



SFMTA

FY25-26 Budget Update & Upcoming Budget Process Overview

SFMTA Board of Directors
December 2, 2025

Overview

1. Quarterly Financial Update:
FY25-26 Q1 Budget vs. Actuals
2. FY26-27 & FY27-28 Budget
Process Overview



FY25-26 Financial Update Summary

As of Q1 FY25-26:

- FY25-26 is projected to end on budget, assuming continued revenue performance and strong expenditure control.
- Projected revenue shows lower-than-expected operating grants, offset by higher-than-expected transit fare revenue.
- Projected expenditure is slightly under budget, due to active financial management of labor and non-personnel costs.



FY25-26 Economic Conditions



As per the Controller's September 2025 update:

- Office attendance continues to recover slowly; office vacancy dropped 0.4% year-over-year
- Office attendance and employee foot traffic are flat year-over-year
- Downtown BART recovery picking-up
- Bridge crossings are flat, but freeway speeds are down, signaling more traffic

FY25-26 Financial Update

With continued expenditure control, SFMTA is likely to end year on budget.

Category	Revised Budget (\$M)	Projected Actuals (\$M)	Budget vs. Actuals (\$M)
Revenue	1,519	1,496	-23
Expenditure	1,519	1,501	18
Surplus/Deficit	0	-5	-5

Source: Revised Budget, as of September 30, 2025.

FY25-26 Revenue Actuals

Despite stronger than expected transit fare revenue, revenue is slightly under budget due to lower-than-expected operating grants.

Category	FY25-26 Revised Budget (\$M)	FY25-26 Projected Actuals (\$M)	FY25-26 Budget vs. Actuals (\$M)
Transit Fares	114	128	14
Operating Grants	233	223	-10
Parking	280	280	0
Other	105	102	-3
CCSF Support	554	554	0
Federal, State & Regional Relief*	233	209	-24
Revenue Total	1,519	1,496	-23

Source: Revised Budget, as of September 30, 2025.

*Federal, State & Regional Relief was spent down last year. Will be offset by use of fund balance.

FY25-26 Transit Fares

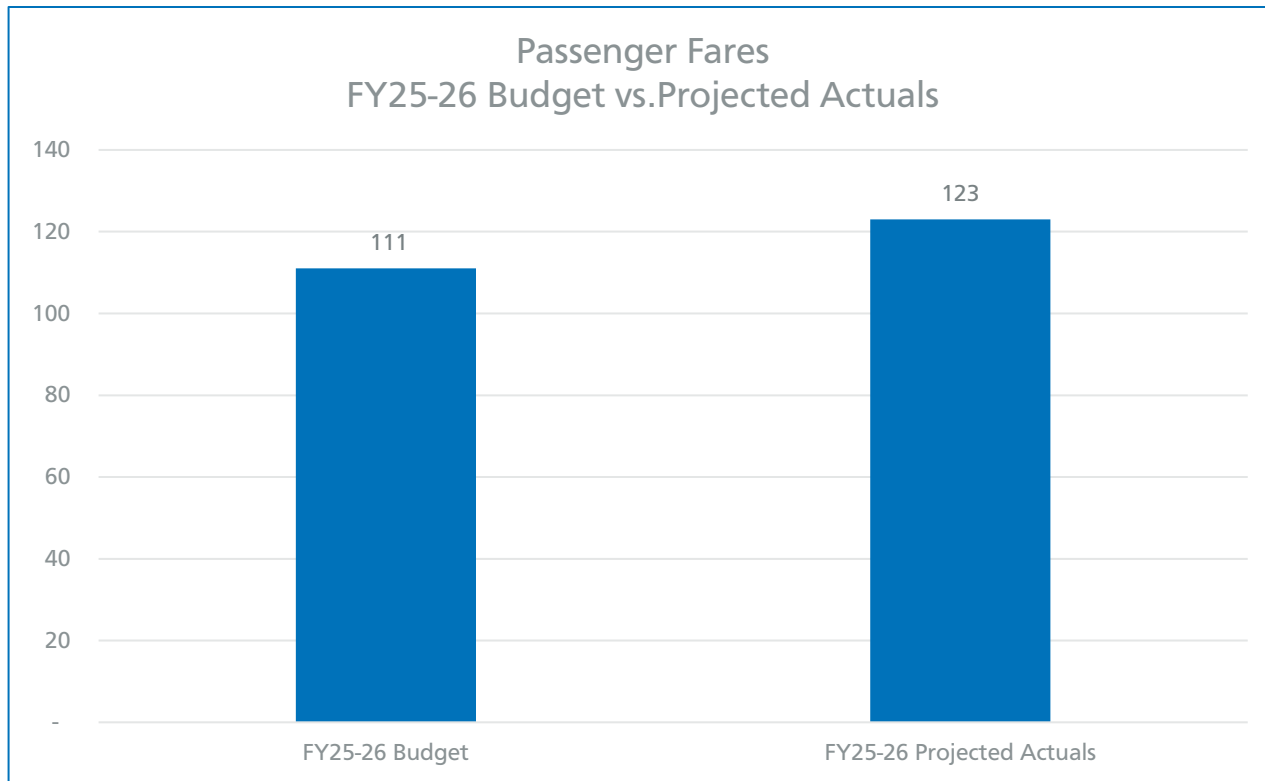
Category	FY25-26 Revised Budget (\$M)	FY25-26 Projected Actuals (\$M)	FY25-26 Budget vs. Actuals (\$M)
Passenger Fares	111	123	12
Other	2	4	2
Transit Fare Total	114	128	14

Source: Revised Budget, as of September 30, 2025.

Note: Other includes paratransit, proof of payment, and reimbursement.

FY25-26 Passenger Fares

Additional Passenger Fare revenue due to higher-than-expected transit ridership and improved fare compliance.

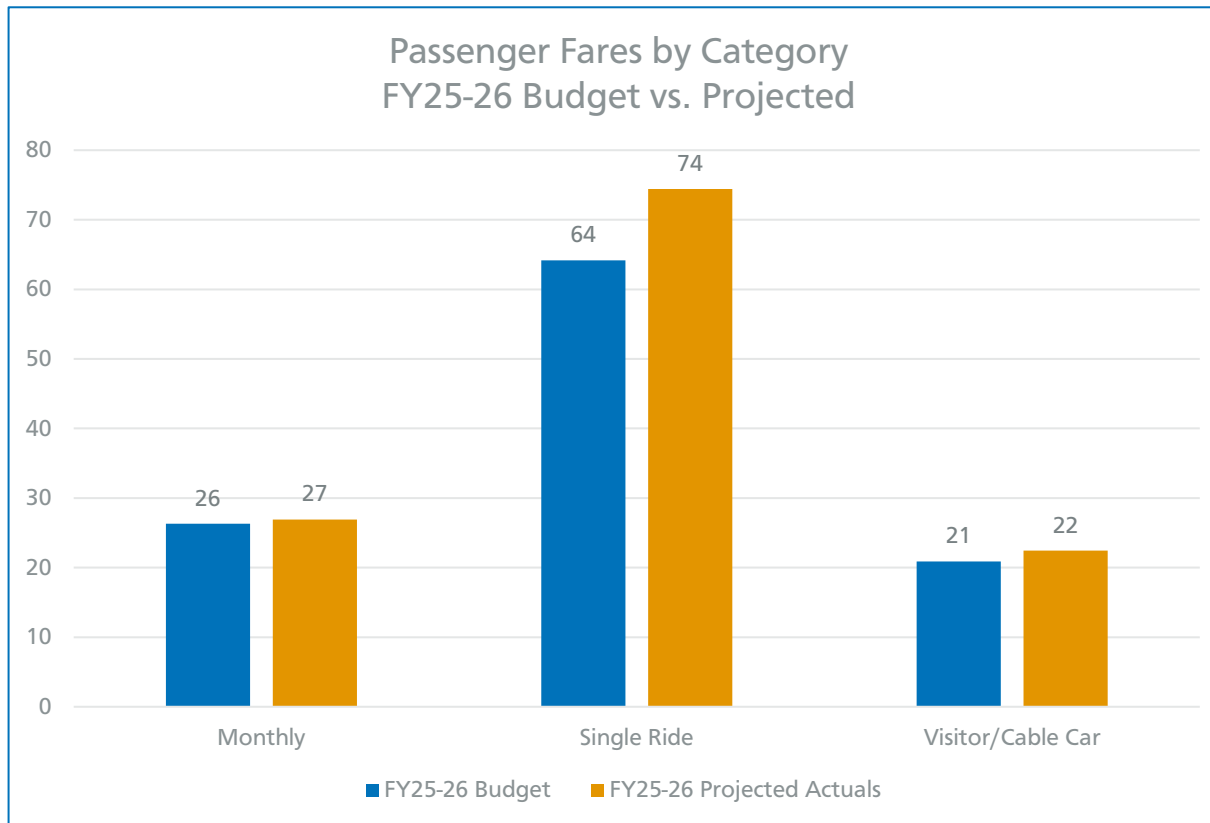


Source: Revised Budget, as of September 30, 2025.

Note: Single-ride, monthly and visitor passes only. Does not include paratransit, proof of payment, or reimbursement.

FY25-26 Passenger Fares

Passenger fare growth is driven by single ride fares.



Source: Revised Budget, as of September 30, 2025.

Note: Single-ride, monthly and visitor passes only. Does not include paratransit, proof of payment, or reimbursement.

FY25-26 Parking

Parking revenue is on budget. Increases in Vehicle Parking are offset by Other.

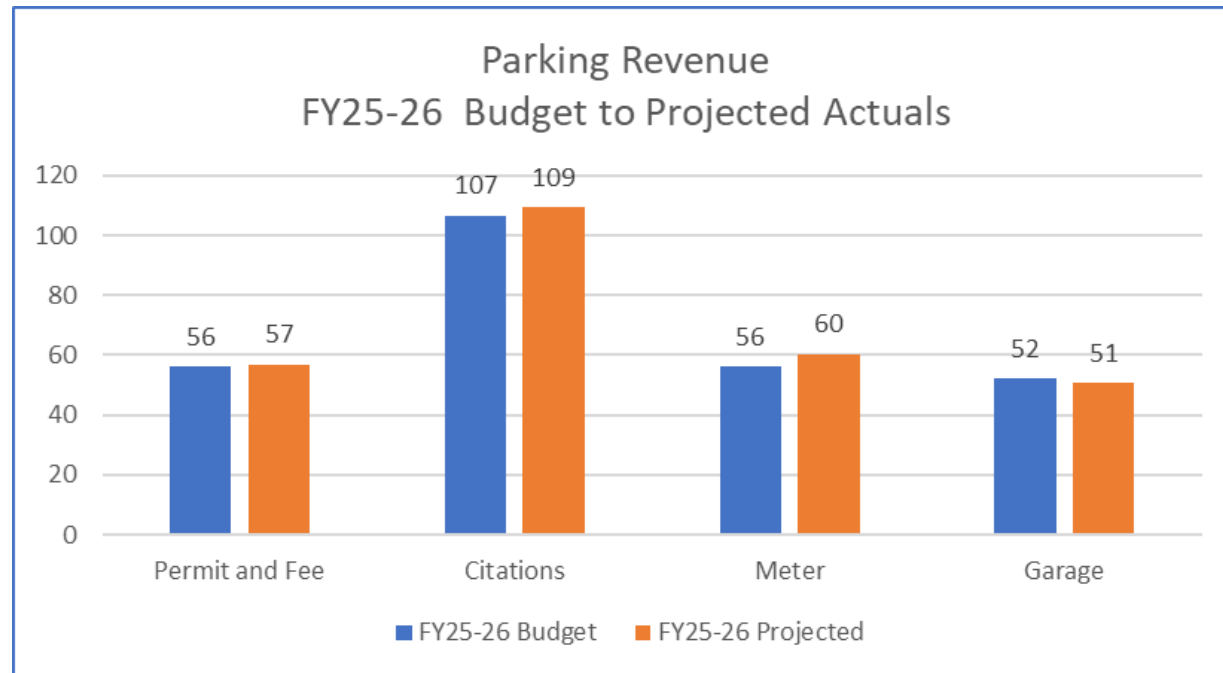
Category	FY25-26 Revised Budget (\$M)	FY25-26 Projected Actuals (\$M)	FY25-26 Budget vs. Actuals (\$M)
Vehicle Parking	271	277	6
Other	9	3	-6
Parking Total	280	280	0

Source: Revised Budget, as of September 30, 2025.

Note: Other includes retail, commuter shuttle, mobility permits.

FY25-26 Vehicle Parking Revenue

Due to active management and growing demand, especially for metered parking, vehicle parking revenue is projected to be \$6M higher than budget.

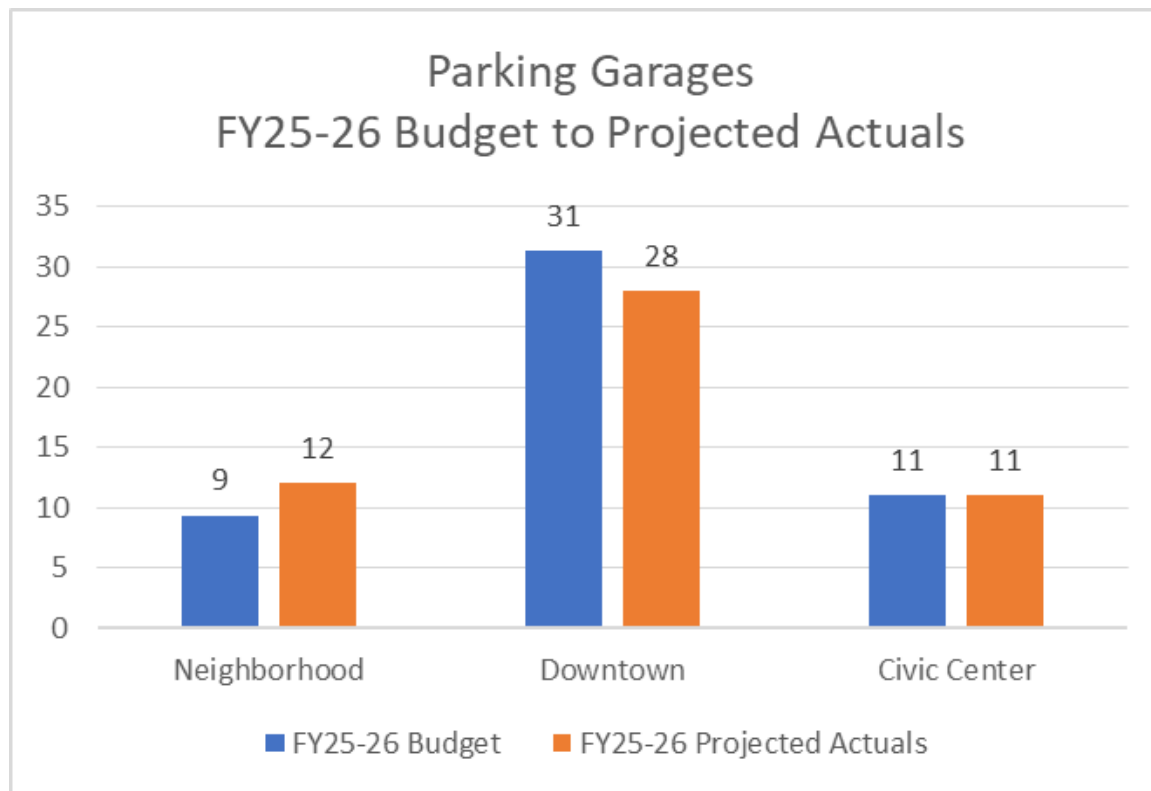


Source: Revised Budget, as of September 30, 2025.

Note: Excludes Commuter Shuttle, Mobility Permits, Taxi, and Garage Retail.

FY25-26 Garage Revenue

Downtown garage revenue is more sluggish than expected, but is offset by revenue growth in Neighborhood garages, mirroring the story of the city's economic recovery.



Source: Revised Budget, as of September 30, 2025.
Note: Budget rounds up to 52.

FY24-25 Expenditure Actuals

Projected expenditure is slightly under budget, due to financial controls.

Category	FY25-26 Revised Budget (\$M)	FY25-26 Projected Actuals (\$M)	FY25-26 Budget vs. Actuals (\$M)
Salary & Fringe	916	911	5
Non-Personnel Services	283	270	13
Materials & Supplies	132	132	0
Capital Outlay & Transfers	27	27	0
Debt Service	28	28	0
Services of Other Departments	133	133	0
Total	1,519	1,501	18

Source: Revised Budget, as of September 30, 2025.

Only three months of data is available, so projections are very preliminary.

Summary

- Quality transit service and parking optimization are driving higher passenger fares and vehicle parking revenues.
- Early monitoring of expenditure suggests that, with continued fiscal management, expenditure will be on budget.
- Higher enterprise revenues and expenditure control place SFMTA in best position possible given challenging financial climate and budget cycle that will require hard choices.

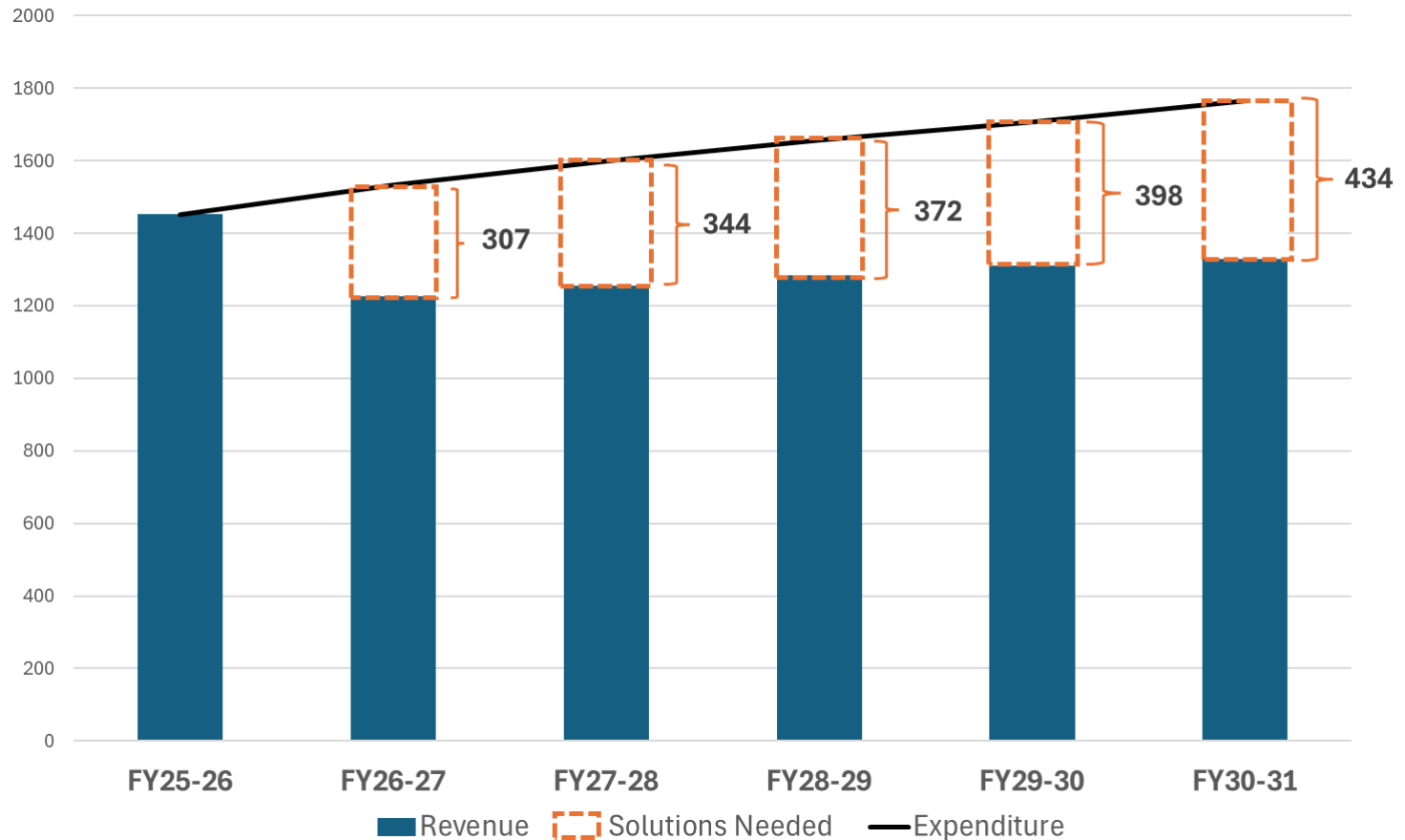


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FY26-27 & FY27-28 Budget Process

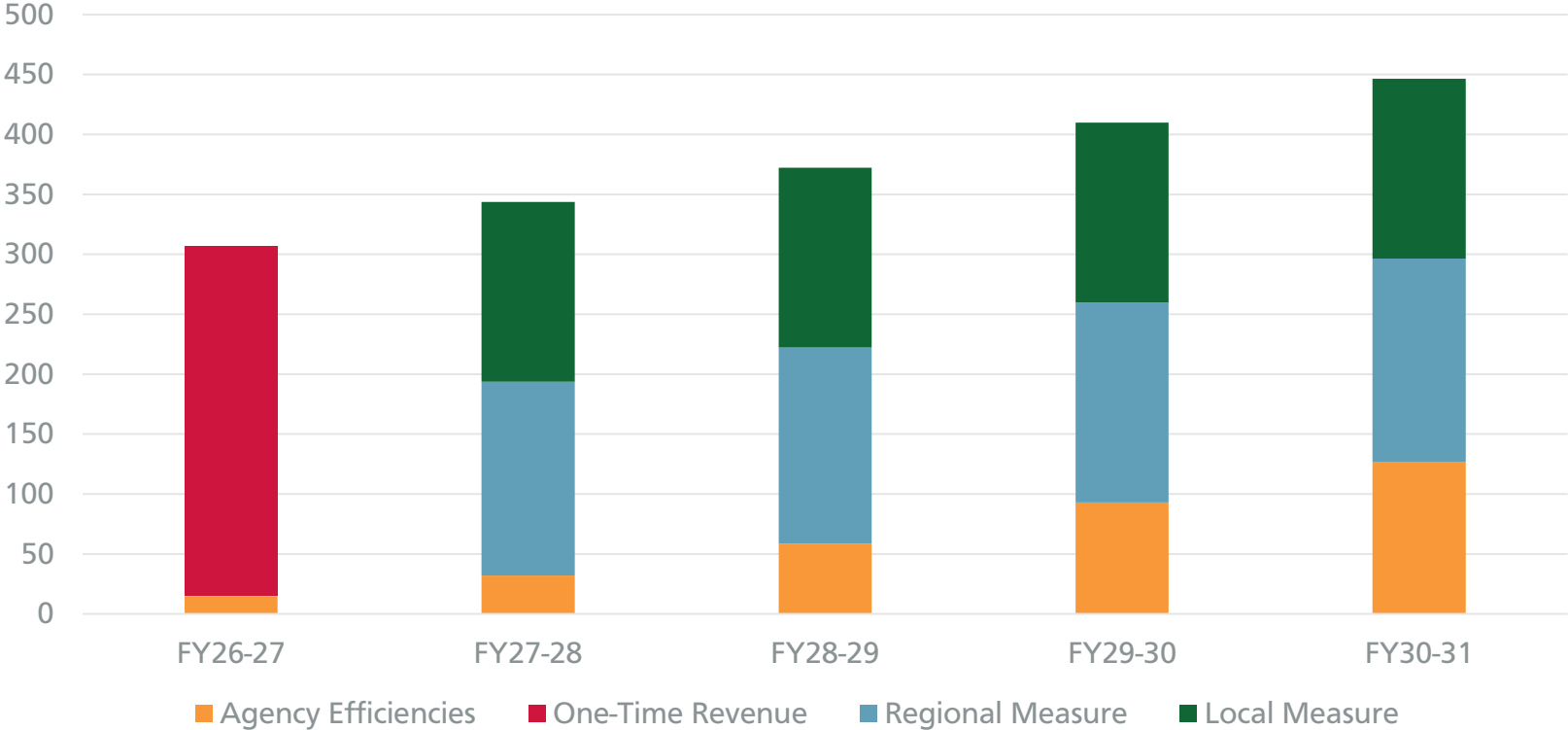
5-Year Deficit Forecast

FY26-27 deficit is \$307M, growing over time with the pace of COLA and inflation.



Closing the Deficit

SFMTA plans to close the deficit using one-time revenue, agency efficiencies and new revenue from regional and local ballot measures.



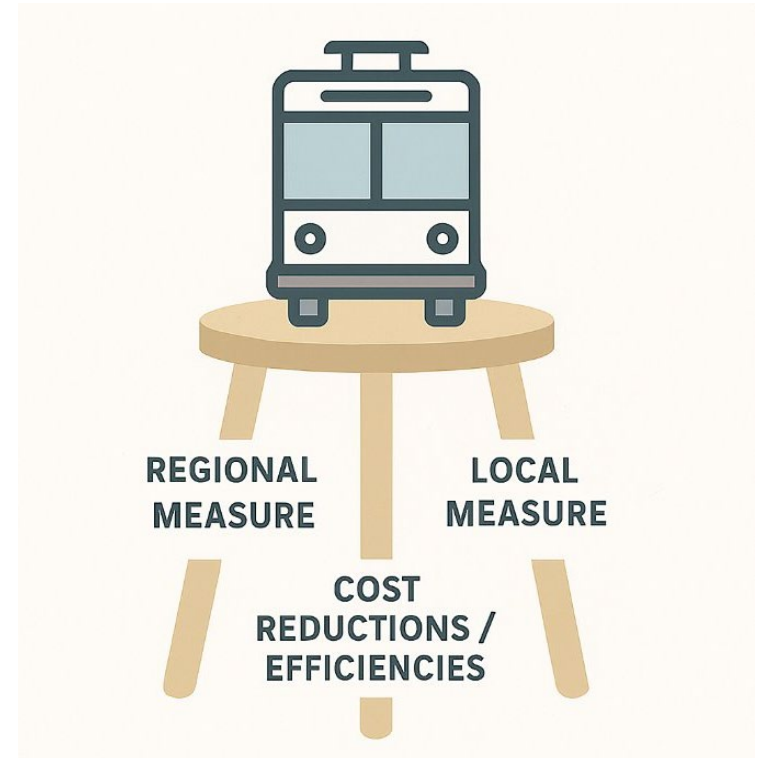
FY26-27 and FY27-28 Budget Strategy

Cost Reductions/Efficiencies: Reducing expenditures across all divisions and implementing efficiency improvements on an ongoing basis.

Regional Revenue Measure: The Connect Bay Area Act allows San Francisco to pursue a full one-cent sales tax increase to maintain Muni. If passed by voters, we expect Muni to receive ~\$160M per year to address the structural deficit.

Local Revenue Measure: Seeing that the regional measure will not fully provide the revenue needed to maintain Muni service, a local parcel tax will be discussed to close the gap.

One-time sources: There is a need to identify one-time funding sources to bridge to the revenue measures.



Budget Milestones

Date	Budget Topic
11/18/2025	Local Revenue Measure
12/16/2025	Enterprise Revenue and Fare Policy
1/6/2026	Muni Equity Strategy Overview
1/6/2026	Efficiencies Update
1/20/2026	Capital Budget Update
1/20/2026	Policy Review and Community Feedback
2/3/2026	Board Workshop
3/3 or 3/17/2026	Muni Equity Strategy Approval
4/21/2026	Budget Hearing (Operating & Capital)
4/7/2026	Budget Approval (Operating & Capital)



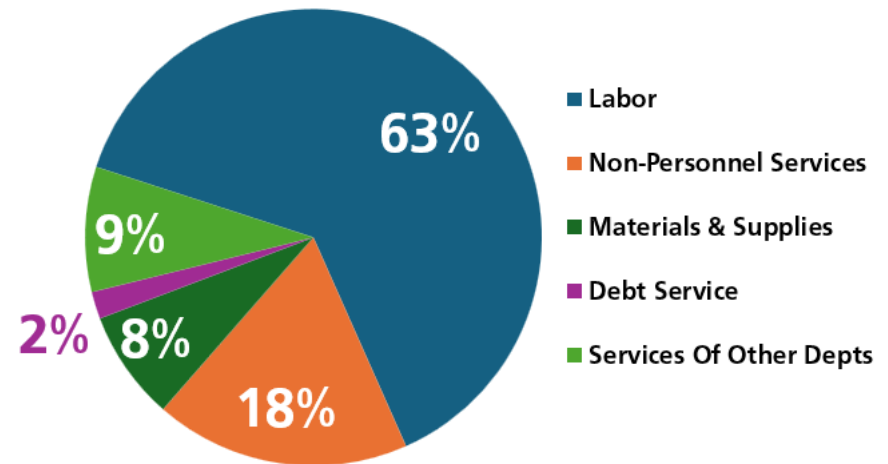
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Appendix

SFMTA FY25-26 Budgeted Expenditure

Staff are the SFMTA's most important resource. 63% of budget funds 5,650 positions, almost half of which are Muni operators. Funded staff positions drives service levels, delivery, and quality.

FY 25-26 Budgeted Expenditure

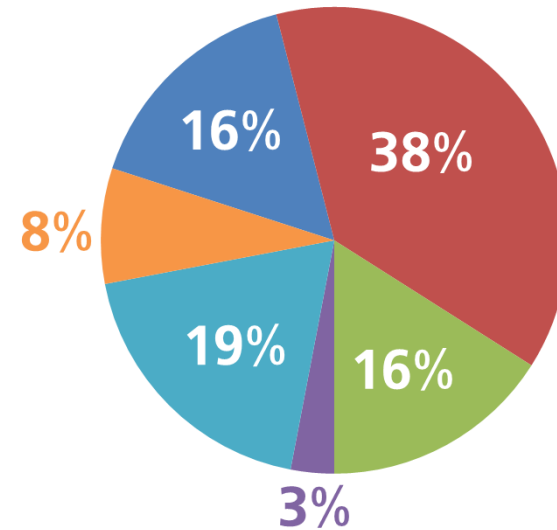


Source: Original FY25-26 Budget, passed August 1, 2025.

SFMTA FY25-26 Budgeted Revenue

The operating budget is primarily funded by the SF General Fund and “enterprise revenues” (transit fares and parking revenue). Since the pandemic, the SFMTA has also relied on one-time Federal, state and regional government relief to balance the budget.

FY 25-26 Budgeted Revenue



Source: Original FY25-26 Budget, passed August 1, 2025.

- Federal and State Relief
- General Fund
- Operating Grants
- Other Revenue
- Parking Revenue
- Transit Revenue