



NVTC JOINT WMATA COMMITTEE/LEGISLATIVE AND POLICY COMMITTEE MEETING

THURSDAY, NOVEMBER 21, 2024

Via Electronic Participation

[Public Streaming Via YouTube](#)

6:00 p.m.

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1. Welcome and Opening Remarks
2. Meeting Summary of the September 19, 2024 Joint NVTC WMATA Committee/Legislative and Policy Committee Meeting
3. NVTC Work Towards Long-Term Sustainable Dedicated Funding
 - A. DMVMoves
 - B. SJ 28: Northern Virginia Growing Needs of Public Transit Joint Subcommittee
 - C. NVTC 2024 Annual Report on the Performance and Condition of WMATA
4. Funding Principles Discussion
5. Draft NVTC 2025 Legislative and Policy Agenda
6. Other Items
 - Next Joint Committee Meeting Date:
Thursday, February 20, 2025, 6:00 p.m., NVTC Suite #230

WMATA Committee Members:

Walter Alcorn, Chair
Caneke Aguirre
Matt de Ferranti
Matt Letourneau
Paul Smedberg
David Snyder

Legislative and Policy Committee Members:

Caneke Aguirre, Chair
Adam Ebbin
Libby Garvey
Matt Letourneau
Catherine Read
David Snyder
James Walkinshaw

MEETING SUMMARY
NVTC JOINT WMATA COMMITTEE / LEGISLATIVE AND POLICY COMMITTEE
NVTC Suite #230 Conference Room
2300 Wilson Blvd., Arlington, Virginia
Public Livestreaming via YouTube
September 19, 2024

NVTC WMATA Committee Members Present:

Walter Alcorn, Chair
Canek Aguirre
Matt de Ferranti (*via electronic participation*)
Matt Letourneau
Paul Smedberg
David Snyder

Legislative and Policy Committee Members Present:

Canek Aguirre, Chair
Adam Ebbin (*non-voting member*) (*via electronic participation*)
Libby Garvey
Matt Letourneau
Catherine Read
David Snyder

Legislative and Policy Committee Members Absent:

James Walkinshaw

Other NVTC Commissioners Present:

Takis Karantonis

Staff and Others Present:

Andrew D’huyvetter
Allan Fye
Rhonda Gilchrest
Adam Hager
Scott Kalkwarf
Daniel Knickelbein
Tenley O’Hara
Aimee Perron Seibert
Sophie Spiliotopoulos
Melissa Walker

Kirk Dand (Arlington County)
Jordan Exantus (City of Alexandria)
Jen Monaco (DRPT)
Greg Potts (WMATA) (*via electronic participation*)

Legislative and Policy Committee Chair Aguirre called the joint meeting of the WMATA Committee/Legislative and Policy Committee to order at 6:04 p.m. He stated that the meeting is being livestreamed for the public and that he is co-chairing the meeting with WMATA Committee Chair Alcorn. Legislative and Policy Committee Chair Aguirre confirmed an in-person quorum was present and that Mr. de Ferranti is participating electronically from Arlington County due to a medical reason and Mr. Ebbin is participating electronically from Washington, D.C. due to a scheduling conflict.

Ms. Garvey moved, with a second by WMATA Committee Chair Alcorn, to approve Mr. de Ferranti’s and Mr. Ebbin’s requests to participate electronically. The motion passed unanimously.

The vote in favor was cast by Commissioners Alcorn, Aguirre, Garvey, Letourneau, Read, Smedberg and Snyder.

Legislative and Policy Committee Chair Aguirre asked if there were any changes to the Meeting Summary of the July 11, 2024 Joint WMATA Committee/Legislative and Policy Committee meeting. The committees accepted the meeting summary with no changes.

NVTC Work Towards Long-Term Sustainable Dedicated Funding

WMATA Committee Chair Alcorn asked staff to proceed with the next three presentation items all related to long-term, dedicated funding.

DMVMoves. Mr. Fye provided an update on DMVMoves, indicating the next Regional Task Force meeting would be held on Monday, September 23, 2024 in Hyattsville, MD. He shared key Northern Virginia principles for long-term, sustainable transit funding including a one-size-fits-all approach not being suitable for the region; Virginia, Maryland and DC each developing their own solutions; maintaining a 50/50 partnership between Northern Virginia jurisdictions and the Commonwealth; and ensuring state and local resources to sustain rebaselined FY 2026 funding levels at WMATA.

SJ 28: Northern Virginia Public Transit Joint Subcommittee. Mr. Fye updated the Joint Committee on the SJ 28 Subcommittee, indicating the next Joint Subcommittee meeting would be held at NVTC on Thursday, September 26 at 1:00 p.m. He shared that transit funding needs, cost containment strategies and opportunities for WMATA, the 3% cap and peer transit funding would be on the agenda for the meeting.

WMATA Committee Chair Alcorn asked whether there was any discussion taking place about the role of the federal government in funding transit. Mr. Fye stated the federal government contributes capital funding via the Passenger Rail Investment and Improvement Act (PRIIA), which is matched by the states and provided to WMATA. Mr. Ebbin asked when the federal share of PRIIA funding expires. Mr. Fye stated that staff would follow up and provide that information to committee members.

Mr. Snyder asked about the timetable for DMVMoves and when that effort might be discussing taxes and funding. Mr. Fye responded that there are several considerations affecting the timing of funding discussions, but staff is working to make sure conversations are happening at the right time across the efforts underway.

Mr. Hager then presented a summary of how WMATA's peer regions use dedicated revenues to support transit operating budgets. He highlighted five peer agencies across the country and detailed the ways in which they generate revenue, how dedicated revenue flows to each agency and the percentage of dedicated funding in each operating budget. Mr. Hager shared several findings from the research including considerations for new, potential dedicated revenues for WMATA and other transit agencies in Northern Virginia.

WMATA Committee Chair Alcorn asked about the size of the projected operating deficits facing some of the peer transit agencies relative to the size of their operating budgets. Mr. Hager responded that he had not performed the calculation, but that it would be a significant percentage.

WMATA Committee Chair Alcorn suggested not only finding additional revenues for transit but also reforming the way transit is funded, particularly at the local level. He stated that locally, jurisdictions fund transit needs with real estate tax revenues. If there are new revenue sources to support transit, they could take pressure off of some local funding.

Ms. Garvey asked whether sales tax is considered more progressive or regressive. WMATA Committee Chair Alcorn stated it depends on the jurisdiction, weighting and what is being taxed with a sales tax. Mr. Fye stated that multiple sources can provide a level of predictability that is not afforded by just one tax. WMATA Committee Chair Alcorn added that while real estate is taxing assets and sales is taxing consumption, neither factor in ability to pay, or income, is a consideration.

Mr. Smedberg asked whether sales tax revenues vary year to year. Mr. Hager responded that yes, revenues can vary and some regions, such as Boston, have overestimated their sales tax receipts which has led to operating budget deficits today. Mr. D’huyvetter and Mr. Smedberg discussed the pros and cons of being able to tax services, for example, under a sales tax.

Mr. de Ferranti indicated that the idea of using multiple, dedicated sources has technical merit. He stated that within the concept of a regional sales tax, the mechanics of revenue generation would play out differently in Virginia than they would in Maryland. WMATA Committee Chair Alcorn responded that with a uniform rate, Virginia would generate significantly more revenue than it would owe to WMATA. Mr. Fye added that it is important to establish a number in terms of financial needs and then letting WMATA’s funding jurisdictions each develop their own solutions to solve for their respective shares. Mr. Smedberg stated that in some parts of the country, revenue is generated to support a large, primary transit agency but also smaller agencies.

Ms. Garvey asked whether the airports should contribute to funding transit. Mr. Letourneau responded that the airports are federally owned and this presents its own set of challenges.

Mr. Karantonis stated that it will be important to define what dedicated funding means and how revenues could flow to WMATA and other operators. He added that there should be sensitivity to transit dependent places and that any new funding sources have an equity focus.

Mr. Ebbin dropped off virtually at approximately 6:35 p.m. and did not return.

NVTC 2024 Annual Report on the Performance and Condition of WMATA. Mr. Hager provided an update on NVTC’s 2024 Annual Report on the Performance and Condition of WMATA, stating that the 10 recommendations included in the meeting materials have not changed since the joint committee meeting in July, but that WMATA has made progress in terms

of labor cost escalation by executing a new collective bargaining agreement (CBA) with Amalgamated Transit Union (ATU) Local 689 in August that limits the amount of growth in labor costs for the four-year deal.

WMATA Committee Chair Alcorn stated that the new CBA is a significant step forward and the wage freeze for FY 2025 is a big deal, acknowledging there was significant sacrifice for multiple parties.

Mr. Snyder stated that generating new revenues and finding ways to control cost growth should be seen as part of the same effort, not two separate issues.

Mr. de Ferranti asked about a recent letter from the Secretary of Transportation Miller to WMATA regarding the possibility of a reserve fund at WMATA. Mr. Letourneau responded that there has been some level of misunderstanding regarding what WMATA is looking to accomplish with a reserve fund. He stated that due to concerns at the state level in both Virginia and Maryland, it would be difficult to advance at this time. Mr. Letourneau explained that every major transit agency and every government entity has a reserve fund and that the WMATA general manager has had the ability since 2020 to establish a reserve fund. The WMATA Board policy under discussion is to give the Board that authority in a more transparent way with appropriate guard rails. Mr. Letourneau stated that there is a separate conversation about whether the \$28 million operating surplus from FY 2024 should be applied to future operating subsidy bills. He added that he and Mr. Smedberg would soon be having conversations with Secretary Miller and Governor Youngkin in regards to WMATA.

NVTC Regional Fare Policy and Technology Update

Ms. Spiliotopoulos provided background information on the region's current fare policies and the supporting fare collection technologies. She highlighted the varying fare policies in the region, including different discounted fares, fare transfers between agencies and the role of SmarTrip as a regional fare collection system. Ms. Spiliotopoulos proceeded to discuss current difficulties for regional fare collection as well as future avenues for fare policy based on trends around the country. The presentation wrapped up with five opportunities for the region regarding fare collection and policy.

WMATA Committee Chair Alcorn expressed his support for aligning low-income programs. He stated that once you are enrolled in one program (e.g. free and reduced lunches), you are automatically enrolled in similar programs, like reduced transit fares.

Ms. Read stated that in the future, blockchain could help improve the process of enrolling in these types of programs.

Ms. Garvey asked about the impact of monthly passes on ridership and revenues. Mr. D'huyvetter responded that pre-pandemic, this was a topic that WMATA was researching. He stated that WMATA found that there was a net benefit for ridership and revenue. However, the

pandemic introduced new challenges with increasing rates of telework and the paradigm may have shifted.

Mr. Karantonis asked whether it is better to compete with other trip planning apps, or to integrate the region's system within an existing trip planning and ticketing app. Mr. Fye responded that the question has yet to be answered and requires a larger policy discussion, likely in the context of DMVMoves.

Mr. Smedberg added that software is an additional challenge for agencies like WMATA when it comes to fare payment. Ms. Read spoke about the need to streamline fare payment processing.

Mr. Karantonis and WMATA Committee Chair Alcorn discussed the complexities of trip planning apps and the policy implications. WMATA Committee Chair Alcorn stated that this was a discussion worth continuing within the committee.

Mr. Letourneau left the meeting at 7:21 p.m. and did not return.

Overview and Timeline for NVTC's 2025 Legislative Agenda

Mr. Knickelbein provided an overview of the draft of NVTC's 2025 federal and state legislative priorities, noting that this year's proposed legislative agenda is similar to 2024. He highlighted the proposed state priorities, noting the modification of one item to reflect the additional state aid for WMATA and temporary suspension of the 3% cap in annual operating subsidy growth contained in the two-year state budget. He also detailed a new proposed state priority for 2025, supporting continued efforts to streamline VDOT's bus stop permitting process.

On the federal side, Mr. Knickelbein stated that the proposed agenda is largely the same as last year's, with the addition of a new priority to work with federal, state and local partners on addressing challenges in domestic bus manufacturing. He concluded by providing a timeline of next steps, adding that a revised set of priorities based on committee feedback will be brought back to the committee for endorsement next month. The Commission will be approving the legislative agenda at their December 5 meeting.

Mr. Smedberg asked whether the proposed priority to protect existing NVTC autonomy, programs and funding sources was still needed. Ms. Perron Seibert responded that it was beneficial to include this language in the priorities, as it gives NVTC flexibility during the legislative Session in the event that a bill is filed targeting NVTC programs or funding. Mr. Snyder asked if the Commuter Choice program was covered under that priority. Mr. Fye responded affirmatively.

Mr. Smedberg asked when the next federal transportation reauthorization bill was scheduled. Mr. Fye responded that current programs are authorized through 2026. Ms. Garvey stated that there wasn't a specific priority to address funding that was diverted from Northern Virginia Transportation Authority (NVTA) programs in 2018. Mr. Fye replied by noting that NVTA programs were covered under the priority that emphasizes preserving existing state, regional and local funds for transit and transportation, but that staff would work to tweak the language

to be more inclusive of transportation funding that was diverted in 2018, including the regional gas tax. Mr. Smedberg asked whether a priority inclusive of recommendations of the *DMVMoves* effort could be added. Mr. Fye responded that staff would look at ways to incorporate the future recommendations from *DMVMoves* into NVTC's legislative priorities, given the timing of *DMVMoves* and the schedule of adoption of NVTC's 2025 priorities.

WMATA Committee Chair Alcorn and Legislative and Policy Committee Chair Aguirre adjourned the meeting at 7:39 p.m.

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