



Maura Healey, Governor
Kimberley Driscoll, Lieutenant Governor
Monica Tibbitts-Nutt, Acting Secretary & CEO
Phillip Eng, General Manager & CEO



March 28, 2024

Her Excellency Maura T Healy, Governor
Office of the Governor
Room 280, Massachusetts State House
Boston, Massachusetts 02133

The Honorable Steven T. James, House Clerk
Office of the Clerk of the House
24 Beacon Street, Room 145—State House
Boston, Massachusetts 02133

The Honorable Michael D. Hurley, Senate Clerk
Office of the Clerk of the Senate
24 Beacon Street, Room 335—State House
Boston, Massachusetts 02133

MBTA Advisory Board
177 Tremont Street
Boston, MA 02111

Re: Net Operating Investment per Passenger Mile

Pursuant to subsection 11 of section 151 of chapter 127 of the acts of 1999 and the reporting requirements contained therein, the Authority is providing the net operating investment per passenger mile ratio for fiscal years 2022 through 2026. As stipulated by the legislation, the calculation uses the values of the variables reported each fiscal year to the Federal Transit Administration for the National Transit Database.

The ratios for fiscal years 2022 and 2023 are based on actual data. The current fiscal year is the budget and next two fiscal years are projections. The attached report provides an explanation for the year-to-year changes in the ratio.

Sincerely,

Mary Ann O'Hara
Chief Financial Officer

cc: Monica Tibbits-Nutt
MassDOT Secretary & CEO

Phil Eng
General Manager

Jeffrey Cook
Chief Administrative Officer

REPORT OF THE
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
NET OPERATING INVESTMENT PER PASSENGER MILE
FY 2022—FY 2026

As required under the Authority’s enabling legislation, the enclosed report details the “net operating investment per passenger mile” for all public transportation operations. This statistic represents the ratio of net investment (total operating expenses less fares, parking, and other non-transportation operating income) to passenger miles (cumulative miles ridden by all passengers for all modes of service). Sales tax revenue, local assessment revenue, non-operating revenues, and debt service expenses are excluded from this analysis, this report, based on the Federal Transit Administration’s (FTA) “National Transit Database” statistics, is a five-year trend analysis comparing the current year’s (FY24) budgeted ratio with the prior two years actual and a subsequent two-year projection.

As indicated in the analysis, the ratio is expected to continue increasing from FY24 (\$1.28) to FY26 (\$1.35) as expense growth continues to outpace revenue growth. This is driven by the ridership recovery from the lows of the COVID-19 pandemic leveling off, consistent with peer agencies across the country. Total Passenger Miles continues to increase as service is adjusted to align with post-pandemic ridership patterns, and the MBTA continues to complete critical maintenance work which allows for additional miles on light and heavy rail. Bus Network Redesign as well as South Coast Rail are also projected to increase Total Passenger Miles run in FY25 and FY26. No fare increases are currently assumed from FY24 to FY26.

The FY25 and FY26 projection is separate from the FY24 Budget, and the final values will differ slightly from what is presented in this report. The new MBTA board must vote on a final operating budget by June 15, 2024. This report has used the FY24 Budget as the baseline with growth rates applied for FY25 and FY26 projections; these are preliminary projections based on the best available data and are subject to change.

Planning ahead, the Authority will continue to implement cost control measures to limit the growth of operating expenses, while simultaneously seeking to increase income from non-transportation related revenue sources. The Authority’s goals continue to be that of increasing ridership through effective, efficient public transportation services, while keeping expenses and fares at the most reasonable level possible.

Massachusetts Bay Transportation Authority
Net Operating Investment Per Passenger Mile
FY22 - FY23 Actual; FY24 Budget; FY25 - FY26 Projected
(Per "National Transit Database" Reporting Methodology)

	Total Operating Expenses	Fare & Parking Revenue	Non-Transportation Operating Revenue	Total Operating Revenue	Net Investment	Total Passenger Miles	Investment Ratio
FY22 Actual	1,656,362,742	343,086,578	76,365,576	419,452,154	1,236,910,588	854,089,542	1.45
FY23 Actual	1,741,493,186	404,158,500	75,401,174	479,559,674	1,261,933,512	1,103,417,623	1.14
FY24 Budget	2,115,452,271	454,367,806	66,416,286	520,784,092	1,594,668,178	1,247,181,174	1.28
FY25 Projected	2,327,038,869	432,838,169	64,406,821	497,244,990	1,829,793,879	1,366,266,647	1.34
FY26 Projected	2,415,104,292	452,144,081	66,076,077	518,220,157	1,896,884,135	1,406,716,925	1.35

Note: Section 11 of Chapter 161A of Massachusetts General Laws stipulates that beginning in FY2006, the Authority should seek to achieve and maintain a target ratio of not more than 20 cents for any fiscal year. The legislation instructs the Authority to calculate the ratio using for the values of the variables the data reported each year to the Federal Transit Administration for the National Transit Database. As such, the data in the above chart differs slightly from the Authority's Statement of Revenue and Expenses.