



NVTC Joint WMATA and Legislative & Policy Committee Meeting

Meeting materials available at novatransit.org

September 18, 2025

Meeting Agenda

1. Welcome and Opening Remarks
2. May 29, 2025 Meeting Summary
3. DRPT Presentation on MERIT Grant Program Changes
4. NVTC Work Towards Long-Term, Sustainable, Dedicated Funding
 - a. DMVMoves
 - b. SJ 28: Northern Virginia Growing Needs of Public Transit Joint Subcommittee
 - c. NVTC's 2025 Report on the Performance and Condition of WMATA
 - d. Key Funding and Policy Issues
5. 2026 General Assembly Look-Ahead
6. Preliminary NVTC Legislative and Policy Agenda



3. DRPT MERIT Grant Program Changes

The background of the slide features a collage of images. At the top, there are several modern office buildings with large windows. One building on the right has the name 'NORTHROP TRUMAN' visible. Below the buildings, a dense line of green trees is visible. In the foreground, a silver and brown train is traveling on an elevated concrete track that curves to the right. The train has its headlights on. The entire scene is framed by a white banner with a green dashed line border.

4. NVTC Work Towards Long-Term, Sustainable, Dedicated Funding

DMVMoves

- Next Task Force meeting: Wednesday, October 29 at MWCOG
- Investment concepts as of May 2025
 - Reinvesting in and modernizing the existing system - \$450-500M/year + 3% growth (From DC/MD/VA)
 - Region commits to bus priority on six initial corridors
- Regional Integration Action Plan
- DMVMoves recommendations expected to go to WMATA and COG Boards in November



[DMVMoves website](#)

SJ 28: Northern Virginia Growing Needs of Public Transit Joint Subcommittee

- Next Joint Subcommittee meeting:
Tuesday, October 21 at WMATA
Eisenhower Building
 - WMATA, VRE and local bus agency needs
 - Cost containment discussion
- Revenue estimates reviewed in June
- Final meeting in mid-to-late November,
date being finalized

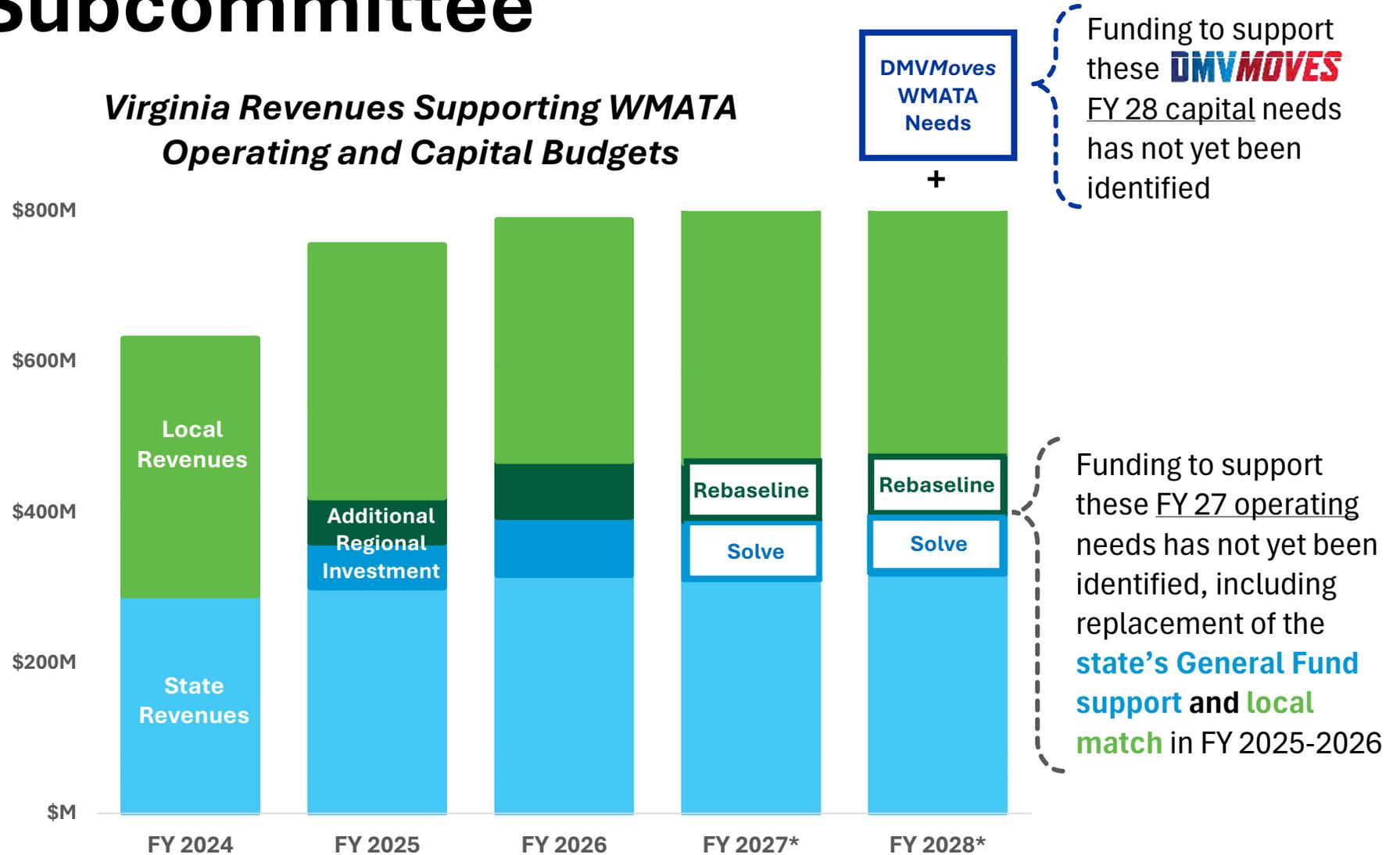


SJ 28: Northern Virginia Growing Needs of Public Transit Joint Subcommittee

Reminder: To allow for rebaselining of WMATA's operating budget with additional regional investment, Virginia's 3% cap on growth in operating assistance was suspended in FYs 2025-26.

Virginia needs new, permanent funding in FY 2027 to maintain this higher level of investment.

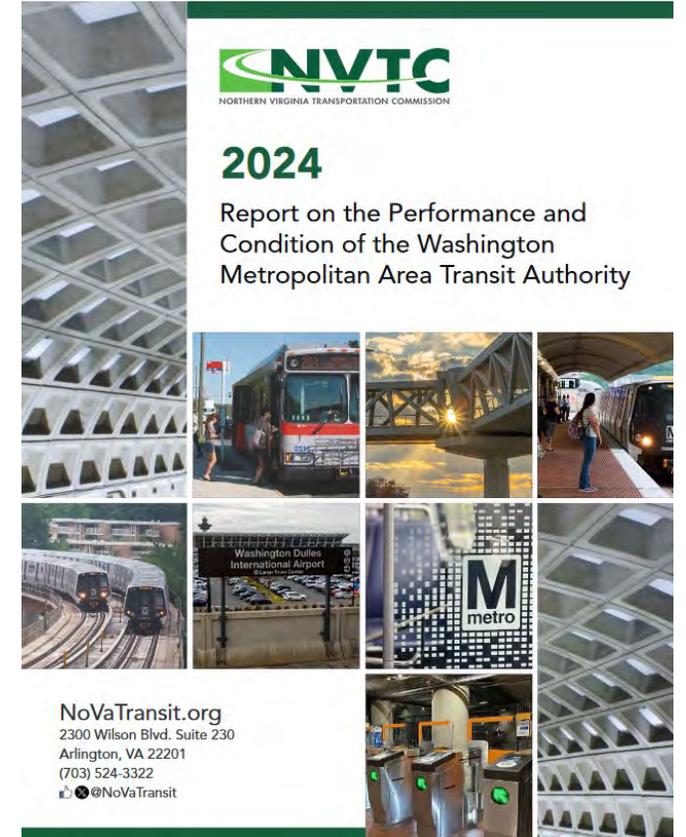
**Virginia Revenues Supporting WMATA
Operating and Capital Budgets**



*Estimates as of September 2025

NVTC's 2025 Report on the Performance and Condition of WMATA

- NVTC is required each year to submit a report to the Governor and General Assembly by December 15 on the performance and condition of WMATA ([§33.2-3403](#)), addressing:
 - Potential strategies to reduce the growth in costs and to improve the efficiency of WMATA operations,
 - Use of the dedicated capital funds,
 - Safety, reliability, ridership and financial performance data
- While addressing the requirements, the Commission also uses the report as a vehicle to communicate positions on key WMATA issues
- Unique timing considerations this year; report due to governor and General Assembly December 15



[Read the 2024 Report here](#)

NVTC's 2025 Report on the Performance and Condition of WMATA

- WMATA long-term funding solution
 - Recent WMATA success – ridership, safety, cost and operational efficiency
 - Documenting DMVMoves and SJ 28 activities
 - Reaffirming Commission priorities from January and July 2025 resolutions
- NVTC positions on key WMATA issues
- Use of Virginia's FY 2025 dedicated capital funds
- Safety, reliability, ridership and financial performance data
 - Awaiting publication of National Transit Database (NTD) materials from the Federal Transit Administration (FTA)





4.d. Key Funding and Policy Issues



Transit Funding Guide: Findings

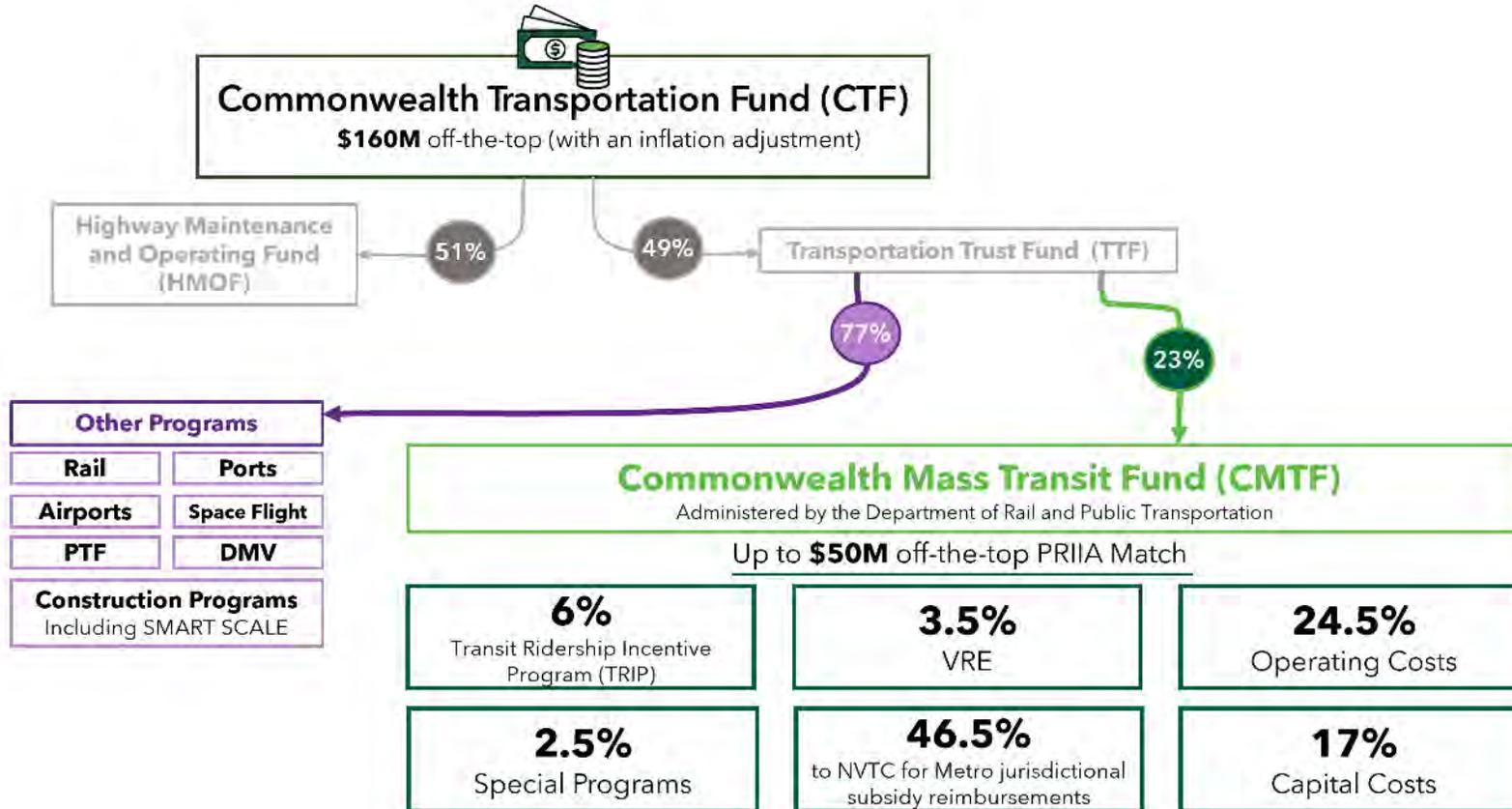
Earlier this year, NVTC created a transit funding guide, which identified a few key findings:

- Capital expansion dollars are easier to acquire than operating and state of good repair funds.
- State aid is projected to decline in the near future and not keep up with rising expenses.
- Key transit funding sources in the region are not indexed to inflation.



[Northern Virginia Transit Funding Guide](#)

Commonwealth Mass Transit Fund

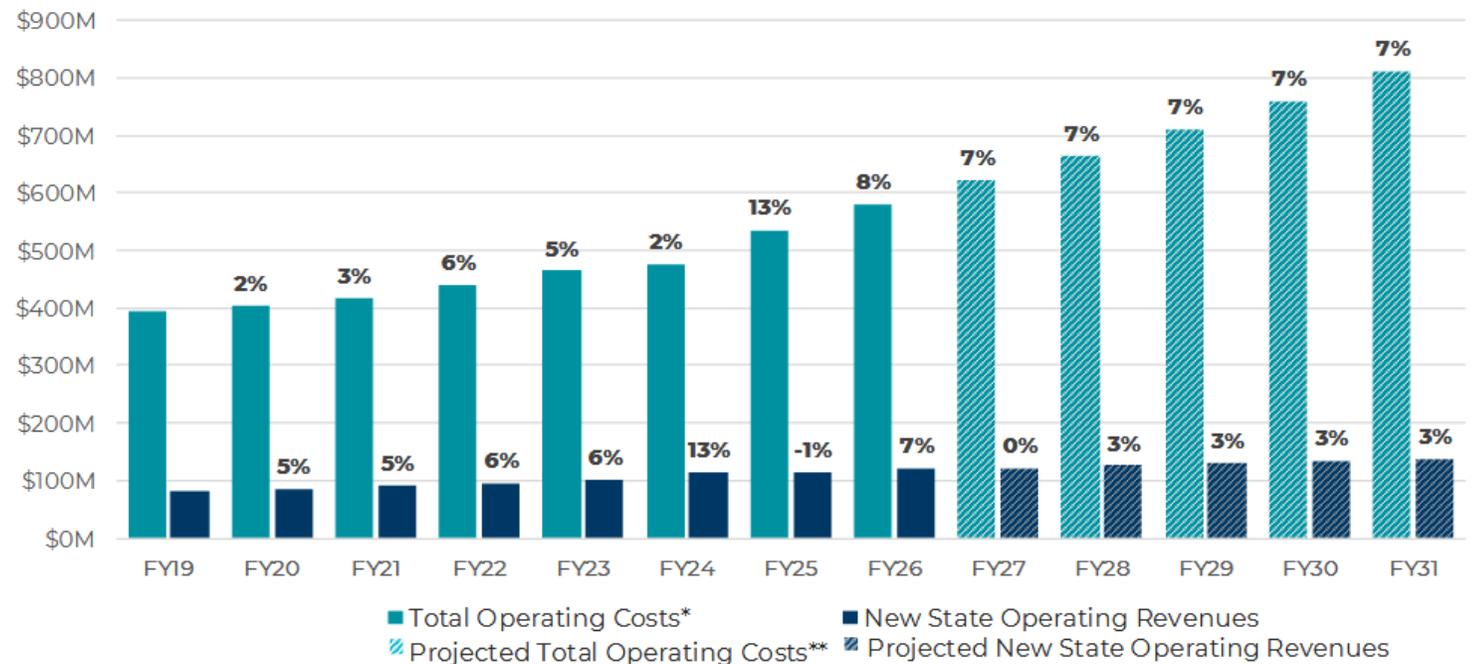


- Nearly all state aid for transit flows through the Commonwealth Transportation Fund (CTF).
- The CTF allocates revenue by formula and is not subject to annual appropriations like the General Fund.
- The FYs 2025 and 2026 stopgap Metro funding solution came from the General Fund and is unlikely to be repeated.

State Aid is not Keeping Up with Rising Costs

- Although revenues going into the CTF are rising, they are not keeping up with rising operating costs and inflationary pressures affecting the transportation industry.
- One-off allocations from pandemic-era relief programs helped mask the problem for a few years.
- With less funding, local agencies are less likely to receive the up to 30% of operating budget in assistance from the state through the MERIT program.

Statewide Transit Operating Costs vs. New CMTF Revenues
 FY19-FY26 Actual | FY27-FY31 Projected
 Excludes: WMATA, VRE

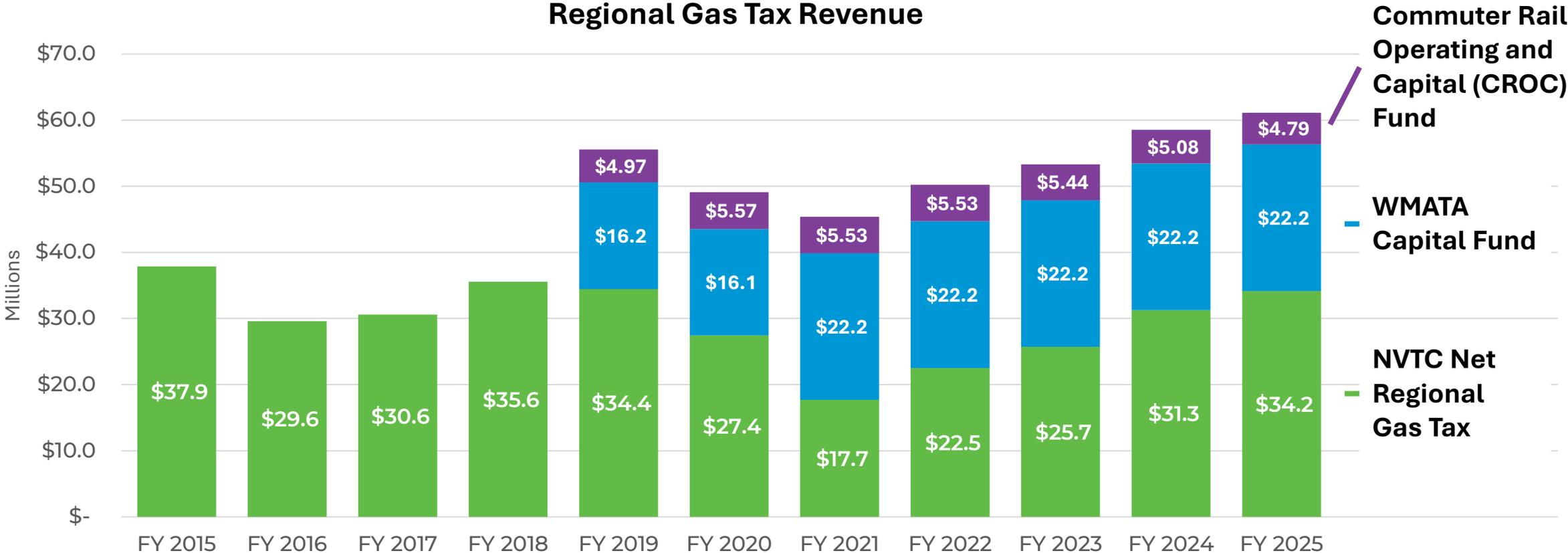


* Total Operating Costs are based on the previously audited expenses used for the operating assistance formula. For example, FY26 costs were based on FY24 financials.
 ** Projected Total Operating Costs are estimated using the average cost growth rate over the past 5 fiscal years

Source: [May 2025 Transit Service Delivery Advisory Committee \(TSDAC\)](#)

Regional Gas Tax: Transit's Funding Source

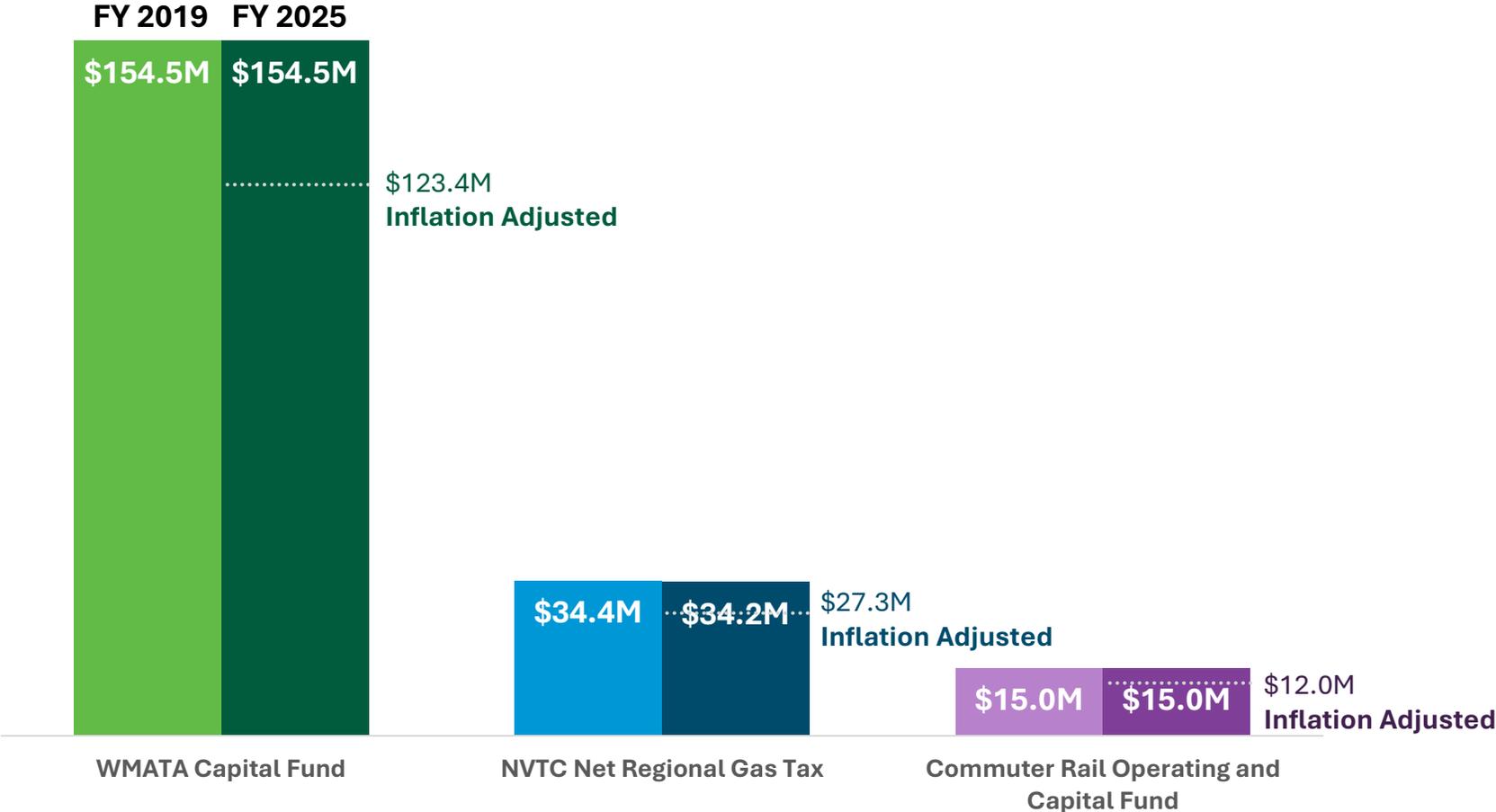
The regional motor fuels sales tax, known as the regional gas tax, was first levied in NVTC in 1981 as a **key tool for jurisdictions to use to pay their WMATA subsidy**. The regional gas tax adds 9 cents per gallon for gasoline to the existing state gas tax of 30.8 cents per gallon in FY 2025. It is a key regional funding source for transit, yet it is not keeping up with transit needs.



Source: NVTC

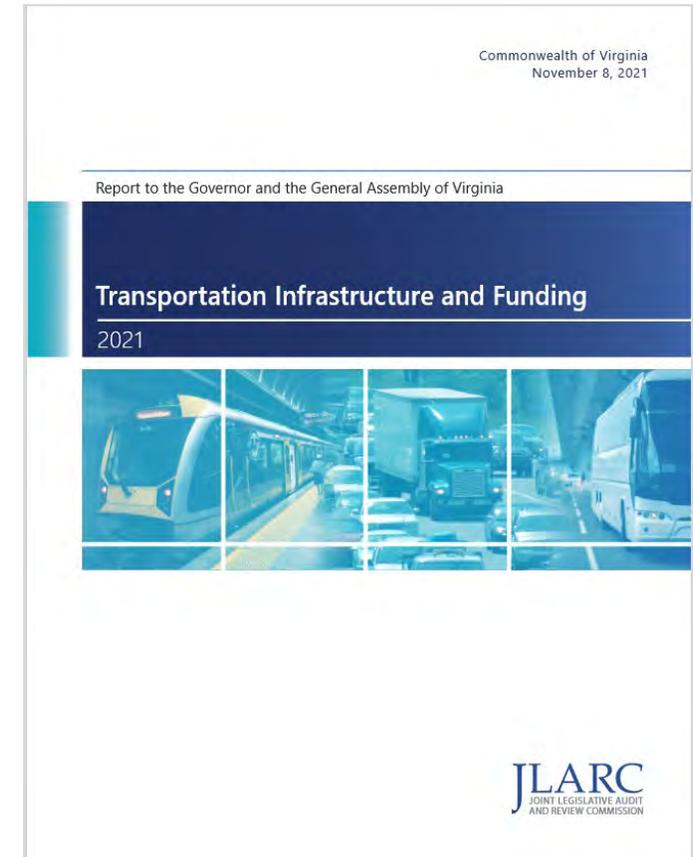
Existing Regional Transit Funds, Inflation Adjusted

- With set annual amounts of \$154.5M and \$15.0M, the WMATA Capital Fund and CROC Fund are worth less each year due to inflation.
- Although the regional gas tax can grow with inflation, changes in fuel efficiency and driving patterns have meant that the net regional gas tax that NVTC jurisdictions use to pay their WMATA subsidies has yet to return to its FY 2019 amount, especially when adjusted for inflation.



Regional Gas Tax Applies to Fewer Vehicles

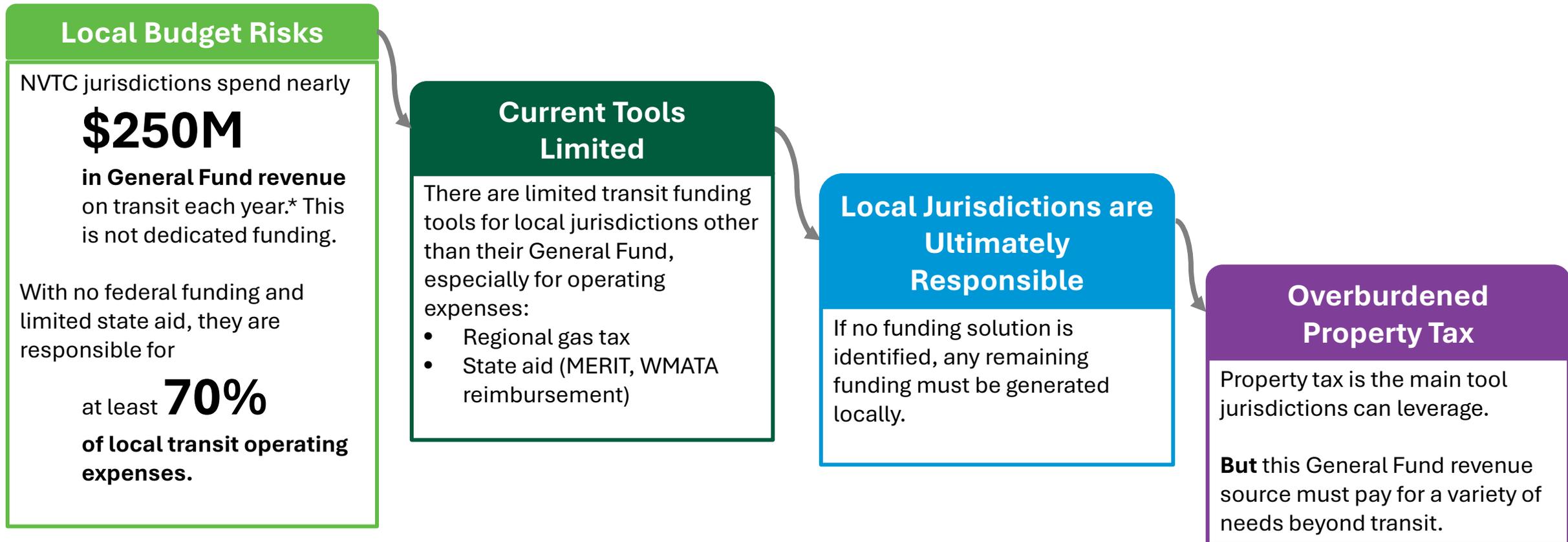
- Revenues from the gas tax are becoming less predictable due to:
 - Better fuel economy vehicles,
 - More hybrid and electric vehicles and
 - Shifts in travel behavior.
- The **state highway use fee** enacted in 2020, paired with an optional mileage-based user fee program, complements the Commonwealth gas tax to make up for lost statewide revenues as gas sales decline.
- A **regional highway use fee** in the NVTTC district could hold a similar function.



The **2021 JLARC Report “Transportation Infrastructure and Funding”** recommended that the Commonwealth of Virginia create a regional highway use fee surcharge to improve consistency and avoid future revenue gaps.

Local Tools and Risks

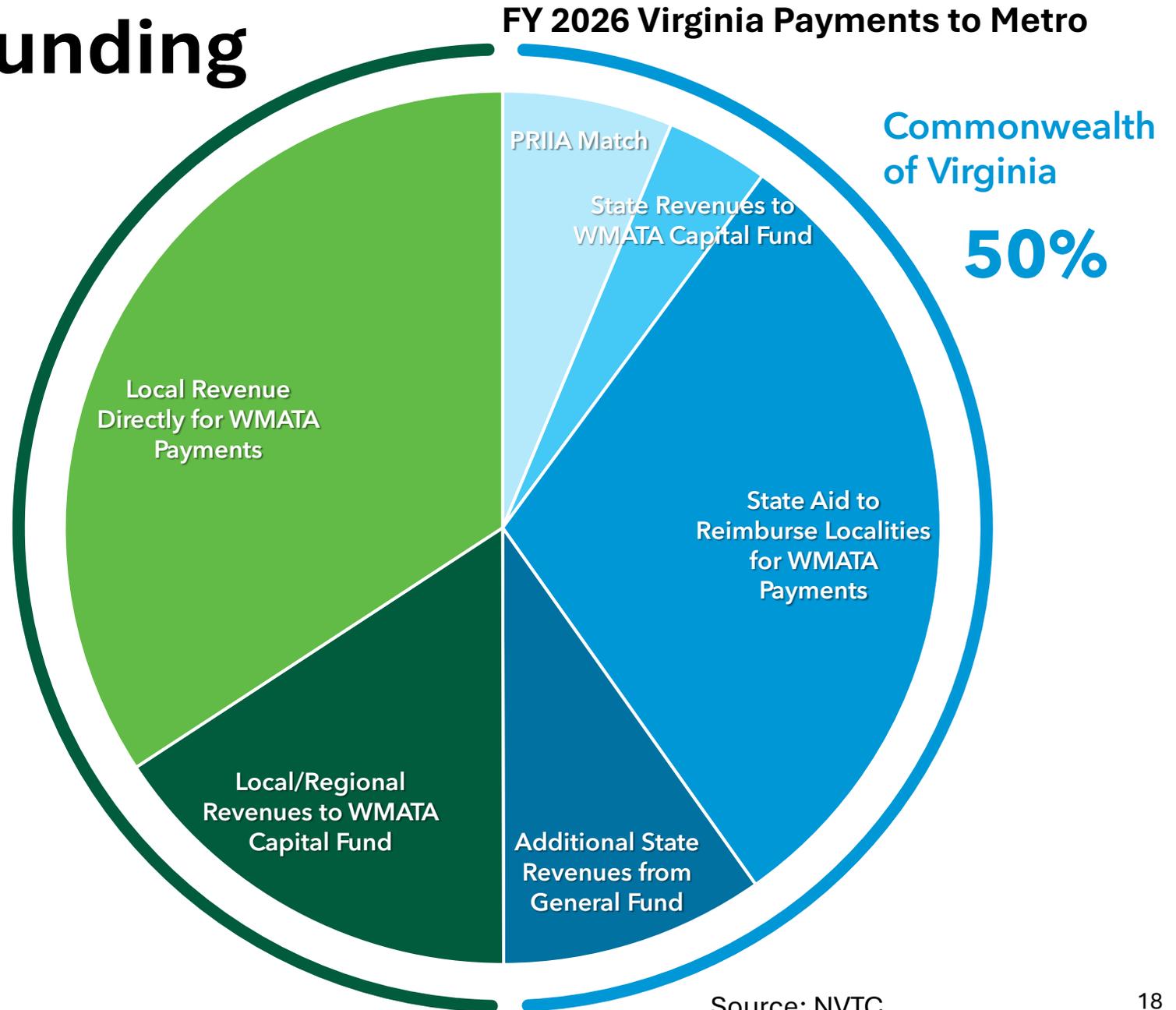
Once state and regional funds are allocated, localities pay the remainder



The State – Local Funding Partnership

With jurisdictions' Metro bill making up the majority of their transit payments, it is critical that we maintain a funding partnership with the Commonwealth.

Local Jurisdictions
50%



Takeaways

- Local revenue for transit is overly reliant on the property tax.
- Regional transit funds are losing purchasing power and not diversified.
- Commonwealth General Fund revenue is not a long-term solution for fully funding transit.
- NoVa's transit system is an economic engine for the state, so a funding solution should be a partnership among local and state government.





5. 2026 General Assembly Look-Ahead



A photograph of a panel discussion at an event. Three men in suits are seated on a stage. The man in the center is speaking and gesturing with his hands. The background features logos for NVTC (Northern Virginia Transportation Commission), OMNIRIDE (Get There Smarter), and Michael Baker International. A large green '60th' anniversary logo is also visible, with '1964-2024' and 'ANNIVERSARY' text.

6. Preliminary 2026 NVTC Legislative and Policy Agenda



State and Federal Legislative Agenda Themes

State Agenda Themes

Long-Term Sustainable Funding that Supports Northern Virginia's Transit Needs

Sound Financial Management and Good Governance

Future Transit Innovation and Improvements

Federal Agenda Themes

Surface Transportation Reauthorization that Supports Transit

Grant Funding Programs that Enhance Transit's Future

Policy and Regulations that Strengthen Transit

Staff Recommended Draft

State Priorities

Long-Term Sustainable Funding that Supports Northern Virginia's Transit Needs

- Secure long-term sustainable transit funding that provides adequate growth to meet current and future operating and capital needs for WMATA, VRE, and Northern Virginia's local bus providers consistent with NVTC's [Guiding Principles for Future Transit Funding \(Resolution #2552\)](#) and [Principles in Response to DMVMoves Funding Concepts \(Resolution #2571\)](#)
 - Protect and restore existing state, regional and local funding for public transit and proactively address the continuing decline in purchasing power of the regional gas tax
 - Support a continued partnership between the Commonwealth and NVTC jurisdictions in funding WMATA, VRE, and local bus providers
 - Ensure that new funding for WMATA and VRE capital needs is bondable by those agencies

Staff Recommended Draft

State Priorities

Sound Financial Management and Good Governance

- Advocate for new funding for transit that utilizes NVTC's existing financial management and governance structures and that provides additional funding to support NVTC programs that advance transit while protecting existing NVTC autonomy, programs, and funding sources
- Reform the WMATA 3% operating assistance growth cap to encourage WMATA to continue cost containment efforts while ensuring a cap does not negatively impact service improvements, funding transparency and accountability

Staff Recommended Draft

State Priorities

Sound Financial Management and Good Governance

- Ensure that the implementation of new or modified Commonwealth Transportation Board policies closely track their legislative intent and do not negatively affect Northern Virginia's public transit providers
 - Advocate for data-driven funding formulas in DRPT's Making Efficient and Responsible Investments in Transit (MERIT) program that are transparent, recognize the diversity of local transit service policy priorities, and maximize funding predictability for transit agencies
 - Strengthen transit's ability to effectively compete within the SMART SCALE program

Future Transit Innovation and Improvements

- Continue support for Commonwealth rail investment, the development and implementation of transit innovation, and efforts to streamline the permitting process for bus stop improvements projects

Staff Recommended Draft

Federal Priorities

Surface Transportation Reauthorization that Supports Transit

- Support surface transportation reauthorization legislation that maximizes funding for public transit systems in Northern Virginia and across the country, continues and expands transit funding programs authorized in the Infrastructure Investment and Jobs Act and is consistent with reauthorization principles supported by the American Public Transportation Association
- Support efforts to identify funding that addresses the long-term solvency of the Highway Trust Fund (HTF) and ensure that any new revenues follow, at a minimum, the traditional 80-20 funding split between the Highway Account and the Mass Transit Account within the HTF

Staff Recommended Draft

Federal Priorities

Grant Funding Programs that Enhance Transit's Future

- Advocate for enhanced funding for discretionary grant programs, including the Capital Investment Grants (CIG) program, that support transit capital investments at levels that meet the growing demand for investment in transit capital projects in Northern Virginia and across the country

Policy and Regulations that Strengthen Transit

- Promote efforts to accelerate the timely and efficient construction of transit projects through the streamlining of statutory and regulatory requirements
- Continue support for transit commuter tax benefits for both the private and public sector

Staff Recommended Draft

Upcoming Dates

- October 16: Next Joint WMATA Committee/Legislative and Policy Committee Meeting
- October 21: SJ 28 Meeting at WMATA Eisenhower Building
- October 29: DMVMoves Task Force Meeting at COG
- November 6: Commission briefing on 2026 Legislative Agenda
- November 17: 2026 General Assembly bill draft prefilng begins
- November 20: Joint WMATA Committee/Legislative and Policy Committee Meeting
- December 1: 2026 General Assembly bill draft prefilng deadline
- December 4: Commission adoption of 2026 Legislative Agenda
- December 15: Joint NVTC/PRTC/VRE Legislative Forum
- January 14: Start of 2026 General Assembly Session

NVTC, VRE AND PRTC PRESENT:

ANNUAL LEGISLATIVE FORUM

Join NVTC, PRTC and VRE at our annual event that brings together experts to share key policy issues impacting transit in Northern Virginia.

SAVE
— THE —
DATE

8:30 - 11:30 a.m.
Monday, December 15, 2025

George Mason University
Schar School Multipurpose Room
3351 Fairfax Drive, Van Metre Hall
Arlington, VA 22201



Questions?



Appendix

3% Cap

Is the current iteration of the 3% cap on the growth in Virginia's operating assistance to WMATA the right cost containment tool?

- In November 2024, WMATA approved new subsidy allocation formulas that better align service and costs.
- From FY 2020 to FY 2024, the WMATA Board used an alternative subsidy allocation formula in response to the legislative 3% cap that resulted in several unintended consequences, namely a distortion of the formulas whereby Virginia paid more for less Metrobus service and confusion and disagreement over exemptions.
- After the two-year (FY 2025-2026) suspension of the 3% cap in Virginia, there is a risk of reintroducing those consequences to WMATA's new subsidy allocation formulas.
- A cap on growth in subsidy is not a cap on growth in costs.

APTA Themes on USDOT Request for Information on Surface Transportation Reauthorization (August 2025)

- Build upon current investment levels for public transit and passenger rail to drive economic growth, increase opportunities, and foster innovation;
- Advance safety, security, and accessibility for riders, workers, and communities;
- Accelerate project delivery by streamlining programmatic structures and statutory and regulatory requirements; and
- Strengthen collaborative, local decision-making by ensuring public transit is at the table.



MERIT Briefing

NVTC Legislative and Policy Committee

September 18, 2025



VIRGINIA DEPARTMENT OF RAIL
AND PUBLIC TRANSPORTATION



MERIT:

Making Efficient and Responsible Investments in Transit

DRPT's statewide grant program that provides financial assistance – both capital and operating - to support public transportation services throughout Virginia.

MERIT Capital Assistance Program History

- **Development of the MERIT – Capital Assistance program CTB policy**
 - In 2018 – DRPT worked with TSDAC and consultants to develop a project prioritization method
 - The prioritization policy was designed to favor projects that:
 1. Achieve the statewide policy objective of maintaining a state of good repair (SGR) of existing assets
 2. Have the greatest impact on the delivery of public transit services in terms of service efficiency, reliability, safety, and accessibility.
 - Introduced program sub-categories and new maximum state match rates:
 - **State of Good Repair (SGR)** – 68% of total cost
 - **Minor Enhancements (MIN)** – 68% of total cost
 - **Major Expansions (MAJ)** – 50% of total cost
 - Eligible recipients: all public transit service providers (*excluding WMATA and VRE*)
 - In general, the scoring methodologies have been successful in prioritizing and funding capital projects in alignment with DRPT goals

MERIT Capital Assistance – Potential Improvements

Evaluation Key Findings	Potential Improvement Options
Some projects don't fit neatly into existing categories/scoring methodologies	<ul style="list-style-type: none">• Add subcategories for SGR projects (SGR Vehicles and SGR Other)• Add subcategories for MAJ projects (MAJ Expansion and MAJ-SGR)• Develop new scoring methodology for MAJ-SGR projects
Vehicle expansion project scoring and match ratio is different for projects adding more than 5 vehicles or 5% fleet	<ul style="list-style-type: none">• Eliminate 5 vehicle or 5% of fleet threshold and score all vehicle expansion projects under MIN
Some incentive scoring categories may not be achieving intended results	<ul style="list-style-type: none">• Eliminate underutilized incentive categories and categories where incentive points aren't achieving desired result• Add categories to incentivize agencies on good grants management

MERIT Operating Assistance Program History

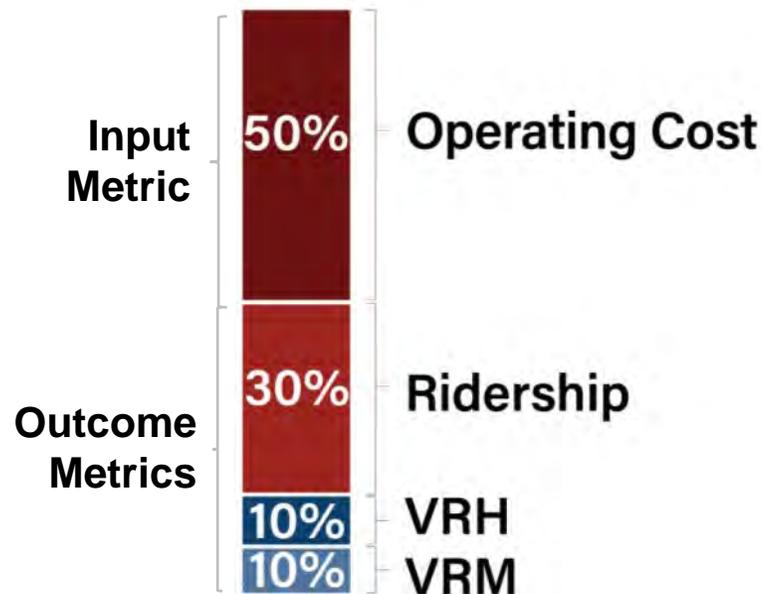
- **Development of the MERIT – Operating Assistance program CTB policy**
 - Prior to 2015, state operating assistance was allocated solely based on operating expenses. Changes were made in FY15 to incorporate performance metrics.
 - In 2018 – DRPT worked with TSDAC, consultants, and stakeholders to develop a methodology for implementing a performance-based state transit operating allocation formula.
 - The methodology attempted to balance the need for reliable annual funding as well as the availability and reliability of performance data to support the six policy goals TSDAC identified:
 1. Promote Fiscal Responsibility
 2. Support Robust Transit Service
 3. Improve Transit Patronage
 4. Incentivize Efficient Operations
 5. Promote Mobility
 6. Support Social Safety Net

Current MERIT Operating Allocation Approach

CURRENT FORMULA

STEP 1: Sizing Metric

STEP 2: Performance (Trend) Adjustments



Redistribution - Return to Step 1

MERIT funding for each agency capped at 30% of prior year Operating Cost

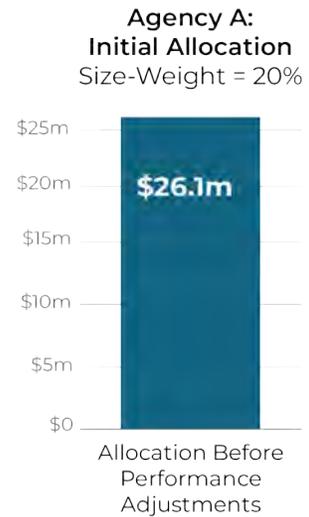
Pax = Passengers

VRH = Vehicle Revenue Hour

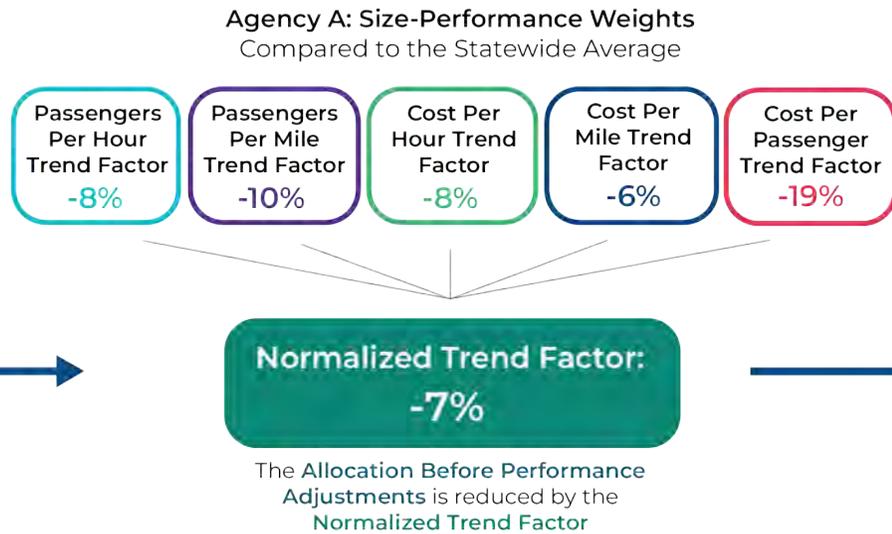
VRM = Vehicle Revenue Mile

Illustration of 3-Step Operating Formula Process

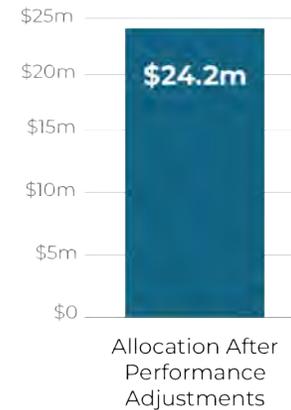
Step 1: Transit Sizing



Step 2: Performance Adjustments



Agency A: Performance Adjusted Allocation



Step 3: 30% Cap Redistribution

Agency A: Performance Adjusted + Redistributed Allocation



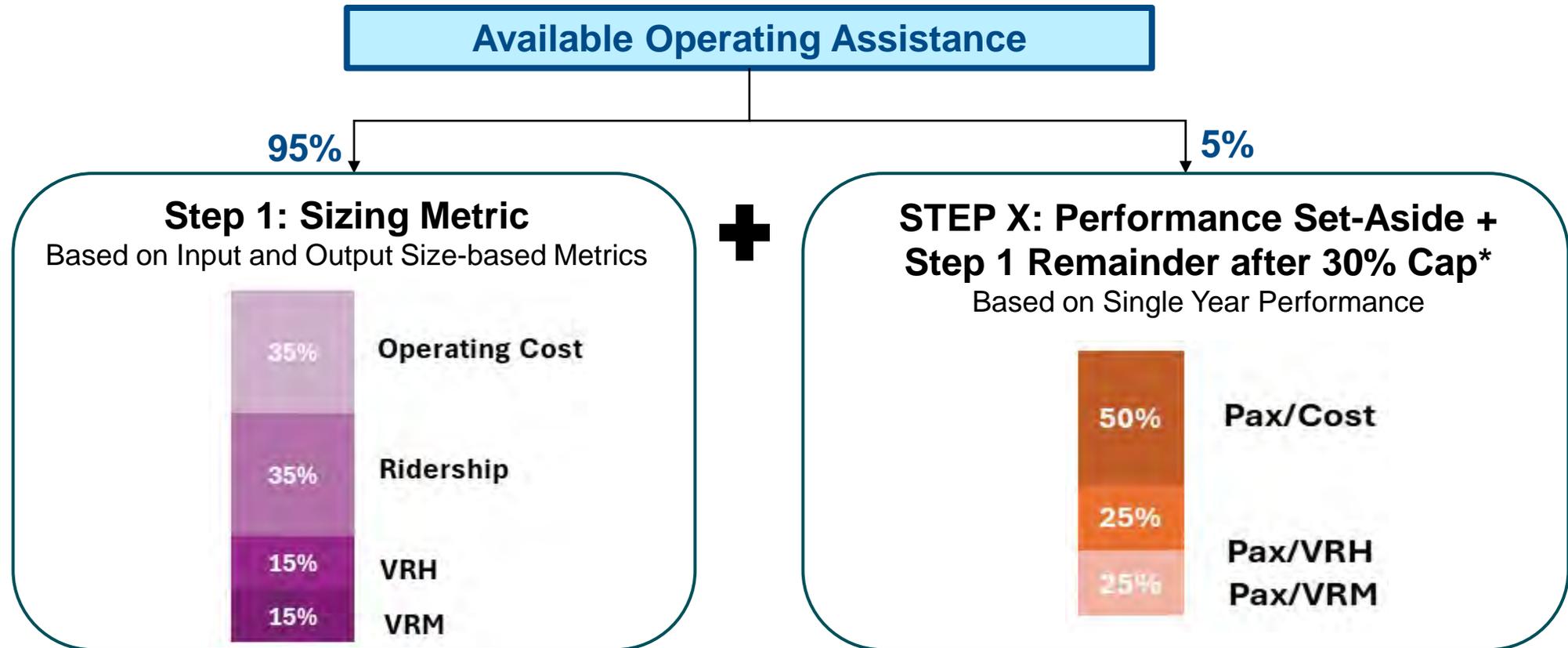
MERIT Operating Assistance - Program Challenges

- Elements of current program allocate funds based on inputs (costs) rather than outputs (service levels; ridership).
- Formula complexities make the program difficult for grantees and decision makers to understand, especially in terms of the impacts of trend adjustments on allocations.
- Required data inputs change annually, making it difficult for staff and transit agencies to run predictive models.
- Revenue changes from year-to-year impact allocations and are not within control of DRPT.
- Transit agency metrics shift according to each agency's service and will impact allocations when performance metrics change.

Policy Goals – Operating Assistance Review

- **Simplification and Transparency** – The current MERIT formula is very complicated and difficult for grantees to understand. The use of trends creates anomalies in allocations where good performance is not always rewarded.
- **Outcome-Focused** – Adds a secondary performance review process that is decoupled from the sizing review. Sizing has performance built in by evaluating ridership, vehicle revenue hours, and vehicle revenue miles.
- **Operational Efficiency** – To incentivize doing more with the scarce resources available to Commonwealth transit agencies.
- The review is being undertaken as part of statutory requirement to do so every three years. Any changes are planned for implementation in state FY28

Sizing + Performance Adjustment Scenario



Pax = Passengers

VRH = Vehicle Revenue Hour*

VRM = Vehicle Revenue Mile*

* Includes deadhead for Commuter Bus services

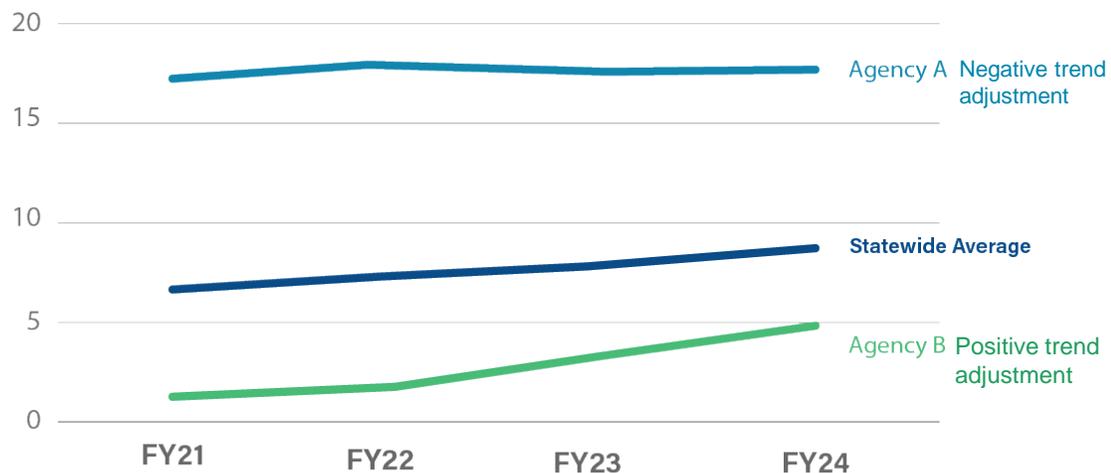
*MERIT funding for each agency capped at 30% of prior year Operating Cost

Performance Trend Adjustment vs. Direct Performance Measurement

TREND ADJUSTMENT

- Rewards movement of performance metrics that beats statewide trends
- Agency trends are compared to statewide average trends to compute **relative** direction of change over time: **improving, steady or declining**
- Does not measure performance relative to others

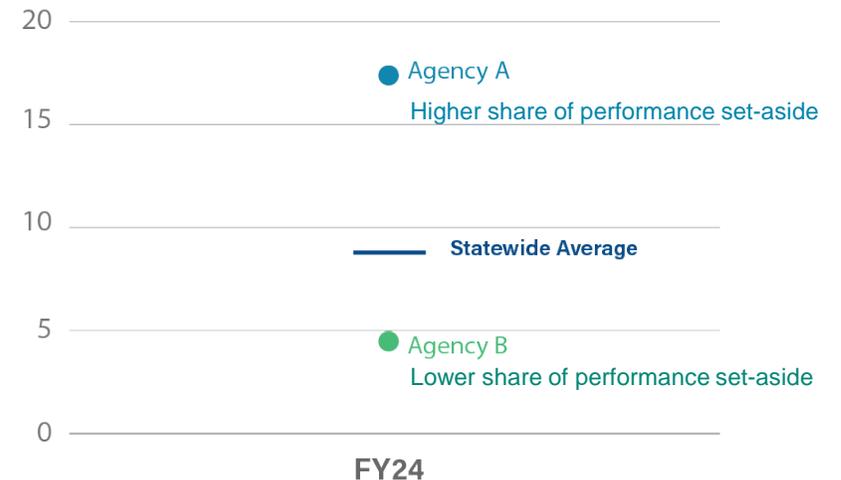
Trend Comparison
Riders per Hour - 4 Years



DIRECT PERFORMANCE MEASUREMENT

- Individual data points that quantify how well a transit system is performing relative to others
- Agencies compared directly on specific metrics to determine **higher vs. lower** performance outcomes.

Direct Metric Comparison
Riders per Hour - 1 Year



Thank You!

Preliminary Draft NVTC 2026 Legislative and Policy Agenda

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 - Protect and restore existing state, regional and local funding for public transit and proactively address the continuing decline in purchasing power of the regional gas tax
 - Support a continued partnership between the Commonwealth and NVTC jurisdictions in funding WMATA, VRE, and local bus providers
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Sound Financial Management and Good Governance

- Advocate for new funding for transit that utilizes NVTC's existing financial management and governance structures and that provides additional funding to support NVTC programs that advance transit while protecting existing NVTC autonomy, programs and funding sources
- Reform the WMATA 3% operating assistance growth cap to encourage WMATA to continue cost containment efforts while ensuring a cap does not negatively impact service improvements, funding transparency and accountability
- Ensure that the implementation of new or modified Commonwealth Transportation Board policies closely track their legislative intent and do not negatively affect Northern Virginia public transit providers
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Policy and Regulations that Strengthen Transit

- Promote efforts to accelerate the timely and efficient construction of transit projects through the streamlining of statutory and regulatory requirements
- Continue support for transit commuter tax benefits for both the private and public sector