



SFMTA

San Francisco Municipal Transportation Agency

Balancing our FY 2025 & 2026 Budget

In-person listening session
March 2, 2024



We want to work together to create an equitable and sustainable transportation network for the future.

The SFMTA budget pays for ...



72 MUNI LINES



BUSES AND LRVS



CABLE CARS



2,500 MUNI DRIVERS



PARATRANSIT



CROSSING GUARDS



STREET DESIGN



TAXIS



BIKESHARE



TRAFFIC SIGNALS



STREET SAFETY



TRANSIT INFRASTRUCTURE

Recent Accomplishments



CENTRAL SUBWAY



MORE THAN .5M PARATRANSIT TRIPS



BAYVIEW TRANSPORT RESOURCE CTR



467 MILES OF BIKEWAYS



43 MILES OF SLOWER STREETS



RIDERSHIP UP 25%

SFMTA Operating Budget



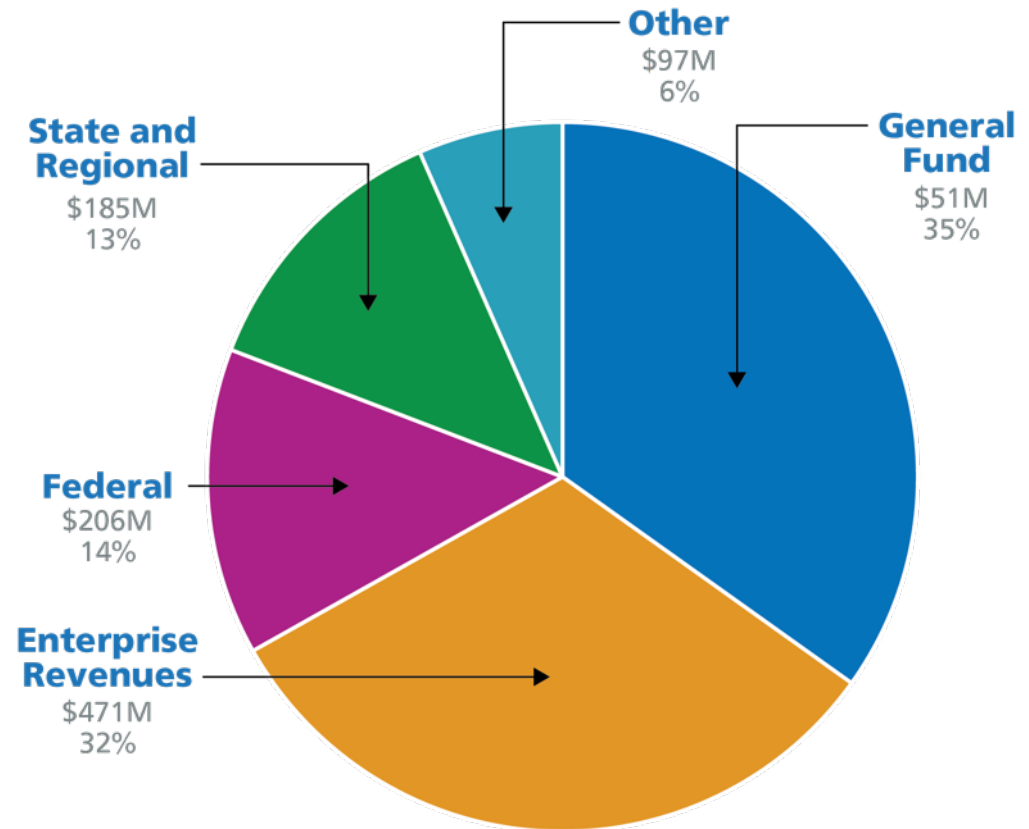
SFMTA is an Enterprise Agency

The SFMTA receives some funds from SF's General Fund, but we have to make up the rest of the operating budget from our own income, our "enterprise".



SFMTA FY23-24 Revenue

The operating budget is funded by the SF General Fund and “enterprise revenues” (transit fares and parking fees). Since the pandemic, the federal government has provided significant relief funding.



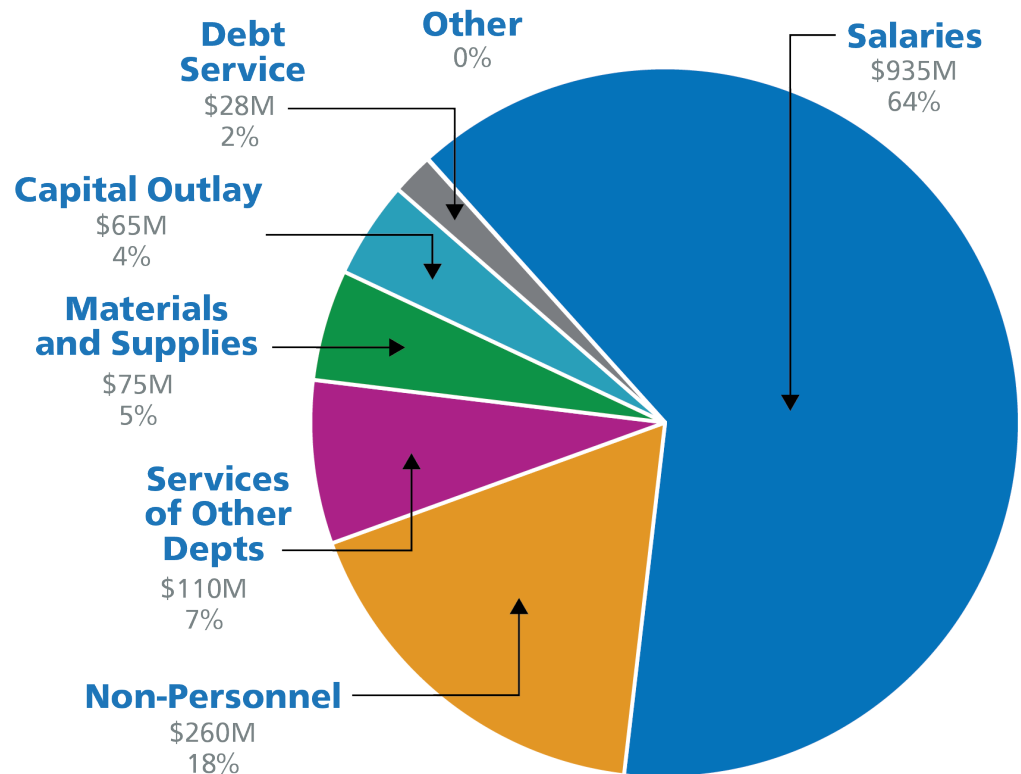
TOTAL: \$1,473 M

SFMTA FY23-24 Expenses

Staff are the SFMTA's most important resource.

64% of expenses fund our 5,900+ person workforce. 2,500 of them are Muni operators.

97.25% of positions are non-management.



TOTAL: \$1,473 M

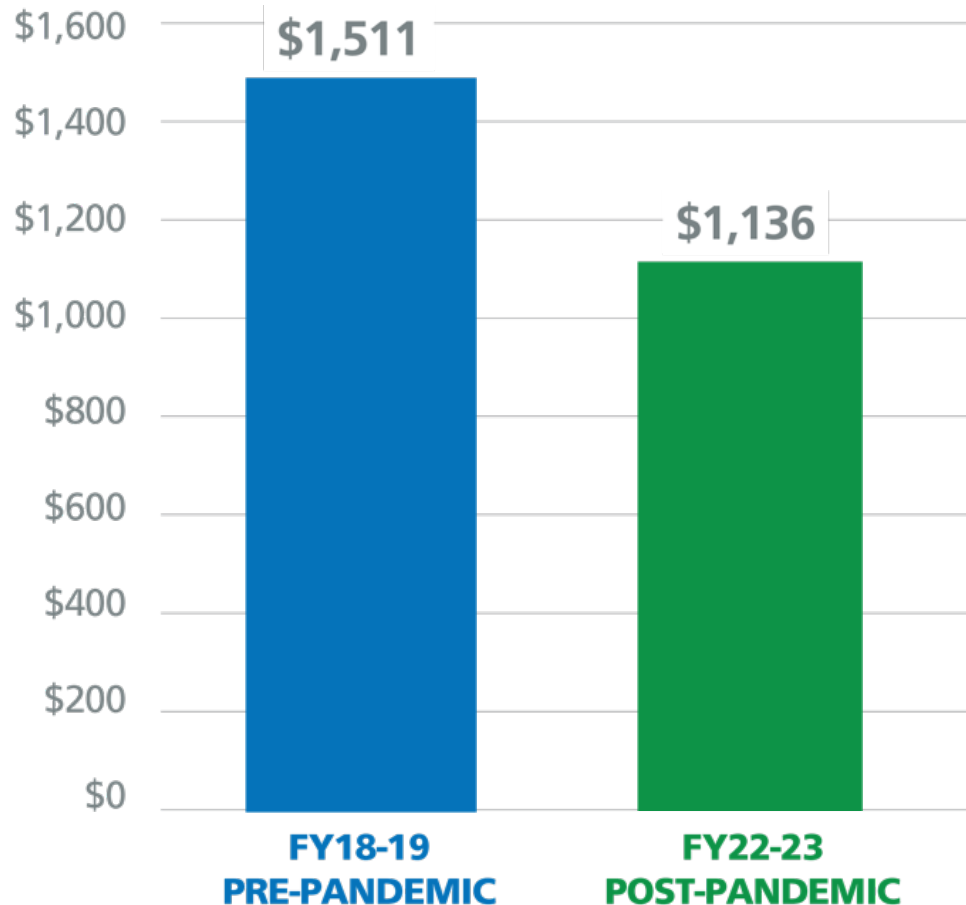
Budget Context

1. Revenue is lower than pre-pandemic.
2. Expenditures are higher because of inflation.
3. FY22-23 expenditure exceeded SFMTA revenue, but we balanced the budget using federal relief funds.
4. Federal, state and regional relief is expected to run out in FY25-26.



We're still recovering from the pandemic

FY22-23 revenue is **\$375M**—or **25% less**—than FY18-19, adjusted for inflation.



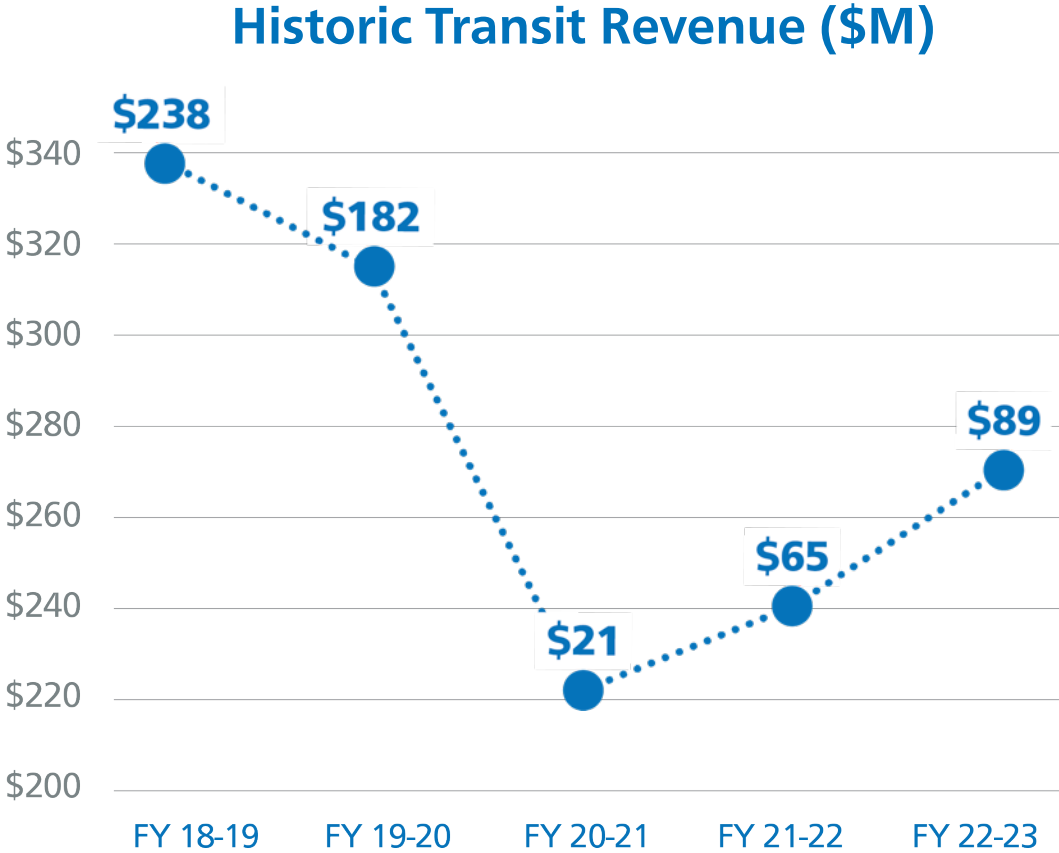
High Work from Home Rates

SF has the country's second highest WFH rate. 40% of SF work is done at home. That means those people aren't commuting to offices, meaning they are not paying Muni fares or parking at downtown garages.



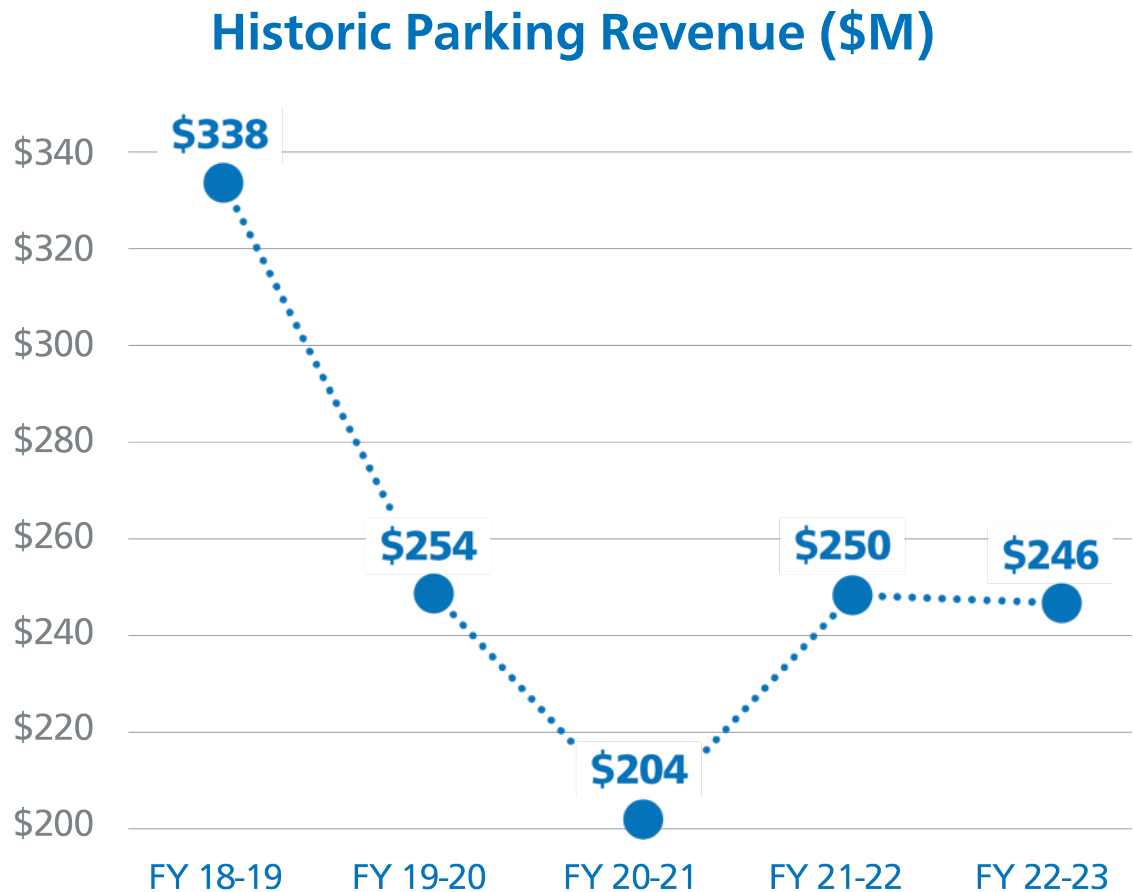
Transit Revenue is Down

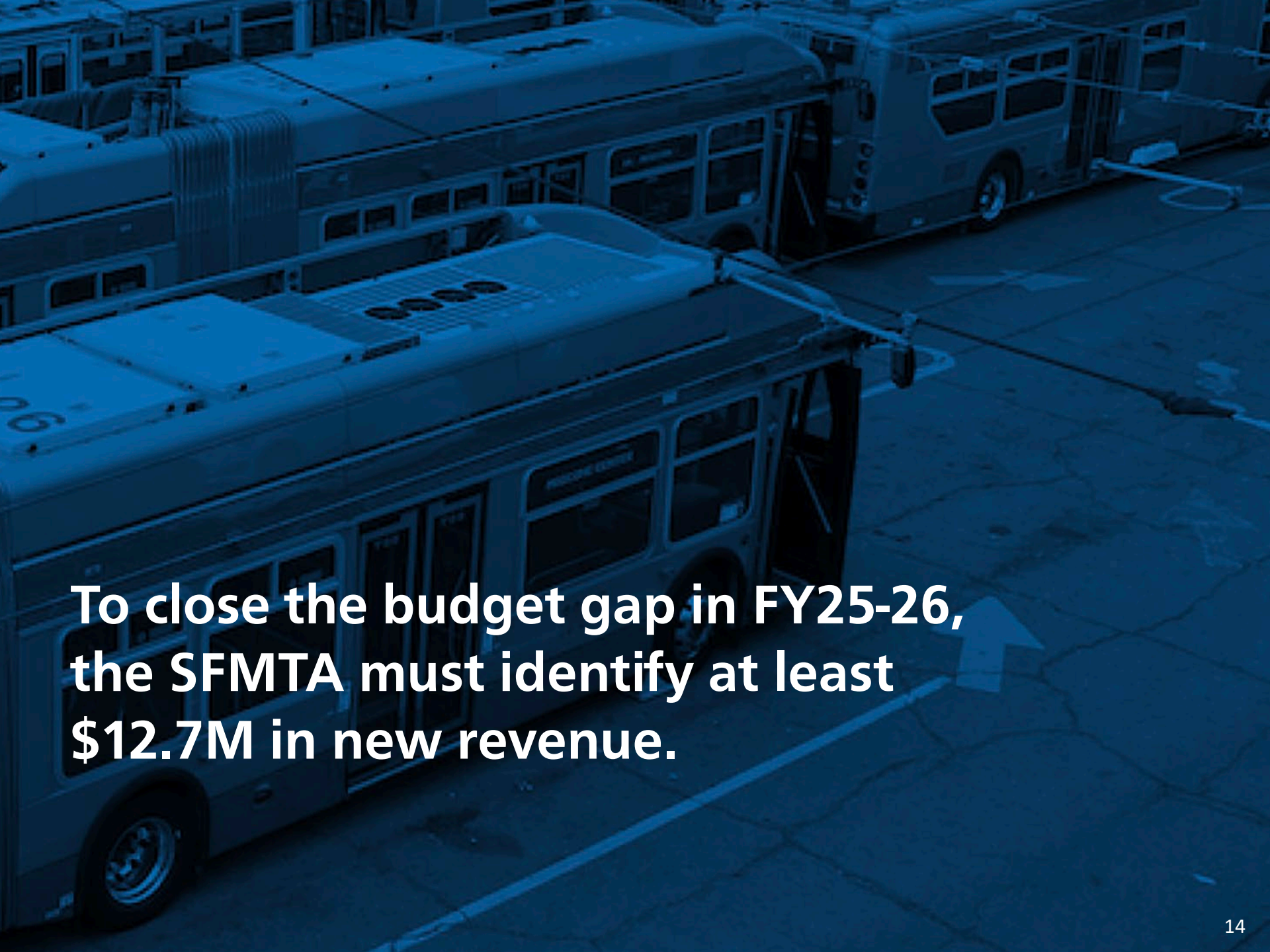
Transit revenue is **62% lower** than FY18-19, adjusted for inflation.



Parking Revenue is Down

Parking revenue is **38% lower** than FY18-19, adjusted for inflation.



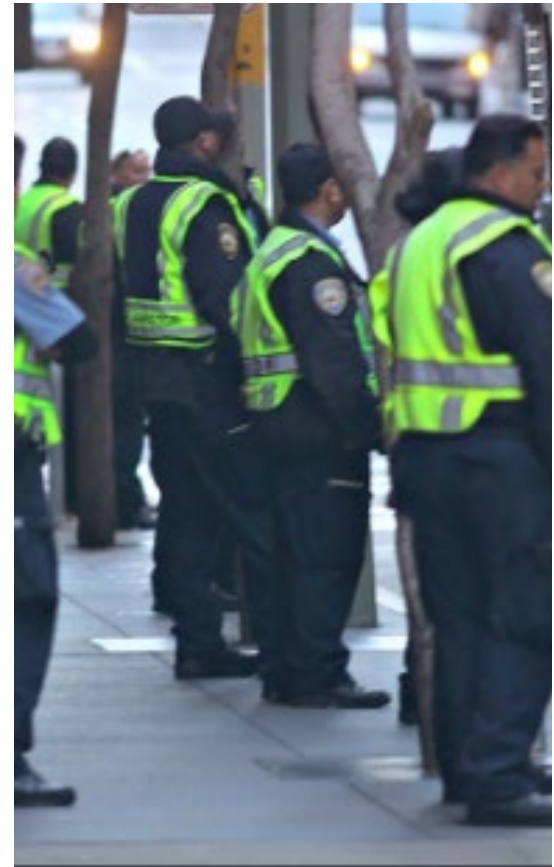
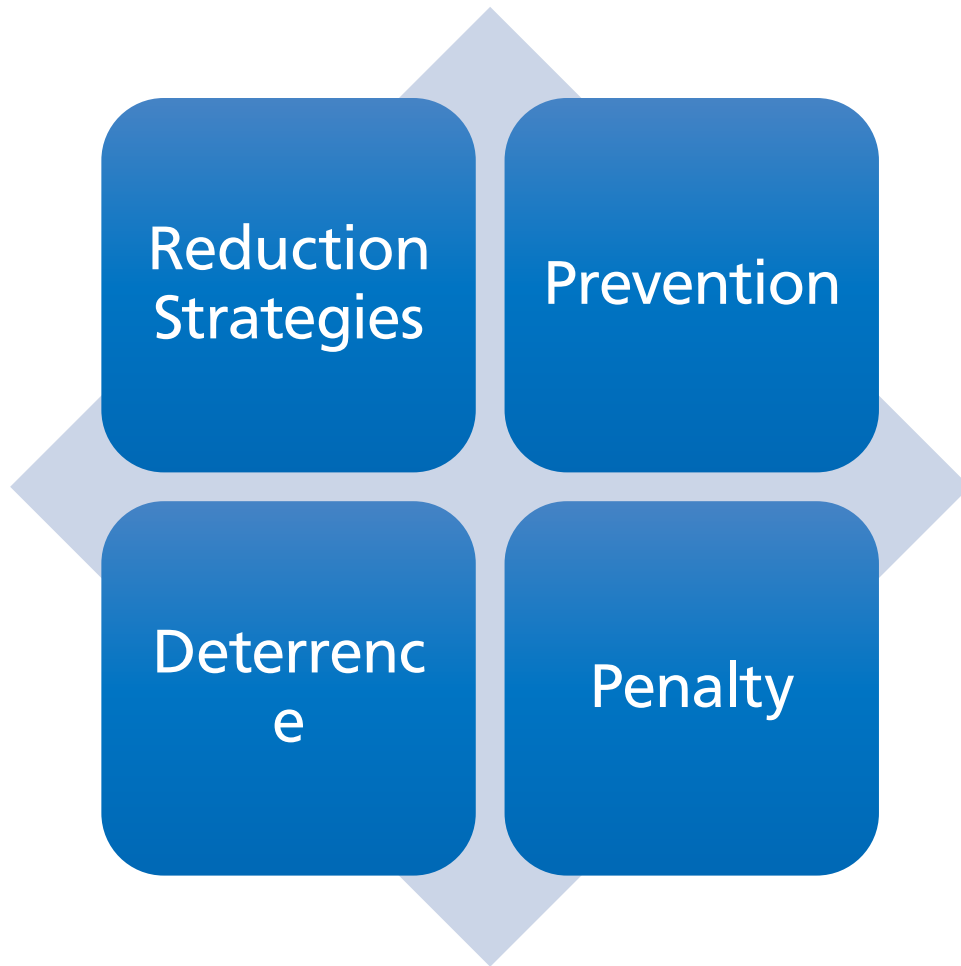


**To close the budget gap in FY25-26,
the SFMTA must identify at least
\$12.7M in new revenue.**

Reducing Spending for FY 24-25

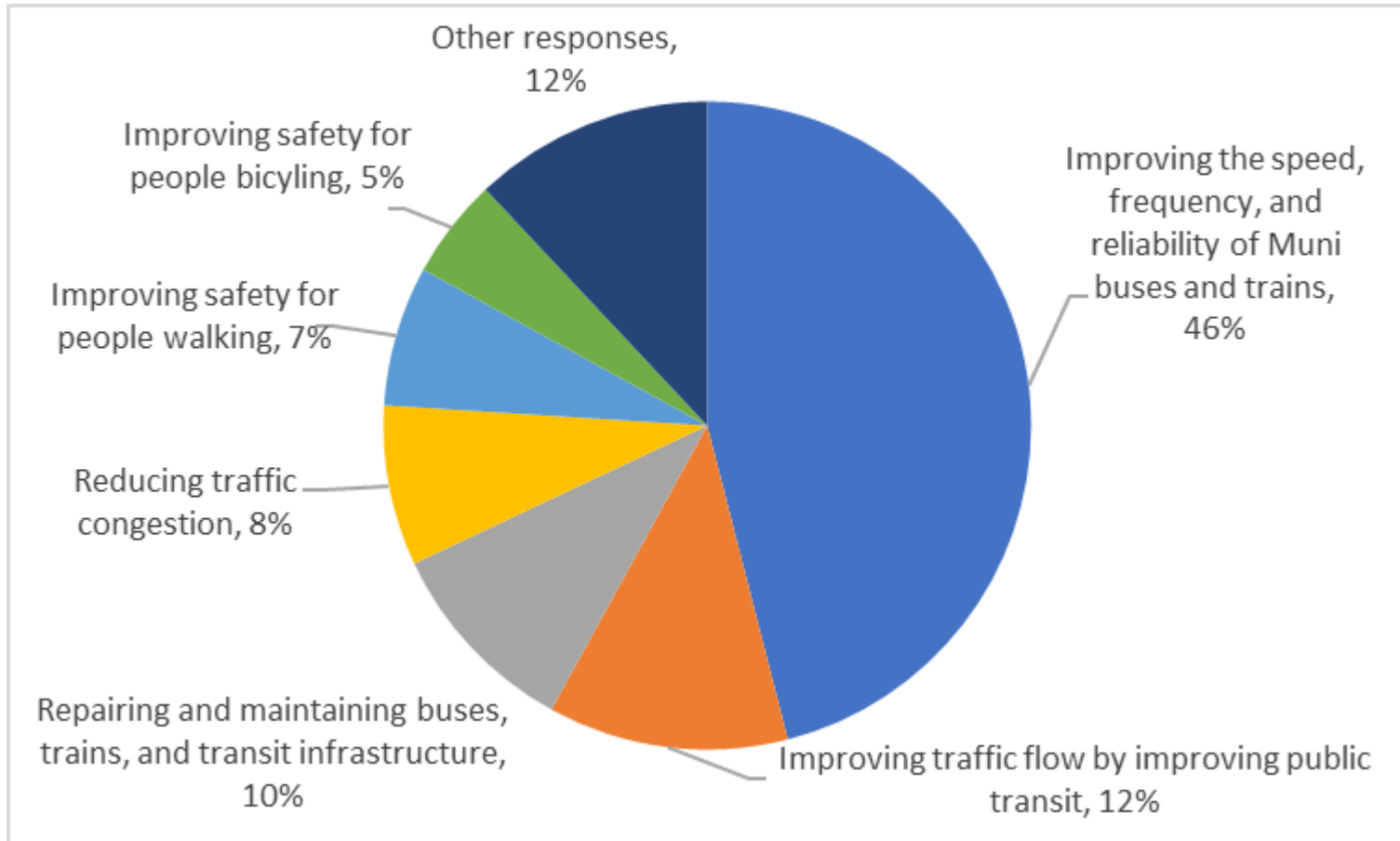
- We're only implementing **cost-neutral service changes** for Muni.
- Years of **efficiency improvements** include:
 - Reinvest Muni travel time savings into additional service
 - Improvements to project delivery
 - Consolidation of agency functions
- In FY22-23 we limited our hiring to key positions. This saved **\$52.8 M**.
- In FY24-25 & FY25-26, we will reduce non-labor expenses (such as materials and supplies) by **\$33.7M** in FY24-25 and **\$25.5M** in FY25-26.

Reducing fare evasion



Community priorities

Improving Muni speed, frequency and reliability is the top community priority.



2023 SFMTA Community Survey

SFMTA Budget Strategy

- **Control expenses:** implement only cost-neutral service changes.
- **Stretch one-time sources** like federal, state and regional transportation relief.
- **Focus on FY24-25 and FY25-26** but plan for projected deficit of \$240M in FY 26-27.
- Staff have proposed revenues that begin July 1, 2024 to **close FY25-26 gap**.



Summary of Staff Recommendations

Category	Option	2-Year Total Revenue	Cost for customers over two years (July 1, 2024 – June 30, 2026)
Muni fares	Eliminate Clipper discount over two years Cash fare remains the same	\$5.2 million	+\$0.25 in year one +\$0.25 in year two
Parking fines	Increase by 5%	\$3.7 million	+\$9 for a street cleaning ticket over two years +\$7 for a parking meter violation over two years
RPP fees	Implement inflation indexing + additional costs	\$2.9 million	+\$20 the first year +\$25 the second year
Taxi fees	Reinstate taxi fees and apply inflation indexing	\$1.2 million	Cost impacts taxi companies.

Now it's your turn

**FUND
MUNI'S
FUTURE**



Income/Revenues



**Parking Fees
and Fines**



**Transit
Fares**



**Residential
Parking Permit
Program**



**Taxi
Services**

Ways to Increase Revenue

Proposals to increase revenue

Muni fares

- Index Muni fares to account for inflation
- Eliminate Clipper discount over two years

Parking fines

- Index parking fines to account for inflation

Residential parking fees

- Index parking fees to account for inflation
- Recover additional expenses

Taxi fees

- Reinstate taxi fees and index them to account for inflation

Other ideas?

Examples of Expenditures



Muni Service



Muni Safety



Street Safety



Safe Travel to School



Traffic Congestion Management

Ways to Reduce Spending

Examples of programs and services that could be cut to reduce expenses

Amount of Muni service

Safety on Muni

Vision Zero Quick Builds

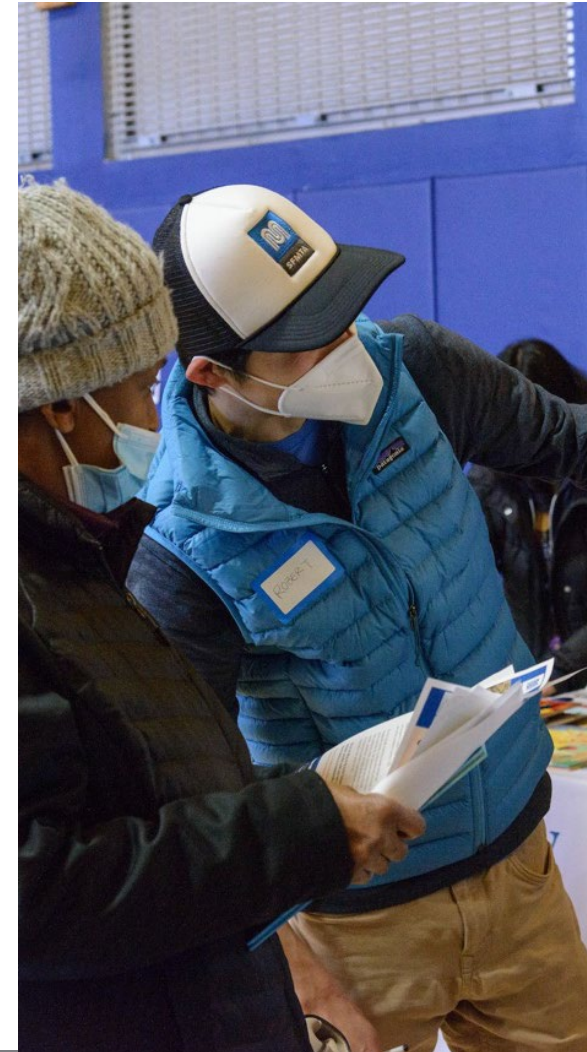
Safe travel to school

Traffic congestion management

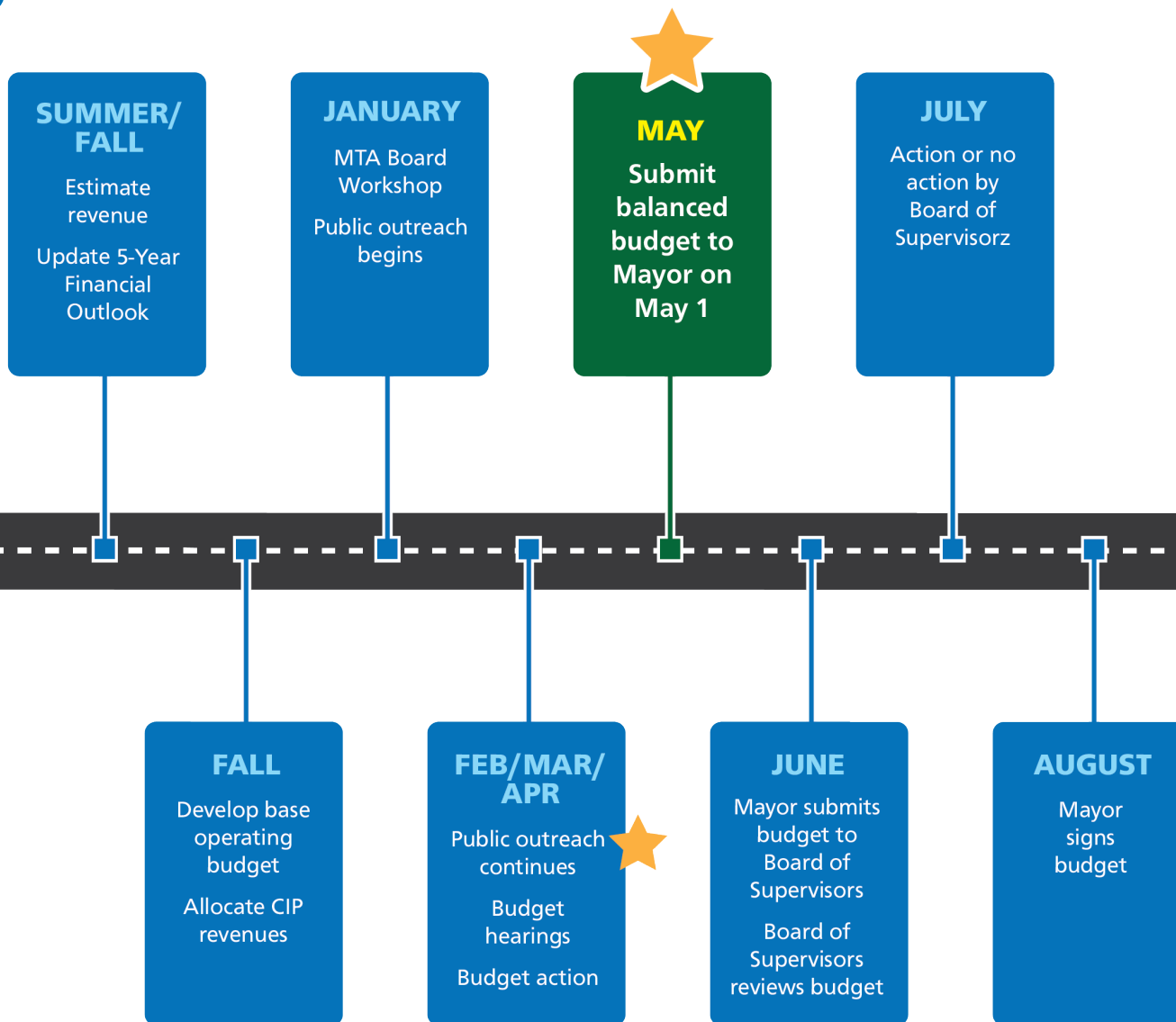
Other ideas?

Public Outreach Plans

- Meetings with SFMTA Citizen Advisory Council, San Francisco Youth Commission, SFMTA Youth Advisory Council
- Two citywide listening sessions:
 - Thurs., Feb. 22 virtual (on Zoom)
 - Saturday, March 2 in-person (SF Public Library Richmond branch)
- Meetings with community-based organizations, merchant groups and others to gather their feedback.



Budget Timeline



Questions? Comments?
Suggestions?

