

Financing Public Transit

Insights from TransLink's funding framework

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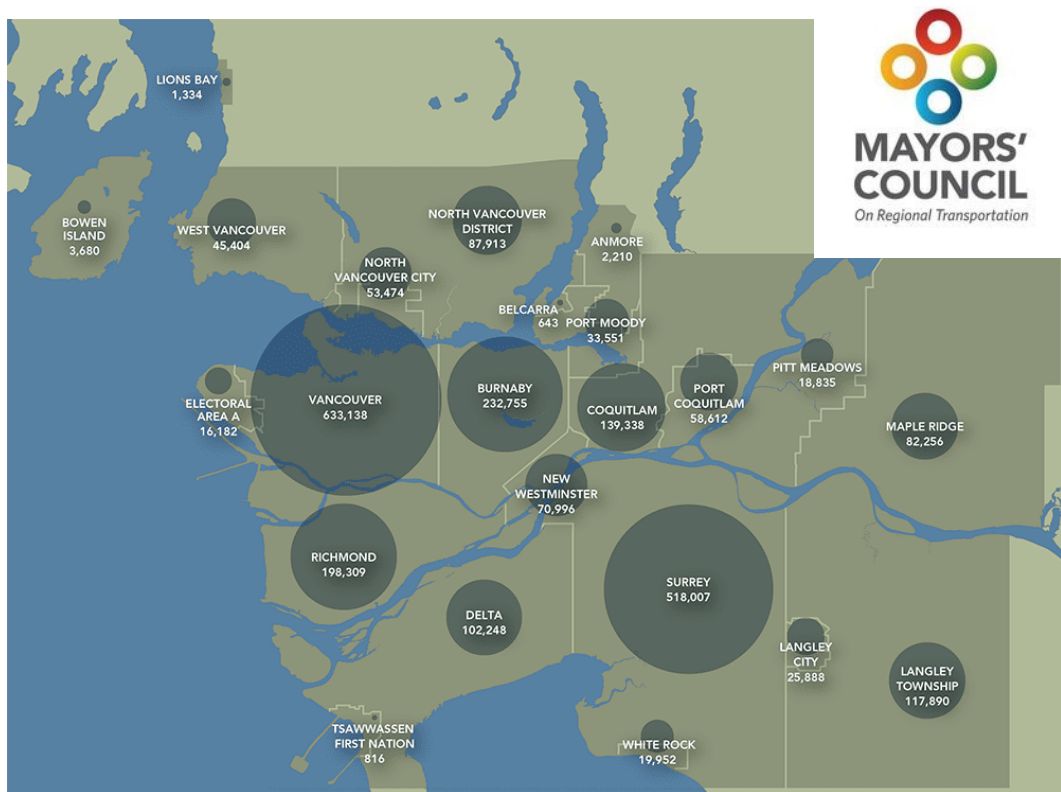
TransLink was born in the late 1990s from a simple idea:

- **Local Voice**
 - The region should decide regional transport needs and priorities.
- **Multimodality**
 - Transit decisions should not be isolated from other modes and investments.
- **Funding Accountability**
 - Decisionmakers should be accountable to the beneficiaries and users of the transportation system.



Governance Overview Today

23 officials representing ~3million population



Seven independent directors, plus Chair and Vice-Chair of the Mayors' Council and two individuals appointed by the Province of BC



South Coast British Columbia Transportation Authority (SCBCTA)

Coast Mountain Bus Company
CMBC























British Columbia Rapid Transit Company



Transit Police



TransLink's Strategic Planning Framework

Document	Purpose	Planning Horizon	Legally Required	Fully Funded	Who Approves?
 <p>Regional Transportation Strategy <i>Transport 2050</i></p>	Establishes goals, policies and priorities for the regional transportation system. Must give effect to regional growth strategies and provincial objectives	<p>30 Years (updated every 5)</p> 	<p>Yes</p> 	No	 
 <p>10-Year Priorities <i>Access for Everyone Plan</i></p>	Describes which 30-year investments to deliver in the first decade	<p>10+ Years</p> 	No	No	 
 <p>Investment Plan</p>	Allocates new and existing funding to projected programs. Must identify major projects and their funding sources	<p>10 Years, (updated every 3)</p> 	<p>Yes</p> 	<p>Yes</p> 	 
 <p>Annual Budget</p>	Authorizes operational and capital spending for the upcoming year	<p>1 Year, (updated every year)</p> 	<p>Yes</p> 	<p>Yes</p> 	

Key aspects of legislation (South Coast British Columbia Transportation Act)

- TransLink is required to produce:
 - A “long-term strategy”
 - i.e. 30-Year Regional Transportation Plan
 - An “Investment Plan”
 - i.e. 10-Year Plan detailing all capital and operational expenditures
 - balanced with identified revenue sources (including **provincial** and **federal** contributions)
 - Plan is officially adopted by the Mayors’ Council and TransLink Board and usually endorsed by the Minister of Transportation



TransLink's Mandate shapes its funding model

The provincial legislation that created TransLink defined its mandate in 1999 and also governs the funding tools at the Authority's disposal

Traditional functions of a transit agency



Bus Services

More than **245 bus routes** with a fleet of **over 1,700 vehicles**



Ferry Services (SeaBus)

One passenger-only service linking downtown Vancouver and North Vancouver



Commuter Rail Service (West Coast Express)

One 69 km route between downtown Vancouver and Mission



HandyDART

On-demand transit service for people with disabilities



Rapid Transit Services (SkyTrain)

79 km of rapid transit across the Expo, Millennium, and Canada lines

Multimodal aspects



Cycling

12 km of bike paths, as well as municipal funding for cycling projects



Roads

Operation and maintenance of the **2,660 lane-km** of the Major Road Network



Bridges

Four vehicle, and one walking and cycling bridge over the Fraser River



Transit Police Force

Dedicated transit police service with **over 180 officers**



Public infrastructure investments create value for both users and beneficiaries

Public investment in transportation accrues to:



WHO IS THE BENEFICIARY

Transport users (Auto and Transit)

Land owners

Economy and Society more broadly

HOW DO THEY BENEFIT?

Improved access and travel time reliability

Greater utility can be derived from location

Increased economic activity and productivity (profits, wages, govt revenue)

HOW DO THEY PAY?

Gas tax, transit fares, parking tax, etc.

Property tax, DCCs, Hydro Levy, etc.

Corporate tax, Income tax, payroll tax, sales tax, etc.

Collected by TransLink, or on TransLink's behalf

Indirectly transfer from general taxation funds as grants, programs or capital contributions



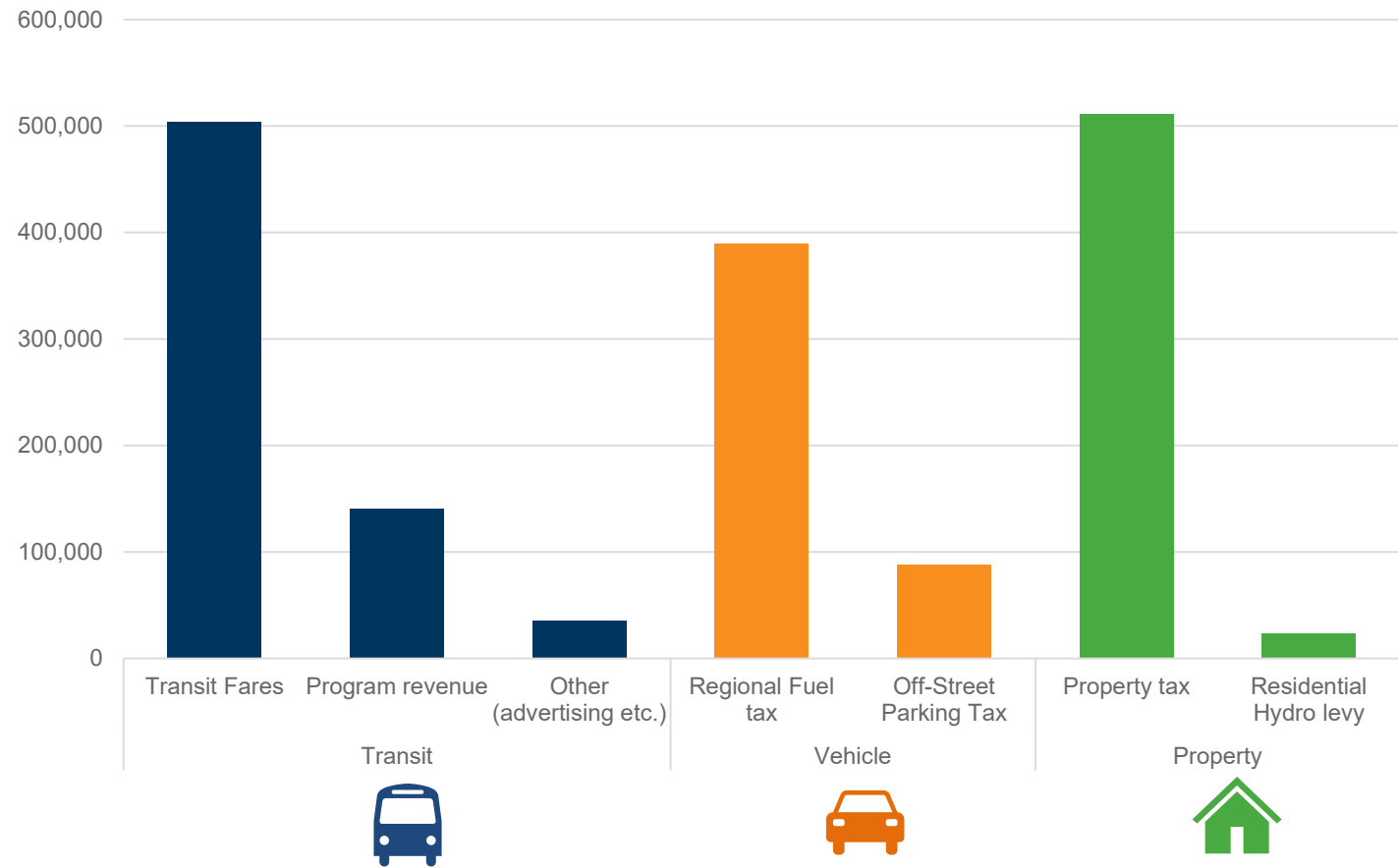
Operating Revenue Tools – 2024 Budget

- Operating revenue is primarily generated from three key beneficiary groups:

- Transit User
- Vehicle User
- Property owners



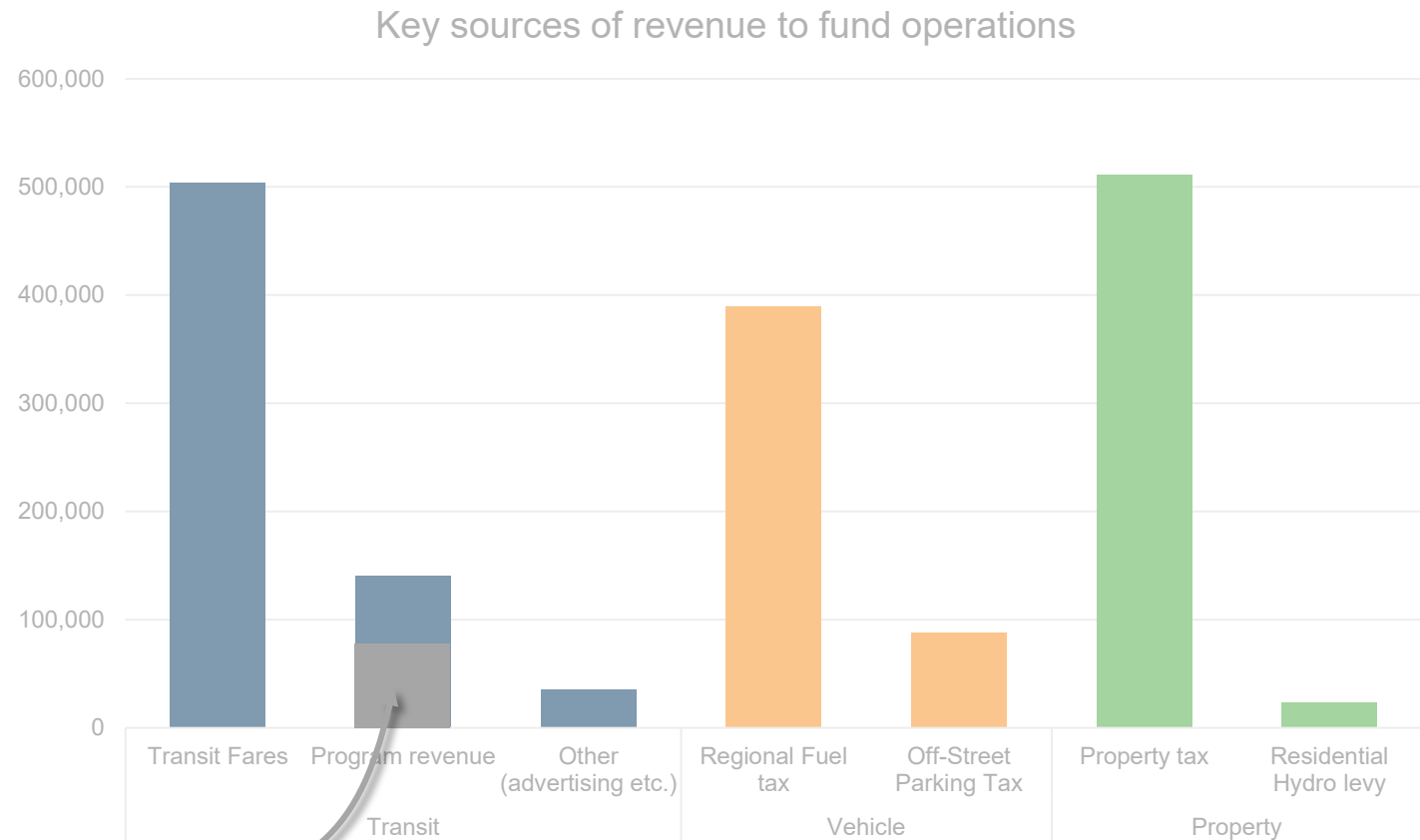
Key sources of revenue to fund operations



Operating Revenue Tools – 2024 Budget

- Outside of extraordinary COVID circumstances operating funding is not provided by the province.
- However, while not technically accounted for as such, about half of all program revenue¹ is funded from the Province, as they are provincial policy objectives

1. Program passes include groups such as students, low-income seniors, and persons with disabilities.



Senior Government Funding (Capital)

- A significant portion of TransLink's government funding for capital purposes is received from the federal and provincial governments



Community-Building Fund

Public Transit Infrastructure Fund

Investing in Canada Infrastructure Program



Commits ~40% of capital funding towards 10-Year Plan through the building, acquiring or funding of certain assets



We're all facing a challenging situation




The screenshot shows the top portion of a news article on The Gazette website. The page title is "The Gazette" with a "Sign In" link. The breadcrumb trail reads "Quebec / News / Local News". The main headline is "Explainer: A look at the public transit funding situation in Montreal". Below the headline is a sub-headline: "The city points to three main reasons for the transit deficit in Greater Montreal: the COVID-19 pandemic, the launch of the Réseau express métropolitain and rising costs." The article is attributed to "Montreal Gazette" and includes publication details: "Published May 06, 2024 · Last updated May 06, 2024 · 4 minute read". There is a "Join the conversation" button and a bookmark icon.

The deficit for the Greater Montreal area is estimated at \$561 million. According to the committee's presentation, there are three main reasons: the COVID-19 pandemic, the launch of the Réseau express métropolitain and rising costs.



Quebec cities have been calling on the provincial government to provide more funding to avoid cutting services. On Monday, Quebec Transport Minister Geneviève Guilbault met with mayors to discuss the issue, but no new money was put on the table. PHOTO BY PIERRE OBENDRAUF /Montreal Gazette files



The screenshot shows the top portion of a news article on the CBC News website. The page title is "CBC" with a "MENU" dropdown. The breadcrumb trail reads "British Columbia". The main headline is "Metro Vancouver transit overcrowding back at pre-pandemic levels". Below the headline is a sub-headline: "Transit authority says that incoming funding plan may alleviate some overcrowding, but long-term plans needed". The article is attributed to "Akshay Kulkarni · CBC News" and includes publication details: "Posted: May 01, 2024 9:56 PM PDT | Last Updated: May 1". There is a search icon and a "Sections" dropdown menu.

mountain says overall service levels and funding generally have been stagnant for more than four years. Without major government investment, he says, the authority faces a \$600-million funding shortfall starting in 2026.



Statistics from TransLink's 2023 service performance review show that ridership and overcrowding are nearly at pre-pandemic levels. (Justine Boulin/CBC)



What we need to move forward



Stability and predictability

- We need certainty to be able to invest in our future needs.



Funding needs to grow

- Some of our funding sources have not kept pace, they all need to be able to grow as needs and costs change.



Recognition of the broad nature of benefits from senior government

- Transit is increasingly being tasked with a role in climate action, urban affordability, social equity, reconciliation, immigrant settlement and attracting skilled workers. It makes sense to link funding to the needs of our broader economy and society.



Merci

