



Memorandum

AGENDA ITEM 9

DATE: April 16, 2026
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 05/12/2026 Board Meeting: Amend the Adopted Fiscal Year 2025/26 Budget to Decrease Other Financing Sources by \$50,000,000 for a Total Net Decrease in Fund Balance of \$50,000,000

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Amend the adopted Fiscal Year (FY) 2025/26 budget to decrease expenditures by \$50,000,000 for a total net decrease in fund balance of \$50,000,000.</p> <p>SUMMARY</p> <p>Every year, we present the Board with any adjustments to the adopted annual budget. This revision is an opportunity to take stock of significant changes in revenue trends, recognize large grant amounts spent or other funds that are obtained subsequent to the original approval of the annual budget, and adjust for material unforeseen expenditures. In June 2025, through Resolution 25-48, the Board adopted the FY 2025/26 Annual Budget and Work Program. Based on sales tax receipts collected through February 2026, sales tax revenues are above expectations by 5% and we anticipate a modest continuation of this trend. Due to the uncertainty in current economic conditions and the impacts on sales tax revenues and a conservative approach to budgeting, we are holding sales tax revenues at current projections for the mid-year budget amendment but will continue to closely monitor this revenue stream. Revisions to other financing sources are related to slower receipt of sponsor reimbursement requests (invoices) than anticipated for FY 2024/25 and FY 2025/26, which resulted in a higher fund balance and therefore a lower need to draw from the Revolver in the current fiscal year to</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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fund projects and reimburse our sponsors. The effect of the proposed amendment on the adopted FY 2025/26 Budget in the aggregate line item format specified in the Fiscal Policy is shown in Attachments 1 and 3. A comparison of revenues and expenditures to prior year actual and adopted budgeted numbers is presented in Attachment 2.	
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BACKGROUND

The budget revision is an opportunity for us to revise material revenue projections and expenditure line items to reflect new information or requirements identified in the months elapsed since the adoption of the annual budget. Our Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. The revisions typically take place after completion of the annual fiscal audit, which certifies actual expenditures and carryover revenues.

We receive revenues from the one-half of one percent sales tax which are dedicated toward financing transportation improvements in the voter approved sales tax and Prop L Expenditure Plan. In Fiscal Year (FY) 2025/26 our sales tax revenues were budgeted at \$108.4 million. To fund transportation projects under the Prop K and Prop L Expenditure Plans, we have relied on pay-go sales tax revenues and interim financing under the Amended and Restated Revolving Credit Agreement Loan (Revolver) program. The Revolver is an alternative variable rate financing vehicle to traditional commercial paper notes and is a loan directly from a commercial bank. From time to time, we have utilized available funding under our interim borrowing program to fund peak capital expenditures that could not be met with available sales tax revenues.

DISCUSSION

We approached development of the sales tax forecast with the intent of leaning more towards being conservative rather than overly optimistic. MuniServices, our economic consultants, assists in development of our revenue forecasts. Our sales tax projections take into consideration several factors including but not limited to employment, disposable income, tourism and visitor expenditures, and inflation. Based on sales tax receipts collected through February 2026, sales tax revenues are above expectations by 5% and we anticipate a modest continuation of this trend. Due to the uncertainty in current economic conditions and the impacts on sales tax revenues, we recommend holding sales tax revenues at current projections for the



proposed budget amendment but will continue to closely monitor this revenue stream.

The proposed budget amendment also reflects a decrease in other financing sources of \$50 million for a total net decrease of \$50 million in fund balance. Revisions to other financing sources are related to slower receipt of sponsor reimbursement requests (invoices) than anticipated for FY 2024/25 and FY 2025/26, which resulted in a higher fund balance and therefore a lower need to draw from the Revolver in the current fiscal year to fund projects and reimburse out sponsors.

FINANCIAL IMPACT

The proposed amendment to the FY 2025/26 budget would decrease other financing sources by \$50 million, from \$110 million to \$60 million, for a total net decrease in fund balance of \$50 million as described above. The proposed amendment will result in an ending budgetary fund balance of \$61.1 million.

CAC POSITION

The Community Advisory Committee will consider this item at its April 22, 2026, meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Proposed Budget Amendment
- Attachment 2 - Proposed Budget Amendment - Comparison of Revenues and Expenditures
- Attachment 3 - Proposed Budget Amendment - Line Item Detail



Proposed Budget Amendment by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	Proposed Fiscal Year 2025/26 Budget Amendment
Revenues:							
Sales Tax Revenues	\$ 108,387,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,387,600
Vehicle Registration Fee	-	-	-	4,546,000	-	-	4,546,000
Traffic Congestion Mitigation Tax	-	-	-	-	-	9,800,000	9,800,000
Interest Income	712,415	-	511	25,398	-	1,114,577	1,852,901
Program Revenues	-	61,774,085	701,813	-	4,481,638	-	66,957,536
Total Revenues	109,100,015	61,774,085	702,324	4,571,398	4,481,638	10,914,577	191,544,037
Expenditures:							
Capital Project Costs	127,126,338	60,559,857	756,000	7,500,000	4,141,196	4,550,000	204,633,391
Administrative Operating Costs	8,500,302	4,579,083	41,779	228,600	478,105	214,600	14,042,469
Debt Service Costs	23,482,914	-	-	-	-	-	23,482,914
Total Expenditures	159,109,554	65,138,940	797,779	7,728,600	4,619,301	4,764,600	242,158,774
Other Financing Sources (Uses):	56,497,482	3,364,855	-	-	137,663	-	60,000,000
Net change in Fund Balance	\$ 6,487,943	\$ -	\$ (95,455)	\$ (3,157,202)	\$ -	\$ 6,149,977	\$ 9,385,263
Budgetary Fund Balance, as of July 1	\$ 12,217,416	\$ -	\$ 856,051	\$ 11,791,807	\$ -	\$ 26,869,764	\$ 51,735,038
Budgetary Fund Balance, as of June 30	\$ 18,705,359	\$ -	\$ 760,596	\$ 8,634,605	\$ -	\$ 33,019,741	\$ 61,120,301



Category	Fiscal Year 2025/26 Adopted Budget	Proposed Fiscal Year 2025/26 Budget Amendment	Variance from Fiscal Year 2025/26 Adopted Budget	% Variance
Sales Tax Revenues	\$ 108,387,600	\$ 108,387,600	\$ -	0.0%
Vehicle Registration Fee	4,546,000	4,546,000	-	0.0%
Traffic Congestion Mitigation Tax	9,800,000	9,800,000	-	0.0%
Interest Income	1,852,901	1,852,901	-	0.0%
Program Revenues				
Federal	30,965,536	30,965,536	-	0.0%
State	22,062,283	22,062,283	-	0.0%
Regional and other	13,929,717	13,929,717	-	0.0%
Total Revenues	191,544,037	191,544,037	-	0.0%
Capital Project Costs	204,633,391	204,633,391	-	0.0%
Administrative Operating Costs				
Personnel expenditures	10,671,254	10,671,254	-	0.0%
Non-Personnel expenditures	3,371,215	3,371,215	-	0.0%
Debt Service Costs	23,482,914	23,482,914	-	0.0%
Total Expenditures	242,158,774	242,158,774	-	0.0%
Other Financing Sources (Uses)	110,000,000	60,000,000	(50,000,000)	-45.5%
Net change in Fund Balance	\$ 59,385,263	\$ 9,385,263	\$ (50,000,000)	
Budgetary Fund Balance, as of July 1	\$ 51,735,038	\$ 51,735,038		
Budgetary Fund Balance, as of June 30	\$ 111,120,301	\$ 61,120,301		

	Proposed Budget Amendment by Fund						Proposed Fiscal Year 2025/26 Budget Amendment
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Revenues:							
Sales Tax Revenues	\$ 108,387,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,387,600
Vehicle Registration Fee	-	-	-	4,546,000	-	-	4,546,000
Traffic Congestion Mitigation Tax	-	-	-	-	-	9,800,000	9,800,000
Interest Income	712,415	-	511	25,398	-	1,114,577	1,852,901
Program Revenues							
Federal							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	300,246	-	300,246
Congestion Mitigation and Air Quality Improvement Program - YBI Multi-Use Path	-	740,316	-	-	-	-	740,316
Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal	-	-	-	-	2,800,000	-	2,800,000
FHWA State Planning and Research Funds - San Francisco Freeway Network Management	-	791,902	-	-	-	-	791,902
Highway Bridge Program - Yerba Buena Island (YBI) Westside Bridges	-	11,562,540	-	-	-	-	11,562,540
Rebuilding American Infrastructure with Sustainability and Equity - YBI Westside Bridges	-	11,960,337	-	-	-	-	11,960,337
Reconnecting Communities & Neighborhoods Program - Geary-Fillmore Underpass Study	-	797,305	-	-	-	-	797,305
Safe Streets and Roads for All - Vision Zero Ramps Intersection Study Phase 3	-	203,501	-	-	-	-	203,501
Surface Transportation Program 3% Revenue and Augmentation	-	1,809,389	-	-	-	-	1,809,389
State							
Active Transportation Program - YBI Multi-Use Path	-	3,329,253	-	-	-	-	3,329,253
Affordable Housing and Sustainable Communities - Treasure Island Ferry Terminal	-	-	-	-	1,081,146	-	1,081,146
Infill Infrastructure Grant Program - Hillcrest Road Improvement Project	-	7,000,000	-	-	-	-	7,000,000
Planning, Programming & Monitoring SB45 Funds	-	380,000	-	-	-	-	380,000
Seismic Retrofit Proposition 1B - YBI Westside Bridges	-	1,016,111	-	-	-	-	1,016,111
Senate Bill 1 Local Partnership Program - YBI Hillcrest Road Improvement Project	-	857,820	-	-	-	-	857,820
Senate Bill 1 Local Partnership Program - YBI Westside Bridges	-	7,888,369	-	-	-	-	7,888,369
Sustainable Communities - Bayview Street Safety and Truck Relief Study	-	305,140	-	-	-	-	305,140
Sustainable Communities - Brotherhood Way Safety and Circulation Plan	-	204,444	-	-	-	-	204,444
Regional and other							
BATA - I-80/YBI Interchange Improvement	-	8,597,658	-	-	-	-	8,597,658
BATA - YBI Multi-Use Path	-	750,000	-	-	-	-	750,000
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	75,000
TICD Community Facilities District Funds (formerly Ferry Exchange)	-	-	-	-	300,246	-	300,246
TIDA - I-80/YBI Interchange Improvement	-	500,000	-	-	-	-	500,000
TIDA - YBI Westside Bridges	-	3,005,000	-	-	-	-	3,005,000
Vehicle Registration Fee Revenues (TFCA)	-	-	701,813	-	-	-	701,813
Total Revenues	\$ 109,100,015	\$ 61,774,085	\$ 702,324	\$ 4,571,398	\$ 4,481,638	\$ 10,914,577	\$ 191,544,037

	Proposed Budget Amendment by Fund						Proposed Fiscal Year 2025/26 Budget Amendment
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Expenditures:							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	\$ 125,000,000	\$ -	\$ 756,000	\$ 7,500,000	\$ -	\$ 4,500,000	\$ 137,756,000
Technical Professional Services	2,126,338	60,559,857	-	-	4,141,196	50,000	66,877,391
Administrative Operating Costs							
Personnel Expenditures							
Salaries	3,261,688	3,033,017	27,853	152,400	298,670	143,067	6,916,695
Fringe Benefits	1,630,844	1,516,509	13,926	76,200	149,335	71,533	3,458,347
Pay for Performance	296,212	-	-	-	-	-	296,212
Non-personnel Expenditures							
Administrative Operations	2,829,658	29,557	-	-	27,000	-	2,886,215
Equipment, Furniture & Fixtures	421,900	-	-	-	-	-	421,900
Commissioner-Related Expenses	60,000	-	-	-	3,100	-	63,100
Debt Service Costs							
Fiscal Charges	525,000	-	-	-	-	-	525,000
Interest Expenses	7,222,914	-	-	-	-	-	7,222,914
Bond Principal Payment	15,735,000	-	-	-	-	-	15,735,000
Total Expenditures	\$ 159,109,554	\$ 65,138,940	\$ 797,779	\$ 7,728,600	\$ 4,619,301	\$ 4,764,600	\$ 242,158,774
Other Financing Sources (Uses):							
Transfers in - Prop L Match to Grant Funding	-	3,364,855	-	-	137,663	-	3,502,518
Transfers out - Prop L Match to Grant Funding	(3,502,518)	-	-	-	-	-	(3,502,518)
Draw on Revolving Credit Agreement	60,000,000	-	-	-	-	-	60,000,000
Total Other Financing Sources (Uses)	56,497,482	3,364,855	-	-	137,663	-	60,000,000
Net change in Fund Balance	\$ 6,487,943	\$ -	\$ (95,455)	\$ (3,157,202)	\$ -	\$ 6,149,977	\$ 9,385,263
Budgetary Fund Balance, as of July 1	\$ 12,217,416	\$ -	\$ 856,051	\$ 11,791,807	\$ -	\$ 26,869,764	\$ 51,735,038
Budgetary Fund Balance, as of June 30	\$ 18,705,359	\$ -	\$ 760,596	\$ 8,634,605	\$ -	\$ 33,019,741	\$ 61,120,301
Program and Operating Reserve	\$ 10,838,760	\$ -	\$ 70,181	\$ 454,600	\$ -	\$ 980,000	\$ 12,343,541