

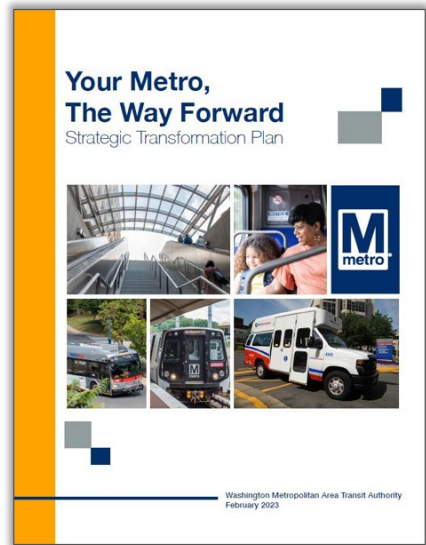
# GM & CEO FY2026 Proposed Budget, FY2027 Forecast and Authorization for Public Hearings

Finance and Capital Committee



# Strategic Transformation Plan: Guides long term strategy and day-to-day decision making of Metro over the next five + years

GM & CEO FY2026 Proposed  
Budget, FY2027 Forecast and  
Authorization for Public Hearings



Guiding



## Day-to-day decisions

- Customer interactions
- Service schedules
- Communications



## Long-term strategy

- Budget allocation
- Capital improvements
- Priority projects



## Goals — Our priorities to achieve the vision

Service Excellence

Talented Teams

Regional  
Opportunity  
and Partnership

Sustainability

# FY2026 Proposed Budget Highlights

GM & CEO FY2026 Proposed  
Budget, FY2027 Forecast and  
Authorization for Public Hearings

OPERATING BUDGET\*  
**\$2.6B**

CAPITAL BUDGET  
**\$2.4B**

**\$5.0B**

## Operating\*



*Implement Year One of Better Bus Network*



*Better, more reliable, automated rail service*



Complete system-wide rollout of Open Payments



New funding formula supporting service changes  
and fiscal predictability

\*Includes reimbursables and debt service

## Capital



*Continue investments in state of good repair*



*Continue investments that increase operational efficiency*



*Production of 8000 series railcars*



*Complete underway projects and continue ongoing  
programs*

# FY2026 & FY2027 Operating Budget Drivers

GM & CEO FY2026 Proposed  
Budget, FY2027 Forecast and  
Authorization for Public Hearings

## Ridership Growth



- Refine assumptions based on 242M trips in FY2024
- FY2025 trending above budget
- Changes in ridership patterns based on office telework policies



## Inflation

- Historically high inflation from recent years has increased baseline expenses
- Inflation outlook of 3.0% in FY2026 and 2.3% in FY2027 for non-personnel expenses



## Funding Constraints



- No Federal Relief Funding
- Over reliance on use of capital funding to cover operating preventive maintenance costs
- Sources not indexed to inflation



## CBA

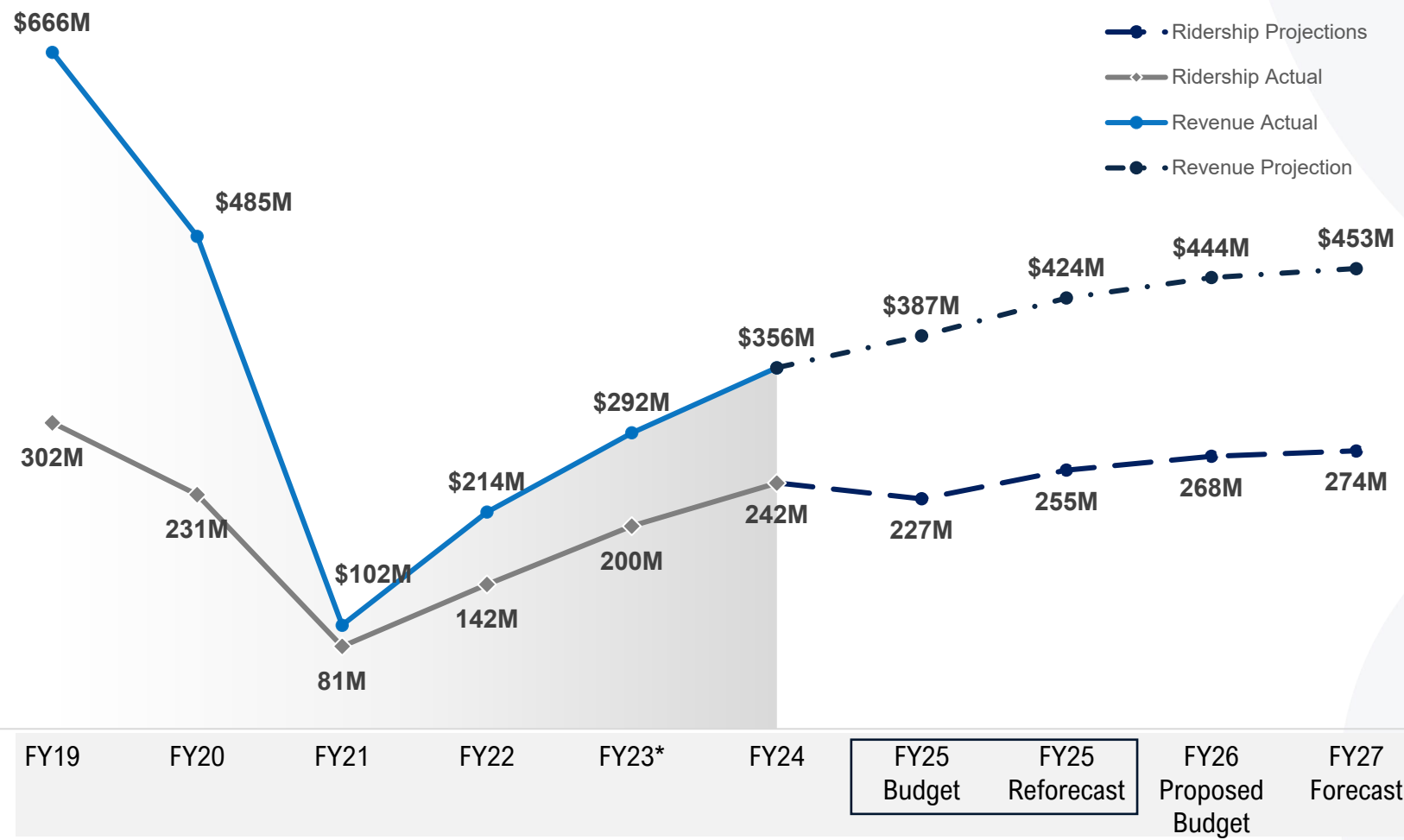
- New Local 689 CBA minimizes the impact from any future inflationary spikes
- CBA negotiations for transit police (FOP) and Local 922 as well as upcoming for Local 2



\*Additional stipulations for cost-of-living adjustments (COLA). Total adjustments capped at 5% including GWI.

# Recent and Proposed Investments in Service has Strengthened Ridership and Revenue

GM & CEO FY2026 Proposed Budget, FY2027 Forecast and Authorization for Public Hearings



## FY2026 Proposed Budget

- Revised forecast based on positive FY2024 and FY2025 Q1 results
- Ridership and revenue include Better Bus Year 1 Network and proposed Rail Service Optimization

## FY2027 Forecast

- Forecast based on FY2026 growth and prior year trends
- Forecast will be updated during the FY2027 Budget development process

\*Amounts rounded for presentation purposes  
\*\* Total ridership and total passenger revenue growth rates differ due to varying modal ridership growth rates and changes in average fares due to fare increase and ridership patterns

# FY2026 Service & Fare Optimization

# Service and Fare Optimization

Metro will optimize service within available funding for FY2026

FY2026 Service & Fare Optimization



## Metrobus

- Implement the Year One Better Bus Network
  - 11 more routes in the Frequent Service Network
  - New connections to transit stations, jobs and other key destinations
  - Increased midday, evening, and weekend service



## Metrorail

- Add peak capacity to address ridership growth
- Extend half of Yellow Line trains to Greenbelt
- Open earlier on weekend mornings and close later on weekend late nights



## Fares & Fees

- No fare changes proposed in FY2026
- Introduce open payment
  - Tap to ride with contactless credit/debit mobile devices and cards with no fee

MetroAccess: No reduction in service area

# Rail Service Optimization

Use efficiencies from rail automation and train length optimization to enable approximately 3% more rail service with the same FY2026 resources

- Provide additional peak capacity at key bottlenecks
- Improve access to destinations to drive further ridership growth

## Hours of Operation

**Mon-Thu:**

5 am to Midnight

**Fri:**

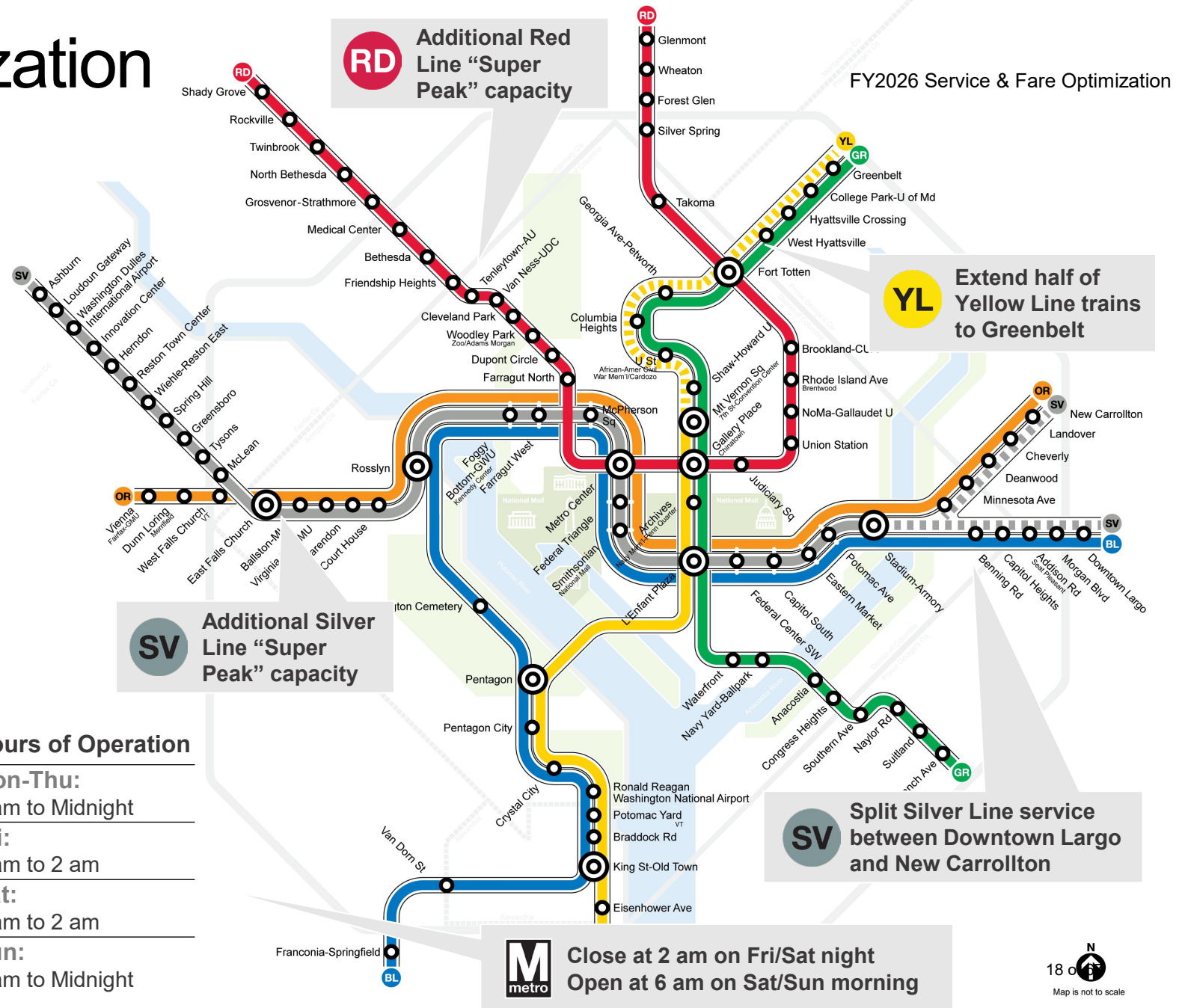
5 am to 2 am

**Sat:**

6 am to 2 am

**Sun:**

6 am to Midnight





# Bus Service Optimization

FY2026 Service & Fare Optimization

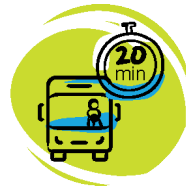
Implement the 2025 Better Bus Network, using existing resources:

- Better connect people to destinations
- Provide more frequent service
- Prepare us for the future

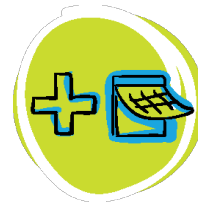
## The 2025 Better Bus Network will:



Average resident **gains access to at least 5% more key destinations** (e.g. hospitals, groceries, entertainment) at all times during the day/week



Add 30% more routes (11 more) to the **Frequent Service Network** (12-minute and 20-minute)



Provide **access to weekend service to 20,000 more residents** who currently lack service

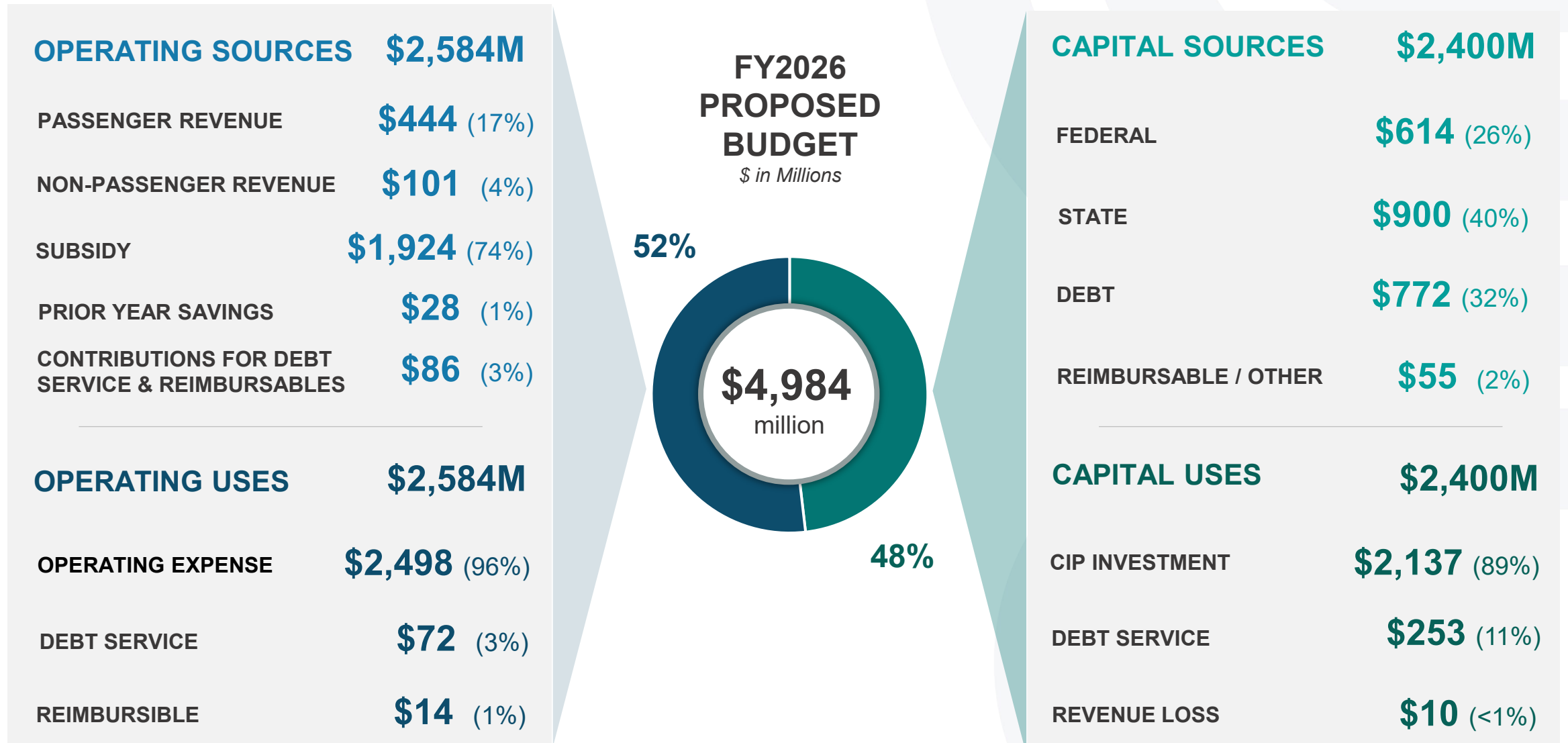


Provide **greater benefits** (e.g. access to more frequent service, jobs, and other destinations) in areas with **more low-income households**

# Metro's Financial Portfolio

# GM/CEO FY2026 Proposed Budget Summary

## Metro Financial Portfolio











*\*For Gross Revenue Bonds*

**\*\*Includes Joint Development projects**

\*\*\*Charts and table totals may not sum due to independent rounding

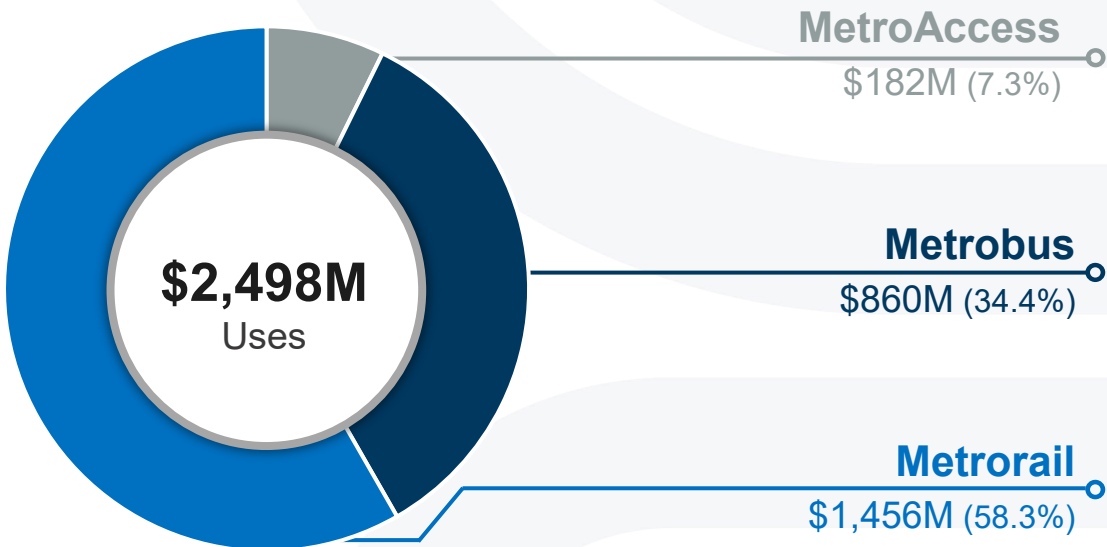
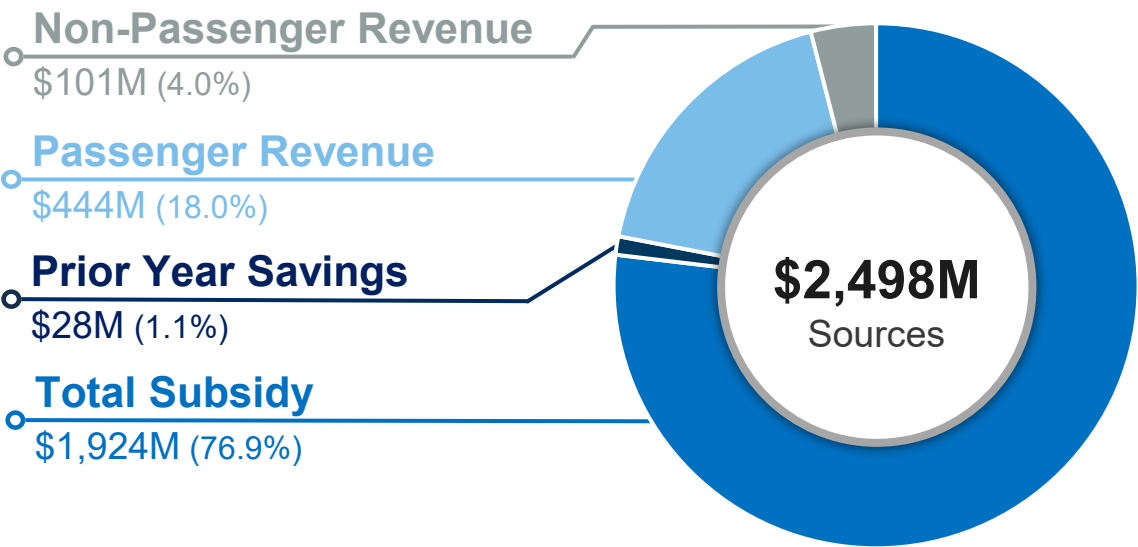
# Metro's Financial Challenges

-  Major state and federal sources not indexed to inflation
-  Operating funding that relies on jurisdictional sources not dedicated to Metro
-  Lack of clarity on long-term operating subsidy commitment
-  Over reliance on using capital funding to balance the operating budget
-  Fare evasion on Metrobus
-  No rainy-day fund
-  Loss of federal pandemic relief
-  No federal operating funding provided to large transit systems

# Proposed FY2026 Operating Budget Summary

# FY2026 Operating Budget Summary

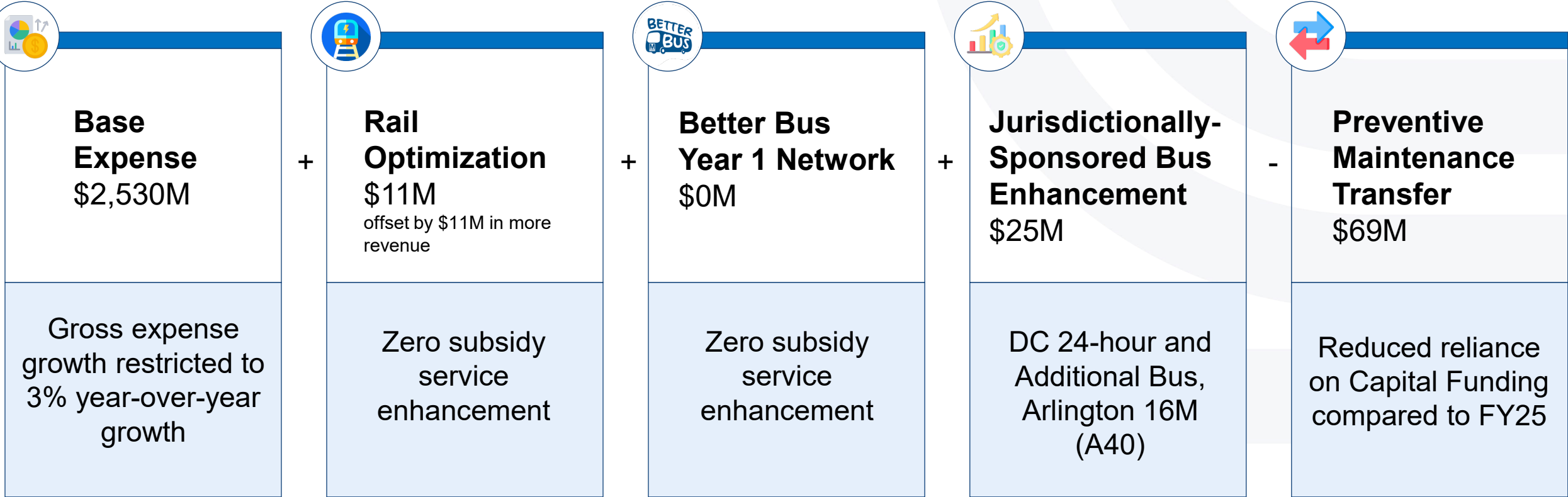
Proposed FY2026 Operating Budget Summary



Charts and table totals may not sum due to independent rounding.  
Does not include reimbursables or debt service

# FY2026 Proposed Budget Improves Regional Service and Continues Cost Management

Proposed FY2026 Operating Budget Summary



**Total \$2,498M**

Note: Amounts may not sum due to independent rounding

# FY2026 Proposed Operating Budget and FY2027 Forecast

Proposed FY2026 Operating Budget Summary

(\$ in millions)	FY2025 Budget	FY2026 Proposed Budget	FY2027 Forecast
Total Revenue	\$488	\$545	\$555
Gross Expenses	\$2,457	\$2,567	\$2,638
PM above \$60M	-\$121	-\$69	-\$101
Net Expenses	\$2,335	\$2,498	\$2,537
Gross Subsidy	\$1,847	\$1,952	\$1,982
Prior Year Savings		-\$28	
Federal Relief	-\$95		
Net Subsidy	\$1,753	\$1,924	\$1,982

Note: Amounts may not sum due to independent rounding;

### Revenue and Ridership

- Strong ridership growth supports increased revenue projections

### Preventive Maintenance (PM)

- Increased ridership and revenue projections allows Metro to **reduce use of capital funding for operating preventive maintenance**

### Prior Year Savings

- Prior year one-time savings **reduce FY2026 funding requirements**

### Federal Relief

- Amount fully exhausted during FY2025, **none available in FY2026**

### FY2026 Jurisdictional Subsidy Increase

- Consistent with the February FY2025/2026 Budget Plan**, replaces \$95 million in federal relief, adds jurisdictionally sponsored bus enhancements





# Proposed FY2026 Capital Budget Summary and Six-Year Capital Improvement Program

# FY2026 – FY2031 Capital Sources and Uses

Proposed FY2026 Capital  
Budget Summary and Six-Year  
Capital Improvement Program

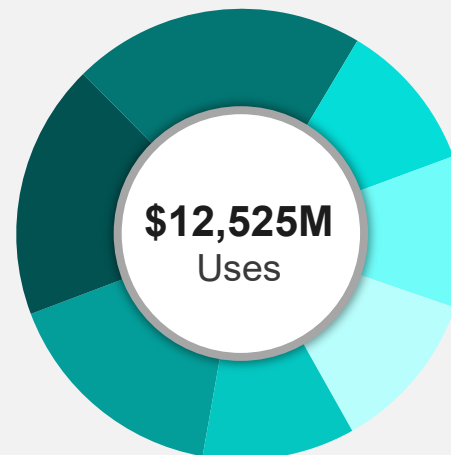
DEDICATED FUNDING FROM STATES	<b>\$3,000M</b> (24%)
FEDERAL FORMULA FUNDS	<b>\$2,974M</b> (24%)
DEBT PROCEEDS	<b>\$2,506M</b> (20%)
SYSTEM PERFORMANCE AND MATCH	<b>\$2,012M</b> (16%)



Sources do not include revenue loss from  
capital projects and debt service

PRIIA MATCH FROM STATES	<b>\$891M</b> (7%)
FEDERAL PRIIA FUNDS	<b>\$861M</b> (7%)
REIMBURSABLES & OTHER	<b>\$281M</b> (2%)

RAILCARS & RAILCAR FACILITIES	<b>\$2,629M</b> (21%)
BUS, BUS FACILITIES & PARATRANSIT	<b>\$2,297M</b> (18%)
DEBT SERVICE AND REVENUE LOSS FROM CAPITAL PROJECTS	<b>\$2,063M</b> (17%)
OPERATIONS AND BUSINESS SUPPORT	<b>\$1,373M</b> (11%)

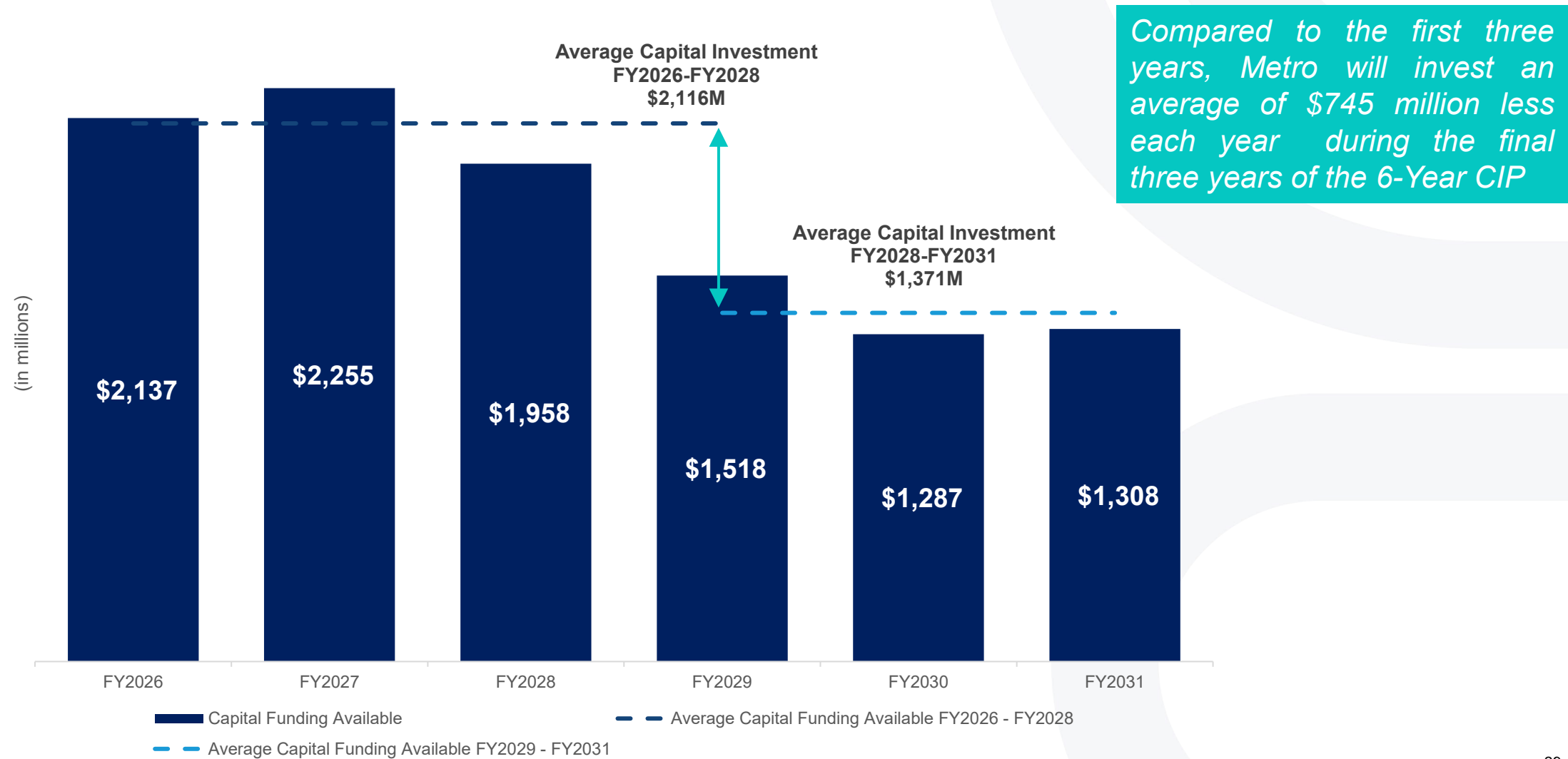


\$ in Millions

STATION AND PASSENGER FACILITIES	<b>\$1,372M</b> (11%)
RAIL SYSTEMS	<b>\$1,366M</b> (11%)
TRACK AND STRUCTURE REHABILITATION	<b>\$1,426M</b> (11%)

28 of 67

# Capital Investments Decline During Six-Year CIP Due to Funding Constraints



# Buying Power of Metro's Funding Has Eroded Over Time

Proposed FY2026 Capital  
Budget Summary and Six-Year  
Capital Improvement Program

## FY2026 Proposed Capital Budget (Non-Debt Sources\*)

### Not Indexed

*Half of Metro's capital  
funding sources do  
not grow with inflation*

#### Dedicated Funding & PRIIA:

- Dedicated Funding: \$500 million
- PRIIA Funding: \$292 million\*\*\*
- No annual growth

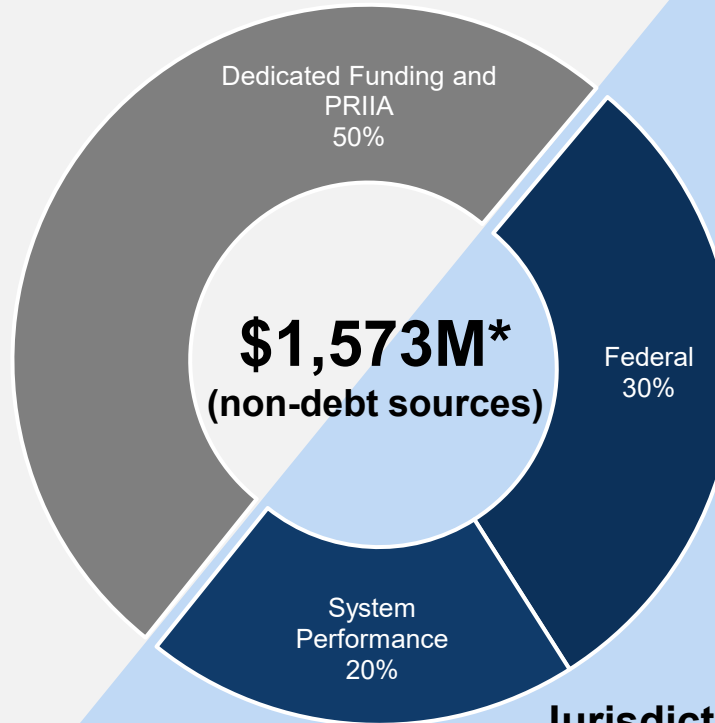
### Indexed

#### Federal Formula Funding:

- Based on national federal formula
- Grows by ~2% annually\*\*

#### Jurisdiction Contributions:

- System Performance and Match
- Grows by 3% annually



\*Does not include funding for reimbursable projects

\*\*Subject to appropriation, authorization, and apportionment

\*\*\* Includes local match

# \$275 Million of Capital Program Cost Savings

- Metro has identified **\$175M of Capital Program administrative savings\***
- Metro has identified over **\$100M through project reviews** of opportunities for structural recurring savings by simplifying standards, requirements and practices, and reducing customization
- Capital program cost reductions **preserve funding capacity** for future state of good repair program investments

## EXAMPLES OF COST SAVINGS – NO IMPACT TO INVESTMENT OUTCOME

### Bus Shelters

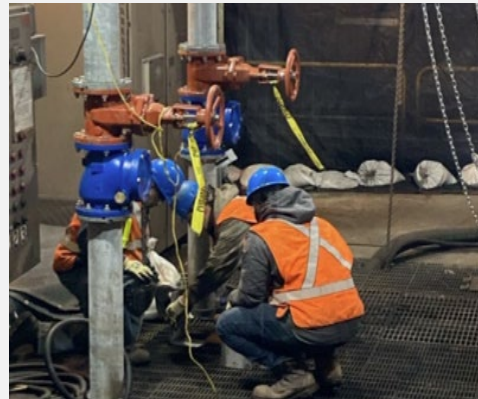
Reducing per shelter cost by ~50%



*Rhode Island Ave-Brentwood Station*

### Drainage Pumping Stations

Reducing project cost by ~\$5M\*\*



*Drainage Pumping Station Work*

### Digital Modernization

Reducing system support cost by ~\$17M



*IT Infrastructure at Eisenhower Ave Office*

\*FY2025-FY2031

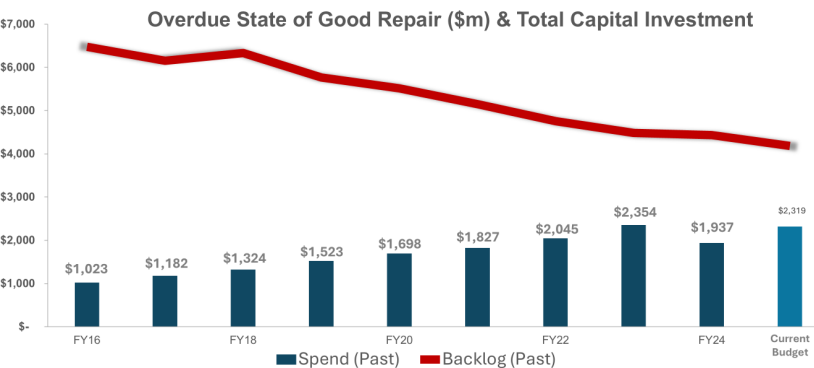
\*\*Estimated savings

# Implementation of State of Good Repair Strategy Forced to Change Due to Funding Constraints

Proposed FY2026 Capital  
Budget Summary and Six-Year  
Capital Improvement Program

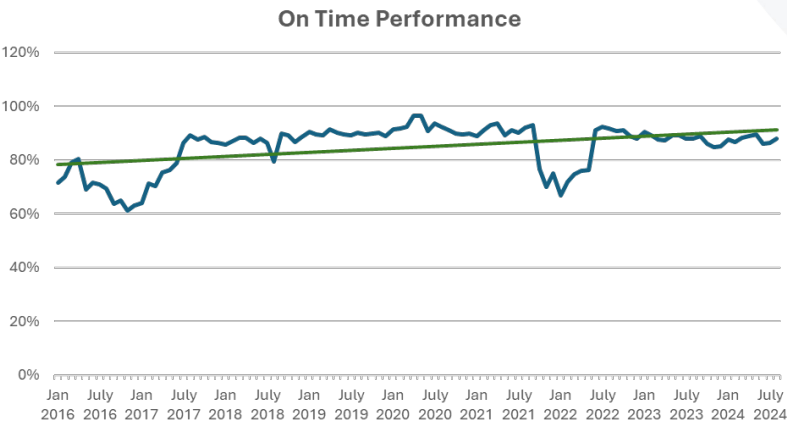
## CURRENT CAPITAL STRATEGY LED TO SIGNIFICANT IMPROVEMENTS

### State of Good Repair Backlog



- Backlog **reduced from \$7 billion to \$4 billion** from 2018 to 2024
- Lifecycle investments prevented additional backlog growth

### Metro System Performance



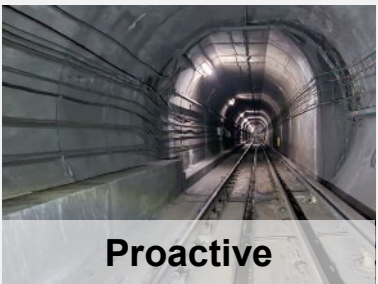
- Capital investment led to **improved safety & performance**
- Highest customer satisfaction levels
- Railcar reliability tripled since FY2018
- 70% decrease in smoke & fire incidents since FY2017

## ANTICIPATED CAPITAL IMPACT

▲ **Funding Constraints Force Change for FY2026 – FY2031 Program**

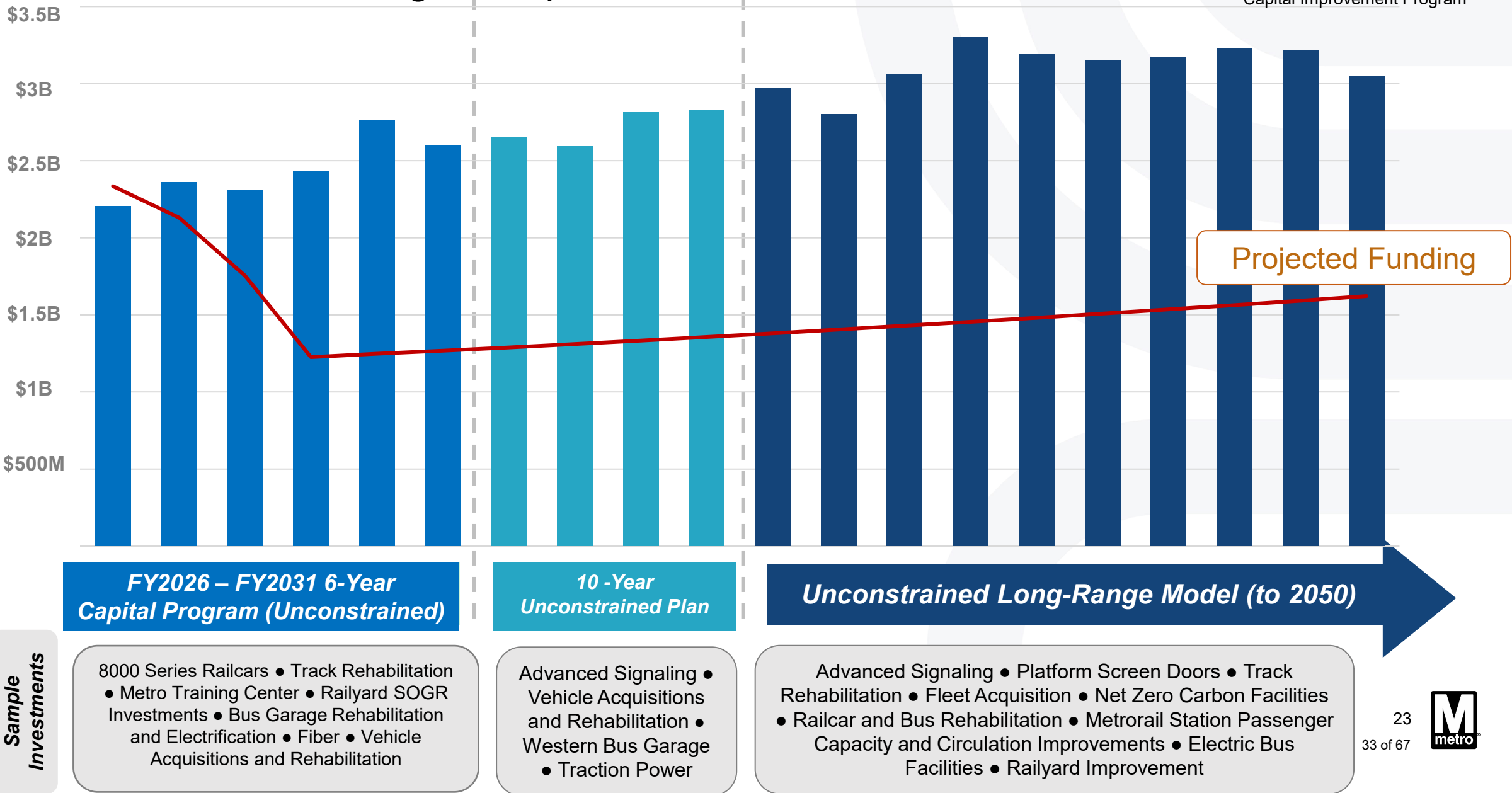
- Shift from proactive asset investment to **primarily reactive approach**
- Forces Operation of Assets Past Useful Life
- Completing underway investments
- Continuing minimum maintenance programs

### Rail Tunnels



# Estimated Capital Need for State of Good Repair and Modernization with Funding Assumption

Proposed FY2026 Capital Budget Summary and Six-Year Capital Improvement Program





# Proposed FY2026-2031 Capital Program Highlights

Proposed FY2026 Capital  
Budget Summary and Six-Year  
Capital Improvement Program

## Major Investments Underway

- |   |   |
|---|---|
| • Bus Vehicle Replacement and Rehabilitation                                    | • Bridge and structure rehabilitation                           |
| • Bladensburg & Northern Bus Division Replacements and Zero Emission Conversion | • Track rehabilitation  |
| • Zero emission bus conversion at Cinder Bed                                    | • Fare systems modernization                                    |
| • State of good repair investments in signaling system                          | • Radio replacement and fiber installations                     |
| • MetroAccess vehicle replacement   | • Elevators and Escalators                                      |
| • 8000 Series Railcars (legacy vehicle replacement)                             | • Enterprise Resource Planning System Modernization (MetroSync) |

## Major Investments Under Development

- |  |  |
|--|--|
| • Railcar Fleet Management Facility                              | • Digital Modernization                                      |
| • Planning and Project Development for Advanced Signaling System | • Planning for Station Circulation and Entrance Improvements |
| • Metro Training Center  | • Platform Structural Rehabilitations                        |



# Public Hearing Authorization for FY2026 Proposed Budget and FY2026-2031 Capital Improvement Plan

# Public Engagement Overview

Public Hearing Authorization for FY2026  
Proposed Budget and FY2026-2031  
Capital Improvement Plan

## Communications Goals

- Inform customers/community members/stakeholders about key budget proposals
  - Dedicated attention given to hard-to-reach populations
- Drive feedback via online survey and public hearings


## Communications Plan

- Metro staff will create a communications and advertising plan based on requirements and best practices including the following Public Outreach Reference Points:
  - **Website** - Primary source of information for customers
  - **Brochure** - Condensed information about key budget proposals and how to comment
  - **Stakeholder toolkit** - Provide community partners with information in multiple languages

# Planned Tactics to Reach Customers

Public Hearing Authorization for FY2026  
Proposed Budget and FY2026-2031  
Capital Improvement Plan

Emphasis on reaching low-income and minority customers; customers with disabilities

- **Bus & rail signage:** Print & digital signs in English/Spanish at stations, in buses & Metro Access vehicles
- **Digital media:** social media, local and non-English publications
-  **Direct outreach:** e-mail to Community Based Organizations, Stakeholder Groups, etc... with information on public hearing schedule to share with their respective audiences
  - Socialize public hearings schedule during December 12, 2024, Community Conversation
- **Public hearings:** At least 4 instances for public to provide testimony both in-person and online, across each jurisdiction
- **Survey:** primary source of feedback (*~95% of all comments*)

# Recommendation and Next Steps

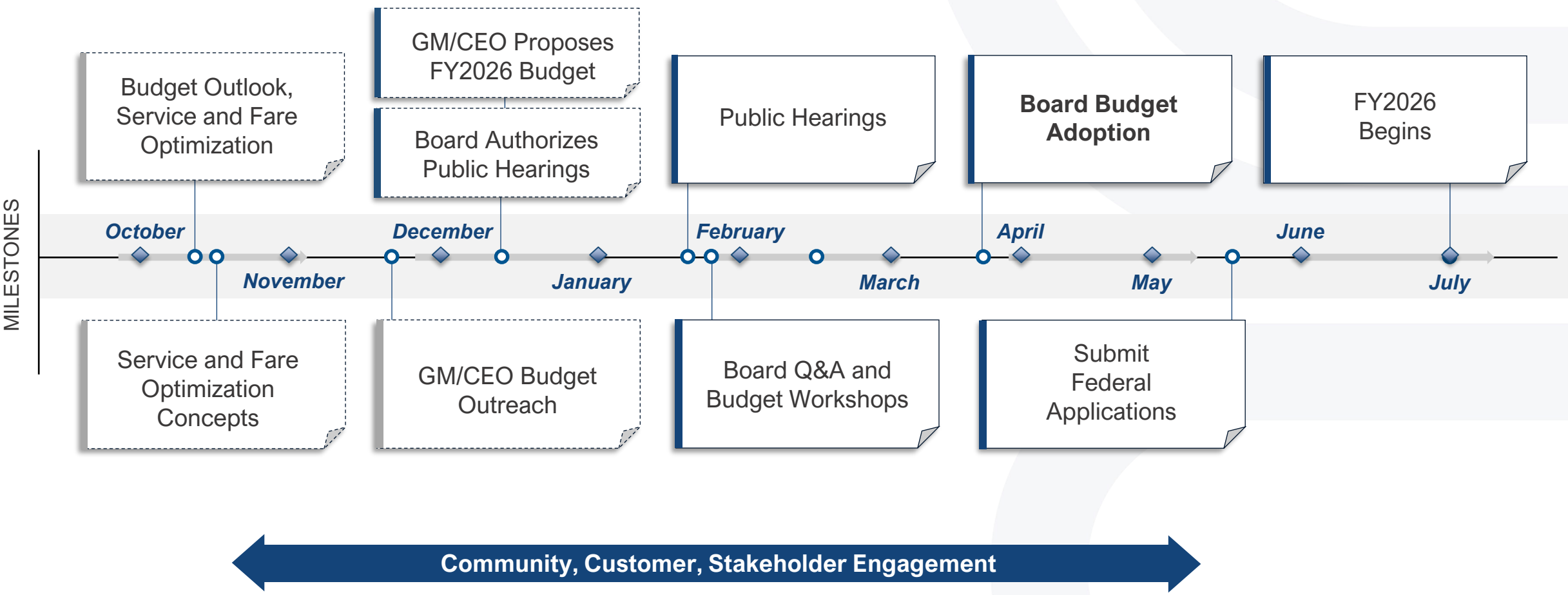
# Recommendation

Recommendation and Next Steps

- Provide authorization to conduct Public Hearings and related public participation activities for proposed FY2026 Operating Budget and FY2026–2031 Capital Improvement Program

# Next Steps to Approve FY2026 Budget

Recommendation and Next Steps



# Appendix

# FY2027 Operating Forecast Assumptions

Appendix



**FY2027 Forecast will be used for planning purposes only**



**FY2027 Forecast is based on projected ridership and revenue growth and changes in economic assumptions, expenses, and subsidies**



**Revenue growth of 1.8 percent differs from ridership growth due to modal level projections and projected impact of economic factors on non-passenger revenue targets**



FY2027 Figures are projections based on current assumptions

## High Level Projection FY26 to FY27

**+2.0%**

Ridership

**+1.8%**

Revenue

**+2.8%**

Expenses

**+3.0%**

Net Subsidy

Assumptions subject to change



# FY2026 Subsidy

<b>FY25 Subsidy</b>	<b>\$1,753M</b>
+	
<b>3% Growth</b>	<b>\$52M</b>
+	
<b>One-Time Savings Replacement</b>	<b>\$95M</b>
+	
<b>Jurisdictional Sponsored Bus Enhancement</b>	<b>\$24M</b>
=	
<b>FY26 Subsidy</b>	<b>\$1,924M</b>

(\$ in Millions)	Metrobus	Metrorail	MetroAccess	Total Subsidy*
<b>District of Columbia</b>	<b>\$375.7</b>	<b>\$324.0</b>	<b>\$45.3</b>	<b>\$745.0</b>
Montgomery County	\$95.3	\$155.0	\$31.4	\$281.7
Prince George's County	\$162.3	\$163.5	\$75.7	\$401.5
<b>Maryland Subtotal</b>	<b>\$257.7</b>	<b>\$318.4</b>	<b>\$107.2</b>	<b>\$683.3</b>
City of Alexandria	\$24.9	\$37.0	\$2.2	\$64.1
Arlington County	\$44.7	\$98.3	\$1.6	\$144.6
City of Fairfax	\$1.4	\$2.2	\$0.4	\$4.0
Fairfax County	\$69.5	\$155.5	\$17.2	\$242.3
City of Falls Church	\$1.8	\$2.1	\$0.1	\$4.0
Loudoun County	\$0.1	\$37.1	\$0.0	\$37.2
<b>Virginia Subtotal</b>	<b>\$142.4</b>	<b>\$332.2</b>	<b>\$21.5</b>	<b>\$496.2</b>
<b>Total Contribution</b>	<b>\$775.8</b>	<b>\$974.7</b>	<b>\$174.0</b>	<b>\$1,924.5</b>

\*FY2026 Total Subsidy excludes Debt Service for Gross Revenue Bonds  
 Note: amounts may not sum due to independent rounding

# Service Optimization Context

- **Ridership is growing with frequent and reliable service:**
  - FY2024 rail ridership grew 27% over FY2023
  - FY2026 and FY2027 ridership – projecting continued growth – with some uncertainty
  - Continued ridership growth in peak periods will require additional service
- **Anticipating needs for additional capacity:**  
Passenger loads at key locations approaching crowded conditions
- **Rail Fleet and potential service changes:**
  - 7000-Series wheelset issue resolved; trains fully available for service in FY2026
  - Future major service frequency and capacity increases require additional railcars

## Metrorail Service Improvement Focus Areas

- **Add Peak Capacity** to address passenger loads at busiest times and locations
- **Adjust Rail Service Patterns and Frequencies** to optimize the use of assets and drive ridership growth
- **Expand Rail Hours of Operation** to expand access and better match regional travel patterns
- **More Efficient Rail Operations** to invest resources in service improvements

# Rail Automation Makes Service Better

Appendix

Automated Operations (Automatic Door Operations, Automatic Train Operations, Return to Design Speeds) enable safer, faster, and more reliable operations.

- **More reliable:** reduces variation in manual operation
- **More efficient:** time savings enables same service level with fewer resources
- **Drives ridership growth:** shorter travel times encourage more trips, increasing access to destinations

Net Budget Impact: ~\$ (7)m

	Scheduled Runtime (min)	Estimated Runtime Savings (min)			Total Est. Savings (min)	Percent Savings
		Automatic Door Operation	Automatic Train Operation	Original Design Speed		
YL	27	0.5	1.2	0.2	1.9	7%
GR	50	0.8	2	N/A	2.8	6%
SV	92	1.4	3.3	2.6	7.3	8%
OR	61	1.0	2.5	2.3	5.8	10%
BL	68	1.1	2.7	2.0	5.8	9%
RD	70	1.1	2.6	2.9	6.6	9%

\*Estimates as of October 2024 and incorporate data from latest test runs.

# System Design Constraints Lead to Mismatched Capacity

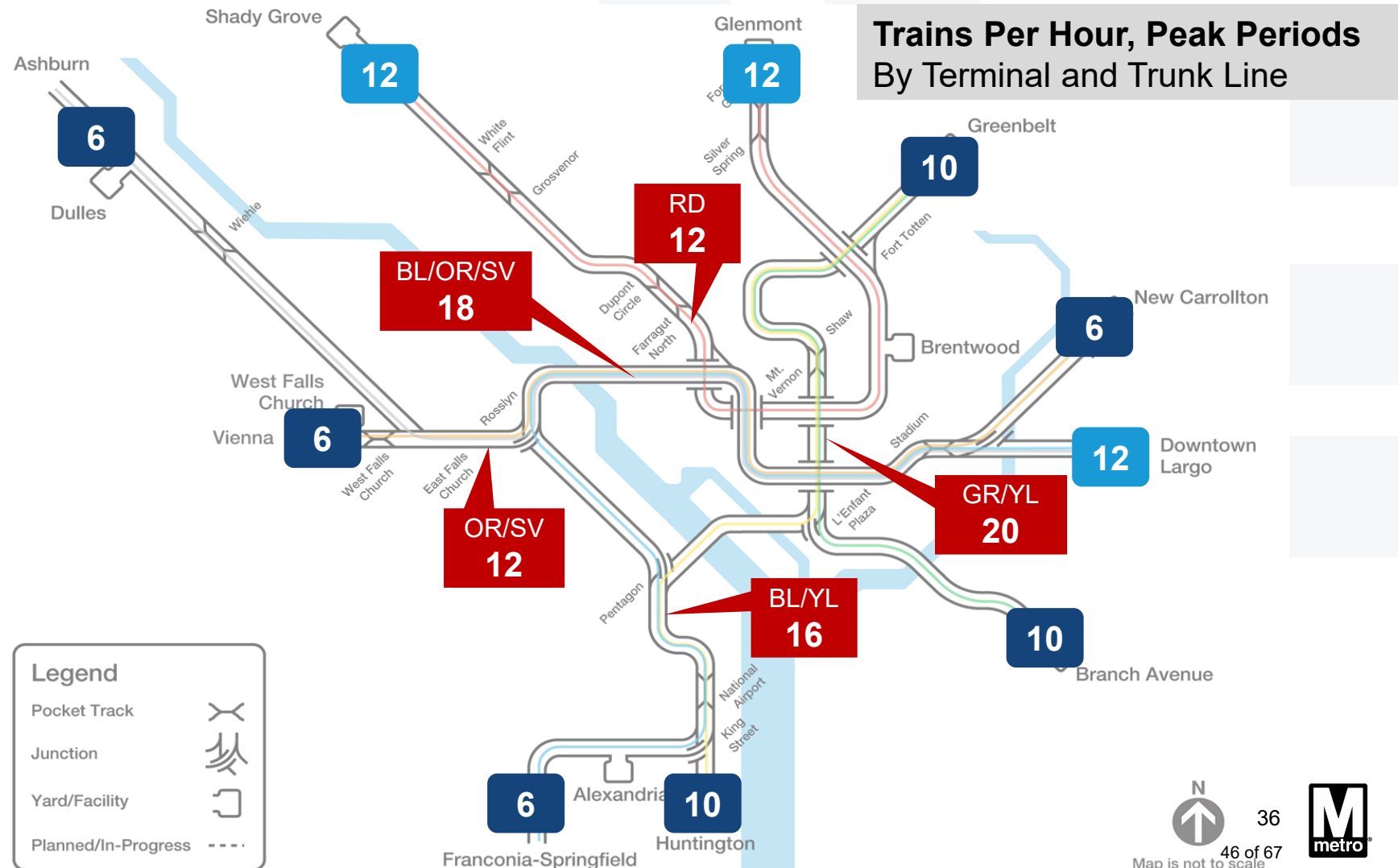
Metro can use infrastructure to focus service where more customers are travelling

Appendix

Service levels at each terminal vary. Some terminals have twice as many trains per hour depart during peak service as others.

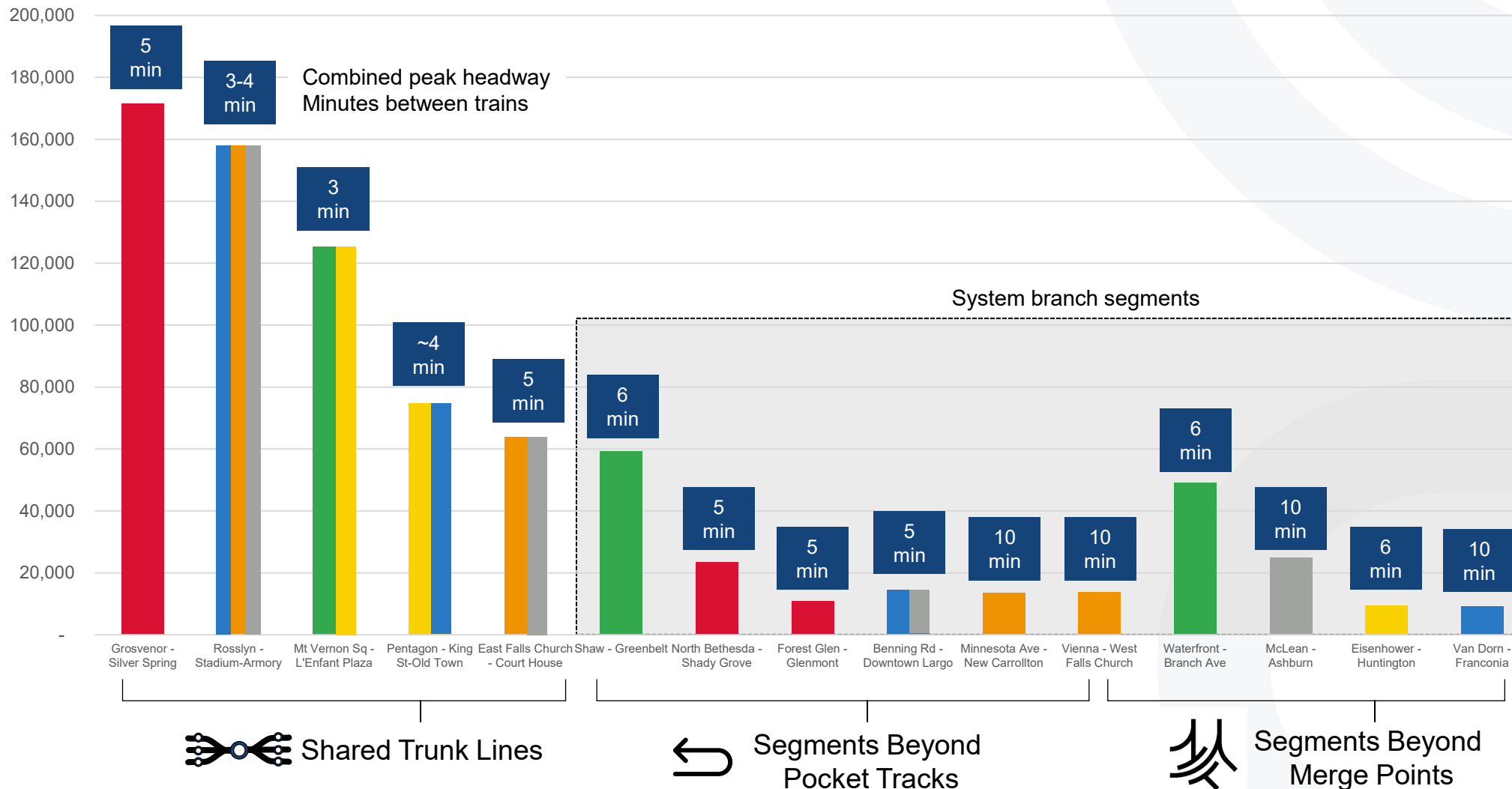
Trains leaving terminals determine the capacity available in the center of the system.

Metro can concentrate service capacity where needed; Metro has limited locations to do this and is currently only using Mt Vernon Sq pocket track to do so.



# Most Customers Travel Through the Center of the System

Avg. Weekday Trips by System Segments, Sept 2024



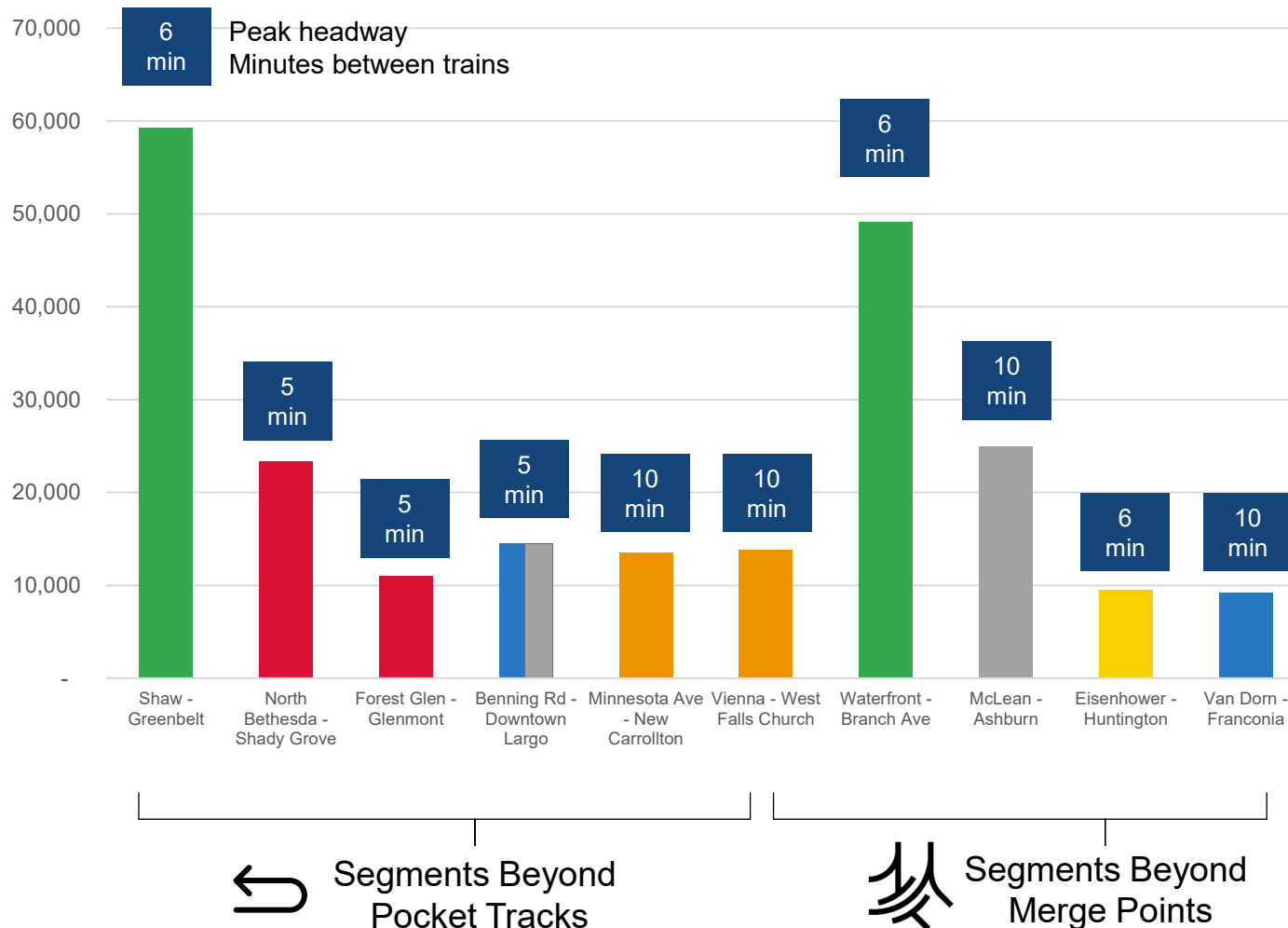
Each of Metro's shared Trunk Lines carry more passengers than the system's branches.

Branch segments are located either beyond a merge point, or beyond a pocket track location.

# Opportunities to Align Capacity with Customer Travel Patterns

Appendix

Avg. Weekday Trips by Branch Segment, Sept 2024  
Trips Within or Through Segments Beyond Pocket Track & Merge Point Locations



- Metro's infrastructure has limited locations to adjust service frequencies on branches:
  - Pocket tracks divide service within a line
  - Junctions/Merge Points divide service between lines
- System branches beyond inactive pocket tracks with lower ridership but more trains per hour than Shaw-Greenbelt:
  - Blue/Silver line branch east of Stadium Armory carries **~25% of Shaw – Greenbelt ridership** but has 12 trains per hour.
  - The Red line branches carry **~20% to ~40% of Shaw – Greenbelt ridership** but has 12 trains per hour.

# Service Concepts to Address Current Challenges

Appendix



## Red Line

Increasing rush hour ridership; projected crowding in both directions with continued growth.

### Service Concept:

- Higher “Super Peak” frequency during the busiest part of rush hour in both directions



## Blue/Orange/Silver Lines

Increasing rush hour ridership; projected crowding in one direction through Rosslyn; imbalanced service east of Stadium-Armory.

### Service Concepts:

- Use Silver “Super Peak” service to increase service in the core during the busiest part of rush hour
- Split Silver Line between Downtown Largo and New Carrollton



## Green/Yellow Lines

High and growing all-day ridership, serves regular events and airport trips.

### Service Concept:

- Extend half of Yellow Line trains to Greenbelt



## Systemwide

Growing ridership requires increased capacity; The rail system opens late on weekends relative to peer transit systems and after ramp up in regional travel demand.

### Service Concepts:

- Optimize mix of 6-car and 8-car trains to increase capacity
- Expand weekend hours with improved overnight maintenance productivity: Open at 6 am on Saturdays and Sundays, close at 2 am on Fridays and Saturdays

# Higher Frequency “Super Peak” Service

Appendix



## “Super Peak” train frequency

- Improve rush hour frequencies from 5 to 4 minutes in both directions during the busiest peak hour to provide additional capacity
- Combined with more 8-car trains for additional capacity

## Key Considerations

- Requires additional peak trains
- Targets additional capacity narrowly during the times it is most needed
- Customer communications about the expected headway need to be carefully messaged to avoid confusion (e.g., “trains every 4 to 5 minutes”)

### Example: Additional Red Line Super Peak Scheduled Service

Time (Minutes)	:01	:02	:03	:04	:05	:06	:07	:08	:09	:10	:11	:12	:13	:14	:15	:16	:17	:18	:19	:20	:21	:22	:23	:24	:25	:26	:27	:28	:29	:30	:31	:32	:33	:34	:35	:36	:37	:38	:39	:40	:41	:42	:43	:44	:45	:46	:47	:48	:49	:50	:51	:52	:53	:54	:55	:56	:57	:58	:59	:00								
Current Peak Service (trains every 5 mins)	5				5				5				5				5				5				5				5				5				5				5				5				5				5				5				5				5			
“Super Peak” Service (trains every 4 to 5 min)	5				4				4				4				4				4				4				4				4				4				5				5				5				5				5				5				5			

“Super Peak”  
+2 trains per hour

Net Budget Impact: \$ 0.5m



# Additional Silver “Super Peak” Service in the Core

Appendix

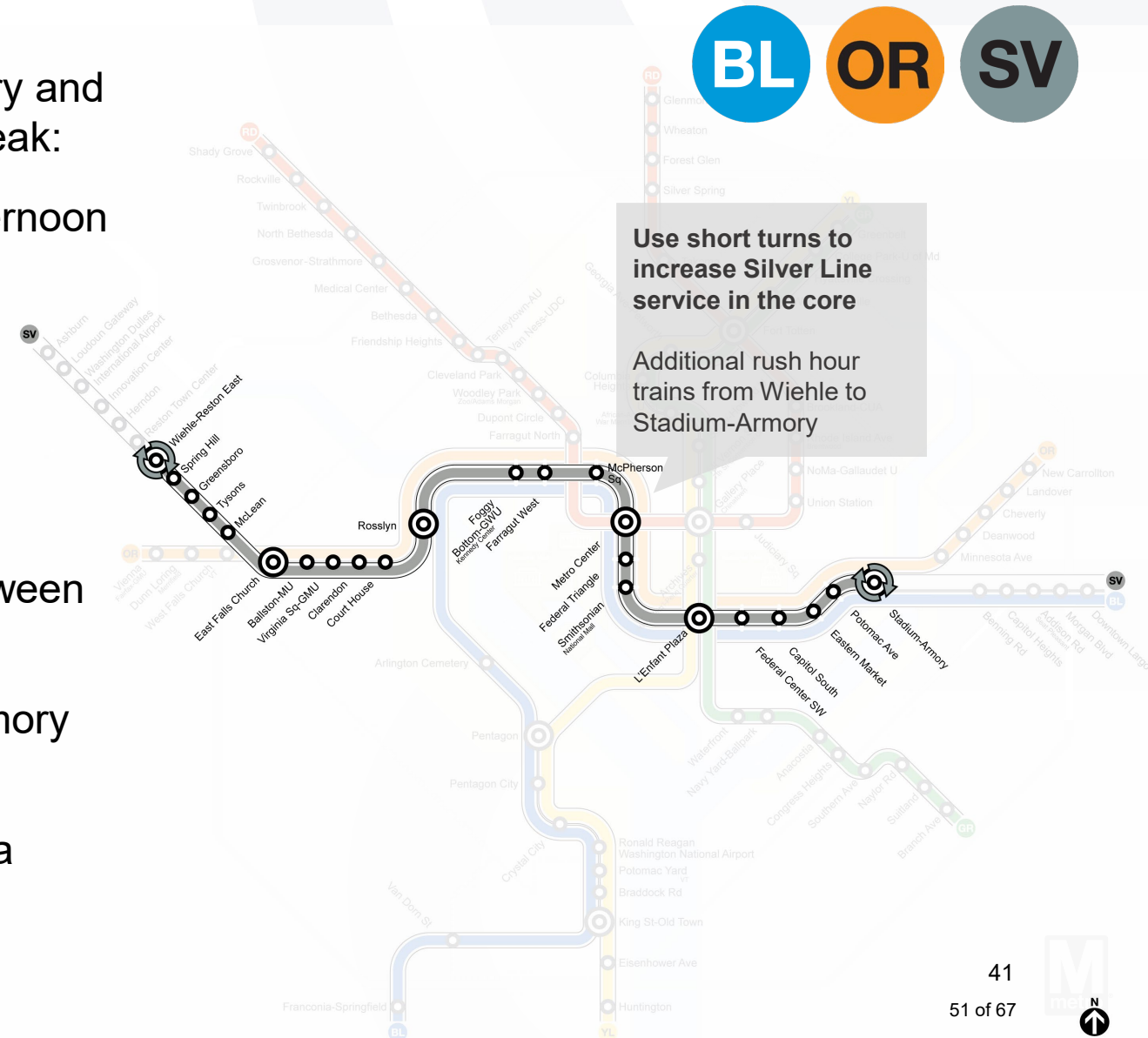
Additional Silver line trains between Stadium Armory and Wiehle in one direction during busiest part of the peak:

- Eastbound in the morning; Westbound in the afternoon
- Combined with more 8-car trains for additional capacity

## Key Considerations

- Requires additional peak trains
- Provides extra capacity during limited period between regular service
- Reliability of D&G pocket track after Stadium-Armory with current peak service schedules
- Customer communication on destinations of extra Silver service

Net Budget Impact: ~\$ 0.5m



# Aligning to Ridership: Split Eastern Silver Line

Appendix

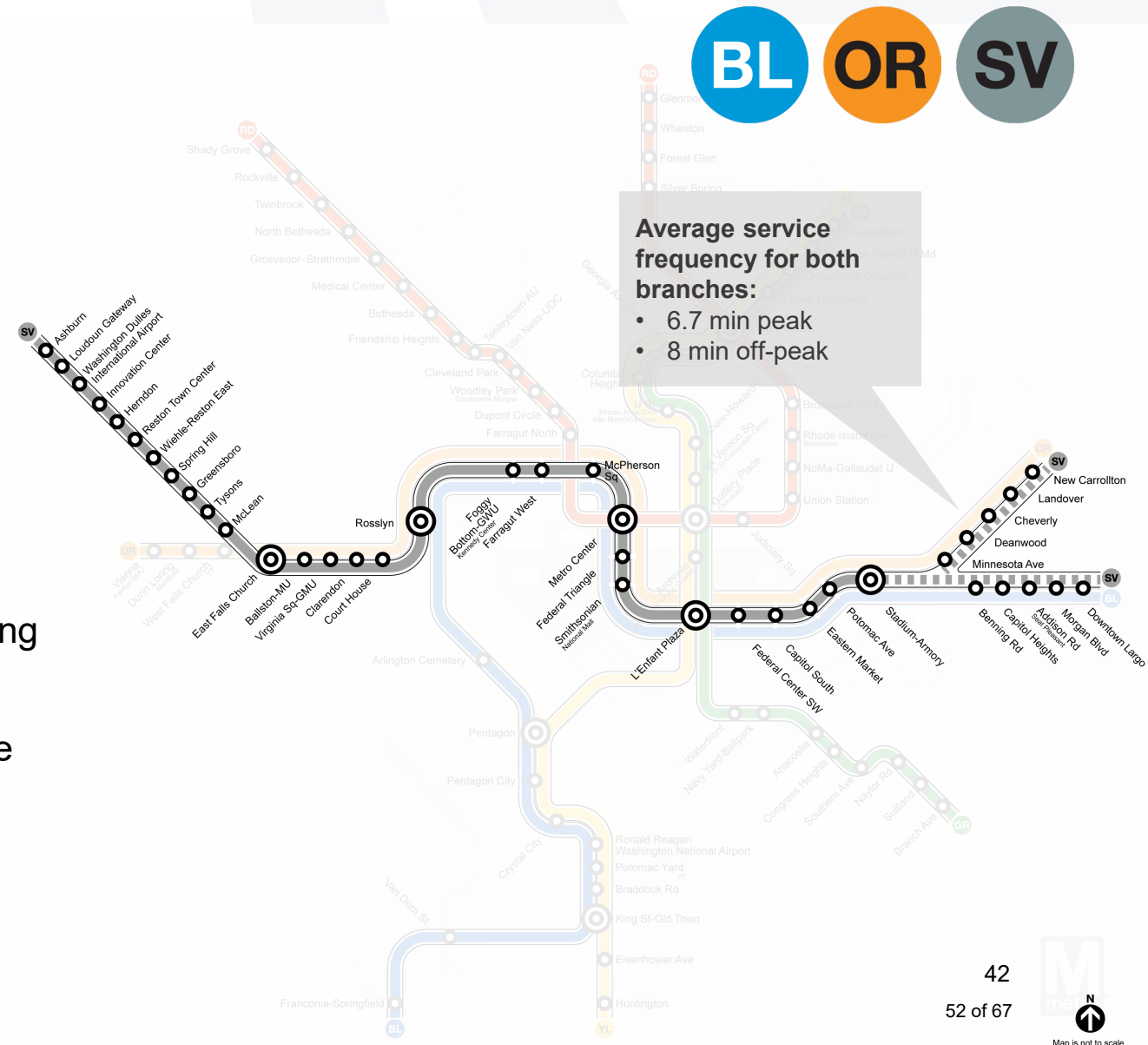
Shift half of Silver Line trains to terminate at New Carrollton to provide at New Carrollton/Largo branches:

- New Carrollton terminal served every 6 to 8 minutes (Orange + Silver), from every 10 to 12 minutes today
- Downtown Largo served every 6 to 8 minutes (Blue + Silver), from every 5 to 6 minutes today

## Key Considerations

- Balances service between Downtown Largo and New Carrollton, which have similar ridership, better connecting with Amtrak, MARC and future Purple Line service
- Operational & efficiency benefits – New Carrollton is the only rail yard for the eastern terminals

Net Budget Impact: ~\$ 0m



# Aligning to Ridership: Yellow Line Extension

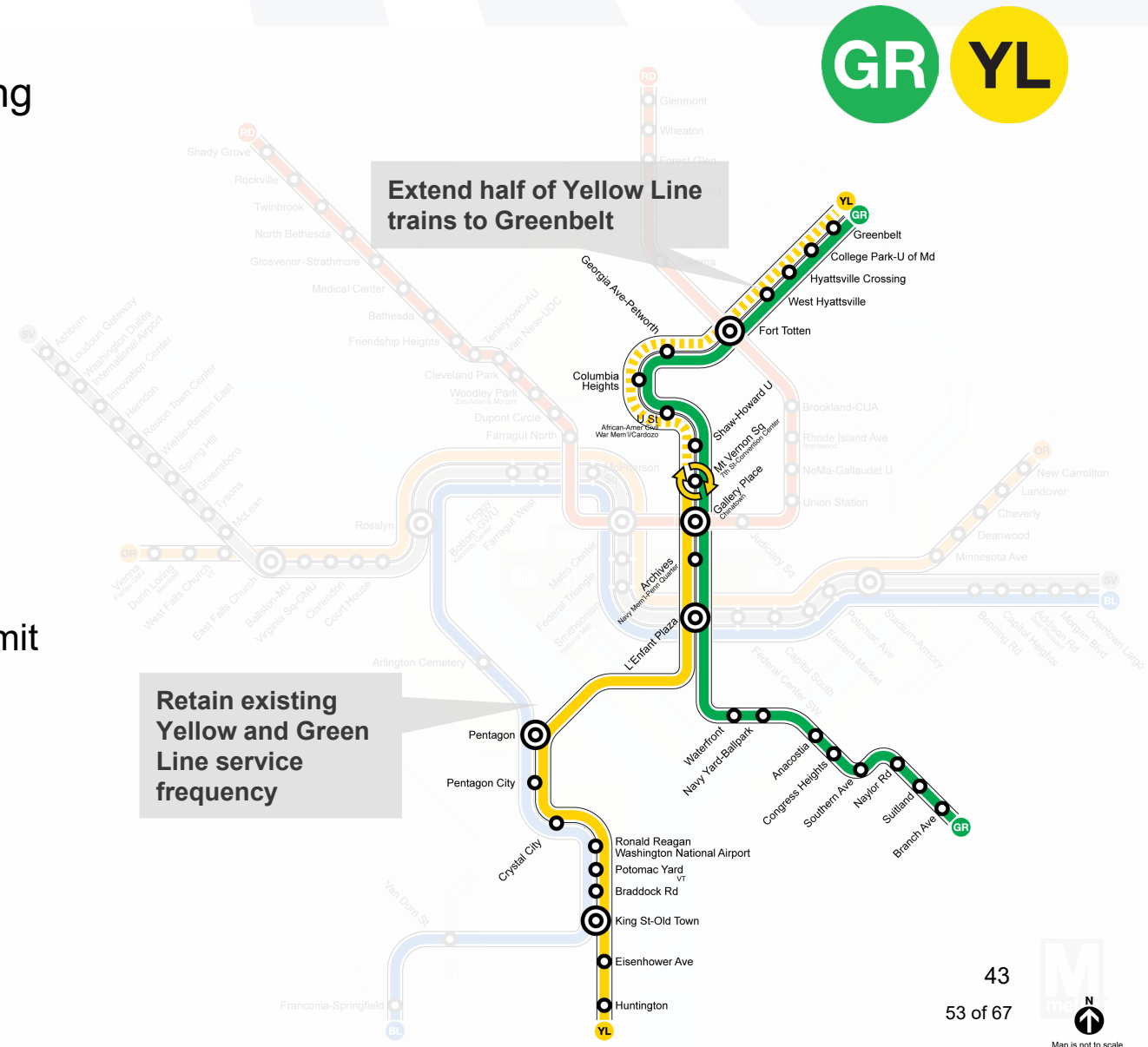
Appendix

Extend half of Yellow Line trains to Greenbelt, adding service north of Mt Vernon Sq. Half of Yellow Line trains would continue to terminate at Mt. Vernon Square.

## Key Considerations

- Adds service north of Mt Vernon Sq where many riders use system
- Increases connectivity to National Airport, regional rail hubs at King St, Greenbelt, and College Park
- Terminal capacity at Greenbelt and railcar availability limit extension to half of Yellow Line trains
- Customer communication when half of YL trains have different destination

Net Budget Impact: ~\$ 6m

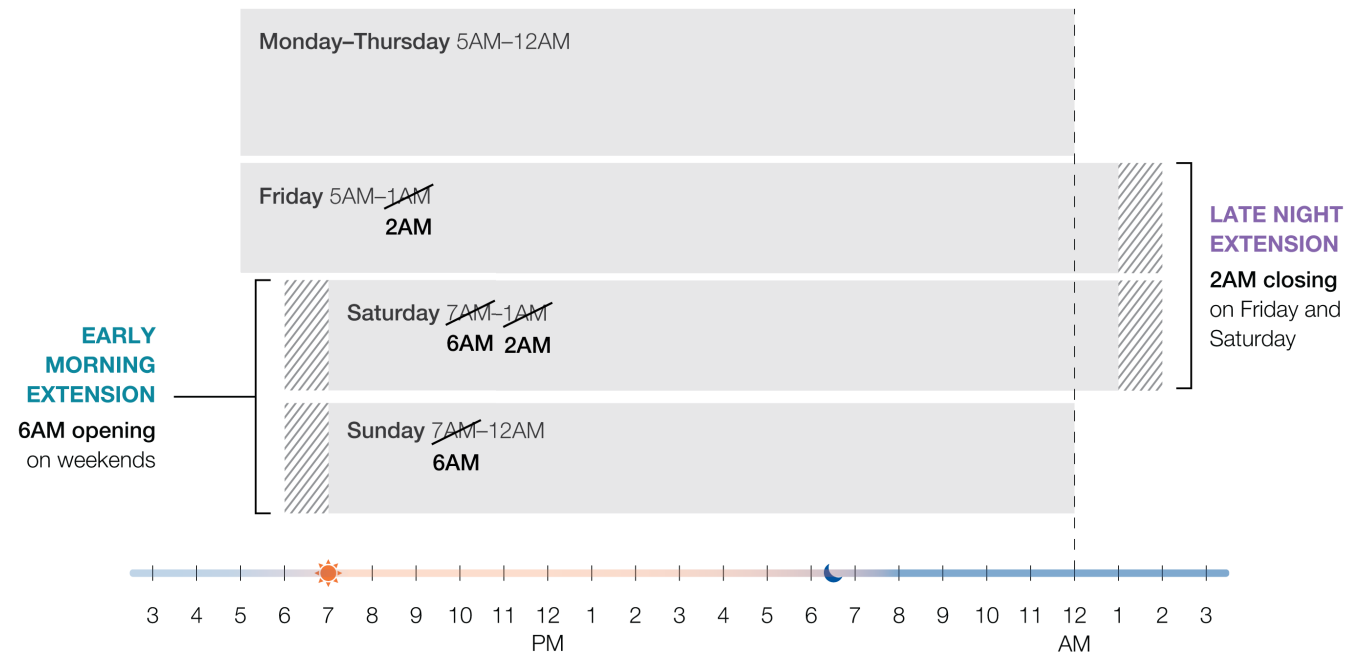


# Weekend Rail Hours of Operation

Extend Metrorail's Hours of Operation to better serve existing and new customers on weekend mornings and late nights.

- Better aligns service with regional travel demand: about 50% more regional weekend travel takes place from 6 to 7 a.m. than from 1 to 2 a.m.
- Provides access to more destinations on weekends, including the region's airports; aligns Metro's weekend hours of operation with peer rail systems.
- Extend weekend late night hours with improved overnight maintenance productivity

## Metrorail Service Hours



Net Budget Impact: ~\$ 6m

SUBJECT: AUTHORIZATION FOR PUBLIC HEARINGS ON PROPOSED FISCAL YEAR 2026 OPERATING BUDGET, FY 2026 CAPITAL BUDGET, FY 2026-2031 CAPITAL IMPROVEMENT PROGRAM, SERVICE CHANGES, AND FARE PAYMENT METHODOLOGY CHANGES WHICH WILL BE HELD COINCIDENT WITH TITLE VI EQUITY ANALYSIS AND PUBLIC PARTICIPATION

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

WHEREAS, The Federal Transit Administration (FTA) requires all recipients of Urbanized Area Formula Program ("Section 5307") grant funding to annually develop, publish, hold a public hearing, and submit for approval a Program of Projects that is part of its capital budget; and

WHEREAS, Enactment Clause 8 of the 2018 Virginia dedicated funding statute (VA Acts of Assembly Ch. 854 Enact. Cl. 8) requires WMATA to hold a public hearing on a capital improvement program (which includes the capital budget) in a locality embraced by the Northern Virginia Transportation Commission; and

WHEREAS, The proposed \$2.4 billion Fiscal Year (FY) 2026 capital budget (included in Attachment A), including WMATA's Program of Projects, funds critical safety investments and state of good repair investments to improve the safe, reliable, and effective performance of the Metro transit system as well as the required debt service and revenue loss from capital projects; and

WHEREAS, The proposed \$12.5 billion FY 2026-2031 Capital Improvement Program (included in Attachment A) includes federal funding from FTA annual formula grant programs, including Section 5307 funding; and

WHEREAS, Compact Section 62(a) requires the Board to hold a public hearing on the proposed FY 2026 \$2.6 billion operating budget (Attachment B), which includes proposals for service changes to Metrorail and Metrobus (Attachment C); and

WHEREAS, Compact Section 76(e) requires the Board to hold a public hearing for the proposal to add open payments as an additional fare payment methodology (Attachment C); and

WHEREAS, The Board adopted a complete redesign of the Metrobus route system in Resolution 2024-32 which incorporates the proposed bus route changes for FY 2026;

NOW, THEREFORE, be it

*RESOLVED*, That in accordance with the Federal Transit Administration Urbanized Area Formula Program ("Section 5307") requirements, the Board of Directors will hold at least two public hearings, one of which will be held within a locality embraced by the Northern Virginia Transportation Commission as required by the Virginia dedicated funding statute (VA Acts of Assembly Ch. 854 Enact. Cl. 8), to obtain public comment on the proposed Fiscal Year 2026 capital budget, which incorporates the Program of Projects, and proposed Fiscal Year 2026-2031 Capital Improvement Program as set forth in Attachment A, and be it further

*RESOLVED*, That in accordance with Compact Section 62(a), the Board of Directors will hold public hearing(s) to obtain public comment on the proposed operating budget and service changes to Metrorail and Metrobus, as set forth in Attachments B and C, which hearings may be held coincident with the public hearings regarding the Fiscal Year 2026 capital budget; and be it further

*RESOLVED*, That in accordance with Compact Section 76(e), the Board of Directors will hold public hearing(s) to obtain public comment on the proposal to add open payments as an additional fare payment methodology (Attachment C), which hearings may be held coincident with the public hearings regarding the Fiscal Year 2026 capital budget; and be it further

*RESOLVED*, That the Board of Directors directs the General Manager and Chief Executive Officer to report on the findings of the public hearings on the Program of Projects (Attachment A), proposed Fiscal Year 2026-2031 Capital Improvement Program (Attachment A), proposed FY 2026 \$2.6 billion operating budget (Attachment B), which includes proposals for service changes to Metrorail and Metrobus (Attachment C), and the proposal to add open payments as an additional fare payment methodology (Attachment C), as well as the findings of the Title VI Equity Analysis and other outreach efforts; and be it finally

*RESOLVED*, That in order for the Board of Directors to incorporate public input in its deliberations on the proposed Fiscal Year 2026 operating budget, proposed Fiscal Year 2026 capital budget, proposed Fiscal Year 2026-2031 Capital Improvement Program, fare payment methodology, and related matters, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

/s/

Patricia Y. Lee

Executive Vice President, Chief Legal Officer, and  
General Counsel

## **Proposed FY2026 Capital Improvement Program and Federal FY2026 Grant Applications**

### **Overview**

WMATA is committed to maintaining the safety, reliability, and affordability of its system by substantially improving its assets — from rail stations, tracks and traction power infrastructure to the vehicles, maintenance facilities and cooling systems — and providing a better transit experience for hundreds of thousands of customers each day.

The proposed FY2026 capital budget of \$2.4 billion and six-year capital improvement program of \$12.5 billion (both including revenue loss and debt service) include investment in ongoing projects, prioritized system preservation and renewal needs and investments to provide safe and efficient service delivery informed by asset management and reliability plans.

Capital program publications detail the following:

- Capital Program Strategy outlining the vision and goals for capital investments.
- Six-Year Capital Improvement Program investments of \$12.5 billion and a FY2026 capital budget of \$2.4 billion with a list of priority projects and programs constrained by affordability and delivery capacity.
- Ten-Year Capital Plan projecting \$17 billion in investments. (Note: Due to delivery capacity constraint, there are significant investment needs beyond the Ten-Year planning horizon.)

Major capital program investments to further improve service and customer experience include:

- **Railcars and Rail Facilities.** Major **vehicle** investments include the 8000-series railcar acquisition program. Major **facilities and systems** investments include rail vehicle scheduled maintenance program (SMP) facility improvements and railyard state of good repair.
- **Rail Systems.** Major investments include Train Control Room Rehabilitation, Track Circuit Cable Testing and Replacement, Switch Machine Replacement, Rail Power System Rehabilitation, Radio Infrastructure Replacement, Fiber Installation.
- **Track and Structures Rehabilitation.** Major investments include track rehabilitation and maintenance; tunnel ventilation demonstration and water leak mitigation demonstration on the red line; and bridge and aerial structural rehabilitation.
- **Station and Passenger Facilities.** Major investments include standpipe systems and tunnel emergency egress; parking garage and surface lot rehabilitation, station entrance canopies, and elevator rehabilitations; digital signage and wayfinding, lighting, and fare payment modernization.

- **Bus, Bus Facilities, and Paratransit.** Major **vehicle** investments include bus acquisition and rehabilitation and paratransit vehicle purchases, including zero emission bus acquisition. Major **facilities** investments include Northern and Bladensburg garage replacements and electrification, electrification of the Cinder Bed bus garage, bus shelter replacement, customer information electronic displays, and bus priority program.
- **Operations and Business Support.** A modern training facility, computing infrastructure state of good repair; Enterprise Resource Planning (ERP) System Replacement; Asset Management System Upgrade; service vehicle replacement; and environmental compliance.

The six-year plan includes reimbursable projects such as the Purple Line.

#### Financial Plan by Investment Category

Capital Investment Categories (\$M)	FY2026 Proposed Budget*	FY2027 – FY2031 Plan*	Six-Year Total*
Railcars and Railcar Facilities	\$434	\$2,195	\$2,629
Rail Systems	\$344	\$1,022	\$1,366
Track and Structure Rehabilitation	\$275	\$1,152	\$1,426
Stations and Passenger Facilities	\$315	\$1,058	\$1,372
Bus, Bus Facilities, and Paratransit	\$483	\$1,814	\$2,297
Operations and Business Support	\$286	\$1,087	\$1,373
<b>Total Capital Investments</b>	<b>\$2,137</b>	<b>\$8,325</b>	<b>\$10,462</b>
Revenue Loss from Capital Projects	\$10	\$0	\$10
Debt Service - Dedicated Funding	\$253	\$1,800	\$2,053
<b>Total Capital Program Cost</b>	<b>\$2,400</b>	<b>\$10,125</b>	<b>\$12,525</b>

\*FY2026-FY2031 Plan capital investment category allocation subject to change as project costs and schedules are refined; columns may not sum due to rounding.



### Capital Program Funding Sources

Funding Sources (\$M)	FY2026 Proposed Budget*
Formula and Other Grants	\$482
PRIIA	\$144
<b>Subtotal Federal Grants</b>	<b>\$626</b>
District of Columbia	\$345
State of Maryland	\$319
Commonwealth of Virginia	\$297
<b>Subtotal State and Local Contribution</b>	<b>\$961</b>
<b>Jurisdiction Reimbursable Projects</b>	<b>\$42</b>
Debt and Other Fund Sources	\$772
<b>Grand Total</b>	<b>\$2,400</b>

\*FY2026 Funding Sources are estimates and may change; columns may not sum due to rounding.

**FY2026 Proposed Operating Budget****Overview**

WMATA's FY2026 Proposed Operating Budget (including reimbursables and debt service) of \$2.6 billion is 7 percent higher than the FY2025 operating budget. At \$444.5 million, passenger revenue is projected to be 14.7 percent higher than FY2025, while non-passenger revenue of \$100.8 million is projected to slightly increase from the FY2025 Budget. WMATA will exhaust its remaining federal relief funding during FY2025, and thus return to its traditional model with jurisdictional subsidies and operating revenue as the primary funding sources for its operating budget. Jurisdictional subsidies of \$1,924 million funding 77 percent of Metro's operating budget. To avoid service cuts in FY2025, the jurisdictions provided funding above the legislatively mandated three percent subsidy cap for FY2025 and FY2026. The FY2026 Proposed Budget includes an additional \$95 million above the three percent subsidy growth cap.

The FY2026 Proposed Budget service plans are designed to optimize service within available funding, while meeting growing demand. WMATA is advancing service efficiencies through train automation and the optimization of 6-car and 8-car trains, while also enhancing service to support growing ridership. Service enhancements include the Year One implementation of the Better Bus Network, adjustments to Metrorail service patterns and frequencies to increase capacity, and expanding the hours of operation for Metrorail weekend service. Metro will maintain FY2025 fare levels for FY2026.

**Proposed Operating Budget (excluding reimbursables and debt service)**

<b>(\$M)</b>	<b>FY2024 Actual</b>	<b>FY2025 Budget</b>	<b>FY2026 Proposed</b>
Passenger Revenue	\$356	\$388	\$444
Non-Passenger	\$117	\$100	\$101
Total Revenue	\$473	\$488	\$545
Total Expenses	\$2,258	\$2,335	\$2,498
<b>Operating Deficit</b>	<b>(\$1,785)</b>	<b>(\$1,847)</b>	<b>(\$1,952)</b>
Subsidy	\$1,252	\$1,753	\$1,924
Prior Year Savings			\$28
Federal Relief	\$533	\$95	
<b>Funding Gap</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FY2026 Proposed Service Changes**

### **Overview**

This section provides details of the proposed service changes for Metrobus, Metrorail and MetroAccess.

### **Proposed Metrobus Service Changes**

There are no proposed Metrobus service changes as a part of the Proposed FY2026 budget.

Metrobus service changes have already been approved by the Board as part of the 2025 Better Bus Network Redesign process. For more information on those changes, see [www.wmata.com/betterbus](http://www.wmata.com/betterbus)

## **Proposed Metrorail Changes**

### **SERVICE PATTERN CHANGES**

#### **1. Extend half of Yellow Line trains to Greenbelt**

Operate the Yellow Line in two patterns at all times, with half of trains operating between Huntington and Greenbelt and half operating between Huntington and Mt Vernon Sq.

#### **2. Split Silver Line service between Downtown Largo and New Carrollton**

Operate the Silver Line in two service patterns at all times, with half of trains operating between Ashburn and Downtown Largo, and half operating between Ashburn and New Carrollton.

#### **3. Silver Line additional peak service**

Operate additional Silver Line trains to provide capacity in the weekday peak hour only. Trains would operate from Wiehle Ave to Stadium-Armory in the morning, and from Stadium-Armory to Wiehle Ave in the afternoon.

### **OPERATING HOURS**

#### **4. Increase Hours of Operation**

Open the rail system one hour earlier on weekend mornings, opening at 6 a.m. on Saturdays and Sundays. Close the rail system one hour later during weekend late nights, closing at 2 a.m. on Fridays and Saturdays.

### **SERVICE FREQUENCY CHANGES**

#### **5. Red Line additional peak service**

Operate Red Line trains up to every 4 minutes, from every 5 minutes, during the busiest portions of weekday rush periods to provide additional capacity in both directions of travel. Red Line trains would continue to operate every 5 minutes during the remainder of peak service.

### **Proposed FY2026 Metrorail Service Levels**

<b>Line</b>	<b>Service Pattern</b>	<b>Peak Service</b> Monday-Friday	<b>All Day Service</b> Monday-Friday	<b>Late Night Service</b> Monday-Friday	<b>All Day Service</b> Saturday, Sunday and Holidays	<b>Late Night Service</b> Saturday, Sunday and Holidays
Red	Shady Grove to Glenmont	4 to 5 min	6 min	10 min	6 min	10 min
Green	Greenbelt to Branch Ave	6 min	6 min	7.5 min	8 min	8 min
Yellow	Huntington to Mt Vernon Sq* / to Greenbelt*	6 min	6 min	7.5 min	8 min	8 min
Blue	Franconia-Springfield to Downtown Largo	10 min	12 min	15 min	12 min	15 min
Orange	Vienna to New Carrollton	10 min	12 min	15 min	12 min	15 min
Silver	Ashburn to Downtown Largo** / to New Carrollton**	10 min***	12 min	15 min	12 min	15 min

\*Yellow Line trains will alternate between terminating at Mt. Vernon Square and Greenbelt. With the anticipation that every other Yellow Line train will operate to Greenbelt instead of terminating at Mt Vernon Sq.

\*\*Silver Line trains will alternate between terminating at Downtown Largo and New Carrollton. With the anticipation that every other Silver Line train will travel to New Carrollton instead of Downtown Largo.

\*\*\*Additional Silver Line trains will operate from Wiehle Ave to Stadium-Armory during the busiest morning peak service hour and from Stadium-Armory to Wiehle Ave during the busiest afternoon peak service hour.

**All Day Service:** baseline service frequency from opening until 9:30 p.m.

**Peak Service:** increased service frequency on weekdays (Monday-Friday) from 7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m.

**Late Night Service:** service frequency from 9:30 p.m. to Close

### **Proposed MetroAccess Changes**

The FY2026 Proposed Budget includes proposed expansion of service hours on Metrorail and proposed revised Metrobus network as previously approved by the Board. To the extent that these changes increase the service hours or service area, MetroAccess services will, as required by federal law, expand to meet those requirements. Otherwise, the service area and service hours will remain fixed as per existing Board policy.

PROPOSED

## **Proposed Fare Changes**

Fares will remain at the FY2025 levels in the FY2026 Proposed Budget.

To expand payment options for customers, Metro is preparing to introduce an Open Payment fare system to Metrorail, Metrobus, and parking facilities during the next calendar year. Open Payment would allow customers to have the option to use their contactless credit/debit card (e.g., Visa, Mastercard, American Express, Discover), mobile wallet, or linked smartwatch for fare payment without the need to use a SmarTrip card.

### **Adding Open Payment as an Option**

As proposed, Open Payment – the ability to pay with a credit/debit card, mobile wallet, or linked smartwatch -- would be a new payment methodology without a fee.