



How does the TTC's funding compare to other transit agencies?

By Jennifer Palisoc Reporter
November 13, 2014 6:48 pm

TORONTO – What makes the wheels on TTC transit roll? For the most part, it's the money riders put into the fare box.

“About two-thirds of the TTC's Operating Budget is covered by fares paid by the riders,” Danny Nicholson, TTC spokesperson said in an email.

In general, TTC riders have seen a \$0.05 increase to the price of a single token (from \$2.65 to \$2.70) over the last year.

According to the TTC's 2014 budget highlights, the subsidy the TTC receives remains the lowest in North America at just \$0.78 per ride.

The subsidy other municipalities get:

- Montreal – \$1.16
- Vancouver – \$1.62
- Chicago – \$1.68
- New York City – \$1.03
- Mississauga – \$2.21
- York Region – \$4.49

Fares generate about \$1.1 billion of the TTC's \$1.6 billion operating budget. The rest primarily comes from a city subsidy, which is \$428 million, up from \$411 million in 2013.

“The investment profile in transit has been ridiculously poor in the last 25 years and we've fallen behind many other cities in North America,” said Richard Soberman, a professor at the University of Toronto, [who authored a 2010 report on “transit Service in the GTHA.”](#)

Soberman explains, under Premier Bill Davis, the province of Ontario partially covered municipalities transit costs.

“The province said it would pay 75 per cent of the capital costs of transit improvement so that's buildings, buses, subways, anything that was a capital investment,” said Soberman, “It would

pay 50 per cent of the operating loss and what was imaginative about that was the operating loss, the formula was based on the size of the operation.”

But that predictable funding ended when Mike Harris became premier, Soberman said.

[Reports suggested Thursday the province was considering paying part of the TTC's operating costs](#) but in the end, Premier Kathleen Wynne said, “it’s just not something we have explored at this point.”

Former TTC Chair, Karen Stintz believes the TTC desperately needs a financial boost in its operations. Money, Stintz believes should come from the province, not customers.

“If there was money coming from the province the TTC could expand service, keep fares low, it could do a number of things to improve its operation that it just can’t do right now because it’s so strapped for cash,” said Stintz.

So, what do other municipalities in North America fund their transit systems?

TransLink is Metro Vancouver’s transportation network. Revenue comes from users, provincial and federal funding, as well as revenue from property, fuel and parking taxes.

“Our revenue sources are broad and diverse, which is a benefit because it makes us better able to weather a changing economy, and gives us the capacity to deliver stable and predictable transportation services,” said Jiana Ling, Media Relations for TransLink, in an email.

Transit authorities in the United States see a contribution from the national level of government.

“The federal government in the United States makes money available from gasoline and fuel taxes for transportation projects, generally. Historically it had been more toward expressways and highway transportation,” Michael Fenn, the former CEO of Metrolinx said. “In recent years it has increasingly gone to pay for major urban centre rapid transit projects and improvements of technology and that kind serving regional rapid transit.”

And predictable funding is a boon for public transit, Fenn said.

“It gives the predictability of the funding and the confidence that some portion of the funding is going to be there to make projects more viable and allow people to plan on a long term basis,” said Fenn.

Fenn is currently writing a paper investigating opportunities for the recycling of public assets. Perhaps, finding creative streams of revenue to fund public transit is the way of the future, he said.

“Having an infrastructure bank and having allocated capital funds for doing things like major transit works and funding them in part by looking at the asset portfolios that governments have now and deciding whether some of them could be monetized in some way,” said Fenn. “That would make money available for these new priorities that we’re going to have trouble building if

we don't get non-tax revenues or revenues that aren't from the conventional tax sources or fare box.”

He adds the debate continues for who should pay for public transit, such as the TTC as we move into the future. Which level of government? Should the private sector play a role? Ultimately, one thing is for certain.

“There needs to be a greater level of funding for the capital and operating costs of transit,” said Fenn. “Although who should do it and how it should be done is an open question.”