

**J00A0104**  
**Washington Metropolitan Area Transit Authority**  
**Maryland Department of Transportation**

***Executive Summary***

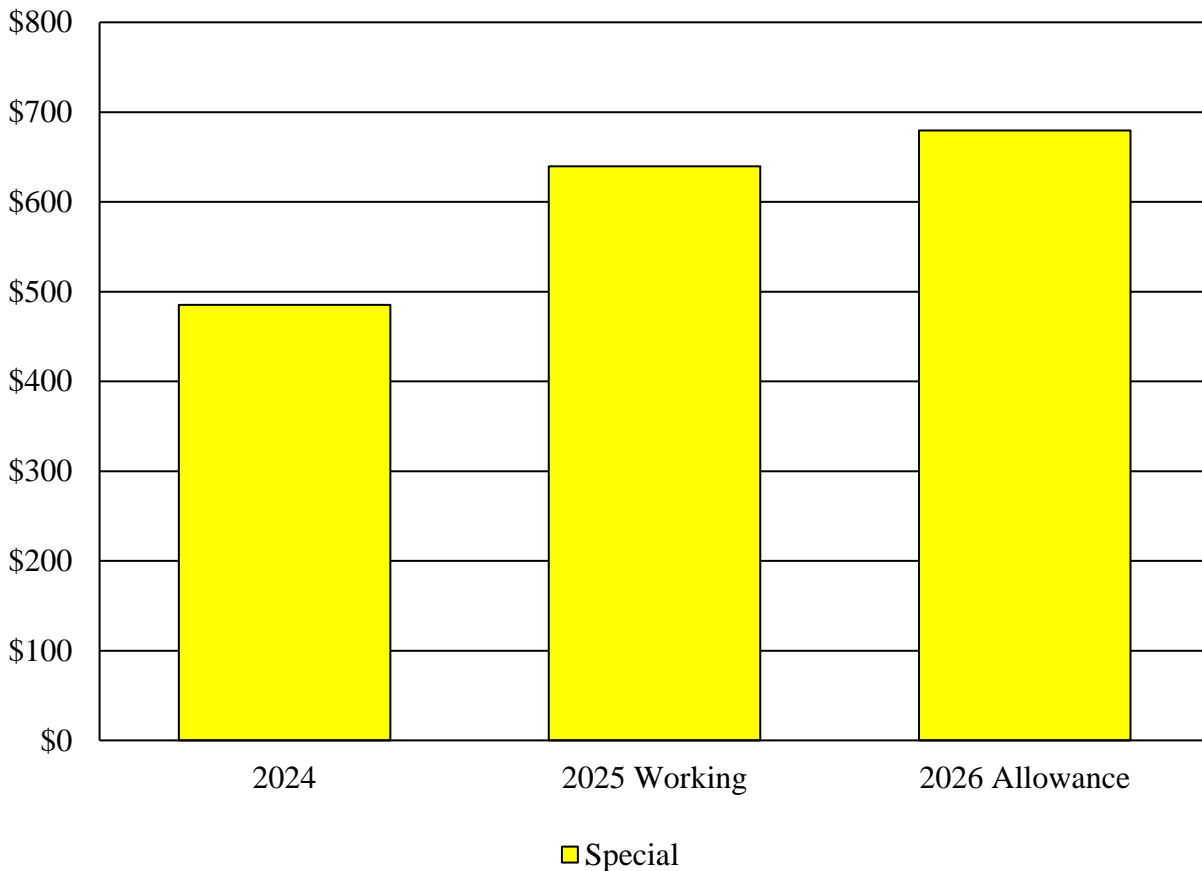
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The Washington Metropolitan Area Transit Authority (WMATA) provides bus, rail, and paratransit services for the Washington, DC Metropolitan Area. This analysis discusses WMATA’s operating and capital budgets and the Maryland contribution toward each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

***Operating Budget Summary***

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**Fiscal 2026 Budget Increases \$40.0 Million, or 6.3%, to \$679.5 Million**  
**(\$ in Millions)**



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

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For further information contact: Steven D. McCulloch

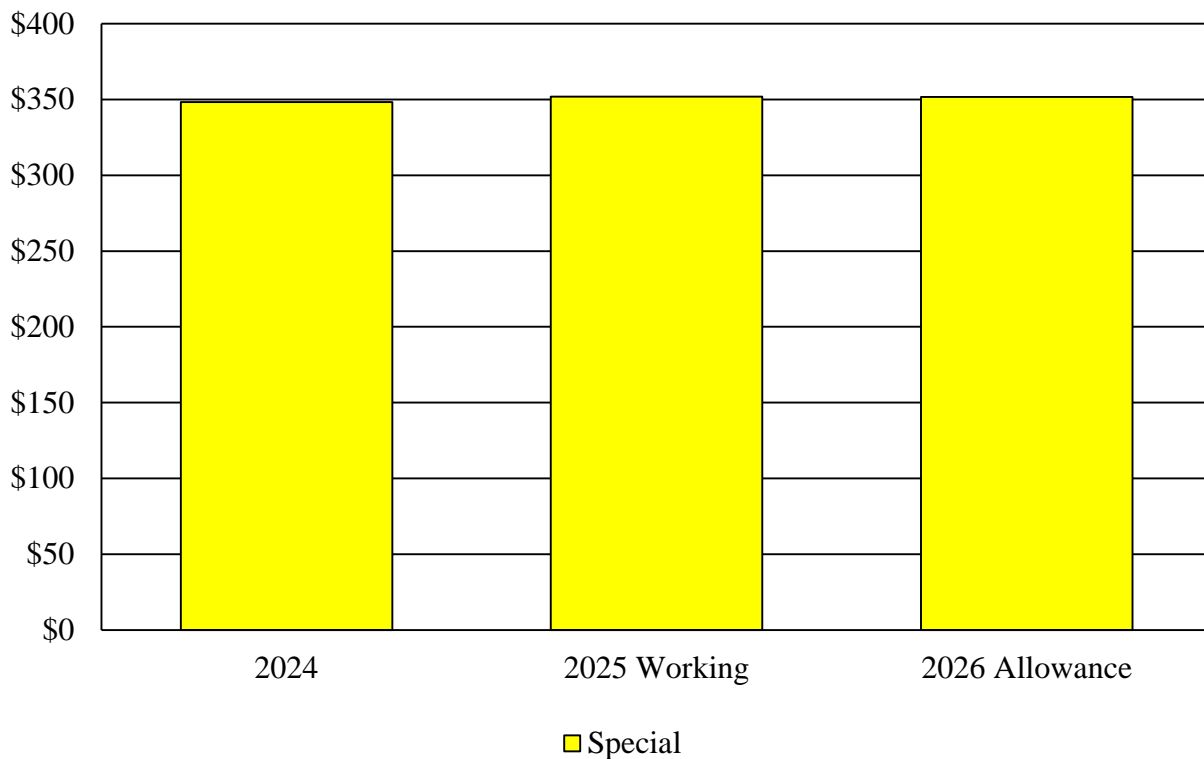
steve.mcculloch@mlis.state.md.us

- The operating grant for WMATA includes additional funding to partially address the fiscal cliff resulting from the end of federal COVID-19 assistance combined with lower ridership. The fiscal 2026 grant is \$21 million higher than was projected in the 2024 Transportation Trust Fund (TTF) financial forecast for fiscal 2026. However, the 2025 forecast includes \$218 million less for the WMATA operating grant over the five years the two forecasts overlap (fiscal 2025 through 2029).

## ***PAYGO Capital Budget Summary***

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**Fiscal 2026 Budget Decreases \$0.1 Million, or 0.03%, to \$351.7 Million  
(\$ in Millions)**



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

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**Operating Budget Recommended Actions**

1. Concur with Governor’s allowance.

**PAYGO Budget Recommended Actions**

1. Concur with Governor’s allowance.

**Washington Metropolitan Area Transit Authority  
Maryland Department of Transportation**

***Budget Analysis***

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**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 five stations. The second phase, consisting of 11.5 miles and six stations, opened in November 2022. With the opening of an in-fill station on the Blue and Yellow Lines, named Potomac Yard, the Metrorail system comprises 128 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 wellbeing of the community.

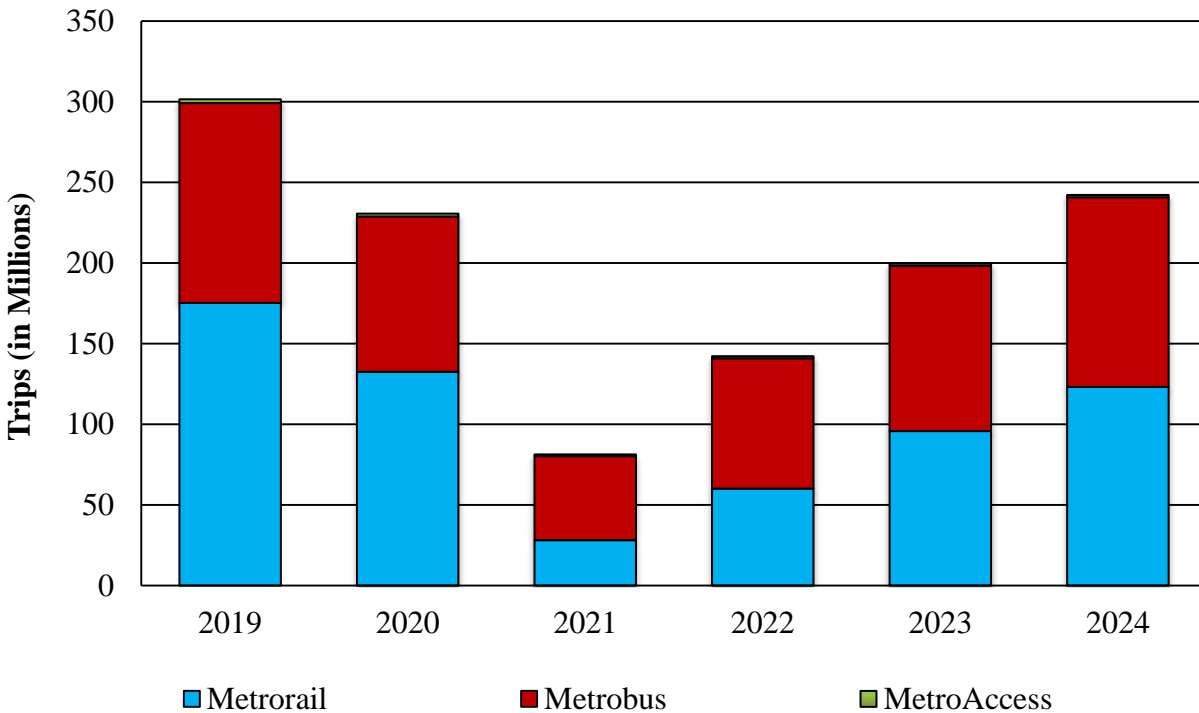
***Performance Analysis: Managing for Results***

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**1. Ridership**

**Exhibit 1** shows ridership for the WMATA system from fiscal 2019 to 2024. Ridership increased by over 21% in fiscal 2024, an increase of more than 42 million trips over the prior year. The return-to-office directive for federal employees issued by the new administration may further accelerate ridership increases, however, efforts to reduce the size of the federal workforce may mitigate the impact.

**Exhibit 1  
Annual Ridership  
Fiscal 2019-2024**



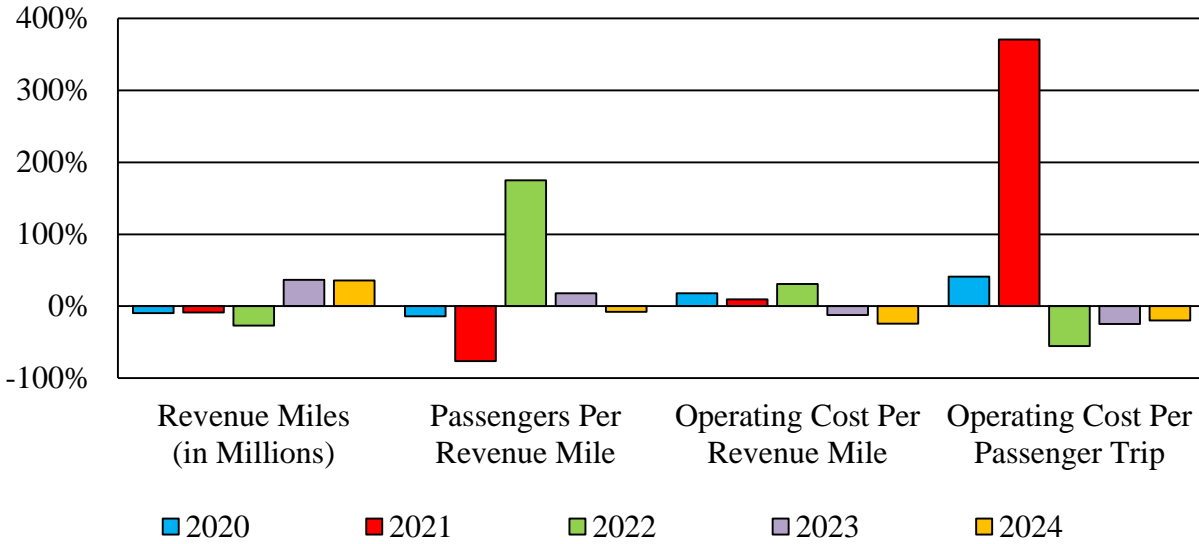
Source: Fiscal 2026 Managing for Results; Department of Legislative Services

## 2. System Performance

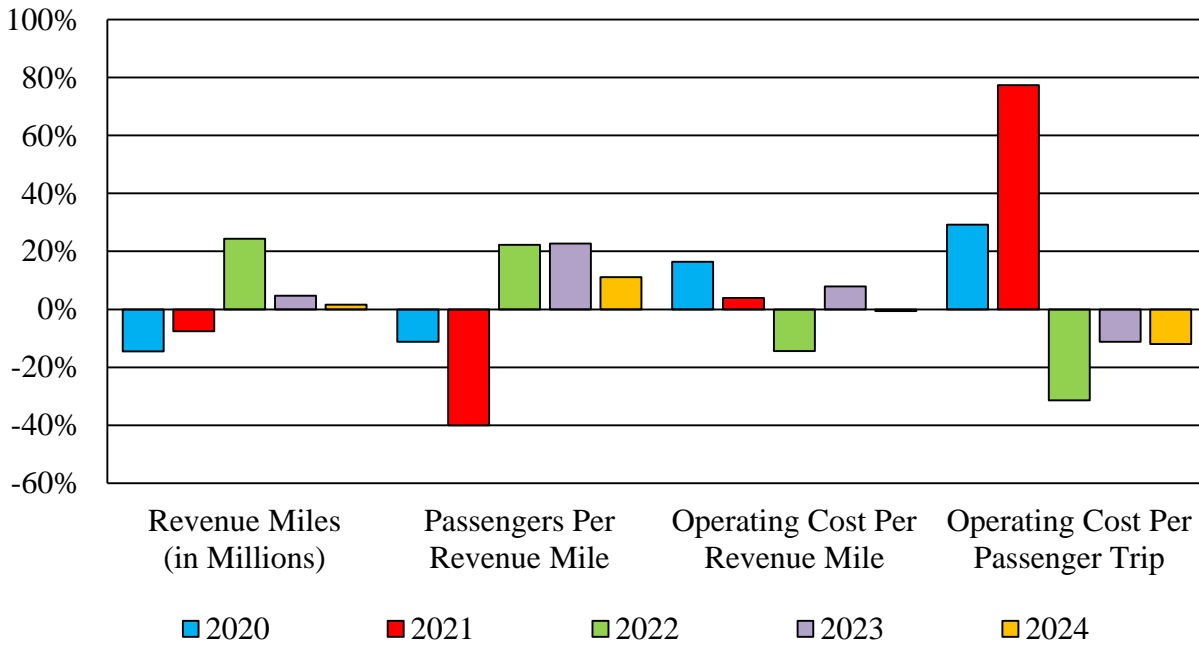
One method of measuring the performance of transit systems is to look at the relationship between the service provided and used, as measured by revenue miles and passenger trips, relative to expenditures. **Exhibit 2** shows the percentage change from the prior year for revenue miles, passengers per revenue mile, operating cost per revenue mile, and operating cost per passenger trip for both Metrorail and Metrobus service for fiscal 2020 through 2024. Fiscal 2024 showed increases in both revenue miles and in passengers per revenue mile for both Metrorail and Metrobus and decreases in both operating cost per revenue mile and per passenger trip.

**Exhibit 2**  
**Metrorail and Metrobus Performance Measures**  
**Fiscal 2020-2024**

**Metrorail**



**Metrobus**

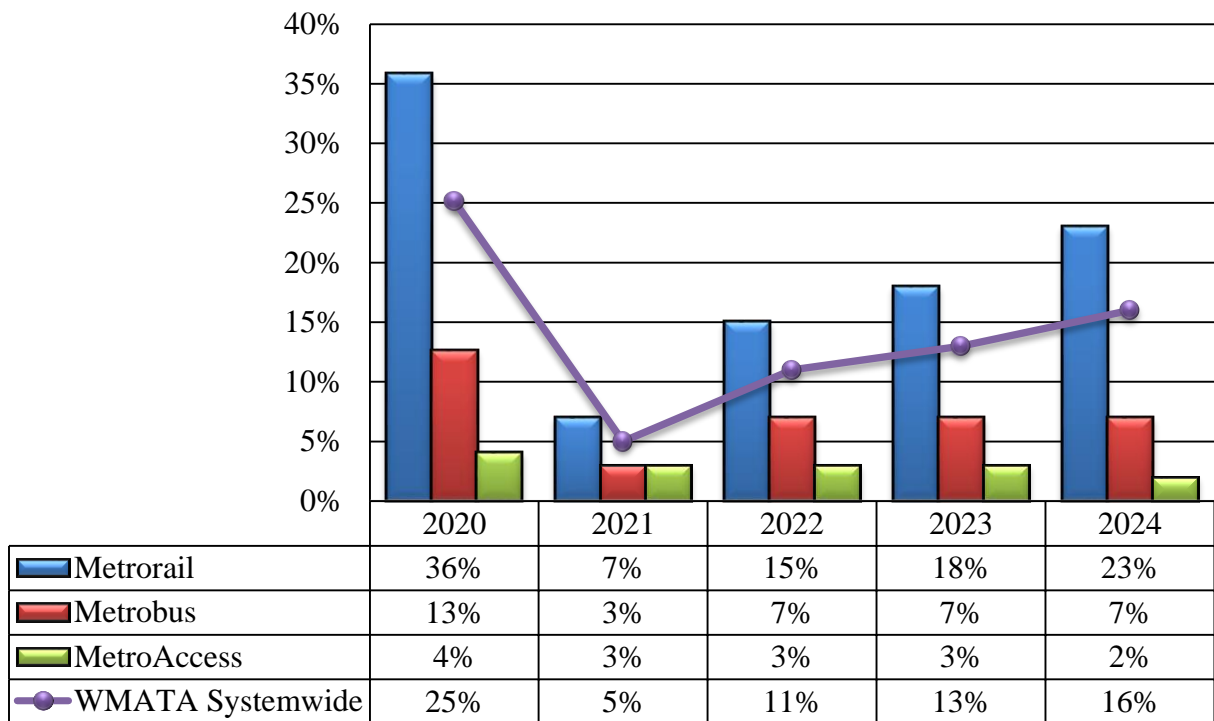


Source: Fiscal 2026 Managing for Results; Department of Legislative Services

### 3. Farebox Recoveries

The farebox recovery ratio measures the percentage of operating expenses that is covered by fares collected. **Exhibit 3** shows WMATA’s farebox recovery ratios from fiscal 2020 to 2024 by service and systemwide. The impact of the pandemic is clearly evident in the decrease in fiscal 2021. Fiscal 2024 showed improvement in both Metrorail and WMATA systemwide performance.

**Exhibit 3**  
**Farebox Recovery Rates**  
**Fiscal 2020-2024**



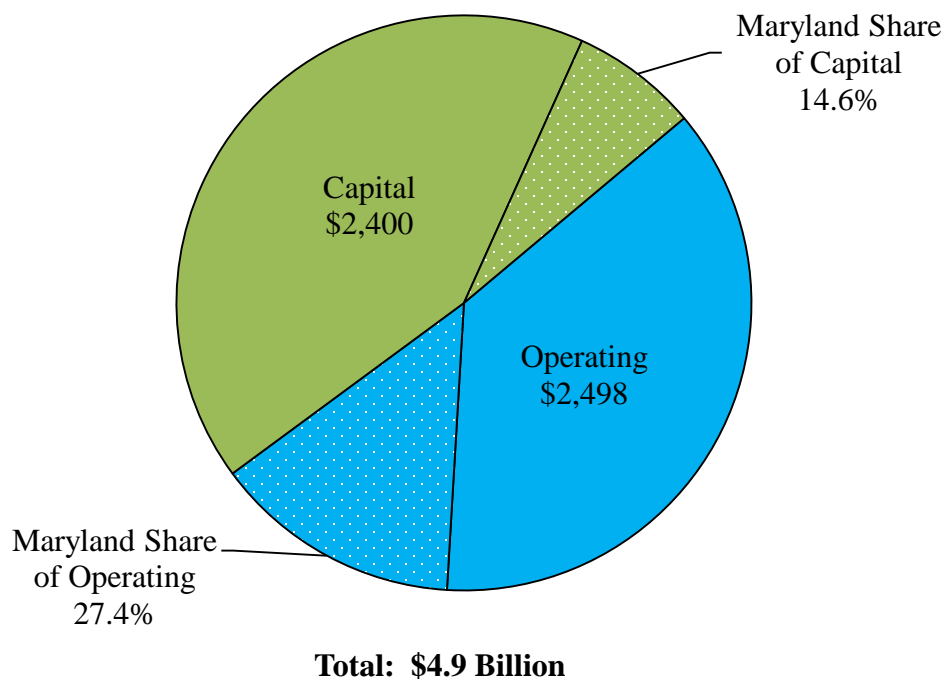
WMATA: Washington Metropolitan Area Transit Authority

Source: Fiscal 2025 Managing for Results; Department of Legislative Services

## Fiscal 2026 Overview of Agency Spending

Combined operating and capital budgets for WMATA in fiscal 2026 total \$4.9 billion. As shown in **Exhibit 4**, the Maryland share of WMATA’s operating and capital budgets is 27.4% and 14.6%, respectively.

**Exhibit 4**  
**Overview of Agency Spending**  
**Fiscal 2026 Allowance**  
**(\$ in Millions)**



Source: Washington Metropolitan Area Transit Authority, Fiscal 2026 Proposed Budget; Department of Legislative Services

## Proposed Budget Change

The proposed 2026 budget assumes:

- implementation of Year One of the Better Bus Network to include:



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- 11 more routes in the Frequent Service Network;
  - new connections to transit stations, jobs, and other key destinations;
  - increased midday, evening, and weekend service; and
  - operation of the Yellow Line in two patterns at all times, with half of the trains terminating at Greenbelt and half terminating at Mt. Vernon Square;
- expanded Metrorail system hours of operation by opening at 6 a.m. on weekend mornings and closing an hour later at 2 a.m. on Friday and Saturday to better align with regional travel demand;
  - provision of additional Silver and Red Line trains along certain segments during busiest peak timing to offer “Super Peak” frequency; and
  - shifting half of Silver Line trains to terminate at New Carrollton rather than Downtown Largo to balance service between Downtown Largo and New Carrollton.

The fiscal 2026 proposed budget also uses \$129 million in capital funding to pay for preventive maintenance operating costs that are eligible for reimbursement from the capital budget. This is \$69 million higher than the historic average of \$60 million. Covering operating preventive maintenance expenses through the capital budget reduces the amount available for capital projects by an equal amount, and the goal is to minimize this practice as much as possible.

## Expenditures

As shown in **Exhibit 5**, WMATA’s proposed fiscal 2026 operating budget totals \$2.5 billion, an increase of \$163 million (7%) over the current year. Personnel expenses, which make up nearly 70% of the fiscal 2026 total, increase \$134.5 million (8.3%). Nonpersonnel grows by \$28.5 million (3.9%).

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**Exhibit 5**  
**Operating Expenses by Category**  
**Fiscal 2025-2026**  
**(\$ in Millions)**

	<u>2025</u>	<u>Proposed 2026</u>	<u>Change</u>	<u>% Change</u>
Personnel	\$1,612.0	\$1,746.5	\$134.5	8.3%
Services	374.3	419.7	45.4	12.1%
Materials and Supplies	123.9	95.6	-28.4	-22.9%
Fuel (Gas/Diesel/Compressed Natural Gas)	41.7	44.1	2.4	5.6%
Utilities and Propulsion	113.2	119.3	6.1	5.4%
Casualty and Liability	45.2	51.2	6.0	13.3%
Leases and Rentals	11.9	9.0	-2.9	-24.6%
Miscellaneous	12.9	12.9	-0.1	-0.6%
<b>Total</b>	<b>\$2,335.2</b>	<b>\$2,498.2</b>	<b>\$163.0</b>	<b>7.0%</b>

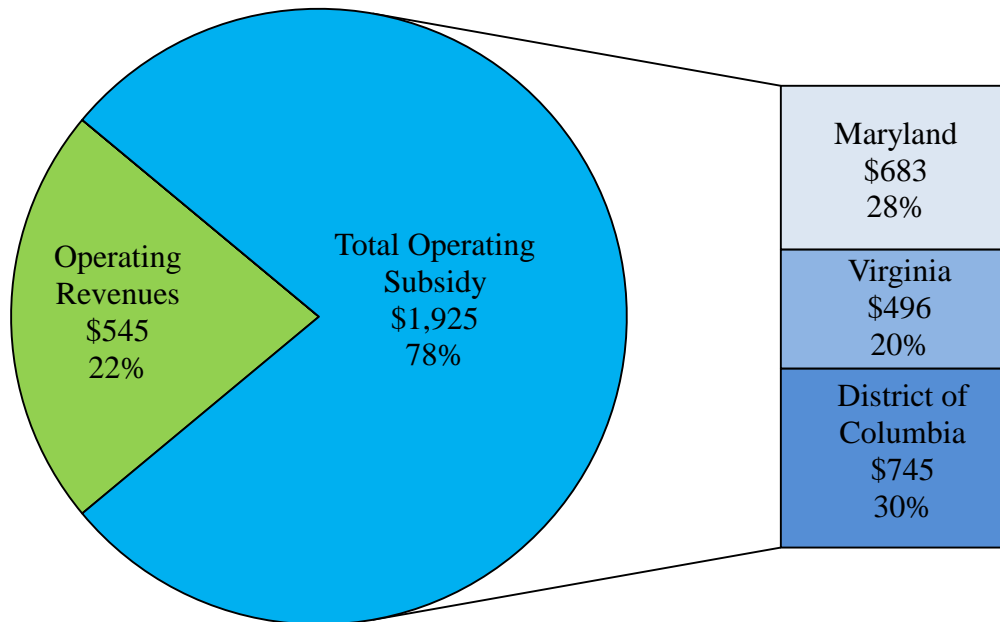
Source: Washington Metropolitan Area Transit Authority, Fiscal 2026 Proposed Budget; Department of Legislative Services

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## 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. From fiscal 2020 through 2025, federal COVID-19 stimulus aid was also used to support operations. The fiscal 2025 budget includes the remaining \$95 million from this federal aid. **Exhibit 6** shows that operating revenues support only 22% of operating expenses, with the local subsidy providing the majority of the funding. The proposed fiscal 2026 WMATA budget assumes an operating grant from Maryland of \$683 million.

**Exhibit 6**  
**Proposed Fiscal 2026 Revenues**  
**(\$ in Millions)**



**Total: \$2.47 Billion**

Source: Washington Metropolitan Area Transit Authority, Fiscal 2026 Proposed Budget; Department of Legislative Services

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## **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.

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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. Chapters 351 and 352 also contain provisions relating to reports and data that WMATA is required to annually submit which, when certified by MDOT, make the base capital grant a mandated appropriation that must be 3% higher than the previous year's grant. These requirements were met for fiscal 2026.

***Fiscal 2025 to 2030 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 7** shows the amounts programmed in the CTP for fiscal 2025 to 2030 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 7**  
**Capital Grant Components**  
**Fiscal 2025-2030**  
**(\$ in Millions)**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>Six-year Total</u>
WMATA Capital Investment Program	\$264.6	\$274.4	\$294.3	\$303.0	\$296.2	\$304.9	\$1,737.4
Project Development	1.0	1.0	1.0	1.0	1.0	1.0	6.0
Matching Funding for Federal PRIIA	50.0	50.0	50.0	50.0	50.0	50.0	300.0
WMATA Debt Service	31.2	31.3	31.3	31.3	31.3	31.3	187.6
Governor's Capital Dedicated Funding	167.0	167.0	167.0	167.0	167.0	167.0	1,002.0
<b>Total</b>	<b>\$513.9</b>	<b>\$523.6</b>	<b>\$543.5</b>	<b>\$552.3</b>	<b>\$545.5</b>	<b>\$554.2</b>	<b>\$3,233.1</b>
Special Funds	\$184.8	\$184.7	\$194.2	\$199.1	\$204.2	\$209.4	\$1,176.4
Other State Funds	167.0	167.0	167.0	167.0	167.0	167.0	1,002.0
<b>Subtotal – Appropriated</b>	<b>\$351.8</b>	<b>\$351.7</b>	<b>\$361.2</b>	<b>\$366.1</b>	<b>\$371.2</b>	<b>\$376.4</b>	<b>\$2,178.4</b>
Federal Funds – WMATA*	\$162.0	\$171.9	\$182.3	\$186.2	\$174.4	\$177.9	\$1,054.7
<b>Total</b>	<b>\$513.8</b>	<b>\$523.6</b>	<b>\$543.5</b>	<b>\$552.3</b>	<b>\$545.6</b>	<b>\$554.2</b>	<b>\$3,233.1</b>
Mandated Base Capital	\$153.6	\$153.5	\$163.0	\$167.8	\$172.8	\$178.0	\$988.7
Base Capital – Percent Change		-0.1%	6.2%	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 are not included in the Maryland Department of Transportation budget.

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

Source: Maryland Department of Transportation, 2025 *Consolidated Transportation Program*; Department of Legislative Services

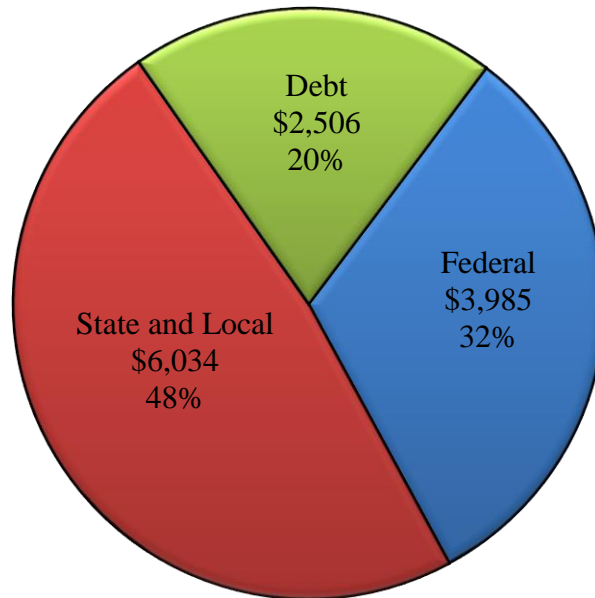
Total six-year State funding for the WMATA capital grant is \$3.2 billion. Over the six-year period, special funds from the TTF comprise 54.0% of State funding for the WMATA capital grant, general funds account for an additional 30.7%, and general obligation bond proceeds comprise the remaining 15.3%. The base capital grant, comprising the first three items in Exhibit 7 (less the federal funds WMATA receives), became a mandated appropriation beginning in fiscal 2023 and increases by an average annual 3% per year.

### WMATA’s Six-year Capital Improvement Program

WMATA’s fiscal 2026 to 2031 Capital Improvement Program (CIP) totals \$12.5 billion. **Exhibit 8** shows the revenue sources supporting the capital program that are assumed in the CIP. Contributions from the funding jurisdictions and debt provide approximately 48% and 20% of the six-year funding, respectively. Federal funds comprise the remaining 32% of the six-year total.

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**Exhibit 8**  
**Six-year Capital Program Funding Sources**  
**Fiscal 2026-2031**  
**(\$ in Millions)**



**Total: \$12.5 Billion**

Source: Washington Metropolitan Area Transit Authority, Fiscal 2026 Proposed Budget; Department of Legislative Services

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## Fiscal 2026 Capital Program

WMATA’s proposed fiscal 2026 capital program totals \$2.4 billion when revenue losses from construction activity (such as station shutdowns) are included. **Exhibit 9** shows the planned spending by category.

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### Exhibit 9 Fiscal 2026 Capital Spending by Category (\$ in Millions)

<u>Category</u>	<u>Amount</u>
Railcar and Railcar Facilities	\$434.2
Rail Systems	343.8
Track and Structures Rehabilitation	274.7
Stations and Passenger Facilities	314.5
Bus, Bus Facilities and Paratransit	483.3
Business and Operations Support	286.1
<b>Subtotal</b>	<b>\$2,136.6</b>
Revenue loss from capital projects	\$10.0
Debt service – Dedicated Funding	253.3
<b>Total</b>	<b>\$2,399.8</b>

Source: Washington Metropolitan Area Transit Authority, Fiscal 2026 Proposed Budget; Department of Legislative Services

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**Exhibit 10** shows the total funding by sources for WMATA’s fiscal 2026 capital program along with the amount that Maryland is expected to contribute based on the proposed budget.

**Exhibit 10**  
**Fiscal 2026 WMATA Capital Program Funding Sources**  
(\$ in Millions)

	<u><b>Total</b></u>	<u><b>Maryland</b></u>
<b>Federal</b>		
Federal Formula Programs	\$470	
Federal Passenger Rail Investment and Improvement Act	144	
Other Federal Grants	12	
<b><i>Subtotal – Federal</i></b>	<b><i>\$625</i></b>	
<b>State and Local</b>		
Federal Formula Programs Match and System Performance	\$312	\$103
Federal Passenger Rail Investment and Improvement Act Match	149	50
Dedicated Funding	500	167
<b><i>Subtotal – State and Local</i></b>	<b><i>\$961</i></b>	<b><i>\$319</i></b>
<b>Other Sources</b>		
Jurisdictional Reimbursable Projects	\$42	\$1
Metropolitan Washington Airports Authority	0	
Debt	772	
Debt Service Payments Included in Capital Grant	0	31
<b><i>Subtotal – Other Sources</i></b>	<b><i>\$814</i></b>	<b><i>\$32</i></b>
<b>Total</b>	<b>\$2,400</b>	<b>\$351</b>

WMATA: Washington Metropolitan Area Transit Authority

Source: Washington Metropolitan Area Transit Authority, Fiscal 2026 Proposed Budget; Department of Legislative Services

**Maryland Fiscal 2026 Allowance versus WMATA 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 WMATA’s proposed budget as needed from Maryland. **Exhibit 11** shows the variance between the Maryland allowance and the proposed WMATA fiscal 2026 budget for both the operating and capital grants.



**Exhibit 11**  
**Variance between Maryland and WMATA Contribution Projections**  
**Fiscal 2026**  
**(\$ in Millions)**

	<u>WMATA Proposed Budget</u>	<u>Maryland Budget</u>	<u>Variance</u>
Operating Grant	\$683	\$678	-\$5
Capital Grant	351	352	0
<b>Total</b>	<b>\$1,035</b>	<b>\$1,030</b>	<b>-\$5</b>

WMATA: Washington Metropolitan Area Transit Authority

Note: The Maryland budget operating grant amount shown above does not include \$1,485,927 to support operations of the Washington Metrorail Safety Commission that is part of the appropriation shown in the Maryland budget bill as introduced. Numbers may not sum to total due to rounding.

Source: Washington Metropolitan Area Transit Authority, Fiscal 2026 Proposed Budget; Maryland Fiscal 2026 Budget as Introduced; Department of Legislative Services

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If the proposed budget is approved by the WMATA Board without changes, MDOT will process a budget amendment to add the \$5 million needed to meet the Maryland share of the WMATA budget as approved. If changes are made to the budget as proposed that reduce the Maryland share below the amount included in the Maryland budget as approved by the General Assembly, the excess appropriation will cancel at the end of the fiscal year.

## ***Issues***

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### **1. DMVMoves Task Force Formed to Develop Regional Vision and Funding Model for Public Transit**

WMATA and the Metropolitan Washington Council of Governments began a joint initiative in June 2024 named *DMVMoves* with the goal of creating a unified vision and sustainable funding model for the region’s transit network. The *DMVMoves* Task Force comprises of 23 elected and appointed officials from the District of Columbia, Maryland, Virginia, and the federal government. The task force is working toward developing policy recommendations and a final plan by May 2025.

**WMATA should brief the committees on the work of the task force to date and what it hopes to see as recommendations in the final report.**

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

## ***PAYGO Budget Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1**  
**2024 Joint Chairmen’s Report Responses from Agency**

The 2024 *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.

- ***Efforts to Reduce Fare Evasion:*** The 2024 JCR requested that WMATA submit a report on its recent and future efforts to decrease fare box evasion. In its response, WMATA discussed the retrofit of nearly 1,200 faregate barrier doors at all 98 Metrorail stations and noted that fare evasion is down 82% systemwide. For Metrobus, WMATA indicated that installations of approximately 1,500 new fareboxes and electronic payment validators were completed July 2024. WMATA indicates that Metro’s transit police department is now including Metrobus in fare compliance checks and is issuing citations as appropriate.

**Appendix 2**  
**Budget Amendments for Fiscal 2025**  
**Maryland Department of Transportation**  
**Washington Metropolitan Area Transit Authority**

**Operating**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$150,000,000	Special	Transfer from the Dedicated Purpose Account to sustain operations for the Washington Metropolitan Area Transit Authority (WMATA).
Pending	2,294,100	Special	Increase special fund appropriations to sustain operations across all Maryland Department of Transportation (MDOT) modes and the WMATA.

**Capital**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Pending	-\$1,433,803	Special	Adjusts the appropriation to agree with anticipated expenditures for the current year as reflected in MDOT's final fiscal 2025 to 2030 <i>Consolidated Transportation Program</i> .

**Appendix 3  
Fiscal Summary**

**Maryland Department of Transportation – Washington Metropolitan Area Transit Authority**

<u>Program/Unit</u>	<u>FY 24 Actual</u>	<u>FY 25 Wrk Approp</u>	<u>FY 26 Allowance</u>	<u>Change</u>	<u>FY 25 - FY 26 % Change</u>
04 Washington Metropolitan Area Transit-Operating	\$ 485,191,094	\$ 639,488,198	\$ 679,488,198	\$ 40,000,000	6.3%
05 Washington Metropolitan Area Transit – Capital	348,209,052	351,800,000	351,700,000	-100,000	0%
<b>Total Expenditures</b>	<b>\$ 833,400,146</b>	<b>\$ 991,288,198</b>	<b>\$ 1,031,188,198</b>	<b>\$ 39,900,000</b>	<b>4.0%</b>
Special Fund	\$ 833,400,146	\$ 991,288,198	\$ 1,031,188,198	\$ 39,900,000	4.0%
<b>Total Appropriations</b>	<b>\$ 833,400,146</b>	<b>\$ 991,288,198</b>	<b>\$ 1,031,188,198</b>	<b>\$ 39,900,000</b>	<b>4.0%</b>

Note: The fiscal 2025 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2026 allowance does not include contingent reductions or cost-of-living adjustments.