



San Francisco
Municipal
Transportation
Agency

Consolidated Budget Operating & Capital

FY 2025-2026 | April 16, 2024



Charter Section 8A.106 provides that the SFMTA must submit a two-year budget by May 1 of each even year to the Mayor and Board of Supervisors. The resolution approving the budget authorizes the Director of Transportation to work with the City Controller to conform the SFMTA's budgets to any changes in citywide budget submission schedules to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative.

The SFMTA has both an operating and capital budget. The SFMTA operating budget context for FY24-25 and FY25-26 includes the following factors:

- Revenue continues to be lower than pre-pandemic,
- One-time federal relief funds will be fully expended by FY25-26, and
- Expenditures continue to rise due to cost of living adjustments and inflation.

Similarly for the capital budget, projected capital revenue is down due to lower than projected general fund transfers and developer fees, as well as a reduction in operating support, general obligation bonds, and revenue bonds. Revenue constraints on both the operating and the capital budget are expected to continue for the foreseeable future, contributing to a structural deficit in FY26-27 and beyond.

As a result of this overall fiscal context, SFMTA's budget strategy for FY24-25 and FY 25-26 is:

- Focus on identifying new revenue opportunities available starting July 1, 2024 that are within SFMTA's administrative control and distributed across multiple transportation types to share the burden,
- Control expenditure growth by implementing only cost-neutral Muni service changes; maintain current service levels plus inflation,
- Stretch one-time sources like federal, state and regional transit relief, and
- Focus on closing near term deficits but manage with an eye towards addressing the SFMTA's larger long term structural deficit.

Operating Budget

The proposed FY24-25 and FY25-26 operating budgets are \$1,445.5 million and \$1,489.8 million, respectively. The proposed budget was reviewed by the SFMTA Board of Directors on January 30, 2024, March 5, 2024, March 19, 2024, and April 2, 2024.

Budget Development

On January 30, 2024, the SFMTA Board of Directors reviewed the operating baseline budget for FY24-25 and FY25-26, which included a \$12.7 million shortfall for FY25-26 and a \$240.0 million shortfall beginning in FY26-27.

At this meeting, staff proposed the following options to close the \$12.7 million shortfall:

- Eliminate the Clipper discount for Clipper and MuniMobile single rides fares – no change to cash fare,
- Increase parking fines slight above Indexing to 5% each year,
- Index Residential Parking Permit fees and include additional program costs to fully recover costs, and
- Reinstate and index taxi fees, excluding those paid by drivers.

Based on feedback from the Board at subsequent meetings held on March 5, March 19, and April 2, 2024, and from public and stakeholder groups, staff developed additional options to close the deficit and presented them to the Board.

Options presented included:

- Indexing all fares with no change to the Clipper Muni Mobile discount
- Reinstating all taxi fees, including those for drivers
- Increasing parking fines up to 10% each year
- Reducing the Clipper and Muni Mobile discount to \$0.25
- Indexing the cash fare

- Reducing the monthly pass multiplier from 32 to 30 over two years

Based on feedback from the Board of Directors and the public, the SFMTA modified the revenue options presented on January 30, 2024 to:

- Reduce the Clipper discount by \$0.25 in FY24-25 and index all fares in FY25-26, with the exception of single ride cash fares and
- Increase parking fines by 8% each year.
- Increases to residential parking permit fees and reinstatement of taxi fees, with the exception of drivers, remain unchanged from the January 30, 2024 proposal. For greater detail on these proposals see the Fares, Fees, Fines, Rates, and Charges section of this report.

Revenue

The SFMTA’s FY24-25 and FY25-26 proposed budget includes the following revenue assumptions:

- Estimates from the Controller’s Office on the General Fund Baseline transfers,
- Estimates from Metropolitan Transportation Commission (MTC) on the state and regional operating grants,
- Full utilization of State and Federal COVID relief funds,
- Direction of the Board of Directors regarding fare, fee and fine revenue, as described above,
- Estimates of Other revenue based on contractually negotiated advertising and real estate revenue, as well as use of fund balance.

Projected FY24-25 and FY25-26 revenue for the SFMTA budget is summarized below.

Table 1: Revenue Sources

Category	FY23-24 Budget (\$M)	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed 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	231.00	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%

*Includes use of one-time fund balance in FY24-25 and FY25-26

Expenditure

The SFMTA’s FY24-25 and FY25-26 proposed budget includes the following expenditure assumptions:

- Impact of 418 positions, included in the budget, placed on hiring hold, in alignment with division actual spending from FY 22-23,
- Impact of projected non-labor reductions in alignment with division actual spending in FY22-23, plus an inflation adjustment of 5% in FY24-25 and 2.7% in FY25-26,
- Projected wage increases based on labor negotiations,

- Use of fund balance of \$60.0 million,
- Addition of 36 Transit Fare Inspectors to increase fare compliance and participation in discount programs, and
- Addition of revenue, labor, and non-labor to enforce parking restrictions on Treasure Island, and
- Addition of revenue, labor, and non-labor to implement the Access for All grant.

Projected FY24-25 and FY25-26 expenditure for the SFMTA budget is summarized below.

Table 2: Expenditure by Category

Category	FY24-25 Proposed Budget (\$M)	Percent (%)	FY25-26 Proposed Budget (\$M)	Percent (%)
Labor	919.1	64	954.2	64
Professional Services	271.4	19	274.1	18
Overhead Recoveries	(22.1)	NA	(22.5)	NA
Materials & Supplies	99.5	7	105.5	7
Debt Service	27.8	2	27.8	2
Services of Other Departments	123.6	9	130.6	9
Other *	26.3	2	20.4	1
Total	1,445.5	100	1,489.8	100

* Includes one-time equipment and transfers to Capital projects

Consistent with prior budgets, labor is the largest source of expenditure in the FY24-25 and FY25-26 proposed budget. The cost of labor assumes an overhead recovery, by which a portion of operating budget positions are funded by capital project expenditure. Debt Service and Other are the smallest source of expenditure. The FY24-25 and FY25-26 proposed budget includes authority for one-time equipment expenditure in Other.

Labor expenditure funds 6,798 FTE in FY24-25 and 6,805 positions in FY25-26. Due to Charter restrictions that limit managerial positions to a statutorily mandated cap of 2.75% of the MTA’s total workforce, the majority of labor expenditure funds positions that directly provide service to the public. Most of SFMTA’s FTE are budgeted in the operating budget and support the daily operation of the agency. A relatively small number of FTE are funded by capital projects. The projected breakdown of operating and project positions is summarized below.

Table 3: Full-Time Employees by Employee Type*

Category	FY24-25 (FTE)	Percent (%)	FY25-26 (FTE)	Percent (%)
Operating Budget	6,288	92	6,294	92
Project Budget	510	8	511	8
Total	6,798	100	6,805	100

*Does not include authorized and unfunded FTE on budget hold or temporary status FTE

The proposed budget reflects 36 additional transit fare inspectors who will increase fare compliance and safety in the system, as well as seven FTE funded by the Treasure Island Development Authority to enforce parking controls on

Treasure Island. The increase of seven FTE between FY24-25 and FY25-26 reflects the annualization of the new transit fare inspector positions added as partial year positions in FY24-25.

Table 4: Expenditure by Function

Category	FY24-25 Proposed Budget (\$M)	Percent (%)	FY25-26 Proposed Budget (\$M)	Percent (%)
Transit	779.8	54	812.9	55
Streets	239.6	17	232.6	16
Taxi, Access, and Mobility	35.7	2	37.2	2
Administrative Support	245.8	17	249.3	17
Agency Wide	144.5	10	157.9	11
Total	1,445.5	100	1,489.8	100

Consistent with prior budgets, the majority of the proposed budget will be expended to support the delivery of transit via 72 Muni lines. The Administrative Support function includes all agency functions that support the work of the Transit, Streets, and Taxi, Access, and Mobility Division including finance and information technology, human resources, strategy and facilities management, safety, communications, government affairs, and the office of the executive director. The Agency Wide function includes expenditure that supports the entire agency including debt service, retiree pension and health care, and services of city departments such as risk management and information technology.

Table 5: Full-Time Employees by Division

Category	FY24-25 (FTE)	Percent (%)	FY25-26 (FTE)	Percent (%)
Transit	4,854	71	4,854	71
Streets	1,150	17	1,156	17
Taxi, Access, and Mobility	35	1	35	1
Administrative Support	760	11	760	11
Total	6,798	100	6,805	100

Consistent with prior budgets, the majority of FTE are in the Transit Division. Significantly, of the 6,798 budgeted FTE, 39 percent are Transit Operators. The Streets Division, with 1,156 FTE, is the second largest division. Of note, while the Administrative Support function is the second most expensive cost center, the function has many fewer FTE than the Transit and Streets Divisions, reflecting the high proportion of non-labor costs such as rent and worker’s compensation in the Administrative Support budget.

Division Workplans

The FY24-25 and FY25-26 SFMTA proposed budget of \$1,445.5 million and \$1,489.8 million, respectively, will fund a wide array of services in the coming two years:

Transit

Approximately 54 percent of the SFMTA budget funds the Transit Division, the agency’s largest division. The Transit Division focuses on performing on-going planning, procurement, operation, safety, and maintenance activities for the

country's 7th largest public transit system, including 1,000 motor coaches, trolley coaches, light rail vehicles, cable cars, historic and vintage streetcars, plus nearly 700 non-revenue vehicles, and 3,500 transit stops that deliver more than 450,000 passenger boardings per day. The Transit Division's focus for the coming two-year budget includes:

- Improve Muni service speed, frequency and reliability,
- Invest in maintenance,
- Support mode shift that reduces climate change,
- Launch a Muni Equity Strategy Working Group, and
- Improve communications and training for SFMTA staff.

Streets

Approximately 17 percent of the SFMTA proposed budget funds the Streets Division, the agency's second largest division. In the coming two years, the Streets Division will continue to plan, design, implement, maintain, and improve the city's street, transit, bicycle, pedestrian and parking infrastructure to meet the goals and objectives of the Transit First and Vision Zero Policies. The Streets Division focus for the upcoming two-year budget includes:

- Right-size Transit Fare Inspector staffing levels to support fare compliance,
- Implement automatic speed enforcement by installing 33 speed safety cameras and eight new automated photo enforcement locations,
- Maintain existing Vision Zero improvements such as colored curbs, signage, and other paint elements in a state of good repair, and
- Study expansion of Pay or Permit parking or other parking policy changes, including RPP 2.0.

Taxi, Access and Mobility Services

Approximately two percent of the SFMTA proposed budget funds the Taxi, Access and Mobility Services Division. In the coming two years, the Taxi, Access and Mobility Services Division will ensure all transportation modes are accessible to older adults and people with disabilities, continue to provide over 500,000 paratransit trips per year, and regulate the taxi and emerging mobility programs such as scooter share and commuter shuttles. The taxi, access and mobility services division focus for the upcoming two-year budget includes:

Develop Needs Assessment and 5-Year Accessibility Strategy,
Distribute over \$3 million in grants to improve accessible on-demand transportation to taxis through the Access for All Program,
Administer new application process and improve the adaptive Powered Scooter Share program,
Use data to identify speeding and coach/retrain drivers, update on-vehicle camera requirements, continue service audits of taxi driver customer service and dispatch/app service through the Taxi Driver Safety Initiative, and
Create a culture of caring internally and externally.

Administration

Approximately 17 percent of the SFMTA proposed budget funds administrative services such as finance and information technology, human resources, strategy and facilities management, safety, communications, government affairs, and the office of the executive director. The focus of the administrative services functions for the upcoming two-year budget includes:

- Collaborate with regional transit agencies, elected officials, and regional transit planning organizations to advocate for regional transit measure on 2026 ballot,
- Collaborate with policy makers to shape Autonomous Vehicles regulation,
- Advocate for legislative changes necessary to support RPP 2.0,
- Work with state legislators to write legislation to modernize curb side parking,
- Upgrade the SFMTA.com digital asset to Drupal 10, ensure compliance with SF's Digital Accessibility and Inclusion Standard, and improve its connection with the Salesforce CRM,
- Launch a community liaison program that continues to focus on cultural competency and building trust,
- Coordinate with Controller's Office to simplify project financial structure to simplify reporting,
- Implement asset management system to automate inventory control,

- Implement electronic management system to track and resolve payroll and employee relations issues,
- Implement scanning technology to make payroll processing more efficient,
- Identify and implementing best practices for project delivery and ridership recovery, and
- Audit utility use (water, natural gas, power) to reduce energy costs.

Agency Wide

Approximately ten percent of the proposed SFMTA budget funds agency wide expenses such as debt service, retiree pension and health care, and services from other city departments that support the entire agency such as information technology and risk management.

Year-Over-Year Comparison (YOY)

The proposed FY24-25 and FY25-26 budget reflects a significant re-alignment to increase transparency and more accurately reflect historic expenditure patterns.

On the revenue side, General Fund growth estimates are consistent with City projections and are much lower than previous budgets due to weak local economic fundamentals. Notably, the FY24-25 shows a significant increase in Operating Grants when compared to the FY23-24. This change reflects a correction to be more consistent with grantor projections. Growth in Operating Grants in FY25-26 is a reversion to the mean following the FY24-25 correction and is therefore much lower than FY24-25 growth relative to FY23-24. Federal and State Relief revenue is expected to be fully expended in FY25-26. Both Parking and Transit Revenue show significant decreases in FY24-25 relative to FY23-24, reflecting an increased understanding of post-pandemic transportation patterns. FY25-26 growth reflects a reversion to the mean following the FY24-25 correction. Due to the use of \$60.0 million in fund balance over the two years, Other Revenue is higher than in FY23-24.

Table 6: Year Over Year Revenue Sources

Category	FY23-24 Budget	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed 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	236.0	256.6	17.3	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	76.8	67.3	59.2	-12.4
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

*Includes use of one-time fund balance in FY24-25 and FY25-26

On the expenditure side, the FY24-25 budget and FY25-26 budget reflect a significant re-alignment to increase transparency and more accurately reflect historic expenditure patterns. In FY24-25, Labor expenditure is lower than FY23-24 budget authority, despite proposed wage increases, which are offset by 418 positions being placed on budget hold. This decrease acknowledges the pace of hiring relative to budgeted, vacant positions. In FY25-26 growth in labor expenditure reflects proposed wage increases. The FY24-25 and FY25-26 budget includes allowances for inflation over FY22-23 actuals in non-personnel costs, professional services, and materials and supplies. The significant increase in materials and supplies reflects materials needed to maintain light rail vehicle brakes coming off warranty. The significant increase in Other in both FY24-25 and FY25-26 is driven by expenditure authority for equipment. FY25-26 Other

expenditure is lower than FY24-25 due to greater investment in one-time equipment purchases in the first year of the two-year budget cycle.

Table 7: Year Over Year Expenditure by Type

Category	FY23-24 Budget (\$M)	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed 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)	(22.1)	(22.5)	-34.9	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	20.4	6486.3	-22.6
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

* Includes onetime equipment and transfers to Capital projects

Small FY24-25 increases in the Transit and Streets Divisions are offset by decreases in the Taxi, Access, and Mobility Division. The decrease in Taxi, Access and Mobility reflects a rightsizing of the professional services contract for paratransit services to reflect actual historic usage, plus an assumed 5 percent increase. The FY24-25 decrease in Agency Wide and increase in Administrative Support reflects transferring expenditure, such as transit fares due to other transit agencies for shared rides, from Agency to Administrative Support. The growth in Administrative Support also reflects transfers of function, such as the consolidation of contracting and Equal Employment Opportunity functions, and consolidation of agency-wide Real Estate and Worker’s Compensation expenditures. The FY25-26 decrease in Streets reflects a return to baseline following large one-time enhancements in FY24-25, including \$6.0 million for elevator repairs and \$3.0 million for cameras for automatic speed enforcement.

Table 8: YOY Expenditure by Division

Category	FY23-24 Budget (\$M)	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed 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

Reserves and Fund Balance

In 2007, the SFMTA Board approved a Contingency Reserve Policy, which directed the establishment of an operating

reserve with the goal of setting aside a total of 10% of operating expenditures. Based on the proposed FY24-25 and FY25-26 budget, the 10% operating reserve is \$141.5 million in FY24-25 and \$145.0 million FY25-26.

As of the City of San Francisco Six-Month Budget Status Report Report, the SFMTA projected year-end fund balance of \$60.0 million. The FY24-25 and FY25-26 operating budget appropriates all \$60.0 million of this fund balance as described below. One-time operating expenditures reflect one-time investments such as upgrading the SFPark operating system to the most current software version. One-time capital expenditures backfill lower than projected transfers from the General Fund (Population Baseline) that typically support capital improvements. On-going operating expenditures reflect upgrades for critical software systems. Use of fund balance to support on-going operating expenditures indicates a structural budget weakness and underscores the need to increase revenues to match expenditure in future budget years.

Table 9: Use of Fund Balance

Category	FY24-25 (\$M)	FY25-26 (\$M)
Beginning Fund Balance	60.0	21.3
One-Time Capital Expenditures	4.7	6.2
One-Time Operating Expenditures	22.8	4.0
On-going Operating Expenditures	11.1	11.1
Ending Fund Balance	21.3	0.0

Capital Budget

On November 16, 2021, the SFMTA Board approved the Agency’s 20-Year Capital Plan for FY 2022-23 through FY 2042-43. The Capital Plan represents the Agency’s *fiscally unconstrained capital needs* for the next 20 years. The 20-year Capital Plan serves as the basis for developing the fiscally constrained five-year Capital Improvement Program (CIP), the first two years of which comprise the two-year capital budget. Given limited funding availability, the SFMTA prioritizes the capital projects that can be advanced during each two-year capital budget.

The SFMTA has prepared a two-year balanced capital budget for FY24-25 and FY25-26 in the amount of \$423.3 million and \$586.3 million for submittal by May 1, 2024, to the Mayor and Board of Supervisors as required by Charter Section 8A.106. The proposed SFMTA FY24-25 and FY25-26 capital budget is the agency’s two-year capital financial plan and consolidated capital program.

The two-year capital budget recommends a variety of capital projects addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility. These recommended projects continue to reflect the SFMTA Board of Directors’ adopted policies and plans, including Vision Zero, Transit First, the San Francisco Pedestrian Strategy, the SFMTA Bicycle Strategy, the City and County of San Francisco Adopted Area Plans, the SFMTA Strategic Plan, and the San Francisco County Transportation Plan. Complete scope and funding plans for recommended projects will be reflected in the SFMTA CIP 2024-2029, also presented for adoption on April 16, 2024. Projects recommended through this two-year budget include infrastructure investments, as well as various procurements and other one-time initiatives and are allocated across eleven programs.

Development Fees and Population-Based General Fund Allocation

The proposed SFMTA two-year capital budget includes expenditure authority of \$76.5 million in FY24-25 and \$78.0 million in FY24-25 in the operating budget. The majority of this funding comes from the General Fund Population Baseline, which is received through the operating budget but legislatively allocated 75 percent to projects that improve Muni’s reliability, frequency of service, or pay for Muni repairs and 25 percent to capital street safety improvements. Other funding includes annual state of good repair funds received from the region and commuter shuttle fee revenue.

The operating budget also appropriates fund balance to back-fill General Fund Population Baseline funds that were assumed when developing the capital budget but whose projections were subsequently decreased due to lower General Fund projections. Finally, the operating budget appropriates Transit Congestion Management Tax received but unappropriated in a prior year. These funds must be appropriated before they can be expended. Funds appropriated in the operating budget to support capital are summarized below.

Table 10: Consolidated Budget Support for Capital

Revenue Source	FY24-25 (\$M)	FY25-26 (\$M)
Population Baseline	57.0	59.2
State of Good Repair	11.8	12.1
Fund Balance	4.7	6.2
Transit Congestion Management Tax	2.5	0.0
Commuter Shuttle Permit Fees	0.6	0.6
Total	76.5	78.0

Fares, Fees, Fines, Rates, and Charges

The Operating Budget includes transit fare revenue of \$108.6 million in FY24-25 and \$113.6 million in FY25-26. Transit fare projections include revenue generated by the fare, fee and fine changes described below.

Fare Changes

- Single Ride Fares – Beginning in January 2017, the SFMTA Board suspended indexing of single ride cash fares purchased on Clipper and MuniMobile, creating the current \$0.50 discount. The purpose of this change was to incentivize pre-payment of fares and the transition of more customers to the regional Clipper regional fare payment system. The initial discount was \$0.25 in FY 2017-18 and increased to \$0.50 in FY 2019-20. SFMTA data shows that this behavior change has occurred. Only 20% of SFMTA single-ride fares are currently paid with cash.
- While the Clipper Discount was effective in supporting the transition to Clipper, it is unequitable. SFMTA demographic data shows riders who pay the single-ride cash fare have the fewest economic resources. To make the fare structure more equitable, SFMTA proposes reducing the Clipper discount by \$0.25 in FY24-25 and index all fares, excluding the single ride cash fare, in FY25-26. The single ride Clipper fare serves as the basis for single ride fares paid with Clipper or Muni Mobile for seniors and people with disabilities, paratransit group van service, and monthly, daily and visitor passes, so these fares will also increase accordingly.
- Multi-Day Visitor Passes - In 2018, the MTAB Board approved discount fares for the multi-day passes valid for use on all Muni service, including cable car, when purchased on MuniMobile versus Clipper or cash. The goal of the discount was to encourage pre-payment and to reduce in-person sales at the SFMTA sales kiosk, as well as to reduce cash handling on board cable cars. The MuniMobile fare model is based on an assumption of reasonable usage of the pass. For example, the one-day pass price assumes one cable car ride (\$8) and one all day Muni pass (\$5), for a total of \$13.00. The Clipper and cash fare model is based on the indexing formula, which over time, has resulted in the price of the pass exceeding the value to customers, with the one-day pass currently priced 73 percent higher at \$24.00.
- The two-tier price structure has led to two problems. First, the mismatch between price and value for the Clipper and cash multi-day passes has depressed sales. Second, staff report that the current fare structure results in on-going complaints from customers who purchase at the higher fare, unaware of the discount option. To address these problems, a pilot program was implemented in November 2023 to eliminate the fare differential. Based on the results to date, revenue loss associated with the fare decrease of these products have been largely offset by an increase in sales.
- California Cable Car Line All Day pass – From July 1, 2023 to December 31, 2024, the SFMTA introduced a pilot

program for an all-day pass limited to use on the California Cable Car route. Priced at \$5.00 this pilot was intended to induce demand on an underutilized cable car route, allowing customers to travel round-trip or make stops along the route. The six-month pilot was highly successful in generating additional ridership which offset potential revenue loss by offering this pass at a rate less than the standard Cable Car fare. Due to the success of this pilot program, the SFMTA has proposed to adopt this as a permanent product.

Staff is also recommending the approval of free service on New Year's Eve 2025 and 2026 consistent with other regional operators to promote transit use and safe travel.

All fare changes for FY24-25 will take effect January 1, 2025 and July 1, 2026 for FY25-26.

Parking Fines

SFMTA policy is to increase parking and transit violation fines by its Indexing policy. In order to generate additional revenue, SFMTA proposes to increase parking and other finest fines by eight percent.

Residential Parking Permits

Historically, SFMTA policy has been to set the price of permits to recover the cost of providing the permitted service. Historically, the cost of a residential parking permit (RPP) has not included the costs of processing and adjudicating citations, or policy staff who oversee changes and expansions of the RPP program. To cover these additional costs, the SFMTA proposes to increase the RPP permit fee from \$170.00 to \$190.00 in FY24-25 and to \$215.00 in FY25-26, an increase of 12% and 13% respectively. The RPP fee will then be subject to Indexing beginning in FY26-27 on an ongoing basis.

Taxi Fees

During the pandemic all Taxi fees were suspended because, like nearly all industries in San Francisco, demand for taxis were severely impacted due to shelter in place. Fees were suspended to provide relief to the taxi industry to allow the industry sufficient time to recover.

At this time, staff are recommending reinstating fees, except for those assessed to drivers. Continuing to waive driver fees supports driver recruitment and retention, which are necessary in the face of a continued driver shortage.

Re-instated fees include fees associated with Taxi companies (Color Schemes, Dispatch Services) and Medallions. Renewal fees for Transferable Medallions ("Purchased" Medallions) are already eliminated, thus those Medallion Holders will not be impacted. The taxi permit fees will be set for FY24-25 and then subject to Indexing beginning in FY25-26.

Other Fees

The SFMTA is also proposing the following routine parking fee increases:

- Exclusive use of parking meter fee – Increasing the daily fee charged for taking parking meters out of service for construction related activities by \$1 per 25 linear feet of construction frontage each year on an on-going basis,
- Parking meter use fee – Increasing the daily fee charged for taking parking meters out of service for non-construction related activities by \$1 per day each fiscal year on an on-going basis,
- City-wide variable parking meter rates – Increasing the maximum hourly rate that may be charged in parking meter areas by \$1 each fiscal year on an on-going basis to increase occupancy.

PUBLISHED NOTICE

Charter Section 16.112 requires published notice and a hearing before the SFMTA may institute or change any schedule of rates or charges which affect the public. The Board's Rules of Order require that the advertisement run for at least five days and not less than five days prior to the public hearing. In compliance with both Charter Section 16.112 and the SFMTA Board's Rules of Order, advertisements were placed in the City's official newspaper beginning on March 20, 2024 to provide notice that the Board of Directors will hold public hearings on April 2, 2024, April 16, 2024, and April 23, 2024 (if needed) to consider the above modifications.

TITLE VI

As a federally funded agency, the SFMTA must comply with Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. Before the SFMTA Board can approve the Agency's fare policy and pricing or a service change, a Title VI fare equity analysis must be approved by the SFMTA Board in accordance with the Federal Transit Administration's (FTA) Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," to determine whether those changes will have a disparate impact based on race or a disproportionate burden on low-income communities. (FTA Circular 4702.1B, Chapter IV-11)

Based on FTA Circular 4702.1B, Chapter IV-19, transit providers are required "to evaluate the impacts of their proposed fare changes (either increases or decreases) on minority and low-income populations separately." In order to make an appropriate assessment of disparate impact on communities of color or disproportionate burden on low-income communities with regard to the proposed fare changes, the analysis compares available customer survey data and shows the number and percent of minority riders and low-income riders using a particular fare media in order to establish whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type or payment media that would be subject to the fare change.

A Title VI Analysis addressing the potential fare changes is included as Enclosure 3, which includes a cumulative analysis of proposed fare changes based on available customer survey data for changes to current fare types. For the proposed fare increases, including the Clipper Card single-ride fare of \$0.25 in FY24-25, the equity analysis resulted in no finding of disparate impact based on race or a finding of disproportionate burden on low-income communities. For the proposed decrease of the surcharge on multi-day visitor passes, which reduces the overall cost for all users and brings the passes in line with the same visitor passes purchased on MuniMobile, the analysis resulted in both a finding of disparate impact based on race and a disproportionate burden on low-income communities. The finding of disparate impact was a result of the elimination of the surcharge, which benefited more non-minority and non-low-income users of the pass based on 2017 on-board survey data (the most recently available data) than protected users of the pass. It's important to note that 2017 survey data indicated 88% of the pass users self-identified as visitors, which is a constantly changing population and therefore difficult to capture an accurate demographic profile and fully ascertain impacts on protected versus non-protected populations.

When a disparate impact is found, FTA Circular 4702.1B, Chapter IV-20 states: "If a transit provider chooses not to alter the proposed fare changes despite the disparate impact on minority ridership, or if the transit provider finds, even after the revisions, that minority riders will continue to bear a disproportionate share of the proposed fare change, the transit provider may implement the fare change only if (i) the transit provider has a substantial legitimate justification for the proposed fare change, and (ii) the transit provider can show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider's legitimate program goals."

When a disproportionate burden is found, FTA Circular 4702.1B, Chapter IV-21 provides: "At the conclusion of the analysis, if the transit provider finds that low-income populations will bear a disproportionate burden of the proposed fare change, the transit provider should take steps to avoid, minimize or mitigate impacts where practicable. The transit provider should describe alternatives available to low-income populations affected by the fare changes."

Staff recommends moving forward with this discount as there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge or alternatives that would have a less disparate impact on minority riders 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. As discussed above, the vast majority of the users of the visitors' passes are an ever-fluctuating population and it is difficult to ascertain exactly which groups are benefiting from the proposed decrease of the surcharge; all users of this pass, including those who pay with cash, will benefit from the discount. Although a small percentage of overall users, regular Muni riders who purchase this pass will also benefit from the reduced surcharge, as well as Muni's free and reduced fares for which they qualify. A full discussion is included in the attached analysis.

If the SFMTA Board chooses not to move forward with any of the proposed fare changes as analyzed, or if additional fare proposals are made for consideration, the required analysis will need to be updated to analyze whether the changes result in a disparate impact finding or a finding of disproportionate burden.

STAKEHOLDER ENGAGEMENT

The following schedule summarizes the major outreach efforts for the SFMTA Operating and Capital Budget:

Action	Date
SFMTA Board Informational Presentation: FY22-23 Financial Year in Review SFMTA Board Informational Presentation: Transportation 2050 Program Initiatives and Capital Needs and Requirements; State of Good Repair; Unconstrained Capital Plan Report	December 5, 2023
Citizens' Advisory Council (CAC) Meeting #1	December 7, 2023
Board Information: Budget Overview & Strategic Approach	January 16, 2024
SFMTA Board Workshop	January 30, 2024
Citizens' Advisory Council (CAC) Meeting #2	February 1, 2024
Public Listening Session (Virtual)	February 22, 2024
Public Listening Session (In-person)	March 2, 2024
SFMTA Board Informational Presentation: Revenue Options – Fares & Parking Policy, Fees and Fines	March 5, 2024
Citizens' Advisory Council (CAC) Meeting #3	March 7, 2024
SFMTA Board Adoption of Fees and Fines	March 19, 2024
SFMTA Board Public Hearing: FY24-25 & FY25-26 Budget	April 2, 2024
SFMTA Board Adoption of FY24-25 & FY25-26 Budget (first opportunity)	April 6, 2024
SFMTA Board Adoption of FY24-25 & FY25-26 Budget (second opportunity, if needed)	April 23, 2024

Outreach strategies also included a comprehensive multilingual strategy including:

- Informational cards posted on all Muni vehicles,
- Ads placed in 13 neighborhood and city-wide newspapers,
- Social media posting on official SFMTA accounts and advertising campaigns,
- An on-line budget balancing tool to help members of the public learn about the tradeoffs our agency is considering as we develop the budget,
- Direct email to members of the public signed up for agency updates,
- Individual briefings were offered to over 50 community organizations and stakeholders, including Board of Supervisors' offices, formal advisory councils and committees, and multiple advocacy groups.

A detailed list of the outreach strategy is included in the Title VI Fare Equity Analysis (Enclosure 3).

ALTERNATIVES CONSIDERED

The SFMTA Board considered various options at the January 30, 2024 Workshop, and at the SFMTA Board meetings on March 5, 2024, March 19, 2024, and April 2, 2024.

FUNDING IMPACT

Operating Budget

The proposed FY24-25 and FY25-26 Operating Budgets will provide 1,445.5 million and \$1,489.8 million, respectively, for operating expenditures and a portion of capital projects funded through City and County of San Francisco sources.

Capital Budget

The Proposed FY24-25 and FY25-26 consolidated budget will provide \$76.5 million and \$78.0 million respectively for capital projects out of a total capital budget of \$423.3 million and \$586.3 million. Approval of the budget resolution appropriates City and County of San Francisco and regional sources outside of the authority of the SFMTA to accept and expend absent budget approval.

ENVIROMENTAL REVIEW

On April 5, 2024, the SFMTA, under authority delegated by the Planning Department, determined that the SFMTA Consolidated Capital and Operating Budget for Fiscal Years 24-25 and FY25-26 is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

The adoption of this resolution does not constitute the approval of any specific project recommended in the budget. Rather, recommended projects would be subject to CEQA review, and other approvals as applicable, as determined according to their scopes.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Proposition J Certifications

Section 10.104.15 of the San Francisco Charter allows City departments to contract for services where such services can be practically performed under private contract at a lesser cost than similar work performed by City employees as determined by the Controller. The Board of Supervisors has requested that all Proposition J certifications be included as part of the SFMTA's budget. In response to this request, six contracts (listed below) were identified as requiring Proposition J certifications. The following certifications are being reviewed by the Controller's Office and are pending:

- Facility Security Services
- Transit Shelter Maintenance Services
- Paratransit Services
- Citation Processing Services
- Vehicle Towing, Storage and Disposal Services; and
- Parking Meter Payment Collection and Coin Counting Services.

For the two-year capital budget, the SFMTA Board and Board of Supervisors will approve contracts as necessary for completion of capital projects.

The City Attorney has reviewed this calendar item.

RECOMMENDATION

SFMTA staff recommend that the Board of Directors approve the San Francisco Municipal Transportation Agency Fiscal Year (FY) 24-25 and FY25-26 Operating Budget, in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer of operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1 million respectively; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million respectively; and taking related actions including (a) certifying that the FY24-25 and FY25-26 Operating and Capital budgets are adequate in making substantial progress towards meeting the performance standards established pursuant to Charter Section 8A.103; (b) acting as both the SFMTA Board of Directors and the Parking Authority Commission approving increases to various fines, fees, rates, and charges beginning July 1, 2024, and July 1, 2025 in excess of the Automatic Indexing Implementation Plan (Indexing) including, among other things adopting a higher indexing rate for parking and other penalties, increasing the daily non-construction related parking meter rate, the construction-related parking meter use fee, and parking meter use fees annually, increasing the residential parking permit fees to a set amount for FY24-25 and FY25-26 and applying an automatic index beginning July 1, 2026, reinstating a base fee for taxi permits and applying an automatic index to those fees beginning July 1, 2025, and changing transit fares including increasing the Clipper Fare and decreasing the surcharge on multi-day visitor passes; (c) authorizing the Director to implement short-term experimental fares and parking rates and fees under certain conditions; (d) concurring with the Controller's certification that parking citation processing and collection services, facility security services, paratransit services, parking meter collection and coin counting services, transit shelter maintenance services, and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than to provide the same services with City employees; (e) approving the Title VI Fare Equity Analysis for proposed fare changes, resulting in no finding of disparate impact based on race or disproportionate burden on low-income communities with the proposed fare increases and a finding of disparate impact based on race and a disproportionate burden on low-income communities related to decreasing the surcharge on multi-day visitor passes; (f) authorizing the Director to make necessary technical and clerical corrections to the approved FY24-25 and FY25-26 Operating budget of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget, provided that the Director of Transportation shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that, in aggregate, exceed a ten percent change to the SFMTA operating budget; and (g) authorizing the Director to work with the City Controller to conform the SFMTA's budgets to any change in citywide budget submission schedules submitted to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Fiscal Year (FY) 24-25 and FY25-26 Operating and Capital Budgets for the SFMTA are being prepared in accordance with the City Charter Section 8A.106 with the Operating Budget, in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer of operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million respectively; and,

WHEREAS, The FY24-25 and FY25-26 Operating Budgets include a \$141.5 million and \$145.0 million Contingency Reserve, representing 10% of operating expenditures, pursuant to the Contingency Reserve Policy established in SFMTA Board Resolution No. 07-038; and,

WHEREAS, Under Charter Section 8A.106(b) the SFMTA Board of Directors has received various presentations, staff reports and comments from the public and certifies that the budget is adequate in all respects to make substantial progress towards meeting the performance standards established pursuant to Charter Section 8A.103 for the fiscal years covered by the budget; and,

WHEREAS, The SFMTA's FY24-25 and FY25-26 Operating Budget includes the revenue and expenditure adjustments to reflect the Municipal Railway fare change for free service on New Year's Eve 2025 and 2026; and,

WHEREAS, The SFMTA Board of Directors finds that authorizing the Director of Transportation to implement short-term experimental transit fares and parking rates and fees for up to six months, will enable the SFMTA to respond effectively to community requests and public health and safety emergencies; and,

WHEREAS, The Director of Transportation should be authorized to make any necessary technical and clerical corrections to the approved budgets of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating and capital budget, provided that the Director of Transportation return to the SFMTA Board of Directors for approval of technical or clerical corrections or that allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget that, in aggregate, exceed ten percent of the total SFMTA FY24-25 or FY25-26 operating or capital budgets respectively; and,

WHEREAS, The SFMTA is proposing changes to various fines, fees, rates, and charges by amending the Transportation Code for the fiscal years beginning July 1, 2024 and July 1, 2025; and,

WHEREAS, The proposed amendments to the Transportation Code to address fees and penalties for the fiscal years beginning July 1, 2024, and July 1, 2025, include, among other things, increase the amount that the SFMTA will escalate certain parking and other fines above the annual index for the next two years; increase the non-construction related parking meter fee daily rate annually; increase the fee for construction-related parking meter use annually; increase the Residential Parking Permit fees to a set amount for Fiscal Years 2024-2025 and 2025-2026 and apply an automatic index beginning July 1, 2026; reinstate a base fee for certain taxi permits and apply an automatic index to those permit fees beginning July 1, 2025; and increase Citywide Variable Parking Meter rates annually; and,

WHEREAS, The SFMTA is proposing changing transit fares including increasing the Clipper and Muni Mobile single ride fare and decreasing the surcharge on multi-day visitor passes; and authorizing all fare changes for FY24-25 to take effect January 1, 2025; and,

WHEREAS, The changes in various fees, fares, rates and charges are necessary to meet SFMTA operating expenses, including employee wages and benefits or to purchase and lease essential supplies, equipment and materials; and,

WHEREAS, Since Charter Section 16.112 requires published notice and a hearing before the SFMTA may institute or change any schedule of rates or charges which affect the public and the Board's Rules of Order require that the advertisement run for at least five days and not less than five days prior to the public hearing, advertisements were placed in the City's official newspaper on March 20, 2024, to provide notice of the public hearings held on April 5, 19, and 26, 2024, to consider the above modifications; and,

WHEREAS, The SFMTA held public hearings, in-person and online meetings to hear public comment on the two-year Operating and Capital Budgets, and the SFMTA's Citizens Advisory Council also held meetings to consider the two-year Operating and Capital Budget; and,

WHEREAS, As a result of the extensive, multilingual outreach campaign, the SFMTA collected over 500 instances of feedback, questions, comments, and concerns on its FY24-25 and FY25-26 budget; and, in response to the feedback received, adjusted its policy proposals and budget recommendations; and,

WHEREAS, On April 5, 2024, the SFMTA, under authority delegated by the Planning Department, determined

that the SFMTA Consolidated Capital and Operating Budget for FY24-25 and FY25-26 is not a “project” under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, The adoption of this resolution does not constitute the approval of any specific project recommended in the budget. Rather, recommended projects would be subject to CEQA review, and other approvals as applicable, as determined according to their scopes; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; and,

WHEREAS, Title VI of the Civil Rights Act of 1964 (Title VI) applies to programs and services receiving federal funding and prohibits discrimination based on race, color, or national origin from federally funded programs such as transit; and,

WHEREAS, Pursuant to Federal Transit Administration’s (FTA) Circular 4702.1B, as a federally funded agency that must comply with Title VI, the SFMTA has prepared a fare equity analysis that analyzes the impacts of proposed fare changes (both increases and decreases) in order to make an appropriate assessment of disparate impact on communities of color or disproportionate burden on low-income communities with regard to the proposed fare changes; and,

WHEREAS, For the proposed fare increases, the equity analysis resulted in no finding of disparate impact based on race or a finding disproportionate burden on low-income communities; and,
WHEREAS, For the proposed decrease of the surcharge on multi-day visitor passes, which would reduce the overall cost for all pass users and bring them in line with the same visitor passes purchased on MuniMobile, the analysis resulted in both a finding of disparate impact based on race and a disproportionate burden on low-income communities; and,
WHEREAS, When a disparate impact is found and a transit provider proposes to move forward with the fare change, under FTA Circular 4702.1B a transit provider must have (i) a substantial legitimate justification for the proposed fare change, and (ii) show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider’s legitimate program goals, and when a disproportionate burden is found, a transit provider should take steps to avoid, minimize or mitigate impacts where practicable and should describe alternatives available to low-income populations affected by the fare changes; and,

WHEREAS, Staff recommends moving forward with the proposed decrease of the surcharge on multi-day visitor passes as there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge on low-income riders or alternatives that would have a less disparate impact on minority riders but would still accomplish 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; and,

WHEREAS, Charter Section 10.104.15 allows City departments to contract for services where such services can be practically performed under private contract at a lesser cost than similar work performed by employees of the City and County, as determined by the Controller and approved annually by the Board of Supervisors; and,

WHEREAS, The SFMTA has ongoing contracts for parking citation processing and collection services; facility security services; paratransit services; parking meter collection and coin counting services; transit shelter maintenance services; and vehicle towing, storage and disposal services; and,

WHEREAS, The Controller has determined, or is expected to determine, that for FY24-25 and FY25-26, parking citation processing and collection services; facility security services; paratransit services; parking meter collection and coin counting services; transit shelter maintenance services; and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than if they were performed by employees of the City; and,

WHEREAS, Charter Section 8A.106 provides that the SFMTA must submit a two-year budget by May 1 of each

even year to the Mayor and Board of Supervisors; and now, therefore, be it

RESOLVED, That the SFMTA Board of Directors approves the San Francisco Municipal Transportation Agency FY24-25 and FY25-26 Operating Budget, in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer of operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1 million respectively; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million and be it further

RESOLVED, That in accordance with the requirements of Charter Section 8A.106(b), the SFMTA certifies that the FY24-25 and FY25-26 Operating and Capital budgets are adequate in making substantial progress towards meeting the performance standards established pursuant to Section 8A.103; and be it further

RESOLVED, That the SFMTA Board of Directors approves the Title VI analysis of the impact of the proposed fare change on low-income and minority communities in San Francisco, which, for fare increases, resulted in no finding of disparate impact based on race or a finding disproportionate burden on low-income communities and for the proposed decrease of the surcharge on multi-day visitor passes, resulted in both a finding of disparate impact based on race and a disproportionate burden on low-income communities; and be it further

RESOLVED, The SFMTA Board of Directors finds that there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge on multi-day visitor passes on low-income riders or alternatives that would have a less disparate impact on minority riders but would still accomplish the SFMTA's legitimate program goals of providing improved access to the 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; and be it further

RESOLVED, That the SFMTA Board of Directors approves changes to transit fares including increasing the Clipper and Muni Mobile single ride fare and decreasing the surcharge on multi-day visitor passes; and authorizing all fare changes for FY24-25 to take effect January 1, 2025; and be it further

RESOLVED, That the SFMTA Board of Directors amends Transportation Code Division II to increase the amount that the SFMTA will escalate certain parking and other fines above the annual index for the next two years; increase the non-construction related parking meter fee daily rate annually; increase the fee for construction-related parking meter use annually; increase the Residential Parking Permit fees to a set amount for Fiscal Years 2024-2025 and 2025-2026 and apply an automatic index beginning July 1, 2026; reinstate a base fee for certain taxi permits and apply an automatic index to those permit fees beginning July 1, 2025; and increase Citywide Variable Parking Meter rates annually; and be it further

RESOLVED, That the SFMTA Board of Directors approves a waiver of fares on New Year's Eve 2025, between 8 PM on December 31, 2024 and 5 a.m. January 1, 2025 and on New Year's Eve 2026, between 8 PM on December 31, 2025 and 5 a.m. January 1, 2026; and be it further

RESOLVED, That the Director of Transportation is authorized to implement short-term experimental fares and parking rates and fees up to six months which enable the SFMTA to respond effectively to community requests and public health and safety emergencies; and be it further

RESOLVED, That the SFMTA Board of Directors concurs with the Controller's certification that parking citation processing and collection services; facility security services; paratransit services; parking meter collection and coin counting services; transit shelter maintenance services; and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than to provide the same services with City employees; and be it further

RESOLVED, That the SFMTA Board of Directors will continue to work diligently with the Board of Supervisors and the Mayor's Office to develop new sources of funding for SFMTA operations pursuant to Charter Section 8A.109; and be it further

RESOLVED, That the FY24-25 and FY25-26 Operating Budget includes \$141.5 million and \$145.0 million Contingency Reserve, representing 10% of operating expenditures, pursuant to the Contingency Reserve Policy established in SFMTA Board Resolution No. 07-038; and be it further

RESOLVED, That the Director of Transportation is hereby authorized to work with the City Controller to conform the SFMTA's budgets to any change in citywide budget submission schedules submitted to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative; and be it further

RESOLVED, That the Director of Transportation is hereby authorized to make any necessary technical and clerical corrections to the approved FY25-26 and FY25-26 Operating budget of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget, provided that the Director of Transportation shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget that, in aggregate, exceed a ten percent change to the SFMTA operating budget.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors and the Parking Authority Commission at their meeting of April 16, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency