

News Release

FOR IMMEDIATE RELEASE

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CONTACT:

Matt Friedman, NVTC 571-457-951

NVTC REPORT: VIRGINIA'S CAP ON METRO'S BUDGET A 'USEFUL TOOL'

Virginia law limits increases on money the Commonwealth provides for the transit agency

Arlington, Va. - Today the Northern Virginia Transportation Commission approved release of the *Report on Virginia's 3% Cap on the Growth in Operating Assistance Payments to the Washington Metropolitan Area Transit Authority (WMATA)* to the Virginia General Assembly, as required by law.

In 2018, the General Assembly imposed a 3% cap on growth on Virginia's annual operating subsidy to WMATA as a part of its commitment to a dedicated source of capital funding. In any year where the annual increase in the approved WMATA operating subsidy approved by Virginia exceeds 3% (apart from legislative exemptions), the legislation directs the Commonwealth Transportation Board (CTB) to withhold 35% of state funding allocated to NVTC as capital and operating assistance to help its local jurisdictions meet their financial obligations to WMATA. In 2020, the General Assembly directed the formation of NVTC's 3% Cap Working Group to examine the 3% cap and assess its usefulness and whether additional exemptions to the cap should be considered.

NVTC's 3% Cap Working Group, comprised of experts and stakeholders from Northern Virginia's localities, found that Virginia's 3% cap appears to be a useful tool to manage the growth in Virginia's operating subsidy. With only two years of WMATA budget development since the passage and implementation of the 3% cap, the Working Group recommends:

- No changes be made to the existing 3% cap legislation at this time
- No additional exclusions should be considered
- NVTC work with the Department of Rail and Public Transportation to clarify existing state policy guidance regarding the current legislative exclusions to the cap
- NVTC continue to explore potential modifications to Virginia's 3% cap legislation, with the scope and timing of such an effort to be determined by the Commission

Read the full Report on Virginia's 3% Cap on the Growth in Operating Assistance Payments to the

Washington Metropolitan Area Transit Authority (WMATA) here.

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NVTC works to ensure that businesses and residents are served by a high capacity, high quality network of transit systems that allows the region to thrive. It funds and promotes transit in the counties of Arlington, Fairfax and Loudoun and the cities of Alexandria, Fairfax and Falls Church. NVTC supports five local bus systems (ART, CUE, DASH, Fairfax Connector, Loudoun County Transit), WMATA (Metrorail/Metrobus) and the Virginia Railway Express. Visit <u>NoVaTransit.org</u> or call 703-524-3322 to learn more.



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