



Presentation: 2026 TTC Budget Update and Outlook

Date: November 25, 2025
To: Strategic Planning Committee
From: Interim Chief Financial Officer

Recommendations

It is recommended that the Strategic Planning Committee:

1. Receive the 2026 TTC Budget Update and Outlook report for information.

Summary

A presentation will be provided to the Strategic Planning Committee to inform, summarize and document alignment of priorities in the upcoming 2026 TTC Operating and Capital Budgets that are scheduled to be presented at the December 10 TTC Board meeting.

Background and Analysis

The 2026 TTC budget builds on the investments made in the 2025 budget and the performance to date against that 2025 budget. The 2025 budget froze fares for the second consecutive year, expanded service hours, and increased Wheel-Trans service hours to meet demand and invested in the TTC's 2024-2028 Corporate Plan priorities. Capital investments included major funding for fleet replacements, eBuses, and facility improvements. These investments have reduced the state-of-good repair backlog.

As of Period 9, forecasted operating results show a projected year-end unfavourable net expenditure variance of \$15.5 million. The variance was driven by lower-than-budgeted ridership and fare revenue. The TTC's year-end capital spend is currently projected to be 85.7%.

The development of the 2026 Operating Budget considered input from the City, the TTC Board and the Strategic Planning Committee. Performance against the 2025 budget, ridership patterns and broader macro-economic trends were also incorporated. The proposed 2026 gross operating expenditures is \$3.0 billion, with \$2.807 billion allocated for conventional service and \$201 million allocated for Wheel-Trans. At the time of submission for this report, the TTC is awaiting confirmation of some budget figures.

As a result of this work, the 2026 budget proposes the following strategic investments:

- Maintain 2024 fare levels for a third consecutive year
 - No fare increase for 2026
- Maintain service levels and coverage initially funded in 2025
- Continue safety and security measures that improve customer safety and perception of safety across the network
- Fund the first full-year of operations for Line 5 and Line 6
- Reduce the state-of-good-repair backlog incrementally
- Accommodate additional service requirements for the 2026 FIFA World Cup
- Meet the City's 2026 operating base budget target of a \$91 million net increase over 2025 (lower than the \$120 million outlook for 2026 that was presented as part of the approved 2025 budget).

An update on the 2026-2040 Capital Investment Plan (CIP) will be included. The CIP details \$54 billion in capital funding needs through 2040, an increase of \$622 million from the approved 2025-2039 CIP. Of the \$54 billion total capital requirements over the 15-year window, \$16.7 billion is funded through the 2026-2035 Capital Budget and Plan submission. The CIP advances key projects and initiatives already underway and adds \$1.73 billion in incremental funding for key priorities, including critical state of good repair projects.

In managing the 2026 operating and capital budgets, the TTC has identified several risks to achieving budget targets. These include potential for lower-than-expected ridership growth due to passenger behaviour shifts and broader economic trends as well as rising construction and procurement costs that may affect efforts to reduce the state-of-good-repair backlog.

Diversity, Equity and Inclusion Matters

This report has no direct equity and accessibility impacts

Innovation and Sustainability Considerations

This report has no direct Innovation and Sustainability impacts.

Corporate Plan Alignment

The TTC's 2026 Budget supports implementation of all Strategic Directions within the Corporate Plan, but specifically supports Strategic Direction 5, Address the Structural Fiscal Imbalance. The budget provides resources needed to support TTC priorities including service delivery, employee supports, customer experience initiatives, and capital needs such as state-of-good-repair funding.

Financial Impact

This report has no direct financial impacts.

Contact

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Attachments

Attachment 1 – Decision History

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September 4, 2025: 2026 TTC Budget Update and Outlook

The TTC's Strategic Planning Committee received a presentation outlining performance to date in 2025 and a forecast into 2026.

Decision: <https://secure.toronto.ca/council/agenda-item.do?item=2025.TTS2.4>

July 10, 2025: Presentation: Key Trends on TTC Expenditures, Revenue and Opportunities for Sustainable Growth

The TTC's Strategic Planning Committee received a presentation outlining key trends for expenditures, revenues and opportunities for sustainable growth.

Decision: <https://secure.toronto.ca/council/agenda-item.do?item=2025.TTS1.2>

January 10, 2025: Recommended 2025 Operating Budget: 2025-2034 Capital Budget and Plan, 15-Year Capital Investment Plan and Real Estate Investment Plan Update

The TTC Board approved a 2025 operating budget totalling \$2.819 billion in gross expenditures, \$1.432 billion in revenues and a net funding requirement of \$1.387 billion and a 2025 Capital Budget of \$1.688 billion and future year planned estimates of \$14.707 billion for a total TTC 2025-2034 Capital Budget and Plan of \$16.395 billion.

Decision: [Recommended 2025 Operating Budget: 2025-2034 Capital Budget and Plan, 15-Year Capital Investment Plan and Real Estate Investment Plan](#)