



SFMTA

San Francisco Municipal Transportation Agency

FY 24-25 & FY 25-26 Consolidated Budget

Bree Mawhorter
Chief Financial Officer

April 16, 2024

Today's presentation covers

- Updates since April 2
- FY24-25 and FY25-26 Operating Budget
- FY24-25 and FY25-26 Capital Budget
- Board Priorities funded by the Consolidated Budget
- Next steps



Today's ask: *Vote on proposed FY 24-25 & FY 25-26 Consolidated Operating & Capital Budget*

Updates since April 2

What we heard

- Limit transit fare increases
- Improve fare compliance
- Improve and expand Muni service
- Focus on street safety
- Initiate parking reform in the next budget cycle
- Make agency operations more efficient
- Support taxi drivers



Changes since April 2

- Updated General Fund revenues consistent with Joint Report
- Updated revenue assumptions with Balancing Revenue and Ridership option
- Added revenue from Treasure Island Development Authority and associated expenditure for positions, vehicles, and parking enforcement on Treasure Island
- Added Access for All grant revenues and related expenditures for positions, grant administration, and grants to providers
- Backfilled Prop B capital reduction with fund balance
- Updated labor costs consistent with Tentative Agreement
- Updated workorders
- Reflected onetime equipment costs, previously shown in Agency-wide, within recipient divisions

Future is Uncertain

- May revise of state budget may reduce state operating support.
- Labor accounts for 63% of FY23-24 expenditure. Current labor contracts expire in June 2024 and are being negotiated.
- Other City Department budgets to be introduced June 1 may impact SFMTA budget and may require re-balancing.

FY24-25 and FY25-26 Operating Budget

Proposed budget

Proposed budget grows only by COLA and CPI, offset by expenditure cuts. Investments are made within existing envelope.

Category	FY23-24 Budget (\$M)	FY24-25 Budget (\$M)	FY25-26 Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
Revenue	1,407.6	1,445.5	1,489.8	2.7	3.1
Expenditure	1,407.6	1,445.5	1,489.8	2.7	3.1

FY23-24 projected expenditure is \$1,357.0 million.

FY24-25 and FY25-26 Revenue

Increases in Operating Grants and Federal and State Relief are offset by decreases in parking and transit revenue. Balancing the budget requires use of \$60.0M fund balance, reflected in Other.

Category	FY23-24 Budget (\$M)	FY24-25 Budget (\$M)	FY25-26 Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
General Fund	542.3	543.2	558.4	0.2	2.8
Operating Grants	193.3	232.0	235.7	20.0	1.6
Federal and State Relief	201.1	231.0	256.6	14.9	8.8
Parking Revenue	282.0	248.8	258.1	-11.8	3.7
Transit Revenue	140.6	108.6	113.6	-22.8	4.6
Other Revenue*	48.2	81.8	67.3	69.6	-12.4
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

*Other Revenue includes one-time fund balance in FY24-25 and FY25-26

FY24-25 and FY25-26 Expenditure by Type

Growth in Materials and Supplies and Services of Other Departments is partially off-set by reductions in labor costs.

Category	FY23-24 Budget (\$M)	FY24-25 Budget (\$M)	FY25-26 Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
Labor	969.4	919.1	954.2	-5.2	3.8
Professional Services	259.5	271.4	274.1	4.6	1.0
Overhead Recoveries	-34.0	-22.3	-22.7	-34.2	1.8
Materials & Supplies	74.6	99.5	105.5	33.4	6.0
Debt Service	27.9	27.8	27.8	0.0	-0.1
Services of Other Departments	109.7	123.6	130.6	12.6	5.7
Other*	0.4	26.3	20.2	6,428.9	-22.6
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

*Other includes one-time equipment

FY24-25 and FY25-26 Expenditure by Function

Increases in Transit and Streets are partially offset by decreases in Taxi and Mobility.

Category	FY23-24 Budget (\$M)	FY24-25 Budget (\$M)	FY25-26 Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
Transit	754.0	779.8	812.9	3.4	4.2
Streets	227.3	239.6	232.6	5.4	-2.9
Taxi and Mobility	39.9	35.7	37.2	-10.3	4.0
Administrative Support	179.9	245.8	249.3	36.6	1.4
Agency Wide	206.5	144.5	157.9	-30.0	9.3
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

Growth in Administrative Support is driven by consolidation of agency-wide real estate and worker's compensation expenditures and transfers of contracting and Equal Employment Opportunity functions.

FY24-25 and FY25-26 FTE by function

Most FTE growth occurs in the Streets Division, due to the increase of 36 Transit Fare Inspectors.

Category	FY23-24 Hiring Plan (FTE)	FY24-25 Budget (FTE)	FY25-26 Budget (FTE)	Yr1 Growth (%)	Yr2 Growth (%)
Transit	4,746	4,854	4,854	2.3	0.0
Streets	1,126	1,150	1,156	2.1	0.5
Taxi and Mobility	33	35	35	4.8	1.2
Administrative Support	725	760	760	4.8	0.0
Total	6,630	6,798	6,805	2.5	0.1

Increases in administrative support FTE (full-time equivalent) are driven by position transfers associated with the centralization of contracting and Equal Employment Opportunity functions.

Fares, Fees and Fines: Balance Equity & Ridership

Generates \$0.6M over \$12.7 million projected.

Category	Description	Additional 2-Year Revenue (\$M)
Transit Fares	FY25 - Reduce Clipper discount by \$0.25/no change to cash fare/index cable car/reduce multiplier from 32 to 31 FY26 - Index/no change to cash fare/reduce multiplier from 31 to 30	1.8
Parking Fines	Increase by 8% each year, 16% total	7.4
RPP Fees	Implement inflation indexing + add'l costs	2.9
Taxi Fees	Reinstate taxi fees (excluding drivers) and apply inflation indexing	1.2
Total		13.3
Deficit		12.7
NET		0.6

Other Fare Changes

Fare changes would make permanent two successful 2023 pilot programs to encourage transit use by visitors.

California Cable Car Line All-Day Pass

- Six-month pilot – July to December 2024
- Increased ridership on underutilized route
- Generated \$77k in additional revenue

Multi-Day Visitor Surcharge Elimination

- Pilot - Nov 2024
- Decreased cost of passes purchased in-person, aligning with cost of passes purchased through MuniMobile
 - Passes purchased in-person escalated through indexing
 - Passes purchased through MuniMobile decreased in 2018 to reflect reasonable usage (i.e. one-day pass equivalent to one cable car trip and two regular Muni rides)
- Increased sales 30% in first three months of pilot compared to same period in prior year

Title VI Fare Equity Analysis

- To meet Title VI requirements, FTA requires an equity analysis to assess whether fare changes disproportionately impact communities of color and people with low incomes and assess which groups will benefit from reduced fares.
- The equity analysis resulted in:
 - no findings related to the proposed fare increases
 - disparate impact for people of color and a disproportionate burden for people with low-incomes for decrease in multi-day visitor passes not purchased through MuniMobile
- 2017 data showed 88% visitor usage of multi-day visitor. Given changing visitor population, it is difficult to assess who would benefit from fare change.
- As part of the extensive multilingual outreach process, SFMTA solicited and incorporated public feedback on proposed fare changes.

Fare Equity Analysis Findings

Staff recommends moving forward with decrease to multi-day visitor pass not purchased through MuniMobile.

There are no alternatives that would have a less disparate impact on individuals of color, while still accomplishing the SFMTA's legitimate program goals of:

- Providing improved access to the discounted product,
- Bringing the price of the Clipper and cash passes in line with the price of the passes that are purchased on MuniMobile, and
- Encouraging transit use among visitors to San Francisco, which was validated via the current six-month pilot program.

FY24-25 and FY25-26 Capital Budget

CIP 2025-2029 Revenues

**Federal formula funds are the largest funding source:
48% of CIP revenues.**

Fund Source	FY25-FY29 Revenue (\$M)	Percent (%)
Federal Formula Funds	\$1,215.5	48
Competitive Grants	\$447.3	17
Regional /State Formula Funds	\$92.6	4
Population Baseline	\$310.5	12
Developer Fees	\$119.0	5
Prop L Sales Tax	\$201.4	8
Revenue Bond	\$20.6	1
Misc. Funds	\$48.2	2
Operating Funds	\$0.0	0
General Obligation Bond	\$0.0	0
Carryforward Budget	103.8	4
Total Revenue	2,558.9	100

Note: Population Baseline reflects 10.9M in fund balance used to backfill decrease in projections

FY25-FY29 CIP Expenditure

Fleet is the largest cost center: 41% of CIP expenditure.

Program	24-25 (\$M)	25-26 (\$M)	26-27 (\$M)	27-28 (\$M)	28-29 (\$M)	Total (\$M)	Percent (%)
Fleet	\$209.4	\$267.8	\$223.0	\$180.3	\$163.2	\$1,043.7	41%
Transit Fixed Guideway	\$103.8	\$98.7	\$157.3	\$120.0	\$106.9	\$586.7	23%
Transit Optimization	\$21.1	\$62.2	\$119.7	\$30.4	\$64.2	\$297.0	12%
Facilities	\$28.1	\$84.2	\$102.4	\$17.0	\$17.9	\$249.7	10%
Streets	\$42.8	\$51.7	\$36.4	\$41.1	\$49.3	\$221.2	9%
Signals	\$10.9	\$5.1	\$7.7	\$4.4	\$3.4	\$31.4	1%
Communications & IT	\$2.0	\$1.7	\$1.4	\$1.2	\$1.5	\$7.7	<1%
Security	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$4.8	<1%
Parking	-	-	-	\$3.0	\$3.0	\$6.0	<1%
Taxi & Accessible Services	\$0.3	\$0.6	\$0.3	\$0.6	\$0.3	\$2.3	<1%
Agency-wide	\$4.1	\$13.2	\$30.5	\$26.1	\$34.4	\$108.2	4%
Total Expenditure	\$423.3	\$586.3	\$679.6	\$425.2	\$445.1	\$2,558.9	100%

FY24-25 and FY25-26 Capital Budget is first two years of CIP.

CIP 2025-2029 CIP Expenditure is a snapshot

Opportunities to implement Board priorities during CIP administration:

- Grant awards
- Project close-out
- Interest earned
- Schedule changes

can offer funding opportunities.



Board Priorities funded by this Budget

Muni Service

Operating Budget (54%)

- Funds 72 Muni lines.
- Funds salaries and benefits for ~2,500 transit operators, maintenance staff and car cleaners.
- Purchases fuel and materials and supplies for service and maintenance.
- Funds Elevator Attendant Program at Civic Center in cooperation with BART.
- Funds CAD/AVL and radio system maintenance.



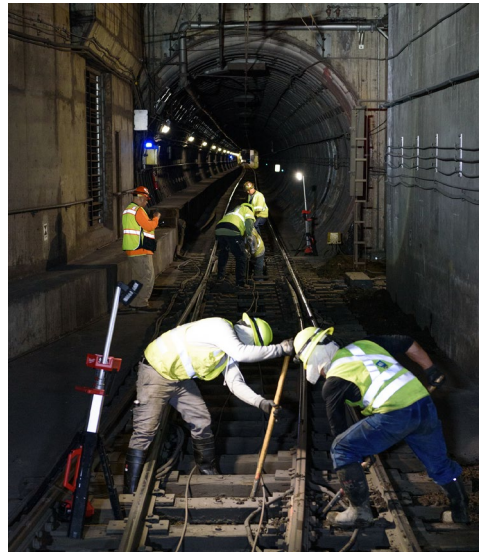
Muni Service

Capital budget: Makes Muni fast, frequent, and reliable through investments in the Fleet, Transit Fixed Guideway and Transit Optimization (Muni Forward) capital programs.

Example projects:



LRV4 Fleet Replacement



Muni Tunnel SGR



Geary Blvd Imp. Project

Street Safety

Operating budget (15%):

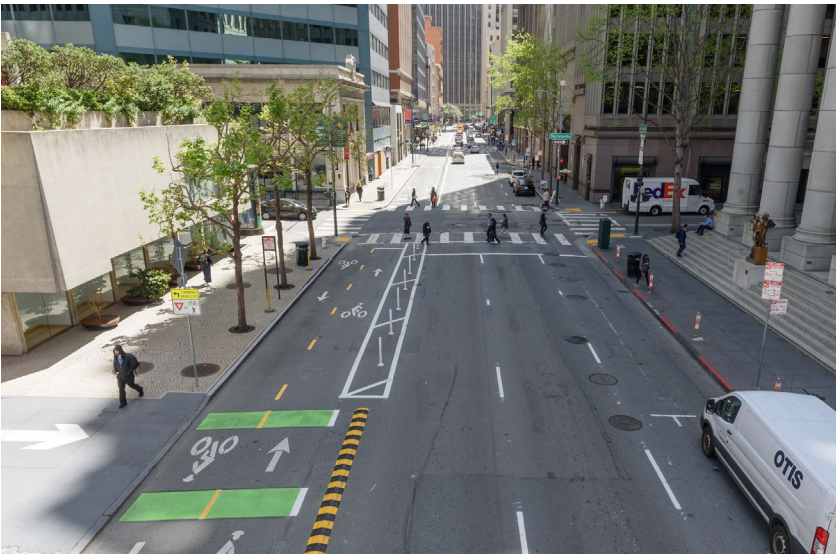
- Funds salaries and benefits of sign workers and painters.
- Establishes a Safe System Team to better support Vision Zero work.
- Assigns communications resources to support Vision Zero projects.
- Ensures Muni Forward teams also focus on street safety elements.
- Funds specialty streetsweeper to maintain bike lanes and painted safety zones.
- Funds replacements of aged Paint and Signal Shop Non-Revenue Vehicles.
- Funds professional services, poles and cameras for Automated Speed Enforcement.



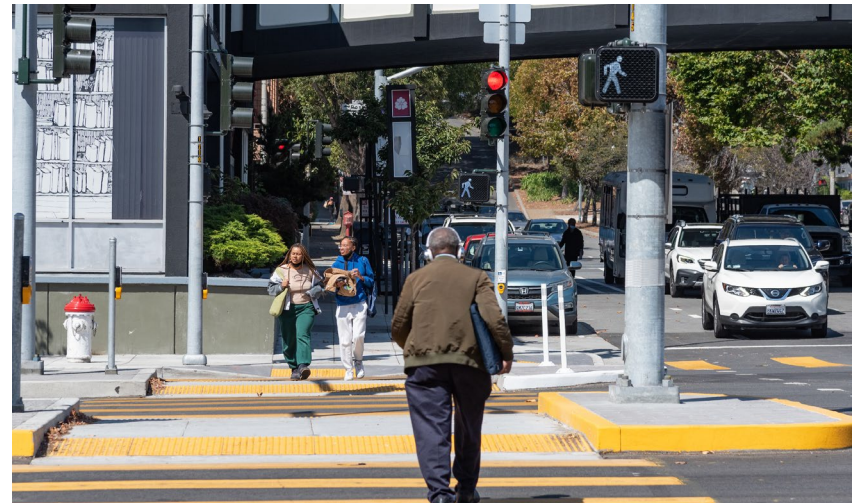
Street Safety

Capital budget: Makes walking, biking, and rolling a safe and enjoyable experience for all through investments in Streets, Signals and Transit Optimization capital programs.

Example projects:



Citywide Vision Zero Quick-Build Program



Traffic and Pedestrian Signal Upgrades in Tenderloin and Western Addition

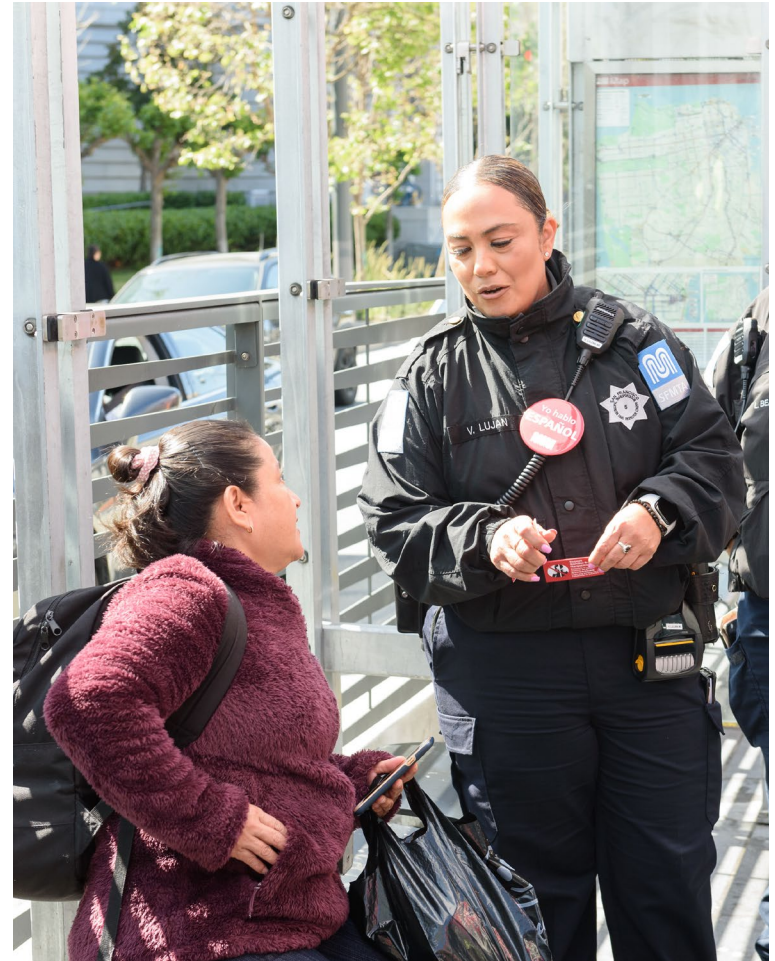
Personal Safety & Security

Operating budget:

- Adds 36 Transit Fare inspectors to restore staffing to 2019 levels, increase security, and encourage fare compliance.
- Secures facilities to ensure the safety and security of agency staff.

Capital budget:

- Hardens transit system against external threats.



Innovation & Efficiency

Operating budget:

- Evaluates subway performance to improve efficiency and reliability.
- Implements the Taxi Upfront Fare Pilot.
- Pilots Clipper 2.0 for Muni and paratransit.
- Automates inventory control.

Capital budget:

- Modernizes facilities to support transition to electrification and improve operational efficiency.



Communications & Building Trust

Operating budget:

- Launches Muni Equity Working Group.
- Launches community liaison program.
- Continues equity and de-escalation trainings.
- Expands communications about discount fare programs.

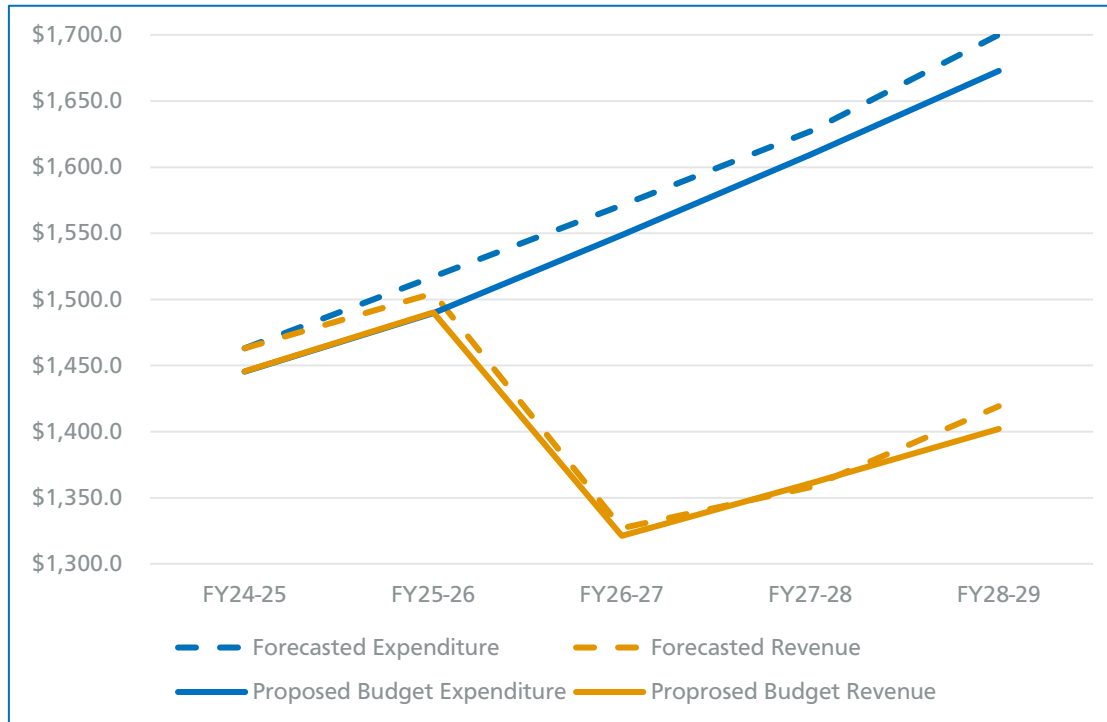
Capital budget:

- Provides customers with more accurate and contextual real-time information.



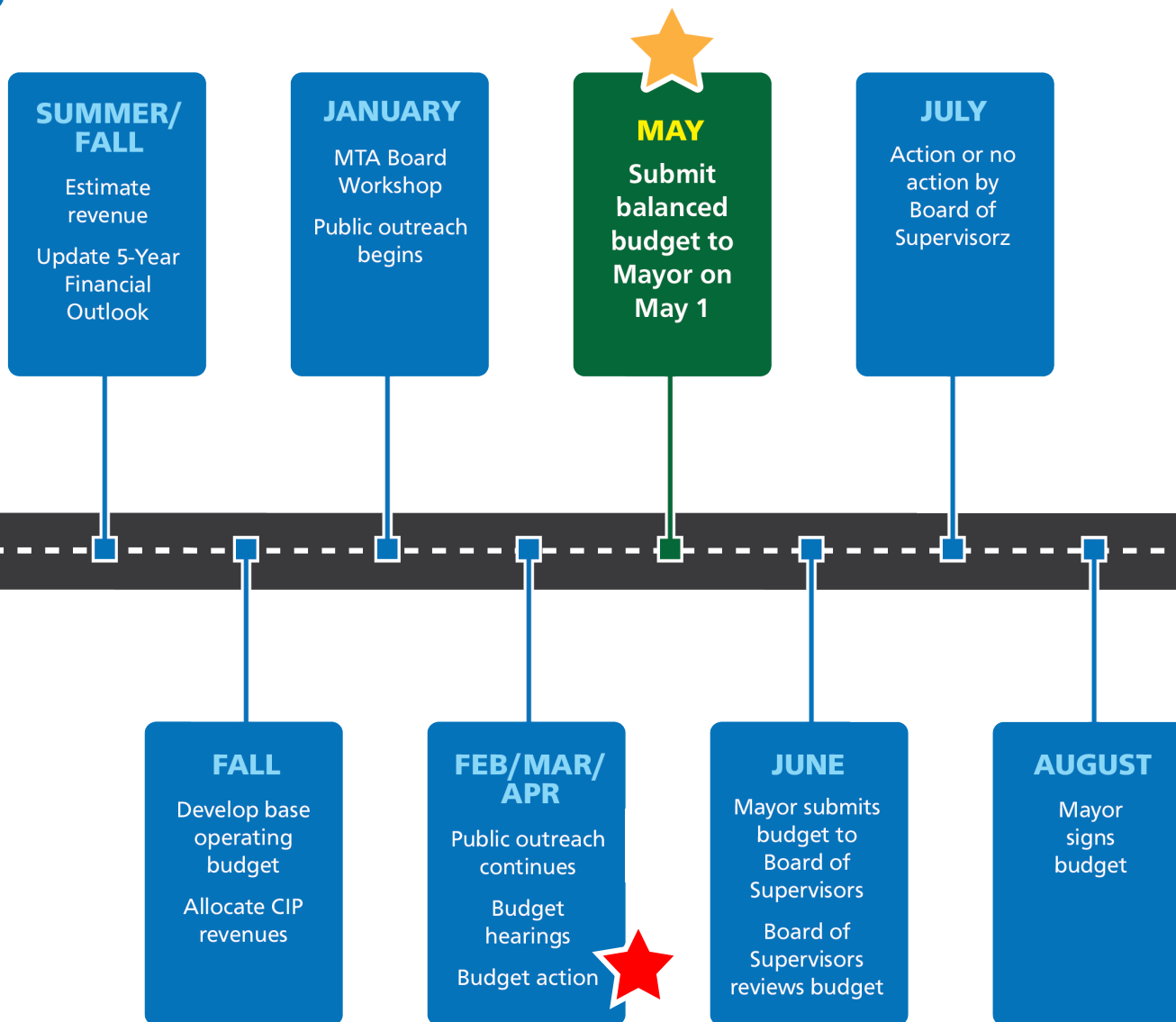
Future Deficits

Proposed budget reduces FY26-27 deficit to \$227.5M, from \$244.1M, a decrease of \$16.6M or 7%.



Next Steps

Budget Timeline



Today's ask

Vote on proposed FY 24-25 & FY 25-26 Consolidated Operating & Capital Budget



Appendix

Street Safety – *focus on delivery*

Internal coordination

- Priority implementation with the SFMTA Shops
- Frequent progress updates and biweekly project delivery review with staff to ensure smooth design and construction
- Monthly Vision Zero updates with agency leadership to assess progress in achieving goals
- Regular discussion and policy direction from the Board at the Vision Zero Committee meetings

Citywide collaboration

- Coordination with Public Utilities Commission and Public Works for Quick-Builds and Traffic Calming
 - Public Works to hire and dedicate a specific crew to SFMTA work
- Coordination with Fire to facilitate project approvals
- Partnership with Public Health and Police for data and reporting

Balance Equity and Ridership impact to transit fares

Due reduction in monthly pass multiplier, impact to transit fares is less than original recommendation, particularly in adult monthly and Lifeline Pass.

	Current	Original Recommendation	Revised Recommendation
Single ride fare – Clipper/Mobile/Paratransit Van (\$)*	2.50	2.75/3.00	2.75/2.85
Adult Monthly Pass (\$)	81.00	88.00/96.00	85.00/86.00
Lifeline Pass (\$)	40.00	44.00/48.00	43.00/43.00

*Cash fare remains unchanged

Balance Equity and Ridership impact to parking fines

Increase in parking fines offsets cost of maintaining Clipper discount and reducing monthly pass multiplier.

	Current	Original Recommendation	Revised Recommendation
Street Cleaning (\$)	90.00	95.00/99.00	97.00/105.00
Residential Overtime (\$)	102.00	107.00/108.00	108.00/108.00
Parking Meter Outside Downtown (\$)	92.00	97.00/101.00	99.00/107.00

Impact of Balance Equity and Ridership option

Revenue Type	Balance Equity and Ridership
Transit Fares	Creates more equitable fare structure; reduces monthly pass cost, potentially increasing ridership; reduces Lifeline pass cost
Parking Fines	16% increase over two years places moderate burden on drivers; many fines will reach cap
Taxi Fees	Reinstates fees suspended since pandemic; continues suspension for driver fees to promote participation