

Conservation Law Foundation Position on Scenario 3

Solving the MBTA's financial crisis is not going to be easy. It requires an immediate infusion of funds to close the \$159 million dollar FY 13 budget gap and, more importantly, long-term planning to restore the system to financial and operational health. The T is essential to a vibrant regional economy, for access to opportunity and jobs, for reducing highway congestion and air pollution, and for long term environmental sustainability.

The MBTA deserves credit for engaging the public in a rapid response to address the budget gap and for hearing all stakeholders' concerns about fare increases and service cuts. The Scenario 3 package, with a 23 percent average fare increase and minimal service cuts, will greatly reduce impacts on riders, and is within the range of reasonableness, given the T's desperate financial straits. Nevertheless, that increase will have a very significant impact on low income riders and must be accompanied by measures—now increasingly used by the T's sister agencies around the country—to mitigate that impact. Before July 1, the MBTA must put in place fare packages to ensure that those riders most dependent on public transportation will continue to have it as an option. As well, and as CLF and others have long called for, the T must adopt a regular schedule for more modest increases that will mitigate the impact of necessary fare increases and make its own budgeting process more predictable.

CLF also appreciates the MBTA's willingness to push for innovative revenue options that will, if adopted, begin to shift thinking about T finance over the long term. The strategies underpinning these approaches—to diversify revenue sources, and ensure that all who benefit, including our leading institutions, pay their fare share for the benefits they receive from the T—have long been advocated for by CLF and its partners. Leading transportation finance experts, including those attending a 2010 Blue Ribbon Summit convened by CLF and the Dukakis Center, support these approaches nationally, and indeed, many have begun to be implemented in cities across the country.

With Scenario 3, the MBTA has acted in good faith to minimize the burden on riders overall and has done just about as much as the agency can do within its authority. However, CLF believes that the MBTA should go the last mile to ensure that the fare increases don't prevent the most transit-dependent segments of the population—low-income riders—from using the system. Then, it's the Legislature's turn.

The MBTA can still act to reduce the impact of a fare increase on low-income passengers

The MBTA should immediately take action to reduce the impact of a blanket fare increase on transit-dependent riders by implementing reduced or discounted fares for low-income passengers before any increase goes into effect. The MBTA would be following a growing trend around the country. The Chicago Transit Authority (CTA), for example, in September of 2011, launched free fare cards for low-income seniors, paired with reduced fares for all seniors. Sun Tran in Tucson, Arizona offers all Pima County residents over the age of five who meet low-income requirements a reduced fare. C-TRAN in Vancouver, Washington, also has a similar program for low-income residents, as do Iowa City Transit in Iowa City, Iowa and Kitsap Transit in Kitsap County, Washington.

The Massachusetts Legislature should immediately approve the revenue proposals put forth in Scenario 3 to close the budget gap

CLF is calling on the Legislature to approve without delay the \$56 million in revenue required to close the MBTA's budget gap, including the following:

1. Vehicle Safety Inspection Program Surplus (\$51 million)
 - CLF supports MBTA's/MassDOT's proposal to use surplus funds from vehicle safety inspection program for MBTA's FY13 operating budget.
2. The RIDE Federal Medicaid/Medicare Reimbursement (\$5 million)
 - CLF applauds MBTA's proposal to allow for MBTA to report Medicaid/Medicare-eligible trips on the RIDE to the U.S. Department of Health and Human Services. CLF calls upon the Legislature to make any necessary legislative change to allow this proposal to move forward (including approval of additional funding if needed).

The Legislature should provide an additional revenue infusion of its own in this budget year to prevent loss of ridership on the MBTA

CLF is calling on the Legislature to provide additional revenue from a variety of sources to address the remaining FY13 operating budget gap, prior to an opportunity to develop a comprehensive and state-wide transportation finance solution. These include a proposal put forward by the MBTA with Scenario 3, but not included in the budget.

3. Transportation Bond Bill (\$50 million)
 - Include \$50 million item in bond bill as a one-time infusion of money for MBTA's operating budget through FY13.
4. Rainy Day Fund
 - CLF asks the Legislature to tap the rainy day fund to the extent necessary to close the budget gap.

The MBTA should be commended for exploring innovative revenue-generating mechanisms that look beyond fare increases and service cuts to fund its operations over the long-term

CLF commends the MBTA for moving to reduce the burden on users of the transit system by seeking revenue from new programs and sources, and for being open to exploring innovative ideas for a long-term funding solution for the T. CLF supports the following proposals which were not formally included in the Scenario 3 budget, but have been announced as being under consideration:

1. Implement a U-pass program for students and faculty.
 - The MBTA is opening a dialogue with local colleges and universities to implement a U-Pass program that provides unlimited access to public transportation at a discounted rate to all students within a transit authority's service area. The transit authority usually enters into a

contract with an educational institution to provide unlimited public transportation passes at a specified discounted rate. In return, the college or university pays the combined cost of discounted passes for all its students to the transit authority at the beginning of each semester. The educational institution may pass on the cost of the program fully, partially subsidize it, or pay for the program fully. The Chicago Transit Authority currently operates a similar program.

2. Purchase of MBTA Assets by Massport

- CLF asks the Legislature to provide approval for the purchase by Massport of the Silver Line service to the airport from the MBTA.

3. Off Peak Fares

- CLF supports MBTA's plan to offer off-peak discount fares for seniors over the next 16-18 months, and proposes that this incentive be provided to all riders to encourage ridership during less busy hours.

The Legislature should consider transportation challenges as a statewide issue and fund Regional Transit Authorities in addition to the MBTA.

CLF supports the Massachusetts Association of Regional Planning Agencies (MARPA) proposal to the Legislature to provide an additional \$15 million to fund the RTAs in FY13 as part of the short-term solution for the MBTA.