2017 Employee Attendance Strategic Plan

FMCB

January 30, 2017
Calendar year 2016 recap

MBTA Unscheduled Absence % (Calendar Year 2016)

<table>
<thead>
<tr>
<th>Classification</th>
<th>% Absence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Center (Support Rep)</td>
<td>12.6%</td>
</tr>
<tr>
<td>All Transportation Operators</td>
<td>11.9%</td>
</tr>
<tr>
<td>Fueler</td>
<td>10.6%</td>
</tr>
<tr>
<td>Track Laborer</td>
<td>10.1%</td>
</tr>
<tr>
<td>Police Officer</td>
<td>9.5%</td>
</tr>
<tr>
<td>All Machinist Titles</td>
<td>8.1%</td>
</tr>
<tr>
<td>Part-Time Bus Operator</td>
<td>8.0%</td>
</tr>
<tr>
<td>Rail Repairer</td>
<td>7.7%</td>
</tr>
<tr>
<td>Union Supv/Prof</td>
<td>7.2%</td>
</tr>
<tr>
<td>Non-Union Executive</td>
<td>6.7%</td>
</tr>
<tr>
<td>MBTA Average</td>
<td>7.89%</td>
</tr>
</tbody>
</table>

# Employees
- Call Center: 20
- Full-Time Bus Operator: 1,364
- Track Laborer: 2,553
- Police Officer: 62
- Trackperson: 66
- All Machinist Titles: 209
- Part-Time Bus Operator: 367
- Rail Repairer: 82
- Union Supv/Prof: 373
- Non-Union Executive: 109
- Wireperson: 314
- Construction Inspector: 157
- MBTA: 924
- Full-Time Bus Operator: 45
- Trackperson: 224

Source: MBTA Internal Data
2017 Strategy

2016 Recap

✔ Hired new HR executive team with experience in leave management

✔ Implemented total of 21 key recommendations on call-in procedures, FMLA certification and concurrency of leaves

✔ Initiated pilot with Third Party Administrator (TPA) - UPMC WorkPartners

✔ In coordination with TPA, implemented consistent review of leave certification process with an early focus on FMLA

2017 Key Initiatives

➢ Target full implementation of UPMC WorkPartners TPA (across 45 departments) by April 2017

➢ New L589 agreement mandates 40-hour work week in order to earn overtime pay
  - Employees cannot earn OT in a week with an unscheduled absence (except for certain protected leaves)
  - Attendance policy grievance settled

➢ ADA-specialist manager in place (10/1 hire)

➢ Active monitoring and enforcement of new attendance policy and progressive discipline
## 21 attendance policy recommendations implemented in 2016

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Recommendations</th>
</tr>
</thead>
</table>
| **Training**                | 1. Require employees to adhere to MBTA call-in procedures  
2. Use a “call-taker” script when taking calls from employees for unscheduled absences to: a) Gather more accurate information about the basis for the unscheduled employee absence (sick, FMLA-self, FMLA-family), b) Improve the accuracy of coding absences, c) Ensure compliance with leave laws and CBA terms  
3. Code unscheduled absences correctly, with multiple codes to ensure leaves run concurrently  
4. Identify Pattern Absenteeism and FMLA absences in excess of approved frequency and duration  
5. Apply new Attendance Policy (Minor revision scheduled for July 2016)                                                                                     |
| **Immediate Steps**         | 6. Run leaves concurrently, where appropriate  
7. Recertify FMLA, where appropriate  
8. Initiate FMLA process where a possible “serious health condition” is evident from contractual sick pay medical documentation  
9. Commence leave as a reasonable accommodation under the ADAAA process promptly                                                                 |
| **Longer-Term Steps**       | 10. Move from a minimally-resourced FMLA administrative process to a fully-resourced, compliant, fair, and consistent FMLA process  
11. Use DOL Forms for FMLA Administration  
12. Implement FMLA tracking system  
13. Delay or deny FMLA designations where employee, despite notice, fails to timely provide complete medical certification  
14. Fully review medical certifications for validity, and seek second opinions, where appropriate  
15. Ensure chiropractic certifications meet FMLA standards  
16. Require FMLA recertification every 6 months; more often for pattern absenteeism, and for use beyond approved frequency and duration  
17. Require employees to use accrued sick pay when taking FMLA or other statutory leave under new Attendance Policy  
18. Shift from the current, fixed year to a true “rolling year,” after 60 day notice period, under revised FMLA policy |
| **Contract/Policy/Procurement** | 19. Expand the purposes for which contractual sick time may be used to match up with EST purposes, to care for an injury, illness, or medical condition of the employee and his or her child, spouse, parent, or parent of spouse  
20. Pay contractual sick time for all “sick” absences before requiring documentation for: Excused and unexcused absences and for the employee or for his or her child, spouse, parent, or parent of spouse  
21. Issue a Request for Proposals (RFP) for a Third Party Administrator (TPA) to operate a call center and provide case management support of unscheduled employee absences |
FMLA certification among L589 members has dropped 40% since the new policies went into effect

% of Employees with Active FMLA Certification

Source: Internal MBTA data
*Note: This State Agency Average represents the average for four state agencies and authorities contacted by the MBTA in Sep 2015
TPA brings professional management to leave programs

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot: 9/1/2016</td>
<td>6 Departments (~1,500 employees)</td>
</tr>
<tr>
<td>Full Implementation: 3/31/2017</td>
<td>All 45 Departments (~6,300 employees)</td>
</tr>
</tbody>
</table>

- MBTA formed partnership with UPMC WorkPartners to enhance absence management capabilities and ensure compliance with both governmental and labor requirements
- Pilot began in September 2016 and will be fully implemented by April 2017
- TPA requires employees to call in to report absences and answer mandatory questions

**EXAMPLE**: Employee calls in sick

- Would you provide a detailed reason for your sickness?
- What medical treatment have you received for it?
- Were you hospitalized overnight?
- Do you have an open intermittent FMLA for this reason?
- If you don’t, do you need an intermittent FMLA leave for this reason?
- What is the best telephone number for reaching you and the best time of day for contacting you?
Active management has reduced sick and FMLA usage, but usage of other leave types has increased over the course of the year.

Unscheduled Absence Rate -- All Transportation Operators

Source: MBTA Internal Data
2017 key initiatives

• Full implementation of TPA across all 45 departments
• Enforce new “40 hour rule” for OT (12/19 L589 agreement)
• Use data-science and advanced analytics tools to identify pattern absenteeism
  - Project will be managed under MBTA360 (Collaborative); we currently have $1.1M budgeted in FY CIP (for all MBTA360 technology)
• Actively manage ADA program (ADA lead hired on 10/1)
• Enforce progressive discipline for attendance policy violations
If an employee works overtime during a week in which the employee was absent (except qualified absences), the employee will only be paid overtime for work performed in excess of 40 hours per week.

Under status quo contract, L589 employees could earn overtime without working their entire scheduled work for the week.

**Benefit**: Will help to control absenteeism, reduce dropped trips, and reduce unnecessary overtime incurred by the MBTA.

Creates a disincentive for workers to skip regular shifts and replace those shifts with shifts for which they earn overtime.
Data-science and advanced analytics

• Collaborative has developed a cloud-based data warehouse that integrates data from multiple MBTA business systems including: time-keeping (TKS), financial reporting (Oracle), maintenance mgmt. (MCRS2), fare box systems, lost service and safety
  – Outputs include: On-time performance, ridership, employee availability, lost trips, overtime analysis, HR position control, support for DBE reporting and more to come

• Collaborative runs the MBTA360 Data Warehouse and Business Intelligence platform
  – Centralized reporting tool and public-facing dashboard that facilitates analysis of key data cross multiple business areas

• MBTA360 Warehouse enables pattern analysis of absenteeism trends:
  – Goal is to use advanced analytics to monitor leave usage trends
  – FMLA “Heat Map” to identify patterns of high usage and potential misuse
  – Technology can identify patterns and enable early detection
Advanced analytics: Example
FMLA usage spikes on Fridays in July and August

Heat Map of FMLA Usage - ALL MBTA EMPLOYEES

New attendance policy announced (1/1/2016)
FMLA usage highest on Fridays in July and August

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>M</td>
<td>T</td>
<td>W</td>
<td>T</td>
<td>F</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>S</td>
</tr>
</tbody>
</table>

Department: All
Union: All & Non-Union Affiliated
FMLA Ratio: Total # of FMLA days used/Total number of working days. FMLA ratio on each day was color coded with the red being the highest and green being the lowest ratio.

FMLA Ratio:
- <2.5%
- 2.5% - 3%
- 3% - 3.5%
- 3.5% - 4%
- 4% - 4.5%
- >4.5%

Source: MBTA Internal Data

Draft for Discussion & Policy Purposes Only
Advanced analytics: Example
Operators’ FMLA usage 50% higher on Fridays in July/August

Heat Map of FMLA Usage - ALL TRANSPORTATION OPERATORS

<table>
<thead>
<tr>
<th>Year</th>
<th>Day</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2016</td>
<td>M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>T</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>W</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Job Title: Motorperson,P-T;Motorperson,P-T Streetcar;Motorperson,Rapid Transit;Motorperson,Streetcar;Operator,P-T Surface;Operator,Surface

FMLA Ratio: Total # of FMLA days used/Total number of working days. FMLA ratio on each day was color coded with the red being the highest and green being the lowest ratio.

Source: MBTA Internal Data
Advanced analytics: Example
Operators’ FMLA usage 50% higher on Fridays in July/August

FMLA Days Used - Transportation Operators
(CY 2016)

- Fridays in July (Daily Avg.): 100
- Fridays in August (Daily Avg.): 108
- Rest of Year (Daily Avg.): 68

Source: MBTA Internal Data
MBTA’s Progressive Discipline policy

DEFINITION:

• Progressive discipline is the process of using increasingly severe steps or measures when an employee fails to correct a problem after being given a reasonable opportunity to do so.

• It is not specific to any particular subject. There exists multiple tracks of progressive discipline depending on the category of violation – i.e. Attendance, Safety, General work rules, etc.

• The underlying principle of progressive discipline is to use the least severe action that the organization believes is necessary to correct the action or conduct not in harmony with or resulting in a failure of compliance to the coinciding policy or directive. Increase the severity of the action only if the condition is not corrected.

APPLICATION:

• Regarding the Attendance Policy, there are several identifiable triggers that notify supervision of a violation of the policy within set parameters and date ranges. Certain qualifiable violations are then addressed with the employee. If no prior violations exist, discipline is typically administered at the first step of the progressive discipline track.

• If and when there is a next violation, it is assessed. After noting the last step (if existing) of discipline enacted, the next step is enacted and so forth. However, in harmony with the principle, a sufficient amount of time should pass to allow the employee to demonstrate corrective behavior or not.

PROGRESSION:

• The MBTA has a 5-step progression of escalating severity for discipline which can end in a recommendation for discharge.

• Violations are due to excessive lateness, unexcused absences and more severe AWOL (absent without leave)

• There are reset provisions in the Attendance Policy for discipline-free conduct over a specified number of months depending on the step the employee has reached.
Enforcing attendance policy: 27 employees currently in process for termination

Quarterly Terminations for Violation of Attendance Policy

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Terminations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 - 2016</td>
<td>5</td>
</tr>
<tr>
<td>Q2 - 2016</td>
<td>11</td>
</tr>
<tr>
<td>Q3 - 2016</td>
<td>3</td>
</tr>
<tr>
<td>Q4 - 2016</td>
<td>5</td>
</tr>
</tbody>
</table>

24 employees terminated in 2016 for violation of attendance policy

Source: MBTA Internal Data
Enforcing attendance policy:
150 employees are beyond step 2 of progressive discipline

Number of Employees on Progressive Discipline Track for Attendance Violations

- Step 1: Written warning (402) - 46%
- Step 2: 1-day administrative suspension (289) - 33%
- Step 3: 3-day administrative suspension (103) - 12%
- Step 4: 5-day suspension time-served (51) - 6%
- Step 5: 70-day suspension with RFD (27) - 3%

Total: 872 employees

872 employees are on the progressive discipline track as of Jan 2017.

Source: MBTA Internal Data
Looking forward:
Goal in 2017 is to improve over the 2016 baseline

Unscheduled Absence Rate (CY 2016 - Q1)

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Transportation</td>
<td>9.9%</td>
<td>2,421</td>
</tr>
<tr>
<td>Full-Time Bus Operators</td>
<td>10.5%</td>
<td>1,362</td>
</tr>
<tr>
<td>Part-Time Bus Operators</td>
<td>6.6%</td>
<td>363</td>
</tr>
</tbody>
</table>

Goal: Reduce unscheduled absence through TPA, use of data-science and enforcement of attendance policy

Source: MBTA Internal Data