



# NVTC Joint WMATA and Legislative & Policy Committee Meeting

May 16, 2024

Meeting materials available at [www.novatransit.org](http://www.novatransit.org)

# Committee Meeting Agenda

- 1. Welcome and Opening Remarks**
- 2. Meeting Summaries**
  - A. October 19, 2023  
Legislative & Policy  
Committee Meeting**
  - B. February 29, 2024 WMATA  
Committee Meeting**
- 3. Updates**
  - A. General Assembly**
  - B. WMATA/MWCOG: Unified  
Vision for Transit in the  
DMV Region**
- 4. NVTC Work Towards Long-Term  
Sustainable Dedicated Funding**
  - A. SJ28: Northern Virginia  
Public Transit Joint  
Subcommittee**
  - B. NVTC Regional Bus Analysis  
Overview**
  - C. NVTC 2024 Annual Report  
on the Performance and  
Condition of WMATA**

# **Agenda Item #3: Updates**

**A. General Assembly**

**B. WMATA/MWCOG: Unified  
Vision for Transit in the DMV  
Region**

# 3A. General Assembly Update

# 3B. WMATA/MWCOG: Unified Vision for Transit in the DMV Region



## Background

- The region's public transportation services are provided by numerous operators, including 13 bus systems and several rail agencies, with varying standards, practices, technologies, fares, and service levels.
- All operators are facing systematic funding challenges.

## Goals

- Bring the region together to take a holistic look at our transit network and develop a future vision for a unified, integrated, world-class transit system, how much it will cost, and how to best manage, deliver, maintain, and fund it.

## Objective

- Develop and propose a vision, plan, funding model, and action steps towards a unified, integrated, and world-class transit system for the DMV region.
- Build and secure consensus on the vision and plan from regional leaders, elected officials, executives, advocates, and community leaders.
- Seek commitments to implement the vision and plan through required policies and funding mechanisms.

# 3B. WMATA/MWCOG: Unified Vision for Transit in the DMV Region



## Project Leadership and Delivery

### Regional Task Force (Virginia)

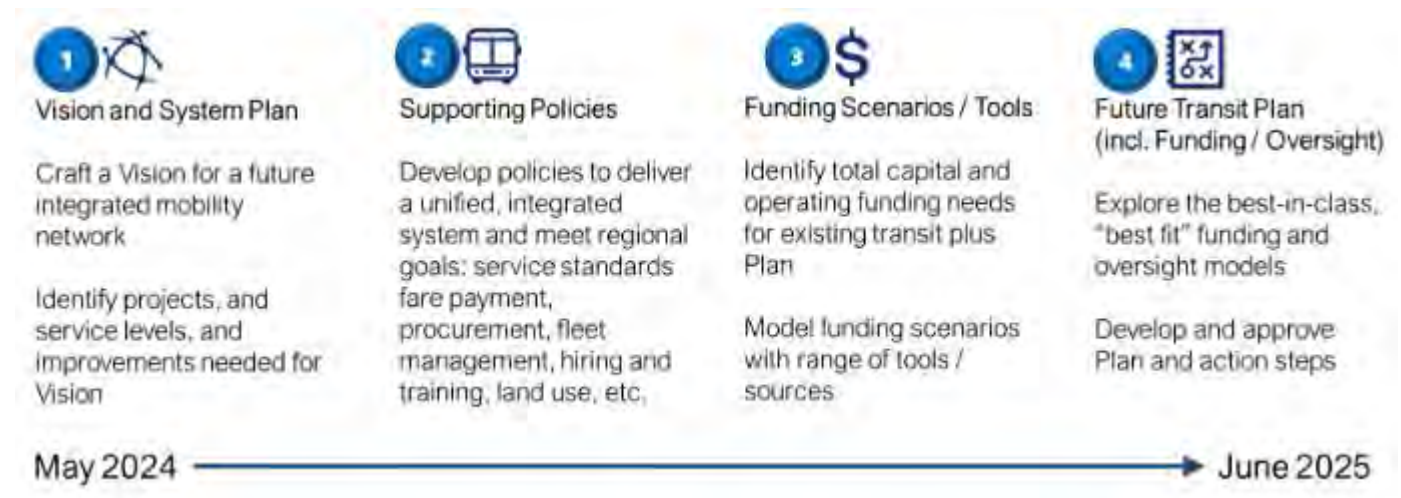
- Paul Smedberg (WMATA Board and Task Force Co-Chair), Jeff McKay, Phyllis Randall, Michael Sargent, Mark Sickles, Scott Surovell

### Government Partner Advisory Group (Virginia)

- Chief Administrative Officers of all COG member governments, local and state transit agencies, NVRTA, NVTC, MWAA, and DRPT

## Timeline

- By May/June 2025
  - Approve final plan, funding model, and action steps
  - Develop implementation recommendations for MWCOG and WMATA Boards



Source: [Metropolitan Washington Council of Governments](#)

# **Agenda Item #4: NVTC Work Toward Long-Term Sustainable Dedicated Funding**

- A. SJ28: Northern Virginia  
Public Transit Joint  
Subcommittee**
- B. NVTC Regional Bus Analysis  
Overview**
- C. NVTC 2024 Annual Report  
on the Performance and  
Condition of WMATA**

# 4. NVTC Work Toward Long-Term Sustainable Dedicated Funding



## Lack of Dedicated Funding is a recurring issue

### ***GAO Report: Issues Being Faced by the Washington Metropolitan Area Transit Authority, 1979***

#### Revenue source dedicated for mass transportation is needed

The three jurisdictions recognize the need for a dedicated revenue source, but there are different views on what form it should take. The Secretary of Transportation has stated that a Federal commitment for funding the full 101-mile Metro rail system depends on the jurisdictions solving the continuing financial crisis by earmarking and guaranteeing tax revenue for the system. Many big-city transit systems in the Nation have such guarantees.

### ***Keeping Metro On Track, the Brookings Institution, 2005***

#### **The lack of dedicated funds is problematic**

Because of the lack of a stable and dedicated revenue stream, WMATA must rely excessively on general fund revenues from its state and local partners just to keep the system functioning. This is, of course, a difficult problem for any transit agency. But for the fourth largest agency in the country such an over reliance is extraordinary and problematic for several reasons.

### ***Report of the Regional Mobility Panel on the Current and Future Bus Transportation Needs for the Washington Region, 1997***

The current situation is the Washington metropolitan area leaves transit in annual competitions for funding in some of the local jurisdictions. In some instances, transit competes against other state and local responsibilities for shrinking general fund dollars. WMATA cannot establish budget priorities or anticipate the results of each jurisdiction's budget decisions.

- most major metropolitan areas have dedicated funds for transit
- most prevalent is the retail sales tax
- the national capital region has minimal dedicated funding

### ***NVTC's Annual Report on the Performance and Condition of WMATA, 2023***

#### **Recommendations:**

- 6. Secure one or more sustainable and reliable sources of dedicated revenues to support additional operating funding.***
- 8. Secure one or more sustainable and reliable sources of dedicated revenues to support additional capital funding.***

Links: [GAO Report](#) (1979), [Regional Mobility Panel](#) (1997), [Brookings Report](#) (2005).



# 4. NVTC Work Toward Long-Term Sustainable Dedicated Funding



## Virginia

NVTC Reports and Studies

**2023 Annual Report on the Performance and Condition of WMATA**

- Funding, Accountability and Reform Recommendations

**Metro Operating Funding and Reform Working Group Report (2024)**

- 10 Revenue Estimates for NVTC, 4 state-wide estimates,
- Revenue Structure recommendation

**Regional Bus Analysis (Ongoing)**

- Transit Agency Funding Needs

Virginia General Assembly

**Joint Subcommittee on Northern Virginia Public Transit (SJ28)**

- Revenue Estimates for NVTC and PRTC and Recommendations
- Long-term funding solution for all transit agencies in NVTC and PRTC
- Interim Executive summary, Findings and Recommendations - end of 2024
- Final Report, Findings and Recommendations - end of 2025

## Maryland

MDOT

**Commission on Transportation Revenue and Infrastructure Needs**

- Recommendations on funding sources and structure of Maryland Transportation Trust Fund
- Options for sustainable, long-term transportation funding

## Region

Joint WMATA Board/MWCOG Board Initiative

**Unified Vision for Transit in the DMV  
DMV Moves**

- Set the vision, plan, funding model and action steps to transform the region's transit network into a world class system

Note: The District of Columbia does not have any formal studies or processes to show in this figure but is active in developing a long-term regional funding solution for WMATA

Links: [SJ 28](#). NVTC's [2023 Annual Report on the Performance and Condition of WMATA](#). NVTC's [Metro Operating Funding and Reform Working Group Report](#). [Maryland Commission on Transportation Revenue and Infrastructure Needs](#).

# 4A. SJ28: Joint Subcommittee on Northern Virginia Public Transit



## Purpose

- SJ 28 (Ebbin) was agreed to by the House of Delegates and Senate in early March.
- The joint subcommittee will study **long-term, sustainable, dedicated operating and capital funding as well as cost-containment controls and strategies** (WMATA-only) for the Washington Metropolitan Area Transit Authority, the Virginia Railway Express, and the public transit systems that serve the NVTC and Potomac and Rappahannock Transportation Commission (PRTC) transportation districts.
- Directed to incorporate the technical work completed as part of NVTC's [Metro Operating Funding and Reform Working Group effort](#) and incorporate the WMATA Funding, Accountability, and Reform Recommendations from NVTC's [2023 Annual Report on the Performance and Condition of WMATA](#), among other inputs.

### 2024 SESSION

[history](#) | [hilite](#) | [pdf](#) | [print version](#)

#### SENATE JOINT RESOLUTION NO. 28

*Establishing a joint subcommittee to study long-term, sustainable, dedicated operations and capital funding as well as cost-containment controls and strategies to ensure the Washington Metropolitan Area Transit Authority, the Virginia Railway Express, and the public transit systems that serve the Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission transportation districts meet the growing needs of public transit in the region. Report.*

Agreed to by the Senate, March 5, 2024  
Agreed to by the House of Delegates, March 4, 2024

WHEREAS, Northern Virginia is served by a network of public transit providers that move more than 1.5 million people each week; and

WHEREAS, the Northern Virginia Transportation Commission (NVTC) found that Northern Virginia's transit network generates \$1.5 billion in income and sales tax that goes to the Commonwealth's general fund each year; and

WHEREAS, the Washington Metropolitan Area Transit Authority (WMATA) is the backbone of Northern Virginia's transit system and plays a critical role in the Commonwealth's transportation network and economic growth; and

WHEREAS, the Virginia Railway Express (VRE) provides important commuter rail services that provide access from communities along Interstate 66 and Interstate 95 to the center of the District of Columbia, providing capacity to eliminate at least one highway lane from Interstate 95; and

WHEREAS, the Commonwealth's multibillion dollar investment in Transforming Rail in Virginia enables VRE's and Amtrak Virginia's long-term growth and success; and

WHEREAS, the Northern Virginia Transportation Commission (NVTC) and Potomac and Rappahannock Transportation Commission (PRTC) play important funding, coordination, and governance roles for transit agencies operating within their districts; and

WHEREAS, the COVID-19 pandemic upended the financial operating model of all transit agencies across the United States, including those that serve Northern Virginia, through inflation and reduced ridership; and

[Read the full SJ28 Resolution here](#)

# 4A. SJ28: Joint Subcommittee on Northern Virginia Public Transit



## Membership

### **SJ 28 Joint Subcommittee Composition: 11 members**

- Members of Senate Finance and Appropriations (3 – Ebbin, Boysko, Surovell)
- Members of House Appropriations (2 – TBA) and House Transportation (2 – TBA)
- Member of the WMATA Board of Directors (TBA)
- Member of NVTC (Alcorn)
- NVTC Executive Director or designee
- Secretary of Transportation or designee

### **Technical Working Group**

- NVTC
- Potomac and Rappahannock Transportation Commission (PRTC)
- Virginia Railway Express (VRE)
- WMATA
- Department of Rail and Public Transportation (DRPT)
- Northern Virginia Transportation Authority (NVTA)
- Representative from Amalgamated Transit Union Local 689
- Business community representative appointed by the Speaker of the House (TBA)

# 4A. SJ28: Joint Subcommittee on Northern Virginia Public Transit



## Process and Outcomes

- Managed by Senate and House committee staff with support from the Division of Legislative Services
- In addition to NVTC's Metro Operating Funding and Reform Working Group findings and Annual Report recommendations, the joint subcommittee is tasked with incorporating into its study:
  - An evaluation of future land use plans for high-capacity transit corridors in Northern Virginia to support continued transit ridership growth,
  - Telework impacts on regional transit ridership,
  - Appropriate use of local bus services,
  - WMATA's long-term capital funding needs,
  - WMATA's capital funding prioritization process,
  - Virginia's appropriate share of the jurisdictional subsidy based on existing Metrorail stations and Metrobus routes and
  - WMATA's governance and structural issues that contribute to current funding instability.
- The joint subcommittee will complete its meetings for the first year by November 30, 2024 and for the second year by November 30, 2025
  - Executive summaries of committee findings are to be submitted by the first day of the next Regular Session. These summaries will indicate whether the joint subcommittee intends to submit a report with recommendations to the General Assembly and Governor.

# Questions and Comments

# 4B. NVTC Regional Bus Analysis Overview



## Why a regional bus analysis?

- 6 bus providers in Virginia must develop **Transit Strategic Plans (TSPs or TDPs)** for the Commonwealth



- There is currently no regional strategic planning resource
- NVTC's study:**
  - Provides a macro level view
  - Focuses across jurisdictions and service areas
  - Finds opportunities for regional collaborations and efficiencies
  - 10-year outlook

## Regional context and analysis



# 4B. NVTC Regional Bus Analysis Overview



## NVTC's study looks at what exists or is planned...

### Meta-Analysis of TSPs

- Regional summary of
  - Existing bus service and performance
  - Planned bus changes and improvements
  - Asset/capital management and implementation

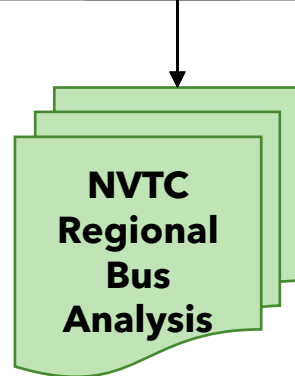
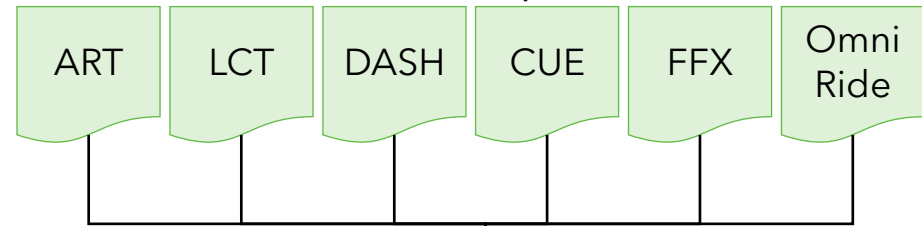
### Financial Needs

- Regional summary of
  - Projected short-term and long-term capital needs, both operating and capital

**What is a TSP?**

- A 2018 requirement from the Virginia General Assembly
- A strategic blueprint outlining desired changes to improve transit service

*Current (or under development) TSPs or TDPs*





# 4B. NVTC Regional Bus Analysis Overview



... and considers the future and the unknown

**Considering current and planned service, where are there service gaps?**

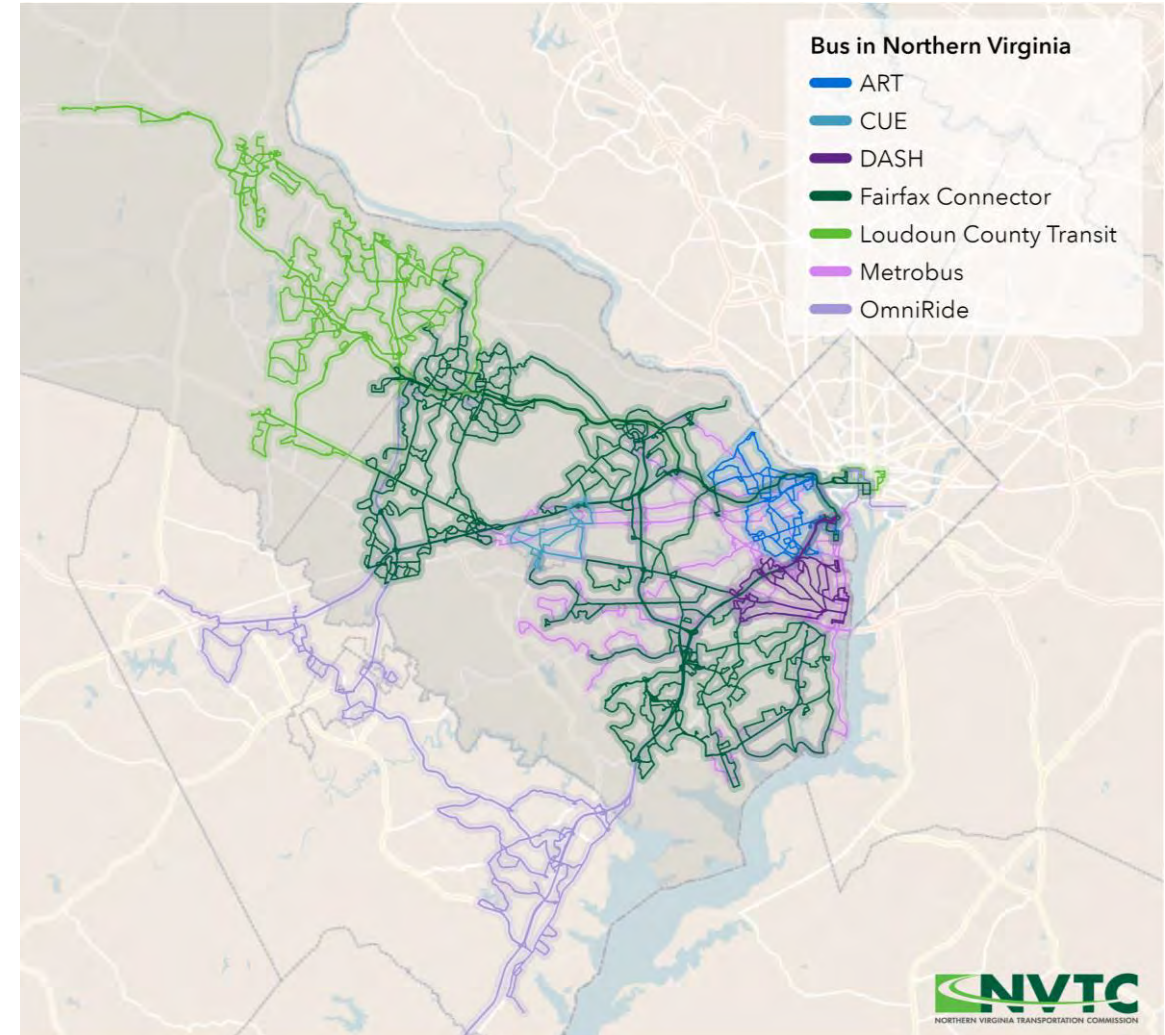
- Time of day
- Day of week

**Considering the gaps, where are there opportunities for...**

- Shorter-term, new transit corridors
- Longer-term, new high-capacity corridors
- Opportunities for bus to cross jurisdictions

**Considering space and money constraints, are there opportunities to share infrastructure?**

- Maintenance, storage, fueling, offices
- How do ZEB changes affect things?





# 4B. NVTC Regional Bus Analysis Overview



## Report Summary

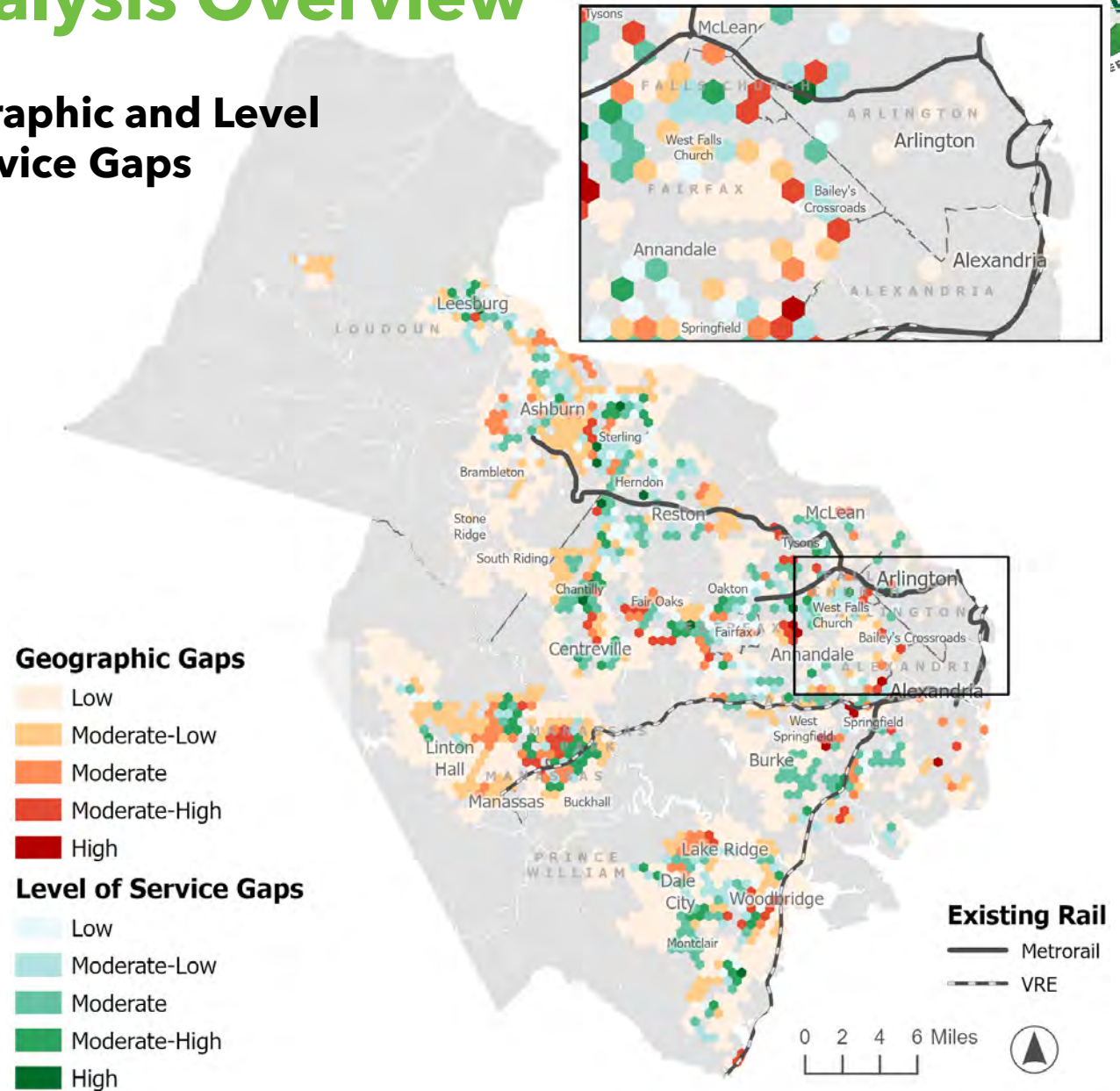
### Five major deliverables:

1. Meta-Analysis of Northern Virginia TSPs
2. Service Gap Analysis
3. Northern Virginia Priority Transit Corridors
4. Bus Infrastructure Analysis
5. Short- and Long-Term Financial Needs

### Timeline

- Presentation at June Commission meeting
- Ask for Commission acceptance of findings in July Commission meeting

## Geographic and Level of Service Gaps



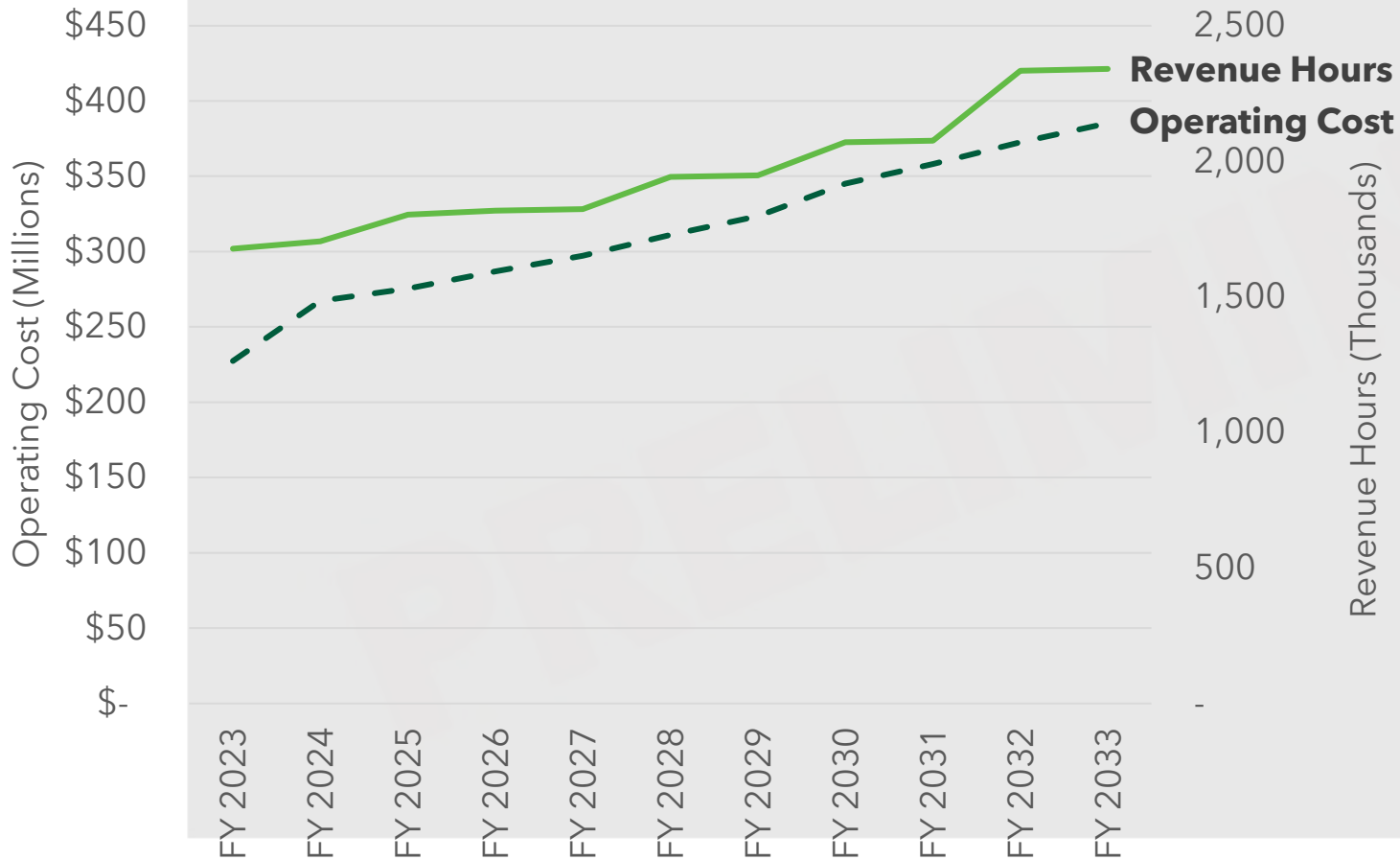
# 4B. NVTC Regional Bus Analysis Overview



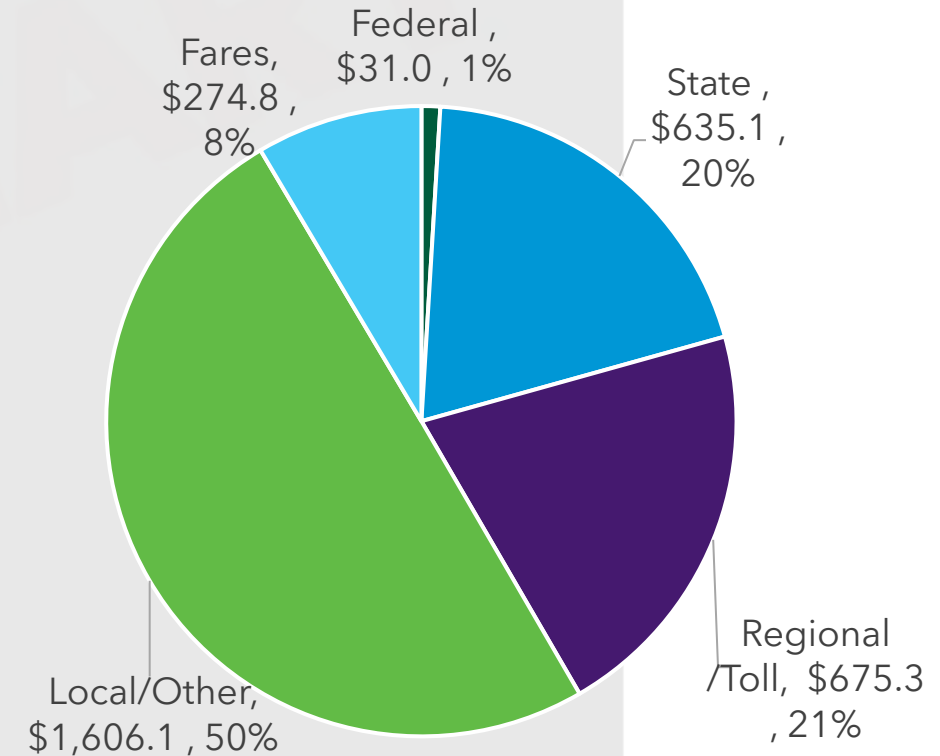
## Financial Analysis - Operating

**WORKING DRAFT - Subject to Change**

### Operating Costs and Bus Service (Revenue Hours)



### Operating Revenue Sources (\$M YoE), FY 24 - FY 33



Source(s): Agency Transit Development Plans or Transit Strategic Plans, jurisdictional Capital Improvement Plans, and interviews with agency staff  
 Note: All figures are in Year of Expenditure (YoE) and include DASH, ART, Loudoun County Transit, Fairfax Connector, CUE, and OmniRide.

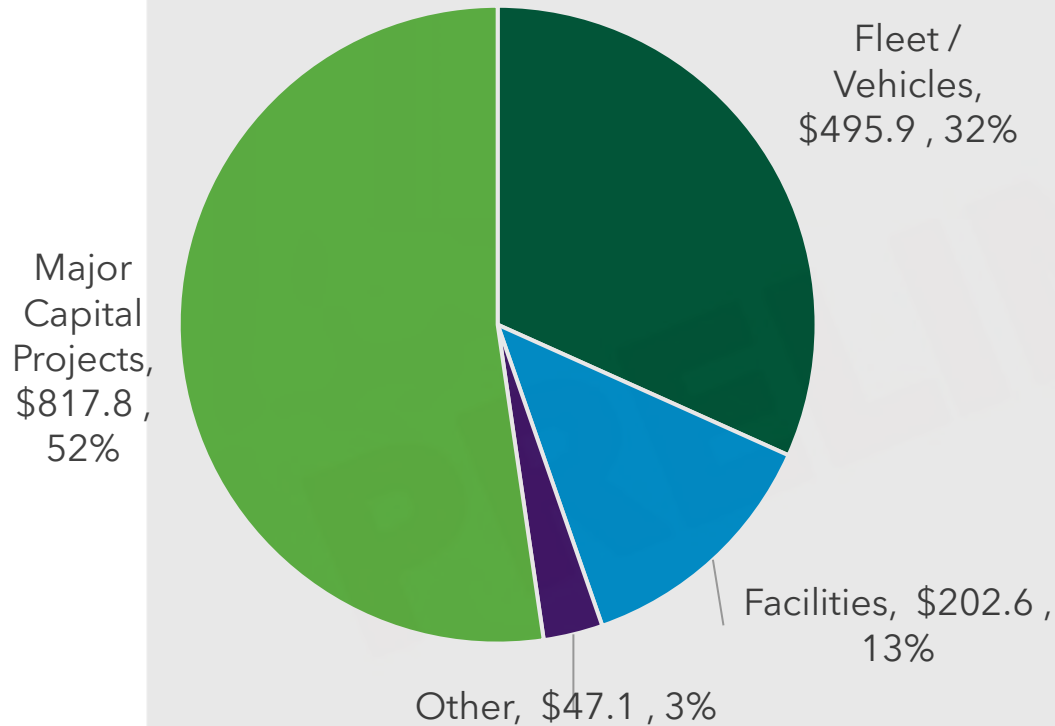
# 4B. NVTC Regional Bus Analysis Overview



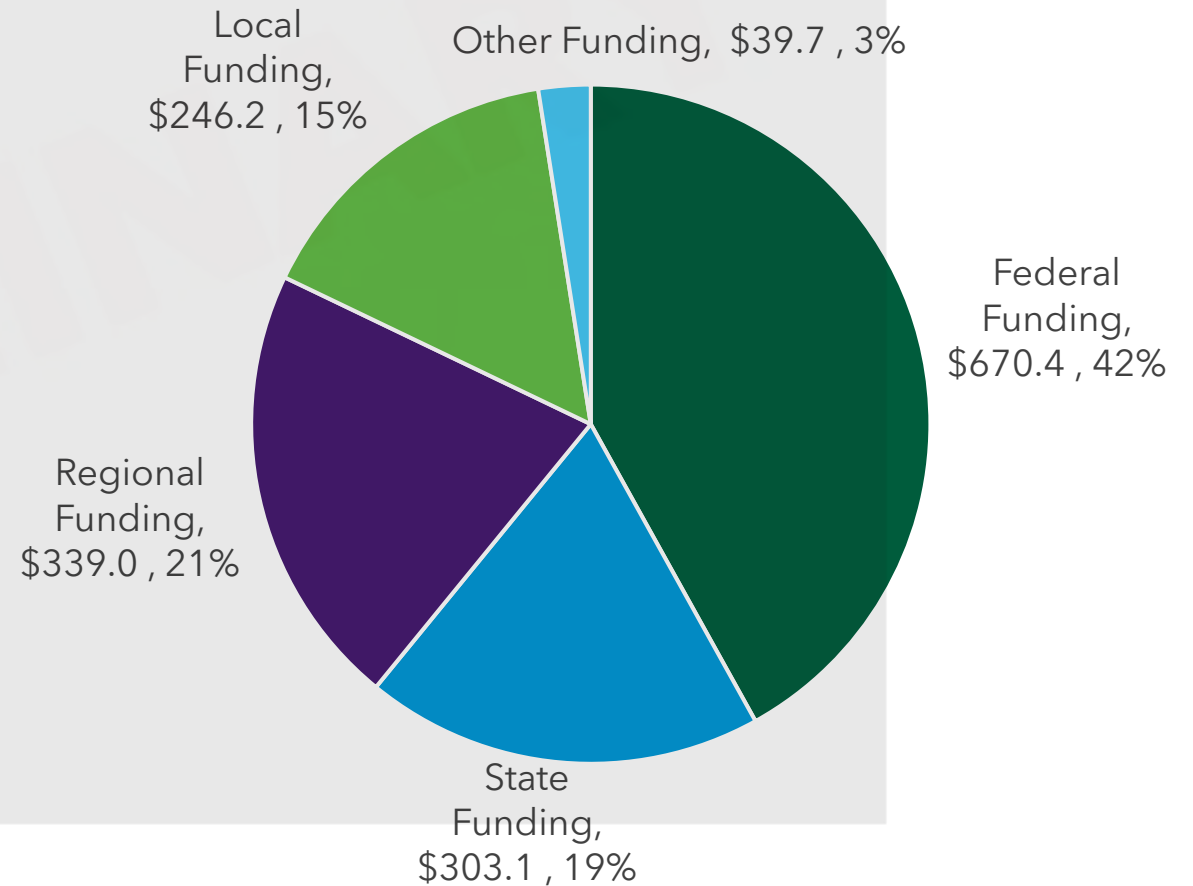
## Financial Analysis - Capital

**WORKING DRAFT - Subject to Change**

**Capital Cost Forecast by Type of Investment (\$M YoE), FY 24 - FY 28**



**Capital Revenue Sources (\$M YoE), FY 24 - FY 28**

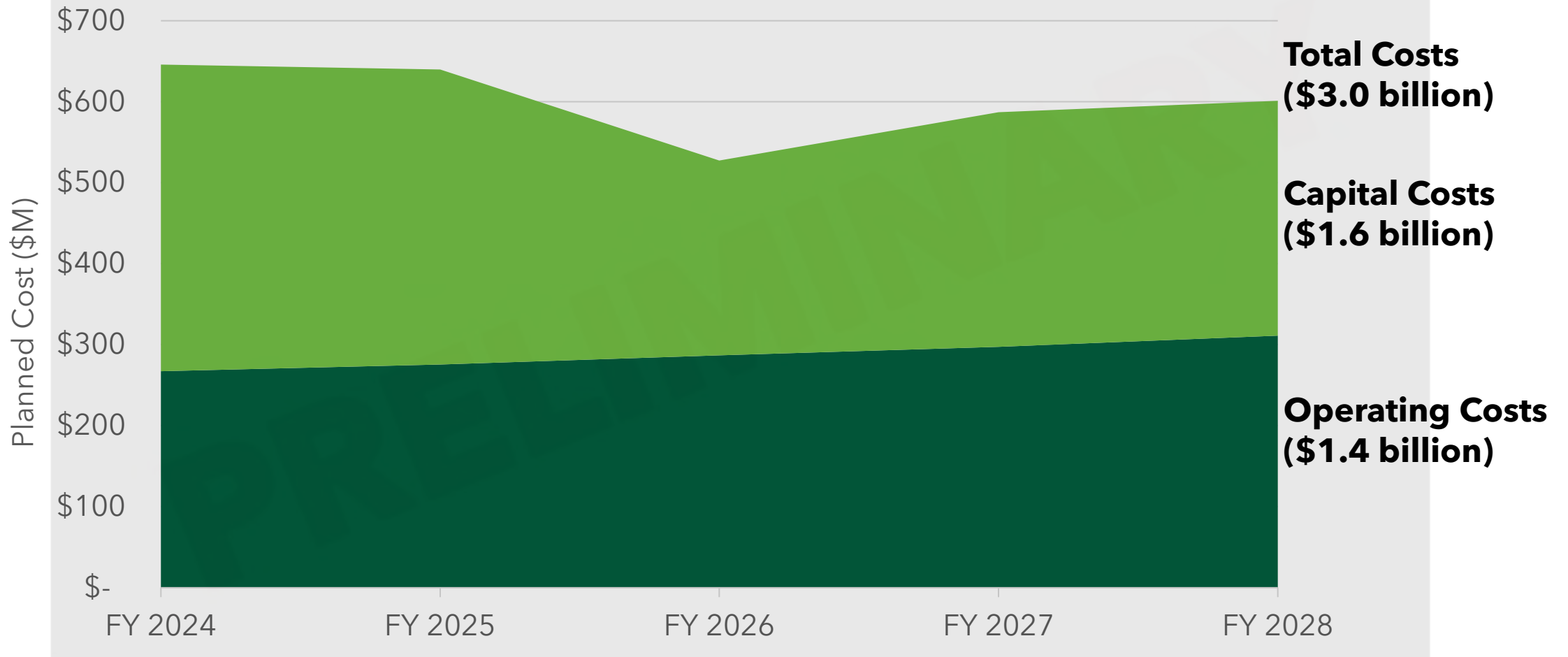


Source(s): Agency Transit Development Plans or Transit Strategic Plans, jurisdictional Capital Improvement Plans, and interviews with agency staff  
 Note: All figures are in Year of Expenditure (YoE) and include DASH, ART, Loudoun County Transit, Fairfax Connector, CUE, and OmniRide.

# 4B. NVTC Regional Bus Analysis Overview



## Financial Needs FY 2024 - FY 2028 (YoE) *WORKING DRAFT - Subject to Change*



Source(s): Agency Transit Development Plans or Transit Strategic Plans, jurisdictional Capital Improvement Plans, and interviews with agency staff  
Note: All figures are in Year of Expenditure (YoE) and include DASH, ART, Loudoun County Transit, Fairfax Connector, CUE, and OmniRide.

# Questions and Comments

# 4C. NVTC 2024 Annual Report on the Performance and Condition of WMATA



## Background on Annual Report

- NVTC is required each year to submit a report to the Governor and General Assembly on the performance and condition of WMATA ([§33.2-3403](#)), addressing:
  - Potential strategies to reduce the growth in costs and to improve the efficiency of WMATA operations,
  - Use of the dedicated capital funds,
  - Safety, reliability, ridership and financial performance data
- The 2023 Report integrated the work of NVTC's staff-level Metro Operating Funding and Reform Working Group and provided **Metro Funding, Accountability and Reform Recommendations** intended to be a framework for NVTC, the Commonwealth and regional partners to advance discussions on critical WMATA issues.



[Read the 2023 report here](#)



# 4C. NVTC 2024 Annual Report on the Performance and Condition of WMATA



## Metro Funding, Accountability and Reform Recommendations

### ***NVTC's Near Term Priorities*** (from 2023 report)

1. Seek administrative or legislative opportunities to permit Metro to re-baseline its FY 2025 operating subsidy bill to reflect the impact of the COVID-19 pandemic. ([Seek through Biennial Budget](#))
2. Advocate for additional state aid in FY 2025 to match local funding for Metro. ([Seek through Biennial Budget](#))
3. Seek a commitment from federal, state, regional and local funding partners to develop long-term, sustainable, dedicated funding to meet Metro's capital and operating needs. ([SJ28 and MWCOCG Efforts](#))
4. Return federal workers to the office and secure a replacement for the region's losses in fares from riders using federal transit benefits. ([USDOT/OMB Discussions](#))

# 4C. NVTC 2024 Annual Report on the Performance and Condition of WMATA



## Metro Funding, Accountability and Reform Recommendations

### ***NVTC's Mid- to Long-Term WMATA Priorities*** (from 2023 report)

1. Raise fares for Metrorail and Metrobus. (FY 2025 Metro Budget)
2. Formalize the functions and scope of a Metro Board audit committee to enhance oversight via a coordinated jurisdictional audit. (Discussions at Metro Board)
3. Establish a rainy-day fund at Metro. (Discussions at Metro Board)
4. Manage labor cost escalation through reforms to pension and other post-employment benefits (OPEB). (CBA Discussions)
  1. Increase worker contributions to pensions and OPEB.
  2. Limit or prohibit overtime earnings towards retirement pay.
  3. Implement Metro's OIG OPEB findings.
5. Require consideration of Metro's fiscal condition and jurisdictions' ability to pay in binding arbitration. (Federal action required)
6. Establish a revised Virginia and Maryland legislative operating assistance growth cap. (SJ28 and Maryland Discussions)
7. Secure one or more sustainable and reliable sources of dedicated revenues to support additional operating and capital funding. (SJ28 and Federal Discussions)



# 4C. NVTC 2024 Annual Report on the Performance and Condition of WMATA



## Proposed 2024 Approach

- 1) Where applicable and with input from the WMATA Committee, update and continue to advance the 2023 recommendations as an updated funding and reform framework for the 2024 report.
- 2) Focus staff efforts on developing a long-term funding solution for WMATA and all transit agencies in the NVTC district, primarily through the SJ28 study and MWCOCG/WMATA Board joint effort.

# Questions and Comments

# Thank You.

**The next joint NVTC WMATA and Legislative & Policy Committee meeting is scheduled for July 11 at 4:30 p.m.**

**NVTC staff have invited the Better Bus Network Redesign team to present to the joint committee.**

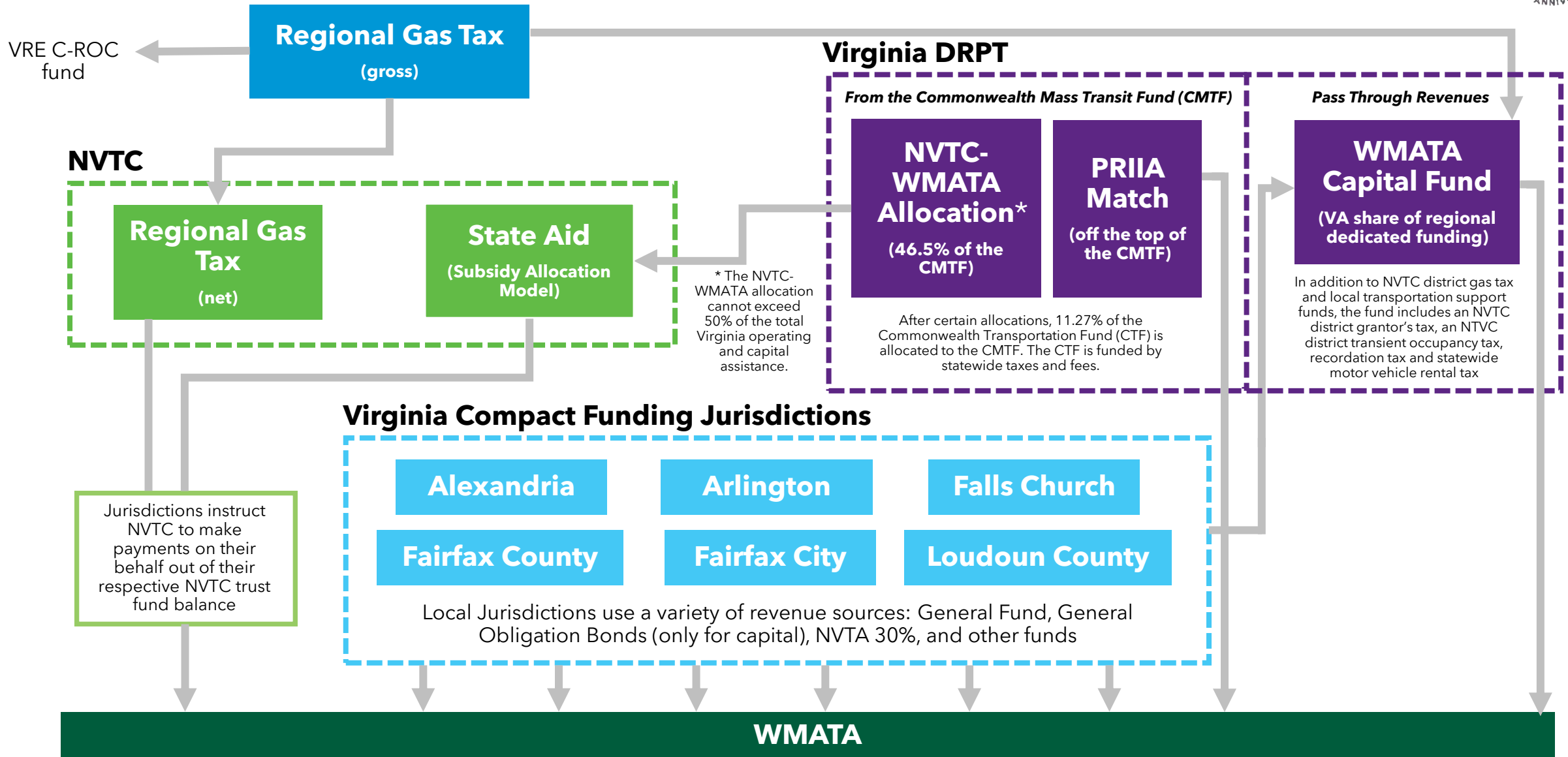


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# Appendix

# How WMATA is Funded in Virginia



# NVTC's Metro Operating Funding and Reform Working Group Report (April 2024)

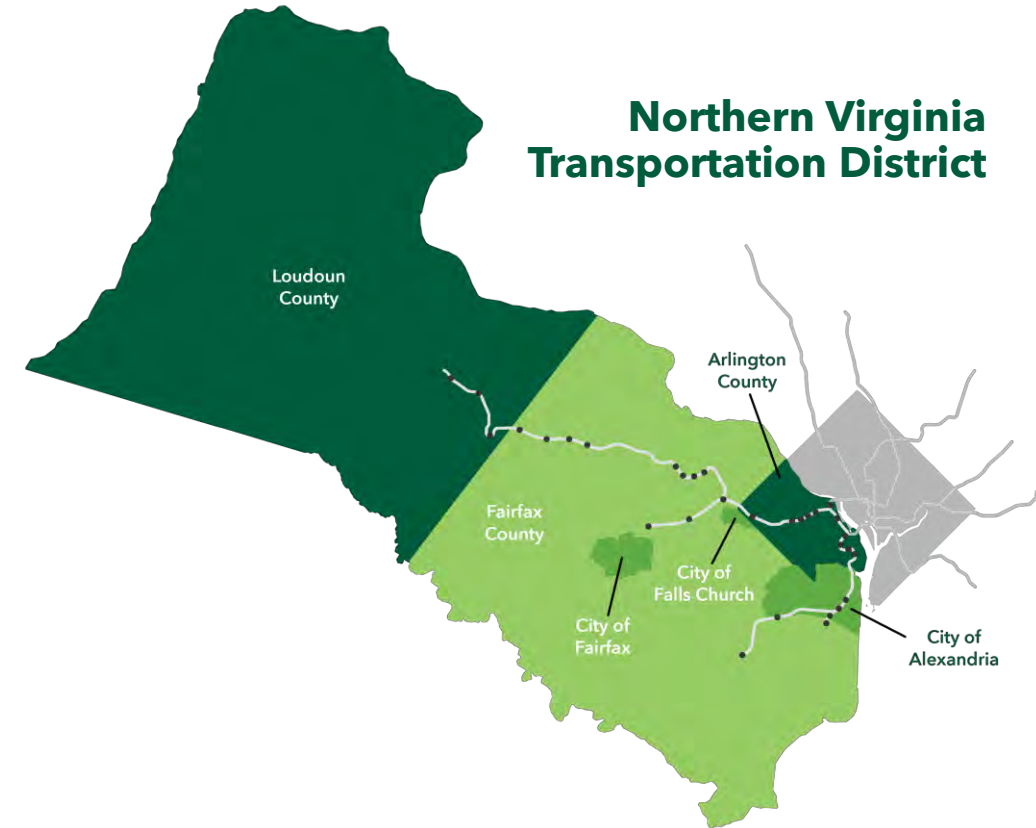


## Revenue Options

- NVTC started a staff level Working Group in 2023 to develop a menu of revenue options to provide technical information to Commissioners and other stakeholders
- Revenue options provided to the Commission to inform potential conversations about the long-term solution for WMATA dedicated capital and/or operating funding

## Reform, Accountability and Oversight

- Benchmarking - Working Group investigated accountability and reform measures at other transit agencies
- 3% cap - report illustrates the unintended consequences of the current legislative 3% operating cap and considerations for a revised cap



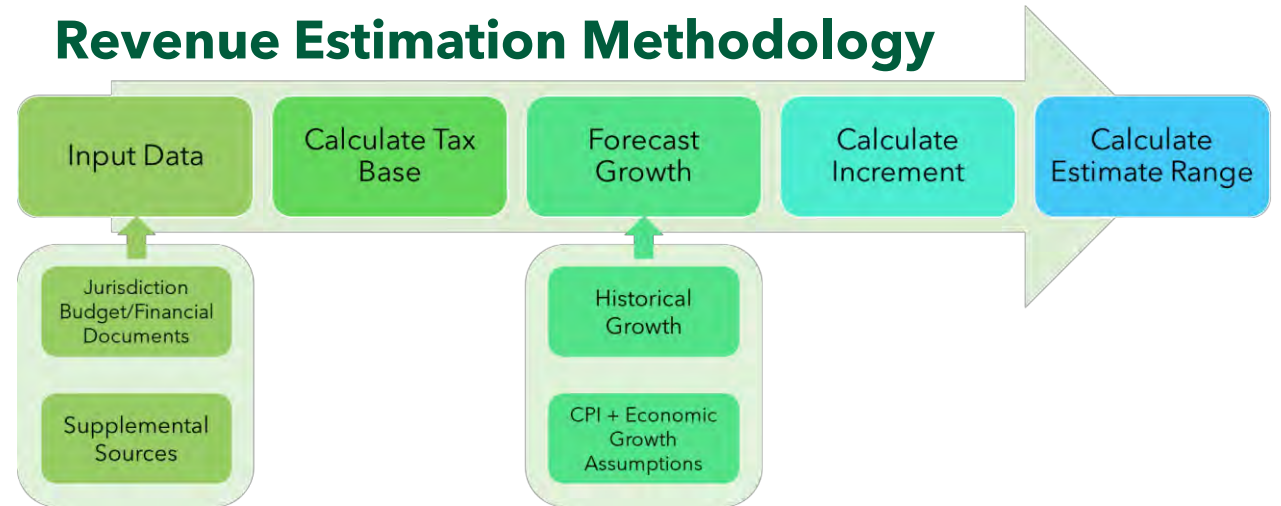
# NVTC's Metro Operating Funding and Reform Working Group Report (April 2024)



## Revenues Selected for Estimation by the Working Group

- Retail Sales & Use Tax\*
- Transient Occupancy Tax
- Grantor's Tax
- Regional Motor Vehicle Fuels Tax
- Motor Vehicle Sales Tax
- Vehicle Registration Fee\*
- Driver's License Fee\*
- TNC Sales Tax
- Parking Sales Tax
- Auto Repair Labor Tax

## Revenue Estimation Methodology



*Estimates were generated at the NVTC District level*

*\*Estimates also generated at the state level*

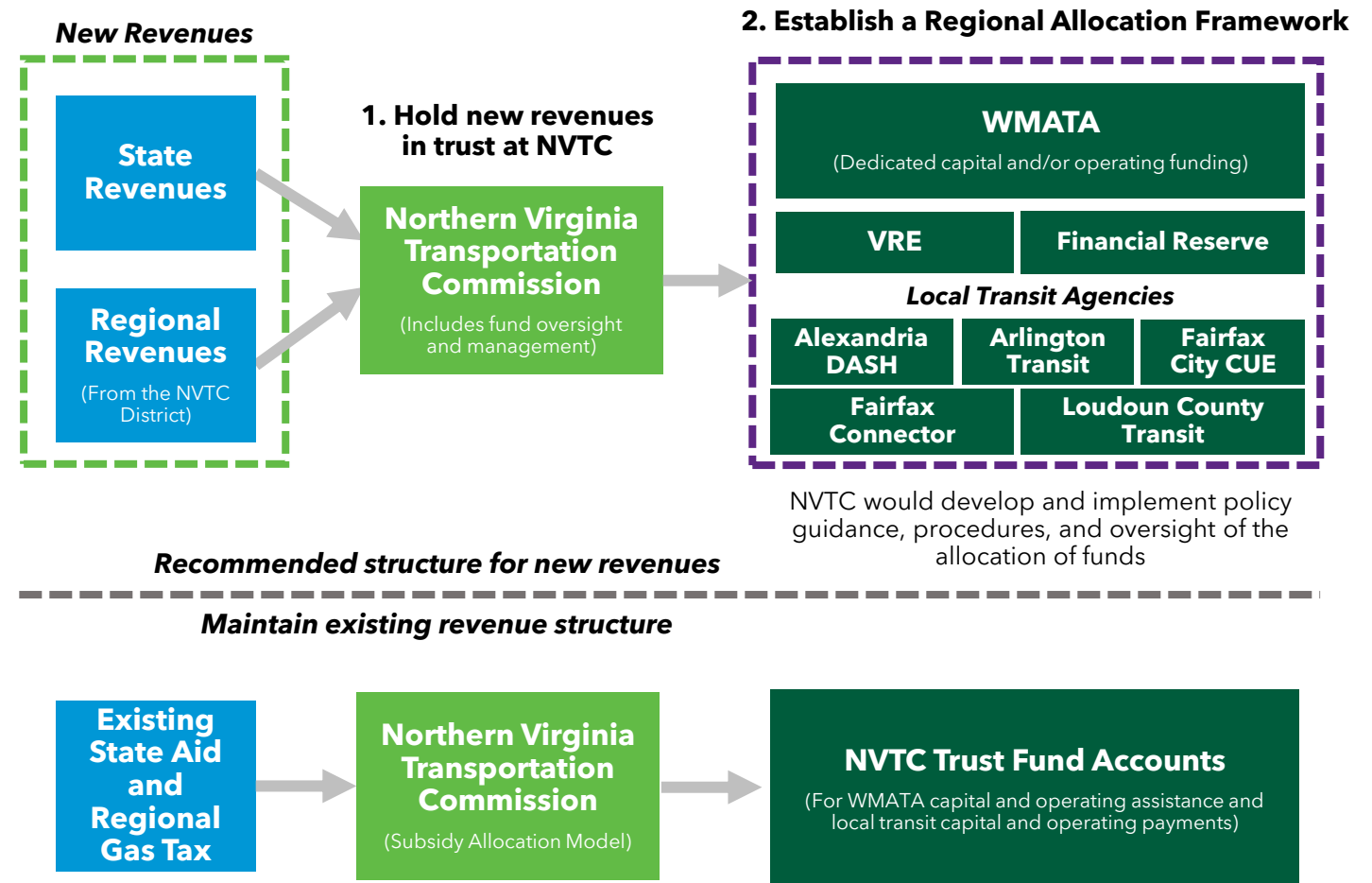
# NVTC's Metro Operating Funding and Reform Working Group Report (April 2024)



## Revenue Structure

- Included in [2023 Annual Report on the Performance and Condition of WMATA](#) (p. 19)
- New revenues should support all transit operators in the Northern Virginia Transportation District, including WMATA, and NVTC should develop a technical and policy framework for NVTC to manage the funds
- New revenue sources should be in addition to and on top of existing VA funding structure. Keep existing structure and commitments largely the same
- Establishment of any dedicated revenues should not come at the expense of existing revenues or recipients

## Recommendation for New and Existing Revenues





# NVTC's Metro Operating Funding and Reform Working Group Report (April 2024)



## Accountability measures

	WMATA	BART	CTA	LA Metro	MBTA	NY MTA	NJ Transit	SEPTA
<b>Public Information on Website</b>								
Performance Metrics	●	●	●	●	●	●	●	●
Performance Dashboard	●	●	●	●	●	●	●	●
Operating Budget	●	●	●	●	●	●	●	●
Capital Budget	●	●	●	●	●	●	●	●
Investor Relations	●	●	●	●	●	●	●	●
<b>Audit Information on Website</b>								
Annual Comprehensive Financial Report	●	●	●	●	●	●	●	●
Independent Single Audit	●	●	●	●	●	●	●	●
Audit Reports and Findings	●	●	●	●	●	●	●	●
<b>Oversight</b>								
Board Audit Committee	●	●	●	●	●	●	●	●

● = Agency meets measure

● = Agency partially meets measure

● = Agency does not appear to meet measure