



SFMTA

San Francisco Municipal Transportation Agency

FY 24-25 and 25-26 Operating Budget Update

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Today's presentation covers

- Two-year budget overview
- Additional revenue options requested by Board members
- Expenditures
- Division work plan summaries
- Community feedback
- Next steps



**Beginning in FY25-26, the SFMTA
is facing a budget gap of \$12.7M.**

Budget strategy

- Focus on revenues available July 1, 2024 to close FY25-26 gap.
- Control expenditure: implement only cost neutral Muni service changes.
- Stretch one-time sources like federal, state and regional transportation relief.
- Focus on FY24-25 and FY25-26 but manage toward solving \$240M+ annual deficit beginning in FY26-27.

FY24-25 and FY25-26 Budget

Assumes minimal growth over FY23-24 projected expenditures, maintaining current service levels + inflation.

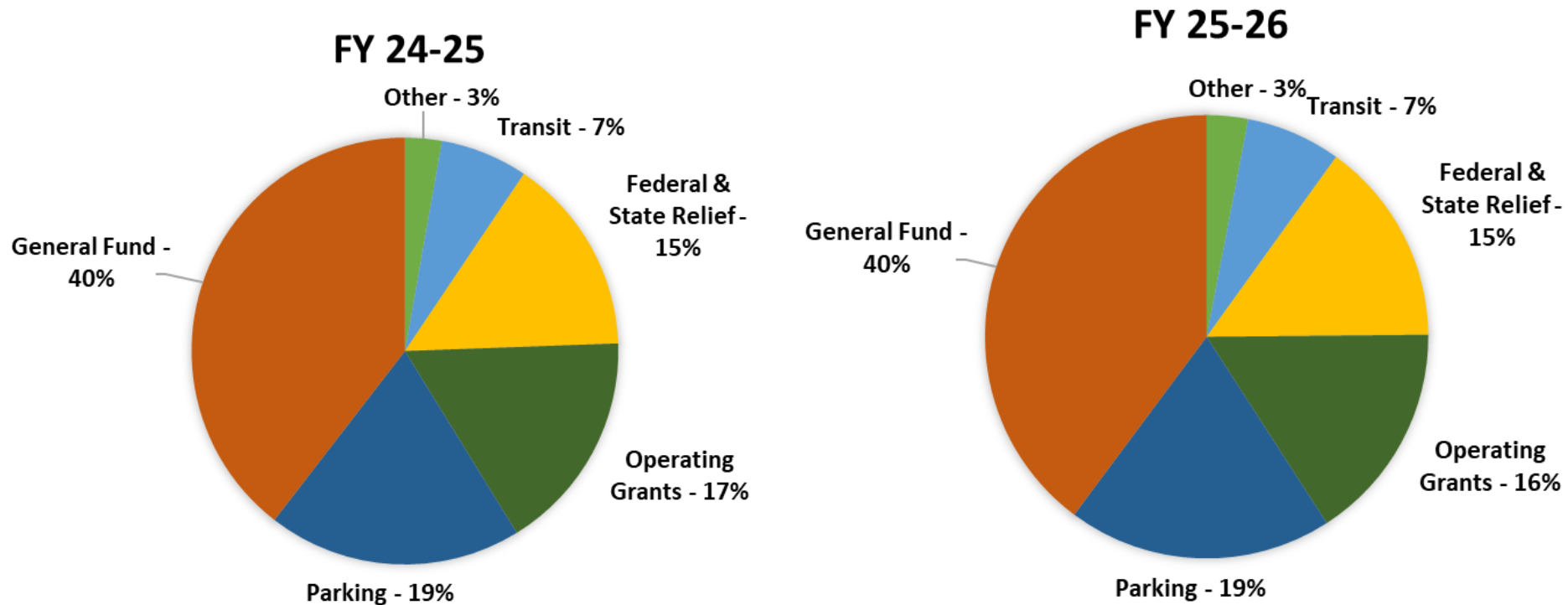
Category	FY23-24 Budget (\$M)	FY23-24 Projected Actuals (\$M)	FY24-25 Budget (\$M)	FY25-26 Budget (\$M)	Year 1 % Change	Year 2 % Change
Revenue	\$1,407.6	\$1,357.0	\$1,388.5	\$1,420.8	2%	2%
Expenditure	\$1,407.6	\$1,357.0	\$1,388.5	\$1,433.5	2%	3%
Net	-	-	-	(12.7)		

Base budget consistent with assumed citywide wage increases. Actual wage increases will be determined by labor negotiations.

Revenue

FY24-25 and FY25-26 Revenue

General Fund transfers and parking revenues are the largest sources of funding in operating budget.



FY24-25 and FY25-26 Revenue (\$M)

Most significant change is reduction in state and federal relief, which reflects decreasing availability of one-time funds.

Category	FY 23-24 Budget (\$M)	FY23-24 Projected Actuals (\$M)	FY24-25 Budget (\$M)	FY25-26 Budget (\$M)	Yr1 Percent Change (%)	Yr2 Percent Change (%)
General Fund	542.3	542.3	548.5	566.5	1%	3%
Operating Grants	193.3	207.0	233.2	227.7	13%	-2%
Federal and State Relief	201.1	265.1	208.5	211.2	-21%	1%
Parking Revenue	282.0	226.0	267.3	274.4	18%	3%
Transit Revenue	140.6	95.4	92.1	98.3	-4%	7%
Other Revenue*	48.3	21.2	38.7	42.8	82%	7%
Total	1,407.6	1,357.0	1,388.5	1,420.8	2%	2%

Large increase in Other reflects timing of payments in current year.

*Includes \$52.7M of Fund Balance in FY 22-23

Principles for additional revenue

Revenue proposals must:

- Be available starting July 1, 2024
- Be within SFMTA administrative control
- Be distributed across multiple transportation types, so everyone shares the burden
- Increase equity and protect those with the least resources



Summary of Board Workshop revenue options

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
Total		5.2	7.8	13.0

Additional revenue options

At the workshop, Board members asked staff to provide additional revenue proposals.

Proposal	Additional Revenue FY24-25 (\$M)	Additional Revenue FY25-26 (\$M)	Policy Considerations
Index fares in FY24-25 and FY25-26 and decrease Clipper discount \$0.25 in FY25-26	\$3.5	\$6.7	Increases cash fare from \$3.00 to \$3.25 over two years (8%) Continues to privilege riders who use Clipper, despite demographic data that shows most Clipper riders are more resourced than riders who pay cash. .
Increase the floor on parking meter rates	\$0.3	\$0.3	Undercuts variable rate demand policy and could decrease revenue opportunities or expansion opportunities.
Reinstate all taxi fees	\$1.1	\$1.1	Assumes taxi drivers have fully recovered from impacts of COVID and industry changes related to entry of TNCs.

Index fares and decrease Clipper discount

Indexing fares and reducing Clipper discount increases single-ride cash fare from \$3.00 to \$3.25 or 8%.

Fare Product/Fare	Current (\$)	Suspend Indexing/ Eliminate Clipper Discount/2 Years		Index + Reduce Clipper Discount by \$0.25 (NEW)	
	FY24	FY25	FY26	FY25	FY26
Single Ride Adult - Clipper/Mobile	2.50	2.75	3.00	2.85	3.00
Single Ride Adult - Farebox	3.00	3.00	3.00	3.10	3.25
Monthly Pass	81.00	88.00	96.00	91.00	96.00
Cable Car Single Ride	8.00	8.00	8.00	8.00	9.00

Reinstate Fees for Taxi Drivers

Reinstating and indexing all fees would:

- Increase New Driver Permit Application Fee from \$265 to \$322 in FY24-25 and to \$334 in FY25-26
- Increase Driver Permit Renewal Fee from \$127 to \$154 in FY24-25 and to \$160 In FY25-26.

Option	Description	FY25 Increase (\$M)	FY26 Increase (\$M)	2-Year Total (\$M)
Option 1	Continue taxi driver fee suspension	0	0	0
Option 2	Reinstate limited fees and index	0.6	0.6	1.2
New Option	Reinstate all fees (including driver application and renewal fees)	1.1	1.1	2.2

Staff Recommendations

Staff recommendations generate an additional \$13.0M.

Category	Option	Additional Revenue FY24-25 (\$M)	Additional Revenue FY25-26 (\$M)	2-Year Total (\$M)
Transit Fares	Eliminate Clipper/Mobile discount over two years	2.1	3.1	5.2
Parking Fees and Fines	Escalate by 5%	1.8	1.9	3.7
Residential Parking Permits	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
Total		5.2	7.8	13.0

Revenue-Neutral Fare Changes

Eliminate surcharge on Visitor Passes purchased on Clipper/In-Person

- 1 Day Visitor Pass (Muni+Cable Car) priced at \$13 on MuniMobile/\$24 Clipper/In-Person
- Pilot program effective November 1, 2024 reduced Clipper/In-Person fare equal to MuniMobile
- Actual revenue for November – January (FY23 vs. FY24)
 - 30% increase in 1-Day pass sales
 - 26% decrease in single ride cable car tickets
- Results indicate that while remaining revenue neutral, customers opted for the 1-Day pass incentivizing additional travel on Muni

Implement new \$5 California Cable Car line all day pass

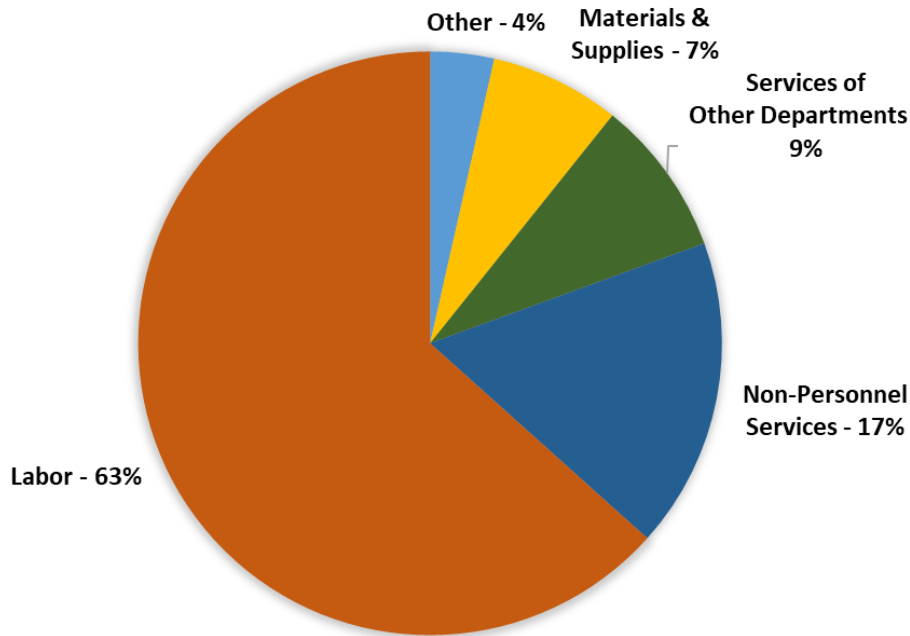
- Six-month pilot July – December 2023
- Resulted in increased ridership in underutilized Cable Car route

Expenses

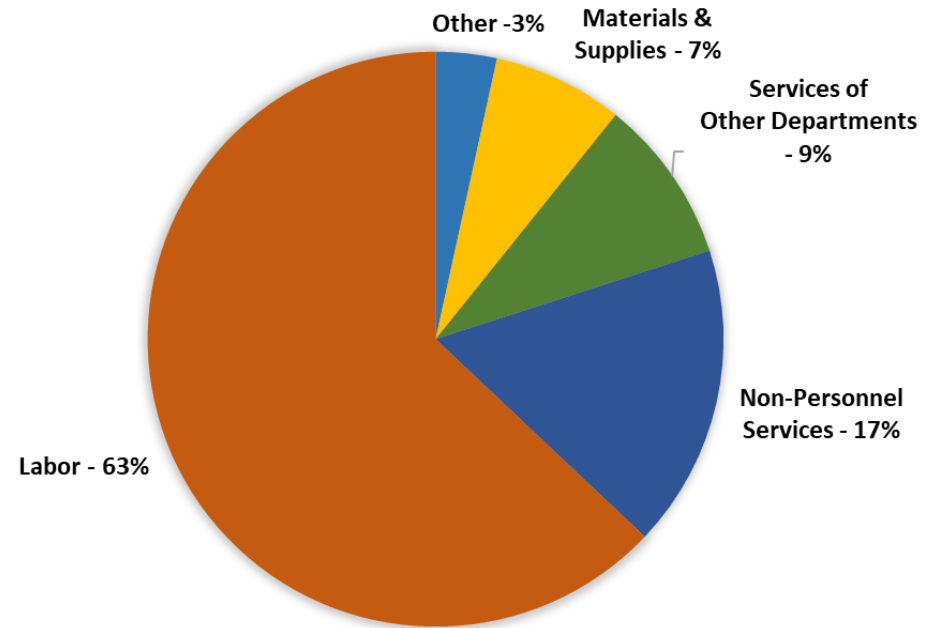
FY24-25 and FY25-26 Exp by Cost Center

Staff are the SFMTA's greatest resource and largest expenditure.

FY 24-25



FY 25-26



FY24-25 and FY25-26 Expenditure by Expenditure Type

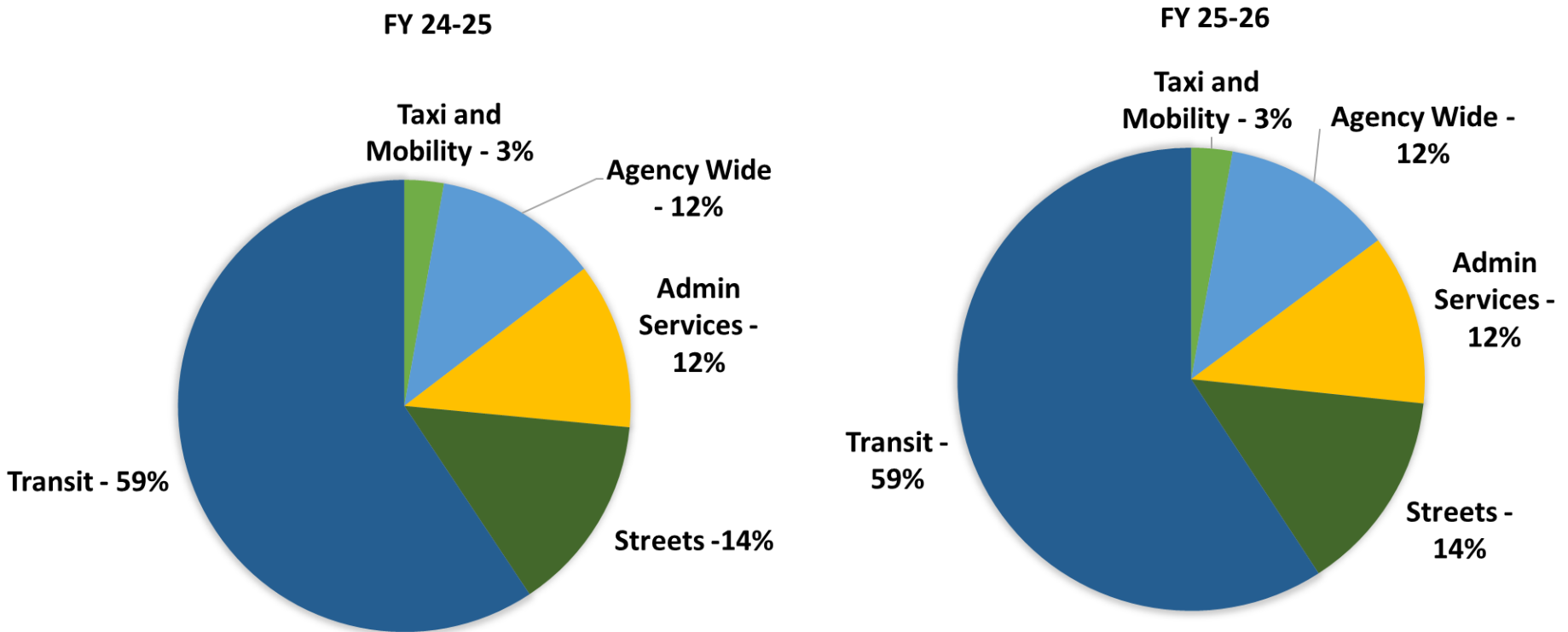
Significant uncertainty remains. Two of the largest costs, labor and services of other departments, are still being negotiated.

Expenditure Type	FY 23-24 Budget (\$M)	FY 23-24 Projected Actuals (\$M)	FY24-25 Budget (\$M)	FY25-26 Budget (\$M)	Yr1 Percent Change (%)	Yr2 Percent Change (%)
Labor*	935.5	868.2	879.7	902.3	1%	3%
Professional Services	259.5	252.4	239.0	244.3	-5%	2%
Materials & Supplies	74.6	78.1	100.1	105.1	28%	5%
Capital Outlay	-	16.3	-	-	-100%	0%
Services of Other Departments	109.7	100.2	120.7	132.8	20%	5%
Other	28.3	41.9	49.1	49.1	0%	0%
Total	1,407.6	1,357.0	1,388.5	1,433.5	2%	3%

*Assumes citywide labor projections loaded in Base Budget – labor negotiations in progress.

FY24-25 and FY25-26 Exp by Service

SFMTA expends most of its funds to provide transit.



Given fixed costs, proportional expenditure remains the same in both budget years.

FY24-25 and FY25-26 FTE by Type

Revenue constraints limit ability to add positions and require putting additional vacant positions on budget hold.

Category	FY23-24 Hiring Plan (FTE)	FY24-25 Hiring Plan (FTE)	FY25-26 Hiring Plan (FTE)	Year 1 Percent Change (%)	Year 2 Percent Change (%)
Operating Budget	6,128	6,045	6,045	-1%	0%
Project Budget	502	500	500	0%	0%
Total	6,630	6,544	6,544	-1%	0%
Difference		-86	0	NA	NA

*Does not include temporary positions or attrition adjustments.

FY24-25 and FY25-26 Transit



Performs ongoing planning, procurement, operation, safety, and maintenance activities for the country's 7th largest public transit system, including 1,000 motor coaches, trolley coaches, light rail vehicles, cable cars, historic and vintage streetcars, plus nearly 700 non-revenue vehicles, 3,500 transit stops that deliver more than 450,000 passenger boardings.

Supporting Climate Action

- Supporting mode shift by improving Muni service speed and reliability
- Continuing procurement of LRV4s and retirement of Bredas
- Completing and analyzing electrification pilot
- Continuing preventative maintenance including midlife for buses and quarter-life for first trains
- Supporting Building Progress Program – including moving out of Potrero.



Moving Muni Forward

**FAST
FREQUENT
RELIABLE**

Design **Construction**

Muni Forward Corridor	2024	2025	2026	2027	2028+
J Church (San Jose)	Design	Construction			
L Taraval	Construction				
5 Fulton (Inner Richmond)	Construction				
14 Mission (Downtown)	Design	Construction			
22 Fillmore: 16 th Street	Construction				
29 Sunset: Phase 1	Design	Construction			
30 Stockton (3 rd Street)	Design		Construction		
38 Geary (GBIP)	Design		Construction		

Note: Timelines are for construction of full capital projects. In many cases, quick build phases are delivered much earlier.

Service Innovations

- Launching Muni Equity Strategy Working Group
- Conducting Semi-Annual Service Assessment
- Restarting L Taraval rail service
- Evaluating Subway performance to improve efficiency and reliability
- Continuing to iterate and improve on headway-based service management



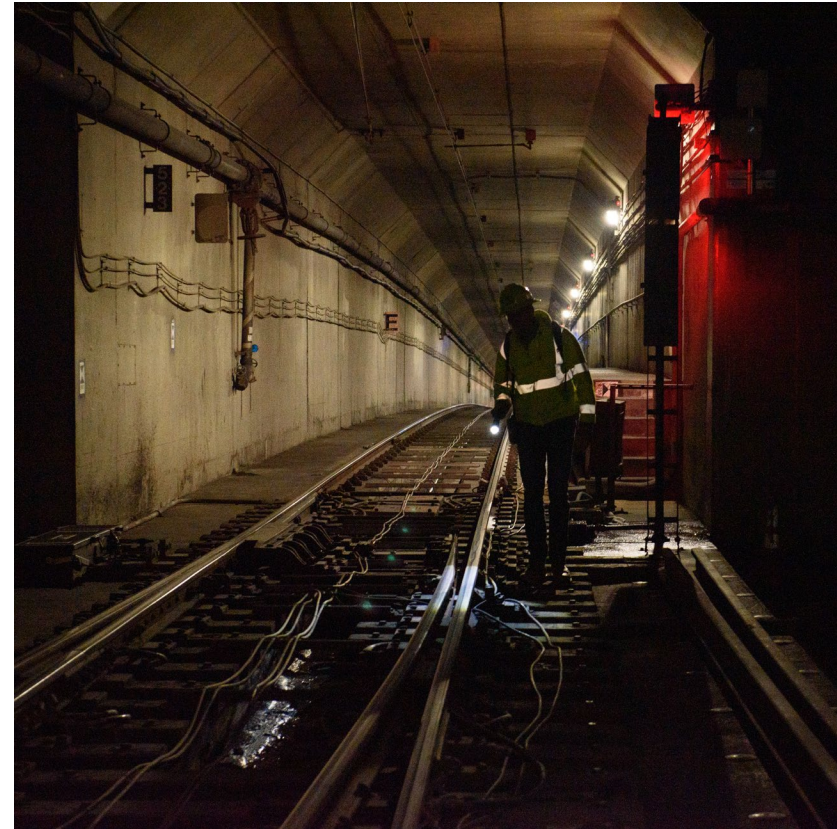
**FAST
FREQUENT
RELIABLE**



Investing in Infrastructure

RELIABLE

- Expanding **Fix It Week** to Cable Car, continuing high-impact and low-cost efficiency improvements in metro maintenance
- Completing Subway Renewal and Muni Metro Modernization Studies
- Initiating Train Control Supplier/Consultant Contracts
- Supporting Design/Implementation of Twin Peaks Tunnel Structural Upgrades



Training & Communicating

- Expanding employee appreciation and performance feedback programs
- Re-activating Apprentices Program
- Continuing equity and de-escalation trainings
- Recruiting and training for high-vacancy positions
- Proactively communicating accomplishments and the value of Muni
- Continually improving outreach



FY24-25 and FY25-26 Streets



Plans, designs, implements, maintains, and improves the city's street, transit, bicycle, pedestrian and parking infrastructure to meet the goals and objectives of the Transit First and Vision Zero Policies.

FY24-25 and FY25-26 Streets

Work Plan

- Implement **17 Quick Build safety projects** on High Injury Network
- Complete installation of **new parking meters at over 10,000 spaces.**
- Expand the **Pay or Permit program** to additional neighborhoods
- Implement **20MPH signage**, 20 foot temporary bus zones and safety speed bumps citywide.
- Replace **approx. 100 traffic signal controllers** annually to improve state of good repair , reduce the risk of citywide signal failures
- Install **33 speed safety cameras** and eight new automated photo enforcement locations.
- Right-size **Transit Fare Inspector staffing** levels to support fare compliance
- Evaluate and complete **Valencia Street bike lane** pilot program
- Complete the development of the **Active Communities Plan**, which updates the former San Francisco Bicycle Plan.

FY24-25 and FY25-26 Streets

Vision Zero work plan details

- Install **speed safety cameras at 33 locations** spread throughout the city.
- Vision Zero Quick-Build pedestrian and bicyclist safety improvement projects on 50 remaining miles of the High Injury Network.
 - **17 Quick-Build corridor projects**
 - Assess more than **900 HIN intersections** for core safety treatments.
- **No turn on red** in parts of the city with high concentration of pedestrian activity.
 - Begins with Union Square, the Financial District, parts of South of Market and Chinatown
- Continue implementing **daylighting**, including enforcing AB413
- Federally funded safety projects in **Western Addition and Tenderloin** (Safe Streets and Roads for All grant).

FY24-25 and FY25-26 Streets



Security and investigations work plan details

- **Staff presence on Muni** (Transit Fare Inspectors, Muni Transit Ambassadors)
- **Security Operations and Intelligence Center**
- **MuniSafe**
 - Monitor data to identify trends and take action based on trends
 - Public awareness campaign
- **Safety Equity Initiative**
 - Analyze initial survey results and develop plan to implement recommendations.
- **Employee safety**
 - Enhance security of SFMTA facilities
 - Track Muni operator assaults
 - Develop and implement prevention strategies.

FY24-25 and FY25-26 Streets

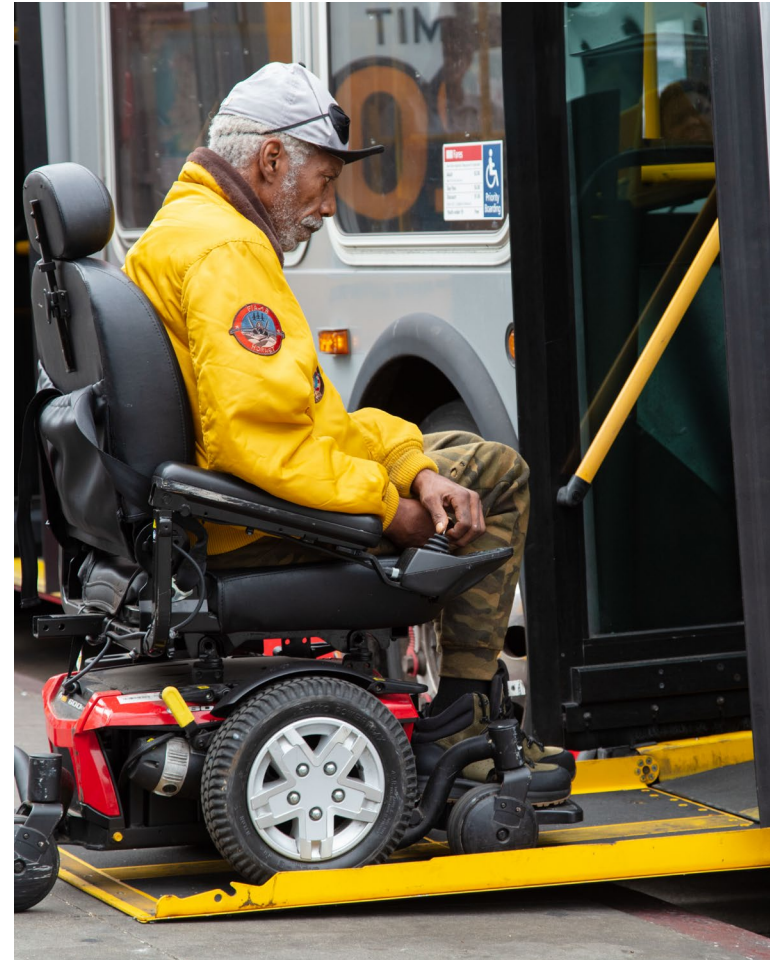
RPP (Residential Parking Permits) 2.0

- Possible expansion of Pay or Permit parking (time limits for visitors in RPP Areas replaced by payment for visitors; nothing changes for permit holders)
- Larger-scale changes are being studied



FY24-25 and FY25-26 Taxis, Access and Mobility Services

Taxis, Access and Mobility Services ensures all transportation modes are accessible to older adults and people with disabilities, provides over 500,000 paratransit trips per year, and regulates the taxi and emerging mobility programs such as scooter share and commuter shuttles.



FY24-25 and FY25-26 TAMS

Work Plan

- **Develop Needs Assessment and 5-Year Accessibility Strategy** - Assess how well SFMTA meets the diverse transportation needs of older adults and people with disabilities.
- **Access for All Program:** Distribute over \$4 million in grants to improve accessible on-demand transportation through taxis.
- **Powered Scooter Share:** Administer new application process and improve the adaptive program.
- **Taxi Driver Safety Initiative:** Use data to identify speeding and coach/retrain drivers, update on-vehicle camera requirements, continue service audits of taxi driver customer service and dispatch/app service.

FY24-25 and FY25-26 Taxis, Access & Mobility Services

Create a culture of caring internally and externally

- Develop **Accessibility Strategy** Needs Assessment & 5-Year Plan.
- Within the SFMTA, ensure **Disability Access Coordination**
- Distribute over \$4 million in **Access for All** grants to improve accessible on-demand transportation.
- **ADA Paratransit & Mobility Management:** Direct one of the region's largest programs to enhance mobility of older adults & people with disabilities.
- Improve **taxi driver safety** outcomes.
- Administer new application process and on-going program for **Powered Scooter Share**. Improve the adaptive program.



FY24-25 and FY25-26 Taxis, Access & Mobility Services

Efficiency & Innovation

- SF Paratransit program's **taxi and group van services** are more cost-effective than traditional van service; more efficient for scheduling; more convenient for riders.
- First paratransit agency to **pilot Clipper 2.0** in FY25
- **Streamlining paratransit recertification process** will increase efficiency & reduce immediate hiring needs.
- Powered Scooter Geofencing Restrictions along the waterfront & Embarcadero discourage sidewalk riding.
- Improve **scooter share company response rates**: Now addressed in ~ 45 minutes vs. 6+ hours.
- **Public-facing dashboards** for paratransit, commuter shuttles, taxis, scooter share, enforcement
- Innovative **Taxi Upfront Fare Pilot** has increased participating driver income by 40%.



FY24-25 and FY25-26 Administration

Supports service delivery by providing functions related to

- Human Resources
- Finance and Information Technology
- Facility Management and Data Analysis
- Board of Directors
- External Communications, Marketing, and Outreach
- Government Affairs

FY24-25 and FY25-26 Administration

Workplan

- Collaborate with policy makers to shape Autonomous Vehicles regulation
- Collaborate with regional transit agencies, elected officials, and regional transit planning organizations to advocate for regional transit measure on 2026 ballot
- Advocate for legislative changes necessary to support RPP 2.0
- Lead community outreach and engagement to advance agency projects using multichannel communication methods that prioritizes impacted, marginalized communities.
- Leverage our social media channels and media partnerships to proactively tell our agency's stories highlighting project completion, improved services, and employee skill and dedication.

FY24-25 and FY25-26 Administration

Efficiency

- Coordinate with Controller's Office to simplify project financial structure to simplify reporting
- Implement asset management system to automate inventory control
- Audit utility use (water, natural gas, power) to reduce energy costs
- Upgrade the SFMTA.com digital asset to Drupal 10, ensure compliance with SF's Digital Accessibility and Inclusion Standard, and improve its connection with the Salesforce CRM
- Strengthen and expand our customer communications through transparent coordination between our colleagues and customers, reaching our customers where they are and elevating customer perspectives to agency leaders.

FY24-25 and FY25-26 Administration

Innovation

- Implement electronic management system to track and resolve payroll and employee relations issues
- Work with state legislators to write legislation to modernize curb side parking
- Identify and implementing best practices for project delivery and ridership recovery
- Launch a community liaison program that continues to focus on cultural competency and building trust.
- Elevate the Muni and SFMTA brand through sponsorships, delivery of public events and by producing engaging brand stories that elevate agency messaging.

SFMTA Has Significant Unmet Needs

Divisions submitted \$150.8M in expenditures for critical items that cannot be funded with existing revenue, including:

1. New unfunded Automated Speed Enforcement program to reduce speeds in support of Vision Zero
2. Ongoing support for Elevator Attendant program to increase ridership
3. Maintenance for transit vehicle deployment and radio technology systems coming off warranty
4. Transit radio system technology upgrades to replace outdated infrastructure with current technology
5. Non-revenue vehicles

Community feedback

What we have heard so far:

- General understanding of the need for cost-of-living increases
- Main concerns:
 - Equity in transit fares if Clipper discount is eliminated
 - Fare evasion and making sure everyone is paying their fair share
 - Balancing increases in transit fares and increases in parking fees



Over 90 members of the public attended the February 22 Virtual Listening Session.

Some of the groups we have met with to date:


- Youth Transportation Advisory Board
- Bay Area Council
- Multimodal Accessibility Advisory Committee
- SF Youth Commission
- Building Owners and Managers Association
- Tenderloin Neighborhood Development Corporation
- Calle 24
- SF Transit Riders & Livable City
- Potrero Boosters

Next Steps



- Incorporate updated General Fund estimates
- Adjust budget consistent with city-wide pension, retiree health, and centrally calculated costs
- Negotiate city department work orders
- Update labor costs consistent with labor negotiations
- Consider strategic investments including Transit Fare Inspectors
- Balance budget

Budget timeline

March 16	April 2	April 19	April 23
Administrative changes to transportation code to make indexing automatic unless different action taken by board	Board review of budget	Board adoption of budget	Additional opportunity to approve budget, if needed.
	June	July	August
Submit balanced budget to Mayor May 1	Mayor submits budget to Board of Supervisors Board of Supervisors reviews budget	Action or no action by Board of Supervisors	Mayor signs budget



Appendix

Parking fine options

Indexing parking fees and fines by 5% would add \$3.7 in revenue above normal policy.

Option	Option	FY25 Additional Revenue (\$M)	FY26 Additional Revenue (\$M)	2-year (\$M)
Assumed in Budget	Index	0	0	0
Option 1	Suspend Indexing	-2.5	-2.8	-5.4
Option 2	Escalate by 5%	1.8	1.9	3.7

Parking fine options

Fees for three most frequently issued parking tickets would increase to the below.

Fines	Current	Assumed in Budget Index		Option 1 Suspend Indexing		Option 2 Escalate by 5%	
		FY24	FY25	FY26	FY25	FY26	FY25
Street Cleaning	\$90	\$93	\$97	\$90	\$90	\$95	\$99
Parking Meter (Downtown)	\$101	\$105	\$108	\$101	\$101	\$106	\$108
Residential Parking Permit Over Time	\$102	\$106	\$108	\$102	\$102	\$107	\$108

Residential Parking Permit fee options

Option	Description	FY25 Increase (\$M)	FY26 Increase (\$M)	2-Year Total (\$M)
Assumed in Budget	Index	0	0	0
Option 1	Suspend Indexing	-0.9	-0.6	-1.5
Option 2	Index + Recover Unrecovered Costs	0.7	2.2	2.9

Fee/Option	Description	Current	FY25	FY26	% Increase Year 1	% Increase Year 2
Assumed in Budget	Indexing	170	178	181	5%	2%
Option 1	Suspend indexing	170	170	170	0%	0%
Option 2	Index + Additional	170	190	215	12%	13%

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

Fares by options presented

Fare Product/Fare	No change	Index		Suspend Indexing Reduce Clipper	
	Current	FY25	FY26	FY25	FY26
Single Ride Adult - Clipper/Mobile	2.50	2.60	2.75	2.75	3.00
Single Ride Adult - Farebox	3.00	3.10	3.25	3.00	3.00
Paratransit Group Van	2.50	2.60	2.75	2.75	3.00
Single Ride - Discount	1.25	1.30	1.35	1.35	1.50
Monthly Pass	81.00	83.00	88.00	88.00	96.00
Cable Car Single Ride	8.00	8.00	9.00	8.00	8.00

Demographics by Fare Product

50% of customers paying cash at farebox are people with low-incomes compared to 31% paying with Clipper or MuniMobile.

Product (Adult)	Percent Minority	Percent Low-Income
Single Ride Fare – Clipper/MuniMobile	49%	31%
Single Ride Fare – Cash	65%	50%
Monthly Pass	56%	28%
All Products	57%	39%