



**SFMTA**

San Francisco Municipal Transportation Agency

# FY24-25 October Financial Update

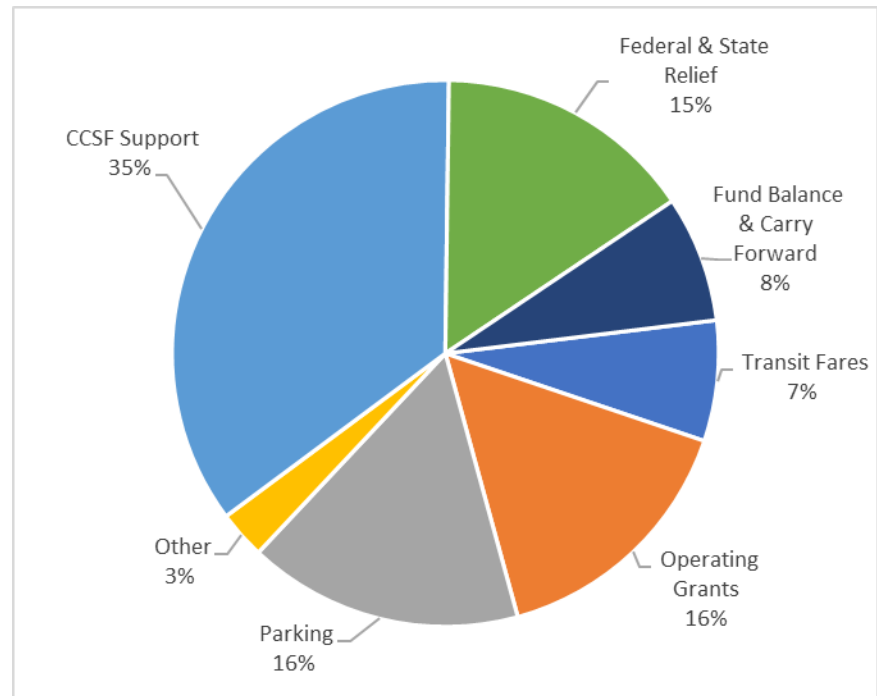
# Agenda

1. FY24-25 Budget Review
2. FY24-25 Financial Update
3. FY24-25 Financial Priorities
4. Next Steps



# SFMTA FY24-25 Budgeted Revenue

The operating budget is funded by the SF General Fund and “enterprise revenues” (transit fares and parking revenue). Since the pandemic, the SFMTA has relied on one-time federal and state government relief to balance the budget.

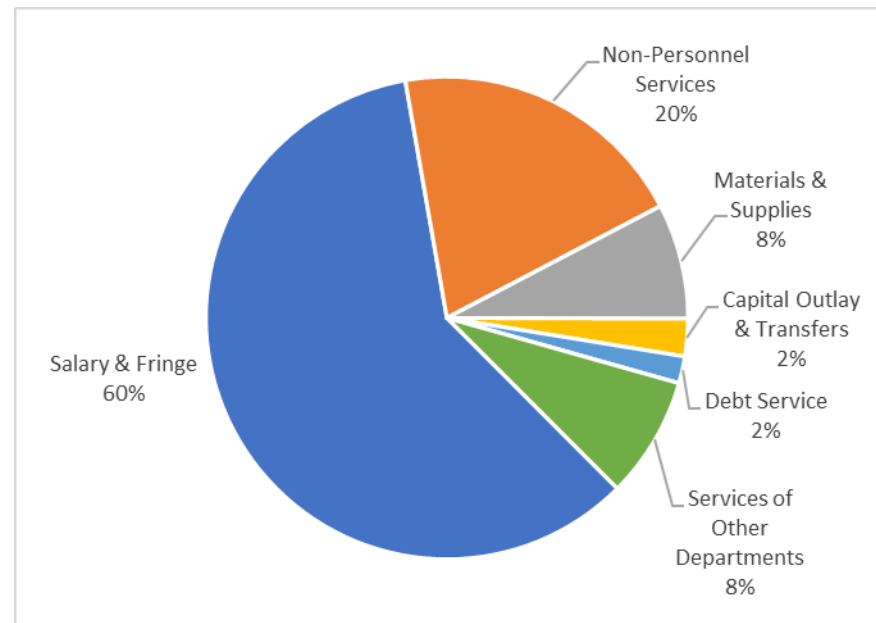


Revised budget as of October 31, 2024

**TOTAL: \$1,522M**

# SFMTA FY24-25 Budgeted Expenditure

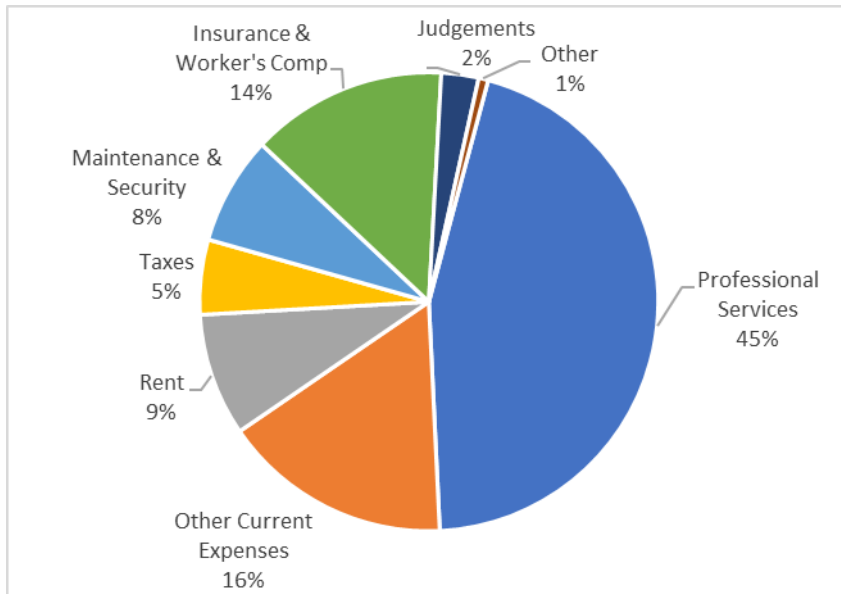
Staff are the SFMTA's most important resource. 64% of budget funds our 6,200+ positions. More than 40% of positions or 2,531 are Muni operators. Availability of staffing resources dictates service levels.



Revised budget as of October 31, 2024

**TOTAL: \$1,522M**

# FY24-25 Budgeted Non-Personnel Services



Revised Budget as of October 31, 2024. Other current expenses includes software licensing, credit card processing, freight and delivery fees, etc.

Non-personnel services includes more than contracted services, also includes insurance, rent, maintenance, and legal judgements. Majority of professional services budgeted to parking citation management, paratransit, tow, and parking garage management.

# FY24-25 Final Budget

**After the SFMTA Board passed the budget, changes occurred during the City budget cycle:**

- Budgeted revenue decreased due to City revenue trends.
- Expenditure was higher due to labor negotiations.

**In response, the SFMTA is:**

- Limiting hiring to match increased vacancy assumptions
- Examining service levels to align with increased vacancy



# FY24-25 Financial Update

**As of October 2024, revenue and expenditure are consistent with budget, but leave almost no room for error.**

Category	Revised Budget (\$M)	Projected Actuals (\$M)	Difference (\$M)
Revenue	1,522	1,512	-10
Expenditure	1,522	1,502	20
<b>Surplus/Deficit</b>	<b>0</b>	<b>10</b>	<b>10</b>

Revised budget as of October 31, 2024

Given that only four months of FY have elapsed, there is significant risk of uncollected revenues or unexpected cost.

# FY24-25 Revenue Actuals

Revenue actuals are consistent with budget, with slight weakness in operating grants, parking, and other revenues.

Category	FY24-25 Revised Budget (\$M)	FY24-25 Projected Actuals (\$M)	FY24-25 Difference (\$M)
Transit Fares	109	112	4
Operating Grants	236	228	-8
Parking	247	243	-5
Other	43	42	-2
CCSF Support	538	538	0
Federal & State Relief	234	234	0
Fund Balance & Carryforward	114	39	0
<b>Revenue Total</b>	<b>1,522</b>	<b>1,512</b>	<b>-10</b>

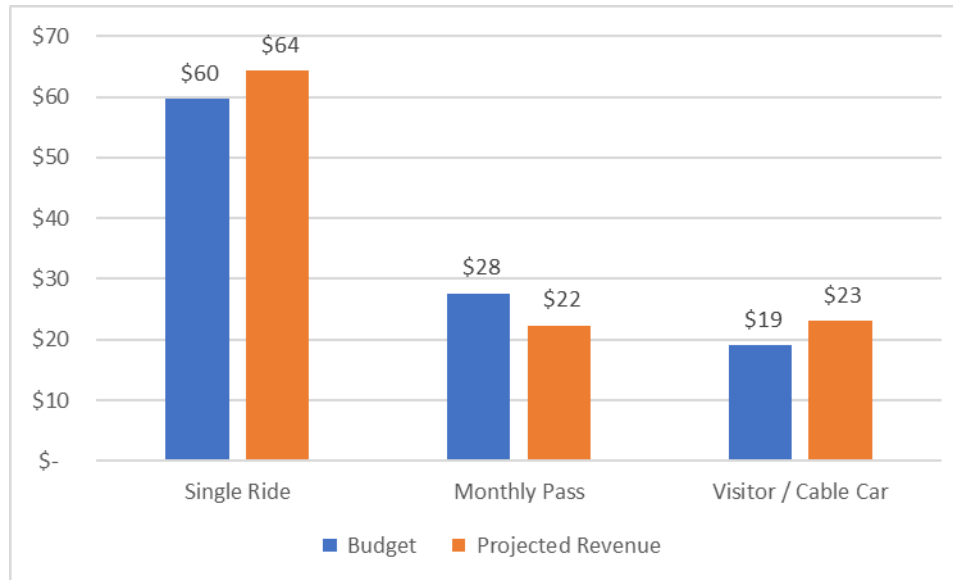
Revised budget as of October 31, 2024

Operating grants underperforming due to weak state revenue. Parking under performing primarily due to lack of demand at downtown garages. Other revenue under performing due to doing less work for other departments than anticipated.



# FY24-25 Transit Revenue

**Transit revenue is projected to slightly exceed budgeted revenue, reflecting growing ridership.**



Riders continue to shift from monthly passes to single-ride payment types, reflecting change in travel demand.

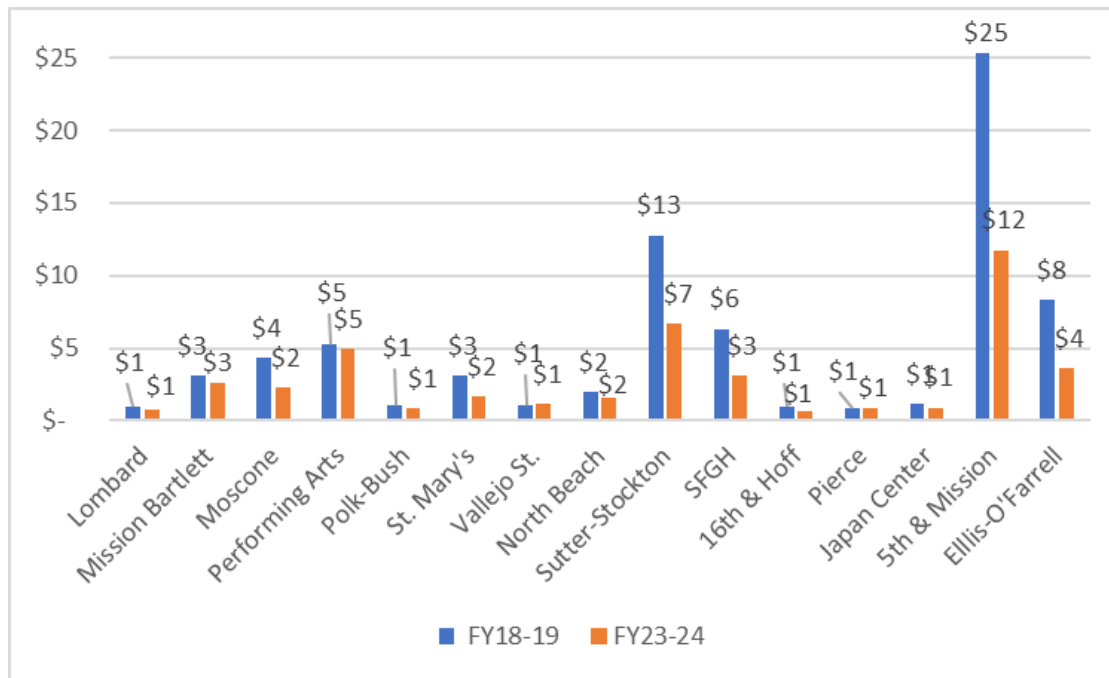
# FY24-25 Parking Revenues

**Parking revenues slightly underperforming budget, with greatest weakness in garages.**



# FY24-25 Garage Revenue

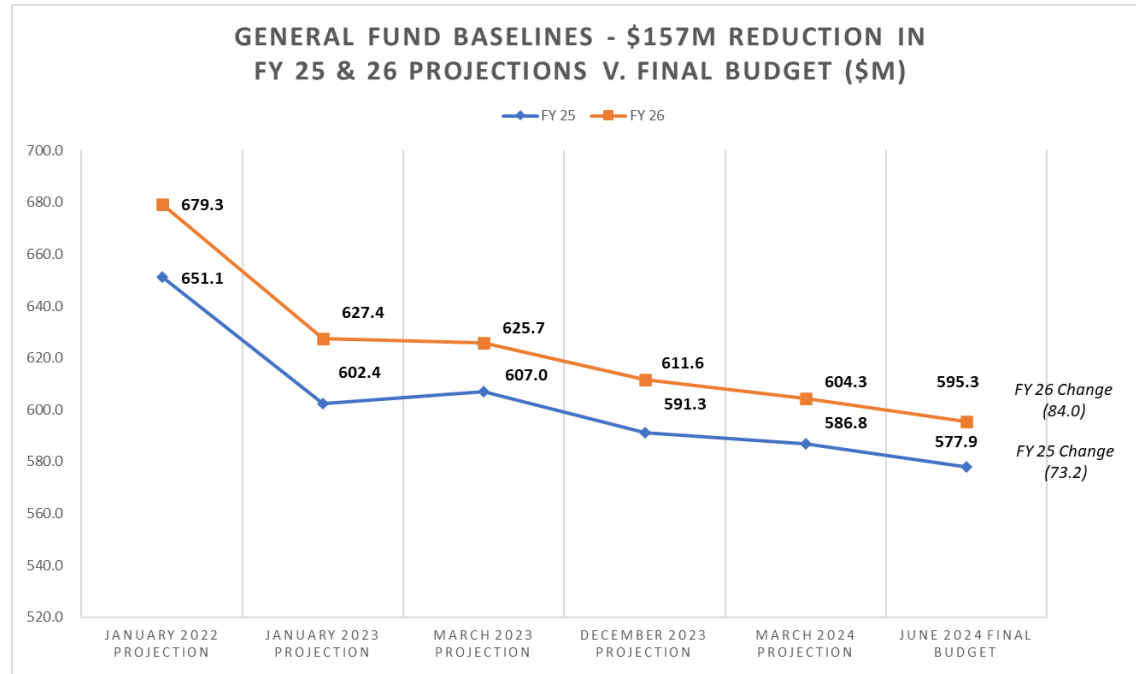
Most significant under performance at Sutter-Stockton, 5th & Mission, and Ellis-O'Farrell, all garages serving the downtown area.



Does not include Golden Gate revenue due to booking differences in FY18-19 vs FY23-24.

# Historic General Fund Actuals

Although revenues are generally on budget, there is risk related to the San Francisco economy.



Previous six General Fund projections have downgraded revenue expectations, underscoring continued revenue uncertainty, despite positive current year actuals.

# FY24-25 Expenditure Actuals

Expenditure actuals are generally consistent with budget due to active expenditure management. Limited expenditure reduces agency ability to deliver service.

Category	FY24-25 Revised Budget (\$M)	FY24-25 Projected Actuals (\$M)	FY24-25 Difference (\$M)
Salary & Fringe	911	906	5
Non-Personnel Svc	310	282	28
Materials & Supplies	119	134	-15
Capital Outlay & Transfers	29	29	0
Debt Service	28	28	0
Svc of Other Dept.	125	123	2
<b>Total</b>	<b>1,522</b>	<b>1,502</b>	<b>20</b>

Revised budget as of October 31, 2024

Materials and supplies over expenditure related to timing of purchases and brake overhaul.

# FY24-25 Financial Update Summary

- Revenue actuals are generally consistent with budget, reflecting budget's post-pandemic correction to revenue expectations.
- Expenditure actuals are generally consistent with budget, correcting historic budget under expenditure and reflecting active budget management.
- While projected expenditure is consistent with budgeted revenue, the margin for error is extremely limited and revenue uncertainty and possibility of unexpected costs require strong internal controls.

# FY24-25 Financial Priorities

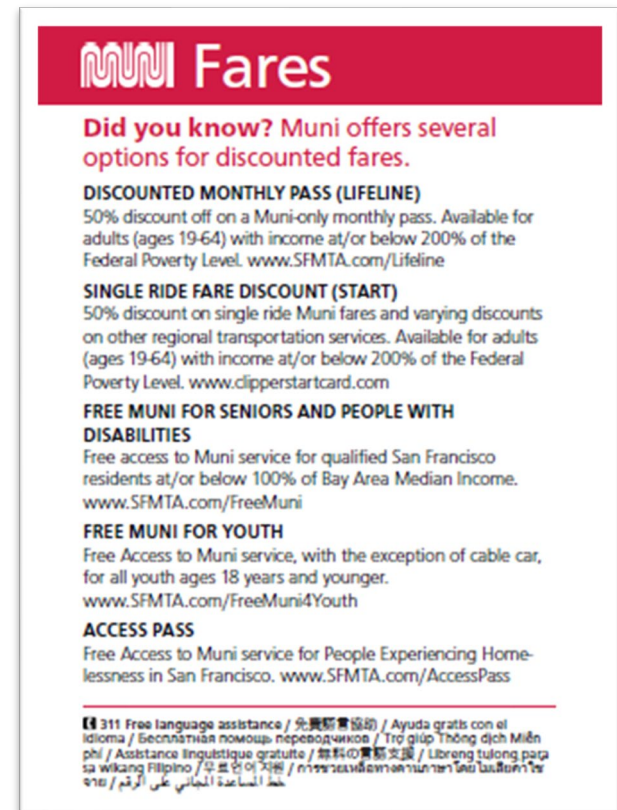


- Actively market discount fares in conjunction with January 1, 2025 fare increases.
- Improve fare compliance.
- Align service with available resources.
- Plan to close \$239 - \$322M FY26-27 deficit.

# Actively Market Discount Fare Programs

## Transit fares increase January 1, 2025. In preparation, SFMTA increased discount fare program outreach.

- Mailed Clipper START Program information to all Lifeline card holders.
- Coordinated with HSA to include discount program information in their quarterly newsletter.
- Coordinated with Tenderloin Neighborhood Development Corporation to provide information resident welcome packets and within housing properties.
- Created "how to" videos walking through how to apply for Lifeline.
- Proved HSA with "take-ones" to be distributed during client intake at all locations.



**Muni Fares**

**Did you know? Muni offers several options for discounted fares.**

**DISCOUNTED MONTHLY PASS (LIFELINE)**  
50% discount off on a Muni-only monthly pass. Available for adults (ages 19-64) with income at/or below 200% of the Federal Poverty Level. [www.SFMTA.com/Lifeline](http://www.SFMTA.com/Lifeline)

**SINGLE RIDE FARE DISCOUNT (START)**  
50% discount on single ride Muni fares and varying discounts on other regional transportation services. Available for adults (ages 19-64) with income at/or below 200% of the Federal Poverty Level. [www.clipperstartcard.com](http://www.clipperstartcard.com)

**FREE MUNI FOR SENIORS AND PEOPLE WITH DISABILITIES**  
Free access to Muni service for qualified San Francisco residents at/or below 100% of Bay Area Median Income. [www.SFMTA.com/FreeMuni](http://www.SFMTA.com/FreeMuni)

**FREE MUNI FOR YOUTH**  
Free Access to Muni service, with the exception of cable car, for all youth ages 18 years and younger. [www.SFMTA.com/FreeMuni4Youth](http://www.SFMTA.com/FreeMuni4Youth)

**ACCESS PASS**  
Free Access to Muni service for People Experiencing Homelessness in San Francisco. [www.SFMTA.com/AccessPass](http://www.SFMTA.com/AccessPass)

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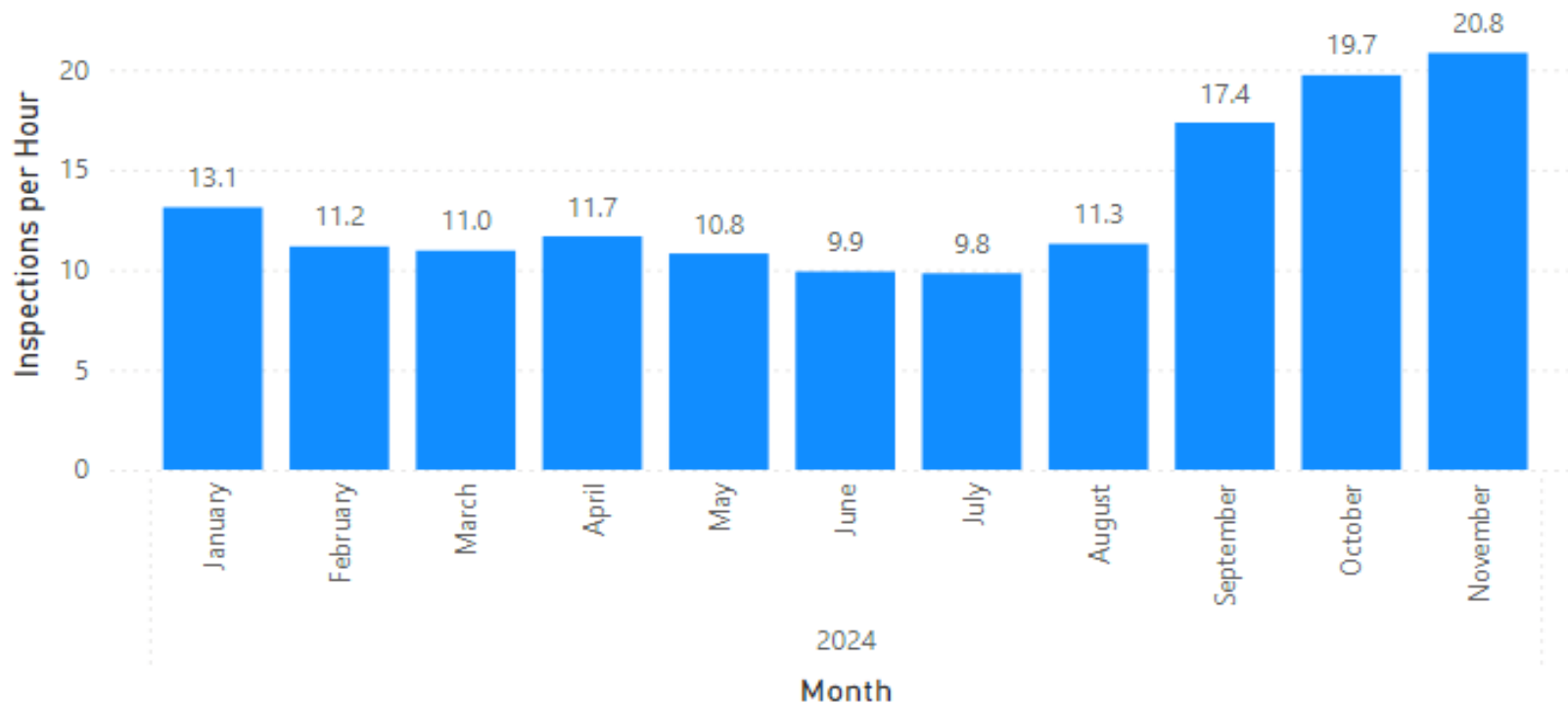
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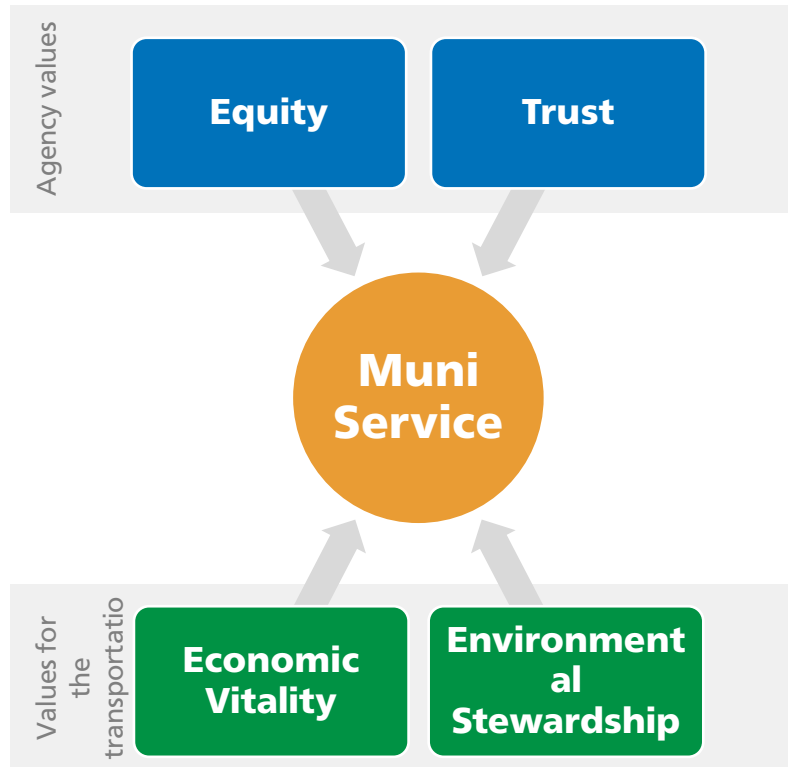
# Improve Fare Compliance

Starting in August, **Transit Fare Inspectors doubled their productivity** and performed over 60k inspections in October, the highest total for one month on record.

Inspections per Hour Inspecting by Month



# Align Service with Available Resources



***Muni service criteria  
based on agency values***

Continue to adjust service to align with slower hiring

- Implement modest reductions February 1
- Develop options for further service reductions in Summer 2025
- Begin stakeholder outreach in early 2025

# Align Service with Available Resources

## Limited resources impact SFMTA's ability to maintain street safety and state of good repair

- Delayed response to sign and paint requests and 311 calls delayed ~30 days.
- Delayed implementation of No Turn on Red, 20 MPH Speed Limit and Slow Streets.
- Delayed repair and preventative maintenance at 220 targeted intersections.

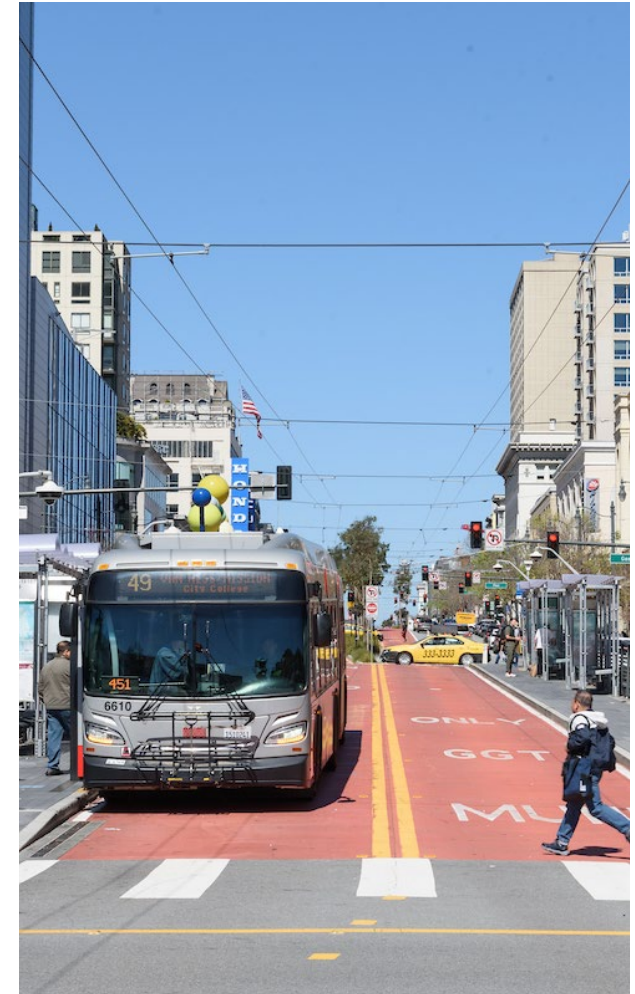
# Plan to Close FY26-27 Deficit

## Convene Muni Funding Working Group

- ✓ Efficiency improvements
- ✓ Service cuts
- Revenue enhancements – Jan 2025
- Service enhancements – Feb 2025
- Controller's Report – March 2025

## Support Regional Revenue Measure

- Polling viability of MTC recommended options
- Authorizing legislation expected to be introduced Feb 2025



# FY24-25 Financial Priorities

**Despite financial constraints, SFMTA is meeting its financial goals.**

Priority	Status
Actively market discount fares in conjunction with January 1, 2025 fare increases.	Fares will increase January 1, 2025, supported by significant public outreach and customer information.  SFMTA increased coordination with HSA and non-profit organizations.
Improve fare compliance.	Transit fare inspections doubled from July to October 2025.
Align service with available resources.	Transit will implement modest service decrease in February and will begin public outreach in early 2025 regarding additional Summer 2025 reductions.
Develop plan to close \$239-\$322M FY26-27 deficit.	Muni Funding Working Group expected to conclude in February 2025.  Regional revenue measure discussions are on-going.

# Summary

- Events that occurred during city budget process constrain SFMTA resources in FY24-25 and FY25-26.
- FY24-25 revenue actuals are generally consistent with budget but leave very little margin for error and merit strong internal controls.
- Despite limited resources, SFMTA is meeting its financial commitments to market discount fare media programs and increase fare compliance.
- Hiring constraints require modest transit service reductions in February, with additional reductions in summer 2025. Outreach for summer 2025 service reductions begins in February 2025. Street safety and state of good repair projects will be implemented more slowly.
- Work to close the FY26-27 deficit continues with the Muni Funding Working Group and the regional revenue measure.
- March 2025 MTAB workshop will solicit MTAB reaction to Muni Funding Working Group outcomes in preparation for FY26-27 and FY27-28 budget cycle.