



**SFMTA**

# **FY25-26 6-month Financial and FY26-27 & FY27-28 Budget Update**

SFMTA Board of Directors  
March 3, 2026

# Overview

1. Quarterly Financial Update:  
FY25-26 Q2 Budget vs. Actuals
2. FY26-27 & FY27-28 Budget  
Process



# FY25-26 Financial Update Summary

As of Q2 FY25-26:

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



# FY25-26 Economic Conditions



Per the City's Annual Economic Briefing, in February 2025, downtown economic conditions are improving slowly.

- Office absorption and visitor foot traffic trended up in 2025.
- BART system ridership higher in 2025, consistent with office absorption and foot traffic.

# FY25-26 Financial Update

With continued expenditure control, SFMTA's financial condition improved slightly. SFMTA is likely to end year on budget.

Category	Revised Budget (\$M)	Projected Actuals (\$M)	Budget vs. Actuals (\$M)
Revenue	1,520	1,502	(18)
Expenditure	1,520	1,504	16
<b>Surplus/Deficit</b>	<b>0</b>	<b>(2)</b>	<b>(2)</b>

Source: Revised Budget, as of December 2025.

At 3-month Financial Update, projected deficit was -\$5M

# FY25-26 Revenue Actuals

Transit fare and parking revenue are stronger than budgeted, offsetting lower-than-expected operating grants and other revenue.

Category	FY25-26 Revised Budget (\$M)	FY25-26 Projected Actuals (\$M)	FY25-26 Budget vs. Actuals (\$M)
Transit Fares	114	130	16
Operating Grants	233	223	(10)
Parking	280	287	7
Other (e.g. advertising, lease, interest)	106	99	(7)
CCSF Support	554	554	0
Federal, State & Regional Relief*	233	209	(24)
<b>Revenue Total</b>	<b>1,520</b>	<b>1,502</b>	<b>(18)</b>

Source: Revised Budget, as of December 2025.

\*Federal Relief was spent down last year. Will be offset by use of fund balance.

# FY25-26 Transit Fares

Transit Fares are higher than budgeted.

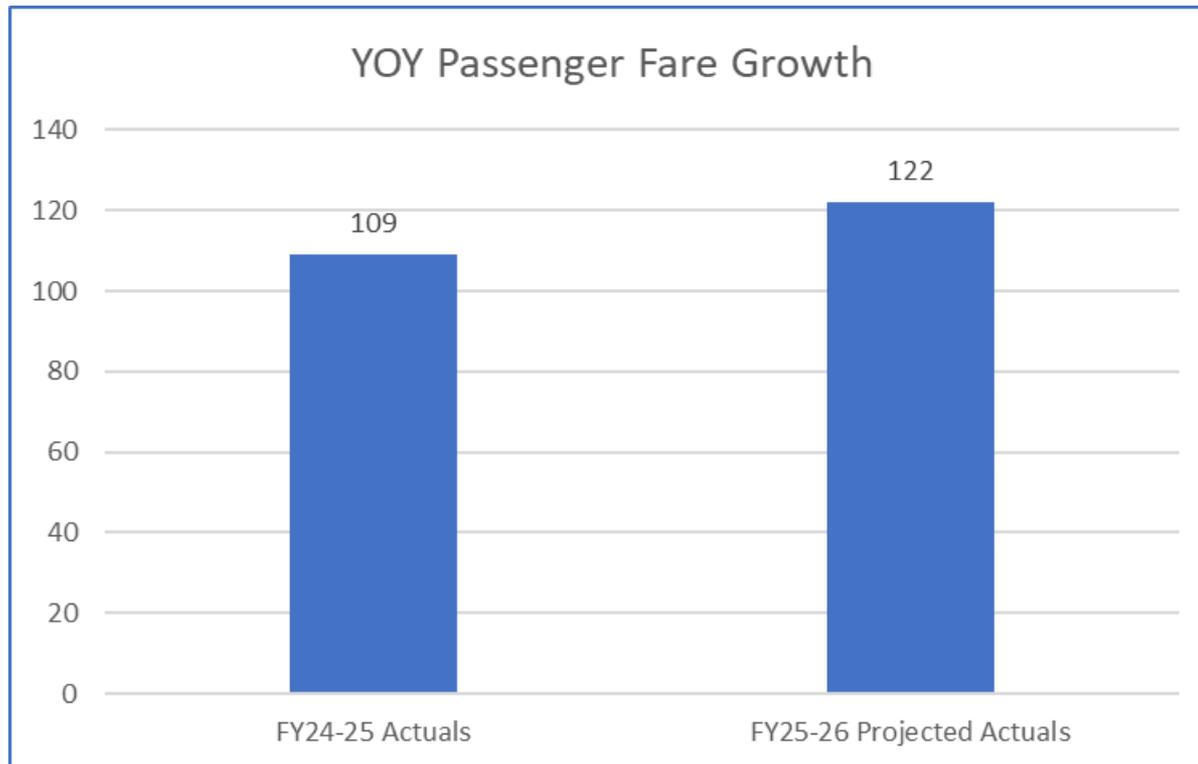
Category	FY25-26 Revised Budget (\$M)	FY25-26 Projected Actuals (\$M)	FY25-26 Budget vs. Actuals (\$M)
Passenger Fares	111	122	11
Other	3	8	5
<b>Transit Fare Total</b>	<b>114</b>	<b>130</b>	<b>16</b>

Source: Revised Budget, as of December 2025.

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

# FY25-26 Passenger Fares

Additional Passenger Fare revenue due to forecasted transit ridership and improved fare compliance.

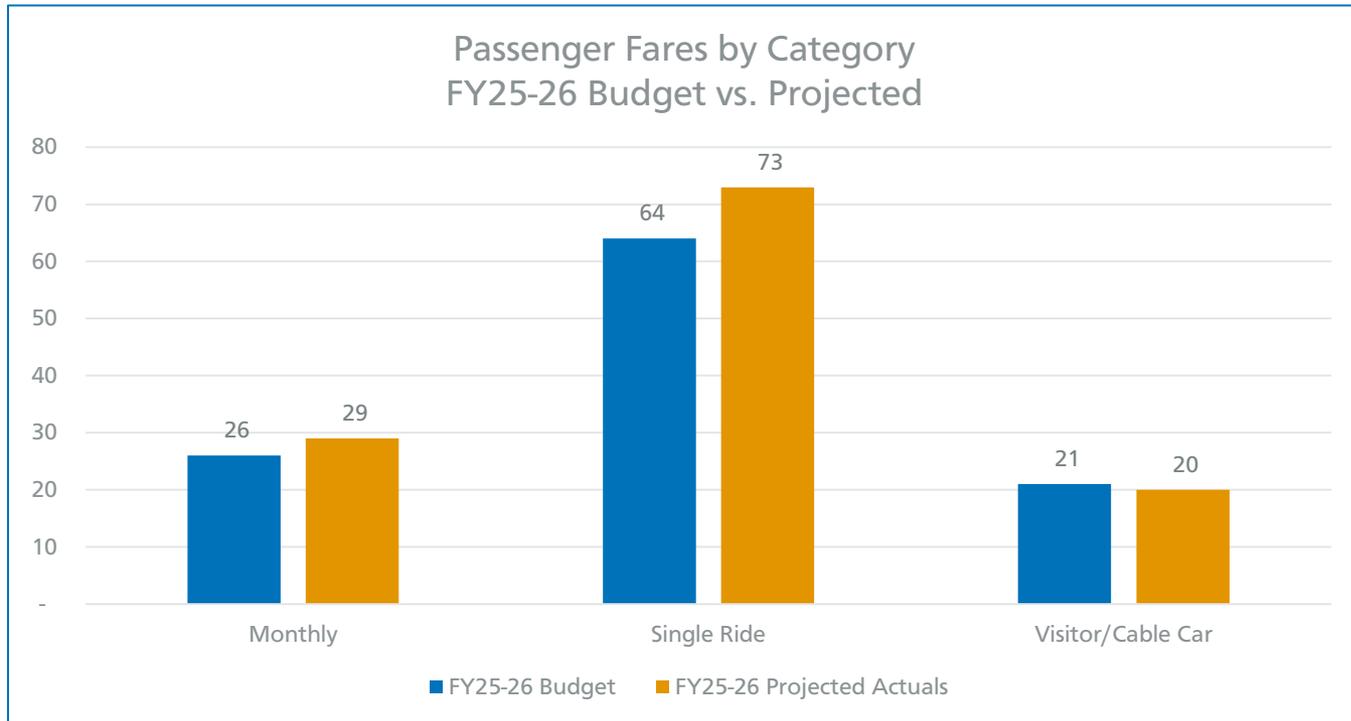


Source: Revised Budget, as of December 2025.

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 December 2025.

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

# FY25-26 Parking

Parking revenue exceeds budget. Increases in Vehicle Parking are offset by weakness in Other.

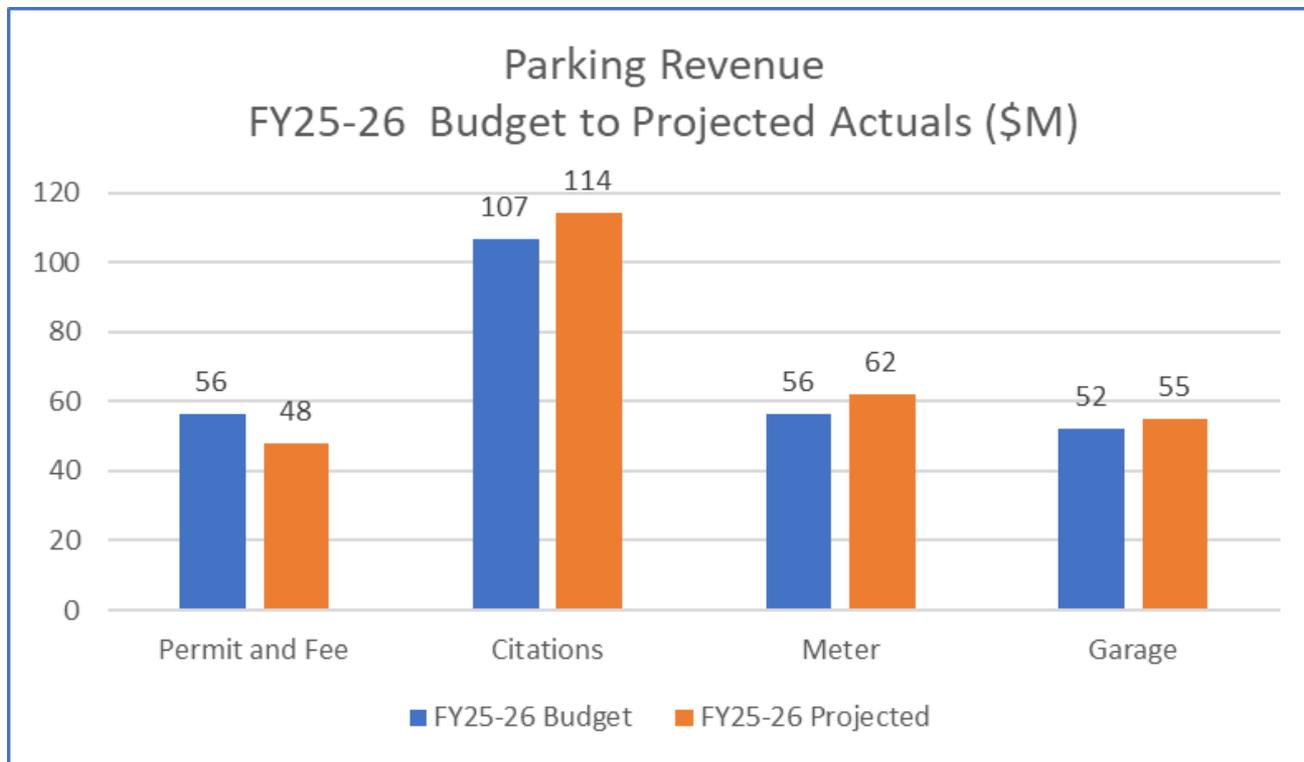
Category	FY25-26 Revised Budget (\$M)	FY25-26 Projected Actuals (\$M)	FY25-26 Budget vs. Actuals (\$M)
Vehicle Parking	271	279	8
Other	9	8	(1)
<b>Parking Total</b>	<b>280</b>	<b>287</b>	<b>7</b>

Source: Revised Budget, as of December 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 \$8M higher than budget.

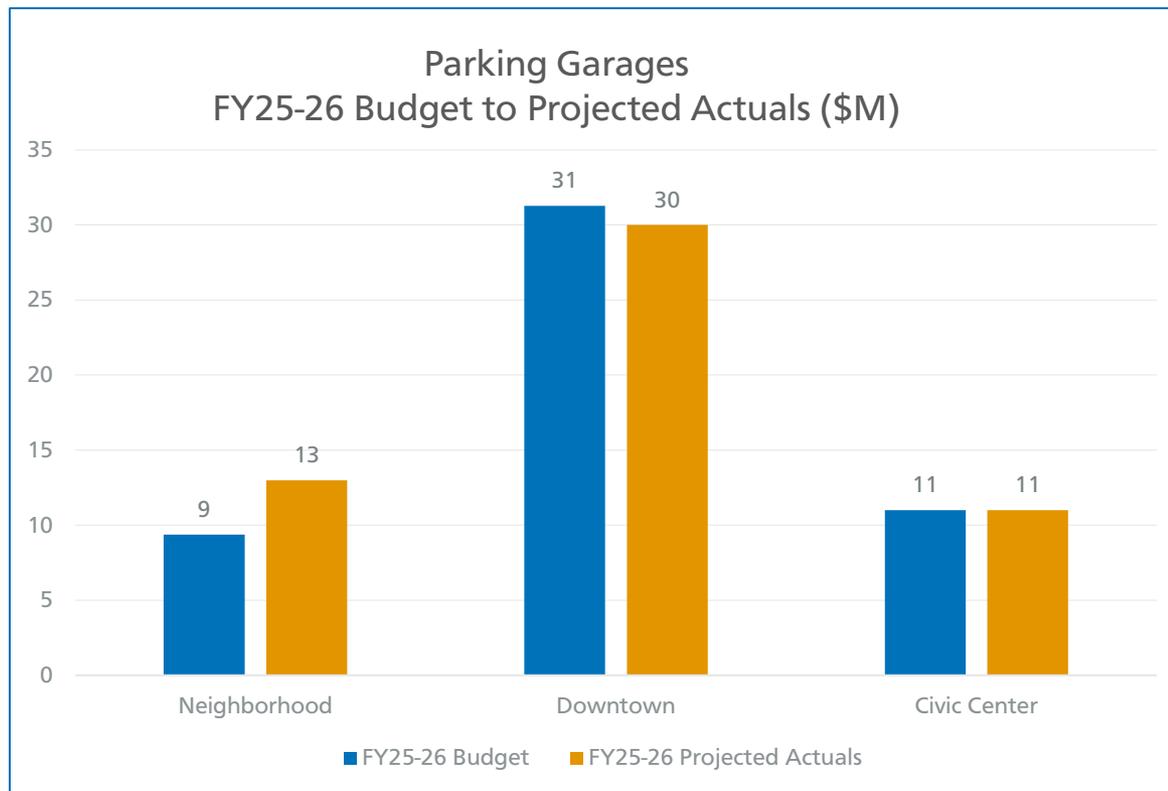


Source: Revised Budget, as of December 2025.

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

# FY25-26 Garage Revenue

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



Source: Revised Budget, as of December 2025.

Note: Budget rounds up to \$52M. Actuals round up to \$55M.

# 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	917	920	(3)
Non-Personnel Services	282	267	15
Materials & Supplies	134	130	4
Capital Outlay & Transfers	26	26	0
Debt Service	28	28	0
Services of Other Departments	133	133	0
<b>Total</b>	<b>1,520</b>	<b>1,504</b>	<b>16</b>

Source: Revised Budget, as of December 2025.

# Summary

- Actions taken to add resources and reduce expenditure for FY2025-26 are working.
- Quality transit service/parking optimization driving higher passenger fares and parking revenues.
- Early monitoring of expenditure suggests, with continued fiscal management, expenditure will be on budget.
- Higher enterprise revenues and expenditure control help offset challenging financial climate and budget cycle that requires hard choices.

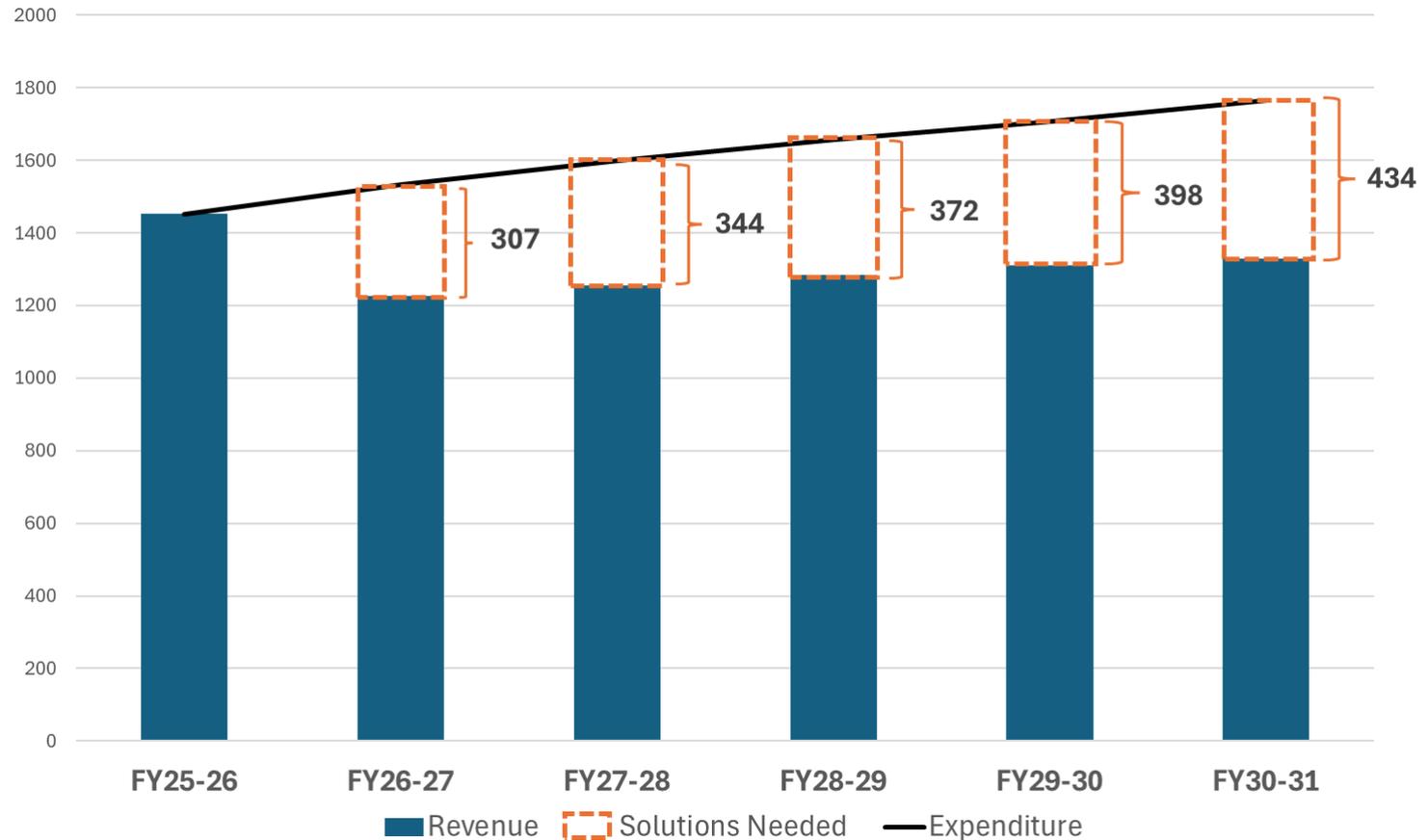


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# **FY26-27 & FY27-28 Budget Process**

# 5-Year Deficit Forecast

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



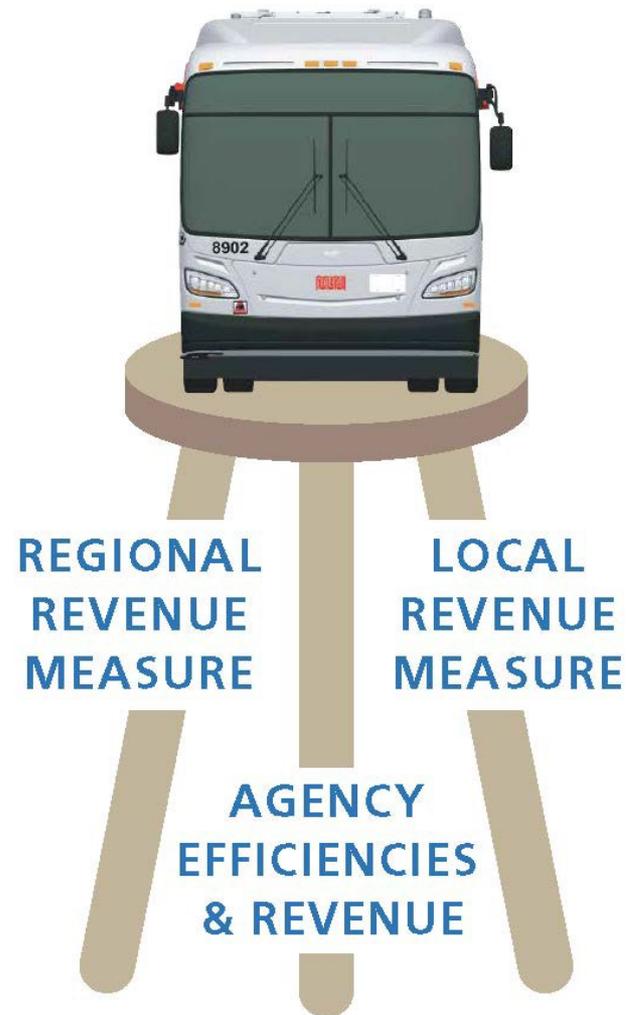
# FY26-27 and FY27-28 Budget Strategy

**Regional Revenue Measure:** The Connect Bay Area Act allows San Francisco to pursue a one-cent sales tax increase to maintain Muni. 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, a local parcel tax will further reduce the gap. If passed by voters, the tax will generate ~\$150M annually to reduce the deficit and ~\$10M to 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.*



# 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
2/3/2026	Board Workshop
2/17/2026	Capital Budget Update
3/3/2026	6-month Financial and Budget Update
3/17/2026	Draft Budget Balancing
3/17/2026	Muni Equity Strategy Approval
4/7/2026	Budget Hearing (Operating & Capital)
4/21/2026	Budget Approval (Operating & Capital)



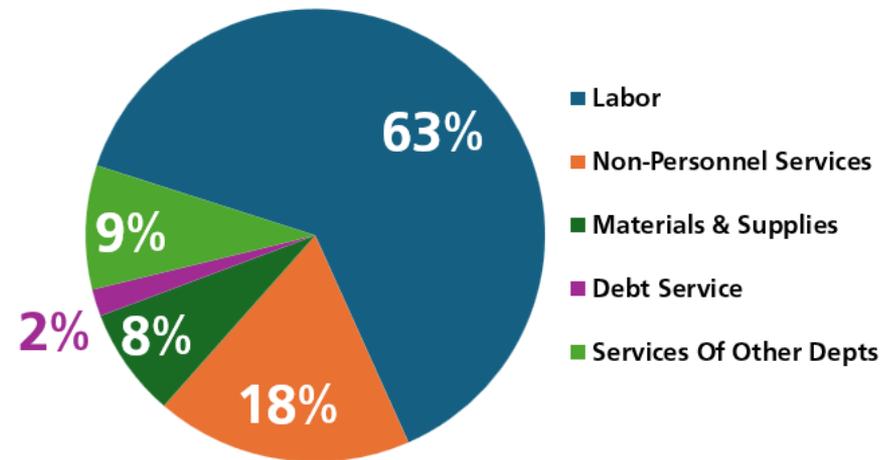
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# Appendix

# 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

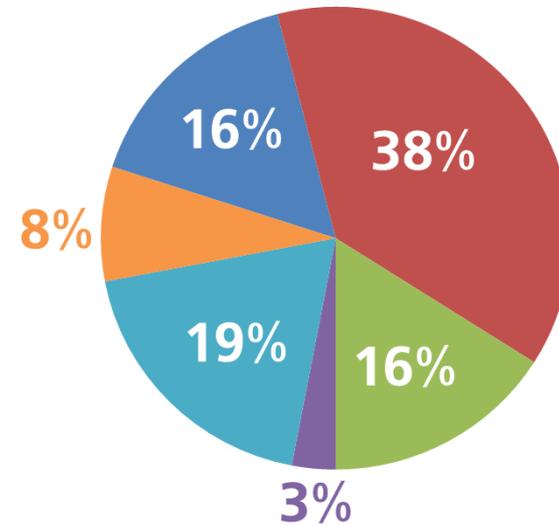


Source: Original FY25-26 Budget, passed August 1, 2025.

# 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