



**Massachusetts Bay  
Transportation Authority**

# Proposed Fare Change Package

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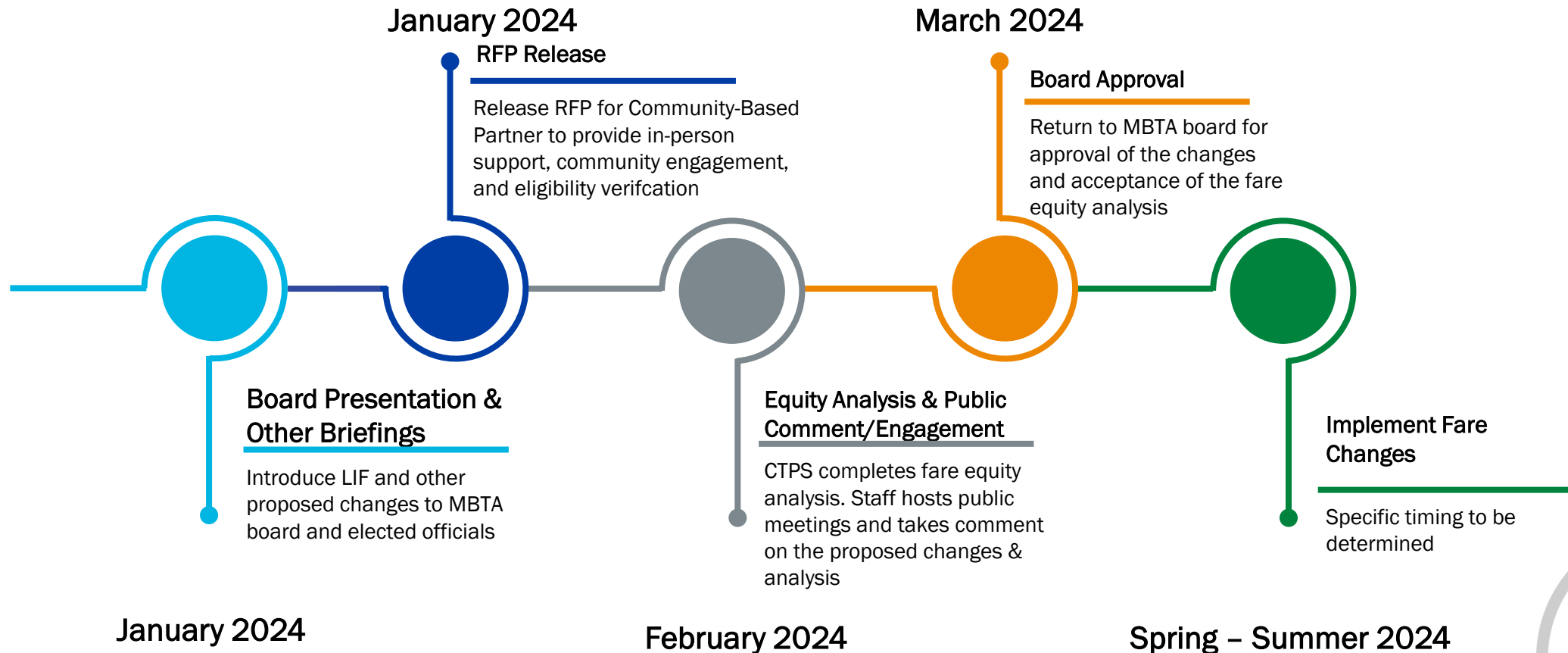
MBTA Board of Directors

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>*



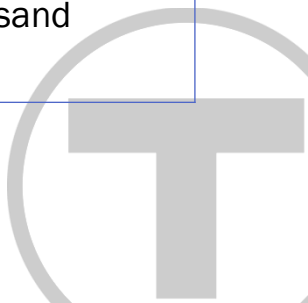
1. Changes leverage the [MBTA Fare Policy](#), approved December 21, 2015



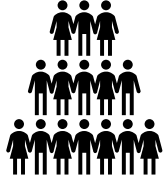
# Fare Change Proposal Summary

*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.



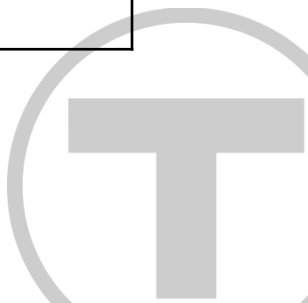
# Equity Analysis Results

*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.





# Community Partner Support

*The MBTA has released an RFP for a community partner to support the application process & program*

## In-Person Application Support

- For riders who do not have access to a computer or prefer to apply in person, the Community Partner would provide in-person application support across the MBTA service area

## Back Office Verification

- The MBTA plans to accept proof of identity and eligibility through uploaded documentation if a rider is not automatically enrolled via the integrations with the RMV and EOHHS
- The Community Partner or another contracted organization would staff a back office to review and confirm enrollment for these riders

## Marketing & Engagement

- In addition to MBTA staff efforts, the Community Partner would amplify outreach via attendance at community events and use of existing networks



# Planned Outreach & Marketing

*The MBTA will implement a comprehensive marketing and outreach strategy to reach individuals who are eligible for and would benefit from the newly expanded MBTA reduced fare program.*



**Goal:** Raise awareness of the expanded eligibility criteria, drive people to apply, and facilitate ease of enrollment.



**Target Audiences:** Current and new riders who are income-eligible, between 26-64 years old, and currently enrolled in accepted assistance programs like MassHealth, and DTA's TANIF, SNAP, and EAEDC.

**Tactics**

## Physical MBTA Assets

Car cards, digital triptych screens, bus shelter posters

## MBTA.com

## MBTA Social Channels

## Create Outreach Partner Toolkit

Print materials, Sample Email, Blog or Newsletter Post, Sample Social Posts and images, News Release

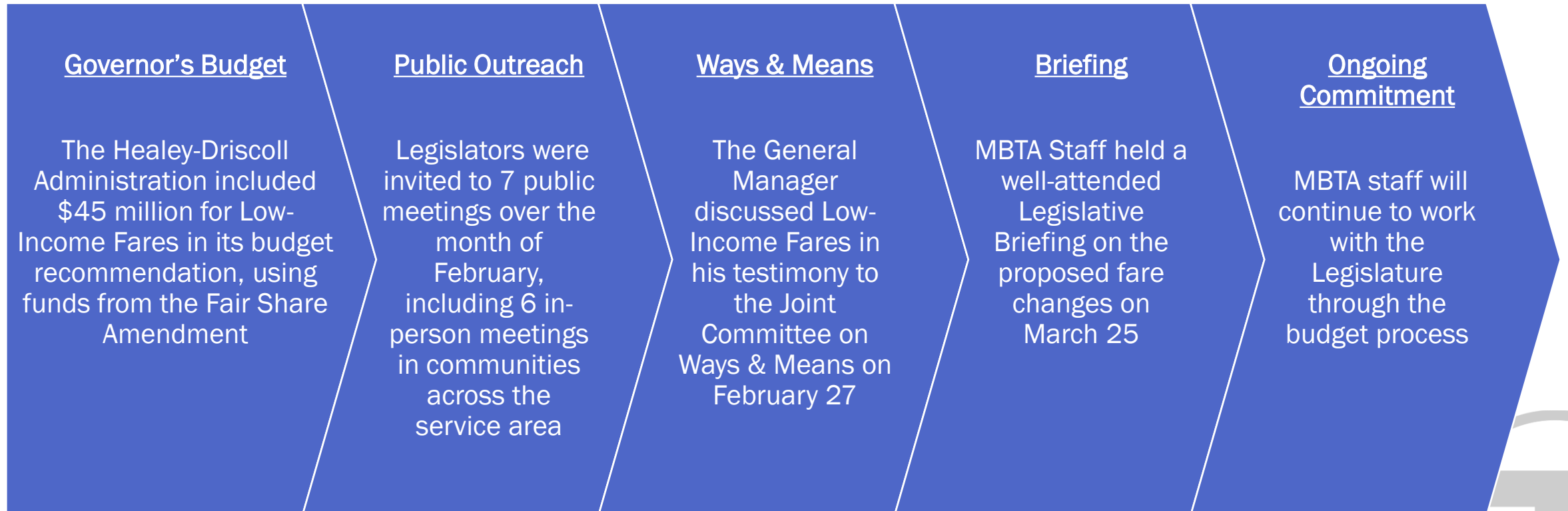
## Collaborate with Partners

Executive Office of Health & Human Services (HHS), MassHealth, and Department of Transitional Assistance (DTA), Case Managers, Community-based MBTA partner networks (Youth Pass, System-wide Accessibility, Community Engagement)



# Legislative Touchpoints

*MBTA staff continue to collaborate with leadership in the State House on the financial implications of the proposed expansion of reduced fares. This work builds upon the \$5 million included in the FY24 budget to design this program.*



# 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>

# Vote

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## PROPOSED BOARD VOTE:

WHEREAS, the Massachusetts Bay Transportation Authority (“MBTA”) has proposed to make three changes to its tariff including the following: (1) Expanding Reduced Fares to Riders with Low-Income; (2) Replacing Change Tickets with CharlieCards; (3) Making \$10 Weekend Pass Holiday Expansion Permanent (together, the “Tariff Changes”); and

WHEREAS, the Tariff Changes (together, the “Title VI Fare Changes”) are fare changes that will last longer than six months; and

WHEREAS, the Federal Transit Administration (“FTA”) Title VI Circular 4702.1B requires the MBTA to conduct a fare equity analysis for fare changes that last longer than six months to evaluate the impacts of such fare changes and determine whether such fare changes would have a discriminatory impact based on race, color, or national origin, low-income populations would bear disproportionate burdens of the fare changes, or non-low-income populations would receive disproportionate benefits because of the fare changes; and

WHEREAS, the Title VI Fare Changes are fare changes requiring a fare equity analysis under FTA Title VI Circular 4702.1B; and

WHEREAS, a fare equity analysis as to the Title VI Fare Changes was completed on March 28, 2024 (“the Title VI Equity Analysis”); and

WHEREAS, the Title VI Equity Analysis demonstrated that the Title VI Fare Changes, taken together, do not have a disparate impact on riders of color or a disproportionate burden on riders with low-income; and

WHEREAS, MBTA Board of Directors (“Board”) has considered and reviewed the Title VI Equity Analysis;

On motion duly made and seconded, it is by roll call VOTED that:

The Board hereby approves the Title VI Equity Analysis for the Title VI Fare Changes and directs the MBTA, through the General Manager, to take all steps necessary to provide such acceptance to the FTA, as appropriate.

And further that the Board hereby approves the Tariff Changes as set forth herein.



# 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

