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Item No. 12.1.1
Transportation Standing Committee
January 26, 2017

TO: Chair and Members of the Transportation Standing Committee

Original Signed

SUBMITTED BY:

Dave Reage, MCIP, LPP, Director, Halifax Transit

DATE: January 10, 2017

SUBJECT: Low Income Transit Pass Pilot Program Extension & Expansion

ORIGIN

At the April 1, 2014 meeting of Regional Council, the following motion was put and passed:

Approve the low income transit pass pilot program as described in the supplementary staff report dated February 25, 2014, for a maximum of 500 participants whose annual family income falls below the HRM low income indexed value (currently \$31,000) and who are not eligible for transportation reimbursements through other programs, including the Provincial Employment Support and Income Assistance Program, and allow those participants to purchase regular adult Metro Transit passes including Metro Link and Metro X monthly during the six month pilot program at a 50% discounted rate and request that the pilot program be implemented pending the adoption of a transit fare bylaw as outlined in the discussion section of the supplementary staff report dated February 25, 2014.

At the June 21, 2016 meeting of Regional Council, the following motion was put and passed:

That Halifax Regional Council adopt By-Law U-100, the User Charges By-law attached to the staff report dated April 7, 2016 as Attachment 1, with the amendment passed at First Reading to delete "before July 1, 2016" from Section 3(h) (Schedule 1) with respect to Beaver Bank Monarch Drive Elementary School.

LEGISLATIVE AUTHORITY

Section 102 of the Halifax Regional Municipality Charter allows Council, by by-law, to prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law.

Section 69(1) of the Halifax Regional Municipality Charter enables the Municipality to provide a public transportation service, and section 79(1)(o) provides authority for Council to expend money to provide public transportation.

By-law U-100, Schedule 1, Section 5 provides the authority to offer a Low Income Transit Pass Pilot Program.

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RECOMMENDATION

It is recommended that the Transportation Standing Committee recommend that Regional Council:

- 1) Extend the completion date of the Low Income Transit Pass Pilot Program from March 1, 2017 to June 30, 2017 for those accepted into the pilot program for September 2016;
- 2) Amend the program eligibility criteria to exclude the use of income from roommates in the calculation of household income as per Attachment A;
- 3) Approve the implementation of an annual Low Income Transit Pass Program for up to 1,000 qualified applicants beginning July 1, 2017; and
- 4) Direct Staff to enter into discussion with the Province of Nova Scotia to evaluate opportunities for offering transit passes to those currently receiving a transportation subsidy.

BACKGROUND

In April 2014, Halifax Regional Council directed staff to develop a by-law for transit fares and implement the Low Income Transit Pass Pilot Program. On June 21, 2016 Halifax Regional Council adopted Schedule 1 of By-law U-100, enabling staff to initiate the Low Income Transit Pass Pilot Program. Through this program, qualified applicants were able to purchase monthly transit passes for 50% of the regular price for each month during the pilot. There was no obligation to purchase a pass for each month of the pilot.

The six month pilot is currently ongoing, having started September 2016, and running until February 2017. Applications were made available online on July 4, 2016 and were accepted in person at Municipal Citizen Contact Centres. Applications were accepted until all 500 spaces were filled on August 10, 2016. Successful applicants were notified of the status of their applications in early August.

Overall Halifax Transit staff received a total of 573 applicants to the program, of which 68 were incomplete or did not qualify for the pilot program. A further 5 applications were received after the 500 pilot program spaces were filled.

DISCUSSION

Overview of Applicants

Over the five week intake period, a total of 573 applications were received. Of these applicants, a total of 68 applications were rejected due to either being incomplete or not meeting the minimum program criteria (i.e. applicant is currently receiving a transportation subsidy from the Province of Nova Scotia or household income exceeds identified threshold).

Program Utilization

Applicants accepted into the program were provided with the option of purchasing a monthly transit pass for each of the six months of the pilot. The following table summarizes the uptake for passes for the pilot program to this point.

Table 1: Uptake of Low Income Transit Passes by Month

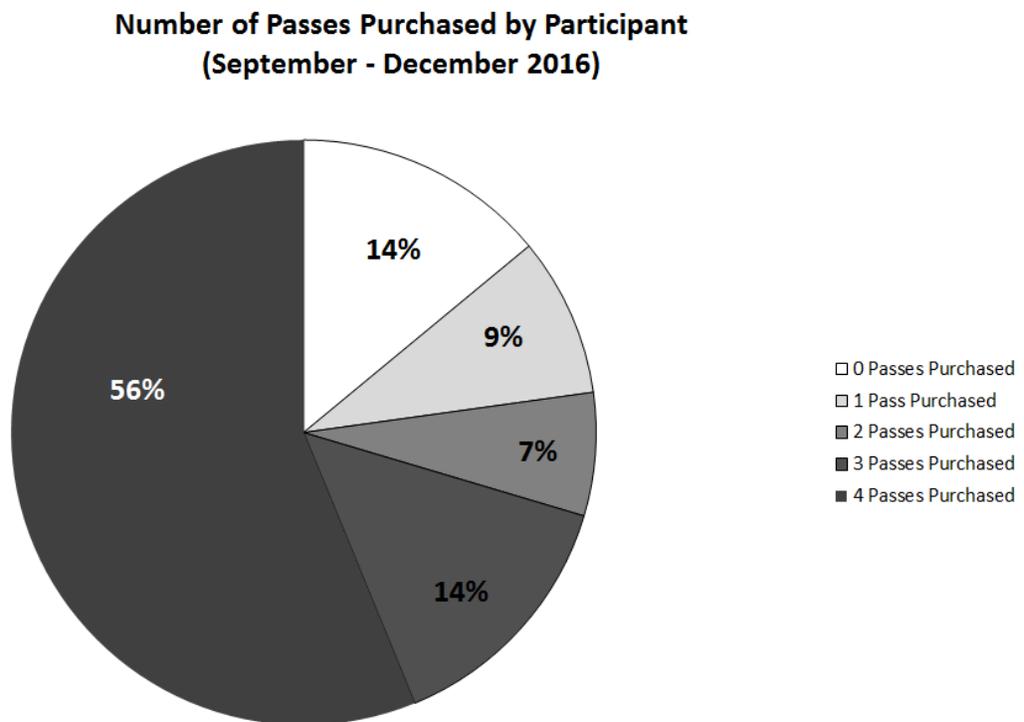
	September 2016	October 2016	November 2016	December 2016
Number of Passes purchased	390	385	374	336
Percent of Available Passes Purchased	78%	77%	75%	67%

Participants in the pilot program were not obligated to purchase the monthly pass for all six months of the pilot program, and so it was anticipated that some participants may not chose to purchase a monthly pass for a given month due to variable demand for transportation.

Overall, as of December 2016, there has been a 67%-78% utilization rate of the program (i.e. between 75% and 80% of program participants have purchased a pass each month). It is likely that pass sales were lower in December due to reduced travel demand associated with the holiday season.

Further analysis indicated that overall 70% of participants have purchased either 3 or 4 of a possible 4 monthly passes through the program. Another 16% purchased either 1 or 2 monthly passes. Approximately 14% of participants in the program have not purchased any passes through the program to date.

Figure 1: Number of Passes Purchased by Participants Over a Four Month Period



Pilot Program Awareness

Schedule 1 of By-law U-100 was approved in late June 2016 and collection of applications had to begin in mid-summer in order to ensure that the program could be launched by fall.

While media coverage was substantial, a promotional campaign was also pursued, and included ads in the Metro newspaper, flyers distributed on Halifax Transit vehicles, and Facebook Ads. Communications & promotional campaigns can be challenging during the summer months due to irregular work and travel patterns, however the survey included on part of the application form indicated that the media was quite successful, with over 43% of applicants having heard about the program in the newspaper. A further 22% heard about the program through word of mouth.

Should the program become permanent, Halifax Transit intends to leverage relationships with other business units and key stakeholders to build further awareness. For example, Halifax Regional Police has indicated that the work they do in the community regularly puts officers in contact with residents who may have an interest in the program, and with service providers that would have an interest in supporting the program.

Volume of Applications

In the initial stages of planning for the pilot, staff anticipated that a large volume of applications would be received as soon as the application period opened. In reality, completed applications came in slower than anticipated and the application intake period had to be extended.

This is consistent with the findings of other cities that recently rolled out similar programs. For example, in Mississauga, a pilot project was launched in the spring of 2016 and by mid-October, only 1,330 of 2,500 places had been filled. Mississauga Transit also identified the challenge of a summer launch.

Public & Stakeholder Feedback

Halifax Transit staff accepted a number of comments from municipal staff and members of the community on the program and the application process. These comments described how the program could be expanded and how it could be improved should it be extended beyond the pilot stage. These comments are noted in the bulleted list below, with recommendations as to how to address these issues should Council decide that the program should proceed beyond the pilot stage.

Halifax Transit staff has reached out to a random sample of 20 applicants accepted into the program. They were asked how access to the Low Income Transit Pass Pilot Program has impacted their trips and transportation planning and if they had any feedback on the program. The findings of this survey identify overwhelming support for the program, and identify that the program has provided substantial benefits to those who qualify. More detailed information is included in Attachment B to this report.

- **Structure of the Application Form** - Concerns were raised about the complexity of the application form, mainly through councillor feedback and Citizen Contact Centre staff.
 - The Pilot Program application included space for up to five applicants on the same form. However, the bulk of applications only included 1 or 2 applicants. If this program were to continue, staff recommend reducing the number of applicants to two per form. Any additional member of household looking to apply will be able to attach a second form.
 - Due to the level of information required in order to determine if an applicant is qualified to be a part of the program, there will always be some level of complexity required in the application process. However, in order to improve the accessibility of the form, Halifax Transit staff will develop an application “How To” document to help guide people through the application process.
 - To address this concern, staff will work to simplify the form while still ensuring required information is included. Staff will also work with community partners to help them support community members working to complete the forms.
- **Availability of Tax Information** – It was noted that some individuals interested in applying for the program were unable to do so as they had not completed their 2015 tax return, and the application required a 2015 Notice of Assessment. This may be particularly difficult for new residents of Canada, who have not filed taxes in Canada yet, although there should be no impact to recent refugees, as they are eligible for free transit for one year upon arrival.
 - Staff are unable to address this issue without reconsidering the minimum requirements of the program, as the Notice of Assessment is the most reliable form of confirming income.
- **Ineligibility of those Receiving Provincial Subsidy:** For the pilot program, it was determined that individuals receiving any transportation subsidy would be ineligible for the Low Income Transit Pass Pilot Program. This included the approximately 6,000 residents of Halifax who currently receive some transportation subsidy from the Nova Scotia Department of Community Services. It was noted by some applicants that they receive a small sum each month from the province for transportation (less than the amount of a monthly transit pass), and they felt that this should not make them ineligible for the Low Income Transit Pass program.

- To address this concern, staff recommend engaging the Province to determine if there are alternative solutions to address this gap. In the interim, while discussion are underway staff recommend that those receiving provincial subsidy continue to be excluded from this program in order to ensure that those currently receiving no transportation subsidy are able to access the program.
- **Calculation of “Household Income”:** A further concern was noted in the calculation of “household” as part of the application process. It is recommended that if the program continues, the calculation of household income be revised to reflect the income of all residents living in the household contributing to the household, excluding roommates. In some cases, the pilot would have included roommates despite the fact they likely do not contribute to the overall income of an applicant. This meant that the household income of some applicants would appear to be artificially high, and in some cases participants would have been ineligible.
 - To address this concern, staff recommend revising the application form and minimum criteria to evaluate household income specifically excluding roommates. Attachment A lists the existing eligibility criteria, revised to reflect this change.
- **Access to Customer Contact Centres:** Through the phone survey, participants noted that dropping off the application form at the Customer Contact Centres in person was difficult. This was because the Contact Centres are only open Monday to Friday and during business hours.
 - To provide more flexibility to future applicants, should the program continue, staff will explore additional application drop off options. At this time, it is not clear what additional options may be provided the sensitive nature of the information requested as part of the application process but they could potentially include alternatives such as allowing mail-in applications.

Financial Impact of the Program

Of those accepted into the pilot, prior to the pilot program, 195 of 500 participants were purchasing monthly transit passes at full price. By offering these passes at half price, this represents an observed potential revenue loss of \$5,000 to \$6,000 per month for the pilot to date¹ A further 96 individuals accepted into the program were paying cash for fare, and 180 were purchasing tickets. While it is not possible to capture the potential increase in revenue generated by having those typically paying cash fare or for tickets, it's possible that some additional revenue would be captured by those who would typically have purchased less than \$39 per month worth of tickets or paid less than \$39 per month in cash fares.

Changes to Program Cycle

Staff recommend initiating an annual Low Income Transit Pass Program starting in the 2017/2018 – 2018/2019 Fiscal Year which would run from July 1 – June 30 each year. Although there would be some advantage to administering the program in alignment with the April – March fiscal year cycle, the requirement of the most recent Notice of Assessment dictates that applications should not be collected ahead of the end of income tax submission deadlines.

Should Council decide to retain this program, staff recommend extending the pilot for existing participants until June 2017. New applicants would then apply for the next annual program in May 2017 for the July 1, 2017 – June 30, 2018 year. Those currently in the pilot program would all be required to reapply at this time if they would like to be considered. If the program is not extended, all current participants would be required to pay full price for fares.

¹ This figure is based on 195 pilot program participants who purchased passes at full cost multiplied by the monthly uptake rate (between 67% and 78%) and then multiplied by \$39, the subsidized cost of a monthly transit pass through the Low Income Transit Pass Pilot Program.

Application Cap

Although there was slower than anticipated uptake for the Pilot Program, it is staff's recommendation that the limit for the annual program be increased to 1,000 for the 17/18 fiscal year and that the number be revisited each year in response to uptake and budgetary considerations. The beginning of the intake period will be announced each year, and applications will be accepted on a first come, first served basis, until the cap is reached.

FINANCIAL IMPLICATIONS

Based on observed survey data, it would appear that creating a permanent program for 1,000 applicants could cost approximately \$160,000 per year in reduced revenue. This is based on the average monthly uptake for those in the program, and stated preferences for fare media prior to the program's launch (i.e. were program participants purchasing monthly passes prior to the pilot or were they paying with tickets or cash). This reduction in fare revenue would need to be accommodated in the 17/18 budget approval process.

It is possible that the increase in program participants may result in the need for temporary agent staffing at Citizen Contact Centers during the program roll out.

RISK CONSIDERATION

Risks associated with this report are considered moderate. The implementation of this program permanently could have the impact of reducing revenue from fares by offering a monthly pass at half price.

The cap proposed assumes that each month, some of the participants in the program will choose not to purchase passes. However, there is a risk that a higher number of participants than anticipated will not purchase passes, which reduces the capacity of the program and the ability to deliver the program to those that will most benefit from it.

COMMUNITY ENGAGEMENT

Feedback was collected from the public and stakeholders on the Low Income Transit Pass Pilot Program through an internal workshop, and informally through correspondence with community partners. A phone survey was conducted using a random sample of program participants.

ENVIRONMENTAL IMPLICATIONS

By providing more affordable access to transit service, it is possible that transit ridership may increase. Higher transit ridership would reduce emissions associated with private vehicle travel.

ALTERNATIVES

1. The Transportation Standing Committee may recommend that Regional Council not proceed with the Low Income Transit Pass Program beyond the pilot phase.
2. The Transportation Standing Committee may recommend that Regional Council amend the recommended program limit of 1000 passes.

ATTACHMENTS

Attachment A: Revised Low Income Transit Pass Program Eligibility Criteria

Attachment B: Low Income Transit Pass Pilot Program Telephone Survey Findings

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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Attachment A: Low Income Transit Pass Pilot Program – Eligibility Criteria

In order to be eligible, you must meet all of the following requirements:

- You must live in the Halifax Regional Municipality.
- Your combined gross family/household income for the previous year is less than \$33,000¹²
- You are not receiving or are not eligible to receive reimbursement for the cost of transit passes from any other agency, including but not limited to the Department of Community Service Employment Support and Income Assistance Program.

¹ This figure represents the Statistics Canada Low Income Cut Off, indexed for Halifax. This is the value HRM uses for the Residential Property Tax exemption and deferral programs.

² Household/Family Income includes the applicant's income plus the income of the applicant's spouse (married or common law). It excludes roommates and dependants.

Attachment B: Low Income Transit Pass Pilot Program Telephone Survey Findings

**Low Income Transit Pass Pilot program participants
Telephone Survey | Sample of 20 participants (4%)**

1. When you applied to the Low Income Transit Pass Pilot program, did you:						2. As a part of the program, do you:		3. Transit Usage, Financial Impact, and future of program:					4. Do you have any recommendations on how to improve the program or any other comments?
1a. Understand the application process?	1b. Understand the application?	1c. Have enough time to gather the information required?	1d. Call the HRM Citizen Call Centre for assistance?	1e. Ask someone to assist you with the application?	1f. Have easy access to the Customer Service Centres to submit your application form?	2. Purchase a pass every month?	2a. If not, why? (Access, Income, Illness, Other)	3a. On an average week, how many trips do you take with Halifax Transit?	3b. Do you take more or less transit trips now?	3c. Do you spend more or less money on public transit now?	3d. If the program continues, would you participate?	3e. If not, why? (Income, Convenience, Program Difficulty, Other)	
(1 = no, difficult to understand, 5 = yes, easy to understand)		Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Open-ended	1-10, 10-20, Over 20	More/Same/Less	More/Same/Less	Yes/No	Open-Ended	Open-Ended
5	5	Yes	No	No	Yes	Yes	Did not have income to pay for it one month	20+	More	Same	Yes		It was a great program, I struggle every month to get around. It definitely helped me.
4	4	Yes	No	Yes	Yes	Yes		20+	Same	Less	Yes		
5	5	Yes	No	No	Yes	Yes		20+	Less	Less	Yes		It is a great program and should continue
5	4	Yes	No	Yes	Yes	Yes		1-10	Less	Less	Yes		
3	4	Yes	No	Yes	No	No	Did not get letter by September 1	1-10	Same	Less	Yes		It was hard to get to customer service desk during office hours. Would have helped if it was open earlier or later in the day.
4	4	Yes	Yes	Yes	Yes	Yes		11-20	Same	Less	Yes		Satisfied with program would like it to continue
5	5	Yes	No	No	Yes	Yes		1-10	Same	Less	Yes		Library helped fill out applications.
5	5	Yes	No	No	Yes	Yes		11-20	More	Less	Yes		Should continue
4	4	Yes	No	Yes	Yes	Yes		1-10	More	Same	Yes		MLA helped to fill out application
5	5	Yes	No	No	Yes	No	Job changed, requires transit less now	1-10	Less	Less	Yes		Work location changed, it was useful for the first few months but now I get picked up for work
5	5	Yes	No	No	Yes	Yes		1-10	Same	Less	Yes		Customer Service Centre access during working hours was difficult
5	5	Yes	No	No	Yes	Yes		1-10	Same	Less	Yes		Customer Service Centre access during working hours difficult
5	5	Not Quite	No	No	Yes	Yes		1-10	More	Less	Yes		
5	5	Not Quite	No	Yes	Yes	Yes		1-10	More	Less	Yes		
5	5	No	No	No	Yes	Yes		20+	Same	Less	Yes		
5	5	Yes	No	Yes	No	No		1-10	Less	Less	Yes		
5	5	Yes	No	No	Yes	Yes		20+	More	Less	Yes		Customer Service Centre access during working hours difficult
5	5	Yes	No	No	Yes	Yes		20+	More	Less	Yes		
5	5	Yes	No	No	No	Yes		20+	More	Less	Yes		
5	5	Yes	No	No	Yes	Yes		1-10	More	Less	Yes		