



THE MBTA
ADVISORY BOARD

2024 Fare Changes Proposal

MBTA Board of Directors

March 28, 2024

Review & Recommendation

- MGL 161A §5(d) requires Advisory Board review of fare changes
- An *ad hoc* Fare Changes Review Committee met four times to consider, report, and recommend
- Committee and full board recommends approval as presented with some concerns



2024 MBTA Fare Changes Proposal Oversight Report

March 8, 2024

20 Park Plaza, Suite 473
Boston, Massachusetts 02116
www.mbtaadvisoryboard.gov

Fare Changes Review Committee

Municipality	Member		Designee
Town of Ashland	SB Chair Robert Scherer	represented by	Themselves
City of Boston	Mayor Michelle Wu	represented by	Matthew Moran
City of Brockton	Mayor Robert Sullivan	represented by	Alan Castaline, P.E.
City of Chelsea	City Manager Felix Maltez	represented by	John DePriest
City of Fitchburg	Mayor Sam Squailia	represented by	Themselves (Co-Chair)
City of Gloucester	Mayor Greg Verga	represented by	Themselves (Co-Chair)
City of Lynn	Mayor Jared Nicholson	represented by	Aaron Clausen
Town of Needham	SB Chair Marianne Cooley	represented by	Duncan Allen, P.E.
City of Watertown	City Manager George Proakis	represented by	Steve Magoon

Low Income Fare Need

MBTA Advisory Board funded 2019 MIT low income fare study of 240 SNAP recipients with a 50% discount on rapid transit for 4 months:

- 30% more trips taken
- More trips to health care and social service providers
- More trips taken during off-peak times
- Heavier reliance on bus and Silver Line services
- More transfers among modes and routes
- Paid with stored value on a card rather than on monthly or other passes.

How are such societal benefits to be paid for?

How Low-income Transit Riders in Boston Respond to Discounted Fares: A Randomized Controlled Evaluation

PRELIMINARY RESULTS

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Jintua Zhao, Mariana Arcaya, Justin Stiel, Chris Zengras



Department of Urban Studies and Planning
Massachusetts Institute of Technology
Cambridge, MA

June 9, 2019

Long Term Funding Plan?

- Of projected \$23M to \$62M annual program cost, only \$45M is available, and it is not guaranteed
- Future program funding subject to annual appropriation
- Projected MBTA deficit is \$567 to \$652M in FY25 increasing to \$799 to \$902 by FY29

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.

(millions)	FY24 (Pre-Launch)	FY25	FY26	FY27	FY28	FY29
Fare Revenue Loss	–	\$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
Operational Costs	–	\$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
Initial Program Design & Ongoing Administration Costs	\$4.2	\$2.9	\$2.9	\$3.0	\$3.1	\$3.2
Total Program Costs	\$4.2	\$23 - \$26	\$33 - \$40	\$40 - \$50	\$47 - \$58	\$52 - \$62

Source: MBTA

What About The RIDE?

2022 National Transit Database

Mode	Gross Operating Cost	Fare Revenue	Net Operating Cost	Unlinked Trips	Net cost per trip
Commuter Rail	\$474,347,246	\$80,658,731	\$393,688,515	14,310,785	\$27.51
Heavy Rail	\$333,756,435	\$125,112,804	\$208,643,631	78,861,897	\$2.65
Light Rail	\$199,157,007	\$47,061,388	\$152,095,619	31,261,416	\$4.87
Ferry	\$14,935,167	\$4,309,134	\$10,626,033	595,180	\$17.85
Trolley Bus	\$18,370,594	\$1,066,929	\$17,303,665	905,096	\$19.12
BRT	\$40,324,535	\$5,998,846	\$34,325,689	7,433,990	\$4.62
Bus	\$532,341,121	\$55,239,648	\$477,101,473	69,156,864	\$6.90
The RIDE	\$99,595,993	\$2,718,009	\$96,877,984	930,174	\$104.15
Total	\$1,712,828,098	\$322,165,489	\$1,390,662,609	203,455,402	\$6.84

Source: https://www.transit.dot.gov/sites/fta.dot.gov/files/transit_agency_profile_doc/2022/10003.pdf



Recommendation

By a vote of 54-0-2, the MBTA Advisory Board approved the following language, and submits the enclosed report to the MBTA Board of Directors:

The MBTA Advisory Board recommends that the Finance & Audit Committee, and MBTA Board of Directors approve the the fare changes as proposed. The MBTA Advisory Board also cautions that long-term, sustainable, and dedicated funding to support the low income fare program, and MBTA's capital and operation needs are required.