

Transportation

Breakthrough in Virginia on Metro funding: Lawmakers approve \$154 million

By **Robert McCartney** March 10 at 12:05 PM

Virginia lawmakers agreed Saturday to legislation that will give Metro a total of \$154 million a year in permanent, new funding, on the condition that Maryland and the District each make similar contributions aimed at providing the transit system with an additional \$500 million annually.

The accord in Richmond marked what appears to be a decisive, historic step toward securing for Metro a significant source of dedicated revenue that it has lacked since the system opened more than 40 years ago.

Virginia has long been viewed as a major obstacle to approving such funding, partly because the legislature is controlled by Republicans who historically have been skeptical of investing in public transit.

On the final day of the legislature's regular session, the Virginia Senate and House passed a Metro bill agreed to by negotiators. Gov. Ralph Northam (D) has signaled he will sign it.

The main Metro bill gives the agency \$132 million a year. The additional \$22 million would come from an increase in regional wholesale gasoline taxes in a separate bill, passed by both chambers Friday, which set a minimum level for such levies in Northern Virginia and Hampton Roads.

The main bill says Metro would get the money only if it met requirements to improve governance and financial management. Virginia would withhold money if Metro exceeds a 3 percent ceiling in the state's subsidy of its operating budget. The bill also would streamline Metro's board of directors by reducing the role of its non-voting members.

In five days of closed-door bargaining between representatives of the two chambers, an impasse was broken Friday when Democrats and some Republicans agreed to raise the money without imposing two tax increases on Northern Virginians, which would have fallen on real estate transactions and hotel stays. Instead, money was found by diverting revenue from other priorities.

The breakthrough in Virginia — which has never approved dedicated funding for Metro despite repeated efforts in previous decades to achieve it — follows a similar advance earlier this month in Maryland.

Gov. Larry Hogan (R) endorsed a Metro funding bill passed by the Democratic-dominated House. It would give Metro \$150 million a year in dedicated funding if Virginia and the District each pledged the same amount or more.

It remains necessary to resolve differences between the bills in the two state capitals in order to produce a workable deal. The next step will probably come in Annapolis, where the Senate has not voted on the bill and may propose changes to conform with the Virginia legislation.

Still, the agreement in Richmond added to the political momentum in favor of giving Metro a reliable stream of revenue that does not depend on annual appropriations and thus allows the agency to make long-term plans.

Virginia's Republican leaders came around to support revenue for Metro partly because of pressure from the state's business community. Chambers of commerce and other groups said Metro is critical to the prosperity of Northern Virginia, which is the economic engine for the state.

That point was driven home by the prospect that Northern Virginia might win the nationwide contest to be the site of Amazon's second headquarters, adding 50,000 new jobs. The online retail giant says one of its main criteria is access to public transit.

The bill also sets governance and management conditions that mostly followed the original Senate version of the bill, which was less restrictive than the House version.

The bill that emerged would bar the eight alternate directors on the Metro board from participating in full Metro board meetings, unless they were sitting in place of an absent voting member of the board.

That would cut in half the number of directors participating in full meetings of the 16-member board. It would make the discussions more efficient, as many reformers have advocated.

The conferees rejected the more radical House version, which called for replacing the current board with a temporary "reform board" of only five members. That was a recommendation by former U.S. Transportation Secretary Ray LaHood, who issued a report in the fall urging dedicated funding and governance changes for Metro.

The conferees also agreed that Metro must limit annual increases in its operating budget to 3 percent, a ceiling endorsed previously by General Manager Paul J. Wiedefeld. The House version had proposed a tighter limit of 2 percent.

The conference bill softened an anti-union provision in the House measure, which would have required a "right-to-work" provision for any Metro projects solely in Virginia. Instead, conferees agreed that for such projects in Virginia, a Project Labor Agreement obliging the hiring of union labor could neither be required nor prohibited.

The main difference between the Virginia and Maryland legislation regards the level of funding. The Virginia bill provides for Maryland to give Metro \$167 million a year, whereas the legislation in Annapolis provides for only \$150 million.

Virginia wants Maryland to contribute the higher number, and the District to give \$179 million, in order to reach the \$500 million total. Those contributions are based on a cost-sharing formula currently used by Metro.

District leaders favor the Maryland approach, but they are expected to go along with whatever the states decide rather than risk blocking a regional agreement.

This story is developing and will be updated later.

 **0 Comments**

Robert McCartney is The Washington Post's senior regional correspondent, covering politics and policy in the greater Washington area.

 Follow @McCartneyWP