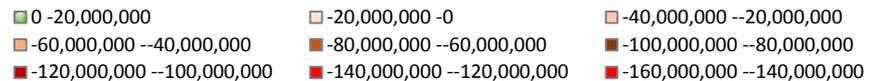
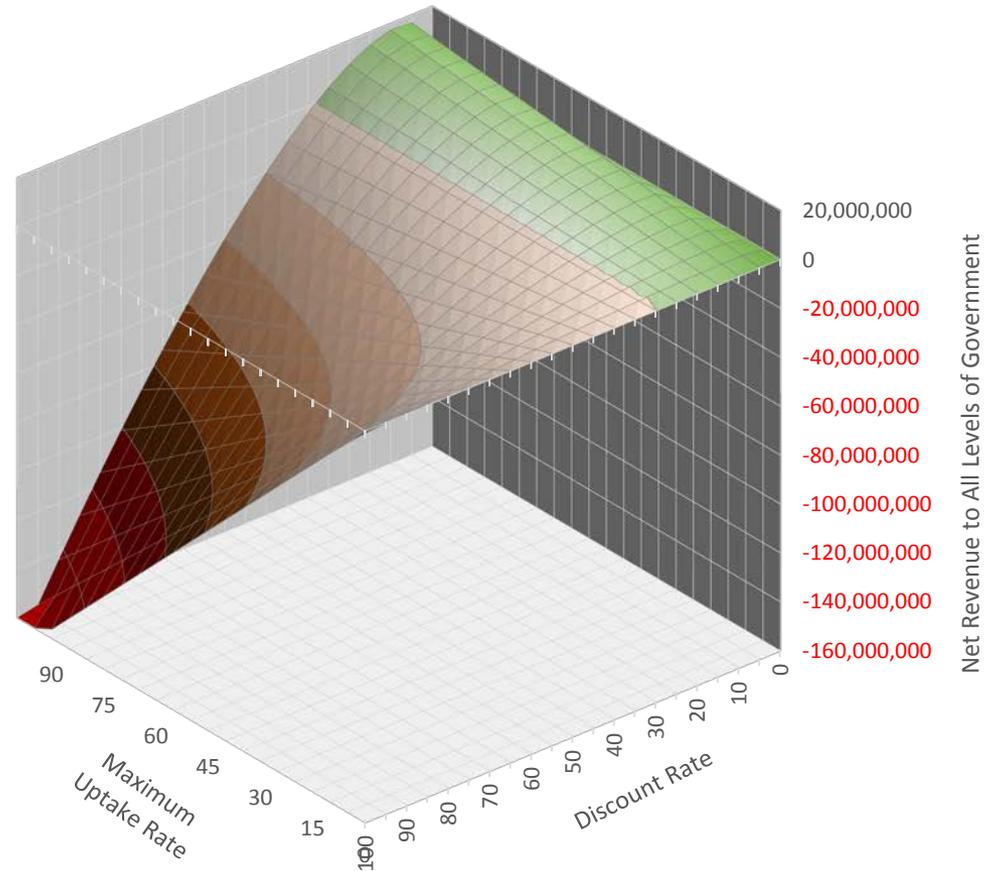
Net Benefit To All Levels of Government



Net Benefits: LIM Only Eligible

- The primary difference if only households with incomes below the low income measure are eligible is that additional employment will not generate additional income tax revenue
- This reduces the benefit of the program, but it still remains positive through smaller discount rates of about 30%

Net Benefit To All Levels of Government





Additional Impacts

**CANADIAN CENTRE FOR
ECONOMIC ANALYSIS**

Benefits to Community Agencies and Grant Programs

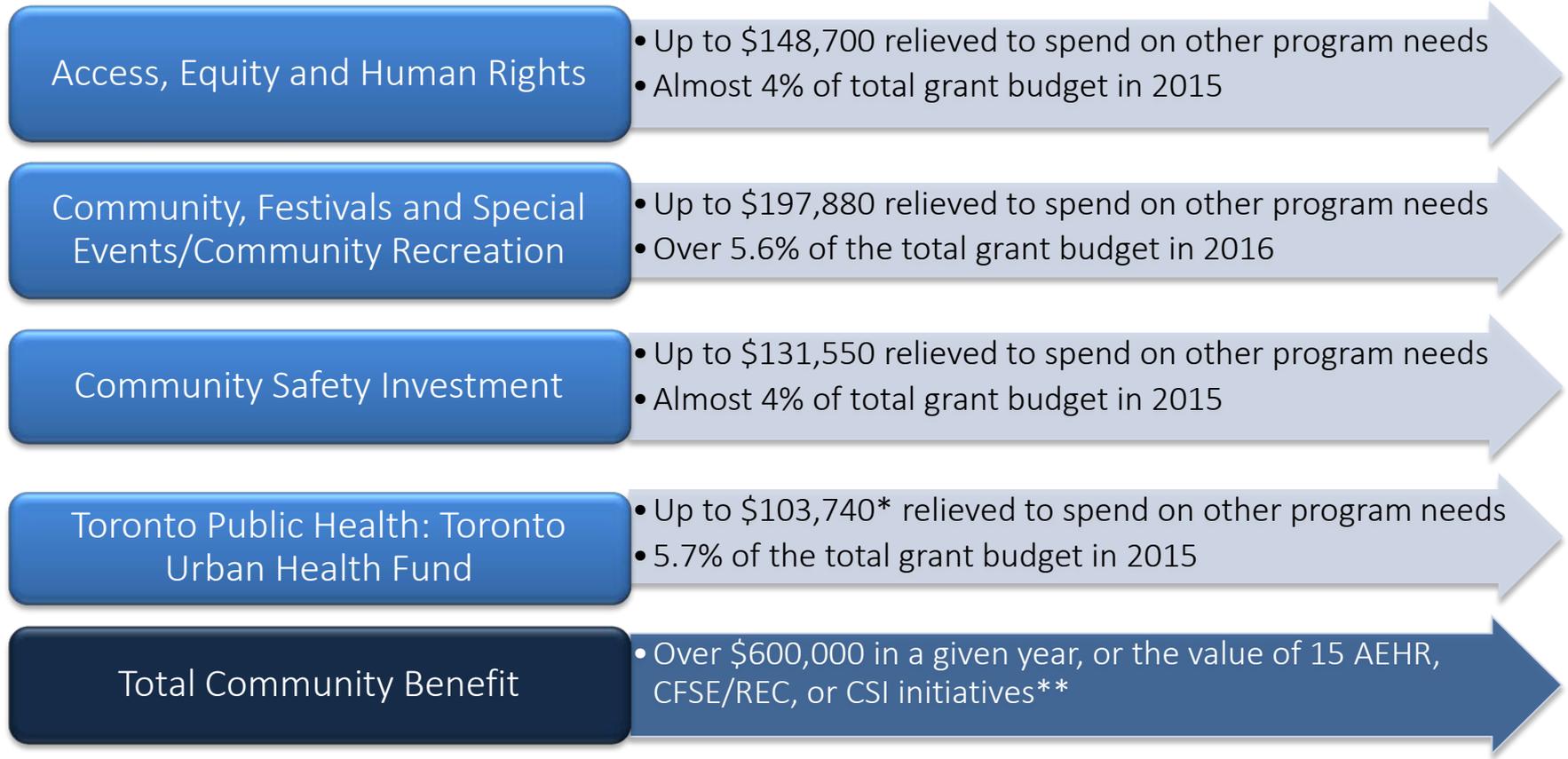
- City of Toronto provides funding to community agencies through diverse grants
- Offering low-income residents access to affordable transit fares could reduce expenses related to transit that are funded by these grants and allow:
 - Existing recipient agencies to reach more residents with their initiatives,
 - The City of Toronto to offer grants to more agencies,
 - Existing recipient agencies to increase the number social programs delivered.

Community Agencies and Grant Programs Supporting Equity

- Toronto Public Health's Toronto Urban Health Fund
 - Funds programs dedicated to supporting community-based organizations' initiatives for HIV prevention, harm reduction and youth and child resiliency
 - TUHF also funds TTC expenditures related to initiatives under these programs
- Community agencies that partner with the City of Toronto receive significant funding for transportation expenses that also target many low-income residents and other vulnerable populations, through programs such as:
 - **Access, Equity and Human Rights:** support human rights, equity, and concerns of discrimination by improving food security, removing barriers to work, reintegrating formerly incarcerated individuals, promoting civic engagement, etc.
 - **Community, Festivals and Special Events:** supporting small, non-profit events and festivals to strengthen and connect communities
 - **Community Recreation:** support use of recreation to build skills, increase community participation, and in 2015, supported community members with mental and physical disabilities, families, and newcomers, etc.
 - **Community Safety Investment:** Supports the safety, access to information, and prevention of violence among vulnerable groups, including racialized minorities, victims of domestic violence, formerly incarcerated individuals, and others

Benefits to Community Agencies and Grant Programs

Based on amounts distributed to community agencies in 2015/2016 for TTC-related expenses, the City of Toronto and these recipient agencies could redeploy the following funds to program expansion, new initiatives or other avenues that support the community:



* Includes both amount funded by TUHF and unmet TTC cost. City of Toronto cost only.

** Based on average grant amount in 2015 of approx. \$40,000

Conclusions

- The benefits of a low income transit subsidy extend to all levels of government
- Under the assumed response to a transit subsidy, extending the subsidy to households below the living wage yields greater benefits than restricting it to the low income measure
- Data challenges exist surrounding:
 - the impacts of a low income discount
 - TTC ridership
- Due to the lack of rigorous data, the results are more illustrative of the relative size of costs and benefits rather than a detailed cost/benefit analysis

References

- Alliance for a Poverty-Free Toronto. (2013). *Toward a Poverty Elimination Strategy for the City of Toronto*.
- City of Hamilton. (2008). *Affordable Transit Pass Pilot Program -- Six Month Program Evaluation Results*. Community Services Department.
- Commitment to Community Campaign (various). (2015). *Affordable and Accessible Public Transit*. Toronto: Social Planning Toronto.
- Toronto Public Health. (2015). *International Jurisdictional Review of Strategies, Policies, and Initiatives to Improve Transit Affordability for People Living on a Low Income*. Toronto.
- Dempster, B., & Tucs, E. (2012). *A Jurisdictional Review of Canadian Initiatives to Improve the Affordability of Public Transit for People Living on a Low Income*. Civics Research Co-operative. Toronto: Toronto Public Health.
- Federation of Canadian Municipalities. (2007). *National Transit Strategy*. Ottawa.
- Hardman, S. (n.d.). *Affordable TTC: A ticket to the city*. Toronto: Fair Fare Coalition.
- Hunter, M. (2013). *CivicAction Written Submission to Toronto Board of Health Committee*. Retrieved from CivicAction: <http://civicaction.ca/news-article/civicaction-written-submission-to-toronto-board-of-health-committee/>
- Kramer, A. (2015). *Trip patterns by income*. Metrolinx.
- Toronto Public Health. (2013). *Next Stop Health: Transit Access and Health Inequities in Toronto*. Toronto: City of Toronto.
- Paez, A., Mercado, R., Farber, S., Morency, C., & Roorda, M. (2009). *Mobility and Social Exclusion in Canadian Communities*. Human Resources and Social Development Canada, Policy Research Directorate, Gatineau.
- Taylor Newberry Consulting. (2013). *Evaluation of the Affordable Bus Pass Program*. Guelph.
- Toronto Women's City Alliance. (2010). *Communities in which Women Count*. Toronto.
- Tucs, E., Dempster, B., & Franklin, C. (2004). *Transit Affordability -- A study focused on persons with low incomes in the Region of Waterloo*. Civics Research Co-operative.
- Verbich, D., & El-Geneidy, A. (2015). *Are the Transit Fares Fair? Public Transit Fare Structures and Social Vulnerability in Montreal Canada*. Washington, D.C.: Transportation Research Board.
- Vibrant Communities Calgary. (n.d.). *Social Return on Investment (SROI) Case study low income monthly transit pass*. The Calgary Foundation.
- Wellesley Institute. (2014). *Transity: HEIA in the 2014 Mayoral Election*. Retrieved from Wellesley Institute: <http://www.wellesleyinstitute.com/health/transit-heia-in-the-2014-mayoral-election/>

Data sources: City of Toronto, Toronto Transit Commission, Metrolinx, Statistics Canada

APPENDIX C: Transit Fare Equity Community Engagement Report

The year-long community engagement process that informed the Toronto Poverty Reduction Strategy placed a lot of emphasis on transit equity, one of the five themes discussed in 11 public meetings, 117 community-led conversations, and two online questionnaires.

Building on the knowledge generated in this engagement process, and on research of best practices, City staff designed a survey targeted at low-income residents likely to benefit from a fare-g geared-to-income program. The data generated will complement staff's analysis of transit fare discount options.

Community animators with lived experience of poverty carried out the survey in various locations across the city. The survey was also available online.

The survey was available in English, French, Chinese (Mandarin), Chinese (Traditional), Italian, Persian, Portuguese, Russian, Spanish, Tamil (Sri Lankan), Tagalog, and Urdu. A total of 4,503 residents participated in the survey.

Survey Results

Questions 1 through 4 of the survey measure transit ridership patterns. These patterns include individual income before-tax to assess affordability for transit services, Wheel-Trans ridership, frequency of transit usage, and usual method of payment for transit fare.

(1) What is your individual income before-tax?

Responses	Percentages %	Count
I earn less than \$24,000 a year (\$11.50/hour, full time)	76.0%	2698
I earn between \$24,000 and \$36,000 a year (between \$11.50 and \$18.50/hour, full time)	24.0%	850
More than \$36,000 a year	0.0%	0
Don't know	0.0%	0
Total Responses		3548

(2) Do you use Wheel-Trans when it is available?

Responses	Percentages %	Count
yes	11.6%	405
No	85.8%	2998
Prefer not to answer	2.6%	92
Total Responses		3495

(3) How often do you use the TTC (including Wheel-Trans)?

Responses	Percentages %	Count
Once a day or more often	42.9%	1509
Several times a week	41.4%	1458
Once a week	6.8%	240
Once every few weeks	4.3%	151
Less often	3.3%	115
Have not used TTC in the last 12 months	1.3%	45
Total Responses		3518

(4) When you use the TTC, how do you usually pay?

Responses	Percentages %	Count
Monthly metro Pass	25.9%	909
Weekly Metro pass	0.6%	21
Day Pass	0.8%	27
Tokens	37.1%	1302
Cash	12.1%	426
Presto	3.2%	113
Student Pass	2.5%	88
Senior Pass	3.3%	117
Free tickets, tokens or passes from a community agency or City of Toronto program	1.9%	67
Other, please specify...	12.6%	441
	Total Responses	3511

Other Categories	Number of Respondents
CNIB (Seeing beyond vision loss)	3
Day pass and senior pass	7
Do not use	7
Metro yearly discount pass	2
Monthly Metro and Senior pass	7
Monthly pass and Tokens	15
Monthly pass and Presto	3
Multiple Passes	137
Post- Secondary Monthly Metro	5
Senior Tickets	59
Senior pass and Cash	11
Senior pass and Tokens	20
Special Need Assistance Card	1
Students pass	6
Tokens and Cash	88
Tokens and Free tickets	16

Questions 5 through 6 asked respondents to identify the type of discount that would be most helpful to them as well as the City should take into account when implementing the program.

(5) Please review the list of five (5) options to make transit more affordable. Please select the first and second option that would most help you.

	Count
Discount on the cost of the monthly TTC pass.	2171
Discount on the cost of the single fare.	1791
Unlimited stops for up to two hours on a single fare in any direction.	1621
Fares based on distance: short trips in your area are cheaper than trips across the city.	481
Discount on the cost of off-peak hours trips (Before 7am, from 9am to 4pm, and after 7pm).	475
Total Responses	6538*

* The total number of responses is larger than in previous questions because respondents were asked to select two options, in no particular order.

(6) Please review the list of five (5) ways to make it easier to access transit discounts. Please select the first and second choice that would most help you.

	Count
Being able to apply for the discount when you apply for other programs and benefits.	1011
Being able to use a broader range of documents as proof of income.	478
Being able to buy discounted fares in many locations across the city	1198
Being able to use discounts for any TTC fare type (e.g. monthly pass, single fare)	2063
Being able to use the discount on all TTC services (bus, streetcar, subway, and Wheel-Trans)	1712
Total Responses	6462*

* Total Responses reflect the two choices selected by individuals without any preference.

(7) Currently, monthly passes are valid for a calendar month. Would you be more likely to buy these passes if they were always valid for 30 days from the day you buy them?

Responses	Percentages %	Count
Yes	74.5%	2532
No	25.5%	865
	Total responses	3397

Questions 8 through 10 collected demographic information.

(8) Select all the options that apply to you:

Responses	Percentages %	Count
I have a full-time job	16.9%	590
I have one part-time job	19.4%	677
I have more than one part-time job	10.9%	380
I receive income support	29.2%	1020
I am looking for work	18.3%	638
I am a part time student	5.7%	200
I am a full time student	14.5%	507
I provide unpaid care work	4.8%	167
I currently have no income	9.3%	325
I am retired	14.3%	500
Other, please specify (see below)	9.0%	313
	Total responses	3490

Other categories	Number of Respondents
Business Owner	2
CCP (Certified Compensation Professional)	10
Contract work	8
Day program Activities	6
Disability	25
Freelancer	14
Immigrants	2
Intern	1
Multiple Sources of Income	30
OAS (Old Age Security)	4

ODSP (Ontario Disability Support Program)	68
Ontario Works	14
OSAP (Ontario Student Assistance Program)	1
Seasonal work	1
Senior/ pension	10
Self-Employed	18
Spouse Income	3
Stay at home	3
Temporary work	3
Voluntary work	26

9. If you have a fixed address, please state the first 3 digits of your postal code:

Individual answers have been concealed for privacy protection. The geographical distribution of all answer was as follows:

Toronto East Community Council	23.6%
Toronto North Community Council	26.0%
Toronto West Community Council	27.1%
Toronto South Community Council	23.3%

(10) Do you identify as:

Responses	Percentages %	Count
Male	36.2%	1254
Female	59.5%	2064
Other	1.9%	66
I prefer not to answer	2.4%	82
	Total Responses	3466

Transit Fare Equity Transit Discount Card Pilot Project: Proposal for an Evaluation Plan

September 6 2016

PREPARED FOR

Transit Fare Equity Working Group
c/o Social Policy, Analysis & Research
Social Development,
Finance & Administration

City of Toronto

PREPARED BY



Summary

This is a proposal for a comprehensive evaluation of the TFE Transit Discount Card (the Card) during its first year of operation. It has been prepared by the consulting firm Taylor Newberry Consulting (TNC), who gathered input from the TFE Working Group. The methodology outlined in this proposed plan will gather actionable information about program costs, processes, and short term outcomes of the pilot program. It focuses particularly on tracking the relationship between use of the Transit Discount Card and changes in the ways that users engage with services and supports in the community, since this type of behaviour change is the key pathway through which the Card is intended to lead to improvements in social equity and quality of life. The methodology employs a pre-post user survey, implemented through a variety of online and offline channels. Qualitative data will be gathered through individual in-depth interviews with potential users, users, and City staff involved in the project. Draft copies of these tools are appended to this proposal.

It is expected that the evaluation plan described here will evolve through further consultation with key staff and partners before it is implemented.

Table of Contents

Summary.....	2
Table of Contents	3
Project Overview	4
Evaluation Plan.....	5
Evaluation Objectives	5
Program Logic Model.....	5
Inputs: Costs for the City of Toronto.....	6
Program Implementation.....	6
Short-term Outcomes.....	7
Intermediate Outcomes.....	7
Long-term Outcomes	8
Evaluation Questions.....	9
Evaluation Methodology	10
Phase 1 Pre-Launch Exploratory Focus Groups with Potential Users	10
Presto Data	11
Baseline User Survey.....	11
Post Test User Survey.....	11
In-Depth User Focus Groups	12
Phase 2 Pre-Launch Exploratory Focus Groups with Potential Users	12
TESS Staff Interviews	12
TESS Staff Survey	12
Evaluation Timeline.....	13
Analysis and Final Report	13
Appendix A: Draft Survey Tools	16
Toronto Transit Fare Equity Pilot Project Baseline Survey	16
Application Procedure	16
Current Transportation Use.....	17
Current Levels of Activity	18
Information about you	19
Toronto Transit Fare Equity Pilot Project Post-Test Survey	22
Background Information	22
Current Transportation Use.....	22
Current Levels of Activity	24
Appendix B: Draft Interview Schedules	26
Pre-Launch Exploratory Interviews with Potential Users	26
In-Depth User Interviews	27
Staff Interviews.....	28

Project Overview

Affordable transportation contributes to overall health and well-being through ensuring access to essential services and opportunities to participate in the community¹. However, for low income residents, particularly those receiving social assistance who are often more reliant upon public transit compared to more economically advantaged populations², the current cost of public transportation in Toronto functions as a barrier to equitable opportunities and can contribute to social isolation and exclusion. Therefore, current fare prices do not reflect equity in transportation as economically disadvantaged individuals are required to contribute a proportionally greater amount of their income to purchasing transit fares³.

To address fare inequity, the Toronto Transit Fare Equity (TFE) Pilot Project will be implemented in a phased approach beginning in September 2017. Transit Discount Cards⁴ will be provided to eligible individuals who apply for the card at any of the 19 TESS Employment Centres. Participants will be provided with a specially designed Presto card that allows them to pay a discounted fare. This card will function like any other Presto card, and can be loaded with money at kiosks throughout the city. Phase 1 will provide discounted transit fares to Ontario Works clients not in receipt of transportation supports. Phase 2 will commence in May 2018 and will extend the Transit Discount Card to ODSP clients, residents receiving or waitlisted for housing supports or child care subsidy⁵, and Phase 3 will provide the Transit Discount Card to all other Toronto residents living with an income below the Low Income Measure +15% threshold in May 2019. Phase 1 is the focus of the current evaluation framework. The TFE Working Group estimates that approximately 10,000 people, or 30% of those who are eligible may choose to use the Card during phase 1.

This project is grounded within larger City-wide goals of poverty reduction. Specifically, the Toronto Poverty Reduction Strategy emphasizes making transit more affordable for low income residents. Affordable transportation will permit greater social inclusion and allow residents with low incomes to participate more fully in the community obtaining both health and well-being benefits. Given that Toronto is currently enhancing public transportation services, the need for affordable transportation has been recognized to ensure that all individuals reliant upon public transportation will benefit from these enhancements⁶.

¹ Toronto Public Health. (2013). *Next Stop Health: Transit Access and Health Inequities in Toronto*.

² Toronto Public Health. (2013). *Next Stop Health: Transit Access and Health Inequalities in Toronto*.

³ Toronto Fair Fare Coalition. (n.d.). *Affordable TTC: A Ticket to the City*.

⁴ The official name of this new card has not yet been chosen. In this evaluation plan, it is referred to as the Transit Discount Card or The Card.

⁵ Phase 2 may be split into two sub-phases, with ODSP clients gaining access before other groups.

⁶ Toronto Transit Commission. (2014). *Toward a Policy Framework for Toronto Transit Fare Equity*. Reference Number AFS#19627

Evaluation Plan

Evaluation Objectives

There are three primary objectives of the proposed evaluation framework, identified by the Transit Fare Equity Working Group:

1) To document the costs of the program during Phase 1

The evaluation will determine the total cost of the program in Phase 1. This analysis will be used to make informed projections about the cost of expanding the model in Phase 2. This first phase of the evaluation **will not consider** the ways in which the program might save costs elsewhere in the system. For example, the evaluation will not focus on the program's influence in reducing the need for non-profits to spend City grant money on transit tokens, or reducing the burden on emergency services through health promotion.

2) To understand successes and challenges associated with program implementation

3) To document program impact on low income residents during Phase 1

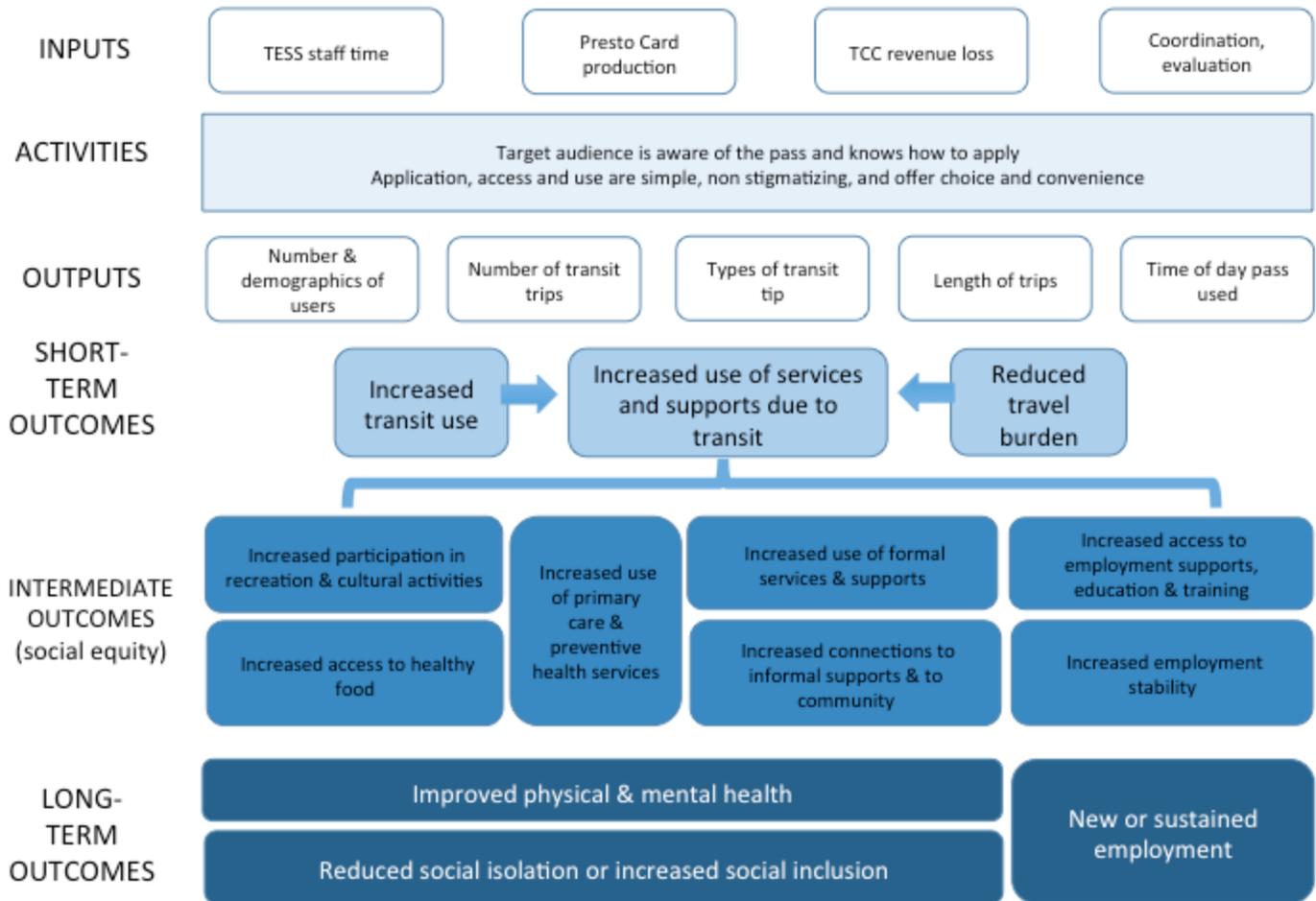
These objectives are explained in detail in the next section.

Program Logic Model

A program logic model for the TFE pilot project is presented on the following page to illustrate the relationship between program activities and short-term (i.e., initial meaningful benefits that occur quickly), intermediate, and long-term outcomes (durable, higher level changes expected to result over a longer period of time). This diagram is intended to illustrate the intended path toward change.

The following sections are intended to compliment the program logic model by providing a rationale for the inclusion of the outcomes and further explanations to illustrate why specific changes are predicted to occur. The first section also provides an overview of the factors that will be taken into consideration when evaluating the implementation of the program.

City of Toronto Transit Fare Equity Transit Discount Card: Draft Program Logic Model



Inputs: Costs for the City of Toronto

The primary inputs, or costs, for the Transit Discount Card are staff time in TESS Employment Centres, the production of the cards themselves, and the revenue loss to the Transit system due to reduced fares. Resources will also be required for program coordination, ongoing cross-departmental communication and evaluation. Because the Card is part of the existing Presto system, use of the Card will not require any change in the work routine for TTC staff, other than making them aware that a new type of Presto card exists and explaining how to monitor for fraudulent use of the Card. During Phase 1, marketing of the Card will not be a significant cost because the targeted users are easily reached through the TESS office.

Program Implementation

The key activities involved in implementing the program include:

- A short application process, though which TESS staff members confirm eligibility and applicants agree to terms around (for example) data collection and use
- Production of the Card, which includes taking a digital ID photo and producing the card (takes place during the same visit as the original application)
- Explanation of how the Card works (also completed during application visit).

Once the presto Card is issued, it is the intent of the program that participants will use the TCC as any other rider would, without facing any unusual barriers or experiencing any stigmatization connected to the fact that they are subsidized users. Since the pass includes a photo ID, there is no expectation of a high level of fraudulent use.

Program uptake among eligible low-income residents may be dependent upon a number of factors. First the eligible individuals must be aware of the Transit Discount Card and know how to apply. Second, the process of applying for and accessing a Transit Discount Card must be simple and should offer users choice and convenience. Finally, the process of applying, accessing and using the Card should not be stigmatizing.

Short-term Outcomes

If OW clients purchase and use the Transit Discount Card, it is expected that their transit use will increase because the burden of travelling throughout the City (e.g., spending less time, money and energy getting where they need to go) will be diminished. Card users should find that the cost of their travel through the city has been reduced. Such changes are necessary in order for intermediate outcomes related to activity generation to occur because there will be fewer obstacles to community participation.

Intermediate Outcomes

Understanding how affordable transportation impacts the lives of residents with low income has been recognized as essential when evaluating discount transit initiatives^{7,8,9,10,11,12}. Such a focus illustrates that transit isn't just about providing a method of travel. It's also about providing opportunities to participate in the community and access resources and services necessary to meet basic needs. Transit's role in increasing access to these opportunities is referred to as 'social equity in transportation'¹³. Social equity in transportation increases the likelihood that all citizens can benefit from resources, supports and services in the community.

Extensive literature suggests that access to transit affects residents' ability to access essential goods and services such as food, employment, education, and healthcare, as well as recreational and cultural activities¹⁴. Such access also affects an individual's ability to maintain connections with friends and family as well as participate in other social activities¹⁵. A recent report by Toronto Public Health¹⁶ highlights the following findings. Currently, the cost of public transit:

- prohibits access to health services for individuals and families

⁷ Vibrant Communities Calgary. (n.d.). *Social Return on Investment Case Study: Low Income Monthly Transit Pass*.

⁸ Community Services Department. (2008). *Affordable Transit Pass Pilot Program-Six Month Program Evaluation*. City of Hamilton.

⁹ Civics Research Co-Operative. (2004). *Transit Affordability: A Study Focused On Personas with Low Incomes in the Region of Waterloo*.

¹⁰ Committee of the Whole, Community and Health Services. (2013). *Transit Fare Subsidy Pilot Program: Evaluation Findings and Policy Recommendations*. The Regional Municipality of York.

¹¹ Taylor Newberry Consulting. (2013). *An Evaluation of the Affordable Bus Pass Program*. Guelph, Ontario.

¹² Commissioner of Human Services. (2016). *Affordable Transportation Pilot Program Results*. Region of Peel.

¹³ Kramer, A., Goldstein, A. & Canaran, M. (2015). *Social Equity: Background Paper for the Regional Transportation Plan Review*. Metrolinx.

¹⁴ Social Exclusion Unit. (2003). *Making the Connections: Final Report on Transportation and Social Exclusion*. London, UK.

¹⁵ Toronto Public Health. (2013). *Next Stop Health: Transit Access and Health Inequalities in Toronto*.

¹⁶ Toronto Public Health. (2013). *Next Stop Health: Transit Access and Health Inequalities in Toronto*.

- functions as a barrier for individuals with low incomes in travelling to supermarkets with high quality, culturally appropriate and affordable food
- prevents those with low income from securing stable employment or accessing educational opportunities
- excludes economically disadvantaged individuals from recreational and social activities

Findings from an evaluation of the Affordable Bus Pass Program in Guelph, Ontario suggested that some low income residents often prioritized transit trips when they were unable to consistently afford regular transit use. For example, individuals prioritized transit trips to medical appointments over transit trips to visit families and friends¹⁷. Similarly, findings from a project by the Toronto Fair Fare Coalition found that for some residents, the cost of transit fares restricts access to services and supports and for some, decisions must even be made between purchasing food and buying transit fares for medical appointments¹⁸.

The following table presents the benefits of discounted transit fares as documented in evaluations of discount transit initiatives from a number of communities.

Community	Benefits of Program Participation
Calgary	<ul style="list-style-type: none"> • 60% of program participants agreed that the pass helped them to attend medical appointments • 59% agreed that the pass helped them to sustain employment • 55% agreed that the pass enabled them to take more training/education classes • 49% agreed that the pass helped them find employment or better employment • 48% agreed that the pass helped them to volunteer more often
Hamilton	<ul style="list-style-type: none"> • 84% of evaluation participants agreed that the pass made it easier for them to run errands and schedule appointments • 87% agreed that the pass helped them to maintain connections to family and friends • 75% agreed that the pass has helped them to keep their job
Regional Municipality of York	<ul style="list-style-type: none"> • 81% of survey respondents found it easier to get to work as a result of the program • 70-79% felt that the program helped them access daily needs (e.g., getting to doctor appointments, child care, grocery shopping)
Region of Peel	<ul style="list-style-type: none"> • 21.5% of survey respondents were able to find employment • 84.2% reported visits to employment services up to 3 times per week • 84.6% reported visits to medical services up to 3 times per week • 87% reported visits to faith services up to 3 times per week • 62.6% reported visits to food services up to 3 times per week • 59.4% reported visits to educational services up to 3 times per week

Together, these findings suggest that new activity associated with social equity should be generated in the aforementioned domains when economically disadvantaged individuals increase their use of public transportation as a result of reduced transit fares. As a result, individuals should be provided with greater opportunity to participate in the community.

Long-term Outcomes

When new activity is generated by transit use in the domains described above, it is expected that quality of life will be improved. As a result of increased community participation and increased access and/or use of resources, services

¹⁷ Taylor Newberry Consulting. (2013). *An Evaluation of the Affordable Bus Pass Program*. Guelph, Ontario.

¹⁸ Toronto Fair Fare Coalition. (n.d.). *Affordable TTC: A Ticket to the City*.

and supports, program participants will experience improved health and well-being, increased social inclusion, and improved economic stability¹⁹.

Evaluation Questions

The proposed evaluation questions are intended to assess the program's cost, implementation, and impact. The following table presents the overarching evaluation questions, complimented by more specific questions meant to capture additional learnings about the program. Questions about quality of life focus on longer-term changes in the lives of users. This first-year evaluation plan is designed to gather some information about these questions, and it will be important to keep these questions in mind as the evaluation unfolds. However, the year 1 evaluation will not address them as comprehensively as questions in other categories.

<p>1. What is the cost of the program to the City of Toronto? (inputs)</p> <ul style="list-style-type: none"> • How often is the Transit Discount Card used? • What type of transit (e.g., bus, street car, subway) do users ride? • What are the lengths of trips taken by users? • What times of day is the Card used? • How has the application process affected the function of Social Services offices?
<p>2. Is the program accessible and convenient for riders? (activities)</p> <ul style="list-style-type: none"> • Is the target audience aware of the Card? • Are some eligible people or groups less likely to apply than others? • Does the target audience know how to apply for the Card? • Does the program offer users choice and convenience? • Is the process of applying for, accessing and using the Card stigmatizing?
<p>3. Does the program change transit behaviours? (short-term outcomes)</p> <ul style="list-style-type: none"> • Do Card users ride transit more often? • Does the Card reduce rider burden? (e.g., do riders spend less money, time and energy getting where they need to go?) • Does the Card generate new activity among users (i.e., do they engage with the community in new ways that did not occur before using the Card)?
<p>4. Does the program promote social equity? (intermediate outcomes)</p> <ul style="list-style-type: none"> • Do Card users access formal services and informal supports that enhance social equity? • Do they participate in work, recreation, training or other activities in new ways? • Does the Card reduce social exclusion among users?
<p>5. Does the program positively impact riders' quality of life? (intermediate to long-term outcomes)</p> <ul style="list-style-type: none"> • Does program participation improve health and well-being? • Does program participation lead to new or sustained employment, increased hours and/or increased employment stability?

¹⁹ Hertel, S., Keil, R. & Collens, M. (2016). *Next Stop: Social Equity: Routes to Fairer Transit Access in the Greater Toronto and Hamilton Area*. The City Institute at York University.

Evaluation Methodology

To understand the cost, implementation and impact of Phase 1 of the TFE Pilot Project a mixed-methods approach will be employed. The methods described in the following sections draw upon the strengths of existing evaluation frameworks from other communities, and also build upon these existing methods to suit the unique context of the TFE project. Reports associated with the following discount transit fare programs were reviewed to understand best practice as it relates to the evaluation of discount transit fare initiatives:

- Calgary's Low Income Monthly Transit Pass²⁰
- Waterloo's Discount Bus Pass and Bus Tickets Program²¹
- Guelph's Affordable Bus Pass Program²²
- Hamilton's Affordable Transit Pass Program²³
- York Region's Transit Fare Subsidy Program²⁴
- Region of Peel's Affordable Transportation Pilot Program²⁵

All methods described below will be implemented in a manner that complies with privacy and accessibility legislation.

Phase 1 Pre-Launch Exploratory Focus Groups with Potential Users

The 2015 TFE survey provided a high level overview of the ways in which people with low incomes use transit. It also generated useful information about the level of interest in different approaches to making transit more affordable. However, the survey did not gather in-depth qualitative information about the perceptions of people with low incomes regarding transit, and the role that transit use plays in their day-to-day lives. People use transit for many different reasons, and the obstacles to increased transit use may vary depending on age, family structure, and many other factors. This creates a challenge for the evaluation design. It will be difficult for the evaluation survey to track the ways in which the Transit Discount Card alters the behaviour of users, if these behaviour changes vary from person to person.

In spring of 2017, approximately 10 focus groups will be conducted with potential Transit Discount Card users (i.e. individuals who are eligible for Phase 1). Questions asked during these discussions will focus on identifying activities that are currently out of reach for participants due to barriers posed by transportation, and on the activities they might participate in, or participate in to a greater extent, if they received discounted fares. Findings from these discussions will be used to identify the key behavioural changes that should be tracked in the baseline and post-test evaluation surveys (these surveys are described in greater detail below).

Participants for these focus groups will be recruited through TESS offices. In order to ensure that participants see the discussions as confidential, an independent evaluator will facilitate focus groups. A small honorarium will be paid to each participant. It is estimated that a total of approximately 100 people (10 per group) will participate.

²⁰ Vibrant Communities Calgary. (n.d.). *Social Return on Investment Case Study: Low Income Monthly Transit Pass*.

²¹ Civics Research Co-Operative. (2004). *Transit Affordability: A Study Focused On Personas with Low Incomes in the Region of Waterloo*.

²² Taylor Newberry Consulting. (2013). *An Evaluation of the Affordable Bus Pass Program*. Guelph, Ontario.

²³ Community Services Department. (2008). *Affordable Transit Pass Pilot Program-Six Month Program Evaluation*. City of Hamilton.

²⁴ Committee of the Whole, Community and Health Services. (2013). *Transit Fare Subsidy Pilot Program: Evaluation Findings and Policy Recommendations*. The Regional Municipality of York.

²⁵ Commissioner of Human Services. (2016). *Affordable Transportation Pilot Program Results*. Region of Peel.

Presto Data

For discount transit initiatives that have been implemented in other communities, the financial cost of the program is well documented and has generally relied on the collection of user data. For Toronto, the cost of Phase 1 of the program can be understood by generating descriptive statistics from Presto data about the frequency of Transit Discount Card use, the type of transit used, the length of the trips, the time of day of the trips, as well as any other pertinent information. Time of day is important because the cost of use to the TTC is lower if the Cards are used in off-peak times where there is excess capacity in the system. The time and energy required by staff in social services offices to implement the program should also be factored into cost calculations.

Baseline User Survey

Evaluations of other discount transit programs have generally collected data at only one point in time. While such a method can provide useful insights into program benefits, it lacks the ability to observe changes across time. Proposed TFE program outcomes are associated with improvements and increases in a number of domains. Therefore, a method must be implemented that will generate data to measure such changes prior to program participation and again after a period of sustained involvement.

Program participants will provide both baseline and post-test data. A survey will be completed by all successful program applicants at the time of application to collect baseline information and other pertinent information including reasons for applying, past transit use, current levels of activities in a variety of domains, as well as user demographic information. The target number for the baseline survey will be 90% of all users, or 9000 responses. The survey will be completed in the TESS office, using an online interface or a paper-based approach.

All information provided through the baseline survey will remain confidential. At the time of baseline survey completion participants will be assigned a unique participant code and will also be asked for consent to contact them to complete a follow-up survey and/or invite them to participate in an individual interview. Participants will be asked for both their email address, if applicable, as well as phone numbers. Multiple methods of contact will be useful for ensuring adequate post-test survey participation. Sample language to be used on the consent form is presented in the example below:

The Transit Fare Equity is a pilot project for Toronto. The future of this program will rely on feedback from riders as a result of program evaluation. From time to time you may be contacted by TESS or external data collectors for this purpose. Participation is optional and will not affect eligibility for the program. Do you wish to be contacted for the purpose of program evaluation?

Post Test User Survey

A post-test survey will be completed after 6 months of program participation²⁶. An invitation email will be sent to all participants who gave consent to be contacted that will include a link to the post-test survey which will be hosted online. This link will be connected with participants' unique participant code so that their post-test responses can be compared with their baseline responses. After a period of 2 weeks, participants who have not completed the online version of the survey will be contacted by telephone for participation in an identical telephone survey. The target number for the post-test survey will be 10% of all users, or 1000 responses. Proposed survey questions are

²⁶ This time period was used in Hamilton's Affordable Transit Pass Program evaluation. Given that the project will be required to report to city Council in July of 2018, 10 months after launch, this interval seems appropriate in the Toronto context.

presented in Appendix A. However, these questions will likely change as information is collected during the Pre-Launch Exploratory Focus Groups.

In-Depth User Focus Groups

Approximately 10 focus group discussions with Transit Discount Card users will be conducted to collect in-depth information about experiences of program participation including the application process, experiences of stigma, and the perceived role of the Card in changes in activities and broader quality of life benefits. Findings from the focus groups will provide explanations for some of the survey findings as they relate to these changes and will therefore provide stronger evidence of the impact of the TFE Pilot Program.

Participants will be recruited using contact information gathered through the baseline survey, and through TESS offices. In order to ensure that participants see the discussions as confidential, an independent evaluator will facilitate focus groups. A small honorarium will be paid to each participant. It is estimated that a total of approximately 100 people (10 per group) will participate.

Phase 2 Pre-Launch Exploratory Focus Groups with Potential Users

The Phase 1 evaluation report is expected to include recommendations for the roll-out of phase 2, which will make the Transit Discount Card available to ODSP clients and residents receiving or waitlisted for housing supports or child care subsidy. During phase 1, exploratory focus groups with potential phase 2 users will be completed in order to inform these recommendations. These focus groups will use a format similar to the Phase 1 Exploratory Focus Groups. Questions will focus on identifying activities that are currently out of reach for participants due to barriers posed by transportation, and on the activities they might participate in, or participate in to a greater extent, if they received discounted fares. Findings from these discussions will be used to highlight the ways in which Phase 2 users may be different from Phase 1 users, and to recommend how the program can adapt to meet the unique needs of this population.

Participants will be recruited using contact information gathered through TESS offices. A small honorarium will be paid to each participant. In order to ensure that participants see the discussions as confidential, an independent evaluator will facilitate focus groups. It is estimated that a total of approximately 100 people (10 per group) will participate.

TESS Staff Interviews

A small number of interviews with selected staff from the TESS Employment Centres involved in the application process will be conducted. Interviewees will be staff members who have been most directly involved in administering the Discount Transit Card. The purpose of these interviews will provide information about implementation challenges, the potential for stigmatization and the process of accessing the Card. Questions will explore the experience of Card users as observed by staff. The discussion will also explore the administrative aspects of running the program; the ways in which implementing the Card has affected the functioning of Employment Centres or the work routines of individual workers. A total of approximately 8 individual or small group interviews will take place.

TESS Staff Survey

All TESS staff who have played a role in implementing and delivering the Discount Transit Card will be surveyed. The focus of this short survey will be on estimating the time and resources required by TESS staff to implement the program. A draft version of this survey will be developed in collaboration with TESS managers.

Evaluation Timeline

The following table presents the proposed time line for data collection associated with the program evaluation.

Evaluation Method	Data Collection Period
Phase 1 Pre-Launch Exploratory Focus Groups	Spring 2017
Presto Data Collection	September 2017-May 2018
Baseline User Survey	Beginning at program launch in September 2017 and continuing as new participants access the Card. For purposes of Phase 1 report, baseline data gathered up to December 2017 will be used.
Post-test Survey	After 6 months of program participation: beginning February 2018 and ending (for the purposes of the Phase 1 report) in May 2018
In-Depth Focus Groups with Current Users & Exploratory Focus Groups with Potential Phase 2 users	May 2018
Phase 2 Pre-Launch Exploratory Interviews	May 2018
Staff Interviews	May 2018
Data analysis	October 2017-June 2018
Completion of draft Phase 1 Evaluation Report	June 2018
Presentation of Phase 1 Evaluation Report to City Council	July 2018

Analysis and Final Report

The table below shows how the proposed evaluation methods will generate answers to core evaluation questions.

Key Evaluation Questions	Presto Data	User Pre-Post Surveys	User Focus Groups (Exploratory and in-depth)	TESS Staff Interviews	TESS staff survey
What is the cost of the program to the City of Toronto?	★			★	★
Is the program accessible and convenient for riders?		★	★	★	
Does the program change transit behaviours?	<i>may be helpful</i>	★	★		
Does the program promote social equity and positively impact user's quality of life?		★	★		

Descriptive statistics will be generated from Presto data to document the costs of the program in Phase 1. In particular, the Presto system will provide detailed data on the number of Transit Discount Card holders who use the cards, number and types of trips taken by users, the costs of use for the City and for users. It may also be possible to gather information about the geographic areas of the city in which trips are most frequently initiated. If data from the Presto system can be linked to information from the Ontario Works database, it may be possible to break down the indicators listed above by user age, immigration status, employment status, or family structure. Such analyses would only be possible if the technical challenges could be overcome and the privacy of users could be protected.

Data from the survey of TESS staff will also be useful in estimating the costs of the program to the City. Although the survey will not provide an objective index of the time required to implement the Card, within TESS offices, it will gather perceptions of workers about this issue.

Analysis of baseline and post-test survey data will focus on process questions around access and useability, short term outcomes related to transit use, and intermediate outcomes related to social equity. The pre-test gathers detailed demographic information and asks the respondent to describe their current transit use, their level of community activity in a number of domains. The post test includes identical questions about transit use and activity levels, and check to see whether the participant's perceived health or employment status has changed. The pre test asks respondents to provide contact information for the purposes of contacting them about the post-test. This contact information should make it possible to pair the responses of one individual at pre-test and post-test.

Generally speaking, analysis of these data will employ simple paired-sample T-tests or similar tests to detect changes in responses to identical questions over time. Demographic questions asked on the pre-test will make it possible to compare the program's impact for people of different ages and backgrounds.

Responses to question 3 on the pre-test will generate data about client perceptions of the application process. Short term outcomes, related to the frequency and type of TTC use, will be tracked through items 4-8 on the pre-test, and through identical items on the post test. These items are drawn directly from the TTC customer satisfaction survey. By comparing responses to these questions at pre test and post test, using a matched-samples t-test or other similar tests, it will be possible to determine whether transit use has changed for participants.

Question 9 on the pre-test is the same as question 8 on the post-test. This set of question is intended to provide a snapshot of the ways in which respondents interact with services and supports throughout the city. By comparing responses to these questions at pre test and post test, it will be possible to see whether the Card project is achieving the intermediate (or social equity) outcomes identified in the logic model (e.g., Increased participation in recreation & cultural activities; Increased access to healthy food).

Three different kinds of focus groups (a total of approximately 30 groups) will be conducted through this evaluation project. In addition, 8 interviews with TESS workers will be completed. The questions for these discussions will be open-ended and exploratory. These methods will generate a large amount of qualitative data in the form of detailed written notes kept by a dedicated not-taker. These data will require intensive thematic analysis, during which the logic model will act as an analytic guide. Ongoing input from the working group may also help to identify emerging themes or unexpected findings in these data.

A draft report will be written that documents the implementation and impact of the TFE Pilot Project and will be presented to the project's advisory committee for feedback. A final report will be submitted to Toronto City Council in July of 2018.

Appendix A: Draft Survey Tools²⁷

Toronto Transit Fare Equity Pilot Project Baseline Survey

Thank you for answering this survey. It is being run by ___ to collect information about the Transit Discount Card). You can choose not to complete this survey. If you do refuse, nothing bad will happen. It will not affect your access to the Transit Discount Card. You can also choose to skip some questions on the survey. No-one other than the research team will see your answers. We will only report group results (e.g., averages). The information we collect will help us to write a report for City Council. They will use it to decide about the future of the Transit Discount Card program.

This survey will take about 15 minutes to complete.

Do you agree to participate?

- Yes
 No

Application Procedure

1. How did you hear about the Transit Discount Card?

2. Why are you interested in applying for the Transit Discount Card?

3. When I registered for the Card,

	1	2	3	4	5
The registration process was simple	1	2	3	4	5
TESS staff were able to answer my questions about the program	1	2	3	4	5
The TESS location was accessible and convenient.	1	2	3	4	5
I felt comfortable applying for the Transit Discount Card	1	2	3	4	5

1=strongly disagree; 2=somewhat disagree; 3=neither agree or disagree; 4=somewhat agree; 5=strongly agree

²⁷ Since this survey is intended to be completed online the information included in this document just shows questions and response options, not what the actual formatting would look like

Current Transportation Use

4. What form of transportation do you currently use most often?

Walk	1	2	3	4
Bike	1	2	3	4
Personal vehicle	1	2	3	4
TTC (e.g., bus, streetcar, subway)	1	2	3	4
Wheel-Trans	1	2	3	4
Taxi	1	2	3	4
Uber	1	2	3	4
Rides from friends or family	1	2	3	4
Other	1	2	3	4

1=never; 2=rarely; 3=sometimes; 4=often

5. How often do you generally use TTC? (city bus, subway, street car)?

- Once a day or more often
- Several times a week
- Once a week
- Once every few weeks
- Every now and then – less than once every few weeks
- Have not used TTC in the last 12 months

6. What is the purpose of your TTC trips?

Pleasure / recreation	1	2	3	4
Going to or coming from school	1	2	3	4
Going to or coming from work	1	2	3	4
Attending to personal business	1	2	3	4
Grocery shopping	1	2	3	4
Other shopping	1	2	3	4

1=never; 2=rarely; 3=sometimes; 4=often

7. What type of transit did you use on your most recent trip on the TTC? (you can check more than one)

- Subway
- Bus
- Streetcar

8. What fare do you use most often to pay for your TTC trips?

- Cash
- Ticket/Token
- Monthly Pass
- Presto
- Free tickets, tokens or passes from a community agency or City of Toronto program
- Other

Current Levels of Activity**9. Please indicate how often you participate in each of the following activities**

1=never; 2=rarely (less than once per month); 3=sometimes (1 to 3 times per month); 4=weekly; 5=daily

Attending medical/dental appointments	1	2	3	4	5
Taking my children to medical appointments	1	2	3	4	5
Taking my children to child care or school	1	2	3	4	5
Attending school myself					
Attending counselling/mental health services appointments	1	2	3	4	5
Participating in skills and/or employment training	1	2	3	4	5
Going to the grocery store or food bank	1	2	3	4	5
Volunteering in the community	1	2	3	4	5
Visiting family and friends	1	2	3	4	5
Participating in recreational activities in the community (e.g., sports, music or sport related lessons, visiting parks or historic sites, going to the movies, etc.)	1	2	3	4	5
Attending community events (e.g., local festivals, holiday events, fairs)	1	2	3	4	5
Attending spiritual or faith based institutions or services	1	2	3	4	5

10. In the last month, have you missed an appointment or activity because of transportation issues (getting there was not possible, too expensive, too time consuming or too inconvenient?)

	Missed due to transportation issues	
	Yes	No
I have missed or not scheduled medical appointments for myself or a family member	Yes	No
I have not taken my children to child care or school	Yes	No
I have missed classes or not attended school events	Yes	No
I have missed or not scheduled counselling appointments for myself or a family member	Yes	No
I have not attended employment or skills training	Yes	No
I have not gone to the grocery store or food bank	Yes	No
I have missed or not been involved in volunteering opportunities	Yes	No
I have not visited with family and friends	Yes	No
I have not participated in recreational activities in the community (e.g., sports, music or sport related lessons, visiting parks or historic sites, going to the movies, etc.)	Yes	No
I have not attended community events (e.g., local festivals, holiday events, fairs)	Yes	No
I have missed spiritual or faith based services	Yes	No

11. In what ways do you think the TFE Transit Discount Card will make a difference in your life and/or the life of your family?

Information about you

12. What is your gender?

- Female
- Intersex
- Male
- Trans - Female to Male
- Trans - Male to Female
- Two-Spirit
- Other, please specify _____
- Do not know
- Prefer not to answer

13. What is your current age?

- 18-24
- 25-29
- 30-34
- 35-39
- 40-44
- 45-49
- 50-59
- 60-64
- 65+

14. What is your highest level of education?

- Some high school
- Completed high school
- Some college or university
- Completed college
- Completed a university Bachelor's degree
- Completed post-graduate degree

15. What is your individual income before tax?

- 0 to \$14,999
- \$15,000 to \$39,999
- \$40,000 to \$59,999
- \$60,000 to \$99,999
- \$100,000 to \$124,999
- \$125,000 and over
- Don't know

16. How many children under the age of 18 currently live with you?

- 0
- 1
- 2
- 3
- 4
- 5 or more

17. In general, would you say your physical health is

- Excellent
- Very good
- Good
- Fair
- Poor

- Prefer not to answer

18. In general, would you say your mental health is

- Excellent
 Very good
 Good
 Fair
 Poor
 Prefer not to answer

19. If you have a fixed address, please state your postal code

20. Are you willing to be contacted in about 6 months to participate in a follow-up survey?

- Yes
 No
 Email address _____
 Main phone _____
 Alternate phone _____

Thank you for your participation! You will be contacted again in approximately 6 months to participate in an additional survey.

NOTES:

- Questions 4, 5, 6, 7 and 8 are taken directly or slightly adapted from the 2015 TTC Customer Satisfaction Survey.
- Question 12 uses wording from TPH Client Socio Demographic Data Collection project.
- Questions 17 and 18 are taken directly from the Canadian Community Health Survey

Toronto Transit Fare Equity Pilot Project Post-Test Survey

Thank you for answering this survey. We are sending it to you because you provided us with your contact information when you applied for the Transit Discount Card, and told us that you were willing to be contacted for a follow-up survey. This survey is being run by ___ to collect information about the Transit Discount Card program. You can choose not to complete this survey. If you do refuse, nothing bad will happen. It will not affect your access to the Transit Discount Card. You can also choose to skip some questions on the survey. No-one other than the research team will see your answers. We will only report group results (e.g., averages). The information we collect will help us to write a report for City Council. They will use it to decide about the future of the Transit Discount Card program.

This survey will take approximately 15 minutes to complete.

Do you agree to participate?

- Yes
 No

Background Information

1. What is your current employment status?

- Ontario Works recipient
 Employed (part time)
 Employed (full time)
 In School

2. Has your employment status changed since you applied for the Transit Discount Card?

- Yes
 No

Current Transportation Use

3. What form of transportation do you currently use most often?

Walk	1	2	3	4
Bike	1	2	3	4
Personal vehicle	1	2	3	4
TTC (e.g., bus, streetcar, subway)	1	2	3	4
Wheel-Trans	1	2	3	4
Taxi	1	2	3	4
Uber	1	2	3	4
Rides from friends or family	1	2	3	4
Other	1	2	3	4

1=never; 2=rarely; 3=sometimes; 4=often

4. How often do you generally use TTC? (city bus, subway, street car)?

- Once a day or more often
- Several times a week
- Once a week
- Once every few weeks
- Every now and then – less than once every few weeks
- Have not used TTC in the last 12 months

5. What is the purpose of your TTC trips?

Pleasure / recreation	1	2	3	4
Going to or coming from school	1	2	3	4
Going to or coming from work	1	2	3	4
Attending to personal business	1	2	3	4
Grocery shopping	1	2	3	4
Other shopping	1	2	3	4

1=never; 2=rarely; 3=sometimes; 4=often

6. What type of transit did you use on your most recent trip on the TTC? (you can check more than one)

- Subway
- Bus
- Streetcar

7. What fare do you use most often to pay for your TTC trips?

- Cash
- Ticket/Token
- Monthly Pass
- Presto
- Free tickets, tokens or passes from a community agency or City of Toronto program
- Other

Current Levels of Activity

8. Please indicate how often you participate in each of the following activities

1=never; 2=rarely (less than once per month); 3=sometimes (1 to 3 times per month); 4=weekly; 5=daily

Attending medical/dental appointments	1	2	3	4	5
Taking my children to medical appointments	1	2	3	4	5
Taking my children to child care or school	1	2	3	4	5
Attending school myself					
Attending counselling/mental health services appointments	1	2	3	4	5
Participating in skills and/or employment training	1	2	3	4	5
Going to the grocery store or food bank	1	2	3	4	5
Volunteering in the community	1	2	3	4	5
Visiting family and friends	1	2	3	4	5
Participating in recreational activities in the community (e.g., sports, music or sport related lessons, visiting parks or historic sites, going to the movies, etc.)	1	2	3	4	5
Attending community events (e.g., local festivals, holiday events, fairs)	1	2	3	4	5
Attending spiritual or faith based institutions or services	1	2	3	4	5

9. In the last month, have you missed an appointment or activity because of transportation issues (getting there was not possible, too expensive, too time consuming or too inconvenient?)

	Missed due to transportation issues	
	Yes	No
I have missed or not scheduled medical appointments for myself or a family member	Yes	No
I have not taken my children to child care or school	Yes	No
I have missed classes or not attended school events	Yes	No
I have missed or not scheduled counselling appointments for myself or a family member	Yes	No
I have not attended employment or skills training	Yes	No
I have not gone to the grocery store or food bank	Yes	No
I have missed or not been involved in volunteering opportunities	Yes	No
I have not visited with family and friends	Yes	No
I have not participated in recreational activities in the community (e.g., sports, music or sport related lessons, visiting parks or historic sites, going to the movies, etc.)	Yes	No
I have not attended community events (e.g., local festivals, holiday events, fairs)	Yes	No
I have missed spiritual or faith based services	Yes	No

10. In what ways do you think the TFE Transit Discount Card has made a difference for you and/or your family?

11. In general, would you say your physical health is

- Excellent
- Very good
- Good
- Fair
- Poor
- Prefer not to answer

12. In general, would you say your mental health is

- Excellent
- Very good
- Good
- Fair
- Poor
- Prefer not to answer

13. If you have a fixed address, please state your postal code

Thank you for your participation! The information you have provided will be helpful in writing a report to City Council

Appendix B: Draft Interview Schedules

Pre-Launch Exploratory Interviews with Potential Users

Thank you for your agreeing to participate in this interview. It is being conducted on behalf of ___ to collect information about the Transit Fare Equity Pilot Project (the Transit Discount Card). Your participation is entirely voluntary and you may choose to not answer any questions that make you feel uncomfortable.

Although the Card has not yet been launched, it is designed for people who receive social assistance through Ontario Works and don't have access to any other support for transit use. As someone in that situation, we would like to get a sense of what you think of the idea, and whether you think you would use the Transit Discount Card once it is launched.

The information we collect will help us to write a report for City Council.

Everything you say in this interview will remain confidential. Your participation in this interview will in no way affect your access to any program or service. This interview will take approximately 40 minutes to complete.

Questions:

Can you describe how you typically get around the city?

Do you use transit?

- If so, how often do you use it? What kind of transit do you use? How do you pay for transit?
- If so, why do you use transit? Do you use it for certain kinds of trips more than others (e.g., to go to appointments, get to work, socialize with friends)?
- If not, why not?

If transit was more affordable for you, would you use it more? Would you use it differently?

(Describe how Transit Discount Card will work)

How interested would you be in the Transit Discount Card? Why?

(Describe application process)

Would you apply for the Transit Discount Card? Why or why not?

In-Depth User Interviews

Thank you for your agreeing to participate in this interview. It is being conducted on behalf of ____ to collect information about the Transit Fare Equity Pilot Project (the Transit Discount Card). Your participation is entirely voluntary and you may choose to not answer any questions that make you feel uncomfortable.

We are interested to learn more about your experiences as someone who has used the Card. The information we collect will help us to write a report for City Council. Everything you say in this interview will remain confidential. Your participation in this interview will in no way affect your access to the Card, or any other program or service. This interview will take approximately 40 minutes to complete.

Questions

Can you describe how you typically get around the city?

How long have you had a Transit Discount Card?

What made you decide to apply?

What was the application process like?

Has your movement through the city changed as a result of the Transit Discount Card? How do you use the Card?

- Do you use transit more often?
- Do you use different types of transit?
- Do you use transit at different times of day?
- Do you go places or do things that you would not have done before you had the Transit Discount Card? Are you more likely to go to certain appointments for example? More likely to see certain people?

When you are out using your Card, what is the experience like? Are you treated with respect and courtesy?

Would you say your life has changed in any way because of the Transit Discount Card? If so, how? Has life changed for other people in your family?

Will you continue to use the Card in the future?

Is there anything that could be done to make the Transit Discount Card better or more useful for you?

Staff Interviews

Thank you for your agreeing to participate in this interview. It is being conducted on behalf of ____ to collect information about the Transit Fare Equity Pilot Project (the Transit Discount Card). Your participation is entirely voluntary and you may choose to not answer any questions that make you feel uncomfortable. You have been invited to participate in this interview because you have been actively involved in the promotion and application of the Card.

Questions

How have you been involved with the Transit Discount Card?

In your office, how has the Card been promoted? Do you think potential users were aware that they could apply for the Card?

- Did you get many questions about the Card from potential applicants? Did you let your clients know about the card?

How did the application process work in your office?

- How long did an application typically take?
- Were there any challenges?
- Were there eligible people who chose not to apply, to your knowledge? If so, why do you think they made that choice?

