

# The State of Public Transit Ridership and Finance in California

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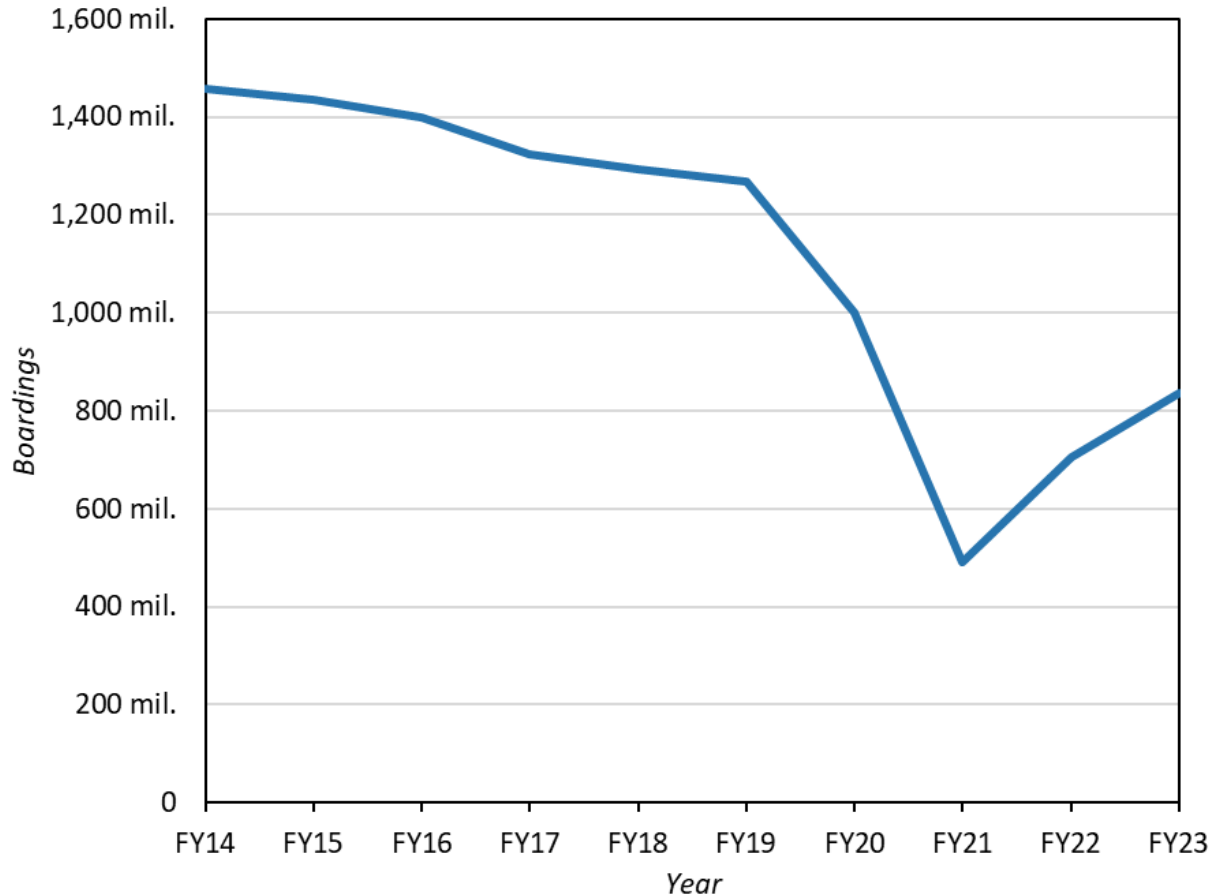
# Three things about public transit finance

- **No two agencies are alike**
  - The mix of operating revenue sources varies *substantially* from transit agency to transit agency
- **Down, down, down**
  - “Farebox recovery” industry-wide has been gradually declining for more than a century
  - And it varies a lot from agency to agency
- **Harder to fund O&M**
  - It is generally much easier to garner support for transit capital projects, than for operating/maintenance funding

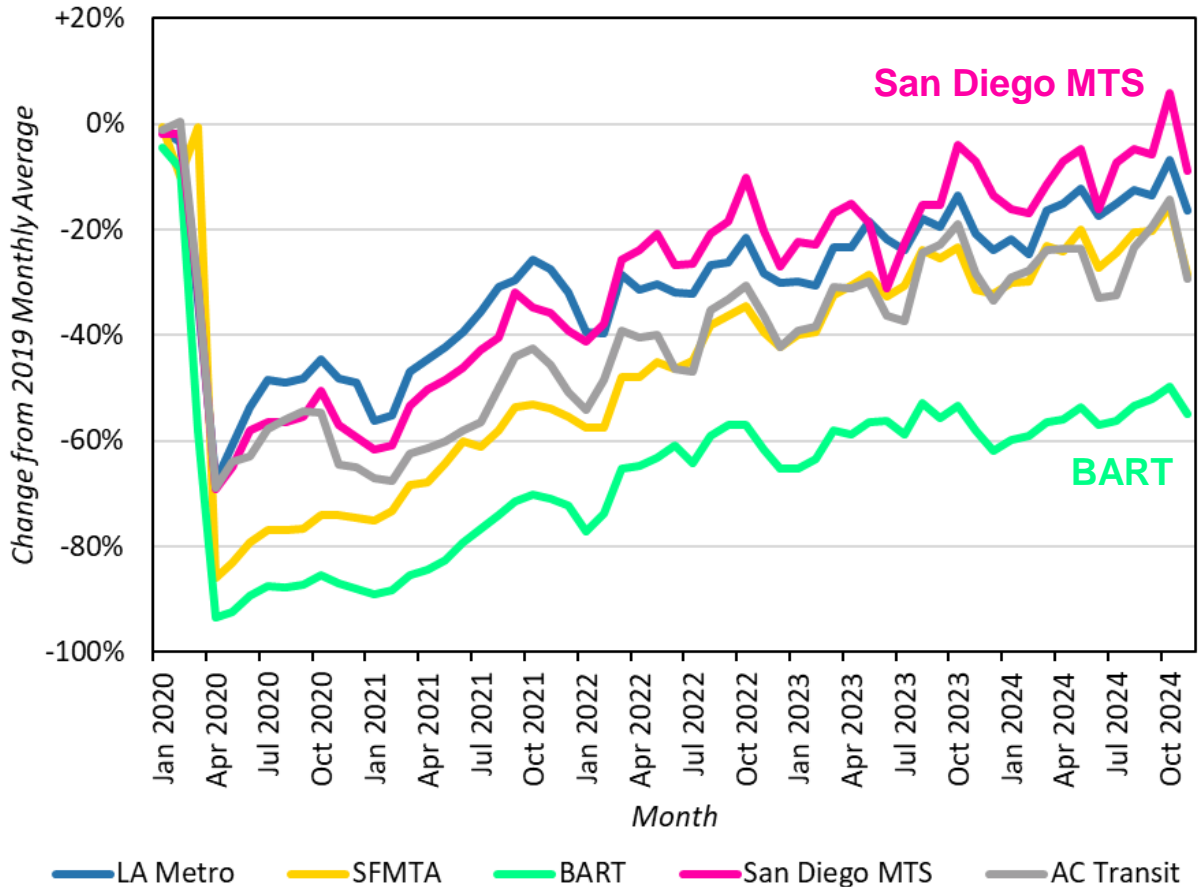
# Public transit in California since the 1990s

- **Big bets on transit**
  - California's regions have invested substantially in expanded and improved rail, bus, and van transit since the 1990s
- **1990s and 2000s**
  - Ridership was gradually increasing on most systems until the Great Recession
- **Rocky road since then**
  - In the 2010s, transit patronage statewide fell, rebounded, and then started falling again leading up to the pandemic

# California's Transit Ridership Over the Past Decade



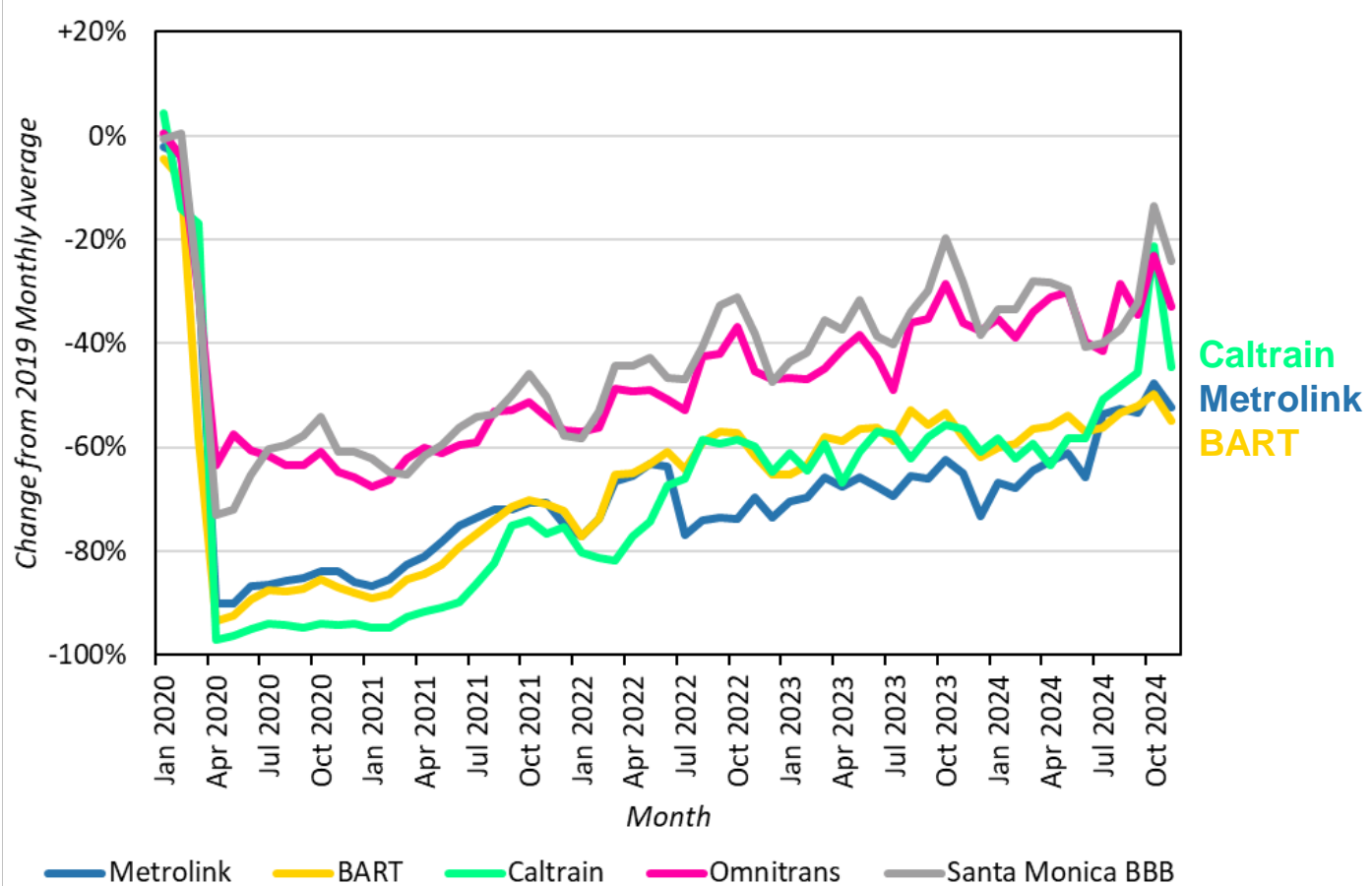
# Ridership Is Returning Unevenly: Top 5 Largest Agencies



# California Transit in the Pandemic

- **Pandemic Collapse**
  - Ridership fell dramatically in the pandemic, and has recovered unevenly since then
- **Pandemic Recovery**
  - Systems serving a larger share of lower-income and transit-reliant riders have tended to recover more riders post-pandemic
  - Commute-oriented systems serving downtowns and other job centers have tended to struggle more to win back riders
  - Buses have tended to recover more riders than rail

# California Transit Systems Recovering the Fewest Riders (among Top 20)



# Post-Pandemic Transit Finance

- These struggling systems tended to fund a larger share of their operations out of the farebox before the pandemic
  - And are more likely facing fiscal cliffs today

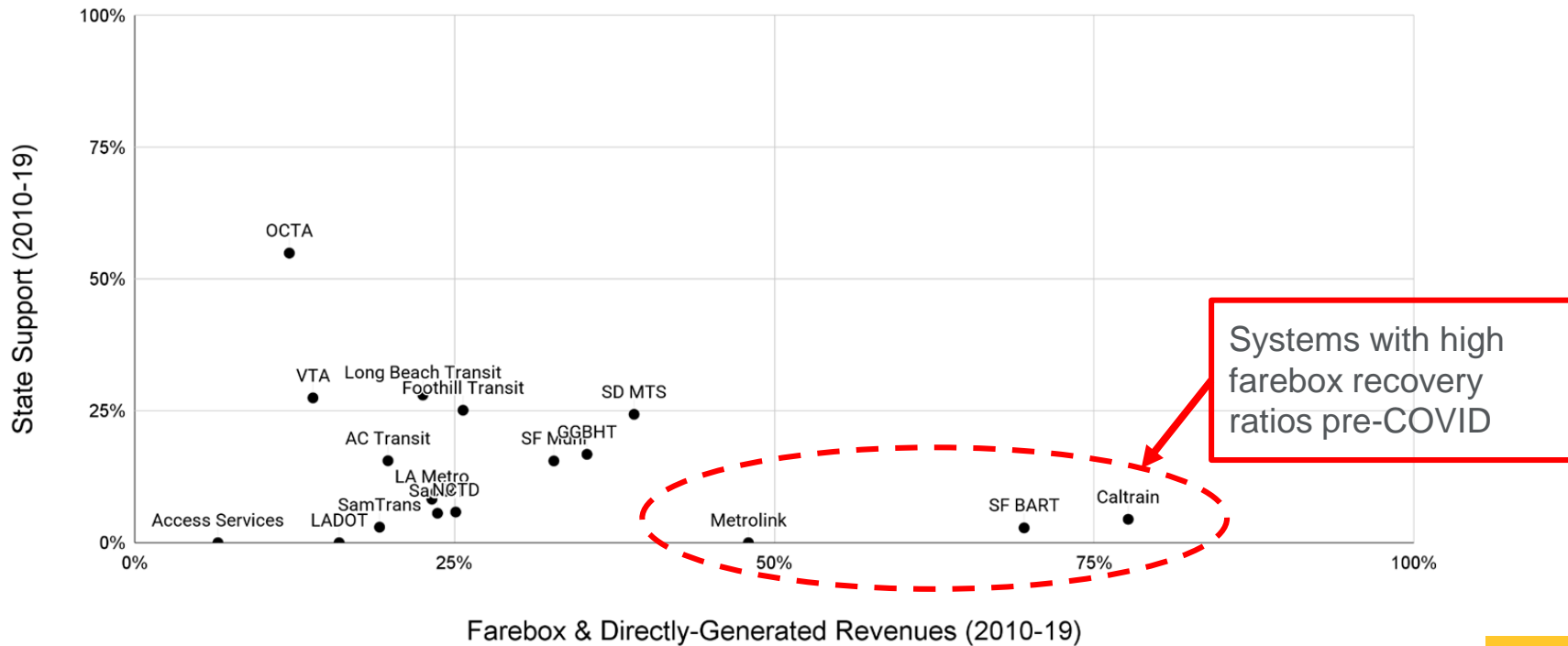




# Top California Agencies Differ in Proportion of Operating Expenditures from State and Fares/Directly-Generated Sources

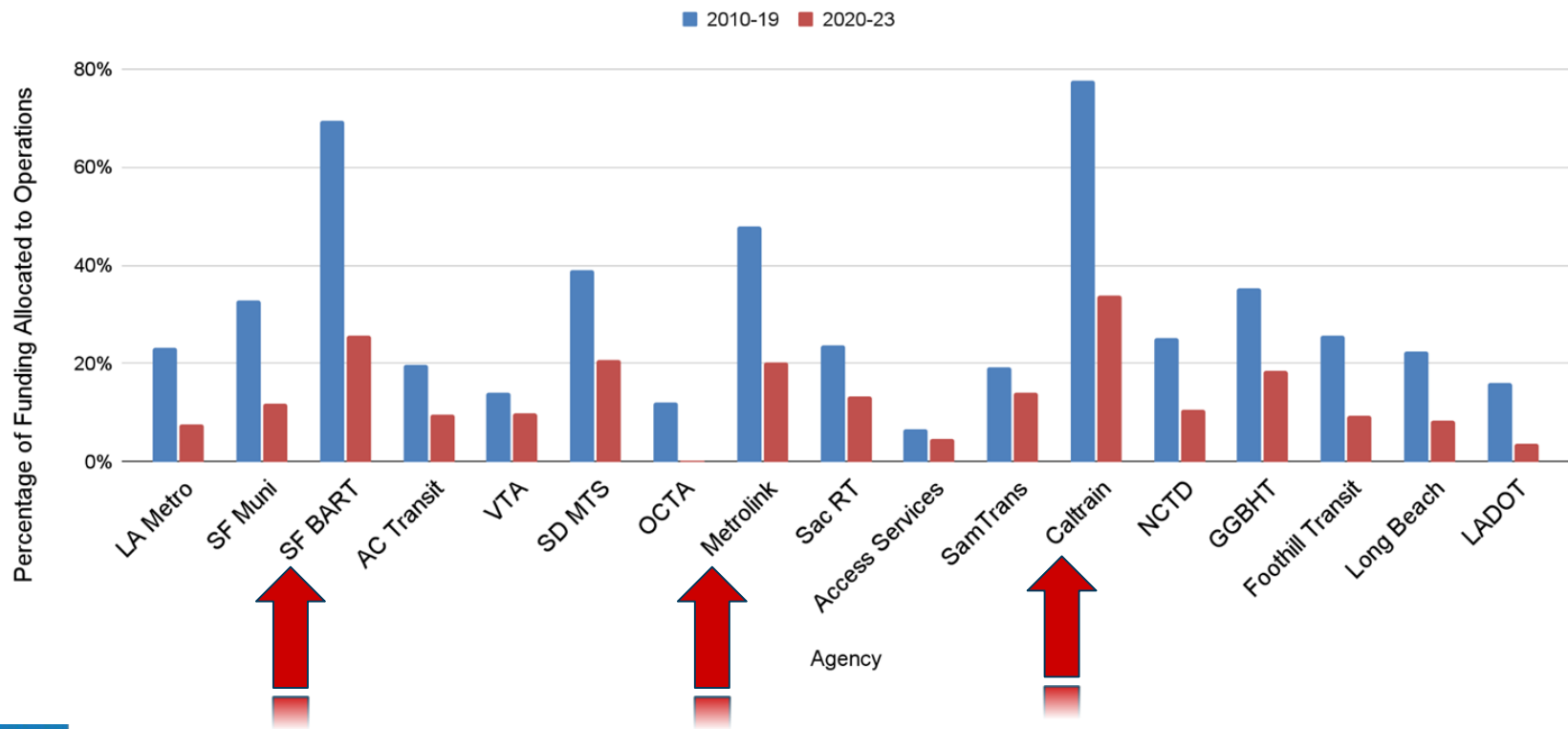
State Support vs. Farebox & Directly-Generated Revenue as Percentage of Operating Expenditures, 2010-19

Top California Agencies (2023 OpEx > \$100M)



# Pandemic -19 Ridership Reductions Affecting Agency Funding

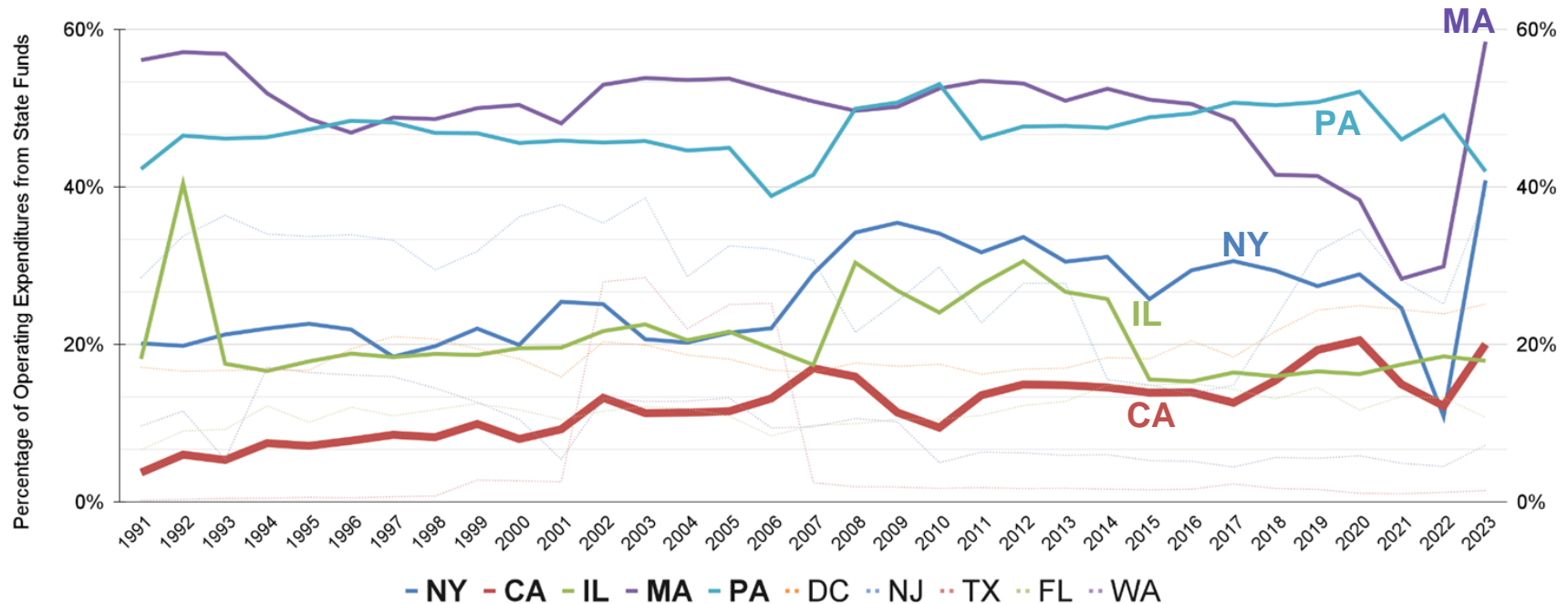
Percentage of Operating Expenses from Fares and Directly-Generated Sources



# Most high transit-use states contribute more to transit operations

## State Operating Support as Percent of Operating Expenditures

States by 2023 Unlinked Passenger Trips



# To conclude...

- Transit ridership in California has been lagging since the Great Recession, and especially since the pandemic
- The effects of the pandemic on transit ridership and fare revenues were dramatic and are ongoing
- These ridership and fiscal effects vary substantially across systems, with some facing fiscal cliffs while others are more stable financially
- California generally supports transit operations less than other high-transit-use states nationwide

# Thank You



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# The next slide is if it comes up in the Q&A

# Not All Agencies Have Allocated More State Funding to Operations During COVID-19 and Recovery

Percentage of State Funding to Operations

