

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

June 2020

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.

Farebox Recovery Results

Table 1 shows Farebox Recovery for MDOT MTA and Peer Properties by Transit Mode using FY 2018 National Transit Database (NTD) data.

Table 1- MDOT MTA (FY 2018) and Peer Transit Properties (FY 2018)

FY 2018 NTD Data	Bus	Light Rail	Heavy Rail (Subway)	Commuter Rail	Total Operating Expense (\$millions)
NYC (NYC Transit)	32.9%	N/A	69.1%	N/A	\$8,414.8
Atlanta (MARTA)	23.4%	N/A	39.4%	N/A	\$467.4
Seattle (King County)	25.4%	N/A	N/A	N/A	\$834.3
Pittsburgh (PAAC)	25.8%	14.5%	N/A	N/A	\$413.7
Washington D.C. (WMATA)	18.2%	N/A	51.4%	N/A	\$1,861.1
<i>Peer Average</i>					
Baltimore (MDOT MTA)	16.2%	16.3%	18.3%	32.5%	\$756.2
Salt Lake (Utah Transit)	12.7%	25.3%	N/A	16.9%	\$300.9
Dallas (DART)	10.2%	13.6%	N/A	29.6%	\$526.8
San Jose (VTA)	10.1%	6.2%	N/A	N/A	\$410.2
Houston (Harris County)	9.0%	6.6%	N/A	N/A	\$536.9

For NTD reporting, MDOT MTA uses the NTD Reporting Policy Manual. NTD statistics allow transit agencies to benchmark their performance by mode and type versus similar transit agencies. In previous years, this report had separated state reporting from NTD reporting. MDOT MTA has adjusted reporting going back to 2014 for MTA State Performance Measures relative to Farebox Recovery to NTD based statistics to eliminate confusion and assure uniformity with national standards. The 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.

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

Table 2 – MDOT MTA Farebox Recovery by Mode

FY 2018	NTD Basis	
Bus*	16.2%	* Baltimore commuter bus service is included in the Bus recovery ratio under the budgetary basis
Light RailLink	16.3%	** Core service is Baltimore Local and Commuter Bus, Light Rail and Metro Subway.
Metro SubwayLink	18.3%	** Revenue is apportioned between modes based on overall ridership which may not accurately reflect true farebox recovery.
Core Service**	16.5%	
MARC	32.5%	