



SFMTA



San Francisco Municipal Transportation Agency  
**Board of Directors' Workshop**

April 22, 2025

# Budget Context & Background

- Citywide Economic Overview
- SFMTA Budget Overview

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# San Francisco Economic Overview

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Ted Egan, Ph.D.  
Chief Economist, Controller's Office

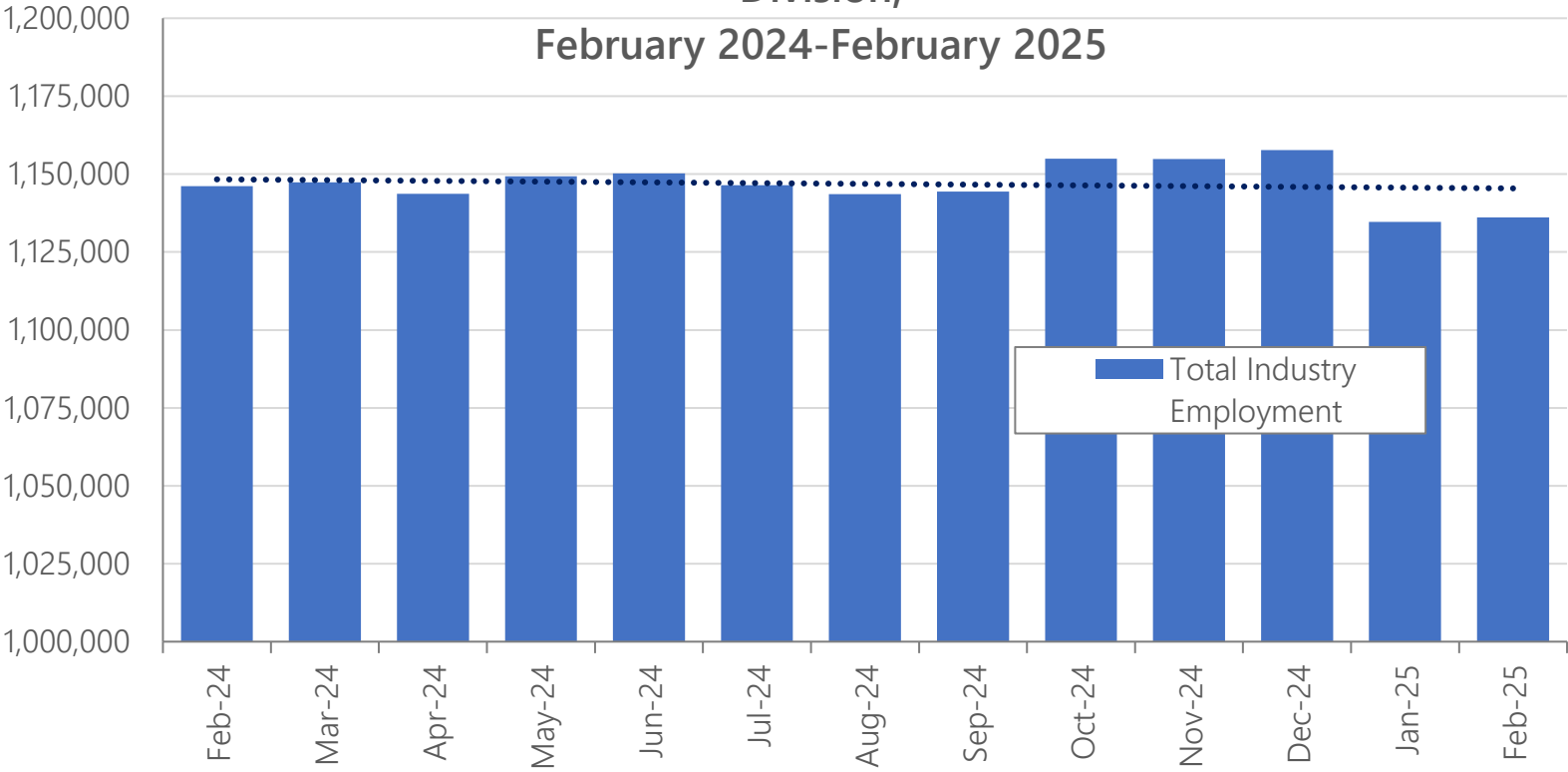
April 22, 2025

# Macro Context: The Tariff Process

- Rapid downturn in sentiment and economic forecasts since April 2
  - February consensus forecast for 2025 GDP growth: 2.0%
  - April consensus forecast: 1.4%
  - 69% of forecasters see significant downside risk to the forecast over the next 12-24 months; 0% see upside risk.
- Short-term impact: the shock and the uncertainty
- Long-term impact: the economic cost
- Differential impact on the Bay Area
  - as a successful exporting region, likely to suffer from higher retaliatory trade barriers
  - as a high-cost region with little manufacturing base, unlikely to benefit from import substitution

# Recent Job Losses Are Mainly, But Not Only, Seasonal

Monthly Total Industry Employment, San Francisco Metropolitan Division,  
February 2024-February 2025

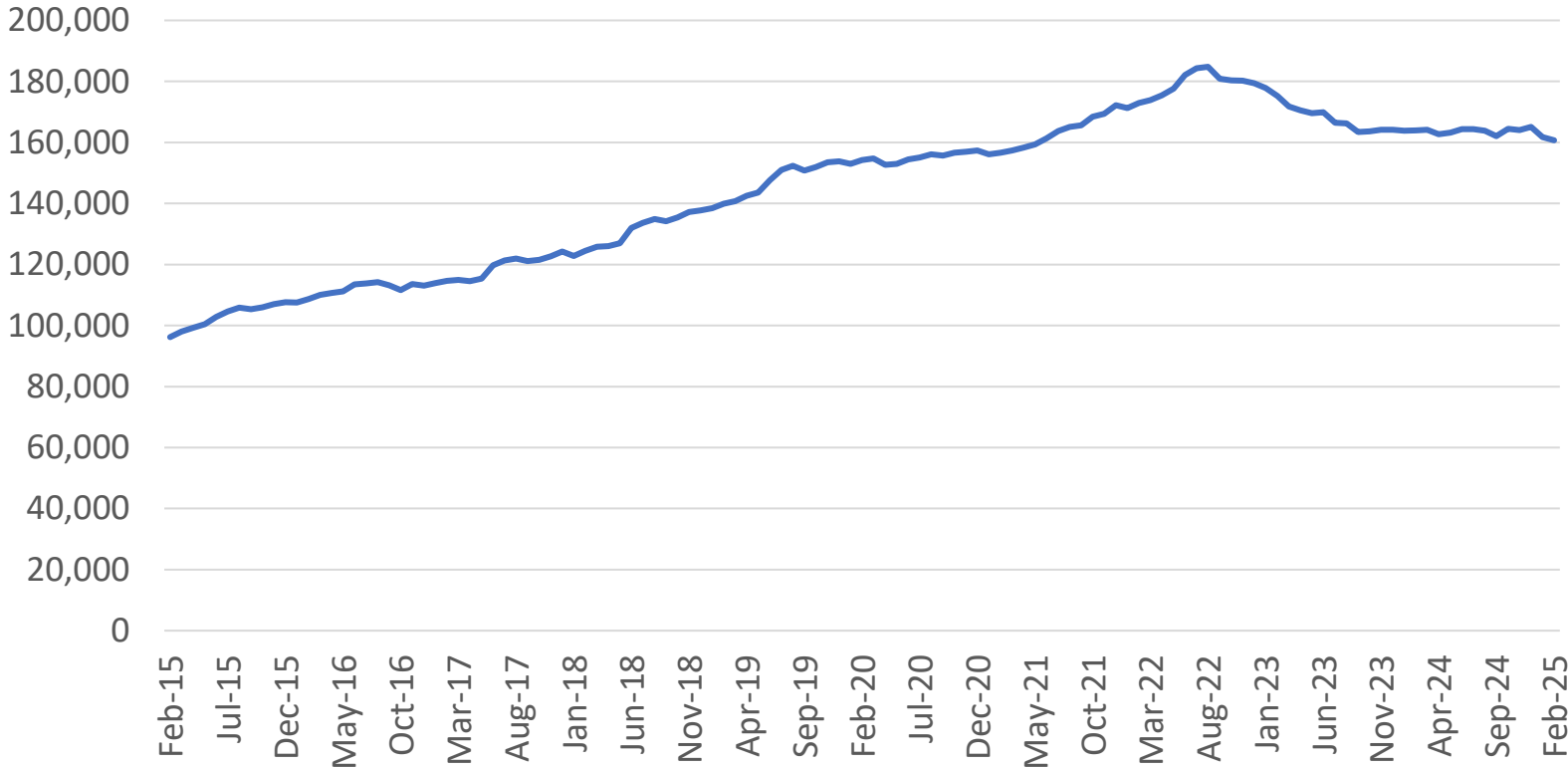


Source: EDD, SF Metro Division includes San Francisco and San Mateo counties.



# Tech Employment May Be Levelling Off

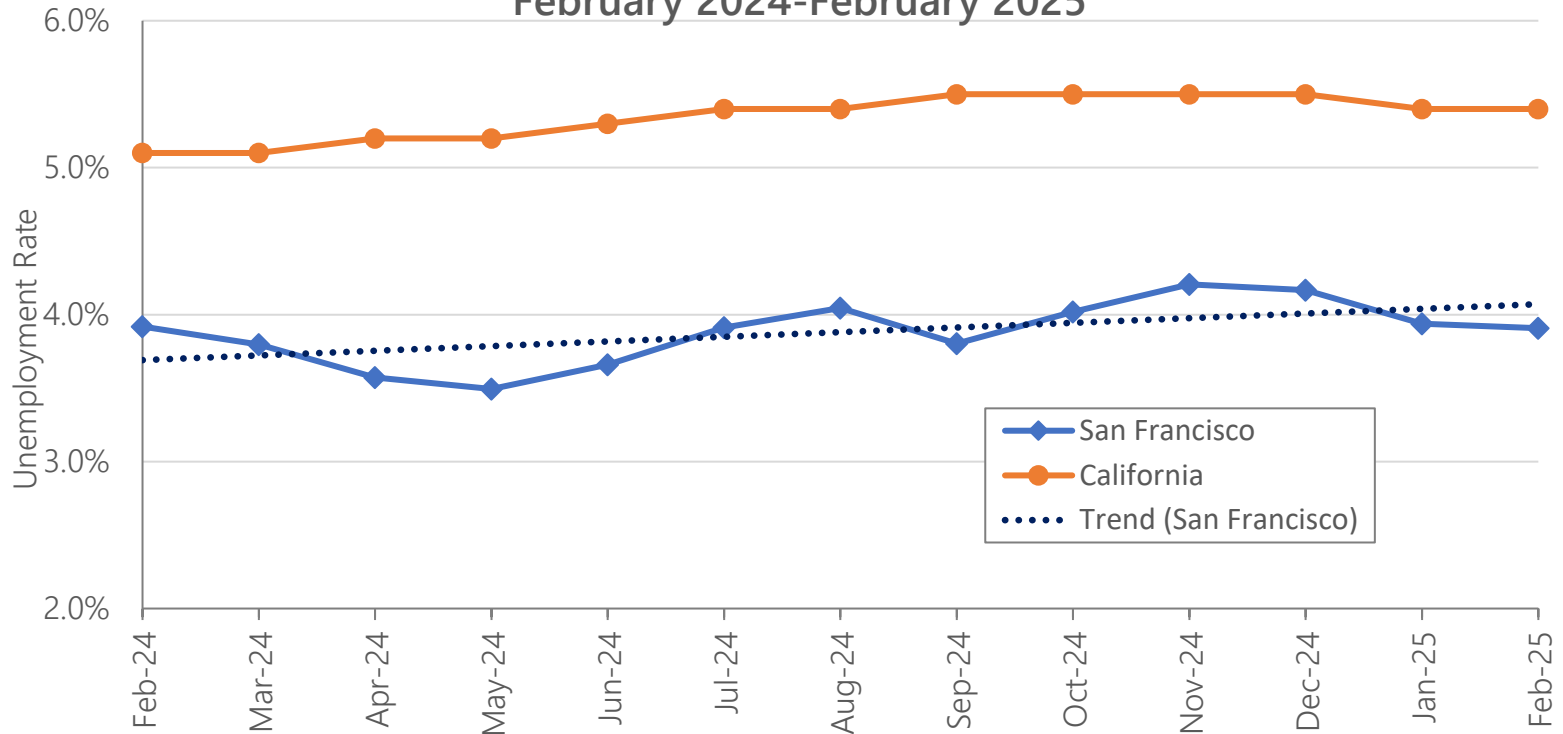
Monthly Tech Employment in San Francisco / San Mateo Counties,  
February 2015-February 2025



Source: EDD

# Restated Jobless Rate Dropping Since Late 2024

Monthly Unemployment Rate, Seasonally Adjusted  
San Francisco and State of California,  
February 2024-February 2025

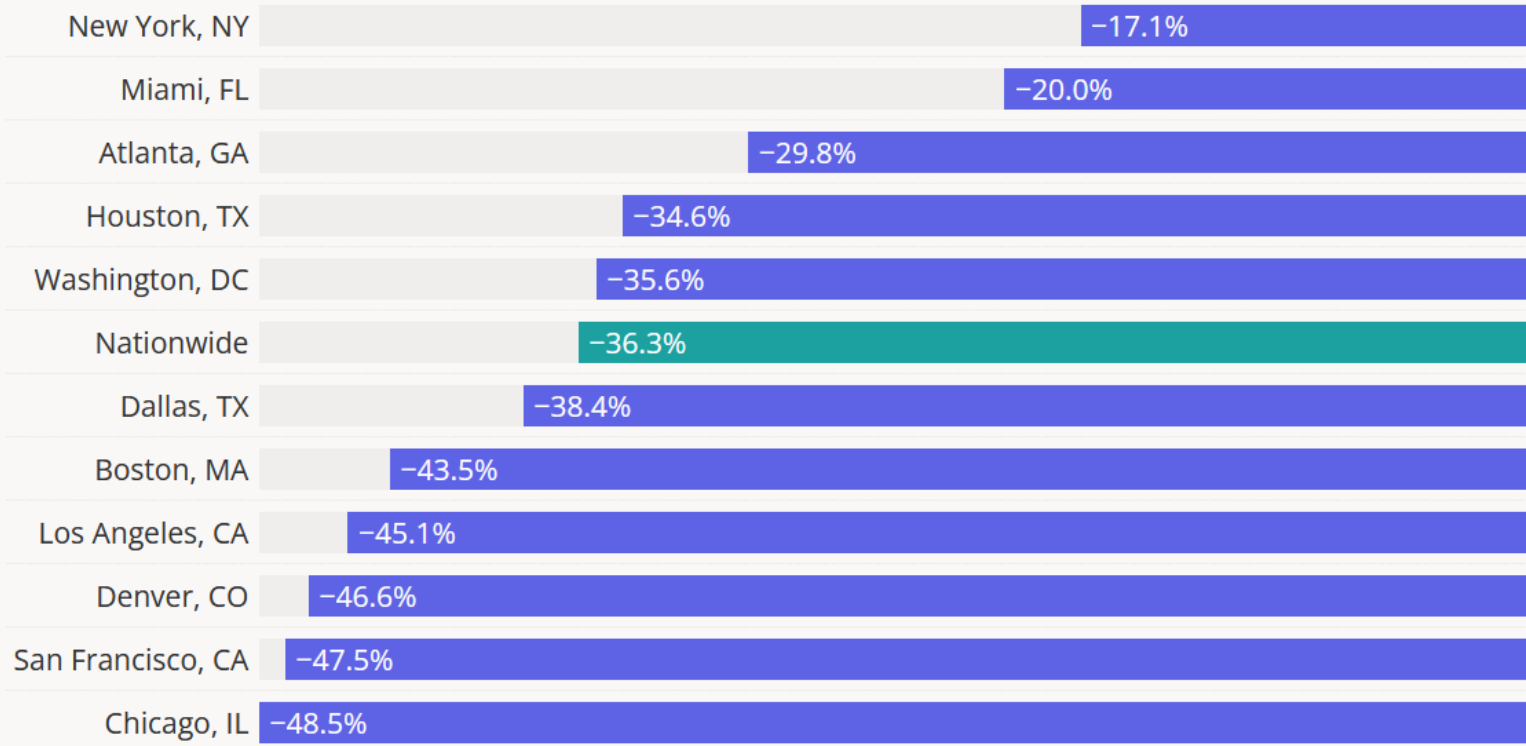


Source: EDD.

# SF Still Lags in an Improving Return-to-Office Picture

## Office Recovery in New York City & Miami Far Ahead of The Pack

Office Visits, February 2025 Compared to February 2019

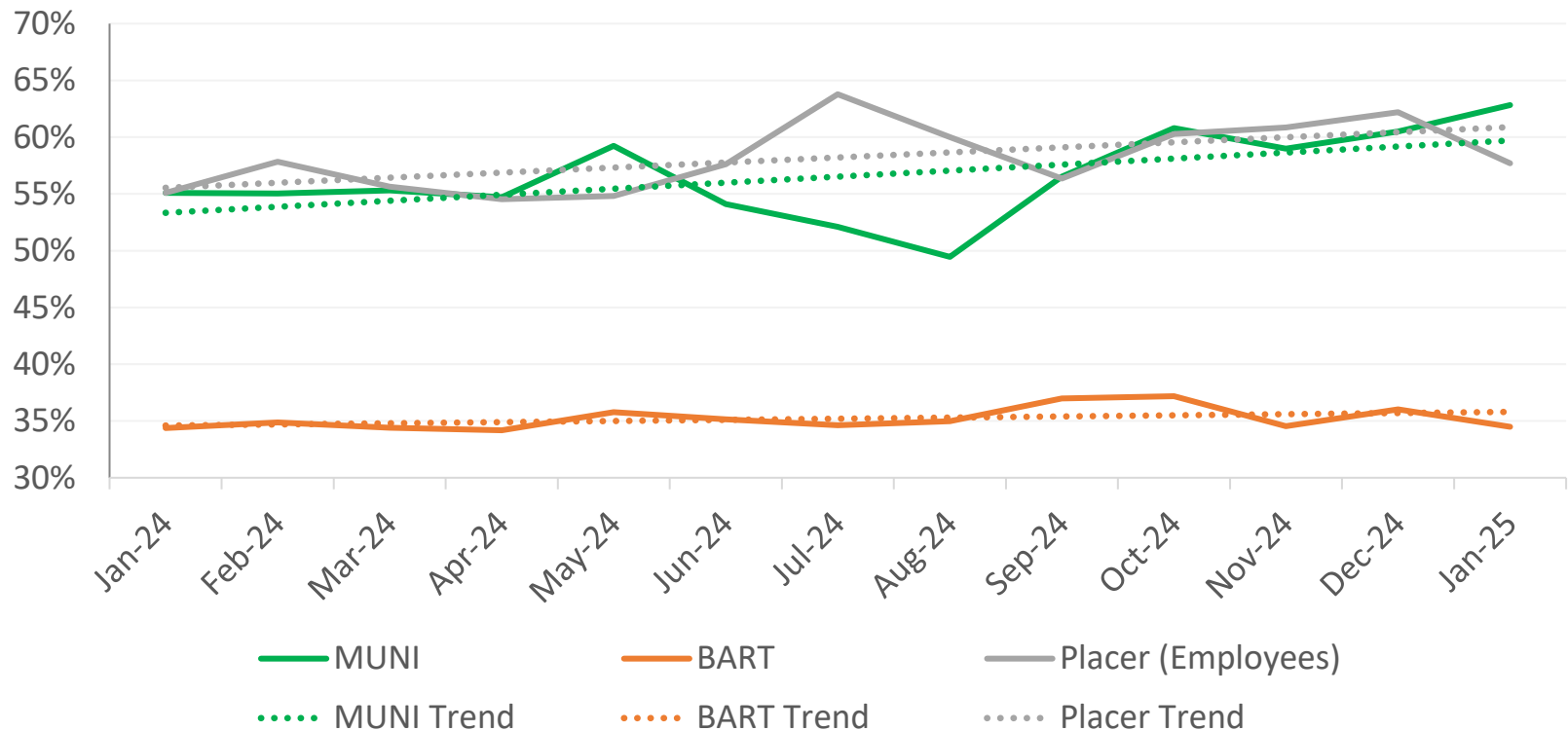


Source: Placer.ai



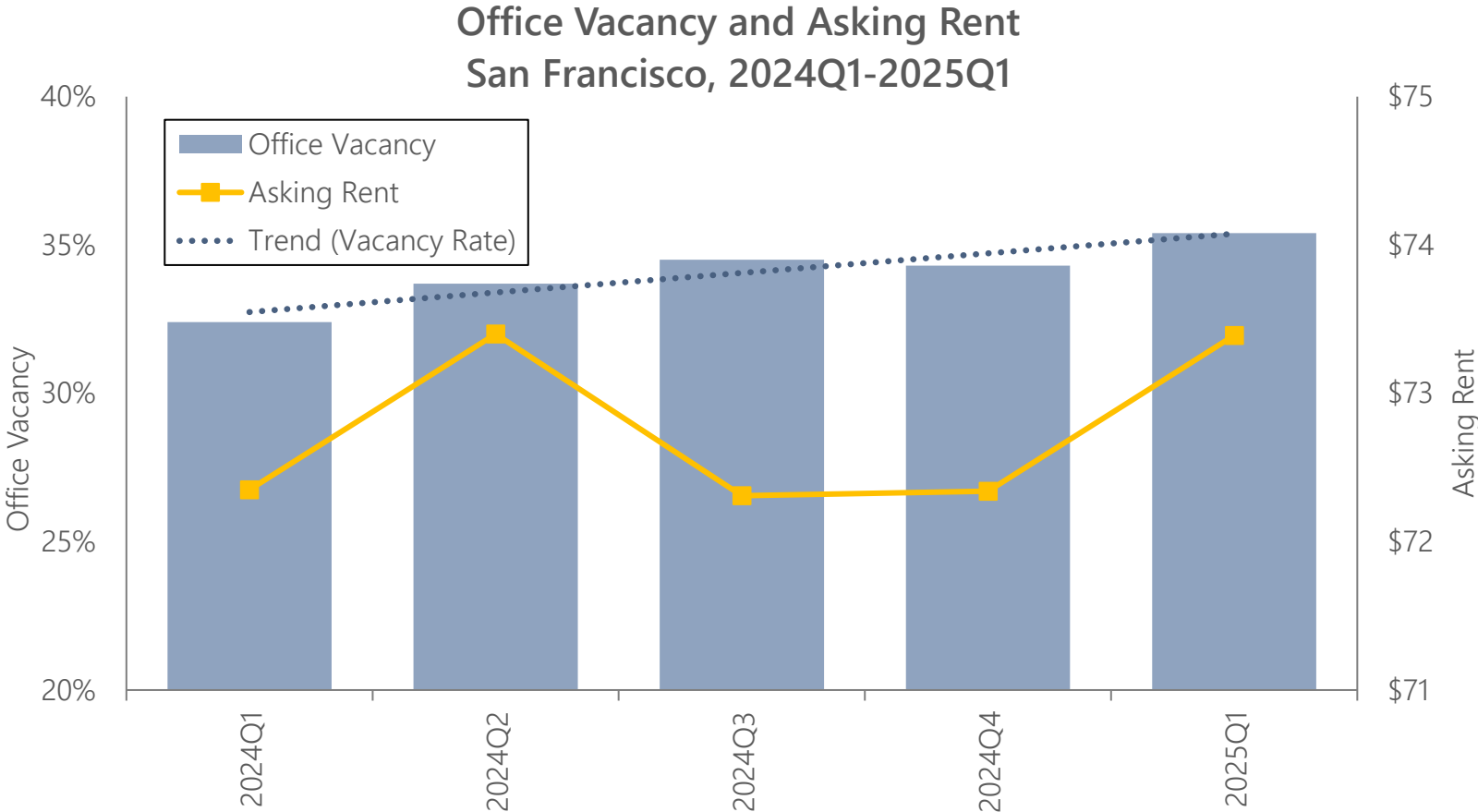
# MUNI Metro, BART, Employee Foot Traffic All Improving

Downtown Trips as % of the Same Month in 2019: MUNI Metro, BART, Placer



Source: SFMTA, BART, Placer.ai

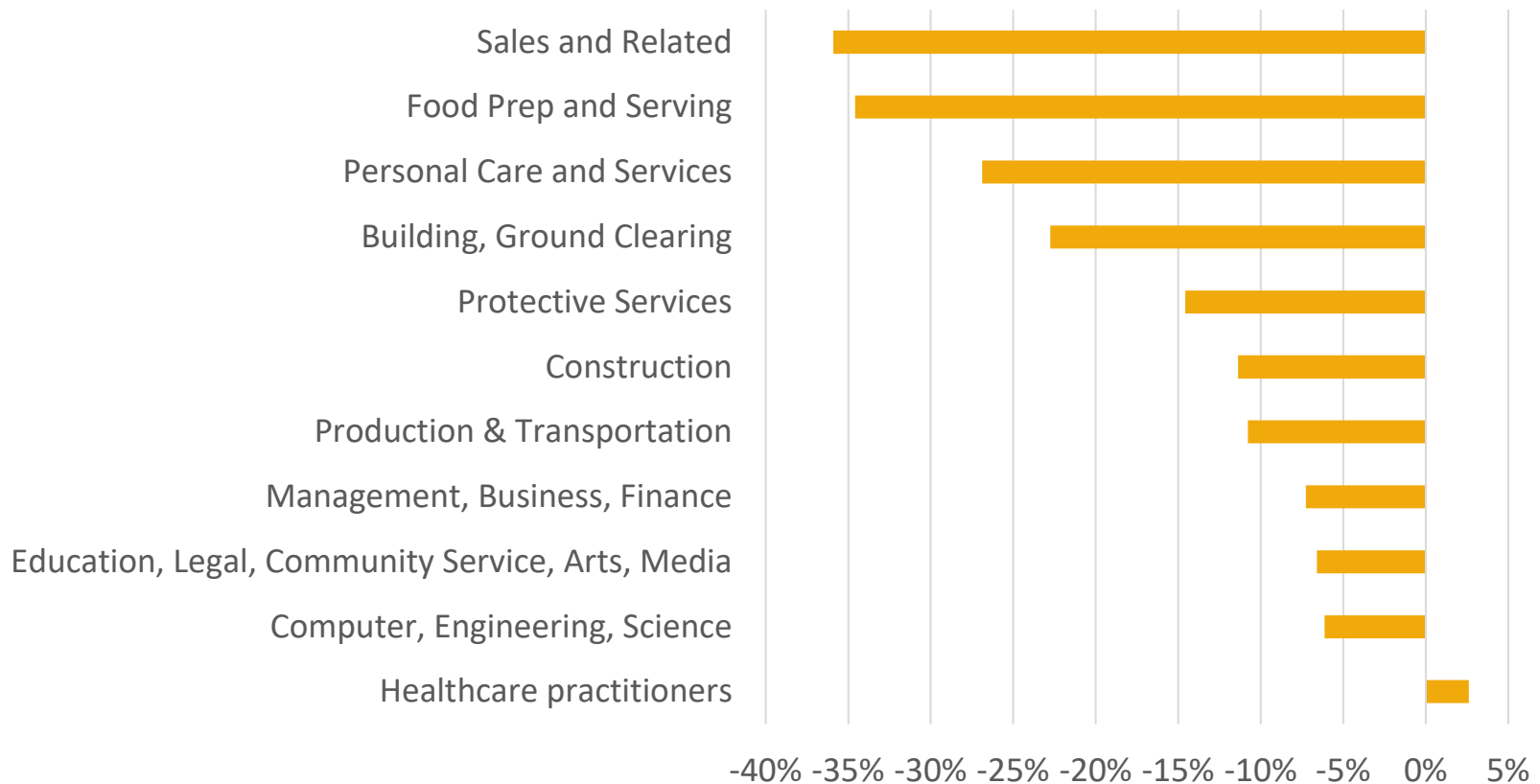
# Office Vacancy Rose in Q1, But Appears to be Plateauing



Source: Jones Lang LaSalle (JLL)

# Major Demographic Changes Shape Our Recovery

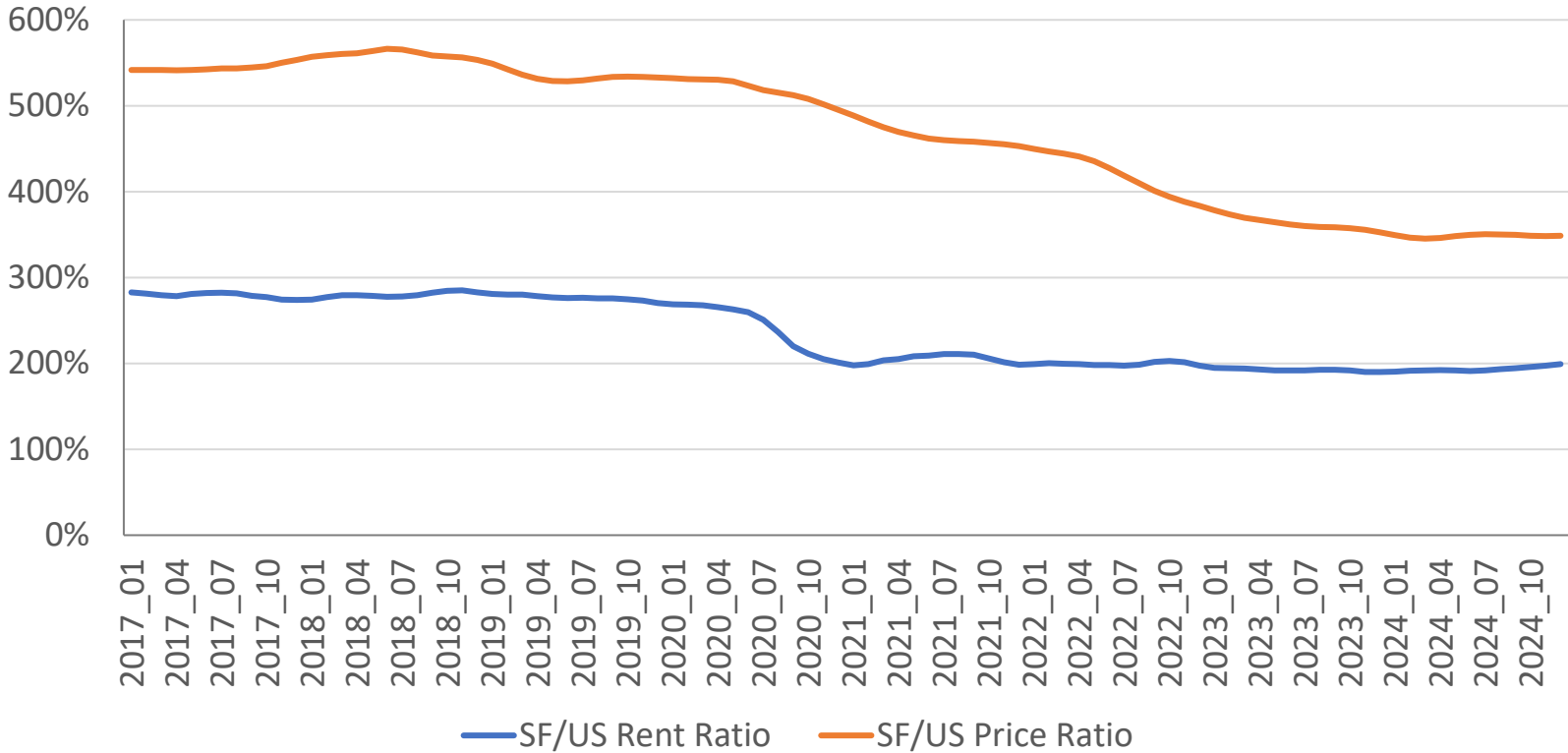
Percent Change in San Francisco Residents by Occupation, 2019-2023



Source: Census, American Communities Survey

# Housing Significantly Cheaper Relative to the US

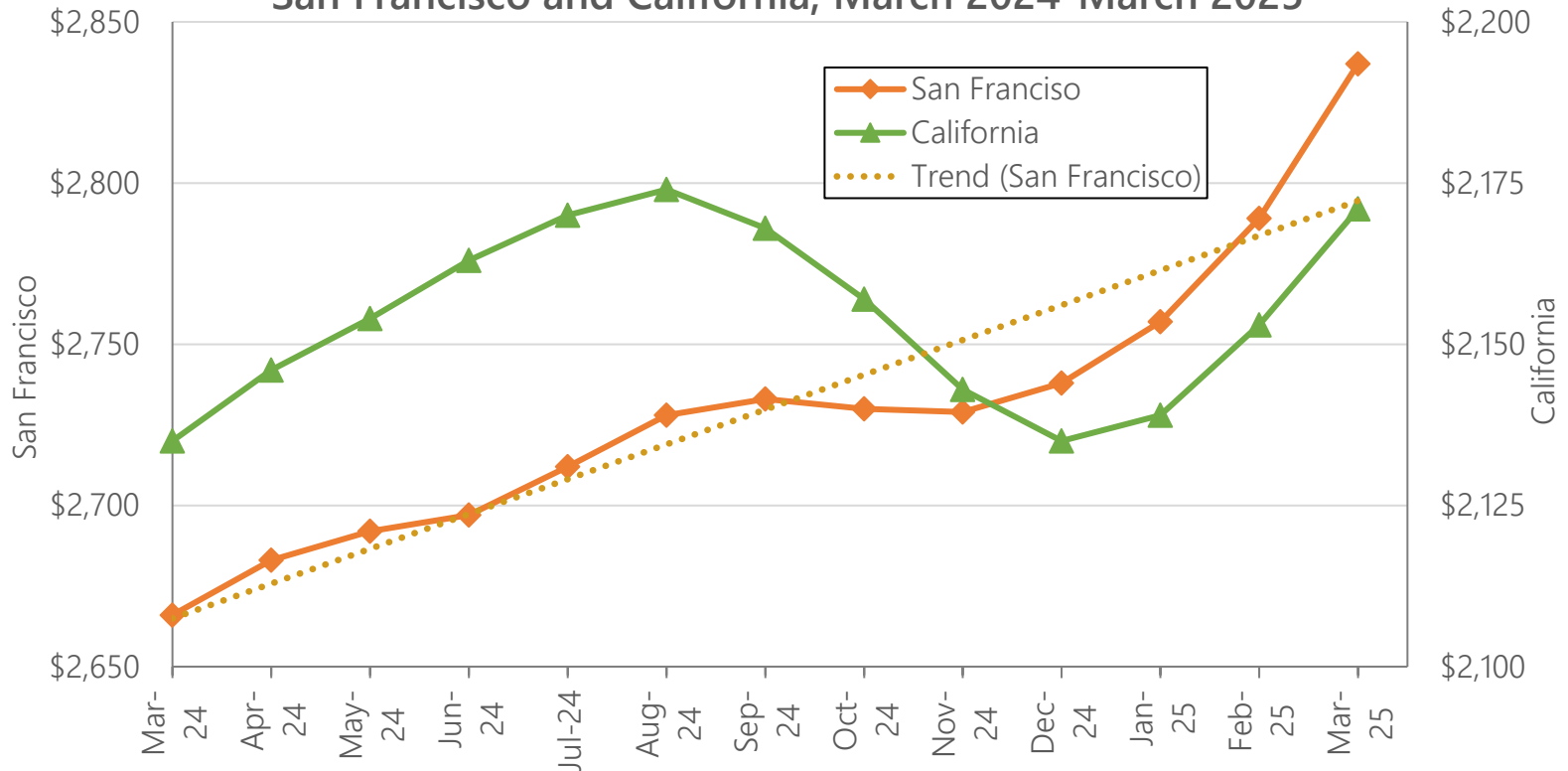
San Francisco's Housing Prices and Apartment Asking Rents, Relative to the US, 2017-2024



Source: Zillow; ApartmentList

# Rising Apartment Rents Likely a Sign of Population Growth

Apartment Median Asking Rent,  
San Francisco and California, March 2024-March 2025



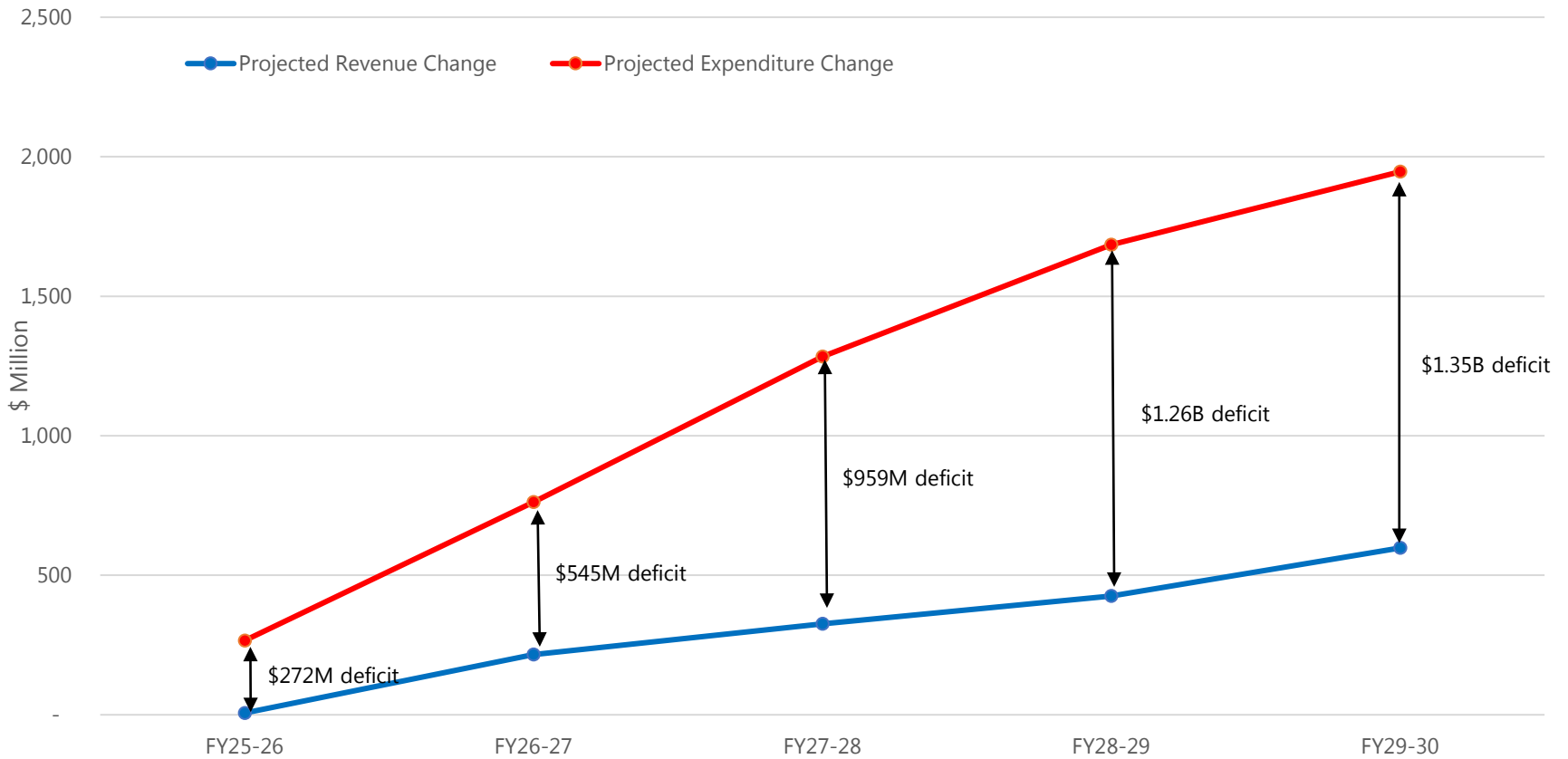
Source: Apartment List

# MUNI and the City's Economic Recovery

- Prior to the pandemic (in 2019), 44% of employees in San Francisco took transit to work, the 2nd highest percentage among the 250 largest cities in the country.
- Transit is especially important to the service and office workers whose places of employment are concentrated downtown.
- San Francisco's GDP per capita is nearly four times the U.S. average, mainly due to downtown office industries.
- These industries clustered downtown because its transportation infrastructure provides access to the Bay Area's pool of skilled labor.
- If diminished transit service weakens this access to talent, it raises the risk that these businesses will relocate or choose to expand in other cities instead of San Francisco.
- Thus far, return-to-office has seen a pivot away from transit and towards driving to work. However, the city lacks the capacity to expand in-person office employment through driving. Further return-to-office, and economic recovery, will require transit service.

# General Fund Budget Forecast

**Expenditure growth** outpaces **revenue growth**.





# Property Values & Assessment Appeals

- Market values of all property types in San Francisco have declined since the pandemic and will take many years to recover:

	Hotel Price per Room	Office Price per Sq. Foot	Retail Price per Sq. Foot	Multifamily Residential Price per unit	Single Family Residential Price per unit
Year of Maximum Value	2018	2019	2021	2021	2022
Year of Minimum Value	2023	2026	2025	2024	2024
Change in Value	<b>-48%</b>	<b>-48%</b>	<b>-24%</b>	<b>-23%</b>	<b>-12%</b>
Returns to Max Value...	After 2034	Long after 2034	2033	2029	2027

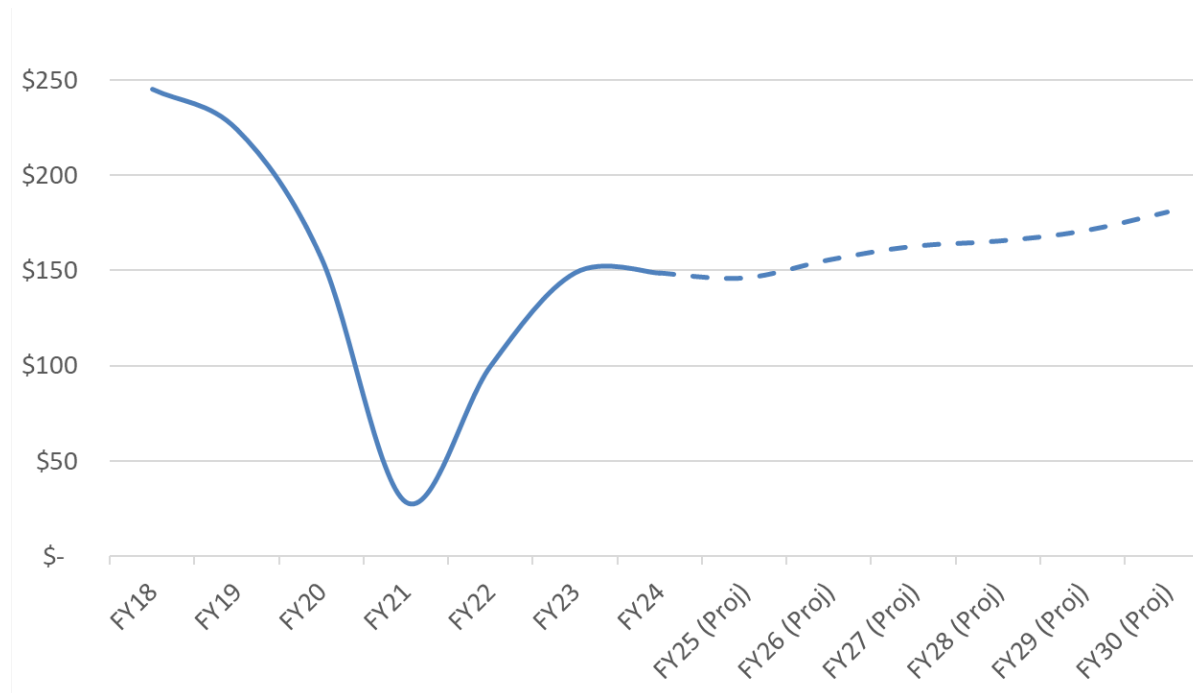
Source: CoStar

- This has led to historically high numbers and values of assessment appeal filings, from 1,400 in FY20 to 9,000 in FY25. We expect high levels of appeals to persist, increasing refunds payable and holding down property tax revenue throughout the forecast period. Property tax revenue comprises 54% of the Aggregate Discretionary Revenue upon which General Fund transfers to the MTA are based.

# Hospitality Recovery Stalls

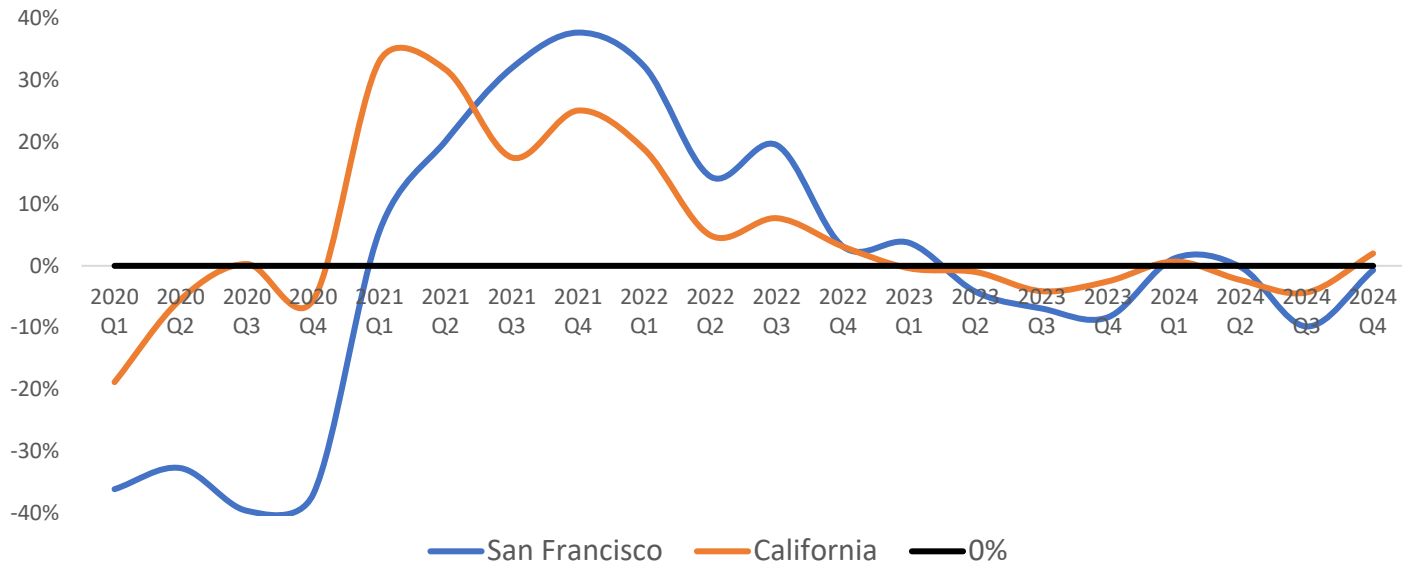
FY 2024-25 convention attendance is projected to be 63% of FY 2018-19 peak. Trade war, policy rhetoric, and the strong dollar threaten business and leisure travel.

**Revenue Per Available Room (RevPAR) - Annual Average, 2019 - 2030 (Projected)**

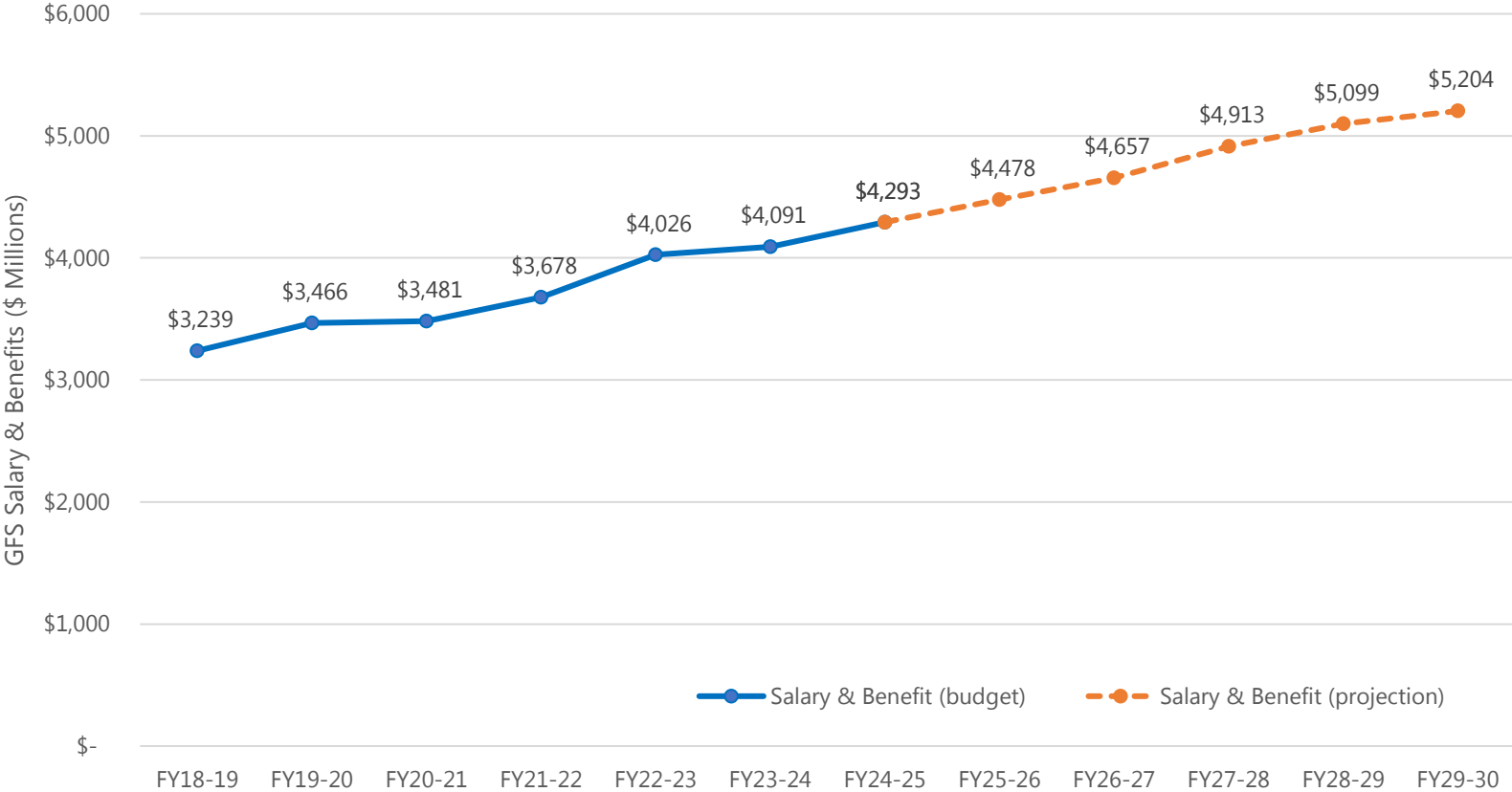


# State & Local Sales Tax Growth

- Recent volatility from fuel and durable goods purchases. Last 8 quarters overall represent return to longer term trend after unsustainable 2022 growth. Tariffs, interest rates, inflation, and other risks will affect projections:
  - FY 2024-25: CA: -1.0%, SF: -4.1%.
  - FY 2025-26: CA: +1.6%, SF: +3.7%
  - FY 2026-27: CA: +2.9%; SF: +3.0%



# Salary & Benefits: 21% Projected Growth in 5 Years



# Risks & Uncertainties

- **Recent national forecasts show lower GDP growth and higher risk of recession.** Most economists expect tariffs to lead to inflation and slower interest rate cuts. Individual and business confidence has dropped sharply, affected by fears of inflation and the prospect of large government spending and job cuts.
- **Fiscal effects of federal policy changes are not assumed but could be substantive.** Executive Orders and agency directives to eliminate, reduce, or place conditions on federal funding have been issued. Several courts have concluded freezing federal assistance was likely illegal. That litigation and the threat to the City's federal funding remain ongoing. Federal transportation funding cuts are possible.
- **Effects of state budget changes are not assumed but could be substantive.** The state's income tax revenue outlook has worsened substantially given recent stock market losses. Tariffs, immigration enforcement actions and federal spending cuts threaten state revenue while it seeks to recover from January 2025 Southern California wildfires, making state cuts to local funding more likely.
- **Salary and fringe cost growth pressures:** Inflation of 2.4% to 2.7% assumed on open contracts through FY 2029-30. Inflationary pressures would grow this, and stock market losses will increase required pension contributions.

# Big Picture Take-Aways

- Pandemic economic effects are still being felt in local revenue sources, and recovery in some sources (hotel, sales) has stalled.
- City budgets have been held together during the pandemic and since with massive support from the federal government and with record reserves set aside in the prior decade. One-time sources have been drawn down, and federal and state funding cuts appear likely.
- The pace of economic and financial recovery is threatened in the short and mid-term by trade and other policy changes, while cost pressures driven by inflation and interest rates continue.
- Steps must be made to reduce operating costs.



SFMTA

# San Francisco Municipal Transportation Agency **Budget Overview**

2025 SFMTA Board Workshop  
April 22, 2025



# Budget Context

- SFMTA must present the Mayor a balanced budget for FY26-27 and FY27-28 by May 1, 2026.
- The projected deficit is approximately \$320M in FY26-27 and \$350 in FY27-28.
- To balance the budget, the Board must identify a combination of new revenues, service cuts, and policy/administrative reductions to close the gap.
- Balancing the budget will require more, bigger and harder policy choices than previous budgets, which necessitates starting the process earlier.

# SFMTA Operating Budget

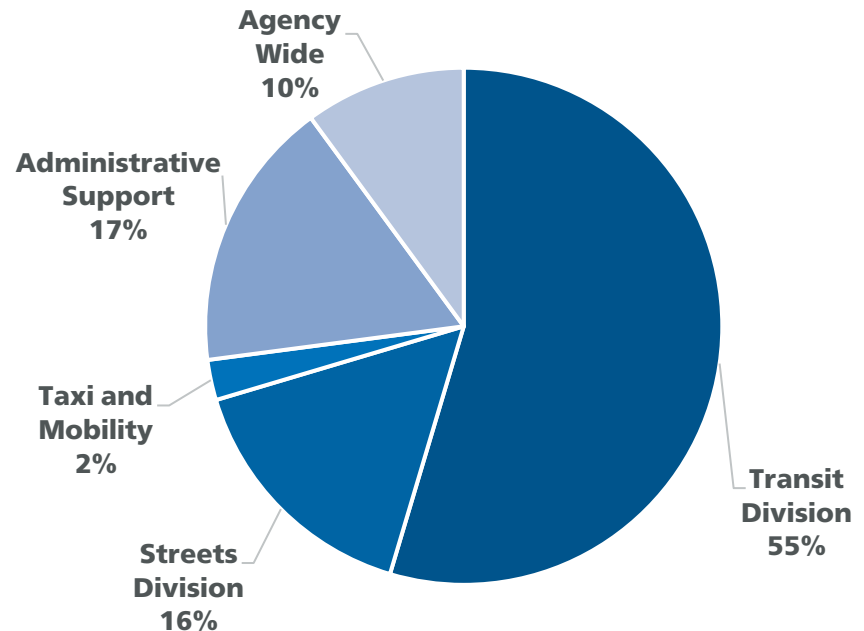


# Expenditures by Organizational Unit

Previous budget presentations inaccurately represented administrative costs as 17% of budget, actual expenditures are 10%.

- Facilities maintenance is categorized as Administration, but is essential to transit.
- Citation and permit processing is categorized as Administration, but is essential to generating revenue and creating safe and functional streets.
- Agency-wide looks like administrative cost, but is primarily retiree health, debt, and reserves.

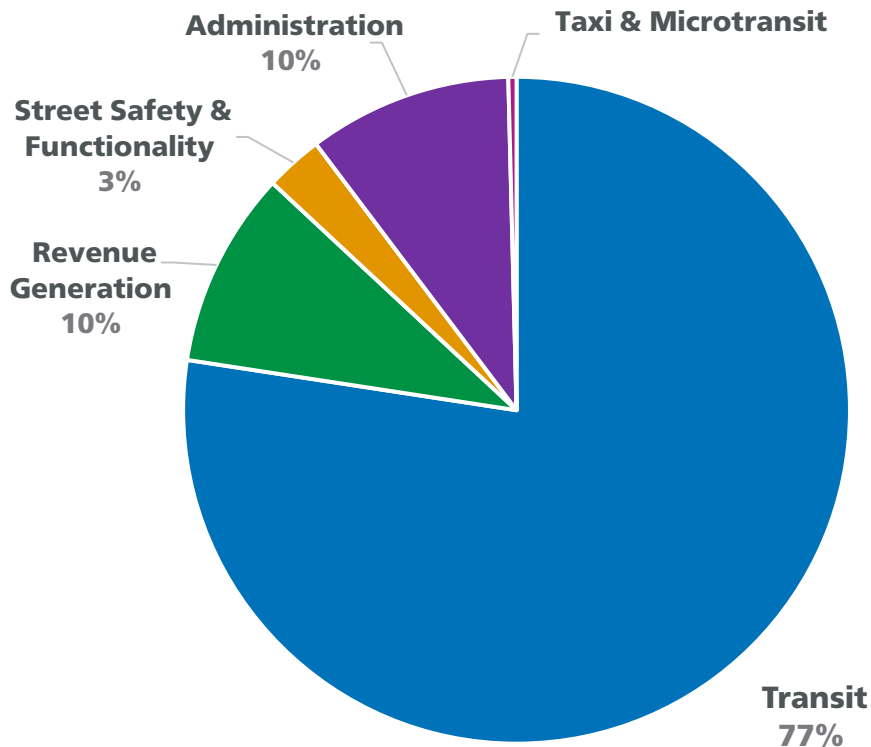
FY 25-26 Expenditure Budget by Organizational Unit



Source: FY24-25 and FY25-26 Original Budget, passed by Board of Supervisors July 2024. Note: Transit includes paratransit.

# Expenditures by Services

FY 25-26 Expenditure Budget by Service



- Almost 90 percent of the SFMTA expenditures are directly related to delivering Muni service or generating revenue to support Muni service
- Most of street safety work is delivered through capital funding sources, including competitive regional and state grants
- Administration costs are small and deliver key functions, such as hiring, payroll, grant administration, workers comp, contracts and compliance

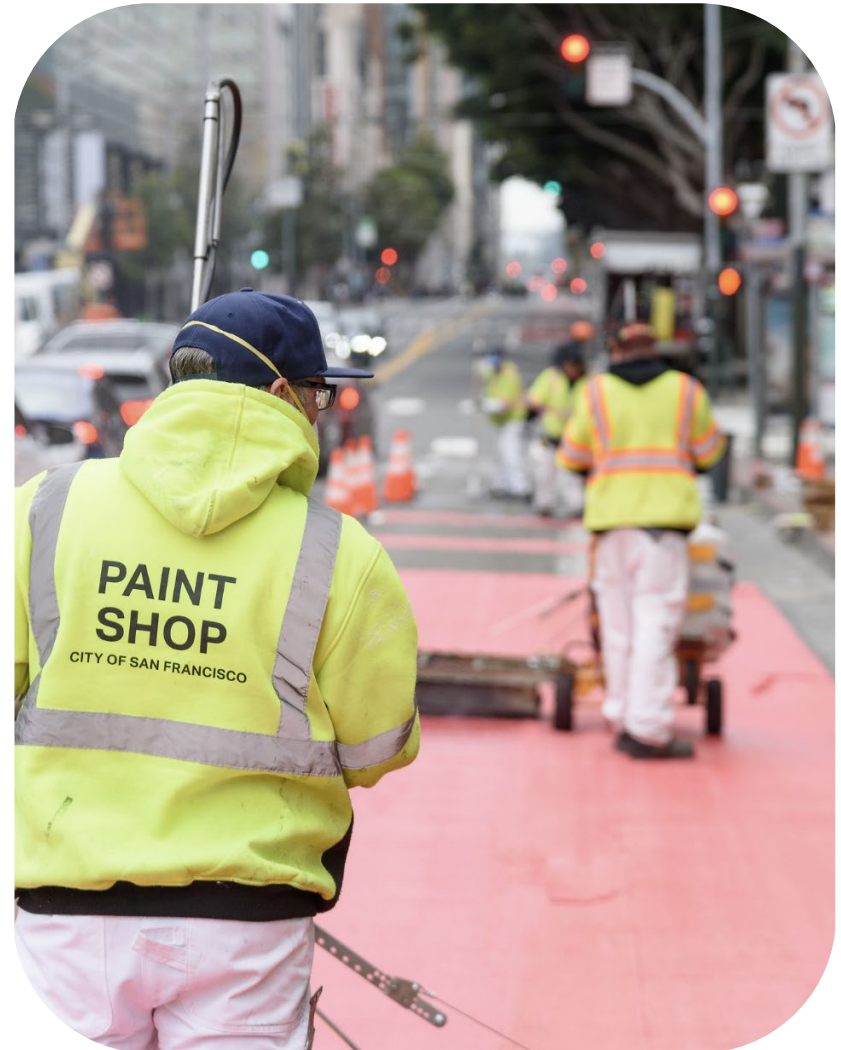
Source: FY24-25 and FY25-26 Original Budget, passed by Board of Supervisors July 2024.

Note: Transit includes paratransit.

# SFMTA Services

## SFMTA provides five critical services:

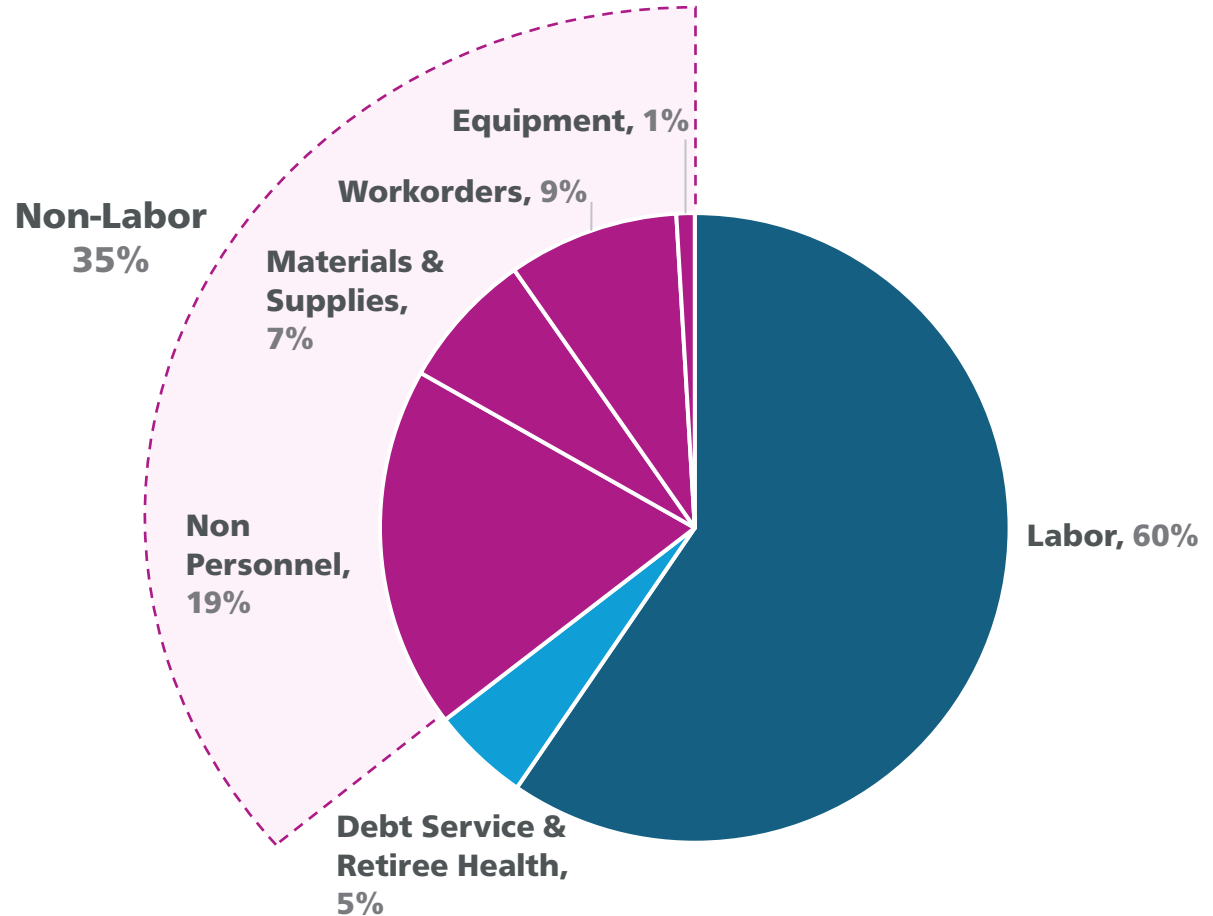
- **Transit:** Transit, including transit operators, infrastructure maintenance, vehicle maintenance, line management, cleanliness and security, safety, and paratransit.
- **Revenue Generation:** Parking enforcement and permit & citation processing.
- **Street Safety & Circulation:** Traffic circulation and bike and pedestrian safety.
- **Taxi & Micro-Transit:** Taxi and scooter and other microtransit regulation.
- **Administration:** Functions like human resources, finance, information technology, communications that support service provision.



# Operating Budget Expenditure

## FY 25-26 Budgeted Expenditure by Expenditure Type

- **60%** of budget is expended on salaries and benefits for staff.
- **35%** of budget is expended on non-labor, the services and supplies staff use to do their job.
- **5%** of budget is expended on debt service and retiree health, contractual obligations that cannot be changed.

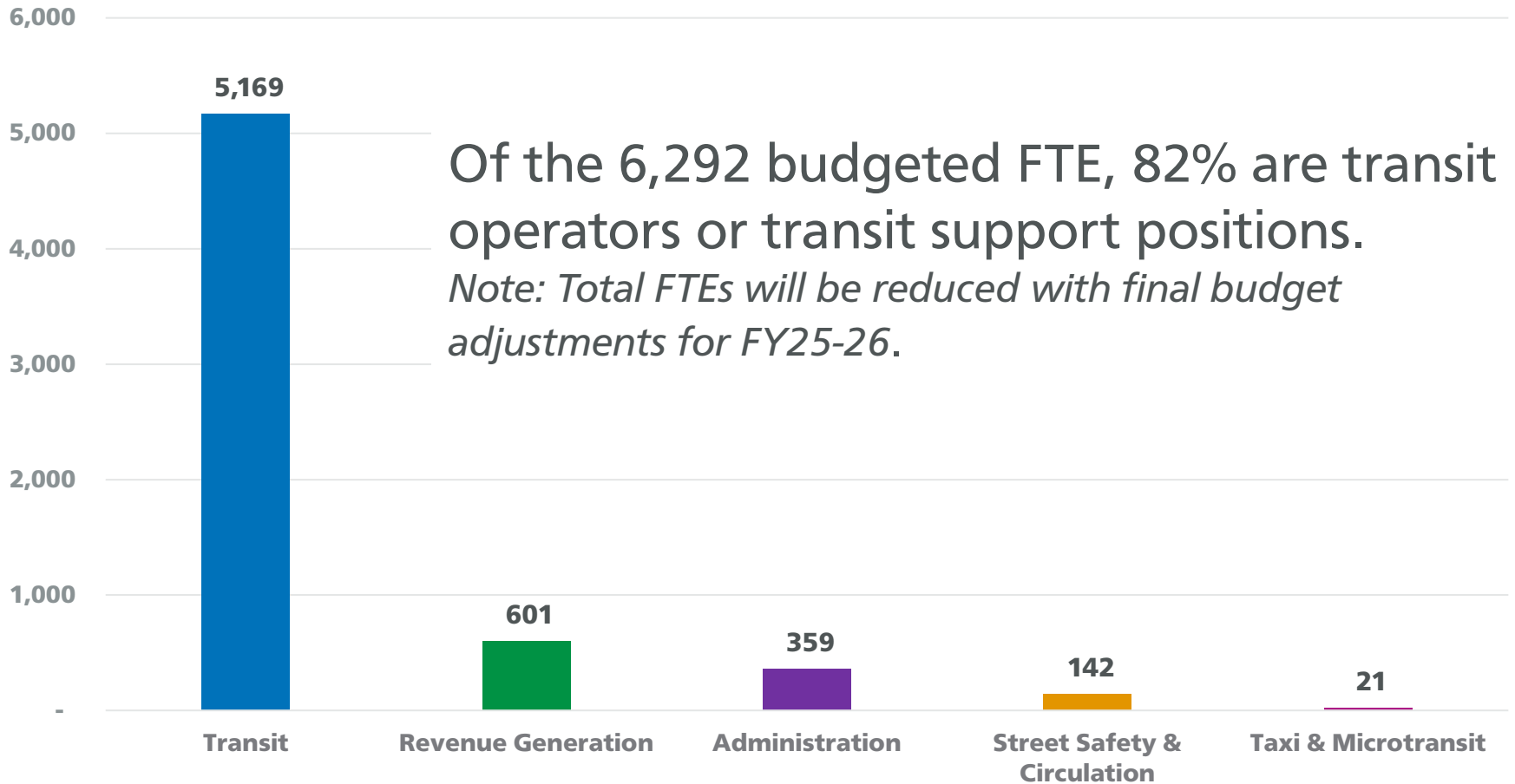


Source: FY25-26 Original Budget, passed by Board of Supervisors July 2024.



# Labor

## FY25-26 Budgeted FTE by Service



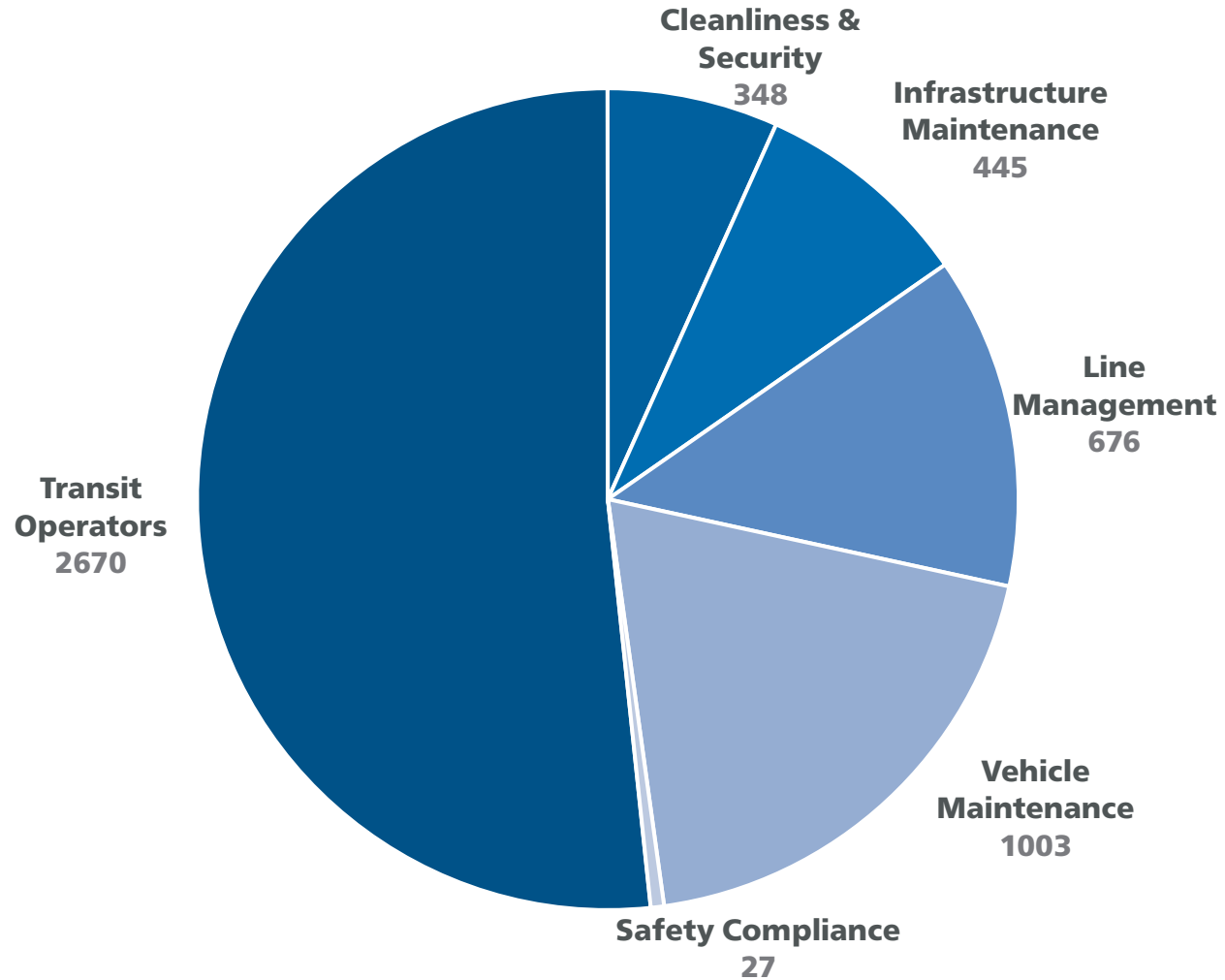
Source: FY25-26 Original Budget, passed by Board of Supervisors July 2024.  
Note: Excludes attrition and temporary staff. Transit includes paratransit.



# Labor: Transit

## FY25-26 Budgeted Transit FTE

Delivering transit requires more than transit operators.



Source: FY25-26 Original Budget, passed by Board of Supervisors July 2024. Note: Excludes attrition and temporary staff. Transit includes paratransit.

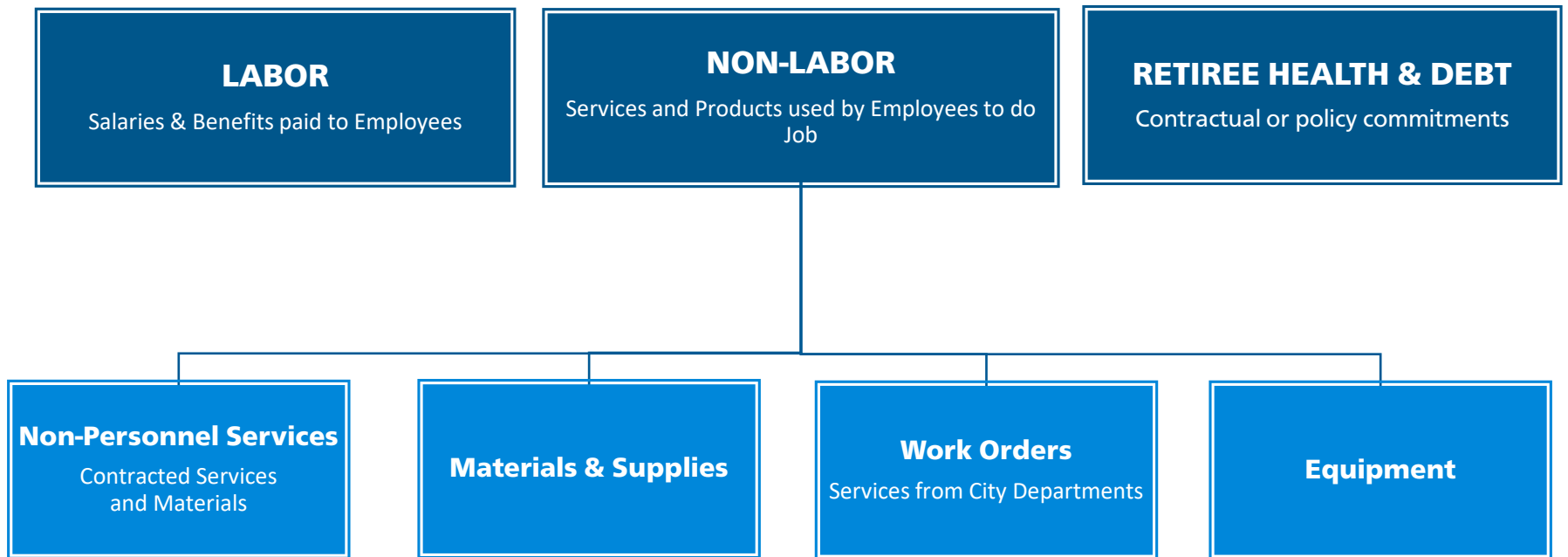
# Debt Service and Retiree Health

Some costs are fixed due to contractual or policy commitments.

<b>Expense</b>	<b>Amount (\$M/yr)</b>
Retiree Health & Benefit Administration	46
Debt Service	28
Required Reserve Contribution	2
<b>Total</b>	<b>77</b>

Source: FY25-26 Original Budget passed by Board of Supervisors in July 2024.

# Expenditure Non-Labor



# Contracted Services and Materials

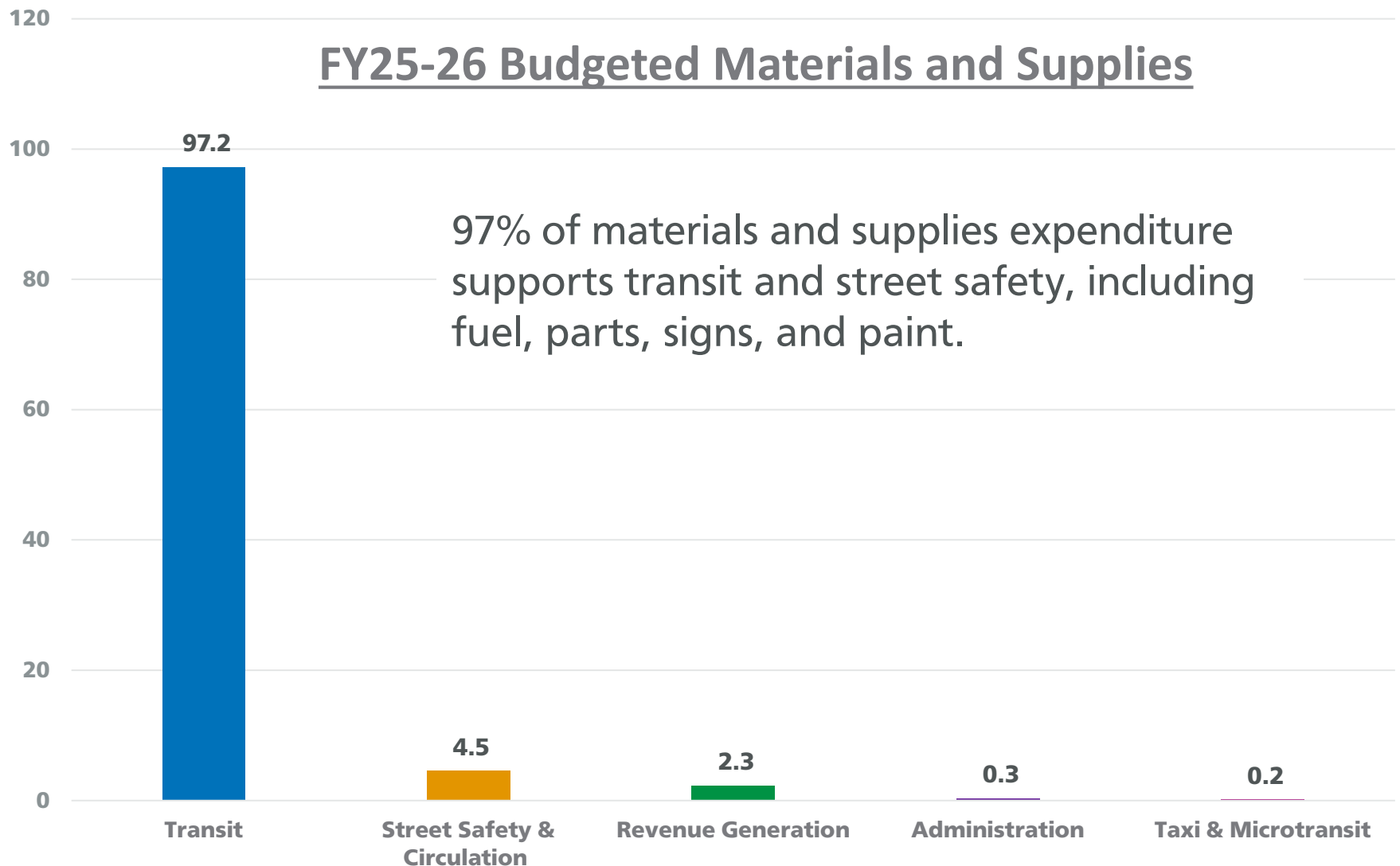
Contracted Services and Materials, also known as Non-Personnel Services, pay for important programs, such as paratransit and subway security. Expenditure includes any service or item SFMTA obtains from outside contractors.



Contracted Service or Materials	Amount (\$M/yr)
Revenue Generating (e.g., parking garage management)	55
Rent, Equipment, & Maintenance	46
Worker's Compensation	44
Paratransit	35
Technology	26
Station & Facility Security	19
Consultants	16
Fees, Licenses, Permits, Taxes	15
Insurance & Liability	12
Traffic Safety Cameras	3
Memberships, Printing & Promotions	2
Training and Travel	1
<b>Total</b>	<b>274</b>

Source: Estimates based on the categorization of FY25-26 Original Budget, passed by Board of Supervisors July 2024, and historic spending patterns.

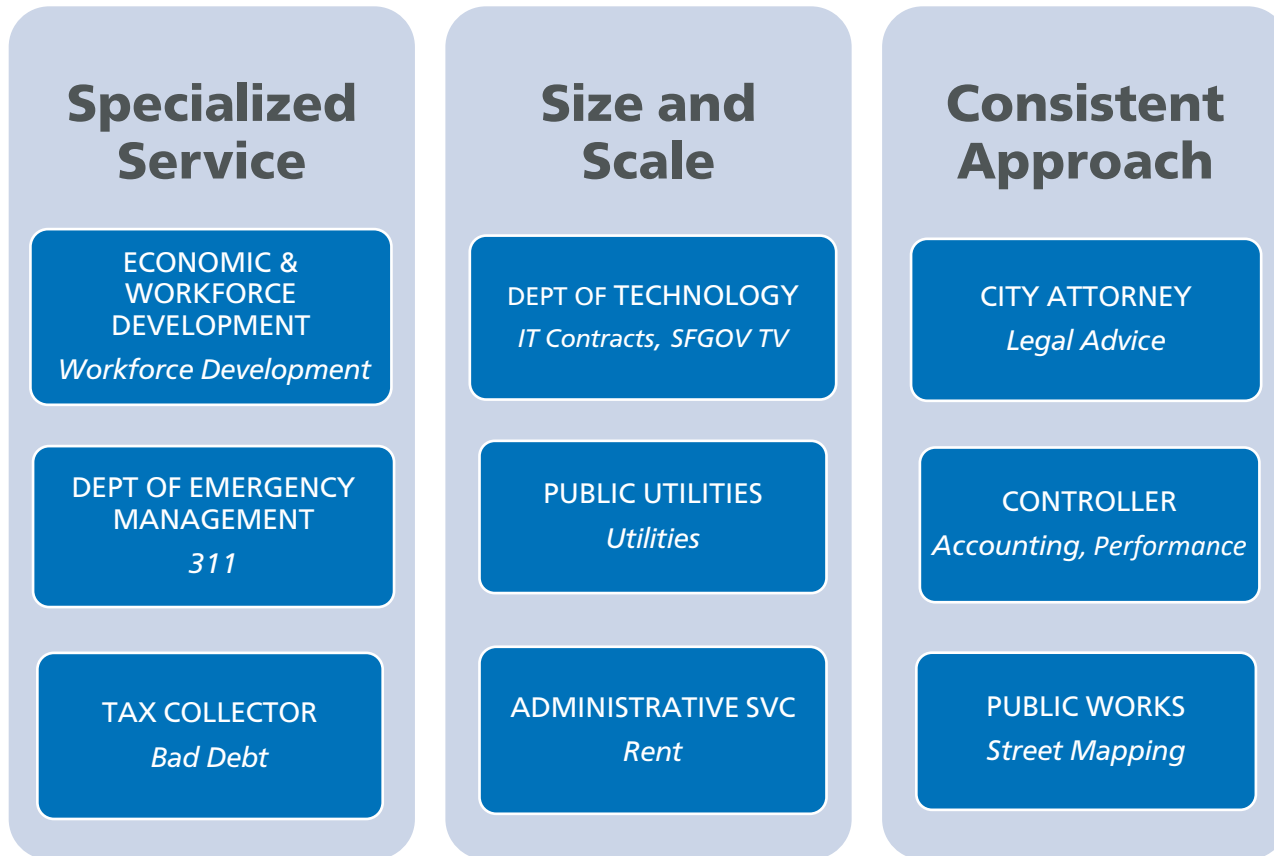
# Materials and Supplies



Source: FY25-26 Original Budget passed by Board of Supervisors in July 2024.

# Services from City Departments

Workorders are services SFMTA procures from City Departments to 1) obtain specialized services more efficiently than SFMTA can provide, 2) take advantage of size and scale, or 3) maintain consistent city-wide approach



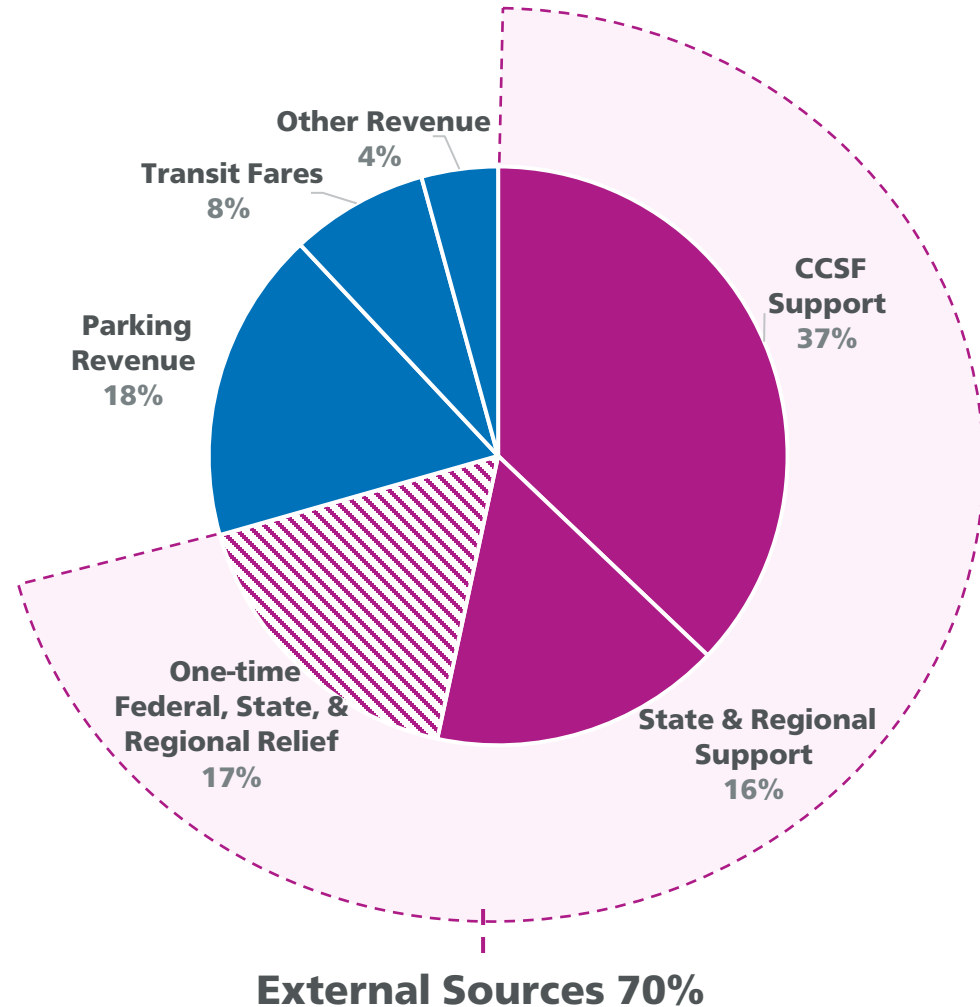
# Operating Budget Revenue

■ **30% revenue generated by the SFMTA:**  
Transit Fares, Parking Revenue, Other Revenue, and Fund Balance.

■ **70% revenue from external sources:**  
CCSF Support, State & Regional Support, and One-time Federal, State, & Regional Relief.

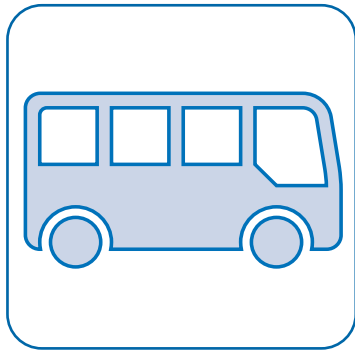
▨ **17% Expiring FY26-27:**  
One-time Federal, State, and Regional Relief fully expended by June 2026.

FY 25-26 Budgeted Revenue



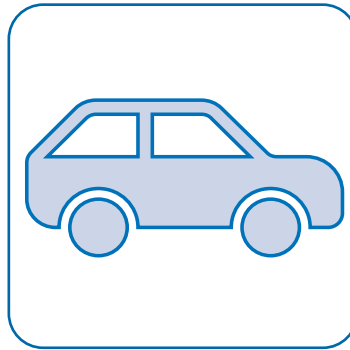
Source: FY25-26 Original Budget, passed by Board of Supervisors July 2024.

# External Revenue



## CCSF Support

A fixed percent of City's General Fund based on: Aggregate Discretionary Revenue (ADR), population change, etc.



## State & Regional Support

Allocations from State Transit Assistance, sales tax, bridge tolls, and various State funding programs



## One-time Federal, State & Regional Relief

One-time COVID-19 relief funding, which will be fully expended by June 2026



# SFMTA Generated Revenue



## Transit Fares

Single Ride  
Monthly Pass  
Visitor/Cable Car



## Parking Revenue

Garages  
Meters  
Citations  
Permits

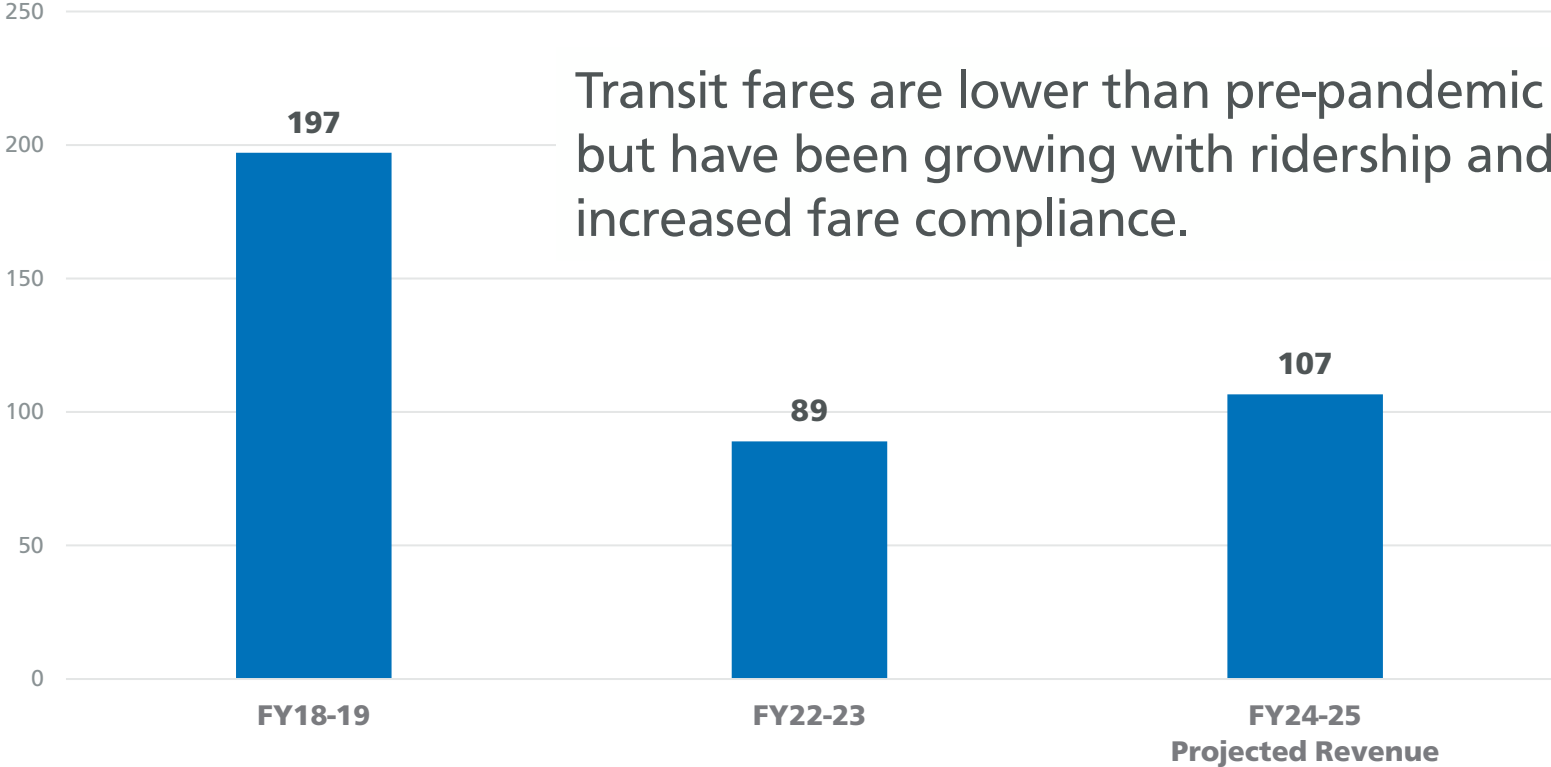


## Other

Advertising  
Rent  
Miscellaneous

# Transit Fares

## Transit Fare Revenues (Actuals/Projected \$M)



Source: FY24-25 projected revenue based on April 2025 9-month report.

Regional fare collection upgrades and continued enforcement have potential to increase transit fares, but even pre-pandemic fares are insufficient to close gap.

# Transit Fare Compliance

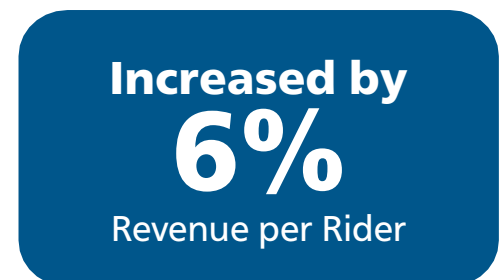
The SFMTA approaches Fare Compliance with San Francisco values in mind:

- Safety
- Equity
- Education

Addressing visible fare evasion helps build public trust in Muni. Riders have asked to see action.



We have stepped up our efforts and we are seeing results:



# Transit Fare Subsidies

Transit Fare subsidies ensure the most vulnerable community members can ride Muni and reduce revenue.

Discount Type	Population	Discount	Start Date	FY25-26 Admin Cost (\$M)	FY25-26 Foregone Revenue (\$M)	FY25-26 Total Impact (\$M)
Lifeline Monthly Pass	200% of federal poverty	50%	2005	-\$0.7	-\$3.9	-\$4.6
Free Muni for Youth	Youth 18 and under	Free	2013	N/A	-\$5.8	-\$5.8
Free Muni for Seniors & People w Disabilities*	Seniors and People with Disabilities at/or below 100% Bay Area Median Income	Free	2015	-\$0.2	-\$12.3	-\$12.5
Access Pass (Free Muni)	People experiencing homelessness	Free	2023	-\$0.2	N/A	-\$0.2
Clipper START (50% Single Ride Discount)**	200% of federal poverty	50%	2022	N/A	-\$1.4	-\$1.4
<b>Total</b>				<b>-\$1.1</b>	<b>-\$23.4</b>	<b>-\$24.5</b>

\*FTA requires reduced fares for seniors and people w/disabilities; SFMTA provides free fares for those at/or below 100% Bay Area Median Income.

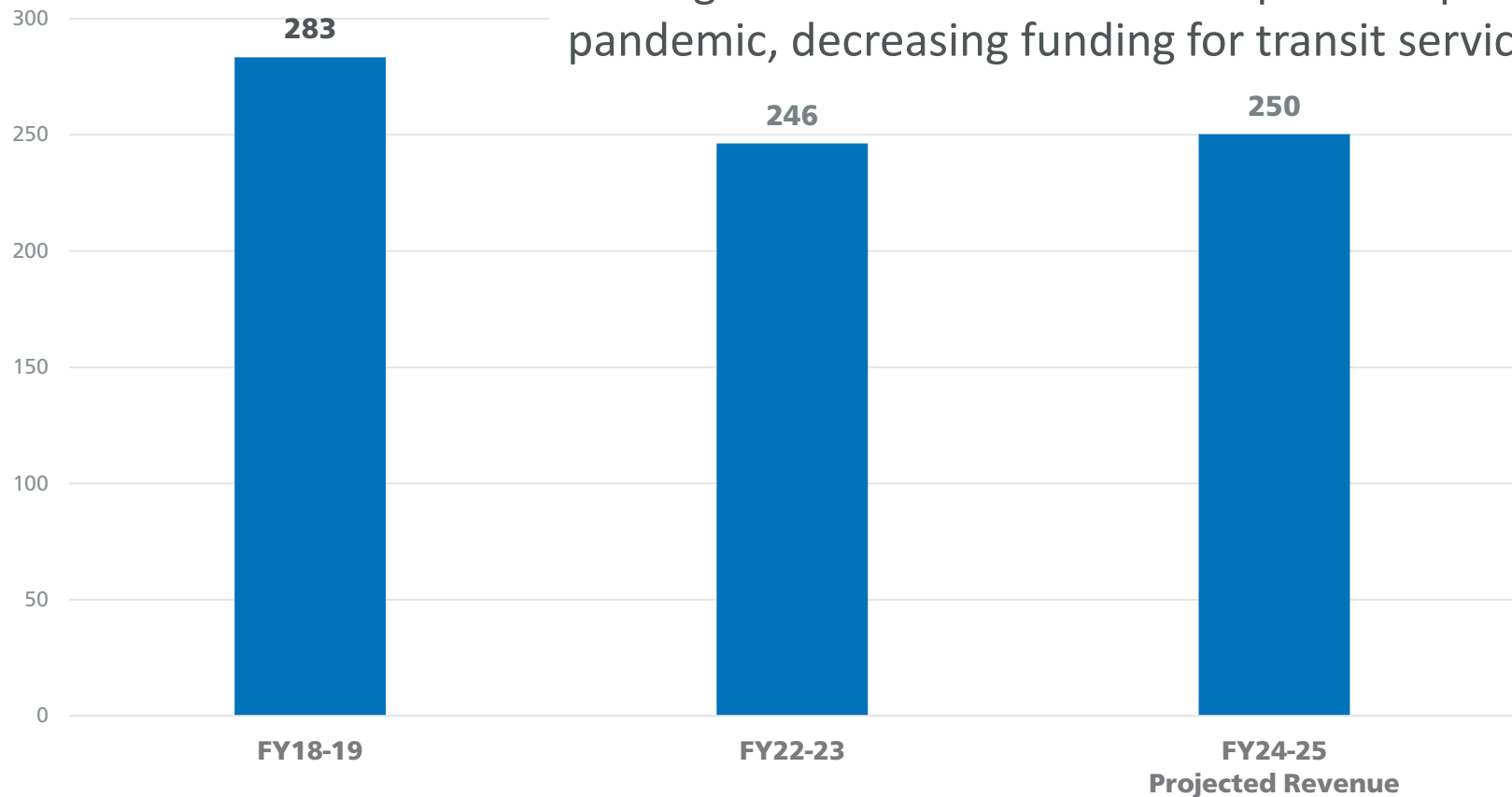
\*\*Pilot program funded and administered by the Metropolitan Transportation Commission

Source: FY23-24 Actuals escalated by FY25-26 fare and labor increase estimates

# Parking Revenue

## Parking Revenue (Actuals/Projected \$M)

Parking revenue is down 14% compared to pre-pandemic, decreasing funding for transit service.

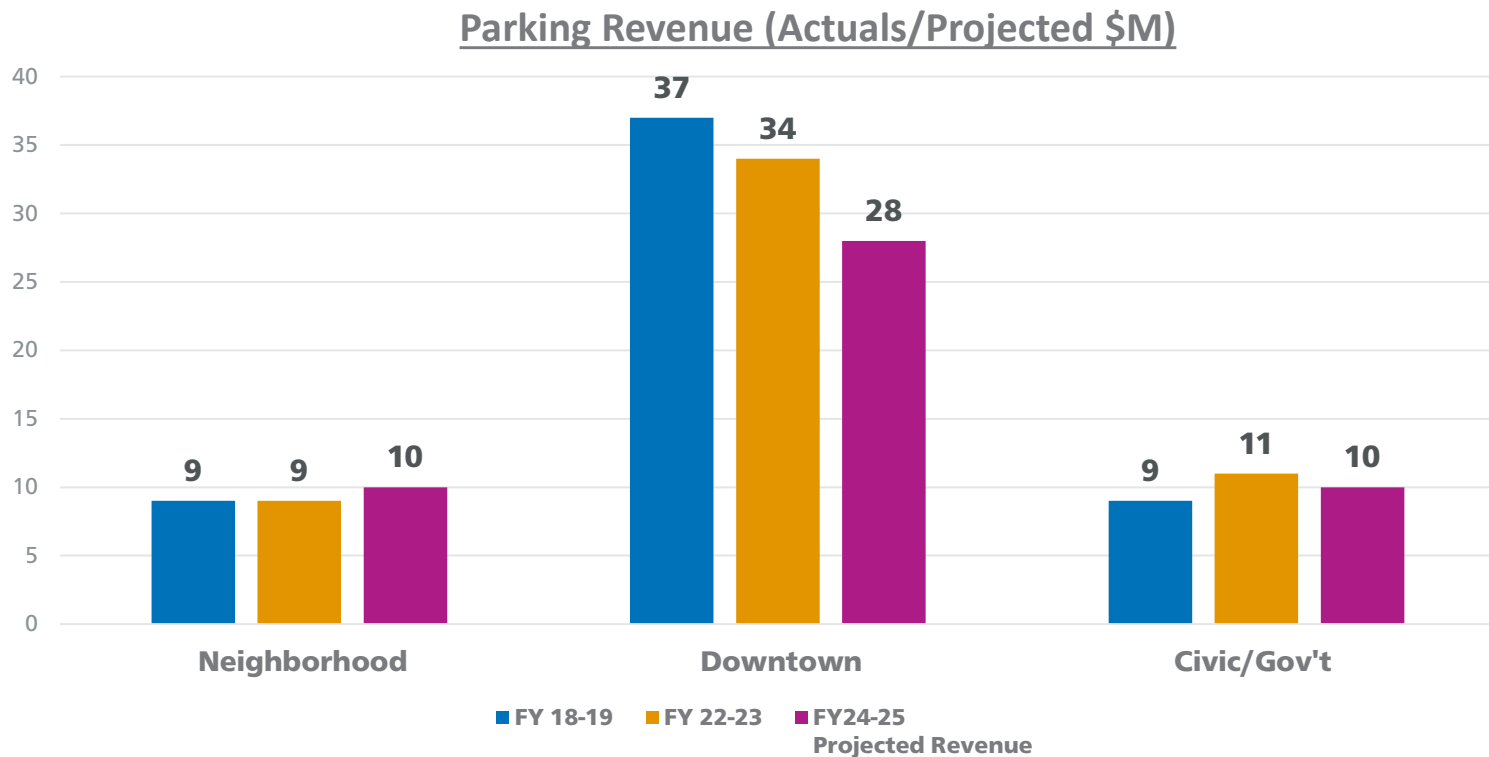


Source: FY24-25 projected revenue based on April 2025 9-month report.

Note: Include Seventh & Harrison Lot to tie to year-end financial data

# Parking Garage Revenue

Positive financial trends at neighborhood and Civic Center garages outweighed by significantly reduced utilization of downtown garages.



Source: FY24-25 projected revenue based on April 2025 9-month report.

Note: Does not include Seventh & Harrison Lot due to insufficient data for comparison. Reflects budgeted parking revenue.

# Parking and Tow Subsidies

Parking and tow subsidies ensure the most vulnerable community members can travel around San Francisco and reduce revenue.

Policy	Description	FY25-26 Foregone Revenue (\$M)
Parking Violations – Community Service	Customers perform community service in lieu of payment	-\$0.5
Parking Violations – Late Penalty Waivers	Late penalties are waived with successful completion of payment plan for original fine for people with low-incomes	-\$1.1
Parking Violation – Waivers	One-time dismissal of all citations for people experiencing homelessness	-\$2.1
Tow Fee Waivers/Discounts- People Experiencing Homelessness	One time waiver of tow fees and up to 30 days storage (up to \$1,862 value)	-\$0.6
Tow Fee Waivers/Discounts- People with Low Incomes	Waives administrative tow fee and up to 15 days storage (up to \$2,947 value)	-\$6.9
Stolen Vehicle	Waives all tow fees and 3 days storage for stolen vehicles	\$1.1
<b>Total</b>		<b>-\$12.3</b>

Source: FY23-24 Actuals escalated by FY25-26 fee and labor increase estimates

# Other Revenue

SFMTA also generates revenue by hosting advertising on vehicles and transit shelters, renting real estate assets, and miscellaneous charges.





# Generating More Revenue

**SFMTA has taken  
action to raise  
revenue**

- **Grew Muni ridership** by improving service quality/customer experience
- **Increased Muni fare compliance** by adding transit fare inspectors and optimizing inspections
- **Increased fares, fees and fines** starting in July 2024, projected to generate \$13M across two-year budget
- **Optimizing existing parking programs** with goal of generating \$18M per year beginning in FY25-26
- **Shifted some capital funding** to operations

**SFMTA is working hard to become more efficient and reduce expenditures**

# Efficiencies to date

**SFMTA managed lower revenue by becoming more efficient.**

- **Saved \$90 million in personnel costs** annually by reducing hiring and holding positions vacant (*work underway to remove vacant defunded positions from FY25-26 budget*)
- **Cut \$30 million in non-personnel costs** by eliminating planned one-time investments in FY24-25 and FY25-26
- **Offering a dozen fewer Muni routes** than pre-pandemic and only added Muni service if service was cut elsewhere in the system
- In June, **will cut Muni service by 2%** without eliminating any Muni routes
- Installed 100 miles of transit-only lanes and implemented other reliability improvements that allow Muni buses to get to their destinations more quickly – allowing SFMTA to **deliver more Muni service at no additional cost**
- **Used technology to optimize operations** (i.e. self-pay at parking garages, self-scheduling of tow hearings)

# Expenditure Control

## Hiring Restrictions

Limited hiring to key positions starting July 1, 2024 and froze non-essential hiring October 1, 2024.

## Invoice Review

Increasing review and monitoring of services from other departments.

## Non-Labor Monitoring

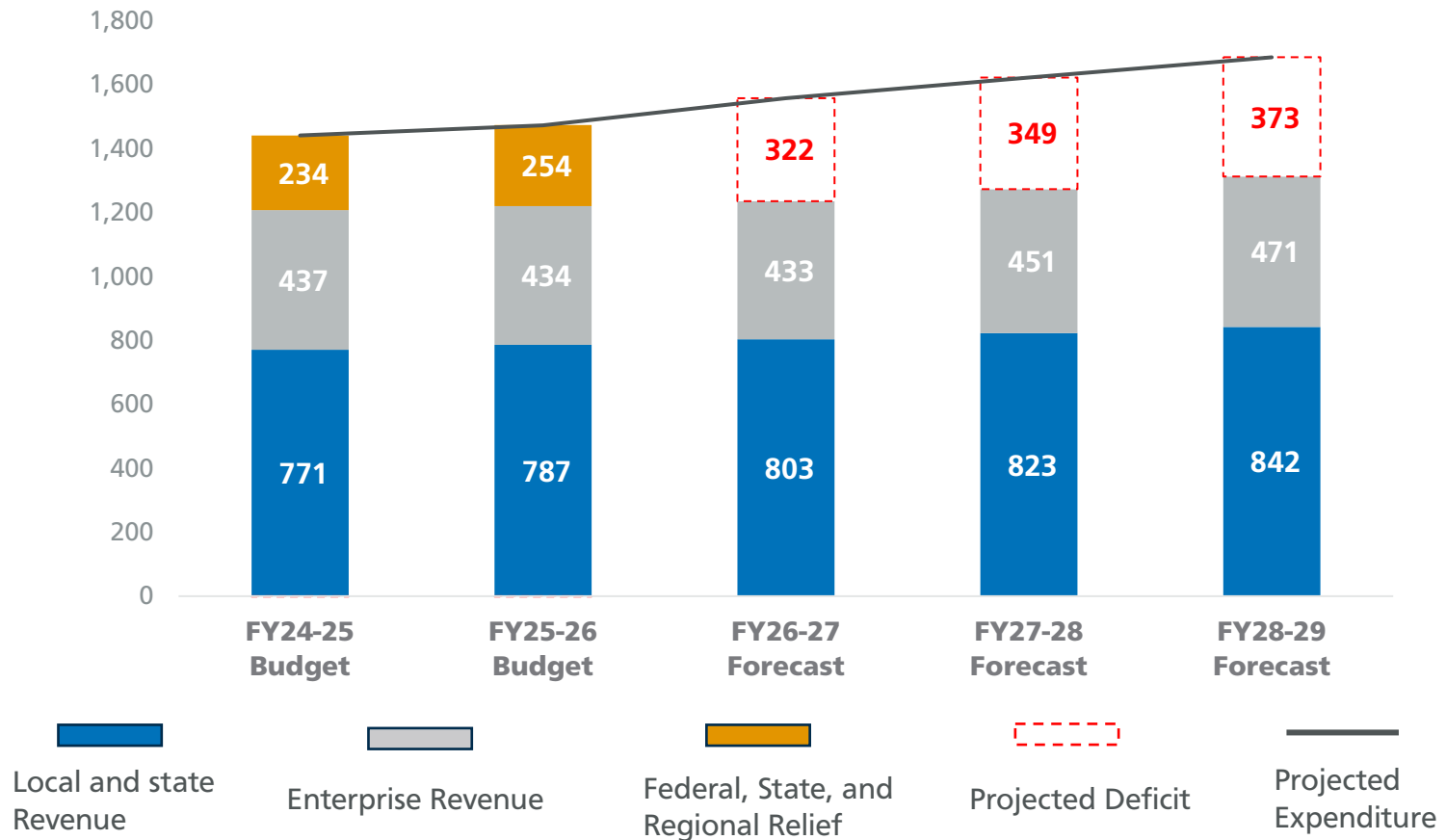
Projecting non-labor expenditure quarterly and requiring corrective action plans where necessary.

**By cutting expenditure, and becoming more efficient SFMTA reduced the FY26-27 budget gap from \$440M+ to \$320M**

# Deficit

The projected deficit is \$322M in FY26-27 and grows with inflation over time

Operating Source by Type (\$M)



# Next Steps

MFWG packages offer solutions with varying emphasis on the following tools:



New revenues



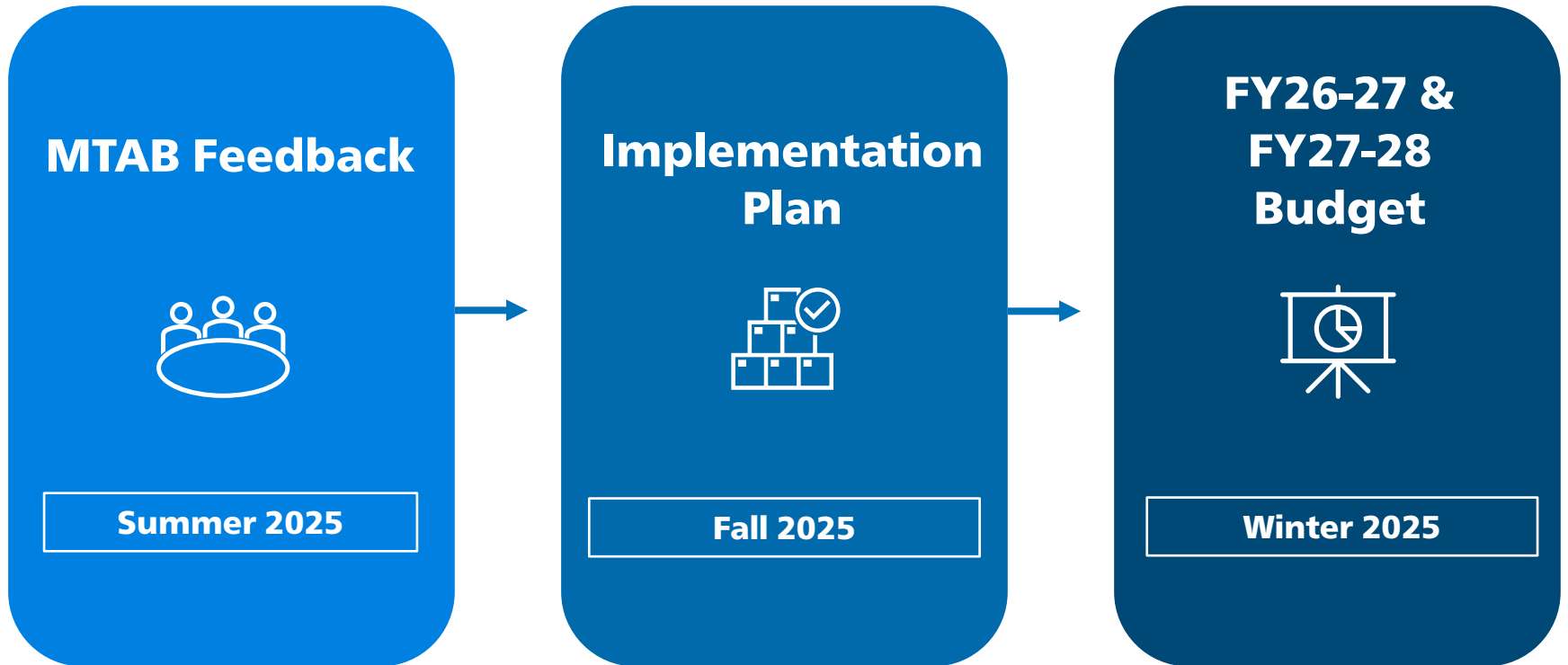
Efficiencies and internal cuts



Service and subsidy cuts

MTAB feedback on packages will inform the Implementation Plans that will shape the FY26-27 and FY27-28 budgets.

# Next Steps





# Public Comment

- Citywide Economic Overview
- SFMTA Budget Overview

# Break

The Workshop will break for 5 min.

# Muni Funding Working Group Session 1

An overview of the Muni Funding Working Group Revenue and Cost Cutting Packages.



# MTA Board Workshop

## Controller's Office Summary of the Muni Funding Working Group

April 22, 2025



Office of the Controller



San Francisco Municipal Transportation Agency

# Agenda

- 1** Muni Funding Working Group Background
- 2** Walkthrough of Packages
- 3** Member Feedback
- 4** Director Share-out
- 5** Q&A

# Muni Funding Working Group Background

**Greg Wagner,  
Controller**

# Background and Goal

- In fall 2024, the Muni Funding Working Group began work to identify approximately **\$320 million** to sustain Muni service, paratransit service, programs that keep our streets safe, and other transportation services after exhausting federal and state relief.
- Convened by the Controller's Office and the SFMTA, the Working Group **reviewed and prioritized policy options** that SFMTA can implement to address its short-term funding gap and long-term structural deficit.
- The Working Group built on previous efforts (T2030, T2045, and the Muni Reliability Working Group) to discuss and provide feedback on packages of options for **stakeholders and elected policy makers to consider**.

# Members

Members represented a diverse group of stakeholders





Member	Organization or Group
Chris Arvin	MTA Citizens' Advisory Council
Anthony Ballester	Transport Workers Union
Alicia John-Baptiste	Mayor's Office
Desira Brown	Tenderloin Neighborhood Development Corporation
Tilly Chang	San Francisco County Transportation Authority
Rodney Fong	SF Chamber of Commerce
Kristin Hardy	SEIU
Jon Hee	Chinatown Transportation Research and Improvement Project
Steve Heminger	SFMTA Board
Fiona Hinze	SFMTA Board
Sara Johnson	San Francisco Transit Riders
Kathleen Kelly	Transportation Expert
Julie Kirschbaum	SFMTA Director (non-voting member)

Member	Organization or Group
Rafael Mandelman	Board of Supervisors and San Francisco County Transportation Authority
Myrna Melgar	Board of Supervisors and San Francisco County Transportation Authority
Robin Pam	KidSafe
Seleta Reynolds	LA Metro
Mia Satya	Senior & Disability Action
Alex Sweet	Mayor's Transportation Advisor
Kim Tavaglione	SF Labor Council
Laurie Thomas	Golden Gate Restaurant Association
Laura Tolkoff	SPUR
Greg Wagner	Office of the Controller (non-voting member)



# Work Plan

The Muni Funding Working Group reviewed **individual options** in the following categories:

-  **Efficiency Improvements:** streamline systems and processes to decrease operating costs.
-  **Service Cuts:** reduce service to decrease operating costs.
-  **Funding Options:** increase fees, revenue, or taxes to increase overall revenue.
-  **Service Improvements:** enhance services to win voter support for new revenue.

SFMTA then bundled individual options into **six packages** based on Working Group feedback of individual options.

# Option Groupings

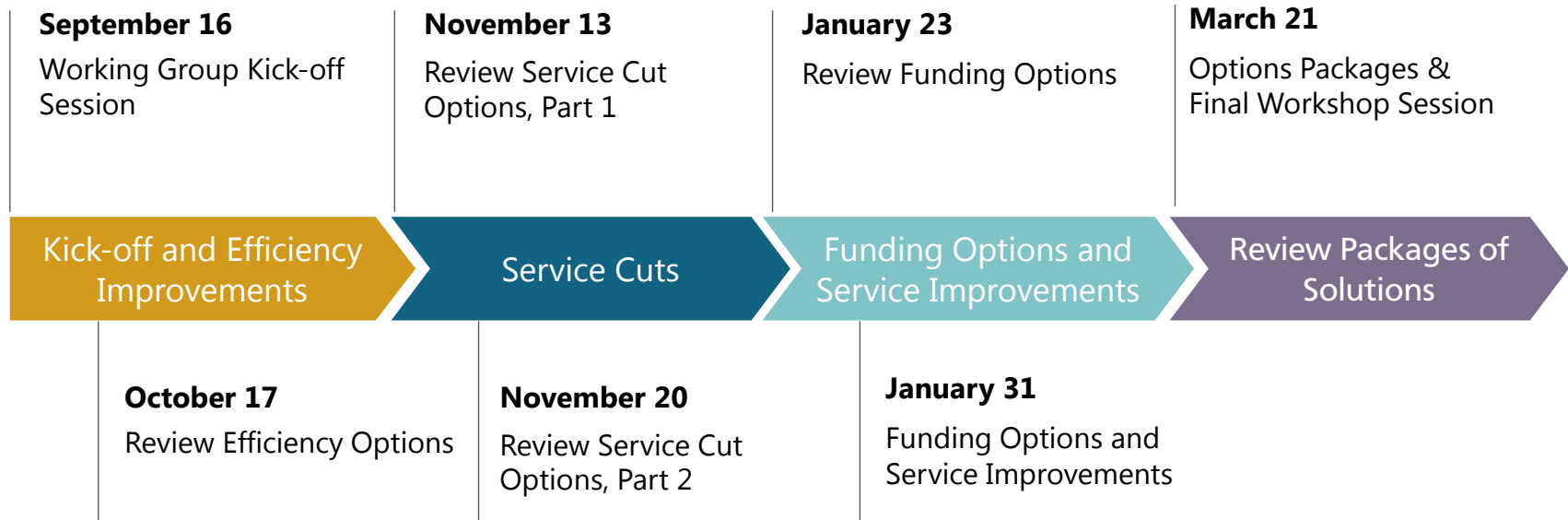
In transitioning from individual options to package analysis, certain groupings were combined or broken out.

Individual Option Groupings	Package Groupings	Examples
Efficiency Improvements	Efficiencies & Internal Cuts	Automated parking enforcement, Transit fare optimization, Cuts to administrative functions
Service Improvements		
Service Cuts	Muni Service Cuts	Reducing frequencies
	Non-Muni Cuts	Safety work reductions
	Subsidy Reductions	Reduce tow subsidies
Funding Options	Large Ballot Measures	Measures over \$50M
	Small Ballot Measures	Measures under \$50M
	Non-Ballot Revenue	Expanded paid parking

Packages did not include some individual options reviewed by the Working Group that were one-time solutions, would not be ready in time, or had other implementation challenges.

# Meeting Schedule

The Working Group met seven times between September 2024 and March 2025 discussing each option category and then the final six packages.





SFMTA

# Muni Funding Working Group

## Solving for Muni Funding Needs

SFMTA Board Workshop  
April 22, 2025



## Efficiencies & Internal Cuts

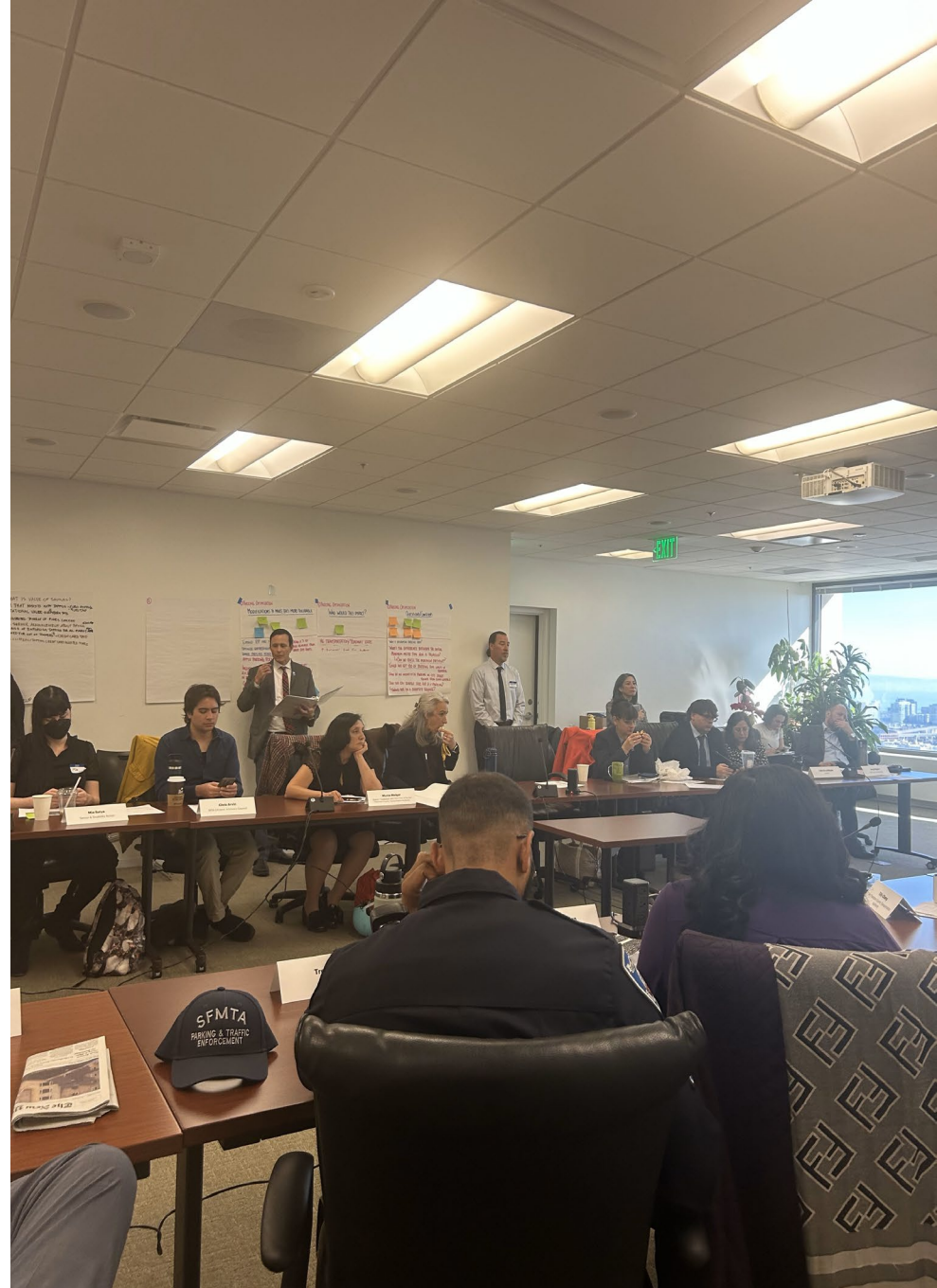
- Administrative Cuts
- Parking Optimization
- Transit Fare Optimization
- Automated Parking Enforcement

## Large Ballot Measures

- Regional Measure
- Local Sales Tax
- Local Parcel Tax

## Small Ballot Measures

- Up to \$50 million total



### Non-Ballot Revenue

- Visitor Paid Parking
- Sunday Paid Parking
- Evening Paid Parking
- Increase Residential Permit Fee

### Subsidy Reductions

- Eliminate or Reduce Fare Subsidies
- Eliminate or Reduce Tow Subsidies

### Non-Muni Cuts

- Constituent Services Reductions
- Street Maintenance Reductions
- Safety Work Reductions

### Muni Service Cuts



## We are guided by the following assumptions:

- Solving for Muni and regional partner funding needs is critical – *Every package includes some level of funding from a regional ballot measure.*
- There is no single solution – *Every package includes new revenues and program/subsidy cuts.*
- Bridge funding is needed to cover FY26-27 budget gap – *Senator Arreguin is spearheading a State Budget effort to secure funds.*
- Packages rely on ongoing funding sources, not one-time fixes – *Some packages include components that likely cannot be implemented until 2028. Capital budget cuts could be implemented as a bridge to fill the gap until then.*
- Revenues and costs savings are estimates for planning purposes – *Amounts are likely to change in the coming months, given the level of uncertainty.*

SFMTA committed to ***implement efficiencies and internal cuts***, which is critical to building support for all solutions.

In addition to the savings we have achieved to date, all packages include:

- At least \$10M in administrative cuts
- \$18M from optimizing parking revenues
- \$5M in transit fare optimization (from increased fare compliance)
- \$3M in accelerating Muni Forward improvements

\$7.2M in Muni service reductions will be added in future iterations of the packages.



- SB 63 (Wiener, Arreguin) will guide the process concerning the Regional Measure with input from SFMTA and other regional transit agencies and counties.  
**Two potential versions of the Regional Measure are included in every 'Package':**

### Option 1A

- Flat 1/2-cent sales tax in 4 counties
- Generates up to **\$88M/yr** for Muni

### Variable Rate Option

- Sales tax rates based on each county's needs
- Generates up to **\$162M/yr** for Muni

- The revenue generated in either option is subject to change based on ongoing regional discussions on addressing each transit operator's deficit.
- The deadline for obtaining consensus on the regional measure is **July 31st, 2025**. By this time, the number of Counties participating (3 to 5), the tax rate in each county (up to 1 cent in San Francisco), and the length of the assessment (10-15 years) will be decided.

**Any of the measures or programs included in any ‘Package’ are for the purposes of discussion and feedback.** These ‘Packages’ incorporate the feedback and suggestions of Muni Funding Working Group (MFWG) members, survey data, outreach and analysis by SFMTA staff.

**Given the real-time, dynamic nature of forecasting revenues and actual collections, the numbers stated in this presentation are subject to change.** We cannot perfectly predict the future, and these packages today, reflect what we know now. We must plan for both risk and uncertainty.

Any final implementation plan eventually developed will have to be resilient to changing conditions with contingencies in place. **As of today, none of the included options are officially endorsed actions or plans by the SFMTA.**

We shaped the packages based on MFWG input and our ongoing analysis.

Generating Revenue	Reducing Costs Through Cuts
<ul style="list-style-type: none"><li>• Strongest support for most local, regional and smaller ballot measures</li><li>• High support for transit and parking optimization (more fare inspectors, Parking Control Officers, demand-based pricing)</li><li>• Support for increasing Residential Permit Parking fees and Sunday/evening metering</li></ul>	<ul style="list-style-type: none"><li>• Most service cut options were relatively unpopular</li><li>• Clear opposition to reducing frequency, Transit Ambassadors, safety and maintenance cuts</li><li>• Modest support for eliminating tow subsidies and flexing capital funding</li></ul>

# PACKAGE OVERVIEW

Policy Options by \$millions

Category	Package A:	Package B:	Package C:	Package D:	Package E:	Package F:
<b>Efficiencies &amp; Internal Cuts</b>	<b>\$40M</b>	<b>\$40M</b>	<b>\$37M</b>	<b>\$44M</b>	<b>\$42M</b>	<b>\$45M</b>
<b>Raising Revenue</b> Large Ballot Measures	<b>\$260M</b>	<b>\$210M</b>	<b>\$211M</b>	<b>\$168M</b>	<b>\$187M</b>	<b>\$137M</b>
Small Ballot Measures	-	<b>\$50M</b>	<b>\$43M</b>	<b>\$25M</b>	-	-
Non-Ballot Revenue	<b>\$20M</b>	<b>\$20M</b>	-	<b>\$49M</b>	<b>\$36M</b>	<b>\$14M</b>
<b>Reducing Costs Through Cuts</b> Subsidy Reductions	-	-	<b>\$15M</b>	-	<b>\$3M</b>	<b>\$15M</b>
Non-Muni Cuts	-	-	<b>\$14M</b>	<b>\$11M</b>	<b>\$11M</b>	<b>\$18M</b>
Muni Service Cuts	-	-	-	<b>\$23M</b>	<b>\$41M</b>	<b>\$91M</b>
<b>Total</b>	<b>\$320M</b>	<b>\$320M</b>	<b>\$320M</b>	<b>\$320M</b>	<b>\$320M</b>	<b>\$320M</b>

# PACKAGE OVERVIEW

Policy Options by percent of total (\$320M)

Category	Package A:	Package B:	Package C:	Package D:	Package E:	Package F:
<b>Efficiencies &amp; Internal Cuts</b>	<b>13%</b>	<b>13%</b>	<b>12%</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>
<b>Raising Revenue</b> Large Ballot Measures	<b>81%</b>	<b>66%</b>	<b>66%</b>	<b>53%</b>	<b>58%</b>	<b>43%</b>
Small Ballot Measures	<b>0%</b>	<b>16%</b>	<b>13%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>
Non-Ballot Revenue	<b>6%</b>	<b>6%</b>	<b>0%</b>	<b>15%</b>	<b>11%</b>	<b>4%</b>
<b>Reducing Costs Through Cuts</b> Subsidy Reductions	<b>0%</b>	<b>0%</b>	<b>5%</b>	<b>0%</b>	<b>1%</b>	<b>5%</b>
Non-Muni Cuts	<b>0%</b>	<b>0%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>6%</b>
Muni Service Cuts	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>7%</b>	<b>13%</b>	<b>28%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Package A: Preserve Muni & Street Safety – Big at the Ballot in 2026

- Preserves all existing services and subsidies with minor cuts to Administrative functions.
- Pursues **two (2)** large ballot measures to generate most of the funds needed including a regional revenue measure and a local parcel tax.
- Closes the gap with parking initiatives.

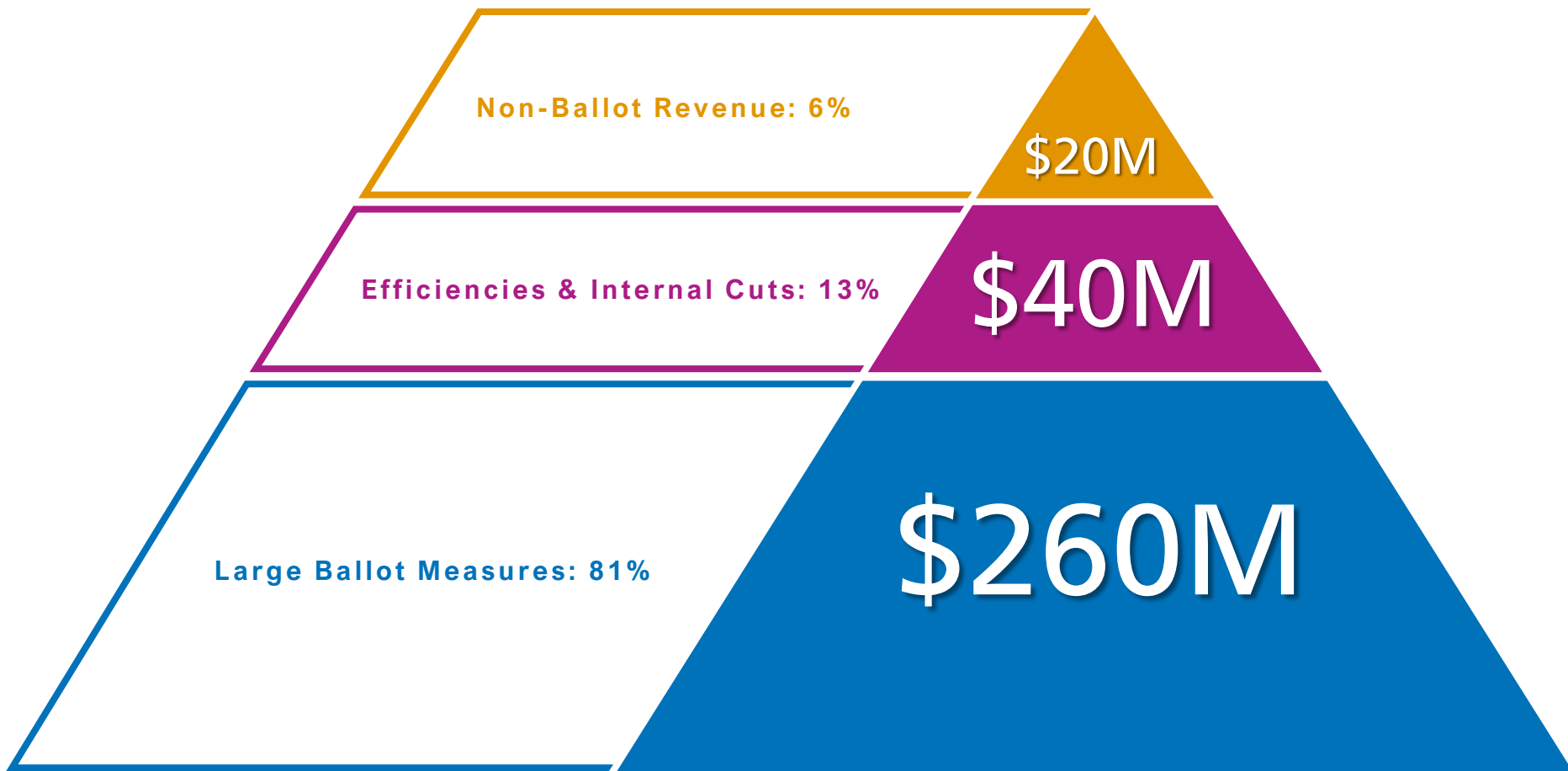
Generating New Revenue	Reducing Costs Through Cuts
<p>Large Ballot Measures (2026)</p> <ul style="list-style-type: none"> <li>• \$162M Regional Revenue Measure (Variable Rate)</li> <li>• \$98M Local Parcel Tax (\$0.175/sq ft)</li> </ul> <p>Non-Ballot Revenues</p> <ul style="list-style-type: none"> <li>• \$20M SF Visitor Paid Parking (2028+)</li> </ul>	<p>Efficiencies &amp; Internal Cuts</p> <ul style="list-style-type: none"> <li>• \$10M Administrative Cuts</li> <li>• \$4M Automated Parking Enforcement</li> </ul>

*As a baseline, all packages maximize three existing programs to generate revenue, including parking optimization (\$18M), transit fare optimization (\$5M), and accelerating Muni Forward improvements (\$3M), and includes differing levels of Administrative Cuts.*

## PACKAGE A:

### Preserve Muni & Street Safety - Big at the Ballot in 2026

This package assumes a scenario in which there are no Muni Service cuts, Street Safety cuts or subsidy reductions. This requires a high-level of political support and is therefore a high-risk scenario as it is dependent on voter approval of *two large ballot measures in 2026*.



# Package B: Preserve Muni & Street Safety – Multiple Ballots over Time

- Like Package A, preserves all existing services and subsidies – no Muni Service cuts, Street Safety cuts or subsidy reductions.
- Requires significant political support to generate needed revenue across three (3) ballot measures in 2026 and 2028.
- Closes the gap with parking fees.

Generating New Revenue	Reducing Costs Through Cuts
<p>Large Ballot Measures (2026)</p> <ul style="list-style-type: none"> <li>• \$162M Regional Revenue Measure (Variable Rate)</li> <li>• \$48M Local Parcel Tax (\$0.067/sq ft)</li> </ul> <p>Small Ballot Measures (2028)</p> <ul style="list-style-type: none"> <li>• \$50M in total</li> </ul> <p>Non-Ballot Revenues</p> <ul style="list-style-type: none"> <li>• \$20M SF Visitor Paid Parking (2028+)</li> </ul>	<p>Efficiencies &amp; Internal Cuts</p> <ul style="list-style-type: none"> <li>• \$10M Administrative Cuts</li> <li>• \$4M Automated Parking Enforcement</li> </ul>

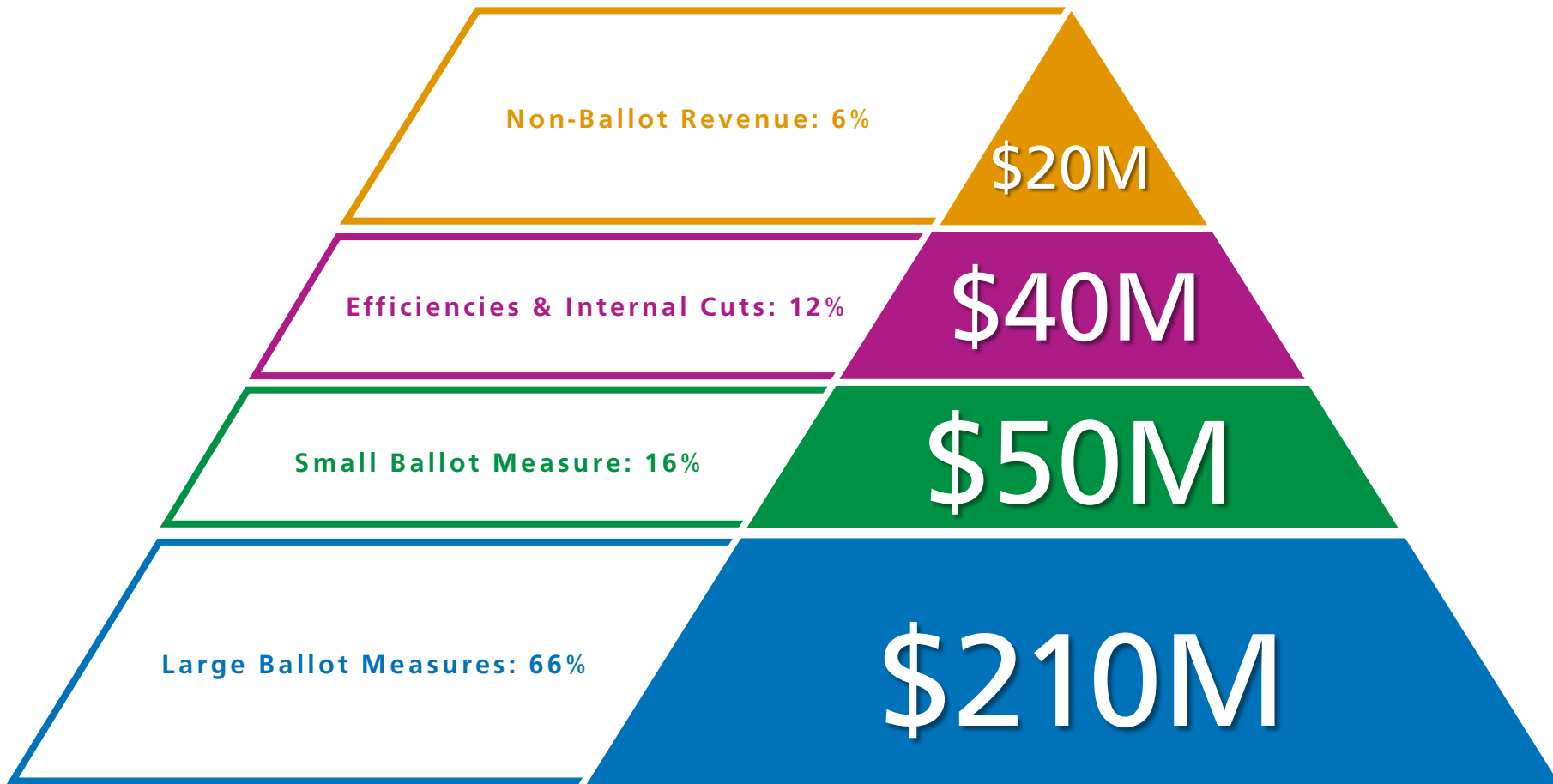
*As a baseline, all packages maximize three existing programs to generate revenue, including parking optimization (\$18M), transit fare optimization (\$5M), and accelerating Muni Forward improvements (\$3M), and includes differing levels of Administrative cuts.*



## PACKAGE B:

### Preserve Muni & Street Safety – Multiple Ballots over Time

This package assumes a scenario in which there are no Muni Service cuts, Street Safety cuts or subsidy reductions. This requires a high-level of political support as it is *dependent on voter approval of two large-ballot measures in 2026 and a smaller measure in 2028.*



# Package C:

## Protecting Muni Service – Minimizing Cuts for Riders

- Like the previous Packages, this option preserves Muni Service.
- Requires significant political support to generate needed revenue across three (3) ballot measures in 2026 and 2028.
- Does **NOT** seek additional revenues outside of the ballot, i.e. parking fees.
- Introduces cuts to Non-Muni programs and reduces tow and fare subsidies.

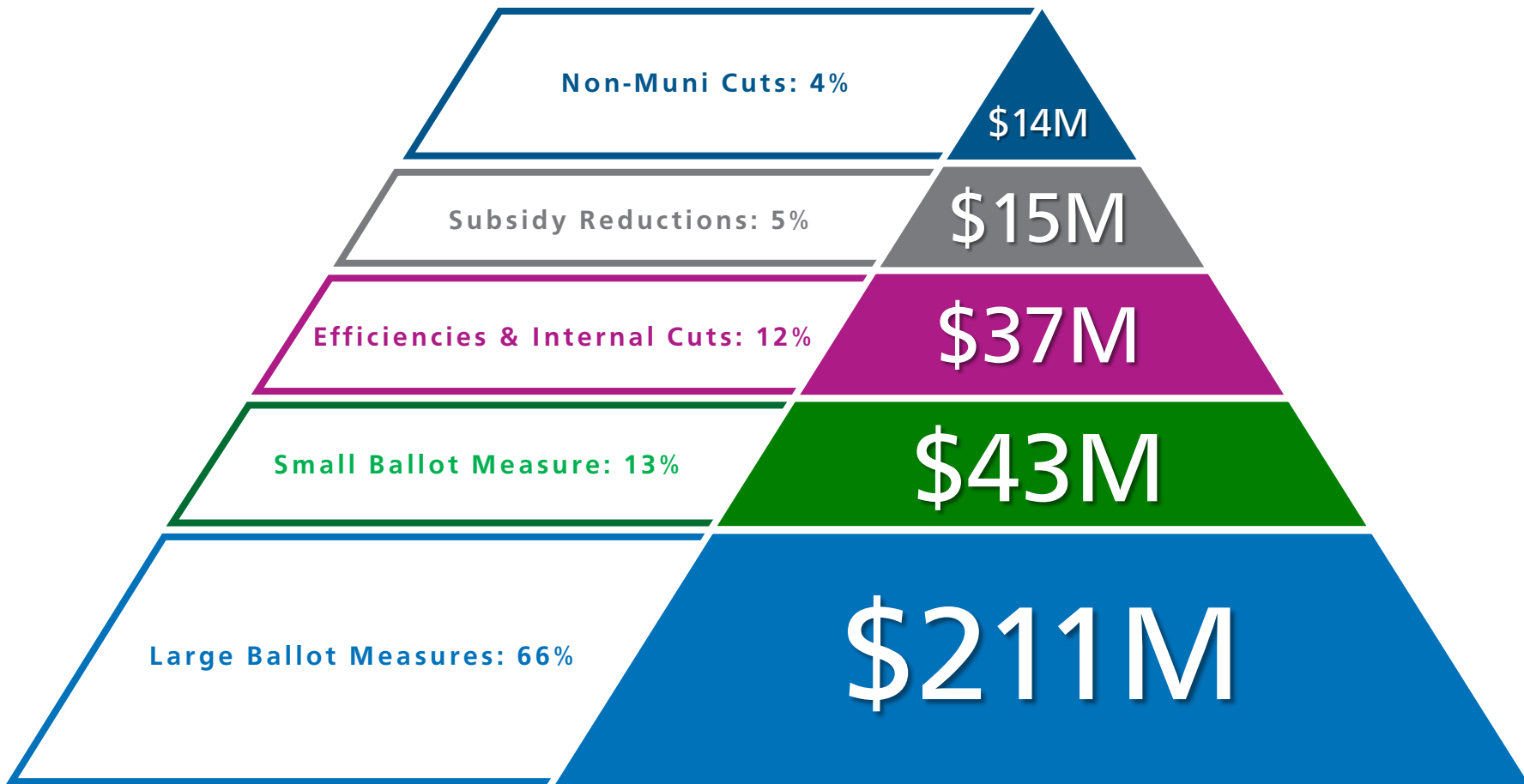
Generating New Revenue	Reducing Costs Through Cuts
<p>Large Ballot Measures (2026)</p> <ul style="list-style-type: none"><li>• \$162M Regional Revenue Measure (Variable Rate)</li><li>• \$49M Local Sales Tax</li></ul> <p>Small Ballot Measure (2028)</p> <ul style="list-style-type: none"><li>• \$43M in total</li></ul>	<p>Efficiencies and Internal Cuts</p> <ul style="list-style-type: none"><li>• \$11M Administrative Cuts</li></ul> <p>Non-Muni Cuts</p> <ul style="list-style-type: none"><li>• \$7M Constituent Services Reductions</li><li>• \$4M Streets Maintenance Reduction</li><li>• \$3M Safety Work Reductions</li></ul> <p>Subsidy Reductions</p> <ul style="list-style-type: none"><li>• \$3M Eliminate/Reduce Tow Subsidies</li><li>• \$12M Eliminate/Reduce Fare Subsidies</li></ul>

*As a baseline, all packages maximize three existing programs to generate revenue, including parking optimization (\$18M), transit fare optimization (\$5M), and accelerating Muni Forward improvements (\$3M), and includes differing levels of Administrative Cuts.*

## PACKAGE C:

### Protecting Muni Service – Minimizing Cuts for Riders

This package assumes a scenario in which Muni service cuts for riders are avoided. This requires a high level of political support *for voter approval of two large-ballot measures in 2026 and a smaller measure in 2028. It avoids new parking fees but includes reductions in fare subsidies, tow subsidies, and street safety cuts.*



# Package D: More Reliance on Non-Ballot Revenue

- Dependent on Regional Discussions, this package demonstrates what is needed if the smaller regional revenue measure is implemented.
- Proposes a Small ballot measure in 2028 totaling \$25M.
- Requires multiple parking fees, Muni and non-Muni service cuts to make up for lost revenue.

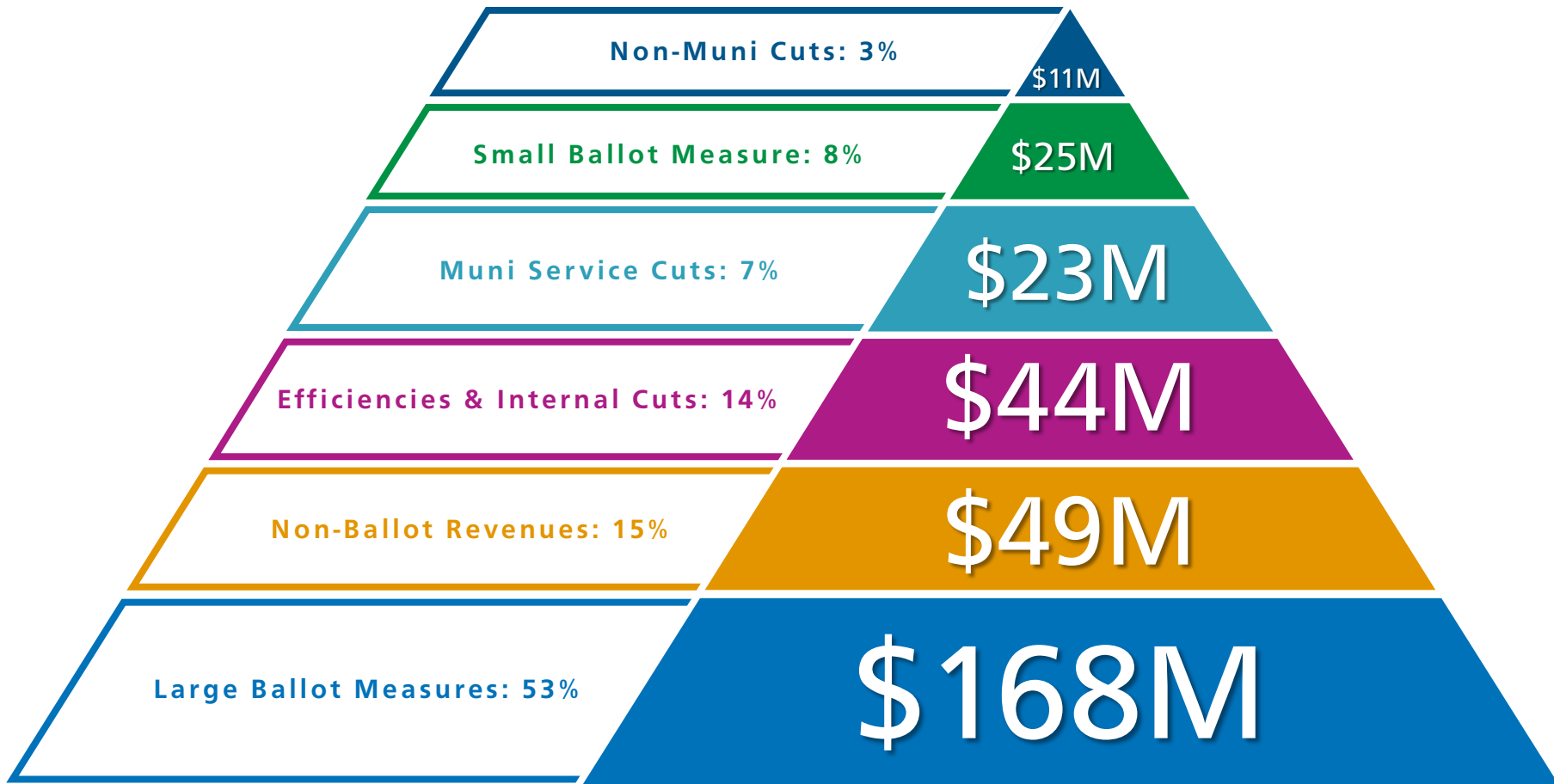
Generating New Revenue	Reducing Costs Through Cuts
<p>Large Ballot Measures (2026)</p> <ul style="list-style-type: none"> <li>• \$88M Regional Revenue Measure (Option 1A)</li> <li>• \$80M Local Parcel Tax (\$0.114/sq ft)</li> </ul> <p>Small Ballot Measure (2028)</p> <ul style="list-style-type: none"> <li>• \$25M in Total</li> </ul> <p>Non-Ballot Revenues</p> <ul style="list-style-type: none"> <li>• \$30M SF Visitor Paid Parking (2028+)</li> <li>• \$6M Extend Paid Parking to Sunday</li> <li>• \$8M Extend Paid Parking to 10 p.m.</li> <li>• \$5M Increase Residential Parking Permit Fee</li> </ul>	<p>Efficiencies &amp; Internal Cuts</p> <ul style="list-style-type: none"> <li>• \$14M Administrative Cuts</li> <li>• \$4M Automated Parking Enforcement</li> </ul> <p>Non-Muni Cuts</p> <ul style="list-style-type: none"> <li>• \$7M Constituent Services</li> <li>• \$4M Streets Maintenance Reduction</li> </ul> <p>Muni Service Cuts</p> <ul style="list-style-type: none"> <li>• \$23M Muni Service Cuts</li> </ul>

*As a baseline, all packages maximize three existing programs to generate revenue, including parking optimization (\$18M), transit fare optimization (\$5M), and accelerating Muni Forward improvements (\$3M); and includes differing levels of Administrative Cuts.*

## PACKAGE D:

### More Reliance on Non-Ballot Revenue

This package assumes a scenario with *some Muni service cuts*. This depends less on the ballot for revenues and requires *expanded and increased parking fees*. Political support is still needed for three ballot initiatives over multiple elections in 2026 and 2028.



# Package E: Cuts Due to Less Opportunity at the Ballot

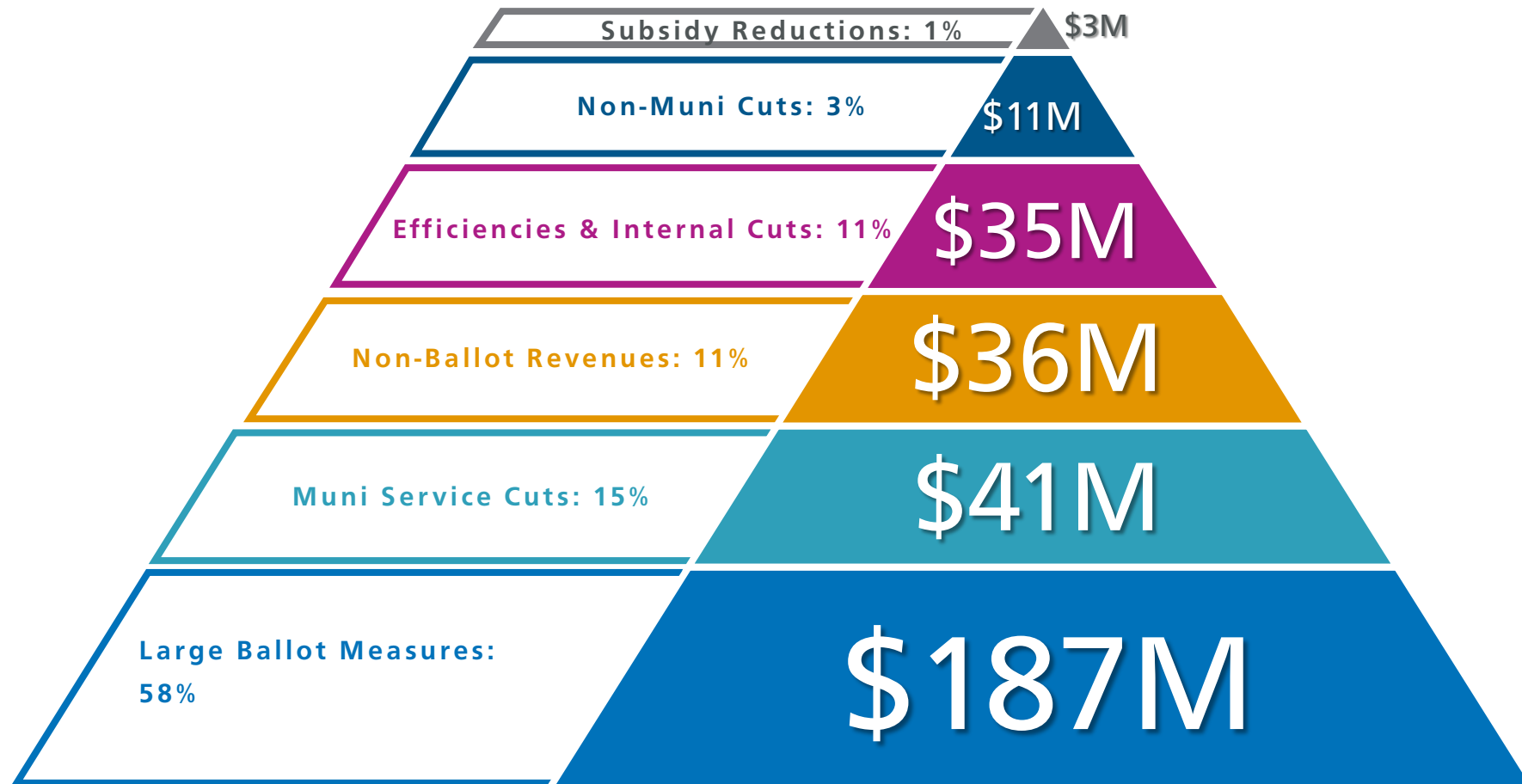
- Includes the smaller regional revenue measure and a complementary Local Sales Tax.
- Eliminates any smaller ballot measure in 2028 given limited political support.
- Requires expansion of Pay or Permit and Sunday Paid Parking.
- Additional Muni service cuts are required to close the gap.

Generating New Revenue	Reducing Costs Through Cuts
<p>Large Ballot Measures (2026)</p> <ul style="list-style-type: none"> <li>• \$88M Regional Revenue Measure (Option 1A)</li> <li>• \$99M Local Sales Tax (1/2-cent)</li> </ul> <p>Non-Ballot Revenues</p> <ul style="list-style-type: none"> <li>• \$30M SF Visitor Paid Parking (2028+)</li> <li>• \$6M Extend Paid Parking to Sunday</li> </ul>	<p>Efficiencies &amp; Internal Cuts</p> <ul style="list-style-type: none"> <li>• \$16M Administrative Cuts</li> </ul> <p>Non-Muni Cuts</p> <ul style="list-style-type: none"> <li>• \$7M Constituent Services Reductions</li> <li>• \$4M Streets Maintenance Reductions</li> </ul> <p>Muni Service Cuts</p> <ul style="list-style-type: none"> <li>• \$41M Muni Service Cuts</li> </ul> <p>Subsidy Reductions</p> <ul style="list-style-type: none"> <li>• \$3M Eliminate/Reduce Tow Subsidies</li> </ul>
<p><i>As a baseline, all packages maximize three existing programs to generate revenue, including parking optimization (\$18M), transit fare optimization (\$5M), and accelerating Muni Forward improvements (\$3M); and includes differing amounts of Administrative Cuts.</i></p>	

## PACKAGE E:

### Cuts Due to Less Opportunity at the Ballot

This package assumes a scenario in which *Muni cuts for riders are necessary*. This requires a moderate level of political support for two ballot initiatives in 2026, *street safety cuts and expanded and increased parking fees*.



# Package F: Fewer Options, More Cuts

- Demonstrates actions needed with minimal public support at the ballot.
- Requires significant Muni service cuts, non-Muni cuts, and subsidy eliminations to close the gap.
- Paid parking expansion included.

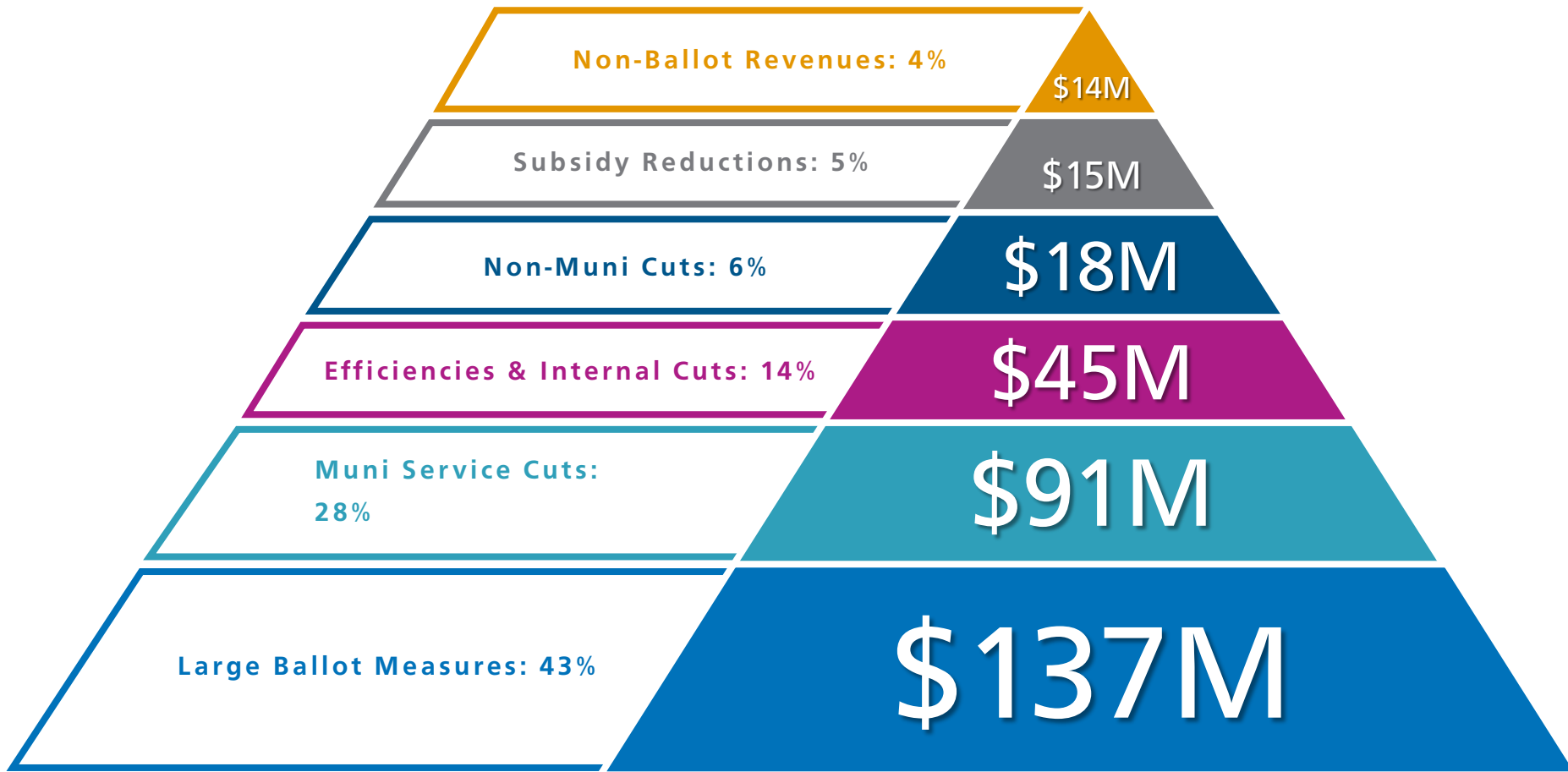
Generating New Revenue	Reducing Costs Through Cuts
<p>Large Ballot Measures (2026)</p> <ul style="list-style-type: none"> <li>• \$88M Regional Revenue Measure (Option 1A)</li> <li>• \$49M Local Sales Tax</li> </ul> <p>Non-Ballot Revenues</p> <ul style="list-style-type: none"> <li>• \$6M Extend Paid Parking to Sunday</li> <li>• \$8M Extend Paid Parking to 10 p.m.</li> </ul>	<p>Efficiencies &amp; Internal Cuts</p> <ul style="list-style-type: none"> <li>• \$19M Administrative Cuts</li> </ul> <p>Non-Muni Cuts</p> <ul style="list-style-type: none"> <li>• \$7M Constituent Services Reductions</li> <li>• \$4M Streets Maintenance Reduction</li> <li>• \$7M Safety Work Reductions</li> </ul> <p>Muni Service Cuts</p> <ul style="list-style-type: none"> <li>• \$91M Muni Service Cuts</li> </ul> <p>Subsidy Reductions</p> <ul style="list-style-type: none"> <li>• \$12M Eliminate or Reduce Fare Subsidies</li> <li>• \$3M Eliminate or Reduce Tow Subsidies</li> </ul>
<p><i>As a baseline, all packages maximize three existing programs to generate revenue, including parking optimization (\$18M), transit fare optimization (\$5M), and accelerating Muni Forward improvements (\$3M); and includes differing levels of Administrative Cuts.</i></p>	



## PACKAGE F:

### Fewer Options, More Cuts

This package assumes a scenario in which Muni cuts for riders are necessary. This requires two ballot initiatives to pass. However, revenues are not enough. *Significant cuts to Muni service, street safety, elimination of fare and tow subsidies, and expanded and increased parking fees* are needed to close the gap.



# Member Feedback

**Greg Wagner,  
Controller**

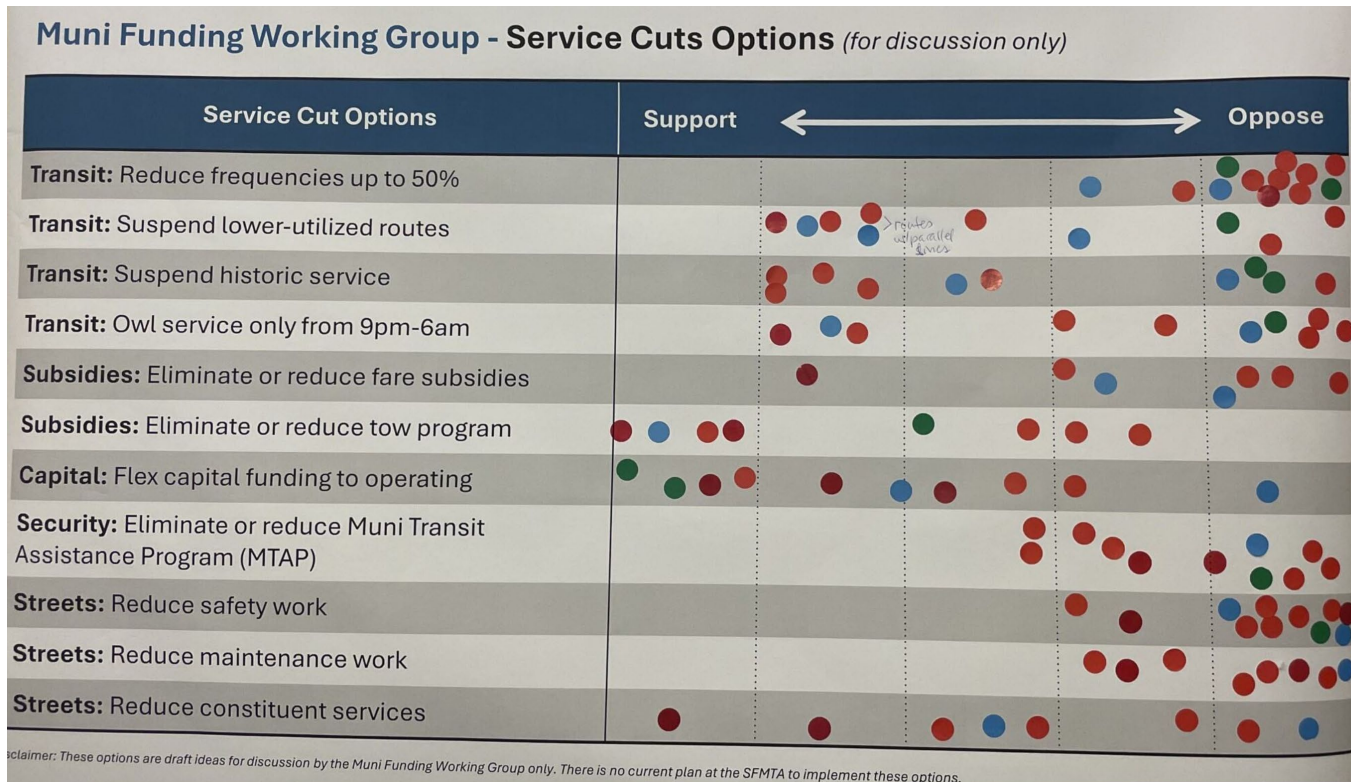
# Muni Funding Working Group – Member Feedback

Throughout the meeting series, Working Group members had the opportunity to give feedback in both **Breakout Groups** and **Full-Group Discussions**

Breakout Groups	Full-Group Discussion
<ul style="list-style-type: none"><li>• Enables members to share <b>in-depth feedback</b> in a small group setting</li><li>• Ensure <b>all members' voices</b> are heard in detail</li><li>• Allows SFMTA staff to immediately <b>address ideas or concerns</b> that may not be feasible</li><li>• <b>Builds relationships</b>, connecting diverse viewpoints, through active dialogue</li></ul>	<ul style="list-style-type: none"><li>• Ensures member feedback is shared <b>in session</b></li><li>• Participants can build on other members' ideas, encouraging collaboration</li><li>• Allows SFMTA staff to <b>hear directly from members</b></li><li>• Allows members to hear responses from SFMTA leadership during the session</li></ul>

# Feedback on Individual Options

Working Group members also indicated their level of support and opposition for each individual option through **dot voting activities**.



**Green** = Labor

**Blue** = City/Elected Official

**Red** = External stakeholders and advocates

# Feedback on Individual Options - Findings

- In general, **revenue generating funding options** and **service cuts** had the largest budget impacts of all the individual options reviewed by the Working Group.
- Members rated every funding option higher than every service cut.
- Some service cut options received **significant opposition**.

Option	Average Member Rating
<b>Funding Options</b>	
Commuter benefit Clipper card	1.0
Parking optimization	1.1
Ride-hail and autonomous vehicle gross receipts tax	1.2
Regional revenue measure	1.2
Extend paid parking hours to 10pm	1.4
Off-street parking tax increase from 25% to 35%	1.4
Extend paid parking hours to Sunday	1.4
Local sales tax measure	1.5
New parking stall fee for privately owned parking lots	1.5
Local parcel tax measure	1.7
Transit fare optimization	1.7
Utility tax measure	1.8
Increase residential parking permit fee	1.9
<b>Service Cuts</b>	
Subsidies: Eliminate or Reduce Tow Program	2.3
Capital: Flexing Capital Funds to the Operating Budget	2.3
Transit: Suspend Lower Utilized Routes	3.2
Streets: Constituent Services Reductions	3.3
Transit: Suspend Historic Service	3.4
Transit: Owl Service Only from 9pm-6am	3.9
Subsidies: Eliminate or Reduce Fare Subsidies	4.3
Security: Muni Transit Assistance Program	4.4
Streets: Maintenance Reductions	4.6
Streets: Safety Work Reductions	4.8
Transit: Reduce Frequencies up to 50%	4.8
1 = Actively Support   5 = Actively Oppose	

\*Note that this voting data reflects a point in time survey and does not reflect a commitment from any specific member or the organizations they represent.

# Final Workshop – Options Packages

In the final workshop, Working Group members:

- **Discussed all 6 packages**, identifying why they may support a package and flagging major challenges and issues
- After discussing, members **voted** in an online survey indicating their level of support for each package and their preferred package
- Concluding the meeting, members shared how they and their organizations would **continue to support this work moving forward** (ballot measure campaigns, engagement with the State, etc.)

## Mobile Voting Tool

Muni Funding Working Group - Survey on Packages

1. Please select your organization or group type. \*

Labor Organization

City

Advocacy Organization

Business Organization

Transportation Expert

Community Organization

Other

2. Please share your level of support for Package A. \*

Would actively support	Agree to move forward with reservations	Neutral	Significant reservations but would not actively oppose	Would actively oppose
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Please share your level of support for Package B. \*

Would actively support	Agree to move forward with reservations	Neutral	Significant reservations but would not actively oppose	Would actively oppose
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Please share your level of support for Package C. \*

Would actively support	Agree to move forward with reservations	Neutral	Significant reservations but would not actively oppose	Would actively oppose
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Feedback on Packages

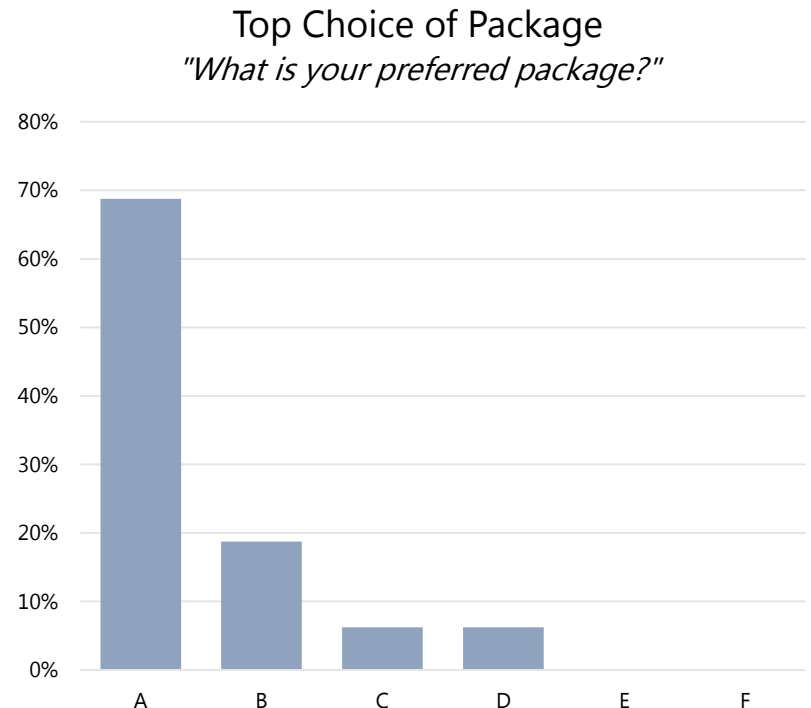
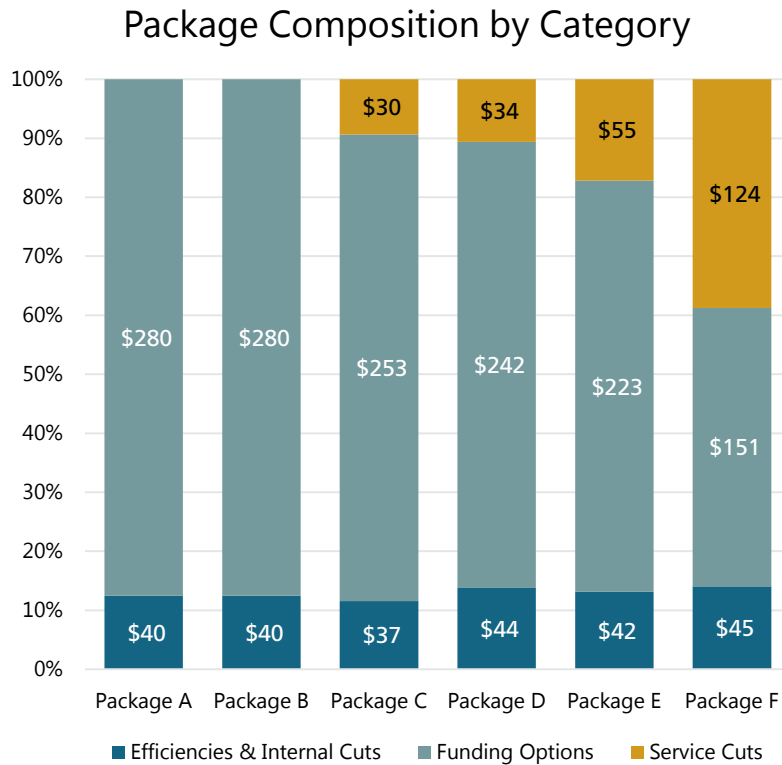
The discussion from members highlighted:

1. Members preferred packages with **fewer or no service cuts,**
2. Members expressed concern about the **risk of multiple ballot measures**
3. Members offered insight and recommendations to SFMTA on **implementation considerations.**

# Feedback on Packages

SFMTA incorporated member feedback into package development.

In the survey, members favored packages with **no or fewer service cuts** over those with more.



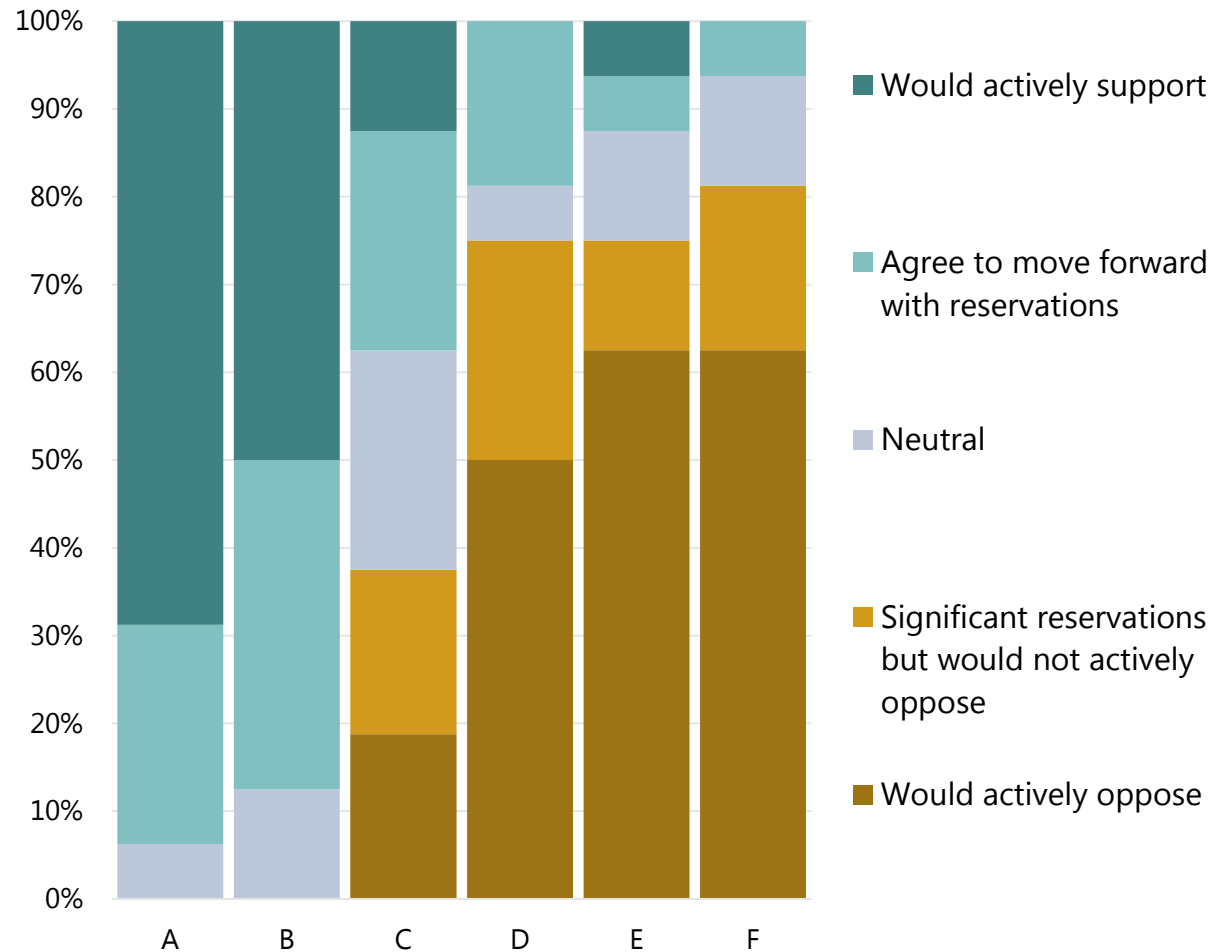
\*Note that this voting data reflects a point in time survey and does not reflect a commitment from any specific member or the organizations they represent.



# Feedback on Packages – Survey Results

- At least 50% of members indicated they **“would actively support”** the two packages with no service cuts (A & B).
- Additionally, **no members opposed** (or had significant reservations on) A & B.
- All options with service cuts (C through F) received at least some level of opposition.
- At least half of members indicated they **“would actively oppose”** the options with the highest levels of service cuts (D, E, & F).

## Package Support Levels - Support to Oppose



\*Note that this voting data reflects a point in time survey and does not reflect a commitment from any specific member or the organizations they represent.

# Public Comment

Public participation was an important part of this process. Members of the public had the opportunity to share their public comment with the Muni Funding Working Group in-person and via email.

- Across the seven meetings, the Working Group received a total of **39 in-person public comments**. The number of people coming to the meetings to provide in-person public comment increased over time.
- To date, the Controller's Office has received **over 111 public comments via email**.

# Next Steps

The Controller's Office will publish a final report to the [Muni Funding Working Group](#) website.



For this session's discussion, we would like to hear from you:

- What questions do you have?

During Session 2 this afternoon, we will facilitate a stakeholder panel to dive deeper into the packages, so please start thinking about:

- Which packages do you think could be promising and why?
- What questions might you have for our panelists?

By early summer, we'll need direction on non-ballot policies to develop into plans to balance the FY26-27 – FY27-28 budget, including:

- Non-Muni cuts
- Muni Service cuts
- Efficiencies and Internal Cuts
- Revenue measures within SFMTA's authority including parking options



An aerial photograph of a city street intersection. In the center, a large rectangular area is under construction, showing dirt and some structural elements. The surrounding area is filled with various buildings, including a prominent white classical-style building on the left and several modern high-rise buildings with glass facades. A red-paved transit lane runs through the center of the street. The text "Thank you." is overlaid in a large, white, sans-serif font across the middle of the image.

Thank you.

Bank of A

# Public Comment

Muni Funding Working Group Session 1.

# Lunch Break

The Workshop will reconvene at 1:30 pm.

# Muni Funding Working Group Session 2

A Panel Discussion on the Packages.



# Public Comment

Muni Funding Working Group Session 2.

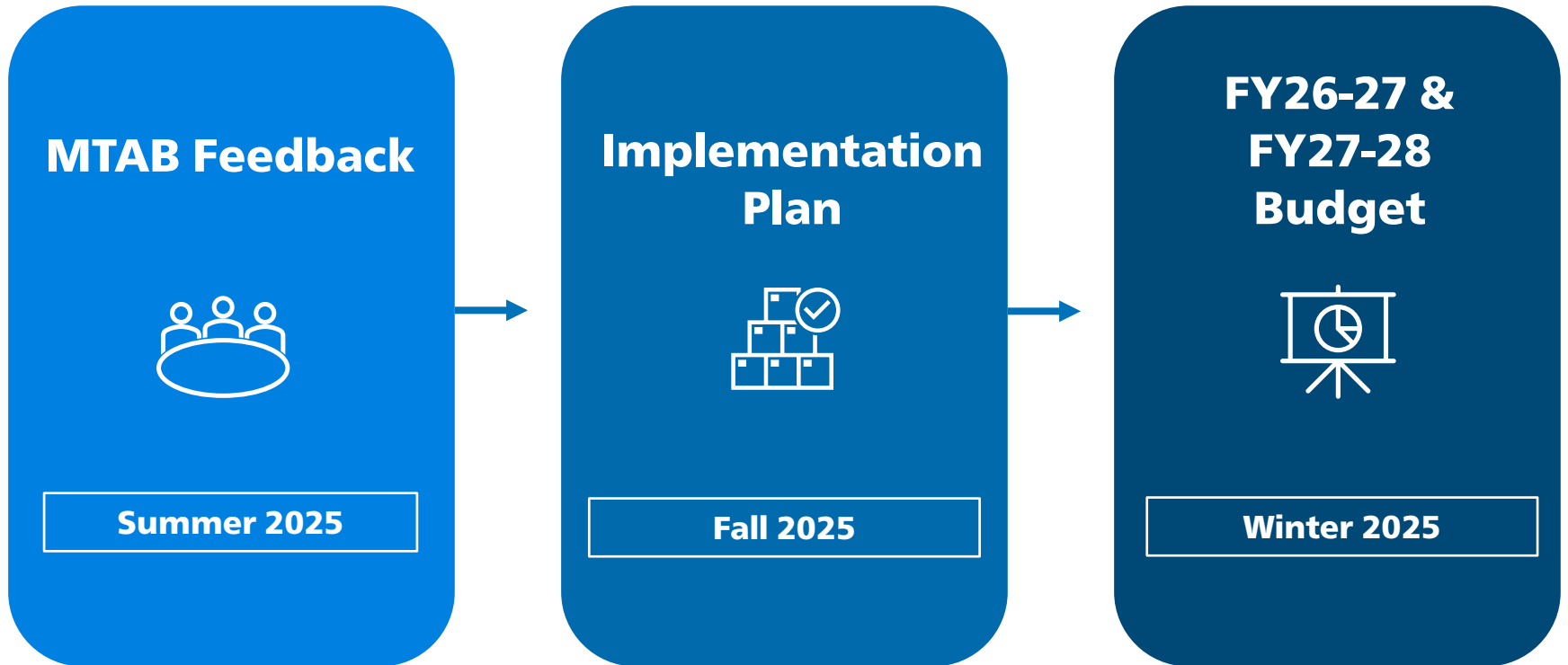
# Break

The Workshop will break for 10 min.

# Review Budget Process & Schedule

Finalize the development timeline for FY27-28 & FY27-28 Budget.

# Next Steps



# Public Comment

Process and timeline for FY27-28 & FY27-28 Budget.

# Final Remarks



**SFMTA**



**THANK YOU!**