# Fund 309
# Metro Operations and Construction

| FY 2008 Adopted Budget Plan | |
|---|---|
| **Fund 309, Metro Operations and Construction** | |
| **Total Expenditures:** | $91,379,936 |
| **Revenue:** | |
| General Fund Support | $19,568,070 |
| Bond Revenue | $21,900,000 |
| State Aid and Gas Tax | $48,601,866 |
| Other Revenue | $1,310,000 |
| **Total Revenue** | $91,379,936 |

[1]General Fund support includes General Fund beginning balance, and the net of the General Fund Transfer In less the Transfer Out of support to Fund 100, County Transit Systems.

## ► Summary of Program

Fund 309, Metro Operations and Construction, contains the funds provided by Fairfax County to pay the County's allocated portion of the Washington Metropolitan Area Transit Authority's (WMATA) FY 2008 operating and capital budget. The County subsidizes Metrorail, Metrobus, and MetroAccess (paratransit) service, contributes to construction costs associated with the 106-mile Metrorail system, and contributes to the repair, maintenance, rehabilitation, and replacement of capital equipment and facilities for the Metrobus, Metrorail, and MetroAccess systems.

The WMATA budget presented annually is based on initial information obtained from WMATA budget staff as well as Fairfax County Department of Transportation staff estimates. Then the WMATA interim General Manager issues a proposed WMATA budget in December of each year, and the WMATA Board Budget Committee reviews the proposed budget between January and May. After this period of review, the WMATA Board of Directors adopts the final budget by June.

## ► Funding Availability and Future Considerations

The County's portion of the total WMATA budget is determined by using several formulas that include factors such as jurisdiction of residence of passengers, number of stations located in a jurisdiction, the amount of service in a jurisdiction, the jurisdiction's population, and the jurisdiction's population density.

Applied State Aid, Gas Tax Receipts, and State Transportation Bond Revenues are identified in Fund 309, Metro Operations and Construction, even though these funds are not directly received or disbursed by the County. These funds are used by Fairfax County to offset the County's share of WMATA's operating and capital costs. The County contributes a General Fund Transfer to Fund 309 to cover the remaining Operating Expenditures and General Obligation Bond revenues to cover the remaining Capital Construction Expenditures

On April 4, 2007, the General Assembly approved the Governor's substitute for House Bill 3202. The bill, when fully implemented, will provide a new source of WMATA capital support, but is not currently reflected in the FY 2008 budget.. Under the provisions of this legislation, the Northern Virginia Transportation Authority (NVTA) may levy a series of taxes and fees to support Northern Virginia transportation projects and services, including $50 million in annual funding for WMATA

capital expenses. NVTA is in the process of reviewing organizational issues associated with the implementation of the taxes and fees included in HB 3202.

In FY 2004, WMATA raised the base fare from $1.10 to $1.20 for Metrobus and Metrorail; in FY 2005, WMATA implemented a second fare increase in the base fare from $1.20 to $1.25 for Metrobus and $1.20 to $1.35 for Metrorail was approved. The January 2007 WMATA fare increase will affect the future FY 2009 budget.

## ▶ Status of Program

The specific projects in this program are undertaken by WMATA. Each year WMATA adopts an operating budget and several capital budgets, including the Infrastructure Renewal Program, the System Access Program and the System Expansion Program. These budgets include a variety of projects from parking lot resurfacing and station renovations to new parking construction projects and the development of new transit corridor projects.

***Operating Expenditures***

The FY 2008 Adopted Budget Plan, based on initial estimates prior to WMATA's adoption of its budget, included a total FY 2008 Fairfax County requirement (subsidy) for WMATA Operating Expenses of $64.9 million, of which $36.7 million was supported by local funding sources. This funding level supported:

- Existing Metrorail and Metrobus service levels. The funded level included a 7.0 percent increase over the WMATA operating subsidy in the *FY 2007 Revised Budget Plan*. The General Fund Transfer to Fund 309 remained at the *FY 2007 Revised Budget Plan* level as a result of increases in State Aid, Gas Tax Receipts, interest earnings on County funds held by the Northern Virginia Transportation Commission (NVTC), and the use of the FY 2008 beginning fund balance.

- Funding for MetroAccess, WMATA's Americans with Disabilities (ADA) paratransit service.

- Continuation of the Springfield Circulator Bus Service started in FY 2001.

On the basis of a Northern Virginia Transportation Commission (NVTC) formula, the County receives State Aid and Gas Tax Receipts to support operating requirements. In FY 2008, a total of $27.0 million in State Aid and $17.0 million in Gas Tax Receipts supports the various Operating Expenses noted above. In addition, $18.5 million in expenses is supported by a General Fund Transfer, $1.2 million is funded from interest on funds at NVTC, and $1.1 million is funded from available balance. A transfer of $0.1 million from Fund 301, Contributed Roadway Improvement Fund, also contributes to the operating support of shuttle service in the Franconia/Springfield area.

As a result of changes in the NVTC funding formula that became effective in FY 2000, State Aid and Gas Tax funds allocated to Fairfax County are higher than they would have been under the old formula. When the formula was updated, the NVTC required that additional formula funds that resulted from the change be used only for transit service enhancements, and could not be used to reduce the General Fund Transfer for current Operating Expenses. The FY 2008 amount attributable to the formula change is estimated to be $1.8 million, which is transferred from Fund

309 to Fund 100, County Transit Systems, for various FAIRFAX CONNECTOR service enhancements.

The Metro operating budget was revised as part of the *FY 2007 Carryover Review* to reflect the final budget adopted by WMATA in June 2007. The *FY 2008 Revised Budget Plan* currently reflects a total FY 2008 Fairfax County requirement (subsidy) for WMATA Operating Expenses of $63.2 million, of which $35.0 million is supported by local funding sources. The General Fund Transfer to Fund 309 remains at the FY 2008 Adopted Budget Plan level of $20.3 million. As a result of FY 2007 actuals and the final subsidy level approved by WMATA, $3.75 million remains in fund balance to meet future year requirements.

***Capital Construction Expenditures***

An amount of $26.5 million is budgeted for Capital requirements, of which $21.9 million is supported by Fairfax County General Obligation Bonds. The remaining total is funded through State Aid and Gas Tax Receipts. Capital expenditures are focused on the Metro Matters Program, which supports the acquisition of facilities, equipment, rail cars, and buses.

FY 2008 Capital Expenditures include $22.9 million for the Metro Matters Program. Metro Matters addresses the acquisition of new rail cars and buses, infrastructure maintenance, and system security enhancements. An amount of $0.4 million is included for the Beyond Metro Matters Program which addresses Capital requirements in addition to those covered by the Metro Matters Program. An additional $3.2 million is included to fund Adopted Regional System (ARS) debt service requirements.

WMATA made no changes to the Metro Construction budget when it adopted the budget in June 2007, and no changes to this portion of the budget were included in the *FY 2007 Revised Budget Plan.*

## ► Mandate Information

When this transit service is provided, the following mandates must be followed:

- Clean Air Act with Amendments;
- Americans with Disabilities Act of 1990;
- Virginia Disabilities Act.;
- The Safe, Accountable, Flexible, Efficient, Transportation Equity Act; A Legacy for Users of 2005 (SAFTEA-LU).

See the January 2007 Mandate Study, reference page 60 for the specific federal or state code and a brief description and net cost information.