

J00A0104
Washington Metropolitan Area Transit Authority
Maryland Department of Transportation

Operating Budget Data

(\$ in Thousands)

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$167,041	\$174,503	\$191,185	\$16,682	9.6%
Total Funds	\$167,041	\$174,503	\$191,185	\$16,682	9.6%

- The operating subsidy grant provided by Maryland to the Washington Metropolitan Area Transit Authority (WMATA) increases by \$16.7 million, or 9.6% over the fiscal 2007 working appropriation.
- The fiscal 2008 operating subsidy is \$1.4 million less than the amount budgeted by WMATA; however, this is not uncommon due to the different timing and submission for the WMATA and the Maryland Department of Transportation (MDOT) budgets.

PAYGO Capital Budget Data

(\$ in Thousands)

	Fiscal 2006	Fiscal 2007		Fiscal 2008	
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>Request</u>	<u>Allowance</u>
Special	\$54,457	\$73,585	\$54,582	\$87,661	\$63,861
Federal	\$16,400	\$16,400	\$16,400	\$16,400	\$16,400
Total	\$70,857	\$89,985	\$70,982	\$104,061	\$80,261

- The fiscal 2007 working appropriation decreased \$19 million compared to the legislative appropriation due to cash flow changes in projects, specifically due to WMATA not being able to spend funds quickly enough.
- The fiscal 2008 allowance increases approximately \$9.3 million, or 13% compared to the fiscal 2007 working appropriation due to cash flow changes in expenditures for rail cars and buses.

Note: Numbers may not sum to total due to rounding.

For further information contact: Jonathan D. Martin

Phone: (410) 946-5530

Analysis in Brief

Major Trends

Farebox Recovery Dips Slightly: Systemwide farebox recovery dropped from fiscal 2005 to 2006 but is expected to increase slightly in fiscal 2007 and 2008. Metrorail is expected to remain around 80% and Metrobus at 33%. Operating expenditure growth is outpacing revenue growth, which decreases the farebox recovery ratio.

Ridership Growth Flattens in Fiscal 2007: Overall ridership growth is expected to increase 1.0% in fiscal 2007 with ridership expected to grow more rapidly in fiscal 2008. Flattening ridership may be attributed to weekend ridership dropping somewhat; however, WMATA is not clear as to why.

Issues

Fiscal 2008 Budget Includes Proposed Fare Increase: The fiscal 2008 budget is proposed to increase 9%. With expenditures outpacing revenues, the budget includes a fare increase that would be targeted to minimize the impact on the most price sensitive customers. **The Department of Legislative Services (DLS) recommends that WMATA and MDOT each discuss the need for the fare increase and the possibility of identifying operating expenditure reductions to offset the proposed fare increase.**

Metrorail Derailment: On Sunday January 7, 2007, a Metrorail car jumped the tracks on the Green Line. Currently the National Transportation Safety Board is investigating the derailment. The type of Metrorail car involved in the derailment has a history of problems. **DLS recommends that WMATA and MDOT brief the committees regarding the current status of the investigation and what is being done to insure passenger safety.**

Davis Bill Reintroduced: The Davis Bill, as discussed in last year's Issue section, died when the congressional term ended. The Davis Bill has been reintroduced with the federal government offering \$1.5 billion over 10 years with each compact jurisdiction required to provide a match of these funds from a dedicated revenue source. **DLS recommends that WMATA and MDOT discuss the meaning of dedicated revenue source, the potential impact on the Transportation Trust Fund, and what these additional funds will bring to the WMATA system.**

Operating Budget Recommended Actions

1. Adopt committee narrative on performance measures.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

J00A0104
Washington Metropolitan Area Transit Authority
Maryland Department of Transportation

Budget Analysis

Program Description

The Washington Metropolitan Area Transit Authority (WMATA) operates the second largest rail transit system and the fifth largest bus network in the United States. WMATA was created in 1967 by an interstate compact in which Maryland; Washington, DC; and Virginia participate. Each signatory jurisdiction provides two directors to WMATA's six-member Board of Directors. Construction of WMATA's 103-mile Metrorail system began in 1969 and was completed in 2001; the system now serves 26 stations in Maryland.

Maryland provides an annual operating grant to the Washington Suburban Transit Commission (WSTC) through the Maryland Department of Transportation's (MDOT) Office of the Secretary budget. WSTC provides funding to WMATA for the operation of the Metrorail, Metrobus, and MetroAccess programs. These operating grants are based on numerous factors, including miles of service, number of stations, number of passengers, and population density in each jurisdiction, and are offset by the fare revenues generated by each service.

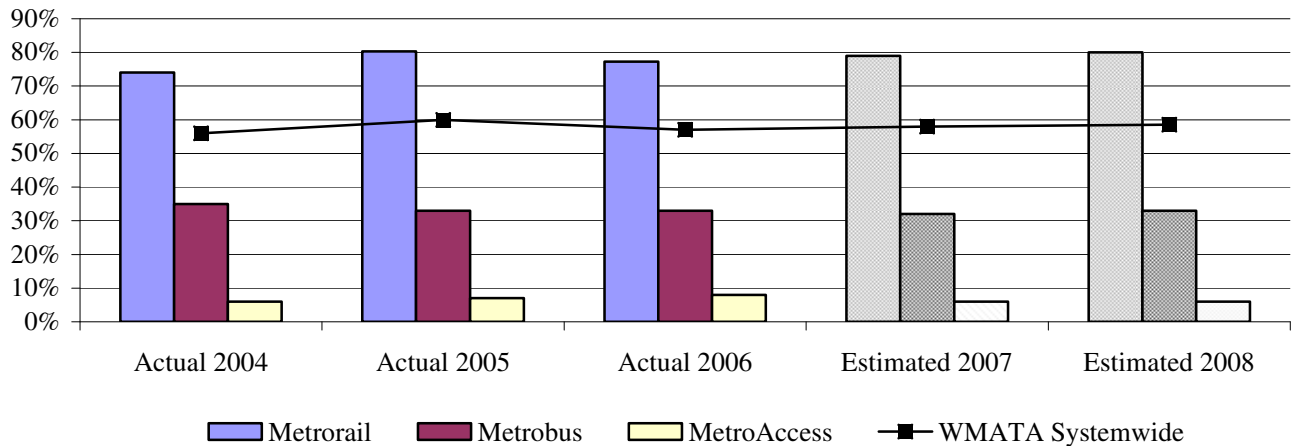
WMATA's mission is to ensure the best in safe, reliable, cost effective, and responsive transit services by promoting regional mobility and by contributing toward the social, economic, and environmental well-being of our community.

Performance Analysis: Managing for Results

Committee narrative added in the 2006 session requested MDOT to submit performance measures for WMATA with the fiscal 2008 budget allowance. **Exhibit 1** details the farebox recovery data for the entire WMATA system and specifically for Metrobus and Metrorail. A number of highlights may be drawn from the data:

- Overall, systemwide farebox recovery is projected to increase slightly to 57.7% in fiscal 2007 and then increase to 58.5% in fiscal 2008. The fiscal 2008 estimated increase for the farebox recovery ratio is largely due to a proposed fare increase for Metrobus and Metrorail riders. This will be covered in further detail in the Issues section.
- Metrorail farebox recovery is expected to remain at roughly 80% in fiscal 2007 and 2008, the same as the fiscal 2005 actual level.
- Metrobus farebox recovery is also expected to hover around 33% in fiscal 2007 and 2008 equal to the fiscal 2005 level.

Exhibit 1
WMATA – Farebox Recovery Rates
Fiscal 2004-2008

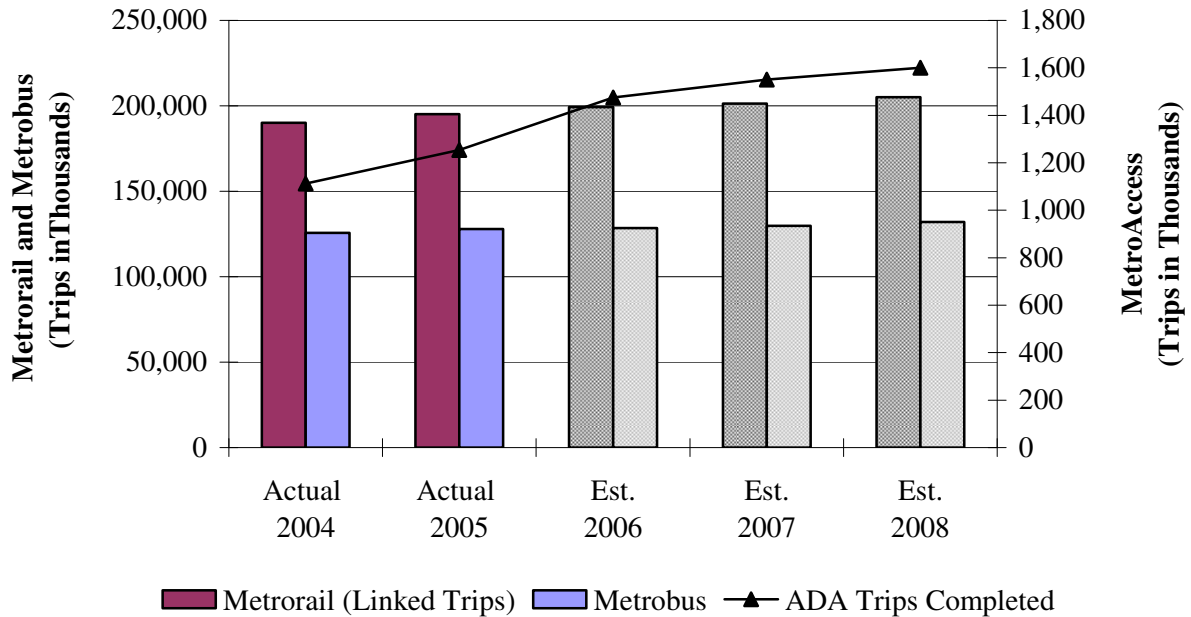


Note: Data reflect all revenue sources ascribed to each system component.

Source: Washington Metropolitan Area Transit Authority

Exhibit 2 details ridership data for WMATA by mode. As seen in the exhibit, overall ridership growth is estimated to flatten out in fiscal 2007 with growth being around 1.0%. This rate of growth in fiscal 2007 is lower than what was originally estimated. WMATA indicates that this lower rate of growth is due to weekend ridership dropping somewhat, and WMATA is still trying to determine the reasons for this trend. Ridership growth is expected to increase in fiscal 2008 due to more eight-car trains being deployed; however, the extent to which fares are raised could impact ridership.

**Exhibit 2
WMATA – Ridership
Fiscal 2004-2008**



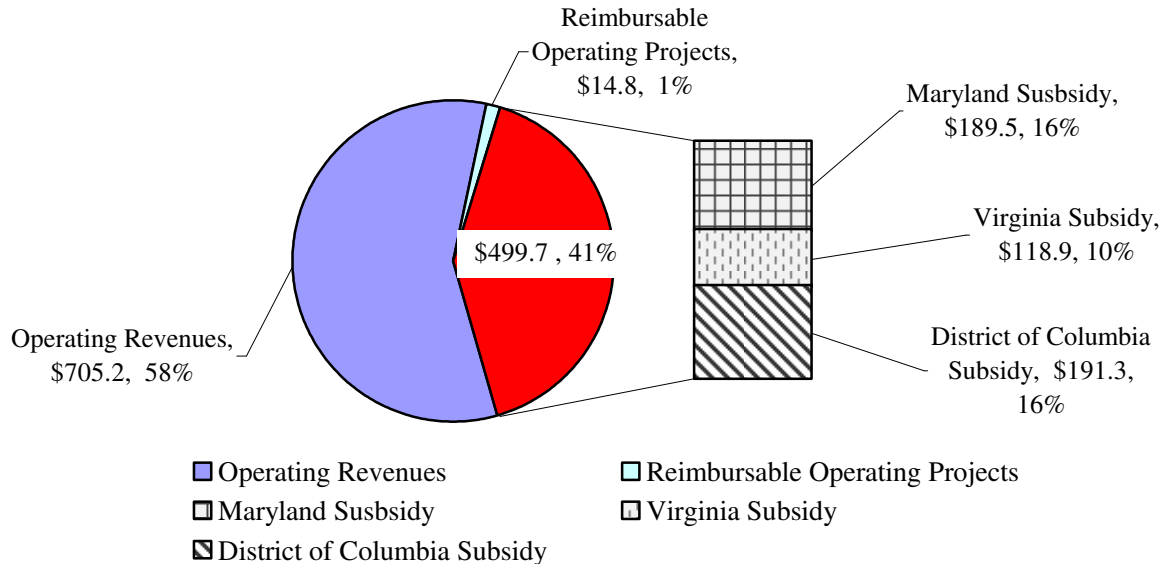
Source: Washington Metropolitan Area Transit Authority

Governor's Proposed Budget

WMATA's Proposed Fiscal 2008 Operating Budget

WMATA's fiscal 2008 operating budget (excluding debt service) totals approximately \$1.2 billion, a net increase of \$100 million, or 9% over the fiscal 2007 operating budget. The fiscal 2008 budget does include a proposed fare increase which will be discussed later in the Issues section. **Exhibit 3** shows that approximately 41% of the operating budget will be supported by local revenue sources with 58% of revenue coming from operating revenues predominately derived from fares.

Exhibit 3
WMATA Proposed Fiscal 2008 Operating Budget
Funding Sources – Total \$1.22 Billion
(\$ in Millions)



Note: Excludes Debt Service

Source: Washington Metropolitan Area Transit Authority

Exhibit 4 highlights the key changes from the fiscal 2007 to the proposed fiscal 2008 budget which total \$100 million. Inflation driven costs increase the operating budget by \$69.2 million, expanding bus and rail service increases the budget by \$18.0 million, and annual base adjustments increase the operating budget \$29.2 million. An organization review of WMATA and replenishing the operating reserve fund increase the budget \$12.9 million.

Exhibit 4
**Key Changes Between WMATA Approved Fiscal 2007 Operating Budget and
Proposed Fiscal 2008 Operating Budget**

<u>Change</u>	<u>Cost (\$ in Millions)</u>
Inflation Driven Costs	
Increase to base funding for personnel and fringe benefits	\$42.1
Electricity and Utility	10.5
Information technology	3.0
CNG	3.0
Other	10.6
Subtotal	69.2
Base Adjustments	
Workers' Compensation/third party claims	12.7
Pension funding	11.5
Utility Rate Increases	5.0
Subtotal	29.2
Service Expansion	
Operation of new rail cars	7.8
Paratransit program	6.6
Annualize fiscal 2007 service change	3.6
Subtotal	18.0
Other	
Replenish operating reserve fund	12.1
Organizational review	0.8
Subtotal	\$12.9
Cost Containment	
Base budget reduction of 5%	-6.2
Eliminate 34 positions	-3.1
Other	-6.3
Bus and rail service reductions	-13.6
Subtotal	-29.2
Total	\$100.1

Note: Numbers may not sum to total due to rounding.

Source: Washington Metropolitan Area Transit Authority; Maryland Department of Transportation

Similar to the Maryland Transit Administration, personnel, fuel, and utility costs are rising rapidly thus driving the increase in the operating budget. Operating revenues, derived largely from fares, are growing, however, not enough to keep pace with the growth in the budget. The other major revenue source for the WMATA system is the subsidies received from local jurisdictions. The increase in Maryland's fiscal 2008 allowance for the operating subsidy is consistent with the growth in operating costs. WMATA has proposed a number of cost saving actions as seen in Exhibit 4, including a base budget reduction of 5.0%, the elimination of 34 positions, and a reduction in services for those services or lines that are inefficient.

DLS recommends that MDOT and WMATA discuss what other cost reduction strategies are available to WMATA and what the process is for identifying other cost savings, given that the WMATA budget increases by 9%. In addition, MDOT should discuss what its opinion, and those of the Maryland WMATA board members, is in regard to the current budget situation and what actions may be taken to address the problem.

Maryland's Fiscal 2008 WMATA Operating Subsidy

Exhibit 5 shows that based upon WMATA's fiscal 2008 proposed budget, Maryland's operating subsidy totals \$192.6 million. The Governor's fiscal 2008 allowance totals \$191.2 million which underbudgets the operating subsidy by \$1.4 million. This discrepancy is not atypical given the timing lag between when each budget is formulated. MDOT indicates that prior year audit adjustments will help cover some but not all of the funding shortfall.

Maryland's operating subsidy increases \$18.1 million, or 10.4% compared to the fiscal 2007 appropriation based upon WMATA's proposed budget. The overall share of the local subsidy in the WMATA proposed budget is expected to increase \$38.0 million, or 8.2%. As shown in Exhibit 5, Maryland's share of the operating subsidy is growing slightly faster than the overall growth of the local share. This slightly higher growth rate is due to Virginia's subsidy growing to a lesser extent due to the proposed elimination of a number of unproductive bus routes and Maryland's higher share of paratransit service costs. Overall the increase in the local subsidy supports roughly 39% of the increase in the operating budget, with the remaining difference coming from the proposed fare increase and projected ridership growth.

Exhibit 5
WMATA – Operating Budget Revenue Sources
Maryland Operating Subsidy
(Excluding Debt Service)
(\$ in Millions)

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Change</u> <u>FY 07-08</u>	<u>% Change</u> <u>FY 07-08</u>
Revenue	\$541.5	\$579.2	\$627	\$705	\$78.0	12.4%
Local Subsidy	402.2	434.6	461	499	\$38.0	8.2%
Reimbursable Operating	6.7	11.2	11.3	14.8	\$3.5	31.0%
Total	\$950.4	\$1,025	\$1,099.3	\$1,218.8	\$119.5	10.9%
Maryland Share of Operating Subsidy		\$167.0	\$171.6	\$189.5	\$17.9	10.4%
Maryland Reimbursables			2.9	3.1	0.2	6.9%
Total		\$167.0	\$174.5	\$192.6	\$18.1	10.4%
Fiscal 2008 Allowance				\$191.2	\$16.7	9.6%
Difference				\$1.4		

Source: Washington Metropolitan Area Transit Authority; Department of Legislative Services

PAYGO Capital Program

Program Description

MDOT's Office of the Secretary provides a grant to support WMATA's capital program, including the design, construction, and rehabilitation of the Metrorail and Metrobus systems. The State also pays 100% of Maryland's share of Metrorail construction, maintenance, debt service, and paratransit retrofitting costs.

Fiscal 2007 to 2012 Consolidated Transportation Program

The fiscal 2008 allowance for WMATA totals \$80.3 million, a 13% decline compared to the fiscal 2007 working appropriation. **Exhibit 6** provides a summary of the projects included in the 2007 Consolidated Transportation Program (CTP).

Exhibit 6 WMATA – Major Ongoing Projects

<u>Project Description</u>	<u>Fiscal 2008 Cost</u>
Metro Matters	\$59,320
Rail Cars/Capital Improvement Program	11,200
Debt Service	9,741
Total	\$80,261

Source: Maryland Department of Transportation, 2007-2012 *Consolidated Transportation Program*

WMATA's Capital Program and Metro Matters

In fiscal 2005, Maryland made its final payment of \$1,200,000 for costs associated with the construction of the original 103-mile Metrorail system. The State will continue to make an annual debt service payment of \$9.7 million on revenue bonds sold to generate additional funds for capital improvements to the system until fiscal 2014 when the bonds will be retired.

In October 2004, WMATA's board approved the Metro Matters capital improvement program to provide \$3.3 billion in capital funds from fiscal 2005 through 2010, with funding coming from the local jurisdictions and federal formula funds. This funding is to be used for infrastructure maintenance to ensure the continued operation of the system. Maryland's minimum share of the Metro Matters campaign totals \$329 million (half of the fiscal 2005 appropriation is included in the Metro Matters agreement). **Exhibit 7** highlights Maryland's \$329 million share of the Metro Matters campaign and how much has been paid toward that commitment to date. The fiscal 2007 through 2012 CTP includes \$59.3 million for Metro Matters in fiscal 2008 with Maryland required to contribute \$135.9 million in fiscal 2009 and 2010.

Exhibit 7
Maryland's Commitment to Metro Matters
Fiscal 2005-2010
(\$ in Millions)

	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>Est. 2007</u>	<u>Est. 2008</u>	<u>Total Funding to Date</u>	<u>Remaining Funds to Be Expended by Fiscal 2010</u>	<u>Total Maryland Metro Matters Commitment</u>
Special Funds	\$19.5	\$32.0	\$35.6	\$42.9	\$130.0		
Federal Funds*	\$14.3	\$16.4	\$16.4	\$16.4	\$63.5		
Total Maryland Share	\$33.8	\$48.4	\$52.0	\$59.3	\$193.5	\$135.9	\$329.4

*Maryland's share of Congestion Mitigation/Air Quality funding.

Source: Maryland Department of Transportation; Department of Legislative Services

In fiscal 2008, WMATA estimates that the Metro Matters program will be \$719.8 million. **Exhibit 8** provides a summary of how those funds will be spent.

Exhibit 8
Metro Matters Work Plan
Fiscal 2008
(\$ in Millions)

Infrastructure Renewal Program

Includes passenger and maintenance facility upgrades; rolling stock bus and rail purchases; preventive maintenance; information technology upgrades; systems maintenance

\$269.1

Eight-Car Train Capital Initiative

Includes rail cars, facilities, and systems

181.6

Bus Improvement Capital Initiative

Includes buses, garage, and customer facilities

48.2

Other Projects

Includes financing expenses and program management and support

220.9

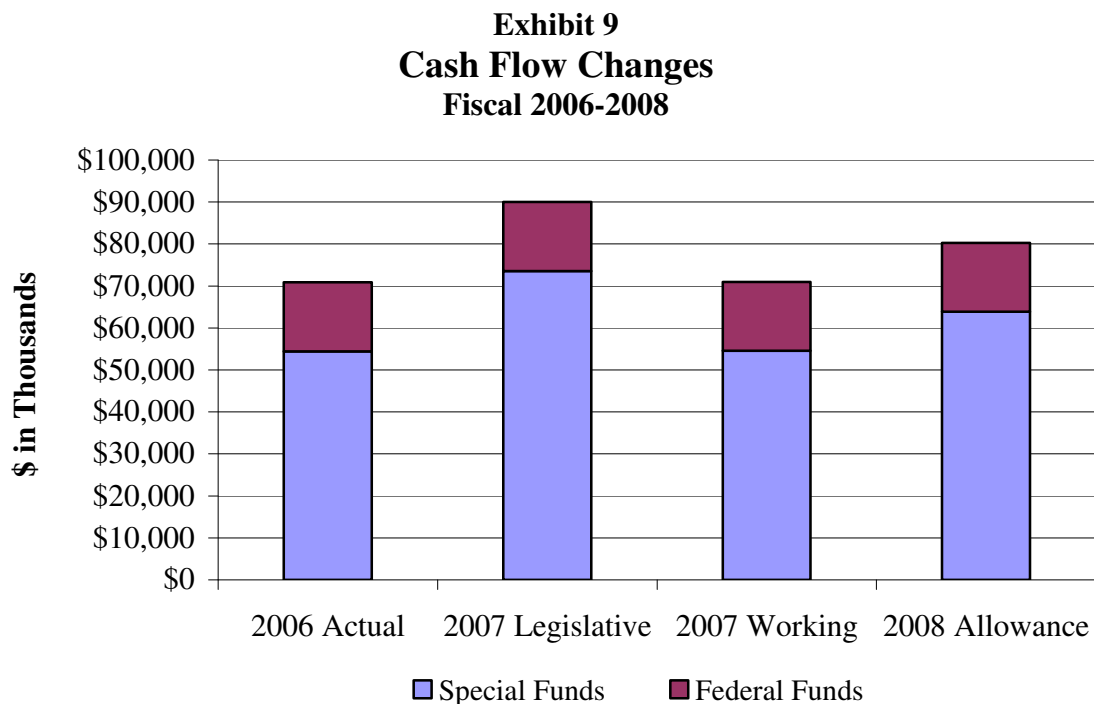
Total **\$719.8**

Source: Washington Metropolitan Area Transit Authority

Fiscal 2007 and 2008 Cash Flow Analysis

The fiscal 2007 working allowance decreases \$19 million, as shown in **Exhibit 9**, from the legislative appropriation due to cash flow changes in a number of projects. Specifically, since WMATA has not spent funds quickly enough for a number of the projects, MDOT could reprogram the funds for other purposes. These funds may be required at a future date; however, MDOT feels comfortable that with the current cash flow projections, there is enough funding programmed to meet future needs.

The fiscal 2008 allowance increases \$9.3 million from the fiscal 2007 working appropriation. This increase is largely due to cash flow changes in the purchasing of rail cars and buses.



Source: Maryland Department of Transportation, 2007-2012 *Consolidated Construction Program*

Issues

1. Fiscal 2008 Budget Includes Proposed Fare Increase

The fiscal 2008 proposed WMATA budget is expected to increase by 9%. Typically, increases in the budget are paid for through ridership growth, both through fare revenues and the formula to calculate the local operating budget subsidy which has a ridership component. However, ridership growth has been relatively stagnant compared to fiscal 2007 and has not kept pace with the growth in operating expenditures. As a result, there is a budgetary gap between anticipated expenditures and revenues. To close this budgetary deficit, a combination of cost containment measures and fare increases has been proposed.

Fare Increase

WMATA has proposed a “targeted” fare increase that would generate roughly \$64 million rather than an across-the-board fare increase. The idea behind this targeted fare increase is to “maximize the number of transit trips for each dollar of operating assistance, maximize the use of existing capacity, collect revenue in the most cost effective manner and maintain jurisdictional equity.” A targeted approach would attempt to minimize a fare increase for the most price sensitive customers.

Specifically, the fare increase would include the following:

- **Core Area Charge:** This would be the equivalent of a congestion charge, whereby riders during peak hours who travel downtown would be charged an additional 35 cents for each ride.
- **Promote SmarTrip Usage:** Individuals who utilize the SmarTrip card to pay for trips would have a reduced fare increase. The hope is that this will increase the usage of the SmarTrip card which results in a less expensive transaction for WMATA.
- **Metrobus Changes:** The proposal also includes the elimination of the one-day Metrobus pass, making bus-to-bus transfers only available on SmarTrip.
- **Parking:** Non-Metrorail customers could pay a higher parking fee than Metro customers at Metro parking facilities, and short-term metered parking would also increase.

WMATA estimates that the average fare increase would be 30 cents for a Metrorail customer, 5 cents for Metrobus riders, and an average increase of 75 cents to park at a Metrorail station. There would be no fare increase for MetroAccess services. In total the proposed fare increases would generate \$64 million in additional revenue. The last WMATA fare increase was in July 2004.

DLS recommends that WMATA and MDOT each discuss the need for the fare increase and the possibility of identifying operating expenditure reductions to offset the proposed fare increase. In addition, WMATA and MDOT should discuss what would happen to either service or Maryland's operating subsidy if a fare increase is not approved.

2. Metrorail Derailment

On Sunday, January 7, 2007, a Metrorail car jumped the tracks on the Green Line at the Mount Vernon Square Station in Northwest Washington, DC with 20 individuals injured in the accident. The train was switching from one track to another. Currently the National Transportation Safety Board (NTSB) is investigating the derailment to determine the cause of the derailment was and is looking at human error or issues with the rails or cars. NTSB has questioned the safety of the Metro system and the possibility of larger issues. This derailment is the fifth derailment in 31 years with passengers on board.

The rail cars that were involved in the derailment have a history of problems that have been documented by WMATA and news outlets. The rail car involved is called the Series 5000 car and represents approximately 20% of Metro's rail fleet. The 192 rail cars were manufactured by CAF of Spain for \$340 million and went into service in 2001. This derailment represents the fifth derailment for this series of rail cars since 2001.

Problems have included assembly plant problems leading Metro to order the carmaker to shut down production, software problems that led to malfunctioning doors and brakes, and a fire erupting on a heater in one car with subsequent cars found to have a wiring problem with the heater. The question is whether this derailment represents a systemic problem with these rail cars or simply a random unrelated incident.

DLS recommends that WMATA and MDOT brief the committees regarding the current status of the investigation into the derailment, the interim steps that have been taken to insure the safety of the system and passengers, and the long-term safety and budgetary implications relating to this series of rail cars.

3. Davis Bill Reintroduced

On July 28, 2005, Representative Tom Davis of Virginia introduced H.R. 3496 in the U.S. Congress (the Davis Bill) which would require local jurisdictions to amend the WMATA compact. Specifically, under the bill the federal government would provide \$1.5 billion in funding over 10 years contingent on several amendments to the compact which would then need to be matched by local jurisdictions. The federal funds would have been used for new and additional capital expenses associated with the ongoing maintenance of the system and ensuring its operation at full capacity.

To receive these additional federal funds, there were several provisions that had to be agreed upon by each of the compact jurisdictions and adopted as amendments to the compact agreement.

The most controversial of these amendments was the need for each compact jurisdiction to identify a dedicated funding source “for the cost of operating and maintaining the adopted regional system.” Furthermore, the legislation defined a dedicated funding source as “any source of funding which is earmarked.” This language implied that the total Maryland contribution (operating, capital, and the federal match) would need to come from a dedicated source.

On July 17, 2006, the House of Representatives passed the Davis Bill. Federal funding as originally proposed in the bill would have come from the federal general fund. The bill then moved to the Senate where a number of amendments were added that would have altered the phrasing of the dedicated funding requirement. However, the congressional term ended without the Senate taking any action on the bill, effectively killing the bill.

In January 2007, the Davis Bill was reintroduced with a number of Maryland representatives co-sponsoring the bill. This second version of the bill closely mirrors the language that was inserted in the Senate bill. In addition, the federal funding would come from the general fund of the federal government, and the dedicated funding source would only be required to match the federal funds and not for the entire subsidy paid to WMATA. Finally, the language specifying what represents a dedicated match is as follows: “any source of funding which is earmarked or required under State or local law to be used to match Federal appropriations authorized under this Act.” This language is broader than the original language and would appear to mean that Transportation Trust Fund revenues could be used to support the local matching requirement.

Issues

- 1. *What Is Dedicated Funding?:*** While it appears the TTF may qualify as an appropriate source of revenue for the dedicated matching requirement, this issue will need to be further clarified.
- 2. *Impact on TTF:*** As indicated in the MDOT overview, the TTF is currently experiencing revenue issues. As such, an appropriate question would be if the TTF can absorb an additional expense of approximately \$50 million a year for 10 years.
- 3. *Will Congress Appropriate the Money?:*** The money in the bill is an obligation for funding, with the federal funds having to be appropriated each year. There is no guarantee that the federal government will appropriate these funds each year.
- 4. *What Will Additional Federal Funds Provide?:*** It is unclear how WMATA would use these additional funds or what impact these additional funds would have on the operating budget of WMATA and Maryland’s operating subsidy.

DLS recommends that WMATA and MDOT comment further on the proposed legislation, the intent of the language regarding dedicated funding, the benefits of the additional funding, and the impact on the TTF.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Performance Measures: To continue to assess the performance of the Washington Metropolitan Area Transit Authority (WMATA), the committees request that the Maryland Department of Transportation (MDOT) work with WMATA to develop the following data for inclusion in the Governor’s fiscal 2009 allowance:

- farebox recovery rates for Metrobus, Metrorail, MetroAccess, and for WMATA as a whole;
- total ridership on Metrobus, Metrorail, and MetroAccess in Maryland and throughout the WMATA system;
- operating expenses per vehicle mile;
- operating expense per passenger trip;
- passenger trip per vehicle mile;
- benchmarks for each of the above data; and
- comparisons to the performance of peer systems.

Actual data shall be reported for fiscal 2006 and 2007 and projections shall also be provided for fiscal 2008 and 2009.

Information Request	Author	Due Date
Performance Measures	MDOT	With the submission of the fiscal 2009 allowance

PAYGO Budget Recommended Actions

1. Concur with Governor’s allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Washington Metropolitan Area Transit Authority (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$0	\$168,200	\$0	\$0	\$168,200
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	-387	0	0	-387
Reversions and Cancellations	0	-772	0	0	-772
Actual Expenditures	\$0	\$167,041	\$0	\$0	\$167,041
Fiscal 2007					
Legislative Appropriation	\$0	\$174,503	\$0	\$0	\$174,503
Budget Amendments	0	0	0	0	0
Working Appropriation	\$0	\$174,503	\$0	\$0	\$174,503

Note: Numbers may not sum to total due to rounding.

Fiscal 2006

The fiscal 2006 actual expenditure for WMATA totaled \$167,041,076, a \$1,158,924 decrease from the legislative appropriation of \$168,200,000.

Budget amendments decreased the appropriation by \$386,500 due to the restructuring of bus services in Prince George's County near the Largo Metrorail station that were transferred from WMATA to Prince George's County. These funds were transferred to the Maryland Transit Administration's State operations program.

Cancellations totaled \$772,424 due to WMATA approving its annual budget after the department had submitted the allowance. The cancellation represents the difference between what was needed and what was appropriated.

**Object/Fund Difference Report
WMATA – Operating Budget**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Objects					
12 Grants, Subsidies, and Contributions	\$ 167,041,076	\$ 174,503,000	\$ 191,185,195	\$ 16,682,195	9.6%
Total Objects	\$ 167,041,076	\$ 174,503,000	\$ 191,185,195	\$ 16,682,195	9.6%
Funds					
03 Special Fund	\$ 167,041,076	\$ 174,503,000	\$ 191,185,195	\$ 16,682,195	9.6%
Total Funds	\$ 167,041,076	\$ 174,503,000	\$ 191,185,195	\$ 16,682,195	9.6%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary
WMATA – Operating Budget**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
04 Washington Metropolitan Area Transit – Operating	\$ 167,041,076	\$ 174,503,000	\$ 191,185,195	\$ 16,682,195	9.6%
05 Washington Metropolitan Area Transit – Capital	70,856,936	70,982,000	80,261,000	9,279,000	13.1%
Total Expenditures	\$ 237,898,012	\$ 245,485,000	\$ 271,446,195	\$ 25,961,195	10.6%
Special Fund	\$ 221,498,012	\$ 229,085,000	\$ 255,046,195	\$ 25,961,195	11.3%
Federal Fund	16,400,000	16,400,000	16,400,000	0	0%
Total Appropriations	\$ 237,898,012	\$ 245,485,000	\$ 271,446,195	\$ 25,961,195	10.6%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Budget Amendments for Fiscal 2007
Maryland Department of Transportation
Washington Metropolitan Area Transit Authority – Capital**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	-\$19,003,000	Special	Adjusts the amended appropriation to agree with the anticipated expenditures for the current year as reflected in the fiscal 2007-2012 final CTP.

Source: Maryland Department of Transportation
