


Government of the District of Columbia
Office of the Chief Financial Officer



Fitzroy Lee
Interim Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Fitzroy Lee 
Interim Chief Financial Officer

DATE: May 28, 2021

SUBJECT: Fiscal Impact Statement – Washington Metropolitan Area Transit Authority Fiscal Years 2022 to 2027 Capital Funding Agreement Emergency Act of 2021

REFERENCE: Draft Bill as provided to the Office of Revenue Analysis on April 29, 2021

Conclusion

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The underlying six-year capital funding agreement commits the District to contributing funding for the Washington Metropolitan Area Transit Authority's (WMATA) Capital Improvement Program of approximately \$631 million over the six-year agreement. Approximately \$330 million of the agreement will be paid over the District's fiscal year 2021 through fiscal year 2024 budget and financial plan period.

Background

The District supports WMATA's ongoing capital project needs, along with other member jurisdictions, through two capital funding agreements. The first is a multi-jurisdictional agreement among the District, WMATA, and the other member jurisdictions.¹ The second is a local agreement between the District and WMATA that incorporates anti-deficiency restrictions on the District's financial commitments under the multi-jurisdictional agreement. The original agreement covered

¹ Jurisdictions include the State of Maryland; Arlington County, Virginia; Fairfax County, Virginia; the City of Alexandria, Virginia; the City of Fairfax, Virginia; the City of Falls Church, Virginia; and Loudon County, Virginia.

The Honorable Phil Mendelson

FIS: "Washington Metropolitan Area Transit Authority Fiscal Years 2022 to 2027 Capital Funding Agreement Emergency Act of 2021," Draft Bill as provided to the Office of Revenue Analysis on April 29, 2021

WMATA's capital needs from July 1, 2010 through June 30, 2016. That agreement was extended through a series of one-year amendments, with the final amendment scheduled to terminate on June 30, 2021. The District's total funding commitment to WMATA under the original agreement and the subsequent extensions is nearly \$829 million.

The bill approves a new six-year multi-jurisdictional capital funding agreement effective July 1, 2021 through June 30, 2027. The District's maximum funding commitment under the proposed agreement is \$631,346,120, of which approximately \$100 million is due for WMATA's fiscal year 2022. The agreement authorizes WMATA to increase annual contributions from the member jurisdictions by up to 3 percent each year and caps the combined contributions under the agreement at approximately \$276 million in WMATA's fiscal year 2022 and nearly \$1.8 billion over the six-year agreement. WMATA's Capital Improvement Program, which the District's funding under this agreement will support, is estimated to cost \$13.6 billion over the program's six-year planning period.

A separate, concurrently introduced bill approves the six-year local capital funding agreement.²

Financial Plan Impact

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The underlying capital funding agreement commits the District to paying up to \$631 million over the six-year agreement term beginning on July 1, 2021 and ending on June 30, 2027. Approximately \$330 million of the agreement will be paid over the District's fiscal year 2021 through fiscal year 2024 budget and financial plan period.

Since WMATA's fiscal year begins on July 1st and the District's begins on October 1st, the first quarterly payment under the agreement will come from the District's fiscal year 2021 \$273 million capital improvements plan allocation. The remaining payments will come from the \$1.4 billion in funding included from fiscal year 2022 through fiscal year 2026 of the Capital Improvements Plan and any funding included in the fiscal year 2027 Capital Improvements Plan.

² Washington Metropolitan Area Transit Authority Fiscal Years 2022 to 2027 Local Capital Funding Agreement Emergency Act of 2021.