

# 2023 Report on the Performance and Condition of WMATA

NVTC's 2023 Report on the Performance and Condition of WMATA provides Funding, Accountability and Reform Recommendations for WMATA and the region to stabilize WMATA in the short-term and develop long-term solutions. The report also includes the uses of Virginia's dedicated capital funding, recent major accomplishments in the capital program and reliability, ridership and financial performance data.



## WMATA's Projected Operating Funding Gap as of June 2023:



Through inflation and reduced ridership, the pandemic disrupted the financial operating model of transit agencies across the United States. All major transit systems, including WMATA, are facing massive operating budget shortfalls as they exhaust their remaining federal pandemic aid. As a result, NVTC developed a series of recommendations to WMATA and federal, state and local funding partners to ensure the long-term viability of WMATA and sustain the critical role the system plays in the region and as an economic asset for the Commonwealth.

## NVTC's Near-Term Priorities:



Directed to: VA, MD and WMATA Board

Seek administrative or legislative opportunities to permit WMATA to re-baseline its FY 2025 operating subsidy bill to reflect the impact of COVID-19 pandemic.



Directed to: VA General Assembly

Advocate for additional state aid in FY 2025 to match local funding for WMATA.



Directed to: NVTC and the VA General Assembly

Seek a commitment from federal, state, regional and local funding partners to develop long-term, sustainable, dedicated funding to meet WMATA's capital and operating needs.

# NVTC's Mid- to Long-Term Recommendations:

Directed to WMATA and federal, state and local funding partners

While WMATA and region take temporary actions to sustain bus and rail service and avoid a transit death spiral, they must simultaneously develop long-term solutions. These recommendations offer WMATA, the Commonwealth and the region a framework to help guide regional funding and reform discussions that will take place over the next few years.

- Manage labor cost escalation through reforms to pension and other post-employment benefits (OPEB)
  - Increase worker contributions to pensions and OPEB
  - Limit or prohibit overtime earnings towards retirement pay
  - Implement WMATA's Office of the Inspector General (OIG) findings to improve controls and governance and explore alternative retirement plans
- Seek amendments to the federal Wolf Act that would require consideration of WMATA's fiscal condition and jurisdictions' ability to pay in binding arbitration
- Establish a revised Virginia and Maryland legislative operating assistance growth cap that addresses the unintended consequences of the current cap
- Improve farebox recovery by raising fares for Metrorail and Metrobus
- Formalize the functions and scope of a WMATA Board audit committee to enhance oversight via a coordinated jurisdictional audit
- Secure one or more sustainable and reliable sources of dedicated revenues to support additional operating funding
- Establish a rainy-day fund at WMATA
- Secure one or more sustainable and reliable sources of dedicated revenues to support additional capital funding
- Sustain NVTC's technical, policy, financial and legislative efforts to support the implementation of recommendations



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