

# Mass Transit Bailout

## 2024 Budget Proposal Seeks to Further Subsidize Inefficient Agencies

### SUMMARY

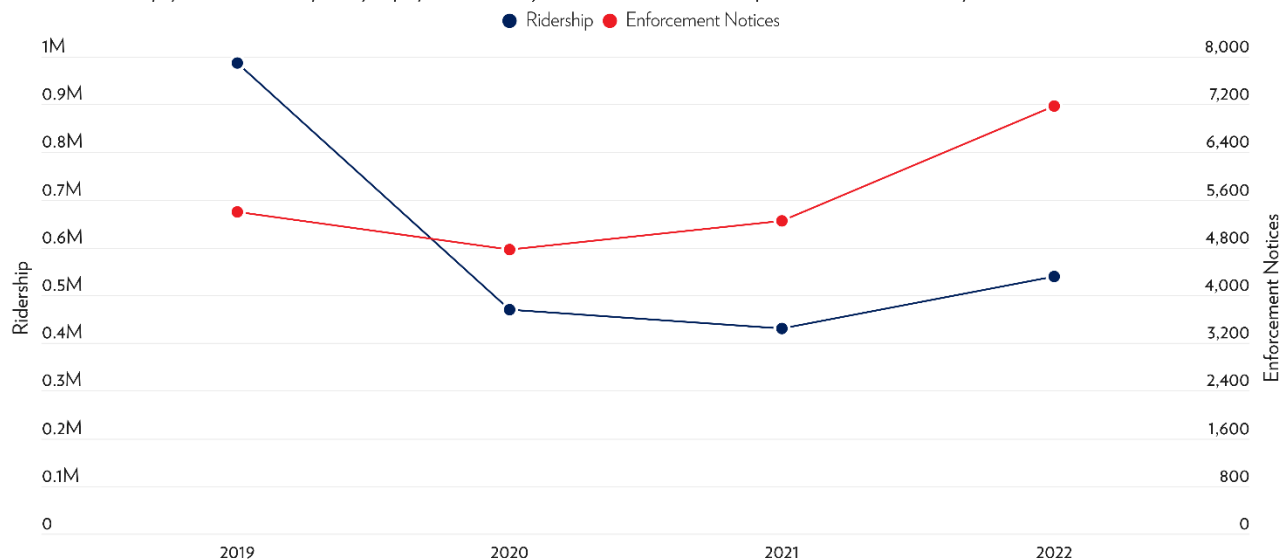
- Mass transit agencies, including Southeastern Pennsylvania Transportation Authority (SEPTA) in Philadelphia and Pittsburgh Regional Transit (PRT) in Pittsburgh, have seen steep declines in ridership since 2019.
- Gov. Josh Shapiro [plans to spend \\$282.2 million](#) in additional state funds for mass transit agencies, most of which would go to SEPTA.
- Rather than using state funds to bail out failing mass transit agencies, these agencies should cut costs and become more reliant on rider fares.

### MASS TRANSIT WOES

- Since 2019, SEPTA [ridership](#) has decreased by 38 percent. Heavy rail ridership, which encompasses both the Philadelphia subway lines and the Norristown High Speed Line, had the largest decrease at 50 percent.
  - PRT also reports steep [ridership](#) decreases, with a 32.3 percent decrease in bus ridership and a 46.6 percent decrease in light rail ridership.

## SEPTA Ridership and Quality of Life

*While ridership plummeted, quality of life issues skyrocketed on Philadelphia's mass transit system.*



Source: Southeastern Pennsylvania Transportation Authority Open Data: <https://www.septa.org/open-data/>; Philadelphia Inquirer, "How crime and policing on SEPTA has changed since the pandemic," <https://www.inquirer.com/transportation/septa-crime-policing-safety-statistics-changes-pandemic-20230606.html>

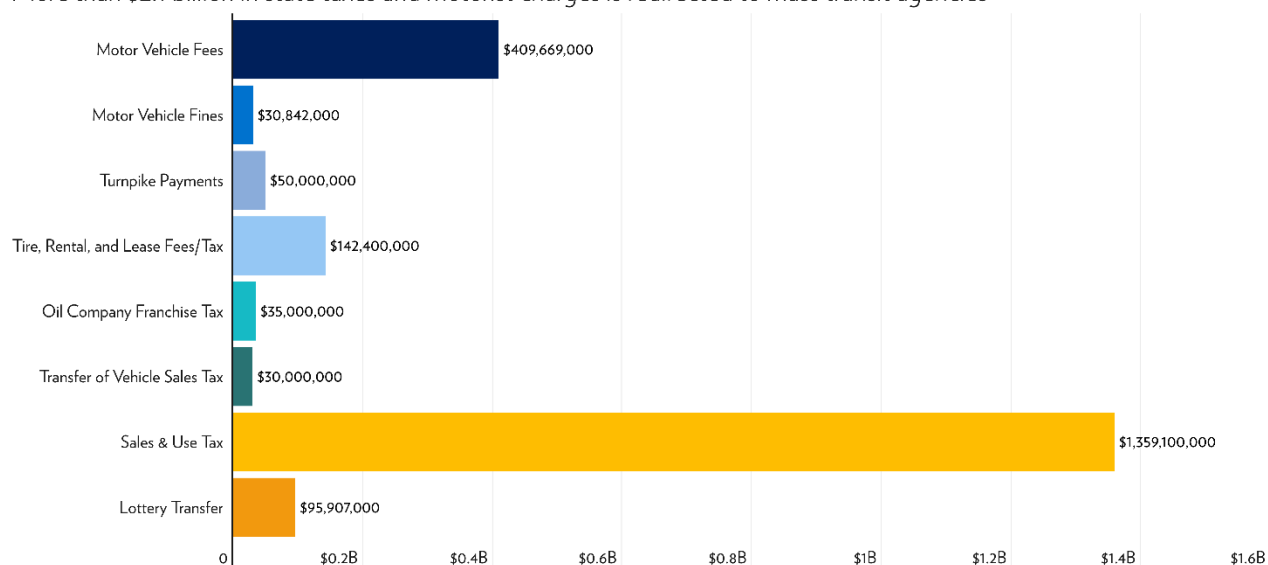
- Since 2019, crime and quality of life violations on SEPTA vehicles and stations increased significantly.
  - Robberies and aggravated assaults on SEPTA **increased** by more than 80 percent between 2019 and 2021 despite ridership decreasing by 50 percent during that time period.
  - Quality of life violations on SEPTA **increased** by 34 percent from 2019 to 2022. Certain offenses, such as littering, disorderly conduct, public urination, and smoking increased by over 200 percent from 2019 to 2022.
  - SEPTA's leadership has failed to address rising crime and quality of life violations. The agency's police force is short-staffed and recently went on **strike** after contract negotiations fell through. Last year, state lawmakers passed a bill to appoint a **special prosecutor** for SEPTA crimes in an effort to address these problems.
- Despite decreases in ridership, SEPTA's operating budget has **increased** by 9.3 percent since 2019.
  - The agency reports a \$240 million budget shortfall and has **threatened** 30 percent fare increases and 20 percent service cuts to offset the shortfall.

## SHAPIRO'S PROPOSAL

- Shapiro's funding **proposal** would redirect \$282.2 million annually, and growing, in state sales tax revenue to public transit agencies, with SEPTA receiving most of these funds. SEPTA already receives more than \$700 million from state funds. The agency **also** receives funds from driver charges, such as fees, fines, and tolls, from Pennsylvanians who do not use the transit system.
  - In fiscal year 2023–24, state-collected driver charges **provide an estimated** \$667.9 million to mass transit systems like SEPTA and PRT.

# Pa. Drivers and Taxpayers Subsidize Transit

*More than \$2.1 billion in state taxes and motorist charges is redirected to mass transit agencies*



Source, Governor's Executive Budget. <https://www.budget.pa.gov/Publications%20and%20Reports/CommonwealthBudget/Pages/default.aspx>; 2023-24 estimated transfers to Public Transportation Assistance Fund, Public Transportation Trust Fund, and Multimodal Transportation Fund

- State funds account for 49.9 percent of SEPTA's funding. This is disproportionately high compared to other large mass transit agencies. The state share for New York City's Metropolitan Transportation Authority (MTA) is 9.2 percent, for the Chicago Transit Authority (CTA) 26.5 percent, for the New Jersey Transit Corporation (NJ Transit) 26 percent, and for Boston's Massachusetts Bay Transportation Authority (MBTA) 30.5 percent.
  - Only 19 percent of SEPTA's funding comes from fares, a lower share than MTA's 38 percent, CTA's 22 percent, and MBTA's 22 percent. Local government sources account for a meager 7.4 percent of SEPTA's revenue.

## SOLUTIONS

- State taxpayers and drivers should not be forced to pay more to subsidize SEPTA and other transit agencies.
  - Only 35 percent of voters support a mass transit bailout. Opposition exceeds support from every demographic category, except Democrats, where only 49 percent support a bailout.
  - Instead of a bailout, SEPTA and other transit agencies should focus on streamlining service, finding efficiency, and relying on user-based charges.
- SEPTA serves many of the wealthiest communities in the state. Increasing state funding to SEPTA will only force drivers from rural counties to further subsidize rides for the wealthy.
  - Instead of blanket funding unrelated to services provided and actual ridership, Harrisburg should redirect state aid toward fare assistance for low-income individuals.
  - Some low-income individuals are dependent on SEPTA for transportation. A transportation voucher would target aid to help these individuals offset increased fares.
- Increased reliance on fares and market-based decisions on services will allow SEPTA to focus resources on improving riders' experiences.
  - SEPTA should focus efforts on attracting more riders with a safe, efficient, and clean public transportation system.
  - Relaxing zoning laws can also help SEPTA by encouraging denser neighborhoods and growing populations in urban centers conducive to supporting mass transit systems.