



SFMTA

Taxi Quarterly Meeting

January 25, 2024



Agenda

1. SFMTA FY25-FY26 Proposed Budget & Taxi Fees
2. Taxi Upfront Fare Pilot: Q4 Results and Year 1 Review
3. SFMTA Announcements
 - Paratransit Taxi Subcommittee Meeting
 - Castro Taxi Stand

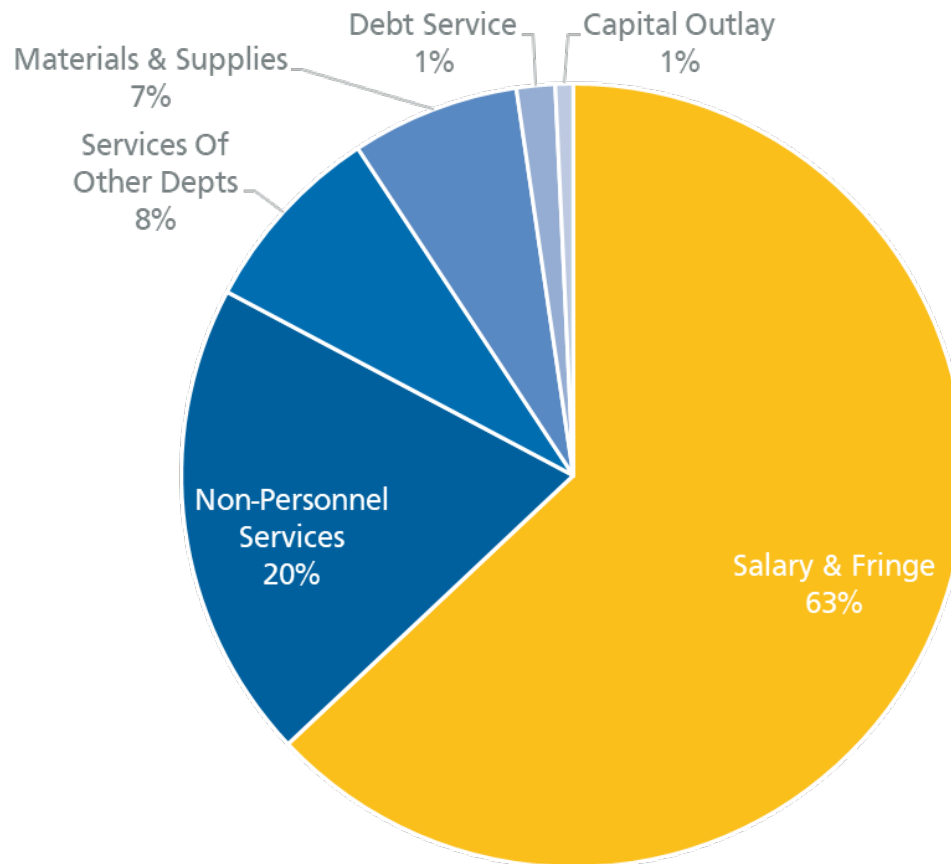
Fiscal Year 2025-2026 Budget

Financial context

- Revenue is lower than pre-pandemic.
- FY22-23 expenditure exceeded SFMTA enterprise revenue; spending level was dependent on federal relief.
- One-time federal, state and regional transit relief expire in FY25-26.
- One-time fund balance is insufficient to close the gap.
- Key budget drivers are uncertain.

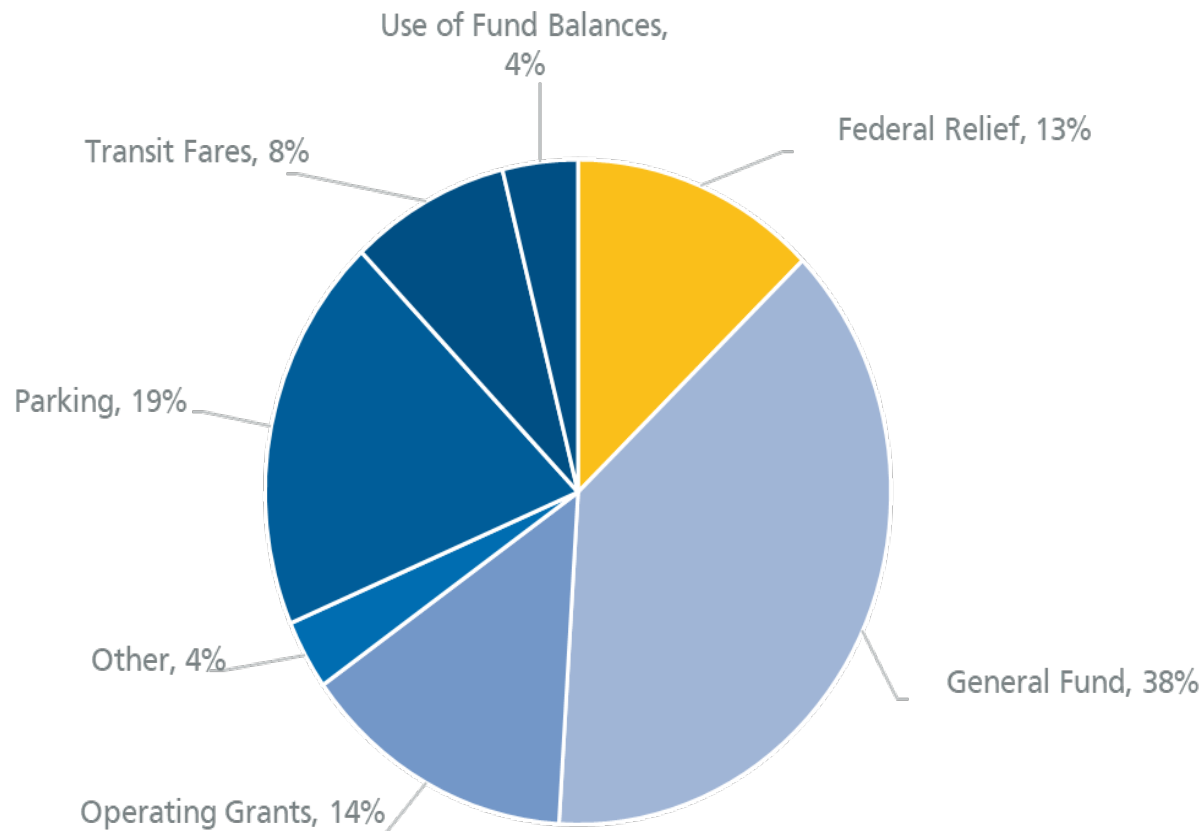
FY 22-23 Operating Expenditure

Staff are SFMTA's most important resource. 63% of expenses fund labor and 97.25% of positions are non-management.



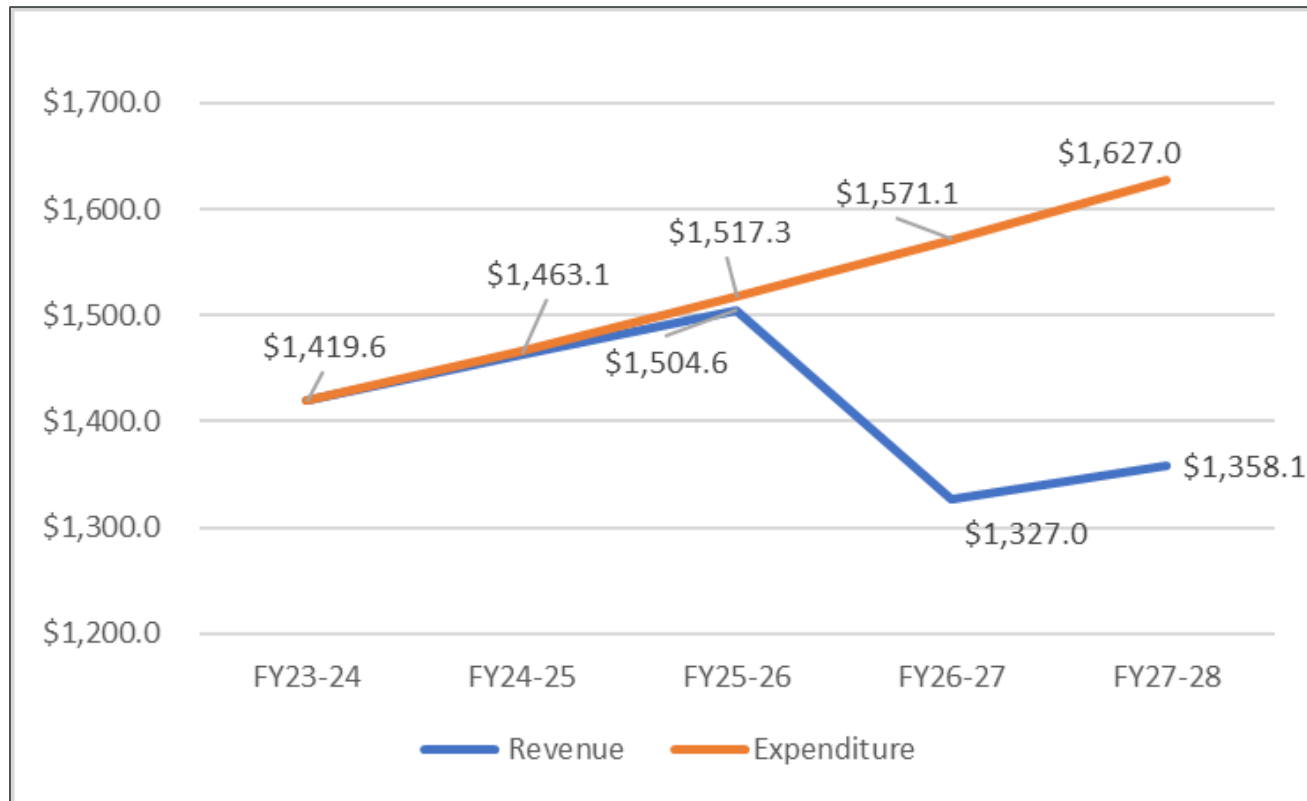
FY22-23 Operating Revenue

The FY22-23 operating budget was primarily funded by the SF General Fund, operating grants and one-time federal relief.



Five-Year Forecast

Assuming continuation of belt-tightening measures, approval of local funding proposals, like fare indexing, and prudent use of federal, state and regional relief, and pending the outcome of labor negotiations, SFMTA can close the budget gap until late FY25-26.



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

Making the case for \$12.7M in revenue for the upcoming two-year budget cycle is the first step toward making the case for \$240M in revenue in FY26-27.

Automated Indexing Implementation Plan (Indexing)

- Default position on budget, according to SFMTA Board policy, is to index fares, fees and fines by a combination of COLA (cost of living adjustment) and CPI (consumer price index)
- Indexing is the minimum increase required to keep up with the cost of doing business.
- **If we only increase revenue according to indexing, we will not close our budget gap.**
- **Suspending indexing would add \$14.7M to deficit, increasing two-year budget deficit to \$27.4M.**

Impact of not increasing revenue beyond indexing

- Requires use of fund balance to close the budget gap leaving agency unable to absorb uncertainty and increasing future risk if FY26-27 deficit is not closed.
- Exacerbates the FY26-27 deficit that must be solved by regional revenue measure or other solutions.



Summary of revenue options

*Green items are staff recommendations. They generate \$13.0M of \$12.7M needed to close two-year budget gap.

Category	Option	Additional Revenue FY25 (\$M)	Additional Revenue FY26 (\$M)	2-Year Total (\$M)
Transit fares	Suspend inflation indexing	-2.4	-4.4	-6.8
	Implement inflation indexing	-	-	-
	Eliminate Clipper/Mobile discount over two years*	2.1	3.1	5.2
Parking fines	Suspend inflation indexing	-2.5	-2.8	-5.4
	Implement inflation indexing	-	-	-
	Escalate by 5%*	1.8	1.9	3.7
RPP fees	Suspend inflation indexing	-0.7	-1.8	-2.5
	Implement inflation indexing	-	-	-
	Implement inflation indexing + additional costs*	0.7	2.2	2.9
Taxi fees	Reinstate taxi fees and apply inflation indexing*	0.6	0.6	1.2

Taxi Fee Waivers

- In response to the impacts of COVID, and the City's use of Taxis to help respond and serve both vulnerable riders and essential workers, SFMTA has waived all taxi fees since July 2020 through June 2024, including for taxi drivers, medallion holders, color schemes, and dispatch providers, foregoing \$3.6M in revenue.
- Combined with all taxi-related COVID fee waivers, and numerous pre-COVID fee reductions and eliminations since 2014, SFMTA has foregone over \$13.8M in revenue.

Estimated value of Taxi Fee
Waivers

\$13.8 million

Taxi Fee Options

Taxi fees are recommended be reinstated in alignment with other SFMTA fees.

Option	Description	FY25 Increase (\$M)	FY26 Increase (\$M)	2-Year Total (\$M)
Option 1	Continue Fee Suspension	0	0	0
Option 2	Reinstate Fees and index	0.6	0.6	1.2

Reinstate Taxi Fees (indexing)

Permit	FY20 Fee	Proposed FY25	Proposed FY26
New Driver Permit Application	0	0	0
Driver Permit Renewal	\$127	0	0
New Dispatch Application	\$7,326	\$7,609	\$7,902
Dispatch Application Renewal	\$7,782	\$8,082	\$8,394
New Color Scheme Application (per Medallion)	\$3,269 - \$8,528	\$3,395 - \$8,857	\$3,526 - \$9,199
Color Scheme Application Renewal (per Medallion)	\$1,075 - \$11,232	\$1,116 - \$12,116	\$1,160 - \$12,116
Color Scheme Change	\$491	\$510	\$530
Medallion Holder Renewal (Purchased)	<i>eliminated in FY17-18</i>		
Medallion Holder Renewal (Pre-K/Pre-K Corporate)	\$1,179	\$1,225	\$1,272
Medallion Holder Renewal (Post K)	\$590	\$613	\$636
Lost Medallion	\$129	\$134	\$139

Budget timeline

Summer/Fall	Fall	January	Feb/March/April
Estimate revenue Update 5- Year Financial Outlook	Develop base operating budget Allocate CIP revenues	MTA Board Workshop Public outreach begins	Public outreach continues Budget Hearings Budget Action
 Submit balanced budget to Mayor May 1	June	July	August
	Mayor submits budget to Board of Supervisors Board of Supervisors reviews budget	Board of Supervisors acts on budget with up or down vote	Mayor signs budget

Board engagement schedule

Budget Milestone	Date
Board Information: FY22-23 Financial Year In Review	12/5/23
CAC Meeting #1: FY22-23 Financial Year In Review	12/7/23
Board Information: Budget Overview & Strategic Approach	1/16/24
Board Workshop	1/30/24
CAC Meeting #2	2/1/24
Board Hearing: Revenue Options (information only)	3/5/24
CAC Meeting #3	3/7/24
Board Approval: Revenue Options (action item)	3/19/24
Board Hearing: FY24-25 & FY25-26 Budget (information only)	4/2/24
Board Adoption: FY24-25 & FY25-26 Budget (action item)	4/16/24
Budget submittal to the Mayor per City Charter	5/1/24

Public Comments – Call in

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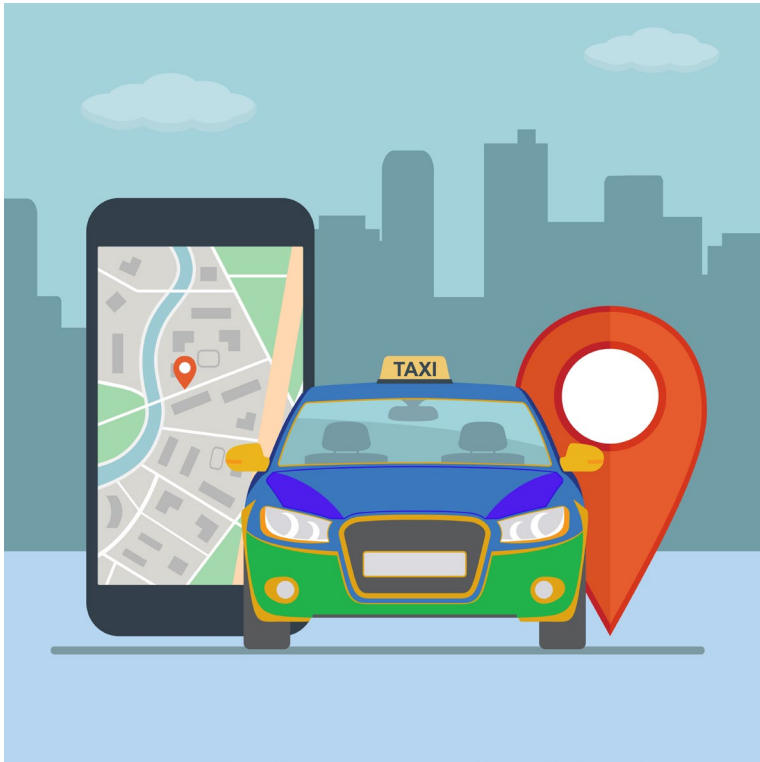
Download documents of this meeting here:

<https://www.sfmta.com/reports/january-2024-taxi-outreach-quarterly-meeting-documents>

Taxi Upfront Fare Pilot

Background

- ❖ Launched November 2022
- ❖ Allows customers to book and pay for a taxi trip in advance
- ❖ Pilot allows both upfront pricing for **1. Taxi Pilot Trips** and **2. Third-Party Pilot Trips**
- ❖ Pilot term extended by SFMTA Board until June 30, 2025
- ❖ SFMTA can issue interim guidance and rule changes as needed



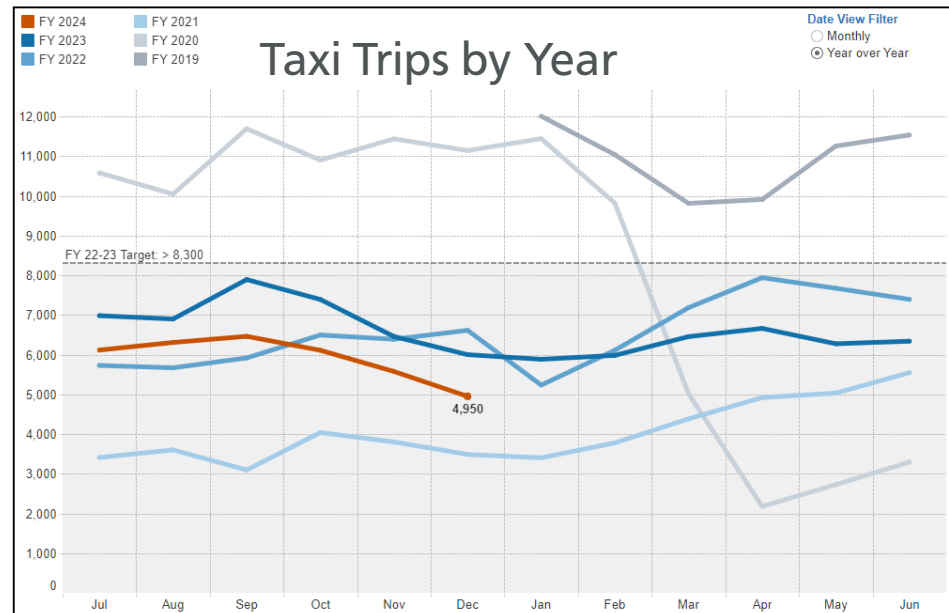
Upfront Fare Pilot Key Rules

- ❖ Drivers may opt out of Third-Party Trips without any penalty
- ❖ Participants must send required data on all trips to SFMTA
- ❖ Apps must send SFMTA what the fare would have been by taxi meter
- ❖ Fares for Taxi Pilot Trips must be based on the meter rate, including meter and a half trips
- ❖ Fares for Third-Party Trips do not have to be based on taxi meter rates



Goals: Desired Outcomes

1. Improve customer service
2. Increase taxi trips
3. Maintain a consistent level of service for taxi trips, including Paratransit taxi trips
4. Increase taxi driver fare revenue
5. Increase the number of taxi drivers
6. Ensure that Taxi Pilot Trip fares closely match the Taximeter rate



Metrics: Measuring Success

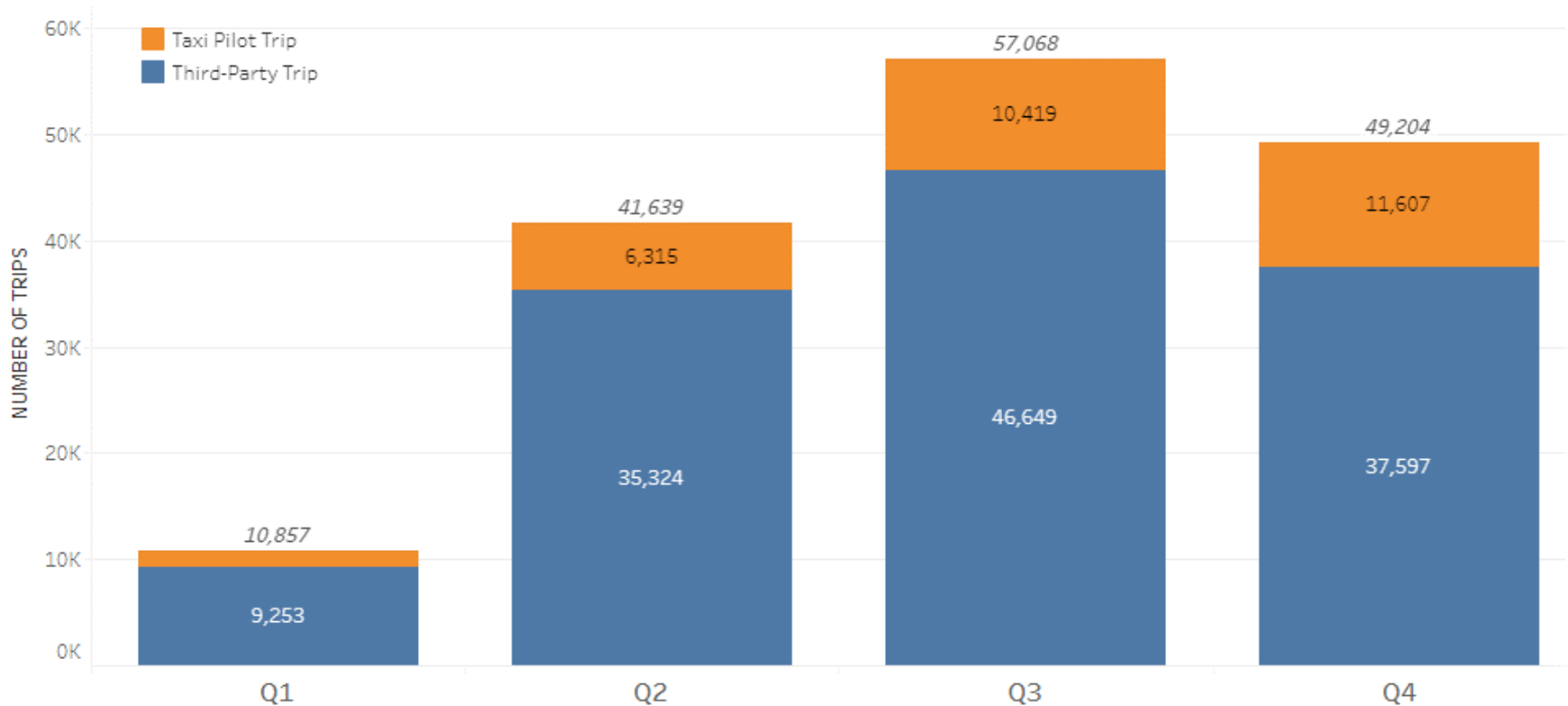
- ❖ Track total number of Pilot trips
- ❖ Track complaints
- ❖ Geographic distribution of trips
- ❖ Increase total taxi trips by 10%
- ❖ Track taxi trips by hail type
- ❖ Track the relative proportion of paratransit taxi trips to all taxi trips
- ❖ Increase participating driver fare revenue by 10%
- ❖ Increase the number of new, active, and Pilot participating taxi drivers
- ❖ Taxi Pilot Trip fares should be within 10% of the Taximeter rate on average



Goal 1: Improve Customer Service

❖ Metric 1A: Number of Pilot Trips

- 49,204 total Pilot trips in Q4
- 23.6% (11,607) were Taxi Pilot Trips hailed through taxi app
- 76.4% (37,597) were Third-Party Trips hailed through a third-party app
- Total Pilot trips increased over 353% from Q1 to Q4



Goal 1: Improve Customer Service

❖ Metric 1B: Complaints

- Comparison of taxi complaints per 1,000 trips before Pilot launch and during the Pilot term

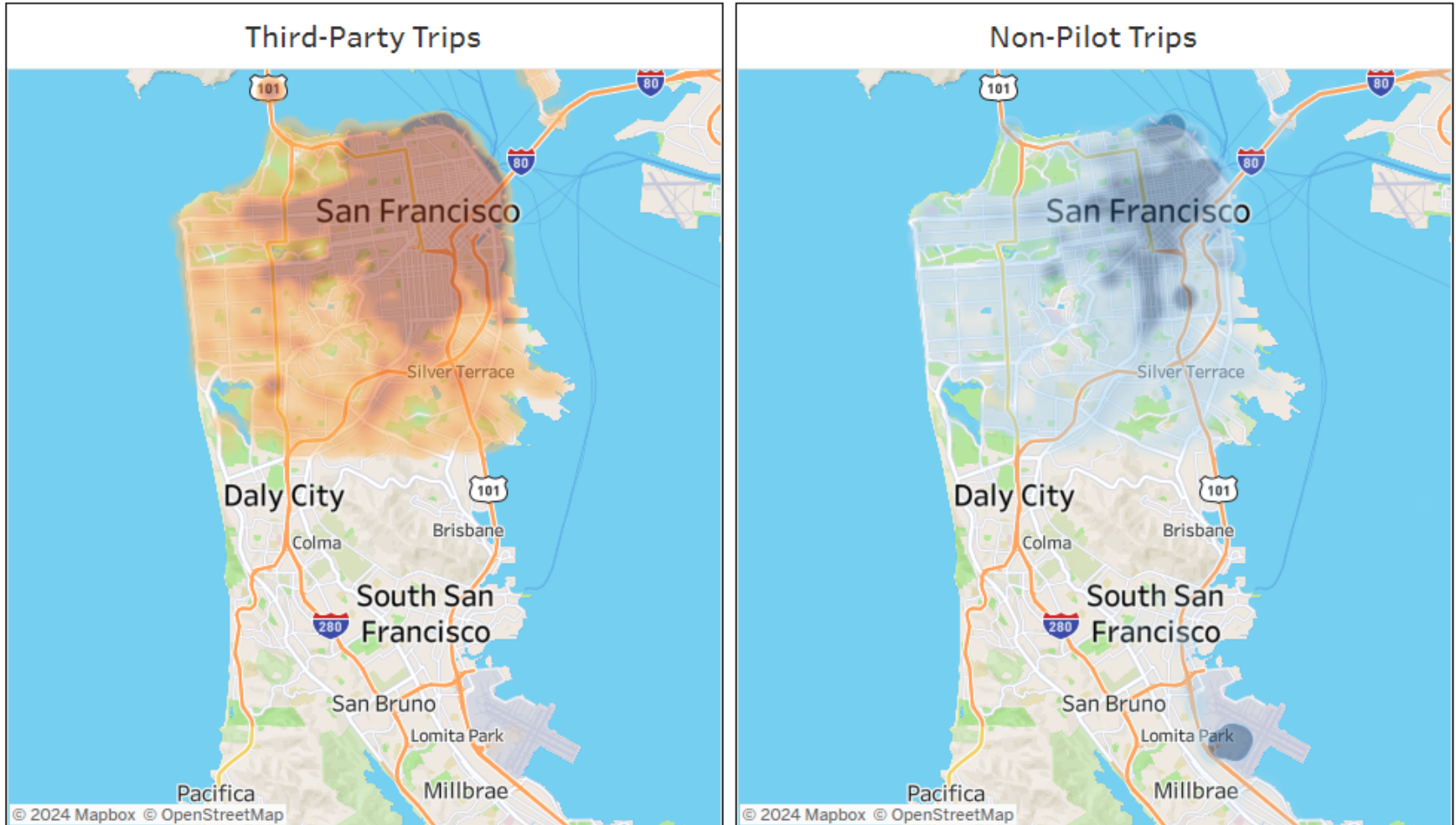
	Before Pilot (Dec 2021 – Feb 2022)	Q1 of Pilot (Dec 2022 – Feb 2023)		Before Pilot (March - May 2022)	Q2 of Pilot (March - May 2023)		Before Pilot (June – Aug 2022)	Q3 of Pilot (June – Aug 2023)		Before Pilot (Sept– Nov 2022)	Q4 of Pilot (Sept– Nov 2023)
Average	0.07	0.08		0.12	0.08		0.09	0.13		0.13	0.16

- SFMTA is monitoring 311 for complaints related to Taxi Upfront Fare Pilot
- To date, no complaints related to the Taxi Upfront Fare have been received through 311

Goal 1: Improve Customer Service

❖ Metric 1C: Geographic Distribution of Pilot Trips

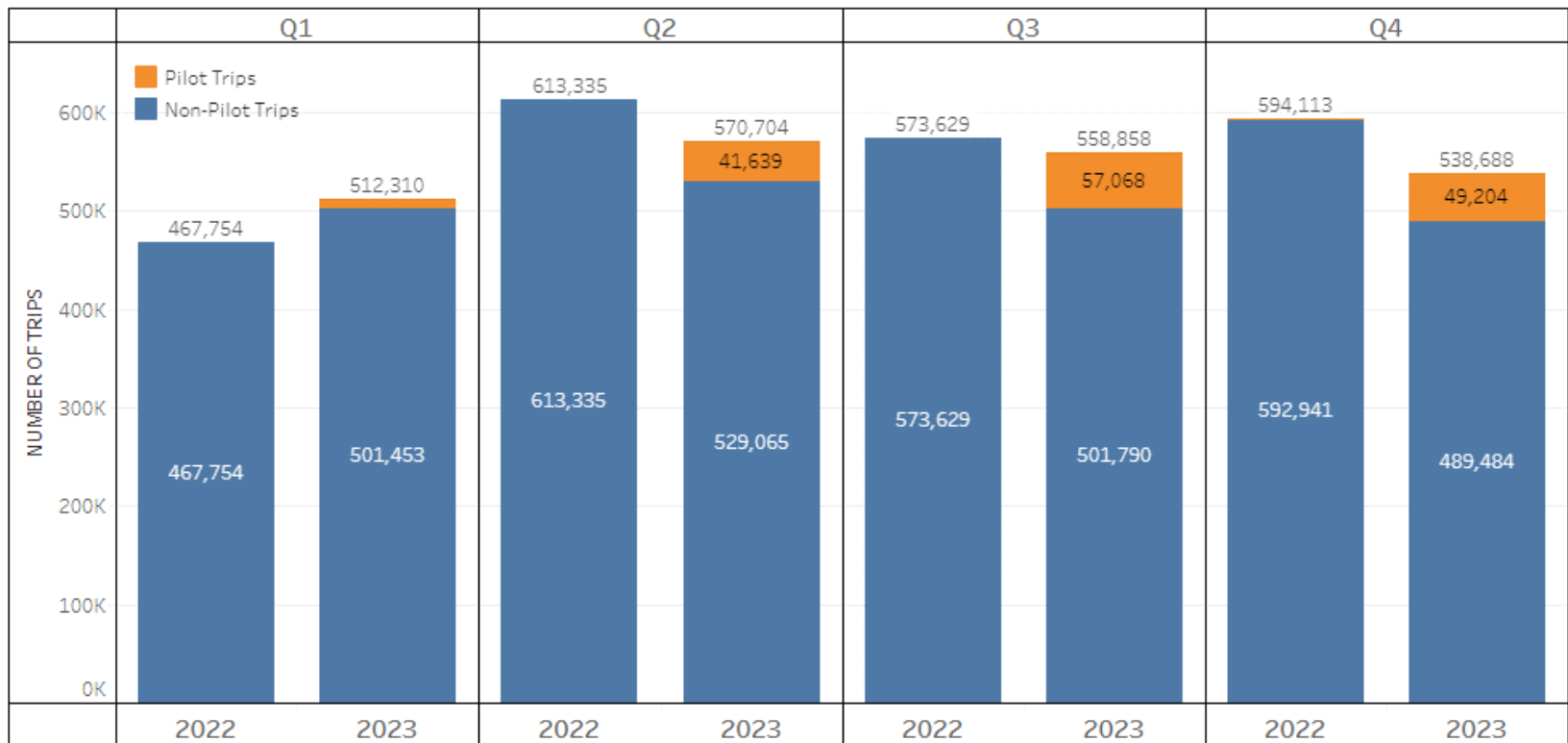
Q4 Pickup Locations



Goal 2: Increase Taxi Trips

❖ Metric 2A: Increase Taxi Trips by 10%

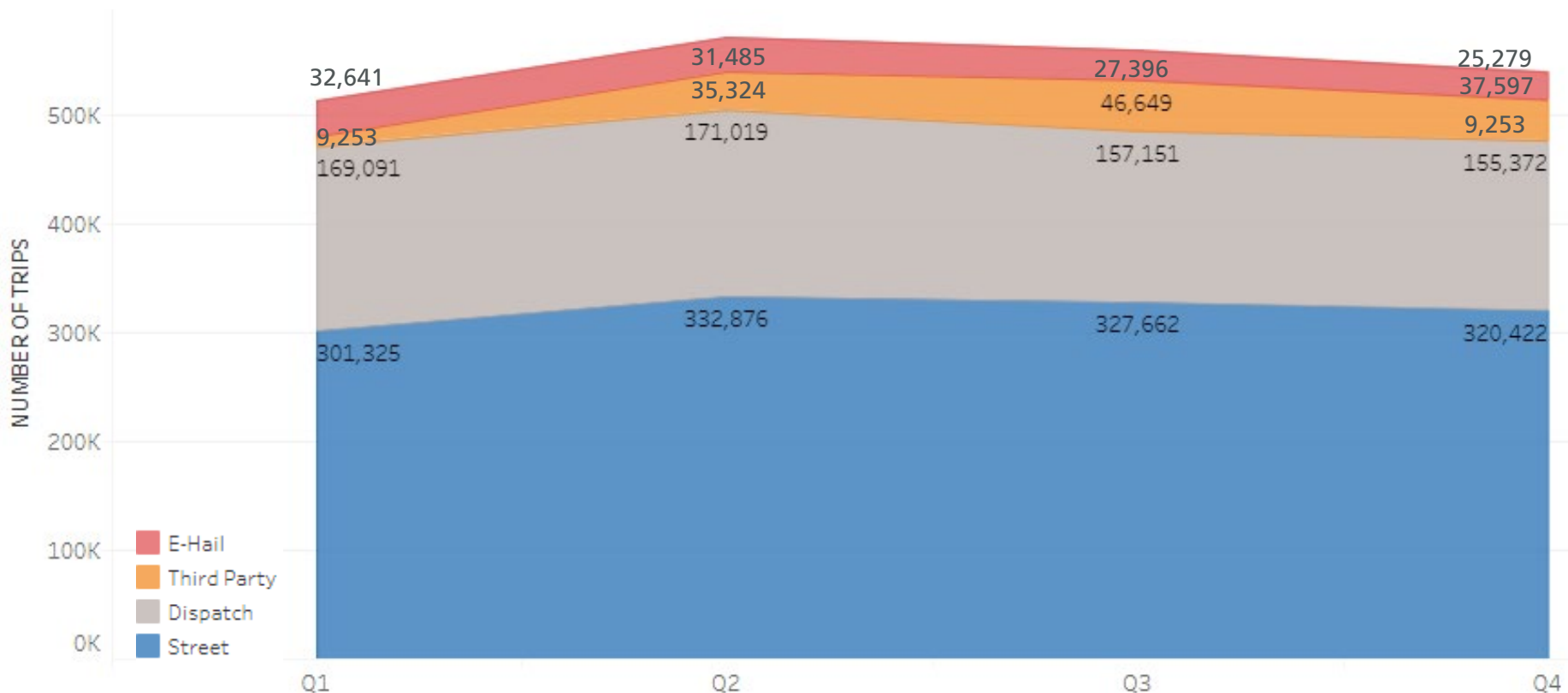
- Total taxi trips declined in Q2 - Q4 as compared to the same period of the prior year
- Without the addition of Pilot trips, the declines in Q2 - Q4 would have been more substantial
- The year-over-year difference in trips Q1 – Q4 as compared to the same period from the previous year is relatively flat (decreasing by 3%)



Goal 3: Maintain Traditional Taxi Service

❖ Metric 3A: Distribution of Trips by Hail Type

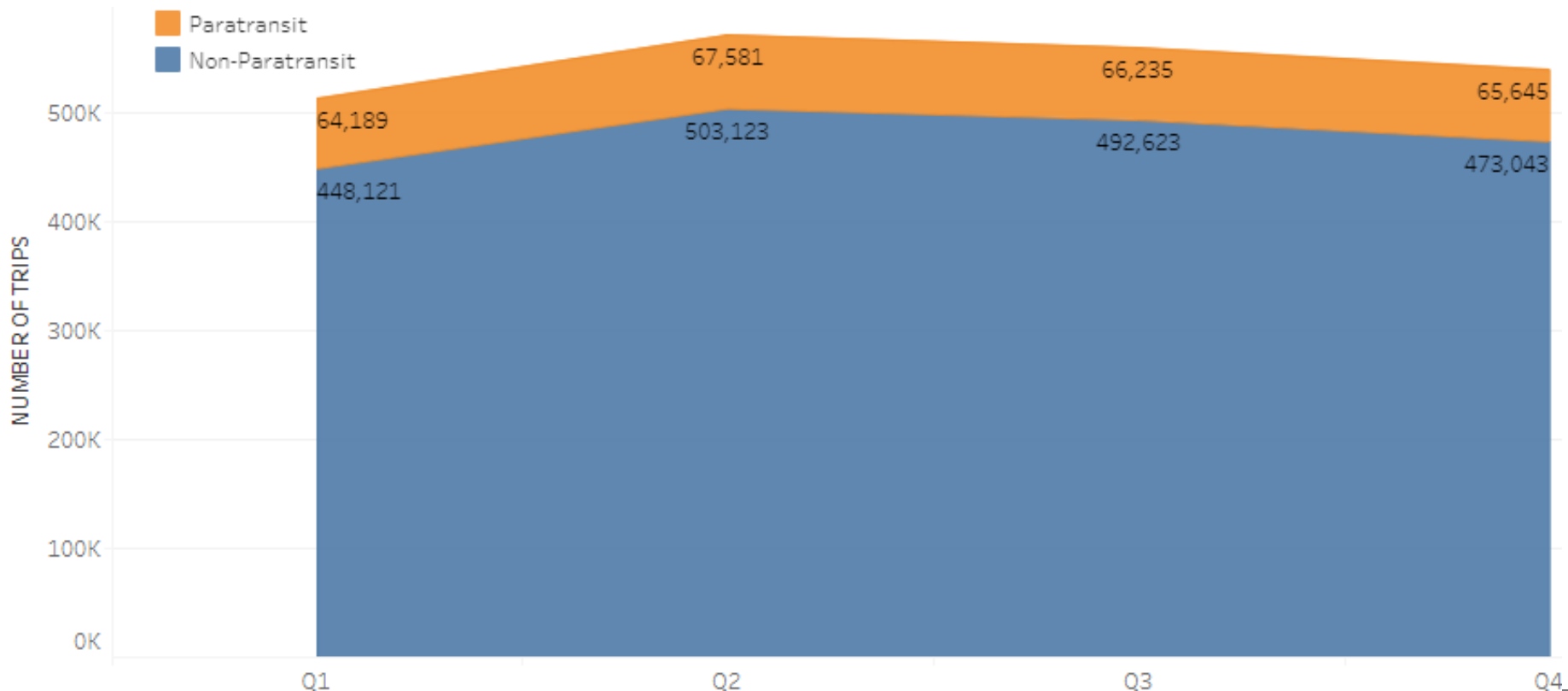
	Street Hails	Dispatch Hails	E-Hails	Third-Party Hails
Baseline (October 2022)	62.3%	31.1%	6.6%	-
Q1	58.8%	33.0%	6.4%	1.8%
Q2	58.3%	30.0%	5.5%	6.2%
Q3	58.6%	28.1%	4.9%	8.4%
Q4	59.5%	28.8%	4.7%	7.0%



Goal 3: Maintain Traditional Taxi Service

❖ Metric 3B: Paratransit Taxi Trips

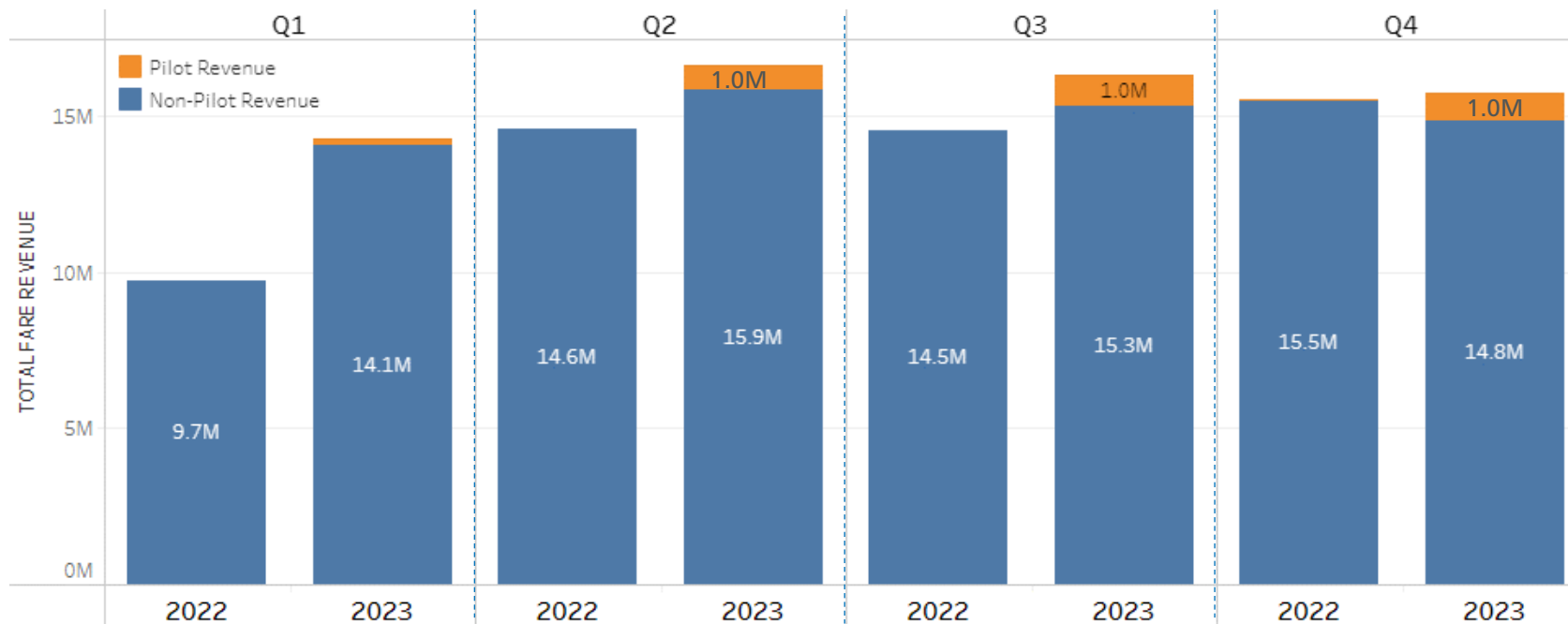
	Non-Paratransit Taxi Trips	Paratransit Taxi Trips
Baseline (October 2022)	88.4%	11.6%
Q1	87.5%	12.5%
Q2	88.2%	11.8%
Q3	88.1%	11.9%
Q4	87.8%	12.2%



Goal 4: Increase Taxi Driver Fare Revenue

❖ Fare Revenue per Driver

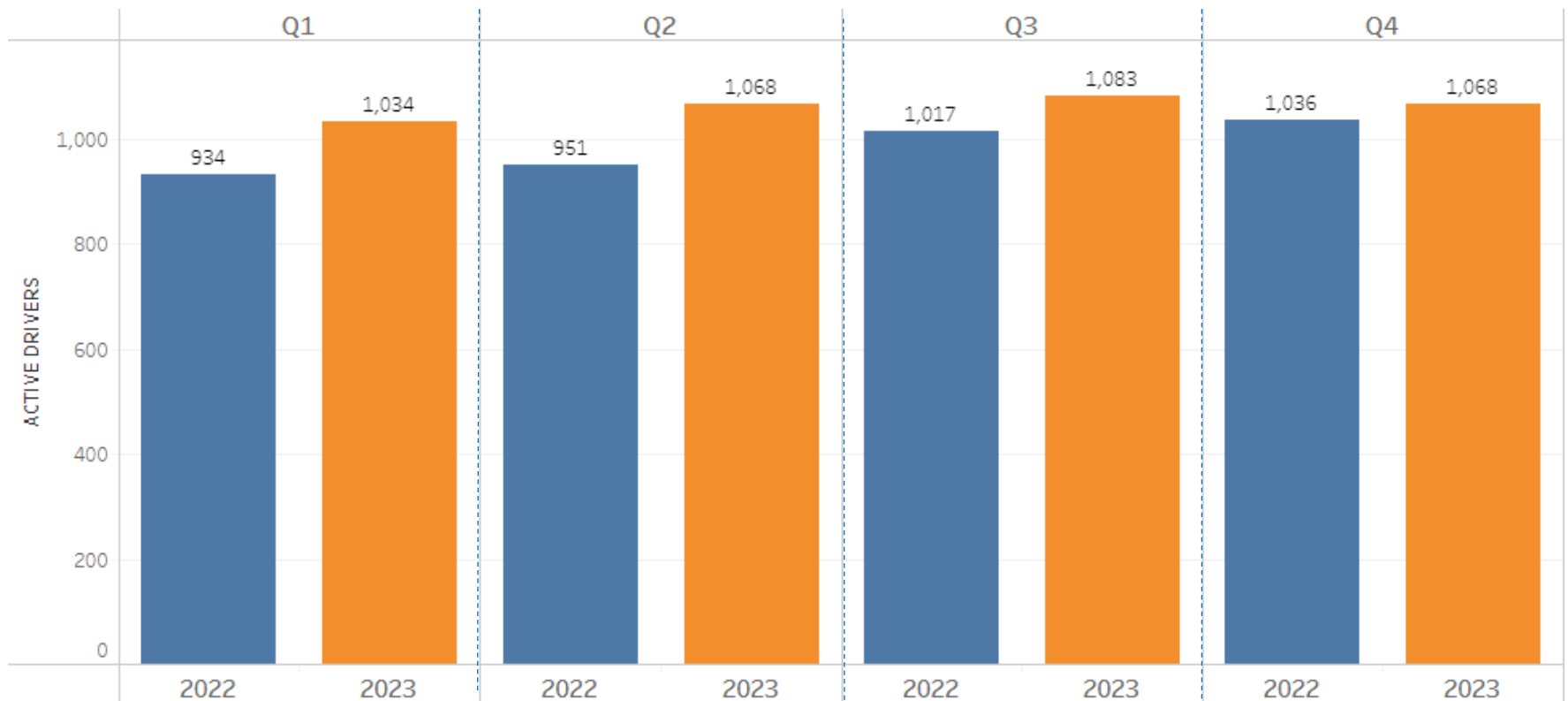
- Total fare revenue for all drivers increased 15.8% Q1 – Q4 as compared to the same period from the previous year
- This increase tracks with the taximeter rate increase and cannot be attributed solely to the Pilot



Goal 5: Increase the Number of Drivers

❖ Metric 5A: Increase the Number of Active Drivers

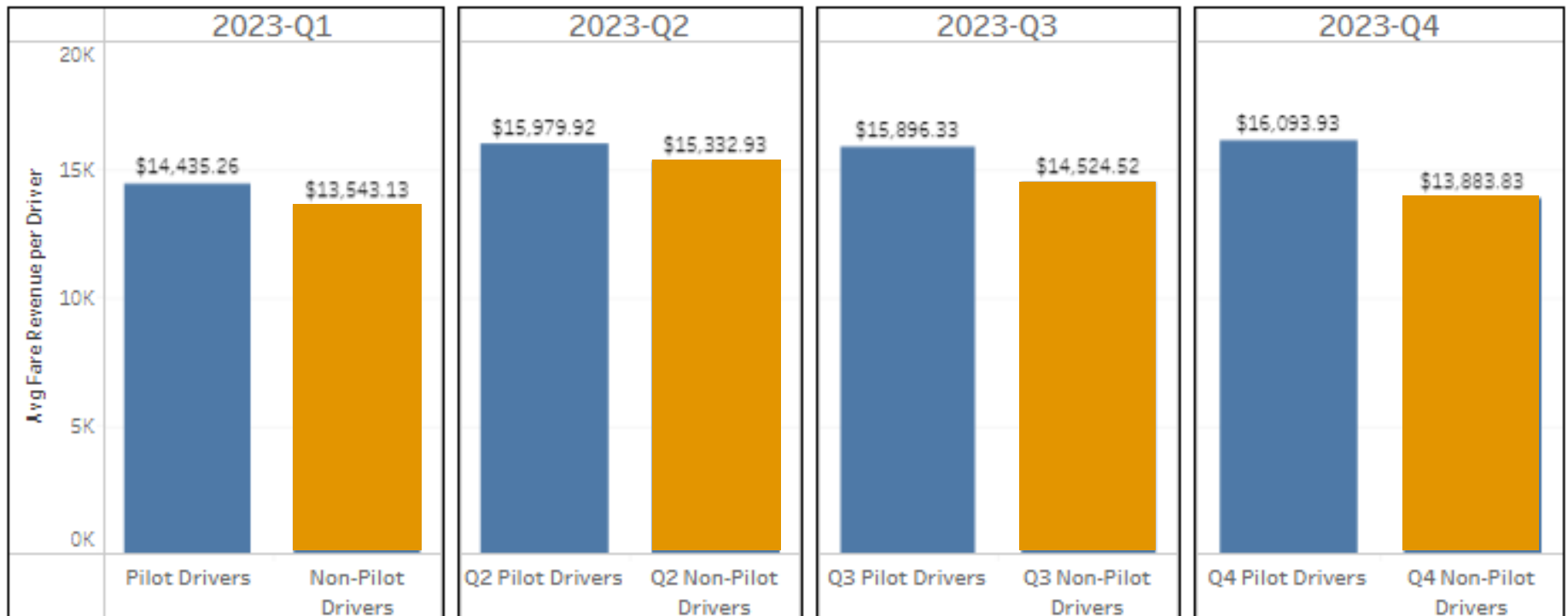
- Active taxi drivers increased 3.3% from Q1 to Q4 and 3.1% year-over-year in Q4



Goal 4: Increase Taxi Driver Fare Revenue

❖ Metric 4A: Increase participating taxi driver fare revenue by 10%

- The SFMTA has updated Metric 4A to better target the impact of the Pilot on driver income
- During Q4, participating drivers earned 15.9% more on average than non-participating drivers



Goal 5: Increase the Number of Drivers

❖ Metric 5B: Increase the Number of New Drivers

- The SFMTA has issued 43% more permits (A-Cards) to new taxi drivers in 2023 through November as compared to the full year in 2022
- The number of drivers who provided Pilot trips increased by 50.4% from Q1 (276) to Q4 (415).

New Taxi Drivers by Calendar Year

Year	2018	2019	2020	2021	2022	2023 (YTD through 11/30)
New Taxi Drivers	43	33	23	22	135	193

New Taxi Drivers Q1 - Q4 compared to the same periods from previous year

	Before Pilot (Dec 2021 – Feb 2022)	Q1 of Pilot (Dec 2022 – Feb 2023)	Before Pilot (March - May 2022)	Q2 of Pilot (March - May 2023)	Before Pilot (June – Aug 2022)	Q3 of Pilot (June – Aug 2023)	Before Pilot (Sept– Nov 2022)	Q4 of Pilot (Sept– Nov 2023)
Total	11	65	18	52	38	59*	58	38

* Correct number of drivers in Q3 2023 from 58 to 59

Goal 6: Ensure Taxi Pilot Trip Fares closely match Taximeter rates

❖ Metric 6A: Upfront Fare within 10% of Taximeter rate

- During Q4 of the Pilot, the average upfront fare (\$14.49) was 4.6% below the estimated average Taximeter fare (\$15.18), which is within the allowable 10% range

	Avg Taxi Upfront Fare	Avg Estimated Taximeter Fare	% Different
Q1	\$13.01	\$13.53	-3.80%
Q2	\$14.22	\$14.83	-4.10%
Q3	\$13.85	\$14.45	-4.10%
Q4	\$14.49	\$15.18	-4.60%

Upfront Fare Pilot: Year 1 Key Takeaways

- ❖ Pilot trips have **increased over 353% from Q1** (10,857) to Q4 (49,204)
- ❖ App-based trip requests **accounted for 11.7% of all hail types** in Q4
- ❖ Drivers who service Third-Party Trips earned on average **19% more in fare revenue** during Q4 than drivers who did not
- ❖ Drivers who provided Third-Party Trips earned an average of \$1,641 per month from those trips alone in Q4, which represents a **50.1% increase from Q1** (\$1,093)
- ❖ Driver participation in the Pilot **increased 50.4%** from Q1 (276) to Q4 (415)
- ❖ Pilot has helped **expand geographic distribution** of taxi service

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SFMTA Announcements

- ❖ Paratransit Taxi Subcommittee meeting
 - Wednesday, February 14 at 10:30 via zoom
 - For more info, contact Carol Osorio:
carol.osorio@transdev.com
415-351-7066

- ❖ Castro Taxi Stand



Quarterly Meetings with Taxi Industry

- ❖ May 2024
- ❖ August 2024
- ❖ November 2024
- ❖ February 2025

