

**M E M O R A N D U M**

January 25, 2023

TO: Transportation and Environment Committee

FROM: Glenn Orlin, Senior Analyst

SUBJECT: **General Manager's Proposed WMATA FY24 Budget<sup>1</sup>**

PURPOSE: Briefing

Expected attendees:

Michael Goldman, Alternate Member, Washington Metropolitan Area Transit Authority  
(WMATA) Board of Directors  
Charles Scott, Senior Government Relations Officer - Maryland, WMATA  
Christopher Conklin, Director, Department of Transportation (DOT)  
Gary Erenrich, WMATA Liaison, DOT

Chair Glass has requested this briefing so that the Committee can better understand the General Manager's proposed operating and capital budgets that were released on December 8, 2023. The briefing will be presented by Messrs. Goldman and Scott. Their PowerPoint presentation is on ©1-14.

According to the General Manager, the key highlights of the proposed budget are:

- The proposed operating budget increases bus and rail service, simplifies fares, launches the Better Bus Network Redesign, funds crisis intervention specialists, and fully-funds Metro Transit Police Department (MTPD) positions.
- The proposed capital budget funds zero emission buses and electrification of the Northern and Bladensburg bus garages, opens the new Potomac Yard Station, modernizes customer wayfinding, and funds the creation of the Metro Integrated Comms Center (MICC).

---

<sup>1</sup> Key words: #transit, WMATA, budget.

- FY2024 Proposed Operating Budget includes revenue of \$509 million, expenses of \$2,322 million, total subsidy of \$1,252 million, and \$561 million of American Rescue Plan Act (ARPA) relief funding used.
- The FY2024 operating budget gap of \$185 million will be closed by a combination of revenue increases, expense reductions and federal funding assistance, including both ARPA funding and increased Infrastructure Investment and Jobs Act (IIJA) Federal Formula Funding for Maintenance Metro's Capital Improvement Program (CIP) continues Metro and the region's focus on investing in safety, state of good repair, reliability and resiliency programs and projects.
- The Proposed FY2024-2029 Six-Year CIP totals \$14 billion and the FY2024 Capital Budget is \$2.4 billion, including debt service, revenue loss from capital projects, and reimbursable projects.
- The FY2024 fare optimization proposal simplifies the Metrorail fare structure for customers, grows ridership and revenue, and makes transit more affordable for Metro's most price sensitive customers. The proposed rail fare structure ranges from \$2 to \$6.50 for weekdays and maintains the \$2 late night and weekend fares.
  - Weekday peak and off-peak fare structure would be consolidated.
  - The mileage rate would be standardized at \$0.40 per mile (after 3 miles).
  - The rail base fare would match the bus base fare of \$2 all week.
  - Metro would administer a regional low-income fare program.

This fare simplification offers advantages over a general across-the-board fare increase by growing ridership while maintaining a positive budget impact. The proposed low-income fare program would provide customers enrolled in the Supplemental Nutrition Assistance Program (SNAP) a 50 percent discount on trips, similar to the senior and disabled reduced fares.

# WMATA FY2024 Budget Overview

Montgomery County Council  
Transportation & Environment Committee  
January 30, 2023



# FY2024 Operating Budget Recommendation





## FY2024 Proposed Budget Initiatives

### Service Excellence

*Deliver safe, reliable, convenient, accessible & enjoyable service for all customers*

### Regional Opportunity & Partnership

*Design transit service to move more people & connect a growing region*

### Sustainability

*Manage resources responsibly to achieve a sustainable operating, capital & environmental model*

### Talented Teams

*Attract, develop & retain top talent where individuals feel valued, supported & proud of their contribution*



#### Enhance Safety

- Safety Management System (SMS) implementation
- Metro Transit Police Officers
- Crisis Intervention Specialists
- Enhance technical training and staff development



#### More Frequent & Reliable Service

- Increased Bus and Rail Service Frequency
- Better Bus Network Redesign



#### Capital Improvements for a Better Metro

- Bus and Rail System State of Good Repair
- New Buses, Railcars, MetroAccess Vehicles
- Modernize Customer Information and Wayfinding
- Open Potomac Yard Station
- Rehab employee and customer restrooms



#### More Simplified & Equitable Fares

- Low-income Fare program
- Fare Simplification, eliminate peak fare, standardize mileage rates



#### Improved Customer Service & Communications

- Metro Integrated Comms Center (MICC)
- One stop shopping through consolidated call centers
- Enhanced Passenger Information Displays



#### Sustainability

- Northern and Bladensburg Bus Garage Electrification
- Zero Emission Buses
- LEED Certified Maintenance Facilities and Offices

# Depletion of Federal Funds in FY2024 Results in Major Structural Funding Gap for FY2025

(\$ in millions)	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2025 Scenario
Passenger Revenue	\$485.0	\$102.0	\$213.5	\$301.0	\$406.0	\$428.2
Non-Passenger Revenue	\$95.8	\$64.6	\$67.9	\$81.5	\$103.2	\$106.2
<b>Total Revenue</b>	<b>\$580.8</b>	<b>\$166.6</b>	<b>\$281.4</b>	<b>\$382.5</b>	<b>\$509.2</b>	<b>\$534.4</b>
<b>Total Expenses</b>	<b>\$1,927.2</b>	<b>\$1,880.3</b>	<b>\$1,870.1</b>	<b>\$2,247.2</b>	<b>\$2,322.1</b>	<b>\$2,561.4</b>
<b>Operating Deficit</b>	<b>(\$1,346.4)</b>	<b>(\$1,713.7)</b>	<b>(\$1,588.7)</b>	<b>(\$1,864.7)</b>	<b>(\$1,813.0)</b>	<b>(\$2,027.0)</b>
Subsidy	\$1,125.5	\$1,009.1	\$1,109.7	\$1,191.9	\$1,252.0	\$1,289.5
Federal Relief	\$221.0	\$704.7	\$479.0	\$672.8	\$561.0	-
<b>Funding Gap</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$737.5)</b>

Chart and table totals may not sum due to independent rounding.

FY25 assumes 75% recovery and subject to contractual obligations

# Operating Budget Recommended Service and Fare Changes





# Rail Optimization Summary

Make service more frequent to reduce travel times, expand destination access, and grow ridership

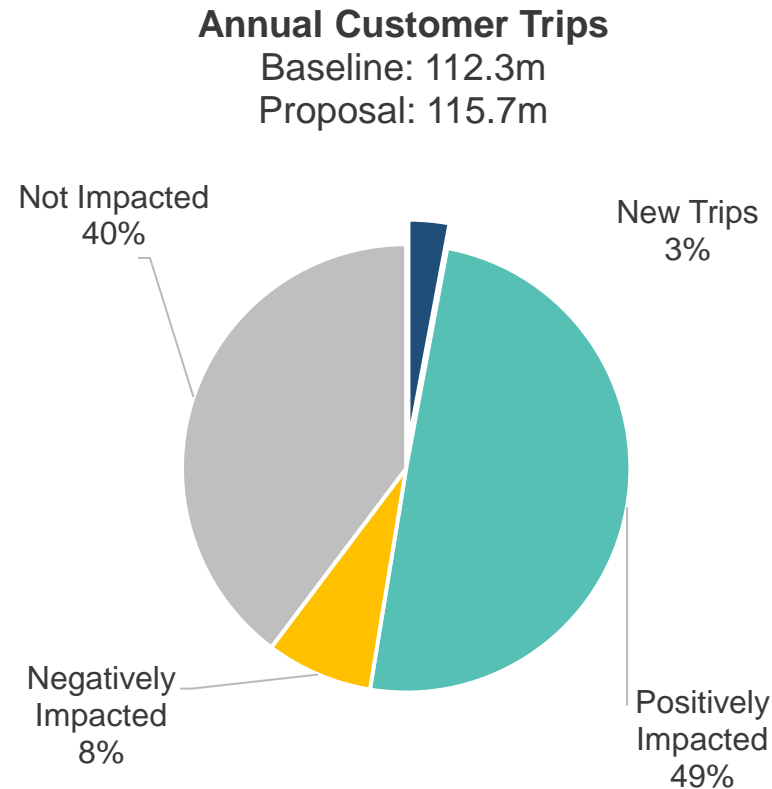
## More frequent all day service

- **Core:** Trains arrive every 3 to 6 minutes
- **Systemwide:** Trains arrive every 8 to 12 minutes or better

## Running 62% more daily train trips systemwide than today




- 101% more than in July 2022

## Faster trips for customers, less time waiting to transfer





# Proposed Service Changes to Improve Frequency and Access



FY2023 Budget	<div><div></div><div><div>METROBUS</div><div>135 Lines</div></div></div> <div><div><div>12 Min. Frequency</div><div>20 Min. Frequency</div></div><div><div>20 lines</div><div>16 lines</div></div></div>	<div><div><div></div><div><div>METRORAIL</div><div>(headways in minutes)</div><div>1,278 Railcars</div></div></div><div><div><div>Line</div><div>AM/PM Rush</div><div>All Day</div><div>Late Night</div></div><div><div><div>RD</div></div><div>5</div><div>6</div><div>10</div></div><div><div><div>BL</div><div>OR</div><div>GR</div><div>YL</div><div>SV</div></div><div>10</div><div>12</div><div>15</div></div></div></div>	<div><div><div></div><div><div>METROACCESS</div><div>759 Vehicles</div></div></div><div><div><div>Vans</div><div>Sedans</div></div><div><div>532</div><div>227</div></div><div>On-demand paratransit vehicles</div></div></div>	
	FY2024 Proposed Budget	<div><div><div>Route</div><div>Improve Frequent Bus Service</div></div><div><div><div>B2 (DC)</div><div>Upgrade busy <b>Bladensburg Road-Anacostia</b> line, a top 15 ridership route, to every 12 minutes all day</div></div><div><div>A12 (MD)</div><div>Restructure <b>Martin Luther King Jr. Highway</b> service, extending service every 20 minutes to <b>Downtown Largo</b></div></div><div><div>16M (VA)</div><div>Restructure <b>Columbia Pike</b> service, connecting <b>Skyline</b> to <b>Crystal City</b> with service every 12 minutes all day</div></div></div></div>	<div><div><div>Line</div><div>AM/PM Rush</div><div>All Day</div><div>Late Night</div></div><div><div><div>RD</div></div><div>5</div><div>6</div><div>10</div></div><div><div><div>GR</div><div>YL</div></div><div>6</div><div>6</div><div>10</div></div><div><div><div>OR</div></div><div>7.5</div><div>10</div><div>15</div></div><div><div><div>BL</div><div>SV</div></div><div>10</div><div>12</div><div>15</div></div></div>	<div><div>No Change</div></div>



# Fare Simplification Proposal

Standardize peak and off-peak fares, align rail and bus base fares, and discount fares for low-income customers

## Current Fare Structure



	Base Fare	Max Fare	Reduced Fare <sup>1</sup>
 <b>Peak</b>	\$2.25 After first 3 miles, 0.326 per mile After 6 miles, \$0.288 per mile	\$6.00	50% off the peak fare
<b>Off-Peak Weekday</b>	\$2.00 After first 3 miles, 0.244 per mile After 6 miles, \$0.216 per mile	\$3.85	
<b>Late Night<sup>2</sup> and Weekend</b>	\$2.00	\$1.00	
 <b>Bus</b>	\$2.00	\$1.00	

**MetroAccess** fares are twice the fastest comparable fixed-route fare with a maximum of \$6.50 per trip.

<sup>1</sup> For senior and disabled customers

<sup>2</sup> Late Night fares apply after 9:30pm

## Proposed Fare Structure

	Base Fare	Max Fare	Reduced Fare <sup>1</sup>
 <b>Regular</b>	\$2.00	\$6.50	\$1.00 to \$3.25
After first 3 miles, \$0.40 per mile			
 <b>Late Night<sup>2</sup> and Weekend</b>	\$2.00	\$1.00	
<b>Bus</b>	\$2.00	\$1.00	

**MetroAccess** fares are twice the fastest comparable fixed-route fare with a maximum of \$6.50 per trip.

<sup>1</sup> 50% discount for senior, disabled, and low-income customers

<sup>2</sup> Late Night fares apply after 9:30pm



# FY2024–2029 Capital Improvement Program





## Capital Program Goals

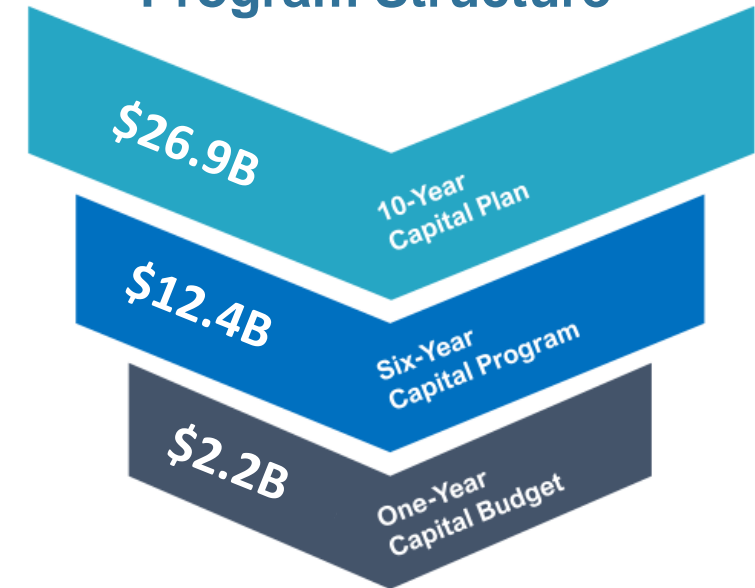
### Capital Budget

Funds replacement, rehabilitation, maintenance & modernization efforts

### Capital Program Goals

- Transform Metro into a world class transit agency
- Demonstrate commitment to customers
- Focus on ensuring safety, customer experience and improving service
- Rehabilitate, replace, and modernize the system
- Advance sustainability and resilience
- Maintain fiscal accountability and commitments to region

### Metro's Capital Program Structure



#### 10-Year Capital Plan

Identifies viable initiatives to address needs identified for next ~10 years; financially unconstrained

#### Six-Year Capital Improvement Program

Capital investments anticipated for, or continuing in, six-year capital program

#### One-Year Capital Budget

Expenditure forecast for capital projects and programs in current budget year



## Capital Investment Categories

Capital Investment Categories (\$M)	FY2024 Proposed Budget	FY2025 – FY2029 Plan	Six-Year Total*
Railcars and Railcar Facilities	\$424	\$2,390	\$2,814
Rail Systems	\$323	\$1,273	\$1,596
Track and Structure Rehabilitation	\$284	\$1,512	\$1,796
Stations and Passenger Facilities	\$353	\$1,523	\$1,876
Bus, Bus Facilities, and Paratransit	\$528	\$2,256	\$2,784
Operations and Business Support	\$294	\$1,253	\$1,547
<b>Total Capital Investments</b>	<b>\$2,205</b>	<b>\$10,207</b>	<b>\$12,412</b>
Revenue Loss from Capital Projects	\$10	\$50	\$60
Debt Service - Dedicated Funding	\$173	\$1,739	\$1,912
<b>Total Capital Program Cost</b>	<b>\$2,388</b>	<b>\$11,996</b>	<b>\$14,384</b>

*\*FY2024-FY2029 Plan capital investment category allocation subject to change as project costs and schedules are refined.*

## Addressing Overdue Needs, Safety, and State of Good Repair

*Regional & Federal Investments Address Overdue Needs & On-going Requirements*

### ADDRESSING OVERDUE CAPITAL NEEDS

#### Substantial Progress (*Highlights*)

- Replacement of Legacy Railcars
- Track Rehabilitation
- Platform Program – 20 Stations Complete

#### More To Do to Catch Up (*Priority Needs*)

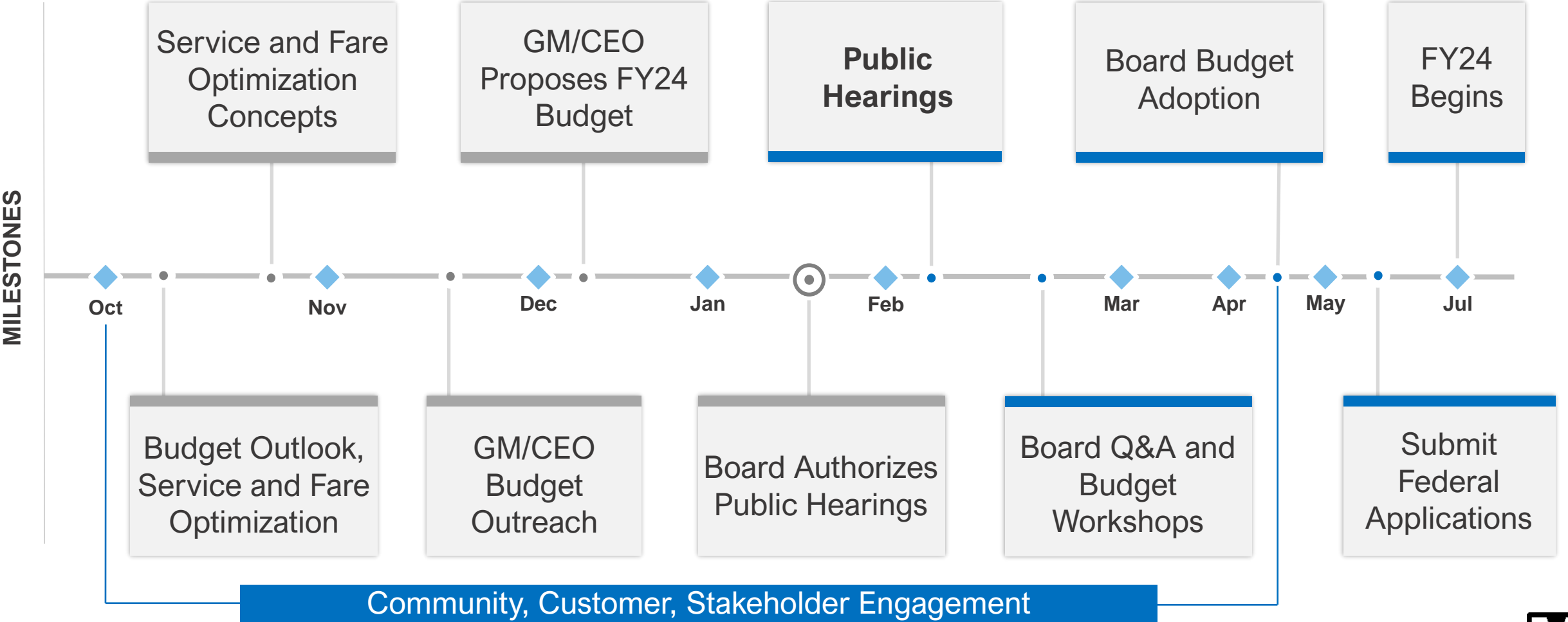
- Structures - Bridges, Platforms, Tunnels
- Systems - Train Control, Radio and Comms, Power
- Facilities - Bus Divisions, Rail Maintenance, Offices

### INVESTING IN ONGOING PROGRAMS TO SUSTAIN SAFETY & STATE OF GOOD REPAIR

#### Recurring & Cyclical Maintenance, Rehabilitation & Replacement Programs

- |                        |                          |                    |                           |
|------------------------|--------------------------|--------------------|---------------------------|
| • Buses                | • Track                  | • Traction Power   | • Bus Customer Facilities |
| • Railcars             | • Parking Facilities     | • Signal Systems   | • Bus, Rail & Admin       |
| • Paratransit Vehicles | • Elevators & Escalators | • Lighting Systems | Maintenance Facilities    |
| • Service Vehicles     | • Mechanical Systems     | • Cooling Systems  |                           |

# Next Steps to Get Customer Input



## BUS TO RAIL / RAIL TO BUS TRANSFER DISCOUNT

- Metro increased the transfer discount from \$0.50 to \$2
- Discount to transfer from Ride On to Metrorail remains \$0.50
- Will County increase transfer discount to \$1 (full Ride On fare)

## LOW-INCOME FARE DISCOUNT

- WMATA's FY24 Proposed Budget includes a 50% fare discount for Low-Income customers
- Discount would apply to Metrobus and Metrorail
- Local transit systems would need to opt in
- Will County want Ride On to opt in to provide 50% discount to low-income customers