

Fund 30000: Metro Operations and Construction

Focus

Fund 30000, 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 2025 operating and capital budget. The County subsidizes Metrorail, Metrobus, and MetroAccess (paratransit) service, contributes to construction costs associated with the 128-mile Metrorail system, and contributes to the repair, maintenance, rehabilitation, and replacement of capital equipment and facilities for the Metrorail, Metrobus, and MetroAccess systems.



The WMATA Board of Directors adopted the FY 2025 Operating Budget and FY 2025-2030 Capital Improvement Program on April 25, 2024. The County's portion of the total WMATA budget is determined using several formulas that include factors such as the jurisdiction of residence of passengers, the number of stations located in a jurisdiction, the amount of service in a jurisdiction, the jurisdiction's population, and the jurisdiction's population density. The County meets its Metro subsidy through a General Fund transfer, General Obligation bonds, applied State Aid, Gas Tax receipts, and interest earnings on State Aid balances. State Aid and Gas Tax balances are held and disbursed to Metro by the Northern Virginia Transportation Commission (NVTC).

The County's FY 2025 operating contribution of \$203.7 million is a 21.3 percent increase over the \$167.9 million subsidy included in WMATA's FY 2024 Adjusted Budget. The increase in operating contribution assumes inflationary adjustments for all operational categories (e.g., Bus, Rail and Paratransit services) and the opening of the new Potomac Yard Station in Alexandria. During the COVID-19 pandemic, WMATA and its member jurisdictions received federal stimulus funding to mitigate ridership and revenue impacts associated with the pandemic. These funds are anticipated to be fully utilized at the beginning of FY 2025, resulting in increased jurisdictional subsidy contributions to continue to support the system in FY 2025.

The funding level proposed in the FY 2025 Advertised Budget was predicated on additional state support for Metro but at the time of County budget adoption, the Commonwealth had not adopted a biennial budget. However, on May 13, 2024, the General Assembly passed and the Governor signed a biennial budget that includes \$60.2 million in additional support for Metro in FY 2025 and \$84.5 million in FY 2026. This support should cover approximately half of Virginia's share of the required regional investment. Adjustments related to both WMATA's adopted budget and the Commonwealth's adopted budget will be made as part of the *FY 2024 Carryover Review Process*.

The total operational requirements are presently budgeted at \$203.7 million and the \$3.7 million for County Transit requirements are funded through the following sources: a FY 2025 General Fund transfer of \$57.4 million, \$132.8 million in applied State Aid, \$13.2 million in applied Gas Tax Receipts, and \$4 million in investment earned on State Aid balances.

For FY 2025, the County has a \$49.6 million capital requirement to Metro, which is offset by \$44.0 million in General Obligation Transportation Bonds and \$5.6 million in General Fund monies to address the County's share of debt service for bonds that WMATA issued.

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In 2018, the Virginia General Assembly passed legislation to provide annual dedicated funding sources to Metro to address long term capital needs. Revenue sources previously dedicated to the Northern Virginia Transportation Authority for the Transient Occupancy Tax and Grantor's Tax, in addition to two statewide revenue sources (state recordation tax currently used to pay bonds from the Northern Virginia Transportation District Fund and motor vehicle rental tax revenues), have been redirected to Metro. Also, a price floor on the regional gas tax was established to provide further dedicated funds to Metro.



In prior fiscal years, a portion of Metro funding increases have been accommodated by maximizing one-time available balances in State Aid to the County held at NVTC, which have been drawn down. As a result, General Fund support is required to meet FY 2025 expenditure requirements. For FY 2025, \$63.0 million in General Fund support is provided, including a transfer of \$57.4 million for operating expenses and \$5.6 million applied to debt service.

Connection to the Countywide Strategic Plan

The Fairfax County Board of Supervisors adopted the first-ever Countywide Strategic Plan on October 5, 2021. The Countywide Strategic Plan serves as a road map to help guide future work, focusing on the 10 Community Outcome Areas that represent the issues of greatest importance to the community, and uses our One Fairfax equity policy to invest in people and places that have limited access to opportunity. On February 20, 2024, the second Annual Report on the work of the strategic plan was released to the public. The report contains point-in-time progress highlights for each of the community outcome areas, plus three data dashboards and data stories that are being replicated across all of the outcome areas, and a number of additional initiatives to embed the elements of the plan within department-level work. The report also includes a Year Three Implementation Model, which will engage hundreds of County subject-matter experts to identify and champion the specific strategies that will move forward to implementation under the guidance of the Board of Supervisors. For more information on the Countywide Strategic Plan, please visit www.fairfaxcounty.gov/strategicplan. Fund 30000, Metro Operations and Construction, primarily supports the following Community Outcome Area:



Community Outcome Area	Vision Statement
Mobility and Transportation	<i>All residents, businesses, visitors and goods can move efficiently, affordably and safely throughout the county and beyond via our well-designed and maintained network of roads, sidewalks, trails and transit options.</i>

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FY 2025 Funding Adjustments

The following funding adjustments from the FY 2024 Adopted Budget Plan are necessary to support the FY 2025 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 7, 2024.

Metro Annual Operating Requirements **\$36,827,361**

The projected FY 2025 subsidy requirement for WMATA Operating Expenses totals \$203,736,853, an increase of \$36,827,361, or 22.1 percent, over the FY 2024 Adopted Budget Plan, based on estimated funding requirements for Metrobus, Metrorail and MetroAccess.

Metro Capital Requirements **\$1,000,000**

Projected FY 2025 Capital expenditures total \$49,620,343, an increase of \$1,000,000 or 2.1 percent, over the FY 2024 Adopted Budget Plan. This funding supports the acquisition of facilities, equipment, rail cars, and buses and provides for general infrastructure needs of the Metro system. It also funds debt service on the County's share of Metro bonds sold in FY 2018.

General Fund Transfer

The FY 2025 General Fund Transfer to Fund 30000, Metro Operations and Construction, is increased \$10.0 million from the FY 2024 Adopted Budget Plan. The increased operating requirements are offset by a combination of state aid for transit and the projection of increased Gas Tax revenues as well as General Fund resources. Increased capital requirements are addressed through the County's bond program.

Changes to FY 2024 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

Carryover Adjustments **\$2,292,589**

As part of the *FY 2023 Carryover Review*, the Board of Supervisors approved funding of \$2,292,589 due to increases in the County's share of the jurisdictional operating subsidy and share of capital project planning in the Washington Metropolitan Area Transit Authority (WMATA) Board FY 2024 Adopted Budget. Fund balances were sufficient to support these increases without additional resources.

Performance Measurement Results by Community Outcome Area

Mobility and Transportation

Although Metrobus and Metrorail ridership remain below pre-pandemic levels, ridership for both services increased again in FY 2023 in a continued recovery from the FY 2021 low point associated with the pandemic and this trend is expected to continue in FY 2024.

COVID-19 concerns and changes in travel patterns associated with the pandemic continue to impact ridership. It should be noted that the ridership estimates for FY 2025 are based on the WMATA's General Manager's FY 2025 Proposed Budget, which includes significant service reductions in order to balance expenses to available resources without either stimulus funding or fare revenue from pre-pandemic ridership. The estimated service level, ridership, and subsidy requirements for FY 2025 may change, depending on the budget adopted by the WMATA Board in spring of 2024, and updated accordingly with revised figures in out year budgets.

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Community Outcome Area	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Mobility and Transportation						
Efficient and Varied Transportation Options						
Percent change in Fairfax County trips on Metrobus	(29.9%)	28.0%	(4.8%)	19.2%	2.1%	5.4%
Percent change in Fairfax County ridership on Metrorail	0.0%	121.1%	42.8%	46.8%	31.2%	(4.4%)

A complete list of performance measures can be viewed at
<https://www.fairfaxcounty.gov/budget/fy-2025-adopted-performance-measures-pm>

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FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Beginning Balance	\$12,177,174	\$0	\$2,292,589	\$0	\$0
Revenue:					
Revenue Applied to Operating Expenses:					
State Aid	\$102,450,110	\$110,028,402	\$108,699,435	\$132,800,000	\$132,800,000
Gas Tax Revenue	14,330,975	13,000,000	13,000,000	13,200,000	13,200,000
Interest on NVTC Balances	4,639,606	0	0	4,000,000	4,000,000
Subtotal - State/Gas Revenue, Operating	\$121,420,691	\$123,028,402	\$121,699,435	\$150,000,000	\$150,000,000
Revenue Applied to Capital Expenses:					
State Aid Applied to Metro Capital	\$529,023	\$0	\$0	\$0	\$0
State Aid Applied to Metro Debt Service	0	2,350	2,350	0	0
Subtotal - State/Gas Revenue, Capital	\$529,023	\$2,350	\$2,350	\$0	\$0
County Revenue:					
County Bond Sales ¹	\$30,000,000	\$43,000,000	\$43,000,000	\$44,000,000	\$44,000,000
Subtotal - County Revenue	\$30,000,000	\$43,000,000	\$43,000,000	\$44,000,000	\$44,000,000
Total Revenue	\$151,949,714	\$166,030,752	\$164,701,785	\$194,000,000	\$194,000,000
Transfers In:					
General Fund (10001)	\$47,428,277	\$47,428,277	\$47,428,277	\$57,425,927	\$57,425,927
General Fund Applied to Debt Service (10001)	5,617,993	5,617,993	5,617,993	5,620,343	5,620,343
Total Transfers In	\$53,046,270	\$53,046,270	\$53,046,270	\$63,046,270	\$63,046,270
Total Available	\$217,173,158	\$219,077,022	\$220,040,644	\$257,046,270	\$257,046,270
Expenditures:					
Operating Expenditures					
Bus Operating Subsidy	\$74,110,871	\$72,292,270	\$66,090,743	\$80,210,104	\$80,210,104
Rail Operating Subsidy	69,092,175	74,469,125	80,931,492	98,221,372	98,221,372
ADA Paratransit - Metro	20,027,929	20,148,097	20,850,879	25,305,377	25,305,377
Subtotal - Operating Expenditures	\$163,230,975	\$166,909,492	\$167,873,114	\$203,736,853	\$203,736,853
Capital Construction Expenditures					
Metro Capital	\$42,620,844	\$43,000,000	\$43,000,000	\$44,000,000	\$44,000,000
Metro Capital Debt Service	5,617,993	5,620,343	5,620,343	5,620,343	5,620,343
Total County Capital Construction Subsidy	\$48,238,837	\$48,620,343	\$48,620,343	\$49,620,343	\$49,620,343
Total Operating and Capital Subsidy	\$211,469,812	\$215,529,835	\$216,493,457	\$253,357,196	\$253,357,196

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FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Applied Support					
Applied NVTC State Aid and Gas Tax to Operating	(\$121,420,691)	(\$123,028,402)	(\$121,699,435)	(\$146,000,000)	(\$146,000,000)
Applied Interest at NVTC to Operating	0	0	0	(4,000,000)	(4,000,000)
Applied NVTC State Aid and Gas Tax to Capital	(529,023)	(2,350)	(2,350)	0	0
Total Expenditures, County	\$89,520,098	\$92,499,083	\$94,791,672	\$103,357,196	\$103,357,196
Transfers Out:					
County Transit Systems (40000)	\$3,410,757	\$3,547,187	\$3,547,187	\$3,689,074	\$3,689,074
Total Transfers Out	\$3,410,757	\$3,547,187	\$3,547,187	\$3,689,074	\$3,689,074
Total Disbursements, NVTC and County	\$214,880,569	\$219,077,022	\$220,040,644	\$257,046,270	\$257,046,270
Ending Balance²	\$2,292,589	\$0	\$0	\$0	\$0

¹ The sale of bonds is presented here for planning purposes only. Actual bond sales are based on cash needs in accordance with Board policy. In January 2024, an amount of \$30.00 million was sold (Series 2024A) from the 2020 Transportation bond. The ending authorized but unissued balance from the 2020 Transportation bond is \$32.64 million.

² The ending balance in Fund 30000, Metro Operations and Construction, varies from year to year and is primarily related to differences between the preliminary budget presented by the WMATA General Manager and WMATA's Adopted Budget, and capital expenditures.