

**From:** Tom Curtin  
**To:** [Kasemeyer, Edward Senator](#); [McIntosh, Maggie Delegate](#); [Kaiser, Anne Delegate](#)  
**Cc:** [Albert, Sarah](#); [McCulloch, Steve](#); [Mickler, Matthew](#); [Jackson, Matthew](#); [Bennett, Matthew](#); [Ward, Stanford](#); [Shawn Eum -GOV-](#)  
**Subject:** MSAR 11173 and 11172 - MDOT MTA Annual Performance and Farebox Recovery Attainment Extension Request  
**Date:** Friday, November 30, 2018 4:38:26 PM  
**Attachments:** [image001.png](#)

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Dear Chairs Kasemeyer, McIntosh, and Kaiser,

The Maryland Department of Transportation (MDOT) Maryland Transit Administration (MDOT MTA) has two reports – MSAR #11172, MTA Annual Performance Report, and MSAR #11173, MTA Farebox Recovery Attainment – which rely on Federal Transit Administration (FTA) National Transit Database (NTD) national farebox recovery and other statistics. The FTA operates on a slightly different schedule than Maryland, and is also in turn reliant upon other transit agencies to timely submit their data. Typically this data becomes available in early/mid-January; on occasion in past years it has been released later.

You may recall from previous years that this is a perennial issue with the timing of these reports.

MDOT MTA is in regular contact with FTA staff about the status of NTD data updates; we expect to be able to provide the report by January 31, 2019. Again, without the NTD data, MDOT MTA cannot make any meaningful comparisons with peer systems.

We appreciate your patience as we work with our federal partners and respectfully request an extension on these reports.

Thank you,



**Tom Curtin**

State Legislative Officer

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**A Report to the Maryland General Assembly**

**Senate Budget and Taxation Committee,**

**House Appropriations Committee, and**

**House Ways & Means Committee**

**regarding**

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

**MSAR 11173**

**April 2019**

**The Maryland Department of Transportation**

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

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 (MDOT 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 MDOT MTA’s then 35% mandated fare recovery ratio. This legislation left in place the requirement for MDOT 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.

<p>Farebox Recovery Ratios for the  Maryland Department of Transportation Maryland Transit Administration  Transportation Article §7-208(b)</p>
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### Farebox Recovery Results

Table 1 shows Farebox Recovery for MDOT MTA and Peer Properties by Transit Mode using FY 2017 National Transit Database (NTD) data.

**Table 1- MDOT MTA (FY 2017) and Peer Transit Properties (FY 2017)**

<b>FY 2017 NTD Data</b>	<b>Bus</b>	<b>Light Rail</b>	<b>Heavy Rail (Subway)</b>	<b>Commuter Rail</b>	<b>Total Operating Expense (\$millions)</b>
NYC (NYC Transit)	34.1%	N/A	73.1%	N/A	8,103.6
Atlanta (MARTA)	27.4%	N/A	40.2%	N/A	432.9
Seattle (King County)	26.7%	N/A	N/A	N/A	686.9
Pittsburgh (PAAC)	26.2%	14.6%	N/A	N/A	400.2
Washington D.C. (WMATA)	20.4%	N/A	52.5%	N/A	1,745.6
<i>Peer Average</i>	19.7%	15.3%	47.3%	29.7%	1373.4
<b>Baltimore (MDOT MTA)</b>	<b>17.3%</b>	<b>16.8%</b>	<b>23.5%</b>	<b>36.8%</b>	<b>696.6</b>
Salt Lake (Utah Transit)	16.3%	27.7%	N/A	20.9%	257.7
Dallas (DART)	10.6%	15.8%	N/A	31.4%	503.3
San Jose (VTA)	10.2%	7.6%	N/A	N/A	381.7
Houston (Harris County)	7.5%	9.1%	N/A	N/A	525.7

For NTD reporting, MDOT 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.

For State reporting, MDOT MTA uses gross expenses by mode and adjusts the expenses by including insurance, changes in inventory levels, and pro-rated share of administrative costs per the proportional size of that mode. It excludes paratransit expenses, past pension service liabilities, new services for the first 36 months of service, and capital costs. As a result, NTD basis farebox recovery for MDOT MTA may result in a different farebox recovery rate than reported in the MFR statement. MDOT MTA believes that the budgetary method of calculating farebox recovery is more accurate in measuring total subsidy for individual MDOT MTA services. However, Transportation Article §7-208 requires that MDOT MTA farebox recovery be compared to peer properties, for which only NTD spending and revenue data is available.

MDOT MTA modal farebox recovery ratios are shown below in Table 2 for reference.

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

**Table 2 – MDOT MTA Farebox Recovery by Mode**

<b>FY 2017</b>	<b>NTD Basis</b>	<b>Budgetary Basis</b>
Bus*	21.8%	17.0%
Light RailLink	18.7%	16.8%
Metro SubwayLink	26.1%	23.5%
Core Service**	23.7%	19.1%
MARC	36.0%	33.6%

\* Baltimore commuter bus service is included in the Bus recovery ratio under the budgetary basis

\*\* Core service is Baltimore Local and Commuter Bus, Light Rail and Metro Subway.

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