
2014 OPERATING BUDGET BRIEFING NOTE

Federal-Provincial Funding Requests Related to Operating Needs

Issue/Background:

- At the December 12, 2013 City Budget Committee meeting, the CEO of the TTC was requested to provide a briefing note that summarizes the federal-provincial funding requests related to capital and operating needs and the communication strategy to support a public campaign.
- Funding for both the TTC and Wheel-Trans operating budgets is sourced from the City of Toronto. A long-term, sustainable and predictable funding arrangement is required.
- 1997 was the last year that the Province provided operating funding to the TTC. Under that traditional funding regime (referred to as the “user’s fair share” formula which was adopted in 1977), the TTC covered 68% of its operating expenses through passenger fares and other revenues and the remaining 32% was jointly-funded by the City and the Province. For Wheel-Trans, the City and Province provided financial support in equivalent portions.
- Since 2004, the City of Toronto has redirected some of its share of the Provincial Gas Tax towards funding the TTC Operating Budget. That level of funding is currently at \$91.6 million.

Key Points:

- The 2014 Operating budgets require the following subsidy levels:
 - TTC Operating → \$428.1 million
 - Wheel-Trans Operating → \$106.4 million
- Using these funding levels, the re-introduction of the traditional operating funding formulae as noted above (i.e. a 50/50 split) would result in both the City and the Province making the following contributions for the TTC and Wheel-Trans Operating Budgets:
 - TTC Operating → \$214.05 million
 - Wheel-Trans Operating → \$53.2 million

- Consistent with past practice where special ramp-up subsidies were received for the initial years of operation of both the Spadina Subway and Scarborough RT lines, there will be a similar need for transitional funding for upcoming major projects including the Toronto-York Spadina Subway Extension, the Eglinton Crosstown LRT and the Scarborough Subway Extension.
- At its meeting of November 20, 2013, the TTC Board approved the creation of a Special Task Force comprised of the TTC Chair, the TTC CEO, the TTC CFAO, the City Manager and the City CFO, to seek and secure funding for unfunded TTC capital projects. As part of this work, the Task Force will also consider the communication strategy for a public campaign.

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