

**City of Alexandria, Virginia
FY 2026 Proposed Operating Budget & CIP
Budget Questions & Answers**

March 26, 2025

Question:

Update on the City's FY 2026 Metro operating subsidy

Response:

At the Thursday, March 27, 2025 Washington Metropolitan Area Transit Authority (WMATA) Board of Directors Finance and Capital Committee meeting, WMATA staff presented an FY 2026 Budget Update which indicated a \$1.0 million reduction in the City's total operating subsidy. The reduction is attributable to a February 2025 reallocation of local subsidies between Maryland and Virginia and a March 2025 expenditure reduction due to additional efficiencies identified. The February update also included a revenue outlook increase based on ridership trends and return-to-office mandates. It did not factor in significant federal employment reductions. WMATA has not provided any detailed information on its latest City subsidy or how it was recalculated in February or March, so staff has not yet been able to verify the savings. The Board of Directors is scheduled to adopt the budget in April, after City Council add/delete. Based on the timing of the adjustment and need for confirmation, staff recommends adopting the City's subsidy as proposed and, if the subsidy reduction is adopted by the Board and verified by City staff, reducing the amount of Northern Virginia Transportation Commission (NVTC) Trust Fund planned to fund WMATA's FY 2026 budget.