

A Report to the Maryland General Assembly

Senate Budget & Taxation Committee, Senate Finance  
Committee and House Appropriations Committee

Regarding

Free Ridership for State Employees  
(Transit Benefit for State Employees)  
Senate Bill 319, Chapter 420, Acts of 2019

The Maryland Department of Transportation

MSAR# 11968

June 2020

This report is written in response to language contained in Senate Bill 319, Chapter 420, Acts of 2019, which requires:

*That, on or before January 1, 2020, the Maryland Department of Transportation and the Department of Budget and Management shall report to the Senate Budget and Taxation Committee, the Senate Finance Committee, and the House Appropriations Committee, in accordance with § 2-1246 of the State Government Article, on the cost and feasibility of expanding the State employee transit ridership program to include ridership on the Maryland Area Regional Commuter (MARC) Train Service and the Washington Metropolitan Area Transit Authority (WMATA).*

## **MARC**

MARC staff utilized a December 2019 state employee list and UMS employee list provided to MDOT MTA to evaluate the cost and feasibility of providing fare-free MARC service to all Maryland state employees. In order to provide accurate estimates, MARC staff evaluated the work locations and home zip codes of each state employee to identify those employees who could realistically use MARC service as an effective means of travel.

### **Process/Assumptions**

1. MARC staff converted all locations to their corresponding Geographic Information System (GIS) coordinates.
2. Distances were calculated between both work location and home location to each MARC Station. Based on this data, the following assumptions were made:
  - a. Employees whose homes are closer to their work location than to the nearest MARC Station were removed.
  - b. Employees who would require use of two MARC lines were removed.
  - c. Employees who would be better served by using WMATA Metro were also removed from the MARC portion of this study, but are likely accounted for in the WMATA portion of this study.
  - d. Employees who lived further than 25 miles from the nearest MARC Station were removed.
  - e. Employees who work further than 1 mile from the nearest MARC Station were removed.

### **Findings**

Based on the above assumptions, MARC staff determined that 13,053 State employees should be considered potential riders for their daily commute and based on the popular origin/destination pairs we can assume that the average fare would be a \$162 monthly ticket which would result in an average maximum annual revenue loss of **\$25,375,032**.

<b>Top 3 MARC Destinations for State Employee Commuters</b>
1. Baltimore Penn Station – 9578 Potential Commuters
2. College Park – 3017 Potential Commuters
3. Rockville – 244 Potential Commuters

<b>Potential Ridership by MARC Line</b>
1. Penn Line – 9688 Potential Commuters
2. Camden Line – 3091 Potential Commuters
3. Brunswick Line – 271 Potential Commuters

In addition, there are fixed costs for changing the MARC Fare Guide, which details the badges, IDs, and fare media that are accepted as payment (or in lieu of payment) on MARC Train. The fixed costs include updating the MARC Fare Guide, printing new fare guides, and training contractors on the new fare guides. These fixed costs will depend greatly on a multitude of factors and cannot be reliably estimated at this time.

### **Washington Metropolitan Area Transit Authority (WMATA)**

Washington Area Transit Office staff utilized a December 2019 State employee list and UMS employee list to evaluate the cost and feasibility of providing fare-free service on the WMATA system to all Maryland state employees. In order to produce these estimates, the county of both the employees’ work locations and home were used to identify those employees who could realistically use WMATA services as an effective commuting mode.

#### **Process/Assumptions**

1. The universe of “WMATA-eligible” employees focused on those for whom the county in which their regular work location resides is Montgomery or Prince George’s County. Montgomery and Prince George’s Counties are the Maryland counties included in the WMATA transit district
2. Employees who live in Maryland, but reside outside of Montgomery or Prince George’s County, were included in the employee universe only if their home ZIP Code matched the ZIP Code of a MARC rail station north of Rockville (Brunswick Line), Greenbelt (Camden Line), or Bowie State University (Penn Line) – the northern-most MARC stations on those MARC lines in Montgomery or Prince George’s County. MARC is a “touchpoint” with the WMATA system for employees outside of the transit district.
3. Employees who would have been included based on assumption #2 above, but whose place of employment is Bowie State University or University of Maryland, College Park, were eliminated as they would not need to use the WMATA system.
4. Employees who live in Washington, D.C. or northern Virginia (including Arlington, City of Alexandria, City of Fairfax, Fairfax County, Falls Church, and Loudoun County) and who work in Montgomery County or Prince George’s County were included in the employee universe as these jurisdictions are part of the WMATA service district.

5. Employees who live in West Virginia were included in the employee universe if their home ZIP Code matched the ZIP Code of a MARC rail station north of Rockville (Brunswick Line). This includes Duffields/Charlestown, Harpers Ferry, and Martinsburg.
6. Inter-county commutes were calculated at the Metrorail Max Fare rate (\$6.00), while in-county travel was calculated using standard Metrobus fare (\$2.00).
7. Maryland commuters entering from outside the transit district via a MARC touchpoint were calculated based on their county of employment compared to Prince George’s County (as per assumption #6), or \$4.15 for Brunswick Line commuters who work in Prince George’s County (the Metrorail fare from the Silver Spring Center to the College Park Metrorail Station).
8. Northern Virginia and Washington, D.C. commuter costs were calculated based on the average Metrorail costs from their jurisdiction to either the Rockville Metrorail Station or the College Park Metrorail Station.

## Findings

12,720 Maryland state employees were found to be potential riders for their daily commute to Montgomery County or Prince George’s County. This includes employees who live in:

- Maryland: 11,021
- Washington DC: 1,218
- Northern Virginia: 472
- West Virginia: 9

The total costs to the State as estimated in this study assumes a standard five-day-per-week round trip commute for 50 weeks per year (52 weeks minus two vacation/non-commuting weeks).

**Estimated Annual Cost of Full-Week Commute on WMATA System**

<b>Region</b>	<b>Potential Riders</b>	<b>Estimated Annual Cost</b>
Maryland	11,021	\$ 17,312,350
Washington DC	1,218	\$ 2,933,650
Norther Virginia	472	\$ 1,318,400
West Virginia	9	\$ 23,000
<b>Total</b>	<b>12,720</b>	<b>\$ 21,587,400</b>

In addition, as WMATA serves as the primary transit system for the National Capital Region (NCR), it operates as a popular transportation option for tourists to the Nation’s capital. As a result, State employees even from outside of the transit district could take advantage of a free benefit for weekend use. Likewise, State employees in the region who work outside of the transit district but who live in the NCR could use such a WMATA benefit for weekend local travel. The following table summarizes potential weekend/tourist use of a WMATA free fare benefit for State employees not already captured in the data above. Costs were calculated based on \$2.35 short-distance weekend rail fare, round-trip for both weekend days.

**Estimated Annual Cost of Weekend Travel Use by State Employees, by Home Location**

<b>Region</b>	<b>Potential Riders</b>	<b>Service Level</b>	<b>Estimated Annual Cost</b>
<i>Weekend Local Travel</i>			
Washington DC	262	50 weekends per year	\$ 123,140
Northern Virginia	177	50 weekends per year	\$ 83,190
<i>Tourist Travel</i>			
Rest of Maryland	59,645	4 weekends per year	\$ 2,242,652
Rest of Virginia	273	4 weekends per year	\$ 10,265
Rest of West VA	823	4 weekends per year	\$ 30,945
<i>Long-distance Tourist Travel</i>			
Rest of the U.S.	3,151	1 weekend per year	\$ 29,619

The additional weekend travel usage could potentially add an additional \$2,519,811 to the cost of a free fare benefit for State employees who use the WMATA system. That would bring the total cost of such a benefit program to **\$24,107,211**.

It should be noted that, as the State already provides just over a third of WMATA’s operating subsidy, a program such as this would significantly increase this investment. Maryland’s share of WMATA’s operating budget for Fiscal Year 2021 is \$475.8 million. The formula used to calculate this subsidy is based on ridership by jurisdiction and max fare subsidies, among other elements. Increasing ridership in this way would increase Maryland’s share of the WMATA subsidy as well, adding yet another element to the increase in costs.