



SFMTA

San Francisco Municipal Transportation Agency

Operating Budget & 5-Year Capital Improvement Program

**Board of Supervisors
Budget and Appropriations Committee
May 18, 2022**

Over the past fiscal year, the SFMTA has re-opened the transportation system.

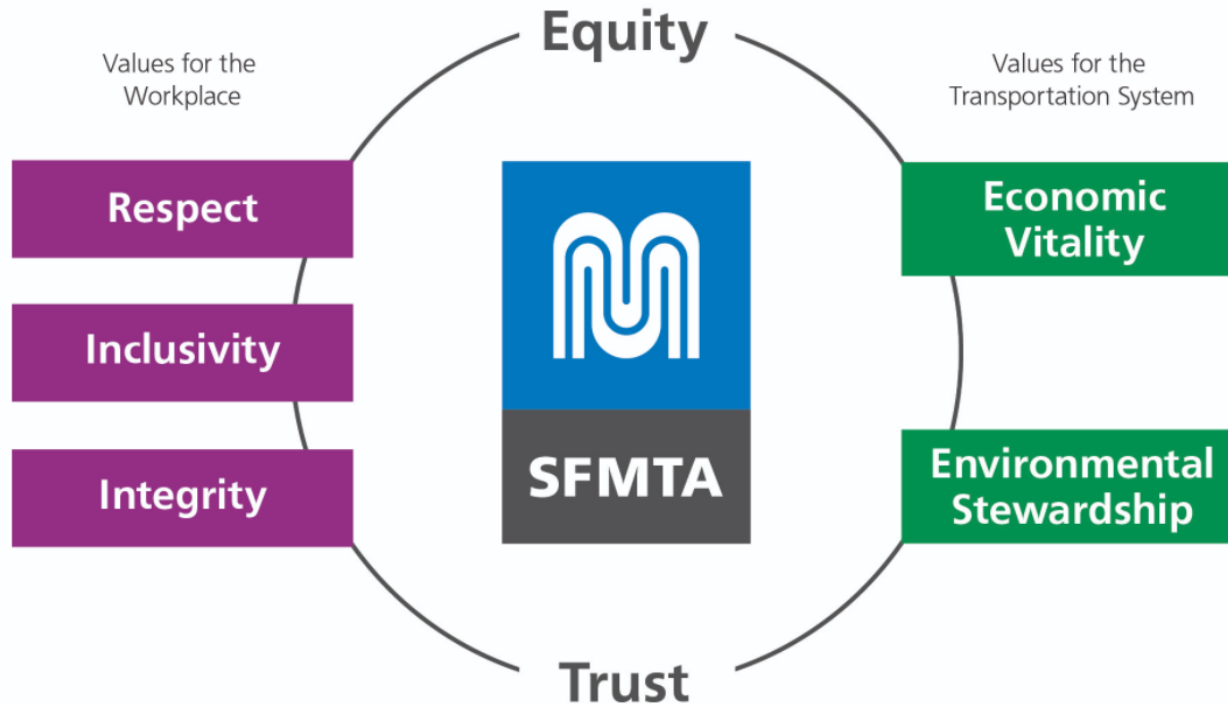


Cable Car and Muni Metro have been re-opened.

The SFMTA completed major projects on time and on budget including 16th Street, Geary Phase I, L-Taraval Phase I.

Our streets support improved mobility with 12-miles of new bicycle lanes, 10 miles of transit only lanes and, 233 traffic calming improvements slowing speeds and improving safety.

We completed a new Strategic Plan expressing our values.



Outreach Synthesis

We completed extensive outreach via numerous channels – the synthesis of what we heard is:

- Focus on Transit Speed, Reliability and Access
- Focus on Personal Safety *on Transit* and *on Streets*
- Focus on Equity in delivery of service
- Focus on State of Good Repair infrastructure investments
- Provide quick and convenient access throughout San Francisco
- Avoid fare increases and expand discount programs
- Reduce traffic congestion through investment in transit
- Improve the customer experience on transit including improved Next Bus service and cleaner shelters

We listened to what San Francisco expects, and our budget reflects what we heard.

- The budget restores frozen positions to restore **full agency operations** in transit, streets and internal operations.
- The budget supports **continuous improvements to transit service and the experience of our riders** including increased cleaning on the vehicle and at the shelters, better predictions and system management.
- The budget assumes **no fare increase in FY 23 or FY 24; and new fare products and discounts to increase access** (10-trip and Accumulator Pass)
- The budget invests in the **safety of the system**, including 20+ ambassadors on vehicles for increased presence and **increased outreach and engagement**.
- The CIP and Capital Budget focuses on the **State of Good Repair** of the system; and sets San Francisco up to be competitive for federal and state sources.
- Invests in our workforce by **increasing our hiring capacity and investment in innovative programs and apprenticeships**.

Operating Budget Overview

We know that SFMTA finances have not yet fully recovered and will not during the upcoming Fiscal Years 2023 and FY 2024.

That and significant unknowns, such as pace of recovery required a **resilient budget design**.

Manage to the Pace of Recovery

Prepare based on optimism but have stopgaps in place.

Work toward restoration of full Agency Operations

Service restoration, street management, agency internal ops.

Consider what is not known.

Impact of inflation and
new labor contracts.

The Final Operating Budget.

The final budget is **resilient, prudent and invests in our shared values**.
The average growth of expenditures is 4.25 percent.

FY 22	FY 23	FY 24
\$1.295 b	\$1.356 b	\$1.407 b
	Growth 4.7%	Growth 3.8%

The final budget **was driven by feedback and invests in key community priorities** preparing the SFMTA for the future.

Muni Safety	Customer Experience	Equity & Belonging
Muni Reliability	Workforce Development	Service Equity & Expansion
Muni Service Quality	Hiring & Training	Outreach & Engagement

Operating Budget & Appropriation FY 2023 & FY 2024

EXPENDITURES (USES)	FY23 Final	FY24 Final
Salary & Fringe	947,406,214	983,535,942
Overhead & Allocations	(37,041,489)	(36,405,869)
Professional Services	247,062,618	249,440,414
Materials & Supplies	74,590,391	74,590,551
Capital Outlay	200,000	-
Debt Service	22,980,226	27,850,760
Workorders	100,856,968	107,851,267
Operating Expenditures Subtotal	1,356,054,928	1,406,863,065
Transfer to Capital	36,402,061	66,671,504
Total Expenditure Appropriation	1,392,456,989	1,473,534,569

REVENUES (SOURCES)	FY23 Final	FY24 Final
City Population-based Baseline - Operating Support	30,000,000	30,000,000
Federal Relief	172,345,045	184,343,505
General Fund Transfers	414,420,000	445,240,000
General Fund Transfers (MBTIF)	6,785,154	6,785,154
Operating Grants	189,095,508	193,278,808
Other (advertising, Interest, misc fees, recovery)	35,130,651	38,105,799
Parking & Traffic Fees & Fines	261,316,845	282,032,890
Parking Tax In-Lieu	64,150,000	66,040,000
Proposition D Traffic Congest Mitigation Tax	7,851,000	10,226,000
Taxi Services	200,000	200,000
Transit Development Fees - Operating Support	10,000,000	10,000,000
Transit Fares	112,060,724	140,610,909
Use of One-Time Fund Balance	52,700,000	-
Operating Revenues Subtotal	1,356,054,928	1,406,863,065
Transfer to Capital	36,402,061	66,671,504
Total Revenue Appropriation	1,392,456,989	1,473,534,569

Agencywide Staffing Plan

The SFMTA currently has more than 1,000 vacancies, significantly higher than normal attrition. In the coming FY's the agency will invest significantly in human resources and workforce development to close the staffing gap.

- Invest \$5 million in on-going salaries and fringe for additional positions in Human Resources Division to speed up hiring, employee support, list generation and workforce development.
- Invest \$3.4 million in FY 23 growing to nearly \$6 million in FY 24 in the SFMTA's Apprenticeship Program to fill critical vacancies in Infrastructure Maintenance and Trades.

Position Type	FY22 FTE	FY23 FTE	FY24 FTE
Operating Budget Positions	6,190	6,447	6,576
Project Positions	485	501	515
Temporary Positions	48	48	49
Attrition	(654)	(692)	(693)
Total Positions	6,069	6,304	6,446

To manage expenses new position augmentations, occur over time, and if revenues do not materialize, can be stopped.



Costs above reflect the planned cost at the time of expenditure initiation

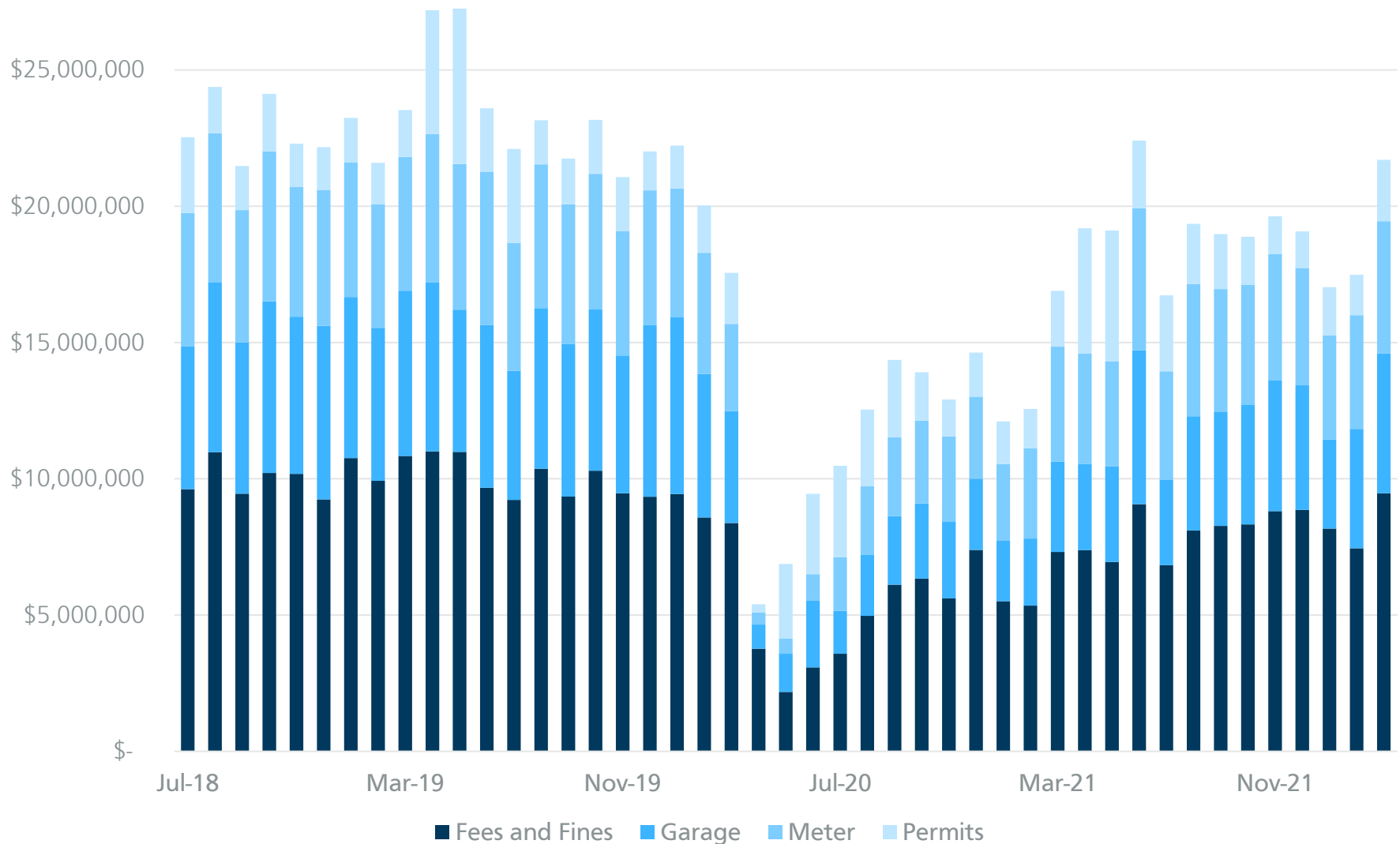
Over the next 2-fiscal years staff will provide updates on a series of financial performance criteria, at that time in addition to a review of current data insights, financial performance, an update of planned expenditures can occur.

Strategy: Performance Measures

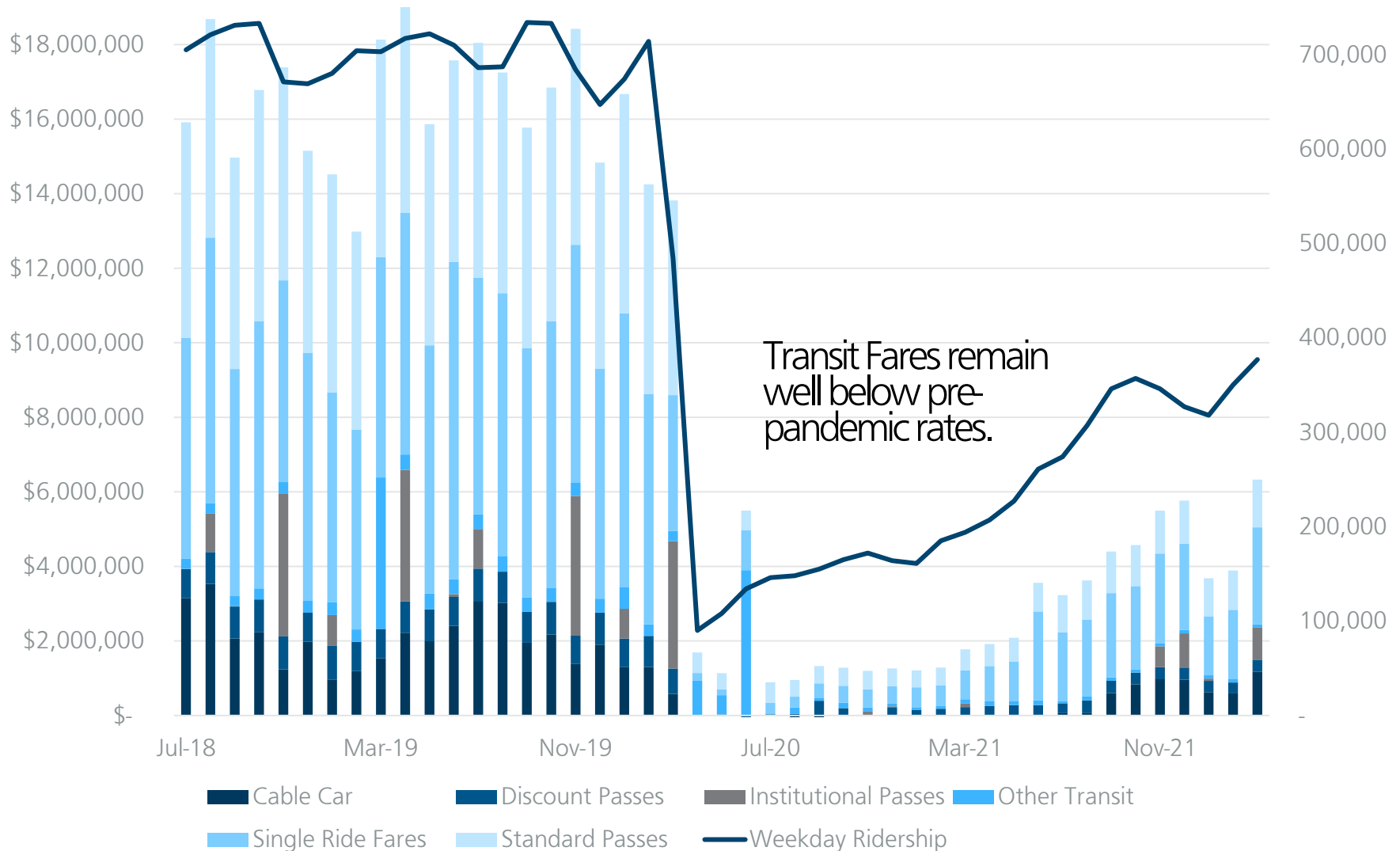
These fiscal performance measures will be in place through FY 23 to determine if the SFMTA can support proposed net new long-term expenditures.

Performance Measures	Metric/Measure	April 2021	FY22 Target	Current	FY23 Target
Use of One-Time Funds FY22	Percent of one-time funds for operations in FY22	29.6% (\$382M)	23.6% (\$309M)	23.3% (\$298M)	-
Use of One-Time Funds FY23	Percent of one-time funds for operations in FY23	11.4% (\$153M)	2.7% (\$36M)	16.6% (\$225M)	16.6% (\$225M)
Use of One-Time Funds FY24	Percent of one-time funds for operations in FY24	3.1% (\$43M)	1.4% (\$19M)	13.1% (\$184M)	13.1% (\$184M)
SGR Needs Met FY 2023-27	Percent of SGR needs met	68.5%	80.0%	85.0%	100%
TERM Score	Age-based condition score	3.15	3.30	3.30	3.30
Fare Revenue Recovery	Current month over FY19 monthly average	11.3% (\$2M)	54.9% (\$9M)	27.7% (\$5M)	56.8% (\$9M)
Parking Fine and Fees Revenue Recovery	Current month over FY19 monthly average	70.8% (\$18M)	92.8% (\$22M)	86.3% (\$19M)	92.6% (\$22M)

Parking Revenue Trend: FY 2019 to present



Transit Fare Revenue Trend: FY 2019 to present



The Final Capital Improvement Program.

The final 5-year CIP continues **critical investments in transportation infrastructure** with the **first CIP+ a targeted and prioritized investment plan** for advocacy and capital revenue growth.

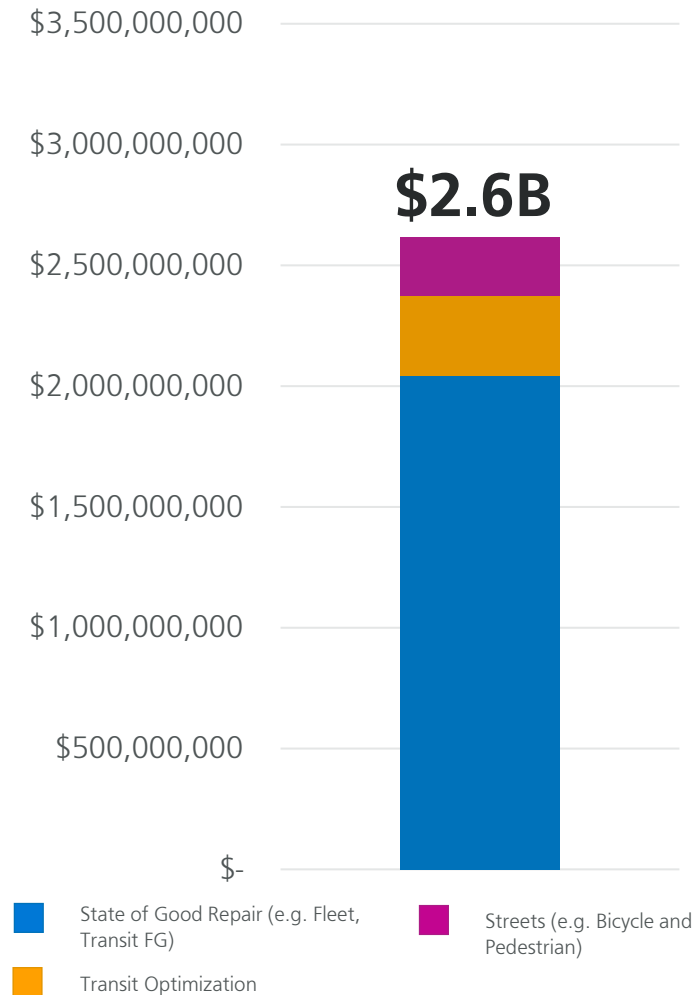


All of the major projects in the CIP are related to the **State of Good Repair** of the system and improving safety and reliability.

Muni Facilities	Light Rail Vehicle Replacement	Fleet Overhauls
Muni Electrification	New Train Control System	Street Safety

FY 2023 – 2027 Capital Improvement Program Overview

Baseline FY23-27 CIP



178 Projects

\$2.6 Billion Investment

- 5-Year CIP balanced to existing revenues; unfunded initiatives moved to CIP+
- 5-Year CIP largest sources of funds are federal grants, state grants, Prop K Transportation Sales Tax and SFMTA revenue bond.
- Several large projects:
 - LRV4 Replacement Phase
 - Vehicle Mid-Life Overhauls
 - Computer Based Train Control
 - Potrero Yard Modernization
- Contingency included in budget due to higher risk sources such as competitive grants, RM3 and development impact fees

FY 2023 – 2027 Capital Improvement Program

The 5-Year Capital Improvement Program is the SFMTA's fiscally constrained program of projects by phase, with funding plans. The first 2-years serve as the SFMTA Capital Budget.

	Capital Budget					5-Year CIP
Program	FY23	FY24	FY25	FY26	FY27	Total (Current)
Fleet	171.82	143.87	192.26	413.23	226.23	1,147.41
Transit Optimization	46.10	38.82	86.03	88.79	71.75	331.48
Transit Fixed Guideway	80.95	81.81	148.37	162.08	120.05	593.27
Streets	53.29	37.28	52.18	33.17	64.70	240.63
Facility	51.37	67.54	38.85	24.27	24.80	202.15
Signals	16.48	13.22	20.05	14.68	8.73	73.16
Communications & IT	0.96	3.29	3.00	6.58	0.27	14.09
Parking	0.00	0.00	0.00	0.00	0.00	0.00
Security	1.94	1.94	1.94	1.94	1.94	9.70
Taxi	0.65	0.35	0.73	0.01	0.53	2.28
Total	423.56	388.12	543.41	744.75	519.00	2,614.17

CIP+ Priorities

CIP+ is a framework, an advocacy platform and process by which we can build regional partnerships and priorities

Increases in State of Good Repair Funding

(TCP Regional Policy for Increases in Federal Formula Funds, State Budget Surplus, Sales Tax Reauthorization)

Fully funding safety improvements on the High Injury Network

(State Active Transportation Program, Highway Safety Improvement Program, US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE), USDOT Safe Streets for All, GO Bond, Regional One Bay Area Grant Program (OBAG), Sales Tax Reauthorization)

Advancing Zero Emission Bus or Battery Electric Bus and Facilities Infrastructure

(1500% in FTA Low or No Emission (LONO) Vehicle Program, FTA Bus and Facilities Grant, State Transit and Inter City Rail Program (TIRCP), GO Bond, State Surplus, Sales Tax Reauthorization)

Advancing Muni Metro Modernization – Muni Forward Rail Improvements, Fleet and Train Control System

(TIRCP, GO Bond, Regional Transit Performance Initiative, State Surplus, Sales Tax Reauthorization)

Advancing the Building Progress Program

(1500% in LONO, RAISE, Bus and Bus Facilities Grant, GO Bond, Sales Tax Reauthorization)

Cable Car Program

(Federal Advocacy, Sales Tax Reauthorization)

Fund Estimate CIP+: \$300 m - \$1 billion

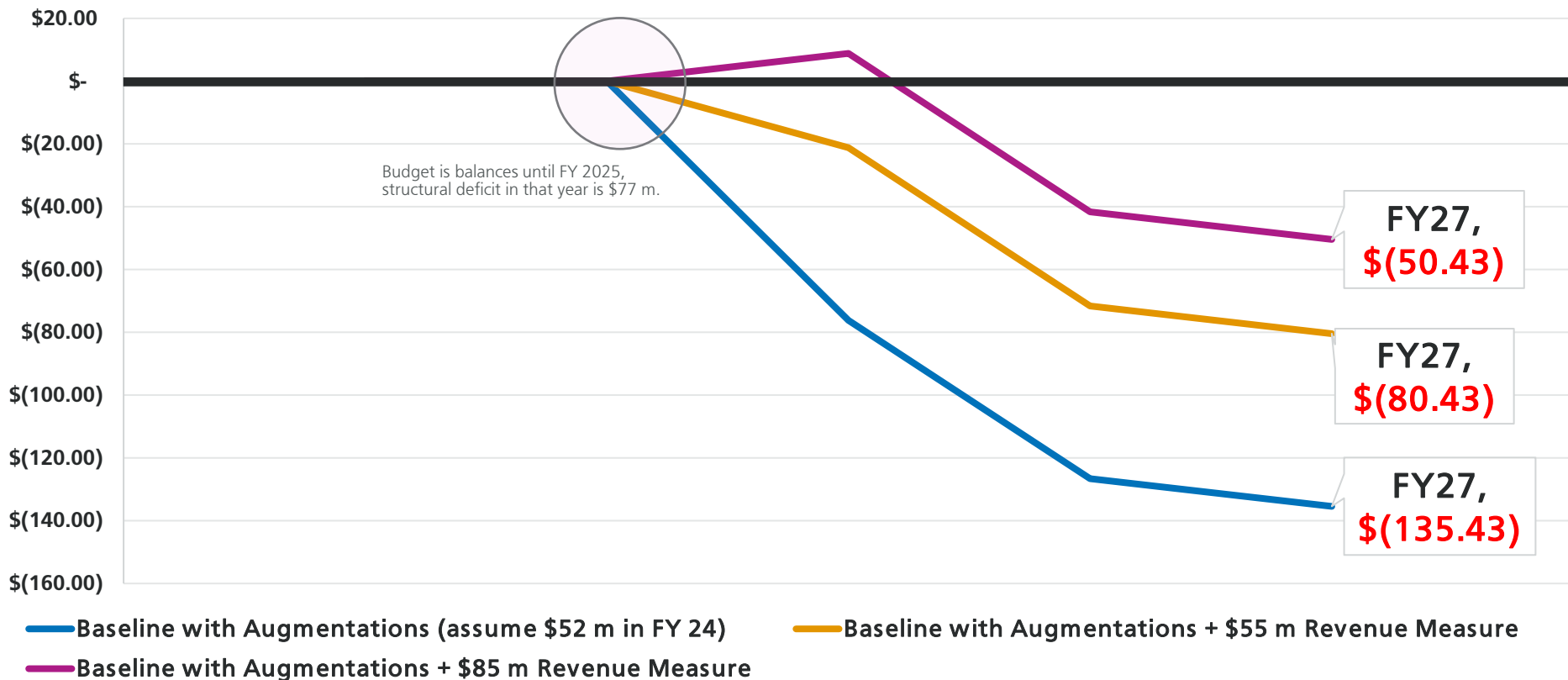
The agency must invest in the recovery of the transit system and restoration of agency operations and infrastructure.

Short-Term investments will have a cost and increase the structural deficit. **The adjusted baseline presented today, results in a future FY 25 deficit of \$76 million.**

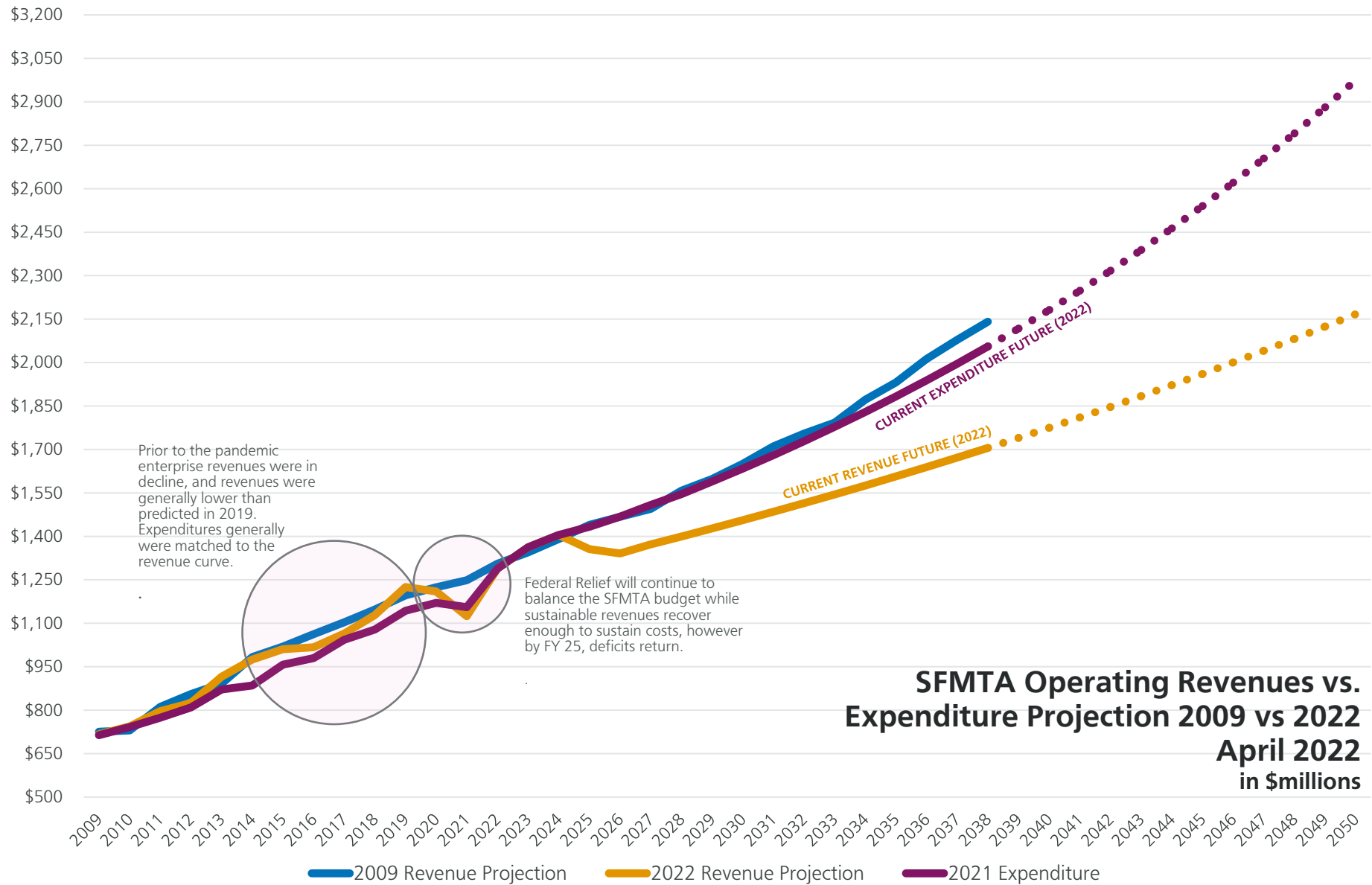
However, if we do not make these investments now, our sustainable sources such as transit fares, parking meter and garage revenues will not recover to make up for the use of one-time revenues. In parallel, the agency needs to continue to identify a new sustainable funding source.

Final Budget

This scenario includes an expenditure increase of \$66 million beginning in FY 2024 and models the updated base proposed budget. Revenues are adjusted from the base; structural deficit begins in FY 25 at \$76 million.



Scenario also assumes new sources of revenues if they were to begin some time during fiscal year 2025. The result is the projected deficit at the end of the 5-year financial plan or fiscal year 2027.



Thank you to:

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Suzanne Wang

Jerad Weiner

Charlotte Wu

Li Zhang



Thank you.

Appendix

Outreach & Listening Sessions



1295

from online
and paper
surveys in three
languages



917

Additional
Comments
from listening
sessions, phone
calls, and emails



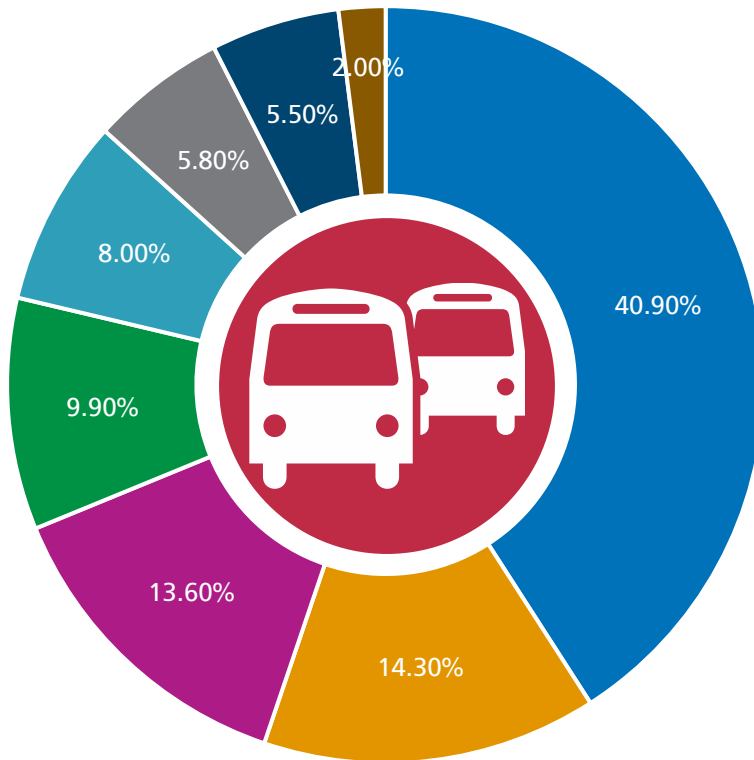
1000+

Comments from
SFMTA Board
of Directors at
Board
Workshop

Paper surveys were collected and recorded, and the online survey was closed, on March 23rd

Survey Results

Possible SFMTA Goals: Which Would You Prioritize? First Priority

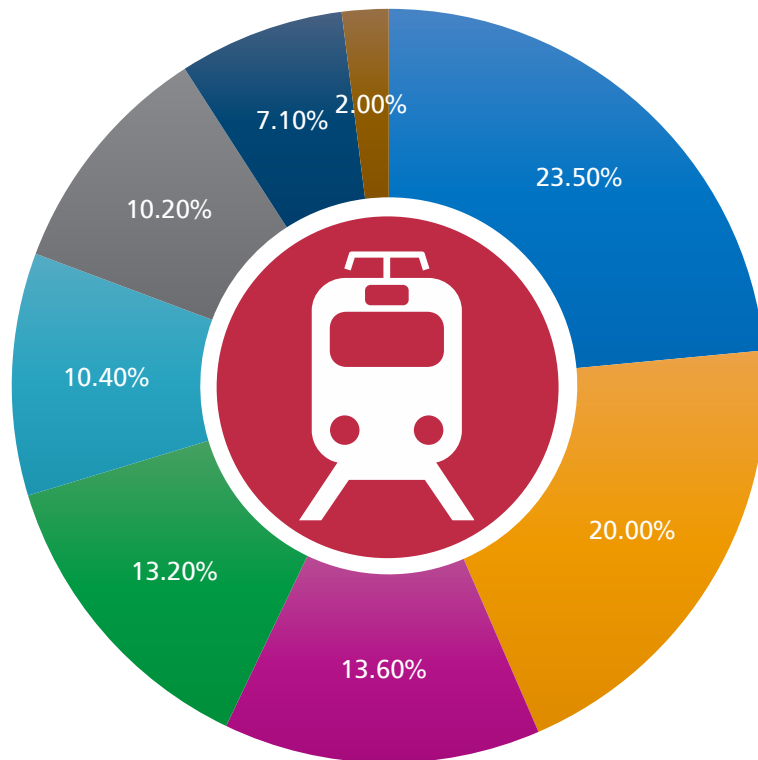


- Improving the speed, frequency, and reliability of Muni buses and trains
- Improving personal safety for Muni riders
- Reducing traffic congestion and eliminating bottlenecks by improving public transit
- Improving transportation in neighborhoods with high percentages of households with low incomes and people of color
- Improving pedestrian safety
- Repairing and maintaining buses, trains, and transit infrastructure
- Improving bike safety
- Don't know/not sure

* 1,295 Respondents Final Results April 5, 2022

Survey Results

Possible SFMTA Goals: Which Would You Prioritize? Second Priority



- Improving the speed, frequency, and reliability of Muni buses and trains
- Improving personal safety for Muni riders
- Improving transportation in neighborhoods with high percentages of households with low incomes and people of color
- Reducing traffic congestion and eliminating bottlenecks by improving public transit
- Repairing and maintaining buses, trains, and transit infrastructure
- Improving pedestrian safety
- Improving bike safety

* 1,295 Respondents Final Results April 5, 2022

Prioritizing Individual Initiatives



Categorized Comments

917 additional responses collected from listening sessions, open responses, emails and phone calls. Comments were categorized by MTA staff

Emphasis on Safety for ALL Modes

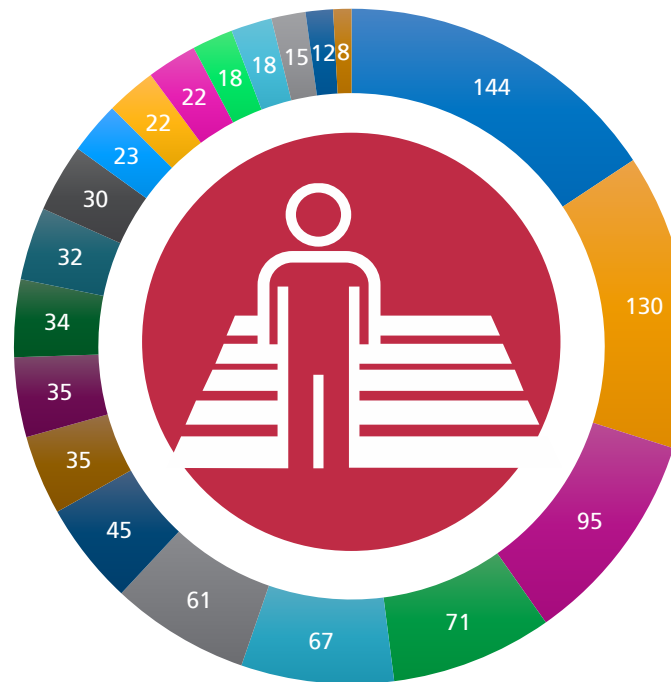
Transit Service: More Frequent, More Lines

Don't Raise Fares, Add Discount Programs

Transit Only Lanes to Fix Congestion

Cleaner Bus Shelters and Stations

Deliver on State of Good Repair



- Support for Increased Service Lines and Frequency
- Prioritize Safety on Streets and Muni
- Support 100% Pre-Pandemic Service Restoration
- Other
- Concerns About Rising Traffic
- Support for More Transit Only Lanes
- Make the System More Accessible
- Make the SFMTA More Equitable
- Support Existing or Expanded Fare Discount Programs
- Improve and Clean the Bus Shelters and Stations
- Concerns About Slow Streets
- Support for Slow Streets
- Support no Fare Increase (No Indexing)
- Make Muni Free for All
- Improve NextBus