

## WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY - METRO

### MISSION STATEMENT

To provide financial contributions, on behalf of Arlington County, to satisfy the formula-allocated subsidy requirements of Metrorail, Metrobus and MetroAccess services provided by the Washington Metropolitan Area Transit Authority (WMATA) throughout the region.

**WMATA is a regional public transportation partnership among the area's state and local governments and the federal government. WMATA's member jurisdictions are:** Arlington and Fairfax counties, the cities of Alexandria, Fairfax and Falls Church in Virginia, the District of Columbia, and Montgomery and Prince George's counties in Maryland. **The Authority's major budgetary programs are Metrorail, Metrobus and MetroAccess operations, and the Capital Improvement Program (CIP).**

### FY 2017 PRIORITIES

WMATA's priorities for FY 2017 are to continue vital safety and state of good repair rebuilding efforts, enhance service delivery for its customers, and constrain cost growth through effective management. To achieve these results, WMATA will continue to fund important safety investments, including full compliance with the 91 **corrective actions required by the Federal Transit Administration's (FTA)** Safety Management Inspection (SMI) report, as well as National Transportation Safety Board (NTSB) recommended projects.

### SIGNIFICANT BUDGET CHANGES

The FY 2017 adopted General Fund transfer for WMATA is \$30,343,315, reflecting a less than one percent increase from the FY 2016 adopted budget; major drivers are increased labor and fringe costs, continued flat forecasts of ridership, and lower projected State transit aid and gas tax revenues. This is offset by a transfer to the capital budget of some activities previously funded in the operating budget. The **County's** operating subsidy increase reflects the following:

- ↑ Metrobus subsidy increases primarily due to a revised cost allocation methodology that reallocated costs between the three transit modes. This was partially offset by the transfer of 3A service to ART bus.
- ↓ Metrorail subsidy decreases due to the revised cost allocation methodology, partially offset by reduced revenues and increased labor and fringe costs.
- ↓ MetroAccess subsidy decreases due to fewer trips originating from Arlington.

### BUDGET DESCRIPTION

The Metro Board adopted the FY 2017 budget in March 2016. **Arlington's share of the** operating subsidy is approximately 6.6 percent of the total. Subsidy increases to the Metrobus, Metrorail and MetroAccess system are driven primarily by increased labor costs and reduced farebox revenues. **WMATA's policy is to adjust fares biennially based on inflation. Fares were increased** six percent in FY 2015, however the FY 2017 budget has no fare increases. The budget gap will be funded by the shifting of additional preventative maintenance costs for Metrobus and Metrorail to the capital budget.

Metrorail annually provides over 200 million passenger trips and serves 11 stations in Arlington along four lines (Orange, Silver, Yellow and Blue). Metrobus has over 11,000 bus stops and over 2,500 shelters in the region. Many transit services in Arlington operate seven days per week providing up to 18 hours of daily coverage. Metro serves an overall population of approximately 4 million within a 1,500 square mile jurisdiction.

### Capital Program

**Metro's** adopted FY 2017 – FY 2022 Capital Improvement Program (CIP) financial plan relies on a forecasted investment of \$6.0 billion from the federal government, state and local governments, and other sources. Of the \$6.0 billion six-year plan: \$2.7 billion comes from federal funding; state and local contributions total \$3.3 billion including planned long-term financing of \$1.2 billion; other sources constitute \$12 million.

**Arlington's share of WMATA's** adopted CIP for FY 2017 is \$15.8 million of baseline funding, and \$5.0 million of funding for a possible issuance of short-term debt in an aggregate amount up to \$58 million in the spring or summer of 2017. **The County's contributions are** funded with a combination of County General Obligation (GO) bonds, state transit aid, and gas tax revenues.

The County has been working with the other regional funding partners of WMATA on a new six-year capital funding agreement (CFA). As part of the FY 2017 budget process, a one-year amendment to the CFA was approved. A six-year agreement, and future levels of funding for the WMATA CIP, will be negotiated as part of the WMATA Proposed FY 2018 – FY 2023 Capital Improvement Program.

### Funding

Passenger and system revenues fund approximately 51 percent of the annual cost of operations. The balance of operating funding comes from local jurisdictional subsidies.

The Northern Virginia Transportation Commission (NVTC) serves as fiscal agent for the Northern Virginia jurisdictions. NVTC receives state transit funds from the Department of Rail and Public Transit (DRPT) on behalf of Northern Virginia jurisdictions, and also federal funds not directly allocated to WMATA. In addition, the state collects a 2.1 percent regional gas tax on behalf of NVTC jurisdictions to be used for payment to WMATA for qualifying operating and capital costs. These revenues are reflected as State Transit Aid and Regional Gas Tax receipts in the County budget description. Local governments provide the balance of required funding for transit operating programs. Arlington County uses General Fund dollars to finance this portion of its share of WMATA operations.

METRO FINANCIAL SUMMARY

	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted	% Change '16 to '17
Metrobus	\$28,298,179	\$29,412,789	\$31,877,181	8%
Metrorail	23,339,330	27,835,195	23,919,983	-14%
MetroAccess	880,464	1,000,732	893,994	-11%
<b>Total Subsidy</b>	<b>52,517,973</b>	<b>58,248,716</b>	<b>56,691,158</b>	<b>-3%</b>
Source of Contributions				
State Transit Aid	21,050,998	23,419,781	22,147,843	-5%
Regional Gas Tax	937,071	4,500,000	4,200,000	-7%
Subtotal, NVTC REVENUES	21,988,069	27,919,781	26,347,843	-6%
Other Revenues <sup>1</sup>	644,264	-	-	-
<b>Total Revenues/Other Sources</b>	<b>22,632,333</b>	<b>27,919,781</b>	<b>26,347,843</b>	<b>-6%</b>
<b>NET TAX SUPPORT</b>	<b>\$29,885,640</b>	<b>\$30,328,935</b>	<b>\$30,343,315</b>	<b>-</b>

<sup>1</sup> Other Revenues includes funds on hand at WMATA from prior year budget savings. Any surplus or deficit from prior years at WMATA is credited to future year budgets.