

Combined
Blue Items/Handouts/
Presentations
for
November 6, 2025
NVTC Meeting

Today's Transit is Strong



706K
weekly bus riders



1.3M
weekly Metrorail
riders in Virginia



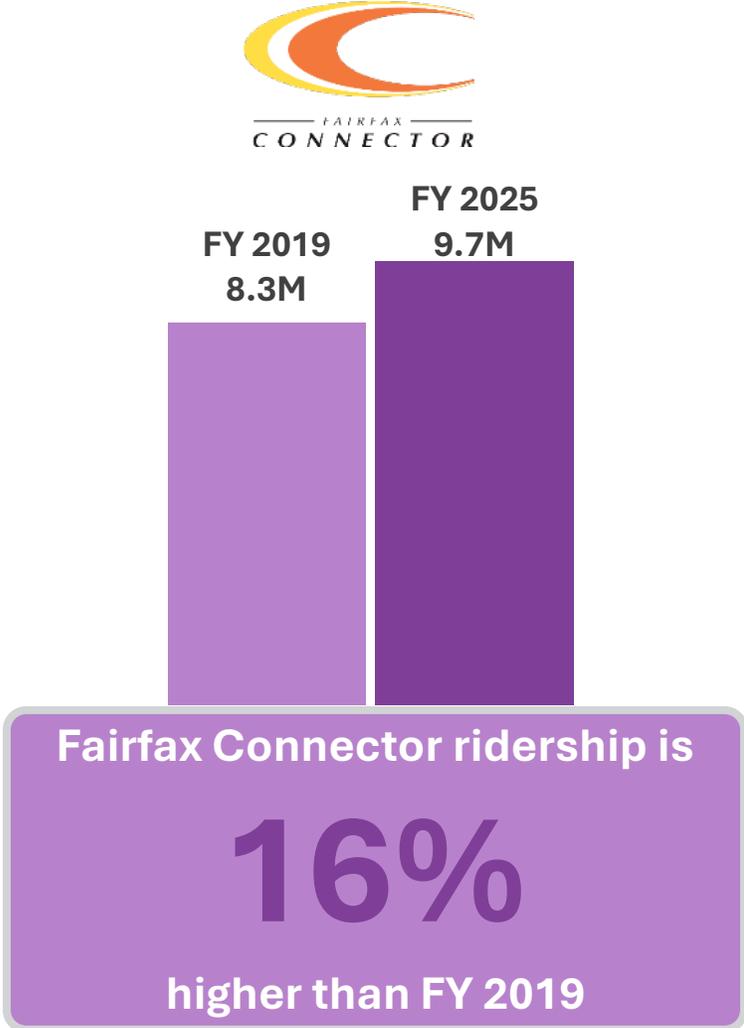
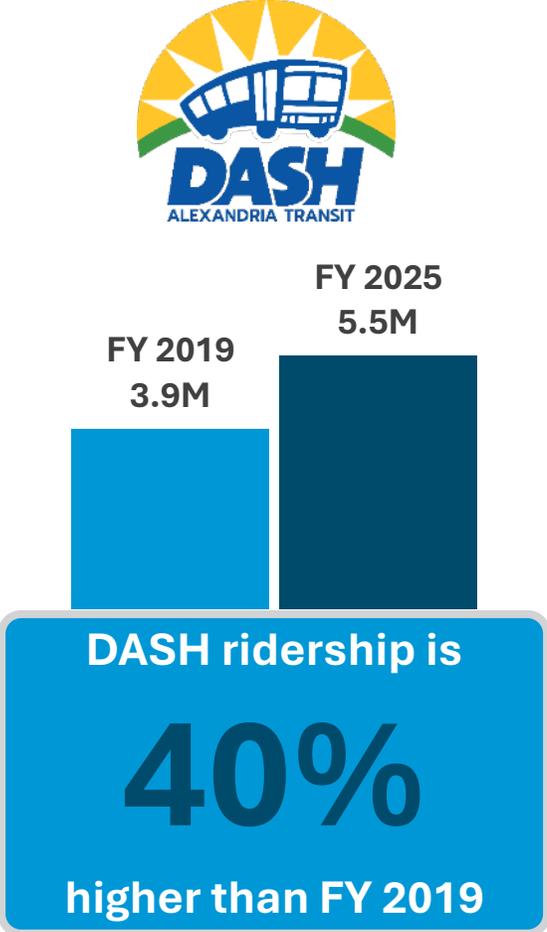
47K
weekly VRE riders



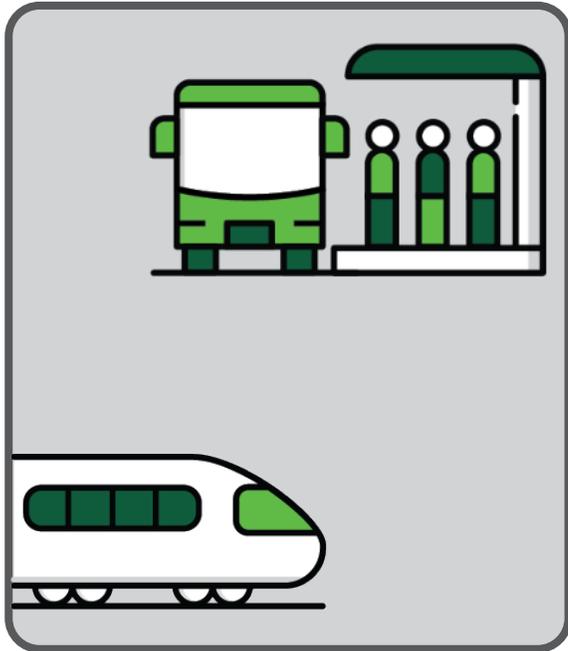
15%
year-over-year
ridership increase



Local Bus Agencies Exceed 2019 Ridership Levels



Long Haul Commuters Return



Commuter Bus ridership
DOUBLED
between January and March 2025

76% increase
VRE ridership in the last 6 months

State Investments Will Help Long-Term VRE Ridership

- Long Bridge
- Manassas Line Rail Agreement

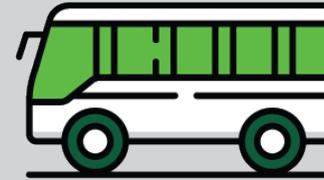


Weekend Ridership is Higher than Pre-Pandemic

and more wins by the numbers



20% higher
ridership at VA
Metrorail stations
in June 2025 compared to 2024

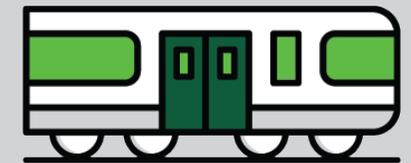


57%
more parking
transactions
at VA Metrorail stations
from last year

Weekend ridership is
30% higher
at VA Metrorail stations
than 2019



12 days
with 1M+ trips
this spring



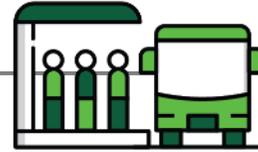
Agencies Innovate to Meet Rider Demand

Reliable service and new initiatives foster ridership



Network Redesigns & Restructures

- **OmniRide** route restructuring
- **DASH** 2021 redesign
- **Fairfax** aligning service with Silver Line Phase 2
- **WMATA** Better Bus network debuted June 2025



Service Enhancements

- **Loudoun County Transit** service increases and expansions
- **ART** debuted new ZEB buses, **Fairfax Connector** investing in capital renewal projects
- **WMATA** optimized rail service
- **CUE** customer improvements



Free and Reduced Fare Programs

- **CUE, DASH, OmniRide** and **Loudoun** local service
- **Fairfax** reduced fare program, **ART** student fare program
- **WMATA's** MetroLift program provides 50% off fares low-income rides

Funding Uncertainty Threatens Ridership Gains

Northern Virginia is excelling compared to rest of state on transit recovery

- ↳ But funding uncertainty puts these gains at risk
- ↳ DMVMoves and SJ 28 have adopted funding recommendations



Thank You

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Data Visualization Program Manager



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Northern Virginia Transit Ridership on the Rise



Today's Transit is Strong

From local bus to Metrorail to commuter rail, transit posted ridership gains over the last few years.

706K

weekly **bus** riders

1.3M

weekly **Virginia Metrorail** riders

47K

weekly **VRE** riders

15%

year-over-year ridership increase

as of July 2025

Local Agencies Innovate to Meet Rider Demand

Over the past year, local agencies have pursued innovative strategies to support an integrated Northern Virginia transit network. Implementation of **network redesigns and restructures, service enhancements** and **free and reduced fare programs** have contributed to rising ridership across the system.

Northern Virginia bus ridership is the highest its been in a **decade**



Long Haul Commuters Return

Commuter Bus ridership

DOUBLED

between January and March 2025



VRE ridership increased

76%

between January and June 2025



Metro on the Rise



Metro Invests in Success

Service Excellence

- Optimized rail service with more peak trains
- Implemented Tap.Ride.Go contactless payment system
- Debuted Better Bus Network in June 2025
- Reintroduced Automatic Train Operations

Maintaining a Safe System

- Decreased serious crime by 55% in the past three years
- Implemented banning policy

Customer Satisfaction

- Exceeded customer satisfaction targets for all modes
- Improved customer perceptions of safety over the last two years

Leading the Nation in Ridership Growth

30% more
weekend riders at Virginia
Metrorail stations since 2019

54 months
of year-over-year
ridership growth



89%
Metrorail customer
satisfaction

82% less
fare evasion after
installation of new faregates



Transit agencies serving Northern Virginia



7B. NVTC and Regional Work Toward Long-Term Sustainable Transit Funding

Summary of DMV*Moves* and SJ 28 Recommendations

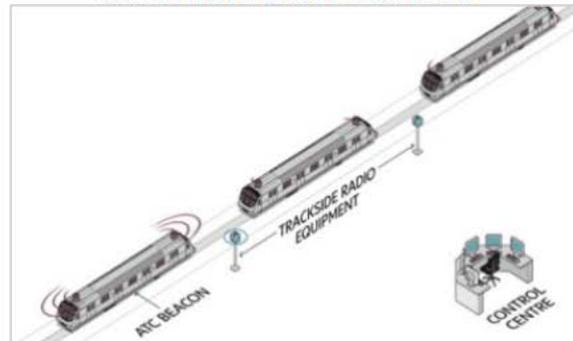
DMVMoves Recommendations

Approved by the DMVMoves Task Force on October 29, 2025

Additional Funding

Reinvesting in/Modernizing Metro

Metro Rail Modernization



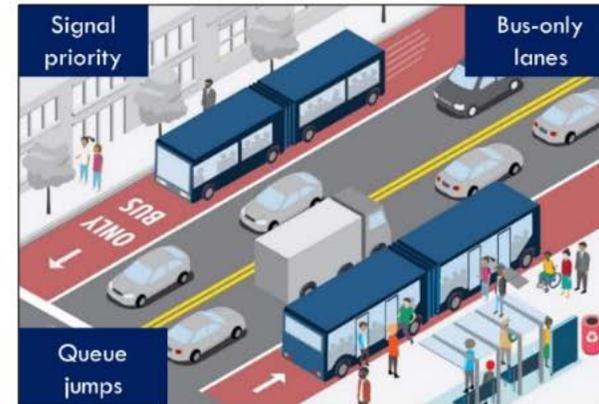
**\$460M before FY29* +
3% per year**

*In advance of reaching
debt capacity limit

Total Virginia,
Maryland and DC
Need

Metro + Jurisdictional Partnerships

Regional Bus Priority Network



Joint project development
Local funding for priority infrastructure
Metro operates fast, frequent service
all day/all week

+ Implementation of Action Plan for Transit Integration

Source: [DMVMoves Task Force October 29, Resolution](#)

The Charge of the SJ 28 Subcommittee



...to **study long-term, sustainable, dedicated operations and capital funding** as well as **cost-containment controls and strategies** to ensure WMATA, VRE, and the public transit systems that serve the NVTC and PRTC transportation districts **meet the growing needs of public transit in the region.**

Funding Goals

- Maintain current **operating service levels**
- Maintain a **capital state of good repair**
- Prepare agencies for **future growth**
- Reduce pressure on **local general funds**
- Remove WMATA from the **Commonwealth general fund**
- Provide technical assistance resources to **advance transit and bus priority** projects

Immediate and Long-Term Funding Needs

Starting in **FY 2028**, Northern Virginia transit needs an additional

~\$400M/year

growing with inflation to **maintain current service levels and state of good repair.**

WMATA Operating*
Funding Need

\$153M

beginning in FY 2027

In FY 2025, the General Assembly + NVTC localities provided **two-year fix** for WMATA operating gap. MD and DC fix was permanent.

WMATA Capital
Funding Need

\$136-150M

beginning in FY 2028

As identified by DMVMoves
Growing 3% each year

Virginia Railway Express
Funding Need

~\$35M

beginning in FY 2028

After Long Bridge completion,
an additional **\$40M** is needed

NVTC Local Bus
Funding Need

~\$35M

beginning in
FY 2028

OmniRide Funding Need

~\$22M

beginning in
FY 2028

All sources grow **annually** with inflation

*VA needs additional WMATA operating funding beginning in FY 2027

Transit Funding Needs to Be Sustainable and Grow

\$153M

FY 2027

~\$400M

FY 2028

~\$490M

~FY 2032



FY 2027 budgets are being discussed **now**

~\$450M *Assumes 3% growth/year since FY 2028*

+

\$40M *After Long Bridge completion, an additional \$40M is needed for VRE*

A Partnership to Fund Transit

There should be regional and statewide funds that contribute to the solution.



[SJ 28 Adopted Resolution](#)

Assumptions and Considerations

- Funding **grows at 3% per year** or with inflation and, in the case of WMATA and VRE, is structured so that those agencies can **bond** it.
 - To be bondable, funds must come from regional revenues.
- Revenue sources are net new revenues and **do not reduce funding to or uses of existing sources** of transportation funding.
- **Tax reform** could change the amount of revenue to be generated; for example, changes to the retail sales and use tax could provide additional revenue to the Commonwealth Transportation Fund (CTF).
- Timing of revenue is an important consideration. New taxes or fees have a **longer lead time** for implementation, while increasing existing taxes or fees could happen **faster**.
 - Also need flexibility to add more revenue to Commuter Rail Operating and Capital (CROC) fund after Long Bridge opens.
- Tax rates should remain competitive across the region and consider the entire effective state and regional rate for each source.

Use Existing State Transit Funding Structures

An opportunity to solve for other transit needs across Virginia while maintaining the joint partnership between the state and NVTC jurisdictions.



How does this help solve for the \$400M?

- Identifies a **sustainable solution** to the \$153M WMATA operating subsidy need beginning in FY 2027.
- **Adds statewide revenues** to the CTF or CMTF, increasing funding for local operating and capital funding across the state, plus VRE.

Additional \$330 million in CMTF

(after off-the-top distributions)

Commonwealth Mass Transit Fund	
Local Transit Operating (24.5%)	\$80.9M
Local Transit Capital (17%)	\$56.1M
VRE (3.5%)	\$11.6M
NVTC WMATA (46.5%)	\$153.5M
TRIP (6%)	\$19.8M
Special Programs (2.5%)	\$8.3M



Establish a NVTC Regional Transit Fund

Target FY 2028 Fund Amount: ~\$200M-\$225M

Revenue options and potential NVTC yields

Retail Sales and Use Tax @ 0.5% generates \$223M

Retail Delivery Fee @ \$0.50 generates \$63M

TNC Sales Tax @ 6% generates \$12M

Highway Use Fee @ \$20 generates \$20M



How does this help solve for the \$400M?

- Funds **WMATA (Capital)** and **VRE (CROC)** needs through off-the-top allocations
- Provides fiscal tools to **NVTC localities** for **local bus** funding and **WMATA and VRE subsidies**
- Supplements the regional gas tax with a regional surcharge for the highway use fee (HUF)
- Provides up to 2% of funds for regional technical assistance and coordination



To ensure this money can be used for WMATA and VRE, this fund must be **bondable**

Establish a PRTC Regional Transit Fund

Target FY 2028 Fund Amount: ~\$35M

Revenue options and potential PRTC yields

Retail Sales and Use Tax @ 0.5% generates \$89M

Retail Delivery Fee @ \$0.50 generates \$26M

TNC Sales Tax @ 6% generates \$1.5M

Highway Use Fee @ \$20 generates \$8M



How does this help solve for the \$400M?

- Supports **VRE (CROC)** needs through off-the-top allocations
- Provides funding to PRTC for **OmniRide and VRE**
- Supplements the regional gas tax with a regional surcharge for the highway use fee (HUF)



To ensure this money can be used for VRE, this fund must be **bondable**

Cost Efficiencies and Accountability



WMATA Cost Containment

Require WMATA to report on accountability and transparency measures.

Recommendation is written to support the DMVMoves accountability and transparency measures.



Service Delivery

Evaluate cost of service delivery for Metrobus and local bus providers.



3% Cap Reform

Reform Virginia's legislative 3% operating assistance growth cap to encourage WMATA to continue cost containment efforts.

Recommendation is written to support the DMVMoves proposal of a per unit cost cap.



VRE and Local Bus Cost Containment

- Identify accountability metrics and evaluate operating cost efficiencies for VRE and/or local bus systems.
- Evaluate necessary improvements to operate bidirectional commuter rail between Northern Virginia and Maryland.

Additional Revenue Sources to Study



DRPT Memo on the WMATA Capital Fund

The WMATA Capital Fund established in 2018 sends \$154.5M to WMATA each year, but it contains some revenues (transient occupancy tax and grantor's tax) that are based on sources and can grow. Amounts held in reserve are not reported.

Require an annual DRPT **memo** to the CTB and NVTC detailing:

- Revenue generated from the WMATA Capital Fund
- Interest earned on what remains in the fund
- Can inform directives on the management of the fund



Tolling Revenues

Assess opportunities for expanded tolling of I-66 Inside the Beltway



Parking Spots

Assess opportunities for revenue from other sources including off-street parking

A Partnership to Fund Transit

WMATA Operating*

State Source

- Additional CMTF

Regional Source (if needed)

- Regional HUF
- NVTC Regional Fund

WMATA Capital

Regional Source

- NVTC Regional Fund

Virginia Railway Express

Regional Source

- CROC (provided from NVTC and PRTC Regional Funds)
 - NVTC Regional Fund
 - PRTC Regional Fund
- ### State Source
- Additional CMTF

NVTC Local Bus

Regional Source

- NVTC Regional Fund

State Source

- Additional CMTF

OmniRide

Regional Source

- PRTC Regional Fund

State Source

- Additional CMTF

Other Virginia Agencies

Regional Source

- Opportunities for Regional HUF for transit
- Additional regional/local sources

State Source

- Additional CMTF

Appendix

FY 2027: \$153M+ for WMATA Operating

\$153M+

Beginning in FY 2027 for
**WMATA Operating
Subsidy Needs**



WMATA's operating need should be met with statewide sources. WMATA's capital needs should be met with regional sources to protect bondability.



Identifying a long-term WMATA operating solution protects local transit systems and their local budgets

Use Existing State Transit Funding Structures

The Commonwealth Mass Transit Fund (CMTF), part of the CTF, helps fund all public transit in Virginia through statewide formula and discretionary programs administered by DRPT.

Target FY 2028 Amount: ~\$330M to CMTF
*assuming current formulas**

Revenue options and potential statewide yields

Retail Delivery Fee @ \$0.50 generates ~\$269M

TNC Sales Tax @ 6% generates ~\$26M

Motor Vehicle Sales Tax @ 1% generates ~\$320M

Motor Fuels Tax @ \$0.02 generates ~\$96M

Transient Occupancy Tax @ 1% generates ~\$47M



**Off-the-top distributions or formula changes could reduce the amount the state needs to generate to meet its share of transit funding needs*

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

**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.