



Finance and Capital Committee

Item II

January 29, 2026

**Finance and Capital Committee
Minutes of
December 11, 2025**

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Finance and Capital Committee
December 11, 2025**



Chair McAndrew called the meeting to order at 11:12 a.m. Present were:

Committee Members Present

Mr. Joe McAndrew, Chair
Dr. Tracy Hadden Loh, Vice Chair
Mr. Paul Smedberg
Ms. April Rai*

Other Members Present

Mr. Walter Alcorn
Ms. Valerie Santos

*designated jurisdictional representative

Mr. McAndrew moved to approve the agenda as presented without objection.

The minutes of the November 20, 2025, Finance and Capital Committee meeting were approved as presented.

Information Item

Rail Modernization Program

Staff provided a summary of Metro’s Rail Modernization Program, including the Authority’s vision for modernizing and automating the Metrorail system, a summary of the elements of the program and how they build upon each other, as well as the business case for modernization, showing how the potential benefits to Metro and the region exceed the costs of the program. The Rail Modernization Program Plan lays out a strategic framework for upgrading infrastructure, rolling stock, and operations to meet long-term transit needs. It defines the vision, scope, costs, benefits, and implementation approach for replacing the signal system and enabling future improvements—including new railcars, platform screen doors, and fully automated service. Customers would experience smoother trips, while staff would benefit from more dynamic roles aligned with evolving labor market expectations. Metro is exploring several pathways to pursue federal funds for Rail Modernization, including Capital Investment Grant (CIG) funding.

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Action Item

GM & CEO FY2027 Proposed Budget, FY2027-FY2032 Capital Improvement Program, and Authorization for Public Hearings

Staff provided an overview of the General Manager & Chief Executive Officer's (GM & CEO) FY2027 Proposed Operating and Capital Budget and FY2027-FY2032 Capital Improvement Program (CIP). They also requested Board authorization to conduct Compact Public Hearings on the proposed budget. The FY2027 Proposed Budget focuses on service improvements to further increase ridership and revenue, control costs, and lessen Metro's dependence on capital funding for preventive maintenance. Service improvement proposals for Metrorail in FY2027 include train length optimization and ATO for increased efficiency, improved all-day and late-night service, and additional peak capacity to mitigate crowding on the Red, Orange and Silver Lines. Service improvement proposals for Metrobus in FY2027 include schedule optimization, increased capacity and on-time performance, increased frequency, and enhanced span and coverage of key routes.

Total Revenue for the FY2027 Proposed Budget is \$651 million, driven by continued ridership growth and service enhancements such as Tap.Ride.Go., expanded pass programs, and fare modernization efforts. Gross Expenses for the FY2027 Proposed Budget total \$2.74 billion, reflecting both service enhancements and necessary investments to maintain system performance. Through internal efficiencies and cost reductions, Metro can offset expense pressures while reducing reliance on capital funding. As a result, the FY2027 Gross Subsidy remains at \$1.96 billion. The proposed FY2027-FY2032 Capital Program includes two scenarios: An \$11.3 billion six-year proposed Capital Program that is constrained and assumes no new regional investment; and a \$15.8 billion six-year scenario that includes additional regional investment in alignment with the DMVMoves recommendation to increase the capital program.

Metro is looking to inform customers, community members, and stakeholders about key budget proposals as part of the public hearing authorization. It will obtain feedback via an online survey and public hearings and will create a communications and advertising plan.

Mr. McAndrew moved to approve the action item, seconded by Mr. Smedberg.

The meeting was adjourned at 1:00 p.m.