



WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY - METRO

MISSION STATEMENT

To provide financial contributions, on behalf of Arlington County, to satisfy the formula-based 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. With the commencement of operations of Silver Line Phase II expected in late FY 2022, Loudoun County has also become a member jurisdiction. The Authority's major budgetary programs are Metrorail, Metrobus, and MetroAccess operations and the WMATA Capital Improvement Program (CIP).

FY 2023 PRIORITIES

WMATA's priorities in FY 2023 are to continue providing reliable transit service, to attract and retain ridership after the losses experienced during COVID, and to remain fiscally accountable by adhering to mandated subsidy growth caps required by the State of Maryland and the Commonwealth of Virginia.

SIGNIFICANT BUDGET CHANGES

The FY 2023 proposed General Fund transfer for WMATA is unchanged from last fiscal year at \$46,622,208. An increase to the County's available state transit aid is being utilized to meet the overall four percent increase to the County's WMATA FY 2023 operating subsidy.

The major driver for the FY 2023 operating budget is the prolonged reduction to ridership and fare revenues on Metrobus and Metrorail due to the COVID-19 pandemic. The startup and operating costs related to Silver Line Phase II, which continues to be delayed, will also impact the FY 2023 operating budget once operations begin in late FY 2022. Continued in FY 2023 is the use by WMATA of one-time federal funds provided to assist transit agencies nationwide that are impacted by the COVID-19 pandemic.

BUDGET DESCRIPTION

The Metro General Manager provided his FY 2023 proposed budget in December 2021. The WMATA operating budget totals \$2.3 billion while the capital budget totals \$2.4 billion. The operating budget is funded primarily from passenger fares and other revenues, with the balance paid by the local funding jurisdictions. In FY 2023, federal funding is included again as a one-time funding source to offset revenue and expenditure impacts of the COVID-19 pandemic. Arlington's share of the local jurisdictional operating subsidy, net of revenues, is approximately seven percent of the total. WMATA's policy is to adjust fares biennially based on inflation. A mix of fare increases were approved in FY 2021, however due to COVID-19 they were repealed in November 2020. Various fare changes such as \$2 weekend flat fares and rail transfer discount, as well as a reduced cost regional bus pass were implemented in FY 2022 to incentivize riders to return to using WMATA. Further fare incentives are proposed in FY 2023 to continue attracting riders back to the system.

Prior to COVID-19, Metrorail provided over 175 million passenger trips and Metrobus provided over 120 million trips annually. The Metrorail system serves 11 stations in Arlington along four lines (Orange, Silver, Yellow, and Blue) and Metrobus has over 10,000 bus stops throughout 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 four million within a 1,500 square mile jurisdiction.

Capital Program

Metro's proposed FY 2023 - FY 2028 Capital Improvement Program (CIP) financial plan relies on a forecasted investment of \$14.0 billion funded by the federal government, state and local governments, and other sources. Of the \$14.0 billion six-year plan: \$2.3 billion comes from federal funding; state and local jurisdiction contributions total \$5.7 billion including a match to PRIIA funding; \$96 million comes from reimbursable local projects; and \$5.8 billion comes from new dedicated funding approved in 2018 by the District of Columbia, Maryland, and the Commonwealth of Virginia.

Arlington's share of WMATA's Proposed CIP for FY 2023 is \$23.5 million of baseline funding. The County's contributions are funded with a combination of County General Obligation (GO) bonds, state transit aid, and gas tax revenues. In addition, Arlington's FY 2023 share of the Virginia \$155 million dedicated WMATA capital funding commitment is \$7.5 million and payable to the Commonwealth of Virginia. The County funds this obligation from GO Bonds.

Funding

Passenger and system revenues historically funded over half of the annual cost of operations. In FY 2023, it is projected that fare revenues will remain substantially below historic levels and only cover approximately 16 percent of operating expenditures. The federal government approved relief funding that will continue to help WMATA offset some of the ongoing revenue and expenditure impacts due to the COVID-19 pandemic. 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 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 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	% Change '22 to '23
Metrobus ¹	\$35,882,003	\$35,151,115	\$37,938,015	8%
Metrorail	49,072,962	50,690,724	40,072,906	-21%
MetroAccess	1,475,113	1,221,480	1,900,134	56%
Total WMATA Subsidy	86,430,078	87,063,319	79,911,055	-8%
Source of Contributions				
State Transit Aid	28,095,933	29,915,730	31,647,705	6%
Regional Gas Tax	1,000,000	1,000,000	1,000,000	-
Subtotal, NVTC REVENUES	29,095,933	30,915,730	32,647,705	6%
Transportation Capital Fund - New Bus Operating Costs ¹	341,142	341,142	641,142	88%
CARES Act Funding	9,184,239	9,184,239	-	-100%
Total Revenues/Other Sources	38,621,314	40,441,111	33,288,847	-18%
One-Time Funding ²	1,186,556	-	-	-
Ongoing General Fund Tax Support	46,622,208	46,622,208	46,622,208	-
TOTAL NET GENERAL FUND TAX SUPPORT	\$47,808,764	\$46,622,208	\$46,622,208	-

¹ Beginning in FY 2019, the operating costs associated with new or increased service to bus routes as laid out in the County's adopted Transit Development Plan (TDP) are partially funded from the Transportation Capital Fund. \$641,142 in associated costs are included in FY 2022 which includes one quarter of new WMATA 16M bus service.

² Arlington's FY 2021 budget funded its share of WMATA's FY 2021 budget amendment for planned Silver Line Phase II costs.