



# Service Cut Options 1-Pagers (Part One)

**DRAFT FOR DISCUSSION**

November 2024

**Disclaimer:** These options are draft ideas for discussion by the Muni Funding Working Group only. There is no current plan at the SFMTA to implement these options.



# Muni Funding Working Group Funding Options Summary



## CATEGORY



Efficiency Improvements



Revenue Enhancements



Service Enhancements



Service Cuts



## OVERVIEW

Title: Transit Muni Service Reductions

### Description:

This is not a plan but is intended to give context to what the consequences could be if the agency does not secure additional revenue sources to continue current service levels. Transit service reductions presented amount to about \$200 million or a 30% service reduction from current Muni service levels. A 30% reduction in service could look like suspending service on up to 20 routes, reducing frequencies on our highest ridership/frequency routes up to 50%, suspending our historic train and cable car services and suspending daytime service at 9pm (i.e., owl only after 9 pm). All of these reductions would have major customer impacts to our 500K weekday and 350K weekend riders including longer walking distances to bus stops and more crowded buses as well as economic and environmental impacts to the city in less downtown/tourism activity and lower reliability on transit. Reducing transit service initiates a vicious cycle of less service means less ridership and thus less revenue generation for the agency.

### FISCAL IMPACT

Increases Revenue

Decreases Expenditures

Is this scalable?

Yes

No

Projected Annual up to \$200 million

Deficit Reduction:

Capital vs Operating Impact:

Operating

### IMPLEMENTATION TIMELINE

Timeframe Details:

Short-term  Medium-term  Long-term

Service reductions presented can be implemented before Summer of 2026 in phases starting as soon as Summer of 2025. Implementation would need to include outreach with stakeholders and would require Board approval of Title VI Service Equity Analysis as all these changes as considered a major service change.

### IMPACT ANALYSIS

Accessibility  Service  Emissions  Equity

To reiterate, should no additional funding be secured consequences would be severe. Suspending up to 20 routes would include routes that currently run parallel to other higher ridership routes and our lowest ridership routes that do not have nearby alternatives and run through the hilliest areas of the city. This would mean longer and steeper walks to bus stops, impacting seniors and people with disabilities the most who may end up isolated from using transit service all together. Reducing frequency on our highest ridership routes would mean significantly more crowding and pass-ups. Suspending F line/cable car service would shutdown a historic asset and have an impact on the city's economy with less activity generated downtown and in tourist areas and reverse perception of the city's recovery. Suspending service at 9pm and replacing it with the owl network would impact customers traveling during the hours of 9pm-12am who rely on Muni the most to get to late evening jobs and it would also impact the late night entertainment industry. All of these service reductions would have major equity, economic and environmental impacts as it would lead to less mobility for those who rely on transit the most and less reliance on transit as a viable transportation option.

### ADDITIONAL CONSIDERATIONS (INCLUDING TRADEOFFS, CHALLENGES, OR RISKS)

These proposals would drastically slow both actual and perceived economic recovery. As learned from the COVID pandemic recovery, restoring service could take years. Pausing operator hiring for as little as 6 months could take up to 18 months to recover, unused infrastructure and equipment may never return to its current state of good repair and returning customers to Muni as a reliable service could take years to regain the public's trust and positive perception. Lost revenue from lower ridership as a result of these reductions was assumed in the estimated savings amounts. Also included were the full or partial closures of Transit Facilities that would not be needed with a reduction in operational needs. These transit service reductions are all considered a major service change and would require outreach and an FTA mandated Title VI Service Equity Analysis that would need to be approved by the SFMTA Board.

For more information visit: [WWW.SF.GOV/MUNI-FUNDING-WORKING-GROUP](http://WWW.SF.GOV/MUNI-FUNDING-WORKING-GROUP)

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## CATEGORY



Efficiency Improvements



Revenue Enhancements



Service Enhancements



Service Cuts

## OVERVIEW

Title: Reduce Discounts for Towed Vehicles

### Description:

SFMTA currently offers various tow and storage fee waivers and discounts for people experiencing homelessness and with low incomes, recovered stolen vehicles, and for individuals having their vehicle towed for the first time. The combined value of these discounts in Fiscal Year 2024 was approximately \$8.3 million and has been absorbed by the operating budget. The SFMTA could consider changes that include reducing free and reduced discounts to recover a minimum of the actual costs paid to the third-party vendors for towing of vehicles, limit the number of discounts for people with low incomes to once per year, and eliminate the discount provided for the vehicles towed for the first time.

## FISCAL IMPACT

Increases Revenue

Decreases Expenditures

Is this scalable?

Yes

No

Projected Annual

Deficit Reduction: \$3.2 million

Capital vs Operating Impact:

## IMPLEMENTATION TIMELINE

Timeframe Details:

Short-term  Medium-term  Long-term

Approval of changes to the tow fees and waiver limits are under the authority of the SFMTA Board of Directors requiring an amendment to the Transportation Code. The timeline for implementation would be 30 days after Board approval.

## IMPACT ANALYSIS



Accessibility



Service



Emissions



Equity

Removal of vehicles causing hazards in the public right of way, impeding traffic and Muni operations, and blocking disability access is critical to ensuring the safe and efficient movement of people and goods in San Francisco. The cost of these discounts have been absorbed by the operating budget. Decreasing or limiting these discounts would allow for the funding to be utilized for critical Muni and Streets Safety services. The SFMTA is proposing consideration of the following changes to the existing discount structure:

- Eliminate the \$56 discount for first-time vehicle tows
- Increase the fee for people with low incomes from \$104 to \$293 to recover the pass-through costs for the tow truck vendor
- Limit the number of discounts for people with low incomes to one time per year
- Charge actual \$293 pass-through tow costs for stolen vehicle recovery (currently free)

## ADDITIONAL CONSIDERATIONS (INCLUDING TRADEOFFS, CHALLENGES, OR RISKS)

Ongoing advocacy efforts at the local and state level have focused on limiting the ability of local jurisdictions to tow vehicles. The SFMTA currently offers the state's most comprehensive suite of tow-fee discount programs based on income eligibility. Nonetheless, we would expect any reductions to this would result in opposition from these groups.

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# Muni Funding Working Group Funding Options Summary



## CATEGORY



Efficiency Improvements



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Service Enhancements



Service Cuts

## OVERVIEW

Title: Reduce Fare Subsidies for Youth, Seniors and People with Disabilities

### Description:

SFMTA currently offers free and reduced fares for people experiencing homelessness and with low-incomes, seniors, youth, and people with disabilities. These discounts have been absorbed within the SFMTA operating budget. The total value of these fare waivers and discounts is approximately \$18 million per year. The SFMTA could reduce the subsidies for youth, and seniors and people with disabilities at/or below 100% Bay Area Median Income, reverting to the 50% discounted monthly pass and single ride fare. This would be consistent with the discount provided to adults at/or below 200% of the Federal Poverty Level through the Lifeline monthly pass and Clipper START programs.

## FISCAL IMPACT

Increases Revenue

Decreases Expenditures

Is this scalable?

Yes

No

Projected Annual Deficit Reduction: \$21.8 million

Capital vs Operating Impact:

Operating

## IMPLEMENTATION TIMELINE

Timeframe Details:

Short-term

Medium-term

Long-term

## IMPACT ANALYSIS

Accessibility

Service

Emissions

Equity

The SFMTA has implemented the most comprehensive discount fare program in the country for people with low-incomes and experiencing homelessness. The revenue loss associated with these programs has been absorbed by the Operating budget. Parking fines and fares for full paying customers were increased to help close the budget gap resulting from these programs. Reconsideration of the fiscal impact of these programs is necessary at this time given the limited capacity to continue to absorb this revenue loss without reduce in transit service.

## ADDITIONAL CONSIDERATIONS (INCLUDING TRADEOFFS, CHALLENGES, OR RISKS)

Youth, Senior and People with Disabilities advocacy groups were instrumental in the approval of these programs that have been in place for more than 10 years. Reducing this subsidy would likely be meet with significant opposition due to the hardship created for those who have become used to receiving this benefit.

Implementation requirements include MTAB approval of Title VI Fare Equity Analysis, which includes public outreach and feedback requirements prior to approval.

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