

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 <u>Blueprint for Regional Mobility</u> 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.

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