



Transit Watch: Public Transit in Crisis



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California transit agencies need more state support

By Michael Pimentel, Executive Director, California Transit Association

OPINION: In 2022, the State of California invested a historic \$8 billion in transit and rail capital projects to build a stronger, more equitable, and more sustainable transportation network for the future. Facing a \$22.5 billion "budget problem," the Fiscal Year (FY) 2022-23 State Budget released by Governor Newsom on January 10 proposes to reduce this investment by \$2 billion. Critically, the budget is silent on the looming and pandemic-induced operations funding crisis faced by agencies statewide. Without dedicated operations funding, some of the state's largest transit agencies will have to reduce service, lay off staff, and defer maintenance and modernization programs.

California public transit agencies survived the pandemic because of unprecedented federal action - which provided \$69.4 billion nationwide through the CARES Act, CRRSA Act, and the American Rescue Plan - as well as state statutory relief. These emergency measures, reflecting federal and state leaders' understanding of the essential service provided by transit agencies, were intended to bridge the shortfalls in transit revenue until ridership recovered. Ridership still has not recovered to pre-pandemic levels. A survey by the University of California Institute of Transportation Studies (UC ITS) found that more than half of the state's transit agencies are still relying on federal funding. This federal funding and state statutory relief is running out and the state must act.

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The UC ITS survey found that 72 percent of California transit agencies expect funding shortfalls after federal funds run out, with 28 percent expecting major shortfalls. To put the timing of this crisis into perspective, consider that a recent survey of California transit agencies conducted by the California Transit Association found that more than 80 percent of respondents have already fully expended or will fully expend federal relief in FY 2023-24.

As increasingly more agencies deplete their federal relief, state legislators and the public should know that California transit agencies are doing their part to attract more riders. According to the Association's survey, the most popular strategies pursued by transit agencies to recover from the pandemic include increased service levels, integration and coordination with neighboring agencies, enhanced cleaning of transit vehicles and stations, introduction of real-time travel information, targeted fare free programs, and service restructuring. Even with these strategies, many agencies cannot expect a full recovery to pre-pandemic ridership levels in the short-term and others will continue to struggle because the landscape of in-office versus remote work has shifted the transit commuter paradigm. Nevertheless, these services need to be maintained for those who depend on them and to assist the state in meeting its long-term environmental, land-use, and equity objectives.

As budget discussions begin, we urge Governor Newsom and the Legislature to:

- Restore the cuts to transit capital proposed in the state budget;
- Provide funding for transit operations to address near-term funding shortfalls and to assist agencies in regrowing their ridership; and,
- Extend state statutory relief for transit agencies through FY 2024-25.

We cannot afford to go backward at a time when state leaders and everyday Californians recognize the urgent need to move forward in reinventing our transportation network. We also cannot jeopardize our investment in the future by letting transit agencies run out of lifeblood operations funding. We need additional state support for public transit agencies.

For more information, please contact the California Transit Association at info@caltransit.org.

