



## Board Document

## Consent Item (B)

OVERVIEW			
PRESENTATION NAME	Technical Correction To The Operating Subsidy Allocation Formulas Resolution 2024-31	DOCUMENT NO.	300007
ACTION OR INFORMATION	Action		
STRATEGIC TRANSFORMATION PLAN GOAL	Regional opportunity and partnership; Sustainability;		
RESOLUTION	Yes		
EXECUTIVE OWNER			
EXECUTIVE TEAM OWNER	Webster, Thomas J.;		
ORGANIZATION	Planning and Performance		
DOCUMENT INITIATOR	Mike R. Collins		
OTHER INFORMATION			
COMMITTEE	Board Meeting	COMMITTEE DATE	1/30/2025
PURPOSE/KEY HIGHLIGHTS	This action will correct the paratransit subsidy attachment in the recently approved subsidy allocation resolution.		
DISCUSSION	In November 2024, the Board took action to adopt revised subsidy allocation formulae for Metrorail and Metrobus operational expenses. For completeness, and in order to have all allocation formulae in one place, the November action included an Attachment B reciting the paratransit subsidy formula adopted by the Board. Since Attachment B copied a Board resolution from 1995 rather than the relevant one from 1999, this action is requested to correct the record. By including all subsidy formulae in one resolution, it is anticipated		



## Board Document

	that similar errors can be avoided in the future.
<b>INTERESTED PARTIES</b>	There are no interested parties for conflicts of interest purposes.
<b>RECOMMENDATION/NEXT STEPS</b>	Staff recommends Board approval of the corrected subsidy allocation resolution.
<b>FUNDING IMPACT</b>	A clear and easy-to-find record of WMATA's subsidy allocation formula provides transparency to Jurisdictional partners and the public.

**PRESENTED AND ADOPTED: January 30, 2025**

**SUBJECT: TECHNICAL CORRECTION TO THE OPERATING SUBSIDY ALLOCATION  
FORMULAS RESOLUTION 2024-31**

**2025-03**

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, In Resolution 2024-31, the Board of Directors approved new subsidy allocation formulas for Metrobus and Metrorail (Attachment A to Res. 2024-31) and intended to keep unchanged the paratransit subsidy formula (Attachment B to Res. 2024-31); and

WHEREAS, Staff inadvertently included the wrong paratransit subsidy allocation formula in Attachment B to Resolution 2024-31;

NOW, THEREFORE, be it

*RESOLVED*, That Resolution 2024-31 is amended by deleting Attachment B – Paratransit Subsidy Allocation Formula in its entirety and replacing it with the corrected paratransit subsidy formula set forth in Attachment B to this Resolution; and be it further

*RESOLVED*, That this technical amendment hereby authorized shall be merged with the Operating Subsidy Allocations Formulas Resolution 2024-31 to form a consolidated Operating Subsidy Allocations Formulas Resolution, as set forth in Exhibit 1 to this Resolution; and be it finally

*RESOLVED*, That to ensure the inclusion of the new subsidy formulas in the Fiscal Year 2026 budget proposal, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee  
Executive Vice President, Chief Legal Officer,  
and General Counsel

WMATA File Structure No.:  
9.10 Jurisdictional Billing and Payments

**Motioned by Ms. Santos, seconded by Ms. Kline  
Ayes: 6- Ms. Santos, Mr. McAndrew, Ms. Kline, Dr. Hadden Loh, Mr. Letourneau and Ms. Martin-Proctor**

## **EXHIBIT 1**

### **ATTACHMENT A – METRORAIL AND METROBUS SUBSIDY ALLOCATION FORMULA CALCULATIONS**

#### **Metrobus and Metrorail Cost Allocation**

Before cost allocation to Metro's jurisdictions, Metrobus and Metrorail operating costs are divided into several cost categories:

- Metrobus and Metrorail System Costs, which are commonly known as administrative costs (such as finance and legal functions) that support the Metro system.
- Metrobus and Metrorail Service Costs, which are costs associated with service delivery (such as operators, hours and miles of revenue service, and station manager functions).
- Metrorail Infrastructure Operating Costs, which are costs associated with rail infrastructure and facility maintenance (such as track, stations, and structures) that result regardless of the amount of rail service provided.

Cost categories are determined by aligning cost categories in the most recently approved Metro National Transit Database (NTD) data submission by the Federal Transit Administration (FTA) with each formula cost category. Cost categories are applied as follows:

<b>NTD Cost Category</b>	<b>Metrobus Formula Costs</b>	<b>Metrorail Formula Costs</b>
<b>General Administration by mode</b>	Metrobus System Costs	Metrorail System Costs
<b>Vehicle Maintenance plus Vehicles Operations by mode</b>	Metrobus Service Costs	Metrorail Service Costs
<b>Facility Maintenance</b>	Metrobus System Costs	Metrorail Infrastructure Operating Costs

The formula cost categories in each fiscal year are determined by taking the proportion of System, Service and Rail Infrastructure Operating Costs by mode based on the NTD categories as above and multiplying each category by mode times the proposed fiscal year budget Metrobus and Metrorail operating costs.

#### **Metrobus and Metrorail System Cost Allocation**

<b>Cost</b>	<b>Weight</b>	<b>Variable</b>	<b>Calculation</b>
<b>Metrobus and Metrorail System Costs by mode</b>	50%	Ridership	Jurisdiction average weekly ridership by mode divided by Compact area total average weekly ridership by mode. <sup>1</sup>
	50%	Population	Jurisdiction US Decennial Census Population divided by Metro Compact Area US Decennial Census Population. <sup>2</sup>

<sup>1</sup> Determined by Metrobus and Metrorail Passenger Surveys. Riders who live outside the Metro Compact area are excluded from the calculation.

<sup>2</sup> The Metrobus System Cost allocation population factor for Loudoun County is set to zero since it does not receive Metrobus service. This is consistent with Board of Directors policy in resolution 2019-34.

### Metrobus Service Cost Allocation

Cost	Weight	Variable	Calculation
<b>Metrobus Service Costs</b>	Unit rate	Revenue Hours <sup>3</sup>	Proposed fiscal year bus vehicle operations expense divided by the total proposed fiscal year bus revenue hours. The result is multiplied by each jurisdiction's share of bus revenue miles. <sup>4</sup>
	Unit rate	Peak Vehicles <sup>3</sup>	Proposed fiscal year bus vehicle maintenance expense divided by the total proposed fiscal year bus peak vehicles. The result is multiplied by each jurisdiction share of bus revenue miles.

### Metrorail Service Cost Allocation

Cost	Weight	Variable	Calculation
<b>Metrorail Service Costs</b>	90%	Railcar Miles	Proposed fiscal year scheduled revenue railcar miles by rail line times the proposed fiscal year rail route miles by line and by jurisdiction.  The result is divided by the total rail system proposed fiscal year scheduled revenue railcar miles. <sup>5</sup>
	10%	Peak Vehicles	Proposed fiscal year scheduled revenue peak vehicles by rail line times the proposed fiscal year rail route miles by line and by jurisdiction.  The result is divided by the total rail system proposed fiscal year scheduled revenue peak vehicles. <sup>5</sup>

### Metrorail Infrastructure Operating Cost Allocation

Cost	Weight	Variable	Calculation
<b>Metrorail Infrastructure Operating Costs</b>	50%	Track Miles	Proposed fiscal year rail center line revenue track miles, divided by the proposed fiscal year total rail system center line revenue track miles. <sup>6</sup>
	50%	Stations	Proposed fiscal year rail stations by jurisdiction, divided by the proposed fiscal year total number of rail

<sup>3</sup> Metrobus Service costs allocation (revenue hours and peak vehicles) for the City of Fairfax are allocated as follows: Fairfax County (80%), City of Fairfax (20%). City of Falls Church bus service costs (revenue hours and peak vehicles) are allocated as follows: City of Falls Church (50%), Arlington County (25%) and Fairfax County (25%)

<sup>4</sup> Revenue miles by Metrobus line by jurisdiction, the geo-distribution that determines each jurisdiction's share, is only recalculated in a budget year when a major bus service change takes place.

<sup>5</sup> Rail route miles are the one-way center line mileage for each rail line, route, or service pattern, accounting for service interlining, which serve as the geo-distribution that determines each jurisdiction's share. Scheduled revenue railcar miles and peak vehicles excludes special event, gap trains, and spares.

<sup>6</sup> For formula purposes, revenue track center line miles are measured within each jurisdiction's borders, measured to each terminal station.

			system stations. <sup>7</sup>
--	--	--	-------------------------------

## Metrobus and Metrorail Revenue Allocation

Before revenue allocation, Metrobus and Metrorail revenues are divided into passenger and non-passenger revenues, as determined in each proposed fiscal year's operating budget. As an illustrative example, the passenger and non-passenger revenue categories by mode from the FY2025 budget are shown below:

- Metrobus and Metrorail Passenger Revenues: revenues from bus and rail passenger fares, passes, and fare programs.
- Metrobus Non-Passenger Revenues: advertising and other revenues.
- Metrorail Non-Passenger Revenues: parking, joint development, fiber optics, advertising, and other revenues.

## Metrobus Passenger Revenue Allocation

Revenue	Weight	Variable	Calculation
<b>Metrobus Passenger Revenue</b>	100%	Metrobus Paid Ridership	Share of aggregate prior fiscal year actual paid bus trips multiplied times the total fiscal year budgeted Metrobus Passenger Revenue. <sup>8</sup>

## Metrorail Passenger Revenue Allocation

Revenue	Weight	Variable	Calculation
<b>Metrorail Passenger Revenue</b>	100%	Metrorail Paid Ridership	Share of aggregate prior fiscal year actual paid rail trips multiplied times the total fiscal year budgeted Metrorail Passenger Revenue. <sup>9,10</sup>

<sup>7</sup> Arlington Cemetery is excluded. Border station allocations are as follows: Capitol Heights: 50% District of Columbia and 50% Prince George's County; Friendship Heights: 50% District of Columbia, 50% Montgomery County; Southern Avenue: 27% District of Columbia, 73% Prince George's County; Van Dorn Street: 50% City of Alexandria, 50% Fairfax County. Ronald Reagan Washington National Airport and Washington Dulles International Airport station costs are allocated to each Virginia jurisdiction at a 1/6<sup>th</sup> share.

<sup>8</sup> Prior fiscal year paid bus trips are allocated by bus line. Bus line paid ridership is distributed by each jurisdiction's share of bus revenue miles by line. For proposed fiscal year budget Major Bus Service changes, the incremental proposed fiscal year budgeted passenger revenue resulting from those services are allocated to each jurisdiction in the proposed budget. Major Service Changes are defined in the Board-approved Title VI Program as may be amended from time to time.

<sup>9</sup> Allocation of station level paid rail ridership is distributed by the percentage of each station's riders from each jurisdiction. For proposed fiscal year budget Major Rail Service changes, the incremental proposed fiscal year budgeted passenger revenue resulting from those services are allocated to each jurisdiction in the proposed budget. Major Service Changes are defined in the Board-approved Title VI Program as may be amended from time to time.

<sup>10</sup> Revenue for the City of Fairfax and Falls Church is redistributed to all other Compact jurisdictions. This is done because, except for the share of costs of National and Dulles Airport stations, those cities are not allocated rail service nor infrastructure costs due to the lack of rail service or infrastructure within their borders (e.g., track miles, stations, railcar miles, and peak vehicles).

## Metrobus and Metrorail Non-Passenger Revenue Allocation

Revenue	Weight	Variable	Calculation
<b>Metrobus and Metrorail Non-Passenger Revenue</b>	100%	Operating Cost Share by Mode	<p>Each jurisdiction's operating cost allocation share by mode for Metrobus and Metrorail is determined based on the factors described above (weighted average of system, service, and rail infrastructure costs).</p> <p>Within Virginia, the state-level subtotal is allocated to the jurisdictions within Virginia based on share of track miles.</p> <p>The resulting allocation share by mode is multiplied times the proposed fiscal year budgeted non-passenger revenue by mode.</p>

## **ATTACHMENT B – PARATRANSIT SUBSIDY ALLOCATION FORMULA**

The costs to the Authority for providing paratransit services shall be allocated between the jurisdictions as described in the four tiers listed below, provided however, no costs shall be allocated to Loudoun County pursuant to this resolution so long as there shall be a separate paratransit funding agreement in place between Loudoun County and the Authority:

WMATA's MetroAccess costs will be allocated among the District of Columbia, Montgomery and Prince George's Counties in Maryland, and Northern Virginia as an entity, as follows:

- Direct Costs - the contract carriers' actual per trip, reservation, and eligibility charges will be allocated directly to jurisdictions
- Overhead Costs - all other costs of the paratransit program will be allocated in proportion to the direct costs

Within Northern Virginia:

- Direct Costs - per trip charges will be adjusted to reflect the average time of trips provided for each jurisdiction;
- Overhead Costs - these costs will be allocated within Northern Virginia based on the direct costs as calculated for each jurisdiction