

## NO-SHOW PAYMENT POLICY

### *Schoolcraft County Public Transit, Manistique, Michigan*

#### SUMMARY OF THE STRATEGY:

Schoolcraft County Public Transit requires that customers pay the fare for any no-shows with their next completed trip.

#### DETAILED DESCRIPTION:

Schoolcraft County Transit drivers will wait for a passenger to board at least three minutes from time of arrival (sometimes as long as five minutes depending upon the customer, location, and the driver's schedule). For longer waits, the driver may go to the door and knock, and/or have the dispatcher call the customer

If the scheduled passenger does not appear within 3-5 minutes, and has not called to cancel the trip before the driver arrives, the trip is considered a no-show. The driver radios back to the dispatcher to report the no-show, the dispatcher records the no-show in the dispatching software system, and the customer is documented as owing the amount of the fare that would have been collected if they had boarded the vehicle.

The next time the passenger calls to schedule service, they are notified that they owe the amount of the fare for the no-showed trip. The dispatcher also identifies any passengers with outstanding balances on each driver's schedule for the next day. The driver then informs the passenger when they board that they owe the fare for the no-show.

In cases where the passenger's fare is billed to an organization (such as a human service agency), the organization is billed for the

#### AGENCY PROFILE

**Organization Type:** County Government

**Service Area:** Schoolcraft County, Michigan, on the Upper Peninsula along Lake Michigan, with a land area of 1,178 sq. mi, largely rural and forested. The 2010 population was 8,485.

#### Resources:

- **Fleet size:** 9 vehicles
- **Staff size:** 7 full-time, 4 part-time
- **FY 2011 Operating Budget:** \$656,042

#### Service Summary:

- **Modes Operated:** demand response (curb-to-curb)
- **Days and Hours of Service:** Monday-Friday approx. 7:30 a.m. - 5.00 p.m.
- **General Public Cash Fare:** \$2.00 within the city of Manistique; outside of the city the fare is based on mileage, up to 40 miles (\$10.00). Beyond 40 miles, an hourly rate is charged.
- **Passenger Trips/Year:** 39,270 in FY 2011

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no-show, and it is up to the organization to address the problem with the passenger. Schoolcraft County Public Transit includes a detailed report on passenger trips provided/not-provided with their invoice to the paying organization.

For first-time no-shows, Schoolcraft County Transit only warns the customer that they will be liable for the fare if it happens again. Passengers with three or more unpaid no-shows may be temporarily suspended from services. Passengers which accumulate higher balances sometimes decide themselves to avoid riding until they can afford to pay.

Schoolcraft County Transit instituted the no-show payment policy in October 2010 with the implementation of a computerized dispatching system (PCTrans) which has functions for keeping track of no-shows and unpaid fares. When the new policy took effect, the transit agency announced to passengers through warnings issued after no-shows. “Don’t be a no-show” signs were also posted on vehicles for a while.

#### **CONDITIONS THAT PROMPTED THE STRATEGY:**

Prior to instituting the no-show payment policy, Schoolcraft County Transit did not have an enforced no-show policy and experienced approximately 12 no-shows a day. For a transit provider that carries about 160 passengers per day, this represents a no-show rate of about 7%. In a large, sparsely populated service area, this is particularly problematic as trip lengths can be quite long and a no-show wastes driver labor time and fuel and can cause delays to other passengers.

#### **RESULTS OF THE STRATEGY:**

After the no-show payment policy went into effect, Schoolcraft County Transit noticed immediate behavior changes among former problem passengers. No-shows have dropped to about 2 per day (about 1% of total scheduled trips).

The few remaining occurrences tend to be passengers whose trips are paid for by an organization (since these passengers do not pay for rides and no-shows out of pocket) with the occasional forgetful customer.

In addition to reducing the number of no-shows (which reduces operating costs by reducing the number of unproductive vehicle miles and allows the transit agency to accommodate other passengers), the payment policy provides Schoolcraft County Transit with a small amount of additional fare revenue. While this revenue doesn’t typically cover the full cost of driving out to pick up the schedule rider, it helps.

#### **METHODS USED TO DOCUMENT RESULTS:**

PCTrans tracks no-shows by passengers as well as by organization billed.

#### **KEY FACTORS FOR SUCCESS:**

- Having a computerized dispatching and trip record-keeping system. Tracking no-show fares owed would be difficult to track. The automated system also provides more reliable documentation in the event of a customer disagreement.
- Sticking to the policy and following through with enforcement. While Schoolcraft County Transit will sometimes remove the charge for a forgetful customer, or one who didn’t see the vehicle or doesn’t have the financial means to pay, consistent follow-through on the whole is important to get customers to take it seriously and change their behavior.

### CHALLENGES:

- Drivers and dispatchers did not initially welcome the new policy. Dispatchers were sometimes uncomfortable informing the passenger who no-showed about the

fare due for the no-showed trip, and drivers were uncomfortable asking for payment of the no-show fare. (This continues to be uncomfortable for some drivers, particularly if the customer gets upset.)

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## IMPLEMENTATION GUIDE

### RECOMMENDED FOR:

- Demand response services
  - experiencing a significant rate of no-shows
  - with computer-aided scheduling and dispatching record-keeping

### RECOMMENDED ELEMENTS FOR SUCCESS:

- Written policy provided to all customers
- Consistent documentation
- Consistent follow-through

### METHODS FOR DOCUMENTING RESULTS:

- Compare before and after
  - no-show rates (number of no-shows divided by total trips scheduled)
  - total trips completed