

## *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, Fairfax, and Loudoun 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 WMATA Capital Improvement Program (CIP).

### **FY 2025 PRIORITIES**

WMATA's priority in FY 2025 is to provide the region with a world-class integrated transit system offering all-day, safe, customer focused service through modernized vehicles and infrastructure. Metro's core strategic goals of service excellence, talented teams, regional partnership, and sustainability guide its mission to continue to improve service for the region.

### **SIGNIFICANT BUDGET CHANGES**

The FY 2025 adopted General Fund transfer for WMATA increases five percent from last fiscal year at \$49,753,571. An increase to the County's available state transit aid is being utilized to meet the overall twelve percent increase to the County's total WMATA FY 2025 adopted operating subsidy.

The major drivers for the FY 2025 operating budget are the continued reduction to ridership and fare revenues on Metrobus and Metrorail post-pandemic, commencement of Silver Line Phase II, and a reduction to available federal relief funds used to support the operating budget.

### **BUDGET DESCRIPTION**

The Metro General Manager provided his FY 2025 proposed budget in December 2023. The WMATA operating budget totals \$1.8 billion, while the capital budget totals \$2.6 billion. The operating budget is funded primarily from passenger fares and other revenues, with the balance paid by the local funding jurisdictions. Federal funding that has been included as a one-time funding source to offset revenue and expenditure impacts since the COVID-19 pandemic has been reduced significantly in FY 2025 as the final \$90 million of funding will be utilized; Arlington's share of the local jurisdictional operating subsidy, net of revenues, is approximately seven percent of the regional total.

Prior to COVID-19, Metrorail provided over 175 million passenger trips and Metrobus provided over 120 million trips annually. It is projected in FY 2025 that Metrorail will provide 84 million trips and Metrobus will provide 86 million trips.

It is important to note that the WMATA Proposed FY 2025 budget is constrained based on available jurisdictional funding being capped at three percent annual growth. The proposed budget closed a \$664 million funding gap through 1) severe cuts to rail, bus, and paratransit service, 2) fare increases, and 3) the capitalization of some preventative maintenance expenditures. Should there

be an agreement regionally to provide additional financial assistance to WMATA to reduce the level of service cuts, fare increases, or capitalization of preventative maintenance, Arlington will consider the use of its state transit aid balances at the Northern Virginia Transportation Commission (NVTC) to the extent funds are available to meet the additional need.

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 2025 - FY 2030 Capital Improvement Program (CIP) financial plan relies on a forecasted investment of \$13.3 billion funded by the federal government, state and local governments, and other sources. Of the \$13.3 billion six-year plan: \$4.0 billion comes from federal funding; state and local jurisdiction contributions total \$2.8 billion including a match to PRIIA funding; \$98 million from reimbursable local projects; \$3.4 billion comes from the issuance of debt supported by dedicated funding; and \$3.1 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 2025 is \$24.8 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 2025 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 2025, it is projected that fare revenues will remain substantially below historical levels and only cover approximately 22 percent of operating expenditures. The federal government approved relief funding that will continue to help WMATA in FY 2025, but at a lower level as the final balance of \$95 million is expended, to 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**

	<b>FY 2023 Actual</b>	<b>FY 2024 Adopted</b>	<b>FY 2025 Adopted</b>	<b>% Change '24 to '25</b>
Metrobus <sup>1</sup>	\$38,612,914	\$40,432,430	\$51,949,304	28%
<i>Bus Fareless Pilot Program</i> <sup>2</sup>	-	360,000	360,000	-
Metrorail	38,759,194	42,911,442	42,182,171	-2%
MetroAccess	2,238,947	2,168,345	1,679,657	-23%
<b>Total WMATA Subsidy</b>	<b>79,611,055</b>	<b>85,872,217</b>	<b>96,171,132</b>	<b>12%</b>
Source of Contributions				
State Transit Aid	31,647,705	36,088,681	44,476,839	23%
Regional Gas Tax	1,000,000	1,600,000	1,600,000	-
<b>Subtotal, NVTC REVENUES</b>	<b>32,647,705</b>	<b>37,688,681</b>	<b>46,076,839</b>	<b>22%</b>
Transportation Capital Fund - New Bus Operating Costs <sup>1</sup>	341,142	341,142	341,142	-
Bus Fareless Pilot Program	-	360,000	-	-100%
<b>Total Revenues/Other Sources</b>	<b>32,988,847</b>	<b>38,389,823</b>	<b>46,417,981</b>	<b>21%</b>
<b>TOTAL NET GENERAL FUND TAX SUPPORT</b>	<b>\$46,622,208</b>	<b>\$47,482,394</b>	<b>\$49,753,151</b>	<b>5%</b>

<sup>1</sup> 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. \$341,142 in associated costs are included in FY 2024.

<sup>2</sup> A bus fareless pilot program for Arlington Public School Students, iRide, was included in the FY 2024 and FY 2025 budgets.