SEPTA Funding Crisis

Advocacy Forum

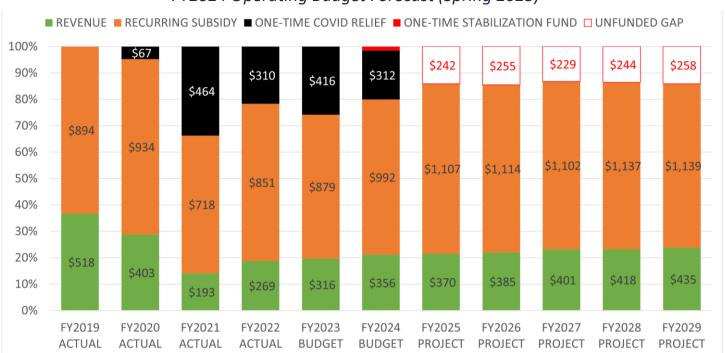
April 23, 2025

→ How did we get here?

Federal COVID relief funds ran out before ridership and farebox revenues fully returned

SOURCE OF OPERATING FUNDS & FISCAL CLIFF TOTAL SEPTA (\$M)

FY2024 Operating Budget Forecast (Spring 2023)



- Before COVID, SEPTA had one of the highest farebox recovery rates in the country, with 36% of operating expenses covered by self-generated revenue
- During COVID, one-time federal relief dollars bridged the gap between highly fixed operating expenses and significantly reduced revenues
- Now, SEPTA's farebox recovery rate is 21%, and federal COVID relief funds have run out, leaving what was an ~\$240M structural budget gap

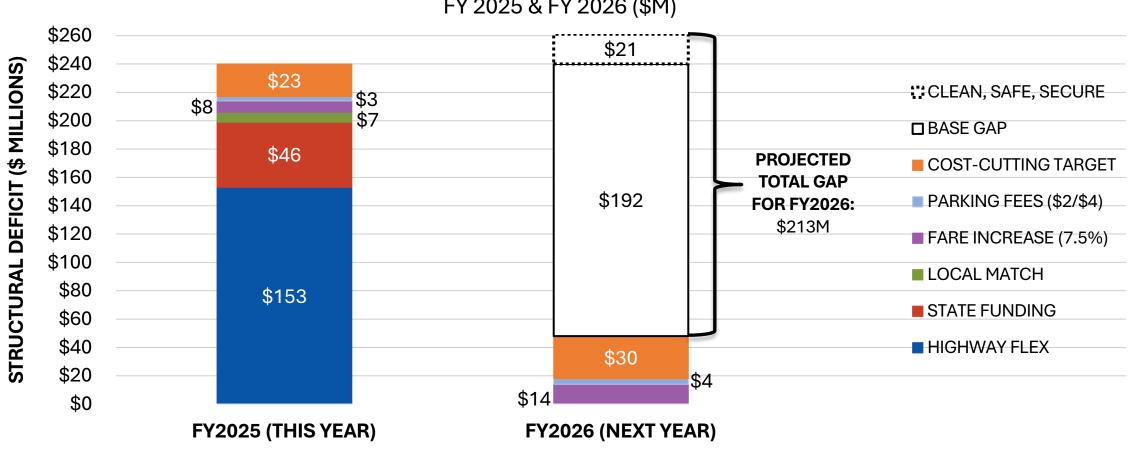


SEPTA has worked to piece together its budget

FY2025 balanced with Highway Flex, fare increase and fiscal discipline

STRUCTURAL BUDGET DEFICIT

FY 2025 & FY 2026 (\$M)





Now, there is nothing left to cut from the budget but service

Without a permanent funding solution, SEPTA will be forced to take drastic steps to irreversibly shrink the system by 45%





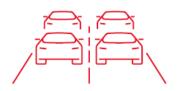


IN SERVICE ON ALL REMAINING ROUTES



CURFEW

ON METRO AND REGIONAL RAIL SERVICES



ELIMINATION

OF ALL SPECIAL SERVICE (E.G., SPORTS EXPRESS)



66 STATIONS CLOSED



SEPTA fares will be among the highest in the country

SEPTA will move forward with another fare increase that raises rates by more than 20%

Bus, METRO, and ParaTransit Fares

Ways to Pay	Current Weekday Fare Prices	9/1/2025
Pay-per-Ride	-\$2.50-	\$2.90
Weekly TransPass	\$25.50	\$31.00
Monthly TransPas	s \$96.00	\$116.00
ParaTransit Ride	-\$4.25 -	\$5.75

Regional Rail Monthly TrailPass Fares

Zones	Current Monthly TrailPass Prices	9/1/2025
Zone 1	-\$96.00-	\$116.00
Zone 2	\$144.00	\$180.00
Zone 3	\$174.00	\$217.50
Anywhere	\$204.00	\$255.00



Service reductions take effect beginning in August 2025

Followed by fare increases in September and additional service reductions in January



Shrinking Regional Rail

- Five Regional Rail Lines eliminated
- 63 Stations Closed
- Service reduced on all remaining lines
- 9:00pm Curfew
- No special services (e.g., Flower Show)





Service reductions across the region start to dismantle the system.

Many lose access to transit service all together.

PROPOSED CHANGE EFFECTIVE AUGUST 2025	PROPOSED CHANGE EFFECTIVE JANUARY 2026
32 ROUTES ELIMINATED 1, 8, 12, 19, 30, 31, 35, 47M, 50, 62, 73, 78, 80, 88, 89, 91, 106, 120, 126, 133, 150, 201, 204, 206, 311, BLVDDIR, 452, 461, 462, 476, 478, 484	24 MORE ROUTES ELIMINATED 28, 32, 44, 77, 90, 92, 95, 103, 118, 127, 128, 132, B1 OWL, L1 OWL, 446, 447, 448, 490 B3 [BSL] Cynwyd Line, Chestnut Hill West Line, Paoli/Thorndale Line, Trenton Line, Wilmington/Newark Line
16 BUS ROUTES SHORTENED 2, 3, 5, 7, 9, 17, 27, 43, 61, 84, 115, 124, 125, 433, 441, 495	2 TROLLEYS BECOME BUSES T1 [10], G1 [15]
88 ROUTES WITH REDUCED SERVICE 4, 6, 16, 18, 20, 21, 23, 25, 26, 28, 29, 32, 33, 37, 38, 39, 40, 42, 44, 45, 46, 47, 48, 49, 51 (L), 52, 53, 54, 56, 57, 58, 59, 60, 63 (G), 64, 65, 66, 67, 70, 71 (H), 79, 81 (XH), 82 (R), 93, 96, 98, 99, 103, 104, 108, 109, 110, 111, 112, 113, 114, 117, 118, 123, 131, K, B1 OWL, L1 OWL B1 [BSL], B2 [BSL], B3 [BSL], L [MFL], D1 [101], D2 [102], T1 [10], T2 [34], T3 [13], T4 [11], T5 [36], G1 [15]	9PM CURFEW ON REMAINING METRO & REGIONAL RAIL LINES B1 [BSL], B2 [BSL], L [MFL], M (NHSL) D1 [101], D2 [102], T2 [34], T3 [13], T4 [11], T5 [36] Airport Line, Chestnut Hill East Line, Fox Chase Line, Landsdale/Doylestown Line, Media/Wawa Line, Manayunk/Norristown Line, Warminster Line, West
Airport Line, Chestnut Hill East Line, Chestnut Hill West Line, Cynwyd Line, Fox Chase Line, Landsdale/Doylestown Line, Media/ Wawa Line, Manayunk/Norristown Line, Paoli/Thorndale Line, Trenton Line, Warmister Line, Wilmington/Newark Line, West Trenton Line ALL SPECIAL SERVICES (SPORTS, CONCE)	Trenton Line



Service cuts will reverse years of progress.

- Largest Transit Police force in a decade
- 33% drop in serious crime in 2024
- 100 new cleaners deployed in stations and on vehicles
- Ridership growing across the system as service reliability improves

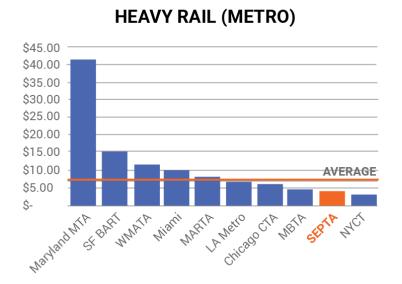


Photo Credit: Tom Gralish, Philadelphia Inquirer

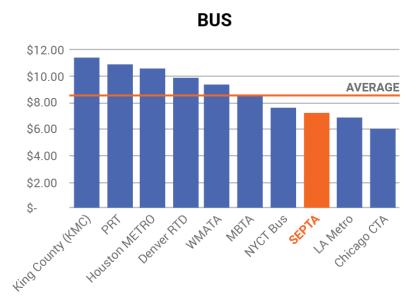


SEPTA moves people more efficiently than nearly any U.S. transit agency Years of lean operations & implementation of best practices makes SEPTA a leader.

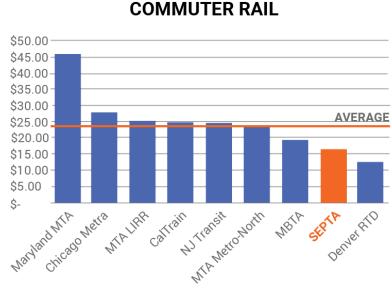
SEPTA's Heavy Rail Operating Cost
Per Passenger is 47% below average.



SEPTA's Bus Operating Cost Per Passenger is 18% below average.



SEPTA's Commuter Rail Operating Cost Per Passenger is 33% below average.



Source: National Transit Database (NTD), 2023



→ Fiscal discipline has deepened efficiency even further

Efficiency Program, austerity measures, and new revenue-generating initiatives are adding value.

Austerity measures implemented across the board, saving \$30 million per year:

- Selective hiring freeze and management pay freeze
- Reduction in contract and consultant services
- Ban on travel and all discretionary expenses

SEPTA increased fares and reinstated parking fees to increase revenue:

- Increased fares by 7.5% in Dec 2024, generating \$14 m
- Reinstated parking fees, generating \$4m

SEPTA has doubled non-farebox revenue from \$21.5m in FY2005 to a forecast \$48m in FY2026, including:

- \$14m in advertising
- \$7.3m leasing office and retail space across SEPTA
- \$8.8m in property leases for fiberoptics & utilities
- \$3.5m in Station Naming Rights deals

SEPTA's Board approved a 99-year land lease valued at \$332 million at Conshohocken Station.



Alterra Property Group mixed-use proposal.



SEPTA drives Pennsylvania's Economy

As SEPTA goes, so does the Region and Commonwealth

Southeastern PA is the Commonwealth's key economic engine. THE FIVE COUNTIES

GENERATE 41% OF STATE'S ECONOMIC

ACTIVITY WITH 32% OF ITS POPULATION ON

5% OF ITS LAND. This degree of economic productivity and density is not possible without transit to efficiently move people throughout the region.

MONTGOMERY

BUCKS

PHILADELPHIA

CHESTER





40%
INCOME
TAX



TAX

40%
ESTATE & REALTY
TRANSFER TAX



SEPTA will lose its ability to serve as the region's economic engine

- Businesses rely on transit to attract workers - without it, companies will reconsider staying in or relocating to Greater Philadelphia.
- The nighttime economy will suffer.
 Restaurants, entertainment venues and
 shift workers in healthcare and more
 will struggle without evening rail
 options.
- Job growth will slow, businesses will rethink staying in or locating here, and state and local tax revenues will shrink to the tune of \$675 million a year.

Total tax revenue and productivity losses from 45% service cuts and 21.5% fare increases

LOSS OF PROPERTY VALUE



\$19.9B LOSS
IN HOUSEHOLD PROPERTY VALUE

DECREASE IN JOB GROWTH



76,700 POTENTIAL JOBS LOST

\$6.0B
POTENTIAL LOST
EARNINGS

DECREASED TAX
REVENUE



\$11.4B* LOSS
IN TAX REVENUE COLLECTIONS



* Net Present Value



THE REGION WILL CATASTROPHICALLY CHANGE

TOTAL TAX REVENUE LOSS TO THE REGION AND PA

\$674M (ANNUAL)



More people driving causes reduced quality of life for everyone

Higher fares increase cost burden for both those who still need transit and those who switch to driving



\$267M (Annual)



39.8M more auto trips
(248M Additional Regional
Vehicle Miles Traveled)



\$112.2M



\$43.2M TRAFFIC FATALITIES

SAFETY



\$51.6M

VEHICLE EMISSIONS (CO2 AND OTHER PARTICULATES)

EMISSIONS



\$62.1M

FUEL, MAINTENANCE AND OTHER

PERSONAL VEHICLE COST



\$41.4M

RETAINED RIDERS AVERAGE FARE FOR 73.0M LINKED TRIPS INCREASED BY 21.5%

TRANSIT FARE



Disinvestment in transit leads to decreased state and local tax revenue Increased property tax burden across all jurisdictions, particularly local school districts

Annual Residential Property Tax Revenue Losses from Service Reductions

	Total	School Districts	Municipalities	County
Bucks	(\$3)	(\$2)	(\$0.3)	(0.4)
Chester	(\$55)	(\$45)	(\$4)	(\$7)
Delaware	(\$16)	(\$11)	(\$3)	(\$2)
Montgomery	(\$115)	(\$90)	(\$12)	(\$12)
Philadelphia	(\$107)	(\$59)	(\$49)	
Total	(\$296)	(\$207)	(\$67)	(\$22)

Commercial Property Value At Risk
Property tax revenue loss forecasts do
not account for reduction in commercial
property value, which account for \$73
billion in assessed value around
stations that will be closed – all of
which is at risk without transit.

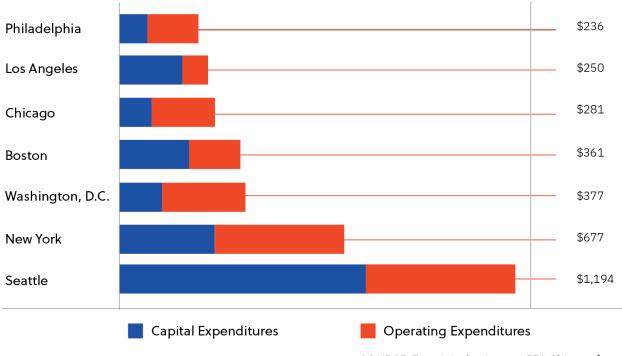


 SEPTA was created to maintain our region's transit system but was never given adequate funding to meet this challenge

SEPTA receives less capital AND operating funds per capita than any of our peers

ANNUAL CAPITAL AND OPERATING EXPENDITURES PER REGIONAL RESIDENT

GREATER PHILADELPHIA AND PEER REGIONS (2020)

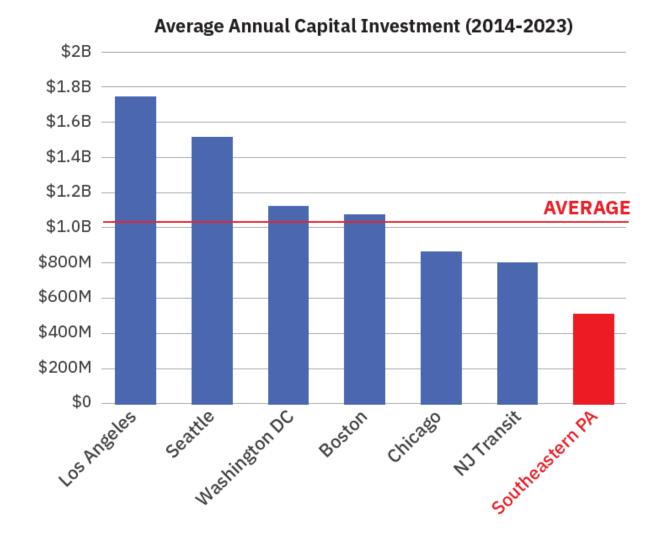


SOURCE: Transit is the Answer, RTA Chicago (2023)



 Over the last decade, peer regions have invested twice as much in their transit system compared to Southeastern PA

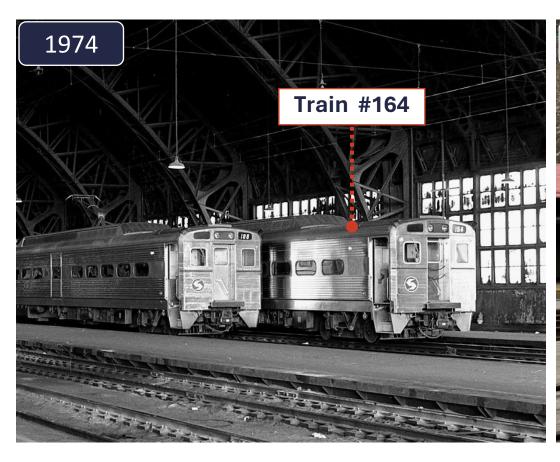
Infrastructure debt continues to accumulate year after year without investment





SEPTA operates one of the oldest rail fleets in the country

Two out of Three Regional Rail Cars are from 1970s – when Nixon was President

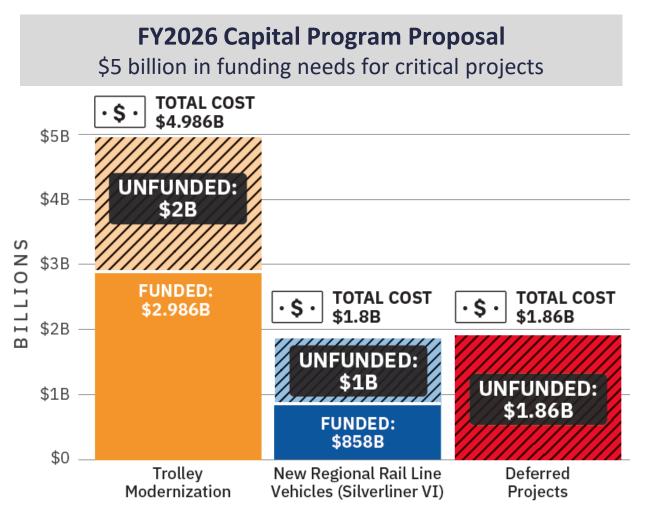






Inadequate capital funding holds back major renewal projects

Replacement of aging vehicles are only partially funded, and dozens of station accessibility projects are deferred due to lack of funding



This legacy of underinvestment has resulted in an untenable situation as long overdue investments in aging infrastructure, particularly railcar fleets, can no longer be delayed.

In addition, SEPTA reforecasted the cost of every project in its Capital Program to properly account for the impact of inflation. As a result, 44 projects are proposed to be deferred or descoped from this Capital Program.



(!\ ACT NOW

SEPTA needs sustainable operating funds and adequate capital funding to maintain the legacy of transit that Pennsylvania relies on

- SEPTA cannot cut its way out of this crisis the structural gap is simply too big
- Action now on Governor Shapiro's proposal will help SEPTA avoid devastating fare increases and catastrophic service cuts
- Inaction will lead to dismantlement of the state's largest transit system

RESOURCES:

Visit: https://wwww.septa.org/fundingcrisis/

- Budget Proposal Documents
- Funding Crisis Fact Sheets
- > Service Reduction Details
- Economic Impact Analysis

