



SFMTA



San Francisco Municipal Transportation Agency

2026 SFMTA Board Workshop

February 3, 2026

Introduction & Opening Remarks

Julie Kirschbaum, SFMTA Director of Transportation

Alicia John-Baptiste, Chief of Infrastructure, Climate and Mobility,
Office of Mayor Daniel Lurie

Public Comment

Christine Silva
SFMTA Board Secretary

City Budget & Economic Overview

Greg Wagner, Controller & **Ted Egan**, Chief Economist
City & County of San Francisco Controller's Office

Break

Please return in 10 minutes.



SFMTA

Balancing the SFMTA Budget for FY26-27 & FY27-28

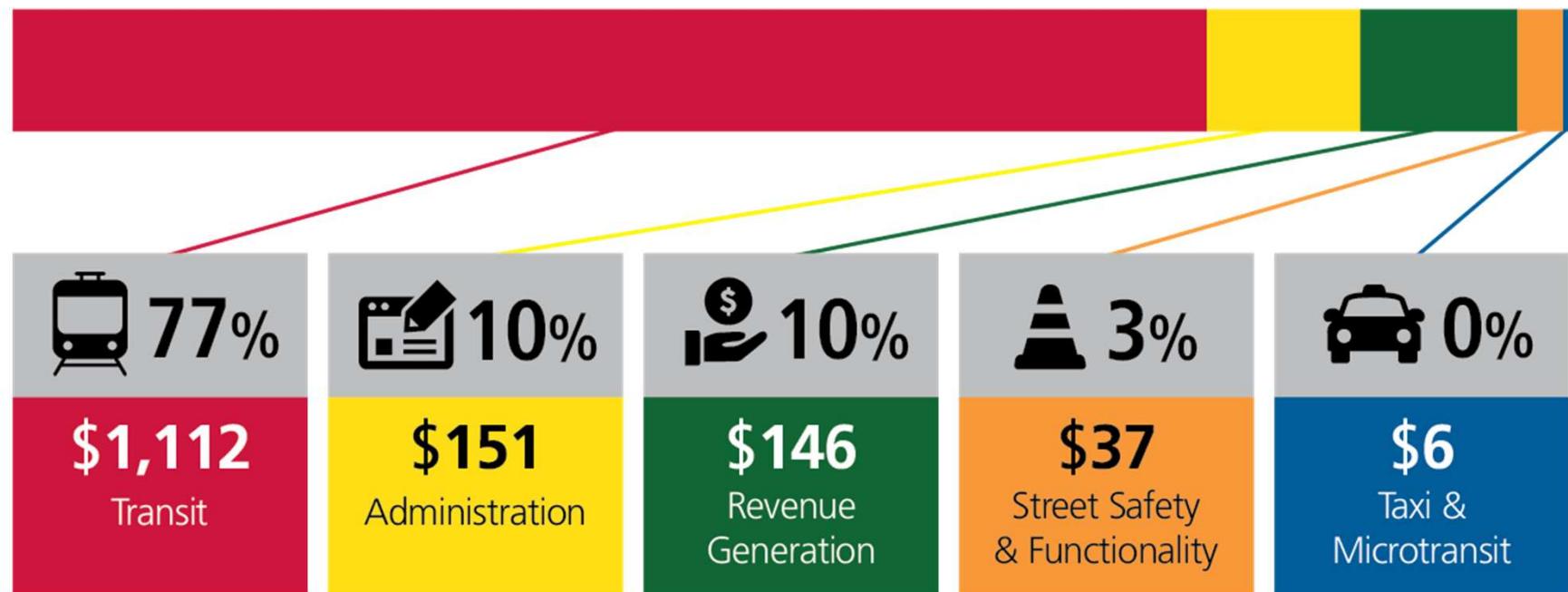
2026 SFMTA Board Workshop
February 3, 2026

Budget Milestones

| Date | Budget Topic |
|------------------|---|
| 11/18/2025 | Local Revenue Measure |
| 12/16/2025 | Enterprise Revenue and Fare Policy |
| 1/6/2026 | Efficiencies Update |
| 1/20/2026 | Muni Equity Strategy Overview (moved from Jan 6) |
| 2/3/2026 | Board Workshop (will include community feedback, policy review) |
| 2/17/2026 | Capital Budget Update (moved from Jan 20) |
| 3/3 or 3/17/2026 | Muni Equity Strategy Approval |
| 4/7/2026 | Budget Hearing (Operating & Capital) |
| 4/21/2026 | Budget Approval (Operating & Capital) |

FY25-26 Expenditure Budget, by Service (\$M)

SFMTA expends 77% of its budget to provide transit service.

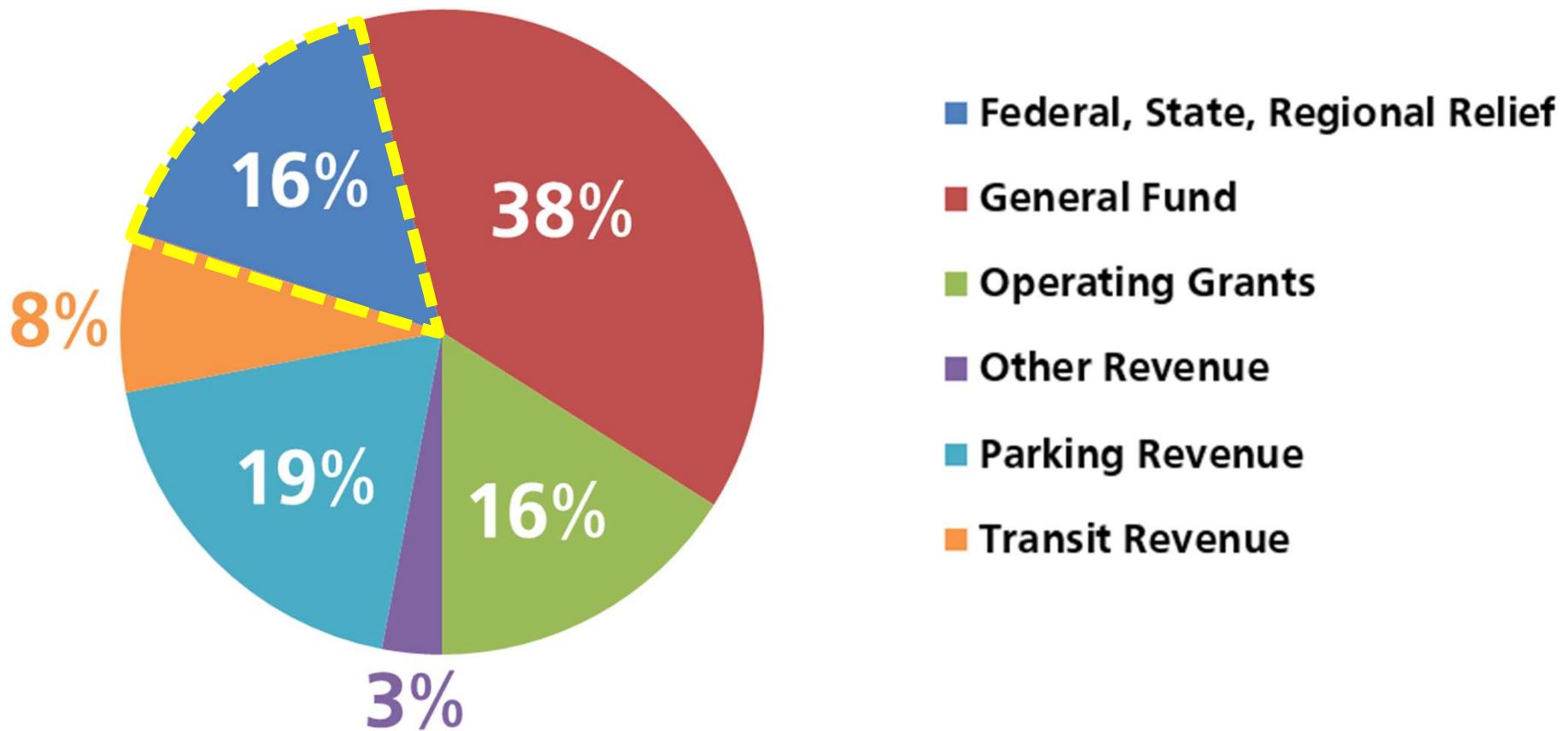


Source: FY25-26 Original Budget (Final), August 2025.

Note: Transit includes paratransit.

FY25-26 Revenue Budget

Federal, state, and regional pandemic relief are 16% of revenue.



Source: FY25-26 Original Budget (Final), August 2025.

Federal, state, and regional pandemic relief runs out in June 2026.

Expenditure Budget Forecast, by Category (\$M)

Expenditure projected to grow by 4%, driven by cost-of-living wage and health care cost increases for existing employees and inflation.

| Expenditure Type | FY 26-27 Amount (\$M) | FY 27-28 Amount (\$M) | Year Over Year Growth (%) |
|--------------------|-----------------------|-----------------------|---------------------------|
| Labor | 971 | 1,026 | 6% |
| Non-personnel | 276 | 283 | 3% |
| Work orders | 139 | 141 | 2% |
| Materials/Supplies | 116 | 119 | 3% |
| Debt Service | 28 | 28 | 0% |
| Other | 3 | 3 | 5% |
| Total | 1,533 | 1,600 | 4% |

Source: Five-Year Financial Projections, September 2025

Revenue Budget Forecast, by Category (\$M)

Revenue projected to grow by 2%, driven by growth in the General Fund and enterprise revenues.

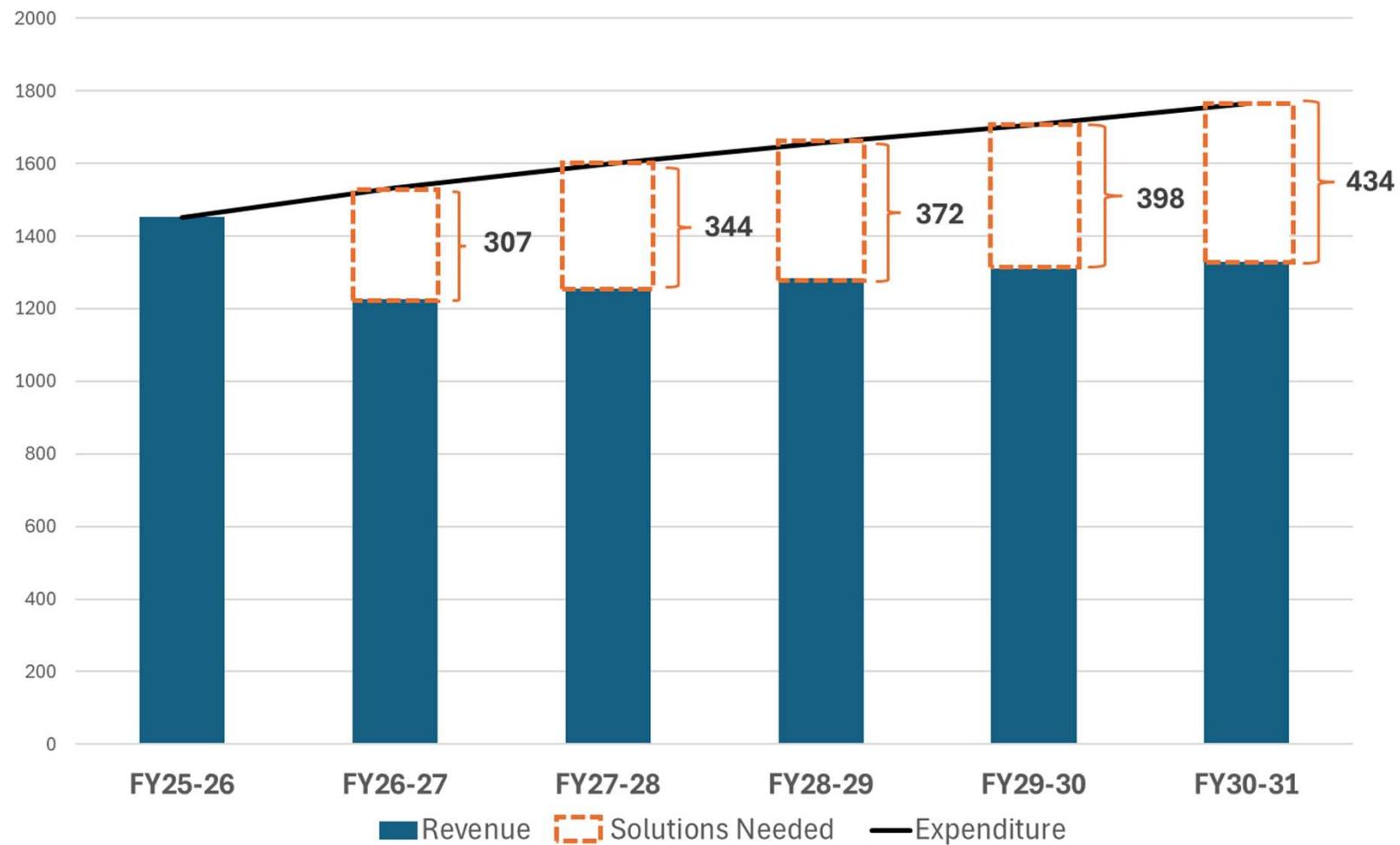
| Revenue Type | FY 26-27 Amount (\$M) | FY 27-28 Amount (\$M) | Year Over Year Growth (%) |
|---------------------------------|-----------------------|-----------------------|---------------------------|
| General Fund | 561 | 570 | 2% |
| Operating Grants | 234 | 239 | 2% |
| Federal, State, Regional Relief | - | - | - |
| Parking | 283 | 289 | 2% |
| Transit | 120 | 125 | 4% |
| Other | 28 | 34 | 23% |
| Total | 1226 | 1256 | 2% |

Source: Five-Year Financial Projections, September 2025. Other is comprised of interest, rental and advertising revenue.

NOTE: Regional and local ballot measure revenues are not shown.

5-Year Deficit Forecast

Because expenditure grows faster than revenue, FY26-27 deficit is \$307M and grows over time.



Muni Funding Working Group Recommendation

The Muni Funding Working Group overwhelmingly supported **Strategy A: Big at the Ballot in 2026**

- **No Service Cuts**
- Further administrative efficiencies and expedite reductions
- A regional sales tax measure
- A local parcel tax measure

| | Strategy | % Top Choice |
|---|--|--------------|
| A | Preserve Muni & Street Safety – Big at the Ballot in 2026 | 69% |
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| F | Fewer Options (No New Revenue), More Cuts | 0% |

FY26-27 and FY27-28 Budget Plan

Regional Revenue Measure: The Connect Bay Area Act authorized voters to place a one-cent sales tax increase on the ballot to maintain Muni. A citizen group is currently collecting signatures. If passed by voters, Muni will receive ~\$155M per year to address the structural deficit.

Local Revenue Measure: As the regional measure will not fully address the structural deficit, Mayor Lurie and other elected leaders are supporting a local parcel tax to further reduce the structural deficit and make marginal service quality improvements.

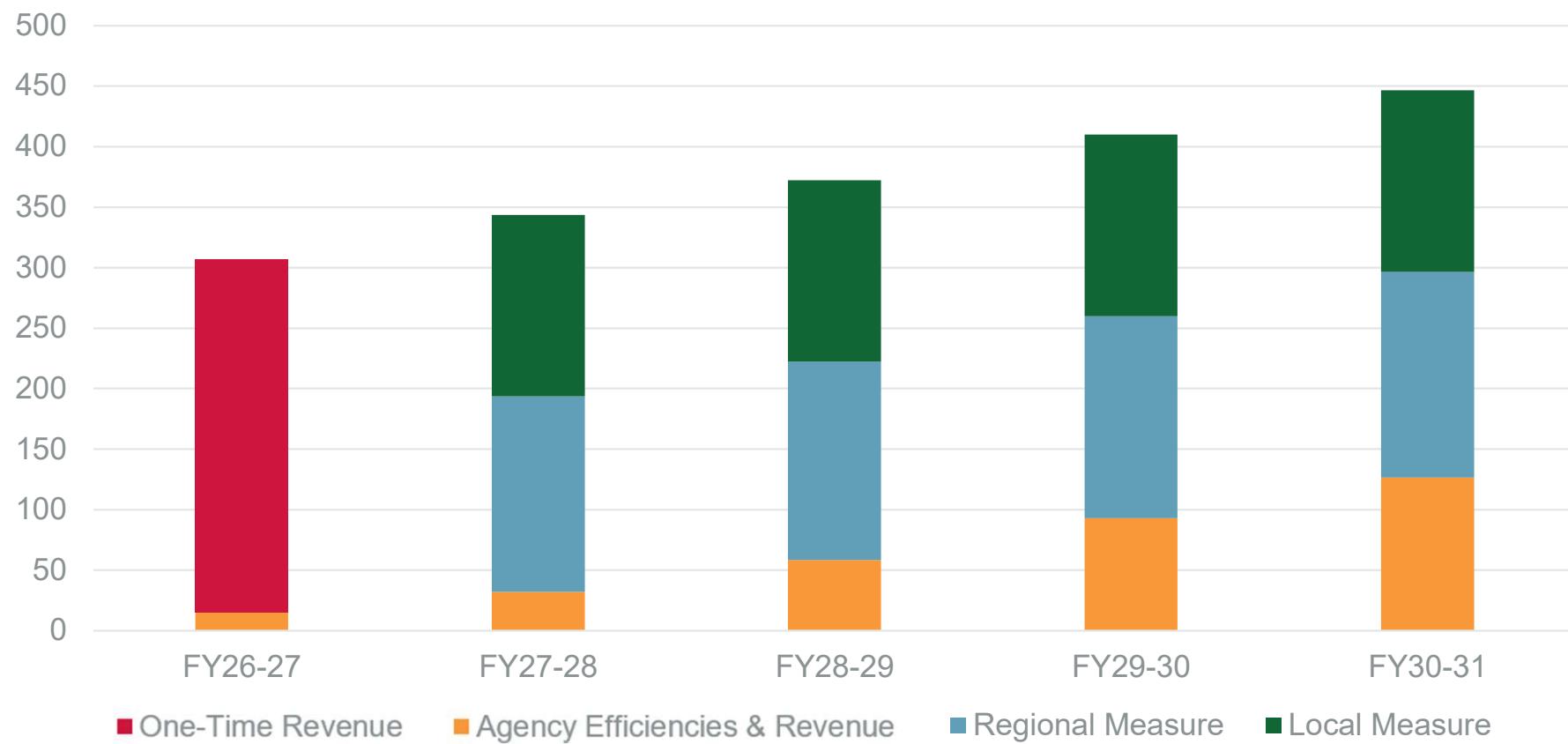
Agency Efficiencies & Revenue: Building an efficiency culture and identifying new enterprise revenues in the out years will close the remaining structural deficit.

In the short-term, one-time sources are needed to close the budget deficit until regional and local revenue measures are implemented.



Closing the Deficit

SFMTA plans to close the FY26-27 and FY27-28 budget deficit using one-time revenue, agency efficiencies, and new revenue from regional and local ballot measures.



FY26-27 and FY27-28 Budget Plan

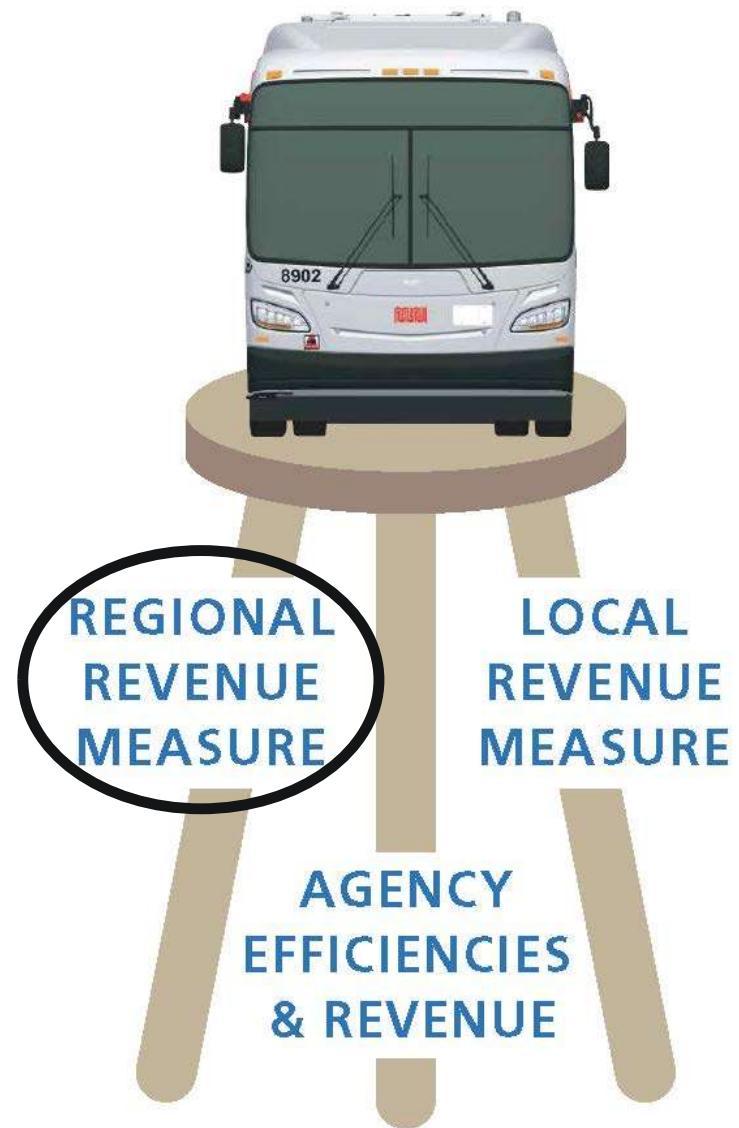
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Regional Revenue Measure, Nov. 2026



The legislature approved the SB 63, the Connect Bay Area Act, which authorizes a regional sales tax to be placed on the Nov. 2026 ballot in Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara counties.

The regional sales tax would fund BART, Muni, Caltrain, AC Transit and other transit systems. Due to the density of transit operating in San Francisco, San Francisco voters would consider a 1% sales tax. Voters in the other counties will consider a 0.5% sales tax.

If successful, the regional revenue measure will raise about \$1 billion annually for transit agencies in the region.

Of this, Muni would receive approximately \$155 million per year.

Regional Revenue Measure: Connect Bay Area Act

Connect Bay Area Act:

- Authorizes regional revenue measure
- Requires robust accountability and efficiency review led by outside experts with oversight from regional and state-appointed officials
- Dedicates funding for accessibility, affordability, and wayfinding

In San Francisco:

- Works in conjunction with local revenue measure, agency efficiencies, and new enterprise revenue



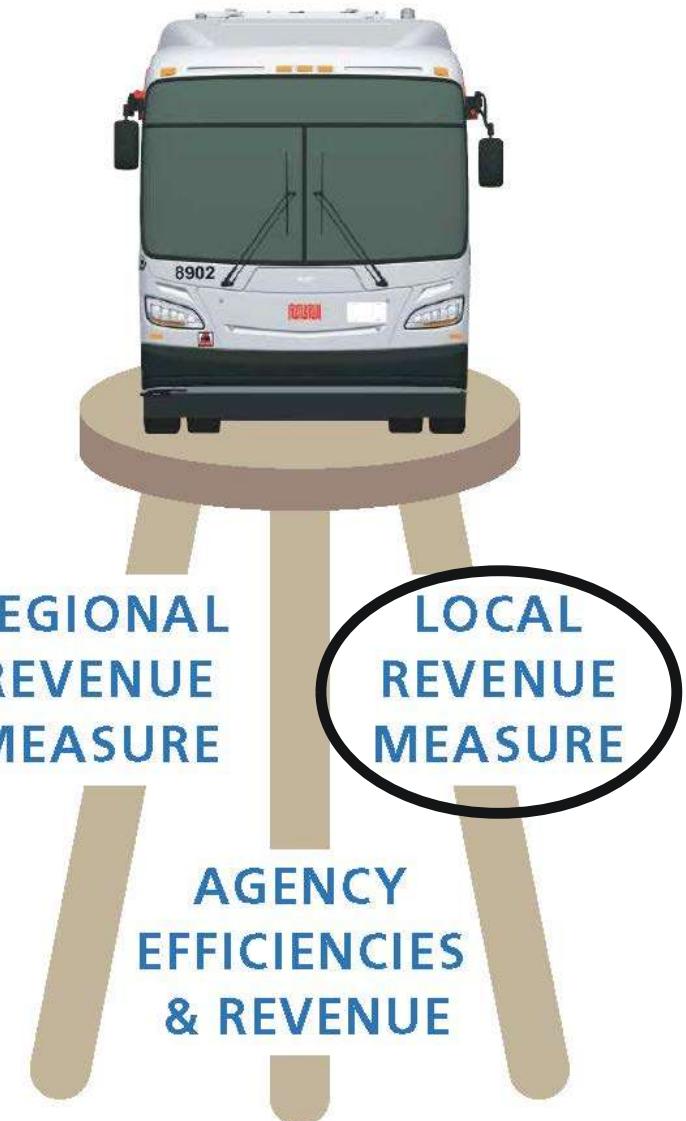
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Local Revenue Measure

A parcel is a piece of real property. A parcel tax is levied on property owners based on the characteristics of the parcel, apart from property value. Labor partners, real estate and business leaders, community organizations, small business owners, transportation advocates, housing and tenant stakeholders and local elected officials collaborated to develop a parcel tax that meets three key criteria:



Fair



Reasonable



Sufficient

Proposed Parcel Tax Structure

To achieve fairness, the proposed parcel tax is based on property type and square footage.

| Category | Square Footage Tiers | Rate |
|--|----------------------|----------------|
| Single Family Residential Parcels (SFR): <i>Parcel Tax = Base Rate + Marginal Rate(s)</i> | | |
| SFR Base Rate: Applies to first 3,000 SF | 0 - 3,000 SF | \$129 |
| SFR, Marginal Rate 1: Applies to any building square footage from 3,001 SF to 5,000 SF | 3,001 - 5,000 SF | \$0.42 per SF |
| SFR, Marginal Rate 2: Applies to any building square footage above 5,000 SF | 5,001+ SF | \$1.99 per SF |
| Multifamily Parcels (MF): <i>Parcel Tax = Base Rate + Marginal Rate(s)</i> | | |
| MF Base Rate: Applies to first 5,000 SF | 0 - 5,000 SF | \$249 |
| MF, Marginal Rate 1: Applies to any building square footage above 5,000 SF | 5,001+ SF | \$0.195 per SF |
| MF Cap | | \$50,000 |
| Non-Residential Parcels (Non-Resi): <i>Parcel Tax = Base Rate + Marginal Rate(s)</i> | | |
| Non-Resi Base Rate: Applies to first 5,000 SF | 0 - 5,000 SF | \$799 |
| Non-Resi Marginal, Rate 1: Applies to any building square footage from 5,001 SF to 50,000 SF | 5,001 - 50,000 SF | \$0.76 per SF |
| Non-Resi Marginal, Rate 2: Applies to any building square footage from 50,001 SF to 250,000 SF | 50,001 - 250,000 SF | \$0.84 per SF |
| Non-Resi Marginal, Rate 3: Applies to any building square footage over 250,000 SF | 250,001+ SF | \$0.99 per SF |
| Non-Resi Cap | | \$400,000 |

If successful, the local revenue measure will raise approximately \$150 million annually for existing transit operations, plus at least \$10 million for service quality improvements.

FY26-27 and FY27-28 Budget Plan

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Building Efficiency Culture

- Participate in regional efficiency work, outlined in Connect Bay Area Act (SB63)
- Work with external efficiency experts to review best practices and implement structural changes (e.g., more efficient administrative tools)
- Track National Transit Database (NTD) financial performance measures and set goals for financial metrics
- Prioritize cost containment during upcoming labor contract negotiations for FY27-28 and beyond
- Continue to refine internal controls and forecasting tools

Summary of Efficiency Proposals

New efficiency proposals estimated to generate \$15 - \$25M.

| Category | Proposal |
|---------------------------|--|
| Organizing People | Optimize maintenance yard shifts to reduce premium pay |
| | Scale back work requested of other City departments |
| | Implement further staffing efficiencies – refine Operator schedules, cut vacant positions, reclassify senior level vacancies, and more |
| Changing Service Delivery | Decommission low utilization ticket vending machines |
| | Defer non-revenue vehicle purchases by reassigning under-utilized vehicles |
| | Upgrade aging infrastructure and vehicles to reduce maintenance work |
| | Continue to design and deliver Muni Forward projects (<i>added based on Board feedback</i>) |

Summary of Efficiency Proposals

New efficiency proposals estimated to generate \$15 - \$25M.

| Category | Proposal |
|---|--|
| Using Technology | Implement inventory control in paint, sign, and meter shops |
| | Upgrade facility cameras and gates to realize security contract efficiencies |
| | Improve double-parking enforcement in transit-only lanes |
| | Retire MuniMobile |
| Negotiating with External Partners | Request savings from contractors on supply contracts |
| Increasing Financial Control, Transparency | Close purchase orders monthly |
| | Close aged, low balance multi-year projects to identify one-time savings |

Board Feedback to Date

| Feedback | Response |
|--|---|
| Include all high ridership agencies in National Transit Database (NTD) analysis | Data will be provided via follow up memo to Board for top 10 ridership agencies and peer agencies |
| Continue to invest in Muni Forward program to improve transit travel times, evaluate closely spaced bus stops (esp. 600ft or less) and continue to track and discuss operating speed | SFMTA will prioritize funding for Muni Forward projects in the capital budget. Staff will track systemwide and corridor-based operating speeds and incorporate into Board updates; New Muni Forward projects to increase efficiency include 22 Fillmore and 29 Sunset Phase 2 |
| Pursue a reduction in work orders as a cost-cutting opportunity. | SFMTA will work with Mayor's budget office and partner agencies to reduce costs |
| Provide national examples of tariff impacts in transportation and infrastructure | Understanding costs and other impacts of tariffs is work ongoing |
| Expressed interest in understanding more about cost controls and potential future options, such as better understanding New York's experience with congestion pricing | Through quarterly updates, Division Directors will continue to keep the Board updated on ongoing cost controls and revenue opportunities. |

Summary of Enterprise Revenue Proposals

Enterprise revenue proposals generate \$8.8 - \$17.5M, annually.

| Recommendation | FY 26-27 (\$M) | FY 27-28 (\$M) |
|--|-------------------|-------------------|
| Parking Revenue: <ul style="list-style-type: none">• Increase citation late penalties by 10%• Increase meter rates \$0.25 in FY27-28• Increased meter recovery construction/temp no-parking permits• Pass-through on-line credit card fees• Select fine reductions | 3.3 | 8.3 |
| Tourism Revenue: <ul style="list-style-type: none">• Simplify Cable Car Ticket | 2.3 | 2.8 |
| Daily Rider Revenue: <ul style="list-style-type: none">• Eliminate Clipper Discount/Index Year 2• Implement Fare Capping | 3.2 | 6.4 |
| TOTAL | 8.8 | 17.5 |

Summary of Parking Revenue Proposals

Recommendations align fees with common sense and past practice.

| Recommendation | Description | FY 26-27 (\$M) | FY 27-28 (\$M) |
|---|---|----------------------|----------------------|
| Increase citation late penalties by 10% | Unpaid citations subject to two late penalties and special collections fee. Default policy is to increase \$1 or 2%. Recommendation would increase fees 10%. | 1.5 | 1.5 |
| Increase meter rates \$0.25 in FY27-28 | In Spring 2025, SFMTA implemented a \$0.25/hour rate increase city-wide with no impact to utilization. Recommendation would implement same increase in FY27-28. | 0.0 | 4.4 |
| Increase meter recovery fees for construction and temporary no-parking permits | Fees are charged to offset loss of meter revenue. Recommendation would raise fees over two years consistent with meter rates. | 0.6 | 1.2 |
| Pass-through credit card fees for online citation and parking permit fees | Implement a 2.15% per transaction fee. Customers will be provided with option to pay via e-check at no charge. | 1.7 | 1.7 |
| Reduce select parking violation fines | Reduce fines for violations that do not impact traffic safety, such as curbing wheels | -0.5 | -0.5 |
| Total | | 3.3 | 8.3 |

Reduce Selected Parking Violations

Proposals align fees with common sense.

| Violation | Description | Current Fine (\$) | Proposed Fine (\$) | Decrease (\$) |
|--|--|-------------------|--------------------|---------------|
| Curbing Wheels | Failure to turn wheels when parked on a grade more than 3% | 73.00 | 48.00 | 25.00 |
| Parked Outside the Lines | Failure to park within a marked space at a meter | 76.00 | 48.00 | 28.00 |
| Repairing Vehicle on Street | Using the street as a place to conduct repairs on your car | 108.00 | 48.00 | 60.00 |
| Displaying Permit on Different Vehicle | Incorrectly placing a permit on a non-permitted vehicle | 108.00 | 48.00 | 60.00 |

Summary of Transit Revenue Proposals

Recommendations balance impact across different user groups and complement agency efficiencies.

| Recommendation | FY 26-27 (\$M) | FY 27-28 (\$M) |
|---|-------------------|-------------------|
| Tourism Revenue: • Simplify Cable Car Ticket | 2.3 | 2.8 |
| Daily Rider Revenue: • Eliminate Clipper Discount/Index Year 2 • Implement Fare Capping | 3.2 | 6.4 |
| Total | 5.5 | 9.2 |

Board Feedback to Date

| Feedback | Response |
|--|--|
| Explore further increases to parking meter fees | Additional time needed to understand previous changes, demand-based pricing means many meters set higher than base rate |
| Reduce fine for fare evasion to have closer nexus to parking fines | Options to be discussed as part of a comprehensive presentation on fare compliance this spring |
| Provide scenarios for higher cable car fares | Options prepared for Board discussion |
| Develop a discount Cable Car option for seniors, kids, people from low-income households | Cannot be delivered for upcoming budget due to technology limitations, but will explore option as Clipper implementation continues for local and regional visitors already registered with Clipper discount programs |

Additional Options – Cable Car Plus Ticket

Increasing fare above \$15 could generate an additional \$10m a year, but increased rates should be evaluated against risk of suppressing demand.

| Fare Option (\$) | Additional FY26-27 Revenue (\$M)* | Additional FY27-28 Revenue (\$M) |
|------------------|-----------------------------------|----------------------------------|
| 15.00 | 2.3 | 2.8 |
| 16.00 | 3.6 | 4.3 |
| 17.00 | 4.8 | 5.7 |
| 18.00 | 6.0 | 7.1 |
| 19.00 | 7.2 | 8.6 |
| 20.00 | 8.4 | 10.0 |

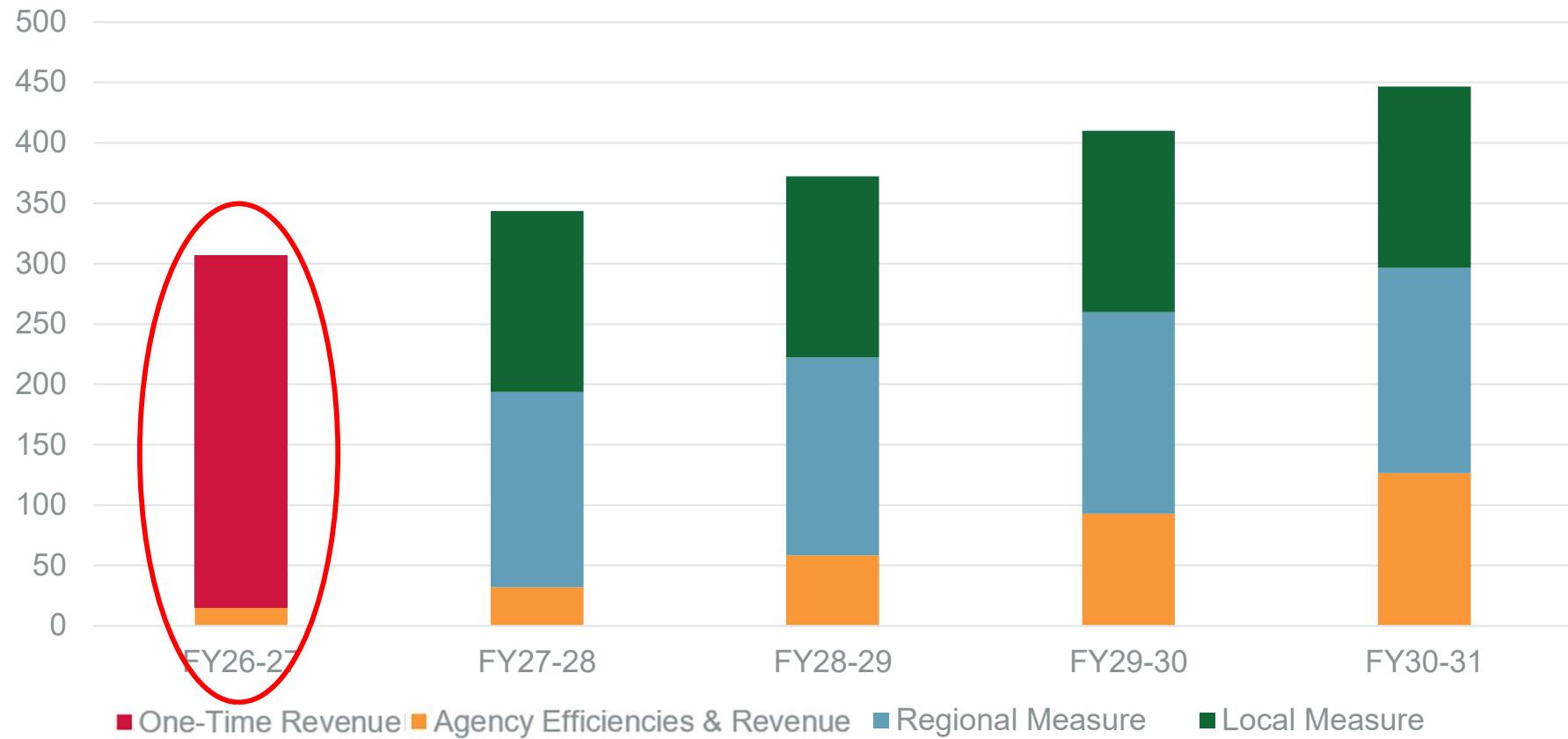
*Year 1 includes ten months of revenue – assumes effective date September 1

Most funds from the regional and local revenue measures are not available until FY27-28.

Ongoing agency efficiencies and one-time sources will balance the FY26-27 budget.

Closing the Deficit

Ongoing agency efficiencies and one-time sources are needed to balance the FY26-27 budget.



One-time Sources

Scale of FY26-27 deficit and timing of regional and local revenue measure require use of one-time sources; options include:

- State loan: Up to \$200M
- Reserves: Recommend \$50-85M, of the \$140M available
- Capital funds flexed to operations: Up to \$40M
- One-time savings from previous cost controls: \$50-85M

One-time Source Tradeoffs

| Source | Benefit | Challenge |
|--|--|--|
| State Loan (~\$200M) | Large enough to prevent service cuts and other major impacts in FY27-28 | Payment obligations increase deficit in future years |
| SFMTA Reserve (\$50-85M) | Designed to be used in our most challenging fiscal times; protects service | Reduces ability to absorb unexpected financial risk (e.g., natural disaster, economic shock, etc); will take many years to rebuild |
| Flex Capital Funds to Operations (up to \$40M) | One-time sources work best to solve one-time problems | Reduces capital investment, leading to increased maintenance costs over time |
| One-time savings from previous cost controls (\$50-85M) | One-time sources work best to solve one-time problems | Reduces ability to absorb unexpected financial risk and to make one-time investments that reduce cost in long-run |

5-Year Deficit Forecast

In a large budget, even small inflation-driven increases have a big impact on deficit.

| | FY26-27 (\$M) | FY27-28 (\$M) | FY28-29 (\$M) | FY29-30 (\$M) | FY30-31 (\$M) |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | 1,226 | 1,256 | 1,284 | 1,311 | 1,329 |
| Expenditure | 1,533 | 1,600 | 1,656 | 1,708 | 1,764 |
| Surplus/ (Deficit) | (307) | (344) | (372) | (398) | (435) |

DRAFT Five-Year Plan to Balance Budget

| | FY26-27 Millions | FY27-28 Millions | FY28-29 Millions | FY29-30 Millions | FY30-31 Millions |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Deficit | (307) | (344) | (372) | (398) | (434) |
| Regional & Local Revenue Measures | 17 | 305 | 314 | 322 | 332 |
| Regional | 17 | 155 | 161 | 166 | 173 |
| Local | - | 150 | 153 | 156 | 159 |
| Agency Efficiency and Revenue, & One-time Sources | 290 | 39 | 58 | 76 | 102 |

Note: Deficit total and agency-solution amounts are draft and will be revised based on final revenue forecasts and policy decisions for efficiencies and agency-generated revenues; parcel tax also includes \$10M for service quality improvements, not yet incorporated

Next Steps

- Finalize revenue and efficiency measures based on SFMTA Board feedback and stakeholder outreach
- Update five-year forecast to reflect:
 - General Fund & State Operating revenue forecasts
 - Loan repayment debt obligations
 - Efficiency and revenue proposals
 - Line-item budget adjustments in response to external policy & operating conditions
- Finalize plan for use of one-time resources
- Draft two-year budget

Requested Feedback

- What questions do you have?
- What are your top priorities that should guide how we balance the budget?
- Which revenue and efficiency measures do you support?
- Which revenue and efficiency measures would you remove from consideration or modify?
- How would you prioritize use of one-time sources?

Public Comment

Christine Silva
SFMTA Board Secretary

Lunch Break

Please return in one hour.



SFMTA

Funding Muni

Planning for Revenue Measure Outcomes

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February 3, 2026

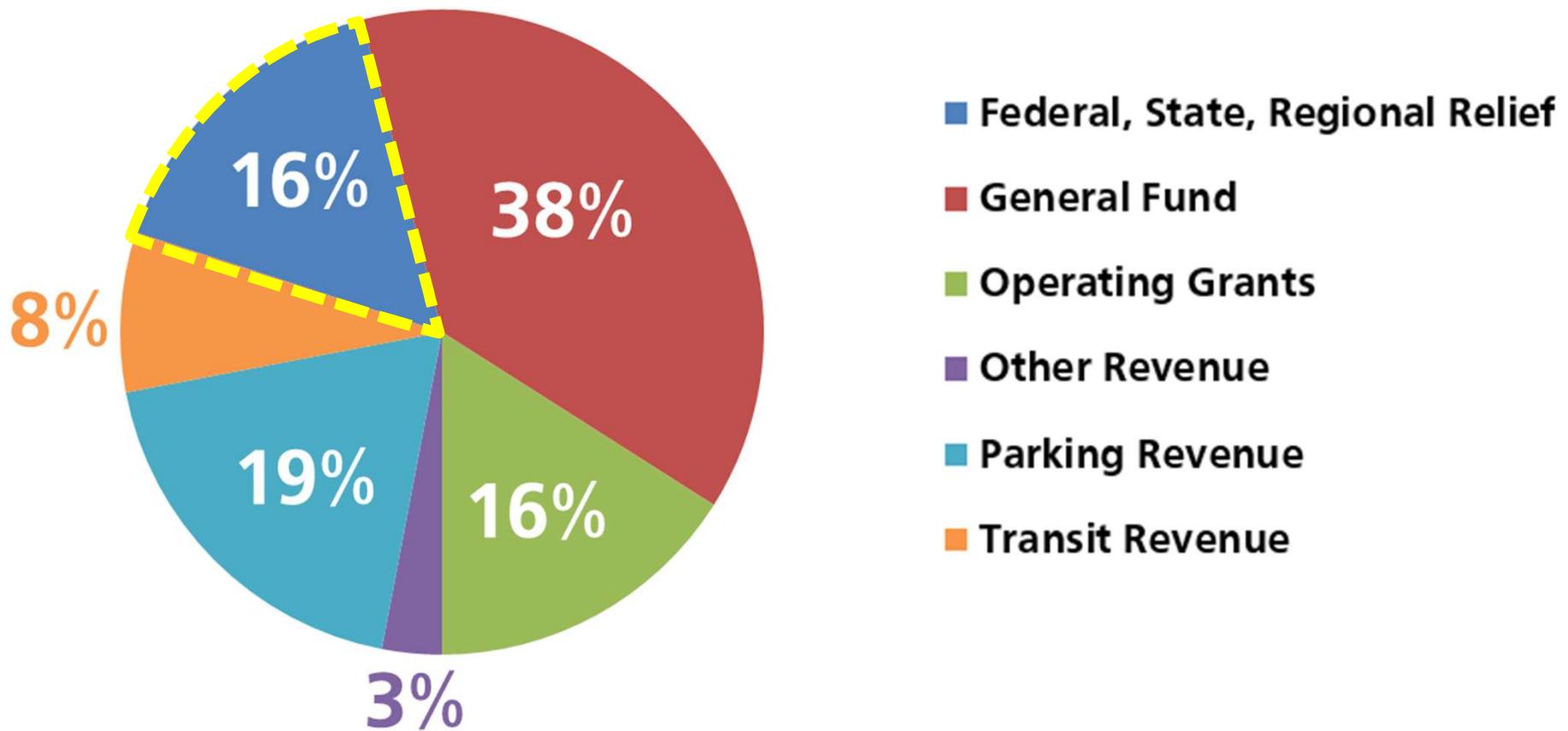
5-Year Deficit Forecast

SFMTA's budget strategy will address end of one-time pandemic resources and growing gap between revenues and expenditures

| | FY26-27 (\$M) | FY27-28 (\$M) | FY28-29 (\$M) | FY29-30 (\$M) | FY30-31 (\$M) |
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Pandemic Relief Exhausted

Federal, state and regional pandemic relief protected Muni service throughout the pandemic; they run out summer 2026



Source: FY25-26 Original Budget (Final), August 2025.

Muni Funding Working Group Recommendation

The Muni Funding Working Group overwhelmingly supported
Strategy A: Big at the Ballot in 2026

- ***No Service Cuts***
- Further administrative efficiencies and expedited reductions
- A regional sales tax measure
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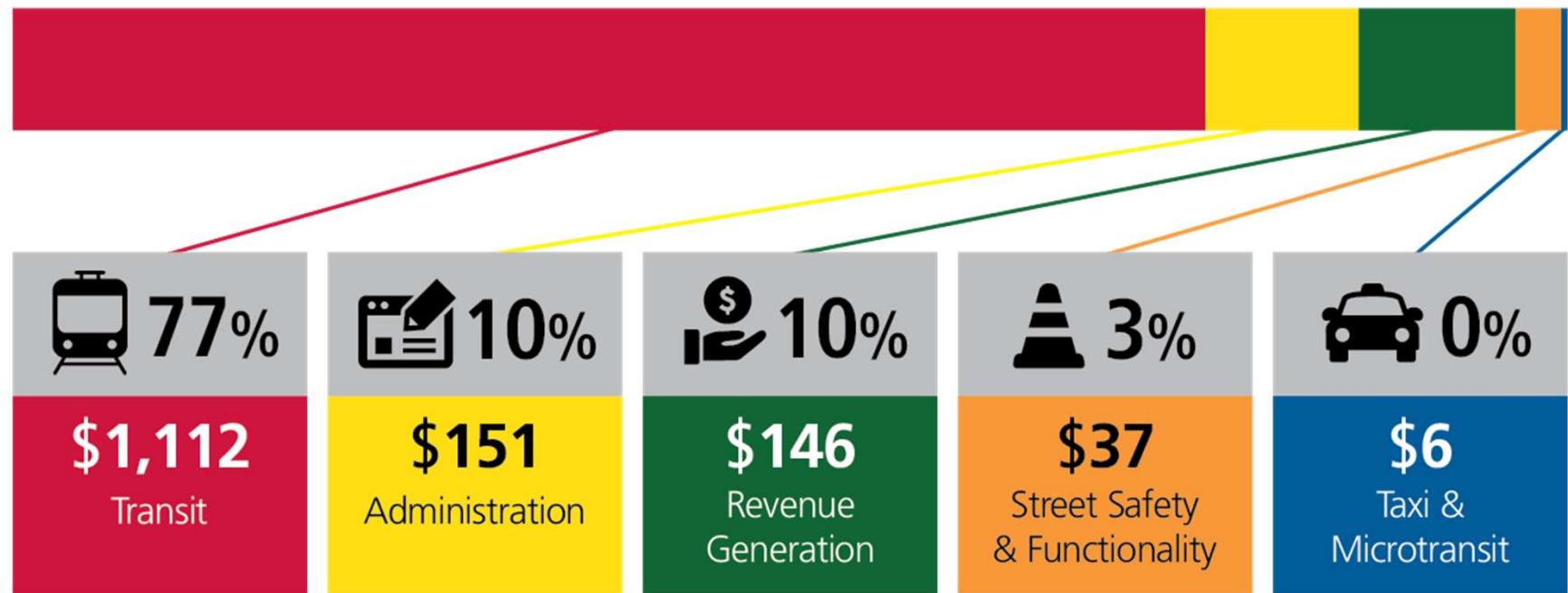
5-Year Funding Plan

- Based on direction from the Muni Funding Working Group, pursuing a funding plan that combines ballot-generated revenue with continued internal cost controls and efficiencies
- Preferred funding plan prioritizes Muni service and protects jobs
- SFMTA also preparing scenarios if local or regional measure is not approved



Agency-wide Approach

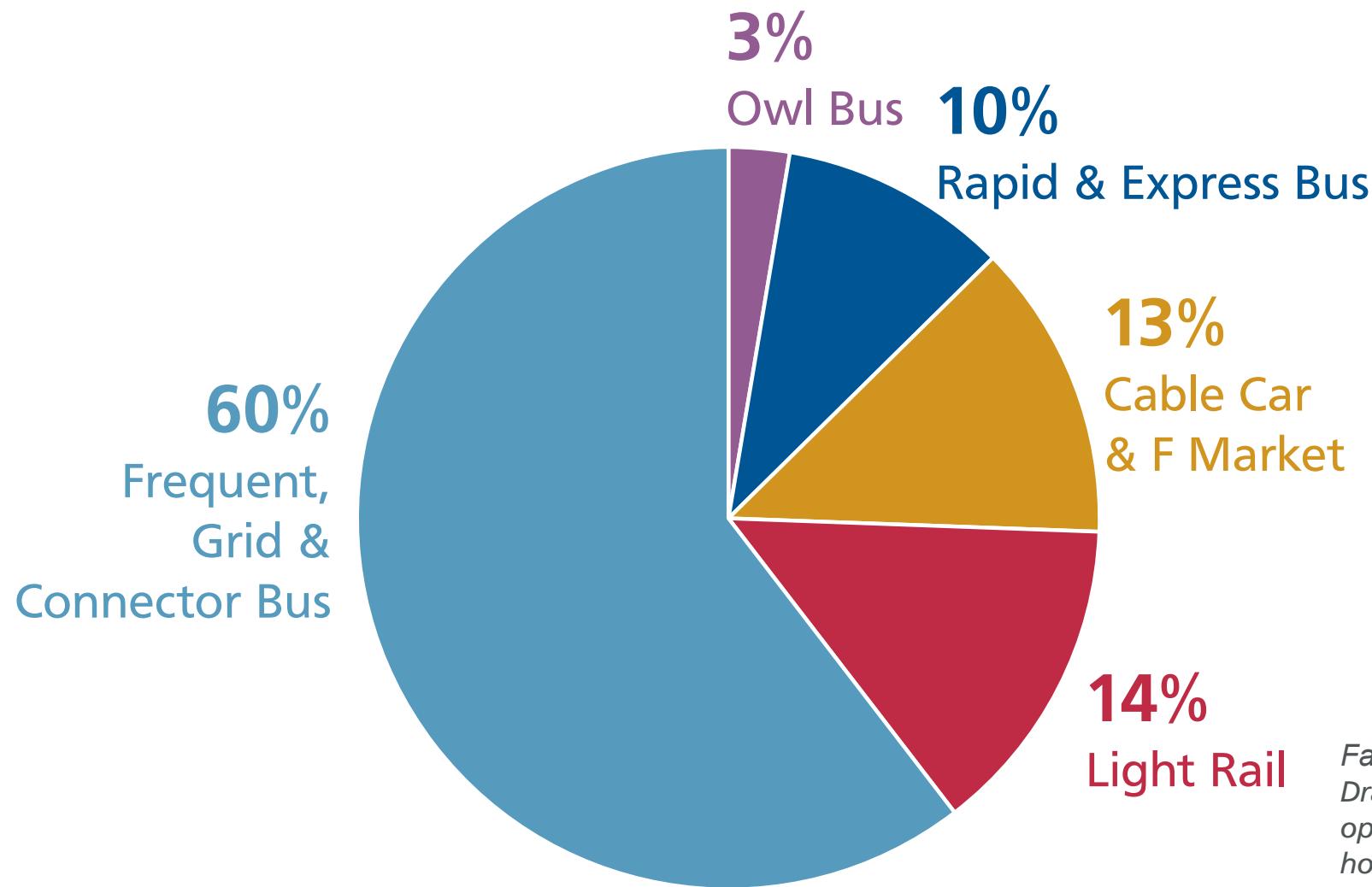
If one or both ballot measures fail, SFMTA would make cuts in all divisions. However, given that transit is such a large percentage of the overall agency budget, there is no way to close the budget gap without significant Muni impacts.



Source: FY25-26 Original Budget (Final), August 2025.

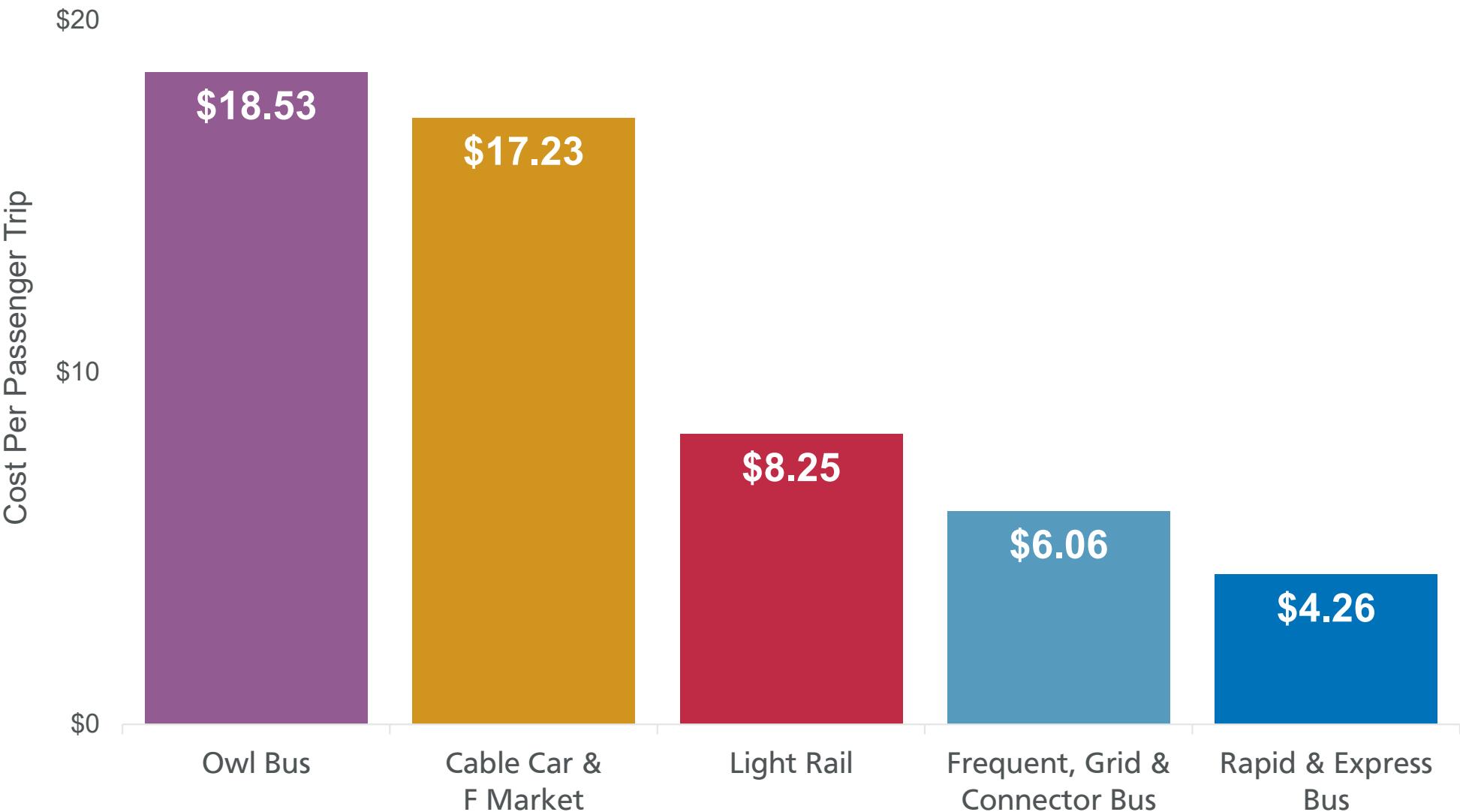
Note: Transit includes paratransit.

FY 24-25 Cost Share by Service Type



*Fall 2025 Schedule,
Draft FY24-25 NTD
operating costs per revenue
hour rates are used.
Rates are subject to change.*

FY 24-25 Cost Per Passenger Trip by Service Category



Draft FY24-25 NTD operating costs per revenue hour rates are used. Rates are subject to change.

Muni is vital to San Francisco



- Muni gets over 500,000 riders every day to jobs, medical appointments and grocery stores
- Approximately 27% of SFUSD students, roughly 14,000, take Muni to get to and from school
- Almost 50% of transit ridership across the nine-county Bay Area is on Muni

Potential Citywide Impacts if one or both initiatives fail

Slower Downtown Recovery



Less Access & Opportunities for People Who Rely on Transit



Major Systemwide Crowding

Scenario Planning for the Ballot if both initiatives **pass**

| Connect Bay Area Act | Local Revenue Measure |
|---|---|
| <ul style="list-style-type: none">• 1% sales tax in San Francisco• ~\$155M/year for Muni | <ul style="list-style-type: none">• Square footage-based parcel tax• ~\$150M/year for Muni |

| Initiative Outcomes | Muni Service Benefits | Agency Benefits |
|--|--|--|
| Both Pass   | <ul style="list-style-type: none">• Maintain service levels• Targeted service increases that address crowding and pass-ups• Better positioned to respond to ridership growth | <ul style="list-style-type: none">• Stabilized workforce• Maintain focus on internal cost-cutting• More resilient budget outlook for unforeseen conditions |

Muni Service Options for Cutting Costs

if one or both ballot initiatives fail



Cut up to 20 Muni routes

Corridors with multiple routes, downtown express, hilltop & neighborhood connections

\$70-150M



Double Wait Times

Metro train service, Rapid and Frequent routes

\$30-80M



End Regular Service at 9 p.m.

Owl network only from 9 p.m. to 6 a.m.

\$30M



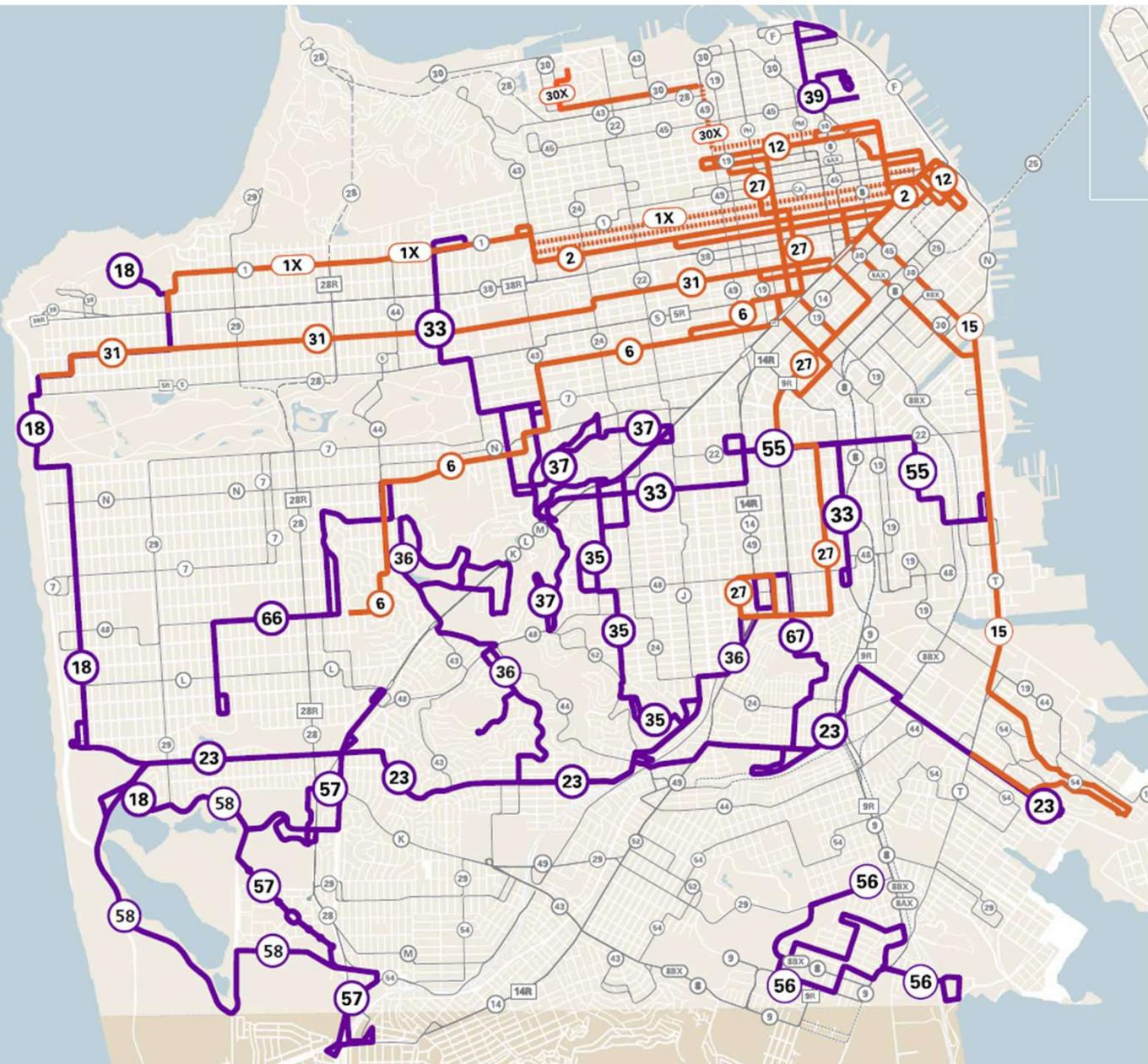
Reduce or Cut Historic Service

3 cable cars lines and F Market & Wharves

\$70-140M

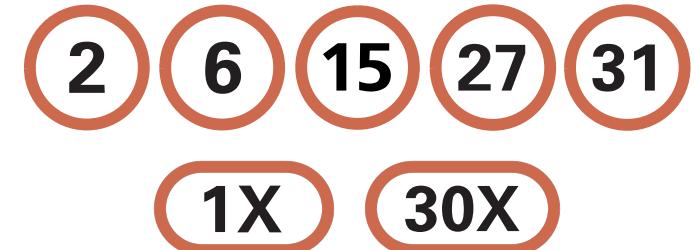
Note: Estimated savings include reduction in administrative services (e.g., accounting, payroll, HR) in proportion to reduction in Muni service

Cut up to 20 Muni routes

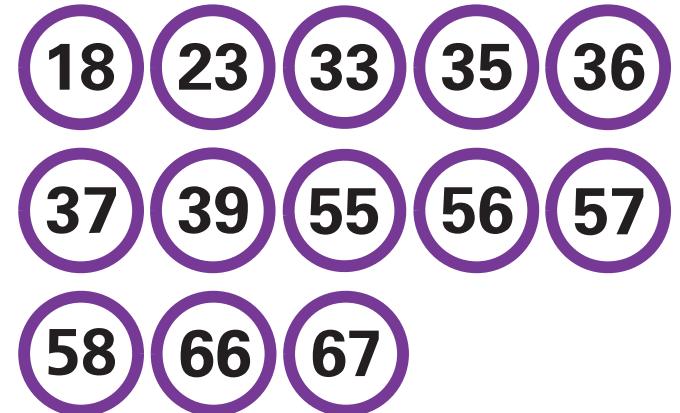


**\$70-150M
savings**

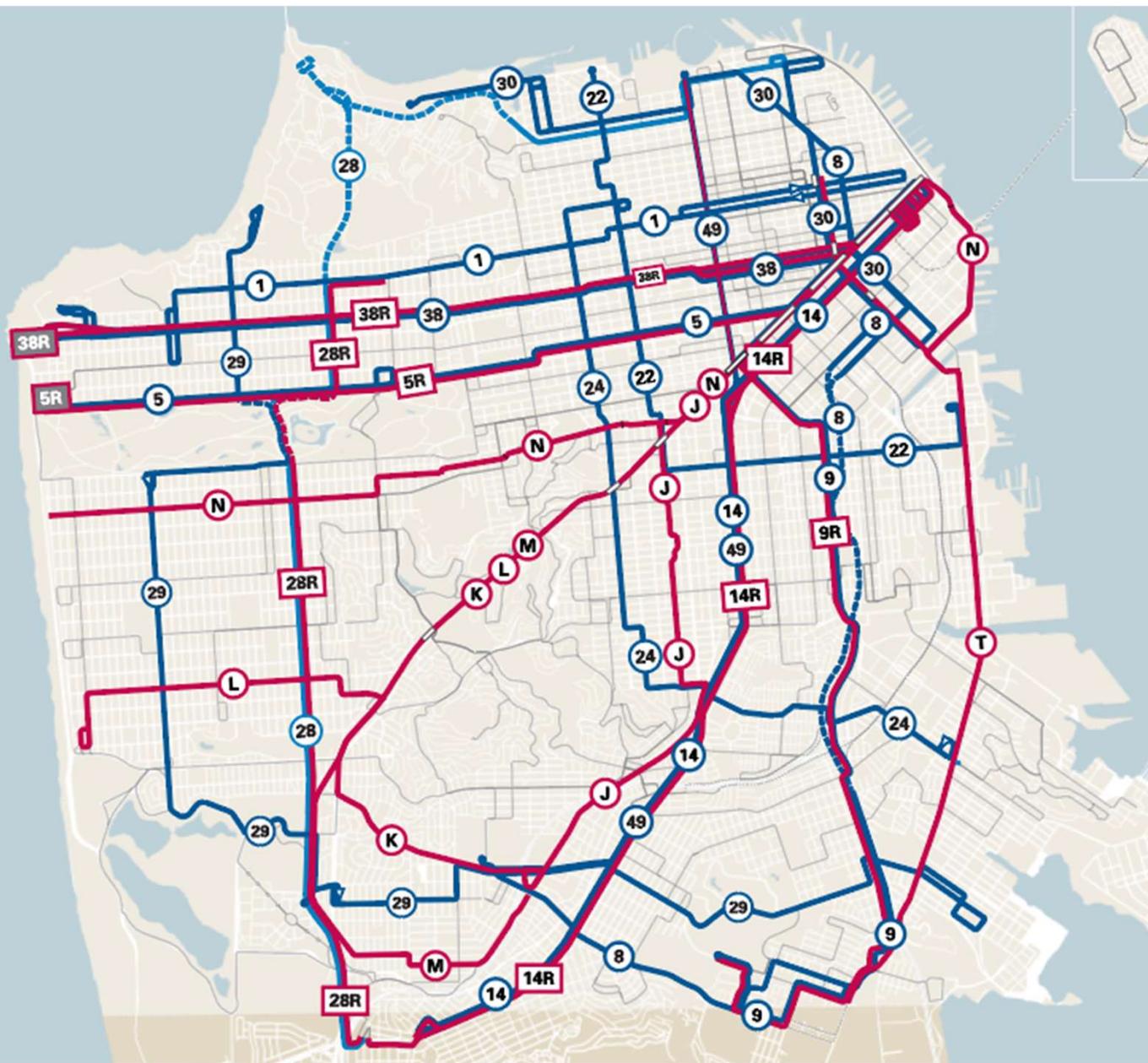
*Corridors with multiple
routes & downtown express*



*Hilltop & neighborhood
connections*

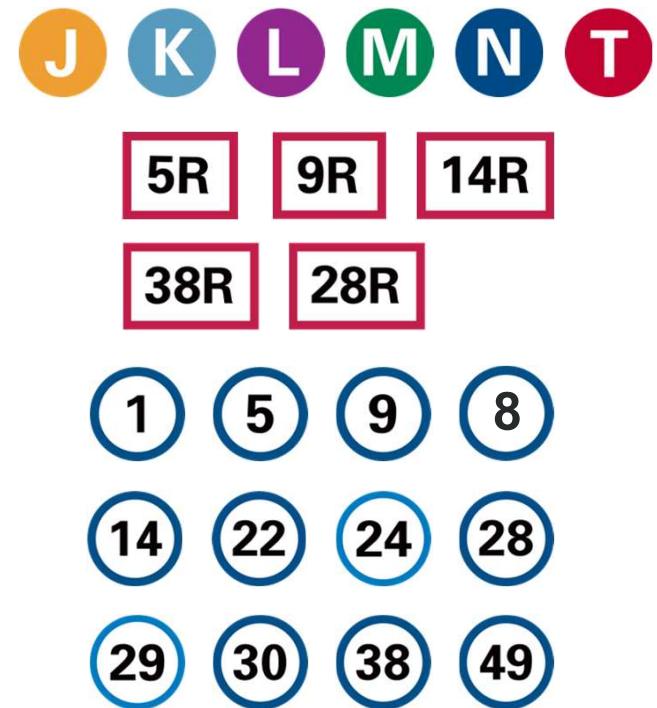


Double Wait Times



**\$30-80M
savings**

*Metro train service, Rapid &
Frequent routes*



Timeline for Muni service cuts if one or both measures fail

Pre-Election

Present-November 2026

- Refine scenarios for Muni service cuts in the event one or both measures fail

Winter 2027

- Prepare service cut options for outreach
- Begin outreach and community briefings

Spring 2027

- Share final Muni service cut options with public
- SFMTA Board approval (w/ Title VI Analysis)
- BOS approval (Route Abandonments and/or Fare Changes)

Summer 2027

- Develop final service plan and schedule materials
- Conduct outreach to inform customers of coming service cuts

Fall 2027

- Implement approved Muni service cuts

Street Safety and Other Agency Impacts

if one or both ballot initiatives fail

| Service Cuts Category | Details |
|-------------------------|---|
| Street Safety | Reduction in biking and walking infrastructure, response to public engineering requests related to street safety i.e., speeding, traffic control device changes. |
| Street Maintenance | Reduction in preventative maintenance of traffic signals, signs, pavement markings. |
| Customer Services | Cut security and janitorial in garages, weekend and evening hours for tow retrieval, Shared Spaces. Reduced special events street closures, parking and loading curb changes. |
| Administrative Services | Reduce administration services (e.g., accounting, payroll, HR) in proportion to reduction in Muni and Streets services |

Potential Employee Layoffs

if one or both ballot initiatives fail

- Agency has been singularly focused on protecting service and jobs over the past 18 months
- If one or both measures fail, both layoffs and Muni cuts will be necessary to reduce costs
- Staffing would be reduced across the agency

| | Position Reduction | % Reduction |
|--------------------|---------------------------|-----------------------------------|
| One Measure Fails | 700-900 positions | 12-15% of current staffing levels |
| Both Measures Fail | 1,500-2,100 positions | 25-35% of current staffing levels |

Potential Employee Layoffs

- State law, Civil Service Rules and labor contracts outline the process for notice of layoffs. This includes an opportunity to "meet and confer" over the effects of the decision.
- Process would start immediately after the election to allow sufficient time for collaboration to evaluate options that:
 - Minimize impacts to employees and service
 - Determine method of implementation
- Order of layoffs determined by Civil Service Rules, based on citywide seniority. For certain classifications, can result in opportunity to bump into other City departments.

Timeline for Potential Layoffs if one or both ballot initiatives fail

Pre-Election

Present-November 2026

- Refine scenarios for staffing cuts in the event one or both measures fail

Winter 2027

- Identify number of positions per classification to be reduced

Spring 2027

- HR to evaluate internal MTA seniority to identify impacted employees
- Continue “meet and confer” process

Summer 2027

- Provide 60-day notice of layoff from SFMTA to employees identified
- DHR to initiate external citywide bumping procedure
- Continue “meet and confer” process, as needed

Fall 2027

- Implement layoffs (target)

Conclusion

- Preferred funding plan for FY26-27 and FY27-28 preserves Muni service and continues ongoing commitment to internal cost reductions
- Because FY26-27 will be balanced with minimal new ballot revenue, funding plan enables sufficient runway to implement major service reductions
- If unsuccessful at the ballot major impacts would be unavoidable, but SFMTA would work with the Board and stakeholders to evaluate other funding options explored by Muni Funding Working Group such as:
 - New internally generated revenues
 - Reduced subsidies and increased fares
 - Smaller ballot initiatives

Appendix



Muni Route Service Categories

| Service Category | Definition | Typical Peak Frequency |
|------------------|--|-------------------------------------|
| Light Rail | Heavily used metro lines form the backbone of the Muni system. J, K, L, M, N, T | 10 mins or less |
| Rapid | Rapid network delivers speed and reliability whether customers are heading across town or simply traveling a few blocks. 5R, 9R, 14R, 28R, 38R | 10 mins or less & skip stop service |
| Express | Routes augment existing service during AM and PM commute times to serve travel demand. 1X, 30X, 8AX and 8BX | Based on demand |
| Frequent | May overlap with rapid bus routes but with more stops along the route. Provide premium, frequent service. 1, 7, 8, 14, 22, 24, 28, 30, 38, 49 | 10 mins or less |
| Grid | Combine with Frequent and Rapid network to form an expansive core system that lets customers get to their destinations with no more than a short walk or seamless transfer. 2, 5, 6, 9, 12, 15, 18, 19, 21, 23, 27, 29, 31, 33, 43, 44, 45, 48, 54 | 12-30 mins |
| Connector | Predominantly circulate through hillside residential neighborhoods, filling in gaps in coverage and connecting customers to major transit hubs. 25, 35, 36, 37, 39, 52, 55, 56, 57, 58, 66, 67 | 30 mins |
| Historic | Historic street cars and cable car routes, have added complexity of serving citywide residents, as well as high numbers of tourists. F Market & Wharves, California Cable Car, Powell/Hyde Cable Car, and Powell/Mason Cable Car | Based on demand |
| Owl | Operate overnight between the hours of 12am and 6am and are made up of segments of daytime routes, full routes and special owl routes. 5, 14, 22, 24, 25, 38, 44, 48, L Owl, N Owl, 90 Owl, 91 Owl | 30 mins |

Public Comment

Christine Silva
SFMTA Board Secretary

Break

Please return in 10 minutes.



SFMTA

Outreach and Feedback Overview

FY26-27 & FY27-28 Budget

2026 SFMTA Board Workshop
February 3, 2026

Budget Outreach Overview

Oct 2025 – Jan 2026
Community Priorities

Feb – Mar 2025
Feedback/Questions

Apr – May
Final Budget

Outreach

- Survey – Online / Paper
- 21 Pop Up Stations
- 2 Local Measure Roundtables (9/5; 11/6)
- Community Presentations

Outreach

- 2 Community Open Houses
- Citywide Virtual Listening Session
- Community Presentations

Outreach

- Community Presentations
- Community Event Tabling

Public Hearings

- 11/18/25 Local Revenue Measure
- 12/16/25 Enterprise Revenue and Fare Policy
- 1/6/26 Efficiencies Update
- 1/20/26 Muni Equity Strategy

Public Hearings

- 2/3/26 SFMTA Board Budget Workshop
- 2/17/26 Capital Budget Update
- 3/3 or 3/17/26 Muni Equity Strategy Approval

Public Hearings

- 4/7/26 Budget Hearing
- 4/21/26 Budget Approval



SFMTA

Phase 1: Oct 2025 – Jan 2026

Solicit Community Priorities

Solicit Community Priorities

October 2025

- Launch Budget Website
- Launch Survey
- Shelter Ads for ^{survey}

December 2025

Launch Pop-Up Stations (21) at libraries and recreation centers citywide with printed boards, multi-lingual surveys and flyers

Social Media ads and organic social posts for survey
Blog Post

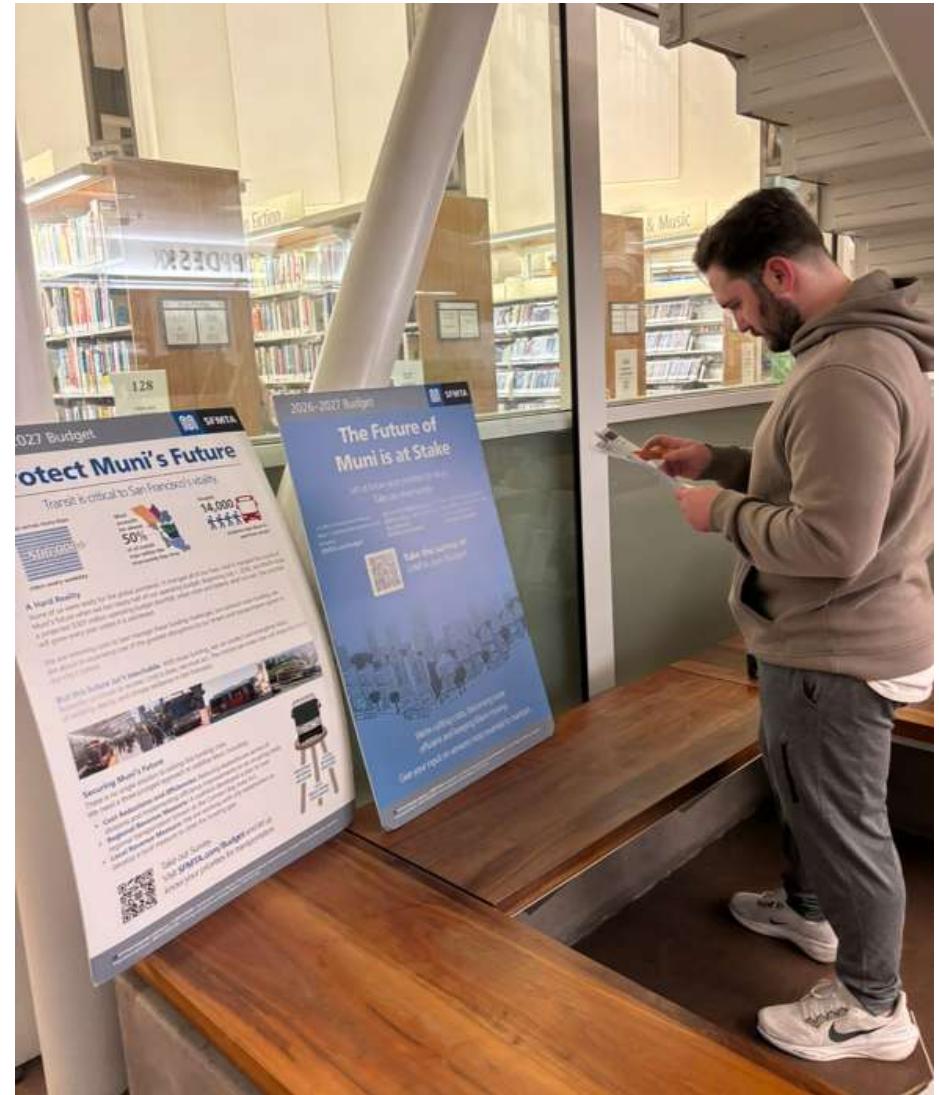
E-Blast to SFMTA subscribers (approx. 60,000)

November 2025

January 2026

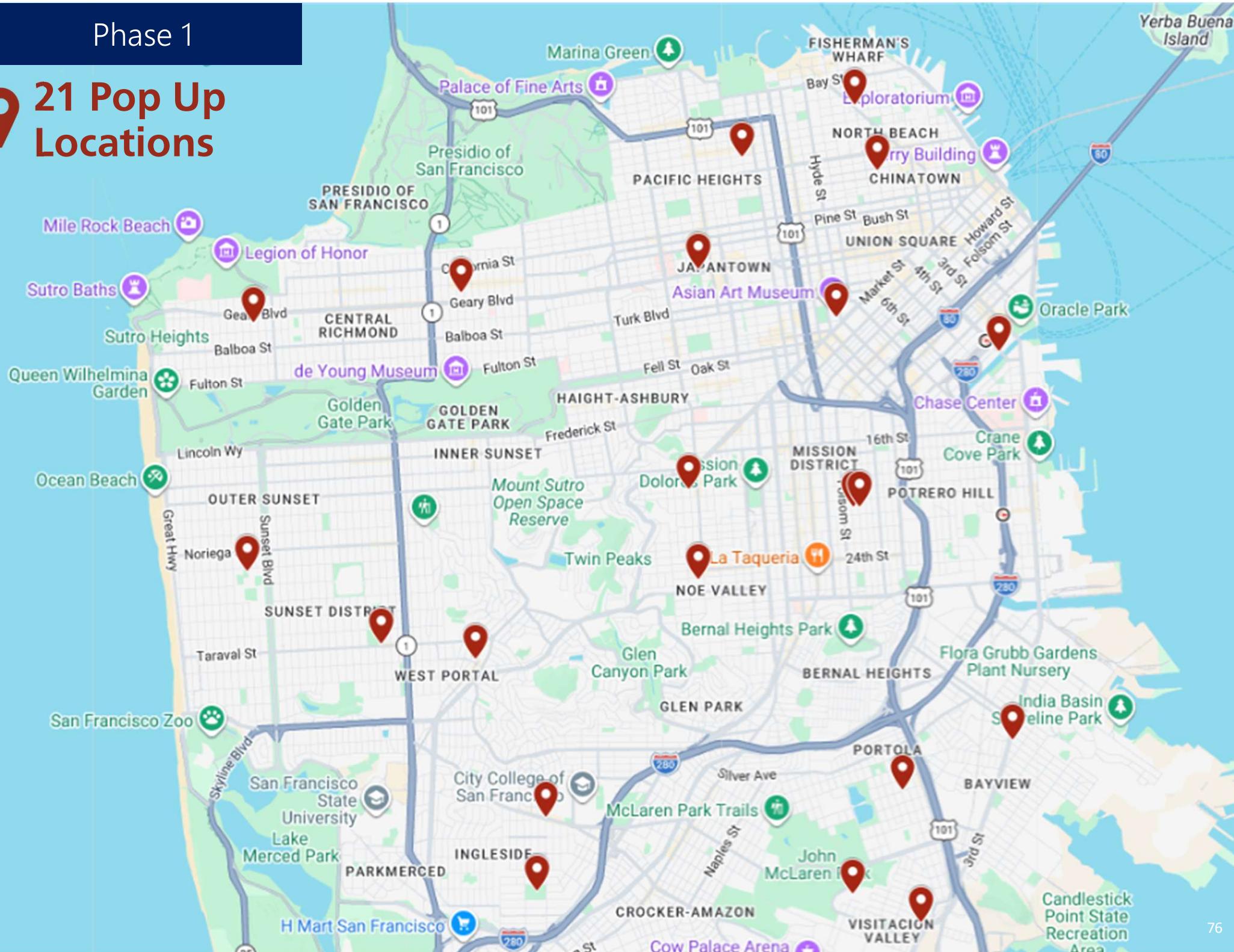
By the Numbers

- Over 5,000 Survey Responses
- 21 on-site Pop-Up Stations across supervisorial districts
- 681 survey scans from Pop-Up QR codes
- 462 paper survey submissions
 - 386 Chinese-language



Budget survey Pop Up Station at North Beach Library

21 Pop Up Locations



Touchpoints with 45+ Businesses and Community Organizations



Muni Equity Working Group



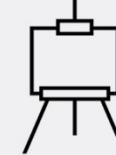
Transportation
Research and
Improvement
Project



LEATHER & LGBTQ Cultural District
The world's first city-recognized LEATHER and LGBTQ Cultural District



SFMTA/Muni Priorities Survey

| | |
|------------------------|---|
| Dates | October 2025 – January 2026 |
| Survey Type | Digital and Paper Surveys |
| Languages | English, Spanish, Filipino & Chinese |
| Contact Methods |      |

Key Themes from Public Feedback

What We Heard

- More than 80% of respondents see a need for additional funding
- Muni is critical to the city's economic recovery and quality of life
- Top community priority is protecting the speed, frequency and reliability of Muni
- Muni is a core service San Franciscans use regularly and depend on
- Widespread feedback to avoid service cuts and protect core operations

Why It Matters

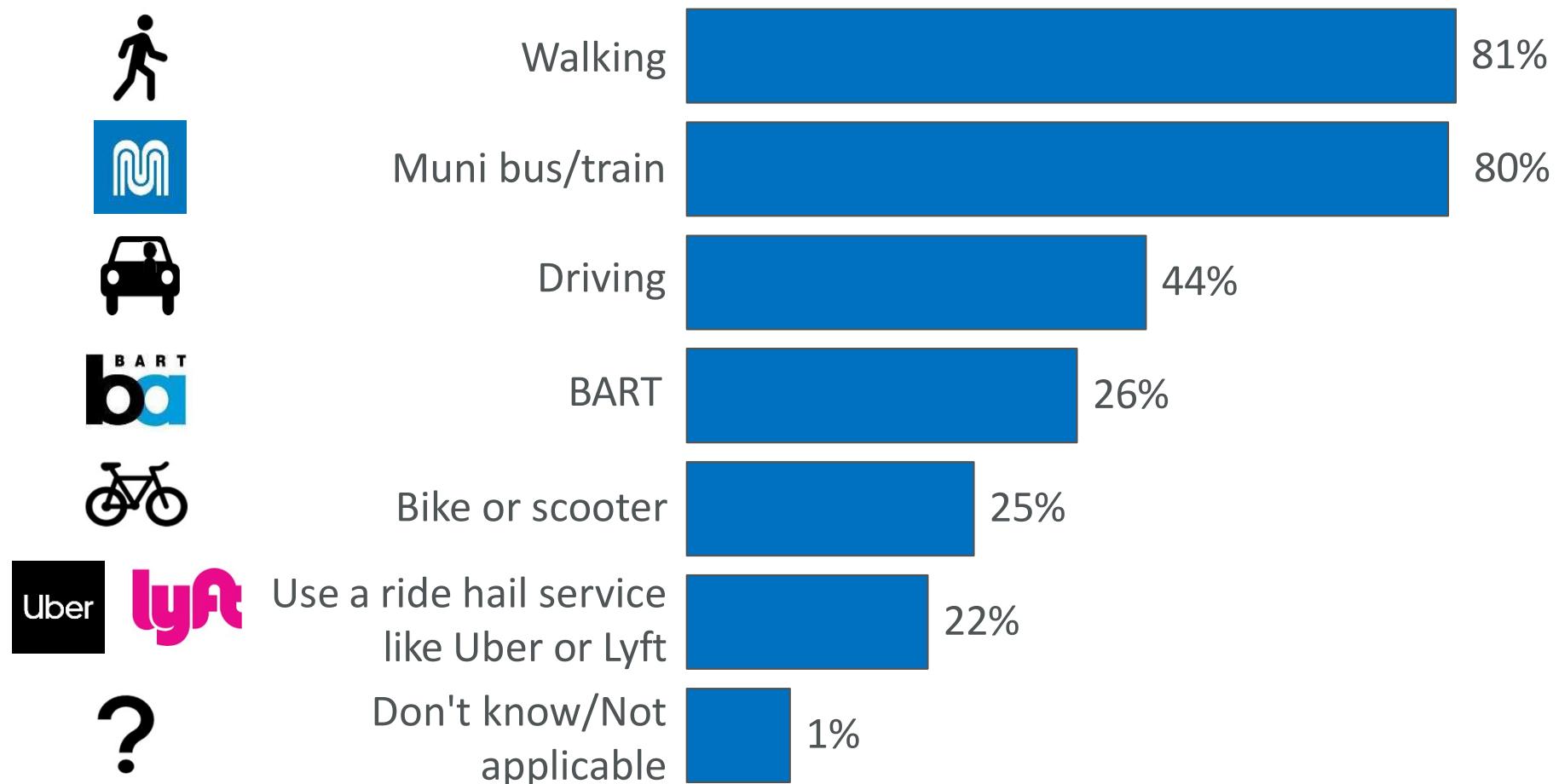
- Investments that prioritize fast, frequent, reliable Muni service would align with community priorities

Bottom Line

- **Riders rely on Muni, want it to work well, and see a need for additional funding to deliver frequent, reliable Muni service**

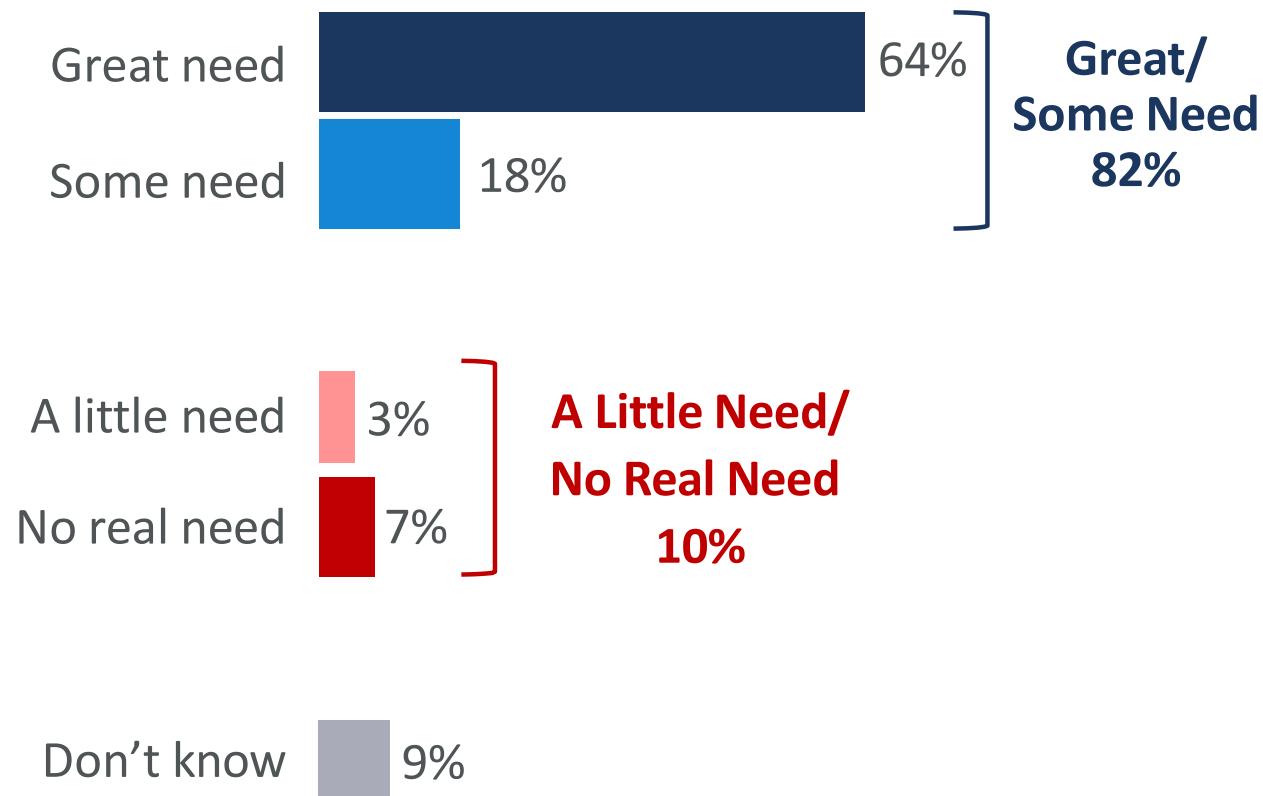
8 of 10 of respondents ride Muni at least 2-3 times a week

Do you regularly, at least 2 or 3 times per week, use any of the following modes of transportation? By that I mean for any purpose, including commuting to school or work, running errands, or recreation.



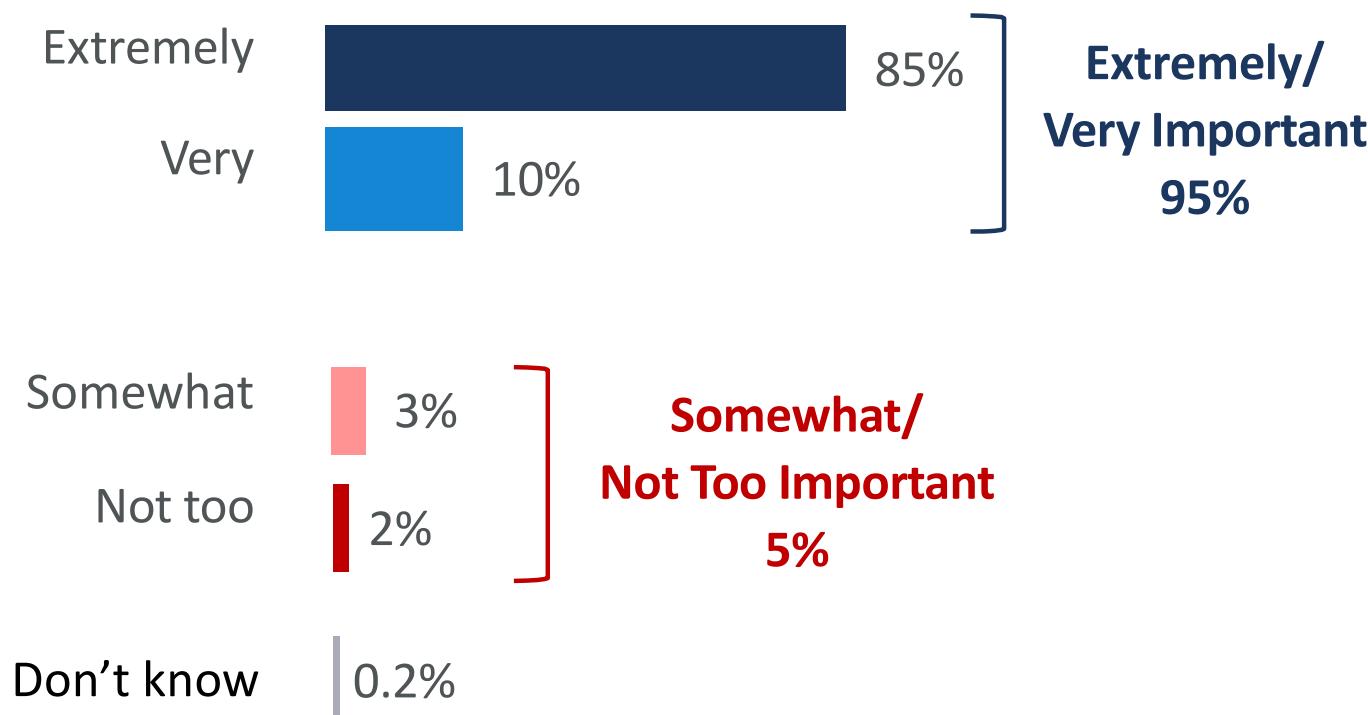
Over 80% think public transit needs additional funding

Do you think there is a need for additional funds to maintain public transit in San Francisco?



Muni is viewed as essential to the economy

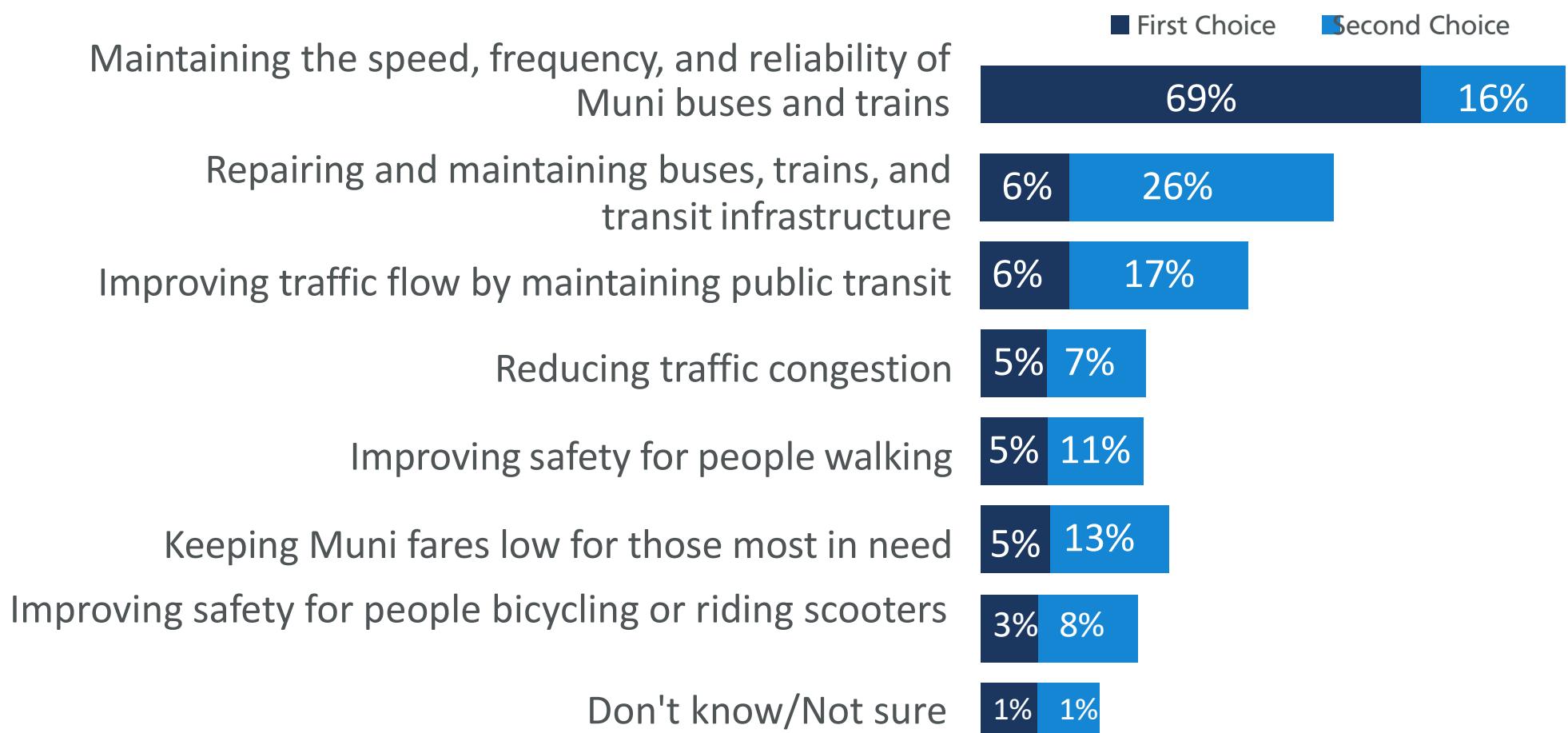
How important do you feel Muni's public transit system is to San Francisco's ongoing economic recovery and quality of life?



Maintaining Muni's speed, frequency and reliability is the community's highest transportation priority

Below are different transportation needs in San Francisco.

Which one should be the highest priority?



Maintaining the Clipper subsidy ranks lowest of fare priorities

How important is it to maintain the following aspects of Muni Service?

■ Extremely important ■ Very important ■ Somewhat important ■ Not too important ■ Don't know/Not sure



Demographics

| Race/Ethnicity | Percentage |
|-------------------------------------|------------|
| White | 66% |
| Asian and/or Pacific Islander | 20% |
| Hispanic and/or Latinx | 8% |
| Black and/or African American | 3% |
| Middle Eastern and/or North African | 2% |
| Another race or ethnicity | 2% |
| Native American | 1% |
| Prefer not to answer | 9% |

| Income | Percentage |
|------------------------|------------|
| Less than \$15,000 | 2% |
| \$15,000 to \$24,999 | 3% |
| \$25,000 to \$34,999 | 3% |
| \$35,000 to \$49,999 | 3% |
| \$50,000 to \$99,999 | 15% |
| \$100,000 to \$149,999 | 14% |
| \$150,000 to \$199,999 | 10% |
| \$200,000+ | 31% |
| Prefer not to say | 18% |

| Gender | Percentage |
|----------------------|------------|
| Male | 48.9% |
| Female | 42.6% |
| Prefer not to answer | 5% |
| Transgender | 0.6% |
| Gender Non-Binary | 2% |
| Another Gender | 0% |
| Don't know/not sure | 0% |

| Age Group | Percentage |
|-----------|------------|
| Under 18 | 2% |
| 18-24 | 2% |
| 25-34 | 16% |
| 35-44 | 24% |
| 45-54 | 17% |
| 55-64 | 16% |
| 65+ | 23% |

| Primary Language | Percentage |
|-------------------------|------------|
| English | 89% |
| Cantonese | 4% |
| Mandarin | 2% |
| Spanish | 3% |
| Filipino and/or Tagalog | 0.5% |
| Russian | 0.5% |
| Vietnamese | 0.2% |
| Another language | 1% |



SFMTA

Phases 2 and 3: Feb – May 2026

Community Feedback / Questions

Final Budget

Community Feedback / Questions (Feb-Mar)

February 2026

2 Community Open Houses
(targeting last week in February
and/or first week in March)

Social media for open houses

Newspaper Ads for open houses

Blog Post and E-blasts

Virtual Public Listening Session
(targeting first week in March)

Newspaper Ads for virtual listing
session and April approvals

Social media for virtual listing
session and April approvals

Blog post and E-blasts

March 2026

Final Budget (April – May)

April 2026

SFMTA Board Budget Hearing and Approvals
Social media for budget hearings
Newspaper Ads for budget hearings

Website Updates
E-blasts
Blog Post (final Budget)
Community presentations

Community presentations
Community event tabling
Informational flyer

May 2026

Community Panel

Facilitated by:

Judson True, Chief of Staff & Director of External Affairs

Viktoriya Wise, Streets Director

Public Comment

Christine Silva
SFMTA Board Secretary

Closing Remarks

Julie Kirschbaum, SFMTA Director of Transportation

Janet Tarlov, Chair, SFMTA Board of Directors

Public Comment

Christine Silva
SFMTA Board Secretary

Thank you for attending!

The Board will next convene on February 17.