NVTC WMATA Committee Meeting

January 20, 2022

Meeting materials available at www.novatransit.org
Committee Meeting Agenda

1. Review October 21, 2021 Meeting Summary

2. NVTC WMATA Committee Overview and 2022 Workplan

3. Discussion and Comments on WMATA’s Proposed FY 2023 Operating Budget & FY 2023-2028 CIP
Agenda Item #2:
NVTC WMATA Committee Overview and Workplan

• Overview of Scope and Responsibilities
• Proposed 2022 NVTC WMATA Committee Workplan and Schedule
Overview of Scope and Responsibilities

**Commission**

Meets Monthly

- Discuss and inform Commissioners during the WMATA portion of the agenda
- Receive reports from the WMATA Committee and WMATA Board Members
- Take formal action on NVTC policy positions on WMATA

**NVTC WMATA Committee**

Meets 5-6 times a year

- Provides a forum for consensus-based recommendations to the Commission on WMATA policy positions
- Provides strategic guidance to staff on WMATA related policy matters and NVTC’s responsibilities from legislation

**Regional Staffing Structure**

Meets Bi-weekly

- NVTC staff coordinate a regional staffing structure that includes DRPT and jurisdictional staff
- Prepares Virginia WMATA Board members for WMATA Board meetings
- Builds consensus on Virginia issues related to WMATA and facilitates multi-jurisdictional representation
**Proposed 2022 NVTC WMATA Committee Schedule***

<table>
<thead>
<tr>
<th>JAN - APR</th>
<th>MAY - AUG</th>
<th>SEPT - DEC</th>
<th>Not Scheduled</th>
</tr>
</thead>
<tbody>
<tr>
<td>• WMATA Committee Introduction and Workplan</td>
<td>• Work Session(s) on the Annual Report on the Performance and Condition of WMATA</td>
<td>• Review draft Annual Report on the Performance and Condition of WMATA</td>
<td>• Additional discussions related to WMATA FY 2024 Operating funding gap</td>
</tr>
<tr>
<td>• Comments on WMATA FY 2023 Budget</td>
<td>• Comments on WMATA BOS study</td>
<td>• Develop Comments on WMATA FY 2024 Budget</td>
<td>• Update from WMATA’s Bus Priority Program</td>
</tr>
<tr>
<td>• Receive Updates from the WMATA Committee Chair on Committee Discussion</td>
<td>• Receive Updates from the WMATA Committee Chair on Committee Discussion</td>
<td>• Authorize the Executive Director to send the Annual Report on WMATA</td>
<td>• Update on Bus Network Redesign</td>
</tr>
<tr>
<td>• Send Comments on Blue, Orange and Silver Line Study</td>
<td></td>
<td></td>
<td>• Discussion on Fare Policy and Structure</td>
</tr>
</tbody>
</table>

*Work plan dates and content may change.*
Agenda Item #3:
Discussion and Comments on WMATA’s Proposed FY 2023 Operating Budget & FY 2023-2028 CIP

- Ridership, Revenue, and Federal Relief Overview
- Proposed FY 2023 WMATA Operating Budget – Service, Fares, and Other Considerations
- Proposed FY2023 Capital Budget and FY 2023-2028 CIP
- Staff proposed themes to include in a letter of comment
- Discussion & Next steps
Background

- COVID-19 continues to impact WMATA operations. Ridership recovery is expected to be gradual, with a **weak outlook for future operating revenue**.

Source: WMATA [November 4 Finance and Capital Committee Meeting](#)
Federal Relief Funding

• Federal relief funding has enabled WMATA to balance the budget and sustain operations, but it will be exhausted in FY 2024.

<table>
<thead>
<tr>
<th></th>
<th>FUNDING</th>
<th>FY2020 Actual</th>
<th>FY2021 Actual</th>
<th>FY2022 Budget</th>
<th>FY2023 Proposed</th>
<th>FY2024 Plan</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARES</td>
<td>$767.7</td>
<td>$221.0</td>
<td>$546.7</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>CRSSAA</td>
<td>$625.1</td>
<td>0.0</td>
<td>$53.9</td>
<td>$571.2</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>ARPA</td>
<td>$1,058.5</td>
<td>0.0</td>
<td>0.0</td>
<td>$191.4</td>
<td>$715.8</td>
<td>$151.3</td>
<td>$0.0</td>
</tr>
<tr>
<td>Total</td>
<td>$2,451.2</td>
<td>$221.0</td>
<td>$600.5</td>
<td>$762.6</td>
<td>$715.8</td>
<td>$151.3</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

Note: Reflects net amounts to WMATA and excludes jurisdictional credits in FY2021 and FY2022.

• Preliminary projections for FY 2024 show a $519.3 million funding gap.

Source: WMATA November 4 Finance and Capital Committee Meeting
Operating Deficit and Funding Gap

WMATA’s Expenses for FY 2021-2024 (in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2021 Pre-Pandemic</th>
<th>FY 2021 Actual</th>
<th>FY 2022 Budget</th>
<th>FY 2023 Proposed</th>
<th>FY 2024 Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Jurisdictional Subsidy</strong></td>
<td>$1,246</td>
<td></td>
<td>$705</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Fare + Non-Fare Revenue</strong></td>
<td>$824</td>
<td>$1,009</td>
<td>$1,109</td>
<td>$1,192</td>
<td>$1,228</td>
</tr>
<tr>
<td><strong>Federal Relief</strong></td>
<td>$167</td>
<td>$1,009</td>
<td>$1,109</td>
<td>$1,192</td>
<td>$1,228</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2021 Pre-Pandemic</th>
<th>FY 2021 Actual</th>
<th>FY 2022 Budget</th>
<th>FY 2023 Proposed</th>
<th>FY 2024 Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subsidy</strong></td>
<td>$1,880</td>
<td>$705</td>
<td>$763</td>
<td>$716</td>
<td>$151</td>
</tr>
<tr>
<td><strong>Funding Gap</strong></td>
<td>$2,070</td>
<td></td>
<td>$2,100</td>
<td>$2,282</td>
<td>$2,363</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.

Source: WMATA December 9 Board of Directors Meeting
Proposed FY 2023 Operating Budget

Service

- Maintains current budgeted service levels on bus and rail, making permanent the service changes approved as pilots in September 2021 (increased weekday and weekend frequency on all Metrorail lines, extended Metrorail operating hours, and Metrobus improvements including frequent network)

- Includes the full revenue service for the Silver Line Phase 2 and Potomac Yard station

12 Min. frequency routes in VA: 16G/H, 28A

20 Min. frequency routes in VA: 1A, 7A, 23B/T, 29K/N, Metroway, REX
Proposed FY 2023 Operating Budget

Fares

• Makes permanent the piloted fare changes which were implemented in September 2021 ($2 weekend flat fare, $2 bus/rail transfer discount, lowering the price of the 7-day regional bus pass to $12).

• Proposes temporary and permanent fare changes to support recovery.

<table>
<thead>
<tr>
<th>Proposed FY 2023 Fare Initiatives</th>
<th>Potential FY2023 Revenue Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late Night Rail $2 Flat Fare</td>
<td>($1.0)</td>
</tr>
<tr>
<td>Reduces the price of Metrorail to a flat $2 rate after 9:30 p.m.</td>
<td></td>
</tr>
<tr>
<td>Discount Monthly Passes</td>
<td>($1.7)</td>
</tr>
<tr>
<td>Reduces the price range from $72 to $216 to $64 to $192 depending on distance selected.</td>
<td></td>
</tr>
<tr>
<td>Discount 7-Day Unlimited Pass (for a six-month promotional period)</td>
<td>($0.3)</td>
</tr>
<tr>
<td>Discounts the price of the 7-day unlimited pass from $58 to $29.</td>
<td></td>
</tr>
<tr>
<td>Add Value Bonus (for a six-month promotional period)</td>
<td>($7.9)</td>
</tr>
<tr>
<td>For every $25 placed on a SmarTrip card, an additional $5 would be added.</td>
<td></td>
</tr>
</tbody>
</table>
Proposed FY 2023 Operating Budget

Other

• Includes $20 million in equity initiatives and/or Title VI mitigation efforts

• Includes 3% operating subsidy increase for each signatory (VA, MD, and DC) and an additional $49 million in legislative exclusions (Silver Line Phase 2, Potomac Yard Station, safety mandates from WMSC, Juneteenth holiday)

• There are significant risks and uncertainty for ridership and revenue posed by additional COVID-19 variants, regional return to office policies, and In-person vs. remote work trends

• New services and facilities, CPI/Inflation, and contractually obligated wage increases are significant cost drivers.
Proposed FY 2023 Capital Budget and FY 2023-2028 CIP

Overview

• $2.3 billion capital budget and $12 billion CIP improve system safety, state of good repair, and reliability by rehabilitating, replacing, and modernizing the system while integrating resilience and sustainability.

• Proposed budget and CIP were introduced before the Infrastructure Investment and Jobs Act was signed into law.

Highlighted projects in CIP

• 8000-series railcar acquisition
• Railcar heavy repair & overhaul facility
• Train control room rehabilitation
• Yellow Line Portal Tunnel Remediation

• Structural rehabilitation of bridges
• Faregate and fare vending replacement
• Office consolidation
• Bus garage rehabilitation
Proposed FY 2023 Capital Budget and FY 2023-2028 CIP

Capital Program Overview ($B)

10-Year Capital Plan
10-Year Capital Plan ($23.0B)
Six-Year Capital Improvement Program (CIP) Total Investment ($12.4B)
Capital Budget Total 1-Year Investment ($2.3B)

Underfunded Investments and Projects Continuing Beyond the 10-Year Plan Include:
- Continued Required State of Good Repair and Safety Investments
- 8000 Series Railcar Acquisition
- Next Generation Signal System
- Zero Emission Bus Implementation
- Tunnel Ventilation Improvements
- Railyard Optimization
- Passenger Circulation Station Improvements
- Third Rail Modernization

Source: WMATA November 4 Finance and Capital Committee Meeting
Investment reducing the state of good repair backlog

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Track &amp; Structures</td>
<td>$0.8</td>
<td>$0.1</td>
<td>$0.2</td>
<td>$0.2</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$1.6</td>
<td>$0.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stations</td>
<td>$0.8</td>
<td>$0.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systems</td>
<td>$2.7</td>
<td>$2.5</td>
<td>$2.1</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>$1.1</td>
<td>$1.2</td>
<td>$0.6</td>
<td>$0.28</td>
</tr>
</tbody>
</table>

- Regional and Federal investment improving safety and reliability and addressing overdue needs
- ~$1.2B - $1.5B investment is needed annually to prevent assets from going into a state of disrepair

Progress assumes full implementation of the Six-year CIP and 10-Year Plan. Excludes expansion and major enhancements.

Source: WMATA November 4 Finance and Capital Committee Meeting
WMATA’s budget process timeline

Key Dates and Milestones

FY23 Ridership and Revenue Outlook
Public Hearings Authorization
Public Hearings & Outreach
Board Budget Adoption
FY2023 Begins

GM/CEO FY23 Proposed Budget
Board Discussions
Committee Budget Adoption
Submit Federal Applications

Source: WMATA November 4 Finance and Capital Committee Meeting
Staff recommended themes to include in comments on the Proposed WMATA Budget and CIP

Areas of Support

- Maintain budgeted rail and bus service levels and permanently adopt all piloted fare and service initiatives
- Open and implement full revenue service for Silver Line Phase 2 and Potomac Yard Station
- Implement temporary and permanent fare changes that balance ridership and revenue, accommodate increased telework, and don’t lose significant revenues.
- Select and fund equity initiatives and Title VI mitigation that provide system-wide benefits
- Continue the acceleration of the capital program and CIP to advance goals of safety, reliability, and state of good repair

Additional Comments

- Urge the safe and timely return of the 7000-series railcars to service, improve safety culture, and rebuild customer confidence
- Look forward to additional analysis from WMATA on the impacts of the Infrastructure Investment and Jobs Act on the CIP, dedicated funding longevity, and other agency objectives like Zero Emission Bus.
- Low-income fare discounts should be jurisdictionally sponsored and funded
- Concern over exhaustion of federal aid and projected FY 2024 operating gap
Next steps

• **January**: NVTC staff will work with Chair Alcorn to incorporate Committee comments and feedback into a letter

• **Mid-January - Mid-February**: (tentative): Public Comment Period and public hearings on the WMATA GM/CEO’s Proposed Budget

• **February**: Share draft letter with the Commission

• **February**: NVTC staff will submit the NVTC WMATA Committee’s comments during the public comment period

• **March**: WMATA Board adoption of the FY2023 Budget and FY2023-2028 Capital Program
Thank You.