Farebox Recovery Ratios for the Maryland Department of Transportation Maryland Transit Administration (Transportation Article §7-208b)

A Report to the Maryland General Assembly
Senate Budget and Taxation Committee,
House Appropriations Committee, and
House Ways & Means Committee

January 2025

Maryland Department of Transportation
Maryland Transit Administration

Introduction

This report was prepared to meet the requirements of §7-208 of the Transportation Article, Maryland Annotated Code; which directs:

> *"(b) The Administration shall submit, in accordance with § 2-1246 of the State Government Article, an annual report to the Senate Budget and Taxation Committee, House Ways and Means Committee, and House Appropriations Committee by December 1 of each year that includes:*
>
> *(1) Separate farebox recovery ratios for the prior fiscal year for:*
>
> *(i) Bus, light rail, and Metro subway services provided by the Administration in the Baltimore region;*
>
> *(ii) Commuter bus service provided under contract to the Administration in the Baltimore region; and*
>
> *(iii) Maryland Area Rail Commuter (MARC) service provided under contract to the Administration; and*
>
> *(2) Comparisons of farebox recovery ratios for the Administration's mass transit services and other similar transit systems nationwide.*

The statute requires a similar report for the transit systems operated by Montgomery County and Prince George's County. Montgomery and Prince George's counties will file their reports separately.

Background

Historically, the Maryland Department of Transportation Maryland Transit Administration (MTA) has been subject to requirements that a certain percentage of operating expenses for its system be recovered from farebox revenue. During the 2017 legislative session, the Maryland General Assembly passed legislation (Ch. 16 and Ch. 24), repealing the MTA's then 35% mandated fare recovery ratio. This legislation left in place the requirement for MTA to report to the General Assembly fiscal standing committees on its farebox recovery ratios by transit mode, and to compare its ratios to those of comparable transit agencies across the country.

<u>Farebox Recovery Results</u>

Table 1 shows Farebox Recovery for MTA and Peer Properties by Transit Mode using FY 2023 National Transit Database (NTD) data.

Table 1- MDOT MTA (FY 2023) and Peer Transit Properties (FY 2023)

FY 2023 NTD Data	Bus	Light Rail	Heavy Rail (Subway)	Commuter Rail	Total Operating Expense ($millions)
Pittsburgh (PAAC)	13.4%	3.8%	N/A	N/A	$483
Atlanta (MARTA)	9.9%	N/A	17.3%	N/A	$594
Peer Average	7.7%	5.3%	13.0%	6.8%	$879
Seattle (King County)	8.5%	N/A	N/A	N/A	$928.6
Salt Lake (Utah Transit)	7.8%	10.5%	N/A	7.5%	$432.1
Baltimore (MDOT MTA)	**7.7%**	**4.4%**	**6.1%**	**4.9%**	**$918.1**
San Jose (VTA)	7.0%	4.7%	N/A	N/A	$454
Washington D.C. (WMATA)	5.7%	N/A	15.6%	N/A	$2,630
Dallas (DART)	5.3%	6.3%	N/A	8.2%	$676.8
Houston (Harris County)	4.3%	2.1%	N/A	N./A	$795

For NTD reporting, MTA uses the NTD Reporting Policy Manual. Operating costs are divided per mode into four categories: (1) Vehicle Operations, (2) Vehicle Maintenance, (3) Facility Maintenance, and (4) General Administration. The General Administration category consisting of administrative costs are allocated across all modes per modal expense ratios. NTD provides definitions of what expenses are included in these categories.

*** Revenue is apportioned between modes based on overall ridership which may not accurately reflect true farebox recovery.*