

Muni Funding Working Group

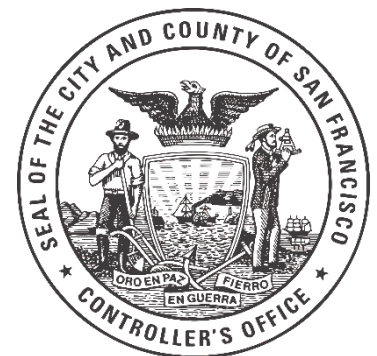
Solving for Muni's Funding Needs



Prepared by

OFFICE OF THE CONTROLLER
CITY PERFORMANCE

July 2025



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The Controller is the chief financial officer and auditor for the City and County of San Francisco. We produce regular reports on the City's financial condition, economic condition, and the performance of City government. We are also responsible for key aspects of the City's financial operations — from processing payroll for City employees to processing and monitoring the City's budget.

Our team includes financial, tech, accounting, analytical and other professionals who work hard to secure the City's financial integrity and promote efficient, effective, and accountable government. We strive to be a model for good government and to make the city a better place to live and work.

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OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller

ChiaYu Ma
Deputy Controller

July 15, 2025

Julie Kirschbaum, Director of Transportation
San Francisco Municipal Transportation Agency
1 South Van Ness Avenue
San Francisco, CA 94103

Dear Director Kirschbaum,

The Office of the Controller (CON) presents its Muni Funding Working Group report — a summary of the workshop series designed to identify potential policy options to address the San Francisco Municipal Transportation Agency's (the SFMTA) emerging deficit. The Working Group was comprised of elected officials, labor, business, and advocacy organization representatives.

Over a series of seven meetings in the last year, members of the Working Group reviewed service improvements, service cut scenarios, and both ballot and non-ballot funding options to address the SFMTA's projected \$320 million deficit. SFMTA staff developed policy options with CON staff providing technical assistance in reviewing the costing analyses. CON staff also partnered with SFMTA staff to design and facilitate the workshops. While this report is not an audit or a list of policy recommendations, it does provide insights and context from the robust discussions with key stakeholders. It is my hope that this report will provide a foundation for future decision-making by the SFMTA Board of Directors, the Mayor and Board of Supervisors, and ultimately the voters should any ballot measures proceed in future municipal elections.

Through the financial and data analysis conducted as part of this Working Group, it has become clear to me that San Francisco faces a significant policy choice in the coming months—with no easy answers. Either we must create a substantial new revenue source for public transportation, or the MTA's only option will be to implement significant service cuts to Muni. In response to this choice, members of the Muni Funding Working Group clearly expressed concern with the size and potential impact of the service cuts discussed and highlighted a general consensus among the convened stakeholders that it is imperative for the City to find sufficient revenue through the ballot to prevent such a worst-case scenario.

Muni is vital to the city's economy and economic recovery. It is an essential component of both revitalizing downtown and bringing customers to small businesses on commercial corridors in our neighborhoods. With San Francisco nurturing an economic recovery that is slowly but noticeably gaining momentum, service cuts at the level needed to address Muni's financial deficit could be a significant setback. It is also noteworthy that data show the public's perception of SFMTA service has increased steadily since the pandemic because of service improvements, less service disruption, and other improvements. Service cuts risk reversing those important gains by lowering public perception and potentially resulting in even lower ridership.

The possibility of asking the public to support new revenue measures, particularly in a time of uncertainty, should not be taken lightly. However, given the high stakes of this choice for our city's future, in my opinion it is imperative that City leadership actively engage in a substantive policy conversation with stakeholders and the public about the appetite for revenue generating options, including potential ballot measures for the November, 2026 ballot.

I want to express my thanks to SFMTA staff and members of the working group for their engagement during this important process.

Sincerely,
Greg Wagner
Controller

With copy to:

Mayor Daniel Lurie
President Rafael Mandelman and Members of the Board of Supervisors
Chair Tarlov and Members of the SFMTA Board of Directors

Executive Summary

INTRODUCTION AND BACKGROUND

The San Francisco Municipal Transportation Agency (the SFMTA) faces an approximately \$320 million deficit beginning in Fiscal Year 2026–2027 (FY27). Declining parking revenue and ridership due to a shift to remote work, the exhaustion of COVID-19 pandemic-related one-time federal and state grants, and slower growth of General Fund support have contributed to the SFMTA’s growing fiscal gap. Without a solvent transit agency, San Francisco’s economy will not fully recover from the effects of the pandemic.

In the fall of 2024, the SFMTA partnered with the Controller’s Office to establish the Muni Funding Working Group, which included labor representatives, City officials, and external advocacy organizations. From September 2024 to March 2025, the [Working Group](#) met seven times to discuss a wide range of policy options to address the budget shortfall.

During the working group meetings, the SFMTA presented funding options, service cuts, efficiency improvements, and other ideas to meet the \$320 million gap. Member feedback on the individual options led to the SFMTA developing six potential packages of options (“packages”) for additional member feedback at the final workshop session on March 21st, 2025. Each of the six packages included different combinations of service cuts, funding options, and efficiencies to reach \$320 million.

	Package Name	% Top Choice
A	Preserve Muni & Street Safety—Big at the Ballot in 2026	69%
B	Preserve Muni & Street Safety—Multiple Ballots over Time	19%
C	Protecting Muni Service—Minimizing Cuts for Riders	6%
D	Finding Revenues through Parking	6%
E	Cuts Due to Less Opportunity at the Ballot	0%
F	Fewer Options, More Cuts	0%

SUMMARY OF KEY MEMBER FEEDBACK

Members overwhelmingly supported addressing the deficit through revenue-raising options over service cuts. Through facilitated discussion at the workshops and voting activities throughout the workshop series, members repeatedly showed support for revenue options over cutting service. In ranking individual options against one another, on average members ranked all the revenue options over every service cut option. When reviewing the packages, members ranked packages with no service cuts higher than packages with service cuts.

Of the revenue-raising options, members supported both ballot measures and parking revenue options. Members were in favor of ballot measures, though some forms of ballot measures (e.g. ride-hail and autonomous vehicle gross receipts tax and the regional revenue measure) received more support than others (utility user tax or local parcel tax). Members were generally open to parking revenue options and favored options like optimizing parking but supported other parking options like increasing residential parking permit fees to a lesser extent. In discussions, members had concerns about the potential impact of parking options on downtown businesses and residents.

Service cut options generally received significant opposition, with less opposition for non-Muni service cut options. In voting activities, Working Group Members rated every funding option higher than every service cut option. Of the service cut options, non-Muni proposals such as Flexing Capital Funds to the Operating Budget and Reducing or Eliminating Tow Subsidies received the least opposition. Of the four packages of options that included service cuts, the most popular option included only non-Muni service cuts.

Members expressed concerns that the ballot measures would not pass. In discussion, members pointed out the potential challenges of proposing multiple different tax ballot measures in the same year or in quick succession given the potential for voter fatigue. Members also highlighted the need for contingency planning should ballot measures fail and suggested finding options that increased non-ballot revenue over service cuts.

Members provided additional feedback throughout the workshops to help inform the development of the final packages. Members also shared concerns about the impact of cuts on seniors and people with disabilities and recommended avoiding cutting subsidies. Members cited passenger and pedestrian safety, liability risks, the city's economic recovery, and impact on local businesses as their primary concerns with service cuts. Members encouraged the SFMTA to roll out any parking fee increases and expansions slowly to help ease resident concerns.

At the conclusion of the meeting series, members supported package options with higher ballot revenue options and supported additional non-ballot measure revenue in order to avoid cutting service. The two packages with the highest levels of parking revenue received lower levels of support from members in the voting activities, however, based on group discussions that support may be related to the higher levels of Muni and non-Muni service cuts in those packages.

CONCLUSIONS

All six packages meet the \$320 million target—but may require short-term funding depending on timing and implementation decisions. Each package includes combinations of funding options, cuts, and efficiencies to meet the SFMTA's FY27 budget deficit of \$320 million. However, as presented, some packages include components that would not be fully implemented until 2028 or later. The SFMTA identified capital budget cuts and potential bridge funding from the state as potential options to cover shortfalls in FY27.

If the ballot measures do not pass, even with all of the proposed Muni service cuts and the parking revenue increases considered, there would still be an approximately \$100 million gap. Should voters fail to approve the proposed ballot measures, the SFMTA and the City will face difficult tradeoffs. If no ballot measures pass and the SFMTA implemented every non-ballot measure option across all six packages, the remaining proposals would only equal \$222 million—70% of \$320 million needed. If voters do not approve ballot revenue, the SFMTA and policymakers would be left with less popular solutions discussed by the Working Group, other options not discussed by the Working Group, or would have to rely more on non-ballot revenue such as parking revenue or deeper service cuts.

Public perception of Muni service has steadily increased since the pandemic; deep transit service cuts could reverse these gains and impact ridership. In SFMTA's [2024 Muni Rider Survey](#), 72% of respondents rated Muni service overall as either good or excellent—a steady improvement over 57% of respondents in 2021 and 66% of respondents in 2022. In the [2023 City Survey](#), residents gave Muni service a B- grade, an improvement over the C+ rating in 2019. As shown in these surveys, service improvements have led to

higher satisfaction ratings. Implementing service cuts discussed by the Working Group could reverse these gains and impact ridership.

The impact to the city's economy resulting from deep transit service cuts would be significant.

Substantial Muni service cuts would have serious economic consequences for San Francisco, especially the downtown core that drives the city's economy. Three of the final packages included Muni service cuts ranging from \$23 million in Package D to \$90 million in Package F. The \$90 million amount in Package F is 50% of the total \$181 million worst case scenario outlined at the [November 13, 2024 Muni Funding Working Group](#), which would represent a large decrease in transit service across multiple lines and mode types. The service impact of this option and the resulting impact on the city's economy would be significant. Without a solvent transit agency, the city will not achieve economic recovery.

NEXT STEPS

On April 22, 2025, the SFMTA presented options to the SFMTA Board of Directors for consideration for the FY27 budget process. Beginning in Summer 2025, the SFMTA staff will develop detailed implementation plans that will provide further certainty on the timing and amount of any expected revenues or savings. The SFMTA Board of Directors, the Board of Supervisors, and the Mayor will make final decisions on which packages or combination of package components as part of the normal FY27 budget process starting in fall 2025.

REPORT STRUCTURE

This report is organized into four sections.

1. **Introduction and Background:** financial and economic outlook of the SFMTA and San Francisco, background and work plan of the working group
2. **Member Feedback on Individual Options:** member rankings and support levels of individual options
3. **Member Feedback on Packages:** overview of the process and composition of the proposed package, rankings and support levels of packages and individual options
4. **Conclusions and Next Steps**

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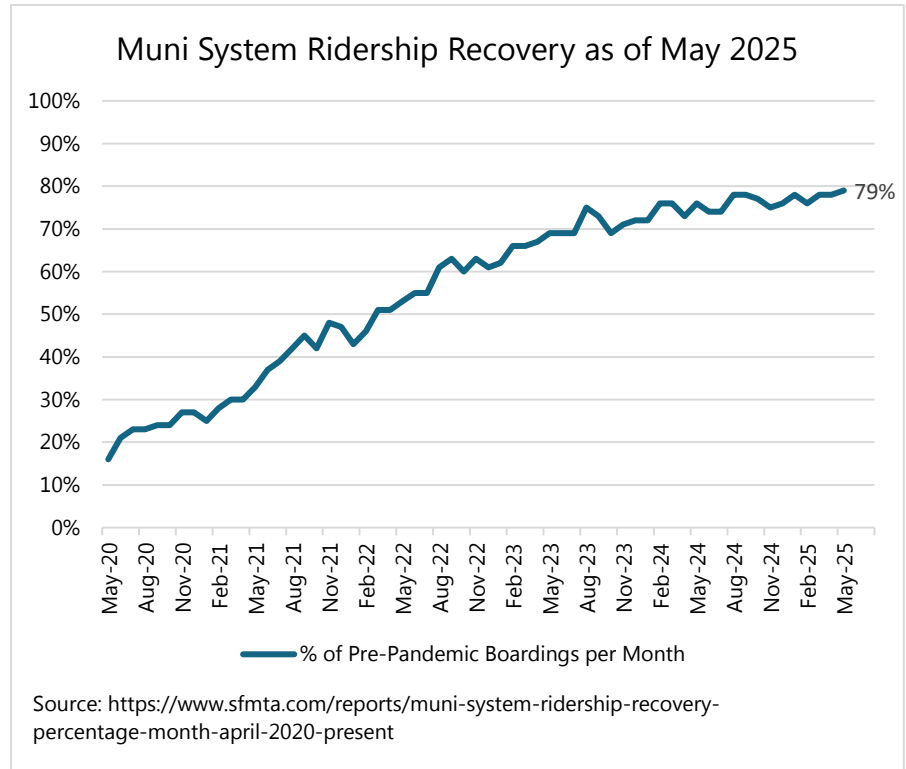
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Introduction and Background

SFMTA'S IMPACT ON THE LOCAL ECONOMY

Thousands rely on Muni every day to get to work, school, and go shopping. Without a solvent transit agency, San Francisco's economy will not fully recover from the effects of the pandemic.

As of May 2025, ridership is approximately 79% of pre-pandemic levels compared to the same month in 2019. Downtown metro ridership recovery remains lower. However, without Muni's network of buses, light-rail trains, streetcars, and cable cars, businesses, employees, and customers would struggle with limited accessibility to the city's economic core in the downtown. Any significant reduction to the city's public transportation system would have a significant impact on the city's economy and economic recovery.



Impact on the Downtown Core

With a GDP per capita nearly four times the national average, San Francisco has a large and vibrant economy relative to its comparatively small population. The city historically achieved this economic vitality by connecting skilled labor across the Bay Area to businesses and offices densely concentrated in San Francisco's downtown core. Many of these skilled workers commuted on public transit, including Muni. Prior to the pandemic, 44% of employees in San Francisco took public transit to work, the second highest percentage in the country.

The downtown core makes up a significant portion of the City and County of San Francisco's (the City's) tax base and its recovery has been slower than any other part of the city. Potential reductions in transit operations could weaken the city's access to regional talent, pushing existing businesses to relocate and prospective businesses to expand to other cities instead of San Francisco.

The city—and the downtown core specifically—is too dense to expand road capacity to meet an increase in demand for private transportation (such as private vehicles, autonomous vehicles, or ride-share vehicles) if public transit is reduced. Thus far, workers returning to the office for in-person work have pivoted away from public transit and toward driving.

The health of San Francisco's economic recovery and tax base depend on a functioning Muni. And Muni's functioning depends on the health of the San Francisco economy and tax base.

SFMTA'S BUDGET AND FINANCIAL OUTLOOK

The SFMTA faces an approximately \$320 million deficit beginning in FY27¹ and a \$350 million deficit in FY28 due to decreasing revenue across many of the SFMTA's main funding sources.

- Shifts to telecommuting work arrangements for many workers in the city during the COVID-19 pandemic and afterwards caused the SFMTA's ridership, fare revenue, and parking revenue to fall.
- Wider shifts in San Francisco's economy also affected the City's tax revenues, which in turn led to a slower rate of growth in General Fund support the City provides the SFMTA.
- Finally, starting in FY27, the SFMTA will have exhausted the original one-time state and federal pandemic relief funds that were temporarily making up for reductions in other revenue sources.

Under current projections, the SFMTA's total recurring revenue will grow by approximately 3% over the next four years. However, with inflation and previously agreed upon cost-of-living adjustments, expenditures will grow at 4% over the same period.² As expenditures and revenues diverge, the SFMTA's budget deficits will grow.

The budget information in this section is based on the SFMTA Budget Context and Background presentation from the [April 22, 2025 Board of Directors Special Meeting](#). The SFMTA will update budget and deficit projections next in Summer 2025.

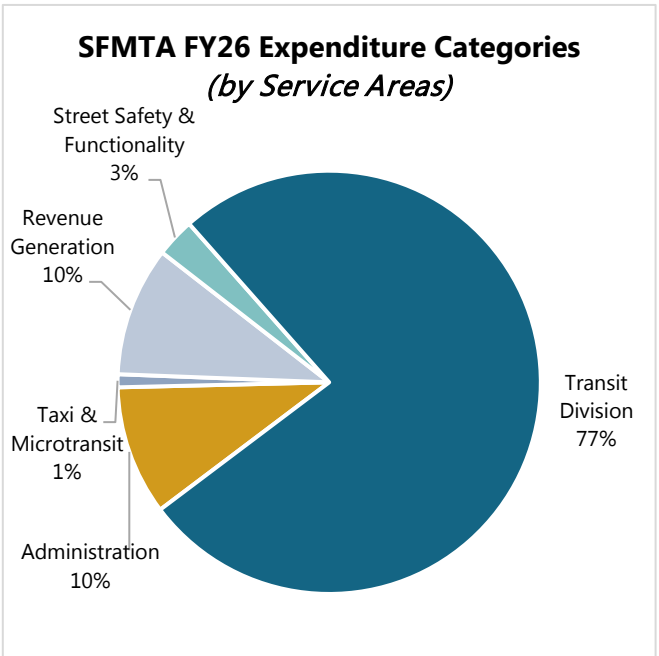
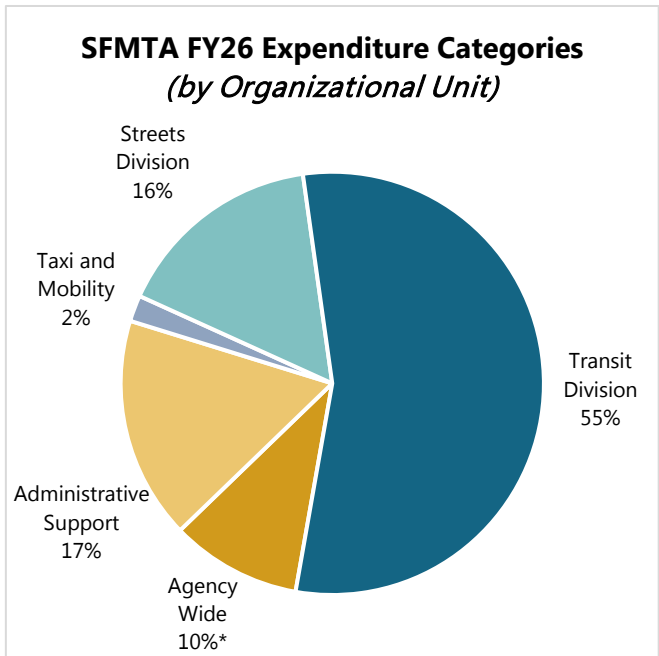
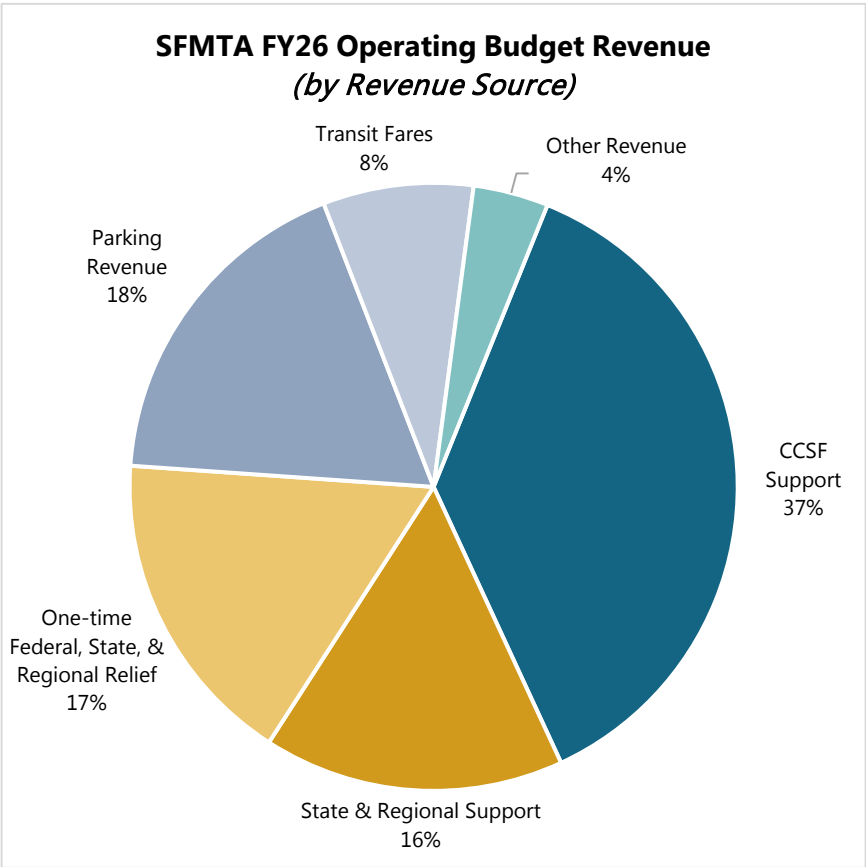
Revenue Sources

As outlined in the charts below, transit and parking revenue accounts for 25% of the SFMTA's projected budget for the current fiscal year (FY26). Other revenue, including one-time sources, advertising, and rent, makes up another 5%. Taken together, these internal sources make up 30% of the SFMTA's revenue.

The remaining 70% comes from external sources. The single largest funding source comes from San Francisco's General Fund, the City's primary account that most City tax revenue flows through. Federal and state relief funds account for approximately 17% of the SFMTA's budget for FY26. These funds will be unavailable in the SFMTA's FY27 budget. Since FY24, federal and state relief has contributed over \$200 million annually to the SFMTA's budget. The SFMTA will continue to receive operating grants from state and regional governments in FY27.

¹ San Francisco's and the SFMTA's fiscal year runs from July to June. Fiscal Year 2026–2027 ("FY27") begins July 1, 2026, and ends June 30, 2027.

The data below is from the April 22, 2025 SFMTA Board of Directors Presentation based on the FY26 original budget.



* Agency-wide consists of administrative costs primarily of retiree health, debt, and reserves.

Expenditure Categories

While certain SFMTA revenue sources have slowed, fallen, or ended, total expenditures have continued to rise due to inflation and cost-of-living increases in negotiated labor contracts.

As outlined in the previous charts, over 87% of the SFMTA's expenditures are for transit or revenue generating activities that fund transit. The SFMTA spends 3% of its budget on street safety and functionality, which includes traffic engineers, school crossing guards, and the workshops that install and maintain paint and signs on the city's streets and sidewalks. The SFMTA spends less than 1% on taxi and microtransit. Another 10% of the budget is spent on administration, which includes central offices for finance and information technology, communications, human resources, the chief of staff, and the Board of directors and fixed costs such as retiree health costs, debt service payments, and reserves.

Because spending on transit services makes up the majority of the SFMTA's expenditures in any given year, Muni service spending cuts are the only service area large enough to close the \$320 million budget deficit in FY27.

SFMTA'S ONGOING EFFORTS TO CLOSE THE GAP

Prior to the creation of the Muni Funding Working Group, the SFMTA began planning efforts and implemented changes to operations to address the anticipated upcoming deficit.

FY25 Internal Cuts and Efficiencies

At the [October 17, 2024 Muni Funding Working Group Meeting](#) and the [April 22, 2025 Board of Directors Special Meeting](#), the SFMTA discussed ongoing, internal efforts to control the deficit.

- **Hiring Slowdown:** Slowed and delayed hiring to contain the growth of personnel costs including holding positions vacant, saving up to \$90 million in personnel costs in FY25 with ongoing savings likely.
- **Work Order Efficiencies:** The SFMTA increased review and monitoring of services from other departments to control costs and will continue to assess workorders for opportunities to bring services in house to achieve savings. The SFMTA currently allocates approximately 9% (\$123 million) of the Agency's budget to hiring other City departments to perform work at its request.
- **Fiscal Monitoring Efficiencies:** Instituted monthly budget monitoring, ensuring personnel and non-labor expenses are appropriately charged to capital projects.
- **Energy Efficiencies:** Replaced old electric and gas fixtures, pumps and heaters to reduce energy by 5%.
- **Approved Muni Forward Projects:** Finalized and implemented Muni Forward projects that deliver more Muni service without increased costs.

FY26 Proposed Internal Cuts and Efficiencies

By winter 2024, the SFMTA projected a budget deficit of \$50 million in the next fiscal year (FY26), beginning July 1, 2025. To address this immediate-term budget need, the SFMTA proposed additional programs and changes that built on the prior efforts outlined above.

#	FY26 Efficiencies and Cuts	Amount (\$ million)
1.	Allocate transit portion of the Population Baseline ³ increase from the General Fund to operations	\$9.5
2.	Redirect 25% of paint and sign shop employees to capital priorities and fund with increase in streets allocation of the Population Baseline from the General Fund	\$2.5
3.	Optimize existing parking solutions, including filling Parking Control Officer (PCO) vacancies and optimizing enforcement, increasing the cost of contractor permits, meter and garage rates, and increasing minimum times at meters	\$18.0
4.	Decrease existing professional services expenditures	\$5.0
5.	Cancel vintage historic rebuild and delay a midlife bus overhaul	\$4.0
6.	Realign maintenance and capital improvements at joint BART/Muni stations to BART projected expenditure	\$3.6
7.	Remove insurance company subsidy for stolen vehicles	\$0.2
8.	Cut Muni service in Summer 2025 (see link for additional details)	\$7.2
	Total	\$50.0

The \$7.2 million in Muni service cuts were not included in the packages discussed by the Working Group on March 21, 2025, but will be included in future deficit projections.

The proposed changes will address the entirety of the SFMTA's \$50 million immediate-term budget deficit. To address the full \$320 million deficit projected in FY27, the SFMTA and the City will need to identify even larger strategies to ensure the continued operation of public transit in San Francisco.

The Muni Funding Working Group was founded to identify these larger strategies.

³ The San Francisco Charter Sec. 8A.105 establishes a minimum level of funding from the General Fund to the SFMTA, which is adjusted annually based on the change in General Fund revenue. Proposition B, passed by voters in November 2014, adjusts these baselines by the annual growth in population.

Working Group Background

WORKING GROUP BACKGROUND

In Fall 2024, the Controller’s Office and the SFMTA convened the Muni Funding Working Group to review and prioritize policy options that the SFMTA can implement to address the agency’s long-term funding gap. Past citywide working groups such as the T2030, T2045, and the Muni Reliability Working Group were successfully convened to address the SFMTA’s funding or structural problems, and the Muni Funding Working Group aimed to build on these efforts. The Working Group was not formed as a decision making or advisory body. Working Group members provided insights and feedback to SFMTA staff and leadership, who developed individual policy options and overall packages for discussion.

Across seven workshops, members assessed and evaluated potential policy solutions through open dialogue and active participation. In the final meeting, the SFMTA provided the Working Group with a set of packages for discussion and prioritization. SFMTA presented packages to the SFMTA Board of Directors for further consideration as a part of the FY27 budget process.

Membership

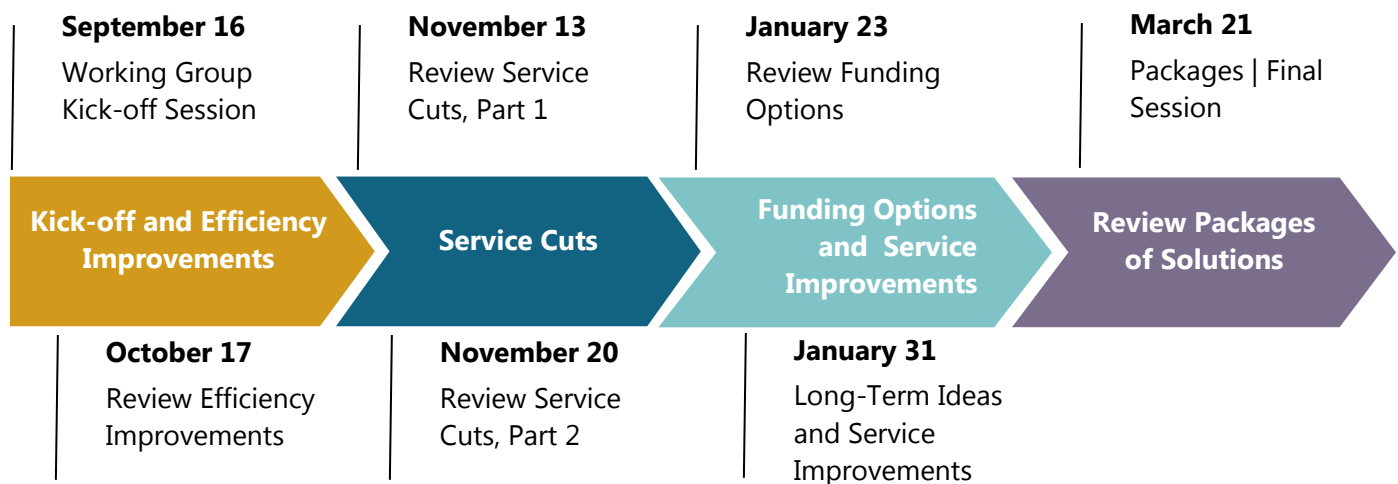
The Working Group included voices from labor, business, and advocacy.

Member	Organization or Group
Chris Arvin	SFMTA Citizens’ Advisory Council
Anthony Ballester	Transport Workers Union, 250a
Terrence Hall	Transport Workers Union, 250a
Alicia John-Baptiste	Mayor’s Office
Desira Brown	Tenderloin Neighborhood Development Corporation
Tilly Chang	San Francisco County Transportation Authority
Rodney Fong	San Francisco Chamber of Commerce
Trevor Adams	Service Employees International Union 1021 (SEIU)
Nicole Christian	Service Employees International Union 1021 (SEIU)
Jon Hee	Chinatown Transportation Research and Improvement Project
Steve Heminger	SFMTA Board of Directors
Fiona Hinze	SFMTA Board of Directors
Sara Johnson	San Francisco Transit Riders
Kathleen Kelly	Transportation Expert
Julie Kirschbaum	SFMTA Director (<i>non-voting member</i>)
Rafael Mandelman	Board of Supervisors, President; San Francisco County Transportation Authority

Myrna Melgar	Board of Supervisors; San Francisco County Transportation Authority
Robin Pam	KidSafe SF
Seleta Reynolds	LA Metro
Mia Satya	Senior & Disability Action
Alex Sweet	Mayor's Transportation Advisor
Kim Tavaglione	San Francisco Labor Council
Laurie Thomas	Golden Gate Restaurant Association (<i>joined March 2025</i>)
Laura Tolkoff	San Francisco Planning and Urban Research Association (SPUR)
Greg Wagner	Office of the Controller (<i>non-voting member</i>)

Meeting Dates

The Working Group convened in person seven times between September 2024 and March 2025.



MEETING THEMES OVERVIEW

The Working Group reviewed 38 detailed policy options across the following four categories:

- 1. Efficiency Improvements**
- 2. Service Cuts**
- 3. Funding Options**
- 4. Service Improvements**

Efficiency Improvements

Streamline systems and processes to decrease operating costs

The SFMTA presented four efficiency improvement options to the Working Group.

- **Accelerated work on Muni Forward:** Accelerate implementation of Muni Forward transit priority improvements that reduce travel time and operating costs on seven heavily used routes
- **HOV lanes on state highways:** Implement additional high-occupancy vehicle (HOV) lanes on state-owned highways to reduce transit travel times and operating costs
- **Mailed parking citations:** Amend state law to allow Parking Control Officers (PCOs) to send citations to the registered address of the vehicle instead of printing citations and placing them on windshields
- **Automated parking enforcement:** Amend state law to enforce parking violations via photo or video to speed up enforcement efforts

Service Cuts

Reduce service to decrease operating costs

The SFMTA presented 11 service cut options to the Working Group.

- **Reduce frequencies up to 50%:** Decrease frequency on the most frequent, highest ridership routes
- **Suspend lower utilized routes:** Suspend routes with parallel service and low ridership routes without parallel service
- **Suspend historic train and cable car service:** Suspend all historic service including F-line and cable car service
- **Owl Service only from 9pm–6am:** Suspend all service at 9pm and replace with owl service from 9pm–6am
- **Eliminate or reduce fare subsidies:** Reduce subsidies for youth, seniors, and people with disabilities
- **Eliminate or reduce tow subsidies:** Decrease or limit discounts to tow and storage fee waivers
- **Flexing capital funds to the operating budget:** Reduce capital investments by approximately 40% over two years
- **Muni Assistance Transit Program:** Reduce funding for the Muni Transit Assistance Program. The program deters disruptive behavior, enhances public safety, and improves community engagement on Muni lines with high levels of violence and vandalism
- **Safety work reductions:** Safety cuts for transportation engineering operations, transit engineering, bicycle and pedestrian infrastructure and Vision Zero, and school crossing guard programs
- **Maintenance reductions:** Maintenance cuts for the signal shop, sign shop, and paint shop
- **Constituent services reductions:** Service cuts for Streets' programs with associated reductions in customer service request response time, which include tow, garage and janitorial services, parking policy and programs, shared spaces, special events, and planning.

Funding Options

Increase fees, revenue, or taxes to generate new revenue

The SFMTA presented 17 funding options to the Working Group.

- **Regional revenue measure:** Sales and/or parcel tax measure to address the funding deficit for the SFMTA and regional transit partners
- **Local sales tax measure:** Increase local sales tax between ¼ cent and 1 cent
- **Local parcel tax measure:** Parcel tax that would adjust depending on the type of property, size of property, size of building, or other characteristics

- **Commuter benefit Clipper Card:** Commuter benefit program where businesses provide their employees Clipper cards
- **Ride-hail and AV tax:** Tax on ride-hail platforms and autonomous vehicle companies
- **Parking tax measure:** Increase the existing parking tax rate to 35%
- **New off-street parking tax:** Tax on publicly available, off-street free parking (like retail parking lots)
- **Utility tax measure:** Increase the utility user tax on commercial properties and charge residential users a natural gas and/or electricity tax
- **Transit fare optimization:** Optimize deployment by hiring more Transit Fare Inspectors, implementing tap-to-pay with Clipper 2.0, and exploring fare increases
- **Parking optimization:** Optimize enforcement by hiring more PCOs, update paid parking meters to increase minimum times or extending limits, and explore additional charges for off-street parking and contractor permit rates
- **Increase residential parking permit fee:** Increase the Residential Parking Permit (RPP) rates in existing areas with a possible subsidy for people with low incomes
- **Extend paid parking hours to Sunday:** Extend paid parking hours to Sundays from 12pm–6pm
- **Extend evening paid parking:** Extend paid parking hours Monday to Saturday from 6pm–10pm in alignment with typical business hours

Additionally, the SFMTA presented four ideas for longer term funding, to start in 2029 or later.

- **Visitor paid parking (citywide):** Expand paid parking for visitors in all residential areas in the city
- **Charge for short-term curb use:** Charge short-term curb users like ride share, on-demand delivery, parcel delivery, and other similar companies
- **Joint development:** Work with developers to use the SFMTA's property for non-SFMTA uses, like housing and retail
- **Roadway pricing:** Collect fees or tolls for use of city roads by private vehicles during specific times of day

Service Improvements

Enhance services to win voter support for revenue measures

The SFMTA presented six service improvement options to the Working Group.

- **Safety and security:** Expand the Muni Safe initiative by building out the SFMTA Security Operations Center, increasing transit ambassador staff, adding solar lighting to transit stops, and refreshing City-owned parking garages
- **Transit access increases:** Provide new Muni connections by expanding rapid service and reinstating express routes to support downtown recovery
- **Accessibility improvements:** Improve access to the transportation system for disabled and older adults by adding new accessible transit stops, accelerating flag stop conversion, improving accessible wayfinding, and enhancing the Essential Trip Card
- **Customer experience:** Improve the waiting and navigation experience at transit stops to maximize smooth experiences by ensuring clean stops and stations, improving cable car turnarounds, accelerating new bus stop signage, and launching a new Customer Engagement program
- **Regional transit coordination:** Make regional transit trips seamless by upgrading signage for regional wayfinding and implementing a regional free and reduced transfer program

- **Street upkeep:** Pave roadways on major transit corridors, refresh faded signs, crosswalks and curbs, and improve street beautification and landscaping

Member Feedback on Individual Options

Throughout the first six meetings of the Muni Funding Working Group, members provided detailed feedback on the individual options through group discussion and breakout group activities. Breakout group activities enabled members to share in-depth feedback in a small group setting and allowed the SFMTA staff to immediately respond to questions or to address ideas or concerns that may not be feasible. Full-group discussions encouraged collaboration by allowing members to build on each other's ideas when sharing with the SFMTA staff.

SFMTA staff developed the final packages discussed in the next section based on the feedback Working Group members provided on the individual options.

FEEDBACK ON INDIVIDUAL OPTIONS

Throughout the meeting series, Working Group members indicated their level of support and opposition for each individual option through voting activities during the meetings. These voting activities helped align feedback to measurable levels of support and ensured members' votes were recorded.

Note: The sections below are high-level summaries of detailed conversations among the Working Group members. They do not represent any individual or organization's viewpoints and should not be considered to represent all the Working Group members' opinions. These summaries are intended to provide high-level takeaways.

Efficiency Improvements

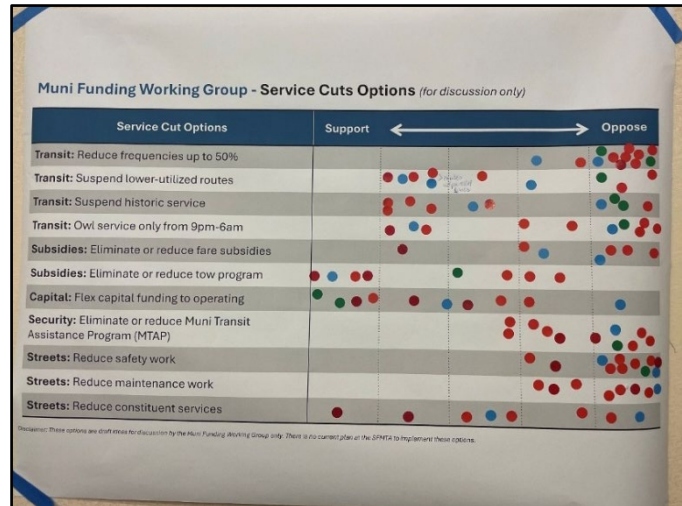
Members provided the following feedback regarding the efficiency improvement options from the October 17, 2024 Muni Funding Working Group meeting:

- Members asked about whether there are any additional areas to find efficiency improvements given the four options presented.
- Members expressed the importance of prioritizing the safety of seniors and people with disabilities when boarding transit.
- Members shared concerns about how the SFMTA would inform riders about a reduction in stops as part of the proposed policy options that would accelerate Muni Forward.
- Some members cautioned that automation may not always equal efficiency and reiterated the importance of prioritizing PCO safety in discussions on Automated Parking Enforcement.
- Members also suggested reprioritizing parking enforcement towards issues with higher safety risk and higher fines.

Service Cuts

Members provided the following feedback regarding the service cut options at the November 13, 2024, and November 20, 2024 Muni Funding Working Group meetings:

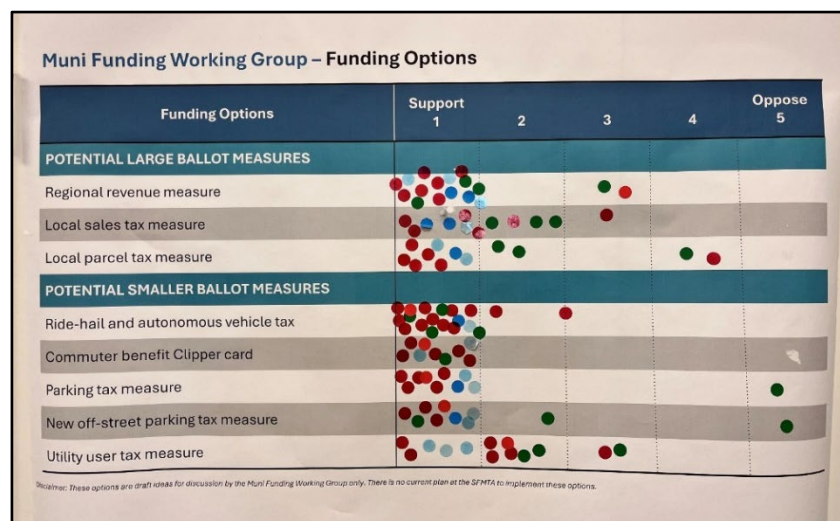
- Most members were opposed cuts reducing frequency, Muni Transit Assistance Program (MTAP), streets safety and maintenance work.
- Members had more interest in supporting cuts for tow subsidies or flexing capital funds.
- Some members supported and some members opposed suspending lower-utilized routes, historic service, and streets constituent services options.
- Members expressed concerns regarding the population, transit, and citywide impacts of service cuts.
- Members shared suggestions on modifications to the options including lowering the frequency of the lines rather than suspending entire routes, or eliminating only the less frequently used portions of a route or portions of routes with parallel service, among others.



Funding Options

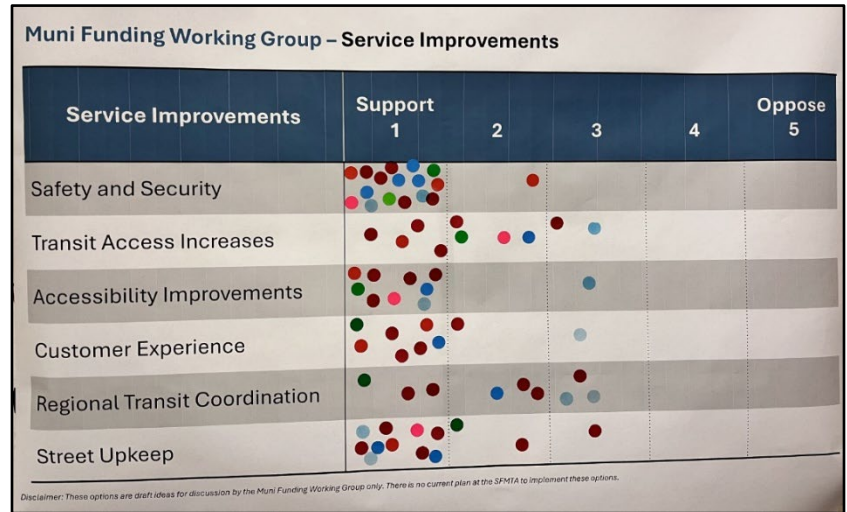
Below is a summary of member feedback regarding the funding options at the January 23, 2025 Muni Funding Working Group meeting:

- Most members supported the funding options, with a few opposing a local parcel tax, a parking tax measure and off-street parking tax measure.
- Members shared suggestions for avoiding voter fatigue at the ballot. These included combining ballot measures, exploring funding options that didn't require voter approval, and creating a permanent tax measure that would not expire.
- Members also supported the options that would maximize funding from existing programs and establish revenue from new programs, with a few votes against the increase in residential parking permit fees and transit fare optimization.



Members provided the following feedback regarding service improvement options at the January 31, 2025 Muni Funding Working Group meeting:

- Most members supported the service improvement options.
- Members suggested prioritizing improvements that affect the whole city, especially historically underserved areas.
- Some members also recommended pairing service improvement options with revenue measures to appeal to a broader base of voters instead of solely Muni riders.



Through dot voting activities, members rated each funding and service cut option. Members rated every funding option higher than every service cut option, with some service cut options receiving significant opposition.

1 = Actively Support 5 = Actively Oppose		
Grouping	Option	Average Member Rating
Funding Options	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 publicly available 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
Service Cuts	Subsidies: Eliminate or reduce tow subsidies	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 train and cable car 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

Member Feedback on Packages

PACKAGES OVERVIEW

Option Groupings

Between September 2024 and January 2025, the Working Group reviewed 38 individual Efficiency Improvements, Service Cuts, Funding Options, and Service Improvements options. Based on Working Group feedback on the individual options (summarized in the prior section), the SFMTA then bundled these individual options into six packages that each would address the \$320 million budget gap.

Based on feedback, the policy ideas and categorizations changed over time. Efficiency Improvements and Service Improvements discussed in the workshops became Efficiencies and Internal Cuts in the final packages. Service Cuts discussed in the workshops were split into Muni, Non-Muni, and Subsidy Reductions in the final packages. Funding Options discussed in the workshops were split into Large, Small, and Non-Ballot Revenue Measures.

The following table lists the 20 individual components included in the final packages. Packages did not include some individual options that were one-time solutions, would not be ready in time, or had other implementation challenges.

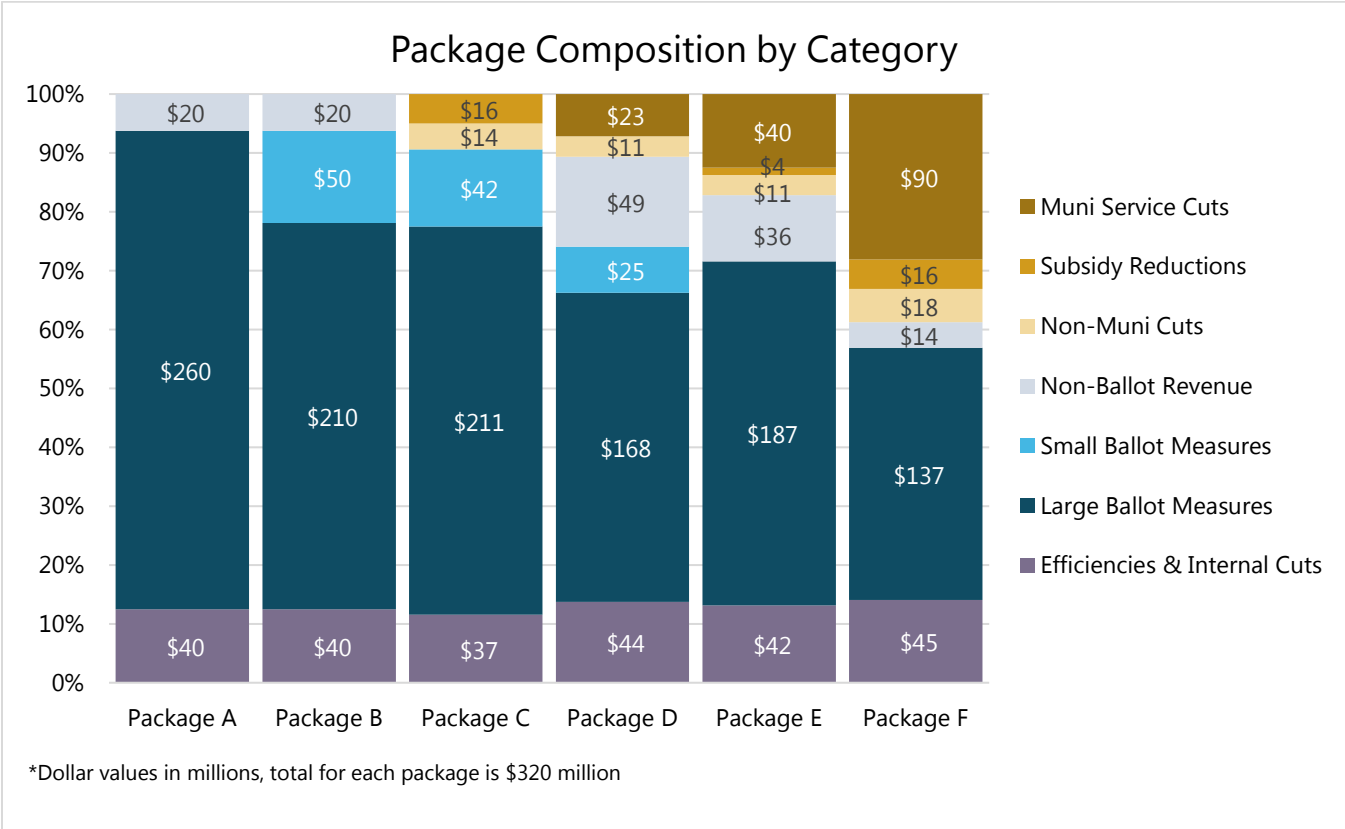
Category	Component	Description
Muni Service Cuts	Muni Service Cuts	Reductions in Muni service, including reducing frequencies of trains and buses, suspending routes, suspending historic train and cable car service
Subsidy Reductions	Eliminate or Reduce Tow Subsidies	Eliminate or reduce discounts for towing and storage fee waivers
	Eliminate or Reduce Fare Subsidies	Eliminate or reduce fare subsidies for youth, seniors, and/or people with disabilities
Non-Muni Cuts	Safety Work Reductions	Safety cuts for transit engineering, bicycle and pedestrian infrastructure and Vision Zero, and school crossing guard programs
	Streets Maintenance Reductions	Maintenance cuts for the signal shop, sign shop, and paint shop
	Constituent Services Reductions	Service cuts for Streets' programs, including tow, garage and janitorial services, parking policy and programs, shared spaces, special events, and planning
Non-Ballot Revenue	Increase Residential Parking Permit Fee	Increase the Residential Parking Permit (RPP) rates in existing areas with a possible subsidy for people with low incomes
	Extend Paid Parking Hours to 10pm	Extend paid parking hours on Monday–Saturday to 6pm–10pm in alignment with typical business hours
	Extend Paid Parking Hours to Sunday	Extend paid parking hours on Sundays to 12pm–6pm
	Pay or Permit/Visitor Parking Expansion	Expand paid and/or permitted parking to cover more neighborhoods and larger parts of the city
Small Ballot Measures	Small Ballot Measures	Potential combinations of ballot measures with revenues under \$50M, including utility user taxes, off-street parking taxes, ride-hail and autonomous vehicle taxes, etc.
Large Ballot Measures	Local Parcel Tax	Tax on city parcels ranging from \$0.078/sq ft to \$0.159/sq ft
	Local Sales Tax	Tax on transactions in the city ranging from ¼ cent to ½ cent
	Regional Revenue	Tax on transactions in all regional jurisdictions that opt in ranging from ½ cent up to 1 cent in San Francisco
Efficiencies & Internal Cuts	Administrative Cuts	Cuts to the contracts, work orders, and the SFMTA's central office functions and administrative personnel
	Automated Parking Enforcement	Begin enforcing parking violations via photo or video to speed up enforcement efforts
	Accelerated Work on Muni Forward	Accelerate implementation of Muni Forward transit priority improvements that reduce travel time and operating costs on seven heavily used routes
	Transit Fare Optimization	Continue to hire Transit Fare Inspectors and optimize deployment. Make payment easier through implementation of tap-to-pay with Clipper and prepare for future fare increases by exploring options to expand discount fare eligibility
	Parking Optimization	Continue to hire Parking Control Officers and optimize enforcement. Potentially change off-street parking rates, parking meter rates, contractor permit rate, parking meter minimum times and time-limits at existing meters

The SFMTA combined these 20 components into six packages based around themes with different compositions of components across each package.

	Package Names
A	Preserve Muni & Street Safety—Big at the Ballot in 2026
B	Preserve Muni & Street Safety—Multiple Ballots over Time
C	Protecting Muni Service—Minimizing Cuts for Riders
D	Finding Revenues through Parking
E	Cuts Due to Less Opportunity at the Ballot
F	Fewer Options, More Cuts

Package Composition

As presented and discussed on March 21, 2025, the six packages include different combinations of service cuts, funding options, and efficiencies to reach \$320 million (see chart below).



Commonalities Across Packages

Large ballot measures (regional revenue measure, local sales tax, and local parcel tax) make up the single largest category in all six packages.

- The large ballot measure category in all six packages includes a version of a Regional Revenue Measure (SB63) that San Francisco and the SFMTA is collaborating on with other Bay Area stakeholders outside of the Muni Funding Working Group. The exact amount of revenue generated for the SFMTA is subject to ongoing regional discussions. August 11, 2025 is the deadline for

reaching consensus on the final parameters of the regional measure. All packages include some form of a Regional Revenue Measure with revenue to the SFMTA projected at either \$88 million or \$162 million.

- **Option 1A**—included in Packages D, E, & F
 - Flat ½ cent sales tax in four counties
 - \$88 million/year for Muni
- **Variable Rate Option**—included in Packages A, B, & C
 - Sales tax rate based on each county’s needs (up to 1 cent in San Francisco)
 - \$162 million/year for Muni
- In addition to the Regional Revenue Measure, the large ballot measure category in all packages includes an additional local tax measure (either a sales or parcel tax), with projected revenue ranging from \$49 million to \$99 million.

Certain **efficiencies and internal cuts** were also included in all six packages.

- Accelerated work on Muni Forward—\$3 million in every package.
- Transit fare optimization—\$5 million in every package
- Parking optimization—\$18 million in every package
- Administrative cuts to the SFMTA’s central office functions—minimum of \$10 million in every package and increasing proportionally with the size of service cuts in each option (up to \$19 million in Package F).

Packages Summary

The table below provides a detailed breakdown of the components included in each of the six packages. The components are organized by category with green shading indicating the relative size of the budget impact of each component in each option. Note that different packages include different versions of components with different projected budget impacts.

Package Summary Table—Detail (\$ millions)

Category	Component	Package A Preserve Muni & Street Safety— Big at the Ballot in 2026	Package B Preserve Muni & Street Safety— Multiple Ballots over Time	Package C Protecting Muni Service— Minimizing Cuts for Riders	Package D Finding Revenues through Parking	Package E Cuts Due to Less Opportunity at the Ballot	Package F Fewer Options, More Cuts
Muni Service Cuts	Muni Service Cuts	-	-	-	23	40	90
Subsidy Reductions	Eliminate or Reduce Tow Subsidies	-	-	4	-	4	4
Subsidy Reductions	Eliminate or Reduce Fare Subsidies	-	-	12	-	-	12
Non-Muni Cuts	Safety Work Reductions	-	-	3	-	-	7
Non-Muni Cuts	Streets Maintenance Reductions	-	-	4	4	4	4
Non-Muni Cuts	Constituent Services Reductions	-	-	7	7	7	7
Non-Ballot Revenue	Increase Residential Parking Permit Fee	-	-	-	5	-	-
Non-Ballot Revenue	Extend Paid Parking Hours to 10pm	-	-	-	8	-	8
Non-Ballot Revenue	Extend Paid Parking Hours to Sunday	-	-	-	6	6	6
Non-Ballot Revenue	Pay or Permit/Visitor Parking Expansion	20	20	-	30	30	-
Small Ballot Measures	Small Ballot Measures	-	50	42	25	-	-
Large Ballot Measures	Local Parcel Tax	98	48	-	80	-	-
Large Ballot Measures	Local Sales Tax	-	-	49	-	99	49
Large Ballot Measures	Regional Revenue	162	162	162	88	88	88
Efficiencies & Internal Cuts	Administrative Cuts	10	10	11	14	16	19
Efficiencies & Internal Cuts	Automated Parking Enforcement	4	4	-	4	-	-
Efficiencies & Internal Cuts	Accelerated Work on Muni Forward	3	3	3	3	3	3
Efficiencies & Internal Cuts	Transit Fare Optimization	5	5	5	5	5	5
Efficiencies & Internal Cuts	Parking Optimization	18	18	18	18	18	18
Total		320	320	320	320	320	320

Context on the Packages

The discussion of the packages included above reflects their composition as of March 21, 2025, when the SFMTA presented them to the Working Group. The composition of the packages, the versions of the components included, and the budget impacts of all components are subject to change.

- Packages were based on modeled assumptions and were not implementation plans, so timing and projected revenue or projected savings will continue to evolve.
- Some funding identified in the packages may not be available until after FY27, depending on implementation decisions.
- The SFMTA has implemented budget cuts in the current fiscal year cycle, some of which will result in ongoing savings which could reduce the projected \$320 million deficit.
- Short-term funding options may need to be explored which could include state funding support or could leverage the “Flexing Capital to Operating” option.

Timing and Potential Gaps in FY27

As presented on March 21, 2025, two components will not be fully implemented and/or their revenues will not impact the SFMTA’s budget until FY28 or later.

- **Pay or permit/visitor parking expansion**—the SFMTA assumed the component could not be fully implemented until FY28 or later.
- **Small ballot measures**—the SFMTA assumed small ballot measures would not appear on the ballot until 2028, at the earliest.

As shown in the table below, the gap in FY27 (which equals the total of the two components in FY28 or later) ranges from \$20 million (Package A) to \$70 million (Package B). Package F is the only one with no gap in FY27.

(\$ millions)	Package A	Package B	Package C	Package D	Package E	Package F
Subtotal—FY27 Components	\$300	\$250	\$278	\$265	\$290	\$320
Subtotal—FY28+ Components	\$20	\$70	\$42	\$55	\$30	\$-
Pay or Permit/Visitor Parking Expansion	\$20	\$20	\$-	\$30	\$30	\$-
Small Ballot Measures	\$-	\$50	\$42	\$25	\$-	\$-
FY27 Gap	\$(20)	\$(70)	\$(42)	\$(55)	\$(30)	\$-

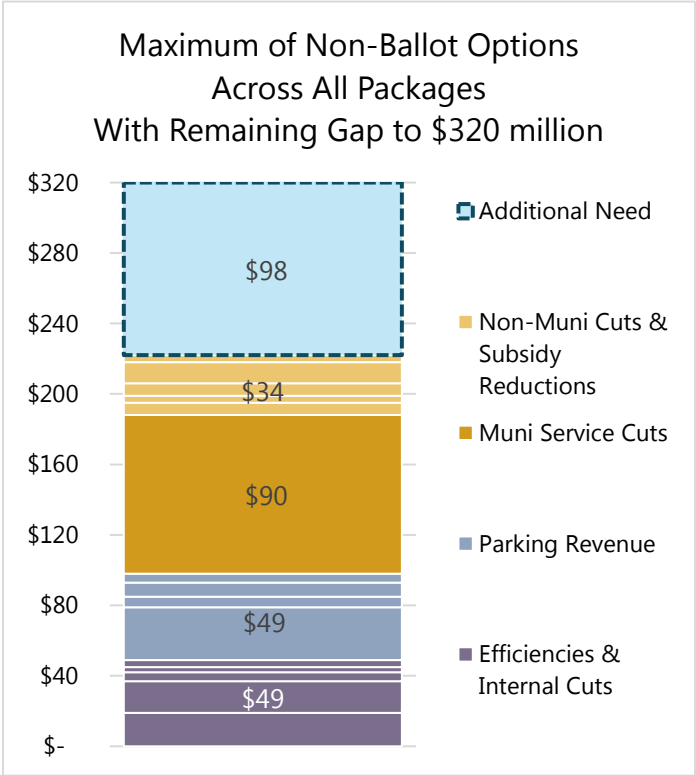
Additionally, potential revenue from the Regional Revenue Measure would be unlikely to be realized until the end of FY27, likely leading to a larger gap than represented above. Given larger gaps, the SFMTA put forward two potential strategies to fill any budget gaps in FY27 that the packages would not address.

- 1. Secure short-term budget assistance from the State to bridge the revenue gap
- 2. Flex parts of the capital budget towards the operating budget as a one-time solution⁴

Additionally, as discussed on March 21, 2025, none of the six packages include the \$7.2 million in annual savings from Muni service cuts (to be implemented in Summer 2025) that the SFMTA Board approved on April 15, 2025. However, future versions of the packages will include these ongoing savings.

Reliance on Ballot Measures

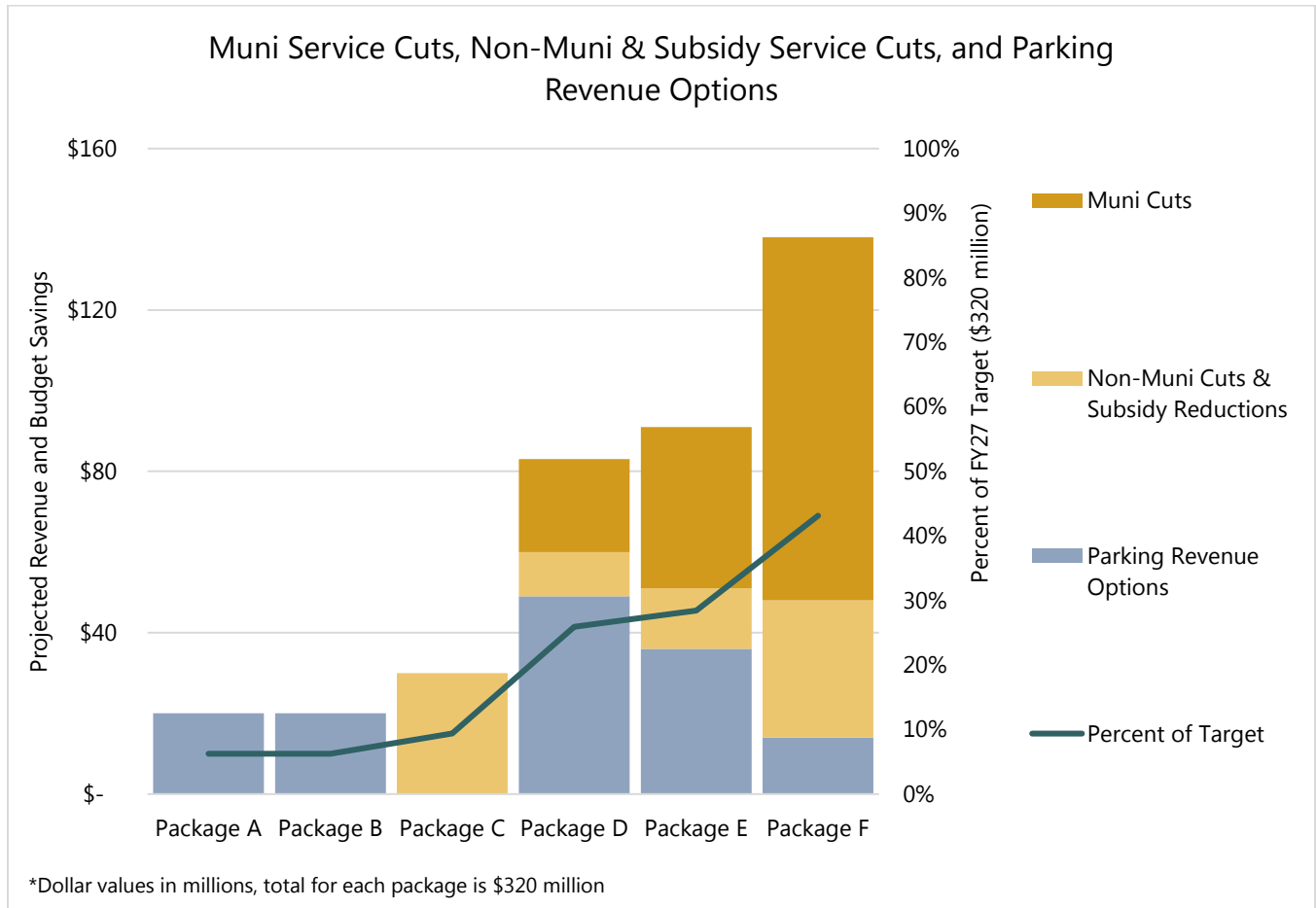
Should voters fail to approve the proposed ballot measures, the SFMTA and the City will face difficult tradeoffs. If no ballot measures pass and the SFMTA implemented every non-ballot measure option across all six packages, the remaining proposals would only equal \$222 million—70% of \$320 million needed. To close the approximately \$100 million gap, the SFMTA would need to implement additional service cuts or higher or more expansive paid parking fees than proposed in the six packages, or explore other solutions not discussed by the Working Group.



⁴ This option was discussed by the Muni Funding Working Group but was not included in the final packages as it is one-time funding, and the packages include only ongoing funding or savings.

Service Cuts and Parking Fees

Responding to feedback from the working group and other stakeholders, the SFMTA kept the percentage of each of the six options made up of service cuts and parking fees relatively low—ranging from 6% (A & B) to 43% (F, see graph below). Several packages included parking revenue ranging from \$14 million in Package F to \$49 million in Package D.



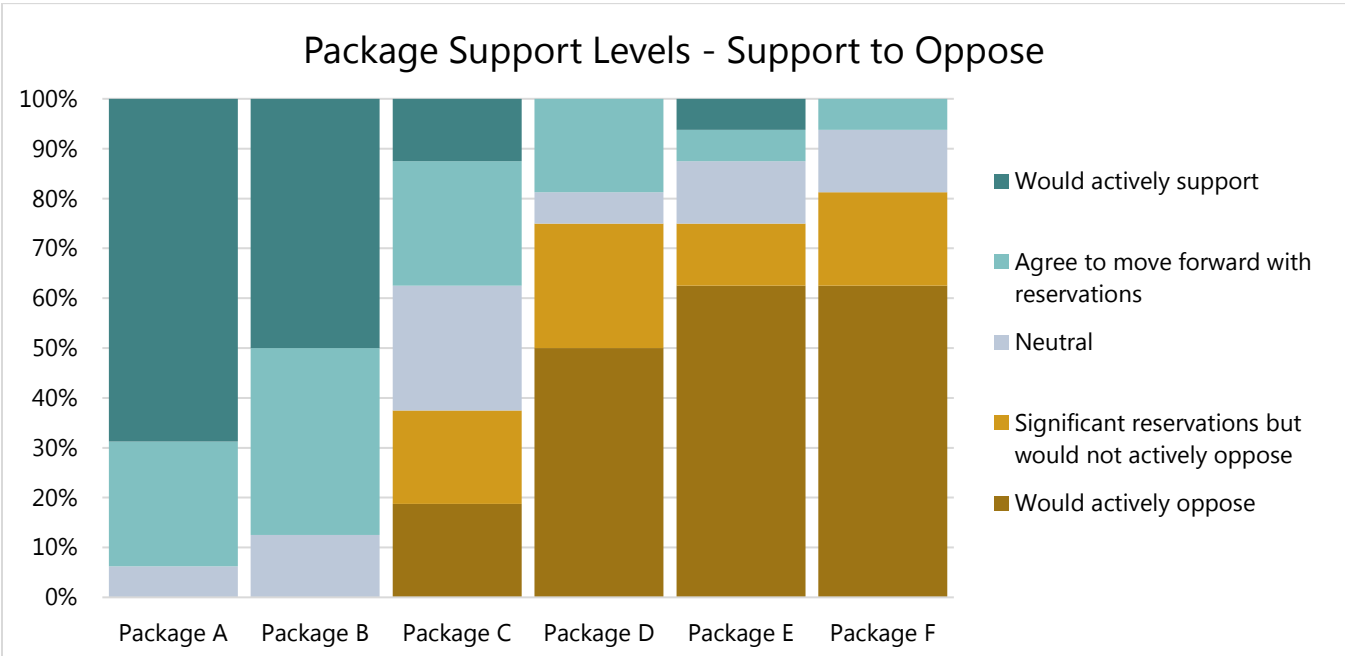
MEMBER FEEDBACK ON PACKAGES

The Muni Funding Working Group reviewed and provided feedback on all six packages through a combination of facilitated large group and small group discussions and individual voting activities. In addition to voting for their top choice of package, members also provided more detailed feedback on the packages, challenges with addressing the budget deficit going forward, and concerns about the impact of various options.

Voting Results

When asked to select their top choice of package, nearly 70% of members voted for Package A and nearly 20% voted for Package B (see table below). Only 12% of members ranked an option that included any service cuts as their first choice (C & D each received 6%). Packages E and F, the packages with the largest Muni service cuts (\$40 million and \$90 million, respectively) received no first-choice votes.

In addition to voting for their top choice of package, members also indicated their level of support and opposition for each package (see graph below).



In this more detailed voting exercise—similar to the dot voting exercises for the individual options—members underscored their preference for funding options over service cuts. In particular,

- At least 50% of members indicated they “would actively support” the two packages with no service cuts (A & B)
- No members opposed Packages A and B
- All options with service cuts (Packages C through F) received some level of opposition, ranging from 19% to 63%
- At least half of members indicated they “would actively oppose” the three options (D, E, & F) that include Muni service cuts

Taking the average of member support and opposition for each package further highlights how consistent members were in evaluating the individual options and the packages. Members ranked every package with higher levels of service cuts worse than every package with lower levels of service cuts (see table below).

1 = Actively Support 5 = Actively Oppose				
	Package Name	% of \$320 million Covered by Service Cuts	Average Member Rating	% Top Choice
A	Preserve Muni & Street Safety—Big at the Ballot in 2026	0%	1.4	69%
B	Preserve Muni & Street Safety—Multiple Ballots over Time	0%	1.6	19%
C	Protecting Muni Service—Minimizing Cuts for Riders	9%	3.1	6%
D	Finding Revenues through Parking	11%	4.1	6%
E	Cuts Due to Less Opportunity at the Ballot	17%	4.2	0%
F	Fewer Options, More Cuts	39%	4.4	0%

Limitations on Interpretation of Voting Results

In the final workshop, members voted on six separate packages. This feedback represents member feedback at a single point in time; perception may change as the SFMTA shares additional implementation details. Additionally, the voting results only represent one dimension of member feedback and should be considered alongside the content of the group discussions. The two packages with the highest levels of parking revenue (Packages D & E) received lower levels of support from members in the voting activities, however based on group discussions that support may be related to the higher levels of Muni and non-Muni service cuts in those packages.

The sections below are high-level summaries of detailed conversations among the Working Group members. They do not represent any individual or organization's viewpoints and should not be considered to represent all the Working Group members' opinions. These summaries are intended to provide high-level takeaways.

Concerns, Recommendations, and Additional Feedback

In addition to voting on the six packages, members also provided more detailed feedback on the packages through discussion as summarized below.

Ballot Measures

- Members highlighted the potential challenges of proposing multiple different tax ballot measures in the same year or in quick succession, given the potential for voter fatigue.
- Members strongly recommended combining ballot measures in the same election year.
- Members suggested modifying ballot measures that create permanent tax changes.
- Members voiced concerns that service cuts and fee increases could decrease public support for higher taxes.
- Members also highlighted the need for contingency planning, should ballot measures fail.
- Members suggested that having a plan to reverse planned service cuts in Summer 2025 or restore service to pre-pandemic levels may increase public support for ballot measures.

Modification Suggestions

- Members consistently voiced concerns for how various service cut proposals could impact certain vulnerable populations including seniors, people with disabilities, youth, and others.
- Members suggested adding certain parking revenue options to packages that did not include them to help pay for reversing recently passed service cuts.
- Members encouraged the SFMTA to roll out any parking fee increases and expansions slowly to help ease resident concerns.
- Members recommended exploring whether other City departments could take on the subsidies currently provided by the SFMTA.
- Members recommended the SFMTA should consider reducing the budget for consulting and professional services instead of service cuts.

Conclusions

All six packages meet the \$320 million target—but may require short-term funding depending on timing and implementation decisions. Each package includes combinations of funding options, cuts, and efficiencies to meet the SFMTA's FY27 budget deficit of \$320 million. However, as presented, some packages include components that would not be fully implemented until 2028 or later. The SFMTA identified capital budget cuts and potential bridge funding from the state as potential options to cover shortfalls in FY27.

If the ballot measures do not pass, even with all of the proposed Muni service cuts and the parking revenue increases considered, there would still be an approximately \$100 million gap. Should voters fail to approve the proposed ballot measures, the SFMTA and the City will face difficult tradeoffs. If no ballot measures pass and the SFMTA implemented every non-ballot measure option across all six packages, the remaining proposals would only equal \$222 million—70% of \$320 million needed. If voters do not approve ballot revenue, the SFMTA and policymakers would be left with less popular solutions discussed by the Muni Funding Working Group or other options not discussed by the Working Group, or would have to rely more on non-ballot revenue such as parking revenue or deeper service cuts.

Public perception of Muni service has steadily increased since the pandemic; deep transit service cuts could reverse these gains and impact ridership. In SFMTA's [2024 Muni Rider Survey](#), 72% of respondents rated Muni service overall as either good or excellent—a steady improvement over 57% of respondents in 2021 and 66% of respondents in 2022. In the [2023 City Survey](#), residents gave Muni service a B- grade, an improvement over the C+ rating in 2019. As shown in these surveys, service improvements have led to higher satisfaction ratings. Implementing service cuts discussed by the Working Group could reverse these gains and impact ridership.

The impact to the city's economy resulting from deep transit service cuts would be significant. Substantial Muni service cuts would have serious economic consequences for San Francisco, especially the downtown core that drives the city's economy. Three of the final packages included Muni service cuts ranging from \$23 million in Package D to \$90 million in Package F. The \$90 million amount in Package F is 50% of the total \$181 million worst case scenario outlined at the [November 13, 2024 Muni Funding Working Group](#), which would represent a large decrease in transit service across multiple lines and mode types. The service impact of this option and the resulting impact on the city's economy would be significant. Without a solvent transit agency, the city will not achieve economic recovery.

Closing and Next Steps

On April 22, 2025, the SFMTA presented options to the SFMTA Board of Directors for consideration for the FY27 budget process. Beginning in Summer 2025, the SFMTA staff will develop detailed implementation plans that will provide further certainty on the timing and amount of any expected revenues or savings. Final decisions on which packages, or combination of package components will be made by the SFMTA Board of Directors, the Board of Supervisors, and the Mayor as a part of the normal FY27 budget process starting in Fall 2025.

Appendices

Appendix 1: SFMTA's Proposed Options List to Close the Funding Gap

Appendix 2: Final Muni Funding Working Group Meeting Summary

Appendix 3: Additional Muni Funding Working Group Meeting Resources

APPENDIX 1: SFMTA'S PROPOSED OPTIONS LIST TO CLOSE THE FUNDING GAP

Efficiency Improvements

OPTION	DESCRIPTION	FISCAL SAVINGS	IMPLEMENTATION START DATE
Accelerated work on Muni Forward	Accelerate implementation of Muni Forward transit priority improvements that reduce travel time and operating costs on seven heavily used routes	\$5M	FY27
HOV lanes on state highways	Implement additional high-occupancy vehicle (HOV) lanes on state-owned highways to reduce transit travel times and operating costs	\$700K	FY28
Mailed parking citations	Amend state law to allow PCOs to send citations to the registered address of the vehicle instead of printing citations and placing them on windshields	\$740K	FY26
Automated parking enforcement	Amend state law to enforce parking violations via photo or video to speed up enforcement efforts	\$3.5	FY28

Service Cuts

OPTION	DESCRIPTION	FISCAL SAVINGS	IMPLEMENTATION START DATE
Transit: Reduce frequencies up to 50%	Decrease frequency on the most frequent, highest ridership routes Up to 23 route frequency changes, 18 equity routes	\$63M	FY26
Transit: Suspend lower utilized routes	Suspend routes with parallel service and low-ridership routes without parallel service Up to 20 route suspensions, 8 equity routes	\$71M	FY26
Transit: Suspend historic train and cable car service	Suspend all historic service including F-line and cable car service 4 routes impacted, 0 equity routes	\$33M	FY26

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Transit: Owl Service only from 9pm–6am	Suspend all service at 9pm and replace with owl service from 9pm–6am Up to 28 daytime routes impacted, 18 equity routes	\$14M	FY26
Subsidies: Eliminate or reduce fare subsidies	Reduce subsidies for youth, seniors, and people with disabilities	\$11.8M	FY26
Subsidies: Eliminate or reduce tow subsidies	Decrease or limit discounts to tow and storage fee waivers	\$3.2M	FY26
Capital: Flexing capital funds to the operating budget	Reduce capital investments by approximately 40% over two years. Potential Projects impacted include fleet replacement, facilities rehabilitation, fleet overhauls, Active Communities implementation, Muni Forward, and Vision Zero.	\$37.9	FY27
Security: Muni Assistance Transit Program	Reduce funding for the Muni Transit Assistance Program (MTAP). The program deters disruptive behavior, enhances public safety, and improves community engagement on Muni lines with high levels of violence and vandalism.	\$1.85M	FY26
Streets: Safety work reductions	Safety cuts for transportation engineering operations, transit engineering, bicycle and pedestrian infrastructure and Vision Zero, and school crossing guard programs.	\$7M	FY26
Streets: Maintenance reductions	Maintenance cuts for the signal shop, sign shop, and paint shop.	\$3.6M	FY26
Streets: Constituent services reductions	Service cuts for Streets' programs, which include tow, garage and janitorial services, parking policy and programs, shared spaces, special events, and planning.	\$6.6M	FY26

Funding Options

OPTION	DESCRIPTION	FISCAL SAVINGS	IMPLEMENTATION START DATE
Ride-hail and AV tax	Voter-approved tax on ride-hail platforms and autonomous vehicle companies	\$25M	FY27
Parking tax measure	Increase the existing parking tax rate to 35%	\$25M	FY27
Utility tax measure	Increase the utility user tax on commercial properties and charge residential users a natural gas and/or electricity tax	\$50M	FY27

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Regional revenue measure	Sales and/or parcel tax measure to address the funding deficit for the SFMTA and regional transit partners	\$88M	FY27
Local sales tax measure	Increase local sales tax between a ¼ cent and 1 cent	\$17M	FY27
Local parcel tax measure	Parcel tax that would adjust depending on the type of property, size of property, size of building, or other characteristics	\$85M	FY27
Transit fare optimization	Optimize deployment by hiring more Transit Fare Inspectors, implementing tap-to-pay with Clipper 2.0, and exploring fare increases	\$5M	FY27
Parking optimization	Optimize enforcement by hiring more Parking Control Officers, updating paid parking meters to increase minimum times or extending limits, and exploring additional charges for off-street parking and contractor permit rates	\$20M	FY27
Increase residential parking permit fee	Increase the Residential Parking Permit (RPP) rates in existing areas with a possible subsidy for people with low incomes	\$3M	FY27
Extend paid parking hours to Sunday	Extend paid parking hours on Sundays to 12pm–6pm	\$6M	FY27
Extend evening paid parking	Extend paid parking hours on Monday–Saturday to 6pm–10pm in alignment with typical business hours	\$8M	FY27

Service Improvements

OPTION	DESCRIPTION	FISCAL SAVINGS
Safety and security	Expand the Muni Safe initiative by building out the SFMTA Security Operations Center, increasing transit ambassador staff, adding solar lighting to transit stops, and refreshing City-owned parking garages	\$6.5M
Transit access increases	Provide new Muni connections by expanding rapid service and reinstating Express routes to support downtown recovery	\$40M
Accessibility improvements	Improve access to the transportation system for disabled and older adults by adding new accessible transit stops, accelerating flag stop conversion, improving accessible wayfinding, and enhancing the Essential Trip Card	\$9.5M

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Customer experience	Improve the waiting and navigation experience at transit stops to maximize smooth experiences by ensuring clean stops and stations, improving cable car turnarounds, accelerating new bus stop signage, and launching a new Customer Engagement program	\$3.5M
Regional transit coordination	Make regional transit trips seamless by upgrading signage for regional wayfinding and implementing a regional free and reduced transfer program	\$6M
Street upkeep	Pave roadways on major transit corridors, refresh faded signs, crosswalks and curbs, and improve street beautification and landscaping	\$44M

APPENDIX 2: FINAL MUNI FUNDING WORKING GROUP MEETING SUMMARY

Below is a summary of the committee members' questions and concerns regarding the SFMTA's proposed options packages. These packages were presented at the March 21, 2025 Muni Funding Working Group meeting. During the meeting, members were invited to share their immediate reactions to the packages presented through a raise of hands activity, where each member raised their hand if they felt positively about a package. Members were able to cast their vote for multiple packages. Next, there was a live polling activity through the survey tool Alchemer where members were asked to vote on their preferred package.

Members provided feedback below and suggestions for SFMTA. This feedback should not be construed as direction or commitment from the SFMTA on a single package or combination of options. Further implementation decisions will be made by the SFMTA, SFMTA Board of Directors, and policymakers as applicable.

Discussion on Packages

Package A

- **Raise of hands activity votes:** 9
- **Feedback:**
 - Members liked this package overall because there were **no service or subsidy cuts**.
 - Multiple members expressed concerns about **the inherent risks of relying heavily on ballot measures**. There was concern that the tax measures would not pass.
 - The SFMTA should consider **including positive outcomes in its messaging and outreach** to make campaigning for the ballot measures easier.
 - The SFMTA should consider the negative impact of going back to the ballot in 2028 and try to ensure the necessary funding measures are proposed on the 2026 ballot.
 - The SFMTA should consider including Sunday paid parking as an option in this package.
 - The SFMTA should consider reversing recently passed service cuts as part of this package.
- **Final survey votes:** 11

Package B

- **Raise of hands activity votes:** 11
- **Feedback:**
 - Members liked this package overall because there were **no service or subsidy cuts**.
 - Multiple members expressed concerns about **the inherent risks of relying heavily on ballot measures**.
 - The SFMTA should consider the negative impact of going back to the ballot in 2028 and try to ensure the appropriate funding measures are proposed on the 2026 ballot.
 - The SFMTA should consider **including positive outcomes in its messaging and outreach** to make campaigning for the ballot measures easier.
 - The SFMTA should consider expanding Muni services to pre-pandemic levels as part of this package proposal.

- **Final survey votes:** 3

Package C

- **Raise of hands activity votes:** 5
- **Feedback:**
 - Multiple members expressed **concerns with the potential street safety cuts** and wanted more clarity on where the cuts would happen.
 - Members expressed concerns about **the inherent risks of relying heavily on ballot measures**.
 - The SFMTA should **consider the impact of street safety cuts on seniors, youth, and crossing guards**.
 - There was a concern about the proposed local sales tax and a suggestion to **consider exploring more progressive tax measures**.
 - A member suggested considering **a tax on ride share companies** that utilize San Francisco roads.
 - The SFMTA should consider exploring whether other City departments could take on the subsidies currently provided by the agency.
- **Final survey votes:** 1

Package D

- **Raise of hands activity votes:** 0
- **Feedback:**
 - No members voiced support for this package.
 - The SFMTA should consider reducing the budget for consulting and professional services instead of service cuts.
 - The SFMTA should consider the **challenge of proposing multiple different tax measures** in the same year.
- **Final survey votes:** 0

Package E

- **Raise of hands activity votes:** 1
- **Feedback:**
 - There were fewer volunteers to speak about this package, with only one member volunteering to speak in support. The facilitator instead had to ask members to speak to what they found difficult to support instead.
 - The SFMTA should consider the **impact of administrative cuts on seniors and people with disabilities** and should avoid cutting subsidies.
 - Members expressed concerns about the impact of expanded permit parking and Sunday paid parking but emphasized that such measures may be needed.
 - The SFMTA should consider a **measured approach when introducing the parking option** to help ease resident concerns and get them used to it.

- The SFMTA should consider the **challenge of proposing multiple different tax measures** in the same year.
- **Final survey votes:** 0

Package F

- **Raise of hands activity votes:** 0
- **Feedback:**
 - No members voiced support for this package.
 - The SFMTA should consider the **impact of administrative cuts on seniors and people with disabilities** and should avoid cutting subsidies.
 - Members expressed concerns that this package was not a fully-developed plan to succeed at the ballot. The SFMTA should consider how an approach that maximizes ballot measure success and plan separately an approach if it fails.
 - A member shared that this package does **start a conversation about the difficult choices** the agency faces.
- **Final survey votes:** 0

Close-out Discussion

Organization next steps

- SPUR is campaigning for **\$2 billion of state funds** with a portion coming to support the Bay Area transit companies.
- Labor will continue to engage with the SFMTA to support a future ballot measure campaign.
- Organizations that have campaigned and have reached out to the public for transit before will continue to do so moving forward.
- Supervisor Melgar will support **an approach that avoids service cuts**.
- The Mayor's office will continue to prioritize this budget challenge and is open to community feedback.

Things that members support

- Labor Organizations supported an approach that avoids any service cuts.
- Members were glad to see **support for Package A** and reiterated the hard work needed to campaign for this to pass.
- Multiple members expressed support for the **Muni Now, Muni Forever campaign**.
- Members expressed support for continued dialog with the SFMTA.
- Multiple members expressed broad support for packages that maintained service levels (no service cuts).

Key points for the SFMTA to consider

- It will be **challenging to go to the ballot twice**: in 2026 and then again in 2028.
- Service cuts will impact both riders and operators.
- It is important to highlight Muni successes as well as ongoing efforts in increasing efficiency in the agency's messaging and outreach.

- The SFMTA should create a more aspirational package with ballot measures and new/extended Muni service.
- The importance of being honest about the budget challenges the SFMTA is facing and preparing for the worst in case ballot measures do not pass.
- A document with MFWG FAQ would be helpful to members now that meeting series is completed.
- The SFMTA should continue to engage with advocates, business leaders, labor, and other stakeholders. Consider continuing the MFWG meeting series through 2026.
- The SFMTA should leverage district liaisons for outreach to the public, and should consider the role of the press in influencing public opinion.
- The SFMTA should explore more polling to understand sentiment around proposed options.
- The SFMTA should consider withdrawing the proposed summer service cuts. The SFMTA should explore other options for budget cuts while avoiding service cuts.
- The SFMTA should take options without support off the table.

APPENDIX 3: ADDITIONAL MUNI FUNDING WORKING GROUP MEETING RESOURCES

Muni Funding Working Group meeting materials were posted on <https://www.sf.gov/muni-funding-working-group> throughout the meeting series. See below for additional details on the options presented at each meeting.

October 17, 2024

- [SFMTA Efficiency Improvement Options \[October 17, 2024\]](#)
- [Efficiency Improvement Options 1-Pagers \[October 17, 2024\]](#)

November 13, 2024

- [SFMTA Service Cut Options \[November 13, 2024\]](#)
- [Service Cuts 1-Pagers \[November 13, 2024\]](#)

November 20, 2024

- [SFMTA Service Cut Options \[November 20, 2024\]](#)
- [Service Cuts 1-Pagers \[November 20, 2024\]](#)

January 23, 2025

- [SFMTA Solving for Muni Funding Needs \[January 23, 2025\]](#)
- [Funding Options Handout \[January 23, 2025\]](#)

January 31, 2025

- [SFMTA Long-Term Funding Ideas and Service Improvements \[January 31, 2025\]](#)