

FY2026 Proposed Budget Public Hearing



Agenda

FY2026 Proposed Budget Public Hearing

- Purpose of Public Hearing

- FY2026 Budget and Service Overview

- Public Comments

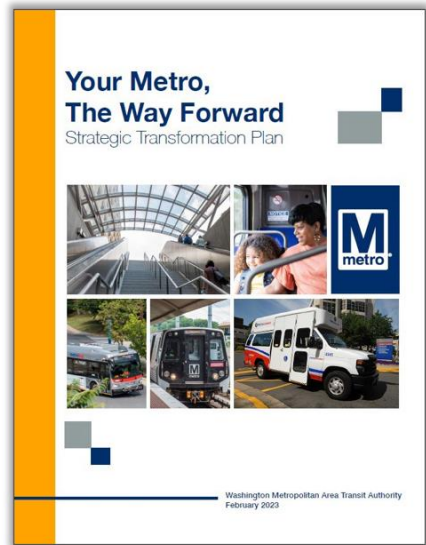
- Next Steps

Participating in the Hearing Virtually

FY2026 Proposed Budget Public Hearing

- Dial in via phone: (646) 902-9990
- Enter Conference ID: 734 797 690#
- Once in the call, press ***5** to be recognized to speak
 - We'll call the last four digits of your phone number
- Press ***6** to mute/unmute your microphone
- Please mute any other devices to avoid feedback

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



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

FY2026 Proposed Budget Public Hearing

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



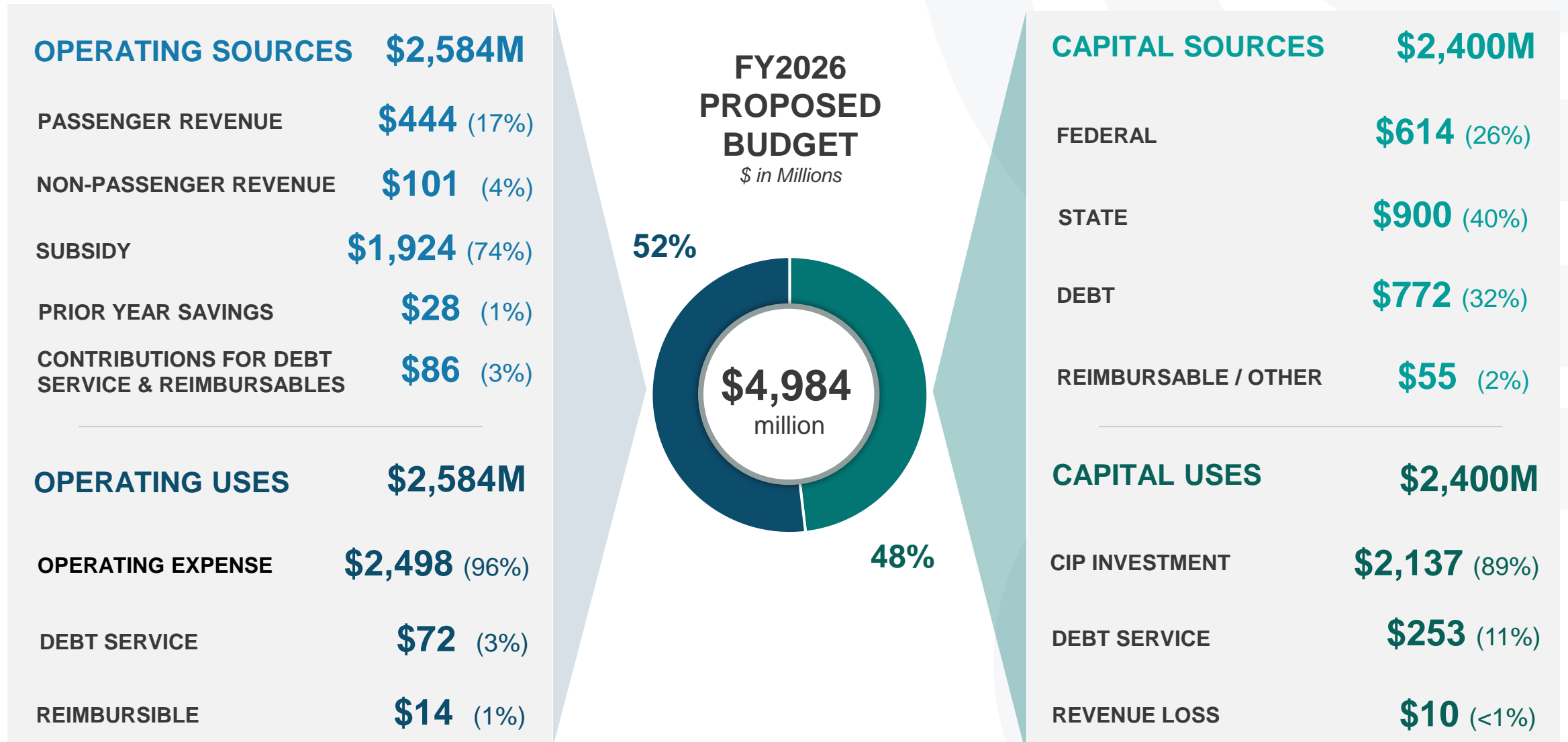
Production of 8000 series railcars



Complete underway projects and continue ongoing programs

GM/CEO FY2026 Proposed Budget Summary

FY2026 Proposed Budget Public Hearing

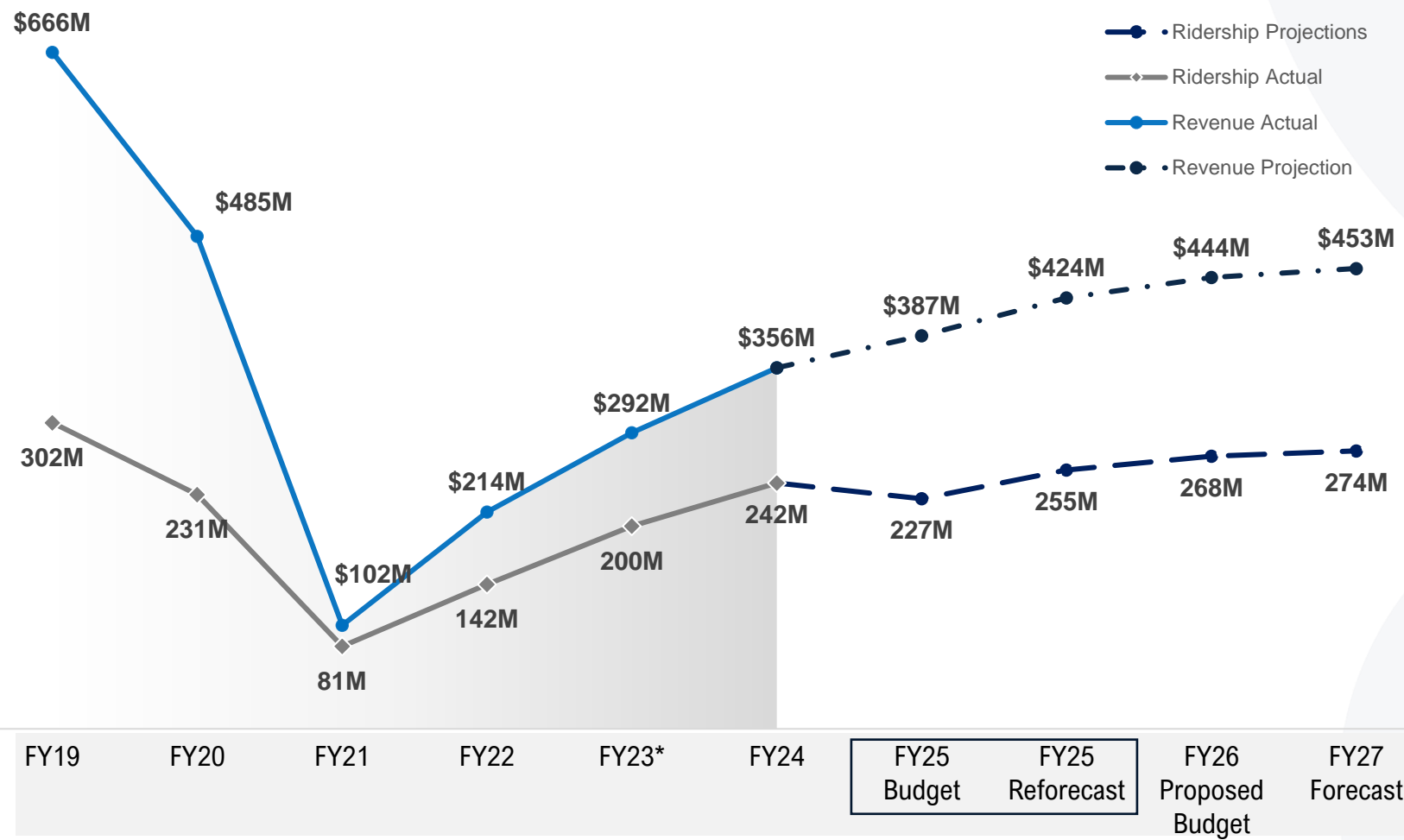


**For Gross Revenue Bonds*

***Includes Joint Development projects*

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

Recent and Proposed Investments in Service has Strengthened Ridership and Revenue



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 & FY2027 Operating Budget Drivers

FY2026 Proposed Budget Public Hearing

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

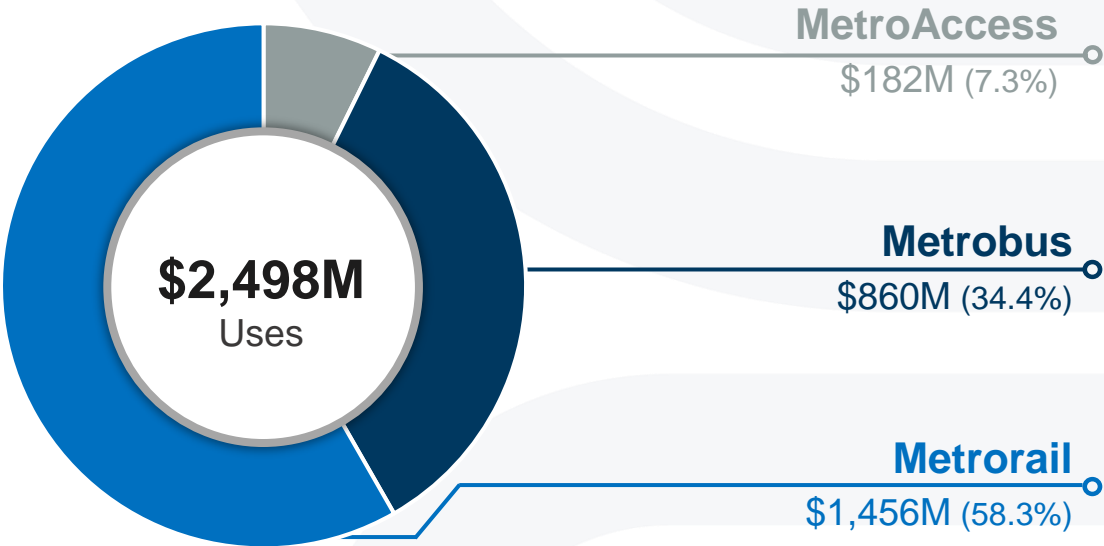
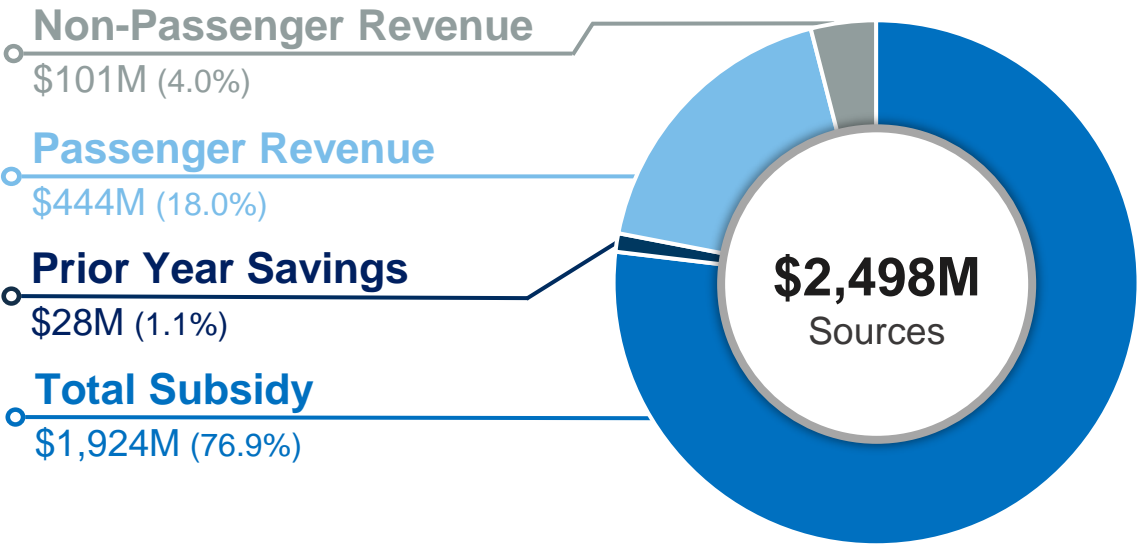


*Additional stipulations for cost-of-living adjustments (COLA). Total adjustments capped at 5% including GWI.

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 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

FY2026 Subsidy

Proposed FY2026 Operating Budget Summary

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

<i>(\$ in Millions)</i>	Metrobus	Metrorail	MetroAccess	Total Subsidy*
District of Columbia	\$375.7	\$324.0	\$45.3	\$745.0
Montgomery County	\$95.3	\$155.0	\$31.4	\$281.7
Prince George's County	\$162.3	\$163.5	\$75.7	\$401.5
Maryland Subtotal	\$257.7	\$318.4	\$107.2	\$683.3
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
Virginia Subtotal	\$142.4	\$332.2	\$21.5	\$496.2
Total Contribution	\$775.8	\$974.7	\$174.0	\$1,924.5

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

FY2026 Service Optimization

Service Optimization

Metro will optimize service within available funding for FY2026

FY2026 Service 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



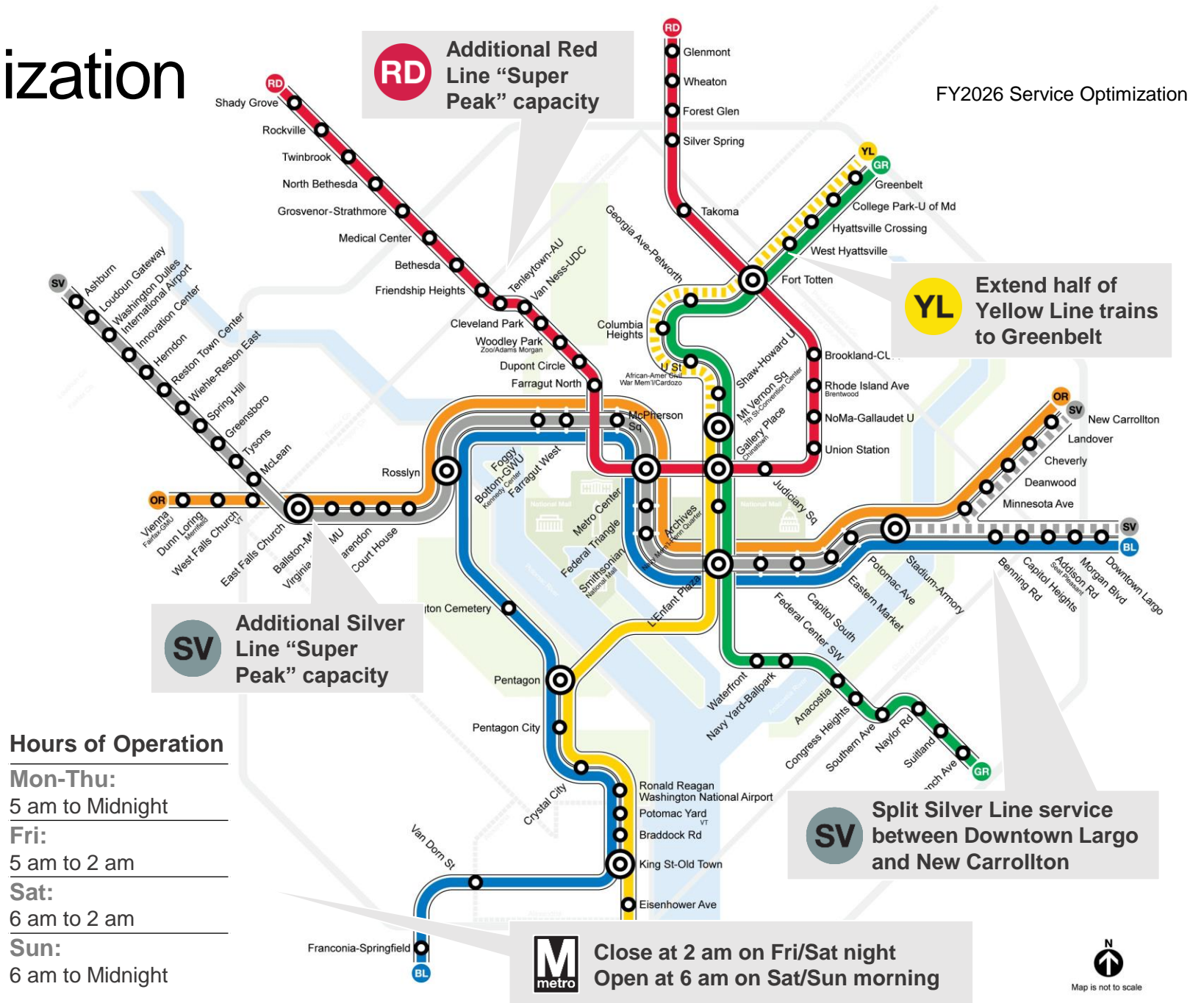
Fares & Fees

- 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

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



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

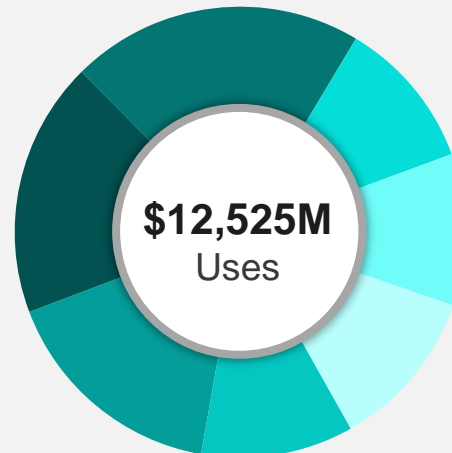
DEDICATED FUNDING FROM STATES	\$3,000M (24%)
FEDERAL FORMULA FUNDS	\$2,974M (24%)
DEBT PROCEEDS	\$2,506M (20%)
SYSTEM PERFORMANCE AND MATCH	\$2,012M (16%)



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

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

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



\$ in Millions

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

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

Providing Written Comments

FY2026 Proposed Budget Public Hearing

Must be received by **5 p.m. on Monday, February 10, 2025**

Option 1

Submit online at:

www.wmata.com/budget

You can comment anonymously or give your name

- You can write your comment or upload a document

Option 2

Submit by mail to:

- Office of the Secretary
 - SECT 2E
WMATA
PO Box 44390 Washington, DC 20026-4390
- Reference “FY26 Budget” in the subject line