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Appropriations Committee

Subcommittees

Capital Budget

Chair, Transportation and the
Environment

Oversight Committee on Personnel



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

WMATA Dedicated Funding Act Amendment of 2022 (HB 458)
Testimony of Delegate Marc Korman—Favorable

Thank you Madam Chair, Mr. Vice Chair and my colleagues on the Appropriations Committee. I come before you today to discuss the **WMATA Dedicated Funding Act Amendment of 2022 (HB 458)**, legislation that will implement changes to a bill that was passed by our Committee during the 2018 legislative session: the Maryland Metro/Transit Funding Act. As a reminder, the bipartisan legislation provided the first dedicated funding source for the Washington Metropolitan Area Transit Authority's (WMATA) capital program totaling \$167 million per year from Maryland and matched by Virginia and DC.

Although I continue to have significant concerns about the oversight and management of the WMATA system, there is no question that dedicated funding has helped with Metro's capital needs. WMATA reports dramatically fewer train delays since the start of dedicated funding which has helped address a backlog of critically needed safety and reliability improvements. Attached is a recent presentation from WMATA charting their recent capital work.

The WMATA Dedicated Funding Act Amendment of 2022 makes a change to the dedicated funding formula, contingent on parallel action in DC and Virginia, to apply a 3% growth formula to the dedicated funding account instead of another capital fund.

The existing 3% escalator we attached to the 2018 bill is to Maryland's "base capital" amount, not the dedicated funding. The bill before you shifts the escalator to the dedicated funding, contingent on DC and Virginia, so the dedicated funding can grow and continue to be bonded on. The starting point for the base capital is \$143 million and the growth factor will be moved to the larger \$167 million instead.

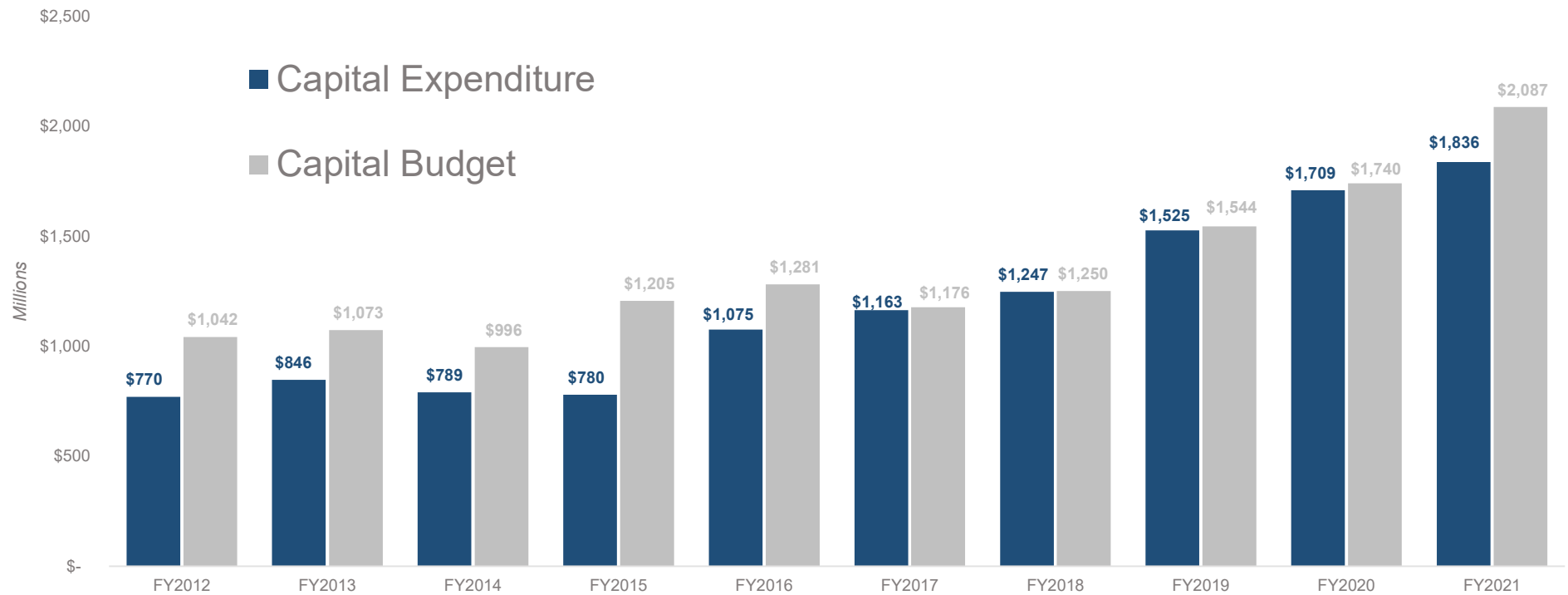
What we have seen overtime is that the value of dedicated funding is eroding and soon WMATA will not be able to bond off of it further. By applying the growth escalator on to the dedicated funding, WMATA can continue to bond off of the increases.

WMATA is a crucial resource for millions of Marylanders who rely on the service to get to work each day. WMATA's service has proven vital to maintaining operations during the COVID-19 pandemic. As WMATA continues to recover from the pandemic we must ensure that the dedicated funding stream is adequate to meet the system's future needs. I urge a favorable.

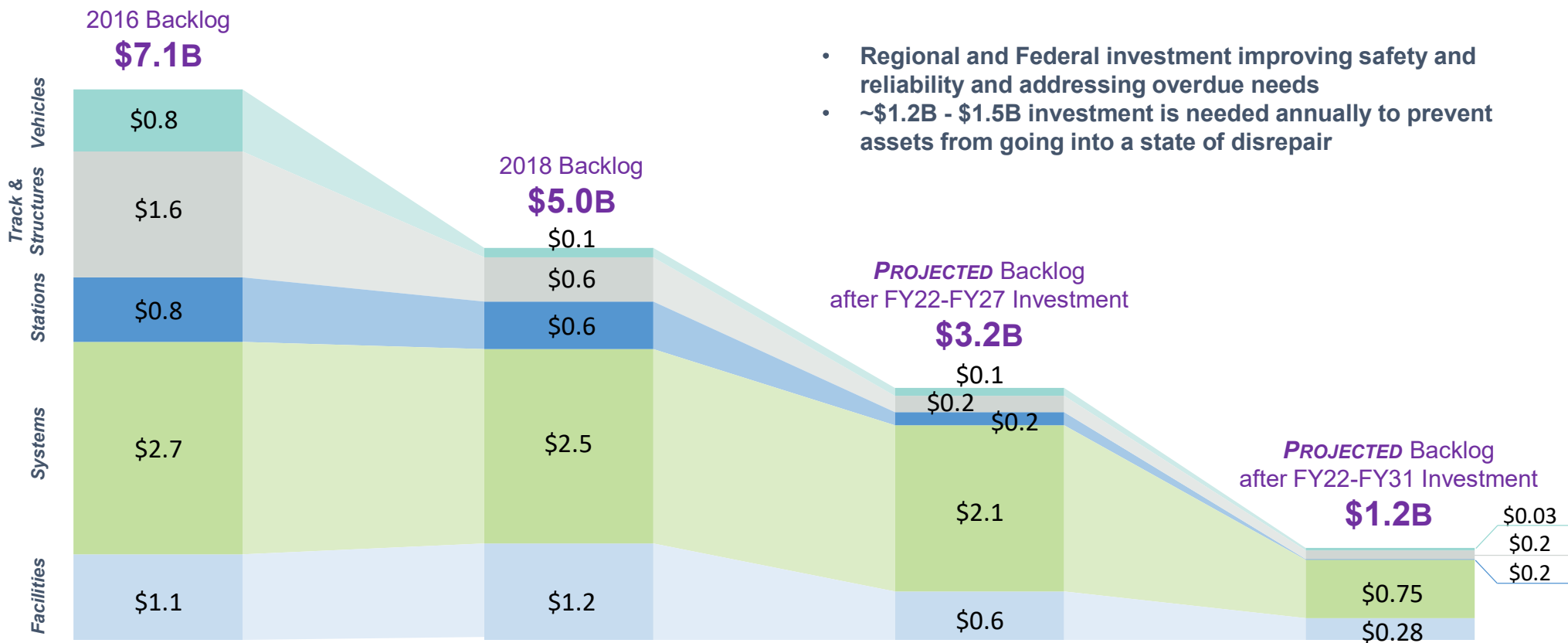
Capital Program Update



Significant Progress Achieved as Capital Expenditures More Than Doubled Over Last Decade



Investment Reducing State of Good Repair Backlog (\$B)



- Regional and Federal investment improving safety and reliability and addressing overdue needs
- ~\$1.2B - \$1.5B investment is needed annually to prevent assets from going into a state of disrepair

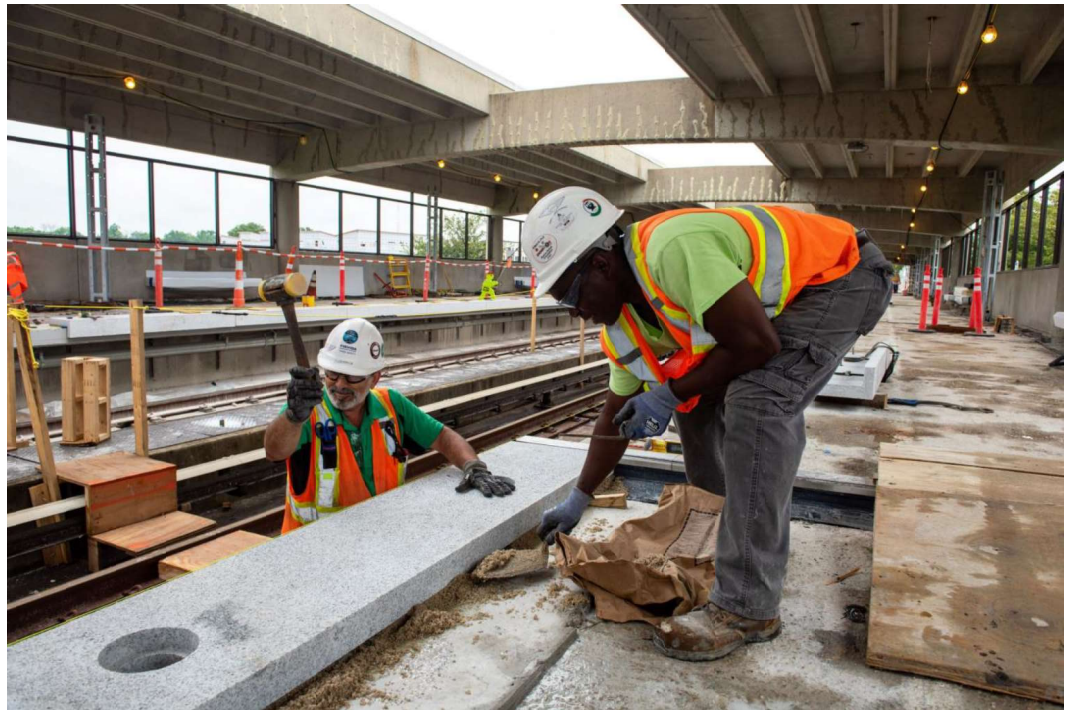
Progress assumes full implementation of the Six-year CIP and 10-Year Plan. Excludes expansion and major enhancements.

Highlights from the past year

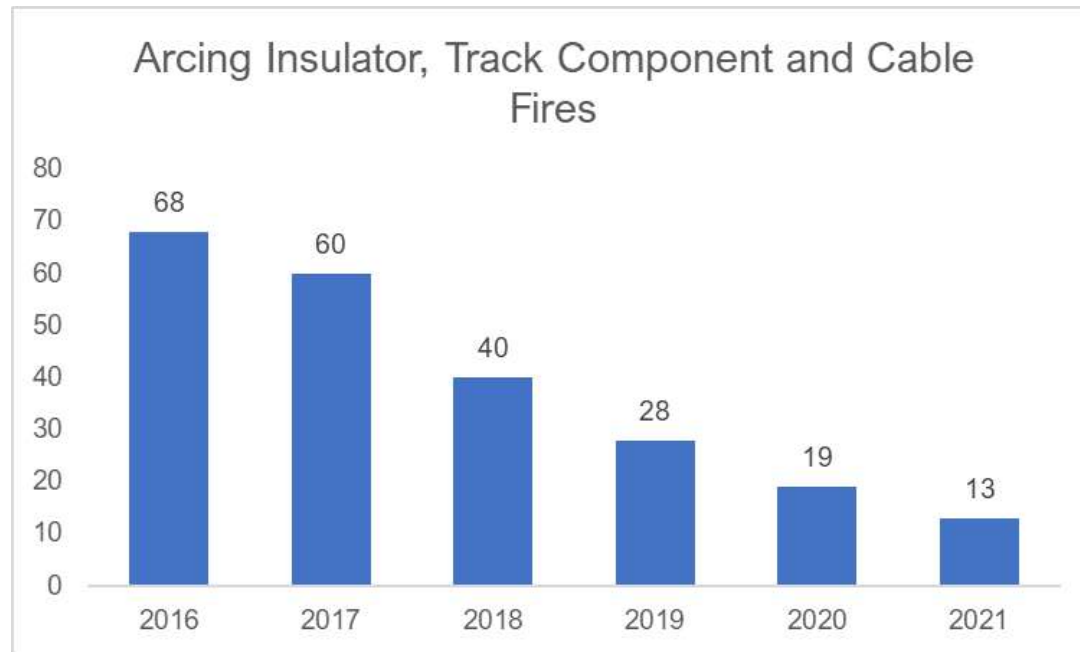


FY23 Capital Budget builds upon recent progress

- \$2.3B budget, part of \$12.4B FY23-28 CIP
- Complete Phase 4 of Platform Improvement Program
- Major Repairs to Yellow Line Bridge/Tunnel
- Advance rebuild of Northern and Bladensburg Bus Divisions
- Fourth year of capital program supported by regional dedicated funding



Investments Yield Improved Safety and Reliability



QUALITY SERVICE



The following highlights Metro's system-wide service quality performance through the end of FY21.



Legend
 ● Met or above target | ● Near target | ● Target not met | ● No target | ↑↓ Desired direction

