San Francisco Municipal Transportation Agency

SFMTA FY26-27 & FY27-28 Budget

San Francisco Board of Supervisors Budget and Appropriations Committee
May 13, 2026

The SFMTA and Muni face an unprecedented fiscal cliff, but this two-year budget establishes the plan to protect Muni service and continue San Francisco's recovery while ensuring accountability.

Balanced Two-Year Budget

On April 21, the SFMTA Board of Directors unanimously passed a two-year budget for the agency

- Over 75% pays for Muni and paratransit service (e.g., operators, custodians, mechanics, station agents, etc.)
- Other core services include street safety & operations and taxi & microtransit
- Revenue generation, administration enable core services

Revenue Type	FY 25-26 ($M)	FY 26-27 ($M)	FY 27-28 ($M)
Revenue	1,452	1,515	1,616
Expenditure	1,452	1,515	1,616

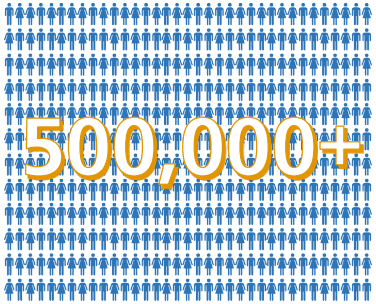
Source: Budget System Output (e-turn), April 14, 2026

Protecting Core Services

The budget protects core services:

- **Muni Service** - No Muni or paratransit service reductions in FY26-27
- **Discount Programs** - Maintains discount fare programs for youth, seniors, people with disabilities and people with limited incomes
- **Service Quality** - Small Muni increase funded in FY27-28 to address crowding/downtown recovery (*parcel tax commitment*)

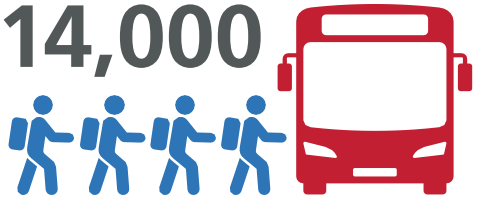
Muni serves over



riders every weekday

Roughly

14,000



SFUSD students take Muni to and from school

FY26-27 and FY27-28 Budget Plan

Regional Revenue Measure: The Connect Bay Area Act allows San Francisco to pursue a one-cent sales tax increase to maintain Muni. If passed by voters, Muni will receive ~$155M per year to address the structural deficit.

Local Revenue Measure: As the regional measure will not fully address the structural deficit, a local parcel tax has been proposed to further reduce the gap. If passed by voters, the Stronger Muni for All measure will generate ~$150M annually to reduce the deficit and ~$10M for service quality improvements.

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

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

Regional Revenue Measure, Nov. 2026

Participating Counties

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

Funding for Transit

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

Regional Benefits

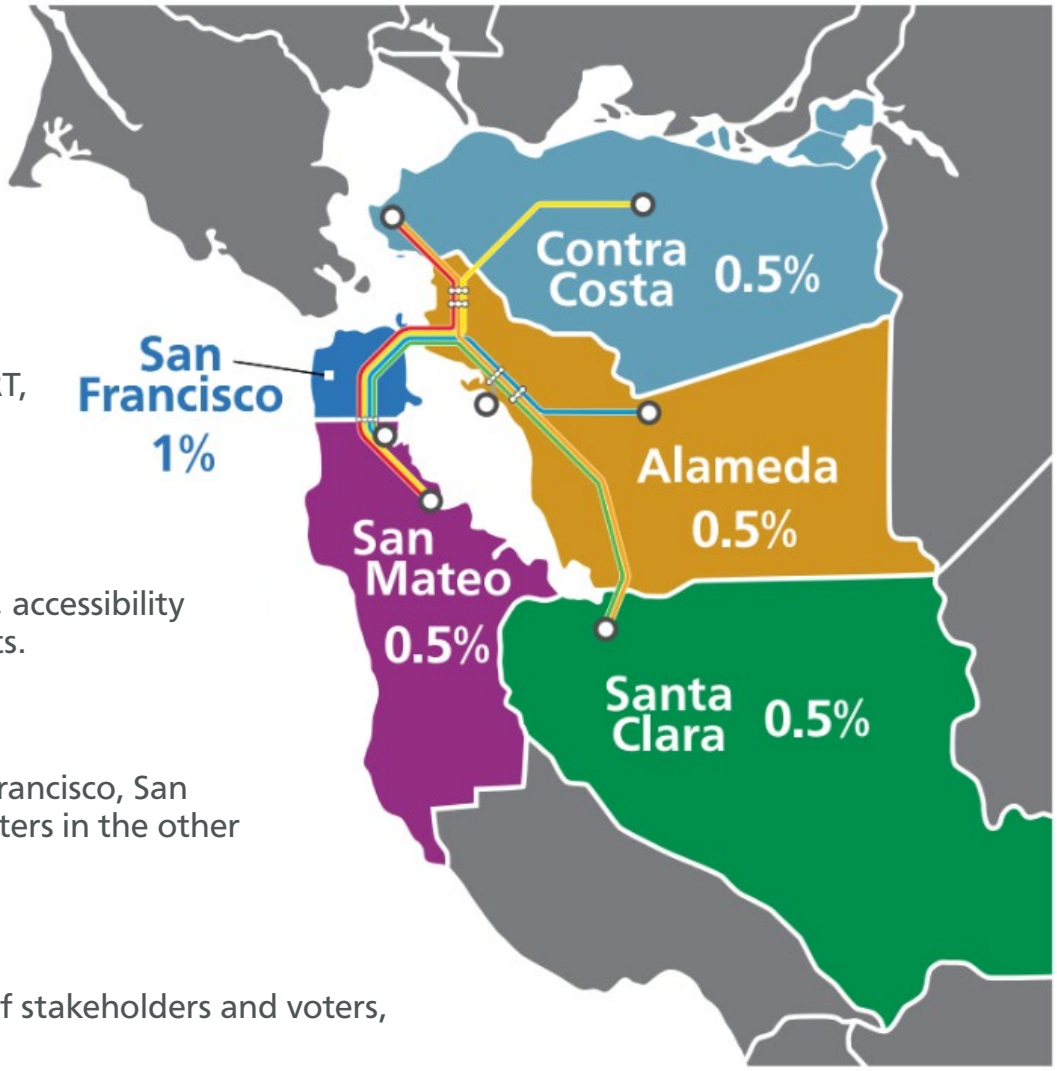
Fare programs for people with limited incomes, accessibility projects, wayfinding and transit priority projects.

Rate

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

Ballot Placement

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



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

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

Local Revenue Measure

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

The proposed 2027 tax rates would be:

Parcel Type	Base Cost	Additional Charges *
SINGLE FAMILY RESIDENTIAL	$129	• Parcels between 3,001 square feet and 5,000 square feet of building area, add $0.42 per square foot over 3,000 • For parcels over 5,000 square feet of building area, add $1.99 per square foot over 5,000
MULTI-FAMILY RESIDENTIAL	$249	• For parcels over 5,000 square feet of building area, add $0.195 per square foot over 5,000
NON RESIDENTIAL	$799	• Parcels between 5,001 square feet and 50,000 square feet of building area, add $0.76 per square foot over 5,000 • Parcels between 50,001 square feet and 250,000 square feet of building area, add $0.84 per square foot over 50,000 • For parcels over 250,000 square feet of building area, add $.99 per square foot over 250,000

* There is a cap of additional charges of $50,000 for multi-family residential and $400,000 for non-residential parcels.

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

New Agency Efficiencies and Revenue

- Eliminated 54 operating and 35 project positions. This is in addition to more than 500 vacancies previously eliminated.
- Offset costs by approximately $20M by reducing materials/supplies and work order costs and starting efficiency work.
- Increased agency-generated revenue by approximately $30M in FY26-27 from improved fare compliance, cable car day pass, ridership growth and parking optimization.
- Reduced out-year budget deficit through early action.

Transit and Parking Revenue Changes

Policy Changes

Parking Revenue:

- Increase citation late penalties by 10%
- Increase meter rates $0.25 in FY27-28
- Increased meter recovery construction/temp no-parking permits
- Pass-through online credit card fees
- Select fine reductions

Tourism Revenue:

- Cable Car Plus - $18 (up to 2 youth ride frees)
- Cable Car Single Ride Ticket - $12 (through December 2027)

Daily Rider Revenue:

- Eliminate Clipper Discount in FY26-27
- Index fares in FY27-28
- Implement Fare Capping

This two-year budget captures initial efficiencies and lays the groundwork for future efforts. SFMTA's goal is to bring long-term costs into alignment with revenues, while protecting Muni service.

Thank you!
Questions?

SFMTA

Appendix

San Francisco Board of Supervisors Budget and Appropriations Committee

May 13, 2026

Revenue Budget, by Category

Revenue Type	FY 26-27 ($M)	FY 27-28 ($M)
General Fund	608	601
Operating Grants	211	216
Parking	288	296
Transit	134	141
Other	39	39
State Loan	200	0
Regional Sales Tax	17	155
Local Parcel Tax	0	166
Operating Reserve	0	0
Fund Balance	17	0
Total	**1,515**	**1,616**

Source: Budget System Output (e-turn), April 14,2026
Note: Columns may not sum to totals shown due to rounding.

Expenditure Budget, by Category

Expenditure Type	FY 26-27 ($M)	FY 27-28 ($M)
Labor	970	1,064
Non-personnel	272	273
Materials/ Supplies	109	112
Services of Other Depts	126	131
Debt Service	36	36
Other	3	0
Total	**1,515**	**1,616**

Source: Budget System Output (e-turn), April 14,2026
Other includes equipment and capital projects
Note: Columns may not sum to totals shown due to rounding.

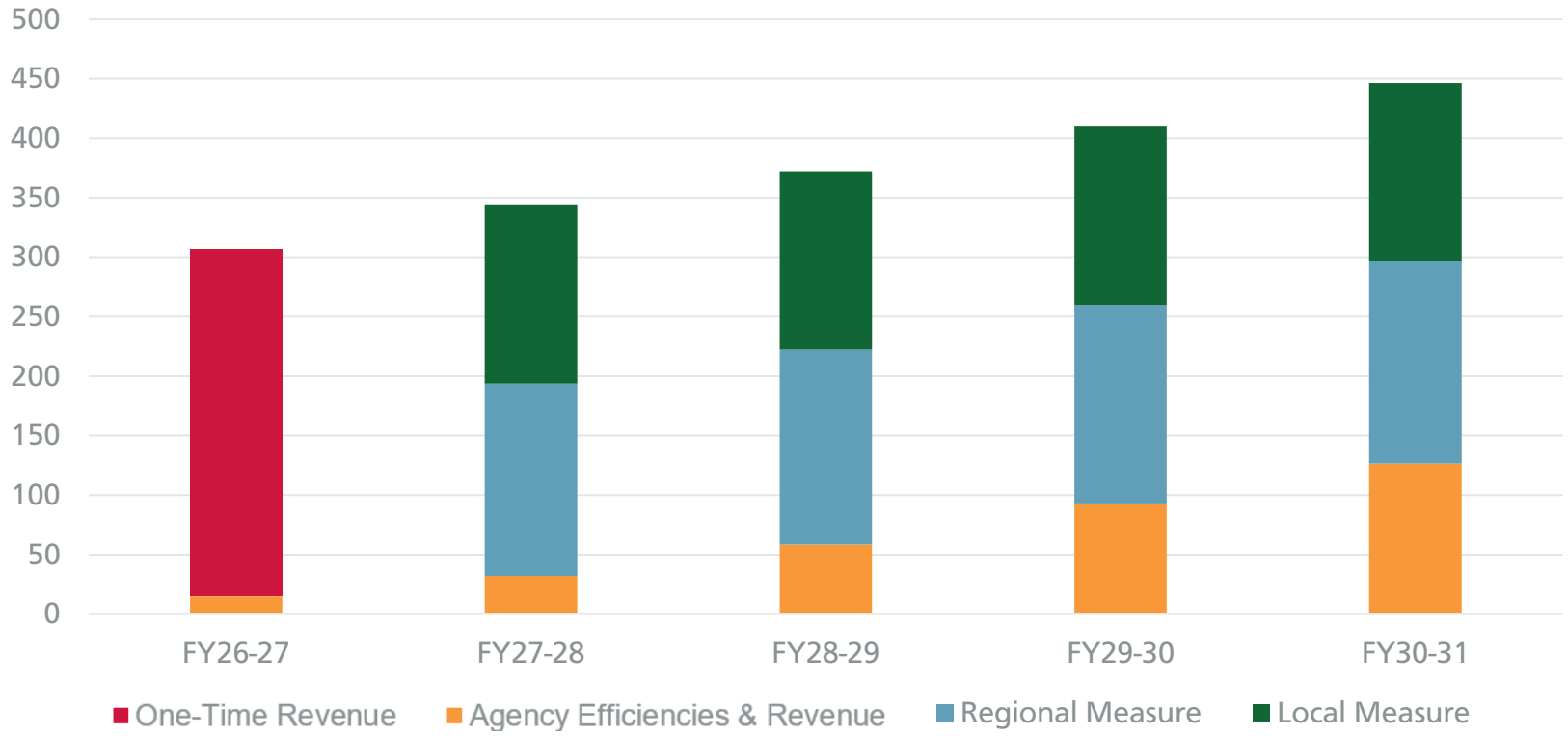
Deleted Positions

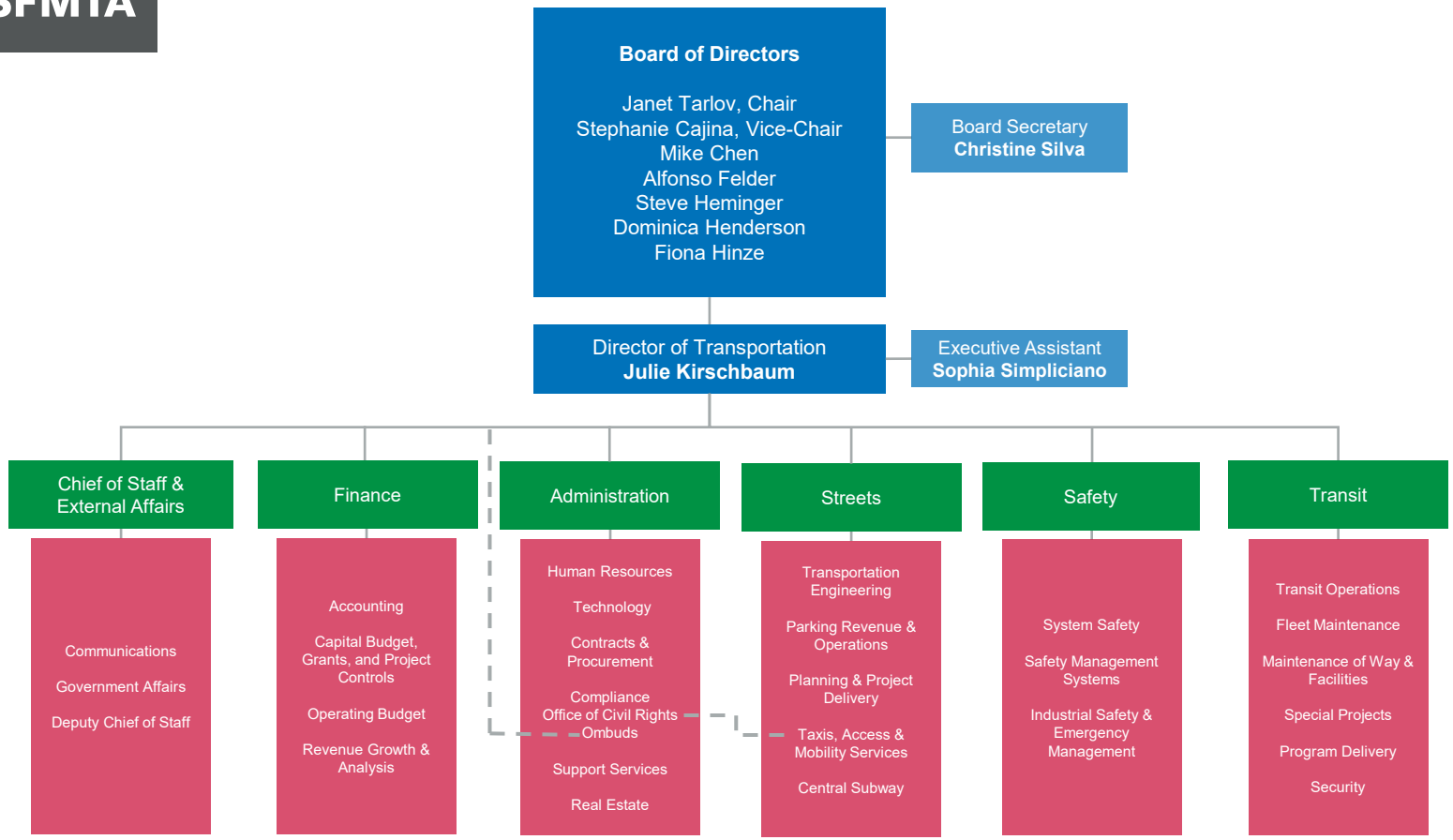
Position Type	FY25-26 Original FTE	FY26-27 Final FTE	FY 27-28 Final FTE
Operating Positions	- 487	- 54	0
Project Positions	- 42	- 35	0
Total	**- 529**	**- 89**	**0**

Source: Budget System Output (e-turn), April 14,2026

Closing the Deficit

The budget closed the FY26-27 and FY27-28 deficit using a state loan, agency efficiencies and revenue, and new revenue from regional and local ballot measures.





SFMTA Organizational Chart