



NVTC WMATA Committee Meeting

May 20, 2021

Meeting materials available at www.novatransit.org

Committee Meeting Agenda

- 1. Review January 21, 2021 Meeting Summary**
- 2. 2021 Annual Report on the Performance and Condition of WMATA**
- 3. 3% Cap Working Group**
- 4. Other NVTC Program Updates**
 - 1. How WMATA is funded in Virginia/NVTC SAM formula**
 - 2. White Paper: Options for Low-Fare/No Fare Transit**

Agenda Item #2:

2021 Annual Report on the Performance and Condition of WMATA

- **Background**
- **Structure of the Report**
- **Proposed Updates for 2021**
- **Rebuilding Ridership & Revenue**
- **Discussion**

Structure of the Report

Chapter	Title	Data Source or Content
	Preface & Introduction	Information on COVID-19 related impacts & recovery
1	Strategies to Reduce the Growth in Costs and Improve Operational Efficiency	Policy Recommendations by the Commission
2	Use of Dedicated Capital Funds	WMATA
3	Safety & Reliability	National Transit Database (NTD) and Metro Performance Reports
4	Metrorail Financial Performance	
5	Metrobus Financial Performance	
6	Metrorail & Metrobus Ridership	

Strategies to Reduce the Growth in Costs and Improve Efficiencies at WMATA

This topic is spelled out in state code:

Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations

Previous NVTC Recommendations fall into four categories:

- 1) Rebuild Metrorail & Metrobus Ridership
- 2) Improve the Operational Efficiency of Metrorail & Metrobus
- 3) Increase Non-Fare Revenues
- 4) Control Cost Escalation and Enhance the Efficiency of the Workforce and Contracted Services

Strategies to Reduce the Growth in Costs and Improve Efficiencies at WMATA

Focus for 2021

- In light of anticipated COVID-19 recovery, focus strategy chapter on recommendations to rebuild ridership
- Streamline updates WMATA's progress of ongoing recommendations

1) Rebuild Metrorail & Metrobus Ridership

- 2) Improve the Operational Efficiency of Metrorail & Metrobus
- 3) Increase Non-Fare Revenues
- 4) Control Cost Escalation and Enhance the Efficiency of the Workforce and Contracted Services

Rebuilding Metrorail & Metrobus Ridership

What we heard at the May Commission Meeting

- Interest in **adjusting rail service patterns** (frequent and reliable service throughout the day) to accommodate potential post-pandemic service patterns and trip types
- Explore how WMATA receives fares from riders who are federal employees and look for opportunities to move to a **subscription model** like VRE's monthly passes
- Ridership recovery is uncertain in future years and while federal aid provides a window of opportunity to bring riders back, WMATA must achieve a fiscally sustainable recovery

What WMATA customer research has found

- Price is not a barrier for the return of most rail riders.
- Three in four customers would feel safe riding Metrorail after they are **vaccinated**
- **Telework** is the main obstacle to the recovery for work/commuter trips

Source: WMATA Finance and Capital Committee Meeting, ["COVID-19 FY2022 Service Update,"](#) May 13, 2021

Rebuilding Metrorail & Metrobus Ridership

What NVTC has recommended in previous annual reports:

- **Adjust rail service to match demand** during the pandemic and subsequent recovery period
- Improve **weekend rail service**
- Run all **8-car trains**
- Communicate and encourage a **safe return to transit**
- **Develop, expand, and enhance fare pass** and other parking pass products to meet unmet market demand and offer outreach of mobile app pass offerings to convention and tourist markets
- **Turn riders into subscribers** and make it easy and seamless for riders and employers to integrate SmartBenefits, other transit benefits, the mobile app, and monthly passes.
- **Lower the price of parking** at underutilized stations

Rebuilding Metrorail & Metrobus Ridership

Proposed by staff as major themes for 2021 Report

- Utilize **American Rescue Plan Act aid** to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period, and position WMATA for a sustainable long-term ridership and revenue recovery when the aid expires
- **Adapt Rail & Bus Service** to reflect new travel patterns and attract riders during the recovery period
- **Implement Fare Policy** changes that improve revenue and ridership, remove barriers to access, and retain newly returning riders
- Communicate and encourage a **safe return to transit**

Chapter 1: Strategies to the Reduce the Growth in Costs

Rebuild Metrorail & Metrobus Ridership

- Utilize **American Rescue Plan Act aid** to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period, and position WMATA for long-term ridership and revenue recovery when the aid expires
- **Adapt Rail & Bus Service** to reflect new travel patterns and attract riders during the recovery period
- **Implement Fare Policy** changes that improve revenue and ridership, remove barriers to access, and retain newly returning riders
- Communicate and encourage a **safe return to transit**

Discussion Questions:

- 1) *Is this the right direction for recommendations to include in the 2021 Report?*
- 2) *How does the Committee want to further define these recommendations?*
- 3) *What would the Committee like staff to explore, research, and/or bring back to the June 30 Committee meeting?*
- 4) *Are there any recommendations or feedback for the VA WMATA Board members as WMATA plans for recovery?*

Key Dates

- **Summer 2021:** WMATA may consider further service changes
- **June 30, 2021:** NVTC WMATA Committee meeting to further refine recommendations for annual report
- **August 2021:** Staff will draft the Strategies Chapter
- **Fall 2021:**
 - WMATA may consider further service changes
 - NVTC WMATA Committee Meeting(s) to finalize report
- **December 15, 2021:** Annual Report due to the Governor and General Assembly

Agenda Item #3:

Scope of Work for the 3% Cap Working Group Companion Report to the Commission

- **Overview of November 10, 2020 Report to the General Assembly**
- **Scope of the Companion Report**
- **Preparing for June Working Group Meeting**
- **Next Steps**

Working Group Members

Chair: Katie Cristol, NVTC Chair, Arlington County

Vice Chair: Kate Mattice, NVTC Executive Director

Commonwealth Representative:

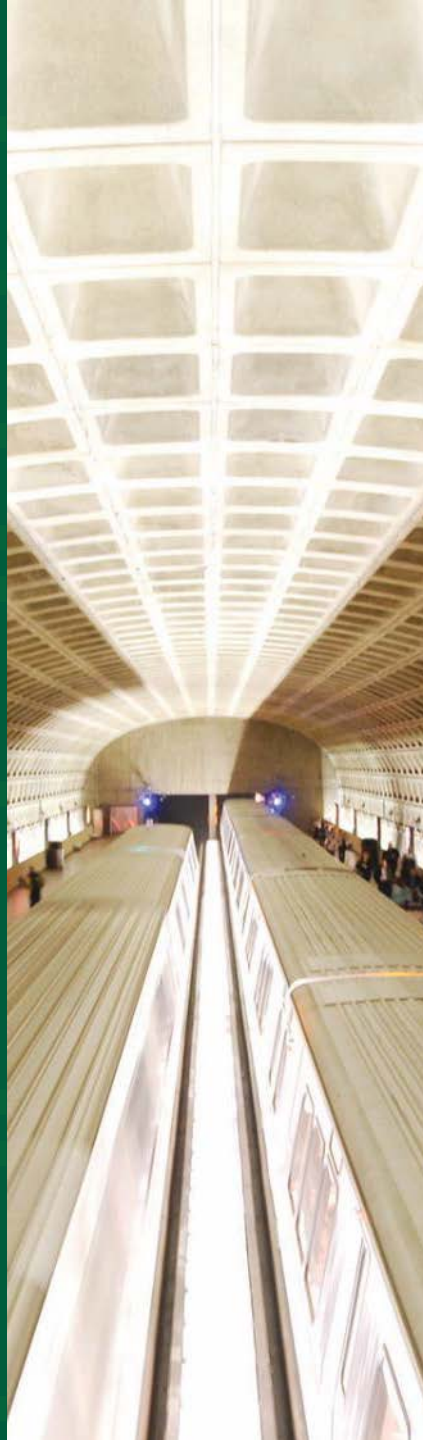
- Jennifer Mitchell, Director of DRPT

Senior-level Transportation Officials:

- Dennis Leach, Arlington County
- Yon Lambert, City of Alexandria
- Tom Biesiadny, Fairfax County
- Wendy Block Sanford, City of Fairfax
- Cindy Mester, City of Falls Church
- Penny Newquist, Loudoun County

Private Sector Stakeholders:

- Clayton Medford, Northern Virginia Chamber of Commerce
- The Honorable Randy Minchew, Former Member of the VA House of Delegates
- Stewart Schwartz, Coalition for Smarter Growth
- Jason Stanford, Northern Virginia Transportation Alliance



Overview of the November 10, 2020 Report to the General Assembly

Findings in the November 10 Working Group Report to the General Assembly



The following section presents the Working Group's findings in the November 10, 2020 Report to the General Assembly on:

1. The usefulness of the cap;
and
2. Whether any additional items should be excluded.

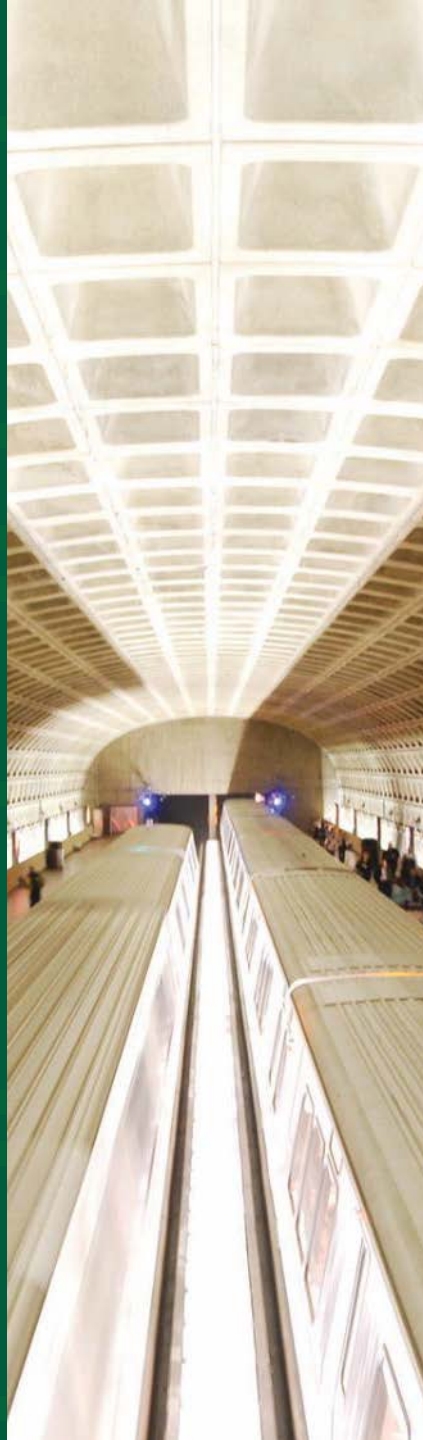


Recommendations to the General Assembly

Because the cap has only been in place for two WMATA budget development cycles, NVTC's 3% Cap Working Group recommended to the General Assembly:

- ✓ 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; and,
- ✓ 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.

Any questions on the Working Group's November 10 Report to the General Assembly?



Developing the Companion Report for the Commission

Scope of Companion Report

- The companion report will **provide the Commission with additional details** on the impact of the 3% cap using research and data **from previous working group meetings that was not included in the November 10 report to the General Assembly**
- The companion report will provide:
 - Additional quantitative and qualitative data on the jurisdictional operating subsidies before and after WMATA's implementation of the 3% cap legislation
 - A discussion on the unintended consequences of WMATA's approach to implement the 3% cap
 - Strategies to continue a dialogue and engage WMATA and the region on the 3% cap
 - A list of potential technical edits or updates to the cap from the Working Group's previous discussions

Preparing for the June 9 Working Group Meeting

Tentative Agenda:

- Overview of the November 10 Report to the General Assembly
- Receive a presentation and discuss content to include in the Companion Report:
 - WMATA's Approach to Implement the 3% Cap
 - Unintended Consequences of WMATA's Approach to Implement the Cap
 - Strategies to Engage WMATA and the Region on the Cap
 - A list of potential technical edits or updates to the cap

Key Dates

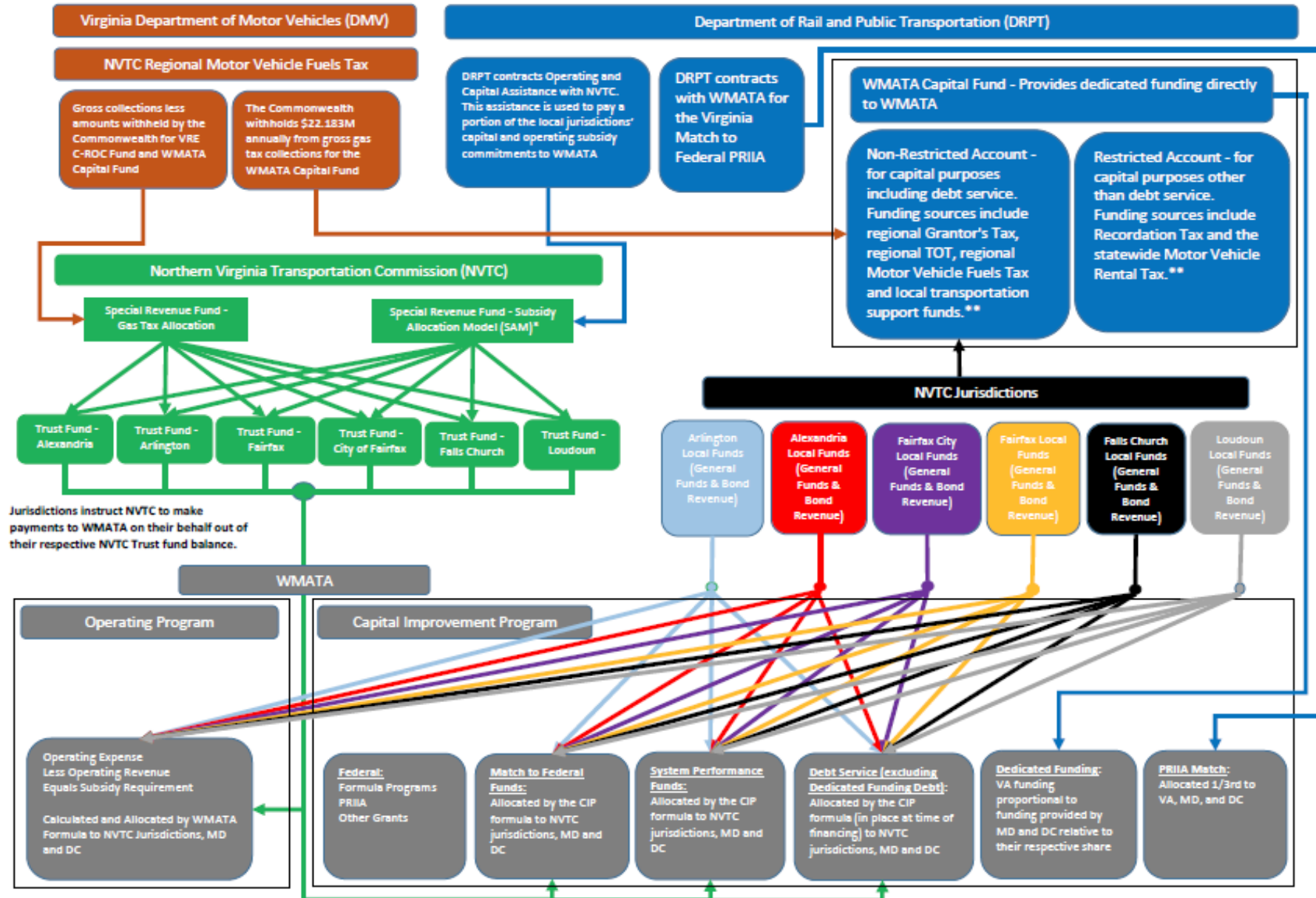
- **June 3, 2021:** Commission will receive an update on the Working Group
- **June 9, 2021:** 3% Cap Working Group Meeting
- **June 30, 2021:** NVTC WMATA Committee will receive an update on the Working Group
- **July 1, 2021:** Commission will receive an update on the Working Group
- **July 2021:** 3% Cap Working Group Meeting
- **August 2021:** Staff will draft the Companion Report and seek feedback from Working Group members
- **Fall 2021:** Commission anticipated to accept the Companion Report

Agenda Item #4:

Other NVTC Program Updates

- **How WMATA is Funded in Virginia/NVTC SAM Formula**
- **White Paper: Options for Low-Fare/No Fare Transit**

HOW WMATA IS FUNDED IN VIRGINIA - FISCAL YEAR 2022



NVTC Subsidy Allocation Model (SAM)

What is the SAM?

- A regional approach to funding transit in Northern Virginia
- Established by NVTC Resolution and codified by the 2019 General Assembly (§33.2-1526.1G)
- Allocates state transit assistance and the regional gas tax
- Loudoun will be a participant in the SAM formula with the start of Silver Line Phase II revenue service

How is it applied?

- SAM percentages applied to state assistance received by NVTC
- Revenue taken off the top for certain expenses, including NVTC G&A budget and NTD project
- Regional gas tax allocation based on previous year point of sale

SAM Inputs

- The budgeted operating subsidies for WMATA by jurisdiction
- The budgeted capital subsidies for WMATA by jurisdiction
- The budgeted local operating deficit of each system, except Loudoun
- The budgeted local capital needs, except Loudoun

NVTC Subsidy Allocation Model (SAM)

SAM Chronology Highlights

- FY 1975 - allocated \$5M of federal and state assistance based on subsidies
- FY 1981 - newly enacted gas tax revenue taken off the top to cover past due WMATA subsidies of City of Fairfax
- FY 1983 & 1984 - off the top state aid for NVTC G&A budget, allocate assistance using combination of costs and subsidies
- FY 1997 - used regional gas tax revenue to cover WMATA subsidies of Falls Church to maintain service
- FY 1999 - long-term solution where all agree to pay assigned WMATA subsidies, hold-harmless provisions enacted, allocation based on relative shares of WMATA and local transit needs, WMATA debt service off the top (implemented following action by the Virginia GA)
- FY 2004 - off-the-top revenue for NVTC data collection project
- FY 2012 - Loudoun to be participant in SAM formula with the start of Silver Line Phase II revenue service, excludes subsidies of non-WMATA local transit

NVTC White Paper: Options for Low Fare/No Fare Transit

White Paper Scope:

1. Continuum of options available for transit providers
2. Trade-offs (policy, operational, cost, etc.)

Implementation Opportunities: 1) individual transit provider and/or 2) with WMATA

Why examine this issue now?

- Tool for post-COVID transit recovery
- Focus on equity in Northern VA, Commonwealth, and Biden/Harris Administration
- Industry focus in VA (VTA, GRTC, CAT) and nationally (MBTA, LA Metro)

Next NVTC WMATA Committee Meeting: June 30, 2021

Thank You

