

# Philadelphia transit system facing “death spiral” in coming fiscal year

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The Southeastern Pennsylvania Transportation (SEPTA) is projecting a \$213 million structural deficit for the upcoming fiscal year starting July 1, 2025 and predicting mass budget reductions.

SEPTA’s budget director Erik Johanson warned Pennsylvania lawmakers in March that the region’s transit system would face a “death spiral” without a significant infusion of funds. “You really do reach this moment when you can’t come back... There’s only so much you can cut before you have to start abandoning infrastructure,” he said.

The deficit is largely attributable to the expiration of COVID-19 relief funds. Other contributing factors include inflation, rising fuel and power costs and a decline in ridership that began at the onset of the COVID-19 pandemic, as well as the chronic underfunding of public transportation and other essential services in the eighth largest metropolitan region in the United States. The system, which serves around 800,000 riders daily, operates various forms of public transportation, including buses, trolleys, rail lines and rapid transit trains in the Philadelphia area.

If no solution to the deficit is found, massive service cuts will be implemented. Some of the most significant cuts include the elimination of five regional rail lines and over 50 bus routes, along with major reductions in bus and train service. Additionally, a 9:00 PM cut-off time for all trains is being proposed.

In total, the eliminations and reductions represent a general cutback of around 45 percent of all SEPTA services, along with a potential 20 percent across-the-board fare increase.

According to an industry report by a consulting agency, the community could also see a \$20 billion loss in property value, as the cuts would reduce the area’s appeal by limiting transportation options and increasing traffic congestion.

Further harm to some of the community’s most vulnerable members is inevitable if the cuts are enacted. According to SEPTA data from 2022, 50 percent of its riders earned \$34,000 or less, with 21 percent earning under \$15,000 annually. These cuts would further complicate life for many low-income individuals, who lack access to personal

transportation and rely entirely on public transit to commute to and from work.

Pennsylvania Democrats, along with Democratic Governor Josh Shapiro, have proposed increasing transit funding by raising the portion of public funds allocated to transit from the sales and use tax, which would generate about \$292 million. On Tuesday, the “Public Transportation Trust Fund Act” passed in a vote in the Democratic Party-controlled Pennsylvania House.

Shapiro is aware that this strategy is likely to fail—a similar proposal was rejected by the Republican-dominated legislature the previous year. Governor Shapiro’s statement following the bill’s passage revealed his awareness of this reality: “My proposal to fund mass transit just passed the PA House for the fourth time.”

Republicans have shown no willingness to support increased SEPTA funding. “The dollar amount SEPTA says it needs is not achievable,” Republican Senate Leader Joe Pittman told a local media affiliate.

Other Republican responses have focused on shifting the financial burden to cities and emphasizing the need for “fiscal responsibility.” House Republican Leader Jesse Topper has even filed a co-sponsorship memo announcing his intent to propose legislation that would privatize SEPTA bus services through a public-private partnership. It is worth noting that SEPTA was originally established in 1963 to stabilize failing private rail companies and gradually absorbed many such private operations over subsequent decades.

Even if the current bill manages to secure enough Republican votes, it will likely come laden with “compromises,” which translate into workers being forced to bear the burden of more and more cuts and reductions to its quality of life.

The failure of the state’s political leaders to resolve the SEPTA funding crisis reflects a deeper realignment of the political superstructure. This restructuring, tailored to today’s oligarchic rule, has overseen an assault on workers, manifesting in attacks on democratic rights, public resources

and scientific institutions. The Department of Government Efficiency (DOGE) has led this assault on behalf of the ruling class at the federal level. Now, with COVID-19 relief funds expiring, there is no political will to replace them in the interests of the greater public good. Instead, public resources are diverted to subsidies for the wealthy and war funding.

SEPTA has faced funding shortfalls in the early 1980s, during which cuts were also proposed. This led to a 19-day strike in 1981. Workers in Transport Workers Union Local 234 (TWU 234) demanded a wage hike along with an end to part-time hiring, which SEPTA had officially enacted in 1979 to cut operating costs.

The strike ended when the union conceded to concessions on part-time work and accepted a much lower pay increase than was initially proposed. The union's concessions to SEPTA at the expense of its membership would mark the beginning of a long series of betrayals by the TWU.

With a hiring freeze currently in place, the proposed reductions also raises the threat of job losses and increased workloads for remaining employees. While SEPTA has referenced workforce reductions as part of its financial response, it has not specified how many jobs are at risk. Layoffs could particularly affect newer workers who are not protected by TWU Local 234's one-year clause, which shields employees from being laid off after one year of service.

Despite these threats, TWU Local 234 has done little more than align itself with Democratic proposals to increase funding—measures that are unlikely to gain Republican support, a fact both the union and the Democrats are well aware of.

Representing around 5,000 transit workers, the union has not called for a strike in response to the crisis. This continues the refusal by the TWU leadership to mount a serious defense of its members. As reported by the *World Socialist Web Site*, last November, TWU members voted near-unanimously to authorize a strike, but union leadership negotiated behind closed doors past the strike deadline, effectively overriding the members' vote and avoiding the strike.

Instead, TWU 234 leaders have taken to wasting members' time by organizing regular pilgrimages to the Pennsylvania state capital to plead for financial relief from big business politicians. An article in the *Philadelphia Inquirer* May stated that TWU 234's "pleading has become a standing appointment during the legislature's last few budget seasons, and the outcome seems as uncertain as ever."

In the Philadelphia suburbs, Delaware County is now dealing with the devastating consequences of privatization of

health care, with the bankruptcy and subsequent closure of the last two hospitals in the county—Crozer-Chester and Taylor Hospitals. The potential decrease in transportation access, which is even more crucial to the citizens of Delaware County now that there are no remaining hospitals, would further complicate an already devastating crisis.

While mass transportation is a necessity in a modern society, it also entails large maintenance and operating costs, which must be born as a public expense if private capital cannot turn a profit. This is not stopping the ruling class from cutting public funding for mass transit at the expense of the functioning of society.

SEPTA's transit workers have a responsibility to take up the struggle for the future of public transportation. It is clear that their nominal leadership in the TWU is totally committed to keeping workers subordinated to the Democratic Party. But the Democrats agree with their Republican counterparts that workers must shoulder the cost of the capitalist crisis through cuts to public spending.

Workers must draw lessons from their experiences and begin forming independent organizations that are capable of defending their interests by uniting workers throughout the industry and region, including appealing to other city workers considering strike action.

This week, both city sanitation workers associated with District Council 33, a coalition of municipal city unions, voted by 95 percent to strike if the city doesn't honor demands for work improvements by the end of the month. Meanwhile, the School District of Philadelphia's 14,000 teachers face a contract expiration at the end of August. On Tuesday, teachers voted by 94 percent to authorize a strike if no deal was met by the contract expiration. It is the first time the school teachers have authorized a city-wide work stoppage in over 20 years.

To wage a real fight, city service workers must organize independently of the union leadership, forming committees composed of rank-and-file members, independently of the union bureaucracy willing to fight these attacks and defend workers' interests through united working class struggle.



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