



NVTC WMATA Committee Meeting

October 20, 2022

Meeting materials available at www.novatransit.org

Committee Meeting Agenda

- 1. Welcome and Opening Remarks**
- 2. Review September 29, 2022 Meeting Summary**
- 3. 2022 Update on the Annual Report on the Performance and Condition of WMATA**
- 4. Update on NVTC Research: WMATA Peer Transit Agency Operating Funding**
- 5. Other Items**

Agenda Item #3:
**2022 Update on the
Annual Report on the
Performance and
Condition of WMATA**

Structure of the Report – Proposed for 2022

Chapter	Title	Data Source or Content
	Introduction	Context and background on FY 2024 operating gap; highlighting new services
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	
4	Metrorail Financial Performance	National Transit Database (NTD) and Metro Performance Reports
5	Metrobus Financial Performance	
6	Metrorail & Metrobus Ridership	

Proposed 2022 Report Strategies Overview

Recommendations for WMATA and funding partners

- 1) Rebuild customer confidence
- 2) Enforce fare payment uniformly across the system
- 3) Implement a simple and convenient fare structure
- 4) Increase Non-Fare Revenues from real estate and advertising
- 5) Manage Labor Costs

Recommendations to NVTC

- 6) Explore the implications of local transit agencies assuming the operation of Metrobus services in Northern Virginia
- 7) Examine and develop options for a new financial operating model for WMATA

Agenda Item #3:

Update on NVTC Research: WMATA Peer Transit Agency Operating Funding











- **Overview**
- **WMATA Context**
- **Peer Transit Agency Findings**
- **Next Steps**

NVTC Research on WMATA Peer Transit Agency Operating Funding

Overview

- NVTC staff examined peer-transit agency operating budgets for revenue sources.
- Looked at most recent budgets consistently available for agencies (FY 2022). While an unusual year, all agencies had similar conditions with COVID aid, challenges to service provision and a slow pandemic recovery.
- Researched large peer-transit agencies and transit agencies that had an interstate compact governance structure (which tended to be smaller) than WMATA.
- While there are similarities in other agencies, WMATA's structure is unique.

Peer Systems included in research

Transit System	Transit Modes
 BART	Heavy Rail, Monorail/Automated, Hybrid Rail, Demand Response
 CTA	Heavy Rail, Bus
 LA Metro	Heavy Rail, Light Rail, Bus, Vanpool
 MARTA	Heavy Rail, Bus, Streetcar, Demand Response
 MBTA	Heavy Rail, Light Rail, Bus, Commuter Rail, Trolleybus, Ferryboat, Demand Response
 NY MTA	Heavy Rail, Bus, Commuter Bus, Demand Response
 PATCO*	Heavy Rail
 PATH*	Heavy Rail, Ferryboat
 St Louis Metro*	Light Rail, Bus, Demand Response
 WMATA	Heavy Rail, Bus, Demand Response

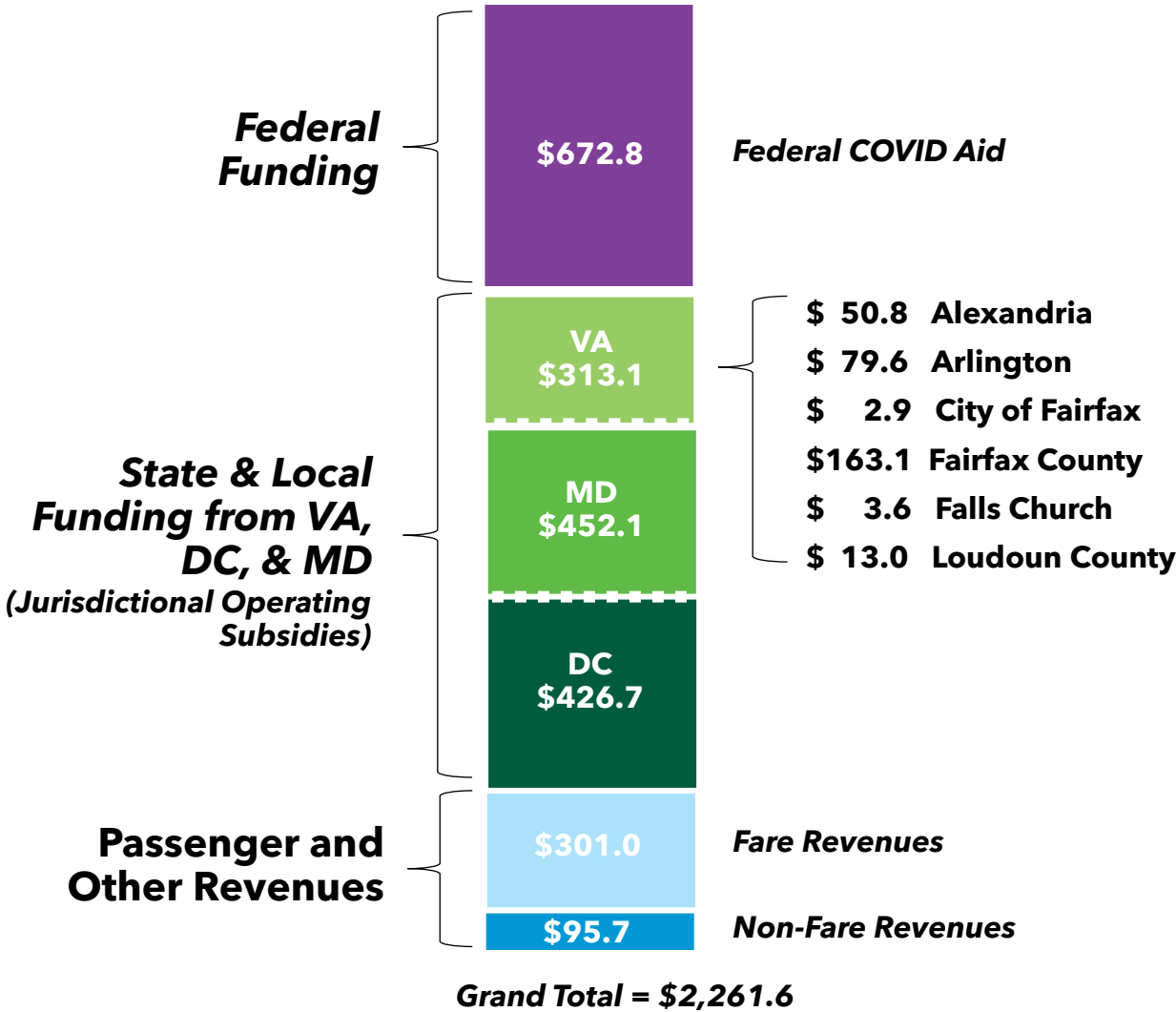
*Transit agencies that are smaller than WMATA, but were included because they are governed by interstate compacts

NVTC Research on WMATA Peer Transit Agency Operating Funding

Approved FY 2023 Operating Budget Funding Sources (in millions)

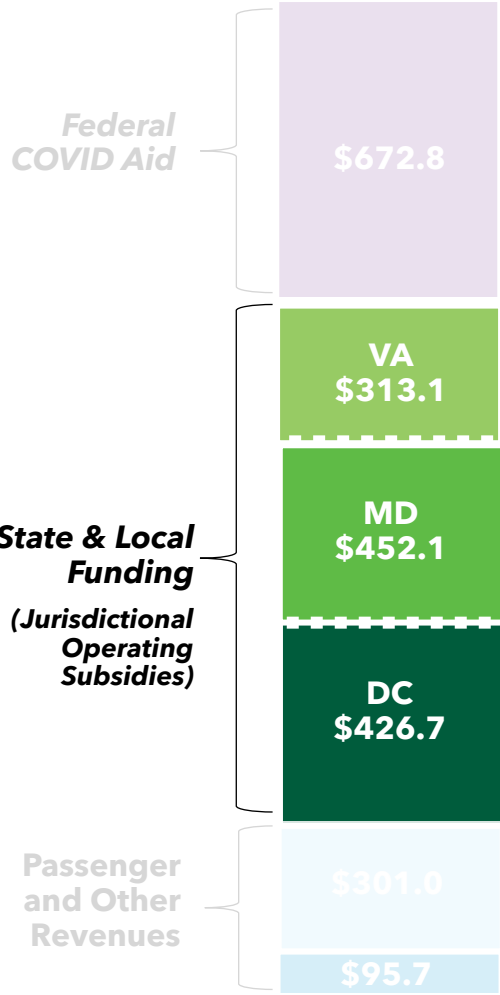
WMATA's Operating Funding Context

- Federal funds are one-time COVID-19 relief funds that will be exhausted in FY 2024.
- Fare revenues include all modes and depend on ridership, which is well below pre-pandemic levels.
- Non-Fare revenues include advertising, parking and other sources.
- Expenses - Revenues = Jurisdictional Operating Subsidies, which are allocated to each funding jurisdiction.
- Each funding jurisdiction annually appropriates funds to pay its WMATA operating subsidy, including revenue sources that may be specifically designated for that use.



NVTC Research on WMATA Peer Transit Agency Operating Funding

Approved FY 2023 Operating Budget
 Funding Sources (in millions)



Grand Total = \$2,261.6

WMATA

- WMATA does not have dedicated operating revenues (typically taxes that flow directly to and are managed by a transit agency). However, some funding jurisdictions have revenue sources designated specifically for paying WMATA subsidies.

Virginia

- Local governments meet their obligations using a mixture resources: **general fund** revenues (primarily property taxes), NVTA 30% funds and other transportation funds.
- Local governments instruct NVTC to make payments on their behalf from their respective regional gas tax or state aid trust fund accounts

Maryland

- The State of Maryland meets the majority of its obligation from the **state-wide transportation trust fund**, which is supported by a variety of transportation taxes and fees.

District of Columbia

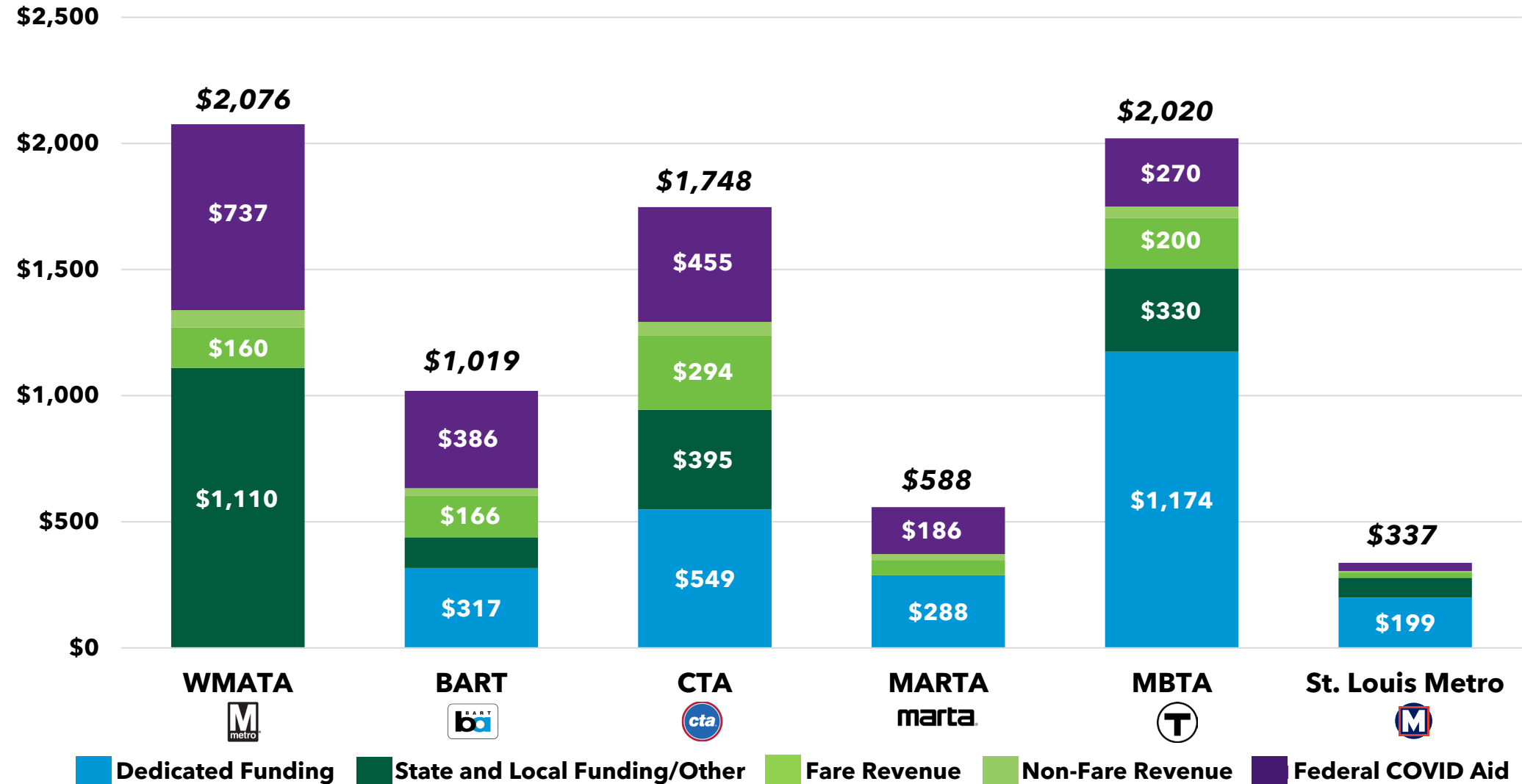
- The majority of DC's operating funding comes from its **general fund**. Parking meter revenue and taxes on revenues generated from private operators of parking lots and garages are also used to pay DC's operating subsidy.

Source: WMATA Board [FY 2023 Budget Approval](#), March 2022

* Since FY 2020, the Maryland's general fund has also helped fund the dedicated capital portion of the WMATA subsidy.

NVTC Research on WMATA Peer Transit Agency Operating Funding

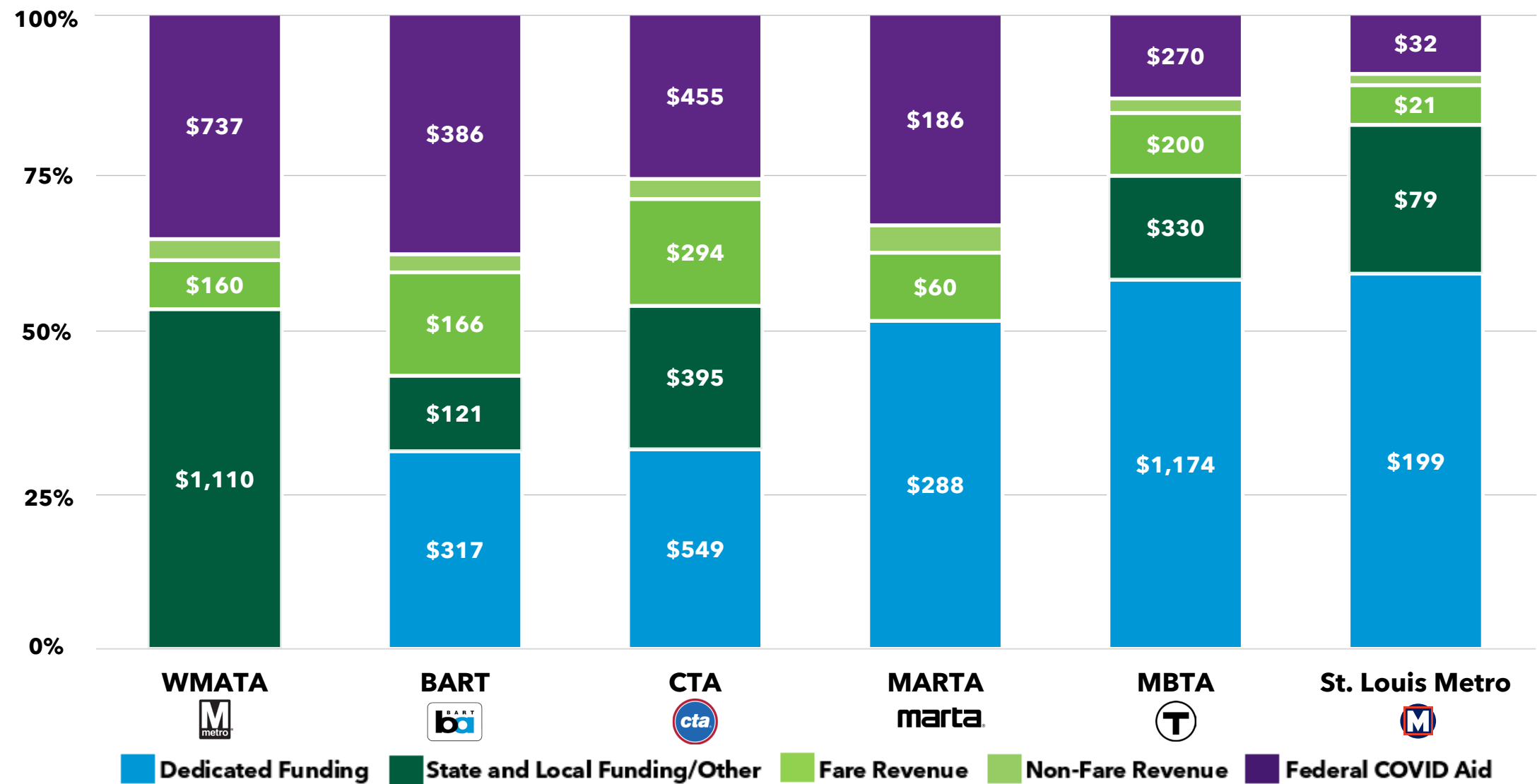
Total FY 2022 Operating Budget (In Millions)



Note: Figures are rounded and derived from each agency's approved FY 2022 operating budget. NVTC staff consolidated figures into like categories for comparison.
















NVTC Research on WMATA Peer Transit Agency Operating Funding

Total FY 2022 Operating Budget (In Millions)



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NVTC Research on WMATA Peer Transit Agency Operating Funding

Funding Source	Agency
Sales Tax	      
Property Tax	
Real Estate Transfer Tax	 
Title Ad Valorem Tax	
Payroll Mobility Tax/Metropolitan Commuter Transportation Mobility Tax	
Petroleum Business Tax <i>(Business Privilege tax, Gasoline and Diesel Fuel Excise Tax, Vehicle Registration/Driver License Fees)</i>	
Mortgage Recording Tax <i>(MRT-1 & MRT-2)</i>	
Corporate Franchise Tax	

NVTC Research on WMATA Peer Transit Agency Operating Funding

Key Findings

- All large peer transit agencies had dedicated operating revenues for transit operations.
- The most common form of dedicated operating revenue was a sales tax, which often funded capital or operating budgets.
- Larger transit agencies tended to have more than one source of dedicated operating revenue.
- No other transit agency has WMATA's unique governance and funding structure (three parties in an interstate compact).

Next Steps

- Present findings to proposed WMATA Operating Funding & Reform Working Group
(*Annual Report Draft Recommendation #7*)

Thank You.



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