



BOARD OF DIRECTORS

Wednesday, February 14, 2024
12:00 P.M. - 2:00 P.M.
Walter A. Scheiber Board Room

Virtual participation available for members upon request
Public livestream on website

AGENDA

- 12:00 P.M. 1. **CALL TO ORDER**
Charles Allen, COG Board Chair
2. **CHAIR'S REPORT**
Charles Allen, COG Board Chair
A. Board Member Handbook
- 12:05 P.M. 3. **EXECUTIVE DIRECTOR'S REPORT**
Clark Mercer, COG Executive Director
- 12:10 P.M. 4. **AMENDMENTS TO THE AGENDA**
Charles Allen, COG Board Chair
5. **APPROVAL OF THE MINUTES FROM JANUARY 10, 2024**
Charles Allen, COG Board Chair
Recommended Action: Approve minutes.
6. **ADOPTION OF CONSENT AGENDA ITEMS**
Charles Allen, COG Board Chair
A. Resolution R9-2024 - Resolution authorizing COG to procure and enter into a contract to purchase tow vehicles and upfit for Land Mobile Radio (LMR) deployable trunking system trailers
Recommended Action: Adopt Resolution R9-2024.

- 12:15 P.M.** **7. FISCAL YEAR 2024 SECOND QUARTER FINANCIAL REPORT**
Michael O'Connor, COG Secretary-Treasurer
Julie Mussog, COG Chief Financial Officer
- The board will be briefed on the Fiscal Year 2024 Second Quarter Financial Report.
- Recommended Action: Receive briefing.**
- 12:20 P.M.** **8. REGIONAL LEGISLATIVE UPDATE**
Monica Beyrouti Nunez, COG Government Relations Manager
- The board will be briefed on legislative updates related to COG priorities in the current Maryland and Virginia legislative sessions.
- Recommended Action: Receive briefing.**
- 12:25 P.M.** **9. THE FEDERAL WORKFORCE IN THE METROPOLITAN WASHINGTON REGION**
Jason Miller, U.S. Office of Management & Budget Deputy Director
- The board will be briefed on actions of the U.S. Office of Management & Budget to manage the federal workforce and impacts to the regional economy.
- Recommended Action: Receive briefing.**
- 12:55 P.M.** **10. METRO REVISED FY2025 PROPOSED BUDGET & FY2026 FORECAST**
Randy Clarke, WMATA General Manager & CEO
- The board will be briefed on Metro's revised Fiscal Year 2025 proposed budget and financial forecasts for Fiscal Year 2026.
- Recommended Action: Receive briefing and adopt Resolution R10-2024.**
- 1:55 P.M** **11. OTHER BUSINESS**
- 2:00 P.M.** **12. ADJOURN**
The next COG Board Meeting will take place virtually on Wednesday, March 13 from 12:00 – 2:00 P.M.

AGENDA ITEM #2

CHAIR'S REPORT

**[CLICK TO VIEW COG
BOARD MEMBER
HANDBOOK](#)**



CORPORATE OFFICERS



President
Robert C. White, Jr.
District of Columbia



Vice President
Wala Blegay
Prince George's Co.



Vice President
Catherine Read
City of Fairfax *



Secretary-Treasurer
Michael O'Connor
City of Frederick *



Chair
Charles Allen
District of Columbia



Vice Chair
Rodney Lusk
Fairfax County



Vice Chair
Reuben B. Collins, II
Charles County

BOARD OF DIRECTORS



Muriel Bowser
District of Columbia



Phil Mendelson
District of Columbia



Kevin Donahue
District of Columbia



Tim Adams
City of Bowie



Denise Mitchell
City of College Park



Jessica Fitzwater
Frederick County



Robert Wu
City of Gaithersburg



Emmett Jordan
City of Greenbelt



Keith R. Sydnor
City of Laurel



Marc Elrich
Montgomery Co.



Kate Stewart
Montgomery Co.



Evan Glass
Montgomery Co.



Angela Alsobrooks
Prince George's Co.



Tom Dernoga
Prince George's Co.



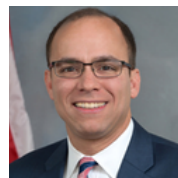
Ingrid Watson
Prince George's Co.



Monique Ashton
City of Rockville



Talisha Searcy
City of Takoma Park



Justin Wilson
City of Alexandria



Libby Garvey
Arlington County



Jeff McKay
Fairfax County



James Walkinshaw
Fairfax County



Caroline Lian
City of Falls Church



Phyllis Randall
Loudoun County



Laura TeKrony
Loudoun County



Mark Wolfe
City of Manassas



Darryl Moore
City of Manassas Park



Deshundra Jefferson
Prince William Co.



Andrea Bailey
Prince William Co.



Brian Feldman
MD General Assembly



Mark Sickles
VA General Assembly

*also serve
on Board of
Directors

AGENDA ITEM #3

EXECUTIVE DIRECTOR'S REPORT



MEMORANDUM

TO: COG Board of Directors
FROM: Clark Mercer, COG Executive Director
SUBJECT: Executive Director's Report – February 2024
DATE: February 7, 2024

POLICY BOARD & COMMITTEE UPDATES

National Capital Region Transportation Planning Board (TPB) – At the January TPB meeting, Chair Christina Henderson announced board focus areas: the Visualize 2050 plan, Metro funding, greenhouse gas emission reduction, electric vehicle network advancement, roadway safety, and continued planning to improve transportation access and safety for Equity Emphasis Areas. Staff provided updates on the FY 2025 Unified Planning Work Program, the National Capital Trail Network, and the TPB's Transportation Resiliency Planning Program.

Chesapeake Bay and Water Resources Policy Committee (CBPC) – The January CBPC meeting was devoted to a briefing about the Tree Canopy Subcommittee's proposed recommendations for developing a regional tree canopy goal. Members were also briefed on federal and state legislation, with a special focus on alignment with COG's Legislative Priorities for water.

Climate, Energy, and Environment Policy Committee (CEEPC) – At the January CEEPC meeting, CEEPC subcommittees and members shared updates and the new Chair Jolene Ivey outlined 2024 CEEPC priorities for action on climate and energy initiatives. COG staff discussed the priority bills to track in the Virginia and Maryland legislative sessions and the committee received an update on the EPA Climate Pollution Reduction Grant.

Human Services Policy Committee – At the January meeting, COG Police Chiefs Committee Chair Chief Russell Hamill presented the Crime and Crime Control report findings. COG staff also discussed options for developing public service messages to prevent scams that target older adults. To end the meeting, HSPC Chair Rodney Lusk discussed meeting priorities and led a roundtable giving members



Eight area governments finalize Regional Fair Housing Plan

The updated Regional Fair Housing Plan marks the first time in 25 years that local jurisdictions have joined together to reduce housing discrimination and improve access to opportunity for all current and future residents.

[Learn more about the plan](#)

the opportunity to share human services initiatives and challenges within their respective jurisdictions.

Region Forward Coalition – In January, RFC members were briefed on findings from the Federal Workplace Scenario Planning Project that seeks to assess the potential future space needs of the federal government due to changes in space utilization, workforce, and telecommuting. Dr. Terry Clower from George Mason University’s Center for Regional Analysis presented on emerging economic trends in metropolitan Washington and members also heard the local perspectives on how to address current economic challenges from a panel comprised of local planning, economic development, and business improvement district representatives.

OUTREACH & PROGRAM HIGHLIGHTS

Transportation Planning – TPB is accepting applications for FY 2025 Transportation Land-Use Connections and Regional Roadway Safety Programs. The programs offer short-term technical assistance up to \$80,000 for planning projects and up to \$100,000 for design projects. Any local jurisdiction in the National Capital Region that is a member of the TPB is eligible to apply. Applications are due March 8, 2024. [Apply for the two local technical assistance programs.](#)

Public Safety – On January 9, the COG 911 Directors Committee conducted a tour of the new Metro Integrated Command and Communications Center (MICC) and discussed methods to increase collaboration between the region’s Emergency Communications Centers and WMATA. On January 17, COG, with the support from the DHS Cybersecurity and Infrastructure Security Agency, hosted a cybersecurity tabletop exercise with the COG Chief Information Security Officer Subcommittee and the Public Information Officers Committee. On January 15 and 18, COG facilitated two regional coordination calls to share information and discuss operational postures in preparation for forecasted severe winter weather.

Water Resources – COG’s Community Engagement Campaign (CEC) has been airing a WAMU radio PSA about winter salting, directing listeners to COG’s Salt Smart webpage for tips on how to salt efficiently and protect water quality, and the CEC has been promoting a regional One Water Art Contest for high school students.



Accelerating Action on Electric Vehicles

At the Public Policy Day of the Washington Auto Show, COG partnered with the Greater Washington Region Clean Cities Coalition to host a meeting on accelerating electric vehicle deployment in the region. The region is working together to identify opportunities and challenges to ensure a robust, efficient, and equitable charging EV network.

[Learn more about COG’s EV work.](#)

MEDIA HIGHLIGHTS

Metro – COG Executive Director Clark Mercer discussed regional coordination on the WMATA budget in news stories by Virginia Mercury, Fox 5, Loudoun Times-Mirror, DCist, Richmond Times Dispatch, and WMAL. COG's Workgroup report on the WMATA budget was also referenced in stories by The Washington Post and Connection Newspapers.

[Virginia Mercury](#) – quotes COG Executive Director Clark Mercer, references COG Workgroup report on the WMATA budget

[DCist](#) – quotes COG Board Chair Charles Allen and COG Executive Director Clark Mercer

Regional Fair Housing Plan – The recently finalized COG Regional Fair Housing Plan was referenced in stories by My MC Media and FFX Now.

[My MC Media](#)

“How Safe Are Our Roads?” – The COG/WRAP annual report on the impact of drunk and drugged driving received coverage from WTOP.

[WTOP](#) – quotes Kurt Erickson, the president of the nonprofit Washington Regional Alcohol Program (WRAP)



WAMU Politics Hour

On February 19, COG Executive Director Mercer chatted with Kojo Nnamdi and Tom Sherwood on the Politics Hour. The discussion delved into COG's programs and services, the WMATA budget, and the growth and development of the DMV.

[Listen to the interview](#)

AGENDA ITEM #4

AMENDMENTS TO THE AGENDA

AGENDA ITEM #5

APPROVAL OF THE MINUTES

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, NE
Washington, D.C. 20002

MINUTES
COG Board of Directors Meeting
January 10, 2024

BOARD MEMBERS AND ALTERNATES: See attached chart for attendance.

SPEAKERS:

Emmett Jordan, COG Audit Committee Chair
Monica Beyrouti Nuñez, COG Government Relations Manager
Charles Allen, 2024 COG Board Chair
Kate Stewart, 2023 COG Board Chair
Clark Mercer, COG Executive Director

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

COG Board Chair Kate Stewart called the meeting to order at 12:00 P.M. and led the Pledge of Allegiance.

2. ELECTION OF 2024 COG BOARD OFFICERS

The board elected District of Columbia Councilmember Charles Allen as COG Board Chair, Fairfax County Supervisor Rodney Lusk and Charles County Commissioner President Reuben B. Collins, II as Vice Chairs.

Action: The board adopted Resolution R1-2024.

3. ELECTION OF 2024 POLICY & ADMINISTRATIVE COMMITTEE LEADERSHIP

The board voted on the proposed policy and administrative committee leadership, in addition to the Virginia General Assembly COG Board Member.

Action: The board adopted Resolutions R2-2024.

4. CHAIR'S REPORT

- A. 2024 COG Board Meeting Dates
- B. 2024 COG Boards and Policy Committees Meeting Dates
- C. New Board Members

5. EXECUTIVE DIRECTOR'S REPORT

COG Executive Director Clark Mercer briefed the board on the following:

- Fair Housing Plan was submitted to U.S. Department of Housing and Urban Development at the end of December. It was a multi-year effort between COG and eight participating jurisdictions and housing partners. COG is supporting members with implementation of the plan.
- In December, the Transportation Planning Board approved \$10.2 million in funding from the Federal Transit Administration's Enhanced Mobility Program for 23 projects that expand transportation access for older adults and individuals with disabilities.
- COG Department of Homeland Security and Public Safety (DHSPS) facilitated five conference calls regarding First Amendment activity planning to support regional operational coordination and situational awareness for the COG Police Chiefs, Emergency Managers, Fire Chiefs, and Chief Administrative Officers/Homeland Security Executive Committee.
- A third cohort completed the NCR Public Safety Training Seminar, a three-part course hosted by COG DHSPS to enhance leadership and professional development skills for public safety,

health, IT, emergency management, and homeland security disciplines.

- COG's Think Regionally podcast on strengthening food security for a more resilient region is now available. This episode features FARM Policy Committee Chair and City of Fairfax Councilmember Jon Stehle, D.C. Hunger Solutions Director LaMonika Jones, and Montgomery County Office of Food Systems Resilience Director Heather Bruskin.
- The Electric Vehicle Auto Show: Accelerating Action on Electric Vehicles will be held on January 18 in the Walter E. Washington Convention Center.
- The annual Point-in-Time (PIT) count of individuals experiencing homelessness in the region will take place on January 24.

6. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

7. APPROVAL OF MINUTES FROM NOVEMBER 8, 2023

The minutes from the November 8, 2023, board meeting was approved. Libby Garvey, Keith Sydnor, James Walkinshaw, Caroline Lian, and Laura TeKrony abstained from the vote.

8. ADOPTION OF CONSENT AGENDA ITEMS

- A. Resolution R3-2024 – Resolution authorizing COG to procure and enter into a contract to purchase Police Mutual Aid Radio System (PMARS) equipment
- B. Resolution R4-2024 – Resolution authorizing COG to procure and enter into a contract to repurchase a LeadsOnline Power Plus subscription
- C. Resolution R5-2024 – Resolution authorizing COG to procure and enter into a contract to purchase equipment and services for conventional transceivers and astro standalone repeaters

Action: The board adopted Resolution R3-2024 – Resolution R5-2024.

9. FY2023 AUDITED FINANCIAL STATEMENTS

COG Audit Committee Chair Emmett Jordan presented the FY-2023 audit report findings. The auditor issued an unmodified or “clean” opinion of COG’s financial statements.

Action: The board adopted Resolution R6-2024.

10. 2024 LEGISLATIVE PRIORITIES

The board was briefed by COG Board Chair Charles Allen on the draft 2024 legislative priorities for transportation, environment, housing, health and human services, and public safety and food security proposed by the COG Legislative Committee. Friendly amendments to the legislative priorities document were offered by Kate Stewart and Andrea Bailey.

Action: The board adopted Resolution R7-2024.

11. CHIEF ADMINISTRATIVE OFFICERS WORKGROUP ON WMATA COST STRUCTURE – INTERIM REPORT

The board was briefed on and discussed the recommendations in the CAO Workgroup on WMATA Cost Structure Interim Report released in December 2023.

Action: Received briefing and discussed.

12. EXECUTIVE SESSION

This was a closed meeting of Board Members only for discussion of a personnel matter.

Action: The board adopted Resolution R8-2024.

13. OTHER BUSINESS

There was no other business.

14. ADJORN

The meeting was adjourned at 2:00 P.M. The next meeting is scheduled to take place in-person on Wednesday, February 14, 2024.

COG Board of Directors
January 10, 2024 Attendance

<u>Jurisdiction</u>	<u>Member</u>	<u>Y/N</u>	<u>Alternate</u>	<u>Y/N</u>
<i>District of Columbia</i>				
Executive	Hon. Muriel Bowser		Ms. Beverly Perry	Y
	Mr. Kevin Donahue	Y	Mr. Tomas Talamante	
Council	Hon. Phil Mendelson	Y	Hon. Brianne Nadeau	Y
	Hon. Charles Allen	Y		
<i>Maryland</i>				
City of Bowie	Hon. Tim Adams			
Charles County	Hon. Reuben Collins	Y	Hon. Thomasina Coates	
City of Frederick	Hon. Michael O'Connor	V	Hon. Kelly Russell	V
Frederick County	Hon. Jessica Fitzwater		Ms. Victoria Venable	
City of College Park	Hon. Denise Mitchell	Y		
City of Gaithersburg	Hon. Robert Wu		Hon. Neil Harris	
City of Greenbelt	Hon. Emmett Jordan	Y	Hon. Kristen Weaver	
City of Laurel	Hon. Keith Sydnor	Y	Hon. James Kole	
Montgomery County - Exec	Hon. Marc Elrich		Mr. Richard Madaleno Ms. Fariba Kassiri Mr. Earl Stoddard	Y
Montgomery County - Council	Hon. Evan Glass	Y		
Montgomery County - Council	Hon. Kate Stewart	Y		
Prince George's County - Exec	Hon. Angela Alsobrooks		Ms. Tara Jackson	V
Prince George's County - Council	Hon. Tom Dernoga	Y		
Prince George's County - Council	Hon. Ingrid Watson			
City of Rockville	Hon. Monique Ashton			
City of Takoma Park	Hon. Talisha Searcy	Y		
Maryland General Assembly	Hon. Brian Feldman			
<i>Virginia</i>				
City of Alexandria	Hon. Justin Wilson	Y	Hon. Kirk McPike	
Arlington County	Hon. Libby Garvey	Y		
City of Fairfax	Hon. Catherine Read	Y	Hon. Tom Ross	
Fairfax County	Hon. Rodney Lusk	Y		
Fairfax County	Hon. Jeff McKay		Hon. Daniel Storck	
Fairfax County	Hon. James Walkinshaw	Y	Hon. Walter Alcorn	
City of Falls Church	Hon. Caroline Lian	Y	Hon. David Snyder	Y
Loudoun County	Hon. Laura TeKrony	Y		
Loudoun County	Hon. Phyllis Randall	Y		
City of Manassas	Hon. Mark Wolfe	Y		
City of Manassas Park	Hon. Darryl Moore	Y		
Prince William County	Hon. Deshundra Jefferson	Y		
Prince William County	Hon. Andrea Bailey	V		
Virginia General Assembly	Hon. Mark Sickles			

2/7/2024 11:42 AM; total: 30

Y = present in-person

V = virtually present

AGENDA ITEM #6

ADOPTION OF CONSENT AGENDA ITEMS

ADOPTION OF CONSENT AGENDA ITEMS
February 2024

A. RESOLUTION AUTHORIZING COG TO PROCURE AND ENTER INTO A CONTRACT TO PURCHASE TOW VEHICLES AND UPFIT FOR LAND RADIO MOBILE (LMR) DEPLOYABLE TRUNKING SYSTEM TRAILERS

The board will be asked to adopt Resolution R9-2024 authorizing the Executive Director, or his designee, to receive and expend \$640,000 for the purchase of tow vehicles and upfit for the mobilization of the LMR deployable trunking system. As the Secretariat for the Urban Area Security Initiative for the National Capital Region, COG has been requested by the District of Columbia Homeland Security and Emergency Management Agency to procure a contractor(s) and enter into a contract to purchase six tow vehicles and associated upfit that mobilize the deployable trunking system, which serves as the NCR's primary radio system for special events or incidents. The deployable nature of the trunking system allows first responders to maximize interoperability during major events by reducing system capacity issues on the home systems that support day-to-day functions. Funding for this effort will be provided through a subgrant from the State Administrative Agent (SAA) for the National Capital Region. No COG matching funds are required.

RECOMMENDED ACTION: Adopt Resolution R9-2024.

AGENDA ITEM #7

FISCAL YEAR 2024 SECOND QUARTER FINANCIAL REPORT



MEMORANDUM

TO: COG Board of Directors
FROM: Clark Mercer, COG Executive Director
Julie Mussog, Chief Financial Officer
SUBJECT: Fiscal Year 2024 Second Quarter Financial Report
DATE: February 7, 2024

We are providing the following interim financial reports to the Board of Directors for the six months ended December 31, 2023:

- Statement of Revenue, Expense, and Change in Net Position for the period July 1, 2023 – December 31, 2023
- Comparative Statement of Net Position as of December 31, 2022, and December 31, 2023

SUMMARY AND HIGHLIGHTS

As of the first six months of the fiscal year, the net surplus from operations is \$1.8 million. This surplus is primarily a timing issue where we have collected funds in advance of expenses being recognized. The Housing Affordability Planning Program (\$0.5 million grant from Amazon), regional funds (\$1.0 million) and IRE program funds (\$0.1 million) are driving the increase in restricted project funds. The increase in undesignated funds are a result of higher revenues than budgeted in investment income (\$0.4 million) and the REIT dividend (\$0.2).

Operating revenue is tracking to budget at 49% six months into the year. Total operating expenses are tracking lower to the FY2024 budget at 44%. Lower federal and state revenue to the budget is driven by lower spend in Transportation Planning Board Work Program (TPB) and Commuter Connections (\$4.6 million), partially offset by higher revenues in Securing the Cities (STC) programs to budget (\$2.3 million). Much of the STC revenue was incorrectly budgeted as Subrecipient pass-thru which also explains the lower than budget pass-thru as this is just a re-class of revenue to be consistent with how we present the audited financial statements. These are cost reimbursement projects, so the year-to-date expenses are also lower than budget. Spend and thus revenues are typically higher in the second half of the year for most programs at COG. Salaries are lower than budget due to unbudgeted turnover and delays in hiring some new budgeted positions in TPB. Consulting expense is lower than budget due to lower spend in TPB, Metro Area Transportation Operations Coordination (MATOC) and in multiple environmental programs. These programs typically have higher spend in the second half of the year. Other employee benefits is running higher than budget due to the timing of payments for healthcare and one additional month of expense included in the balance. Other direct program expense is running slightly ahead of budget due to expense related to the additional STC revenue.

Subrecipient pass-through funds are at 22% of the amount budgeted. Included in the budget is \$2.7 million for another Amtrak repower project that will likely not be awarded until FY2025. There is also

an additional \$2.0 for STC that should have been classified as operating. A revised budget for Subrecipient pass through would be closer to \$7.8 million.

The Statement of Net Position as of December 31, 2023 shows an overall increase in net position of \$2.4 million. The increase reflects the increase in restricted and unrestricted project funds in advance of program spend year over year.

Board-designated reserves, which include the operating and capital expenditures reserves remain 100% funded at \$10.3 million (\$5.2 operating reserve and \$5.1 capital reserve).

Metropolitan Washington Council of Governments
 Comparative Statement of Net Position
 As of December 31, 2022 and December 31, 2023

	FY2024 as of 12/31/2023	FY2023 as of 12/31/2022	Increase (Decrease)
Assets			
Cash & Investments	18,079,300	17,059,500	
Accounts receivable	10,774,800	9,290,000	
Prepaid expenses and other assets	674,700	137,900	
Capital assets, net of depreciation	2,309,500	2,147,100	
Total Assets	31,838,300	28,634,500	3,203,800
Liabilities			
Accounts payable	3,476,900	1,467,500	
Accrued payroll, leave & other liabilities	2,464,200	2,523,300	
Deferred revenue	2,916,200	4,058,000	
Other Non-current Liabilities	-		
Total Liabilities	8,857,300	8,048,800	808,500
NET POSITION*			
Net investment in capital assets	2,309,500	2,147,100	162,400
Board designated reserves	10,341,600	10,504,000	(162,400)
Restricted project funds	8,296,100	6,399,600	1,896,500
Undesignated	2,033,800	1,535,000	498,800
Total Net Position	22,981,000	20,585,700	2,395,300
Total Liabilities and Net Assets	31,838,300	28,634,500	3,203,800

*Excludes Net Pension Liability of \$4,823,500 which is available only for pension plan benefits.

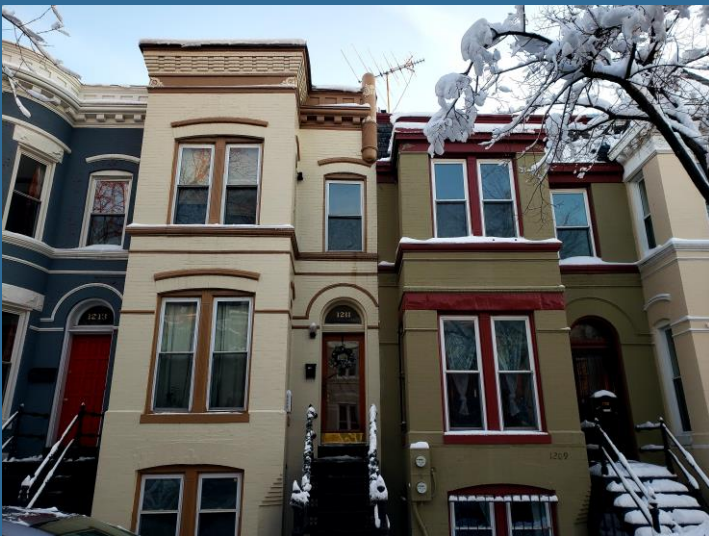
AGENDA ITEM #8

REGIONAL LEGISLATIVE UPDATE

LEGISLATIVE PRIORITIES

Supporting the region's transportation funding, housing, water quality, climate resiliency, air quality, human services, public health preparedness, homeland security, food security, infrastructure investment and incorporating local government input and equity considerations across all sectors

January 2024



Metropolitan Washington
Council of Governments

LEGISLATIVE PRIORITIES

Adopted by the COG Board of Directors on January 10, 2024

ABOUT COG

The Metropolitan Washington Council of Governments (COG) is an independent, nonprofit association that brings area leaders together to address major regional issues in the District of Columbia, suburban Maryland, and Northern Virginia. COG's membership is comprised of 300 elected officials from 24 local governments, the Maryland and Virginia state legislatures, and U.S. Congress.

CREDITS

COG 2024 Legislative Committee

Editor: Monica Beyrouti Nunez

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TRANSPORTATION FUNDING, PLANNING, & CONNECTIVITY

Support Re-setting Levels of Subsidy Payments to Metro

Subsidy payments from WMATA members should be reset to account for the impacts of the COVID-19 pandemic on operating costs and should serve as the baseline subsidy for future calculations. With no explicit authorization from Maryland and Virginia to reset the subsidy levels, the reduced subsidy levels from FY2021 have become the base amount for applying the annual three percent increase. As a consequence of this WMATA estimates the operating subsidy for FY 2025 would be lower than what it would have been by about \$196 million. Additionally historic levels of inflation, binding labor agreements related to the increase in labor costs during this period have created an additional deficit of about \$266M. The result is that WMATA's base budget reflects where the system was several years ago. As such WMATA funding partners must take legislative action to authorize WMATA to reset the operating subsidy baseline to account for the impacts of the COVID-19 pandemic on operating costs. WMATA funding partners should be prepared to provide the additional subsidy amounts resulting from the re-set subsidy levels. Given the existing shared funding responsibilities in Virginia, the state should play a large role in contributing to the adjusted levels of subsidy payments.

Support Federal Funding for the Region's Metro System

The Metro system is the centerpiece of the metropolitan Washington transportation system and forms the backbone of its economy. Almost half of all federal employees use the Metrorail and bus system to commute to work. The federal government should act to permanently provide a larger share of both operating and capital funding for the Metro system, which its employees and the region depend on. Specifically, support making the Passenger Rail Investment and Improvement Act (PRIIA) funding permanent to fund the federal government's annual appropriations for Metro's capital improvement budget and designating additional federal funds to support Metro's operations serving the federal workforce and the nation's capital.

Support Fixing the Deficit in the Federal Highway Trust Fund

For more than two decades the federal Highway Trust Fund (HTF) revenue has been insufficient to fund the congressionally authorized surface transportation program. These shortfalls have been closed with transfers from general fund and other short-term measures, including in the recent reauthorization for federal transportation spending through the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL). The Congressional Budget Office projects that the balance in both the highway and transit accounts of the Highway Trust Fund will be exhausted in 2028. Support addressing this structural deficit and systemic imbalance of the HTF revenues as a top priority to provide certainty of federal funding for the surface transportation program and ensure that any fix to the HTF revenue structure retains all the programs included in the 2021 IIJA and fully funds them at levels authorized or previously envisioned.

Support Equitable Transportation Access & Mobility Solutions

The region continues to strive to better understand the nature of transportation inequities through its analyses in areas such as Equity Emphasis Areas (EEAs) or disadvantaged communities identified under the federal Justice40 initiative. As part of the preceding priority to support the Visualize 2045 Long-Range Transportation Plan, particular support is needed for those solutions that address disparities in disadvantaged communities throughout the region.

Support Funding for Next Generation Transportation Systems

The need for a more efficient and safer means of surface transportation is imperative to help achieve the nation's safety, energy-efficiency, and environmental goals. Automated and autonomous vehicles and clean fuel vehicles including electric and hydrogen fuel vehicles, are critical elements of delivering safe, efficient, and environmentally sustainable mobility. The private sector has made significant investments to advance deployment of vehicles using alternative modes of energy and technology. Significant public sector investments are needed to prepare transportation infrastructure to facilitate the operations of these advanced technology vehicles to realize the energy, environment, and safety benefits they offer. Support and expand the continuation of federal funding for building electric vehicles and other advanced technology infrastructure, beyond the term of the Infrastructure Investment and Jobs Act.

Support Roadway & Pedestrian Safety

Safety on our roadways and for our pedestrians and bicyclists constitutes a longstanding and unfortunately worsening challenge for our region, especially the recent tragic increase in pedestrian deaths. Increased support for the “E’s” of safety is needed: engineering, education, enforcement, emergency medical services, and equity, in accordance with the Federal Highway Administration’s “Safe System Approach”. Additional resources, innovative practices and technology, and enhanced safety laws are needed to combat this crisis. Specific initiatives should include improving the ability to hold drivers accountable for their actions across state lines; more effective traffic enforcement and penalties; and consideration of the safety of people outside of vehicles in vehicle designs, standards, and ratings. Vision Zero-supportive laws and practices across the country and around the world have shown success in reducing fatalities and should be emulated and adopted here.

Support the Visualize 2045 Long-Range Transportation Plan

The region has identified a set of strategies to improve mobility and accessibility while also improving regional air quality and reducing greenhouse gases. These strategies include reducing single-occupant vehicular travel; increasing transit ridership and ridesharing; substantially improving roadway safety; bringing jobs and housing closer together; increasing travel by walking and bicycling; and deploying a network of public-access electric vehicle charging infrastructure. Support actions at the local, state, and federal level to fund projects and programs and to enact policies that help realize the TPB’s goals and strategies.

Support the Repeal of Current Participation Limitations on WMATA Board of Directors Alternates

Support the repeal of VA Code § 33.2-1526.1(L) which currently results in a reduction of funding if WMATA Alternate Directors participate in board or committee meetings when directors are present. After amendment of this statute, support the amendment of WMATA Bylaws Article II.11 and Article III.3.a, and otherwise as necessary, to allow Alternate Directors to participate in all board and committee meetings irrespective of the presence of the alternate’s respective Director. The current limitation on Alternate Directors restricts their ability to access the necessary information and knowledge to effectively serve in their roles as WMATA Board Alternate Directors.

CLIMATE RESILIENCY & AIR QUALITY PROTECTION

Support Policies to Meet the Region's Climate Goals

Expand funding, programs, and legislation at federal, state, and local levels to help meet the region's medium- and long-term objectives in climate change mitigation. Ensure that local governments are recognized and given opportunities to provide timely and meaningful input on climate and clean energy programs.

Support Multi-Sector Actions to Reduce Greenhouse Gases

The region and its member jurisdictions are committed to addressing the adverse impacts of climate change including reducing the amount of harmful greenhouse gases (GHG) released in the atmosphere. Support actions across all sectors to help meet the region's 2030 climate and energy goals. Support federal engagement and continued funding to monitor the impacts of climate investment programs and GHG performance measures.

Ensure Sustainable Secure Energy Access for All

Advocate for state and federal actions to enhance access to secure, affordable clean energy. Prioritize and protect funding for energy-sector infrastructure to improve affordability, resilience and reliability. Support policies, funding, and incentives for energy efficiency improvements such as microgrids, district energy systems, and clean energy storage technology. Prioritize funding for upgrading energy infrastructure to withstand extreme weather events and to protect investments in grid technologies that improve energy efficiency and management. Emphasize the need for deployment and workforce development in low-income, energy-burdened, and vulnerable communities to ensure a just and equitable climate future for all.

Support Aggressive State Renewable Portfolio Standards

State Renewable Portfolio Standards (RPS) are the most successful method of increasing the amount of renewable electricity generated within a grid system and drives greater deployment of renewable energy projects. Protect existing and advocate for more aggressive state RPS and the innovative policies and programs, business models, and funding opportunities that support meeting the RPS, such as supporting a strong REC market, solar carve-outs in RPS policies, offshore wind, Community Choice Aggregation, and community solar opportunities for energy-burdened households.

Expand Clean Energy Innovation, Technology & Finance

Encourage and support investment in energy innovation across sectors to increase energy efficiency and transition to clean energy sources. Expand options for and improve access to clean energy finance at the state and local levels such as green banks. Advocate for further investment in and deployment of capital through green banks. Foster cost effective and efficient market frameworks, reasonable regulatory frameworks, business model innovation incentives and partnerships that expand the adoption of energy efficient and zero energy building codes, building benchmarking, clean energy technologies and infrastructure, and zero-emission vehicles.

Support Aggressive Energy Efficiency Goals

Encourage and support state, county, and local energy efficiency programs to reduce energy usage, costs, and associated greenhouse gas emissions. Advocate for aggressive initiatives to target households with high energy burdens. Prioritize weatherization, deep energy retrofits, and retro-commissioning programs to achieve the highest possible energy performance and preferably zero energy buildings within Equity Emphasis Areas and climate vulnerable communities of concern.

Enhance Incentives & Financing Mechanisms for Resilient Infrastructure

Support legislation, incentives, financing, and funding mechanisms to support deployment of grey and green infrastructure resilient to extreme heat, flooding, and other climate hazards. Priority resilient infrastructure initiatives include the establishment of resilience hubs in climate vulnerable communities, improve the resilience of critical infrastructure (transportation, communication, energy and water system assets), equitably address urban heat island, enhance green infrastructure networks, provide for tree planting and preservation on privately owned lands, and implement measures to reduce flood risk in climate vulnerable communities. Support measures to reduce flood risk in climate vulnerable communities, such as restoring wetlands and enhancing green infrastructure augment and improve stormwater management.

Support Policies that Preserve & Protect Regional Air Quality and Public Health

Support strong policies, regulations, and funding necessary to preserve improvements in air quality and strengthen the region's ability to meet current and future air quality standards that are protective of public health and welfare. Incorporate an environmental justice and racial equity lens into policies, programs, and initiatives. Support local member efforts to identify and implement initiatives to reduce air pollution. Support regulatory actions to monitor and reduce air pollution transport into the region.

WATER QUALITY PROTECTION

Support Investments in Water Infrastructure & Water Quality Protection

Support appropriating the full authorized funding levels for water, wastewater, stormwater, and water reuse programs, including the Clean Water and Drinking Water SRFs, the EPA's Chesapeake Bay Program, the Water Infrastructure Finance and Innovation Act (WIFIA), Water Resources and Development Act (WRDA) and for state programs including grants for local governments and water utilities, and stormwater local assistance funds. Keep state revolving funds (SRFs) at maximum authorization in federal law. Ensure that funding for congressionally directed spending projects is in addition to the authorized SRF funding levels. Ensure that local water infrastructure investments to meet water quality permit load allocations and handle future population and economic growth are protected. Invest in workforce training and development to ensure the availability of skilled workers to fill water sector jobs. Support funding for agricultural conservation programs.

Support Climate & Resiliency Initiatives

Support funding and policy to address robust scientific climate change analysis, adaptation and resiliency planning and coordinated local best practices for flood control, drought, and water storage and reuse. Support drinking water security and resiliency through research, planning, programs and funding to ensure a resilient, reliable, and clean drinking water supply for the region.

Ensure Regulatory Feasibility & Flexibility

Support actions that provide for flexible implementation and a feasible pace for future stormwater, water, and wastewater permits and other regulatory requirements, including reasonable reporting requirements. Support cost-effective scheduling and financing of water quality programs including streamlining permits, flexibility to achieve nutrient and sediment reduction across wastewater, stormwater, and other sectors to protect affordability of water.

Ensure Local Government Input

Ensure that local governments and wastewater and drinking water utilities are given opportunities to provide timely and meaningful input on legislation and management decisions affecting the Chesapeake Bay and local water quality.

HOUSING AND ECONOMIC RESOURCES

Support Efforts to Equitably Increase the Supply of Housing & Promote Housing Affordability

Support legislation and programs (such as the 2023 provisions of the Affordable Housing Credit Improvement Act and Neighborhood Homes Investment Act) to preserve and increase the supply of housing and housing choices to address the full spectrum of need in our region. Ensure that a sufficient supply of housing is preserved and produced as outlined in COG's 2030 Regional Housing Initiative targets including a diverse range of housing unit types, sizes and price points that are affordable for our residents in the region's identified Activity Centers and Equity Emphasis Areas. Support efforts to eliminate barriers to the production of fair and affordable housing by encouraging new financing tools, streamlining development processes, and creating innovative regulatory reforms, such as adaptive re-use of commercial space, that results in the production of a greater variety of housing types and eliminate exclusionary zoning practices. Support legislation, policies, and practices that increase access to opportunity, reverse segregation, and create inclusive communities in concert with efforts to increase supply overall.

Support Efforts to Prevent & End the Experience of Homelessness

Work with federal, state, and local Continuums of Care throughout the region to ensure that the experience of homelessness is rare, brief, and nonrecurring through implementation of a racial equity - informed "Housing First" approach. Support increasing the supply of deeply affordable and supportive housing with wrap-around services that promote housing stability and independent living, including strategies listed above. Voice the need for additional HUD funding for Housing Choice Vouchers to meet the need for permanent housing options as well as robust state and federal resources for local governments to provide necessary supports, such as case management, housing counseling, and navigator services to protect vulnerable residents. Support legislation such as the Housing Alignment and Coordination of Critical and Effective Supportive Health Services Act (ACCESS) to align housing and health care resources and clarify how federal funds can be used by homeless services providers to build their infrastructure to bill Medicaid for reimbursement. Support funding for financial rental assistance and legal aid to tenants, landlords, and moderate-income homeowners to prevent a significant increase in evictions and people experiencing homelessness.

Support Alignment of Workforce Development & Job Creation

Support federal legislation to focus on workforce development and job creation at the local level, and efforts to develop industry standard credentialing and skills programs for sectors experiencing job growth in the region. Support legislation and programs that fund local job development, career and technical education, and overall, more closely align education and job creation.

Support Local Governments & Activity Centers

Work with local governments to support sound land use planning which focuses on employer retention and new job growth in the region's mixed-use Activity Centers.

HOMELAND SECURITY AND PUBLIC SAFETY

Public Health Response

Support funding for public health to prevent, prepare for, and respond to public health emergencies and pandemics, such as the COVID-19 crisis. Leverage new and existing funding mechanisms that would provide resources to carry out public health surveillance, reporting, infection control, vaccine distribution, laboratory testing, mass care, planning and exercises, communications and other public health activities. Invest in an adequate workforce capacity and capability to support public health infrastructure. Enact and support the development of more secure supply chain networks, with a focus on vulnerable populations, as it relates to personal protective equipment (PPE) and other life safety equipment used in the response of pandemics.

Support Cybersecurity Preparedness Initiatives

Support cybersecurity programs and initiatives that advance and improve cyber preparedness and response to current and emerging threats. Work with local and state partners to develop resiliency against future cybersecurity attacks and other virtual threats targeted at our citizens and the information technology infrastructure of our communities.

Support Regional Emergency Preparedness

Continue to support emergency response preparedness programs that advance and improve response preparedness to existing and emerging threats. Work with local and state partners to maximize the region's share of federal grant funds and use these funds to promote value added outcomes that continue to increase capacity, capability, and developed standards for regional response in the National Capital Region.

Urban Area Security Initiative (UASI) Funding

The National Capital Region (NCR) receives UASI funding for efforts to address the multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas, and to assist in building and sustaining capabilities to prevent, protect against, mitigate, respond to, and recover from threats or acts of terrorism using the whole community approach. As funding allocations are assessed, policy makers should recognize the complexity of challenges in the NCR that directly impact Federal government operations and security and support an increase in UASI funding to our region to effectively address the unique nexus of U.S. Federal, state, local, and international operations.

Support Resources for Violent Crime Reduction

Provide resources at the local, state and federal level to support the development, implementation and evaluation of strategies to prevent, intervene in, and respond to violent crime. Specifically, gun violence and the associated trauma inflicted on communities. Continue to provide Department of Justice grant funding to support violent crime reduction efforts at the local level.

HEALTH & HUMAN SERVICES

Support Efforts to Combat Substance Use Disorders

Work with local, state, and federal partners to increase resources to combat substance use disorders for all ages throughout the region which may include improving access to treatment and recovery services, promoting prevention education, reducing the stigma of drug disorders, supporting research on pain management, and ensuring awareness of overdose-reversing drugs.

Increase Availability of and Access to Mental Health Services

Work with local, state, and federal partners to increase access to and availability of mental and behavioral health services throughout the region to include psychiatric hospital beds, counseling, telehealth, and other outpatient services; support culturally competent providers from diverse backgrounds; develop communication strategies to combat mental health stigma and promote mental wellness throughout communities; continued expansion of crisis intervention, mental health courts, and diversion programs, where treatment is indicated rather than incarceration, especially for at-risk youth; and re-entry programs to reduce recidivism rates of mental health consumers.

FOOD SECURITY & HEALTHY FOOD ACCESS

Strengthen Programs that Support Childhood Nutrition & Well-being

Use federal, state, and local legislative efforts to make access to school meals free for all students. Extend, expand, and simplify programs such as Summer EBT and the Summer Supplemental Nutritional Assistance Program (SNAP). Enhance and expand the Women Infants and Children (WIC) Program. Support other policies which reduce childhood poverty and food insecurity, including local, state, and federal Child Tax Credits. Strengthen farm-to-school programs and investments to connect the region's farmers with schools and childcare facilities. Support policies to provide healthier food and drink options on restaurants' children menus.

Improve Food Security & Healthy Food Access

Support federal, state and local initiatives/investments to increase food and flexible cash assistance to residents in need, including children and their families, college students, adults, and seniors. Increase participation in federal benefit programs, streamline program administration and support and evaluate innovative initiatives to serve residents not eligible for federal programs. Make permanent funding increases to SNAP to address food inflation and participants' nutritional needs, including reauthorization of the Farm Bill. Support revenue generation policies to fund supplemental benefits for SNAP recipients at the local and state level, including leveraging tax policies such as an extreme wealth tax. Support the on-going modernization of SNAP to include increasing information security for SNAP participants and decreasing the incidence of SNAP outages. Create a means to replace funds for participants experiencing fraud or theft. Enhance SNAP acceptance among small and or local vendors through technology innovation and dissemination. Support policies and investments that address disparities in wealth and rates of food insecurity in people of color, including Black and Hispanic/Latino households. Increase investments in programs that improve access to local and regional healthy food, including access on college campuses, at food banks and

pantries, farmers markets and CSAs, food hubs, grocery, and in food as medicine programs. Recognize the hunting and fishing rights of indigenous people.

Support Small Farmers & Food System Resilience

Address issues such as Heirs Property which contributes to land loss among low-income people. Support local government efforts to increase farmland preservation, protect agricultural soils, and support programs that facilitate land transition to the next generation of small farmers. Center the unique experiences of Black, Indigenous, and People of Color (BIPOC) in legislative proposals, and policy and program development to facilitate greater access to land ownership, capital, and markets. Support resources and policies that promote values-based group purchasing and institutional procurement initiatives from the region's farms. Invest in regional food system infrastructure and capacity to increase resilience.

Support Local Food Entrepreneurs, Businesses, & Workforce Development

Strengthen programs that support entrepreneurialism, cooperative development, workforce development, and living wages in the regional food economy. Invest in local business development and ownership and target those investments to help address long-standing food system inequities faced by communities of color. Create career pipelines for food and agriculture workers and improve the health and safety of work environments.

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AGENDA ITEM #9

THE FEDERAL WORKFORCE IN THE METROPOLITAN WASHINGTON REGION

Jason Miller

Jason Miller is the Deputy Director for Management at the Office of Management and Budget where he serves as the Federal Government's chief operating officer. In this role, he coordinates Government-wide management initiatives to protect, strengthen, and empower the Federal workforce, and ensure a more equitable, effective, and accountable Federal Government that delivers results for all Americans. Toward these goals, Mr. Miller leads the development and implementation of the President's Management Agenda as Chair of the President's Management Council.

Mr. Miller also is carrying out the President's commitment to deliver prosperity, security, and opportunity to all Americans – including through implementation of the American Rescue Plan to help families and businesses recover from the impacts of the COVID-19 pandemic and by harnessing the power of Federal procurement to support workers and manufacturers through the Made in America Initiative.

Most recently, Mr. Miller led the U.S. Trade Representative agency review team during the Biden-Harris transition and prior to that he was the Chief Executive Officer of the Greater Washington Partnership, a civic alliance of employers in the Capital Region focused on issues of regional inclusive economic growth and prosperity that included building and operating a more reliable and accessible transportation system; driving improved digital skills workforce through enhanced programs at the K-12, community college, and undergraduate levels; and improving housing affordability.

Previously, Mr. Miller served in the Obama-Biden White House as Deputy Assistant to the President and Deputy Director of the National Economic Council – leading the Administration's economic policy development and coordination related to manufacturing and innovation, transportation and infrastructure, energy, entrepreneurship, and Puerto Rico.

Prior to the Obama-Biden Administration, Mr. Miller was a management consultant with the Boston Consulting Group in San Francisco and with Marakon Associates in Chicago, where he advised large organizations across industries on strategic, financial, and organizational issues. Mr. Miller received a B.A. from the University of Pennsylvania, a M.B.A. from the Kellogg School of Management at Northwestern University, and a M.P.A. from Harvard's Kennedy School of Government. Mr. Miller currently resides with his wife and three children in Maryland.



AGENDA ITEM #10

METRO REVISED FY2025 PROPOSED BUDGET & FY2026 FORECAST

Revised FY2025 Proposed Budget and FY2026 Forecast

Finance and Capital Committee
February 8, 2024





Revised FY2025 Proposed Budget and FY2026 Forecast

Finance and Capital Committee
February 8, 2024



Purpose

The Challenge – Unprecedented Deficits Begin

FY2024 Mid-Year Progress

FY2025 and FY2026 Path Forward

Jurisdictional Operating Investments

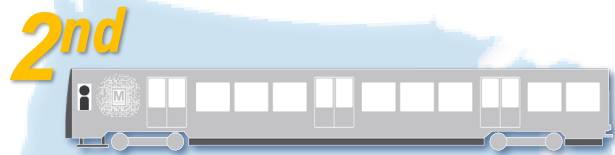
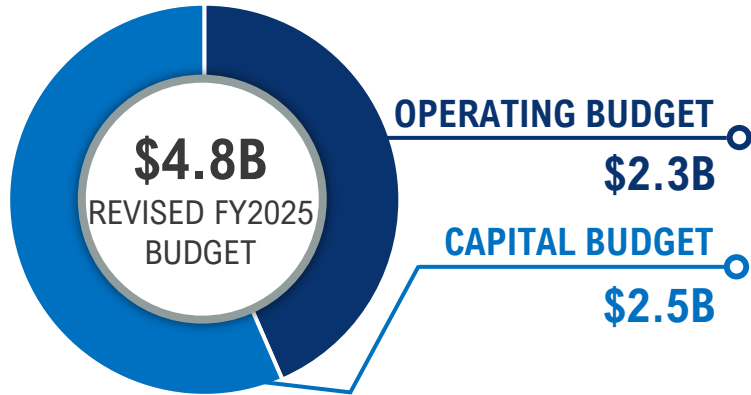
Targeted Service and Fare Optimization

Administrative Efficiency

Metro's Capital Program

Metro's Strategic Transformation Program

Metro At-A-Glance



BUSIEST RAIL TRANSIT SYSTEM;



BUSIEST BUS NETWORK IN THE U.S.

METROBUS

40.7M
SCHEDULED REVENUE MILES

METRORAIL

117.2M
SCHEDULED REVENUE MILES

METROACCESS

28.5M
SCHEDULED REVENUE MILES

Within ½ mile of Metrorail stations and bus stops in the Compact area:

- 60% of population (2.8M people)
- 70% of jobs (1.7M jobs)
- 50% of employers (134,400 businesses)

The ½ mile around Metrorail stations is just 3% of the region's land but contains:

- 30% of property value (\$328B)
- 40% of jobs
- 65% of new office development
- 50% of new apartments
- 25% of affordable housing
- 13 Fortune 500 headquarters

98 RAIL STATIONS



40
STATIONS



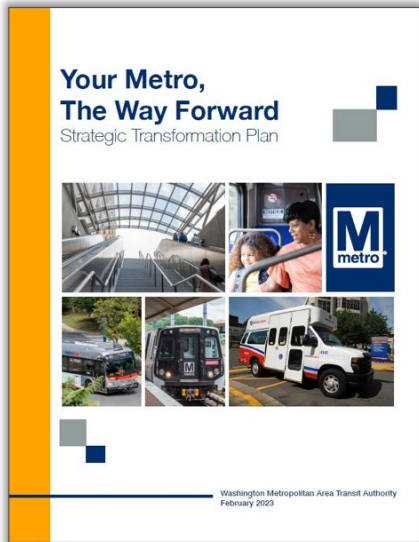
26
STATIONS



32
STATIONS



Metro's Strategic Transformation Plan is North Star to *Deliver* a Modern, World-Class Transit System



In February 2023, Metro adopted its Strategic Transformation Plan [Your Metro, the Way Forward](#). The plan identified four strategic goals: Service Excellence, Talented Teams, Regional Opportunity & Partnership, and Sustainability. This plan was developed by the Board of Directors and management to guide Metro's decision-making over the next five years. It is serving as our North Star and guides how we fund the Metro the region needs, wants and deserves. The plan establishes clear priorities for Metro, expands transparency around performance metrics, and promotes collaboration with our teams and partners. Metrics identified in the plan are used to drive performance and operational decisions at Metro and are transparently measured in regular reports and our newly launched [Service Excellence Dashboard](#).



Deliver safer and more reliable service to customers, progressing Metro's automation efforts.



Design transit service to move more people and equitably connect a growing region.



Attract, develop, and retain top talent where individuals feel valued, supported, and proud of their contribution.



Manage resources responsibly to achieve a sustainable operating, capital, and environmental model.

A Healthy Region Needs Great Transit

Metro's goal is to provide the region with a world-class integrated transit system offering all-day, safe, customer-focused service through modernized vehicles and infrastructure.

Good service is the key to generating ridership. While recent service improvements, simpler fares, and renewed emphasis on customer experience are growing ridership and customer satisfaction, additional targeted investments in transit are needed for the region to grow and meet its economic, mobility, housing and environmental goals.

Opportunities include:

- Adjust service to demand and regional goals
- Implement the Better Bus network redesign
- Bus lane & technology investments to increase bus speed and reduce costs
- Rail modernization program to replace antiquated infrastructure, vehicles, and obsolete signaling system
- Responsible and affordable fares, with fare-capping and promotional opportunities

Today's Standard of World-Class Transit

Metro's original mandate was to "set an example for the Nation" of world-class public transit. Today, the standard set by the best transit systems has evolved to include:

All-Day Service. Fast and frequent service throughout the day and week, with safe, on-time operation. Service focused on providing travel needs for all kinds of trips. Disruptions are limited and predictable.

Modern Vehicles and Infrastructure. Stations with clear wayfinding, real-time service information, and platform screen doors. Trains feature open gangways and efficient, communication-based train control, capable of Grade of Automation 3/4. Bus service built around a network of rapid bus routes with high-capacity buses, and a zero-emission bus fleet.

Integrated System. Customers experience transit as a unified system, with seamless connections between rail, bus, bike and pedestrian networks. Fares are integrated across the region with easy payment for customers.



If we invest in transit:

- Attract and retain businesses, talented workers
- Reduced carbon footprint
- Grow tourism and leisure sectors

If we don't invest in transit:

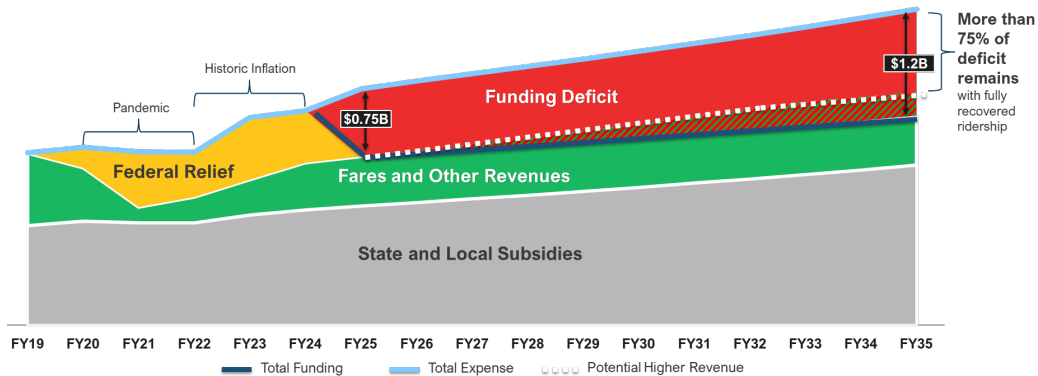
- Reduced economic development opportunities
- Traffic congestion will get even worse
- Increase in safety risks



FY2025: Unprecedented Deficits Begin

The Challenge

Fundamental changes in post-pandemic travel patterns and unprecedented inflationary pressures have imposed fiscal constraints significantly impacting future operations and investments. Regardless of proactive management actions taken by Metro to control expenses, under the current subsidy model Metro faces a structural funding shortfall of \$750 million in FY2025, a deficit equal to more than 25 percent of the operating budget.



FY2025 \$750M Deficit Drivers in Detail

Metro's \$750 million deficit is primarily driven in three categories: 1) the jurisdictional subsidy credit provided in 2020; 2) high inflationary costs, driving higher labor and non-labor expenses; and 3) the decline of revenue due to lower ridership.

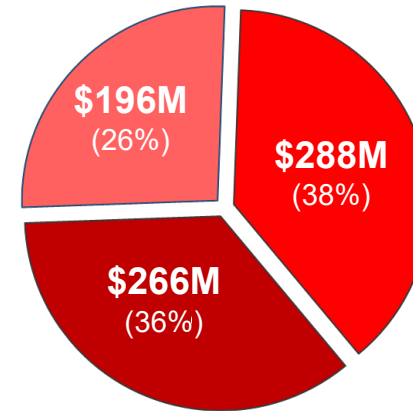
Jurisdiction Subsidy Credit

At the onset of the pandemic, Metro provided support to jurisdictions in the form of a subsidy reduction and forgone 3% increases.

Inflation & Collective Bargaining Agreements

Metro's contractual commitments and inflation soared by 10% in one year during the pandemic and FY2025 original outlook assumed continued inflation of approximately 5%.

FY2025 Operating Gap



Projection as of June 2023

Decreased Revenue Since Pandemic

Overall ridership forecast to be approximately 25% below pre-pandemic levels along with greater prevalence of shorter distance trips outside of weekdays. Parking and advertising revenues also impacted.

FY2024 Mid-Year Progress

Aggressive Management of Expenses Continues

Metro’s ridership continues to recover from the impacts of Covid-19 demonstrating significant year-over-year gains, with ridership reaching approximately 70 percent of pre-pandemic levels; however, changes in the mix of trips has reduced average fares and passenger revenue below budgeted amounts.

Metro is closely managing its expenses and projects savings for the remainder of the year to offset these revenue losses. Despite the reduced revenue outlook, Metro expects to end FY2024 with a balanced budget due to aggressive expense management, allowing it to preserve \$95 million in one-time savings to apply to the FY2025 deficit.

(\$M)	FY2024 Q2 YTD		Variance	
	Budget	Actual	\$	%
Passenger Revenue	\$194.2	\$167.8	- \$26.4	- 13.6
Non-Passenger Revenue	\$51.1	\$56.1	\$5.1	9.9%
Total Revenue	\$245.3	\$223.9	- \$21.4	- 8.7%
Personnel	\$782.8	\$783.2	- \$0.4	- 0.0%
Non-Personnel	\$376.2	\$340.3	\$36.0	9.6%
Total Expenses	\$1,159.1	\$1,123.5	\$35.6	3.1%
Gross Subsidy*	\$913.8	\$899.6	- \$14.2	- 1.6%
Federal Relief	\$287.7	\$272.8	- \$14.9	- 5.2%

* Gross Subsidy refers to operating expense less operating revenues and Federal relief and does not reflect/equal actual jurisdictional subsidy payments.

Note: Amounts may not sum due to independent rounding



FY2025 and FY2026 Path Forward

Regional Framework for a Balanced Budget

The revised proposed budget adopts a regional approach that requires collaboration and contributions from all stakeholders. Aggressive expense management by Metro would keep FY2025 **gross expenses** at FY2024 levels (0% growth).

Metro: Salary and wage adjustments, recurring administrative efficiencies, and other cost reductions resulting in **\$119 million** and **\$174 million** in savings in FY2025 and FY2026, respectively.

Customers: At least 12.5 percent fare increase on Metrobus, Metrorail, and MetroAccess beginning in FY2025, and up to 25 percent on late nights and weekends (with \$2.50 cap).

Jurisdictions: Additional jurisdictional investment to replace prior reductions of jurisdictional funding to Metro and adjustments for ridership and inflation.

Use of Funds		Budget	2- Year Regional Transformation Framework	
		FY2024	Revised FY2025 Proposed Budget	FY2026 Forecast
Expense	Initial Expenses	\$2,459	\$2,575	\$2,704
	Administrative Efficiency		- 50	- 52
	Salary and Wage Adjustment		- 38	- 77
	Inflation Reduction		- 11	- 25
	Target Service Cuts		- 20	- 20
	Total Savings		- 119	- 174
	Gross Expenses	\$2,459	\$2,457	\$2,530
	Additional PM (above \$60M)	- 139	- 104	- 114
	Expense after PM Transfer	2,320	2,352	2,416

Assumptions

Personnel & Non-personnel: 0% salary and wage increase in FY2025 for L689, L922 and non-represented employees subject to the collective bargaining; CPI reduced from 5% to 3.5% in FY2025 and from 5.0 to 3.0% in FY2026

Source of Funds

Revenue

Proposed fare increase of least 12.5 percent on Metrobus, Metrorail, and MetroAccess beginning in FY2025, and up to 25 percent on late nights and weekends (with \$2.50 cap) would increase revenue by **\$24** million and efforts to improve fare collection recovery result in additional **\$12** million for a net increase of **\$36** million in FY2025. Continued ridership growth increases FY2026 revenue by **\$10** million.

	Full-Year Forecast	2- Year Regional Transformation Framework	
	FY2024	Revised FY2025 Proposed Budget	FY2026 Forecast
(\$M)			
Revenue			
Initial Revenue	\$452	\$452	\$488
Revenue Recovery*		\$12	\$10
Fare Increase		\$24	
Subtotal		\$36	\$10
Total Revenue	\$452	\$488	\$498

* E.g., ridership growth, long distance trip recovery, new fareboxes and faregates



Jurisdictional Operating Investment

Metro’s funding jurisdictions as of February 2, 2024 have communicated **\$480** million in additional funding in FY2025 above the 3 percent cap. These respective additional contributions for FY2025 are reflected below. Maryland budget includes \$150 million in his FY2025 budget; there are budget amendments moving through both Houses of the Virginia legislature which reflect the \$130 million funding level. On February 1, 2024 District of Columbia leadership sent a letter indicating their commitment to \$200 million in additional subsidy.

The Metro subsidy formula sets the level of subsidy for each jurisdiction proportionate to the other jurisdictions and the various commitments will need to be reconciled as the Board approves this year’s budget.

For FY2026, the forecast assumes funding levels increase by 3 percent, plus each jurisdiction’s share of the \$95 million of one-time savings from FY2025. FY2026 amounts are forecast estimates and may change as a result of Metro’s FY2026 budget process and Board direction.

(\$M)	FY2025 Base	Additional Regional Investment	Revised FY2025 Proposed Budget*	FY2026 3% Growth*	One-Time Savings Expiration*	FY2026 Forecast*
Expense			\$2,352			\$2,416
Revenue			(\$488)			(\$498)
Gross Subsidy			\$1,865			\$1,918
One-Time Savings			(\$95)			\$0
Subsidy	\$1,290	\$480	\$1,770	\$53	\$95	\$1,918
District of Columbia	\$462	\$200	\$662	\$20	\$36	\$717
Maryland	\$488	\$150	\$638	\$19	\$34	\$691
Virginia	\$340	\$130	\$470	\$14	\$25	\$510

Note: amounts may not sum due to independent rounding

*The subsidy amounts reflect additional contributions, are inconsistent with Metro’s historical subsidy formula, and will need to be reconciled

Funding Requirements Beyond Metro’s Operating Subsidy

Amounts exclude 24-Hour Overnight Bus, student programs, reimbursable agreements, Safety and Security grant programs, Joint development projects, and any other programs separately agreed upon.

Targeted Service and Fare Optimization



More Targeted Rail Service. Efficiently deliver frequent all-day service to drive ridership and revenue growth. Schedule **peak service** periods to align with ridership levels. Operate more **six-car trains** where shorter trains provide sufficient capacity. Considering reduced service levels on holidays with low ridership.



Redesigned Bus Network. Maintain bus service levels and begin Better Bus implementation. The Year One Network reallocates existing resources to deliver more value to the region, adapting to how customers travel now.



More Fare Revenue. Increase fares by 12.5% to keep pace with inflation. Reduce fare evasion with system-wide high-barrier faregate installation and increased fare enforcement. Make it easier to pay with increased use of Metro Lift and Senior reduced fare programs.

Optimize service to deliver the most useful network with available resources:

- **Adapt Service.** Adapt rail and bus service capacity with targeted changes while sustaining good frequency to grow ridership.
- **Provide Access to More Destinations.** Reduce customer travel times and increase access to jobs and opportunity.
- **Optimize Use of Metro’s Assets.** Manage railcar and bus fleets to deliver high asset utilization and provide good service at low marginal cost.

Fare Increase Scenario	Revenue Impact (M)	Ridership Impact (M)
Baseline	\$362.2	233.3
5%	\$10.0	-4.1
12.5%	\$22.2	-10.2
12.5% + up to 25% late-night/weekend (with \$2.50 cap)	\$23.9	-11.3
20%	\$33.9	-15.2
25%	\$40.4	-19.0

Parking Rates

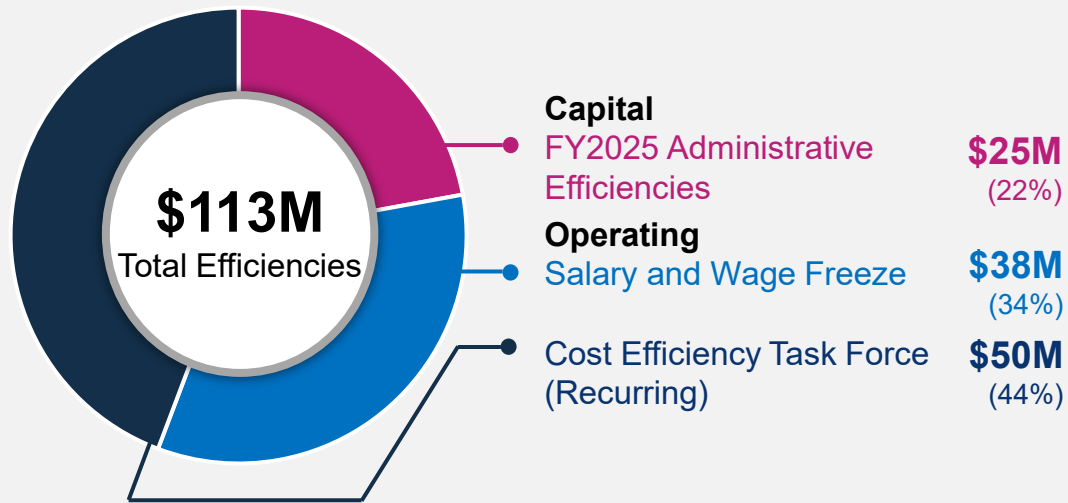
- Keep parking rates unchanged to encourage use of available capacity at parking facilities; raising parking rates would be expected to reduce growth in long-distance Metro commutes, lessening future fare revenue

Fares

- Balance increasing revenue and continuing to grow ridership
- Considering modifying weekend and late-night fares for additional revenue in response to strong ridership

Administrative Efficiency

Metro Has Identified Over \$113M of Efficiencies



Capital (\$25M)

FY2025 Capital Administrative Efficiencies (\$25M)

- Right-size administrative and consultant support costs for capital program management.
- Modernize standards, requirements, and practices for longer-term structural savings.

Operating Budget Efficiencies (\$88M)

Salary and Wage Freeze (\$38M)

Freeze wages of all non-represented employees and for two of Metro’s largest collective bargaining units.

Cost Efficiency Task Force (\$50M)

Identified an additional \$50 million across the Authority in ongoing expense reductions and savings for FY25 and beyond. These savings will not impact safety or service levels:

1. **Administrative efficiencies:** Call center consolidation, paratransit alternative service delivery.
2. **Reduced consulting service:** Transition Metro Transit Police Department (MTPD) training to in-house, staff augmentations reductions and right sizing cleaning contracts.
3. **Digital Transformation:** Elimination of duplicative licenses, laptop/mobile phone efficiencies, digital media efficiency & rightsizing of IT-related contracts.
4. **Improved asset management:** drone usage for automated inspections, fuel savings and repair cost reduction on elevator and escalators.

FY2025 Cost Efficiency Task Force Savings – \$50 Million

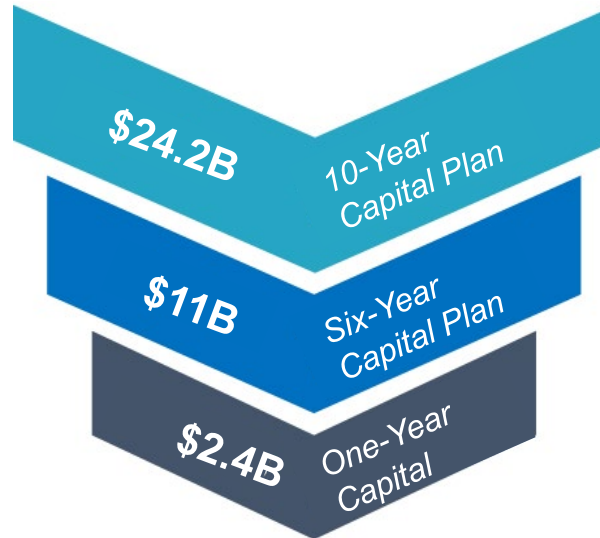
Category	Title	Marketing/ Revised Description	Impact
	Call Center Consolidation	Merging two call centers to streamline operations.	\$1.8
	Paratransit Alternative Service Delivery	Reduce MetroAccess expenses by offering customers the option to utilize alternative (ride share) services.	\$14.8
	Building Consolidation and Streamlining of Facility Related Services	Streamline efforts in warehouse sharing between rail services and facilities departments in Maryland, storage space sharing in Alexandria, VA..	\$13.7
	Non-Revenue Vehicle Fleet Reduction	Reduce non-revenue fleet vehicles by December 2023.	\$0.2
Administrative Efficiencies			\$30.5
	Metro Transit Police Academy	In-house police commissioning training eliminates fees paid to Northern Virginia Criminal Justice Academy.	\$0.6
	Alignment of consulting services	Reduce On-Call Legal Services contract.	\$1.5
	Reduction of Staff Augmentation	Prioritize hiring in departments with high staff shortages such as Rail Transportation, Track & Structures and Car Maintenance.	\$2.0
	Right-size cleaning contracts	Replace current cloth seats on buses with vinyl seats, eliminating the need for more frequent cleaning.	\$3.7
Reduce Consulting Services			\$7.8
Total			\$50.6

Category	Title	Marketing/ Revised Description	Impact
	Eliminate Duplicative Application Licenses	Consolidate certain duplicative or outdated software/systems.	\$2.0
	Laptop and mobile phones efficiencies	Implement one-device policy and suspension of low-usage devices.	\$0.3
	Digital Media efficiencies	Optimize resources, improve market targeting, and enhance the overall effectiveness of digital marketing with less waste and effort.	\$0.2
	Right-size IT-related contracts	Review cloud strategy to eliminate on-the-ground footprint; shift operations & management expenses in-house.	\$3.0
Digital Transformation			\$5.5
	Preventive track rehabilitation resulting in parts and materials savings	Ultrasonic maintenance, software, and training are serviced by DPR Ultrasonic Technology, enabling Metro to optimize equipment.	\$4.5
	Expansion of automated inspection technologies: Drones	Inspecting structures with drones compliments hands-on access requirements.	\$0.3
	Gasoline fuel savings	Fuel-efficient, on-demand taxi service alternative to MetroAccess service, also provides riders discounts.	\$0.4
	Elevator/Escalator improved life-cycle management	Elevator and Escalator Acquisition Replacement plan allows for less preventive maintenance requirements, resulting in reduced repairs and certain spare parts.	\$1.6
Improved Asset Management			\$6.8
Total			\$50.6

Metro's Capital Program

Metro advances capital projects and annual capital maintenance programs to restore, sustain, and modernize the system. The program also includes annual preventive maintenance transfers from the operating budget.

- Invest in the system to modernize and provide safe, efficient, and reliable service for customers, employees and the region
- Address the backlog of overdue state of good repair needs
- Sustain safety and reliability through recurring maintenance, rehabilitation, and replacement programs
- Maintain financial stewardship and ensure audit compliance
- Reduce capital administrative expenses (by \$25 million annually)
- Support a sustainable and more equitable future for the region



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

*Does not include debt service and revenue loss from capital projects

Capital Investment Categories

Although Metro’s Capital Program is currently fully funded, future funding constraints will shrink the capital program, leaving state of good repair and modernization needs unmet as well as reduce reliability.

Sources of Funds

Capital Investment Categories (\$M)	Revised FY2025 Proposed Budget
Debt Proceeds	\$946
Dedicated Funding from States	\$500
Federal Formula Funds	\$470
System Performance and Formula	\$303
PRIIA Match from States	\$149
Federal PRIIA Funds	\$144
Other	\$38
Total Capital Program Cost	\$2,549

Uses of Funds

Capital Investment Categories (\$M)	Revised FY2025 Proposed Budget
Railcars and Railcar Facilities	\$457
Rail Systems	\$386
Track and Structure Rehabilitation	\$297
Stations and Passenger Facilities	\$371
Bus, Bus Facilities, and Paratransit	\$470
Operations and Business Support	\$319
Total Capital Investments	\$2,300
Revenue Loss from Capital Projects	\$10
Debt Service - Dedicated Funding	\$239
Total Capital Program Cost	\$2,549

Debt Financing to Support the Six-Year Capital Improvement Program (CIP)

- Through FY2023, Metro has issued approximately \$2.95 billion in debt proceeds, including premiums
- Metro **currently holds AA credit ratings** on issuing dedicated funding backed-debt
- Remaining debt issuance capacity is estimated at approximately \$3.4 billion over six-year CIP (FY2025-2030)
 - Debt issuance is almost 30% of the \$11 billion of total funding capacity over six-year period
 - Depending on the forecast for preventive maintenance transfers, Metro may not be able to issue new debt starting in FY2029 if the debt limit is reached in FY2028



Enterprise Action Program

The Enterprise Action Program captures the roadmap of initiatives and project investments over the next one to two years that are delivering on the objectives of Metro’s Strategic Transformation Plan. Through these efforts, we are enhancing process efficiencies across the business groups that directly support our Operations and Delivery functions. These programs are innovating processes across Metro to drive down costs, modernize our capabilities, and enhance public safety of the overall system.

Enterprise Action Program FY2025-2026			
INITIATIVE	SCOPE	MILESTONES	BENEFITS
Enterprise Resource Planning (ERP) Modernization Program	Software system to automate and streamline core business processes by linking multiple systems and reporting on an integrated digital platform.	<ul style="list-style-type: none"> Fall 2024: System design & Development Summer 2025: Deployment and Support of core systems Spring 2026: Change management & communications 	Cost savings & efficiencies will be recognized from consolidating 35 systems to one, saving licensing fees, as well as transitioning from on-premise to a cloud structure, saving over \$8M annually once implemented.
Digital Modernization	Establish secure, modernized infrastructure and processes to digitally activate the Strategic Transformation Plan.	<ul style="list-style-type: none"> Spring 2025: Tech-enabled frontline enhancement Spring 2025: Enterprise Asset Management System Upgrade Fall 2025: Modernization of web and content management 	This will reduce staff hours, external risk, and standardize systems and document control.
Enterprise Video Operations & Security System	Integrating all 30K cameras across Metro’s fleets, station facilities, administrative buildings to fully support the Metro Integrated Command and Communications Center, enhancing safety and mitigating risk.	<ul style="list-style-type: none"> Fall 2024: Onboard integrator to stand up Enterprise Video System Install cameras on 6k train fleet and enhance recording on 7k trains 	A cultural shift in operationalizing an enterprise video system will reduce crime, enable faster response times, and enable proactive decision-making during incident response.
Center of Excellence Training Academy	The Training Academy will be a centralized program to train personnel, store information, track data, create reporting, organize and upskill our teams.	<ul style="list-style-type: none"> Develop Center of Excellence Training vision and strategy (short, medium, and long-term) Implement Center of Excellence Training Academy 	This initiative will reduce redundancy, improve productivity, increase employee retention, and reduce risk of failures.



Bus & Access Action Program

The Better Bus initiative rethinks, redesigns, and revitalizes bus service to better serve the needs of the region. This regional effort requires cooperation across Metro and its jurisdictional partners to successfully implement enhanced bus service while delivering specifically on the objectives of Metro’s strategic plan.

We are awarding a multi-year contract that includes up to 250 battery-electric buses (BEB) to operate out of three newly-redesigned bus garages that offer the infrastructure to charge our BEB fleet. The new buses feature new fareboxes, live camera access, and customer information screens alerting riders to next stops.

Additionally, MetroAccess will be undergoing changes to improve operational effectiveness by redesigning the business model to improve service and quality oversight. Access and the Digital Modernization team will develop requirements to procure a new scheduling software that will allow employees and customers access to real-time arrival and tracking data.

Bus Action Program FY2025-2026			
INITIATIVE	SCOPE	MILESTONES	BENEFITS
Bus Network Redesign	Develop and implement a transformative year one bus network within existing resources that straightens out bus routes, connects to places people want to go at times they want to travel, and balances bus stop spacing.	<ul style="list-style-type: none"> FY2025: Finalize and adopt new Metrobus network and formula FY26: Implement new network with jurisdictional partners 	This initiative will increase ridership providing more frequent service and making new connections
Bus Priority Program	Improve bus service and equity by allowing buses to travel efficiently and reliably with the aid of new technology and intelligent roadway design.	<ul style="list-style-type: none"> FY2025 fully rollout Clear Lanes program in coordination with DDOT FY2026 develop requirements for Transit Signal Priority 	<p>Increase ridership by making buses more reliable and reducing travel time.</p> <p>Investment will reduce daily operation hours, fuel costs, and emissions.</p>
Bladensburg, Northern & Cinder Bed Garage Replacement	Replace and rebuild to accommodate the transition of converting the fleet to zero-emission buses.	<p>FY2025 and FY2026:</p> <ul style="list-style-type: none"> Advance design and construction 	Utilizing a \$104M FTA grant to modernize our infrastructure and deliver on regional sustainability goals.
MetroAccess AI Pilot	Intelligent booking by a digital assistant of one-way or round trips, and digital assistant support for incoming calls.	Launched in Q2 of FY2024	This will reduce extended wait times and improve the customer experience.
MetroAccess Service Model Changes	Service delivery awarded by zone reducing providers from four to one or two. Re-launch non-dedicated service through micro-zone allocation.	Starts in FY2025	This will help manage expenses and provide better quality control and oversight.



Rail Action Program

To achieve world-class rail service befitting the National Capital Region, Metro’s Strategic Transformation Plan includes initiatives that modernize fleet, signals, staffing, and fare technology, while improving safety and customer service. Metro is already implementing automatic door operations on the Red Line and will activate auto doors systemwide this spring. The agency will also advance automatic train operations coordinating with the safety oversight commission. Customer-facing staff have begun using tablets to move from paper to electronic forms, driving operational improvements and better customer support.

Hitachi Rail will build 256 railcars in Maryland that will retire Metro’s oldest fleets, increasing reliability and decreasing vehicle maintenance costs. The introduction of open gangways will increase safety, security and passenger capacity. The use of aluminum car bodies instead of steel reduced the production costs and production time. In addition, the trains will be automation-ready in preparation for Metro’s advanced signaling system.

Metro is preparing for future implementation of next-generation rail service through communication-based train control (CBTC). This world-class standard will increase efficiency by implementing GoA 3/4. This technology will be paired with platform screen doors, which increases safety for passengers and improves service reliability.

Rail Action Program FY2025-2026			
INITIATIVE	SCOPE	MILESTONES	BENEFITS
Rail Program	Restore automatic door operations and resume automatic train operations. Resume maximum authorized speeds per safe system design criteria. Create design specifications to advance GoA 3/4 train operations through modernization of signal system and addition of platform screen doors.	<ul style="list-style-type: none"> Red Line door automation implemented FY2024, systemwide on track for spring Revised speed-related rules under system safety review Auto train operation concept of operations under review by safety commission 	This program will save up to \$20M annually.
Fleet of the future	256, 8000-series railcars ordered to retire oldest cars in fleet and improve reliability.	<ul style="list-style-type: none"> Starting final design phase Finalize soft mock-up and show in public 	This program will improve reliability, increase capacity, and drive down risk allowing us to retire antiquated vehicles.
Track access efficiency	Increase productivity of overnight railroad maintenance through streamlined processes to track access.	<ul style="list-style-type: none"> Launch revised procedures in Summer 2024 	This initiative will save up to \$64M annually
Improve fare technology	Make fare purchases more convenient and reliable through technology improvements and i	<ul style="list-style-type: none"> Installing taller faregate doors system-wide by Fall 2024 New mobile functions Replace back-office fare system 	Retrofitting faregates will reduce fare evasion and capture \$15M annually. Other investments will maintain state of good repair and improve system reliability.



Summary Metrics

FY2022 to FY2026

Note: Ridership includes tap and non-tap ridership. Rail tap ridership is projected higher in FY2025 compared to FY2024. Total projected ridership is lower due to reduced non-tap ridership and expected ridership loss due to fare increase and targeted service cuts. If we do not implement targeted service cuts and fare increase in FY25, ridership would be 238M trips.

More information is available at Metro's Open Data Hub,
<https://www.wmata.com/initiatives/open-data-hub/>

	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Revised	FY2026 Forecast
Metro Overview					
Ridership	142.2M	199.7M	232.5M	226.6M	234.6M
Passenger Revenue	\$213.5M	\$291.6M	\$343.7M	\$387.1M	\$396.5M
Operating Budget % YoY Change	8.6%	7.0%	3.2%	1.4%	2.7%
Operating Budget % YoY Change (Gross Expense)	8.6%	7.0%	9.4%	0.0%	3.0%
Crime Rate (Part 1 Crimes per Million Trips)	5.8	7.7	7.9	7.5	7.1
Metrorail Statistics					
Rail Ridership	60.1M	95.8M	120.3M	113.7M	115.6M
Railcar Miles	103.8M	110.2M	134.0M	117.2M	117.2M
Rail Customer Satisfaction	69%	84%	88%	85%	85%
On-Time Performance	79%	90%	87%	90%	90%
Escalator Availability	92.9%	93.6%	94.2%	94%	94%
Elevator Availability	97.8%	98.3%	98.4%	98%	98%
Average Fare	\$2.69	\$2.42	\$2.67	\$3.00	\$3.00
Customer Trips with 6 Minutes or Better Service	0%	36%	81%	75%	75%
Passengers per Train Trip (Average)	251	284	267	280	286
Operating Expense per Vehicle Revenue Mile (\$)	\$23.00	\$19.87	\$12.66	\$11.81	\$11.94
Railcar Mean Distance Between Failure (mi)	24,900	26,350	30,520	39,700	39,700
Metrobus Statistics					
Bus Ridership	80.8M	102.5M	110.8M	111.4M	117.5M
Total Bus Miles	48.3M	49.8M	50.9M	52.4M	52.4M
Bus Revenue Miles	37.8M	38.2M	39.6M	40.7M	40.7M
Bus Customer Satisfaction	69%	71%	77%	80%	85%
On-Time Performance	77%	77%	76%	77%	78%
Average Fare	\$0.59	\$0.54	\$0.44	\$0.48	\$0.48
Customer Trips with 12 Minutes or Better Service	39%	39%	45%	50%	50%
Passengers per Bus Trip (Average)	16	19	21	25	26
Operating Expense per Vehicle Revenue Mile	\$23.60	\$25.18	\$20.19	\$20.80	\$21.85
Bus Mean Distance Between Failure (mi)	8,910	7,770	6,720	7,000	8,000
MetroAccess Statistics					
MetroAccess Ridership	1.3M	1.4M	1.5M	1.5M	1.5M
MetroAccess Customer Satisfaction	83%	77%	81%	83%	85%
On-Time Performance	94%	93%	91%	93%	93%
Average Fare	\$3.37	\$3.27	\$2.82	\$3.03	\$3.03

Summary

Revised FY2025 Proposed Budget and FY2026 Forecast

Operating Budget – Revenue and Expenses

		Revised FY2025 Proposed Budget	FY2026 Forecast	\$ Variance
(\$M)				
Revenues	Passenger Revenue	\$387.1	\$396.5	\$9.4
	Non-Passenger Revenue	\$100.5	\$101.5	\$1.0
	Parking	\$20.7	\$20.9	\$0.2
	Advertising	\$23.7	\$24.0	\$0.2
	Joint Development	\$15.9	\$16.0	\$0.2
	Fiber Optics	\$18.5	\$18.7	\$0.2
	Other Non-Transit Sources	\$21.7	\$21.9	\$0.2
	Total Revenue	\$487.6	\$497.96	\$10.4
Expenses	Gross Expense	\$2,456.6	\$2,530.3	\$73.7
	Preventive Maintenance Transfer	(\$164.2)	(\$174.4)	(\$10.2)
	Personnel Expense	\$1,629.2	\$1,671.0	\$41.8
	Non-Personnel Expense	\$723.2	\$744.9	\$21.7
	Services	\$374.3	\$385.5	\$11.2
	Materials & Supplies	\$123.9	\$127.6	\$3.7
	Fuel (Gas/Diesel/Natural Gas)	\$41.7	\$43.0	\$1.3
	Utilities and Propulsion Power	\$113.2	\$116.6	\$3.4
	Casualty and Liability	\$45.2	\$46.5	\$1.4
	Leases and Rental	\$11.9	\$12.2	\$0.4
	Miscellaneous	\$12.9	\$13.3	\$0.4
	Total Expense	\$2,352.4	\$2,415.9	\$63.5
Subsidy	Gross Subsidy	\$1,864.8	\$1,917.9	\$53.1
	Federal Relief	(\$95.0)	\$0.0	\$95.0
	Net Subsidy	\$1,769.8	\$1,917.9	\$148.1

*FY2025 has 0% gross expense growth from FY2024 Budget. Total Expenses includes preventive maintenance (PM) transfer of operating expenses to the capital budget.
Note: Amounts may not sum due to independent rounding

Appendix



**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, NE
WASHINGTON, DC 20002**

RESOLUTION SUPPORTING INCREASED FUNDING FOR METRO

WHEREAS, the Metropolitan Washington Council of Governments (COG) is comprised of 24 jurisdictions of the National Capital Region's local governments and their governing officials, plus area members of the Maryland and Virginia legislatures and the U.S. Senate and House of Representatives, and COG provides a focus for action on issues of regional concern; and

WHEREAS, the Washington Metropolitan Area Transit Authority (WMATA or Metro) is our most significant regional transportation system and has played a critical role in meeting the National Capital Region's socio-economic and mobility needs for close to 50 years; and

WHEREAS, after changing weekday ridership patterns due to shifts in commuting habits following the COVID-19 pandemic, the expiration of federal transit relief, and the rising costs of inflation, Metro identified a Fiscal Year 2025 operating budget deficit of up to \$750 million; and

WHEREAS, the COG Board charged the Chief Administrative Officers Committee to work with WMATA staff to conduct a thorough review of WMATA's cost structure to independently analyze and verify the magnitude of the system's budget deficit, identify ways to optimize the funding needed for FY2025, and to identify actions to provide stability and predictability for WMATA's operating costs into the future; and

WHEREAS, the Chief Administrative Officers Workgroup on WMATA Cost Structure – Interim Report was released in December 2023 making a number of recommendations to address the short-term funding deficit and overall financial stability of Metro; and

WHEREAS, the COG Board established the Metro Funding Strategy Group consisting of local and state elected officials, and senior administrative representatives, and State Departments of Transportation (DOTs), to collectively work on understanding the nature and magnitude of the fiscal challenge faced by WMATA and to identify a path forward to address this issue both in the immediate and longer terms; and

WHEREAS, this ongoing coordination and engagement has helped forge consensus on short-term actions with broad regional support; and

WHEREAS, with support from the administrations, legislation is active in Maryland and Virginia to provide additional operating budget funds to address the deficit in FY2025 and FY2026, with a commitment from the District of Columbia to provide additional funding in FY2025.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

- 1) The board commends the work of local and state officials to collaborate on a short-term funding solution for Metro; and

- 2) The board urges the District of Columbia, Maryland, and Virginia to pass the necessary legislation to allocate additional operating funds to address Metro's short-term operating funding deficit in FY2025 and FY2026; and
- 3) The board urges the federal government to act to permanently increase their financial support of both operating and capital funding for Metro; and
- 4) The board urges the continued collaboration of local, state and federal officials, in partnership with the private and nonprofit sectors, to identify long-term funding solutions to ensure financial sustainability for Metro.

AGENDA ITEM #12

OTHER BUSINESS

AGENDA ITEM #13

ADJOURN