Finance and Capital Committee

Information Item III-A

December 8, 2022

GM/CEO’s FY2024 Proposed Operating and Capital Budget
Title: GM/CEO's FY24 Proposed Operating & Capital Budget

Presentation Summary: Staff will present the GM/CEO’s Proposed FY2024 Operating and Capital Budget and Six Year Capital Improvement Program, including a review of the budget formula, service and fare proposals, as well as the long-term deficit outlook.

Purpose: Staff will present the GM/CEO’s FY2024 budget proposal.

Description:

Key Highlights:

- The proposed operating budget increases bus and rail service, simplifies fares, launches the Better Bus Network Redesign, funds crisis intervention specialists, and fully-funds Metro Transit Police Department (MTPD) positions.
- The proposed capital budget funds zero emission buses and electrification of the Northern and Bladensburg bus garages, opens the new Potomac Yard Station, modernizes customer wayfinding, and funds the creation of the Metro Integrated Comms Center (MICC).
- FY2024 Proposed Operating Budget includes revenue of $509 million, expenses of $2,322 million, total subsidy of $1,252 million, and $561 million of American Rescue Plan Act (ARPA) relief funding used.
- The FY2024 operating budget gap of $185 million will be closed by a combination of revenue increases, expense reductions and federal funding assistance, including both ARPA funding and increased Infrastructure Investment and Jobs Act (IIJA) Federal Formula Funding for Maintenance.
- Metro’s Capital Improvement Program (CIP) continues Metro and the region’s focus on investing in safety, state of good repair, reliability and resiliency programs and projects.
The Proposed FY2024-2029 Six-Year CIP totals $14 billion and the FY2024 Capital Budget is $2.4 billion, including debt service, revenue loss from capital projects, and reimbursable projects.

**Background and History:**

**Key Budget Milestones**
To solicit additional public input from customers and stakeholders, Metro’s FY2024 budget proposal will be presented on December 8, 2022. This timeline will allow for completion of Title VI analysis and public hearings in February/March 2023, budget adoption in April 2023, and implementation by the start of FY2024.

**Discussion:**

**Operating Budget Subsidy Formula Recap**
The process for determining the operating subsidy for the next fiscal year requires several steps, beginning with the current fiscal year’s subsidy amount. By statute and Board policy, the subsidy can grow by no more than three percent per year by Compact partner, excluding certain specific one-time or extraordinary items. Increasing the current year’s subsidy of $1,192 million by three percent results in the FY2024 base subsidy of $1,228 million. In addition, subsidy requirements for items that are exempt from the three percent cap such as Board-approved service increases and operating expenses for capital projects are added to the base subsidy. In FY2024, these legislative exclusions total $24 million to fund proposed bus and rail service increases described below and Potomac Yard operations. FY2024 base subsidy and the legislatively excluded items totals $1,252 million.

The FY2024 Base subsidy and the legislatively-excluded costs are then allocated to the jurisdictions (counties and cities) using the Board-approved historical subsidy formulae for Metrobus, Metrorail, and MetroAccess.

**Service Optimization Proposal**
The FY2024 service optimization proposal aims to strengthen Metro's transit network by increasing frequency within the central portion of the system to serve fast growing areas with high ridership potential, provide efficient and predictable transfers, and increase job accessibility.

The proposal increases service frequency with trains every three to six minutes at stations in the core and trains every eight to 12 minutes (or better) systemwide, benefiting customers across the entire network.

- Green and Yellow Line trains would arrive every six minutes all day, with all Yellow Line trains turning around at Mt. Vernon Square station
- Orange line trains would operate every 7.5 minutes on average during peak service, and every 10 minutes during off-peak service
Building on the all-day service improvements introduced in Fall 2021, which upgraded 20 bus lines to every 12-minute frequency all day and 16 bus lines to every 20-minute frequency all day, the proposal includes improvements to three bus lines to increase frequency and expand access.

- The B2 line would increase to service every 12 minutes all day
- The A12 line would be restructured and extended into two routes connecting to Downtown Largo and New Carrollton, both operating every 20 minutes
- The 16M service would be a restructuring of the existing 16G service, connecting Skyline to Crystal City every 12 minutes all day

**Fare Optimization Proposal**
The FY2024 fare optimization proposal simplifies the Metrorail fare structure for customers, grows ridership and revenue, and makes transit more affordable for Metro’s most price sensitive customers. The proposed rail fare structure ranges from $2 to $6.50 for weekdays and maintains the $2 late night and weekend fares.

- Weekday peak and off-peak fare structure would be consolidated
- The mileage rate would be standardized at $0.40 per mile (after 3 miles)
- The rail base fare would match the bus base fare of $2 all week
- Metro would administer a regional low-income fare program

This fare simplification offers advantages over a general across-the-board fare increase by growing ridership while maintaining a positive budget impact.

The proposed low-income fare program would provide customers enrolled in the Supplemental Nutrition Assistance Program (SNAP) a 50 percent discount on trips, similar to the senior and disabled reduced fares.

**Closing FY2024 Operating Budget Gap**
The GM/CEO’s FY2024 proposed budget recommends closing the projected $185 million operating budget gap by increases to passenger and non-passenger revenues, expense reductions, and federal funding assistance, including ARPA relief and increased use of IIJA Federal Formula Funding for Maintenance. The gap closure measures include the following:

- **Passenger Revenue** – Passenger revenue is predicted to increase by $11.4 million from continued improving ridership and fare evasion mitigation initiatives.
- **Non-Passenger Revenue** – Revenue will increase by $17.1 million, including $3.0 million from advertising, parking and infrastructure and $14.1 million from joint development.
- **Expenses** – Proposed expense reductions total $10.0 million, including $7.0 million from operating efficiencies and $3.0 million from
vacancy reductions.

- **Fare Optimization** – Proposed fare optimization initiatives will further close the gap by $7.1 million.

- **Federal Funding Support** – In addition to the continued use of ARPA funding to support operations in FY2024, Metro has the option of using additional IIJA Federal Formula Funding for maintenance activities. The Federal Transit Administration (FTA) outlines the operating activities, supplies, materials, and labor costs eligible for preventive maintenance (PM). While the current Metro PM allocation to capital is $60 million, the GM/CEO proposes to increase Metro’s FY2024 IIJA Federal Formula Funding for maintenance by $139.1 million to close the remaining operating budget gap.

In summary, the Proposed FY2024 Operating Budget includes:

- Passenger revenue of $406 million, a 35 percent increase over the FY2023 budget;
- Non-passenger revenue of $103 million, a 27 percent increase over the FY2023 budget;
- Total revenue of $509 million, excluding ARPA relief, which is a 33 percent increase over the FY2023 budget;
- Personnel expenses of $1,568 million, a three percent increase over the FY2023 budget;
- Non-personnel expenses totaling $754 million, a three percent increase over the FY2023 budget;
- Total expenses of $2,322 million, which is a $75 million increase over the FY2023 budget; and
- Total subsidy (base plus exclusions) of $1,252 million, excluding the projected $561 million of ARPA relief funding.

**FY2024-2029 Capital Improvement Program**

Metro’s CIP invests in capital projects and programs necessary to the safe and efficient operations of the Metrorail, Metrobus, and MetroAccess services. The CIP includes six investment categories and plans work over six years – the budget year and five planning years. Funding for the CIP is provided by the Compact Signatories – the State of Maryland, the District of Columbia, and the Commonwealth of Virginia – through Dedicated Funding and local match for federal grants. Federal formula grants and the Passenger Rail Infrastructure Investment Act (PRIIA) represent the federal interest in the Metro capital program. The FY2024 to FY2029 CIP will assume continued increases in Federal Formula grant funding associated with the IIJA, beginning with an approximately $126 million increase in formula grants in FY2024. Required funding to match Federal grants is provided by the contributing local jurisdictions in the region. Finally, Metro also issues debt, backed by Dedicated Funding, to address any shortfall in funding needs after the other funding sources are applied.
Metro’s CIP is developed for budgeting purposes with one execution year and six- and ten-year plans. To support the budget and need requirements, staff will provide more frequent look-ahead communications regarding upcoming projects and any special service needs that result in major service disruptions. Efforts will also be made to coordinate project delivery with regional partners. As with planned budgets, plans for project delivery are less certain the further out one looks, and come into sharper focus as projects are planned, packaged, contracted, and prepared for delivery.

The CIP also includes ongoing Capital Projects to address previously unmet or unfunded needs these projects include:

- Acquisition of 8000-series railcars to replace aging 2000- and 3000-series cars
- Heavy Repair and Overhaul Facility
- Bladensburg Bus Garage Facility
- Northern Bus Garage Facility
- Replacement of escalators systemwide
- Tunnel Ventilation Pilot
- Yellow Line Tunnel and Bridge Rehabilitation project

**Capital Program Risks and Considerations:**
The Capital program faces continuing funding and execution risks in addition to those related to the pandemic. The risks include additional material and labor costs associated with inflation and market escalations.

Risks to capital funding sources include uncertainty of the federal funding and the constrained long-term dedicated funding debt capacity. Continuation of state of good repair projects to sustain state of good repair and reliability and prevent future backlogs, require on-going funding creating a base beyond which additional unfunded or underfunded needs can then be addressed. These needs include, but are not limited to, Zero Emission bus implementation; the Next Generation Signal System; Blue/Orange/Silver Line capacity and reliability improvements; and Railcar fleet and facility improvements for future rail system capacity and frequency improvements.

**Long-Term Structural Deficit**
Although the budget gap will be closed through the actions listed above, Metro’s long-term financial outlook remains very challenging. On the capital budget, there is enough funding capacity for the next few years, but Metro’s 10-year needs exceed $25 billion and far surpass the projected available funding. On the operating budget, additional funding and gap closure measures will be required to balance the FY2025 budget as federal pandemic relief funding will be exhausted at the end of FY2024.

**FUNDING IMPACT:**
Information item only - no impact on funding.

<table>
<thead>
<tr>
<th>Project Manager:</th>
<th>Yetunde Olumide</th>
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</thead>
<tbody>
<tr>
<td>Project Department/Office:</td>
<td>Acting CFO</td>
</tr>
</tbody>
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**TIMELINE:**

<table>
<thead>
<tr>
<th>Previous Actions</th>
<th>September through November 2022 – Committee and Executive Session discussions on FY2024 Budget Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated actions after presentation</td>
<td>January 2023 – Board authorization for public hearings on Proposed FY2024 Budget</td>
</tr>
<tr>
<td></td>
<td>April 2023 – Board Budget Adoption</td>
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**RECOMMENDATION:**

No recommendation: information item only.
## Purpose

<table>
<thead>
<tr>
<th>FY2024 Proposed Budget Overview</th>
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<tbody>
<tr>
<td>Recap Budget Formula</td>
</tr>
<tr>
<td>Review FY2024 Service and Fare</td>
</tr>
<tr>
<td>Optimization Proposal</td>
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<tr>
<td>FY2024 Proposed Operating and Capital</td>
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<tr>
<td>Budget</td>
</tr>
<tr>
<td>Long Term Structural Deficit</td>
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</table>
FY2024 Proposed Budget Initiatives

Service Excellence
Deliver safe, reliable, convenient, accessible & enjoyable service for all customers

Regional Opportunity & Partnership
Design transit service to move more people & connect a growing region

Sustainability
Manage resources responsibly to achieve a sustainable operating, capital & environmental model

Talented Teams
Attract, develop & retain top talent where individuals feel valued, supported & proud of their contribution

Enhance Safety
- Safety Management System (SMS) implementation
- Metro Transit Police Officers
- Crisis Intervention Specialists
- Enhance technical training and staff development

More Frequent & Reliable Service
- Increased Bus and Rail Service Frequency
- Better Bus Network Redesign

Capital Improvements for a Better Metro
- Bus and Rail System State of Good Repair
- New Buses, Railcars, MetroAccess Vehicles
- Modernize Customer Information and Wayfinding
- Open Potomac Yard Station
- Rehab employee and customer restrooms

More Simplified & Equitable Fares
- Low-income Fare program
- Fare Simplification, eliminate peak fare, standardize mileage rates

Improved Customer Service & Communications
- Metro Integrated Comms Center (MICC)
- One stop shopping through consolidated call centers
- Enhanced Passenger Information Displays

Sustainability
- Northern and Bladensburg Bus Garage Electrification
- Zero Emission Buses
- LEED Certified Maintenance Facilities and Offices
Recap Budget Formula
**Allowable Above Base Operating Subsidy**

FY2024 Base Subsidy: $1,227.7M

Legislative Exclusions Above 3% Cap (Additional Rail and Bus Services): $24.3M

FY2024 Above Base Subsidy: $1,252.0M
**Inputs Driving Subsidy Allocation**

**METRORAIL**
- Max Fare: Jurisdictions pay for half of the revenue difference between the fare actually paid and what the customer *would have paid* without a taper or fare cap (100%)
- Density weighted population (33%)
- Average weekday ridership (33%)
- Number of stations (33%)

**METROBUS**
- Density weighted population (25%)
- Ridership by jurisdiction (15%)
- Revenue miles per jurisdiction (35%)
- Revenue hours per jurisdiction (25%)

**METROACCESS**
- Costs allocated to jurisdictions based on passenger trips
- VA costs are further allocated based on average length of trip times

**Recap Budget Formula**
3% Cap Subsidy Methodology

Regional contributions determined within the 3% Growth Cap

Metro

($ in millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Effective Subsidy</th>
<th>Base Subsidy</th>
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<tbody>
<tr>
<td>FY2023</td>
<td>$1,191.9</td>
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</tr>
<tr>
<td>FY2024</td>
<td>$1,227.7</td>
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</table>

+$35.8 3% Subsidy Growth Cap

Region

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<tr>
<th>Fiscal Year</th>
<th>Contribution</th>
<th>Base Contribution</th>
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<tbody>
<tr>
<td>DC</td>
<td>$426.7</td>
<td>$439.5</td>
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+$12.8 3% Subsidy Growth Cap

<table>
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<tr>
<th>Fiscal Year</th>
<th>Contribution</th>
<th>Base Contribution</th>
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</thead>
<tbody>
<tr>
<td>MD</td>
<td>$452.1</td>
<td>$465.7</td>
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</table>

+$13.6 3% Subsidy Growth Cap

<table>
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<tr>
<th>Fiscal Year</th>
<th>Contribution</th>
<th>Base Contribution</th>
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<tbody>
<tr>
<td>VA</td>
<td>$313.1</td>
<td>$322.5</td>
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+$9.4 3% Subsidy Growth Cap

Intrastate

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<th>County</th>
<th>Contribution</th>
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<td>Montgomery County</td>
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<tr>
<td>Prince George's County</td>
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<td>City of Alexandria</td>
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<td>Arlington County</td>
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<td>City of Fairfax</td>
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<td>Fairfax County</td>
<td>$1.0</td>
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<tr>
<td>City of Falls Church</td>
<td>$0.04</td>
</tr>
<tr>
<td>Loudoun County</td>
<td>$2.5</td>
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Charts and table totals may not sum due to independent rounding.
Service and Fare Optimization Proposal
Service Optimization Summary

Service and Fare Optimization

**Metrobus**
- Launch the Better Bus network redesign
- Advance incremental changes to improve frequency and expand access

**Metrorail**
- More frequent service
  - Trains every 3 to 6 minutes in the core
  - Trains every 8 to 12 minutes systemwide
- Enable efficient and predictable transfers and increase access to destinations

**Fares**
- Simplify Metrorail fare structure
  - Eliminate peak / off-peak price difference
  - Align Metrorail and Metrobus base fare
- Launch a low-income fare discount program
- Encourage ridership, increase revenue, and advance equity
Strengthening the Network with Frequency and Efficient Transfers

- Increase core frequency on Green, Yellow, and Orange Lines
- Focuses service where the network is carrying the most customers and areas with high ridership potential
- Offers benefits for customers across the entire network, enabling efficient and predictable transfers and providing access to more destinations

**Estimated Ridership Change (Annual)**: 3.4 million

**Incremental Net Operating Budget Impact ($, Millions, Annual)**: $19.0

**Annual Customer Trips**

Baseline: 112.3m
Proposal: 115.7m

- Assumption: Railcar fleet fully available (including 7000 series)
Green/Yellow Line Proposal

Increased Green and Yellow Service with Yellow Line Short Turns

By running more trains, the entire Green and Yellow Lines will receive 6 minute service all day, instead of only the combined parts.

Opportunity to grow ridership with enhanced service for fast growing parts of system, games and other events at four major sports venues, airport travelers (DCA), and a new station (Potomac Yard).

Reduces transfer times at Gallery Place and L’Enfant Plaza, provides equity benefits on Southern Green Line, increases utilization of key assets (e.g., Yellow Line bridge).
**Orange Line Proposal**

**Improve Orange Line Service**

**Run more Orange Line trains to provide 7.5 minute peak frequency and 10 minute all day frequency**

Improves potential connections at New Carrollton to Amtrak, MARC, and the future Purple Line and offers increased frequency in the busy Rosslyn to Ballston corridor.

Current ridership on the eastern Orange and Blue/Silver branches is roughly even, and the New Carrollton branch historically had 10-25% more customers.
More Frequent Service for Customers
Trains every 3 to 6 minutes in the central part of the system, 8 to 12 minutes or better systemwide

**Congress Heights**
Weekend afternoon

<table>
<thead>
<tr>
<th>LN</th>
<th>CAR</th>
<th>DEST</th>
<th>MIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>GR</td>
<td>8</td>
<td>Greenbelt</td>
<td>1</td>
</tr>
<tr>
<td>GR</td>
<td>8</td>
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</tr>
<tr>
<td>GR</td>
<td>8</td>
<td>Greenbelt</td>
<td>13</td>
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Baseline: Trains every 12 minutes
Proposed: Trains every 6 minutes

**Eisenhower Avenue**
Weekday midday

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<tr>
<th>LN</th>
<th>CAR</th>
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<th>MIN</th>
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<tbody>
<tr>
<td>YL</td>
<td>8</td>
<td>Mt Vernon</td>
<td>2</td>
</tr>
<tr>
<td>YL</td>
<td>8</td>
<td>Mt Vernon</td>
<td>8</td>
</tr>
<tr>
<td>YL</td>
<td>8</td>
<td>Mt Vernon</td>
<td>14</td>
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</tbody>
</table>

Baseline: Trains every 12 minutes
Proposed: Trains every 6 minutes

**Vienna**
Weekday morning rush

<table>
<thead>
<tr>
<th>LN</th>
<th>CAR</th>
<th>DEST</th>
<th>MIN</th>
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<tbody>
<tr>
<td>OR</td>
<td>8</td>
<td>NewCrltn</td>
<td>ARR</td>
</tr>
<tr>
<td>OR</td>
<td>8</td>
<td>NewCrltn</td>
<td>6</td>
</tr>
<tr>
<td>OR</td>
<td>8</td>
<td>NewCrltn</td>
<td>15</td>
</tr>
</tbody>
</table>

Baseline: Trains every 10 minutes
Proposed: Trains every 7.5 minutes (average)

Orange Line service would alternate between trains every 6 and 9 minutes in order to accommodate Blue and Silver Line services
### Efficient and Predictable Transfers

Frequent service at transfer stations enhances regional access

<table>
<thead>
<tr>
<th>Line</th>
<th>Destination</th>
<th>Minutes</th>
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<tbody>
<tr>
<td>GR</td>
<td>Greenbelt</td>
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</tr>
<tr>
<td>YL</td>
<td>Mt Vernon Sq</td>
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<tr>
<td>YL</td>
<td>Greenbelt</td>
<td>7</td>
</tr>
<tr>
<td>BL</td>
<td>Downtown Largo</td>
<td>1</td>
</tr>
<tr>
<td>OR</td>
<td>New Carrollton</td>
<td>4</td>
</tr>
<tr>
<td>SV</td>
<td>Downtown Largo</td>
<td>8</td>
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<tr>
<td>YL</td>
<td>Huntington</td>
<td>2</td>
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<tr>
<td>GR</td>
<td>Branch Ave</td>
<td>5</td>
</tr>
<tr>
<td>YL</td>
<td>Huntington</td>
<td>8</td>
</tr>
<tr>
<td>SV</td>
<td>Ashburn</td>
<td>ARR</td>
</tr>
<tr>
<td>BL</td>
<td>Franconia-Springfield</td>
<td>4</td>
</tr>
<tr>
<td>OR</td>
<td>Vienna</td>
<td>7</td>
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</tbody>
</table>

Based on all day / off-peak train frequencies before 9:30 pm.
Reduced Travel Times with Efficient Transfers

Passengers perceive waiting time to be about twice as long as equivalent time on the train

Example Trip: Braddock Road to Navy Yard
Weekend afternoon travel
Transfer at L’Enfant Plaza

Example Trip: Suitland to Foggy Bottom
Weekday mid-day travel
Transfer at L’Enfant Plaza

Example Trip: Silver Spring to Reagan National Airport
Weekday mid-day travel
Transfer at Gallery Place

Service Optimization – Metrorail

<table>
<thead>
<tr>
<th>Concept</th>
<th>Baseline</th>
<th>Average Waiting Time</th>
<th>Yellow Line Travel</th>
<th>Green Line Travel</th>
<th>Concept</th>
<th>Baseline</th>
<th>Average Waiting Time</th>
<th>Yellow Line Travel</th>
<th>Green Line Travel</th>
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<tbody>
<tr>
<td>3</td>
<td>15</td>
<td>20</td>
<td>3</td>
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<td>20</td>
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<td>4</td>
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</table>
Service Optimization – Metrorail

Destination Access Example

Anacostia Station

For a customer starting a short walk from Anacostia Metro Station...

By reducing average wait times for Green Line trains and enabling further time savings with quicker transfers to Yellow or Orange Lines:

Jobs accessible within 30 minutes increase approximately 25%
Destination Access Example

Braddock Road Station

For a customer starting at Braddock Road Metro Station…

By reducing average wait times for Yellow Line trains and enabling further time savings with quicker transfers to Green or Orange Lines:

Jobs accessible within 30 minutes increase approximately 15%
Rail Optimization Summary
Make service more frequent to reduce travel times, expand destination access, and grow ridership

More frequent all day service
- **Core**: Trains arrive every 3 to 6 minutes
- **Systemwide**: Trains arrive every 8 to 12 minutes or better

Running 62% more daily train trips systemwide than today
- 101% more than in July 2022

Faster trips for customers, less time waiting to transfer

Annual Customer Trips
- Baseline: 112.3m
- Proposal: 115.7m

- Positively Impacted: 49%
- New Trips: 3%
- Negatively Impacted: 8%
- Not Impacted: 40%
## Delivering a Better Bus network

Metro is working to make bus service better and more frequent, addressing top customer priorities

<table>
<thead>
<tr>
<th>FY2022 to FY2023</th>
<th>FY2024</th>
<th>FY2024 and beyond</th>
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<tbody>
<tr>
<td>Launched all day service improvements</td>
<td>Incremental changes to improve frequency and access</td>
<td>Designing a new network that is fast, frequent, reliable, and easier to understand</td>
</tr>
<tr>
<td>• 20 lines every 12 minutes</td>
<td></td>
<td>Improving the customer experience with enhanced bus priority and better real-time information</td>
</tr>
<tr>
<td>• 16 lines every 20 minutes</td>
<td></td>
<td></td>
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<tr>
<td>Implemented free rail-bus transfers</td>
<td></td>
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</table>
Improve Frequent Bus Service
Grow ridership, expand access, advance equity

B2 – District of Columbia
Upgrade busy Bladensburg Road-Anacostia line, a top 15 ridership route, to every 12 minutes all day

A12 – Maryland
Restructure Martin Luther King Jr. Highway service, extending service every 20 minutes to Downtown Largo

16M – Virginia
Restructure Columbia Pike service, connecting Skyline to Crystal City with service every 12 minutes all day

Frequency Improvement
Restructure/Extension
Restructure/Extension

Legend
- Route 16M
- Proposed Extension
- Eliminated 16M

Service Optimization – Metrobus

All routes are regional routes. Additional minor bus service changes making operational and customer improvements could be included.
## Improve Frequent Bus Service

Grow ridership, expand access, advance equity

### Annual Impact of Improved Service

<table>
<thead>
<tr>
<th>Line</th>
<th>Jurisdiction</th>
<th>Cost ($M)</th>
<th>Ridership (M)</th>
<th>Revenue ($M)</th>
<th>Net Budget Impact ($M)</th>
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<tbody>
<tr>
<td>B2 - Bladensburg Road-Anacostia</td>
<td>DC</td>
<td>$2.5</td>
<td>0.30</td>
<td>$0.19</td>
<td>$2.3</td>
</tr>
<tr>
<td>A12 - Martin Luther King Jr. Highway</td>
<td>MD</td>
<td>$2.0</td>
<td>0.25</td>
<td>$0.15</td>
<td>$1.9</td>
</tr>
<tr>
<td>16M – Columbia Pike – Crystal City</td>
<td>VA</td>
<td>$1.0</td>
<td>0.10</td>
<td>$0.08</td>
<td>$0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$5.5</strong></td>
<td><strong>0.65</strong></td>
<td><strong>$0.40</strong></td>
<td><strong>$5.1</strong></td>
</tr>
</tbody>
</table>
Implement Regional Low-Income Fare Program Administered by Metro

- Offer low-income customers a 50% discount, matching the discount for senior and disabled customers
- Customers qualify based on enrollment in jurisdictional Supplemental Nutrition Assistance Program (SNAP)
- Offer customers a straightforward sign-up process

<table>
<thead>
<tr>
<th>Estimated Ridership Impact (FY2024)</th>
<th>Estimated Budget Impact (FY2024)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6 million</td>
<td>-$4.0 million</td>
</tr>
</tbody>
</table>

Low Income Share of Ridership, %

<table>
<thead>
<tr>
<th>Metrorail</th>
<th>Metrobus</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Rail and Bus Passenger Surveys
Fare Optimization

Fare Simplification Proposal

Standardize peak and off-peak fares, align rail and bus base fares, and discount fares for low-income customers

Current Fare Structure

<table>
<thead>
<tr>
<th></th>
<th>Base Fare</th>
<th>Max Fare</th>
<th>Reduced Fare†</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Peak</strong></td>
<td>$2.25</td>
<td>$6.00</td>
<td>50% off the peak fare</td>
</tr>
<tr>
<td></td>
<td>After first 3 miles, 0.326 per mile After 6 miles, $0.288 per mile</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Off-Peak Weekday</strong></td>
<td>$2.00</td>
<td>$3.85</td>
<td></td>
</tr>
<tr>
<td></td>
<td>After first 3 miles, 0.244 per mile After 6 miles, $0.216 per mile</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Late Night² and Weekend</strong></td>
<td>$2.00</td>
<td>$1.00</td>
<td></td>
</tr>
<tr>
<td><strong>Bus</strong></td>
<td>$2.00</td>
<td>$1.00</td>
<td></td>
</tr>
</tbody>
</table>

MetroAccess fares are twice the fastest comparable fixed-route fare with a maximum of $6.50 per trip.

† For senior and disabled customers
² Late Night fares apply after 9:30pm

Proposed Fare Structure

<table>
<thead>
<tr>
<th></th>
<th>Base Fare</th>
<th>Max Fare</th>
<th>Reduced Fare†</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regular</strong></td>
<td>$2.00</td>
<td>$6.50</td>
<td>$1.00 to $3.25</td>
</tr>
<tr>
<td></td>
<td>After first 3 miles, $0.40 per mile</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Late Night² and Weekend</strong></td>
<td>$2.00</td>
<td>$1.00</td>
<td></td>
</tr>
<tr>
<td><strong>Bus</strong></td>
<td>$2.00</td>
<td>$1.00</td>
<td></td>
</tr>
</tbody>
</table>

MetroAccess fares are twice the fastest comparable fixed-route fare with a maximum of $6.50 per trip.

† 50% discount for senior, disabled, and low-income customers
² Late Night fares apply after 9:30pm
Fare Optimization

Fare Proposal
Simplify the Metrorail fare structure and offer discounts for low-income customers

- Proposal advances Metro’s Fare Policy Principles
  - Simplifies and standardizes fares for customers
  - Enables offering reduced fares to low-income customers and preserves $2 bus and late night & weekend rail fares
  - Expected to generate increased revenue and grow ridership

<table>
<thead>
<tr>
<th>Proposals</th>
<th>Ridership Impact (Millions)</th>
<th>Budget Impact (Millions)</th>
<th>Customer Focused</th>
<th>Simple and Convenient</th>
<th>Equitable</th>
<th>Seamless</th>
<th>Drives Ridership</th>
<th>Generates revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare Structure Simplification with Low-Income Fare Program</td>
<td>+1.9</td>
<td>+$7.1</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

Metro Fare Policy Principles
FY2024 Proposed Operating Budget
Cost And Revenue Favorability Has Reduced Funding Gap

FY24 Proposed Operating Budget

<table>
<thead>
<tr>
<th>FY24 Funding Gap</th>
<th>FY23-FY24 Additional Expenses</th>
<th>FY22 Expense Favorability</th>
<th>FY22 Revenue Favorability</th>
<th>FY24 Gap Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>($318.6M)</td>
<td>($149.6M)</td>
<td>$230.0M</td>
<td>$53.5M</td>
<td>$184.7M</td>
</tr>
</tbody>
</table>
### Options For Closing FY2024 Budget Gap

<table>
<thead>
<tr>
<th>Category</th>
<th>Options</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Revenue Increases</strong></td>
<td>$11.4M Improving Ridership (65% to 70% Recovery, improve fare recovery)</td>
<td>$11.4M</td>
</tr>
<tr>
<td><strong>Non-Passenger Revenue Increases</strong></td>
<td>$3.0M Revenue Growth (Parking, Advertising, etc.)</td>
<td>$3.0M</td>
</tr>
<tr>
<td></td>
<td>$14.1M Joint Development (Lease Revenue, etc.)</td>
<td>$14.1M</td>
</tr>
<tr>
<td><strong>Expense Reductions</strong></td>
<td>$7.0M Operating Efficiencies</td>
<td>$7.0M</td>
</tr>
<tr>
<td></td>
<td>$3.0M Vacancy Reduction</td>
<td>$3.0M</td>
</tr>
<tr>
<td><strong>Board Policy Decisions</strong></td>
<td>$7.1M Fare Optimization</td>
<td>$7.1M</td>
</tr>
<tr>
<td></td>
<td>$139.1M IIJA Federal Formula Funding for Maintenance</td>
<td>$139.1M</td>
</tr>
<tr>
<td></td>
<td>$146.2M</td>
<td>$146.2M</td>
</tr>
</tbody>
</table>

Total Proposed Operating Budget: $11.4M + $3.0M + $14.1M + $7.0M + $3.0M + $7.1M + $139.1M + $146.2M = $385.8M
Revenue Recovery Growing at Same Pace As Ridership

FY2024 Proposed Operating Budget

- Actuals
- Projection

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>301.5M</td>
<td>$666.3M</td>
<td>230.6M</td>
<td>$485.0M</td>
<td>81.3M</td>
<td>(26%)</td>
<td>142.2M</td>
</tr>
</tbody>
</table>

FY2024 Proposed Operating Budget:

- $666.3M
- $485.0M
- $102.0M
- $213.5M
- $301.0M
- $406.0M
- $439.0M
## FY2024 Operating Deficit Closure Proposal

<table>
<thead>
<tr>
<th>$ in millions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding Gap</strong></td>
<td>($184.7)</td>
</tr>
<tr>
<td>Improving Ridership</td>
<td>$11.4</td>
</tr>
<tr>
<td>Non-Passenger Revenue Growth</td>
<td>$17.1</td>
</tr>
<tr>
<td>Expense Reductions</td>
<td>$10.0</td>
</tr>
<tr>
<td><strong>FY2024 Base Funding Gap</strong></td>
<td>($146.2)</td>
</tr>
<tr>
<td>Fare Optimization</td>
<td>$7.1</td>
</tr>
<tr>
<td>New Base Gap</td>
<td>($139.1)</td>
</tr>
<tr>
<td>IIJA Federal Formula Funding for Maintenance</td>
<td>$139.1</td>
</tr>
<tr>
<td><strong>FY2024 Base Gap Closed</strong></td>
<td>$0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ in millions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY2024 Above Base New Services</strong></td>
<td></td>
</tr>
<tr>
<td>Orange Line Investment</td>
<td>($6.0)</td>
</tr>
<tr>
<td>Green/Yellow Line Investment</td>
<td>($13.0)</td>
</tr>
<tr>
<td>Improve Frequent Bus Service*</td>
<td>($5.1)</td>
</tr>
<tr>
<td>Potomac Yard</td>
<td>($0.3)</td>
</tr>
<tr>
<td><strong>Total Above Base New Services</strong></td>
<td>($24.3)</td>
</tr>
<tr>
<td><strong>Additional Above Base Jurisdictional Contribution</strong></td>
<td>$24.3</td>
</tr>
<tr>
<td><strong>Jurisdictional Contribution Closes Above Base Gap</strong></td>
<td>$0.0</td>
</tr>
</tbody>
</table>

*16M–Columbia Pike–Crystal City, A12–Martin Luther King Jr. Highway, and B2–Bladensburg Road–Anacostia

Chart and table totals may not sum due to independent rounding.
## FY2024 Operating Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Budget</th>
<th>FY2024 Proposed</th>
<th>Variance $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Revenue</strong></td>
<td>$301.0</td>
<td>$406.0</td>
<td>$105.0</td>
<td>34.9%</td>
</tr>
<tr>
<td><strong>Non-Passenger Revenue</strong></td>
<td>$81.5</td>
<td>$103.2</td>
<td>$21.7</td>
<td>26.6%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$382.5</td>
<td>$509.2</td>
<td>$126.7</td>
<td>33.1%</td>
</tr>
<tr>
<td><strong>Personnel</strong></td>
<td>$1,518.4</td>
<td>$1,567.9</td>
<td>$49.6</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Non-Personnel</strong></td>
<td>$728.8</td>
<td>$754.2</td>
<td>$25.4</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$2,247.2</td>
<td>$2,322.1</td>
<td>$75.0</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Operating Deficit</strong></td>
<td>($1,864.7)</td>
<td>($1,813.0)</td>
<td>$51.7</td>
<td>2.8%</td>
</tr>
<tr>
<td><strong>Subsidy</strong></td>
<td>$1,191.9</td>
<td>$1,227.7</td>
<td>$35.8</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Above Base Subsidy</strong></td>
<td>$0.0</td>
<td>$24.3</td>
<td>$24.3</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Subsidy</strong></td>
<td>$1,191.9</td>
<td>$1,252.0</td>
<td>$60.1</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Federal Relief</strong></td>
<td>$672.8</td>
<td>$561.0</td>
<td>($111.8)</td>
<td>-16.6%</td>
</tr>
<tr>
<td><strong>Funding Gap</strong></td>
<td>$0.0</td>
<td>$0.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Passenger Revenue
Improving Ridership (53% to 70% Recovery, fare optimization)

Non-Passenger Revenue
Parking, advertising, and joint development growth

Personnel Expense
Increase related to contractual wage adjustments and related fringe costs, offset using IIJA Federal Formula Funding for Maintenance

Non-Personnel Expense
Increase related to Paratransit support, market related energy costs, and inflation

Chart and table totals may not sum due to independent rounding.
FY2024–2029 Capital Improvement Program
## Purpose

<table>
<thead>
<tr>
<th>Proposed Six-Year, FY2024 – FY2029 Capital Improvement Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2024 Capital Budget</td>
</tr>
<tr>
<td>10-Year, FY2024 – FY2033 Capital Plan</td>
</tr>
</tbody>
</table>
Future Investments for Customers

Upcoming Capital Investments

- Braddock Road Bus Shelter with E-Paper
- 8000 Series Railcars Rendering (Hitachi Rail)
- Dedicated Bus Lanes
- Zero Emission Bus
- 8000 Series Railcars Rendering
- MetroAccess Sedans
- MetroAccess Vans
- Customer Information Electronic Displays
- Real-Time Information
- Metrorail Escalators
- Customer Information
- Potomac Yard Station
Future Infrastructure & Behind the Scenes Investments

- Aerial Structures Rehabilitation
- Bladensburg Bus Garage Rendering
- Northern Bus Garage Rendering
- Water Leak Mitigation
- New Heavy Repair & Overhaul Facility Rendering
- Solar Canopy at Anacostia Parking Garage
- Replacement Site
- Western Bus Garage
- Tunnel Ventilation
Capital Program Goals

- Transform Metro into a world class transit agency
- Demonstrate commitment to customers
- Focus on ensuring safety, customer experience and improving service
- Rehabilitate, replace, and modernize the system
- Advance sustainability and resilience
- Maintain fiscal accountability and commitments to region

Capital Budget
Funds replacement, rehabilitation, maintenance & modernization efforts

Metro’s Capital Program Structure

- **$26.9B**
  - 10-Year Capital Plan
  - Identifies viable initiatives to address needs identified for next ~10 years; financially unconstrained

- **$12.4B**
  - Six-Year Capital Program
  - Capital investments anticipated for, or continuing in, six-year capital program

- **$2.2B**
  - One-Year Capital Budget
  - Expenditure forecast for capital projects and programs in current budget year
Proposed Capital Improvement Program (CIP)

Railcars & Railcar Facilities

Vehicle Acquisition & Rehabilitation
- 8000-Series Railcar Acquisition
- 7000-Series Railcar Acquisition
- Railcar Preventive Maintenance Program
- 7000- & 6000-Series Railcar Scheduled Rehabilitation

Railcar Facilities & Systems
- Railcar Heavy Repair & Overhaul Facility
- Railyard Rehabilitation
- Railcar Wash Rehabilitation

Proposed Program
Railcar & Railcar Facilities

$2.8B
FY2024-FY2029
Proposed Capital Program

$424M
FY2024
Proposed Capital Budget
Rail Systems

Train Control
Train Control Room Rehabilitation • Track Circuit Cable Testing & Replacement • Switch Machine Replacement • New Carrollton and Brentwood Railyard Rehabilitation • Next Generation Train Control

Power Improvements
Traction Power State of Good Repair and Infrastructure Upgrades • Rail Power System Rehabilitation • Generator System Replacement

Other Rail Systems Investments
Radio Infrastructure Replacement • Fiber Installation • Braking Energy Recovery Installation

Proposed Program
Rail Systems

$1.6B
FY2024-FY2029 Proposed Capital Program

$323M
FY2024 Proposed Capital Budget

Proposed Capital Improvement Program (CIP)
Proposed Capital Improvement Program (CIP)

Track & Structures Rehabilitation

Track Equipment & Infrastructure
- Track Rehabilitation
- Track Maintenance
- Equipment Replacement

Tunnel Investments
- Yellow Line Tunnel Remediation
- Water Leak Mitigation
- Tunnel Ventilation Improvements
- Tunnel Shaft Rehabilitation

Bridges & Aerials
- Structural Rehabilitation of Priority Bridges and Other Structures

Proposed Program
- Track & Structures Rehabilitation

$1.8B
FY2024-FY2029
Proposed Capital Program

$284M
FY2024
Proposed Capital Budget

39 of 81
Proposed Capital Improvement Program (CIP)

Stations & Passenger Facilities

Fire Life Safety Improvements
Station Fire Control Infrastructure • Standpipe Systems • Tunnel Smoke Detection System Implementation

Station Infrastructure Improvements
Escalator Rehabilitation & Replacement • Station Platform Rehabilitation • Elevator Rehabilitation • Station Entrance Escalator Canopies • Parking Garage & Surface Lot Rehabilitation • Station Platform Canopy Rehabilitation • Additional Station Entrances and Access Improvements • Digital Signage and System Wayfinding Upgrades • Planning for Blue Orange Silver Capacity + Reliability

Station Systems Improvements
Passenger Information Displays • Lighting • Station Cooling Systems • Drainage Pumping Stations Rehabilitation • Sewage Ejector Replacement • Fare Payment Modernization • AC Power Rehabilitation • Camera System Modernization

Proposed Program
Stations & Passenger Facilities

$1.9B
FY2024-FY2029
Proposed Capital Program

$353M
FY2024
Proposed Capital Budget
Proposed Capital Improvement Program (CIP)

Bus, Bus Facilities & Paratransit

Vehicle Acquisition & Rehabilitation
- Electric Bus Acquisition
- Bus Rehabilitation
- MetroAccess Fleet Acquisition

Bus Garage Rehabilitation & Replacement
- Northern & Bladensburg Garage Replacement and Electrification
- Montgomery & Four Mile Run Bus Garage Rehabilitation
- Planning for Western Garage Replacement and Electrification
- Additional Electrification Efforts

Bus Station & Terminal Improvements
- Metrobus Shelter Replacement
- Bus Stop Accessibility
- Metrobus Closed Circuit Television
- Customer Information
- Electronic Display Signs
- Historical Bus Terminals
- Bus Priority Program

Proposed Program
Bus, Bus Facilities & Paratransit

$2.8B
FY2024-FY2029
Proposed Capital Program

$528M
FY2024
Proposed Capital Budget
Business & Operations Support

Facility Improvements
- DC, MD & VA Office Consolidation
  - Data Center IT Infrastructure & Equipment
  - Planning for Modern Training Facility

Hardware & Software Investments
- Enterprise Resource Planning System Replacement
  - Edge Device Replacement
  - Enterprise IT Infrastructure State of Good Repair

Other Support Investments
- Service Vehicle Replacement
- Roof Rehabilitation & Replacement
- Environmental Compliance Program
- Unified Communications Initiative

Proposed Program

Business & Operations Support

$1.5B
FY2024-FY2029
Proposed Capital Program

$294M
FY2024
Proposed Capital Budget
## Capital Investment Categories

<table>
<thead>
<tr>
<th>Capital Investment Categories</th>
<th>FY2024 Proposed Budget</th>
<th>FY2025 – FY2029 Plan</th>
<th>Six-Year Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railcars and Railcar Facilities</td>
<td>$424</td>
<td>$2,390</td>
<td>$2,814</td>
</tr>
<tr>
<td>Rail Systems</td>
<td>$323</td>
<td>$1,293</td>
<td>$1,616</td>
</tr>
<tr>
<td>Track and Structure Rehabilitation</td>
<td>$284</td>
<td>$1,514</td>
<td>$1,798</td>
</tr>
<tr>
<td>Stations and Passenger Facilities</td>
<td>$353</td>
<td>$1,500</td>
<td>$1,853</td>
</tr>
<tr>
<td>Bus, Bus Facilities, and Paratransit</td>
<td>$528</td>
<td>$2,256</td>
<td>$2,784</td>
</tr>
<tr>
<td>Operations and Business Support</td>
<td>$294</td>
<td>$1,253</td>
<td>$1,547</td>
</tr>
<tr>
<td><strong>Total Capital Investments</strong></td>
<td><strong>$2,205</strong></td>
<td><strong>$10,207</strong></td>
<td><strong>$12,412</strong></td>
</tr>
<tr>
<td>Revenue Loss from Capital Projects</td>
<td>$10</td>
<td>$50</td>
<td>$60</td>
</tr>
<tr>
<td>Debt Service - Dedicated Funding</td>
<td>$173</td>
<td>$1,739</td>
<td>$1,912</td>
</tr>
<tr>
<td><strong>Total Capital Program Cost</strong></td>
<td><strong>$2,388</strong></td>
<td><strong>$11,996</strong></td>
<td><strong>$14,384</strong></td>
</tr>
</tbody>
</table>

*FY2024-FY2029 Plan capital investment category allocation subject to change as project costs and schedules are refined.
## Projected FY2024 Funding Sources

<table>
<thead>
<tr>
<th>Funding Source*</th>
<th>FY2024 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula &amp; Other Grants and Match</td>
<td>$587</td>
</tr>
<tr>
<td>PRIIA Grant &amp; Match</td>
<td>$292</td>
</tr>
<tr>
<td>System Performance</td>
<td>$177</td>
</tr>
<tr>
<td>Dedicated Funding</td>
<td>$500</td>
</tr>
<tr>
<td>Reimbursable Projects</td>
<td>$31</td>
</tr>
<tr>
<td>Debt</td>
<td>$800</td>
</tr>
<tr>
<td><strong>Total Funding Sources</strong></td>
<td><strong>$2,388</strong></td>
</tr>
</tbody>
</table>

*Estimated sources in millions of dollars; amounts subject to change. Pay-Go availability may change based on total debt issued. Numbers may not sum due to rounding.
# Addressing Overdue Needs, Safety, and State of Good Repair

*Regional & Federal Investments Address Overdue Needs & On-going Requirements*

## Addressing Overdue Capital Needs

<table>
<thead>
<tr>
<th>Substantial Progress <em>(Highlights)</em></th>
<th>More To Do to Catch Up <em>(Priority Needs)</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement of Legacy Railcars</td>
<td>Structures - Bridges, Platforms, Tunnels</td>
</tr>
<tr>
<td>Track Rehabilitation</td>
<td>Systems - Train Control, Radio and Comms, Power</td>
</tr>
<tr>
<td>Platform Program – 20 Stations Complete</td>
<td>Facilities - Bus Divisions, Rail Maintenance, Offices</td>
</tr>
</tbody>
</table>

## Investing in Ongoing Programs to Sustain Safety & State of Good Repair

<table>
<thead>
<tr>
<th>Recurring &amp; Cyclical Maintenance, Rehabilitation &amp; Replacement Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buses</td>
</tr>
<tr>
<td>Railcars</td>
</tr>
<tr>
<td>Paratransit Vehicles</td>
</tr>
<tr>
<td>Service Vehicles</td>
</tr>
<tr>
<td>Track</td>
</tr>
<tr>
<td>Parking Facilities</td>
</tr>
<tr>
<td>Elevators &amp; Escalators</td>
</tr>
<tr>
<td>Mechanical Systems</td>
</tr>
<tr>
<td>Traction Power</td>
</tr>
<tr>
<td>Signal Systems</td>
</tr>
<tr>
<td>Lighting Systems</td>
</tr>
<tr>
<td>Cooling Systems</td>
</tr>
<tr>
<td>Bus Customer Facilities</td>
</tr>
<tr>
<td>Bus, Rail &amp; Admin Maintenance Facilities</td>
</tr>
</tbody>
</table>
## Proposed Capital Improvement Program (CIP)

### Capital Program Challenges and Mitigation Efforts

**Challenges:**
- Increasing costs to manage and execute the capital program due to supply chain delays, inflation, and construction market increases
- Capital Funding Opportunities and Uncertainty
- Emergency Safety Requirements and Emerging State of Good Repair Needs

**Mitigation and Modernization Efforts:**
- Reduce overhead costs and time to deliver projects
- Modernize standards and requirements
- Evaluate alternatives to address capital needs
- Improve right of way access and optimize maintenance
- Include outcome driven performance metrics for capital investments
  - Initiated capital performance outcome measures for select investments
- Improve baseline condition data for Metro assets to inform capital requirements
Long-Term Structural Deficit
In Summary, We Are Providing…

- More Frequent Service
- Simpler Fares
- Low-Income Fare Program
- Safety
- State of Good Repair
- Modernization/Electric Vehicles
Capital Outlook

- Capital funding capacity is available to advance capital program for next few years
- Metro’s 10-Year needs exceed $25B and far surpass projected available funding
- Additional funding will be needed to support long-term Transformation/Modernization opportunities:
  - Sustaining State of Good Repair
  - Accelerating Zero Emissions Bus Vehicles and Infrastructure
  - Bus and rail transit station modernization and access improvements
  - Rail Signaling System Modernization
  - Rail System Capacity Improvements
  - Railcar Fleet Expansion
  - Regional and partner investments for roadway improvements for bus

Operating Outlook

- Long-Term Structural Deficit
  - FY2023: $249M
  - FY2024: ($27M)
  - FY2025: ($57M)
  - FY2026: ($625M)
  - FY2027: ($677M)
  - FY2028: ($731M)
  - FY2029: 75% Ridership Recovery

- Ridership
  - FY2023: $249M
  - FY2024: ($575M)
  - FY2025: ($625M)
  - FY2026: ($731M)
  - FY2027: ($876M)
  - FY2028: ($924M)
  - FY2029: 100% Ridership Restored

- Federal Relief
- Jurisdictional Subsidy
- Total Funding Sources (75%)
- Total Funding Sources (100%)
- Total Expenses
- Revenue

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Next Steps to Get Customer Input

- Service and Fare Optimization Concepts
- GM/CEO Proposes FY24 Budget
- Public Hearings
- Board Budget Adoption
- FY24 Begins

MILESTONES:

- Oct: Budget Outlook, Service and Fare Optimization
- Nov: GM/CEO Budget Outreach
- Dec: Board Authorizes Public Hearings
- Jan: Board Q&A and Budget Workshops
- Feb: Submit Federal Applications

Community, Customer, Stakeholder Engagement
Appendix
## Jurisdictional Subsidy

### Subsidy Allocation

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>FY2023 Subsidy</th>
<th>FY2024 Base Subsidy</th>
<th>Change %</th>
<th>Potomac Yard</th>
<th>New Bus Services</th>
<th>New Rail Services</th>
<th>Total FY2024 Subsidy</th>
<th>Total Change %</th>
<th>Debt Service</th>
<th>Jurisdictional Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Columbia</td>
<td>$426,709,679</td>
<td>$439,510,970</td>
<td>3.0%</td>
<td>$73,561</td>
<td>$2,116,212</td>
<td>$6,359,541</td>
<td>$448,060,285</td>
<td>5.0%</td>
<td>$33,291,548</td>
<td>$481,351,833</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>$183,306,214</td>
<td>$190,357,576</td>
<td>3.8%</td>
<td>$37,996</td>
<td>$784,517</td>
<td>$3,284,816</td>
<td>$194,464,905</td>
<td>6.1%</td>
<td>$15,418,272</td>
<td>$209,883,177</td>
</tr>
<tr>
<td>Prince George's County</td>
<td>$268,815,520</td>
<td>$275,327,811</td>
<td>2.4%</td>
<td>$33,478</td>
<td>$953,949</td>
<td>$2,894,261</td>
<td>$279,209,499</td>
<td>3.9%</td>
<td>$15,817,542</td>
<td>$295,027,041</td>
</tr>
<tr>
<td>Maryland Subtotal</td>
<td>$452,121,735</td>
<td>$465,685,387</td>
<td>3.0%</td>
<td>$71,474</td>
<td>$1,738,466</td>
<td>$6,179,077</td>
<td>$473,674,404</td>
<td>4.8%</td>
<td>$31,235,814</td>
<td>$504,910,218</td>
</tr>
<tr>
<td>City of Alexandria</td>
<td>$50,799,376</td>
<td>$53,380,057</td>
<td>5.1%</td>
<td>$10,413</td>
<td>$236,792</td>
<td>$900,191</td>
<td>$1,177,133</td>
<td>7.3%</td>
<td>$1,777,133</td>
<td>$56,304,586</td>
</tr>
<tr>
<td>Arlington County</td>
<td>$79,611,055</td>
<td>$82,655,501</td>
<td>3.8%</td>
<td>$20,741</td>
<td>$362,736</td>
<td>$1,793,105</td>
<td>$2,239,571</td>
<td>6.6%</td>
<td>$0</td>
<td>$84,832,083</td>
</tr>
<tr>
<td>City of Fairfax</td>
<td>$2,906,361</td>
<td>$3,171,797</td>
<td>9.1%</td>
<td>$650</td>
<td>$8,276</td>
<td>$56,201</td>
<td>$3,326,924</td>
<td>11.4%</td>
<td>$111,595</td>
<td>$3,488,519</td>
</tr>
<tr>
<td>Fairfax County</td>
<td>$163,105,592</td>
<td>$164,113,098</td>
<td>0.6%</td>
<td>$34,591</td>
<td>$636,143</td>
<td>$2,990,459</td>
<td>$167,774,291</td>
<td>2.9%</td>
<td>$5,620,343</td>
<td>$173,394,634</td>
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<tr>
<td>City of Falls Church</td>
<td>$3,610,665</td>
<td>$3,649,437</td>
<td>1.1%</td>
<td>$579</td>
<td>$22,947</td>
<td>$50,055</td>
<td>$3,723,018</td>
<td>3.1%</td>
<td>$176,316</td>
<td>$3,899,334</td>
</tr>
<tr>
<td>Loudoun County</td>
<td>$13,031,096</td>
<td>$15,486,179</td>
<td>18.8%</td>
<td>$6,816</td>
<td>$888</td>
<td>$589,263</td>
<td>$16,083,146</td>
<td>23.4%</td>
<td>$0</td>
<td>$16,083,146</td>
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<tr>
<td>Virginia Subtotal</td>
<td>$313,064,145</td>
<td>$322,456,069</td>
<td>3.0%</td>
<td>$73,790</td>
<td>$1,267,782</td>
<td>$6,379,275</td>
<td>$330,176,916</td>
<td>5.5%</td>
<td>$7,685,387</td>
<td>$337,862,303</td>
</tr>
<tr>
<td><strong>Total Contribution</strong></td>
<td><strong>$1,191,895,559</strong></td>
<td><strong>$1,227,652,425</strong></td>
<td><strong>3.0%</strong></td>
<td><strong>$218,825</strong></td>
<td><strong>$5,122,461</strong></td>
<td><strong>$18,917,893</strong></td>
<td><strong>$1,251,911,605</strong></td>
<td><strong>5.0%</strong></td>
<td><strong>$72,212,749</strong></td>
<td><strong>$1,324,124,354</strong></td>
</tr>
</tbody>
</table>
## Proposed Service Changes to Improve Frequency and Access

### METROBUS

<table>
<thead>
<tr>
<th>Line</th>
<th>AM/PM Rush</th>
<th>All Day</th>
<th>Late Night</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD</td>
<td>5</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>BL</td>
<td>10</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>OR</td>
<td>6</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>GR</td>
<td>7.5</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>YL</td>
<td>10</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>SV</td>
<td>10</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

**FY2023 Budget**

- **135 Lines**
  - **12 Min. Frequency**: 20 lines
  - **20 Min. Frequency**: 16 lines

**FY2024 Proposed Budget**

- **135 Lines**
  - **12 Min. Frequency**: 20 lines
  - **20 Min. Frequency**: 16 lines

### METRORAIL

- **1,278 Railcars**
- **(headways in minutes)**

### METROACCESS

- **759 Vehicles**
- **Vans**: 532
- **Sedans**: 227
- No Change

#### Proposed Service Changes

- **B2 (DC)**: Upgrade busy Bladensburg Road-Anacostia line, a top 15 ridership route, to every 12 minutes all day.
- **A12 (MD)**: Restructure Martin Luther King Jr. Highway service, extending service every 20 minutes to Downtown Largo.
- **16M (VA)**: Restructure Columbia Pike service, connecting Skyline to Crystal City with service every 12 minutes all day.

- **On-demand paratransit vehicles**
# Metrorail Service Frequency Detail

**Metrorail Service Optimization**

<table>
<thead>
<tr>
<th>Line</th>
<th>Segment</th>
<th>August**</th>
<th>FY23 Budget</th>
<th>Proposal***</th>
<th>August**</th>
<th>FY23 Budget</th>
<th>Proposal***</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RD</strong></td>
<td>Shady Grove to Glenmont</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>GR</strong></td>
<td>Mt. Vernon Sq to L'Enfant Plaza</td>
<td>7.5</td>
<td>5</td>
<td>3</td>
<td>7.5</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td><strong>GR</strong></td>
<td>Greenbelt Terminal****</td>
<td>15</td>
<td>5</td>
<td>6</td>
<td>15</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>GR</strong></td>
<td>Branch Avenue Terminal</td>
<td>15</td>
<td>10</td>
<td>6</td>
<td>15</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td><strong>YL</strong></td>
<td>Huntington Terminal</td>
<td>15</td>
<td>10</td>
<td>6</td>
<td>15</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td><strong>BL</strong></td>
<td>Pentagon to Reagan National Airport</td>
<td>7.5</td>
<td>5</td>
<td>3.75</td>
<td>7.5</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>BL</strong></td>
<td>Rosslyn to Stadium-Armory</td>
<td>5</td>
<td>3.3</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>3.75</td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td>East Falls Church to Rosslyn</td>
<td>7.5</td>
<td>5</td>
<td>4.3</td>
<td>7.5</td>
<td>6</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td>New Carrollton Terminal</td>
<td>15</td>
<td>10</td>
<td>7.5</td>
<td>15</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td><strong>BL</strong></td>
<td>Downtown Largo Terminal</td>
<td>7.5</td>
<td>5</td>
<td>5</td>
<td>7.5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>BL</strong></td>
<td>Franconia Terminal</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td>Vienna Terminal</td>
<td>15</td>
<td>10</td>
<td>7.5</td>
<td>15</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td><strong>SV</strong></td>
<td>Wiehle (Future Ashburn) Terminal</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

**Peak Headway**
Minutes between trains

**All Day Base Headway***
Minutes between trains

---

**Typical Service in August 2022 (before Yellow Line construction shutdown) with reduced service due to limited availability of 7000 series**

---

**Assumes railcar fleet fully available (including 7000 series)**

**Proposal includes all Yellow Line trains terminating at Mt. Vernon Sq; only Green Line trains serving Greenbelt**

---

*Until 9:30pm, 7 days a week*
Network concentrates connections in the center

Within a 3-mile radius from the system center:

High concentration of stations, destinations, and customers
- 34 of 97 current stations (35%)
- 60% of station entries and exits
- 10 of the top 10 ridership stations
- 18 of the top 20 ridership stations

Where customers systemwide are traveling to and from
- 76% of weekday exits before 10 am – *where people are headed to*
- 75% of weekday entries after 7 pm – *where people are returning from*

Where customers transfer
- 92% of line transfers with 86% at Metro Center, Gallery Place, and L’Enfant Plaza

2022 ridership data through August
Most customers use the central part of the system.
How many customers are transferring?

- Approximately 30% of customers transfer during their rail trips
- 86% of those transfers take place at Gallery Place, L’Enfant Plaza, and Metro Center
- For customers entering at non-transfer stations, transfer share ranges from 12% to 49%
Strengthening the Network with Frequency and Efficient Transfers

- Proposal would increase the share of customer trips with 6 minutes or better service to 74% from 65%

**SYSTEM SERVICE CONCEPT**

**Core**
Trains arrive every 3 to 6 minutes

**Systemwide**
Trains arrive every 8 to 12 minutes or better
Fare Optimization Concepts Considered

**FY2024 Concepts**

- **Fare increase/decrease**: Consider fare level changes
- **Peak/off-peak**: Change or eliminate time of day price difference
- **Zone fare**: Establish zone fares to replace mileage charges
- **Low-income fare**: Offer discounts for low-income customers
- **Parking fees**: Reduce fees to increase utilization and ridership
- **$1 Bus fare**: Reduce standard bus fare to $1 from $2
- **MetroAccess Fare**: Consider options to increase predictability

**Post-FY2024 Concepts**

- **Fare capping**
- **Fare integration**

Evaluate through multiple lenses:
- Customer Focused
- Equitable
- Simple and Convenient
- Drives Ridership
- Seamless
- Generates Revenue
## Fare Structure Recommendations

<table>
<thead>
<tr>
<th>Structural Concept</th>
<th>Recommendation</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare Free</td>
<td>Future consideration</td>
<td>Revenue replacement not feasible for FY2024; requires structural change in funding of transit</td>
</tr>
<tr>
<td>Flat Fare</td>
<td>Not recommended for FY2024 implementation; future consideration</td>
<td>High ridership and revenue tradeoffs, equity and Title VI challenges</td>
</tr>
<tr>
<td>Zone Fare</td>
<td>Not recommended for FY2024 implementation; future consideration</td>
<td>Continue staff analysis; design complications due to revenue, ridership, and equity considerations relative to benefits/value</td>
</tr>
<tr>
<td>Distance Fare Simplification</td>
<td>Eliminate peak/off-peak difference and adopt new distance charge in FY2024</td>
<td>Opportunity to simplify fare structure while encouraging ridership and maintaining revenue; also makes MetroAccess fares more predictable</td>
</tr>
<tr>
<td>Reduced Fares for Low-Income Customers</td>
<td>Implement in FY2024</td>
<td>Improves access for most price sensitive customers</td>
</tr>
</tbody>
</table>
## Existing Fares and Fare Policy

### Metrorail Fares by Time Period

<table>
<thead>
<tr>
<th>Time</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>5am</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7am</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9:30am</td>
<td>$2.00-3.85</td>
<td>$2.00-3.85</td>
<td>$2.00-3.85</td>
<td>$2.00-3.85</td>
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<tr>
<td>3pm</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td>$2.25-6.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7pm</td>
<td>$2.00-3.85</td>
<td>$2.00-3.85</td>
<td>$2.00-3.85</td>
<td>$2.00-3.85</td>
<td>$2.00-3.85</td>
<td></td>
<td>$2.00</td>
</tr>
<tr>
<td>9:30pm</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td></td>
<td>$2.00</td>
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<tr>
<td>12am</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1am</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Peak Fare Periods**
  - 51% of customer trips
  - 62% of fare revenue
  - 32.5% of operating hours
- **Off-Peak Fare Periods**
  - 20% of customer trips
  - 18% of fare revenue
  - 30.5% of operating hours
- **Late Night and Weekend Fare Periods**
  - 29% of customer trips
  - 20% of fare revenue
  - 37% of operating hours

- **Peak Fare (42.5 hours/week)**
- **Off-peak Fare (40 hours/week)**
- **Weekend/Late-Night Fare (48.5 hours/week)**
- **System Closed**
Peak vs. Off-Peak Ridership by Trip Distance

Note: Ridership data from April 15 to May 15, 2022

- **Peak Period** (weekdays 5:30am-7:30pm)
- **Off-Peak Period** (weekdays 9:30am-3pm, 7-9:30pm)
Simplify Metrorail Fares for Customers

Current Fare Structure

1. Higher fares during rush periods when more customers are riding; Regular fare range from $2.25 to $6, off-peak range from $2.00 to $3.85
2. Mileage rates that start after 3 miles and decrease after 6 miles
3. Peak rail base fare higher than bus and non-peak rail base fare

Proposed Fare Structure

1. Consolidate weekday peak and off-peak fares
2. Standardize the mileage rate
3. Match rail and bus base fare
Bus and Rail Base Fare Integration

- Aligning base bus and rail fares further simplifies the customer experience
- Metrorail’s base fare range is equivalent to the average bus trip distance (3 miles)
- Builds off past integration efforts, including free transfers (crediting full fare paid up to $2)

<table>
<thead>
<tr>
<th>Mode</th>
<th>Base Fare (Boarding Charge)</th>
<th>Applicability Range</th>
<th>Average Trip Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metrobus</td>
<td>$2</td>
<td>Entire distance</td>
<td>3 miles</td>
</tr>
<tr>
<td>Metrorail</td>
<td>$2 to $2.25</td>
<td>Entire distance</td>
<td>3 miles</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6+ miles</td>
</tr>
</tbody>
</table>
Range of options to consolidate rail fare periods

Opportunity to simplify fares while collecting as much or more revenue

- Structures are flexible to different price levels – could accommodate a fare increase
- Possibility to offer consistent base charge across rail and bus all week as well as maintain flat night and weekend fares
- Options affect customers differently depending on where and when they travel

<table>
<thead>
<tr>
<th>Concept</th>
<th>Base Fare</th>
<th>Max Fare</th>
<th>Night/Weekend Fare</th>
<th>Max / Base Fare Ratio</th>
<th>Mileage Charge</th>
<th>Mileage Charge as a Percent of Base Fare</th>
<th>Ridership Impact (Million)</th>
<th>Revenue Impact (Million)</th>
<th>Preliminary Equity Scan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compressed Range: $2 to 5</td>
<td>$2.00</td>
<td>$5.00</td>
<td>$2.00</td>
<td>2.5</td>
<td>$0.40</td>
<td>20%</td>
<td>2.3</td>
<td>-$1.9</td>
<td>✓</td>
</tr>
<tr>
<td>Consistent Range: $2 to 6</td>
<td>$2.00</td>
<td>$6.00</td>
<td>$2.00</td>
<td>3</td>
<td>$0.40</td>
<td>20%</td>
<td>2.0</td>
<td>$5.1</td>
<td>✓</td>
</tr>
<tr>
<td>Increased Range: $2 to 6.50</td>
<td>$2.00</td>
<td>$6.50</td>
<td>$2.00</td>
<td>3.25</td>
<td>$0.40</td>
<td>20%</td>
<td>1.9</td>
<td>$7.1</td>
<td>✓</td>
</tr>
<tr>
<td>Increased Range: $2 to 7</td>
<td>$2.00</td>
<td>$7.00</td>
<td>$2.00</td>
<td>3.5</td>
<td>$0.40</td>
<td>20%</td>
<td>1.8</td>
<td>$8.6</td>
<td>✓</td>
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<tr>
<td>Increased Range: $2 to 7.50</td>
<td>$2.00</td>
<td>$7.50</td>
<td>$2.00</td>
<td>3.75</td>
<td>$0.40</td>
<td>20%</td>
<td>1.8</td>
<td>$9.6</td>
<td>✓</td>
</tr>
</tbody>
</table>

Note: Ridership and budget impacts include low-income fare discount program impact
Fare Optimization

Fare Increase and Fare Simplification Comparison

- Restructuring fares offers advantages over a general fare increase
  - Similar net budget impacts but structural change expected to increase ridership versus ridership loss expected with an across-the-board fare increase
  - Simplifies and standardizes fares for customers
  - Enables offering reduced fares to low-income customers
  - Preserves $2 bus and late night & weekend rail fares

<table>
<thead>
<tr>
<th>Fare Concepts Structure with Low-Income Fare</th>
<th>Rail Base Fare</th>
<th>Rail Max Fare</th>
<th>Rail Night/Weekend Fare</th>
<th>Bus Fare</th>
<th>Bus Ridership Impact (Million)</th>
<th>Rail Ridership Impact (Million)</th>
<th>Total Ridership Impact (Million)</th>
<th>Budget Impact (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% Fare Increase (current structure)</td>
<td>$2.10</td>
<td>$6.35</td>
<td>$2.10</td>
<td>$2.10</td>
<td>-0.6</td>
<td>-2.0</td>
<td>-2.6</td>
<td>$7.8</td>
</tr>
<tr>
<td>Fare Simplification: $2 to 6.50</td>
<td>$2.00</td>
<td>$6.50</td>
<td>$2.00</td>
<td>$2.00</td>
<td>1.2</td>
<td>0.7</td>
<td>1.9</td>
<td>$7.1</td>
</tr>
</tbody>
</table>

Note: Ridership and budget impacts include low-income fare discount program impact.
Six-Year Program Advances State of Good Repair

Percentage of State of Good Repair Assets Addressed Start of FY2024 vs. the End of FY2029

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Equipment</th>
<th>Facilities</th>
<th>Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total SGR Value</strong></td>
<td><strong>Value</strong></td>
<td><strong>Start of FY2024</strong></td>
<td><strong>End of FY2029</strong></td>
</tr>
<tr>
<td><strong>$36.7B</strong></td>
<td><strong>$964M</strong></td>
<td><strong>$29.4B</strong></td>
<td><strong>$5.2B</strong></td>
</tr>
</tbody>
</table>

### Infrastructure
- **Start of FY2024:** 27% Past due, 15% SGR need coming due, 58% No Current SGR need, 11% Addressed in Six-Year Program
- **End of FY2029:** 22% Past due, 25% SGR need coming due, 42% No Current SGR need, 11% Addressed in Six-Year Program

### Equipment
- **Start of FY2024:** 40% Past due, 20% SGR need coming due, 40% No Current SGR need, 10% Addressed in Six-Year Program
- **End of FY2029:** 37% Past due, 39% SGR need coming due, 14% No Current SGR need, 10% Addressed in Six-Year Program

### Facilities
- **Start of FY2024:** 49% Past due, 25% SGR need coming due, 26% No Current SGR need, 9% Addressed in Six-Year Program
- **End of FY2029:** 41% Past due, 42% SGR need coming due, 14% No Current SGR need, 8% Addressed in Six-Year Program

### Vehicles
- **End of FY2029:** 23% Past due, 72% SGR need coming due, 77% No Current SGR need, 5% Addressed in Six-Year Program

*Past due, SGR need coming due, No Current SGR need, Addressed in Six-Year Program*
Capital Performance Outcome Measures

New Initiative to Measure Performance Outcomes of Capital Investments

Identified Outcome Measures:

- Safety
- Security
- Reliability/SGR
- Customer Experience
- Employee Experience
- Community/Equity
- Energy Efficiency
- Operational Capacity/Efficiency
- Financial Stewardship

Two sample investments with outcome measures under development are provided below:

**Northern Bus Garage Replacement**
- Reduce employee injuries & improve employee experience
- Improve mean distance between failure
- Increase on-time performance
- Increase community engagement & promote equity
- Reduce energy use & reduce carbon footprint

**Stations Platform Rehabilitation Program – Phase 4**
- Reduce customer injuries
- Increase security
- Increase asset lifespan
- Improve customer experience & promote equity
- Reduce energy use
## Projected Capital Contributions

### Capital Funding Sources

#### Federal Funding
- Federal Formula Programs: $459,861,634
- Federal PRIIA: $143,500,000
- Other Federal Grants: $10,606,785

**Total - Federal Grants: $613,968,419**

#### District of Columbia
- Formula Match & System Performance: $106,179,334
- PRIIA: $49,500,000
- Dedicated Funding: $178,500,000

**Subtotal - District of Columbia: $334,179,334**

#### State of Maryland
- Montgomery County: $49,007,735
- Prince George's County: $50,534,504
- Maryland PRIIA: $49,500,000
- Maryland Dedicated Funding: $167,000,000

**Subtotal - Maryland: $316,042,239**

#### Commonwealth of Virginia
- City of Alexandria: $13,356,885
- Arlington County: $24,064,919
- City of Fairfax: $749,872
- Fairfax County: $42,862,814
- City of Falls Church: $826,868
- Loudoun County: $5,680,292
- Virginia PRIIA: $49,500,000
- Virginia Dedicated Funding (Unrestricted and Restricted): $154,500,000
- Congestion Mitigation and Air Quality: $626,951

**Subtotal - Virginia: $292,168,601**

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*Estimated sources; amounts subject to change.*