MTA Farebox Recovery Ratios
(Transportation Article §7-208(b))

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

MSAR # 11173

December 2023

The Maryland Department of Transportation
Maryland Transit Administration

The Maryland Transit Administration (MTA) offers this report in response to language contained in §7-208 of the Transportation Article, Maryland Annotated Code. The language states:

> *"(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 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 percent mandated fare recovery ratio. This legislation left in place the requirement for MTA to report to the General Assembly's 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 the MTA and Peer Properties by Transit Mode using FY 2022 National Transit Database (NTD) data.

Table 1 - MTA and Peer Transit Properties (FY 2022)

FY 2022 NTD Data	Bus	Light Rail	Heavy Rail (Subway)	Commuter Rail	Total Operating Expense ($millions)
Washington D.C. (WMATA)	16%	NA	13%	NA	$2220.1
Pittsburgh (PRT)	13%	4%	NA	NA	$453.6
Atlanta (MARTA)	11%	NA	16%	NA	$520.5
Peer Average	**9%**	**6%**	**12%**	**7%**	**$776.1**
Seattle (King County Metro)	9%	NA	NA	NA	$846.7
Salt Lake (UTA)	8%	11%	NA	6%	$421.1
Baltimore (MTA)	**7%**	**6%**	**8%**	**8%**	**$866.2**
Dallas (DART)	6%	7%	NA	7%	$576.2
San Jose (VTA)	6%	2%	NA	NA	$424.4
Houston (METRO)	5%	2%	NA	NA	$659.2

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.