

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

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$153,250	\$167,814	\$174,503	\$6,690	4.0%
<b>Total Funds</b>	<b>\$153,250</b>	<b>\$167,814</b>	<b>\$174,503</b>	<b>\$6,690</b>	<b>4.0%</b>

- The operating subsidy grant provided by Maryland to the Washington Metropolitan Area Transit Authority (WMATA) increased by \$6.7 million, or 4.0% over the fiscal 2006 working appropriation.
- The fiscal 2007 allowance is approximately \$3 million less than the amount budgeted by WMATA.

***PAYGO Capital Budget Data***

(\$ in Thousands)

	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>		<u>Fiscal 2007</u>	
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>Request</u>	<u>Allowance</u>
Special	\$40,424	\$85,641	\$79,782	\$68,835	\$73,585
Federal	\$16,768	\$21,060	\$16,400	\$16,350	\$16,400
<b>Total</b>	<b>\$57,192</b>	<b>\$106,701</b>	<b>\$96,182</b>	<b>\$85,185</b>	<b>\$89,985</b>

- The fiscal 2006 working appropriation decreased approximately \$10.5 million dollars due to WMATA not spending all of the funds appropriated for railcars. These funds were carried over into later years.
- The fiscal 2007 allowance decreases \$6.2 million compared to the fiscal 2006 working appropriation due to cash flow changes in WMATA's projection for funds needed for the Metro Matters program.

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

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## *Analysis in Brief*

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### Major Trends

**Farebox Recoveries:** Farebox recoveries for WMATA are relatively high, with no change projected from fiscal 2006 to 2007 even though ridership is projected to increase.

**Ridership:** Overall ridership is expected to grow 3.7%, with only Metrobus projected to decrease.

### Issues

**WMATA's New Paratransit Provider:** In early January 2006 a new contractor began to operate the MetroAccess program for WMATA. During this transition from the old to new provider, there have been several problems with service delivery. **The Department of Legislative Services (DLS) recommends that the Maryland Department of Transportation (MDOT) and WMATA brief the committee on the current status of service delivery of the MetroAccess program. Given the rising costs of paratransit for the Maryland Transit Administration, WMATA and MDOT should also address the current and projected costs of MetroAccess and the impact this may have on the Maryland subsidy for WMATA.**

**Prospect of Additional Federal Funding:** On July 28, 2005, Representative Tom Davis from Virginia introduced legislation in Congress that would provide \$1.5 billion dollars to WMATA for capital improvements over 10 years. To receive this money, however, several amendments need to be approved by and met by each compact jurisdiction. The most controversial amendment requires each jurisdiction to identify a dedicated matching revenue source. **DLS recommends that MDOT brief the committee on its interpretation of the intent and implications of the Davis Bill.**

### Operating Budget Recommended Actions

1. Adopt committee narrative on performance measures.

### PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

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

## ***Budget Analysis***

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### **Program Description**

The Washington Metropolitan Area Transit Authority (WMATA) operates the second largest rail transit system and the fifth largest bus network in the United States. WMATA was created in 1967 by an interstate compact in which Maryland; Washington, DC; and Virginia participate. Each signatory jurisdiction provides two directors to WMATA's six-member Board of Directors. Construction of WMATA's 103-mile Metrorail system began in 1969 and was completed in 2001; 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) Office of the Secretary budget. WSTC provides 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.

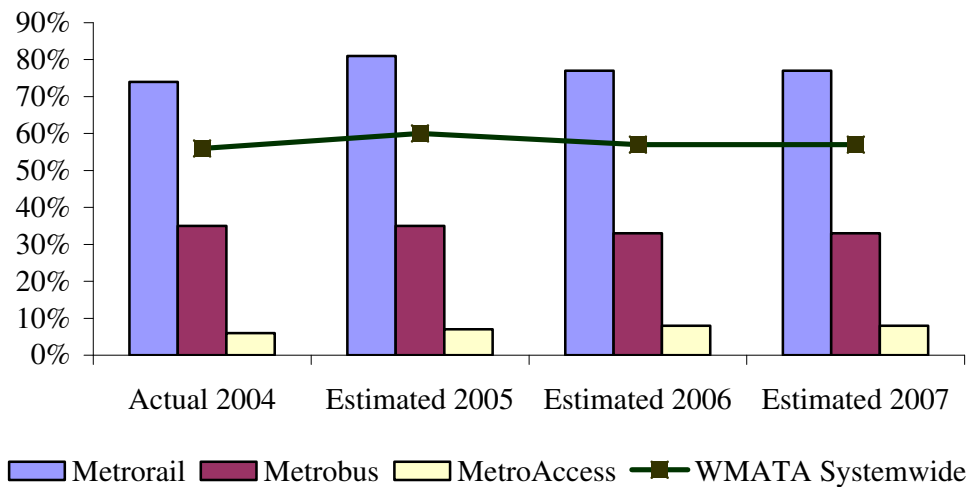
WMATA's mission is to ensure the best in safe, reliable, cost-effective, and responsive transit services by promoting regional mobility, and by contributing toward the social, economic, and environmental well-being of our community.

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

Budget bill language added in the 2005 session requested MDOT to submit performance measures for WMATA with the fiscal 2007 budget allowance. Those measures were submitted with the fiscal 2007 budget allowance. **Exhibit 1** details the farebox recovery data for the entire WMATA system and specifically for Metrobus and Metrorail. A number of highlights can be drawn from the data:

- Overall, systemwide farebox recovery is projected to remain at 57% in fiscal 2006 and 2007, despite an increase in overall annual ridership. This is down from an estimated high of 60% in fiscal 2005. The farebox recovery is projected to remain static even with rising ridership due to increased operating expenses, specifically personnel costs and the cost of oil.
- Metrorail farebox recovery is projected to remain at 77%, and Metrobus is projected to remain at 33% in fiscal 2007.
- Farebox recovery for MetroAccess is projected to remain at 8% in fiscal 2007, up from 7% in fiscal 2005.

**Exhibit 1**  
**WMATA – Farebox Recovery Rates**  
**Fiscal 2004 – 2007**  
**(% of Total Operating Costs)**



Note: Data reflects all revenue sources ascribed to each system component.

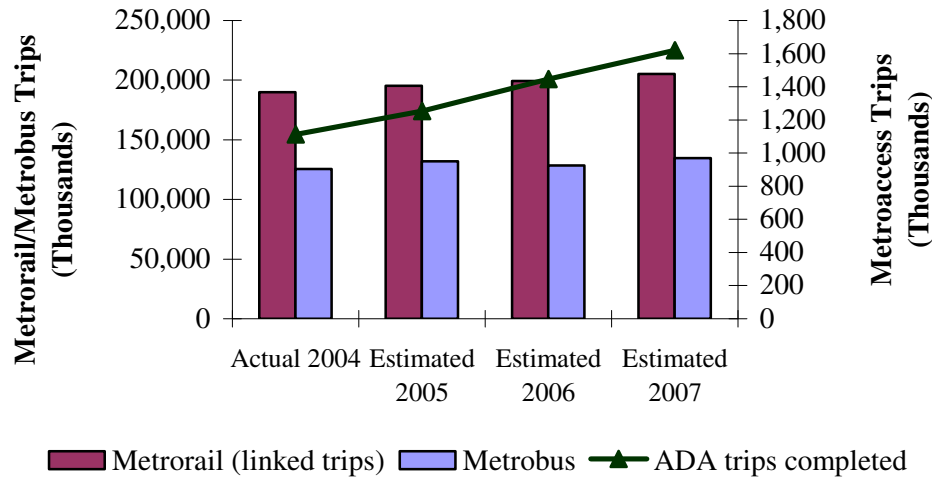
Source: Washington Metropolitan Area Transit Authority

**Exhibit 2** details ridership data for WMATA by mode. Overall ridership is projected to grow, with only Metrobus experiencing a slight dip in fiscal 2006 and then increasing in fiscal 2007. Overall ridership is projected to grow 3.7% with MetroAccess projected to grow 10% from fiscal 2006 to 2007.

**The Department of Legislative Services (DLS) recommends that the agency discuss the impact of MetroAccess' increased rate of growth in ridership on WMATA's budget.**

**In addition, DLS recommends committee narrative be adopted, similar to language from last session, that would require MDOT to work with WMATA to include performance measure information in the fiscal 2008 budget allowance.**

**Exhibit 2**  
**WMATA – Ridership Data**  
**Fiscal 2004 – 2007**



Note: Metrorail trips are linked trips; Metrobus trips are unlinked trips; MetroAccess trips are completed by contract carrier.

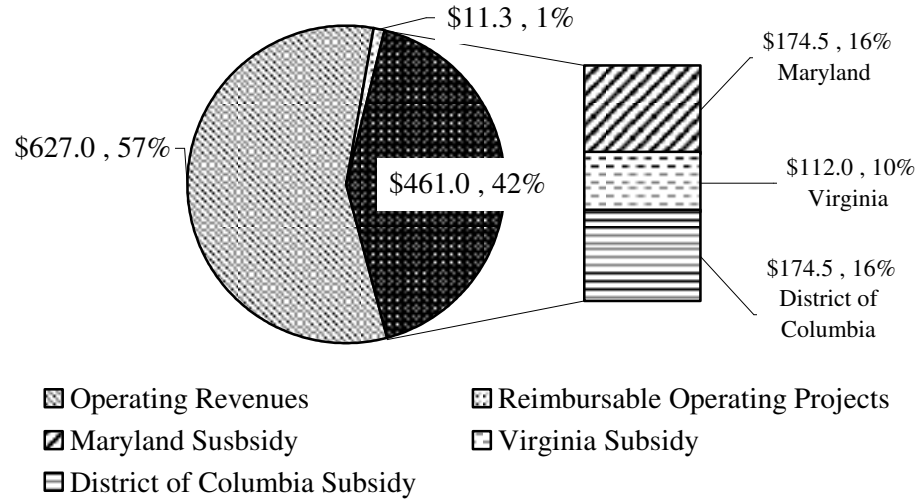
Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

## Governor’s Proposed Budget

### WMATA’s Proposed Fiscal 2007 Operating Budget

WMATA’s proposed fiscal 2007 operating budget (excluding debt service) totals approximately \$1.1 billion, a \$74.3 million or 7.2% increase from the approved fiscal 2006 budget. WMATA’s fiscal 2007 operating budget does not include any fare increases. **Exhibit 3** shows that 57% of the operating budget is anticipated to be supported by operating revenues primarily from rider fares but also including parking fees and advertisement revenues. Almost all of the remaining funds for the operating budget are received through operating subsidies.

**Exhibit 3  
WMATA – Proposed Fiscal 2007 Operating Budget  
Funding Sources**



Note: Excludes debt service

Source: Washington Metropolitan Area Transit Authority

**Exhibit 4** highlights the key changes from the fiscal 2006 to the proposed fiscal 2007 budget totaling \$74.3 million.

**Exhibit 4  
Key Changes Between WMATA Approved Fiscal 2006 Operating Budget and  
Proposed Fiscal 2007 Operating Budget**

<u>Change</u>	<u>Cost (\$ in Millions)</u>
Increase to base funding for personnel, fringe benefits (including 233 new service center and operations positions)	\$48.6
Fuel and utility increases	13.5
Service increases including \$4.0 million for MetroAccess	9.5
Increase in claims	2.2
Material and supply increases	1.6
Decrease in reimbursements payments	-1.1
<b>Total</b>	<b>\$74.3</b>

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

Source: Washington Metropolitan Area Transit Authority; Maryland Department of Transportation

## **Maryland’s Fiscal 2007 WMATA Operating Subsidy**

**Exhibit 5** shows that based upon WMATA’s fiscal 2007 proposed budget, Maryland’s operating subsidy totals \$177.4 million. The Governor’s fiscal 2007 allowance for the WMATA operating subsidy totals \$174.5 million. Based on WMATA’s proposed fiscal 2007 operating budget, the Governor’s allowance has underbudgeted Maryland’s operating subsidy by \$2.9 million. This discrepancy is not atypical because of the timing involved in the preparation of the WMATA and State budgets. MDOT indicates that covering the \$2.9 million shortfall will not be a problem due to WMATA projections indicating that MDOT overpaid its operating subsidy in fiscal 2005. MDOT will credit this overpayment to its fiscal 2007 operating subsidy which should be sufficient to close the funding gap.

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**Exhibit 5**  
**WMATA – Operating Budget Revenue Sources**  
**Maryland Operating Subsidy**  
**(Excluding Debt Service)**  
**Fiscal 2005 – 2007**  
**(\$ in Millions)**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>\$ Change</u> <u>FY 06-07</u>	<u>% Change</u> <u>FY 06-07</u>
Operating Revenue	\$541.5	\$579.2	\$627.0	\$47.8	8.3%
Local Subsidy	402.2	434.6	461.0	\$26.4	6.1%
Reimbursable Operating	6.7	11.2	11.3	\$0.1	0.9%
<b>Total</b>	<b>\$950.4</b>	<b>\$1,025</b>	<b>\$1,099.3</b>	<b>\$74.3</b>	<b>7.2%</b>
Maryland Share of Operating Subsidy		\$164.6	\$174.5	\$9.9	6.0%
Maryland Reimbursables		3.2	2.9	-0.3	-9.4%
<b>Total</b>		<b>\$167.8</b>	<b>\$177.4</b>	<b>\$9.6</b>	<b>5.7%</b>
Fiscal 2007 Allowance			174.5	6.7	4.0%
<b>Difference</b>			<b>\$2.9</b>		

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

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Maryland’s operating subsidy payment to WMATA increased \$6.7 million from the fiscal 2006 working appropriation or 4.0%. As highlighted in Exhibit 5, Maryland’s growth in the local operating subsidy is slightly less than the overall growth of the entire local operating subsidy. In addition, as seen in the exhibit, the increase in operating revenues supports almost two-thirds of the increase in the operating budget.

## 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 and Metrobus systems. The State also pays 100% of Maryland's share of Metrorail construction, maintenance, debt service, and paratransit retrofitting costs.

### Fiscal 2006 to 2011 Consolidated Transportation Program

The fiscal 2007 allowance for WMATA totals approximately \$90 million, a decrease of \$6.2 million compared to the fiscal 2006 working appropriation. **Exhibit 6** provides a summary of the projects included in the 2006 MDOT Consolidated Transportation Program (CTP).

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### Exhibit 6 WMATA – Major Ongoing Projects

<u>Project Description</u>	<u>Fiscal 2007 Cost</u>
Metro Matters	\$51,120
Rail Cars/Capital Improvement Program	29,124
Debt Service	9,741
<b>Total</b>	<b>\$89,985</b>

Source: Maryland Department of Transportation, 2006 *Consolidated Transportation Program*

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### WMATA's Capital Program and Metro Matters

In fiscal 2005, Maryland made its final payment of \$1,200,000 for costs associated with the construction of the original 103-mile Metrorail system. The State will continue to make an annual debt service payment of \$9.7 million on revenue bonds sold to generate additional funds for capital improvements to the system until fiscal 2014, when the bonds will be retired.

In October 2004, WMATA's Board approved the Metro Matters capital improvement program to provide \$3.3 billion dollars in capital funds from fiscal 2005 through 2010, with funding coming from the local jurisdictions and federal formula funds. This funding is to be used for infrastructure maintenance to ensure the continued operations of the system. Maryland's minimum share of the Metro Matters campaign totals \$329 million (half of the fiscal 2005 appropriation is included in the Metro Matters agreement). **Exhibit 7** highlights Maryland's \$329 million share of the Metro Matters campaign, and how much has been paid toward that commitment to date. The 2006 – 2011 CTP includes \$51.1 million for Metro Matters in fiscal 2007 with Maryland required to contribute \$193 million between fiscal 2008 and 2010.

**Exhibit 7**  
**Maryland's Commitment to Metro Matters**  
**Fiscal 2005 – 2010**  
**(\$ in Millions)**

	<u>Actual 2005</u>	<u>Estimate 2006</u>	<u>Estimate 2007</u>	<u>Total Funding to Date</u>	<u>Remaining Funds to Be Expended</u>	<u>Total Maryland Metro Matters Commitment</u>
Special Funds	\$22.6	\$31.2	\$34.7			
Federal Funds*	14.3	16.4	16.4			
Total Maryland Share	<b>\$36.9</b>	<b>\$47.6</b>	<b>\$51.1</b>	<b>\$135.6</b>	<b>\$193.8</b>	<b>\$329.4</b>

\* Maryland's share of Congestion Mitigation/Air Quality funding

Source: Maryland Department of Transportation; Department of Legislative Services

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As part of the Metro Matters agreement, each December WMATA is to submit a draft annual work plan that highlights what activities have been taken in the past year and what activities are planned in the coming fiscal year. **Exhibit 8** highlights what projects are planned in fiscal 2007.

**Exhibit 8**  
**Metro Matters Work Plan**  
**Fiscal 2007**  
**(\$ in Millions)**

**Infrastructure Renewal Plan**

Replace 455 buses to attain a 7.5 year bus average	6.0
Station and parking lot enhancements	33.9
(A) Communication upgrades for first responders	
Upgrades of field offices, yards and shops, etc.	16.9
Upgrades of ATC and train communication and power stations	19.3
Upgrades of track components and tunnel leak mitigation	17.2
Ongoing IT renewal technology support	3.8
Program administration and TRES consultant support for financing	6.2
Comprehensive rail and bus overhaul/maintenance program	20.7
Funding for liquidation of TIFIA backed project obligations of \$600 million	139.2
<b>Subtotal</b>	<b>263.2</b>

**Rail Cars**

Rail service expansion procurement of new transit cars	101.1
Modifications to Shady Grove, Greenbelt, and Brentwood yards and shops	84.8
Upgrades to 45 traction power substations	95.0
<b>Subtotal</b>	<b>280.9</b>

**Buses and Facilities**

Bus service expansion procurement	12.3
Construction of joint use bus facility at West Ox	20.6
Bus stop and bus system improvements	6.0
<b>Subtotal</b>	<b>38.9</b>

**Other**

Establish and maintain a line-of-credit to satisfy WMATA compact	2.0
Development of back-up operations control center	45.6
<b>Subtotal</b>	<b>47.6</b>

**Debt Service** **26.3**

**Total** **656.9**

(A) Paid for by a Homeland Security Grant.

ATC = Automatic Train Control

TRES = Treasury

TIFIA = Transportation Infrastructure Finance and Innovation Act

Source: Washington Metropolitan Area Transit Authority; Maryland Department of Transportation

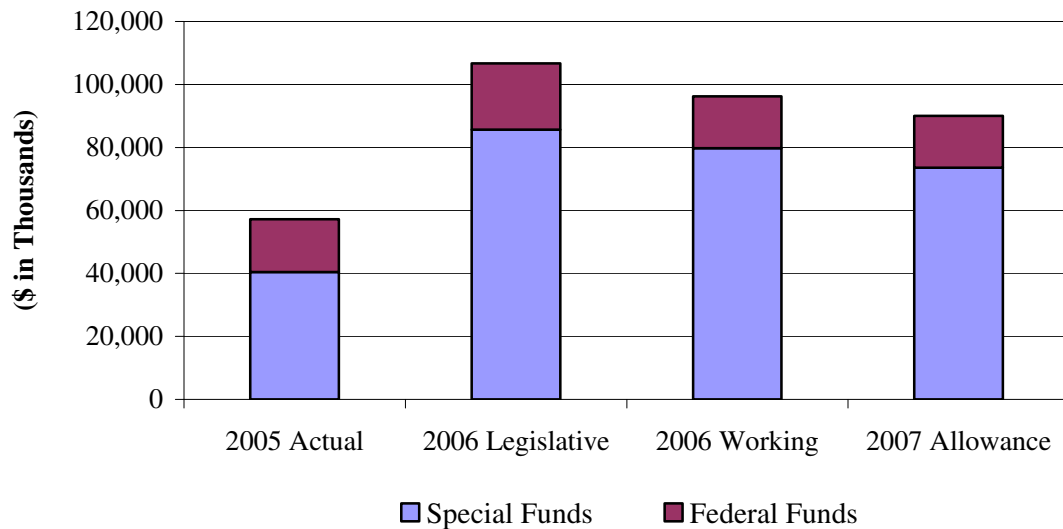
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The Metro Matters agreement also states that “it is the understanding and expectation of the Parties that this Agreement will be amended, or superseded by a new agreement prior to fiscal 2011 to (a) fund WMATA’s ongoing needs and (b) meet the out year funding requirements resulting from WMATA’s transition to expenditure based budgeting.”

**Fiscal 2006 and 2007 Cash Flow Analysis**

**Exhibit 9** shows the cash flow of MDOT’s subsidy to WMATA. The fiscal 2006 working appropriation decreased approximately \$10.5 million dollars due to WMATA not spending all of the funds appropriated for railcars. These funds were carried over into later years. The fiscal 2007 allowance decreases \$6.2 million compared to the fiscal 2006 working appropriation due to cash flow changes in WMATA’s projection for funds needed for the Metro Matters program.

**Exhibit 9  
Cash Flow Changes  
Fiscal 2006 to 2007**



Source: Maryland Department of Transportation, 2006 - 2011 *Consolidated Transportation Program*

## ***Operating Issues***

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### **1. WMATA's New Paratransit Provider**

WMATA entered into a new four-year \$210 million contract with MV Transportation, which also provides paratransit service in Baltimore, to operate WMATA's paratransit service, MetroAccess. MV Transportation is the sole provider of paratransit services for WMATA. With MV Transportation beginning to provide service, there have been several problems with the service for riders. Specifically, riders who need the service are not being picked up, and rides are taking longer. One reason was that there were problems with all of the main phone lines not being operational. Another issue has been that much of the information from the previous provider appears to be outdated.

To correct these problems, WMATA and MV Transportation have done the following:

- ten additional dispatchers were brought in to address the high volume of phone calls;
- MV Transportation has hired more than 200 new drivers;
- additional telephone lines have been installed;
- riders can now confirm or cancel their MetroAccess trips using the keypad on any touch-tone telephone; and
- a dialysis center coordinator has been brought in to insure that dialysis patients get immediate care.

**DLS recommends that MDOT and WMATA brief the committee on the current status of service delivery of the MetroAccess program. Given the rising costs of paratransit for the Maryland Transit Administration, WMATA and MDOT should also address the current and projected costs of MetroAccess and the impact this may have on the Maryland subsidy for WMATA.**

## Capital Issues

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### 1. Prospect of Additional Federal Funds

On July 28, 2005, Representative Tom Davis of Virginia introduced H.R. 3496 in the U.S. Congress (the “Davis Bill”) which would amend the compact of WMATA. Specifically, the bill has a carrot and stick approach where the federal government would provide \$1.5 billion in federal funding over 10 years and add several amendments to the compact. The federal funds, \$150 million a year for 10 years, would be used for new and additional capital expenses associated with the ongoing maintenance of the system and to ensure its operation at full capacity.

To receive these additional federal funds, there are several provisions that must be agreed upon by each of the compact jurisdictions and adopted as amendments to the compact agreement. The most controversial of these amendments is the need for each compact jurisdiction to identify a dedicated funding source “for the cost of operating and maintaining the adopted regional system.” Furthermore, the legislation defines dedicated funding source as “any source of funding which is earmarked and required under State or local law to be used for payments.”

Virginia and the District of Columbia (DC) each have proposed bills that would either increase or dedicate a portion of the sales tax to cover the matching component of the additional \$150 million annually in federal funding. **Exhibit 10** provides a summary of each piece of legislation. The funds earmarked by each piece of legislation do not cover the entire operating and capital subsidy requirements of each jurisdiction.

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#### Exhibit 10 Compact Jurisdiction Proposed Dedicated Revenues

	<u>Virginia</u>	<u>Washington, DC</u>
<b>Proposal</b>	Increase the sales and use tax by a quarter-cent in the five jurisdictions supporting WMATA (Alexandria, Arlington, Fairfax City, Fairfax County, and Falls Church).	Dedicate one-half of one percent of the existing retail sales tax to provide additional funding for WMATA.
<b>Revenue Raised</b>	A quarter-cent of the sales tax in the five jurisdictions is estimated to generate over \$55 million per year.	One-half of one percent of the sales tax is estimated to raise roughly \$50 million per year.

Source: Washington Metropolitan Area Transit Authority

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## **Issues**

**1. *What Is a Dedicated Funding Source?:*** While the federal legislation requires the creation of a dedicated funding source for the WMATA system, the legislation leaves open the possibility that each jurisdiction define its own dedicated revenue source. The amount of dedicated revenue does not necessarily represent an increase in funds Maryland provides to the system, rather a change in how current Transportation Trust Fund (TTF) revenues are provided to the system may be sufficient.

Currently TTF receives dedicated revenue from the motor fuel tax, titling tax, registration fees, rental car sales tax, and corporate income tax. While these funds are dedicated to TTF, the subsidy WMATA receives from MDOT is appropriated each year. One possible intent of the legislation may be to have revenues flow directly to WMATA so that it will not need to be appropriated and compete with other State funding priorities. MDOT is required by statute to fund the full grant amount WMATA submits to MDOT. Historically MDOT has paid in full its obligations to WMATA. This statutory requirement would seem to earmark the dedicated funds of TTF for WMATA.

**2. *Unclear What “Matching” Means?:*** Another outstanding question is what is meant by the word “matching.” Currently, it is unclear if this term would require MDOT to provide additional funds to WMATA to match the federal government’s annual \$150 million investment, or if the funds that MDOT already provides WMATA would be considered matching funds. According to a Blue Ribbon Panel Report on the unfunded needs of the WMATA system, Maryland’s matching share of \$150 million would total \$56.1 million. For example, in fiscal 2007, the addition of the \$56.1 million to match the federal funds to the fiscal 2007 allowance represents a 62.3% increase compared to the fiscal 2007 allowance.

**3. *Will Congress Appropriate the Money?:*** The money in the bill is an obligation for funding, with the federal funds having to be appropriated each year from the federal government. There is no guarantee that the federal government will appropriate these funds each year. The \$1.5 billion would be paid out of the federal government’s general fund and will be competing with the budget deficit and other federal funding needs.

**4. *What Will Additional Federal Funds Provide?:*** It is unclear how WMATA would use these additional funds or what impact these additional funds would have on the operating budget of WMATA and Maryland’s operating subsidy.

## **Other Provisions**

One of the remaining provisions would provide that an Inspector General be appointed to WMATA who would be appointed by the board for a five-year term with the possibility of two additional terms. The Inspector General would be responsible for conducting the annual audit of the financial statements as well as annual reports to each of the compact jurisdictions.

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Two final provisions would (1) provide for two federal representatives to sit on the board, and (2) prohibit WMATA from disposing of property in Fairfax, Takoma Park, or Largo.

**DLS recommends that MDOT discuss:**

- **would the requirement for dedicated funding for WMATA in H.R. 3496 require a change in the TTF and/or current funding mechanisms for WMATA?;**
- **would the State be required to match the federal funds and if so what impact would this have on the capital plan of the State?; and**
- **are there any other financial or operational requirements in H.R. 3496 that could impact State funding for WMATA?**

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

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1. Adopt the following narrative:

**Performance Measures:** In order to continue to assess the performance of the Washington Metropolitan Area Transit Authority (WMATA), the committees request that the Maryland Department of Transportation work with WMATA in order that the following data developed by WMATA can be included in the Governor’s fiscal 2008 allowance:

- farebox recovery rates for Metrobus, Metrorail, Metroaccess, and for WMATA as a whole;
- total ridership on Metrobus, Metrorail, and Metroaccess in Maryland and throughout the WMATA system;
- operating expenses per vehicle mile;
- operating expense per passenger trip;
- passenger trip per vehicle mile;
- benchmarks for each of the above data; and
- comparisons to the performance of peer systems.

Actual data shall be reported for fiscal 2005 and 2006 and projections shall also be provided for fiscal 2007 and 2008.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Performance Measures	MDOT	With the submission of the fiscal 2008 allowance

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

1. Concur with Governor’s allowance.

***Current and Prior Year Budgets***

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**Current and Prior Year Budgets  
Washington Metropolitan Area Transit Authority  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$0	\$149,998	\$0	\$0	\$149,998
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	3,758	0	0	3,758
Reversions and Cancellations	0	-506	0	0	-506
<b>Actual Expenditures</b>	<b>\$0</b>	<b>\$153,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$153,250</b>
<b>Fiscal 2006</b>					
Legislative Appropriation	\$0	\$168,200	\$0	\$0	\$168,200
Budget Amendments	0	-386	0	0	-386
<b>Working Appropriation</b>	<b>\$0</b>	<b>\$167,814</b>	<b>\$0</b>	<b>\$0</b>	<b>\$167,814</b>

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

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## **Fiscal 2005**

The fiscal 2005 expenditure for WMATA totaled approximately \$153.3 million in special funds which is \$3.2 million more than the legislative appropriation. This change resulted from a budget amendment increasing the operating subsidy provided by MDOT by \$3.7 million due to an operating shortfall discovered during the 2004 legislative session. Cancellations totaled approximately \$0.5 million due to bus and rail service adjustments and no code red days in fiscal 2005.

## **Fiscal 2006**

The fiscal 2006 special fund working appropriation decreased \$386,000 compared to the legislative appropriation. This decrease is due to a transfer of funds from WMATA to the Maryland Transit Administration's Statewide Operations Program to support the new "The Bus" in Prince George's County.

**Object/Fund Difference Report  
WMATA – Operating Budget**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
<b>Objects</b>					
12 Grants, Subsidies, and Contributions	\$ 153,250,315	\$ 167,813,500	\$ 174,503,000	\$ 6,689,500	4.0%
<b>Total Objects</b>	<b>\$ 153,250,315</b>	<b>\$ 167,813,500</b>	<b>\$ 174,503,000</b>	<b>\$ 6,689,500</b>	<b>4.0%</b>
<b>Funds</b>					
03 Special Fund	\$ 153,250,315	\$ 167,813,500	\$ 174,503,000	\$ 6,689,500	4.0%
<b>Total Funds</b>	<b>\$ 153,250,315</b>	<b>\$ 167,813,500</b>	<b>\$ 174,503,000</b>	<b>\$ 6,689,500</b>	<b>4.0%</b>

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.

**Fiscal Summary  
WMATA – Operating Budget**

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
04 Washington Metropolitan Area Transit – Operating	\$ 153,250,315	\$ 167,813,500	\$ 174,503,000	\$ 6,689,500	4.0%
05 Washington Metropolitan Area Transit – Capital	57,191,847	96,182,000	89,985,000	-6,197,000	-6.4%
<b>Total Expenditures</b>	<b>\$ 210,442,162</b>	<b>\$ 263,995,500</b>	<b>\$ 264,488,000</b>	<b>\$ 492,500</b>	<b>0.2%</b>
Special Fund	\$ 193,674,162	\$ 247,595,500	\$ 248,088,000	\$ 492,500	0.2%
Federal Fund	16,768,000	16,400,000	16,400,000	0	0%
<b>Total Appropriations</b>	<b>\$ 210,442,162</b>	<b>\$ 263,995,500</b>	<b>\$ 264,488,000</b>	<b>\$ 492,500</b>	<b>0.2%</b>

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.

**Budget Amendments for Fiscal 2006**  
**Maryland Department of Transportation**  
**WMATA – Operating**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	-\$386,500	Special	Annualize the costs of bus service that was adjusted during fiscal 2005 for the Maryland Transit Administration and WMATA.

Source: Maryland Department of Transportation

**Budget Amendments for Fiscal 2006**  
**Maryland Department of Transportation**  
**WMATA – Capital**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	-\$5,859,000	Special	Adjusts the amended appropriation to agree with the anticipated expenditures for the current year as reflected in the fiscal 2006 – 2011 Final Consolidated Transportation Program.
	<u>-\$4,660,000</u>	Federal	
<b>Total</b>	<b>-<u>\$10,519,000</u></b>		

Source: Maryland Department of Transportation