

Community Services

Briefing to
Regular Meeting of Council
2025 June 24

ISC: UNRESTRICTED
C2025-0630

Subsidized Transit Programs in Alberta

PURPOSE OF BRIEFING

This briefing is in response to the Motion Arising from Report C2024-1097 stating, That Council direct Administration to collect information on subsidized transit programs in other Alberta municipalities including the amount and proportion of provincial funding if received and to submit a briefing note to Council no later than the end of Q1 of 2025.

SUPPORTING INFORMATION

Background and Context

Calgary offers a three-tier Low Income Transit Pass (LITP) discount structure of 95%, 65%, and 50% on its adult monthly transit pass. For 2024-2025, the estimated program cost, defined as the revenue foregone by offering discounted fares instead of the regular fare, is \$52 million. The Province contributed \$6.2 million, offsetting approximately 12% of this cost.

In comparison, Edmonton's two-tier LITP (65% and 50% discounts) has an estimated cost of \$15.7 million, with \$5.8 million in provincial funding covering 37%.

Calgary's higher program cost is largely due to its 95% discount tier. If Calgary were to align with Edmonton's two-tier model by removing the 95% tier, and assuming all customers of that tier shifted to the 65% discounted pass, the estimated program cost would drop from \$52 million to approximately \$43 million.

Calgary Transit's operating revenue gap is in part due to the growing cost of the LITP program. The 2025 Budget submission outlined the need for increased and sustainable funding from other orders of government, specifically highlighting the importance of stable provincial support of LITP. The upcoming Fare Strategy and Policy review will provide Council an opportunity to revisit the LITP fare structure and program costs ahead of the 2027-2030 budget cycle.

In its 2025 Provincial Budget, the Government of Alberta committed a total of \$16 million to support Low Income Transit Pass (LITP) programs across the province. The funding was distributed to 19 Alberta municipalities, with \$6.2 million (39%) allocated to Calgary, and the remaining shared among municipalities with transit systems offering discounted fares for residents living with low-incomes.

Funding Variability

Provincial funding of LITP plays a critical role in supporting mobility for Albertans experiencing low incomes, enabling access to employment, healthcare, education, and other essential services. However, there's considerable variation across Alberta municipalities in how LITPs are structured – including discount levels, income eligibility thresholds (Low Income Cutoff (LICO)), and the share of program costs covered by the Province. The following helps illustrate this variability. In addition to the aforementioned differences between Calgary and Edmonton:

- Strathcona County offers a 75% discount for eligible residents. With a program cost of \$423,077, the county received \$382,565 in provincial funding – covering 90% of costs.
- Airdrie uses a three-tier discount model (25%, 50%, 75%) and received \$24,037 in 2024-2025 funding, covering 47% of its \$51,001 program cost.

- Red Deer's LITP pilot received initial and subsequent provincial funding through to 2026, intended to offset lost revenue. However, the city experienced increased ridership and revenue, as most LITP monthly pass holders appeared to be new customers who would not have purchased a regular monthly pass without the program.
- Smaller municipalities such as Hinton and Leduc received grants in the range of \$17,000 to \$160,000 to help maintain affordability in their respective programs.

Next steps

To advocate for and ensure increased and stable provincial LITP support across the province, The City of Calgary is working collaboratively with other Alberta transit agencies and with the Canadian Urban Transit Association (CUTA). This includes engaging with municipalities to align on data, share best practices, and present a united voice on the importance of sustained operational investment in transit affordability to close the revenue gap.

ATTACHMENT(S)

1. Alberta Municipality LITP overview

Author: Calgary Transit

General Manager Doug Morgan concurs with the information in this Briefing.

Attachment 1 – Alberta Municipality LITP and Provincial Funding Overview

This is a high-level comparison of Low Income Transit Pass Programs across Alberta. Program structure, costs, income eligibility thresholds (Low Income Cut Off), reporting period, funding, and eligibility varies by municipality.

Municipality	Total Program Cost Per Capita	Program Cost (less Provincial funding) Per Capita	Program cost*	Annual Provincial Funding	% of Program Covered by Provincial Funding	Population	% discount from regular fare
Airdrie	\$0.59	\$0.31	\$51,001	\$24,037	47%	85,805	75%, 50%, and 25%
Calgary	\$39.79	\$35.05	\$52,000,000	\$6,200,000	12%	1,306,784	95%, 65% and 50%
Cochrane	\$0.06	\$0.00	\$2,066	\$2,066	100%	37,011	75%
Edmonton	\$15.53	\$9.79	\$15,700,000	\$5,800,000	37%	1,010,899	65% and 50%
Grand Prairie	n/a	n/a	n/a	\$293,760	n/a	70,385	n/a
Hinton	\$33.25	\$31.49	\$333,855	\$17,645	5%	10,042	50%
Leduc	\$0.97	(\$3.51)	\$34,972	\$161,494	462%**	36,060	50%
Lethbridge	\$4.98	\$1.25	\$530,637	\$397,978	75%	106,550	66%
Medicine Hat	\$7.07	\$3.66	\$447,071	\$215,785	48%	63,271	75%
Red Deer	TBD	TBD	TBD	\$356,000	TBD	100,844	55%
St. Albert	\$8.02	\$1.42	\$580,109	\$477,710	82%	72,316	100%, 65%
Strathcona	\$4.07	\$0.39	\$423,077	\$382,565	90%	103,829	75%

**Cost = Regular Fare Revenue - Discounted Fare Revenue. The “cost” of LITP is generally understood as the total revenue foregone due to offering discounted fares to eligible individuals. The discount percentage helps set the price of the fare product, but the actual cost is based on how many discounted passes are sold and the difference from the regular fare.*

***Any unused Provincial funding will be returned to the Province.*