COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
Chairperson

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Agenda item # 7

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

October 13, 2026

MOTION

Made By: Mr. Gribbin, **Seconded By:** Mr. Minchew
Action: Motion Carried, Unanimously

Title: Washington Metropolitan Area Transit Authority (WMATA) Annual Reporting—Fiscal Year 2026

WHEREAS, Section 33.2-1526.1 of the Code of Virginia allocates 46.5 percent of the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission ("NVTC") for distribution to the Washington Metropolitan Area Transit Authority ("WMATA") for capital purposes and operating assistance ("Commonwealth Mass Transit Fund WMATA Allocation"), as determined by NVTC; and

WHEREAS, the Section 33.2-1526.1 of the Code of Virginia for Fiscal Year (FY) 2026 required the Commonwealth Transportation Board (CTB) to withhold funding available to WMATA under the following conditions:

1. Section 33.2-1526.1(K) of the Code of Virginia requires that in any year that the total Virginia operating assistance in the approved WMATA budget increases by more than three percent from the total operating assistance in the prior year's approved WMATA budget, the CTB shall withhold an amount equal to 35 percent of the funds available. The following items shall not be included in the calculation of any WMATA budget increase: (i) any service, equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project approved by the WMATA Board before or after July 1, 2018; and (iii) any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity.

2. Section 33.2-1526.1(L) of the Code of Virginia requires the CTB to withhold 20 percent of the funds available if (i) any alternate directors participate or take action at an official WMATA Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA Compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

3. Section 33.2-1526.1(M) of the Code of Virginia requires that beginning July 1, 2019, the CTB shall withhold 20 percent of the funds available each year unless (i) WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has been held in a locality embraced by the NVTC; and (ii) WMATA has adopted or updated a strategic plan within the preceding 36 months, and at least one public hearing on such plan or updated plan has been held in a locality embraced by the NVTC.

4. Section 33.2-1526.1(N) of the Code of Virginia requires the CTB to withhold 20 percent of available funding unless WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the CTB by April 1 of each year. The budget shall include information on expenditures, indebtedness, pensions and other liabilities, and other information as prescribed by the CTB. In addition, such funds shall be withheld if the Commonwealth's and Northern Virginia Transportation Commission's principal representatives to the WMATA Board of Directors and the WMATA General Manager fail to annually address the CTB regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system; and

WHEREAS, the CTB approved policy and guidelines to govern future Board decisions related to the Governance and Funding Reforms for WMATA by resolution on September 18, 2018, which were most recently amended on September 20, 2023, require that DRPT analyze information received from WMATA and make a recommendation to the Board on enforcement actions, if any, to be taken; and

WHEREAS, DRPT has completed a review of WMATA's compliance with such requirements, in consultation with the Office of the Attorney General, and has presented their findings and recommendations to the Board; and

NOW THEREFORE, BE IT RESOLVED that the Board hereby adopts the following findings relative to WMATA's compliance for Fiscal Year 2026:

Three Percent Cap on Growth in Total Virginia Operating Assistance (Va. Code Sec. 33.2-1526.1(K))

1. WMATA has met the requirements of the statute and Board policy for FY2026.
2. No enforcement action to be taken for FY2026.

Participation by Alternate Directors of the WMATA Board (Va. Code Sec. 33.2-1526.1(L))

1. WMATA has met the requirements of the statute and Board policy for FY2026.
2. No enforcement action to be taken for FY2026.

Adoption of a Detailed Capital Improvement Program (Va. Code Sec. 33.2-1526.1(M))

1. WMATA has met the requirements for compliance with the statute and CTB policy.
2. No enforcement action to be taken for FY2026.

Adoption or Update of a Strategic Plan (Va. Code Sec. 33.2-1526.1(M))

1. WMATA has met the requirements for compliance with the statute and CTB policy.
2. No enforcement action to be taken for FY2026.

Submission of Detailed Budget Documents and Annual Address to CTB (Virginia Code Sec. 33.2-1526.1(N))

1. WMATA has met the requirements for compliance with the statute and CTB policy.
2. No enforcement action to be taken for FY2026.

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CTB Decision Brief

Washington Metropolitan Area Transit Authority (WMATA) Annual Reporting: Fiscal Year 2026

Issue: In accordance with the CTB Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA) that was approved by the CTB on September 18, 2018, and most recently updated on September 20, 2023, WMATA must provide notifications to DRPT by specified deadlines each year regarding its compliance with legislative and CTB policy requirements. DRPT is required to analyze the information received from WMATA and present to the CTB, in September of each year, a recommendation on enforcement actions, if any, that are required to be taken by the CTB policy. A resolution approving DRPT's recommendations as presented is required. CTB policy also requires the Board to consider revisions to the policy at least every two years.

Facts: WMATA provided all required notifications for FY2026 actions to DRPT by the required deadlines. DRPT staff reviewed and verified the information received from WMATA, and DRPT Director of Northern Virginia Transit Programs, Sarah Husain, presented DRPT's findings and recommendations to the CTB at its workshop on September 15, 2026. The five specific legislative and CTB Policy requirements that WMATA must document compliance with include:

1) a three percent cap on growth in total Virginia operating assistance from the previous fiscal year;
2) restrictions on the participation by Alternate Directors to the WMATA Board;
3) annual adoption of a detailed Capital Improvement Program (CIP);
4) the adoption or update of a Strategic Plan at least every 36 months; and
5) submission of detailed budget documents and an annual presentation to the CTB by the WMATA General Manager and WMATA Board members from Virginia.

WMATA must also certify that it held public hearings on the CIP and Strategic Plan prior to adoption.

DRPT found that WMATA met the standards for compliance with all legislative and CTB Policy requirements in FY2026.

Recommendation: Based on its analysis of the required information received from WMATA, DRPT recommends that the CTB take no enforcement actions against WMATA related to its FY 2026 compliance with the CTB Policy and legislative requirements.

Action Required by CTB: Approval of the attached resolution certifying that the CTB will take no enforcement actions against WMATA related to its FY 2026 compliance with the CTB Policy and legislative requirements.

Options: Approve, Deny or Defer.