



## Introduction and Purpose

This memorandum supports the Northern Virginia Transportation Commission (NVTC) project to provide technical assistance for the Washington Metropolitan Area Transit Authority (WMATA) Operating Funding and Reform Working Group. It provides background on accountability, oversight and reform measures for WMATA and comparable transit agencies in the United States, and potential actions for consideration. The memo begins by summarizing accountability measures required of WMATA by its funding jurisdictions, followed by a summary of accountability and oversight requirements by the federal government and at other major U.S. transit agencies. Notably, for WMATA, congressional and state legislative actions are at the forefront when compared with these other major U.S. transit agencies.

The memo describes measures that can be used by the public and governing officials to assess how transit agencies are performing, and considerations for further WMATA transparency and accountability measures.

## WMATA Accountability and Oversight Requirements

During the last few years, the Commonwealth of Virginia and other WMATA funding and governance partners have taken actions to address their concerns with accountability, oversight, and reporting. For Virginia, these actions have included legislation giving the Commonwealth Transportation Board (CTB) the authority to withhold a percentage of WMATA annual funding allocations if certain WMATA actions are not taken, including:

- Prohibiting the participation of the Alternate Directors except under certain circumstances
- Adoption of detailed Capital Improvement Program
- Limiting the increase in Operating Assistance to 3% each year (i.e. the 3% Cap)
- Providing a proposed operating budget, capital budget, and other plans by April 1
- Requiring the WMATA General Manager and Virginia WMATA Board members to address the CTB on an annual basis
- Submitting an expanded strategic plan every three years

Non-compliance with any of these items can result in a 20 percent reduction in Commonwealth funding to WMATA for each violation (hypothetically a total of 60 percent).

In Maryland, in 2018, Chapters 351 and 352 of the Laws of Maryland were enacted that effectively limited operating assistance funding growth to no more than three percent (Virginia has an almost identical limitation). In addition, prior to any appropriation by the Maryland Governor, WMATA must submit reports including performance and condition assessments, financial performance including fare box recovery and cost per service hours, detailed ridership information, and strategies to reduce costs. Further, if WMATA receives a “modified audit opinion” from its annual financial statement auditor and has not submitted a corrective action plan to the appropriate regulator, Maryland’s Governor may withhold 35 percent of certain appropriations.

WMATA and its funding jurisdictions also maintain additional rights and responsibilities through its capital funding agreements. The latest agreement, for FY 2022 to FY 2027, was updated to include the dedicated capital funding that was provided by Virginia, Maryland and the District of Columbia. This is the third such agreement that affirms their financial commitment to WMATA. This agreement governs cost, schedule, debt service, formula for contributing jurisdictional capital funding and annual budget reconciliation processes. The agreement also outlines capital reporting requirements to the funding jurisdictions.

### **Federal Requirements for WMATA Accountability and Oversight**

The Infrastructure Investment and Jobs Act of 2021 (IIJA) (Section 30019) included provisions strengthening the role and independence of WMATA's inspector general (IG) function. The law includes specific reforms as a condition of receiving FTA and other federal funding. The WMATA Board adopted the reforms in December 2021. These reforms include:

- Greater IG independence in the annual budget process, by directing the Office of the IG to send its annual budget request directly to the WMATA Board for review and approval
- Dedicated legal counsel reporting directly to the IG
- Independent annual reporting to the Governor of Virginia, the Chair of the Northern Virginia Transportation Commission, the President of the Virginia Senate, and the Speaker of the House of the Virginia House of Delegates, among other officials
- Other specific reporting and public dissemination of IG reports including that any that require a corrective action must be posted no later than three days after the final report is submitted to the WMATA Board

### **FTA Role in Transit Agency Accountability and Oversight**

Because of the important role of federal funding for transit agencies, in 1982 Congress mandated that the Federal Transit Administration (FTA) conduct ongoing reviews of transit agencies every three years. These Comprehensive Reviews, formerly known as Triennial Reviews, examine 23 areas including legal, financial management and capacity, technical capacity, program management, drug and alcohol, transit asset management, cybersecurity, maintenance, procurement, civil rights, and other program-specific requirements. In addition, WMATA is required to submit a Transit Asset Management Plan to FTA for certification every four years.

FTA also conducts evaluations and audits at other times during the three-year cycle if concerns arise. For example, in April 2016, FTA issued an immediate action letter to WMATA to inspect and correct fire/life safety equipment and features in the Metrorail tunnels and to conduct a safety briefing for employees who work on the tracks.

In 2017, the Washington Metro Safety Commission (WMSC) was created as an independent agency by Congress, Virginia, Maryland, and the District of Columbia to oversee and enforce safety practices on the Metrorail system. The WMSC is directly funded by these partners and, in 2022, issued five audit reports and worked with the National Transportation Safety Board. Its website, [Oversight – Washington Metrorail Safety Commission \(WMSC\)](#), includes current

WMATA corrective action plans and other information. This information can also be found on the WMATA website ([Management Responses to WMSC Safety Audits | WMATA](#)).

## Accountability & Oversight Measures of Comparable U.S. Transit Agencies

This section summarizes accountability and oversight measures of comparable U.S. transit agencies. It begins with a summary of comparison agency operating characteristics, followed by a discussion of accountability and oversight measures enacted at each agency.

### Summary Operating Characteristics

The FTA manages the National Transit Database (NTD) which is a repository of data about the performance, finances, operations, and asset conditions of U.S. transit systems. The NTD is used to consistently record and track key metrics including vehicle revenue miles, unlinked passenger trips, operating expenses, vehicle revenue hours, and passenger miles traveled. It also allows for comparison of information and statistics including funding sources, inventories of vehicles and maintenance facilities, safety event reports, measures of transit service provided and consumed, and data on transit employees. The current year for these comparisons is 2021 (reported in 2022) and the website is found at [National Transit Database \(NTD\) | FTA \(dot.gov\)](#).

Based on 2021 NTD reporting, WMATA is one of the top eight transit agencies in the United States based on the population of its service area based on the 2010 Census (the population data published in the latest publicly-released version of the NTD). The other seven agencies selected for comparison include:

- Chicago Transit Authority (CTA)
- San Francisco Bay Area Rapid Transit District (BART)
- Los Angeles County Metropolitan Transportation Authority (LA Metro)
- Massachusetts Bay Transportation Authority (MBTA)
- Metropolitan Transportation Authority New York City Transit (NY MTA)
- New Jersey Transit Corporation (NJT)
- Southeastern Pennsylvania Transportation Authority (SEPTA)

### Accountability & Oversight Reforms

Like WMATA, during the last 10 years, concerns regarding accountability and oversight have been highlighted and, in some cases, acted upon at each of these agencies. Recent examples are summarized below:

- **BART and LA Metro:** In June 2023, the California General Assembly passed SB 125 which, among a number of policy changes, requires moneys appropriated in the state's annual budget for the Transit and Intercity Rail Capital Program through regional transportation planning agencies be subject to compliance with accountability program requirements. The requirements include submitting a regional short-term financial plan to the California Department of Transportation for approval and working to identify service improvements that could further grow ridership at the regional and interregional levels. The legislation

signed into law as Chapter 54, Statutes of 2023 ([Bill Text – SB-125 Transportation budget trailer bill. \(ca.gov\)](#)). LA Metro staff have stated that the requirements are “an unprecedented intrusion by the State that removes the Board’s control over its budget and how it operates ‘our’ transit system” ([2023-0432 – STATE AND FEDERAL REPORT – Metro Board | Metro.net](#)). BART’s general manager on the other hand stated that the agency fully supports calls for transit accountability and reform ([BART GM statement on state budget agreement | bart.gov](#)).

The legislation was based on a framework developed by the California Transit Association with input from the public, listening sessions, and one-on-one meetings. The framework is based on the expectation that the public expects transit agencies to use any allocated state funds with transparency, efficiency, and an eye toward structural and operational improvement. In addition, the agencies would report on past and current operations and ridership recovery efforts, as well as future planned uses for any funds received. As a result, along with increased funding, the framework made recommendations for front-end accountability before receiving the funding and back-end accountability, reforms, and reporting after receiving the funding.

Front-end accountability recommendations include the transit agency’s governing body passing a resolution that:

- Identifies and demonstrates the agency’s estimated annual operations funding needs through FY2027-28 to a) mitigate service cuts and/or layoffs; and/or b) implement service and/or fare changes and/or ridership retention and recovery strategies.
- Identifies relevant service and/or fare changes as well as broader ridership retention and recovery and/or operating deficit reduction strategies implemented by the agency on or after March 1, 2020, in response to changing ridership travel patterns.
- Authorizes the agency to pursue relief funding; and,
- Identifies broad strategies and tactics for how the agency will apply the funding to address its operating deficit and/or advance ridership recovery in the first year of receiving said funding.

Back-end accountability and reforms after receiving operations funding include submission of a data-driven transit recovery plan within 18 months that identifies the service and/or fare changes and specific strategies or reforms it plans to implement over a specified period with the funding to help enhance its ridership and address its operating deficit.

- **CTA:** In 2018, the CTA President announced \$20 million in additional budget cuts after having looked internally and has implemented \$100 million in cost savings since 2015. The savings included the elimination of 100 management positions and \$17 million in fuel and power savings. At the same time as the \$20 million in cuts, \$3 million in additional revenue from advertising and concessions were identified ([2018 Budget Book 2017-11-21 FINAL web version.pdf | transitchicago.com](#)).

- MBTA:** In 2015, in response to extreme weather challenges, the Massachusetts Governor convened a special panel to review the finances and operations of the MBTA. The panel's findings included a lack of accountability and alarm that the Commonwealth of Massachusetts provided more than half of the MBTA operating budget and substantial additional funding for capital projects but that the MBTA was not directly accountable to either the governor or the legislature. Recommendations included the creation of a fiscal and management control board and budget firewalls between operating and capital budgets ([The History of the T | MBTA](#)) ([Fiscal and Management Control Board | Leadership at The MBTA | MBTA](#)). The control board was established in July 2015 and ended on June 30, 2021. At that time, it was replaced with a reconstituted Board of Directors. During its six years, it met almost weekly and reduced the forecasted operating budget by \$300 million by introducing zero-based budgeting, renegotiating union contract wages and work rules, restructuring debt, moving to statewide and/or electronic systems, and diligently addressing overtime and absenteeism. MBTA is now a division of the Massachusetts Department of Transportation.
- NY MTA:** Like other transit agencies, NY MTA strategic priorities for 2023 include cost consciousness, proactively reducing waste, and improving productivity and efficiency to provide the best service to customers by first centralizing departments. It is also investing in fare evasion prevention measures. A predictive maintenance tool for subways is a \$41 million savings initiative, which bases maintenance intervals on review of failure data. NY MTA has linked lowering costs with improving customer service by 10 percent by June 2024 ([improving productivity and efficiency](#)). While not directly linked with the other strategic priorities, NY MTA is pursuing congestion pricing for part of its road network, redesigning bus and rail routes and schedules along with fare capping. These items do not necessarily lower costs but rather invest in service. ([Our strategic priorities for 2023 | mta.info](#))
- NJT:** After a 15-month legislative inquiry and audit, in 2018, the New Jersey legislature and Governor adopted a number of transparency requirements for NJT and expanded its board of directors. The reforms include that all fare increases and significant services changes require Board approval, creation of a chief ethics position and a whistle-blower protection program, and require submission of two-year ridership and revenue projections each year ([Office of the Governor | Governor Murphy Unveils NJ TRANSIT Audit Results and Recommendations](#)).
- SEPTA:** In March 2023 SEPTA released its Transformation Office Annual Progress Report to demonstrate its role as “a responsible steward of public funds” ([Transformation Office | septa.org](#)). Within the report, SEPTA detailed its efficiency and accountability program, started in 2020, which provides a systematic approach for teams across all areas of SEPTA to examine processes and ways of working. SEPTA staff are working to drive efficiencies, identify metrics to quantify the expected benefits, and establish the necessary plans, accountability and ownership need to fully realize the benefits.

The report states that SEPTA has recognized \$38.3 million in annual recurring benefits and expected to reach \$102 million after three years. Case studies are documented in the

report. For example, a medical benefits audit generated \$9.5 million in savings in 2022 from ineligible dependents. A change to the acceleration settings for the hybrid-electric bus fleet resulting in 102,678 gallons of fuel savings, translating into \$380,935.00 since July 2022.

## Comparable Accountability and Oversight Measures

Table 1 compares selected agencies regarding transparency for performance, finance, and audit activities. In this section, transparency and public oversight are defined as easily accessible, user-friendly information on the agency's websites. Each measure is described below.

**Table 1. Oversight and Transparency Measures for Comparison Transit Agencies**

|                                       | WMATA     | BART     | CTA                | LA Metro  | MBTA     | NY MTA  | NJT           | SEPTA     |
|---------------------------------------|-----------|----------|--------------------|-----------|----------|---------|---------------|-----------|
| <b>Public Information on Website:</b> |           |          |                    |           |          |         |               |           |
|                                       | wmata.com | bart.gov | transitchicago.com | metro.net | mbta.com | mta.org | njtransit.com | septa.org |
| Performance Metrics                   |           |          |                    |           |          |         |               |           |
| Performance Dashboard                 |           |          |                    |           |          |         |               |           |
| Operating Budget                      |           |          |                    |           |          |         |               |           |
| Capital Budget                        |           |          |                    |           |          |         |               |           |
| Investor Relations                    |           |          |                    |           |          |         |               |           |
| <b>Audit Information on Website:</b>  |           |          |                    |           |          |         |               |           |
| Annual Comprehensive Financial Report |           |          |                    |           |          |         |               |           |
| Independent Single Audit              |           |          |                    |           |          |         |               |           |
| Audit Reports and Findings            |           |          |                    |           |          |         |               |           |
| <b>Oversight:</b>                     |           |          |                    |           |          |         |               |           |
| Board Audit Committee                 |           |          |                    |           |          |         |               |           |

Transit Agency meets measures 
 Transit agency partially meets measure 
 Transit agency does not appear to meet measure

## Public Information on Website

As shown in Figure 1, the WMATA website front page is focused on real-time travel information. However, for the public to be able to easily find performance and financial information on any public agency website is central to accountability. For this memorandum, user-friendly transparency and oversight were defined as easily accessible information on the transit agency's website. As shown in Table 1, WMATA is similar to the comparison agencies in providing performance and budget information on its website. In addition, WMATA's website also includes comprehensive audit information.

WMATA's website includes a wealth of information but is not logically organized to support public navigation. Later in this memorandum, suggestions for how to improve transparency by making the site more user friendly are described.

- **Performance Metrics and Performance Dashboard and Open Data Hub:** WMATA's performance metrics are published quarterly as the Metro Performance Report (Figure 2). ([Metro Performance Scorecard | WMATA](#)).

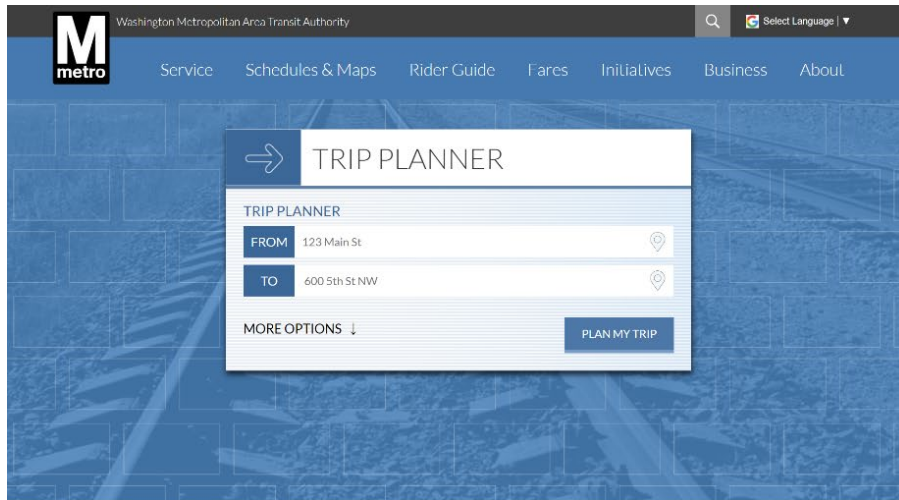
In another area of the website the "Open Data Hub," created in 2023, provides up-to-date performance information for the following:

- **MetroPulse** provides access to real-time data on headway and schedule adherence, the number of trains in service, and more which is being Beta tested. ([MetroPulse \(Beta\) | WMATA](#))
- **Service Excellence Dashboard** explores Rail, Bus, and MetroAccess data from the past year in detail. It includes key performance indicators like on-time performance, missed trips, and elevators and escalators ([Metro Service Excellence Dashboard | WMATA](#)).
- **Ridership Dashboard** provides information on bus, parking, and rail ridership from WMATA's fare system for these dashboards and snapshots ([Ridership Data Portal | WMATA](#)). Information regarding fare collection and fare evasion ("tap" or "no tap") is also being included at the system and station level.

CTA, MBTA and NJT have links to their performance metrics on their websites' front page. Like WMATA, NJT also has published performance goals. While CTA's front page links to its performance metrics, there are no clearly defined performance goals which is similar to BART, MBTA, and NY MTA websites. SEPTA prepares an annual performance report based on in-depth research on its website but there are not performance goals. Neither performance goals nor a dashboard could be located for LA Metro. WMATA has reported on performance metrics since 2010, with the reports being updated and renamed "Metro Performance Reports" in 2018 and "Service Excellence Reports" in 2024. When compared to 2018, WMATA is currently providing significantly more ridership, service, and other data in open data portal or dashboard formats.

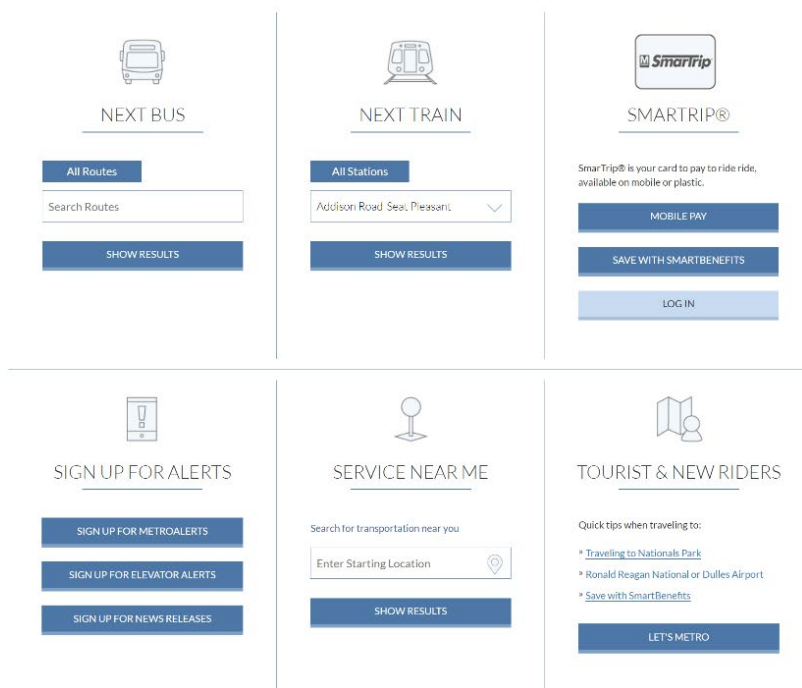
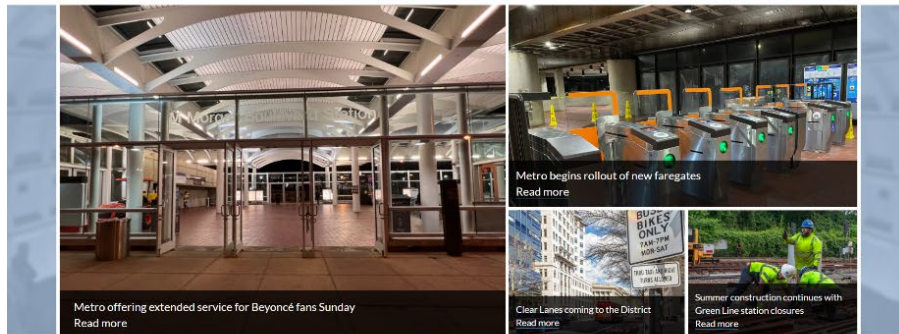


Figure 1. Home Page of WMATA website ([wmata.com](http://wmata.com))

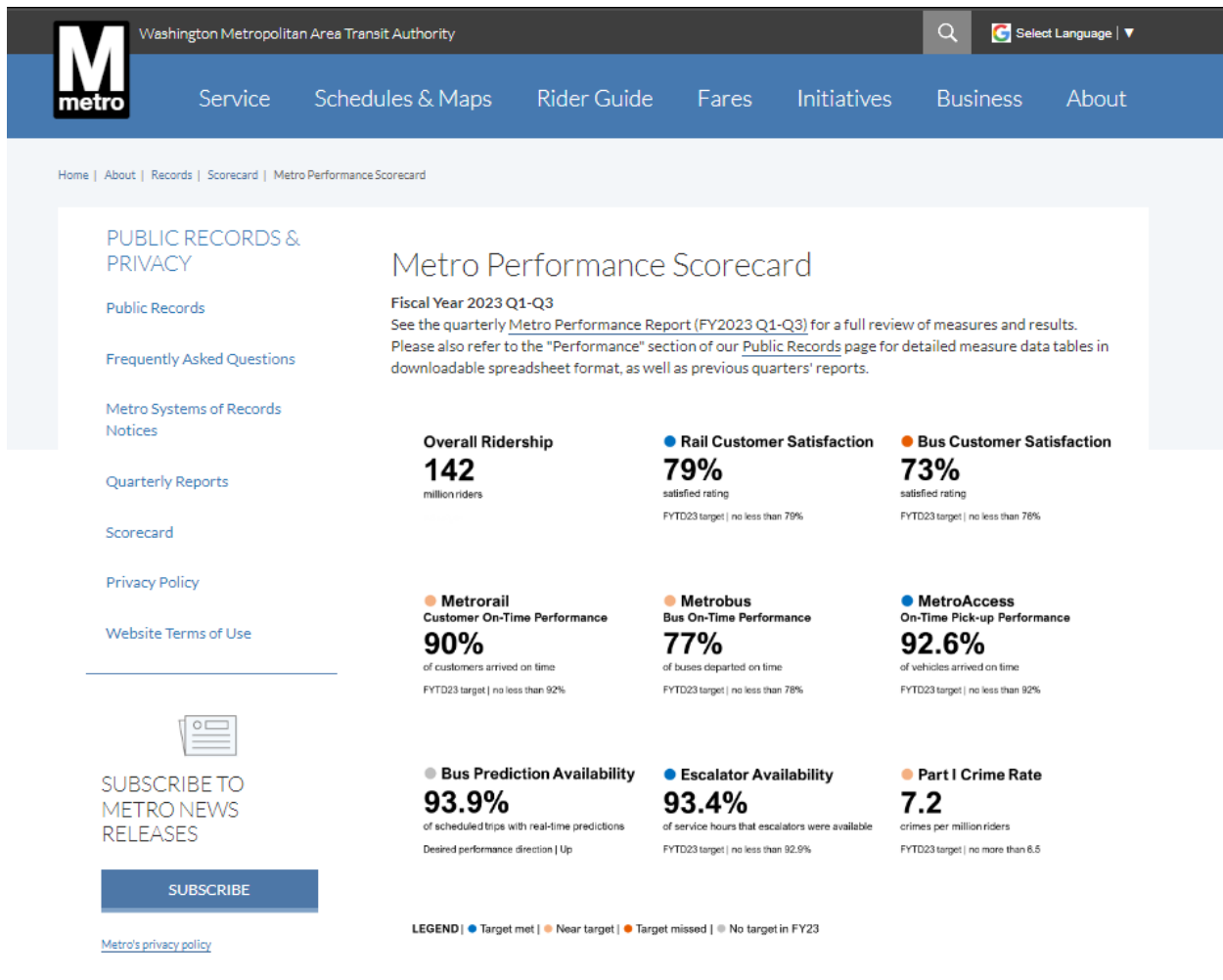


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**Figure 2. Metro Performance Report**



- Operating Budget and Capital Budget:** All eight of the transit agencies include links to their proposed and adopted operating and capital budgets on their website. For WMATA, the information can be found in the "Initiatives" section of the website front page for the current fiscal year. Under the "About" section, if you click on "Public Records," a user has to scroll down to the Budget and Finance section to locate the documents. Figure 3 shows the pages of the website and steps needed to access the document. For other agencies, the information was even more difficult to find. For example, the operating budget for NJT was found as a presentation attached to a Board agenda's "supporting documents."
- Investor Relations:** When a public agency issues debt (bonds) to help pay for capital projects, their governing board must prepare a variety of information so that buyers can make an informed decision on whether they want to buy any of the bonds. This information is also useful to the public because it details how, what and when borrowed funds are being spent. Once the debt is issued (bonds are sold), the Security and Exchange Commission's (SEC) Rule 15c-12 requires the public agency to continually report at least on an annual basis certain information until the bond buyer is repaid. This information depository – both before and after the debt is issued -- is commonly referred to as "Investor Relations." The information details the fiscal and operating health of the

Figure 3. Summary of Steps Required for a Public User to Access Selected WMATA Performance and Audit Information on [WMATA.com](https://www.wmata.com)

### Performance Metrics

**First Access Point:** Home > About > Public Records > Metro Performance Scorecard

**Second Access Point:** Scroll to Footer > Public Records > Metro Performance Scorecard

**Public Records Sidebar:** Public Records > Quarterly Reports > Scorecards

**Destination: Scorecard**

| Overall Ridership                                  | Rail Customer Satisfaction               | Bus Customer Satisfaction                     |
|--|--|---|
| 142 million  | 79%                                      | 73%   |
| <b>MetroRail Customer On-Time Performance: 90%</b> | <b>Metrobus On-Time Performance: 77%</b> | <b>MetroAccess On-Time Performance: 92.6%</b> |
| <b>Bus Prediction Availability: 93.9%</b>          | <b>Escalator Availability: 93.4%</b>     | <b>Part I Crime Rate: 7.2</b>                 |

### OIG Reports

**First Access Point:** Home > About > Inspector General > Reports > Audit Reports

**Second Access Point:** Scroll to Footer > Inspector General > Reports > Audit Reports

**Destination: "Reports" Menu > Audit Reports**

| Title  | Date Issued |
|--|-------------|
| <a href="#">Audit of WMATA's Money Train Operations (OIG 22-087)</a>           | 06-22-2023  |
| <a href="#">Audit of WMATA's Procurement Pop-Award Cycle Time (OIG 22-087)</a> | 06-08-2023  |

### Budget Reports

**First Access Point:** Home > Initiatives > Budget > Fiscal Year 2024 Budget: Proposed Fare and Service Changes

**Destination: "Initiatives" Menu > Budget**

**Fiscal Year 2024 Budget: Proposed Fare and Service Changes**

Metro is committed to improving safety, reliability, affordability, and overall customer experience—and our Fiscal Year 2024 budget aims to fulfill those goals. Engaging our customers, local communities and stakeholders and gathering their feedback is an integral part of the budget process, and factors into our Board of Directors' final decisions.

**Public Engagement Report**

We received and analyzed over 4,130 comments, letters, and public testimonies regarding Metro's Fiscal Year 2024 budget proposal. This input was collected by engaging with more than 250,000 customers across the region over the course of the public comment period. Take a look at our full report.

**Draft Title VI Diversity, Equity and Inclusion Analysis**

Under Title VI of the U.S. Civil Rights Act of 1964, public transit agencies are required to conduct an equity analysis on how proposed fare and service changes will impact minority or low-income customers. [Take a look at our draft report.](#)

**Key Proposals**

Read more about our proposals by clicking on the link to jump to the sections below.

public agency. If a specific event has occurred – such as a derailment or revenue shortfall – they must be reported in accordance with the SEC rule. The reports are filed with the Municipal Securities Rulemaking Board (MSRB) and are made available to the public on its Electronic Municipal Market Access (EMMA) website ([MSRB | MSRB](#)).

For three of the eight transit agencies, no investor relations information could be located on their websites. NJT does not issue its own debt but there is no link to the New Jersey Transportation Trust Fund Authority that does issue debt on NJT's behalf. For WMATA, while Board resolutions on specific debt issuances reference an investor relations website, one could not be located. Bond resolutions offering statements are included in the "Public Records" section of the website with 2021 being the latest information. The latest WMATA MSRB EMMA information is located here: [Municipal Securities Rulemaking Board::EMMA | msrb.org](#).

### Audit Information on Website

- **Annual Comprehensive Financial Report (ACFR):** In accordance with the Governmental Accounting Standards Board, the ACFR includes four important components that provide financial information regarding a government agency to the public:
  - An independent financial auditor firm opinion that the financial statements have been prepared in accordance with governmental accounting standards
  - A management analysis and discussion which typically provides a strategic assessment of the relevant economy, key issues affecting the agency, and operational and financial performance
  - Financial statements
  - Notes to the financial statements which provide details on outstanding debt, retirement account obligations, and so forth

The ACFR is a one-stop shop of information that, like the NTD, provides consistent information across years and agencies. WMATA as part of its "Public Records" website includes every ACFR since 2004 ([Public Records | WMATA](#)).

The ACFR for NJT could not be located on their website. MBTA and NY MTA ACFR information is reported as part of their states' because they are considered "component units" of the state government so the public does not have access to a management analysis and discussion.

- **Independent Single Audit:** Because they receive federal funds, transit agencies are required to prepare an independent single audit each year. A single audit is a financial and compliance audit of recipients of federal funds and is generally conducted by an independent certified public accountant or state auditor and is intended to assess whether the recipient spends federal funds properly. FTA assesses the quality of the reports, issues management decisions on single audit recommendations, and ensures that agencies take appropriate and timely corrective actions. WMATA posts its independent single audit as part of its "Public Records" which includes each audit since 2017 ([Public](#)

[Records | WMATA](#)). The only other transit agency in which the single audit could be located on its website was MBTA.

- **Audit Reports and Findings:** In addition to financial audits, audits of services, procurement, revenue collection such as farebox, safety and other activities should occur on a regular basis. FTA performs these audits at transit agencies on a regular basis as described earlier. These reports are not shared publicly by FTA. A transit agency, including WMATA, briefs its governing board on the results. Other audits are performed by IGs and internal auditors. For the eight transit agencies, only two – LA Metro and SEPTA – had comprehensive public information readily available on their website regarding audit findings, recommendations, and corrective actions they were taking.

The WMATA Office of the Inspector General (OIG) is an independent and objective unit of WMATA that conducts and supervises audits, program evaluations, and investigations, promotes economy, efficiency, and effectiveness, detects and prevents fraud and abuse, and keeps the WMATA Board fully and currently informed about deficiencies in Authority activities as well as the necessity for and progress of corrective action. The OIG has its own website ([WMATA Office of Inspector General | WMATAOIG.gov](#)) where it posts audit plans, audit reports, evaluation reports, and semiannual reports prepared by the office.

- **Board Audit Committee:** The WMATA Board of Directors does not currently have a formal audit committee. However, WMATA has an Executive Committee that routinely discusses and accepts audit reports from the WMATA OIG. These roles are specified in the Board’s annually-adopted [Board Member committee assignments](#). More importantly, there is no formal audit group or structure to coordinate jurisdictional audits from Maryland, the District of Columbia, or Virginia (such a group or structure is outside of WMATA’s direct control and would require regional support to implement). Of the seven other comparison agencies, only SEPTA does not have a Board audit committee. For MBTA, the Office of State Auditor, led by an elected official, and legislative committees perform audits because MBTA is a division of the Massachusetts Department of Transportation (MassDOT). For the others, the audit committees generally receive reports from both internal and external auditors, risk managers, and legal counsel regarding audit recommendations (financial and operational). They may also review financial reports, including the annual financial statements.
- **Independent Audit Function:** All the transit agencies had independent audit functions except for MBTA. In addition to the WMATA IG function, WMATA also has the Office of Quality Assurance, Internal Compliance & Oversight (QICO) which is an internal audit/management function.

## Considerations for WMATA Transparency and Accountability

First and foremost, WMATA should continue to readily share the actions it is taking and potential additional actions it is considering addressing efficiencies and cost savings. WMATA has taken continued steps in this direction, culminating in the release of detailed one-time and ongoing cost saving actions in a [Finance and Capital Committee Presentation in September 2023](#). For example, in June 2023, WMATA presented information on management actions taken to generate \$293 million in savings in fiscal year (FY) 2022. These actions included healthcare cost-



sharing, maximizing real estate assets, office consolidation, and elimination of positions. In FY 2025, WMATA plans to consolidate its call center and continue non-revenue fleet reduction and enhanced contractor management.

SEPTA's internal efficiency program has garnered measurable results that are being tracked and publicly communicated through annual reports. NY MTA's efforts to reduce fare box evasion are taking hold as additional revenue measures are being implemented in the public realm. NY MTA's operating units also provide regular detailed performance updates to NY MTA Board committees and the Finance Committee is regularly briefed on its efforts to reduce operating costs and improve efficiencies. Based on the federal and state legislative actions in the last five years to drive transparency and accountability, WMATA should continue to report on its ideas and examinations regularly to the Finance and Capital Committee, including those that are not pursued and the reasons why.

WMATA is similar to its peers regarding oversight but is at the forefront in transparency and accountability to the public as measured by information available on its website. With that said, there are several areas that NVTC should consider in its deliberations where WMATA can improve..

### **Board Oversight**

To help address the significant time that must be dedicated by individual Board members, NVTC dedicates a staff person to help the WMATA Virginia directors manage the information flow and workload resulting from their WMATA Board role. The Department of Rail and Public Transportation has dedicated staff in Northern Virginia to maintain and support the WMATA information flow.

The only WMATA Board of Directors committee established by the 2018 WMATA Board Bylaws is the Executive Committee. The Executive Committee is responsible for the enforcement of the Board's Code of Ethics and serves as the Board's Ethics Committee. In practice, the WMATA IG reports to the entire Board and the Executive Committee takes action to accept Audit reports.

Consideration should be given to re-establishing a formal Board audit committee. Audit committees can liaise with external auditors, oversee internal controls, help manage risks, and provide oversight to ensure laws and regulations are followed. The Board Chair can establish a committee at their discretion and/or by updating the WMATA Board's bylaws.

Because of the IJJA's oversight reporting and WMATA's IG function requirements as well as the Sarbanes-Oxley Act, an additional option could be for an advisory committee with membership from the appropriate staff from the funding jurisdictions. This committee could report to a newly constituted audit committee and enable coordinated audit efforts of jurisdictional interest. The LA Metro Board of Directors has created special advisory committees related to revenue measures. For example, Measure M, Measure R, and Propositions A and C all increased tax revenue for the transit agency and, for each, independent oversight committees were established. The "Measure M Independent Taxpayer Oversight Committee" monitors that all tax measures are spent for transportation purposes as specified in the relative laws. The active members of the committee include a retired federal or state judge, a public finance professional, a transit operations and labor practice professional, a mega-project construction professional, a performance measure and financial policy professional and a regional business association representative.

Even if organizational changes do not occur, audit findings and recommendations and WMATA responses and actions should be centralized and tracked. There does not appear to be a consolidation of all findings into one systematic reporting system. The IG publishes its reports and monitors findings while the internal auditor does the same for its own reports. Consideration should be given to central tracking of all findings and recommendations which can improve performance but also drive accountability. The findings should include any from financial audits and FTA as well.

## **Transparency**

Like LA Metro, if additional revenue is dedicated to WMATA, consideration should be given to the establishment of an oversight advisory committee for public transparency. The WMATA Board, by amending its bylaws, can create advisory committees as a matter of Board action. The WMATA Board chair also has the authority to establish committees. While WMATA did not create any advisory committees as a result of the 2018 dedicated capital funding agreement, WMATA did improve the frequency, level of detail, and usefulness of its capital program reporting ([Capital Program Documents | WMATA](#)) in part because of the capital funding agreement described earlier in this memo. WMATA could consider a number of options to provide additional transparency and oversight to accompany new funding..

The WMATA website contains a wealth of information and should have as its primary purpose sharing real-time information with the travelling public. However, it also needs to make finding and understanding critical financial and performance information a simpler process. Currently, the information is not easy to locate and is a multi-step “click/scroll” process as shown in Figure 3. Further, using titles such as “Public Records,” “Open Data Hubs” and “Initiatives” as website keywords for performance and financial information are not user friendly and do not optimize search results.

Changes to the website should include current year information being clearly delineated from the other laundry list of items now part of the “Public Records.” WMATA should also consider establishing an easier to find “Investor Relations” area of its website. This information is also critical information for public transparency and oversight.

## **Performance Metrics**

Centralizing access to performance information would improve the public’s perception of both performance and accountability. Quarterly performance metrics are shown on the WMATA website as a “Scorecard,” but they are not easily found. Other more recent information is found in another area of the website through accessing it a different way. As shown in Figure 3, to locate performance metrics, a person must “click” on multiple pages to reach them. WMATA also has under its “initiatives” tab an Open Data Hub which leads to dashboards that show current information on performance such as on-time trains. There are other performance analyses located in this area. Consolidation and ease of access to the information should be considered.