



SFMTA

San Francisco Municipal Transportation Agency

Financial Status Report

**Board of Directors
Annual Workshop
February 1, 2022**

SFMTA Budget Process

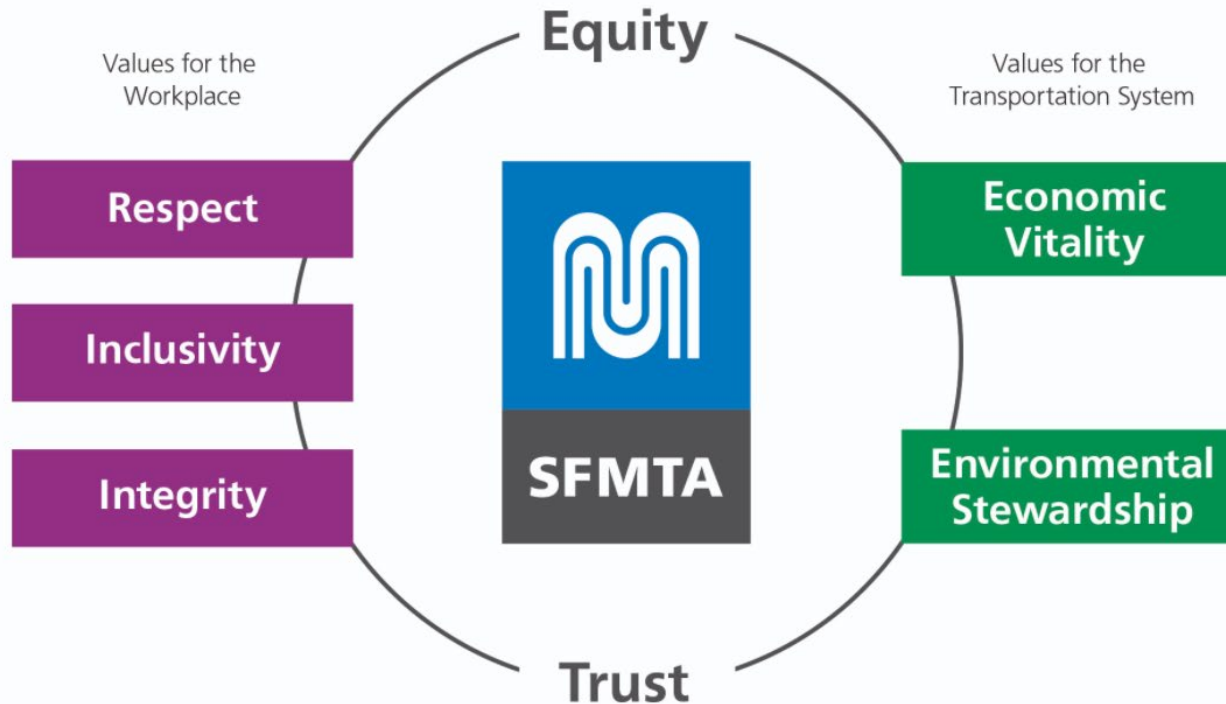
2-Year Consolidated Budget
5-Year Capital Improvement Program

Creating (and maintaining) the SFMTA budget is a major step toward designing the agency and transportation system we all want.

The budget numerically represents our interests, passions and necessities.

By examining our expenses, we can better **understand our trends, figure out where we can perform better, determine if we're on the right path, and prepare for potential financial downturns.**

Most importantly,
the SFMTA budget
reflects our values.



By May 1st we must complete the development of two products.

2-Year Consolidated Budget

- 2-Year Operating Budget
- 2-Year Capital Budget
- Budget Resolution
- Budget Appropriation
- Fees, Fares and Fines Policy
- Other policies as directed
- FY 2023 & FY 2024

5-Year Capital Improvement Program

- Capital Projects by Program by Phase
- Funding Plans for all Capital Projects
- Capital Funding Priority Areas
- Analysis of Capital Investment Gaps
- First 2-Years as Capital Budget
- Other policies as directed
- FY 2023 – FY 2027

The 2-Year Consolidated budget lays out the operations, programs and projects the agency will take on between adopted budgets.

2-Year Consolidated Budget

Operating

Revenue (Sources)

Expenditure (Uses)

Operations (On-Going)

Programs (On-Going)

Programs (One-Time)

Capital

Revenue (Sources)

Funding Plans

Capital Programs

Capital Projects (One-Time)

Phases (One-Time)

The 5-Year Capital Improvement Program (CIP) lays out the capital revenues, funding plans, programs, projects and phases over a five-year period.

“What and Why”

The SFMTA Board provides policy direction on priorities through the 20-Year Capital Plan

Funding agencies specify through law or regulation how capital dollars may be used.

20-Year Capital Plan

Funding Agencies

5-Year Capital Improvement Program

“How and When”

The 5-Year Capital Improvement Program (CIP)

How? means – project **scope**

How? means – by what **phasing**

How? means – with what or **who’s dollars** (we have 30+ funding sources)

When? means – **sequence** of projects or phases to meet a policy objective

When? means – **cashflow** requirements to keep everything moving

The typical schedule for budget development is the following.

Summer/Fall	Fall	Jan/Feb	March/April	★
<ul style="list-style-type: none"> Develop Operating Revenue Estimate Develop Capital Revenue Estimate Update 5-Year Financial Plan 	<ul style="list-style-type: none"> Divisions develop operating and program proposals CIP Program Managers develop capital project proposals Baseline budget is developed 	<ul style="list-style-type: none"> Constraints & Risks Analyzed MTA Board Workshop Public Outreach and feedback on priorities and proposals MTAB Hearings & Report Backs – Policy Issues 	<ul style="list-style-type: none"> MTAB Hearings & Report Backs – Policy Issues Revised budget for MTAB Review, 5-Year CIP for Review Public Hearings, Budget & 5-Year CIP Adoption 	<ul style="list-style-type: none"> City Charter requires submission to the Mayor by May 1st. Mayor submits to the Board of Supervisors on June 1st. Action/No Action by July or August.

Board Workshop helps us understand what the Boards needs and wants are for an informed decision on the budget.

Needs in the form of data and analysis for an informed decision.

Wants in the form of policy preferences and reports back to frame priority discussions.

Financial Status Report

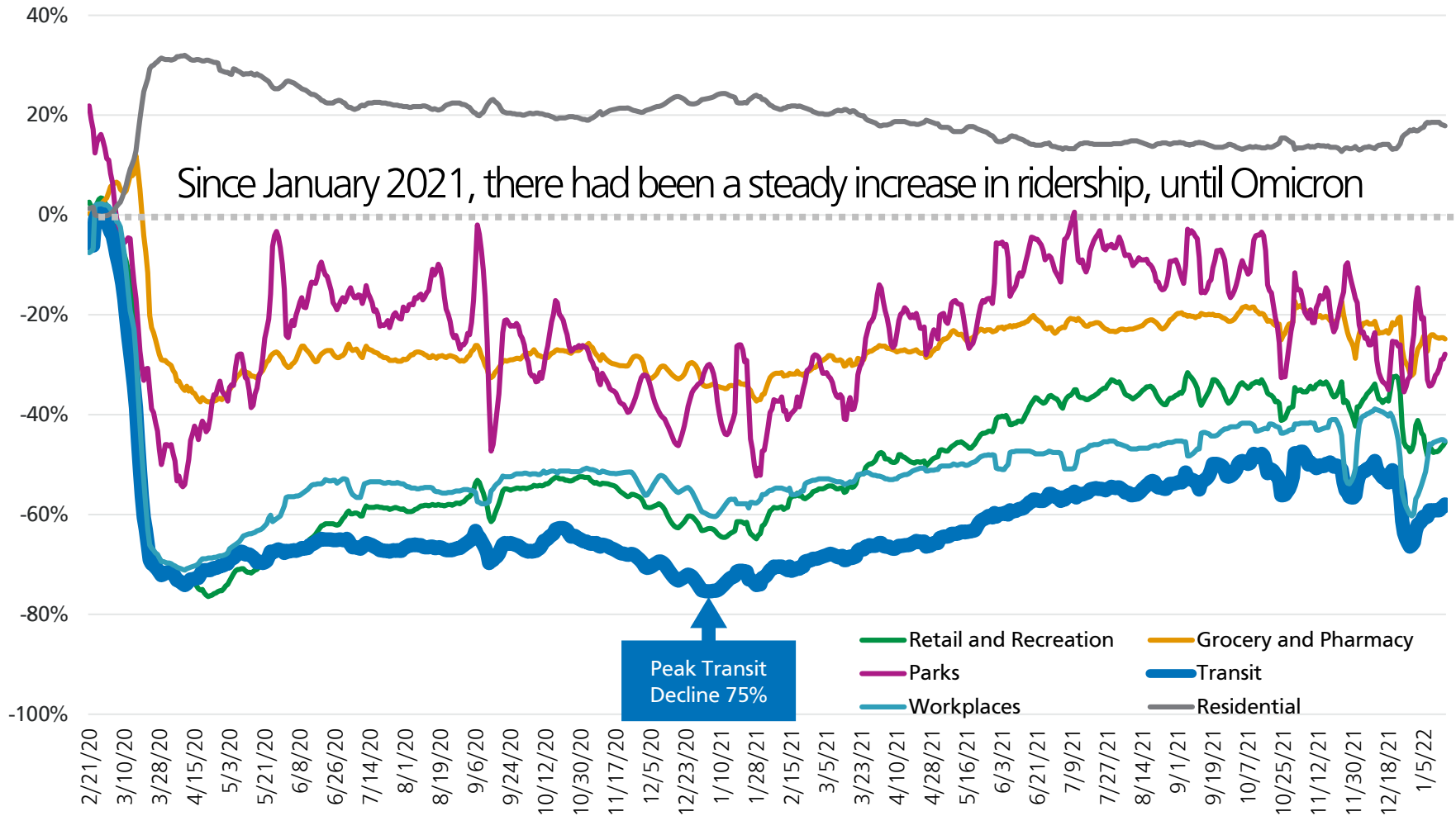
Data & Insights
Budget Baselines
Opportunities & Risks

Data is an important element of budget development.

We have been continuously monitoring data around change in transportation choices.

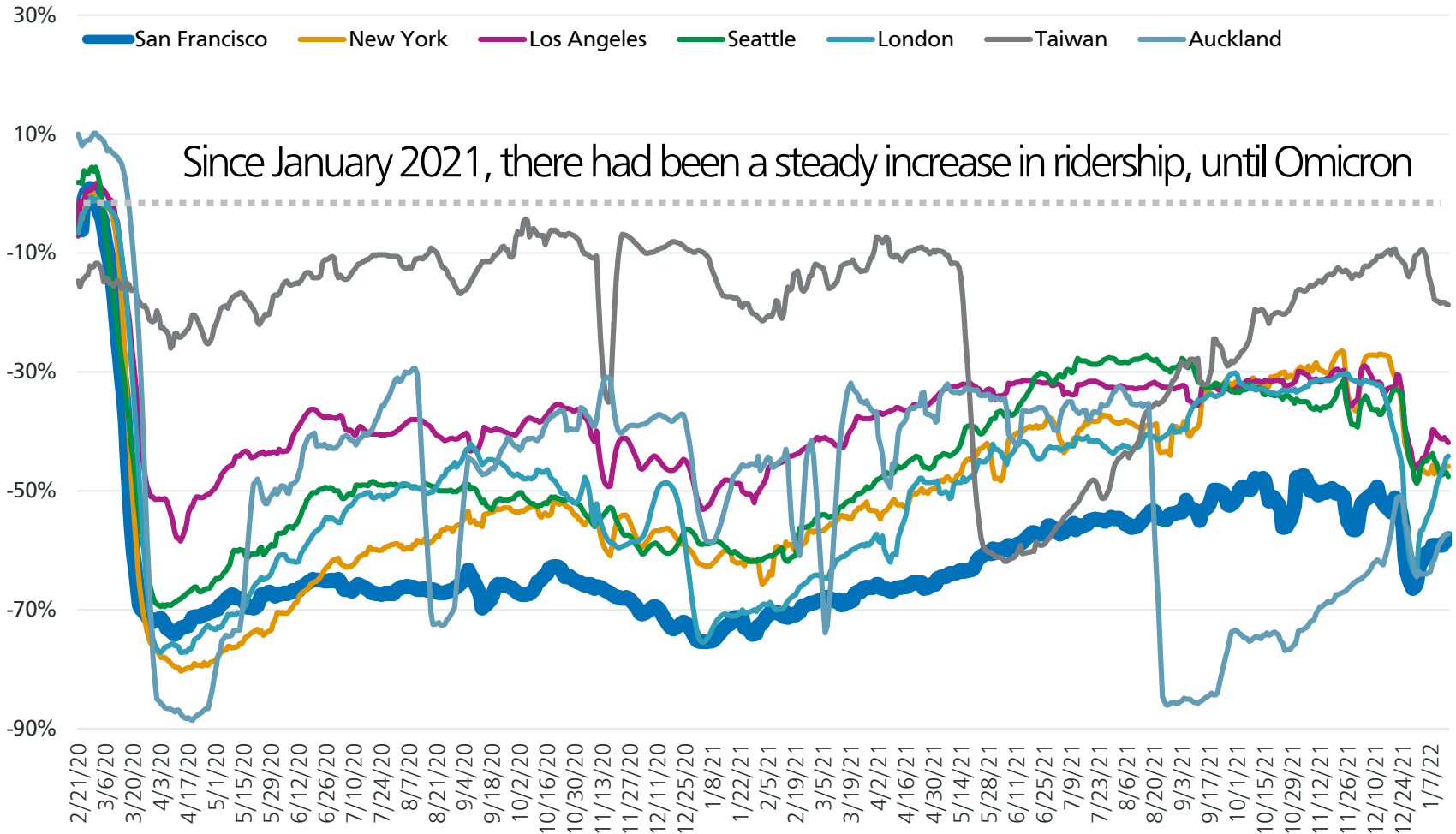
Insights from this data impact our assumptions around revenues, and operating, program and project expenditures.

Google Mobility Data: San Francisco Destinations (Feb 2020 – today)



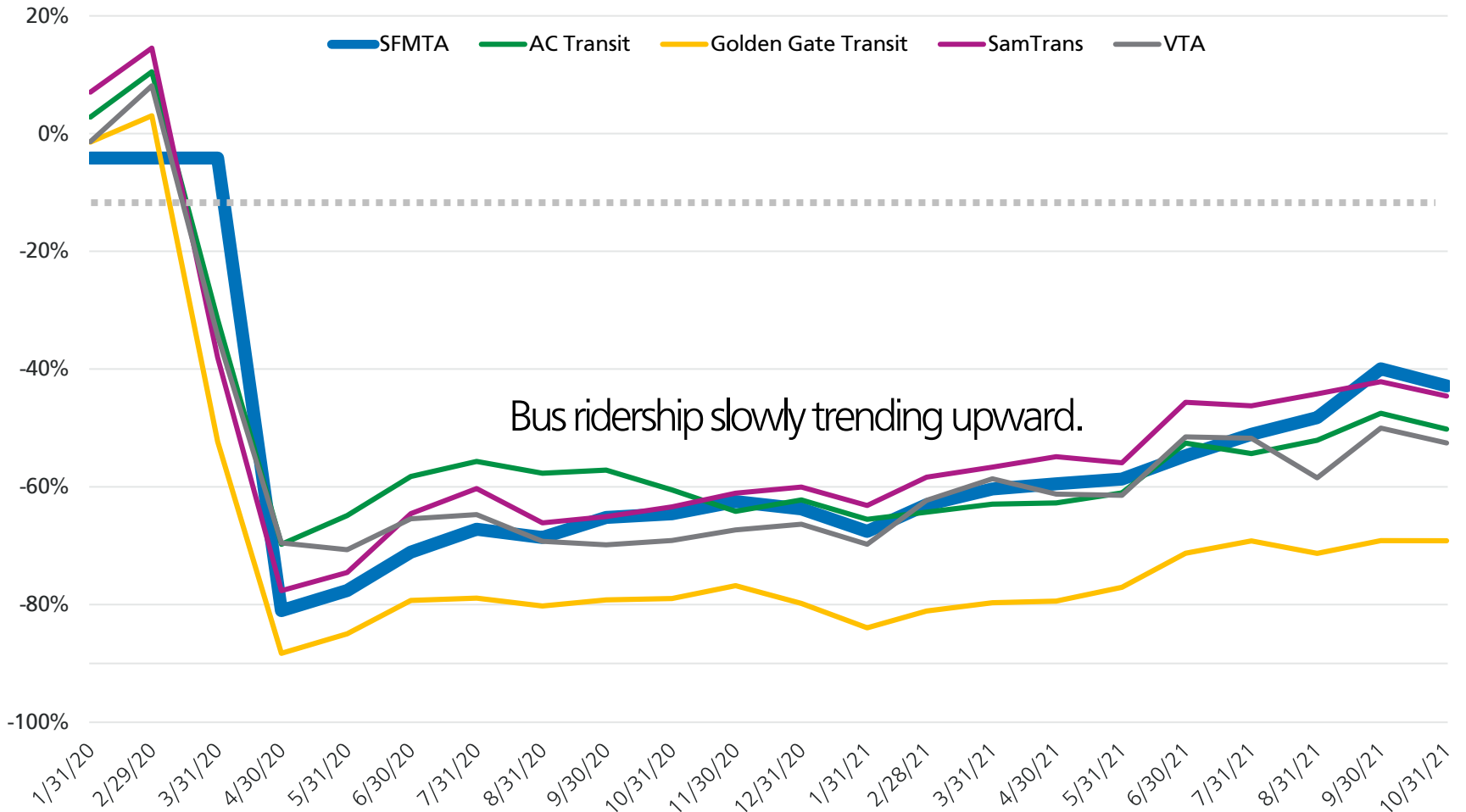
Source: Google LLC "Google COVID-19 Community Mobility Reports".
<https://www.google.com/covid19/mobility/> Accessed: January 19, 2022.
The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. Data is a rolling 7-day average versus the baseline.

Google Mobility Data: Transit Comparison (Feb 2020 – today)



Source: Google LLC "Google COVID-19 Community Mobility Reports".
<https://www.google.com/covid19/mobility/> Accessed: January 19, 2022.
 The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. Data is a rolling 7-day average versus the baseline.

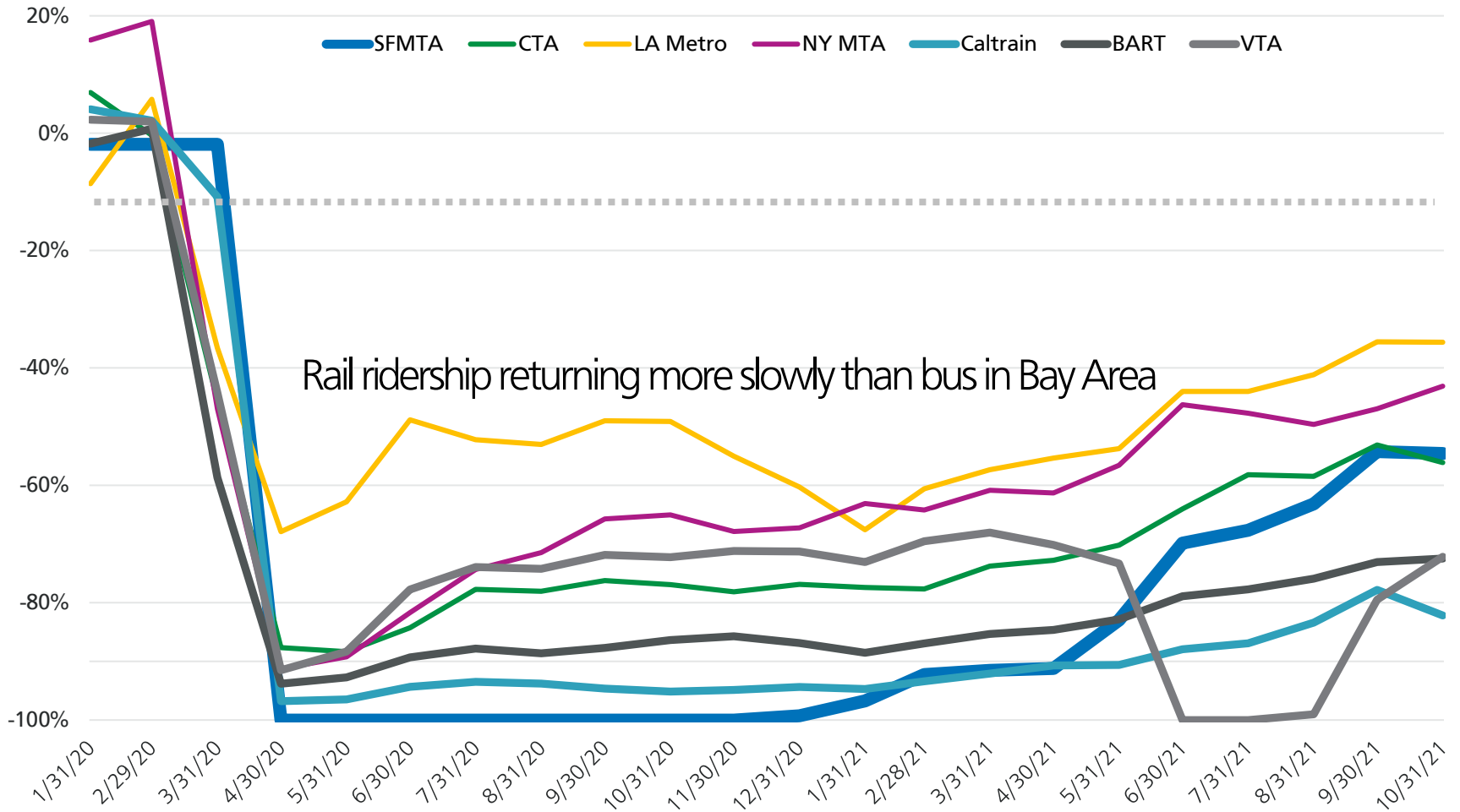
National Transit Database (NTD): Bus Ridership (Jan 2020 – October 2021)



Bus ridership slowly trending upward.

Source: National Transit Database
<https://www.transit.dot.gov/ntd>
 Monthly bus ridership compared to the same month in calendar year 2019.

National Transit Database (NTD): Rail Ridership (Jan 2020 – October 2021)



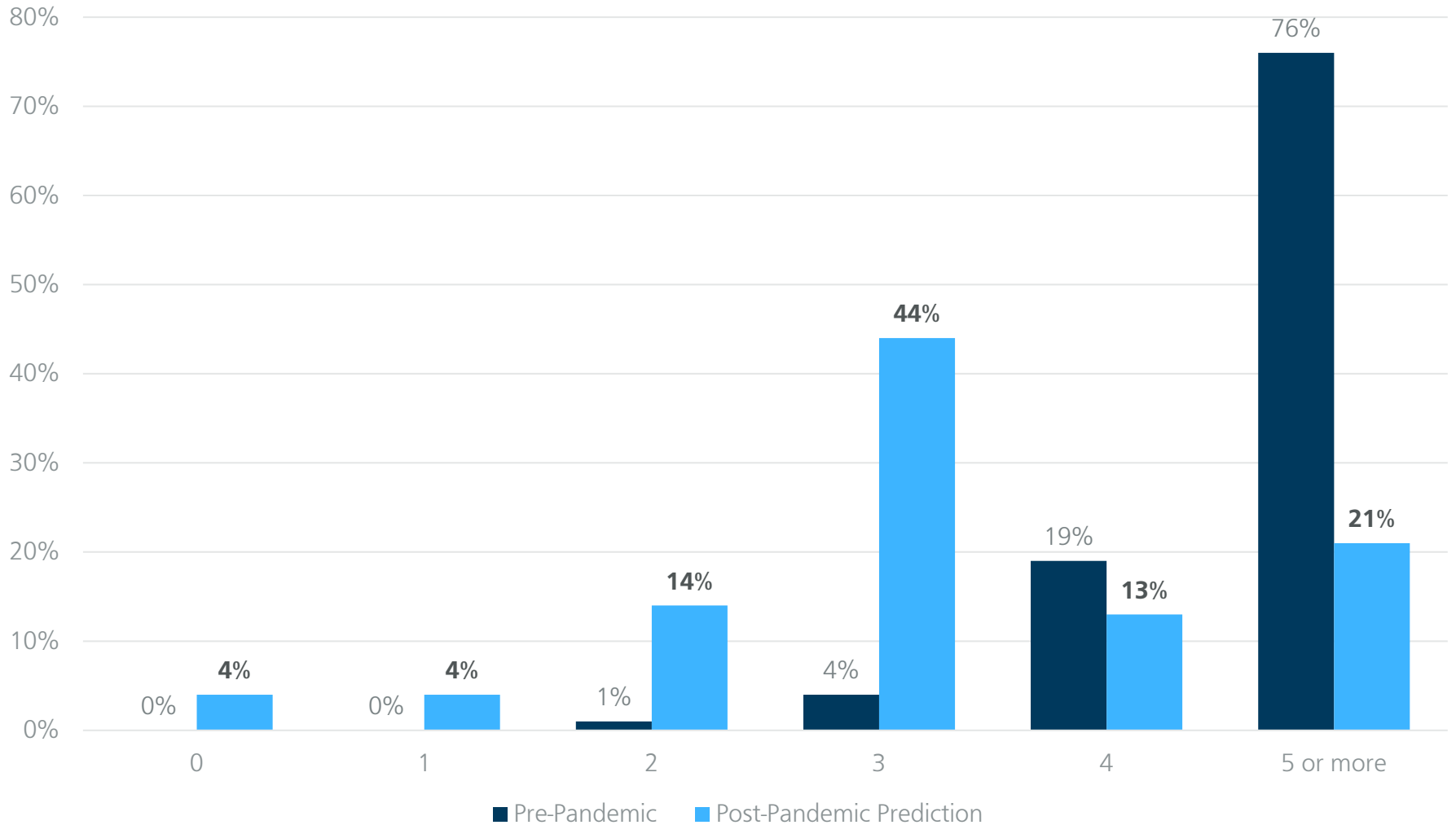
Rail ridership returning more slowly than bus in Bay Area

Source: National Transit Database

<https://www.transit.dot.gov/ntd>

Monthly rail ridership compared to the same month in calendar year 2019.

Number of Days Typical Employee Comes to Workplace

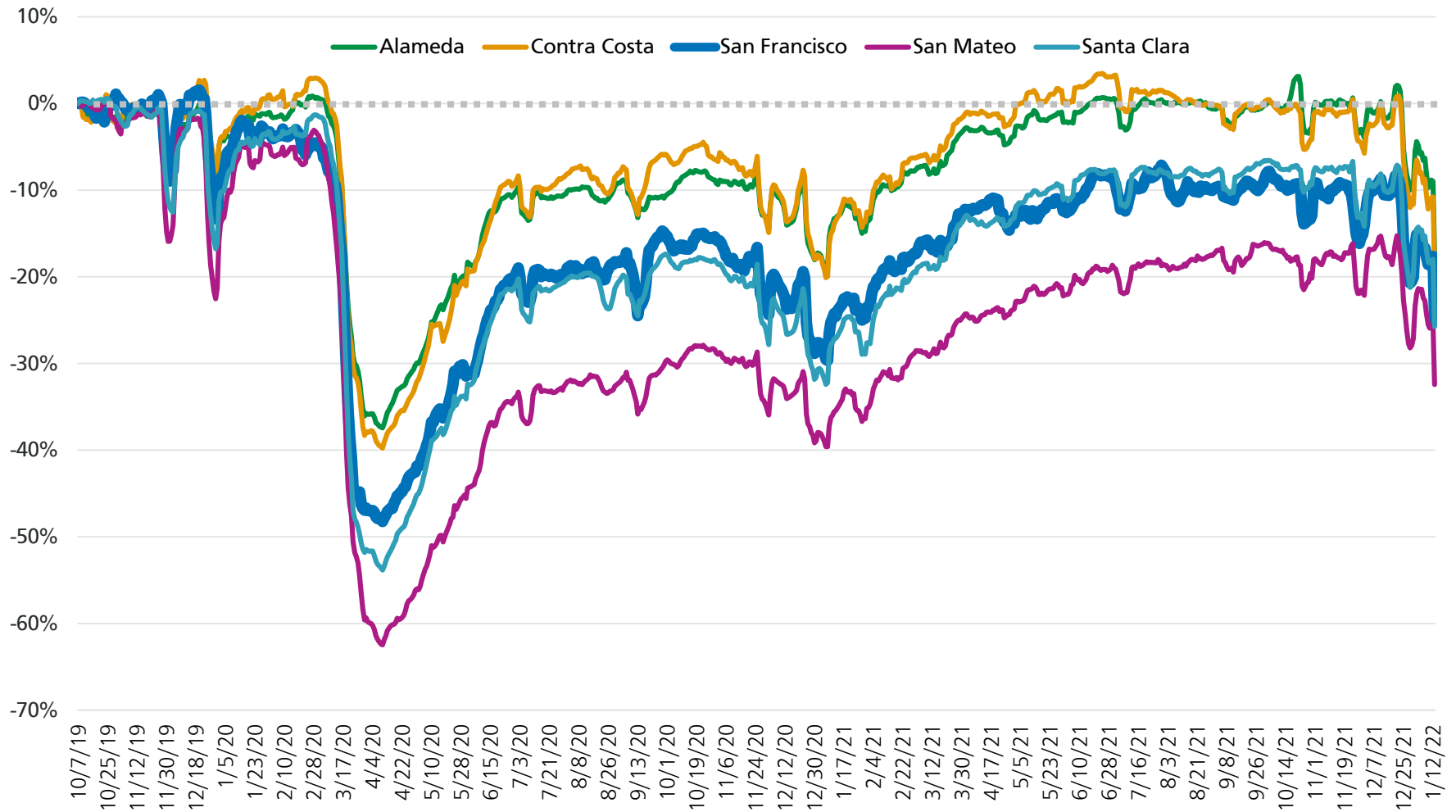


Source: Bay Area Council Economic Institute

<http://www.bayareaeconomy.org/>

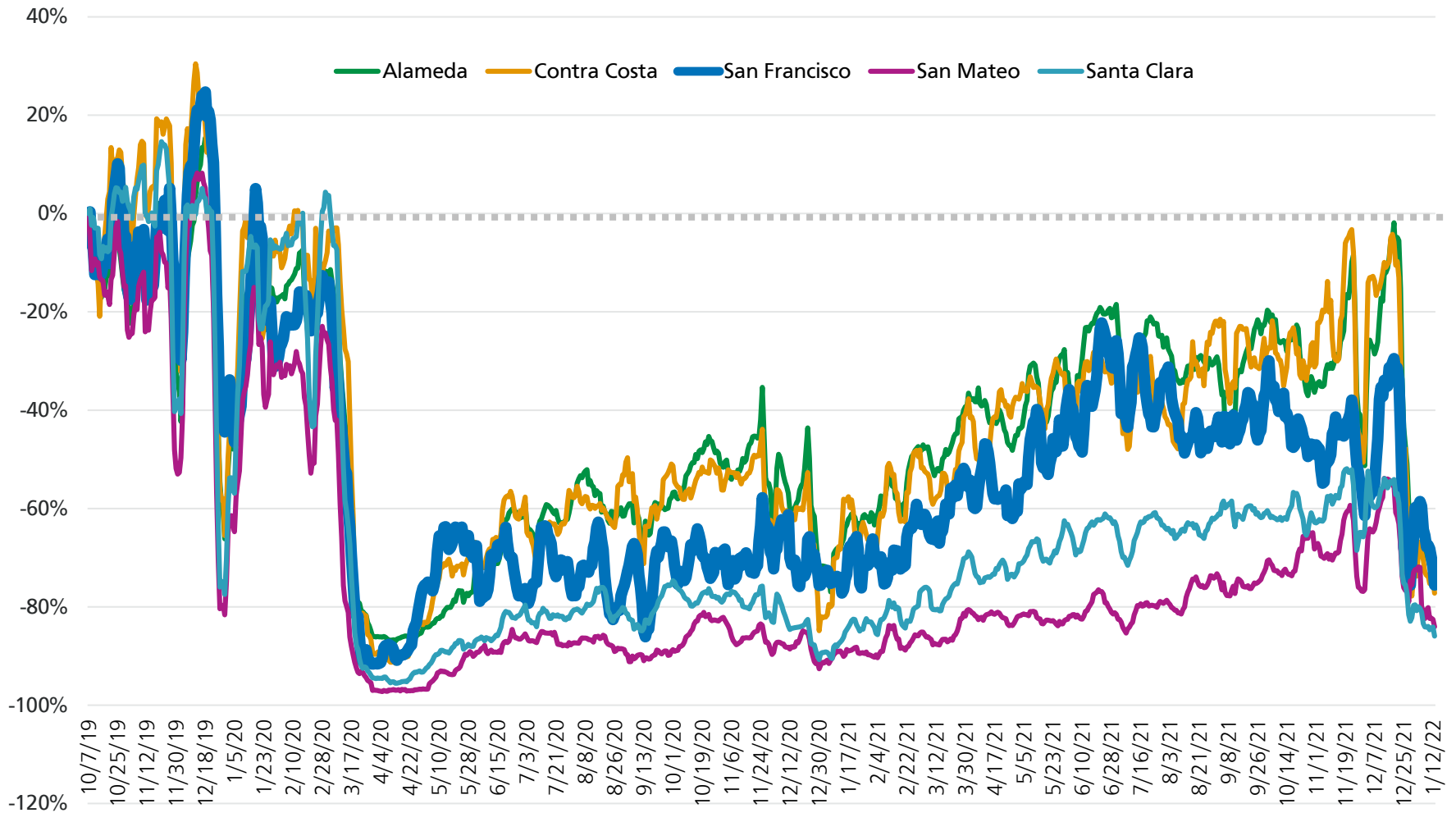
Results from December 2021 "Return to Transit Tracking Poll"

Caltrans Vehicle Miles Traveled: Bay Area Counties (Oct 2019 – today)



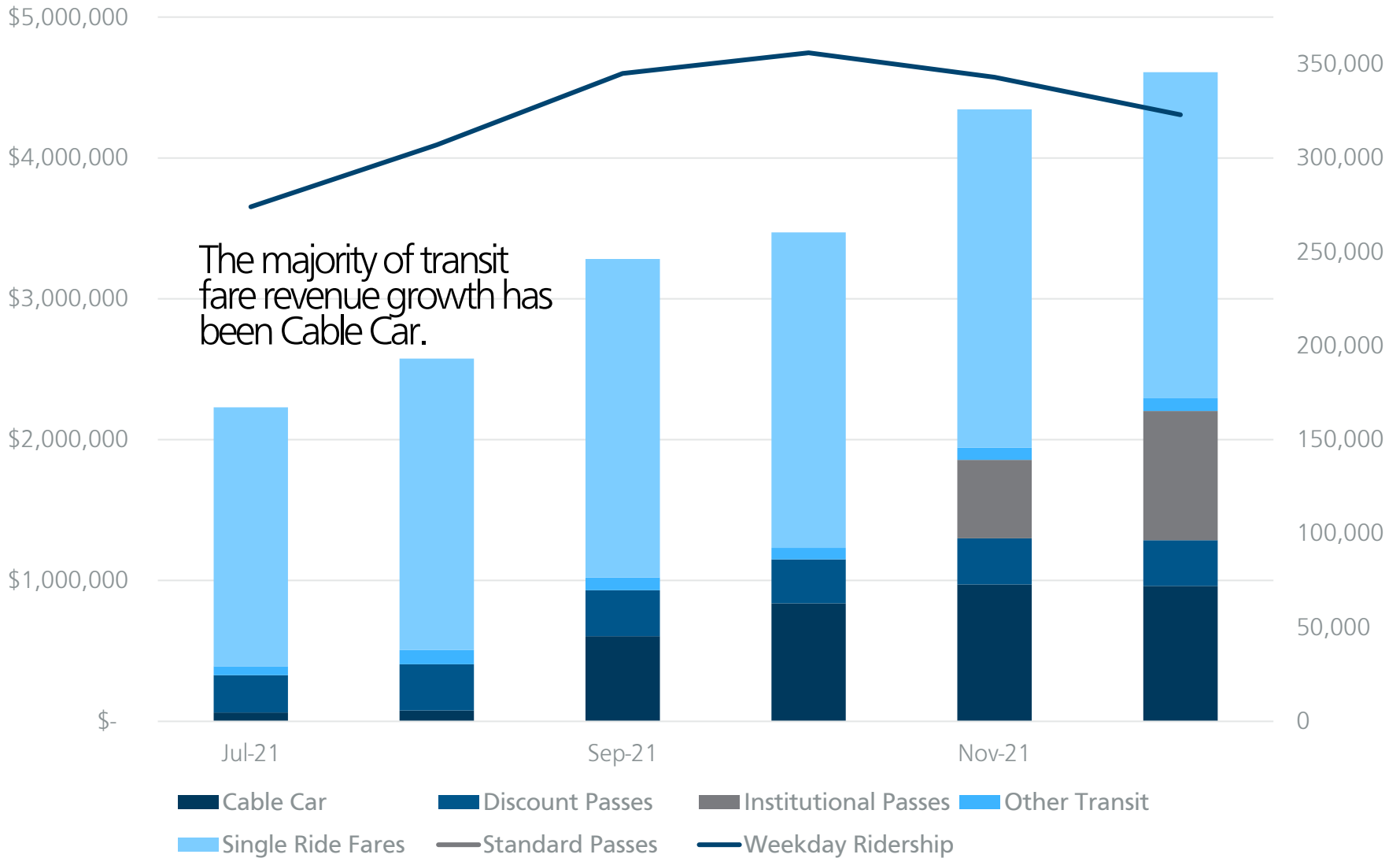
Source: California Department of Transportation. <https://pems.dot.ca.gov/> Accessed: January 13, 2022. The baseline is the seven-day average value for the first week of October 2019. Data is a rolling 7-day average versus the baseline.

Caltrans Vehicle Hours of Delay: Bay Area Counties (Oct 2019 – today)

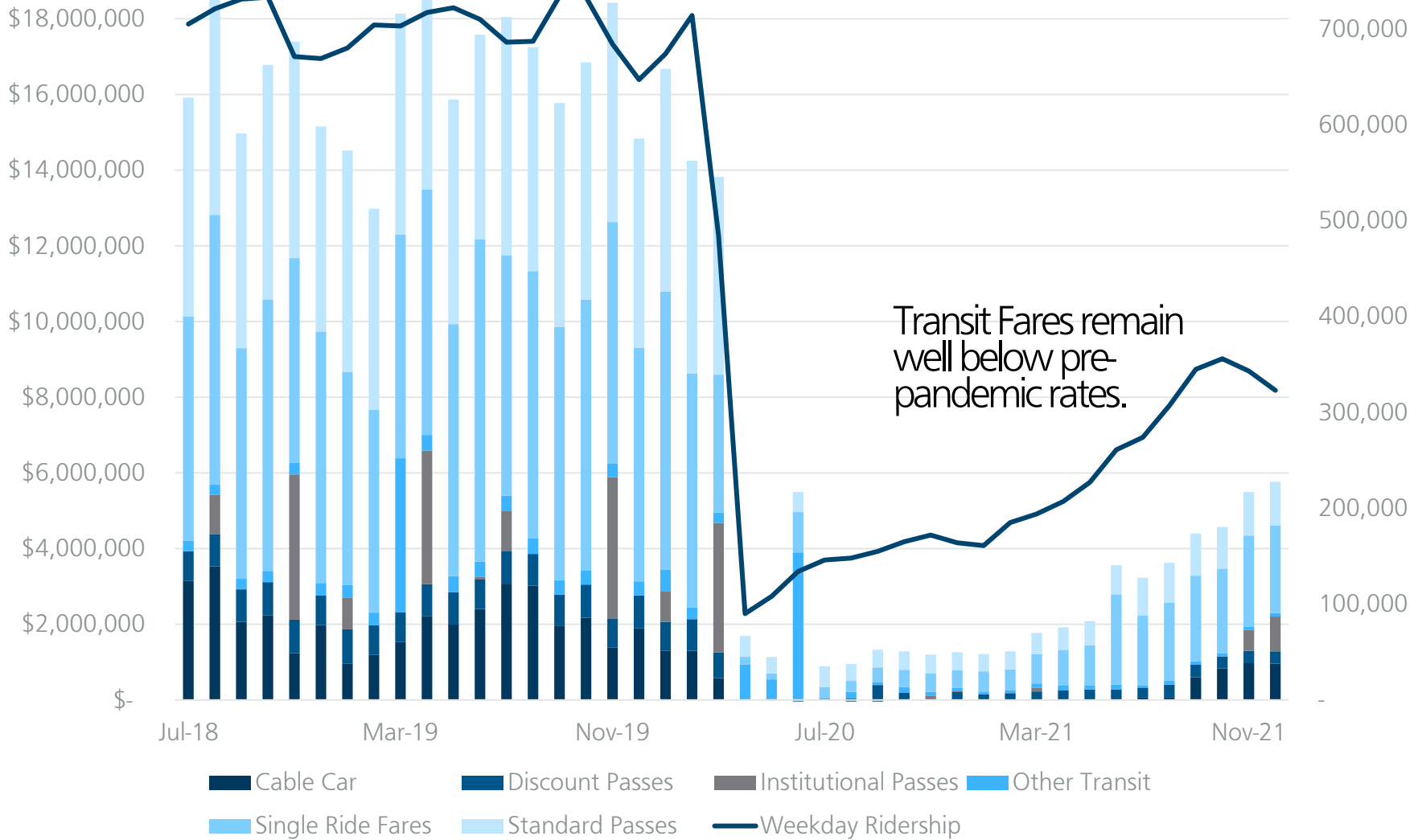


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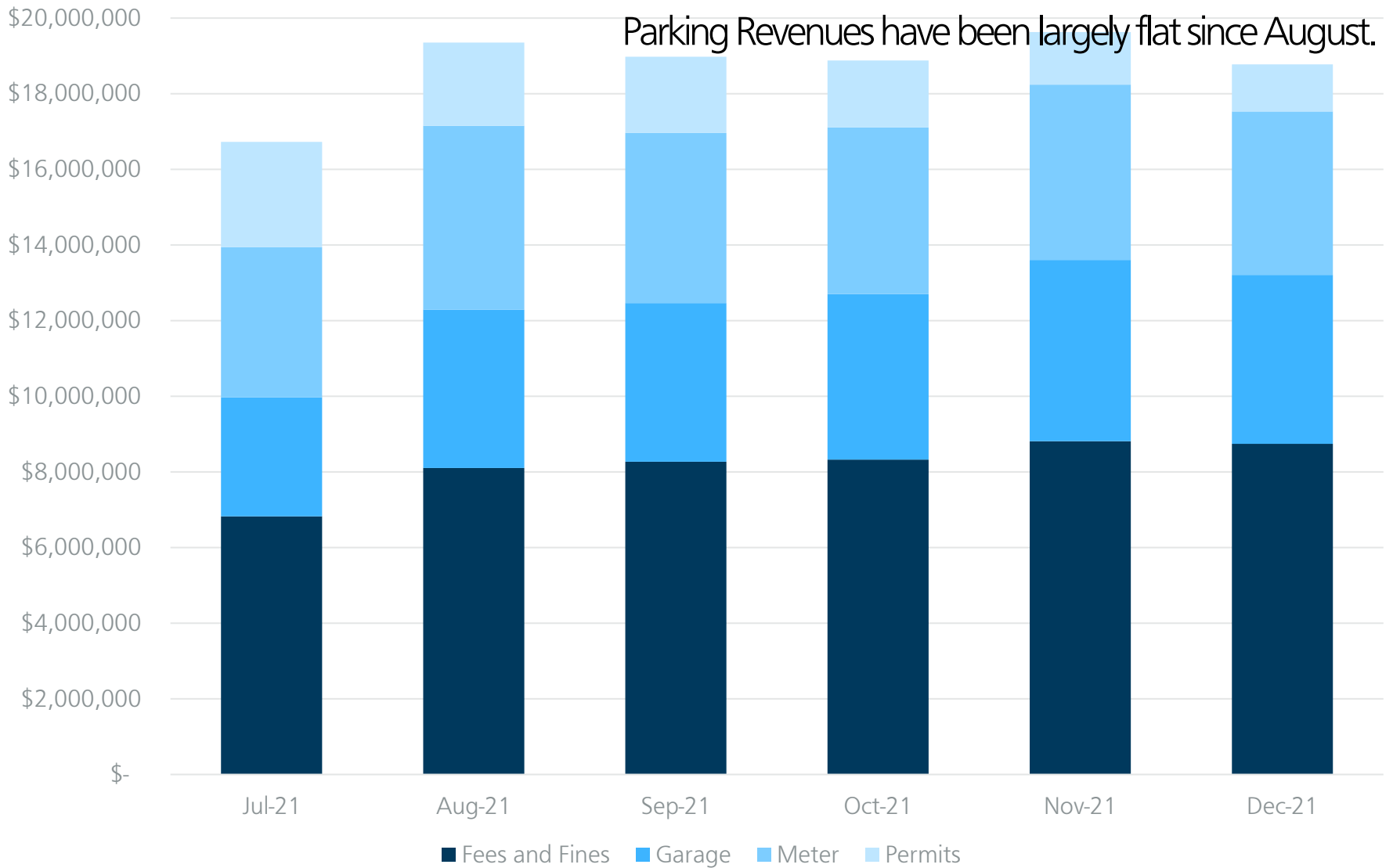
Transit Fare Revenue Trend: FY 2022



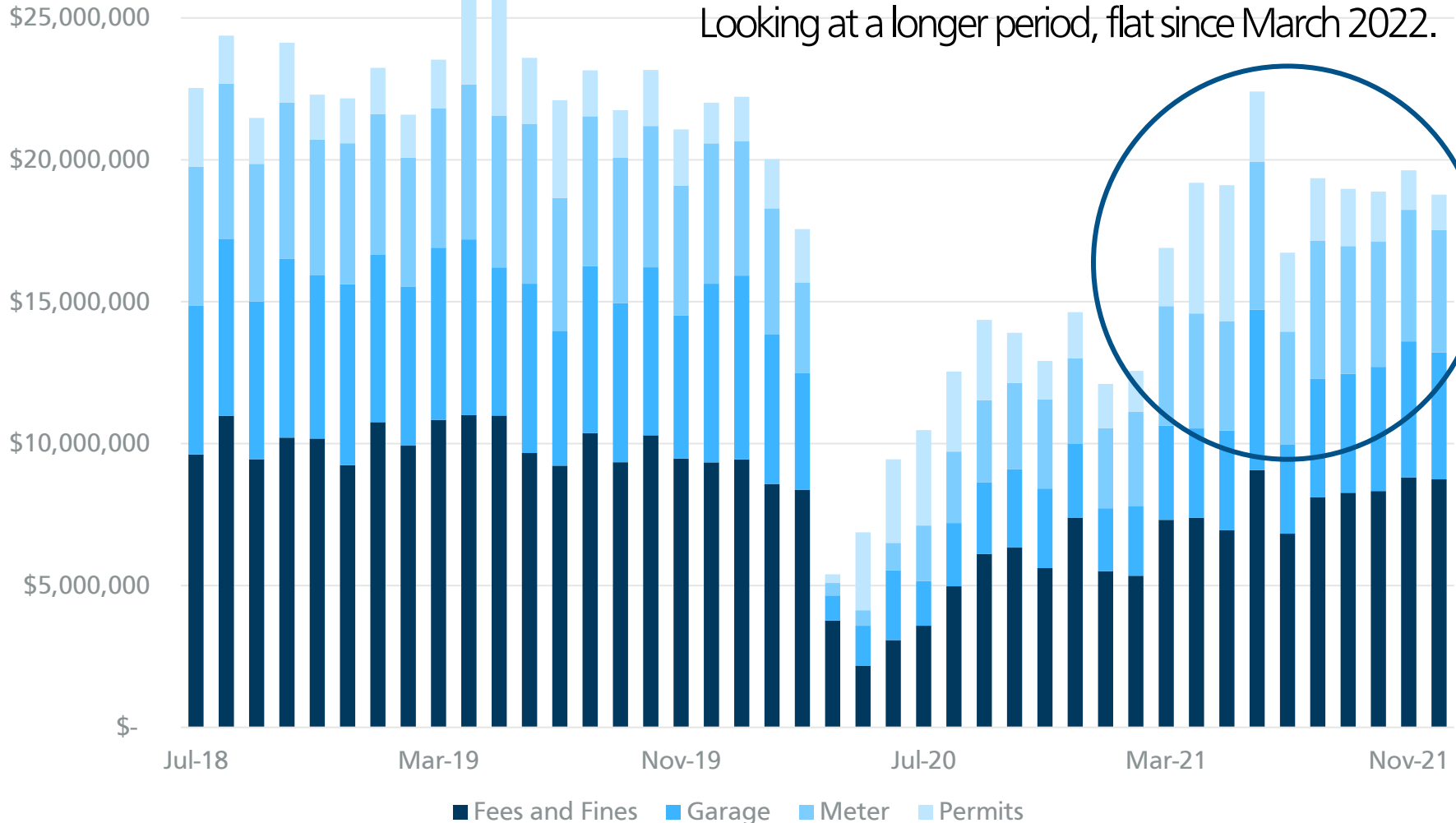
Transit Fare Revenue Trend: FY 2019 to present



Parking Revenue Trend: FY 2021



Parking Revenue Trend: FY 2019 to present



[Detailed Parking Data by Account Code](#)

Data Insights



Transit continues to recover slowly; the Bay Area continues to lag the nation. Pace of fare revenue growth remains uncertain. FY 2019 actual was \$195.7 million. Current baseline assumes 62% recovery by FY 23 and 78% in FY 23. Any gaps would be covered by advancing federal relief.



The length of the pandemic has likely permanently impacted travel patterns. Commute and tourist activity have slowly increased. Cable Car revenues are up. Number of days at work and trips to San Francisco continue to lag impacting parking revenues, which have flattened. Uncertainty remains.



The agency continues to run on one-time sources. The baseline assumes that agency 12.5% of agency expenses are covered by one-time sources in FY 23 and 7.7% in FY 24 if sustainable revenues continue to increase month-over-month, year-over-year. Revenue growth will be insufficient to cover both replacement of one-time funds and projected increases in costs. Structural deficit remains in the long-term.

We begin with the baselines in the operating budget and 5-year CIP.

We set the baseline to make decisions or changes up or down.

Down if baseline revenues cannot sustain operations

Up if there are revenue opportunities or policy changes that result in new revenues.

This cycle the Board may use additional use one-time funds in anticipation of a potential future revenue measure, making a policy decision on the acceptable level of risk.

Operating Budget FY 2023 & FY 2024 Baseline

EXPENDITURES (USES)	FY23 Projected	FY24 Projected
Salary & Fringe	906,205,986	914,482,609
Overhead & Allocations	(35,797,588)	(36,810,659)
Professional Services	256,543,965	263,804,159
Materials & Supplies	76,448,280	78,611,767
Capital Outlay	4,131,188	4,248,101
Debt Service	23,046,100	27,928,477
Workorders	93,401,111	96,044,362
Expenditures	1,323,979,043	1,348,308,815

REVENUES (SOURCES)	FY23 Projected	FY24 Projected
City Population-based Baseline - Operating Support	30,000,000	30,000,000
Federal Relief	165,542,866	103,326,408
General Fund Transfers	417,730,000	448,160,000
General Fund Transfers (MBTIF)	7,600,000	7,800,000
Operating Grants	186,094,788	189,754,714
Other (advertising, Interest, misc fees, recovery)	49,967,931	51,601,932
Parking & Traffic Fees & Fines	262,482,877	278,222,485
Parking Tax In-Lieu	64,150,000	66,040,000
Proposition D Traffic Congest Mitigation Tax	8,198,958	10,346,447
Taxi Services	200,000	200,000
Transit Development Fees - Operating Support	10,000,000	10,000,000
Transit Fares	122,011,622	152,856,830
Revenue	1,323,979,043	1,348,308,815

FY 2023 – 2027 Capital Improvement Program Baseline

Program	Capital Budget					5-Year CIP
	FY23	FY24	FY25	FY26	FY27	Total (Current)
Fleet	170.47	151.90	199.23	419.59	237.40	1,178.59
Transit Optimization	53.37	30.13	96.95	53.56	100.39	334.40
Transit Fixed Guideway	78.72	54.96	126.16	144.30	83.38	487.53
Streets	53.21	39.84	35.92	21.55	35.64	186.16
Facility	24.03	49.32	51.86	9.00	24.40	158.62
Signals	33.03	17.01	19.15	14.95	6.54	90.69
Communications & IT	0.53	2.79	2.20	1.70	2.80	10.02
Parking	0	0	0	0	0	0
Security	1.93	1.93	1.93	1.93	1.93	9.69
Taxi	0.65	0.35	0.73	0.001	0.52	2.27
Total	415.97	348.25	534.13	666.60	493.02	2,457.97

An opportunity and risk analysis has been performed to begin the discussion.

2-Year Consolidated Budget

Supplemental Federal Relief
\$45 m - \$100 m

Inflation/Increased Costs
(\$20 m)

Optimistic Fare Recovery
\$20 m

No Fare Program Changes
(\$12 m)

Extended Meter Hours
\$16 m

Slower City Recovery
(\$28 m)

Optimistic Parking Recovery
\$6 m

Slower Parking Recovery
(\$4 m)

5-Year Capital Improvement Program (CIP)

GO Bond Passes
\$400 m

Planned Project Needs
(\$581 m)

Next Steps

The Board Workshop begins the public process to develop the SFMTA budget for the next 2-years.

- The Board Workshop is an opportunity to ask questions, get clarify and solicit data and report backs on proposals, informing the entire process.
- **February** Public Outreach and Budget “listening sessions” will occur; we will report back on what we hear
- **February** report backs
 - CIP Development, Prioritization and Advocacy Strategy
 - Building Progress Program + Potrero Yard Development
 - Board Workshop Follow-ups
- **March** public hearings on Fares, Fees and Fines
- **Late-March** we will provide a budget that revises the baseline, after 6-month financial review
- **April** final budget & 5-Year CIP modifications and adoption.



Thank you.