Institute of Transportation Studies | UNIVERSITY OF CALIFORNIA

The Future of Public Transit in California

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Issue Summary

Public transit today faces two related core challenges: declining ridership and financial instability. In California, transit ridership mostly decreased in the 2010s, only to fall dramatically during the Covid-19 pandemic. While some systems have fully recovered their pre-pandemic ridership, most have not due to enduring preferences for remote work (particularly among higher-wage workers) and growing traveler concerns (real or perceived) about safety. Falling ridership has meant falling fare revenues and, as a result, many transit agencies are approaching a fiscal cliff as pandemic-era state and federal funding lapses. Despite these challenges, transit agencies continue to test strategies for delivering more reliable, affordable, and faster service to customers through innovations like mobility wallets, microtransit, transit ambassador programs, among others. However, it remains unclear whether these efforts will be sufficient to rebuild ridership and restore fare revenues enough to ensure long-term financial stability. While there is general agreement on the critical role of public transit in California's future, the path forward regarding funding and service evolution is less clear.

Insights from UC ITS Research

1. Public transit ridership was in decline leading up to the pandemic, largely due to increased auto ownership and the rise of ridehail, but also to shifts in where people work and live.

Between 2014 to 2018, California lost over 165 million annual transit boardings, with notable variation across regions, modes, and operators.[1] Increased incomes and decreased costs of automobile use combined to increase ownership and use of private vehicles and reduce transit use. In addition, new services like Lyft and Uber and increased transit fares also combined to shift travelers away from public transit.[2,3,4] Additionally, California's cities and regions have become less self-contained, with fewer workers living in the cities where they work—a trend most pronounced in employment-rich cities with rapidly rising housing costs.[5,6,7] Suburban areas, now home to a growing share of residents living below

[1] Taylor, B. D.; Blumenberg, E.; Wasserman, J. L; Garrett, M.; Schouten, A.; King, H., et al. (2020). Transit Blues in the Golden State: Analyzing Recent California Ridership Trends. UC Office of the President: University of California Institute of Transportation Studies. Retrieved from https://escholarship.org/uc/item/32j5j0hb

[2] Taylor, B.D., et al

[3] Martin, E., Shaheen, S., & Stocker, A. (2021). Impacts of Transportation Network Companies on Vehicle Miles Traveled, Greenhouse Gas Emissions, and Travel Behavior Analysis from the Washington D.C., Los Angeles, and San Francisco Markets. UC Berkeley: Transportation Sustainability Research Center. http://dx.doi.org/10.7922/G2BC3WV9

[4] Watkins, K., Berrebi, S., Erhardt, G., Hoque, J., Goyal, V., Brakewood, C., ... & Kressner, J. (2021). Recent Decline in Public Transportation Ridership: Analysis, Causes, and Responses. TCRP Research Report, (231).

[5] Blumenberg, E., & King, H. (2019). Low-income workers, residential location, and the changing commute in the United States. Built Environment, 45(4), 563-581.

[6] Blumenberg, E., & Siddiq, F. (2023). Commute distance and jobs-housing fit. Transportation, 50(3), 869-891.

[7] Blumenberg, E., & Wander, M. (2023). Housing affordability and commute distance. Urban Geography, 44(7), 1454-1473.

the poverty line, pose unique challenges for transit due to their low development densities and dispersed trip origins and destinations.[8]

2. Public transit ridership recovery across California has been uneven, with systems primarily serving suburb-to-downtown work trips experiencing the slowest rebound.

California's transit ridership trends during the pandemic mirrored national patterns, with sharp declines in 2020, followed by a partial, uneven recovery–reaching 56 percent of pre-pandemic levels statewide by 2022.[9,10] Below this topline, transit ridership losses and recovery have been uneven across modes and geographies, pointing to socioeconomic disparities in the ability to work remotely during and after the pandemic. Low-income workers, who are less likely to work remotely, relied more on transit during the pandemic, resulting in smaller ridership declines on systems serving these populations. In contrast, systems and routes serving areas with higher-income workers, high-wage jobs, and greater job accessibility by transit (particularly downtowns) experienced steeper declines.[11,12] Remote work is down considerably since the height of the pandemic, but remains at least four times above pre-pandemic levels – though this shift to remote work appears to have reduced vehicle travel less than many may hope.[13,14] In response to these trends, transit agencies that previously primarily served commuter trips will likely need to attract new types of trips and riders. Additionally, cities may need to rethink their approach to downtowns as primarily office centers, perhaps by pivoting towards attracting new residents, customers, and tourists through increased investment in recreation, entertainment, culture, arts, and more.[15]

3. The fiscal outlook for transit agencies in California is mixed.

Federal and state stimulus measures were critical in helping many California transit agencies survive the first two years of the pandemic.[16] However, the longer-term financial picture varies substantially across transit systems. The systems that have been hit hardest tend to be those with the highest pre-pandemic farebox-recovery rates that carried large numbers of downtown commuters.[17] Uncertainty surrounding transit's financial future has spurred policy debates over whether and how California funds public transit. These debates include possible new streams of transit funding in addition to changing existing transit funding programs, including the state's Transportation Development Act (TDA). Proposals for

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[8] Watkins et al., 2021.
[9] Epstein, J., Gahbauer, J., Wasserman, J. L, & Matute, J. (2022). Changing Transit Ridership and Service During the COVID-19 Pandemic. UCLA: Institute of Transportation Studies. http://dx.doi.org/10.17610/T6FC7J Retrieved from https://escholarship.org/uc/item/02b601tk
[10] Ziedan, A., Brakewood, C., & Watkins, K. (2023). Will transit recover? A retrospective study of nationwide ridership in the United States during the COVID-19 pandemic. Journal of public transportation, 25, 100046.
[11] Li, M., Rodríguez, D. A, Pike, S., & McNally, M. (2024). Rail Transit Ridership Changes and COVID-19: Lessons from Station-Area Characteristics. UC Office of the President: University of California Institute of Transportation Studies. http://dx.doi.org/10.7922/G2G44NNX Retrieved from https://escholarship.org/uc/item/07b5s42c
[12] Paul, J., & Taylor, B. D. (2024). Pandemic transit: examining transit use changes and equity implications in Boston, Houston, and Los Angeles. Transportation, 51(2), 615-643.
[13] Speroni, S., & Taylor, B. D. (2023). The Future of Working Away from Work and Daily Travel: A Research Synthesis. UCLA: Institute of Transportation Studies. http://dx.doi.org/10.17610/T64W3D Retrieved from https://escholarship.org/uc/item/23v094qk
[14] Circella, G., Iogansen, X., Matson, G., Makino, K., Malik, J. K, & Lee, Y. (2024). Investigating the Temporary and Longer-Term Impacts of the COVID-19 Pandemic on Mobility in California. UC Office of the President: University of California Institute of Transportation Studies. http://dx.doi.org/10.7922/G2ZW1J90 Retrieved from https://escholarship.org/uc/item/2102b2zq
[15] Morris, E., S. Speroni, and B.D. Taylor. 2024. "Going Nowhere Faster: Did the COVID-19 Pandemic Accelerate the Trend Toward Staying at Home?" Journal of the American Planning Association, published online.
[16] Siddiq, F., Wasserman, J. L, & Taylor, B. D. (2022). Surveying the Financial Conditions of California's Public Transit Operators: An Early to Mid-Pandemic Comparison. UCLA: Institute of Transportation Studies. Retrieved from https://escholarship.org/uc/item/1j60h9pj
[17] Wasserman, J. L, Gahbauer, J., Siddiq, F., King, H., Ding, H., & Taylor, B. D. (2023). Financing the Future: Examining the Fiscal Landscape of California Public Transit in the Wake of the Pandemic. UCLA: Institute of Transportation Studies. http://dx.doi.org/10.17610/T6CC9P Retrieved from https://escholarship.org/uc/item/6r867462

updating the TDA to better align service with state goals include eliminating the minimum "farebox recovery ratio" funding eligibility requirement; adjusting transit performance assessments to reflect an agency's local ridership "market"; using subsidies to more explicitly incentivize performance and efficiency; disbursing funds at the regional level to encourage more service coordination across agencies; and establishing a new fund to help with a transition from a reliance in California on diesel sales tax revenues.[18]

4. The pandemic presented new challenges to transit agencies, including a rise in unhoused individuals and operator shortages.

A lack of data about the numbers and locations of unhoused riders, combined with a lack of evaluation and information-sharing on response strategies and funding, represents a challenge for agencies wishing to address homelessness on their systems.[19] California's transit agencies have had varying responses to the increase in unhoused individuals on their vehicles, at their stops and stations, and on their rights of way. These can be categorized into several strategies: hub of services (e.g., variety of outreach resources and services for unhoused riders in one or more central points in the city, at or near a major transit facility), mobile outreach (both smaller clinician/social worker programs and larger, comprehensive strategies), discounted fares, and transportation to shelters.[20] In addition, many agencies across the state lacked transit operators (e.g., bus drivers, train operators) in the wake of the pandemic, delaying service restoration. Research finds that these shortages were due to compensation issues, competition with commercial trucking for labor, and longstanding issues of workforce safety, culture, and practices in transit.[21] While competitive wages are essential for recruiting and retaining transit operators, reforms elsewhere are also needed, including enhancing outreach and recruitment efforts, reforming driver scheduling protocols at many systems, updating disciplinary policies, and solidifying and clarifying pathways for career advancement.

5. Microtransit may increase ridership, though cost effectiveness and scaling are not without challenges and tradeoffs.

Microtransit, which typically consists of smaller-than-bus vehicles, like vans, summoned by users and routed by systems in real-time, is operating in over 40 California locations, addressing travel needs by serving low-density areas and providing off-peak or late-night service, among others. Functionally, microtransit sits between ridehail service and traditional bus service. While microtransit has the potential to increase transit ridership and access to jobs, it is currently expensive to provide on a per-trip basis.[22,23] Common challenges with microtransit pilot programs include oversubscription leading to long

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[23] Drake, J., & Watkins, K. (2024). An evaluation of on-demand transit user and interested-non-user characteristics and the factors that attract the transit-curious to using on-demand transit. Travel Behaviour and Society, 37, 100868.

wait and travel times; limited availability and poor connections to fixed-route transit; and finding the right balance between service area size and number of vehicles needed to meet demand.[24]

6. Micromobility is bouncing back post-pandemic but its role as a so-called "first/last-mile connection" to and from transit is unclear.

Prior to the pandemic, 5–20 percent of all micromobility trips in major California cities were making connections to or from rail transit.[25] However, during the pandemic, many local governments made changes that improved micromobility infrastructure (e.g., converting vehicle lanes to active transportation lanes), particularly in the vicinity of public transportation.[26] While micromobility ridership data from 20 U.S. cities suggests a weak connection between micromobility usage and overall transit ridership, there were positive associations between micromobility use and rail ridership.[27]

7. State and local policies and practices can positively influence transit ridership and the rider experience.

Transit remains central to state climate and equity goals, but its ability to meaningfully contribute to those goals depends on whether the state supports regional and local governments in (1) developing more higher-density, walkable, transit-friendly places and (2) managing private vehicle travel through parking policies, road pricing, and the like. Regarding the former, our future transportation system and its impacts hinge importantly on the density and development of transit-supportive housing supply.[28] Regarding the latter, transit succeeds when it is competitive with other modes, which entails managing those other modes and improving transit operations.[29] Notably, evidence suggests that managing auto travel would have far greater effect on transit use, particularly in the near term, than changing development patterns and, in fact, managing auto travel would likely to change development patterns as well.[30, 31, 32, 33] In addition , strategic allocation of streetspace and exclusive right-of-way for transit speed up transit, make transit more reliable, and more attractive to riders.[34] Finally, innovation in scheduling and fares, as well as seamless ticketing and travel,[35,36] can improve rider experience and satisfaction. It is through these measures we can achieve the mode shift required for reductions in vehicle miles of travel (VMT) desired by the state.

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