SJ 28 Joint Subcommittee Meeting #7

OCTOBER 21, 2025

Meeting Agenda

October 21, 2025

I. Call to Order
II. Recap of the June 23, 2025 Joint Subcommittee Meeting
III. Report from the Chair of the Technical Working Group
IV. Report from the DMV*Moves* Task Force
V. Presentation: WMATA Update
VI. Presentation: Cost Containment Research
VII. Presentation: Transit Agency Needs
VIII. Discussion and Public Comment
IX. Closing Remarks and Adjournment

Recap of the June 23, 2025 SJ 28 Meeting

- Reviewed estimates and qualitative evaluation criteria for **14 potential revenue sources** across statewide, NVTC, and PRTC geographies
- Subcommittee Feedback: desire to better understand scale of agency needs to further evaluate revenue sources



III. Report from the Chair of the Technical Working Group

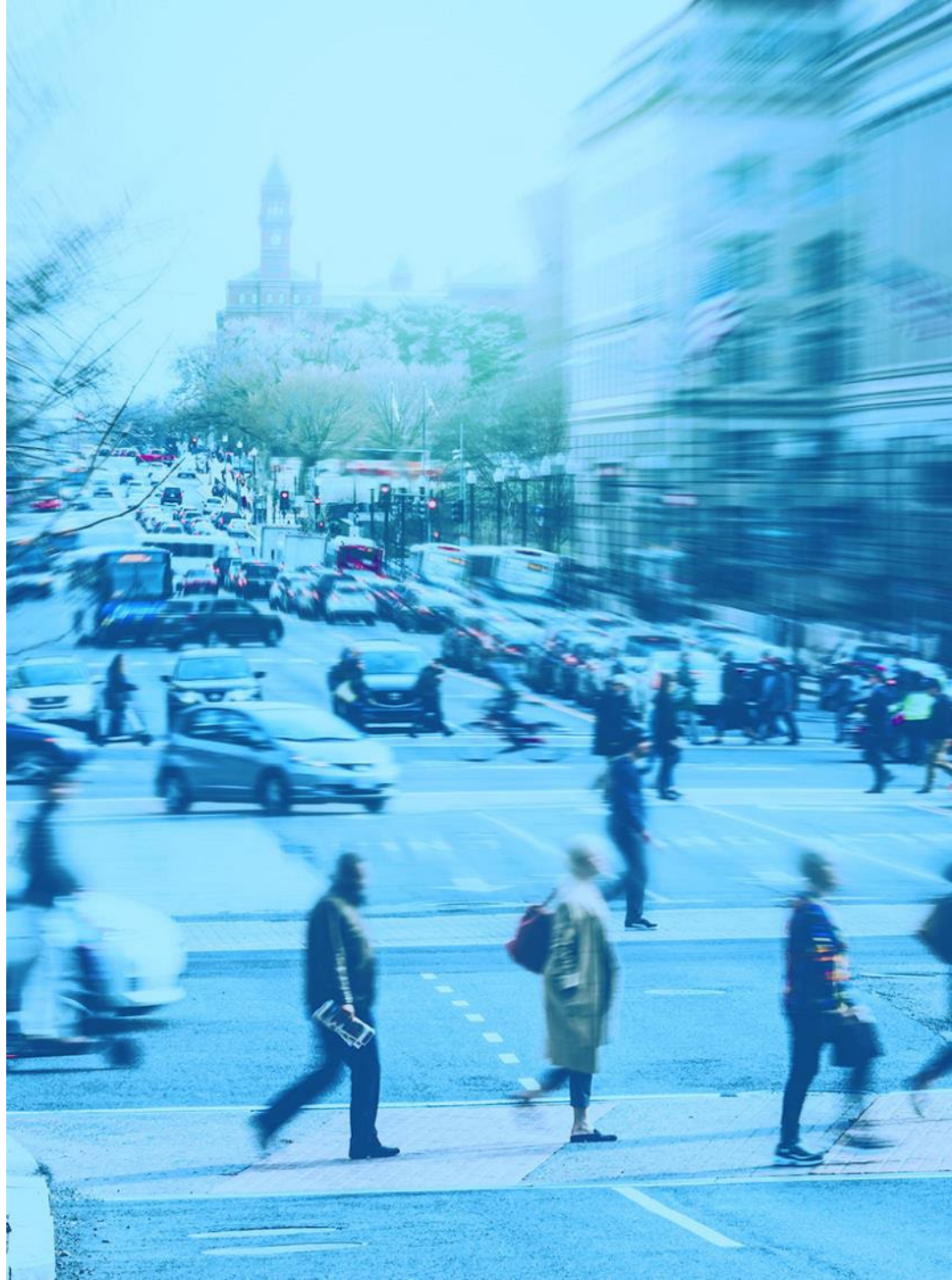
IV. Report from the DMV*Moves* Task Force

DMVMOVES

Moving our region forward, together.

Report from the DMV*Moves* Task Force

SJ 28 Joint Subcommittee
October 21, 2025
Nick Donohue, DMVMoves Facilitator



Proposed DMV*Moves* investment plan

WMATA World-Class Transit Investments

$460M in FY28 + 3% per year

Rail Modernization

Reinvesting in and Modernizing Metro

Regional Bus Priority Network –
(Partnerships for design, funding, implementation, and service)

+ State/Local investments in priority bus corridors

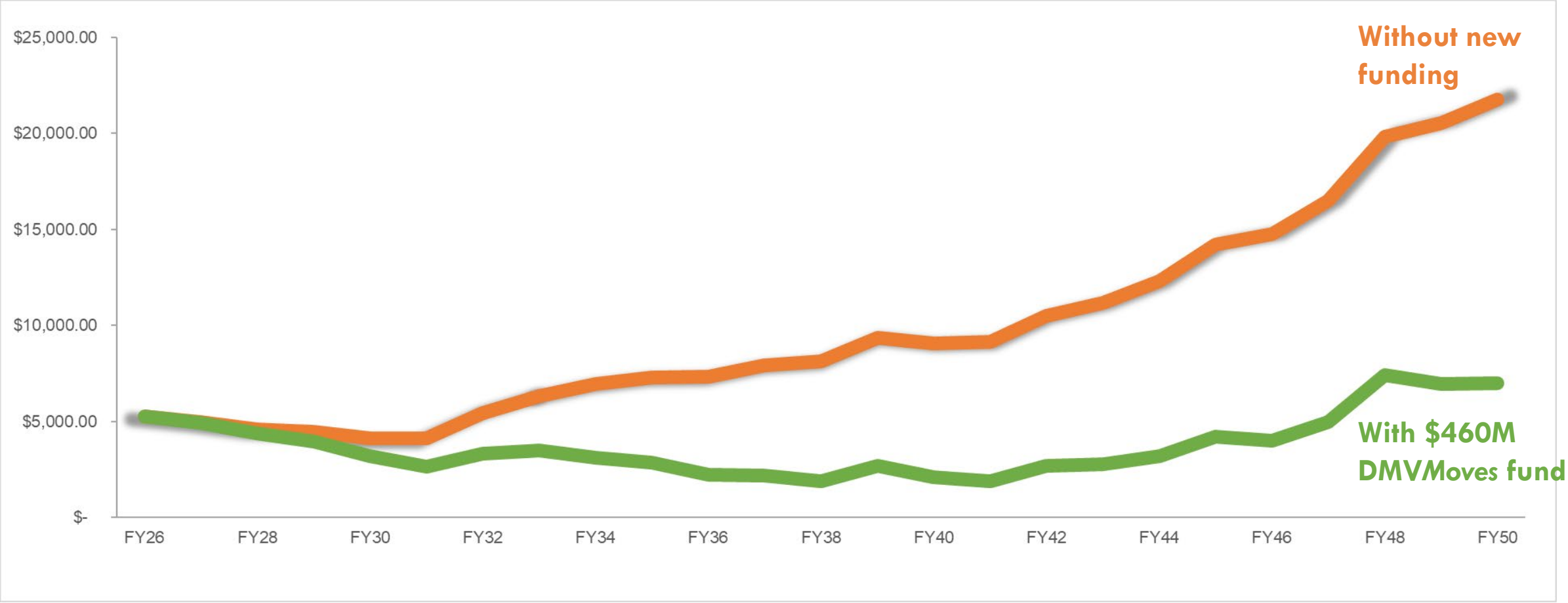
Action Plan recommendations for more integrated and seamless regional transit:

- Implement bus priority strategies to get best value from high-frequency routes
- Adopt shared bus service guidelines and consistent performance measures
- Integrate and align fare policies to provide consistent customer experience
- Improve wayfinding, customer information, and amenities at transit stops
- Explore shared use of resources and assets and grouped procurements
- Make training, certification, and inspection programs more consistent across the region

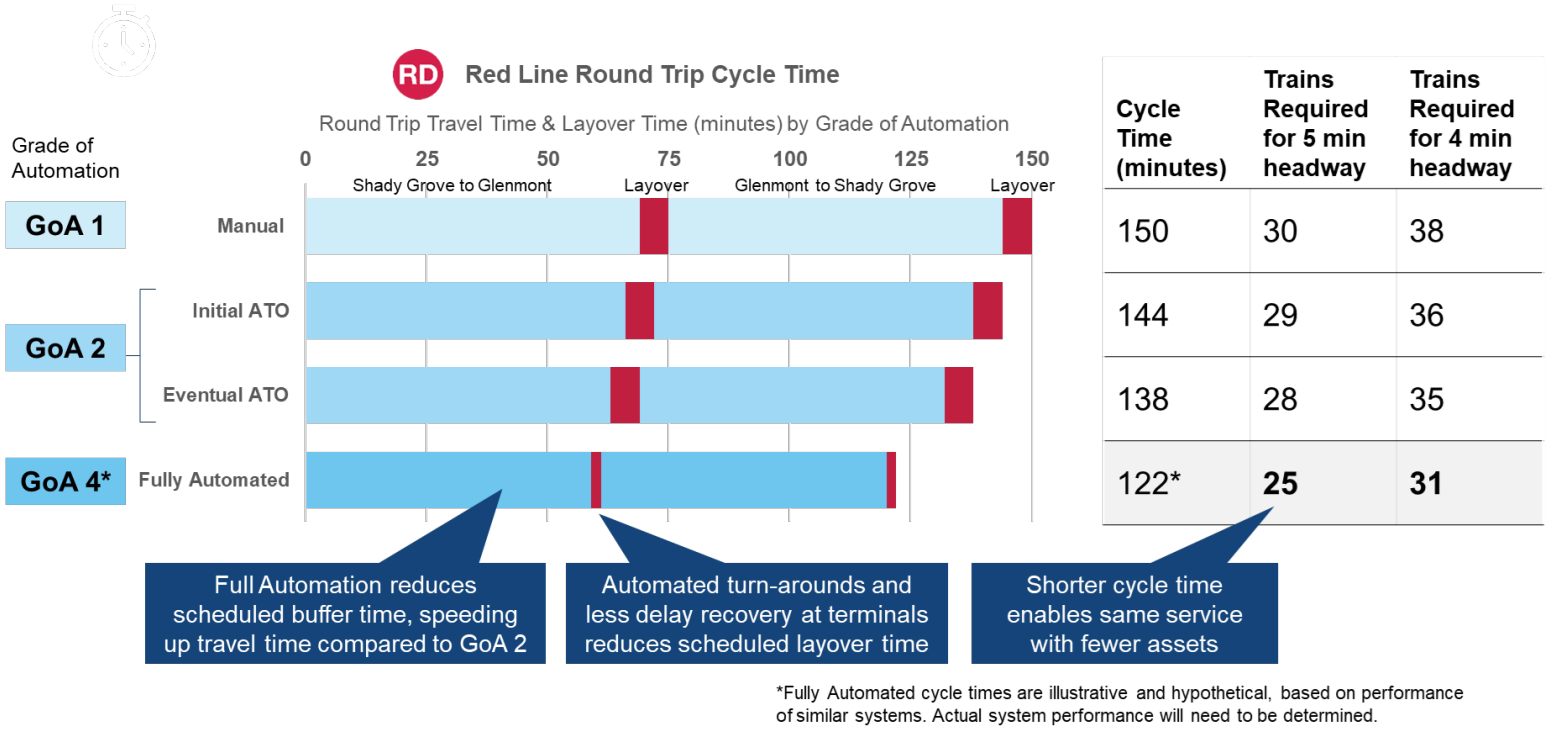
New funding will sustain Metro's capital program

This graph illustrates how DMVMoves funding will help Metro reduce and manage its capital backlog.

Capital Program Backlog Scenario Comparison



Action: Rail Modernization is needed to improve operational efficiency and reduce operating costs



Cycle Time (minutes)	Trains Required for 5 min headway	Trains Required for 4 min headway
150	30	38
144	29	36
138	28	35
122*	**25**	**31**

*Fully Automated cycle times are illustrative and hypothetical, based on performance of similar systems. Actual system performance will need to be determined.

10% estimated annual operating cost savings

for same levels of service

FY26 Metrorail operating cost



$12.26 per service mile

Metro can sustain operations under 3% cap if rail unit costs reduced to at least:



$11.95 per service mile

If planned investments and other strategies further reduce per-unit costs, Metro can improve service within assumed resources

Region's commitment to new DMV*Moves* funding

The Task Force and Advisory Groups agreed that DMV*Moves* funding needs to:

- Be **reliable** and **predictable**
- **Grow** at least 3% per year to keep up with inflation
- Be **bondable**
- Have **no restrictions or encumbrances** on use and uniform requirements

Funding predictability and flexibility will allow Metro to manage reasonable variations in both capital outlay and operating costs, ridership, and revenue

Accountability and transparency

- Updating Metro's 3% operating budget cap to apply to unit costs of service rather than aggregate budget
- 20-year capital plan updated every 5 years
    - Including analysis of opportunities and capital investments to reduce operating costs
- Annual report to COG/TPB on system and capital program performance – core outcomes from funding

Assumptions: Sustaining Metro's capital program

- No change to existing, current capital funding sources
  - Federal formula funds grow at a rate consistent with last ~20 years
  - PRIIA funding continues but does not grow
  - 2018 Dedicated Capital Funding continues but does not grow
- Metro receives new DMVMoves funding that grows 3% per year
- That 3% growth roughly keeps pace with inflation
- Labor and equipment markets largely stable
- Ridership and revenue growth averages 2% annually over 25-year horizon
- Fares increase every 3 years, in increments that make sense to customers
- Region works to advance key bus priority corridors

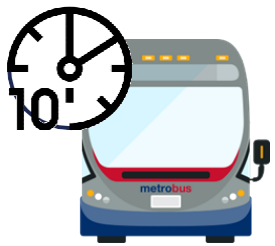
Outcomes from DMV Moves funding

- WMATA will maintain state of good repair of rail and bus system
- Unit costs of service will grow at 3% or less annually
- WMATA will implement rail modernization investments that (i) reduce travel times, (ii) improve reliability, (iii) improve safety and (iv) lower costs
- Core capacity constraints at Rosslyn Tunnel for the system will be address through rail modernization and bus priority investments

When congestion makes buses slower, transit agencies need more buses and money to run the same service

To keep buses running every…

10 minutes



On a route that takes…

50 minutes



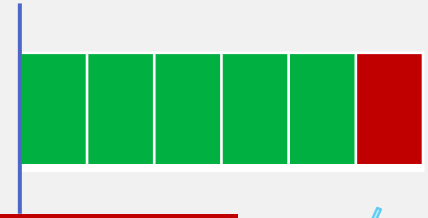
Metro needs to provide…

5 buses and operators



When that service becomes **10 minutes slower** because of congestion...

60 minutes



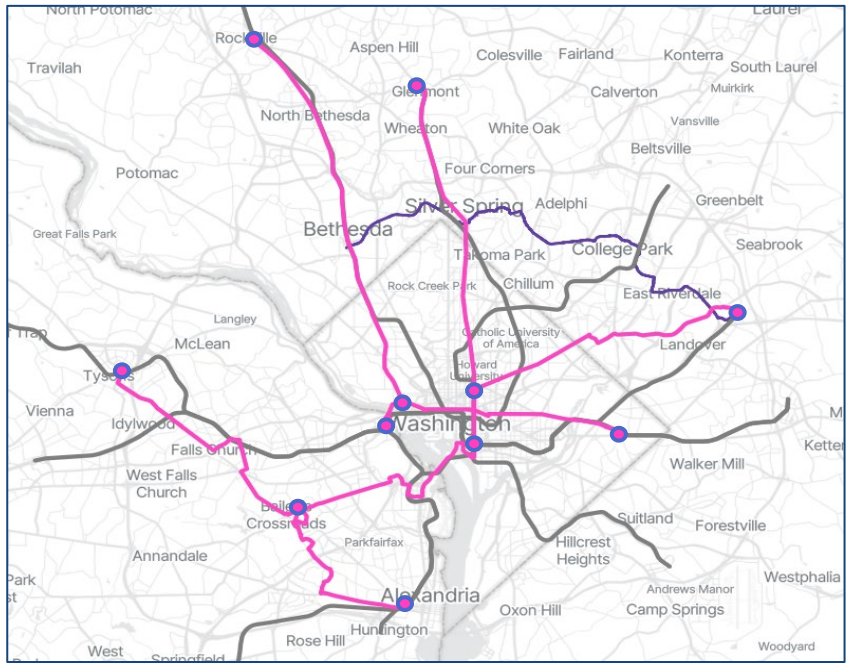
+20% time penalty for customers

6 buses and drivers



+1 bus to purchase and maintain, additional bus operator to hire

DMV*Moves* 6 priority corridors – WMATA and Local Partnership

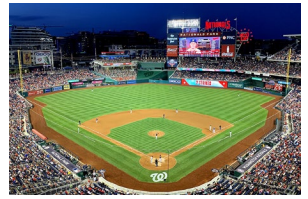


Ridership Potential

37,000
New daily trips

≈

A full Nationals Park



Travel Time Savings

1.6 million
Annual hours saved

$630M over 30 years
in value of passenger time saved

Regional Street Usage

0.5%
of regional **arterial** lane miles proposed for dedicated bus lane investment

Regional Access

1.5 million
jobs

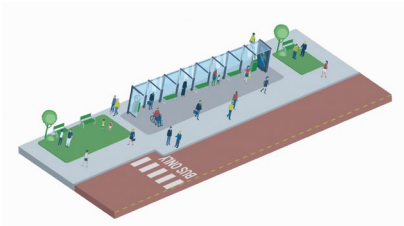
560,000
households
(by 2050)

Benefitting Operators

DASH · ART arlington transit · Fairfax Connector · LoudounCounty LC Transit · MDOT Maryland Department of Transportation, Maryland Transit Administration · metro · OMNIRIDE · Ride On Montgomery County Transit · The Bus

Frequent Service Investment

69 miles serving **23 Frequent Service Network** routes



Potential Operating Savings

Up to **$18 million**
in potential annual operating savings
(or reinvestment opportunity in better service)

Seamless and Integrated Policy Recommendations

- Integrated fare policy – universal transfer credit, low-income discount, kids ride free
- Regional service design guidelines
- Performance reporting
- Wayfinding – bus flags, customer calls, bus stop design
- Procurement coordination to explore opportunities for joint procurement

DMV Moves Recommendations – Summary

- $460M in new funding for WMATA starting in FY28 growing at 3% annually to (i) reinvest in Metro system and (ii) rail modernization
- New and revised accountability provisions – 3% cap, 20-year capital plan, single report with key information
- Policies to advance more seamless and integrated transit network and administration
- Regional commitment to partner to plan, develop and implement 6 regional MetroBus priority corridors

V. WMATA Update

Metro Update

Northern Virginia Growing Needs of Public Transit Joint Subcommittee

Randy Clarke, General Manager and CEO, WMATA
Tom Webster, Acting Executive Vice President and CFO, WMATA

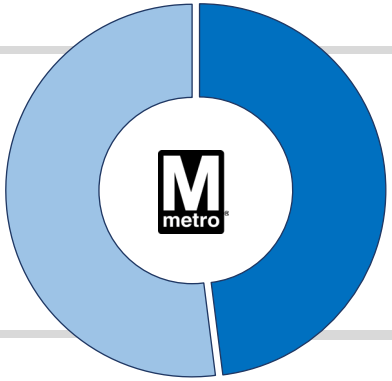
Washington Metropolitan Area Transit Authority
October 21, 2025

Metro At A Glance

FY2026 Budget

Capital $2.4B

Operating $2.6B*



$5.0B total budget

*Includes reimbursables and debt service

Regional Investment

Metro station areas =3% of land

Metro repays the ***region's investment*** many times over.

30% of property value

65% of new office developments

$3.2B Tax revenue

Transit customers save $2,800 **per year**

on average by not having to pay for rideshares, taxis, parking, and tolls

Accomplishments

Service Excellence



Activated Automatic Door Operations across all lines, a critical step in the rail automation program

Talented Teams



Welcomed the inaugural class of the new Metro Transit Police Department Criminal Justice Academy

Regional Opportunity & Partnership



Restructured the Metrorail and Metrobus operating subsidy allocation formula to improve transparency and better align service costs with regional benefits

Financial Stewardship & Resource Management



Completed installation of more-secure faregates at all 98 stations and fareboxes on 1,500 buses to reduce fare evasion

Metro's Impact by the Numbers

#1
2025 APTA award for outstanding transit agency

9
years of successful clean audits

92%
FY25 historic customer satisfaction numbers on rail

83%
FY25 historic customer satisfaction numbers on bus

3
category leaders in federal safety measures

55%
reduction in crime over three years — lowest level in eight years

30,000+
systemwide public safety cameras

82%
reduction in Metro Rail fare evasion

57%
of paratransit trips served through Abilities-Ride

1,490
residential units built on Metro property since 2022

$2.2M
saved by customers using Metro Lift

54
consecutive months of year-over-year ridership growth

265M
total trips in FY2025

11
new high-frequency routes in new bus network

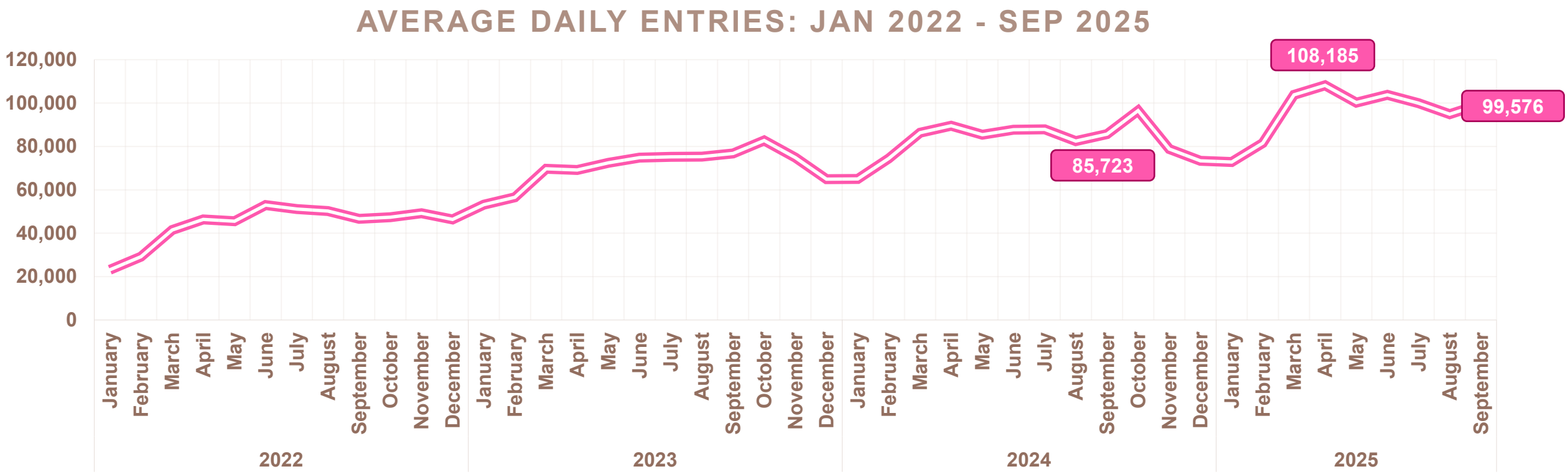
$215M
annual tax revenue through joint development

Virginians Are Returning to Metrorail

The number of trips originating at Virginia Metrorail stations continues to grow year-over-year.

April 2025 saw the highest ridership at Virginia Metrorail stations since the pandemic, with over 108,000 average daily rail entries.

September 2025 ridership was over 16 percent higher than September 2024 ridership at Virginia Metro stations.



FY2025 Year-End Savings:

Savings highlight Metro's continued operational efficiency and strengthening ridership and revenue trends

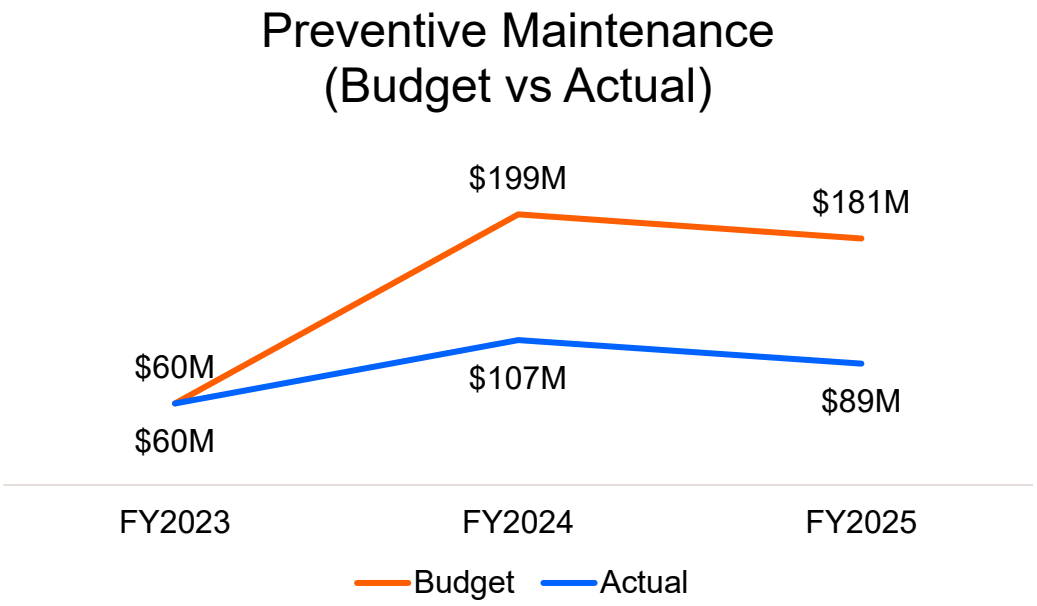
Total FY2025 Savings = $120M

$28M
One-Time Operating Savings

$92M
PM Transfer Savings

Savings carried into FY2026 **Operating Budget**

Reinvestment in the **Six-Year Capital Program**



FY2025 Budget Operating Efficiencies

- ☑ **Cost Efficiency Task Force:** Implemented an additional $50 million in ongoing operating expense efficiencies and savings across the Authority for FY2025 and beyond
- ☑ **Salary and Wage Adjustment:** Froze wages of all non-represented employees and two of Metro's largest collective bargaining units saving $38 million
- ☑ **Optimized Service Based on Ridership:** Scheduled peak service periods to align with ridership levels. Operated more six-car trains where shorter trains provide sufficient capacity. Reduced service levels on holidays with low ridership. Total savings of $20 million.

FY2026 Operating Budget Drives Ridership, Modernization, and Efficiencies

Rail Optimization

- Add peak capacity to address ridership growth
- Extend half of Yellow Line trains to Greenbelt
- (Begins December 2025)
- Open earlier on weekend mornings and close late on weekend late nights

Savings from automatic train operations help fund service; **~$2.5 million** in savings from deferring YL extension and reducing staffing at 5 stations with multiple entrances during low ridership times

Better Bus Network

- Implement the Year One Better Bus Network
- 11 more routes in the Frequent Service Network
- Increased midday, evening, and weekend service

Total of **$6 million** of savings from new scheduling software as well as reduction of peak bus and deadhead time

Fares and Fees

- No fare changes
- Introduce open payment (Tap. Ride. Go.)
  - Tap to ride with contactless credit/debit mobile devices and cards with no fee

Savings included under modernization investments

Modernization Investments

- Targeted cost reductions and efficiencies from
  - Technology Modernization
  - Cash Collection Modernization
  - Inventory and Supply Chain Modernization

$10 million of savings from modernization

The Federal Transit Administration's required Title VI analysis of the proposed rail service and fee changes is attached to the resolution. The analysis describes one disparate impact finding and Metro's substantial legitimate justification for moving forward.

FY2027 Operating Budget Preview: Key Savings & Reinvestments

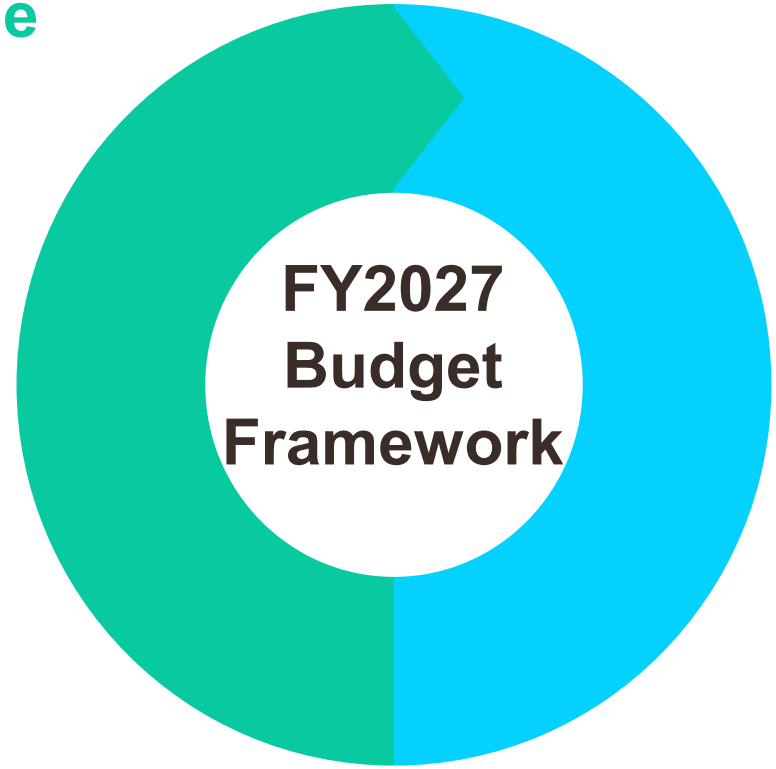
Efficiencies and Revenue

Automatic Train Operations
Additional scheduling efficiencies from return to ATO

Bus Efficiencies
Savings from optimizing bus schedules

Vacancy Management
Reduce positions to align staff with operational priorities

Improved Ridership
Stronger than anticipated growth driving higher revenue



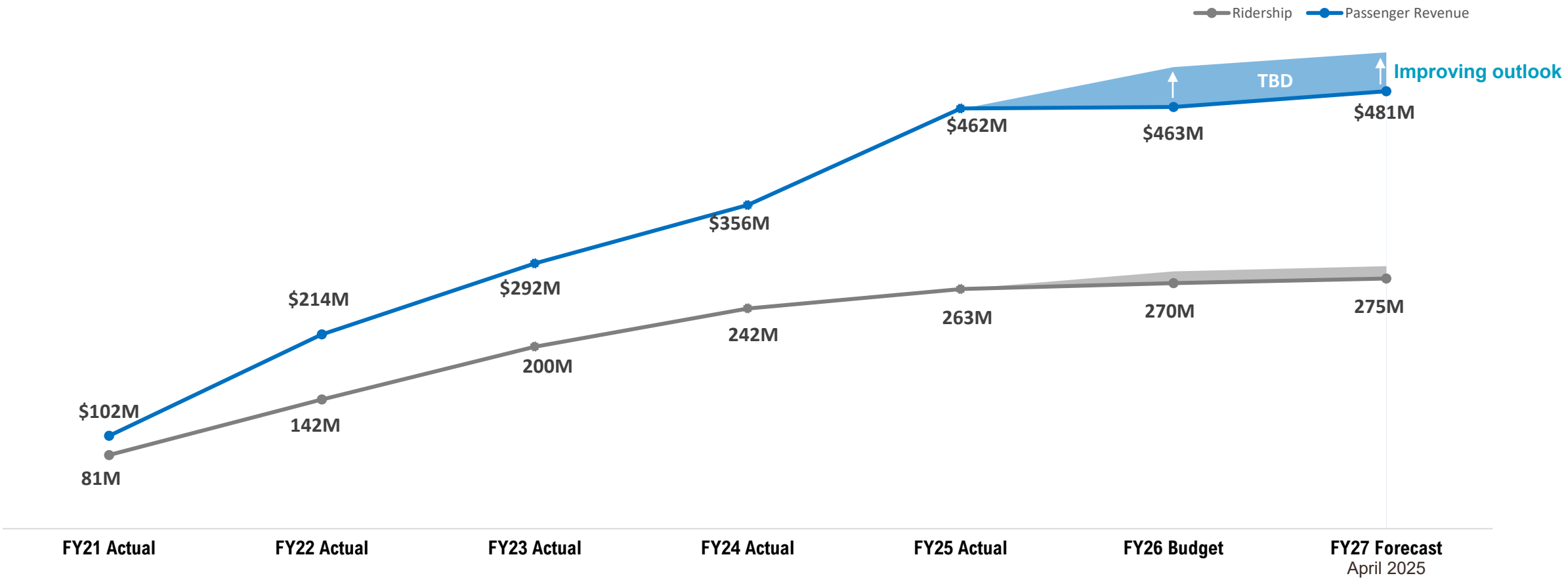
Reinvestments

Service Optimization
Address crowding and enhance all-day Metrorail service, improve Metrobus frequency, span, and coverage

Initiatives
Enhance organizational development and digital modernization

Preventive Maintenance
Reduce reliance on capital resources to fund operating expenses

Ridership Outlook Improving from FY2026 Budget Levels



Capital Program Cost Savings

- Metro identified more than $175M of Capital Program administrative savings*
- Metro has identified over $100M through project reviews of opportunities for structural recurring savings by simplifying standards, requirements and practices, and reducing customization
- Capital program cost reductions preserve funding capacity for future investments
- Metro will continue to identify opportunities for further cost savings and efficiencies

Examples of Cost Savings – No Impact to Investment Outcome

*FY2025-FY2031

Bus Shelters

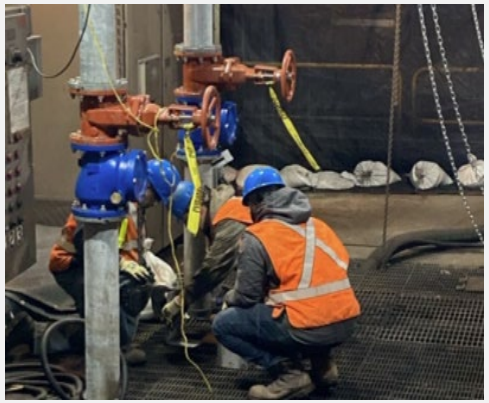
Reducing per shelter cost by ~50%



Rhode Island Ave-Brentwood Station

Drainage Pumping Stations

Reducing project cost by ~$5M



Drainage Pumping Station Work

Digital Modernization

Reducing system support cost by ~$17M



IT Infrastructure at Eisenhower Ave Office

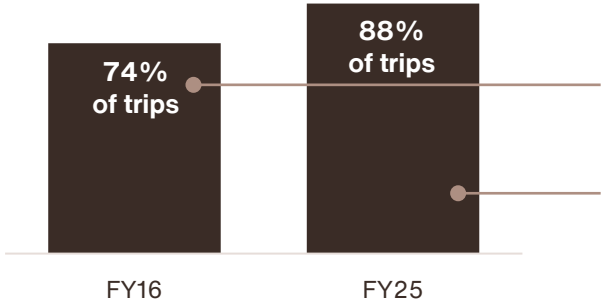
Examples of Capital Program Investments Improving Outcomes

Dedicated capital funding passed in 2018 has improved system performance, resulting in a better customer experience

- Investments in making trips safer, faster, and more frequent transformed customer satisfaction and ridership
- Sustained improvements in rail on-time performance, escalator availability, and mean distance between failure are due to investments in Metro assets

Rail On-Time Performance

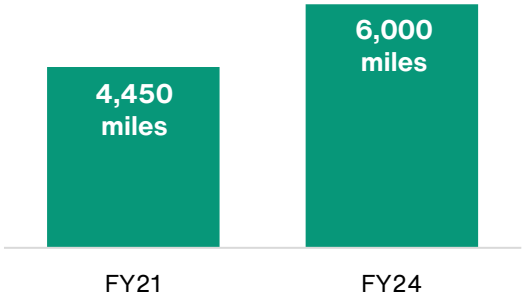
Sustained improvements in **rail on-time performance** are due to investments in infrastructure and vehicles



Pre-Safetrack with only ~10% of service provided by 7000-series

Over eight years of ongoing infrastructure investment with ~65% of service provided by 7000-series, which are 2-3x more reliable than the older fleet

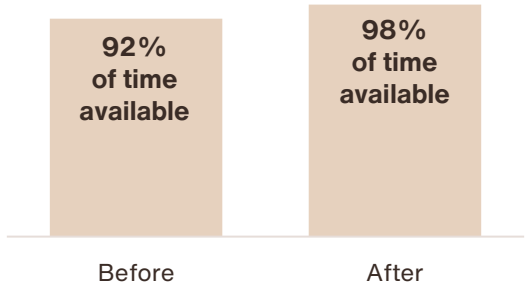
Bus Fleet Performance



Refurbishment of bus fleets increases **mean distance between failure** by 35%, contributing to fewer missed trips and better on-time performance

**Subset of the fleet that received mid-life overhaul*

Escalator Availability



Replacing aging escalators increases **availability** by 6 percentage points, or over **1 hour per day per unit***

**Among 23 escalators replaced during this period*

Investments Delivered



Railcar Acquisition

Tap. Ride. Go.





Bus Acquisition



Platform Rehabilitation



Bladensburg Bus Garage



Track Rehabilitation

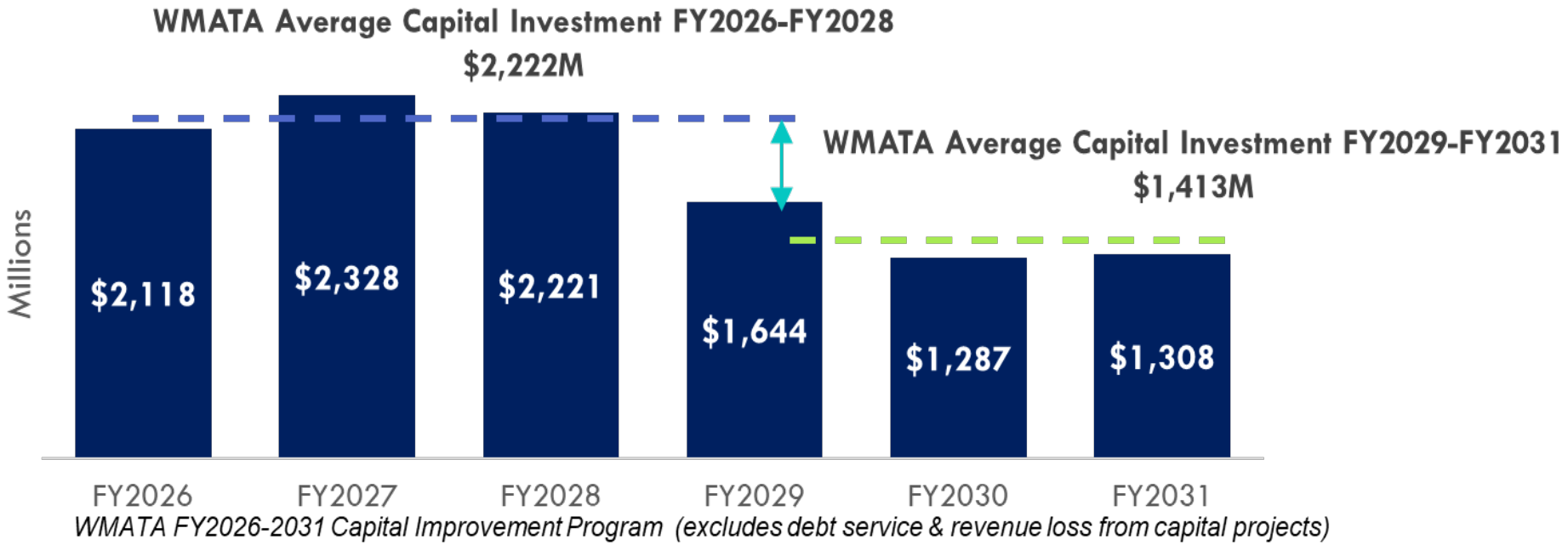
Power





Escalator Replacement

Metro and the Region Face a Transit Funding Crisis



WMATA FY2026-2031 Capital Improvement Program (excludes debt service & revenue loss from capital projects)

Metro's capital funding challenges

- Capital funding sources **not indexed to grow**
- **Inflation** significantly reduced capital buying power
- **Debt capacity will be exhausted** by FY 2029
- Will be forced to **reduce annual capital investments**

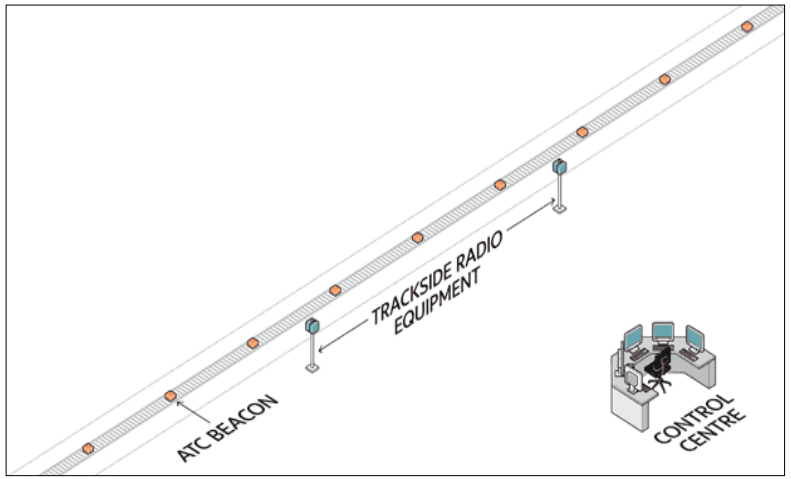
Solution is funding that:

- Is **dedicated**, **reliable,** and **predictable**
- **Grows** at least 3% per year
- Is **bondable**
- **Is unencumbered and flexible** in use

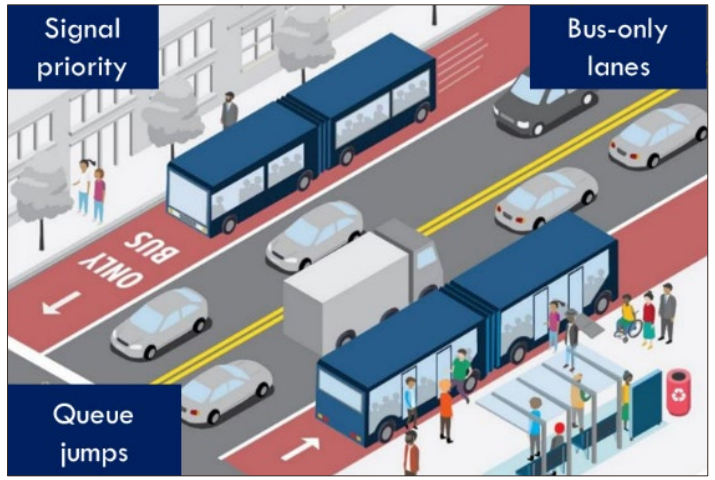
DMVMOVES Transit Investment Plan

World-Class Metro System

Rail Modernization



Bus Frequency and Priority



Reinvesting in and Modernizing Metro



Fast, frequent service all day/all week



metro access

Modern vehicles, intrastructure, and technology



Sustained repair and replacement of assets



Integrated, customer-focused system

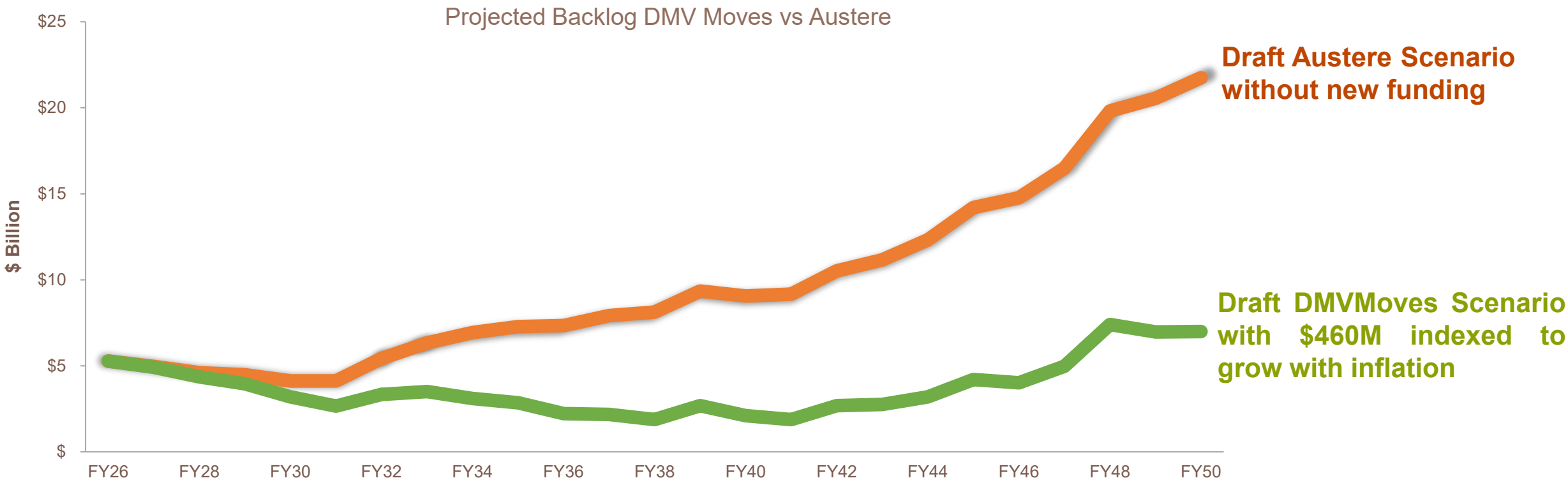
$460M annually starting in FY28
+ 3% per year

Plus state/local investments in:

- Priority bus corridors
- Improved local bus service
- Commuter rail growth plans

Impact of Draft Capital Program Scenarios on Reinvestment Backlog

Without additional funding, progress will be reversed leading to declining reliability, worsening customer experience, and, eventually, increased safety risk



Thank You

Government Relations Team Contact

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Appendix

FY2026 Budget Summary

OPERATING SOURCES $2,584

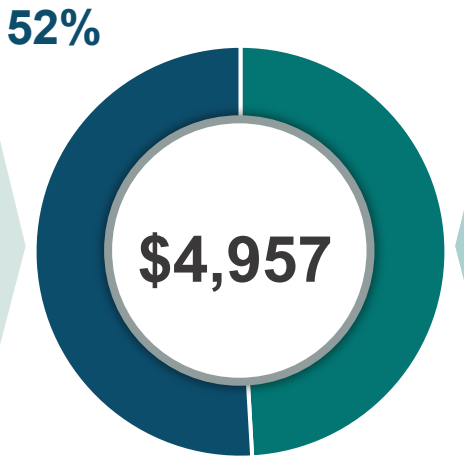
PASSENGER REVENUE	$463 (18%)
NON-PASSENGER REVENUE	$101 (4%)
SUBSIDY	$1,906 (74%)
PRIOR YEAR SAVINGS	$28 (1%)
CONTRIBUTIONS FOR DEBT SERVICE & REIMBURSABLES	$86 (3%)

OPERATING USES $2,584

OPERATING EXPENSE	$2,498 (97%)
DEBT SERVICE	$72 (3%)
REIMBURSIBLE	$13 (<1%)

FY2026 BUDGET

$ in Millions



CAPITAL SOURCES $2,373

FEDERAL	$614 (26%)
STATE	$959 (40%)
DEBT	$653 (28%)
OTHER AND PRIOR YEAR FUNDS	$146 (6%)

CAPITAL USES $2,373

CIP INVESTMENT	$2,118 (89%)
DEBT SERVICE	$245 (10%)
REVENUE LOSS	$10 (<1%)

**For Gross Revenue Bonds*

***Includes Joint Development projects*

****Charts and table totals may not sum due to independent rounding*

FY2026 Capital Sources and Uses

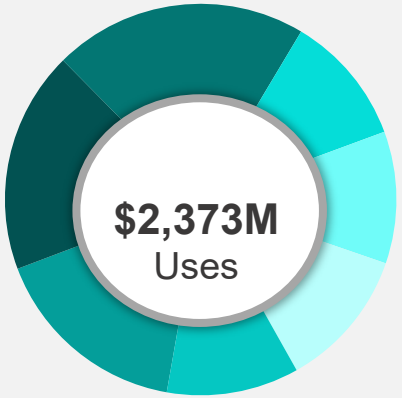
DEDICATED FUNDING FROM STATES	$500M (21%)
FEDERAL FORMULA FUNDS	$470M (20%)
DEBT PROCEEDS	$653M (28%)
SYSTEM PERFORMANCE AND MATCH	$311M (13%)



Sources do not include revenue loss from capital projects and debt service

PRIIA MATCH FROM STATES	$149M (6%)
FEDERAL PRIIA FUNDS	$144M (6%)
OTHER & PRIOR YEAR FUNDS	$146M (6%)

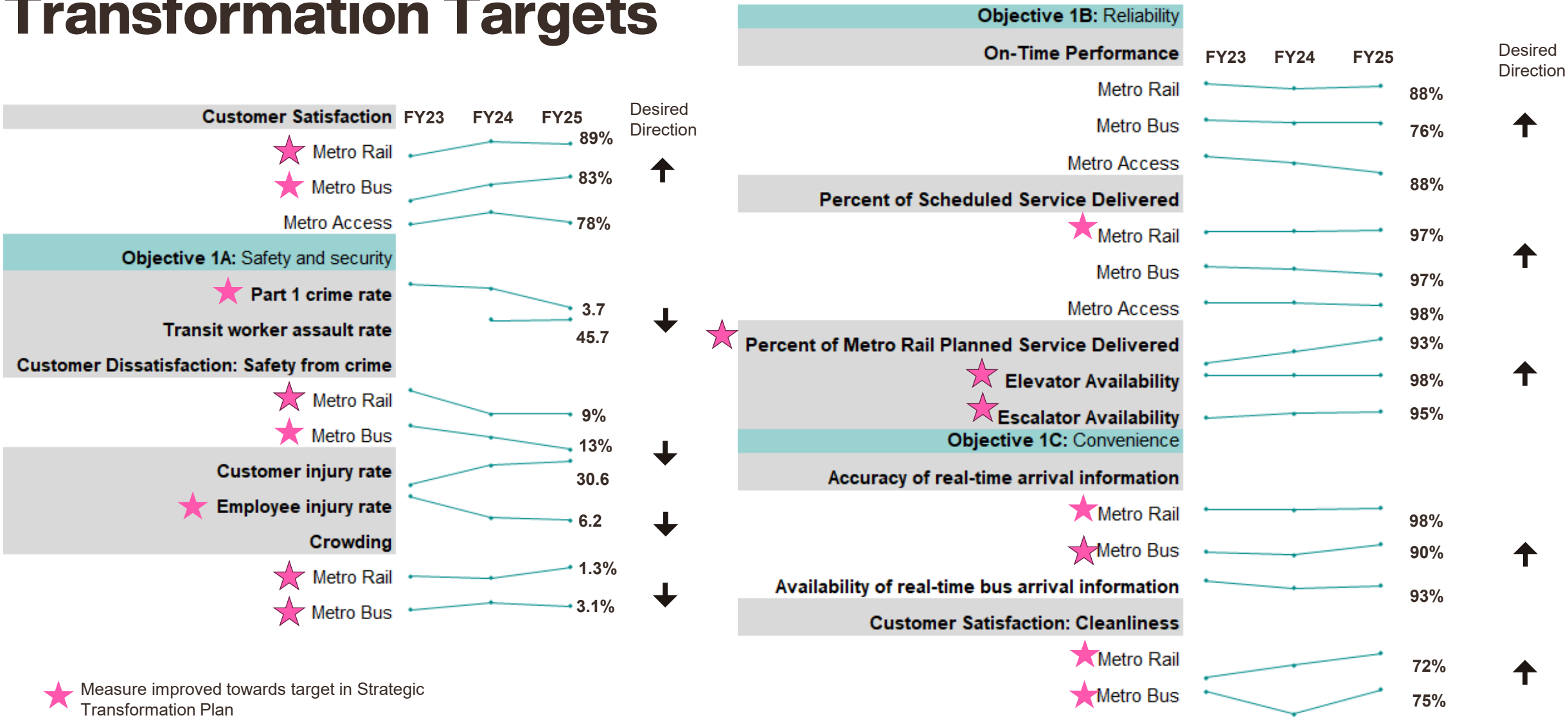
RAILCARS & RAILCAR FACILITIES	$399M (17%)
BUS, BUS FACILITIES & PARATRANSIT	$441M (19%)
DEBT SERVICE AND REVENUE LOSS FROM CAPITAL PROJECTS	$255M (11%)
OPERATIONS AND BUSINESS SUPPORT	$307M (12%)



$ in Millions

STATION AND PASSENGER FACILITIES	$328M (14%)
RAIL SYSTEMS	$336M (14%)
TRACK AND STRUCTURE REHABILITATION	$307M (13%)

Metro Is Making Progress Towards Ambitious Strategic Transformation Targets



Public Safety Progress



Installation of new fare gates to reduce fare evasion

- 55% decrease in crime within the system over three years, lowest level in eight years
- Thanks to taller fare gates and increased enforcement, fare evasion is down 82% on Metrorail
- MTPD officers have issued over 6,000 citations for fare evasion on Metrobus in 2025 so far
- Public Safety personnel stationed in Metro Integrated Command and Control Center monitor a system of more than 30,000 cameras
- MTPD academy doubles police training capacity and saves $1M in annual operating costs
- Newly adopted banning policy allows Metro to ban offenders from the entire system for up to a year

VI. Presentation: Cost Containment Research

Cost Containment and Cost Efficiencies

- **Commitment to cost savings.** WMATA has demonstrated a commitment to cost savings efforts over the last several years, even as the 3% cap on operating subsidy growth was suspended in Virginia and Maryland.
- **Regional efforts at DMV*Moves*.** The Task Force is exploring cost containment, accountability and transparency strategies for WMATA which, with regional consensus, can help inform SJ 28 recommendations in November.
- **Virginia-funded operational analysis.** WMATA's FY 2025-2026 Virginia State Operating Funding Agreement* requires WMATA to conduct an operational analysis that identifies "opportunities for WMATA to realize ongoing cost efficiencies and enhance self-generated revenues…with a focus on functions and processes that can be eliminated, restructured, or significantly improved through modernization or automation."This analysis is expected to be completed in early 2026.
- **SJ 28 cost containment research requirements.** The SJ 28 resolution requires an examination of "industry-wide cost-saving and cost-containment tools to ensure the long-term fiscal sustainability of heavy-rail transit operators".

*The agreement was amended in May 2025 and June 2025 but did not change the scope of the operational analysis.

SJ 28 Technical Assistance Cost Growth Containment Policy and Legislation

October 21, 2025

Kimley»Horn HDR

Goal & Approach

Goal

- Identify enacted state legislation that directs heavy rail transit operators to contain cost growth and/or implement cost saving measures

Approach

- Reviewed legislation in peer states with major transit agencies
- Summarized common legislative approaches
- While tasked with investigating heavy rail operating cost growth containment measures, legislation does not typically distinguish among modes

States/Agencies Reviewed

Location	Transit Agency	State Legislative Body
San Francisco Bay Area, CA	BART	California State Legislature
Los Angeles, CA	LA Metro	
Denver, CO	RTD-Denver	Colorado General Assembly
Atlanta, GA	MARTA	Georgia General Assembly
Chicago, IL	CTA	Illinois General Assembly
Boston, MA	MBTA	Massachusetts General Court
St. Louis, MO	Bi-State Development Authority	Missouri General Assembly & Illinois General Assembly
State of New Jersey	New Jersey Transit	New Jersey Legislature and Governor
New York, NY	MTA	New York State Assembly
New York/ New Jersey	Port Authority of NY/NJ (PATH)	New York State Assembly & New Jersey Legislature
Portland, OR	Tri-Met	Oregon Legislative Assembly
Pittsburgh, PA	PRT	Pennsylvania General Assembly & Governor
Philadelphia, PA	SEPTA	
Dallas, TX	DART	Texas Legislature
Houston, TX	Houston METRO	
Seattle, WA	Sound Transit	Washington State Legislature

Legislative Transit Oversight Tools

- No state legislation specifically mandates transit agencies to contain cost growth. Most measures focus on governance, oversight, and reporting
- Common tools:
  - **Oversight:** Independent oversight bodies such as management advisory boards and inspectors general
  - **Transparency:** Mandatory financial and performance reporting and audits
  - **Accountability:** Performance metrics such as cost per vehicle-mile and farebox recovery ratio
  - **Enforcement:** Funding consequences for non-compliance or poor performance
  - **Fiscal discipline:** Budget process requirements and firewalls between operating and capital funds
  - **Operations:** Service level standards, contracting ratios, and operational policies
- Typically enacted during fiscal stress or to justify additional funding

Consequences

- Legislation seeks to contain agency cost growth by imposing consequences including:
  - **Reporting:** Agency must submit required plans or reports to be eligible for state funding
  - **Performance Targets:** Transit operator must meet specified performance requirements that verify agency efficiency and effectiveness to be eligible for state funding
  - **Farebox Recovery:** Agency required to recover a target share (e.g. 50%) of operating costs from farebox and other system revenues.
  - **Restructuring:** Agency required to restructure organization and centralize administrative departments
  - **Compliance:** State funding tied to degree to which the transportation organization complies with recommendations

WMATA 3% Subsidy Increase Cap

No other state legislation reviewed included a specific and targeted cap on subsidy growth similar to WMATA's annual 3% cap on subsidy increases

WMATA Reporting Requirements

WMATA develops and submits financial and performance reports including:

- Strategic plan, updated at least every 3 years
- Annual fiscal and operating audits
- Independent audits
- Annual performance metrics
- Quarterly service reports
- Quarterly capital improvement program progress reports with project-level detail
- Asset inventory

Requirements are governed by federal regulations, code in DC/VA/MD, and special funding agreements between WMATA and jurisdictions:

- Capital Funding Agreement, Dedicated Funding Agreement, PRIIA Agreement

WMATA Governance

WMATA's governance includes many of the elements legislated for other transit agencies, such as:

- Local, state and federal representation on board of directors
- Inspector General

Conclusion

- While many legislative actions stipulated additional and independent reporting, research did not indicate whether reporting alone, without consequence, leads to significant cost growth containment at transit agencies
- WMATA's leaders and supporters have implemented many of the oversight, governance, reporting and cost growth containment policies found at peer agencies around the country
- WMATA is already subject to many of the reporting requirements and the 3% subsidy cap
  - Limited opportunity for additional cost growth control measures beyond a 3% cap, or similar, based on nationwide research effort

Additional Observations

- The current 3% cap is only on growth in subsidy and not on costs. It does not necessarily incentivize WMATA to operate more efficiently
- In Virginia, the penalty for WMATA exceeding the 3% cap is the Commonwealth withholding state assistance from Northern Virginia jurisdictions
- WMATA is subject to and overseen by three different state or state-equivalent legislatures, each of whom have an interest in implementing cost growth control measures

VII. Transit Agency Needs

Northern Virginia has an Integrated Transit Network

Moves

2.1M

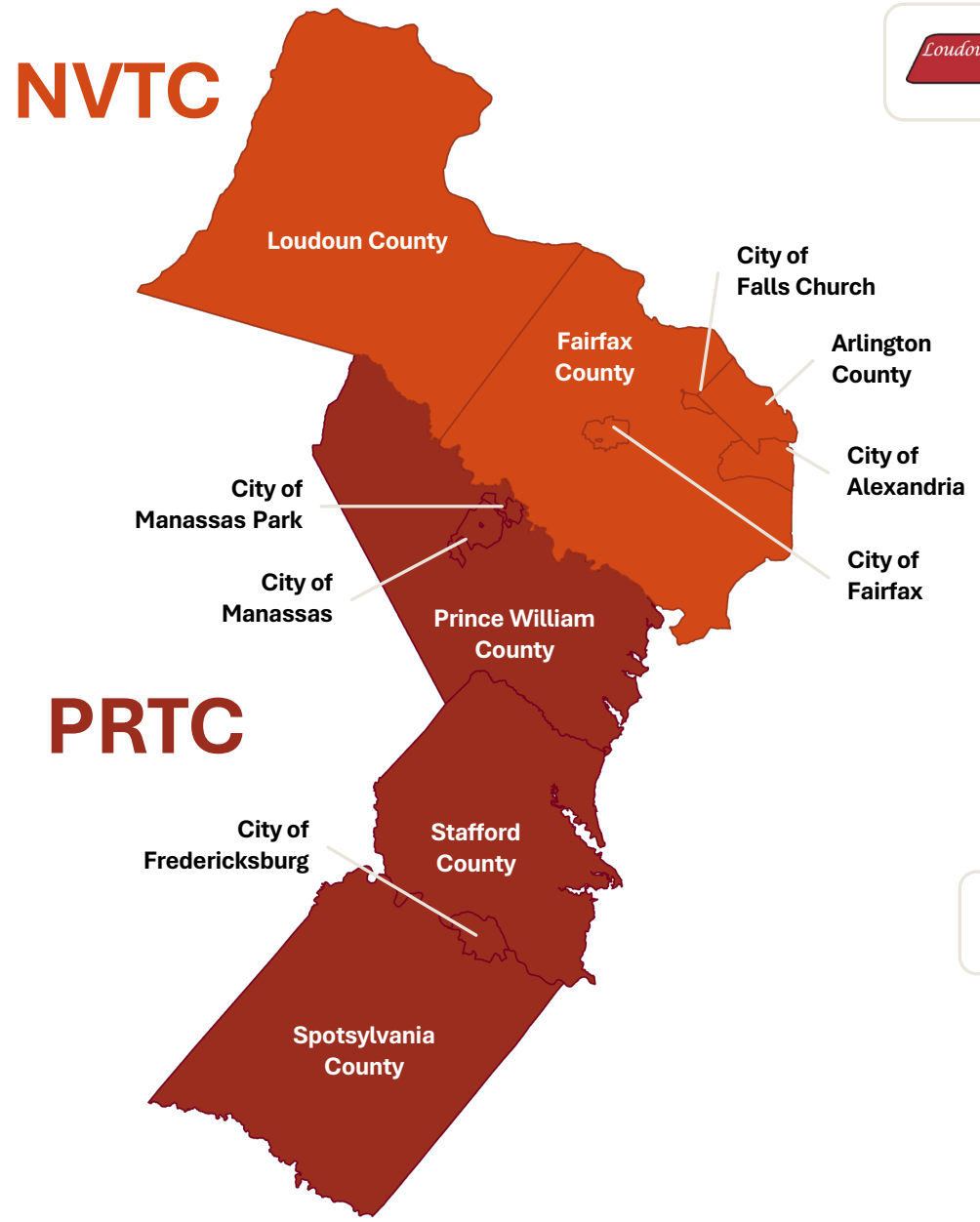
people each week

Ridership has increased

15%

year over year

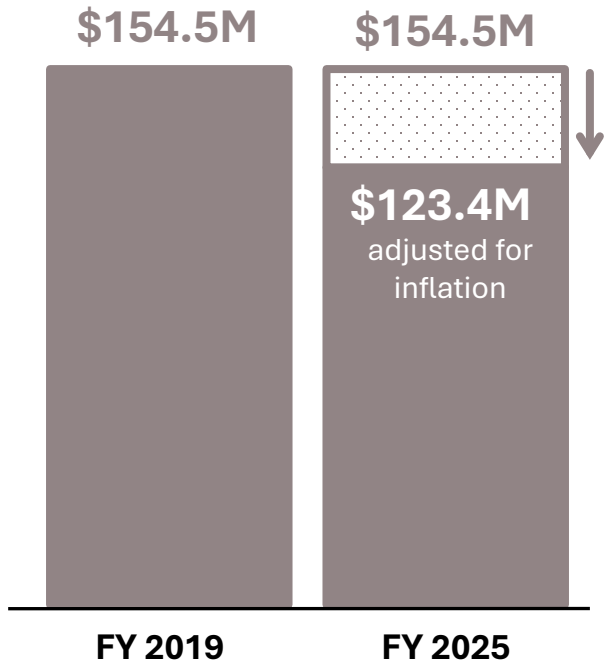
12+	243	2K
cities and counties	routes	square miles



Current Transit Funds are Not Meeting Today's Needs

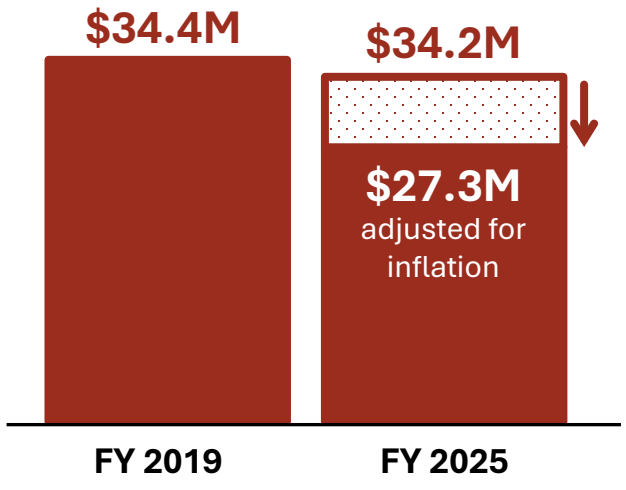
WMATA Capital Fund

Dedicated capital funding to WMATA is not indexed to inflation



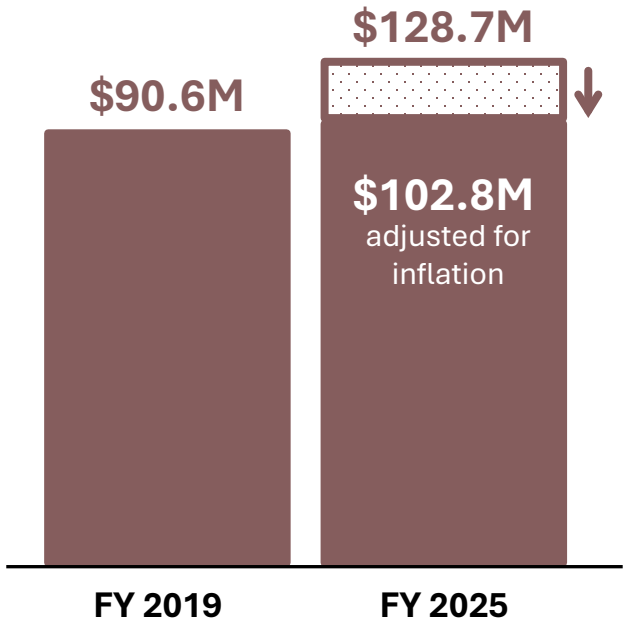
NVTC Regional Gas Tax

The Regional Gas Tax has been affected by diversion to other funds and fuel-efficient vehicles.



DRPT MERIT Operating Funding

State aid grows slowly but is not keeping pace with agency needs and reflects a declining share of transit operating costs.



Inflation adjusted number represents purchasing power in FY 2019 dollars

Identifying Transit Agency Funding Needs



A funding solution for these transit agency needs would:

- Maintain current **operating service levels**
- Maintain a **capital state of good repair**
- Prepare agencies for **future growth**
- Reduce pressure on **local general funds**
- Remove WMATA from the **Commonwealth general fund**



Key discussion questions:

- Does the joint subcommittee support meeting the needs as outlined today in a transit funding solution?
- Does the joint subcommittee wish to solve for any needs beyond those identified? (i.e. expansion and other policy considerations)

Funding solution considerations:

- State-local partnership in funding transit
- Cost containment tools and strategies
- Revenue sources and structures to meet needs
- Key constraints, such as bondability

Immediate and Long-Term Funding Needs

Starting in **FY 2028**, Northern Virginia transit needs an additional

~$400M/year

growing with inflation to **maintain current service levels** and **state of good repair.**

WMATA Operating*
Funding Need

$153M

beginning in FY 2027

In FY 2025, the General Assembly + NVTC localities provided **two-year fix** for WMATA operating gap. MD and DC fix was permanent.

WMATA Capital**
Funding Need

$136-150M

beginning in FY 2028

As identified by DMV*Moves*
Growing 3% each year

Virginia Railway Express
Funding Need

~$35M

beginning in FY 2028

After Long Bridge completion, an additional **$40M** is needed

NVTC Local Bus
Funding Need

~$35M beginning in FY 2028

OmniRide Funding Need

~$22M beginning in FY 2028

All sources grow **annually** with inflation

**Va needs additional WMATA operating funding beginning in FY 2027*
***Va share of DMVMoves funding still being finalized*

WMATA Funding Need

WMATA Operating*
Funding Need

$153M

beginning in FY 2027

In FY 2025, the General Assembly + NVTC localities provided **two-year fix** for WMATA operating gap. MD and DC fix was permanent.

WMATA Capital**
Funding Need

$136-150M

beginning in FY 2028

As identified by DMV*Moves*
Growing 3% each year

These funds will :

- ✓ Maintain service levels
- ✓ Support state of good repair needs
- ✓ Modernize rail through investments that enable long-term operating cost savings
- ✓ Reduce pressure on the local general funds
- ✓ Remove WMATA from the Commonwealth general fund

**Va needs additional WMATA operating funding beginning in FY 2027*
***Va share of DMVMoves funding still being finalized*

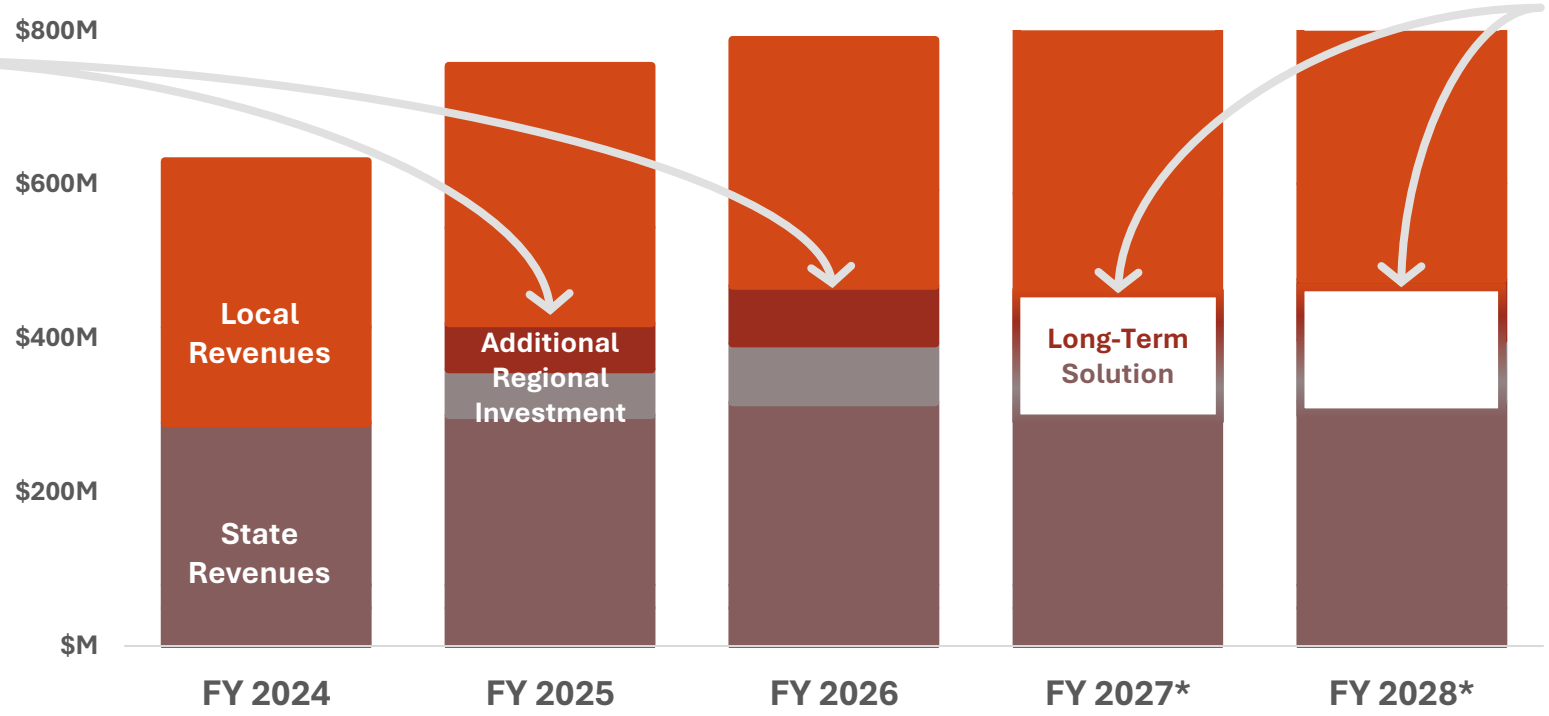
WMATA Funding Need: *Operating*

WMATA Operating Funding Need

$153M beginning in FY 2027

Additional Regional Investment

In FY 2025, the General Assembly and NVTC localities provided **two-year fix** for the WMATA operating gap.



Long-Term Solution

Long-term WMATA operating funding needs to be identified. Other state and local funding is not sufficient.

FY 27

These budgets are being discussed **now**

*Estimates as of September 2025

WMATA Funding Need: *Capital*

DMVMOVES
Moving our region forward, together.

WMATA Regional Investment

$460M

+ 3%/year

Virginia's Share
$136-150M

Maryland's Share
$152-170M

DC's Share
$173-190M

WMATA Capital Funding Need

~$136M-150M

beginning in FY 2028

This funding needs to:

- Be **reliable** and **predictable**
- Grow at least 3% per year to **keep up with inflation**
- Be **bondable** by WMATA
- Have **no restrictions or encumbrances** on use and uniform requirements
- Be **predicable** and **flexible** to allow Metro to manage reasonable variations in both capital outlay and operating costs, ridership, and revenue

Source: DMV*Moves*

Local Bus Funding Need

NVTC Local Bus

Funding Need

~$35M beginning in FY 2028

This funding would:

- ✓ Maintain service levels
- ✓ Support state of good repair
- ✓ Reduce pressure on the local general funds

Local Bus Funding Considerations

Agencies use a combination of the following sources:

State Formula (DRPT)

Federal Discretionary

State Discretionary (DRPT)

Toll Revenues

Regional Funds (NVTA, Gas Tax)

Local General Funds + Bonds

Fares

Local bus budgets can be impacted by external pressures:

- Transit-specific funding typically **goes to WMATA and VRE first.**
- State aid is also **not keeping up with rising costs.**
- Local **general funds are the funding backstop** for local agencies, and property tax is the main tool they can use for additional revenue.



Identifying a long-term WMATA operating solution protects local transit systems and their local budgets

VRE Funding Need

Virginia Railway Express
Funding Need

~$35M

beginning in FY 2028

After Long Bridge completion, an additional **$40M** is needed

This funding would:

- ✓ Maintain service levels
- ✓ Support state of good repair
- ✓ Leverage the Commonwealth's investments in Transforming Rail in Virginia
- ✓ Fund new VRE service after Long Bridge is completed

Current **VRE** Funding Considerations

Federal Funds

- Federal aid helped fill post-pandemic funding gap
- This funding will be exhausted soon

State Funds (CMTF)

Slow growing, used for capital match

Robust structure for future VRE funding

CROC

- Not indexed to inflation
- Fully committed through 2032 to Long Bridge

Local Funds

- Jurisdictions are constrained
- Used for local capital match

Passenger Fares

Even with RTO, farebox recovery has not reached pre-pandemic levels

OmniRide Funding Need

OmniRide Funding Need

~$22M beginning in FY 2028

This funding would:

- ✓ Maintain service levels
- ✓ Support state of good repair
- ✓ Provide budget predictability
- ✓ Prepare for future growth
- ✓ Leverage the Commonwealth's investments in High-Occupancy Tolls (HOT) Lanes

Current **OmniRide** Funding Considerations

COVID Federal Aid

Federal aid is exhausted

Toll Revenues

- State and NVTC programs fund specific bus routes but not dedicated or guaranteed long-term
- Limits opportunities to adjust service based on demand

Local General Funds

- OmniRide receives no local general fund revenue
- PW County uses special non-general fund revenues to fill any gaps, but it's an annual request

State Funds

- State operating formula not keeping pace with inflation
- Formula doesn't recognize benefits of commuter bus

Regional Gas Tax

Primary source of local subsidy but not dedicated to transit and is used for other transportation purposes

Passenger Fares

Commuter fares mostly funded through transit benefits

Immediate and Long-Term Funding Needs

Starting in **FY 2028**, Northern Virginia transit needs an additional

~$400M/year

growing with inflation to **maintain current service levels** and **state of good repair.**

WMATA Operating*
Funding Need

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WMATA Capital**
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OmniRide Funding Need

~$22M beginning in FY 2028

All sources grow **annually** with inflation

**Va needs additional WMATA operating funding beginning in FY 2027*
***Va share of DMVMoves funding still being finalized*

Transit Funding Needs to Be Sustainable and Grow

~$153M

FY 2027

FY 2027 budgets are being discussed **now**

~$400M

FY 2028

~$490M

~FY 2032

~$450M *Assumes **3% growth/year** since FY 2028*

+

$40M *After Long Bridge completion, an additional **$40M** is needed for VRE*

Future Opportunities and Other Policy Considerations

Future Opportunities *

*not included in currently identified needs



New Metrorail and Bus Rapid Transit



Align with DMV*Moves* service guidelines



Service expansions



Roadway, bicycle, pedestrian and other transportation needs

Other Policy Considerations

- Replacement of local general fund expenditures for WMATA, VRE, and local transit agencies
- Identifying new sources that can relieve pressure on NVTA 30% funds as a component of the WMATA Capital Fund's $27.1 million in local support.

Key Discussion Questions

- Does the joint subcommittee support meeting the **needs** as outlined today in a transit funding solution?
- Does the joint subcommittee wish to solve for any needs beyond those identified? (i.e. expansion and other policy considerations)

Looking Ahead: Final Meeting

Recommendations will be drafted for consideration at the November 5 and final meeting of the joint subcommittee based on input today and in prior meetings, reflecting, among other topics:

- **State-local partnership in funding transit**
- **Cost containment tools and strategies**
- **Revenue sources and structures to meet needs**
- **Key constraints, such as bondability**

VIII. Discussion and Public Comment

IX. Closing Remarks and Adjournment

SJ 28 Meeting Schedule

Calendar Year 2025

- Joint Subcommittee meetings
  - Wednesday, November 5 at NVTC (2nd floor)

- SJ 28 website: https://studies.virginiageneralassembly.gov/studies/721



Metro Integrated Command & Communications Center Fact Sheet

AMERICA'S METRO SYSTEM AT A GLANCE:

- The **second-largest** heavy rail and **sixth-largest** bus network in the U.S.
- **More than** 13,000 employees
- **Rail:** 130 miles of track, six rail lines, 98 stations, and more than 1,200 railcars
- **Bus:** 11,500 bus stops, 1,500 buses, serving more than 1,500 square miles of the DMV
- **Average Daily Ridership:**
  Rail: Approximately 500,000
  Bus: Approximately 400,000
- **Annual ridership**: Approximately 263 million

METRO INTEGRATED COMMAND AND COMMUNICATIONS CENTER HIGHLIGHTS:

- Opened in Metro Building at Eisenhower in **October 2023**
- First facility that combines operational support for Metro into one integrated command center
- **Sections of Responsibility:** Bus Section, Communications Section, Rail Section, Police and Fire Liaison, Police Communications, Video, Maintenance, Power, Vertical Transportation, Consequence Management
- Includes a collocated **Emergency Operations Center** that is activated for national special security events, major special events, and incidents such as severe weather

COMMAND CENTER CAPABILITIES:

- Operational center controls trains and buses systemwide
- More than **30,000** cameras and surveillance assets
- Expanded video capabilities for real-time monitoring of railcars in service
- AI tools and close coordination with National Weather Service to monitor the conditions
- Work closely with jurisdictional first responders and regional partners to conduct tabletop and full-scale exercises
- Production of weekly coordination plans and for major special events, including July 4, presidential inaugurations, World Pride and 250th Anniversary of the Army parade
- Maintenance of the Emergency Operations Plan, Severe Weather Plan, and Continuity of Operations Plan for Metro

metro™



SAFETY AND SECURITY:

- MTPD officers have full police powers across a **1,500-square-mile** transit zone in Maryland, Virginia, and the District of Columbia, serving a regional population of **3.2 million**
- The nation's only tri-jurisdictional transit police agency
- MTPD includes **472** sworn police officers, **113** special police officers, and **120** civilian staff
- Officers provide law enforcement and public safety services on Metrorail and Metrobus and patrol stations, trains, buses, and facilities
- The dedicated police communications center coordinates with local jurisdictions for incident response
- MTPD maintains partnerships and joint patrols with regional police departments and collaborates with federal agencies including the **FBI, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), U.S. Marshals, TSA, and DHS**
- Special initiatives focus on deploying officers to high-priority stations and providing community outreach and crisis intervention services
- Crime rate is lowest in seven years

REGIONAL IMPACT:

- 54% of regional jobs are within one-half mile of a Metro station or bus stop
- Metro help produce $3.2B in tax revenue across the region
- More than half of rail stations serve federal facilities
- Customers save on average $2,800 per year by using Metro

FINANCES:

- Average annual budget: Approximately $5.0 billion
- Average annual operating budget: Approximately $2.6 billion
- Average capital budget: Approximately $2.4 billion for safety, service and reliability programs

metro™

SJ 28 Meeting #7: Appendix Slides

SJ 28 Technical Assistance Cost Growth Containment Policy and Legislation

October 21, 2025

Kimley»Horn HDR

Appendix A:
Additional Background

FTA Role in Transit Agency Accountability and Oversight

- Agencies submit annual performance measures to FTA which are reviewed and published in National Transit Database
- FTA conducts comprehensive transit agency reviews every three years
- Examine 23 areas of compliance, including financial management and capacity and program management
- Agencies required to submit Transit Asset Management Plan every four years

NTD Annual Agency Profile

2023 Annual Agency Profile - Washington Metropolitan Area Transit Authority (NTD ID 30030)

Mailing Address: 300 7TH ST SW
Washington, DC

Website: http://www.WMATA.com/

Geographic Coverage

Primary Urbanized Area	Washington--Arlington, DC--VA--MD
Square Miles	1,295
Population	5,174,759
Other Areas Served:	Waldorf, MD,Baltimore, MD
Service Area Population	4,645,915
Service Area Sq. Miles	1,108

Service Consumed

Annual Passenger Miles Traveled (PMT)	912,604,948
Annual Unlinked Trips (UPT)	231,023,784
Average Weekday UPT	731,593
Average Saturday UPT	476,775
Average Sunday UPT	363,293

Assets

Revenue Vehicles	3,473
Service Vehicles	1584
Facilities	318
Lane Miles	26
Track Miles	371.86

Service Supplied

Annual Vehicle/Passenger Car Revenue Miles (VRM)	129,413,131
Annual Vehicle/Passenger Car Revenue Hours (VRH)	8,664,787
Vehicles Operated in Maximum Service (VOMS)	2,727
Vehicles Available for Maximum Service (VAMS)	3,422

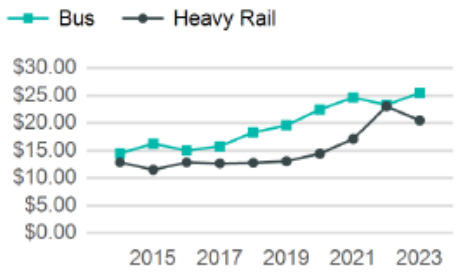
Modal Characteristics

Mode	Directly Operated VOMS	Purchased Transportation VOMS	Annual Passenger Miles Traveled	Annual Unlinked Passenger Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles
Bus	1,148	0	307,224,136	102,855,922	37,991,955	3,774,118	3.40
Demand Response	0	675	16,059,711	1,394,146	18,952,524	1,704,836	0.00
Heavy Rail	904	0	589,321,101	126,773,716	72,468,652	3,185,833	247.00
Total	2,052	675	912,604,948	231,023,784	129,413,131	8,664,787	250.40

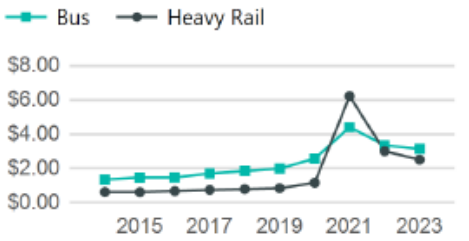
Metrics

	Service Efficiency		Service Effectiveness			
Mode	**OE per VRM**	**OE per VRH**	**UPT per VRM**	**UPT per VRH**	**OE per PMT**	**OE per UPT**
Bus	$25.47	$256.39	2.7	27.3	$3.15	$9.41
Demand Response	$9.42	$104.73	0.1	0.8	$11.12	$128.06
Heavy Rail	$20.48	$465.76	1.7	39.8	$2.52	$11.70
Total	$20.32	$303.53	1.8	26.7	$2.88	$11.38

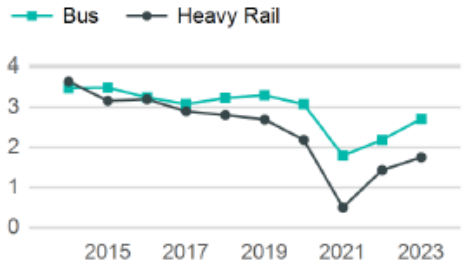
Operating Expenses per Vehicle Revenue Mile



Operating Expenses per Passenger Mile



Unlinked Passenger Trip per Vehicle Revenue Mile



Governance & Oversight

- Governance directives seek to manage agency expenditures through additional oversight
  - **Inspector General** – appointed externally by governor or legislative committee with the charge to provide watchdog oversight to agency's operations
  - **Management Advisory Board** – appointed by governor with membership stipulated in legislation. Designed to oversee transit agency operations, including budgeting, service decisions, and other cost areas. Can impose zero-based budgeting, renegotiate union contract wages and work rules, restructure debt, move to statewide and/or electronic systems, and address overtime and absenteeism
  - **Budget firewalls** between operating and capital budgets. Designed to limit consumption of capital funding for operating needs

Financial Reporting and Audits

- Legislation requiring transit agency to submit additional financial reports to state legislature, committees, leadership, governor, state DOT, state Controller's Office or relevant transportation planning agency
- Designed to uncover areas where agency might be able to cut costs or increase efficiency
- Examples:
  - Annual audit
  - Financial reports
  - Fiscal audit - tracks expense-to-revenue ratios
  - Independent audit by the legislature
  - Independent forensic audit – detailed review of financial records

Performance Reporting

- Legislation requiring agency to provide performance, service and operating reports intends to verify that agency is performing in accordance with goals established by legislation
  - **Metrics reporting**. Performance measures typically couched as ratios such as Cost per Vehicle Mile Traveled or Cost per Passenger Trip
  - Performance audit. External audit conducted
  - Performance review
  - Strategic operation plan
  - Transformation plan
  - Transit recovery plan
  - Transparency plan

How Does Performance Reporting Support Cost Growth Containment?

- Performance measures track cost growth using ratios such as:
  - Operating expenses per revenue mile
  - Operating expenses per revenue hour
  - Operating expenses per passenger or unlinked passenger trip
  - Fare box ratio - % of operating costs covered by fare revenue
- Tie to containing cost growth is weak, as many variables make up both denominator and numerator of ratios

Appendix B: State-specific Transit Cost Growth Containment Measures

California – Los Angeles Metro and Bay Area Rapid Transit District (BART)

- Agency leadership required to pass resolutions that identify:
  - Estimated annual operations funding needs through FY2027-28
  - Strategies and tactics for how the agency will apply the funding to address operating deficit and/or advance ridership recovery in the first year of receiving the funding
- Agencies must meet specified metrics relating to operating costs, fare box ratios, and revenues, or risk being ineligible for state funding
  - Submit annual fiscal audits to track expense-to-revenue ratios to the State Controller's Office and the relevant Transportation Planning Agency
  - Submit performance audits every three years that include performance measures that verify the efficiency and effectiveness of planning agencies and transit operators to Caltrans

Colorado – Regional Transportation District (RTD)

- 2025 Transit Reform Bill
  - Requires RTD to create the following reports and report to the Transportation Legislation Review Committee: 5-year operational analysis, 5-year financial forecast, debt capacity, and use of agency reserve accounts, 10-year strategic plan and progress report on projects identified in the 5-year operational analysis and 10-year strategic plan
  - Creates an RTD accountability committee to provide recommendations to the transportation committees of the general assembly with members appointed variously by the Governor, and Senate and House Majority and minority leadership
- Other cost cutting measures (now repealed)
  - Mandatory farebox recovery ratio (passed in 1989; repealed in 2021).
  - Requirement to use private contractors for a percentage of the bus service (set at 20% in 1989, 35% in 1999 and 50% in 2003). Repealed in 2007. RTD still contracts for 45% of its bus service

Georgia – Metropolitan Atlanta Rapid Transit Authority (MARTA)

- Metropolitan Atlanta Rapid Transit Overview Committee – Joint House and Senate Committee on Transportation responsible for railroad and bus safety
- MARTA must meet its debt service obligations before it receives dedicated funding
- 2024 - Chairperson requested independent review of audit results showing $70m deficit for *More MARTA* capital projects

Illinois – Chicago Transportation Authority (CTA)

- Illinois Legislature established the Regional Transportation Authority (RTA) to provide oversight to CTA, Metra commuter rail and Pace Suburban Bus board of directors
- Across these agencies, there are four separate boards with a total of 47 board members that are appointed by 21 elected officials
- Agencies required to recover collectively at least 50 percent of operating costs from farebox and other system revenues

Massachusetts – Massachusetts Bay Transportation Authority (MBTA)

2009

- MBTA placed under the jurisdiction of the Massachusetts Department of Transportation (MassDOT). The State Secretary of Transportation serves on the MBTA Board of Directors (2009)

2015

- Governor convenes Fiscal and Management Control Board (FMCB) to review the finances and operations of the MBTA to address budget, capital investment, project completion, work-place practices, long-term vision and strategy, leadership and staffing issues, customer focus, contracting and accountability
- Recommendations included the creation of a fiscal and management control board and budget firewalls between operating and capital budgets
- In its first 2 years FMCB reduced the forecast operating deficit by $300 million by introducing zero-based budgeting, renegotiating union contract wages and work rules, restructuring debt, moving to statewide and/or electronic systems, addressing overtime and absenteeism and making capital investment decisions

2021

- The FMCB term expired, and the legislature established a permanent seven-member oversight board. Currently both this seven-member board of directors and the 11-member MassDOT Board of Directors oversee operations

Missouri and Illinois – Bi-State Development Authority (DBA St. Louis Metro)

- Operates the light rail system in three jurisdictions and two states: City of St. Louis (MO), St. Louis County (MO) and St. Clair County Transit District (IL)
- Board composed of five members from Missouri and five from Illinois
  - Missouri Board members are appointed by the governor of Missouri
  - In Illinois, the Chairman of the Board for both St. Clair and Madison Counties appoint their representatives
- Maintained operating expense growth rate of <2% for 6 years

New Jersey – New Jersey Transit Corporation (NJT)

- Oversight by N.J. Department of Transportation
- Commissioner of Transportation and the State Treasurer sit on the board of directors
- 2018 legislative inquiry and audit resulted in reforms including:
  - All fare increases and significant services changes require Board approval
  - Created a chief ethics position and a whistle-blower protection program
  - Required NJT to submit two-year ridership and revenue projections each year
- Resulted in indirect savings by eliminating waste and other mistakes

New York – Metropolitan Transportation Authority (MTA)

State oversight over MTA dates back to the establishment of the Triborough Bridge Authority in 1939. Relevant legislation includes:

1970 - Annual audit of authority by the State Comptroller

1983 - Governor-appointed Inspector General

1983 - Strategic Operation Plan

- Requires the MTA to submit a strategic operation plan to the Legislature that includes long-range goals and objectives, service and performance standards, fare levels and structure, estimated operating and capital resources; estimated operating and capital costs; strategies to improve productivity, control cost growth, integrate and coordinate the delivery of services; and allocation of operating and capital resources by mode and operation

1983 - Management advisory board

- Creates a management advisory board appointed by the governor to assist the MTA Inspector General in identifying ways to improve services, reduce costs and increase efficiency

2009 - Independent audit by the legislature

- Every two years, after the submission of the annual independent audit report to the legislature, the senate and the speaker of the assembly may commission an auditing firm to conduct an independent audit of the authority and its subsidiaries

2009 - Financial and operational reports

- Requires MTA to submit a complete detailed report including audited financials, grant and subsidy programs, operating and financial risks, current ratings and changes in ratings of its bonds, long-term liabilities,, and an assessment of the effectiveness of its internal control structure and procedures

New York – MTA (Continued)

2019

Independent Forensic Audit

- Requires MTA to undertake an independent, comprehensive, forensic audit including detailed accounting of the authority's capital elements. Also requires contract with a financial advisory firm to review for: fraud, waste, abuse, or conflicts of interest; duplication of functions; options for potential cost efficiencies and savings

Performance metrics reporting

- Requires MTA to collect, compile and publish monthly performance metrics, and to benchmark its performance in comparison with other national and international peer agencies
- MTA must also provide an annual implementation report to the governor and legislative leadership

Transformation Plan

- Requires MTA to develop and complete a personnel and reorganization plan with the goal of transforming the organization through the elimination of redundancies, streamlining processes, and [increased] collaboration by reorganizing, transforming and consolidating the many administrative support units in each agency into centralized departments under the MTA headquarters
- Requires MTA board to appoint a director of MTA Transformation
- Conduct a forensic audit
- A 2022 audit found that MTA did not have a working plan for the transformation that identified tasks to be completed, specific dates or expected cost savings
- Although 6 departments were created or consolidated under HQ, the plan did not deliver the promised benefits of improved customer service, process efficiencies or cost reductions
- The only cost savings realized were from the elimination of administrative and operational positions that had already been vacant from a 2018 hiring freeze

Port Authority of New York and New Jersey / Port Authority Trans Hudson (PATH) Rail

- Financially self-sustaining
- Raises funds facility improvement, construction, or acquisition of its facilities
- Board of Commissioners
  - Governor of each state appoints six members. Appointments are subject to state senate approval
  - Governors retain the right to veto the actions of the commissioners from his or her own state

Oregon – Tri-Met (Portland)

- Seven-member Board of Directors is appointed by the Governor of Oregon

Pennsylvania – Pittsburgh Regional Transit (PRT) and Southeastern Penn. Transit Authority (SEPTA)

- 2007 – Created the Public Transportation Trust Fund
  - Authorizes PennDOT to conduct performance reviews of transit agencies and establish minimum system performance criteria
  - Highlights exceptional performance and identifies problems
  - Assesses efficiency and effectiveness of the use of state funding
  - Recommends follow-up actions
  - Report is delivered to the Governor, House and Senate Transportation Committee leadership
  - Future funding is tied to the degree of compliance with recommendations
- Evaluation criteria include:
  - Passengers per revenue vehicle hour
  - Operating costs per revenue vehicle hour
  - Operating revenue per revenue vehicle hour
  - Operating costs per passenger
  - Other items as the department may establish
- SEPTA has total operating budget of $1.6 Billion, of which state provides $1.1 Billion (83%)
- PRT has $482M budget, with $280 million in state funding (58%)

Texas – Dallas Area Rapid Transit (DART) and Houston METRO

- The Public Transportation Advisory Committee consists of nine members, appointed by the governor, lieutenant governor, and speaker of the House of Representatives. Primary responsibilities include:
  - Advising the commission on the needs of the state's public transportation providers
  - Advising the commission on the allocation of public transportation funds
  - Commenting on rules involving public transportation

Washington – Sound Transit

- Streamline Sound Transit Permitting (2025)
  - Amends land use code to simplify and streamline development standards and permit processes for Ballard and West Seattle light rail projects
  - Goal to reduce permitting time in half
- Planning oversight
  - Transit agencies required to file six-year transit plans with Washington State DOT; the transportation improvement board; and cities, counties, and regional planning councils
  - Must include strategy to meet state and local long-range priorities, list of planned capital improvements, strategy to fund program needs

Transit Agency Needs – NVTC Local Bus Agencies













NVTC
NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NVTC Local Agencies

Weekly Ridership

ART arlington transit — 50.7K riders

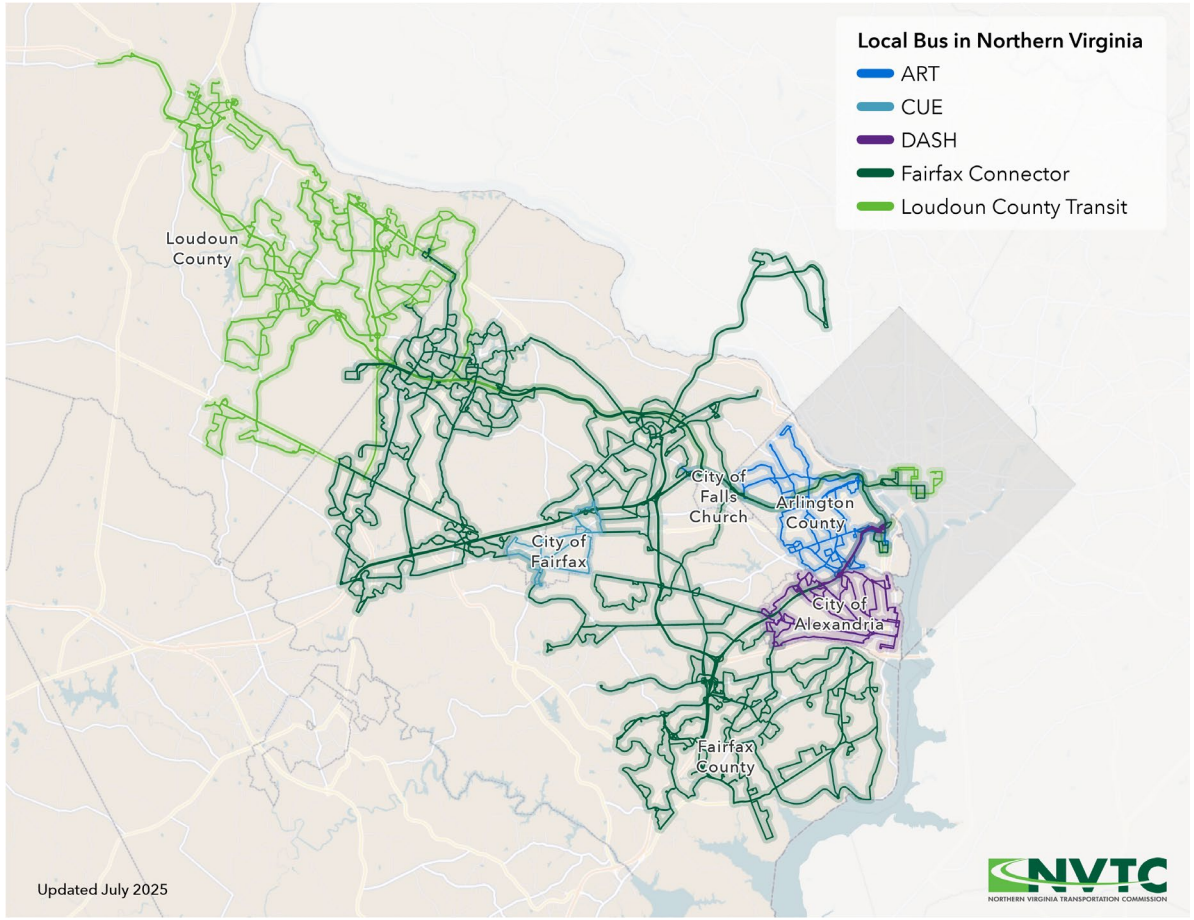
CUE FAIRFAX CITY — 17.2K riders

DASH ALEXANDRIA TRANSIT — 107.8K riders

FAIRFAX CONNECTOR — 186.1K riders

LoudounCounty LC Transit — 11.5K riders

https://novatransit.org/transit-dashboard/



NVTC
NORTHERN VIRGINIA TRANSPORTATION COMMISSION

How Do We Define Local Need?

Local agencies plan to what their budget allows, which can mask unmet needs.

- **Structural Challenges**: state and regional funds aren't keeping pace with rising costs, putting more pressure on local general funds and the property tax.

- **Service Expansion:** it's hard to plan for increased service without a reliable local transit funding source.

Funding Risks Could Strain Local Sources

Once state and regional funds are allocated, localities pay the remainder

State Funding Risks

Transit needs are growing faster than MERIT operating funding.

VA's two-year stopgap solution for Metro operating funding is expiring.

Regional Funding Risks

Commuter Choice and other toll-funded revenue have legal limitations.

Regional gas tax revenue is uncertain due to high efficiency vehicles and changing driving habits.

Local Jurisdictions are Ultimately Responsible

If no funding solution is identified, any remaining funding must be generated locally.

Overburdened Property Tax

Property tax is the main tool jurisdictions can leverage.

But this General Fund revenue source must pay for a variety of needs beyond transit.

NVTC jurisdictions already spend about $250M* from their general funds on transit.

Given the risks to local funding, the local need is ~$35M.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

*Based on FY 2025 Adopted Budgets

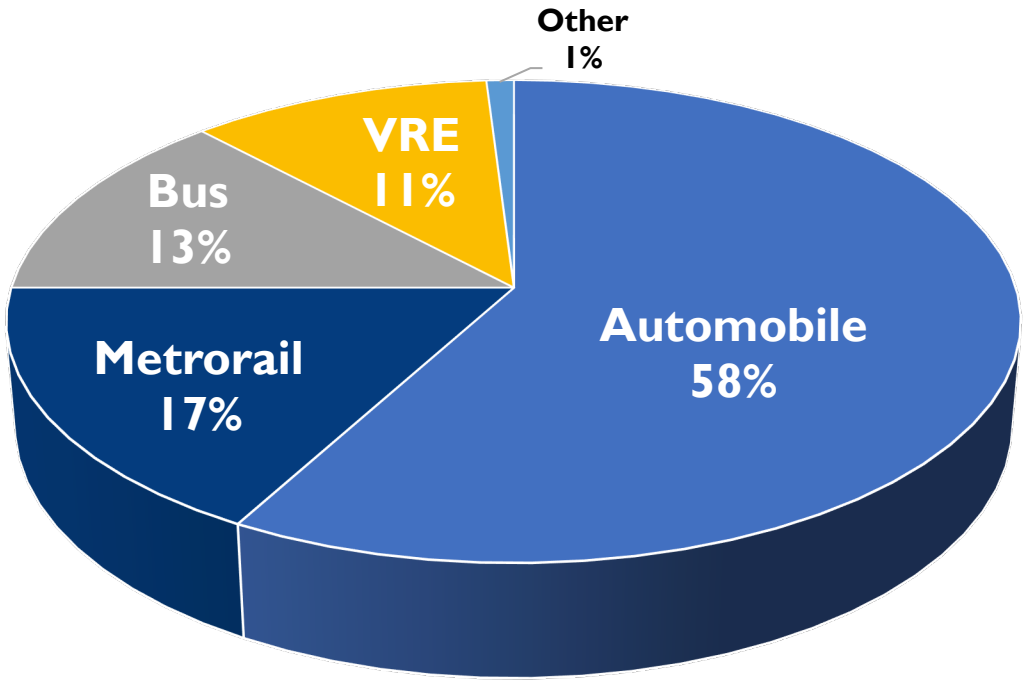


Transit Agency Needs – Virginia Railway Express (VRE)

SJ28 Technical Working Group Meeting
October 7, 2025

VRE Created to Serve Peak Hour Trips

Pre-Pandemic Peak Hour Trips
Virginia to DC
Across the 14th Street Bridges
6:30-7:30 AM





Source: TPB 2013 Central Employment Core Cordon Count

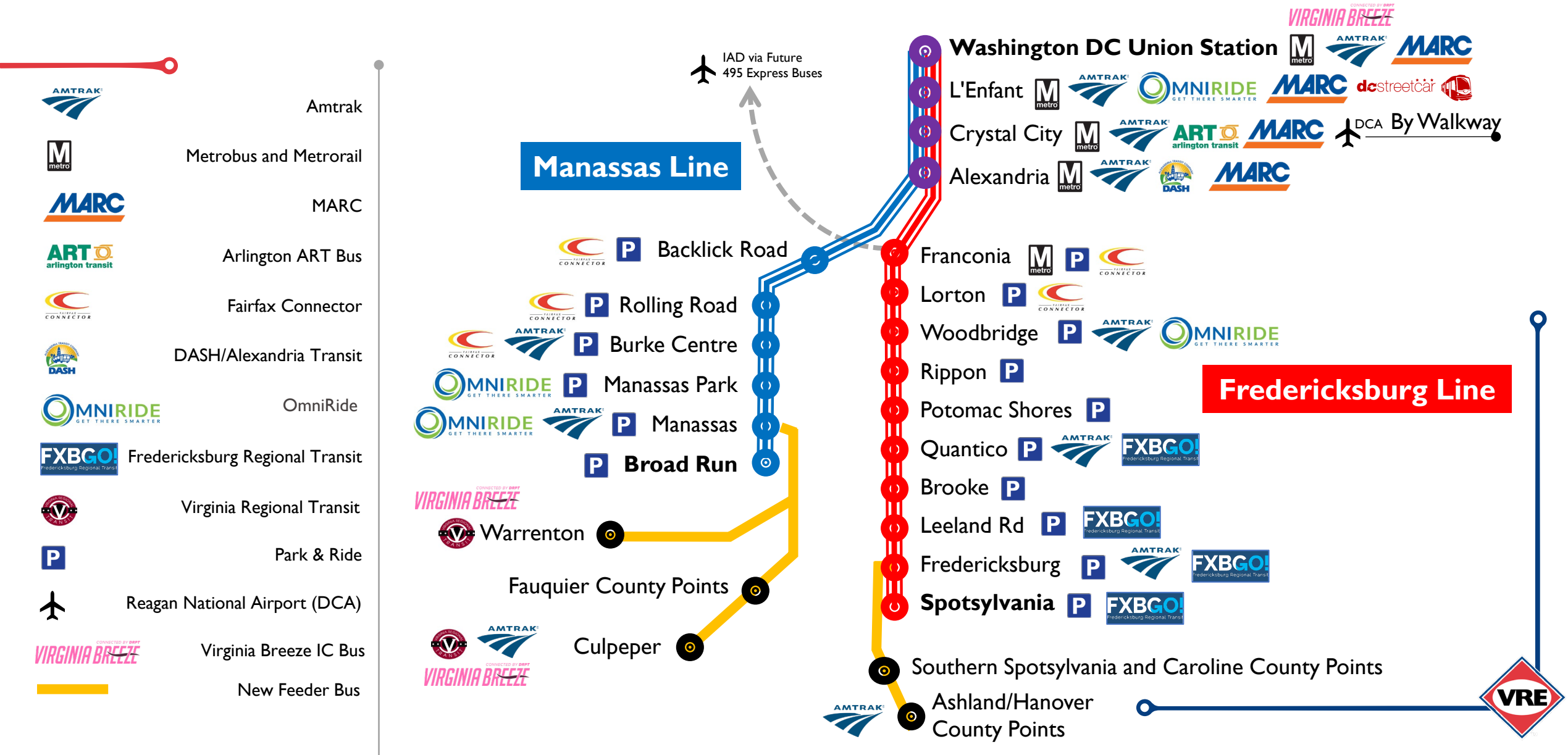
2019-2020: TRV and COVID-19 Pandemic







The Vision: VRE System Plan 2050



Key VRE Revenue Sources (est. for FY27 shown)

Passenger Fares: $28 million

- Return to Office (RTO) has been critical
- Still well below pre-pandemic 50% farebox recovery

3.5% State CMTF: $17 million

- Must be used for capital match in addition to operations
- Slow growing sources

Local Subsidy: $19.8 million

- Jurisdictions are constrained, challenges funding existing service let alone expansion
- Also used for local capital match

CROC: $15 million

- Robust structure for any future VRE funding
- Existing fuels tax funding is fully committed through 2032

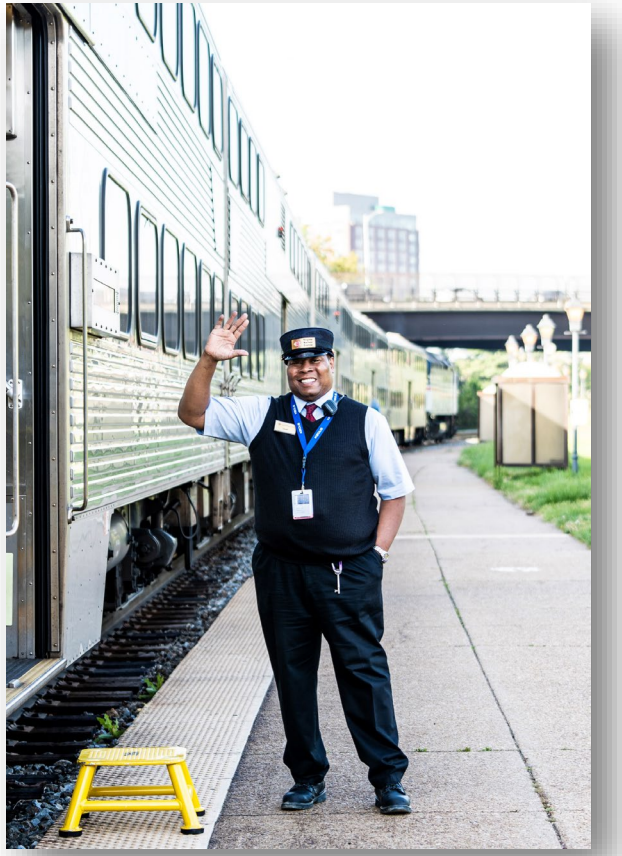
Near-Term Funding Needs: Fill Structural Gap

- Regional economic uncertainty likely to continue
- Even with RTO, travel patterns have not returned to pre-pandemic levels
- Service and ridership impacts expected from TRV capital projects
- **Annual structural gap of approximately $35 million**



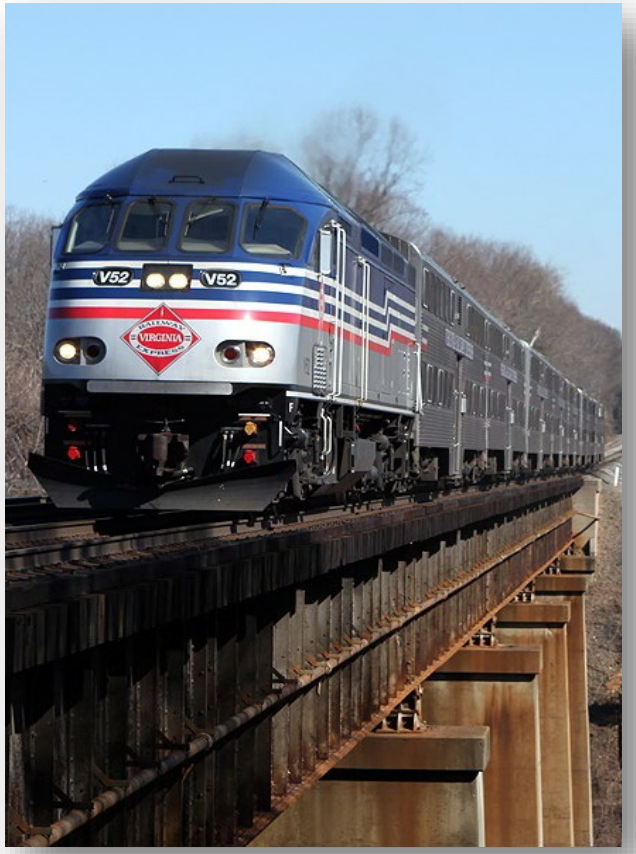
Post-Long Bridge Funding Needs: Expanded Service and Replacement of Rolling Stock

Expanded Service



- Use new capacity from Long Bridge and TRV/VRE projects
- Will not require additional railcars
- True transition from commuter to regional railroad
- **Additional annual operating funding of $40 million**

Rolling Stock



- Existing 100 railcars need replacing in mid-2030s
- Originally purchased with combination of grants and debt
- How will the state participate?
- **Total cost will be in excess of $600 million**

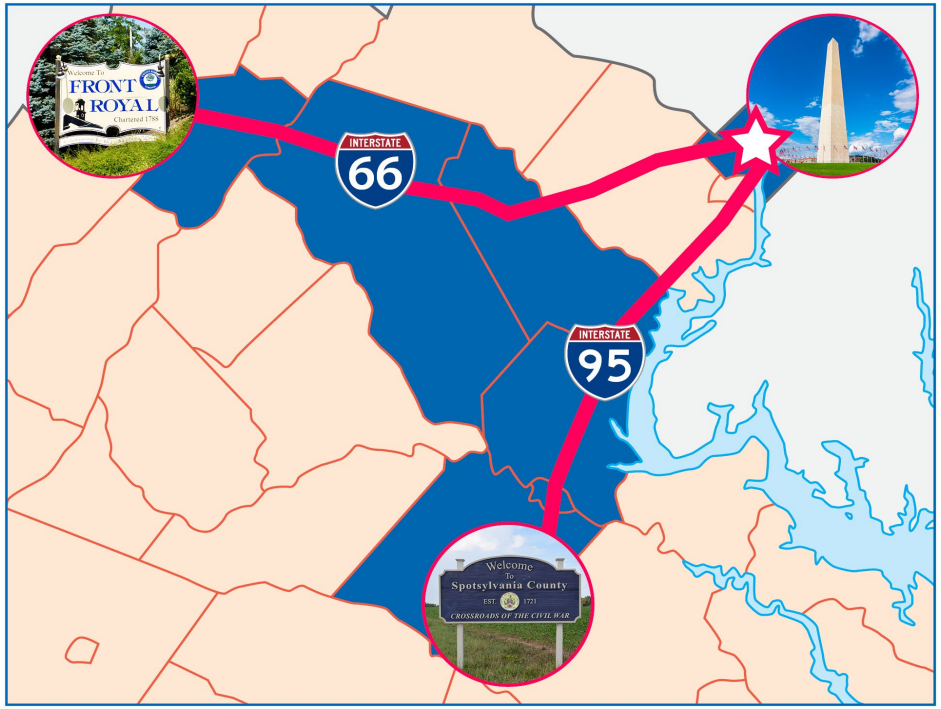
OMNIRIDE
GET THERE SMARTER

Potomac and Rappahannock Transportation Commission



OmniRide Agency Overview

- Commuter Bus Service span from Front Royal and Spotsylvania to Washington DC
  - Commuter Service leverages significant state investments in I-95 and I-66 toll lanes and park and ride lot network.
- Local Fixed Route Bus Service, Microtransit and Paratransit Service within Prince William County, City of Manassas, and City of Manassas Park
- Host Regional Vanpool Program; Vanpool Alliance
- New Transportation Strategic Plan underway





OmniRide Funding Overview

- Local: Discretionary Allocation of State Tax
  - Regional Motor Fuels Tax (MFT) is the primary source of local subsidy.
  - MFT is flat creating a structural operating deficit of $12.5 million and growing.
  - COVID recovery funding temporarily filled the gap.
  - Prince William County funds 50% of routes serving I-66 and I-95 corridors.
- State: DRPT and NVTC Programs
  - State Aid (MERIT) not keeping pace with inflation, proposed changes devalue commuter service.
  - NVTC Commuter Choice Program: OmniRide aggressively competes for toll revenue funds, but they are not dedicated or guaranteed long-term.



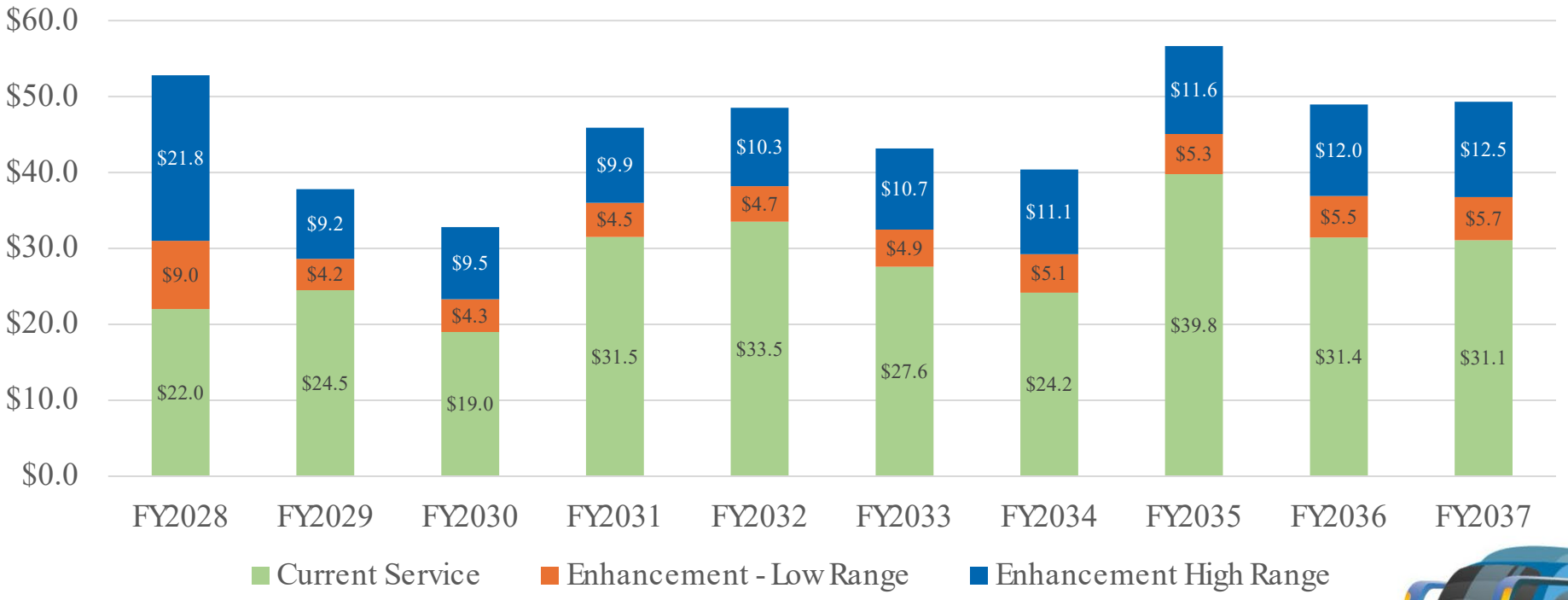
OmniRide Funding Overview

- Customer Revenue
  - Customer revenue credited to fund source that pays for them: 50/50 split between state grants and local jurisdictions.
  - $0 Local fare.
  - $11 one-way commuter fare, mostly Federal transit benefit.
- Federal Formula Allocations
  - OmniRide uses federal capital funding to support maintenance of fleet and facilities.
  - Limited availability for capital replacement.





OmniRide Unfunded Operating and Capital Needs FY2028 – FY2037 (millions)



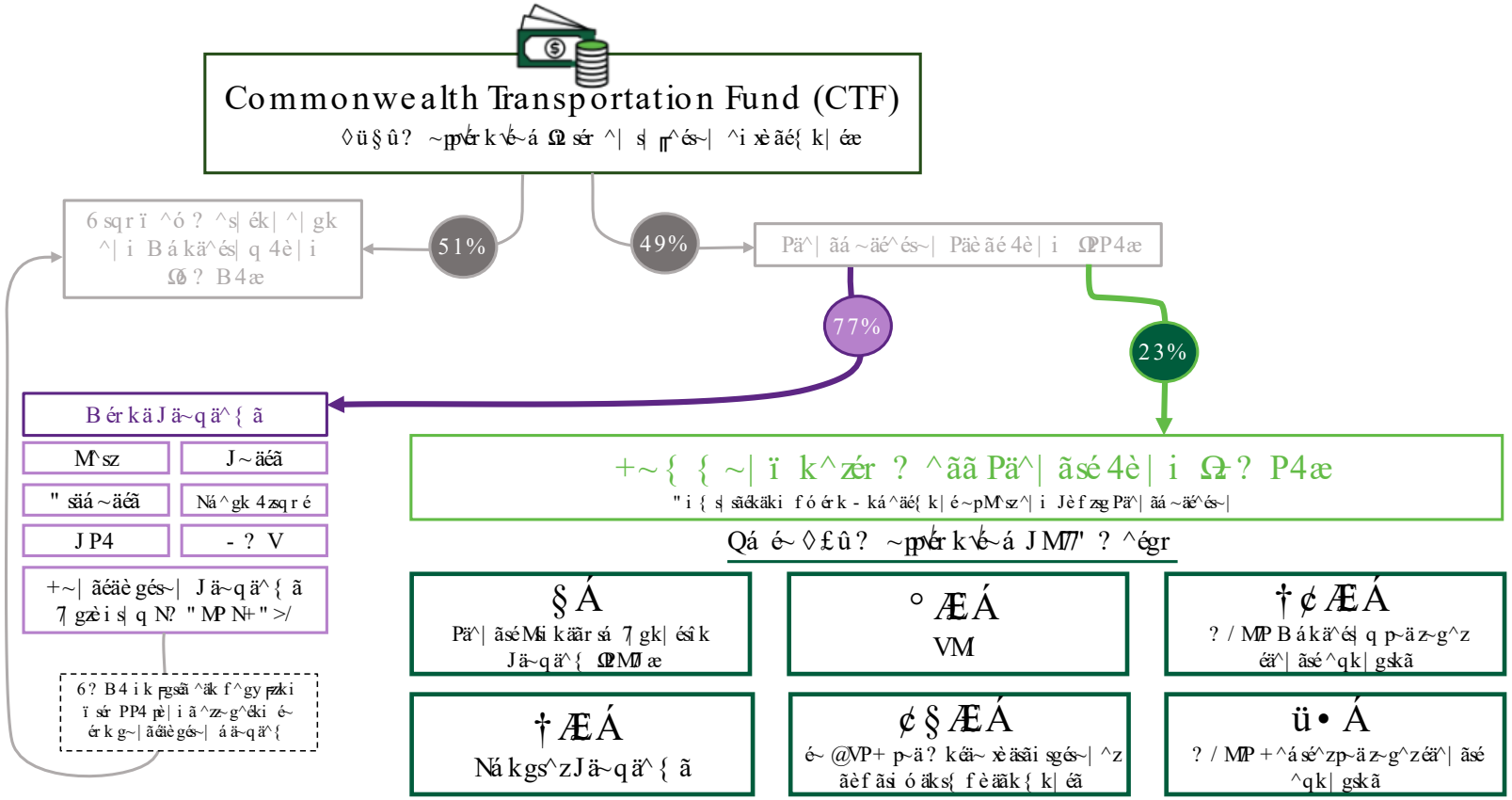


OMNIRIDE
GET THERE SMARTER

Questions?



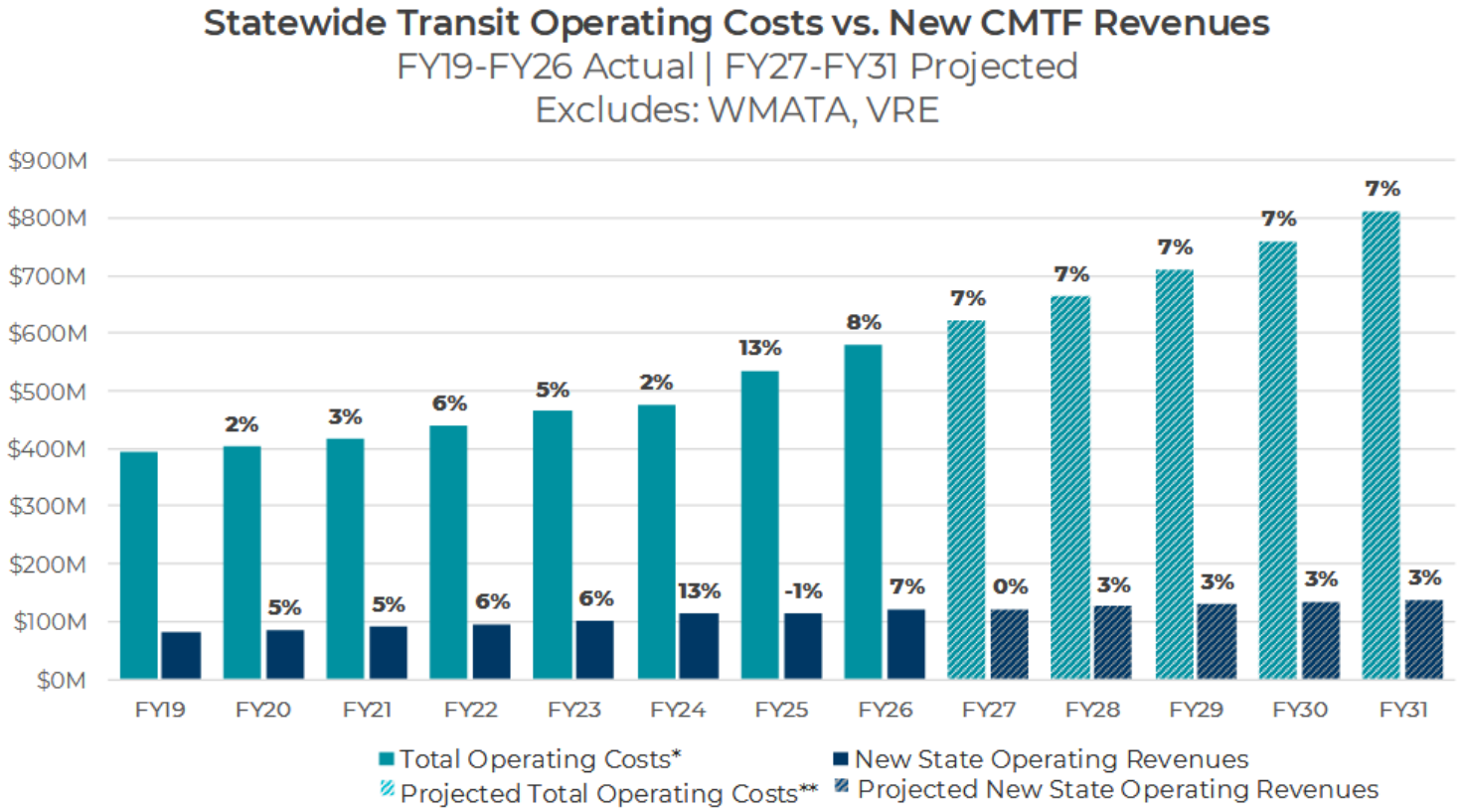
Commonwealth Mass Transit Fund



- Nearly all state aid for transit flows through the Commonwealth Transportation Fund (CTF).
- The CTF allocates revenue by formula and is not subject to annual appropriations like the General Fund.
- The FYs 2025 and 2026 stopgap Metro funding solution came from the General Fund and is unlikely to be repeated.

State Aid is not Keeping Up with Rising Costs

- Although revenues going into the CTF are rising, they are not keeping up with rising operating costs and inflationary pressures affecting the transportation industry.
- One-off allocations from pandemic-era relief programs helped mask the problem for a few years.
- With less funding, local agencies are less likely to receive the up to 30% of operating budget in assistance from the state through the MERIT program.

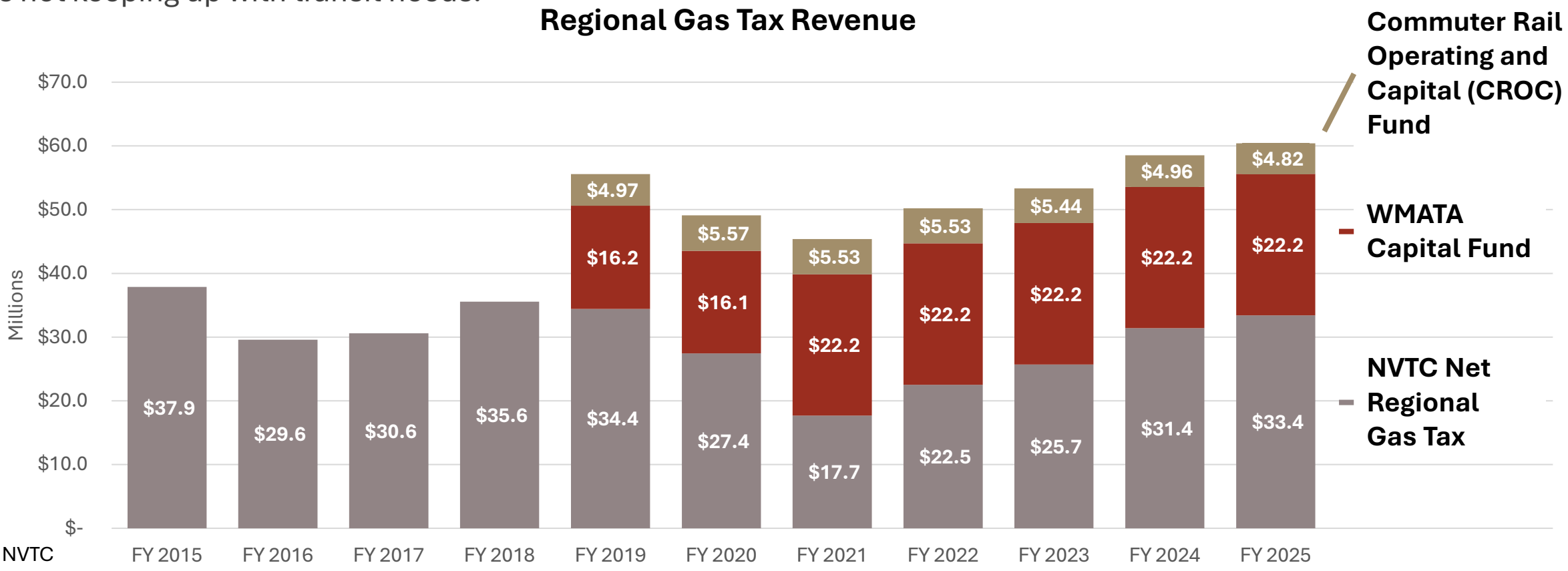


* Total Operating Costs are based on the previously audited expenses used for the operating assistance formula. For example, FY26 costs were based on FY24 financials.
** Projected Total Operating Costs are estimated using the average cost growth rate over the past 5 fiscal years

Source: May 2025 Transit Service Delivery Advisory Committee (TSDAC)

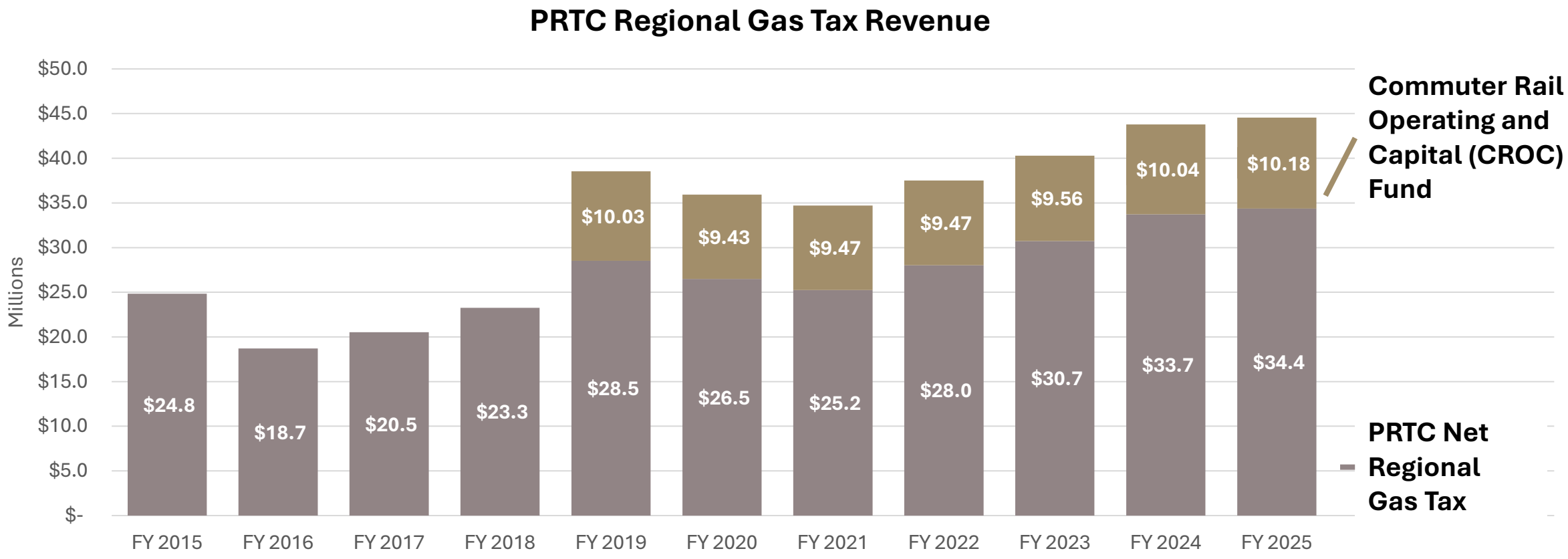
NVTC Regional Gas Tax

The regional motor fuels sales tax, known as the regional gas tax, was first levied in NVTC in 1981 **as a key tool for jurisdictions to use to pay their WMATA subsidy**. The regional gas tax adds 9.3 cents per gallon for gasoline to the existing state gas tax of 31.7 cents per gallon in FY 2026. It is a key regional funding source for transit, yet it is not keeping up with transit needs.



Source: NVTC

PRTC Regional Gas Tax



Source: NVTC

Note: The PRTC net regional gas tax is not guaranteed for transit use; some PRTC jurisdictions chose to use it for that purpose.

Existing Regional Transit Funds, Inflation Adjusted

- With set annual amounts of $154.5M and $15.0M, the WMATA Capital Fund and CROC Fund are worth less each year due to inflation.
- Although the regional gas tax can grow with inflation, changes in fuel efficiency and driving patterns have meant that the net regional gas tax that NVTC jurisdictions use to pay their WMATA subsidies has yet to return to its FY 2019 amount, especially when adjusted for inflation.

