

4-23-2020

East Texas Council of Governments: GoBus Fare Collection

Melissa Cure

East Texas Council of Governments

Follow this and additional works at: <https://scholarworks.sfasu.edu/cpmar>



Part of the [Public Administration Commons](#)

[Tell us](#) how this article helped you.

Recommended Citation

Cure, Melissa. 2020. "East Texas Council of Governments: GoBus Fare Collection." *Certified Public Manager® Applied Research* 1, (1). <https://scholarworks.sfasu.edu/cpmar/vol1/iss1/2>

This Article is brought to you for free and open access by SFA ScholarWorks. It has been accepted for inclusion in Certified Public Manager® Applied Research by an authorized editor of SFA ScholarWorks. For more information, please contact cdsscholarworks@sfasu.edu.

East Texas Council of Governments: GoBus Fare Collection

Melissa Cure,
Business Development Manager, East Texas Council of Governments

Abstract

Introduction

The purpose of this research paper is to provide the decision makers at the East Texas Council of Governments GoBus rural transit system with information as a basis for the future of how fares are collected, and to look for ways to resolve problems in our current fare collection method. The main issue involves accepting cash and checks because of the large service region GoBus Transit covers. GoBus depends on the bus operators to collect fares and make deposits, which becomes a major problem with accounting. As listed on the official website of SWARCO, an Austrian technology company, an “Automated Fare Collection (AFC) is a generic term for a ticketing system in public transport where the fare is no longer paid directly but via ticket vending machines, online services or other methods.”¹ The goal is to implement a new fare collection method by September 1, 2020 that eliminates monetary cash and check collection.

About GoBus

The East Texas Council of Governments was made a Rural Transit District in September 1995. A Rural Transit District, as defined by the State of Texas Transportation Code, is “a political subdivision of the state that provides and coordinates rural public transportation in its territory.”² The rural service today is called GoBus and it is the second largest rural transit district in the state of Texas, covering fourteen counties and almost 10,000 square miles. GoBus covers the following counties: Anderson, Camp, Cherokee, Gregg, Harrison, Henderson, Marion, Panola, Rains, Rusk, Smith, Upshur, Van Zandt, and Wood. GoBus receives State and Federal funding for operations and the administration of the program. Transit Districts receive State and Federal funding based on a formula that uses population, land area, vehicle revenue miles, and low-income populations to determine each apportionment.

Each year the previous year’s collected fares by each agency is deducted from their federal award. One may wonder, why collect any fare and why not let everyone ride free if it really doesn’t affect funding? Agencies have tried this before and what happens is the demand increases so much they are inundated with trips they cannot keep up with. Also, they get a large number of people that just want to ride around on the bus all day because they are either homeless and trying to keep warm or cool, or they just don’t have anything else to do and want people to talk with.

GoBus performs rural, demand response, curb to curb transit service. Demand response means trips are scheduled at least twenty-four hours and up to fourteen days in advance. Curb to curb means passengers are picked up at their home and taken to the destination of their choice. Passengers call GoBus when they are ready to be picked up and returned to their home or to their next destination.

The entire GoBus fleet is ADA accessible and partners with the Area Agency on Aging to provide trips to medical appointments and senior centers for persons over sixty years of age. All veterans and active military ride for free.

A common misconception is that GoBus is only for seniors and persons with disabilities, but it is public transportation for people of all ages. GoBus provides over 100,000 trips every year and takes people to work, shopping centers, doctor's appointments, to visit friends or anywhere the person wishes to go in our service region. GoBus also provides service for special events and requests from cities and counties in the region, as well as charter service.

GoBus began utilizing a GoPass using the Square technology system in April 2018, but this didn't eliminate passengers paying the bus operators with cash or check. Recently Square raised their percentage rates on funds collected and blocked all reporting without payment of a subscription fee.

Current Fare Structure

All transit districts have the ability to determine their own rates and fare structure. Some charge a flat rate every time a person boards the bus and some charge by distance or zones. Some public transit agencies have very complicated cost-per-mile fare structures.

In the past, GoBus charged \$4 (USD) per one-way trip within the same county a passenger was picked up in, and \$8 each one-way trip if they went to another county. In 2018 GoBus changed this to a \$2 flat rate for each one-way trip and \$1 for each additional stop. GoBus currently accepts cash, GoPass, check, or credit/debit cards as payment. Since bus operators do not give change, customers are supposed to have exact change. However, if someone boards the bus and pays \$20 cash, they are given a GoPass with the remainder loaded onto it. For example, if Ms. Jones gets on the bus today and is going to the store and back, the total cost would be \$4. If she paid \$20 in cash, the bus operator would load \$16 on a GoPass for future trips.

Coordination

In addition, integration with other agencies needs to be considered. Because GoBus is a non-profit service that is operated using state and federal funding for rural transit, we cannot pick up customers inside the urbanized areas of Tyler or Longview because they have urban transit systems. Transit districts become urban once their populations reach 50,000. GoBus can only pick up passengers outside these areas, bring them into the city, drop them off, and then pick them up to return outside the urbanized area. GoBus has good working partnerships with both Longview and Tyler Transit as well as Tyler Taxi. In an effort to help eliminate barriers for transit riders, the above agencies have discussed passes that can be utilized between all of the organizations.

Mandated by House Bill 3588, our region has a planning committee, EasTexConnects, for regional public transportation coordination. In their own words, the EasTexConnects Committee "is comprised of elected officials or their appointees, citizens, and representatives of social service agencies, local transportation providers, and businesses."³ The mission of the group is to create and connect a comprehensive, flexible, and sustainable public transportation system throughout and beyond the fourteen counties of state planning region six. Planning regions are areas designated by the Governor for planning and problem solving among local government agencies.

A subcommittee of EasTexConnects was formed to visit other areas around the state to see what they use for coordinating fare collection between systems. The subcommittee visited Dallas Area Rapid Transit, Fort Worth's TRE, and Denton County Transit Authority. These three systems coordinate service and passes work between all systems. However, the three systems are also all large urban systems that receive significantly more funding and carry millions more passengers each year than GoBus in East Texas.

Issue

GoBus collects an average of \$200,000 a year in fares from its passengers. The passengers pay by cash, check, GoPass, or credit/debit card. The bus operators collect payment from passengers when they board the bus. Cash and check fares are supposed to be deposited weekly by the bus operator, which doesn't always happen, but staff does not have the time or resources to check and take disciplinary action when it doesn't happen. Every bus operator has deposit slips from one of three banks GoBus uses because there is not one bank brand located in all the counties served. The paperwork and deposit slips are then funneled from bus operator to bus operator until they reach the GoBus office. The paperwork is typically turned in once a month to the Financial Specialist. The financial specialist then sorts through and tries to reconcile a month's worth of paperwork from fifty bus operators. At this point, if there are any questions, no one remembers what happened.

At most other transit agencies, the drivers go to one location daily and are able to turn in their paperwork. Since GoBus covers such a large area, the bus operators do not go to one location daily; instead they park in twenty various locations all throughout the region. It is a two hour drive east to west and a two and a half hour drive north to south to cover our region.

GoBus employs about fifty bus operators, seven schedulers and dispatchers, a financial specialist, four managers, and a director. Management staff sometimes only see the bus operators every other month on a Saturday when bus operator meetings are held. With the area being so large and the bus operators being responsible for collecting and depositing fares, said fares are difficult to track, easy to lose, and a tremendous amount of paperwork to monitor and review.

Even though our policy states deposits will be made weekly, we have bus operators that only make deposits after payday because they use the fare money collected to help them make it from payday to payday. Also, if a passenger asks to make an extra stop at the last minute and the bus operator allows the stop, the operator can keep that cash and the office never knows.

This research paper will look at the different systems available for fare collection and survey the twenty-eight rural transit districts in Texas to see how they collect fares.

There are several things GoBus would like to achieve with a new system:

- Integrated Efficiency in Reporting
 - reduce time spent on reporting
 - increase the accuracy of data
- Improved Fraud Prevention
 - eliminate accepting cash or checks to reduce theft
 - limit access to money put into fareboxes
- Secured Assets

- implement locked boxes for limited access to cash/checks if we cannot eliminate cash/checks altogether
- Integrated Software
 - employ a system that works with our current transit and/or financial software
 - employ a system that can be integrated with other agencies if possible

Surveys

Rural Transit District Survey

GoBus staff created a nine-question survey to send out to the twenty-seven (excluding GoBus) rural transit districts in Texas to see how they handle fare collection.⁴ Between September 16 and September 27, 2019, nine organizations completed the survey. The questions and responses gathered from all three surveys can be found, as sent and received, in Appendix A.

The information gathered was not as useful as anticipated because the districts surveyed all take cash and are able to reconcile at least weekly. Most agencies reported they count and reconcile fares daily. That option doesn't work for GoBus because bus operators don't come to the office daily. The goal is to become a cashless system so that deposits by operators are not needed.

Bus Operator Survey

Staff wanted to get the opinions of our own bus operators regarding how we currently collect fare and how well they think it works. All questions and responses collected between September 16 and September 27, 2019, can be found in Appendix B.

Most bus operators feel that if we stop taking cash altogether, we will lose some ridership because some passengers either simply prefer cash or have only cash available. The majority of GoBus riders are older and don't use or trust online methods due to the risk of their information being compromised. Bus operators' survey data shows those passengers utilizing GoPasses the most are evenly spread throughout all the age groups. It is important to note, however, that passengers can pay cash for a GoPass.

GoBus Passenger Survey

The customer survey, which can be found in Appendix C, was helpful in that the majority of those surveyed would be okay with not paying cash. Although some would not like a cashless system, this is helpful information to know moving forward with our decision. A small percentage of those surveyed do not have a cell phone or access to the internet, which would prevent any kind of mobile app or online ticket purchasing.

Collection Systems

GoBus gathered data on different types of fare collection systems to determine the direction of future collection and to compare the price of each system. First, we needed to understand what options are available.

Fareboxes

A farebox is a box that is installed on every vehicle that accepts cash, coins, or tickets. There are different sizes and functions, depending on an agency's needs. A farebox can collect cash and that is something GoBus would like to eliminate. Some positive attributes of fareboxes are that they accept overpayment and return extra money on a card for future trips, they are fully automated, include ticket issuing capabilities, track all payments, and have vaults that keep cash secure. The negative attributes are that it is still a cash collecting system, in agency discussions with Genfare it was discovered that the it costs between \$7,000 and \$18,000 per farebox, and takes up already limited room in the buses. In addition, it requires a software system that is not compatible with RouteMatch, our current transit software.

Electronic Ticketing System

Electronic ticketing systems are very similar to a regular bus farebox but slightly cheaper and are not located on the bus. These systems also include a way for the operators to enter cash transactions. Positive aspects of electronic ticketing systems are that they automatically total payments and simplify reporting. In addition, customized passes can be created for customers to scan when boarding the bus, and accounts can be setup online. There are a few agencies that pay for their clients or employee's trips, which makes the online account convenient. This system could work, but these ticketing systems still have to be set up in many convenient locations throughout the fourteen-county region in order for passengers to purchase their fare. Unfortunately, it wouldn't be cost effective because they cost between \$2,500 and \$5,000 per box and they require maintenance. The maintenance includes refilling of cards and emptying of the cash collected. The software used by the electronic ticketing system GoBus considered cannot be integrated into RouteMatch.

Mobile Ticketing System

A mobile ticketing system can be set up on passenger's phones and can include additional features, like trip booking and real time location tracking of their bus. This type of system gives passengers more control and tracks payments for easy reporting. Most companies that have mobile ticketing systems still collect cash. Staff also needs to consider the types of riders on the system and most GoBus passengers are over the age of sixty. Although most people today have a cell phone, they aren't all smartphones, which would be required for this type of system. In addition, a mobile ticketing system would not be compatible with RouteMatch. Staff doesn't feel like this would be the best type of system for GoBus at this time.

Summary of Systems

Although all the companies offering the above systems promise that their system will reduce fraud and increase ticket sales, we still are not sure any one of these is the type of system for our current needs. These systems still facilitate cash and checks; even though they secure the fare in a box that can only be opened by a limited number of people, there is still the issue of only being in contact with the bus operators once every couple of months. This timeframe would be too long to hold customers' cash or checks before deposits are made.

Other problems with implementing new technology are that such technology is expensive, disrupts service, is outdated quickly, requires employee training, and requires new policies and procedures, testing, marketing, and education of the public. All the systems we researched required an additional software system and could not be integrated into RouteMatch, the transit software we currently use. Also, all the systems seemed designed more for large urban transit providers that have millions of passengers using transit for their daily commutes, rather than for a smaller transit provider such as GoBus.

GoBus consulted RouteMatch years ago to see what they offer in terms of automated fare collection since we are a current customer. They have an application called RouteMatch Pay that includes a mobile app for passengers as well as software for driver tablets that allows phones to be scanned for payment.⁵ RouteMatch Pay was very expensive years ago and since GoBus has utilized this transit system for ten years, there is currently a request for proposal out for a new transit software system. For these reasons staff decided not to pursue RouteMatch Pay further until a decision is made on what transit software system will be chosen.

Discovery of an Additional Option

Since GoBus is so large geographically, covers an extremely rural area, and lacks internet service in a majority of the area, we were still not sure exactly of the direction we would like to take moving forward. While researching the different types of fare collection methods, we found another possible solution. A company called Incomm sells gift cards in store kiosks at local retailers.⁶ We have contacted them to see how much this will cost. It will almost certainly cost much less than the above options.

Gift cards in varying amounts would be placed in kiosks throughout the fourteen counties at retailers like Wal-Mart, CVS, Walgreens, and Dollar Stores. With this system, GoBus could stop taking cash altogether, but if someone only wanted to pay with cash, they could be transported to their local retail store in order to purchase the cards utilizing cash. The gift cards can be purchased in predetermined amounts as well as custom amounts. Discounts can be added to frequent riders if they purchase larger amounts to encourage them to purchase in advance. For example, if they purchase enough rides for the month, they may get a ten percent discount for purchasing a monthly pass.

Decision

For now, staff decided to go with Incomm for several reasons. For one, staff is not sure which transit software system they will be using after the request for proposals are returned. The other proposed systems are expensive and geared toward large urban systems that have choice riders, rather than passengers who are mostly dependent upon the service (as are most of the GoBus passengers). Incomm is simple, more cost efficient, has passes that can be customized for the GoBus organization system, and can be used by multiple organizations with ease.

Marketing & Education

In order to launch a successful new program, it is important to have a good implementation plan and marketing strategy. Staff will create processes and procedures on how the new system

will work in order to begin educating current customers as soon as possible. This will give them an adequate amount of time to get used to the elimination of cash and checks before the new system actually starts on September 1, 2020. The goal will be to sell the new service in a way that benefits the end user. Staff will use technology and social media to begin the process of educating the public on the new system. Flyers that layout the new method in simple steps will be created and placed in all buses. The campaign will also begin with a promotional discount on card purchases during the first month.

Staff has discussed this with Lindsay Vanderbilt, the Director of Communications for the East Texas Council of Governments to get her input on marketing the new service. She suggested creating a short video showing how easy it will be to purchase the passes at local retailers. She will also create a public notice announcement to be emailed out and posted on social media along with reminders every couple of weeks.

Conclusion

Although the end result is not what was originally planned or expected, it is the best solution for GoBus Rural Transit District at this point in time. There may be solutions that work better in the future as technology advances and new systems and software are created. For now, due diligence in researching current options has been fulfilled and management staff is happy and comfortable with their decision. Time will tell if it is the best decision to meet our mission and serve our customers.

Notes

¹ “Automated Fare Collection,” Swarco, accessed November 27, 2019, <https://www.swarco.com/solutions/public-transport/automated-fare-collection>.

² State of Texas Transportation Code, Title 6, Subtitle K, Chapter 458, accessed November 26, 2019, <https://statutes.capitol.texas.gov/Docs/TN/htm/TN.458.htm>.

³ “Grassroots Planning for East Texas Transportation Services,” Regional Coordination, GoBus, accessed November 25, 2019, <https://www.gobustransit.com/EasTexConnects>.

⁴ “Texas Transit District Profiles,” Transit Mobility Program, Texas A&M Transportation Institute, accessed November 1, 2019, <https://groups.tti.tamu.edu/transit-mobility/resources/profiles/>.

⁵ “Pay,” Solutions, RouteMatch, Accessed November 29, 2019, <https://www.routematch.com/pay/>.

⁶ “Tolling and Transit,” Products, InComm, accessed November 29, 2019, <https://www.incomm.com/products/tolling-transit/>.

Appendix A

Texas Rural Transit District Survey

Agency Name	Does your agency use an electronic or farebox collection system?	If yes, what system?	Does your agency accept cash?	Does your agency accept checks?	How is fare collected, counted, and reconciled?	Does your agency have a mobile ticketing app?	If yes, what system?	Additional information do's, don'ts or lessons learned?
SWART	No	N/A	Yes	No	The drivers come in everyday and count their fares and text them into the office and with confirmation from office the driver drops the money in a safe. The next day the supervisor takes all the money out and counts it against the dispatcher's fare summary and makes sure its correct, then the money is taken to the Bookkeeper for deposit to be made at the bank.	No	N/A	
REAL, Inc.	Yes	Farecards through Shaw Software	Yes	Yes	Dispatch reconciles with drivers logs once drivers submit their daily collections. Once counted and verified, Dispatch generates a deposit slip and deposits collections at the local bank. Finance reconciles all deposits.	No	N/A	
Senior Center Resources and Public Transit	No	N/A	Yes	Yes	Driver account for their daily fares and drop into a fare collection box back at the Depot. Then finance staff opens the envelopes and reconciles from the days trips to what the driver submitted. Discrepancies are then addressed. Once fares are counted and totaled for the day, they are then bundled and go to a 2nd staff person to verify who then prepares the deposit and notifies staff if any discrepancies of what accounted for and what was deposited.	No	N/A	

Central Texas Rural Transit District	Yes	Collection Box – Novus System	Yes	Yes	Each day the money is counted by two people and it will match what the system says they should have. We make deposits every day.	No	N/A	
Public Transit Services	Yes	Collection Box	Yes	Yes	The drivers collect as passengers board the vehicle and enter it into the tablet. We use RouteMatch. At the end of the week the driver gets a money order for the total amount of cash collected and submits with fare sheet that is completed daily.	No	N/A	We make sure that we do not give change. The client has to have the exact change or if not, they can make a donation. Our drives do not carry change on them. We also sale [sic] tokens.
Colorado Valley Transit District	No	N/A	Yes	Yes	Money is collected and turned into the office daily to be reconciled.	No	N/A	
Ark-Tex COG	No	N/A	Yes	Yes	Our drivers collect fares paid by cash and check and bring to the office daily where it is checked against their daily manifest and then deposited by office staff.	No	N/A	
South Padre	No	N/A	Yes	Yes	Fare is collected by the drivers and turned into the office each week.	No	N/A	
Star Transit	No	N/A	Yes	Yes	All fares are reconciled the following day.	No	N/A	

The following Texas agencies were emailed the Rural Transit District Survey:

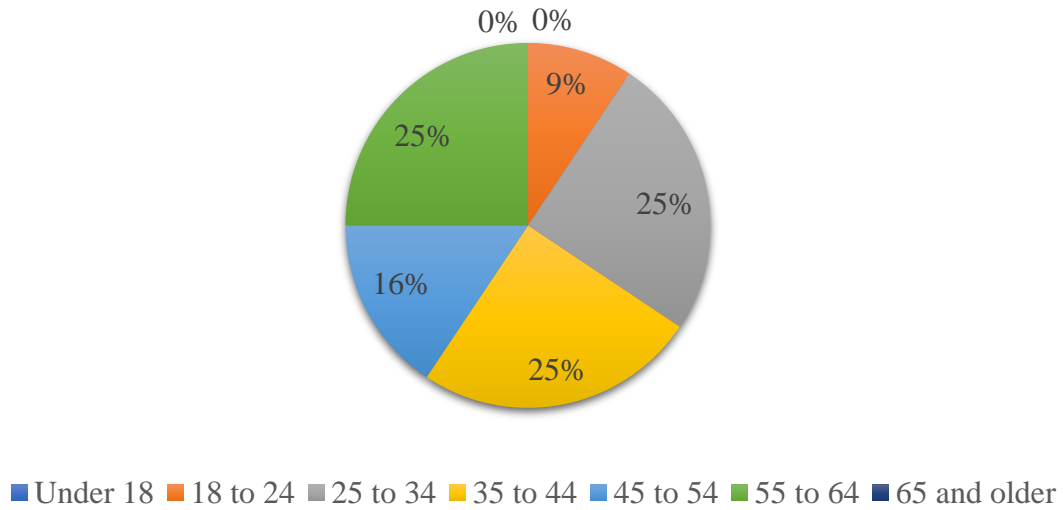
- Alamo Area Council of Governments (Alamo Regional Transit – ART)
- Ark-Tex Council of Governments (TRAX)
- Aspermont Small Business Development Center (Double Mountain Coach)
- Central Texas Rural Transit District (City and Rural Rides – CARR)
- Cleburne, City of (Cletran)
- Colorado Valley Transit District (Transit – CVTD)

-
- Community Services, Inc. (CTS)
 - Del Rio, City of (Del Rio Transportation Program)
 - East Texas Council of Governments (GOBUS)
 - El Paso, County of (El Paso County Transit)
 - Fort Bend County Rural Transit District (Fort Bend Transit)
 - Heart of Texas Council of Governments (Heart of Texas Rural Transit District – HOTRTD)
 - Kleberg County Human Services (Paisano Express)
 - McLennan County Rural Transit District (MCRTD)
 - Panhandle Community Services, Inc. (Panhandle Transit)
 - Public Transit Services (PTS)
 - Rolling Plains Management Corporation (SHARP Lines Rural Public Transportation)
 - Rural Economic Assistance League, Inc. (REAL)
 - Senior Center Resources and Public Transit, Inc. (The Connection)
 - Services Program for Aging Needs (SPAN)
 - South East Texas Regional Planning Commission (South East Texas Transit – SETT)
 - South Padre Island (Island Metro)
 - South Plains Community Action Association, Inc. (SPARTAN Transportation)
 - Southwest Area Regional Transit District (SWART)
 - STAR Transit
 - The Transit System, Inc. (TTS)
 - Webb County Community Action Agency (El Aguila Rural Transit Program)
 - West Texas Opportunities, Inc. (Permian Basin Rural Transit District – TRAX)

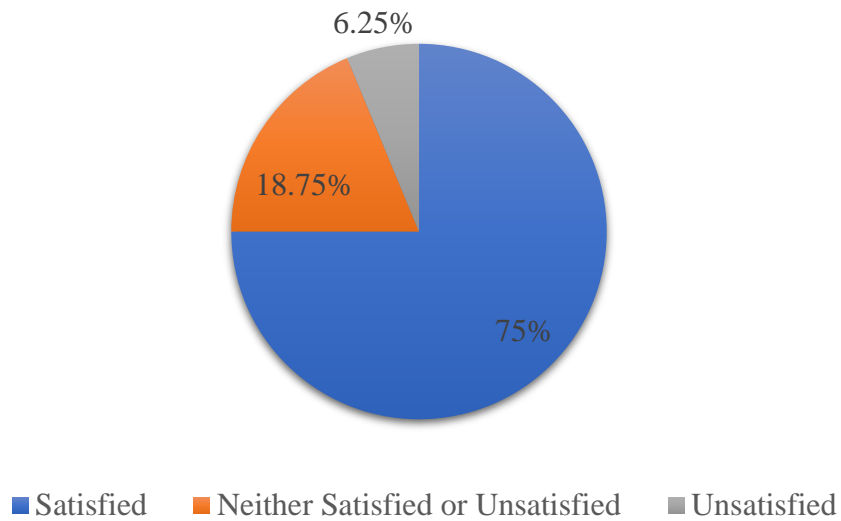
Appendix B

GoBus Driver Survey with 32 Respondents

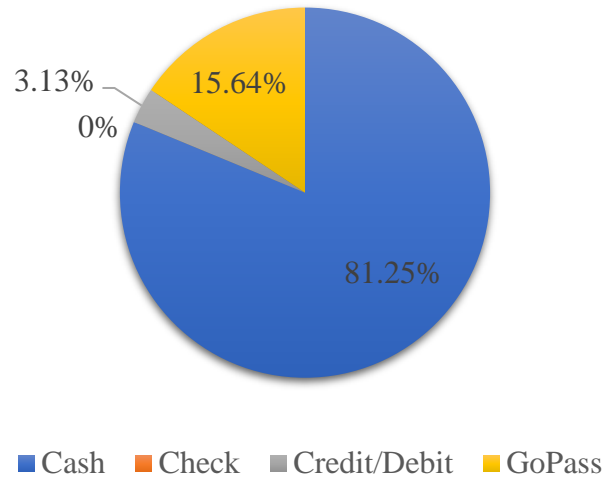
What group uses debit/credit or GoPass the most?



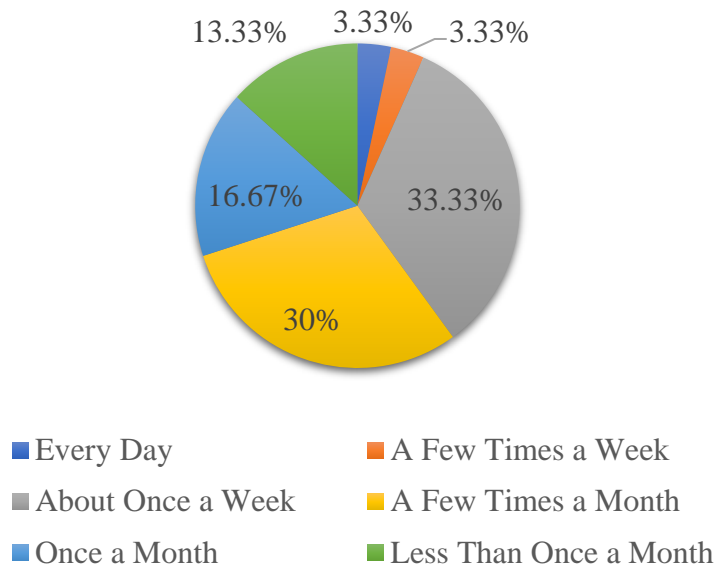
Rate the Current GoBus Payment System



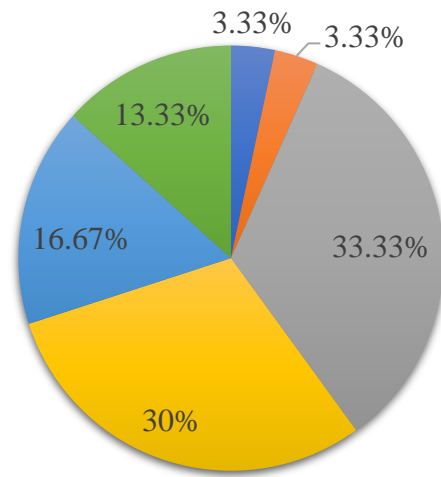
What is the Most Common Form of Payment?



When Using GoPass, How Often is the Card Reloaded?

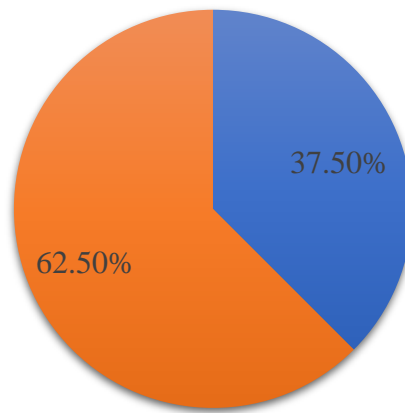


When Using GoPass, How Often is the Card Reloaded?



- Every Day
- A Few Times a Week
- About Once a Week
- A Few Times a Month
- Once a Month
- Less Than Once a Month

If GoBus Only Accepted Cards, Would Customers Still Use GoBus?



- Yes
- No

Appendix C

Ninety-Four (94) passengers from the following counties were surveyed on GoBus

County	Number of Responses
Anderson	7
Camp	9
Cherokee	8
Gregg	5
Harrison	10
Henderson	5
Marion	3
Panola	9
Rains	3
Rusk	9
Smith	8
Upshur	7
Van Zandt	5
Wood	6

Do You Think a Farecard is a Good Idea?	
Yes	73
No	21
Would You Use a Farecard?	
Yes	65
No	29
Do You Own a Cell Phone?	
Yes	90
No	4
Do You Have Internet or Access to the Internet?	
Yes	86
No	8
Would You Like More Information?	
Yes	90
No	4
Would You be Okay with Not Paying Cash?	
Yes	67
No	27