Workforce Productivity Team
Phase 1 Update

9/14/2015

Contents

Massachusetts Bay Transportation Authority

- Review of 9/15 Team FMCB Deliverables

- Reducing Employee Absenteeism

- Best Practices for Workplace Productivity

FMCB deliverables

The legislation creating the FMCB lays out 13 distinct areas on which the FMCB is to report on monthly and annually:

1. capital planning
2. separation of capital and operating budgets
3. own-source revenue
4. review of expansion proposals
5. procurement and contracting improvements
6. emergency preparedness
7. internal reorganization
8. customer-oriented performance management
9. best practices for workplace productivity
10. reducing employee absenteeism
11. public private partnerships
12. the sale and lease of real estate assets
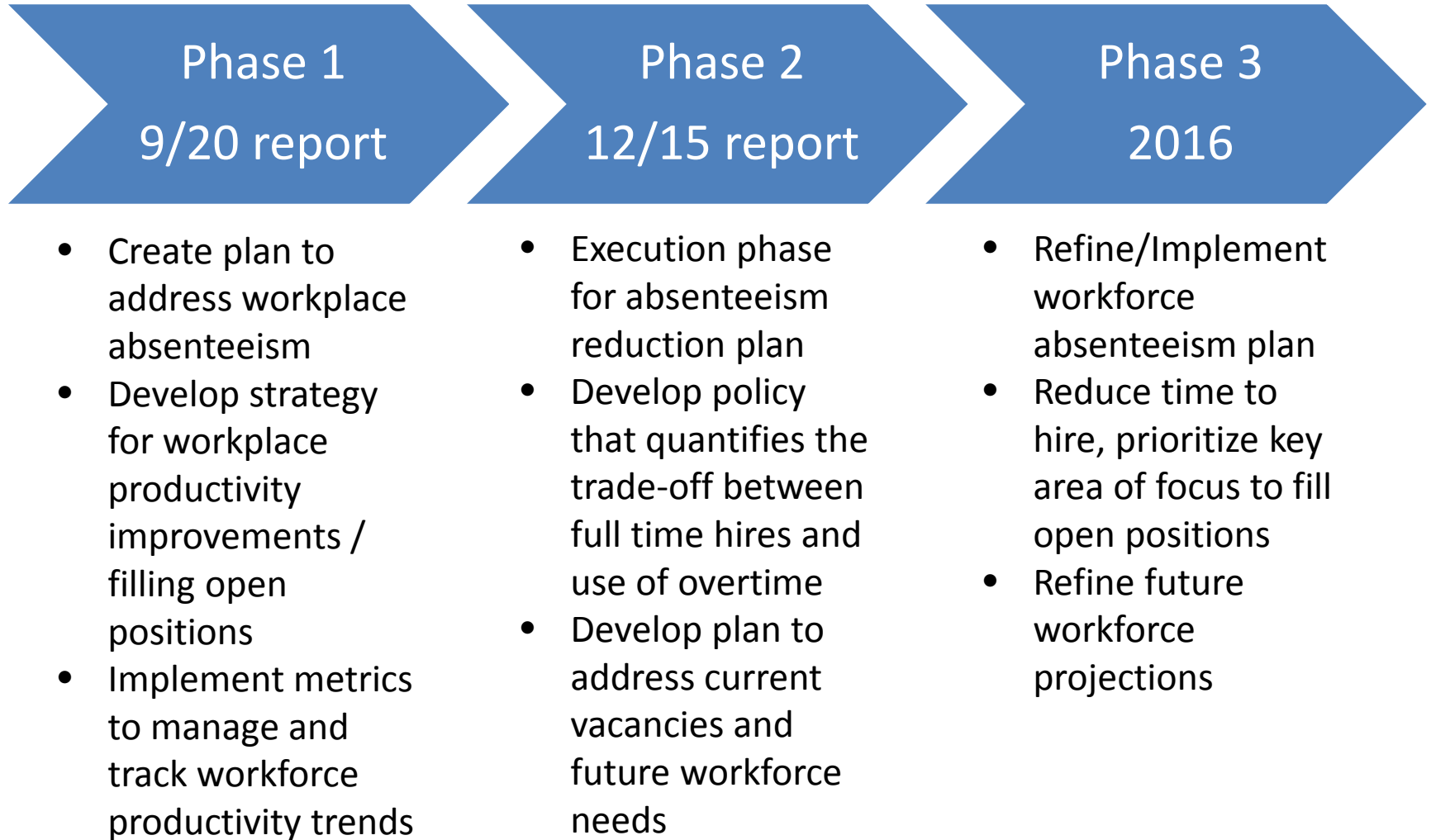13. development of performance metrics across organization

Workforce Productivity
Team Deliverables

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Additional FMCB mandates

In addition, there are 6 additional powers and responsibilities of the FMCB:

1. to develop 1 and 5 year operating budget beginning with FY 2017, balanced thru own-source revenue and cost control, which will facilitate the transfer of capital employees to the operating budget

2. to establish 5 and 20 year capital plans

3. to establish a performance management system

4. to review any service contract

5. to change fares consistent with chapter 46

6. to reorganize internal structure of the MBTA (pending MassDOT board approval)

Workforce Committee
# High Level Process and Timeline

Phase 1
9/20 report

- Create plan to address workplace absenteeism
- Develop strategy for workplace productivity improvements / filling open positions
- Implement metrics to manage and track workforce productivity trends

Phase 2
12/15 report

- Execution phase for absenteeism reduction plan
- Develop policy that quantifies the trade-off between full time hires and use of overtime
- Develop plan to address current vacancies and future workforce needs

Phase 3
2016

- Refine/Implement workforce absenteeism plan
- Reduce time to hire, prioritize key area of focus to fill open positions
- Refine future workforce projections

Contents

Massachusetts Bay Transportation Authority

- Review of 9/15 deliverables
- Reducing employee absenteeism
- Best practices for workplace productivity

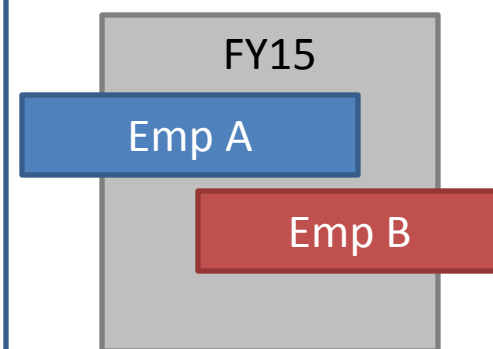# 31.7% of the MBTA Work-Force Is Actively Certified for FMLA

Massachusetts Bay Transportation Authority

% of Employees FMLA Certified vs FY15 Usage
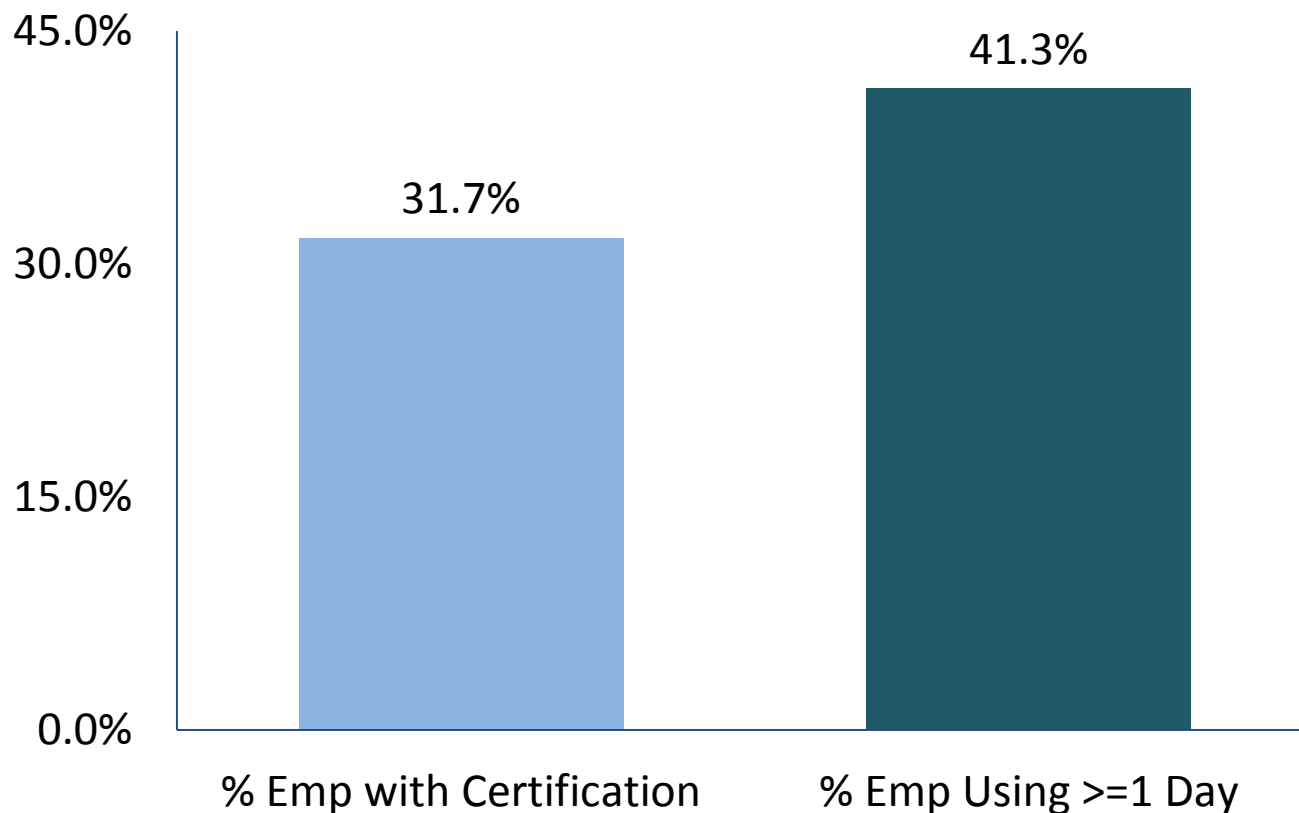
Reason for Difference:
An employee's FMLA Leave Year does not match Fiscal Year period

FY15

Emp A

Emp B
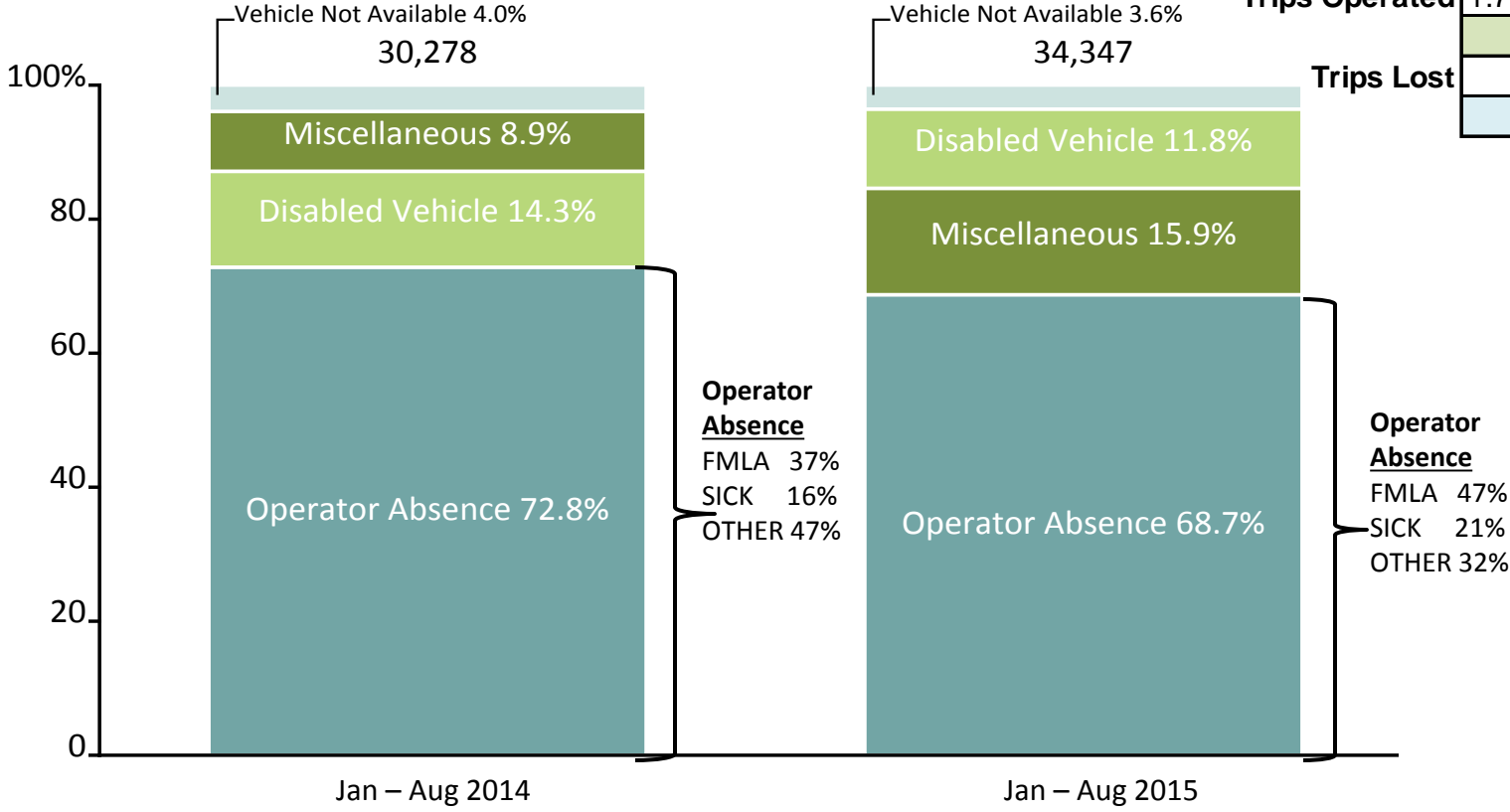
The number of active certifications at the end of FY15 is less than the number of users during FY15.

- 45.0%
- 41.3%
- 31.7%
- 30.0%
- 15.0%
- 0.0%

% Emp with Certification   % Emp Using >=1 Day

Across All MBTA Titles

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Operator Absence is the Leading Driver of Lost Trips for Bus, Heavy and Light Rail

Massachusetts Bay Transportation Authority

January – August* 2014 vs. 2015

	Jan - Aug	
	2014	**2015**
Trips Scheduled	1.785 Million	1.793 Million
Trips Operated	1.755 Million	1.758 Million
	98.3%	**98.1%**
Trips Lost	30,278	34,702
	1.7%	**1.9%**

Total Dropped Trips by Category

Vehicle Not Available 4.0%
30,278

Miscellaneous 8.9%

Disabled Vehicle 14.3%

Operator Absence 72.8%

Operator Absence
FMLA   37%
SICK   16%
OTHER 47%

Jan – Aug 2014

Vehicle Not Available 3.6%
34,347

Disabled Vehicle 11.8%

Miscellaneous 15.9%

Operator Absence 68.7%

Operator Absence
FMLA   47%
SICK   21%
OTHER 32%

Jan – Aug 2015

Legend:
- Miscellaneous
- Disabled Vehicle
- Vehicle Not Available
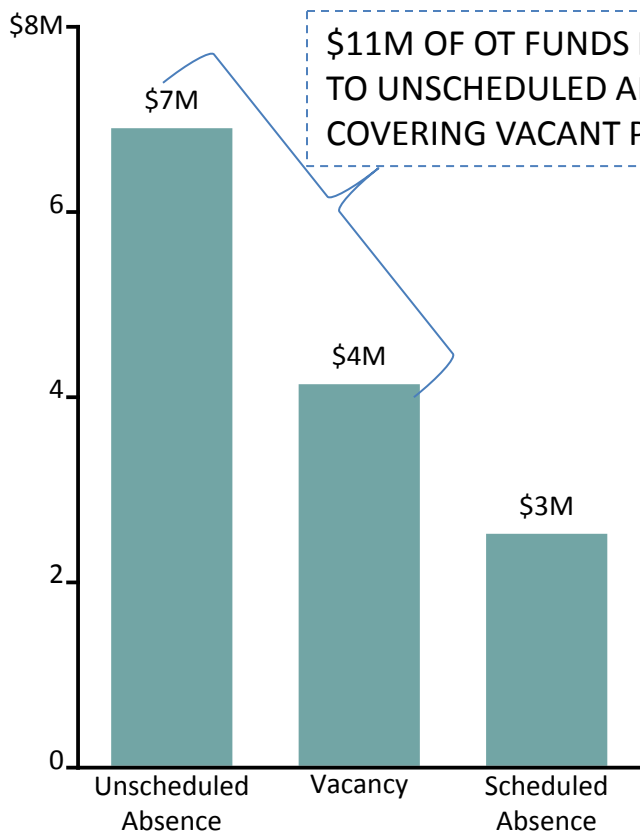- Operator Absence

Source: MBTA Internal Data

Data for Jul-Dec 2013 not available for comparison

$11M of the Total $53M FY15 Overtime Spend is Driven By Unscheduled Absence and Vacancy

Massachusetts Bay Transportation Authority

$14M OF THE TOTAL $53M OVERTIME SPENDING IN FY2015 WAS ATTRIBUTABLE TO ABSENCES

$11M OF OT FUNDS RELATED TO UNSCHEDULED ABSENCES & COVERING VACANT POSITIONS

Absence Related OT Costs
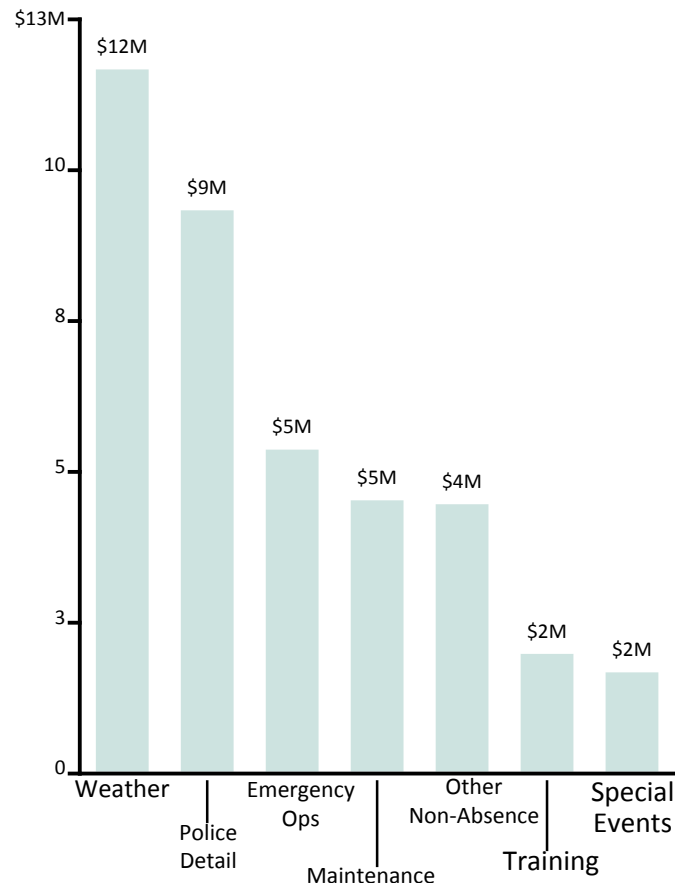
FY 2015 Non-Absence Related Costs

MBTA Management Taking Action to Reduce Absenteeism

Massachusetts Bay Transportation Authority

1. **Developed MBTA360 Dashboard, including FMLA support**
   – March 2015; further development ongoing

2. **Commenced internal review of Attendance and Leave Policies** – June 2015, on-going

3. **Issued Request for Information (RFI) for Effective Management of Employee Absences and reviewed responses** – completed July 2015

4. **Developed and Implemented process to track long term employee absences**
   – completed July 2015

5. **Performed Preliminary Survey of Absence Management Practices of other Transit Authorities**
   – completed August 2015

6. **Initiated hiring process for Leave Manager position, scheduling interviews**
   – June-September 2015

7. **Reviewed bids for and selected for Leave Management Consultant (LMC)**
   – September 2, 2015

8. **Met with LMC and began audit process** - September 2015

9. **Developing draft RFP for Third Party Administrator to Manage Employee Absences**
   – August 2015

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Leave Management Consultant Engaged, Eligibility Audit Starting

Massachusetts Bay Transportation Authority
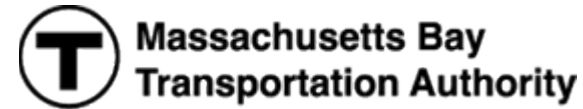
1. **Coordinate and Support LMC Audit and Review of MBTA Policies, Practices, and Contracts**
   – September 2015, to be completed October, 2015

2. **Initiate Internal Case Management Team** – September 2015

3. **Review bids and select HR/IT Management Consultant to prepare systems for TPA implementation**
   – by September 30, 2105

4. **Hire Leave Manager** – September 2015

5. **Finalize Attendance Policy and other Leave Policies** – early October 2015

6. **Train 700 or more HR staff, Supervisors and Time Keepers on Leave Policies & Procedures**
   – November – mid-December 2015

7. **Issue a Request For Proposal (RFP) for a Third Party Administrator (TPA) to Manage Employee Absences** – mid-October 2015

8. **Complete a Cost Benefit Analysis of Leave Management Program options prior to engaging a TPA**
   – October – November 2015

9. **Finalize decision** – mid-December 2015

RFP for Absence Management Third Party Administrator in Process

1. **Implement Absence Management Program** - January 1 - July 1, 2016
    - o   If awarded, onboard TPA
    - o   Integrate systems regardless of TPA selection
    - o   Pilot absence management in phases or tests
    - o   Train MBTA staff on absence management program
    - o   Rollout absence management program

2. **Conduct Ongoing Audit & Assessment of Absence Management Program including Policy Changes, Trends, and TPA Performance**

3. **Report Quarterly to the FMCB**

Contents

Massachusetts Bay Transportation Authority

- Review of 9/15 deliverables

- Strategies for reducing employee absenteeism

- Improving workplace productivity

Workforce productivity overview

The legislation establishing the FMCB calls on the board to pursue workforce productivity improvements

The workforce group is focusing on two key aspects of workforce productivity:

1. **Full time vs. overtime staffing**
   - Documenting and understanding the economic and service level impact of balancing full time hiring versus overtime utilization
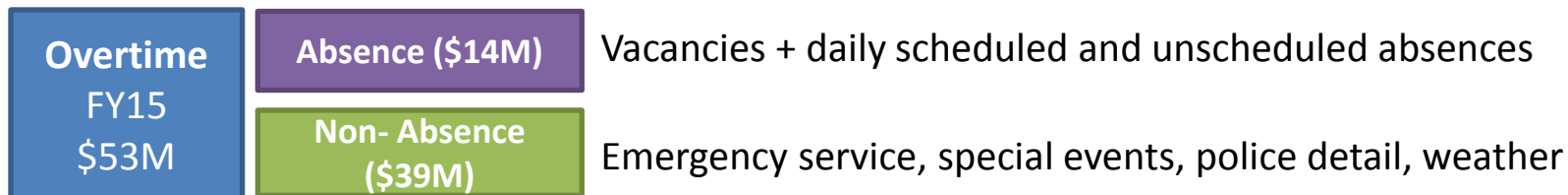
2. **Addressing current vacancies and expected future retirements**
   - Establishing the baseline needs of the organization and anticipating future needs of the authority given the aging nature of its workforce

FMCB workforce productivity questions

Massachusetts Bay Transportation Authority

Question 1: Can all of the OT be eliminated by hiring? Not entirely…

Overtime FY15 $53M	Absence ($14M)	Vacancies + daily scheduled and unscheduled absences
	Non- Absence ($39M)	Emergency service, special events, police detail, weather

Question 2: What is the current number of vacancies?
- There are difficulties in providing a clear number on this topic:
    - HR is currently tracking 426 vacancies based on FY16 Budgeted Headcount to Actuals
    - 66 titles have been staffed above budget (not including transportation positions) to meet winter resiliency priorities, changing department needs and long-term absences
    - Filling the 426 vacancies while overstaffing other positions may negatively impact the budget
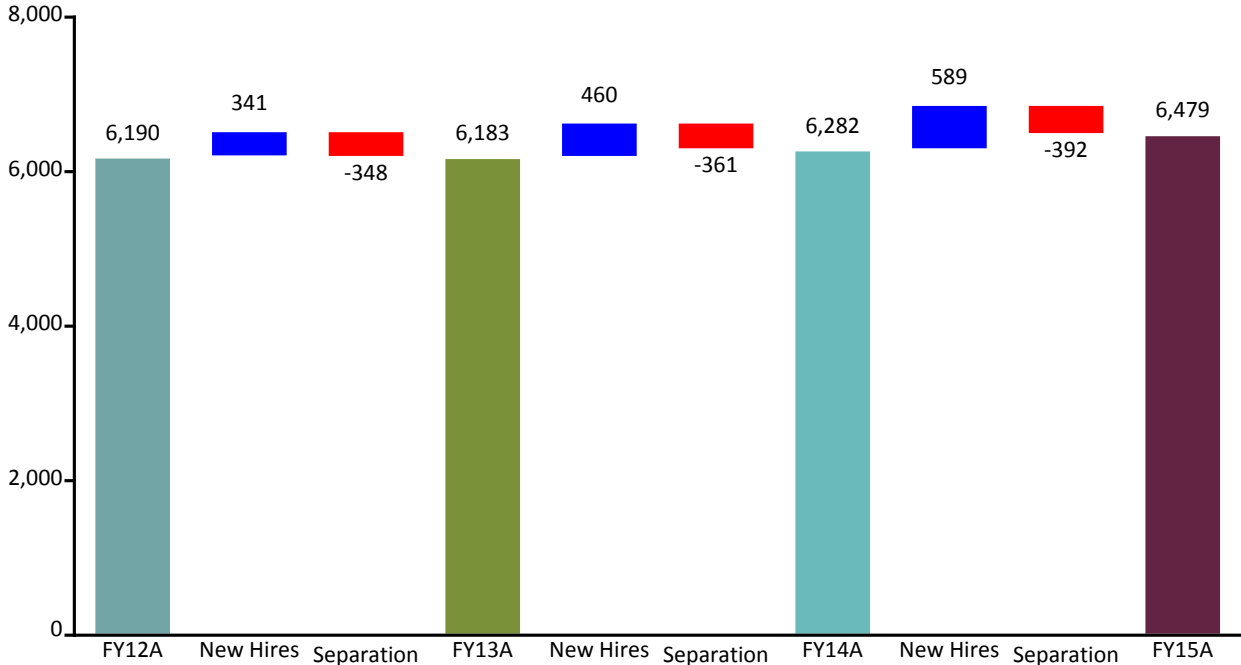   - Further review will be conducted to clarify impact

Question 3: Is it cost effective to hire additional staff to eliminate overtime costs?
- Review of the topic is complex and ongoing:
    - It is cost effective to utilize OT until the 98th day based on the Cost of additional staff (regular wage + fringe 49.81%) vs. Cost of overtime (1.5 x regular wage + overtime fringe 7.65%)
    - Need to reassess calculation and value the productivity gains (i.e. reduction of lost trips and impact to customer, employee morale, etc.)

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- The MBTA lost an average of 367 staff over the last 3 years. In this same time period, it hired an average of 463 staff
- A number of efforts are under way to improve the productivity of the HR hiring process to reduce the backlog of vacancies and keep ahead of attrition

	FY12A	New Hires	Separation	FY13A	New Hires	Separation	FY14A	New Hires	Separation	FY15A
Value	6,190	341	-348	6,183	460	-361	6,282	589	-392	6,479

Appendix

Massachusetts Bay Transportation Authority

Total Lost Bus Trips by Category
Jan – Aug 2014 vs. 2015

**Massachusetts Bay
Transportation Authority**
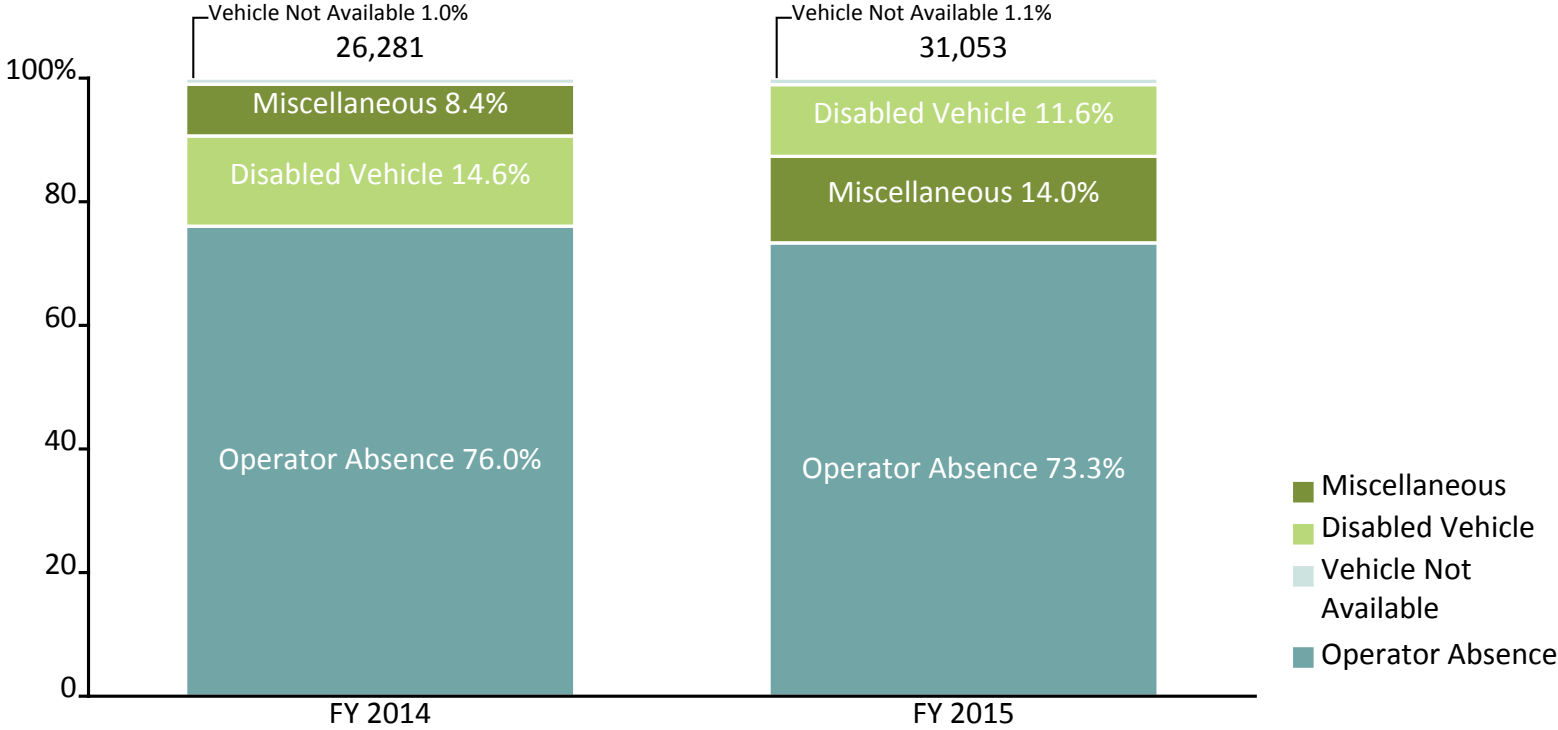
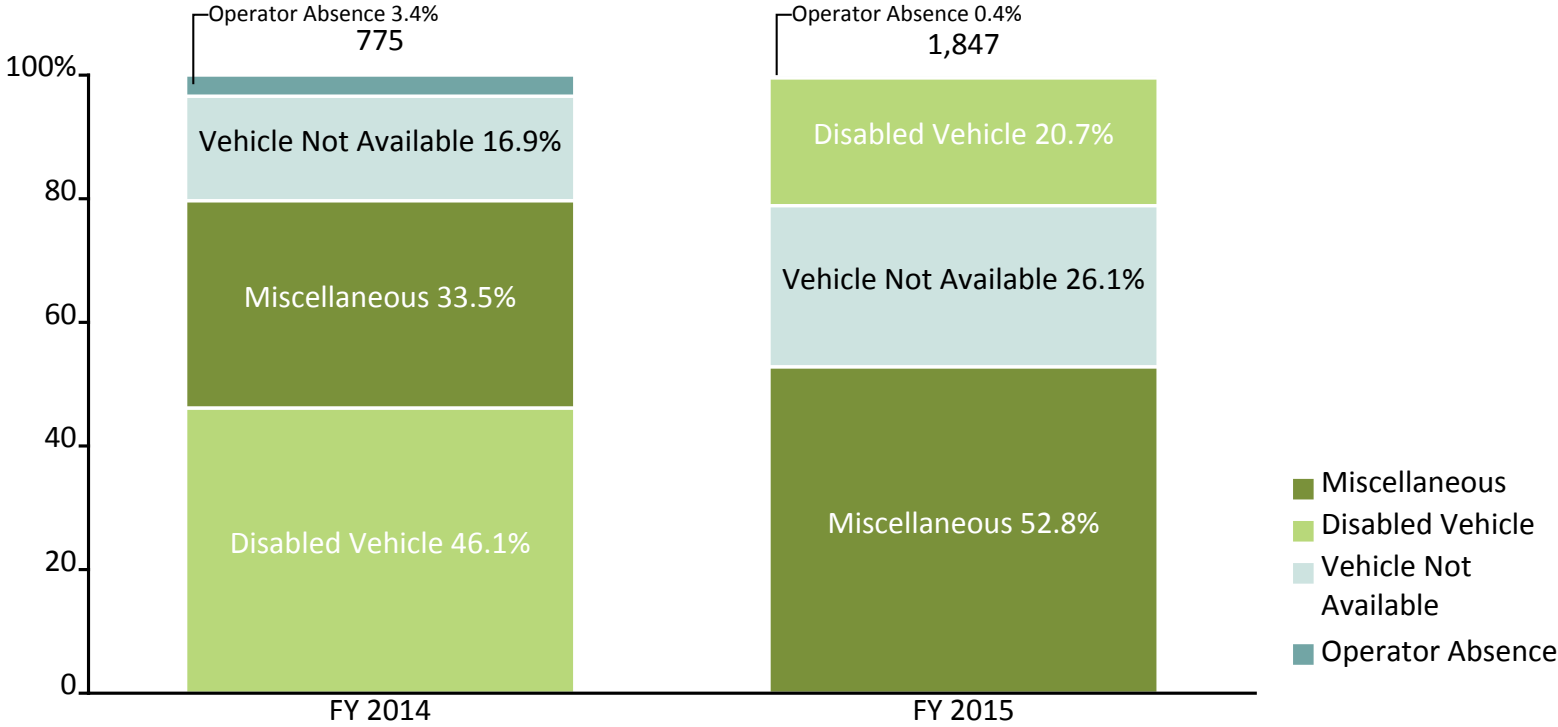**Total Dropped Bus Trips by Category**

Source: MBTA Internal Data

Total Lost Heavy Rail Trips by Category: Jan – Aug 2014 vs. 2015

Massachusetts Bay Transportation Authority

Total Dropped Heavy Rail Trips by Category

FY 2014:
- Operator Absence 3.4% — 775
- Vehicle Not Available 16.9%
- Miscellaneous 33.5%
- Disabled Vehicle 46.1%

FY 2015:
- Operator Absence 0.4% — 1,847
- Disabled Vehicle 20.7%
- Vehicle Not Available 26.1%
- Miscellaneous 52.8%

Legend:
- Miscellaneous
- Disabled Vehicle
- Vehicle Not Available
- Operator Absence

Source: MBTA Internal Data

Total Lost Light Rail Trips by Category: Jan – Aug 2014 vs. 2015

DRAFT

Massachusetts Bay Transportation Authority

Disabled Vehicle 4.3%

3,222

1,447

Disabled Vehicle 5.5%

Miscellaneous 7.6%

Miscellaneous 8.9%

Vehicle Not Available 24.8%

Vehicle Not Available 28.7%

Operator Absence 63.3%

Operator Absence 56.9%

FY 2014

FY 2015

Legend:
- Miscellaneous
- Disabled Vehicle
- Vehicle Not Available
- Operator Absence
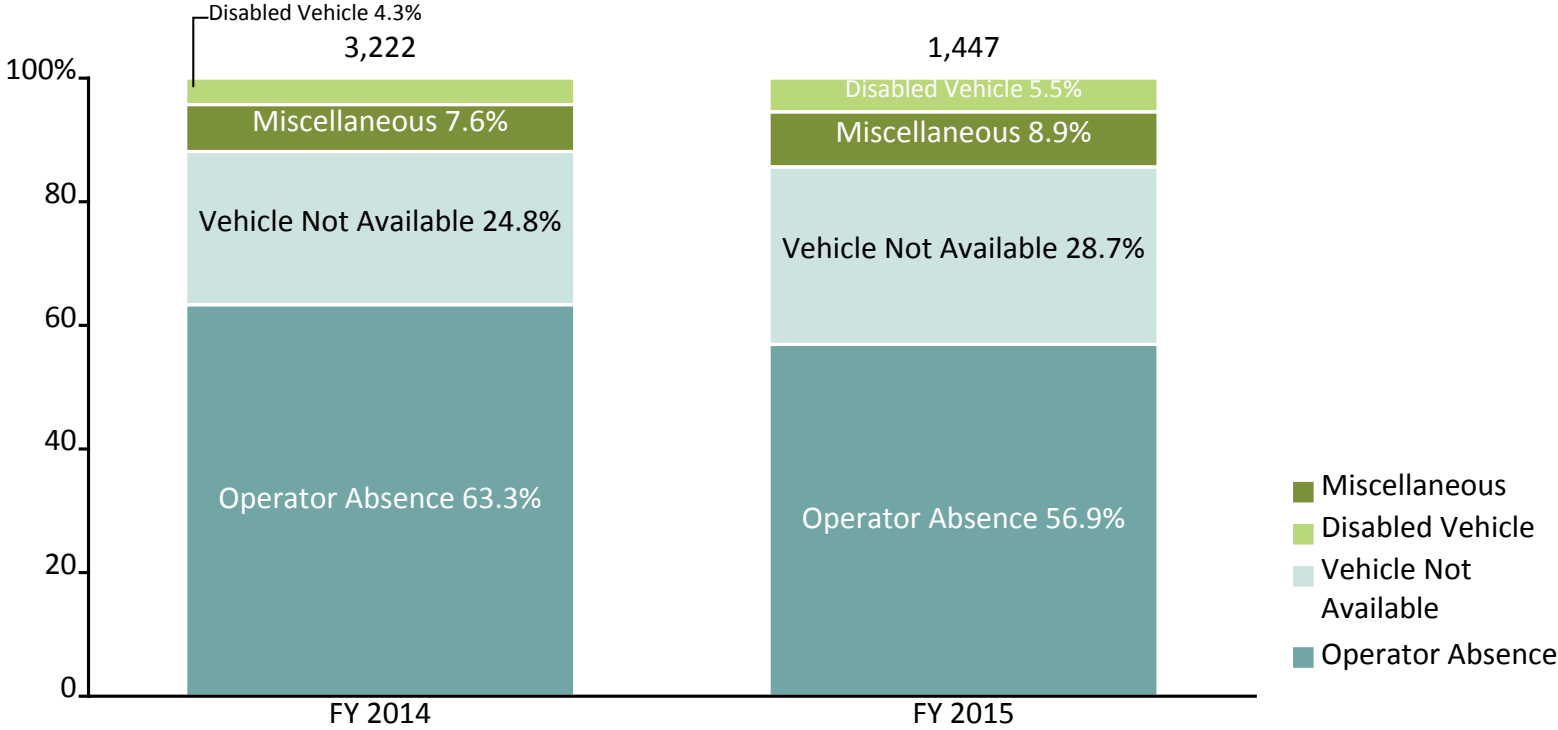
Total Dropped Light Rail Trips by Category

Source: MBTA Internal Data