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Chair Environment and Transportation Committee

> Rules and Executive Nominations Committee



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Metro Funding Modification Act of 2025 (HB 467)

Testimony of Delegate Marc Korman - Favorable

Thank you Mr. Chair, Mr. Vice Chair, and members of the Appropriations Committee. I come before you today to present the Maryland Metro Funding Modification Act of 2025 (HB 467).

As this committee is aware, the state of Maryland is responsible for providing funding to support of the Washington Metropolitan Area Transit Authority (WMATA) along with Virginia and D.C.). Metro service is crucial for Marylanders who rely on the service to commute through the D.C. Metropolitan area. But WMATA also has a significant economic impact in Maryland. 71%-over 9,000—of WMATA's employees live in Maryland. Metros' new railcars are being manufactured in Washington County. And in Montgomery County, just 2% of the land is within a half mile of Metrorail stations but that accounts for 30% of total county jobs and 21% of business establishments.

Maryland contributes funding support to WMATA in three major ways. First, there is an operating subsidy budgeted annually based on a regional negotiation. This is subject to a 3% growth cap that this committee temporarily lifted last year to address COVID-related issues. Second, there is a base capital amount negotiated regionally every few years in a Capital Funding Agreement. Third, there is the dedicated capital funding that passed on a bipartisan basis during the Hogan Administration. This is largely what the bill is about.

Maryland's share of the dedicated capital was a flat \$167 million. But that has lost almost 30% of its value since then. The bill before you would re-base the \$167 million to account for inflation and then tie it to a 3% growth factor so WMATA can continue to bond off of it. This would be contingent on DC and Virginia doing the same. The bill would also remove a 3% growth factor we placed on the second category I mentioned above, base capital, which is not how the rest of the region is budgeting.

The Maryland Metro Funding Modification Act of 2025 is an effort to finish the work started in 2018. We must ensure that the dedicated funding stream is adequate to meet the system's current and future needs. I urge a favorable report.