

To: Joint Committee on Transportation

From: Massachusetts Budget and Policy Center

Re: Legislation for fare-free public transit and discounted fares for low-income riders

July 28, 2021

Thank you, Chairman Straus, Chairman Boncore, and members of the Committee for this opportunity to speak about important legislation before you. My name is Phineas Baxandall. I am a Senior Analyst for the Massachusetts Budget and Policy Center (or MassBudget). I speak in support of both free bus fares and free or discounted fares for low-income transit riders. These two approaches are mutually supportive and work well in tandem.

As you know, the pandemic has worsened income and racial inequality in the Commonwealth. It is a problem that people generally agree needs to be addressed. It has widened alarming health disparities and raised new obstacles to opportunity for many communities.

The way Massachusetts collects public revenue compounds inequality. On average, households with moderate and (especially) low incomes contribute a higher percentage of their income in state and local taxes than high-income families. Economists call this a regressive tax system.

I can think of no other revenue source in Massachusetts that worsens inequality more for each dollar collected than bus fares. In fact, I know of no other revenue source that is more likely to be charged to lower-income people, who receive no discount, and is for an activity the Commonwealth ostensibly seeks to encourage.

Transit fares fall doubly hard on lower-income people in Massachusetts. First, lower income people are more likely to ride transit, especially buses. Second, a fare represents a much larger percent of income for poor families than for affluent ones. For these reasons, eliminating transit fares is an especially potent way to advance economic and racial equality.

Many initiatives across Massachusetts and elsewhere have shown significant performance benefits from cutting fares. Eliminating or reducing fares gets more people riding public transit, which helps reduce traffic congestion and climate change emissions. Likewise, we've seen that eliminating fare collection improves service and saves on costs by enabling transit agencies to focus solely on their transportation mission. From a transportation perspective, all the time and effort spent on fare collection, verification, enforcement, etc. is a waste and an inconvenience to passengers. Data provided by the Cape Cod Regional Transit Authority showed that before the pandemic the Authority spent 77 cents on fare collection costs for every dollar they

collected in fares. They are now experimenting with free fares on Fridays, as Brockton is on weekends. The City of Lawrence has re-extended free fares on some busy bus routes, as Boston will do at the end of August. Worcester and Franklin RTAs ceased fare collection early in the pandemic and have kept it that way. Public transit has also been made free in places like Raleigh, N.C. and Kansas City.

Eliminating and reducing fares won't pay for itself, so it's also important to also commit to finding ways to pay for it. The Commonwealth has never been at a better moment to do so. The roughly \$5 billion dollars in unassigned federal recovery funds for Massachusetts represent an unprecedented opportunity. The Legislature should back initiatives to cut fares now that will help the recovery and those who need it most. As these programs show their merit, the popular Fair Share Amendment ballot question will be voted on next November and can help to sustain these improvements over the long term.

I urge the members of the Committee to favorably advance the various bills before you that would eliminate fares and reduce them for low-income riders. You can read MassBudget's research reports on these issues below:

- ["The Dollars & Sense of Eliminating Fares"](#) – Describes how much money and time eliminating fares would save, how much ridership would increase, how doing so would stimulate local economies, and how much revenue would need to be replaced.
- ["Free Buses Advance Equity"](#) – Analyzes how transit fares increase inequality, the demographics of transit riders, how fares influence travel choices for low-income travelers, and how enforcement of fare policies has been racially biased.
- ["Freeing the Climate: Environmental Benefits of Eliminating Transit Fares"](#) – Outlines how eliminating fares can reduce transportation emissions, which are the largest and fastest growing current source of greenhouse gas emissions.

Thank you for your attention and this opportunity to submit testimony.

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