

PRESENTED & ADOPTED: JUNE 25, 1998
SUBJECT: APPROVAL OF METROBUS SUBSIDY ALLOCATION FORMULA

#98-27
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, the Regional Mobility Panel (RMP), created in January 1997, was charged with devising a plan to stabilize and enhance bus services in the National Capital Region; and

WHEREAS, in reviewing the current Metrobus Subsidy Allocation Formula and its impact on the future of Metrobus services in the National Capital Region, the RMP concluded the following in regard to the current formula:

- it relies on outdated information and reduces management's ability to implement system cost savings because these actions may result in cost increases in some jurisdictions; and
- jurisdictions that reduce bus service save more than the resulting system savings and jurisdictions that increase bus service pay more than the resulting system increases; and
- as Metrobus service is reduced in any one jurisdiction, the unit costs for all remaining bus service increases resulting in cost increases in jurisdictions that do not change their service; and

WHEREAS, the RMP has recommended, and the Board of Directors has agreed, that a revised Metrobus subsidy allocation formula for regional Metrobus service be implemented beginning in Fiscal 1999; and

WHEREAS, the Board anticipates that the Member Jurisdictions will agree that conversion to the new Metrobus Subsidy Allocation Formula will begin in Fiscal 1999 with phased transition limits during the period of Fiscal 1999-2002 (as previously

adopted by the Regional Mobility Panel) and that the phased non-federal share of funding for the \$100 million rehabilitation and replacement shortfall requirements will begin in Fiscal 2000 and continue through Fiscal 2003. Beginning in Fiscal 1999, and in every year thereafter, the benefit to all Member Jurisdictions from the application of phased transition limits in the new Regional Bus Service Operating Subsidy Allocation Formula will be reduced proportionate to the lowest percentage contribution made by any benefitting Member Jurisdiction to the phased non-federal shortfall in the Rehabilitation and Replacement Program, including any state funds attributable to that jurisdiction.

NOW, THEREFORE BE IT RESOLVED that the current Metrobus subsidy allocation formula be revised, as recommended by the RMP and agreed to by the Board of Directors, and that a new Metrobus subsidy allocation formula be implemented through a transition plan beginning in Fiscal 1999 and continuing through Fiscal 2002; and

BE IT FURTHER RESOLVED that the Board of Directors adopts a new Metrobus Subsidy Allocation Formula that: allocates the regional Metrobus subsidy on a regional basis; uses data that can be periodically updated; allocates the Metrobus subsidy based on benefits received in each jurisdiction; and evaluates carefully the mechanisms to implement a ridership incentive factor; and

BE IT FURTHER RESOLVED that the following Metrobus Subsidy Allocation Formula for regional Metrobus services shall be adopted based on each jurisdiction's share of the following four factors:

- 25% of Subsidy - a weighted average of urbanized population and population density using 1990 census data and the 1990 population definition of the urbanized area;
- 15% of Subsidy - weekday ridership on the regional routes by jurisdiction of residence;
- 35% of Subsidy - annual revenue miles for the regional routes; and
- 25% of Subsidy - annual revenue hours for the regional routes.

BE IT FURTHER RESOLVED that the Board of Directors adopts the attached transition limits to be applied to each jurisdiction for Fiscal 1999 through Fiscal 2002 as the basis for phasing in the revised Metrobus Regional Subsidy Allocation Formula; and

BE IT FURTHER RESOLVED that the revised Metrobus Subsidy Allocation Formula, as modified by the transition limits prescribed for Fiscal 1999 through Fiscal 2002 attached hereto, shall become effective in Fiscal 1999 and shall remain in effect until changed by the Board of Directors; and

BE IT FURTHER RESOLVED that this resolution shall become effective immediately.

Reviewed as to form and legal sufficiency.

Robert L. Polk
General Counsel

Motion by Mrs. Mack, seconded by Mr. Wineland, and unanimously approved.
Ayes: 6 - Mr. Barnett, Mrs. Hanley, Mrs. Mack, Mr. Wineland, Mrs. Walker
and Mr. Kinlow