Agenda – Standing Policy Committee on Public Works – June 29, 2026

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

ADDENDUM REPORTS

Item No. 20 Winnipeg Transit "Youth Ride Free" Pilot Program

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That funding from the Province of Manitoba in an amount of $10 million dollars to be allocated towards the Transit operating impact relating to the provincial Youth Ride Free Pilot Program between September 2026 and March 2027, be approved.

2. That the City enter into, execute and deliver a Contribution/Service Agreement with the Province of Manitoba in accordance with this report and the Program Guidelines attached as Appendix A, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services ("Ancillary Agreements") to implement the intent of the foregoing.

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the Contribution/Service Agreement with the Province of Manitoba, the Ancillary Agreements in accordance with this report, and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. That, subject to approval of Recommendation 1 and 2, Winnipeg Transit introduce a 12-month youth fare product ("youth pass") in accordance with the following:

    A. that the youth pass be valid from September to August each year;

    B. that eligibility for the youth pass be limited to Winnipeg youth aged 11 through 17 or aged 18 through 21 years if attending school to complete a high school diploma;

    C. that the youth pass only be available for purchase and distribution by the Province and in accordance with the terms agreed by the parties;

    D. that the Transit Fare Table be updated accordingly.

5. That 14.20 new, full-time positions be approved for Winnipeg Transit; prorated to 4.70 full-time equivalent (FTEs) in 2026 and 9.50 FTEs in 2027 for added service, fleet requirements and program administration to be funded from annual provincial funding for the Youth Ride Free Pilot Program as follows:

   A. 12.60 Bus Operators

   B. 1.60 operational positions

6. That, understanding at this time there is not a funding commitment from the Province beyond $10 million, that Transit's 2026 operating budget be amended and an increase to the 2027 Transit operating budget be referred to the 2027 budget process to reflect the estimated impact of the implementation of the Youth Ride Free Pilot Program between September 1 and December 31, 2026, and January 1 and August 31, 2027, respectively as summarized in the table below:

	2026	**2027**	**Total for 2026/2027 School Year**
Lost Fare Revenue	$ 4,206,000	$ 8,413,000	$ 12,619,000
Added Operating Expenses	1,570,000	2,301,000	3,871,000
Total Estimated Program Costs	5,776,000	10,714,000	16,490,000
Provincial Funding – Committed	5,776,000	4,224,000	10,000,000
Potential Funding Required	$nil	$6,490,000	$6,490,000

7. That the Public Service be directed to report back to the Standing Policy Committee on Public Works no later than March 2027 on the status of the Youth Ride Free Pilot Program which will include information on future provincial funding commitments, program demand or Transit impacts, or other information that may be available and relevant to the City's participation in the program.

8. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Winnipeg Transit "Youth Ride Free" Pilot Program

Critical Path: Standing Policy Committee on Public Works – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Fisher/ B. Radstrom	G. Ewankiw	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Province of Manitoba announced $10 million for a free youth transit program in its 2026/2027 Budget.

Eligible youth include those aged 11-17 and high school students aged 18-21. There are approximately 65,000 youth between the ages of 11 and 18 in Winnipeg, of which approximately 60,000 attend school. The City has been actively engaged with the Province in the development of this program.

The following were made in the development of the program cost:

- Administration/distribution. The City will develop the fare product/passes which will be distributed by the province/schools.
- 50 percent uptake by students. 30,000 passes. Uptake in the program is unknown. If more passes are distributed, more funding may be required to add more service.
- Increased service during peak hours. To avoid pass-ups and crowding on buses, the service will be augmented during peak periods on weekdays. Feeder route trips serving most high schools will be doubled while primary lines serving some high schools will be augmented.

The annual funding requirements for this program include:

- Lost fare revenue of $12.6 million (currently ~15,000 youth purchase passes)
- Additional service requirements

The cost for a 12-month program is estimated to be $16.49 million (including 14.2 FTEs) for the 2026/2027 school year.

The Provincial commitment at this time is to provide $10 million annually. For the current school year, the funds available will be used from September 2026 to March 31, 2027. The City estimates its actual costs during this timeframe will be approximately $10.5 million. At the

conclusion of the funded period (Sept 2026 – March 2027), the City and the Province will undertake a joint evaluation of uptake and cost. Based on the findings, the Province may consider additional funding in future years. Any future funding would be subject to the provincial budget process.

RECOMMENDATIONS

1. That funding from the Province of Manitoba in an amount of $10 million dollars to be allocated towards the Transit operating impact relating to the provincial Youth Ride Free Pilot Program between September 2026 and March 2027, be approved.

2. That the City enter into, execute and deliver a Contribution/Service Agreement with the Province of Manitoba in accordance with this report and the Program Guidelines attached as Appendix A, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services ("Ancillary Agreements") to implement the intent of the foregoing.

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   A. 12.60 Bus Operators

   B. 1.60 operational positions

6. That, understanding at this time there is not a funding commitment from the Province beyond $10 million, that Transit's 2026 operating budget be amended and an increase to the 2027 Transit operating budget be referred to the 2027 budget process to reflect the estimated impact of the implementation of the Youth Ride Free Pilot Program between September 1 and December 31, 2026, and January 1 and August 31, 2027, respectively as summarized in the table below:

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7. That the Public Service be directed to report back to the Standing Policy Committee on Public Works no later than March 2027 on the status of the Youth Ride Free Pilot Program which will include information on future provincial funding commitments, program demand or Transit impacts, or other information that may be available and relevant to the City's participation in the program.

8. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to enter into funding agreements, amend 2026 adopted operating budgets, add FTEs and change Transit's fare product offering.

IMPLICATIONS OF THE RECOMMENDATIONS

Providing free Transit for youth could positively impact ridership and create long term transit users.

The upfront costs of implementing the Program for the expected period of September 2026 to August 2027 are currently estimated at $16.49 million. The Province has committed $10 million annually to date. Additional funding may be provided but is subject to an uptake and cost review and subject to the Provinces budget process.

As this is a new Program, Transit had to make assumptions around expected demand and service requirements related to the Program. Transit will make efforts to adapt where possible during Program roll-out, but service impacts may exist if demand for the Program exceeds expectations or service assumptions are incorrect.

Transit will report back to the Standing Policy Committee on Public Works by March 2027 once additional information about the Program is known.

HISTORY/DISCUSSION

Transit currently offers a concessionary fare program for youth aged 12-16 and students attending high school aged 17-21. An estimated 15,000 youth currently use Transit.

Transit also offers free transit service for children aged 11 and under when travelling with a fare-paying customer.

The City estimates the total number of youth between the ages of 11-18 years old at approximately 65,000, 60,000 of which are estimated to be attending school. Based on these numbers, this program has the potential to be significantly larger than any other program Transit currently offers. This provides context for the risk related to the assumptions and estimates that have been made and the magnitude of the administrative costs that could be required if the City were to assume responsibility for the pass distribution.

Impact to Service

The potential uptake of the program is unknown, so an assumption (50 percent of 60,000 students) was made on the potential uptake to the program. Winnipeg Transit will increase service on a number of Feeder Route trips serving most high schools near bell times at the start and end of the school day, which will include doubling the number of trips service some schools (from one to two, or two to four). Additional service will be added to some Primary Lines serving some high schools where capacity on existing service is already limited. Service added to accommodate an increase in students taking transit to school will be closely monitored and will be adjusted where possible.

The addition of this service to handle the expected increase in youth ridership essentially uses all available buses at peak times. While the proposed increase in service can be accommodated using the existing bus fleet, it must be noted that any additional increases to service at peak times, whether to accommodate new riders as part of this Youth Ride Free Pilot program or elsewhere in the city for any other reason, cannot be done without purchasing additional buses.

There is risk related to Transit's ability to meet service requirements; if demand exceeds the proposed service, then there could be pass ups and crowding. Transit will make service changes to accommodate expected higher ridership levels on routes feeding schools for the Fall schedule. However, service levels will be re-assessed for the Winter schedule.

Full uptake could overwhelm the system and exceed Transit's ability to meet peak service requirements within the existing size of the bus fleet.

All of the assumptions about the need for added transit service are based on the assumption that any school divisions that operate school buses for these students will continue to do so.

Proposed Program

Although the specific details of how the administration of this program will work are still being developed, the following has been agreed to:

- The program will be administered by distributing paper passes through the schools. The schools are best positioned to reach eligible students and identify those who would benefit

from the program the most. It will also make receiving a pass relatively simple for eligible students who would need them.

- The initial distribution of the passes will be capped at 30,000 until the impact to the Transit system and overall demand for the program are better understood. Additional pass distribution will be considered to the extent that the Transit service is able to accommodate it and funding is made available to cover the additional costs.

- The eligibility for the program is youths aged 11-17 and high school students aged 18-21 who have been provided a pass.

- Smart cards are not an option at this time given the timeline to launch and the aged status of the peggo system. Initially, the fare product will be distributed in paper form. Electronic passes will be explored as an option with the implementation of the new fare collection system in 2027.

Generally:

Transit's responsibilities in this program are:

- Provide paper passes for the schools to distribute.
- Adjust service to meet requirements to the extent resources are available. It is assumed school bus service will continue to be offered through school divisions in places where it already exists.

The Province's responsibilities in this program are:

- Distribute passes to eligible students.
- Ensure each student is provided with a photo student ID card.
- Provide $10 million annually in funding for this program. Future funding will be subject to a program review.

Students will need to display both the valid fare pass and their school photo ID with valid GoCard symbol or another form of acceptable ID to the bus operator in order to board the bus.

Costing

Transit made a number of assumptions when developing the costing model. Key components include estimated lost fare revenue and added service during peak periods to accommodate assumed levels of ridership. The assumptions and risk related to the proposed service are described above.

Overall, the total cost of this program depends on the uptake which at this time is assumed. The city will assess the actual usage and cost of this program by tracking the distribution of paper passes, analyzing of over-crowding and pass up reports, as well as data collected from the automated passenger counters where available. Other metrics will also be considered in this exercise.

The estimated costs for September 2026 – August 2027, as summarized in Recommendation 6, reflect the estimated incremental added costs to the City related to this program.

It is important to note that there are no costs related to supporting existing service in this cost model. Transit is assuming there is sufficient capacity within the system to absorb non-peak and weekend demand, and no additional costs have been included related to this.

There are 14.20 additional full-time positions required. All of the added positions are bus operator/support positions related to the added service. The total number of positions required are prorated to 4.70 FTEs in 2026 and 9.50 FTEs in 2027. Positions need to be filled on a permanent basis to ensure successful recruitment and there is no indication at this time that the program will end. It is understood that the funding for these positions is linked to ongoing Provincial funding. In the event the Provincial funding ends, these positions would be phased out through attrition accordingly.

This program will effectively use any currently available excess capacity in the existing bus fleet and require the total bus fleet size to be maintained at a count higher than would have otherwise been needed. Without the purchase of additional new buses, this will involve maintaining older buses beyond their expected lifetime. The total program costing includes costs related to the impact this program will have on the bus fleet.

Provincial Funding Commitment

The Province has committed $10 million for the period September 2026 – March 2027, which reflects the balance of its current fiscal year, and $10 million annually thereafter. The City's estimated cost for Sept 2026 to March 2027 is $10.5 million. This potential difference will be monitored and evaluated closely by both the City and Province. The Province may consider future funding beyond the annual $10 million commitment.

Where additional provincial funding is not provided, the City will take steps to mitigate losses but could be required to cover up to a 6.49 million shortfall in the 2027 budget.

The Public Service will report back to Council in March 2027 outlining the impact of the program to the City and potential recommendations for Council consideration.

Next Steps

Transit has written the Fall service schedules to provide the added service as previously described.

Upon approval of this report, recruitment will begin in order to fill the new positions needed to support the program.

As this model was based on a number of assumptions and it is not known what the uptake will be, nor in which areas of the City, Transit will continue to monitor levels of demand and adjust to the extent the department is able. The program will be reviewed after one year.

The Public Service will report back to SPC-Public Works by March 2027 on the status of the program and future funding commitments, as well as information on the uptake, and any other available data about the program. Additionally, the Public Service will keep the Province informed on Transit operating costs and usage related to the Youth Ride Free Pilot Program, to

the extent that information is available, to help support fair and sufficient provincial funding of Transit's operating costs.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 25, 2026

Project Name:

Winnipeg Transit "Youth Ride Free" Pilot Program

First Year of Program **2026**

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,570,000	$ 2,301,000	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	5,776,000	4,224,000	-	-	-
Net Cost/(Benefit)	$ (4,206,000)	$ (1,923,000)	$ -	$ -	$ -
Less: Existing Budget Amounts	(4,206,000)	(8,413,000)	-	-	-
Net Budget Adjustment Required	$ -	$ 6,490,000	$ -	$ -	$ -

Additional Comments: The direct costs include the additional operating expenses from providing a program which allows eligible youth to ride transit for free between September 1, 2026 - August 31, 2027. Costing includes added service hours, bus fleet requirements and operations support. There are an additional 14.2 positions required, prorated to 4.70 FTEs in 2026 and 9.50 in 2027. The incremental revenue reflects $10 million in Provincial funding that is currently committed. The existing budget amount reflects the lost youth fare revenue that is included in Transit's operating budget.

As is described in the report, at this time the Province of Manitoba has committed funding in the amount of up to $10 million (based on the Province's fiscal year). This is not enough to cover the financial impact of the program for the entire school year and leaves an estimated shortfall of $6.49 million. At this time there is no commitment from the Province for additional funding to cover the shortfall and the City may need to identify a funding source to cover the difference.

Laurie Fisher June 25, 2026

Laurie Fisher, CPA, CA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services

OURWINNIPEG POLICY ALIGNMENT

Goal: Environmental Resilience

Objective 2 - Prioritize sustainable transportation as the mobility options of choice.

Transition to a sustainable transportation system that safely and efficiently moves people, goods and services, increases access to a variety of affordable mobility choices, encourages less reliance on personal vehicle travel, reduces travel time, mitigates congestion and related greenhouse gas emissions, and supports the development of denser, better-connected, healthy and complete communities.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #3
Advancing Sustainable Transportation – Increasing Mobility Options and Shift to Zero Emission Vehicles

Key Direction 3.1
Increase Use and Efficiency of Public Transit Systems

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 5 – Transportation System Equity is Enhanced
Objective A – The affordability and accessibility of transportation and transit service is increased.

SUBMITTED BY

Department: Transit
Division: Finance and Administration/Service Development
Prepared by: Laurie Fisher, Manager of Finance and Administration
Bjorn Radstrom, Manager of Service Development
Date: June 25, 2026

Attachments: Appendix A - Program Guidelines

APPENDIX A

PROGRAM GUIDELINES

The Contribution/Service Agreement to be negotiated and entered into by the parties for the Youth Ride Free Pilot Program ("Program") shall be consistent with the following Program guidelines:

- The initial Program period is expected to be September 2026 to August 31, 2027.

- Transit will initially provide up to 30,000 paper youth transit passes valid for the initial Program period to the Province who shall be responsible for distributing passes to eligible students through schools or as it otherwise determines.

- The Province (or schools on its behalf) shall confirm eligibility for the Program prior to distribution.

- Additional passes may be made available by Transit once the impact, costs and demand for the Program are better understood and subject to availability of provincial funding and Transit capacity.

- Eligibility for the Program and youth transit pass will be limited to youth aged 11-17 or aged 18-21 if attending school to complete a high school diploma.

- Youth must provide the youth transit pass and student card or other form of acceptable ID to board the bus.

- The City shall retain complete discretion and decision-making over all Transit operations, including staffing, service and scheduling.

- The Province has committed to annual funding of $10 million dollars.

- The City's continued participation in the Program between April and August 31, 2027, or any additional years is subject to review.

- Where funding is not available or approved, the City shall have the option to terminate its participation in the Program which could include but not be limited to service changes and cancellation of any existing youth transit passes issued for the Program.