



# FAIR SHARE FOR THE MBTA

**VOTING YES ON 1 CAN MAKE THE  
MBTA SAFER AND FAIRER**

## INTRODUCTION

It's no secret that the MBTA is in crisis. Frightening safety problems. Unaffordable fares. Service cuts. The problems at the MBTA are all too familiar from recent headlines, rallies, and a month of shutdowns on the Orange and Green Lines. Riders, workers, transit advocates, and business groups agree that the MBTA must be made safer and more equitable to truly serve the public good.

But what many Bay Staters don't realize is that their vote on the ballot in November could help secure the future of the MBTA. Question 1 on the ballot, the Fair Share Amendment, could go a long way toward making the MBTA safer and fairer.

The Fair Share Amendment could provide the ongoing, sustainable revenue the MBTA needs to fix its many safety problems. Fair Share would generate funds to be used for two purposes: public education and the maintenance and repair of our Commonwealth's

**"The Fair Share Amendment could provide the ongoing, sustainable revenue the MBTA needs to fix its many safety problems."**

transportation system. Fair Share is expected to generate \$2 billion in new revenue — just a portion of this could provide ongoing support to ensure the MBTA can pay for the preventive maintenance, repair, and inspections that are needed. Support for much-needed maintenance and repair could grow the MBTA's overall budget, ensuring that funding for safety doesn't come at the expense of other important initiatives — like robust service, expanding the system, and making riding more affordable.

At the same time, Fair Share could make the MBTA funding fairer by ensuring the ultra-rich contribute more to the MBTA and don't leave low-income riders shouldering a disproportionate burden. Fair Share would generate new revenue provided by the wealthiest in our state by increasing the tax rate paid on annual income above \$1 million. Right now, most of the MBTA's revenue comes from sales tax and fares — two funding mechanisms that cost more as a proportion of household budget to low-income people.<sup>1</sup>

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<sup>1</sup> "Massachusetts: Who Pays? 6th Edition," ITEP, accessed September 26, 2022, <https://itep.org/massachusetts/>; Phineas Baxandall, "Free Buses Advance Equity," *Mass. Budget and Policy Center* (blog), March 24, 2021, <https://massbudget.org/2021/03/24/free-buses-advance-equity/>.

This upside-down revenue structure doesn't make sense.<sup>2</sup> The MBTA helps everyone, not just people who ride. Public transit decreases traffic and environmental burdens, and fuels economic growth by getting workers and customers to where they are going. Later in this report, we spotlight how one billionaire opponent of Fair Share profits from the MBTA service. Robert Kraft, Massachusetts' second-richest billionaire, profits from the MBTA service bringing football fans, shoppers, and workers to his "Patriot Place" development in Foxborough, but doesn't want to do his part for public transit and the public good.

## WHAT IS THE FAIR SHARE AMENDMENT?

The Fair Share Amendment is Question 1 on the Massachusetts ballot this November. Massachusetts voters will have the chance to make our transportation and education systems better by slightly increasing taxes on super-rich people in our state.

### *How would it work?*

A yes vote on Question 1 will change the Massachusetts Constitution to increase revenues and invest in transportation and schools.<sup>3</sup> There are two main parts:

1. The very rich would pay more tax on part of their income.

Right now, everyone in Massachusetts, no matter how much they make, pays an income tax of 5%. The Fair Share Amendment would increase taxes on the top 1% of Massachusetts residents who make more than \$1 million a year.

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2 For more on the MBTA's fare policy, see the Public Transit Public Good Coalitions' report, *Un-fare Deal: How Fare Policy at Baker's MBTA Transfers Wealth from Riders to Corporations*. [https://publictransitpublicgood.org/wp-content/uploads/2021/12/PTPG\\_Un-Fare-Deal-Report.pdf](https://publictransitpublicgood.org/wp-content/uploads/2021/12/PTPG_Un-Fare-Deal-Report.pdf).

3 See the Yes on 1 website, [fairsharema.com](https://fairsharema.com). The ballot question reads, "Article 44 of the Massachusetts Constitution is hereby amended by adding the following paragraph at the end thereof:

To provide the resources for quality public education and affordable public colleges and universities, and for the repair and maintenance of roads, bridges and public transportation, all revenues received in accordance with this paragraph shall be expended, subject to appropriation, only for these purposes. In addition to the taxes on income otherwise authorized under this Article, there shall be an additional tax of 4 percent on that portion of annual taxable income in excess of \$1,000,000 (one million dollars) reported on any return related to those taxes.

To ensure that this additional tax continues to apply only to the commonwealth's highest income taxpayers, this \$1,000,000 (one million dollars) income level shall be adjusted annually to reflect any increases in the cost of living by the same method used for federal income tax brackets. This paragraph shall apply to all tax years beginning on or after January 1, 2023.

- Even the richest will continue to pay 5% on the first million they take in, with an additional 4% paid only on income over \$1 million.
  - The \$1 million dollar threshold will be adjusted each year to keep up with changes in the cost of living.
2. The new revenues would be constitutionally dedicated to two uses — public education and the repair and maintenance of our transportation infrastructure.

The Fair Share Amendment is coming at a critical time for our transportation and education systems. Here in Massachusetts, we need new resources to help schools meet the needs of students, and to repair crumbling roads and bridges. One of our most urgent needs as a Commonwealth is to make sure the MBTA is both safe to ride and fairly funded. That is the focus of this report.

## HOW FAIR SHARE COULD MAKE THE MBTA SAFER

Decades of underinvestment and deferred maintenance have resulted in dire safety problems at the MBTA. These include the death of a rider, multiple runaway trains, train fires, a bus fire, an escalator malfunction, and daily risks to the workers and riders who operate, maintain, and use the system. There have been countless train accidents, and riders and workers are afraid they will be next in the news. The MBTA even took the extreme step of shutting down the entire Orange Line for a full month to make long-overdue repairs, while also closing off a significant portion of the Green Line. Under Republican Governor Charlie Baker, MBTA management has slashed the workforce and failed to maintain enough staff for safety-critical and operating positions, resulting in a dangerous workplace, increased risk to riders, widespread delays, and unprecedented rapid transit shutdowns.

In April 2022, safety issues at the MBTA prompted a Federal Transit Administration (FTA) inspection of the MBTA. The FTA found safety problems including needed repairs to tracks, understaffing and overscheduling workers, and inadequate training, safety communications, and quality control.<sup>4</sup> Many similar safety problems had been identified in an independent safety review in 2019.<sup>5</sup>

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4 Federal Transit Authority, Safety Management Inspection Report: Massachusetts Bay Transportation Authority and the Massachusetts Department of Public Utilities, <https://www.transit.dot.gov/regulations-and-programs/safety/safety-management-inspection-report-massachusetts-bay>.

5 Safety Review Panel Final Report, Massachusetts Bay Transportation Authority, December 9, 2019, <https://cdn.mbtta.com/sites/default/files/2019-12/2019-12-09-fmcb-B-safety-review-panel-final-report-accessible.pdf>.

These safety risks are unacceptable. It is our collective responsibility to keep riders and workers safe and invest in them, not put them at risk.

### *Underfunding and the safety crisis*

A key reason for the crisis? The MBTA does not have enough funding for the maintenance and repair of the existing assets.

While the MBTA clearly needs new policies and leadership that will prioritize worker and rider safety, needed changes will not be possible at current funding levels. In addition to the many costs of keeping a large public transit system running, the MBTA operating budget covers payments on debt interest and principle, dating back to debt transferred to the Authority in the wake of the “Big Dig.” For decades, the debt costs have threatened the MBTA.<sup>6</sup>

Today, it is clear that strained resources are a root cause of the MBTA’s safety problems.

In 2019, the Safety Review Panel<sup>7</sup> found that:

- “[S]evere budget cuts that occurred in 2016 and 2017 left the organization with a [staffing] shortage and a brain drain dilemma, with much of its industry/ institutional knowledge walking out the door.”
- Leadership feels that “[financial] discipline must continue.” But rank and file workers say “they are not being listened to and that the fiscal cuts have been too deep.”
- “Financial considerations take precedence over operational performance and safety.”

Three years later, the FTA found that the MBTA had begun, but not completed, many of the corrective actions recommended by the Safety Review Panel. Strained resources are still limiting safety at the MBTA.

According to the FTA report:<sup>8</sup>

- The MBTA is “still recovering from the impact of funding cuts.”
- “Budgeted positions do not reflect the true measure of required staff levels.”
- There is a “lack of resources for training and supervision.”

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6 Brian Kane, *Born Broke: How too much debt and a faltering financing source threaten the MBTA*. MBTA Advisory Board, March 2009, [https://mbtaadvisoryboard.org/wp-content/uploads/2021/09/Born\\_Broke.pdf](https://mbtaadvisoryboard.org/wp-content/uploads/2021/09/Born_Broke.pdf).

7 Safety Review Panel Final Report, pages 33, 32, and 17 respectively.

8 Federal Transit Authority, pages 7 and 8.

- There is not enough revenue to fund both capital projects for “enhanced capacity, safer, and more reliable passenger service and a better state of repair” and operating budget-funded maintenance of trains, track and other infrastructure.

Since 2016, the MBTA operating budget has grown, but has not kept up with inflation. An infusion of federal support during the first years of the COVID pandemic prevented cuts to the budget in FY21 and 22. But as federal money is spent, the MBTA is predicting budget shortfalls of more than \$400 million as soon as FY 2025.<sup>9</sup>

### *Fair Share could provide needed funds to bolster safety*

It is clear the MBTA will need an infusion of new revenues to assure the system is safe.

In the wake of the FTA report, the Legislature has dedicated one-time funds and borrowing authority to help fix the safety problems, and the Supplemental Budget under consideration by the Legislature may deliver more.<sup>10</sup> But ongoing funding is uncertain.

Currently, a little less than 20% of the MBTA operating budget goes toward maintenance<sup>11</sup> (See Figure 1). The MBTA is currently calculating the costs of complying with safety directives from the FTA, but it is very likely the Authority will need to increase its annual repair and maintenance budget going forward. Without a dedicated source of revenue for maintenance and repair, pressure may grow for the MBTA to cut service or raise fares that already place a heavy burden on low-income riders.

**"As a student and commuter who uses public transit, it is important to me that we improve our transportation. We need reliable and efficient transportation for students, workers, and everyone."**

*Jazmany Reyes, GreenRoots member*

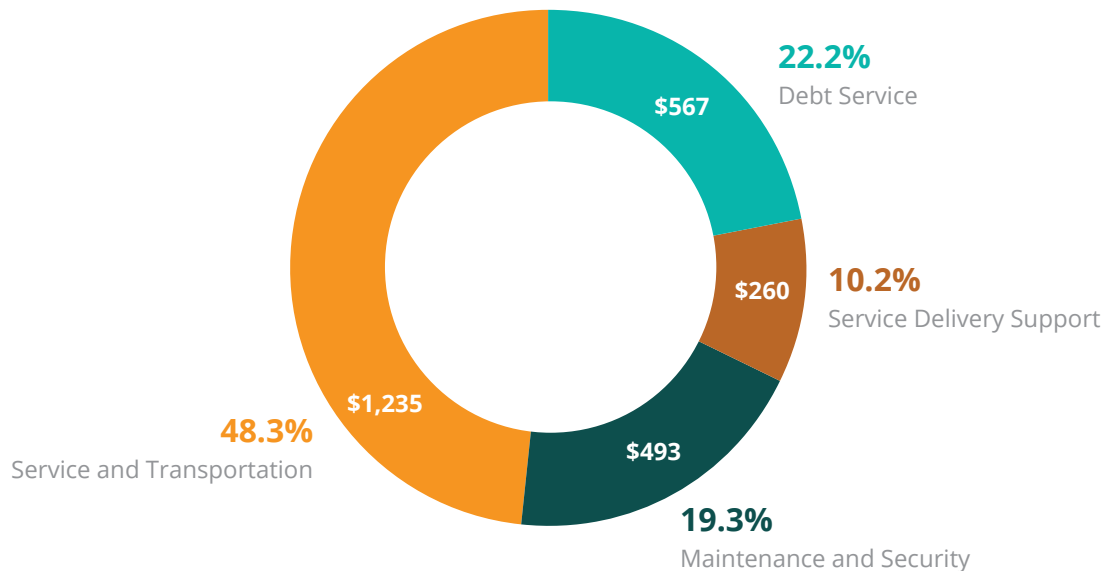
9 Massachusetts Bay Transportation Authority, “Fixed variable [sic] costs” MBTA Finance and Audit Committee, September 15, 2022, <https://cdn.mbta.com/sites/default/files/2022-09/Fixed%20%20Variable%20Costing%20-%20VF%209.9.22.pdf>, slide 17.

10 The FY23 Budget included \$266 million to address safety at the MBTA, and the Transportation Bond bill included \$400 million in State borrowing authorization to do the same. Governor Baker has proposed spending an additional \$200 million in his recent supplemental budget, which could be increased by the legislature.

11 MaryAnn O'Hara, FY23 Preliminary Budget, MBTA Board of Directors, April 14, 2022, <https://cdn.mbta.com/sites/default/files/2022-04/FY23%20Preliminary%20Budget%20-%20VF%204.14.22.pdf>, slides 13 and 14. Our chart differs from the MBTA version because we include debt service.

**Figure 1.** Breakdown of MBTA Operating Budget Expenditures, FY23

Figures are in millions of dollars



If Massachusetts voters approve Fair Share in November, additional safety needs can be funded on an ongoing, sustainable basis. This would keep riders and workers safe, while allowing the MBTA to continue to dedicate needed resources to keep the buses, trains, and trolleys running.

### HOW FAIR SHARE COULD MAKE THE MBTA FAIRER

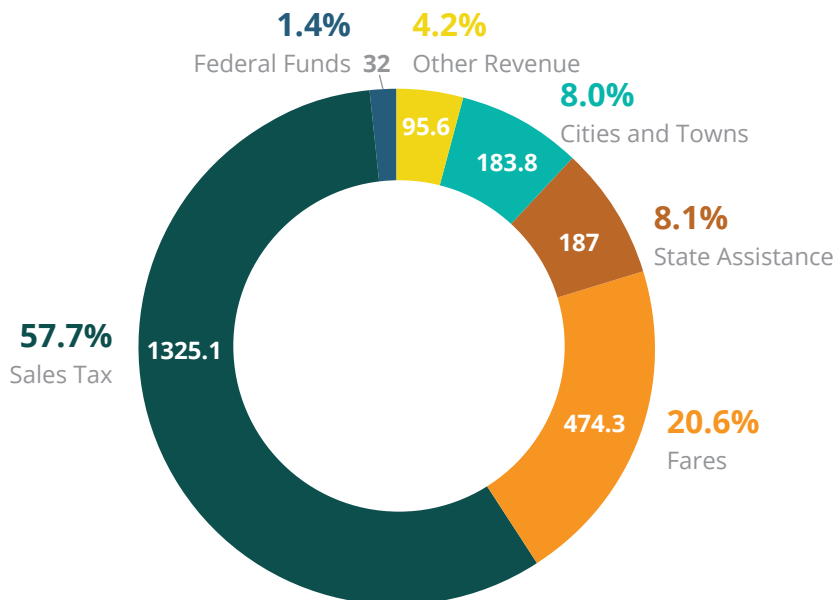
In addition to making the MBTA safer, funding from the Fair Share Amendment would make our transit system fairer, by ensuring the wealthiest Bay Staters pick up their part of the tab for our public transit.

We've already looked at how the MBTA spends its money. But where do the funds to run the system come from? The two largest sources of MBTA funding are fares and sales taxes. Other sources include contributions from the cities and towns it serves, parking and advertising revenues, and, especially during COVID, federal support<sup>12</sup> (See Figure 2).

12 Massachusetts Bay Transportation Authority, FY23 Itemized Budget, <https://cdn.mbtta.com/sites/default/files/2022-06/FY23%20Itemized%20Budget.pdf>.

Figure 2. MBTA Revenues by Source of Funds, FY23

Figures in millions of dollars



Fares and sales taxes are both *regressive*, meaning they cost more as a percentage of household budget for people with low incomes.

Take fares, for example. MBTA monthly passes are currently \$90. For a rider in the bottom 20% of Massachusetts earners, who makes \$22,000 a year, the cost of 12 monthly passes is equal to 4.9% of their annual income. The high cost for low-income riders forces some to choose between getting around and other pressing needs.

- These riders often do not have an alternative form of transportation, so must pay the fare even when it is a struggle and when safety problems or service cuts make their travel harder.
- MIT researchers found that riders receiving a discounted fare took about 30% more trips overall, and took more trips to access health care or social

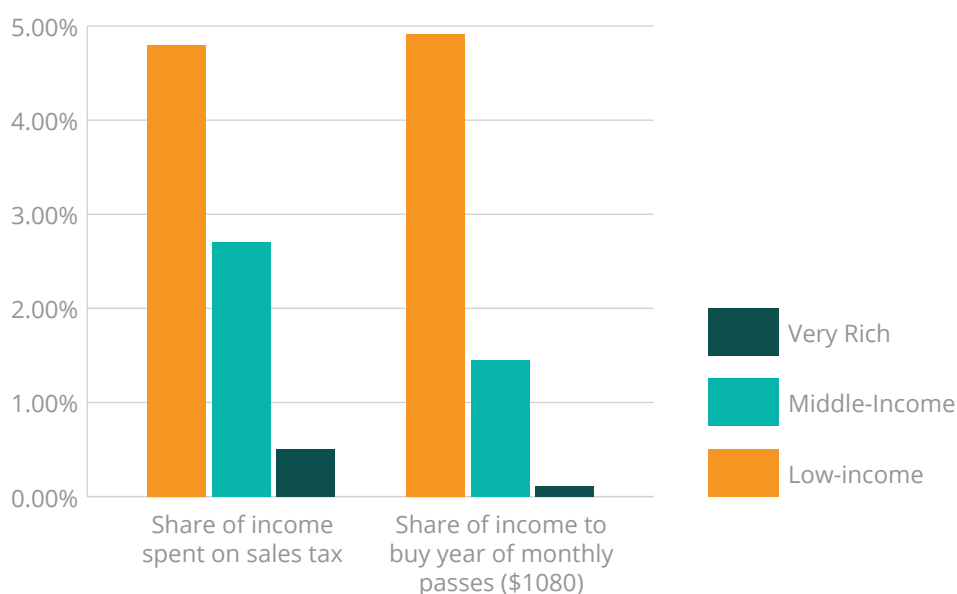
**"So many of the MBTA's problems today are due to years of underfunding – we just don't have enough people or resources to keep up with the maintenance demand. The Fair Share Amendment could make sure mechanics, inspectors, and tradespeople who work at the MBTA have the resources we need to do our jobs. With those resources, we can keep our riders safe."**

*–Mike Vartabedian, Assistant Directing Business Representative of the International Association of Machinists and Aerospace Workers (IAM), District 15*

services. This research demonstrates that high fares are a barrier to mobility for low-income people, and that a discounted fare will increase use of the system to access needed services.<sup>13</sup>

Fares are more affordable for those with higher incomes. For a rider in the middle 20% of Massachusetts earners, with a \$74,000 income, a year's worth of passes is about 1.5% of their annual income. For a person bringing in \$1,000,001 per year (the lowest income that would see a tax increase with the Fair Share Amendment), the cost of 12 monthly passes is only 0.1% of their income.

**Figure 3.** Share of income spent on sales tax and annual MBTA fares



Sales taxes are the most regressive tax in the Commonwealth. Households with an income in the bottom 20% pay 4.8% of their earnings in sales taxes. The middle 20% pays 2.7%, while the highest 1% pay only 0.5% of their incomes.<sup>14</sup>

Regressive taxes and fares not only deepen economic divides, they worsen racial inequity. Structural racism, including exclusion from good-paying jobs and lack of opportunities to accumulate wealth, means that people of color are overrepresented among the

13 Jeffrey Rosenblum et al., "How low-income transit riders in Boston respond to discounted fares: A randomized controlled evaluation," [http://equitytransit.mit.edu/wp-content/uploads/2019/06/whitepaper\\_v8.pdf](http://equitytransit.mit.edu/wp-content/uploads/2019/06/whitepaper_v8.pdf).

14 "Massachusetts: Who Pays? 6th Edition," ITEP, accessed September 26, 2022, <https://itep.org/massachusetts/>.

lowest-earning households. In Massachusetts, poverty rates are much higher in Black, Latinx, Native American, and Asian American populations compared to white populations.<sup>15</sup>

Unlike fares and sales tax, the Fair Share Amendment is a *progressive* tax. With a progressive tax, individuals with higher incomes pay a higher proportion of that income in taxes. With Fair Share, only people with incomes of \$1,000,001 per year would see an increase in taxes, and the increased rate would apply only to the part of their income over \$1 million. That means that only people who can afford to pay a little more will be affected.

Passing Fair Share and dedicating part of the revenue raised to the MBTA would shift the mix of funding at the transit authority. While passing Fair Share will not eliminate fares or make sales tax unnecessary, it *will* create a new source of revenue by taxing the super-wealthy to advance the public good.

**"The MBTA needs more resources to make sure our drivers and riders are safe. Instead of trying to squeeze more fares out of riders who are already struggling to pay, it's time for multi-millionaires to pitch in. Passing Fair Share could be a turning point in making sure the MBTA has what we need to have a safe and efficient system."**

*–Jim Evers, President/Business Agent,  
Carmen's Union Local 589*

## HOW THE WEALTHY BENEFIT FROM THE MBTA

The MBTA's contribution to the public good extends far beyond riders. Our public transportation system is critical to Massachusetts' prosperity, and it has contributed significantly to the vast wealth of some of the state's wealthiest residents. While the billionaires who benefit from the MBTA should pay their fair share, some of them are instead fighting the ballot initiative, hoping to influence voters with giant contributions to the misleading campaign against Question 1.

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15 "Massachusetts 2020," TalkPoverty, <https://talkpoverty.org/state-year-report/massachusetts-2020-report/>.

*How does the MBTA help all of us?*

Public transit provides big benefits to riders, who take about 700,000 trips on the MBTA on an average weekday.<sup>16</sup> But the system benefits everyone — rider or not — by easing traffic congestion and reducing travel times, vehicular crashes, and emissions that contribute to climate change. These benefits save about \$7.8 billion per year for the people of Massachusetts.<sup>17</sup>

The MBTA also allows our economy to thrive. Greater Boston drives the Commonwealth's economy, and our central industries — finance, higher education, research, health care, and tourism — rely on public transit to succeed. Jobs and homes alike are concentrated around public transit stations, and employers heavily rely on the MBTA to bring workers and customers to their doors.

Ironically, some of the biggest opponents of Fair Share have profited off the system they pay little to maintain. Here we spotlight Robert Kraft, a billionaire opponent of Fair Share.

*Billionaire Robert Kraft opposes Fair Share while profiting from the MBTA*

Robert Kraft, best known as the owner of the Patriots football team, is the CEO of a Massachusetts-based holding company that deals in paper and packaging, construction and real estate, and private equity investing, in addition to teams including the Patriots and the Revolution, and the entertainment and shopping complex in Foxborough known as Patriot Place.<sup>18</sup>

Kraft has a net worth of \$10.6 billion as of September 2022.<sup>19</sup> That makes him the second richest person in Massachusetts, second only to Fidelity CEO Abigail Johnson.<sup>20</sup> Kraft has profited immensely during the pandemic years, with his wealth rising from “only” \$6.5 billion in 2019.

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16 T Dashboard, Massachusetts Bay Transportation Authority and Massachusetts Department of Transportation, <https://mbtabackontrack.com/performance/#/detail/ridership/2022-07-01/////>.

17 Richard Dimino, et al., “The transportation dividend: Transit investments and the massachusetts economy” (A Better City and AECOM, February 2018), 15, <https://www.abettercity.org/assets/images/Transportation%20Dividend%20-%20FINAL%20-%20012918.pdf>.

18 The Kraft Group, <https://www.thekraftgroup.com/the-kraft-group-2-2/>.

19 Robert Kraft Profile, Forbes, <https://www.forbes.com/profile/robert-kraft/?sh=66b643f03ff4>.

20 Stacker, “Richest billionaires in Massachusetts,” What’s Up News, May 2, 2022. <https://whatsupnewp.com/2022/05/richest-billionaires-in-massachusetts/>.

To put Kraft's wealth in context, if one grain of rice was equivalent to one dollar, Kraft's wealth would fill more than 16 large dump trucks full of rice. The average white household in Greater Boston would have 11 pounds of rice, while the average US-born Black household would have just 8 grains.<sup>21</sup>



As of September 9, 2022, Kraft has given \$1 million to oppose the Fair Share Amendment, through a Connecticut company he owns, Rand-Whitney Containerboard. This ranks him among the top five contributors to the No on 1 effort.

While Kraft opposes Fair Share, it is clear that he knows the value of the public services it could fund. The Kraft Group has put years of effort into securing commuter rail service to Patriot Place in Foxborough. A look at this history shows that multi-billionaire Kraft is happy for MBTA service to bolster his already astronomical wealth, but does not want to pay his fair share to keep it going.

Kraft's profits from Patriot Place depend on getting people there. In 2007, Kraft predicted that 20 million people a year would come to Foxborough for games or to shop at the mall.<sup>22</sup> In 2022, that number was about 13 million.<sup>23</sup>

One barrier to getting people to Kraft's Foxborough development is that driving is slow and congested. Since 1971, special game day trains run by the MBTA have benefitted not only Patriots fans who wanted to avoid the traffic, but also Kraft himself by bringing customers

21 Thank you to Aaron Keating of the Economic Opportunity Institute for the concept and calculations for using rice to visualize net worth.

22 Elizabeth Abbott, "Putting stadium site to full-time use," New York Times, December 12, 2007, <https://www.nytimes.com/2007/12/12/realestate/commercial/12patriot.html>.

23 Rob Hackford, "What can WNY learn from developing Patriot Place?," WGRZ, May 10, 2022, <https://www.wgrz.com/article/sports/nfl/future-of-the-bills/what-can-wny-learn-from-developing-patriot-place-a-destination-in-foxborough-is-more-than-just-football-buffalo-bills/71-32e8306a-9671-446f-bffa-8a3df22efff2>.

to his venue. Yet, the “Patriot Train” only ran for football games and occasional special events, so it could not bring in customers or mall and stadium workers on other days or different schedules.<sup>24</sup>

Recognizing the value of public transit to its bottom line, the Kraft group lobbied for more regular service to Foxborough. Commuter rail service would allow non-drivers to get to Patriot Place to work or shop.

And converting the shopping center parking lot into a commuter parking lot could bring hundreds of riders there every day, with many of them likely shopping or eating there on their way to or from work. Despite opposition to the service from Dorchester and Mattapan residents who worried it would worsen service on their part of the line, Kraft got Foxborough Selectboard, Governor Baker, and MBTA executives on his side.<sup>25</sup>

Kraft’s efforts paid off. By 2017, the MBTA Board had voted to run a 11+ month pilot of commuter rail service to Foxborough. The first commuter rail pilot to Foxborough started in 2019, but was canceled early in 2020 due to the pandemic. A new pilot started September 2022, and the Kraft Group turned out the Patriots Cheerleaders and the team mascot to celebrate its arrival.<sup>26</sup>

The celebration makes you wonder — why would Kraft oppose a new tax that could help keep the trains that serve his customers safe and well-maintained? Maybe it’s because he’s more interested in profiting from the MBTA than in paying his fair share.

## CONCLUSION

On November 8, 2022, voters will have the opportunity to reimagine what is possible — a fairer tax system which funds public education and transportation and a transit system that is safe, efficient, and affordable. This is a critical moment and a YES vote for the Fair Share Amendment will put Massachusetts on the right track. We will have the power to

**"I feel that it's [the 1%'s] responsibility to take care of the people and the state, just as much as it is mine and other workers'."**

*Mary Napolitano, Massachusetts Senior Action member*

24 Taryn Plumb, “Football train’ picks up fans”, Boston Globe, November 13, 2011.

25 Daniel Libon, “Kraft Group and MBTA reach agreement on commuter rail stop,” Patch.com, January 10, 2015; Bera Dunau, “Kraft Group sways board to OK commuter rail pilot program,” Foxboro Reporter, February 9, 2017; Bruce Mohl, “Baker, Kraft push Foxborough commuter rail service,” Commonwealth Magazine, February 27, 2017.

26 “Mascot and cheerleaders relaunch Boston commuter service,” Railway Gazette, September 16, 2022, <https://www.railwaygazette.com/passenger/mascot-and-cheerleaders-relaunch-boston-commuter-service/62576.article>.

put our crisis of safety in the rearview mirror and mend the inequities that burden low-income riders and favor the wealthy. The Fair Share Amendment holds the potential to address both crises, making the MBTA safer and fairer in the decades to come.

## **PUBLIC TRANSIT PUBLIC GOOD STEERING COMMITTEE INCLUDES:**

### *Co-Chairs*

- Lee Matsueda, Community Labor United
- Mike Vartabedian, International Association of Machinists and Aerospace Workers (IAM), District 15

### *Members*

- Bob Bower, Massachusetts AFL-CIO and Community Labor United
- Susanna Bohme, Community Labor United
- Mela Bush-Miles, Alternatives for Community and Environment
- Raena Camacho, Coalition for Social Justice
- Paulina Casasola, Clean Water Action
- Karen Chen, Chinese Progressive Association
- Sabrina Davis, Coalition for Social Justice
- Brian Doherty, Greater Boston Building Trades Unions
- Jim Evers, Boston Carmen's Union, Local 589
- Darlene Lombos, Greater Boston Labor Council
- Chrissy Lynch, Massachusetts AFL-CIO
- Sara Arman, GreenRoots
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Report Author: Susanna Bohme, Community Labor United

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