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WMATA Board Members,

Over the past year, the Metro team has been laser focused on delivering the safe, frequent and reliable service the region needs. Those efforts are seeing significant results including ridership growing by 30% and record high customer satisfaction. In parallel, Metro has been working with our regional partners on solving the fiscal crisis starting with our FY2025 operating budget. In December, as required by the WMATA Compact, I proposed a balanced budget that would require draconian service cuts, large fare increases, the layoff of 2000+ staff and other actions that would decimate our regional transit system.

Based on commitments from District of Columbia leadership and budget and legislative actions in Maryland and Virginia over the past few weeks there has been significant momentum addressing our budget. This includes adjusting the subsidy cap as well as increasing subsidy levels in all three jurisdictions. The WMATA subsidy formula sets the level of subsidy for each jurisdiction proportionate to the other jurisdictions. The various commitments will need to be reconciled as the Board approves this year's budget.

Considering the actions from our jurisdictional partners, we feel it is reasonable and timely to outline a revised budget proposal that is responsive to the feedback we have received, including the Council of Government's (COG) Chief Administrative Officers' WMATA workgroup report.

This revised FY2025 proposed budget and FY2026 forecast details how Metro will deliver a zero-growth budget in FY2025 and includes numerous metrics on how we will manage service delivery. While the Board will only be approving a one-year budget, this revised proposal outlines a two-year budget forecast that provides additional predictability for our partners. It also highlights that our funding issues are not resolved in FY2025, and we must continue to work as a region to create sustainable long-term funding. This revised proposal also includes items from the Strategic Transformation Plan; specifically, the Rail, Bus & Access, and Enterprise Action Programs that demonstrate how we continue to modernize Metro.

This proposal incorporates potential targeted service adjustments avoiding the need for station closures and turnbacks, a reasonable fare increase including an adjustment to the late night/weekend flat fare, and significant organizational cost reductions. Those cost reductions assume Metro employees; both non-represented and represented, contribute to cost savings with a zero percent salary/wage increase in FY2025.

While there is still work to be done and we look forward to hearing from the public on the budget process, we hope this revised budget proposal is responsive to the feedback and requests of our partners and stakeholders. We look forward to the Board's consideration of this revised budget proposal as we work with leaders across the region to finalize a solution that's responsive to the immediate and long-term funding necessary for Metro to be the world class system our region needs.

