



SFMTA

San Francisco Municipal Transportation Agency
**Fiscal Year 2021 & FY 2022 Operating and Capital
Consolidated Budget**

Proposed

SFMTA Board of Directors
April 7, 2020



SFMTA

Budget Public Hearing:

- Selected Proposals
- Updates Consolidated Budget
- Fiscal Status Update - H.R. 478 2020 CARES Act



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Selected Proposals

Staff presented to the SFMTA Board a number of proposals throughout the budget process on operations, capital improvement projects, revenue and new expenditure proposals. After review, the following represent the final policy proposals to be costed and integrated into the final Consolidated Budget.

Fare Proposals: January 2020

Proposal	(Cost)/Revenue (\$M)
Pause Cash Fare Indexing	(\$1)
Reduce Electronic Fare Differential (Clipper + MuniMobile)	\$8
Expand Free Youth Program to All Youth	(\$2)
Expand Adult Low-Income Single Ride Discount @ Farebox	(TBD)
Muni Day Pass on Farebox (available only on MuniMobile currently)	<i>Minimal</i>
Pilot Monthly Fare Capping on MuniMobile	<i>Minimal</i>
Free Muni Pass for People Facing Housing Insecurity	<i>Minimal</i>
Cable Car Discount for Seniors/Youth/People w/ Disabilities on MuniMobile	<i>Minimal</i>
Extend Bulk Sales Discounts for all Products on Muni Mobile	<i>Minimal</i>
Eliminate Clipper Differential for Passports due to slow transaction times impacting the ticket booths	<i>Minimal</i>

Fare Proposals: April 2020 Selected

Staff is recommending an equity based fare proposal, the proposed budget assumes **Equity Clipper** in the base.

Fare Type	Current	Baseline Indexing		Equity Monthly		Equity Clipper	
		FY21	FY22	FY21	FY22	FY21	FY22
Full Fare Single Ride	3.00	3.25	3.25	3.00	3.00	3.00	3.00
Full Fare Single Ride (Electronic)	2.50	2.75	2.75	2.75	2.75	2.80	2.90
Reduced Fare Single Ride	1.50	1.65	1.65	1.50	1.50	1.50	1.50
Reduced Fare Single Ride (Electronic)	1.25	1.40	1.40	1.35	1.35	1.40	1.45
Free Muni for all youth expansion				FREE	FREE	FREE	FREE
Free Muni for Individ. Exp. Homelessness				FREE	FREE	FREE	FREE
One-Day Pass (No Cable Car)	5.00	5.50	5.50	5.50	5.50	5.60	5.80
Adult "M" Monthly Pass	81.00	85.00	87.00	88.00	94.00	86.00	88.00
Adult "A" Monthly Pass (+ BART within SF)	98.00	102.00	104.40	106.00	113.00	103.00	106.00
Reduced Fare Monthly Pass	40.00	43.00	44.00	44.00	47.00	43.00	44.00
Lifeline Pass	40.00	43.00	44.00	41.00	42.00	41.00	42.00
Cable Car Single Ride	8.00	8.00	9.00	8.00	9.00	8.00	9.00
Paratransit Van Services	2.50	2.75	2.75	2.75	2.75	2.80	2.90

Baseline Indexing

- Continues gradual annual increases
- Maintains current ratio between single ride fares and monthly passes
- Keeps current free programs as they are

Equity Monthly

- Extends free Muni to all youth and cuts related administrative fees
- Does not raise cash fare
- Raises monthly passes
- Maintains Clipper discount level
- Keeps current free programs as they are
- Creates a pass for people Experiencing Homelessness

Equity Clipper

- Extends free Muni to all youth and cuts related administrative fees
- Does not raise cash fare
- Lowers Clipper discount
- Modestly raises monthly passes
- Keeps current free programs as they are
- Creates a pass for people Experiencing Homelessness

SFMTA Fare Policy

Monthly Pass: Comparison to Other Major Metros

City/Agency	FY20 Adult Rate	Single Rides to Break Even	FY 22 Equity Monthly	FY 22 Equity Clipper
SFMTA	\$81.00	32.4/27*	34.2/31.3	30.3/29.3
New York City	\$127.00	46.2		
Denver	\$114.00	40.1		
Boston	\$90.00	37.5		
Seattle	\$99.00	36		
Chicago	\$105.00	46.6		
Washington D.C.	\$126.00	63		
AC Transit	\$84.60	37.6		

FY 20: For SFMTA: 32.4 break-even based on \$2.50 Clipper/Mobile fare. 27 is based on \$3.00 cash fare

Parking Policy/Fees: March 2020

Parking pricing is used to ensure availability and manage demand, not maximize revenue. **Any revenue collected goes back to transportation.**

The SFMTA will partner local merchant associations to determine where extended meter hours

- Extend meter hours in specific neighborhood commercial districts until 10pm Mon-Sat
- 6-10pm rates set at \$2/hour less than the 3-6pm rate, minimum \$1/hour
- Meter rates adjusted over time using demand-responsive pricing
- Extend short-term parking (green zones) and passenger loading (white zones) until 10pm or later where applicable
- Data collection and evaluation, expansion to other areas if successful

Proposals (Revenues Assumed in Base)	FY 21 Revenue (\$M)	FY 22 Revenue (\$M)
Sunday Meters	\$1.5	\$5.0
Extend Hour Meters	\$4.0	\$8.0
Garage	\$3.0	\$4.0

Tow/Boot Program/Cost Recovery

Option 1: Same as presented March 3

Option 2: Equity Lens: Reduces low income/ homeless fees, offset by higher first time tow fee

Proposals	Current		Option 1		Option 2 Selected (fees have been updated)	
	Est. Tows	FY 20 Current	FY 21 Fees	FY 22 Fees	FY 21 Fees	FY 22 Fees
First Time Tow/Admin Fee	23,622	\$449	\$480	\$495	\$524	\$543
Repeat Tow/Admin Fee	7,336	\$537	\$574	\$588	\$574	\$593
Low Income Tow/Admin Fee	4,352	\$238	\$238	\$238	\$100	\$100
New Tow/Admin Fee for people certified as experiencing homelessness	Small #	n/a	\$100	\$100	\$0	\$0
Standard Boot Fee	1,700	\$515	\$541	\$553	\$525	\$550
Low Income Boot Fee	400	\$100	\$100	\$100	\$75	\$75
New Boot Fee for people certified as experiencing homelessness	Small #	n/a	n/a	n/a	\$0	\$0
Estimated Cost Under-Recovery		(\$5M)	(\$4M)	(\$4M)	(\$4M)	(\$4M)

Taxi Fees and Fines



SFMTA is committed to waive all taxi fees, plus place a freeze on all taxi fines. The expected revenue loss of waiving all taxi fees alone is \$1.4 million per year.

- The amount of each fine will not change.
- *For current Taxi Fines and Fees refer to the San Francisco Transportation Code, Division II, Section 310 and 320.*

Use of One-Time Fund Balance: April 2020 Recommended

3/17/2020 – Fund Balance Proposal, \$M

Item	FY 21	FY 22
Beginning Fund Balance	293	150
10% Reserve Policy (goal is resilience in next downturn: fund >50% potential extra shortfall)	(130)	(134)
Remaining Balance for Use:	163	
Capital Project Reserve/Contingency: Reserve for major capital project CMODs and budget overruns	(85)	
Operating Budget Appropriation: Appropriation for non-labor materials & supply and other one-time costs	(18)	(14)
Parking Meter Replacement Project: Replacement of the parking meters (enterprise costs)	(22)	
Transit Capital Projects: Offset of Proposition B Population Baseline shift to Operating Costs	(10)	
Facilities Capital Projects: Building Progress Program/Facilities Improvements	(8)	
Remaining Balance	20	2

Budget Proposals: Change from Board Workshop, \$M

Proposals	Jan 2020		Apr 2020 Proposed	
	FY 21	FY 22	FY 21	FY 22
Muni Working Group Approx. 88 FTE including maintenance, system management and planning positions	44.0	58.7	6.7	11.4
Information Technology Support Actualizing information technology system infrastructure and long term licensing costs	14.0	15.6	6.5	4.5
PCOs Congestion Management and Bike Lane Violations	4.0	7.2	4.0	7.2
Chief of Staff and Office of Race, Equity and Inclusion	1.5	2.0	1.5	2.0
Muni Transit Assistance Program (MTAP)	0.9	1.2	1.0	1.4
Safe Routes to School Program (Labor and Non-Labor Costs)	0.3	0.8	1.1	0.8
Vision Zero Education (Labor and Non-Labor Costs)	1.2	1.2	1.4	1.6
Institutional Pass Program	0.2	0.3	0.2	0.3
Human Resources Staffing	1.8	2.4	1.8	2.4
TOTAL	67.9	89.4	24.2	31.6



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Updated Consolidated Budget

The new "Consolidated Budget" is a single budgeted that reflects the SFMTA's operating and capital budget over the next two fiscal years. The consolidated budget is a balanced budget both in revenues and expenditures.

Beginning with a deficit to close.

The FY 21 and FY 22 proposed budget for operations was **balanced in both revenue and expenditure.**

4/7/20 – Budget Baseline

Item	FY 21, \$M	FY 22, \$M
Revenue – Updated Projection	1,300	1,343
Expenditures – New Base	1,300	1,343
Operating Gap	0	0

Operating Revenues: April 2020

4/7/20 – Operating Revenues, \$M		
Item	FY 21	FY 22
General Fund Transfers	398.6	402.1
Operating Grants	201.1	201.0
Parking and Traffic Fees and Fines	297.3	312.8
Parking Tax In-Lieu	68.2	68.2
Transit Fares	218.6	224.9
Other (Advertising, Interest)	98.1	119.4
Taxi Service	0.2	0.2
Use of Fund Balance	17.5	14.1
TOTAL	1,299.5	1,342.7

Operating Expenditures: March 2020

4/7/20 – Operating Expenditures, \$M		
Item	FY 21	FY 22
Salary	614.2	639.0
Fringe Benefits	287.4	296.3
Overhead	(52.2)	(52.2)
Non Personnel Service	252.0	256.9
Material & Supplies	73.3	73.6
Capital Spending	7.1	7.1
Debt Service	24.0	24.0
Work Order	93.8	98.1
TOTAL	1,299.5	1,342.7

These expenditures have been added to the base in FY 21 and FY 22, \$M

Proposals (Budget Asks)	FY 21	FY 22
Muni Working Group Approx. 88 FTE including maintenance, system management and planning positions	6.7	11.4
Information Technology Support Actualizing information technology system infrastructure and long term licensing costs	6.5	4.5
PCOs Downtown Congestion Management	2.0	2.6
PCOs Bike Lane Violations and Congestion	2.0	4.6
Chief of Staff and Office of Race, Equity and Inclusion	1.5	2.0
Muni Transit Assistance Program (MTAP)	1.0	1.4
Safe Routes to School Program (Labor and Non-Labor Costs)	1.1	0.8
Vision Zero Education (Labor and Non-Labor Costs)	1.4	1.6
Institutional Pass Program	0.2	0.3
Human Resources Staffing	1.8	2.4
TOTAL	24.2	31.6



SFMTA

A detailed blue-toned illustration of a city street scene. It includes various elements: a bus stop with a bus, a taxi, pedestrians, a cyclist, a car, a building labeled 'MARKET', a building labeled 'STORE', a 'BUS STOP' sign, a 'NEXT TRAIN 6 MIN' sign, and a train at the bottom. The scene is set against a backdrop of hills and a city skyline.

Fiscal Status Update – H.R. 478 2020 CARES Act

COVID-19 Fiscal Impacts

When the COVID-19 public health emergency has resulted in significant impacts resulting in the need to put in fiscal controls and re-evaluate budget revenue projections.

Fiscal Controls Include:

- Reductions in unscheduled overtime
- Re-evaluating the timing and schedule of hiring; slowing down hiring of positions that are not service critical
- Reductions in purchases of non-service critical services and supplies

COVID-19 Fiscal Impacts

For the purposes of the FY 2021 and FY 2022 Consolidated Budget revenues re-evaluated assuming an economic slowdown through 2020 and into 2021 and the economic .

Revenue updates have been completed, including updates to General Fund Projections from the Controller's Office.

Economic "Shock"

Fiscal Year 2020

Revenue Loss Estimate:
\$195 - \$220 million

Economic "Downturn"

Fiscal Year 2021

Revenue Loss Estimate:
\$70 - \$140 million

Economic "Downturn"

Fiscal Year 2022

Revenue Loss Estimate:
\$30 - \$70 million

COVID-19 Fiscal Impacts

The **H.R. 478 the 2020 Coronavirus Aid, Relief and Economic Security (CARES) Act** was signed into law March 27 providing financial relief nationally to transit agencies.

Details of the legislation include:

- \$25 billion appropriated based on FY20 funding formulas through the Federal Transit Administration (FTA)
- Funds may be used to reimburse operational expenses back to January 1, 2020
- Local Matching Requirement and TIP Requirements waived

COVID-19 Fiscal Impacts

The Bay Area is anticipated to receive approximately \$1.3 billion in transit assistance funds to offset revenue losses due to the COVID-19 Public Health Emergency .

The Metropolitan Transportation Commission (MTC) is currently working with Bay Area Transit Agencies to program and allocate this funding.

- Anticipate **first action by MTC in April 2020**, with SFMTA receiving \$130 – 200 million, depending on methodology.
- **Second allocation expected in Summer 2020**, anticipate receiving allocation in the same \$130 – 200 million range.

Next Steps

- 4/7/2020:** Finalization of Policy Proposals
Update on FY 21 – 25 Capital Improvement Program
Update on Fiscal Status RE: COVID-19 Public Health Emergency
- 4/21/2020:** Approval of FY21 and FY22 Operating and Capital Budget
Approval of FY21 – FY 25 Capital Improvement Program
- by 5/1/2020:** Submit Budget to the Mayor and Board of Supervisors
- On-going:** Monitor revenue forecasts and manage expenditures, pause programs or projects if necessary to ensure that budget remains balanced.

Quarterly or upon SFMTA Board request, report on status of actual revenues and expenditures compared to budget.