



Washington State Ferries

Overtime Analysis

Findings and Recommendations

Presentation to the Joint Transportation Committee

December 16, 2021

Project Overview



Phase 1:

**Short-Term Strategies
to Reduce Overtime
Usage in WSF**

December 2021

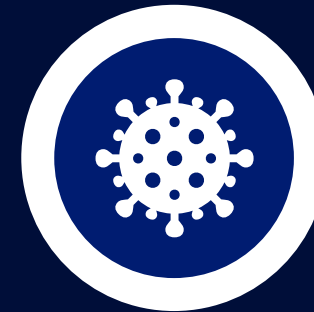


Phase 2:

**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

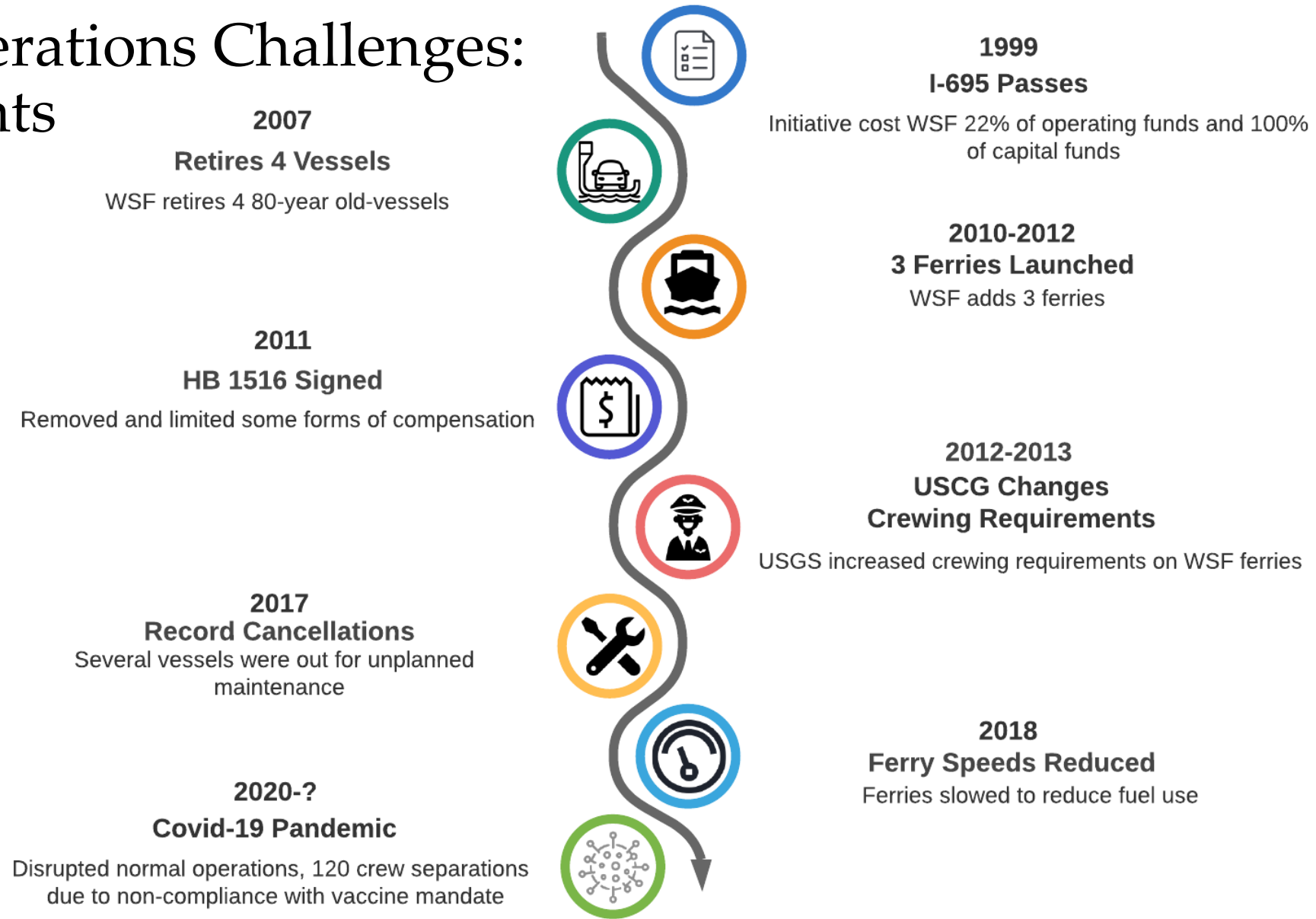


- **Consequences of emerging conditions (crew volatility & vessel conditions):**
 - Priority shifted from reducing OT to restoring service
 - Short term OT cost reductions are counter productive to service restoration goal



- **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



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



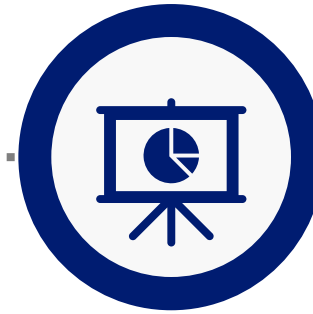
Trends

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



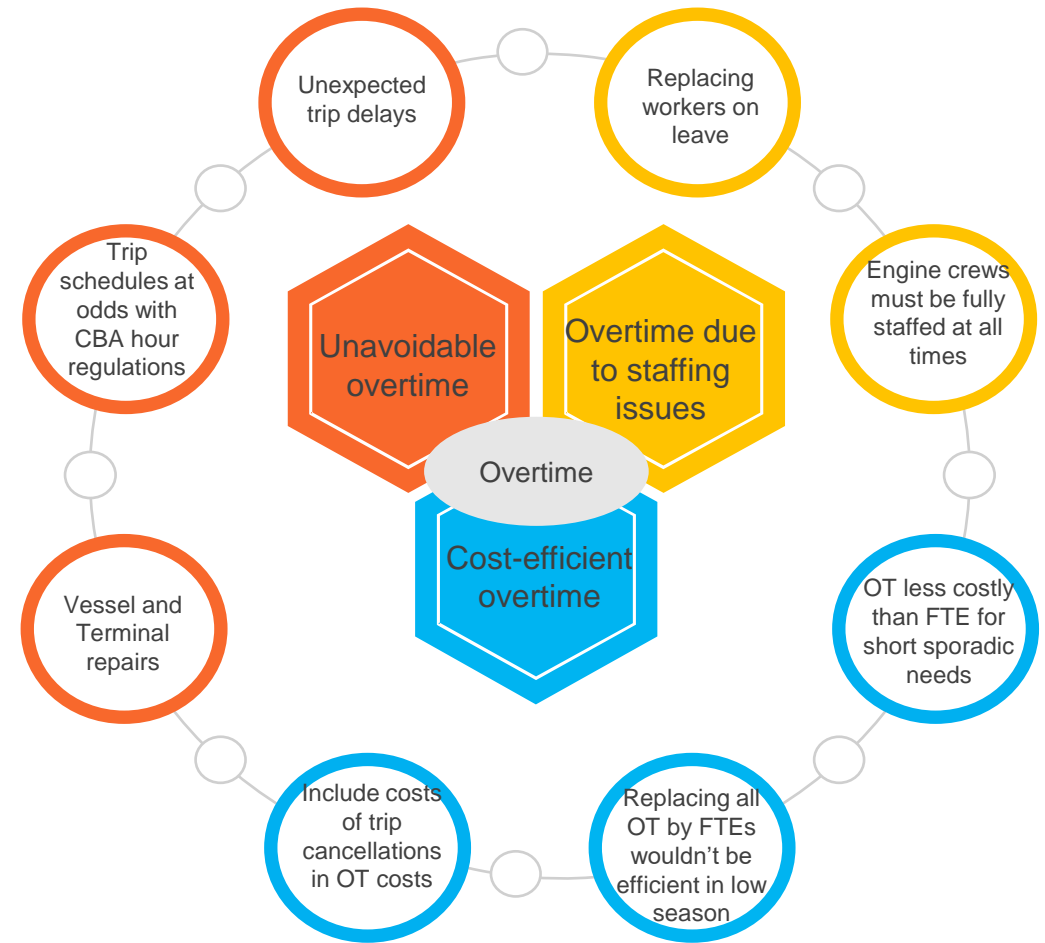
Labor shortage

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

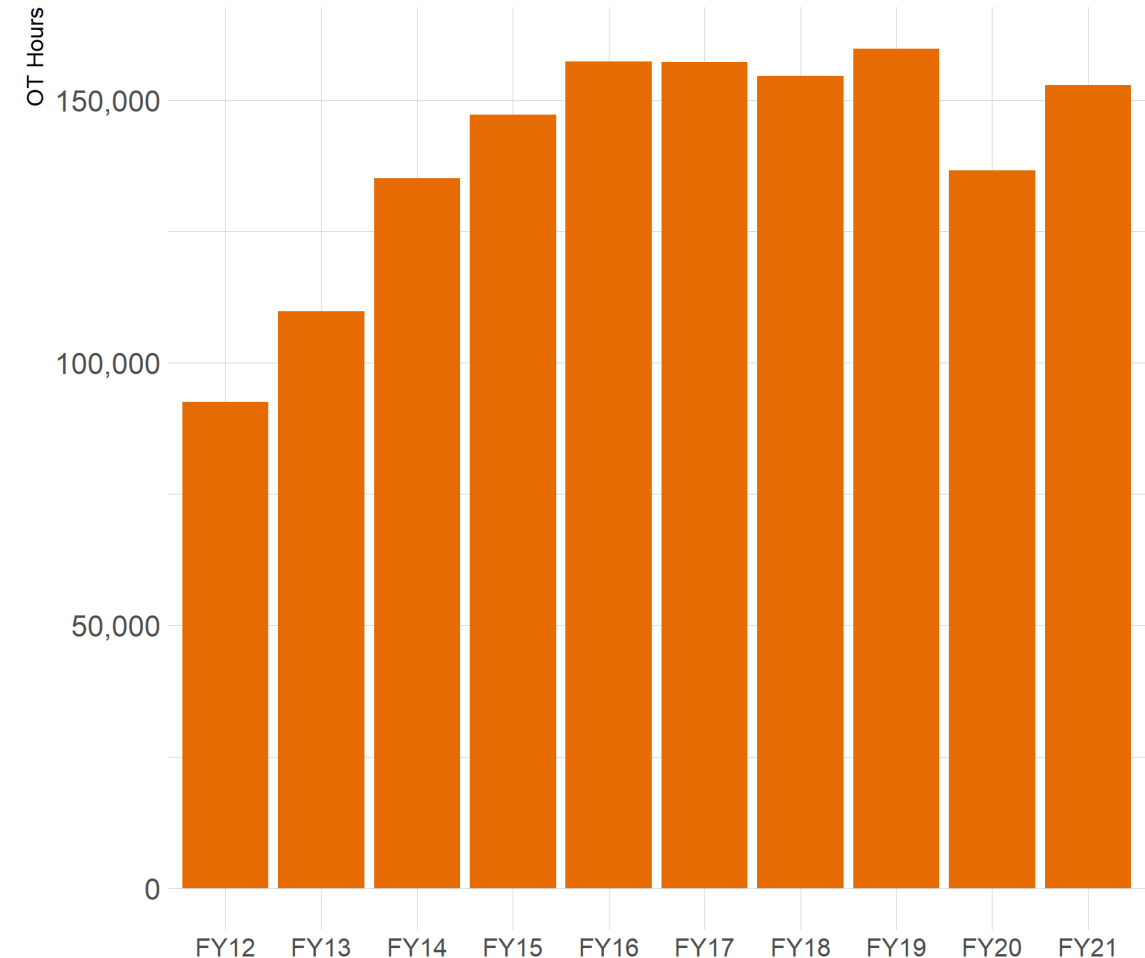
● OT hours grew by 72% FY12-FY19

● 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).



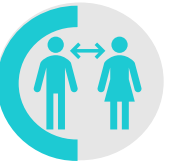
Children stay home due to school closure or quarantine

- 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

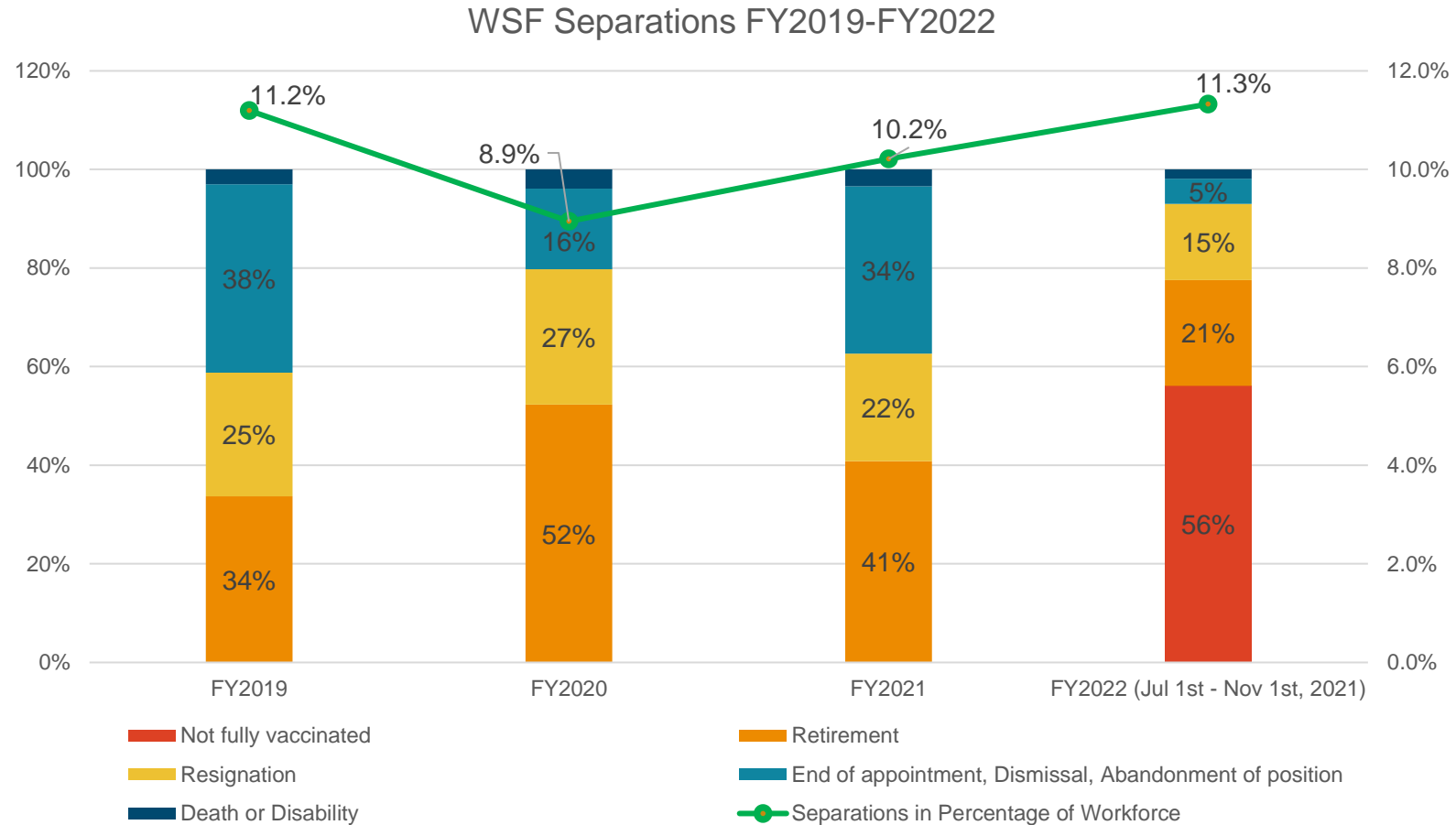


Staff loss coinciding with vaccine mandate

- 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**



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

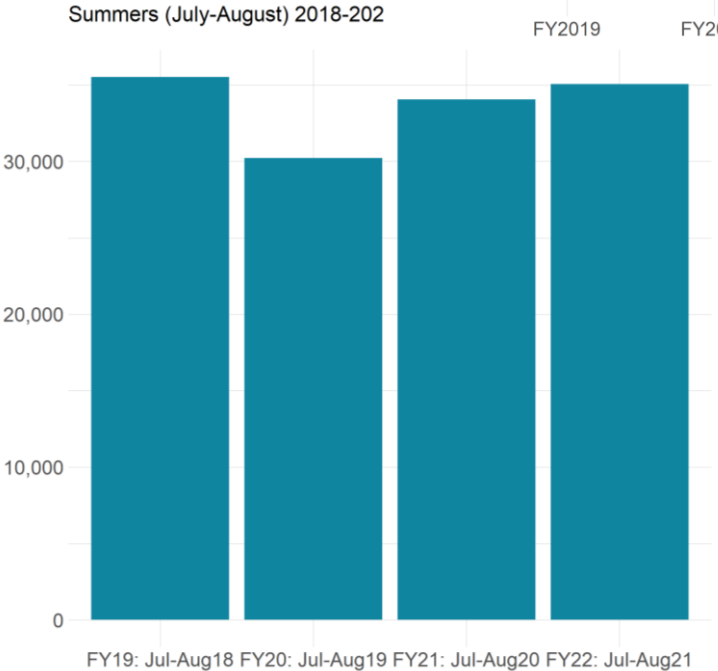
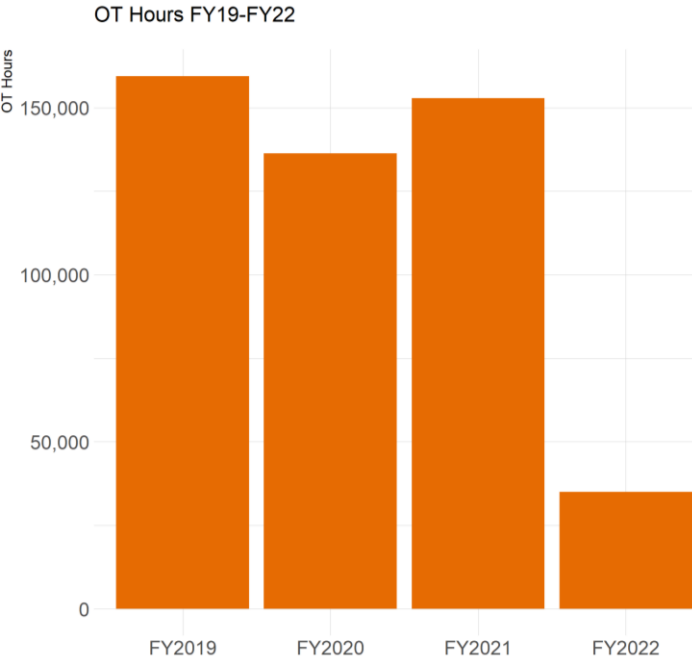
- **Back up in FY21 (Jul20-Jun21)**

- 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

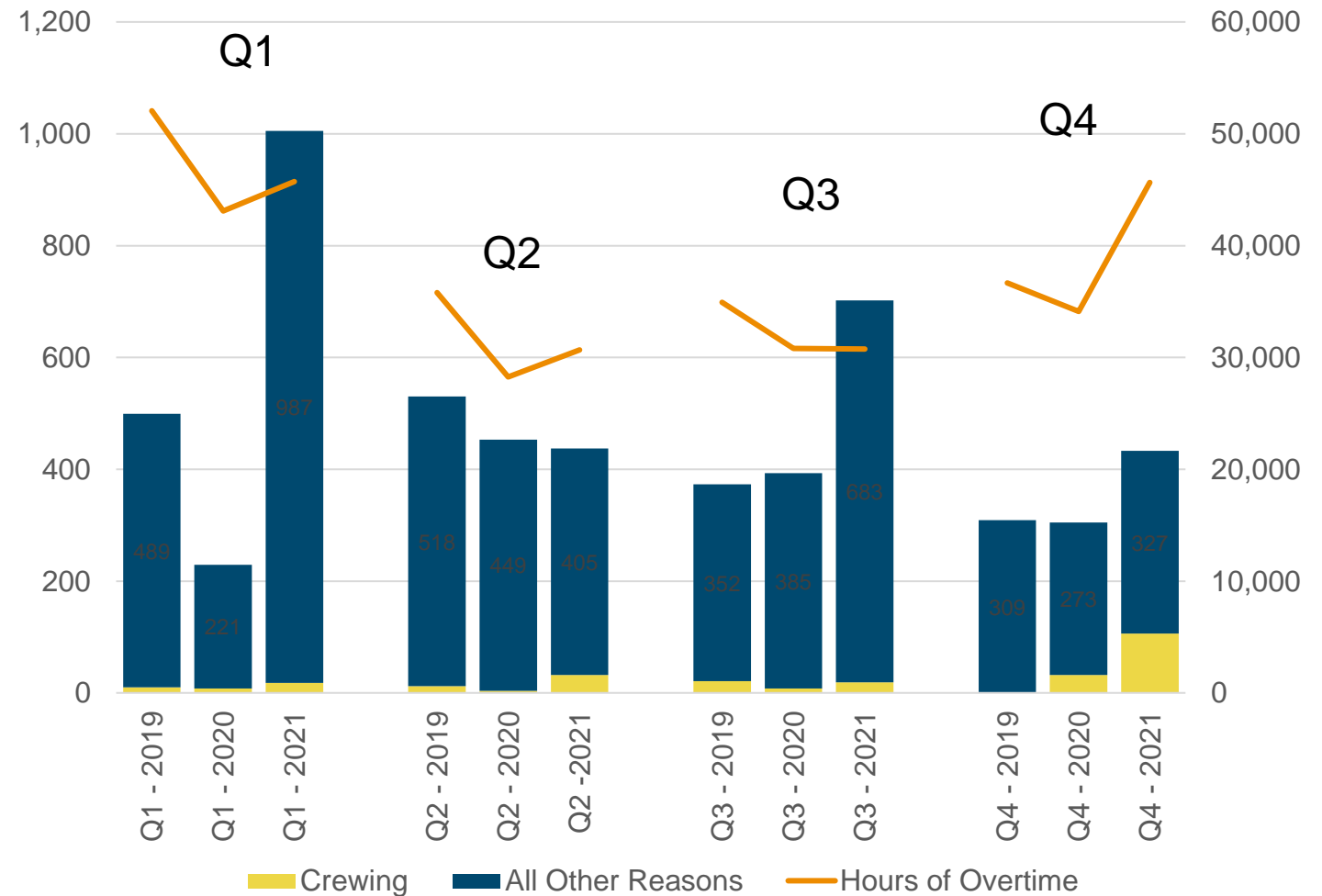
● Cancellations due to staffing up sharply in 2021Q4 (also Q1 & Q4?):

- 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.

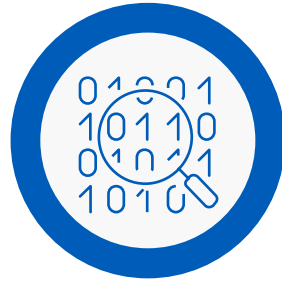
Cancellation vs Hours of Overtime



Assessment Findings

Methodology

The Project Team conducted a comprehensive assessment that included the following components:



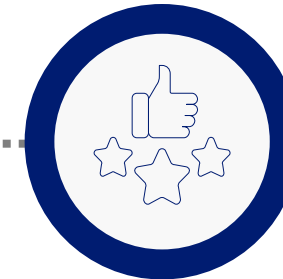
Documentation Review

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

Assessment Findings

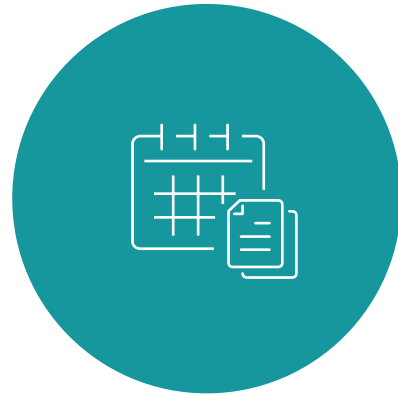
Thematic Summary

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



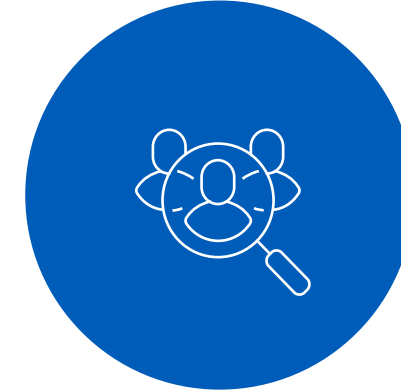
Staffing Shortage

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**

Preview of the Workforce Plan Report

- 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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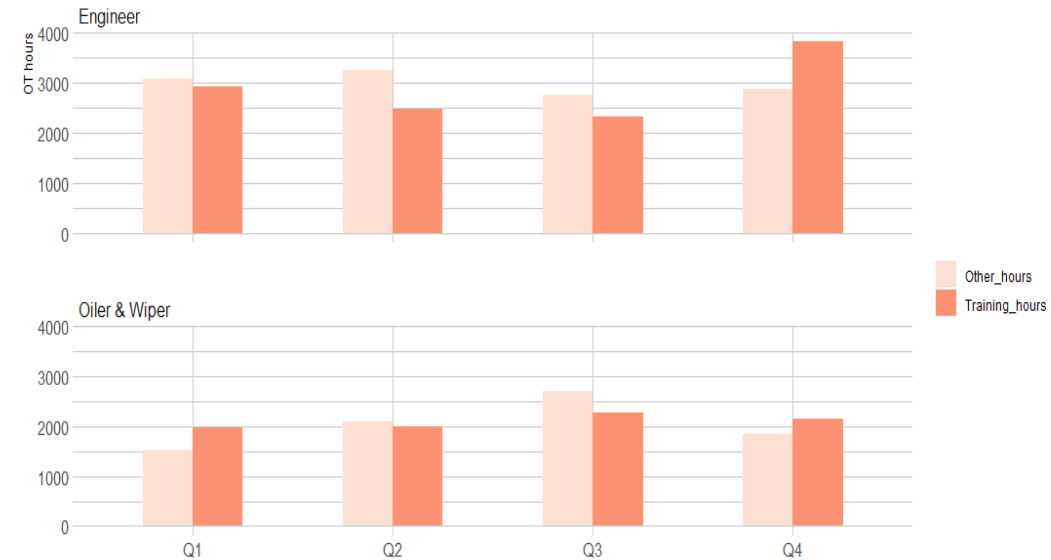
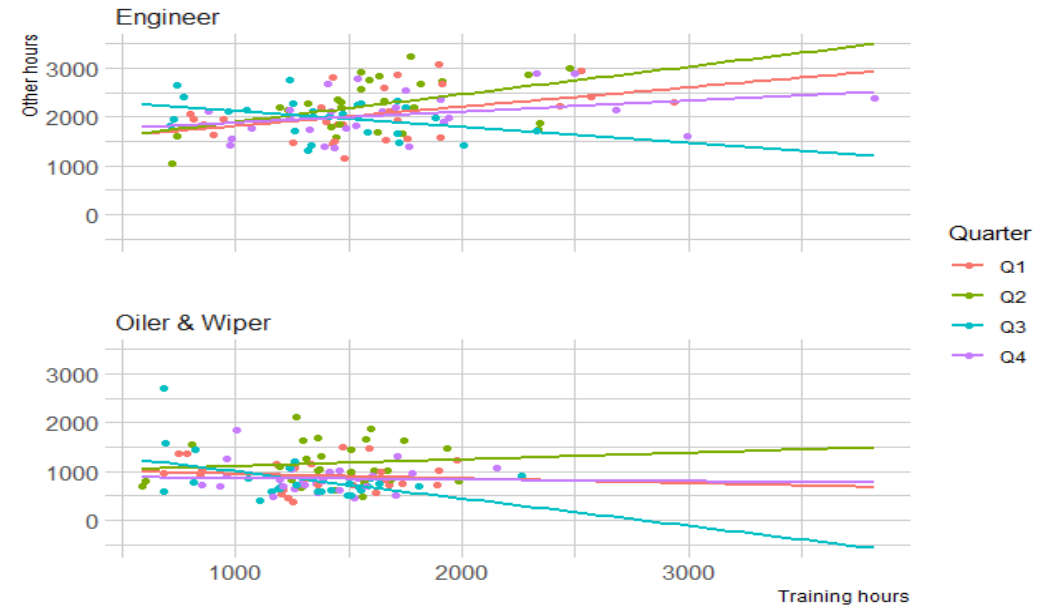
Appendix

Impact of Training on OT

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

Engine crew training

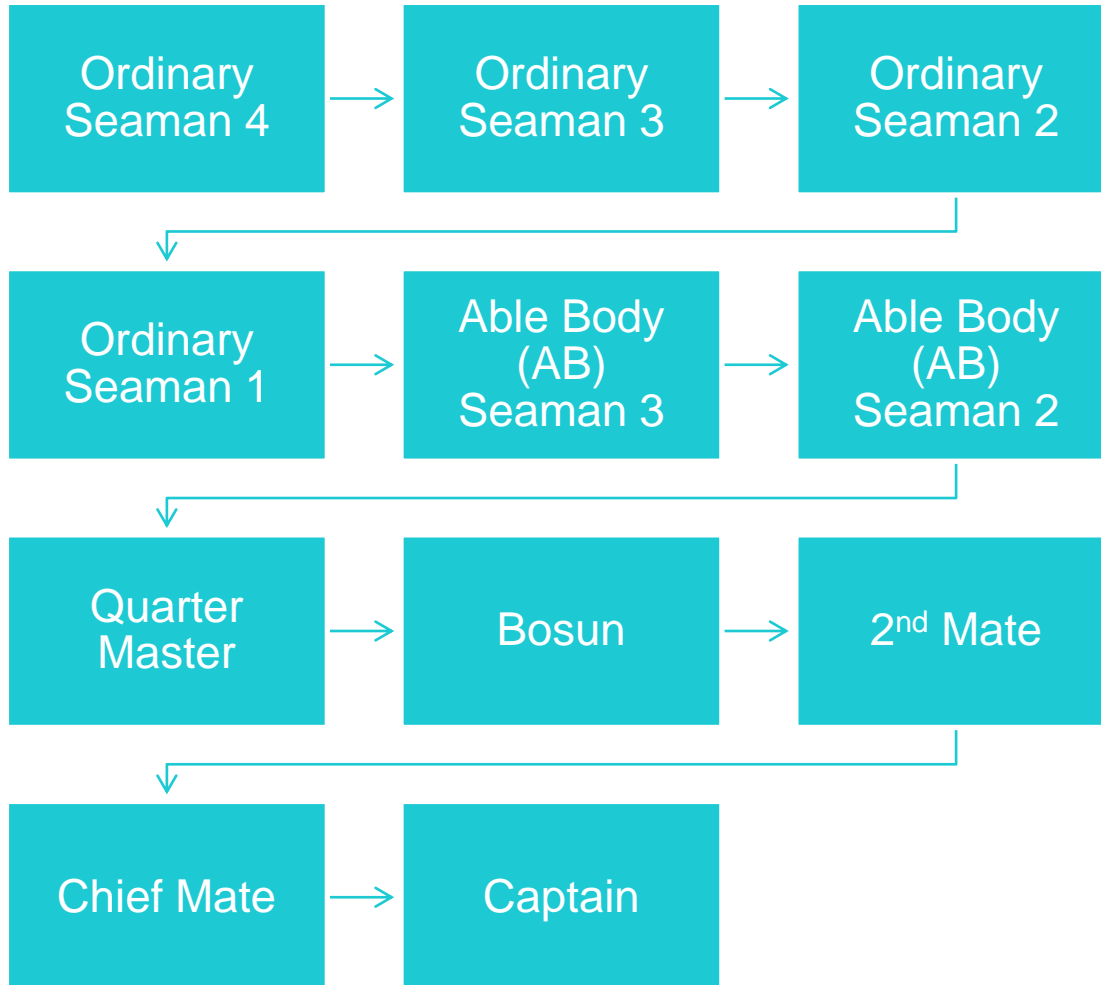
- significant portion of the engine crew OT
- Some of this training could be done outside of OT but crew would need to be replaced by ST workers
- Cost efficient to do training on OT than hiring new workers for just these training hours
- Causal analysis shows minimal impact on other types of OT in the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



Appendix

Career Advancement and Retention

Starting as:



- 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

Last Name	First Name	Role
Churchwell	Brian	IT Assistant Director
Cirkovich	Stephanie	Director of Community Services & Planning
Crawford	Jane	Training & Credentialing Manager
Dabney	Marcus	WSF IT Applications Manager
Distefano	Anthony	IBU Representative
Garman	Ann	Transportation Planning Specialist 5
Hanbey	Matt	Operating Program Manager
Lathan	Dale	Director of Safety Systems
Mast	Terri	IBU
McIntosh	Nicole	Chief of Staff
Mooney	Jay	Port Captain
Morrison	Rachel	Sr. Bid Administrator
Phillips	Eben	Deputy Director of Vessel Engineering & Maintenance

Last Name	First Name	Role
Rustabello	Patty	Assistant Secretary of Washington State Ferries
Schweyen	Bill	Senior Port Engineer/Captain
Servais	Austin	Crew Resource Manager
Singer	Rick	Direction of Finance & Administration
Sowers	David	Director of Terminal Engineering
Twohig	Dan	MM&P United Inland Regional Representative
Von Rudden	Matt	Director of Vessel Engineering & Maintenance System Electrification Program Administrator
Williamson	Alec	Project Management Engineer
Winge	Eric	MEBA

Appendix

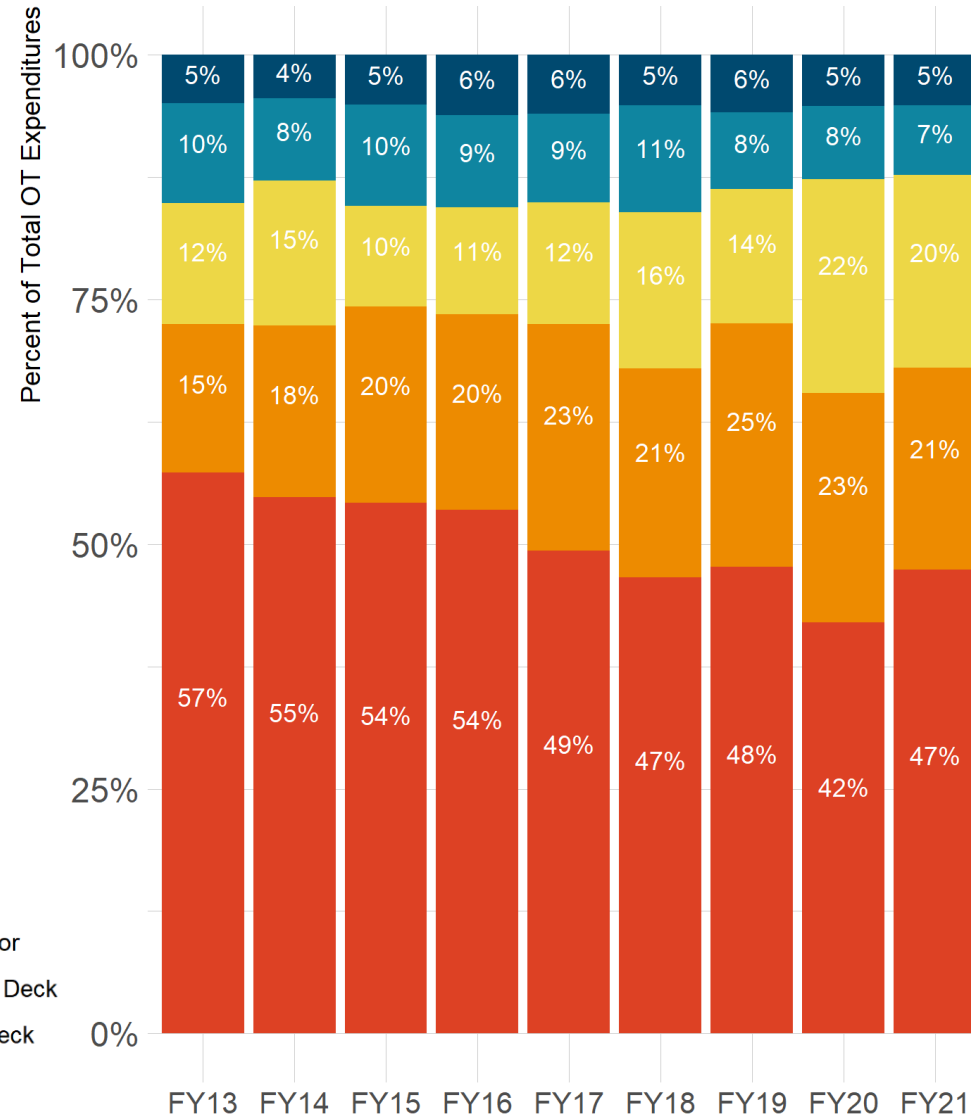
Focus Group List

Unit	Route	Watch/Captain
Deck Crew and Engine Room	Seattle-Bainbridge	B Watch: Jorge Pinzon A Watch: Randy Kesteren C Watch: Scott Schrader E Watch: Erich Ackermann
Deck Crew and Engine Room	Seattle-Bremerton	F Watch: Steven Standaert D Watch: Eric Hairston
Deck Crew and Engine Room	San Juan Islands	H Watch: Glen Hogarth G Watch: David Lawton C Watch: Brandon Moser
Dispatch	N/A	N/A

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

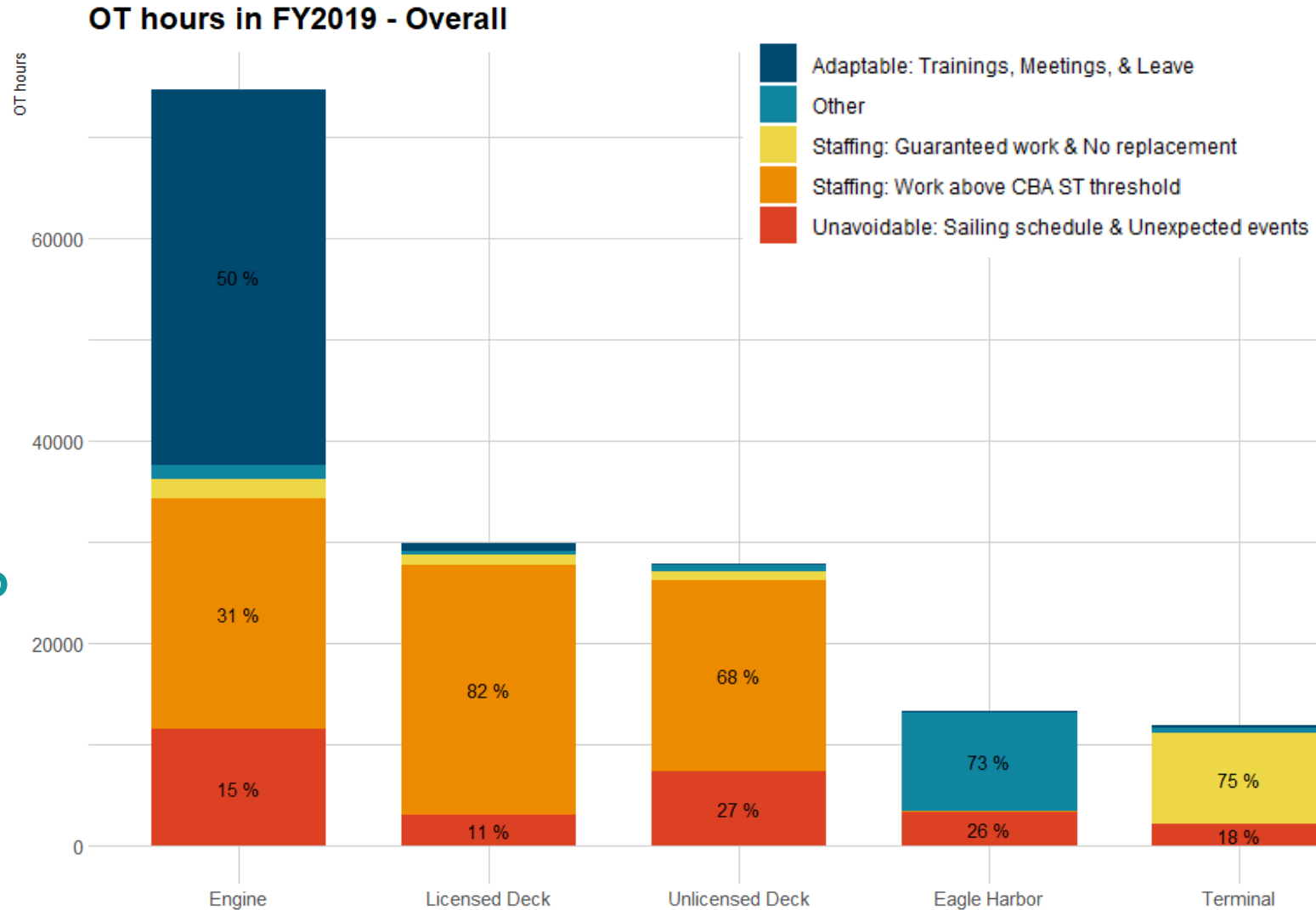
What is included in OT?

- **Engine has largest OT hours & expenditures:**

- Training scheduled on OT
- Workforce shortage
- Unavoidable factors

- **Licensed & Unlicensed Deck are next**

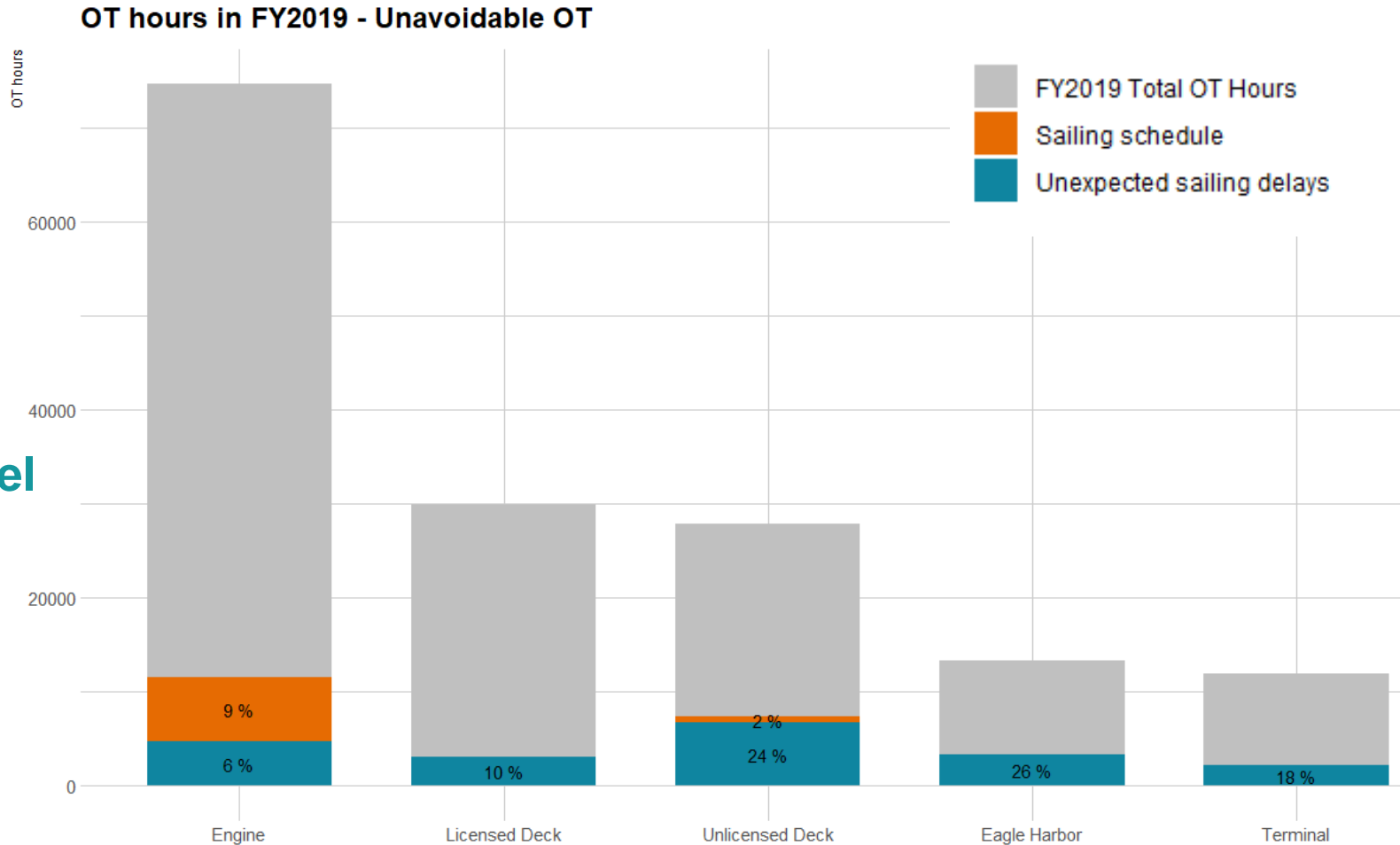
- Largest component is due to staffing



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

