

## **Federal-Provincial Public Transit Funding Programs**

The Government of Canada has existing and emerging public transit funding programs that the City is exploring to support its fleet replacement asset management plan. These programs and the City's use (or intended use) of them are described below.

### **Investing in Canada Infrastructure Program (ICIP)<sup>1</sup>**

Through the Public Transit Stream (PTIS) of ICIP, the Government of Canada is investing in the construction, expansion, and improvement of public transit infrastructure, for projects that:

- Improve the capacity of public transit infrastructure;
- Improve the quality or safety of existing or future transit systems; and
- Improve access to a public transit system.

PTIS is allocated according to the provinces on a formula based on ridership and population, which balances the demand on existing systems, while providing support for expected population growth. Inside provinces, the funding is allocated based on the ridership share to municipal governments who own and operate public transit systems. Thus, in 2018, the City of Saskatoon was allocated approximately \$163 million from the Government of Canada under the PTIS, representing 40% of total eligible costs.

Recently, the City has applied to Saskatchewan's Ministry of Government Relations (who manages the program intake on behalf of Infrastructure Canada) for the Bus Rapid Transit project. The application is for a total of \$250 million, which includes \$60 million to fund the purchase of new buses. Administration anticipates that the project should be approved in 2023. Under ICIP, all projects must be substantially completed by October 31, 2033.

### **Zero Emission Transit Fund (ZETF)<sup>2</sup>**

Starting in 2021, the Government of Canada is investing \$2.75 billion over five years through the ZETF. This program supports public transit and school bus operators plan for electrification, support the purchase of zero emission buses, and build supporting infrastructure, including charging infrastructure and facility upgrades. The ZETF is a separate program from ICIP, and all eligible costs are to be claimed by the fall of 2025.

There are two ZETF components under which projects are eligible for funding:

1. Planning Projects: Eligible projects include studies, modelling and feasibility analysis that will support the development of future larger scale capital projects.

---

<sup>1</sup> [https://www.infrastructure.gc.ca/plan/prog-proj-sk-eng.html#s1\\_1](https://www.infrastructure.gc.ca/plan/prog-proj-sk-eng.html#s1_1)

<sup>2</sup> <https://www.infrastructure.gc.ca/zero-emissions-trans-zero-emissions/index-eng.html>

2. Capital Projects: Eligible capital projects include buses, charging and refueling infrastructure, and other ancillary infrastructure needs.

Infrastructure Canada is accepting applications for both the planning and capital funding streams of the ZETF and will review submitted applications. Applicants will be selected based on their eligibility and the merit criteria established for the ZETF. If the project is approved, recipients will be required to enter into a contribution agreement with Infrastructure Canada. Infrastructure Canada will cover up to 50% of eligible project costs for capital projects and 80% of eligible costs for planning projects.

Saskatoon Transit has applied for planning projects and is completing the application requirements for capital projects. The application for capital projects is for the purchase of 30 battery electric buses and chargers. The number of buses and chargers that can be submitted for capital projects consideration is contingent on having supporting infrastructure capacity.

### **Permanent Public Transit Funding**

The 2021 federal budget allocated \$14.9 billion for new public transit funding, including \$5.9 billion for the ZETF and other related programs. It also announced a \$3 billion per year permanent funding envelope starting in fiscal year 2026-27. The purpose of the funding is to support the expansion and upgrading of public transit and active transportation networks in communities across Canada. There are no other details on the program currently, as Infrastructure Canada is consulting with stakeholders about program design. Once designed and implemented, this program should help support Saskatoon Transit's longer term fleet management plans.

### **Government of Canada Support for Transit and Housing Program**

In February 2022, the Government of Canada announced it was allocating up to \$750 million to support municipalities facing transit operating shortfalls, in collaboration with provinces and territories. This one-time payment would help cities maintain service levels despite decreased ridership as a result of the pandemic.

In June 2022, the Parliament of Canada passed Bill C-19, an omnibus budget bill that implemented several budget commitments including "payments in relation to Transit and Housing", implementing the February announcement. Federal funding under this program is allocated to provinces and territories based on the formula already used for the PTIS of the ICIP. This calculation is based on a mix of transit ridership (70 per cent weight) and population (30 per cent weight). Based on this formula, the City is eligible for \$6.5 million in federal funding. The City is still waiting for more details on whether any specific conditions are placed on the use of this funding.