



April 12, 2024

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Executive Director
Katherine A. Mattice

House Speaker Don Scott
General Assembly Building
201 North 9th Street,
Richmond, Virginia 23219

Chair Luke Torian
House Appropriations
General Assembly Building
201 North 9th Street,
Richmond, Virginia 23219

Chair L. Louise Lucas
Senate Finance and Appropriations
General Assembly Building
P. O. Box 396
Richmond, VA 23218

Senate Majority Leader Scott Surovell
General Assembly Building
Room No: 1405 Senate of Virginia
P. O. Box 396
Richmond, VA 23218

Dear Members of the General Assembly:

The Northern Virginia Transportation Commission (NVTC) is seriously concerned with the Governor's amendment to the FY 2025-2026 Biennial Budget that removes additional state funding to NVTC to match our local government contributions to Metro. Amendment 179 of Item 433 eliminates the General Assembly's commitment of \$65M in FY 2025 and reduces the \$84.5M in FY 2026 to \$35M towards the shortfall Metro is facing. Striking the additional state funding would be a departure from the longstanding practice of the Commonwealth and Northern Virginia partnering together to fund Metro.

The money the Administration references in their amendment for FY 2025 was given to NVTC by the Northam Administration in FY 2022 for the localities¹ to use to address the immediate Metro payments as we emerged from the pandemic. By using those funds in FY 2022 to pay their Metro bill, the NVTC Trust Fund prudently and strategically saved the local funds to prepare for whatever they might face as Metro recovered from the pandemic and Federal COVID relief funds were set to expire.

These local funds are what our jurisdictions planned to use to match the General Assembly allocation in a joint effort to address the projected two-year, \$263 million increase in Virginia's Metro bill - \$119M in FY 2025 and \$144M in FY 2026.

Faced with the Governor's amendment, NVTC local jurisdictions alone would be required to pay their normal Metro operating bill - approximately \$340M - AND the

¹ As this was prior to opening of the Silver Line Phase 2, Loudoun County did not receive any state funds in FY 2022 to support their Metro payments.

additional increase of \$119M in FY 2025. If they used all the money available to them in the NVTC Trust Fund during FY 2025, it would exhaust the Fund, leaving little to no money to pay the FY 2026 Metro bill.

The Governor's action would place an overly disproportionate burden on local budgets in Loudoun County, Fairfax County, City of Fairfax, City of Falls Church, City of Alexandria, and Arlington County, who would need to look to taxpayers a second time, beyond the existing local investments already being made in Metro.

NVTC also shares concerns on the procedurally complex and overarching reporting and approval conditions towards Metro that are included in the amendment. NVTC and other stakeholders have many ongoing efforts/processes to ensure Metro is accountable and sustainable. Adding more steps beyond the oversight requirements contained in existing code would undo efforts to have clear lines of authority and add financial uncertainty to the flow of funding, disproportionately affecting NVTC and its jurisdictions.

NVTC has found in study after study that Metro is a key economic driver for all of Virginia. The Metro system generates \$1.0 billion a year in state tax revenue that benefits the entire Commonwealth of Virginia. These funds are key to the health of the state, representing as much as 5% of Virginia's general fund. This action undermines one of the best investments the Commonwealth makes, with a more than 160% return on its investment.

We hope you will reject this amendment and instead continue the practice of working hand in hand with Northern Virginia to fully fund Metro as the General Assembly intended in their final budget. We strongly support the legislature's directive through SJ28 to search for cost containment measures, as well as long term funding solutions for all transit in Northern Virginia.

Thank you for your consideration and the time and commitment that you give to this issue and the Commonwealth as a whole.

Sincerely,



Matt de Ferranti
Chair

Cc: Sen. Russett Perry
Sen. Suhas Subramanyam
Sen. Jennifer Carroll Foy
Sen. David Marsden
Sen. Stella G. Pekarsky
Sen. Saddam Azlan Salim
Sen. Jennifer Boysko
Sen. Adam Ebbin
Sen. Barbara Favola
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Del. David Reid
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