



## RESOLUTION #2523

**SUBJECT:** Affirm NVTC's Near-Term Priorities for WMATA Funding

**WHEREAS:** WMATA is critical to the Commonwealth's transportation network and economic growth and plays a significant role in the \$1.5 billion in income and sales tax that goes to the Commonwealth General Fund each year that is generated by Northern Virginia's transit network;

**WHEREAS:** The COVID-19 pandemic upended the financial operating model of transit agencies across the United States primarily through inflation and reduced ridership;

**WHEREAS:** Federal pandemic aid, which has sustained the Washington Metropolitan Area Transit Authority (WMATA) since FY 2020, will be exhausted in the FY 2024 budget;

**WHEREAS:** In June 2023, WMATA projected an FY 2025 operating budget gap of \$750 million that would grow to \$1.2 billion by FY 2035;

**WHEREAS:** The FY 2025 deficit of \$750 million is driven by inflation and collective bargaining agreements (\$266 million), decreased revenue since the pandemic (\$288 million), and jurisdictional subsidy credits (\$196 million);

**WHEREAS:** As of November 2023, WMATA identified one-time and recurring cost savings that bring the FY 2025 operating gap down to \$650 million;

**WHEREAS:** To help further close the gap, WMATA developed options to increase fares, reduce service and transfer eligible preventive maintenance expenses from the operating budget to the capital budget;

**WHEREAS:** NVTC member jurisdictions will need to identify additional funds to avoid catastrophic reductions in service that would severely degrade the WMATA system and lead to the collapse of our regional public transit network;

**WHEREAS:** NVTC supports the spirit and intent of the 3% cap in the annual growth of operating subsidies as a tool to manage the growth in Virginia's annual subsidy to WMATA. However, the amount of additional funding needed to fill the remaining WMATA subsidy gap in FY 2025 would violate the existing legislative 3% cap on operating subsidy increases, resulting in a financial penalty to NVTC jurisdictions;

**WHEREAS:** The National Capital Region is home to more than 700 federal facilities that are connected and supported by a strong network of commuter rail, commuter bus, Metrorail and local bus services;

**WHEREAS:** Prior to the pandemic, federal employees in the National Capital Region were the backbone of WMATA's ridership and fare revenue, accounting for approximately 40% of WMATA's daily commuters and contributing close to \$100 million/year in fare revenue to the system; and

**WHEREAS:** WMATA projects only \$50 million in fare revenue from federal employees in FY 2025 which could increase by \$20 million per year for each additional day per week that federal employees ride the WMATA system.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission hereby recommends that Commonwealth administratively or legislatively permit WMATA to re-baseline its annual operating subsidy to Virginia to reflect the impact of the pandemic on the transit system without financially penalizing NVTC localities.

**BE IT FURTHER RESOLVED** that NVTC recommends the Commonwealth provide additional state aid to match additional local funding to allow Virginia to close its portion of the FY 2025 operating funding gap in a way that avoids devastating service cuts and sustains WMATA's ridership recovery.

**BE IT FURTHER RESOLVED** that NVTC is committed to working with our federal, Commonwealth, regional and local partners, and WMATA to develop long-term, sustainable operating and capital funding solutions.

**BE IT FURTHER RESOLVED** that NVTC presses upon National Capital Area federal agencies to establish return-to-office policies that encourage transit use throughout the work week and for the federal government to secure a replacement for the region's losses in fares from riders using federal transit benefits.

Approved this 7<sup>th</sup> day of December 2023.



---

David F. Snyder  
Secretary-Treasurer



---

Dalia Palchik  
Chair