



**SFMTA**

San Francisco Municipal Transportation Agency  
**Fiscal Year 2021 & FY 2022 Operating and Capital  
Consolidated Budget**

*Proposed*

**Citizens' Advisory Council (CAC)**  
April 2, 2020



SFMTA

# Budget Public Hearing:

- Budget Process
- Updated Proposals
- Updated Consolidated Budget
- Updated 5-Year Capital Improvement Program  
(first two years are the Capital Budget)



SFMTA

# Budget Process

As part of the Fiscal Year 2021 and Fiscal Year 2022 budget process, the SFMTA developed a new “consolidated budget process” designed to have an open discussion about the needs of our transportation system and to develop a budget that reflected our values.



## Budget Development and Process

The SFMTA budget is the **strongest reflection of the Agency's values.**

Safe  
Transportation  
System

Equity

Decarbonization

Work Culture that delivers excellent customer service.

In the end, the budget must ensure that we all have a transportation system with reliable, frequent transit and streets that are safe for everyone.

## Beginning with a gap to close.

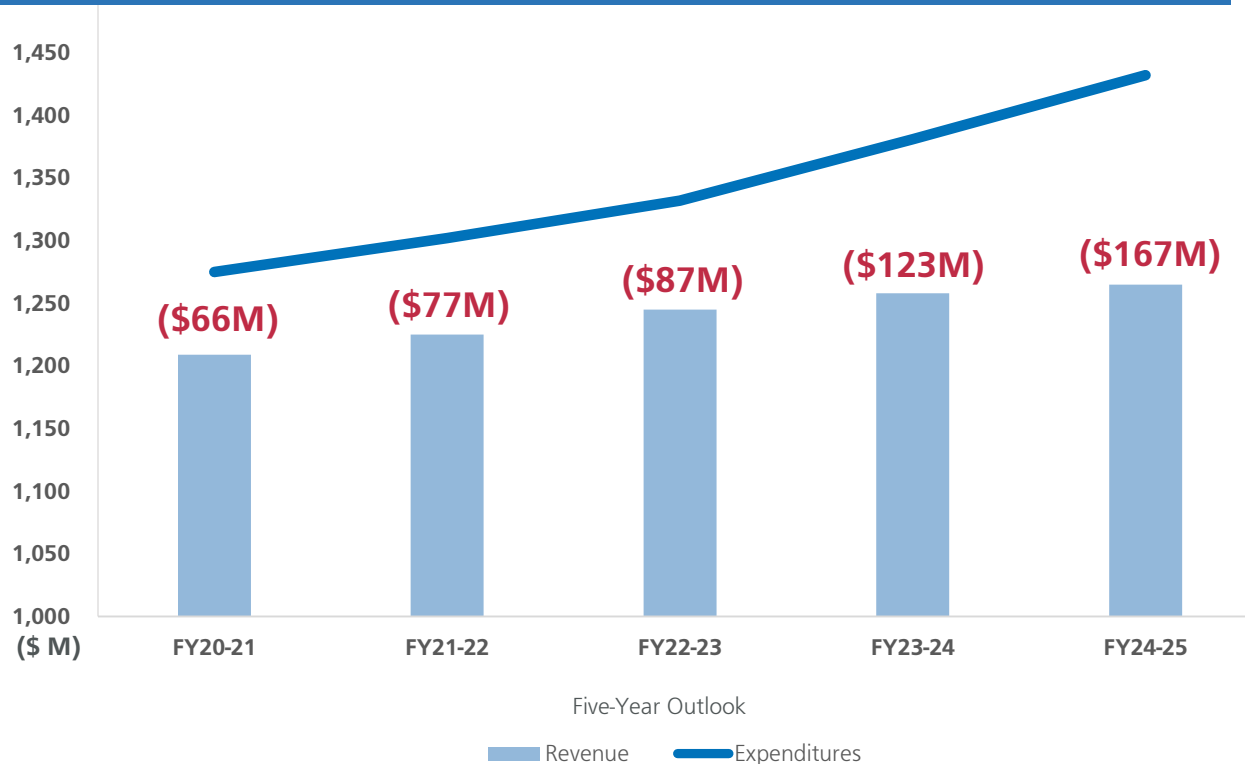
The SFMTA has an ongoing structural deficit. In January, we projected a budgetary shortfall that had to be brought into balance.

1/28/20 – Budget Baseline		
Item	FY 21, \$M	FY 22, \$M
Revenue – Base Projection	1,209	1,225
Expenditures – Adjusted Base	1,275	1,302
<b>Base Operating Gap</b>	<b>(66)</b>	<b>(77)</b>

**Beginning with a gap to close and a long-term structural deficit to correct.**

The SFMTA has an **ongoing structural deficit**, and at the beginning of the budget process began with a deficit in the coming 2-years that must be closed.

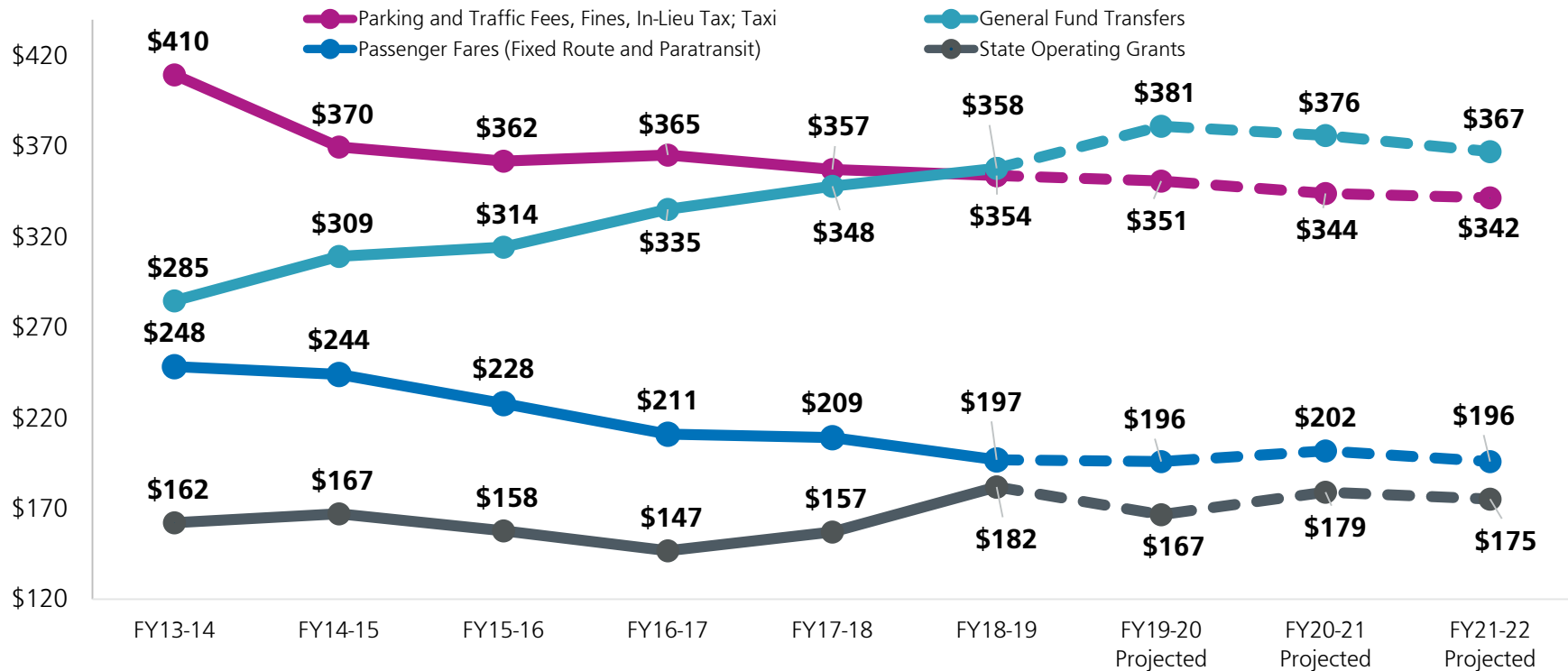
### 1/28/20 – SFMTA 5-Year Forecast



## Revenue Trends

The SFMTA is **dependent on the fares, and parking revenues** to run the system but they have been declining and are projected to continue that trajectory.

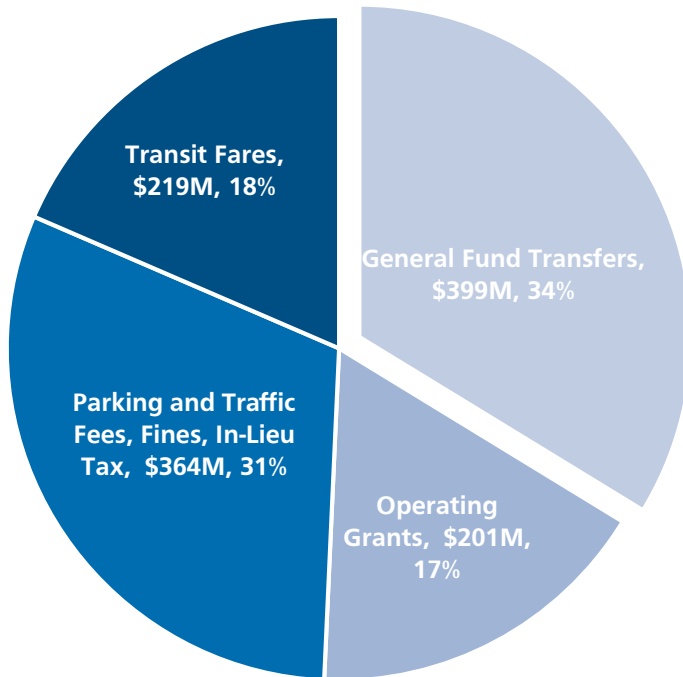
1/28/20 – Long Term Revenue Trends in \$2019 Constant, \$M



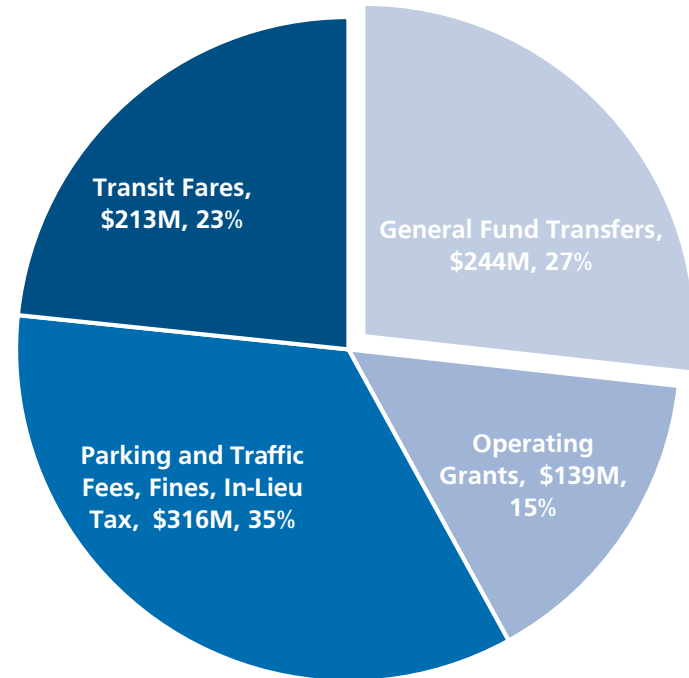
## SFMTA General Fund Set-Aside

**The SFMTA is increasingly dependent on the City's General Fund**, tying service to the public with the state of the economy.

**FY 2021** *Operating*  
Revenue Projections

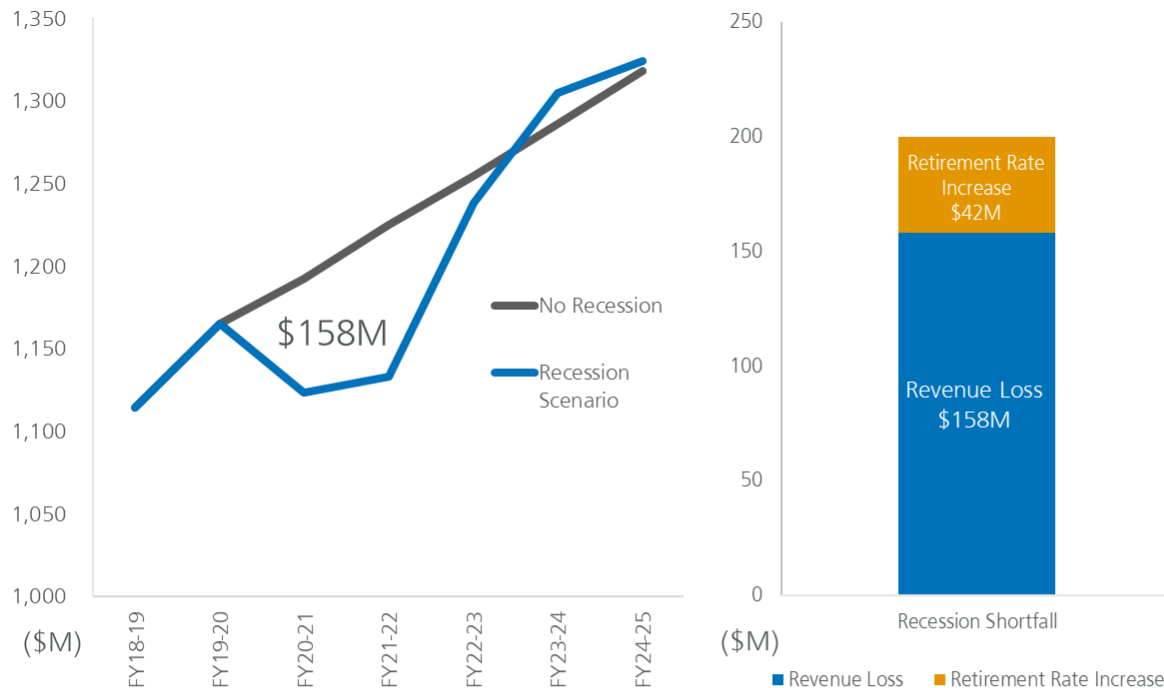


**FY 2014** *Operating*  
Revenue Actuals





## Resiliency in case of a recession.



*for Context:*

A revenue loss of \$25 million could mean a 5-8% service reduction and would remove up to 200 Operators from service.

- Assumes decrease in General Fund baselines and parking tax based on Controller scenario
- Decline in traffic fines, fees & permits and operating grants based on SFMTA revenue history during last recession
- No change in fares– based on SFMTA history during last recession.
- Note: an additional pressure on SFMTA budget would be likely increase in required pension contributions to make up for assumed investment losses ~\$42M based on Controller scenario.

## Increasing capital investment needs – SFMTA 20-Year Capital Plan

The identified **capital investment needs** of the transportation system continue to grow, increasing by \$8.9 billion between 2017 and 2019.



\$21.9 B  
2017

\$30.7 B  
2019

## Increasing capital investment needs – SFMTA 20-Year Capital Plan

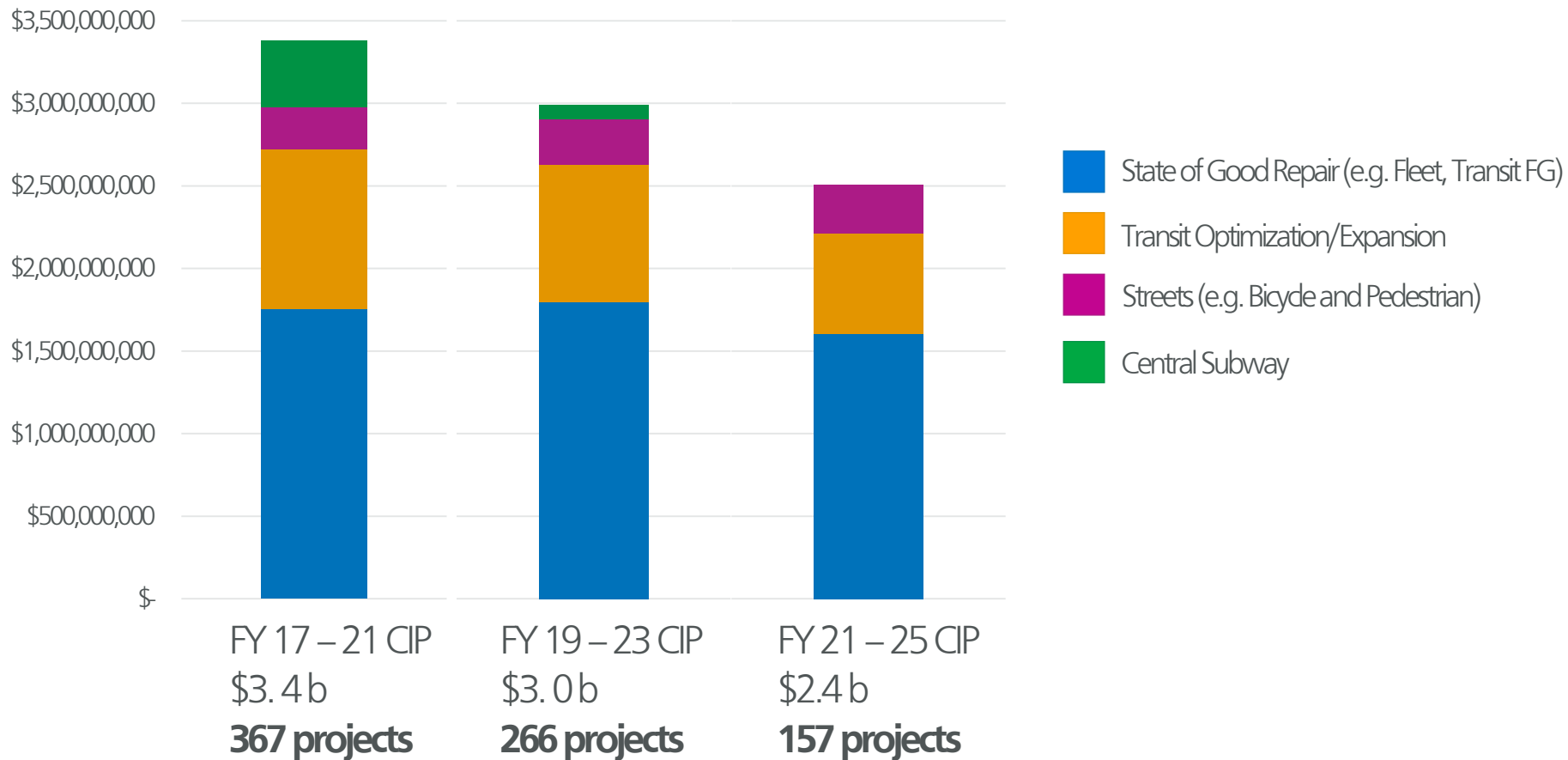
The identified **capital investment needs** of the transportation system continue to grow increasing by \$8.9 billion between 2017 and 2019.

### SFMTA 20-Year Capital Plan 2019 Needs (September 2019)

PROGRAM	2017 Total Capital Needs (constant 2017 dollars, rounded)	Percent of 2017 Capital Needs	2019 Total Capital Needs (constant 2019 dollars, rounded)	Percent of 2019 Capital Needs	Percent Change from 2017
Communications & Information Technology	\$237 M	1.1 %	\$218 M	0.7 %	<b>-8.1 %</b>
Facility	\$3,490 M	15.9 %	\$4,599 M	14.9 %	<b>31.8 %</b>
Fleet	\$4,540 M	20.7 %	\$5,419 M	17.6 %	<b>19.4 %</b>
Parking	\$671 M	3.1 %	\$681 M	2.2 %	<b>1.4 %</b>
Security	\$545 M	2.5 %	\$557 M	1.8 %	<b>2.2 %</b>
Streets	\$2,456 M	11.2 %	\$4,936 M	16.0 %	<b>101.0 %</b>
Taxi	\$65 M	0.3 %	\$65 M	0.2 %	<b>0.1 %</b>
Traffic Signals & Signs	\$576 M	2.6 %	\$1,488 M	4.8 %	<b>158.3 %</b>
Transit Fixed Guideway	\$1,310 M	6.0 %	\$1,755 M	5.7 %	<b>34.0 %</b>
Transit Optimization & Expansion	\$8,046 M	36.7 %	\$11,068 M	36.0 %	<b>37.6 %</b>
<b>Total (all programs)</b>	<b>\$21,937 M</b>		<b>\$30,784 M</b>		

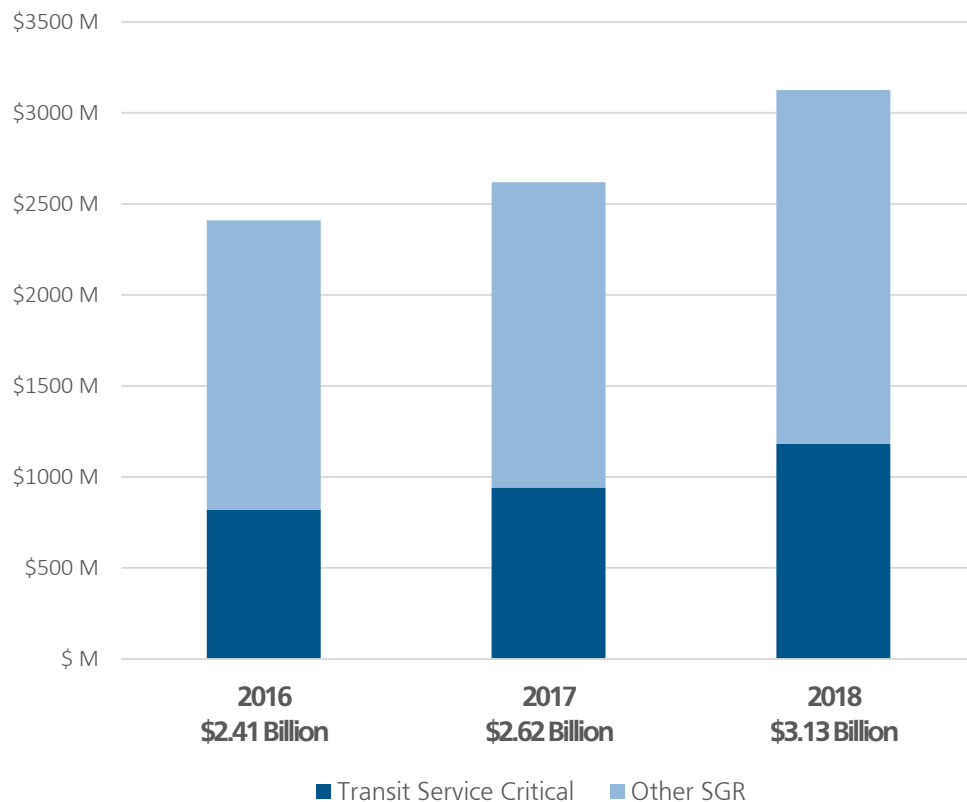
## SFMTA 5-Year Capital Improvement Program – Capital Revenue Trends Down

Capital investment needs continue to grow, while the **revenues to fund projects is on the decline.**

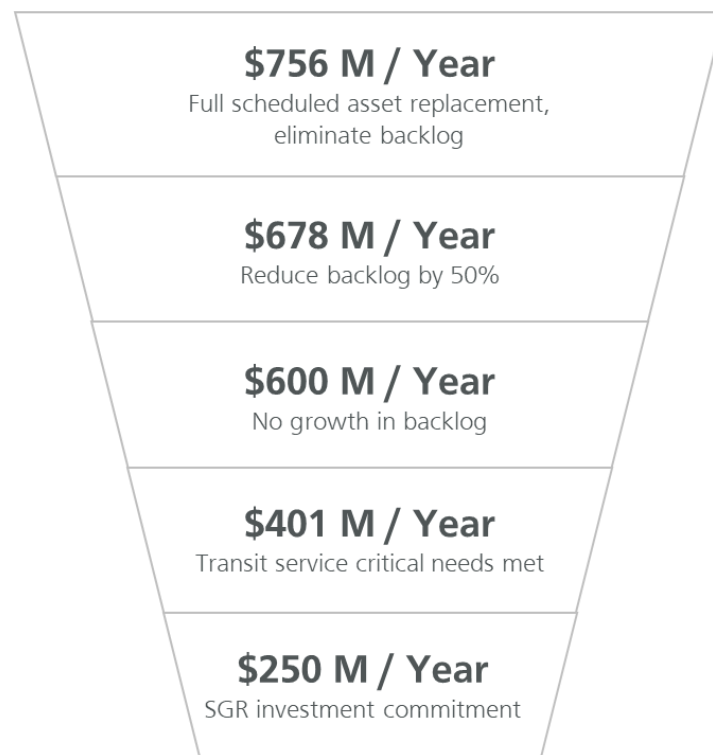


## State of Good Repair Needs – Backlog and On-Going Investment Needs

Capital revenue declines result in **increased asset backlogs and increase State of Good Repair needs.**



### Annual SGR Need (Escalated @ 3% per year)





## Public Outreach – How did we come up with new and revised proposals?

Three open board meetings and extensive public outreach and engagement resulted in today's proposed budget.

January 28<sup>th</sup>

### SFMTA Board Workshop

Agency Challenges  
Financial Challenges  
Budget Proposals  
Baseline Budget

February 18<sup>th</sup>

### Fare Policy

Fare Policy Goals  
Automatic Indexing Policy  
Free and Low Programs  
Fare Revenues

March 3<sup>rd</sup>

### Parking Policy, Fees, Fines

Parking Policy  
Parking Revenues  
Sunday & Extended Hours  
Cost Recovery Fees

## Public Engagement

SFMTA Citizens Advisory Council  
Small Business Commission  
San Francisco Bicycle Coalition  
Walk San Francisco  
San Francisco Youth Commission  
San Francisco Transit Riders  
Budget Digital Town Hall  
Paratransit Coordinating Committee  
South of Market Community Action Network (SOMCAM)  
Market and Octavia Citizens Advisory Committee

Chinatown Community Development Corp TRIP  
SF Building Owners and Managers Association (BOMA)  
SF Chamber of Commerce  
SF Council of District Merchants  
SF Interfaith Council  
SF Travel  
Young Women's Freedom Center  
SF Transit Riders  
Community Housing Partnership  
SF Rising

The focus of the budget is the **core of the system** that keeps San Francisco running more reliably, while, preparing for the Agency for **uncertain economic future.**

The budget process is the opportunity to put us on the right track, and prepare us for the promising future that we know we can achieve.



SFMTA

# Updated Proposals

Staff presented to the SFMTA Board a number of proposals throughout the budget process on operations, capital improvement projects, revenue and new expenditure proposals. Based on feedback, these proposals have been refined to bring to the SFMTA Board a balanced budget.

## Fare Proposals: January 2020

As noted, the budget is a reflection of values and one of our values is **equity**. Fares and indexing were reviewed with an equity lens.

### 1/28/20 – Fare Proposal with Automatic Indexing in the Base

Base Scenario (applying indexing)	FY20	FY21	FY22
Adult Single Ride Fare (Cash/Limited Use Card)*	\$3.00	\$3.25	\$3.25
Adult Single Ride Fare (Clipper® and Mobile)*	\$2.50	\$2.75	\$2.75
Adult "M" Monthly Pass (Muni Only)	\$81.00	\$85.00	\$87.00
Adult Lifeline Monthly Pass (Muni Only)	\$40.00	\$42.00	\$43.00
Cable Car Single Ride	\$8.00	\$8.00	\$9.00

- Senior, Youth, Disability and Low Income single fare will be 50% of Adult Single Ride
- Free Muni Pass for Youth, Seniors, People with Disabilities

## Fare Proposals: January 2020

Proposal	(Cost)/Revenue (\$M)
Pause Cash Fare Indexing	<b>(\$1)</b>
Reduce Electronic Fare Differential (Clipper + MuniMobile)	<b>\$8</b>
Expand Free Youth Program to All Youth	<b>(\$2)</b>
Expand Adult Low-Income Single Ride Discount @ Farebox	(TBD)
Muni Day Pass on Farebox (available only on MuniMobile currently)	<i>Minimal</i>
Pilot Monthly Fare Capping on MuniMobile	<i>Minimal</i>
Free Muni Pass for People Facing Housing Insecurity	<i>Minimal</i>
Cable Car Discount for Seniors/Youth/People w/ Disabilities on MuniMobile	<i>Minimal</i>
Extend Bulk Sales Discounts for all Products on Muni Mobile	<i>Minimal</i>
Eliminate Clipper Differential for Passports due to slow transaction times impacting the ticket booths	<i>Minimal</i>



## Fare Proposals: March 2020

Staff is recommending an equity based fare proposal, the proposed budget assumes **Equity Monthly** in the base.

### Baseline Indexing

- Continues gradual annual increases
- Maintains current ratio between single ride fares and monthly passes
- Keeps current free programs as they are

### Equity Monthly

- Extends free Muni to all youth and cuts related administrative fees
- Does not raise cash fare
- Raises monthly passes
- Maintains Clipper discount level
- Keeps current free programs as they are
- Creates a pass for people Experiencing Homelessness

### Equity Clipper

- Extends free Muni to all youth and cuts related administrative fees
- Does not raise cash fare
- Lowers Clipper discount
- Modestly raises monthly passes
- Keeps current free programs as they are
- Creates a pass for people Experiencing Homelessness

Fare Type	Current	FY21	FY22	FY21	FY22	FY21	FY22
Full Fare Single Ride	3.00	3.25	3.25	<b>3.00</b>	<b>3.00</b>	3.00	3.00
Full Fare Single Ride (Electronic)	2.50	2.75	2.75	<b>2.75</b>	<b>2.75</b>	2.80	2.90
Reduced Fare Single Ride	1.50	1.65	1.65	<b>1.50</b>	<b>1.50</b>	1.50	1.50
Reduced Fare Single Ride (Electronic)	1.25	1.40	1.40	<b>1.35</b>	<b>1.35</b>	1.40	1.45
Free Muni for all youth expansion				<b>FREE</b>	<b>FREE</b>	FREE	FREE
Free Muni for Indiv. Exp. Homelessness				<b>FREE</b>	<b>FREE</b>	FREE	FREE
One-Day Pass (No Cable Car)	5.00	5.50	5.50	<b>5.50</b>	<b>5.50</b>	5.60	5.80
Adult "M" Monthly Pass	81.00	85.00	87.00	<b>88.00</b>	<b>94.00</b>	86.00	88.00
Adult "A" Monthly Pass (+ BART within SF)	98.00	102.00	104.40	<b>106.00</b>	<b>113.00</b>	103.00	106.00
Reduced Fare Monthly Pass	40.00	43.00	44.00	<b>44.00</b>	<b>47.00</b>	43.00	44.00
Lifeline Pass	40.00	43.00	44.00	<b>41.00</b>	<b>42.00</b>	41.00	42.00
Cable Car Single Ride	8.00	8.00	9.00	<b>8.00</b>	<b>9.00</b>	8.00	9.00
Paratransit Van Services	2.50	2.75	2.75	<b>2.75</b>	<b>2.75</b>	2.80	2.90

## SFMTA Fare Policy

### Monthly Pass: Comparison to Other Major Metros

City/Agency	FY20 Adult Rate	Single Rides to Break Even	FY 22 Equity Monthly	FY 22 Equity Clipper
SFMTA	\$81.00	32.4/27*	34.2/31.3	30.3/29.3
New York City	\$127.00	46.2		
Denver	\$114.00	40.1		
Boston	\$90.00	37.5		
Seattle	\$99.00	36		
Chicago	\$105.00	46.6		
Washington D.C.	\$126.00	63		
AC Transit	\$84.60	37.6		

FY 20: For SFMTA: 32.4 break-even based on \$2.50 Clipper/Mobile fare. 27 is based on \$3.00 cash fare

## Fare Proposals: March 2020

### The Equity Monthly Scenario would mean that:

- Non-Electronic Full Single Ride and Reduced Single Ride fare would remain the same (50% of our Full Fare Single riders are low income and 65% of them are minority; 37% of our Reduced Single Ride riders are low income and 66% of them are minority)
- All Youth Would Be Free
- Lifeline Pass would only increase by SSI COLA
- Other fares would be adjusted to stay whole *so we do not disinvest in the system.*
  - Differential between cash payment and electronic payment would be reduced
  - Adult monthly passes would be increased beyond SSI COLA
  - And the other fare products would be escalated as usual.

Options – Compared to Equity Scenario (Updated Base Scenario)	(Cost)/Revenue
Eliminate Electronic Differential for Single Ride Fares	<b>\$6.4M</b>
Reduce electronic differential for single ride fares to \$0.10	<b>\$3.8M</b>
Postpone Free Muni for All Youth	<b>\$2.0M</b>
Do not increase Adult “M” Monthly Pass	<b>(\$3.9M)</b>
Do not increase Adult “A” Monthly Pass	<b>(\$1.9M)</b>

## Parking Policy/Fees: January 2020

Parking pricing is used to **ensure availability and manage demand**, not maximize revenue. Any revenue collected goes back to transportation.

Options	Annual Low Range, \$M	Annual High Range, \$M
Special Events Parking Rate Harmonization	\$0.4	\$1.2
Raise Demand-Responsive Parking Meter Rate Cap	0.1	0.1
Modernizing Parking Meter Hours: Evening Option	1.0	19.8
Modernizing Parking Meter Hours: Sunday Option	1.0	6.9
<b>Total</b>	<b>\$2.7</b>	<b>\$28.0</b>

## Parking Policy/Fees: March 2020

Parking pricing is used to ensure availability and manage demand, not maximize revenue. **Any revenue collected goes back to transportation.**

### The SFMTA will partner local merchant associations to determine where extended meter hours

- Extend meter hours in specific neighborhood commercial districts until 10pm Mon-Sat
- 6-10pm rates set at \$2/hour less than the 3-6pm rate, minimum \$1/hour
- Meter rates adjusted over time using demand-responsive pricing
- Extend short-term parking (green zones) and passenger loading (white zones) until 10pm or later where applicable
- Data collection and evaluation, expansion to other areas if successful

Proposals (Revenues Assumed in Base)	FY 21 Revenue (\$M)	FY 22 Revenue (\$M)
Sunday Meters	\$1.5	\$5.0
Extend Hour Meters	\$4.0	\$8.0
Garage	\$3.0	\$4.0



## Background Towing Program: FY 20 Towing Data through 3/6/20

	Low Income	All Tows
<b># Towed</b>	<b>3,400</b>	<b>30,000</b>
<b><i>Reasons Towed</i></b>		
Towaway/Construction/Special Event/Yellow	55%	48%
Abandoned/Driveway/Stolen Recovery	13%	23%
Accident/Arrest/Hazard/Unlicensed Driver	10%	10%
Expired Registration	9%	8%
5 or more parking citations	8%	5%
Other	5%	6%

## Tow/Boot Program/Cost Recovery

Option 1: Same as presented March 3

Option 2: Equity Lens: Reduces low income/ homeless fees, offset by higher first time tow fee

Proposals	Current		Option 1		Option 2	
	Est. Tows	FY 20 Current	FY 21 Fees	FY 22 Fees	FY 21 Fees	FY 22 Fees
First Time Tow/Admin Fee	23,622	\$449	\$480	\$495	\$524	\$538
Repeat Tow/Admin Fee	7,336	\$537	\$574	\$588	\$574	\$588
Low Income Tow/Admin Fee	4,352	\$238	\$238	\$238	\$100	\$100
New Tow/Admin Fee for people certified as experiencing homelessness	Small #	n/a	\$100	\$100	\$20	\$20
Standard Boot Fee	1,700	\$515	\$541	\$553	\$541	\$553
Low Income Boot Fee	400	\$100	\$100	\$100	\$100	\$100
New Boot Fee for people certified as experiencing homelessness	Small #	n/a	n/a	n/a	\$20	\$20
<b>Estimated Cost Under-Recovery</b>		<b>(\$5M)</b>	<b>(\$4M)</b>	<b>(\$4M)</b>	<b>(\$4M)</b>	<b>(\$4M)</b>

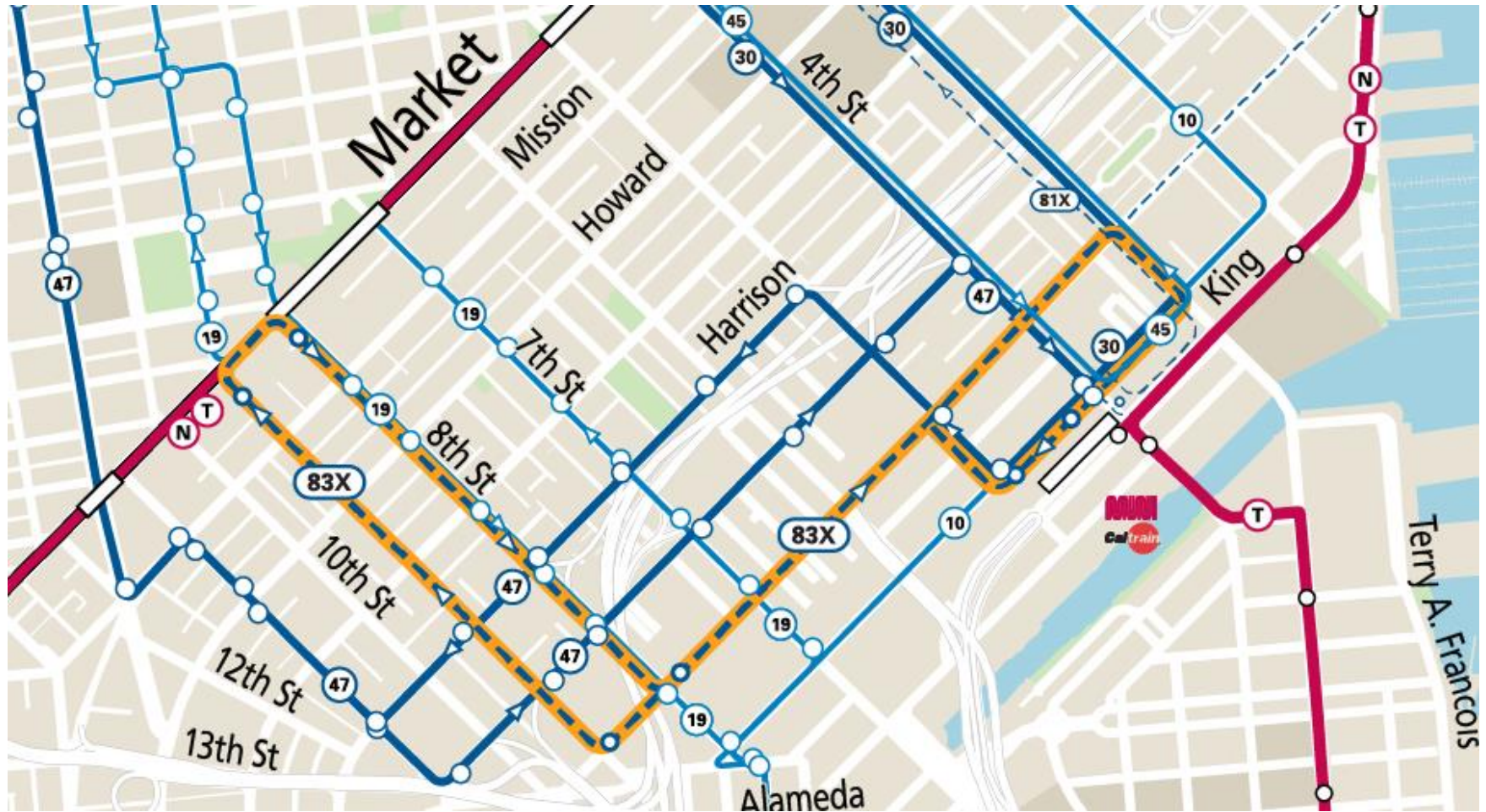
## Service Change: 83X Mid-Market Express

The 83X Mid-Market Express was established in 2012 to provide a quick and direct connection between the Mid-Market area and Caltrain.

- Operating characteristics
  - Part time route, 7-10am and 4-8pm
  - 15-20 min headways
- Ridership on the route has stayed flat since the month after operations began in June 2012, averaging 300 daily passenger trips.
- Need to maximize the use of operator resources while minimizing impact on transit riders.

**Therefore, the SFMTA is proposing to discontinue the 83X Mid-Market Express transit service.**

## Service Change: 83X Mid-Market Express



## Service Change: 83X Mid-Market Express

Incorporated into budget **outreach plan**:

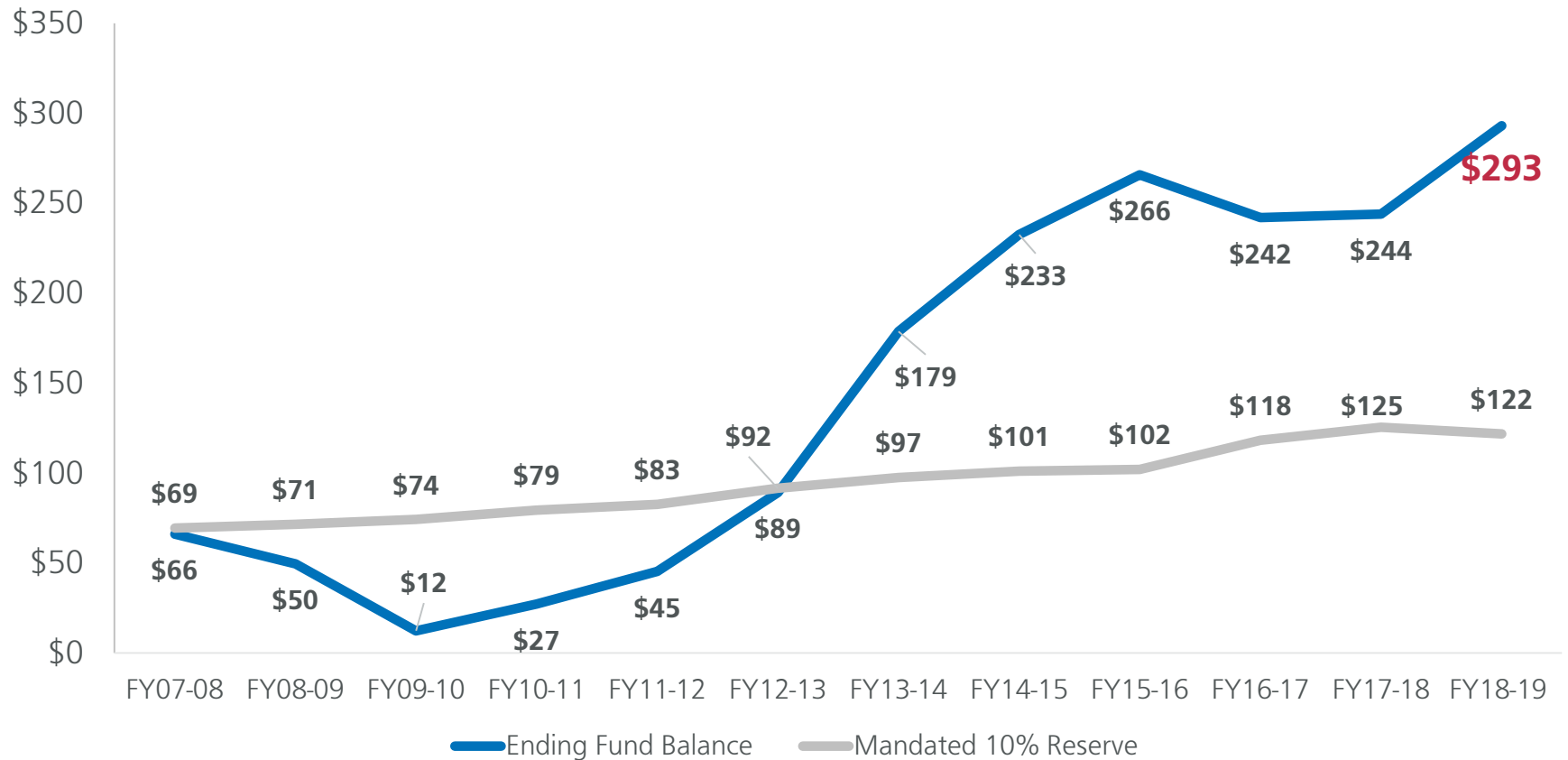
- SFMTA Board Workshop: January 28, 2020
- CAC meeting: February 6, 2020
- Virtual Open House: March 11, 2020
- MTAB Public Hearing: March 17, 2020
- Multilingual information on SFMTA website

**Advertising** for events included:

- SFMTA community and major project mailing lists
- Advertisements in City newspapers including prominent Chinese and Spanish newspapers
- SFMTA/Muni's Twitter and Facebook accounts
- Posting at all stops along the 83X
- Posters on buses

## Use of One-Time Fund Balance, \$M

The fund balance's purpose is to **protect the agency from unexpected costs or fluctuations in revenue** to ensure stability in service and project delivery.



## Use of One-Time Fund Balance: January 2020

1/28/2020 – Fund Balance Proposal, \$M

Item	FY 21
<b>Beginning Fund Balance</b>	<b>293</b>
<b>10% Reserve Policy</b> (goal is resilience in next downturn: fund >50% potential extra shortfall)	<b>(130)</b>
<b>Remaining Balance for Use:</b>	<b>163</b>
Capital Project Reserve/Contingency	(85)
Operating Budget Reserve/Contingency	(16)
Parking Meter Replacement Project	(22)
Facility Renewal Program/SGR	(20)
FY 2021 Operating Budget Gap	(20)
<b>Remaining Balance</b>	<b>0</b>



## Use of One-Time Fund Balance: March 2020

3/17/2020 – Fund Balance Proposal, \$M

Item	FY 21	FY 22
<b>Beginning Fund Balance</b>	<b>293</b>	<b>149</b>
<b>10% Reserve Policy</b> (goal is resilience in next downturn: fund >50% potential extra shortfall)	<b>(130)</b>	<b>(134)</b>
<b>Remaining Balance for Use:</b>	<b>163</b>	
Capital Project Reserve/Contingency: Reserve for major capital project CMODs and budget overruns	(85)	
Operating Budget Appropriation: Appropriation for non-labor materials & supply and other one-time costs	(19)	(15)
Parking Meter Replacement Project: Replacement of the parking meters (enterprise costs)	(22)	
Transit Capital Projects: Offset of Proposition B Population Baseline shift to Operating Costs	(10)	
Facilities Capital Projects: Building Progress Program/Facilities Improvements	(8)	
<b>Remaining Balance</b>	<b>19</b>	<b>0</b>



## Expenditure Requests for FY 21 and FY 22: January 2020, \$M

Proposals (Budget Asks)	FY 21	FY 22
<b>Transit Service Expansion</b> - 6-6.5% service expansion by end of FY22. Requires existing service investments, operators (130), bus maintenance (62), central subway (36), maintenance apprentice program (25), administrative/ communications (6)	24.2	32.3
<b>Transit Supervision Action Plan</b> - Increase staffing levels (50), build a service-oriented work culture (14), consolidate training functions and provide enhanced training, oversight team (4)	11.0	14.6
<b>Transit near-term improvements</b> , longer-term train control replacement - Increased supervision, increased rail maintenance (64) and subway maintenance (5), capitalized roadway worker protection (8)	10.2	13.6
<b>Parking Enforcement Operations</b> - Add Parking Control Officers (PCOs) (44)	3.9	7.2
<b>Human Resources Staffing</b> – 1241 Analysts (8), compensation and classification (1), leave management (1), business /budget analyst (1), talent acquisition (5), Increase SSD to 6 Analysts and Transit to 10 Analysts, 9172 Manager II (2), Senior Clerk (1)	1.8	2.4
<b>Transit Training</b> – additional positions (12) to increase training and support for existing staff	1.5	2
<b>Vision Zero Education Program</b>	1.2	1.2
<b>Muni Transit Assistance Program MTAP</b> - Increase MTAP program (20) with training	0.9	1.2
<b>Muni Forward</b> – Planner and communication positions (6)	0.6	0.8
<b>Other Divisions Asks</b>	13.7	15.0
<b>TOTAL</b>	<b>69.0</b>	<b>90.3</b>
<b>BEGINNING EXPENDITURE SHORTFALL FY 21 and FY 22</b>	<b>66.0</b>	<b>77.0</b>
<b>TOTAL REVENUES REQUIRED</b>	<b>135.0</b>	<b>167.3</b>

## Budget Proposals: Change from Board Workshop, \$M

	Jan 2020		Mar 2020 Proposed	
Proposals	FY 21	FY 22	FY 21	FY 22
<b>Muni Working Group</b> Approx. 88 FTE including maintenance, system management and planning positions	44.0	58.7	<b>6.7</b>	<b>11.4</b>
<b>Information Technology</b> Support Actualizing information technology system infrastructure and long term licensing costs	14.0	15.6	<b>6.5</b>	<b>4.5</b>
<b>PCOs</b> Congestion Management and Bike Lane Violations	4.0	7.2	<b>4.0</b>	<b>7.2</b>
<b>Chief of Staff</b> and <b>Office of Race, Equity and Inclusion</b>	1.5	2.0	<b>1.5</b>	<b>2.0</b>
Muni Transit Assistance Program ( <b>MTAP</b> )	0.9	1.2	<b>1.0</b>	<b>1.4</b>
<b>Safe Routes to School</b> Program (Labor and Non-Labor Costs)	0.3	0.8	<b>1.1</b>	<b>0.8</b>
<b>Vision Zero</b> Education (Labor and Non-Labor Costs)	1.2	1.2	<b>1.4</b>	<b>1.6</b>
<b>Institutional Pass Program</b>	0.2	0.3	<b>0.2</b>	<b>0.3</b>
<b>Human Resources Staffing</b>	1.8	2.4	<b>1.8</b>	<b>2.4</b>
<b>TOTAL</b>	<b>67.9</b>	<b>89.4</b>	<b>24.2</b>	<b>31.6</b>

## Budget Proposals: Change from Board Workshop, \$M

**Muni Working Group**

**Original: \$58.7**

**Updated: \$11.4**

Approximately 88 FTE including maintenance, system management and planning positions.

- 30 operators to support Central Subway opening
- Critical front-line employees to support transit operations and address operator shortage
- Increased management support structure for training functions that increase reliability and support trainers and supervisors
- Strategic vehicle maintenance positions
- Critical positions to support subway reliability and continue regular extended maintenance shutdowns and support Central Subway testing and start-up.



## Budget Proposals: Change from Board Workshop, \$M

**Muni Working Group****Original: \$58.7****Updated: \$11.4**

Additional Muni Working Group recommendations that were **not funded**.

- Transit Service Expansion: 6 – 6.5% service expansion by end of FY22.
- Transit Supervision Action Plan: Increase staffing levels (50), build a service-oriented work culture (14), consolidate training functions and provide enhanced training, oversight team (4)
- Transit Near-Term Improvements: Increased supervision, increased rail maintenance (64) and subway maintenance (5), capitalized roadway worker protection (8)





## Budget Proposals: Change from Board Workshop, \$M

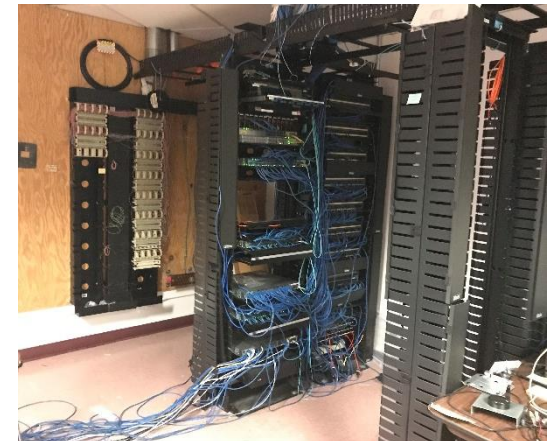
### IT Support

Original: \$15.6

Updated: \$6.5

Actualizing information technology system infrastructure and long-term licensing costs.

- Software Renewals Cost
  - Microsoft Enterprise Licenses
  - Infor EAMS Licenses -operating support licenses from implemented projects
  - Oracle Suite Licenses
  - Trapeze Software Licenses
- Equipment Lease
  - Computer/ Laptop lease – budget increased to accommodate growth
- Network Switches, Servers, Routers – replacement of failing equipment and expansion for growth.



## Budget Proposals: Change from Board Workshop, \$M

**PCOs – Congestion Mgt**

**Original: \$7.2**

**Updated: \$7.2**

66 Parking Control Officers to manage congestion management and for bike lane enforcement.

- Aligns the deployment of the Parking Control Officers with values of the organization and city
- Support multi-modal safety and neighborhood/commercial corridor needs
- Keep the city moving by managing traffic congestion and supporting transit operations
- Respond to increased demand for services in response to special events, construction, etc.
- Parking Control Officers on average are assumed to provide a net revenue of \$127K per officer



**Budget Proposals: Change from Board Workshop, \$M****COS & OREI****Original: \$2.0****Updated: \$2.0**

## Chief of Staff Office

- Direct executive support for the Director of Transportation that includes performance management and strategic planning functions for the agency.

## Office of Race Equity and Inclusion

- Dedicated unit to support an agency that embodies racial equity, social equity, and inclusion by addressing inequities in its workplace and work products, prioritizing those who have the most need in every decision, and ensuring just outcomes for all people.

## Budget Proposals: Change from Board Workshop, \$M

### Muni Transit Assistance

Original: \$1.4

Updated: \$1.4

Increases the Muni Transit Assistance Program by 20 and includes funding for training.

- Increases security for Muni lines.
- Provides additional community-based staff to ride transit lines with high incidences of graffiti and youth conflicts and assists with enforcement.
- Monitors high schools, junior high schools, bus stops, and bus lines throughout the city, focusing on youth security.
- Respond to increased demand for services





## Budget Proposals: Change from Board Workshop, \$M

VZ – Education + SRTS

Original: \$2.5

Updated: \$2.4

Ensures ongoing support of the Vision Zero Education Program and Safe Routes to School.

- Delivers safe behavior change through education, complementing engineering programs and efforts
- Supports the City's children and families by building a coordinated framework for efforts that provide safe and effective options for school transportation.
- Provides education and communications assets including staffing for outreach and events, on-street, radio and on-line outlets and multi-lingual outreach in all mediums
- Supply and major support costs are one-time and **not** on-going



## Budget Proposals: Change from Board Workshop, \$M

### Human Resources

Original: \$2.4

Updated: \$2.4

Adds Human Resources staff to keep up with hiring needs and to reduce time to fill positions.

- Advances hiring by increasing support for exams, leave management and recruitment
- Supports talent acquisition
- Supports current staff by increasing Human Resources administration



The objective is to make **targeted investments** to strengthen and improve our the transportation system today, while developing a strategy to fund the transformative transportation system improvements that our customers need and deserve.



SFMTA

# Updated Consolidated Budget

The new “Consolidated Budget” is a single budgeted that reflects the SFMTA’s operating and capital budget over the next two fiscal years. The consolidated budget is a balanced budget both in revenues and expenditures.

**Beginning with a deficit to close.**

The FY 21 and FY 22 proposed budget for operations is **balanced in both revenue and expenditure.**

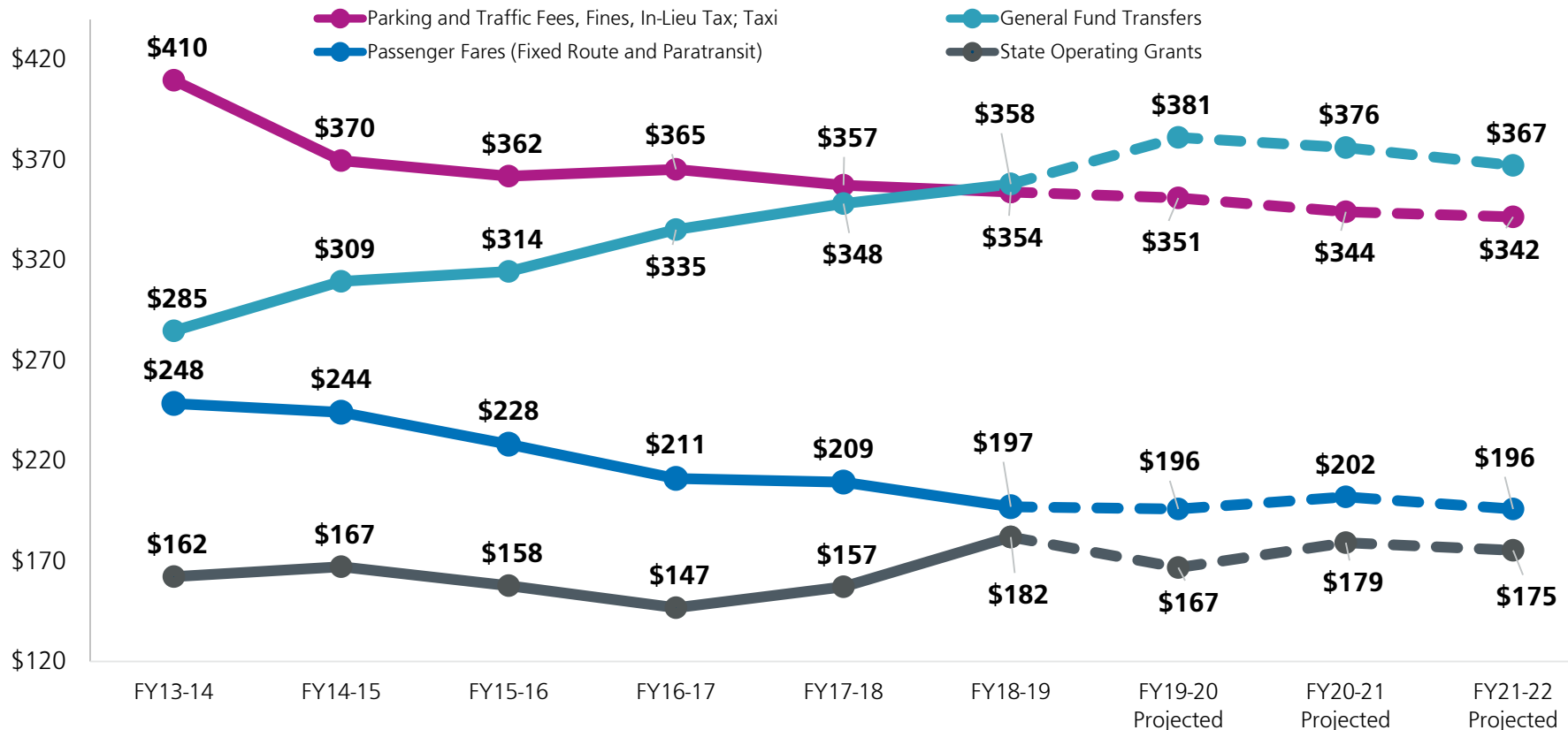
3/17/20 – Budget Baseline

Item	FY 21, \$M	FY 22, \$M
Revenue – Updated Projection	1,301	1,344
Expenditures – New Base	1,301	1,344
<b>Operating Gap</b>	<b>0</b>	<b>0</b>

## A Balanced Budget: Revenue Changes

In constant dollars, fare, parking, fees and fine revenue **are steadily declining**.

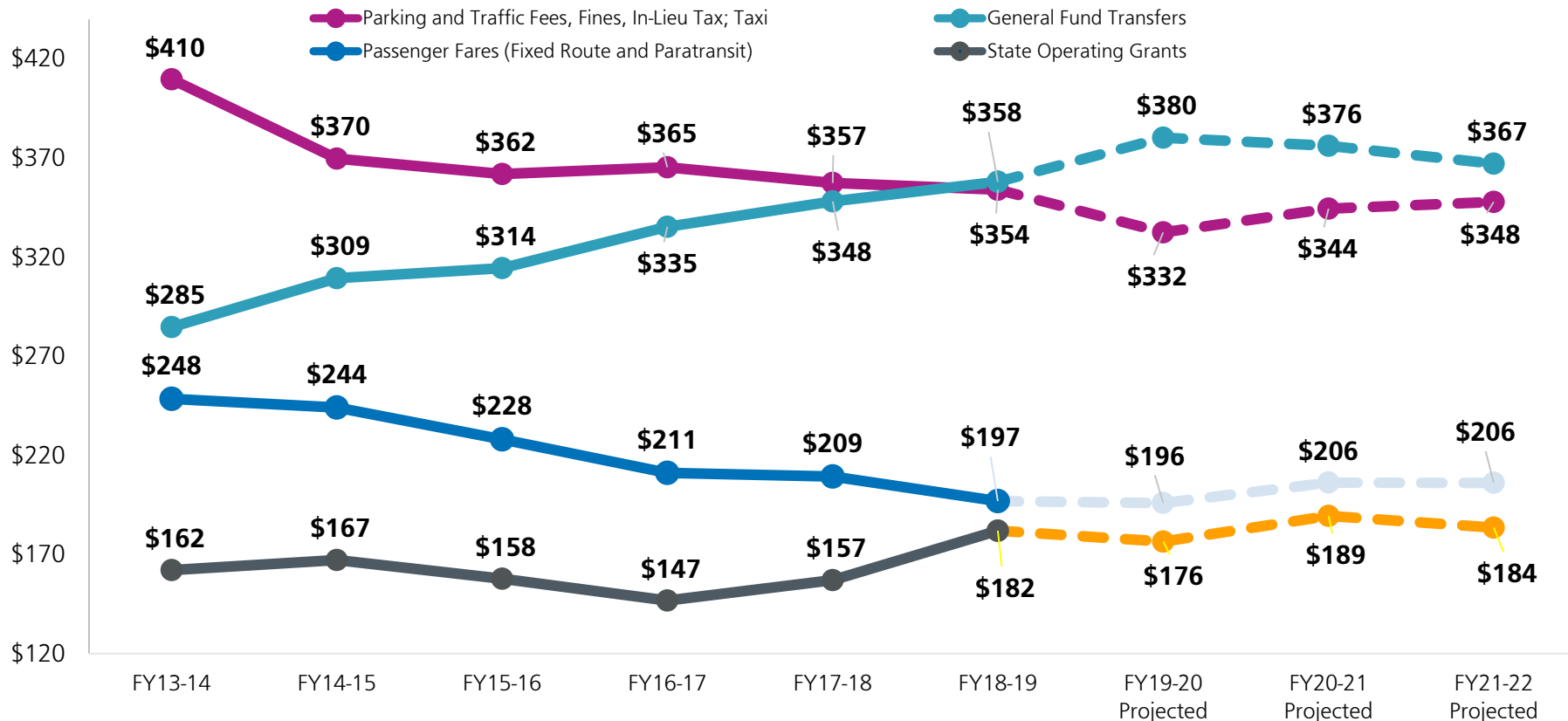
### 1/28/20 – Long Term Revenue Trends in 2019 Constant Dollars, \$M



## A Balanced Budget – Revenues in 2019 Constant Dollars (Fiscal Year 14 – 22)

The proposed budget includes **policy changes** that resulted in **revenue changes and slight increases**.

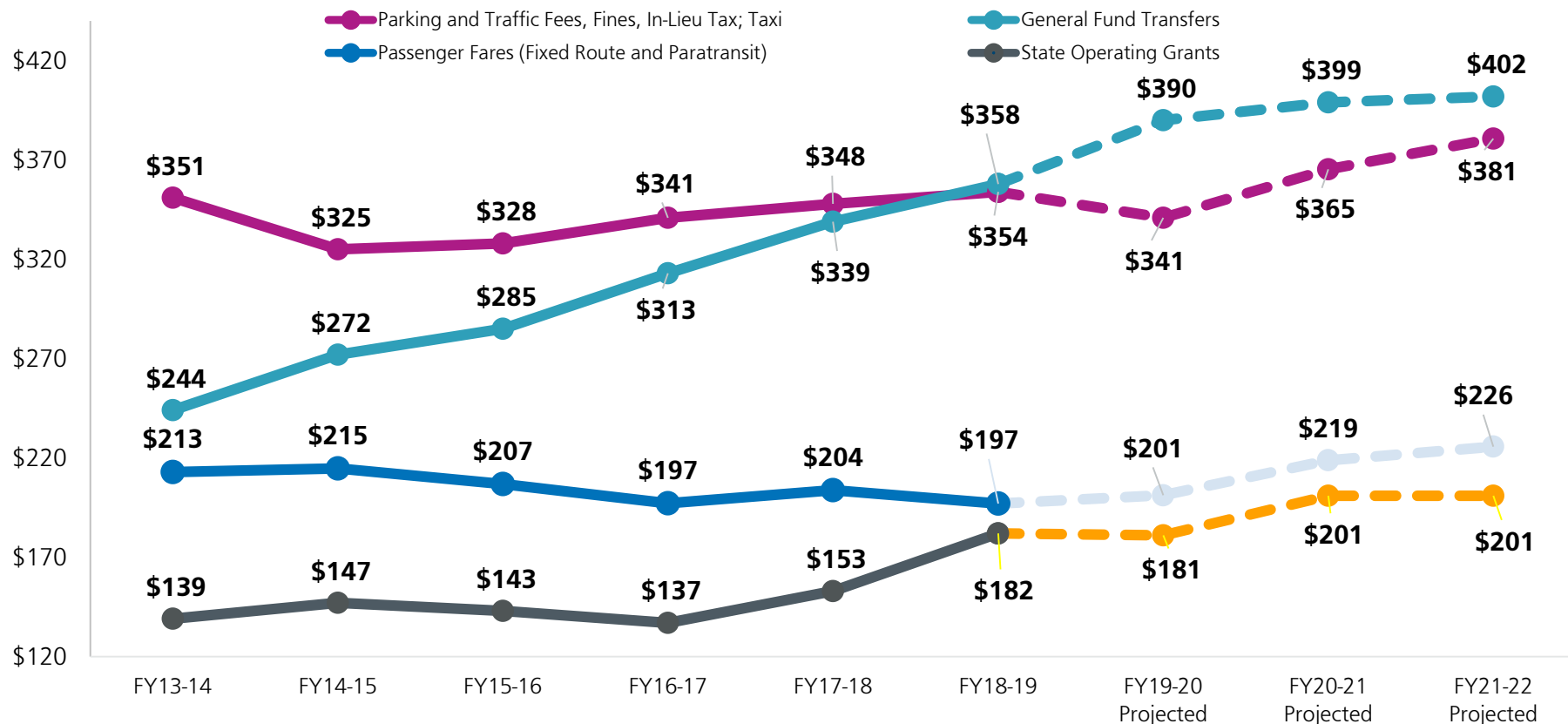
### 3/17/20 – Long Term Revenue Trends in 2019 Constant Dollars Adjusted, \$M



## A Balanced Budget – Revenues in Actual Dollars (Fiscal Year 14 – 22)

The proposed budget includes revenues budgeted at the following levels included in the base.

### 3/17/20 – Long Term Revenue Trends – Updated in Base, \$M





## Operating Revenues: March 2020

3/17/20 – Operating Revenues, \$M		
Item	FY 21	FY 22
General Fund Transfers	398.6	402.1
Operating Grants	201.1	201.0
Parking and Traffic Fees and Fines	295.7	311.1
Parking Tax In-Lieu	68.2	68.2
Transit Fares	218.8	225.7
Other (Advertising, Interest)	98.1	119.4
Taxi Service	1.6	1.6
Use of Fund Balance	18.8	15.0
<b>TOTAL</b>	<b>1,301</b>	<b>1,344</b>

## Capital Revenue and Expenditures: March 2020

3/17/20 – Operating Expenditures , \$M		
Item	FY 21	FY 22
Salary	615.6	640.4
Fringe Benefits	287.4	296.3
Overhead	(52.2)	(52.2)
Non Personnel Service	252.0	256.9
Material & Supplies	73.3	73.6
Capital Spending	7.1	7.1
Debt Service	24.0	24.0
Work Order	93.8	98.1
<b>TOTAL</b>	<b>1,301</b>	<b>1,344</b>

**These expenditures have been added to the base in FY 21 and FY 22, \$M**

Proposals (Budget Asks)	FY 21	FY 22
<b>Muni Working Group</b> Approx. 88 FTE including maintenance, system management and planning positions	6.7	11.4
<b>Information Technology Support</b> Actualizing information technology system infrastructure and long term licensing costs	6.5	4.5
<b>PCOs</b> Downtown Congestion Management	2.0	2.6
<b>PCOs</b> Bike Lane Violations and Congestion	2.0	4.6
<b>Chief of Staff</b> and <b>Office of Race, Equity and Inclusion</b>	1.5	2.0
Muni Transit Assistance Program ( <b>MTAP</b> )	1.0	1.4
<b>Safe Routes to School</b> Program (Labor and Non-Labor Costs)	1.1	0.8
<b>Vision Zero</b> Education (Labor and Non-Labor Costs)	1.4	1.6
<b>Institutional Pass Program</b>	0.2	0.3
<b>Human Resources Staffing</b>	1.8	2.4
<b>TOTAL</b>	<b>24.2</b>	<b>31.6</b>

## How did we balance the budget?

### 3/17/20 – Proposed Budget

Item	FY 21, \$M	FY 22, \$M
Revenue (Update 3/17/2020)	1,301	1,344
Expenditures (Update 3/17/2020)	1,301	1,344
<b>Base Operating Gap</b>	<b>0</b>	<b>0</b>

### Now included in the Revenue Base

Portion of Population Baseline <i>Ongoing - previously directed to capital</i>	30	30
Portion of TNC/Congestion Tax <i>Ongoing Revenue</i>	16	11
Operating Grants <i>Updated Projection</i>	9	8
Parking and Traffic Fees and Fines <i>Updated Projection</i>	(7)	(8)
Congestion Management <i>Evening/Sunday Meters, Parking Garages</i>	9	17
Fares <i>Updated Fare Proposal</i>	5	11
Developer Fees <i>Baseline Developer Fees</i>	10	10
Developer Fees <i>One-Time</i>	0	25
Fund Balance <i>One-Time</i>	19	15
<b>Remaining Base Gap</b>	<b>0</b>	<b>0</b>

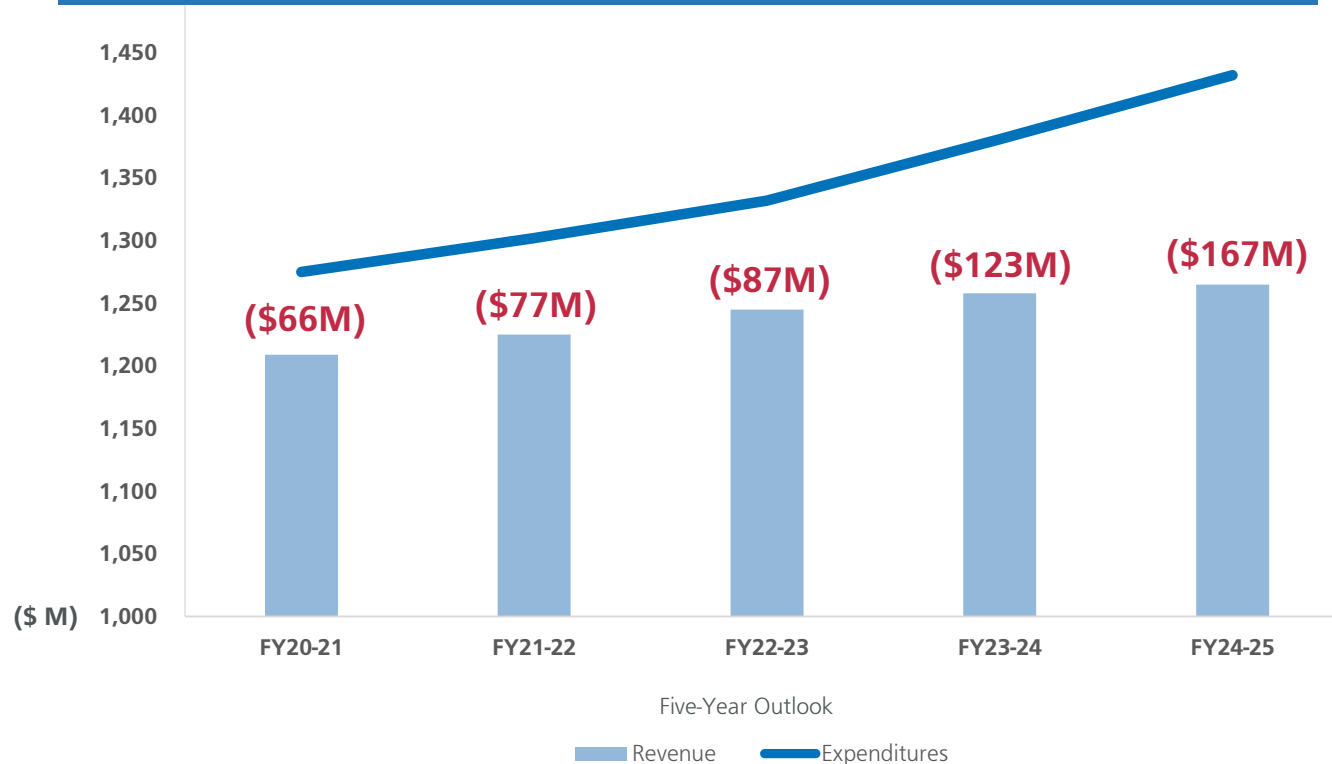
## **What does proposed operating budget accomplish? – Sum Up.**

- Address operator shortages by staffing up in Human Resources
- Provides customer service and safety training for all customer facing staff
- Expands the Muni Transit Assistance Program to include expanded community ambassadors for riders
- Creates a Race, Equity and Diversity Office (OREI) at SFMTA
- Creates a Chief of Staff Office for internal coordination
- Improves parking and congestion management improving access to parking
- Increases subway and facility security across the system
- Invests in Vision Zero Education and Safe Routes to School
- Invests in critical technology and network infrastructure
- Supports equity by proposing: Maintains the Cash Fare at \$3.00, All Youth ride the system for free and the Lifeline Pass increases by SSI COLA.
- Option to

## Beginning with a deficit to close.

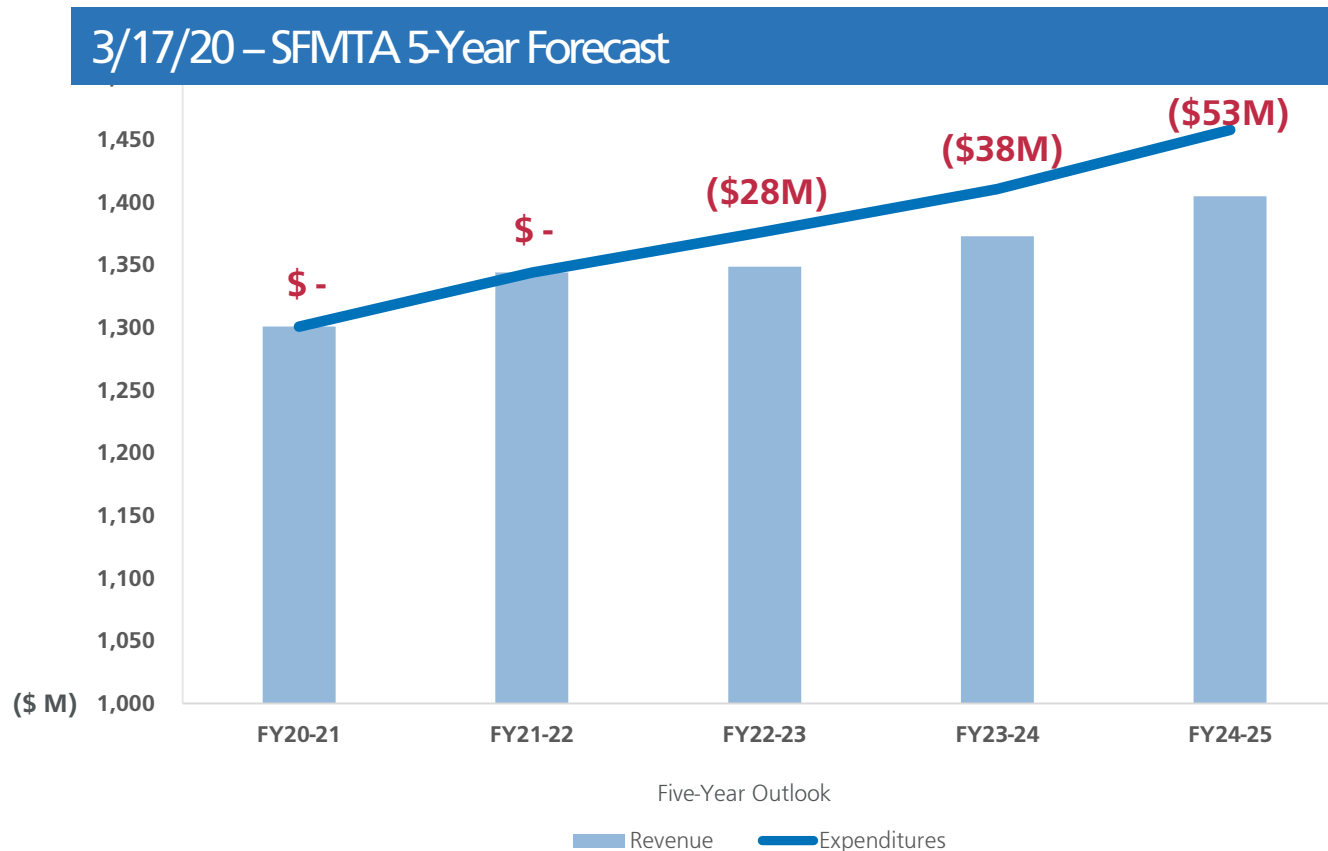
The SFMTA has an **ongoing structural deficit**, and at the beginning of the budget process began with a deficit in the coming 2-years that must be closed.

### 1/28/20 – SFMTA 5-Year Forecast



## Ongoing Structural Deficit

The SFMTA 2-year budget is balanced with parking fees, developer fees, population baseline and fund balance but an **ongoing structural deficit** remains.





SFMTA

# Updated 5-Year CIP

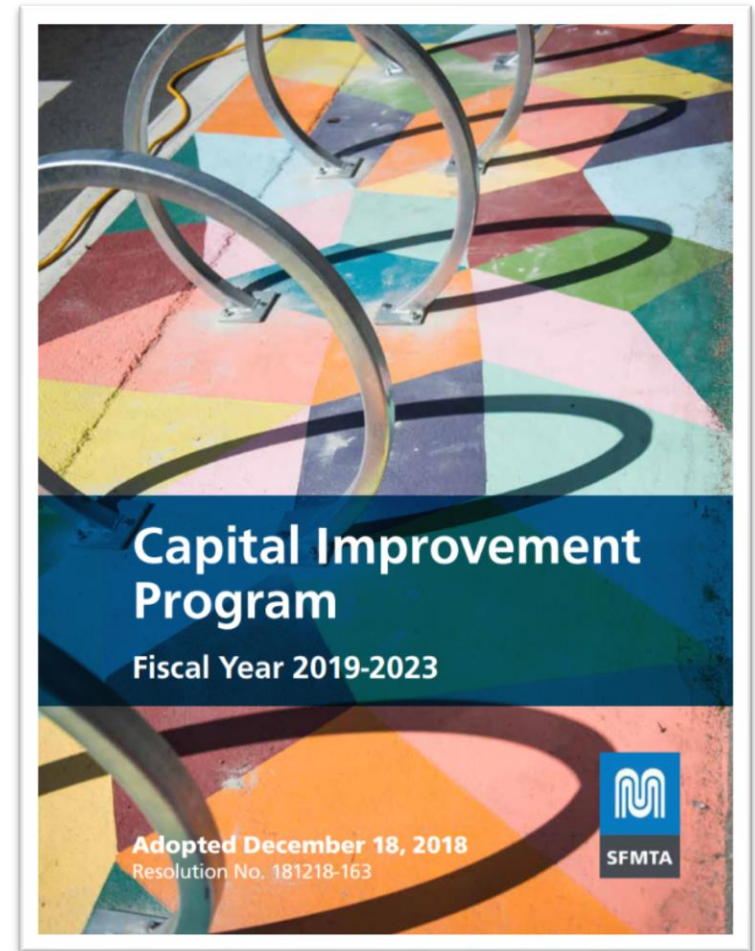
The 5-Year Capital Improvement Program (CIP) is the SFMTA's 5-Year fiscally constrained program of capital projects and one-time multi-year operating initiatives (such as planning, educational and maintenance campaigns). The program major policy initiatives including: Transit First, Vision Zero and State of Good Repair (SGR).



## SFMTA 5-Year Capital Improvement Program

The SFMTA 5-Year Capital Improvement Program is a **fiscally constrained 5-year program of capital improvement and operational projects.**

- *An implementation plan* for regional, citywide, and agency-wide strategies and policy goals
- *Maintains credibility* with external funding agencies (eg. MTC, FTA)



## SFMTA 5-Year Capital Improvement Program – CIP Programs/Descriptions



### Fleet

Purchase and rehabilitate transit vehicles including motor coaches, trolley coaches, light rail vehicles and paratransit vans



### Transit Optimization

Plan, design, engineer and construct infrastructure improvements to improve travel time and increase the capacity and reliability of the transit system



### Signals

Plan, design, engineer and construct traffic signals and associated infrastructure to improve mobility and safety on San Francisco streets and decrease transit travel time



### Fixed Guideway

Plan, design, engineer and construct improvements to critical infrastructure including rail track, overhead wires, and train control technology



### Parking

Plan, design, rehabilitate and construct public parking facilities or street infrastructure related to public parking



### Security

Plan, design and construct or implement systems to improve the security of the transit system



### Taxi

Implement systems to optimize and support the taxi system in San Francisco to provide a better rider experience and promote low-emissions taxi vehicle use



### Facilities

Acquire, develop and/or rehabilitate transit station areas and maintenance facilities used for transit, traffic, and parking operations.



### Comm & IT

Plan, design and implement technology infrastructure upgrades to improve the efficiency and efficacy of the SFMTA and provide a better experience for customers and Employees.



### Streets

Plan, design, engineer and construct improvements to street safety that promote walking, bicycling, and taking transit

## SFMTA 5-Year Capital Improvement Program – Revenue Assumptions and Options

### CIP Revenue Assumptions



#### Competitive Grants

Conservatively included at 80% of the three-year average of awarded amounts to SFMTA.



#### Regional Measure 3

\$140M in Regional Measure 3 (RM3) is included starting in FY2020-21. RM3 Core Capacity is included at \$18 million starting in FY2020-21.



#### Proposition D

The Transportation Network Tax (Proposition D) is assumed at \$62 million from FY21-25 based on available data.



#### \$60M TIRCP

The Transit and Intercity Rail Capacity Program (TIRCP) cap and trade grant is assumed at \$60M in FY2024-25.



#### FTA Transit Capital Priorities

The Federal Transit Administration (FTA) Transit Capital Priorities (TCP) is based on the Core Capacity Challenge Grant Program (CCGP) estimate.

### Future CIP Potential Revenues



#### 2<sup>nd</sup> \$500M GO Bond

Scheduled to go on the ballot in November 2022. Not included in current revenue assumptions.



#### Proposition K

Potential re-authorization of the Proposition K sales tax is not included in current revenue assumptions.



#### Revenue Bonds

Significant capacity available but has impact on operating budget: debts service payments = ~\$7M annually per \$100M issued at current interest rates.

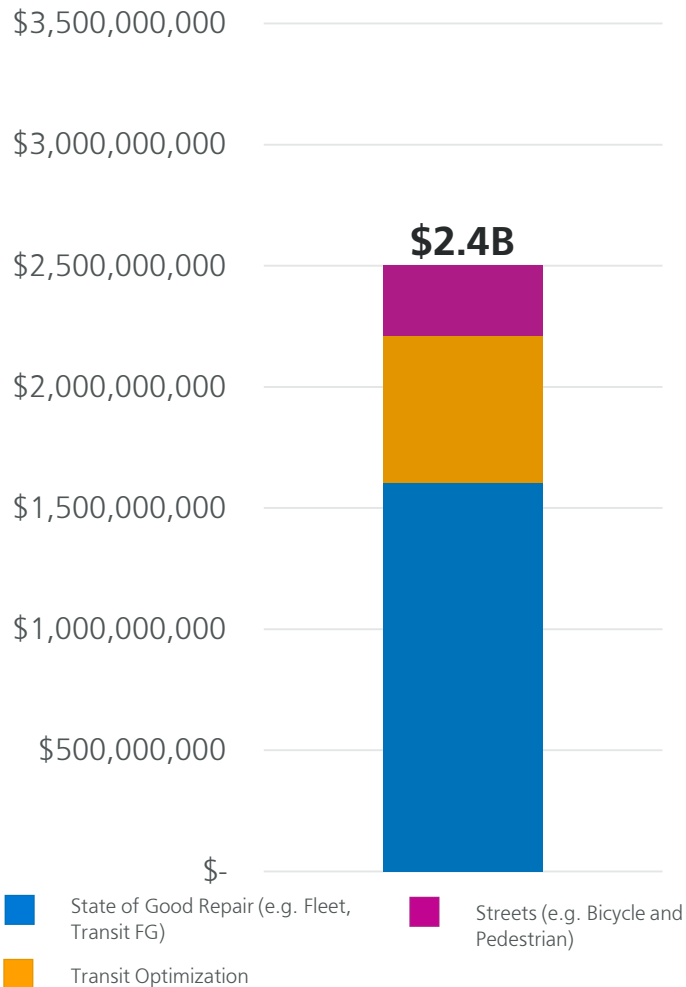


#### Regional Measure

One cent sales tax potentially scheduled to go on the ballot in November 2020. Expected to generate \$100.6 billion over 40 years. Not included in revenue assumptions.

## SFMTA 5-Year Capital Improvement Program – Proposed FY 2021-25 CIP

### Proposed FY21-25 CIP



### 157 Projects

### \$2.4 Billion Investment

(down from \$3.4 Billion in FY 2017-21 CIP)

- Several large projects:
  - Central Subway
  - LRV Replacement and Expansion Acceleration
  - Train Control System Upgrade
  - Better Market Street
  - Muni Forward
  - Potrero Modernization
- Established reserves in every Capital Program for economic and construction uncertainty.
- Established an on-going condition assessment program in each Capital Program.

## SFMTA 5-Year Capital Improvement Program – Proposed FY 2021-25 CIP

Program	2- Year Capital Budget					5-Year CIP
	FY21	FY22	FY23	FY24	FY25	Total (Current)
Fleet	\$121,771,459	\$175,866,493	\$164,829,889	\$163,813,964	\$298,812,542	\$925,094,348
Transit Optimization & Expansion	\$147,187,509	\$78,623,186	\$91,888,307	\$81,819,867	\$86,644,786	\$486,163,656
Transit Fixed Guideway	\$63,300,362	\$60,747,932	\$72,094,154	\$88,346,306	\$108,370,711	\$392,859,465
Streets	\$57,751,269	\$101,773,901	\$49,635,312	\$42,043,016	\$52,264,244	\$303,467,742
Facility	\$47,213,263	\$46,840,914	\$64,534,320	\$35,433,408	\$5,232,380	\$199,254,285
Signals	\$21,682,158	\$4,565,000	\$15,876,560	\$4,215,986	\$27,711,923	\$74,051,627
Communication & IT	\$6,991,963	\$3,283,037	\$1,265,000	\$9,350,000	\$4,400,000	\$25,290,000
Parking		\$11,420,000	\$11,080,000			\$22,500,000
Security	\$2,048,291	\$2,048,291	\$2,048,291	\$2,048,291	\$2,048,291	\$10,241,455
Taxi	\$355,000	\$355,000	\$355,000	\$355,000	\$355,000	\$1,775,000
Fleet	\$121,771,459	\$175,866,493	\$164,829,889	\$163,813,964	\$298,812,542	\$925,094,348
<b>Total SGR</b>	<b>\$229,309,328</b>	<b>\$266,348,625</b>	<b>\$274,631,911</b>	<b>\$247,541,589</b>	<b>\$346,876,019</b>	<b>\$1,364,707,471</b>
<b>Total</b>	<b>\$468,301,274</b>	<b>\$485,523,754</b>	<b>\$473,606,834</b>	<b>\$427,425,838</b>	<b>\$585,839,877</b>	<b>\$2,440,697,577</b>

## SFMTA 5-Year Capital Improvement Program – Weather Map

The distribution of the 5-year CIP compared to the 20-year capital plan needs outlines the capital investments in the short term against the long-term needs.

Program	5-Year CIP Total	CIP Distribution	20-Year Distribution	Difference Pct. Points
Facility	\$199,254,285	8.16%	14.90%	-6.74
Fleet	\$925,094,348	37.90%	17.60%	20.30
Security	\$10,241,455	0.42%	1.80%	-1.38
Signals	\$74,051,627	3.03%	4.80%	-1.77
Streets	\$303,467,742	12.43%	16.00%	-3.57
Taxi	\$1,775,000	0.07%	0.20%	-0.13
Transit Fixed Guideway	\$392,859,465	16.10%	5.70%	10.40
Transit Optimization	\$486,163,656	19.92%	36.00%	-16.08
Communications & IT	\$25,290,000	1.04%	0.70%	0.34
Parking	\$22,500,000	0.92%	2.20%	-1.28
<b>Total</b>	<b>\$2,440,697,577</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00</b>

## SFMTA 5-Year Capital Improvement Program – What are we delivering?

### Muni Forward

- Launch Quick Build Program
- 22 Fillmore: 16th St.
- 14 Mission TPP
- J Church Transit Priority Project (TPP)
- K Ingleside TPP
- L Taraval
- M Oceanview TPP
- N Judah TPP
- Embarcadero Pocket Track

### Vehicle Fleet

- LRV Replacement and Expansion
- Electric Bus Procurement
- New Flyer Mid-Life Overhauls

### Vision Zero & Streetscape

- Quick Build Program
- Accessible Pedestrian Signals
- Folsom Howard Phase 1
- 6th Street
- Taylor Street
- Hyde Street
- Mission Street Excelsior
- Better Market Street
- Folsom Howard Bids 2&3

### Major System Investments

- Subway Mechanical Systems SGR Program
- Potrero Yard Modernization Project
- Presidio Facility Reconstruction
- Fire Life Safety SGR Program
- Automatic Train Control System (ATCS)





SFMTA

In closing.....



## Setting a foundation

Making these **strategic investments** would be a missed opportunity given recommendations of the Muni Reliability Working Group, the public support for Vision Zero and the Mayor's directive to create an equitable transportation system and workplace.

These **strategic investments support our values** of a Safe Transportation System, Equity, Decarbonization; and Work Culture that delivers excellent customer service.

**The budget still leaves significant unfunded needs.**

*Operating/Service*  
**Structural Deficit**  
**\$53 m by FY 25**

*State of Good Repair Needs*  
**SGR – Clear Backlog**  
**\$756 m per year**

*SGR Needs*  
**2018 Backlog**  
**\$3.3 billion**

*Capital Needs*  
**20-Year Capital Plan**  
**\$30.7 b**

## **Where we all want to get to, dependent on new revenues:**

- More **reliable Muni Service** (fully implementing the Muni Working Group Recommendations)
- Fully implement the **Muni Equity Strategy** including 6 percent Muni service increase
- Accommodating future **growth**
- On-Going and Permeant **Vision Zero** Education Campaign
- **Modernized Facilities**, fully implementation of the Building Progress Program.
- **Technology** to optimize service delivery
- Achieve 80/20 2030 **mode share goals**

## What is left to do.....

Transportation Task Forces have been completed to identify funding opportunities.

### Transportation Task Force 2030

SAFE, RELIABLE AND AFFORDABLE TRANSPORTATION  
MAYOR'S TRANSPORTATION TASK FORCE

# 2030

CITY AND COUNTY OF SAN FRANCISCO

#### 2014 Proposition A

General Obligation Bond  
Passed – 71.9% yes  
\$500 million/one-time

#### 2014 Proposition B

General Fund Population Baseline  
Passed – 61.4% yes  
\$23 million/annually (est. at time)

#### Vehicle License Fee

Increase by 2% - Not Pursued  
Estimate: \$73 million/annually

### Transportation Task Force 2045

2045 SF TRANSPORTATION TASK FORCE 2045

#### 2016 Proposition J/K

3/4 cent Sales Tax  
Prop J Dedication: Passed – 67.2% yes  
Prop K Tax: Failed - 65.3% no  
\$101.6 million/annually

#### 2019 Proposition D

Ride Hailing Tax  
Passed – 67.7% yes  
\$15 million Transit/annually  
\$15 million Vision Zero/annually

#### General Obligation Bond

\$500 million/one time (June 2022)

#### + 1/4 Cent Sales Tax

\$51 million/annually (Estimated)

#### Congestion Pricing

\$80 million/annually (Estimated)

#### Community Benefit District

Varies Depending on District

### Other opportunities:

#### Proposition K Sales Tax Reauthorization

\$100 million/annually (Post 2034)  
Voter approval of a new 30-year expenditure plan  
for the existing Proposition K 1/2 Transportation Sales Tax

#### Federal and State Grants

FTA Capital Investment Grant Program: \$200 million/one-time  
State Transit and Intercity Rail Capital Program: \$120 million/one-time

## Next Steps

- 3/17:** Receive SFMTA Board and public feedback on proposed budget
- 4/7:** Return to SFMTA Board with Budget action item
- 4/20:** 2nd Opportunity for SFMTA Board to act on budget (if needed)
- by 5/1:** Balanced budget submitted to Board of Supervisors
- On-going:** Monitor revenue forecasts and manage expenditures to ensure that budget remains balanced as economic circumstances change. Develop options for sustainable funding to address ongoing structural deficit.

Quarterly or upon SFMTA Board request, report on status of actual revenues and expenditures compared to budget.

A blue-tinted photograph of the San Francisco skyline, featuring the Transamerica Pyramid and other skyscrapers, with the Golden Gate Bridge in the foreground. A semi-transparent blue rectangle is centered over the image.

Thank You.



**SFMTA**