



MINUTES

Fare Changes Review Committee

Friday, February 9, 2024

11:00 AM – 12:00 PM

A. Call to order: Co Chair, Mayor Sam Squailia (Fitchburg) called the meeting to order at 10:01.

B. Roll Call: At the Co-Chair’s direction, Brian Kane (Executive Director) called the roll:

Ashland	Rob Scherer	Present	Gloucester	Hon. Greg Verga	Present
Boston	Matt Moran	Present	Lynn	Aaron Clausen	Present
Brockton	Alan Castaline, P.E.	Present	Needham	Duncan Allen, P.E.	Present
Chelsea	John DePriest	Present	Watertown	Steve Magoon	Present
Fitchburg	Hon. Sam Squailia	Present			

A quorum was established.

C. Introductions: Committee members introduced themselves. B. Kane presented the Committee’s legal basis, charge, and the proposed timeline. M.G.L. ch 161A §5(d) requires the MBTA Advisory Board to review major MBTA fare changes. The officers of the Advisory Board agreed that an ad hoc review committee was the best vehicle for the organization to complete its review. The charge of Committee is to review the proposed MBTA Fare Change Package, as presented by the MBTA at the January 25, 2024 Board of Directors meeting. As part of this review, the committee should prepare an oversight report and recommendation for action on the proposal to the full MBTA Advisory Board. Additionally, the committee should be prepared to present its report and recommendation to the MBTA Advisory Board, MBTA Board of Directors, and the general public.

Key Dates:

- 2/9/24: Committee meeting #1 [T presentation and discussion]
- 2/16/24: Committee meeting #2 [review draft 1, editing]

- 3/1/24: Committee meeting #3 [**continued editing, possible approval**]
- 3/8/24: Committee meeting #4 [**final editing and approval**]
- 3/12/24: MBTA Advisory Board meeting [**presentation of recommendation**]
- 3/28/24: Presentation of Advisory Board's review to MBTA Board of Directors. [**presentation of recommendation**]

D. MBTA presentation: Proposed 2024 Fare Change Package. The Co-Chairs requested the MBTA to make their proposal. Steven Povich, Senior Director of Fare Policy & Analytics and David Churella Senior Manager of Fare Policy & Analytics at the MBTA outlined the proposal. The proposal includes three different items: an expanded low-income fare program for eligible riders, the elimination of change tickets and replacement with CharlieCards, and the expansion of \$10 weekend commuter rail fares to federal holidays. The equity analysis for this fare change package is complete and published. The MBTA Board's Audit and Finance Committee is expected to receive the staff's report at its March 14 meeting, and the full Board of Directors is scheduled to receive it on March 28, 2024.

The largest segment of the proposal is the introduction of a low-income fare (LIF) program allowing eligible individuals aged 26-64 to receive special CharlieCards enabling them to receive a 50% discount on MBTA fares on all modes. Similar 50% discounted fares programs are currently available to middle and high school students, low-income individuals aged 18-25, and all individuals over the age of 65. If approved, this LIF program expected to launch this summer. Among its peers, 6 of the 10 largest transit providers have similar low-income programs for people aged 26-64. To qualify for this program, the Authority proposes that individuals qualifying for certain federal anti-poverty programs such as SNAP, MassHealth, or MassGrant. To qualify for these programs, individuals have to meet certain criteria, including income levels less than 200% of the federal poverty level (FPL). Under the proposal, individuals seeking to participate will apply to the MBTA. The application consists of 4 questions and is expected to take less than 5 minutes to complete. The MBTA itself will not verify applicant income. Instead, it will work with other state entities such as the Registry of Motor Vehicles, Executive Office of Health and Human Services, and others to verify



applicant's identity, enrollment in qualifying programs, and similar information. Once enrolled participants will receive a CharlieCard in the mail allowing them to either add value or purchase passes on their cards. The discount is significant on all modes, especially commuter rail and The RIDE. Participants will remain enrolled for 1 year.

All modes will accept LIF media. For The RIDE, the MBTA's paratransit program, only ADA/standard trips will qualify, not premium or flex trips. The cost for an ADA trip would drop from \$3.35 per trip to \$1.70 per trip, a significant savings. Premium and flex fare RIDE trips will continue at their current costs.

R. Scherer asked if fuel assistance programs were considered as additionally qualifying criteria? S. Povich answered that it is being considered for future criteria expansion. To start, SNAP and MassHealth will be the verification criteria because they have databases that can be easily accessed by the Authority.

Regarding the application process: This program builds on existing T infrastructure. Working with RMV data, the MBTA will verify that the person applying is a real person. Passports and other such documents will also be accepted. The T will then check to see if the person is enrolled in the verifying other programs. The application process will be offered in 6 languages, and the MBTA is considering expanding the number of languages in the future. It will be accessible via screen readers.

S. Squailia asked about other eligibility criteria. S. Povich answered that to start, only MassHealth, MassGrant, and SNAP will be considered. In the future, other programs that can work with the T system will be considered.

The MBTA continued its presentation. Community partnerships are very important. An RFP is on the street to assist the authority with administering the program. This partner will help with in-person application support, locations to apply, back-office verification, and help with marketing the program. As the T seeks to enroll eligible participants. Existing MBTA information dissemination platforms will be used to market the program,

and state partners will be asked to explain to those enrolling in SNAP or MassHealth that they can also enroll in this program.

D. Chura (MBTA) took over the presentation. He noted that 62,000 additional riders are expected over a 5-year implementation period on fixed routes. In year one, 25,000 -30,000 additional riders are expected. Within 5 years, these numbers are expected to level out and the program will be maintained. Substantial enrollment in The RIDE is expected. 28,000 additional trips are expected in year one.

Regarding costs, there are 3 cost types: fare revenue loss, induced demand, and administrative costs. Regarding fare revenue loss, this is revenue that the T will lose from people currently paying full price starting to pay half price. Lost revenue is expected to cost the Authority \$31-\$38 million at full implementation by FY29. The second type is induced demand, which is the increase in the number of trips that people will take because the cost is less. This is estimated to be \$17-\$21 million at full implementation. Specifically for The RIDE, trip induced is expected to lead to significant additional operational expenses for the Authority. The third category is ongoing administration costs for things like staff time, community partner costs, etc. These costs are projected to be \$3 million per year, starting in year one and continuing as long as the program operates. Total program costs at full implementation in year 5 are projected to be \$52-\$62 million.

B. Kane asked about the fiscal cliff and the governor's budget. Massive deficits are projected starting in FY26, and the Governor's budget does not include costs for this program after FY25. How can the Authority sustainably operate such a program without sufficient revenue? S. Povich noted that if funding does not come to pass, much bigger conversations will be required of this program and fare and service levels. If the governor's budget comes to pass, year one is settled.

Duncan Allen asked about induced trips as a percentage of boardings. D. Chura suggested it would be 2-3% overall. D. Allen noted that other systems have had larger inducement of ridership under such programs, and enquired about the methodology used to calculate the number of induced trips. D. Chura answered that the T's analysis considered the total number of non-

disabled folks in the 26-64 age bracket. S. Povich noted that their analysis suggests that once enrolled, participants will ride 25-30% more. D. Allen also asked about ongoing administrative costs. D. Chura noted that it is about \$3 million and included in the analysis.

S. Magoon asked about induced trips. D. Chura answered that they believe that of the 62,000 eligible folks who will enroll and take more trips.

A. Castaline asked about other fare reduction programs currently. He asked about the Youth Pass and how it is administered. S. Povich noted that mostly it is municipal governments that certify that a youth pass user is low income. In Brockton it is BAT.

Aaron Clausen asked if the T considered using the 250% FPL threshold that LA Metro uses instead of 200% of FPL. S. Povich noted that they considered 100%, 200% and 300% of FPL. The difference in cost is significant, as are the administrative costs, since most programs are currently at 200% FPL there are databases to ping. NY MTA uses 100% of FPL and has low enrolment. In terms of cost difference, using the 200% threshold the estimated year 1 cost was \$25-\$26M, compared to an estimated \$31-\$34 million in year 1 at the 300% threshold. The cost difference rises to nearly \$100 million in the out years.

A. Clausen also asked about the RFP process for the community partner requirements. S. Povich noted that the RFP seeks community partners to help it market the program, assist applicants with applying, host brick and mortar location around the district to serve applicants, and other tasks. He continued that the procurement will remain open so that additional partners can participate in the future. The RFP is on COMM Buys (the state bid solicitation platform), and various MBTA departments are working to directly approach potential partners to encourage them to bid.

S. Povich continued with the presentation, noting that the other proposed changes include replacing change cards with CharlieCards. Change tickets are currently given on light rail and bus vehicles if passengers purchase a fare with cash and require change in excess of \$0.50. Change less than \$0.50 is not given. Currently such change is given on a paper ticket. This paper ticket

is no longer supported by vendors, and will soon not be available at all. The proposal is to make CharlieCards available on bus and light rail vehicles, to allow them to use a card to pay with cash at the fare box. Change tickets will stop being issued on March 1. Bills greater than \$5 will stop being accepted on board without a card on March 1 as a pilot pending Board approval.

The final change is to make the current \$10 commuter rail weekend pass eligible on federal holidays. This is currently the case as a pilot program. Extending this program to federal holidays would include all 3-day weekends, and the 4-day period of Thanksgiving, Thursday to Sunday. The expected lost revenue from this change is projected to be \$50,000 per year.

S. Povitch continued that regarding the draft equity analysis, the draft analysis is already published. The analysis shows no disproportionate burdens to low-income folks, nor any dispirit impact on people of color.

D. Allen noted that compared to national peers, this seems to be well thought out and planned. J. DePriest agreed. B. Kane noted that there appears to be broad support but that there are concerns about affordability.

J. DePriest noted a desire that any outreach be targeted to communities that host large percentages of low-income riders.

E. Discussion: Discussion of the MBTA's proposal to provide direction on preparing a report and recommendation to the full MBTA Advisory Board to staff. Co-Chairs: Since this took place during the presentation, there was none.

F. Upcoming Committee Meetings: As this was discussed previously in the meeting, this was not discussed.

- 2/16/24: Continued Discussion
- 2/23/24: No meeting- school vacation week
- 3/1/24: Continued Discussion and possible action on report
- 3/8/24: Discussion and action on report/recommendation (if needed)
- 3/12/24: Presentation to MBTA Advisory Board



G. Adjourn: With all business discussed, Co-Chair G. Verga requested a motion to adjourn. S. Magoon moved to adjourn, a motion which J. DePriest seconded. The meeting adjourned at 12:01 PM.

NOTE: These minutes were approved by vote of the committee at its 2/16/24 meeting.