Project Overview

Phase 1:
Short-Term Strategies to Reduce Overtime Usage in WSF
December 2021

Phase 2:
Comprehensive Workforce Development Plan
December 2022

Outside Factors

- Ongoing Pandemic
- Global Mariner Shortage
Phase 1: Short-term OT cost reduction strategies

Proviso requires the first report to focus on short-term OT reduction strategies:

- Analyze and identify causes of OT
- Present short-term strategies that can be implemented before the full report due in Dec 2022
- Second report will introduce a workforce development plan to ensure sufficient and cost-effective WSF staffing

Consequences of emerging conditions (crew volatility & vessel conditions):

- Priority shifted from reducing OT to restoring service
- Short term OT cost reductions are counter productive to service restoration goal

We’ve identified some changes that would help reduce OT but not likely to make significant impact in the near-term.
Ferry Operations Challenges: Key Events

2007
Retires 4 Vessels
WSF retires 4 80-year old-vessels

2011
HB 1516 Signed
Removed and limited some forms of compensation

2017
Record Cancellations
Several vessels were out for unplanned maintenance

2020-
Covid-19 Pandemic
Disrupted normal operations, 120 crew separations due to non-compliance with vaccine mandate

1999
I-695 Passes
Initiative cost WSF 22% of operating funds and 100% of capital funds

2010-2012
3 Ferries Launched
WSF adds 3 ferries

2012-2013
USCG Changes
Crewing Requirements
USGS increased crewing requirements on WSF ferries

2018
Ferry Speeds Reduced
Ferries slowed to reduce fuel use
Covid-Related Service Disruptions Undercut Short-Term Calendar Year 2022 OT Strategies

Pre-pandemic
• OT was at an all time high due to labor shortage and staffing only meeting USCG minimum requirements

Beginning of Covid-19 pandemic
• OT went down
• Ridership decreased but many workers were out due the Covid-19 (illness, quarantine, lack of dependent care)

Post-vaccine availability
• OT increased again
• WSF restore service but rate of workers out on sick leave/PTO due to Covid-19 still high

Summer-Fall 2021
• Labor shortage worsened due to general workforce shrinkage and vaccine mandate
• This led to record-high cancellations and WSF implementing an alternate service schedule

Short-term horizon is still highly volatile due to acute labor shortage
• First report will present OT analysis
• Second report will present short, medium, and long-term strategies to address staffing
Assessment Findings

**Overtime**

**Trends**
OT increased in the past few years, but the pandemic further exacerbated labor shortage. This led to sailing cancellations and reduced OT.

**Occupations**
Overtime is most common for experienced positions in vessel crew, particularly Engine and Licensed Deck.

**Causes**
Unexpected events, sailing schedule, CBA regulations, and administrative events all account for a small fraction of OT.
Engine crew training and workforce shortage are major drivers of OT.

**Labor shortage**
When Dispatch cannot fill an assignment with a relief or on-call employee, they reach out to employees who are scheduled to be off.
Assessment Findings

What is included in OT?

- OT often seen as a single dollar amount
- Reasons for OT vary by job category
- Some OT is inherent in water transportation
- Some OT is cost-efficient

Categorized OT to identify what is possible to reduce/eliminate
Overtime Challenges: Pre-pandemic

- OT hours grew by 72% FY12-FY19

Change in OT in FY12-FY19 fueled by:

- USCG minimum manning requirements increased in FY13, sometimes doubling the required staff levels for some positions
- However, WSF staffing did not change → lost buffer (no slack to accommodate unplanned absences)
- Hiring challenges WSF shares with the maritime industry generally

OT Hours
Fiscal Year 2012 - Fiscal Year 2021
Overtime is a Tool to Manage Covid-Related Absences

**Time off to receive and recover from the vaccine**
- Employees receive a “reasonable amount of paid time off” to travel and receive a vaccination dose (leave in excess of one day should be exceptional, OFM).
- Up to 2 days of sick leave per vaccination dose is reasonable accommodation (OSHA).

**Children stay home due to school closure or quarantine**
- Employees who took days off took 9 days off on average between April and December 2020 under FMLEA

**Covid related illness, disability, and death**
- In case of positive test to the Covid-19 virus, employees are required to use accrued leave in accordance with their respective CBAs (OFM).

**Quarantine of additional workers if one tests positive**
- Emphasis on units where employees work in closed quarters and already short-staffed: engine room (4 pers. max) and bridge (3 pers. max).
- Employees are released with no loss of pay for no longer than 14 days because of their inability to telework (OFM).
- Employees who took days off took 15.5 days off on average between April and December 2020 under EPSLA

**Staff loss coinciding with vaccine mandate**
- Above-normal attrition due to retirement & employment changes
- Additional loss attributed to mandate
Attrition: Vaccine Mandate

- WSF workers had to be fully vaccinated by Oct. 18th
- 121 workers separated and 8 retired (60% of separations)
- 6.8% of WSF workforce stopped working because of the vaccine mandate
- 11% of Oilers and 35.7% of Assistant Engineers separated
- Separations more than quadrupled between Jul-Oct 2020 and Jul-Oct 2021

WSF Separations FY2019-FY2022

- Not fully vaccinated
- Retirement
- Resignation
- End of appointment, Dismissal, Abandonment of position
- Death or Disability
- Separations in Percentage of Workforce
Effect of Pandemic on Overtime 
FY 2019 – FY 2021

- OT expenditures declined in FY20 (Jul19-Jun20) due to Covid-19 related causes:
  - Stay-at-home and remote working mandates decreased ridership,
  - Service cancellations

- Back up in FY21 (Jul20-Jun21)
  - Vaccine availability encouraged ridership
  - But workers sick with Covid or quarantining must be replaced

- Preliminary FY22 data (Jul-Aug21) shows OT increased compared to previous summers
  - Many unplanned cancellations in Jul-Sept 2021 but present crew still has to be paid even though they’re not sailing
  - Causes include labor shortage and accelerated departures resulting from the vaccine mandate

- 2021 Fall data will help assess impact of schedule reduction (started Oct. 16th)
Unplanned Cancellations and Overtime

- Cancellations are up sharply in Q1, Q3, & Q4 of FY2021
- Cancellations due to staffing up sharply in 2021Q4 (also Q1 & Q4?):
  - As a proportion of all cancellations: 240%
  - Absolutely: 330%
- Cancellations do not save on OT, both are the result of an accumulation of staffing issues
  - Crew working overtime to avoid cancellations but there are not enough of them to prevent all.
  - Unplanned cancellations: pay crew that is present.
The Project Team conducted a comprehensive assessment that included the following components:

- **Documentation Review**: A review of data and documentation provided by the organization, including census data, previous overtime studies, payroll data, shift schedules, and turnover rates.
- **Information-Gathering Meetings**: One-on-one and focus groups interviews with 116 fleet crews, dispatch, senior leaders, operational staff across ferries, along with union leadership.
- **Leading Practices Review**: Analyzing detailed findings surfaced in the interviews, we applied our knowledge and experience to craft recommendations unique to the needs of the organization and consistent with leading best practices.

### This report includes:

- A **comprehensive review** of common themes that emerged during the assessment.
- An **appendix** that includes additional findings, data sources, and Segal’s interview list.
Clear and consistent views on organizational strengths and challenges were surfaced during the assessment.

**Staffing Model**
Systemic issues within the current staffing model contribute to the overtime issue.

**Staffing Shortage**
Staffing shortages require WSF to assign OT hours to meet operational needs.

**Career Advancement and Retention**
Career advancement is slow and difficult, greatly impacting retention and the pipeline of workforce talent.

**Recruitment and Hiring**
Hiring practices are not generating sufficient pools of qualified maritime candidates.

**Cultural Issues**
Culture was frequently cited as a factor negatively impacting retention.
There are systemic issues within the current staffing model that contribute to the overtime issue

1. Crew Staffing
   - Crews are assigned based on **US Coast Guard minimum staffing requirements**: vessel type, vessel size, passenger volume, etc.
   - WSF employs a **permanent workforce** roughly equivalent to the number of FTEs required to maintain minimum requirements and a contingent on-call workforce

2. New Employees
   - All new employees **start on an on-call basis**
   - Considered probationary for their first **1040 hours**
   - Employees **remain on on-call** status until a permanent position becomes available

3. Recruitment and Hiring
   - Hiring occurs in **spring** to prepare for the busy summer season
   - Employees come from regional job fairs, maritime industry, naval academy, and word of mouth
   - Recruiting and hiring conducted by **WSF HR** and **Labor unions**
There are systemic issues within the current staffing model that contribute to the overtime issue

continued

4 Advancement and Promotion

- Advancement through the organization is based on open positions and seniority
- Advancement from entry level to experienced role requires various training and licensure, which staff are required to pay for (e.g. OS to AB, Wiper to Oiler, AB to Mate)

5 Scheduling

- Permanent employees bid on schedules based on seniority
- Scheduled absences among permanent employees are covered primarily with permanent relief employees
- Unscheduled absences among permanent employees are covered by relief employees, then to on-call employees, then overtime is offered if no relief or on-calls are available
There are systemic issues within the current staffing model that contribute to the overtime issue

- No buffer to cover unscheduled absences
- Unscheduled absences are covered by relief, on-call staff, or OT by order of seniority
- Volatile hours and pay make on-call positions unattractive to potential applicants
- Employees exiting the probationary period are still on-call until a permanent position opens
- When staff achieve 5,200 hours their pay increases even if they do not have a permanent position
- Operations seasonality leads to work hours reduction in winter => Variable income creates a drop off in employee retention
- The complex licensure and training requirements limits the supply of experienced staff (Mates and Masters, Assistant and Chief Engineers)

  => Systemic use of OT to continue to provide ferry service to the public
Preliminary Recommendations

- Improve Job Posting Content and Reach
- Tap into local community-based organizations and other workforce development partners’ pool of job-seekers to improve inclusiveness and diversity
- Increase Core Staffing Beyond USCG Minimums
- Fund Transportation Worker Identification (TWIC) Card and Merchant Mariner Credential (MMC) for new employees
The long-term report due December 2022 will highlight short-, medium, and long-term OT reduction strategies, developed in collaboration with the working group.

Report, which will be based on payroll and human resources data analysis, as well as in-depth interviews with WSF staff and crew, will examine:

- Pay
- Career Advancement and Retention
- Staffing Model
- Recruitment and Hiring
Report Organization

Executive Summary
Assessment Findings
Analysis of OT and Workforce
Next Steps
Appendix
# Appendix

## Project Consultants

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<thead>
<tr>
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<th>Segal</th>
<th>Emsi-Burning Glass</th>
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Appendix
Impact of Training on OT

Some OT could be avoided by managing current workforce and internal events differently

Engine crew training

• significant portion of the engine crew OT
• Some of this training could be done outside of OT but crew would need to be replaced by ST workers
• Cost efficient to do training on OT than hiring new workers for just these training hours
• Causal analysis shows minimal impact on other types of OT in the same pay period
Appendix
Career Advancement and Retention

Starting as:

- Ordinary Seaman 4 → Ordinary Seaman 3 → Ordinary Seaman 2
- Ordinary Seaman 1 → Able Body (AB) Seaman 3 → Able Body (AB) Seaman 2
- Quarter Master → Bosun → 2nd Mate
- Chief Mate → Captain

- Advancement through the organization is based on open positions and seniority
- Experienced hires or graduates of naval schools seemingly progress through the system at a faster pace
### Appendix

**Interview List**

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Role</th>
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<tbody>
<tr>
<td>Churchwell</td>
<td>Brian</td>
<td>IT Assistant Director</td>
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<tr>
<td>Cirkovich</td>
<td>Stephanie</td>
<td>Director of Community Services &amp; Planning</td>
</tr>
<tr>
<td>Crawford</td>
<td>Jane</td>
<td>Training &amp; Credentialing Manager</td>
</tr>
<tr>
<td>Dabney</td>
<td>Marcus</td>
<td>WSF IT Applications Manager</td>
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<tr>
<td>Distefano</td>
<td>Anthony</td>
<td>IBU Representative</td>
</tr>
<tr>
<td>Garman</td>
<td>Ann</td>
<td>Transportation Planning Specialist 5</td>
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<tr>
<td>Hanbey</td>
<td>Matt</td>
<td>Operating Program Manager</td>
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<tr>
<td>Lathan</td>
<td>Dale</td>
<td>Director of Safety Systems</td>
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<tr>
<td>Mast</td>
<td>Terri</td>
<td>IBU</td>
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<tr>
<td>McIntosh</td>
<td>Nicole</td>
<td>Chief of Staff</td>
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<tr>
<td>Mooney</td>
<td>Jay</td>
<td>Port Captain</td>
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<tr>
<td>Morrison</td>
<td>Rachel</td>
<td>Sr. Bid Administrator</td>
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<td>Phillips</td>
<td>Eben</td>
<td>Deputy Director of Vessel Engineering &amp; Maintenance</td>
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<td>Rustabello</td>
<td>Patty</td>
<td>Assistant Secretary of Washington State Ferries</td>
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<td>Schweyen</td>
<td>Bill</td>
<td>Senior Port Engineer/Captain</td>
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<td>Servais</td>
<td>Austin</td>
<td>Crew Resource Manager</td>
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<td>Singer</td>
<td>Rick</td>
<td>Direction of Finance &amp; Administration</td>
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<td>Sowers</td>
<td>David</td>
<td>Director of Terminal Engineering</td>
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<td>Twohig</td>
<td>Dan</td>
<td>MM&amp;P United Inland Regional Representative</td>
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<td>Von Rudden</td>
<td>Matt</td>
<td>Director of Vessel Engineering &amp; Maintenance System Electrification Program Administrator</td>
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<td>Williamson</td>
<td>Alec</td>
<td>Project Management Engineer</td>
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<td>Winge</td>
<td>Eric</td>
<td>MEBA</td>
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## Appendix

### Focus Group List

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<tr>
<th>Unit</th>
<th>Route</th>
<th>Watch/Captain</th>
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<tr>
<td>Deck Crew and Engine Room</td>
<td>Seattle-Bainbridge</td>
<td>B Watch: Jorge Pinzon</td>
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<td></td>
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<td>A Watch: Randy Kesteren</td>
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<td>C Watch: Scott Schrader</td>
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<td>E Watch: Erich Ackermann</td>
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<td>Deck Crew and Engine Room</td>
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<td>F Watch: Steven Standaert</td>
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<td>D Watch: Eric Hairston</td>
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<td>Deck Crew and Engine Room</td>
<td>San Juan Islands</td>
<td>H Watch: Glen Hogarth</td>
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<td>G Watch: David Lawton</td>
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<td></td>
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<td>C Watch: Brandon Moser</td>
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<tr>
<td>Dispatch</td>
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Assessment Findings
Overtime FY13-FY21

- Engine was the largest component, representing 48% of OT expenditures in FY19.

- However, its share had fallen from 57% of all OT.

- Licensed Deck (Captains and Mates) has the biggest growth: 234% FY13-FY19
Assessment Findings
Overtime FY19 (last normal operations year)

- Largest contributors to OT are skilled positions
- Captains, Mates, & Engineers are licensed and WSF does no lateral hires
Assessment Findings

What is included in OT?

- Engine has largest OT hours & expenditures:
  - Training scheduled on OT
  - Workforce shortage
  - Unavoidable factors

- Licensed & Unlicensed Deck are next
  - Largest component is due to staffing
Assessment Findings: Unavoidable OT

- **Trip scheduling:**
  - Sailing schedule set to optimize customers’ experience requires OT

- **Unexpected events:**
  - Events that cannot be predicted
  - Medical emergencies, vessel breakdowns, inclement weather
  - Impact mostly vessel crew and terminal occupations
Assessment Findings: Cost-Effective OT

- **Engine crew training**
  - Paying 1 employee 1.5x for training vs. paying 2 employees on ST

- **Meetings**
  - Minimal impact on OT