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**HB 198 - Transportation - WMATA Operating Assistance - Alteration
(Maryland Metro Funding Act of 2024)
House Appropriations Committee
January 17, 2024**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of the Maryland Metro Funding Act of 2024. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

WMATA currently faces a \$750 million budget shortfall for fiscal year 2025.¹ Closing this deficit would require draconian cuts, including: closing the system at 10PM, closing 10 low-ridership Metro stations, re-implementing the Red Line turnback at Grosvenor-Strathmore and Silver Spring stations, eliminating 67 of 135 MetroBus routes, and cutting paratransit service to the legal ADA minimum requirements. WMATA also proposes cutting nearly 2300 full time positions.² The vast majority of WMATA workers are union workers living in Maryland.

WMATA issued an operating subsidy credit during the early pandemic of \$196 million back to the funding jurisdictions.³ This effectively waived the obligation of those entities to pay, artificially lowering the operating subsidy even further while simultaneously foregoing that year's 3% increase. It was a generous financial credit to the jurisdictions, based on the assumption at the time that state and local entities would face COVID budget crunches, but this generosity has permanent consequences unless the operating subsidy baseline is reset.

Washington Metropolitan Area Transit Authority (WMATA) provides an essential service to the state of Maryland. Public transit is an economic engine that helps workers and consumers get where they need to go. During the pandemic and subsequent rise in inflation, the costs of providing public transit grew faster than the operating subsidy that Maryland provides for WMATA. Decreased ridership meant lower farebox recovery rates and Federal pandemic relief subsidies have run out. Per the 2018

¹ WMATA. "Facing massive budget shortfall, Metro releases budget proposal that slashes service and increases fares." December 14, 2023.

² Mike Murillo. "Metro's budget proposal includes massive layoffs, cuts in service — along with fare increases." WTOP. December 12, 2023.

³ Eno Center for Transportation. "WMATA Reveals Plans for "Fiscal Cliff" Doomsday Budget One Year From Now." June 23, 2023.

Maryland Metro Transit Funding Act, negotiated in concert with Virginia and the District of Columbia, additional capital funding was provided for the authority but financial penalties were applied if operating budget subsidies increases exceeded 3%. This is commonly referred to as the 3% cap. While envisioned as a cost growth control mechanism, it threatens to completely upend WMATA's financial future while stranding transit riders unless temporarily lifted.

HB 198 allows the 3% cap to stabilize to a new post-COVID baseline that takes into account the new cost increases of the past few years. For the future of public transit, we urge a favorable report on HB 198.