

J00A0104
Washington Metropolitan Area Transit Authority
Maryland Department of Transportation

Operating Budget Data

(\$ in Thousands)

	<u>FY 17 Actual</u>	<u>FY 18 Working</u>	<u>FY 19 Allowance</u>	<u>FY 18-19 Change</u>	<u>% Change Prior Year</u>
Special Fund	\$321,349	\$365,285	\$366,028	\$743	0.2%
Adjustments	0	0	0	0	
Adjusted Special Fund	\$321,349	\$365,285	\$366,028	\$743	0.2%
 Adjusted Grand Total	 \$321,349	 \$365,285	 \$366,028	 \$743	 0.2%

- The fiscal 2019 subsidy for operations of the Washington Metropolitan Area Transit Authority (WMATA) is unchanged from the fiscal 2018 working appropriation. The increase of \$743,000 represents funding for the new Metro Safety Commission (MSC). Once MSC is stood up, the Tri-State Oversight Committee will be disbanded and the \$422,000 included in this line item will be devoted to MSC or eliminated from future budgets.

PAYGO Capital Budget Data

(\$ in Thousands)

	<u>Fiscal 2017 Actual</u>	<u>Fiscal 2018 Legislative</u>	<u>Fiscal 2018 Working</u>	<u>Fiscal 2019 Allowance</u>
Special	\$126,847	\$155,922	\$155,922	\$155,922
 Total	 \$126,847	 \$155,922	 \$155,922	 \$155,922

Note: Numbers may not sum to total due to rounding.

For further information contact: Steven D. McCulloch

Phone: (410) 946-5530

J00A0104 – MDOT – Washington Metropolitan Area Transit Authority

- The fiscal 2018 working appropriation remains unchanged from the legislative appropriation of \$155.9 million and reflects the Maryland share of the estimated level of capital spending to occur in 2018.
- The fiscal 2019 allowance is funded at the same level as the fiscal 2018 working appropriation.

Analysis in Brief

Major Trends

Ridership: In fiscal 2017, ridership decreased by almost 20 million trips from the prior year, a decrease of 6.2%. The ridership decline for Metrorail was 14.4 million trips, and Metrobus declined by 5.7 million trips.

System Performance Measures: For Metrorail, relative to fiscal 2016, revenue miles, passengers per revenue mile, operating cost per revenue mile, and operating cost per passenger trip all declined. For Metrobus, revenue miles and passengers per revenue mile were down while operating cost per revenue mile and operating cost per passenger trip were both up.

Farebox Recoveries: The fiscal 2013 to 2017 systemwide five-year average farebox recovery rate was 44%, a decrease from the 47% average for the 2012 to 2016 period. Recovery rates for Metrorail and MetroAccess were unchanged between fiscal 2016 and 2017, but Metrobus saw a decline from 24% in fiscal 2016 to 21% in fiscal 2017.

Issues

WMATA General Manager Proposes Changes to Capital Funding and Business Model: In April 2017, the WMATA General Manager announced an initiative entitled “Keeping Metro Safe, Reliable and Affordable” that proposes changes in both how WMATA’s capital needs are funded and in its business model. There appears to be a general agreement among the funding jurisdictions that changes to funding and/or the business model are needed but a consensus on what those changes should be has not yet been reached. **WMATA should discuss the Keeping Metro Safe, Reliable and Affordable initiative with the committees and indicate what additional changes would be required if the federal Passenger Rail Investment and Improvement Act is not re-authorized.**

Consultant Report Recommends Management, Funding, and Operations Changes: In August 2017, the Governor of Virginia commissioned an independent review of WMATA’s finances, management, and operations. The review was undertaken by a former U.S. Secretary of Transportation and resulted in six recommendations that could be implemented without the need to amend the WMATA Compact. **The Maryland Department of Transportation (MDOT) and WMATA should each comment on the recommendations and indicate if/how the recommendations should be implemented.**

Metrorail Safety Commission Staffing Undetermined – Certification Required by April 2019: Commission members have been appointed to the newly created Metrorail Safety Commission, but no staff for the commission have yet been hired. The commission, in coordination with the executive director for which it is in the process of hiring, will determine what mix of regular staff and contractors can best meet the requirements for carrying out its safety oversight function. MDOT has asked that federal transit funding, currently being withheld pending establishment of the safety commission, be released. **MDOT should update the committees on the efforts to hire an executive**

director for MSC and any response it has received to its request for the release of withheld federal funds.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

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Washington Metropolitan Area Transit Authority
Maryland Department of Transportation

Budget Analysis

Program Description

The Washington Metropolitan Area Transit Authority (WMATA) operates the third largest rail transit system and the seventh largest bus network in the United States. WMATA was created in 1967 by an interstate compact in which Maryland, Virginia, and Washington, DC participate. Subsequently, two federal representatives were added to the Board of Directors. Each signatory jurisdiction provides two directors to WMATA's eight-member board. Construction of WMATA's originally planned 103-mile Metrorail system began in 1969 and was completed in 2001. In 2004, the system was expanded to 86 stations and 106 miles with the opening of the Blue Line extension to Largo Town Center and the New York Avenue/Florida Avenue/Gallaudet University station on the Red Line. In 2009, construction started on a 23.1-mile rail extension to Dulles, Virginia dubbed the Silver Line. The first 11.6 miles with 5 stations opened in July 2014. Construction of the second phase, consisting of 11.5 miles and 6 stations, is scheduled for completion in fiscal 2020. The system now serves 26 stations in Maryland.

Maryland provides an annual operating grant to the Washington Suburban Transit Commission (WSTC) through the Maryland Department of Transportation's (MDOT) Secretary's Office budget. WSTC authorizes MDOT to provide funding to WMATA for the operation of the Metrorail, Metrobus, and MetroAccess programs. These operating grants are based on numerous factors, including miles of service, number of stations, number of passengers, and population density in each jurisdiction and are offset by the fare revenues generated by each service.

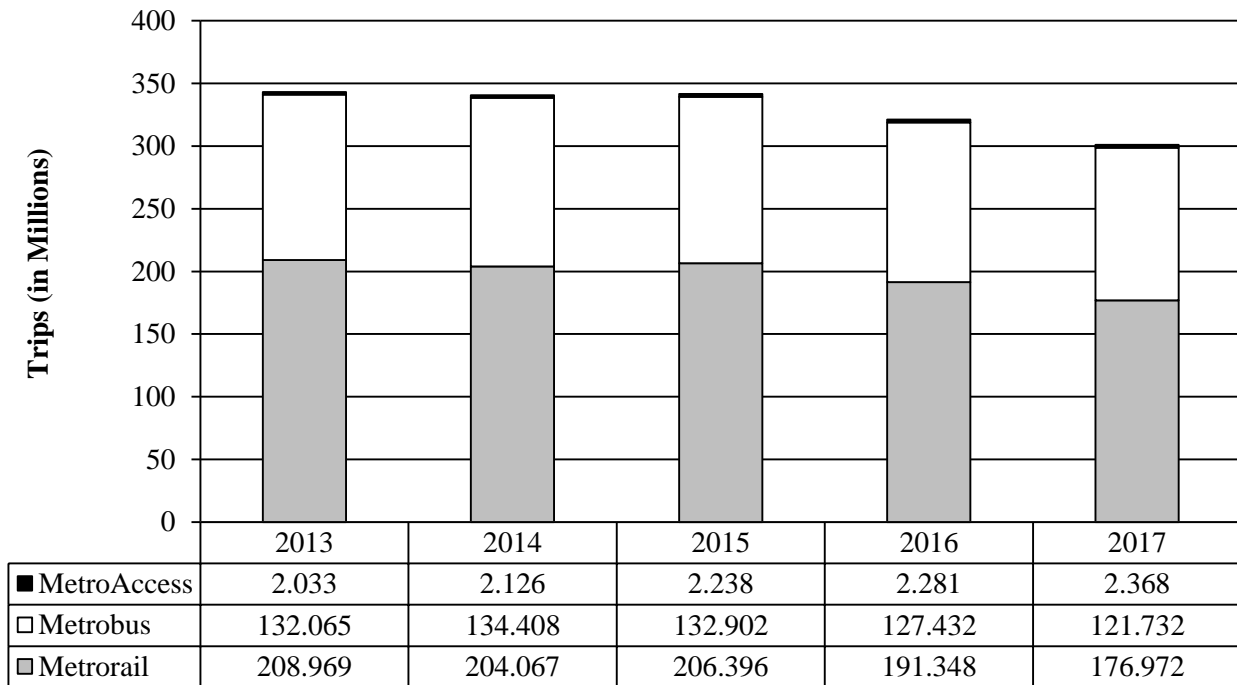
WMATA's mission is to ensure the best in safe, reliable, cost-effective, and responsive transit services by promoting regional mobility and contributing toward the social, economic, and environmental well-being of the community.

Performance Analysis: Managing for Results

1. Ridership

Exhibit 1 shows ridership for the WMATA system from fiscal 2013 to 2017. Ridership in fiscal 2017 decreased by almost 20 million trips from the prior year, a decrease of 6.2%. The ridership decline for Metrorail was 14.4 million trips, and Metrobus declined by 5.7 million trips. WMATA expects that ridership will begin to stabilize and is projecting an increase of 1.5 million trips in fiscal 2018 for Metrorail offset by a Metrobus decrease of 4.8 million trips for a systemwide decline of nearly 3.2 million trips, a decrease of 1.1%. For fiscal 2019, ridership is projected to increase slightly over fiscal 2018 for a 1% overall increase.

Exhibit 1
WMATA Annual Ridership
Fiscal 2013-2017



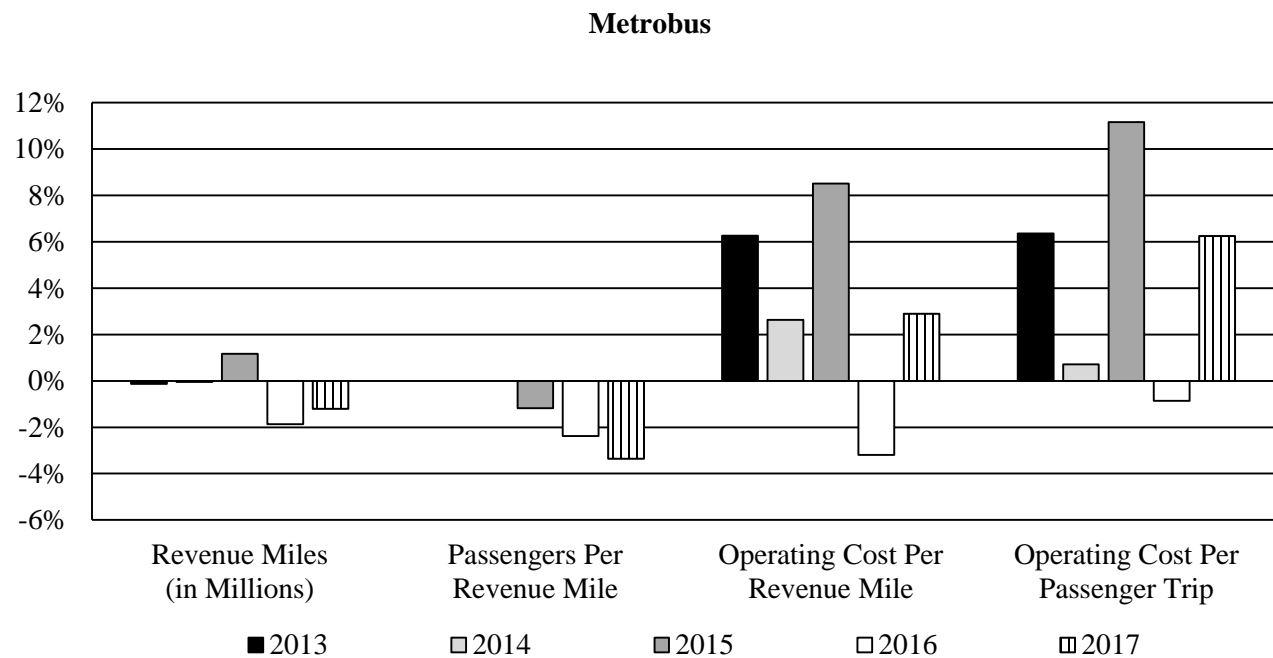
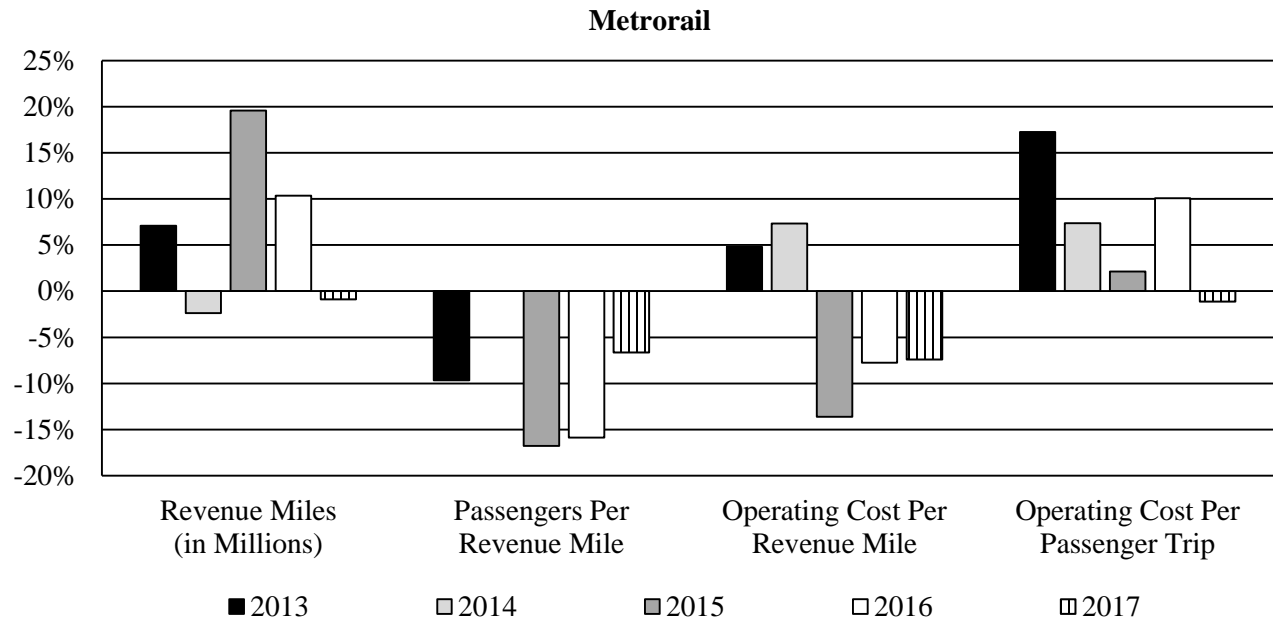
WMATA: Washington Metropolitan Area Transit Authority

Source: Maryland State Budget, Volume I

2. System Performance Measures

One method of measuring the performance of transit systems is to look at the relationship between the service provided and used, as measured by revenue miles and passenger trips, relative to expenditures. **Exhibit 2** shows the percent change from the prior year for revenue miles, passengers per revenue mile, operating cost per revenue mile, and operating cost per passenger trip for both Metrorail and Metrobus service for fiscal 2013 through 2017. Metrorail saw declines on all measures in fiscal 2017 relative to the previous year. For Metrobus, revenue miles and passengers per revenue mile both declined while operating costs on both a per mile and per passenger trip basis increased.

Exhibit 2
Metrorail and Metrobus Performance Measures
Percent Change from the Prior Year
Fiscal 2013-2017

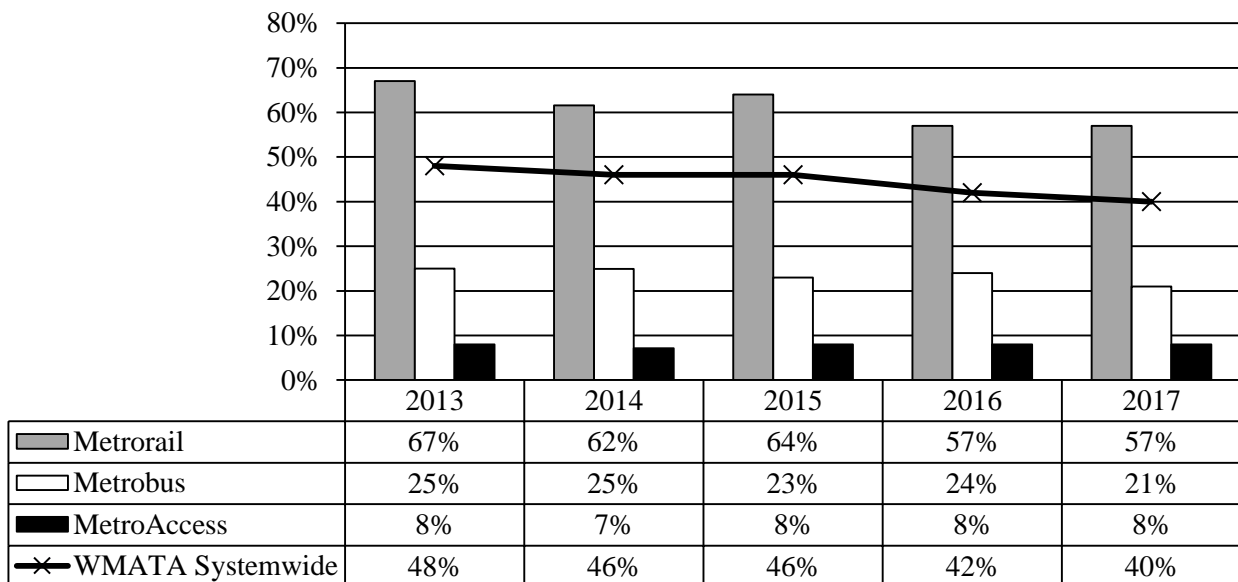


Source: Maryland State Budget, Volume I

3. Farebox Recoveries

Exhibit 3 provides information on WMATA's farebox recovery ratio from fiscal 2013 to 2017. The fiscal 2013 to 2017 systemwide five-year average farebox recovery rate was 44%, a decrease from the 47% average for the fiscal 2012 to 2016 period. Recovery rates for Metrorail and MetroAccess were unchanged between fiscal 2016 and 2017, but Metrobus saw a decline from 24% in fiscal 2016 to 21% in fiscal 2017.

Exhibit 3
WMATA Farebox Recovery Rates
Fiscal 2013-2017



WMATA: Washington Metropolitan Area Transit Authority

Source: Maryland State Budget, Volume I

Proposed Budget

Expenditures

As shown in **Exhibit 4**, WMATA's proposed fiscal 2019 operating budget totals \$1,837.2 million, an increase of \$12.7 million (0.7%) over the approved fiscal 2018 budget. Increases in services (\$11 million), materials and supplies (\$3.9 million), and utilities and propulsion (\$5.8 million) are partially offset by decreases in personnel expenses (\$1.4 million) and the capital

allocation (\$6.6 million). The reduction in personnel expenses is achieved primarily through implementation of controls on absenteeism and overtime expenses partially offset by contractually required step increases. The proposed fiscal 2019 budget does not include funding for wage increases for fiscal 2019 or prior years, which is a risk factor as collective bargaining outcomes could impose such costs. The increases in services are due in large part to higher paratransit costs resulting from contract cost escalation. The increase in utilities and propulsion is due primarily to increased propulsion usage of the new 7000 series railcars.

Exhibit 4
WMATA Expenses by Category
Fiscal 2018-2019
(\$ in Millions)

	<u>Budget</u> <u>2018</u>	<u>Proposed</u> <u>2019</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
Personnel	\$1,307.9	\$1,306.5	-\$1.4	-0.1%
Services	293.9	304.9	11.0	3.7%
Materials and Supplies	100.9	104.7	3.9	3.8%
Fuel (Gas/Diesel/CNG)	32.8	32.7	-0.2	-0.6%
Utilities and Propulsion	87.7	93.5	5.8	6.7%
Casualty and Liability	28.6	29.3	0.8	2.7%
Leases and Rentals	8.3	8.4	0.0	0.4%
Miscellaneous	5.0	4.4	-0.6	-12.2%
Capital Allocation	-40.5	-47.1	-6.6	16.3%
Total	\$1,824.5	\$1,837.2	\$12.7	0.7%

CNG: compressed natural gas

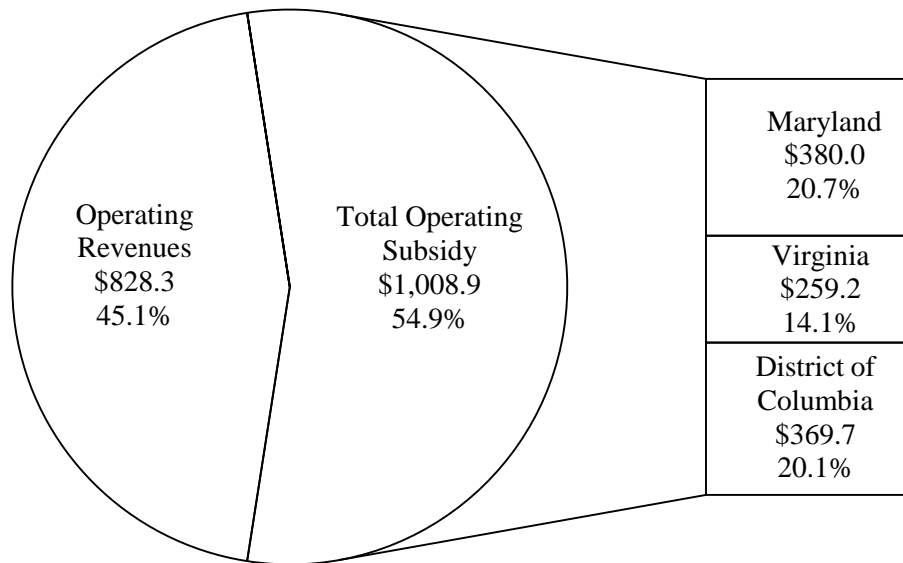
WMATA: Washington Metropolitan Area Transit Authority

Source: Washington Metropolitan Area Transit Authority, Fiscal 2019 Proposed Budget

Revenues

WMATA's operations are funded through operating revenues and subsidies provided by Maryland, Virginia, and the District of Columbia. **Exhibit 5** shows that 45.1% of the operating budget will be supported by WMATA's operating revenues in fiscal 2019.

Exhibit 5
WMATA Proposed Fiscal 2019 Revenues
(\$ in Millions)



Total: \$1.8 Billion

WMATA: Washington Metropolitan Area Transit Authority

Note: Excludes debt service.

Source: Washington Metropolitan Area Transit Authority, Fiscal 2019 Proposed Budget

The local subsidy fills the gap between operating revenues and expenditures. In fiscal 2019, the local subsidy supports 54.9% of operating spending.

Exhibit 6 shows the resources that support WMATA's operations for fiscal 2016 to 2019 and breaks out the Maryland share of the local subsidy. The \$16.7 million decline in WMATA's operating revenue, due primarily to the decline in ridership discussed earlier, combined with the \$12.7 million increase in operating expenses, results in the need for an increase in the local subsidy of \$29.4 million in fiscal 2019.

Exhibit 6
WMATA Operating Budget Resources
Maryland Operating Subsidy
Fiscal 2016-2019
(\$ in Millions)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>\$ Change</u> <u>2018-2019</u>	<u>% Change</u> <u>2018-2019</u>
Revenue	\$899.9	\$811.1	\$845.0	\$828.3	-\$16.7	-2.0%
Local Subsidy	813.9	860.5	979.5	1008.9	29.4	3.0%
Preventive Maintenance/Other	30.7	0.0	0.0	0.0	0.0	n/a
Total	\$1,744.5	\$1,671.6	\$1,824.5	\$1,837.2	\$12.7	0.7%
Maryland Share of Operating Subsidy						
Maryland Budget	\$318.9	\$321.3	\$365.3	\$366.0	\$0.7	0.2%
WMATA Projection				380.0	14.7	4.0%
Maryland Budget Surplus/(Shortfall)				-13.9		

WMATA: Washington Metropolitan Area Transit Authority

Note: Excludes debt service.

Source: Washington Metropolitan Area Transit Authority, Fiscal 2019 Proposed Budget

In fiscal 2019, Maryland's share of the subsidy increases by \$14.7 million (4%). The amount included in the Maryland budget for WMATA operations is \$13.9 million less than is needed. If the WMATA budget is approved at the proposed level of funding, MDOT will need to process a budget amendment to bring in the additional funds. The difference between the subsidy in the WMATA proposed budget and the appropriation in the Maryland budget is much greater than in past years. **MDOT should comment on the variance between the allowance for the WMATA operating subsidy and the Maryland subsidy assumed in the WMATA fiscal 2019 proposed budget and indicate its expectations for how the difference will be resolved.**

PAYGO Capital Program

Program Description

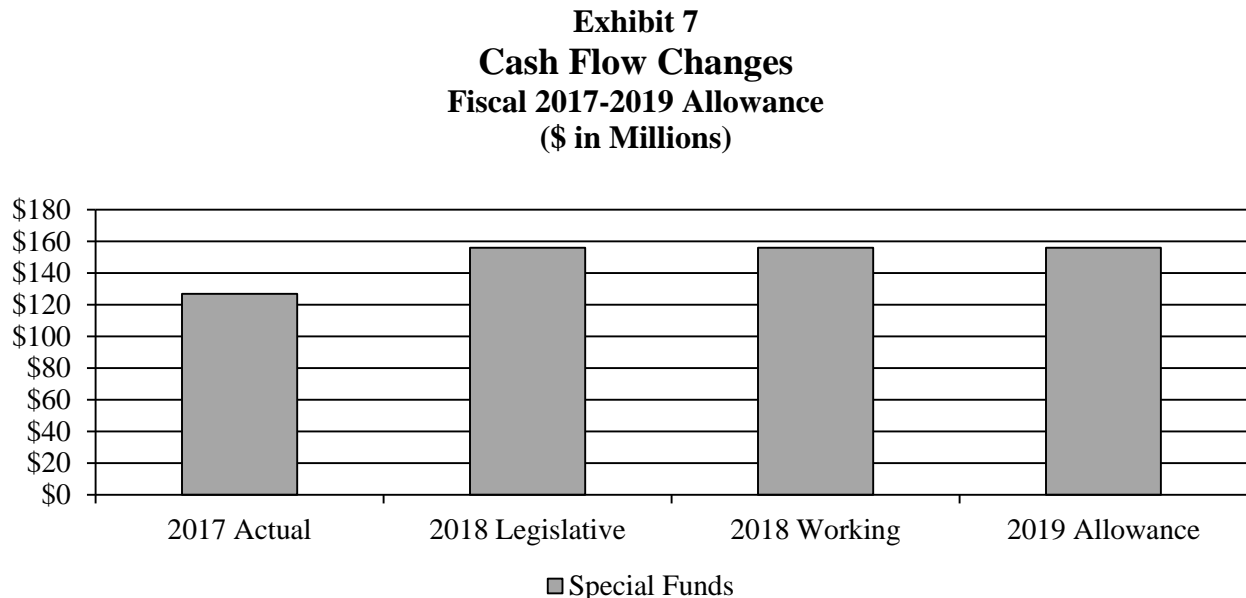
MDOT's Office of the Secretary provides a grant to support WMATA's capital program, including the design, construction, and rehabilitation of the Metrorail and Metrobus systems. General parameters on capital funding levels are typically established in a six-year Capital Funding Agreement, developed through negotiations between WMATA and its local funding partners. However, the previous six-year agreement expired on June 30, 2016, and capital funding levels have been negotiated on a year-to-year basis since that time.

Fiscal 2018 to 2023 Consolidated Transportation Program

Total six-year funding programmed for the WMATA capital grant in the Maryland *Consolidated Transportation Program* is \$935.4 million. The majority of this funding is focused on safety, infrastructure rehabilitation and replacement, and maintaining the system in a state of good repair.

Fiscal 2018 and 2019 Cash Flow Analysis

As shown in **Exhibit 7**, the WMATA capital grant is unchanged between the fiscal 2018 legislative and working appropriations and the fiscal 2019 allowance. Funding at each point is \$155.9 million.

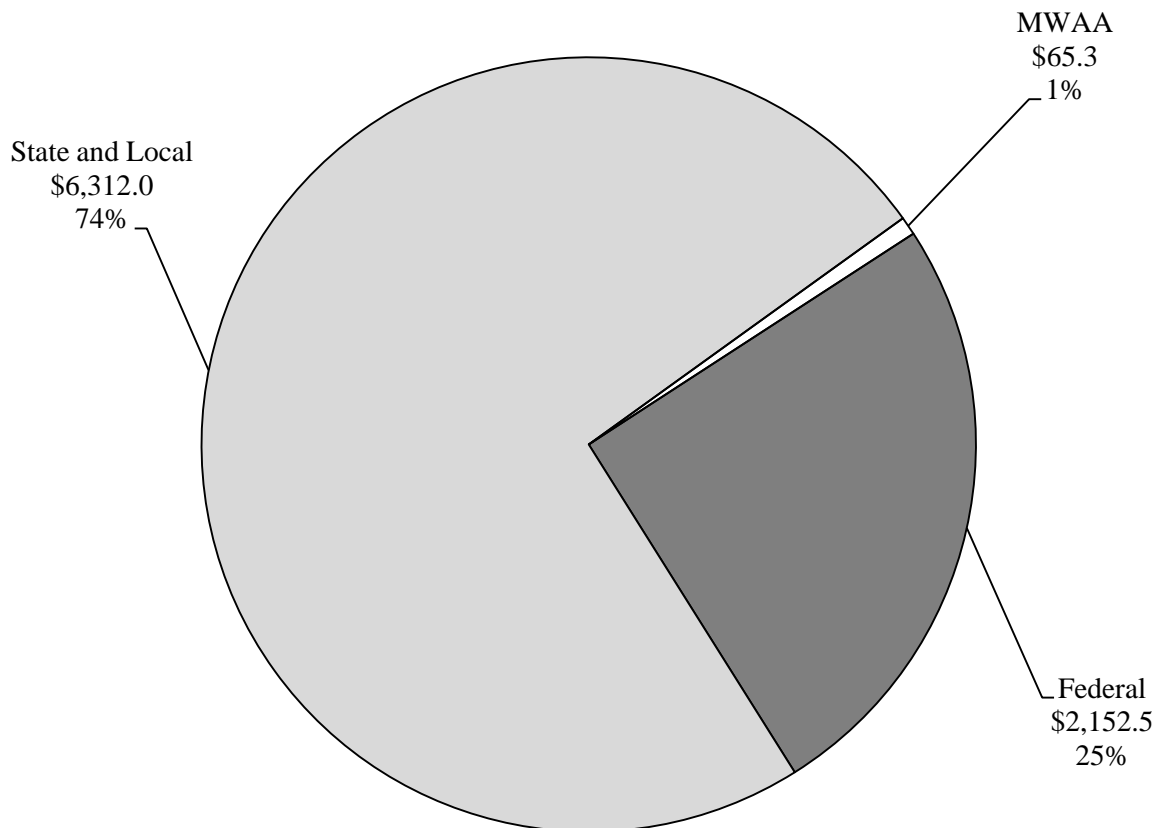


Source: Maryland State Budget, Fiscal 2019, Volume I

WMATA Six-year Capital Program

WMATA's fiscal 2019-2024 *Capital Improvement Program* (CIP) totals \$8.5 billion. As shown in **Exhibit 8**, State and local funds comprise 74% of planned funding, federal funds comprise 25%, and 1% is provided by the Metropolitan Washington Airports Authority for the Silver Line extension project.

Exhibit 8
WMATA Six-year Capital Program
Fiscal 2019-2024
(\$ in Millions)



Total: \$8.5 Billion

MWAA: Metropolitan Washington Airports Authority

WMATA: Washington Metropolitan Area Transit Authority

Source: Washington Metropolitan Area Transit Authority, Fiscal 2019 Proposed Budget

WMATA's six-year plan assumes that the federal Passenger Rail Investment and Improvement Act (PRIIA), through which WMATA has annually received \$150 million in capital funding for safety and state of good repair projects, will end in fiscal 2020. President Donald J. Trump's budget reduces funding for the final year of the PRIIA grant by \$30 million. Congress could fully fund the final year of the grant or provide a lower or higher level of funding. More critical than the specific amount that WMATA receives in the final year of PRIIA funding is the long-term impact on capital funding availability. WMATA's fiscal 2019-2024 CIP assumes an increase of over \$2 billion in capital support from Maryland, Virginia, and the District of Columbia from what was assumed in the fiscal 2018-2023 CIP. Maryland's six-year allocation increases by \$641 million between the two CIPs.

Fiscal 2019 Capital Program

WMATA's proposed fiscal 2019 capital program totals \$1.3 billion. **Exhibit 9** shows the planned spending by category.

Exhibit 9 **Fiscal 2019 Capital Spending by Category** **(\$ in Millions)**

Category

Railcar	\$436.0
Rail Systems	184.5
Track and Structures Rehabilitation	134.0
Stations and Passenger Facilities	248.2
Bus and Paratransit	192.0
Business Support	84.4
Total	\$1,279.1

Source: Washington Metropolitan Area Transit Authority, Fiscal 2019 Proposed Budget

Exhibit 10 shows the total funding by source for WMATA's fiscal 2019 capital program along with the amount that Maryland is expected to contribute based on the proposed budget.

Exhibit 10
Sources of Funding for the Fiscal 2019 Capital Program
(\$ in Millions)

	<u>Total</u>	<u>Maryland</u>
Federal		
Federal Formula Programs	\$304.9	
Federal Passenger Rail Investment and Improvement Act	148.5	
Other Federal Grants	5.9	
Subtotal – Federal	\$459.3	
State and Local		
Federal Formula Programs Match and System Performance	\$637.0	\$221.2
Federal Passenger Rail Investment and Improvement Act match	148.5	49.5
Other State and Local	1.5	0.0
Subtotal – State and Local	\$787.0	\$270.7
Other Sources		
Metropolitan Washington Airports Authority	\$27.5	
Jurisdictional Reimbursable Projects	5.3	\$1.4
Subtotal – Other Sources	\$32.8	\$1.4
Total	\$1,279.2	\$272.1
Maryland Fiscal 2019 Allowance for WMATA Capital Grant		\$155.9
Variance		-116.2

WMATA: Washington Metropolitan Area Transit Authority

Note: Numbers may not sum to total due to rounding.

Source: Washington Metropolitan Area Transit Authority, Fiscal 2019 Proposed Budget; Department of Legislative Services

The allowance for the WMATA capital grant is \$116.2 million less than what is needed according to WMATA's proposed budget. **MDOT should comment on the variance between the allowance for the WMATA capital contribution and the Maryland contribution assumed in the WMATA fiscal 2019 proposed budget and indicate its expectations for how the difference will be resolved.**

Issues

1. WMATA General Manager Proposes Changes to Capital Funding and Business Model

In April 2017, the WMATA General Manager announced an initiative entitled “Keeping Metro Safe, Reliable and Affordable” that proposes changes in both how WMATA’s capital needs are funded and in its business model. Key points related to capital funding include:

- Metro requires \$15.5 billion in capital funds over the next 10 years;
- State and local funding partners should dedicate a revenue source to provide \$500 million per year for a Capital Trust Fund, which is in addition to existing capital contributions;
- jurisdictional capital contributions should be capped at 3% annual growth; and
- the federal government should re-authorize and fund the PRIIA at least at the current level of \$150 million per year.

Proposed changes to WMATA’s business model comprise:

- capping current jurisdictional operating subsidies at 3% annual growth, to be achieved through aggressive cost containment;
- creating a “Rainy Day Fund” to incrementally provide 10% of the operating budget over 10 years;
- preserving WMATA’s pension commitment to active employees and retirees, but reduce costs by providing 401(k) retirement plans going forward for all new hires;
- leaving binding arbitration intact but amend the National Capital Area Interest Arbitration Standards Act to mandate that arbitrators who preside over interest arbitrations render awards that are consistent with WMATA’s financial condition and do not exceed the ability or willingness of the funding jurisdictions to pay, as Congress originally intended; and
- curbing costs by opening to competition those functions that Metro has the ability to outsource where efficiencies could be gained.

There appears to be a general agreement among the funding jurisdictions that changes to funding and/or the business model are needed, but a consensus on what those changes should be has not yet been reached. The District of Columbia proposed a regional sales tax but found no support for the idea in Maryland and Virginia. The Hogan Administration offered to increase capital funding by

\$125 million per year for four years to allow time for a longer term solution to be devised. This commitment is contingent on Virginia, the District of Columbia, and the federal government all providing an equal amount of funding over the four-year period. In Maryland, legislation has been introduced (HB 372 and SB 277) that would establish the Maryland Metro Dedicated Fund Account within the Transportation Trust Fund to provide at least \$125 million annually to support WMATA's capital program and mandates that the existing capital grant to WMATA be increased by 3% annually.

WMATA should discuss the Keeping Metro Safe, Reliable and Affordable initiative with the committees and indicate what additional changes would be required if the PRIIA is not re-authorized.

2. Consultant Report Recommends Management, Funding, and Operations Changes

In August 2017, the Governor of Virginia commissioned an independent review of WMATA's finances, management, and operations. The review was undertaken by a former U.S. Secretary of Transportation and resulted in six recommendations that could be implemented without the need to amend the WMATA Compact. The six recommendations are as follows:

- ***Install a Temporary Reform Board:*** Replace the current 16-member board with a 5-member Reform Board with 1 member each appointed by Maryland, Virginia, the District of Columbia, and the federal government and a fifth person selected jointly by the appointing authorities to serve as chair. During the estimated three-year period needed to bring WMATA back to being the best transit system in America, the Reform Board would develop a recommendation for a transition to a new permanent board.
- ***Offer Service That Matches Actual Demand:*** For both bus and rail, WMATA has offered more service than its peer transit agencies. For bus service, a comprehensive reworking of the entire system of bus routes, schedules, and operating practices is needed.
- ***Manage Costs and Increase Productivity in the Next Labor Contract:*** Although WMATA's pay, benefits, and employment policies are similar to those at other large transit agencies, improvement is still possible. Areas of opportunity include pension contribution rates (WMATA's unionized employees contribute about 3% of pay toward pension costs, well below the national average for workers with similar pensions), overtime policies with respect to pension calculations, and employee shift selection rules that allows working excessive hours consecutively beyond what is safe.
- ***Reliably Deliver a Large Capital Program:*** For much of the last decade, WMATA was rarely able to spend more than 80% of the capital funds that it was budgeted for a given year. Performance has improved markedly under the direction of the current general manager. In fiscal 2017, WMATA carried out more capital work than it had budgeted and invested significantly more than in any previous year. This trend needs to continue.

- ***Give WMATA New Dedicated Capital Funding:*** The general manager has identified a need for an additional \$500 million in capital funding annually. This analysis suggests that the need is slightly higher, \$540 million per year, although operating savings could make up the difference. The target should be \$500 million per year since WMATA's problems will never be solved without this new money.
- ***Create a New Dedicated Source of Capital Funding for WMATA at the Federal Level:*** WMATA is unique among U.S. transit systems because of its relationship with the federal government. Nearly 40% of rush hour Metrorail riders are federal employees. Congress and the administration should create a successor program of dedicated WMATA funding to take over once PRIIA funding expires. If the state and local governments in the region increase their contributions to WMATA, so should the federal government. These funds should be legally dedicated to WMATA so that they can be used to back bonds.

MDOT should comment on these recommendations and indicate which ones Maryland could support and the circumstances necessary to do so. WMATA should also comment on the recommendations to match service levels with demand, manage costs and increase productivity, and reliably deliver a large capital program and indicate if/how it intends to implement those recommendations.

3. Metrorail Safety Commission Staffing Undetermined – Certification Required by April 2019

All signatories to the WMATA Compact approved legislation in 2017 creating the Washington Metrorail Safety Commission (MSC) to serve as the oversight authority for WMATA's rail system. Maryland and the District of Columbia have both appointed two commission members and an alternate. Virginia has appointed its two members but has yet to name an alternate.

The position of executive director has been advertised but not yet filled. The staffing structure to carry out the work of the commission will be determined by the commission and the executive director. A mix of regular staff and contractors is likely. The deadline for submitting the application for certification to the Federal Transit Administration (FTA) is September 30, 2018, and an organizational chart is one of the required elements of that application.

The certification process must be complete by April 2019. Failure to have a certified State Safety Oversight Agency (SSOA) by that time puts all FTA funds to the State in jeopardy. In February 2017, FTA began withholding 5% of Urbanized Area Formula funding going to Maryland, Virginia, and the District of Columbia for failing to meet its deadline for establishing an SSOA and indicated that these funds would continue to be withheld until an SSAO was certified. MDOT has submitted a letter to the U.S. Secretary of Transportation requesting the release of these funds in recognition of the work already accomplished in creating MSC.

MDOT should update the committees on the efforts to hire an executive director for MSC and any response it has received to its request for the release of withheld funds.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Current and Prior Year Budgets
MDOT – Washington Metropolitan Area Transit Authority
(\$ in Thousands)

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2017					
Legislative Appropriation	\$0	\$323,422	\$0	\$0	\$323,422
Deficiency Appropriation	0	0	0	0	0
Cost Containment	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Reversions and Cancellations	0	-2,073	0	0	-2,073
Actual Expenditures	\$0	\$321,349	\$0	\$0	\$321,349
Fiscal 2018					
Legislative Appropriation	\$0	\$365,285	\$0	\$0	\$365,285
Cost Containment	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Working Appropriation	\$0	\$365,285	\$0	\$0	\$365,285

MDOT: Maryland Department of Transportation

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. Numbers may not sum to total due to rounding.

Fiscal 2017

Maryland's share of the fiscal 2017 Washington Metropolitan Area Transit Authority operating subsidy was \$2,072,632 lower than the legislative appropriation that resulted in a year-end cancellation of this amount.

Fiscal 2018

The fiscal 2018 working appropriation remains unchanged from the legislative appropriation.

Appendix 2
Fiscal Summary
MDOT – Washington Metropolitan Area Transit Authority – Operating Budget

<u>Program/Unit</u>	<u>FY 17 Actual</u>	<u>FY 18 Wrk Approp</u>	<u>FY 19 Allowance</u>	<u>Change</u>	<u>FY 18 - FY 19 % Change</u>
04 Washington Metropolitan Area Transit – Operating	\$ 321,349,368	\$ 365,284,953	\$ 366,027,953	\$ 743,000	0.2%
05 Washington Metropolitan Area Transit – Capital	126,846,888	155,922,000	155,922,000	0	0%
Total Expenditures	\$ 448,196,256	\$ 521,206,953	\$ 521,949,953	\$ 743,000	0.1%
Special Fund	\$ 448,196,256	\$ 521,206,953	\$ 521,949,953	\$ 743,000	0.1%
Total Appropriations	\$ 448,196,256	\$ 521,206,953	\$ 521,949,953	\$ 743,000	0.1%

MDOT: Maryland Department of Transportation

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

Appendix 3
Maryland's WMATA Operating and Capital Subsidies
Allocated by Jurisdiction
WMATA Proposed Fiscal 2019 Budget
(\$ in Millions)

	<u>Montgomery</u> <u>County</u>	<u>Prince George's</u> <u>County</u>	<u>Total</u>
Operating Subsidy			
Metrobus Operating Subsidy			
Regional Bus Subsidy	\$61.3	\$74.8	\$136.1
Nonregional Bus Subsidy	7.5	20.4	27.9
<i>Subtotal</i>	<i>\$68.8</i>	<i>\$95.2</i>	<i>\$164.0</i>
Metrorail Operating Subsidy			
Base Allocation	\$70.9	\$63.8	\$134.7
Max Fare Subsidy	3.1	1.4	4.5
<i>Subtotal</i>	<i>\$74.0</i>	<i>\$65.2</i>	<i>\$139.2</i>
MetroAccess Subsidy	\$25.0	\$51.8	\$76.8
Total Operating Subsidy	\$167.7	\$212.2	\$380.0
Capital Subsidy			
Formula Match and System Performance	\$112.1	\$109.1	\$221.2
Passenger Rail Investment and Improvement Act ¹	21.9	27.6	49.5
Reimbursables and Project Planning ¹	0.6	0.8	1.4
Debt Service	11.9	12.5	24.4
Total Capital Subsidy	\$146.5	\$150.0	\$296.5
Total Subsidy – Operating and Capital	\$314.2	\$362.3	\$676.5

WMATA: Washington Metropolitan Area Transit Authority

¹WMATA allocates these matching funds to Maryland as a lump sum. The allocation shown here is calculated using the proportionate amounts of the operating subsidy for each county.

Note: Numbers may not sum to total due to rounding. The State of Maryland pays the entire operating and capital subsidies to WMATA. These allocations show the share of the subsidy based on the facilities located in each county.

Source: Maryland Department of Transportation