



SFMTA

San Francisco Municipal Transportation Agency

Fiscal and Management Update

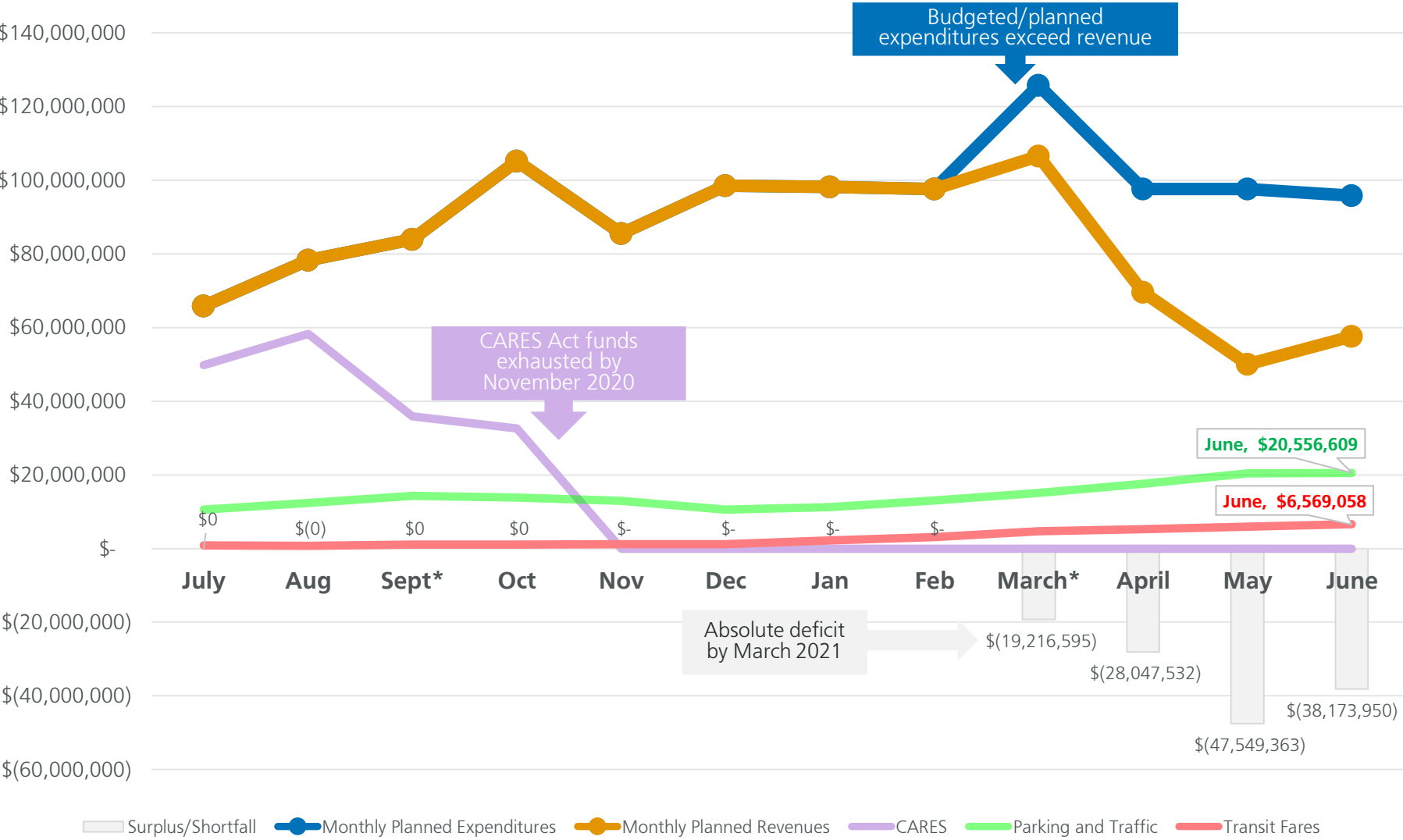
2021 Board Workshop Follow-Up

SFMTA Board of Directors
February 16, 2021

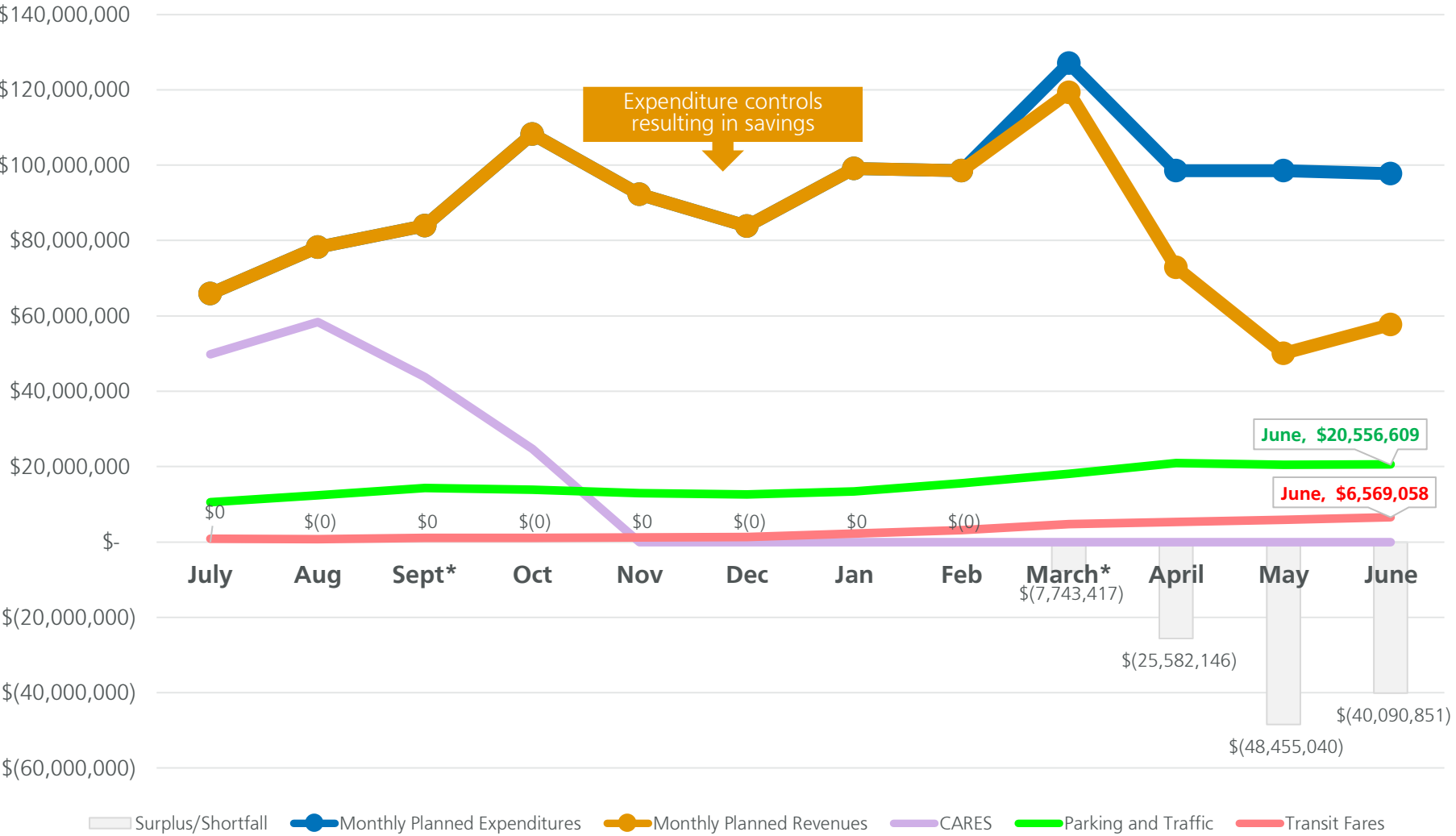
Introduction

- Agency financials are stabilizing creating greater certainty around savings in FY 2021 and the final deficit that needs to be closed.
- Continued revenue flattening is resulting in the FY 2022 deficit increasing, over the month the projection has increased for the FY 2022 deficit by \$5 million for a total of \$139 million.
- Proposed federal relief will likely close the FY 2022 deficit, however federal relief is one-time in nature and any additional expenditure should be sustainable.
- A draft outreach plan has been developed for feedback from the Board.
- A draft report back log has been generated from the February 2nd and 3rd Board Workshop, over the next 8 – 12 weeks, staff will provide updates on those items.

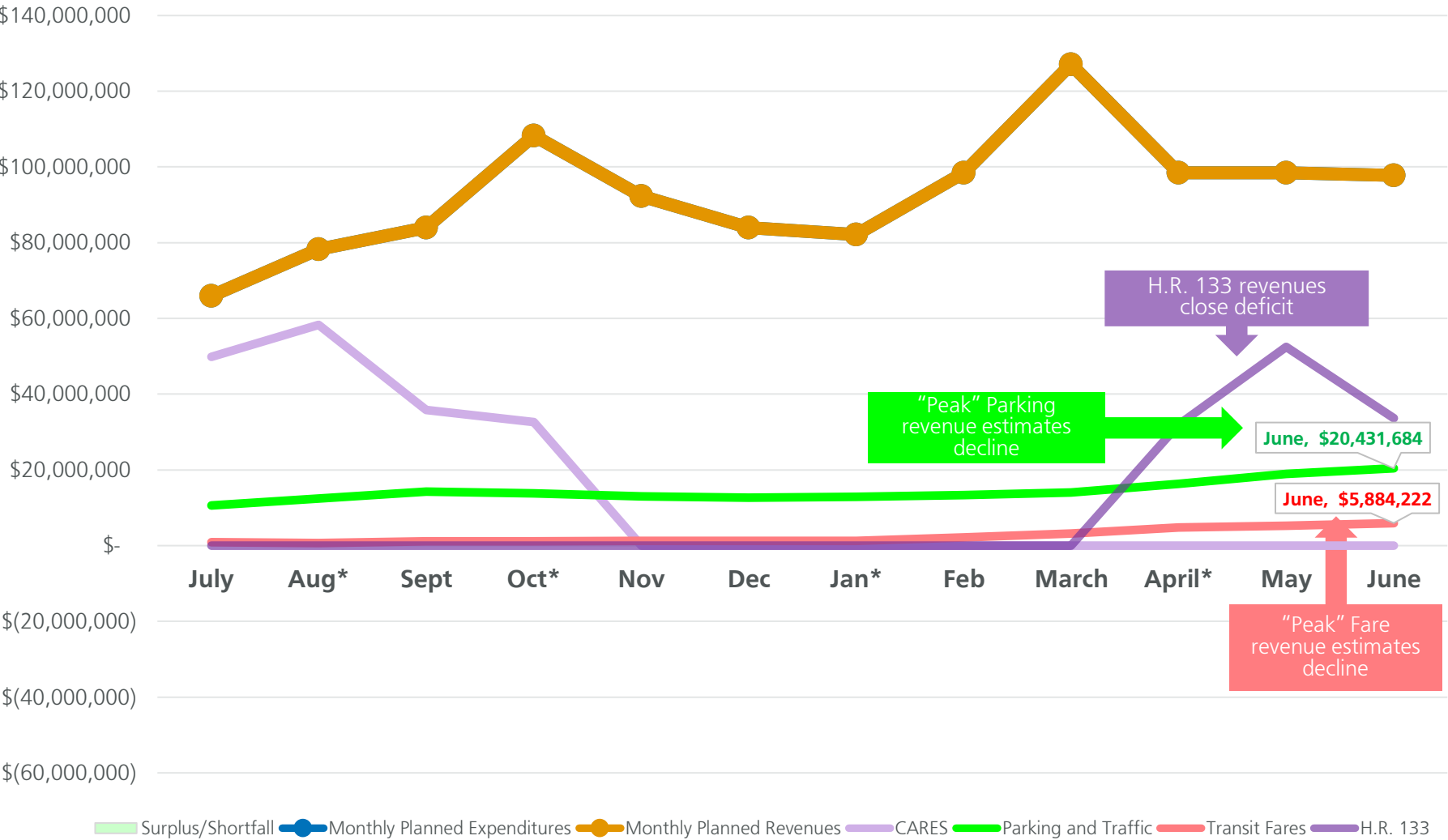
FY 21 Revenue/Expense Model: Fiscal Month 5, November 2020



FY 21 Revenue/Expense Model: Fiscal Month 6, December 2020



FY 21 Revenue/Expense Model: Fiscal Month 7, January 2021



Revenue Losses, Savings & Federal Relief: Fiscal Years 2020, 2021, 2022

FY 2020	Total Revenue Loss (\$234 m)	Expenditure Savings \$37 m	Federal Relief \$197 m	Net Deficit \$0 m
FY 2021	Total Revenue Loss (Projected) (\$439 m)	Expenditure Savings (Projected) \$118 m	Federal Relief (Projected)* \$321 m	Net Deficit (Projected) \$0 m
FY 2022	Total Revenue Loss (Projected) (\$239 m)	Expenditure Savings (Projected)** \$19 m	Federal Relief (Projected)** \$86 m	Net Deficit (Projected) (\$134 m)

*CARES amount in FY 2021 is \$177 m, estimate for H.R. 133 is \$144 m

** Potential additional hiring freeze and materials & supplies savings of \$72 m as reduction options

***\$86 m estimate for H.R. 133 in FY 2022

Monthly Financial Data & Projections Available at:

<https://www.sfmta.com/budgetdashboards>

Revenue Losses, Savings & Federal Relief: Fiscal Years 2020, 2021, 2022

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FY 2021	Total Revenue Loss (Projected) (\$439 m)	Expenditure Savings (Projected) \$118 m	Federal Relief (Projected)* \$321 m	Net Deficit (Projected) \$0 m
FY 2022	Total Revenue Loss (Projected) (\$244 m)	Expenditure Savings (Projected)** \$19 m	Federal Relief (Projected)** \$86 m	Net Deficit (Projected) (\$139 m)

*CARES amount in FY 2021 is \$177 m, estimate for H.R. 133 is \$144 m

** Potential additional hiring freeze and materials & supplies savings of \$72 m as reduction options

***\$86 m estimate for H.R. 133 in FY 2022

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Revenue Losses, Savings & Federal Relief: Fiscal Years 2020, 2021, 2022

The agency still has a \$139 million deficit after considering efficiencies, savings, service cuts and federal relief. The agency has yet to use its \$129 million reserve. A deficit reduction plan is to be completed by the spring.

	Total Revenue Loss	Expenditure Savings	Federal Relief	Net Deficit
FY 2020	(\$234 m)	\$37 m	\$197 m	\$0 m
FY 2021	\$917 million Revenues Lost To Date (Projected)	\$174 million Efficiencies, Savings, Cuts (19%) (Projected)	\$604 million Federal Relief (66%) (Projected)*	\$139 million Remaining Deficit (15%) (Projected)
FY 2022	Total Revenue Loss (Projected) (\$239 m)	Expenditure Savings (Projected) \$19 m	Federal Relief (Projected)** \$86 m	Net Deficit (Projected) (\$134 m)

Financial Projections

The FY 2021 deficit is closed and the deficit for FY 2022 is \$139 million after additional federal relief through H.R. 133 and savings are applied. Actions will be necessary to close the remaining \$139 million gap.

Fiscal Year 2021 – Deficit closed

Revenue Loss – From Adopted Budget
\$262 m

Expenditure Savings (Projected)
\$118 m

Federal Relief H.R. 133
\$148 m

Fiscal Year 2022 – Deficit reduction plan necessary

Revenue Loss – From Adopted Budget
\$244 m

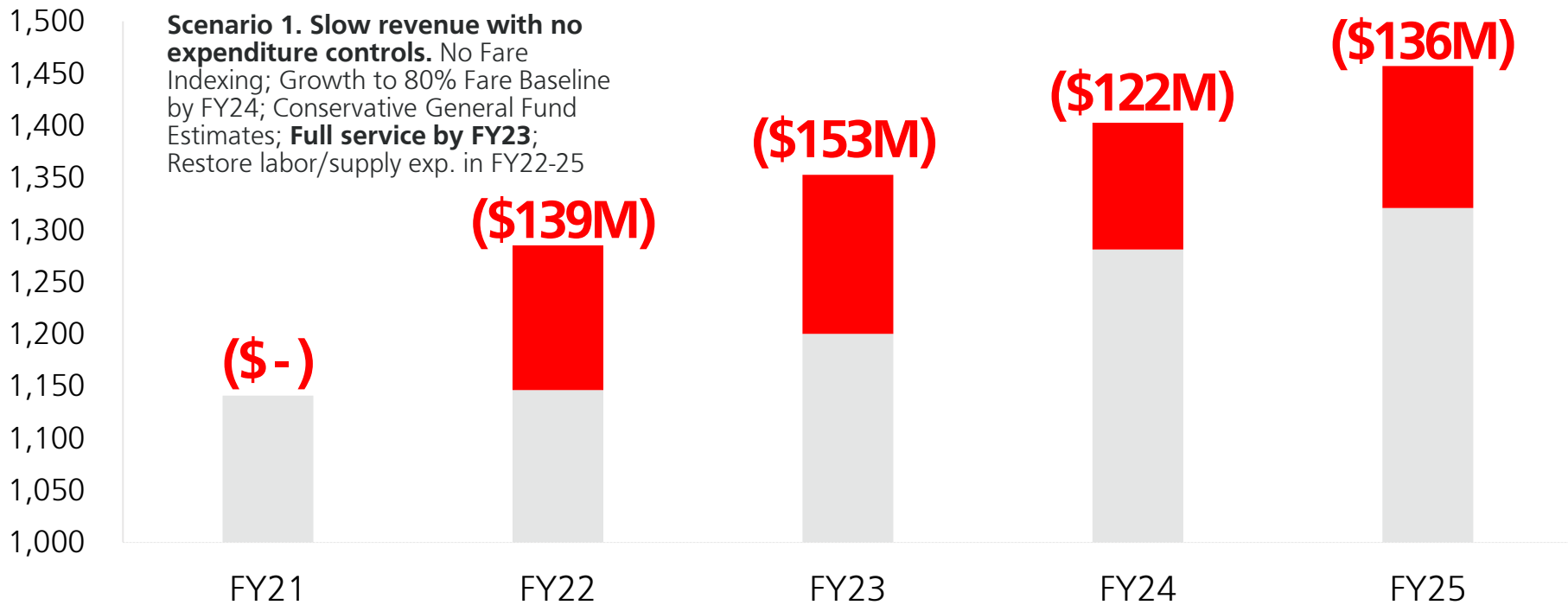
Expenditure Savings
\$19 m

Federal Relief H.R. 133
\$86 m *

Deficit
\$139 m

*Estimated pending allocation from the Metropolitan Transportation Commission

5-Year Forecast: Scenario 1



Operating Budget, \$M	FY21	FY22	FY23	FY24	FY25
Revenue Ongoing (base)	727	925	1,142	1,223	1,262
Revenue Ongoing (shift from capital)	47	49	58	58	59
Expenditures	1,259	1,305	1,353	1,403	1,457
Expenditure Reductions	(118)	(19)	0	0	0
Revenue Less Expenditures	(367)	(312)	(153)	(122)	(136)
Revenue (one-time)	367	173	0	0	0

FY 2022 Deficit Reduction Options – for Report Back

Options	Amount
Eliminate FY 2022 Board Reserve (already assumed savings)	\$19 million
Revenue Bond Refinancing (reduction in debt service)	Up to \$39 million
Total Deficit:	(\$81 million)
Caltrain (PCJPB) Annual Contribution Offset by Measure RR	Up to \$10 million
Potential for COLA Slide (waiting on March Joint-Report)	Up to \$10 million
Continue Aggressive Austerity Measures (E.g. Maintain Hiring Freeze (only mission-critical positions) of up \$59 million, Reduction in Materials and Supplies of up to \$12 million)	Up to \$71 million
Shift Capital Revenues to Operating (one-time only)	Up to \$25 million
Use of Rainy-Day Reserve (up to 30% one-time only)	Up to \$39 million
Consider Furloughs (review labor options)	Up to \$8 million
Total of Reduction Options:	Up to \$177 million

Federal Relief Assumptions

President Biden proposed that an additional \$20 billion be made available for transit agency relief, the final amount could be as high as \$30 billion. The amount is meant to support transit agencies through Q1 2023.

Possible ranges for additional Federal Relief

National Range

\$20 b - \$30 b

SFMTA Range (Conservative)

\$300 m - \$450 m

Major considerations:

- Further revenue or project risks
- Using one-time dollars for on-going operational costs
- Staffing up for a successful re-opening of the economy
- Meeting key state of good repair needs for successful system restoration

Financial Projections

The FY 2021 deficit and FY 2022 deficit are closed after additional federal relief through H.R. 133, an additional federal relief stimulus, and savings are applied.

Fiscal Year 2021 – Deficit closed

Revenue Loss – From Adopted Budget
\$262 m

Expenditure Savings (Projected)
\$118 m

Federal Relief H.R. 133
\$148 m

Fiscal Year 2022 – Deficit reduction plan necessary

Revenue Loss – From Adopted Budget
\$244 m

Expenditure Savings
\$19 m

Federal Relief H.R. 133
\$86 m*

Additional Federal Relief
\$139 m**

*Estimated pending allocation by Metropolitan Transportation Commission

**Estimated pending final federal legislation and subsequent allocation from the Metropolitan Transportation Commission

FY 2021 – 2025 Capital Improvement Program Reductions/Impacts, \$M

Program	Capital Budget					5-Year CIP	5-Year CIP Impact	
	FY21	FY22	FY23	FY24	FY25	Total (Current)	Adopted 4/21/20	Difference
Fleet	109.1	170.0	151.0	147.0	238.3	815.4	916.1	(100.7)
Transit Optimization	196.1	99.7	35.8	34.2	148.4	514.2	549.7	(35.4)
Transit Fixed Guideway	75.9	58.5	70.9	69.7	97.4	372.4	392.9	(20.4)
Streets	72.9	75.1	40.9	32.8	26.2	247.8	282.3	(34.5)
Facility	33.3	92.6	39.5	49.8	26.4	241.6	242.5	(0.9)
Signals	34.6	5.9	15.0	12.9	17.2	85.6	91.6	(6.0)
Communications & IT	7.9	3.4	1.1	7.4	5.0	24.7	25.3	(0.5)
Parking	0.0	11.3	11.0	0.0	0.0	22.3	22.5	(0.2)
Security	0.0	3.0	0.0	2.0	3.0	8.0	10.2	(2.2)
Taxi	0.6	0.1	0.1	1.4	0.2	2.5	2.3	0.2
Total	530.4	519.7	365.3	357.2	562.1	2,334.7	2,535.3	(200.7)

Transportation Infrastructure Condition – Replacement Backlog

The **Asset Backlog** represents the consolidated value of infrastructure that is operating beyond the estimated useful life. This table represents areas of need and where investment has been deferred.

Capital Program	Backlog Value (in millions)	% of \$Assets in Backlog	% of Total Backlog
Facility	\$1,521.6	9%	40%
Fleet	\$72.0	0%	2%
IT/Communications	\$67.7	0%	2%
Parking	\$525.1	3%	14%
Traffic/Signals	\$574.2	3%	15%
Transit Fixed Guideway	\$1,014.9	6%	27%
Other systems and vehicles	\$7.6	0%	0%
Total	\$3,783.1	23%	100%

FY 2021 – 2025 Capital Improvement Program Reductions/Impacts, \$M with \$118M in New Money Revenue Bonds

Program	Capital Budget					5-Year CIP	5-Year CIP Impact	
	FY21	FY22	FY23	FY24	FY25	Total (Current)	Adopted 4/21/20	Difference
Fleet	109.1	170.0	151.0	147.0	238.3	815.4	916.1	(100.7)
Transit Optimization	231.1	99.7	35.8	34.2	148.4	549.2	549.7	(0.5)
Transit Fixed Guideway	116.9	58.5	70.9	69.7	97.4	413.4	392.9	20.5
Streets	72.9	75.1	40.9	32.8	26.2	247.8	282.3	(34.4)
Facility	53.3	92.6	39.5	49.8	26.4	261.6	242.5	19.1
Signals	34.6	5.9	15.0	12.9	17.2	85.6	91.6	(6.0)
Communications & IT	7.9	3.4	1.1	7.4	5.0	24.7	25.3	(0.5)
Parking	22.0	11.3	11.0	0.0	0.0	44.3	22.5	21.8
Security	0.0	3.0	0.0	2.0	3.0	8.0	10.2	(2.2)
Taxi	0.6	0.1	0.1	1.4	0.2	2.5	2.3	0.1
Total	648.4	519.7	365.3	357.2	562.1	2,452.7	2,535.3	(82.7)

Deficit Reduction Plan Outreach

As part of the budgetary process, the MTA Board will support a plan to close the SFMTA deficit in FY 2022, this will involve several choices and decisions. The objective is to have this work completed for the April 6th MTA Board Meeting. A presentation will be given the week prior to the MTA CAC on April 1st.

Internal Communications

*On-Going Internal Budget Town Halls
Cataloging Employee Ideas*

Digital Communications

*SFMTA.com
Budget Blogs
Participatory Budgeting*

Outreach and Engagement

*February Youth Commission
February Multimodal Accessibility Advisory Comm. (MAAC)
March SFMTA Youth Transportation Advisory Board (YTAB)
March SFMTA Digital Town Hall
April 1st SFMTA Citizens Advisory Council (CAC)*

Board Workshop Report Backs

Vision Zero

- Update to VZ Action Plan show a multi-year trajectory? Set performance goals?
- Planned additional miles of protected bikeway within 5-year CIP?
- How might we partner to increase enforcement/Focus on the Five (Performance goal?)

Slow Streets

- Update on design standards for Slow Streets?
- How might equity impact the decision on permanent Slow Streets?

Shared Spaces

- Recommendations on cost recovery for Shared Streets

Restoration of Service

- Process for the restoration of service, prioritization process? Tradeoffs by mode?
- Subway Restoration process
- More lines on our red lanes?
- Cost by Mode and Cost-Effectiveness of Service
- Estimated costs to restore service beyond the current base

Budget, CIP, Federal Relief

- Report back on use of Revenue Bonds ([Today](#))
- Requirements for use of H.R. 133 and Future Federal Funds ([Today](#))
- Need outreach process for Deficit Reduction Plan ([Today](#))
- Capital Project Impacts and amended 5-Year CIP ([Today and March Update](#))
- Update on Caltrain Budget
- Pre-Payment Transportation Program, Pros and Cons Fund Programming for various Revenue Programs



Thank you.