



**SFMTA**

San Francisco Municipal Transportation Agency

Fiscal Year 2021 & FY 2022 Operating and Capital

# Fare Proposals & Fiscal Update

BOS Land Use and Transportation Committee

April 6, 2020



SFMTA

# Fare Proposals Fiscal Year 2021 & 2022



## Fare Proposals: April 2020 Selected

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

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

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### SFMTA Fare Proposal Title VI Analysis

|                   | Fare                              | Fare Change      | Total Riders | Minority Riders | % Minority | Low Income Riders | % Low Income |
|-------------------|-----------------------------------|------------------|--------------|-----------------|------------|-------------------|--------------|
| <b>CASH</b>       | Adult, single ride, cash          | <i>No Change</i> | 103,173      | 66,602          | 65%        | 46,274            | 50%          |
|                   | Seniors, single ride, cash        | <i>No Change</i> | 3,537        | 1,700           | 48%        | 1,035             | 37%          |
|                   | Disabled, single ride, cash       | <i>No Change</i> | 690          | 417             | 60%        | 498               | 81%          |
| <b>ELECTRONIC</b> | Adult, single ride, electronic    | Increase         | 199,565      | 97,130          | 49%        | 55,156            | 31%          |
|                   | Seniors, single ride, electronic  | Increase         | 3,738        | 1,168           | 31%        | 478               | 16%          |
|                   | Disabled, single ride, electronic | Increase         | 569          | 353             | 62%        | 295               | 59%          |
| <b>PASS</b>       | Adult, Monthly Pass (A and M)     | Increase         | 202,947      | 113,477         | 56%        | 50,177            | 28%          |

## 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

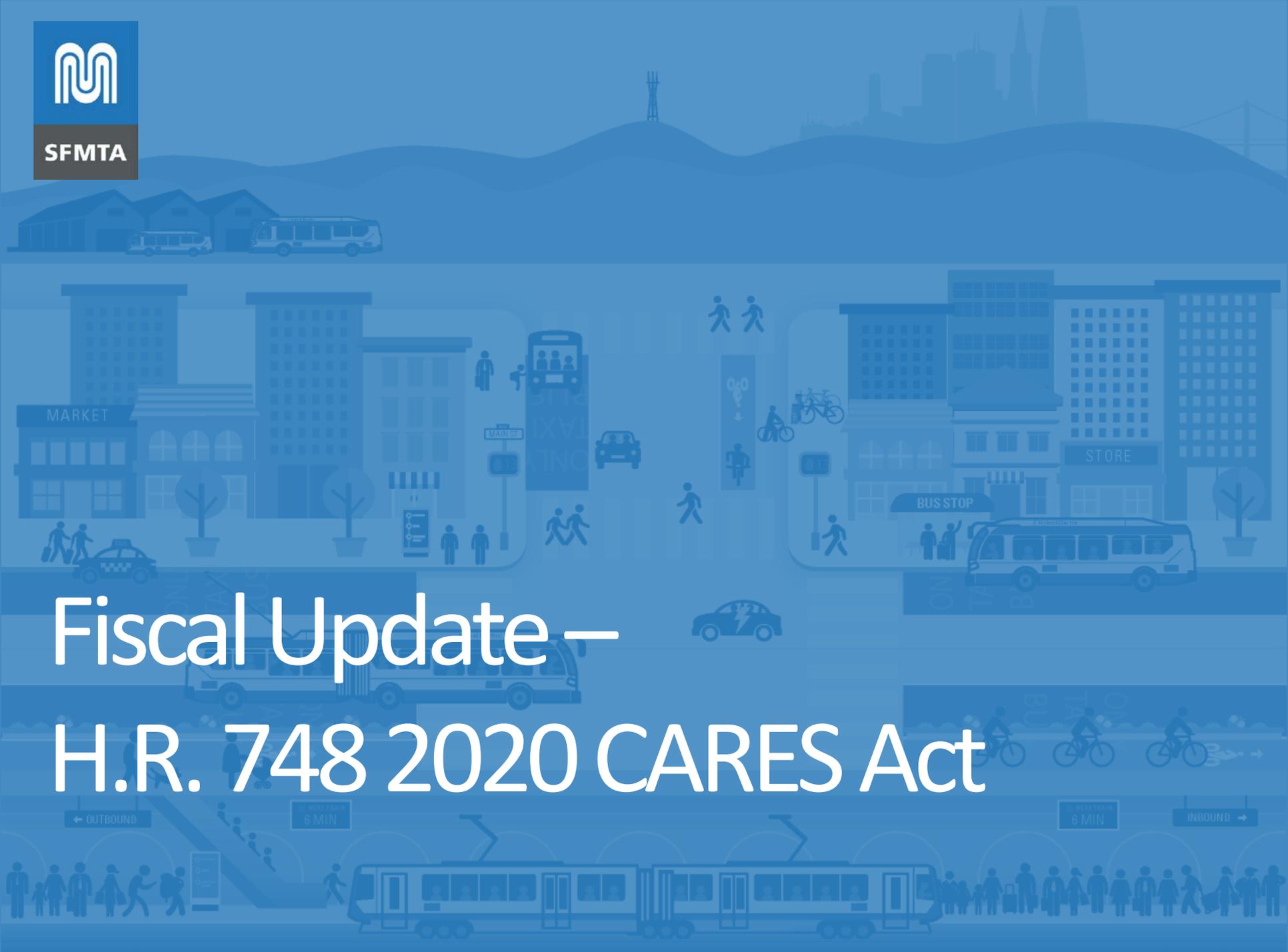
## Other Fare Proposals

| Proposal  | (Cost)/Revenue (\$M) |
|---|----------------------|
| Muni Day Pass on Farebox (available only on MuniMobile currently)   | <i>Minimal Cost</i>  |
| Study Fare Capping on MuniMobile  |                      |
| Free Muni Pass for People Facing Housing Insecurity   |                      |
| Cable Car Discount for Seniors/Youth/People w/ Disabilities on MuniMobile                                 |                      |
| Extend Bulk Sales Discounts for all Products on Muni Mobile   |                      |
| Eliminate Clipper Differential for Passports<br>due to slow transaction times impacting the ticket booths |                      |



SFMTA

# Fiscal Update – H.R. 748 2020 CARES Act



**Beginning with a gap to close.**

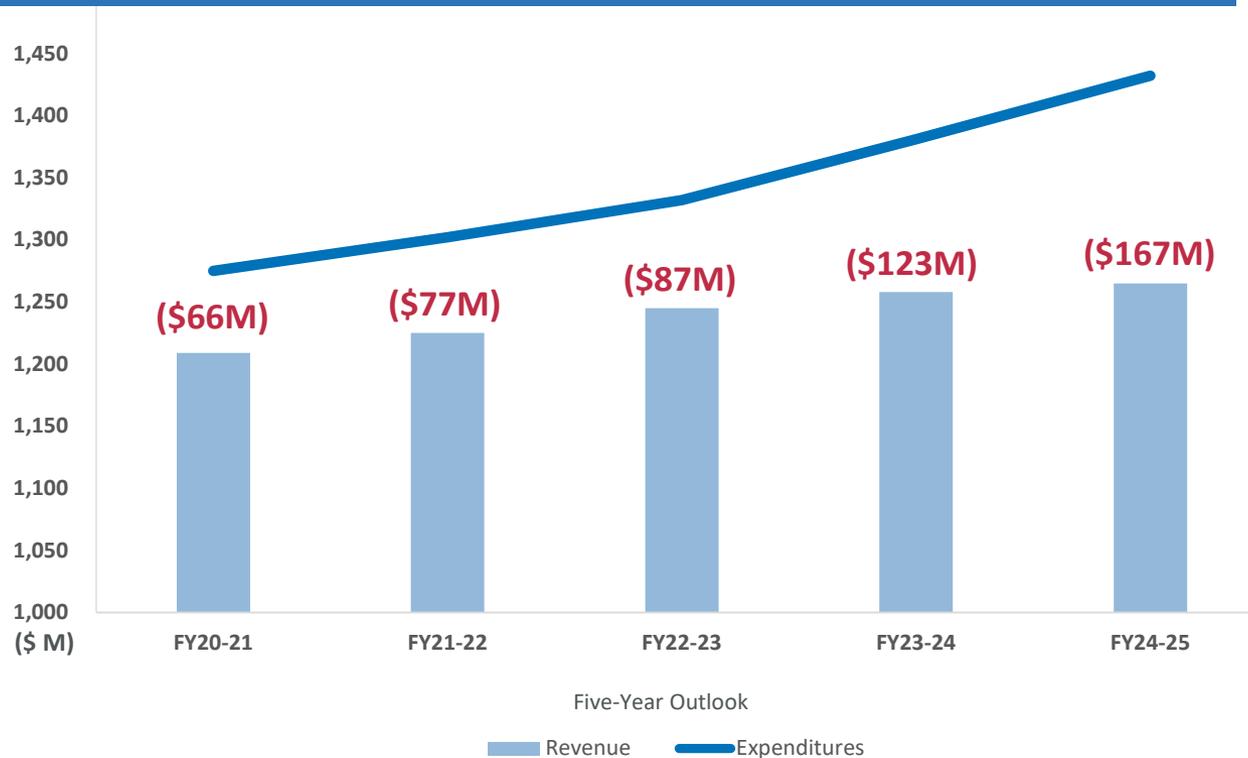
The SFMTA has an ongoing structural deficit. In January, we projected a budgetary shortfall that had to be brought into balance.

| 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> |

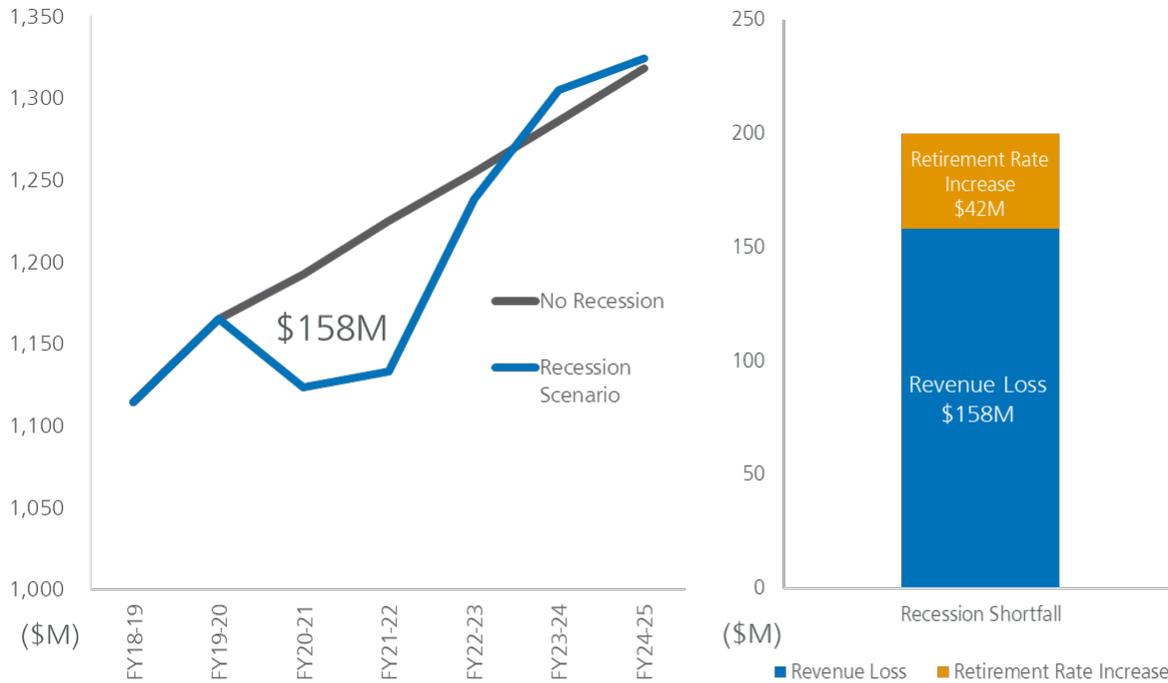
Beginning with a gap to close and a long-term structural deficit to correct.

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



## 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.

## COVID-19 Fiscal Impacts

For the purposes of the FY 2021 and FY 2022 Consolidated Budget revenues were re-evaluated assuming an economic slowdown through 2020 and into 2021.

**Revenue updates have been completed**, including updates to General Fund Projections from the Controller's Office.

**Economic  
"Shock"**  
Fiscal Year 2020

Revenue Loss Estimate:  
**\$195 - \$220 million**

**Economic  
"Downturn"**  
Fiscal Year 2021

Revenue Loss Estimate:  
**\$70 - \$140 million**

**Economic  
"Downturn"**  
Fiscal Year 2022

Revenue Loss Estimate:  
**\$30 - \$70 million**

## COVID-19 Fiscal Impacts

When the COVID-19 public health emergency has resulted in significant impacts resulting in the need to put in fiscal controls and re-evaluate budget revenue projections.

### **Fiscal Controls Include:**

- Reductions in unscheduled overtime
- Re-evaluating the timing and schedule of hiring; slowing down hiring of positions that are not service critical
- Reductions in purchases of non-service critical services and supplies

## COVID-19 Fiscal Impacts

The **H.R. 748 the 2020 Coronavirus Aid, Relief and Economic Security (CARES) Act** was signed into law March 27 providing financial relief nationally to transit agencies.

### Details of the legislation include:

- \$25 billion appropriated based on FY20 funding formulas through the Federal Transit Administration (FTA)
- Funds may be used to reimburse operational expenses back to January 1, 2020
- Local Matching Requirement and TIP Requirements waived

## COVID-19 Fiscal Impacts

The Bay Area is anticipated to receive approximately \$1.3 billion in transit assistance funds to offset revenue losses due to the COVID-19 Public Health Emergency .

The Metropolitan Transportation Commission (MTC) is currently working with Bay Area Transit Agencies to program and allocate this funding.

- Anticipate **first action by MTC in April 2020**, with SFMTA receiving \$130 – 200 million, depending on methodology.
- **Second allocation expected in Summer 2020**, anticipate receiving allocation in the same \$130 – 200 million range.