

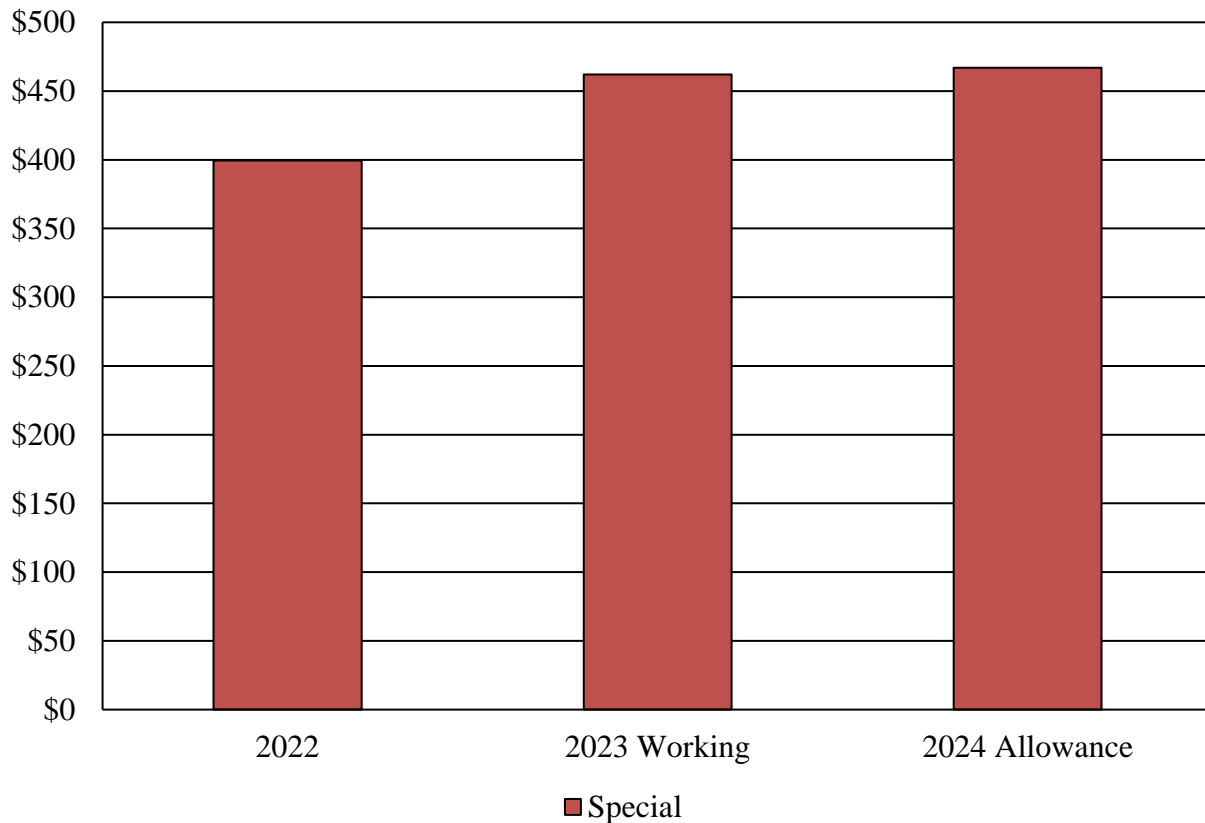
J00A0104
Washington Metropolitan Area Transit Authority
Maryland Department of Transportation

Executive Summary

The Washington Metropolitan Area Transit Authority (WMATA) provides bus, rail, and paratransit service for the Washington, DC metropolitan area. This analysis discusses WMATA’s operating and capital budgets and the Maryland contribution toward each budget.

Operating Budget Summary

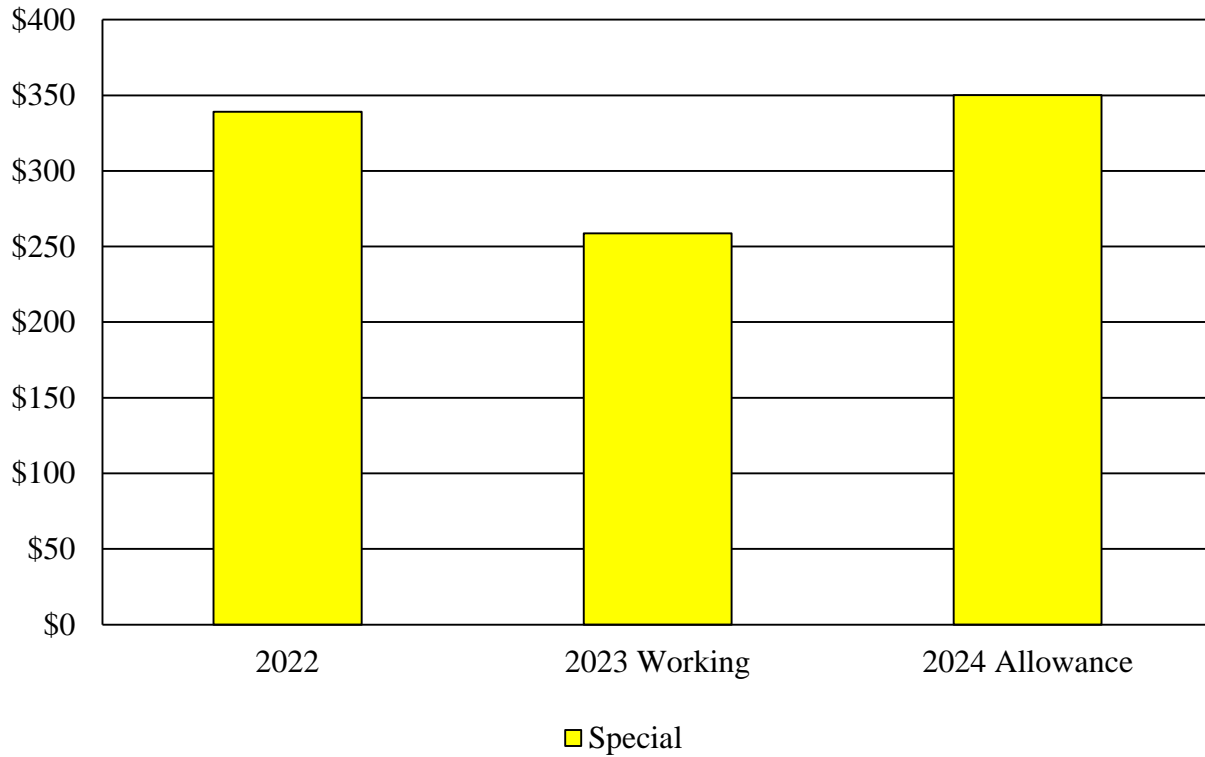
Fiscal 2024 Budget Increases \$4.8 Million, or 1.0%, to \$466.9 Million
(\$ in Millions)



Note: This chart reflects only the State operating support for the Washington Metropolitan Area Transit Authority, not its full funding.

PAYGO Capital Budget Summary

**Fiscal 2024 Budget Increases \$91.5 Million, or 35.4%, to \$350.2 Million
(\$ in Millions)**



Note: This chart reflects only the State capital support for the Washington Metropolitan Area Transit Authority, not its full funding.

Key Observations

- ***Ridership Remains Below Prepandemic Levels:*** Despite steady increases since fiscal 2021, ridership remains well below fiscal 2019 levels.
- ***Federal COVID-19 Relief Funding Depleted After Fiscal 2024 Budget:*** Federal COVID-19 relief funding has helped support transit operations and replace revenue lost due to reduced ridership caused by the pandemic. The fiscal 2024 budget uses the last of WMATA’s allocation of this funding. Structural operating deficits are projected starting in fiscal 2025 that will need to be addressed by some combination of new revenues and service level adjustments.

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

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Washington Metropolitan Area Transit Authority
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Budget Analysis

Program Description

WMATA operates the third largest heavy rail transit system and the sixth largest bus network in the United States. WMATA was created in 1967 by an interstate compact in which Maryland, Virginia, and Washington, DC participate. Subsequently, two federal representatives were added to the Board of Directors. Each signatory jurisdiction provides two directors to WMATA's eight-member board. Construction of WMATA's originally planned 103-mile Metrorail system began in 1969 and was completed in 2001. In 2004, the system was expanded to 86 stations and 106 miles with the opening of the Blue Line extension to Largo Town Center and the New York Avenue/Florida Avenue/Gallaudet University station on the Red Line. In 2014, the first phase of the 23.1-mile Silver Line extension to Dulles opened, adding 11.6 miles and 5 stations. The second phase, consisting of 11.5 miles and 6 stations, opened in November 2022. A new in-fill station on the Blue and Yellow Lines, named Potomac Yard, is scheduled to open in 2023, at which point the Metrorail system will comprise 130 miles of track and 98 stations. The system now serves 26 stations in Maryland.

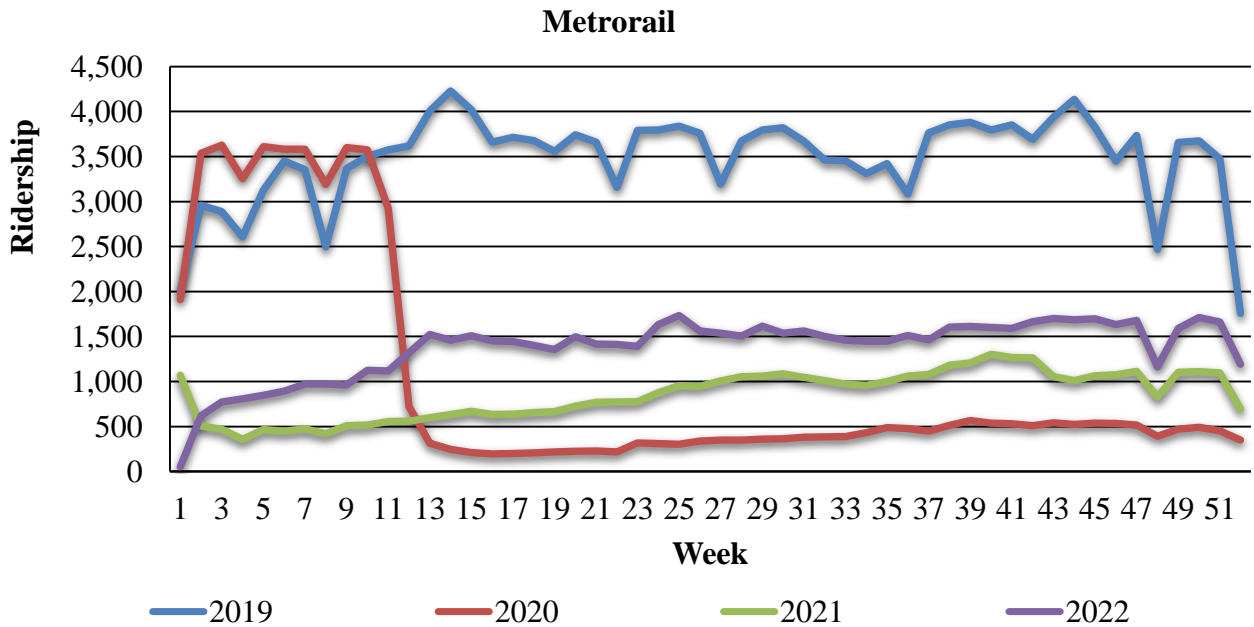
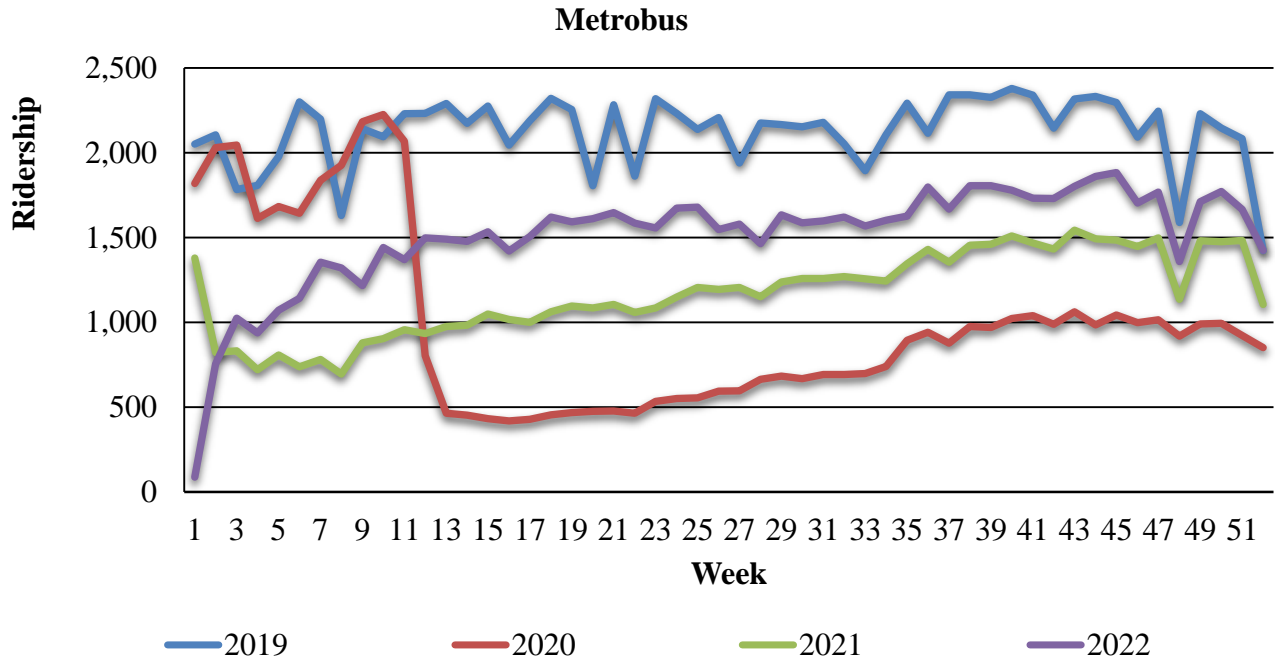
Maryland provides an annual operating grant to the Washington Suburban Transit Commission (WSTC) through the Maryland Department of Transportation's (MDOT) Secretary's Office budget. WSTC authorizes MDOT to provide funding to WMATA for the operation of the Metrorail, Metrobus, and MetroAccess programs. These operating grants are based on numerous factors, including miles of service, number of stations, number of passengers, and population density in each jurisdiction and are offset by the fare revenues generated by each service.

WMATA's mission is to ensure the best in safe, reliable, cost-effective, and responsive transit services by promoting regional mobility and contributing toward the social, economic, and environmental well-being of the community.

Impact of COVID-19

The impact of the COVID-19 pandemic continues to affect WMATA's ridership, as shown in **Exhibit 1**, which compares weekly ridership by calendar year. Even though ridership has been trending upward since the low in April 2020, Metrobus and Metrorail ridership was still down approximately 20% and 50%, respectively, as of December 2022.

**Exhibit 1
Weekly Ridership
Calendar 2019-2022
(In Thousands)**



Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

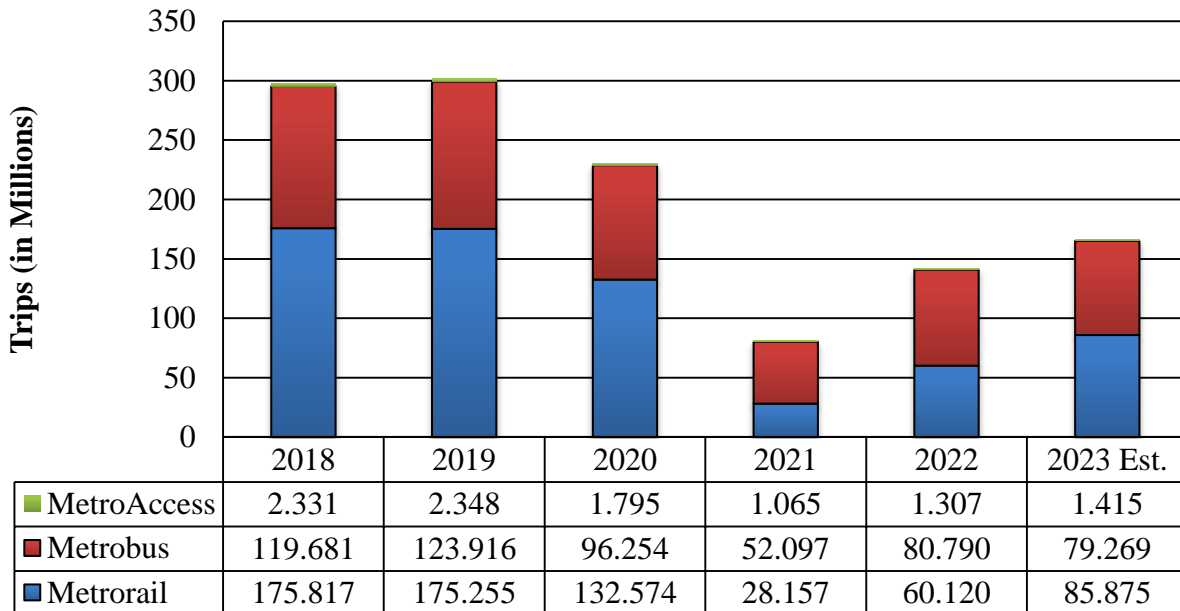
Depressed ridership results in reduced fare revenue. Federal relief funding has provided significant support for WMATA since the pandemic began to help replaced lost revenues. WMATA’s fiscal 2020 through 2022 budgets used a total of \$1.6 billion in federal relief funding to support operations, and the fiscal 2023 budget includes a further \$673 million in federal relief funding. Unless further funding is authorized by Congress, however, WMATA’s federal relief funding will be depleted in its fiscal 2024 budget, which includes \$561 million in federal relief funding.

Performance Analysis: Managing for Results

1. Ridership

Exhibit 2 shows ridership for the WMATA system from fiscal 2018 to 2023 estimated. Ridership in fiscal 2022 increased by 74.9%, an increase of almost 61 million trips over the prior year. The large percentage increase is largely a reflection of the low base in fiscal 2021 resulting from the pandemic. Ridership is expected to continue to increase in fiscal 2023 but still projected to be well below prepandemic levels.

Exhibit 2
Annual Ridership
Fiscal 2018-2023 Estimated

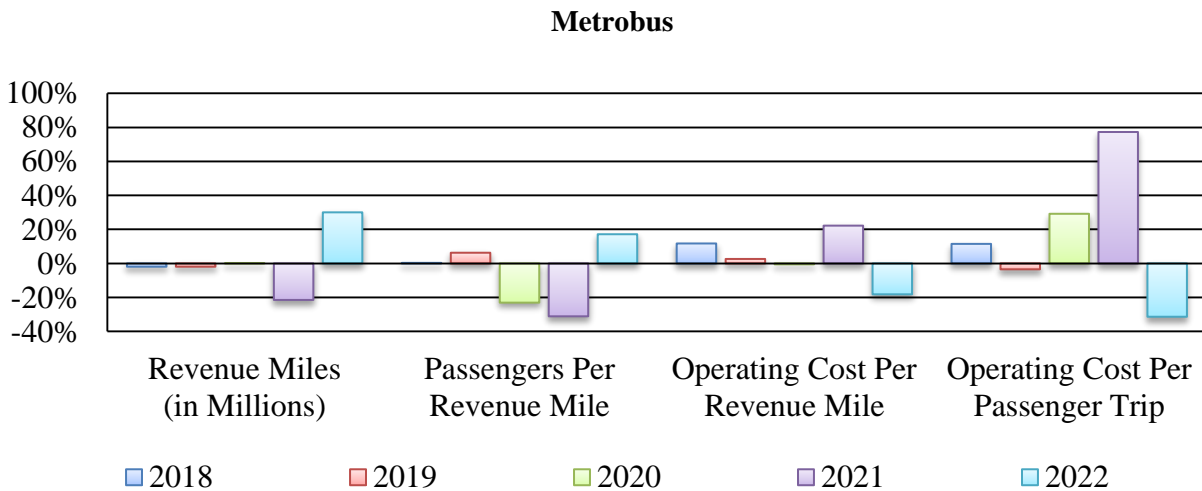
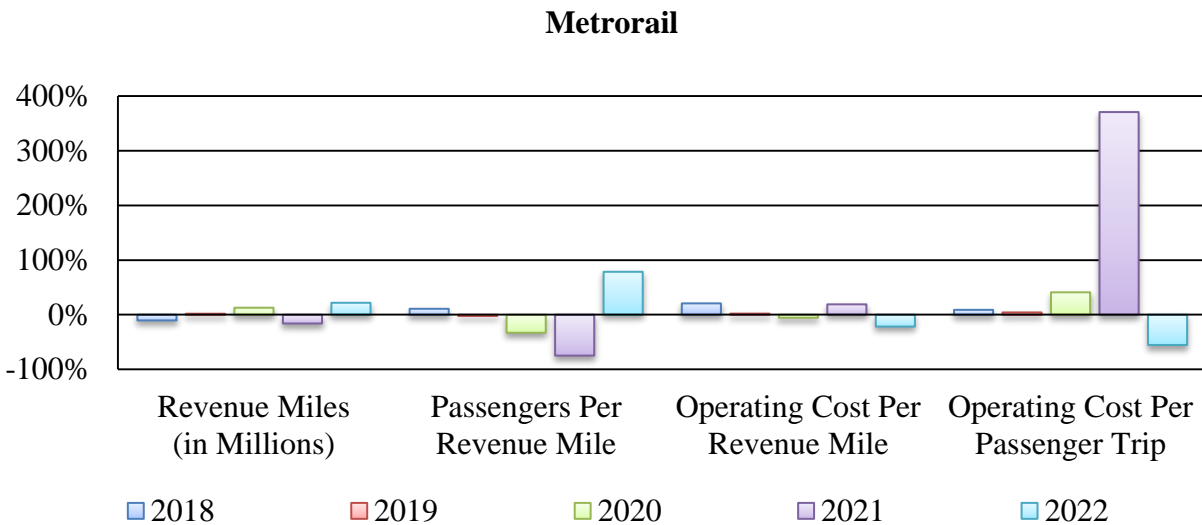


Source: Fiscal 2024 Managing for Results

2. System Performance

One method of measuring the performance of transit systems is to look at the relationship between the service provided and used, as measured by revenue miles and passenger trips, relative to expenditures. **Exhibit 3** shows the percent change from the prior year for revenue miles, passengers per revenue mile, operating cost per revenue mile, and operating cost per passenger trip for both Metrorail and Metrobus service for fiscal 2018 through 2022. Fiscal 2022 showed improvements with passengers increasing and operating costs decreasing both on a per revenue mile and per passenger trip basis.

**Exhibit 3
Metrorail and Metrobus Performance Measures
Fiscal 2018-2022**

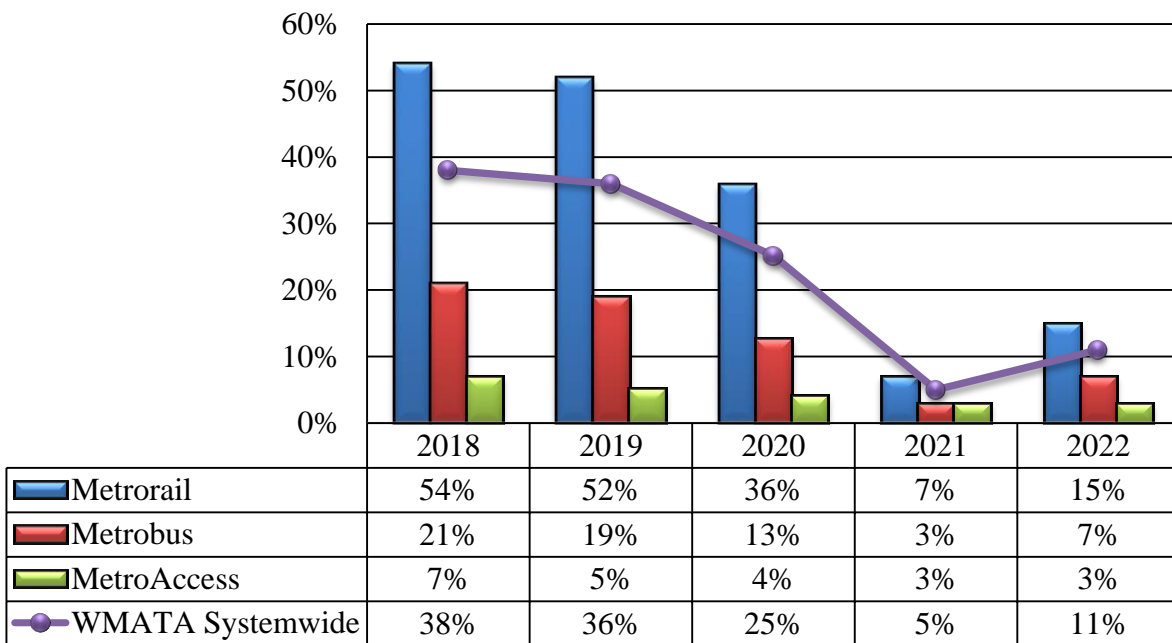


Source: Fiscal 2024 Managing for Results

3. Farebox Recoveries

The farebox recovery ratio measures the percent of operating expenses covered by fares collected. **Exhibit 4** shows WMATA’s farebox recovery ratios from fiscal 2018 to 2022 by service and systemwide. The impact of the pandemic is clearly evident in the decreases in fiscal 2020 and 2021. Fiscal 2022 showed improvement, but the farebox recovery rates remain well below prepandemic levels.

Exhibit 4
Farebox Recovery Rates
Fiscal 2018-2022



WMATA: Washington Metropolitan Area Transit Authority

Source: Fiscal 2024 Managing for Results

Fiscal 2023

Proposed Deficiency

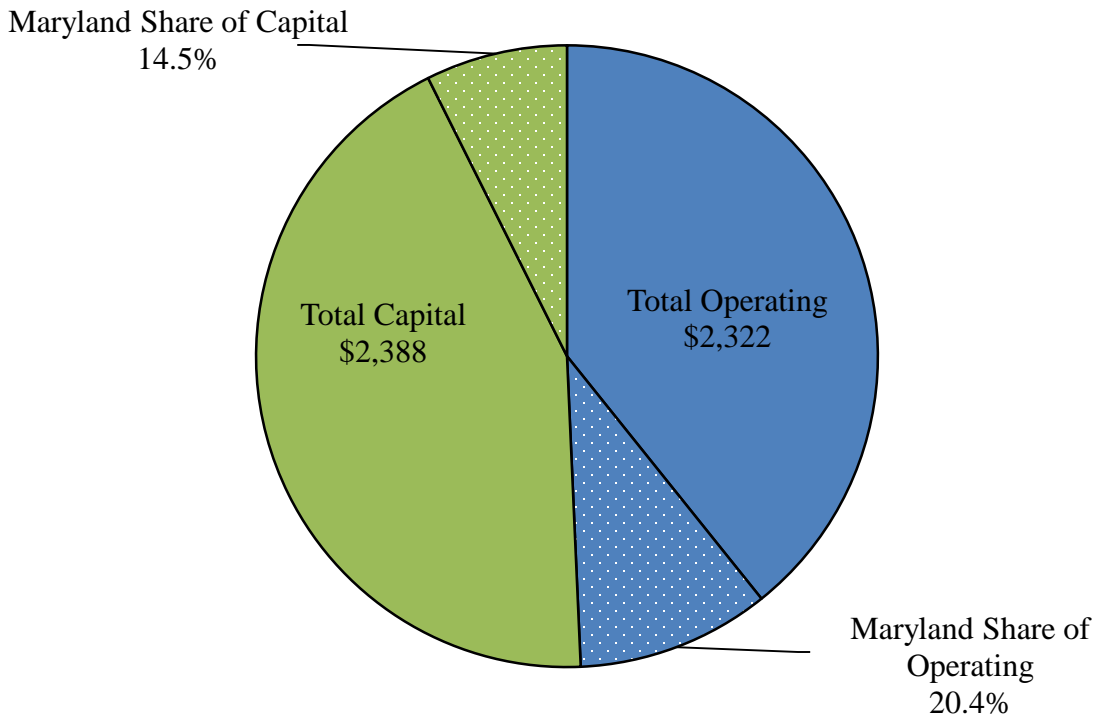
The budget as introduced includes a special fund deficiency appropriation of \$24,521,735 for two purposes. A portion of the deficiency (\$14.5 million) conforms the fiscal 2023 Maryland subsidy to the amount required in the WMATA budget as approved by its board. Board approval

occurs after the Maryland legislative session has ended, so the Maryland budget allowance is only an estimate. The remaining \$10 million is a pass-through payment to Prince George’s County for its share of federal COVID-19 relief funds. WMATA received the federal allocation for the Washington metropolitan area and gave credits to its funding partners in lieu of direct transfers of funding. Since the WMATA subsidy is provided by the State, the State previously benefited from the reduction to its required payment. This deficiency was triggered by Prince George’s County’s decision to apply its share of COVID-19 funding in fiscal 2023.

Fiscal 2024 Overview of Agency Spending

The combined operating and capital budgets for WMATA total \$4.7 billion. As shown in **Exhibit 5**, the Maryland share of WMATA’s operating and capital budgets is 20.4% and 14.8%, respectively.

Exhibit 5
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Millions)



Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

Proposed Budget Change

The proposed fiscal 2024 budget assumes:

- the use of \$561 million in federal stimulus funding;
- a 3% increase in the capped subsidy amount (not counting legislative exclusions) as allowed under the funding changes adopted in 2018;
- projected increases in passenger revenue (\$11.4 million) and nonpassenger revenue (\$17.1 million);
- proposed expense reductions totaling \$10 million from operating efficiencies (\$7 million) and vacancy reductions (\$3 million);
- fare optimization changes (\$7.1 million);
- increasing the allocation of preventive maintenance costs to the capital budget to \$139.1 million from the \$60 million level in the fiscal 2023 budget; and
- proposed service optimization that would increase train service frequency within the central portion of the system with trains every 3 to 6 minutes and with trains every 8 to 12 minutes or better systemwide and make improvements to three bus lines to increase frequency and expand access.

Expenditures

As shown in **Exhibit 6**, WMATA's proposed fiscal 2024 operating budget totals \$2.3 billion, an increase of \$74.9 million over the current year. Personnel expenses, which comprise nearly 68% of the operating expenses, account for the majority of the change and are increasing due to the continued reinstatement of service levels reduced due to the pandemic.

Exhibit 6
Operating Expenses by Category
Fiscal 2023-2024
(\$ Millions)

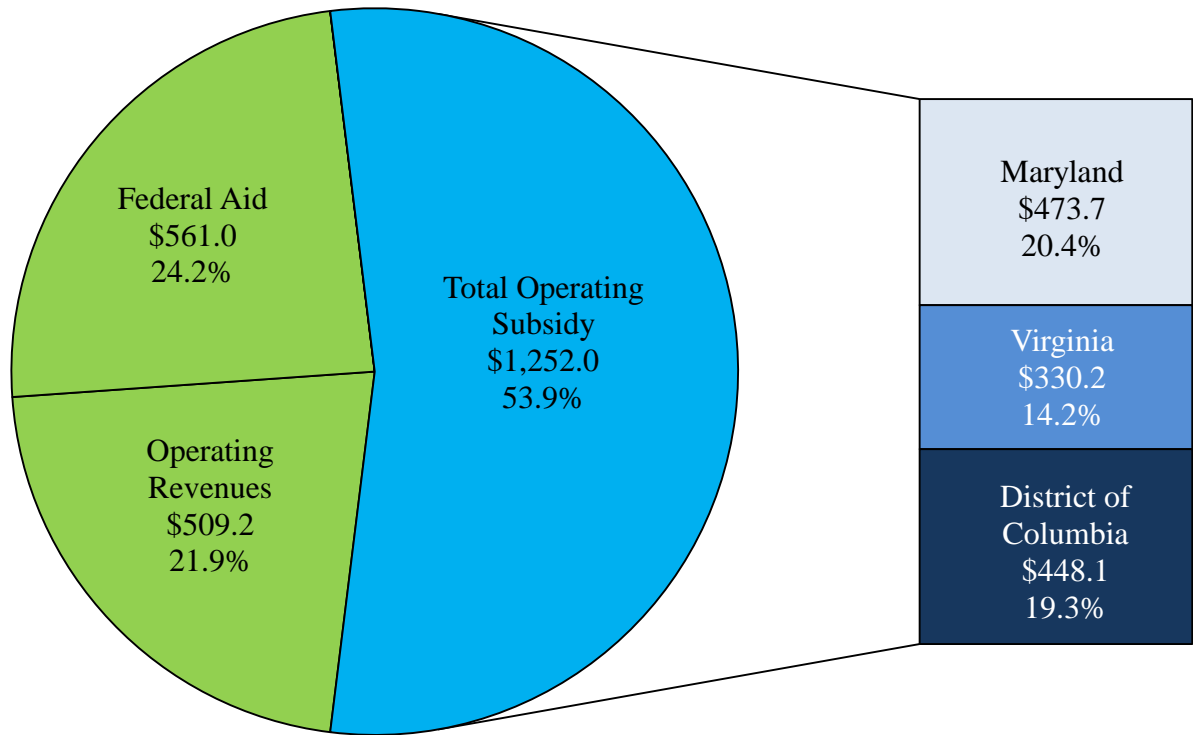
	<u>2023</u>	<u>Proposed 2024</u>	<u>\$ Change</u>	<u>Percent Change</u>
Personnel	\$1,518.4	\$1,567.9	\$49.6	3.3%
Services	412.4	422.0	9.5	2.3%
Materials and Supplies	124.0	121.0	-2.9	-2.4%
Fuel (Gas/Diesel/Compressed Natural Gas)	33.4	38.3	4.9	14.6%
Utilities and Propulsion	96.0	107.9	11.9	12.3%
Casualty and Liability	43.2	44.7	1.5	3.5%
Leases and Rentals	10.5	10.7	0.3	2.6%
Miscellaneous	9.4	9.6	0.2	2.6%
Total	\$2,247.2	\$2,322.1	\$74.9	3.3%

Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

Revenues

WMATA’s operations are generally funded through operating revenues (fares being the largest source) and subsidies provided by the District of Columbia, Maryland, and Virginia. To help address revenue declines caused by the COVID-19 pandemic, the fiscal 2024 budget continues to rely on federal pandemic-related aid to support operations. **Exhibit 7** shows that operating revenues and federal aid will support 46.1% of operating expenses, with the local subsidy providing the majority of the funding. The proposed fiscal 2024 WMATA budget assumes an operating grant from Maryland of \$473.7 million.

Exhibit 7
Proposed Fiscal 2024 Revenues
(\$ in Millions)



Total: \$2.3 Billion

Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

PAYGO Capital Program

Program Description

MDOT’s Office of the Secretary provides a grant to support WMATA’s capital program, including the design, construction, and rehabilitation of the Metrorail, Metrobus, and MetroAccess systems and debt service for bonds issued in lieu of a larger upfront capital grant. General

parameters on capital funding levels are typically established in a six-year Capital Funding Agreement developed through negotiations between WMATA and its local funding partners. The current agreement ends June 30, 2027.

Chapters 351 and 352 of 2018 require the Governor to include an appropriation of \$167 million in the budget as a dedicated capital grant that is in addition to the base capital grant that the State provides each year. Combined with similar mandated appropriations in the District of Columbia and Virginia, these funds provide WMATA with \$500 million per year to address a projected need for \$15.5 billion in additional capital funding at the time that these mandates were enacted.

If WMATA has provided certain reports and data, subject to certification by MDOT, Chapters 351 and 352 contain provisions that:

- establish a mandated level of funding for the base WMATA capital grant (which does not include the dedicated capital grant nor WMATA debt service); and
- require the base capital funding to increase by 3% each year that WMATA complies with the reporting requirements thereafter.

These requirements were met, and the mandated funding triggered, for the first time in the fiscal 2023 budget. The requirements were met again for fiscal 2024, and the budget as introduced includes the required 3% increase over the fiscal 2023 base capital amount.

Fiscal 2023 to 2028 Consolidated Transportation Program

The Maryland *Consolidated Transportation Program* (CTP) includes five project information forms detailing the uses for the Maryland capital grant to WMATA. **Exhibit 8** shows the amounts programmed in the CTP for fiscal 2023 to 2028 and the fund sources that support the grant. For informational purposes, the CTP shows federal funds received directly by WMATA that are not included in the MDOT budget.

Exhibit 8
Capital Grant Components
Fiscal 2023-2028
(\$ in Millions)

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Six-year Total</u>
WMATA Capital Investment Program	\$213.1	\$220.2	\$224.9	\$232.7	\$240.5	\$247.6	\$1,378.9
Project Development	1.0	1.0	1.0	1.0	1.0	1.0	6.0
Matching Funding for PRIIA of 2008	50.0	50.0	50.0	50.0	50.0	50.0	300.0
WMATA Debt Service	31.2	31.2	31.2	31.3	31.3	31.3	188
Governor’s Capital Dedicated Funding	167.0	167.0	167.0	167.0	167.0	167.0	1,002.0
Total	\$462.3	\$469.4	\$474.1	\$482.0	\$489.7	\$496.9	\$2,874.4
Special Funds	\$91.7	\$183.2	\$187.7	\$192.4	\$197.3	\$202.3	\$1,054.6
Other State Funds	254.0	167.0	167.0	167.0	167.0	167.0	1,089.0
Subtotal – Appropriated	\$345.7	\$350.2	\$354.7	\$359.4	\$364.3	\$369.3	\$2,143.6
Federal Funds – WMATA*	\$116.6	\$119.2	\$119.4	\$122.6	\$125.4	\$127.6	\$730.8
Total	\$462.3	\$469.4	\$474.1	\$482.0	\$489.7	\$496.8	\$2,874.4
Mandated Base Capital	\$147.5	\$152.0	\$156.5	\$161.1	\$166.0	\$171.0	\$954.1
Base Capital – Percent Increase		3.0%	3.0%	3.0%	3.0%	3.0%	

PRIIA: Passenger Rail Investment and Improvement Act
 WMATA: Washington Metropolitan Area Transit Authority

*Federal funds received directly by WMATA and not included in the Maryland Department of Transportation budget.

Note: Numbers may not sum to totals due to rounding.

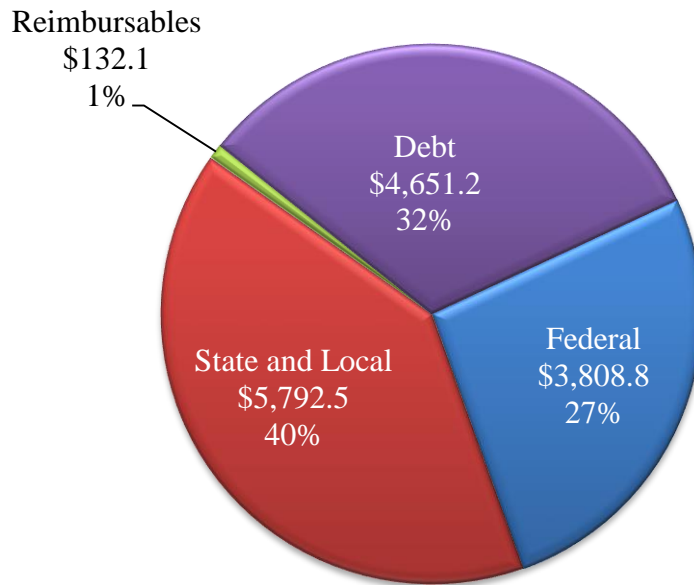
Source: Maryland Department of Transportation, 2023 *Consolidated Transportation Program*; Department of Legislative Services

Total six-year State funding for the WMATA capital grant is \$2.9 billion, which includes general obligation bond funding of \$87.0 million that was authorized in fiscal 2022 but is being used in fiscal 2023, and general funds totaling \$1.0 billion over the six-year program. Over the six-year period, special funds from the Transportation Trust Fund comprise 49.2% of State funding for the WMATA capital grant, general funds account for an additional 46.7%, and bond premiums comprise the remaining 4.1%. The base capital grant, comprising the first three items in Exhibit 8, became a mandated appropriation beginning in fiscal 2023 and increases by 3% per year thereafter.

WMATA’s Six-year Capital Improvement Program

WMATA’s fiscal 2024 to 2029 Capital Improvement Program (CIP) totals \$14.4 billion. Exhibit 9 shows the revenue sources supporting the capital program assumed in the CIP. Contributions from the funding jurisdictions and debt provide just over 40% and 32% of six-year funding, respectively. Federal funds comprise 26.5% of the six-year total.

Exhibit 9
Six-year Capital Program Funding Sources
Fiscal 2024-2029
(\$ in Millions)



Total: \$14.4 Billion

Source: Washington Metropolitan Area Transit Authority, Fiscal 2024 Proposed Budget; Department of Legislative Services

Fiscal 2024 Capital Program

WMATA’s proposed fiscal 2024 capital program totals \$2.4 billion when revenue losses from construction activity (such as station shutdowns) are included. **Exhibit 10** shows the planned spending by category.

Exhibit 10 Fiscal 2024 Capital Spending by Category (\$ in Millions)

Category

Railcar and Railcar Facilities	\$423.9
Rail Systems	322.8
Track and Structures Rehabilitation	284.2
Stations and Passenger Facilities	353.0
Bus, Bus Facilities, and Paratransit	527.8
Business and Operations Support	293.8
Subtotal	\$2,205.5
Revenue Loss from Capital Projects	\$10.0
Debt Service – Dedicated Funding	172.9
Total	\$2,388.5

Note: Numbers may not sum to total due to rounding.

Source: Washington Metropolitan Area Transit Authority, Fiscal 2024 Proposed Budget; Department of Legislative Services

Exhibit 11 shows the total funding by source for WMATA’s fiscal 2024 capital program along with the amount that Maryland is expected to contribute based on the proposed budget.

Exhibit 11
Fiscal 2024 WMATA Capital Program
Funding Sources
(\$ in Millions)

	<u>Total</u>	<u>Maryland</u>
Federal		
Federal Formula Programs	\$460	
Federal Passenger Rail Investment and Improvement Act	144	
Other Federal Grants	12	
<i>Subtotal – Federal</i>	<i>\$615</i>	
State and Local		
Federal Formula Programs Match and System Performance	\$294	\$100
Federal Passenger Rail Investment and Improvement Act Match	149	50
Dedicated Funding	500	167
<i>Subtotal – State and Local</i>	<i>\$943</i>	<i>\$316</i>
Other Sources		
Jurisdictional Reimbursable Projects	\$33	\$1
Debt	949	
Debt Service Payments Included in Capital Grant	0	31
<i>Subtotal – Other Sources</i>	<i>\$831</i>	<i>\$31</i>
Total	\$2,389	\$347

WMATA: Washington Metropolitan Area Transit Authority

Note: Numbers may not sum to total due to rounding.

Source: Washington Metropolitan Area Transit Authority, Fiscal 2024 Proposed Budget; Department of Legislative Services

WMATA Allowance versus Proposed Budget

Because the Maryland and WMATA budget preparation timelines do not precisely coincide, the appropriations included for the WMATA operating and capital grants in the Governor’s allowance generally vary slightly from the amounts identified in the WMATA proposed budget as needed from Maryland. **Exhibit 12** shows the variance between the Maryland allowance and the proposed WMATA fiscal 2024 budget for both the operating and capital grants.

Exhibit 12
Variance Between Maryland and WMATA Contribution Projections
Fiscal 2024
(\$ in Millions)

	<u>WMATA Proposed Budget</u>	<u>Maryland Budget</u>	<u>Variance</u>
Operating Grant	\$474	\$466 ¹	-\$8
Capital Grant	347	350	3
Total	\$821	\$816	-\$5

WMATA: Washington Metropolitan Area Transit Authority

¹ Does not include \$1,234,000 included in the Maryland budget to support operations of the Washington Metrorail Safety Commission.

Source: Washington Metropolitan Area Transit Authority, Fiscal 2024 Proposed Budget; Department of Legislative Services

The amount in the Maryland budget for WMATA’s operating grant includes funding based on the capped subsidy contribution, which is allowed to increase by up to 3% each year, but does not include funding for legislative exclusions that are delineated in statute and comprise:

- the cost of any service, equipment, or facility that is required by law;
- a capital project approved by the Board of Directors of WMATA; and
- any payments or obligations arising from or related to legal disputes or proceedings between or among WMATA and any other person.

WMATA’s proposed fiscal 2024 budget includes legislative exclusions totaling \$24.3 million for Potomac Yard (\$0.2 million), for Metrobus service improvements (\$5.1 million), and for Metrorail service improvements (\$18.9 million). Maryland’s share of these exclusions is \$8.0 million. MDOT advises that the review of legislative exclusions is part of the WMATA board’s deliberations on the budget, which conclude after the Maryland legislative session has

ended. When a final operating budget is approved by the WMATA board, MDOT will make any necessary adjustments to the operating grant.

Washington Metrorail Safety Commission Proposed Budget

Although not part of WMATA’s budget, Maryland’s contribution to support operations of the Washington Metrorail Safety Commission (WMSC), which is the federally required State Safety Oversight agency for Metrorail, is included in the WMATA operating grant program in the Maryland budget. The cost of WMSC’s operations, less any federal grants received, is shared equally among the District of Columbia, Maryland, and Virginia. The jurisdictional contributions comprise three components: matching funds for federal grants; overmatch funding equal to the estimated operating requirement less federal grants; and reserve funding sufficient to maintain a six-month operating reserve account. **Exhibit 13** details WMSC’s fiscal 2023 approved budget and fiscal 2024 proposed budget. The WMSC board must approve the budget for the coming year by June 1 of each year.

Exhibit 13
Washington Metrorail Safety Commission Budget and Funding
Fiscal 2023-2024

	<u>2023 Approved</u>	<u>2024 Proposed</u>	<u>Notes</u>
Administrative			
Staff Compensation and Benefits	\$4,130,000	\$4,610,000	(a)
Commission Meetings	50,000	35,000	(b)
Office Equipment and Supplies	50,000	32,000	
Office Space Lease	218,000	207,000	
Business Insurance	150,000	160,000	
Other Employee Benefits	15,000	15,000	(c)
Subtotal	\$4,613,000	\$5,059,000	
Contractors			
Legal Services	\$425,000	\$425,000	
Organizational Services	175,000	280,000	(d)
IT Support Services	200,000	165,000	
SSOA Staffing Support	450,000	600,000	(e)
Subtotal	\$1,250,000	\$1,470,000	
Travel and Training			
Training	\$25,000	\$25,000	
Local Staff Travel	12,000	12,000	
Subtotal	\$37,000	\$37,000	

J00A0104 – MDOT – Washington Metropolitan Area Transit Authority

	<u>2023 Approved</u>	<u>2024 Proposed</u>	<u>Notes</u>
Equipment and Maintenance			
IT Software and Maintenance	\$50,000	\$120,000	
Publications and Memberships	10,000	10,000	
Personal Protective Equipment	10,000	10,000	
Tools and Instruments	5,000	5,000	
Subtotal	\$75,000	\$145,000	
Total	\$5,975,000	\$6,711,000	
Budget Revenue Sources			
	<u>2023</u>	<u>2024</u>	
Federal Grant Funding	\$2,382,600	\$2,219,954	
Jurisdiction Match	\$526,120	\$891,368	
Jurisdiction Overmatch	3,472,144	3,355,018	
Jurisdiction Reserve	-405,864	244,660	
Total Jurisdiction Funding	\$3,592,400	\$4,491,046	
<i>Each Jurisdiction (1/3 Total Amount)</i>	<i>\$1,197,466</i>	<i>\$1,497,015</i>	

IT: information technology

SSOA: State Safety Oversight Agency

- (a) Washington Metrorail Safety Commission is budgeting to gradually increase full-time employees from 20 (current) to 24 in fiscal 2024.
- (b) Statutorily required stipends and reasonable travel expenses, meeting space costs, catering, meeting materials, and security.
- (c) SmartBenefits tuition reimbursement.
- (d) Contract support for human resources, accounting, procurement, graphics, annual financial audit, and employee benefits management services.
- (e) Cost reflects contractor support to provide expert technical services for safety audits and high-profile investigations and as needed at other times.

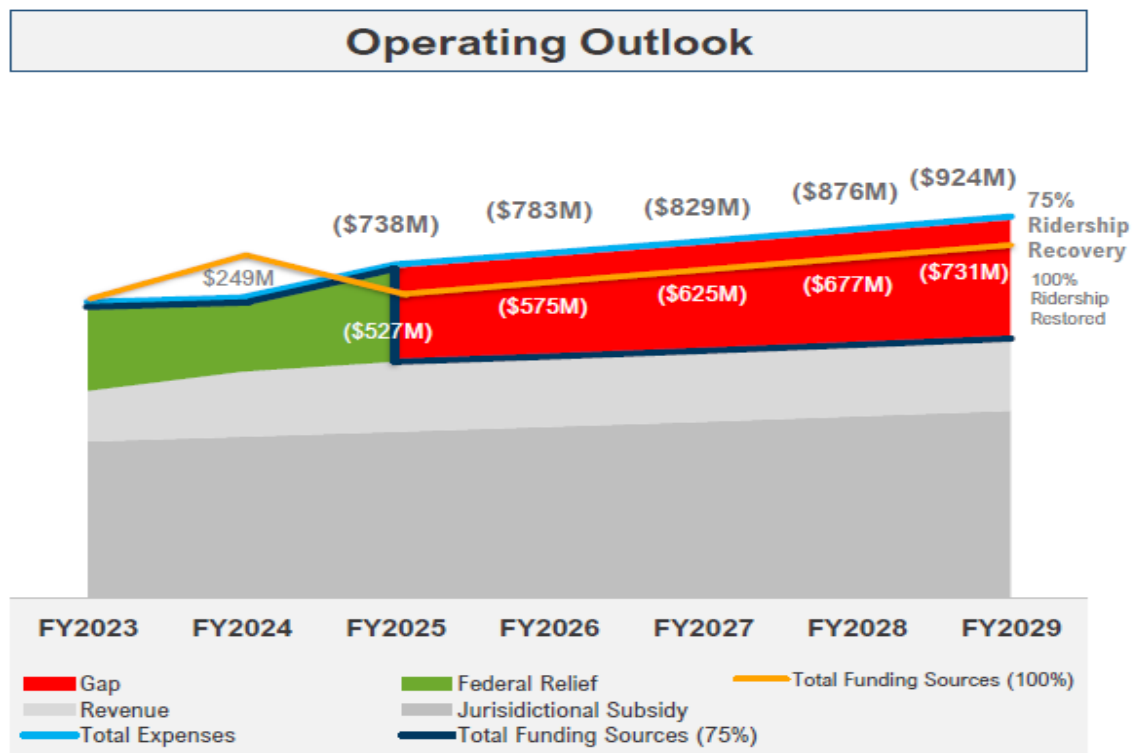
Source: Washington Metrorail Safety Commission; Maryland Department of Transportation

Issues

1. Fiscal Cliff for Transit Agencies Approaching as Federal COVID-19 Relief Funds Run Out

As with transit systems across the nation, the COVID-19 pandemic caused WMATA’s ridership to plummet. Despite continuing improvements in ridership since fiscal 2021, numbers remain significantly lower than prepandemic levels. The resulting revenue loss has been partially offset by federal relief funding, but with the fiscal 2024 budget, WMATA will have exhausted its allocation of relief funding. Changes in commute patterns, including increased telework, may last for many years, which raises the question of how WMATA will adapt to these new trends. As shown in **Exhibit 14**, WMATA is projecting a structural operating deficit in fiscal 2025 of \$738 million, which increases in each subsequent year of the forecast and reaches \$924 million by fiscal 2029.

Exhibit 14
WMATA Long-term Budget Outlook
 Fiscal 2023-2029
 (\$ in Millions)



Source: Washington Metropolitan Area Transit Authority, Finance and Capital Committee Information Item III-A, December 8, 2022.

WMATA and the Secretary of MDOT should comment on how the projected structural operating deficits will be addressed and whether changes to service levels to align with changed commuting patterns might be required.

2. Process of Returning 7000-Series Railcars to Service Continues

Following the derailment of a Blue Line train consisting of eight 7000-series railcars in October 2021, subsequent inspections of the 7000-series fleet identified several railcars with defects in their wheelsets where wheels had moved outward on the axle, a condition with the potential of causing further derailments. In response, WMSC ordered WMATA to remove the 7000-series railcars from service. With the 7000-series comprising approximately 60% of WMATA's overall rail fleet, their removal from service had a significant impact on the level of train service WMATA has been able to provide.

In October 2022, WMATA and WMSC reached an agreement allowing unlimited use of newer 7000-series railcars that had been delivered over the previous five years, or about 45% of the 748-car fleet. WMATA was limited to using up to 80 of the older 7000-series cars a day with inspections required to be conducted every four days. In January 2023, WMATA received permission to increase the time between inspections to seven days as long as no issues had surfaced after four screenings. As a result, WMATA has announced that train frequency will increase beginning February 7, 2023, with additional increases in frequency planned for February 21, 2023. The service improvements in the fiscal 2024 budget assume full availability of the 7000-series fleet.

WMATA should provide an update on the efforts to fully return the 7000-series railcar fleet to service and remaining challenges needing to be addressed to ensure the continued ability to use 7000-series railcars.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

The 2022 *Joint Chairmen’s Report* (JCR) requested that WMATA prepare one report. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- **8000 Series Passenger Railcars Procurement – Local Economic Benefits:** The JCR requested WMATA to report on the economic benefits that will accrue to Montgomery and Prince George’s counties as a direct result of the procurement of its 8000 series railcars. WMATA reported that the procurement had been awarded to Hitachi Rail, with a total contract value with options of \$2.2 billion. In March 2022, Hitachi Rail announced that it would build a manufacturing facility of approximately 300,000 square feet in Washington County. WMATA indicated that because the contract was in its earliest stages, with remaining activity in excess of 99% of the total contract value, no activity specific to Montgomery or Prince George’s counties had yet been identified.

Appendix 2
Budget Amendments for Fiscal 2023
Maryland Department of Transportation
Washington Metropolitan Area Transit Authority

Capital

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	-\$88,175,000	Special	Adjusts the appropriation to agree with anticipated expenditures for the current year as reflected in the Maryland Department of Transportation’s final fiscal 2023 to 2028 CTP

**Appendix 3
Fiscal Summary**

Maryland Department of Transportation – Washington Metropolitan Area Transit Authority

<u>Program/Unit</u>	<u>FY 22 Actual</u>	<u>FY 23 Wrk Approp</u>	<u>FY 24 Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24 % Change</u>
04 Washington Metropolitan Area Transit – Operating	\$ 399,491,298	\$ 437,600,000	\$ 466,934,000	\$ 29,334,000	6.7%
05 Washington Metropolitan Area Transit – Capital	339,161,997	258,725,000	350,157,000	91,432,000	35.3%
Total Expenditures	\$ 738,653,295	\$ 696,325,000	\$ 817,091,000	\$ 120,766,000	17.3%
Special Fund	\$ 738,653,295	\$ 696,325,000	\$ 817,091,000	\$ 120,766,000	17.3%
Total Appropriations	\$ 738,653,295	\$ 696,325,000	\$ 817,091,000	\$ 120,766,000	17.3%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.