

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. Originally planned for FY 2020 but delayed until FY 2022, Loudoun County will become a member jurisdiction in Virginia once operations of Silver Line Phase II begin. The Authority's major budgetary programs are Metrorail, Metrobus, and MetroAccess operations and the WMATA Capital Improvement Program (CIP).

FY 2022 PRIORITIES

WMATA's priorities in FY 2022 are to utilize federal funding to support the regional economy and continue providing transit service, to implement new Silver Line Phase II service, 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 2022 adopted General Fund transfer for WMATA is \$46,622,208, a two percent reduction in ongoing General Fund support. An increase to the County's available state transit aid and gas tax balances is being utilized to meet the overall one percent increase to the County's WMATA FY 2022 operating subsidy.

The major driver for the FY 2022 operating budget is the ongoing 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 2022 operating budget once operations begin. Continued in FY 2022 is the receipt by WMATA of one-time federal funds provided to assist transit agencies nationwide that are impacted due to COVID-19. These funds can be used by agencies to address expenditures or revenues that were directly impacted by the COVID-19 pandemic.

BUDGET DESCRIPTION

The Metro General Manager provided his FY 2022 adopted budget in December 2020. The WMATA operating budget totals \$2.1 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. In FY 2022, federal funding is included 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. Fares were increased on average by six percent in FY 2015, and by approximately 14 percent in FY 2018. A mix of fare increases were approved as part of the FY 2021 operating budget, however due to COVID-19 the increases were deferred six months before being ultimately repealed in November 2020.

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 adopted FY 2022 - FY 2026 Capital Improvement Program (CIP) financial plan relies on a forecasted investment of \$13.6 billion funded by the federal government, state and local governments, and other sources. Of the \$13.6 billion six-year plan: \$2.1 billion comes from federal funding; state and local jurisdiction contributions total \$5.7 billion including a match to PRIIA funding; \$76 million from reimbursable local projects; \$5.6 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 adopted CIP for FY 2021 is \$23 million of baseline funding. As part of Virginia's new \$155 million of dedicated funding for WMATA's capital program, Arlington must also contribute \$7.2 million of capital funding to the Commonwealth of Virginia. The County's contributions are funded with a combination of County General Obligation (GO) bonds, state transit aid, and gas tax revenues.

Funding

Passenger and system revenues historically funded over half of the annual cost of operations. In FY 2022, it is projected that fare revenues will remain substantially below historical levels and only cover approximately nine percent of operating expenditures. The federal government approved the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) that will help WMATA in FY 2021 and FY 2022 to offset some of the 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 2020 Actual	FY 2021 Adopted	FY 2022 Adopted	% Change '21 to '22
Metrobus ¹	\$35,147,328	\$35,151,115	\$35,151,115	-
Metrorail	41,841,624	42,803,062	43,368,906	1%
Silver Line Phase II	-	7,321,818	7,321,818	-
MetroAccess	1,171,480	1,221,480	1,221,480	-
FY 2019 Labor and MetroAccess Costs ²	2,873,873	-	-	-
Total WMATA Subsidy	81,034,305	86,497,475	87,063,319	1%
Source of Contributions				
State Transit Aid	30,445,526	28,163,330	29,915,730	6%
Regional Gas Tax	2,650,000	1,000,000	1,000,000	-
Subtotal, NVTC REVENUES	33,095,526	29,163,330	30,915,730	6%
Transportation Capital Fund - New Bus Operating Costs ¹	341,142	341,142	341,142	-
CARES Act Funding	-	9,184,239	9,184,239	-
Total Revenues/Other Sources	33,436,668	38,688,711	40,441,111	5%
One-Time Funding ²	2,838,033	1,186,556	-	-100%
Ongoing General Fund Tax Support	44,759,604	46,622,208	46,622,208	-
TOTAL NET GENERAL FUND TAX SUPPORT	\$47,597,637	\$47,808,764	\$46,622,208	-2%

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. \$341,142 in associated costs are included in FY 2022.

² In November 2018, the WMATA board approved amendments to their fiscal year 2018 and 2019 budgets for increases to personal and contracted services. Payment for the FY 2019 budget amendment was due in two installments in FY 2019 & FY 2020 and were paid from one-time funds identified in the County's budget.