



## **A Step Towards Free Transit for Middle and High School Students**

**Date:** February 22, 2024

**To:** TTC Board

**From:** Chief Strategy and Customer Officer (Acting)

### **Summary**

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On September 26, 2023, the TTC Board adopted a motion directing staff to assess two proposals to take a step towards free transit for middle and high school students.

The motion directs staff to report on opportunities to:

1. Provide free transit to Middle School and Secondary School groups making field trips during off-peak hours.
2. Provide a quantity of free youth transit passes to registered charities operating in Toronto that provide wrap-around services to overcome barriers to education, which will use the passes to incent high school attendance by underprivileged youth.

The proposals are intended to increase access to transit through educational opportunities and develop familiarity and comfort with taking public transit that would continue into adulthood.

This report responds to the TTC Board motion and presents information related to ridership, operational and financial implications as well as implementation considerations.

### **Recommendations**

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It is recommended that the TTC Board:

1. Receive this report for information.

## Financial Summary

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Motion 1 directs staff to report on opportunities or scenarios to provide free transit to Middle School and Secondary School groups making field trips during off-peak hours. The financial implications associated with the scenarios are presented in **Table 1**. The scenarios include: 1) free field trips; 2) free youth travel during the midday; and 3) free youth travel everyday. In all cases, implementing these scenarios would result in foregone revenue for existing TTC youth rides. However, the existing TTC youth rides would continue to be accommodated by existing service levels.

Should any of the free fare scenarios be implemented, the TTC would not realize any revenue from new TTC youth rides (this is not accounted for in **Table 1**). Given that new TTC youth rides cannot be accommodated with existing service levels, additional service hours would be required and the TTC would incur incremental operating costs. This additional service would be added as extra streetcar or bus service on regular routes as TTC Operators are not licensed to operate point-to-point charters like yellow school buses. Also, scenarios 1 and 2 require two operational planners to manage service requests and schedule vehicles on a daily basis. The total additional operating cost for two additional staff is \$300,000 per annum and is included in **Table 1**.

**Table 1: Financial Implications to Implement Free Youth Fares (\$millions)**

Free Youth Fare Scenario	Foregone Revenue (per annum)	Incremental Operating Cost (per annum)
1) Free for Field Trips	\$0.5	\$1.1 to \$1.9
2) Free Midday Travel	\$12.7	\$3.8 to \$7.2
3) Free Everyday	\$71.1	\$21.7 to \$43.5

Motion 2 directed staff to report on opportunities to provide a quantity of free youth transit passes to registered charities operating in Toronto that provide wrap-around services to overcome barriers to education, which will use the passes to incent high school attendance by underprivileged youth.

This proposal would require program funding to be provided directly to charities to purchase youth PRESTO tickets. The only viable mechanism available to achieve this is through a granting program that would establish eligibility criteria and outcomes. The TTC, as an agency of the City, does not have the authority to issue grants to organizations and would have to be administered as a new grant program by the City, most likely by the Social Development Finance and Administration Division, similar to the Fair Pass Program. The financial impacts of Motion 2 vary depending on how many fares are provided for free, at the bulk youth PRESTO ticket price of \$2.35. See **Table 4** for illustrative costs.

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

## **Equity/Accessibility Matters**

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A cornerstone of the TTC's current Corporate Plan is accessibility, and as a proud leader in providing accessible public transit in the city of Toronto, we are committed to ensuring reliable, safe and inclusive transit services for all our customers.

Transit affordability remains a concern for many city residents. The TTC continues to support the City of Toronto's Fair Pass Program to increase transit equity. Additionally, findings from the recent 5-Year Fare Policy determined that the TTC's flat fare, age-based discounts, two-hour transfer and free transfers between subway, buses and streetcars were found to be hallmarks for equity, affordability and inclusion. These continue to be reflected in TTC's fare structure and policies.

## **Decision History**

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The TTC Board motions explored in this report for free field trips for youth have not previously been raised. However, the following reports provide background on previous TTC fare policy objectives and priorities.

At the May 2021 meeting, the Board approved seven fare policy goals as part of the 5-Year Fare Policy. These goals help define the TTC's vision to develop a fare policy reflective of customer needs, financial sustainability for the TTC, and provide the basis for screening future fare policy recommendations.

### [Update: 5-Year Fare Policy and 10-Year Fare Collection Outlook](#)

At its meeting on February 10, 2022, the TTC Board directed staff to prepare detailed financial analysis on fare capping and aligning concessions across Fair Pass, seniors and youth.

### [Advancing the 5-Year Fare Policy](#)

The [2023 Accessibility Plan Status report](#) provided an update on the City's Fair Pass Transit Discount Program. Phase 3A of the program has been implemented, which provides fare discounts for residents with a family income below 75% of the low-income measure after tax (LIM-AT). Phase 3B to expand eligibility to the LIM-AT +15% income threshold is not yet fully funded. It is expected that to continue Fair Pass in Phase 3 will require \$9 million in funding.

At its September 2023 meeting, the Board adopted a motion related to free youth transit. With the view of making strides towards future free transit initiatives for students, two proposals regarding youth fares were brought forward for review and report back.

[Decision – Notice of Motion – A Step Towards Free Transit for Middle and High School Students – by Commissioner Dianne Saxe, seconded by Commissioner Paul Ainslie \(ttc.ca\)](#) [Notice of Motion – A Step Towards Free Transit for Middle and High School Students – by Commissioner Dianne Saxe, seconded by Commissioner Paul Ainslie](#)

## Issue Background

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At its September 2023 meeting, the TTC Board adopted a motion related to free youth transit.

Movements advocating for free youth transit are gaining traction and programs like the City of Kingston's are gaining international attention. While Kingston has been recognized for its free youth transit program, a number of other transit agencies also have free fare policies and programs in place. Many, including Kingston Transit, receive funding to make these policies and programs possible. Kingston's program receives financial support from the local school boards<sup>1</sup>.

As is the case with the TTC, agencies worldwide largely provide subsidized youth fares, among others, which are a discount from the base or adult fare in the absence of free fare programs and policies.

## Comments

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### **Motion 1: Free Transit for Field Trips – Off-Peak Hours**

Motion 1 directs staff to report on opportunities to provide free transit to Middle School and Secondary School groups making field trips during off-peak hours (defined as 9 a.m. to 3 p.m.).

At present, Toronto school boards do not keep a central database that tracks student field trips to provide any consolidated information regarding the number and frequency of field trips per school year. The co-ordination and execution can be conducted centrally via school boards as well as locally at the school and classroom levels. As well, there is no information available to indicate what proportion of travel mode (transit versus chartered bus/active transportation) is used for field trips.

To establish a baseline of existing rides, staff have used annual PRESTO bulk sales of youth PRESTO tickets to Toronto school boards as an approximation. There are 1.7 million youth PRESTO tickets sold per annum. Of this, approximately 1.5 million youth PRESTO tickets are given to students for home-to-school travel. It is assumed that the remaining 0.2 million youth PRESTO tickets are used for field trips.

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<sup>1</sup> *Report to Council Report Number 19-225*. City of Kingston. (2019, August 13). [https://www.cityofkingston.ca/documents/10180/36186439/City-Council\\_Meeting-20-2019\\_Report-19-225\\_KT-Secondary-School-Transit-Program-Extension.pdf/8aa4fa26-9823-4db0-b5ae-8cdb9fc9689?t=1565271837000#:~:text=In%20June%202012%2C%20Council%20approved,within%20the%20City%20of%20Kingston.](https://www.cityofkingston.ca/documents/10180/36186439/City-Council_Meeting-20-2019_Report-19-225_KT-Secondary-School-Transit-Program-Extension.pdf/8aa4fa26-9823-4db0-b5ae-8cdb9fc9689?t=1565271837000#:~:text=In%20June%202012%2C%20Council%20approved,within%20the%20City%20of%20Kingston.)

Currently, midday occupancy levels on the TTC show that there is some available capacity on subway and streetcar services. However, there is limited excess capacity on bus services to accommodate new groups of 20-40+ students, teachers, and parents travelling together. The TTC’s planning practice is to monitor occupancy regularly and reallocate planned service monthly to match capacity with demand, as shown in **Table 2** and illustrated in **Figure 1** which shows locations across the city where midday occupancy exceeds 100% capacity.

This leaves little to no excess capacity to accommodate new rides without incurring additional incremental operating costs. In fact, currently the TTC receives between three and five requests a month from schools directly for extra service on TTC routes to accommodate group travel. These operating costs are currently incurred by the TTC.

**Table 2: Midday Surface Occupancy by Mode (number of routes as of fall 2023)**

Mode	<50% Occupancy	50% - 80% Occupancy	80% - 100% Occupancy	>100% Occupancy
<b>Streetcar</b> (off-peak capacity = 70 customers)	3	4	1	0
<b>Bus</b> (off-peak capacity = 35 customers)	34	54	29	28

\*9 a.m. to 3 p.m.

**Figure 1: Midday Bus Occupancy over 100% Capacity (January 22-26, 2024)**



The motion to provide free travel for field trips targets a specific subset of a concession group, at a specific time of day, for a specific purpose, which makes it difficult to manage. It would require two operational planners to manage service requests and schedule vehicles on a daily basis. Another possible scenario includes free youth fares for travel during the midday on weekdays during the school year. This would also require additional staff to manage a manual process to track and monitor program use.

Due to the complexity of these processes, a third scenario is presented that achieves the objective of free fares for youth and simplifies the administrative process. This scenario proposes free youth fares for travel everyday, at all times. All three scenarios are presented in **Table 3**.

**Table 3: Financial Implications of Scenarios to Implement Free Youth Fares**

Free Youth Fare Scenarios <sup>i</sup>	Existing TTC Rides (per annum)	Foregone Revenue (per annum)	New TTC Rides (per annum)	New Service Hours (per annum)	Incremental Operating Cost (per annum)
1a) Free for Field Trips (low estimate)	200,000	\$470,000	50,000	7,000	\$1,105,000 <sup>ii</sup>
1b) Free for Field Trips (high estimate)			100,000	14,000	\$1,910,000 <sup>ii</sup>
2a) Free During Midday <sup>iv</sup> (low estimate)	5,400,000	\$12,690,000	1,350,000	30,000	\$3,750,000 <sup>iii</sup>
2b) Free During Midday <sup>iv</sup> (high estimate)			2,700,000	60,000	\$7,200,000 <sup>iii</sup>
3a) Free Everyday (low estimate)	34,000,000	\$71,060,000	8,500,000	189,000	\$21,735,000 <sup>iii</sup>
3b) Free Everyday (high estimate)			17,000,000	378,000	\$43,470,000 <sup>iii</sup>

**Table 3 Assumptions**

- i. Free fares generate between 25% (low estimate) and 50% (high estimate) new rides. For free field trips, the new rides pulls trips from private charter buses or completely new field trips not requiring door-to-door service.
- ii. New youth rides travel as class field trips (23 students per class) and each field trip requires three hours of service and additional administrative costs for two operational planners to co-ordinate the program.
- iii. 45 customers require one additional hour of service based on 2023 statistics.
- iv. Free youth fares during midday (9 a.m. to 3 p.m.), on weekdays and during the school year months of September to June.

As seen in **Table 3**, in all cases, implementing these scenarios would result in foregone revenue for existing TTC youth rides. However, the existing TTC youth rides would continue to be accommodated by existing service levels.

Should any of the free fare scenarios be implemented, the TTC would not realize any revenue from new TTC youth rides, which is specifically not accounted for in **Table 3**. But given that new TTC youth rides cannot be accommodated with existing service levels as noted, additional service hours would be required and the TTC would incur incremental operating costs. This additional service would be added as extra streetcar or bus service on regular routes as TTC Operators are not licensed to operate point-to-point charters like yellow school buses.

**Motion 2: Free Youth PRESTO Tickets to Charities**

Motion 2 directs staff to report on opportunities to provide a quantity of free youth transit passes to registered charities operating in Toronto that provide wrap-around services to overcome barriers to education, which will use the passes to incent high school attendance by underprivileged youth.

Numerous charities currently purchase single TTC fares (including youth) in the form of PRESTO Tickets via PRESTO’s bulk sales program to distribute to their clients for a variety of reasons. Charities do not currently purchase monthly passes in bulk to distribute to their clients (although prior to 2019 they may have with legacy fares through the form of a Metropass) as they are not currently supported through the bulk sales program with PRESTO. Monthly passes are available for individual purchase only and can only be loaded to cards through public sales channels.

The financial impacts of this proposal depend on how many fares are provided for free. See **Table 4** for illustrative costs.

**Table 4: Illustrative Costs**

Quantity	Bulk Youth PRESTO Ticket Price	Total Value
10	<b>\$2.35</b>	\$23.50
100		\$235
1,000		\$2,350
10,000		\$23,500
100,000		\$235,000

The TTC's fare policy was recently evaluated where policy goals and values were clearly defined and approved (TTC Board, May 2021). While the broader benefits and outcomes of policies were considered and reflected in these goals, the TTC's specific mandate does not extend to providing transit funding to address targeted community social needs and responding to social policy.

While these issues are important, the viable mechanism to address these needs is through a grant program that establishes the appropriate eligibility and outcome criteria. The TTC, as an agency of the City, does not have the authority to issue grants. As such, this proposal would best be administered by the City Social Development, Finance and Administration Division, similar to the Fair Pass program.

## **Conclusion**

In summary, at the September 23, 2023 TTC Board meeting, the TTC Board adopted a motion directing TTC staff to assess two free transit for youth fare proposals. Motion 1 provides free transit to Middle School and Secondary School groups making field trips during off-peak hours. Motion 2 provides a quantity of free youth PRESTO tickets to registered charities operating in Toronto that provide wrap-around services to overcome barriers to education. Staff have assessed the motions and presented relevant information in this report for the TTC Board's consideration.

## **Contact**

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## **Signature**

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