TO: Mayor and Members
General Issues Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: December 14, 2010

SUBJECT/REPORT NO:
Affordable Transit Pass Pilot Program - Change in Status from Pilot to Permanent Program (CS10071(a)/PW10100) (City Wide) (Outstanding Business List Item)

SUBMITTED BY:
Joe-Anne Priel
General Manager
Community Services Department

Gerry Davis, CMA
General Manager
Public Works Department

PREPARED BY:
Jane Soldera, (905) 546-2424 ext 2187
Carmen Rachelle Bian (905) 546-2424 ext 2187
Jack Brown (905) 546-2424 ext.2723
Erica Brimley (905) 546-2424 ext.4815
Nancy Purser (905) 546-2424 ext 1876

SIGNATURE:

RECOMMENDATION

(a) That the Affordable Transit Pass (ATP) Program enhancement in the amount of $225,050 for 2011 ($335,268 annualized) be referred to the 2011 Budget deliberations for consideration.

(b) That Item "X", respecting the ATP Program Update, be identified as complete and removed from the Emergency & Community Services Committee's Outstanding Business List.
EXCLUSIVE SUMMARY

The Affordable Transit Pass Program (ATP) began as a pilot program in the Community Services Department in March 2008. An initial budget of $500,000 was approved from the Social Services Initiatives Fund #112214. At that time, the target group was employed individuals 18 years of age and over, whose income fell below the Statistics Canada Low-Income Cut-Off (LICO). The program allowed eligible applicants to purchase one adult monthly transit pass for six months at 50% of the current rate. After the six months, program users were required to re-apply to the program. The program uptake was steady, but the numbers applying to the program were initially low.

Based on the number of requests received by the Community Services Department, from social assistance recipients and community advocates to expand the target group to include those in receipt of Ontario Works/Ontario Disability Support Program (OW/ODSP), Council approved in April 2009 an expansion to include those on OW/ODSP with earnings. Due to the anticipated increased administration required with the expansion of the target group, Council also approved one full-time Community Services Department Case Aid and one full-time Hamilton Street Railway Ticket Agent on a temporary basis. The expansion of the target group to those on OW/ODSP with earnings allowed the city to obtain cost sharing with the Province for the cost of the monthly pass for that group. The expansion of the ATP program for 2011 could realize an annual subsidy of $63,579 from the Province.

In October 2009, the end date of the pilot program was extended from December 31, 2009 to April 30, 2011 and an additional $200,000 was approved from the Ontario Works (OW) Stabilization Reserve Fund #110044.

Based on the most recent data for the ATP Program from October 2009 to September 2010, the average number of approved applicants was 582 with an average of 461 passes sold each month. The program continues to provide access to employment for its users and staff recommend that an ATP Program enhancement in the amount of $225,050 for 2011 ($335,268 annualized) be referred to the 2011 Budget deliberations for consideration. If approved as a permanent program, the ATP Program could provide on average 500 passes each month or 6,000 passes annually.

Making the ATP a permanent program will provide the following:

- Benefits to the residents of the City of Hamilton;
- Enhancing the future health outcomes for program participants;
- Recognition in the Hamilton Roundtable for Poverty Reduction (HRPR); and,
- Meeting Corporate Strategic Plan for social development.

Alternatives for Consideration - See Page 5

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

1 For 2010, the cost sharing ratio was 80.6/19.4. In 2011 the cost sharing formula will be 81.2/18.8.
Financial: The annualized $335,268 (refer to Appendix A to report CS10071(a)/PW10100) requested from the 2011 budget is a projected amount for the ATP Program. The ATP Program, does however, currently have funding until April 30, 2011. To keep the program in operation from May 1, 2011 until December 31, 2011 would require $225,050 Appendix A to Report CS10071(a)/PW10100 presents a budget for the ATP Program until year end 2011 and a proposed annualized budget.

As of October 1, 2010, all of the previous $500,000 allocated for this program from the Social Services Initiatives Fund #112214, has been expended. There is $196,116 remaining in the ATP Program budget from the Ontario Works Stabilization Reserve Fund #110044 to cover the costs of the program until April 30, 2011.

Since the expansion of the ATP Program in 2009 to include OW/ODSP recipients with earnings, the City receives subsidy for the OW/ODSP transit pass costs.

The costs allocated in the 2011 annualized budget for the ATP Program are based on the 2010 HSR fee for an adult monthly pass. If the ATP Program is approved, the 2011 budget will need to reflect any HSR fare increases accordingly.

Staffing: The program requires continued staffing support of 1 full-time Special Support Case Aide position in the Community Services Department Benefit Eligibility Division ($69,692) and 1 full-time Ticket Agent in the Transit Support Services Division ($62,880) in Public Works.

Since 2008, local economic conditions have had a significant effect on the demand for Special Support Services from OW, ODSP and Low Income citizens. The Special Supports Unit is operating at capacity responding to requests for access to a wide range of health related programs and benefits, such as Funerals and Burials, Orthotics and Dental Services. Comparative analysis of 2008 to 2010 records indicate:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010 (Forecasted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Levy</td>
<td>2,841,846</td>
<td>3,178,990</td>
<td>3,295,070</td>
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<tr>
<td>Benefits Issued</td>
<td>38,641</td>
<td>50,172</td>
<td>52,213</td>
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</table>

Since the expansion of eligibility for the ATP program in June 2009 to include Ontario Works and Ontario Disability Support Program participants with earnings, the monthly applications to the program has increased from a monthly average of 51 (pre May 2009) to a monthly average of 87 from May 2009 to present. The increase in requests for access to the program has increased the number of active participants from a monthly average of 308 (Pre May 2009) to a monthly average of 574.

The Special Support Case Aide position is necessary to respond to the administrative duties and application requests related to the ATP Program. Duties, including:

- Responding to inquiries by telephone or walk-in
- Processing new and renewal applications, reviewing supporting documentation, assessing eligibility; notification of approval or denial; processing benefits; responding to appeals of ineligible decisions
- Monthly reconciliation, tracking and monitoring between HSR and Special Supports
The HSR deals with the transactional monetary requirements of this program. The staff at the ticket office are at full capacity managing the various programs offered by the HSR, such as School Hour Pass, Seniors Annual Pass, Golden Age Pass, sales to the general public and third party vendors. The requirement to manage this program includes the need to validate the eligibility letter presented by the client at the ticket office window. Each letter is reviewed to certify it has not expired and the system is verified to ensure that a pass has not already been purchased under the clients’ name for that month. Upon confirmation of the above, a regular sales transaction is then processed. The end of day reconciliation process is extended as we are reconciling half price sales to full price stock. Transit staff are also charged with the ongoing maintenance of the HSR software program to allow for the sale and reconciliation of the Affordable Transit Pass.

Legal: Not Applicable

### HISTORICAL BACKGROUND

- November 28, 2007 - Council approved the ATP Program as a Pilot project with $500,000 funding from the Social Services Initiatives Reserve #112214.
- April 29, 2009 - Council approved the expansion of the ATP Program to include those in receipt of OW/ODSP with earnings.
- November 11, 2009 - Council approved an extension of the timeline for the ATP pilot until April 30, 2011 and an additional funding in the amount of $200,000 from the Ontario Works Stabilization Reserve Fund #110044.

### POLICY IMPLICATIONS

Not applicable.

### RELEVANT CONSULTATION

- Director, Benefit Eligibility, Community Services Department
- Director, Social Development and Early Childhood Services, Community Services Department
- Manager, Special Supports, Community Services Department
- Manager, Social Development Team, Community Services Department
- Manager, Finance and Administration, Community Services Department
- Manager, Transit Support Services, Public Works
- Transit Sub-Committee, Hamilton Roundtable for Poverty Reduction – comments included support for the continuation of the ATP Program as a permanent program in the city’s budget. The group requested greater flexibility in the program including the introduction of a ticket option and making the purchase of passes more accessible by expanding the locations at which the ATP passes could be purchased. Staff continue to dialogue with the sub-committee to help determine the feasibility of providing greater flexibility in the program.
ANALYSIS / RATIONALE FOR RECOMMENDATION

The ATP Program provides access to an affordable monthly transit pass for employed low income citizens and those in receipt of OW/ODSP with earnings. The goal of the program is to enhance employability by assisting with transportation costs that can be a barrier to employment for low income citizens and those on social assistance.

The recently released Code Red series\(^2\) highlighted inequities in health outcomes among the city’s neighbourhoods using criteria such as income, education and other demographic indicators. Many of those who access the ATP Program with incomes below the Statistics Canada LICO also reside in neighbourhoods with significant health inequities. Since income is highly linked to health outcomes, programs that facilitate access to and the maintenance of employment are critical as well as the provision of an adequate living wage and benefits.

PROGRAM TRENDS AND CHALLENGES:

A. Program Statistics:

The current program statistics from October 1 2009 to September 30, 2010 indicate that the average total number of approved applicants per month during this time period was 582 while the average total number of passes actually purchased each month was 461 during this time period. The program continues to experience monthly fluctuations both in the numbers of applicants approved and the actual number of passes purchased. Since the beginning of the program, the ATP Program has assisted a total of 1,856 users\(^3\).

B. Program Usage Issues:

Depending on uptake in the program and financial capacity, staff may need to make adjustments in the program in 2011 in order to remain within budget. Some areas that may need to be re-examined include:

- a minimum hours worked criteria;
- a wait list; or,
- cap on the number of times a recipient can access the program.

ALTERNATIVES FOR CONSIDERATION

Option 1 - Council could continue the program on a pilot basis for the balance of 2011 with one time funding of $225,050 ($335,268 annualized) from the OW Stabilization Reserve Fund #110044.

Financial: It is projected that the available balance in the OW Stabilization Reserve Fund in 2011 is $1,149,196. If Council decided to use the OW Stabilization Reserve

\(^2\) Hamilton Spectator, August 25, 2010
\(^3\) Up to and including data from September 2010.
Fund as the funding source for this program there would be no net levy impact. The remaining balance would be $1,149,196 -$225,050 = $924,146.

**Staffing:** The two temporary full-time staff positions (one in the Community Services Department and one in Public Works Department) would continue.

**Legal:** None

Option 2 - Council could decide to discontinue the ATP Program. As a result, the program would end on April 30, 2011.

**Financial:** None

**Staffing:** Two temporary full-time positions (one in the Community Services Department and one in Public Works Department) would end. All increased demand to the Special Supports Unit would have to be absorbed by the remaining case aide complement.

**Legal:** None

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**CORPORATE STRATEGIC PLAN**


**Social Development**

- Residents in need have access to adequate support services

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**APPENDICES / SCHEDULES**

Appendix A to Report (CS10071(a)/PW10100) - Proposed 2011 ATP budget (May 1, 2011 - December 31, 2011) & Proposed 2012 Annualized ATP budget
## Proposed 2011 ATP Budget & Annualized Budget

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2011 (May – Dec)</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staffing:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 full-time Case Aid (Community Services Department)</td>
<td>$46,908</td>
<td>$69,692</td>
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<tr>
<td>1 full-time Ticket Agent (Public Works)</td>
<td>$42,323</td>
<td>$62,880</td>
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<tr>
<td><strong>OW Administrative Costs:</strong></td>
<td>$3,472</td>
<td>$4,175</td>
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<td><strong>HSR administrative costs</strong></td>
<td>$733</td>
<td>$1,100</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>93,436</td>
<td>$137,847</td>
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<tr>
<td><strong>Gross Costs for ATP Passes</strong></td>
<td>$174,000 Gross</td>
<td>$261,000 Gross</td>
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<tr>
<td><strong>Provincial Subsidy Amount</strong></td>
<td>$42,386</td>
<td>$63,579</td>
</tr>
<tr>
<td><strong>Net Costs for ATP Passes:</strong></td>
<td>$131,614 Net</td>
<td>$197,421 Net</td>
</tr>
<tr>
<td><strong>Projected Net Total</strong></td>
<td>$225,050 net</td>
<td>$335,268 net</td>
</tr>
</tbody>
</table>

1 Based on an average of 500 passes per month @ $43.50 ATP cost
2 In 2011 the cost sharing formula will be 81.2/18.8