



Intergovernmental Relations - Status Update

Date: March 31, 2026
To: Strategic Planning Committee
From: Executive Director, Corporate Initiatives

Recommendations

It is recommended that the Strategic Planning Committee:

1. Receive this report for information.

Summary

The report provides a summary of recent intergovernmental activities, including confirmed changes to the Canada Public Transit Fund (CPTF). An update on other key advocacy efforts is provided.

Background and Analysis

Canada Public Transit Fund - \$5 Billion Reduction over 10 Years

Following a national engagement process on program design in 2022¹ which the TTC participated in, the Canada Public Transit Fund (CPTF) was launched in 2024. The CPTF was established to provide \$3 billion annually toward public transit across the country, a total of \$30 billion over 10 years. The program design included three funding streams, with funding to flow starting in April 2026. The three funding streams include Baseline Funding, Metro-Region Agreements and Targeted Funding. See previous report to Board: [Canada Public Transit Fund](#) (July 2025).

The 2025 federal Budget, tabled in November 2025, introduced a reduction in government spending broadly across federal departments and programs to identify 15 per cent in savings and to save \$60 billion over five years through the government's Comprehensive Expenditure Review. In accordance with this approach, [Budget 2025](#) indicated a reallocation of "a portion of uncommitted funding" from the \$30 billion [Canada Public Transit Fund](#) (CPTF) to a new Build Communities Strong Fund (BCSF). The BCSF is designed to support a wide range of infrastructure projects through a total \$51 billion funding envelope over 10 years starting in 2026/27. Transit has been

¹ July 2023, Infrastructure Canada Consultation Report Findings: [Permanent, Integrated, and Locally Responsive: New Foundations for Public Transit Funding in Canada](#).

identified as one eligible category for funding in addition to a wide array of other infrastructure projects under the new BCSF program.

Following the release of Budget 2025, TTC staff in coordination with the City of Toronto, Office of the Mayor, Office of the Chair and transit industry partners have been working to seek clarity on the status of available transit funding programs and to reiterate the importance of dedicated funding for public transit systems. This includes coordinated advocacy efforts with the Canadian Urban Transit Association (CUTA), Federation of Canadian Municipalities (FCM), amongst other partners.

The federal government has confirmed the CPTF remains a distinct dedicated funding program for public transit systems. The funding envelope is now also confirmed to be \$25 Billion over 10 years, representing a \$5 billion reduction to the program in the current 10-year window (2026/27 to 2035/36). The TTC has confirmed there is no impact on the previously committed funding to the TTC under the CPTF Baseline Funding Stream. Table 1 provides a summary of the status of the CPTF based on current information.

Table 1: Canada Public Transit Fund Program Streams

Program	Scope	Original Program	Revised Program
Summary	Dedicated to Public Transit	\$30B over 10 years, \$3B annually	\$25B over 10 years, \$2.5 B annually
Baseline Funding Stream	<ul style="list-style-type: none"> Stable 10-year funding agreement toward routine growth and rehabilitation, state-of-good-repair. Maximum Federal contribution of 40% of eligible costs for capital projects. Distributed based on ridership (70%) and population (30%) 	\$5B over 10 years, \$500M annually	\$5B over 10 years, \$500M annually *Confirmed by HICC
Metro-Region Agreement Stream	<ul style="list-style-type: none"> Geared to regions with complex transit systems. Funding to support diverse projects, including major transit expansion priorities outlined in an Integrated Regional Plan. Up to 10-Year Agreements with local government/transit agency partnerships within a Metropolitan Area and supported by Province. 	\$20B over 10 years, \$2B annually	\$20B over 10 years, \$2B annually – subject to review by HICC on distribution.
Targeted Funding Stream	<ul style="list-style-type: none"> Targeted intake process based on Federal priorities. Includes rural and remote transit, active transportation, zero-emission transit 	\$5B over 10 years, \$500M annually	

TTC Commitments Under the CPTF

The federal government has confirmed the Baseline Funding stream under the CPTF is not impacted. The TTC’s annual allocation under the Baseline Funding stream is \$116.4 million, which is equivalent to a 10-year allocation of \$1.16 billion starting in 2026. The TTC has worked closely with federal staff to advance project approvals for federal funding under the Baseline program. Table 2 provides a summary of all TTC projects with approved federal funding under the CPTF as of Q1 2026. The TTC appreciates the collaboration of Housing, Infrastructure and Communities Canada (HICC) in achieving approvals for project in advance of April 2026. The Baseline Funding stream is a flexible and effective model for accelerating the delivery of transit projects.

Table 2: Approved TTC Projects for Canada Public Transit Fund

Project	Total \$M	Federal \$M	Status
55 Line 2 subway trains	\$2,678	\$950.9	Approved - January 26, 2026
200 Hybrid Buses	\$403	\$161.2	Approved - January 26, 2026
105 Wheel-Trans buses	\$35	\$14	Approved - October 20, 2025
50 eBuses	\$104	\$45	Approval in Principle – December 19, 2025
227 Charge Points	\$308.5	\$133	Approval in Principle – December 19, 2025
Total	3,529	1,304	

Streamlining Uncommitted CPTF Funding

Housing, Infrastructure and Communities Canada (HICC), the department administering CPTF, is currently reviewing the program design in the interest of looking for opportunities to streamline administration and support accelerated roll out of remaining uncommitted CPTF funding starting April 2026. The program requirements of the Metro-Region Agreement stream are being evaluated, for example.

The TTC², CUTA³ and the transit sector⁴ have provided advice to HICC and the House of Commons Standing Committee on Finance, to leverage efficient and effective program design such as the Baseline Funding Stream to ensure funds flow as soon as possible and to create access to the remaining funding streams in the program. The TTC will keep the Board updated as further details on the CPTF and the new BCSF program become available and will continue to seek to maximize all funding programs

² February 10, 2026, Letter from the TTC Chair- Preserve the Canada Public Transit Fund – Budget 2025 (Bill C-15) <https://www.ourcommons.ca/Content/Committee/451/FINA/Brief/BR13910808/br-external/TorontoTransitCommission-e.pdf>

³ February 3, 2026, Canadian Urban Transit Association: Maintaining the Full Federal Commitment for Public Transit to Support Economic Growth, Housing and Affordability. <https://www.ourcommons.ca/Content/Committee/451/FINA/Brief/BR13875273/br-external/CanadianUrbanTransitAssociation-e.pdf>

⁴ February 23, 2026, Canadian Urban Transit Research and Innovation Consortium: Optimizing the Canada Public Transit Fund (CPTF) to strengthen the One Canadian Economy <https://www.ourcommons.ca/Content/Committee/451/FINA/Brief/BR13910805/br-external/CanadianUrbanTransitResearchAndInnovationConsortium-e.pdf>

for priority TTC projects and programs⁵. Importantly, reversing the \$5 billion cut in the program funding envelope has been raised by all industry partners including the FCM⁶, and is an ongoing focus of advocacy efforts for the upcoming federal budget consultation process.

Pre-Budget Consultation for Federal Budget 2026

The TTC will continue to advocate for maintaining and growing the funding envelope for public transit under the CPTF and new programs. Cuts to public transit funding impact affordability, productivity, and economic growth. Investments in public transit create jobs in transit vehicles manufacturing and construction across Canada, alleviates the second-highest Canadian household cost of transportation, and tackles the annual \$45 billion cost of congestion in the Greater Toronto and Hamilton Area.

The Standing Committee on Finance 2026 Pre-Budget Consultation has launched in advance of the tabling of the next budget in fall 2026. Through this process the TTC is seeking the federal government to:

- Restore at minimum the CPTF to a \$30 billion 10-year program, reversing the \$5 billion cut through Budget 2025.
- Ensure the long-term predictable funding program is sustained by adding the new 10th year of the program (2037) in the financial framework.
- Index the CPTF annually for inflation, recognizing market factors and the impacts of inflation on diminishing the purchasing power of the fund.

The Canada Public Transit Fund is an important step forward to a more predictable funding model for public transit. The TTC is pleased the program will continue as a dedicated funding program. However, increasing the envelope to address the nationwide needs for transit investment remains critical.

Updates on Other Intergovernmental Activities

Transit Worker Safety – Bill C-14

In February 2026, [Bill C-14, An Act to amend the Criminal Code, the Youth Criminal Justice Act and the National Defence Act](#), passed third reading in the House of Commons and is now before the Senate. Bill C-14 includes a critical amendment to [Section 269.01 of the Criminal Code](#), which expands aggravating factor sentencing provisions from transit operators to all transit workers performing their duties.

The TTC, alongside transit systems, and in partnership with the Amalgamated Transit Union (ATU) and CUTA has been advocating for several years to amend this provision to include assaults against all transit workers. In 2022, the TTC Board passed a [motion](#) to request this amendment and in 2024, [Bill C-395 \(44-1\), An Act to amend the Criminal Code \(public transit workers\)](#), was introduced to the House of Commons proposing the

⁵ January 2026, TTC Board Report: [Attachment 3 - Intergovernmental Funding in the 2026 Operating Budget and 10-Year Capital Plan](#)

⁶ [News: Canada's Big City Mayors ask for federal infrastructure programs to move faster ahead of this construction season](#)

expansion of the provision to all transit workers. The Bill did not advance through the legislative process before dissolution of Parliament.

Ongoing coordinated advocacy efforts of the TTC Chair, ATU, CUTA, and TTC staff continued with Members of Parliament, and in February 2026, the transit sector presented the issue to the Standing Committee on Justice and Human Rights as part of its hearings on Bill C-14.

On February 4, 2026, Bill C-14 was [amended](#) with the inclusion of Clause 6.1, which replaces the term “public transit operator” in Section 269.01 of the Criminal Code to “public transit employee”. The legislation passed second reading in the Senate on March 12th and is currently on track towards receiving Royal Assent.

The TTC appreciates the leadership of Members of Parliament in responding to the request of the public transit sector and its workers. The passage of Bill C-14 would mark an important step towards improving transit worker safety.

Provincial 2026 Budget Submission

The Provincial Budget will be released on March 26, 2026. In January 2026, the TTC provided input to the Province of Ontario’s 2026 Budget consultations and made key recommendations that would support improved, safe, and reliable transit services.

The TTC supported the Ontario Public Transit Association’s recommendation that the provincial government dedicate matching (40%) provincial capital funding through the CPTF Baseline Funding stream. Dedicated provincial capital funding would enable transit agencies to leverage federal funding for fleet renewal and state-of-good repair and allow them to redirect Provincial Gas Tax funding to critical operating needs. In addition, the TTC recommended the extension of provincial commitments under the Ontario-Toronto New Deal Agreement, ensuring long-term sustainable funding for both capital and operating requirements.

The TTC leveraged this opportunity to continue to highlight the need for funding for 25 Line 1 growth trains and a Train Maintenance and Storage Facility (TMSF) required to accommodate future growth. This was identified as a priority alongside Council priorities (Waterfront LRT, Eglinton East LRT) for new intergovernmental transit funding. In the absence of more Line 1 trains and a new TMSF, the subway line is at risk of crowding, delays and inability to provide sufficient capacity to meet demand in the future.

Finally, the TTC recommended continuing to support skilled trades and apprentices through the Government of Ontario’s Skills Development Fund Training Stream to address the skilled labour shortage that TTC is facing along with many other industries.

Provincial Skills Development Fund Program

In September 2025, the TTC applied to the Government of Ontario’s Skills Development Fund – Training Stream to seek funding support for a new apprenticeship program. The TTC’s application will assist 17 youth apprentices to gain meaningful work experience alongside a qualified journeyman and complete their Level 1 Apprenticeship. In

February 2026, the TTC Chair sent a joint letter to the Minister of Labour, Immigration, Training and Skills Development on behalf of the TTC, ATU 113, and Canadian Union of Public Employees (CUPE) Local 2 to highlight the importance of investment in the skilled trades in the public transit sector. Applications for this round of the funding program are under review and still pending decision.

Conclusion

The purpose of this report is to provide a status update on important funding programs, and other key intergovernmental activities.

The TTC continues to build relationships with intergovernmental partners and across the transit sector to advance shared goals and a renewed focus on a long-term sustainable funding model for transit. In line with Board direction, the TTC will continue to take the following actions:

- Maximize intergovernmental funding to advance priority projects.
- Proactively engage and inform regional, provincial, and federal government partners of the key issues and risks ahead to effectively manage the interfaces between shared priorities and policy objectives.
- Sustain and strengthen networks with transit agency peers, industry associations, and broader community partners who have an interest in advancing sustainable mobility options locally, regionally and across Canada.
- Provide subject matter expertise, knowledge, awareness and insights to City-led intergovernmental activities.

Financial Impact

This report recommendations have no direct financial impacts.

The status of intergovernmental funding programs and priority TTC projects and programs is reported to the Board annually through the budget process. See January 7, 2026 report on Intergovernmental Funding in the 2026 Operating Budget and 10-Year Capital Plan ([Attachment 3](#)).

The Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Contact

Kyla Marrin, Manager, Government Relations and Policy
kyla.marrin@ttc.ca
416-668-2107

Karen Thorburn, Executive Director, Corporate Initiatives
karen.thorburn@ttc.ca
416-981-1122