

Combined Handouts
for
November 6, 2025
Executive Committee Meeting

**Resolution of the Senate Joint Resolution 28 (SJ 28) Northern Virginia
Growing Needs of Public Transit Joint Subcommittee**

WHEREAS: In 2024, the Virginia General Assembly established a Joint Subcommittee through Senate Joint Resolution 28 (SJ 28) to study long-term, sustainable funding sources and cost-containment strategies for public transit agencies in Northern Virginia, including the Washington Metropolitan Area Transit Authority (WMATA), the Virginia Railway Express (VRE), and the bus systems that serve the Northern Virginia Transportation Commission (NVTC) and Potomac and Rappahannock Transportation Commission (PRTC) transportation districts;

WHEREAS: NVTC appoints the Virginia members of the WMATA Board of Directors, is charged with the funding and stewardship of WMATA, jointly operates the VRE commuter rail service with PRTC, and serves as the official financial manager for state and regional funding to support NVTC jurisdictional payments to WMATA, state and regional funding for VRE, and state capital and operating funding to local public transit systems in the Northern Virginia Transportation District;

WHEREAS: PRTC jointly operates OmniRide local, microtransit, paratransit, and commuter bus services that serve Prince William County, the City of Manassas, the City of Manassas Park, and along the I-95 and I-66 travel corridors, manages Northern Virginia's regional vanpool and carpool program, and jointly operates the VRE commuter rail service with NVTC;

WHEREAS: Transit agencies across the United States, including those in Northern Virginia, have faced both short-term fiscal pressures from the COVID-19 pandemic and its impacts on ridership and fare revenue and longer-term structural challenges such as rising costs, inflation, limited flexibility in revenue sources, and revenue sources at fixed amounts that have not kept pace with system needs;

WHEREAS: Since 2018, the Commonwealth of Virginia has allocated a fixed amount of \$154.5 million annually in dedicated capital funding to WMATA and \$15 million annually to VRE for the Commuter Rail Operating and Capital Fund (CROC), generated primarily from regional and local revenues collected in the NVTC District (and PRTC District for CROC) and not indexed for inflation;

WHEREAS: The establishment of the SJ 28 Joint Subcommittee (“Joint Subcommittee”) represents Virginia’s deliberate and proactive approach to these nationwide challenges in developing a sustainable, dedicated funding framework that ensures the long-term stability of Northern Virginia transit systems while promoting fiscal accountability;

WHEREAS: The Metropolitan Washington Council of Governments and WMATA established the DMVMoves Task Force, developed regional consensus on addressing WMATA’s long-term capital needs, and established a regional, collaborative approach to implementing bus priority infrastructure and strategies in regional priority corridors that encourages jurisdictions to pursue implementation of those regional bus priority

corridors collaboratively with WMATA, and other transit agencies, and transportation partners;

WHEREAS: The Joint Subcommittee reviewed Virginia’s portion of WMATA capital funding needs as defined through DMVMoves, recognizing that current governance frameworks and funding policies, including the Commonwealth’s three percent cap on annual operating assistance and the absence of inflation indexing for regional dedicated capital contributions, created structural imbalances that should be addressed to maintain fiscal accountability and long-term system viability;

WHEREAS: The Joint Subcommittee recognized that while implementation of the three percent cap on the growth of WMATA operating subsidies included in the 2018 WMATA Dedicated Capital Fund legislation was a useful tool to manage cost controls, it had unintended consequences that disconnected the relationship between Virginia’s subsidy and the level of WMATA service;

WHEREAS: Upon examination, the Joint Subcommittee identified the need for approximately \$400 million in additional revenues to address the expiration of one-time funding actions to support WMATA operating subsidies in FY 2025 and FY 2026, establish sustainable funding for WMATA capital needs, provide near and long-term support for VRE to sustain and expand service to leverage the Transforming Rail in Virginia (TRV) initiative, and provide predictable funding for NVTC and PRTC bus systems;

WHEREAS: The Virginia Transit Association identifies that transit agencies outside of NVTC and PRTC have an estimated annual capital and operating funding need of approximately \$75 to \$100 million;

WHEREAS: The Joint Subcommittee examined 15 potential revenue options, building upon prior NVTC analyses, and qualitatively evaluated them to determine their impact on types of taxpayers (residents, business, and travelers) and low-income individuals and if they were bondable, regionally appropriate, encouraged transit use, and sufficient to meet long-term needs;

WHEREAS: The Joint Legislative Audit & Review Commission in JLARC Report 556 recommended the General Assembly establish regional surcharges for the highway use fee and mileage-based user fee to supplement the regional motor vehicle fuels sales tax which is currently used in NVTC and PRTC to support transit and transportation needs;

WHEREAS: Providing dedicated and unencumbered revenues for capital purposes is necessary to ensure the bondability of funds;

WHEREAS: Historically, Virginia’s financial support to WMATA is equally shared between NVTC jurisdictions and the Commonwealth of Virginia, reflecting the use of the WMATA network by those who live outside of the NVTC transit district and the economic value of the WMATA network to the entire Commonwealth of Virginia;

WHEREAS: The Joint Subcommittee recognizes the General Assembly may explore other tax policy reforms that may provide additional revenue options or approaches; and

WHEREAS: Addressing these challenges is essential to sustaining the Commonwealth's economy and mobility, as Northern Virginia's transit network moves more than two million riders each week, generates \$28 billion in annual economic activity, and contributes \$1.5 billion each year in income and sales tax revenue to the Commonwealth's general fund, while leveraging major state investments such as the TRV program, the Long Bridge expansion, and the I-66 and I-395/95 high-occupancy toll lanes to enhance statewide connectivity, reduce congestion, and strengthen Virginia's long-term economic competitiveness.

NOW, THEREFORE, BE IT RESOLVED that the SJ 28 Joint Subcommittee hereby transmits the following recommendations to the Virginia General Assembly:

1. The General Assembly should prioritize sustainable and growing revenues to immediately meet Virginia's \$153 million WMATA operating subsidy need starting in FY 2027.

2. The General Assembly should accept the JLARC Study recommendation to establish regional surcharges on the highway use fee and mileage-based user fee for the NVTC and PRTC Districts.

- The General Assembly could also consider how the establishment of regional surcharges in other parts of the Commonwealth could benefit transit needs in those districts.

3. The General Assembly should fund the proposed \$400 million/year and growing FY 2028 need for WMATA, VRE, and the NVTC and PRTC bus systems using existing state transit funding structures and create new NVTC and PRTC regional funds (as described in recommendations 4 and 5).

- For WMATA, the Joint Subcommittee recommends the General Assembly identify funding levels that support the continued 50/50 share of funding between Commonwealth and local/regional sources. This split could be solved by finding statewide revenues to cover the \$153 million WMATA operating subsidy need and by establishing a new NVTC regional fund to cover the up to \$150 million/year in WMATA capital needs which grows 3 percent annually, which is bondable by WMATA.
- For VRE, the Joint Subcommittee recommends authorizing additional new funding for the existing Commuter Rail Operating and Capital Fund (CROC), as it has the flexibility to be used for operating and capital expenses and is bondable for VRE.
- For all statewide funding solutions, the Joint Subcommittee recommends authorizing additional revenues to the Commonwealth Transportation Fund (CTF) and/or Commonwealth Mass Transit Fund (CMTF), which would provide additional statewide funding not only for the transit agencies identified in this

study but would also benefit all public transit agencies in the Commonwealth.

4. The General Assembly should establish a new regional fund at NVTC derived from new or additional revenue sources generated in the Northern Virginia Transportation District for support of WMATA, VRE, and NVTC local bus systems.

- The NVTC regional fund should be structured in this order to convey:
 1. Virginia's share of additional capital funding growing at 3 percent annually to WMATA,
 2. NVTC's share of additional funding to the existing CROC fund for VRE,
 3. Funding to localities for use in paying their WMATA and/or VRE operating and capital subsidies and/or for NVTC local transit agencies, and
 4. Up to two percent of the funds to NVTC to provide regional transit technical assistance and coordination, including regional transit technology, staff support, and planning and design studies that advance regional bus priority projects and infrastructure efforts.

5. The General Assembly should establish a new regional fund at PRTC derived from new or additional revenue sources generated in the Potomac and Rappahannock District for support of VRE and the PRTC/OmniRide bus system.

- The PRTC regional fund can be structured in this order to convey:
 1. PRTC's share of additional funding to the existing CROC fund for VRE, and
 2. Funding to PRTC for OmniRide and/or VRE.

6. The General Assembly should consider the impact of any major tax policy reforms on the overall transit funding need and adjust proposed statewide and/or regional solutions to ensure that needs for WMATA, VRE, and NVTC and PRTC bus systems are met.

7. Of the 15 revenue sources estimated by the Joint Subcommittee, the General Assembly should consider revenues that:

- are provided through net new revenues,
- do not reduce funding to or uses of existing sources of transportation,
- include a combination of sustainable, broad-based revenue sources,
- capture revenues from visitors and non-residents of the area,
- encourage transit use,
- minimize impacts on low-income individuals, and
- combine statewide and regional revenue sources.

In addition, the Joint Subcommittee recommends that the General Assembly should consider combinations of the highway use fee (HUF), retail delivery fee, Transportation Network Companies sales tax, commercial parking sales tax, and/or retail sales and use tax. Any additional regional retail sales and use tax should

exclude food and personal hygiene products. Additional sources to consider include the motor vehicle sales tax, taxes on motor fuels, and transient occupancy tax.

- For the Northern Virginia Transportation District, the Joint Subcommittee recommends a regional retail sales and use tax combined with other funding sources that can help minimize the effective sales tax rate needed.
- For the Potomac and Rappahannock Transportation Commission, the Joint Subcommittee recommends that the General Assembly identify revenues that best work for the unique needs of the PRTC District.
- For statewide transit funding, the Joint Subcommittee recommends considering the retail delivery fee and a transportation network companies sales tax. The motor vehicle sales tax and taxes on motor fuels currently go into the CTF and could be increased to generate more revenue for statewide sources.

8. The General Assembly should support the WMATA accountability and transparency measures adopted by DMVMoves, which require WMATA to produce and make public:

- a) a 20-year, conceptual capital plan every five years, which will include an analysis of capital investments and other opportunities to be more cost efficient,
- b) a funding/financial plan for major projects with a capital cost greater than \$300 million (adjusted for inflation), and
- c) an annual report on the performance of WMATA and its capital program, actual prior-year and anticipated next-year cost savings and cost efficiency efforts, and the use and outcomes of additional dedicated funding.

9. The General Assembly should reform Virginia's legislated three percent operating assistance growth cap to encourage WMATA to continue cost containment efforts while ensuring a cap does not negatively impact service improvements, funding transparency, accountability, and the application of WMATA's subsidy allocation formulas.

10. The General Assembly should require the Department of Rail and Public Transportation to report the total of all revenues generated and interest earned in the WMATA Capital Fund (§ 33.2-3401) to the Commonwealth Transportation Board and Northern Virginia Transportation Commission with the understanding that the existing revenue sources may yield funding beyond the \$154.5 million/year.

11. The General Assembly may wish to fund and direct state and/or regional agencies to conduct studies that:

- a) explore, evaluate, and compare the cost of service delivery for Metrobus and local bus providers;
- b) identify accountability metrics and evaluate operating cost efficiencies for VRE and/or local bus systems;

- c) assess opportunities for expanded tolling of the I-66 Inside the Beltway facility beyond peak period, peak direction;
- d) assess opportunities to develop revenue from other sources including off-street parking; and
- e) evaluate the necessary infrastructure, policy, and other improvements necessary to operate bidirectional commuter rail between Northern Virginia and Maryland.

Attachment A: Definition of Revenue Sources for Consideration

Revenue Source Definitions

The SJ 28 Technical Working Group provided the Joint Subcommittee with [revenue estimates for 14 sources](#). As part of that estimation process, the Technical Working Group made assumptions and definitions for revenue sources. These definitions should be considered a reference point for the General Assembly, which will ultimately define these sources.

Retail Sales and Use Tax

A tax collected on most retail purchases of goods and certain services. It applies to transactions such as clothing, electronics, and household goods, with exemptions for groceries and some essentials. Virginia already levies both state, regional, and local sales taxes; the local portion equals one percent.

Highway Use Fee (HUF)

An annual fee charged to owners of fuel-efficient or electric vehicles to ensure that all drivers contribute to transportation funding, even if they buy little or no gasoline. Virginia already has a statewide HUF, but no regional supplement has yet been authorized.

Retail Delivery Fee (RDF)

A small per-delivery fee on retail goods delivered by motor vehicle, including online and app-based purchases. This captures revenue from growing e-commerce activity. Colorado and Minnesota have already adopted an RDF.

Transportation Network Company (TNC) Sales Tax

A tax on ride-hailing services such as Uber and Lyft, applied as a percentage of each trip's fare. It allows the Commonwealth to collect revenue from app-based transportation services.

Commercial Parking Sales Tax

A tax on paid parking in private or commercial lots and garages (excluding residential), generally applied as a percentage of the parking charge. It can capture revenue from commuters and visitors who drive and park. It does not include metered parking or Metro parking lots.

Motor Vehicle Sales Tax

A tax collected on the sale price of new or used vehicles purchased through dealerships. Virginia currently applies this tax at 4.15 percent, collected through dealerships and administered by DMV.

Taxes on Motor Fuels

Taxes on motor fuels include the motor vehicle fuels sales tax which is a regional tax currently levied at 9.3 cents per gallon for gasoline and applies to every region and locality in the Commonwealth, and the motor fuels tax which is a statewide tax currently levied at 31.7 cents per gallon for gasoline. The motor vehicle fuels sales tax is provided to the appropriate transportation commission, or to the Virginia Department of Transportation which allocates the revenue to the appropriate highway construction district. The motor fuels tax is deposited into the Commonwealth Transportation fund. These two taxes are long-standing sources of transportation funding at the state and regional levels, with a combined rate currently at 41.0 cents per gallon for gasoline.

Transient Occupancy Tax (TOT)

A tax on hotel rooms, inns, and short-term rentals such as Airbnb. It is typically paid by visitors rather than residents and supports local and regional transportation or tourism programs. It already exists locally in Virginia with rates between 7 and 11 percent.

RESOLUTION OF THE DMVMOVES TASK FORCE

WHEREAS, transit is vital to the success and economic vitality of the National Capital Region, and the region’s jurisdictions came together in 2018 to guarantee funding for the Washington Metropolitan Area Transit Authority’s (WMATA) capital program after more than a decade of deferred maintenance resulted in major service disruptions, and the region again built on its long record of support for the Metro system by increasing contributions to Metro’s operating budget when temporary federal operating assistance expired; and

WHEREAS, WMATA’s major capital funding sources, including 2018 dedicated funding, federal Passenger Rail Investment and Improvement Act (PRIIA) funding, were not indexed to grow and lost considerable purchasing power over the past five years of historic inflation, rising construction and labor costs, and accelerated capital program needs; and

WHEREAS, without additional, dedicated capital funding WMATA will reach its debt capacity limit in FY2029 which will cause its approved FY2026-FY2031 Capital Improvement Program to fall from an average annual amount of \$2.2 billion to \$1.4 billion, severely impacting safety and reliability of the system; and

WHEREAS, without additional, dedicated capital funding that addresses WMATA’s debt capacity limit, it will carry a capital backlog averaging \$10 billion over the next 25 years, totaling \$22 billion by FY2050, but that with additional funding it could responsibly manage a backlog averaging \$3 to \$4 billion per year; and

WHEREAS, the region has demonstrated unified leadership through the 2024 launch of the DMVMoves initiative, when the Boards of the Metropolitan Washington Council of Governments (COG) and the Washington Metropolitan Area Transit Authority (WMATA) adopted a joint resolution formally establishing DMVMoves as a shared commitment to strengthen long-term coordination and planning for regional transit; and

WHEREAS, the Boards appointed the Regional Transit Task Force, comprised of 22 officials and WMATA Board members, to lead the DMVMoves effort and to develop a shared vision for the future of the region’s transit network and identify sustainable, long-term, dedicated funding sources to support it; and

WHEREAS, the Task Force was supported by two Advisory Groups—the Government Partners Advisory Group, consisting of chief administrative officers, chief financial officers, and senior state and local transportation executives; and the Community Partners Advisory Group, consisting of regional, business, labor, and community leaders and advocates—whose insight and recommendations were critical to the development of the DMVMoves Regional Transit Investment and Action Plan (“DMVMoves Plan”); and

WHEREAS, over the course of six Task Force meetings and ten Advisory Group meetings, participants worked collaboratively to assess regional needs, review detailed technical analyses, consider public feedback, and refine recommendations for a funding and action plan that would strengthen, integrate, and sustain transit across the District of Columbia, Maryland, and Virginia; and

WHEREAS, the Advisory Groups established Working Groups to further evaluate and recommend strategies for enhanced coordination and service improvement for a seamless transit experience that reflect both the practical realities and the collective aspirations of the region's transit providers and customers; and

WHEREAS, through this process, the Task Force and Advisory Groups together have established a shared Vision for an integrated, reliable, and financially sustainable regional transit network that supports economic prosperity, environmental goals, and access to opportunity; and

WHEREAS, the culmination of this collaboration is the DMVMoves Plan, which outlines both a funding recommendation to address WMATA's long-term capital needs and a Regional Transit Action Plan that calls for coordinated investments and actions to make travel across the region faster, safer, more integrated, and more reliable; and

WHEREAS, the investments proposed in the DMVMoves Plan are critical for delivering the DMVMoves Vision, ensuring economic prosperity, meeting the region's goals, and addressing WMATA's capacity, reliability, and safety needs in a more cost-effective manner, including growing ridership and increasing capacity and connectivity for east-west travel across the region's core while being more cost efficient in providing that service; and

WHEREAS, that this funding and action plan is designed to reinforce service reliability and efficiency, unlock underutilized assets, and position the National Capital Region as a leader in mobility and transit innovation; and

WHEREAS, that the Task Force endorses the recommendations for modernization of WMATA's Metrorail System, and acknowledges that additional dedicated funding will support Metro's ongoing capital program, including investments in WMATA's Rail Modernization Program Plan; and

WHEREAS, that the Task Force endorses the recommendations for a regional, collaborative approach to implementing bus priority infrastructure and strategies in regional priority corridors that advance regional connectivity, service need, and performance potential; and

WHEREAS, that the Task Force encourages jurisdictions to pursue implementation of regional bus priority project corridors collaboratively with WMATA as a partner in project development and federal funding, as appropriate; and

WHEREAS, that the Task Force recognizes the importance of regional and local funding commitments in leveraging federal funding opportunities, including through the Capital Investment Grants (CIG) program, to advance implementation of the DMVMoves Plan; and

WHEREAS, that the Task Force understands WMATA will produce and make public a 20-year, conceptual capital plan every five years, and that capital plan will include an analysis of capital investments and other opportunities to be more cost efficient; and

WHEREAS, that the Task Force supports WMATA's continued efforts to drive cost efficiencies and to manage a reserve account that enhances financial accountability and provides greater predictability for jurisdictional funding partners; and

WHEREAS, that any additional multiyear funding above must be indexed to grow annually and structured appropriately to maintain flexibility of use to preserve purchasing power and meet long-term financial needs;

NOW, THEREFORE, BE IT RESOLVED BY THE DMVMOVES TASK FORCE:

1. Adoption of Vision and Goals

RESOLVED, that the Task Force adopts the DMVMoves Vision and six regional goals as the foundation for regional planning and DMVMoves funding investment (see Attachment A); and

2. Adoption of DMVMoves Plan

RESOLVED, that the Task Force adopts the DMVMoves Plan recommendations as outlined in this resolution and the DMVMoves Plan Executive Summary and directs DMVMoves project staff to finalize the DMVMoves Plan document accordingly, which:

- Defines a 25-year framework for investment needs and funding targets;
- Supports WMATA's investment plan for world-class transit, including:
 - Ongoing repair, maintenance, and modernization of assets, systems, and technologies;
 - Deployment of rail modernization—modern signaling, compatible fleet upgrades, and selective platform screen doors—to improve frequency, safety, and capacity;
 - A fast and frequent bus network with bus priority, providing all-day, all-week service that is faster, more reliable, and better aligned with regional travel needs and coupled with regional investments in bus priority; and
- Provides an indication of local transit agencies' funding needs to meet proposed service goals;
- Identifies key policy changes and other actions to improve transit service delivery and inter-jurisdictional coordination to make the regional transit system function more like an integrated and seamless network; and
- Advance regional priority corridors for targeted bus priority investment, in partnership with WMATA, jurisdictions and stakeholders; and

RESOLVED, that the Task Force calls upon the Boards of COG and WMATA to adopt and implement the DMVMoves Vision and Plan; and

RESOLVED, that the Task Force recommends that the Boards of COG and WMATA request the National Capital Region Transportation Planning Board at COG to act as lead coordinator for implementation of the DMVMoves Plan, responsible for convening stakeholders, monitoring progress, and issuing annual reports to WMATA, state partners, and the public, and that such reports will include progress reports on the implementation of the DMVMoves Plan, including bus priority corridor advancement, implementation of fare policy changes and regional service guidelines, and uniform reporting of transit system performance; and

RESOLVED, the Task Force calls on our federal partners, in recognition of the critical role WMATA plays in supporting the federal government and our national capital, to increase PRIIA restore the purchasing power lost due to inflation since 2010; and

RESOLVED, WMATA will pursue federal grant, loan, and credit programs to support the Plan, including Transportation Infrastructure Finance and Innovation Act (TIFIA) financing opportunities;

and

RESOLVED, that the Task Force recommends that the Boards of Directors for COG and WMATA request that WMATA deliver an annual report to COG and funding partners on the performance of the WMATA Transit System and its capital program, and the use and outcomes of additional dedicated funding; and

RESOLVED, that the Task Force calls upon elected officials, agency partners, and regional stakeholders to support and advance the commitments necessary to realize the DMVMoves Vision and ensure a stable, integrated, and sustainable future for the region’s transit systems; and be it further

3. Legislative Need

RESOLVED, that the Task Force recognizes the urgent need for \$460 million in additional, predictable, annual and ongoing funding directed to WMATA in advance of reaching its debt capacity limit in FY2029, and calls upon regional leaders to provide that funding (see Attachment B); and

RESOLVED, that legislation is required in each of the Compact Signatories—the District of Columbia, the State of Maryland, and the Commonwealth of Virginia—to:

- Establish additional predictable, multiyear funding for WMATA;
- Ensure that additional funding grows annually; and

RESOLVED, that the Task Force calls upon regional leaders to advance the necessary legislative and budget actions to ensure these commitments are enacted in advance of reaching its debt capacity limit in FY2029, and sustained over time; and be it finally

RESOLVED, that the Task Force calls upon regional leaders to advance necessary legislative and budget actions to advance actions to support state and local transit operators.

ADOPTED October 29, 2025

Attachment A: DMVMoves Vision & Goals

Vision: Transit is the backbone of an integrated, world-class mobility network that makes the National Capital Region a thriving global economy, a preferred home, and a leader in innovation, environmental sustainability, and social equity.

Goals:

1. Make transit a preferred travel choice
2. Provide a seamless, connected, and convenient customer experience
3. Grow ridership through transit-oriented development and expanded connections to economic opportunities
4. Enhance quality of life, economic development, climate resilience, and equity
5. Ensure predictable and sustainable transit funding
6. Establish standard, best-in-class transit workforce policies and skills training

Attachment B: Regional Transit Investment Needs, Assumptions, Plan, and Accountability & Transparency Measures

Regional Transit Investment Needs & Assumptions

Regional Transit Funding Challenges

- In 2018, the District of Columbia, Maryland, and Virginia committed \$500 million annually in Dedicated Funding for WMATA.
- Since then, inflation, rising construction and labor costs, and accelerated capital program needs have significantly reduced the value and impact of that investment.
- Inflation similarly reduced the buying power of WMATA's other capital funding sources, such as federal PRIIA grants and local PRIIA matches, none of which were indexed to grow.
- Without additional, sustained funding that grows over time, WMATA and regional operators face deferred maintenance, service cuts, and unmet regional goals.

25-Year Planning Assumptions

The DMVMoves Investment Plan is based on the following assumptions:

- 2% average annual ridership growth
- Fare policies adjusted with inflation
- Continuation of current federal and dedicated capital support
- Additional funding that grows at least 3% annually
- Relatively stable labor and equipment markets

These assumptions provide a reasonable basis for long-term investment planning while acknowledging that major disruptions (e.g., pandemics, economic recessions) are not included.

Regional Transit Investment Plan

Investment Priorities for WMATA

- Ongoing repair, maintenance, and modernization of WMATA assets, systems, and technologies
- Rail modernization technologies, including modern signaling, compatible fleet upgrades, and selective platform screen doors, to improve frequency, safety, and capacity
- Frequent and fast bus network with bus priority, providing fast, reliable, all-day/all-week service
- Revised Blue/Orange/Silver Corridor Strategy, integrating rail modernization, bus priority, and targeted rail station capacity and access improvements as a more cost-effective alternative to heavy Metrorail expansion

Total Estimated Need and Allocation for WMATA

- In addition to existing funding provided to WMATA, \$460 million starting in advance of reaching its debt capacity limit in FY2029, and growing at least 3% or by other regionally agreed-upon indexing rate annually, or an estimated \$16.8 billion over 25 years

Investment Priorities for Local Agencies

- State and local funding support sufficient for local bus operators to provide service that meets or exceeds the new regional service guidelines established by the *DMVMoves Plan*, as well as capital investments in modern bus fleets, street infrastructure, and supporting facilities required to meet service guidelines.
- State and local funding support sufficient for the Maryland Area Rail Commuter (MARC) and

Virginia Railway Express (VRE) commuter rail systems to implement their long-range growth and system plans.

Accountability and Transparency Measures

- Updating WMATA's 3% operating budget cap to apply to unit costs of service rather than aggregate budget
- 20-year capital plan updated every 5 years
 - Including analysis of opportunities and capital investments to be more cost efficient
- Major projects with capital cost greater than \$300 million must have a publicly available funding/financial plan (dollar threshold adjusted in future for inflation)
- Annual report to COG/TPB on system and capital program performance, core outcomes from funding - published and shared with all partners

Attachment C: DMVMoves Plan

- Attach action plan



PRELIMINARY BUDGET

**FISCAL YEAR
2027**

(July 1, 2026 – June 30, 2027)

November 6, 2025

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF REVENUE**

	FY 2025 Actual	Approved Budget FY 2026	Preliminary Budget FY 2027	Increase (Decrease)
Local Share from State Aid (Note 1)	\$ 3,367,003	\$ 3,550,153	\$ 3,706,003	\$ 155,850
Local Direct Contributions (Note 1)				
Alexandria	43,542	62,454	40,887	(21,567)
Arlington	65,623	59,397	62,334	2,937
City of Fairfax	4,486	4,256	4,278	22
Fairfax County	155,168	141,166	155,458	14,292
Falls Church	2,128	1,947	2,284	337
Loudoun	13,300	15,027	19,006	3,979
Total Local Direct	<u>284,247</u>	<u>284,247</u>	<u>284,247</u>	<u>-</u>
Total Contributions	3,651,250	3,834,400	3,990,250	155,850
Interest and Other Revenue	88,555	35,000	40,000	5,000
Project Chargebacks (Note 2):				
Commuter Choice Program	730,373	666,400	639,300	(27,100)
VRE	80,000	80,000	80,000	-
Envision Route 7 BRT	158,711	168,000	60,300	(107,700)
Project Grant Billings (Note 3)	9,542	40,000	40,000	-
Appropriated Surplus (Note 4)	(331,623)	110,000	225,000	115,000
Total Revenue	<u>\$ 4,386,808</u>	<u>\$ 4,933,800</u>	<u>\$ 5,074,850</u>	<u>\$ 141,050</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES**

	<u>FY 2025 Actual</u>	<u>Approved Budget FY 2026</u>	<u>Preliminary Budget FY 2027</u>	<u>Budget Increase (Decrease)</u>
<u>Personnel Costs</u>				
Salaries and Wages (Note 5)	\$ 2,452,447	\$ 2,883,200	\$ 2,964,000	\$ 80,800
Fellow Program (Note 5)	11,928	50,000	50,000	-
Total Personnel Costs	<u>2,464,375</u>	<u>2,933,200</u>	<u>3,014,000</u>	<u>80,800</u>
<u>Benefits</u>				
Employer's Contributions				
FICA and Medicare (Note 6)	174,575	205,000	208,000	3,000
Group Health Insurance (Note 7)	181,399	255,000	273,000	18,000
Retirement (Note 8)	219,300	238,000	265,000	27,000
Workers & Unemployment Comp.	1,580	6,400	2,800	(3,600)
Life Insurance	3,543	6,700	6,600	(100)
Long Term Disability Insurance	15,536	18,800	19,500	700
Total Benefit Costs	<u>595,933</u>	<u>729,900</u>	<u>774,900</u>	<u>45,000</u>
<u>Administrative Costs</u>				
Commissioners Per Diem (Note 9)	11,300	15,000	14,500	(500)
Rents:	425,929	474,500	493,400	18,900
Office Rent (Note 10)	409,544	454,000	471,400	17,400
Transit Benefits / Parking	16,385	20,500	22,000	1,500
Insurance:	6,312	8,900	8,800	(100)
Public Official Bonds	2,400	2,600	2,500	(100)
Liability and Property (Note 11)	3,912	6,300	6,300	-
Travel, Training and Development	67,980	76,500	79,200	2,700
Prof. Devel./ Conference (Note 12)	50,790	54,500	58,200	3,700
Non-Local Travel	1,010	2,500	2,500	-
Local Travel, Meetings (Note 13)	16,180	19,500	18,500	(1,000)
Communication:	16,045	19,400	18,400	(1,000)
Postage (Note 14)	1,194	1,400	1,400	-
Telephone and Data (Note 15)	14,851	18,000	17,000	(1,000)
Publications & Supplies	31,652	35,700	37,300	1,600
Office Supplies (Note 16)	3,491	2,000	3,000	1,000
Duplication and Printing (Note 17)	4,051	8,700	9,300	600
Public Engagement (Note 18)	24,110	25,000	25,000	-
Operations:	52,219	55,900	59,300	3,400
Furn.and Equip. (Capital) (Note 19)	13,401	18,400	19,200	800
Repairs and Maintenance	642	1,000	1,000	-
Computer Operations (Note 20)	38,176	36,500	39,100	2,600
Other General and Administrative	16,220	11,900	11,900	-
Memberships	1,786	1,600	1,600	-
Fees and Miscellaneous	9,440	8,800	8,800	-
Personnel Recruiting (Note 21)	4,994	1,500	1,500	-
Total Administrative Costs	<u>627,657</u>	<u>697,800</u>	<u>722,800</u>	<u>25,000</u>
<u>Contracting Services and Other</u>				
Auditing (Note 22)	17,750	26,400	26,900	500
Contract Services & Support (Note 23)				
Commuter Choice	224,688	146,500	136,250	(10,250)
Research Support (Note 24)	302,845	250,000	250,000	-
Other Technical	123,561	120,000	120,000	-
Legal (Note 25)	30,000	30,000	30,000	-
Total Contract Services	<u>698,844</u>	<u>572,900</u>	<u>563,150</u>	<u>(9,750)</u>
Total Operating Program	<u>\$ 4,386,809</u>	<u>\$ 4,933,800</u>	<u>\$ 5,074,850</u>	<u>\$ 141,050</u>

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1. Revenue: Jurisdictional Contributions

Revenue from Local Direct Contributions

Each NVTC jurisdiction is assigned a share of the local portion of NVTC's administrative budget based on its share of revenue received by NVTC on behalf of jurisdictions from all sources in the previous year. This procedure is required by state statute and results in changes in contributions from one year to another that vary for each jurisdiction depending on relative shares of revenue received. The allocation in this FY 2027 budget is based on the FY 2025 revenue and Subsidy Allocation Model (SAM) formula.

Revenue from State Assistance

NVTC receives state operating and capital assistance as partial reimbursement for its WMATA compact members' annual commitments to WMATA and those jurisdictions' local transit systems. NVTC allocates this revenue among the jurisdictions based on NVTC's SAM and holds the funds in trust for the jurisdictions' transit use. Before the funding is allocated, NVTC's SAM resolution states that amounts are to be applied to certain NVTC projects, and a portion of the general and administrative budget of NVTC. The amount used for NVTC's general and administrative expenses is determined each year by NVTC's approved budget.

2. Revenue: Project Chargebacks

Commuter Choice Program

The general and administrative budget is reimbursed by the Commuter Choice program for costs incurred in administering the program in both the I-66 and I-395/95 corridors.

Virginia Railway Express

NVTC receives revenue from VRE as reimbursement for staff support and other expenses.

Envision Route 7 BRT

Included in the general and administrative budget is a line for reimbursements from the Envision Route 7 BRT project budget for payroll related expenses that are expected to be incurred in managing the next phase of the project. The project budget includes Federal, state and local funding sources, although only state and local sources will be available to reimburse the general and administrative budget.

3. Revenue: Project Grant Billings

The FY 2027 budget assumes funding from DRPT's Workforce Development Program that covers 80% of payroll and related costs of NVTC's Transit Fellows program.

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4. Revenue: Appropriated Surplus

The FY 2027 budget recognizes projected excess accumulated surplus as a revenue source to offset budgeted expenditures. This balance, generated from favorable budget variances in prior fiscal years, is available in excess of the Commission's minimum operating reserve requirements.

5. Personnel Costs

Salaries and Wages

The FY 2027 budget includes a provision for merit and COLA increases for existing staff.

Fellows Program

The budget continues the NVTC Fellows Program, which began in FY 2015, by building NVTC's technical capacity and strengthening its ties with members of the research network. The budget assumes grant funds from DRPT's Workforce Development Program will be available to provide 80% of payroll and related costs of this program.

The Fellows Program provides a cost efficient and flexible way to employ new graduates and mid-career professional to complete specific short-term projects generally over a one- to six-month period. The program has served as a valuable recruitment tool and created opportunities to connect with university programs within Virginia and nationally.

6. FICA and Medicare

NVTC's share of FICA and Medicare taxes is a function of budgeted payroll and the current tax rates and estimated wage ceiling.

7. Group Health Insurance

A provision for health insurance coverage is included for all NVTC staff positions, regardless of whether the current employees in those positions participate in NVTC's plan. Unless all eligible employees participate in NVTC's health insurance program, actual expenditures will be less than budgeted. The budget is based on known actual rates with a provision for increasing premiums. Beginning with the May 2024 renewal, NVTC began offering two plans through Kaiser Permanente, allowing staff to choose the plan which best suits their needs with a cost savings to NVTC.

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8. Retirement

The NVTC Target Benefit Pension Trust functions as a defined contribution plan and is fully funded each fiscal year. The budgeted employer contributions are calculated by actuarial formulas using budgeted staff and salary levels. The estimated annual liability is reduced by non-vested funds that were forfeited by former plan participants and are expected to be available during the fiscal year. Because the actuarial calculations consider factors in addition to payroll costs, such as years to retirement and investment return, changes in budgeted contributions do not necessarily correlate directly with budgeted payroll.

The increase in the budgeted contribution from FY 2026 to FY 2027 is the result of an increase in the number of plan participants, and a greater percentage of senior staff participating in the plan, offset in part by forfeited funds that are expected to be available.

9. Commissioners' Per Diem

The FY 2026 budget is based upon the FY 2024 actual expenditures for Commission and committee meeting attendance, with a contingency for increased attendance. Commissioners, other than senators and delegates, are paid by NVTC at the statutory rate of \$50.

10. Office Rent

NVTC's office lease was renewed effective March 15, 2019, and includes additional space beyond the previous lease to accommodate NVTC's increasing staff levels. The budgeted rent amount is based on the fixed costs of the lease, which increase at 2.5% per year, plus an estimate of pass-through expenses and real estate taxes.

The lease contains an abatement provision for 29% of the leased space for the first twelve months of the lease ending March 14, 2020. The lease also contains a provision for the abatement of the first month's rent for each of the first seven annual periods of the lease, which is amortized over twelve months for each of those periods. The final abatement took place in March 2025, and is amortized over the twelve months ending February 2026.

Off-site file storage is also included in this budget line.

11. Insurance: Liability and Property

The FY 2027 budget is based on the most recent premium year with an allowance for increasing costs and coverage.

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12. Professional Development / Conferences

Included in this line for FY 2027 are the estimated registration fees for professional development, conferences, in-house training, accreditation and related travel costs. The budget assumes NVTC staff will participate in training opportunities, speaking engagements and panel participation at various events throughout the year, thereby enhancing NVTC's visibility across the region. These funds will also allow staff to maintain required training to keep their professional accreditations, and assist in the recruitment and retention of high quality staff. Whenever appropriate, NVTC will continue to minimize travel expenditures through locally sponsored events, online conferences, and events where the registration fee is discounted or waived.

13. Local Travel, NVTC and Other Meetings

This line includes the costs of NVTC Commission and committee meetings, hosting regional meetings and events, and the costs of NVTC staff traveling to meetings elsewhere in the region.

14. Postage

This item is based on an average of prior years' actual costs.

15. Telephone and Data

This line includes the fixed contracted cost for telephone and data services at NVTC's office, and mobile and data service for staff.

16. Office Supplies

The FY 2027 budget for this item is based on the average of prior years' actual costs.

17. Duplication and Printing

The FY 2027 budget is based on the estimated costs of a new copier lease and service contract, taking into account projected usage levels.

18. Public Engagement

The budget includes a provision for costs related to public engagement on WMATA matters as required of NVTC by the Virginia Code, the costs to produce NVTC's annual report, social media, and other public outreach costs, including communication efforts on NVTC projects and dedicated funding efforts.

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19. Furniture and Equipment

This budget category provides for the anticipated replacement and acquisition of furniture and office equipment, including computer hardware.

20. Computer Operating Expense

Computer operations includes the cost of a third-party information technology managed services contract, subscription-based software licensing fees, video conferencing and virtual meeting services, web and email hosting fees, and software upgrades and supplies. The FY 2027 budget is based on costs presently under contract and anticipated future needs.

21. Personnel Recruiting

The FY 2027 budget includes a provision for personnel recruitment advertising.

22. Auditing

NVTC entered into a three-year contract for auditing services beginning with the audit of FY 2022, with two, two-year options. The FY 2027 budget is based on the costs included in this contract.

23. Contract Services and Support

Commuter Choice Programs

I-66 Commuter Choice Program

As part of a 40-year agreement with the Commonwealth of Virginia, NVTC has been assigned the authority to administer a program of projects to be funded using revenue generated by the tolling of I-66 Inside the Beltway. In FY 2017 NVTC launched the initial year of the I-66 Commuter Choice Program.

I-395 Commuter Choice Program

In 2017, NVTC and the Potomac and Rappahannock Transportation Commission (PRTC) entered into a 66-year agreement with the Commonwealth of Virginia to fund a program of projects to be funded by revenues generated by the tolling of I-95/I-395.

Other Technical

The FY 2027 budget includes a provision for technical support efforts, specialized analysis, related publications, contracted human resource support, and strategic planning efforts. NVTC's state liaison contract is also funded in this line item.

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Whenever possible, NVTC intends to leverage other funding sources and utilize contracts of other agencies in an effort to reduce costs.

24. Research Support

This budget line, which was added in FY2023, includes a provision for NVTC funded policy research and the local match for grant funded projects. Due to the nature of the expenditures, available budget balances are carried forward between fiscal years.

25. Legal

In FY 2016, NVTC entered into a new agreement with VRE to receive counsel services on all legal matters.