NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Commission Meeting Materials

December 3, 2026

NoVaTransit.org | @NoVaTransit
2300 Wilson Boulevard, Suite 230
Arlington, VA 22201
(703) 524-3322

Meeting Overview

NVTC's December 3, 2026 meeting is an in-person meeting. It can also be viewed via the NVTC YouTube Link. The meeting includes a public hearing on the Work Plan.

Action Items

- Resolution of Commendation for the Honorable Catherine S. Read
- Annual Report on the Performance and Condition of WMATA
- RFP for Commuter Choice Consulting Services
- NVTC and VRE Legislative Agendas
- Amendment to NVTC FY 2027 Budget
- Amendment to Government Relations Services Contract
- VRE: Audited Financial Reports, VPRA Addendum and Submittal for Commuter Choice

Other Meeting Highlights

- Proposed FY 2028 G&A Budget and Work Plan, with a **Public Hearing on the Work Plan**
- VRE CEO and DRPT Director Remarks
- WMATA Board and Committee Reports
- Executive Director Wrap-Up, with NVTC Financial Reports

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NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Agenda

NVTC COMMISSION MEETING
THURSDAY, DECEMBER 3, 2026
FIRST FLOOR CONFERENCE ROOM
2300 Wilson Blvd., Arlington, VA 22201
Public Streaming Via YouTube

7:00 p.m.

PUBLIC HEARING NOTICE

There will be a **Public Hearing on the 2027-2028 Work Plan** during the Commission meeting. Information on how to provide comments can be found in Agenda Item #3A or on NVTC's website.

5:45 p.m. Boxed Dinners Available for Commissioners
6:00 p.m. Executive Committee Meeting – NVTC Suite #230 Conference Room
7:00 p.m. Commission Meeting – First Floor Large Conference Room (**public streaming**)

NVTC is also receiving general public comment NOT specifically related to the Work Plan. *The deadline for written general public comment is 3:00 p.m., Thursday, December 3, 2026 via NVTC's website. Comments will be provided to Commissioners prior to the December 3 meeting.*

1. Opening Remarks

   - **ACTION: Approve Commissioners Participating Electronically (if needed)**
   - Call for Nominations for 2027
   - General Public Comments Received

2. **Recognition of Departing NVTC Commissioner**

   - **ACTION: Approve the Resolution of Commendation for the Honorable Catherine S. Read on Her Departure from the Northern Virginia Transportation Commission**

3. Presentations

   A. NVTC Proposed FY 2028 General and Administrative Budget and 2027-2028 Work Plan

      - **PUBLIC HEARING on NVTC's 2027-2028 Work Plan**

   B. Virginia Railway Express (VRE) Chief Executive Officer Remarks
      - VRE Proposed FY 2028 Budget
   C. Department of Rail and Public Transportation (DRPT) Director Remarks

4. **Action Items**

   A. **ACTION: Approve the Minutes of the November 5, 2026 NVTC Meeting**
   B. **ACTION: Authorize the Executive Director to Send NVTC's 2026 Report on the Performance and Condition of WMATA to the Governor and the General Assembly**
   C. **ACTION: Authorize the Executive Director to Issue a Request for Proposals (RFP) for Consulting Support for the Commuter Choice Program**
   D. **ACTION: Approve an Amendment to the FY 2027 NVTC General and Administrative Budget**
   E. **ACTION: Authorize the Executive Director to Amend the Contract with the Commonwealth Strategy Group, LLC for State Government Relations Services**
   F. **ACTION: Approve the NVTC 2027 Legislative and Policy Agenda**
   G. **ACTION: Approve Resolution #2618: Approve the VRE 2027 Legislative Agenda**
   H. **ACTION: Approve Resolution #2619: Accept and Authorize Distribution of VRE's FY 2026 Annual Comprehensive Financial Report (ACFR)**
   I. **ACTION: Approve Resolution #2620: Approve and Authorize the VRE CEO to Execute a Capital Project Funding Addendum with the Virginia Passenger Rail Authority (VPRA) for the Rippon Station Improvement Project**
   J. **ACTION: Approve Resolution #2621: Authorize the VRE CEO to Submit a VRE Application for the Franconia-Springfield Improvements Project to the I-395/95 Commuter Choice FY 2028-2029 Program**

5. Committee Reports (separate memos)

   A. Report from the Washington Metropolitan Area Transit Authority (WMATA) Board Members and NVTC WMATA Committee Chair
   B. Report from the Legislative and Policy Committee Chair
   C. Report from the Program Advisory Committee Chair

6. Executive Director Wrap-Up

   A. Executive Director Newsletter
   B. NVTC Financial Reports

Agenda Item #2

TO: Chair Bagley and NVTC Commissioners

FROM: Kate Mattice

DATE: November 24, 2026

SUBJECT: Recognition of Departing NVTC Commissioner

At the December 3 meeting, the Commission will recognize Catherine Read for her service to NVTC, the region and the Commonwealth.

- **ACTION: Approve the Resolution of Commendation for the Honorable Catherine S. Read on Her Departure from the Northern Virginia Transportation Commission**

City of Fairfax Mayor Catherine Read did not run for re-election, so her last NVTC meeting will be the December 3 meeting. She joined NVTC in February 2023. As a member of the NVTC Legislative and Policy Committee, Catherine Read has been a passionate advocate for NVTC's legislative strategy, including advocating for a long-term sustainable funding solution for WMATA and the other local transit systems.

In November 2022, Catherine Read was elected mayor of the City of Fairfax, becoming the first female mayor in the city's history. Mayor Read has been a strong advocate for transit in her city. She has been a loyal fan of the CUE Bus system for more than 40 years and has been riding CUE since its inception in 1981, the same year she arrived as a student at George Mason University's Fairfax campus. Under her leadership as mayor, the Fairfax City Council approved a pilot program to make the CUE Bus fare-free – becoming the first, fare-free bus system in Virginia. After the pilot ended, the council renewed its commitment to provide zero fare bus service on CUE. She also supported the opening of Capital Bikeshare within the city, with Commuter Choice-funded stations in Old Town and Fairfax Circle, enhancing access between George Mason University and the Vienna Metrorail Station.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

RESOLUTION OF COMMENDATION

SUBJECT: Commending the Honorable Catherine S. Read on Her Departure from the Northern Virginia Transportation Commission

WHEREAS: The Northern Virginia Transportation Commission (NVTC) serves as the voice of public transit in Northern Virginia, promoting the region's transit network through effective and efficient public transit and ridesharing programs to foster economic vitality in the region and the Commonwealth;

WHEREAS: In November 2022, Catherine S. Read was elected mayor of the City of Fairfax, becoming the first female mayor in the city's history;

WHEREAS: Mayor Catherine Read served two terms on the Fairfax City Council from January 2023 through the present;

WHEREAS: Catherine Read was appointed to represent the City of Fairfax on NVTC in January 2023 and served as a member of the NVTC Legislative and Policy Committee;

WHEREAS: Catherine Read has been a passionate advocate for NVTC's legislative strategy, including advocating for a long-term sustainable funding solution for WMATA and the other local transit systems;

WHEREAS: Catherine Read has been a loyal fan of the CUE Bus system for more than 40 years and has been riding CUE since its inception in 1981, the same year she arrived as a student at George Mason University's Fairfax campus;

WHEREAS: Catherine Read has stalwartly supported the CUE Bus system as a key part of the city's sustainable infrastructure and public transportation network, which serves city residents, plus George Mason University students and faculty, by connecting them to George Mason University, the Vienna/Fairfax-GMU Metrorail Station, Old Town, neighborhoods, schools, parks, and other local and regional destinations;

WHEREAS: In 2020, Mayor Read and the Fairfax City Council approved a pilot program to make the CUE Bus fare-free – becoming the first, fare-free bus system in Virginia;

WHEREAS: After the pilot period ended, under Mayor Read's leadership, the City of Fairfax renewed its commitment to provide zero fare bus service on CUE;

WHEREAS: Catherine Read also supported the opening of Capital Bikeshare within the city, with Commuter Choice-funded stations in Old Town and Fairfax Circle, enhancing access between George Mason University and the Vienna Metrorail Station; and

WHEREAS: As Catherine Read did not seek re-election, her service on NVTC is ending at the end of 2026.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby commends the Honorable Catherine S. Read for her years of service to the citizens of Northern Virginia and to the Commonwealth of Virginia.

BE IT FURTHER RESOLVED that NVTC prepare a copy of this resolution for presentation to Catherine S. Read as an expression of its gratitude and in appreciation for her work on the Commission in promoting and funding public transit in Northern Virginia.

Approved this 3rd day of December, 2026.

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Sarah Bagley
Chair

Agenda Item #3

TO: Chair Bagley and NVTC Commissioners

FROM: Kate Mattice, Scott Kalkwarf, Sarah Godfrey, Matt Friedman and Genoveva Cutrell

DATE: November 24, 2026

SUBJECT: Presentations

At the December 3 meeting, the Commission will hear presentations on the proposed FY 2028 General and Administrative Budget and Work Plan, VRE Chief Executive Officer remarks and DRPT Director remarks. After the Work Plan is presented, the Commission will hold a public hearing to receive public comment on NVTC's Work Plan.

A. NVTC Proposed FY 2028 General and Administrative Budget and 2027-2028 Work Plan

Staff will present the proposed FY 2028 General and Administrative (G&A) Budget and 2027-2028 Work Plan, which will be followed by a public hearing on the Work Plan. The Commission will be asked to take action on the proposed G&A Budget and Work Plan at the January meeting.

- Proposed FY 2028 General and Administrative Budget

The proposed FY 2028 General and Administrative Budget includes resources to accomplish the NVTC Work Plan, including increased messaging and engagement to further the need for long-term sustainable transit funding, enhanced financial management of NVTC's Jurisdiction Trust Fund and other accounts, the administration of the I-66 and the I-395/95 Commuter Choice programs, oversight of WMATA, the management of the Envision Route 7 project, and the administration of the Commission and committees along with managing internal affairs. The proposed budget focuses on the resources necessary to meet the needs of the Commission priorities and address key cost drivers.

The proposed budget totals $5,542,300 including $620,500 for the administration of the Commuter Choice program, which is funded entirely with toll related revenue, and the management of the Envision Route 7 project, which includes $51,300 in revenue from the related project budget. The balance of the general and administrative budget is funded primarily by the member jurisdictions through direct contributions and state aid received by NVTC. Other revenue sources include interest earnings, project chargebacks, grant billings, and a carryover of prior period favorable net budget variances in excess of minimum operating requirements.

Total expenses are proposed to increase by $467,450, or 9.2% over the FY 2027 Budget primarily reflecting the addition of a new accounting position necessary for succession planning and a provision for cost-of-living (COLA) and performance-based increases for existing staff. The budget also includes additional funding to support expanded communications and engagement efforts related to securing additional transit funding and a new line for the Virginia Paid Family and Medical Leave estimated required assessments, which will become effective in April 2028.

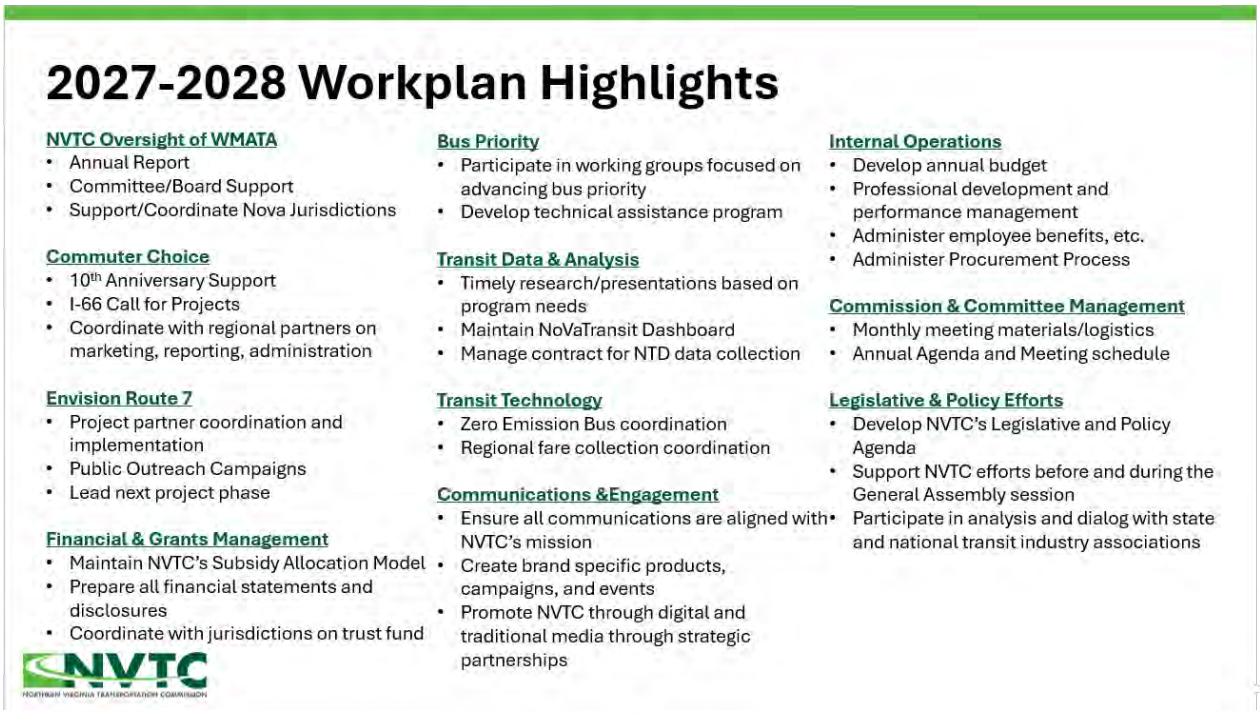
- Proposed 2027-2028 Work Plan

The proposed NVTC 2027-2028 Work Plan provides an overview of the programmatic and operational work conducted by staff to support the goals and objectives of the Commission. The proposed Work Plan covers the period from January 2027 to June 2028. The Work Plan has been updated to highlight two key priorities over the next 18 months: the launch and subsequent outcomes of the strategic planning process and a robust transit funding strategy for the 2028 General Assembly Session.

With the Commission approval of the FY 2026-2027 Work Plan, NVTC staff have been directed to conduct a strategic planning effort that will work to identify and further integrate NVTC's priorities and present a roadmap for NVTC's future work and organizational structure. The 18-month effort is supported by a FY 2027 matching grant from the Virginia Department of Rail and Public Transit (DRPT).

The 2027-2028 Work Plan also lays out the work to embark on an ambitious legislative strategy to secure long-term sustainable transit funding. During the coming 18 months, NVTC will develop and launch a legislative strategy aimed at educating and informing members of the Virginia General Assembly with the goal of passing legislation that addresses the long-term sustainable state and regional funding needs of public transit.

The proposed NVTC staff deliverables for 2027 and 2028 include the following:



At the January 2027 meeting, the Commission will be asked to approve the NVTC FY 2028 General and Administrative Budget and 2027-2028 Work Plan.

- **Public Hearing on NVTC's 2027-2028 Work Plan**

During the December 3 meeting, NVTC will hold a public hearing to hear public comments on the proposed Work Plan. In addition to the in-person comment opportunity, NVTC will accept written, audio, and video comments through 5 p.m. on December 18, 2026. The details for each method are provided below.

In-Person:

NVTC will accept in-person public comments on its Work Plan during the **public hearing at the December 3, 2026 Commission meeting**. The public hearing will be located in the first-floor conference room of 2300 Wilson Blvd., Arlington, Virginia 22201. This location is transit accessible. The closest Metro station is the Court House Station and Metro Bus and Arlington Transit have bus stops nearby.

For those wishing to speak, please arrive before the 7 p.m. meeting to add your name to the sign-up sheet. During the Commission meeting, the chair will open the meeting for public comment and ask if anyone in the audience wishes to address the Commission on NVTC's 2027-2028 Work Plan. During the public hearing, any interested parties may step forward to the podium. Speakers must state their name and the city or county in which they reside for the record and will be allowed three (3) minutes to speak. Audio-visual equipment is not available for public use.

Other Options for Comment Submission:

- Submit written comments via NVTC's online form between November 24 and December 18.
- Email your written comments to nvtc@novatransit.org. Please provide your name and tell us where you live (example: Arlington County, City of Fairfax, etc.).
- Leave a voicemail message at: 703-542-3322. Time limit: Three (3) minutes.
- Send a pre-recorded video: Visit https://wetransfer.com and upload the video to nvtc@novatransit.org. Time limit: Three (3) minutes, Size limit: 2GB.

For the December 3 public hearing, all comments received by 3 p.m. that day will be provided to Commissioners prior to the public hearing. **NVTC will continue to accept public comment until 5 p.m. on Friday, December 18.** All the public comments will be compiled and provided to Commissioners in their meeting materials prior to the January 7 meeting.

B. Virginia Railway Express (VRE) Chief Executive Officer Remarks

VRE CEO Katie Choe, or her designee, will update the Commission on recent VRE activities. The VRE CEO Report for November 2026 and the Minutes of the November 19, 2026 VRE Operations Board Meeting are attached.

- VRE Proposed FY 2028 Budget

VRE staff will give an update on the proposed VRE FY 2028 Budget and the key budget inputs the Operations Board is considering including service levels, total jurisdictional subsidy and potential fare increases. The Commission will be asked to approve the final budget at the January 2027 meeting.

In the context of the budget discussion, VRE staff will also speak to the results of the Master Agreement Survey (MAS), which was conducted during morning service on Wednesday, September 23, 2026. The results of the of survey will be used to allocate the jurisdictional subsidy in the FY 2028 Budget. As a reminder, last year in accordance with the guidance provided by the Operations Board, the 2025 VRE Master Agreement Survey was canceled due to the federal government shutdown. The FY 2027 jurisdictional contribution was allocated using the results from the 2024 survey.

The attached VRE memorandum includes a table comparing the subsidy allocation shares (approved FY 2027 vs. hypothetical FY 2027 using 2026 survey results). The memo also provides information about the survey data collection process and the subsequent analysis that goes into the subsidy allocation.

- Proposed January 4, 2027 VRE Service Changes

On November 19, the VRE Operations Board authorized VRE service reductions of one round trip train on the Fredericksburg Line and two round trip trains on the Manassas Line beginning on January 4, 2027, to address congestion and capacity constraints caused by the

Long Bridge construction project and exacerbated by the required withdrawal of additional units from mid-day storage at Ivy City Coachyard.

Eliminating the three round trips and their corresponding mid-day storage and deadhead moves is expected to save VRE approximately $100,000 per month in variable operating costs (primarily diesel fuel and net access fees). VRE is not projecting to furlough any Keolis staff as part of this proposed change, but additional schedule changes are expected to be proposed in the spring of 2027. More information can be found in the attached VRE memorandum.

C. Department of Rail and Public Transportation (DRPT) Director Remarks

DRPT Director Mariia Zimmerman, or her designee, will update the Commission on DRPT activities, including an overview of several of the General Assembly-mandated studies.

DRPT staff presented details on two of these studies at NVTC's Joint WMATA and Legislative and Policy Committee meeting on November 19: the Public-Private Transit Labor Study and the Northern Virginia Transit Consolidation Feasibility Study. Details on these studies and the presentations provided to NVTC Commissioners are included in the memorandum for Agenda Item #5B.

The monthly DRPT Report, which provides updates on DRPT programs and initiatives, and the November 2026 Report to the Commonwealth Transportation Board, which highlights state initiatives and programs revolving around the agency's strategic plan, will be provided as blue-sheeted items at the meeting.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

PROPOSED BUDGET

FISCAL YEAR 2028

(July 1, 2027 – June 30, 2028)

December 3, 2026

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF REVENUE

	Actual FY 2026	Approved Budget FY 2027	Proposed Budget FY 2028	Increase (Decrease)
Local Share from State Aid (Note 1)	$ 3,550,153	$ 3,706,003	$ 4,224,253	$ 518,250
Local Direct Contributions (Note 1)				
Alexandria	62,454	40,887	37,483	(3,404)
Arlington	59,397	62,334	70,113	7,779
City of Fairfax	4,256	4,278	4,116	(162)
Fairfax County	141,166	155,458	149,503	(5,955)
Falls Church	1,947	2,284	1,762	(522)
Loudoun	15,027	19,006	21,270	2,264
Total Local Direct	284,247	284,247	284,247	-
Total Contributions	3,834,400	3,990,250	4,508,500	518,250
Interest and Other Revenue	78,201	40,000	45,000	5,000
Project Chargebacks (Note 2):				
Commuter Choice Program	663,558	639,300	620,500	(18,800)
VRE	80,000	80,000	80,000	-
Envision Route 7 BRT	116,661	60,300	51,300	(9,000)
Project Grant Billings (Note 3)	-	40,000	40,000	-
Appropriated Surplus (Note 4)	(363,195)	225,000	197,000	(28,000)
Total Revenue	**$ 4,409,625**	**$ 5,074,850**	**$ 5,542,300**	**$ 467,450**

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES

	Actual FY 2026	Approved Budget FY 2027	Proposed Budget FY 2028	(Decrease)
Personnel Costs				
Salaries and Wages (Note 5)	$ 2,665,705	$ 2,964,000	$ 3,215,000	$ 251,000
Fellow Program (Note 5)	-	50,000	50,000	-
Total Personnel Costs	2,665,705	3,014,000	3,265,000	251,000
Benefits				
Employer's Contributions				
FICA and Medicare (Note 6)	189,874	208,000	214,900	6,900
VA PFML Payroll Assessment (Note 7)	-	-	5,900	5,900
Group Health Insurance (Note 8)	187,594	273,000	292,600	19,600
Retirement (Note 9)	247,083	265,000	308,000	43,000
Workers & Unemployment Comp.	1,588	2,800	1,900	(900)
Life Insurance	3,021	6,600	5,100	(1,500)
Long Term Disability Insurance	16,864	19,500	20,300	800
Total Benefit Costs	646,024	774,900	848,700	73,800
Administrative Costs				
Commissioners Per Diem (Note 10)	11,050	14,500	14,500	-
Rents:	***451,824***	***493,400***	***508,000***	***14,600***
Office Rent (Note 11)	433,965	471,400	487,000	15,600
Transit Benefits / Parking	17,859	22,000	21,000	(1,000)
Insurance:	***6,689***	***8,800***	***8,800***	***-***
Public Official Bonds	2,710	2,500	2,500	-
Liability and Property (Note 12)	3,979	6,300	6,300	-
Travel, Training and Meetings	***61,864***	***75,300***	***97,300***	***22,000***
Prof. Devel./ Conference (Note 13)	48,580	58,200	58,200	-
Meetings and Local Travel (Note 14)	13,284	14,600	34,100	19,500
Non-Local Travel (Note 15)	4,617	2,500	5,000	2,500
Communication and Outreach:	***27,614***	***28,900***	***28,900***	***-***
Public Engagement & Events (Note 16)	27,614	28,900	28,900	-
Operations:	***78,912***	***90,000***	***86,900***	***(3,100)***
Furn.and Equip. (Capital) (Note 17)	9,011	19,200	13,800	(5,400)
Repairs and Maintenance	716	1,000	1,000	-
Computer Operations (Note 18)	40,257	39,100	41,400	2,300
Postage (Note 19)	1,342	1,400	1,400	-
Telephone and Data (Note 20)	16,593	17,000	17,000	-
Office Supplies (Note 21)	2,756	3,000	3,000	-
Duplication and Printing (Note 22)	8,237	9,300	9,300	-
Other General and Administrative	***14,733***	***11,900***	***13,200***	***1,300***
Memberships	1,311	1,600	1,600	-
Fees and Miscellaneous (Note 23)	10,722	8,800	9,600	800
Personnel Recruiting (Note 24)	2,700	1,500	2,000	500
Total Administrative Costs	652,686	722,800	757,600	34,800
Contracting Services and Other				
Auditing (Note 25)	33,820	26,900	27,500	600
Contract Services & Support (Note 26)				
Commuter Choice	203,916	136,250	133,500	(2,750)
Research Support	62,346	250,000	250,000	-
Other Technical	111,670	120,000	230,000	110,000
Legal (Note 27)	30,000	30,000	30,000	-
Total Contract Services	441,752	563,150	671,000	107,850
Total Operating Program	**$ 4,406,167**	**$ 5,074,850**	**$ 5,542,300**	**$ 467,450**

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2028 Proposed

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 formula 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. The general and administrative funding is expected to be fully utilized during FY 2028.

3. Revenue: Project Grant Billings

The FY 2028 budget assumes funding from DRPT's Workforce Development Program that covers 80% of payroll and related costs of NVTC's Transit Fellows program.

4. Revenue: Appropriated Surplus

The FY 2028 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 2028 budget includes a provision for merit and COLA increases for existing staff and the addition of a new financial position

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 professionals 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. Virginia Paid Family and Medical Leave (VA PFML) Payroll Assessment

Effective April 1, 2028 NVTC and other employers throughout Virginia will be liable for a new payroll assessment that supports paid family and medical leave for their employees. While the actual rate has not yet been determined by the Commonwealth, the budget includes the three month estimated FY 2028 employer and employee contributions at the combined rate of 0.72% of payroll costs, which is the contribution rate used in the SB 2 impact statement.

8. 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.

9. 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 2027 to FY 2028 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.

10. Commissioners' Per Diem

The FY 2028 budget is based upon an average of 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.

11. 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 increases 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 was amortized over the twelve months ending February 2026.

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

12. Insurance: Liability and Property

The FY 2028 budget is based on the most recent premium year with an allowance for increasing costs and coverage.

13. Professional Development / Conferences

Included in this line for FY 2028 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.

14. Meetings and Local Travel

This line includes the costs of NVTC Commission and committee meetings, hosting regional meetings, and the costs of NVTC staff traveling to meetings elsewhere in the region. The FY 2028 budget includes the cost of audio support at the monthly Commission meetings.

15. Non-Local Travel

This line includes the costs of travel to meetings outside the Washington Metro region.

16. Public Engagement and Events

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, as well as events such as the annual legislative forum.

17. Furniture and Equipment

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

18. Computer Operating Expense

Computer operations include 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 2028 budget is based on costs presently under contract and anticipated future needs.

19. Postage

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

20. 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.

21. Office Supplies

The FY 2028 budget for this item is based on the average of prior years' actual costs.

22. Duplication and Printing

The FY 2028 budget is based on the estimated costs of a new copier lease and service contract, taking into account projected usage levels.

23. Fees and Miscellaneous

This line includes payroll processing fees, bank charges, and other miscellaneous expenses.

24. Personnel Recruiting

The FY 2028 budget includes a provision for personnel recruitment advertising.

25. 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 2028 budget is based on the costs included in this contract.

26. 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.

Research Support

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

Efforts previously and currently funded from this budget line in part or in full include the ZEB Strategic Plan, Value of Transit including outreach, Metro Operating Funding and Reform Working Group Support, Research Strategic Roadmap, SJ 28 Technical Support, and ZEB Technical Assistance. Staff will continue to seek Commission approval for future project procurements funded from this budget line.

Other Technical

The FY 2028 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.

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

27. Legal

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

NVTC Work Plan

January 2027 to June 2028

The Northern Virginia Transportation Commission (NVTC) Work Plan serves as a guiding document for NVTC staff to support the mission of the Commission. This Work Plan identifies specific programs, projects and tasks that NVTC staff intend to perform during the period from January 2027 through June 2028 (FY 2028). It is intended to be a living document that can be updated as priorities and projects change.

This document supports NVTC's Strategic Framework and Implementation Plan and was developed in consultation with the Management Advisory Committee (MAC), the body of professional staff representing NVTC's jurisdictions and partners. The MAC is a forum to facilitate cooperative regional solutions, keep local governments informed and solicit feedback on ongoing programs, projects and initiatives.

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About NVTC

Established in 1964, NVTC was founded to represent Virginia's interests during the formation of the Washington Metropolitan Area Transit Authority (WMATA). Over time, NVTC has evolved to be a regional forum for the discussion and analysis of transit issues that are critical to Northern Virginia's economy and quality of life. In addition to representing Virginia's interest in WMATA, NVTC co-owns the Virginia Railway Express (VRE) and serves as a unified voice and advocate for the six transit systems that serve NVTC jurisdictions.

To learn more about NVTC, our Commissioners and transit projects and research, please visit www.novatransit.org.

NVTC'S Mission, Vision and Strategic Goals

Vision: Northern Virginia businesses and residents are served by a high capacity, high-quality network of transit systems that allows our diverse region to thrive economically.

Mission: As the premier transit organization in Northern Virginia, NVTC brings the region together to plan, coordinate and secure funding for transit systems that are financially sustainable and high performing.

Strategic Goals:

- Increase the capacity of the regional transit network by expanding and improving the quality, coverage and frequency of new and existing systems, including Metro, VRE and new transit services.
- Improve access and mobility throughout Northern Virginia by connecting the regional and local transit systems.
- Promote safe, reliable and financially sound performance and management of regional transit systems.

2027-2028 Organizational Priorities and Key Initiatives

The evolution of transit funding and possible major changes to legislative priorities could provide an opportunity to review and revisit NVTC's current mission, vision and strategic goals. In addition, the maturity of NVTC as an organization provides the opportunity to undertake some major initiatives in the coming 18 months that include:

1. Embarking on a strategic planning process to refine NVTC's vision, mission and strategic goals and identify specific and actionable objectives that support NVTC in its mission and goals. (See Strategic Planning, page 3)
2. Developing a transit funding campaign that informs Northern Virginia's transit funding needs and identifies solutions to sustainably fund WMATA, VRE and local bus systems with an eye towards a 2028 legislative effort. (See Advocate For Long Term Sustainable Transit Funding , page 4)

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NVTC Strategic Planning Process

NVTC's vision, mission and strategic goals continue to align with NVTC's current efforts to secure long term sustainable funding for public transit and reflect our important role in the region. However, with Commission approval of the FY 2026-2027 Work Plan, NVTC staff have been directed to conduct a strategic planning effort that will kick off in early 2027 and will work to identify and further integrate NVTC's priorities and layout a roadmap of NVTC's future work and organizational structure. This 18-month effort is supported by a Fiscal Year 2027 matching grant from the Virginia Department of Rail and Public Transit.

1. Project and Grant Management
    a. Work with director-level staff and the Procurement and Grant manager to lead a competitive procurement effort.
        i. Develop scope of work for the request for proposals.
        ii. Maintain updates and the timely release of information and documentation about the RFP on NVTC and eVA websites.
        iii. Support NVTC staff in facilitating a procurement review team and actively participate in the selection of a contract.
        iv. Support the work of NVTC's legal staff and Grants and Procurement manager on contract negotiation.
        v. Coordinate with the Board Administrator to seek Commission approval of the selected project consultant contract.
    b. Coordinate with NVTC financial team to maintain updates and compliance for the DRPT matching grant.
    c. Work closely with the consultant team to monitor project scope, budget, and schedule.
        i. Coordinate bi-weekly team meetings.
        ii. Review and approve invoices.
        iii. Act as the main point of contact and liaison for information and feedback between the consultant team and NVTC as the project progresses.
        iv. Provide records, by-laws, archived information and other necessary documentation to support the consultant team in their work.
        v. Work with NVTC and consultant team to review, edit, and finalize deliverables so that they are ready for final product publication.
    d. Stakeholder Engagement
        i. Support the consultant team in their interview and focus group efforts with key-stakeholders by providing necessary contact information, names, organizations, etc.

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ii. Coordinate with NVTC staff to procure an event space and catering for a half-day strategic plan workshop.

iii. Coordinate stakeholder invitations and comply with open meetings rules for a half-day strategic plan workshop.

2. Commissioner Engagement and Communications

   a. Work with the Executive Director and consultant team to provide timely updates and presentations on the strategic planning effort at committee and Commission meetings.

   b. Work with the Board Administrator to seek necessary approval of the Strategic Plan at a future Commission meeting.

   c. Support NVTC Communications and Engagement team in public outreach efforts and media releases to publicize the outcomes of the Strategic Planning effort.

3. Final Plan and Adoption Support

   a. Finalize the Draft Strategic Plan presented by the consultant team.

   b. Work with NVTC staff for graphic design integration.

   c. Work with NVTC staff for any printing and publication needs.

   d. Work with NVTC staff to make updates to the NVTC website that reflect the outcomes of the strategic planning effort.

Advocate For Long Term Sustainable Transit Funding

Securing long-term, sustainable transit funding remains an important goal for the Commission and NVTC staff. This work is closely coordinated with the WMATA Program and through the development of NVTC's annual Legislative and Policy Agenda.

The 2026 General Assembly session advanced Virginia's WMATA funding framework by establishing a DMV*Moves* capital funding commitment of $136M, but it did not create the sustainable revenue structure envisioned by the SJ 28 Growing Needs of Public Transit in Northern Virginia Joint Subcommittee or NVTC's Guiding Principles for Future Transit Funding (Resolution #2552). It also did not address anticipated funding needs for the other transit systems in Northern Virginia and the Commonwealth. As a result, work still needs to be done to identify a long-term solution to Virginia's WMATA operating needs, sustainable revenue sources for the locally committed WMATA capital funding and sustainable funding solutions for VRE and NVTC's local bus systems.

During the coming 18 months, NVTC will develop and launch a legislative strategy aimed at educating and informing members of the Virginia General Assembly with the goal of passing legislation that addresses the long-term sustainable state and regional funding needs of public transit.

1. Work with director-level staff and the Grants and Procurement Manager to lead a competitive procurement effort to expand legislative support and create/launch the

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legislative strategy. For any additional work beyond current contracted services, NVTC shall:

a. Develop scope of work for the request for proposals.
b. Maintain updates and the timely release of information and documentation about the RFP on NVTC and eVA websites.
c. Support NVTC staff in facilitating a procurement review team and actively participate in the selection of a contract.
d. Support the work of NVTC's legal staff and Grants and Procurement Manager on contract negotiation.
e. Coordinate with the Board Administrator to seek Commission approval of the selected project consultant contract.

2. Define a legislative strategy that includes mapping decision-makers and votes, and assesses revenue options, bill vehicles and budget paths.
3. Conduct messaging and research to create core messages, avenues and timeline, support media outreach and digital content, identify spokespeople for interview and opinion pieces.
4. Identify and provide messaging support to a coalition of supporters at both the regional and statewide level.
    a. Refresh revenue estimates, as needed, to provide accurate information about ways to solve regional transit funding challenges.
    b. Inform and facilitate jurisdictional and transit agency feedback as funding needs are updated.
5. Brief legislative staff and committees in advance of and during session.
    a. Help draft and/or review bill language and/or budget amendments.
    b. Prepare testimony or other supporting information.
    c. Track and respond to amendments.
    d. Provide ongoing legislative tracking as noted below in Legislative and Policy Efforts.

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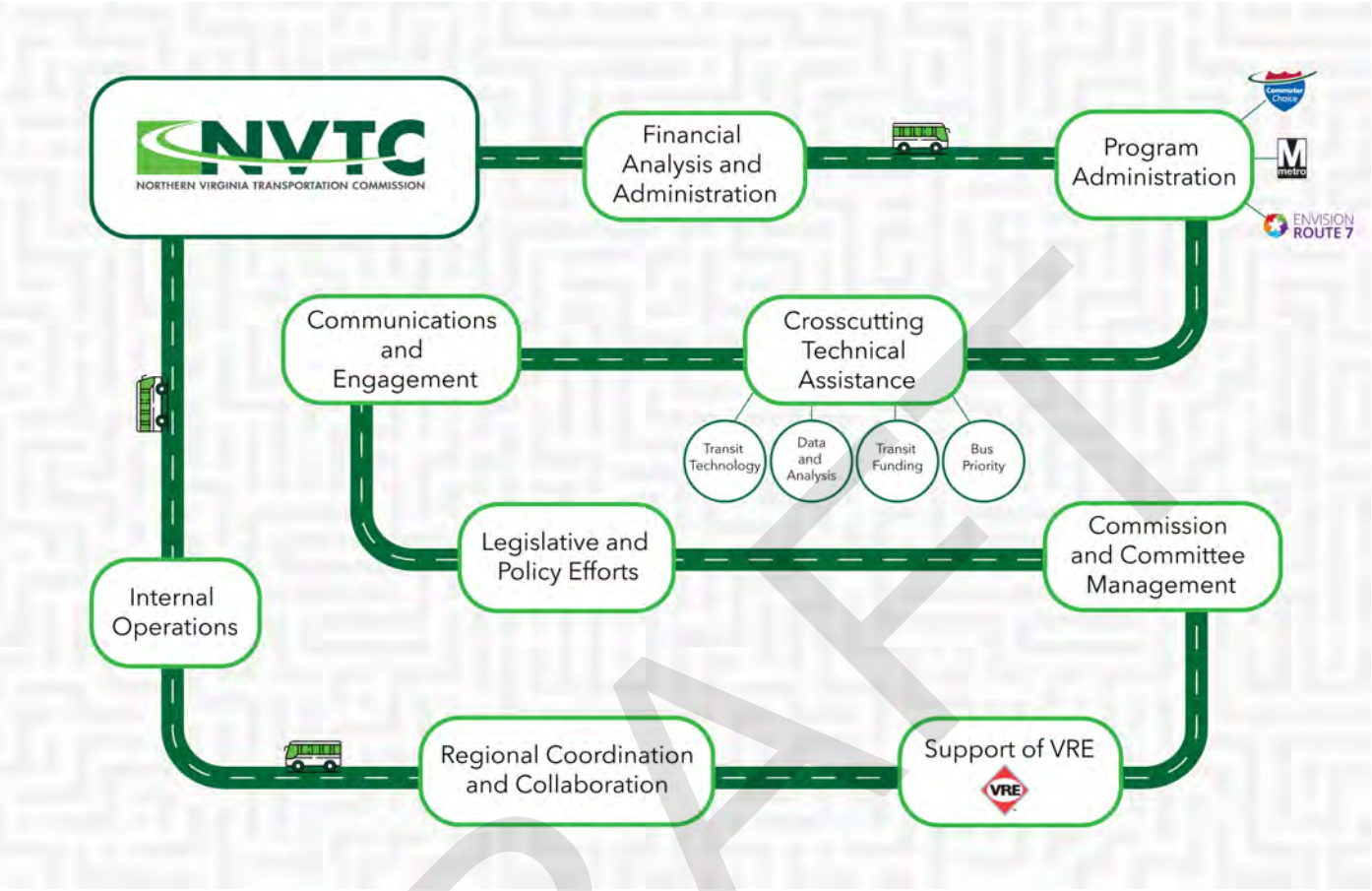
Programs and Crosscutting Functions



NVTC has programs and initiatives that support the implementation of the Commission's mission and vision. These programs and crosscutting initiatives provide technical assistance, enable data collection and analysis, facilitate regional engagement and jurisdictional coordination, as well as manage a groundbreaking funding program. It is important to note that these programs and initiatives interact with and support each other on a regular basis, enabling NVTC to provide comprehensive support to member jurisdictions, partner agencies and the Commission. In addition, they ensure that NVTC's work adds value to Northern Virginia, the greater DC region and the Commonwealth.

A. Financial Analysis and Administration

NVTC identifies and implements cooperative strategies with member governments to maximize transit revenues aimed at achieving adequate, dedicated, stable and reliable financial support from the federal government, Commonwealth, region and private sector. Staff facilitate the fair and equitable allocation of transit assistance among governments. In addition, NVTC manages grants, contracts and trust funds fairly and effectively, according to state and federal laws and NVTC's policies.

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Support for Member Jurisdictions

1. Ensure the stability of the current sources of transit funding available to NVTC's local governments.
2. Serve as the central point of contact for financial information on Northern Virginia's transit system.
3. Analyze funding proposals produced by regional and statewide studies and identify policy issues for consideration by the Commission.
4. Provide technical and strategic support for efforts in which NVTC staff represent jurisdictional interests or positions on external funding studies, workgroups or proposals.

Financial Analysis

1. Regional Gas Tax Revenues
    a. Monitor NVTC's regional gas tax receipts from the Department of Motor Vehicles (DMV) for reasonableness of collections in total and by jurisdiction.
    b. Employ database and spreadsheet models to identify unanticipated discrepancies at the taxpayer level by jurisdiction and in total.
    c. Maintain communications with the DMV regarding both unusual activities identified by NVTC and DMV audit activity. Make suggestions for improving the program.
    d. Brief the MAC as needed on processes, issues and solutions.
2. State Transit Revenues
    a. Participate in the Transit Service Delivery Advisory Committee (TSDAC) to assist DRPT in reviewing the distribution process for transit capital and operating funds.
3. Transit Funding Opportunities
    a. Produce financial projections and an analysis of the growing gap between transit operating and capital needs versus available financial resources.
    b. Participate in regional and statewide efforts to define public transit needs and identify funding sources.

Financial and Grants Management, Trust Funds, Contracts and Compliance

1. State Assistance
    a. Review and monitor DRPT calculations of WMATA assistance to NVTC as grantee for NVTC's jurisdictions' share of WMATA operating subsidies and capital requirements.
    b. Report WMATA's annual system ridership and other information requested by DRPT as a requirement for receiving state assistance.

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c. Review and submit state operating and capital assistance applications for local systems through DRPT's WebGrants portal as the agent for the NVTC jurisdictions.

d. Manage state grants to NVTC and NVTC's jurisdictions, including the preparation, review and submission of timely grant invoicing.

e. Track project funding activity, submit extension requests and de-obligate projects as needed.

f. Participate with VRE and NVTC jurisdictions in quarterly project status review meetings with DRPT.

g. Work with DRPT and grantees to achieve the maximum funding available.

2. I-66 and I-395/95 Commuter Choice

a. Monitor and reconcile net toll revenue receipts from the Virginia Department of Transportation (VDOT) with actual collections and Commonwealth Transportation Board (CTB) approved project funding levels.

b. Review reimbursement requests for adequate support of eligible expenses; approve and transfer funds.

c. Ensure recipient compliance with project agreement provisions.

d. Account for direct costs of administering the program.

e. Account for and report financial activity as separate Special Revenue funds for each corridor.

3. NVTC Subsidy Allocation Model

a. Maintain NVTC's Subsidy Allocation Model (SAM) utilizing the most recent WMATA and local budget information on transit costs, revenues and subsidies.

b. Determine each local government's share of NVTC assistance using the annual SAM percentages.

c. Apportion shares of the direct local contributions to NVTC's administrative budget using the annual SAM percentages.

d. Provide projections and other analysis of annual transit assistance to NVTC's jurisdictions for planning purposes.

4. NVTC Jurisdiction Trust Funds

a. Allocate revenue to NVTC's jurisdictions through the NVTC trust fund upon receipt using the annual SAM percentages.

b. Prepare timely and accurate quarterly cash flow forecasts of available transit assistance sources and uses for NVTC's jurisdictions.

c. Prepare quarterly reports of actual NVTC trust funds activities for use by NVTC's jurisdictions.

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d. Manage and invest trust funds according to NVTC policy by safeguarding assets while maximizing liquidity and investment return.

5. Commuter Rail Operations and Capital Fund (CROC)

    a. Monitor and direct collections of CROC monies from the DMV.

    b. Provide periodic reports to the Commission about the funds in the CROC Fund, including monthly receipts, amounts expended, the amount of funds held and investment earnings.

6. Financial Reporting, Accounting, Audit, Compliance and Contracting

    a. Prepare the annual financial statements, disclosures, management discussion and analysis and supplementary information for the seven NVTC funds and on an entity-wide basis for NVTC's annual audit.

    b. Prepare the Schedule of Expenditures of Federal Awards and related notes for NVTC's annual federal compliance audit if reporting threshold is reached.

    c. Manage a multi-year audit services contract.

    d. Accomplish unqualified auditors' opinions on the fair presentation of the financial statements, internal control over financial reporting and compliance and other matters, and compliance for each major federal program and internal control over compliance.

    e. Provide financial and compliance reports to the appropriate regulatory agencies.

    f. Maintain up-to-date compilations of state and federal grant regulations and ensure staff is adequately trained in grant, contract and project management.

    g. Attend procurement education seminars to remain apprised of state and federal purchasing techniques, theory and best practices.

    h. Maintain NVTC's formal procurement and contracting process to ensure prompt procurements in compliance with state and federal laws.

    i. Perform internal accounting functions, including DRPT and Federal Transit Administration (FTA) project tracking, Commuter Choice reimbursement request tracking, local match invoicing, accounts receivable, cash receipts, accounts payable, disbursements, internal fund transfers, payroll, general ledger and reconciliations.

7. Federal Grants

    a. Apply for federal grants on behalf of member jurisdictions and manage grants as the designated recipient for FTA funds. NVTC is the grantee and designated recipient of federal grants for the City of Alexandria and is grantee for Federal Community Project Funding for the Envision Route 7 Bus Rapid Transit (BRT) project. For these grants, NVTC will:

        i. Maintain any subrecipient agreements which outline terms, conditions and expectations.

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ii. Ensure subrecipient agreements include all the information required by FTA and 2 CFR 200.

iii. Review reimbursement requests to ensure costs are reasonable, allocable and allowable in accordance with 2 CFR 200 and terms of the award.

iv. Drawdown approved reimbursement requests and transfer funds to subrecipients, if applicable.

v. Host quarterly project management meetings with the subrecipient, if applicable, and FTA.

vi. File financial and milestone reports, Disadvantaged Business Enterprise (DBE) reports and other required documentation in FTA's grants management system (TrAMS).

vii. Monitor subrecipients to ensure proper stewardship of federal funds and performance goal attainment.

viii. Provide technical assistance as needed.

ix. Close out completed grants.

b. Prepare and submit NVTC's DBE Goal in accordance with 49 CFR Part 26.

c. Administer and ensure NVTC's compliance with Title VI and DBE programs and provide technical assistance to subrecipients as needed.

d. Ensure NVTC and subrecipients comply with all relevant FTA regulations and guidelines in numerous areas such as legal, financial management, technical capacity, continuing control, maintenance, procurement, civil rights and the National Transit Database.

e. Attend workshops and webinars presented by FTA to maintain awareness of changes in federal requirements and processes.

f. Submit annual certifications and assurances to the FTA and maintain subrecipient's signed annual certifications and assurances on file.

B. NVTC Program Administration

NVTC Oversight of the Washington Metropolitan Area Transit Authority

NVTC exercises leadership through the appointment and support of Virginia's members of the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors to promote safe, reliable and financially sound performance, management and oversight of WMATA. Staff support the NVTC WMATA Committee to ensure jurisdictional interests are represented and facilitate coordination with NVTC's WMATA principal director.

1. <u>WMATA Board of Directors and NVTC WMATA Committee Support</u>

    a. Work with the Committee Chair to develop and implement the committee's annual work plan.

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b. Manage and staff the NVTC WMATA Committee to solicit committee input and feedback on NVTC's priorities for WMATA, leading to committee endorsement and recommendation for the full Commission to approve of the Annual Report on the Performance and Condition of WMATA.

c. Manage and staff the NVTC WMATA Committee to provide a venue for discussion about WMATA issues directly affecting the NVTC region and NVTC jurisdictions, including but not limited to annual WMATA budget comments, fare policy and comments on any major WMATA studies and long-term planning initiatives, such as rail modernization.

d. Facilitate input from jurisdictional staff to support NVTC's WMATA Board principal member and members of NVTC's WMATA Committee.

e. Inform NVTC Commissioners of pending WMATA Board decisions of regional significance.

2. Annual Report on the Performance and Condition of WMATA

a. Develop and submit to the General Assembly and the Governor by December 15 an annual report on the performance and condition of WMATA that includes information on the following:

i. The safety and reliability of the rapid heavy rail mass transportation system and bus network.

ii. The financial performance of WMATA related to the operations of the rapid heavy rail mass transportation system, including farebox recovery, service per rider and cost per service hour.

iii. The financial performance of WMATA related to the operations of the bus mass transportation system, including farebox recovery, service per rider and cost per service hour.

iv. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations.

v. Use of the funds provided by the Commonwealth Mass Transit Fund to improve the safety and condition of the rapid heavy rail mass transportation system.

vi. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.

vii. Any other areas of WMATA Committee interest for that year's annual report

b. Manage technical staff to ensure that the report will meet the expectations of the Commission, General Assembly and administration.

c. Support Executive Director's presentation of this report to the Commonwealth Transportation Board, Governor's Office, General Assembly and other interested stakeholders as necessary.

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d. Coordinate with the communications team to publicize (press, social media, etc.) the recommendations and other relevant elements of the report.

e. Publish the report and associated information on NVTC's website.

f. Work with WMATA and other regional partners to act on long-standing recommendations in the report.

3. Annual Certification of WMATA Documents

   a. Request the following documents annually from WMATA:

      i. Annual capital budget;

      ii. Annual independent financial audit;

      iii. National Transit Data annual profile; and

      iv. Single audit report issued in accordance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R Part 200).

   b. Certify the receipt of these documents to the Commonwealth Comptroller no later than June 30 of each year.

4. Virginia WMATA Board Member Support

   a. Support the Executive Director's role in facilitating the Commission's annual appointment of Virginia's two principal and two alternate members of the WMATA Board of Directors.

   b. Provide staff support on WMATA-related meetings and issues to NVTC's WMATA Board principal member or their designated alternate.

   c. Facilitate and lead NVTC WMATA Board member staffing calls in advance of or after WMATA Board and committee meetings.

   d. Ensure communication and coordination between the Commonwealth and NVTC's Principal WMATA Board members and between jurisdictional and DRPT staff as necessary.

   e. Provide staff support and talking points to the WMATA Board members prior to the NVTC Commission meetings.

   f. Provide staff support to NVTC's WMATA Board appointee in preparation for the legislatively required annual CTB briefing.

   g. Work with Virginia WMATA Board members and NVTC WMATA Committee members to identify issues that may be well suited for NVTC to study and develop recommendations for inclusion in the Annual Report on the Performance and Condition of WMATA.

   h. Participate in WMATA's Joint Coordinating Committee (JCC).

      i. Monitor and report on the development of WMATA's annual operating and capital budgets and multi-year Capital Improvement Program.

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ii. Provide feedback to WMATA consistent with NVTC positions and/or Board member guidance.

iii. Coordinate with jurisdictional staff and DRPT on WMATA's compliance with CTB policy requirements as needed.

iv. Actively participate in the development, negotiations and any updates to the Capital Funding Agreement (CFA).

v. Work with NVTC leadership to provide input in regional conversations regarding future jurisdictional audits in accordance with Commission priorities as documented in the Annual Report on the Performance and Condition of WMATA.

5. Support for Northern Virginia Jurisdictions

   a. Participate in JCC meetings, follow WMATA Board actions and share key information with Northern Virginia jurisdictional staff in conjunction with recurring WMATA Board member/staff calls.

   b. Facilitate discussion of jurisdictional issues with WMATA that rise to the attention of the NVTC WMATA Board principal member.

   c. Represent NVTC's interests and coordinate internal communications and comments at key points of WMATA-led planning studies and related efforts.

Commuter Choice

Commuter Choice is a groundbreaking program that reinvests toll revenue into transit service, transportation demand management and other multimodal improvements along the I-66 Inside the Beltway and I-395/95 toll corridors. NVTC, in partnership with the Potomac and Rappahannock Transportation Commission (PRTC), VDOT, DRPT and the CTB, manages this competitive funding program through the tasks outlined in the section below.

1. Program Management and Administration

   a. Administer I-66 Commuter Choice and I-395/95 Commuter Choice to select high-performing projects that meet program goals and ensure compliance with relevant Memorandums of Agreement (MOAs).

      i. Work with staff and legal counsel on policy changes and decisions governing future calls for projects and program administration.

      ii. Coordinate with PRTC as needed on the ongoing management and administration of I-395/95 Commuter Choice.

      iii. Coordinate with VDOT as needed on I-66 Inside the Beltway revenue projections and monitor VDOT's quarterly payments to NVTC. Coordinate with DRPT to ensure that concessionaire payments from I-66 Outside the Beltway and I-395/95 are transmitted to NVTC in a timely manner.

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iv. Maintain and update the Commuter Choice program website, including the interactive Project Explorer and program resources, to provide relevant, timely information for applicants, recipients and stakeholders.

v. Monitor program operations and communications with recipients to identify any needed policy changes or updates.

vi. Execute Standard Project Agreements (SPA) and ensure projects comply with all SPA requirements.

vii. As needed, prepare and execute any SPA amendments to reflect changes in a project's scope, schedule, and/or budget.

viii. Lead and support event planning that celebrates Commuter Choice milestones such as project groundbreakings and ribbon cuttings. As Commuter Choice celebrates 10 years, NVTC will hold a major event in spring 2027 celebrating the milestone and program accomplishments.

ix. Work with the NVTC finance team and, if applicable, financial counsel and financial advisors to ensure sufficient cash flow for projects and address any financing arrangements should NVTC issue debt to fund projects.

x. Lead the development, implementation of internal scoring and estimation tools and support future updates.

b. Prepare Commuter Choice annual report and program updates.

i. Prepare and submit the fiscal year annual report to the CTB as required by the MOAs. Manage development of each fiscal year's annual report, including oversight of the creative consultant that assists with production.

ii. Collect ridership and user data from grantees for all active Commuter Choice projects for use in the annual report.

iii. Ensure that, for completed projects, Commuter Choice-funded assets remain in use in a manner benefiting corridor toll payers by obtaining annual asset management certifications from the corresponding funding recipients.

iv. Biennially, present an analysis of broader travel trends, such as travel volumes and mode shares, in the I-66 and I395 corridors as part of fiscal year annual reports to the CTB.

c. Serve as a resource and provide technical guidance on other opportunities to leverage express lane revenues for transit.

d. As the Washington region explores opportunities to expand express lanes, provide guidance and technical assistance on investing toll revenues into transit to partners or other jurisdictions that may be exploring similar opportunities.

e. Develop a request for proposals (RFP) for on-call consultant services resulting in the selection of a consultant to continue assisting in the administration of the Commuter Choice program.

2. <u>Call for Projects and Project Selection Process</u>

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a. Prepare Commuter Choice application materials and secure Commission(s) approval to open calls for projects.

b. Identify desired changes to Commuter Choice policies and procedures and communicate program updates to grantees for concurrence prior to implementation.

c. Update Recipient Handbook – a document that provides a comprehensive guide to Commuter Choice program eligibility and policies and procedures - as needed.

d. Hold workshops with eligible applicants while calls for projects are open. Provide technical assistance and guidance during the application process.

e. Conduct the initial eligibility screening, evaluation and scoring of project applications in coordination with DRPT.

f. Provide program updates at Commission meetings and present final Program of Projects for Commissions' approval.

g. Coordinate with DRPT to receive Commonwealth Attorney General project eligibility concurrence and to prepare project list and supporting materials for CTB consideration.

h. Develop staff-recommended Program of Projects for consideration by the Program Advisory Committee (PAC)/Joint Commission Working Group (JCWG) and consideration by the Commission(s).

i. Facilitate public outreach efforts that meet the MOA's requirements, with materials available in English and Spanish to detail proposed projects for the public, answer questions about the program and maximize public input.

3. Reimbursement and Financial Reporting

a. Host quarterly meetings with recipients to receive required project level reports and ensure projects are meeting implementation, reporting and financial milestones.

b. Review and approve project reimbursement requests.

c. Track expenses and reimbursements by corridor, fiscal year program, project, recipient, etc.

d. Coordinate with NVTC financial team to develop policy/programmatic solutions for financial-related questions/issues.

4. I-66 Corridor Needs Assessment Recommendations

a. Continuously monitor the policy recommendations of the I-66 Needs Assessment (completed in July 2026) for implementation to strengthen the project development pipeline.

b. Prior to the FY 2029-2030 I-66 Commuter Choice Call for Projects opening in fall 2027, meet with eligible applicants to discuss projects identified in the Needs Assessment and feasibility in applying for Commuter Choice funding.

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c. Coordinate with DRPT on big-picture policy and funding recommendations of the Needs Assessment to ensure continued collaboration between I-66 Commuter Choice and DRPT's I-66 Outside the Beltway funding program.

5. Commuter Choice Outreach and Marketing

   a. Lead and support event planning for Commuter Choice's 10th anniversary celebration, with a spring 2027 event celebrating the milestone and program accomplishments.

   b. Identify opportunities for and support planning efforts for events celebrating Commuter Choice milestones, such as project groundbreakings and ribbon cuttings.

   c. Plan and implement public meetings and public input processes.

   d. Plan and implement groundbreaking events in collaboration with local jurisdictions and transit providers.

   e. Promote the Commuter Choice program and events through NVTC's social media and other venues.

   f. Promote the Commuter Choice annual report through email, social media, and other channels.

   g. Support ongoing updates and maintenance of the Commuter Choice sections of NVTC's website to provide both programmatic information as well as marketing resources for grantees, stakeholders, etc.

Envision Route 7

NVTC leads the planning process for Envision Route 7, a bus rapid transit (BRT) corridor designed to connect the Mark Center in Alexandria to Tysons via Bailey's Crossroads, Seven Corners and Falls Church along Route 7. NVTC staff coordinate closely with staff from Fairfax County, City of Falls Church, Arlington County and City of Alexandria, as well as VDOT and WMATA, on this project.

1. Contract and Grant Management

   a. Lead procurement efforts for Envision Route 7 BRT project phases.

      i. Complete closeout of Phase 4-2 contract.

      ii. Develop scope(s) of work for various project phases, including analysis and design of near-term bus priority improvements, to fully use grant funds.

      iii. Engage with NVTC jurisdictions to obtain stakeholder agreement on full utilization of the grant.

   b. Coordinate with Procurement and Grants Manager on grant management.

      i. Support development of materials and documentation needed to maintain FTA grant and matching DRPT Grant.

      ii. Maintain and update grant status for FTA and DRPT.

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c. Manage consultant contracts and review and approve invoices.

d. Identify external funding resources needed to advance the project through the remaining planning phases and implementation. Coordinate with jurisdictional staff to apply for identified grants as appropriate.

e. Work with jurisdictional partners and regulatory agencies on possibility of National Environmental Policy Act (NEPA) analysis for Federal funding of construction.

2. Project Partner Coordination and Implementation

   a. Hold regular meetings for the Envision Route 7 Project Technical Advisory Committee (PTAC).
      i. Update jurisdictional staff, VDOT, WMATA and DRPT on contract progress and project developments.

   b. Work with jurisdictions, VDOT and WMATA to advance bus priority on the project corridor.
      i. Coordinate with Arlington County on bus priority around East Falls Church Metro station.
      ii. Coordinate bus priority treatments and provide technical assistance for City of Falls Church.
      iii. Coordinate with Fairfax County on two geographically distinct portions of Envision Route 7 within the jurisdiction.
         A. Work with Fairfax County Department of Transportation (FCDOT) on advancing bus priority between Seven Corners and Bailey's Crossroads.
         B. Work with FCDOT on advancing area plan for BRT from Tyson's to West Falls Church Metro station.
         C. Coordinate with FCDOT on NEPA to obtain Federal funding.
      iv. Coordinate on Envision Route 7 alignment within City of Alexandria
         A. Work with City of Alexandria staff for inclusion of Envision Route 7 in West End Transitway.
      v. Coordinate with VDOT on bus priority roadway design and signals.
      vi. Coordinate with WMATA on bus priority design, signals and service levels.

   c. Update the NVTC Management Advisory Committee (MAC) in advance of Commission presentations.
      i. Provide updates on Envision Route 7 for regional plans such as NVTA's BRT Action Plan and the DMV*Moves* Regional Bus Priority Action Plan.

3. Public Outreach and Education

   a. Brief the Program Advisory Committee (PAC) and Commission at key milestones and decision points, preparing written updates as needed.

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b. Brief local boards and commissions on adoption of bus priority treatments to improve bus service along the project corridor.
c. Provide one-on-one briefings or tours, as needed, to provide more detailed information on the project to elected officials.
d. Coordinate with NVTC and jurisdictional staff regarding public outreach efforts.
    i. Work with project partners on public inquiry requests.
e. Coordinate with the NVTC Communications team to promote and publicize Route 7 progress, milestones and outreach efforts.
    i. Send a quarterly newsletter with project updates to project partners, elected officials and the public.
    ii. Promote Envision Route 7 events and public comment periods through NVTC's social media and other venues.
f. Support ongoing updates and maintenance of the Envision Route 7 website to provide programmatic information as well as outreach and educational materials for project stakeholders.
g. Publish reports and associated information on NVTC's website.

C. NVTC Crosscutting Technical Assistance

Bus Priority

NVTC's bus priority program engages local, regional, state and transit agency partners to advance infrastructure and technology that can improve the speed and reliability of the bus throughout Northern Virginia. Regional conversations, primarily through DMV*Moves,* have elevated bus priority as a way to move more people through our region and improve cost efficiencies. One area that NVTC staff have identified as a barrier to advancing bus priority efforts is the lack of resources available for planning and preliminary design and engineering.

1. Advance understanding of bus priority and its importance to the region
    a. Collect, maintain and publish regional data on bus priority infrastructure, both existing and planned.
    b. Analyze bus speed data and coordinate with jurisdictional and transit agency staff to identify intersections or corridors that could benefit from bus priority treatments.
    c. Represent the region on emerging bus priority trends and advance Commission priorities in the transit space.
2. Provide support and analysis for ongoing bus priority efforts
    a. Support updates to and alignment of transit signal priority (TSP) infrastructure among agencies, jurisdictions and roadway owners across the region.
    b. Track results of WMATA's Clear Lanes demonstration project to test automated camera enforcement of parking violations in bus stops and bus only lanes.
    c. Coordinate and convene jurisdictional partners and bus operators on bus priority in Northern Virginia, including Virginia corridors specifically identified by DMV*Moves* through its bus priority working group.

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d. Participate in DMV*Moves* and NVTA working groups focused on bus priority and BRT to share relevant data and research and ensure that the priorities, concerns and voices of Northern Virginia's transit providers are incorporated.

3. Develop technical assistance program to support planning and design for bus priority projects in Northern Virginia
    a. Coordinate with jurisdictions to identify near-term bus priority projects.
    b. Leverage existing research budget to advance up to two bus priority projects.
    c. Identify additional funding sources to support bus priority projects.

Transit Data and Analysis

The Transit Data and Analysis program provides timely research and visualizations to support Commission priorities. The program manages both ongoing data collection and reporting as well as ad-hoc work to support NVTC programs and projects.

1. Regional Transit Data Collection, Analysis and Visualization
    a. Provide timely research, visualizations and presentations for relevant audiences based on current policy or program needs
        i. Anticipate needs and interests of the Commission to develop research priorities. Current priorities include:
            A. Work towards long term sustainable transit funding
            B. Current transit ridership trends
            C. Bus priority, including evaluation of impact of the F2X on the Envision Route 7 corridor
        ii. Coordinate with NVTC Programs and Communications team to provide research, analysis and static and interactive maps, one-pagers, presentations and other products for visualizing transit data and information to support current work.
        iii. Develop visualizations and conduct research for ad-hoc requests across programs and departments to support Commission activities.
        iv. Following guidance from the NVTC Strategic Transit Policy Research Roadmap, coordinate with jurisdictions via the Management Advisory Committee (MAC) to identify emerging policy research needs.
        v. Provide and maintain documentation of methodology for any research and analysis undertaken
    b. Collect and manage regional transit data, including:
        i. Catalog, collect and clean data that can be shared with stakeholders and archived for future use.
        ii. Update and maintain the NoVaTransit Dashboard. The dashboard serves as a repository of historical and current transit data metrics and allows users to

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interact with the data to identify trends and conduct analysis. Data from the dashboard is always available for download.

iii. Report WMATA's (Metro) monthly system ridership and service data to comply with the DRPT's reporting requirements.

iv. Collaborate with local transit agencies to improve the quality and availability of publicly available transit data on an ad-hoc basis.

2. National Transit Database (NTD) Data Collection Technical Assistance Contract

   a. Manage the FY 2026 contract for NTD data collection on behalf of Northern Virginia's transit systems.

   b. Oversee data collection efforts to facilitate the receipt of federal funds to the region.

Transit Technology

The Transit Technology program engages regional, state and national transit technology stakeholders to build Commission knowledge about innovative transit mobility services and emerging technologies. NVTC also provides technical assistance as needed to support jurisdictions in advancing and implementing transit technology.

1. Regional Zero-Emission Bus Coordination

   a. Implement the recommendations of the NVTC Northern Virginia Zero-Emission Bus (ZEB) Strategic Plan, including procuring contractor support and working closely with the NVTC Zero-Emission Bus Working Group and Northern Virginia transit providers to implement zero-emission buses and the associated technology and infrastructure.

   b. Continue to use FY 2025 DRPT technical assistance grant to support creation of at least three technical memos addressing safety, operations, procurement and charging costs to support agencies in their transition to and operation of ZEBs, and ongoing NVTC ZEB Working Group meetings.

      i. Manage consultant contracts and coordinate with NVTC and jurisdictional staff regarding study-related efforts.

   c. Seek additional grant support (ex. FTA Low-No, DRPT Demonstration), as needed, to implement the actions of the Northern Virginia ZEB Strategic Plan.

   d. Provide updates to the MAC, PAC and Commission on the status of milestones in the Northern Virginia ZEB Strategic Plan. Continue to educate and engage with stakeholders about ZEB technology, including challenges and opportunities.

   e. Facilitate NVTC's Zero-Emission Bus Working Group to assist regional partners in low/zero-emission bus implementation, including coordination, technical assistance and/or procurement coordination.

   f. Attend regional meetings on low/zero-emission bus efforts, including but not limited to TPB, WMATA, PRTC, APTA, DRPT and NVTA.

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2. Regional Fare Collection and Policy Coordination

    a. Support Northern Virginia transit operators by participating in WMATA-led working groups related to Smart Trip, Tap Ride Go and fareboxes. Assist with coordination, planning, exchange of information as well as facilitation of future plans.

    b. Continue to monitor zero and reduced fare policies in the region and support, as needed, additional analysis that builds on NVTC's existing work.

3. Transit Technology Coordination

    a. Identify opportunities to share transit technology advancements and opportunities via webinars, facilitated working groups, and other venues.

    b. Provide regular updates to the MAC, PAC and Commission on technology-related topics that may affect the operation of public transit.

    c. Attend and participate in regional meetings on transit technology, including but not limited to the TPB, WMATA, DRPT and NVTA.

        i. Serve as a member of NVTA's Transportation Technology Committee.

    d. Support DMV*Moves* and other regional efforts for the coordinated procurement of transit technologies, where relevant.

D. Communications and Engagement

The NVTC Communications team develops and executes communications strategies that support and elevate the work of the Commission, NVTC programs and initiatives and improve understanding of transit's vital role in Northern Virginia and the Commonwealth. We work to:

- Translate research, data, policies and programmatic initiatives into clear, consistent stories about the value of transit and what it delivers for the region's economy and workforce and how it adds value to quality of life in Northern Virginia.
- Ensure all NVTC communications are aligned with Commission and organizational mission, goals and objectives.
- Create and share communications products, campaigns and events that meet the needs of NVTC's primary stakeholders: Commissioners, elected officials, agency partners and Northern Virginia residents who use transit.
- Support Commissioners, leadership and staff in their work as credible public voices amplifying the value of transit.

1. External Communications

    a. Serve as the point of contact for jurisdictional staff, local elected officials, the Virginia General Assembly, partner organizations, community members, the news media, interest groups and U.S. Congress for transit issues in Northern Virginia.

    b. Inform community members, partners, the news media, interest groups and local jurisdictions of Commission meetings, hearings, actions, analysis, research, reports and events.

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c. Share transit-related information from external sources – print/broadcast media, online publications and bloggers, transit agencies and state/local governments – with Commissioners, MAC, agency public information officers, transit advocacy groups and staff through NVTC communication channels.

d. Participate in Chamber of Commerce events, homeowner association meetings and jurisdictional governing body and committee meetings and identify opportunities for program staff to speak at such events.

e. Develop and distribute written and visual communications, including fact sheets, issue briefs, web content, news releases, an annual organizational report, a monthly newsletter and targeted e-mail communications that inform, educate and engage audiences on transit-related topics.

f. Provide staff experts for news media, governmental and transit advocacy organization interviews on regional transportation and transit topics and conduct media training to support leadership and staff.

2. Commission Communications

   a. Develop and distribute information and resources necessary for Commissioners to fulfill their responsibilities, including the annual member manual, NVTC website, email updates and monthly Executive Director reports.

   b. Develop and distribute testimony for Commissioners and NVTC senior leadership.

   c. Coordinate news media requests for Commissioner interviews and comment.

   d. Provide commissioners with opportunities for firsthand, up-close looks at transit facilities, systems and emerging technologies, supporting their continued leadership as transit champions (e.g. transit tours).

3. Partnerships

   a. Partner with WMATA, VRE and local transit agencies to promote transit initiatives.

   b. Participate in transit-related events with Northern Virginia's Chambers of Commerce and other business representatives.

   c. Identify and apply for grants, in partnership with local jurisdictions and transit agencies, to support multi-faceted marketing campaigns designed to increase bus and rail ridership in Northern Virginia.

   d. Leverage network of jurisdictional and agency public information officers to facilitate the sharing of information, collaborate on projects of mutual benefit and leverage mutual resources.

   e. Serve on the Virginia Transit Association's (VTA) annual awards and conference planning committees.

4. Digital Communications

   a. Continue to maximize NVTC's online presence to further the mission of the Commission.

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b. Provide regular updates to the information, data and tools on NVTC's website to maintain it as a research and information resource.

c. Leverage NVTC's social media channels to drive traffic to program pages and raise NVTC's profile and promote discussion of regional transit issues.

d. Maintain up-to-date project information on the website to inform the public and Commissioners of the latest project news.

e. Use online analytics and surveys to monitor the effectiveness of online communication and outreach efforts and compile information in quarterly metrics reports.

f. Develop content, such as videos and infographics, to enhance NVTC's reputation as the primary source of transit-related information in Northern Virginia and improve understanding of both transit and NVTC's role in the region.

5. Marketing and Education Campaigns

a. Continue to leverage paid advertising opportunities and a diverse, innovative slate of communications channels to tell the story of Northern Virginia transit and how it connects people, supports communities, powers economic growth and provides value across the region.

b. Sustain the established NoVaRides regional marketing effort, a recurring campaign that has successfully moved riders back to transit after major service changes. The 2026 campaign, running September-November, is built around the core message that transit connects riders to the people, places and happenings that matter most.

c. Identify opportunities for regional and statewide storytelling campaigns that show the value of transit by highlighting the work of local transit agencies, their riders and their workforces.

d. Use campaign content to support legislative priorities and give decision-makers a clear picture of what transit investment delivers.

6. Outreach and Events

a. Plan and implement activities and events that engage transit stakeholders and promote NVTC programs and initiatives.

b. Participate in and support the annual public meeting for Northern Virginia transportation organizations, as required by HB1285 (2018).

c. Support and coordinate Commuter Choice outreach and marketing efforts, including celebrations of the program's 10th anniversary.

d. Support and coordinate Envision Route 7 program outreach and marketing efforts.

e. Plan and promote public meetings and hearings in consultation with local jurisdictions, transportation agencies and transit providers.

f. Design and create materials, such as flyers, handouts, infographics, email blasts, display boards, PowerPoint presentations and videos.

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g. Ensure all outreach materials related to NVTC projects and initiatives adhere to consistent branding and messaging across all platforms.

h. Expand in-person outreach efforts through networking and attendance at events.

i. Work with program and administrative staff to plan, organize, host and market the annual Legislative Forum and other in-person events.

j. Work with partners to plan, promote, and host ribbon cuttings, groundbreakings, and other events recognizing transit projects in Northern Virginia.

k. Work with program and administrative staff to plan, organize, host and market 2-3 online events each year, including the NoVaTransit Talks webinar series, to highlight current transit issues and opportunities and bring together commissioners, partners and other subject matter experts for timely, informative conversations.

E. Legislative and Policy Efforts

Plan, coordinate and implement legislative and policy strategies based on sound policy analysis in coordination with legislative staff from relevant jurisdictions, agencies and partner organizations.

1. State and Federal Legislative and Policy Agenda

    a. In coordination with NVTC's Legislative and Policy Committee, create an annual Legislative and Policy Agenda that guides NVTC's legislative work each year. The agenda identifies potential policy changes that support the mission and goals of the Commission as well as transit operators in Northern Virginia and the Washington region.

    b. Develop strategies to effectively implement NVTC's annual Legislative and Policy Agenda in collaboration with NVTC jurisdictions' legislative liaisons and partners such as the Virginia Transit Association (VTA).

    c. Work with delegations in Richmond and Washington, D.C. to promote NVTC's Legislative and Policy Agenda.

    d. Plan and implement an annual joint NVTC, PRTC and VRE Legislative Forum.

    e. Support efforts to secure sustainable, long term dedicated funding for Northern Virginia transit agencies and those across the Commonwealth while continuing to demonstrate the value of transit.

2. Virginia General Assembly

    a. Prepare and support NVTC legislative and policy efforts before and during the General Assembly.

    b. Reach out to legislators to garner support for NVTC's Legislative and Policy Agenda and educate them about the benefits of public transportation, including identifying opportunities for tours of Northern Virginia transit investments.

        i. If appropriate, conduct NVTC's February meeting at the General Assembly in Richmond.

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c. Maintain membership in an online legislative monitoring service and share access with member jurisdictions.

d. Provide legislative alerts to Commissioners and local staff weekly during the General Assembly Session.

3. Commonwealth Transportation Board

   a. If requested by the Commission, prepare written statements and deliver testimony at relevant CTB hearings.

   b. Support DRPT's Transit Service Delivery Advisory Committee (TSDAC) by facilitating discussions with jurisdictional staff and relaying feedback from the transit agencies to TSDAC for discussions.

4. Transit Industry Groups and Trade Associations

   a. Participate in analysis and dialogs on local, state and national transit issues with state and national transit industry associations and other bodies.

   b. Virginia Transit Association (VTA)

      i. Contribute to VTA's state legislative strategy for the transit industry and strengthen VTA's response to Northern Virginia's concerns.

      ii. Provide technical and communications support regarding the economic benefits of transit.

      iii. Co-chair VTA events and encourage NVTC Commissioners to serve as VTA officers.

      iv. Serve as VTA's member of TSDAC, providing technical guidance on performance-based funding for transit capital and operations.

      v. Serve on VTA's awards and conference planning committees.

   c. American Public Transportation Association (APTA)

      i. Provide technical assistance and feedback to APTA on federal transit program implementation issues.

      ii. Participate in APTA technical and legislative committees to further NVTC expertise and share/learn best industry practices including but not limited to Bus Rapid Transit Committee, Legislative Steering Committee, Zero Emission Bus and Program and Policy Committee.

   d. Promote policies and funding levels that support public transit nationally ahead of the reauthorization of surface transportation programs prior to the expiration of the Infrastructure Investment and Jobs Act (IIJA).

   e. Provide technical assistance and policy analysis support to state and national boards and committees, including, but not limited to:

      i. DRPT's TSDAC

      ii. VTA Executive Committee

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iii. The General Assembly's Joint Committee on Transportation Accountability

iv. APTA Legislative Committee

v. APTA Policy and Planning Committee

vi. APTA Public Private Partnership Committee

vii. APTA Commuter Rail Committee, and

viii. Transit Cooperative Research Program (TCRP) Dissemination and Implementation of Research Findings Project Panel.

E. Commission and Committee Management

Provide staff support and execute duties to ensure the smooth running of the day-to-day operations of the Commission. In addition to the Executive Committee, NVTC has three standing committees: Program Advisory Committee (PAC), WMATA Committee and the Legislative and Policy Committee. The scope of each of these committees is articulated in NVTC's By-Laws.

1. Day to Day Commission Management

    a. Develop and distribute information and resources necessary for Commissioners to fulfill their responsibilities, including the annual member manual, NVTC website, newsletters and monthly Executive Director reports.

    b. Strategically plan Commission actions, meetings and events throughout the year using a meeting schedule, annual agenda and other planning tools.

    c. Prepare materials for monthly Commission meetings. Coordinate with external speakers to present to the Commission when appropriate.

    d. Schedule, oversee and record minutes of Commission meetings, as well as other NVTC events.

    e. Provide accurate and timely responses to Commissioners, jurisdictional staff and the public.

    f. Support NVTC's committees, through the development of agendas, meeting summaries and handouts.

    g. Ensure the issuance of per diem payments to Commissioners.

    h. Verify Commissioner compliance with state regulations regarding economic and financial disclosure statements.

    i. Conduct new Commissioner orientations.

    j. Maintain archival Commission materials and provide access to archival documentation when requested.

    k. Respond to Freedom of Information Act (FOIA) requests.

    l. Ensure NVTC is compiling with Code requirements regarding Freedom of Information Act (FOIA) and records management.

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2. NVTC Committee Support

    a. Develop and distribute committee materials, meeting logistics (in coordination with the Board Administrator) and all other responsibilities to support the needs of the committee.

    b. Coordinate with committee chairs to establish an annual work plan and provide pre-briefings for upcoming meetings.

F. NVTC Support of the Virginia Railway Express

NVTC as co-owner (with the Potomac and Rappahannock Transportation Commission) of the Virginia Railway Express (VRE), provides oversight of the railway to promote safe, reliable and financially sound performance and management.

1. VRE Operations Board Support

    a. Facilitate the annual appointment of NVTC's principal and alternate members of the VRE Operations Board.

    b. Provide staff support in coordination with jurisdictional staff, when necessary, to NVTC-appointed VRE Board members.

    c. Participate in VRE's Coordinating Committee (VCC) and Chief Administrative Officer's Task Force and attend VRE Operations Board meetings.

    d. Represent NVTC at VRE Operations Board Meetings through attendance of the Executive Director or her designee.

2. Budget and Financial Management

    a. Facilitate NVTC's approval of VRE's annual operating and capital budgets, including the prioritization of the Commuter Rail Operation and Capital (CROC) Fund. Participate and provide technical support at budget review sessions.

    b. Apply for and receive state assistance through DRPT on behalf of VRE.

    c. Review and monitor DRPT calculations of the VRE capital and operating assistance carveout from the Mass Transit Fund.

    d. Assist VRE planning staff on planning studies, federal funding programs and other technical items.

3. Technical and Communications Support

    a. Amplify and actively share VRE public communications through NVTC social media.

    b. Serve on technical and legislative advisory committees (as requested).

    c. Review Operations Board materials for consistency with the Master Agreement and approved budgets. Maintain close communications with PRTC and VRE staff to coordinate the writing and presentation of VRE information and action items to the two Commissions.

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G. Regional Coordination and Collaboration

Serving as the regional forum to coordinate and advance transit, NVTC engages with partners and stakeholders on shared priorities and provides a regional perspective to transit. Through participation in regionally focused technical, program or study committees, NVTC coordinates and aligns regional efforts and ensures its programs and initiatives complement and does not duplicate other regional analysis.

The NVTC Management and Advisory Committee (MAC) consists of transportation staff and financial officials of its member jurisdictions. The committee meets monthly to discuss regional transit issues, consider technical questions pertaining to NVTC's administration of transit aid funds, and review items for future NVTC Commission meetings.

NVTC participates in a variety of coordination committees including, but not limited to:

1. Metropolitan Washington Council of Governments
    a. Transportation Planning Board
        i. TPB Technical Committee
        ii. Regional Public Transportation Subcommittee
2. Potomac and Rappahannock Transportation Commission
3. Northern Virginia Transportation Authority
    a. Regional Jurisdiction and Agency Coordinating Committee (RJACC)
    b. Transportation Technology Committee
4. Virginia Department of Rail and Public Transportation
5. Virginia Department of Transportation
6. Virginia Railway Express
7. Washington Metropolitan Area Transit Authority
8. DMVMoves Working Groups
    a. Coordination Group
    b. Bus Network Working Group
    c. Guidelines and Performance Working Group
    d. Bus Stops and Customer Information Working Group
    e. Joint Transit Procurement Committee
    f. Training Working Group

H. Internal Operations

Strengthen NVTC as an organization through improvements of internal policies to ensure a rewarding and equitable work environment.

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1. Human Resources and Administration

    a. Develop the annual NVTC General and Administrative (G&A) budget, in coordination with jurisdictional staff, for consideration by the Commission.

    b. Identify positions with retirement potential and develop succession plans to ensure smooth transition.

    c. Leverage human resources support assistance to enhance human resources functions.

    d. Administer NVTC Transit Fellows Program to attract talent to supplement NVTC staff on specific projects.

    e. Refine and implement a professional development plan for staff, including offering appropriate training.

    f. Continue to refine the staff earning structure and align job descriptions and benefits, such as health and retirement, with NVTC's jurisdictions.

    g. Administer a performance management system that aligns individuals with organizational performance in a meaningful and transparent manner.

    h. Manage employee benefit programs, including retirement plan, 457 plan, group health insurance, group life insurance, disability insurance, flex benefit plan, bike share and Zipcar.

2. Procurement

    a. Administer a competitive procurement process, which includes, but is not limited to, the following:

        i. Develop Requests for Proposals (RFP) indicating the services that will be procured, the factors that will be used to evaluate proposals, and the applicable contractual terms and conditions.

        ii. Distribute the RFP to the NVTC website, the Commonwealth's eVA portal, and other public platforms to maximize public interest and participation.

        iii. Host a Pre-proposal Meeting, if needed, to allow potential Offerors an opportunity to ask questions and receive answers about the solicitation.

        iv. Conduct an initial administrative review of the proposals received to ensure that they are timely and responsive to the requirements set forth in the RFP.

        v. Oversee and protect the integrity of the formal evaluation of proposals by ensuring that the evaluation team renders impartial, technically sound, and objective advice throughout the selection process.

        vi. Prepare the final binding contractual documents and present the award to the selected firm.

    b. Ensure strict compliance with the Virginia Public Procurement Act and federal laws throughout the procurement process.

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c. Implement and maintain internal procurement policies and procedures and ensure staff are adequately trained in procurement requirements, contract administration and project management.

d. Conduct public outreach to engage and inform small and disadvantaged businesses about current and upcoming contract opportunities at NVTC.

3. Telework and Office Space

   a. Provide technical support to staff to enable telework and other remote work activities.

   b. Resolve issues related to the office space (lease, maintenance, facilities, etc.).

4. Information Technology

   a. Provide ongoing strategy, operation, maintenance and enhancement of computer, communication and information systems as an essential support function to accomplish NVTC's objectives.

   b. Acquire, implement and maintain new information technology systems, software and services to support business operations and programs.

   c. Develop and distribute IT training and user guides for staff.

   d. Manage third-party support contracts to ensure security of NVTC's systems, assistance in following industry best practices, and additional user support.

   e. Maintain updated policies and guidance related to use of AI.

   f. Ensure digital media complies with new federal and state web accessibility requirements.

5. Procedures Manual

   a. Implement, maintain and regularly update procedures manual for on-boarding new staff of procedures for office (Style Guide, safety procedures, templates, contacts, etc.).

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Attachment #3C

CEO REPORT

NOVEMBER 2026



MISSION

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, reliable, convenient, and customer responsive commuter-oriented rail passenger service. VRE contributes to the economic vitality of its member jurisdictions as an integral part of a balanced, intermodal regional transportation system.



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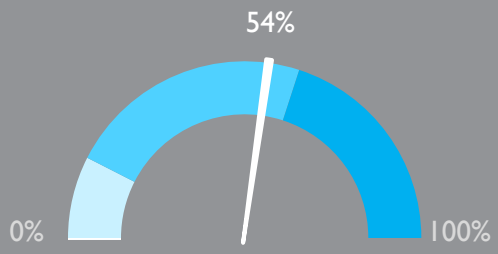
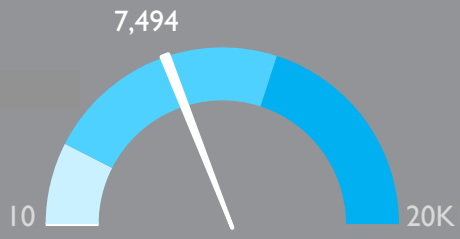
PERFORMANCE AT A GLANCE



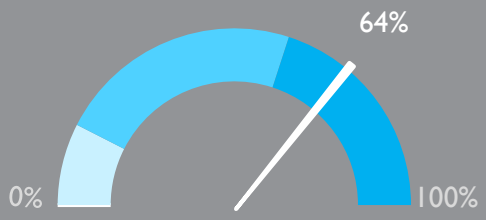
PARKING UTILIZATION

The total number of parking spaces used in the VRE system during the month, divided by the total number of parking spaces available.



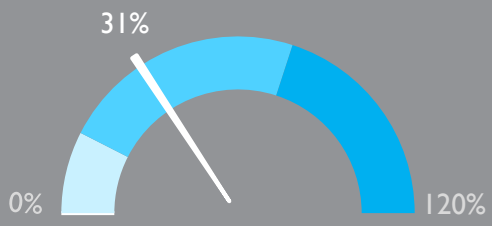
AVERAGE DAILY RIDERSHIP

The average number of boardings each operating day inclusive of Amtrak Step-Up boardings and reduced, "S" schedule, service.
Same month, previous year: 7,236



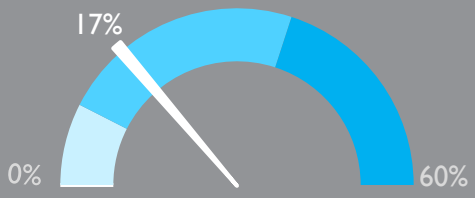
ON-TIME PERFORMANCE

Percent of trains arriving at their destination within 5 minutes of the schedule.
Same month, previous year: 88%



SYSTEM CAPACITY

The percentage of peak hour train seats occupied. The calculation excludes reverse flow and non-peak hour trains.



OPERATING RATIO

Through September 2026

Year-to-date operating revenues divided by year-to-date operating expenses, which represents the share of operating costs paid by the riders.

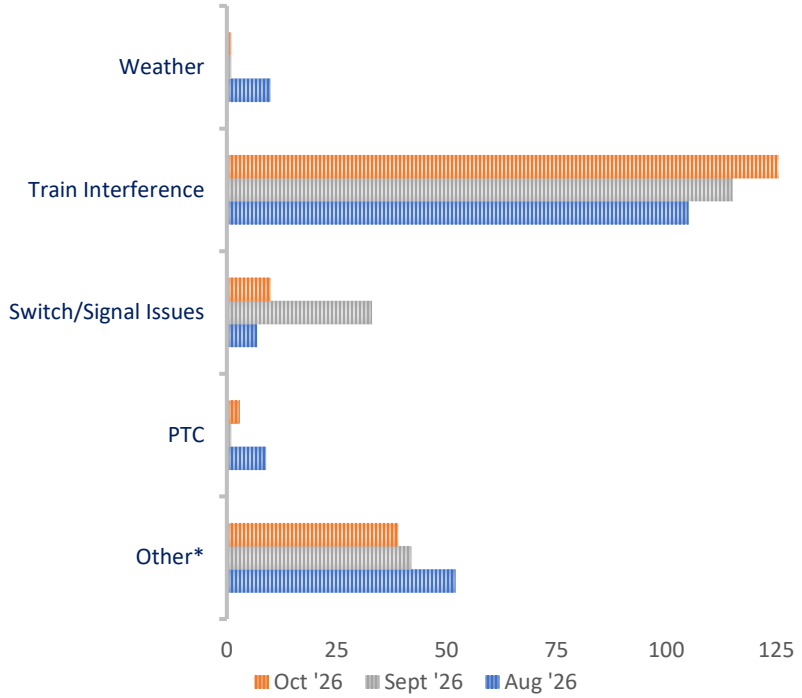
OCT 2026

ON-TIME PERFORMANCE

OUR RECORD

	Oct. 2026	Sept. 2026	Oct. 2025
Manassas Line	62%	67%	88%
Fredericksburg Line	64%	75%	89%
Systemwide	63%	71%	88%

PRIMARY REASON FOR DELAY



*Includes trains that were delayed due to operational testing and passenger handling.

VRE operated six hundred and two trains in the month of October. The on-time rate for the month was 63 percent.

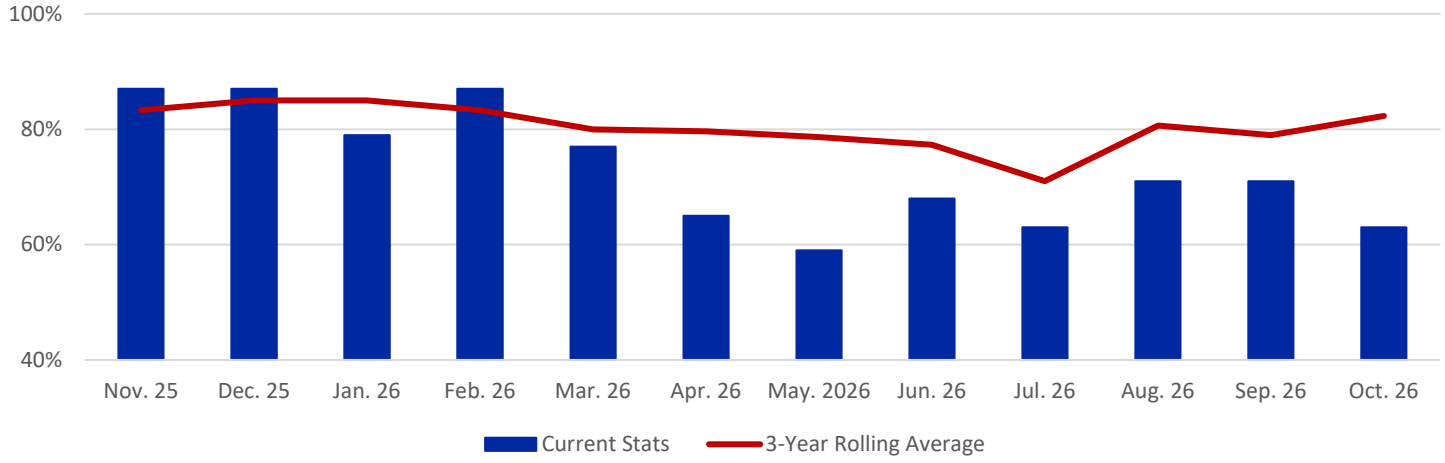
Two hundred and twenty-three trains arrived more than 5 minutes late to their final destinations. Of those late trains, 112 were on the Manassas Line (50 percent), and111 were on the Fredericksburg Line (50 percent). The average delay was 15 minutes. 19 trains were more than 30 minutes late to their destination station.

LATE TRAINS

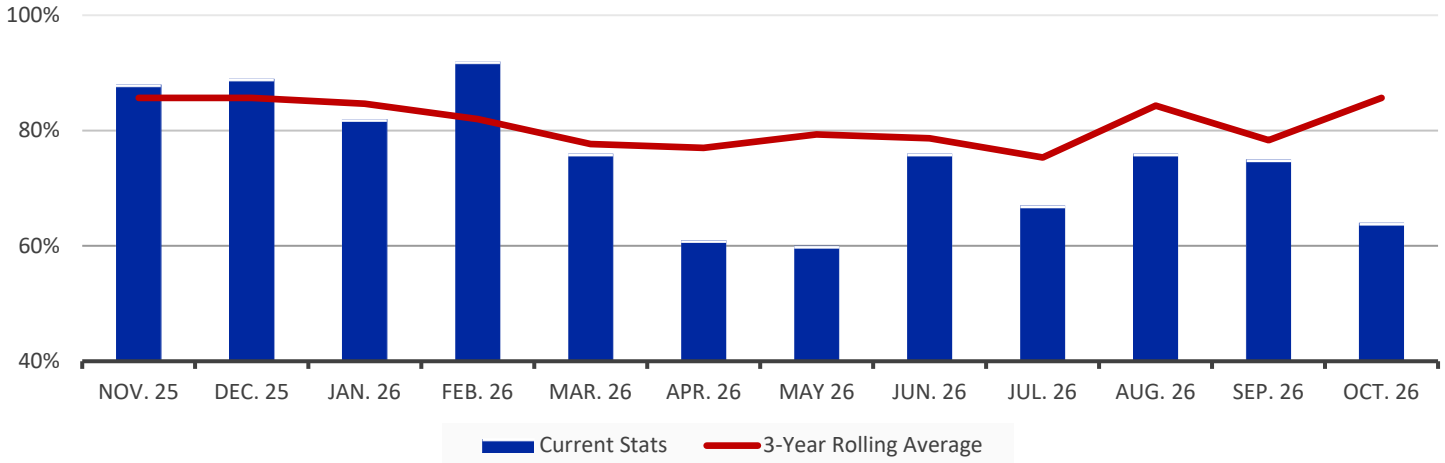
	System Wide			Fredericksburg Line			Manassas Line		
	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.
Total late trains	186	185	223	77	82	111	109	103	112
Average minutes late	16	18	15	14	17	15	19	19	16
Number over 30 minutes	19	23	18	4	9	5	15	14	13
Heat restrictions	3	4	0	0	4	0	3	0	0

ON-TIME PERFORMANCE

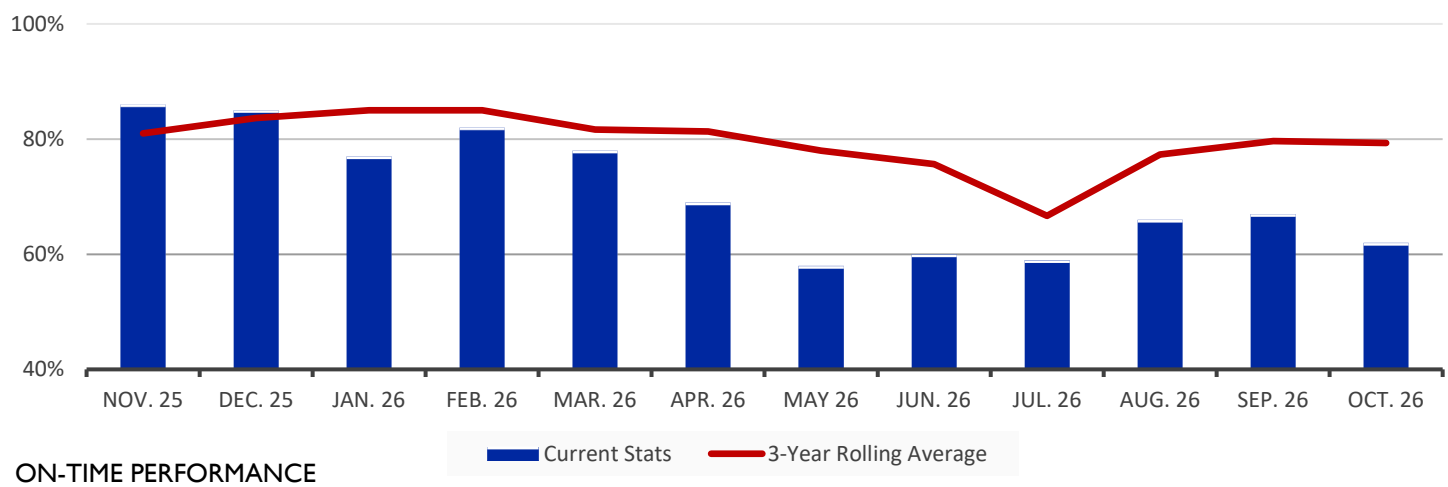
VRE SYSTEM



FREDERICKSBURG LINE

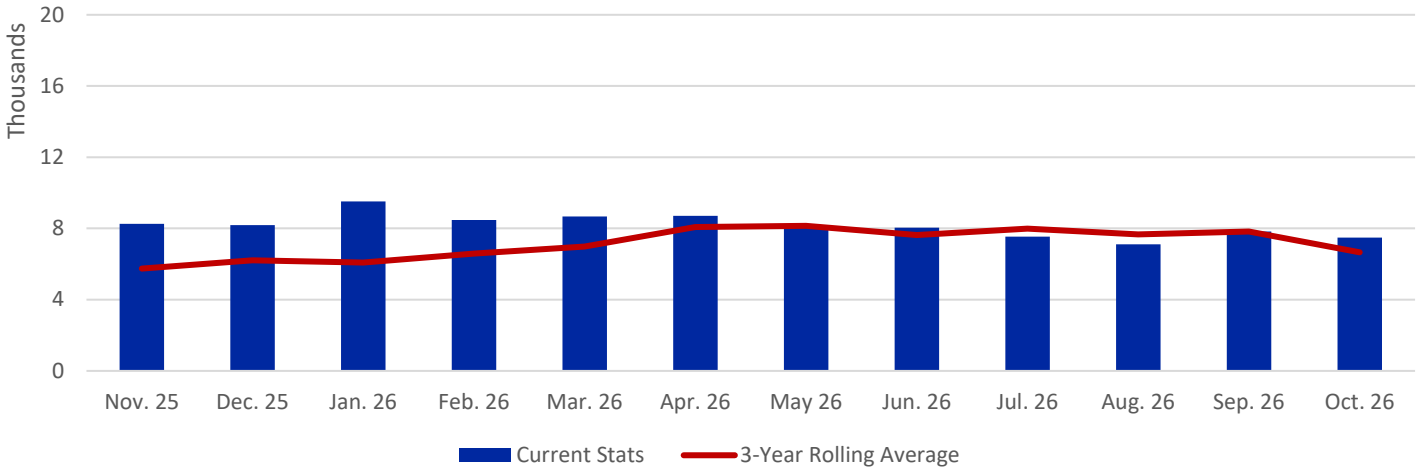


MANASSAS LINE

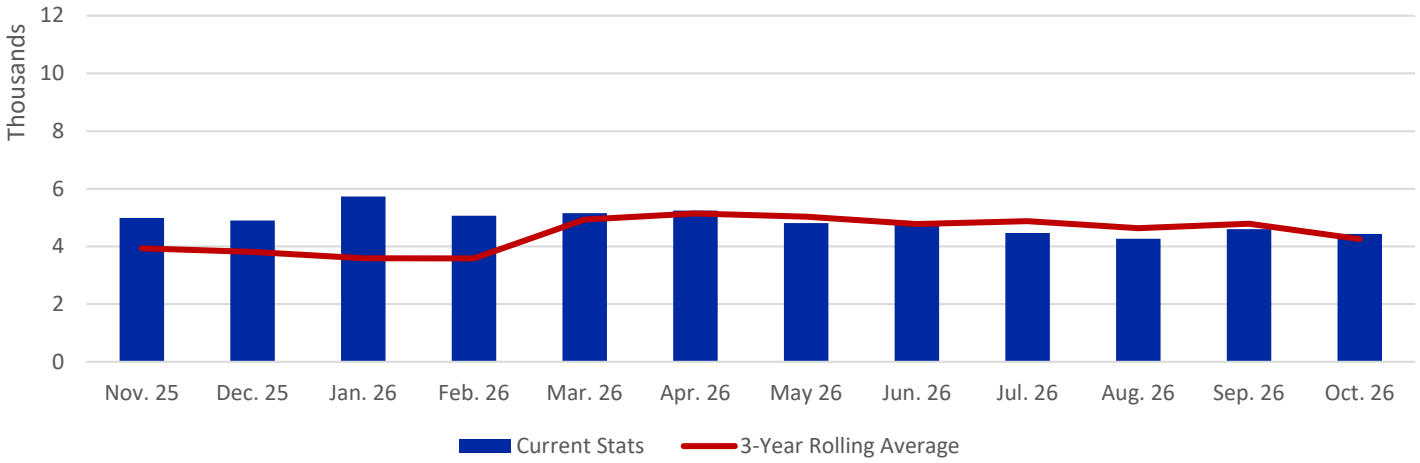


AVERAGE DAILY RIDERSHIP

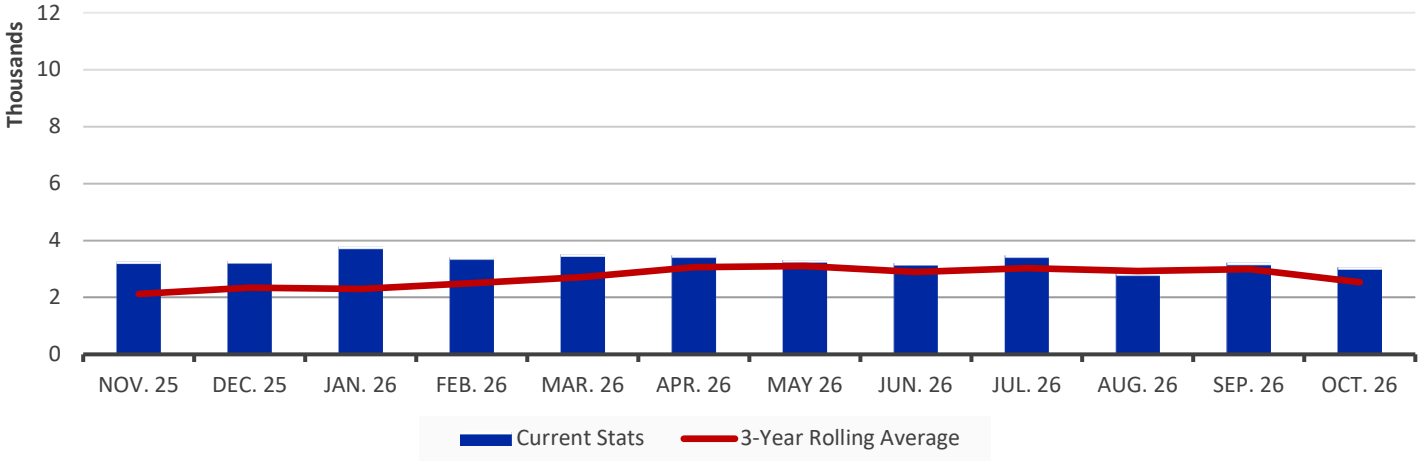
VRE SYSTEM



FREDERICKSBURG LINE



MANASSAS LINE

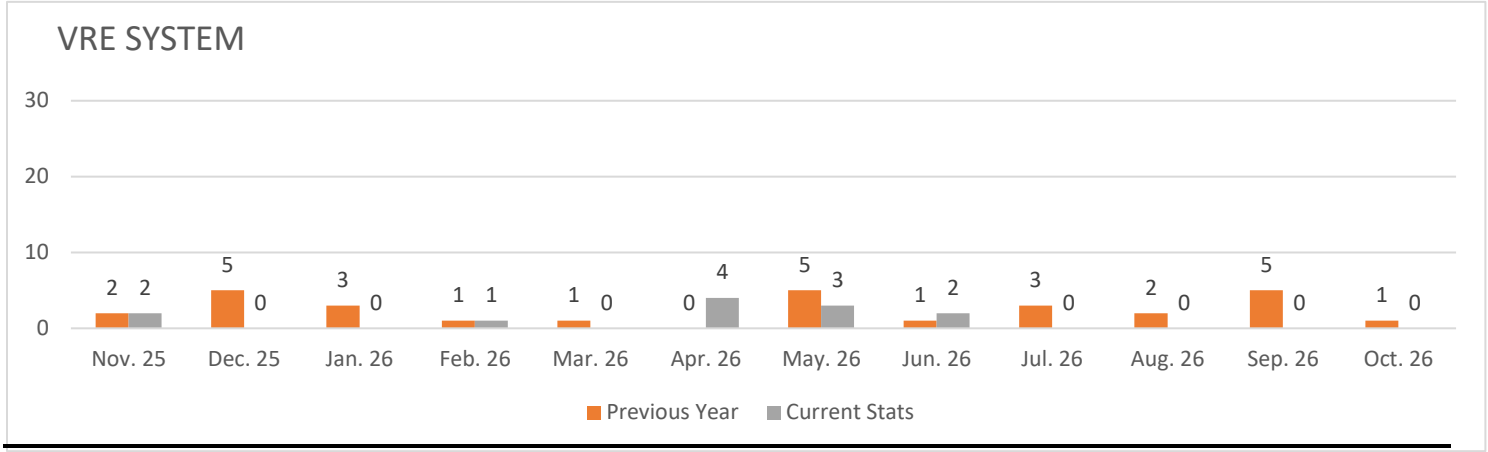


RIDERSHIP UPDATES

Average daily ridership for the month was 7,473
There were 21 service days.

	Oct. 2026	Sept. 2026	Oct. 2025
Monthly Ridership	156,937	164,324	159,390
Average Daily Ridership	7,473	7,825	7,245
Bicycles on Trains	1,663	1,605	1,497
Full-Service Days	21	21	21
"S" Service Days	6	0	0

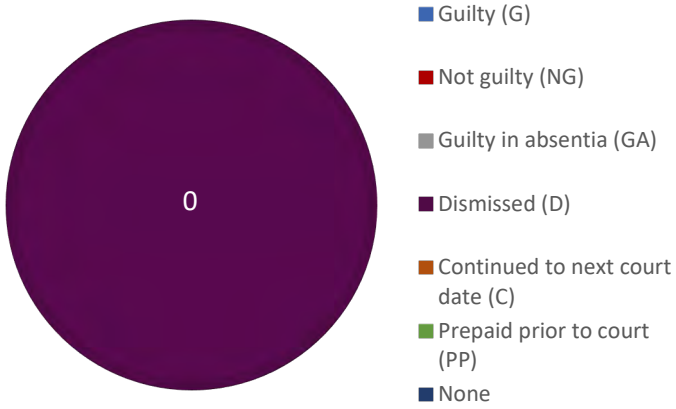
SUMMONSES ISSUED



SUMMONSES WAIVED OUTSIDE OF COURT

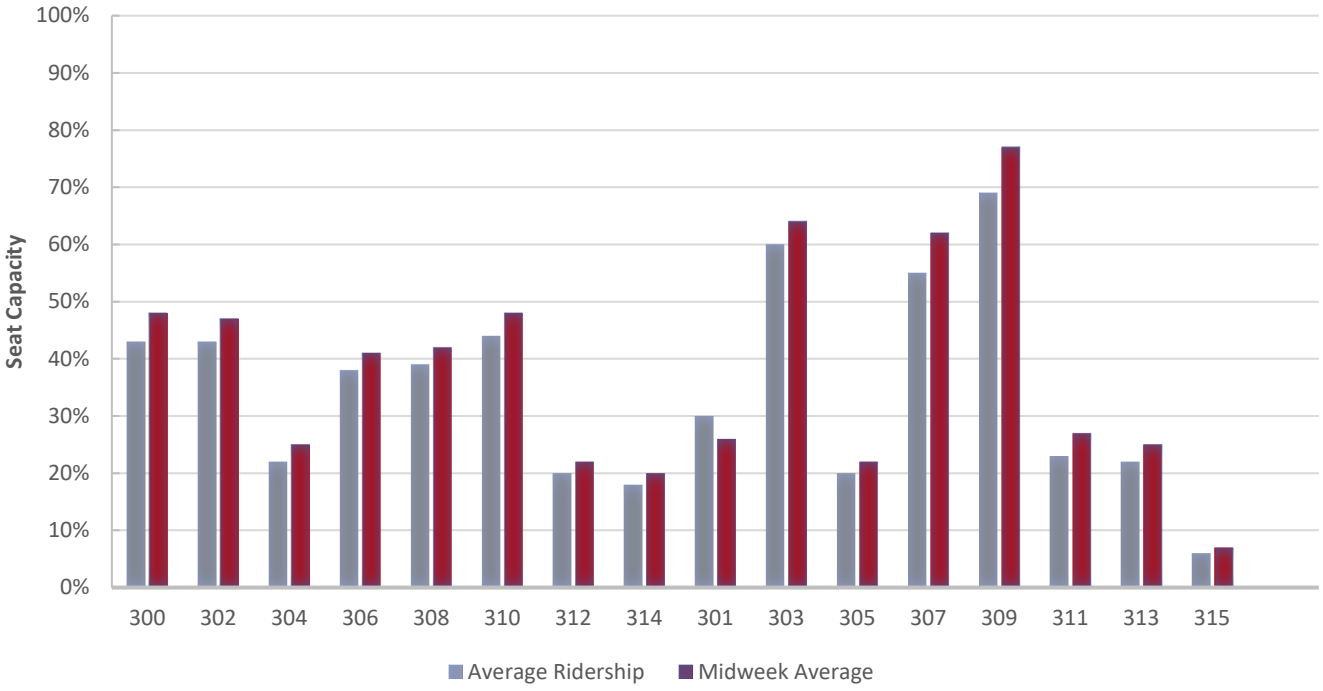
Reason for Waiver	Occurrences
Passenger showed proof of a monthly ticket	0
One-time courtesy	0
Per the request of the conductor	0
Defective ticket	0
Per ops manager	0
Unique circumstances	0
Insufficient information	0
Lost and found ticket	0
Other	0
Total Waived	0

MONTHLY SUMMONSES COURT ACTION



TRAIN UTILIZATION

FREDERICKSBURG LINE



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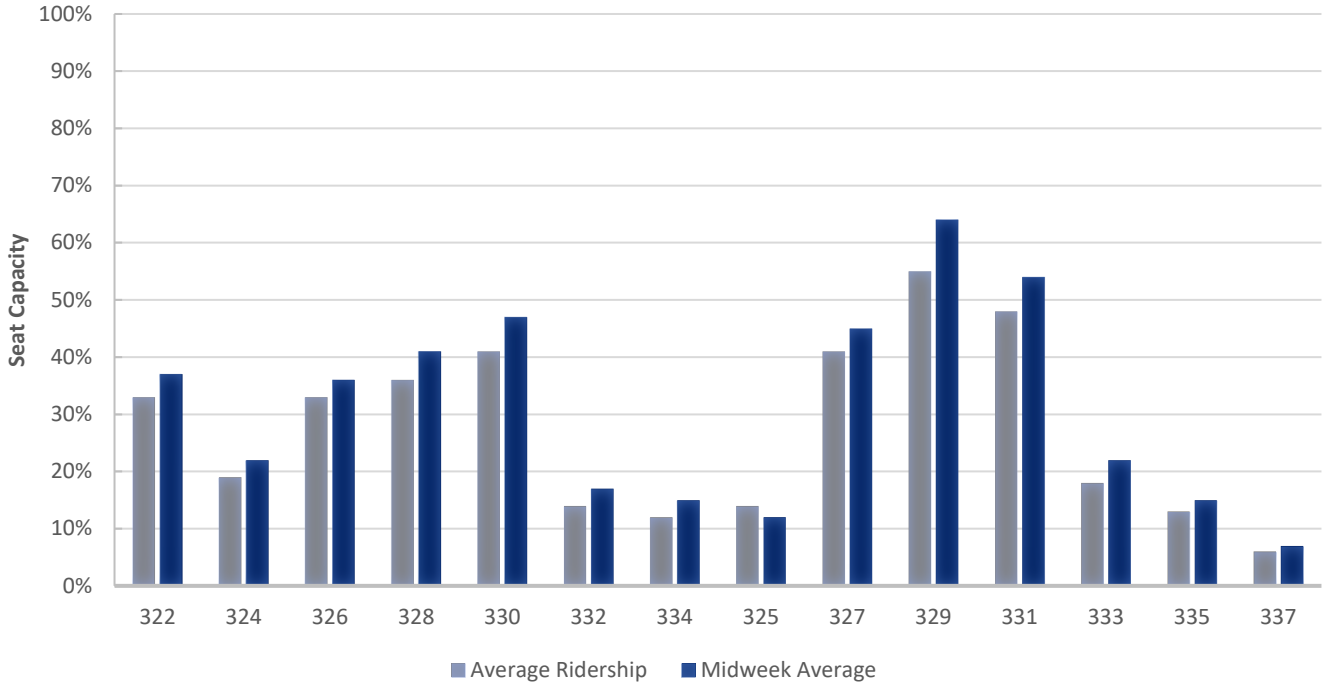
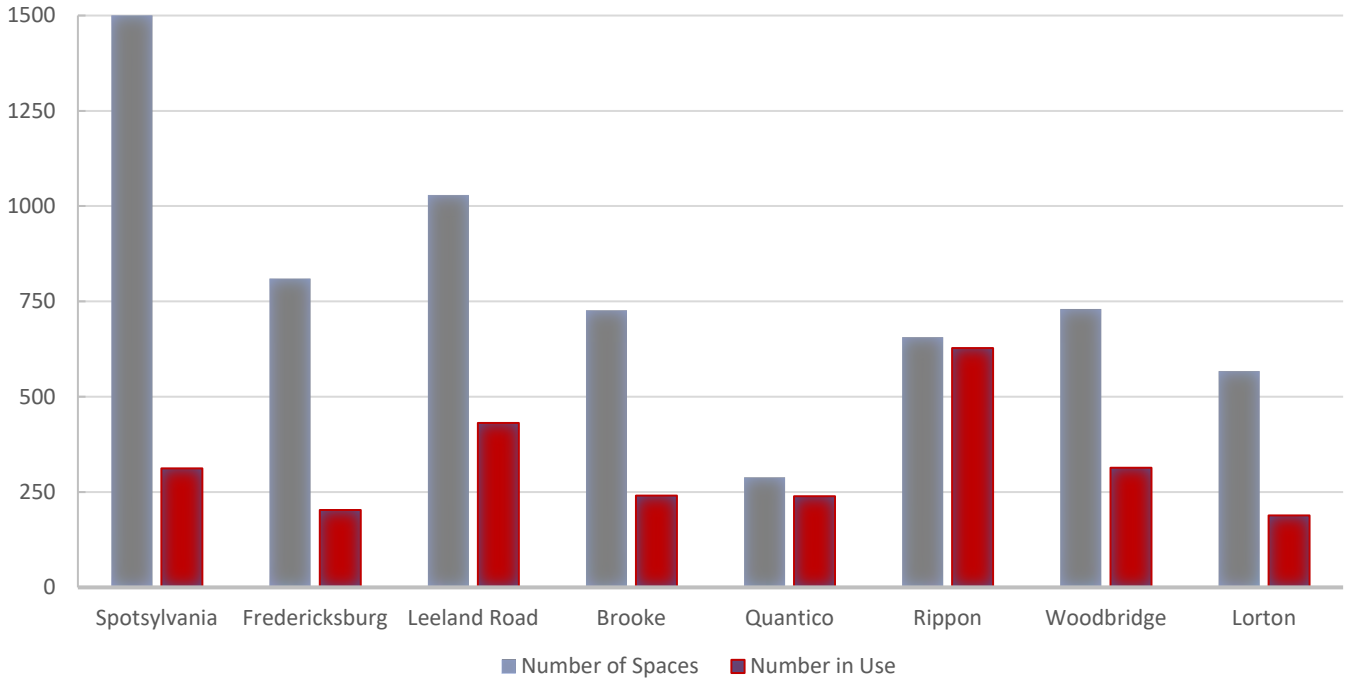
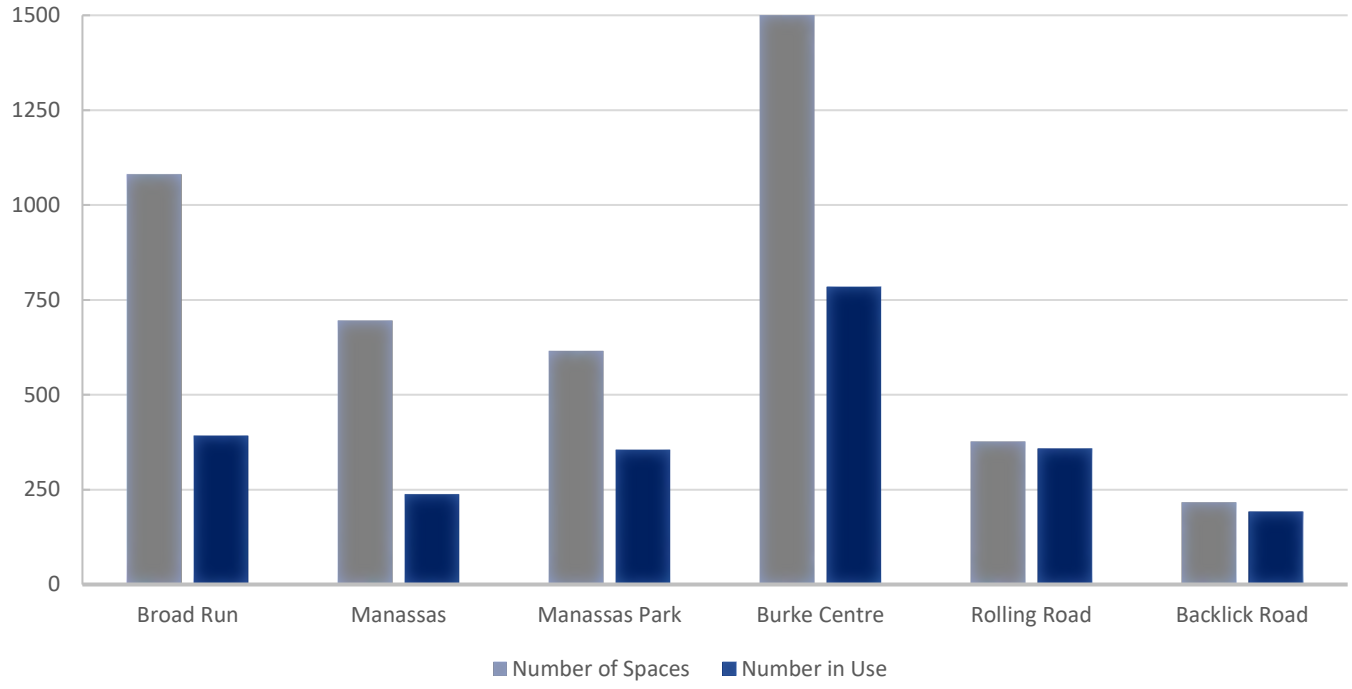


PARKING UTILIZATION

FREDERICKSBURG LINE



MANASSAS LINE



FACILITIES UPDATE

The following is a status update of VRE facilities projects.

Completed projects:

1. Repairs to parking lot drainage erosion at Rippon station
2. Painting of Brooke station
3. Repairs to platform lighting at multiple stations

Projects scheduled to be completed this quarter:

1. Repairs to main entrance drainage at Lorton station
2. Repairs to pedestrian bridge at Rippon station
3. Restriping of Manassas station parking garage
4. Replacement of fire alarm panel at Manassas station parking garage
5. Repairs to platform concrete at multiple stations

Projects scheduled to be initiated this quarter:

1. Rehabilitation of various elements of Rippon station
2. Replacement of signage at Burke Centre station
3. Repairs to steel guardrails and handrails at Manassas station
4. Replacement of various signage at Manassas station parking garage
5. Rehabilitation of various elements at stations
6. Installation of solar lighting fixtures and poles at Seminary Yard

Ongoing projects:

1. Construction of temporary platforms at Crystal City station
2. Modernization of elevator at Woodbridge station parking garage
3. Installation of parking count loop systems at multiple stations
4. Replacement of emergency generator at Alexandria Headquarters

UPCOMING PROCUREMENTS

- Construction management oversight for the L'Enfant Station and 4th Track Project
- Construction of the Broad Run Expansion Project
- Design of the Broad Run Lead Track
- Final design services for Phase 2 of the Seminary Maintenance and Storage Facility
- Lease of locomotives
- Locomotive exterior painting services
- New locomotive windshields
- New passenger information displays
- Rehabilitation of locomotive truck assemblies
- Repair and overhaul of rolling stock air brake equipment
- Safety and security consulting services
- Station power system hardware replacement
- TRIP client computers
- Wireless access points

CAPITAL PROJECTS UPDATE (*MAINTENANCE & STORAGE*)

Project Name	Project Description	tl	Budget	Monthly Project Notes
Broad Run Maintenance and Storage Facility (MSF) Expansion	Expansion of the MSF will support increased Manassas Line service. Enhancements will include new storage tracks for additional rolling stock and reconstruction of the station platform and crew buildings.	Final Design	$ 100,133,891.00	The project team has begun reviewing shop drawings for the rail turnouts included in the advanced procurement package. We also continue to work through property acquisitions with the City of Manassas and Prince William County. Once the acquisitions are complete, we will be able to obtain permits and move forward with construction procurement.
VRE Broad Run Lead Track		Development	$ 68,836,343.00	VRE has identified general limits of a proposed 2.9 mile extension to the Broad Run MSF lead track and is currently seeking funding for design and construction.
Crossroads Maintenance and Storage Facility (MSF) - AEW & Employee Parking	Permanent parking facility will replace gravel lot and support a future Administrative and Employee Welfare building.	Final Design	$ 7,396,500.00	The revised plan set was submitted to Spotsylvania County for review. The project team anticipates receiving final review comments by the end of October.
Seminary Yard Midday Storage Replacement Facility	New facility at former Norfolk Southern yard in Alexandria will replace VRE's current midday storage at Amtrak's Coach Yard in Washington, D.C. Amtrak requires more space in the Coach Yard to store its intercity trains. The new storage facility on the Manassas Line will provide increased flexibility for VRE.	Development	$ 75,899,512.00	The Phase 1B track maintenance work is currently underway and is expected to be completed later this month. We are also wrapping up the conceptual design phase, with final deliverables anticipated within the coming weeks.

CAPITAL PROJECTS UPDATE (*PARKING*)

Project Name	Project Description	Current Phase	Budget	Monthly Project Notes
Manassas Park Parking Expansion	New garage will nearly double the 600 spaces currently available in the existing surface lot. A pedestrian bridge will provide grade-separated access to the existing platform and lot. The VRE station and garage are an integral part of Manassas Park's proposed transit-accessible high-density mixed-use town center.	Construction	$ 35,262,764.00	Awaiting handrail from galvanizer. Anticipated later this month. Following install project to be closed out.

CAPITAL PROJECTS UPDATE (*ROLLING STOCK*)

Project Name	Project Description	Current Phase	Budget	Monthly Project Notes
Fleet Expansion Coaches-21 Railcars	Eleven new coaches will expand capacity on the Fredericksburg Line while 10 coaches will facilitate near-term Manassas Line capacity expansion. The coaches will be manufactured by Alstom through a joint procurement with Chicago Metra.	Final Design	$ 84,624,563.00	Final Designs drawing packages are being reviewed. Customer First Article Inspections are taking place. Construction of first Chicago Metra Cars has started in Hornell NY.

CAPITAL PROJECTS UPDATE (*STATIONS*)

Project Name	Project Description	Current Phase	Budget	Monthly Project Notes
Alexandria Station Improvements	ADA-compliant, grade-separated pedestrian tunnel and elevator will connect the two platforms, which will be extended to accommodate eight-car trains simultaneously on three tracks. Raised platforms will eliminate the need for step-boxes. Rail bridges over King St. and Commonwealth Ave. will be replaced to improve safety.	Construction	$ 141,308,118.00	Excavation and installation of helical piles beneath the jump spans, creating the space for construction of the new abutments, while limiting impacts to vehicular, rail and pedestrian traffic is nearly complete. Pre-production test micropiles are to begin installation next week. The southern portion of the platform along Track 3 is prepping for concrete placement later this month.

Backlick Road Station Improvements	A 270-foot platform extension will accommodate eight-car trains. Other enhancements include a second ADA-compliant entrance, upgraded lighting and communication systems, and rehabilitation of the existing platform and canopy.	Development	$ 8,621,823.00	Review of the draft 30% plans was completed on September 4, 2026. HDR will advance the design to 60% based on comments received from the Facilities Design Working Group, VPRA, and stakeholders. The extent and timing of Norfolk Southern's design review remain pending and is being coordinated with VPRA.
Crystal City Station Improvements	An island platform at this expanded and relocated station will allow for the simultaneous boarding of two eight-car trains and accommodate VPRA's planned fourth track between AF and RO interlockings. This two-phased project is being coordinated with Arlington County's planned intermodal bridge from the station to Ronald Reagan Washington National Airport and VPRA's Long Bridge Project.	Final Design	$ 89,582,919.00	Draft IFB package has been received from design team. Progress continues with the County site plan process. Civil Engineering Plan process for the south entrance remains underway, pending completion of the site plan. County Civil Engineering Plan package for north entrance has been approved. License to use adjacent property for contractor laydown space has been secured.
Franconia-Springfield Station Improvements	Both existing platforms will be extended to accommodate eight-car trains and the east platform will be widened. A pedestrian ramp and tunnel entrance to the east platform will provide access during VPRA's Franconia to Lorton Third Track project.	Final Design	$ 32,247,202.00	VRE is continuing coordination with VPRA to advance permitting. The project team is addressing additional design and coordination items while progressing toward completion of the final IFB drawings.
Leeland Road Station Improvements	A platform extension will accommodate eight-car trains. Other enhancements include a new canopy, ADA-compliant entrance, and shared-use path.	Development	$ 12,065,300.00	CSX's proposed design review agreement and associated force account estimate are being reviewed.

CAPITAL PROJECTS UPDATE (*STATIONS*)

Project Name	Project Description	Current Phase	Budget	Monthly Project Notes
L'Enfant Station and Fourth Track	The expanded station will allow for the simultaneous boarding of two eight-car trains. An additional mainline track between the VA and LE interlockings will be coordinated with VPRA's Long Bridge Project.	Development	$ 131,800,302.00	The final 65% design plan set for the LEF Project has been completed and distributed to all project stakeholders for review. Stakeholder reviews are expected to be completed by October 2, 2026.
Manassas Station Improvements	An extended platform will accommodate eight-car trains and enhance pedestrian access to the station. The continuous platform will replace the at-grade crossing at Battle St., improving safety. A new 300-foot platform with a canopy will be constructed west of the station. The project will be coordinated with the Manassas Line crossover feasibility study to inform future bi-directional service to the platforms.	Development	$ 9,124,597.00	Survey and geotechnical investigations were completed in May. Draft 30% design and cost estimate development are underway, with an over-the-shoulder review scheduled for mid-August 2026.
Quantico Station Improvements	This project will construct a new center platform as well rehabilitate and lengthen the existing platform. Station access will be provided by a new pedestrian bridge over the existing tracks and the future third track. The construction of the new third track and corresponding signals will also be facilitated through the project limits.	Closeout	$ 27,009,714.00	Final Punchlist Items being resolved. Final Change Orders being finalized and processed. Final As-Built Survey for Final Real Estate Actions being accomplished. MCBQ completing Traffic Signal/RR Signal Preemption Install and Connection. CSX to complete Quad Gate install at RR Crossing upon signal completion. Project closeout anticipated 3rd quarter calendar 2025.
Woodbridge Station Improvements	Extended platforms will accommodate eight-car trains. The project will enhance pedestrian access and support the addition of a third and fourth mainline track as proposed by the commonwealth's Transforming Rail in Virginia program.	Development	$ 3,281,261.00	Task Order proposal requested from VRE General Planning Consultant (GPC) to initiate project development and engineering investigations. FTA FFY25 grant (CMAQ) awarded. VPRA funding agreement for non-federal state match is pending.

For more information about VRE capital projects, visit https://www.vre.org/projects-and-studies/

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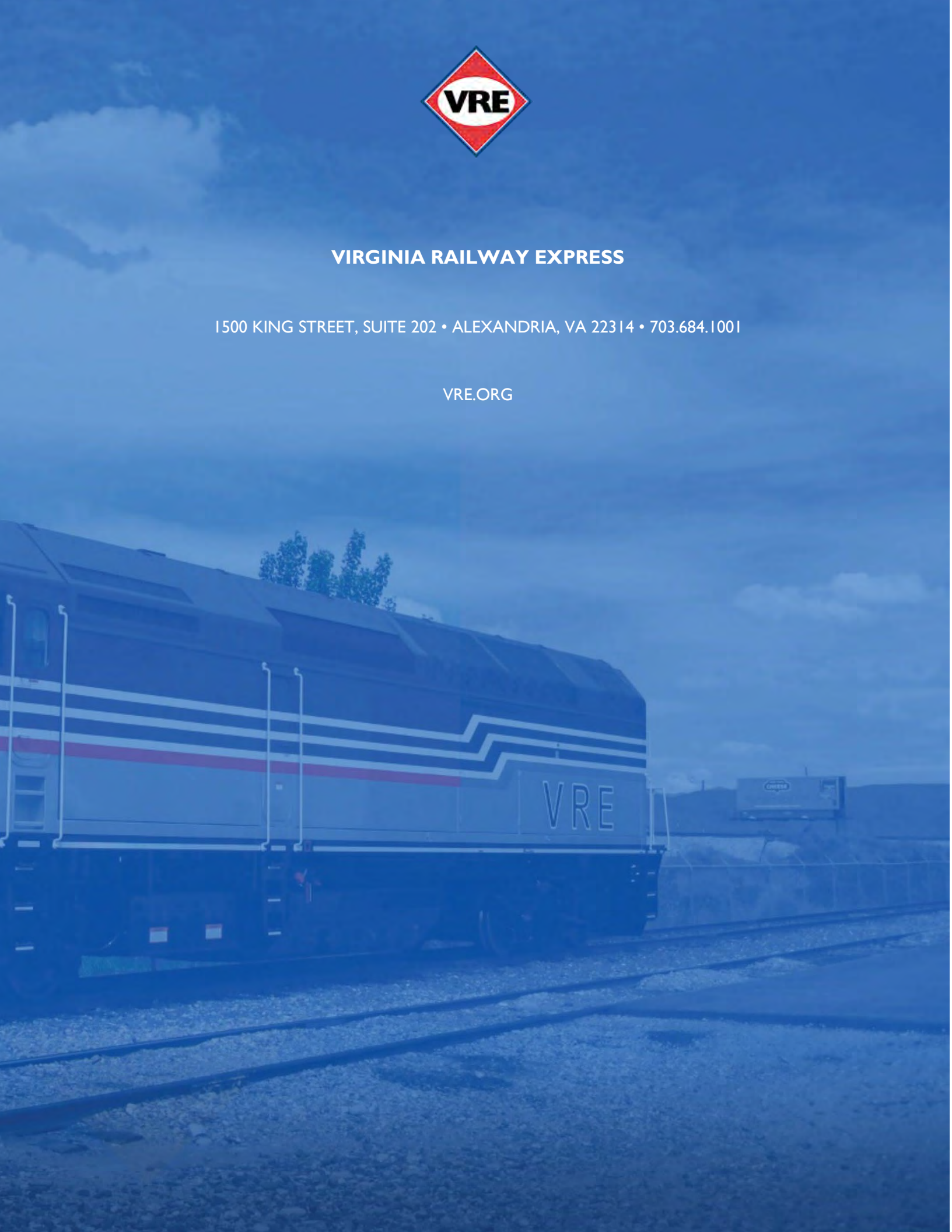

VIRGINIA RAILWAY EXPRESS

1500 KING STREET, SUITE 202 • ALEXANDRIA, VA 22314 • 703.684.1001

VRE.ORG

Virginia Railway Express

MINUTES Operations Board Meeting

11:00 AM - Friday, November 20, 2026

1800 Diagonal Road, Suite 300, Alexandria, VA 22314

The Operations Board Meeting of the Virginia Railway Express was called to order on Friday, November 20, 2026, at 11:25 AM, at VPRA's Alexandria office, located at 1800 Diagonal Road, Suite 300, Alexandria, VA 22314, with the following members present:

PRESENT:	Immediate Past Chair Sarah Bagley, Chair Andrea Bailey, Secretary Lori Hayes, Board Member George T. Stewart, Vice Chair Daniel G. Storck, Member Dr. Pamela Yeung, Board Member Mariia Zimmerman, Alternate Victor Angry, Alternate Maureen Coffey, Alternate Will Mackintosh, Alternate Michael McLaughlin[1] and Alternate Darryl Moore
EXCUSED:	Board Member Rachna Sizemore Heizer, Treasurer Jannan Holmes, Board Member Tom Gordy, Board Member Takis Karantonis, Board Member Alanna Mensing, and Alternate Ralph Smith
STAFF/VISITORS	VRE Staff: Mubashir Ahmed, Niomi Barton, Alexander Buchanan, Katie Choe, Katrina Corkadel, MinhChau Corr, Mark DeGrush, John Duque, Anaya Farah, Kevin Goldman, Sarah Higgins, Lezlie Lamb, Lindsey Martin, Kristin Nutter, Dallas Richards, Nick Ruiz, Mark Schofield, Dagmawie Shikurye, Brittany Sumpter, Joseph Swartz, Terrance Young Others: Dwight Buracker, Matt Jett, VPRA; Karen Mills, PWC; PBMares; Kate Mattice, NVTC; Mark Schnaufer, VPRA; Bob Schneider, PRTC

1. Pledge of Allegiance

2. Roll Call

3. Safety Moment

4. Approval of Agenda

A. Motion to Approve the Agenda

1-2026

Immediate Past Chair Sarah Bagley made a motion to approve the agenda. Board Member George T. Stewart seconded the motion. Carried unanimously.

5. Approval of Previous Minutes

A. Motion to Approve the Minutes from the October 16, 2026 VRE Operations Board Meeting

[1] Non-voting attendee

2-2026
Immediate Past Chair Sarah Bagley made a motion to approve the minutes of the October 16, 2026 VRE Operations Board meeting. Board Member George T. Stewart seconded the motion. Carried 7-0. Alternates Angry, Coffey, Mackintosh, and Moore abstained.

6. Chair's Comments

- Thanked everyone who attended the ribbon-cutting and renaming ceremony for Independence Yard
- Thanked VPRA for hosting the Operations Board meeting with a special thank you to Matt Jett for making sure all went smoothly.
- Welcomed Board Alternates Victor Angry, Maureen Coffey, Will Mackintosh, and Darryl Moore and thanked them for participating.

7. Chief Executive Officer's Report

VRE CEO Katie Choe covered the following in her report:

- Recognized and thanked VRE staff and Keolis staff for all the efforts they put in to make the ribbon-cutting for the new yard a success.
- Reviewed Amtrak’s "Pause for Progress" in late October, during which VRE did not service Union Station.
- "Pause for Progress" impacted VRE's October ridership and OTP during that track closure.
- Introduced new VRE staff members Artarrius (A.J.) Stepter and Terrance Young
- Reviewed the Full-scale safety drill conducted by VRE at the Spotsylvania station.
- Reviewed VRE’s participation at the Commuter Rail Coalition (CRC)
- Announced VRE will participate in Fredericksburg’s Christmas Parade
- Santa Trains on December 12th. Tickets will go on sale (online only) on November 30th.

8. Virginia Railway Express Riders' and Public Comment

9. Action Items

A. Acceptance of the Fiscal Year 2026 Audited Financial Statements and Auditor's Report and Authorization to Forward to the Commissions

3-2026
Immediate Past Chair Sarah Bagley made a motion to accept the Fiscal Year 2026 Audited Financial Statements and Auditor's Report and authorize to forward to the Commissions. Member Dr. Pamela Yeung seconded the motion. Carried unanimously.

B. Proposed January 4, 2027 Service Changes

4-2026
Secretary Lori Hayes made a motion to authorize the Chief Administrative Officer to implement a service reduction of one round-trip train on the Fredericksburg Line and two

round-trip trains on the Manassas Line beginning on January 4, 2027. Immediate Past Chair Sarah Bagley seconded the motion. Carried unanimously.

C. Authorization to Issue a Request for Proposals for Engineering Services for the VRE Broad Run Lead Track Project

5-2026
Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

D. Authorization to Issue an Invitation for Bids for Construction of the Crossroads Administrative and Employee Welfare Building and Parking Lot Project

6-2026
Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

E. Authorization to Issue a GPEC Task Order for Construction Management Services for the Crossroads Administrative and Employee Welfare Building and Parking Lot Project

7-2026
Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

F. Authorization to Issue a GPEC Task Order for Construction Phase Engineering Services for the Crossroads Administrative and Employee Welfare Building and Parking Lot Project

8-2026
Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

G. Authorization to Issue a Program Management Consulting Services Task Order for Final Design and CM/GC Preconstruction Support Services for the L’Enfant Station and Fourth Track Improvements Project

9-2026
Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

H. Authorization to Execute a Sole Source Contract for Double Solenoid Door Valves

10-2026

Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

I. ~~***Authorization to Amend a Maintenance Services for VRE Facilities Task Order for Rippon Station Pedestrian Bridge Repairs***~~

J. Recommend the Commissions Approve the 2027 VRE Legislative Agenda

11-2026

Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

K. Recommend Commission Approval and Authorization to Execute Capital Project Funding Addendum with VPRA for Rippon Station Improvement Project

12-2026

Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried unanimously.

L. ***Recommend Authorization to Submit a Grant Application to the NVTC I-95/395 Commuter Choice FY2028-2029 Program***

13-2026

Immediate Past Chair Sarah Bagley made a motion to approve action items 26-11-9C through 26-11-9L, with the exception of 26-11-9I, which was pulled from the agenda. Alternate Darryl Moore seconded the motion. Carried 10-0, Board Member Zimmerman abstained.

10. Information Items

A. Spending Authority Report

B. Update on 2026 Master Agreement Survey and Subsidy Allocation

C. Fiscal Year 2028 Operating Budget Update

11. Closed Session

12. Operations Board Member's Time

- Vice Chair Storck thanked VRE for the Independence Yard ribbon-cutting event.
- Secretary Hayes wishes everyone a happy Thanksgiving. She thanked Katie and VRE staff for the opportunity to have her son take photos for a college course.
- Alternate Darryl Moore enjoyed participating in the meeting and the ribbon-cutting ceremony.
- Ms. Bagley thanked the alternates for attending, and thanked VRE and Keolis staff for the efforts they put into the ribbon-cutting ceremony. She also suggested using a train-ride-versus-driving comparison slide from the CEO’s report to promote VRE’s value.

- Ms. Coffey thanked the Board for including her in today's event and meeting.
- Ms. Zimmerman thanked Katie Choe for her engagement and partnership as a VPRA board member. She also discussed studies VDRPT is wrapping up, including the Statewide Transit-Oriented Development study, which is due in December, and offered to present the results to the VRE Board at the January meeting.
- Mr. McLaughlin invited the VRE Board back to hold future meetings at the VPRA's offices. He encouraged attendees to take the luncheon leftovers, and he wished everyone a happy Thanksgiving.
- NVTC Executive Director reminded members that NVTC is hosting a joint legislative meeting.
- Mr. Mackintosh thanked staff and Board members for the opportunity to participate today.
- Mr. Angry expressed how important transit is to the community and encouraged the Board to support VRE's growth.
- Dr. Yeung asked for follow-up information to take to her jurisdiction. Enjoyed the event.
- Chair Bailey thanked everyone involved in planning and executing the ribbon-cutting event, the Board meeting.

13. Adjournment

_____
Chief Executive Officer

_____
Board Clerk

Information Item

Operations Board Meeting

AGENDA ITEM REPORT

To: Chair Bailey and the VRE Operations Board

From: Katie Choe

Date: November 20, 2026

Re: Update on 2026 Master Agreement Survey and Subsidy Allocation

SUMMARY:

In accordance with the Master Agreement for the Provision of Commuter Rail Service, VRE conducted its annual Master Agreement Survey ("MAS") during morning service on Wednesday, September 23, 2026. The results of the MAS will be used to allocate the jurisdictional subsidy in the Fiscal Year (FY) 2028 VRE budget. This information item explains the survey data collection and subsequent analysis that go into the subsidy allocation.

BACKGROUND INFORMATION:

VRE's operating and capital budgets are funded from a broad range of sources, including passenger revenues and various local, regional, state, and federal programs. The jurisdictional subsidy (also called the jurisdictional contribution) is critical in supporting the day-to-day operations of the system and has an important role in providing capital grant matching funds and funding VRE's capital reserve.

The total amount of the jurisdictional subsidy is determined as part of the broader annual budget process, and its level depends on how much funding is needed to ensure a balanced budget. The process for allocating the total subsidy among the jurisdictions is dictated by the Master Agreement. This process is intended to reflect both the share of trips taken by riders that live in each jurisdiction and the amount of fare revenue paid by those riders. In simple terms, the final approved budget determines 'how big the pie is' (i.e., how much total subsidy there is), while the MAS determines 'how the pie is sliced' (i.e., how much of the subsidy each jurisdiction is responsible for).

Survey Data Collection

The MAS is needed because the Master Agreement requires that the subsidy be allocated according to where riders live, not where they board the train. Some stations – like Rolling Road in Fairfax County or Brooke in Stafford County – draw almost all their riders from only that jurisdiction. But most stations draw riders from multiple jurisdictions, and the end-of-line stations in particular (Spotsylvania and Broad Run) draw riders from jurisdictions that are not part of VRE. Determining where riders live can only be done with a survey.

The MAS is conducted in the fall, while VRE's annual customer service survey is conducted in the spring. VRE previously conducted the MAS in early October, but given the increasing frequency of

federal government shutdowns (often coinciding with the start of a new federal fiscal year on October 1), VRE has moved the MAS to mid-September. In 2024, VRE also moved from a paper survey to an online survey, which riders access by scanning a QR code from a postcard dropped on each seat. This has reduced the staff effort required for survey administration while improving the processing of the data.

The MAS is relatively short and asks riders for the following information:

•Train Number
•Origin Station
•Destination Station
•Ticket Type (10-Ride, Monthly, etc.)
•Jurisdiction of Residence
•Home Zip Code
•Street Address or Closest Major Intersection to Home

The MAS requests three different pieces of information on where the rider lives: jurisdiction, zip code, and address. This allows VRE staff to cross-check the responses for consistency and make corrections where needed. For example, a rider might live in Fairfax County but report his jurisdiction as Alexandria because that is his post office address. Or she might live in Prince William County but report her jurisdiction as the Town of Occoquan. This additional information improves the accuracy of the MAS and ultimately of the subsidy allocation.

The MAS alone is not sufficient to accurately determine ridership by jurisdiction of residence. While the overall response rate of the survey is very good – 53% in 2026 – the MAS does show differential rates of response by station. (In general, riders who are on the train longer are more likely to complete the survey.) To account for these differential response rates, station boarding counts are also collected. These counts are used to 'expand' the survey data up to the full ridership count on the morning of the survey. In previous years, VRE received significant assistance from jurisdictional staff in performing manual counts of boardings at each station. In 2026, in a further step to improve the efficiency of the MAS process, VRE moved to using the Automatic Passenger Counters (APCs) installed on every train car to determine the total boardings at each station.

Once the raw survey data is compiled, it is 'cleaned' to eliminate incomplete responses and correct jurisdiction of residency as described above. The survey data can then be combined with the boarding count data to populate the subsidy allocation model.

Subsidy Allocation Model Process

Surveyed riders will fall into one of three groups:

1. Live in a Participating Jurisdiction (Counties of Fairfax, Prince William, Stafford, and Spotsylvania, and Cities of Manassas, Manassas Park, and Fredericksburg)
2. Live in a Contributing Jurisdiction (Arlington County and City of Alexandria)
3. Live in a jurisdiction that is not part of VRE

Table 1 below shows the ridership by jurisdiction of residence from the 2026 MAS and 2024 MAS. (The MAS was not conducted in 2025 due to an extended federal government shutdown.) Riders from the Contributing Jurisdictions and from outside VRE are not part of the subsidy allocation process. The Contributing Jurisdictions pay a fixed percentage of the total subsidy, while jurisdictions outside of VRE pay nothing.[1]

Table 1: Ridership by Jurisdiction of Residence

	October 2024		September 2026	
Jurisdiction of Residence	Riders	Share	Riders	Share
City of Fredericksburg	159	3.7%	125	2.9%
City of Manassas	154	3.6%	216	5.0%
City of Manassas Park	99	2.3%	136	3.2%
Fairfax County	1,048	24.7%	1,146	26.7%
Prince William County	1,145	27.0%	1,242	29.0%
Spotsylvania County	617	14.5%	519	12.1%
Stafford County	616	14.5%	594	13.8%
Subtotal - Participating Jurisdictions	**3,837**	90.3%	**3,977**	92.7%
All Other Jurisdictions*	410	9.7%	311	7.3%
System Ridership	**4,247**	100.0%	**4,288**	100.0%

** includes Arlington County and City of Alexandria*

The count of ridership by jurisdiction of residence is not the only factor in the subsidy allocation model. The model also incorporates an estimate of the passenger fare revenue contributed by the riders from each jurisdiction, which is why the MAS asks what ticket type the rider used. Because VRE has a distance-based fare system, riders from jurisdictions farther from the urban core will generally be paying more for their trip than riders who live closer in. In the aggregate, the Participating Jurisdictions are "credited" with the fares paid by their riders. That means that jurisdictions such as Spotsylvania and Fredericksburg, whose riders generally take the longest trips, will have a share of the subsidy that is slightly lower than their share of ridership. Conversely, Fairfax County riders are generally taking the shortest trips on VRE, and that results in Fairfax having a subsidy share that is slightly higher than its ridership share.[2]

Including fare revenue in the subsidy allocation improves the fairness of the overall process, but it also increases the complexity. Consider a hypothetical baseline budget with a given total jurisdictional subsidy, and then an alternative budget with $1 million more in operating expense and $1 million more in passenger fare revenue. The alternative budget is still balanced and does not require any change in the total subsidy, and the ridership data from the survey will be unchanged. But the allocation of the subsidy in the alternative budget will be different from the baseline budget because the jurisdictions will be credited with different amounts of the added fare revenue.

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[1] To be clear, a jurisdiction does not pay extra if a station within its borders draws ridership from outside of VRE. For example, the Spotsylvania station draws many riders from Caroline County. The subsidy associated with those Caroline County riders is spread proportionally across all the Participating Jurisdictions. Conversely, if a Spotsylvania resident boards VRE at the Fredericksburg station, that counts toward Spotsylvania in the allocation process. The location where a rider boards the train is only relevant for expanding the survey using the boarding counts.

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[2] The MAS data is also used to determine the number of seats each jurisdiction receives on the VRE Operations Board. This determination depends only on the share of ridership and does not include any impact of fare revenue.

Subsidy Allocation Results – FY 2027 Hypothetical Example

In order to provide an apples-to-apples comparison of the impact of the 2026 MAS, this memo shows the allocation of the FY 2027 jurisdictional subsidy as approved and then how that subsidy would hypothetically be allocated if the results of the 2026 MAS were used instead. This comparison is shown in Table 2 below and is intended to isolate the impact of shifts in ridership on the subsidy allocation.

Table 2: Comparison of Subsidy Allocation Shares (Approved FY 2027 vs. Hypothetical FY 2027 Using 2026 MAS)

	FY 2027 Approved		FY 2027 with 2026 MAS		Variance
Jurisdiction	Amount	Share	Amount	Share	
City of Fredericksburg	$680,457	3.4%	$469,875	2.4%	($210,582)
City of Manassas	$752,457	3.8%	$1,017,603	5.1%	$265,146
City of Manassas Park	$482,676	2.4%	$648,039	3.3%	$165,363
Fairfax County	$6,133,470	31.0%	$6,515,344	33.0%	$381,874
Prince William County	$5,842,154	29.6%	$6,116,036	30.9%	$273,882
Spotsylvania County	$2,658,250	13.4%	$1,978,874	10.0%	($679,376)
Stafford County	$2,818,619	14.3%	$2,622,312	13.3%	($196,307)
City of Alexandria	$161,083	0.8%	$161,083	0.8%	$0
Arlington County	$235,677	1.2%	$235,677	1.2%	$0
Total	**$19,764,843**	100.0%	**$19,764,843**	100.0%	**$0**

Subsidy Allocation Results – FY 2028

The 2026 MAS is being used in the development of the recommended FY 2028 budget. As explained above, the share of the subsidy assigned to each jurisdiction in the recommended FY 2028 budget will not be the same as the share in this hypothetical example for FY 2027 because the underlying fare revenue assumptions will be different.

Action Item

Operations Board Meeting

AGENDA ITEM REPORT

To: Chair Bailey and the VRE Operations Board

From: Katie Choe

Date: November 20, 2026

Re: Proposed January 4, 2027 Service Changes

RECOMMENDATION:

The VRE Operations Board is asked to authorize the Chief Executive Officer to implement a service reduction of one round trip train on the Fredericksburg Line and two round trip trains on the Manassas Line beginning on January 4, 2027, to address congestion and capacity constraints caused by the Long Bridge construction project and exacerbated by the required withdrawal of additional units from mid-day storage at Ivy City Coachyard.

SUMMARY:

Construction of all eight projects between Franconia-Springfield and L'Enfant is underway or scheduled for a Notice to Proceed in the upcoming months. To accommodate this construction while making travel on VRE more convenient and reliable, VRE is recommending eliminating inbound train 314 and outbound train 315 on the Fredericksburg Line and inbound trains 334 and 336 and outbound trains 321 and 337 on the Manassas Line. To minimize the impact of these changes, the departure times of the last trains on each line in each direction will be moved between ten and 20 minutes later.

BACKGROUND INFORMATION:

In 2019, the Commonwealth of Virginia established the Transforming Rail in Virginia (TRV) program, a $5 billion program of infrastructure investments to improve passenger rail travel. VRE matched those investments with a $1.3 billion capital improvement program to increase yard and station capacity in line with TRV and the VRE System Plan 2050. The investments in the rail corridor between Franconia-Springfield and L'Enfant Station – most notably the addition of a second Potomac River crossing ("the Long Bridge") – are scheduled to be completed in 2030 and will allow VRE to increase its overall service by over 60% and add brand new service on weekends, evenings, and during the mid-day.

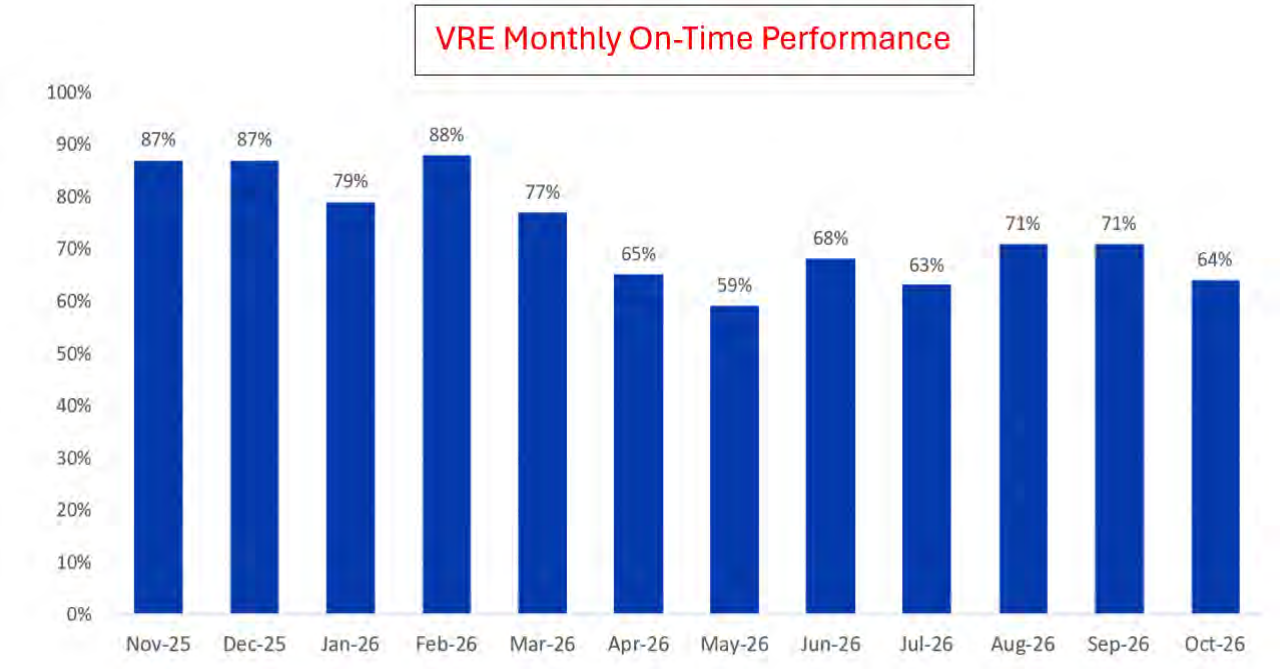
The period from 2026 through 2030 will see the entire corridor and station infrastructure rebuilt in the form of at least eight concurrent construction projects. While these projects are being delivered, VRE, Amtrak long-distance and state-supported service, and Norfolk Southern and CSX freight operations must continue to run.

Most track restrictions due to construction operations will be short term, lasting days or months; however, the Long Bridge project requested and was granted a full rail service outage for the duration of the project lasting from 8:15 AM to 1:00 PM Monday through Saturday. In negotiating with VPRA and the Long Bridge team, VRE made a number of concessions that impacted the customer experience of our riders, including instituting the "Alexandria Shuffle" and terminating the last two trains on each line at Alexandria during the morning commute, thereby forcing riders to transfer to the Metro for the remainder of their travel. VRE made these concessions to maintain the overall level of service and number of trips provided pre-construction.

Subsequent to the TRV and Long Bridge construction scheduling, Amtrak notified VRE of the need to use the Ivy City Coachyard for its new Airo fleet. VRE negotiated a graduated withdrawal schedule from the coachyard and purchased the former Norfolk Southern Seminary Yard (to be renamed in November 2026 to Independence Yard) in Alexandria from VPRA for mid-day storage. While the purchase and use of the new yard in Alexandria will result in improved operational control and cost reductions to VRE, most trains terminating at Union Station will need to deadhead back to the yard, increasing the total number of train movements through the already congested corridor.

Capacity Restrictions and Performance

VRE's performance standards set an On-Time Performance (OTP) goal of 90% of the trains arriving at their final destination within six minutes of their scheduled time. Prior to the implementation of the Long Bridge work window in January 2026, OTP was consistently around 88%. Since the Long Bridge work window implementation, monthly OTP has generally been in the range of 60-71%.



The delays and performance loss following the implementation of the Long Bridge work window can generally be grouped into two categories: schedule disruptions and cascading delays. Since all carriers on the line have prioritized maintaining their volume of service within a condensed period of available time, the headways between trains have been shortened. When one train does not adhere to its allotted schedule ("slot"), delays are caused by dispatcher priority (assigning which train goes first and which needs to wait) and signal blocks (where trains are told to hold and where they can switch tracks or pass each other). When this happens, it is a primary delay. Then, because the headways (or time between scheduled trains) are so close, when one train is delayed, there is often

not enough time to make up that delay before it delays the following train(s). This is a cascading delay and amplifies the impact of any primary delays. Both causes of delays are occurring more often since implementation of the Long Bridge work window due to the high volume of scheduled trains and resulting congestion along the corridor.

We do see sporadic success on each line for either AM or PM service with on-target OTP, indicating that the schedules and operating plan can work when everything runs in slot. But the distances traveled by freight and Amtrak trains increase the likelihood of those trains entering VRE's territory out of slot. The headways are extremely tight, so even a train out of slot by five to ten minutes – which is still considered on time per Amtrak's KPIs – can have cascading delay impacts on as many as five trains, as is frequently seen with Amtrak 98.

VRE operates along the RF&P corridor under VPRA's access agreement with CSX. VRE is not a direct signatory to this agreement. The access agreement lays out a schedule of available "slots" for VRE along the corridor that adjust based on the completion of TRV milestones. Per the agreement, VRE is allotted 36 slots per weekday prior to the completion of the Long Bridge project. Post-Long Bridge completion, VRE will be allotted 52 slots per day on weekdays, and 12 slots per day on weekends.

Importantly, slots are not just for revenue trains but for any train movements along the corridor. Deadhead moves or train repositioning moves also require a slot. Since the Long Bridge work window was instituted, VRE has been using 42 slots per weekday to operate 32 revenue trains in service and then to/from their mid-day storage locations. Because VRE is not a direct party to the access agreement, it has been able to negotiate deadhead moves with CSX above the slot cap. CSX has been generous and flexible with allowing these deadhead moves because they can be adjusted as needed by dispatch without passenger or schedule impact. However, they do create congestion on the busiest section of the corridor. If no changes are made to the VRE schedule or infrastructure availability, when VRE fully vacates Ivy City Coachyard in 2028, the total slots needed for revenue moves and deadheads will increase to 64.

Proposed Changes

Construction of all eight projects between Franconia-Springfield and L'Enfant is underway or scheduled for a Notice to Proceed in the upcoming months. To accommodate this construction while making travel on VRE more convenient and reliable, VRE is recommending eliminating inbound train 314 and outbound train 315 on the Fredericksburg Line and inbound trains 334 and 336 and outbound trains 321 and 337 on the Manassas Line. To minimize the impact of these changes, the departure times of the last trains on each line in each direction will be moved 10 to 20 minutes later.

Proposed Schedules by Line:

Fredericksburg Line								
Northbound							+20 Min	Elim
Days of Operation	M-F	M-F	M-F	M-F	M-F	M-F	M-F	M-F
	300	302	304	306	308	310	312	~~314~~
Spotsylvania	4:52 AM	5:06 AM	5:21 AM	5:41 AM	6:01 AM	6:26 AM	7:26 AM	~~7:46 AM~~
Fredericksburg	5:03 AM	5:17 AM	5:32 AM	5:52 AM	6:12 AM	6:37 AM	7:37 AM	~~7:57~~
Leeland Road	5:10 AM	5:24 AM	5:39 AM	5:59 AM	6:19 AM	6:44 AM	7:44 AM	~~8:04~~
Brooke	5:16 AM	5:30 AM	5:45 AM	6:05 AM	6:25 AM	6:50 AM	7:50 AM	~~8:10~~
Quantico		5:42 AM	5:57 AM	6:17 AM	6:37 AM	7:02 AM	8:02 AM	~~8:22~~
Rippon		5:51 AM	6:06 AM	6:26 AM	6:46 AM	7:11 AM	8:11 AM	~~8:31~~
Woodbridge	5:38 AM	5:58 AM	6:13 AM	6:33 AM	6:53 AM	7:18 AM	8:18 AM	~~8:38~~
Lorton		6:05 AM	6:20 AM	6:40 AM	7:00 AM	7:25 AM	8:25 AM	~~8:45~~
Franconia/Springfield (L)		6:13 AM	6:28 AM	6:48 AM	7:08 AM	7:33 AM	8:33 AM	~~8:53~~
Alexandria (L)	6:01 AM	6:25 AM	6:40 AM	7:00 AM	7:20 AM	7:45 AM	8:45 AM	~~9:05~~
Crystal City (L)	6:14 AM	6:34 AM	6:49 AM	7:09 AM	7:29 AM	7:54 AM	Metro	~~Metro~~
L'Enfant (L)	6:22 AM	6:42 AM	6:57 AM	7:17 AM	7:37 AM	8:02 AM	Metro	~~Metro~~
Union Station	6:30 AM	6:50 AM	7:05 AM	7:25 AM	7:45 AM	8:10 AM	Metro	~~Metro~~

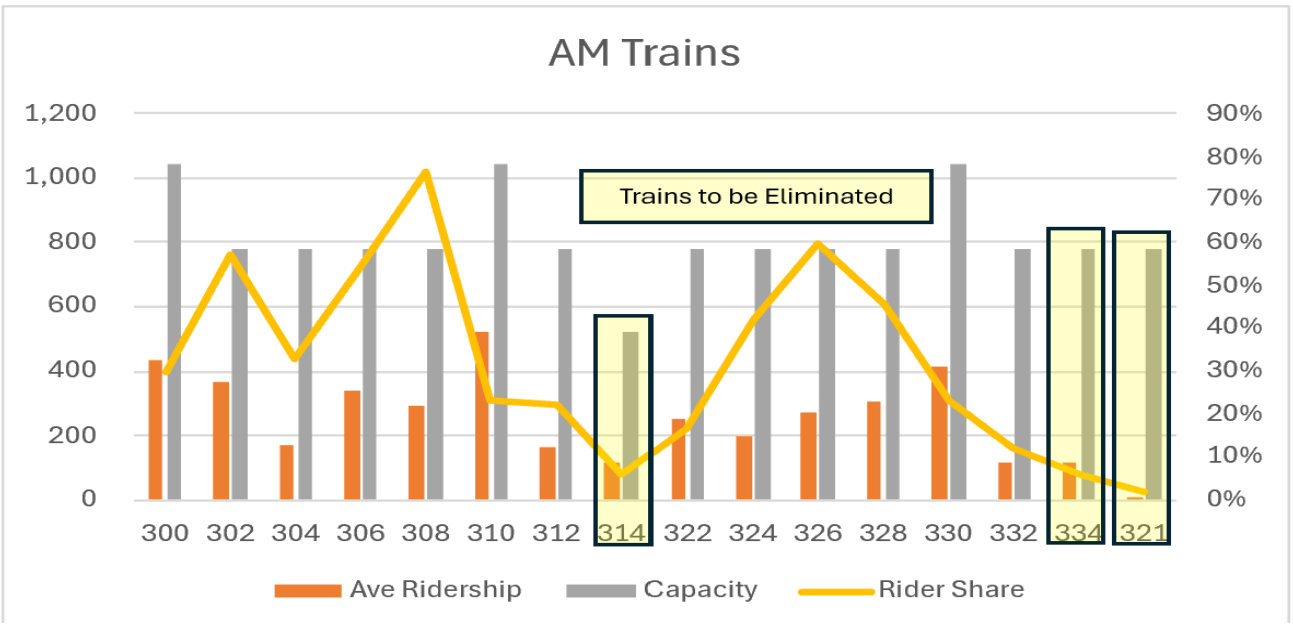
Fredericksburg Line								
Southbound							+10 Min	Elim
Days of Operation	M-F	M-F	M-F	M-F	M-F	M-F	M-F	~~M-F~~
	301	303	305	307	309	311	313	~~315~~
Union Station	Use	3:00 PM	Use	4:00 PM	4:40 PM	Use	6:20 PM	~~6:50 PM~~
L'Enfant	Train	3:08 PM	Train	4:08 PM	4:48 PM	Train	6:28 PM	~~6:58~~
Crystal City	325	3:15 PM	327	4:15 PM	4:55 PM	331	6:35 PM	~~7:05~~
Alexandria	1:58 PM	3:23 PM	3:53 PM	4:23 PM	5:03 PM	5:43 PM	6:43 PM	~~7:13~~
Franconia/Springfield	2:09 PM	3:34 PM	4:04 PM	4:34 PM	5:14 PM	5:54 PM	6:54 PM	~~7:24~~
Lorton	2:16 PM	3:41 PM	4:11 PM	4:41 PM	5:21 PM	6:01 PM	7:01 PM	~~7:31~~
Woodbridge	2:24 PM	3:49 PM	4:19 PM	4:49 PM	5:29 PM	6:09 PM	7:09 PM	~~7:39~~
Rippon	2:30 PM	3:55 PM	4:25 PM	4:55 PM	5:35 PM	6:15 PM	7:15 PM	~~7:45~~
Quantico	2:42 PM	4:07 PM	4:37 PM	5:07 PM	5:47 PM	6:27 PM	7:27 PM	~~7:55~~
Brooke (L)	3:01 PM	4:26 PM	4:56 PM	5:26 PM	6:06 PM	6:46 PM	7:46 PM	~~8:09~~
Leeland Road (L)	3:10 PM	4:35 PM	5:05 PM	5:35 PM	6:15 PM	6:55 PM	7:55 PM	~~8:18~~
Fredericksburg (L)	3:18 PM	4:43 PM	5:13 PM	5:43 PM	6:23 PM	7:03 PM	8:03 PM	~~8:26~~
Spotsylvania	3:31 PM	4:56 PM	5:26 PM	5:56 PM	6:36 PM	7:16 PM	8:16 PM	~~8:37 PM~~

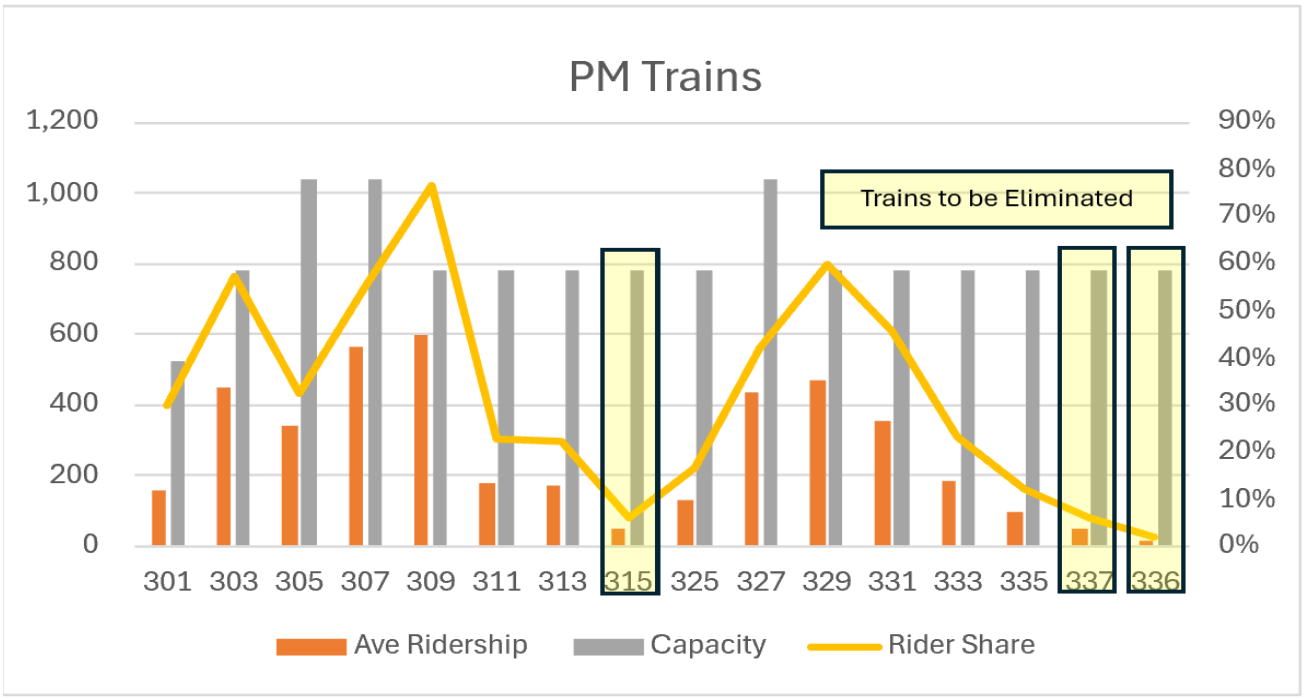
Manassas Line								
Northbound						+10 Min	Elim	Elim
Days of Operation	M-F	M-F	M-F	M-F	M-F	M-F	M-F	M-F
	322	324	326	328	330	332	~~334~~	~~336~~
Broad Run	5:01 AM	5:21 AM	5:56 AM	6:16 AM	6:41 AM	7:31 AM	~~8:01 AM~~	~~3:28 PM~~
Manassas	5:09 AM	5:29 AM	6:04 AM	6:24 AM	6:49 AM	7:39 AM	~~8:09 AM~~	~~3:36~~
Manassas Park	5:15 AM	5:35 AM	6:10 AM	6:30 AM	6:55 AM	7:45 AM	~~8:15 AM~~	~~3:42~~
Burke Centre	5:29 AM	5:49 AM	6:24 AM	6:44 AM	7:09 AM	7:59 AM	~~8:29 AM~~	~~3:56~~
Rolling Road	5:34 AM	5:54 AM	6:29 AM	6:49 AM	7:14 AM	8:04 AM	~~8:34 AM~~	-
Backlick Road	5:42 AM	6:02 AM	6:37 AM	6:57 AM	7:22 AM	8:12 AM	~~8:42 AM~~	-
Alexandria	5:55 AM	6:15 AM	6:50 AM	7:10 AM	7:35 AM	8:25 AM	~~8:55 AM~~	~~4:22~~
Crystal City (L)	6:04 AM	6:24 AM	6:59 AM	7:19 AM	7:44 AM	Metro	~~Metro~~	-
L'Enfant (L)	6:12 AM	6:32 AM	7:07 AM	7:27 AM	7:52 AM	Metro	~~Metro~~	-
Union Station	6:20 AM	6:40 AM	7:15 AM	7:35 AM	8:00 AM	Metro	~~Metro~~	~~4:47 PM~~

Manassas Line								
Southbound	Elim						+20 Min	Elim
Days of Operation	M-F	M-F	M-F	M-F	M-F	M-F	M-F	M-F
	~~321~~	325	327	329	331	333	335	~~337~~
Union Station	~~6:35 AM~~	1:30 PM	3:20 PM	4:10 PM	5:10 PM	5:30 PM	Use	~~7:00 PM~~
L'Enfant	-	1:38 PM	3:28 PM	4:18 PM	5:18 PM	5:38 PM	Train	~~7:08 PM~~
Crystal City	-	1:45 PM	3:35 PM	4:25 PM	5:25 PM	5:45 PM	313	~~7:15 PM~~
Alexandria	~~6:52 AM~~	1:53 PM	3:43 PM	4:33 PM	5:33 PM	5:53 PM	6:48 PM	~~7:23 PM~~
Backlick Road	-	2:04 PM	3:54 PM	4:44 PM	5:44 PM	6:04 PM	6:59 PM	~~7:34 PM~~
Rolling Road (L)	-	2:14 PM	4:04 PM	4:54 PM	5:54 PM	6:14 PM	7:09 PM	~~7:42 PM~~
Burke Centre (L)	-	2:22 PM	4:12 PM	5:02 PM	6:02 PM	6:22 PM	7:17 PM	~~7:48 PM~~
Manassas Park (L)	-	2:38 PM	4:28 PM	5:18 PM	6:18 PM	6:38 PM	7:33 PM	~~8:02 PM~~
Manassas (L)	~~7:37 AM~~	2:47 PM	4:37 PM	5:27 PM	6:27 PM	6:47 PM	7:42 PM	~~8:09 PM~~
Broad Run	~~7:47 AM~~	2:57 PM	4:47 PM	5:37 PM	6:37 PM	6:57 PM	7:52 PM	~~8:19 PM~~

Decisions on which trains to eliminate were based on asset utilization, expected impact on total ridership, benefits to customer experience, and congestion relief.

Avg. Daily Ridership vs. Train





The eliminated trains have the lowest ridership, representing less than 5% of VRE's total ridership. Moving the preceding train slightly later will allow some of the impacted riders to rider the earlier train. Implementing this new schedule will also decrease VRE's slot utilization to 38 per weekday. The reduction in slot utilization will decrease congestion along the corridor and is expected to have a positive impact on overall OTP. Eliminating the Manassas reverse flow train will improve reliability on that line as delays on the train will not lead to cancellations of its corresponding move.

FISCAL IMPACT:

Eliminating the three round trips and their corresponding mid-day storage and deadhead moves is expected to save VRE approximately $100,000 per month in variable operating costs (primarily diesel

fuel and net access fees). VRE is not projecting to furlough any Keolis staff as part of this proposed change, but additional schedule changes are expected to be proposed in the spring of 2027.

Conclusion

To accommodate the ongoing construction activities supporting TRV, especially the Long Bridge project and its associated daily work windows, and the capacity constraints along the corridor between Alexandria and L'Enfant, VRE is proposing to eliminate its poorest performing revenue trains starting January 4, 2027. The impact of the new schedule on ridership, operations performance, and budget performance will be monitored, and these data will inform additional schedule adjustments in Spring 2027.

ATTACHMENTS:

Output Document (2026-218) - Pdf

RESOLUTION 26-11-9B
Regular Meeting
November 20, 2026

Virginia Railway Express
Operations Board

Proposed January 4, 2027 Service Changes

WHEREAS, the period from 2026 through 2030 will see the entire corridor and station infrastructure rebuilt in the form of at least eight concurrent construction projects; and,

WHEREAS, VRE, Amtrak long-distance and state-supported service, and Norfolk Southern and CSX freight operations must continue to run while these projects are being delivered; and,

WHEREAS, to make travel on VRE more convenient and reliable during construction, VRE is recommending eliminating inbound train 314 and outbound train 315 on the Fredericksburg Line, and inbound trains 334 and 336 and outbound trains 321 and 337 on the Manassas Line;

NOW, THEREFORE, BE IT RESOLVED that the Virginia Railway Express Operations Board does hereby authorize the Chief Executive Officer to implement a service reduction of one round trip train on the Fredericksburg Line and two round trip trains on the Manassas Line beginning on January 4, 2027, to address congestion and capacity constraints caused by the Long Bridge construction project and exacerbated by the required withdrawal of additional units from mid-day storage at Ivy City Coachyard.

INTRODUCTION AND VOTE RECORD:

MOTION:
SECOND:

Ayes:
Nays:
Abstentions:
Absent from Vote:

Agenda Item #4

TO: Chair Bagley and NVTC Commissioners

FROM: Kate Mattice, Rhonda Gilchrest, Ann McGrane, Jason Adle, Adam Hager, Owen Williams, Amanda Sink, Scott Kalkwarf

DATE: November 24, 2026

SUBJECT: Action Items

At the December 3 meeting, the Commission will be asked to approve 10 action items regarding the minutes; NVTC's 2026 Report on the Performance and Condition of WMATA; request for proposals (RFP) for Commuter Choice consulting support; NVTC FY 2027 Budget amendment; state government relations services contract amendment; NVTC and VRE legislative agendas; VRE financial audit; VRE capital funding agreement and VRE Commuter Choice submission.

A. ACTION: Approve the Minutes of the November 5, 2026 NVTC Meeting

The Commission will be asked to approve the Minutes of the November 5, 2026 NVTC Meeting.

B. ACTION: Authorize the Executive Director to Send NVTC's 2026 Report on the Performance and Condition of WMATA to the Governor and the General Assembly

The Commission will be asked to authorize the executive director to send the 2026 Report on the Performance and Condition of WMATA to Governor Spanberger and the General Assembly ahead of the December 15, 2026 due date.

The Commission received a briefing on the report in November after working alongside the WMATA Committee over the course of the year to develop a draft report. The report provides a written opportunity for the Commission to share its priorities and recommendations to address WMATA cost growth and improve its operating efficiency (Figure 1). Required annually under Virginia law, NVTC's Annual Report on the Performance and Condition of WMATA also documents the use of Virginia's dedicated capital funding and reports on WMATA's safety, reliability, ridership and financial performance.

Figure 1: NVTC's Key Priorities for WMATA

Secure a Long-Term Funding Solution
Virginia, Maryland and the District of Columbia should establish a long-term funding solution to meet their respective WMATA capital and operating obligations by FY 2029
Commit to Total Jurisdictional Subsidy Growth at No More Than 3% Annually
The WMATA Board should adopt a budget featuring no more than 3% growth in total jurisdictional subsidy since Virginia's revised 3% cap framework no longer legislatively limits annual subsidy growth
Control Growth in Labor Costs
WMATA should address outstanding opportunities to control labor cost growth through collective bargaining agreement negotiations
Effectively Budget Overtime Expenses
WMATA should identify the factors driving overtime cost growth and better align budget to actual use of overtime
Revisit Fare Policies and Strengthen Enforcement Strategies
WMATA should: • Increase fares in line with inflation in FY 2028 and assess opportunities to expand eligibility for low-income fare products, • Continue working with the region to better integrate fare policy and technology, and • Strengthen fare enforcement strategies to grow system-generated revenue
Establish a Coordinated, Multi-Jurisdictional Subsidy Audit
The WMATA Board should establish a coordinated, jurisdictional subsidy audit to ensure payments made to WMATA are in accordance with Board-approved subsidy allocation formulas

Source: NVTC

This year's report also reflects Virginia's changing funding framework for WMATA established during the 2026 General Assembly Session. It includes a year-in-review of WMATA's performance, an assessment of the status of a long-term operating and capital funding solution, draft Commission recommendations, an accounting of FY 2026 dedicated capital funding and updated statutory performance data.

C. ACTION: Authorize the Executive Director to Issue a Request for Proposals (RFP) for Consulting Support for the Commuter Choice Program

The Commission will be asked to authorize the executive director to issue a Request for Proposals (RFP) to provide technical support services for the Commuter Choice Program at a cost not to exceed $800,000 for an initial period of four (4) years beginning July 30, 2027 with the option to extend for two (2) additional two-year periods. This contract will be funded with toll revenues received through Commuter Choice.

The current Commuter Choice Technical Support Services contract terminates on July 29, 2027. The RFP proposed for approval would provide a multi-year technical support services under a single contract for both Commuter Choice programs. This contract would provide support for calls for projects, development of program materials, application scoring and program development support, application and meeting support, and corridor overview research. The executive director anticipates returning to the Commission for authorization to award the contract at the June Commission meeting.

D. ACTION: Approve an Amendment to the FY 2027 NVTC General and Administrative Budget

The Commission will be asked to approve an amendment to the FY 2027 NVTC General Administrative Budget for a total of $50,000 to provide increased communications and engagement efforts in support of NVTC's priority to obtain a long-term sustainable funding solution for public transit to meet the future NVTC's jurisdictional commitments to WMATA, VRE, and local bus systems. These funds will support additional contracted and internal support for legislative strategy and messaging as well as legislator and stakeholder engagement through June 2027. Funding for this additional work can be provided from the jurisdiction's NVTC trust fund balances.

Funding for similar efforts from July 2027 through July 2028 are included in the proposed NVTC FY 2028 General and Administrative Budget scheduled for Commission action at its January 7, 2027 meeting.

E. ACTION: Authorize the Executive Director to Amend the Contract with the Commonwealth Strategy Group, LLC for State Government Relations Services

The Commission will be asked to approve an amendment to the contract with Commonwealth Strategies Group, LLC (CSG) by $40,000 for the current contract period ending July 2027, to expand its state government relations support of NVTC's top priority to secure long-term sustainable funding in the 2028 General Assembly Session. This effort will expand CSG's support to NVTC by leveraging additional staff and subcontractors with budget expertise, policy messaging, and grasstops and grassroots engagement focused on building the messaging through the 2027 General Assembly Session and into the summer. By using the existing contract vehicle, NVTC will be able to quickly engage and elevate these priorities. This work to be conducted by CSG and its subcontractors will be in addition to and complement NVTC staff efforts.

NVTC's contract period with Commonwealth Strategy Group, LLC runs until July 2027. Action on future contractor support for these types of efforts beyond July 2027 will be requested of the Commission in the spring.

F. ACTION: Approve the NVTC 2027 Legislative and Policy Agenda

The Commission will be asked to adopt the proposed NVTC 2027 Legislative and Policy Agenda. Each year, the Commission adopts a set of state and federal legislative priorities to

guide NVTC's legislative and advocacy work for the coming year. The proposed 2027 Legislative and Policy Agenda builds upon the 2026 agenda, reaffirming the need for long-term sustainable transit funding while reflecting changes and commitments made during the 2026 General Assembly Session.

The agenda places greater emphasis on funding existing commitments and advancing permanent funding solutions. Additional priorities include ensuring legislatively directed transit studies reflect Northern Virginia's funding, governance and service needs, as well as supporting policies that prioritize bus movement, improve the bus rider experience and reduce barriers to transit improvements. Federal priorities include opposing reductions in or diversion of federal transit revenues and supporting the fair and timely administration of federal transit grant programs.

The Commission reviewed the draft 2027 Legislative and Policy Agenda at its November 5 meeting and provided feedback to inform the 2027 General Assembly strategy. At the Legislative and Policy Committee meeting on November 19, some additional edits were proposed and are highlighted in the attached agenda. NVTC's strategy for 2027 will focus on education and advocacy for long-term sustainable transit funding that provides local jurisdictions with funding options beyond the local property tax or referendum-based tax authority. NVTC will also continue to advocate for regional and statewide solutions that address the near- and long-term funding needs of VRE and local bus systems, in addition to WMATA. Following Commission adoption, the 2027 Legislative and Policy Agenda will guide NVTC's advocacy efforts during the upcoming General Assembly Session and throughout the year.

G. ACTION: Approve Resolution #2618: Approve the VRE 2027 Legislative Agenda

On the recommendation from the VRE Operations Board, the Commission will be asked to approve Resolution #2618, which will approve the 2027 VRE Legislative Agenda and authorize the VRE CEO to actively pursue the elements set forth in the agenda.

Annually, VRE prepares a Legislative Agenda for the coming year to communicate VRE's legislative priorities in coordination with the Commissions and member jurisdictions. The 2027 Legislative Agenda addresses state, regional and federal issues.

H. ACTION: Approve Resolution #2619: Accept and Authorize Distribution of VRE's FY 2026 Annual Comprehensive Financial Report (ACFR)

On the recommendation from the VRE Operations Board, the Commission will be asked to approve Resolution #2619, which will accept the VRE FY 2026 Annual Comprehensive Financial Report (ACFR) and associated information and authorize the VRE CEO to distribute the audit report to interested groups, firms and members of the public.

The FY 2026 audit was conducted by the firm of PBMares, LLP, and the auditors have issued an unmodified opinion. The opinion letter states the VRE statements, in all material

respects, fairly and accurately present the financial position of the organization. This opinion is the best outcome of a financial audit.

The audited financial statements and associated reports were forwarded to all members of the Operations Board prior to the November 2026 Operations Board meeting. The auditors met with the VRE Audit Committee and the full Operations Board on November 20 to review the statements and their opinion.

I. ACTION: Approve Resolution #2620: Approve and Authorize the VRE CEO to Execute a Capital Project Funding Addendum with the Virginia Passenger Rail Authority (VPRA) for the Rippon Station Improvement Project

On the recommendation from the VRE Operations Board, the Commission will be asked to approve Resolution #2620, which will approve and authorize the VRE CEO to execute a capital project funding addendum with the Virginia Passenger Rail Authority (VPRA) for the Rippon Station Improvement Project.

This Capital Project Funding Addendum is required by the *Master Funding Agreement for VPRA-Supplied Funding on VRE Projects* between the Commissions and VPRA for VRE to access VPRA-supplied funding. This Capital Project Funding Addendum would allow VRE to access up to a total of approximately $1.7 million in Congestion Mitigation and Air Quality (CMAQ), RSTBG/RTSP federal funds and non-federal match funds for the Rippon Station Improvement Project. Additional background information is included in the attached VRE memorandum.

This Capital Project Funding Addendum would allow VRE to access up to approximately $1.3 million in Congestion Mitigation and Air Quality (CMAQ), $55,742 of RSTBG/RTSP federal funds, and $340,986 in non-federal match funds from VPRA to VRE for the Rippon Station Improvement Project.

J. ACTION: Approve Resolution #2621: Authorize the VRE CEO to Submit a VRE Application for the Franconia-Springfield Improvements Project to the I-395/95 Commuter Choice FY 2028-2029 Program

On the recommendation from the VRE Operations Board, the Commission will be asked to approve Resolution #2621, which will authorize the VRE CEO, or her designee, to submit, on behalf of the Commissions, a VRE application for an $18,250,000 funding request to the I-395/95 Commuter Choice FY 2028-2029 program, to make any necessary corrections to the project amount or descriptions in the application and execute all project funding agreements that may result from consideration of the VRE application.

It should be noted that the Commission's action does not constitute approval of any VRE applications or eliminate the need for the VRE applications to qualify for funding based on an objective evaluation using criteria established for the adopted I-395/95 Commuter Choice project selection process.

VRE has identified capital improvements to support planned service enhancements consistent with System Plan 2050 and the Transforming Rail in Virginia (TRV) initiative that benefit toll payers, maximize person throughput, and provide enhanced multimodal choices in the I-395/95 travel corridor.

On October 19, 2026, NVTC opened a Call for Projects for the I-395/95 Commuter Choice FY 2028-2029 funding program with applications due December 18, 2026. VRE staff have identified the Franconia-Springfield Station Improvements Project as the most eligible candidate for this round of Commuter Choice funding. This project would support the design and construction of an extension to the existing west platform (adjacent to the WMATA station) and a widening and extension of the existing east platform. These capacity expansions will improve operational efficiency and accommodate eight-car trains on both tracks. The project will also construct a new pedestrian tunnel for east side access from Barry Road under a future third track to be constructed by VPRA.

This project is within the limits of the broader VPRA Franconia to Lorton Third Track project and must be constructed with strict schedule coordination between the two projects. The project's current schedule assumes award of a construction contract by VRE in May 2027 to maintain schedule coordination with VPRA's effort. This project currently has a funding shortfall, with pathway to be fully funded through existing VRE capital funding sources in this timeframe. Additional information is included in the attached VRE memorandum.

MINUTES
NVTC COMMISSION MEETING – NOVEMBER 5, 2026
FIRST FLOOR LARGE CONFERENCE ROOM – 2300 WILSON BLVD.
ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chair Bagley at 7:09 p.m.

Members Present
Canek Aguirre
Walter Alcorn
Sarah Bagley
James Bierman, Jr.
Kate Garman Burns
Maureen Coffey
Takis Karantonis
Paul Krizek
R. Kirk McPike
Alfonso Lopez
Dalia Palchik
Catherine Read
Saddam Azlan Salim
Rachna Sizemore Heizer
David Snyder (Alternate, City of Falls Church)
Daniel Storck
Justine Underhill

Members Absent
Juli Briskman
Matt de Ferranti
Matt Letourneau
David Reid
Kannan Srinivasan

Staff and Others Present
Kate Mattice, Executive Director
Jason Adle
Genoveva Cutrell
Matt Friedman
Rhonda Gilchrest
Sarah Godfrey
Adam Hager
Hwajung Kim
Ann McGrane
Tenley O'Hara
Vikram Sinha
Amanda Sink
Sophie Spiliotopoulos
Colie Touzel
Melissa Walker
Owen Williams
Aimee Perron Seibert
Dallas Richards (VRE)
Joe Swartz (VRE)
MinhChau Corr (NVTC/VRE)

Opening Remarks

Chair Bagley welcomed everyone to the November 5, 2026 NVTC meeting and noted that the meeting was being simultaneously broadcast to the public on YouTube. Board Administrator Rhonda Gilchrest confirmed a quorum.

Chair Bagley stated that Dalia Palchik requested electronic participation from Fairfax County for a personal reason due to childcare issues. Mr. Aguirre moved, with a second by Ms. Coffey, to approve Ms. Palchik's electronic participation. The vote in favor was cast by Commissioners Aguirre, Alcorn, Bagley, Bierman, Burns, Coffey, Karantonis, Krizek, McPike, Read, Salim, Storck and Underhill. The motion passed. (Ms. Palchik joined remotely later in the meeting, as noted in the minutes.)

Chair Bagley thanked staff for two fantastic tours last week of the Envision Route 7 corridor between Southern Towers and the East Falls Church Metrorail Station. Riding the F20 and walking between bus stops along the corridor helped demonstrate both the challenges and opportunities along that segment of the corridor. She expressed her excitement to see how the project will continue to advance through both short- and long-term projects.

Chair Bagley reviewed highlights of the meeting agenda and asked if NVTC received any general public comments this month. Ms. Mattice reported that no comments were received.

Action Items

Chair Bagley stated that there are three action items this month, including the minutes, the 2027 Meeting Schedule and a VRE action to extend a parking lot lease agreement.

Minutes of the October 1, 2026 NVTC Meeting. Chair Bagley asked if Commissioners had any edits to the minutes and there were none.

Mr. McPike moved, with a second by Mr. Aguirre, to approve the Minutes of the October 1, 2026 Meeting. The vote in favor was cast by Commissioners Aguirre, Alcorn, Bagley, Bierman, Burns, Coffey, Karantonis, Krizek, McPike, Read, Salim, Storck and Underhill. The motion passed.

2027 NVTC Meeting Schedule. Chair Bagley stated that since there are no major conflicts for 2027, the 2027 Commission meeting dates will remain the first Thursday of the month at 7:00 p.m., with the Executive Committee meeting at 6:00 p.m. She noted that there is no February 2027 Commission meeting, but a Legislative Reception will be held in Richmond on Thursday, February 4, 2027 from 4:45 – 7:00 p.m. Also, the July 1, 2027 meeting will be all-virtual. Chair Bagley reminded Commissioners that NVTC traditionally holds committee meetings on the third Thursday of the month, so Commissioners are asked to hold those dates on their calendars.

Mr. Aguirre moved, with a second by Mr. Karantonis, to approve the 2027 Meeting Schedule. The vote in favor was cast by Commissioners Aguirre, Alcorn, Bagley, Bierman, Burns, Coffey, Karantonis, Krizek, McPike, Read, Salim, Storck and Underhill. The motion passed.

Lease Agreement Extension for the North Parking Lot at the VRE Broad Run Station. VRE Vice-Chair Dan Storck reported that Resolution #2617 approves extending the term of the Lease Agreement with the City of Manassas for a parcel of land adjacent to the VRE Broad Run Station platform being used for VRE parking for an amount of $25,974. VRE staff recommend extending the existing agreement for a period of 12 months to allow additional time for discussions with the city regarding acquisition of the property to support the VRE Broad Run Expansion project. VRE's approved FY 2027 operating budget and the preliminary FY 2028 budget include the necessary funding for this lease extension.

Mr. Storck moved, with a second by Mr. Bierman, to approve Resolution #2617. The vote in favor was cast by Commissioners Aguirre, Alcorn, Bagley, Bierman, Burns, Coffey, Karantonis, Krizek, McPike, Read, Salim, Storck and Underhill. The motion passed. (A copy of the resolution is attached.)

Presentations

Chair Bagley reviewed the evening's presentations. First, WMATA Program Manager Adam Hager and Program Analyst Owen Willams will present the draft 2026 Report on the Performance and Condition of WMATA, followed by Director of Programs and Policy Ann McGrane to present on the draft 2027 Legislative and Policy Agenda and Legislative Liaison Aimee Perron Seibert to discuss NVTC's related legislative strategy. Finally, VRE Deputy CEO Dallas Richards will give the VRE CEO Report and speak to the draft 2027 VRE Legislative Agenda.

Draft 2026 Report on the Performance and Condition of WMATA. Mr. Hager reviewed some background information and the importance of this report. The Commission is required by state Code to provide this report to the governor and the General Assembly. The report includes potential strategies to reduce the growth in costs and to improve the efficiency of WMATA operations. It is an opportunity to communicate positions on issues of importance to Northern Virginia related to WMATA. The report was developed alongside the WMATA Committee over the course of this past year.

Mr. Williams gave an overview of how the report is structured. It begins with a year-in-review, which looks at some of the major developments at WMATA over the past year, both areas of progress for the system and some of the challenges that remain. From there, it provides an update on the state of play for a long-term funding solution. There were some significant developments during the 2026 General Assembly Session, but there is still considerable work to be done before FY 2029. The report then covers the Commission's recommendations, which reflect many of the issues the WMATA Committee has discussed over the course of the year. Finally, consistent with the statutory requirements, the report provides an accounting of Virginia's dedicated capital funding and updated safety, reliability, ridership and financial performance data.

Mr. Williams provided more granularity of how WMATA performed in 2026. Overall, 2026 was another year of continued ridership growth and generally strong performance for WMATA, although the picture looks somewhat different between rail and bus. Systemwide, ridership grew by 2%, marking the fifth consecutive year of growth. That growth was driven by rail, which saw more than 151 million trips, up 9% from the prior year. There was also significant progress on safety. The Part 1 crime rate, which includes the most serious crimes that WMATA tracks, was down 61% compared with FY 2023, and customer satisfaction remained high. WMATA continued rolling out customer-facing improvements, including new payment, trip-planning and wayfinding tools designed to make it easier for customers to pay, plan and navigate the system. At the same time, there are some clear areas for continued attention. Bus ridership declined by 7%, even as WMATA implemented significant service changes and improvements through the Better Bus network. Fare evasion also remains a very different story by mode, sitting at about 5% on rail compared with 69% on bus.

Mr. Williams also noted that there were broader ongoing operational pressures. Traffic congestion and operator availability continue to affect bus reliability, while aging infrastructure and severe weather continue to test the resilience of the system. This results in perhaps the biggest unresolved issue facing WMATA and its funding partners: establishing a sustainable, long-term funding solution. The 2026 General Assembly Session brought some significant developments for WMATA funding, building on the recommendations of DMV*Moves* and the SJ 28 Joint Subcommittee. However, there are still several important issues that need to be resolved before FY 2029. First, on the operating side, the General Assembly provided an additional $153 million in General Fund support to continue Virginia's investment in WMATA's operating budget through FY 2028. This effectively extended the temporary funding arrangement first established in 2024 and avoided an immediate operating funding cliff. However, this funding is still temporary. The General Assembly did not establish a permanent statewide revenue source to sustain that additional operating support beyond the current biennium. Without further action, that funding will expire at the end of FY 2028.

Mr. Williams noted that on the capital side, the General Assembly established a new requirement for Northern Virginia's local governments to collectively contribute an additional $136 million annually toward WMATA's capital needs beginning in FY 2029, with that amount increasing by 3% each year thereafter. This represents Virginia's share of the broader $460 million regional capital funding solution recommended through DMV*Moves*, which is intended to support WMATA's long-term capital investment and modernization needs. The new 1% local-option sales tax could help jurisdictions meet these new obligations, however, that authority is subject to voter approval and revenues could also be used for school construction. While this provides a potential tool, it does not establish a dedicated funding source for the new capital commitment.

Mr. Williams stated that there is an important regional component to this. Maryland and the District of Columbia have not yet enacted their respective shares of the $460 million capital solution, and Virginia's additional capital funding is contingent on those regional commitments being established. So, the key takeaway is that while Virginia addressed WMATA's immediate operating funding needs and established a requirement for additional

capital investment, the fundamental long-term funding question remains unresolved. By FY 2029, Virginia will need a permanent operating funding solution, Northern Virginia jurisdictions will need a workable way to meet their new capital obligations, and Maryland and the District will need to establish their respective contributions to the regional solution.

Mr. Hager reviewed several graphics to help visualize some of the implications of this year's state budget and helps inform the key recommendations in the report. In FY 2025-2026 and again in FY 2027-2028, the Commonwealth and NVTC local governments established stopgap solutions to support Virginia's additional investment in WMATA's operating budget. Also, Northern Virginia local governments are now responsible for meeting their respective shares of $136 million in new capital funding as recommended by DMV*Moves*. The key message is to maintain the partnership between region and state, and that the Commonwealth should identify $153 million in net new revenues to permanently support Virginia's obligations in WMATA's operating budget.

Mr. Hager then reviewed the six recommendations outlined in the report:

- **Secure a Long-Term Funding Solution.** Virginia, Maryland and the District of Columbia should establish a long-term funding solution to meet their respective WMATA capital and operating obligations by FY 2029.
- **Increase Total Jurisdictional Subsidy at 3% Annually.** The WMATA Board should adopt a budget featuring 3% growth in total jurisdictional subsidy since Virginia's revised 3% cap framework no longer legislatively limits annual subsidy growth.
- **Control Growth in Labor Costs.** WMATA should address outstanding opportunities to control labor cost growth through collective bargaining agreement negotiations
- **Effectively Budget Overtime Expenses.** WMATA should identify the factors driving overtime cost growth and better align budget to actual use of overtime.
- **Revisit Fare Policies and Strengthen Enforcement Strategies.** WMATA should Increase fares in line with inflation in FY 2028 and assess opportunities to expand eligibility for low-income fare products; continue working with the region to better integrate fare policy and technology; and strengthen fare enforcement strategies to grow system-generated revenue.
- **Establish a Coordinated, Multi-Jurisdictional Subsidy Audit.** The WMATA Board should establish a coordinated, jurisdictional subsidy audit to ensure payments made to WMATA are in accordance with Board-approved subsidy allocation formulas.

Mr. Hager stated that staff is accepting Commissioner feedback on the report until November 12. The Commission will then take action at the December meeting, in time to send the report by the December 15 deadline to the governor and General Assembly.

Mr. Krizek asked if there are any best practices done by peer transit agencies regarding a long-term funding solution. He suggested providing 3-5 funding options to the General Assembly. Mr. Hager stated that NVTC has done a lot of work over the last few years and has gathered this type of information. Mr. Hager stated that the report does include more information about fare evasion and net revenues. Staff can provide this information to Commissioners. Chair Bagley asked if the recommendation to increase fares would be a

more targeted approach or would it be across the board. Mr. Hager explained that the report recommendation is for "a" fare increase and does not spell out the concepts under consideration. Ms. Burns stated that in regard to fare enforcement, if 50% of bus riders were paying their fares, it would be an increase of $22 million. Chair Bagley observed that the report includes a sub-bullet recommendation of providing expanding eligibility for low-income fare products. Mr. Karantonis expressed his concern about making any recommendation to raise fares right now in the current environment. Mr. Hager stated that to maintain the system, it has to have a funding source, so for every dollar that is not generated from fares, then it will need to come from subsidy. There needs to be a balance. Chair Bagley observed that there is a correlation between frequency/headways and ridership gains.

[Mr. Lopez joined the discussion at 7:28 p.m.]

Mr. Bierman asked if staff have looked at other comparable regional solutions to regional problems that are passed by state legislatures. Mr. Hager stated that NVTC produced a peer funding analysis in 2024, so staff can update it and make it available. The WMATA report does not speak to legislative strategy. The Commission will be discussing strategy later in the agenda. Mr. Alcorn reminded Commissioners that WMATA is the only major transit system in the country that does not have a dedicated funding source. Ms. Coffey asked if the report sufficiently references SJ 28 study and whether staff could add more if it doesn't. Mr. Hager stated that much of that information is in the report but he will be happy to share more information with Commissioners to make sure it is well-documented in the report. Mr. Alcorn stated that it is imperative that the funding issue be addressed by the General Assembly.

[Ms. Palchik joined remotely at approximately 7:33 p.m.]

Draft NVTC 2027 Legislative and Policy Agenda. Ms. McGrane reviewed the draft 2027 NVTC Legislative and Policy Agenda and she went through the changes from the previous year's agenda. The 2027 agenda acknowledges the temporary solutions passed over the past several sessions but calls for a long-term permanent funding solution. NVTC will be monitoring and tracking any recommendations coming from the current General Assembly mandated studies to ensure that they reflect Northern Virginia's transit funding, governance and service needs while preserving local and regional accountability. NVTC will also seek a legislative solution to reduce duplicative in-person public meeting requirements as expanded virtual public meeting options provide increased access.

Ms. McGrane stated that for the "Future Transit Innovation and Improvements" section, NVTC will continue to support Commonwealth rail investment, the development and implementation of transit innovation, and policies that facilitate the timely planning, permitting and delivery of transit infrastructure and passenger improvements. NVTC will also work to advance policies that prioritize bus movement and improve the bus rider experience on state-maintained roadways, including measures that support bus priority and reduce barriers to the development and implementation of bus rapid transit (BRT) and other transit improvements.

Ms. McGrane then reviewed the federal portion of the agenda. For grant funding, NVTC should support the fair, transparent and timely administration of federal transit grant programs, including the prompt execution of grant agreements and obligation of funds for projects selected for federal assistance.

NVTC Legislative Liaison Aimee Perron Siebert then gave a high-level overview of NVTC legislative strategy for the upcoming 2027 General Assembly Session. She reviewed the core messaging: 1) The problem didn't go away; we bought time – the temporary operating fix was only a bridge and the capital fix needs refinement; 2) It's getting worse, not better – diesel, personnel and energy costs continue to grow and pressure agencies; and 3) Here's what if means to your district – routes could be cut, frequency could be reduced, commute times could increase.

Ms. Perron Siebert stated that it is not realistic to ask for a big funding solution fix during the 2027 short session and before a big election year. The big ask will come in 2028. Part of NVTC's legislative 2027 strategy will be asking for gap funding for VRE, protect what exists, put the problem on the official record, support flexibility and cost-containment measures, come see the system, and defend against harmful bills that will cost transit more. NVTC will engage by building business allies, crafting the non-money ask and educating on the need and the investment.

Ms. Perron Siebert reviewed what Commissioners, as local leaders, can do to help:

- **Talk to your legislators** before session, then in spring and fall
- **Prepare** jurisdiction-level fact sheets (NVTC will provide)
- **Pass** a council or board resolution on the continued need in the spring
- **Invite legislators** to ride or tour a transit facility with you
- **Reach out** to employers or chambers to join the effort
- **Report back** on meetings to NVTC

Mr. Aguirre asked how to get legislators from other parts of the Commonwealth to come and ride or tour a transit facility in this region. Ms. Perron Siebert agreed that it is even hard to get Northern Virginia legislators to attend tours, let alone others from the rest of the state. She suggested piggy-backing on other events where they are already visiting the region, such as committee meetings or retreats. Mr. Aguirre encouraged staff to continue the tour idea. Chair Bagley observed that it is also incumbent upon Northern Virginia leaders to ride the systems in other parts of the Commonwealth. It gives more credibility and connects to the idea that if we can find a solution in Northern Virginia, it can be duplicated in other areas of the Commonwealth, such as Hampton Roads and Richmond.

Mr. Krizek asked if the Silver Line has been a big boost to Metro ridership, since Northern Virginia legislators need to convince their legislative colleagues that there has been progress. Mr. Alcorn stated that WMATA can show the success stories. The Silver Line has seen ridership increases, but another success story is around the Reston Station where the office vacancy rate is zero. A mile away the rate is 30%, so it clearly shows that transit is key. Mr. Bierman added that in terms of the economic engine, the Reston corridor is doing just as well or even better compared to the Rosslyn-Ballston corridor, which has always

been a success corridor. Also, the Tysons corridor is doing well. The Silver Line has been a tremendous boon for the entire Commonwealth, and not just because of ridership but also building the tax base through transit-oriented development, etc.

Mr. Lopez suggested the message (such as in the one-pagers) needs to convey the scary reality of what will happen if the funding does not happen and results in service cuts and how that impacts individual localities, the region and then the entire Commonwealth. Back it up with how it impacts the Commonwealth's bottom line. He also suggested multiple op-ed pieces in Richmond and a "grasstops" strategy to communicate with those in influence (governor's office, Secretary of Transportation Nick Donohue, Secretary of Finance Mark Sickles and regional leaders with other areas such as Hampton Roads).

Ms. Palchik stated that budgets are tight and she appreciates the different approach and the emphasis on the value of transit. Ms. Mattice reminded Commissioners about NVTC's Value of Transit study (in 2025 dollars). She reviewed statistics on financial benefit of transit to the entire Commonwealth. There is also the affordability element, where with transit a household has the ability to have one less car, which can save a household of more than $14,000 a year. NVTC will be exploring more concepts about the economic value to the Commonwealth. Mr. Storck stated that there is a housing shortage across the region and job openings that are unfilled and part of the equation is how people can get to the jobs. These all tie into the need for a better transportation system.

Chair Bagley stated that the legislative agenda will come back for action at the December meeting.

Virginia Railway Express (VRE) Chief Executive Officer Remarks. Deputy CEO Dallas Richards reported that VRE's key performance measures are stable or improving. VRE is at about 71% on-time performance for the month of September and looks to be about the same for October. Ridership has increased by about 10% in September. He also gave some highlights of the annual Tour de VRE bike ride event and a passenger train emergency preparedness full-scale drill at the Crossroads facility. He also noted that the VRE FY 2028 budget will come back for Commission action in January.

Mr. Richards stated that he appreciated Ms. Perron Siebert's comments about "protecting what exists" since VRE service matters. In regard to a comment made by Chair Bagley, Mr. Richards explained that VRE has a practice of benchmarking where staff are encouraged to identify their counterpart at another commuter rail agency and visit and bring back lessons learned. So, go find what is important to other parts of the Commonwealth and also learn from each other. It might not be transit that is important to them, but it could be something else that would be important to know. He noted that VRE's Legislative Agenda is in the meeting materials.

Chair Bagley expressed her excitement that VRE's November meeting is being hosted in Alexandria and VRE will be rechristening the Seminary Road Yard. Mr. Richards announced that the new name will be Independence Yard. Chair Bagley also reminded Commissioners about Santa Trains on December 12.

Department of Rail and Public Transportation Director Remarks. Chair Bagley noted that neither Director Zimmerman nor Deputy Director Fye could attend. She encouraged Commissioners to read the written DRPT Report. She noted that DRPT staff Jen Monaco is in the audience and could answer questions. There were no questions or comments.

Committee Reports

Report from the Washington Metropolitan Area Transit Authority (WMATA) Board Members and NVTC WMATA Committee Chair. WMATA Board Member Kate Burns provided an FY 2028 operating budget outlook. WMATA had some significant expense pressures in early FY 2027 that are expected to continue to impact the budget next year, including CBA-mandated wage growth, Metro Access paratransit costs, and fuel and electricity. Based on preliminary ridership and revenue assumptions, WMATA is anticipating an operating budget gap between $79-114 million in FY 2028. Management is working on a proposed budget that will address the anticipated gap and all options are on the table. The Board discussed preventive maintenance transfers, service cuts, and fare levels as potential tools to address next year's budget challenges. The general manager's proposed budget will be released on December 10.

Mr. Alcorn stated that the WMATA Board received an update today on the capital program. The most important factor for capital planning is DMV*Moves* funding. Without it, WMATA is at risk of exhausting its debt capacity and will face significant challenges maintaining the system in a state of good repair. At this stage, management is proposing advancing a Capital Improvement Program (CIP) that expects DMV*Moves* funding by FY 2029. There is also some uncertainty regarding federal funding – both formula funding and discretionary grants that WMATA will need to advance rail modernization. Beyond the funding element, the Board discussed several longer-term concepts on bus, rail, Metro Access, and technology which will be incorporated into a 2050 vision plan next year.

[Ms. Sizemore Heizer joined the meeting at 8:17 p.m.]

Mr. Alcorn also provided some information about a potential fare increase in the FY 2028 budget. WMATA management is considering three concepts: an 11.1% fare increase (in line with inflation) for rail, bus and Metro Access; tiered pricing for parking based on demand; and a new Youth Fare Program for all children ages 5-18 in the region on rail and bus. WMATA is also looking at expanding eligibility for Metro Lift (50% fares for low-income residents) and several weekend and late-night adjustments to grow ridership and revenue. Ms. Burns noted that the proposed FY 2028 budget will assume these fare proposals go forward. Also, the youth fare program is outside of the subsidy, so it would be an additional regional cost of $3.5 million spread across the localities in Virginia.

Commissioners had a lengthy discussion about the pros and cons of a potential fare increase and the other fare changes. Mr. Alcorn and Ms. Burns provided more details in the context of the discussion. Mr. Alcorn noted that most of the costs are fixed, so cutting service doesn't produce substantial savings. Chair Bagley encouraged Commissioners to

share this information back to their jurisdictions as these fare proposals are assumed in the WMATA FY 2028 budget.

Report from the Chairs of the WMATA Committee and Legislative and Policy Committee. Since WMATA Committee Matt de Ferranti is not in attendance, Chair Bagley reported that there will be a joint meeting of the WMATA Committee and the Legislative and Policy Committee on November 19 at 6:00 p.m. Committee at 6:00 pm on Thursday, November 19 upstairs here at NVTC. There will be a briefing on DRPT's ongoing legislatively directed studies, a final update on our 2026 Report on WMATA, and continued discussions on our 2027 Legislative and Policy Agenda.

Report from the Legislative and Policy Chair. Legislative and Policy Committee Chair Canek Aguirre flagged one thing about the upcoming November 19 joint committee meeting. DRPT staff will be presenting on the public-private transit labor work group findings, in addition to the Northern Virginia transit consolidation study. As the region looks toward a future transit funding ask, it is important to understand any budgetary impacts that the public-private transit legislation might have and account for them in local transit need estimates.

Ms. Mattice reminded Commissioners that the annual Legislative Forum is on Monday, December 14 at the George Mason University Arlington Campus. Over 100 have already rsvp'd for the event. DRPT Director Zimmerman will be the keynote speaker. As well as the usual transit CEO panel, there will be a panel of area developers, economic development experts, and city planners to dive into the role of transit in building vibrant communities. She encouraged Commissioners to attend.

Report from the Program Advisory Committee Chair. Ms. Mattice reported that though the Program Advisory Committee (PAC) hasn't met since the last Commission meeting, there are a few programmatic updates. The Commuter Choice I-395/95 Call for Projects opened October 19 and will close on December 18.

Ms. Mattice stated that on November 16, NVTC and Fairfax County will be hosting a public meeting to discuss the tradeoffs between a center running versus curb running bus lane in the Phase 4-2 Envision Route 7 study corridor between Seven Corners and Southern Towers/Mark Center. The meeting will be at Bailey's Elementary School starting at 7:00 p.m. She also noted that the Envision Route 7 team will be attending the Fairfax County Board of Supervisors Transportation Committee on December 1 to discuss studying findings and next steps for Route 7.

Executive Director Wrap-Up

Ms. Mattice thanked Commissioners Aguirre, Alcorn, Bagley, Burns, Karantonis and Palchik for joining staff on the Route 7 bus tour. Ms. Mattice reported that this month's Executive Director Newsletter includes a collection of photos from that tour and a section called "Charting Transit," which is a great data infographic feature that Data Visualization Program Manager Sophie Spiliotopoulos puts together each month. For November, it

includes information about the rising costs of diesel and how that's affecting bus agencies in Northern Virginia.

Ms. Mattice also shared a few stats from NVTC's NoVa Rides marketing campaign. As a reminder, the campaign started September 10 and will wrap up next week. Through October 24, the campaign has earned 8.5 million impressions and 123,000 clicks to novarides.org. There have been nearly 2,000 interactions with the trip planning tool on the website--the popular Transit app. These are very strong numbers showing the strength of this campaign. With the campaign about to wrap up, staff will provide a final summary in the near future.

Ms. Mattice also thanked Mr. Storck for welcoming her at the 11th annual Tour de Mount Vernon ride this past weekend in Lorton. She concluded her remarks with reviewing upcoming meetings:

- Joint WMATA Committee and Legislative and Policy Committee meeting on November 19 at 6:00 p.m.

- Next Commission meeting on December 3 at 7:00 p.m. (Executive Committee at 6:00 p.m.). The 7:00 p.m. meeting will include a public hearing on NVTC's Work Plan. Given that NVTC will be launching its strategic plan early next year, this is a great opportunity for those who are interested in NVTC's future work to provide their thoughts with the Commission.

- Annual Legislative Forum on December 14 at 8:30 a.m. at George Mason University's Arlington campus

Ms. Mattice also noted that the meeting materials include the September Financial Reports. There were no questions from Commissioners.

Closed Session

Chair Bagley stated that the Commission needs to go into Closed Session for a personnel matter. She explained that for the benefit of the listening public, the Commission will return to Open Session. The meeting will continue its livestream when NVTC returns to Open Session.

Mr. Bierman moved, with a second by Mr. Alcorn, the following motion:

> Pursuant to the Virginia Freedom of Information Act, Section 2.2-3711.A.1 of the Code of Virginia, the Northern Virginia Transportation Commission moves to convene a closed meeting for discussion of the annual performance review of the executive director.

The vote in favor was cast by Commissioners Aguirre, Alcorn, Bagley, Bierman, Burns, Coffey, Karantonis, Krizek, Lopez, McPike, Read, Salim, Sizemore Heizer, Storck and Underhill. A roll call vote was conducted for Commissioners participating electronically and Ms. Palchik voted in the affirmative. The motion passed.

The Commission entered into Closed Session at 8:40 p.m. and returned to Open Session at 9:36 p.m. The live stream feed was restored for public viewing.

Ms. Coffey moved, with a second by Mr. Aguirre, the following certification:

> The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:
>
> 1) Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
>
> 2) Only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered.

The vote in favor was cast by Commissioners Aguirre, Alcorn, Bagley, Bierman, Burns, Coffey, Karantonis, Krizek, Lopez, McPike, Read, Salim, Sizemore Heizer, Storck and Underhill. A roll call vote was conducted for Commissioners participating electronically and Ms. Palchik voted in the affirmative. The motion passed.

Mr. Bierman made the motion, with a second by Mr. Lopez, to move forward with the proposal discussed regarding the executive director's evaluation and compensation. The vote in favor was cast by Commissioners Aguirre, Alcorn, Bagley, Bierman, Burns, Coffey, Karantonis, Krizek, Lopez, McPike, Read, Salim, Sizemore Heizer, Storck and Underhill. A roll call vote was conducted for Commissioners participating electronically and Ms. Palchik voted in the affirmative. The motion passed.

Adjournment

Without objection, Chair Bagley adjourned the meeting at 9:37 p.m.

Approved this 3rd day of December 2026.

_____
Sarah Bagley
Chair

_____
Maureen Coffey
Secretary-Treasurer

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

RESOLUTION #2617

SUBJECT: Approve Extending the Lease Agreement for the North Parking Lot at the VRE Broad Run Station

WHEREAS: In February 2005, VRE entered into an initial Lease Agreement with the City of Manassas, through its airport director, and a total of 81 parking spaces were constructed by VRE on the leased parcel to serve passengers boarding at the Broad Run Station;

WHEREAS: With the authorization of the Operations Board in November 2014, VRE executed the current Lease Agreement with the City of Manassas which ran through November 2019, and which has since been renewed annually, with the rent increasing by 3% at the end of each 12-month period;

WHEREAS: The most recent 12-month extension of the Lease Agreement will expire on November 30, 2026;

WHEREAS: VRE staff recommend extending the existing Lease Agreement for a period of 12-months to allow additional time for discussions with the City of Manassas regarding acquisition of the property to support the VRE Broad Run Expansion project; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission does hereby approve extending the term of the Lease Agreement with the City of Manassas, through its airport director, for a 34,022 square foot parcel of land adjacent to the VRE Broad Run Station platform in the amount of $25,974 for a period of 12-months.

Approved this 5th day of November, 2026.

Sarah Bagley
Chair

Maureen Coffey
Secretary-Treasurer

Final Draft

Attachment #4C

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

2026

Report on the Performance and Condition of the Washington Metropolitan Area Transit Authority

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NVTC
NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Improving the Ride

By investing in the **customer experience**, Metro makes it easier to **pay, plan your trip** and **navigate the region**

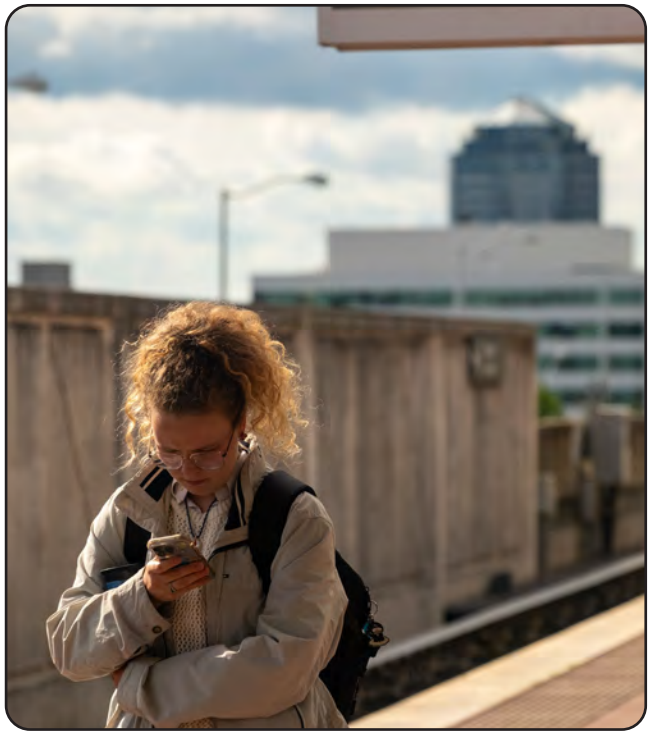


More riders pay with Tap. Ride. Go. than with cash



A revamped Metro Pulse app and Metro website made trip planning easier for customers

Tap. Ride. Go. is available across Metro Rail, Metro Bus and all parking facilities, making it easier for customers to pay



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Enrollment in Metro Lift and other reduced-fare programs continued to grow



Customer satisfaction remained high, reaching 92% on Metro Rail and 81% on Metro Bus

Metro Lift expanded to Arlington Transit, increasing access to reduced fares in Northern Virginia





Metro improved wayfinding and service information at 20 Metro Rail stations

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

December 15, 2026

Chair
Hon. Sarah Bagley

Vice-Chair
Hon. Matthew F. Letourneau

Secretary-Treasurer
Hon. Maureen Coffey

City of Alexandria
Hon. Canek Aguirre
Hon. Sarah Bagley

Arlington County
Hon. Maureen Coffey
Hon. Matt de Ferranti
Hon. Takis Karantonis

Fairfax County
Hon. Walter L. Alcorn
Hon. James N. Bierman, Jr.
Hon. Dalia A. Palchik
Hon. Rachna Sizemore Heizer
Hon. Daniel G. Storck

City of Fairfax
Hon. Catherine S. Read

City of Falls Church
Hon. Justine Underhill

Loudoun County
Hon. Juli E. Briskman
Hon. Matthew F. Letourneau

Commonwealth of Virginia
Kate Garman Burns

Virginia General Assembly

Senate
Hon. Saddam A. Salim
Hon. Kannan Srinivasan

House of Delegates
Hon. Paul Krizek
Hon. Alfonso Lopez
Hon. R. Kirk McPike
Hon. David Reid

Executive Director
Katherine A. Mattice

On behalf of the Northern Virginia Transportation Commission (NVTC), I am pleased to submit the *2026 Report on the Performance and Condition of the Washington Metropolitan Area Transit Authority* (WMATA) as directed by Virginia Code. Building on a successful year marked by continued ridership growth, improvements in safety and customer experience and recognition as the nation's Outstanding Public Transportation System of the Year, this report offers NVTC's recommendations to further improve WMATA's performance and long-term sustainability. As Metro Rail celebrated its 50th anniversary, WMATA lived up to its reputation as *America's Metro System*, connecting residents and visitors to celebrations of the nation's 250th anniversary and major events across the region. WMATA's continued progress underscores its importance to Northern Virginia and the Commonwealth's economic vitality and quality of life.

The 2026 General Assembly Session made meaningful progress toward addressing WMATA's outstanding funding needs. Responding to recommendations from DMV*Moves* and the Northern Virginia Growing Needs of Public Transit Joint Subcommittee, the Commonwealth provided $153 million in temporary General Fund support through FY 2028, established new capital funding requirements for Northern Virginia localities beginning in FY 2029 and enacted important cost containment and accountability reforms. NVTC appreciates the General Assembly's continued commitment to WMATA, while recognizing that permanent revenue sources must still be identified to meet Virginia's long-term operating and capital obligations. **Securing a long-term, sustainable and dedicated funding solution for WMATA remains a critical regional priority**: Virginia, Maryland and the District of Columbia must meet their respective funding commitments by FY 2029. Continued collaboration will be essential to sustaining WMATA's recent success and advancing rail modernization, ensuring that the region and the Commonwealth benefit from a best-in-class transit system for decades to come.

In addition to outlining NVTC's recommendations, this report documents WMATA's performance and progress toward long-term, sustainable funding. It also reports on the Commonwealth's dedicated capital funding and WMATA's safety, reliability, ridership and financial performance as required by law. NVTC looks forward to continuing our work with regional partners to ensure a strong and sustainable future for WMATA.

Sincerely,

Sarah Bagley

Sarah Bagley, Chair

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Acknowledgements and Credits

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Matthew F. Letourneau, Vice-Chair (Loudoun County)
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Walter Alcorn (WMATA Principal Director, Fairfax County)
Kate Burns (WMATA Principal Director, Commonwealth Appointee)
Justine Underhill (David Snyder, Alternate) (City of Falls Church)

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Owen Williams, Program Analyst

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Legislative Requirement of This Report

This report fulfills the requirements of § 33.2-3403 of the Code of Virginia specifying that the Northern Virginia Transportation Commission (NVTC) report annually on the performance and condition of the Washington Metropolitan Area Transit Authority (WMATA), for both Metro Rail and Metro Bus. Per statute, the report addresses the following elements:

- Potential strategies to reduce the growth in costs and to improve the efficiency of WMATA operations.
- Use of the dedicated capital funds authorized by the legislation to improve the safety and condition of the rapid heavy rail mass transportation system.
- The safety and reliability of the rapid heavy rail mass transportation system and bus network.
- The financial performance of WMATA related to the operations of the rapid heavy rail mass transportation system and bus mass transportation system, including farebox recovery, service per rider and cost per service hour.
- The ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.

NVTC's Key Priorities for WMATA

NVTC uses this annual report to communicate positions on issues of importance to Northern Virginia jurisdictions related to reducing the growth in costs and improving the efficiency of the Washington Metropolitan Area Transit Authority (WMATA). As part of its ongoing oversight of WMATA, NVTC offers the following recommendations this year. Primarily directed to WMATA, these recommendations are also relevant for WMATA's federal, state and local partners who play important roles in WMATA's funding and governance and collectively share responsibility for WMATA's long-term success.

Secure a Long-Term Funding Solution

Virginia, Maryland and the District of Columbia should establish a long-term funding solution to meet their respective WMATA capital and operating obligations by FY 2029.

Commit to Total Jurisdictional Subsidy Growth at No More Than 3% Annually

The WMATA Board should adopt a budget featuring no more than 3% growth in total jurisdictional subsidy since Virginia's revised 3% cap framework no longer legislatively limits annual subsidy growth.

Control Growth in Labor Costs

WMATA should address outstanding opportunities to control labor cost growth through collective bargaining agreement negotiations.

Effectively Budget Overtime Expenses

WMATA should identify the factors driving overtime cost growth and better align budget to actual use of overtime.

Revisit Fare Policies and Strengthen Enforcement Strategies

WMATA should increase fares in line with inflation in FY 2028 and assess opportunities to expand eligibility for low-income fare products, continue working with the region to better integrate fare policy and technology, and strengthen fare enforcement strategies to grow system-generated revenue.

Establish a Coordinated, Multi-Jurisdictional Subsidy Audit

The WMATA Board should establish a coordinated, jurisdictional subsidy audit to ensure payments made to WMATA are in accordance with Board-approved subsidy allocation formulas.

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1. Introduction

The Northern Virginia Transportation Commission (NVTC) is proud to continue advancing public transit in Northern Virginia with this Annual Report on the Performance and Condition of the Washington Metropolitan Area Transit Authority (WMATA). Beginning with being recognized as the Outstanding Public Transportation System of the Year by the American Public Transportation Association (APTA), FY 2026 put WMATA's recent improvements to the test. Ridership continued to grow as WMATA supported an exceptionally busy calendar of major events across the Greater Washington Region, from the annual Cherry Blossom Festival to the summer's America 250 celebrations and other large gatherings throughout the region. At the same time, WMATA continued to enhance safety, expand customer-facing technologies and adjust service to meet changing travel patterns while navigating major construction, severe weather and challenges of rolling out the Better Bus Network. As Metro Rail marked its 50th anniversary, FY 2026 offered a snapshot of a system performing at a high level while continuing to adapt to the region's evolving needs.

Metro Bus nevertheless remains one of WMATA's clearest opportunities for improvement. The Better Bus network expanded frequent service and access to jobs, but declining ridership, high fare evasion, traffic congestion and operator availability continued to affect performance. As WMATA continues to refine the redesigned network and hire a full complement of bus operators, the region will also need to invest more aggressively in bus priority and other measures that improve speed and reliability. Because bus service can serve communities throughout the region without the cost and lead time associated with major rail expansion, improving bus performance represents one of the region's most practical opportunities to expand access and mobility.

Five decades after the first trains began carrying passengers in March 1976, Metro Rail has grown into a 98-station regional network connecting the District of Columbia, Maryland and Virginia. With the 50th anniversary of rail service in Virginia approaching in 2027, this milestone provides a natural point to look ahead. As WMATA moves beyond maintaining a system built largely in the 1970s and 1980s, the agency is increasingly focused on the future through rail modernization and proactive asset management. Rail modernization efforts, including upgraded signaling and automation, are intended to improve reliability, safety and capacity over the long term, while WMATA's proactive maintenance program emphasizes preventive work and better planning to reduce failures and limit disruptions to customers. Together, these efforts frame WMATA's next chapter: preserving the gains of the past several years while preparing a 50-year-old rail system for the decades ahead.

Realizing this next chapter will require sustainable funding, Virginia took several important steps in 2026 toward addressing its share of WMATA's long-term operating and capital needs but has not yet identified revenues to support these commitments as envisioned through the Northern Virginia Growing Needs of Public Transit Joint Subcommittee (SJ 28) and DMV*Moves*. With permanent revenue sources still unresolved and additional regional commitments outstanding, Virginia, Maryland and the District of Columbia must act in the coming years to establish a long-term solution that can sustain existing service improvements, modernize the Metro Rail system and support a stronger regional bus network. NVTC recognizes the importance of not only WMATA, but its regional partners, stepping up to deliver the world-class public transportation network the region deserves and offers this report to document WMATA's progress, improve the long-term financial health of the organization and advance these critical goals.

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2. WMATA Year-in-Review

Ridership and Revenue

WMATA ridership continued to grow in FY 2026, with 267.5 million total trips, marking the fifth consecutive year of ridership growth and a 2% increase from FY 2025. Most growth was on Metro Rail, which carried 151.3 million trips, a 9% increase from the prior year. Metro Bus moved in the opposite direction, carrying 115.2 million trips, down 7% from FY 2025, while ridership across the Metro Access network increased 16%, driven by 30% growth on Abilities-Ride despite an 8% decline in trips provided by traditional Metro Access vehicles. These results also reflect the continued evolution of regional travel patterns. Metro Rail off-peak ridership increased 7% in FY 2026, including 11% growth during late-night periods, while weekend Metro Bus ridership remained 18% above FY 2019 levels, underscoring the growing importance of meeting weekend and off-peak travel demand as WMATA continues to invest in service outside the traditional weekday commute.[1]

These changing travel patterns also informed WMATA's service strategy, with greater emphasis on weekend and off-peak travel alongside targeted capacity where traditional peak demand remained strongest. The FY 2026 budget expanded Metro Rail operating hours on weekends, with earlier Saturday and Sunday openings and later Friday and Saturday closings, while the Better Bus Network increased midday, evening and weekend service.[2] WMATA also added targeted peak-period rail capacity where demand remained strongest. Stronger ridership also translated into higher passenger revenue overall. Passenger and parking revenue totaled $540.7 million in FY 2026, $51 million more than the prior year. Metro Rail revenue increased $52 million to $454.3 million, driven by the 9% increase in ridership, while Metro Bus revenue declined $5 million to $51.6 million. WMATA attributed the Metro Bus revenue decline in part to a greater share of pass revenue being allocated to Metro Rail. Parking revenue increased $4 million to $31.8 million as parking transactions grew 19%.[3]

> Passenger and parking revenue totaled **$540.7 million** in FY 2026, $51 million more than FY 2025.

Safety and Fare Enforcement

Safety and security continued to improve in FY 2026. The Part I, or more serious, crime rate declined 61% compared to FY 2023, continuing a multi-year reduction in crime across the system. Serious crimes fell to 2.8 crimes per one million customer trips, 24% lower than FY 2025, with particularly large declines in larceny/theft, robbery and assaults. Assaults on Metro Bus operators and station managers also declined 22% from FY 2025. Customer perceptions of safety remained strong as well, with just 5% of Metro Rail customers and 12% of Metro Bus customers reporting dissatisfaction with safety from crime or harassment in the fourth quarter.[4] Federal Transit Administration (FTA) data indicated WMATA was among the nation's safest major transit systems on measures of serious security incidents. A new federal dashboard measuring security incidents resulting in serious injury per million passenger boardings showed Washington's rail system with one of the lowest rates in the country, well below the national average.[5] While the measure does not capture every type of crime or riders' perceptions of safety, it provides an important national benchmark alongside WMATA's own improved crime statistics. In January, WMATA received the Transportation Security Administration's (TSA) Gold Standard Award for transit security for a

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record fifth time, earning perfect scores across all 17 categories assessed by TSA.[6] The recognition followed a calendar year in which WMATA reported the lowest crime rate in its history.

WMATA is one of the nation's safest major transit systems according to FTA data on serious security incidents.

Increased fare enforcement remained a prominent part of WMATA's safety and security strategy, while also addressing significant forgone passenger revenue. WMATA conducted nearly 22,000 fare-enforcement actions across Metro Bus and Metro Rail in FY 2026. At the same time, results continued to differ substantially by mode. Metro Rail fare evasion finished FY 2026 at 4.8%, meeting WMATA's target of no more than 5% and remaining 82% below levels prior to faregate modernization. Metro Bus fare evasion remained much higher at 69.4%, above WMATA's 50% target, though below its peak of 75% during the first half of FY 2025. Rates also varied substantially by jurisdiction, at 73% in the District of Columbia, 79% in Maryland and 36% in Virginia.[7]

Those efforts became considerably more visible in May with the launch of the Fares Pay for Service campaign, which combined customer education with increased enforcement on Metro Bus routes. Bus operators began informing boarding customers of the $2.25 fare, while the Metro Transit Police Department (MTPD) increased its presence on routes with high levels of fare evasion. WMATA estimated that Metro Bus fare evasion could result in nearly $50 million in lost revenue during the fiscal year, underscoring the financial as well as safety implications of the issue.[8]

Customer Experience

The customer experience also became more seamless in FY 2026 through expanded payment options, improved information and broader access to reduced fares. Tap. Ride. Go., which launched on Metro Rail in May 2025, expanded to Metro Bus in November 2025 and began rolling out at parking facilities in March 2026. By the end of FY 2026, Tap. Ride. Go. accounted for 18% of all trip payments, while cash payments declined from 11.5% to 10% of fare revenue. WMATA also updated its website and the Metro Pulse app in May 2026 to simplify trip planning. Daily Metro Pulse users increased from 10,600 during the winter to 18,400 following the redesign, while approximately 26,000 customers used the website each day for wayfinding services.[9]

More riders now pay their fare with **Tap. Ride. Go.** than with cash.

Wayfinding and service information improvements were also implemented at 20 Metro Rail stations, including 14 Red Line stations. WMATA estimates those improvements helped roughly 28% of customers navigate the system each day. Customer satisfaction reached its highest level of the fiscal year in the fourth quarter, at 92% for Metro Rail, 81% for Metro Bus and 79% for Metro Access. Reliability, travel times and wait times remained the leading drivers of satisfaction for Metro Rail and Metro Bus customers.

WMATA also expanded access to reduced fares in Northern Virginia when Arlington Transit began accepting Metro Lift benefits in July 2026. Metro Lift provides eligible customers a 50% discount on Metro Rail and Metro Bus fares, and WMATA estimates ART participation will generate approximately 8,000 additional transit trips and $21,000 in customer fare savings during its first year.[10] More broadly, reduced-fare programs continued to grow in FY 2026: 5.1% of Metro Rail and Metro Bus trips used Senior, Reduced Fare Disability or Metro Lift programs, and Metro Lift enrollment reached 18,700 by June 2026, up 40% from a year earlier.

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Performance

WMATA continued to improve performance in FY 2026 while looking for ways to deliver more service with existing resources. Metro Rail on-time performance was 88.0%, essentially unchanged from FY 2025, while Metro Bus on-time performance improved to 76.5%. Further improvements in Metro Bus on-time performance will require additional investment in bus priority; in FY 2026, WMATA's 0.7% improvement was credited only to scheduling adjustments. Underscoring the need for such improvements, average Metro Bus speeds were 14% slower in FY 2026 compared to FY 2024. Metro Access on-time performance also improved slightly to 88.9%. At the same time, faster speeds from Automatic Train Operations (ATO) and additional service on the Red, Yellow and Silver lines reduced the average Metro Rail customer trip time by approximately one minute, from 26 minutes to 25 minutes.[11]

Service also became more frequent. In FY 2026, 71.9% of Metro Rail customer trips had scheduled waits of six minutes or less, up from 67.6% in FY 2025, while 42.2% of Metro Bus trips had waits of 12 minutes or less, up from 33.4%. Average scheduled waits fell to 3.2 minutes on Metro Rail and 9.1 minutes on Metro Bus, helping the average customer reach 8% more jobs within 60 minutes than in FY 2025.

The focus on improving service while controlling costs continued into the FY 2027 budget. The adopted budget limited total jurisdictional subsidy growth to 1.8%, with Virginia's subsidy increasing 1.6%, while maintaining fares and funding additional Metro Rail and Metro Bus service.[12] Planned improvements include more frequent Metro Rail service on the Red, Orange, Blue and Silver lines and targeted Metro Bus service enhancements. The broader approach combines schedule changes, automation and service redesign to direct resources toward the times and places where they can provide the greatest benefit to riders.

Resilience and Navigating Disruptions

Average weekend **Metro Rail ridership increased more than 50%** between FY 2023 and FY 2026.

Growing ridership demand also made it increasingly important for WMATA to complete maintenance and construction while limiting disruptions to customers. Average weekend (Saturday and Sunday combined) Metro Rail ridership increased from approximately 350,000 trips in FY 2023 to 538,000 in FY 2026, partially attributable to the share of weekends without maintenance-related service changes increasing from 40% to 70%.[13] WMATA has sought to make better use of necessary outages by coordinating work across maintenance disciplines and balancing full closures, single tracking and slower service to limit customer impacts. The Crystal City Metro Rail Station project illustrated that approach. WMATA originally planned 10 weekend closures between February and June 2026 to support construction of the station's second entrance, but progress on the project allowed the final two closure weekends to be canceled.[14]

FY 2026 also tested WMATA's ability to respond to less predictable disruptions. Severe winter weather left snow and ice across the region for an extended period, including the prolonged "snowcrete" conditions which affected service and equipment reliability across the system. The January and February snowstorms contributed to missed Metro Rail service, while snowcrete also reduced railcar reliability during the third quarter. Despite those conditions, more than 92% of planned Metro Rail stops were delivered during FY 2026.[15] Over the summer, heat posed a recurring challenge, requiring WMATA to manage the effects of increasingly frequent high temperatures on rail infrastructure while expanding heat-

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ride testing and other efforts to identify heat-related vulnerabilities before they disrupt service. These operational challenges came alongside major planned work, including a two-month Red Line closure between North Bethesda and Friendship Heights for the Bethesda second mezzanine and related track and platform improvements, supported by free local and express shuttles and dedicated bus lanes.

Taken together, the year illustrated both the unavoidable disruptions associated with operating an aging transit system and WMATA's increasing emphasis on resilience. WMATA is increasingly shifting from reactive repairs toward proactive and predictive maintenance, with greater coordination across maintenance disciplines and more data-driven prioritization of work. Better coordination of planned work, more proactive and predictive maintenance and preparations for increasingly demanding weather conditions are intended to reduce the frequency and severity of disruptions while helping the system recover more quickly when they occur.

Metro Bus Challenges

Metro Bus remained an area of mixed performance in FY 2026. Metro Bus ridership declined 7% from FY 2025 even as Metro Rail ridership continued to grow, although the decline was not uniform across the region. Through May 2026, Virginia Metro Bus ridership was down approximately 4% year over year, compared with larger declines in the District of Columbia and Maryland.[16] WMATA identified several factors associated with the broader decline, including regional economic conditions, slower bus travel speeds and Better Bus-related service realignments in Maryland that shifted some trips from Metro Bus to local providers. Stops transferred to Montgomery County Ride On and Prince George's County Transit had previously carried more than 6,000 average daily Metro Bus customers, accounting for roughly one-quarter of the systemwide year-over-year ridership decline. The first year of the Better Bus Network also involved deliberate tradeoffs as service was shifted toward higher-frequency corridors and new connections. At the same time, WMATA reported encouraging signs where service was increased: by April 2026, ridership gains at stops receiving significantly more service had begun to exceed losses at stops where service was reduced.

> Metro Bus on-time performance **reached its highest level in three years** despite worsening traffic congestion.

The redesigned network also produced improvements in the quality and usefulness of Metro Bus service. Customers gained access to approximately 20,000 additional jobs within an hour, 27% more customers gained access to service every 12 minutes or better and WMATA provided 11% more weekend service and 6% more midday and evening service through March 2026 compared with the same period in FY 2025. On-time performance reached its highest level in three years despite worsening traffic congestion, while crowding declined 20% compared with FY 2025. Significant challenges nevertheless remained. Approximately 3.5% of scheduled service was missed which affected customer satisfaction; operator availability was the biggest factor contributing to missed service. WMATA expanded hiring and training during FY 2026 and continued efforts to strengthen its pool of operators available to cover absences, while also making improvements to more than 60 routes based on operating data and customer and operator feedback.

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3. Long-Term Funding Solution State of Play

Funding Recommendations Entering 2026

Supported by NVTC and documented in last year's report, the recommendations developed through DMV*Moves* and SJ 28 defined the funding and policy objectives Virginia should pursue for WMATA. At the center was a long-term package that would address both sides of WMATA's impending structural funding challenges: $153 million in additional Virginia operating support beginning in FY 2027 to continue the level of assistance provided through the temporary, stopgap FY 2025–FY 2026 solution, and approximately $136 million in additional Virginia capital funding beginning in FY 2028, with both commitments growing annually thereafter.[17] The capital funding represented Virginia's share of a broader $460 million regional investment and was intended to maintain WMATA assets in a state of good repair and advance rail modernization through advanced signaling automation. New capital revenues were to be reliable, predictable, bondable and indexed to grow by at least 3% annually.

Last year, NVTC recommended a funding solution for WMATA comprised of:

$153 million in additional Virginia operating support annually beginning in FY 2027 to continue the level of assistance provided through the temporary, stopgap FY 2025–FY 2026 solution

$136 million in additional capital funding annually beginning in FY 2028 to meet Virginia's share of the $460 million DMV*Moves* regional commitment

with both commitments growing annually thereafter

The recommendations also established principles for how Virginia's share should be funded. NVTC supported a continued partnership between the Commonwealth and Northern Virginia local governments in which approximately half of Virginia's WMATA operating and capital commitments would be provided from statewide revenue sources. Any regionally generated revenues were to be raised consistently across the NVTC district and any revenues dedicated to capital purposes needed to support WMATA's ability to issue debt. More broadly, Virginia, Maryland and the District of Columbia were each expected to identify sufficient revenues to meet their proportional shares of the WMATA funding solution. These revenues would supplement, not replace, the existing state, regional and local sources already supporting WMATA.

New funding was also expected to be paired with cost containment and accountability measures that would reduce future expense pressures. SJ 28 recommended reforming Virginia's legislative 3% operating assistance growth cap to encourage continued cost containment while ensuring that the cap does not negatively affect service improvements, funding transparency, accountability or the application of WMATA's recently improved subsidy allocation formulas. DMV*Moves* similarly recommended an updated, uniform 3% cost-control measure across Virginia, Maryland and the District of Columbia based on WMATA's per-unit costs of service.[18] It also called for WMATA to publish a 20-year capital plan every

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five years, financial plans for major projects exceeding $300 million and an annual report on system performance, cost savings, efficiency efforts and the use of additional dedicated funding. Its broader investment framework also included bus priority improvements and regional actions related to service standards, fare policies, customer information, joint procurements and workforce training. Together, these recommendations sought not merely to close near-term budget gaps, but to establish a sustainable funding structure that would maintain the existing system, modernize Metro Rail, improve regional integration and bend WMATA's long-term operating cost curve.

Virginia Takes Initial Action

During the 2026 General Assembly Session, lawmakers introduced two principal approaches to enacting SJ 28's recommendations. House Bill 1179[19] and companion Senate Bill 638[20] most closely followed SJ 28's proposed revenue framework, combining statewide and Northern Virginia revenue sources, including a regional sales tax, a regional highway use fee and taxes on transportation network companies (TNCs), retail deliveries and paid commercial parking. Alternatively, House Bill 900[21] and companion Senate Bill 730[22] proposed a broader expansion of the sales tax to selected services and digital products, together with changes directing a larger share of existing transportation revenues to transit. All four bills would have created new regional transit funds for the NVTC and Potomac and Rappahannock Transportation Commission (PRTC) districts.

Although the proposed revenue sources differed, the bills shared the major WMATA funding and policy components recommended by SJ 28 and DMV*Moves*. Each sought to provide sustainable statewide funding for Virginia's $153 million additional WMATA operating assistance need, $136 million in capital funding beginning in FY 2028 and growing by 3% annually, replace the existing subsidy growth cap with a 3% unit-cost growth framework and codify new capital-planning and performance-reporting requirements. The proposals offered different routes toward the same long-term WMATA funding and accountability goals. However, all four bills were continued to the 2027 General Assembly session by their respective finance and appropriations committees.

Through the biennial budget process, lawmakers advanced several of these priorities even though the four transit funding bills did not pass.[23] The FY 2027–FY 2028 Virginia budget provided $153 million in General Fund support for WMATA operating assistance over the biennium, a continuation of the FY 2025–FY 2026 stopgap support. Importantly, while the $153 million figure is the same, this General Fund support is for two years, not one (and then growing) as recommended, and effectively continues to split Virginia's additional investment with Northern Virginia local governments over FY 2027-FY 2028. The budget also established a new long-term capital requirement directing NVTC jurisdictions to collectively provide $136 million beginning in FY 2029, growing by 3% annually, and authorizes localities in Planning District 8 to seek voter approval for up to a 1% local option sales tax for school construction, public transportation or both. Continued use of the authority is tied to compliance with the new WMATA capital contribution requirement.

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The FY 2027-FY 2028 Virginia budget:

Provided **$153 million in one-time General Fund support for WMATA operating assistance over the biennium,** a continuation of the FY 2025–FY 2026 stopgap support

Established a new long-term **capital requirement directing NVTC jurisdictions to collectively provide $136 million to WMATA beginning in FY 2029,** growing by 3% annually

The budget also replaced the existing jurisdictional subsidy growth cap beginning in FY 2029 with a framework based on annual growth in the unit cost of Metro Rail and Metro Bus service. This change requires WMATA to adopt a policy that establishes the calculation in FY 2027 and publish results of the calculation in FY 2028. In addition, the budget codified key DMV*Moves* accountability provisions, including a 20-year conceptual capital plan, financial plans for projects exceeding $300 million and annual reporting on performance, cost savings, efficiency efforts and the use of additional funding. The agreement also directed the Virginia Department of Rail and Public Transportation (DRPT) to review WMATA's cost-saving and efficiency efforts and included workforce-planning requirements related to rail signaling and automation.

A Step Toward a Long-Term Solution

The 2026 General Assembly Session materially advanced Virginia's WMATA funding framework, but it did not establish the sustainable revenue structure envisioned by SJ 28 and DMV*Moves* and supported by NVTC. The budget provided $153 million in General Fund support in FY 2027 for the Commonwealth's 50% share of the additional WMATA operating assistance needed over FY 2027-FY 2028 but did not identify a permanent statewide or other revenue source to sustain that support beyond the biennium (Figure 1). Likewise, while the budget established a $136 million capital contribution requirement beginning in FY 2029 and growing by 3% annually, it placed that obligation on NVTC jurisdictions without dedicating any new revenues contemplated by SJ 28. The comprehensive transit funding bills that would have created new NVTC and PRTC regional funds and paired them with statewide revenues were continued to 2027.

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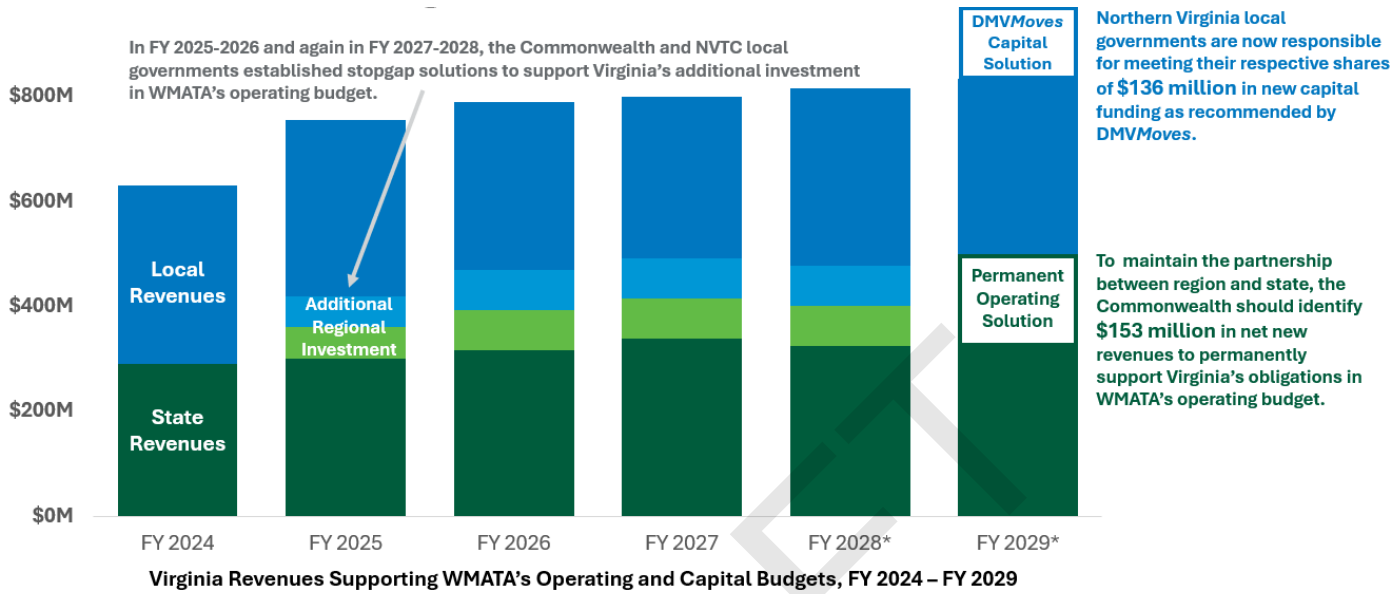
Figure 1. Virginia Must Identify Revenues to Support Funding Commitments in FY 2029



Virginia Revenues Supporting WMATA's Operating and Capital Budgets, FY 2024 – FY 2029

Source: Virginia Budget Bills, WMATA Operating Budgets

The new local-option sales tax authority provides a potential tool, but its ability to serve as a new funding source for WMATA in Virginia remains uncertain. The authority is available only if individual jurisdictions choose to hold a referendum and voters approve the tax, and resulting revenues may be used for school construction, public transportation or both. Additional work is therefore needed to determine how NVTC jurisdictions will collectively satisfy the capital requirement and whether the local authority will produce sufficient, predictable and bondable revenue. Implementation work also remains on the new cap on unit-cost growth requirement, including development of the rail and bus calculation methodology and associated reporting process. The Commonwealth's actions will need to remain aligned with Maryland and the District of Columbia as each jurisdiction identifies and delivers its share of the $460 million regional capital commitment envisioned by DMV*Moves*.

Regional Action on WMATA Funding

Maryland considered legislation comparable to Virginia's new capital funding commitment. The Metro Funding Modification Act of 2026 would have provided an additional annual WMATA capital grant of at least $150 million beginning in FY 2029, growing by 3% annually thereafter, and required WMATA to approve a rail-signaling and automation workforce transition plan by July 1, 2028, backed by a 35% withholding provision should WMATA fail to adopt and enforce such a plan.[24] Although the Maryland House of Delegates passed the measure, it was not taken up by the Senate and ultimately not enacted. Following the session, the Maryland General Assembly's presiding officers affirmed their commitment to funding the state's DMV*Moves* share beginning in FY 2029 and indicated that a broader statewide transportation package would be a priority for the 2027 legislative session.[25] Maryland continued to provide its annual WMATA operating and existing capital contributions through the state budget, but did not establish any new dedicated revenue sources or enact the proposed long-term capital commitment in 2026.

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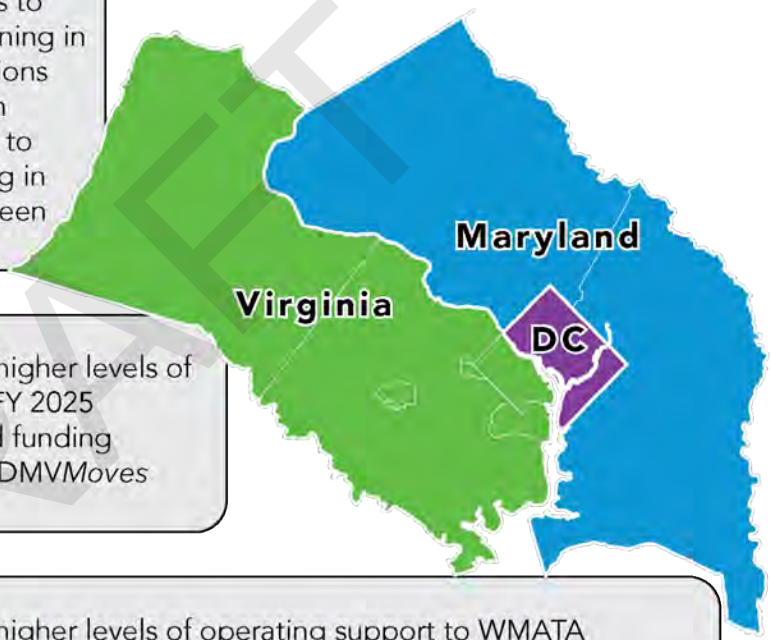
The District of Columbia likewise continued funding its annual WMATA operating and capital obligations through its budget but did not enact any new dedicated revenue sources or a statutory commitment for its share of the additional DMV*Moves* capital funding. The District also did not enact separate cost-control or accountability requirements comparable to Virginia's unit-cost growth and reporting provisions. As a result, Virginia was the only compact jurisdiction to enact a future additional capital funding commitment in 2026. Completing the regional funding framework will require Maryland and the District of Columbia to establish their respective commitments so that the full $460 million regional investment is available as WMATA reaches its anticipated debt capacity in FY 2029.

Virginia

Operating: Must identify statewide revenues to sustain operating support for WMATA beginning in FY 2029 after two temporary, two-year solutions
Capital: Through the state budget, Northern Virginia local governments are now required to contribute $136 million to WMATA beginning in FY 2029 but no new revenue sources have been identified

Maryland

Operating: Identified revenues to maintain higher levels of operating support to WMATA beginning in FY 2025
Capital: Has not yet established a dedicated funding commitment to WMATA in accordance with DMV*Moves* recommendations



District of Columbia

Operating: Identified revenues to maintain higher levels of operating support to WMATA beginning in FY 2025
Capital: Has not yet established a dedicated funding commitment to WMATA in accordance with DMV*Moves* recommendations

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4. NVTC Recommendations

NVTC's annual reports have traditionally identified opportunities to strengthen WMATA's operations, financial sustainability and regional governance. In recent reports, NVTC advocated for operational and policy changes that have been completed by WMATA: redesigning the Metro Bus network for more efficient and cost-effective service, updating the subsidy allocation formulas to better align service with subsidy and enhancing the physical safety and security of customers and employees, among others. Last year, NVTC documented support for a long-term funding solution and assessed opportunities for WMATA to manage labor cost growth, reduce administrative burden and increase both fare and non-fare revenues.

This report offers a concentrated list of recommendations, primarily directed to WMATA, either for management or the WMATA Board's consideration. This year's recommendations focus on key opportunities to improve WMATA's performance, strengthen financial sustainability and support the system's long-term success.

Secure a Long-Term Funding Solution

Virginia, Maryland and the District of Columbia should establish a long-term funding solution to meet their respective WMATA capital and operating obligations by FY 2029

By FY 2029, Virgina must identify revenues to support new DMV*Moves* capital funding requirements and revenues to permanently sustain Virginia's two-year (FY 2027-2028) additional investment supporting WMATA's operating budget, both then growing at 3% each year thereafter. As enacted by Virginia's FY 2027-2028 biennial budget and detailed in the previous section of this report, Northern Virginia local governments are now responsible for meeting their shares of $136 million in new capital funding as recommended by DMV*Moves*. However, while the Virginia General Assembly provided a new tool to Northern Virginia jurisdictions to meet these obligations by way of local-option sales tax referenda, questions remain as to whether such a tool will be pursued by local governments and if so, whether such initiatives would pass at the ballot box. Regardless, subject to future legislative changes by the General Assembly, Northern Virginia jurisdictions will be responsible for DMV*Moves* capital funding requirements in FY 2029 (Table 1).

Table 1. Northern Virginia local governments are now responsible for meeting their respective shares of $136 million in new capital funding beginning in FY 2029.

Jurisdiction	FY 2027 Capital Subsidy ($M)	Intra-Virginia Share	**Potential Share of $136M in FY 2029 ($M)**
City of Alexandria	$14.2	15.1%	**$20.5**
Arlington County	$26.8	28.3%	**$38.5**
City of Fairfax	$0.8	0.8%	**$1.2**
Fairfax County	$43.7	46.3%	**$62.9**
City of Falls Church	$1.0	1.1%	**$1.5**
Loudoun County	$8.0	8.4%	**$11.5**

In addition to new capital funding requirements, Virginia must identify revenues to permanently sustain its additional operating investment beginning in FY 2029. NVTC applauds the General Assembly for establishing a second, two-year temporary solution through $153 million in General Fund contributions, thus effectively splitting the FY 2027-2028 funding need between the state and NVTC local jurisdictions as illustrated in Figure 1. However, funding to support Virginia's obligations to WMATA's FY 2029

Table 2. Without Commonwealth support, Virginia local governments will be responsible for identifying revenues to sustain operating funding commitments to WMATA in FY 2029.

Jurisdiction	FY 2027 Operating Subsidy ($M)	Intra-Virginia Share	**Potential Share of $153M in FY 2029 ($M)**
City of Alexandria	$69.5	13.9%	**$21.3**
Arlington County	$133.9	26.8%	**$41.0**
City of Fairfax	$4.0	0.8%	**$1.2**
Fairfax County	$245.8	49.2%	**$75.3**
City of Falls Church	$4.1	0.8%	**$1.3**
Loudoun County	$42.4	8.5%	**$13.0**

operating budget has not yet been identified. Without additional funding or fiscal tools to generate more revenue, Northern Virginia localities will be responsible for replacing at least $153 million in WMATA operating budget subsidies (Table 2).

Relative to estimated FY 2029 operating and capital subsidy obligations (3% annual growth for both operating and capital subsidies), Virginia jurisdictions could face between 45-50% higher WMATA bills in order to meet their commitments of a permanent operating solution and DMV*Moves* capital solution (Table 3). NVTC therefore recommends that the Commonwealth, in close coordination with the Commission, continue working toward a comprehensive WMATA funding solution for Virginia to meet its new capital and existing operating funding obligations beginning in FY 2029. To maintain the partnership between Northern Virginia and the Commonwealth in funding WMATA as recommended by SJ 28, **NVTC supports an operating funding solution comprised of state revenue sources as Virginia's DMV*Moves* capital commitments are now required of local governments**. NVTC further recommends that the State of Maryland and District of Columbia both commit their agreed-upon shares of DMV*Moves* funding ($152 million and $173 million, respectively) by FY 2029 and similarly enact associated policy changes recommended by DMV*Moves*, such as a revised 3% cap and DMV*Moves* reporting requirements.[26]

Table 3. Without state support, Virginia local governments could face up to 50% higher Metro bills in FY 2029.

Jurisdiction	FY 2027 Total Subsidy	FY 2029 Total Subsidy (*with 3% Annual Growth*)	FY 2029 Subsidy (*with 3% Annual Growth*) **+ New $153M Operating and $136M Capital**	**Difference**
City of Alexandria	$83.7	$88.8	$130.6	**+47.0%**
Arlington County	$160.7	$170.5	$250.0	**+46.7%**
City of Fairfax	$4.8	$5.1	$7.5	**+46.7%**
Fairfax County	$289.6	$307.2	$444.4	**+45.0%**
City of Falls Church	$5.2	$5.5	$8.3	**+50.2%**
Loudoun County	$50.4	$53.4	$77.9	**+45.8%**

Source: WMATA Operating Budgets, Virginia FY 2026-2028 Biennium Budget

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Commit Total Jurisdictional Subsidy Growth at No More Than 3% Annually

The WMATA Board should adopt a budget featuring no more than 3% growth in total jurisdictional subsidy since Virginia's revised 3% cap framework no longer legislatively limits annual subsidy growth

In 2018, the Virginia General Assembly imposed a 3% cap on the increase in annual operating assistance to WMATA as a tool to manage subsidy growth.[27] Among other policy goals, Virginia sought to use the 3% cap as a means to provide funding predictability and stability to the jurisdictions who pay WMATA operating subsidy bills while sustainably supporting WMATA's operating cost growth in the long run. Prior to implementation of the cap in FY 2020, Virginia's subsidy grew as much as 21% per year and averaged 10.1% per year between FY 2012 and FY 2019.[28] While the 3% cap was an effective tool in controlling WMATA's cost growth as evidenced by the agency's 4.8% average annual operating budget growth from FY 2019 to FY 2024 (lower than the regional peer average of 7% in that period), several unintended consequences from the implementation of the cap arose that affected Virginia.[29]

Through its FY 2027-2028 biennial budget, Virginia replaced its former legislative 3% cap on growth in operating assistance to WMATA with a new framework that requires WMATA to maintain its per-unit rail and bus service costs at or under 3% annually. The fundamental difference between the two approaches is that the original cap limited subsidy growth year to year in Virginia while the new cap requires WMATA to operate efficiently or face withholding of Commonwealth funding. As Virginia's new cap limits how much an hour of rail or bus service grows year to year, it is no longer a tool to control subsidy growth. As such, **NVTC recommends that the WMATA Board adopt a budget featuring no more than 3% growth in <u>total</u> jurisdictional subsidy in each year**.

- The **previous cap** limited subsidy growth in each jurisdiction to no more than 3% annually. This provided funding predictability to the jurisdictions but resulted in several unintended consequences, leading NVTC to recommend revising the cap.
- **Virginia's new 3% cap** limits how much the cost of bus and rail service can grow each year, meaning there is no direct connection to subsidy, potentially exposing the funding jurisdictions to higher annual subsidy growth.
- **NVTC recommends** WMATA commit to no more than 3% growth in <u>total</u> subsidy moving forward, allowing the subsidy allocation formulas to work as intended while administratively seeking to limit annual subsidy growth.

3% Cap Background

Among other unintended consequences, the previous 3% cap altered WMATA's subsidy allocation process in a way that distorted the amount of subsidy owed from the amount of service received, reducing transparency and accountability to the funding jurisdictions in the budget process. As both Virginia and Maryland suspended their 3% caps in FY 2025 and FY 2026 to address WMATA's operating budget fiscal cliff (thus enabling investment in WMATA above 3% from the previous year without penalty), NVTC called

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for a revised cap framework that would continue to limit annual subsidy growth, provide predictability to Northern Virginia jurisdictions, incentivize WMATA to operate as efficiently as possible and not affect WMATA's recently updated subsidy allocation formulas that better align service and subsidy.[30]

Figure 2. Recent 3% Cap History in Virginia



Source: Virginia Budget Bills FY 2018 to FY 2027-28; NVTC's Report on Virginia's 3% Cap on the Growth in Operating Assistance Payments to the Washington Metropolitan Area Transit Authority, November 2020

Looking Ahead

Under the new cap framework, WMATA's per unit cost of bus and rail service (operating expenses divided by revenue hours) cannot grow by more than 3% annually, requiring WMATA to carefully balance expense growth and service planning. This means that if the cost of operating an hour of bus service is $300 in any year, it cannot cost more than $309, or 3% more, in the next year. While Virginia's new cap requires WMATA to operate efficiently, the withholding provision in state code requires the Commonwealth to withhold 35% of WMATA's Commonwealth Mass Transit Fund (CMTF) allocation in any year where WMATA's unit cost of rail or bus service grows by more than 3% beginning in FY 2029, potentially leaving Northern Virginia jurisdictions to meet those obligations in such an instance.[31] Thirty-five percent of Virginia's CMTF allocation to NVTC for WMATA assistance in FY 2027 is $90.5 million.[32] It is therefore vitally important to Northern Virginia jurisdictions that WMATA control its operating expense growth and carefully plan for service enhancements to prevent withholding of state assistance.

Moreover, because the new unit cost cap framework does not address subsidy growth, NVTC recognizes the importance of the WMATA Board managing annual subsidy growth through the WMATA budget process. Unlike the prior 3% cap which limited subsidy growth at the state level (i.e. Virginia's subsidy could not grow by more than 3% per year), NVTC through this recommendation supports WMATA growing total subsidy at 3% per year which, depending on subsidy allocation formula outputs, may result in more or less than 3% growth at the jurisdictional level.

Importantly, Virginia's new 3% cap framework is phased, featuring withholding provisions for each step over this and the next two fiscal years. [33] In FY 2027, the WMATA Board must adopt a policy to establish a methodology for determining the measurement of Metro Rail and Metro Bus annual unit cost growth. In FY 2028, WMATA must publish the results of the annual unit cost growth calculation. Starting in FY 2029 and for each fiscal year thereafter, the approved WMATA budget's unit cost of rail or bus service cannot increase by more than 3%. While the new unit cost cap provision does not take effect until FY 2029, the Commonwealth will withhold 35% of the CMTF allocation if WMATA does not adopt a policy and then publish the results of the unit cost growth calculation before the new cap takes effect in FY 2029.

While Virginia was the first to enact a legislative change regarding the 3% cap, Maryland's previously suspended 3% cap on growth in operating assistance to WMATA (like Virginia's previous cap) is set to return in FY 2028. Without a legislative change, Maryland's reinstated cap could, like from FY 2020 to FY 2024, require the WMATA Board to amend the recently approved and regionally supported operating subsidy allocation formulas because such a cap restricts the formulas from working as intended, negatively impacting service improvements and funding transparency. NVTC therefore supports continued regional conversation regarding WMATA cost control measures to ensure one state's legislation or lack thereof does not create unintended consequences for every funding jurisdiction.

Control Growth in Labor Costs

WMATA should address outstanding opportunities to control labor cost growth through collective bargaining agreement negotiations

Labor is the primary cost driver in WMATA's operating budget: in FY 2026, personnel costs comprised $1.6 billion of WMATA's $2.5 billion total operating expenses.[34] Like many large transit agencies, most WMATA employees are represented by labor unions whose wages and benefits are defined in collective bargaining agreements (CBAs) that are negotiated at regular intervals.[35] WMATA's largest labor union is Amalgamated Transit Union (ATU) Local 689 which represented 8,151 employees in FY 2025, or 78% of WMATA's represented workforce, making its CBA trends and changes a suitable proxy for assessing how WMATA has worked to control labor cost growth over time.

Since its first annual report in 2018, NVTC has offered recommendations for WMATA to manage its labor cost growth through CBA negotiations, many of which date back to former U.S. Transportation Secretary Ray LaHood's "Review of Operating, Governance, and Financial Conditions at the Washington Metropolitan Area Transit Authority" in 2017.[36] Select NVTC recommendations have included calling upon the WMATA General Manager/CEO and Board to identify a specific plan to address the agency's unfunded pension and other post-employment benefit (OPEB) liabilities which in 2018 stood at $1 billion and $1.8 billion, respectively, and WMATA taking specific actions to reform pensions and other post-employment benefits (OPEB) by increasing employee contributions to pensions and OPEB to reflect national averages, limiting or prohibiting overtime earnings towards retirement pay and exploring alternative retirement plans for new employees.[37]

While two rounds of collective bargaining with ATU Local 689 have transpired since 2018, in which WMATA implemented several improvements including establishing a health and welfare trust through employee payroll in 2019 and capping cost-of-living adjustment (COLA) increases in 2024, WMATA has not yet been able to make substantive, structural changes to operational, overtime, retirement or healthcare provisions that would meaningfully control long-term costs. There remain significant opportunities for WMATA to address contributing factors to labor cost growth in future negotiations with ATU Local 689 and other labor unions.

WMATA's responsibilities under CBAs continue to present significant risk to the funding jurisdictions who are ultimately responsible for meeting their share of these short- and long-term financial obligations, as evidenced by recent increases in annual operating budgets. In WMATA's FY 2027 operating budget, year-over-year fringe healthcare costs grew from $205.4 million to $263.3 million (28.2% increase) and fringe pension costs grew from $257.8 million to $328.3 million (27.3% increase).[38] General wage increases (GWI) and COLAs, while now capped, have also increased: in FY 2026, ATU Local 689 employees received a 3.0% GWI and in FY 2027, they received a 4.49% increase (due to the Consumer Price Index for Urban Wage Earners and Clerical Workers, or CPI-W, increasing by more than the GWI of 3.0%) while jurisdictional subsidy only grew at 1.8%.[39] This disconnect between CBA-mandated wage growth, which can be as high as 5% in any year, and jurisdictional subsidy is likely not sustainable. In the longer term, WMATA must also address unfunded pension liabilities which, as of FY 2025, total $1.5 billion across all retirement plans.[40]

Effectively Budget Overtime Expenses

WMATA should identify the factors driving overtime cost growth and better align budget to actual use of overtime

Overtime is a useful tool for all transit agencies to maintain high levels of service delivery. At WMATA, overtime rules are governed by CBAs and, as an example, employees represented by ATU Local 689 can generally earn overtime at time and one-half when they are required to work beyond their regular 40-hour per week schedule. This setup requires WMATA to balance budgeting for overtime and hiring additional staff, which can increase the agency's fringe benefit rate, in order to run planned service and be able to respond to disruptions or unforeseen circumstances that may require additional operator or mechanic time. Notably, unlike other agencies, WMATA allows overtime earnings toward pensionable compensation with no cap, so there are additional long-term costs associated with higher levels of overtime.

From FY 2022 to FY 2026, WMATA's overtime expenses grew at an average of 15% per year and were an average of $58.7 million (or 58%) over budget each year.[41] In FY 2025 alone, WMATA's overtime expenses totaled $185.5 million, representing 10% of all personnel expenses. In FY 2026, while still over budget by $63.7 million, WMATA kept overtime expenses roughly on par with FY 2025 expenses and under a mid-year forecast, indicating some progress in overtime management. While every transit agency will have some level of planned and unplanned overtime to deliver service and maintain the system, these figures demonstrate there is an imbalance between anticipated and actual overtime costs at WMATA. Among peers, WMATA spends more on overtime and spends more relative to budgeted overtime but is roughly on par with peers in terms of overtime expenses as a percentage of total operating budget (Table 3).

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Table 3. WMATA Overtime Costs Relative to Peers

Agency	FY 2025 Actual ($M)	FY 2025 Relative to Budget	FY 2025 Operating Budget ($B)	FY 2025 Overtime as % of Operating Budget	FY 2026 Actual ($M)	FY 2026 Relative to Budget	FY 2026 Operating Budget ($B)	FY 2026 Overtime as % of Operating Budget
WMATA	$185.5	56.3% over	$2.3	7.9%	$185.9	52.1% over	$2.5	7.4%
MBTA (Boston)	$76.0	29.0% over	$2.5	3.0%	$88.0	42.9% over	$2.6	3.3%
MARTA (Atlanta)	$49.1	27.5% over	$0.7	7.5%	$55.9	48.3% over	$0.7	8.6%
BART (San Francisco)	$89.4	16.1% over	$1.0	8.6%	$93.4	17.2% over	$1.0	9.3%

Sources: WMATA FY 2025 and FY 2026 Quarter 4 Financial Progress Reports, MBTA FY 2025 and FY 2026 Capital and Operating Results, September 2025 and September 2026 MARTA Board Business Management Committee Meeting Minutes, BART FY 2025 and FY 2026 Year End Financial Reports

Several factors contribute to WMATA's growth in overtime expenses. In February 2024, WMATA implemented a hiring freeze as the region looked to close what was then a $750 million operating budget gap.[42] While the hiring freeze, together with no wage increase for non-represented employees and two of WMATA's labor unions, helped close the gap, it meant that WMATA had to rely more on overtime to deliver scheduled service. Since then, overtime costs have remained high relative to budget. In addition to the hiring freeze in FY 2024, WMATA has also pointed to challenges in hiring bus operators that have resulted in additional, unplanned overtime to provide scheduled service. As of May 2026, WMATA had been short about 100 bus operators since FY 2025 but WMATA does expect to reach staffing targets in FY 2027.

Building on earlier NVTC analysis and with funding from the Commonwealth of Virginia, WMATA hired a firm to conduct an operational assessment in late 2025 to identify opportunities for greater cost efficiencies and enhanced revenues, including managing labor cost growth.[43] In March 2026, the consultant team presented a series of recommendations to the WMATA Board, one of which was conducting a detailed workforce assessment which could provide the validated data foundation for labor-related cost savings, i.e. staffing and overtime (other select recommendations from the operational assessment are listed at the end of this chapter). WMATA is anticipated to address this recommendation through the FY 2028 budget process.

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Revisit Fare Policies and Strengthen Enforcement Strategies

WMATA should increase fares in line with inflation in FY 2028 and assess opportunities to expand eligibility for low-income fare products, continue working with the region to better integrate fare policy and technology, and strengthen fare enforcement strategies to grow system-generated revenue

Increase Fare Levels in FY 2028

During its FY 2027 budget development, WMATA announced an anticipated fare increase in line with inflation in FY 2028.[44] As WMATA last increased fares in FY 2025, NVTC generally supports a fare increase in FY 2028 as WMATA continues to balance ways in which the system is funded, including non-fare revenues and jurisdictional subsidies. In FY 2019, WMATA collected $710.7 million in passenger revenue supporting its $1.87 billion in operating expenses. In FY 2026, WMATA collected just $540.7 million, representing just 20% of the agency's total operating expenses of $2.7 billion.[45]

Expand Eligibility for Low-Income Fare Products

In addition to supporting a fare increase in line with inflation, NVTC also recommends that WMATA explore opportunities to expand eligibility for new or existing low-income fare products, such as Metro Lift.[46] Riders who are enrolled in the Supplemental Nutrition Assistance Program (SNAP) are eligible to receive a 50% discount for all bus and rail trips with WMATA. While SNAP has varying eligibility requirements depending on income, household size and other factors, WMATA should analyze and determine whether it would be appropriate to expand Metro Lift eligibility as it anticipates a fare increase in the next fiscal year. Reduced-fare programs allow for full fares to better track inflation while not disproportionally burdening low-income riders. Nationally, WMATA's Metro Lift program is generally competitive in the size of the discount it provides, but more restrictive than many peer agencies in determining who is eligible. Several major systems, including those in New York, the San Francisco Bay Area and Seattle, use income thresholds of up to 200% of the federal poverty level, while agencies in Los Angeles and Boston recognize participation in a broader range of public benefit programs. Some peer agencies also provide additional assistance for riders with the lowest incomes, including zero-fare programs, fare-free monthly ride allowances or enhanced subsidies.

Work with Partners to Advance Regional Fare Integration

In November 2025, the DMV*Moves* Plan recommended several fare policy enhancements to better integrate the region's transit systems and provide a more seamless user experience.[47] Among associated policies, the plan recommended establishing a universal transfer credit between all agencies, standardizing a low-income fare discount program and expanding unlimited regional transit pass products. As documented in Resolution #2571 in July 2025, NVTC supports these initiatives and encourages WMATA to continue working with regional partners to advance these important customer experience improvements.[48]

Strengthen Enforcement Strategies to Generate More Fare Revenue

In May 2026, WMATA began an enhanced fare enforcement strategy, citing a potential loss of approximately $50 million in revenue due to fare evasion on Metro Bus in FY 2026.[49] After retrofitting

Metro Rail faregates in FY 2025, fare evasion on the rail system declined by over 80%, but fare evasion on bus remains at 63% as of June 2026.[50] While this figure has improved from systemwide Metro Bus fare evasion rates around 70% in FY 2025, NVTC recommends WMATA continue to use tools and resources available to increase fare compliance across the system. Since the onset of the COVID-19 pandemic and temporarily suspending collection of bus fares, WMATA has struggled to collect bus fare revenue. After dipping to just $50.1 million in FY 2024, WMATA only collected in $51.6 million in FY 2026, indicating a sustained challenge in generating paid ridership.

Establish a Coordinated, Multi-Jurisdictional Subsidy Audit

The WMATA Board should establish a coordinated, jurisdictional subsidy audit to ensure payments made to WMATA are in accordance with Board-approved subsidy allocation formulas

Each year, Virginia provides hundreds of millions of dollars to WMATA for its share of jurisdictional operating and capital subsidy contributions. In FY 2027, Virginia's total operating subsidy bill is $499.7 million (excluding debt service) while capital subsidy requirements total $94.5 million.[51] Virginia jurisdictions, who are ultimately responsible for paying their respective operating and capital subsidy bills, and Maryland and the District of Columbia hold audit rights as funders of the system, whereby they can audit WMATA's subsidy figures at their own discretion. Such audits are an important tool in performing oversight of WMATA. Historically, these audits have been intermittent and lacked coordination among the funding jurisdictions. Not only have audits had varying objectives and at times produced competing findings, they place additional administrative burden on WMATA which is already subject to other audits and oversight by a host of internal and external organizations.

Having been a priority of the Commission for several years, NVTC staff began laying the groundwork to stand up a coordinated jurisdictional subsidy audit process by working with Maryland and District of Columbia staff in 2026. NVTC supports this important work and at the right time, recommends the WMATA Board adopt a policy or enter into a formal agreement establishing such an audit with the funding jurisdictions. A coordinated subsidy audit would ensure sufficient oversight of WMATA's subsidy allocation inputs and calculations, mitigate risks of uncoordinated audits and competing findings, and reduce future administrative burden on WMATA staff through a standardized process.

Advance Recommendations from the 2025-2026 WMATA Operational Assessment

In addition to those detailed in this chapter, NVTC supports the recommendations developed by a Commonwealth-funded WMATA Operational Assessment and urges WMATA to explore the three priority next steps identified by the effort (Figure 3).[52] In accordance with the FY 2025 and 2026 Virginia State Operating Funding Agreement between WMATA and DRPT, WMATA's Board of Directors engaged Guidehouse to conduct a thorough analysis of the authority's operations and financial status. The assessment identified opportunities for WMATA to achieve cost efficiencies and enhance revenues with a focus on functions and processes which can be eliminated, restructured or significantly improved through technology and modernization.

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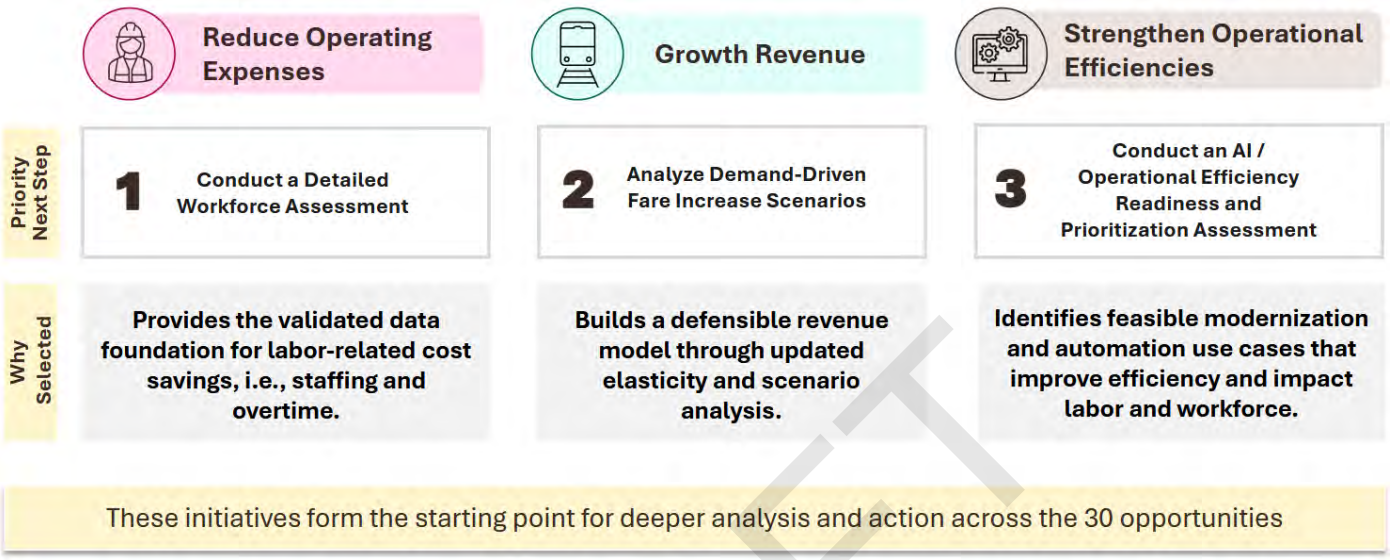
Figure 3. WMATA Operational Assessment Priority Next Steps



Source: March 26, 2026 WMATA Finance and Capital Committee meeting

In March 2026, Guidehouse presented a series of potential opportunities to the WMATA Board, many of which echo themes and areas of interest to NVTC including exploring alternative benefit plans to reduce healthcare expenses, increasing employee contribution rates to WMATA retirement plans and restricting overtime earnings used in calculating pensionable earnings to reduce future pension liabilities, among others. The assessment noted that WMATA is already addressing many of the opportunities identified in the report.

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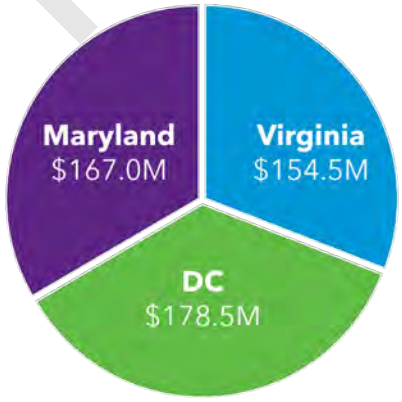
5. Use of FY 2026 Dedicated Capital Funding

In 2018, the Commonwealth of Virginia, the State of Maryland and the District of Columbia worked together to commit $500 million a year in dedicated funding for capital investments at WMATA. Virginia's annual portion of this dedicated capital funding is $154.5 million, with the District and Maryland providing the remaining portions. This dedicated capital funding strengthens WMATA's ability to embark on large, multi-year capital investments designed to address significant state of good repair needs. However, it is not inflation-adjusted and has seen its purchasing power eroded over time, contributing to WMATA's pending capital program funding cliff and leading to the DMV*Moves* recommendation to establish an additional $460 million in new, bondable capital funding by FY 2029.

WMATA's Capital Fund

The WMATA Capital Fund is Virginia's share of regional dedicated capital funding that was established in 2018. Virginia's dedicated capital funding supports WMATA's capital investments and project delivery across the system and can be used for any capital purpose. Of the $154.5 million from Virginia, most of the funding is bondable and is provided to an unrestricted account at WMATA. Funding that is not bondable (which comes from statewide sources) is provided to a restricted account at WMATA. The WMATA Capital Fund is established in and protected by state code. DRPT manages and provides the funding directly to WMATA through a funding agreement that ensures a predictable and reliable flow of revenue.[53]

Regional Share of the $500 Million in Dedicated Capital Funding



Sources of Revenue

The WMATA Capital Fund is administered by DRPT and is primarily comprised (about 80%) of local revenues or regional revenue streams generated from the Northern Virginia Transportation District. On an annual basis, the WMATA Capital Fund consists of the following sources:

Local Support
The cities of Alexandria, Fairfax and Falls Church and the counties of Arlington, Fairfax and Loudoun directly contribute a total of **$27.12 million in local funding** directly to DRPT. The allocation of the $27.12 million between the cities and counties is determined by their respective shares of WMATA's capital budget.

Regional Gas Tax
A fixed portion, **$22.183 million, of the regional gas tax** in the Northern Virginia Transportation District is directed to the WMATA Capital Fund.

Regional Grantors Tax & Regional Transit Occupancy Tax
Within the Northern Virginia Transportation District, the revenues created by a **3% transient occupancy tax** and **$0.10 per $100 of assessed value grantor's tax** are directed to the WMATA Capital Fund. These sources are revenue streams, so they do not provide a fixed amount into the fund.

Restricted Account
This account is not bondable and is comprised of state funds. It includes a **fixed $20 million in state-wide recordation taxes** from the Northern Virginia Transportation District Fund and a portion of the state-wide Motor Vehicle Rental Tax.

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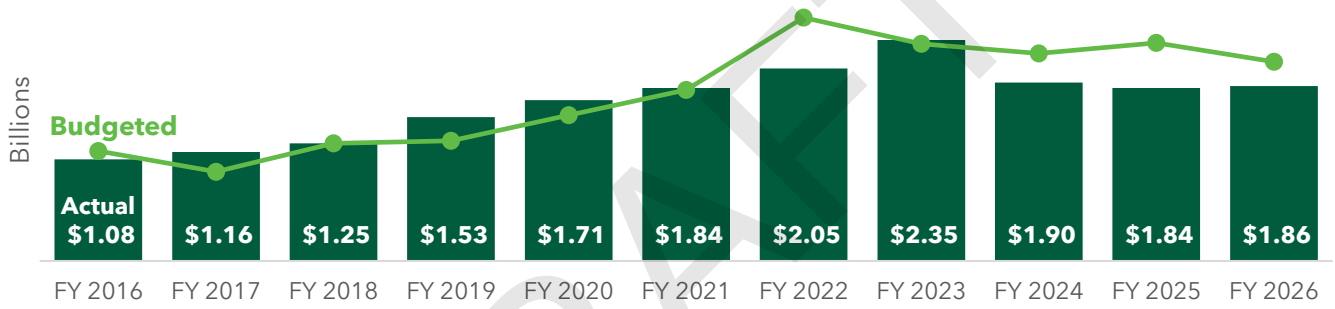
WMATA's Capital Program

In FY 2016, WMATA estimated its overdue state of good repair needs at $6.5 billion and forecast these needs to drop to $4.1 billion by FY 2024.[54] Over the last decade, WMATA substantially increased its annual capital expenditures to deliver major construction projects that address the state of good repair backlog and other modernization needs. Supported in part by the ability to issue bonds backed by dedicated capital funding, annual capital expenditures more than doubled from FY 2016 levels and reached a record $2.35 billion in FY 2023 before declining to $1.84 billion in FY 2025. In FY 2026, capital expenditures once again rose, increasing slightly to **$1.86 billion** (Figure 4).[55]

Figure 4. WMATA Annual Capital Expenditures from FY 2016 to FY 2026



Source: WMATA Capital Improvement Program Progress Report Fiscal Year 2026 Quarter 4

WMATA's Board-approved FY 2026 capital budget totaled $2.1 billion, excluding debt service and revenue loss from capital projects. WMATA ultimately invested 88% of that budget, approximately 99% of its $1.87 billion year-end forecast. At its March 2026 mid-year financial review, WMATA attributed the lower than originally-budgeted expenditures to delays in bus deliveries due to domestic manufacturing capacity constraints and high demand, as well as delays to 8000-series railcars related to design changes and manufacturer testing.

Capital execution varied across the program. Rail Systems expenditures reached 98% of budget and Stations and Passenger Facilities reached 92%, while Track and Structures Rehabilitation lagged at 70%, largely due to spending less than anticipated on emergency construction and emerging needs. WMATA also continued to manage schedule and cost pressures on several major projects while advancing Red Line modernization and other major investments.

Since WMATA began receiving dedicated capital funding in 2018, it has used those revenues both for direct capital expenditures and to support debt financing for major investments. As required by law, NVTC must report the uses of Virginia's share of dedicated capital funding during the prior fiscal year. Table 4 shows actual FY 2026 expenditures attributable to Virginia's portion of dedicated capital funding by Capital Improvement Program area. WMATA provides additional information on overall capital program progress in its FY 2026 Quarter 4 Capital Improvement Program Progress Report.

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Table 4. FY 2026 Expenditures from the Virginia WMATA Capital Fund by CIP Program

CIP Category	CIP Program	FY 2026 Expenditures (millions)
Railcar Investments	Acquisition	$0.1
	Maintenance/Overhaul	$26.0
	Maintenance Facilities	$1.2
	Subtotal	$27.3
Rail Systems Investments	Propulsion	$9.7
	Signals & Communications	$19.2
	Subtotal	$28.9
Track and Structures Rehabilitation Investments	Fixed Rail	$5.3
	Structures	$1.2
	Subtotal	$6.6
Stations and Passenger Facilities Investments	Platforms & Structures	$5.3
	Vertical Transportation	$5.0
	Station Systems	$12.1
	Subtotal	$22.4
Bus and Paratransit Investments	Acquisition	$0.1
	Maintenance/Overhaul	$5.5
	Maintenance Facilities	$0.4
	Passenger Facilities/Systems	$1.1
	Subtotal	$7.1
Business Support Investments	Digital Modernization	$4.9
	MTPD	$0.1
	Support Equipment/Services	$6.1
	Subtotal	$11.0
Total Virginia Dedicated Funding expended through June 30, 2026		$103.3
FY 2026 Dedicated Funding directly invested		**$82.3**
Prior Year Dedicated Funding expended		$21.0
Debt Service		**$72.2**
Remainder of FY 2026 Dedicated Capital Funding expended after FY 2026		**$0.0**
Total FY 2026 Virginia Share of Dedicated Funding		**$154.5**

Source: WMATA FY 2026 Quarter 4 Capital Improvement Program Progress Report; WMATA Management & Budget staff
Note: Totals may not add due to rounding. Due to the timing of the publication of this report, these expenditures are preliminary and do not represent final audited expenditures.

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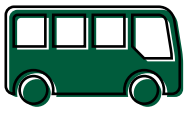
In FY 2026, WMATA invested over $1.8 billion in capital projects with a priority to address existing needs while also aiming to prevent the creation of additional backlogged needs. Significant FY 2026 capital accomplishments supported by dedicated capital funding included:

Radio System



WMATA continued implementation of its systemwide radio modernization program in FY 2026, replacing aging communications infrastructure used by employees, first responders and public safety agencies. By year-end, radio towers had been installed at 23 of 27 sites, providing coverage to approximately 95% of Metro's service area, and three of six jurisdictional radio systems were complete and operational. WMATA also activated the upgraded public safety radio system in Arlington County and activated upgraded radio service at all railyards except Dulles, which is expected to follow in FY 2027. The project will also expand cellular coverage for customers throughout the system.

Bus Fleet Acquisition



WMATA continued replacing its aging Metro Bus fleet in FY 2026 through a multiyear procurement of up to 500 new buses. In February 2026, WMATA exercised an option for an additional 100 buses, followed by another 100-bus option in June that included 75 diesel and 25 electric buses. WMATA also began receiving buses from the base order during FY 2026, with nine hybrid buses delivered by the end of June. New buses include operator protective shields, cameras, collision-avoidance technology, real-time tracking and updated passenger interiors.

Fleet Maintenance Facility



WMATA advanced design of a new Fleet Maintenance Facility at the Dulles Railyard in FY 2026 to expand railcar scheduled maintenance capacity and improve fleet reliability. The project will repurpose existing space at the Dulles Railyard for additional repair bays, shop space and specialized maintenance equipment, while improving connections between the maintenance facility, railyard and mainline. Conceptual design reached 10% in fall 2025 and advanced to 30% design in spring 2026, with design and engineering continuing through year-end.

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6. Safety, Reliability, Ridership and Financial Performance Data

This chapter provides reporting on key safety, reliability, financial and ridership metrics. Data included in this chapter (Table 5) are from the National Transit Database (NTD) and WMATA performance reports. Until FY 2024, WMATA published Metro Performance Reports (MPR) but now publish quarterly and annual Service Excellence Reports (SER) to align with its Strategic Transformation Plan (STP), adopted in January 2023 and last updated in September 2025.[56] While this report uses the most recently available data, some NTD data lag 12 to 18 months due to the extensive auditing of these data.

Table 5. Data Sources and Years Presented

Category	Most Recent Data Available	Source
Safety	Calendar Year 2025	NTD
Reliability	Fiscal Year 2026 (July 1, 2025 – June 30, 2026)	SER
Financial Performance	Fiscal Year 2025 (July 1, 2024 – June 30, 2025)	NTD
Ridership	Fiscal Year 2025 (July 1, 2024 – June 30, 2025)	NTD

Safety

Safety data are collected by transit agencies and reported to the NTD, which provides common reporting definitions and has a robust data quality assurance and auditing process. Transit systems seek to minimize the frequency of safety events. The Safety & Security (S&S) Time Series presents safety and security data through the S&S-40 form (Major events) and the S&S-50 form (Non-Major events). NTD measures transit safety by summarizing the total occurrences, Major and Non-Major, of certain safety events for rail and bus operations that include collisions, derailments (for rail only), fatalities, fire, injuries and security events.

The counts represented in Table 6 and Table 7 are totals for each category from when they were accessed from NTD. Time series data is subject to a validation process and current and previous years' data may be revised by transit agencies based upon additional information or upon request by NTD analysts.[57] The following tables show the data as it was accessed in July 2026. It is important to note that safety data provided in this section includes calendar year 2022 which reflects ridership and service impacts due to the COVID-19 pandemic. CY 2022 data included the removal of 7000-series railcars from service after the October 2021 Blue Line derailment. Table 6 and Table 7 summarize the total count of each type of Metro Rail and Metro Bus safety event and incidence per 10 million vehicle revenue miles (VRM) for calendar years 2022 through 2025.

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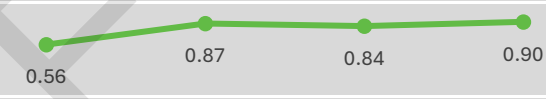
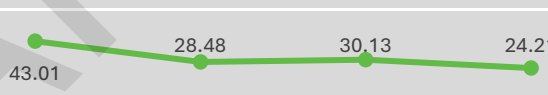
Table 6. Metro Rail Safety

Safety Event	CY 2022	CY 2023	CY 2024	CY 2025	CY 2022 - CY 2025 Event Rate over Time Rate per 10M VRM *Lower Rate Indicates Greater Safety*
Collision	7	11	7	8	
Derailment	5	7	3	0	
Security Event	72	96	49	40	
Fire	39	37	41	39	
Fatality*	3	8	8	9	
Injury	229	261	288	242	

**Beginning in 2025, fatalities include suicides.*

Source: WMATA NTD Report, Forms S&S-40 and S&S-50. Accessed July 30, 2026.

Table 7. Metro Bus Safety

Safety Event	CY 2022	CY 2023	CY 2024	CY 2025	CY 2021 - CY 2024 Event Rate over Time Rate per 10M VRM *Lower Rate Indicates Greater Safety*
Collision	149	180	213	202	
Derailment	N/A	N/A	N/A	N/A	
Security Event	43	61	67	43	
Fire	3	0	2	3	
Fatality	4	1	0	4	
Injury	320	391	442	320	

Source: WMATA NTD Report, Forms S&S-40 and S&S-50. Accessed July 30, 2026.

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Reliability

Reliability data are obtained from WMATA's Service Excellence Report and accompanying data file published to the WMATA website.[58] The data included in this report covers the fiscal years (July 1 - June 30) 2023 to 2026 unless otherwise noted. The reliability of a transit system may be measured by its punctuality and equipment dependability. Reliability metrics used by WMATA include:

- **On-Time Performance (OTP)**
- **Mean Distance Between Failures (MDBF)**
- **Percent of Planned Service Delivered**

On-Time Performance

OTP is the rate at which a transit system carries passengers to their destination on time and is used to evaluate the timeliness of travel for both rail and bus operations. This is measured differently for Metro Rail and Metro Bus. Metro Rail customer OTP measures the percentage of customers who complete their journey within the maximum amount of time it should take per WMATA service standards, which are based on scheduled wait times and train running times. These standards vary by line, time of day and day of the week and are informed by a customer's entry and exit from the system. A description of the measurement methodology is contained in the appendix. Figure 5 summarizes Metro Rail OTP in fiscal years 2023 to 2026.

WMATA has demonstrated steady OTP over the last several years, with Metro Rail at 88% and Metro Bus approximately 77%. Automatic train operations (ATO) were implemented on all lines in June 2025, as well as scheduling adjustments, both of which helped improve speeds and reduce variability on Metro Rail. The Better Bus Network was introduced in June 2025, with a focus on improved performance and connectivity. Metro Bus OTP improved by 0.7% compared to last year, even as traffic congestion continues to impact Metro Bus OTP.

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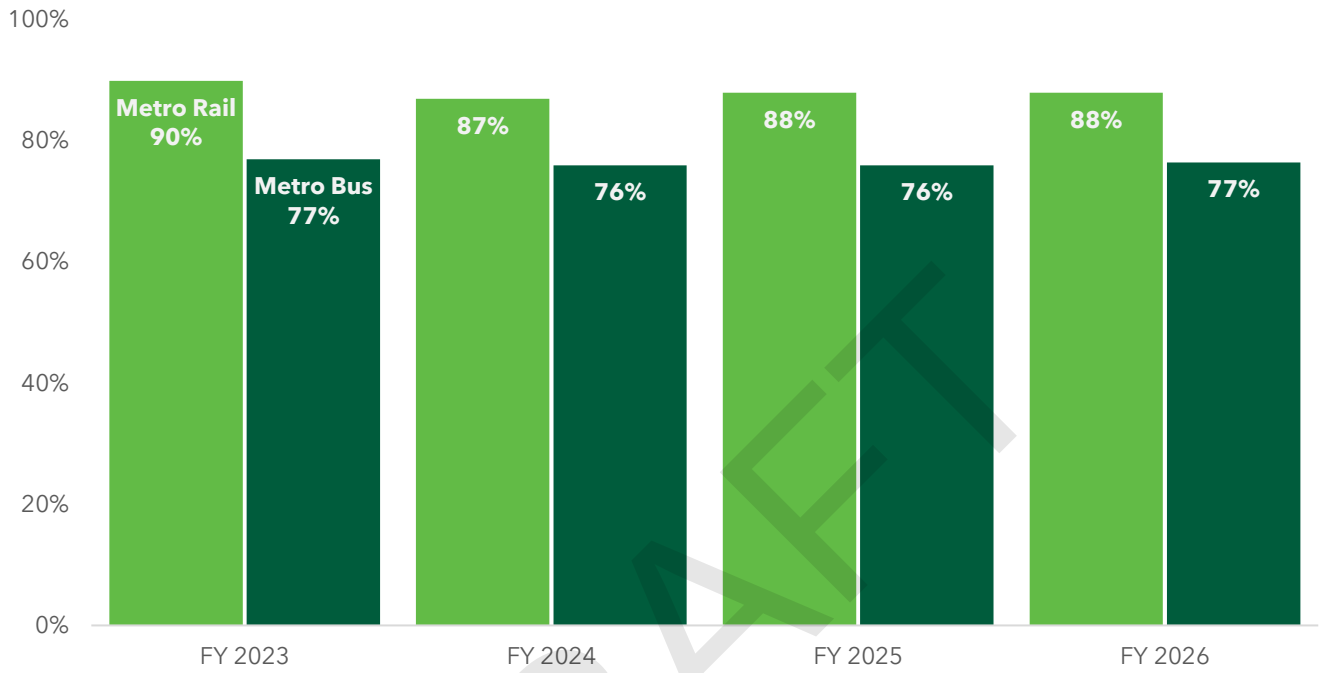
Figure 5. On-Time Performance by Mode

Higher Value Indicates More Reliable Service



Source: WMATA FY 2026 Service Excellence Report

Mean Distance Between Failures

Mean distance between failures (MDBF) is the average number of miles traveled before a railcar or bus experiences a failure. For Metro Rail, a car failure can occur without disrupting service or causing delay, instead resulting in discomfort or inconvenience. For Metro Bus, a failure is defined by a mechanical failure that interrupts revenue service. The following figures show MDBF for all years from FY 2023 to FY 2026. For Metro Rail and Metro Bus, total mileage was used beginning in FY 2024. Federal Transit Administration (FTA) guidance on Safety Performance Targets and WMATA's federally mandated Agency Safety Plan define MDBF as revenue miles between failures, not total miles.[59] A higher MDBF value indicates greater reliability of Metro railcar and bus equipment.

Figure 6 and Figure 7 summarize the Metro Rail and Metro Bus reliability figures for FY 2023 through FY 2026. Metro Rail fleet reliability rose again after a drop in FY 2025 and peak in FY 2024 following the full reintroduction of 7000-series railcars. WMATA removed all 2000-series railcars from service in FY 2025, improving the overall reliability of the Metro Rail fleet.

Metro Bus equipment reliability for FY 2025 continued a downward trend from FY 2024. Aging vehicles contribute to this decline: in FY 2024, the average Metro Bus vehicle was 7.1 years old. Average bus age then increased in FY 2025 to 7.9 years and in FY 2026 to 8.6 years. FTA defines useful life for buses at 12 years.[60] WMATA continues to improve fleet reliability by replacing aging buses and overhauling vehicles to improve performance in the second half of their life.

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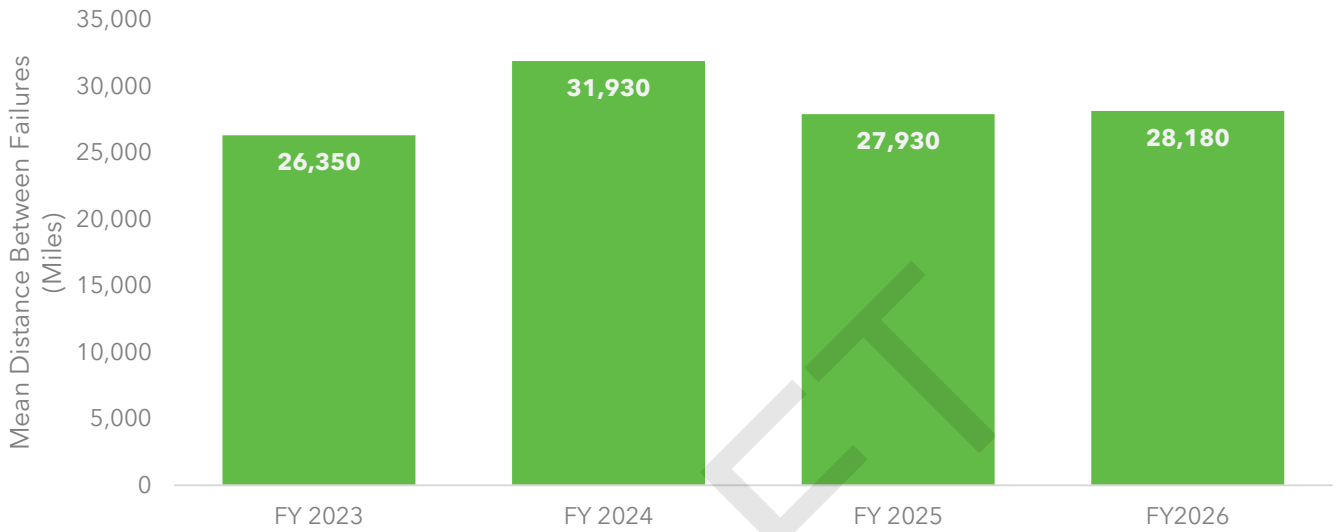
Figure 6. Metro Rail Equipment Reliability, MDBF

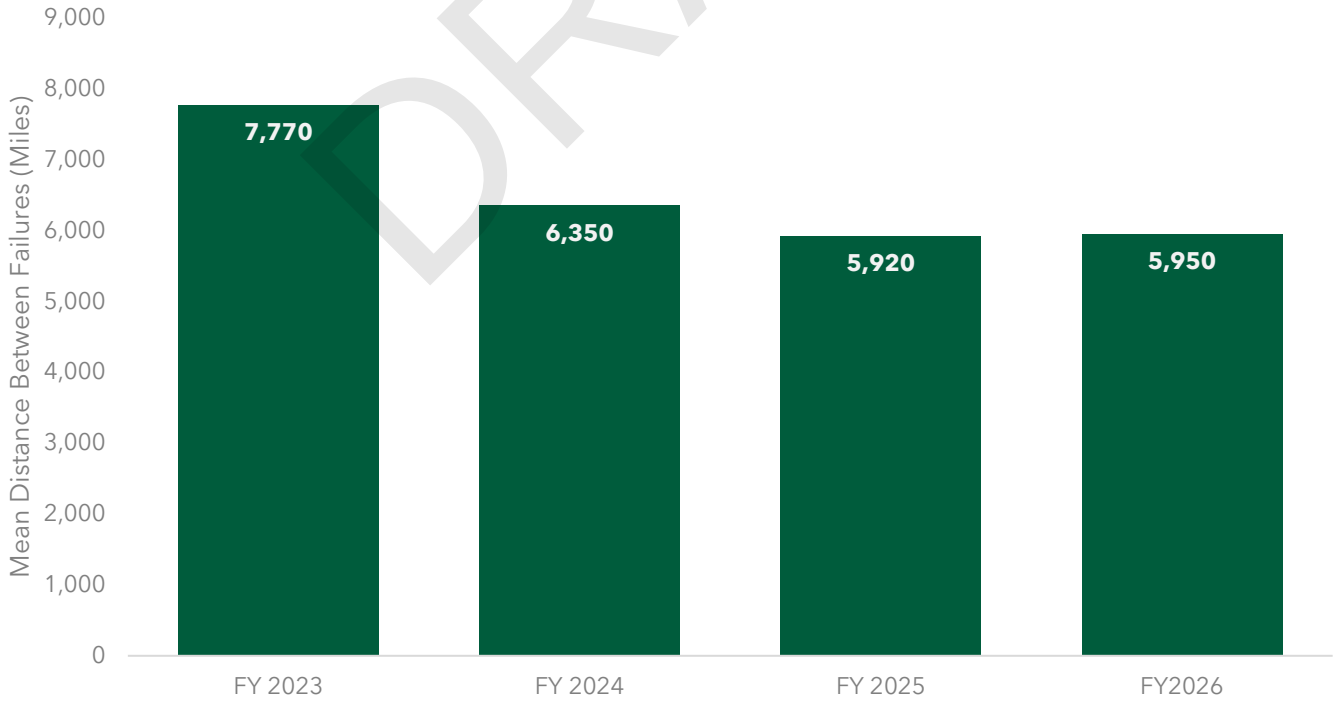
Higher Value Indicates More Reliable Equipment



Source: WMATA FY 2026 Service Excellence Report, based on total mileage from FY 2024-2026

Figure 7. Metro Bus Equipment Reliability, MDBF

Higher Value Indicates More Reliable Equipment



Source: WMATA FY 2026 Service Excellence Report, based on total mileage from FY 2024-2026

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Percent of Planned Service Delivered

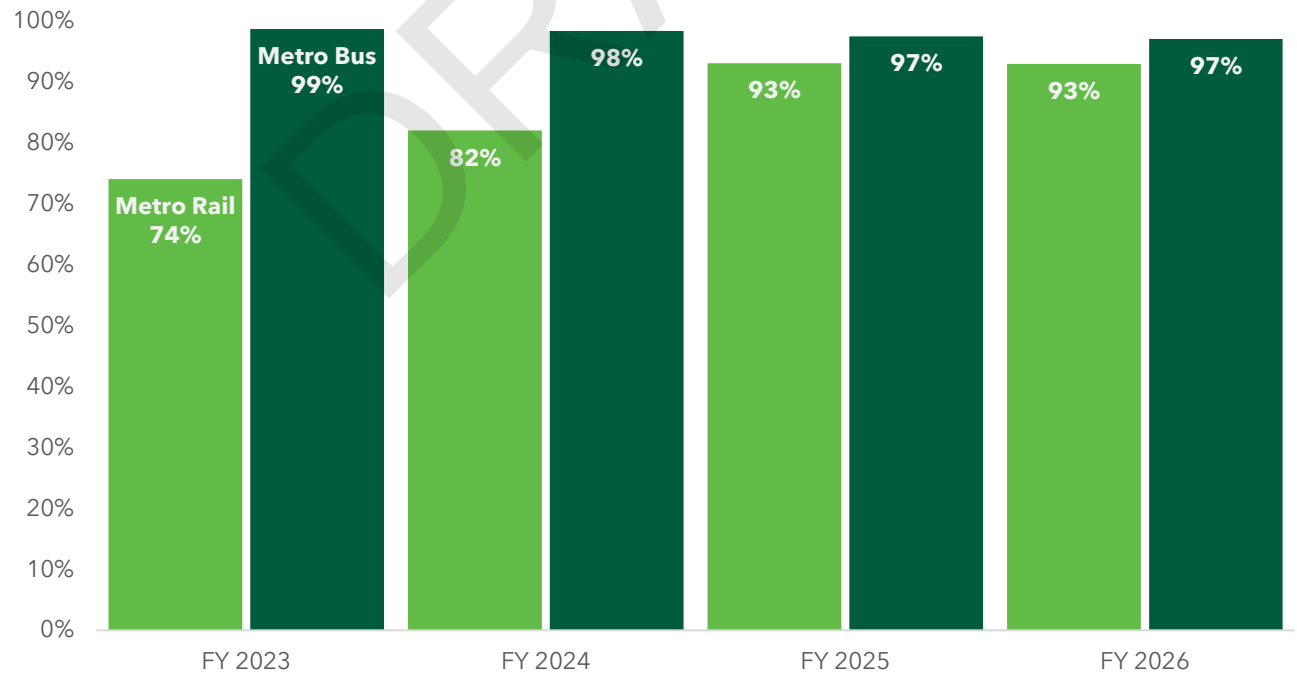
This measure communicates whether WMATA meets the level of service committed to customers through the budget and scheduling process. For Metro Bus, the percent of planned service delivered compares the actual number of trips taken to the scheduled number. For Metro Rail, it measures the actual number of stops at stations compared to the budgeted number. Definitions are available in the appendix. Figure 8 depicts the percent of planned service delivered for each mode.

Metro Bus service delivery has been relatively steady, with slight decreases year over year. FY 2026 disruptions to planned service are attributed mainly to operator availability, vehicle difficulties and customer-related issues. Missed trips due to operator availability continue to increase year-over-year. WMATA plans on recruiting more than 700 new bus operators in FY 2027, with a focus on employee retention.

Metro Rail service delivery has consistently met agency goals. The main cause of missed service in FY 2026 were unplanned incidents, including track circuit and railcar braking incidents. Infrastructure improvements were the other primary reason for missed service, the majority of which was during summer track shutdowns and winter single-tracking projects.

Figure 8. Percent of Planned Service Delivered

Higher Percentage Indicates More Reliable Service



Source: WMATA FY 2026 Service Excellence Report

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Financial Performance

Financial and ridership data are collected by each individual transit agency and reported to the NTD which provides common definitions, reporting definitions and has a robust data quality assurance and auditing process. Financial performance measures include the following three measures:

- **Metro Rail Farebox Recovery and Metro Bus Farebox Recovery**
- **Metro Rail Service per Rider and Metro Bus Service per Rider**
- **Cost per Metro Rail Service Hour and Cost per Metro Bus Service Hour**

FY 2025 NTD data is reported for each of the above measures and includes calculations for both Metro Rail and Metro Bus. As of FY 2023, all Metro Bus service is directly operated by WMATA, but data prior to FY 2023 includes services directly operated by WMATA and those which are operated by a contracted provider. It is also important to note that due to robust auditing and review processes, NTD data are typically released at least one or more years after the fiscal year they represent. Data provided in this section include FY 2022-2025, some of which reflect the COVID-19 pandemic's impact on service and ridership. These data also reflect the impacts of the October 2021 Blue Line derailment and subsequent removal from service of the 7000-series railcars. WMATA began a phased reintroduction of the 7000-series railcars in June 2022 with all railcars restored to service in late FY 2023.

Farebox Recovery

Farebox recovery indicates how much of an agency's operating costs are recovered through passenger fare revenues. A higher recovery ratio indicates that the transit agency recoups a larger share of its operating costs through passenger revenue. Because rail systems generally have higher fares and higher ridership than bus systems, farebox recovery tends to be higher for rail systems than for bus systems.

Metro Rail farebox recovery was 22.4% and Metro Bus farebox recovery was 5.3% in FY 2025 (Figure 9). In FY 2019, Metro Bus fare recovery was 16.9%.[61] The COVID-19 pandemic had a major impact on the entire system's passenger revenues as ridership dropped to its lowest point in FY 2021. Additionally, as a safety precaution, Metro Bus instituted rear-door boarding and waived fares from March 2020 until January 2021.[62] In FY 2022, the system began to recover with both Metro Rail and Metro Bus farebox recovery increasing from the previous year, but this recovery was slowed due to the Blue Line derailment in October 2021 and the subsequent removal of the 7000-series railcars from service. Farebox recovery on Metro Bus rebounded slightly, dipped in FY 2024, but has increased again in FY 2025. Metro Bus fare recovery remains low due largely to significant fare evasion on the bus system. To address this challenge, WMATA launched the Fares Pay for Service campaign, which combined customer education with increased enforcement on Metro Bus routes.

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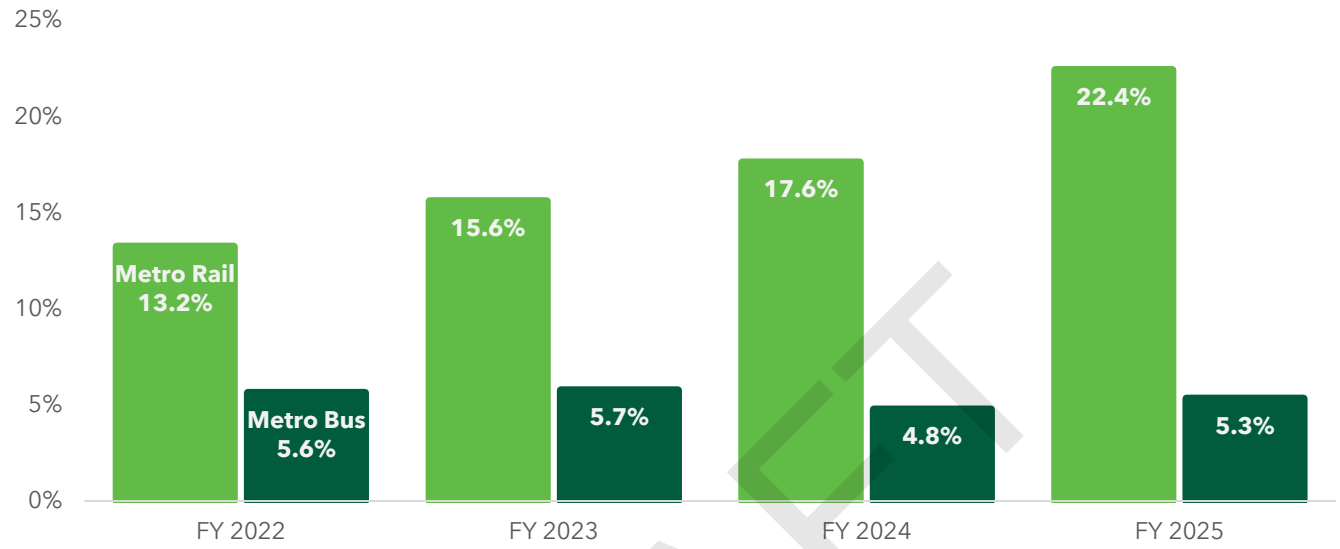
Figure 9. Farebox Recovery

Higher Percentage Indicates More Operating Revenues Recovered through Passenger Fares



Source: National Transit Database FY 2025

Service per Rider

Service per rider indicates the number of railcar or bus service hours offered per 10,000 passenger trips. This figure summarizes how efficiently an agency is transporting passengers. Agencies strive to strike a balance between serving as many passengers as possible while providing service at a reasonable cost. A low service per rider number indicates that relatively few hours of service are required to serve passengers, which indicates better person throughput efficiency.

Figure 10 and Figure 11 depict Metro Rail and Metro Bus service per rider for the four most recent fiscal years available. FY 2025 Metro Rail service per rider was 227.9 hours per 10,000 trips, and Metro Bus service per rider was 31.42 hours per 10,000 trips. Since this ratio reflects the total hours of service divided by the number of riders, significant changes to either input will cause corresponding increases or decreases to the service per rider metric. Service per rider began trending downward in FY 2023 for both Metro Rail and Metro Bus systems, indicating that WMATA was improving operating efficiency on both modes. This trend continued through FY 2025 for Metro Bus. Metro Rail ticked upward in FY 2024, primarily due to WMATA being able to run more service after the full reintroduction of 7000-series railcars in late FY 2023. However, FY 2025 showed more efficiency as ridership continued to increase and service hours slightly decreased due to minor peak and non-peak service adjustments on the Orange, Green and Yellow lines.

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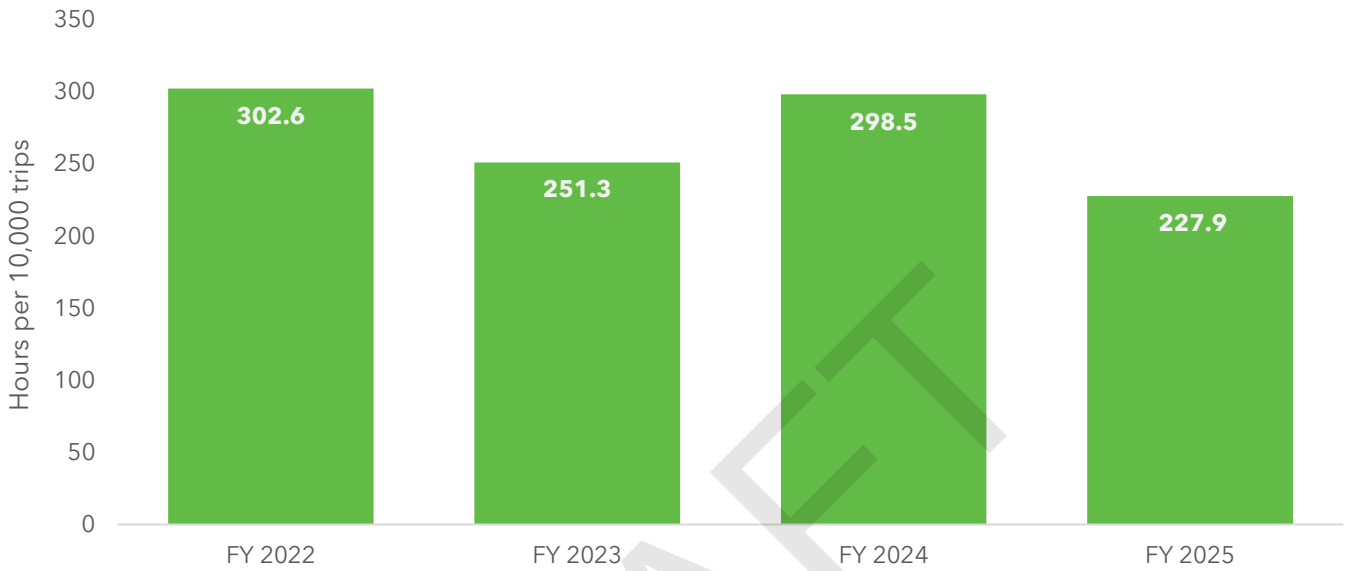
Figure 10. Metro Rail Service per Rider

Lower Number Indicates Better Efficiency in Transporting Passengers



	FY 2022	FY 2023	FY 2024	FY 2025
Service* ÷	2,302,036	3,185,833	4,283,925	4,093,662
Ridership* x 10,000 =	76,077,714	126,773,716	143,537,550	179,589,512
Service per Rider	**302.6**	**251.3**	**298.5**	**227.9**

**Service is measured by vehicle revenue hours. Ridership is measured by unlinked passenger trips.*

Source: National Transit Database FY 2025

Note: In October 2021, the Blue Line derailment and subsequent temporary removal of 7000-series railcars impacted service.

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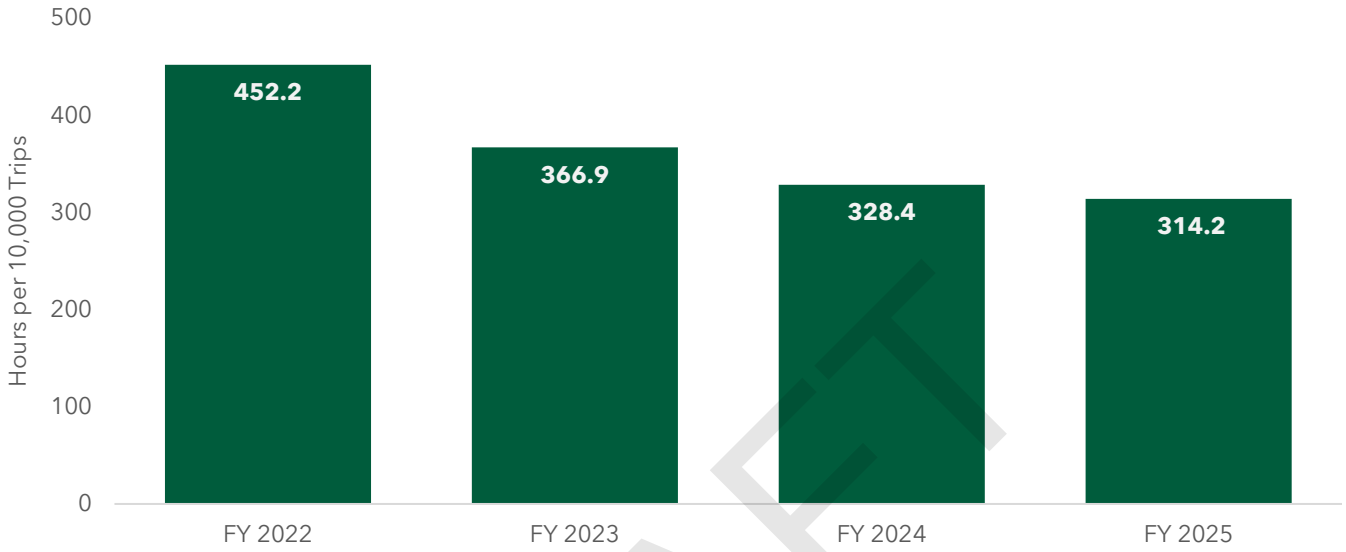
Figure 11. Metro Bus Service per Rider

Lower Number Indicates Better Efficiency in Transporting Passengers



	FY 2022	FY 2023	FY 2024	FY 2025
Service* ÷ Ridership* x 10,000 =	3,595,310 / 79,512,639	3,774,118 / 102,855,922	3,860,426 / 117,539,605	3,896,936 / 124,032,263
Service per Rider	**452.2**	**366.9**	**328.4**	**314.2**

**Service is measured by vehicle revenue hours. Ridership is measured by unlinked passenger trips.*

Source: National Transit Database FY 2025

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Cost per Service Hour

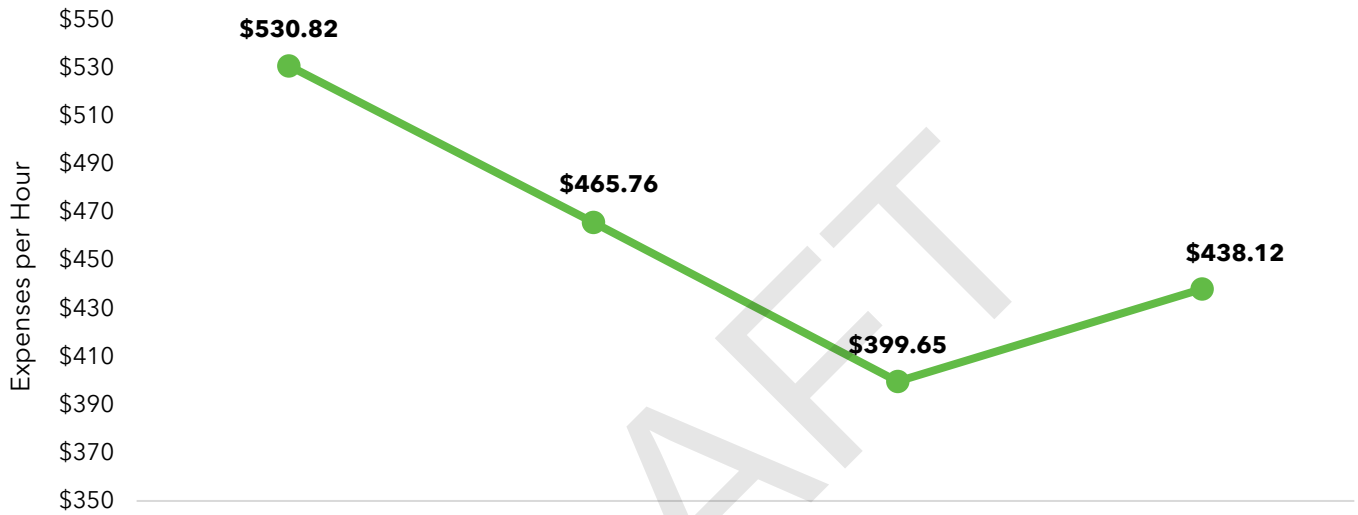
The cost per Metro Rail service hour is the average cost associated with the operation and maintenance of one railcar for each hour of passenger revenue service. A lower number indicates a lower hourly cost to operate each railcar. Heavy rail services in the United States generally have a substantially higher cost per service hour than bus services because they use larger vehicles over shorter service miles.[63] The cost per Metro Bus service hour is the approximate cost associated with the operation and maintenance of a vehicle for each hour of revenue service. A lower number indicates a lower average hourly cost to operate each bus.

The cost per Metro Rail service hour was $438.12 (Figure 12) and the cost per Metro Bus service hour was $271.83 in FY 2025 (Figure 13). Since this ratio reflects the total expenses divided by the number of revenue service hours, significant changes to either input will cause corresponding increases or decreases to cost per service hour metric. In FY 2025, Metro Rail cost per service hour increased 9.6% after reaching a 3-year low in FY 2024 as operating expenses grew 4.8% and service fell by 4.5%. Metro Bus cost per service hour decreased in FY 2025 to $271.83. From FY 2023 to FY 2024, Metro Bus operating expenses

grew 8.7% while service only grew by 2.3%, causing an increase in cost per service hour. This trend then levels out between FY 2024 and 2025, as both operating expenses and service saw smaller increases.

Figure 12. Metro Rail Cost per Service Hour

Higher Number Indicates Higher Operational Cost



	FY 2022	FY 2023	FY 2024	FY 2025
Cost* ÷	$1,221,960,685	$1,483,819,870	$1,712,057,631	$1,793,514,936
Service =	2,302,036	3,185,833	4,283,925	4,093,662
Cost per Service Hour	**$530.82**	**$465.76**	**$399.65**	**$438.12**

** Cost is measured by total operating expenses. Service is measured by vehicle revenue hours.*

Source: National Transit Database FY 2025
Note: In October 2021, the Blue Line derailment and subsequent temporary removal of 7000-series railcars impacted service.

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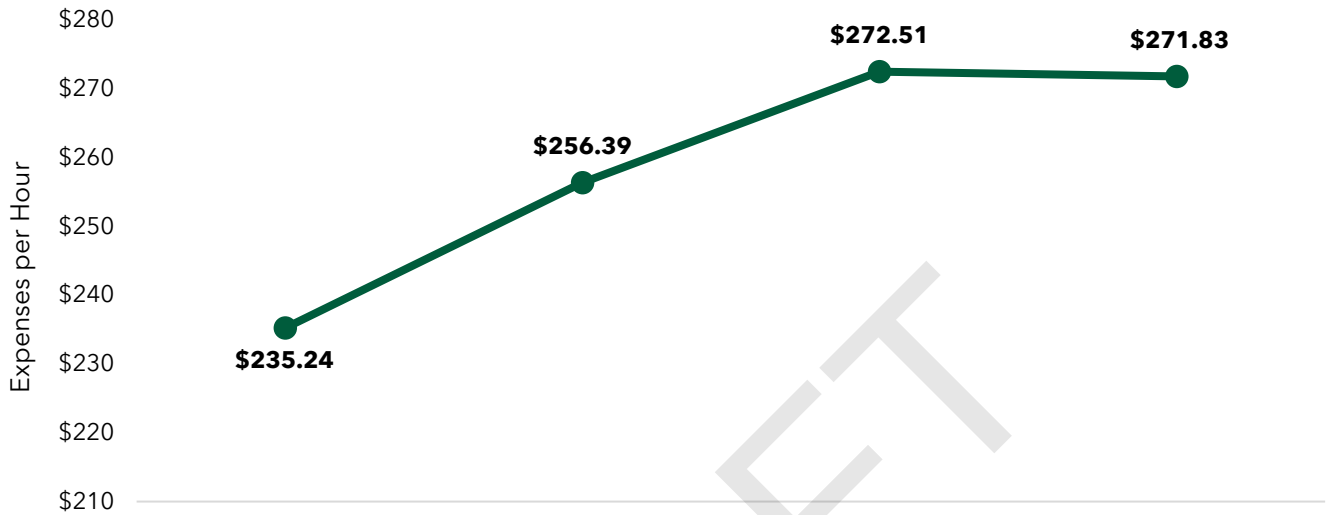
Figure 13. Metro Bus Cost per Service Hour

Higher Number Indicates Higher Operational Cost



	FY 2022	FY 2023	FY 2024	FY 2025
Cost* ÷	$845,757,291	$967,654,253	$1,052,019,387	$1,059,287,281
Service =	3,595,310	3,774,118	3,860,426	3,896,936
Cost per Service Hour	**$235.24**	**$256.39**	**$272.51**	**$271.83**

** Cost is measured by total operating expenses. Service is measured by vehicle revenue hours.*

Source: National Transit Database FY 2025

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Ridership

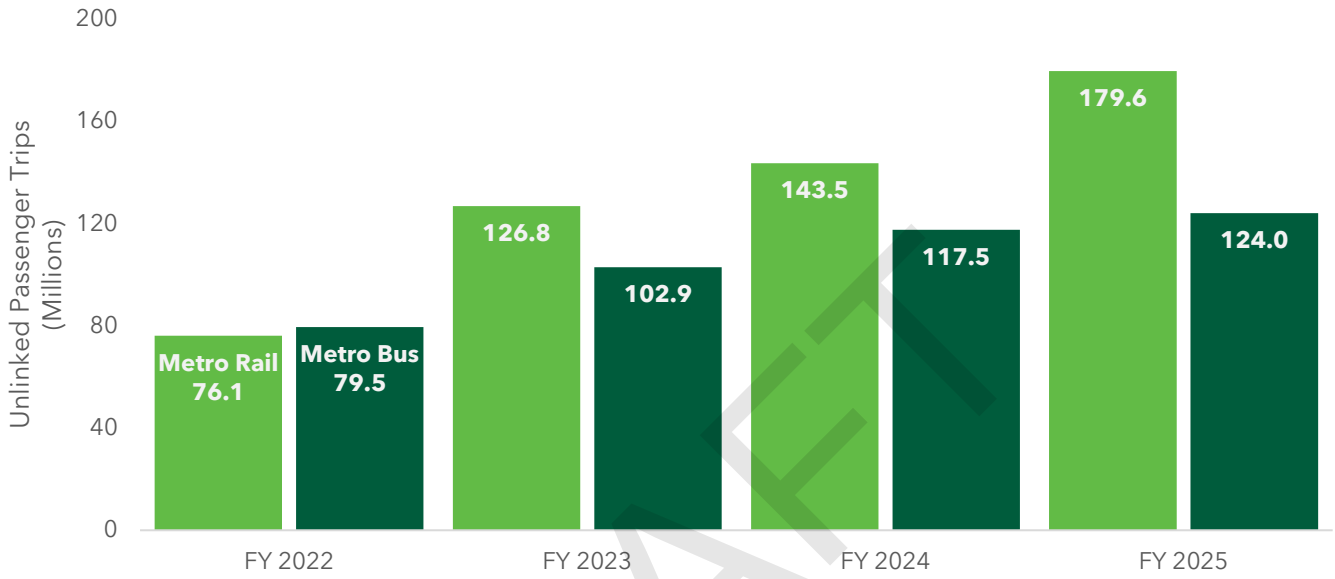
Financial and ridership data are collected by each transit agency and reported to the NTD which provides common and reporting definitions and has a robust data quality assurance and auditing process. Because public transit services exist to transport passengers, transit systems seek to maximize patronage, measured in passengers. This section summarizes Metro Rail and Metro Bus ridership, which is measured by the NTD using:

- **Unlinked Passenger Trips (UPT)**

Due to robust auditing and review processes, NTD data are typically released at least one year or more after the fiscal year they represent. UPT indicates the number of passengers boarding vehicles and illustrates the overall number of passengers passing through the total Metro system. A higher UPT reflects greater use of transit services. This section provides FY 2025 UPT data for Metro Rail and Metro Bus. The official NTD definition for this ridership metric is included in the appendix. There were 179.6 million Metro Rail unlinked passenger trips and 124.0 million Metro Bus unlinked passenger trips in FY 2025 (Figure 14) which both increased for the fifth fiscal year in a row.

Figure 14. Unlinked Passenger Trips

Higher Number Indicates Greater Use of Transit



Source: National Transit Database FY 2025

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Appendix

This appendix includes definitions and sources for the terminology used throughout the report. To provide a holistic picture of WMATA's safety, reliability, financial and ridership performance, the definitions below have been aggregated from the following sources as indicated in the endnotes:

1. When not indicated otherwise, definitions are taken directly from the NTD Glossary.[64]
2. For metrics without an NTD definition, a definition is taken from WMATA's Service Excellence Report (known as Metro Performance Report (MPR) until FY 2025). These definitions also include an explanation of what each metric means and why it is important to their strategy. The explanations are included with the definitions.
3. To build a complete understanding of each definition, WMATA provided NVTC with clarifications, which are denoted with the footnote "Provided by WMATA."

Collision

A vehicle/vessel accident in which there is an impact of a transit vehicle/vessel with: another transit vehicle, a non-transit vehicle, a fixed object, a person(s) (suicide/attempted suicide included), an animal, a rail vehicle, a vessel or a dock.

Cost per Service Hour

The average cost to operate one vehicle/passenger car for one hour of passenger service. Calculated for each mode by taking the total operating expenses and dividing by total vehicle revenue hours.

Derailments

Non-collision incidents in which one or more wheels of a vehicle unintentionally leaves the rails.

Failure, Metro Bus

WMATA counts buses as failures due to mechanical problems that resulted in lost or interrupted trips. Therefore, only bus maintenance chargeables (BMCs) are counted.

- Major failures are BMCs that may leave the bus stranded on the street or result in grossly unsafe operation. Examples: brakes, door interlock, generator, smoke/fire, large fluid leaks, engine or transmission shutdown, broken wipers on rainy days. ("Collisions" caused by mechanical failure (i.e., brakes not engaging) are counted as major.)
- Minor failures are BMCs that may be deemed unsafe by the operator, manufacturer or engineers to protect the bus from irreparable damage. Examples: engine/transmission malfunction indicators, windshield, mirrors, unsafe interior or exterior body issues.

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Failure, Metro Rail

WMATA defines a railcar failure as a mechanical failure that requires corrective maintenance. Failures related to operator error or customer behavior, e.g., doors that fail because they were held open by customers, are not counted. Not all failures prevent vehicles from completing scheduled revenue trips or starting the next scheduled revenue trips. In some cases, corrective maintenance can be conducted after the scheduled trips are completed. A delay is a failure that causes a train to hold in place for more than four minutes.

Farebox Recovery Ratio[65]

The portion of operating expenses that are paid for by fare revenues. This metric is calculated as: *Fare Revenue ÷ Operating Expenses*.

Fare Revenue

All income received directly from passengers, paid either in cash or through pre-paid tickets, passes, etc. It includes donations from those passengers who donate money on the vehicle. It includes the reduced fares paid by passengers in a user-side subsidy arrangement.

Fatality

A death, homicide or suicide confirmed within 30 days of a reported incident. Does not include deaths in or on transit property that are a result of illness or other natural causes.

Fire

Uncontrolled combustion made evident by flame that requires suppression by equipment or personnel.

Headway

The time interval between vehicles moving in the same direction on a route.

Injury

Any damage or harm to persons as a result of an event that requires immediate medical attention away from the scene.

Linked Passenger Trips[66]

A linked passenger trip is counted when a customer enters through a faregate. In an example where a customer transfers between two trains to complete their travel one trip is counted. Metro Rail reports linked passenger trips.

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Labor (Cost)[67]

The pay and allowances due employees in exchange for the labor they provide on behalf of the transit agency. The labor allowances include payments made directly to the employee arising from the performance of a piece of work.

Major Event Report (S&S-40)[68]

The Major Event Report (S&S-40) captures detailed information on severe safety and security events that occur within a transit environment. Agencies must complete one S&S-40 per reportable event, regardless of how many thresholds an event meets. A reportable event is one that meets any NTD reporting threshold and occurs on transit right-of-way or infrastructure, at a transit revenue facility, at a maintenance facility or rail yard, during a transit-related maintenance activity, or involves a transit revenue vehicle.

Mean Distance between Failures

The average number of miles traveled before a mechanical breakdown requiring the bus to be removed from service or deviate from the schedule. This can also be expressed as: *Total revenue miles ÷ Total number of failures*.

Mean distance between failures is used to monitor trends in vehicle breakdowns that cause buses to go out of service and to plan corrective actions. Factors that influence fleet reliability include vehicle age, quality of maintenance program, original vehicle quality and road conditions affected by inclement weather and road construction.

For Metro Rail and Metro Bus, total mileage was used beginning in FY 2024. Federal Transit Administration (FTA) guidance on Safety Performance Targets and WMATA's federally mandated Agency Safety Plan define MDBF as revenue miles between failures, not total miles.

National Transit Database

A reporting system run by the Federal Transit Administration that collects public transportation financial and operating information.

Non-Major Monthly Summary (S&S-50)[69]

The Non-Major Monthly Summary Report captures monthly summary information on minor fires and other less severe safety events that are not reportable as Major Events.

Non-Labor Costs

The costs associated with operating expenses including fuel/lube, tires, tubes, utilities, casualty/liability costs, taxes and other materials.[70]

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On-Time Performance (Metro Bus)

Metro Bus on-time performance (OTP) communicates the reliability of bus service, which is a key driver of customer satisfaction and ridership. Factors that can affect OTP include: traffic congestion, detours, inclement weather, scheduling, vehicle reliability, operational behavior, or delays caused by the public (crime, protests, medical emergencies, etc.). Note that this measure only includes service delivered; it does not include bus trips that were missed.

Metro Bus measured OTP using schedule-based methodology until FY 2020. After a pilot in FY 2019, OTP was measured using a blended schedule- and headway-based methodology beginning in FY 2020 and continuing through September 2021. Beginning in October 2021, WMATA returned to measuring all routes on a schedule-based methodology.

Measure is calculated as follows:

Percentage of bus service delivered on-time

> *Number of time points delivered on time based on a window of 2 minutes early and 7 minutes late ÷ Total number of time points delivered.*

On-Time Performance (Metro Rail)

Metro Rail customer OTP measures the percentage of customers who complete their journey within the maximum amount of time it should take per WMATA service standards. Actual journey time is calculated from the time a customer taps a Smart Trip card to enter the system, to the time when a Smart Trip card is tapped to exit. Factors that can affect OTP include infrastructure conditions, missed dispatches, railcar delays (e.g., doors), or delays caused by sick passengers. Station stops are tracked system-wide, except for terminal and turn-back stations. Measurements are calculated as follows:

> *Number of customer trips with travel times less than or equal to expected travel times ÷ number of customer trips.*

Operating Expenses

These expenses include labor and non-labor costs and services for operating and maintaining the mode, including general administration costs. Labor costs are fully loaded, meaning they include fringe benefit costs (directly paid to employees as well as indirectly, e.g., payments to pension funds) in addition to wages and salary costs.[71]

Percent of Scheduled Service Delivered (Metro Rail)

This measure monitors whether WMATA is providing all the service that was scheduled and committed to. It helps to offer more clarity on the relative magnitude of various operational issues on daily rail operations, for example operator or railcar shortage and incident response strategy.

> *Percent Rail Scheduled Service Delivered = Rail Actual Stops ÷ Rail Scheduled Stops*

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Percent of Planned Service Delivered (Metro Rail)

This measure monitors whether WMATA is providing all the service that was committed to through the annual service plan in the approved budget. It helps to offer more clarity on the relative magnitude of various operational issues on daily rail operation by comparing actual stops at Metro Rail stations to the levels in the annual service plan. Missed service can be due to planned trackwork, strategic service adjustments to align with resource availability and unplanned disruptions.

Percent Rail Planned Service Delivered = Rail Actual Stops ÷ Rail Budgeted Stops

Percent of Planned Service Delivered (Metro Bus)

This measure communicates whether WMATA is meeting the level of service committed to customers through the budget and scheduling process. By comparing the delivery of trips to scheduled trips, it is also a key measure of reliability and customer satisfaction.

Percent Bus Service Delivered = (Bus Scheduled Trips – Bus Missed Trips) ÷ Bus Scheduled Trips

Ridership

Ridership is a measure of total service consumed and an indicator of value to the region. Drivers of this indicator include service quality and accessibility.

Passenger trips are defined as follows:

- Metro Rail reports passenger trips. A passenger trip is counted when a customer enters through a faregate. In an example where a customer transfers between two trains to complete their travel one trip is counted.
- Metro Bus reports passenger boardings. A passenger boarding is counted via the onboard Automatic Passenger Counter (APC) when a customer boards a Metro Bus. In an example where a customer transfers between two Metro Buses to complete their travel two trips are counted. Metro Bus totals also include shuttles to accommodate rail station shutdowns and other track work.

Note: Some sections of this report use Unlinked Passenger Trips rather than passenger boardings. See definition below.

Revenue Service (Hours)

The time when a vehicle is available to the public and there is an expectation of carrying passengers. These passengers either directly, pay fares, are subsidized by public policy, or provide payment through some contractual arrangement. Vehicles operated in fare-free service are considered in revenue service. Revenue service includes layover and recovery time and excludes deadhead,[72] vehicle maintenance testing, school bus service and charter service.

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Security Event

An occurrence of a bomb threat, bombing, arson, hijacking, sabotage, cyber security event, assault, robbery, rape, burglary, suicide, attempted suicide (not involving a transit vehicle), larceny, theft, vandalism, homicide, CBR (chemical/biological/radiological) or nuclear release or other event.

Service per Rider

A performance metric that measures the ratio of vehicle revenue hours to unlinked passenger trips. Note that in this report, this ratio is scaled by a factor of 10,000 for readability. The metric is calculated as:

(*Total Vehicle Revenue Hours ÷ Number of Unlinked Trips) × 10,000*.

Time Point

A time point is a bus stop where there are frequent boardings and alightings that has a scheduled time that the bus should arrive for each trip. The Metro Bus schedule is built by calculating the running time between each time point. Adherence to schedule is measured as the bus leaves each time point except the last time point for each run. Time point is used in the definition of on-time performance for Metro Bus.

Unlinked Passenger Trips (UPT)

The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

Passenger trips are defined as follows:

- Metro Rail reports passenger trips. A passenger trip is counted when a customer enters through a faregate. In an example where a customer transfers between two trains to complete their travel two unlinked passenger trips are counted.
- Metro Bus reports passenger boardings. A passenger boarding is counted via the onboard Automatic Passenger Counter (APC) when a customer boards a Metro Bus. In an example where a customer transfers between two Metro Buses to complete their travel, two trips are counted. Metro Bus totals also include Metro Bus-operated shuttles to accommodate rail station shutdowns and other track work.

Vehicle Revenue Hours

Vehicle revenue hours are the amount of time the bus operates in revenue service. Vehicle revenue hours include layover and recovery time and exclude deadhead, operator training, vehicle maintenance testing, and school bus and charter services.

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About NVTC

The Northern Virginia Transportation Commission (NVTC) was established to manage the Northern Virginia Transportation District and is charged with the funding and stewardship of the Washington Metropolitan Area Transit Authority (WMATA) on behalf of the jurisdictions of Arlington County, City of Alexandria, City of Falls Church, Fairfax County, City of Fairfax and Loudoun County. Founded in 1964, in part to represent the interests of the Commonwealth during the creation of Metrorail, NVTC continues to serve as Virginia's voice on the WMATA Board of Directors through its appointments to the panel. The WMATA Board determines the authority's policy and provides oversight for funding, operations and the expansion of transit facilities.

NVTC also manages more than $200 million in state assistance to WMATA on behalf of its jurisdictions. NVTC ensures that all its jurisdictions' voices are represented on the WMATA Board, coordinates regional transit efforts that directly affect systems serving Northern Virginia and engages in regional transportation planning, data analysis and reporting, which provides direct benefits to WMATA and the related Northern Virginia transit network.

NVTC also administers the Commuter Choice Program, which invests toll revenue into multi-modal and transit projects along the I-66 Inside the Beltway and I-395/95 corridors, and co-owns the Virginia Railway Express (VRE), which provides commuter rail service connecting Northern Virginia to the District of Columbia.

The Northern Virginia Transportation District



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Final Draft

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DRAFT

NVTC 2027 Legislative and Policy Agenda

State Priorities

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

- 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 DMV*Moves* 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.
    - Ensure that a sustainable transit funding solution is funded through net new revenues and does not reduce funding from or eligible uses of existing sources for transportation.
    - Support a continued partnership between the Commonwealth of Virginia 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.
    - Ensure that any statewide policy changes that result in increased cost burdens on localities include commensurate funding increases from the Commonwealth.
- Build on Virginia's recent temporary investments in WMATA operating support by securing a permanent, sustainable funding source for the Commonwealth's share of WMATA operating commitments.
- Work with the General Assembly to revise the WMATA capital commitments established in state law so they can be successfully funded now and into the future in partnership with Northern Virginia jurisdictions.

Sound Financial Management and Good Governance

- Advocate for new funding for transit that leverages 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.
- Ensure that Commonwealth Transportation Board (CTB) policies related to public transit operations in Virginia closely track their legislative intent, incorporate consistent stakeholder engagement and do not negatively affect Northern Virginia's public transit providers.
- Strengthen Northern Virginia's transit systems' ability to effectively compete within the Commonwealth's SMART SCALE program.
- Ensure that recommendations arising from legislatively directed transit studies, reviews and evaluations reflect Northern Virginia's transit funding, governance and service needs while preserving local and regional accountability.
- Reduce duplicative in-person public meeting requirements as expanded virtual public meeting options provide increased access.

Future Transit Innovation and Improvements

- Continue support for Commonwealth rail investment, the development and implementation of transit innovation, and policies that facilitate the timely planning, permitting and delivery of transit infrastructure and passenger improvements.
- Advance policies that prioritize bus movement and improve the bus rider experience on state-maintained roadways, including measures that support bus priority and reduce barriers to the development and implementation of bus rapid transit (BRT) and other transit improvements.

Federal Priorities

Surface Transportation Reauthorization that Supports Transit

- Support multiyear surface transportation reauthorization legislation that maximizes funding for public transit systems in Northern Virginia and across the country, preserves and builds upon transit funding programs authorized in the Infrastructure Investment and Jobs Act (IIJA) with growth rates equal to or greater than those provided for Federal-aid Highways, and is consistent with reauthorization principles supported by the American Public Transportation Association (APTA).
- Support efforts to identify funding that addresses the long-term solvency of the Highway Trust Fund (HTF) and ensure that any new revenues, at a minimum, follow the traditional 80-20 funding split between the Highway Account and the Mass Transit Account within the HTF.
- Oppose reductions in, or the diversion of, dedicated federal transit revenues and advance appropriations that support transit and passenger rail formula and discretionary programs.
- Continue support for federal investment in passenger rail that benefits Northern Virginia and the Commonwealth.

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.
- Support the fair, transparent and timely administration of federal transit grant programs, including the prompt execution of grant agreements and obligation of funds for projects selected for federal assistance.

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 while maintaining environmental protections.
- Continue support for transit commuter tax benefits for both the private and public sectors.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

RESOLUTION #2618

SUBJECT: Approve the 2027 VRE Legislative Agenda

WHEREAS: VRE is an essential part of the regional transportation network for Northern Virginia and the Washington, DC metropolitan region;

WHEREAS: VRE serves residents throughout the Commonwealth of Virginia to provide a meaningful public transportation option;

WHEREAS: It is essential for VRE to educate and advocate for desired legislative and regulatory outcomes with members of Congress and their staff, with staff of federal entities, in the Virginia General Assembly, and with the Governor and the Administration; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby approves the 2027 VRE Legislative Agenda and authorizes the VRE Chief Executive Officer to actively pursue the elements set forth in the document.

Approved this 3rd day of December, 2026.

_____
Sarah Bagley
Chair

_____
Maureen Coffey
Secretary-Treasurer

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Virginia Railway Express

2027 Federal Legislative and Regulatory Agenda

Federal Policy Framework

Virginia Railway Express (VRE) will pursue a federal agenda focused on securing sustainable funding, improving regulatory efficiency, and advancing transportation policies that support implementation of VRE's System Plan 2050. VRE will advocate for robust federal investment in commuter rail and public transportation, support reforms that address rising operating and insurance costs, and pursue policies that strengthen mobility, economic competitiveness, and quality of life throughout Northern Virginia and the Commonwealth.

VRE recognizes that commuter railroads serving suburban and exurban communities provide significant public benefits through congestion mitigation, economic development, workforce mobility, environmental sustainability, and regional connectivity. Federal funding programs and performance measures should appropriately recognize these benefits, particularly in regions where commuter travel patterns continue to evolve and additional highway capacity is limited.

Priority Federal Issues

Surface Transportation Reauthorization

VRE's highest federal priority is ensuring the next surface transportation authorization legislation provides robust, predictable, and long-term funding for commuter rail and public transportation.

VRE will work with the Virginia Congressional Delegation, congressional committees, federal agencies, industry associations, and regional partners to:

- Preserve and expand federal investment in commuter rail and public transportation programs.
- Support multi-year funding certainty and increased guaranteed funding.
- Protect and strengthen programs critical to commuter rail, including:
    - Rail Vehicle Replacement Program
    - Railroad Crossing Elimination Program
    - Federal-State Partnership for Intercity Passenger Rail
    - Capital Investment Grants (CIG)
    - Formula funding programs serving commuter rail operators

- Support practical federal reporting requirements and greater program flexibility.
- Promote streamlined environmental review and project delivery processes.
- Advance policies that support implementation of VRE's System Plan 2050 and regional mobility objectives.

Rail Passenger Liability Insurance Reform

VRE will work with industry partners, policymakers, and federal agencies to address escalating passenger rail liability insurance costs that threaten the long-term affordability of commuter rail service.

VRE will advocate for:

- Congressional action to address increasing rail passenger transportation liability insurance requirements.
- Legislation extending implementation timelines associated with liability cap increases where appropriate.
- Regulatory and legislative reforms that improve access to affordable insurance markets.
- Solutions that preserve safe, reliable, and sustainable passenger rail service.

Federal Grant Programs

VRE will pursue federal discretionary and formula funding opportunities that support service reliability, capacity expansion, safety improvements, and infrastructure modernization.

VRE will work with the U.S. Department of Transportation, the Virginia Passenger Rail Authority, the Commonwealth of Virginia, and regional partners to:

- Support competitive grant applications.
- Advance projects that improve regional mobility and connectivity.
- Promote investments that enhance safety, state of good repair, operational efficiency, and service growth.
- Identify federal funding and financing opportunities that advance System Plan 2050 initiatives.

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Regulatory and Administrative Priorities

U.S. Department of Transportation Regulatory Reform

VRE will actively monitor and engage in federal regulatory activities affecting commuter rail operations and capital investment.

VRE will support:

- Modernization of Federal Railroad Administration regulations.
- Improved alignment between Federal Railroad Administration and Federal Transit Administration requirements.
- Simplified grant administration and compliance requirements.
- Streamlined permitting, environmental review, and project delivery processes.
- Regulatory reforms that improve efficiency while maintaining safety and accountability.

Surface Transportation Board Jurisdiction

VRE supports maintaining Surface Transportation Board jurisdiction over commuter railroads and preserving access to existing dispute-resolution mechanisms.

VRE will:

- Support policies that preserve access to STB remedies.
- Monitor legislative and regulatory proposals affecting STB authority.
- Protect operational flexibility and equitable access to rail infrastructure.
- Enhance tools that facilitate negotiations with host railroads and Amtrak.

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Strategic Infrastructure Priorities

System Plan 2050

VRE will champion federal policies, programs, and partnerships that advance implementation of System Plan 2050.

VRE will:

- Pursue federal funding and financing opportunities to enhance our service.
- Promote infrastructure modernization and service expansion.
- Support policies that increase rail network capacity and operational reliability.
- Coordinate with federal, state, and regional partners to advance long-term mobility goals.

Washington Union Station Redevelopment

VRE will ensure its interests remain fully represented in ongoing Washington Union Station planning and redevelopment efforts.

VRE will advocate for:

- Adequate station access and capacity to accommodate future commuter rail growth.
- Investments that improve passenger experience and operational efficiency.
- Redevelopment plans that support VRE's long-term service and infrastructure needs.
- Continued regional rail connectivity and multimodal integration.

Annual Appropriations

VRE will support annual federal appropriations that fully fund authorized public transportation and passenger rail programs.

VRE will advocate for:

- Full funding of authorized transit and passenger rail programs.
- Continued investment in commuter rail, transit, and multimodal infrastructure.
- Predictable and sustainable federal funding that supports long-term planning and capital investment.

Federal Workforce and Commuting Policies

Recognizing the region's significant federal workforce presence, VRE will monitor and engage on federal workforce policies that influence commuting patterns and transit ridership.

VRE will:

- Monitor federal telework, return-to-office, workforce restructuring, and reduction-in-force policies.
- Support transportation benefits and commuter incentives for federal employees and contractors.
- Advocate for policies that encourage transit use and sustainable commuting options.
- Highlight commuter rail's role in reducing roadway congestion and supporting economic activity throughout the National Capital Region.

Virginia Railway Express (VRE)

Draft 2027 Legislative Agenda

FUNDING

Additional State Operating and Capital Funding

Fiscal Year (FY) 2027 represents a critical point for VRE. Inflation continues to drive up operating costs while available funding sources are increasingly constrained. Since 2020, VRE has worked diligently to maximize and extend federal pandemic relief funding to supplement operating revenues and maintain service levels. However, those funds will be exhausted during FY 2028, beginning July 1, 2027.

As outlined in the SJ28 report, VRE needs a substantial increase in operating support to avoid significant service reductions. The funding gap identified exceeds what can reasonably be absorbed through increased local contributions or higher fares to riders.

Current estimates show an approximately $15 million dollar shortfall for FY28, and $35 million each fiscal year after that.

Without this additional operating funding, VRE will be forced to implement service cuts severe enough to undermine the reliability and convenience of the system. Such reductions would likely lead to declining ridership, eroding a key source of revenue and triggering a cycle of further service reductions and revenue losses.

This funding crisis will occur just as major investments in Virginia's rail network are about to come online. The Long Bridge Project and other Transforming Rail in Virginia (TRV) initiatives will significantly expand rail capacity for both commuter and intercity travelers. Without adequate operating support, much of this newly created capacity could remain underutilized, reducing the return on the Commonwealth's substantial investment.

Legislative Priority: Additional State Operating and Capital Funding

VRE will continue educating legislators and stakeholders on the findings of the SJ28 initiative and the significant consequences of failing to address long-term funding needs.

VRE supports legislation that:

- **Sustains current operations** and prevents service reductions that would negatively affect riders, employers, and regional mobility.
- **Establishes a dedicated, long-term operating funding source** to support existing service and the future service expansions envisioned in VRE's System Plan 2050.
- **Provides funding for major long-term capital needs**, including future rolling stock replacement and other state-of-good-repair investments necessary to maintain a safe and reliable rail system.

Commuter Rail Operating and Capital Fund (CROC)

Monitor transportation funding proposals to protect CROC revenue sources.

Explore options for:

- Increasing and diversifying CROC funding.
- Reducing reliance on the gas tax through more sustainable alternatives

REGULATORTY AND ADMINISTRATIVE PRIORITIES

Freedom of Information Act (FOIA)

Coordinate with parent commissions and stakeholders to:

- Support legislation that enhances flexibility for electronic meetings.
- Maintain transparency while improving public access and member participation.

Virginia Public Procurement Act (VPPA)

In 2022 the VPPA was amended to reduce the maximum allowable term for on-call A&E and other professional services contracts from five years to a maximum term of four years.

- Support legislation restoring the maximum term for architectural and professional engineering term contracts to five years, consisting of an initial one-year term with four one-year renewal options.
- This change would reduce administrative burden, improve continuity of professional services, better align contract duration with public-sector capital planning cycles, and maintain all existing competitive procurement and contract oversight requirements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

RESOLUTION #2619

SUBJECT: Accept and Authorize Distribution of VRE's FY 2026 Annual Comprehensive Financial Report (ACFR)

WHEREAS: The VRE Operations Board has contracted with the firm of PBMares, LLP for the audit of VRE's financial statements;

WHEREAS: The audit of the VRE Fiscal Year 2026 financial statements has been completed;

WHEREAS: The auditors have issued an unmodified opinion that the VRE statements, in all material respects, fairly and accurately present the financial position of the commuter rail operation; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission accepts the VRE Fiscal Year 2026 Annual Comprehensive Financial Report (ACFR) and associated information from the auditors and hereby authorizes the VRE Chief Executive Officer to distribute the ACFR to interested groups, firms and members of the public.

Approved this 3rd day of December 2026.

_____
Sarah Bagley
Chair

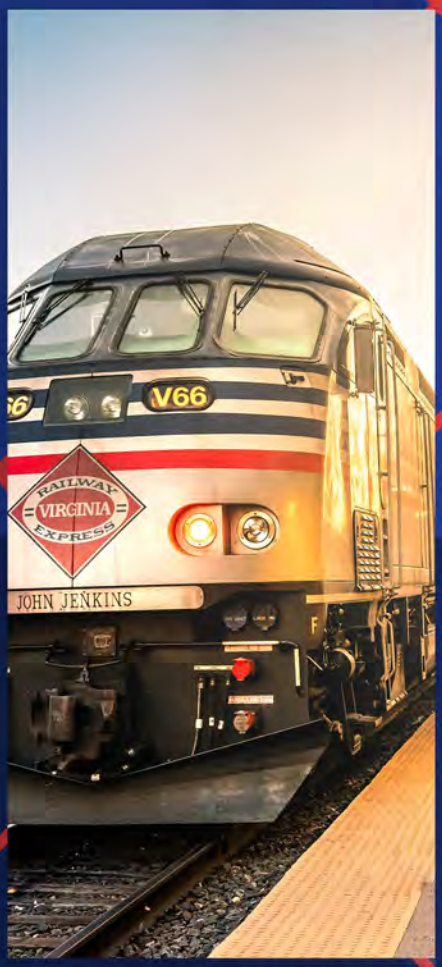
_____
Maureen Coffey
Secretary-Treasurer

Virginia Railway Express

Annual Comprehensive Financial Report

For years ended June, 2026 and 2025







A commuter rail service jointly owned and operated by the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission. **Headquartered in Alexandria, Virginia.**

VIRGINIA RAILWAY EXPRESS
A Better Way. A Better Life.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Virginia Railway Express

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

and issued to the public 165 days after the fiscal year end

Christopher P. Morrill

Executive Director/CEO

VIRGINIA RAILWAY EXPRESS

Annual Comprehensive Financial Report

YEARS ENDED JUNE 30, 2026 AND 2025



Prepared by:

Department of Finance

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Introductory Section



VIRGINIA RAILWAY EXPRESS

November 3, 2026

To the Honorable Operations Board Members and Commissioners
The Virginia Railway Express
The Northern Virginia Transportation Commission
The Potomac and Rappahannock Transportation Commission

Citizens and Board Members:

We are pleased to present the annual comprehensive financial report for the fiscal year ended June 30, 2026, for the Virginia Railway Express (VRE). VRE is a commuter rail service jointly owned and operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC), collectively referred to as "the Commissions." NVTC and PRTC are political subdivisions of the Commonwealth of Virginia. VRE is not a legal entity and is considered a joint venture of the two Commissions for accounting purposes. As used in this report, VRE refers to those activities that are carried out jointly or individually by NVTC and PRTC to operate the commuter rail activities described below.

The report consists of management's representations concerning the finances of VRE. Consequently, management assumes responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, VRE's management has established a comprehensive internal control framework that is designed to protect VRE's assets from loss, theft, or misuse and to gather sufficient reliable information for the preparation of VRE's financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

VRE's financial statements have been audited by PBMares, LLP, a firm of licensed certified public accountants, and have earned an unmodified opinion. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of Virginia Railway Express

VRE provides commuter rail service on two railroad lines originating near Fredericksburg and Manassas, Virginia, and terminating at Union Station in Washington, DC. VRE began operations in 1992 with 16 daily trains and 1,800 average daily ridership. During fiscal year 2026, VRE operated 32 daily trains in revenue service and carried an average daily ridership of 8,689 over 245 service days. VRE ridership in fiscal year 2026 declined during the second quarter (beginning October 2025) as a result of reductions in federal government employment (VRE's primary ridership market) and was further negatively impacted in the third and fourth quarters by major capital construction projects along the rail corridor.

VRE is owned by the Commissions. Certain functions have been delegated to the VRE Operations Board, which consists of representatives of the Commissions who are also representatives of all contributing and participating jurisdictions, plus the Virginia Secretary of Transportation or their designee. VRE is managed by the Chief Executive Officer, who is a contract employee of both Commissions. PRTC is the recipient of federal grants for the commuter rail service, and NVTC is the recipient of state grants for the commuter rail service, with certain exceptions. All non-contract staff are employees of PRTC.

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In accordance with the Master Agreement that created VRE, the Operations Board must prepare and submit a preliminary annual budget to the Commissions and the contributing and participating jurisdictions by September 30 of the preceding fiscal year for review and comment. A final recommended budget is prepared by December 1 for consideration by the Operations Board and the Commissions by February 1, followed by transmittal to the jurisdictions for appropriation. In addition, the Operations Board is required to have an annual audit performed of the financial activities related to the commuter rail service.

Economic Conditions

Major Initiatives

During fiscal year 2026, VRE focused on improving its facilities, rolling stock, and systems to ensure the financial health and operational safety of the current rail service and to allow for future system expansion.

- **Facilities:** Construction was initiated in December 2025 on the joint Alexandria Station Improvements and King and Commonwealth Bridges Project. VRE is reconstructing the King and Commonwealth Bridges on behalf of the Virginia Passenger Rail Authority (VPRA) as part of the state's broader Transforming Rail in Virginia (TRV) effort. Initial repair and rehabilitation efforts are also ongoing at VRE's new Seminary Yard facility in Alexandria, which have allowed VRE to store trains at that location during the midday as storage capacity at Amtrak's Ivy City coachyard is reduced. Future phases of work at Seminary Yard will include wayside power, an access road, and other improvements. Engineering and design efforts continued in fiscal year 2026 on several other VRE expansion projects that are expected to begin construction in the next 12-18 months. These projects, which will support future system growth, include the Crystal City, Franconia-Springfield, Backlick Road, and L'Enfant station projects, as well as the maintenance and storage facility expansions at both Broad Run and Crossroads.

- **Rolling Stock:** In fiscal year 2026, progress continued towards the delivery of twenty-one (21) new passenger railcars from Alstom Transportation Inc. Once in service, the expanded railcar fleet will provide VRE with operational flexibility and the opportunity for longer trains and/or additional service frequency. The cars are expected to be completed and ready for revenue service in fiscal year 2028. VRE is also considering options to lease additional locomotives to improve reliability (through a higher spare ratio), allow for major off-site maintenance, and provide operational flexibility.

- **Systems:** In fiscal year 2026, VRE has initiated a suite of asset management efforts to ensure the security and reliability of its information technology network and assets. This includes, but is not limited to, upgrades to uninterruptible power supply (UPS) systems; rollout of new Passenger Information Digital Signage (PIDS) and station hub displays; improvements to the back-end TRIP system for real-time train information; upgrades to security camera digital recording; evaluation of a new parking counter system; and a range of cybersecurity improvements.

In 2018, the Virginia legislature created the Commuter Rail Operating and Capital (CROC) Fund. CROC funding is dedicated to "retaining, maintaining, improving, and developing commuter rail-related infrastructure improvements and operations" that are "essential to the Commonwealth's continued economic growth, vitality, and competitiveness." $15 million annually is dedicated to the CROC Fund from fuels tax revenues generated in the NVTC and PRTC region, which is then available to VRE for its use on operating and capital projects.

December 2019 saw the announcement of the Transforming Rail in Virginia (TRV) program, which included an agreement between the Commonwealth and CSX Transportation (CSXT) for the acquisition of railroad right-of-way in the RF&P Corridor. This ambitious program of capital improvements, which includes the construction of a new passenger-dedicated two-track Long Bridge across the Potomac River, is occurring in phases between now and 2030 The investments will improve the capacity and reliability of both commuter and intercity passenger rail services while maintaining freight interoperability in the corridor.

To date, VRE has programmed $45 million of CROC funds (covering fiscal years 2019 to 2021) towards the Crystal City station improvement projects, the Track 22 rehabilitation project at Union Station, and the purchase of certain railroad properties from the Virginia Passenger Rail Authority (VPRA) along the Manassas Line (see below). In 2021, VRE entered into a Funding Agreement with VPRA that committed VRE to using CROC funds to support the TRV program both through the issuance of debt and through pay-as-you-go (PAYGO) capital contributions. In June 2022, VRE and NVTC (with NVTC as the Issuer) closed the sale of the Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia) Series 2022 (Green Bonds). The sale of these tax-exempt bonds generated approximately $119 million in net proceeds that were then transferred to VPRA in July 2022. In September 2025, VRE was advised by S&P Global that the credit rating on the Series 2022 bonds had been raised from AA to AA+ based on the positive and stable outlook for the bonds and the underlying CROC revenues. VRE continues to make PAYGO capital contributions in accordance with the Funding Agreement that support the engineering and design efforts on the Long Bridge project.

In September 2024, VPRA purchased approximately 24 miles of the Manassas Line from Norfolk Southern Corporation (NS). In April 2025, VRE and VPRA executed a Funding Agreement outlining the parameters for VRE's financial participation in the Manassas Line transaction, which includes acquisition by VRE of four separate property interests: Seminary Yard in Alexandria; the Broad Run Corridor in Manassas; permanent easements for five existing Manassas Line station platforms; and a permanent commuter rail operating easement over the line. As of June 30, 2026, VRE has completed acquisition of the first three properties listed above and is coordinating with VPRA on the funding source(s) and timing for acquiring the permanent commuter rail operating easement.

Long-Term Financial Planning

In June 2025, the VRE Operations Board recommended the VRE System Plan 2050 to the Commissions, which then officially adopted the plan in July 2025. The VRE System Plan 2050 is a forward-looking strategy designed to guide the commuter rail system's evolution over the next 25 years. Developed with extensive input from the public, stakeholders, and partner agencies, the VRE System Plan 2050 identifies strategic priorities that support VRE's mission to provide safe, reliable, and convenient commuter rail service in Northern Virginia and beyond. The plan lays the foundation for future service expansion, infrastructure investments, and enhanced regional connectivity to meet the region's evolving transportation needs as populations grow and travel behaviors shift.

Building on the progress of the existing 2040 plan, the System Plan 2050 and Service Vision aligns VRE with regional goals for sustainable transportation, economic growth, and environmental stewardship. Changes to travel behaviors, recent infrastructure investments, and shifting populations in communities across Northern Virginia meant the previous System Plan completed in 2014 needed several alterations to better meet travel needs in the region. The new System Plan 2050 accommodates non-traditional work schedules, changes in housing and employment demographics, and a major commitment by the Commonwealth of Virginia to grow and improve rail service through Transforming Rail in Virginia. In this vision, VRE shifts from a commuter focused rail service to a regional operation with increased frequency and the eventual addition of bi-directional and weekend service.

Financial Environment

As the regional road network has become more crowded over the last quarter century, particularly in the critical Interstate 95/395 and Interstate 66 Corridors of Statewide Significance, the VRE commuter rail system has provided an important travel alternative for Virginia commuters. VRE has remained competitive over time due to investments in new equipment and regular maintenance of existing equipment, a focus on reliability and on-time performance, and strong customer service, as well as growth in the overall economy of the Washington region. The Commonwealth's TRV program will address many of the major investment needs identified in VRE's System Plan 2050 – most notably, providing additional passenger capacity across the Potomac River – and will position VRE for continued long-term growth.

The near and medium-term environment remains challenging. Ridership grew significantly between January and May 2025 as "Return to Office" (RTO) mandates brought many federal government employees back to the office. However, overall federal government employment has declined in 2025-2026, with the Washington Business Journal reporting in January 2026 that federal employment in the Washington region had dropped to a 25-year low. Ridership has also been negatively impacted by reduced on-time performance and reliability as a result of a range of impacts, most notably construction in the corridor and congestion at Union Station. The ultimate impacts on VRE's ridership will depend on many factors – economic, political, and organization-specific – that are not directly within VRE's control. VRE is focused on a range of actions, including marketing, promotional fares, and potential service modifications to expand beyond the traditional peak-hour federal employee commute market and grow ridership.

VRE is also projecting that federal pandemic relief aid received in 2020 and 2021 (through the CARES, CRRSAA, and ARPA programs) will be exhausted in mid-fiscal year 2028. VRE staff are engaging with Operations Board and Commission members and other local and state elected officials on potential solutions to this funding gap. These solutions may include increased fares, increased contributions from local jurisdictions, identification of new state funding sources, and/or reductions in service.

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Virginia Railway Express for its comprehensive annual financial report for the fiscal year ended June 30, 2025 and 2024.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA for review.

This report could not have been prepared without the dedicated cooperation of the entire VRE Accounting and Finance staff. We would also like to thank the VRE Operations Board and the Commissions for their continued support in planning and conducting the financial operations of VRE in a responsible, progressive fashion.

Respectfully submitted,







Katie Choe	Mark Schofield	Mark T. DeGrush
Chief Executive Officer	Chief Financial Officer	Comptroller

DIRECTORY OF PRINCIPAL OFFICIALS AND KEY PERSONNEL
2026 VRE Operations Board

Officers

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Vice - Chair	Hon. Daniel Storck, Fairfax County
Secretary	Hon. Lori Hayes, Spotsylvania County
Treasurer	Hon. Jannan Holmes, City of Fredericksburg
At-Large	Hon. Sonia Vasquez Luna, City of Manassas

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Hon. Tom Gordy, Prince William County
Hon. Rachna Sizemore Heizer, Fairfax County
Hon. Takis Karantonis, Arlington County
Hon. Alanna Mensing, City of Manassas Park
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Hon. Pamela Yeung, Stafford County
Mariia Zimmerman, Commonwealth of Virginia

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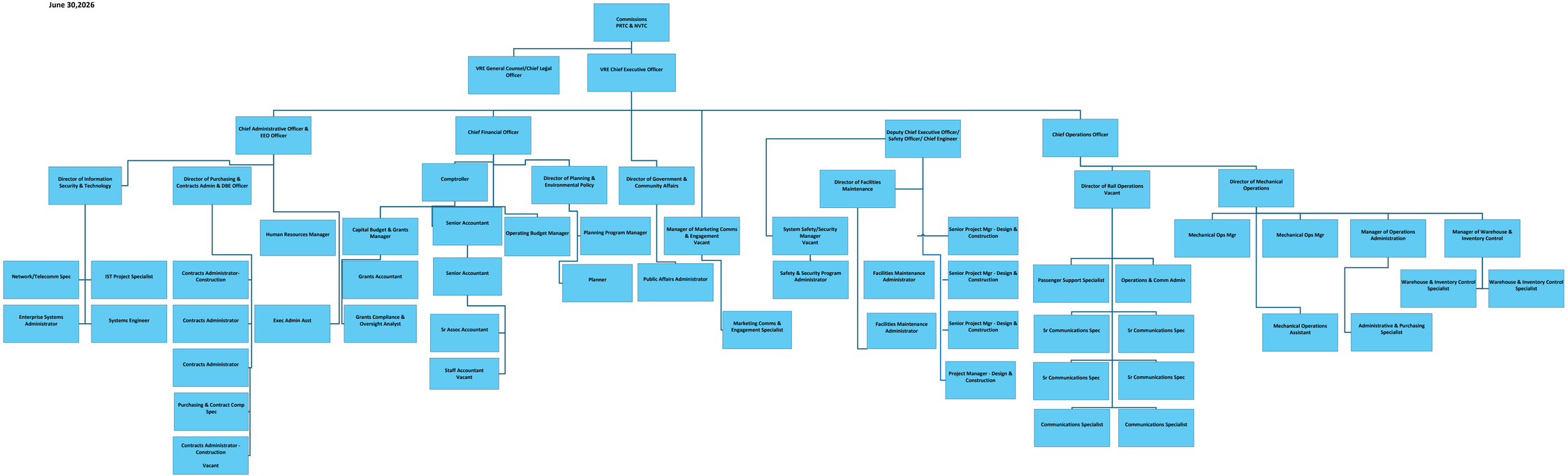
Hon. Victor Angry, Prince William County
Hon. James Bierman, Fairfax County
Hon. Kenny Boddye, Prince William County
Hon. Maureen Coffey, Arlington County
Hon. Deborah Frazier, Spotsylvania County
Hon. Maya Guy, Stafford County
Hon. William MacIntosh, City of Fredericksburg
Michael McLaughlin, Commonwealth of Virginia
Hon. Darrell Moore, City of Manassas Park
Hon. Ralph Smith, City of Manassas

Management

Chief Executive Officer	Katie Choe
Deputy Chief Executive Officer	Dallas Richards
Chief Financial Officer	Mark Schofield
Chief Administrative Officer	Anaya Farah
Chief Legal Officer	MinhChau Corr
Chief Operating Officer	Chris Henry
Comptroller	Mark T. DeGrush
Director, Government and Community Affairs	Joseph Swartz

VRE Organizational Chart

June 30,2026



Financial Section



PBMares SM
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Operations Board Members and Commissioners
The Northern Virginia Transportation Commission
The Potomac and Rappahannock Transportation Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Virginia Railway Express (VRE), a joint venture of the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the VRE's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of VRE, as of June 30, 2026 and 2025, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)* and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the VRE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the VRE's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the VRE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the VRE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information on pages 10-19 and 62-70, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2026 on our consideration of the VRE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VRE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the VRE's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
November 3, 2026

Management's Discussion and Analysis ("MD&A") presents management's objective analysis of the Virginia Railway Express' (VRE) financial activities for the fiscal years ended June 30, 2026, and 2025. This discussion is based on currently known facts, decisions, and conditions that may affect VRE's financial position and operating results. The MD&A is intended to assist readers in understanding VRE's financial performance and should be read in conjunction with the accompanying financial statements and notes.

Overview of the Financial Statements

VRE's financial statements present information about its financial position, operating results, and cash activity for the fiscal years ended June 30, 2026, and 2025. The Statements of Net Position provides a snapshot of VRE's assets, liabilities, and deferred inflows and outflows, showing the net resources available to support future operations. The Statements of Revenues, Expenses, and Changes in Net Position reports how those net resources changed during the year as a result of operating and nonoperating activities. The Statements of Cash Flows presents cash receipts and payments from operating, capital, investing, and financing activities, illustrating how cash was generated and used throughout the year.

Together, these statements provide complementary perspectives that help readers understand both long-term financial conditions and short-term liquidity. The change in net position shown in the Statements of Revenues, Expenses, and Changes in Net Position directly reconciles to the beginning and ending net position reported on the Statements of Net Position. The Statements of Cash Flows explains year-over-year changes in cash that may differ from accrual-basis operating results, providing insight into VRE's ability to meet current obligations. Capital asset activity appears across the statements in different ways, affecting net position, operating results through depreciation, and cash flows through capital spending. This helps readers connect operational decisions with their financial effects.

The notes to the financial statements provide additional information essential to understanding the data presented and appear immediately following the basic financial statements. Because VRE's independent auditor has issued an opinion covering both the current and prior fiscal years, the financial statements are presented on a comparative basis for those two years. The condensed financial data in the following section provides three years of information for context. Readers should also refer to Note 1, Summary of Significant Accounting Policies, for additional details on the accounting principles and methodologies used in preparing the financial statements.

Financial Summary

Statements of Net Position

	2026	2025 (1)	2024 (1)	$ Change*	% Change*
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Current assets	**$ 188,110,130**	$ 172,545,046	$ 192,844,655	$ 15,565,084	9.0%
Capital assets, net	**627,392,341**	580,744,177	540,221,879	46,648,164	8.0%
Other noncurrent assets	**1,503,626**	1,355,958	1,064,896	147,668	10.9%
Total assets	**817,006,097**	754,645,181	734,131,430	62,360,916	8.3%
Deferred outflows of resources	**1,271,642**	925,024	925,701	346,618	37.5%
Total assets and deferred outflows of resources	**818,277,739**	755,570,205	735,057,131	62,707,534	8.3%
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:					
Current liabilities	**38,370,096**	25,854,677	34,373,276	12,515,419	48.4%
Noncurrent liabilities	**145,104,831**	151,074,006	159,869,110	(5,969,175)	-4.0%
Total liabilities	**183,474,927**	176,928,683	194,242,386	6,546,244	3.7%
Deferred inflows of resources	**1,984,411**	1,526,949	1,382,536	457,462	30.0%
Total liabilities and deferred inflows of resources	**185,459,338**	178,455,632	195,624,922	7,003,706	3.9%
NET POSITION:					
Net investment in capital assets	**455,695,855**	413,353,775	329,245,516	42,342,080	10.2%
Restricted	**32,719,431**	31,338,599	31,567,568	1,380,832	4.4%
Unrestricted	**144,403,115**	132,422,199	151,619,124	11,980,916	9.0%
Total net position	**$ 632,818,401**	$ 577,114,573	$ 512,432,208	$ 55,703,828	9.7%

*$ Change and % Change compare the current year to the prior year only. The third column is presented due to the audit opinon covering two comparative years.
(1) Fiscal year 2024 and 2025 information was reclassified for comparative purposes.

The table above shows VRE's total net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) was over $632.8 million at year end. This is an increase of $55.7 million, or $9.7 percent, compared to fiscal year 2025. The increase was driven primarily by construction activity on VRE's major capital projects, funded in large part by the federal grant revenue discussed below. Capital assets grew faster than the corresponding increases in accrued expenses and accounts payable. The following sections of the MD&A provide a more detailed analysis of these changes.

Statement of Revenues, Expenses, and Changes in Net Position

	2026	2025 (1)	2024 (1)	$ Change*	% Change*
Operating revenues	**$ 21,283,530**	$ 18,843,413	$ 16,168,731	$ 2,440,117	12.9%
Operating expenses	**124,892,391**	121,541,646	129,594,703	3,350,745	2.8%
Net operating loss	**(103,608,861)**	(102,698,233)	(113,425,972)	(910,628)	0.9%
Noncapital subsidies:					
Commonwealth of Virginia	**33,656,752**	34,312,117	26,759,223	(655,365)	-1.9%
Federal – with PRTC as grantee	**6,185,572**	9,191,915	12,962,716	(3,006,343)	-32.7%
Federal Pandemic Relief Funds	**33,391,290**	31,772,470	37,488,029	1,618,820	5.1%
Jurisdictional contributions	**19,764,843**	18,300,780	16,000,000	1,464,063	8.0%
Commuter Rail Operating and Capital Fund	**15,000,000**	15,000,000	15,000,000	-	0.0%
Total noncapital subsidies	**107,998,457**	108,577,282	108,209,968	(578,825)	-0.5%
Operating income (loss) and noncapital subsidies	**4,389,596**	5,879,049	(5,216,004)	(1,489,453)	-25.3%
Other non-operating revenues (expenses):					
Capital contributions:					
Commonwealth of Virginia grants	**4,378,979**	21,279,035	23,528,374	(16,900,056)	-79.4%
Federal grants - PRTC as grantee	**53,471,255**	7,222,877	12,018,408	46,248,378	640.3%
Regional transportation funding (NVTA)	**(104,962)**	1,905,426	984,104	(2,010,388)	-105.5%
In-kind and other local contributions	-	(6,070)	-	6,070	-100.0%
Federal Pandemic Relief Funds	**5,065**	230,415	339,114	(225,350)	-97.8%
Pass Through Revenue-VPRA	**20,887,536**	-	-	20,887,536	100.0%
Pass Through Expense-VPRA	**(21,723,654)**	-	-	(21,723,654)	100.0%
Interest income	**3,581,699**	4,353,114	4,722,280	(771,415)	-17.7%
Interest, amortization, etc, net	**(6,158,847)**	(6,513,685)	(6,887,155)	354,838	-5.4%
Increase in fair value of investments	**101,476**	283,204	199,873	(181,728)	-64.2%
Gain (loss) on disposal of assets	**1,131**	49,000	(59,780)	(47,869)	-97.7%
Total nonoperating revenues, net	**54,439,678**	28,803,316	34,845,218	25,636,362	89.0%
Income before unusual or infrequent items	**58,829,274**	34,682,365	29,629,214	24,146,909	69.6%
Unusual or infrequent items:					
Imapired assets	**(3,125,446)**	-	-	(3,125,446)	100.0%
Total unusual or infrequent items	**(3,125,446)**	-	-	(3,125,446)	100.0%
Change in net position	**55,703,828**	34,682,365	29,629,214	21,021,463	60.6%
Net position - beginning of year	**577,114,573**	542,432,208	512,802,994	34,682,365	6.4%
Net position - end of year	**$ 632,818,401**	$ 577,114,573	$ 542,432,208	$ 55,703,828	9.7%

*$ Change and % Change compare the current year to the prior year only. The third column is presented due to the audit opinion covering two comparative years.
(1) Certain financial information for fiscal years 2024 and 2025 has been reclassified for comparative purposes. Additionally, the financial statements have been updated to conform with the requirements of GASB Statement No. 103.

The table above shows VRE's change in net position was $55.7 million, an increase of 60.6% compared with fiscal year 2025. VRE's net operating loss increased by 0.9% compared with the prior year. Operating revenues increased by 12.9%, primarily attributable to a $2.5 million, or 13.6%, increase in passenger revenue resulting from continued growth in commuter rail ridership. Operating expenses increased by 2.8%.

Noncapital subsidies decreased by approximately $0.6 million, or 0.5%, compared with fiscal year 2025, reflecting relatively consistent levels of financial support for the VRE's operating activities and other purposes not restricted to capital use. In contrast, capital contributions increased by approximately $27.1 million, or 88.5%, primarily reflecting increased federal grant funding associated with major capital improvement projects and property acquisitions. The increase in capital contributions was the primary driver of the improvement in nonoperating revenues and expenses and contributed substantially to VRE’s overall increase in net position. This increase was partially offset by decreases in Commonwealth of Virginia capital grants, regional transportation funding, and investment income. Additionally, VRE recognized a $3.1 million impairment loss during the year. The following sections of the MD&A provide additional analysis of these results.

Detailed Analyses

Total Assets and Deferred Outflows of Resources

Total Assets and Deferred Outflows of Resources increased by $62.7 million, or 8.3 percent. This increase was driven primarily by a $46.7 million increase in net capital assets, reflecting continued progress across VRE’s capital projects program. Four major initiatives—the Seminary Yard Property acquisition, the Broad Run Conveyed Property acquisition, payments towards the Commuter Rail Operating Easement acquisition, and continued contributions to the Equity in Long Bridge project—accounted for approximately 97.2 percent of the increase in net capital assets. Additional information on these initiatives is provided in the Significant Capital Asset and Long-Term Financing Activity section of this MD&A.

Current Assets

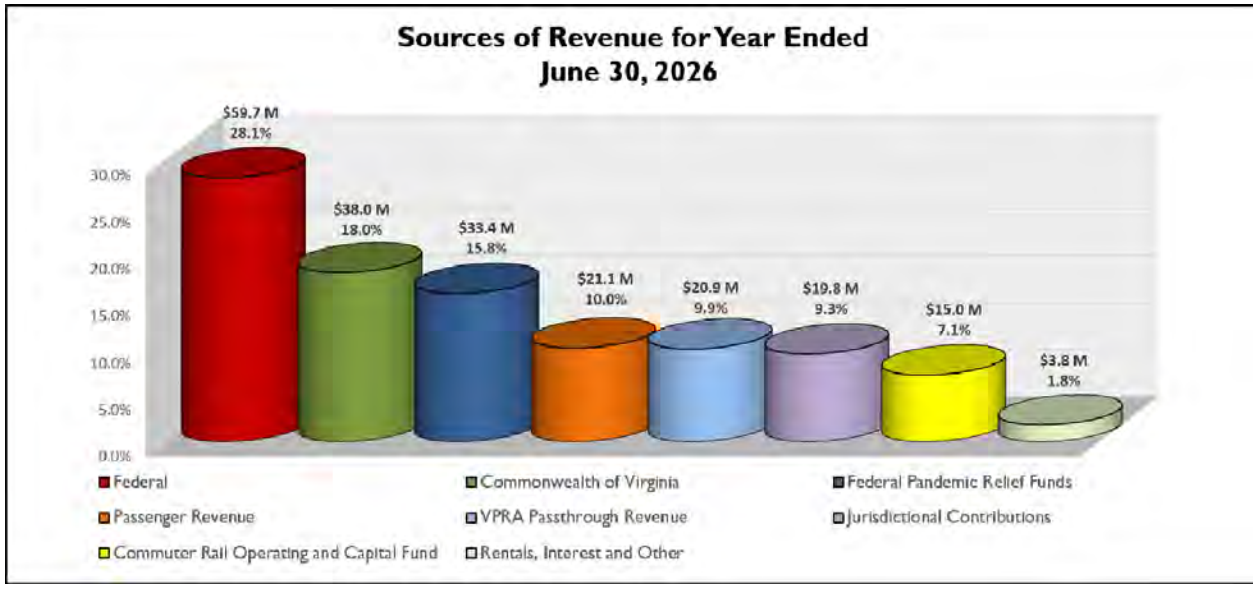
Current assets increased by $15.6 million, or 9.0 percent. The increase included a $13.1 million first time increase in due from VPRA, an account created for reimbursement of funds expended on behalf of VPRA for the Kings & Commonwealth Bridges project. Current assets also increased due to a $1.1 million increase in inventory related to the receipt of window gaskets for the railcar LCM Window Gasket project and spare locomotive HEP motors. Additionally, restricted cash, cash equivalents and investments increased by $1.2 million as a result of investment earnings during fiscal year 2026. Restricted cash, cash equivalents and investments include an insurance trust fund, several financial accounts related to debt service, and an account reserved for future VPRA capital project requisitions. Additional information is provided in Notes 1, 2 and 11 of the financial statements.

Total Liabilities and Deferred Inflows of Resources

Total liabilities and deferred inflows of resources increased by $7.0 million, or 3.9 percent. This increase was driven primarily by an increase in accounts payable of $13.9 million directly associated with increased construction activity across multiple projects. This increase was partially offset by a decrease in contract retainage of $1.1 million resulting from the close-out of construction activity for various vendors, as well as a decrease in bonds payable of $5.7 million attributable to the continued paydown of both the VRA Bond payable and the NVTC Bond payable. Additional information is provided in Note 4 of the financial statements.

Revenues

VRE's primary sources of revenue continue to be federal and state grants, local subsidies, as well as passenger revenue. The following chart illustrates the sources of revenue for the year ended June 30, 2026:



Consistent with the nature of commuter rail operations, VRE relies on a combination of federal, state, regional and local funding sources to support operating and capital activities, while passenger fares remain an important source of operating revenue.

Total revenue and other funding sources increased from $162.7 million to $211.6 million, representing an increase of approximately $48.9 million, or 30.0 percent, compared with fiscal year 2025. The increase was driven primarily by growth in federal grant revenue, which increased approximately $43.2 million, or 263.4 percent, from the prior year. An additional factor contributing to the increase in total revenues was the recognition of VPRA pass-through revenue associated with the King and Commonwealth Bridges Project.

During fiscal year 2026, VRE established a Virginia Passenger Rail Authority (VPRA) pass-through revenue account to separately track, and report reimbursements earned for costs incurred on behalf of VPRA associated with the King and Commonwealth Bridges Project. Due to operational and physical constraints within the rail corridor, VRE and VPRA determined that the King and Commonwealth Bridges Project and the Alexandria Station Improvement Project should be delivered concurrently under a single construction contract. As the lead agency for project delivery, VRE incurred project expenditures and was subsequently reimbursed by VPRA. During fiscal year 2026, these pass-through reimbursements totaled approximately $20.9 million and substantially offset related pass-through expenses recognized during the year.

Fiscal year 2026 grant management efforts focused on maximizing the utilization and drawdown of available Federal Transit Administration (FTA) grant funding by advancing eligible projects and accelerating reimbursement activity. As a result, federal funding activity increased significantly during the year.

The increase in federal grant revenue was driven primarily by federally funded property acquisitions, easements, and expenditures related to major capital improvement projects, most notably the Alexandria Station Improvement Project. During fiscal year 2026, the Seminary Yard property acquisition for platform easements, the Broad Run Corridor lead track property acquisition, and the Commuter Rail Platform easement acquisition generated approximately $40.0 million in federally reimbursable costs. In addition, VRE continued to advance numerous capital projects that were completed or nearing completion during fiscal year, resulting in additional federal grant reimbursements. Additional information regarding capital project activity and construction-in-progress additions is provided in the Significant Capital Asset and Long-Term Financing Activity section of this MD&A.

Federal Pandemic Relief Funds increased approximately $1.9 million, or 5.8%, compared with fiscal year 2025, totaling approximately $33.4 million during fiscal year 2026. These funds continued to provide an important source of financial support for VRE's operations.

The increase in federal funding was partially offset by a decrease of approximately $17.6 million, or 31.6 percent, in funding received from the Commonwealth of Virginia, or state revenue. As VRE implemented a strategy to maximize the use of available FTA grant funding during fiscal year 2026, a larger portion of eligible project costs were charged to federal grants, resulting in a decrease in state grant activity during the year. The decrease was also impacted by certain immaterial grant revenue write-offs and reclassifications related to prior fiscal years. These adjustments did not materially affect the overall trend or underlying activity reflected within state grant revenues.

Regional grant funding from the Northern Virginia Transportation Authority (NVTA) also decreased during fiscal year 2026. This fund source is primarily associated with future construction phases of active capital projects, and related revenues will be recognized as those phases commence and eligible expenditures are incurred. Accordingly, the reduction reflects the timing of project activity rather than a change in project scope or funding availability. It also further reflects VRE's grants management strategy to prioritize the utilization and drawdown of available federal grant funding during the year.

Jurisdictional subsidies and contributions for operating costs increased approximately $1.5 million, or 8.0 percent, during fiscal year 2026 to support budgetary requirements. Fiscal year 2026 represents the eighth year of the Commuter Rail Operating and Capital (CROC) Fund, through which VRE received $15.0 million in annual funding. The CROC Fund continues to provide a dedicated source of funding to support VRE's operating and capital requirements, helping to sustain commuter rail services and advance the VRE's capital improvement program. Refer to Significant Capital Asset and Long Term Financing Activity section of this MD&A.

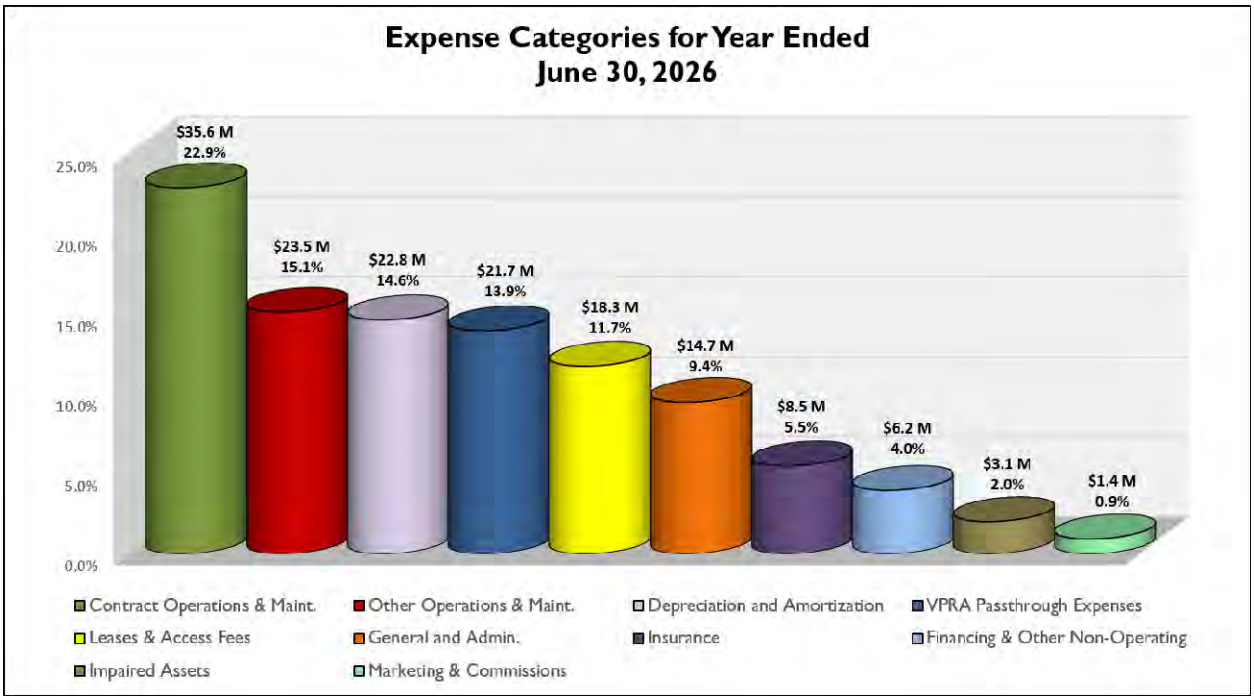
Operating revenues increased approximately $2.4 million, or 12.9 percent, compared with fiscal year 2025. The increase was primarily attributable to growth in passenger revenue of approximately $2.5 million, or 13.6 percent, driven by increased commuter activity associated with federal workforce return-to-office requirements. Total ridership increased 7.1 percent during fiscal year 2026, with average daily ridership reaching 8,689 passengers, compared with 7,949 passengers in fiscal year 2025 and 6,333 passengers in fiscal year 2024. The continued year-over-year increase in ridership reflects ongoing recovery in commuter travel demand and increased utilization of VRE services.

	June 30,		
	2026	2025	2024
Ridership	**2,128,700**	1,987,269	1,589,675
% Increase (Decrease)	**7.1%**	25.0%	8.4%

Overall, revenue growth during fiscal year 2026 was largely driven by increased federal funding associated with major property acquisitions and capital infrastructure investments, as well as VRE's grants management strategy to prioritize the utilization and drawdown of available federal grant funding. While state grant revenues declined compared with the prior year, increased utilization of federal funding sources, continued local funding support, VPRA pass-through reimbursements, and growth in passenger revenue more than offset those decreases, resulting in a significant increase in total revenues.

Expenses

VRE's primary expense categories for the year were operations and maintenance, depreciation and amortization, VPRA pass-through expenses, leases and access fees, and general and administrative expenses. The following chart illustrates the expense categories for the year ended June 30, 2026.



Total expenses increased from approximately $128.1 million in fiscal year 2025 to $155.9 million in fiscal year 2026, representing an increase of approximately $27.8 million, or 21.7%, compared with the prior year. The primary driver of this increase was the establishment of the VPRA pass-through expense account to record costs incurred by VRE on behalf of the Virginia Passenger Rail Authority (VPRA) for the King and Commonwealth Bridges Project. These pass-through expenses totaled approximately $21.7 million during fiscal year 2026 and were substantially offset by corresponding VPRA pass-through revenues of approximately $20.9 million. As a result, the net impact of these activities on the change in net position was approximately $0.8 million.

In addition to VPRA pass-through activity, the increase in total expenses was attributable to the recognition of a $3.1 million unusual or infrequent item related to the impairment of two construction-in-progress projects, as well as growth in operating expenses. Operating expenses increased approximately $3.4 million, or 2.8%, compared with fiscal year 2025, primarily due to higher operations and maintenance expenses and increased general and administrative costs, partially offset by lower depreciation and amortization expense and reduced property lease and access fees.

Contract operations and maintenance expenses increased approximately $1.8 million, or 5.3%, primarily due to increased contractual costs associated with train operations.

Other operations and maintenance expenses increased approximately $1.8 million, or 8.1 percent. This increase was driven by several factors, including a $0.6 million, or 14.5 percent, increase in grant-funded operations and maintenance activities, primarily related to locomotive expenditures and contributions to the Amtrak Track 22 Rehabilitation Project. In addition, repair and maintenance costs for rolling stock increased approximately $0.7 million, or 18.2 percent, due to increased locomotive maintenance requirements and higher inventory costs. Fuel costs also continued to rise during fiscal year 2026, increasing approximately $0.5 million, or 11.0 percent, compared with the prior year.

General and administrative expenses increased approximately $0.8 million, or 5.6 percent. The increase was primarily attributable to a $0.7 million or 6.2 percent increase in salaries and benefits resulting from annual cost-of-living adjustments, as well as a $0.4 million 29.8 percent increase in office administrative expenses. These increases were partially offset by lower expenditures for professional and administrative services.

Depreciation and amortization expense decreased approximately $0.9 million, or 3.8 percent, compared with fiscal year 2025. The decrease was primarily attributable to capital assets that reached the end of their depreciable lives and therefore no longer generated depreciation expense.

Property leases and access fees decreased approximately $0.6 million, or 3.1%. The decrease was primarily attributable to the acquisition of the VPRA-acquired VRE Manassas Territory and the resulting renegotiation of the Norfolk Southern agreement, which significantly reduced associated access costs. Fiscal year 2026 represents the first full year of operations under the revised agreement.

During fiscal year 2026, VRE recognized an unusual or infrequent item totaling approximately $3.1 million, representing the impairment of two construction-in-progress projects: the Midday Storage Yard and L'Enfant Station Waiting Area projects. These assets were determined to have experienced a significant and unexpected decline in service utility and were written off in accordance with applicable accounting standards. Additional information regarding these impairments is provided in the Significant Capital Asset and Long-Term Financing Activity section of this MD&A.

Overall, the increase in total expenses during fiscal year 2026 was largely attributable to VPRA pass-through activity associated with the King and Commonwealth Bridges Project and the recognition of an unusual or infrequent item related to the impairment of certain construction-in-progress assets. Excluding these items, expense growth was more modest and primarily reflected increased contractual train operations costs, rolling stock maintenance activities, fuel expenses, and personnel-related expenditures. These increases were partially offset by lower depreciation and amortization expense and reduced property lease and access fees.

Significant Capital Asset and Long-Term Financing Activity

	2026	2025	2024
Construction in progress	**$ 131,415,821**	$ 150,503,052	$ 115,943,941
Permanent easements	**3,033,879**	56,579	56,579
Intangible right-to-use lease buildings	**1,463,568**	1,463,568	1,463,568
Intangible right-to-use lease tower	**211,144**	211,144	211,144
Right-to-use subscription asset	**-**	1,815,971	1,815,971
Rolling stock	**286,777,390**	286,777,390	286,777,390
Vehicles	**281,916**	267,828	301,361
Facilities	**286,742,811**	204,883,158	183,569,141
Track and signal improvements	**108,495,299**	108,053,082	100,108,269
Equipment and software	**16,960,418**	15,222,568	14,911,976
Equity in property of others	**124,946,482**	124,946,482	124,946,482
Furniture, equipment and building improvements	**7,459,878**	7,416,408	7,416,408
	967,788,606	901,617,230	837,522,230
Less accumulated depreciation and amortization	**(340,396,265)**	(320,873,053)	(297,300,351)
Total capital assets, net	**$ 627,392,341**	$ 580,744,177	$ 540,221,879

Capital Acquisitions and Construction Activities

During fiscal year 2026, capital assets increased by $66.2 million, or 7.3%, as the result of new project construction, existing asset improvements and direct asset purchases, offset by asset impairments. After accounting for accumulated depreciation and amortization, net capital assets increased by $46.7 million, or 8.0%, to $627.4 million. Five completed projects, two property acquisitions, and easements totaling $86.4 million were transferred from construction in progress to their respective capital accounts and an additional $2.1 million was charged directly to the capital accounts.

The two major projects completed during the fiscal year were the Manassas Park Parking Garage ($33.3 million) and the Station Security Cameras project ($2.2 million). During the year, VRE completed the final acquisition payments for the Seminary Yard Property ($35.8 million), the Broad Run Conveyed Property ($11.5 million), and the Commuter Rail Platform Easements ($2.8 million).

The major additions to construction in progress during the fiscal year were costs related to the Equity in VPRA Long Bridge project ($7.5 million), the Commuter Rail Operating Easement ($5.4 million), 21 New Railcars project ($4.6 million), the Alexandria Station Improvements project ($3.6 million) the Crystal City Station Improvements project ($3.3 million), the L'Enfant Station Improvements project ($3.1 million), the Broad Run Expansion project ($2.0 million) and the Seminary Midday Storage project ($1.3 million).

In fiscal year 2026, there were two construction in progress projects that were impaired. The Midday Storage Yard project ($3.0 million) was terminated and replaced by the Seminary Midday Storage project. Additionally, the L'Enfant Station Waiting Area project ($0.1 thousand) was discontinued. The project was originally intended as a temporary improvement to alleviate crowding at the station during peak afternoon periods. However, following the pandemic, ridership recovered more slowly than anticipated, allowing the existing side platform to continue accommodating passenger demand. Based on projected ridership trends, the platform was not expected to reach capacity until after completion of the new island platform and fourth track, which will require demolition and reconfiguration of the area where the proposed waiting area improvements would have been located. Therefore, the project was discontinued.

See Notes 3 and 12 - Capital Assets & Contingencies and Contractual Commitments, respectively, for additional detailed information.

Long-Term Financing Activity

At June 30, 2026, VRE had total debt outstanding of $149,203,342.

The Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC) are co-lessees of the private placement note payable for rolling stock, which is secured by the related equipment. The final principal payment of the private placement note payable was paid in May 2025.

The promissory note for the purchase of 60 Gallery railcars was issued by NVTC, but both NVTC and PRTC were signatories. This note was previously designated to the Federal Railroad Administration (FRA) as lender but was delegated to the Build America Bureau of the United States Department of Transportation in fiscal year 2017. This delegation had no effect on the terms of the note. The note was secured by the revenues of VRE and the rolling stock.

In fiscal year 2018, VRE entered into a financing agreement with the Virginia Resources Authority (VRA) for the purposes of refunding the FRA promissory note and reducing VRE's debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full with the proceeds of the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA.

In fiscal year 2022, VRE and NVTC successfully issued $115,670,000 (par value) in Transportation District Special Obligation Revenue Bonds ("Series 2022 Bonds"). The bonds are limited obligations of NVTC and payable solely from pledged revenues of the Commuter Operating and Capital Fund (C-ROC), a special non-reverting fund in the state treasury on the Commonwealth of Virginia. The bond proceeds were used to fund a debt service reserve for the Series 2022 Bonds, to pay issuance and finance costs of the Series 2022 Bonds, and to finance contributions to the Virginia Passenger Rail Authority (VPRA) to assist with VPRA's purchase of rail right-of-way from CSX Transportation.

	2026	2025	2024
Bonds payable	**$ 133,800,000**	$ 138,850,000	$ 143,645,000
Premiums	**14,291,020**	14,892,685	15,444,004
Leases liability	**1,112,322**	1,260,602	1,399,668
Private placement note payable	**-**	-	1,866,848
Subscription liability	**-**	-	106,486
Total	**$ 149,203,342**	$ 155,003,287	$ 162,462,006

See Note 4 and 5 - Long-Term Obligations & Leases, respectively, for additional detailed information.

Currently Known Facts, Decisions, or Conditions

Population growth in Northern Virginia, especially in the outer suburbs served by VRE, remains strong. Traffic congestion on many major roadways – especially in the Interstate-66 and Interstate-95 corridors – has returned to or even surpassed pre-pandemic levels, which should continue to support long-term demand for VRE's service as an alternative travel option. The constraining factors to VRE growth in the near-term are the effects on ridership demand resulting from increased use of remote work and reduced federal government employment; congestion and capital construction in the rail corridor; yard storage capacity; and the pending exhaustion of federal pandemic relief funds and the availability of operating funds to support changes in service to address new markets and travel patterns.

The total local subsidy for fiscal year 2026 was $19,764,843, an increase of 8.0% over fiscal year 2025. Passenger fares were unchanged for fiscal year 2026, following a 5.0 percent increase in fiscal year 2025. In fiscal year 2019, VRE began to receive funding from the Commonwealth of Virginia Commuter Rail Operating and Capital (CROC) Fund, which will continue in fiscal year 2027. In fiscal year 2025, VRE was removed from the Commonwealth's MERIT transit funding program which supports most transit operators in the state. Instead, VRE now receives a dedicated share (up to 3.5 percent) of the Commonwealth Mass Transit Fund (MTF) to support both operating and capital needs. Additional sources of funding will be available in fiscal year 2027 from federal, state and regional sources, although the amounts received will continue to vary from year to year.

Request for Information

This financial report is designed to provide a general overview of VRE's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Virginia Railway Express, 1500 King Street, Suite 202, Alexandria, Virginia 22314-2730 or by e-mail to mschofield@vre.org.

Basic Financial Statements

VIRGINIA RAILWAY EXPRESS

STATEMENTS OF NET POSITION
June 30, 2026 and 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2026	2025
Current Assets:		
Cash and cash equivalents	**$ 59,440,188**	$ 62,815,961
Accounts receivable:		
Federal Due from PRTC	**43,298,991**	38,089,627
Federal Pandemic Relief Funds	**7,514,039**	4,987,149
Commonwealth of Virginia grants	**22,425,549**	25,288,283
Due from NVTA	**541,582**	1,779,187
Due from VPRA	**13,143,526**	-
Commuter Rail Operating and Capital (CROC) Fund	**2,500,000**	2,500,000
Trade receivables, net of allowance for doubtful accounts	**231,899**	376,116
Other receivables	**740,416**	705,589
Inventory	**5,453,998**	4,389,196
Prepaid expenses and other	**530,877**	561,875
Restricted cash, cash equivalents and investments	**32,289,065**	31,052,063
Total current assets	**188,110,130**	172,545,046
Noncurrent Assets:		
Capital assets:		
Construction in progress	**131,415,821**	150,503,052
Permanent easements	**3,033,879**	56,579
Intangible right-to-use lease buildings	**1,463,568**	1,463,568
Intangible right-to-use lease tower	**211,144**	211,144
Right-to-use subscription assets	**-**	1,815,971
Rolling stock	**286,777,390**	286,777,390
Vehicles	**281,916**	267,828
Facilities	**286,742,811**	204,883,158
Track and signal improvements	**108,495,299**	108,053,082
Equipment and software	**16,960,418**	15,222,568
Equity in property of others	**124,946,482**	124,946,482
Furniture, equipment and building improvements	**7,459,878**	7,416,408
	967,788,606	901,617,230
Less accumulated depreciation and amortization	**(340,396,265)**	(320,873,053)
Total capital assets, net	**627,392,341**	580,744,177
Leases receivable, noncurrent portion	**1,073,261**	1,069,422
Net pension asset	**430,365**	286,536
Total noncurrent assets	**628,895,967**	582,100,135
Total assets	**817,006,097**	754,645,181
Deferred Outflows of Resources:		
Loss on refunding	**208,283**	239,139
Pension plan	**952,448**	574,793
Other postemployment benefits	**110,911**	111,092
Total deferred outflows of resources	**1,271,642**	925,024
Total assets and deferred outflows of resources	**$ 818,277,739**	$ 755,570,205

See Notes to Financial Statements.

VIRGINIA RAILWAY EXPRESS

STATEMENTS OF NET POSITION (Continued)
June 30, 2026 and 2025

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	2026	2025
Current Liabilities:		
Accounts payable	**$ 21,197,288**	$ 7,286,511
Payable to the Commissions	**2,496,269**	2,314,489
Compensated absences	**94,844**	226,929
Accrued expenses	**5,682,087**	6,267,376
Accrued interest	**745,480**	793,159
Unearned revenue	**1,576,904**	1,566,982
Contract retainage	**1,109,306**	2,200,951
Current portion of bonds payable	**5,310,000**	5,050,000
Lease liability	**157,918**	148,280
Total current liabilities	**38,370,096**	25,854,677
Noncurrent Liabilities:		
Other postemployment benefits	**286,931**	335,648
Bonds payable	**142,781,020**	148,692,685
Lease liability	**954,404**	1,112,322
Compensated absences	**1,082,476**	933,351
Total noncurrent liabilities	**145,104,831**	151,074,006
Total liabilities	**183,474,927**	176,928,683
Deferred Inflows of Resources:		
Leases	**1,295,653**	994,311
Pension plan	**630,843**	475,713
Other postemployment benefits	**57,915**	56,925
Total deferred inflows of resources	**1,984,411**	1,526,949
Net Position:		
Net investment in capital assets	**455,695,855**	413,353,775
Restricted for liability insurance plan	**11,395,493**	10,965,502
Restricted for debt service	**15,351,995**	14,762,144
Restricted grants or contributions	**5,541,578**	5,324,417
Restricted pension asset	**430,365**	286,536
Unrestricted net position	**144,403,115**	132,422,199
Total net position	**632,818,401**	577,114,573
Total liabilities, deferred inflows of resources and net position	**$ 818,277,739**	$ 755,570,205

See Notes to Financial Statements.

VIRGINIA RAILWAY EXPRESS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2026 and 2025

	2026	2025
Operating Revenues:		
Passenger revenue	**$ 21,090,753**	$ 18,570,160
Equipment rentals and other	**192,777**	273,253
Total operating revenues	**21,283,530**	18,843,413
Operating Expenses:		
Contract operations and maintenance	**35,640,250**	33,849,123
Other operations and maintenance	**23,529,292**	21,775,240
Property leases and access fees	**18,251,499**	18,839,231
Insurance	**8,549,852**	8,183,735
Marketing and sales	**1,429,254**	1,284,248
General and administrative	**14,731,776**	13,951,434
Depreciation and amortization	**22,760,468**	23,658,635
Total operating expenses	**124,892,391**	121,541,646
Operating loss	**(103,608,861)**	(102,698,233)
Noncapital subsidies:		
Commonwealth of Virginia grants	**33,656,752**	34,312,117
Federal grants – with PRTC as grantee	**6,185,572**	9,191,915
Federal Pandemic Relief Funds	**33,391,290**	31,772,470
Jurisdictional contributions	**19,764,843**	18,300,780
Commuter Rail Operating and Capital (CROC) Fund	**15,000,000**	15,000,000
Total noncapital subsidies	**107,998,457**	108,577,282
Operating loss and noncapital subsidies	**4,389,596**	5,879,049
Other nonoperating revenues and expenses:		
Interest income:		
Operating funds	**1,739,444**	1,234,499
Insurance trust	**445,114**	433,402
Commuter Rail Operating and Capital (CROC) Fund	**763,382**	2,061,247
Leases	**32,146**	32,022
Other restricted funds	**601,613**	591,944
Interest, amortization and other nonoperating expenses, net	**(6,158,847)**	(6,513,685)
Increase in fair value of investments	**101,476**	283,204
Capital contributions:		
Commonwealth of Virginia grants	**4,378,979**	21,279,035
Federal grants – with PRTC as grantee	**53,471,255**	7,222,877
Federal Pandemic Relief Funds	**5,065**	230,415
Regional transportation funding (NVTA)	**(104,962)**	1,905,426
Local contributions	**-**	(6,070)
Passthrough revenue - VPRA	**20,887,536**	-
Passthrough expenses - VPRA	**(21,723,654)**	-
Gain on disposal of assets	**1,131**	49,000
Total other nonoperating revenues, net	**54,439,678**	28,803,316
Income before unusual or infrequent items	**58,829,274**	34,682,365
Unusual or infrequent items:		
Impairment loss	**(3,125,446)**	-
Total unusual or infrequent items	**(3,125,446)**	-
Change in net position	**55,703,828**	34,682,365
Net Position, beginning of year	**577,114,573**	542,432,208
Net Position, ending	**$ 632,818,401**	$ 577,114,573

See Notes to Financial Statements.

VIRGINIA RAILWAY EXPRESS

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities:		
Receipts from customers	**$ 21,700,345**	$ 19,068,295
Payments to suppliers	**(96,712,641)**	(81,214,906)
Payments to employees	**(11,684,795)**	(11,128,783)
Net cash used in operating activities	**(86,697,091)**	(73,275,394)
Cash Flows from Noncapital Financing Activities:		
Governmental subsidies	**105,476,632**	97,148,319
VPRA passthrough grant	**(13,979,644)**	-
Net cash provided by noncapital financing activities	**91,496,988**	97,148,319
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	**(55,283,606)**	(77,735,571)
Capital grants and assistance	**56,636,247**	71,988,075
Proceeds from sale of capital assets	**1,131**	49,000
Private placement note payable	**-**	(1,866,848)
Principal paid on bonds	**(5,050,000)**	(4,795,000)
Lease liability	**(148,280)**	(139,066)
Subscription liability	**-**	(106,486)
Interest paid on private placement note payable	**-**	(64,509)
Interest paid on bonds and notes	**(6,741,977)**	(6,989,303)
Interest paid on leases	**(35,358)**	(39,450)
Interest paid on subscription liability	**-**	(2,516)
Net cash used in capital and related financing activities	**(10,621,843)**	(19,701,674)
Cash Flows from Investing Activities:		
Interest received on investments	**3,683,175**	4,636,244
Net cash provided by investing activities	**3,683,175**	4,636,244
Increase (decrease) in cash and cash equivalents	**(2,138,771)**	8,807,495
Cash and Cash Equivalents, beginning	**93,868,024**	85,060,529
Cash and Cash Equivalents, ending	**$ 91,729,253**	$ 93,868,024
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:		
Operating loss	**$ (103,608,861)**	$ (102,698,233)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	**22,760,468**	23,658,635
Write-off of construction in progress to expense	**201,501**	19,740
(Increase) decrease in:		
Accounts receivable	**144,217**	(34,620)
Other receivables	**(34,827)**	-
Inventory	**(1,064,802)**	(818,171)
Prepaid expenses and other	**30,998**	32,539
Lease receivable	**(3,839)**	(4,526)
Deferred outflows of resources – pension	**(377,655)**	(30,062)
Deferred outflows of resources – other postemployment benefits	**181**	(118)
Deferred inflows of resources - pension	**155,130**	171,713
Deferred inflows of resources - other postemployment benefits	**990**	(2,108)
Deferred inflows leases	**301,342**	(25,192)
Pension asset/liability	**(143,829)**	(357,062)
Other postemployment benefits	**(48,717)**	(32,205)
Increase (decrease) in:		
Accounts payable and accrued expenses	**(5,019,310)**	6,555,056
Unearned revenue	**9,922**	289,220
Net cash used in operating activities	**$ (86,697,091)**	$ (73,275,394)
Schedule of Noncash Capital Activities:		
Capital assets acquired through accounts payable	**$ 17,331,521**	$ 2,545,725
Capital assets acquired through accrued liabilities	**4,260,600**	502,778
Capital assets acquired through retainage payable	**1,109,306**	2,200,951
Write off construction in progress due to an impairment	**3,125,446**	-

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Virginia Railway Express (VRE) is accounted for as a joint venture of the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC). Pursuant to a Master Agreement signed in 1989, NVTC and PRTC (the Commissions) jointly own and operate VRE. VRE provides commuter rail service on two railroad lines, one originating in Fredericksburg and one originating in Manassas, Virginia, and both terminating at Union Station, Washington, D.C. The service uses existing tracks of the CSX Transportation Corporation (CSX), the Virginia Passenger Rail Authority (VPRA), and the Norfolk Southern Railway Company, under respective operating access agreements. Trains are operated and maintained pursuant to an agreement between the Commissions and Keolis Rail Services Virginia, LLC, and Amtrak provides the Commissions with access to storage at Union Station and other services.

Assets for VRE operations have been purchased in the name of the Commissions and funded primarily by grants, loans or other financing arrangements for which one or both Commissions have served as grantee, issuer, borrower, or in other related capacities. In order to present a full and accurate picture of VRE operations and in accordance with the Master Agreement and related Appendices that established VRE, all financial transactions related to the commuter rail program are combined in this report. In addition, an allocation of the VRE assets, liabilities and operations are reflected in the financial reports of the Commissions based on asset ownership, named entity on debt instruments, and sources of funding.

VRE is managed by the Commissions. Certain functions have been delegated to the VRE Operations Board, which consists of representatives of all contributing and participating jurisdictions and one representative of the Commonwealth of Virginia's Department of Rail and Public Transportation. The system is not currently configured for fare revenue alone to produce positive operating income. In addition to fares, the system is financed with proceeds from the Commuter Rail Revenue Bonds, a federal loan (refinanced in fiscal year 2018 to a bond), lease financing, Federal (with PRTC as grantee) and Commonwealth of Virginia (with NVTC as grantee) grants, Northern Virginia Transportation Authority (NVTA) regional grants, and jurisdictional contributions apportioned through a formula based on ridership, supplemented by voluntary donations from contributing jurisdictions. Grants and contributions fund both operations and capital projects. Participating jurisdictions include the counties of Fairfax, Prince William, Spotsylvania and Stafford; and the cities of Manassas, Manassas Park and Fredericksburg, Virginia. Contributing jurisdictions include Arlington County and the City of Alexandria.

In July 2007, the Commissions adopted amendments to the VRE Master Agreement that expanded the Operations Board to include all member jurisdictions and provided for board representation proportionate to system ridership, and weighted voting proportionate to jurisdictional subsidy. In addition, the amendments apportioned jurisdictional subsidies on system ridership only, rather than the former 90 percent system ridership and 10 percent population formula. The amendment to the subsidy formula was phased in over four years, beginning in fiscal year 2008. The amendments also allowed for greater autonomy for the Operations Board, with progressively more decisions made by the Board without referral to PRTC and NVTC.

Measurement Focus, Basis of Accounting

VRE prepares its financial statements using the accrual basis of accounting. The activities of VRE are similar to those of proprietary funds of local jurisdictions. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

Revenues and expenses: VRE distinguishes operating revenues and expenses from noncapital subsidies and other nonoperating revenues and expenses in accordance with GASB Statement No. 103, Financial Reporting Model Improvements. Operating revenues and expenses generally result from providing services in connection with VRE's principal ongoing operations, except for transactions specifically classified as nonoperating under GASB standards.

The principal operating revenues of VRE are fares paid by customers, which result in passenger revenues. Passenger revenues are recognized when the related transportation services are performed. Cash received for services in advance is deferred until the services are provided and the revenue is earned.

Noncapital subsidies include resources received or provided that meet the definition of a subsidy under GASB standards and are not restricted to the acquisition of capital assets. Other nonoperating revenues and expenses include subsidies restricted to capital purposes, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, investment income and expenses, and contributions to permanent and term endowments, as applicable.

At times, proceeds from the sale or disposition of assets in which the federal government has an interest may be deferred until qualifying expenditures have been incurred, in accordance with applicable federal requirements.

VRE classifies revenues and expenses based on the nature of the underlying transactions and whether they relate to its principal ongoing operations, consistent with GASB requirements.

Revenue recognition: Intergovernmental revenues, consisting primarily of Federal (with PRTC as grantee) and Commonwealth of Virginia (with NVTC as grantee) grants, designated for payment of specific expenses, are recognized at the time the expenses are incurred. Capital grants and assistance are recognized as additions are made to capital assets and other contributions are included in the Statements of Revenues, Expenses and Changes in Net Position when expended. Any excess of grant revenues or expenses at year end are recorded as unearned revenue or accounts receivable, respectively.

Cash and investments: VRE considers all highly liquid investments with maturities of three months or less to be cash equivalents. Investments in U.S. government securities and commercial paper are carried at fair value based on quoted market prices. The investment in the Local Government Investment Pool (LGIP or Pool), is reported at amortized cost.

Restricted cash and cash equivalents: Restricted cash, cash equivalents and investments of $32,289,065 and $31,052,063 at June 30, 2026 and 2025, respectively, are comprised of funds related to a property transfer with restricted future uses; a refund of the credit risk premium of a retired Railroad Rehabilitation & Improvement Financing loan; a small liability claims account; a debt service reserve fund for the Virginia Resources Authority (VRA) 2018A financing; a Liability Insurance Plan; a revenue fund, bond debt service fund, debt service reserve fund, and revenue stabilization fund related to the Series 2022 bond issuance; and a residual fund containing excess funds from the Series 2022 bond revenue fund that are restricted in use in accordance with the Funding Agreement between VRE and the Virginia Passenger Rail Authority (VPRA).

Allowance for uncollectible accounts: VRE calculates its allowance for uncollectible accounts using historical collection data and specific account analysis. The allowance was $0 and $93,000 at June 30, 2026 and 2025, respectively. Based on the history of collection, management determined that an allowance for uncollectible accounts was not necessary as of year-end.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

Inventory: VRE has purchased an inventory of spare parts for rolling stock that is maintained and managed at the Commission's warehouse located at the Crossroads yard, the Lifecycle Overhaul and Upgrade (LOU) facility, and the warehouse facility. Inventory is stated at cost, which approximates market, and is valued using the first-in-first-out method.

Prepaid expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements using the consumption method.

Capital assets: For constructed assets, all costs necessary to bring assets to the condition and location necessary for the intended use are capitalized. Asset costs include allocation of certain common construction costs based on the relationship of associated direct costs. Assets constructed directly by jurisdictions in satisfaction of system financial responsibilities have been capitalized at the acquisition value as of the date of donation.

When assets are substantially complete and ready for use, these costs are transferred from construction in progress to property and equipment and depreciated or amortized. Major improvements and replacements of property are capitalized. Maintenance, repairs and minor improvements and replacements are expensed.

Costs of improvements to track, stations and signal facilities owned by the railroads have been capitalized in recognition of the increased efficiency afforded VRE operations over their useful lives. The Commissions retain a residual interest in these assets such that net salvage value will be reimbursed by the railroads upon cessation of commuter rail service. Similarly, shared investments in jurisdictional facilities and other infrastructure ("equity in property of others") recognizes the right of access for commuter rail patrons granted to the Commissions. This category represents investments in Amtrak infrastructure and facilities, as well as the recent contributions to the VPRA for the CSX right-of-way purchase and Long Bridge project, all which provide primary benefit to the commuter rail service and an expectation of continued use by the VRE.

VRE capitalizes tangible capital assets with an individual acquisition cost of $5,000 or more and an estimated useful life of two or more years. Purchased software and subscription-based information technology arrangements (SBITAs) are capitalized when the applicable capitalization amount is $15,000 or more. Leases are capitalized when the initial measurement of the related lease liability, based on the present value of payments expected to be made over the lease term, is $10,000 or more. SBITAs are evaluated under the capitalization requirements of GASB Statement No. 96, based on the initial measurement of the subscription liability, which is generally the present value of payments expected to be made over the subscription term.

Depreciation and amortization of all exhaustible equipment, buildings and intangibles including lease and subscription assets, is charged as an expense against operations using the straight-line method over the following estimated useful lives:

Rolling stock	10-25 years
Vehicles	5 years
Facilities	10-40 years
Track and signal improvements	5-30 years
Equipment and software	5-10 years
Equity in property of others	5-35 years
Furniture, equipment and building improvements	3-10 years
Intangible right-to-use lease assets and subscription assets	Life of lease or subscription

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

Capital assets (continued): When, in the opinion of management, certain assets are impaired, any estimated decline in value is accounted for as an unusual or infrequent. During the year ended June 30, 2026, VRE recognized an impairment loss of $3,125,446. There were no impaired assets as of June 30, 2025.

Lessee: For new or modified contracts, VRE determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), VRE records a lease asset and lease obligation which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not readily determinable, VRE will use the applicable incremental borrowing rate in the calculation of the present value of the lease payments.

Leases with an initial, non-cancellable term of 12 months or less are not recorded on the Statements of Net Position and expense is recognized as incurred over the lease term. At the commencement of a lease, VRE measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight line basis over a period that is the shorter of the lease term or the useful life of similar capital assets. Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

Key estimates and judgements related to leases include the determination of a discount rate, lease term, lease payments, and residual value guarantees or other provisions as follows:

Discount Rate:	When readily available or easily determinable, VRE uses the interest rate charged by the lessor. If not readily available or easily determinable, VRE uses its estimated incremental borrowing rate.
Lease Term:	The lease term includes the non-cancellable period of the lease.
Lease Payments:	Lease payments included in the measurement of the lease liability are comprised of fixed payments and, if applicable, the purchase option price VRE is reasonably certain to exercise.

Lease assets are reported with other capital assets as intangible right-to-use lease assets and lease liabilities are reported with current and noncurrent liabilities on the Statements of Net Position.

Lessor: For new or modified contracts, VRE determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), VRE will record a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not clear, VRE may apply the guidance for imputation of interest as a means of determining the interest rate.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

Lessor (continued): VRE will not recognize a lease receivable and a deferred inflow of resources for leases with a noncancellable term of less than 12 months, and income is recognized as incurred.

At the commencement of a lease, VRE will measure the lease receivable as the present value of payments expected to be received during the lease term and will reduce the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

Key estimates and judgements related to leases include the determination of a discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

Discount Rate:	When readily available or easily determinable, VRE uses the interest rate charged by the lessor. If not readily available or easily determinable, VRE uses its estimated incremental borrowing rate.
Lease Term:	The lease term includes the non-cancellable period of the lease.
Lease Payments:	Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

Subscription based information technology arrangements (SBITAs): For new or modified contracts, VRE determines whether the contract is a SBITA. If a contract is determined to be, or contain, a SBITA with a non-cancellable term in excess of 12 months (including any options to extend or terminate the subscription when exercise is reasonably certain), VRE records a right-to-use subscription asset and subscription liability which is calculated based on the value of the discounted future subscription payments over the term of the subscription. If the interest rate implicit in the subscription is not readily determinable, VRE will use the applicable incremental borrowing rate in the calculation of the present value of the subscription payments.

VRE recognizes a subscription liability and subscription asset on the Statements of Net Position. Subscriptions with an initial, non-cancellable term of 12 months or less are not recorded on the Statements of Net Position and expense is recognized as incurred over the subscription term.

At the commencement of a SBITA, VRE measures the subscription liability at the present value of payments expected to be made during the subscription term and then reduces the liability by the principal portion of the subscription payments made. The subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs, then amortized on a straight-line basis over the subscription term.

Subscription payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

At June 30, 2026, VRE did not have any SBITA agreements as described above.

Compensated absences: VRE implemented GASB Statement No. 101, *Compensated Absences*, during the fiscal year June 30, 2025. The implementation had no impact on beginning net position.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

Compensated absences (continued): VRE employees are granted vacation leave based on length of employment. Employees with less than ten years of service may carry over up to 225 hours of vacation leave from year to year, while those with ten or more years may carry over up to 300 hours. Excess vacation leave may be converted to sick leave or paid out with approval from the Chief Executive Officer. Employees may accumulate sick leave without limitation. Upon separation in good standing after five or more years of service, employees are eligible to receive payment for 25 percent of their sick leave balance in excess of 450 hours. Certain employees may accumulate compensatory leave for overtime worked.

In accordance with GASB Statement No. 101, the government recognizes a liability for compensated absences when:

- The leave is attributable to services already rendered,
- The leave accumulates (i.e., carries forward to future periods), and
- It is more likely than not that the leave will be used for time off or otherwise paid or settled.

The liability is measured using the employee's pay rate as of the financial statement date, and includes salary-related payments that are directly and incrementally associated with leave payments (e.g., payroll taxes and retirement contributions).

VRE has elected to use the Last-In, First-Out flow assumption for estimating the liability. Under this method, the most recently earned leave is assumed to be used first, which may result in a lower liability than First-In, First-Out in periods of rising pay rates.

Deferred outflows/inflows of resources: In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. VRE has several items that qualify for reporting in this category. The first item relates to the deferred loss on refinancing. The remaining items relate to the pension plan, group life insurance program (GLI) and health insurance credit program (HIC) other postemployment benefits (OPEB) plans. See Notes 6, 7 and 8 for details regarding these items.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. VRE has several items that qualify for reporting in this category. See Notes 5, 6, 7 and 8 for details regarding these items.

Pensions: The Virginia Retirement System (VRS) Political Subdivision Retirement Plan (the VRE's retirement plan) is a multi-employer, agent plan. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS VRE's Retirement Plan and the additions to/deductions from the VRS VRE's Retirement Plan fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Since VRE is combined with PRTC for reporting purposes to VRS, amounts and disclosures included in this report are for PRTC as a whole unless otherwise indicated.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

Group Life Insurance Program (GLI): The VRS GLI is a multiple employer, cost-sharing OPEB plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the net GLI OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Health Insurance Credit (HIC) Program: VRE's Political Subdivision HIC Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance for retired political subdivision employees of participating employers. The HIC Program was established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring both HIC Programs' total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the HIC Programs OPEB, and the HIC Programs OPEB expense, information about the fiduciary net position of the HIC Program; and the additions to/deductions from the HIC Programs fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position flow assumption: Sometimes the VRE will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Estimates and assumptions: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification: During fiscal year 2026, VRE implemented GASB Statement No. 103, *Financial Reporting Model Improvements.* GASB 103 improves certain aspects of the governmental financial reporting model. The implementation of this statement resulted in changes to financial statement presentation and disclosure and had no effect on beginning net position.

Subsequent events: VRE has evaluated subsequent events through November 3, 2026, which was the date the financial statements were available to be issued.

Note 2. Cash, Cash Equivalents and Investments

Deposits: Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the Act), Section 2.2-4400 et., seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50 percent to 130 percent of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments: Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the State Treasurer's LGIP.

The VRE Operations Board has adopted a formal investment policy. The goal of the policy is to minimize risk and to ensure the availability of cash to meet VRE's expenditures, while generating revenue from the use of funds which might otherwise remain idle. The primary objectives of VRE's investment activities, in priority order, are: safety, liquidity and yield. The policy specifies eligible and ineligible investments; diversification requirements; maximum length of time for various types of investments; and the process for purchasing securities.

Credit risk: The investment policy specifies credit quality for certain types of investments, as described below, in accordance with the *Code of Virginia*, and the policy specifies the qualifications for institutions providing depository and investment services. In addition, the Chief Financial Officer must conduct a quarterly review of the condition of each authorized financial institution and broker/dealer.

Investment	Credit Quality
Savings account or CD's of any bank or savings and loan association within the Commonwealth of Virginia	Bank or savings and loan association must be a "qualified public depository"
Bankers' acceptances	Institution must be "prime quality" as determined by one or more recognized rating services
Commercial paper	Must be "prime quality" as rated by two of the following: Moody's (prime 1): S&P (A-1); Fitch (F-1); Duff and Phelps (D-1)
Corporate notes	Must be "high quality" as defined by ratings of at least AA by S&P and Aa by Moody's
Negotiable certificates of deposit and negotiable bank deposit notes	Must have ratings of at least A-1 by S&P and P-1 by Moody's for short term instruments and AA by S&P and Aa by Moody's for long-term instruments

Note 2. Cash, Cash Equivalents and Investments (Continued)

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, VRE may not recover its deposits. All cash of VRE is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et seq. of the *Code of Virginia*, or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similarly to depository insurance. The Commonwealth of Virginia Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act. At June 30, 2026 and 2025, the book balance of VRE's deposits with banks was $2,681,507 and $5,263,327, respectively.

Interest rate risk: In accordance with its investment policy, VRE manages its exposure to declines in fair values by limiting the maturity of various investment vehicles, as indicated in the chart below. Interest rate risk does not apply to LGIP since it is an external investment pool classified in accordance with GASB Statement No. 79.

Concentration of credit risk: VRE's investment policy provides limitations on the percentage of the portfolio that can be invested in each type of security, as indicated in the following chart.

The limitations provided in the investment policy for maximum maturity and percentage of the portfolio for each category of investment, are as follows:

Investment	Length of Maturity	Percent Allowed
Bonds, notes, and other evidence of indebtedness of the United States	60 months or less	100%
Bonds, notes, and other evidence of indebtedness of the Commonwealth of Virginia	60 months or less	100%
Bonds, notes, and other evidence of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth of Virginia	36 months or less	100%
Bonds and notes of FNMA and FHLB	36 months or less	75%
Savings accounts or CD's of any bank or savings and loan association within the Commonwealth of Virginia	12 months or less	20%
Money market mutual funds	13 months or less	60%
Repurchase agreements	24 months or less	20%
Bankers' acceptances	24 months or less	10%
Prime Quality Commercial Paper (no more than 5% from one issuer)	270 days or less	35%
High Quality Corporate Notes	24 months or less	50%
Certificates representing ownership in treasury bond principal	24 months or less	50%
LGIP	N/A	100%
Negotiable CD's and negotiable bank deposit notes	24 months or less	25%

Note 2. Cash, Cash Equivalents and Investments (Continued)

Concentration of credit risk (continued): At June 30, 2026 and 2025, VRE had investments of $62,368,455 and $62,942,571, respectively, in the LGIP. The LGIP is a professionally managed money market fund that invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at the Treasury Board's regularly scheduled monthly meetings. VRE's investments in the LGIP are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an "AAAm " rating by Standard & Poor's. The maturity of the LGIP is less than one year.

The Commonwealth of Virginia Department of Treasury manages the VRE Insurance Trust. State statutes govern the portion of assets invested in the Commonwealth's pooled accounts, while the remainder is invested by an external portfolio manager. At June 30, 2026 and 2025, VRE had $11,327,297 and $10,899,981, respectively, invested in the Insurance Trust. In fiscal years 2026 and 2025, earnings on the Insurance Trust in the amount of $445,114 and $433,402, respectively, were credited to VRE. The Insurance Trust Fund has not been assigned a rating.

In accordance with the requirements of the Financing Agreement between the VRA and NVTC, a debt service reserve fund (DSRF) was established for the benefit of VRA. On the closing date of the VRA financing, VRE transferred $2 million into the DSRF from its existing cash reserves. The funds in the DSRF shall be used solely to cure any deficiencies in the payment by VRE of any principal, premium, or interest associated with the VRA financing. The funds in the DSRF are held in custody at U.S. Bank and are managed by PFM Asset Management LLC through the Virginia State Non-Arbitrage Program (SNAP). The Virginia Treasury Board sponsors SNAP to provide comprehensive investment management, accounting and arbitrage rebate calculation services for the proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The funds in the DSRF are invested in U.S. Treasury notes rated AA+ by Standard and Poor's maturing in under two (2) years and in the SNAP Fund, a AAAm rated local government investment pool that complies with GASB Statement 79. At June 30, 2026 and 2025, VRE had $2,171,435 and $2,103,153, respectively, invested in the VRA Debt Service Reserve Fund.

In accordance with the issuance of the NVTC Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia Program) Series 2022 (Green Bonds), a DSRF, Revenue Stabilization fund (RS) and Cost of Issuance (COI) fund were established for the benefit of NVTC. The DSRF and RS are held in custody by U.S. Bank as the Trustee for the Series 2022 bonds. On the closing date of the bond transaction, VRE transferred $7.5 million into the DSRF from the proceeds of the bond issuance. The funds in the DSRF and RS shall be used solely to cure any deficiencies in the payment by NVTC of any principal, premium, or interest associated with the NVTC financing. At June 30, 2026 and 2025, VRE had $8,229,856 and $7,937,840 invested in the Debt Service Reserve Fund, and $4,083,911 and $3,957,744 in the Revenue Stabilization Fund.

Note 2. Cash, Cash Equivalents and Investments (Continued)

Concentration of credit risk (continued): At June 30, 2022, the funds in the DSRF and RS were invested in a JP Morgan US Government Money Market Fund. In July 2022, the DSRF and RS were re-invested in the SNAP, with management of the funds provided by PFM Asset Management LLC. The COI funds were invested in SNAP as of the closing of the bond transaction. The Virginia Treasury Board sponsors SNAP to provide comprehensive investment management, accounting and arbitrage rebate calculation services for the proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The funds in the DSRF are invested in U.S. Treasury notes rated AA+ by Standard and Poor's maturing in under two (2) years and in the SNAP Fund, a AAAm rated local government investment pool that complies with GASB Statement 79.

As of June 30, 2026 and 2025, the carrying values and maturity of VRE's investments were as follows:

	2026	
Investment Type	**Fair Value**	**Maturities Less than 1 Year**
LGIP	**$ 62,368,455**	**$ 62,368,455**
Insurance trust fund - pooled funds	**11,327,297**	**11,327,297**
Series 2022 debt service fund	**866,356**	**866,356**
Series 2022 debt service reserve fund	**8,229,856**	**8,229,856**
Series 2022 revenue stabilization fund	**4,083,911**	**4,083,911**
Series 2022 revenue fund	**437**	**437**
VRA debt service reserve fund	**2,171,435**	**2,171,435**
Total investments	**$ 89,047,747**	**$ 89,047,747**

	2025	
Investment Type	Fair Value	Maturities Less than 1 Year
LGIP	$ 62,942,571	$ 62,942,571
Insurance trust fund - pooled funds	10,899,981	10,899,981
Series 2022 debt service fund	763,407	763,407
Series 2022 debt service reserve fund	7,937,840	7,937,840
Series 2022 revenue stabilization fund	3,957,744	3,957,744
VRA debt service reserve fund	2,103,153	2,103,153
Total investments	$ 88,604,696	$ 88,604,696

When applicable, VRE categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

VRE has the following investments subject to fair value measurements:

- Securities issued or guaranteed by the U.S. government and other commercial instruments of $15,351,995 as of June 30, 2026, which are valued using quoted prices in an active market for identical assets (Level 1 inputs).

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Construction in progress	$ 150,503,052	$ 70,649,580	$ (3,298,055)	$ (86,438,756)	$ 131,415,821
Permanent easements	56,579	-	-	2,977,300	3,033,879
Total capital assets not depreciated or amortized	$ 150,559,631	$ 70,649,580	$ (3,298,055)	$ (83,461,456)	$ 134,449,700
Capital assets being depreciated or amortized:					
Intangible right-to-use lease buildings	1,463,568	-	-	-	1,463,568
Intangible right-to-use lease tower	211,144	-	-	-	211,144
Right-to-use subscription assets	1,815,971	-	(1,815,971)	-	-
Rolling stock	286,777,390	-	-	-	286,777,390
Vehicles	267,828	93,352	(79,264)	-	281,916
Facilities	204,883,158	1,403,324	-	80,456,329	286,742,811
Track and signal improvements	108,053,082	442,217	-	-	108,495,299
Equipment and software	15,222,568	73,198	(1,135,100)	2,799,752	16,960,418
Equity in property of others	124,946,482	-	-	-	124,946,482
Furniture, equipment and building improvements	7,416,408	73,908	(235,813)	205,375	7,459,878
Total capital assets being depreciated or amortized	751,057,599	2,085,999	(3,266,148)	83,461,456	833,338,906
Less accumulated depreciation or amortization for:					
Intangible right-to-use lease buildings	475,872	121,893	-	-	597,765
Intangible right-to-use lease tower	59,824	42,229	-	-	102,053
Right-to-use subscription assets	1,707,354	108,617	(1,815,971)	-	-
Rolling stock	163,533,238	11,748,314	-	-	175,281,552
Vehicles	112,762	46,161	(50,372)	-	108,551
Facilities	67,201,582	6,153,142	-	-	73,354,724
Track and signal improvements	63,037,780	3,166,606	-	-	66,204,386
Equipment and software	13,826,457	965,162	(1,135,100)	-	13,656,519
Equity in property of others	4,956,064	164,593	-	-	5,120,657
Furniture, equipment and building improvements	5,962,120	243,751	(235,813)	-	5,970,058
Total accumulated depreciation or amortization	320,873,053	22,760,468	(3,237,256)	-	340,396,265
Total capital assets being depreciated or amortized, net	430,184,546	(20,674,469)	(28,892)	83,461,456	492,942,641
Total capital assets	$ 580,744,177	$ 49,975,111	$ (3,326,947)	$ -	$ 627,392,341

Note 3. Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Construction in progress	$ 115,943,941	$ 63,555,007	$ (19,740)	$ (28,976,156)	$ 150,503,052
Permanent easements	56,579	-	-	-	56,579
Total capital assets not depreciated or amortized	116,000,520	63,555,007	(19,740)	(28,976,156)	150,559,631
Capital assets being depreciated or amortized:					
Intangible right-to-use lease buildings	1,463,568	-	-	-	1,463,568
Intangible right-to-use lease tower	211,144	-	-	-	211,144
Right-to-use subscription assets	1,815,971	-	-	-	1,815,971
Rolling stock	286,777,390	-	-	-	286,777,390
Vehicles	301,361	52,400	(85,933)	-	267,828
Facilities	183,569,141	121,174	-	21,192,843	204,883,158
Track and signal improvements	100,108,269	161,500	-	7,783,313	108,053,082
Equipment and software	14,911,976	310,592	-	-	15,222,568
Equity in property of others	124,946,482	-	-	-	124,946,482
Furniture, equipment and building improvements	7,416,408	-	-	-	7,416,408
Total capital assets being depreciated or amortized	721,521,710	645,666	(85,933)	28,976,156	751,057,599
Less accumulated depreciation or amortization for:					
Intangible right-to-use lease buildings	353,979	121,893	-	-	475,872
Intangible right-to-use lease tower	17,595	42,229	-	-	59,824
Right-to-use subscription assets	1,055,650	651,704	-	-	1,707,354
Rolling stock	151,784,924	11,748,314	-	-	163,533,238
Vehicles	162,295	36,400	(85,933)	-	112,762
Facilities	61,843,012	5,358,570	-	-	67,201,582
Track and signal improvements	58,674,134	4,363,646	-	-	63,037,780
Equipment and software	12,898,283	928,174	-	-	13,826,457
Equity in property of others	4,791,471	164,593	-	-	4,956,064
Furniture, equipment and building improvements	5,719,008	243,112	-	-	5,962,120
Total accumulated depreciation or amortization	297,300,351	23,658,635	(85,933)	-	320,873,053
Total capital assets being depreciated or amortized, net	424,221,359	(23,012,969)	-	28,976,156	430,184,546
Total capital assets	$ 540,221,879	$ 40,542,038	$ (19,740)	$ -	$ 580,744,177

Note 4. Long-Term Obligations

The following is a summary of long-term liability activity for the years ended June 30, 2026 and 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable	$ 138,850,000	$ -	$ (5,050,000)	$ 133,800,000	$ 5,310,000
Premiums	14,892,685	-	(601,665)	14,291,020	650,761
Compensated absences*	1,160,280	17,040	-	1,177,320	94,844
Lease liability	1,260,602	-	(148,280)	1,112,322	157,918
	$ 156,163,567	$ 17,040	$ (5,799,945)	$ 150,380,662	$ 6,213,523

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Private placement note payable	$ 1,866,848	$ -	$ (1,866,848)	$ -	$ -
Bonds payable	143,645,000	-	(4,795,000)	138,850,000	5,050,000
Premiums	15,444,004	-	(551,319)	14,892,685	-
Compensated absences*	935,047	225,233	-	1,160,280	226,929
Subscription liability	106,486	-	(106,486)	-	-
Lease liability	1,399,668	-	(139,066)	1,260,602	148,280
	$ 163,397,053	$ 225,233	$ (7,458,719)	$ 156,163,567	$ 5,425,209

Federal arbitrage regulations apply to the Gallery IV private payment placement note payable.

*The increase in the liability is a net change for the year.

Note Payable – Gallery IV (60 cars)/VRA Bond Payable

In fiscal year 2008, VRE entered into an agreement with the Federal Railroad Administration (FRA) for a loan of up to $72.5 million to purchase 50 Gallery railcars; in fiscal year 2009 the terms were amended to include ten additional Gallery railcars. A series of sixteen promissory notes were originally authorized and during fiscal year 2012 the balances on the individual notes were combined into a consolidated note. The note was secured by the revenues of VRE and the railcars.

In fiscal year 2018, VRE entered into a financing agreement with the VRA for the purposes of refunding the FRA consolidated promissory note and reducing VRE's debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full with the proceeds from the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA.

VRA Bond payable, $46,640,000 Bond, due in variable bi-annual amounts, plus a bi-annual variable interest rate of 3.13% to 5.13% through October 1, 2032. The carrying value of the railcars was $33,037,379 at June 30, 2026.	$ 26,020,000
NVTC Bond payable, $115,670,000 Bond, due in variable annual amounts, plus a bi-annual interest rate of 5.00% through June 1, 2052.	$ 107,780,000

Note 4. Long-Term Obligations (Continued)

Mandatory debt service on Bonds payable requirements as of June 30, 2026 are as follows:

	NVTC Bond		VRA Bond		Total	
Years Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 2,110,000	$ 5,389,000	$ 3,200,000	$ 1,092,575	$ 5,310,000	$ 6,481,575
2028	2,215,000	5,283,500	3,365,000	924,347	5,580,000	6,207,847
2029	2,325,000	5,172,750	3,545,000	747,278	5,870,000	5,920,028
2030	2,440,000	5,056,500	3,725,000	566,584	6,165,000	5,623,084
2031	2,565,000	4,934,500	3,910,000	382,413	6,475,000	5,316,913
2032-2036	14,865,000	22,617,250	8,275,000	305,109	23,140,000	22,922,359
2037-2041	18,975,000	18,510,000	-	-	18,975,000	18,510,000
2042-2046	24,230,000	13,266,250	-	-	24,230,000	13,266,250
2047-2051	30,915,000	6,572,750	-	-	30,915,000	6,572,750
2052	7,140,000	357,000	-	-	7,140,000	357,000
Subtotal	107,780,000	87,159,500	26,020,000	4,018,306	133,800,000	91,177,806
Unamortized premium	11,603,446	-	2,687,574	-	14,291,020	-
Total	$ 119,383,446	$ 87,159,500	$ 28,707,574	$ 4,018,306	$ 148,091,020	$ 91,177,806

Note 5. Leases

Details of leases in which VRE is the lessee are as follows:

	2026	2025
Lease liability for a building. VRE is required to make monthly principal and interest payments ranging from $10,927 to $13,438 through April 2033. The lease has an interest rate of 3.00%. An initial lease liability was recorded in the amount of $1,363,291. The building has an estimated 141 month useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was $1,363,291 and had accumulated amortization of $576,039.	**$ 911,470**	$ 1,014,222
Lease liability for a building roof. VRE is required to make monthly principal and interest payments ranging from $650 to $787 through March 2038. The lease has an interest rate of 3.40%. An initial lease liability was recorded in the amount of $100,214 during the current fiscal year. The building roof has an estimated 180 month useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was $100,277 and had accumulated amortization of $21,726.	**84,825**	89,652
Lease liability for a tower. VRE is required to make monthly principal and interest payments ranging from $3,627 to $3,963 through January 2029. The lease has an interest rate of 2.43%. An initial lease liability was recorded in the amount of $211,144. The tower has an estimated useful life of sixty months. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was $211,144 and had accumulated amortization of $102,053.	**116,027**	156,728
	$ 1,112,322	$ 1,260,602

Note 5. Leases (Continued)

The following table summarized the total minimum lease payments due:

Year(s) Ending June 30,	Principal	Interest
2027	$ 157,918	$ 30,996
2028	168,191	26,350
2029	158,839	21,475
2030	139,720	17,172
2031	148,507	12,835
2032-2036	322,834	14,583
2037-2038	16,313	504
Total minimum lease payments	$ 1,112,322	$ 123,915

VRE is a lessor for a lease related to a communication tower. The lease term is for 518 months. The exercise of lease renewal options is at the Lessees discretion. VRE monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable. VRE will receive annual payments ranging from $28,244 to $86,843 through December 2064. An initial lease receivable was recorded in the amount of $1,437,167. During fiscal year 2023, there was a remeasurement of the lease receivable due to a contract amendment that resulted in a lease receivable of $1,054,723. As of June 30, 2026, the receivable for lease payments was $1,073,261.

VRE is a lessor under a site lease with a lease term of 360 months. During fiscal year 2026, VRE received a prepayment of all remaining lease payments due under the agreement. Accordingly, there was no outstanding lease receivable as of June 30, 2026. The related deferred inflow of resources is recognized as lease revenue over the remaining lease term. VRE evaluates changes in circumstances that could require remeasurement of the lease and will remeasure the related lease amounts when changes are expected to significantly affect their measurement.

VRE has a deferred inflow of resources associated with its leases that will be recognized as revenue over the term of the lease. As of June 30, 2026, the balance of the deferred inflow was $1,295,653. Lease revenue for the year ended June 30, 2026 was $34,394 and lease interest income for the same year was $32,146.

Future minimum lease amounts as of June 30, 2026 are as follows:

Year(s) Ending June 30,	Principal	Interest
2027	$ (3,107)	$ 32,198
2028	(2,327)	32,291
2029	(1,498)	32,361
2030	(617)	32,406
2031	318	32,424
2032-2036	17,691	161,356
2037-2041	50,737	156,828
2042-2046	93,861	146,764
2047-2051	149,434	129,516
2052-2056	220,330	103,051
2057-2061	310,017	64,869
2062-2064	238,422	14,594
Total minimum lease amounts	$ 1,073,261	$ 938,658

Note 6. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent Multiple-Employer Pension Plan

Administering Entity: Virginia Retirement System (System)

A. Plan Description

All full-time, salaried permanent employees of the VRE are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
- https://www.varetirement.org/hybrid.html.

B. Employees Covered by Benefit Terms

As of the June 30, 2024, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	45
Inactive members:	
Vested	30
Non-vested	31
Active elsewhere in VRS	11
Active members	103
Total covered employees	220

Note 6. Pension Plan (Continued)

C. Contributions

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

VRE's contractually required contribution rate for the year ended June 30, 2026 was 4.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from VRE were $377,942 and $354,263 for the years ended June 30, 2026 and 2025, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $57,555 for the year ended June 30, 2026. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $108,944 for the year ended June 30, 2026. The total Hybrid plan participant covered payroll totaled $5,747,664 for the year ended June 30, 2026.

D. Net Pension Asset/Liability

VRE's net pension asset/liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2024 rolled forward to the measurement date of June 30, 2025.

E. Actuarial Assumptions

The total pension asset for VRE's retirement plan was based on an actuarial valuation as of June 30, 2024, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses.

Note 6. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Mortality Rates

Mortality Rates:	15% of deaths are assumed to be service-related.
Pre-retirement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
Post-retirement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 years.
Post-disablement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
Beneficiaries and Survivors	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally.
Mortality Improvement	Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates.

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Discount Rate	No change

F. Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 6. Pension Plan (Continued)

F. Long-Term Expected Rate of Return (Continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.60%	2.11%
Fixed Income	16.00%	5.09%	0.81%
Credit Strategies	16.00%	8.21%	1.31%
Real Assets	15.00%	7.10%	1.07%
Private Equity	15.00%	8.60%	1.29%
PIP - Private Investment Partnership	1.00%	7.95%	0.08%
Diversifying Strategies	6.00%	6.82%	0.41%
Cash	2.00%	4.07%	0.08%
Leverage	-3.00%	4.57%	-0.14%
Total	100.00%		7.02%
	* Expected arithmetic nominal return		7.02%

* The above allocation provides a one-year expected return of 7.02% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

G. Discount Rate

The discount rate used to measure the total pension asset was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2025, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2024, actuarial valuations. From July 1, 2025 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Note 6. Pension Plan (Continued)

H. Changes in the Net Pension (Assets)/Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension (Asset) Liability
Balances at June 30, 2024	$ 29,889,925	$ 30,370,114	$ (480,189)
Changes for the Year:			
Service cost	981,446	-	981,446
Interest	2,047,272	-	2,047,272
Changes of assumptions	473,952	-	473,952
Difference between expected and actual experience	624,790	-	624,790
Contributions – employer	-	593,689	(593,689)
Contributions – employee	-	561,567	(561,567)
Net investment income	-	3,234,903	(3,234,903)
Benefit payments, including refunds of employee contributions	(1,082,845)	(1,082,845)	-
Pension Plan Administrative expense	-	(18,021)	18,021
Other changes	-	844	(844)
Net changes	3,044,615	3,290,137	(245,522)
Balances at June 30, 2025	$ 32,934,540	$ 33,660,251	$ (725,711)

The information above is derived from the actuarial valuation report for the Potomac and Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE. VRE has recorded a net pension asset of $430,365 on its Statements of Net Position based on a percentage of contributions to the plan for fiscal year 2026. VRE's percentage of total contributions to the plan was 59.30 percent. This percentage was used to allocate a portion of the net pension asset to VRE.

I. Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents VRE's portion of the net pension asset/liability, using the discount rate of 6.75 percent, as well as what VRE's net pension asset/liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
VRE's net pension liability (asset)	$ 2,215,507	$ (430,365)	$ (2,627,675)

Note 6. Pension Plan (Continued)

J. Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2026, VRE recognized pension expense of $9,204. At June 30, 2026, VRE also reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 374,908	$ -
Change in assumptions	199,598	-
Net difference between projected and actual earnings on pension plan investments	-	(630,843)
Employer contributions subsequent to the measurement date	377,942	-
Total	$ 952,448	$ (630,843)

The $377,942 reported as deferred outflows of resources related to pensions resulting from VRE's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2027	$ 253,634
2028	(15,886)
2029	(153,768)
2030	(140,317)
	$ (56,337)

K. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2025 Annual Report. A copy of the 2025 VRS Annual Report is publicly available through the About VRS link on the VRS website at https://www.varetire.org/publications/?category=annual, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Note 7. Other Postemployment Benefits – Group Life Insurance Program

A. Plan Description

The VRS Group Life Insurance Program (GLI) is an other postemployment benefits (OPEB) plan. All full-time, salaried permanent employees of VRE are automatically covered by the GLI upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

Note 7. Other Postemployment Benefits – Group Life Insurance Program (Continued)

A. Plan Description (Continued)

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB.

Specific information for the GLI is available at:

- https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp.

B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2026 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from VRE were $38,449 and $36,040 for the years ended June 30, 2026 and June 30, 2025, respectively.

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2026, VRE reported a liability of $265,957 for its proportionate share of the Net GLI OPEB liability. The Net GLI OPEB Liability was measured as of June 30, 2025 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2024, and rolled forward to the measurement date of June 30, 2025. VRE's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2025, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, VRE's proportion was $36,040 or 0.04661% as compared to $38,390 or 0.04635% at June 30, 2024.

Note 7. Other Postemployment Benefits – Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

For the year ended June 30, 2026, VRE recognized GLI OPEB benefit of ($1,561). Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2026, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 47,180	$ (5,006)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(37,218)
Change in assumptions	-	(8,701)
Changes in proportionate share	12,905	(2,205)
Employer contributions subsequent to the measurement date	38,449	-
Total	$ 98,534	$ (53,130)

The $38,449 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB Liability in the fiscal year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2027	$ 3,615
2028	508
2029	660
2030	(149)
2031	2,321
Total	$ 6,955

The information above is derived from the actuarial valuation report for the Potomac and Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE. VRE has recorded a net GLI OPEB liability of $265,957 on its Statements of Net Position based on a percentage of contributions to the plan for fiscal year 2026. VRE's percentage of total contributions to the plan was 59.30 percent. This percentage was used to allocate a portion of the net GLI OPEB liability to VRE.

Note 7. Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2024, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Pre-retirement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
Post-retirement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
Post-disablement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
Beneficiaries and Survivors	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally.
Mortality Improvement Scale	Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the standard rates.

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Retirement Liability Estimation for Life Only	Change from 1.618% to 2.0%
Discount Rate	No change

Note 7. Other Postemployment Benefits – Group Life Insurance Program (Continued)

E. Net GLI OPEB Liability

The net OPEB Liability (NOL) for the GLI represents the program's total OPEB Liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2025, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	$ 4,433,282
Plan fiduciary net position	3,471,094
GLI net OPEB liability	$ 962,188
Plan fiduciary net position as a percentage of the total GLI OPEB liability	78.30%

The total GLI OPEB Liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB Liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

F. Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.60%	2.11%
Fixed Income	16.00%	5.09%	0.81%
Credit Strategies	16.00%	8.21%	1.31%
Real Assets	15.00%	7.10%	1.07%
Private Equity	15.00%	8.60%	1.29%
PIP - Private Investment Partnership	1.00%	7.95%	0.08%
Diversifying Strategies	6.00%	6.82%	0.41%
Cash	2.00%	4.07%	0.08%
Leverage	(3.00%)	4.57%	(0.14%)
Total	100.00%		7.02%
* Expected arithmetic nominal return			7.02%

Note 7. Other Postemployment Benefits – Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return (Continued)

* The above allocation provides a one-year expected return of 7.02% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

G. Discount Rate

The discount rate used to measure the total GLI OPEB Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2025, the rate contributed by employers for the VRS GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined rate. From July 1, 2025, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

H. Sensitivity of VRE's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents VRE's proportionate share of the net GLI OPEB Liability using the discount rate of 6.75%, as well as what VRE's proportionate share of the net GLI OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
VRE	$ 448,659	$ 265,957	$ 118,561

I. Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI's Fiduciary Net Position is available in the separately issued VRS 2025 Annual Comprehensive Financial Report (Annual Report). A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 8. Other Postemployment Benefits – Health Insurance Credit Program

A. Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is available at:

- https://www.varetire.org/retirees/insurance/healthinscredit/.

B. Employees Covered by Benefit Terms

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	9
Inactive members:	
Active elsewhere in VRS	9
Active members	103
Total covered employees	121

C. Contributions

The contribution requirement for active employees is governed by Section 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. VRE's contractually required employer contribution rate for the year ended June 30, 2026 was 0.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from VRE to the Political Subdivision HIC program were $8,999 and $8,435 for the years ended June 30, 2026 and 2025, respectively.

D. Net HIC OPEB Liability

At June 30, 2026, VRE reported a net HIC OPEB liability of $20,974. The net HIC OPEB liability was measured as of June 30, 2025. The total HIC OPEB liability was determined by as actuarial valuation performed as of June 30, 2024, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Note 8. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

E. Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2024 using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025:

Inflation	2.50%
Salary increases, including inflation:	
General employees	3.50%-5.35%
Investment rate of return	6.75%, net of plan investment expenses, including inflation

Mortality Rates:	15% of deaths are assumed to be service-related.
Pre-retirement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
Post-retirement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
Post-disablement:	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
Beneficiaries and Survivors	Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally.
Mortality Improvement	Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the standard rates.

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Benefit Participation (future service retirees)	Increase participation to 87%
Benefit Participation (Future disability)	Increase participation to 54%
Benefit Participation (from terminated vested)	Increase participation to 87%
Benefit Utilization (not receiving the max)	Reduced to 4%

Note 8. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (Continued)

Benefit Utilization (not receiving the max-amount of max received)	No change
Benefit Utilization (benefit increase for those not at the max)	Removed
Percentage of Deferred Vested Members Electing to Withdraw from VRS	Reduced
Terminated Vested Member Commencement Age	Adjusted slightly
Discount Rate	No change

F. Long-term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class as summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.60%	2.11%
Fixed Income	16.00%	5.09%	0.81%
Credit Strategies	16.00%	8.21%	1.31%
Real Assets	15.00%	7.10%	1.07%
Private Equity	15.00%	8.60%	1.29%
PIP - Private Investment Partnership	1.00%	7.95%	0.08%
Diversifying Strategies	6.00%	6.82%	0.41%
Cash	2.00%	4.07%	0.08%
Leverage	(3.00%)	4.57%	(0.14%)
Total	100.00%		7.02%
* Expected arithmetic nominal return			7.02%

* The above allocation provides a one-year expected return of 7.02% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.50%.
* On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long- term results of the VRS fund asset allocation at the time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 8. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

G. Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2025, the rate contributed by VRE for the HIC OPEB was 100% of actuarially determined contribution rate. From July 1, 2025 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

H. Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a-b)
Balances at June 30, 2024	$ 102,288	$ 56,778	$ 45,510
Changes for the Year:			
Service cost	2,962	-	2,962
Interest	7,015	-	7,015
Benefit changes	6,795	-	6,795
Difference between expected and actual experience	(6,255)	-	(6,255)
Contributions – employer	-	14,136	(14,136)
Net investment income	-	6,626	(6,626)
Benefit payments, including refunds of employee contributions	(2,639)	(2,639)	-
Administrative expenses	-	(102)	102
Net changes	7,878	18,021	(10,143)
Balances at June 30, 2025	$ 110,166	$ 74,799	$ 35,367

The information above is derived from the actuarial valuation report for the Potomac and Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE. VRE has recorded a net HIC OPEB liability of $20,974 on its Statements of Net Position based on a percentage of contributions to the plan for fiscal year 2026. VRE's percentage of total contributions to the plan was 59.30 percent. This percentage was used to allocate a portion of the net HIC OPEB liability to VRE.

Note 8. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

I. Sensitivity of the Net HIC OPEB Liability to Changes in the Discount Rate

The following presents VRE's HIC Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the net HIC OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
VRE	$ 29,620	$ 20,974	$ 13,739

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIC Insurance Program OPEB

For the year ended June 30, 2026, VRE recognized HIC Program OPEB expense of $3,060. At June 30, 2026, VRE reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on HIC OPEB program investments	$ -	$ (1,675)
Net difference expected and actual earnings on HIC OPEB program investments	-	(3,110)
Change in assumptions	3,378	-
Employer contributions subsequent to the measurement date	8,999	-
Total	$ 12,377	$ (4,785)

The $8,999 reported as deferred outflows of resources related to the HIC OPEB resulting from VRE's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2027	$ (415)
2028	(416)
2029	(404)
2030	(233)
2031	51
Thereafter	10
Total	$ (1,407)

K. Health Insurance Credit Program Plan Data

Detailed information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2025 Annual Comprehensive Financial Report (Annual Report). A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 9. Operating Leases and Agreements

Operating Access Agreements with CSX Transportation and Norfolk Southern railroads provide the Commissions with the right to use railroad-owned tracks to provide commuter rail passenger service. Under these agreements, the Commissions pay the railroads a monthly access fee and reimburse them for incremental costs incurred as a result of providing track access for commuter rail service. For the years ended June 30, 2026 and 2025, annual track usage fees totaled approximately $9,785,000 and $10,398,000, respectively, while facility and other identified costs totaled approximately $518,000 and $504,000, respectively. The decrease in track usage fees was primarily attributable to the acquisition of the VPRA-Acquired VRE Manassas Territory and the resulting renegotiation of the Norfolk Southern agreement, which significantly reduced associated costs. This decrease was partially offset by annual contractual escalations under the CSX Transportation agreement.

In conjunction with VPRA's acquisition of the VPRA-Acquired VRE Manassas Territory, the Commissions entered into an Interim Manassas Line Commuter Rail Operations and Access Agreement with VPRA, dated September 4, 2024, and an Operating Access Agreement with Norfolk Southern Railway to continue providing VRE commuter rail service on the VPRA-Acquired VRE Manassas Territory and the NSR-Retained VRE Manassas Territory, respectively. The definitive Manassas Line Commuter Rail Operations and Access Agreement became effective on June 24, 2026. Under this agreement, VPRA is entitled to seek reimbursement from the Commissions for maintenance costs associated with the VPRA-Acquired VRE Manassas Territory. VPRA may elect to forgive up to 84% of these costs for each fiscal year, leaving the Commissions responsible for the remaining 16%. The Commissions' resulting maintenance cost obligations totaled approximately $182,265 and $0 for the years ended June 30, 2026 and 2025, respectively.

The previous agreement between Amtrak and the Commissions for access to and storage of equipment at Union Station, as well as midday services and electrical power, became effective on July 1, 2015. The current agreement became effective on July 1, 2020. For the years ended June 30, 2026 and 2025, costs for track access and equipment storage totaled approximately $8,284,000 and $8,442,000, respectively, while costs for midday maintenance, utilities, and other services totaled approximately $4,803,000 and $4,715,000, respectively. The increase in midday maintenance, utilities, and other services was primarily attributable to a contract amendment in fiscal year 2026, as well as increased utilization of maintenance and other services. The decrease in track access and equipment storage costs was primarily attributable to reduced rolling stock storage at Washington Union Terminal, partially offset by increases under the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) cost model. Cost adjustments will be made in fiscal year 2027 to reflect changes in various published cost indices and the number of trains accessing, storing, and receiving services at the terminal. Charges for terminal access are determined in accordance with the cost-sharing arrangement for Northeast Corridor passenger rail infrastructure mandated by PRIIA.

The Commissions entered into a five-year contract with Keolis Rail Services Virginia, LLC (KRSV), for train operations and maintenance services beginning July 1, 2015. Separate contracts for equipment and facilities maintenance became effective July 1, 2016. In May 2020, the Commissions authorized the Chief Executive Officer to amend the contract for Operating Services for Commuter Rail with KRSV to exercise the second five-year option period, covering July 1, 2020, through June 30, 2025. In May 2021, the Commissions authorized the Chief Executive Officer to amend the contract for Maintenance Services for Commuter Rail with KRSV to exercise the first five-year option period, covering July 1, 2021, through June 30, 2026.

Note 9. Operating Leases and Agreements (Continued)

In December 2025, the Commissions authorized the Chief Executive Officer to execute a new contract with KRSV for train operations and maintenance services. Excluding the six-month mobilization period ending June 30, 2026, the contract's base period is five years, commencing July 1, 2026, and ending June 30, 2031, with options to extend for two additional five-year periods, for a maximum contract term of fifteen years.

Costs for train operations and maintenance totaled approximately $30,883,000 and $29,207,000 for the years ended June 30, 2026 and 2025, respectively. The increase in costs was primarily attributable to annual contractual escalations and costs associated with the mobilization period for the new fiscal year 2027 contract. Costs are based on an annual budget prepared in advance. Fiscal year 2027 costs will be adjusted in accordance with the terms of the new contract and may also vary based on service additions or deletions and annual changes in the Consumer Price Index (CPI).

Note 10. Related Party Transactions

VRE reimburses the Commissions for expenses made on behalf of VRE. During 2026 and 2025, these payments included $11,701,834 and $10,839,988 of salary-related costs and $11,108 and $60,404 of administrative costs, respectively, which are functionally classified with similar payments made directly to vendors and contractors. In addition, VRE pays the Commissions for direct labor and associated indirect costs incurred for services rendered under budgeted activities for VRE. These staff support payments totaled $80,000 to NVTC for both periods, and $129,646 and $105,949 to PRTC during 2026 and 2025, respectively.

VRE also contracts with PRTC for connecting bus service to selected stations on an as needed basis. PRTC bus service costs amounted to approximately $2,618 and $0 in 2026 and 2025, respectively. Amounts payable to NVTC and PRTC were $18,134 and $2,478,135, respectively, at June 30, 2026, and $0 and $2,314,489, respectively, at June 30, 2025.

Note 11. Liability Insurance Plan

VRE is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; and natural disasters. The Virginia Department of Treasury, Division of Risk Management has established the terms of VRE’s Commuter Rail Operations Liability Plan (the Insurance Plan). The Insurance Plan consists of a combination of self-insurance reserves and purchased insurance in amounts actuarially determined to meet the indemnification requirements of the Operating Access Agreements and the Purchase of Services Agreement and VRE’s own need for liability and property coverage. The Commissions indemnify each of the railroads in an amount up to the passenger rail liability cap (currently approximately $323 million) for any claims against persons or property associated with commuter rail operations. Settled claims have not exceeded commercial coverage during any of the past three fiscal years. The liability for incurred but not reported claims was approximately $78,100 at June 30, 2026 and $70,600 at June 30, 2025.

Note 11. Liability Insurance Plan (Continued)

The Division of Risk Management manages the Insurance Trust Fund pursuant to provisions of the Insurance Plan. Since November 2006, all plan assets have been invested in the Department of Treasury common pool. Activity in the Insurance Trust Fund for the years ended June 30, 2026 and 2025 was as follows:

	2026	2025
Beginning balance, July 1	**$ 10,899,981**	$ 10,490,529
Insurance premiums paid	**(7,790)**	(7,530)
Investment income	**445,114**	433,402
Actuarial and administrative charges	**(10,009)**	(16,420)
Ending balance, June 30	**$ 11,327,296**	$ 10,899,981

An actuarial study is performed annually to determine the adequacy of the Insurance Trust Fund for the risk retained and to determine the required contribution to reserves.

Note 12. Contingencies and Contractual Commitments

At June 30, 2026, there were disputes between VRE and certain vendors. The amounts of any settlements, should they occur, are not determinable at this time.

The Commissions have outstanding commitments for construction of facilities and equipment. A combination of Federal and Commonwealth of Virginia grants and local funds will be used to finance these capital projects. A portion of the commitments within the Stations and Parking Lots category relates to a project administered by the Commissions on behalf of the Virginia Passenger Rail Authority (VPRA), with all associated costs reimbursed by VPRA. The following is a summary of the more significant contractual commitments, net of expenses incurred as of June 30, 2026:

Stations and Parking Lots	**$ 100,657,755**
Rolling Stock	**59,752,002**
Maintenance and Layover Yards	**11,210,011**
Total	**$ 171,619,768**

The Commissions have received proceeds from several federal and state grant programs. In the event of an audit of these grants, certain costs may be questioned as not being appropriate expenses under the grant agreements. Such findings may result in the refund of grant monies to the grantor agencies. Based on VRE's policies and past experience, management believes that no refunds would be due in the case of an audit and, accordingly, no provision has been made in the accompanying financial statements for the refund of grant monies.

Note 12. Contingencies and Contractual Commitments (Continued)

The federal grant agreements control the use and disposal of property acquired with federal grant funds. If property is removed from service prior to the end of its useful life, the grant recipient may be required to return to the grantor agency the federal assistance expended on that property. For equipment, special disposition requirements apply when the asset's fair market value exceeds $10,000, whereas real property remains subject to federal disposition requirements regardless of its value.

Two related agreements control the use and disposal of property acquired with state grant funds: a Master Agreement for the use of Commonwealth of Virginia Transportation Funds (between the Commissions and the Department of Rail and Public Transportation) and a Master Funding Agreement for VPRA-Supplied Funding on VRE Projects (between the Commissions and the Virginia Passenger Rail Authority). If any project equipment are not used for the purpose for which they were purchased for the duration of their useful lives, the Commonwealth has the option of requiring the grantee to relinquish title to the project equipment or remit an amount equal to the proportional share of the fair market value based upon the ratio of participation by the state. For facilities, the Commonwealth requires an amount equal to the proportional share of fair market value based upon the ratio of participation by the state to be remitted.

Note 13. Pending GASB Statement

At June 30, 2026, the Governmental Accounting Standards Board (GASB) had issued a statement not yet implemented by the VRE reporting entity. The statement which might impact VRE is as follows:

GASB Statement No. 105, *Subsequent Events*, improves the financial reporting requirements for subsequent events by defining subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles, and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. Statement 105 will be effective for fiscal years beginning after June 15, 2026.

VRE has not yet determined the effect of this statement on its financial statements.

Note 14. Subsequent Events

In February 2025, the Commissions approved an Amended Manassas Line Funding Agreement with the VPRA authorizing payment by the Commissions of $155 million to VPRA over a five-year period to acquire four Manassas Line Property Interests from VPRA which are critical to VRE's current and future commuter rail operations. The agreement was executed by the VRE Chief Executive Officer in April 2025 and a purchase deposit of $26 million was paid to VPRA in June 2025. As of June 30, 2026, VRE has paid a total of $66,074,400 to VPRA under the agreement and has closed on the formal acquisition of three of the four property interests covered by the Funding Agreement (the Broad Run Conveyed Property, the Commuter Rail Platform Easements, and the Seminary Yard Property). The fourth property interest still outstanding is the Commuter Rail Operating Easement, and VRE has $88,925,600 remaining to be contributed to VPRA under the Funding Agreement by early fiscal year 2030.

In June 2025, the VRE Operations Board recommended the Commissions approve a Purchase and Sale Agreement with Spotsylvania County for the acquisition of a parking lot at the Spotsylvania VRE Station for a nominal consideration of $10. The Board also authorized the VRE Chief Executive Officer to execute the agreement on behalf of the Commissions and any additional documents necessary to complete the property transfer. An appraisal completed in July 2026 established a market value of $7,520,000 for the parking lot, including a permanent drainage easement. Upon execution of the agreement and related transfer documents, the property and permanent drainage easement will be recognized in VRE's financial statements, as applicable. Due to various delays, the agreement and related transfer documents remained unexecuted as of June 30, 2026. The transfer is currently expected to be completed by the end of fiscal year 2027.

In July 2026, the VRE Operations Board authorized the Chief Executive Officer (CEO) to execute a Preconstruction Services Contract with Skanska USA Civil Northeast, Inc., of Hyattsville, Maryland, for the L'Enfant Station and Fourth Track Improvements (LEF) Project using the Construction Manager/General Contractor (CM/GC) delivery method. The contract amount is $1,900,000, plus a 10 percent contingency of $190,000, for a total authorization not to exceed $2,090,000. These preconstruction services will support collaborative design development, constructability reviews, risk identification and mitigation, cost validation, and development of a Guaranteed Maximum Price (GMP) for construction. These activities are integral to the CM/GC delivery method which facilitates early contractor involvement during design, and will help inform project cost, schedule, and construction planning before the start of construction. VRE's L'Enfant Station in Washington, D.C., serves approximately 45 percent of system ridership and is located within a constrained critical national rail corridor supporting commuter, intercity passenger, and freight operations. The LEF Project will address a significant capacity constraint through improvements to passenger circulation and rail infrastructure. Major project elements include construction of a fourth track between the L'Enfant and Virginia Interlockings, expansion of the station platform, addition of Americans with Disabilities Act (ADA)-compliant station entrances, and associated bridge, signal, and track improvements.

Note 14. Subsequent Events (Continued)

In October 2026, the VRE Operations Board authorized the CEO to execute a contract with Innovative Contracting & Engineering, LLC, of Highland, Utah, to provide Cost Estimating and Cost Validation Services (CVS) for the L'Enfant Station and Fourth Track Project. The contract amount is $1,621,137, plus a 10 percent contingency of $162,114, for a total authorization not to exceed $1,783,251. This contract will provide independent cost estimating and cost validation services throughout the preconstruction phase of the L'Enfant Station and Fourth Track Project, and will support design development, evaluation of potential early works packages, and negotiation of a Guaranteed Maximum Price (GMP) for construction under the Construction Manager/General Contractor (CM/GC) delivery method. In addition, this contract will provide independent cost assessments to help VRE develop, evaluate, and reconcile project cost estimates as the design advances, and will support informed decision-making, cost transparency, and the establishment of a reasonable and well-supported GMP for construction. VRE's L'Enfant Station and Fourth Track Project is a major capital investment intended to increase station capacity, improve passenger circulation and accessibility, and address a significant rail capacity constraint in the Washington, D.C., metropolitan area. The project includes reconstruction and expansion of the existing station platform, Americans with Disabilities Act (ADA) improvements, replacement and widening of bridges, construction of approximately one mile of fourth mainline track, and associated track, signal, drainage, utility, and other railroad infrastructure improvements. Given the project's complexity, scale, and anticipated cost, VRE determined that independent cost estimating and cost validation services are essential to support effective cost management throughout design development and GMP negotiations under the CM/GC delivery method. These services will provide an objective assessment of proposed costs, facilitate the identification and resolution of cost variances, and help ensure that the GMP is supported by a comprehensive and defensible cost analysis.

Required Supplementary Information

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**
Contractually required contribution (CRC)	$ 419,283	$ 413,760	$ 354,543	$ 323,989	$ 421,362	$ 454,868	$ 523,246	$ 564,407	$ 593,689	**$ 637,311**
Contributions in relation to the CRC	419,283	413,760	354,543	323,989	421,362	454,868	523,246	564,407	593,689	**637,311**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Covered payroll	$ 8,627,885	$ 8,875,155	$ 9,076,294	$ 8,973,294	$ 8,866,711	$ 9,705,606	$ 10,928,358	$ 11,901,932	$ 12,850,404	**$ 13,794,606**
Contributions as a percentage of covered payroll	4.86%	4.66%	4.93%	4.93%	6.23%	6.23%	6.49%	6.49%	4.62%	**4.62%**

Notes to Schedule:

(1) The information on this schedule is derived from the actuarial valuation report for the Potomac & Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE.

See Notes to Required Supplementary Information – Virginia Retirement System.

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service cost	$ 778,686	$ 756,831	$ 796,518	$ 747,243	$ 766,964	$ 718,141	$ 781,338	$ 867,475	$ 916,058	$ 981,446
Interest	942,652	1,051,830	1,132,348	1,233,409	1,339,757	1,481,325	1,668,067	1,763,608	1,897,796	2,047,272
Changes of assumptions	-	(243,263)	108,387	631,239	-	803,822	-	-	-	473,952
Differences between expected and actual experience	284,843	38,724	-	312,560	743,287	(221,363)	(239,320)	280,263	350,000	624,790
Benefit payments, including refunds of employee contributions	(456,078)	(436,912)	(470,829)	(716,216)	(676,419)	(829,005)	(764,428)	(997,173)	(946,736)	(1,082,845)
Net change in total pension liability	1,550,103	1,167,210	1,566,424	2,208,235	2,173,589	1,952,920	1,445,657	1,914,173	2,217,118	3,044,615
Total pension liability - beginning	13,694,496	15,244,599	16,411,809	17,978,233	20,186,468	22,360,057	24,312,977	25,758,634	27,672,807	29,889,925
Total pension liability - ending (a)	$ 15,244,599	$ 16,411,809	$ 17,978,233	$ 20,186,468	$ 22,360,057	$ 24,312,977	$ 25,758,634	$ 27,672,807	$ 29,889,925	$ 32,934,540
Plan Fiduciary Net Position										
Contributions - employer	$ 478,465	$ 419,283	$ 413,760	$ 354,543	$ 323,989	$ 421,362	$ 454,868	$ 523,246	$ 564,407	$ 593,689
Contributions - employee	375,574	407,825	411,106	414,063	419,869	399,479	435,662	482,987	522,161	561,567
Net investment income	259,738	1,829,732	1,265,980	1,249,744	378,372	5,570,288	(41,059)	1,687,642	2,693,946	3,234,903
Benefit payments, including refunds of employee contributions	(456,078)	(436,912)	(470,829)	(716,216)	(676,419)	(829,005)	(764,428)	(997,173)	(946,736)	(1,082,845)
Pension Plan Administrative expense	(8,396)	(9,970)	(10,415)	(11,937)	(12,621)	(13,494)	(15,836)	(16,364)	(16,680)	(18,021)
Other	(107)	(1,654)	(1,150)	(791)	(457)	530	608	683	603	844
Net change in plan fiduciary net position	649,196	2,208,304	1,608,452	1,289,406	432,733	5,549,160	69,815	1,681,021	2,817,701	3,290,137
Plan fiduciary net position - beginning	14,064,326	14,713,522	16,921,826	18,530,278	19,819,684	20,252,417	25,801,577	25,871,392	27,552,413	30,370,114
Plan fiduciary net position - ending (b)	14,713,522	16,921,826	18,530,278	19,819,684	20,252,417	25,801,577	25,871,392	27,552,413	30,370,114	33,660,251
PRTC's net pension (asset) liability - ending (a) - (b)	$ 531,077	$ (510,017)	$ (552,045)	$ 366,784	$ 2,107,640	$ (1,488,600)	$ (112,758)	$ 120,394	$ (480,189)	$ (725,711)
Plan fiduciary net position as a percentage of the total pension liability	96.52%	103.11%	103.07%	98.18%	90.57%	106.12%	100.44%	99.56%	101.61%	102.20%
Covered payroll	$ 7,785,947	$ 8,627,885	$ 8,875,155	$ 9,076,294	$ 8,973,294	$ 8,866,711	$ 9,705,606	$ 10,928,358	$ 11,901,932	$ 12,850,404
PRTC's net pension (asset) liability as a percentage of covered payroll	6.82%	-5.91%	-6.22%	4.04%	23.49%	-16.79%	-1.16%	1.10%	-4.03%	-5.65%

Notes to Schedule:

(1) The information on this schedule is derived from the actuarial valuation report for the Potomac & Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE.

See Notes to Required Supplementary Information – Virginia Retirement System.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM Year Ended June 30, 2026

Note 1. Changes of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025, and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Hazardous Duty

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a liability-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Discount Rate	No change

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF THE VRE'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Group Life Insurance OPEB Liability									
The Commission's Portion of the Net GLI OPEB Liability	0.04678%	0.04670%	0.04626%	0.04360%	0.04294%	0.04462%	0.04639%	0.04635%	0.04661%
The Commission's Proportionate Share of the Net GLI OPEB Liability	$ 703,000	$ 709,000	$ 752,773	$ 727,613	$ 499,938	$ 537,268	$ 556,362	$ 517,230	$ 448,476
The Commission's Covered Payroll	$ 8,627,885	$ 8,875,155	$ 9,076,294	$ 8,973,619	$ 8,866,711	$ 9,705,606	$ 10,928,358	$ 11,901,932	$ 12,850,404
The Commission's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	8.15%	7.99%	8.29%	8.11%	5.64%	5.54%	5.09%	4.35%	3.49%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	52.64%	67.21%	69.30%	73.41%	78.30%

Notes to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

(2) The information on this schedule is derived from the actuarial valuation report for the Potomac & Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE.

See Notes to Required Supplementary Information – Other Postemployment Benefits.

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF THE VRE'S CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**
Contractually required contribution (CRC)	$ 44,865	$ 46,151	$ 47,196	$ 46,660	$ 47,879	$ 52,410	$ 58,998	$ 64,270	$ 60,397	**$ 64,835**
Contributions in relation to the CRC	44,865	46,151	47,196	46,660	47,879	52,410	58,998	64,270	60,397	**64,835**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 8,627,885	$ 8,875,155	$ 9,076,294	$ 8,973,619	$ 8,866,711	$ 9,705,606	$ 10,928,358	$ 11,901,932	$ 12,850,404	**$ 13,794,606**
Contributions as a percentage of covered payroll	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%	**0.47%**

Note to Schedule:

(1) The information on this schedule is derived from the actuarial valuation report for the Potomac & Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE.

See Notes to Required Supplementary Information – Other Postemployment Benefits.

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF CHANGES IN THE NET OPEB – HEALTH INSURANCE CREDIT LIABILITY AND RELATED RATIOS

	Fiscal Year June 30,		
	2023	2024	2025
Total HIC OPEB Liability			
Service cost	$ -	$ 2,863	$ 2,962
Interest	(48)	6,551	7,015
Changes of benefit terms	96,968	-	-
Changes of assumptions	-	-	6,795
Differences between expected and actual experience	-	-	(6,255)
Benefit payments	(1,425)	(2,621)	(2,639)
Net change in total HIC OPEB liability	95,495	6,793	7,878
Total HIC OPEB liability - beginning	-	95,495	102,288
Total HIC OPEB liability - ending (a)	$ 95,495	$ 102,288	$ 110,166
Plan Fiduciary Net Position			
Contributions - employer	$ 36,215	$ 19,044	$ 14,136
Net investment income	1,279	4,405	6,626
Benefit payments, including refunds	(1,425)	(2,621)	(2,639)
Administrative expense	(50)	(69)	(102)
Net change in plan fiduciary net position	36,019	20,759	18,021
Plan fiduciary net position - beginning	-	36,019	56,778
Plan fiduciary net position - ending (b)	36,019	56,778	74,799
PRTC's net HIC OPEB liability - ending (a) - (b)	$ 59,476	$ 45,510	$ 35,367
Plan fiduciary net position as a percentage of the total HIC OPEB liability	37.72%	55.51%	67.90%
Covered payroll	$ 3,696,519	$ 11,901,932	$ 12,850,404
PRTC's net HIC OPEB liability as a percentage of covered payroll	1.61%	0.38%	0.28%

Notes to Schedule:

(1) The information on this schedule is derived from the actuarial valuation report for the Potomac & Rappahannock Transportation Commission, which consolidates information for both PRTC and VRE employees. No separate data on funding progress is available solely for VRE.

(2) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Commission will present information for those years which information is available.

(3) Covered payroll for 2023 reflects a partial year of activity due to the program's mid-year implementation, resulting in a lower total compared to a full fiscal year.

See Notes to Required Supplementary Information – Other Postemployment Benefits.

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF THE VRE'S CONTRIBUTIONS – OPEB – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,			
	2023	2024	2025	**2026**
Contractually required contribution (CRC)	$ 5,914	$ 19,044	$ 14,136	**$ 15,174**
Contributions in relation to the CRC	5,914	19,044	14,136	**15,174**
Contribution deficiency (excess)	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 3,696,519	$ 11,901,932	$ 12,850,404	**$ 13,794,606**
Contributions as a percentage of covered payroll	0.16%	0.16%	0.11%	**0.11%**

Notes to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Commission will present information for those years which information is available.

(2) Covered payroll for 2023 reflects a partial year of activity due to the program's mid-year implementation, resulting in a lower total compared to a full fiscal year.

See Notes to Required Supplementary Information – Other Postemployment Benefits.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2026

Note 1. Group Life Insurance Program

A. Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers – General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Retiree Liability Estimation for Life Only	Change from 1.618% to 2.0%
Discount Rate	No change

Note 2. Health Insurance Credit Program

A. Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

Note 2. Health Insurance Credit Program (Continued)

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers – General Employees

Mortality Rates (Pre-retirement, post- retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Benefit Participation (future service retirees)	Increase participation to 87%
Benefit Participation (Future disability)	Increase participation to 54%
Benefit Participation (from terminated vested)	Increase participation to 87%
Benefit Utilization (not receiving the max)	Reduced to 4%
Benefit Utilization (not receiving the max-amount of max received)	No change
Benefit Utilization (benefit increase for those not at the max)	Removed
Percentage of Deferred Vested Members Electing to Withdraw from VRS	Reduced
Terminated Vested Member Commencement Age	Adjusted slightly
Discount Rate	No change

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Statistical Section

STATISTICAL SECTION

This portion of Virginia Railway Express' Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about VRE's overall financial health. Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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Financial Trends
These schedules contain trend information to help the reader understand how VRE's financial performance has changed over time. 72– 75

Other Statistical Information
These schedules and service area map provide other information useful to certain readers of VRE's financial statements. 76 – 77

Demographic and Economic Information
These schedules offer demographic and economic indicators to assist the reader understand the environment within which VRE's financial activities take place. 78 – 80

Debt Service Requirements
These schedules provide information regarding the VRE's debt service requirements related to the 2018 Virginia Resource Authority Bonds. 81 – 82

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF CHANGE IN NET POSITION
Last Ten Fiscal Years
(Unaudited)

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Revenues:										
Passenger revenue	**$ 21,090,753**	$ 18,570,160	$ 15,743,767	$ 13,940,102	$ 10,517,221	$ 7,251,796	$ 34,701,955	$ 41,990,599	$ 42,221,002	$ 42,280,669
Equipment rentals and other	**192,777**	273,253	424,964	310,758	116,857	165,478	267,816	314,236	269,168	301,621
Total operating revenues	**21,283,530**	18,843,413	16,168,731	14,250,860	10,634,078	7,417,274	34,969,771	42,304,835	42,490,170	42,582,290
Noncapital subsidies										
Commonwealth of Virginia grants	**33,656,752**	34,312,117	26,759,223	42,011,586	21,975,609	14,110,733	18,712,734	17,447,509	17,145,270	18,265,581
Federal grants - with PRTC as grantee	**6,185,572**	9,191,915	12,962,716	9,289,764	8,070,012	21,741,238	15,271,669	15,229,460	15,362,802	15,937,225
Federal Pandemic Relief Funds	**33,391,290**	31,772,470	37,488,029	20,267,695	47,232,405	28,305,131	2,688,095	-	-	-
Jurisdictional contributions	**19,764,843**	18,300,780	16,000,000	13,544,122	4,756,658	18,300,780	17,767,748	17,767,748	17,250,240	17,250,240
Commuter Rail Operating and Capital (CROC) Fund	**15,000,000**	15,000,000	7,496,000	7,499,738	5,811,156	-	-	-	-	-
Regional transportation funding (NVTA)	-	-	-	-	-	-	-	194,506	766,586	461,889
Total noncapital subsidies	**107,998,457**	108,577,282	100,705,968	92,612,905	87,845,840	82,457,882	54,440,246	50,639,223	50,524,898	51,914,935
Nonoperating Revenues:										
Capital Grants and Assistance:										
Commonwealth of Virginia grants	**4,378,979**	21,279,035	24,118,298	27,879,245	25,604,500	2,339,034	2,110,561	1,417,527	13,010,326	3,033,657
Federal grants - with PRTC as grantee	**53,471,255**	7,222,877	10,844,459	20,406,397	17,603,912	8,738,493	3,696,057	3,541,398	9,559,056	15,204,474
Commuter Rail Operating and Capital (CROC) Fund	-	-	7,504,000	7,500,262	9,188,844	15,000,000	15,000,000	15,000,000	-	-
Regional transportation funding (NVTA)	**(104,962)**	1,905,426	1,907,243	1,702,500	875,805	528,067	1,758,116	2,304,206	615,190	651,163
Federal Pandemic Relief Funds	**5,065**	230,415	-	-	-	-	-	-	-	-
In-kind and other local contributions	-	(6,070)	-	-	62,269	518,086	-	-	12,842	162,839
Passthrough revenue - VPRA	**20,887,536**	-	-	-	-	-	-	-	-	-
Interest income:										
Operating funds	**1,739,444**	1,234,499	697,180	1,069,411	101,474	89,187	1,009,626	1,360,241	616,228	285,495
Insurance trust	**445,114**	433,402	444,946	183,169	19,451	67,921	218,621	221,184	132,037	98,560
Commuter Rail Operating and Capital (CROC) Fund	**763,382**	2,061,247	2,528,870	1,894,380	139,208	50,085	294,176	117,075	-	-
Lease	**32,146**	32,022	32,030	19,778	29,174	-	-	-	-	-
Other restricted funds	**601,613**	591,944	1,019,254	636,585	(12,812)	6,701	48,899	63,483	797	402
Increase in fair value of investments	**101,476**	283,204	199,873	15,835	-	-	-	-	-	-
Gain (loss) on sale of assets	**1,131**	49,000	(59,780)	-	-	-	-	-	(551,457)	3,500
Total nonoperating revenues	**82,322,179**	35,317,001	49,236,373	61,307,562	53,611,825	27,337,574	24,136,056	24,025,114	23,395,019	19,440,090
Total revenues	**211,604,166**	162,737,696	166,111,072	168,171,327	152,091,743	117,212,730	113,546,073	116,969,172	116,410,087	113,937,315
Operating Expenses:										
Contract operations and maintenance	**35,640,250**	33,849,123	33,534,857	30,866,478	28,495,740	28,125,410	28,076,445	26,946,284	26,917,081	25,873,933
Other operations and maintenance	**23,529,292**	21,775,240	29,655,217	20,661,998	17,763,617	15,603,856	15,446,821	16,579,038	17,492,047	14,461,209
Property leases and access fees	**18,251,499**	18,839,231	20,403,054	18,436,123	17,283,411	17,354,979	17,425,916	16,698,897	16,693,442	16,236,606
Insurance	**8,549,852**	8,183,735	7,880,355	7,732,360	7,431,921	7,100,216	4,370,863	3,945,668	3,766,321	3,970,753
Marketing and sales	**1,429,254**	1,284,248	1,398,014	1,175,036	795,787	979,335	2,189,698	2,574,583	2,529,388	2,532,214
General and administrative	**14,731,776**	13,951,434	13,174,963	13,214,162	10,558,848	12,659,432	11,015,700	10,937,062	11,651,412	10,904,945
Depreciation and amortization	**22,760,468**	23,658,635	23,548,243	22,480,189	21,552,764	21,118,165	19,690,320	18,542,805	18,201,071	17,737,170
Total operating expenses	**124,892,391**	121,541,646	129,594,703	114,566,346	103,882,088	102,941,393	98,215,763	96,224,337	97,250,762	91,716,830
Nonoperating (Revenues) Expenses:										
Interest and amortization	**6,158,847**	6,513,685	6,887,155	7,285,456	2,908,408	1,904,569	2,089,883	2,188,383	3,147,164	3,217,756
Passthrough expenses - VRPA	**21,723,654**	-	-	-	-	-	-	-	-	-
Total nonoperating expenses	**27,882,501**	6,513,685	6,887,155	7,285,456	2,908,408	1,904,569	2,089,883	2,188,383	3,147,164	3,217,756
Unusual or infrequent items	**3,125,446**	-	-	-	-	-	-	(1,372,379)	-	-
Total expenses	**155,900,338**	128,055,331	136,481,858	121,851,802	106,790,496	104,845,962	98,933,267	98,412,720	100,397,926	94,934,586
Change in net position	**$ 55,703,828**	$ 34,682,365	$ 29,629,214	$ 46,319,525	$ 45,301,247	$ 12,366,768	$ 14,612,806	$ 18,556,452	$ 16,012,161	$ 19,002,729

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF COMPONENTS OF NET POSITION
Last Ten Fiscal Years
(Unaudited)

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net investment in capital assets	**$ 455,695,855**	$ 413,353,775	$ 359,245,516	$ 322,715,330	$ 290,402,387	$ 274,934,995	$ 279,674,828	$ 282,554,207	$ 289,271,966	$ 279,920,481
Restricted for liability insurance plan	**11,395,493**	10,965,502	10,553,006	10,147,403	10,022,903	10,252,938	10,320,199	10,527,621	10,536,336	10,470,506
Restricted for debt service	**15,351,995**	14,762,144	14,073,320	22,521,722	14,122,731	1,998,519	2,016,642	2,029,382	1,996,544	-
Restricted grants or contributions	**5,541,578**	5,324,417	6,941,242	2,754,165	2,536,576	2,530,013	2,526,137	1,120,762	1,094,246	779,223
Restricted pension asset	**430,365**	286,536	-	67,453	891,393	-	-	-	-	-
Unrestricted net position	**144,403,115**	132,422,199	151,619,124	154,596,921	148,507,479	131,465,757	114,277,648	97,970,676	72,747,104	68,885,778
Total net position	**$ 632,818,401**	$ 577,114,573	$ 542,432,208	$ 512,802,994	$ 466,483,469	$ 421,182,222	$ 408,815,454	$ 394,202,648	$ 375,646,196	$ 360,055,988

Source: VRE's Audited Financial Statements.

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF OUTSTANDING DEBT
Last Ten Fiscal Years
(Unaudited)

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Bonds Payable:										
$46,640,000 Virginia Resources Authority (VRA) Bond 2018	**$ 26,020,000**	$ 29,060,000	$ 31,945,000	$ 34,690,000	$ 37,295,000	$ 39,770,000	$ 42,120,000	$ 44,360,000	$ 46,640,000	$ -
$5,972,388 Unamortized Premium on VRA Bond 2018	**2,687,574**	3,085,734	3,483,893	3,882,052	4,280,212	4,678,371	5,076,530	5,474,689	5,872,848	-
$115,670,000 Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia) Series 2022 (Green Bonds)	**107,780,000**	109,790,000	111,700,000	113,520,000	115,670,000	-	-	-	-	-
$12,136,265 Unamortized Premium on Series 2022 Bonds	**11,603,446**	11,806,951	11,960,111	12,063,948	12,136,265	-	-	-	-	-
Private Placement Notes Payable:										
$25,100,000 Private Placement Note - Gallery IV Cars	-	-	1,866,848	3,650,870	5,355,739	6,984,969	8,541,916	10,029,785	11,451,643	12,810,417
$74,425 Private Placement Note - Equipment	-	-	-	-	-	-	-	2,628	17,559	34,287
Leases Payable:										
$1,363,291 Intangible right-to-use asset - building	**911,470**	1,014,222	1,110,167	1,200,812	1,284,251	-	-	-	-	-
$21,740 Intangible right-to-use asset - building	-	-	-	-	1,693	-	-	-	-	-
$273,503 Intangible right-to-use asset - parking lot	-	-	-	57,791	168,852	-	-	-	-	-
$305,825 Intangible right-to-use asset - parking lot	-	-	-	-	124,850	-	-	-	-	-
$99,581 Intangible right-to-use asset - tower	-	-	-	23,692	62,665	-	-	-	-	-
$100,277 Intangible right-to-use asset - roof	**84,825**	89,652	94,317	98,827	-	-	-	-	-	-
$211,144 Intangible right-to-use asset - tower	**116,027**	156,728	195,184	-	-	-	-	-	-	-
Subscription Payable:										
$311,753 Intangible right-to-use ERP system	-	-	104,307	206,214	-	-	-	-	-	-
$5,823 Intangible right-to-use ERP module	-	-	2,179	4,338	-	-	-	-	-	-
$182,276 Intangible right-to-use Microsoft office	-	-	-	91,492	-	-	-	-	-	-
Notes Payable:										
$63,844,842 FRA Notes	-	-	-	-	-	-	-	-	-	53,440,159
Outstanding as of June 30	**$ 149,203,342**	$ 155,003,287	$ 162,462,006	$ 169,490,036	$ 176,379,527	$ 51,433,340	$ 55,738,446	$ 59,867,102	$ 63,982,050	$ 66,284,863
Debt per Capita:										
Outstanding as of June 30	**$ 149,203,342**	$ 155,003,287	$ 162,462,006	$ 169,490,036	$ 176,379,527	$ 51,433,340	$ 55,738,446	$ 59,867,102	$ 63,982,050	$ 66,284,863
Total Participating Jurisdictional Population	**N/A**	N/A	N/A	2,479,647	2,455,385	2,430,827	2,416,813	2,387,125	2,358,994	2,337,904
Debt per Capita	**N/A**	N/A	N/A	$ 68.35	$ 71.83	$ 21.16	$ 23.06	$ 25.08	$ 27.12	$ 28.35
Outstanding Debt as a Percentage of Personal Income:										
Outstanding as of June 30	**$ 149,203,342**	$ 155,003,287	$ 162,462,006	$ 169,490,036	$ 176,379,527	$ 51,433,340	$ 55,738,446	$ 59,867,102	$ 63,982,050	$ 66,284,863
Total Personal Income	**N/A**	N/A	N/A	220,494,863,539	206,695,615,980	198,884,904,894	188,751,374,280	178,198,120,512	169,437,842,800	164,094,041,097
Total Outstanding Debt as a Percentage of Personal Income	**N/A**	N/A	N/A	0.08%	0.09%	0.03%	0.03%	0.03%	0.04%	0.04%

Note: Debt as a percentage of personal income and debt per capita are reported as N/A until complete population and personal income data are available for all participating jurisdictions and fiscal years presented.

The population data for each participating jurisdiction can be found in the following reports:

(1) Fairfax County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 4.1, page 313
(2) Prince William County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 16, page 311
(3) City of Manassas fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 14, page 203
(4) City of Manassas Park fiscal year 2024 Annual Comprehensive Financial Report, Statistical Section, Table 13, page 206.
(5) Stafford County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table S-15; page 169
(6) City of Fredericksburg fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 15, page 213
(7) Spotsylvania County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table S-13, page 202
(8) City of Alexandria fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table XI and Table XIV, page 240 and page 242
(9) Arlington County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table K, page 298

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF JURISDICTIONAL CONTRIBUTIONS
Last Ten Fiscal Years
(Unaudited)

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Fairfax County	**$ 6,133,470**	$ 5,473,928	$ 5,005,547	$ 4,721,011	$ 1,658,006	$ 6,379,017	$ 6,253,022	$ 5,385,794	$ 6,099,300	$ 5,160,910
City of Fredericksburg	**680,457**	698,263	518,584	271,677	95,412	367,089	321,028	436,568	417,278	483,524
City of Manassas	**752,457**	760,700	659,532	597,421	209,813	807,234	694,742	785,898	684,586	749,372
City of Manassas Park	**482,676**	531,102	450,426	346,629	121,735	468,364	405,485	511,311	474,718	511,777
Prince William County	**5,842,154**	5,468,148	4,924,666	4,389,276	1,541,501	5,930,777	6,098,311	6,183,745	5,363,372	5,968,406
Stafford County	**2,818,619**	2,782,517	2,306,625	1,833,319	643,856	2,477,175	2,352,820	2,475,127	2,344,514	2,647,221
Spotsylvania County	**2,658,250**	2,218,752	1,813,436	1,112,905	390,849	1,503,754	1,285,670	1,632,635	1,520,191	1,382,749
City of Alexandria	**161,083**	149,151	130,400	110,384	38,767	149,151	144,807	144,807	140,589	140,589
Arlington County	**235,677**	218,219	190,784	161,500	56,719	218,219	211,863	211,863	205,692	205,692
Total contributions	**$ 19,764,843**	$ 18,300,780	$ 16,000,000	$ 13,544,122	$ 4,756,658	$ 18,300,780	$ 17,767,748	$ 17,767,748	$ 17,250,240	$ 17,250,240

Source: VRE's Department of Finance

VIRGINIA RAILWAY EXPRESS

SCHEDULE OF MISCELLANEOUS STATISTICS
Last Ten Fiscal Years
(Unaudited)

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Rolling Stock (Owned or Leased)										
Locomotives	**20**	20	20	20	20	20	20	20	20	20
Railcars	**100**	100	100	100	100	100	100	100	100	98
Total rolling stock	**120**	120	120	120	120	120	120	120	120	118
Stations	**19**	19	19	19	19	19	19	19	19	19
Parking Spaces	**11,059**	10,544	10,548	10,842	10,842	10,763	10,763	10,842	10,733	10,733
Employees	**61**	61	56	56	56	55	50	50	50	49
Ridership and Fare Revenue Data:										
Total Ridership	**2,128,700**	1,987,269	1,589,675	1,466,480	821,828	341,662	3,273,884	4,477,266	4,705,529	4,761,035
Average Daily Ridership	**8,689**	7,949	6,333	5,866	3,314	1,389	12,922	18,053	18,974	18,968
Average Fare Per Trip	**$ 9.86**	$ 9.35	$ 9.91	$ 9.51	$ 12.82	$ 21.23	$ 10.60	$ 9.38	$ 8.97	$ 8.88

Source: VRE staff


DC
Union Station
L'Enfant
Crystal City
Alexandria
Franconia-Springfield
Lorton
Woodbridge
Rippon
Potomac Shores (Future)
Quantico
Brooke
Leeland Road
Fredericksburg
Spotsylvania
Backlick Road
Rolling Road
Burke Centre
Manassas Park
Manassas
Broad Run
66
395
95
VIRGINIA
Potomac River
Manassas Line
Fredericksburg Line
Parking
Metro
Amtrak
MARC
All stations and trains are accessible to passengers with disabilities

VIRGINIA RAILWAY EXPRESS

PRINCIPAL EMPLOYERS OF PARTICIPATING JURISDICTIONS
Current Year and Nine Years Ago
(Unaudited)

	2025			2016		
Employers	Rank	Employees	Percentage of Total Jurisdictional Employment	Rank	Employees	Percentage of Total Jurisdictional Employment
Federal Government (1) (3) (4) (6)	1	53,326	N/A	1	30,414 - 31,162	N/A
Inova Health System (1) (6)	2	28,500	N/A	4	8000 - 11,000	N/A
Fairfax County Public Schools (1)	3	26,829	N/A	2	24,581	N/A
Fairfax County Government (1)	4	12,000	N/A	3	12,335	N/A
Amazon (1)	5	5,000 - 9,999	N/A	-	-	N/A
Booz-Allen Hamilton (1)	6	5,000 - 9,999	N/A	6	4000 - 6999	N/A
Capital One (1)	7	5,000 - 9,999	N/A	-	-	N/A
Federal Home Loan Mortgage (1)	8	5,000 - 9,999	N/A	7	4,000-6,999	N/A
George Mason University (1)	9	5,000 - 9,999	N/A	5	5000 - 10,000	N/A
Science Applications International Corporation (1)	10	5,000 - 9,999	N/A	10	1,000 - 3,999	N/A
General Dynamics (1)	-	-	N/A	8	4,000 - 6,999	N/A
Stafford County School System (4)	-	-		9	4,450	N/A
Northrup Grumman (1)	-	-		10	1,000 - 3,999	

Sources:

(1) through (9) extracted and combined from the following sources:

(1) County of Fairfax fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 4.2, page 314
(2) County of Arlington fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table L, page 299 - Number of Employees not Included
(3) County of Prince William fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 17, page 312
(4) County of Stafford fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table S-17, page 171
(5) County of Spotsylvania fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table S-14, page 203
(6) City of Alexandria fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table XIX, page 247
(7) City of Manassas fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 15, page 204 - Number of Employees are for FY 2024 & 2015
(8) City of Manassas Park fiscal year 2024 Annual Comprehensive Financial Report, Statistical Section, Table 14, page 207 - Number of Employees not Included
(9) City of Fredericksburg fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 16, page 214

DEMOGRAPHICS AND ECONOMIC STATISTICS OF PARTICIPATING JURISDICTIONS
Fiscal Years 2016 to 2025
(Unaudited)

	Fairfax County (1)	Prince William County (2)	City of Manassas (3)	City of Manassas Park (4)	Stafford County (5)	City of Fredericksburg (6)	Spotsylvania County (7)	City of Alexandria (8)	Arlington County (9)
2025									
Population	N/A	508,109	N/A	N/A	170,044	28,029	153,000	168,600	243,760
Personal Income (in thousands)	N/A	$39,400,803	N/A	N/A	$9,171,430	$1,930,357	$10,035,259	$11,789,823	$30,310,337
Per Capita Personal Income	N/A	$77,544	N/A	N/A	$53,936	$68,870	$65,590	N/A	$124,345
Unemployment Rate	N/A	2.9%	3.3%	N/A	3.3%	4.1%	3.8%	3.6%	2.2%
2024									
Population	N/A	496,322	43,616	17,537	167,421	27,711	150,965	166,000	240,900
Personal Income (in thousands)	N/A	$37,751,353	N/A	$765,700	$8,852,899	$1,821,500	$9,901,784	$16,367,274	$27,056,202
Per Capita Personal Income	N/A	$68,802	N/A	$43,662	$52,878	$65,590	$65,590	N/A	$112,313
Unemployment Rate	N/A	2.9%	2.8%	3.1%	3.4%	3.9%	3.2%	2.4%	2.1%
2023									
Population	1,185,980	491,693	42,696	17,002	163,417	27,667	148,192	165,700	237,300
Personal Income (in thousands)	$120,258,372	$36,199,969	$2,910,330	$635,246	$8,471,740	$1,732,425	$9,279,324	$15,473,266	$25,534,192
Per Capita Personal Income	$101,400	$64,695	$68,164	$37,363	$51,841	$62,617	$62,617	$115,144	$107,603
Unemployment Rate	2.1%	2.7%	2.5%	2.5%	2.7%	3.4%	2.9%	2.3%	2.1%
2022									
Population	1,172,646	492,576	42,642	17,002	156,927	27,596	144,796	163,400	237,800
Personal Income (in thousands)	$111,022,605	$34,799,313	$2,716,338	$605,577	$7,975,775	$1,639,589	$9,066,677	$14,894,033	$23,975,709
Per Capita Personal Income	$94,677	$63,701	$63,701	$35,618	$50,825	$59,414	$62,617	$105,239	$100,823
Unemployment Rate	2.5%	2.8%	2.7%	2.4%	2.8%	3.5%	3.0%	2.4%	2.3%
2021									
Population	1,170,033	482,204	42,708	17,219	153,392	28,500	139,971	161,300	235,500
Personal Income (in thousands)	$105,777,709	$33,838,564	$2,682,489	$591,059	$7,643,245	$1,569,695	$8,706,055	$14,665,740	$23,410,349
Per Capita Personal Income	$88,971	$62,083	$62,810	$34,326	$49,828	$55,077	$60,595	$100,017	$99,407
Unemployment Rate	3.5%	4.5%	4.4%	4.3%	4.3%	5.3%	4.4%	4.3%	4.3%
2020									
Population	1,171,848	467,935	42,772	17,478	151,689	28,532	138,449	159,467	238,643
Personal Income (in thousands)	$100,944,159	$31,773,057	$2,558,279	$549,159	$7,410,183	$1,449,140	$7,221,134	$14,127,927	$22,718,336
Per Capita Personal Income	$86,141	$58,552	$59,812	$31,420	$48,851	$50,790	$55,077	$93,835	$95,198
Unemployment Rate	5.6%	9.6%	8.8%	9.9%	7.5%	9.4%	8.6%	8.3%	1.9%
2019									
Population	1,166,965	463,867	41,085	17,307	149,110	29,144	136,447	156,800	226,400
Personal Income (in thousands)	$96,205,762	$29,767,221	$2,315,797	$512,997	$7,141,369	$1,422,898	$7,116,715	$13,455,505	$20,259,857
Per Capita Personal Income	$82,441	$55,297	$56,366	$29,641	$47,893	$48,823	$52,157	$89,884	$89,487
Unemployment Rate	2.3%	2.5%	2.6%	2.1%	2.7%	3.5%	2.9%	2.2%	2.0%

DEMOGRAPHICS AND ECONOMIC STATISTICS OF PARTICIPATING JURISDICTIONS
Fiscal Years 2016 to 2025
(Unaudited)

	Fairfax County (1)	Prince William County (2)	City of Manassas (3)	City of Manassas Park (4)	Stafford County (5)	City of Fredericksburg (6)	Spotsylvania County (7)	City of Alexandria (7)	Arlington County (8)
2018									
Population	1,152,873	459,966	41,641	16,528	145,699	28,360	134,227	154,500	225,200
Personal Income (in thousands)	$90,357,574	$28,565,133	$2,276,430	$489,907	$6,841,181	$1,339,443	$6,795,518	$12,958,210	$19,814,447
Per Capita Personal Income	$78,376	$53,655	$54,668	$29,641	$46,954	$47,230	$50,627	$87,761	$87,986
Unemployment Rate	2.4%	2.9%	2.8%	2.7%	3.3%	4.3%	3.2%	2.4%	2.5%
2017									
Population	1,142,888	456,126	41,501	16,591	144,612	28,297	132,889	152,200	222,800
Personal Income (in thousands)	$86,834,344	$27,520,527	$2,196,606	$478,667	$6,657,002	$1,313,009	$6,505,098	$12,692,748	$19,896,040
Per Capita Personal Income	$75,978	$52,157	$52,929	$28,851	$46,034	$46,401	$48,951	$83,477	$89,300
Unemployment Rate	3.0%	3.5%	3.4%	3.4%	3.6%	4.6%	3.7%	2.8%	2.6%
2016									
Population	1,138,652	449,864	41,483	15,827	142,380	28,118	131,401	149,900	220,400
Personal Income (in thousands)	$85,311,224	$26,373,844	$2,128,617	$456,625	$6,425,740	$1,256,818	$6,247,711	$11,789,823	$18,601,760
Per Capita Personal Income	$74,923	$50,769	$51,313	$28,851	$45,131	$44,698	$47,547	$81,887	$84,400
Unemployment Rate	3.2%	3.7%	3.4%	3.9%	4.0%	4.8%	4.1%	2.9%	2.9%

Note: Data for participating jurisdictions not available for 2024 and 2025.

Sources:

(1) Fairfax County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 4.1, page 313
(2) Prince William County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 16, page 311
(3) City of Manassas fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 14, page 203
(4) City of Manassas Park fiscal year 2024 Annual Comprehensive Financial Report, Statistical Section, Table 13, page 206
(5) Stafford County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table S-15; page 169
(6) City of Fredericksburg fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table 15, page 213
(7) Spotsylvania County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table S-13, page 202
(8) City of Alexandria fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table XI and Table XIV, page 240 and page 242
(9) Arlington County fiscal year 2025 Annual Comprehensive Financial Report, Statistical Section, Table K, page 298

VIRGINIA RAILWAY EXPRESS

PLEDGED REVENUE COVERAGE
Beginning Fiscal Year 2018
(Unaudited)

Fiscal Year Ended June 30,	Revenues [1]	Less: Operating Expenses [2]	Net Revenues Available for Debt Service	Annual VRA Debt Service	Coverage
2026	**$ 114,362,179**	**$ (102,131,923)**	**$ 12,230,256**	**$ 4,292,475**	**2.85**
2025	112,534,281	(97,883,011)	14,651,270	4,289,303	3.42
2024	109,486,790	(106,046,460)	3,440,330	4,293,572	0.80
2023	110,897,729	(92,086,157)	18,811,572	4,290,666	4.38
2022	105,036,849	(82,329,324)	22,707,525	4,290,841	5.29
2021	103,184,481	(81,823,229)	21,361,252	4,289,481	4.98
2020	103,891,456	(78,525,443)	25,366,013	4,290,400	5.91
2019	107,517,658	(77,681,532)	29,836,126	4,290,993	6.95
2018	90,065,509	(79,049,691)	11,015,818	N/A	N/A

Source: VRE audited financials

Notes:
(1) Includes operating and net other nonoperating revenues (subsidies and interest income)
(2) Net of depreciation and amortization

VIRGINIA RAILWAY EXPRESS

WORKING CAPITAL RESERVE FUND
Beginning Fiscal Year 2018
(Unaudited)

Fiscal Year Ended June 30,	Unrestricted Cash & Cash Equivalents	Operating Expenses	Less: Depreciation/ Amortization	Cash Expenses	90 Days of Cash Expenses (25%)	Ratio
2026	**$ 59,440,188**	**$ 124,892,391**	**$ (22,760,468)**	**$ 102,131,923**	**$ 25,532,981**	**2.3x**
2025	62,815,961	121,541,646	(23,658,635)	97,883,011	24,470,753	2.6x
2024	53,492,961	129,594,703	(23,548,243)	106,046,460	26,511,615	2.0x
2023	80,010,886	114,566,346	(22,480,189)	92,086,157	23,021,539	3.5x
2022	92,348,143	103,882,088	(21,552,764)	82,329,324	20,582,331	4.5x
2021	113,216,934	102,941,394	(21,118,165)	81,823,229	20,455,807	5.5x
2020	97,142,781	98,215,763	(19,690,320)	78,525,443	19,631,361	4.9x
2019	75,278,280	96,224,337	(18,542,805)	77,681,532	19,420,383	3.9x
2018	51,186,348	97,250,762	(18,201,071)	79,049,691	19,762,423	2.6x

Source: VRE audited financials

Compliance Section



PBMares SM
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Honorable Operations Board Members and Commissioners
The Northern Virginia Transportation Commission
The Potomac and Rappahannock Transportation Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of Virginia Railway Express (VRE), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise VRE's basic financial statements, and have issued our report thereon dated November 3, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered VRE's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of VRE's internal control. Accordingly, we do not express an opinion on the effectiveness of VRE's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of VRE's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether VRE's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VRE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VRE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
November 3, 2026



A Transportation Partnership







NORTHERN VIRGINIA TRANSPORTATION COMMISSION

RESOLUTION #2620

SUBJECT: Approve and Authorize the VRE CEO to Execute a Capital Project Funding Addendum with the Virginia Passenger Rail Authority (VPRA) for the Rippon Station Improvement Project

WHEREAS: On August 4, 2022, the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission (the "Commissions") entered into a *Master Funding Agreement for VPRA-Supplied Funding on VRE Projects* ("Master Funding Agreement") with the Virginia Passenger Rail Authority;

WHEREAS: Under the Master Funding Agreement, projects commenced after the execution of the Master Funding Agreement would require the Commissions and VPRA to enter into a Capital Project Addendum for each project, which would establish the project's scope, budget, schedule and VPRA funding commitment;

WHEREAS: VPRA has identified up to approximately $1.7 million in CMAQ, federal and non-federal match funds available for the Rippon Station Improvement Project;

WHEREAS: VRE staff recommend approval of the proposed Capital Project Funding Addendum for the Rippon Station Improvement Project to facilitate VRE's access to up to approximately $1.7 million in CMAQ, federal and non-federal match funds; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby approves the Capital Project Funding Addendum with the Virginia Passenger Rail Authority (VPRA) for the Rippon Station Improvement Project and authorizes the VRE Chief Executive Officer to execute the Addendum on behalf of the Commissions.

Approved this 3rd day of December, 2026.

_____
Sarah Bagley
Chair

_____
Maureen Coffey
Secretary-Treasurer

Action Item

Operations Board Meeting

AGENDA ITEM REPORT

To: Chair Bailey and the VRE Operations Board

From: Katie Choe

Date: November 20, 2026

Re: Recommend Commission Approval and Authorization to Execute Capital Project Funding Addendum with VPRA for Rippon Station Improvement Project

RECOMMENDATION:

The VRE Operations Board is asked to recommend approval and authorization to execute a capital project funding addendum with VPRA for the Rippon Station Improvement Project.

SUMMARY:

This Capital Project Funding Addendum is required by the *Master Funding Agreement for VPRA-Supplied Funding on VRE Projects* between the Commissions and VPRA for VRE to access VPRA-supplied funding. This Capital Project Funding Addenda would allow VRE to access up to a total of approximately $1.7M in Congestion Mitigation and Air Quality (CMAQ), RSTBG/RTSP federal funds, and non-federal match funds for the Rippon Station Improvement Project.

BACKGROUND INFORMATION:

On August 4, 2022, the Commissions entered into a *Master Funding Agreement for VPRA-Supplied Funding on VRE Projects* ("Master Funding Agreement") with the Virginia Passenger Rail Authority. This agreement transferred projects previously funded by the Department of Rail and Public Transportation to VPRA. Under the Master Funding Agreement, projects commenced after the execution of the Master Funding Agreement would require the Commissions and VPRA to enter into a Capital Project Addendum for each project, which would establish the project's scope, budget, schedule, and VPRA funding commitment.

FISCAL IMPACT:

This Capital Project Funding Addendum would allow VRE to access up to approximately $1.3M in Congestion Mitigation and Air Quality (CMAQ), $55,742.00 of RSTBG/RTSP federal funds, and $340,986.00 in non-federal match funds from VPRA to VRE for the Rippon Station Improvement Project.

ATTACHMENTS:

Output Document (2026-208) - Pdf
RIPPON ST_PROJECT ADDENDUM

RESOLUTION 26-11-9K
Regular Meeting
November 20, 2026

Virginia Railway Express
Operations Board

Recommend Commission Approval and Authorization to Execute Capital Project Funding Addendum with VPRA for Rippon Station Improvement Project

WHEREAS, on August 4, 2022, the Commissions entered into a *Master Funding Agreement for VPRA-Supplied Funding on VRE Projects* ("Master Funding Agreement") with the Virginia Passenger Rail Authority; and,

WHEREAS, under the Master Funding Agreement, projects commenced after the execution of the Master Funding Agreement would require the Commissions and VPRA to enter into a Capital Project Addendum for each project, which would establish the project's scope, budget, schedule, and VPRA funding commitment; and,

WHEREAS, VPRA has identified up to approximately $1.7M in CMAQ, federal and non-federal match funds available for the Rippon Station Improvement Project; and,

WHEREAS, VRE staff recommends approval of the proposed Capital Project Funding Addendum for the Rippon Station Improvement Project to facilitate VRE's access to up to approximately $1.7M in CMAQ, federal, and non-federal match funds;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend that the Commissions approve the Capital Project Funding Addendum with VPRA for the Backlick Road Platform Extension Project and authorize the Acting VRE Chief Executive Officer to execute the Addendum on behalf of the Commissions.

INTRODUCTION AND VOTE RECORD:

MOTION:
SECOND:

Ayes:
Nays:
Abstentions:
Absent from Vote:

November 20, 2026

Capital Project Addendum for Rippon Station Improvements

between

Virginia Passenger Rail Authority

and

Northern Virginia Transportation Commission, and Potomac and Rappahannock Transportation Commission

VDOT PROJECT ID NO. 000T30975

This capital project addendum for the construction of improvements to the Rippon Station ("**Agreement**") is between (i) the Virginia Passenger Rail Authority ("**VPRA**") and (ii) the Northern Virginia Transportation Commission ("**NVTC**") and the Potomac and Rappahannock Transportation Commission ("**PRTC**" and together with NVTC, the "**Commissions**"), as joint owners and operators of the Virginia Railway Express commuter rail service ("**VRE**") (the Commissions are referred to as "**Grantee**") (VPRA and Grantee collectively referred to as the "**Parties**").

RECITALS

WHEREAS, the Grantee operates commuter rail services and desires to make certain upgrades and improvements to the Rippon Station; and

WHEREAS, VPRA desires to make available to the Grantee certain non-federal state match funding[1] in support of the Project (defined below); and

WHEREAS, the Parties have entered into a *Master Funding Agreement for VPRA-Supplied Funding on VRE Projects* dated August 4, 2022 (the "**Master Agreement**"); and

WHEREAS, the Master Agreement contemplates the Parties entering into a capital project addendum for VPRA-Supplied Funding, on a project-specific basis; and

WHEREAS, the Parties now desire to enter into this Agreement facilitate the provision of funding by VPRA to the Grantee in support of the Project (defined below).

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements set forth, and other good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows.

ARTICLE 1. SCOPE OF WORK, TERM AND BUDGET

1. The Work to be performed by the Grantee under the terms of this Agreement includes certain improvements at the Rippon Station in Prince William County, including lengthening the existing platform by approximately 300 linear feet and constructing an additional pedestrian access tower and bridge from the existing station parking lot (the "**Project**").

2. In support of the Project, and to the extent equal amounts are made available to VPRA by VDOT, VPRA agrees to provide the non-federal match funding noted in the table below, which amount shall be the VPRA Funding Commitment for the purposes of the Master Agreement:

[1] State match funding is non-federal match associated with Congestion Mitigation and Air Quality Improvement ("**CMAQ**") federal funding, which federal funding is supplied directly from Federal Transit Administration to Grantee.

Non-Federal Match	Federal CMAQ[2]	FHWA-Sourced RSTBG/RTSP Federal Funds	Total
$340,986	$1,308,200	$55,742	$1,704,928

3. The Grantee will fulfill (or collaborate directly with VDOT to facilitate the fulfillment of) all Project-related requirements associated with the use of CMAQ funding, and also any requirements associated with the non-federal state match funding supplied by VPRA under this Agreement. In addition, the Grantee shall ensure that the funding provided by VPRA pursuant to this Agreement is applied solely to costs eligible for such funding.

4. The Grantee will supply all funding needed for the Project in excess of the VPRA Funding Commitment.

ARTICLE 2. INCORPORATION OF MASTER AGREEMENT

The Master Agreement is hereby incorporated as if set out in full herein, which together with the terms of this Agreement, shall control the Project. To receive reimbursements, the Grantee shall submit reimbursement requests pursuant to § 2.9 of the Master Agreement.

[*SIGNATURE PAGE FOLLOWS*]

[2] The $1,363,942 of federal funding (both CMAQ and RSTBG/RTSP) will be supplied by the Federal Transit Administration directly to Grantee under one or more separate agreement(s) to which VPRA is not a party.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION AND POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION

BY: _____

TITLE: _____

DATE: _____

VIRGINIA PASSENGER RAIL AUTHORITY

BY: _____

TITLE: _____

DATE: _____

[*SIGNATURE PAGE TO CAPITAL PROJECT ADDENDUM FOR RIPPON STATION IMPROVEMENTS]*

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

RESOLUTION #2621

SUBJECT: Authorize the VRE CEO to Submit a Grant Application for the Franconia-Springfield Improvements Project to the NVTC I-395/95 Commuter Choice FY 2028-2029 Funding Program

WHEREAS: On October 19, 2026, the Northern Virginia Transportation Commission (NVTC) opened a Call for Projects for the I-395/95 Commuter Choice FY 2028-2029 funding program;

WHEREAS: VRE staff have identified one project, the Franconia-Springfield Improvements Project, for an $18,250,000 funding request that will support and implement planned service and capital enhancements included in VRE's FY 2027 Capital Improvement Plan (CIP);

WHEREAS: VRE staff consider the proposed application a strong candidate for Commuter Choice funding due to its ability to move more people more efficiently through the I-395/95 corridors, expanding travel options, and that two similar projects (Crystal City Station Improvements and Leeland Road Station Improvements) received funding for the FY 2024-2025 and FY 2026-2027 Commuter Choice funding rounds, respectively, on similar traits; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer (or her designee) to submit, on behalf of the Commissions, an application to the I-395/95 Commuter Choice FY 2028-2029 Program, to make any necessary corrections to the project funding amount or descriptions in the application and execute all project funding agreements that may result from consideration of the VRE application.

BE IT FURTHER RESOLVED that the Commission's action does not constitute approval of any VRE applications or eliminate the need for the VRE applications to qualify for funding based on an objective evaluation using criteria established for the adopted I-395/95 Commuter Choice project selection process.

Approved this 3rd day of December, 2026.

_____
Sarah Bagley
Chair

_____
Maureen Coffey
Secretary-Treasurer

Action Item

Operations Board Meeting

AGENDA ITEM REPORT

To: Chair Bailey and the VRE Operations Board

From: Katie Choe

Date: November 20, 2026

Re: Recommend Authorization to Submit a Grant Application to the NVTC I-95/395 Commuter Choice FY2028-2029 Program

RECOMMENDATION:

The VRE Operations Board is asked to recommend the Commissions authorize the VRE Chief Executive Officer (or her designee) to submit, on behalf of the Commissions, a VRE application to the I-95/395 Commuter Choice FY2028-2029 Program, to make any necessary corrections to the project amount or descriptions in the application, and execute all project funding agreements that may result from consideration of the VRE application.

SUMMARY:

VRE has identified capital improvements to support planned service enhancements consistent with System Plan 2050 and the Transforming Rail in Virginia (TRV) initiative that benefit toll payers, maximize person throughput, and provide enhanced multimodal choices in the I-95/395 travel corridor. If authorized, VRE will apply for funding for these improvements from the I-95/395 Commuter Choice FY2028-2029 Program.

BACKGROUND INFORMATION:

On October 19, 2026, the Northern Virginia Transportation Commission (NVTC) opened a call for projects for the I-95/395 Commuter Choice FY2028-2029 funding program. Commuter Choice reinvests funds from a portion of the I-95-395 toll revenues, funding multimodal improvements selected by NVTC and the Potomac and Rappahannock Transportation Commission (PRTC), and approved by the Commonwealth Transportation Board that benefit I-95/395 toll payers by moving more people more efficiently through the corridor and expanding commuters' travel options. NVTC administers the overall Commuter Choice program with bi-annual calls for projects for I-95/395 toll revenue-funded project applications.

Applications are due December 18, 2026. All eligible projects are evaluated and scored under a technical evaluation process that emphasizes, among other things, how well projects move people through the corridor. Additional person throughput in the weekday peak period is by far the most significant factor in project scoring. The Commissions select projects to fund and the Commonwealth Transportation Board approves the program for inclusion in the Six Year Improvement Program in June 2027. Funds are available to be spent starting July 1, 2027.

VRE staff have identified the **Franconia-Springfield Station Improvements Project** as the most eligible candidate for this round of Commuter Choice funding. This project would support the design and construction of an extension to the existing west platform (adjacent to the WMATA station) and a widening and extension of the existing east platform. These capacity expansion will improve operational efficiency and accommodate eight-car trains on both tracks. The project will also construct a new pedestrian tunnel for east side access from Barry Road under a future third track to be constructed by VPRA.

This project is within the limits of the broader VPRA Franconia to Lorton Third Track project and must be constructed with strict schedule coordination between the two projects. The project's current schedule assumes award of a construction contract by VRE in May 2027 to maintain schedule coordination with VPRA's effort. The VRE Project currently has a funding shortfall, with pathway to be fully funded through existing VRE capital funding sources in this timeframe.

FISCAL IMPACT:

There is no immediate fiscal impact associated with this request. The Commuter Choice Program will provide 100% of the requested funds and no match is required other than what is specified by the applicant as existing project funding. If selected for Commuter Choice funding, an amendment to the FY28 Operating and Capital Budget and/or item in the FY27 Operating and Capital Budget to reflect the receipt of the Commuter Choice funds would be presented to the Operations Board for approval and referral to the Commissions.

ATTACHMENTS:

Output Document (2026-207) - Pdf

RESOLUTION 26-11-9L
Regular Meeting
November 20, 2026

Virginia Railway Express
Operations Board

Recommend Authorization to Submit a Grant Application to the NVTC I-95/395 Commuter Choice FY2028-2029 Program

WHEREAS, On October 19, 2026, the Northern Virginia Transportation Commission (NVTC) opened a call for projects for the I-95/395 Commuter Choice FY 2028-2029 funding program; and,

WHEREAS, VRE staff have identified one project: the Franconia-Springfield Improvements Project, for ***(amount to be provided at the Operations Board meeting via addendum)*** funding request that will support and implement planned service and capital enhancements included in VRE's FY2027 Capital Improvement Plan (CIP); and,

WHEREAS, staff considers the proposed application a strong candidate for Commuter Choice funding due to its ability to move more people more efficiently through the I-95/395 corridors, expanding travel options, and that two similar projects (Crystal City Station Improvements and Leeland Road Station Improvements) received funding for the FY 2024-2025 and FY 2026-2027 Commuter Choice funding rounds, respectively, on similar traits;

NOW, THEREFORE, BE IT RESOLVED that the Virginia Railway Express Operations Board does hereby recommend the Commissions authorize the VRE Chief Executive Officer (or her designee) to submit, on behalf of the Commissions, an application to the I-95/395 Commuter Choice FY 2028-2029 Program, to make any necessary corrections to the project funding amount or descriptions in the application, and execute all project funding agreements that may result from consideration of the VRE application.

INTRODUCTION AND VOTE RECORD:

MOTION:
SECOND:

Ayes:
Nays:
Abstentions:
Absent from Vote:

Agenda Item #5A

TO: Chair Bagley and NVTC Commissioners

FROM: Kate Mattice, Ann McGrane, Adam Hager and Owen Williams

DATE: November 24, 2026

SUBJECT: Report from the Washington Metropolitan Area Transit Authority (WMATA) Board Members and NVTC WMATA Chair

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At the December 3 meeting, the Commission will receive a report from Virginia WMATA Board Members Walter Alcorn and Kate Burns covering Board activities in November. This month's report includes updates on WMATA's FY 2027 Q1 financial and service performance, FY 2027 operating budget and capital program amendments, the FY 2028 budget outlook and potential options to address a projected operating shortfall and ongoing capital investments. The report also highlights plans for the Gold Line Bus Rapid Transit (BRT) corridor and transit improvements associated with redevelopment of the RFK Stadium campus.

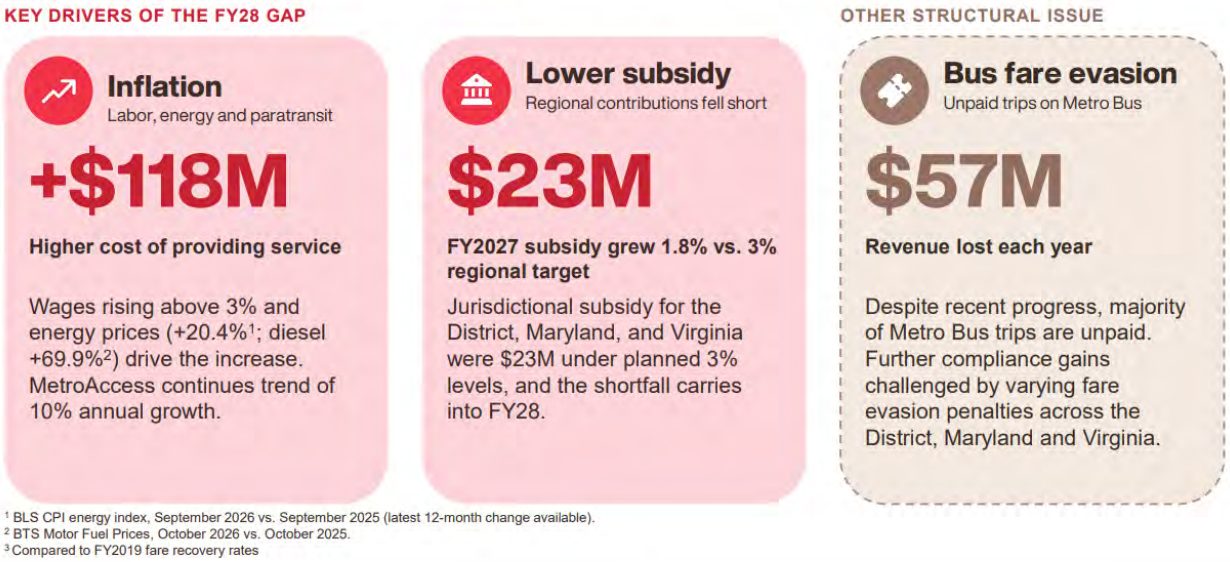
NVTC WMATA Committee Chair Matt de Ferranti will also provide a report from the committee's November 19 meeting.

A. Report from the Virginia WMATA Board Members

- FY 2028 Operating Budget Update

The WMATA Finance and Capital Committee received an update on the development of the FY 2028 operating budget at its November 19 meeting, including revised financial projections and preliminary options for addressing an anticipated budget shortfall. WMATA continues to face significant cost pressures associated with labor, energy and paratransit services, compounded by uncertainty surrounding federal funding and the implementation of additional regional funding recommended through DMV*Moves*. Staff presented a range of potential revenue and expenditure adjustments for Board consideration, emphasizing the tradeoffs between maintaining service levels, increasing fares, utilizing capital funding and requesting additional jurisdictional subsidies. WMATA's updated financial outlook projects an FY 2028 operating budget gap of approximately $132 million, reflecting continued inflationary pressures and lower-than-planned jurisdictional subsidy contributions (Figure 1).

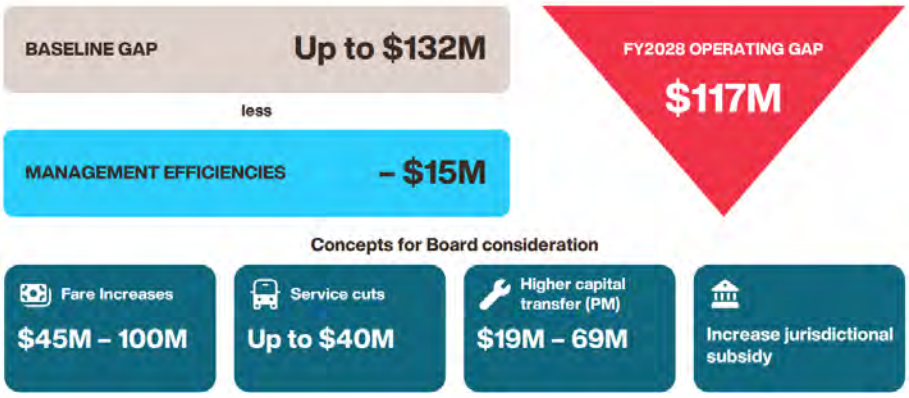
Figure 1: Financial Pressures on Operating Budget



Source: November 19, 2026, Finance and Capital Committee Meeting

Labor, energy and paratransit expenses are expected to increase by approximately $118 million, including general wage increases exceeding 3% for much of WMATA's workforce under existing collective bargaining agreements. WMATA also noted that FY 2027 jurisdictional subsidies were $23 million below the level anticipated under a 3% annual growth assumption, creating a funding shortfall that carries into FY 2028. Separately, WMATA estimates that bus fare evasion results in approximately $57 million in foregone revenue annually, representing an ongoing structural challenge rather than a direct driver of the projected budget gap. WMATA has identified approximately $15 million in additional management efficiencies that could be implemented without reducing service, bringing the anticipated FY 2028 operating gap to $117 million. While these efficiencies would help offset rising operating costs, WMATA indicated that additional policy decisions will be necessary to close the remaining gap. To provide the Board with options to close the gap during consideration of the budget, WMATA outlined several potential approaches, including fare increases, service cuts, higher preventive maintenance transfers from the capital budget and increases to jurisdictional subsidies (Figure 2).

Figure 2: FY 2028 Potential Budget Gap



Source: November 19, 2026, Finance and Capital Committee Meeting

Building on the fare strategy concepts presented in October, staff examined general fare increases ranging from 11% to 22%, which could generate approximately $45 million to $85 million in additional annual revenue but are projected to reduce ridership by 8 million to 16 million trips (Figure 3). Other concepts under consideration include higher late-night and weekend fares, adjustments to Access fares, Abilities-Ride fees and increased parking rates. WMATA also presented options to increase preventive maintenance expenses funded through the capital program, potentially generating $19 million to $69 million in additional operating budget relief. While preventive maintenance is an eligible use of federal capital funding and a common industry practice, larger transfers would reduce resources available for other capital investments, thus potentially delaying projects and accelerating WMATA's capital funding cliff.

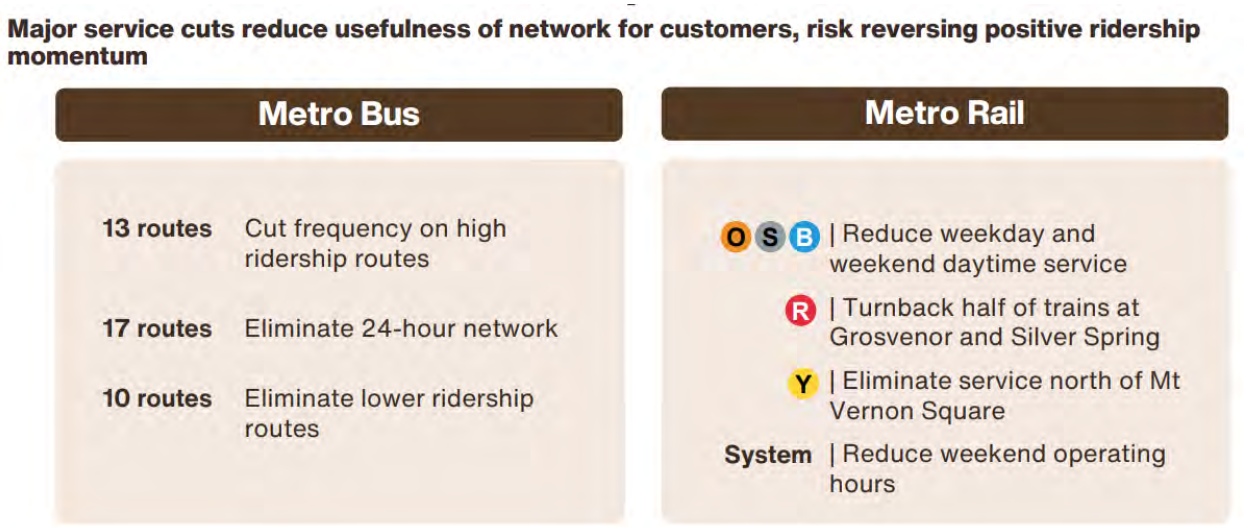
Figure 3: Fare Increase Concepts

Fare lever	FY27 Level	Low	Medium	High
General fare increase	$2.25 to $6.75	11% increase: $2.50 to $7.50 +$45M *Ridership loss: -8M trips*	16% increase: $2.60 to $7.75 +$60M *Ridership loss: -11M trips*	22% increase: $2.75 to $8.25 +$85M *Ridership loss: -16M trips*
Weekend and Late Night	$2.25 to $2.50	11% increase: $2.50 to $2.80 Included above *Ridership: included above*	Higher cap: $2.50 to $3.75 +$7M *Ridership loss: up to ~2M trips*	
Paratransit fare cap	$4.50	11% increase to $5.00 +$0.6M *Ridership: no change*	33% increase to $6.00 Up to $1M *Ridership loss: up to ~33K trips*	67% increase to $7.50 Up to $1.3M *Ridership loss: up to ~40K trips*
Abilities-Ride fee general increase	$3.00	11% increase: $3.30 +$0.5M	33% increase: $4.00 +$1.8M	66% increase: $5.00 +$3.5M
Abilities-Ride fee restructure	$3.00 per trip/ unlimited trips	$5.00/trip for first 5 weekly trips; $8.00 after In progress		
Parking fee		New parking pricing structure Rider: $3/5/7 | Non-Rider: $10 +$2.3M, +1.1M trips	Higher parking pricing Rider: $4/4.50/9.00 | Non-Rider: $11 +$3.1M, +0.6M trips	

Source: November 19, 2026, Finance and Capital Committee Meeting

WMATA also presented preliminary bus and rail service reduction concepts that could be considered if additional revenues are insufficient to close the operating gap (Figure 4). Potential bus reductions include decreasing frequencies on high-ridership routes, eliminating lower-ridership routes and discontinuing overnight service on the 24-hour bus network. Rail concepts include reduced service frequencies on the Orange, Silver and Blue lines, Red and Yellow line turnbacks and shorter weekend operating hours. Staff emphasized that service reductions would risk reversing recent ridership gains and would not produce proportional budget savings because of WMATA's significant fixed operating costs. Rail service reductions, in particular, would need to be relatively substantial to achieve savings comparable to those available through bus service changes. WMATA also identified potential adjustments to Metro Access service areas, hours and eligibility standards, although the anticipated savings from these measures are limited.

Figure 4: FY 2028 Service Cut Concepts



Source: November 19, 2026, Finance and Capital Committee Meeting

These preliminary options are intended to inform Board discussion rather than represent recommended or adopted changes. WMATA will continue refining its assumptions as jurisdictions develop their budgets and federal funding conditions become clearer. Following the presentation, Board members discussed the tradeoffs among the proposed approaches, including their potential impacts on service, ridership, jurisdictional contributions and long-term financial sustainability. Members shared preliminary perspectives on the options and identified areas for further consideration as the FY 2028 budget development process continues. The GM/CEO's proposed FY 2028 operating budget is scheduled for presentation to the Board in December, followed by public hearings and additional Board deliberations ahead of anticipated adoption in April 2027.

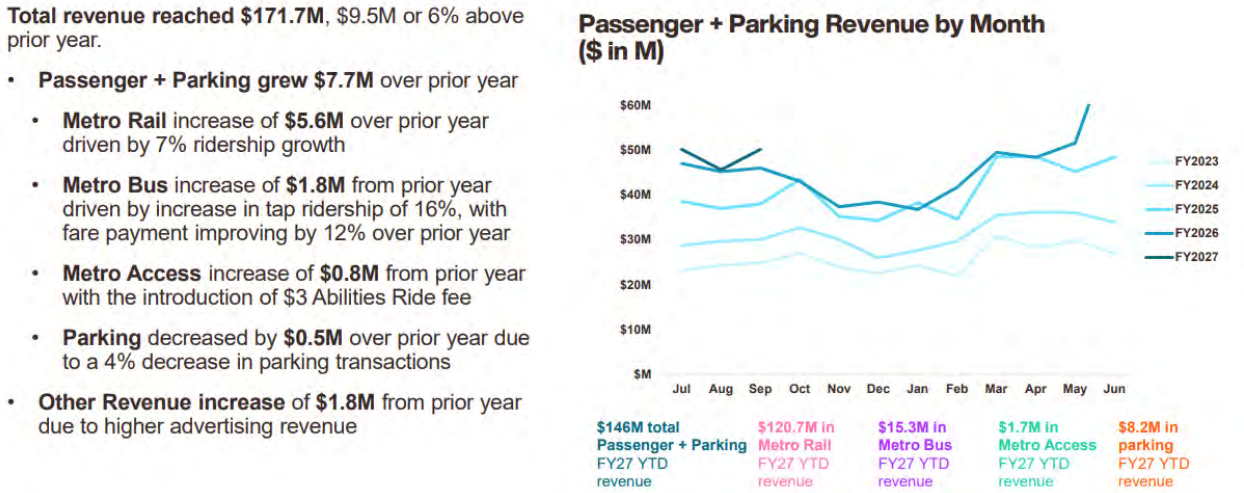
- FY 2027 Q1 Financial Results and FY 2027 Operating Budget and Capital Program Amendments

The WMATA Board received a presentation on FY 2027 Q1 financial results and adopted amendments to the FY 2027 operating budget and capital program at its November 19 meeting. WMATA reported continued ridership and revenue growth, particularly on Metro Rail, although higher-than-anticipated labor and paratransit expenses contributed to operating costs exceeding budget projections. Staff proposed a $45 million increase to the FY 2027 operating budget to address these cost pressures without requiring additional jurisdictional subsidies.

Total operating revenue reached $171.7 million during the first quarter, approximately $9.5 million (6%) above the same period last year and $2.4 million above budget (Figure 5). Passenger revenue increased 6.3% year-over-year, driven primarily by a 7% increase in Metro Rail ridership and continued improvements in Metro Bus fare compliance. Metro Rail passenger revenue exceeded budget projections, while Metro Bus revenue remained slightly below budget despite increased fare payment. Parking revenue also continued to underperform, reflecting a slower recovery in parking demand compared to overall

ridership. Metro Access revenue increased following the introduction of a $3 fee for Abilities-Ride trips, though the $0.8 million increase was considerably below projections.

Figure 5: Sustained Gains in Ridership Powered Revenue Results Through Q1



Source: November 19, 2026, Finance and Capital Committee Meeting

Despite these revenue gains, WMATA reported first-quarter gross operating expenses of $721.6 million, approximately $28.5 million (4.1%) above budget, resulting in a $35.1 million operating deficit (Figure 6). WMATA highlighted several areas of expense efficiency, including fuel costs that were $1.4 million below budget and $0.5M below the prior year due to its fuel hedging strategy, as well as lower-than-anticipated casualty and liability expenses. Staff noted that the existing fuel hedge expires in 2028, potentially creating additional exposure to market fluctuations in future budgets. WMATA also continues to prioritize hiring for frontline service and safety positions while reducing administrative costs. Since July 1, frontline staffing increased by 48 positions, while administrative and support staffing declined by 82 positions.

Figure 6: FY 2027 Q1 Operating Results

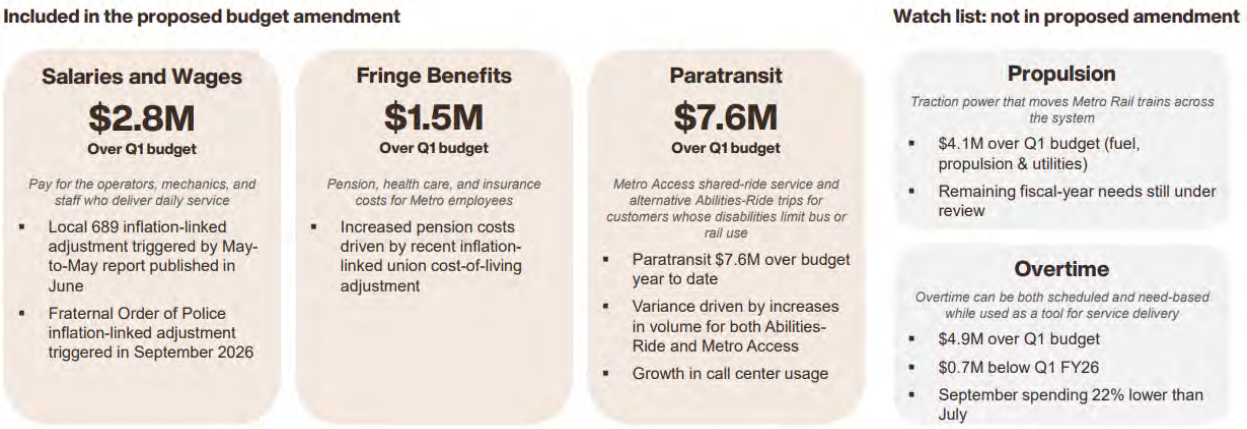
$ in M	FY2027 Q1 BUDGET	FY2027 Q1 ACTUAL	
		Amount	Variance $ (Actual vs. Budget)
Total Revenue	$169	$172	$2
Total Gross Expenses	$693	$722	($29)
Expenses Less Revenue (Before Transfers)	**$524**	**$550**	**($26)**
Preventive Maintenance Transfer	$27	$27	$0
Prior-Year Savings	$3	$3	$0
Jurisdictional Subsidy	**$485**	**$485**	**$0**
Surplus/(Loss)	**($9)**	**($35)**	**($26)**

Note: Amounts may not sum due to independent rounding

Source: November 19, 2026, Finance and Capital Committee Meeting

The primary cost pressures were associated with salaries, fringe benefits and paratransit expenses. Salaries and wages exceeded first-quarter budget estimates by $2.8 million, driven in part by inflation-linked cost-of-living adjustments under collective bargaining agreements with ATU Local 689 and the Fraternal Order of Police (Figure 7). These adjustments also contributed to higher pension and fringe benefit obligations. Paratransit expenses were $7.6 million above budget, reflecting higher-than-anticipated costs for Metro Access and Abilities-Ride services, as well as greater call center utilization. Despite these higher expenses, Metro Access ridership was 11.4% below budget projections. WMATA noted that the introduction of a fee for Abilities-Ride has not reduced demand to the extent originally anticipated, contributing to continued cost growth. Declines in Metro Access on-time performance and associated service disruptions have also presented operational challenges.

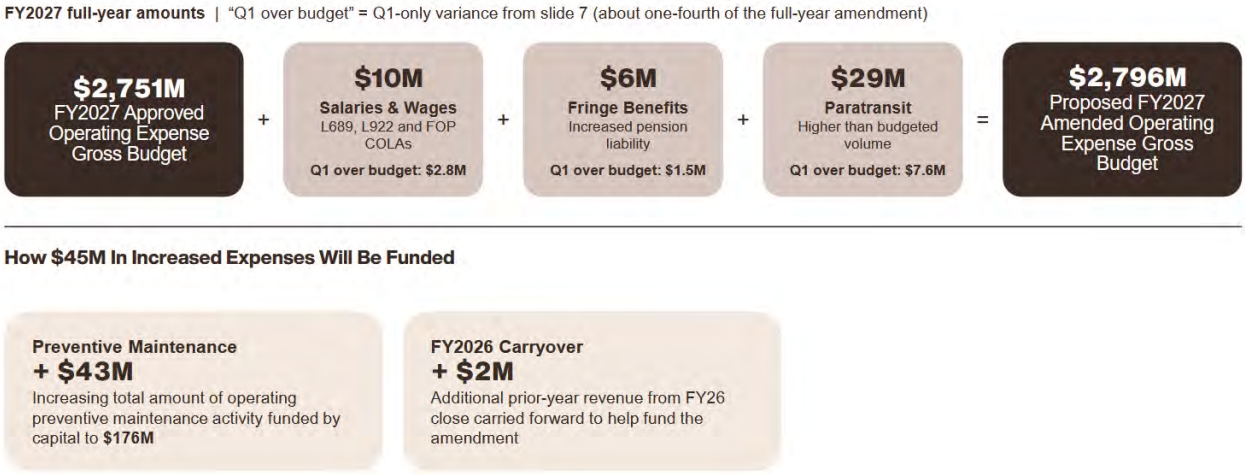
Figure 7: FY 2027 Q1 Operating Budget Challenges



Source: November 19, 2026, Finance and Capital Committee Meeting

To address these pressures, WMATA proposed increasing its FY 2027 operating budget by $45 million, from $2.751 billion to $2.796 billion. The amendment, which was adopted by the Board, includes $10 million for salaries and wages, $6 million for fringe benefits and $29 million for paratransit expenses. WMATA plans to fund the increase through an additional $43 million in preventive maintenance transfers from the operating to capital budget and $2 million in prior-year revenue carried forward from FY 2026 (Figure 8). The amendment brings total preventive maintenance transfers to $176 million for FY 2027, with no increase to jurisdictional subsidy contributions. Staff also identified propulsion power and overtime expenses as areas requiring continued monitoring, with first-quarter costs exceeding budget by $4.1 million and $4.9 million, respectively. These pressures are not included in the amendment but could require further consideration as the fiscal year progresses.

Figure 8: Proposed FY 2027 Operating Budget Amendment: $45M for Labor, Pension and Paratransit Costs



Source: November 19, 2026, Finance and Capital Committee Meeting

WMATA also reported $489.3 million in first-quarter capital expenditures, representing approximately 26% of its $1.862 billion annual capital investment budget. Separately, the WMATA Board adopted amendments to incorporate $305 million in additional District of Columbia funding for transit improvements associated with redevelopment of the RFK Stadium campus. The amendments increase the FY 2027 capital budget by $15 million, from $2.137 billion to $2.152 billion, and the six-year FY 2027–FY 2032 Capital Improvement Program by $305 million, to approximately $13.8 billion. The additional funding supports improvements to the Stadium-Armory Metro Rail Station, including an expanded north entrance, new mezzanine, elevators and escalators, and $5 million for planning and preliminary design of the proposed Gold Line BRT corridor.

The GM/CEO's proposed FY 2028 operating budget and FY 2028–FY 2033 Capital Improvement Program are expected to be presented to the Board in December.

- Capital Program Update

The WMATA Finance and Capital Committee received an update on WMATA's Capital Program and preliminary planning for the FY 2028–FY 2033 capital program at its November 5 meeting. WMATA highlighted ongoing investments to maintain system reliability, improve customer experience and increase operational efficiency, while advancing planning for future investments anticipated under the DMV*Moves* recommendations. WMATA projects approximately 99% utilization of its FY 2027 capital budget. Several major investments continue to advance without material changes to scope, schedule or cost, including replacement of the Bladensburg and Northern bus garages, acquisition of 8000-series railcars and modernization of the radio and fiber communications systems. WMATA also provided updated cost estimates for several projects, including the Metro Training Center, articulated bus procurement and the Fleet Maintenance Facility, with changes offset within the existing capital program and no additional funding required to complete these

investments (Figure 9). Staff emphasized that the current capital program is largely focused on modernizing and reinvesting in existing assets.

Figure 9: Key Investment Updates



Source: November 5, 2026, Finance and Capital Committee Meeting

WMATA continues to anticipate exhausting its existing debt capacity by FY 2029, significantly reducing available capital resources. Funding challenges are being compounded by the loss of purchasing power due to the lack of indexing of funding sources. The preliminary FY 2028–FY 2033 CIP assumes approximately $15 billion in total funding, including $10.8 billion from existing sources and $4.2 billion from new funding sources. These assumptions include approximately $2.4 billion in additional DMV*Moves* revenues beginning in FY 2029, with annual contributions starting at $460 million and growing by 3% each year, as well as $1.3 billion in new debt supported by the additional funding (Figure 10). WMATA emphasized that without additional funding, the Board would need to consider significant capital investment tradeoffs, potentially affecting vehicle replacement, infrastructure rehabilitation, service reliability and future modernization efforts. Downstream impacts could include delays of rail modernization expansion beyond the Red Line, longer wait times, more single tracking, less service supporting major regional events and declines in service reliability.

Figure 10: Potential Capital Program Financial Outlook Assumes Current Sources Continue and DMV*Moves* Funding Begins in FY 2029

Legacy Sources	FY28-FY33	Comments
Formula Grants & Match	$3.9B	Renew and grows at 2% annually
PRIIA Grant & Match	$1.8B	Continued reauthorization
Dedicated Funding	$3.0B	$500M dedicated funding continues
Dedicated Funding Debt	$1.7B	Dedicated funding backed debt exhausted by FY29
Jurisdictional Capital Contributions	$2.0B	3% growth per year for system performance
Other Grants	$300M	
Reimbursables	$318M	+ RFK Campus Redevelopment, Gold Line, and Purple Line
Debt Service	$(2.2B)	
Total Legacy	**$10.8B**	

Potential New Sources	FY28-FY33	Comments
New DMV*Moves* Funding	$2.4B	$460M beginning in FY29 indexed to grow at 3% annually
New Funding Source Debt	$1.3B	
Capital Investment Grant Program	$0.8B	
Debt Service	$(0.3B)	
Total New Sources	**$4.2B**	

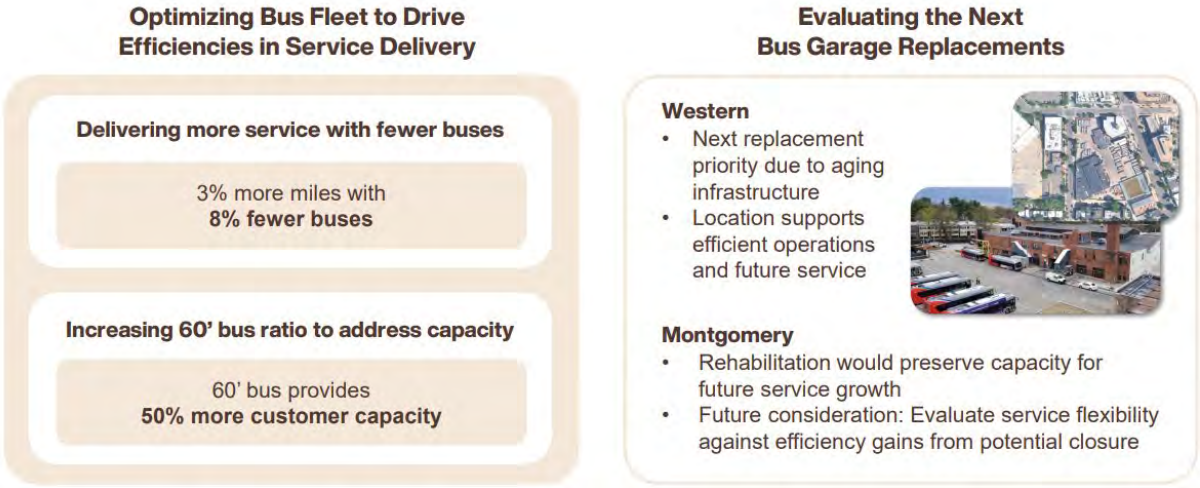
Total Est. Sources: $15.0B

Source: November 5, 2026, Finance and Capital Committee Meeting

Federal funding uncertainty presents another challenge for WMATA's capital program. As previously reported to the Board in October, the expiration of advance appropriations provided under the Infrastructure Investment and Jobs Act (IIJA) could reduce WMATA's federal capital maintenance funding by approximately $57 million, or 22%, in federal FY 2027 under current continuing resolution funding levels. WMATA has reduced its state of good repair backlog from approximately $7 billion to $4 billion since 2016, but reductions in federal support and the absence of additional regional funding could reverse this progress. WMATA emphasized that the DMV*Moves* funding recommendations are necessary not only to restore the purchasing power of existing capital resources but also to sustain improvements in system performance and reliability over the long term.

WMATA outlined several strategies to improve Metro Bus efficiency while preserving capacity for future service growth. Between FY 2023 and FY 2026, WMATA increased annual bus service mileage by 3% while reducing its active fleet by 8% (Figure 11). Staff are evaluating opportunities to further optimize fleet size and composition, including acquiring additional 60-foot articulated buses that provide approximately 50% more passenger capacity than standard buses. WMATA is also examining future investments in bus maintenance facilities, particularly replacement of the Western Bus Garage and rehabilitation of the Montgomery Bus Garage. Western, constructed in 1936, is strategically located to serve northwest D.C. and parts of Maryland, reducing non-revenue mileage and operating costs, but its aging infrastructure limits its ability to accommodate modern fleet requirements. WMATA is evaluating the costs and operational benefits of retaining Montgomery, which would preserve greater flexibility to accommodate future service growth.

Figure 11: Balancing Improving Bus Efficiency and Preserving Capacity for Future Ridership Growth

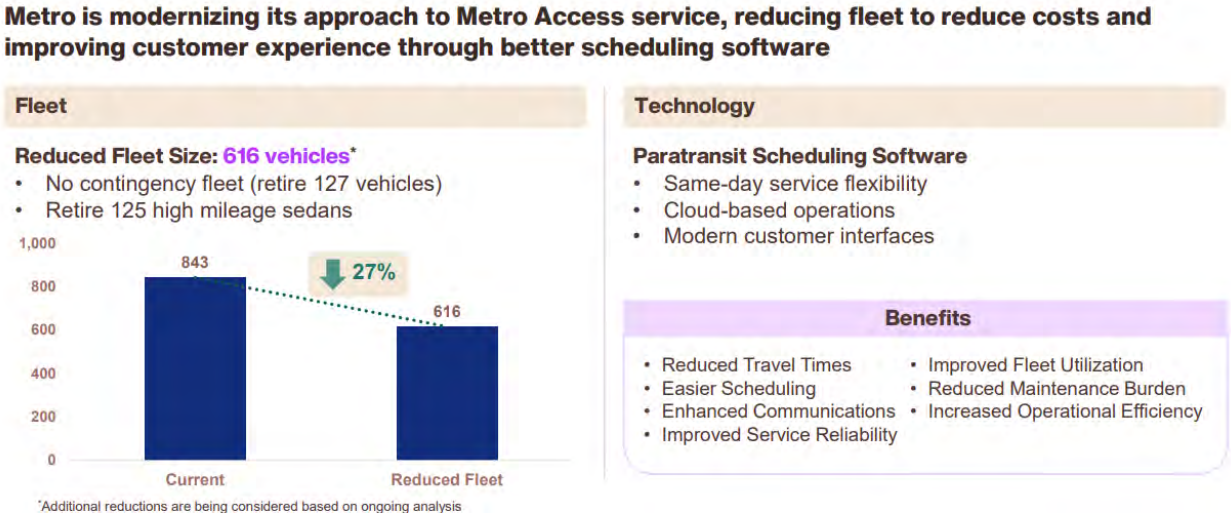


Source: November 5, 2026, Finance and Capital Committee Meeting

For Metro Rail, WMATA is pursuing an incremental modernization strategy intended to improve reliability, expand capacity and maximize the use of existing infrastructure. The first phase, the Red Line Modernization Project, is already advancing, while subsequent phases covering the remaining lines have begun planning but are dependent on additional regional funding. WMATA highlighted the importance of coordinating future railcar procurement, fleet storage and maintenance facilities with the transition to modern signaling and automated operations. Staff also discussed opportunities to reduce future fleet and facility requirements through more efficient train operations. Separately, WMATA is advancing planning for station capacity and circulation improvements, including a potential second entrance at Foggy Bottom and an underground pedestrian connection between Farragut North and Farragut West. Whether funding for the second entrance will come from the capital budget or is funded by a respective jurisdiction will be a topic of continued Board discussion. These investments would address existing station crowding, improve customer access and provide more convenient transfers between rail lines.

WMATA also identified opportunities to improve Metro Access efficiency and reduce capital requirements through fleet optimization and technology investments. Staff are evaluating a reduction in the Metro Access fleet from approximately 843 to 616 vehicles, or 27%, reflecting changes in service delivery and increased utilization of Abilities-Ride (Figure 12). This would include retiring high-mileage vehicles and eliminating the contingency fleet while maintaining flexibility to meet customer demand. WMATA is also advancing a modernized paratransit scheduling platform intended to improve vehicle utilization, reduce travel times and provide customers with more flexible scheduling options.

Figure 12: Modernizing and Streamlining Metro Access Fleet and Technology



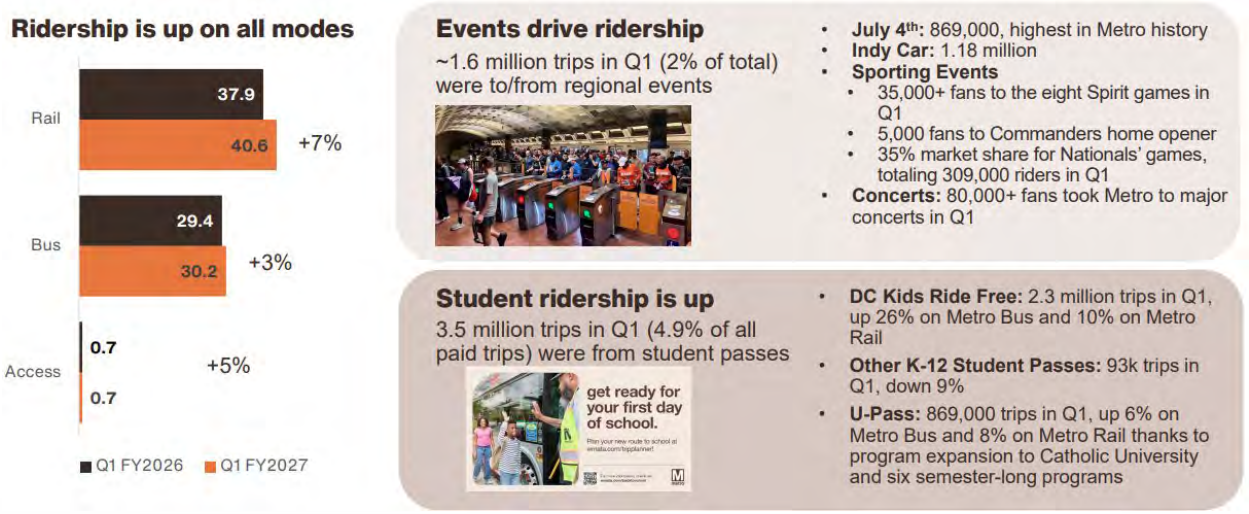
Source: November 5, 2026, Finance and Capital Committee Meeting

WMATA will continue refining its capital program based on Board feedback, with the GM/CEO's proposed FY 2028–FY 2033 CIP expected in December, followed by Board consideration and adoption in spring 2027.

- FY 2027 Q1 Service Excellence Report

At its November 5 meeting, the WMATA Safety and Operations Committee received the FY 2027 Q1 Service Excellence Report, covering performance from July through September 2026. The report highlighted continued ridership growth, strong customer satisfaction and improvements in safety and security, while identifying ongoing challenges with service reliability. Overall, more than 70% of WMATA's service excellence performance measures met or made progress toward established targets. Total system ridership increased 5% compared to the same period last year, including increases of 7% on Metro Rail, 3% on Metro Bus and 5% on Metro Access, putting WMATA on track for its sixth consecutive year of annual ridership growth (Figure 13).

Figure 13: Ridership Increased 5% Compared to Last Year, Entering 6th Year of Annual Growth



Source: November 5, 2026, Safety and Operations Committee Meeting

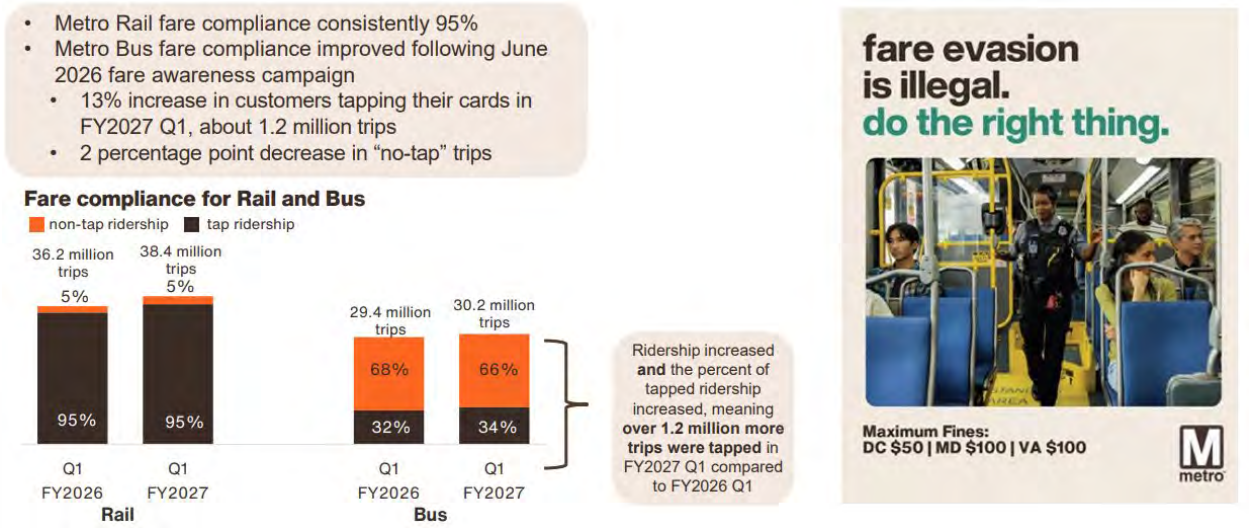
Ridership growth was supported by major regional events, the start of the school year and increased demand during off-peak periods. WMATA also highlighted that ridership growth has been strongest during periods and on routes where the region has invested in additional service. Metro Rail carried 30% more riders on weekends and weekday late nights compared to Q1 of FY 2019, reflecting a shift in service and demand away from traditional peak commuting periods. On Metro Bus, routes operating at frequencies of 12 minutes or better accounted for 37% of scheduled trips but 46% of ridership. Preliminary figures for October indicate over 25 million total trips between Bus and Rail, the first month at that level since 2019. This represents the best month for Rail ridership since 2020 and included the strongest weekend Rail ridership since April 2015.

Customer satisfaction remained strong on Metro Rail and Metro Bus, meeting or exceeding established targets. Metro Rail customer satisfaction reached 90% for the fourth consecutive quarter, with the summer Red Line shutdown having a more limited impact on satisfaction than similar construction activity in prior years. Metro Bus satisfaction reached 81% for the second consecutive quarter, up from 76% during the same period last year. WMATA attributed the improvement to customers adjusting to the redesigned Metro Bus network and increased access to frequent, reliable service.

WMATA also reported continued improvements in safety and fare compliance. The Part 1 (most serious) crime rate decreased 3% compared to FY 2026 Q1, marking the lowest first-quarter crime rate in system history. Transit worker assaults declined 20%, including a 22% decrease in assaults on bus operators, reflecting ongoing safety investments such as the installation of protective bus operator shields. WMATA is continuing efforts to fill Metro Transit Police Department (MTPD) vacancies, with 22 new recruits beginning academy training in August. Metro Rail fare compliance remained steady at approximately 95% following fare gate upgrades (Figure 14). Metro Bus fare compliance improved modestly following a June 2026 fare awareness campaign, with fare taps increasing 13%, representing approximately 1.2 million additional paid trips, and the share of trips without fare payment

declining by two percentage points. However, approximately 64% of Metro Bus trips continue to occur without fare payment.

Figure 14: More Customers Are Paying



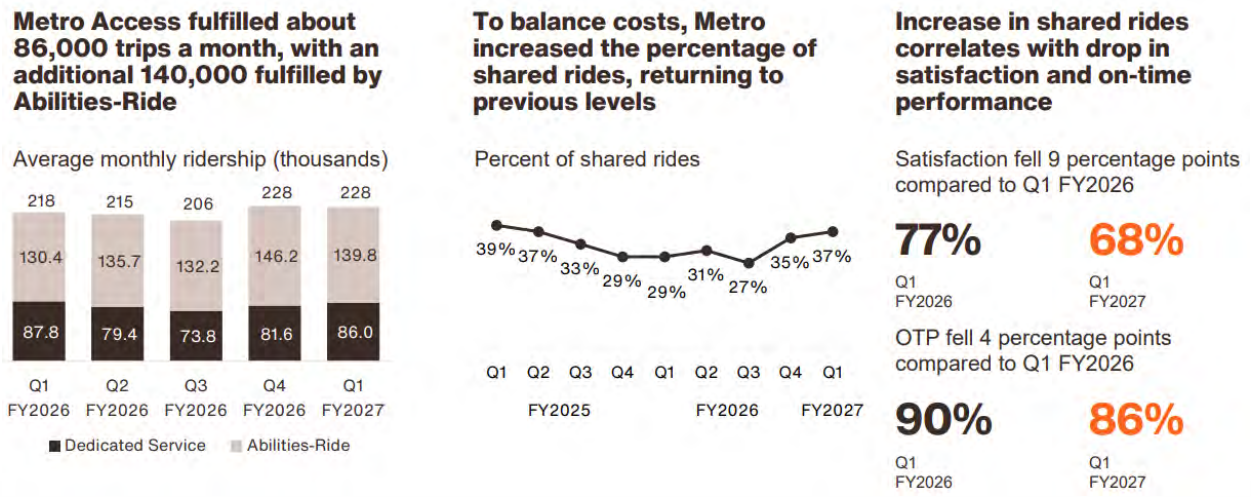
Source: November 5, 2026, Safety and Operations Committee Meeting

Service reliability results were mixed across modes. Metro Bus on-time performance improved to 77.1%, exceeding its 76.5% target and recording its best September performance in six years. WMATA attributed these gains primarily to schedule adjustments made since implementation of the redesigned network, although average bus speeds continue to decline due to roadway congestion. GM/CEO Randy Clarke indicated that possible service cuts which could be proposed in the Board's upcoming operating budget could further worsen on-time performance and urged that securing predictable operating funding for WMATA will lead to more predictable service levels year-to-year.

Metro Rail on-time performance fell to 87.6%, below its 89% target, largely due to a nearly 50% increase in major infrastructure-related delays and additional planned track work. WMATA also reported progress in addressing missed Metro Bus trips caused by operator shortages, with the share of missed trips attributable to operator availability reaching a ten-month low in September.

Metro Access performance remained a significant area of concern. On-time performance declined from 90% to 86% compared to FY 2026 Q1, while customer satisfaction fell from 77% to 68%, its lowest level in two years (Figure 15). WMATA attributed these declines largely to implementation of a new service delivery model intended to improve efficiency, cost savings and productivity through increased use of shared rides. The share of Metro Access trips involving shared rides increased from 29% to 37% year-over-year, contributing to longer travel times and increased risk of delays. Missed trips also increased, with most occurring when vehicles arrived outside the scheduled pickup window and customers declined the trip. WMATA staff, with encouragement from the Board, are making adjustments to scheduling and dispatching systems to improve reliability while continuing to pursue service efficiencies.

Figure 15: Metro Access Performance Reflects Efforts to Improve Efficiency While Meeting Customer Demand



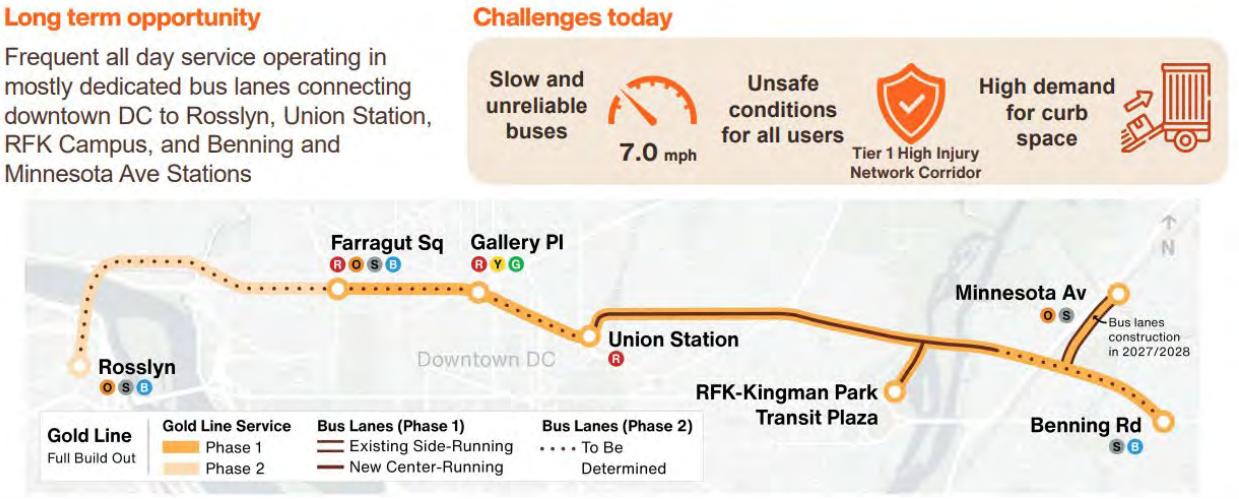
Source: November 5, 2026, Safety and Operations Committee Meeting

- RFK Transit Improvements and Gold Line Bus Rapid Transit

The WMATA Finance and Capital Committee received an update on the proposed Gold Line Bus Rapid Transit (BRT) project and associated improvements to the Stadium-Armory Metro Rail Station at its November 19 meeting. Both projects are intended to improve transit service across the region and accommodate increased demand associated with redevelopment of the RFK Stadium campus, including the planned Washington Commanders stadium slated to open in 2030. The District of Columbia has committed $305 million in capital funding for these investments, including $300 million for Stadium-Armory station improvements and $5 million for initial Gold Line planning and design.

The Gold Line would establish a new high-frequency BRT service connecting downtown D.C. with H Street NE, Benning Road and the RFK Campus (Figure 16). The first phase would include 3.2 miles of new center-running dedicated bus lanes between Union Station and 34th Street NE, along with transit signal priority, improved boarding facilities and articulated buses with three doors to reduce travel times and improve reliability. Service would operate every five minutes throughout the day, with additional frequency (2-3 minutes) during major events at RFK Stadium. WMATA estimates that the improvements could reduce travel times by up to 30% and increase daily ridership by 20% to 40%, serving approximately 19,000 to 22,000 customers per day. The proposed design would also improve pedestrian and bicycle safety while retaining approximately 80% to 90% of existing curb space for parking, loading and other uses. A potential second phase would extend dedicated bus priority improvements west through downtown D.C. to Rosslyn, providing a future connection to Northern Virginia.

Figure 16: The Gold Line Will Deliver Safe, Reliable and High-Capacity East-West Transit Connection

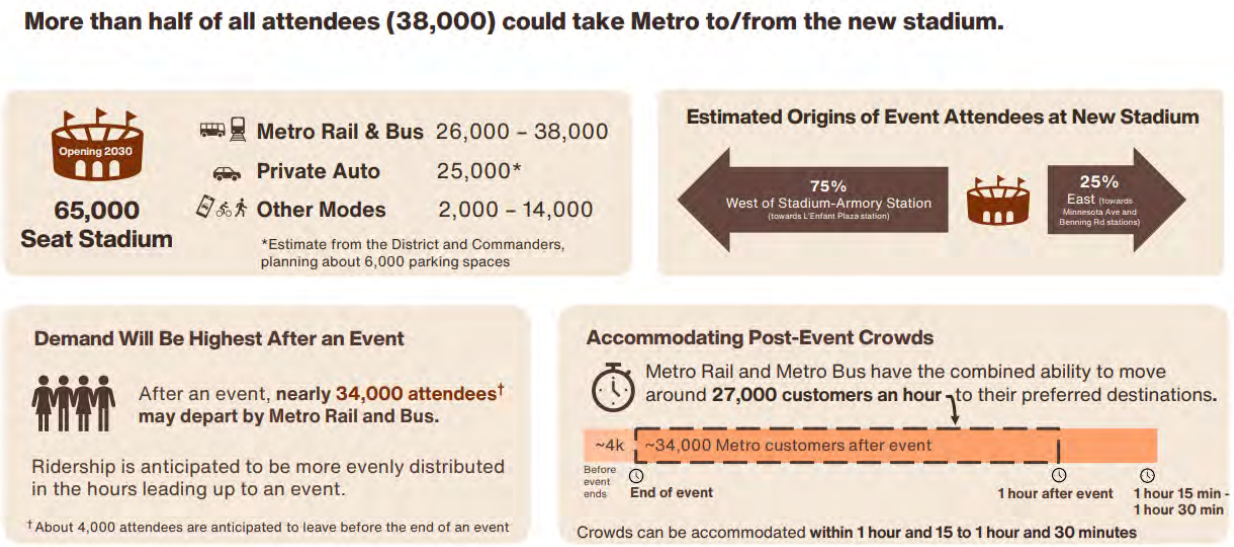


Source: November 19, 2026, Finance and Capital Committee Meeting

WMATA is coordinating with the District Department of Transportation (DDOT) on project design and community engagement, including an upcoming public survey and November 30 open house. The District has provided $5 million for initial planning and preliminary design, but additional funding for final design and construction has not yet been identified. WMATA indicated that funding commitments and an agreement with the District must be finalized by April 2027 to maintain the planned summer 2030 opening. The District is expected to fund the capital infrastructure improvements associated with the project.

Separately, WMATA presented preliminary plans to expand the north entrance of the Stadium-Armory Metro Rail Station to accommodate crowds associated with the new 65,000-seat stadium. WMATA estimates that between 26,000 and 38,000 attendees could use Metro Rail and Metro Bus for major events, with approximately 75% of customers traveling west toward downtown D.C. and Northern Virginia (Figure 17).

Figure 17: RFK is a Transit-First Stadium



Source: November 19, 2026, Finance and Capital Committee Meeting

Proposed station improvements include an expanded entrance, new mezzanine, additional vertical circulation capacity and updated faregates to manage large post-event crowds more efficiently. Combined with increased rail and Gold Line bus service, WMATA estimates that the system could accommodate approximately 27,000 customers per hour, allowing most event attendees to depart within 75 to 90 minutes. The District entered into to a reimbursable agreement with WMATA for $300 million to support the station improvements, with construction anticipated between 2028 and 2030 to align with the stadium's opening.

- Inspector General's Reports

The WMATA Office of Inspector General (OIG) presented findings from two audits released on November 12, 2026, examining WMATA's compliance with federal funding requirements and the reliability of critical rail infrastructure.

Infrastructure Investment and Jobs Act (IIJA) Compliance: The congressionally mandated five-year audit evaluated WMATA's use of dedicated capital funding, compliance with strategic planning deadlines and implementation of required reforms. Drawing on 15 audits and evaluations conducted over the past five years, OIG found that WMATA generally complied with applicable funding requirements and deadlines, including reforms intended to strengthen OIG independence. A review of 30 capital expenditure transactions also found that dedicated funding was used for its intended purposes and complied with relevant requirements. However, the audit identified recurring opportunities to strengthen project governance, internal controls, documentation and oversight to ensure capital investments are effectively managed and deliver their intended benefits.

Advanced Information Management (AIM) System: OIG presented findings from its largest audit to date, examining the reliability, resilience and modernization readiness of WMATA's AIM system, which provides the Metro Integrated Command and Communications Center

(MICC) with real-time visibility and control of train movements, traction power and other critical rail infrastructure. The audit identified significant risks associated with aging equipment and communications infrastructure, inadequate continuity planning, reliance on vendors and key personnel, and weaknesses in cybersecurity, system monitoring and risk management. OIG issued 33 recommendations to strengthen oversight, improve operational resilience and support future rail modernization efforts, including the transition to Communications-Based Train Control (CBTC). Management generally concurred with the findings, has begun implementing corrective actions and developed a comprehensive, multi-phased strategic plan to address identified deficiencies. The audit underscored the importance of pairing infrastructure modernization with effective governance, change management and risk controls to identify and address emerging vulnerabilities before they disrupt rail operations.

- General Manager's Report

WMATA GM/CEO Randy Clarke provided an update on WMATA's ongoing federal advocacy efforts, including engagement on surface transportation reauthorization and Transportation, Housing and Urban Development (THUD) appropriations. Clarke highlighted positive ridership and service performance trends, with rail ridership up 9% year-to-date and rail on-time performance meeting its target. Bus ridership increased 3%, with growth across all jurisdictions, while bus on-time performance also improved. Clarke also noted WMATA's role in supporting attendance at Washington Spirit matches and continued progress in bus operator hiring, contributing to fewer missed trips due to operator availability and an increase in scheduled bus service delivered.

- Procurement Activity Concurrence

The Finance and Capital Committee provided concurrence for one procurement action at its November 5 meeting. The action included a $77.5 million contract modification with Hensel Phelps Construction Company to furnish and install battery-electric bus infrastructure at the Bladensburg Bus Garage, including 50 charging stations to support the facility's redesigned electric bus configuration. The modification increases the cumulative contract value to approximately $388 million and supports WMATA's transition toward zero-emission bus operations.

The committee also provided concurrence for four procurement actions totaling approximately $62.9 million at its November 19 meeting, including a $40.1 million contract to modernize six aging drainage pumping stations across the rail system, two sole-source contracts totaling $20.8 million for components supporting scheduled maintenance of the 3000- and 6000-series railcar fleets, and a $1.9 million contract modification for additional 7000-series railcar overhaul kits to address higher-than-anticipated maintenance needs.

B. Report from the NVTC WMATA Committee Chair

The NVTC WMATA Committee and Legislative and Policy Committee held a joint meeting on November 19 to discuss ongoing WMATA oversight, regional transit issues and preparations

for the 2027 General Assembly Session. The committees received an update on NVTC's 2026 Report on the Performance and Condition of WMATA, along with presentations from the Virginia Department of Rail and Public Transportation (DRPT) on the Private-Public Transit Labor Study and Northern Virginia Regional Bus Consolidation Feasibility Study. Members also reviewed NVTC's proposed 2027 Legislative and Policy Agenda and discussed legislative strategy for the upcoming General Assembly Session.

The committees' next joint meeting is scheduled for Thursday, January 21, 2027.

Agenda Item #5B

TO: Chair Bagley and NVTC Commissioners

FROM: Kate Mattice, Ann McGrane, Amanda Sink, Owen Williams and Tenley O'Hara

DATE: November 24, 2026

SUBJECT: Report from the Legislative and Policy Committee Chair

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At the December 3 meeting, the Commission will receive a report from Legislative and Policy Committee Chair Canek Aguirre regarding the November 19 committee meeting, the status of General Assembly mandated transit studies, TSDAC policy changes and federal reauthorization efforts.

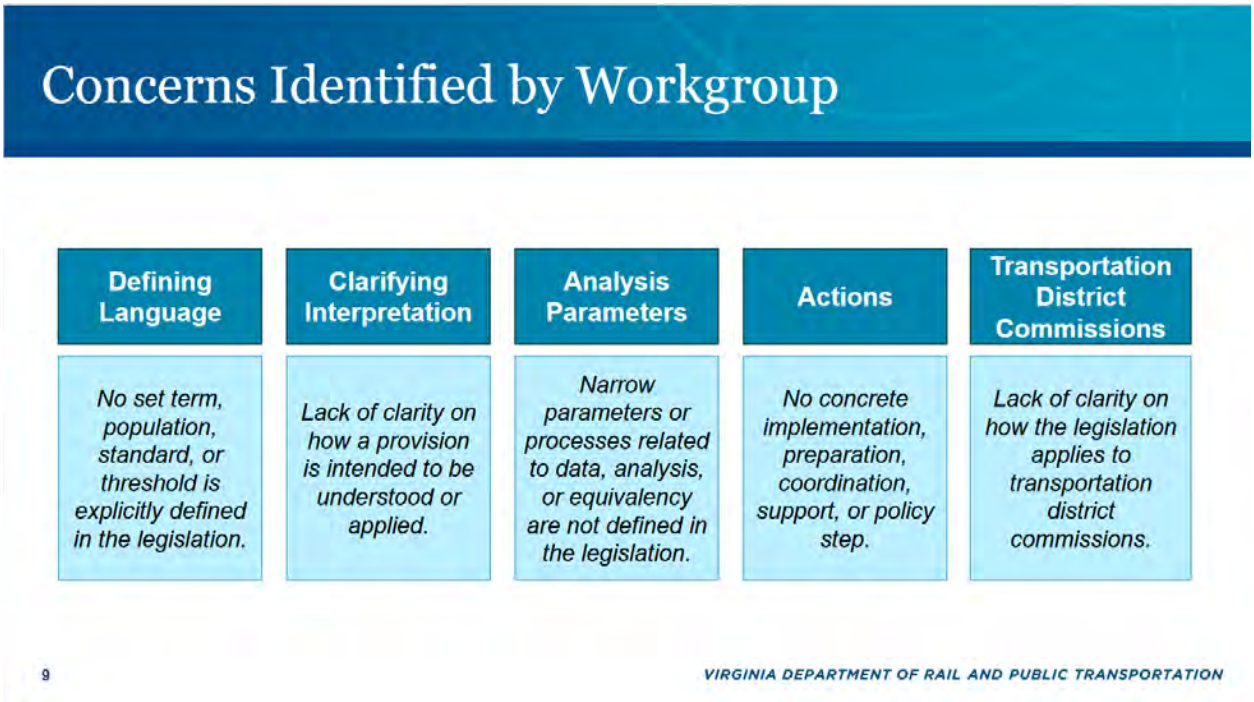
A. November 19 Legislative and Policy Committee

The NVTC WMATA Committee and Legislative and Policy Committee held a joint meeting on November 19 to discuss ongoing WMATA oversight, regional transit issues and preparations for the 2027 General Assembly Session. The main focus of the meeting included two presentations from the Virginia Department of Rail and Public Transportation (DRPT) on the Public-Private Transit Labor Study and Northern Virginia Regional Bus Consolidation Feasibility Study. The committees' next joint meeting is scheduled for Thursday, January 21, 2027.

- Public-Private Transit Labor Study

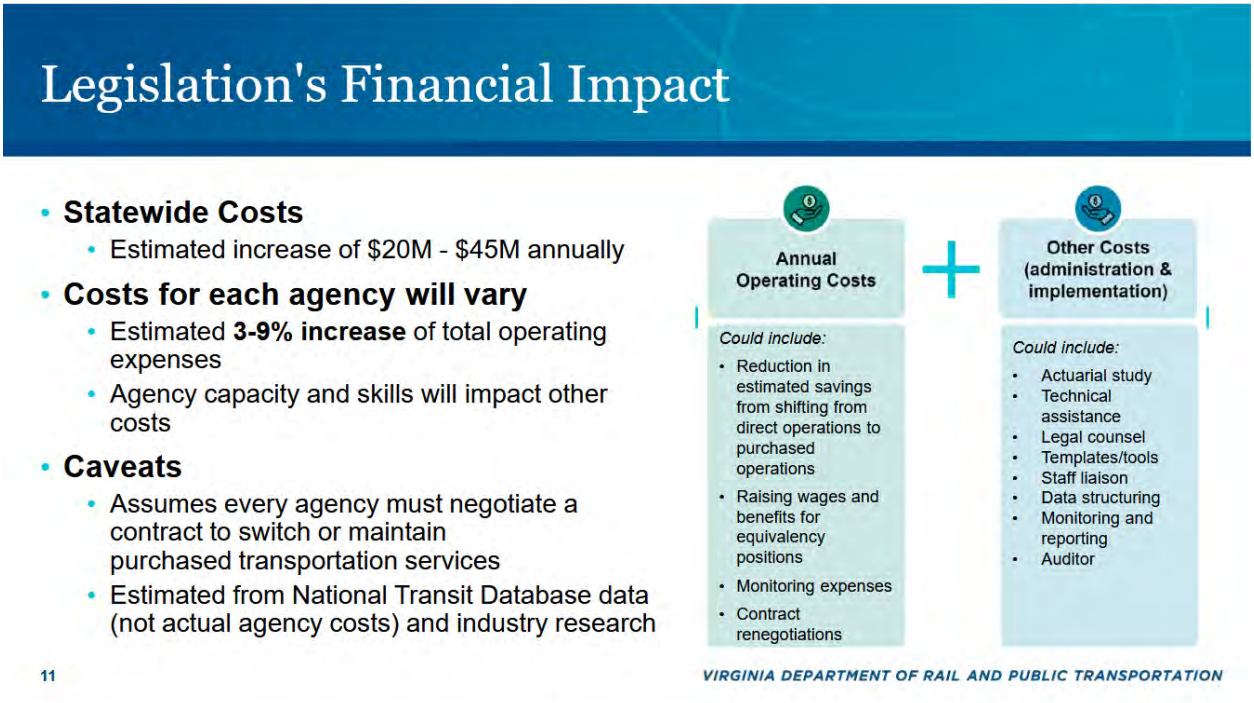
Pursuant to HB 547 and SB 731, DRPT convened a workgroup that met four times to study the implementation of new employee protection and compensation requirements for private transit contractors. At the November 19 joint NVTC WMATA and Legislative and Policy Committee meeting, DRPT staff presented the study's preliminary findings and discussed outstanding implementation questions with Commissioners. DRPT has developed draft recommendations identifying areas requiring additional legislative clarification, including definitions of equivalent employees and compensation, benefit equivalency standards and the application of requirements to transportation district commissions. Preliminary estimates suggest implementation could increase statewide transit operating costs by $20 million to $45 million annually, although actual impacts remain uncertain and would vary considerably among agencies.

Figure 1: Concerns Identified by Workgroup



Source: November 19, 2026, Joint WMATA and Legislative and Policy Committee Meeting, DRPT

Figure 2: Legislation's Financial Impact



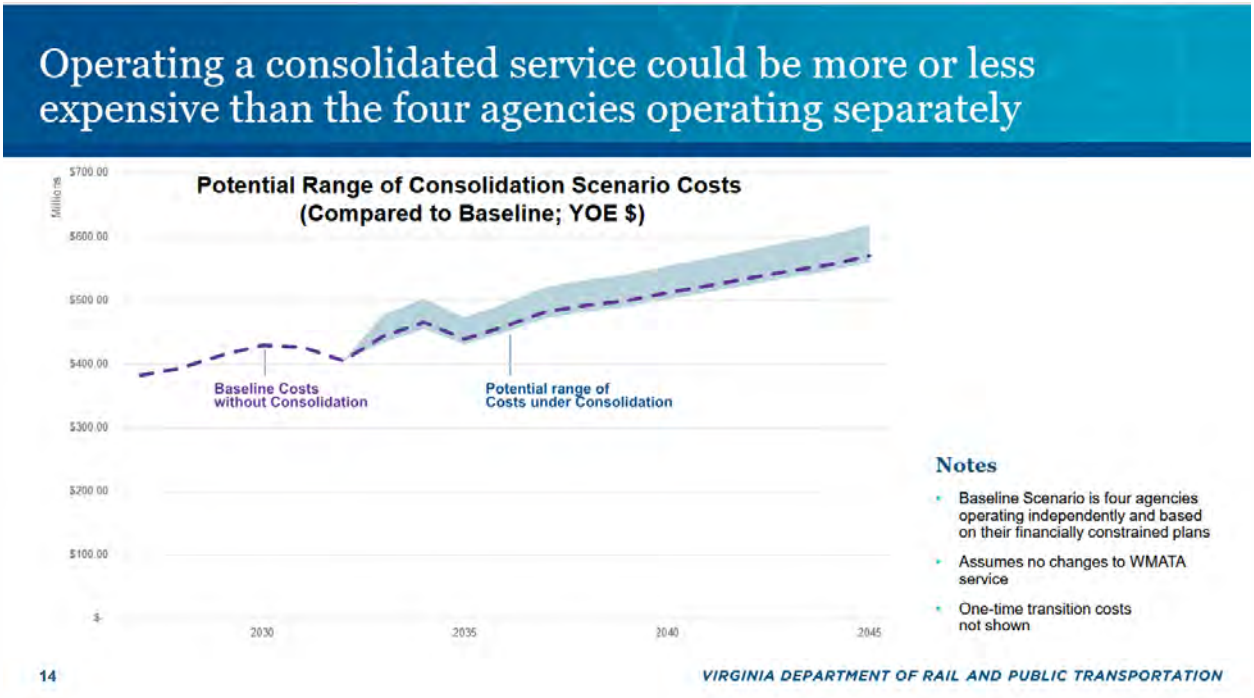
Source: November 19, 2026, Joint WMATA and Legislative and Policy Committee Meeting, DRPT

During the discussion at the committee meeting, Commissioners expressed concerns about the potential for significant unfunded costs to local jurisdictions, impacts on local bus service and unresolved legal and administrative questions. Discussion emphasized the need for additional legislative clarification, more detailed agency-specific fiscal analysis and coordination among affected jurisdictions ahead of potential reenactment during the 2027 General Assembly Session.

- Northern Virginia Transit Consolidation Feasibility Study

As directed by the 2026 General Assembly, DRPT is evaluating the feasibility of consolidating ART, CUE, DASH and Fairfax Connector into a unified regional bus system. The study examines potential benefits, challenges and implementation considerations associated with consolidating some or all agency responsibilities, informed by input from transit agencies, local governments, employees, riders and other stakeholders. At an October 21 leadership roundtable hosted at NVTC's offices, DRPT presented preliminary findings indicating that consolidation would not necessarily result in cost savings or significant service improvements without a comprehensive network redesign. The findings also highlighted substantial financial, operational and governance challenges associated with consolidation, with implementation potentially requiring four to six years. DRPT identified opportunities to strengthen regional coordination in areas such as service delivery, joint procurement, workforce development and customer experience regardless of whether consolidation proceeds.

Figure 3: Potential Costs of a Consolidated Agency



Source: November 19, 2026, Joint WMATA and Legislative and Policy Committee Meeting, DRPT

At the November 19 joint NVTC WMATA and Legislative and Policy Committee meeting, DRPT staff again presented the study's preliminary findings and discussed the potential implications of consolidation with Commissioners. Commissioners expressed concerns about the lack of demonstrated cost savings, significant transition expenses and unresolved governance questions, particularly regarding local control over service and funding decisions. Discussion emphasized the value of strengthening existing regional coordination and pursuing opportunities for greater collaboration among transit agencies without necessarily consolidating their operations. DRPT reiterated that the study is intended to inform future decision-making rather than recommend for or against consolidation.

DRPT will finalize its findings ahead of its December 15, 2026, reporting deadline.

B. Statewide General Assembly Mandated Studies

Beyond the two studies discussed at the November 19 committee meeting, NVTC continues to track other studies mandated by the General Assembly.

- WMATA Cost Efficiency Reporting and Review

As directed by the 2026 General Assembly, DRPT is in the process of completing its review of WMATA's cost savings and cost efficiency efforts for submission to the chairs of the Senate Committees on Finance and Appropriations and Transportation and the House Committees on Appropriations and Transportation. NVTC staff had the opportunity to review the draft report and provide feedback to DRPT. Staff will post the final document once it is available to the public..

- Northern Virginia Parking Tax Study

The 2026 General Assembly directed the Office of Intermodal Planning and Investments (OIPI), in consultation with the Department of Taxation, to study the feasibility of imposing a tax on paid parking in private or commercial parking lots and garages within NVTC member jurisdictions, excluding residential parking. The study estimates potential revenues from a tax assessed either as a percentage of parking charges or on a per-space basis. Findings were due to the General Assembly by November 15, 2026. NVTC staff will provide additional information as the study's findings become available.

- Statewide Transit-Oriented Development Review

The 2026 General Assembly also directed the Department of Rail and Public Transportation (DRPT), in coordination with the Department of Housing and Community Development (DHCD), to conduct a statewide review of opportunities to promote and fund transit-oriented development (TOD) around existing and proposed transit and rail stations. The study will assess existing TOD conditions, identify barriers to housing production and economic development, evaluate potential housing development opportunities and recommend state-level policies and funding strategies to encourage TOD. DRPT is expected

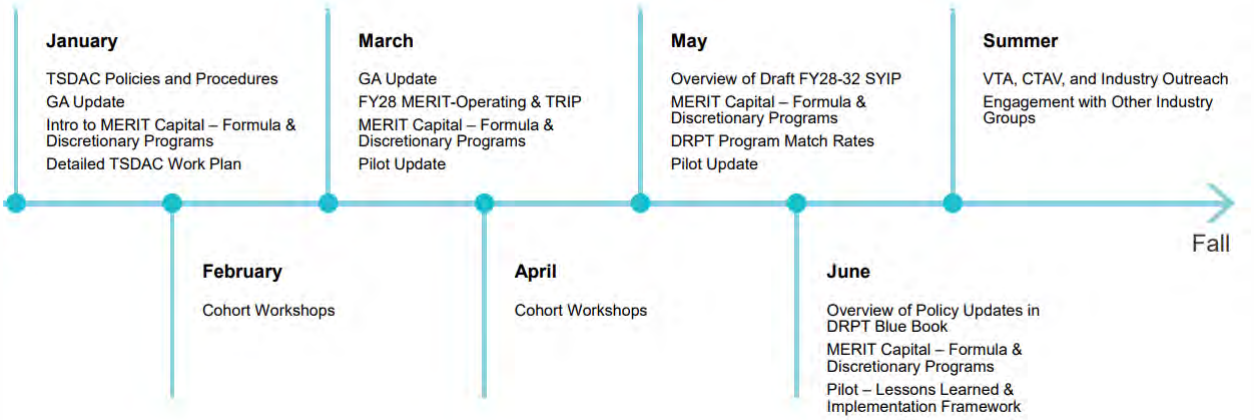
to conduct the study in two phases, with initial findings due to the governor and General Assembly by December 15, 2026, followed by additional analysis in 2027.

Governor Spanberger recently reiterated her commitment to TOD as part of her Moving Virginia Forward agenda to lower housing costs. NVTC staff will track the related package of legislative proposals through the 2027 General Assembly Session.

C. Transit Service Delivery Advisory Committee (TSDAC)

Throughout 2026, the Transit Service Delivery Advisory Committee (TSDAC) worked with the Department of Rail and Public Transportation (DRPT) and transit stakeholders to develop significant updates to Virginia's transit assistance programs. Over seven meetings, six cohort workshops and additional stakeholder engagement, TSDAC helped inform revised policies for MERIT Operating Assistance, MERIT Capital Assistance and the Transit Ridership Incentive Program (TRIP), which were approved by the Commonwealth Transportation Board (CTB) in October. The changes aim to improve funding predictability, streamline grant administration and better align state assistance with transit agency needs. The revised policies will take effect with the FY 2028 grant cycle, opening in December 2026.

Figure 4: TSDAC Draft 2027 Work Plan



Source: October 19, 2026, TSDAC Meeting, Virginia Department of Rail and Public Transportation

Looking ahead to 2027, TSDAC will focus on developing a more predictable MERIT Capital funding framework, including a proposed combination of formula-based and discretionary assistance. DRPT is preparing a pilot involving eight transit agencies, including DASH and OmniRide, to evaluate the feasibility of formula-based capital allocations, with findings expected to inform potential implementation later in 2027. TSDAC's next meeting is scheduled for January 28, 2027, in Richmond.

D. Federal Update

The outlook for federal surface transportation reauthorization has shifted significantly following the November 3 midterm elections, which resulted in Democrats winning

substantial majorities in both chambers of Congress. The Infrastructure Investment and Jobs Act (IIJA) expired on September 30, and Congress enacted a short-term extension of existing surface transportation programs through December 11. While the House Transportation and Infrastructure Committee approved the bipartisan, five-year BUILD America 250 Act in May, the legislation has not advanced to the House floor, and the Senate has yet to introduce a comprehensive reauthorization proposal. With Democrats set to assume control of Congress in January, lawmakers are increasingly expected to defer a full reauthorization until 2027, potentially revisiting the House proposal to reflect the incoming majority's priorities. Congress will likely need to approve another short-term extension before December 11, potentially extending existing program authorities into the spring or through the end of FY 2027.

A central issue in the upcoming negotiations will be the future of federal transportation funding, particularly the guaranteed advance appropriations provided under the IIJA. Although the current extension maintains existing program authorities, it does not renew the IIJA's advance appropriations, which supported significant investments in transit, passenger rail and discretionary grant programs. According to the American Public Transportation Association (APTA), the expiration of these funds represents a roughly 20% reduction in federal public transit funding and an 81% reduction in passenger rail funding compared with FY 2026. The BUILD America 250 Act also does not replace these advance appropriations and would reduce federal transit investment by approximately 14% over five years compared with IIJA levels. Transportation advocates are expected to push for restoring guaranteed funding, particularly for passenger rail and transit capital programs, as Congress considers another extension and develops a longer-term authorization. The Highway Trust Fund's structural shortfall, including the potential exhaustion of its Mass Transit Account during FY 2027, remains a significant challenge to sustaining federal transportation investment.

The incoming Congress will also bring changes to the leadership of key transportation committees. Rep. Rick Larsen (D-WA) is expected to chair the House Transportation and Infrastructure Committee, succeeding retiring Chairman Sam Graves (R-MO). In the Senate, Sen. Maria Cantwell (D-WA) is expected to chair the Commerce, Science and Transportation Committee, Sen. Jeff Merkley (D-OR) is positioned to lead the Environment and Public Works Committee, and Sen. Patty Murray (D-WA) is expected to chair the Appropriations Committee. These leadership changes could influence the direction of reauthorization negotiations, particularly regarding transit and passenger rail funding, federal grant programs and infrastructure investment priorities.

Separately, the Senate voted 73–25 on November 9 to begin consideration of bipartisan permitting reform legislation intended to accelerate infrastructure development by modifying federal environmental review and permitting requirements, including provisions of the National Environmental Policy Act (NEPA). While the legislation has attracted bipartisan support, its prospects remain uncertain amid concerns about environmental protections and the upcoming change in congressional control.

NVTC staff will continue to monitor developments in federal appropriations, surface transportation reauthorization and permitting reform, particularly their potential impacts on federal transit funding and capital investment in Northern Virginia and WMATA.

E. Legislative Forum

The 2026 NVTC, PRTC and VRE Legislative Forum is scheduled for Monday, December 14 from 8:30 a.m.-12 p.m. at George Mason University's Mason Square Campus in Arlington. The forum will bring together transit leaders, elected officials and other experts from across the region to discuss Northern Virginia's transit priorities and the value of transit ahead of the 2027 Virginia General Assembly Session. To register to attend or find more information, please visit: https://novatransit.org/2026-legislative-forum/.

Virginia Department of Rail and Public Transportation Director Mariia Zimmerman will be the keynote speaker, delving into the importance of funding transit and how that investment benefits all of Virginia. The event will also have two panels:

Transit Leaders Panel

Northern Virginia transit leaders will discuss encouraging trends in ridership, safety and operations across the region. We'll hear how these transit networks provide a vital resource and what is needed to keep them running frequent, quality and safe service.

Panelists:

- DASH GM/CEO Josh Baker
- Virginia Railway Express CEO Katie Choe
- WMATA GM/CEO Randy Clarke
- OmniRide Executive Director Dr. Bob Schneider

Moderator: Kate Mattice, Executive Director, NVTC

Transit and Thriving Communities Panel

Northern Virginia development leaders and planning professionals will discuss how reliable transit service supports vibrant, connected communities and improves quality of life across the region.

Panelists:

- Jeffrey Farner, Deputy Director, Department of Planning + Zoning, City of Alexandria
- Evan Goldman, Executive Vice President, Land Acquisition and Development, EYA
- Tracy Sayegh Gabriel, President & CEO, National Landing BID

Moderator: Stewart Schwartz, Executive Director, Coalition for Smarter Growth

Agenda Item #5C

TO: Chair Bagley and NVTC Commissioners

FROM: Kate Mattice, Ann McGrane, Amanda Sink, Sophie Spiliotopoulos and Jason Adle

DATE: November 24, 2026

SUBJECT: Report from the Program Advisory Committee Chair

This is a written report as the Program Advisory Committee last met on September 17, 2026 and will reconvene in the new year.

A. Commuter Choice Program

The I-395/95 FY 2028-2029 Call for Projects officially opened on Monday, October 19 and will close on Friday, December 18. NVTC staff are available to meet with applicants as they continue to develop their applications.

See Agenda Item #4C for details about an upcoming request for proposals for consulting support for the Commuter Choice program.

Agenda Item #6

TO: Chair Bagley and NVTC Commissioners

FROM: Kate Mattice

DATE: November 24, 2026

SUBJECT: Executive Director Wrap-Up

At the December 3 meeting, Executive Director Kate Mattice will give her update and wrap up the meeting with any last-minute information.

A. Executive Director Newsletter

NVTC's Executive Director Newsletter provides updates on specific NVTC projects and programs and highlights items of interest at the federal and state levels and among jurisdictional and regional partners.

The December 2026 Executive Director Newsletter will be provided to Commissioners at the Commission meeting and posted online at https://novatransit.org/news-and-media/newsletter/.

B. NVTC Financial Reports

The October 2026 Financial Reports are provided as information.

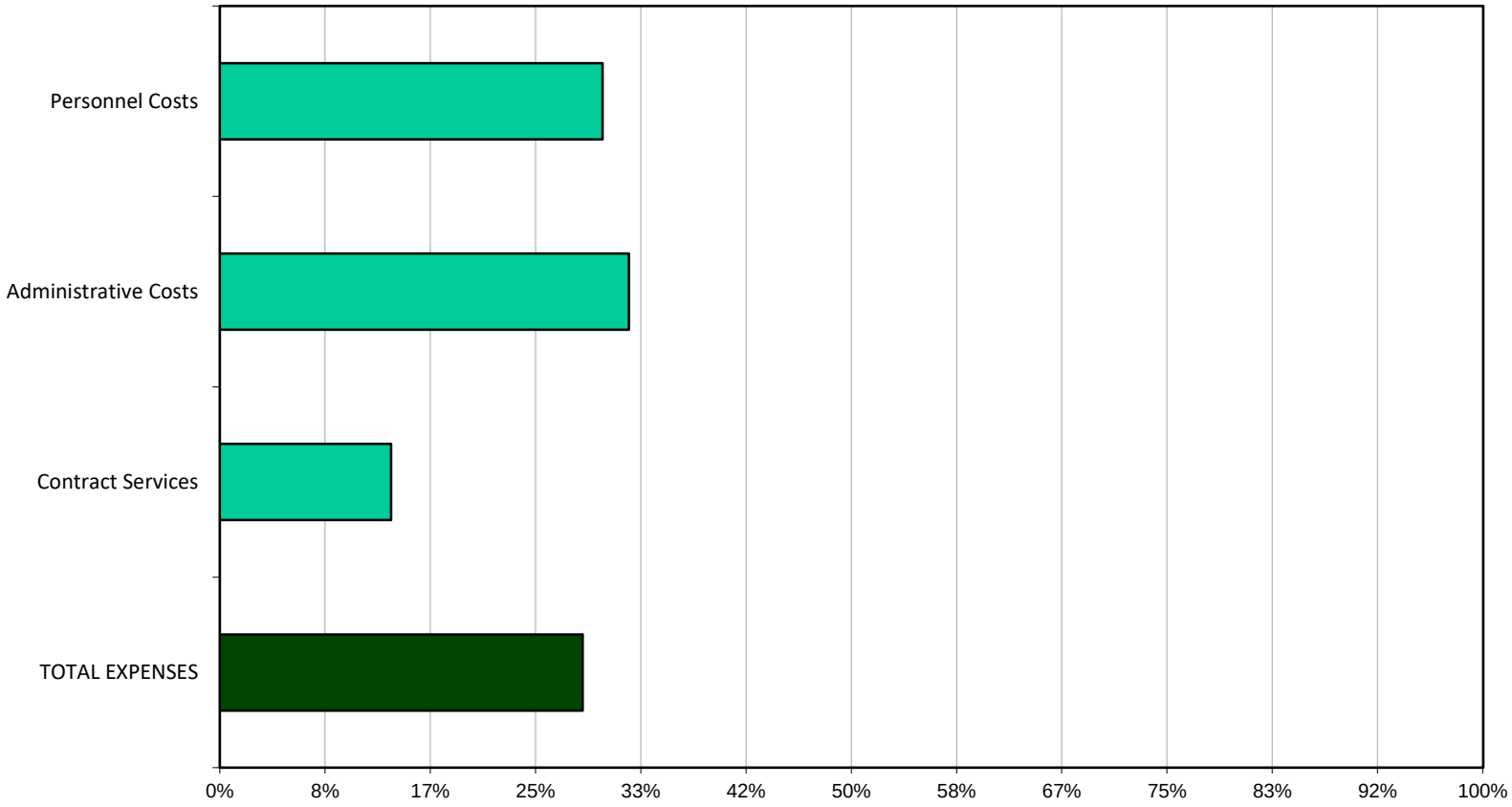
Attachment #6B

Northern Virginia Transportation Commission

Financial Reports

October 2026

PERCENTAGE OF FY 2027 NVTC ADMINISTRATIVE BUDGET USED
October 2026
(TARGET 33.3% OR LESS)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
October 2026

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Personnel Costs					
Salaries and Wages	$ 242,203.22	$ 936,413.69	$ 3,014,000.00	$ 2,077,586.31	68.9%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	242,203.22	936,413.69	3,014,000.00	2,077,586.31	68.9%
Benefits					
Employer's Contributions:					
FICA	13,784.73	60,655.71	208,000.00	147,344.29	70.8%
Group Health Insurance	14,295.50	61,996.85	273,000.00	211,003.15	77.3%
Retirement	20,420.00	81,680.00	265,000.00	183,320.00	69.2%
Workmans & Unemployment Compensation	(1,072.46)	355.99	2,800.00	2,444.01	87.3%
Life Insurance	278.06	589.35	6,600.00	6,010.65	91.1%
Long Term Disability Insurance	1,476.93	5,958.05	19,500.00	13,541.95	69.4%
Total Benefit Costs	49,182.76	211,235.95	774,900.00	563,664.05	72.7%
Administrative Costs					
Commissioners Per Diem	1,300.00	3,350.00	14,500.00	11,150.00	76.9%
Rents:	*41,739.55*	*165,944.10*	*493,400.00*	*327,455.90*	*66.4%*
Office Rent	40,213.05	160,665.85	471,400.00	310,734.15	65.9%
Parking & Transit Benefits	1,526.50	5,278.25	22,000.00	16,721.75	76.0%
Insurance:	*425.00*	*2,030.89*	*8,800.00*	*6,769.11*	*76.9%*
Public Official Bonds	100.00	540.00	2,500.00	1,960.00	78.4%
Liability and Property	325.00	1,490.89	6,300.00	4,809.11	76.3%
Travel:	*5,025.04*	*26,496.38*	*79,200.00*	*52,703.62*	*66.5%*
Conference / Professional Development	2,162.09	19,594.76	58,200.00	38,605.24	*66.3%*
Non-Local Travel	-	229.76	2,500.00	2,270.24	90.8%
Local Travel, Meetings and Related Expenses	2,862.95	6,671.86	18,500.00	11,828.14	63.9%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
October 2026

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Communication:	*1,335.88*	*5,063.11*	*18,400.00*	*13,336.89*	*72.5%*
Postage	-	225.26	1,400.00	1,174.74	83.9%
Telephone and Data	1,335.88	4,837.85	17,000.00	12,162.15	71.5%
Publications & Supplies	*1,989.36*	*8,845.83*	*37,300.00*	*28,454.17*	*76.3%*
Office Supplies	186.00	726.73	3,000.00	2,273.27	75.8%
Duplication and Paper	1,065.49	5,009.76	9,300.00	4,290.24	46.1%
Public Engagement	737.87	3,109.34	25,000.00	21,890.66	87.6%
Operations:	*4,160.75*	*16,731.16*	*59,300.00*	*42,568.84*	*71.8%*
Furniture and Equipment (Capital)	553.51	690.38	19,200.00	18,509.62	*96.4%*
Repairs and Maintenance	57.97	289.85	1,000.00	710.15	71.0%
Computer Operations	3,549.27	15,750.93	39,100.00	23,349.07	59.7%
Other General and Administrative:	*1,246.98*	*5,656.38*	*11,900.00*	*6,243.62*	*52.5%*
Memberships	246.25	542.08	1,600.00	1,057.92	66.1%
Fees and Miscellaneous	1,000.73	4,114.30	8,800.00	4,685.70	53.2%
Advertising (Personnel/Procurement)	-	1,000.00	1,500.00	500.00	33.3%
Total Administrative Costs	57,222.56	234,117.85	722,800.00	488,682.15	67.6%
Contracting Services					
Auditing	10,560.00	10,560.00	26,900.00	16,340.00	60.7%
Contract Services and Support					
Commuter Choice	7,338.90	16,523.69	136,250.00	119,726.31	87.9%
Research Support (excludes carryover)	-	-	250,000.00	250,000.00	100.0%
Other Technical	7,706.25	39,231.26	120,000.00	80,768.74	67.3%
Legal	2,500.00	10,000.00	30,000.00	20,000.00	66.7%
Total Contract Services	28,105.15	76,314.95	563,150.00	486,835.05	86.4%
Total Gross G&A Expenses	$ 376,713.69	$ 1,458,082.44	$ 5,074,850.00	$ 3,616,767.56	71.3%

NVTC
RECEIPTS and DISBURSEMENTS
October 2026

Date	Payer / Payee	Purpose	Wells Fargo Checking	Wells Fargo Savings	Virginia LGIP NVTC G&A / Project	Virginia LGIP Commuter Choice	Virginia LGIP Trusts
	RECEIPTS						
1	Alexandria	G&A contribution		$ 10,221.75			
2	DMV	Motor Vehicle Fuels Sales tax					$ 3,213,665.10
2	DMV	CROC			1,250,000.00		
7	DRPT	Capital grants receipts-Fairfax					144,588.73
15	DRPT	Capital grants receipts-Arlington					896,901.90
19	FTA	Grant receipt - Envision Route 7			56,296.00		
20	VDOT	I-66 Commuter Choice toll revenue				2,899,234.00	
22	FTA	Grant receipt - Alexandria			171,039.00		
26	DRPT	Capital and operating assistance - WMATA					21,550,650.08
27	DRPT	Technical assistance - Envision Route 7			30,141.00		
29	DRPT	Technical assistance - Battery - Electric Buses			20,271.18		
29	DRPT	Regional marketeting grant revenue			17,390.00		
29	DRPT	Capital grants receipts-Fairfax					3,976,100.76
30	DRPT	Capital grants receipts-Fairfax					371,649.24
30	Banks	Interest earnings		102.60	1,666.64	519,178.14	955,828.71
	TOTAL RECEIPTS		-	10,324.35	1,546,803.82	3,418,412.14	31,109,384.52

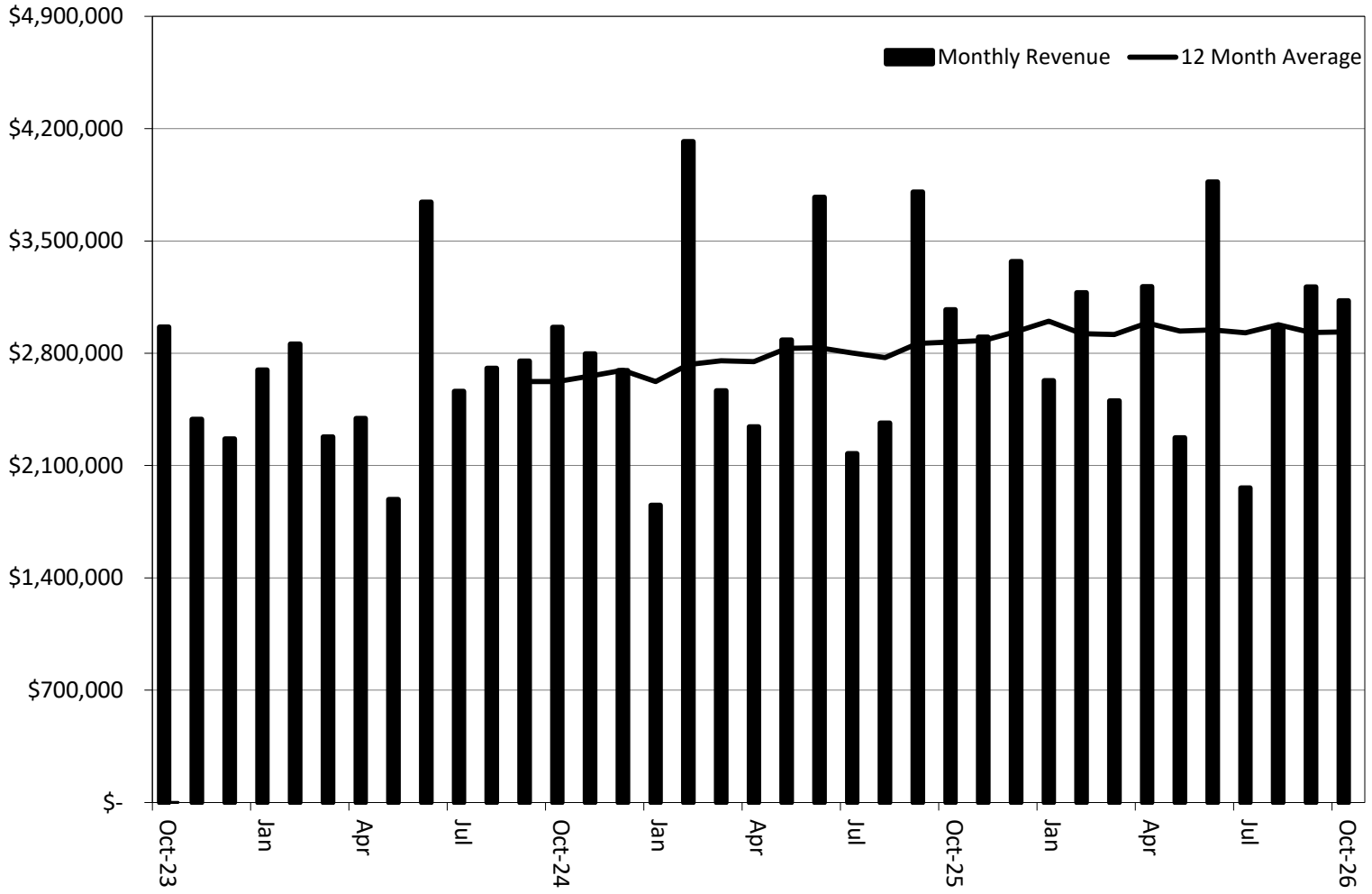
NVTC
RECEIPTS and DISBURSEMENTS
October 2026

Date	Payer / Payee	Purpose	Wells Fargo Checking	Wells Fargo Savings	Virginia LGIP NVTC G&A / Project	Virginia LGIP Commuter Choice	Virginia LGIP Trusts
	DISBURSEMENTS						
1-30	Various	G&A expenses	(304,597.99)				
1	WMATA	Metrobus operating					(19,427,958.00)
1	WMATA	Metrorail operating					(30,849,971.00)
1	WMATA	MetroAcess operating					(3,453,713.00)
1	WMATA	Debt Service					(3,760,999.00)
1	WMATA	CIP					(812,390.00)
1	WMATA	Project Planning					(112,886.00)
2	WMATA	Metrobus operating					(249,528.00)
2	WMATA	Metrorail operating					(383,793.00)
2	WMATA	MetroAcess operating					(12,400.00)
2	WMATA	Debt Service					(88,258.00)
2	City of Fairfax	Other capital					(23,372.00)
2	VRE	CROC			(1,250,000.00)		
20	SENSIS	Regional marketing campaign	(73,062.50)				
21	Prince William	I-395/95 Commuter Choice reimbursement				(712,825.00)	
21	Fairfax	I-395/95 Commuter Choice reimbursement				(40,650.00)	
21	WMATA	I-395/95 Commuter Choice reimbursement				(502,055.00)	
23	Alexandria	Costs incurred			(171,039.00)		
27	Kimley-Horn	Consulting - Envision Route 7	(18,413.41)				
30	Banks	Bank charge	(95.72)	(168.42)			
	TOTAL DISBURSEMENTS		(396,169.62)	(168.42)	(1,421,039.00)	(1,255,530.00)	(59,175,268.00)
	TRANSFERS						
2	Transfer	From LGIP to checking	120,000.00		(120,000.00)		
16	Transfer	From LGIP to checking	180,000.00		(180,000.00)		
28	Transfer	From LGIP to checking	75,000.00		(75,000.00)		
	NET TRANSFERS		375,000.00	-	(375,000.00)	-	-
	NET INCREASE (DECREASE) FOR MONTH		$ (21,169.62)	$ 10,155.93	$ (249,235.18)	$ 2,162,882.14	$ (28,065,883.48)

NVTC
INVESTMENT REPORT
October 2026

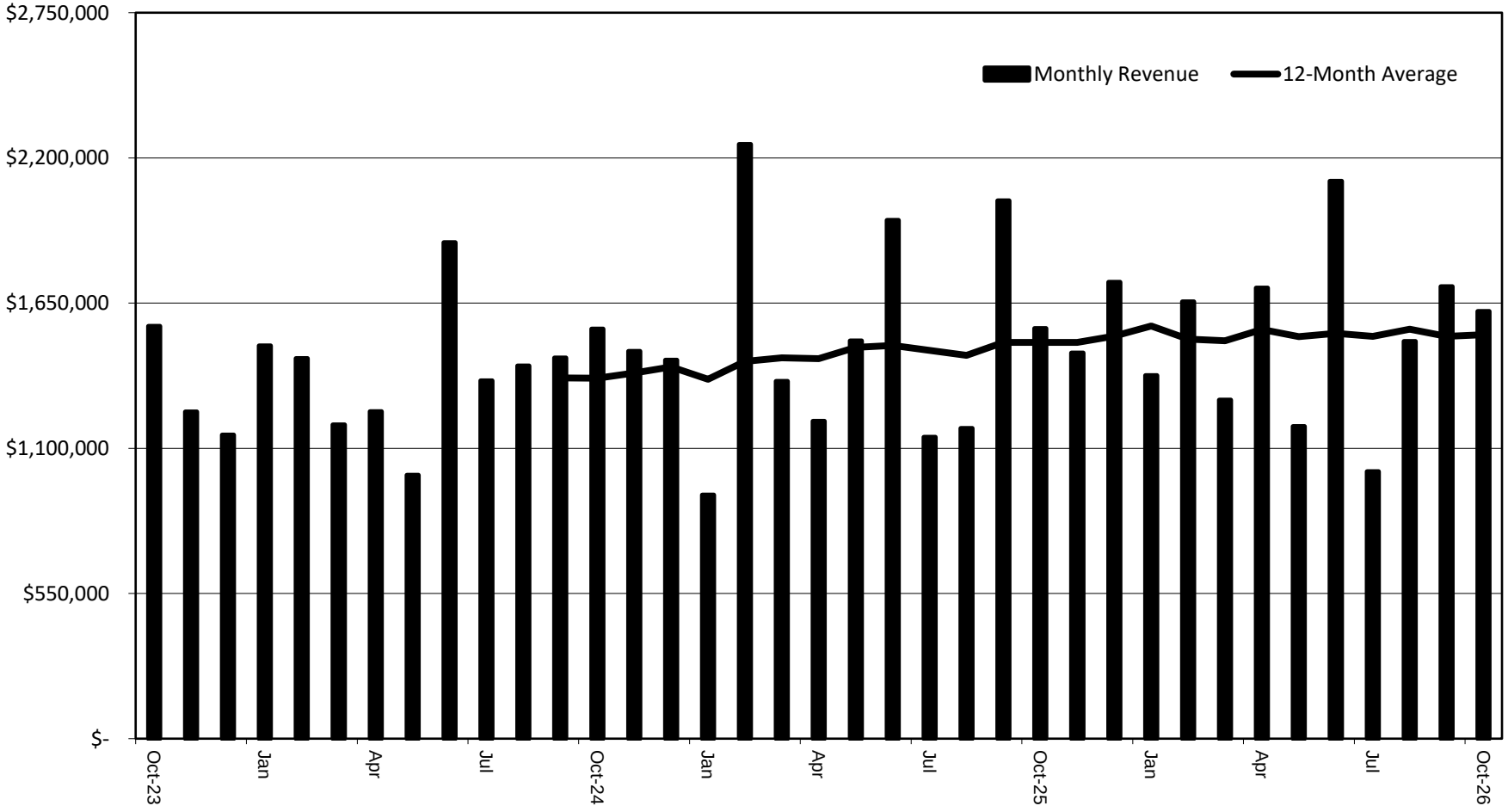
Type	Rate	Balance 9/30/2026	Increase (Decrease)	Balance 10/31/2026	Balance			
					NVTC G&A/Project	Commuter Choice	Jurisdiction Trust Fund	Loudoun Tax Trust Fund
Cash Deposits								
Wells Fargo: NVTC Checking	N/A	$ 55,770.78	$ (21,169.62)	$ 34,601.16	$ 34,601.16	$ -	$ -	$ -
Wells Fargo: NVTC Savings	0.480%	241,500.95	10,155.93	251,656.88	251,656.88	-	-	-
Investments								
Bank of America: Virginia Local Government Investment Pool (LGIP)	4.075%	484,795,466.02	(26,152,236.52)	458,643,229.50	405,368.26	154,229,698.49	265,672,380.79	38,335,781.96
		$ 489,596,094.81	$ (26,163,250.21)	$ 458,929,487.54	$ 691,626.30	$ 154,229,698.49	$ 265,672,380.79	$ 38,335,781.96

NVTC MONTHLY GAS TAX REVENUE
ALL JURISDICTIONS
FISCAL YEARS 2024-2027



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

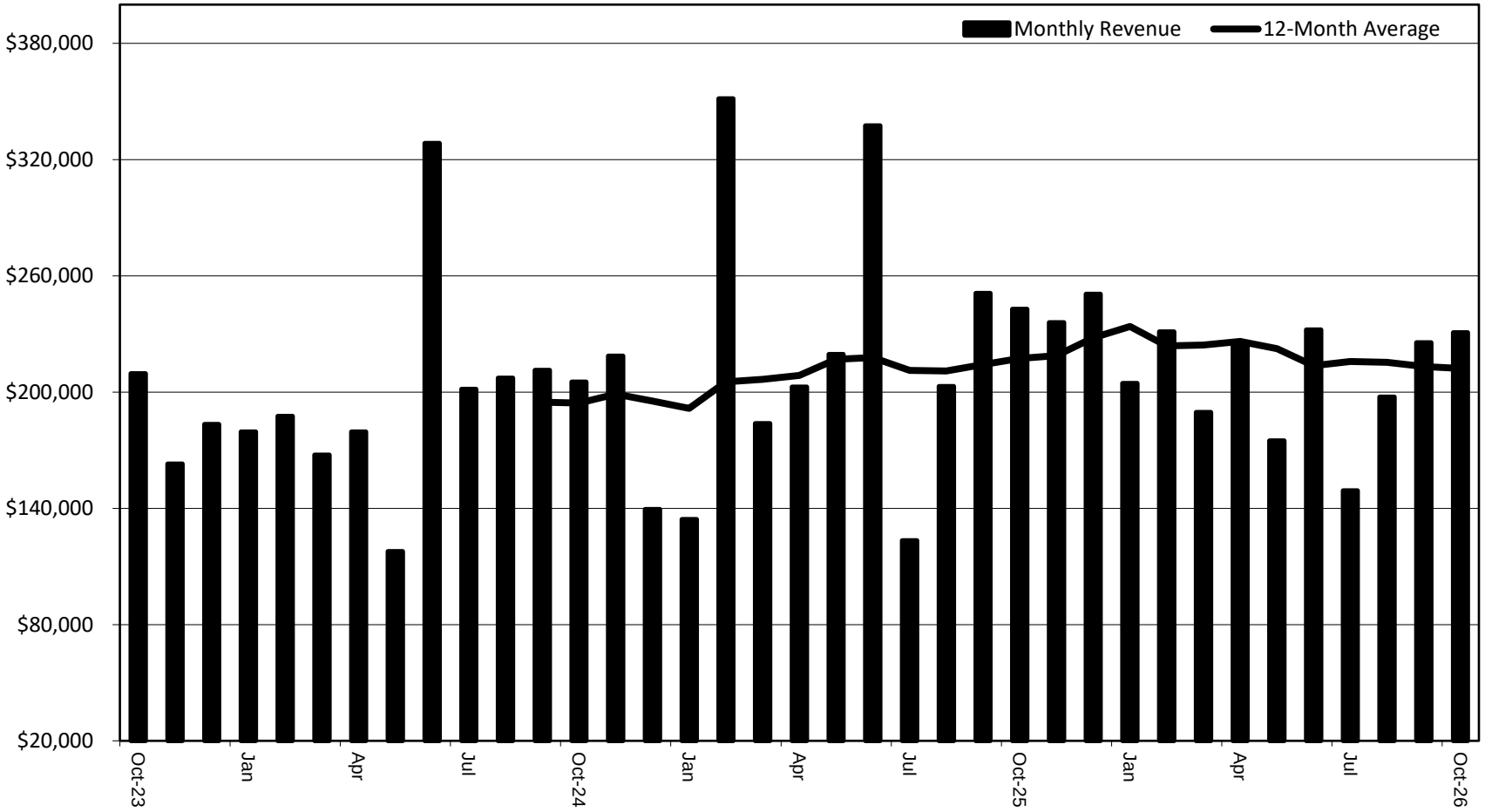
NVTC MONTHLY GAS TAX REVENUE
FAIRFAX COUNTY
FISCAL YEARS 2024-2027



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NVTC MONTHLY GAS TAX REVENUE
CITY OF ALEXANDRIA
FISCAL YEARS 2024-2027



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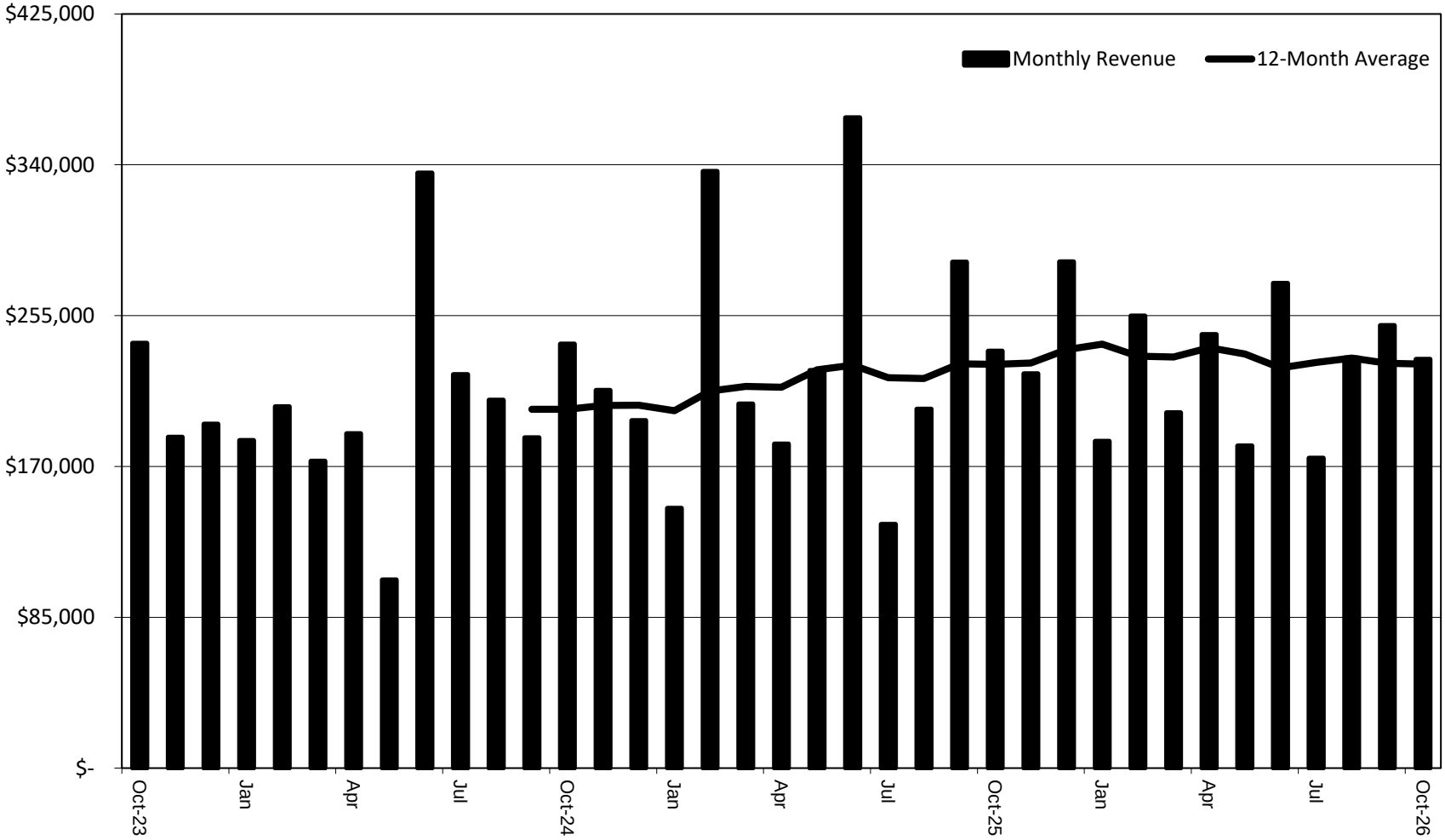
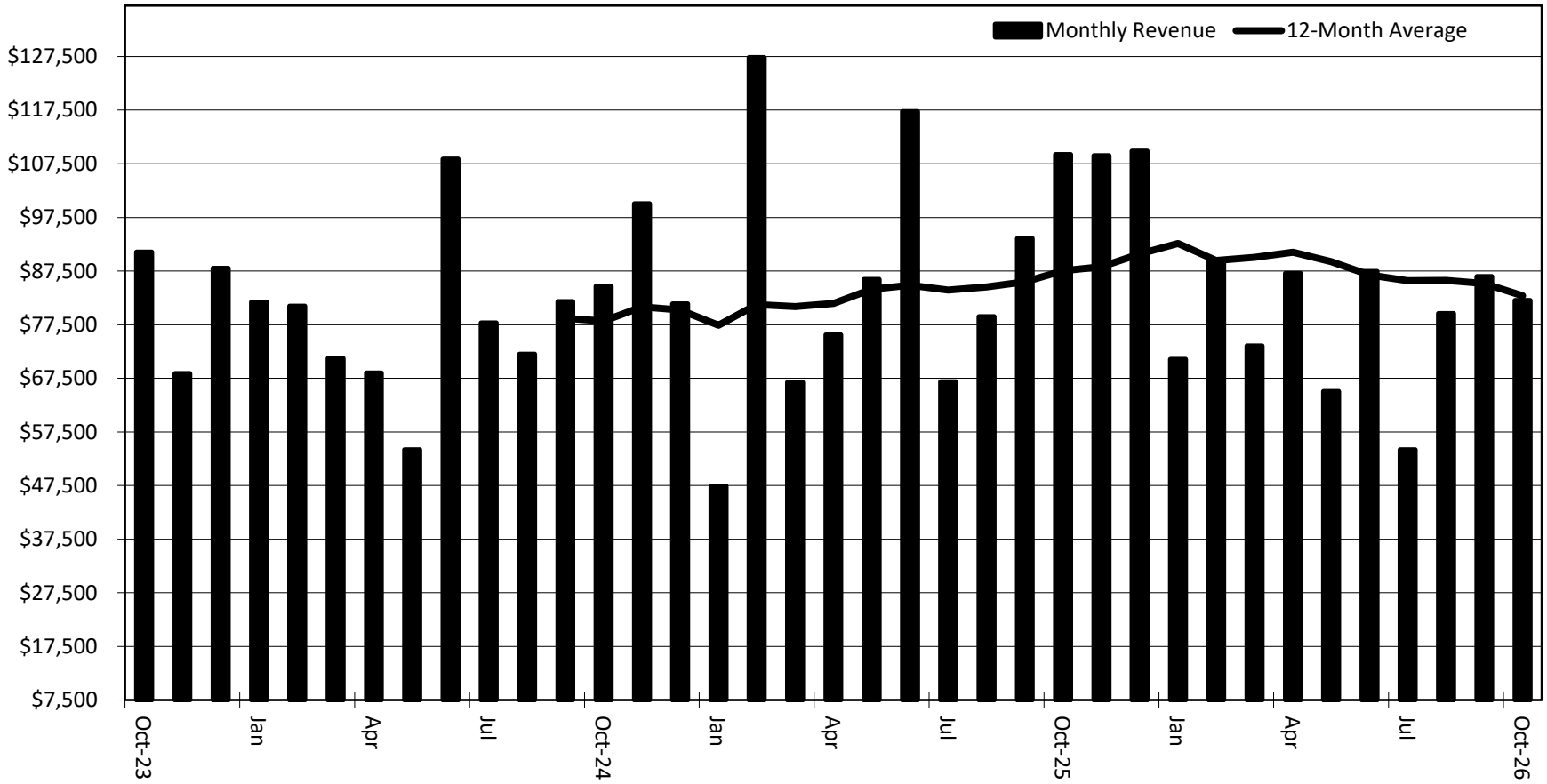
NVTC MONTHLY GAS TAX REVENUE
ARLINGTON COUNTY
FISCAL YEARS 2024-2027



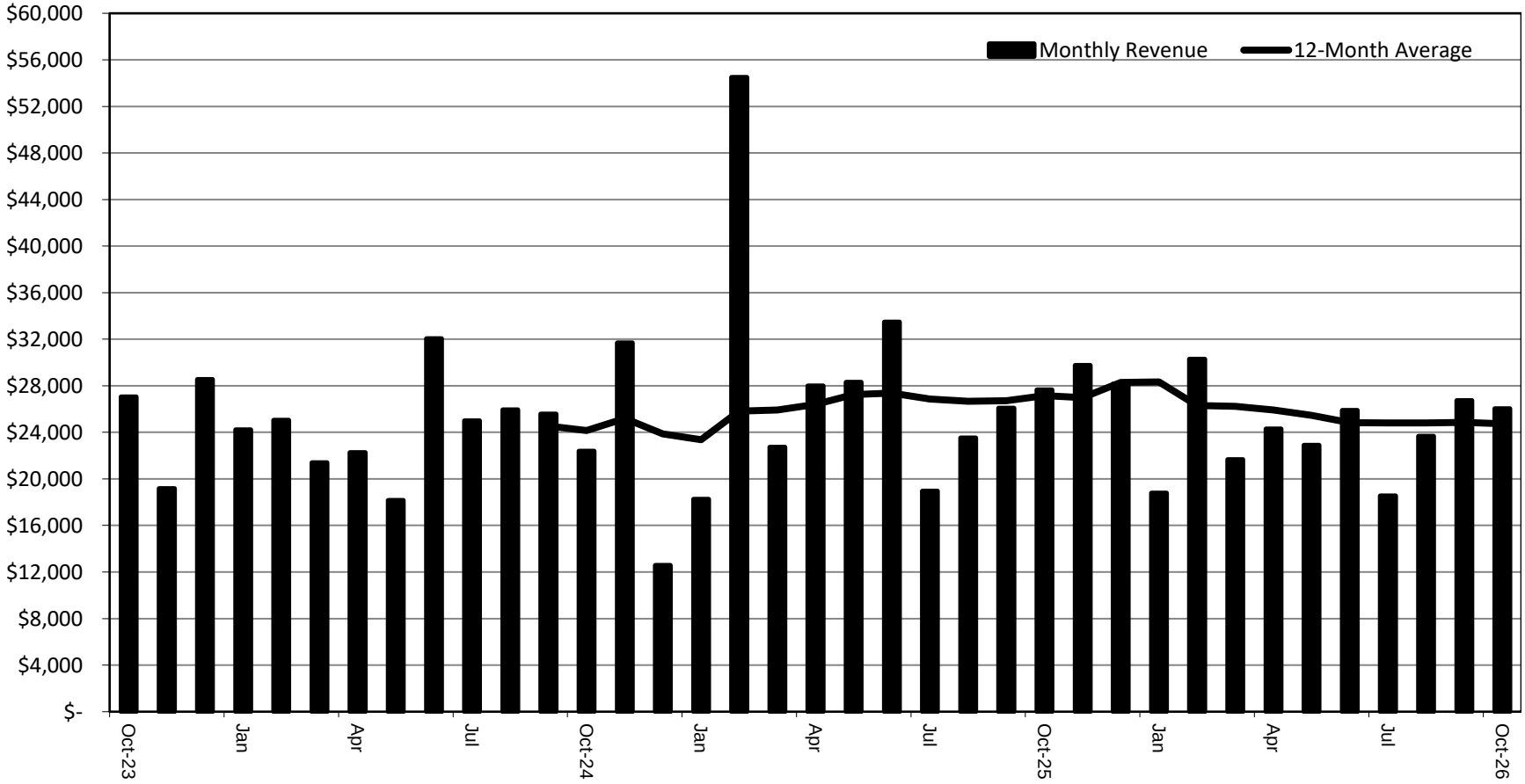
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE
CITY OF FAIRFAX
FISCAL YEARS 2024-2027



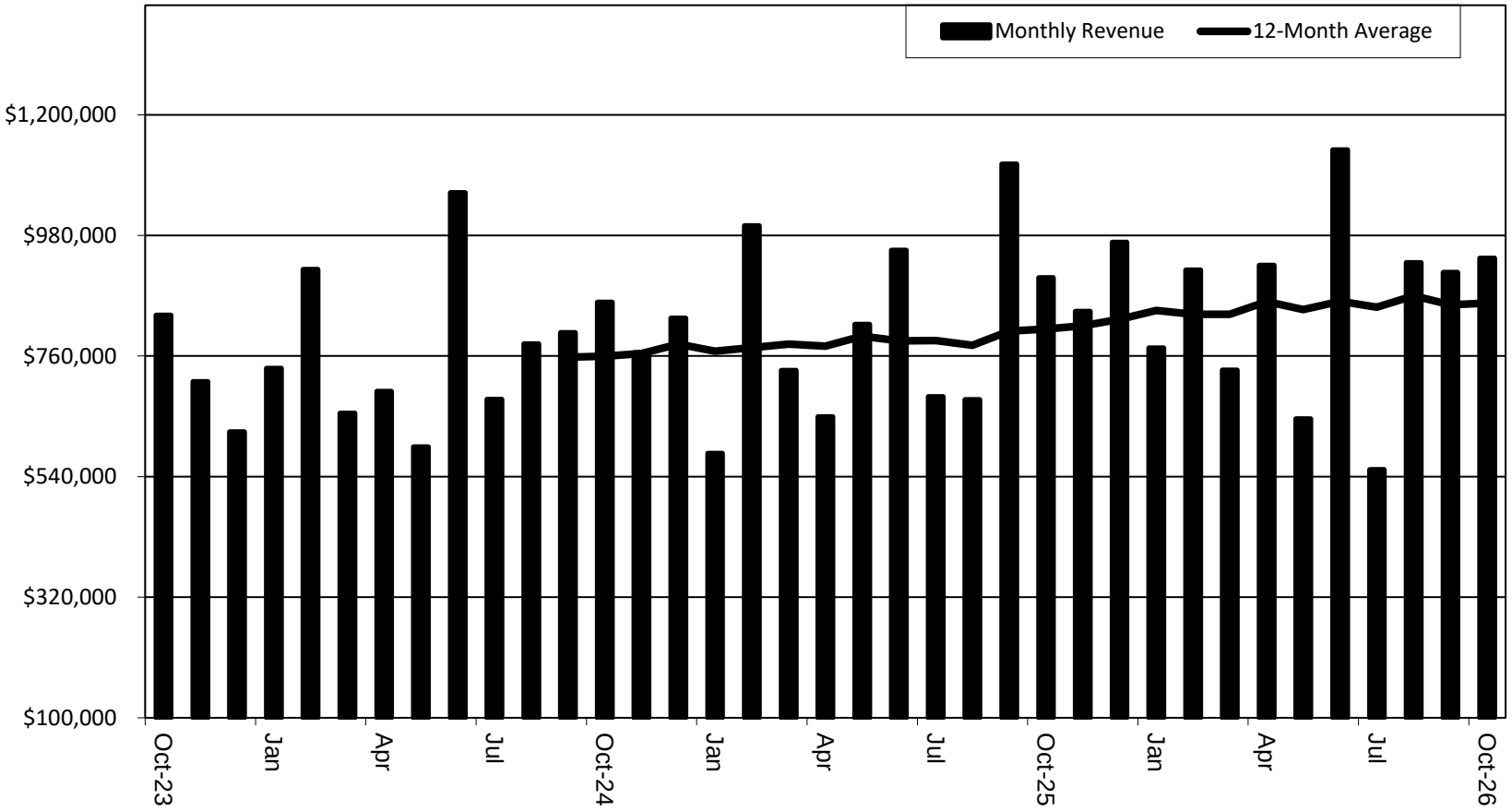
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE
CITY OF FALLS CHURCH
FISCAL YEARS 2024-2027



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier .

NVTC MONTHLY GAS TAX REVENUE
LOUDOUN COUNTY
FISCAL YEARS 2024-2027



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.