



**Massachusetts Bay  
Transportation Authority**

# Proposed Fare Change Package

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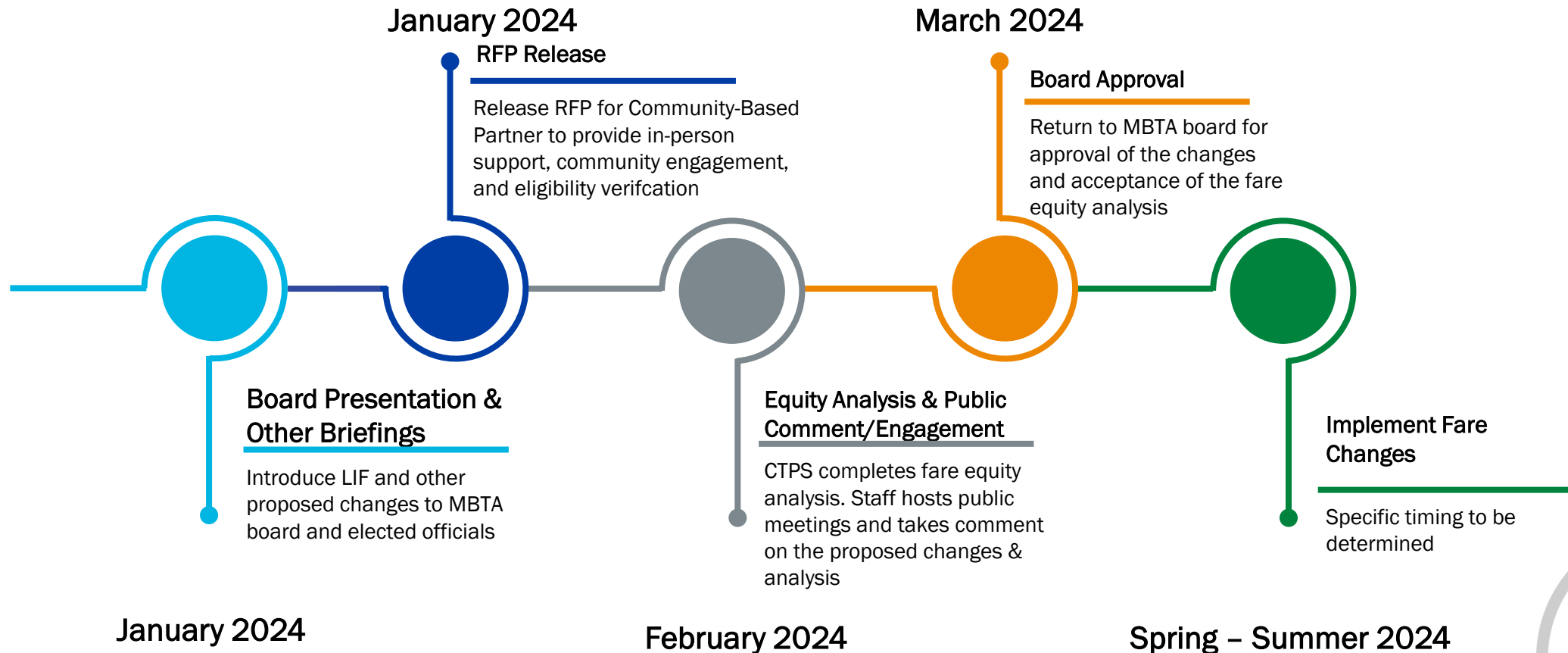
MBTA Board of Directors, A&F Subcommittee

March 2024

Steven Povich, Senior Director of Fare Policy & Analytics

# Timeline for Fare Changes

*To meet Title VI requirements, fare changes require public engagement, equity analysis, and board approval.<sup>1</sup>*



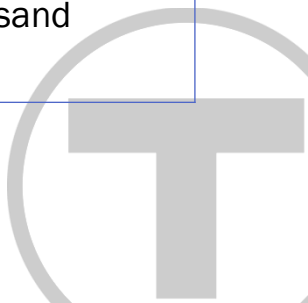
1. Changes leverage the [MBTA Fare Policy](#), approved December 21, 2015



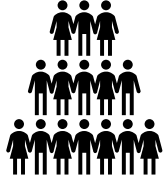
# Fare Change Proposal Summary

*Based on public comment and the final equity analysis, staff recommend the proposed changes as presented to the board in January.*

Change	Description	FY25 Financial Impact
<b>Implement a low-income fare program</b>	Expand reduced fares on the fixed route to include income-eligible riders at or below 200% of the federal poverty level. Apply income-eligible and senior reduced fares to ADA/Standard RIDE trips.	\$23 – 26 million
<b>Replace Change Tickets with CharlieCards</b>	Due to obsolete technology, migrating riders from “change tickets” for cash overpayment on bus and trolley fareboxes to CharlieCards ➤ <i>Implemented March 1 on a pilot basis</i>	N/A
<b>Make \$10 Weekend Pass Holiday Expansion Permanent</b>	Expand existing unlimited weekend commuter rail rides for \$10 to include holidays to increase ridership on trains with capacity ➤ <i>Implemented in 2023 on a pilot basis</i>	Up to +\$50 Thousand



# Public Comment: Summary of Activities



- **Public Meetings:** Staff held six in-person public meetings and one virtual public hearing
  - Over 100 individuals attended a public meeting
  - In-person meetings in Lowell, Dorchester, Roxbury, Brockton, Mattapan, Chelsea\*
  - Door-to-door outreach and flyering in advance of meetings



- **Stakeholder Meetings:** Staff met with key stakeholders and advocates such as transit advocates, municipalities, seniors, riders with disabilities, and the press
  - Joint Press Event with HHS, MBTA Advisory Board, Riders' Transportation Access Group (General & RIDE Subcommittee), Mass Senior Action Council, MBTA Policy Development Working Group, MPO Inner Core Committee (Transportation Group), MBTA Youth Pass Partners, Age Strong



- **Other Comment:** Comment was accepted via email, phone, and mail
  - 102 comments were received and reviewed

*\*In-person meeting in Worcester canceled due to snow*



# Public Comment: Support

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*Riders, advocates, and elected officials demonstrated strong support for the expansion of reduced fares to income-eligible riders.*

- ✓ Excitement about the number of eligible riders (60,000) and level of savings (hundreds to thousands of dollars per year)
- ✓ Comments on cost of living in Massachusetts and potential burden of MBTA fares
- ✓ Anticipation of expected use of savings for food and health expenses
- ✓ Appreciation for MBTA listening to years of advocacy on this topic
- ✓ Interest in & support for application process & interagency partnerships



# Public Comment: Questions & Concerns



- **Design & Administration:** Riders were curious and engaged on topics of administration, including how to demonstrate eligibility.
  - Focus on in-person application option
    - This is currently planned via community partners; the RFP to recruit these partners is in process
  - Encouragement to continue expanding the list of programs that can be used for eligibility
    - Staff plan to launch the program with SNAP and various MassHealth programs and expand the list as is operationally and technologically feasible over the coming years



- **RIDE Premium Fares:** Riders and advocates pushed for the reduction of Premium RIDE fares for low-income and senior RIDE users.
  - Staff proposed the inclusion of ADA/Standard trips only to ensure that we remain able to provide acceptable paratransit service for required trips and avoid inducing demand that we struggle to meet. RIDE staff will provide an update to the MBTA Board in March.



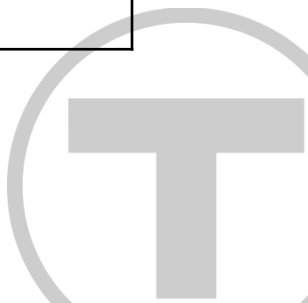
# Equity Analysis Results

*For any fare change, the MBTA is federally required to ensure that the change does not have a **disparate impact** on riders of color or a **disproportionate burden** on riders with low-income.*

- In other words, the MBTA must ensure that any fare increase does not increase fares more for protected populations than all riders, and that any fare decrease does not decrease fares less for protected populations than for all riders.

	Calculation	Threshold (For Fare Decrease)	Calculation
Disparate Impact Ratio	$\frac{\% \text{ Change in Fares for Riders of Color}}{\% \text{ Change in Fares for All Riders}}$	> 0.9x	1.41x
Disproportionate Burden Ratio	$\frac{\% \text{ Change in Fares for Low-Income Riders}}{\% \text{ Change in Fares for All Riders}}$	> 0.9x	1.64x

**The proposed fare changes pass our thresholds for equity**



# Low-Income Fares Detail

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*The MBTA has proposed an expansion of reduced fares to riders with low-income*

- **Eligibility:** Riders under 200% of the federal poverty level will be eligible for the program. Riders will prove eligibility via enrollment in SNAP and MassHealth programs with cutoffs at or below 200% FPL and will be enrolled for 1 year.
- **Application:** Riders will apply primarily via an online application. The application will use API connections to RMV and HHS data to confirm identity and eligibility. Manual uploads and in-person support will be available for riders whose needs are not met by the online and automatic application process.
- **Community Partner:** Via an in-process RFP, the MBTA will select partners to provide in-person and back-office support for riders around this MBTA service area.
- **Fare Media:** Riders will be mailed a CharlieCard that will allow them to purchase half-priced tickets and passes.
- **Modes:** The proposed program will apply to fares on all modes. As part of this expansion of reduced fares, on the RIDE, riders with low-income and seniors will be eligible for half fares on Standard trips.





# Low-Income Fares Program Impact

*The low-income fare program is expected to enroll 62 thousand riders and induce up to 8.1 million annual trips on the fixed route system by FY2029.*

	FY25	FY26	FY27	FY28	FY29
<b>Enrolled Riders</b>					
Fixed Route	25 – 29 K	36 - 42 K	46 - 53 K	54 - 62 K	62 K
The RIDE	28 K	28 K	28 K	28 K	28 K
<b>Additional Trips</b>					
Fixed Route	1.2 – 1.7 M	3.1 – 4.3 M	4.4 – 6.0 M	5.6 – 7.5 M	6.5 – 8.1 M
The RIDE	170 K	175 K	180 K	185 K	185 K

*Note: Staff expect rates for eligible RIDE customers to ramp quickly and yield very high participation due to existing enrollment and certification processes*



# Low-Income Fares Program Cost

*Low-income fare program costs, including fare revenue loss, operations, and administration, are expected to grow from \$25 million annually to \$58 million over the first 5 years of implementation as program awareness and enrollment increase.*

<i>(millions)</i>	FY24 (Pre-Launch)	FY25	FY26	FY27	FY28	FY29
<b>Fare Revenue Loss</b>	--	\$7.2 - \$9.1	\$16 - \$21	\$22 - \$29	\$27 - \$35	\$31 - \$38
Fixed Route	--	\$5.7 - \$7.6	\$14 - \$20	\$20 - \$27	\$25 - \$34	\$30 - \$36
The RIDE	--	\$1.5	\$1.6	\$1.7	\$1.7	\$1.7
<b>Operational Costs</b>	--	\$13 - \$14	\$15 - \$16	\$16 - \$18	\$17 - \$20	\$17 - \$21
Fixed Route	--	\$0.2 - \$0.7	\$0.4 - \$2.0	\$0.6 - \$2.9	\$0.8 - \$3.7	\$1.0 - \$4.1
The RIDE	--	\$13	\$14	\$15	\$16	\$16 - \$17
<b>Initial Program Design &amp; Ongoing Administration Costs</b>	\$4.2	\$2.9	\$2.9	\$3.0	\$3.1	\$3.2
<b>Total Program Costs</b>	<b>\$4.2</b>	<b>\$23 - \$26</b>	<b>\$33 - \$40</b>	<b>\$40 - \$50</b>	<b>\$47 - \$58</b>	<b>\$52 - \$62</b>

# Appendix



# Context on Fare Affordability

- The MBTA has several reduced fare programs<sup>1</sup>
  - Students: 49,000
  - Seniors: 63,000
  - TAP (Disability): 15,000
  - Blind: 1,400 (note Blind riders ride for free)
  - Youth Pass: 6,900
    - Only means-tested program; T relies on a municipal partnership model
- *We estimate that 60,000 additional riders could benefit from Low-Income fares, meaning they fall into the 26-64 age bracket with incomes under 200% of the federal poverty line.*
- *This program would also benefit RIDE customers.*

## Current MBTA Reduced Fares

