

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 in November 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 2024 PRIORITIES

WMATA's priorities in FY 2024 are to support the region's recovery from the COVID-19 pandemic by building on important steps that Metro took in the last three fiscal years to restore and improve service and provide more convenient fare options, and to support the region's long-term livability and economic growth.

SIGNIFICANT BUDGET CHANGES

The FY 2024 proposed General Fund transfer for WMATA increases two percent from last fiscal year at \$47,482,394. An increase to the County's available state transit aid is being utilized to meet the overall eight percent increase to the County's total WMATA FY 2024 proposed operating subsidy.

The major drivers for the FY 2024 operating budget are the prolonged 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 2024 proposed budget in December 2022. The WMATA operating budget totals \$2.4 billion, while the capital budget also 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 2024, federal funding continues to be included as a one-time funding source to offset revenue and expenditure impacts that have continued since the COVID-19 pandemic; however, those funds are expected to be fully expended in FY 2024. 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. Currently those amounts have dropped to 116 million and 106 million, respectively. 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 2024 - FY 2029 Capital Improvement Program (CIP) financial plan relies on a forecasted investment of \$14.4 billion funded by the federal government, state and local governments, and other sources. Of the \$14.4 billion six-year plan: \$3.8 billion comes from federal funding; state and local jurisdiction contributions total \$2.8 billion including a match to PRIIA funding; \$132 million from reimbursable local projects; and \$7.7 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 2024 is \$24.1 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 2024 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 2024, 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 2024 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

	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	% Change '23 to '24
Metrobus ¹	\$30,333,708	\$37,938,015	\$40,432,430	7%
<i>Bus Fareless Pilot Program</i> ²	-	-	360,000	-
Metrorail	31,772,047	40,072,906	42,911,442	7%
MetroAccess	1,451,541	1,900,134	2,168,345	14%
Total WMATA Subsidy	63,557,296	79,911,055	85,872,217	7%
Source of Contributions				
State Transit Aid	16,093,946	31,647,705	36,088,681	14%
Regional Gas Tax	500,000	1,000,000	1,600,000	60%
Subtotal, NVTC REVENUES	16,593,946	32,647,705	37,688,681	15%
Transportation Capital Fund - New Bus Operating Costs ¹	341,142	641,142	341,142	-47%
Bus Fareless Pilot Program	-	-	360,000	-
Total Revenues/Other Sources	16,935,088	33,288,847	38,389,823	15%
TOTAL NET GENERAL FUND TAX SUPPORT	\$46,622,208	\$46,622,208	\$47,482,394	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 2024.

² Arlington's FY 2024 budget includes the use of \$360k of ARPA funding for a bus fareless pilot program for Arlington Public School Students.