



SFMTA

FY 2023 & 2024 Consolidated Budget
FY 2023 – 2027 Capital Improvement Program (CIP)

Budget & CIP Adoption

SFMTA Board of Directors
April 19, 2022

Today is scheduled for adoption of the consolidated budget and 5-Year CIP

Revenues have been reviewed, and, while optimistic, are realistic.

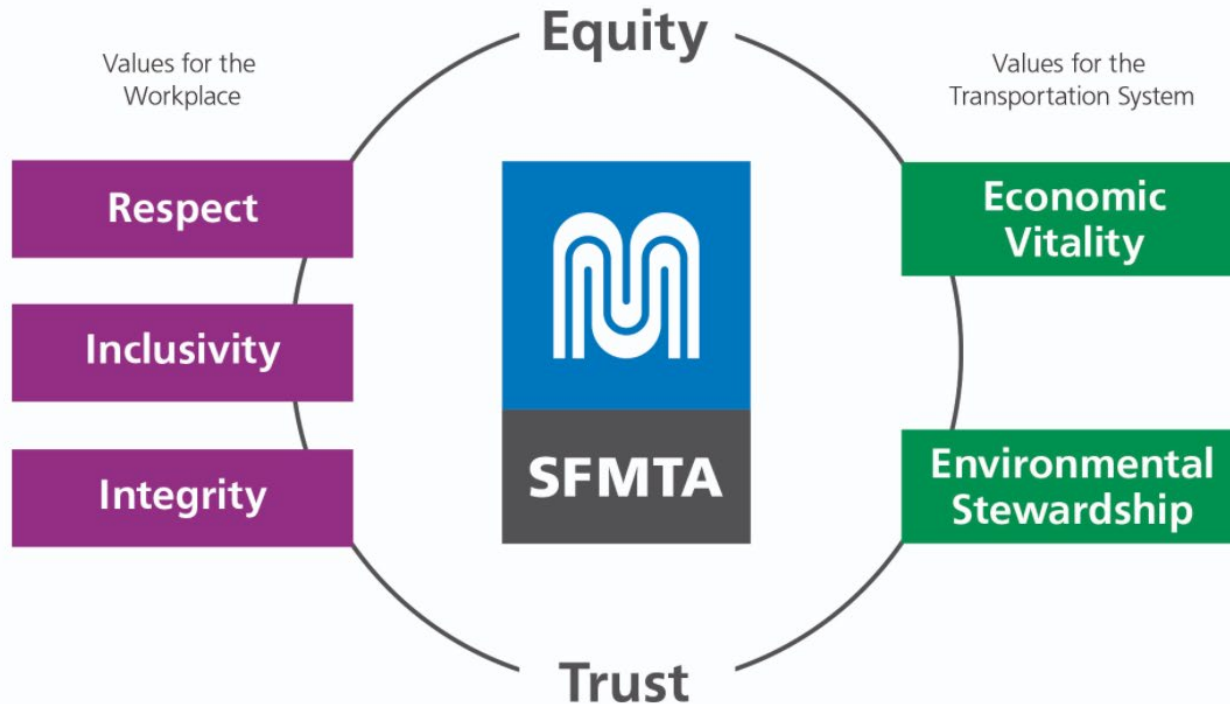
We have conducted listening sessions throughout the budget and programmatic recommendations were based on what we have heard.

The SFMTA Citizens Advisory Council has provided its recommendation via resolution.

The MTA Board has reviewed the programmatic augmentations, and some final adjustments are being recommended today.

Staff recommends that the SFMTA Board of Directors adopt the FY 2023 & 2024 Consolidated Budget (Operating and Capital) and the FY 2023 – 2027 Capital Improvement Program.

First and foremost the SFMTA budget and 5-Year CIP reflects our values.



Operating Budget Overview

We know that agency finances have not yet fully recovered and will not during the upcoming Fiscal Years 2023 and FY 2024.

That and significant unknowns, such as pace of recovery required a **resilient budget design.**

Manage to the Pace of Recovery

Prepare based on optimism but have stopgaps in place.

Work toward restoration of full Agency Operations

Service restoration, street management, agency internal ops.

Consider what is not known.

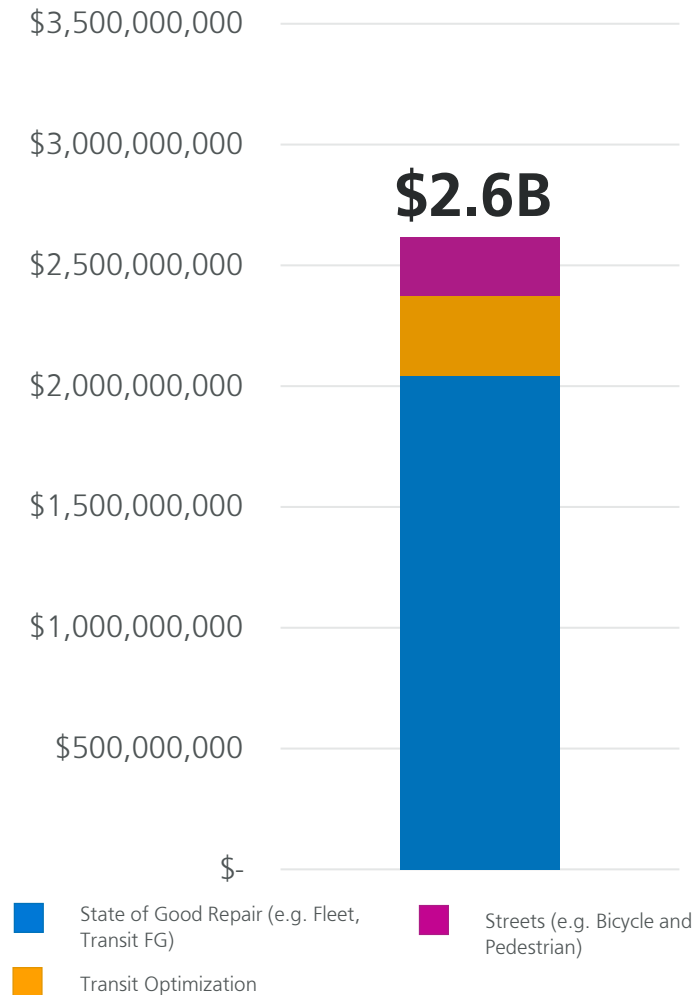
Impact of inflation and new labor contracts.

FY 2023- 2027 Capital Improvement Program

2-Year Capital Budget – Finalize
CIP Program of Projects
CIP Capital Fund Programming
CIP+

FY 2023 – 2027 Capital Improvement Program Overview

Baseline FY23-27 CIP



178 Projects

\$2.6 Billion Investment

- 5-Year CIP balanced to existing revenues; unfunded initiatives moved to CIP+
- 5-Year CIP largest sources of funds are federal grants, state grants, Prop K Transportation Sales Tax and SFMTA revenue bond.
- Several large projects:
 - LRV4 Replacement Phase
 - Vehicle Mid-Life Overhauls
 - Computer Based Train Control
 - Potrero Yard Modernization
- Contingency included in budget due to higher risk sources such as competitive grants, RM3 and development impact fees

FY 2023 – 2027 Capital Improvement Program

The 5-Year Capital Improvement Program is the SFMTA's fiscally constrained program of projects by phase, with funding plans. The first 2-years serve as the SFMTA Capital Budget.

Program	Capital Budget					5-Year CIP
	FY23	FY24	FY25	FY26	FY27	Total (Current)
Fleet	171.82	143.87	192.26	413.23	226.23	1,147.41
Transit Optimization	46.10	38.82	86.03	88.79	71.75	331.48
Transit Fixed Guideway	80.95	81.81	148.37	162.08	120.05	593.27
Streets	53.29	37.28	52.18	33.17	64.70	240.63
Facility	51.37	67.54	38.85	24.27	24.80	202.15
Signals	16.48	13.22	20.05	14.68	8.73	73.16
Communications & IT	0.96	3.29	3.00	6.58	0.27	14.09
Parking	0.00	0.00	0.00	0.00	0.00	0.00
Security	1.94	1.94	1.94	1.94	1.94	9.70
Taxi	0.65	0.35	0.73	0.01	0.53	2.28
Total	423.56	388.12	543.41	744.75	519.00	2,614.17

CIP+ Priorities

CIP+ is a framework, an advocacy platform and process by which we can build regional partnerships and priorities

Increases in State of Good Repair Funding

(TCP Regional Policy for Increases in Federal Formula Funds, State Budget Surplus, Sales Tax Reauthorization)

Fully funding safety improvements on the High Injury Network

(State Active Transportation Program, Highway Safety Improvement Program, US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE), USDOT Safe Streets for All, GO Bond, Regional One Bay Area Grant Program (OBAG), Sales Tax Reauthorization)

Advancing Zero Emission Bus or Battery Electric Bus and Facilities Infrastructure

(1500% in FTA Low or No Emission (LONO) Vehicle Program, FTA Bus and Facilities Grant, State Transit and Inter City Rail Program (TIRCP), GO Bond, State Surplus, Sales Tax Reauthorization)

Advancing Muni Metro Modernization – Muni Forward Rail Improvements, Fleet and Train Control System

(TIRCP, GO Bond, Regional Transit Performance Initiative, State Surplus, Sales Tax Reauthorization)

Advancing the Building Progress Program

(1500% in LONO, RAISE, Bus and Bus Facilities Grant, GO Bond, Sales Tax Reauthorization)

Cable Car Program

(Federal Advocacy, Sales Tax Reauthorization)

Fund Estimate CIP+: \$300 m - \$1 billion

FY 2023 – FY 2027 Capital Improvement Program + (CIP+)

Program (In \$m)	FY23	FY24	FY25	FY26	FY27	Total (Current)
Fleet	0.00	0.00	13.23	103.67	154.23	271.13
Transit Optimization	16.51	10.97	39.75	37.98	40.34	145.55
Transit Fixed Guideway	8.77	21.24	35.21	42.34	37.57	145.13
Streets	38.08	60.52	55.70	43.00	41.90	239.20
Facility	0.00	19.96	80.52	259.07	5.63	365.18
Signals	15.03	0.57	0.00	0.00	0.00	15.60
Communications & IT	0.50	6.95	5.89	0.00	2.84	16.19
Parking	21.55	0.00	0.00	0.00	0.00	21.55
Total	100.45	120.20	230.31	486.07	282.51	1,219.53

FY 2023 – FY 2027 Capital Improvement Program + (CIP+)

Various planning efforts have led to significant refinements of “needs” from the CIP capital plan resulting in 90+ shovel-ready project phases and proposals in CIP+, making the agency ready for new potential capital sources such as State Transportation Surplus, related State Grants and grants from the new Federal Infrastructure Bill.

Program (in \$m)	Total Need	Est. Amount
Fleet	271.13	143
Transit Optimization	145.55	83
Transit Fixed Guideway	145.13	85
Streets	239.20	157
Facility	365.18	335
Signals	15.60	67
Communications & IT	16.19	10
Parking	21.55	0
Total	1,219.53	737

- Highest priorities reflect gaps in CIP Weather Map.
- Potential funding source fill critical gaps in facilities and traffic signals.
- Begins to reduce the significant State of Good Repair Backlog of Traffic Signals.
- Revenues dependent on voter actions and successful competitive grant applications.

Final Budget

Final Expenditures

Final Revenues

Expenditures & Augmentations

Adjustments Through the Budget Process

February 2, 2022 Board Workshop	FY 23, \$M	FY 24, \$M
Revenue – Base	1,323	1,348
Expenditures – Base	1,323	1,348
March 15, 2022 Board Meeting	FY 23, \$M	FY 24, \$M
Revenue – <i>Adjusted Base</i>	1,363	1,405
Expenditures – <i>Adjusted Base</i>	1,363	1,405
Change from 2/2/2022 Base	40	57
April 5, 2022 Board Meeting Public Hearing	FY 23, \$M	FY 24, \$M
Revenue – <i>Updated</i>	1,357	1,400
Expenditures – <i>Updated</i>	1,357	1,400
Change from 3/15/2022 Adjusted Base	(6)	(5)
April 5, 2022 Board Meeting Adoption	FY 23, \$M	FY 24, \$M
Revenue – <i>Final</i>	1,357	1,407
Expenditures – <i>Final</i>	1,357	1,407
Change from 4/5/2022 Board Meeting	(6)	7

Revenue assumptions:

Included:

- **City General Fund Transfers:** \$414 m in FY23, increasing to \$445 million in FY24
- **Proposition B Population Baseline:** maintaining the shift from capital to operating revenues from prior budget \$30 m in FY 23 and FY 24
- **Transportation Sustainability Fee:** maintaining the shift from capital to operating revenues from prior budget \$10 m in FY 23 and FY 24; eligible as transit capital maintenance
- **Parking Revenues from FY 22** \$261 m in FY 23 growing to \$282 m in FY24 due to City economic and daytime population recovery
- **Transit Fare Revenues:** \$112 m FY 23 growing to \$140 m in FY 24 due to City economic and daytime population recovery. No fare increase is assumed.
- **One-Time Transit Federal Relief:** \$172 m in FY 23 and \$184 m in FY 24; new or recovered enterprise revenues (parking and fares) will have to backfill these amounts in future years
- **Operating Grants:** \$189 m in FY 23 increasing to \$193 m in FY24; increases of \$3 million and \$3 million resulting from updated LCTOP and STA projections
- **One-Time Fund Balance:** \$53 m from expenditure savings in FY 22 will be appropriated for one-time use in FY 23; expected to be offset by recovery of enterprise revenues (parking and transit fares) in FY 24

Expenditure assumptions include:

Included:

- **Salary and Benefits/Workorders** projects salary increases equal to the change in CPI as well as reductions in pension contributions starting in FY 24
- **Funding levels return to baseline of agency operations** positions and non-labor budgets that were frozen in the prior 2-years due to pandemic revenue losses are restored
- **Makes permanent \$3 million for HR Division** for enhanced and expanded hiring, and employee relations
- **Makes permanent \$6 million for Transit Division** for enhanced vehicle cleaning and overhead lines maintenance.
- **Sustains Free Muni for All Youth** throughout the budget period (revenue loss/expense of \$2 million in FY 23 and FY 24 for a total of \$4 million)
- **Divisional augmentations** for improved hiring, advancing equity, transit recovery, customer experience and technology including \$39 m in FY 23 and \$66 m in FY 24

Excluded:

- **\$0 wage increase for all labor contracts**
- **\$0 for additional fringe costs for all labor contracts**

Operating Budget & Appropriation FY 2023 & FY 2024

EXPENDITURES (USES)	FY23 Final	FY24 Final
Salary & Fringe	947,406,214	983,535,942
Overhead & Allocations	(37,041,489)	(36,405,869)
Professional Services	247,062,618	249,440,414
Materials & Supplies	74,590,391	74,590,551
Capital Outlay	200,000	-
Debt Service	22,980,226	27,850,760
Workorders	100,856,968	107,851,267
Operating Expenditures Subtotal	1,356,054,928	1,406,863,065
Transfer to Capital	36,402,061	66,671,504
Total Expenditure Appropriation	1,392,456,989	1,473,534,569

REVENUES (SOURCES)	FY23 Final	FY24 Final
City Population-based Baseline - Operating Support	30,000,000	30,000,000
Federal Relief	172,345,045	184,343,505
General Fund Transfers	414,420,000	445,240,000
General Fund Transfers (MBTIF)	6,785,154	6,785,154
Operating Grants	189,095,508	193,278,808
Other (advertising, Interest, misc fees, recovery)	35,130,651	38,105,799
Parking & Traffic Fees & Fines	261,316,845	282,032,890
Parking Tax In-Lieu	64,150,000	66,040,000
Proposition D Traffic Congest Mitigation Tax	7,851,000	10,226,000
Taxi Services	200,000	200,000
Transit Development Fees - Operating Support	10,000,000	10,000,000
Transit Fares	112,060,724	140,610,909
Use of One-Time Fund Balance	52,700,000	-
Operating Revenues Subtotal	1,356,054,928	1,406,863,065
Transfer to Capital	36,402,061	66,671,504
Total Revenue Appropriation	1,392,456,989	1,473,534,569

Final FY 23 & FY 24 Budget Augmentations (in \$m)

Program	FY 23 (in \$m)	FY 24 (in \$m)
Agency Operations	5.95	5.88
Accounting/Payroll	0.47	0.62
Asset Management Program	0.12	0.16
CIP+ Implementation	1.45	1.23
Local Government Affairs	0.11	0.21
Ombuds Office	0.26	0.34
Performance Management	0.06	0.13
Technology Infrastructure	3.48	3.17
Apprenticeship Program	3.47	5.95
Communications & Outreach	0.58	0.77
Customer Experience	8.88	13.63
Hiring & Training	1.93	2.34
Race, Equity and Belonging	2.33	2.80
Safety Training and System Improvements	2.43	3.43
Service Equity and Expansion	10.02	18.60
Service Quality Program	3.68	4.89
Street Management	4.46	5.30
Curb Management	0.70	0.45
Parking Enforcement	0.74	0.98
Shared Spaces Program	1.28	1.67
Street Safety Program	1.00	0.89
Streets Planning	0.75	1.30
Taxi, Mobility & ETC Program	1.04	1.39
Transit Safety & Security	0.85	1.13

FY 23
\$39 m

(\$45 m offset by \$6 m in continuing labor)

FY 24
\$66 m

Communications and Outreach

Operating Additional Budget Cost

FY 23

\$0.58 m

FY 24

\$0.77 m

Budget **increases outreach and engagement staffing** (2 Operating Budget; 6 Capital Budget)

+ 4 *Community Liaisons/Translation Svcs*
+ 4 *T2050/Capital Project Support*

Budget **increases internal employee communications**

+ 1 *Communications and Outreach to public facing SFMTA staff*

Budget **increases media relations**

+1 *for increase media relations support to Spokesperson & Deputy*

Total Positions

FY 23

8.47 FTE

FY 24

11 FTE

Budget increases **marketing and graphic design**

+1 *for graphic design support, reducing reliance on consultants*

The **Customer Experience**

Program also includes staffing for marketing, outreach and engagement (6 Operating Budget, 1 Capital Budget)

+1 *Social Media Specialist*

+1 *Videographer*

+2 *Website & Social Media Support*

+1 *Services Changes & Service Disruption*

+1 *Marketing and Branding*

Transit Safety and Security

Operating Additional Budget Cost

FY 23

\$0.85 m

FY 24

\$1.13 m

Budget **sustains \$2.4 m in increased Contracted Security:**

- + 5 Central Subway Patrol
- + 7 Muni Metro Subway Patrol (9 total)
- + 2 Video Surveillance (5 total)

Budget **sustains \$1.5 Muni Transit Assistance Program (Ambassadors)**

- + 21 MTAP on Muni Vehicles

Budget **increases weekend and evening security coverage** and support

- + 2 FTE (Deputy CSO & Data Analyst)

Total Positions

FY 23

4.62 FTE

FY 24

6 FTE

Budget provides **\$750k for Equity Safety Initiative** to address gender-based harassment and violence.

Budget **increases staffing at the Security Intelligence Center.**

+4 FTE Data analysis, intelligence gathering, and video review to identify patterns, track security assets, disseminate security reports, direct security response, and maintain security operations 24 hours a day.

The **Customer Experience Program** includes additional presence on Muni Vehicles
+22 Transit Ambassadors

Augmentations occur over time, and if revenues do not materialize can be stopped.



Costs above reflect the planned cost at the time of expenditure initiation

Staff recommends updates to the Board on a series of financial performance criteria, at that time in addition to a review of current data insights, financial performance, an update of planned expenditures can occur.

Strategy: Performance Measures

To support the Board through fiscal year 2023, we are proposing the following measures to support decision making and are looking for feedback.

Performance Measures	Metric/Measure	April 2021	FY22 Target	Current	FY23 Target
Use of One-Time Funds FY22	Percent of one-time funds for operations in FY22	29.6% (\$382M)	23.6% (\$309M)	23.3% (\$298M)	-
Use of One-Time Funds FY23	Percent of one-time funds for operations in FY23	11.4% (\$153M)	2.7% (\$36M)	16.6% (\$225M)	16.6% (\$225M)
Use of One-Time Funds FY24	Percent of one-time funds for operations in FY24	3.1% (\$43M)	1.4% (\$19M)	13.1% (\$184M)	13.1% (\$184M)
SGR Needs Met FY 2023-27	Percent of SGR needs met	68.5%	80.0%	85.0%	100%
TERM Score	Age-based condition score	3.15	3.30	3.30	3.30
Fare Revenue Recovery	Current month over FY19 monthly average	11.3% (\$2M)	54.9% (\$9M)	27.7% (\$5M)	56.8% (\$9M)
Parking Fine and Fees Revenue Recovery	Current month over FY19 monthly average	70.8% (\$18M)	92.8% (\$22M)	86.3% (\$19M)	92.6% (\$22M)

Projections

Impacts of Updated Base
5-Year Financial Plan Analysis
30-Year Financial Plan Analysis

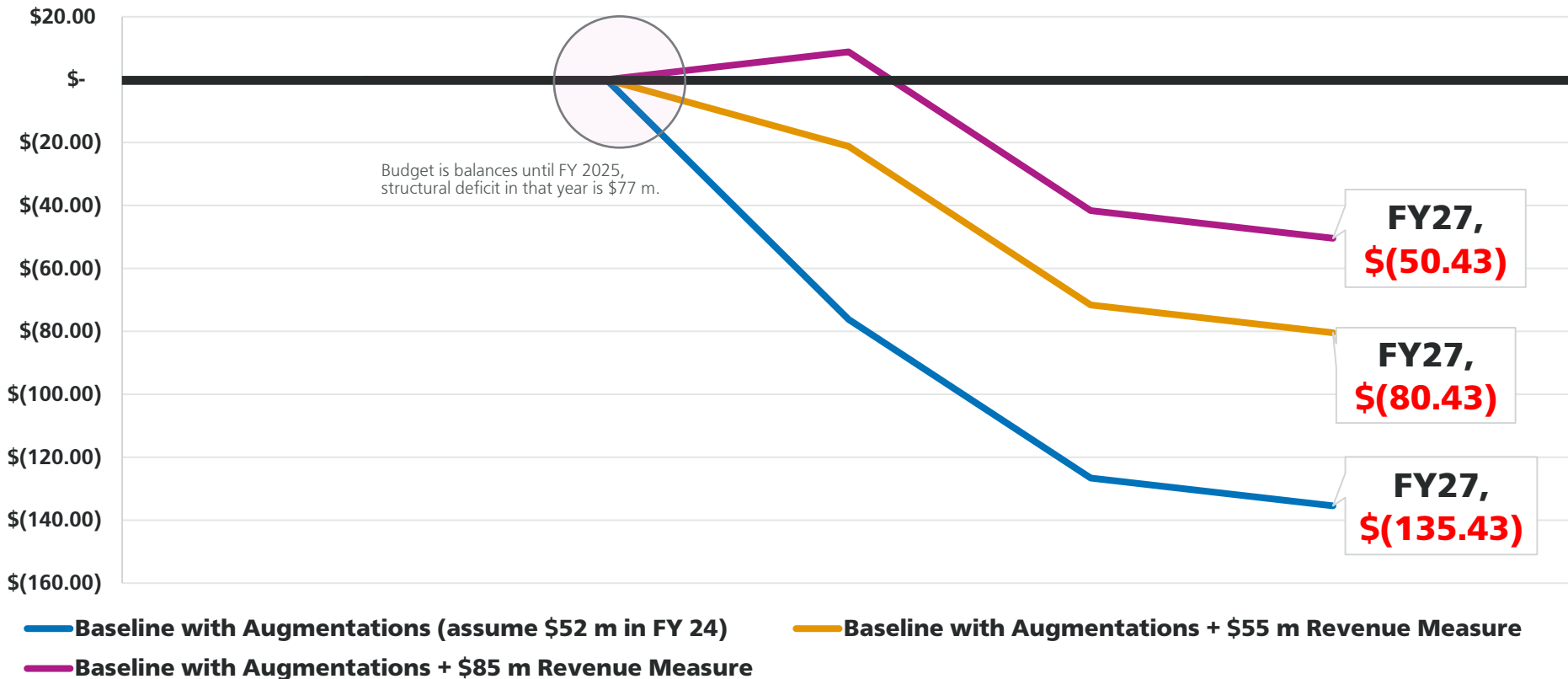
The agency must invest in the recovery of the transit system and restoration of agency operations and infrastructure.

Short-Term investments will have a cost and increase the structural deficit. **The adjusted baseline presented today, results in a future FY 25 deficit of \$76 million.**

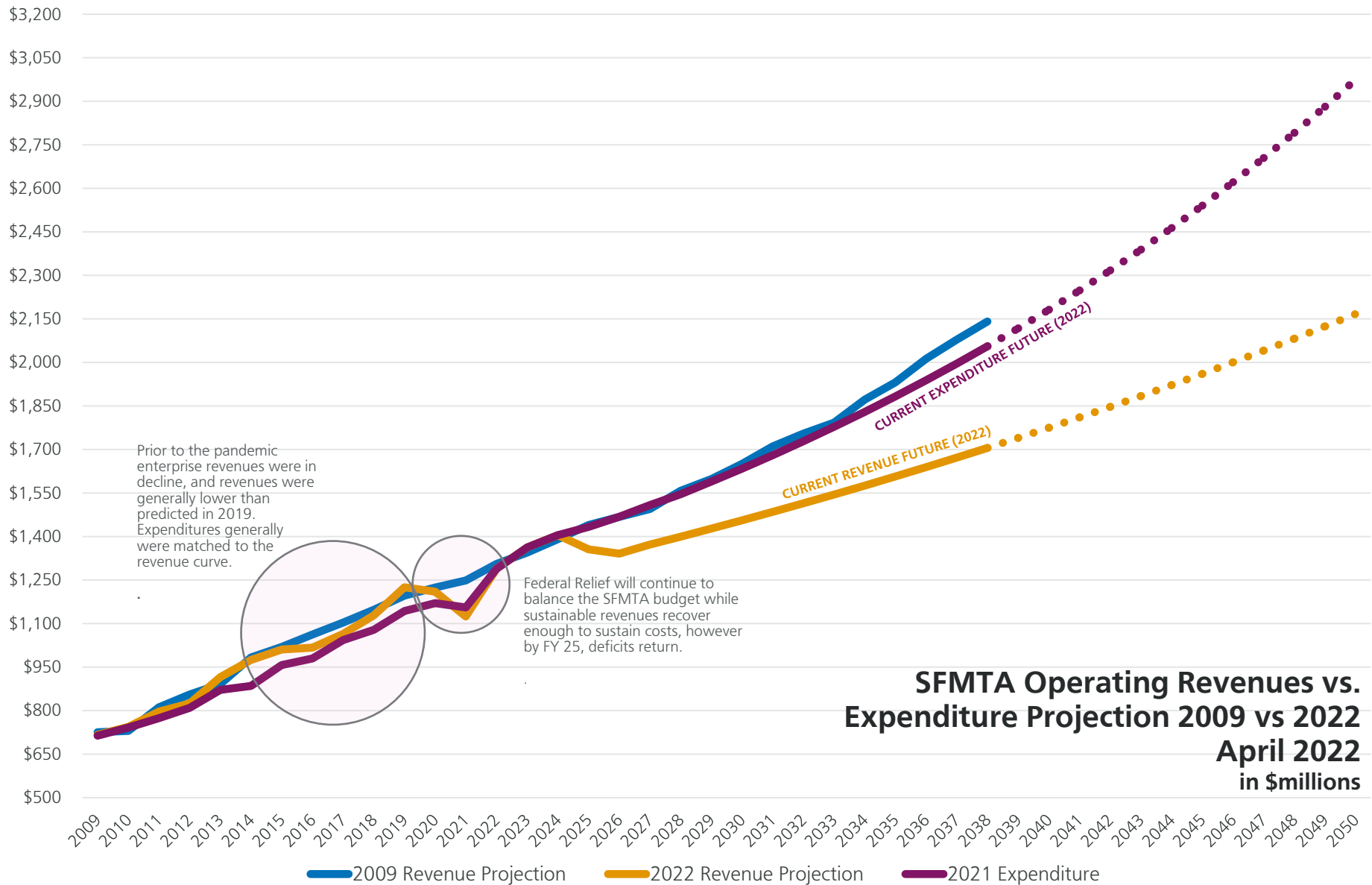
However, if we do not make these investments now, our sustainable sources such as transit fares, parking meter and garage revenues will not recover to make up for the use of one-time revenues. In parallel, the agency needs to continue to identify a new sustainable funding source.

Final Budget (April 15, 2022)

This scenario includes an expenditure increase of \$66 million beginning in FY 2024 and models the updated base proposed budget. Revenues are adjusted from the base; structural deficit begins in FY 25 at \$76 million.



Scenario also assumes new sources of revenues if they were to begin some time during fiscal year 2025. The result is the projected deficit at the end of the 5-year financial plan or fiscal year 2027.



The Final Budget.

The final budget is **resilient, prudent and invests in our shared values.**
The average growth of expenditures is 4.25 percent.

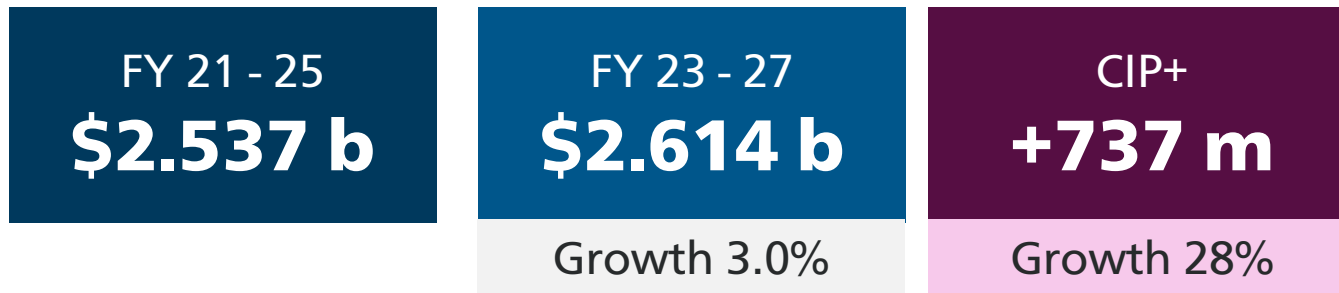


The final budget **was driven by feedback and invests in key community priorities** preparing the SFMTA for the future.

Muni Safety	Customer Experience	Equity & Belonging
Muni Reliability	Workforce Development	Service Equity & Expansion
Muni Service Quality	Hiring & Training	Outreach & Engagement

The Final Capital Improvement Program.

The final 5-year CIP continues **critical investments in transportation infrastructure** with the **first CIP+ a targeted and prioritized investment plan** for advocacy and capital revenue growth.



All of the **major projects in the CIP are related to the State of Good Repair of the system and improving safety and reliability.**

Muni Facilities	Light Rail Vehicle Replacement	Fleet Overhauls
Muni Electrification	New Train Control System	Street Safety

Staff recommends that the SFMTA Board of Directors **adopt:**

Action 1:

FY 2023 – 2027 Capital Improvement Program

Action 2:


*FY 2023 & 2024 Consolidated Budget
(Operating and Capital)*



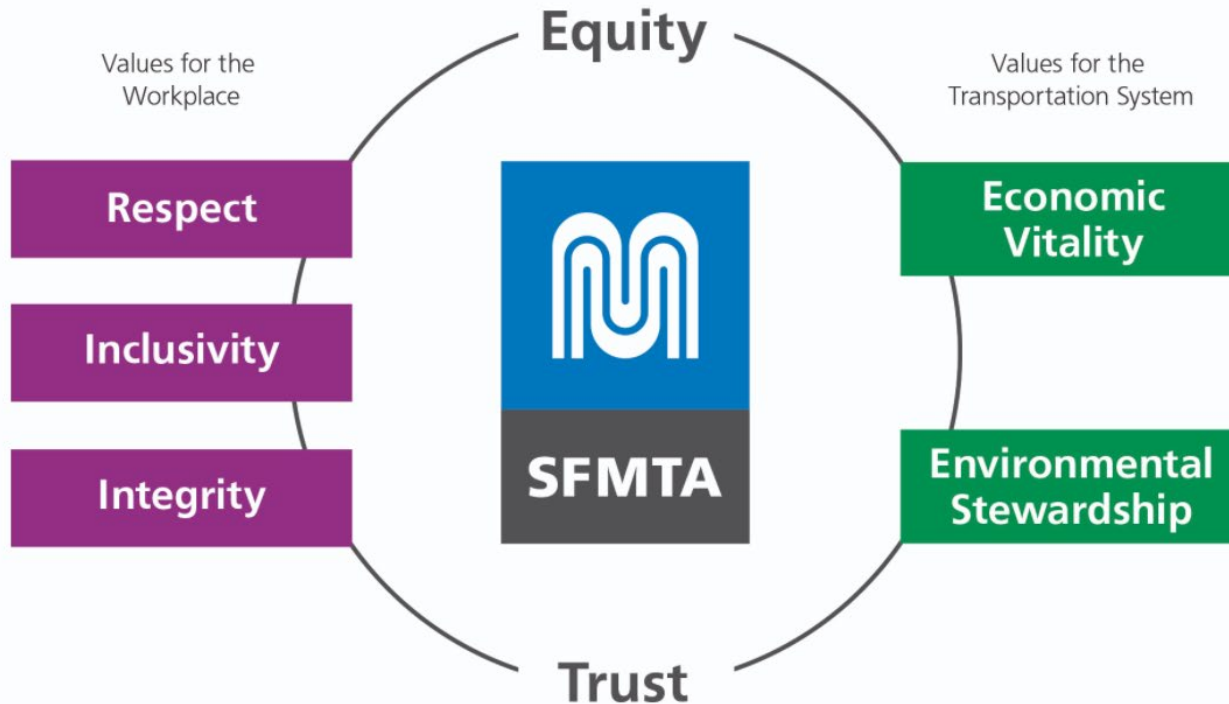
Thank you.

Appendix

Here is where we stand in the process of developing the 2-Year Budget and 5-Year CIP, prior to the charter mandated May 1st submittal to the Mayor.

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.

First and foremost the SFMTA budget and 5-Year CIP reflects our values.



Operating Budget Overview

We know that agency finances have not yet fully recovered and will not during the upcoming Fiscal Years 2023 and FY 2024.

That and significant unknowns, such as pace of recovery required a **resilient budget design**.

Manage to the Pace of Recovery

Prepare based on optimism but have stopgaps in place.

Work toward restoration of full Agency Operations

Service restoration, street management, agency internal ops.

Consider what is not known.

Impact of inflation and new labor contracts.

MTA Board Process

Based on feedback from the Board since the Board Workshop we have worked to provide information and updates for informed decisions.

February 1, 2022 Board Workshop

Successes & Challenges
City Fiscal Update
SFMTA Fiscal Update
Service and Program Info

February 2, 2022 Board Workshop

Budget Beginning Baseline
CIP Beginning Baseline
Opportunities & Risk Analysis
Transportation 2050 Update
5-Year Financial Plan Update

February 15, 2022 Board Meeting

Capital Prioritization
Advocacy Strategy
CIP+ Policy Priorities

March 15, 2022 Board Meeting

Budget Outreach
Updated Base CIP
CIP+ & CIP+ Analysis
Updated Base Budget
Parking Policy
Fees, Fines, Cost Recovery
Fare Policy

April 5, 2022 Board Meeting

Noticed Public Hearing
Review Process
CIP Projects & Programming
Muni Equity Strategy
Updated Budget
Fare Policy Options
Expenditure Augmentations

April 19th Board

First Opportunity to Adopt

April 26th Board

Second Meeting (if Needed)

Outreach Synthesis

Reviewing all our channels of outreach here are some high-level themes:

- Focus on Transit Speed, Reliability and Access
- Focus on Personal Safety *on Transit and on Streets*
- Focus on Equity in delivery of service
- Focus on State of Good Repair infrastructure investments
- Provide quick and convenient access throughout San Francisco
- Avoid fare increases and expand discount programs
- Reduce traffic congestion through investment in transit
- Improve the customer experience on transit including improved Next Bus service and cleaner shelters

Outreach & Listening Sessions

The purpose of our outreach process was to gather input from a wide range of stakeholders on transportation priorities to help shape our budget.

Engagements

- **Public Budget Workshop** with SFMTA Board of Directors
- **Survey of Priorities** (digital and paper in 4 languages)
- **Public Listening Sessions** (via telephone with language support for equity)
- **Direct Listening Sessions** with every community group who requested one
- **Digital Town Hall** to report the results

Communication Channels

- Email to over **3,000 stakeholders**
- Offers of listening sessions to over **150 community groups**
- **Ads in language newspapers** (El Tecolote, Sing Tao, World Journal, Wind, Examiner)
- **Social Media ads** (WeChat, Twitter, FB, Instagram)
- **Website** with survey links and listening session dates (In four languages English, Chinese, Spanish and Filipino)
- **Paper surveys** in 4 languages, targeted at non-English speaking communities

Outreach & Listening Sessions - Results

Over **700 responses**
from online surveys in three languages

690 Additional Comments
from listening sessions, phone calls, and emails

Over **100 Comments**
from SFMTA Board of Directors at Board Workshop

Paper surveys will be collected in the next two weeks.

Results will be compiled and presented at the April 5th MTA Board Meeting.

Outreach & Listening Sessions – Final Results April 5, 2022

**1,295
responses**

*from online
and paper
surveys in
three
languages*

**917
Additional
Comments**

*from listening
sessions,
phone calls,
and emails*

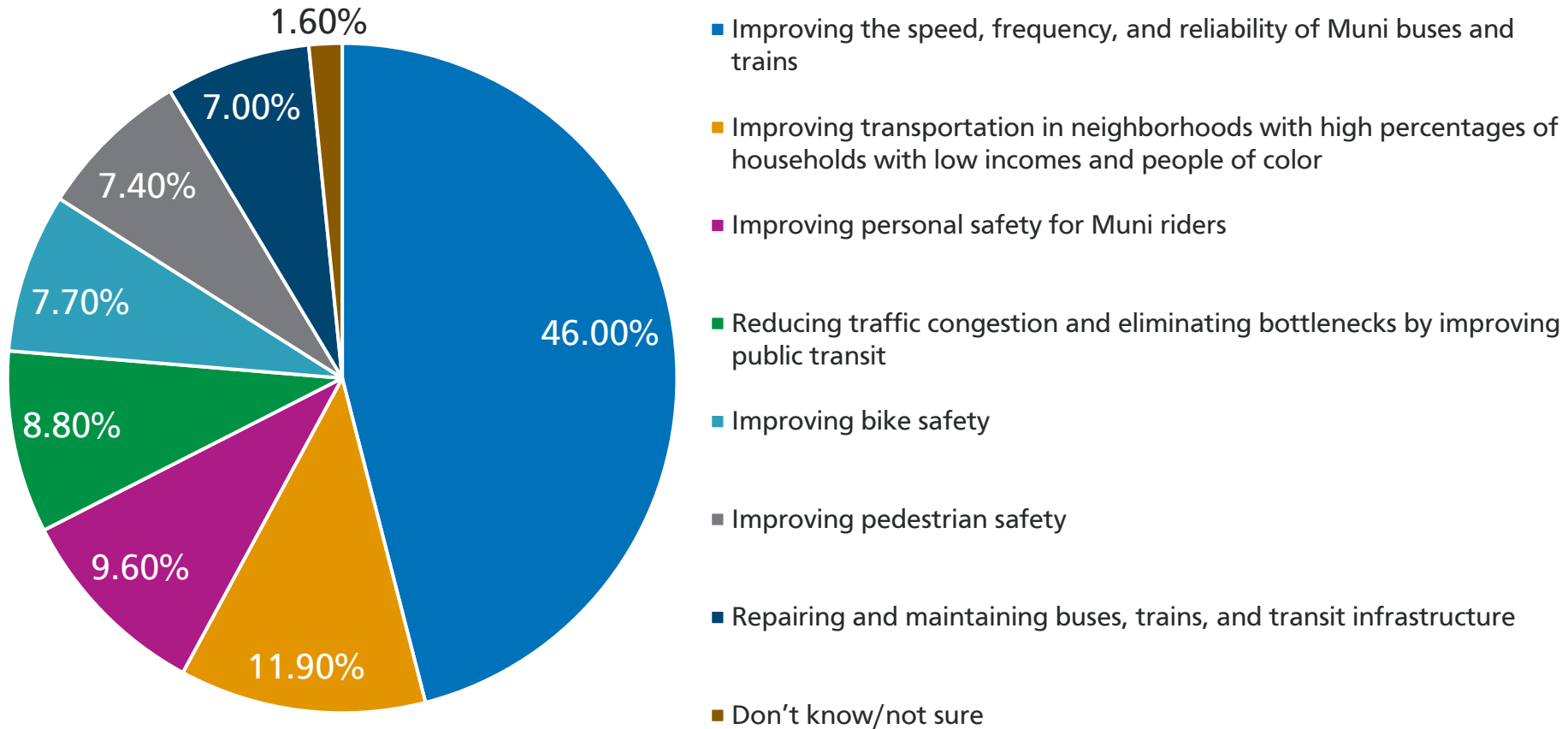
**Over 100
Comments**

*from SFMTA
Board of
Directors at
Board
Workshop*

Paper surveys were collected and recorded, and the online survey was closed, on March 23rd

Survey Results

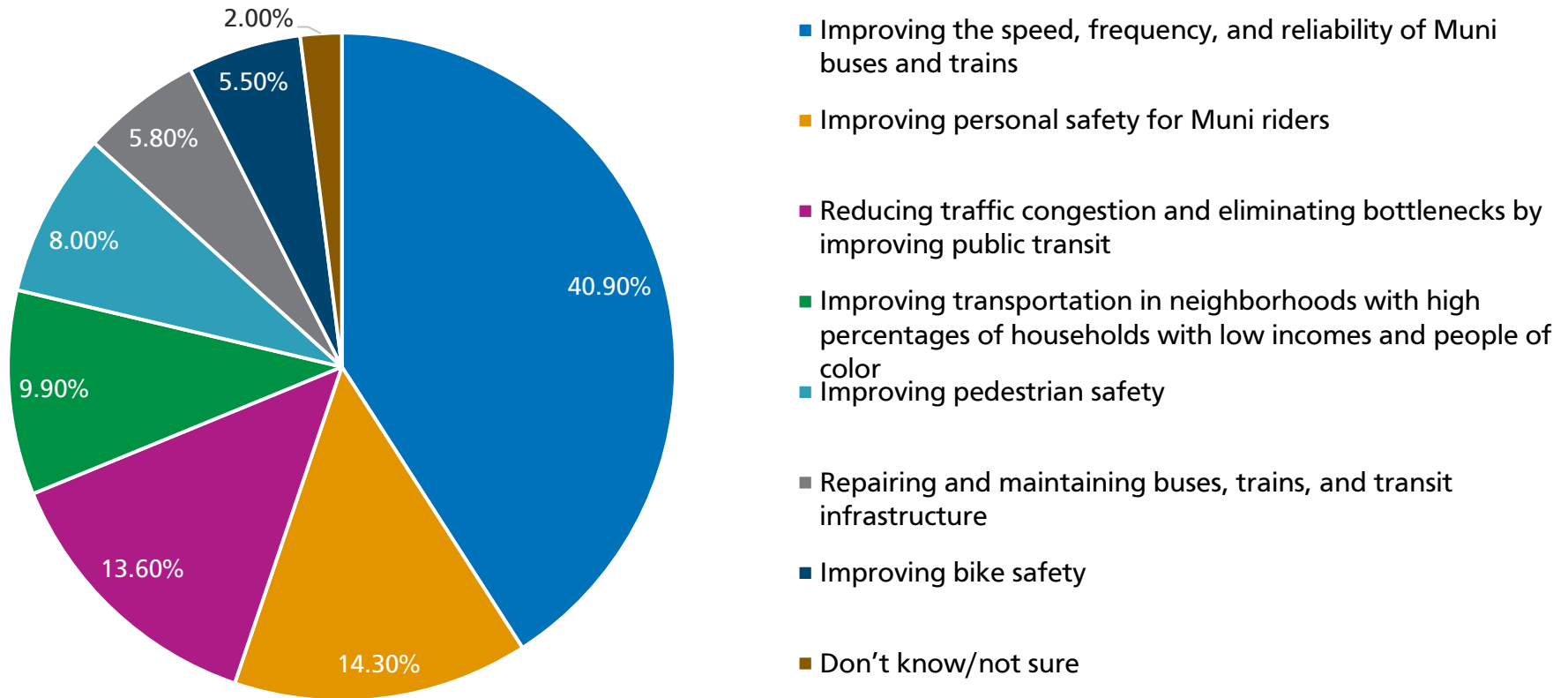
Possible SFMTA Goals: Which Would You Prioritize? First Priority



*739 Total Respondents; to be updated with total at MTAB on 4/5

Survey Results

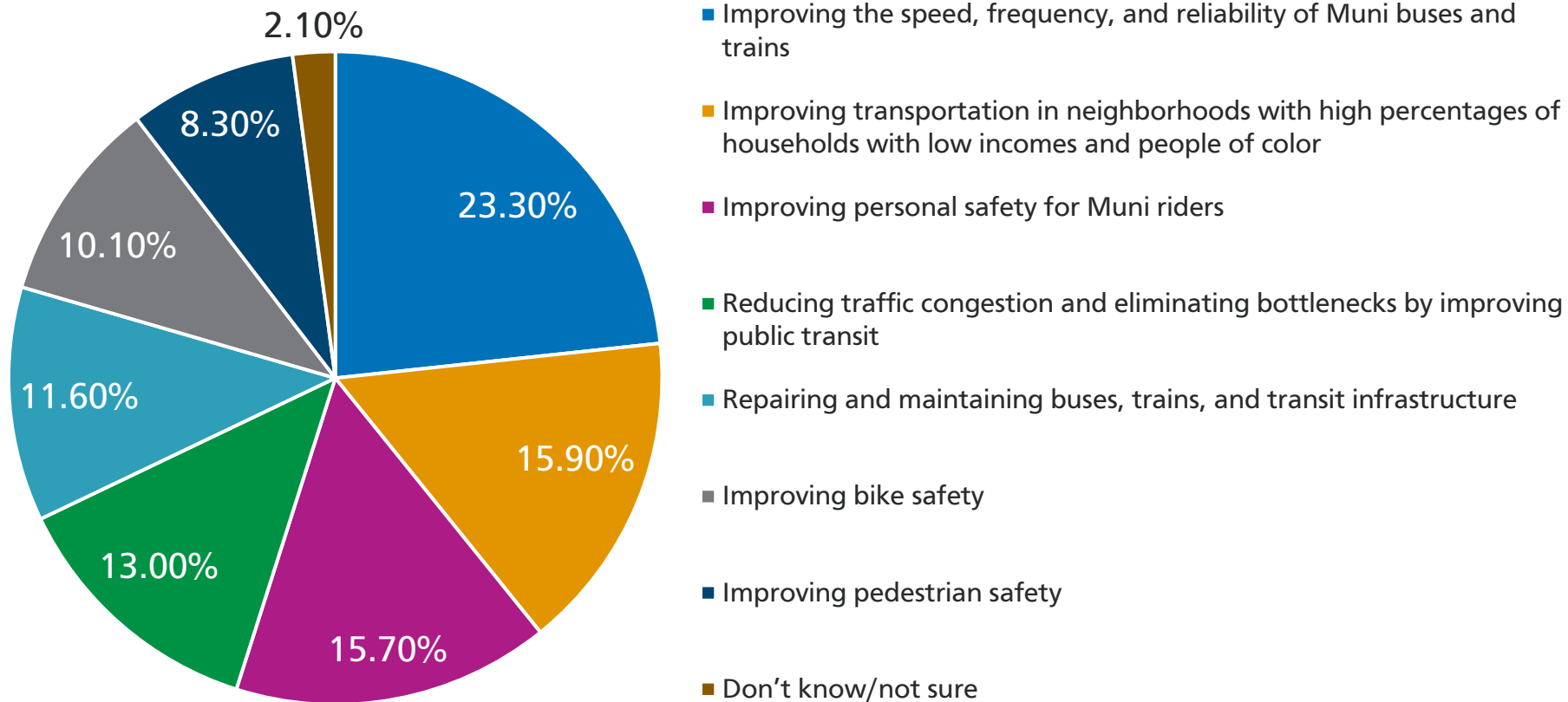
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* 1,295 Respondents Final Results April 5, 2022

Survey Results

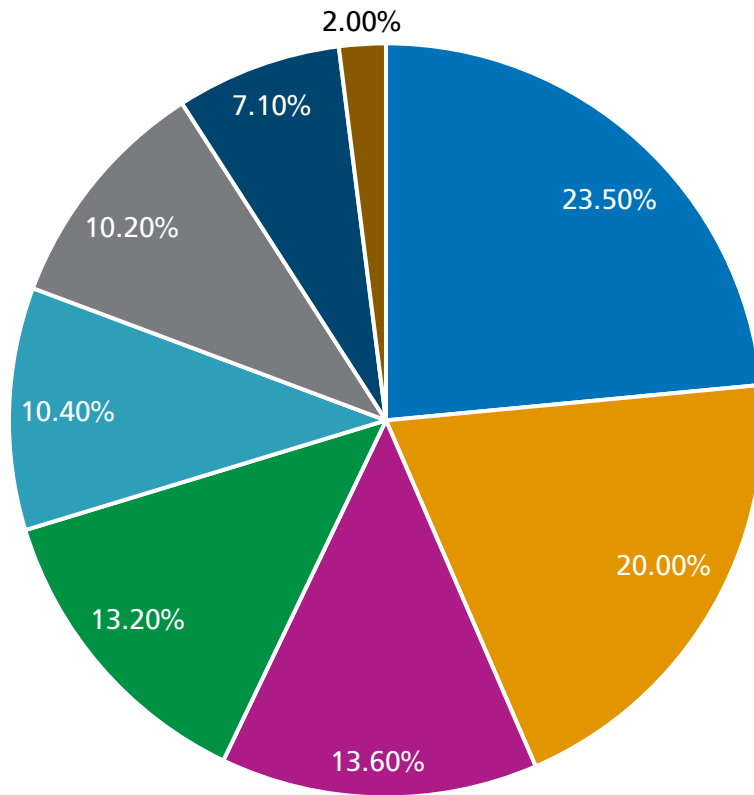
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Survey Results

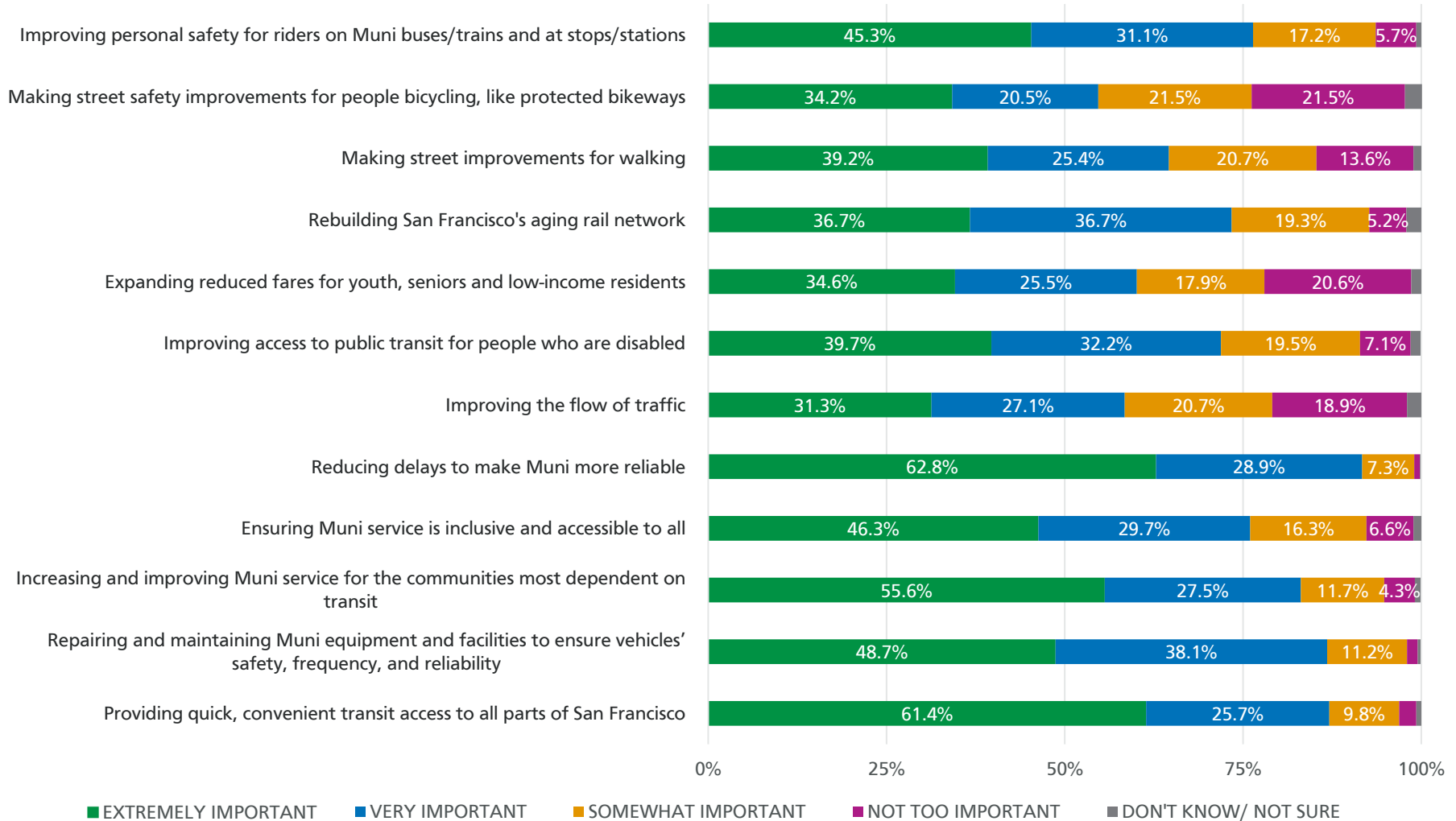
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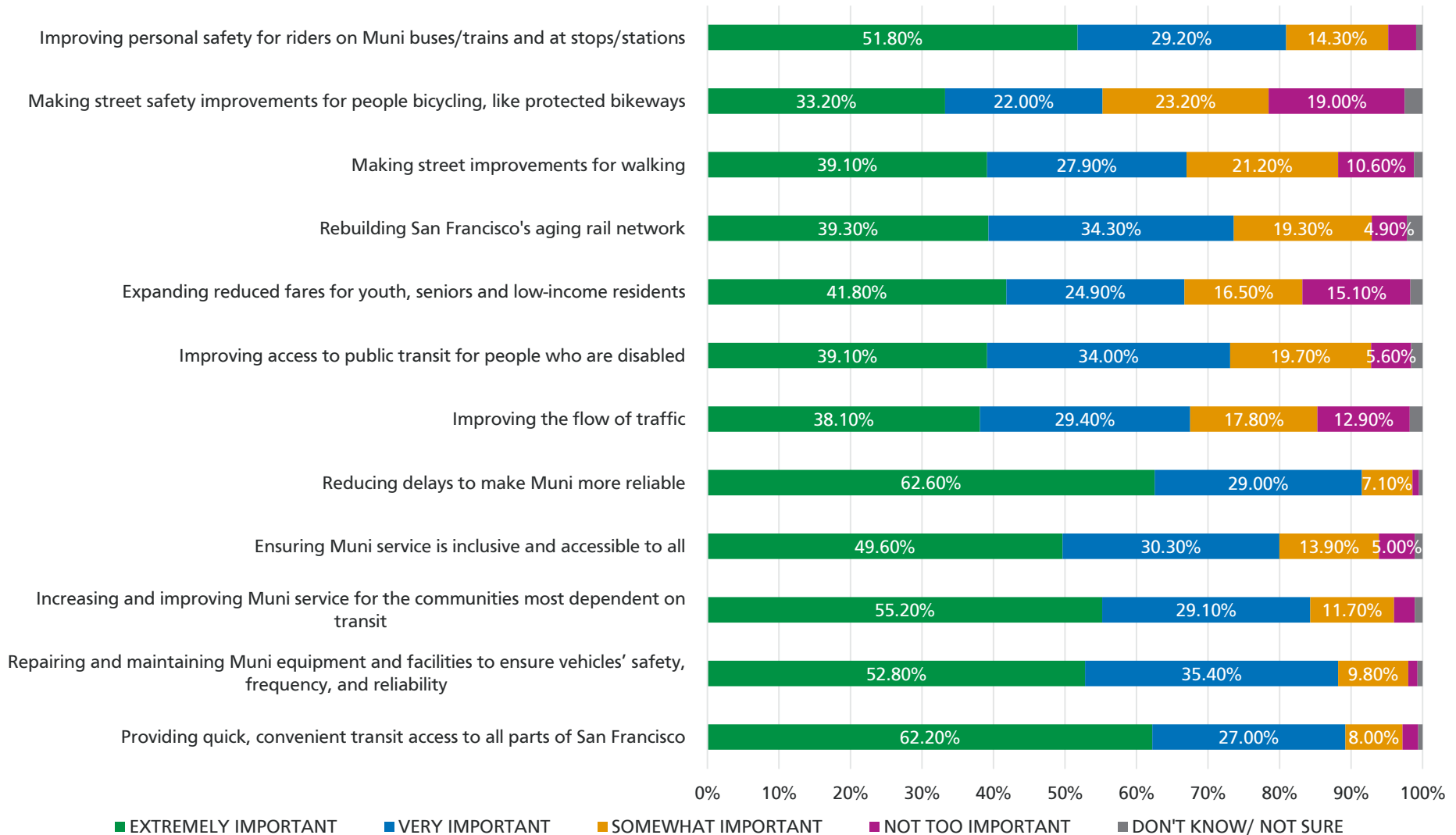
- Improving the speed, frequency, and reliability of Muni buses and trains
- Improving personal safety for Muni riders
- Improving transportation in neighborhoods with high percentages of households with low incomes and people of color
- Reducing traffic congestion and eliminating bottlenecks by improving public transit
- Repairing and maintaining buses, trains, and transit infrastructure
- Improving pedestrian safety
- Improving bike safety
- Don't know/not sure

*1,295 Respondents Final Results April 5, 2022

Prioritizing Individual Initiatives

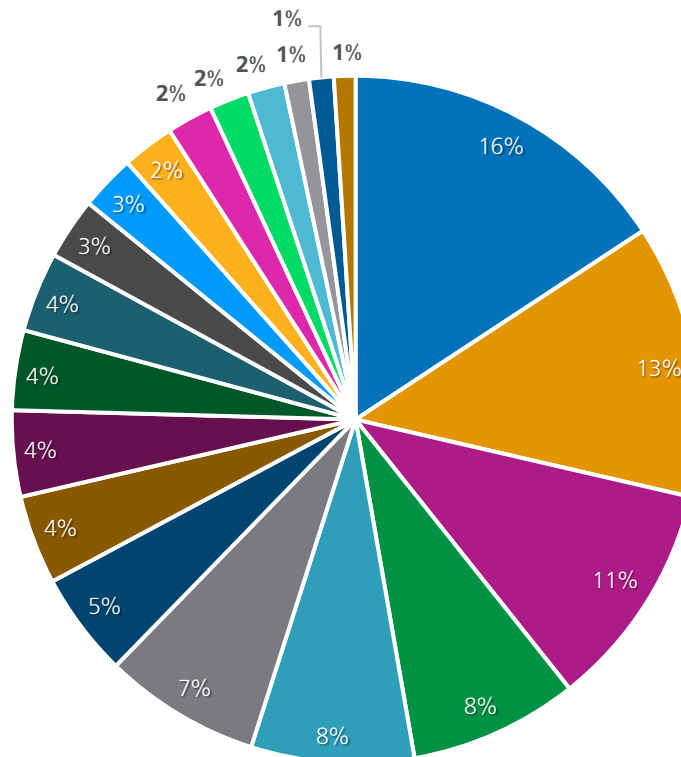
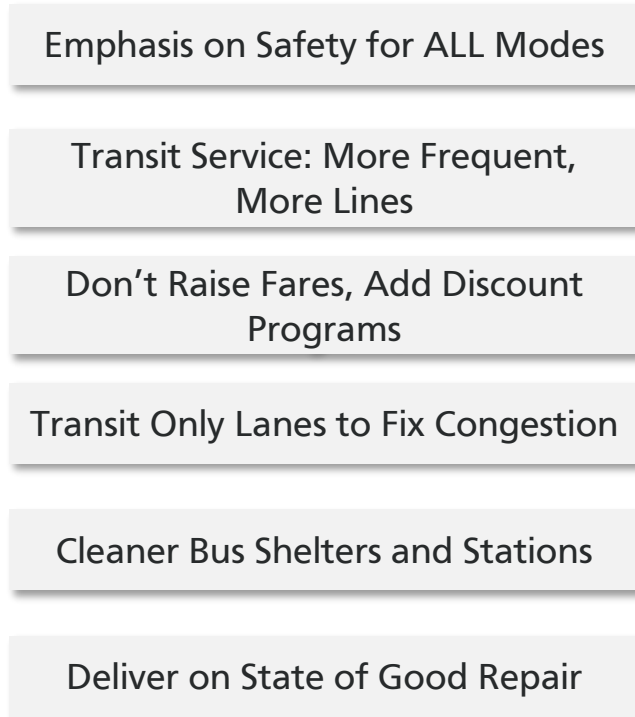


Prioritizing Individual Initiatives – Final Results April 5, 2022



Categorized Comments

690 additional responses collected from listening sessions, open responses, emails and phone calls. Comments were categorized by MTA staff



- Prioritize Safety on Streets and Muni
- Support for Increased Service Lines and Frequency
- Support 100% Pre-Pandemic Service Restoration
- Concerns About Rising Traffic
- Other
- Support for More Transit Only Lanes
- Make the System More Accessible
- Make the SFMTA More Equitable
- Concerns About Slow Streets
- Support Existing or Expanded Fare Discount Programs
- Improve and Clean the Bus Shelters and Stations
- Make Muni Free for All
- Support no Fare Increase (No Indexing)
- Support for Slow Streets
- Deliver More Capital Improvements
- Improve the Fare Enforcement Program
- Give Less Free Parking or Extend Meter Hours
- Improve NextBus
- Improve Outreach to the Communities
- Support Ballot Initiative(s) to Fund the SFMTA

Categorized Comments – Final Results April 5, 2022

917 additional responses collected from listening sessions, open responses, emails and phone calls. Comments were categorized by MTA staff

Emphasis on Safety for ALL Modes

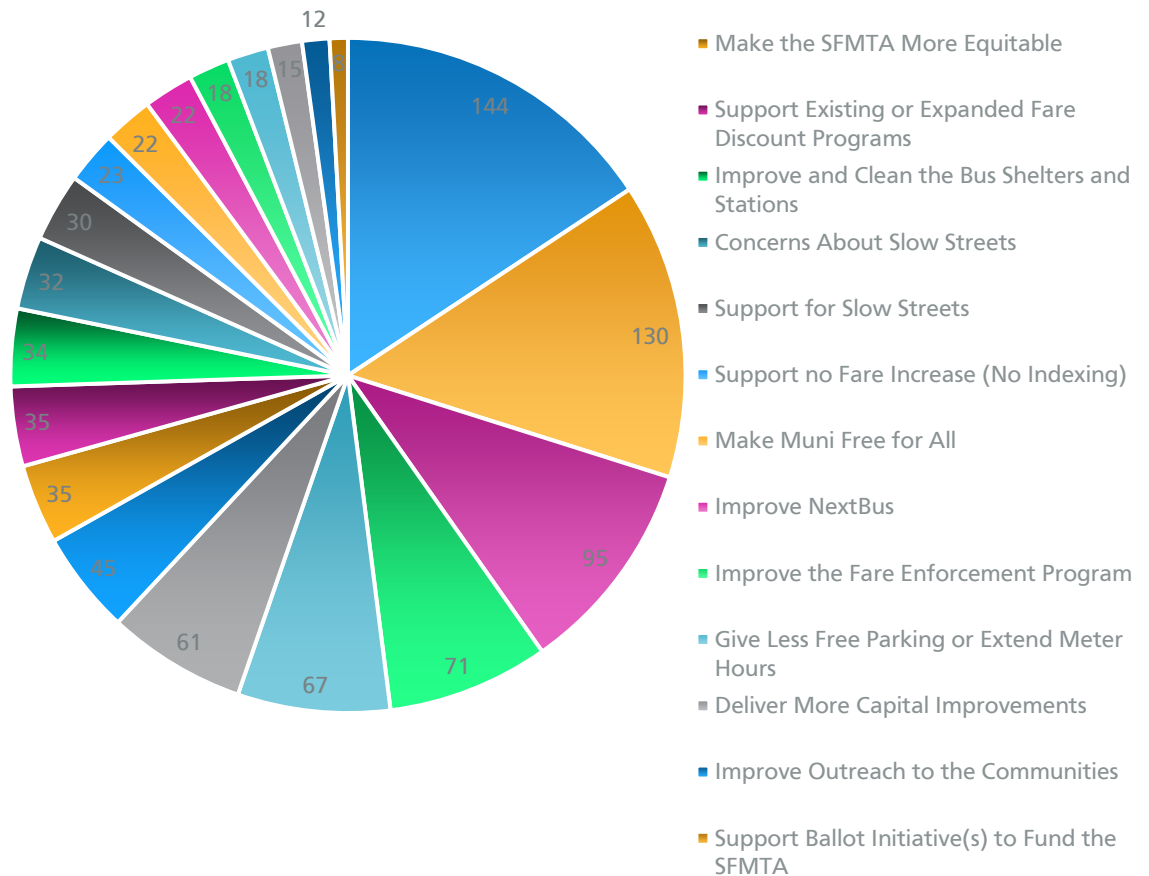
Transit Service: More Frequent, More Lines

Don't Raise Fares, Add Discount Programs

Transit Only Lanes to Fix Congestion

Cleaner Bus Shelters and Stations

Deliver on State of Good Repair



- Support for Increased Service Lines and Frequency
- Prioritize Safety on Streets and Muni
- Support 100% Pre-Pandemic Service Restoration
- Other
- Concerns About Rising Traffic
- Support for More Transit Only Lanes
- Make the System More Accessible
- Make the SFMTA More Equitable
- Support Existing or Expanded Fare Discount Programs
- Improve and Clean the Bus Shelters and Stations
- Concerns About Slow Streets
- Support for Slow Streets
- Support no Fare Increase (No Indexing)
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Summary

Updated 5-Year Capital Improvement Program

Based on what we have heard and the feedback we have received:

- **Funds critical investments in Transit speed and reliability projects**, through significant investments in State of Good Repair:
 - Replacement of the Breda Light Rail Vehicles
 - Replacement of the Muni Metro Train Control System
 - Muni Bus Fleet Mid-Life Overhauls
 - Upgraded Facilities for improved maintenance
- **Funds critical safety improvements to our streets** with a 29% increase in funding to the Streets Capital Program and policy priority in CIP+ for additional revenues

In this 5-Year Capital Improvement Program (CIP) cycle, capital revenues will be at their lowest levels in nearly a decade.

However, new sources and opportunities could result in a substantial increase in CIP revenues during the 5-Year Period. We call this **CIP+**.

+\$400 m General Obligation Bond

+\$140 m Sales Tax Reauthorization

+\$280 m Infrastructure Bill Grants

+\$210 m Competitive Grants

RANGE: \$300 m - \$1 b

With the data from the 20-Year Capital Plan, reflecting unconstrained “need” and the revenue constraint placed on many SFMTA revenue sources through the 5-Year Capital Improvement Program, we develop the **Weather Map**.

The Weather Map is a check against what we **“should” fund versus what we “can” fund**. If discretionary funds materialize OR a competitive grant opportunity comes, we look to fill these gaps first.

Very often we see this data shows funding gaps generally match infrastructure backlogs.

FY 2023 – 2027 CIP Cycle “Weather Map”

Needs versus Gaps Original (2.15.2022)

Capital Program	2021 Capital Needs	% of Capital Needs	5-Year CIP Needs (25%)	Proposed CIP	% of CIP Revenues	Delta	% Need Met
Fleet	\$ 7,534	21.4%	\$ 1,884	\$ 1,179	48.0%	\$ (705)	62.6%
Transit Optimization & Expansion	\$ 10,903	31.0%	\$ 2,726	\$ 334	13.6%	\$ (2,391)	12.3%
Transit Fixed Guideway	\$ 2,384	6.8%	\$ 596	\$ 488	19.9%	\$ (109)	81.8%
Streets	\$ 5,149	14.6%	\$ 1,287	\$ 186	7.6%	\$ (1,101)	14.5%
Facility	\$ 4,760	13.5%	\$ 1,190	\$ 159	6.5%	\$ (1,031)	13.3%
Traffic Signals	\$ 2,293	6.5%	\$ 573	\$ 91	3.7%	\$ (482)	15.8%
Communications & IT	\$ 271	0.8%	\$ 68	\$ 10	0.4%	\$ (58)	14.8%
Parking	\$ 964	2.7%	\$ 241	\$ -	0.0%	\$ (241)	0.0%
Security	\$ 865	2.5%	\$ 216	\$ 10	0.4%	\$ (207)	4.5%
Taxi	\$ 66	0.2%	\$ 17	\$ 2	0.1%	\$ (14)	13.7%
TOTAL	\$ 35,188	100%	\$ 8,797	\$ 2,458	100%	\$ (6,339)	27.9%

FY 2023 – 2027 CIP Cycle “Weather Map”

Needs versus Gaps (3.15.2022) – Updated CIP

Capital Program	2021 Capital Needs	% of Capital Needs	5-Year CIP Needs (25%)	Proposed CIP	% of CIP Revenues	Delta	% Need Met
Fleet	\$ 7,534	21.4%	\$ 1,884	\$ 1,147	43.9%	\$ (737)	60.9%
Transit Optimization & Expansion	\$ 10,903	31.0%	\$ 2,726	\$ 332	12.7%	\$ (2,395)	12.2%
Transit Fixed Guideway	\$ 2,384	6.8%	\$ 596	\$ 593	22.7%	\$ (3)	99.5%
Streets	\$ 5,149	14.6%	\$ 1,287	\$ 241	9.2%	\$ (1,046)	18.7%
Facility	\$ 4,760	13.5%	\$ 1,190	\$ 202	7.7%	\$ (988)	17.0%
Traffic Signals	\$ 2,293	6.5%	\$ 573	\$ 73	2.8%	\$ (500)	12.8%
Communications & IT	\$ 271	0.8%	\$ 68	\$ 14	0.5%	\$ (54)	20.7%
Parking	\$ 964	2.7%	\$ 241	\$ -	0.0%	\$ (241)	0.0%
Security	\$ 865	2.5%	\$ 216	\$ 10	0.4%	\$ (206)	4.5%
Taxi	\$ 66	0.2%	\$ 17	\$ 2	0.1%	\$ (15)	13.4%
TOTAL	\$ 35,188	100%	\$ 8,797	\$ 2,614	100%	\$ (6,183)	29.7%

FY 2023 – 2027 CIP Cycle “Weather Map”

Needs versus Gaps (3.15.2022) – Updated CIP w/CIP+

Capital Program	2021 Capital Needs	% of Capital Needs	5-Year CIP Needs (25%)	CIP+	% of CIP Revenues	Delta	% Need Met
Fleet	\$ 7,534	21.4%	\$ 1,884	\$ 1,290	36.9%	\$ (594)	68.5%
Transit Optimization & Expansion	\$ 10,903	31.0%	\$ 2,726	\$ 415	11.9%	\$ (2,312)	15.2%
Transit Fixed Guideway	\$ 2,384	6.8%	\$ 596	\$ 678	19.4%	\$ 82	113.8%
Streets	\$ 5,149	14.6%	\$ 1,287	\$ 398	11.4%	\$ (889)	30.9%
Facility	\$ 4,760	13.5%	\$ 1,190	\$ 537	15.4%	\$ (653)	45.1%
Traffic Signals	\$ 2,293	6.5%	\$ 573	\$ 140	4.0%	\$ (433)	24.5%
Communications & IT	\$ 271	0.8%	\$ 68	\$ 24	0.7%	\$ (44)	35.4%
Parking	\$ 964	2.7%	\$ 241	\$ -	0.0%	\$ (241)	0.0%
Security	\$ 865	2.5%	\$ 216	\$ 10	0.3%	\$ (206)	4.5%
Taxi	\$ 66	0.2%	\$ 17	\$ 2	0.1%	\$ (15)	13.5%
TOTAL	\$ 35,188	100%	\$ 8,797	\$ 3,494	100.0%	\$ (5,303)	39.7%

How do we set fares, fees and fines?

Automatic Indexing Implementation Plan (AIIP)

- Policy adopted by the board “to establish a more predictable and transparent mechanism for setting charges”
- Automatic Inflator based on average of Bay Area CPI-U +Operating Budget Labor Cost Change
- Does not apply to charges governed by other state or local law

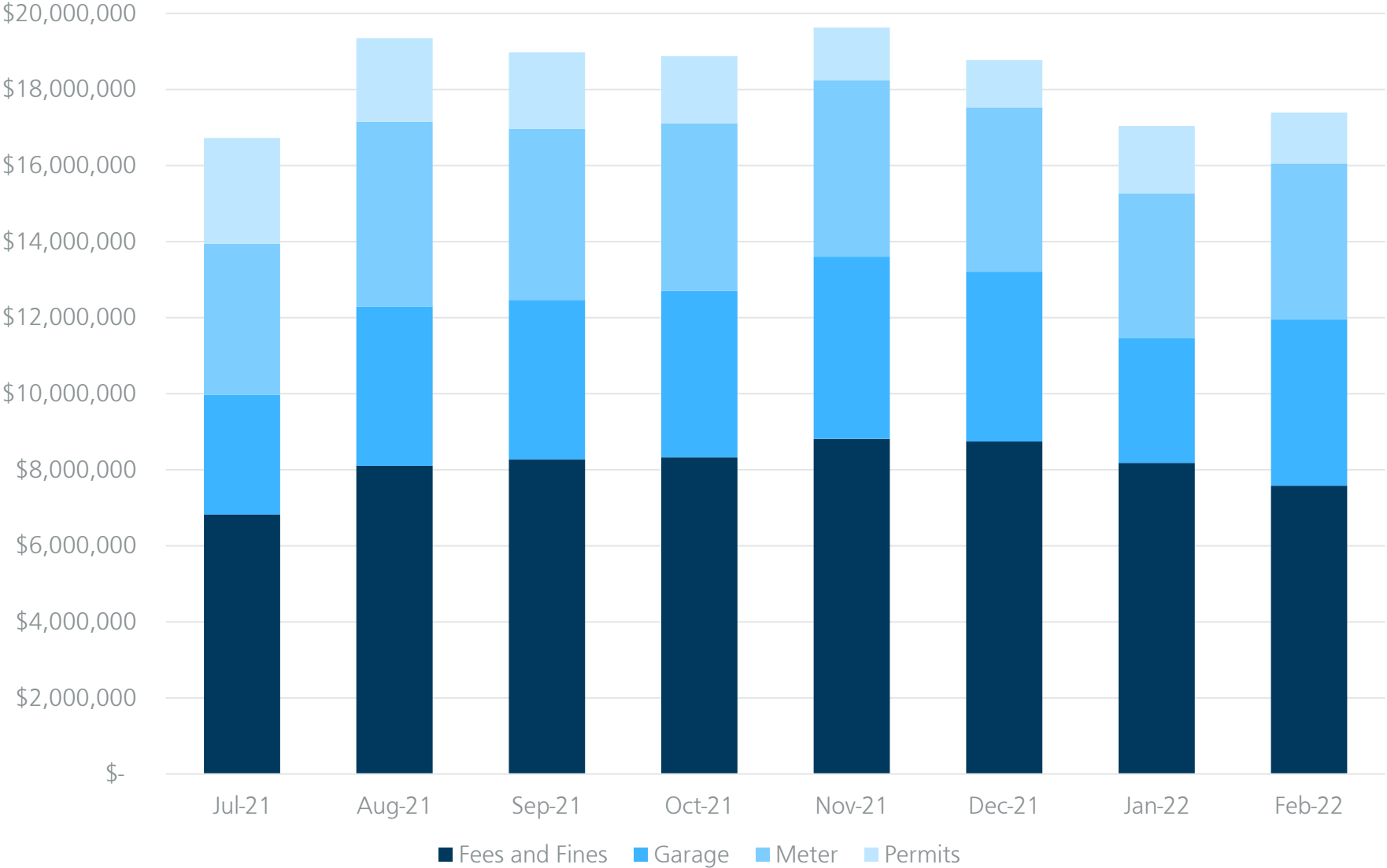
Cost Recovery

- California Proposition 218 limits fees for some municipal services to actual program costs
- SFMTA’s policy is to set fees to recover 100% agency costs except where there is an explicit SFMTA Board decision to set particular fees below cost to meet other Agency objectives

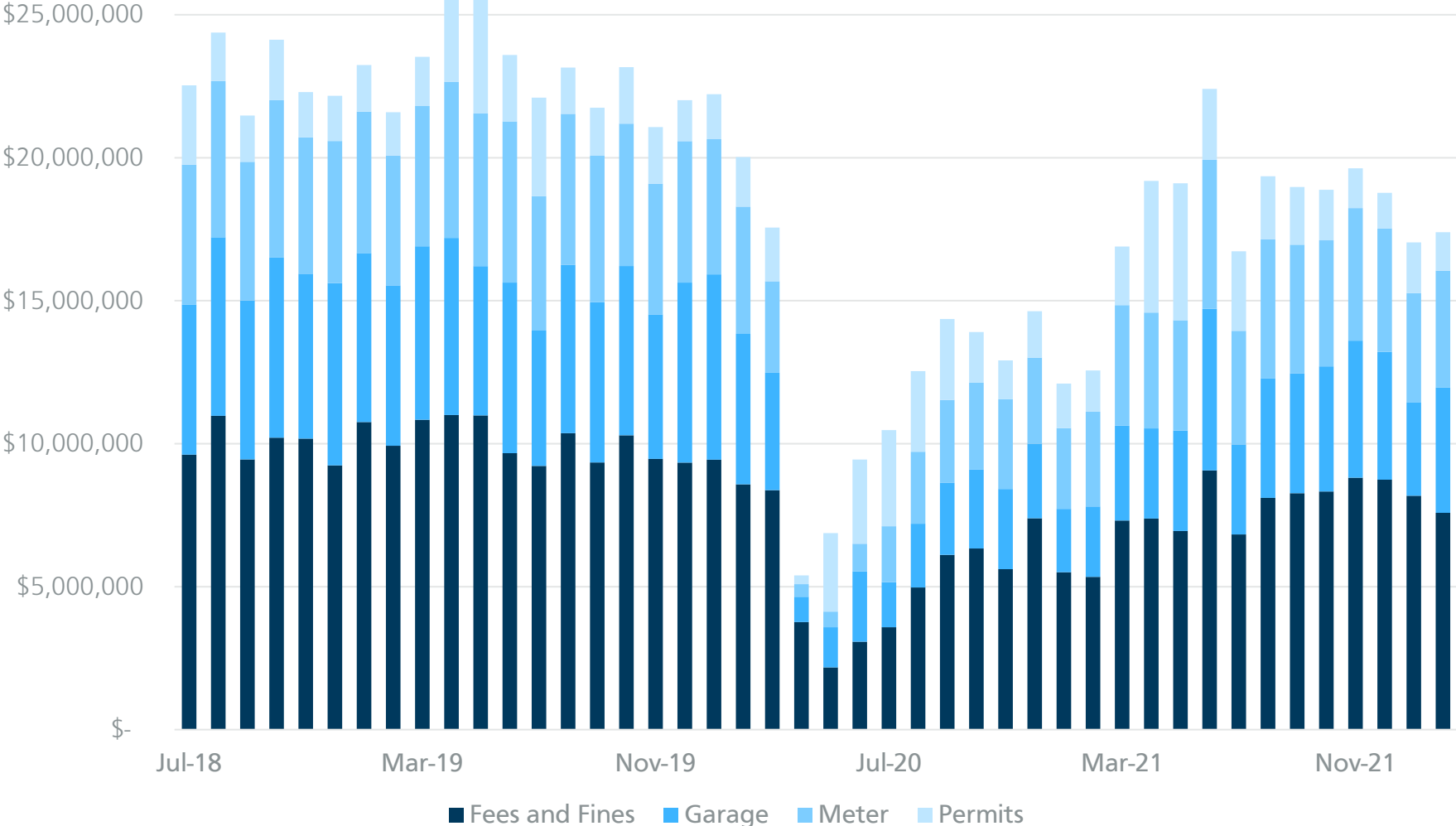
Other State/Local Law

- State legislature or local government may pass laws setting a set or maximum fee for a program charges

Parking Revenue Trend: FY 2022



Parking Revenue Trend: FY 2019 to present



[Detailed Parking Data by Account Code](#)

Parking Meters & Garages

- Parking meter and garage rates utilize SFpark's demand-responsive pricing approach to promote parking policy goals
- Rates are lowered where there is excess availability and raised in areas with limited capacity
- 1% of meters have hit the maximum rate for some part of the day and availability is still low at these times
- Propose to increase this max \$11/hour in FY 23 and \$12/hour in FY 24
- Quarterly review and adjustment of garage rates to maximize availability were suspended during the pandemic
- This review will resume for Parking Garages FY 23

FY 2023

+\$15 m*From FY 22 Base*

FY 2024

+\$16 m*From FY 23 Base*

FY 2024

+\$5 m*Additional Meter Revenues*

Parking Citation Fine Adjustments

Violation	Current	Proposed FY 23	Proposed FY 24
Street Cleaning	\$84	\$87	\$90
Residential Overtime	\$96	\$99	\$102
Parking Meter (Downtown)	\$95	\$98	\$101

- **State law sets a maximum base fine** for most violations to \$100
- Limited exceptions include disabled parking and bus zone violations where higher fines are authorized
- All citations other than those at the maximum or set by state law are proposed to increase by the AIP (\$2 to \$3 per citation)

Cost Recovery Fees

Fee	Current Fee	Proposed FY23	Proposed FY24
Residential Parking Permit	\$160	\$165	\$170
Contractor Permit	\$2,169	\$2,210	\$2,340
Boot Removal Fee	\$550	\$495	\$505
Boot Removal Fee Low-Income*	\$75	\$75	\$75
Tow Fee	\$593	\$613	\$633
Tow Fee (First Time/Low-Income)*	\$543/\$100	\$569/\$100	\$571/\$100

* One-time full fee waiver for people experiencing homelessness

- **SFMTA conducts a comprehensive review of program costs and projected revenue** as part of every budget
- Labor costs generally drive costs and fees are increased accordingly (3.3% increase proposed in FY 23 & FY24)
- Operational efficiencies resulted in a \$55 decrease in boot removal fee FY 23

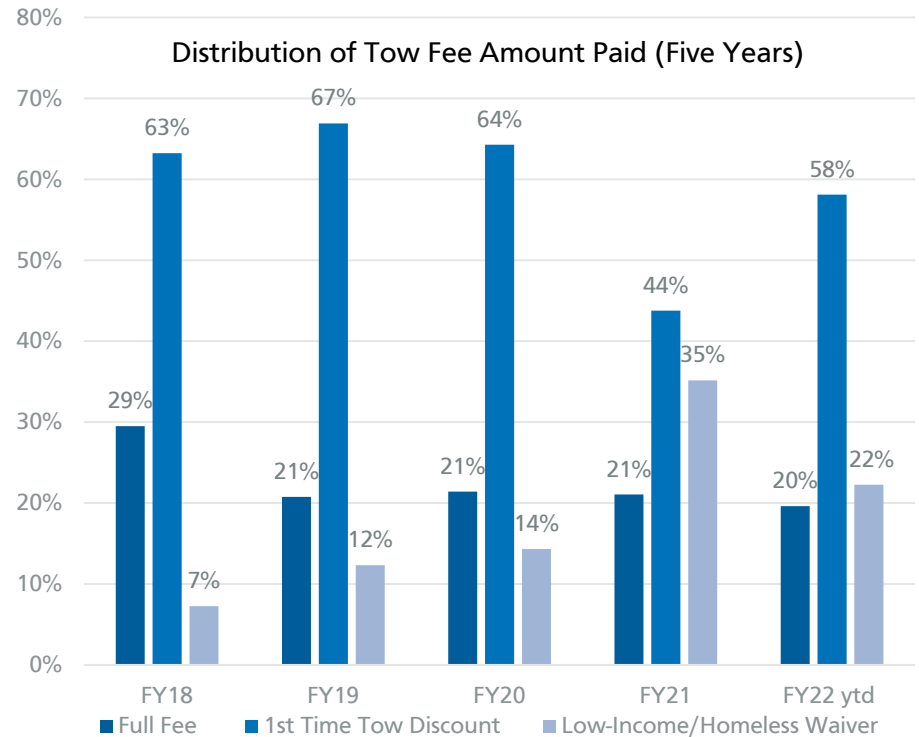
Vehicle Tow Program Discount Programs

Tow Fees:

People experiencing Homelessness	\$0 (one time)
Stolen Vehicle	\$0
Low-Income	\$100 (ongoing)
1 st Time Tow	\$561
Full Fee	\$613
Storage Fee 1 st Day	\$60
5 days waived with Homelessness/Low-Income Discount	

Estimated Value - Discounts (FY23):

Storage	\$551,340
Stolen Vehicle	\$1,103,400
Discounts	\$2,873,874



Estimated value of Tow Discounts

\$4.5 million

Vehicle Tow Program Revenue Recovery Overview

We are sustaining cost recovery while maintaining our equity discount programs with no changes.

Program Costs	28,137,458
Revenue (Fees/Sales)	23,241,034
Total Recovery	(4,896,424)
<hr/>	
Waiver/Discount Value	4,528,614
Total Recovery Adjusted	(367,810)
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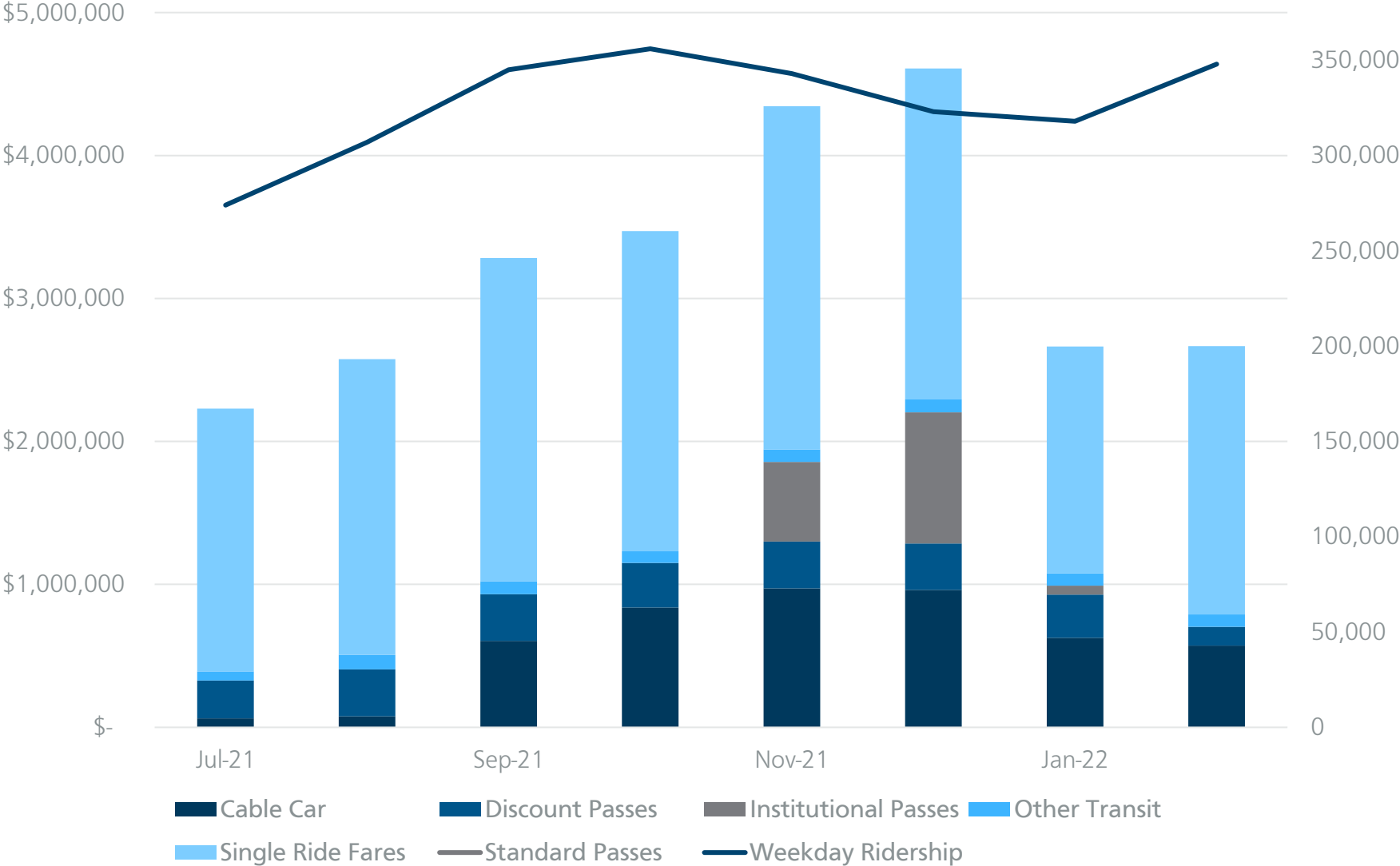
Fare Revenues

Transit Fare revenues are part of the Automatic Indexing Implementation Plan (AIIP) and are indexed with the cost of labor and CPI. **Generally, it is the goal to sustain 88 to 90 cents per boarding.**

When we don't index fares, the structural deficit increases, and revenues become less stable.

FY	Change in Fare Per Boarding
2021	-66.8%
2020	2.4%
2019	-2.6%
2018	3.9%
2017	-1.6%
2016	-9.0%
2015	4.8%
2014	-5.4%

Transit Fare Revenue Trend: FY 2022



How do we set fares, fees and fines?

Automatic Indexing Implementation Plan (AIIP)

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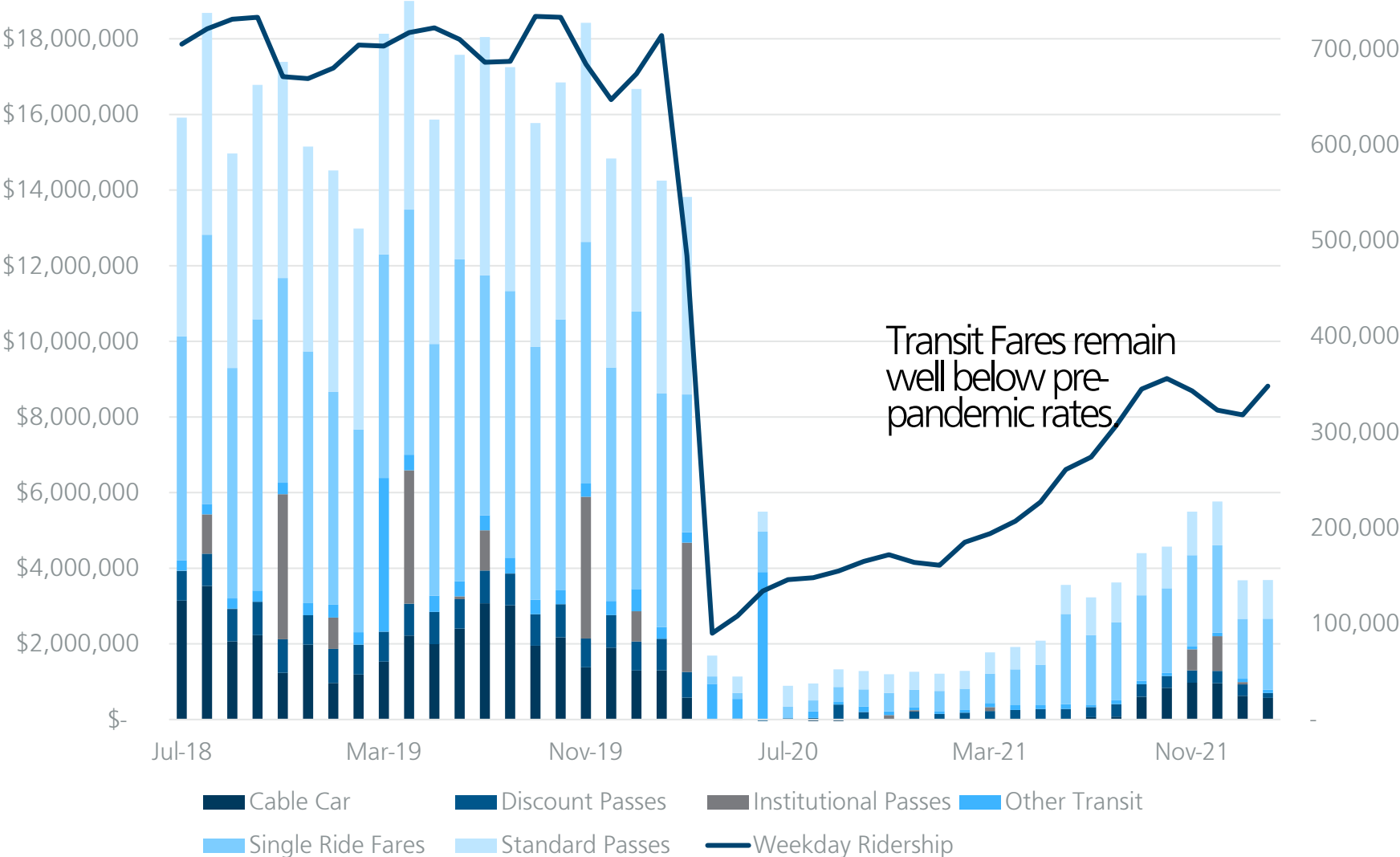
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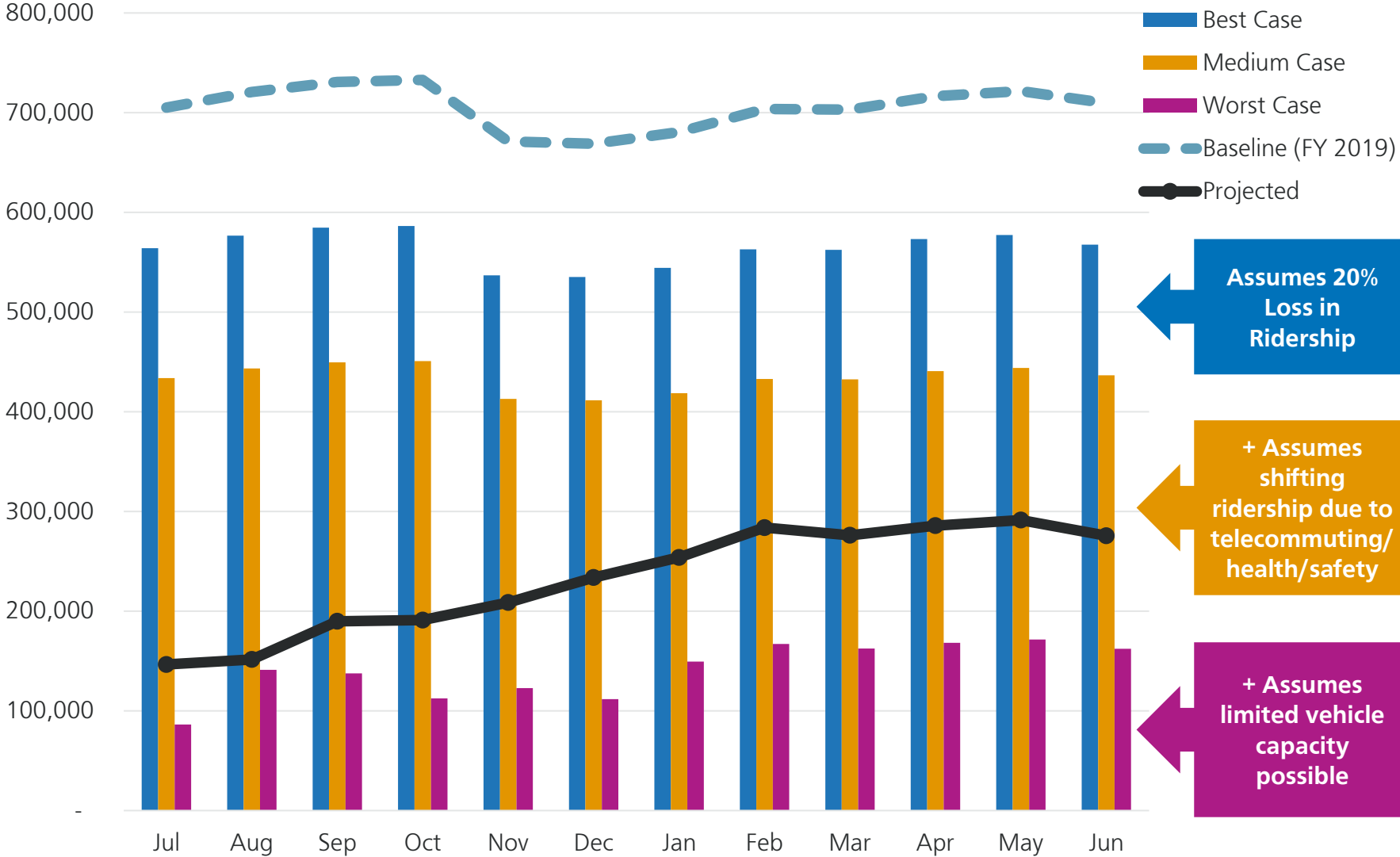
Other State/Local Law

- State legislature or local government may pass laws setting a set or maximum fee for a program charges

Transit Fare Revenue Trend: FY 2019 to present



Muni Ridership Projections (FY 2021 – April 2020)

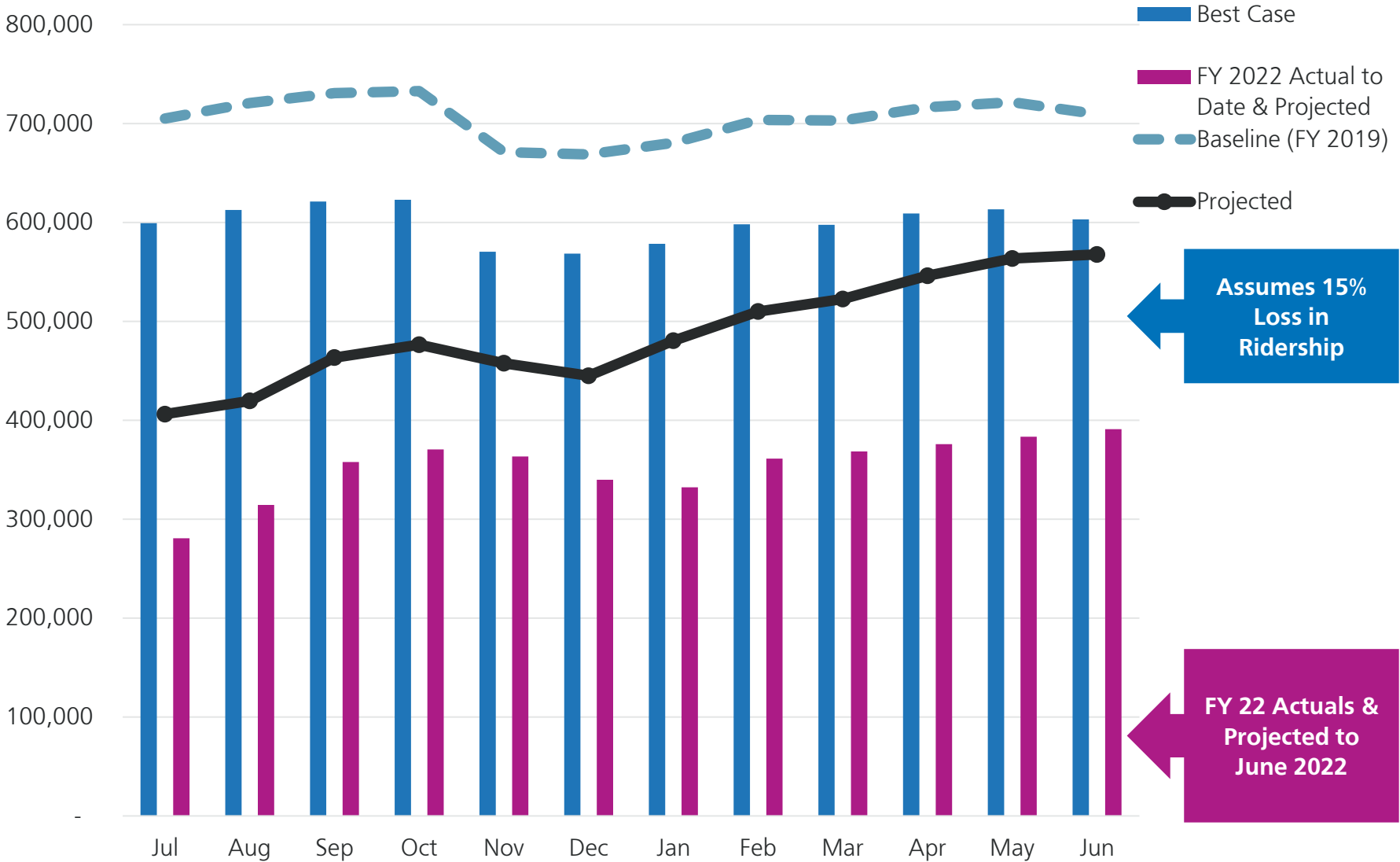


Assumes 20% Loss in Ridership

+ Assumes shifting ridership due to telecommuting/health/safety

+ Assumes limited vehicle capacity possible

Muni Ridership Projections (FY 2023 – April 2022)



Assumes 15% Loss in Ridership

FY 22 Actuals & Projected to June 2022

Fare Options

The budget currently assumes no fare increase during the budget period and a **fare policy** that will pilot new products and technology to incentivize the return of ridership.

A strategy discussed during the March 15th Board meeting is to look adjustments to the fare policy in order to potentially expand programs that provide greater access to transit and expand the SFMTA's existing discount programs.

All proposals sustain the cash fare at \$3.

Fare Policy: Options to Expand Free and Discount Programs

We recommend making Free Muni for All Youth permanent; however, it is currently funded by a one-time appropriation from the Mayor and Board of Supervisors.

Based on feedback, if feasible, Free Muni should be extended to those at 125% of the Federal Poverty Level.

**Free Muni for
All Youth**

(\$2 m/yr)

\$4 m

**Free Muni for
Adults at
125% Federal
Poverty**

(\$5.7 m/yr)

\$11.4 m

Fare Policy: Options to Expand Free and Discount Programs

Possible Program Expansions	Cost (2 Years)	# Riders	% BIPOC	% Low Income
Free Muni for all Youth	\$4.1 M	27,693	75%	65%
Expand Free Muni to adults at/or below 125% of the Federal Poverty Level (FPL) - \$16,988/year	\$11.4 M	17,142	90%	100%

Possible Fare Changes	Revenue (2 Years)	# Riders	% BIPOC	% People with Low Incomes
3.3% increase (AIPP) to all fares in FY23 and FY24 (excluding cash single ride fare)	\$4.4 M	560,063	55%	31%
No fare changes in FY23 – 3.3% increase to monthly passes in FY24	\$1.6 M	202,947	56%	28%
No fare changes in FY23 – 3.3% increase to single ride Clipper/Mobile fares in FY24	\$1.3 M	199,565	49%	31%
Increase Clipper single ride fare by \$0.25/\$0.50 over two years	\$6.7 M	199,565	49%	31%

Agency Operations

Cost

FY 23	FY 24
\$5.95 m	\$5.88 m

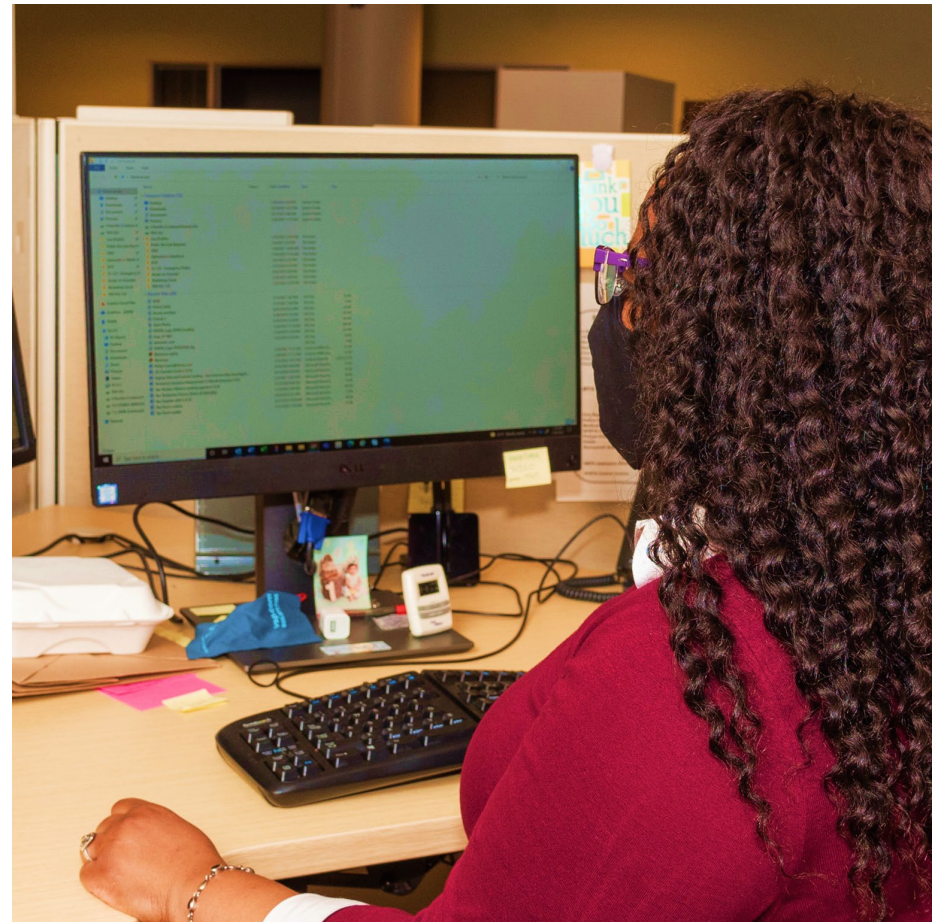
Expenditures on Agency Operations restores and expands critical functions such as: Asset & Financial Management, Project Delivery – in preparation of funds expected from CIP+, responses to requests from the San Francisco Board of Supervisors, internal employee concerns through Ombuds Office, and overall data and performance management.

Key Expenditures include:

- Non-labor investments in technology infrastructure to shift sunseting capital projects to on-going system maintenance.

Positions

FY 23	FY 24
14.55 FTE	21 FTE



Apprenticeship Program

Cost

FY 23	FY 24
\$3.47 m	\$5.65 m

Transit vehicle and infrastructure maintenance jobs are vital to delivering transit service, but increasingly hard to recruit and fill. Expanding the program for service-critical maintenance craft worker positions will help up cost-effectively expand the pipeline of skilled candidates and create promotive pathways into specialized job functions for existing staff.

Key Expenditures include:

- Positions required to expand Apprentice Program to meet growing staffing challenges (Muni Reliability Working Group Recommendation).

Positions

FY 23	FY 24
23.82 FTE	39 FTE



Communications and Outreach

Cost

FY 23	FY 24
\$0.44 m	\$0.58 m

The Public Outreach and Engagement Team Strategy (POETS) is the agency's framework for engaging and informing the SFMTA's customers, stakeholders and the wider community.

Expenditures include:

- Positions to conduct engagement from planning to implementation and beyond
- Position for translation services
- Positions for internal marketing, graphic and social media support (reduces costs/use of consultants)

Positions

FY 23	FY 24
4.62 FTE	6 FTE



Customer Experience Program

Cost

FY 23	FY 24
\$8.88 m	\$13.63 m

Trips are multifaceted and present many opportunities to improve the customer experience. The Customer Experience Program offers an integrated approach to providing consistent, cohesive and quality information to our customers across all stages of their journey.

Key Expenditures include:

- Positions for dedicated ambassadors and customer relationship team
- Permanent increase in transit car cleaners
- Positions for improved customer amenities such as better signage and transit stop conditions

Positions

FY 23	FY 24
68.55 FTE	102 FTE



Hiring & Training

Cost

FY 23
\$1.93 m

FY 24
\$2.34 m

Hiring vacancies and providing opportunities for employees is currently the highest priority of the agency. In addition to existing expansion to the Human Resources Division, additional augmentations.

Key Expenditures include:

- Positions for increased training and workforce development,
- Permanent funding for the PaCT (Practical Communication Tools) Program
- Positions for HR data management and reporting

Positions

FY 23
6.66 FTE

FY 24
9 FTE



Race, Equity, and Belonging

Cost

FY 23	FY 24
\$2.33 m	\$2.80 m

The Office of Racial Equity and Belonging (OREB) directs and develops strategies to advance racial equity, transit equity and intersecting equity needs in all areas of work at the agency.

- Positions for overall support, training, instructional design and outreach
- Positions for program implementation including Agencywide Policy, Process & Practice Improvement, Culturally Specific Interventions to Optimize Racial Equity in MTA Systems, Equity Analyses & Establishment of Equity Standards & Priorities and Monitoring, Evaluation & Accountability Systems

Positions

FY 23	FY 24
9.24 FTE	12 FTE



Safety Training and System Improvements

Cost

FY 23	FY 24
\$2.43 m	\$3.43 m

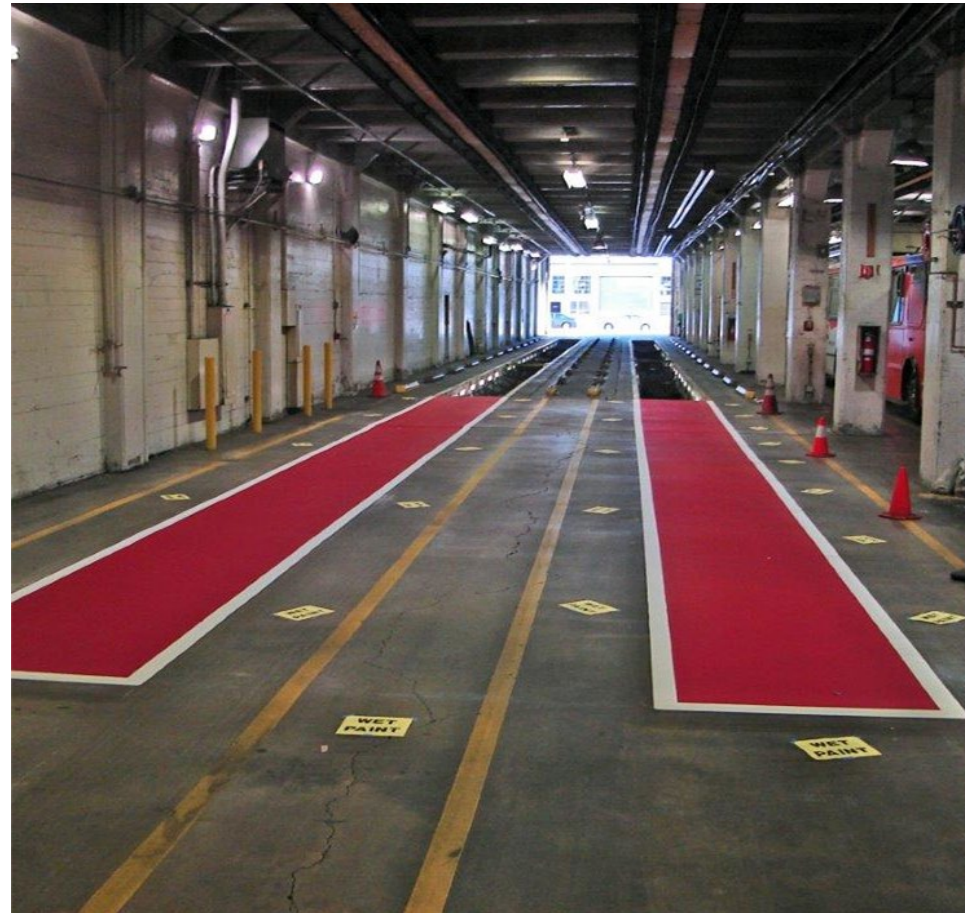
Positions

FY 23	FY 24
13.82 FTE	19 FTE

Building upon lessons learned from the SFMTA's COVID-19 Department Operations Center (DOC), a permanent cross-discipline team will partner with the Safety Division to implement the Agency's Public Transit Safety Plan (PTASP). Priority tasks include collision reduction initiatives, in service Operator observations/mentoring, and safety drills.

Key Expenditures include:

- Positions for Transit Training to support expanded system safety



Service Equity and Expansion

Cost

FY 23	FY 24
\$10.02 m	\$18.60 m

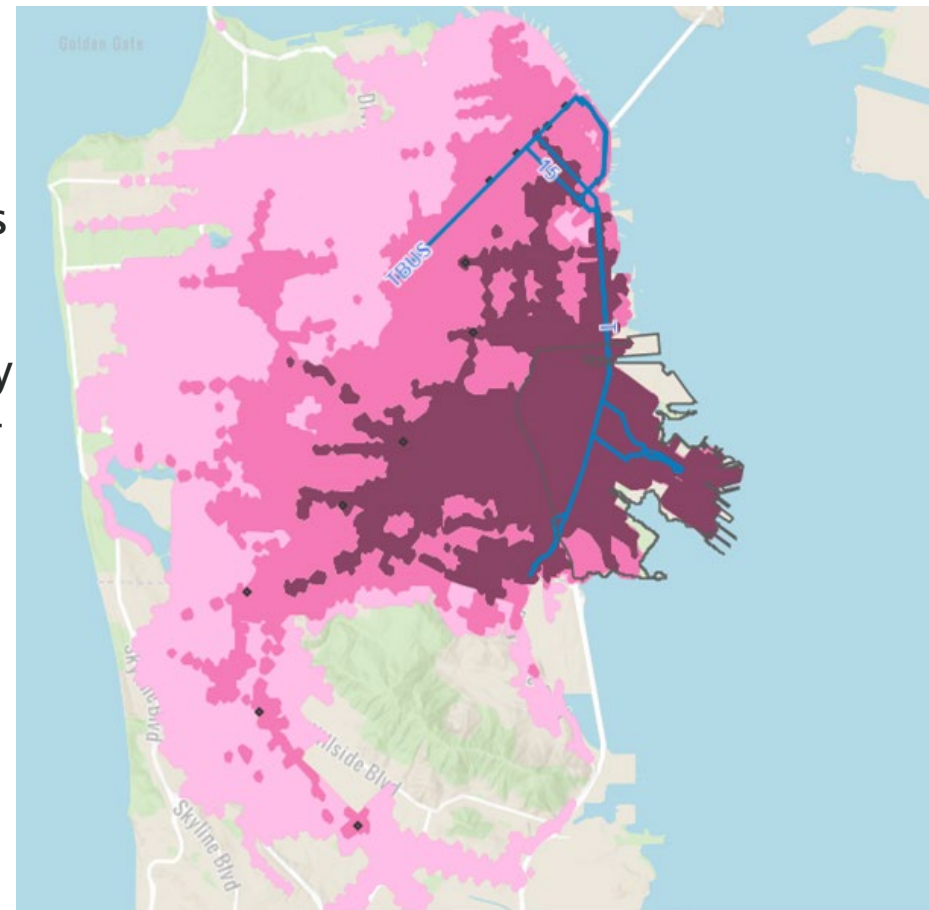
Service Equity Expansion would allow the SFMTA to continue keeping pace with returning ridership - placing a strong emphasis on maintenance and supervision as outlined in the Muni Reliability Working Group. The next service priorities will continue to prioritize the Muni Service Equity Strategy Neighborhoods and emerging post-COVID travel patterns.

Key Expenditures include:

- Positions to increase street supervision/system management (Muni Reliability Group Recommendation)
- Positions for increased track, overhead lines and vehicle maintenance

Positions

FY 23	FY 24
55.13 FTE	100 FTE



Service Quality Program

Cost

FY 23
\$3.68 m

FY 24
\$4.89 m

The Service Quality Program supports the customer experience team to provide strong oversight and support within Transit Operations. This new group will focus on quality assurance and consistent application of standard operating procedures, training and support programs to promote excellent service, and will conduct analysis of day-to-day operations and special events to define process improvement or policy changes.

Key Expenditures include:

- Positions for system analysis, quality assurance and rapid response on service issues and customer feedback

Positions

FY 23
20.79 FTE

FY 24
27 FTE



Street Management

Cost

FY 23	FY 24
\$4.46 m	\$5.30 m

Funding and positions to restore key services to improve the safety and use of San Francisco Streets including: curb management, parking enforcement, shared spaces and planning.

Key Expenditures include:

- Positions restored for Parking Control Officer supervision
- Positions for the paint, sign and signal shop to implement Quick Build and other safety improvements
- Positions and non-labor for full implementation of the Shared Spaces Program

Positions

FY 23	FY 24
20.98 FTE	29 FTE



Taxi, Mobility, and ETC Program

Cost

FY 23
\$1.04 m

FY 24
\$1.39 m

Additional staff and resources to sustain and improve the administration, promotion and efficiency of the Essential Trip Card (ETC) program, provide more dedicated support for the taxi industry, reinvigorate the taxi industry through taxi reform.

Key Expenditures include:

- Funding to create an Open Taxi Dispatch Application Programming Interface (API)
- Positions to Support the growing and expanding permitted modes of transportation, including scooters, bike share, commuter shuttles

Positions

FY 23
4.08 FTE

FY 24
6 FTE

