



Larry Hogan  
Governor

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Secretary

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**J00A0104 MDOT – Washington Metropolitan Area Transit Authority  
FY 2023 Operating Budget  
Response to the Department of Legislative Services Budget Analysis**

Senate Budget and Taxation Committee  
Public Safety, Transportation, and Environment Subcommittee  
Chairman Cory McCray  
February 14, 2022

House Appropriations Committee  
Transportation and the Environment Subcommittee  
Chairman Marc Korman  
February 9, 2022

## *DLS Budget Analysis Issues*

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### **1. Return to Service of 7000-Series Railcars Pause as WMATA Seeks Root Causes of Derailment (Page 18)**

**WMATA should brief the committees on the status of efforts to procure and install wheel measurement technology, what the long-term impact of the service reductions related to removing the 7000-series from service might be, and what actions it can take to address these negative impacts**

#### **WMATA Response:**

WMATA believes that implementing digital measurement technology should improve the precision of inspections while also increase WMATA's daily inspection capacity. In mid-January, the General Manager declared an emergency to facilitate the procurement process. Thereafter, WMATA announced plans to implement such technologies and develop a statement of work to initiate procurement activities in this emergency situation. After reviewing potential vendors, on January 28 WMATA issued a letter contract to KLD Labs. WMATA expects to issue a Notice to Proceed (NTP) soon, at which time KLD Labs may begin delivering, installing, commissioning and validating Automatic Wayside Inspection Systems for WMATA. Per the contract, the Automatic Wayside Inspection Systems must provide accurate methods for automatic measurement of the truck condition and a multitude of wheel measurements including the following: wheelset back-to-back / inner gauge measurement; wheel profile; flange height, width, thickness/diameter, angle/slope; wheel width; and outer metal flow.

Immediately following the removal of the 7000-series railcars from service, while WMATA was working to prepare older railcars for revenue service, rail ridership declined from approximately 32 percent of pre-COVID ridership to 26 percent of pre-COVID ridership. A more significant decline in ridership occurred as the Omicron variant started to spread in the region in December of 2021. Trends in early 2022 show ridership beginning to rebound as COVID case rates decline. With the return of additional 6000-series railcars to revenue service, WMATA has been able to further improve headways on all Metrorail lines, allowing capacity to continue to stay ahead of demand. As the region continues to recover from the pandemic and demand for both commuting and leisure trips increases, WMATA will continue all efforts to bring the 7000-series safely back into service and to keep riders informed of the current service levels on Metrorail.

**J00A0104 MDOT – WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY  
MDOT RESPONSE TO DLS ANALYSIS  
FY 2023 BUDGET**

***Operating Budget Recommended Actions***

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- 1. Concur with Governor's Allowance.**

**MDOT Response:**

The Department concurs with the DLS recommendation.

***PAYGO Budget Recommended Actions***

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- 1. Concur with Governor's Allowance.**

**MDOT Response:**

The Department concurs with the DLS recommendation.

# Hearing on WMATA FY23 Budget



- Pandemic's Impact on Metro
- Overview of FY23 Operating Budget
- Metro Capital Program Update
- Challenges and Opportunities Facing Metro and the Region

# Pandemic's Impact on Metro





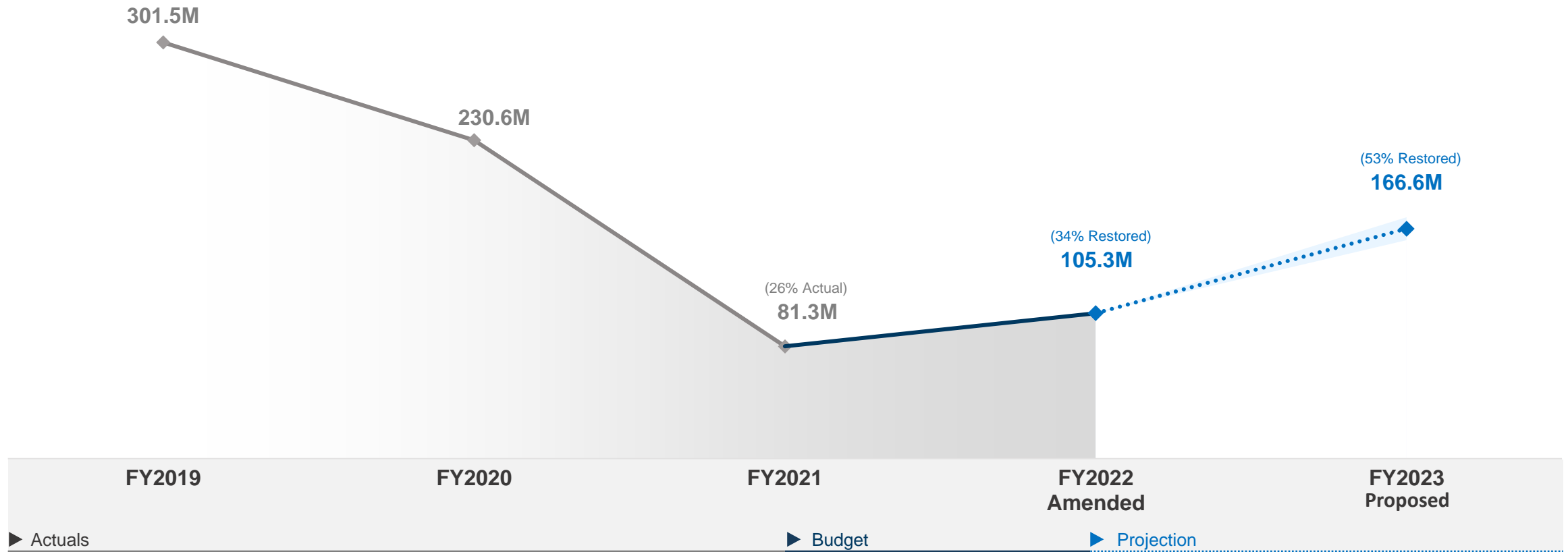
## Keeping Metro's workforce safe

- Vaccination or proof of testing required for all Metro employees
  - 93% of workforce is vaccinated
  - 97% compliant with vaccine or testing requirement

The screenshot displays the 'Health Status Dashboard' for Metro employees. It is organized into several sections:

- My own health status:** A box indicating 'No COVID-19 Health Related updates yet'.
- My Vaccination Status:** A box stating 'COVID-19: Completed, Fully Vaccinated. Vaccination Card Uploaded.'
- My Testing Status:** A box stating 'COVID-19: You are not required to submit weekly tests!'.
- Update Health:** A section with four interactive cards:
  - Submit COVID-19 Test Results:** Includes an icon of a person and the text 'Submit your COVID-19 Test Results here.' with a 'View Details' link.
  - Submit COVID-19 Vaccination Information:** Includes an icon of a vaccine vial and the text 'Upload your Vaccination Card and report adverse reactions here.' with a 'View Details' link.
  - COVID-19 Self Reporting:** Includes an icon of a sad face with a thermometer and the text 'Enter/Update COVID-19 virus (not vaccine) health information here.' with a 'View Details' link.
  - COVID-19 Workforce Information:** Includes an icon of a group of people and the text 'Click here to enter COVID-19 status for another employee.' with a 'View Details' link.
- Right-hand navigation:** A vertical list of links including 'WMATA Employee Alerts', 'Metroweb', 'Metroweb - COVID-19 One-Stop-Shop', 'CDC information', 'NIH information', 'District of Columbia COVID-19 Response', and a chat box with the text 'Have a question, chat with us here. - Chat is available between 7:00am - 7:00pm M-F. Chat Live with us'.

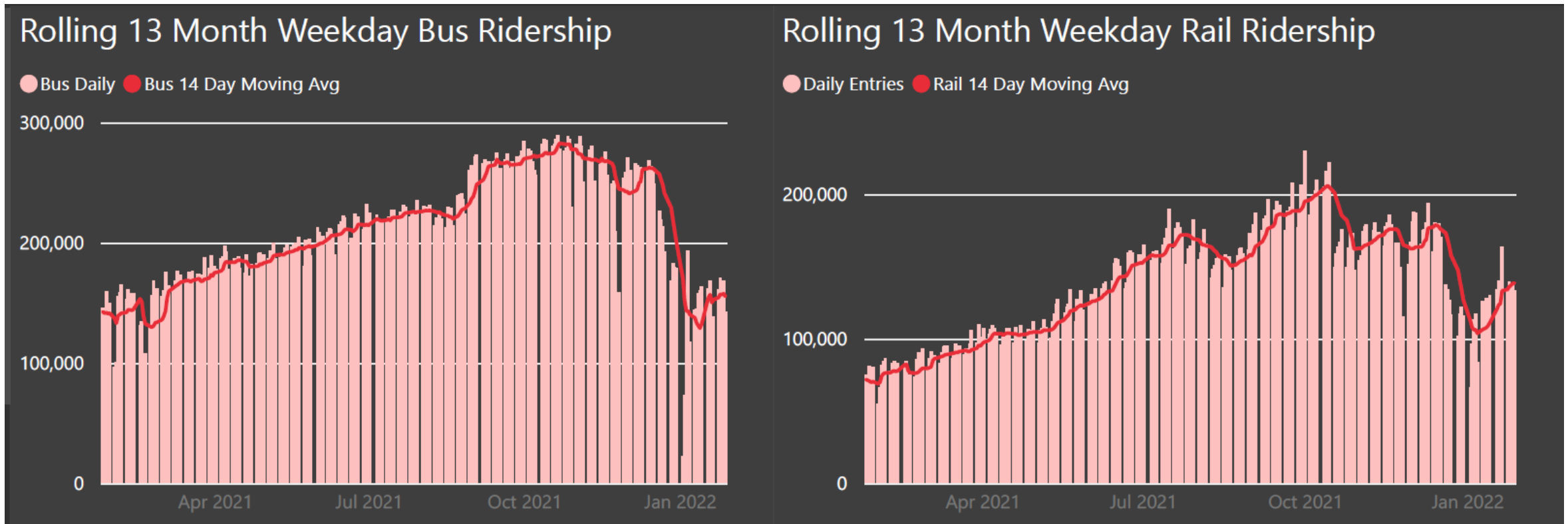
## Gradual Ridership Rebound Brings Back More Riders in FY2023



Note: Percentage restored based on FY2021 original budget of 313.9M



## Ridership - Impacted by service disruptions and Omicron, again trending in right direction



# FY2023 Operating Budget



# Operating Budget Environment

- COVID-19 pandemic continues to impact the region
- Ridership recovery assumed at 53% of pre-pandemic levels
- Proposes service enhancements and fare discounts to encourage ridership
- Federal relief funding will provide support in FY2023

# Federal Relief Funds of \$716M to Balance Budget

Operating Deficit and Funding Gap				
	FY2021 Original Pre-Pandemic	FY2021 Actual	FY2022 Budget	FY2023 Proposed
<i>\$ in millions</i>				
Passenger Revenue	\$677.8	\$102.0	\$159.5	\$293.1
Non-Passenger	\$146.0	\$64.5	\$68.4	\$81.5
Total Revenue	\$823.7	\$166.6	\$227.9	\$374.6
Expenses	\$2,070.0	\$1,880.3	\$2,100.2	\$2,282.2
<b>Operating Deficit</b>	<b>(\$1,246.3)</b>	<b>(\$1,713.7)</b>	<b>(\$1,872.2)</b>	<b>(\$1,907.7)</b>
Subsidy	\$1,246.3	\$1,009.1	\$1,109.7	\$1,191.9
Federal Relief	\$0.0	\$704.7	\$762.6	\$715.8
<b>Funding Gap</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

# Fare initiatives launched and proposed for FY23

	<i>\$ and trips in millions</i>	<b>Benefitting Trips</b>
<b>FY2022 September Fare Changes</b>	Weekend Rail \$2 Flat Fare	12.2
	\$2 Bus-Rail Transfer Discount	7.5
	\$12 7-Day Regional Bus Pass	5.9
	<b>TOTAL</b>	<b>25.6</b>
<b>FY2023 Pandemic Fare Initiatives</b>	Late Night Rail \$2 Flat Fare	3.2
	Discount Monthly Passes	
	Discount 7-Day Unlimited Pass	
	Add Value Bonus <sup>1</sup>	21.1
	<b>TOTAL</b>	<b>24.2</b>

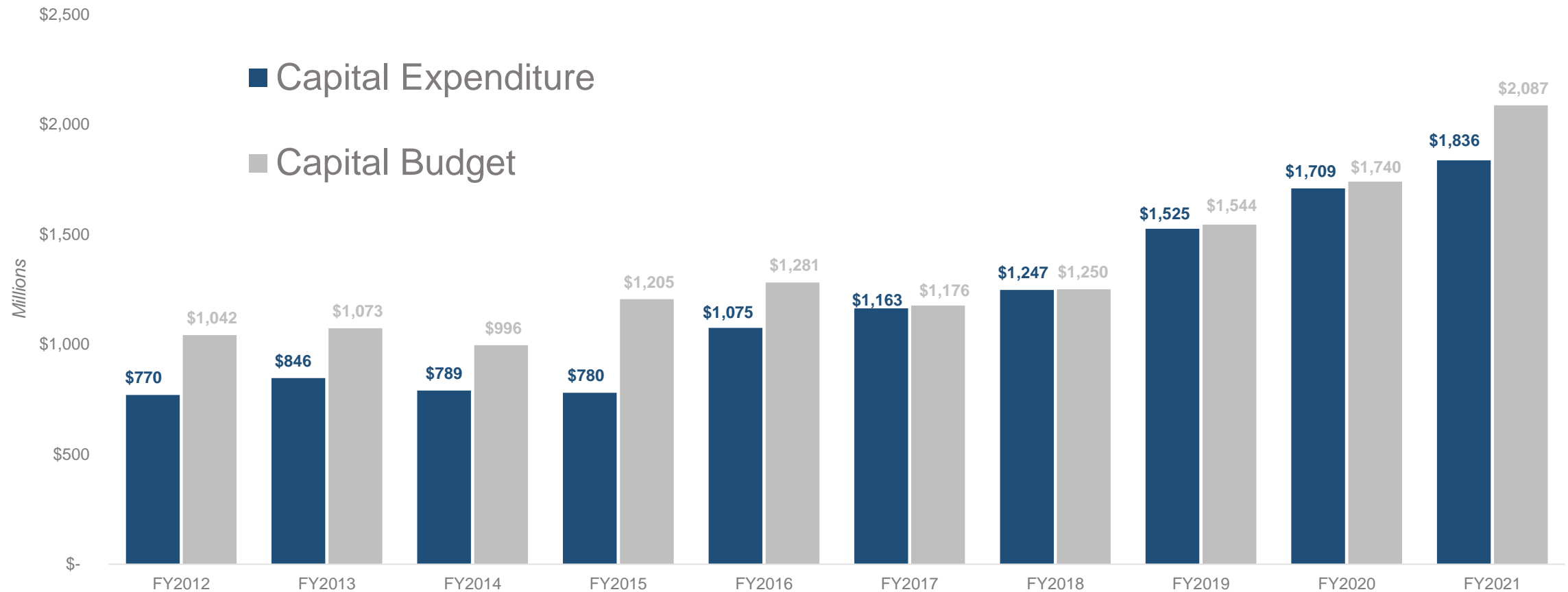
*1. Estimate is for six months only*



# Capital Program Update

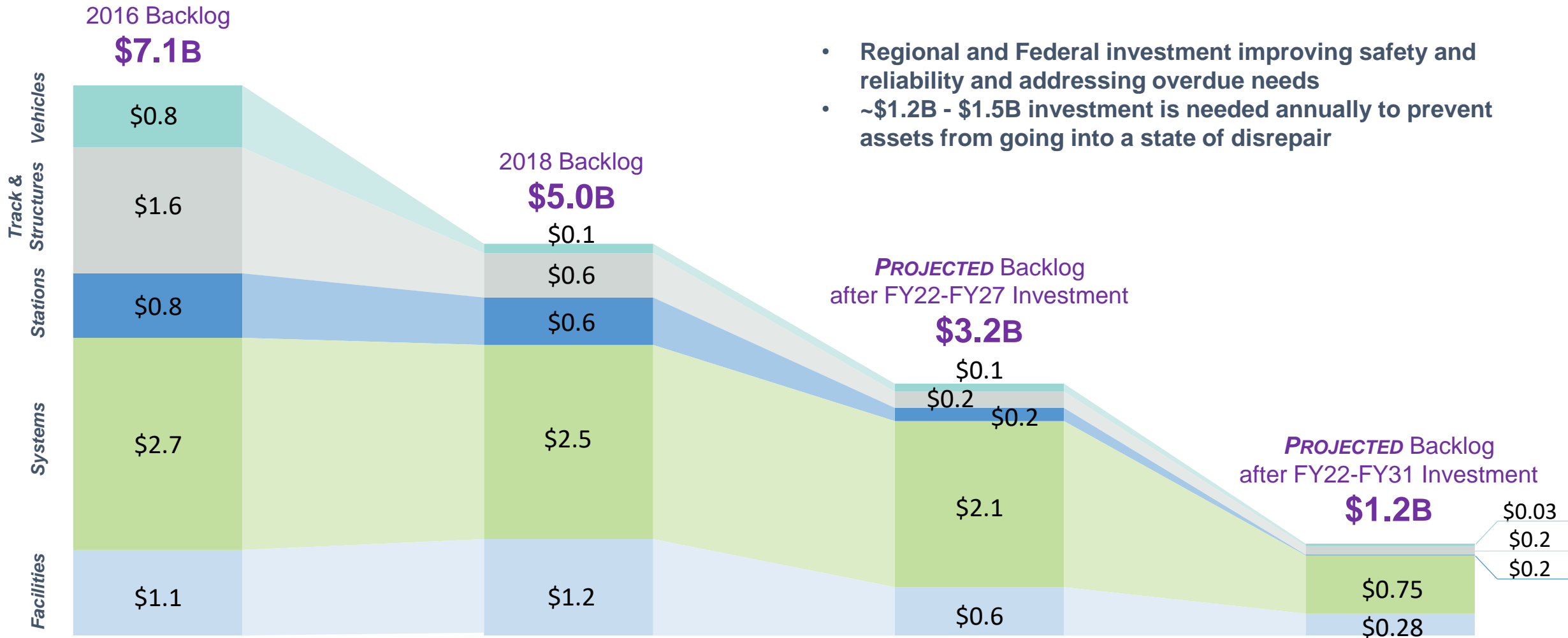


## Significant Progress Achieved as Capital Expenditures More Than Doubled Over Last Decade





## Investment Reducing State of Good Repair Backlog (\$B)



- Regional and Federal investment improving safety and reliability and addressing overdue needs
- ~\$1.2B - \$1.5B investment is needed annually to prevent assets from going into a state of disrepair

# Highlights from the past year



**Metro's 2021  
Capital Projects**

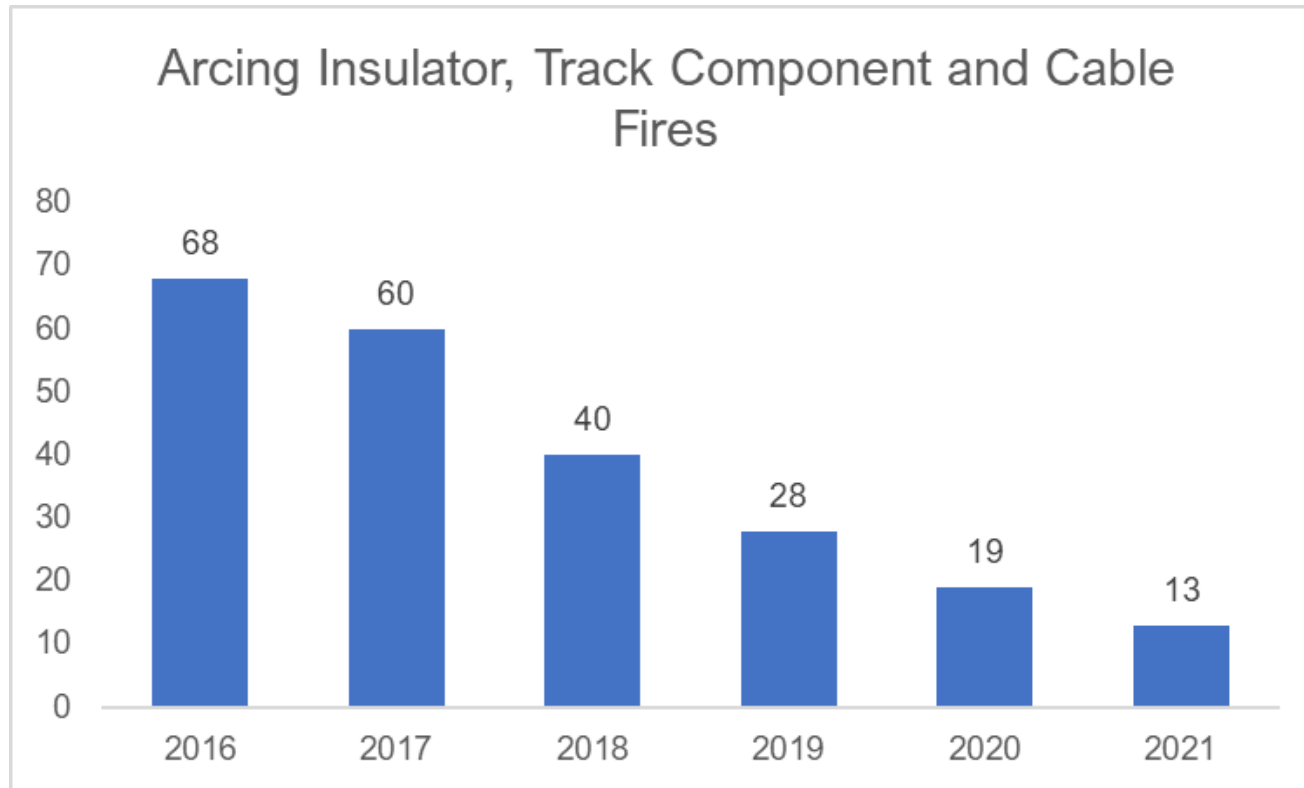
Investing in system safety, reliability  
and the region's economy

# FY23 Capital Budget builds upon recent progress

- \$2.3B budget, part of \$12.4B FY23-28 CIP
- Complete Phase 4 of Platform Improvement Program
- Major Repairs to Yellow Line Bridge/Tunnel
- Advance rebuild of Northern and Bladensburg Bus Divisions
- Fourth year of capital program supported by regional dedicated funding



## Investments Yield Improved Safety and Reliability



## QUALITY SERVICE



The following highlights Metro's system-wide service quality performance through the end of FY21.



### Legend

● Met or above target | ● Near target | ● Target not met | ● No target | ↑↓ Desired direction





# Challenges and Opportunities Facing Metro and Region



# Challenges and Opportunities Facing Metro and Region

- Pandemic has changed travel patterns and increased focus on transit-dependent riders
- Rail ridership and fare revenue = backbone of Metro's operating budget – with changes in telework and travel, the current funding model is broken
- Pre-Pandemic financial model for Metro is no longer sustainable
- Before COVID, access to high quality, frequent transit was not consistent across region
- Pandemic put focus on essential workers and critical role of transit
- Communities with high proportions of low-income and minority residents need and deserve quality transit service
- Looking forward, region needs to fund and deliver an affordable and seamless network of bus and rail transit services that benefits all

# Questions?