

SB126_PGCEX_FAV.pdf

Uploaded by: Angela Alsobrooks

Position: FAV



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill - 126 - Transportation - WMATA Operating Assistance - Alteration (Maryland Metro Funding Act of 2024)

SPONSOR: Senators Augustin and Feldman

HEARING DATE: January 24, 2024

COMMITTEE: Budget and Taxation

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 126 - Transportation - WMATA Operating Assistance - Alteration (Maryland Metro Funding Act of 2024)**, which temporarily pauses – for one fiscal year – the requirement that the Secretary of Transportation withhold a portion of the State's annual operating grant to the Washington Metropolitan Area Transit Authority (WMATA) when WMATA's budget increases by more than 3% over the previous fiscal year.

Prince George's County has a significant transit dependent population (among the highest in the Region), and therefore, the health and vitality of the entire transit network is critical to the larger ecosystem. As the WMATA is a central part of this essential transportation paradigm, ensuring that the entire network is robust is absolutely critical. Prince George's County strongly supports WMATA in best being able to serve the needs of the Region.

Central to the County's plans, is our recently launched Transit Transformation Initiative. While we are pleased that the Governor in his proposed FY 24-29 budget has restored the proposed 40 percent reduction to funding for the Locally Operating Transit Systems (LOTS) for FY 24. However, if in subsequent years Prince George's County's local bus LOTS funding is cut, and any other impacts, it will also be important to ensure that Prince George's County is able to provide the level and quality of transit service that our residents frankly deserve.

As the funding of transit systems coming out of the pandemic is particularly challenging, it is vital that in so doing, that we get it right. As we have worked

collaboratively with WMATA on the development of the Better Bus Network, moving forward together to create true synergy between the different providers is essential.

A delicate balance needed, one that requires being deliberate and understanding the best manor by which the residents can be served with reliable, frequent and efficient service. It will be crucial to look at the long run as to how best we can achieve together a more comprehensive and wholistic transit network that best serves the patrons of the Region.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 126** and asks for a **FAVORABLE** report.

SB 126.pdf

Uploaded by: Annette Levey

Position: FAV

Annette Levey
3214 Pickwick Lane
Chevy Chase, MD 20815

Dear Senator Waldstreicher:

My name is Annette Levey and I am a constituent of yours living in District 18.

I am writing to urge you to support Senate Bill 126, the Maryland Metro Funding Act of 2024. I have a daughter who doesn't drive and can't access the city's offerings without using bus and rail. It is vital to keep our metro system in top order. A well-functioning metro also will help the environment and reduce traffic.

I have been pleased with the improvements to reliability and safety, but am concerned that without adequate, dedicated funding, the system may experience setbacks that undermine this progress.

Sincerely,

Annette Levey

MD SB-126 Testimony, Ashley Brookshier.pdf

Uploaded by: Ashley Brookshier

Position: FAV

My name is Ashley Brookshier, I live in District 20, and I support Senate Bill 126, the Maryland Metro Funding Act of 2024. WMATA is a crucial public service that connects our entire region- we should be massively increasing funding so WMATA can help the DMV grow and excel. Thank you for supporting our Metro by advancing SB-126!

2024 GBCC WMATA SB 126.pdf

Uploaded by: Ashlie Bagwell

Position: FAV



Testimony on behalf of the Greater Bethesda Chamber of Commerce

In Support of

SB 126---Transportation—WMATA Operating Assistance—Alteration (Maryland Metro Funding Act of 2024)

January 23, 2024

Senate Budget and Taxation Committee

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on SB 126—Transportation—WMATA Operating Assistance—Alteration (Maryland Metro Funding Act of 2024).

The Greater Bethesda Chamber of Commerce supports measures that strengthen all facets of transportation infrastructure, including transit. The Metro system, in particular, is crucial to our region's economy. Development around existing transit, like Metro, attracts new businesses and residents, reduces reliance on single-occupancy vehicles and improves quality of life. This is why we strongly supported legislation that was introduced and passed in 2018 to establish dedicated funding for WMATA. It is imperative that this funding formula work as intended, which is the purpose of SB 126.

For these reasons, we would respectfully request a favorable vote on SB 126. And we thank Senator Augustine for his leadership on this important issue.

SB0126 -- Transportation - WMATA Operating Assista

Uploaded by: Brian Levine

Position: FAV



**Senate Bill 126 -- *Transportation - WMATA Operating Assistance - Alteration*
(*Maryland Metro Funding Act of 2024*)
Senate Budget and Taxation Committee
January 24, 2024
Support**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 126 -- *Transportation - WMATA Operating Assistance - Alteration (Maryland Metro Funding Act of 2024)*.

For Fiscal Year 2025, Senate Bill 126 allows for a pause in the requirement that the Secretary of Transportation withhold a portion of the State's annual operating grant to the Washington Metropolitan Area Transit Authority (WMATA) when WMATA's budget increases by more than 3% over the previous fiscal year.

For Fiscal Year 2025, House Bill 198 allows for a pause in the requirement that the Secretary of Transportation withhold a portion of the State's annual operating grant to the Washington Metropolitan Area Transit Authority (WMATA) when WMATA's budget increases by more than 3% over the previous fiscal year.

The 3% cap, which has been in place since 2018, needs to be temporarily paused for one year due to significant COVID-related inflation and how COVID credits for jurisdictions for permissible increases were calculated from artificially low levels. It is vital that WMATA's operating increases for one year, as proposed in the revised draft of the Consolidated Transportation Program, are allowed to proceed.

MCCC recognizes that funding WMATA's operations, as well as finding long-term solutions to ensure a financially viable transportation network, are vital priorities that need to be addressed. WMATA's role is of essential importance to the economic prosperity for the State of Maryland.

Unfortunately, WMATA's current fiscal structure is unsustainable. MCCC contends that taking this small, but important step as proposed in Senate Bill 126, will allow WMATA to continue its operations while granting additional time for consideration of long-term funding solutions for our regional transportation network.

For these reasons, the Montgomery County Chamber supports Senate Bill 126 and requests a favorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

*Brian Levine | Vice President of Government Affairs
Montgomery County Chamber of Commerce
51 Monroe Street | Suite 1800
Rockville, Maryland 20850
301-738-0015 | www.mcccmd.com*

SB 126 - Transportation - WMATA Operating Assistan

Uploaded by: Brian Wivell

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

**SB 126 - Transportation - WMATA Operating Assistance - Alteration
(Maryland Metro Funding Act of 2024)
Senate Budget and Taxation 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.

SB 126 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 SB 126.

SB126_CharlieScott_fav.pdf

Uploaded by: Charlie Scott

Position: FAV



WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Public Testimony in Support of SB 126

Transportation – WMATA Operating Assistance – Alteration Maryland Metro Funding Act of 2024

Before the Senate Budget and Taxation Committee

January 24, 2024

Mr. Chairman, members of the committee, thank you for allowing me to testify today. For the record, my name is Charlie Scott and I am the Senior Government Relations Officer for the Washington Metropolitan Area Transit Authority (WMATA). I am here to urge your strong support for Senate Bill 126.

I want to thank Senator Augustine for his steadfast support of transportation across our state, and particularly his support of transit in the National Capital Region.

The Maryland Metro/Transit Funding Act passed by the General Assembly in 2018, which this bill amends, has been critical to returning our Metro system to a state of good repair. With our annual capital program now exceeding \$2 billion, in the past five years we have made steady progress to address a backlog of capital needs that had built up over decades. The result for our customers and the region is a safer, more reliable system, with improved on time performance and customer satisfaction.

The 2018 legislation also included a provision to cap, with limited exceptions, the growth of Metro's operating subsidy at 3% annually. As we all know, a lot has changed since 2018, and transit agencies across the country are facing new fiscal realities.

For WMATA specifically, a one-time COVID-era credit to the funding jurisdictions, along with the suspension of the 3% cap increase for two years, resulted in \$690 million in foregone subsidy for Metro.

With federal COVID relief funding now mostly expended, ridership – particularly on rail – still below 2019 levels, and recent inflationary pressures on Metro's operating expenses, WMATA is facing a structural operating deficit of \$750 million.

With this 3% cap in statute in both Maryland and Virginia and to stay within that cap, this week WMATA's Board of Directors is expected to authorize public hearings on a proposed FY25 budget that would drastically cut Metrorail, Metrobus

and MetroAccess service, while charging customers more and utilizing capital funds to cover eligible operating preventive maintenance expenses.

Specifically, Metro is proposing to close the FY25 funding gap through the following actions:

- \$183M reduction achieved through:
 - \$95M in one-time savings from FY23 budget management actions
 - \$50M in newly identified recurring operating cost efficiencies
 - \$38M in salary and wage freezes (assumes 0% increase for Non-represented, Local 689, and Local 922 employees)
- \$59M increase due to:
 - \$67M increase for FY25 revenue adjustment
 - \$8M decrease for CPI reduction to 3.5%
- \$193M flexing federal formula funds from capital to operating budget to support preventive maintenance activities.
- \$433M remaining budget gap is proposed to be solved through service cuts and fare increases:
 - Eliminate Metrobus service on 67 of 135 lines, major Metrorail frequency reductions, 10PM system closure, 10 stations closed, MetroAccess service area reduced with reductions to fixed routes
 - Elimination of almost 2,300 positions and a 20% general increase in fares and parking rates

Fortunately, in Maryland, Governor Wes Moore has included an additional \$150 million for WMATA in his proposed budget. With proportionate shares from Virginia and the District of Columbia, an additional \$450-500 million to address our operating deficit would allow Metro to avert significant service cuts and the associated layoffs of almost 2,300 staff.

Allowing this additional \$150 million to be approved in Maryland's budget, however, also requires that this statutory 3% cap not apply to the FY25 budget. SB126 achieves this necessary statutory change, and for those reasons I urge a favorable report.

Comments on SB126, MD Metro Funding Act of 2024.pd

Uploaded by: Dan Reed

Position: FAV



Senator Guy Guzzone
and Members, Budget & Tax Committee
Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

January 23, 2024

Dear Senator Guzzone and Members of the Senate Budget & Tax Committee:

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. **GGWash supports Senate Bill 126, the Maryland Metro Funding Act of 2024**, which would enable the state to provide additional support to the Washington Metropolitan Area Transit Authority (WMATA, or Metro).


In 2018, the Maryland General Assembly passed dedicated funding for Metro, one of the few transit systems nationwide that lacks a dedicated funding source. That legislation restricted increases to the operating subsidy cap to 3% each year. Metro currently faces a budget shortfall and may have to make significant service cuts in the coming year without additional support, but the 3% cap limits Maryland's ability to meet the moment. SB 126 would shift the baseline for operating funds to Fiscal Year 2026, allowing the state to provide the increased funding Metro needs now, while ensuring that future 3% raises would be calculated from a higher starting point.

Every day, people across Maryland rely on Metro to access jobs, education, medical care, entertainment and sporting events, and countless other activities. For them to lose reliable access to transportation would cause significant harm to the state's economy and residents' quality of life. We ask the Budget & Tax Committee to give this bill a favorable report. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Dan Reed'.

Dan Reed
Regional Policy Director
Greater Greater Washington

The Washington, DC region is great  and it can be greater.

SB 126 Maryland Metro Funding Act 2024 - GWP - FA

Uploaded by: John Hillegass

Position: FAV

January 24, 2024

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
Maryland Senate

Re: Support for Senate Bill 126 (Maryland Metro Funding Act of 2024)

Dear Chair Guzzone and Committee Members,

On behalf of the Greater Washington Partnership (the Partnership), I am writing to express our support for the Maryland Metro Funding Act of 2024 (SB126). This bill will allow Maryland to continue its leadership role in the development of regional solutions enabling the Washington Metropolitan Area Transportation Authority (WMATA) to provide sustainable, equitable, and reliable transit service in Montgomery and Prince George's Counties.

The Partnership is a nonprofit alliance of nearly 50 leading corporate, university and nonprofit employers in Maryland, Virginia, and the District of Columbia committed to championing the region's growth and vitality. Our member organizations have more than 300,000 employees, thousands of whom rely on Metro and other transit services each day. Recognizing the importance of mobility to our economic competitiveness, the Partnership developed the [Blueprint for Regional Mobility](#) as an employer-informed strategy to improve and transform the transportation system from Baltimore to Richmond. The Blueprint and our employer community call for frequent, safe, and reliable Metro service as a means of ensuring the regional workforce has ready access to opportunity.

The Metro system is also instrumental to Maryland's overall economic health and fiscal picture. Roughly 400,000 Marylanders made daily transit trips in fall 2023, the majority of which were on the WMATA system. Access to Metro service has underpinned major economic development projects in Maryland – including the relocation of the FBI headquarters to Greenbelt, Marriott's corporate headquarters, and the emerging Blue Line Corridor – while also ensuring Marylanders are connected to employers in DC and Virginia.

In mid-2023, Metro announced a significant operating budget deficit for FY25 and beyond. This is consistent with transit systems nationwide¹ which – like much of the private sector – have been challenged by inflation and post-pandemic work patterns. While progress has been made to reduce the immediate budget deficit, Metro management and regional leaders need to identify additional operating efficiencies, fare adjustments, and subsidies so the system can provide sustainable, high-quality service going forward.

The Maryland Metro Funding Act of 2024 will facilitate this effort by re-baselining Maryland's annual operating subsidy for WMATA to reflect the system's current needs after historic cost increases. While leaving the 3% cap on annual subsidy increases in place, it will allow the General Assembly to implement Governor Moore's proposed level of support for Metro service in FY25² and ensure dedicated capital funding passed by the General Assembly in 2018 is used for its intended purposes. This is a necessary

1 See American Public Transportation Assoc., [Public Transit Agencies Face Severe Fiscal Cliff](#) (June 2023).

2 See [Metro warning of potential rail, bus service cuts without increased funding](#) (WJLA, Dec. 11, 2023).



first step toward the development of longer-term solutions to implement fiscally sustainable service for WMATA's funding partners. It is also essential to avoid abrupt or indiscriminate cuts in Metro service to maintain the system as a competitive advantage in our regional efforts to attract, develop, grow, and retain talent needed to build the economy of the future.

For these reasons, we urge a **favorable** report on SB126. Thank you for your consideration and shared commitment to reducing barriers to mobility and opportunity, as well as making this region the best place to live, work, and build a business.

Contact:

Thomas J. Maloney

Vice President, Policy & External Affairs

tmaloney@greaterwashingtonpartnership.com



GREATER WASHINGTON PARTNERSHIP
1330 Connecticut Ave NW, Suite 315
Washington, DC 20036

greaterwashingtonpartnership.com
info@greaterwashingtonpartnership.com

MD bill test.pdf

Uploaded by: Jonathan Paul Katz

Position: FAV

My name is Jonathan Katz, and I live in District 22. I support Senate Bill 126, the Maryland Metro Funding Act of 2024. Public transit is deeply important to our neighborhood and its quality of life, and I hope that the state can continue to support it with this bill.

SB126.pdf

Uploaded by: Koralleen Stavish

Position: FAV

7508 Carroll Avenue
Takoma Park, MD 20912

Senator Guy Guzzone
and Members of the Budget & Tax Committee
Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

January 23, 2024

Dear Representatives:

I live in District 20 and I support Senate Bill 126, the Maryland Metro Funding Act of 2024.

Metro provides reliable transportation across the region and the current legislation limits Maryland's ability to provide increased support when necessary. SB 126 will allow greater flexibility in this regard. I hope you will be able to find this bill favorable so that we can continue this vital service at a useful level.

Thank you for your consideration.

Koralleen Stavish

GWBOTsb1026SUPPORT.pdf

Uploaded by: Kyle McColgan

Position: FAV



GREATER WASHINGTON
Board of Trade

SB0126 – Metro Funding Act of 2024
Senate Budget and Taxation Committee
Position: **FAVORABLE**
Greater Washington Board of Trade
January 23rd, 2024

Dear Chairman Guzzone and Committee Members.

The Greater Washington Board of Trade is a pro-business and non-partisan organization supporting all industry sectors in the District of Columbia, suburban Maryland, and Northern Virginia, having done so for the last 134 years. We support SB 0126.

The Board of Trade is committed to the long-term viability of the Metro system, which serves as our region's most critical asset for equitable economic growth and mobility. It is a key factor in attracting both private sector investment as well as growing and retaining the region's exceptional workforce.

While WMATA is facing a significant budget shortfall, they are not unique. Most major transit systems throughout the country are facing similar budget challenges post-pandemic. WMATA does, however, have unique long-standing challenges due to its multi-jurisdictional nature and establishment without a dedicated source of funding. This, combined with a federal workforce which has not returned to the office, the conclusion of federal COVID relief funding, the suspension of the 3% increases of the jurisdictional subsidy credit for two years during the pandemic, and the growing costs of providing current levels of service, has resulted in WMATA's financial position and necessitates this legislation.

WMATA has taken steps to help rectify the situation over the course of the last year under the leadership of General Manager Randy Clarke. Having identified over \$100 million in one time savings on top of roughly \$600 million in cost savings identified over the next 10 years. We believe WMATA will continue its efforts to run more efficiently and effectively moving forward.

We would also like to note that this is a bi-partisan issue, as we have seen Governor Youngkin in Virginia include a mechanism for additional operating assistance for WMATA in his proposed budget, the exact intent of this legislation. The Board of Trade will continue to advocate for additional subsidies from our other regional partners to come to fruition.

With the population of Greater Washington expected to grow by 1.5 million people, to include 1 million new jobs, by 2050, a safe, reliable, and frequent transit service is necessary to the health and long-term growth of our region and its economy.

For these reasons, the Greater Washington Board of Trade respectfully respects your support for SB0126.

MD SB 126.pdf

Uploaded by: Margit Nahra

Position: FAV

Margit Nahra
3702 Bradley Lane
Chevy Chase, DC 20815

Dear Senator Waldstreicher:

My name is Margit Nahra and I am a constituent of yours living in District 18 and working in downtown DC.

As a regular commuter who is concerned about the environment and traffic, I rely on Metro - both rail and bus service -- for my commute, as does my husband.

I have been pleased with the improvements to reliability and safety, but am concerned that without adequate, dedicated funding, the system may experience setbacks that undermine this progress.

Given this, I am writing to urge you to support Senate Bill 126, the Maryland Metro Funding Act of 2024.

Sincerely,

Margit Nahra

Margit Nahra

SB126testimony.pdf

Uploaded by: Matthew Girardi

Position: FAV



Maryland Transit Opportunities Coalition

5 Lochness Court, Rockville MD 20850
TransitForMaryland@gmail.com

Maryland Metro Funding Act of 2024 (SB 126)
Testimony to Senate Budget & Taxation Committee
Favorable

The Maryland Transit Opportunities Coalition, a state-wide coalition of transit advocates, transit riders, and transit workers, strongly supports enactment of SB 126.

The Metro system is the foundation of the Washington area’s economic vitality and livability. It is especially important to the economy of Montgomery and Prince George’s counties. The College Park, Silver Spring, Bethesda, New Carrollton, Twinbrook and White Flint Metro stations are surrounded by new commercial and residential buildings.

What attracts businesses and residents to these areas is the ease of travel without a car. Frequent Metro service on rail and bus is an essential element of that lifestyle. Metro’s return to frequent, reliable service under the leadership of Randy Clarke is already drawing back riders lost during the difficult decade of the 2010s and the Covid pandemic. Failure to pass this bill would bring severe cutbacks in Metro service, wiping out one of Maryland’s greatest competitive advantages.

The essential purpose of this bill is to fix a bureaucratic accident. Federal Covid aid for WMATA, which was intended to help bridge shortfalls in both fare revenues and state government tax revenues, all went directly to the agency. That reset the baseline for the 3% increase in state funding at an artificially low level. Now that the Covid crisis has passed, the baseline should be reset to normal levels.

We urge you to give this bill favorable consideration.

Written Testimony SB 126 – Maryland Metro Funding

Uploaded by: Matthew Girardi

Position: FAV



Statement of the Amalgamated Transit Union (ATU) Local 689

SB 126– Maryland Metro Funding Act of 2024

January 24th, 2024

TO: The Honorable Guy Guzzone and Members of the Budget and Taxation Committee

FROM: Matthew Girardi, Political & Communications Director, ATU Local 689

ATU Local 689 strongly supports SB 126 and urges the Senate Budget and Taxation Committee to issue a favorable report. This bill is a necessary measure for ensuring the stability of the State of Maryland and the whole Washington DC metropolitan region by allowing for necessary funds to flow to WMATA.

At Local 689, we represent over 15,000 transit workers and retirees throughout the Washington DC Metro Area performing many skilled transportation crafts for the Washington Metropolitan Area Transit Authority (WMATA), MetroAccess, DASH, and DC Streetcar among others. Our union helped turn low-wage, exploitative transit jobs into transit careers. We became an engine for the middle-class of this region.

Likewise, 9,000 of our members are hardworking WMATA employees. Even as our region has faced unprecedented challenges over the past few years, transit workers have faithfully stayed on the job and kept our region afloat. They showed up every day during the worst pandemic in a century, with some developing long COVID or even dying from COVID related complications. Additionally, they have endured increases in violence both towards themselves and their riders. They are friends, neighbors, and pillars of the community around this region. However, these frontline heroes are today in danger.

Going into Fiscal Year 2025, Metro states that it faces an estimated \$750 million gap. Should that need go unmet, proposals have been floated where 108 of the 135 Metrobus routes would be eliminated or cut; where Metrorail would run less frequently and less often with entire stations being shuttered; where fares would increase 25%; and where over 2,300 full time jobs would be cut, including highly demanded CDL drivers.

Local 689 supports SB 126 because it would be beyond cruel to have our members repaid for all their hard work with pink slips, worse healthcare, and stolen retirements. Metro's stated budget gap has developed because the model that it had run pre-Covid 19 is not working. Since early 2020, ridership has decreased across all mass transit not only here but across the country. Although the numbers are trending in the right direction, fare revenues have not returned to the levels they were at in 2019. Moreover, historic inflation pushed up costs and emergency federal funding infusions that had papered over the structural deficit are set to run out.

This bill is a commonsense adjustment to lift the 3% cap in growth in operating expenditures to allow for the \$150 million wisely requested by Governor Moore to flow to Metro. The 3% cap has not worked for a variety of reasons. A transit agency must be able to meet operating expenses at or above the rate of inflation to maintain the same level of service year over year. Covid-related inflation meant that effectively, Maryland is indexed to a world and a rate that no longer exists. Now, we ask all of you to rebaseline, fully fund Metro, and not allow this budget to be balanced on the backs of working class people, whether they be Metro workers or the riding public.

We thank Senator Augustine for introducing this necessary measure and urge the committee to issue a favorable report.

SB 126 - MoCo_MCDOT_FAV (GA 24).pdf

Uploaded by: Melanie Wenger

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 126

DATE: January 24, 2024

SPONSOR: Senators Augustine and Feldman

ASSIGNED TO: Budget and Taxation

CONTACT PERSON: Melanie Wenger (melanie.wenger@montgomerycountymd.gov)

POSITION: Support (Montgomery County Department of Transportation)

Transportation – WMATA Operating Assistance – Alteration (Maryland Metro Funding Act of 2024)

The Montgomery County Department of Transportation supports Senate Bill 126, the Maryland Metro Funding Act of 2024, which makes a necessary change to a provision in current law that would require a significant percentage of operating funds to be withheld from the Washington Suburban Transit District in FY 2026. Current law requires that if Maryland operating assistance increases year over year by greater than 3%, a provision requiring that 35% of the State's operating grant is withheld in the subsequent fiscal year is triggered. Absent enactment of the legislation, this will be the outcome in FY 2026, given the size of the FY 2025 State appropriation that is necessary to address Maryland's share of WMATA's substantial operating deficit in FY 2025.

A functioning Metro system is key to moving people in the greater Washington, D.C. metropolitan area and to economic growth in the region. Metro's financial woes, caused in large part from reduced revenue due to low ridership that has not yet recovered since the onset of the pandemic, have been well documented. Serious discussions have been underway since the summer among the funding jurisdictions to develop a plan that will address the immediate need and one that will establish a sustainable financing plan moving forward. That plan, once agreed upon, may necessitate the passage of other legislation by compact signatories (Maryland, Virginia, and D.C.). In the meantime, it is very important that Senate Bill 126 be passed this year to fix a problem that can be addressed now.

For these reasons, the Department urges expeditious passage of the Maryland Metro Funding Act of 2024.

Michael_Dutka_testimony_for_Maryland_Metro_funding

Uploaded by: Michael Dutka

Position: FAV

My name is Michael Dutka I live in district 17 (Rockville MD) and I support Senate Bill 126, the Maryland Metro Funding Act of 2024

Michael Larkin SB 126 Metro Funding Comments.pdf

Uploaded by: Michael Larkin

Position: FAV

January 23, 2024

Dear Members of the Maryland Senate Budget and Taxation Committee,

My name is Michael Larkin, and I am a resident of District 20 in Montgomery County. I am a consistent rider of Metro rail and bus, and I strongly urge the Budget and Taxation Committee to give SB 126, the Maryland Metro Funding Act of 2024, a favorable report.

My life as I know it would not be possible without Metro. I use it to access work, medical appointments, and recreational activities at public parks. My ability to participate in civic and economic life would be severely constrained without Metro because I do not own a car. In addition, Metro rail and bus is relied upon by many of my fellow community members to access important social services. I volunteer at Shepherd's Table in Silver Spring, MD, once or twice a month, and I know from the conversations I have while volunteering that Metro is used by the clients and volunteers. Moreover, Metro is very important for people needing transportation to polling stations and for election workers such as myself to arrive at volunteer shifts. Residents from all walks of life cannot afford the service cuts that Metro is facing.

Metro service cuts would run counter to all the environmental goals, pedestrian safety goals, and economic goals Maryland aspires to achieve. In short, Maryland would suffer greatly if Metro is not fully funded and done so from a higher baseline.

Thank you for your time and consideration.

Sincerely,

Michael Larkin
Silver Spring, MD
Email: michaeljlarkin@gmail.com

Michael Larkin SB 126 Metro Funding Comments.pdf

Uploaded by: Michael Larkin

Position: FAV

January 23, 2024

Dear Members of the Maryland Senate Budget and Taxation Committee,

My name is Michael Larkin, and I am a resident of District 20 in Montgomery County. I am a consistent rider of Metro rail and bus, and I strongly urge the Budget and Taxation Committee to give SB 126, the Maryland Metro Funding Act of 2024, a favorable report.

My life as I know it would not be possible without Metro. I use it to access work, medical appointments, and recreational activities at public parks. My ability to participate in civic and economic life would be severely constrained without Metro because I do not own a car. In addition, Metro rail and bus is relied upon by many of my fellow community members to access important social services. I volunteer at Shepherd's Table in Silver Spring, MD, once or twice a month, and I know from the conversations I have while volunteering that Metro is used by the clients and volunteers. Moreover, Metro is very important for people needing transportation to polling stations and for election workers such as myself to arrive at volunteer shifts. Residents from all walks of life cannot afford the service cuts that Metro is facing.

Metro service cuts would run counter to all the environmental goals, pedestrian safety goals, and economic goals Maryland aspires to achieve. In short, Maryland would suffer greatly if Metro is not fully funded and done so from a higher baseline.

Thank you for your time and consideration.

Sincerely,

Michael Larkin
Silver Spring, MD
Email: michaeljlarkin@gmail.com

Michael Larkin SB 126 Metro Funding Comments.pdf

Uploaded by: Michael Larkin

Position: FAV

January 23, 2024

Dear Members of the Maryland Senate Budget and Taxation Committee,

My name is Michael Larkin, and I am a resident of District 20 in Montgomery County. I am a consistent rider of Metro rail and bus, and I strongly urge the Budget and Taxation Committee to give SB 126, the Maryland Metro Funding Act of 2024, a favorable report.

My life as I know it would not be possible without Metro. I use it to access work, medical appointments, and recreational activities at public parks. My ability to participate in civic and economic life would be severely constrained without Metro because I do not own a car. In addition, Metro rail and bus is relied upon by many of my fellow community members to access important social services. I volunteer at Shepherd's Table in Silver Spring, MD, once or twice a month, and I know from the conversations I have while volunteering that Metro is used by the clients and volunteers. Moreover, Metro is very important for people needing transportation to polling stations and for election workers such as myself to arrive at volunteer shifts. Residents from all walks of life cannot afford the service cuts that Metro is facing.

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Sincerely,

Michael Larkin
Silver Spring, MD
Email: michaeljlarkin@gmail.com

Michael Larkin SB 126 Metro Funding Comments.pdf

Uploaded by: Michael Larkin

Position: FAV

January 23, 2024

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My name is Michael Larkin, and I am a resident of District 20 in Montgomery County. I am a consistent rider of Metro rail and bus, and I strongly urge the Budget and Taxation Committee to give SB 126, the Maryland Metro Funding Act of 2024, a favorable report.

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Thank you for your time and consideration.

Sincerely,

Michael Larkin
Silver Spring, MD
Email: michaeljlarkin@gmail.com

01.23 - SB126 - Transportation - WMATA Operating

Uploaded by: Robin McKinney

Position: FAV



SB 126 - Transportation - WMATA Operating Assistance - Alteration (Maryland Metro Funding Act of 2024)

Budget and Taxation Committee

January 24, 2024

SUPPORT

Chairman Guzzone, Vice-Chair Rosapepe, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 126. This bill will temporarily pause the requirement that the Secretary of Transportation withholds the State's annual operating grant to the Washington Metropolitan Area Transit Authority (WMATA) for fiscal year 2025.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

The current law in place states that if WMATA's operating budget increases by more than 3% over the prior fiscal year, the Secretary must withhold 35% of the State's operating grant to WMATA. The Maryland Department of Transportation (MDOT) is anticipating that WMATA's operating costs will be greater than 3%, therefore requiring 35% of MDOT's funds to WMATA to be withheld. This equates to about \$223.7 million in funding loss for WMATA, which would greatly impact their operating abilities.

Withholding funding from WMATA would especially impact low-income households. Over 20% of low-income workers in the DMV took public transportation to work in 2022¹. Reduced operating costs for WMATA means that low-income workers will face an increased difficulty in commuting to and from their jobs. Low income families also use public transportation for doctor appointments, grocery shopping, and for other activities essential for day to day living

Not only does this impact low-income Marylanders' ability to travel to work, but also to receive additional benefits and services. CASH has 35 tax preparation sites throughout the state, where thousands of low to moderate income Marylanders must travel to in order to receive tax preparation services. Closed metro stops and less operational trains would prohibit many of our clients' ability to receive the services that they rely on.

Thus, we encourage you to return a favorable report for SB 126.

¹ People's Policy Project: <https://www.peoplespolicyproject.org/2024/01/10/cuts-to-dc-public-transit-would-be-a-disaster-especially-for-the-poor/>

Sen SB 126 Maryland Metro Funding Act of 2024 hr

Uploaded by: Samuel Jordan

Position: FAV



Senate Committee on Budget and Taxation

Maryland Metro Funding Act of 2024 (SB 126)

Testimony of Samuel Jordan – Baltimore Transit Equity Coalition

Favorable

Thank you, Mr. Chair, Mr. Vice Chair and Members of the Committee on Budget and Taxation. I am Samuel Jordan – President of the Baltimore Transit Equity Coalition (BTEC). We urge the Committee to issue a favorable report for bill SB 126, the Maryland Metro Funding Act of 2024.

The intricacies of the funding of the Washington Metropolitan Area Transit Authority (WMATA) require plain speech to convey our concern for the Authority's fiscal strength and stability. BTEC testified in 2018 in favor of the \$167 million annual subsidy to WMATA assessed on each of the member jurisdictions. The funding bill was enacted.

SB 126 is a legislative provisional solution. It seeks to reconcile current statutory limitations governing WMATA's 3% annual operating subsidy cap with the realities of the reduced COVID pandemic and post-COVID funding support available to Maryland, Virginia, the District of Columbia, and Congress.

In order to contribute critical funds to support WMATA, Maryland must spend \$150 million in fiscal years 2025 and 2026. \$250 million is projected for fiscal year 2027. Each expenditure exceeds the existing statutory operating cap. By shifting the baseline contribution to fiscal year 2026, the operating cap would be applied to a new, higher level of

annual increases which would then be subject to the 3% limit.

With such a legislative strategy, Marylanders can continue to use METRO in the hundreds of thousands each day and be confident that their commutes are safe, reliable, convenient, and increasingly equitable. That is BTEC's objective in support of the Maryland Metro Funding Act of 2024 as we seek your favorable report on SB 126. Thank you. #####

Samuel Jordan <Samuel.Jordan@moretransitequity.com>

2024-01-23 SB 0126.pdf

Uploaded by: Samuel Williams

Position: FAV

Senator Guy Guzzone
and Members, Budget & Tax Committee
Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

January 23, 2024

Dear Senator Guzzone and Members of the Senate Budget & Tax Committee:

My name is Samuel Williams, and I live in District 20. I am writing to express my strong support for Senate Bill 0126. This bill would provide Maryland with the ability to support the Washington Metropolitan Area Transit Authority (WMATA/Metro), which is facing unprecedented funding challenges due to pandemic-induced inflation. Funding WMATA is, in my opinion, the single most effective thing Maryland can do to support communities around the Washington, DC metro area. If we do not allow Maryland to increase funding for WMATA to the level required, then we are giving up on our transportation and environmental priorities. Unlike many projects and proposals under consideration, the Metro already exists. It already serves communities in Maryland, keeping cars off of the road and connecting housing to jobs. The cost increase that this bill would cause is a rounding error compared to the budgets for new transportation projects and other state-wide initiatives, and unlike new projects, which may get funded only based on theoretical impacts, the Metro already has a proven impact on Maryland. Therefore, I strongly urge you to give this bill a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel Williams', written in a cursive style.

Samuel Williams

SB0126-Rangwala.pdf

Uploaded by: Sanjida Rangwala

Position: FAV

Dear Senator Guzzone and Members of the Senate Budget & Tax Committee,

My name is Sanjida Rangwala and I live in Maryland legislative district 20 in Montgomery Country. I am a regular user of mass transit including local Ride On buses, FLASH BRT, and WMATA Metrobus and Metrorail. If we are not able to maintain and improve these services, our quality of life in Maryland will decrease, not to mention environmental repercussions. It is imperative to avoid these budget cuts.

I urge you all to support Senate Bill 126, the Maryland Metro Funding Act of 2024.

Sincerely,

Sanjida Rangwala
711 Dryden Street
Silver Spring MD
20901
(314) 435-7089

Sign-on testimony MD Metro Funding Act HB198_SB126

Uploaded by: Stewart Schwartz

Position: FAV

Coalition for Smarter Growth | League of Women Voters of Maryland | Action Committee for Transit | Maryland League of Conservation Voters | ATU689 | Sierra Club - Maryland Chapter | Washington Area Bicyclist Association | Citizens Against Beltway Expansion | Don'tWiden270.org | Mobilize Frederick

SUPPORT for Maryland Metro Funding Act of 2024

HB 198 (Del M. Korman and J. Lewis) and SB 126 (Sen M. Augustine and B. Feldman)

The following undersigned groups strongly support the [Maryland Metro Funding Act of 2024 \(HB 198\)](#) and [\(SB 126\)](#). The bill is critical to allow Maryland to provide the funding necessary to close WMATA's FY25 and FY26 operating budget gap. Failure to close the gap would mean catastrophic cuts to Metro service, including cutting 67 of 135 bus routes, closing 10 stations, shutting down Metro service at 10pm, and reducing rail frequency to every 15 minutes or longer from the 6 minutes or less today. This would mean a "transit death spiral" for our Metro system.

Metro has much good news to report. The 2018 capital funding deal by Maryland, Virginia, and DC for \$500 million per year, combined with federal funds secured by our Congressional delegation, has resulted in major rehabilitation of the system and major improvements in maintenance, safety, and reliability. Bus ridership has recovered to near pre-pandemic levels, but rail ridership is down due to telecommuting.

Frequency is freedom! So, WMATA is adjusting to the decline in peak hour commuting by providing frequent all-day service and weekend service. Eighty-one percent of Metrorail trips are now every 6 minutes or better. Rail rider satisfaction is now at 84% and bus rider at 71%.

Frequent service combined with improved reliability is the industry standard for attracting riders, and will make Metro a preferred mode for convenient and safer access to jobs, services, and entertainment. This level of service is critical to supporting transit-oriented economic development in Montgomery and Prince George's Counties, and to meeting the state's climate goals. And as a recent Virginia study shows, state investment in Metro leverages economic growth and tax revenue (income taxes and sales taxes among others) for the states.

Unfortunately, the operating subsidy cap of 3% increases per year, pushed by Virginia as part of the 2018 capital funding deal, has not worked for various reasons. These include high COVID-related inflation costs, and pandemic-era credits back to the jurisdictions by WMATA which lowered the baseline from which increases are calculated.

The Governor has admirably made Maryland the first of the three jurisdictions to propose its share of the funding to cover WMATA's gap, but this funding would violate the statutory operating cap. For that reason, this bill would allow the state to increase the baseline for funding to FY26, with the 3% annual increase calculated from that new baseline. This will enable Maryland to help close the WMATA operating gap pending negotiations for a long-term, dedicated and indexed funding solution for WMATA.

Therefore, we urge you to vote yes on the [Maryland Metro Funding Act of 2024 \(HB 198\)](#) and [\(SB 126\)](#). Thank you.

Sincerely,



Stewart Schwartz
Executive Director
Coalition for Smarter Growth

Linda Kohn
President
League of Women Voters of Maryland

Ramon Palencia-Calvo
Deputy Director
Maryland League of Conservation Voters

Matthew Girardi
Political and Communications Director
ATU 689

Jane Lyons-Raeder
Transportation Chair
Sierra Club - Maryland Chapter

Seth Grimes
Maryland Organizer
Washington Area Bicyclist Association

Barbara Coufal
Chair
Citizens Against Beltway Expansion

Janet Gallant
Co-Coordinator
Don'tWiden270.org

Karen Cannon
Executive Director
Mobilize Frederick

Amy Frieder
Chair
Action Committee for Transit

2024-01-23 W Chan Metro Testimony.pdf

Uploaded by: W Chan

Position: FAV

Warren Chan
7710 Woodmont Ave Apt 808
Bethesda, MD 20814

January 23, 2024

Senator Guy Guzzone
and Members, Budget & Tax Committee
Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Re: Senate Bill 126, the Maryland Metro Funding Act of 2024

Dear Senator Guzzone and Senate Budget and Tax Committee Members:

My family and I live in District 16 and have been car free for over 20 years. We rely on Metro as a key part of our daily transportation. We use it to commute for work, doctors visits, trips to all 3 airports, grocery shopping, and everything else related to daily life. Metro is essential to us. Metro's accessibility even allows us to easily travel with our bicycles when needed to complete our journeys.

I know we are not alone in relying on Metro. Essential workers and our less able neighbors, and senior citizens rely on Metro because it is accessible, affordable and reliable.

While the General Assembly passed a dedicated funding bill for Metro in 2018, the pandemic has created an unexpected shortfall and Senate Bill 126 would allow the Assembly to provide the needed funding now.

Shrinking Metro services would be the equivalent of eliminating lanes on I495 and I270 to save money.

I urge you to support SB 126. Supporting SB 126 supports key goals of Maryland including equity, climate and vision zero.

Best regards,



Warren Chan

FINAL2 - SB126 - WMATA Testimony.pdf

Uploaded by: Malcolm Augustine

Position: FWA

MALCOLM AUGUSTINE
Legislative District 47
Prince George's County

PRESIDENT PRO TEMPORE

Executive Nominations Committee

Education, Energy and the
Environment Committee



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

James Senate Office Building
11 Bladen Street, Room 214
Annapolis, Maryland 21401
410-841-3745 · 301-858-3745
800-492-7122 Ext. 3745
Fax 410-841-3387 · 301-858-3387
Malcolm.Augustine@senate.state.md.us

January 25, 2024

Senate Bill 126 - Transportation – WMATA Operating Assistance – Alteration (Maryland Metro Funding Act of 2024)

Dear Colleagues,

I am pleased to present **Senate Bill 126 - Transportation – WMATA Operating Assistance – Alteration (Maryland Metro Funding Act of 2024)**, which aims to repeal the requirement that the Secretary of Transportation withhold a certain percentage of the State's share of annual operating grants for the Washington Suburban Transit District (WSTC) under specific conditions.

It is no secret that Metro is currently grappling with a substantial operating budget gap, primarily driven by three factors: first, escalating operating costs due to inflation; second, ridership figures still below pre-pandemic levels, resulting in reduced fare revenue; and third, budget credits—refunds—issued to Maryland and other jurisdictions early in the COVID era, leading to a reduction in the baseline budget. As part of the Washington Metropolitan Area Transit Authority (WMATA) Compact that brought Metro into existence, Maryland holds a pivotal role as a funding jurisdiction, participating in discussions to address these challenges.

The Maryland Metro Funding Act of 2024 does not allocate additional funds but seeks to rectify a legal issue associated with Metro's operating subsidy cap, hindering our ability to infuse more funds should you find it appropriate through your budgetary process. In 2018, when the legislature established dedicated funding for Metro, an operating subsidy cap of 3% increases per year was instituted, albeit with various exceptions. However, this cap has not functioned precisely as intended due to several reasons, including significant COVID-related inflation and the impact of credits back to jurisdictions during the pandemic, resulting in permissible increases calculated from artificially low levels.

The Maryland Department of Transportation, in its revised draft transportation budget released in December and included in the budget submitted in January, proposed WMATA operating increases for fiscal years 2025 and 2026 of \$150 million each and fiscal year 2027 of \$250 million. However, these increases, though urgently needed, run afoul of the statutory operating cap.

MALCOLM AUGUSTINE
Legislative District 47
Prince George's County

PRESIDENT PRO TEMPORE

Executive Nominations Committee

Education, Energy and the
Environment Committee



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

James Senate Office Building
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Annapolis, Maryland 21401
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Malcolm.Augustine@senate.state.md.us

Amendments are ordered regarding a date change for rebasing to 2028 and specific measures outlining the triggering of fund withholding. Additionally, an amendment similar to the turnback provision ensures that no stations will be permanently closed. The Maryland Metro Funding Act of 2024, marking another step in addressing Metro's operating funding challenges, proposes shifting the new baseline for the cap to Fiscal Year 2026, aligning with the legislature's original intent when dedicated funding was passed. While the bill was drafted before the Administration's announcement of a stepped increase plan, adjustments to the fiscal year will be necessary.

Metro serves as a vital resource for millions of Marylanders who rely on its services daily. Its importance has been underscored during the COVID-19 pandemic, where Metro's service proved essential in maintaining operations. As we navigate Metro's recovery from the pandemic, ensuring that the dedicated funding stream is sufficient to meet the system's future needs becomes imperative. In the face of Metro's broader fiscal challenges, it is incumbent upon the legislature to address the issues surrounding Metro's operating subsidy cap, providing the system with enhanced clarity and stability regarding its annual funding expectations.

Thank you for your attention to this critical matter. I urge the committee to give a **favorable** report for **Senate Bill 126 - Transportation – WMATA Operating Assistance – Alteration (Maryland Metro Funding Act of 2024)**.

Sincerely,

A handwritten signature in cursive script that reads "Malcolm Augustine".

Senator Malcolm Augustine

SB0126 - WMATA Operating Assistance_SUPP_FINAL.pdf

Uploaded by: Patricia Westervelt

Position: FWA

January 24, 2024

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

***RE: Letter of Support with Amendment – Senate Bill 126 – Transportation – WMATA
Operating Assistance – Alteration (Maryland Metro Funding Act of 2024)***

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 126 as a required mechanism for addressing the Washington Metropolitan Area Transit Authority's (WMATA) Fiscal Year (FY) 2025 fiscal cliff.

Senate Bill 126 resets the 3% WMATA operating budget subsidy cap in FY 2026. Doing so will allow MDOT to implement the additional subsidy level proposed in the Governor's Budget, while retaining the 3% cap as a useful budget management tool for future fiscal years.

In FY 2025, WMATA faces a \$750 million fiscal cliff as a result of the exhaustion of federal COVID-19 funding support, increased operating costs, previous subsidy credits to funding jurisdictions including Maryland, and a new post-pandemic ridership landscape. This context is similar to what is seen at transit agencies across the country, including the Maryland Transit Administration (MTA).

To address the fiscal cliff, the Governor's Budget proposes a \$150 million increase in Maryland's operating budget subsidy. If comparatively matched by other funding jurisdictions, this increased subsidy will help to fill the FY 2025 budget gap alongside modifications to fares, service levels, and fiscal management policies including administrative costs.

Existing law only permits a 3% increase in the operating subsidy annually, with a set of statutory exemptions that allow for larger increases. This legislation is required to set a new baseline for the operating subsidy consistent with the proposed budget.

The consequences of not taking action are substantial. The WMATA General Manager's Proposed Budget, which articulates the necessary service cuts if operating subsidies are not increased, indicates large-scale service reductions. These reductions would include the loss of 67 bus routes and substantial deterioration of rail service frequency. Thousands of WMATA employees, the large majority of whom live in Maryland, would be threatened with layoffs. The Governor's commitment of the additional needed subsidy alongside this legislation can avert those devastating impacts.

The Honorable Guy Guzzone
Page Two

MDOT also recommends that the legislation be amended to reflect current WMATA operating budget policy and to standardize with current law for MTA. Section 10-205(b) of the Transportation Article currently caps the WMATA operating subsidy at 50 percent of the operating costs. Chapter 16 of 2017 repealed the farebox recovery requirement for the MTA. MDOT recommends a similar repeal of the farebox recovery requirement for the WMATA operating subsidy.

MDOT looks forward to further collaboration with the sponsor and respectfully requests the Committee grant House Bill 198 a favorable report with the proposed amendment.

Respectfully submitted,

Drew Morrison
Acting Director
Washington Area Transit Office
410-865-1092

Pilar Helm
Director of Government Affairs
Maryland Department of Transportation
410-865-1090