



Proposed FY2026 Budget Discussion



Budget Process Summary

- Baseline Revenue Discussion – October
- Baseline Expense Discussion – November
- Present Budget for Jurisdictional Consideration - December
 - Revenue options within PRTC control (i.e. fares and advertising).
 - Service reduction options for unbalanced budget.
 - Service enhancement options (i.e. restorations and improvement).



Budget Summary

- Operating Deficit
 - FY2026 Baseline projection was \$12,032,400
 - FY2026 Proposed projection \$9,573,602
 - Deficit decrease is due to fuels tax earnings, carryover and cost containment
- Jurisdiction Subsidy
 - All jurisdictional requests lower than FY2026 baseline, as presented during FY2025 budget
 - All jurisdictional requests lower than FY2025 approved budget



Budget Summary, continued

- Service adjustments due to revenue and ridership
 - Addition of Warrenton and Front Royal service to work with existing routes 611 and 612
 - Restored five trips on 611 Gainesville – Washington DC Express
 - Restored four trips on 981 Lake Ridge to Washington DC Express
 - Removed 618 - Reston for underutilization
- Revenue options not included in budget
 - Local Fare
 - Bus advertising revenue



Operating Revenue

Revenues	FY2025	FY2026
Passenger Revenue	\$9,722,200	\$8,449,600
Federal Grants	\$7,378,100	\$7,835,000
State Grants	\$20,165,800	\$18,458,300
Jurisdictional Subsidies		
Prince William County	\$27,524,100	\$18,664,498*
City of Manassas	\$735,500	\$712,300
City of Manassas Park	\$383,700	\$369,100
Stafford County	\$127,100	\$126,200
City of Fredericksburg	\$29,200	\$23,200
Spotsylvania County	\$166,800	\$143,100
Other	\$284,900	\$288,000
Total Revenues	\$66,517,400	\$55,069,298

*Deficit is unfunded



Operating Expense

Operating Expenses	FY2025	FY2026
Salaries	\$5,851,700	\$6,120,300
Fringe Benefits	\$2,651,400	\$2,684,700
Professional Services	\$2,619,000	\$2,715,300
Software Maintenance	\$782,600	\$834,100
Facility Maintenance	\$1,693,400	\$1,705,300
Bus Service Contract	\$43,540,300	\$40,631,400
Advertising/Printing	\$1,084,000	\$1,214,800
Utilities and Communications	\$875,400	\$886,500
Other Services and Supplies	\$1,246,700	\$1,303,700
VanPool	\$1,516,000	\$1,516,000
Fuel	\$4,656,900	\$5,030,800*
Subtotal Operating Expenses	\$66,517,400	\$64,642,900

*We are monitoring market prices, when we know service levels, we will lock in. Currently assumes \$3.25/gallon.



Capital Budget

Capital Revenue	FY2026
Federal Grants	\$5,700,000
State Grants	\$1,553,500
Jurisdictional Subsidies	\$635,900
Total Capital Revenue	\$7,889,400

Capital Expense	FY2026
Bus Purchase	\$7,300,000*
Hardware / Software	\$394,000
Facility Rehab/improvements	\$195,400
Total Capital Expense	\$7,889,400

*Five commuter buses
Three Local buses
One Para/Microtransit Van



Jurisdictional Subsidy – FY2025 & FY2026

Jurisdiction	FY2025 Budget	FY2026 Baseline	FY2026 Proposed
Prince William County	\$30,077,778	\$29,203,300	\$28,829,800*
City of Manassas	\$772,800	\$854,900	\$723,800
City of Manassas Park	\$403,400	\$445,700	\$375,200
Stafford County	\$137,700	\$141,800	\$137,700
City of Fredericksburg	\$31,600	\$32,600	\$25,300
Spotsylvania County	\$180,700	\$185,900	\$156,100
Total Subsidy	\$31,603,978	\$30,864,200	\$30,247,900

*Assumes PWC funds \$9,573,602 deficit

Note:

PWC funds 100% local share of Eastern Routes and 70% local share of Western Routes

City of Manassas funds 20% local share of Western Routes

City of Manassas Park funds 10% local share of Western Routes



PWC Subsidy Breakout – FY2025 & FY2026

PWC PRTC Fund Sources	FY2025 Budget	FY2026 Baseline	FY2026 Proposed
Fuel Tax Balance/Carryover	\$3,195,878	\$0	\$1,674,698
Fuel Tax Earnings	\$16,881,900	\$17,170,900	\$17,581,500
Grantors Tax	\$4,650,000	\$0	\$0
Transient Occupancy Tax	\$4,650,000	\$0	\$0
General Fund	\$700,000	\$0	\$0
Total	\$30,077,778	\$17,170,900	\$19,256,198



PRTC Revenue Options – Bus Advertising

Advertising	FY2021	FY2026 est
Billings	\$275,975	\$375,000
Cost	\$88,312	\$120,000
Revenue Share (68%)	\$187,663	\$255,000

- Assumes ~35% increase from Prior Agreement
- Additional considerations
 - Advertising Policy – What advertising is allowed?
 - OmniRide Brand – Vehicles are our advertising platform



PRTC Revenue Options – Local Fares

Revenue Type	Fare	Estimated Revenue
Local Routes	\$2	\$1,020,000
Microtransit	\$3	\$61,200
Paratransit	\$1	\$10,200
State Formula Funding		(\$500,000)
Total		\$591,400

Expense	FTE	Total
Counting Clerks	2	\$130,000
ITS Maintenance Techs	2	\$187,200
Armored Car		\$125,000
Farebox Parts		\$25,000
Total		\$467,200

Additional Revenue Estimate		\$124,200
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- Assumes 20% ridership decrease
- Assumes 30% Half-Fare utilization
- Does not include Pass Program utilization
- Does not include impact on County/City department budgets for transportation expense
- Does not include one-time farebox startup expense



Service Expense Reduction Options

100% Grant Funded Commuter Services: No local savings if reduced

Route	Passenger per Trip	Local Funding	Grant Funding	Total
622 - Haymarket/Rosslyn/Ballston	20	\$0	\$339,000	\$339,000
Strategic Buses	as needed	\$0	\$498,000	\$498,000
612 - Gainesville-Pentagon Express	25	\$0	\$704,200	\$704,200
541-South Stafford-DC	13	\$0	\$863,600	\$863,600
942 - Stafford Pentagon	18	\$0	\$889,900	\$889,900
943 - Stafford Washington DC L'enfant	19	\$0	\$895,200	\$895,200
611 -F-Front Royal-Gainesville-Washington	new	\$0	\$1,032,800	\$1,032,800
932-Falmouth-Pentagon-Rosslyn-Ballston	12	\$0	\$1,369,200	\$1,369,200
923-Spotsylvania-Pentagon-Navy Yard	19	\$0	\$1,296,600	\$1,296,600
612-W - Warrenton-Gainesville-Pentagon Exp	new	\$0	\$1,390,500	\$1,390,500
Total		\$0	\$9,279,000	\$9,279,000

Note: Cost is net of fare and fuel



Service Expense Reduction Options

100% Locally Funded Local Services: Lifeline service, no alternative

Route	Passenger per Trip	Local Funding	Grant Funding	Total
52 - Route 1 OmniLink	25	\$1,793,200	\$295,800	\$2,089,000
51 - Dumfries Local	8	\$1,023,600	\$0	\$1,023,600
53 - Dumfries Connector Local	30	\$1,497,400	\$0	\$1,497,400
65 - Manassas North	15	\$1,329,100	\$0	\$1,329,100
67 - Manassas South	11	\$795,200	\$0	\$795,200
91 - Dale City Local	24	\$1,571,800	\$0	\$1,571,800
92 - Lake Ridge Local	16	\$1,566,000	\$0	\$1,566,000
93 - Woodbridge Local	18	\$1,623,900	\$0	\$1,623,900
94 - Lake Ridge Connector Local	13	\$936,800	\$0	\$936,800
Paratransit	on demand	\$1,846,500	\$0	\$1,846,500
Micotransit	on demand	\$1,625,200	\$0	\$1,625,200
Total		\$15,608,700	\$295,800	\$15,904,500

Note: Cost is net of fare and fuel



Service Expense Reduction Options

Local and State Funded Commuter Services:

Route	Passenger per Trip	Local Funding	Grant Funding	Total
971 - Dale City Washington DC Express	21	\$601,800	\$330,800	\$932,600
60 - Manassas Metro Express	16	\$993,300	\$424,700	\$1,418,000
972 - Dale City Pentagon Rosslyn Express	15	\$1,250,300	\$251,700	\$1,502,000
952 - Montclair-Pentagon Express	22	\$683,600	\$125,300	\$808,900
95 - Prince William Metro Express	36	\$1,512,400	\$272,300	\$1,784,700
563 - Dale City Navy Yard Express	15	\$603,000	\$102,400	\$705,400
981- Lake Ridge Washington Express	16	\$950,000	\$39,600	\$989,600
611 - Gainesville-Washington DC Express	30	\$800,700	\$0	\$800,700
96 - East-West Express	12	\$1,071,900	\$0	\$1,071,900
953 - Montclair-Washington DC Express	17	\$1,201,600	\$0	\$1,201,600
Total		\$9,668,600	\$1,546,800	\$11,215,400

Note: Cost is net of fare and fuel



Service Enhancement Options

What would we do with additional resources:

Route	Local Funding	Grant Funding	Total
Express - 96 East West Express Peak Only Extension	\$ 366,200	\$ -	\$ 366,200
Express - 60-Manassas Metro Express Weekend	\$ 292,300	\$ -	\$ 292,300
Local - 53-Dumfries Connector Local Additional Off Peak	\$ 56,200	\$ -	\$ 56,200
Local - 92-Lake Ridge Local Additional Off Peak	\$ 77,100	\$ -	\$ 77,100
Local - 94-Lake Ridge Connector All Day	\$ 670,900	\$ -	\$ 670,900
Local - 94-Lake Ridge Connector Peak Only	\$ 352,000	\$ -	\$ 352,000
Local - 65-Manassas Local Sunday	\$ 123,900	\$ -	\$ 123,900
Local - 67-Manassas Local Sunday	\$ 124,200	\$ -	\$ 124,200
Local - 52-Route 1 Local Additional Off Peak	\$ 128,300	\$ -	\$ 128,300
Microtransit -Dale City	\$ 1,803,800	\$ -	\$ 1,803,800
Microtransit -Lake Ridge	\$ 1,803,800	\$ -	\$ 1,803,800
Microtransit -Innovation District	\$ 1,153,300	\$ -	\$ 1,153,300
Microtransit -Gainesville	\$ 1,146,400	\$ -	\$ 1,146,400

Notes:

- Microtransit shown as maximum amount, service is scalable.
- Options not shown in priority order.
- Options can be augmented to match jurisdictional preferences.
- Additional service plan documentation to be provided with budget submission to jurisdictions.





FY2026 Budget Preparation Advertising Issue



History of Advertising at PRTC

- In 2022, PRTC terminated bus advertising. No advertising ever on bus shelters.
- PRTC revised its advertising guidelines in 2016 to prohibit future religious, political and issue advertising.
 - This action was prompted by proposed ads that some found offensive.
 - The 2016 guidelines would require review given the *White Coat* decisions, below.



Old Ad interposed on New Scene – Hypothetically Offensive? Maybe Must Allow?



VA Federal Court Decisions – *White Coat Waste Project v. GRTC*,

463 F. Supp. 3d 661 (E.D. 2020), 35 F.4th 179 (4th Cir. 2022)

- Court struck down Greater Richmond Transit Company advertising guidelines, as applied, in prohibiting viewpoint advertising.
- Questioned **ad** targeted a medical center conducting experiments on dogs. GRTC banned all political ads and rejected the ad as political.
- **Court held:** policy was not “viewpoint neutral,” did not define “political, GRTC process was unbridled discretion, and policy application was inconsistent (*i.e.*, some similar ads allowed and some not).
- **Court upheld** the policy as “facially constitutional” as to viewpoint neutrality, but “unconstitutionally vague” as applied to the ad sponsor.
- **4th Circuit Court of Appeals upheld** decision and also held that GRTC was a state/public actor and a policy of no ads from political action groups was facially unconstitutional.



Implications of *White Coat* case

- Analysis was based on 1st Amendment Freedom of Speech protections in a “nonpublic forum”. (Some other courts have called them “designated public forums”.)
- While reiterating ability to refuse certain ads, that court appears likely to strike down a public transit policy that prohibits “viewpoint” advertising.
- Even if PRTC revises its 2016 guidelines:
 - a rejected ad may prompt litigation and attendant expenses.
 - guidelines may dissuade advertisers if they do not liberally allow ads or have a truncated review process.



Other “content” issues (overview):

- Mixed decisions from courts on excluding **religious advertising** [examples]:
 - Upheld WMATA exclusion of religious advertising – *Archdiocese of Washington v. WMATA*, 897 F.3d 314 (D.C. Cir. 2018).
 - Held excluding religious/atheistic messages was viewpoint discriminatory and unreasonable. *Northeastern Pennsylvania Freethought Society v. County of Lackawanna Transit System*, 938 F.3d 424 (3rd Cir. 3019).
- **Commercial only** ad guidelines may be scrutinized to determine if they also address noncommercial free speech – if so, back to issues above.
- **Public Service Ads (PSAs)** may pass legal muster if not prohibited by content restrictions which do not survive legal scrutiny.

In sum, it is complicated and not necessarily predictable because the ad content varies.



Advertising on Bus Shelters

Generally, same analysis as for bus advertising, and some additional challenges:

(Va. Code § 33.2-1204)

Allows **county-authorized signs** on “public transit passenger shelters” that are owned by the county as long as they are not in the right-of-way of federal or primary roads in violation of federal law. 15 ft. requirement of § 33.2-1216 does not apply. Commissioner of Highways can require removal of sign if it is a safety hazard.

(Va. Code § 33.2-1216) **[Not exclusive limitations]:**

- Not if within 15 feet of nearest edge of pavement unless excepted by Commissioner of Highways.
- Limitations on type of materials can use, *i.e.*, not reflective, not certain lights.
- Can't obstruct vision at an intersection, curve, etc.

In addition, many PRTC bus shelters are outdated and not in locations consistent w/ VDOT requirements.



Advertising on Buses: Operational Issues

- Fairfax Connector Case Study: Operational “Buyers Remorse”
 - RFP/contract process was extremely cumbersome and hotly contested. Expense and process for responding to questions, legal dispute, and complexity related to contract requirements with vendors was burdensome.
- Operational issues:
 - Damage to fleet by frames. Frameless advertisement also causes damage to paint
 - Outdated advertising; no choice in advertisers
 - Poor public impression—best success has been advertising their own routes/services





Taken on
11/13/24



Examples of
Fairfax Connector advertising
their own services

(OmniRide does this as well)

2017-2019 advertising examples

other examples include:

- radio stations w/ “models”
- Duluth Trading Company “Buck Naked” guy
- Dove “underwear” campaign
- Issues with dated events: ie, fair/tourism
- Health, STD prevention
- Injury attorneys





before



after



November 2018

Budget Summary, Recap

- Jurisdiction Subsidy
 - All jurisdictional requests lower than FY2026 baseline, as presented during FY2025 budget
 - All jurisdictional requests lower than FY2025 approved budget
- Service adjustments due to revenue and ridership
 - Addition of Warrenton and Front Royal service to work with existing routes 611 and 612
 - Restored five trips on 611 Gainesville – Washington DC Express
 - Restored four trips on 981 Lake Ridge to Washington DC Express
 - Removed 618 - Reston for underutilization
- Revenue options not included in budget
 - No Local Fare. Maintain current Express Fare (\$11 per trip)
 - No bus advertising program/revenue



Next Steps

- Commission approves submission of proposed budget to jurisdictions.
 - December Commission meeting
- PRTC staff works with Commission and jurisdictional staff to finalize proposed budget
 - January 2025 through April 2025
- PRTC Public Hearing
 - May 2025
- PRTC staff brings budget to Commission for approval
 - June 2025
- Fiscal Year Begins
 - July 1, 2025





Questions/Comments

