



**SERVICE AUTHORITY
FOR FREEWAYS AND EXPRESSWAYS (SAFE)
PROPOSED FY 2026-27 OPERATING AND CAPITAL BUDGET**

June 24, 2026

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PROPOSED FY 2026-27 OPERATING BUDGET — SUMMARY OF CHANGES: MAY DRAFT TO PROPOSED BUDGET

Update since *May 27, 2026* Draft Presentation

Revenue Adjustment

- Increase of \$44 thousand in interest revenue
- Reflects updated interest rate assumptions based on recent economic trends

Expense Adjustment

- Increase of \$12 thousand in operating costs
- Driven by a 3.8% Cost-of-Living Adjustment (COLA) based on recent CPI projections from the Bureau of Labor Statistics

Net Impact

- Favorable \$32 thousand reduction in the projected operating deficit

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PROPOSED FY 2026-27 OPERATING BUDGET — REVENUE

Revenue	FY 2025-26 (\$ thousands)	FY 2026-27 (\$ thousands)	Percent Change
DMV Fees	\$6,730	\$6,792	0.9%
State Local Assistance Program	\$7,200	\$7,000	(2.8%)
Road Repair (SB1)	\$5,900	\$6,200	5.1%
Interest	\$590	\$512	(13.3%)
Total Revenue	\$20,420	\$20,504	0.4%

Operations

- **Freeway Assist Program (FAP):**
motorist aid services
- **Freeway Service Patrol (FSP):**
vehicle towing

Revenue

DMV fees – 3.0% CPI increase over 3-year average

Interest – lower interest projection

State grants – reimburse 80% of towing costs on decreased towing activities



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PROPOSED FY 2026-27 OPERATING BUDGET — EXPENSES

Expenses	FY 2025-26 (\$ thousands)	FY 2026-27 (\$ thousands)	Percent Change
Salaries, Benefits, & Overhead	\$2,088	\$2,083	(0.3%)
General Ops	\$442	\$475	7.5%
Consultants	\$800	\$654	(18.3%)
Operating Contracts	\$17,686	\$17,665	(0.1%)
Total Op. Expenses	\$21,016	\$20,877	(0.7%)
Transfers Out	\$800	\$0	(100.0%)
Operating Surplus/(Deficit)	(\$1,396)	(\$373)	(73.3%)

Expenses

Salary & Benefits – relatively stable year-over-year

General Ops - increased legislative advocacy costs

Consultants – Savings driven by using agency tools for the Emergency Operations Center platform and lower incident management costs

Operating Contracts – relatively stable with some savings offset by annual escalation in towing costs

Operating deficit

Constrained spending, stable revenue, and no planned capital transfers out drives reduced deficit

Deficit will be fully funded by operating reserves

Close monitoring of risk associated with rising fuel costs



SAFE PROPOSED FY 2026-27 CAPITAL PROGRAM

Life-to-Date Capital Budget \$ 9.9M**

Remaining balance* \$ 4.9M**

- No additional capital funding planned for FY2026-27

* as of March 2026

**M denotes millions

No.	Program	Remaining Balance (\$ thousands)	Life-to-Date Budget FY 2026-27 (\$ thousands)
6306	Freeway Service Patrol Data-AVL	\$1,987	\$5,126
6314	CBX Site Improvement	\$816	\$2,244
6320	Emergency/Major Incidents Program	\$606	\$1,000
6321	Incident Management Capital Program	\$1,000	\$1,000
6322	Connected Bay Area Capital Program	\$500	\$500
Total		\$4,909	\$9,871

