



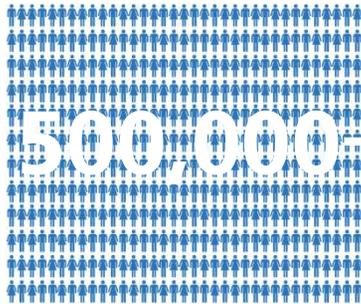
SFMTA

Bridging the SFMTA Budget Gap

2026 Virtual Community Budget Open House
March 12, 2026

MUNI IS VITAL TO SAN FRANCISCO

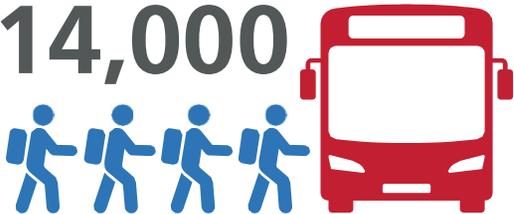
Muni serves more than



riders every weekday

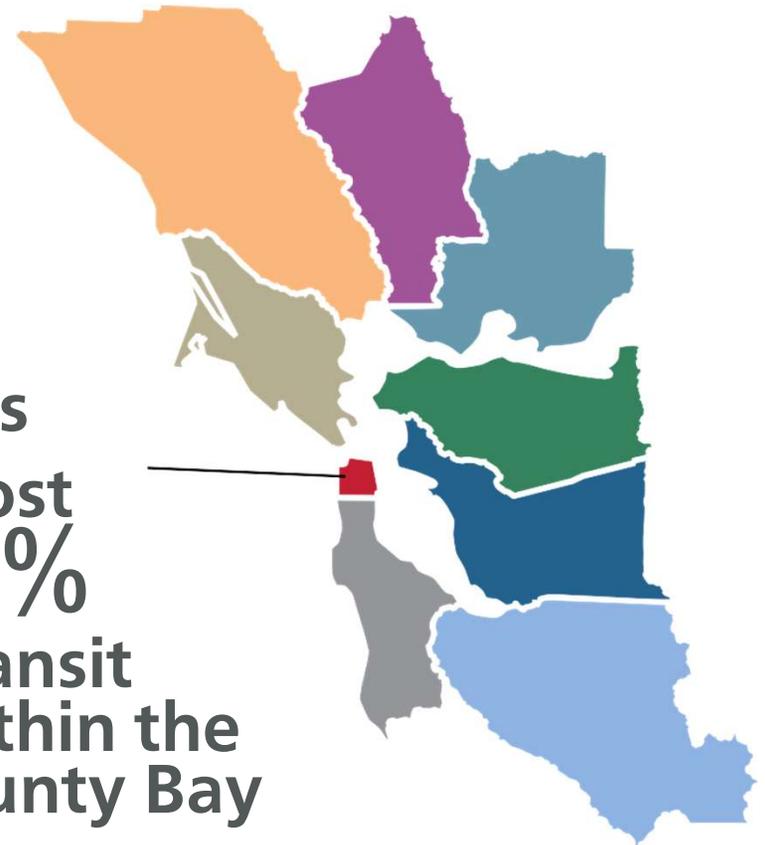
Roughly

14,000

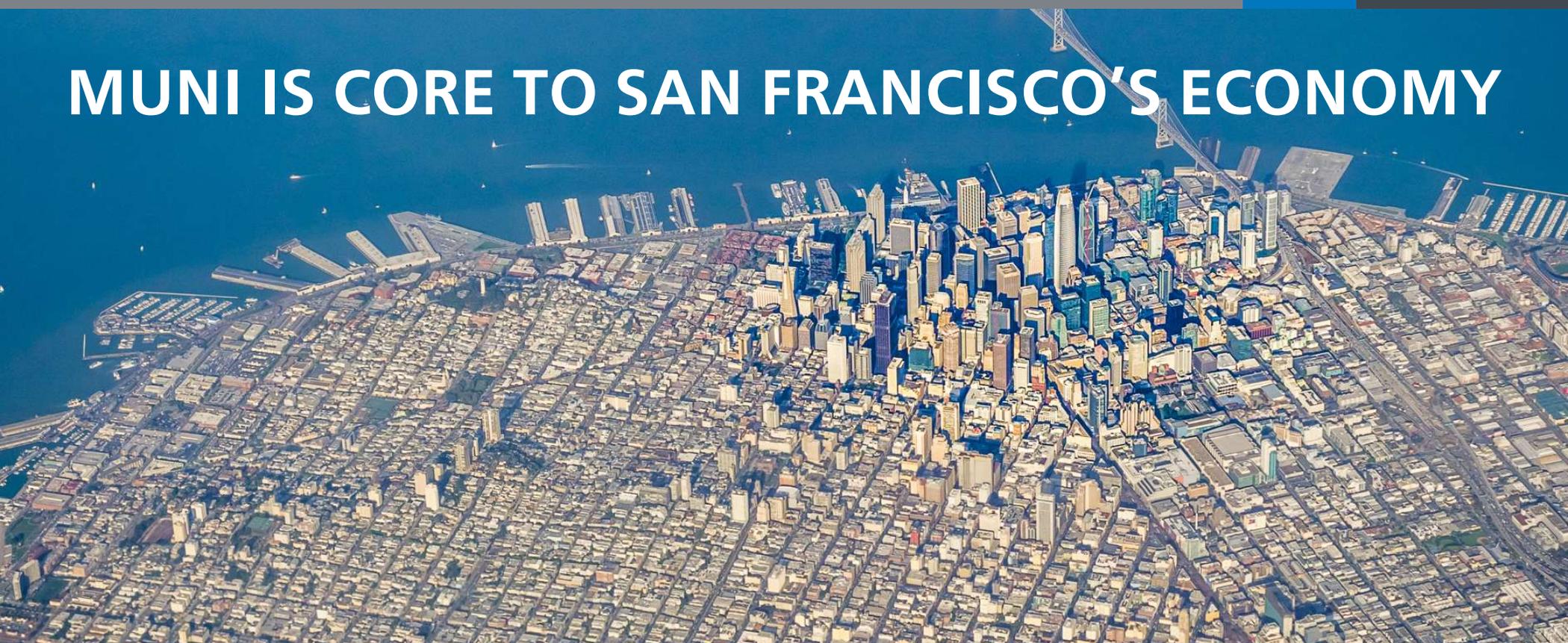


students take Muni to and from school

Muni accounts for almost **50%** of all transit trips within the nine-county Bay Area



MUNI IS CORE TO SAN FRANCISCO'S ECONOMY



In 2019, San Francisco's daytime population was more than **1.1 million people**.

About **270,000 people** commuted into the city for work.

Our economic recovery relies on moving large numbers of people around the city on public transit.

2025 CUSTOMER SATISFACTION SURVEY

Highest in 25 Years

78%

Riders rate
Muni service
excellent or good



Strategic investments in faster, safer, cleaner and more reliable service are delivering results.

*Trips That Keep
SF Moving*

71%

Rate trip time as
excellent or good
(previously 69%)



Over 100 miles of Muni Forward improvements delivering up to 35% faster travel times on corridors where implemented.

*Reliability You
Can Count On*

63%

Rate reliability
excellent or good
(previously 60%)



Reliability is one of the most impactful drivers of overall satisfaction.

Investing in reliability delivers results.

*Making Your
Ride Cleaner*

61%

Rate vehicle
cleanliness
excellent or good
(previously 58%)



We've raised post-pandemic cleaning standards.

TRANSIT FUNDING IS A LOCAL RESPONSIBILITY

In other countries with great transit, the national government pays for transit service



 Vancouver



 Zurich



 Hong Kong



In other US states with great transit, the state government pays for a large portion of transit service



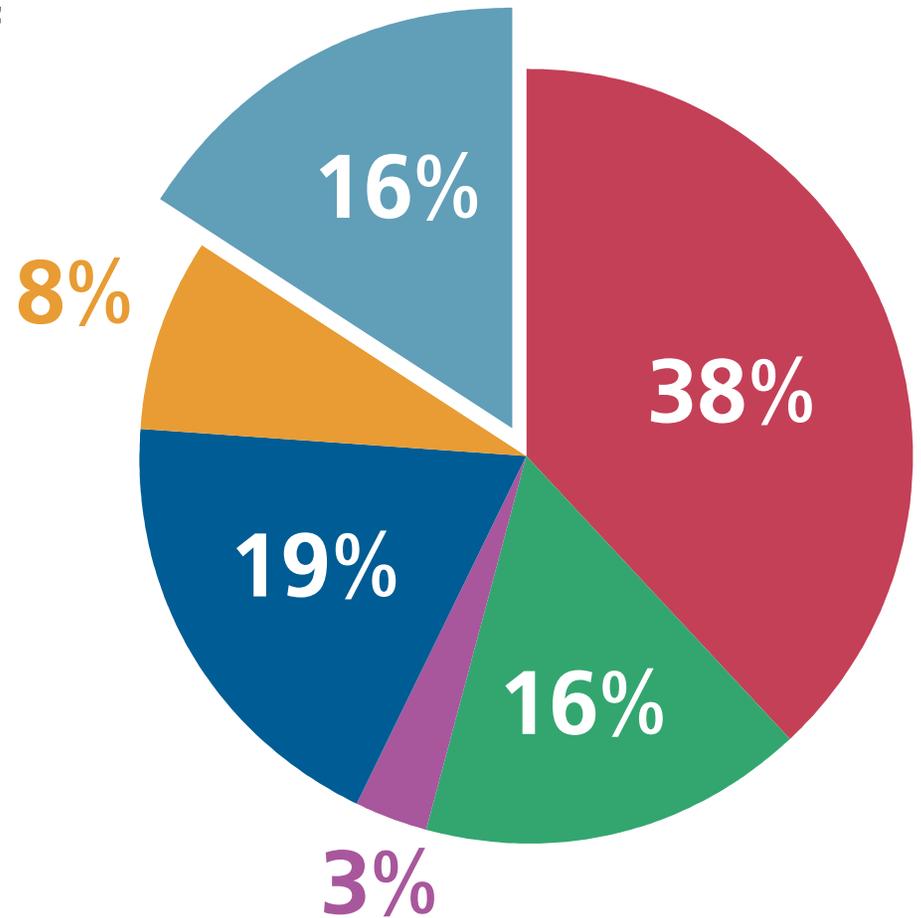
In California, transit is funded primarily by local jurisdictions

PANDEMIC RELIEF IS RUNNING OUT

Federal, state and regional pandemic relief protected Muni service throughout the pandemic.

This funding runs out in **June 2026**.

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

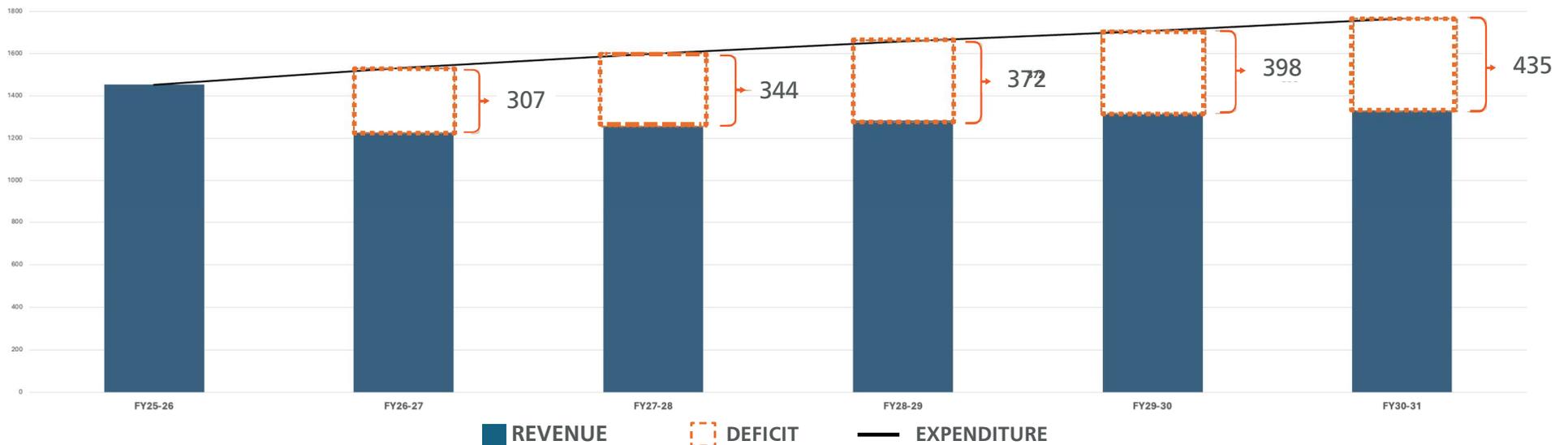


Source: FY25-26 Original Budget (Final), August 2025.



5-YEAR DEFICIT FORECAST

SFMTA’s budget plan aims to address the end of pandemic relief funding and the growing gap between revenues and expenditures.



	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

COMMUNITY PRIORITIES SURVEY HIGHLIGHTS

Over 5,000 Survey Responses

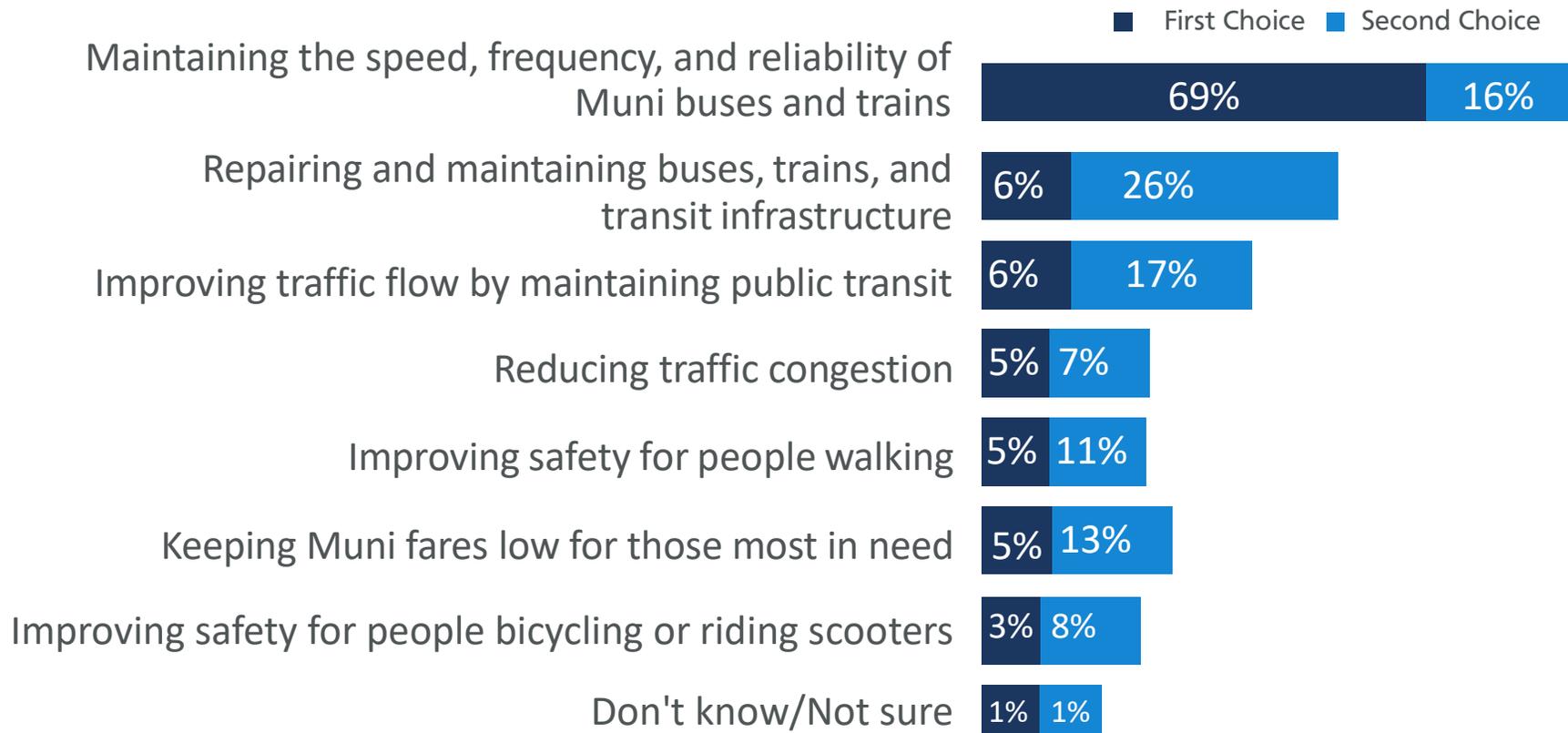
Dates	October 2025 – January 2026
Survey Type	Digital and Paper Surveys
Languages	English, Spanish, Filipino & Chinese
Contact Methods	    





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

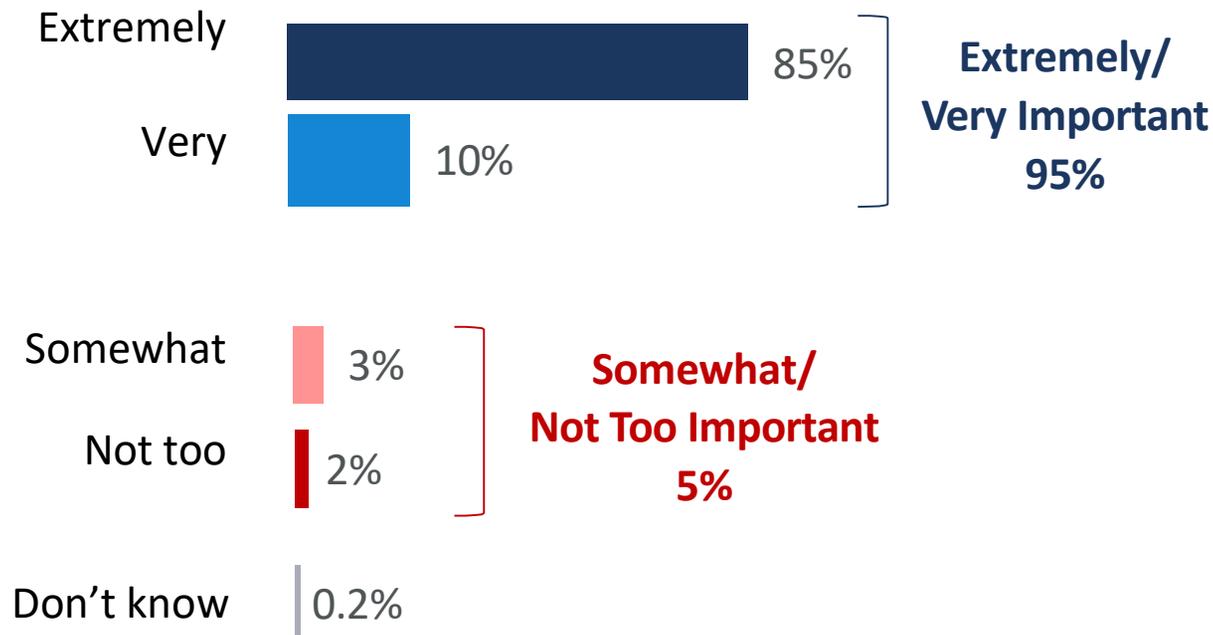
*Below are different transportation needs in San Francisco.
Which one should be the highest priority?*





Muni is viewed as essential to the economy

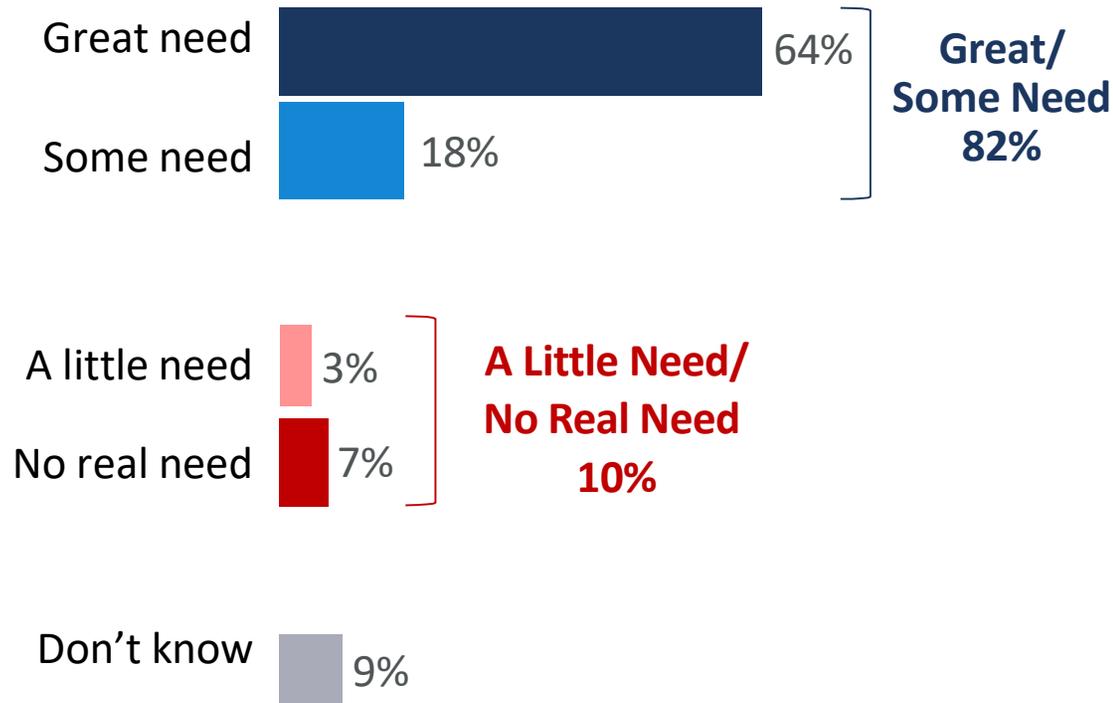
How important do you feel Muni's public transit system is to San Francisco's ongoing economic recovery and quality of life?





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?

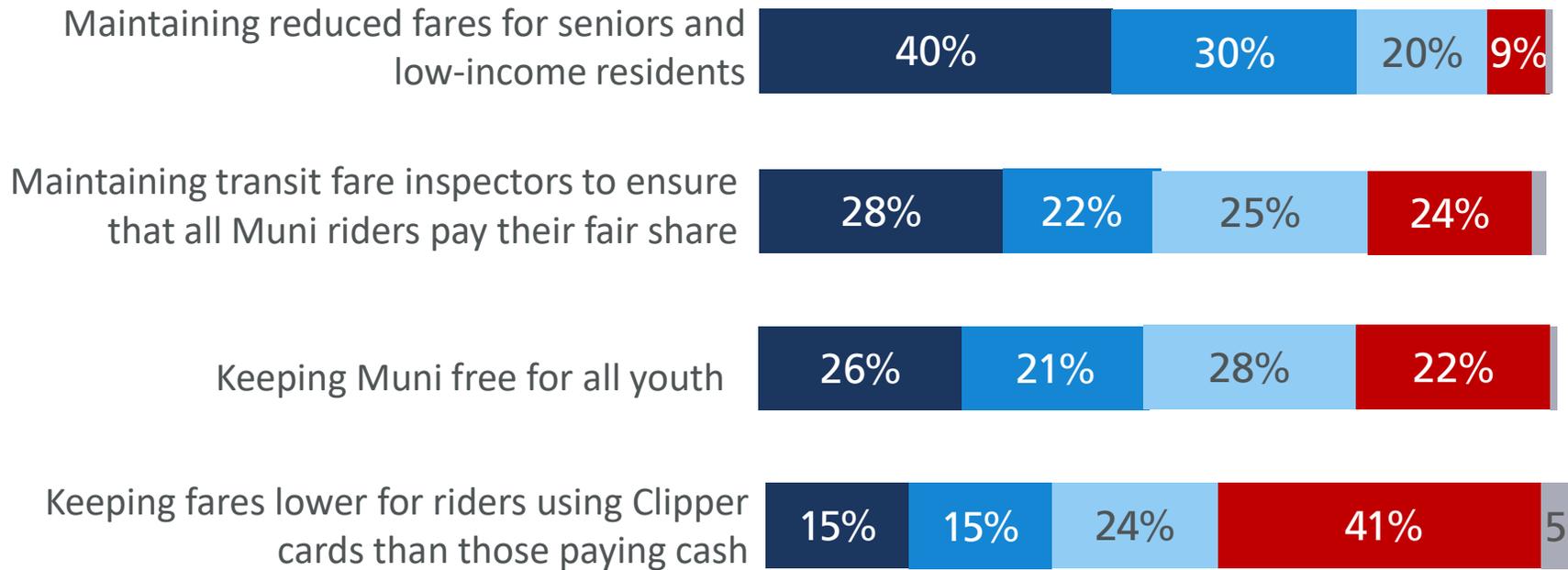




Maintaining the Clipper subsidy ranks lowest of fare priorities

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



YOU SPEAK, WE LISTEN

What We Heard



NEED FOR ADDITIONAL FUNDS

82% of people said there is a “**Great need**” or “**Some need**” for additional funds to maintain public transit in San Francisco

SFMTA Budget Proposals

- ✔ **Regional and local revenue measures are potential solutions for the budget gap**

POTENTIAL SOLUTIONS FOR THE BUDGET GAP

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.

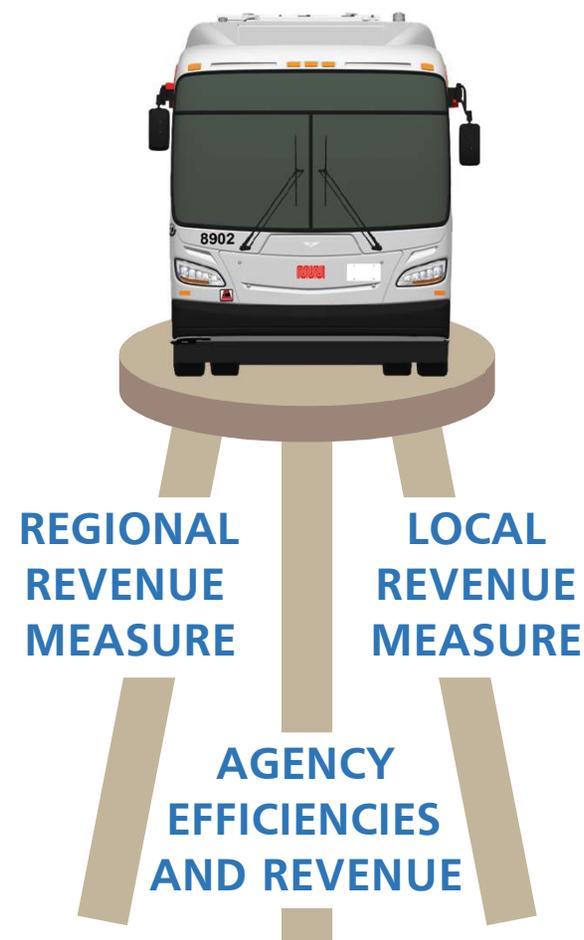
Local Revenue Measure:

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 Stronger Muni for All Measure will generate ~\$150M annually to reduce the deficit and ~\$10M to make marginal service quality improvements.

Agency Efficiencies and Revenue:

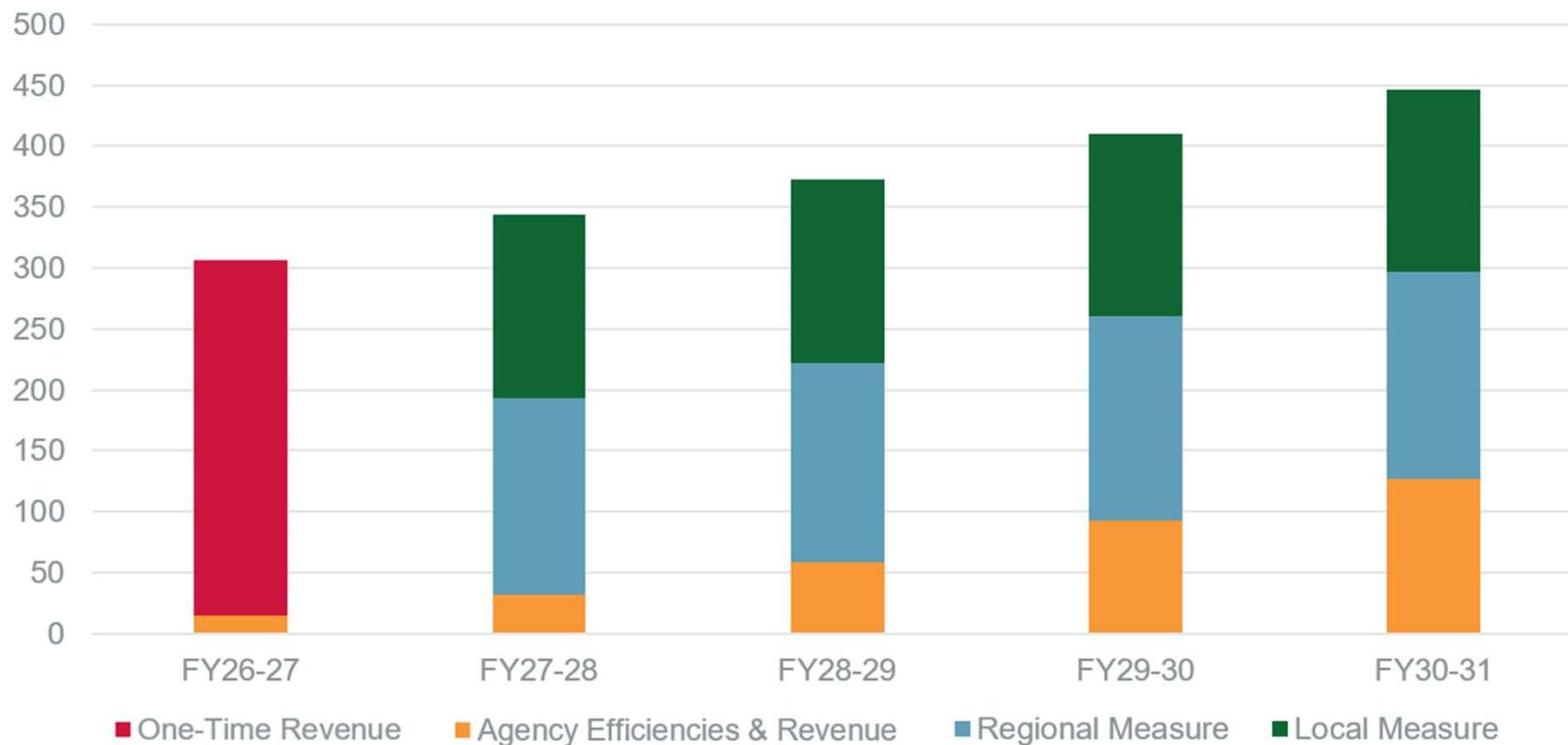
Building an efficiency culture and identifying new enterprise revenues in the out years will close the remaining structural deficit.

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.



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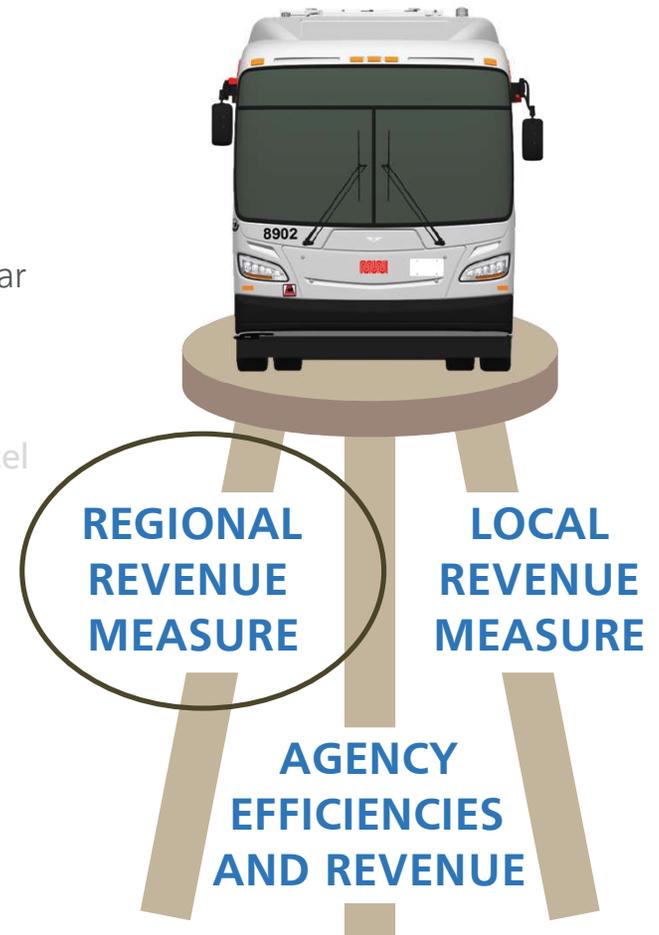
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REGIONAL REVENUE MEASURE

Funding for Transit

The regional revenue measure would fund BART, Muni, Caltrain, AC Transit and other transit systems.

Participating Counties

The Connect Bay Area Act authorizes a regional sales tax for the November 2026 ballot in Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties.

Regional Benefits

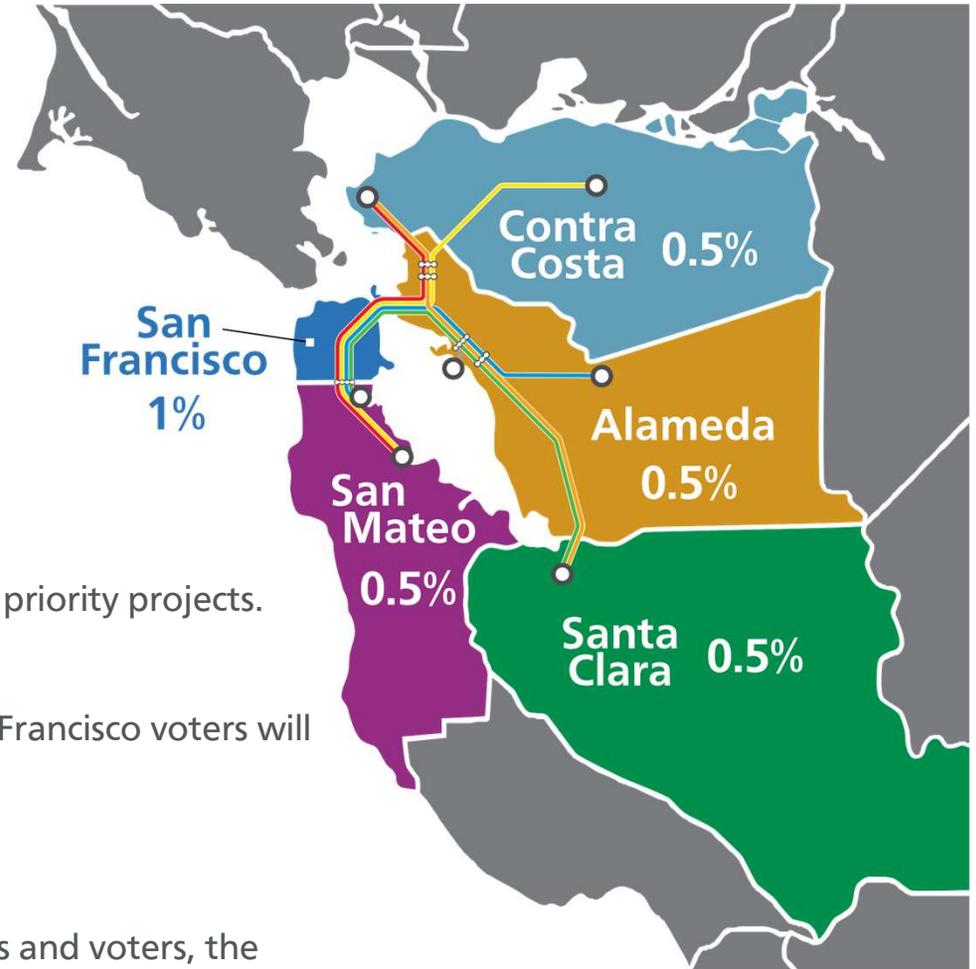
Fare programs, accessibility projects, wayfinding, and transit priority projects.

Rate

Due to the density of transit operating in San Francisco, San Francisco voters will consider a 1% sales tax. Voters in the other counties will consider a .05% sales tax.

Ballot Placement

The measure is being advanced by a coalition of stakeholders and voters, the Connect Bay Area Transit Committee.



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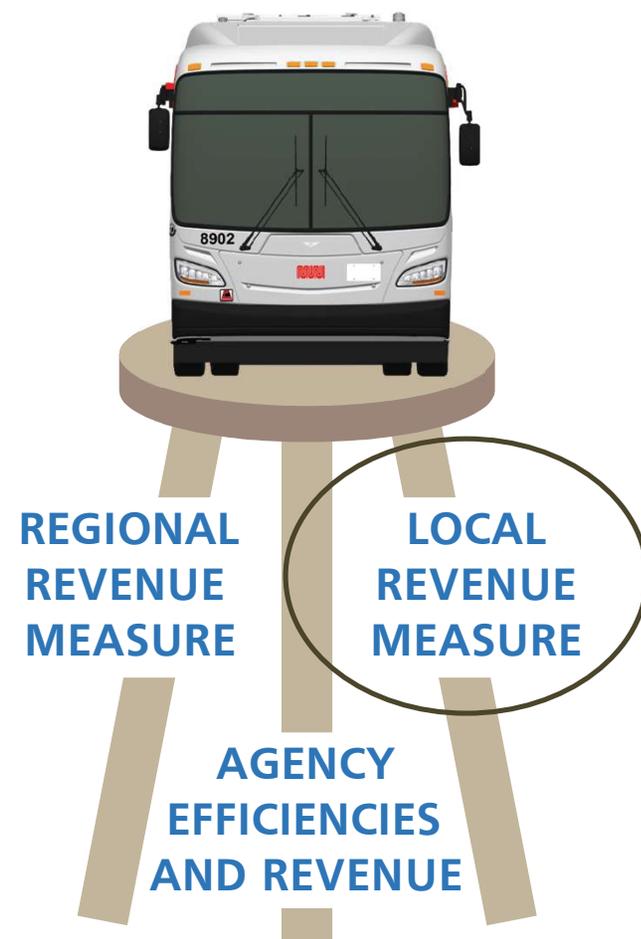
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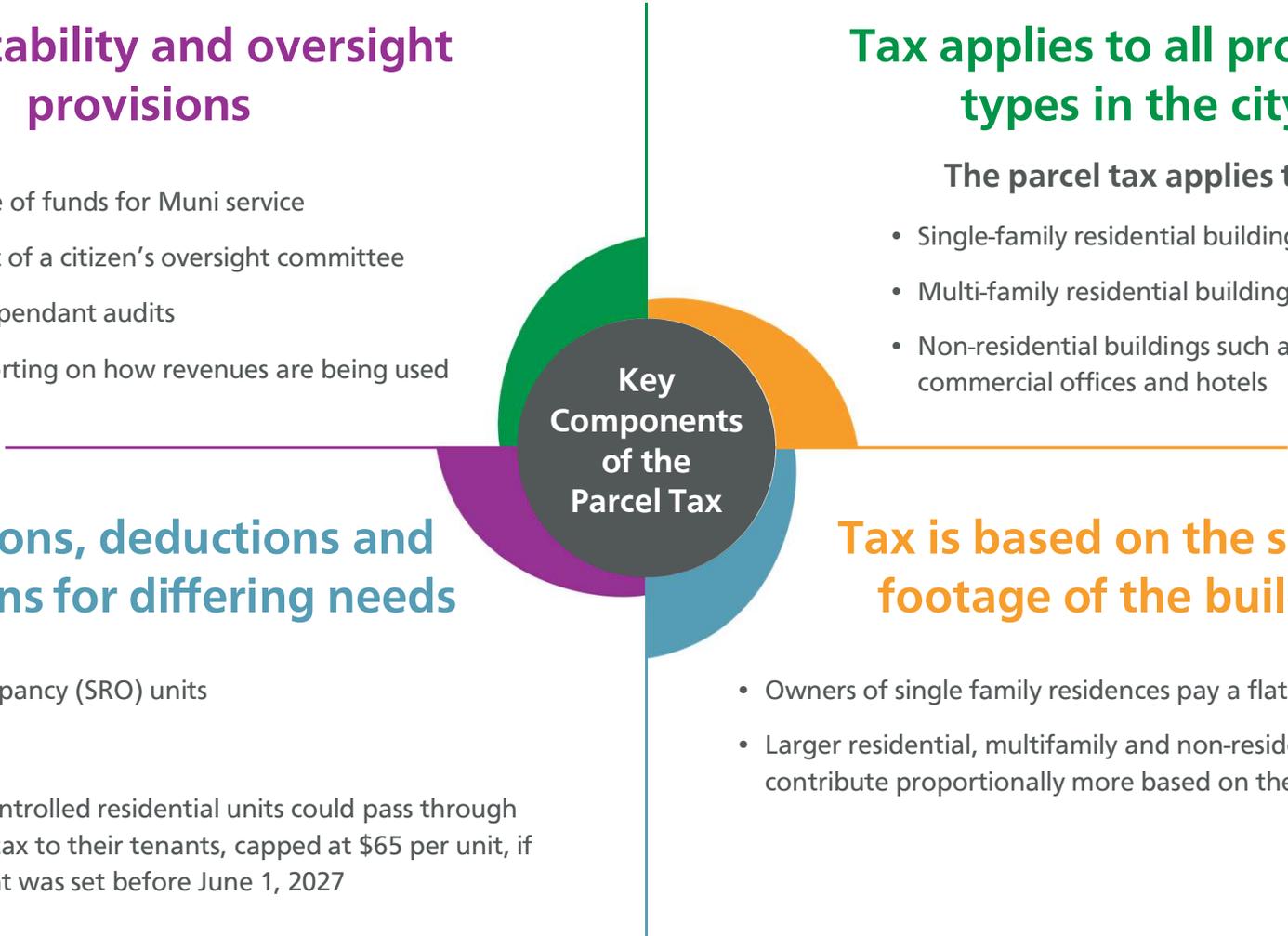
LOCAL REVENUE MEASURE

Accountability and oversight provisions

- Dedicated use of funds for Muni service
- Establishment of a citizen's oversight committee
- Requires independent audits
- Ongoing reporting on how revenues are being used

Exemptions, deductions and protections for differing needs

- Single Room Occupancy (SRO) units
- Qualifying seniors
- Owners of rent-controlled residential units could pass through up to 50% of the tax to their tenants, capped at \$65 per unit, if the initial base rent was set before June 1, 2027



Key Components of the Parcel Tax

Tax applies to all property types in the city

The parcel tax applies to:

- Single-family residential buildings
- Multi-family residential buildings
- Non-residential buildings such as retail, commercial offices and hotels

Tax is based on the square-footage of the building

- Owners of single family residences pay a flat tax of \$129
- Larger residential, multifamily and non-residential properties to contribute proportionally more based on their size

LOCAL REVENUE MEASURE

The Stronger Muni for All Measure would be an annual tax on parcels of real property in San Francisco beginning on July 1, 2027, and ending on June 30, 2042. The tax would be adjusted annually for inflation. The proposed 2027 tax rates would be:

Parcel Type	Base Cost	Additional Charges	Maximum Cost
 SINGLE FAMILY RESIDENTIAL	\$129	<ul style="list-style-type: none"> Parcels between 3,001 square feet and 5,000 square feet of building area, add \$0.42 per square foot over 3,000 For parcels over 5,000 square feet of building area, add \$1.99 per square foot over 5,000 	No cap
 MULTI-FAMILY RESIDENTIAL	\$249	<ul style="list-style-type: none"> For parcels over 5,000 square feet of building area, add \$0.195 per square foot over 5,000 	\$50,000
 NON RESIDENTIAL	\$799	<ul style="list-style-type: none"> Parcels between 5,001 square feet and 50,000 square feet of building area, add \$0.76 per square foot over 5,000 Parcels between 50,001 square feet and 250,000 square feet of building area, add \$0.84 per square foot over 50,000 For parcels over 250,000 square feet of building area, add \$.99 per square foot over 250,000 	\$400,000

For mixed use parcels (buildings that are part residential and part non-residential), the tax would be \$799 for parcels with up to 5,000 square feet of building area. For mixed use parcels with buildings over 5,000 square feet, the tax would be a combination of the residential and non-residential rates.

POTENTIAL SOLUTIONS FOR THE BUDGET GAP

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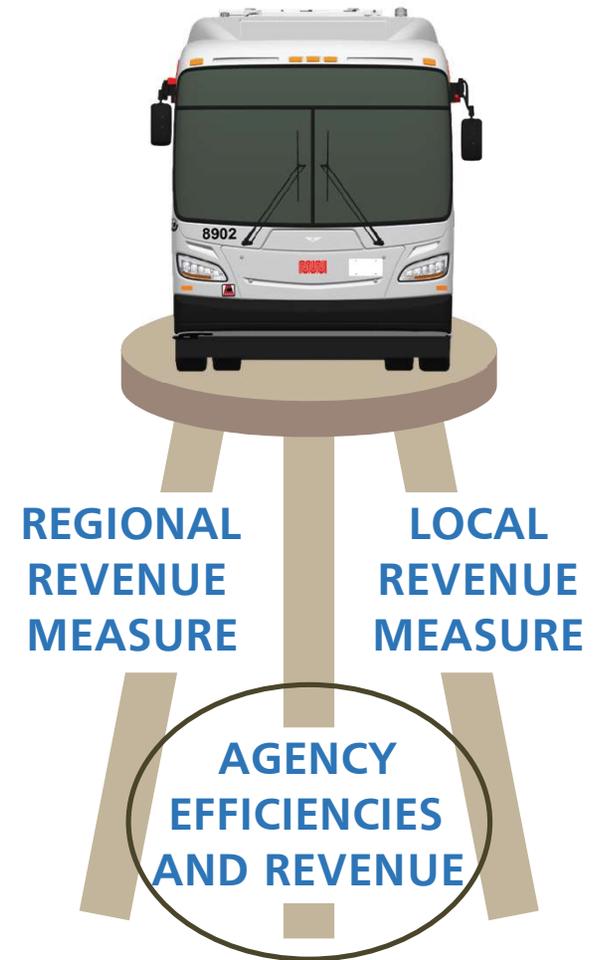
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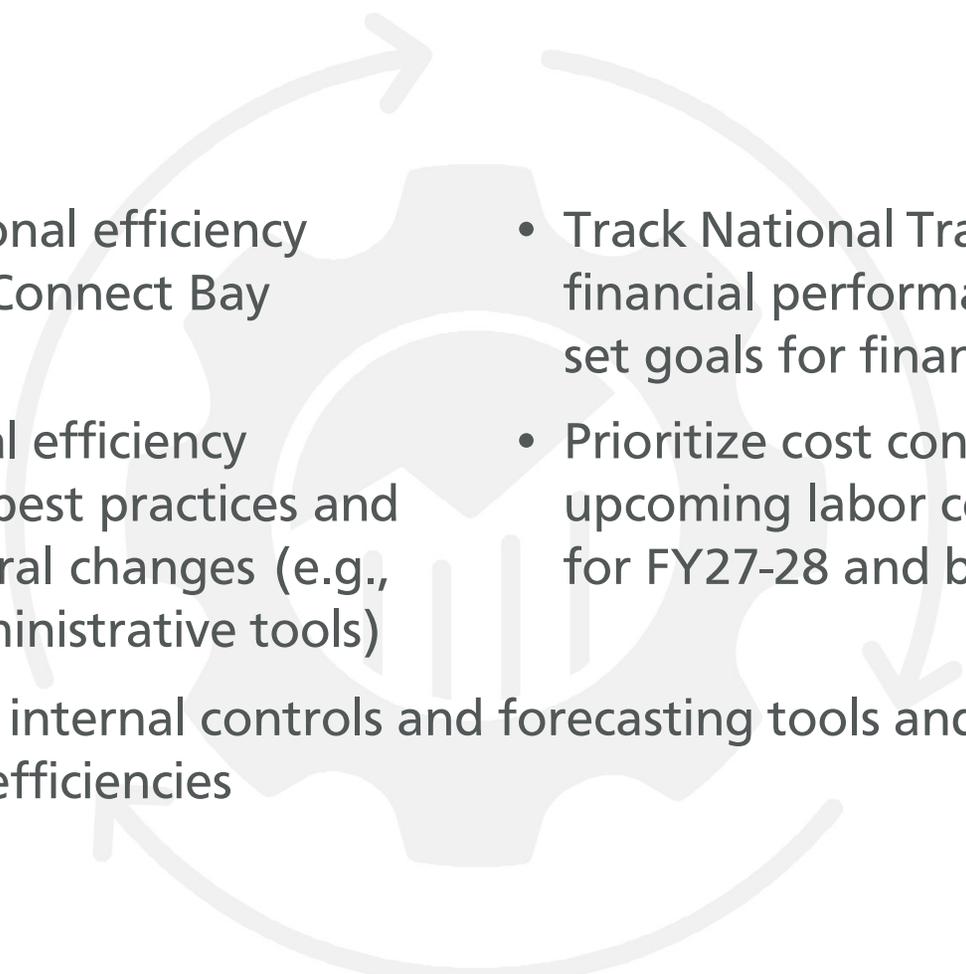
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BUILDING EFFICIENCY CULTURE

- 
- A large, light gray background graphic featuring two interlocking gears. A circular arrow surrounds the gears, pointing clockwise, symbolizing a continuous cycle or process.
- Participate in regional efficiency work, outlined in Connect Bay Area Act
 - Work with external efficiency experts to review best practices and implement structural changes (e.g., more efficient administrative tools)
 - Continue to refine internal controls and forecasting tools and future opportunities for efficiencies
 - 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

EXAMPLES OF EFFICIENCY WORK COMPLETED



ACCOUNTABILITY AND FISCAL MANAGEMENT

\$120M/year

personnel savings through a hiring slowdown, consolidating functions, and trimming management.



IMPROVED PARKING PROGRAM EFFICIENCY

\$18M/year

generated by updating outdated parking policies and upgrading technology.



INVESTMENTS THAT PAY FOR THEMSELVES

\$10M annual savings

starting FY25 thanks to transit priority and reliability upgrades.

YOU SPEAK, WE LISTEN

What We Heard



MAINTAIN
FARE
DISCOUNT
PROGRAMS

70% of people said it is “**Extremely**” or “**Very**” important to maintain reduced fares for seniors and low-income residents

“As a low income senior Muni is irreplaceable and the city should make it one of its number one priorities.”



CLIPPER
DISCOUNT
IS LESS
IMPORTANT

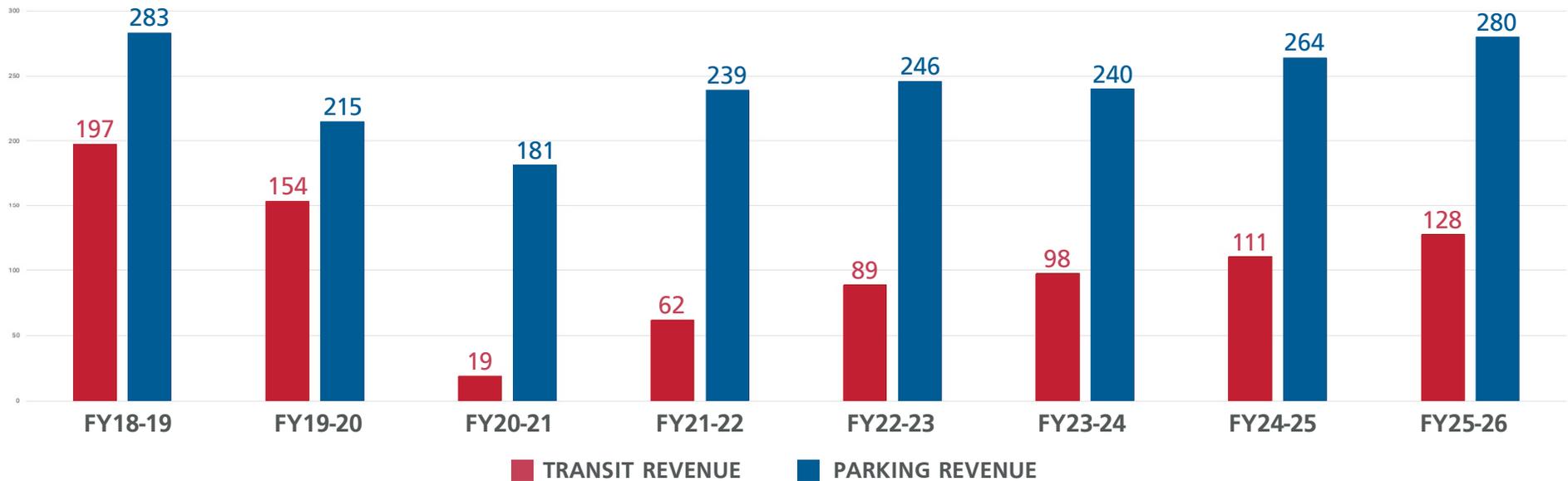
65% of people said it is “**Not important**” or “**Somewhat important**” to keep fares lower for riders using Clipper cards than those paying cash.

SFMTA Budget Proposals

✔ **Recommend maintaining our free and reduced fare discount programs**

✔ **Recommend eliminating Clipper Discount**

CHANGES IN TRANSIT AND PARKING REVENUES



Transit Revenue

Ridership growth and higher fare compliance contributed to increased transit revenue since the pandemic low point.



Parking Revenue

Parking revenue has continued to grow since the pandemic low, driven by increased use, and additional increases in parking fines and permits.

RECOMMENDED FARE CHANGES

Discontinuing the Clipper discount and increasing fares in the second year would generate \$12.5 million in additional revenue.

	FY 26-27			FY 27-28		
	 Single Ride Clipper	 Single Ride Cash	 Monthly Pass	 Single Ride Clipper	 Single Ride Cash	 Monthly Pass
Current Fares	\$2.85	\$3.00	\$86.00	\$2.85	\$3.00	\$86.00
Eliminate Clipper Discount + Increase Fare Yr 2 (Recommended)	\$3.00	\$3.00	\$90.00	\$3.10	\$3.10	\$94.00



RECOMMENDATIONS: TRANSIT FARE REVENUE

Recommendation	Description	FY 26-27	FY 27-28	Place a dot on proposals you feel are a priority
 Decommission MuniMobile	Next Generation Clipper supports fare media, like Lifeline Pass, so MuniMobile is no longer needed.	\$1.5M	\$1.5M	
 Simplify Cable Car Ticket	Cable Car Plus ticket (\$15) replaces 4 existing options. It is good for unlimited cable car and other Muni trips.	\$2.3M	\$2.8M	
 Eliminate Clipper Discount/ Increase Fares Year 2	With tap to pay, there is no longer a need to incentivize use of Clipper. Clipper discount is unnecessary. No increase to cash fares in Year 1.	\$4.5M	\$8.0M	
 Daily Fare Capping* <i>*Targeted for summer 2027</i>	Provides unlimited daily rides after paying for the first two rides. Improves convenience and benefits low-income households who pay as they go. (Projected revenue loss would be offset by eliminating Clipper discount.)	-\$1.3M	-\$1.6M	
Total		\$7.0M	\$10.7M	



RECOMMENDATIONS: PARKING REVENUE

Recommendation	Description	FY 26-27	FY 27-28	Place a dot on proposals you feel are a priority
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%.	\$1.5M	\$1.5M	
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	\$4.4M	
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.	\$0.6M	\$1.2M	
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.	\$1.7M	\$1.7M	
Reduce select parking violation fines	Reduce fines for violations that do not impact traffic safety, such as curbing wheels	-\$0.5M	-\$0.5M	
Total		\$3.3M	\$8.3M	

YOU SPEAK, WE LISTEN

What We Heard



MAINTAIN MUNI SERVICE

84% of people said “**Maintaining the speed, frequency, and reliability of Muni buses and trains**” is their first or second transportation priority

“Muni is vital to all San Franciscans. Maintaining services on all routes is the key to keep this city moving.”

“Do not cut the 6!!! The 21 was my normal bus line and combining it with the 6 was frustrating but manageable. If the 6 is cut then that will be a huge detriment to the west side of the city.”

SFMTA Budget Proposals

- ✔ **Recommend maintaining Muni service without cuts**

SCENARIO PLANNING WITH FUNDING IF BOTH INITIATIVES PASS

**Connect
Bay Area Act**

1% sales tax in San Francisco
~\$155M/year for Muni



**Local Revenue
Measure**

Square footage-based parcel tax
~\$150M/year for Muni



Muni Service Benefits

- Maintain service levels
- Targeted service increases that address crowding and pass-ups
- Better positioned to respond to ridership growth

Agency Benefits

- Stabilized workforce
- Maintain focus on internal cost-cutting
- More resilient budget outlook for unforeseen conditions

MUNI SERVICE OPTIONS FOR CUTTING COSTS WITHOUT NECESSARY FUNDING

These cuts would have citywide impacts:

Slower downtown recovery, increased traffic congestion, less access and fewer opportunities for people who rely on Muni, major systemwide crowding.



**Cut up to
20 Muni routes**

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

\$70-150M



Double Wait Times

Metro train service, Rapid and Frequent routes

\$30-80M



**End Regular Service
at 9 p.m.**

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

\$30M

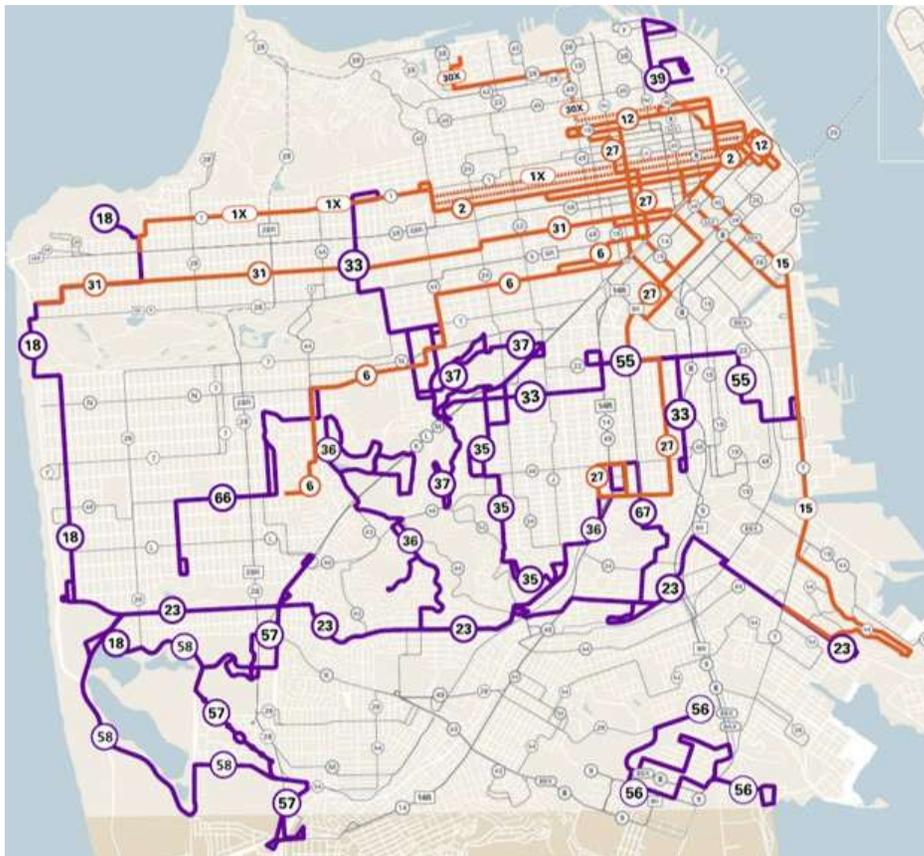


**Reduce or Cut
Historic Service**

3 cable cars lines and F Market & Wharves streetcars

\$70-140M

CUT UP TO 20 MUNI ROUTES WITHOUT NECESSARY FUNDING



**\$70-150M
savings**

Corridors with multiple routes & downtown express

- 2 6 15 27 31
- 1X 30X

Hilltop & neighborhood connections

- 18 23 33 35 36
- 37 39 55 56 57
- 58 66 67

DOUBLE WAIT TIMES WITHOUT NECESSARY FUNDING

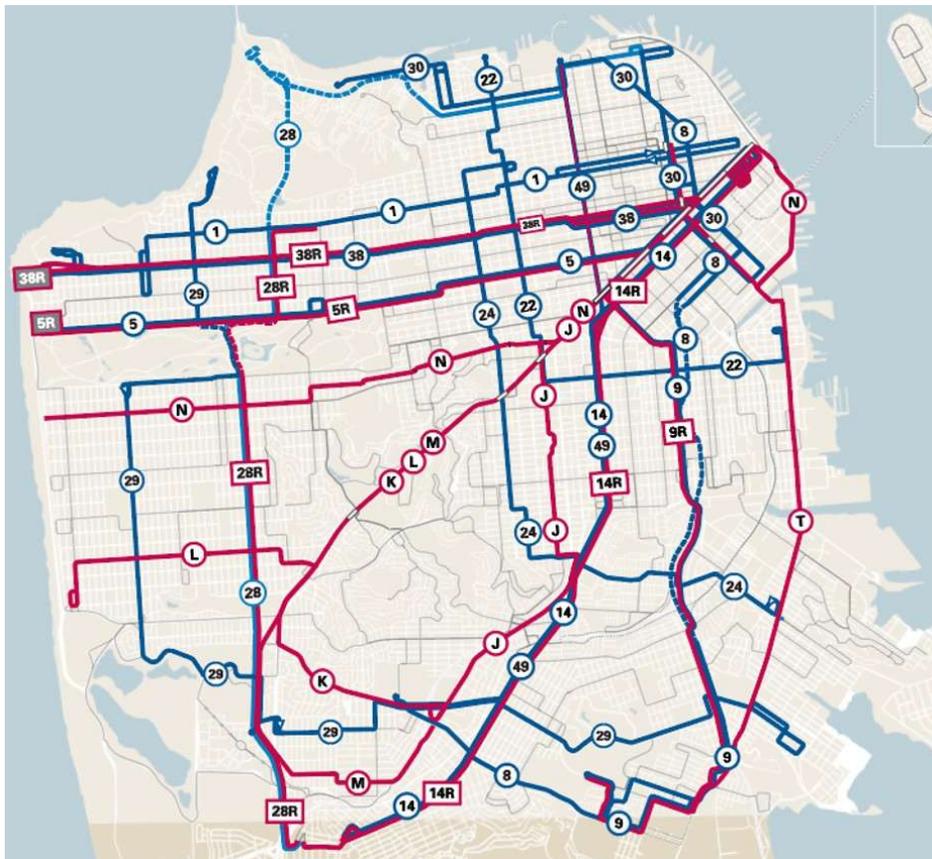
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J K L M N T

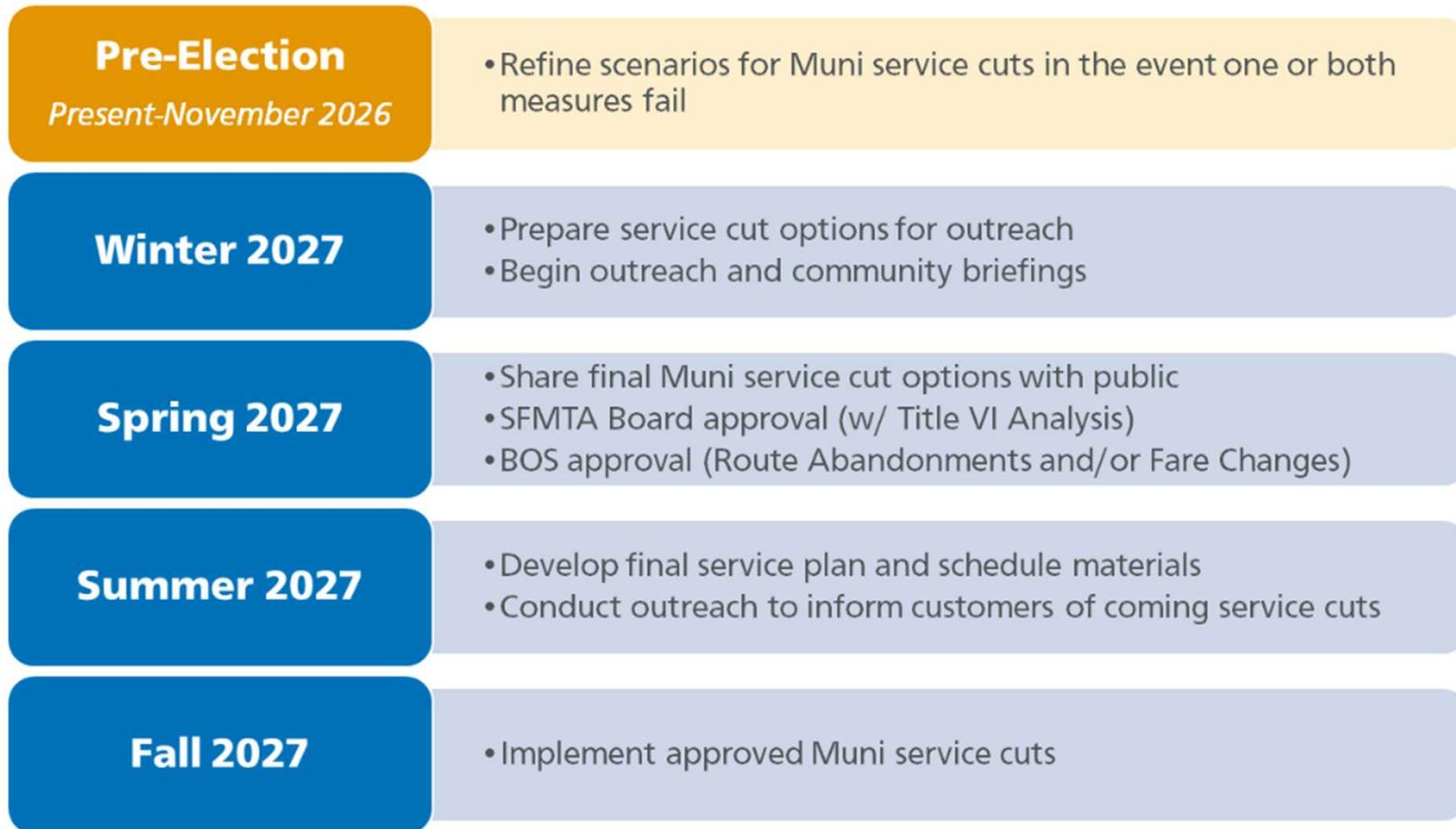
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38R 28R

1 5 9 8
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29 30 38 49



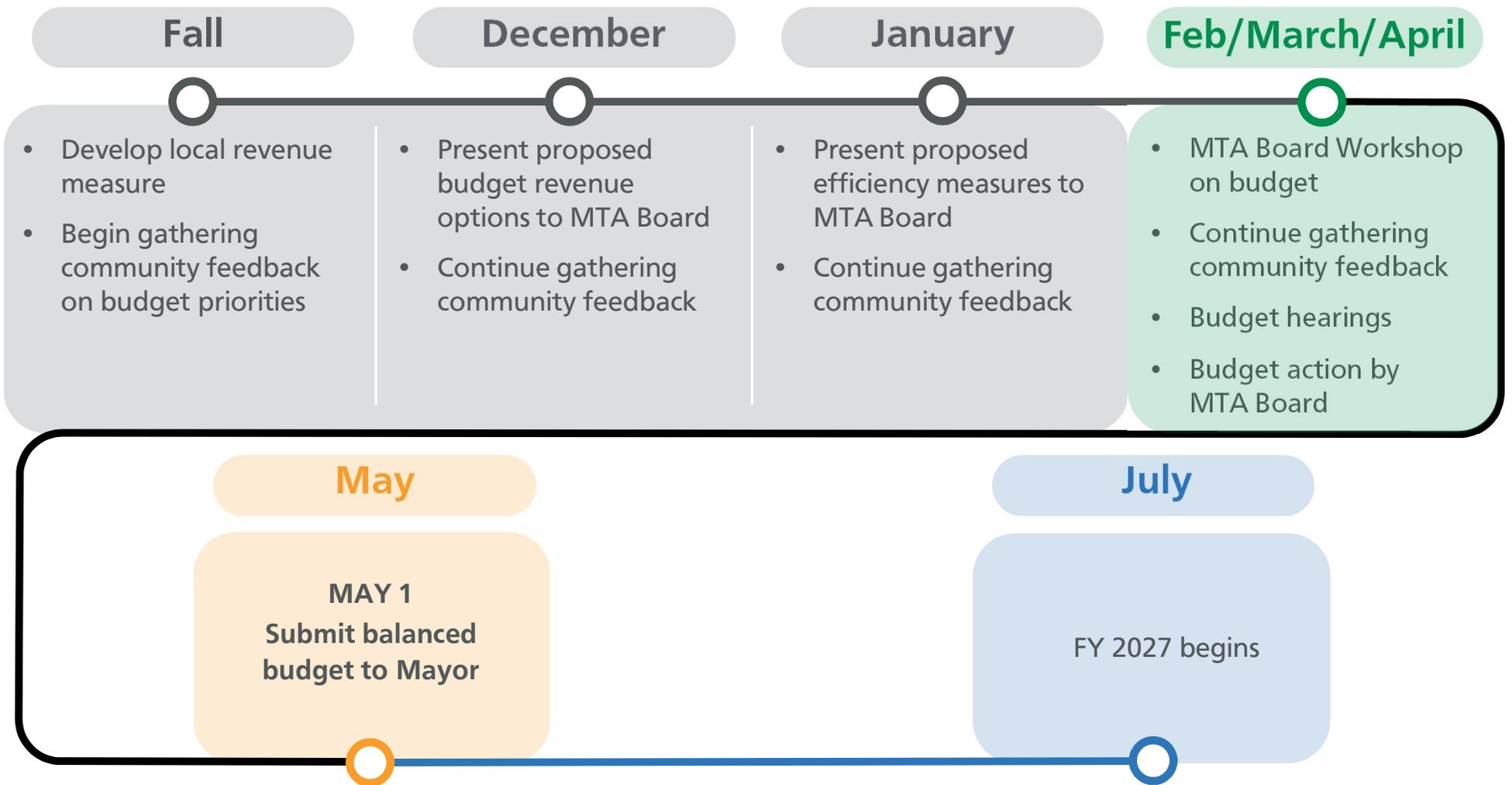
Timeline for Muni Service Cuts

If one or both measures fail





BUDGET TIMELINE



SFMTA BOARD BUDGET MEETINGS

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
3/17/2026	Muni Equity Strategy Hearing
4/7/2026	Budget Hearing (Operating & Capital)
4/21/2026	Budget Approval (Operating & Capital)

An aerial photograph of a city street, likely in San Francisco, showing a grid of buildings and a central street with a tree-lined median. The entire image is overlaid with a semi-transparent blue filter. The text is centered over the image.

Thank you

For more information, look to
[SFMTA.com/Budget](https://www.sfmta.com/Budget)